



**REGISTERED BANK  
DISCLOSURE STATEMENT**



**30 JUNE 2016**



**THE BANK OF TOKYO-MITSUBISHI UFJ, LTD  
AUCKLAND BRANCH**

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# Disclosure Statement

## For the Three Months Ended 30 June 2016

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This Disclosure Statement contains information as required by the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) ('the Order').

### 1. Corporate Information

The 'Overseas Banking Group' includes all entities consolidated for the purposes of public reporting in Japan including The Bank of Tokyo-Mitsubishi UFJ, Ltd., its subsidiaries, and associated companies.

The Disclosure Statement and Condensed Interim Financial Statements are for the Auckland Branch (the 'Branch') of The Bank of Tokyo-Mitsubishi UFJ, Ltd. It is the only member in the 'Banking Group' in New Zealand.

The Ultimate Holding Company of The Bank of Tokyo-Mitsubishi UFJ, Ltd. is Mitsubishi UFJ Financial Group, Inc. incorporated in Japan.

Since the balance date of the last full year disclosure statement, there has been no change in the Ultimate Holding Company and no material changes in regulations, legislation, or other restrictions of a legally enforceable nature that may materially inhibit the Ultimate Holding Company from providing material financial support to the Banking Group.

### 2. Recognition and Priority of Claims of Creditors or Classes in the Event of Insolvency

Since the balance date for the last full year Disclosure Statement there have been no material changes in any material legislative or regulatory restrictions in Japan that, in the event of a liquidation of the Registered Bank, subordinate the claims of any class of unsecured creditors of the Branch on the assets of the Registered Bank to those of any other class of unsecured creditors of the Registered Bank

### 3. Excess of Assets Over Deposit Liabilities

There have been no material changes in any statute that requires the Registered Bank to hold in New Zealand an excess of assets over deposit liabilities since the balance date for the last full year Disclosure Statement.

There have been no material changes in any regulatory or legislative requirements in Japan that require the Registered Bank to maintain sufficient assets in Japan to cover an ongoing obligation to pay deposit liabilities in Japan since the balance date for the last full year Disclosure Statement.

### 4. Guarantee Arrangement

The obligations of the Banking Group are not guaranteed under any guarantee (including government guarantees and cross guaranteeing arrangements) as at the date of signing this Disclosure Statement.

### 5. Directorate

5.1 Directors of The Bank of Tokyo-Mitsubishi UFJ, Ltd. as of 30 June 2016:

Name	Occupation	Residence
Nobuyuki Hirano	Chairman	Japan
Kiyoshi Sono	Deputy Chairman	Japan
Takashi Oyamada	President & CEO	Japan

## Disclosure Statement For the Three Months Ended 30 June 2016

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### Directors of The Bank of Tokyo-Mitsubishi UFJ, Ltd., (continued)

Hidekazu Fukumoto	Deputy President	Japan
Saburo Araki	Deputy President	Japan
Kanetsugu Mike	Deputy President	U.S.A
Takehiko Yamana	Deputy President	Japan
Naoto Hirota	Senior Managing Director	Japan
Tadashi Kuroda	Senior Managing Director	Japan
Satoshi Murabayashi	Senior Managing Director	Japan
Eiichi Yoshikawa	Senior Managing Director	Japan
Muneaki Tokunari	Senior Managing Director	Japan
Akira Hamamoto	Managing Director	Japan
Naoki Horii	Managing Director	Japan
Atsushi Murakami	Managing Director	Japan
Masamichi Yasuda	Managing Director	Japan
Masahito Monguchi	Director	Japan
Hitoshi Suzuki	Director	Japan
Yukiyasu Nishio	Director	Japan
Kenichi Nakamatsu	Director	Japan
Fumikazu Tatsumi	Director	Japan
Michiyoshi Sakamoto	Director	Japan
Makoto Ebata	Director	Japan
Kenji Matsuo	Director	Japan
Shuzo Sumi	Director	Japan

The following changes in Directors of The Bank of Tokyo-Mitsubishi UFJ, Ltd. since the last full year Disclosure Statement were:

Katsunori Nagayasu resigned as Chairman on 1 April 2016.  
 Takashi Morimura resigned as Deputy President on 28 June 2016.  
 Takeshi Ogasawara resigned as Deputy President on 28 June 2016.  
 Takashi Morisaki resigned as Deputy President on 28 June 2016.  
 Shuzo Iwasaki resigned as Managing Director on 31 May 2016.  
 Takahiro Yanai resigned as Managing Director on 16 May 2016.  
 Teruo Ozaki resigned as Director on 28 June 2016.  
 Nobuyuki Hirano appointed as Chairman on 1 April 2016.  
 Takashi Oyamada appointed as President & CEO on 1 April 2016.  
 Saburo Araki appointed as Deputy President on 16 May 2016.  
 Kanetsugu Mike appointed as Deputy President on 28 June 2016.  
 Takehiko Yamana appointed as Deputy President on 28 June 2016.  
 Eiichi Yoshikawa appointed as Senior Managing Director on 28 June 2016.  
 Muneaki Tokunari appointed as Senior Managing Director on 16 May 2016.  
 Naoki Horii appointed as Managing Director on 28 June 2016.  
 Atsushi Murakami appointed as Managing Director on 28 June 2016.  
 Masahito Monguchi appointed as Director on 28 June 2016.  
 Hitoshi Suzuki appointed as Director on 28 June 2016.  
 Yukiyasu Nishio appointed as Director on 28 June 2016.  
 Kenichi Nakamatsu appointed as Director on 28 June 2016.  
 Fumikazu Tatsumi appointed as Director on 28 June 2016.  
 Michiyoshi Sakamoto appointed as Director on 28 June 2016.  
 Makoto Ebata appointed as Director on 28 June 2016.  
 Kenji Matsuo appointed as Director on 28 June 2016.  
 Shuzo Sumi appointed as Director on 28 June 2016.

## Disclosure Statement For the Three Months Ended 30 June 2016

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### 5. Directorate (continued)

5.2 Signatories who have signed the Disclosure Statement. Responsible Person signing on behalf of Directors and New Zealand Chief Executive Officer:

Name	Occupation	Residence
Toru Masutani	Regional Head for Oceania, General Manager, (Responsible Person on behalf of the Directors)	Australia
Michael Ryff	General Manager, Auckland Branch (New Zealand Chief Executive Officer)	New Zealand

### 6. Auditors

Name and address of Auditor whose report is referred to in this Disclosure Statement:

Deloitte  
Deloitte Centre  
80 Queen Street  
Auckland 1010  
New Zealand

### 7. Conditions of Registration

There has been no change to the conditions of registration since the last Disclosure Statement as at 31 March 2016.

### 8. Credit Rating

The Registered Bank has the following long term credit ratings which are applicable to the Banking Group in New Zealand.

	Current Rating	Previous Rating (if changed in the previous two years)	Date of Change
<b>Standard &amp; Poor's</b>	A+	-	-
<b>Moody's</b>	A1	Aa3	2 December 2014
<b>Fitch</b>	A	-	-

Rating scales are:

Credit Ratings	S&P's	Moody's	Fitch
Highest quality/Extremely strong capacity to pay interest and principal	AAA	Aaa	AAA
High quality/Very strong capacity to pay interest and principal	AA	Aa	AA
Upper medium grade/Strong capacity to pay interest and principal	A	A	A
Medium grade (lowest investment grade)/Adequate to pay interest and principal	BBB	Baa	BBB
Predominantly speculative/Less near term vulnerability to default	BB	Ba	BB
Speculative, low grade/Great vulnerability	B	B	B
Poor to default/identifiable vulnerability	CCC	Caa	CCC
Highest speculations	CC	Ca	CC
Lowest quality, no interest	C	C	C
Defaulted on obligations	D	-	D

## Disclosure Statement For the Three Months Ended 30 June 2016

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### 8. Credit Rating (continued)

Standard & Poor's and Fitch – Ratings are modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Moody's – A numeric modifier is applied to each generic rating category from Aa to B, indicating that the counterparty is (1) in the higher end of its letter-rating category, (2) in mid-range, (3) in lower end.

### 9. Other Material Matters

There are no matters relating to the business or affairs of the Registered Bank and its Banking Group that are not contained elsewhere in the Disclosure Statement, and would, if disclosed, materially affect the decision of a person to subscribe for debt securities of which the Registered Bank or any member of its Banking Group is the issuer.

### 10. Financial Statements of the Registered Bank and the Overseas Banking Group

The most recent publicly available Disclosure Statement for the Banking Group can be accessed via the Branch's website: [www.nz.bk.mufg.jp](http://www.nz.bk.mufg.jp). Copies of the most recent publicly available Disclosure Statement for the Banking Group will be provided within two working days at no charge to any person who requests a copy.

The most recent publicly available Financial Statements of the Registered Bank and the Overseas Banking Group may be accessed via the Bank's global website: [www.mufg.jp](http://www.mufg.jp). In addition, Financial Statements are also prepared and filed with the United States Securities and Exchange Commission, Washington, D.C.

## Disclosure Statement For the Three Months Ended 30 June 2016

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### 11. Directors' and General Manager Auckland Branch's Statement

After due enquiry, each Director and the General Manager Auckland Branch believe that:

as at the date on which the Disclosure Statement is signed;

- the Disclosure Statement contains all the information that is required by the Registered Bank Disclosure Statement (Overseas Incorporated Registered Banks) Order 2014 (as amended);
- the Disclosure Statement is not false or misleading ;

and over the three-month accounting period ended 30 June 2016;

- The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch had systems in place to monitor and control adequately the material risks of the Banking Group, including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk and other business risks, and that those systems were being properly applied; and
- The Bank of Tokyo-Mitsubishi UFJ, Ltd. has complied with all Conditions of Registration that applied during the period.

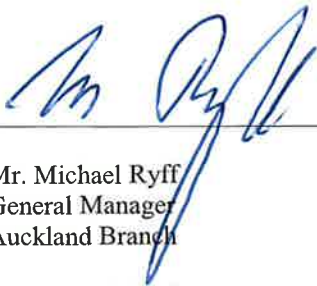
Signed for and on behalf of the Board of Directors of The Bank of Tokyo-Mitsubishi UFJ, Ltd. by their agent duly appointed in writing, and by the General Manager, Auckland Branch.



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Mr. Toru Masutani  
Regional Head for Oceania,  
General Manager  
(and Authorised Attorney on behalf of  
the Directors)

Dated (Sydney): 24 August 2016



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Mr. Michael Ryff  
General Manager  
Auckland Branch

Dated (Auckland): 24 August 2016



## Condensed Interim Financial Statements For the Three Months Ended 30 June 2016

### Condensed Statement of Comprehensive Income

	Note	Three Months ended 30 June 2016 Unaudited NZD	Three Months ended 30 June 2015 Unaudited NZD
Interest income	2	21,387,589	30,500,257
Interest expense	2	(19,425,058)	(27,327,307)
Net interest income		<u>1,962,531</u>	<u>3,172,950</u>
Fees and commission income	2	2,725,112	2,945,228
Gains less losses on financial instruments	2	(194,360)	(52,452)
		<u>2,530,752</u>	<u>2,892,776</u>
Occupancy expenses	2	(69,684)	(68,519)
Personnel expenses	2	(597,848)	(549,903)
Auditors' remuneration	2	(35,396)	(44,220)
Administration and other expenses	2	(216,741)	(246,044)
		<u>3,573,614</u>	<u>5,157,040</u>
Profit before income tax expense		<u>3,573,614</u>	<u>5,157,040</u>
Income tax expense		(28,172)	(909,171)
Profit from continuing operations		<u>3,545,442</u>	<u>4,247,869</u>
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Available-for-sale securities			
- (Loss)/ profit arising during the year		(193,062)	646,885
- Less: Reclassification adjustment for loss included in profit or loss		11,079	281,505
		<u>(181,983)</u>	<u>928,390</u>
Income tax benefit/ (expense) on available-for-sale securities		50,955	(259,949)
Other comprehensive (expense)/ income, net of tax		<u>(131,028)</u>	<u>668,441</u>
Total comprehensive income, net of tax		<u>3,414,414</u>	<u>4,916,310</u>

The condensed interim statement of comprehensive income is to be read in conjunction with the accompanying notes to and forming part of the condensed interim financial statements.

## Condensed Interim Financial Statements For the Three Months Ended 30 June 2016

### Condensed Statement of Changes in Equity

Unaudited  
NZD

	Head Office Capital	Retained Earnings	Available-for- sale Revaluation Reserve	Total
<b>Balance at 1 April 2015</b>	83,000,000	14,793,234	652,528	98,445,762
Profit from continuing operations	-	4,247,869	-	4,247,869
Other comprehensive income, net of tax	-	-	668,441	668,441
Total comprehensive income, net of tax	-	4,247,869	668,441	4,916,310
<b>Balance at 30 June 2015</b>	83,000,000	19,041,103	1,320,969	103,362,072
<b>Balance at 1 April 2016</b>	83,000,000	41,261,540	619,629	124,881,169
Profit from continuing operations	-	3,545,442	-	3,545,442
Other comprehensive (expense), net of tax	-	-	(131,028)	(131,028)
Total comprehensive income/ (expense), net of tax	-	3,545,442	(131,028)	3,414,414
<b>Balance at 30 June 2016</b>	83,000,000	44,806,982	488,601	128,295,583

The condensed interim statement of changes in equity is to be read in conjunction with the accompanying notes to and forming part of the condensed interim financial statements.

## Condensed Interim Financial Statements For the Three Months Ended 30 June 2016

### Condensed Statement of Financial Position

	Note	As at 30 June 2016 Unaudited NZD	As at 30 June 2015 Unaudited NZD	As at 31 March 2016 Audited NZD
<b>Assets</b>				
Cash and short term liquid assets		94,216,059	24,969,270	27,791,027
Amounts due from related parties	9	54,155,469	77,393,397	56,166,131
Amounts due from other financial institutions		214,396,506	94,606,579	199,382,938
Available-for-sale securities		26,472,428	160,057,943	27,116,607
Corporate loans originated by the Bank	4	2,509,372,037	2,653,716,586	2,817,897,473
Acceptances of customers		-	213,216	44,815
Derivative instruments		23,741,086	22,596,110	20,848,509
Other assets		1,322,445	1,047,933	1,263,822
Current tax asset		4,603,723	1,047,689	4,603,723
Deferred tax asset		13,202,743	17,887,829	13,179,960
Property, plant and equipment	3	309,329	502,329	364,758
<b>Total Assets</b>		<u>2,941,791,825</u>	<u>3,054,038,881</u>	<u>3,168,659,763</u>
<b>Liabilities</b>				
Amounts due to related parties	9	2,440,032,355	2,675,272,284	2,537,489,565
Deposits	5	348,284,621	251,611,459	483,996,844
Acceptances		-	213,216	44,815
Derivative instruments		24,019,988	22,518,512	20,907,148
Other liabilities	7	1,159,278	1,061,338	1,340,222
<b>Total Liabilities</b>		<u>2,813,496,242</u>	<u>2,950,676,809</u>	<u>3,043,778,594</u>
<b>Equity</b>				
Head Office capital	9	83,000,000	83,000,000	83,000,000
Retained earnings		44,806,982	19,041,103	41,261,540
Available-for-sale securities revaluation reserve		488,601	1,320,969	619,629
<b>Total Equity</b>		<u>128,295,583</u>	<u>103,362,072</u>	<u>124,881,169</u>
<b>Total Liabilities and Equity</b>		<u>2,941,791,825</u>	<u>3,054,038,881</u>	<u>3,168,659,763</u>
<b>Total Interest Earning and Discount Bearing Assets</b>		2,844,457,030	2,933,350,378	3,072,188,045
<b>Total Interest and Discount Bearing Liabilities</b>		2,761,643,105	2,910,356,485	3,006,529,391

The condensed interim statement of financial position is to be read in conjunction with the accompanying notes to and forming part of the condensed interim financial statements.

# Condensed Interim Financial Statements For the Three Months Ended 30 June 2016

## Condensed Statement of Cash Flows

	Three Months ended 30 June 2016 Unaudited NZD	Three Months ended 30 June 2015 Unaudited NZD
<b>Cash Flows from Operating Activities</b>		
Interest income received	23,390,740	34,196,302
Commission fees & trading income	2,509,146	2,892,776
Interest paid	(20,177,426)	(26,434,073)
Payment to suppliers, employees and others	(875,148)	(838,786)
<b>Net cash flows from operating activities before changes in operating assets and liabilities</b>	<b>4,847,312</b>	<b>9,816,219</b>
<b>Net decrease / (increase) in operating assets:</b>		
Net decrease / (increase) in corporate loans originated by the Bank	306,899,335	(27,579,545)
Net (increase) in amounts due from other financial institutions	(15,013,568)	(40,027,962)
Net decrease in available-for-sale securities	85,145	57,928,903
Net decrease / (increase) in amounts due from related parties	2,010,662	(17,058,158)
Net decrease / (increase) in other assets	44,879	(927,360)
	294,026,453	(27,664,122)
<b>Net (decrease) / increase in operating liabilities:</b>		
Net (decrease) / increase in commercial papers and deposits	(135,503,611)	49,603,039
Net (decrease) in amounts due to related parties	(96,913,454)	(30,433,439)
Net (decrease) / increase in other liabilities	(28,160)	2,971,925
	(232,445,225)	22,141,525
<b>Net cash flows from operating activities before income tax</b>	<b>66,428,540</b>	<b>4,293,622</b>
Net tax paid	-	(1,771,702)
<b>Net cash flows from operating activities</b>	<b>66,428,540</b>	<b>2,521,920</b>
<b>Cash Flows from Investing Activities</b>		
Payment for property, plant and equipment	(3,508)	-
<b>Net cash flows from investing activities</b>	<b>(3,508)</b>	<b>-</b>
<b>Cash Flows from Financing Activities</b>		
Remittance to the Overseas Bank	-	-
Capital injection	-	-
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net change in Cash and Cash Equivalents</b>		
Net increase in cash and cash equivalents	66,425,032	2,521,920
Cash and cash equivalents at beginning of year	27,791,027	22,447,350
<b>Cash and cash equivalents at end of the period</b>	<b>94,216,059</b>	<b>24,969,270</b>
<b>Reconciliation of Closing Cash and Cash Equivalents</b>		
Cash and short term liquid assets	94,216,059	24,969,270
<b>Closing cash and cash equivalents</b>	<b>94,216,059</b>	<b>24,969,270</b>

The condensed interim statement of cash flows is to be read in conjunction with the accompanying notes to and forming part of the condensed interim financial statements.

## Condensed Interim Financial Statements For the Three Months Ended 30 June 2016

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### Condensed Statement of Cash Flows (continued)

	<b>Three Months ended 30 June 2016 Unaudited NZD</b>	<b>Three Months ended 30 June 2015 Unaudited NZD</b>
Reconciliation of profit from continuing operations to net cash used in operating activities		
Profit from continuing operations	3,545,442	4,247,869
Decrease/ (increase) in corporate loans	308,525,436	(29,148,682)
(Increase) in amounts due from other financial institutions	(15,013,568)	(40,027,962)
Decrease in available-for-sale securities	462,194	63,194,085
Decrease/ (increase) in amounts due from related parties	2,010,662	(17,058,158)
(Increase) / decrease in other assets	(13,809)	1,016,804
(Decrease)/ Increase in commercial papers and deposits	(135,712,221)	50,335,918
(Decrease) in amounts due to related parties	(97,457,210)	(30,273,083)
(Decrease) in other payable (cash)	(269,569)	(21,670)
Movement in tax	28,172	(602,582)
Non-cash items:		
Depreciation of property, plant and equipment	58,937	65,670
Other	264,074	793,711
Net cash flows from operating activities	66,428,540	2,521,920

The condensed interim statement of cash flows is to be read in conjunction with the accompanying notes to and forming part of the condensed interim financial statements.

# Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2016

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## 1. Statement of Significant Accounting Principles

### a) Statement of Compliance

The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch (“The Branch”) operates in Auckland, New Zealand and the Registered Bank is incorporated in Japan. The Branch is profit-oriented and is an FMC Reporting Entity under the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013. The condensed interim financial statements of the Branch incorporated in this Disclosure Statement have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (‘NZ GAAP’) and comply with the requirements of NZ IAS 34 Interim Financial Reporting and Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended). These condensed interim financial statements also comply with IAS 34 Interim Financial Reporting. The Branch does not qualify for any differential reporting exemptions and the financial statements should be read in conjunction with the financial statements for the year ended 31 March 2016.

The condensed interim financial statements were authorized for issue by the directors on the date of signing this Disclosure Statement.

### b) Basis of preparation

The condensed interim financial statements are presented in New Zealand dollars.

The condensed interim financial statements have been prepared on the historical cost basis, except for the revaluation of certain non-current assets and financial instruments.

Cost is based on the fair-value of the consideration given in exchange for assets.

### c) Changes in accounting policy

There have been no material changes in accounting policies since the last financial statement for year ended 31 March 2016.

### d) Comparative figures

Certain comparative figures have been re-stated to comply with the current year presentation. There has been no re-statement on comparative figures for this condensed interim financial statement.

## Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2016

### 2. Profit Before Income Tax Expense

	Three Months ended 30 June 2016 Unaudited NZD	Three Months ended 30 June 2015 Unaudited NZD
<b>Operating revenue</b>		
<b>(a) Interest income</b>		
Corporate loans and other accounts	21,384,260	30,492,202
Related parties	3,329	8,055
	<u>21,387,589</u>	<u>30,500,257</u>
<b>(b) Fees and Commissions income</b>		
Fees and commission income	2,725,112	2,945,228
	<u>2,725,112</u>	<u>2,945,228</u>
<b>(c) Gains less losses on financial instruments</b>		
Net (loss) on interest rate derivatives	(186,624)	(34,661)
Net (loss) on foreign currency	(7,737)	(17,791)
Other income	1	-
	<u>(194,360)</u>	<u>(52,452)</u>
	<u>23,918,341</u>	<u>33,393,033</u>
Total interest income derived from financial assets:		
At amortised cost	21,129,839	29,439,629
Available-for-sale securities	257,750	1,060,628
Designated at fair value through profit or loss	-	-
Total fee income derived from financial assets that are not at fair value through profit and loss	2,613,575	2,919,941
Net (loss) on financial assets/liabilities held for trading	(212,610)	(65,124)
Net realised gain on held for trading	18,249	12,672
Other fee income	111,537	25,287
Loss on sale of available-for-sale securities	-	-
Other income	1	-
	<u>23,918,341</u>	<u>33,393,033</u>
<b>Expenses</b>		
<b>(a) Interest expense</b>		
Deposits and other accounts	3,036,371	2,392,864
Related parties	16,388,687	24,934,443
	<u>19,425,058</u>	<u>27,327,307</u>
Total interest expense was derived from financial liabilities:		
At amortised cost	19,425,058	27,327,307
Designated at fair value through profit and loss	-	-
	<u>19,425,058</u>	<u>27,327,307</u>
<b>(b) Other operating expenses</b>		
Rental & operating lease costs	69,684	68,519
Depreciation		
Furniture, fixtures and fittings	5,346	7,959
Office equipment	51,965	55,537
Motor vehicles	1,626	2,174
Auditors' remuneration		
Audit fees	35,396	44,220
Other non-audit services	-	-
Salaries	562,233	504,546
Staff related cost	35,615	45,357
Net losses from the disposal of fixed assets	-	7,311
General administration and other operating expenses	157,804	173,063
	<u>919,669</u>	<u>908,686</u>
Profit before income tax expense	<u>3,573,614</u>	<u>5,157,040</u>

Total income excluding any net loss for three months ended 30 June 2016 is NZD 24,112,702 (three months ended 30 June 2015: NZD 33,445,485)

The condensed interim statement of comprehensive income is to be read in conjunction with the accompanying notes to and form part of the condensed interim financial statements.

## Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2016

### 3. Property, Plant and Equipment

During the three months ended 30 June 2016 the Branch acquired property, plant and equipment with the amount of NZD 3,508 (three months ended 30 June 2015: Nil; twelve months ended 31 March 2016: NZD 70,989).

During the three months ended 30 June 2016 the Branch did not dispose property, plant and equipment (three months ended 30 June 2015: 7,311; twelve months ended 31 March 2016: NZD 7,311).

There was no impairment loss for property, plant and equipment recognized during the three months ended 30 June 2016 (three months ended 30 June 2015: Nil; twelve months ended 31 March 2016: Nil).

### 4. Loans and Advances

	As at 30 June 2016 Unaudited NZD	As at 30 June 2015 Unaudited NZD	As at 31 March 2016 Audited NZD
Corporate loans originated by the bank	2,509,372,037	2,717,412,238	2,817,897,473
Less: individual impairment allowance	-	63,695,652	-
	2,509,372,037	2,653,716,586	2,817,897,473

### 5. Deposits

	As at 30 June 2016 Unaudited NZD	As at 30 June 2015 Unaudited NZD	As at 31 March 2016 Audited NZD
Retail deposit bearing interest	7,602,477	5,810,472	7,313,170
Retail deposit not bearing interest	26,673,871	16,527,258	14,957,018
Certificate deposit	92,583,273	3,474,183	49,714,693
Call deposit	45,144,839	90,911,660	60,415,575
Term deposit	176,280,161	134,887,886	351,596,388
	348,284,621	251,611,459	483,996,844

### 6. Total Liabilities of the Branch Net of Amounts Due to Related Parties

	As at 30 June 2016 Unaudited NZD	As at 30 June 2015 Unaudited NZD	As at 31 March 2016 Audited NZD
Total Liabilities	2,813,496,242	2,950,676,809	3,043,778,594
Less: total amounts due to related parties (Note : 9)	(2,452,949,343)	(2,691,829,325)	(2,548,958,187)
Total liabilities net of amounts due to related parties	360,546,899	258,847,484	494,820,407



## Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2016

### 7. Other Liabilities

	As at 30 June 2016 Unaudited NZD	As at 30 June 2015 Unaudited NZD	As at 31 March 2016 Audited NZD
Provision	138,812	137,547	120,299
Unearned income	781,144	679,734	1,005,595
Others	239,322	244,057	214,328
	1,159,278	1,061,338	1,340,222

### 8. Commitments and Contingent Liabilities

	As at 30 June 2016 Unaudited NZD	As at 30 June 2015 Unaudited NZD	As at 31 March 2016 Audited NZD
a) Future lease rental commitments			
Operating lease (primarily premises)			
Due within 1 year	206,011	241,828	232,912
Due within 1 - 2 years	176,169	195,318	174,876
Due within 2 - 5 years	560,855	544,520	556,741
Due over 5 years	48,479	240,983	96,958
	991,514	1,222,649	1,061,487
b) Other commitments			
Undrawn facility commitments	817,119,039	814,188,043	600,979,624
c) Contingent liabilities			
Guarantees given	12,703,456	410,595	12,703,456
Performance related contingencies	4,700,000	6,435,542	4,700,000
Trade related contingencies	23,319,840	22,712	69,616
	40,723,296	6,868,849	17,473,072

The Branch provides guarantees in its normal course of business on behalf of its customers and there are three principal types of guarantee:

- Guarantee given – a financial guarantee that is an agreement by which the Branch agrees to pay an amount of money on demand on behalf of a customer to a third party during the life of the guarantee.
- Performance related contingencies – a guarantee given by the Branch that undertakes to pay a sum of money to a third party where the customer fails to fulfil certain terms and conditions of a contract.
- Trade related contingencies – contingent liabilities arising from trade-related obligations secured against an underlying shipment of goods to make a payment to a third party if a counterparty fails to fulfil a contractual non-monetary obligation.

## Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2016

### 8. Commitments and Contingent Liabilities (continued)

The credit risk involved in issuing guarantees is essentially the same as that involved in extending loan facilities to customers. Apart from the normal documentation for a facility of this type, the customer must also provide the Branch with a written indemnity, undertaking that, in the event the Branch is called upon to pay, the Branch will be fully reimbursed by the customer.

The Branch has no financial assets that have been pledged as collateral for liabilities or contingent liabilities.

### 9. Related Party Disclosures

The Auckland Branch is a branch of an overseas company, The Bank of Tokyo-Mitsubishi UFJ, Ltd., which is incorporated in Japan and is the ultimate parent bank.

Related party transactions are unsecured and entered into in the normal course of business. During the period there have been dealings between Auckland branch, other overseas branches and Head Office. Amounts due from related parties is only related to the settlement account which is due on demand. Amounts due to related parties are mainly term deposits which are due in accordance with an agreed date. No related party debts have been written off or forgiven during the reporting period.

Derivative instruments with related parties are used to manage interest rate and currency exposures and include foreign exchange forwards, interest rate swaps, and currency options.

	Three Months ended 30 June 2016 Unaudited NZD	Three Months ended 30 June 2015 Unaudited NZD	Three Months ended 31 March 2016 Audited NZD
<b>A) Balances</b>			
<b>Assets</b>			
Amounts due from related parties	54,155,469	77,393,397	56,166,131
Derivative instruments	11,136,892	6,045,340	9,468,030
	65,292,361	83,438,737	65,634,161
<b>Liabilities</b>			
Amounts due to related parties	2,440,032,355	2,675,272,284	2,537,489,565
Derivative instruments	12,916,988	16,557,041	11,468,622
	2,452,949,343	2,691,829,325	2,548,958,187
<b>Equity</b>			
Head Office capital	83,000,000	83,000,000	83,000,000
<b>Off Balance Sheet</b>			
Guarantees given	227,782	227,782	227,782
Performance related contingencies	400,000	400,000	400,000
	627,782	627,782	627,782
<b>B) Transactions</b>			
Interest income	3,329	8,055	8,055
Interest expense	16,388,687	24,934,443	85,685,968
Net profit / (loss) from derivative instruments	611,152	(587,338)	(6,213,755)
Fees and commissions income	125	125	503

## Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2016

### 9. Related Party Disclosures (continued)

The Branch's Head Office capital comprises funds provided by the overseas bank to support the Branch's daily operation and to fulfil local thin capitalisation requirements. It is non-interest bearing and there is no fixed date for repatriation. The capital of the registered bank is managed by the overseas bank. The Branch does not separately manage capital other than for the purpose of the Reserve Bank of New Zealand's requirements as disclosed in Note 14 and Note 15.

Other transactions like sundry administrative charges are not material to the results and are therefore not disclosed separately.

### 10. Fair Value of Financial Instruments

Quoted market prices, where available, are used to estimate the fair value of financial instruments. However, quoted market prices are not available for a substantial portion of financial instruments and fair value for such financial instruments is estimated using discounted cash flow models that utilise prices from observable current market transactions, or other valuation techniques. The summary table shows the carrying amounts and estimated fair values of financial instruments as at the reporting date. The methodologies and assumptions used to estimate the fair value of the financial instruments are:

- a. For those assets or liabilities that are short term in nature, the related carrying value is equivalent to their fair value.
- b. For floating rate loans and deposits, the carrying amount in the statement of financial position is considered a reasonable estimate of their fair value after making allowances for impairment. For fixed rate loans and deposits, fair value is estimated using discounted cash flow models based on current market rates. The differences between estimated fair value of loans and deposits and carrying value reflect the difference between observable market interest rates and customer rates on day one and changes in interest rates since the loans' and deposits' origination.
- c. The fair values of derivative instruments are calculated using the discounted cash flow model. Swap transactions are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from observable interest rates. Foreign currency forward contracts are measured using observable forward exchange rates and yield curves derived from observable interest rates matching maturities of the contracts.
- d. The fair values of available-for-sales securities are derived from quoted prices in the active market.

30 June 2016 Unaudited	Note	Held for Trading NZD	Available for Sale Securities NZD	Loans and Receivables NZD	Other Amortised Cost NZD	Total Carrying Amount NZD	Fair Value NZD
<b>Assets</b>							
Cash and cash equivalents	a	-	-	94,216,059	-	94,216,059	94,216,059
Amounts due from related parties	a	-	-	54,155,469	-	54,155,469	54,155,469
Amounts due from other financial institutions	a	-	-	214,396,506	-	214,396,506	214,396,506
Available-for-sale securities	d	-	26,472,428	-	-	26,472,428	26,472,428
Corporate loans originated by the Bank	b	-	-	2,509,372,037	-	2,509,372,037	2,511,693,729
Other assets	c, a	23,741,086	-	1,264,200	-	25,005,286	25,005,286
<b>Total financial assets</b>		<b>23,741,086</b>	<b>26,472,428</b>	<b>2,873,404,271</b>	<b>-</b>	<b>2,923,617,785</b>	<b>2,925,939,477</b>
<b>Liabilities</b>							
Amounts due to related parties	b	-	-	-	2,440,032,355	2,440,032,355	2,442,156,933
Deposits	a, b	-	-	-	348,284,621	348,284,621	348,284,621
Other liabilities	c	24,019,988	-	-	-	24,019,988	24,019,988
<b>Total financial liabilities</b>		<b>24,019,988</b>	<b>-</b>	<b>-</b>	<b>2,788,316,976</b>	<b>2,812,336,964</b>	<b>2,814,461,542</b>

## Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2016

### 10. Fair Value of Financial Instruments (continued)

30 June 2015 Unaudited	Note	Held for Trading NZD	Available for Sale Securities NZD	Loans and Receivables NZD	Other Amortised Cost NZD	Total Carrying Amount NZD	Fair Value NZD
<b>Assets</b>							
Cash and cash equivalents	a	-	-	24,969,270	-	24,969,270	24,969,270
Amounts due from related parties	a	-	-	77,393,397	-	77,393,397	77,393,397
Amounts due from other financial institutions	a	-	-	94,606,579	-	94,606,579	94,606,579
Available-for-sale securities	d	-	160,057,943	-	-	160,057,943	160,057,943
Corporate loans originated by the Bank	b	-	-	2,653,716,586	-	2,653,716,586	2,660,518,843
Other assets	c, a	22,596,110	-	1,247,110	-	23,843,220	23,843,220
<b>Total financial assets</b>		<b>22,596,110</b>	<b>160,057,943</b>	<b>2,851,932,942</b>	<b>-</b>	<b>3,034,586,995</b>	<b>3,041,389,252</b>
<b>Liabilities</b>							
Amounts due to related parties	b	-	-	-	2,675,272,284	2,675,272,284	2,687,411,973
Deposits	a, b	-	-	-	251,611,459	251,611,459	251,611,459
Other liabilities	c	22,518,512	-	-	-	22,518,512	22,518,512
<b>Total financial liabilities</b>		<b>22,518,512</b>	<b>-</b>	<b>-</b>	<b>2,926,883,743</b>	<b>2,949,402,255</b>	<b>2,961,541,944</b>

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability for substantially the entire term of the instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	30 June 2016		30 June 2015	
	Level 1	Level 2	Level 1	Level 2
<b>Derivative financial assets</b>				
Interest rate swaps	-	14,488,284	-	7,133,022
Currency Options	-	-	-	-
FX forwards	-	9,252,802	-	15,463,088
<b>Total derivative financial assets</b>	<b>-</b>	<b>23,741,086</b>	<b>-</b>	<b>22,596,110</b>
<b>Derivative financial liabilities</b>				
Interest rate swaps	-	13,807,449	-	7,027,970
Currency Options	-	-	-	-
FX forwards	-	10,212,539	-	15,490,542
<b>Total derivative financial liabilities</b>	<b>-</b>	<b>24,019,988</b>	<b>-</b>	<b>22,518,512</b>
Available-for-sale securities	26,472,428	-	160,057,943	-

Financial assets and financial liabilities, other than the items on the above table, are carried at amortised cost. Their fair value is represented by level 2 fair value measurements.

There were no financial assets and liabilities which were carried at fair value categorised under Level 3 in this period and same period in prior year.

# Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2016

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## 11. Liquidity Risk Management

Liquidity risk is the risk that the Branch will not have sufficient funds to meet its financial obligations. The Branch has policies to ensure that sufficient funds are available to meet its obligations as and when they fall due, and to maintain a prudent level of liquidity buffer to meet unexpected demands for funds under adverse market conditions. To achieve this objective, the Branch adopts a set of liquidity management strategies which limits the liquidity risk to acceptable levels. The compliance with such internal limits is being independently monitored and regularly reported to the Regional Head for Australia and New Zealand. A contingency plan has been developed in the event of a major liquidity problem. The operations of the Branch are subject to these policies.

The Branch measures its liquidity requirements by undertaking scenario analysis under the following two scenarios:

Going-concern – which refers to the normal behaviour of cashflows in the ordinary course of business and would form the day-to-day focus of a bank’s liquidity management.

Bank-specific (“name”) crisis – which covers the behaviour of cash flows where there is some actual or perceived problem with the Branch.

The Branch is committed to raising its liabilities from a wide range of institutional and corporate lenders. This reduces dependence upon certain lenders and the possibility that a large portion of the deposit base will be withdrawn with little notice. As part of its liquidity management policies, the Branch maintains a portfolio of readily liquid assets and has established committed funding arrangements from other institutions. Liquidity is managed by the Treasury Department of the Sydney Branch under the supervision of the Oceania Region Asset and Liability Management Committee. Reports on liquidity are reviewed by the Regional Head for Oceania, sent to the Parent Bank weekly and presented to the Oceania Region Asset and Liability Management Committee monthly.

The Branch holds the following liquid assets in order to manage its liquidity risk:

	As at 30 June 2016 NZD	As at 30 June 2015 NZD
Cash and short term liquid assets	94,216,059	24,969,270
Amounts due from related parties	54,155,469	77,393,397
Amounts due from other financial institutions	214,396,506	94,606,579
Available-for-sale securities	<u>26,472,428</u>	<u>160,057,943</u>
	<u>389,240,462</u>	<u>357,027,189</u>

## 12. Profitability and Size

The Overseas Banking Group

### a) Profitability

	Twelve Months ended 31 March 2016 JPY(000's)	Twelve Months ended 31 March 2015 JPY(000's)
Net Profit After Tax	749,196,000	731,622,000
Net Profit After Tax over the previous 12 months period as a percentage of average total assets	0.34%	0.35%

## Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2016

### 12. Profitability and Size (continued)

b) Size		<b>Twelve Months ended 31 March 2016 JPY(000's)</b>	<b>Twelve Months ended 31 March 2015 JPY(000's)</b>
Total Assets		222,797,387,000	219,313,264,000
% Change in total assets over the previous 12 months		1.59%	8.78%

### 13. Asset Quality

a) The Overseas Banking Group		<b>As at 31 March 2016 JPY (000's)</b>	<b>As at 31 March 2015 JPY(000's)</b>
Total individually impaired assets (before allowances for credit impairment loss and net of interest held in suspense)		1,440,177,000	1,320,063,000
Total individually impaired assets expressed as a percentage of total assets		0.65%	0.60%
Total individual credit impairment allowance		441,963,000	191,886,000
Total individually credit impairment allowance expressed as a percentage of total individually impaired assets		30.69%	14.54%
Total collective credit impairment allowance		479,953,000	667,527,000

#### b) The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch.

The provision for impairment is made as a result of downgrading the Registered Bank's internal credit rating of customers due to the customers' cash flow problem that affects the customers' going concern. The provision represents the Branch's best estimate of the difference between the carrying amount of the corporate loans and the recoverable amount based on expected future cash flows under liquidation.

	<b>As at 30 June 2016 NZD</b>	<b>As at 30 June 2015 NZD</b>
Individually impaired assets – Gross amounts before provision for loan impairment :		
Balance at the beginning of the period	-	63,695,652
Addition during the period	-	-
Amounts written off	-	-
Deletion	-	-
Balance at the end of the period	-	63,695,652
Total individual credit impairment allowance	-	63,695,652

The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch does not have any collective credit impairment allowance, any past due and not impaired assets as at 30 June 2016. The total collective credit impairment allowance of the Overseas Banking Group covers the assets of the Branch.

## Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2016

### 13. Asset Quality (continued)

The aggregate amount of individual credit impairment allowance against individually impaired assets as at 30 June 2016 was Nil (30 June 2015: NZD 63,695,652).

The total interest income recognized on impaired asset over the accounting period ended 30 June 2015 is Nil (interest income ended 30 June 2015: NZD 1,055,149)

#### Individual provision for loan impairment

	As at 30 June 2016 NZD	As at 30 June 2015 NZD
Balance at the beginning of the period	-	63,695,652
Charge to impairment of loans in profit and loss	-	-
Amounts written off	-	-
Balance at the end of the period	-	63,695,652

#### Profit or loss charge

	As at 30 June 2016 NZD	As at 30 June 2015 NZD
Specific provision for impairment against advances	-	-
Total provision for impairment against advances	-	-

There is no undrawn balance on lending commitments to counterparties for whom drawn balances are classified as individually impaired. There are no other amounts under administration.

The Bank of Tokyo-Mitsubishi UFJ Ltd., Auckland Branch does not have any financial assets designated as at fair value through profit or loss on which there have been changes in fair value that are attributable to changes in credit risk of the financial asset.

### 14. Exposures to Market Risk

Aggregate market risk exposures of The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch have been derived in accordance with Schedule 9 of the Reserve Bank Order.

	As at 30 June 2016 NZD(000's)	As at 30 June 2015 NZD(000's)
(1) Aggregate Interest Rate Exposure		
(a) Notional Capital Charge *	2,311	936
(b) Implied risk weighted exposure	28,888	11,700

#### (2) Aggregate Foreign Currency Exposure

The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch does not have any foreign currency exposures.

#### (3) Aggregate Equity Exposure

The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch does not have any equity exposures.

# Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2016

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## 14. Exposures to Market Risk (continued)

By entering into foreign exchange transactions, interest rate swap transactions, currency swap transactions and long term fixed interest deposits with the Sydney Branch, the Branch does not hold any significant foreign exchange exposure and long term interest rate exposure. Under this arrangement, the Branch is exposed to limited market risk which is immaterial.

\* The Notional Capital Charge is calculated in accordance with Capital Adequacy Framework (Standardized Approach) BS2A.

## 15. Capital Adequacy

The capital adequacy guidelines adopted by the Financial Services Agency (FSA) in Japan that are applicable to Japanese bank holding companies and banks with international operations closely follow the risk-weighted approach introduced by the Basel Committee on Banking Supervision of the Bank for International Settlements.

Basel II, as adopted by the FSA, has been applied to Japanese banks since 31 March, 2007. Certain provisions of Basel III have been adopted by the FSA for Japanese banking institutions with international operations conducted through their foreign offices and become effective 31 March 2013.

The Financial Stability Board identified Overseas Banking Group as a global systematically important bank, or G-SIB, in its most recent annual report published in November 2015.

Effective 31 March, 2016, the FSA's capital conservation buffer, countercyclical buffer and G-SIB surcharge requirements become applicable to Japanese banking institutions with international operations conducted through foreign offices. The requirements are currently being phased in and as of 31 March, 2016, Overseas Banking Group is required to maintain a capital conservation buffer of 0.625% and a G-SIB surcharge of 0.375% in addition to the 4.50% minimum Common Equity Tier 1 capital ratio. As of the same date, no countercyclical buffer is applicable. When fully implemented on 31 March, 2019, Overseas Banking Group will be required to maintain a capital conservation buffer of 2.5%, a countercyclical buffer of up to 2.5%, and a G-SIB surcharge of 1.5%, assuming Overseas Banking Group will be in Bucket 2 of the G-SIB list.

The table below presents the minimum consolidated risk-based capital ratios from 31 March 2016:

	2016
Minimum Common Equity Tier 1 ratio	4.5%
Capital Conservation Buffer	0.625%
Countercyclical Buffer	-
G-SIB Surcharge	0.375%
Total	5.5%
Minimum Tier 1 ratio	6.0%
Total (with Buffers and Surcharge)	7%
Minimum Capital ratio	8.0%
Total (with Buffers and Surcharge)	9.0%



## Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2016

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### 15. Capital Adequacy (continued)

Both the Overseas Banking Group and the Overseas Bank met those requirements at the reporting date.

Overseas Banking Group	As at 30 June 2016	As at 30 June 2015
<b>Capital ratios:</b>		
Common Equity Tier 1 Capital	11.45%	10.62%
Tier 1 capital	13.07%	12.04%
Total capital	16.21%	15.25%

Overseas Bank	As at 30 June 2016	As at 30 June 2015
<b>Capital ratios:</b>		
Common Equity Tier 1 Capital	12.72%	11.56%
Tier 1 capital	14.75%	13.13%
Total capital	18.21%	16.67%

The most recent publicly available information related to the capital adequacy framework implemented by the Overseas Bank and Overseas Banking Group are disclosed under the Ultimate Holding Company's report which can be accessed via the Bank's global website: [www.mufg.jp](http://www.mufg.jp).

### 16. Credit Exposures to Individual Counterparties

Based on actual credit exposures, there is no credit exposure to any individual counterparty (excluding any booking outside New Zealand) of The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch equal to or exceeding 10% of the Overseas Banking Group's equity as at the three months ended 30 June 2016.

There has been no peak end-of-day aggregate credit exposure to any individual counterparty (excluding any booking outside New Zealand) of The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch equal to or exceeding 10% of the Overseas Banking Group's equity as at 30 June 2016 during this accounting period.

The credit exposure to individual counterparties was calculated on the basis of actual end-of-day aggregate amounts of credit exposure by using investment grade credit rating over the period.

### 17. Insurance Business

The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch *does not* conduct any insurance business in or outside New Zealand.

### 18. Non-Consolidated Activities

The Bank of Tokyo-Mitsubishi UFJ, Ltd. *does not* conduct any insurance business or non-financial activities in New Zealand outside The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch.

## Notes to the Condensed Interim Financial Statements For the Three Months Ended 30 June 2016

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### 19. Securitization, Funds Management, and Other Fiduciary Activities

- (a) The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch is not involved in any establishment, marketing or sponsorship of trust, custodial, funds management or other fiduciary activities.
- (b) The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch is not involved in any origination of securitized assets, or in the marketing or servicing of securitization schemes.
- (c) The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch is not involved in the marketing and distribution of insurance products.

### 20. Risk Management Policies

The risk management policies and procedures of The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch conform with those of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (the “Overseas Banking Group”).

The Branch's application of risk management systems is subject to review by the Overseas Banking Group Audit Office on a periodic basis.

There have been no material changes to the above policies since publication of the previous Disclosure Statement.

### 21. Financial Support

The Auckland Branch is part of The Bank of Tokyo-Mitsubishi UFJ, Ltd. The assets of the Branch are legally available for the satisfaction of debts of the entire company, not solely those appearing in the accompanying statement of financial position, and its debts may result in claims against assets not appearing thereon.

### 22. Subsequent Events

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the three months ended 30 June 2016, that has significantly affected, or may significantly affect, the operations of the branch, the results of the operations, or the state of affairs of the branch in future financial years.