Bank of Tokyo-Mitsubishi UFJ
MUFG

REGISTERED BANK
DISCLOSURE STATEMENT

31 MARCH 2014

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

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Disclosure Statement
For the Year Ended 31 March 2014

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

1. Corporate Information

1.1 Registered Bank (The ‘Overseas Bank’)

The Bank of Tokyo-Mitsubishi UFJ, Ltd.
7-1, Marunouchi 2-chome
Chiyoda-ku, Tokyo 100-8388, Japan

On 1 April 1996, The Bank of Tokyo, Ltd and The Mitsubishi Bank, Limited merged to form a single entity named The Bank of Tokyo-Mitsubishi, Ltd.

On 1 January 2006, The Bank of Tokyo-Mitsubishi, Ltd and UFJ Bank Limited merged to form a single entity named The Bank of Tokyo-Mitsubishi UFJ, Ltd.

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.

1.2 New Zealand Branch

The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch
Level 22, 151 Queen Street
Auckland, New Zealand

It is the only member in the ‘Banking Group’ in New Zealand

1.3 The Ultimate Parent Bank

The Bank of Tokyo-Mitsubishi UFJ, Ltd.
7-1, Marunouchi 2-chome
Chiyoda-ku, Tokyo 100-8388, Japan

1.4 The Ultimate Holding Company

Mitsubishi UFJ Financial Group, Inc.
7-1, Marunouchi 2-chome
Chiyoda-ku, Tokyo 100-8330, Japan

1.5 Summary of Regulations

There are no regulations, legislation or other restrictions of a legally enforceable nature which may materially inhibit the legal ability of The Bank of Tokyo-Mitsubishi UFJ, Ltd., or Mitsubishi UFJ Financial Group, Inc. to provide material financial support to The Bank of Tokyo-Mitsubishi UFJ, Ltd. Auckland Branch.

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

The Deposit Insurance Law is intended to protect depositors if a financial institution fails to meet its obligations. The Deposit Insurance Corporation of Japan (DICJ) was established in accordance with that law. The Deposit Insurance System (DIS) is administered by the DICJ. The DICJ is a semi-government organization that was established in 1971 with the purpose of operating Japan's deposit insurance system, in compliance with the Deposit Insurance Law. Banks and certain other credit institutions participate in the DIS on a compulsory basis.

All deposits are protected and subject to the JPY 10 million maximum per customer. The only exception is for non interest deposits that are redeemable on demand and used by the depositor primarily for payment and settlement functions. The deposits in settlement accounts are fully protected without a maximum amount limitation. The DICJ charges insurance premium on an annual basis on all deposits for the protection.

Certain types of deposits such as foreign currency deposits and negotiable certificates of deposit are outside the scope of protection under the DIS. Liquidation dividends will be payable in accordance with the asset situation of the failing financial institution.

In the event of a bank default, except for the above protection afforded by the DIS, all creditors will rank equally.

3. Excess of Assets Over Deposit Liabilities

The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch is not required by any statute to hold in New Zealand an excess of assets over deposit liabilities.

In Japan, under Japanese law for the Reserve Requirement System, Japanese banks (including The Bank of Tokyo-Mitsubishi UFJ. Ltd.) are required to maintain certain reserves on deposit with the Bank of Japan based on the amount of deposit balances and certain other factors. This requirement has potential impact on the management of the liquidity of the New Zealand operations.

4. Guarantee Arrangement

The obligations of the Banking Group are not guaranteed under any guarantee including government guarantee as at the date of signing this Disclosure Statement.

5. Directorate

5.1 Address to which communications addressed to the Directors and Responsible Persons may be sent:

C/- Mr Saburo Yao,
Regional Head for Australia and New Zealand
(and Authorised Attorney on behalf of the Directors)
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sydney Branch
Level 25, Gateway Building, 1 Macquarie Place
Sydney, NSW 2000, AUSTRALIA

5. Directorate (continued)

C/- Mr Michael Ryff
General Manager Auckland Branch
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch
Level 22, 151 Queen Street
Auckland, NEW ZEALAND

5.2 Directors of The Bank of Tokyo-Mitsubishi UFJ, Ltd. as of 31 March 2014:

Name	Occupation	Residence	Executive director or Independent director
Katsunori Nagayasu	Chairman	Japan	Executive director
Takamune Okihara	Deputy Chairman	Japan	Executive director
Nobuyuki Hirano	President	Japan	Executive director
Takashi Morimura	Deputy President	Japan	Executive director
Takashi Nagaoka	Deputy President	Japan	Executive director
Kiyoshi Sono	Deputy President	Japan	Executive director
Takeshi Ogasawara	Deputy President	Japan	Executive director
Hitoshi Suzuki	Deputy President	Japan	Executive director
Hidekazu Fukumoto	Senior Managing Director	Japan	Executive director
Takashi Morisaki	Senior Managing Director	Japan	Executive director
Tadachiyo Osada	Managing Director	Japan	Executive director
Saburo Araki	Managing Director	Japan	Executive director
Satoshi Murabayashi	Managing Director	Japan	Executive director
Takehiko Shimamoto	Managing Director	Japan	Executive director
Taihei Yuki	Director	Japan	Non Executive & Non Independent director
Kunio Ishihara	Director	Japan	Independent director
Teruo Ozaki	Director	Japan	Independent director

Mr Taihei Yuki has other directorship as follows:
i. Director of the Mitsubishi UFJ Financial Group, Inc

Mr. Kunio Ishihara has other directorship as follows:
i. Counsellor of the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd

Mr Teruo Ozaki has qualification as Chartered Accountant in Japan and has other directorship as follows:
i. Managing Partner of Teruo Ozaki & Co
ii. CEO, President of Andersen Business Associates Inc.

5.3 Responsible Person who on behalf of Directors and New Zealand Chief Executive Officer have signed the Disclosure Statement:

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

5.4 Director and New Zealand Chief Executive Officer related transactions

The overseas bank only has a loan transaction with Mr. Kunio Ishihara for amount JPY 45 Million as at 31 March 2014. The transaction is entered into in the normal course of business, is not entered into on terms other than those that would be given to any other person, and

5. Directorate (continued)

could not be reasonably likely to influence materially the exercise of the Directors' or New Zealand Chief Executive Officer's duties.

5.5 The Bank of Tokyo-Mitsubishi UFJ, Ltd., does not have a board audit committee. However, the Bank has elected to adopt a corporation governance system based on corporate auditors which includes eight corporate auditors, four of whom are external corporate auditors as of 31 March 2014.

5.6 Dealing with Conflicts of Interest arising from personal, professional or business interests

Under the Commercial Code of Japan, directors must refrain from engaging in any business that is in competition with The Bank of Tokyo-Mitsubishi UFJ, Ltd. unless approved by a board resolution, and no director may vote on a proposal, arrangement or contract in which that director is deemed to be materially interested.

If the directors should engage in any transactions with The Bank of Tokyo-Mitsubishi UFJ, Ltd. they must disclose all important matters to the board of directors and obtain the board's consent. The directors must also report to the board on completion of the transaction.

Neither the Commercial Code of Japan nor our Articles of Incorporation contain special provision as to the borrowing power exercisable by a director, to the retirement age of our directors and corporate auditors, or to a requirement of our directors and corporate auditors, to hold any shares of our capital stock.

The Commercial Code of Japan requires a resolution of the board of directors for a company to acquire or dispose of material assets, to borrow substantial amounts of money, to employ or discharge important employees, such as executive officers, and to establish, change or abolish material corporate organizations, such as a branch office.

The liability of directors is joint and several, and is imposed not only on the directors who undertook the action, but also on those directors who approved the actions in a board resolution (unless dissent is recorded in the minutes). Directors who fail to discover the misconduct of another director(s) may be held liable on the ground that they failed to exercise their duties of mutual control. Liability may also be imposed where a director approves loans to other directors, carries out transactions that are in conflict of interest with the organization, or violates a law, ordinance, or the articles of incorporation including the general duties of directors.

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

Changes have been made to the conditions of registration and apply on and after 30 March 2014. Change is mainly on the Framework for Restrictions on High-LVR Residential Mortgage Lending (BS19), which allow banks to exempt construction loans from the existing restrictions on high loan-to-valuation residential mortgage lending.

Conditions of Registration (continued)

These conditions of registration apply on and after 30 March 2014.

The registration of The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("the registered bank") in New Zealand is subject to the following conditions:

1. That the banking group does not conduct any non-financial activities that in aggregate are material relative to its total activities.

   In this condition of registration, the meaning of "material" is based on generally accepted accounting practice.

2. That the banking group's insurance business is not greater than 1% of its total consolidated assets.

   For the purposes of this condition of registration, the banking group's insurance business is the sum of the following amounts for entities in the banking group:

   (a) if the business of an entity predominantly consists of insurance business and the entity is not a subsidiary of another entity in the banking group whose business predominantly consists of insurance business, the amount of the insurance business to sum is the total consolidated assets of the group headed by the entity; and

   (b) if the entity conducts insurance business and its business does not predominantly consist of insurance business and the entity is not a subsidiary of another entity in the banking group whose business predominantly consists of insurance business, the amount of the insurance business to sum is the total liabilities relating to the entity's insurance business plus the equity retained by the entity to meet the solvency or financial soundness needs of its insurance business.

   In determining the total amount of the banking group's insurance business-

   (a) all amounts must relate to on balance sheet items only, and must comply with generally accepted accounting practice; and

   (b) if products or assets of which an insurance business is comprised also contain a non-insurance component, the whole of such products or assets must be considered part of the insurance business.

   For the purposes of this condition of registration,-

   "insurance business" means the undertaking or assumption of liability as an insurer under a contract of insurance:

   "insurer" and "contract of insurance" have the same meaning as provided in sections 6 and 7 of the Insurance (Prudential Supervision) Act 2010.

3. That the business of the registered bank in New Zealand does not constitute a predominant proportion of the total business of the registered bank.

4. That no appointment to the position of the New Zealand chief executive officer of the registered bank shall be made unless:

   (a) the Reserve Bank has been supplied with a copy of the curriculum vitae of the proposed appointee; and

   (b) the Reserve Bank has advised that it has no objection to that appointment.

Conditions of Registration (continued)

5. That The Bank of Tokyo-Mitsubishi UFJ, Ltd. complies with the requirements imposed on it by the Japanese Financial Services Agency.

6. That, with reference to the following table, each capital adequacy ratio of the The Bank of Tokyo - Mitsubishi UFJ, Ltd must be equal to or greater than the applicable minimum requirement.

Capital adequacy ratio	Minimum requirement		
	31 March 2013 to 30 March 2014	31 March 2014 to 30 March 2015	On and after 31 March 2015
Common Equity Tier 1 Capital	3.5 percent	4 percent	4.5 percent
Tier 1 Capital	4.5 percent	5.5 percent	6 percent
Total Capital	8 percent	8 percent	8 percent

For the purposes of this condition of registration, the capital adequacy ratios-

(a) must be calculated as a percentage of the registered bank's risk weighted assets; and

(b) are otherwise as administered by the Japanese Financial Services Agency.

7. That liabilities of the registered bank in New Zealand, net of amounts due to related parties (including amounts due to a subsidiary or affiliate of the registered bank), do not exceed NZ$15 billion.

8. That retail deposits of the registered bank in New Zealand do not exceed $200 million. For the purposes of this condition of registration retail deposits are defined as deposits by natural persons, excluding deposits with an outstanding balance which exceeds $250,000.

9. That, for a loan-to-valuation measurement period, the total of the business of the registered bank in New Zealand’s qualifying new mortgage lending amounts must not for residential properties with a loan-to-valuation ratio of more than 80%, exceed 10% of the total of the qualifying new mortgage lending amounts arising in the loan-to-valuation measurement period.

10. That the business of the registered bank in New Zealand must not make a residential mortgage loan unless the terms and conditions of the loan contract or the terms and conditions for an associated mortgage require that a borrower obtain the registered bank’s agreement before the borrower can grant to another person a charge over the residential property used as security for the loan.

11. That the business of the registered bank in New Zealand must not permit a borrower to grant a charge in favour of another person over a residential property used as security for a residential mortgage loan unless the sum of the lending secured by the charge and the loan value for the residential mortgage loan would not exceed 80% of the property value of the residential property when the lending secured by the charge is drawn down.

12. That the business of the registered bank in New Zealand must not provide a residential mortgage loan if the residential property to be mortgaged to the registered bank as security for the residential mortgage loan is subject to a charge in favour of another person unless the total amount of credit secured by the residential property would not exceed 80% of the property value when the residential mortgage loan is drawn down.

Conditions of Registration (continued)

13. That the business of the registered bank in New Zealand must not—
    (a) act as broker or arrange a residential mortgage loan for the business of the registered bank outside New Zealand or for an associated person of the registered bank outside New Zealand; or
    (b) facilitate the drawdown of a residential mortgage loan the registered bank originated as part of its business outside New Zealand or by an associated person of the registered bank outside New Zealand without notifying the Reserve Bank of this activity in the manner and form specified by the Reserve Bank.

In these conditions of registration,—

"banking group"—
(a) means the New Zealand business of the registered bank and its subsidiaries as required to be reported in group financial statements for the group's New Zealand business under section 461B(2) of the Financial Markets Conduct Act 2013 (unless paragraph (b) applies); or

(b) if the Financial Reporting Act 1993 applies to the registered bank, means the New Zealand business of the registered bank and its subsidiaries as required to be reported in group financial statements for the group's New Zealand business under section 9(2) of the Financial Reporting Act 1993:

"business of the registered bank in New Zealand" —
(a) means the New Zealand business of the registered bank as defined in the requirement for financial statements for New Zealand business in section 461B(1) of the Financial Markets Conduct Act 2013 (unless paragraph (b) applies); or

(b) if the Financial Reporting Act 1993 applies to the registered bank, means the New Zealand business of the registered bank as required to be reported in financial statements under section 8(2) of the Financial Reporting Act 1993:

"generally accepted accounting practice"—
(a) has the same meaning as in section 8 of the Financial Reporting Act 2013 (unless paragraph (b) applies); or

(b) means generally accepted accounting practice within the meaning of section 3 of the Financial Reporting Act 1993 if the registered bank is required to prepare financial statements in accordance with that practice:

"liabilities of the registered bank in New Zealand" —
(a) means the liabilities that the registered bank would be required to report in financial statements for its New Zealand business if section 461B(1) of the Financial Markets Conduct Act 2013 applied (unless paragraph (b) applies); or

(b) if the Financial Reporting Act 1993 applies to the registered bank, means the liabilities of the registered bank as required to be reported in financial statements under section 8(2) of the Financial Reporting Act 1993.

In conditions of registration 9 to 13,—

"loan-to-valuation ratio", "loan value", "property value", "qualifying new mortgage lending amount" and "residential mortgage loan" have the same meaning as in the Reserve Bank of New Zealand document entitled "Framework for Restrictions on High-LVR Residential Mortgage Lending" (BS19) dated March 2014:

"loan-to-valuation measurement period" means a period of six calendar months ending on the last day of the sixth calendar month, the first of which ends on the last day of March 2014.

8. Pending Proceedings or Arbitration

There are no pending proceedings or arbitration concerning The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch, or The Bank of Tokyo-Mitsubishi UFJ, Ltd. Group that may have a material adverse effect on the Auckland Branch, or The Bank of Tokyo-Mitsubishi UFJ, Ltd.

9. 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
Standard & Poor's	A+	-	-
Moody's	Aa3	-	-
Fitch	A	A-	4 March 2013

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

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.

10. Historical Summary of Financial Statements

The following table is a historical summary taken from audited financial statements of The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch.

		Year ended 31 March 2014 NZD(000's) Audited	Year ended 31 March 2013 NZD(000's) Audited	Year ended 31 March 2012 NZD(000's) Audited	Year ended 31 March 2011 NZD(000's) Audited	Year ended 31 March 2010 NZD(000's) Audited
(a)	Total interest revenue;	102,990	84,781	66,954	57,675	43,443
(b)	Total interest expense;	90,990	73,247	54,257	45,579	30,424
(c)	Total other revenue;	17,801	15,882	10,317	8,598	3,319
(d)	Total credit impairment loss charged to the income statement;	50,442	-	-	-	-
(e)	Total other expenses;	4,332	3,596	2,875	2,688	2,231
(f)	Net profit/(loss) before taxation;	(24,973)	23,820	20,139	18,006	14,107
(g)	Taxation;	(8,706)	4,484	3,530	5,110	3,115
(h)	Net profit or (loss) after taxation;	(16,267)	19,336	16,609	12,896	10,992
(i)	Net profit or (loss) attributable to non-controlling interests	-	-	-	-	-
(j)	The amount of branch profits repatriated;	-	-	(13,042)	(12,136)	(8,142)
(k)	Total assets;	3,450,092	2,838,906	2,574,398	2,055,435	1,572,808
(l)	Total individually impaired assets;	64,411	-	-	-	-
(m)	Total liabilities;	3,352,700	2,724,223	2,479,175	2,043,779	1,561,912
(n)	Head office account;	97,392	114,683	95,223	11,656	10,896

11. Other Material Matters

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

12. 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. Copies of the most recent publicly available Disclosure Statement for the Banking Group will be provided at no charge to any person who requests a copy by the end of the second working day after the day on which the request is made.

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. In addition, Financial Statements are also prepared and filed with the United States Securities and Exchange Commission, Washington, D.C.

13. Directors' and General Manager Auckland Branch's Statements

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;
- the Disclosure Statement is not false or misleading ;

and over the twelve months accounting period ended 31 March 2014;

- 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.

Saburo Yao
Regional Head for Australia & New Zealand,
General Manager, Sydney Branch
(and Authorised Attorney on behalf of
the Directors)

Dated (Sydney): 25 June 2014

Michael Ryff
General Manager
Auckland Branch

Dated (Auckland): 25 June 2014

Statement of Comprehensive Income

	Note	Twelve Months ended 31 March 2014 Audited NZD	Twelve Months ended 31 March 2013 Audited NZD
Interest income	4	102,989,652	84,781,016
Interest expense	4	(90,989,903)	(73,247,080)
Net interest income		11,999,749	11,533,936
Fees and commission income	4	17,710,374	15,701,651
Other income	4	90,678	180,587
Total other income		17,801,052	15,882,238
Occupancy expenses	4	(187,242)	(188,661)
Personnel expenses	4	(2,432,123)	(2,326,229)
Auditors' remuneration	4	(133,527)	(136,157)
Administration and other expenses	4	(1,579,036)	(944,710)
Profit before provision for credit impairment and income tax expense		25,468,873	23,820,417
Provision for credit impairment	4	(50,442,058)	-
(Loss)/profit before income tax expense		(24,973,185)	23,820,417
Income tax benefit/(expense)	6	8,706,427	(4,484,373)
(Loss)/Profit from continuing operations		(16,266,758)	19,336,044
Other Comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Available-for-sale securities			
- (Loss)/Profit arising during the year		(1,433,773)	171,468
- Less: Reclassification adjustment loss included in profit or loss		11,668	-
		(1,422,105)	171,468
- Income tax benefit/(expense) on available-for-sale securities		398,189	(48,011)
Other comprehensive income, net of tax		(1,023,916)	123,457
Total comprehensive income, net of tax		(17,290,674)	19,459,501

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

Statement of Changes in Equity

Audited
NZD

	Head Office Capital	Retained Earnings	Available-for-sale Revaluation Reserve	Total
Balance at 1 April 2012	83,000,000	12,223,474	-	95,223,474
Profit from continuing operations	-	19,336,044	-	19,336,044
Other comprehensive income, net of tax	-	-	123,457	123,457
Total comprehensive income, net of tax	-	19,336,044	123,457	19,459,501
Balance at 31 March 2013	83,000,000	31,559,518	123,457	114,682,975
Balance at 1 April 2013	83,000,000	31,559,518	123,457	114,682,975
(Loss) from continuing operations	-	(16,266,758)	-	(16,266,758)
Other comprehensive income, net of tax	-	-	(1,023,916)	(1,023,916)
Total comprehensive income, net of tax	-	(16,266,758)	(1,023,916)	(17,290,674)
Balance at 31 March 2014	83,000,000	15,292,760	(900,459)	97,392,301

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

Statement of Financial Position

	Note	As at 31 March 2014 Audited NZD	As at 31 March 2013 Audited NZD
Assets			
Cash and short term liquid assets	15	45,500,952	66,103,389
Amounts due from related parties	13	23,233,711	30,677,150
Amounts due from other financial institutions	15	89,867,340	88,915,542
Available-for-sale securities	15	284,319,527	131,170,185
Corporate loans originated by the Bank	15	2,978,996,910	2,508,295,887
Acceptances of customers		-	101,446
Other assets		1,912,306	863,058
Current tax asset		1,552,241	38,742
Deferred tax asset	6	9,687,163	96,046
Property, plant and equipment	5	804,592	1,110,412
Derivative instruments	14	14,217,122	11,534,007
Total Assets		3,450,091,864	2,838,905,864
Liabilities			
Amounts due to related parties	13	3,211,263,534	2,669,359,764
Deposits	7	125,099,637	40,172,414
Acceptances		-	101,446
Other liabilities	10	2,307,318	3,307,221
Derivative instruments	14	14,029,074	11,282,044
Total Liabilities		3,352,699,563	2,724,222,889
Equity			
Head Office capital	13	83,000,000	83,000,000
Retained earnings		15,292,760	31,559,518
Available-for-sale revaluation reserve		(900,459)	123,457
Total Equity		97,392,301	114,682,975
Total Liabilities and Equity		3,450,091,864	2,838,905,864
Total Interest Earning and Discount Bearing Assets	17	3,398,684,729	2,794,485,003
Total Interest and Discount Bearing Liabilities	17	3,324,443,417	2,702,857,881

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

Statement of Cash Flows

	Twelve Months ended 31 March 2014 Audited NZD	Twelve Months ended 31 March 2013 Audited NZD
Cash Flows from Operating Activities		
Interest income received	100,638,144	80,366,631
Commission fees & trading income	17,801,052	15,882,238
Interest paid	(90,564,672)	(72,676,021)
Payments to suppliers, employees and others	(5,430,841)	(3,022,156)
Net cash flows from operating activities before changes in operating assets and liabilities	22,443,683	20,550,692
Net (increase) / decrease in operating assets:		
Net (increase) in corporate loans originated by the Bank	(520,227,515)	(132,763,680)
Net (increase) in amounts due from other financial institutions	(951,798)	(15,103,100)
Net (increase) in available-for-sale securities	(151,713,400)	(128,357,829)
Net decrease/(increase) in amounts due from related parties	7,443,439	(7,301,796)
Net (increase)/decrease in other assets	(4,256,126)	53,124,980
	(669,705,400)	(230,401,425)
Net increase / (decrease) in operating liabilities:		
Net increase/(decrease) in commercial papers and deposits	84,803,443	(18,853,742)
Net increase in amounts due to related parties	541,602,319	312,455,611
Net increase/(decrease) in other liabilities	2,295,486	(53,717,024)
	628,701,248	239,884,845
Net cash flows from operating activities before income tax	(18,560,469)	30,034,112
Net tax paid	(2,000,000)	(4,280,000)
Net cash flows from operating activities	(20,560,469)	25,754,112
Cash Flows from Investing Activities		
Payment for property, plant and equipment	(41,968)	(731,812)
Net cash flows from investing activities	(41,968)	(731,812)
Cash Flows from Financing Activities		
Remittance to the Overseas Bank	-	-
Capital injection	-	-
Net cash flows from financing activities	-	-
Net Increase in Cash and Cash Equivalents		
Net (decrease)/increase in cash and cash equivalents	(20,602,437)	25,022,300
Cash and cash equivalents at beginning of year	66,103,389	41,081,089
Cash and cash equivalents at end of the period	45,500,952	66,103,389
Reconciliation of Closing Cash and Cash Equivalents		
Cash and short term liquid assets	45,500,952	66,103,389
Closing cash and cash equivalents	45,500,952	66,103,389

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

Statement of Cash Flows (continued)

	Twelve Months ended 31 March 2014 Audited NZD	Twelve Months ended 31 March 2013 Audited NZD
Reconciliation of profit from continuing operations to net cash used in operating activities		
(Loss)/Profit from continuing operations	(16,266,758)	19,336,044
(Increase) in corporate loans	(521,143,081)	(134,365,709)
(Increase) in due from other financial institutions	(951,798)	(15,103,100)
(Increase) in available-for-sale securities	(153,149,342)	(131,170,185)
Decrease/(increase) in due from related parties	7,443,439	(7,301,796)
(Increase) in other assets	(1,045,852)	(322,350)
Increase/(decrease) in deposits	84,927,223	(18,841,044)
Increase in due to related parties	541,903,771	313,013,972
(Decrease) in other payables (cash)	(1,034,223)	(488,076)
Increase in provision for credit impairment	50,442,058	-
Movement in tax	(11,104,616)	252,384
Non-Cash items:		
Depreciation of property, plant and equipment	347,788	398,114
Other	(929,078)	345,858
Net cash flows from operating activities	(20,560,469)	25,754,112

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

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. The 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"), the Financial Reporting Act 1993, and the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014. They comply with the New Zealand Equivalents to International Financial Reporting Standard ("NZ IFRS") and other applicable financial reporting standards as appropriate for profit-orientated entities. The financial statements also comply with International Financial Reporting Standards ("IFRS").

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

b) Basis of Preparation

The financial statements are presented in New Zealand dollars.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments.

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

c) Changes in Accounting Policy

Whilst there have been no material changes in accounting policies since the last financial statement for year ended 31 March 2013, the Branch has adopted IFRS 13 'Fair value measurement' which is effective from 1 January 2013. Additional fair value disclosures have been included on adoption but have not had a material impact on the condensed interim financial statements.

d) Comparative Figures

Certain comparatives figures have been re-stated to comply with the current year presentation.

e) Use of Estimates and Judgments

The preparation of financial statements requires the management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. The management has applied its judgment in selecting the accounting policy to designate financial assets upon initial recognition. This policy has a significant impact on the amounts disclosed in the financial statements. It is possible to determine the fair value of all financial assets as market prices are readily available. Therefore there are no material assumptions or major sources of estimation uncertainty that have a significant risk of causing material adjustments to the carrying amounts of assets at year end. However, as with all investments their value is subject to variation due to market fluctuations.

2. Significant Accounting Policies

a) Standards Approved but not yet Effective

NZ IAS 32 Financial instruments – Presentation (Amendment) – effective for annual reporting periods beginning on or after 1 January 2014. The amendment clarifies existing application issues relating to the offsetting rules and reduces the level of diversity in current practice. It also clarifies the meaning of 'currently has a legally enforceable right of set-off' and simultaneous realisation and settlement'.

NZ IFRS 9 Financial instruments introduces new requirements for the classification and measurement of financial assets. All recognised financial assets that are currently in the scope of NZ IAS 39 will be measured at either amortised cost or fair value. In order for financial assets to be measured at amortised cost certain criteria must be met. The revised IFRS 9 adds guidance on the classification and measurement of financial liabilities, derecognition of financial instruments and hedge accounting. Most of the requirements in NZ IAS 39 in relation to derecognition of financial assets and financial liabilities have been retained but additional disclosures are now required under NZ IFRS 7.

It is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed, however, the directors anticipate that the adoption of NZ IFRS 9 will change the classification and measurement of financial assets and liabilities. NZ IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2017 with early adoption permitted.

Amendments to NZ IFRS 7 and NZ IFRS 9 – Transition Disclosures – effective for reporting periods ending on or after 1 January 2017. This standard eliminates the requirement to restate prior periods on initial application of NZ IFRS 9 and introduces new disclosure requirements that are either permitted or required on the basis of the entity's date of adoption and whether the entity chooses to restate prior periods.

NZ IFRS 15 Revenue from contract with customers is effective for annual reporting periods beginning on or after 1 January 2017. It is not practical to provide a reasonable estimate of the effect until a detailed review has been completed.

Annual improvements to IFRSs 2010-2012 Cycle and 2011-2013 Cycle – effective for reporting periods beginning on or after 1 July 2014. This standard includes amendments to a number of Standards that are largely clarifications, including for example, amendments to NZ IAS 24: Related Party Disclosures which clarifies that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity.

With the exception of NZ IFRS 9 Financial instruments, the directors do not anticipate any other standards and interpretations in issue but not yet effective will have material impact on the financial statements of the Bank in the period of initial application.

b) Foreign Currency

(i) ***Functional and presentation currency***

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in New Zealand dollars, which is the Branch's functional and presentation currency.

(ii) ***Transactions and balances***

Foreign currency balances are translated into the functional currency using the rates of exchange ruling at balance date. Transactions denominated in foreign currency are translated into their reporting currency using the exchange rate in effect at the close of the transaction date. Gains and losses on foreign exchange dealings and differences are recognised in the Profit or Loss in the period in which they arise.

2. Significant Accounting Policies (continued)

c) Interest

Interest income and expense for all financial instruments measured at amortised cost are recognised in the Profit or Loss using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payment or receipts through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, cash flows are estimated based upon contractual terms and behavioural aspects of the financial instrument (e.g. prepayment options), but do not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

d) Fee Income

On-going fee income is brought to account upon receipt as it is considered to represent the recovery of costs up to the point of time in which they are earned. Fees related to the establishment of loans are an integral part of the effective interest rate of a financial instrument which is explained above under interest.

e) Goods and Services Tax

Revenue, expenses and assets are recognised as net of the amount of goods and services tax (GST) except:

- Where the amount of GST incurred is not recovered from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST (the net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables).

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing which is recovered from, or paid to, the taxation authority is classified as operating cash flow.

f) Operating Leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2. Significant Accounting Policies (continued)

g) Property, Plant and Equipment and Depreciation

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditures that are directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land.

Depreciation is calculated on a straight line or diminishing value basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of lease or estimated useful life, whichever is the shorter, using the straight line or diminishing value method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

Property, plant and equipment is depreciated at appropriate rates so as to write off the cost of each asset during its effective useful life using following methods:

Asset value		Method	Period
Less than or equal to NZD equivalent of JPY 200,000		Straight Line	1 – 3 years
More than NZD equivalent of JPY 200,000		Diminishing value	estimated useful life as follows
	Furniture Fixtures and Fittings		3 – 15 years
	Office Equipment		3 – 20 years
	Motor Vehicles		6 years

h) Financial Instruments

The Branch classified its financial instruments in the following categories: financial assets and liabilities at fair value through profit and loss, loans and receivables, available for sale securities and other financial liabilities held at amortised cost. The Branch does not have any financial instruments classified under the held to maturity category. Appropriate classification of financial assets and liabilities is determined at initial recognition.

(i) Financial Assets and Liabilities at fair value through profit or loss

Financial assets and liabilities are classified as fair value through profit or loss where the financial assets and liabilities are either held for trading or are designated as fair value through profit or loss. The Branch has financial assets and liabilities that are held for trading but does not have any financial assets and liabilities designated as fair value through profit or loss.

Held for trading assets and liabilities are carried at fair value. Gains and losses on the subsequent revaluation of the held for trading assets and liabilities are recognised in net gain/(loss) on held for trading assets/liabilities in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These arise when the Branch provides money directly to the borrower with no intention of selling them. Loans and receivables are initially recognised at fair value which is the cash advanced to the borrower plus the net of direct and incremental transaction costs and fees. They are subsequently measured at amortised cost using the effective interest method less impairment.

2. Significant Accounting Policies (continued)

(iii) Available-for-sale policy

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or that are not classified as either financial assets through profit or loss or loans and receivables. Available-for-sale financial assets are initially measured at fair value, plus transaction costs.

Gains or losses arising from changes in the fair value are recognised in other comprehensive income and accumulated as a separate component of equity in the available-for-sale revaluation reserve with the exception of impairment losses, interest calculated using the effective interest rate and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is reclassified from equity to profit or loss (as a reclassification adjustment).

(iv) Financial Liabilities

Except for financial liabilities at fair value through profit or loss, financial liabilities are initially measured at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method.

i) Derivative Financial Instruments

Derivative financial instruments are used to manage exposures to interest rate, foreign currency and credit risks, including exposures arising from forecast transactions.

The Branch enters into derivative financial instruments for trading purposes, including swaps, futures contracts, forward contracts, options and other similar types of contracts based on interest and foreign exchange rates. These derivative financial instruments are generally valued using independently obtained market rates and using the bid/offer based on NZ IFRS 13. They are carried at fair value as held for trading in the statement of financial position and related gains and losses are included in Net (loss)/gain on financial assets/liabilities held for trading in the Statement of Comprehensive income.

j) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise an asset and settle the liability simultaneously. In all other situations they are presented gross.

2. Significant Accounting Policies (continued)

k) Accounting for Impaired assets and provisions

The provision for impaired assets covers specific risks associated with lending and other banking activities undertaken directly or through participating parties.

Loans, advances and other receivables are carried at recoverable amounts represented by the gross value of the outstanding balance adjusted for provision for doubtful debts and unearned income.

Bad debts are written off when identified. If a specific provision has been provided, write-offs for bad debts are made against the provision. If no provision has previously been provided, write-offs for bad debts are recognised as expenses in the profit or loss.

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairments at each balance date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For unlisted shares classified as available-for-sale financial assets, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

2. Significant Accounting Policies (continued)

l) Recoverable Amount of Non-Current Assets

At each reporting date, the Bank reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Bank estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

m) Provisions

Provisions are recognised when the Branch has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

n) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Provisions for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Provisions for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts redundancy in exchange for these benefits. The Branch recognises termination benefits when it is demonstrably committed to terminate the employment of current employees. The Branch does not have a formal plan for termination benefits.

2. Significant Accounting Policies (continued)

o) Contingent Liabilities and Credit Commitments

The Branch is involved in a range of transactions that give rise to contingent and/or future liabilities. The Branch discloses a contingent liability when it has a possible obligation arising from past events that will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Branch's control. A contingent liability is disclosed when a present obligation is not recognised because it is not probable that an outflow of resources will be required to settle an obligation, or the amount of the obligation cannot be measured with sufficient reliability.

The Branch issues commitments to extend credit and guarantees. These financial instruments attract service charges in line with market practice for similar arrangements. They are not sold or traded. The items generally do not involve cash payments other than in the event of default. The charge pricing is set as part of the broader customer credit process and reflects the probability of default. They are disclosed as Contingent Liabilities at their face value.

p) Taxation

Income tax on the profit and loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at balance date after taking advantage of all allowable deductions under current taxation legislation and any adjustment to tax payable in respect of previous years.

Deferred tax is accounted for using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at balance date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

q) Statement of Cash Flow

The Statement of Cash Flow is prepared inclusive of GST.

Cash flows arising from commercial paper, customer deposits to and withdrawals from deposit accounts, and borrowings and repayments on loans and other receivables are presented on a net basis.

Definitions of the terms used in the Statement of Cash Flow are:

"Cash and cash equivalents" includes coins and notes, demand deposits and other highly liquid investments readily convertible into cash. Bank overdrafts are shown with borrowings in current liabilities on the statement of financial position.

"Operating activities" include all transactions and other events that are not investing or financing activities.

"Investing activities" are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.

"Financing activities" are those activities relating to changes in equity and debt capital structure of the company and those activities relating to the cost of servicing the company's equity capital.

3. Risk Management Policies

The risk management policies and procedures of the Branch conform with those of the ultimate parent bank, The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("the Parent Bank").

The Branch's application of risk management systems is subject to review by the Parent Bank Internal Audit Office on a regular basis.

(a) Credit Risk

Credit risk is the risk of loss to the Branch arising from the failure of a counterparty to repay principal and/or interest under a commitment entered into with the Branch. Credit risk arises from the lending, treasury and trade finance activities of the Branch. The Branch is subject to the same credit review process of the Sydney Branch.

The Parent Bank sets the Branch's exposure limits to clients. The Branch has been granted a discretionary lending limit by the Parent Bank with such discretion limited to the Regional Head for Australia and New Zealand. A Borrower rating system is used to monitor the creditability of customers. The Parent Bank assigns a Borrower rating for each customer based on a credit review performed. This borrower rating will be reviewed and updated at least annually in accordance with the customer's credit information. The Parent Bank's borrower rating can be classified into four categories: Normal, Close Watch, Likely to Become Bankrupt, and (Virtually) Bankrupt. The Parent Bank will make general provisions for customers whose borrower rating are under "Normal" and "Close watch" categories. The Parent bank will also instruct the Branch to make specific provision for customers whose borrower ratings are under the "Likely to Become Bankrupt" and "(Virtually) Bankrupt" categories (also some "Close Watch"). In addition to complying with the Branch's internal guidelines, transactions with clients other than those based in Australia and New Zealand and transactions above a certain credit limit require approval from the Parent Bank after the Regional Head for Australia and New Zealand has approved the relevant transaction.

The Branch's overseas exposures are monitored closely and country exposure limits, based upon the controls used by the Parent Bank, will be adopted where necessary.

The Branch's exposures to financial institutions are controlled and monitored by the appropriate credit division of the Parent Bank on a consolidated basis. The limits are reviewed and approved by the Branch annually in consultation with the Parent Bank. Formal limits have been established for subsidiaries and branches of the Parent Bank and are subject to annual review. Credit risk exposures are monitored on a daily basis and any irregularities are reported to the Regional Head for Australia and New Zealand immediately as they are identified.

(b) Foreign Currency Risk

Foreign currency risk is the risk of loss to the Branch arising from fluctuations in foreign exchange rates. Foreign currency exposures and risks arise from the Branch undertaking foreign exchange transactions with customers as well as from loans and deposits undertaken in foreign currencies. The Branch does not act as a price maker for other institutions in the interbank foreign exchange market and does not take speculative trading positions in foreign exchange.

The currency risks arising from foreign exchange transactions with customers and from loans and deposits undertaken in foreign currencies are immediately transferred to the Sydney Branch by entering into back to back foreign exchange transactions. These risks are managed within the Sydney Branch's foreign exchange risk limits. The Sydney Branch has a set of formal policies and limits governing transaction limits, daylight limits, overnight position limits and foreign currency options portfolio limits. Overnight, currency option risk and forward limits are set and monitored by the Parent Bank.

3. Risk Management Policies (continued)

(c) Interest Rate Risk

Interest rate risk is the risk of loss to the Branch arising from movements in interest rates. The Branch's activities in the following areas will expose it to interest rate risk: borrowing from and lending to customers and related parties; issuing securities such as commercial paper and medium term notes; trade finance transactions; investing in securities such as commercial paper, bank bills and government stock; and offering off balance sheet instruments such as FRAs and swaps to customers. The Branch does not act as a price maker for other institutions in the interbank market and does not take a speculative trading position in interest rate instruments.

Any long term interest rate risks of the Branch arising from the above activities are immediately transferred to the Sydney Branch by entering into back to back transactions. Short term interest rate risk of the Branch will be monitored and managed daily by the Sydney Branch. An interest rate gap analysis is performed on a monthly basis for the Parent Bank. The risks are managed within the guidelines and limits set by the Parent Bank. The Oceania Region's Asset and Liability Management Committee comprising senior management meets monthly to monitor the Branch's interest rate and liquidity risk positions.

(d) Traded Equity Risk

Traded equity risk is the risk of loss arising from adverse movements in the prices of traded equities. The Branch does not undertake any activities exposing it to traded equity risk.

(e) Liquidity Risk

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 of such internal limits are 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 the Branch'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 Australia and New Zealand, sent to the Parent Bank weekly and presented to the Oceania Region Asset and Liability Management Committee monthly.

3. **Risk Management Policies (continued)**

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

	As at 31 March 2014 Audited NZD	As at 31 March 2013 Audited NZD
Cash and cash equivalents	45,500,952	66,103,389
Amounts due from related parties	23,233,711	30,677,150
Amounts due from other financial institutions	89,867,340	88,915,542
Available-for-sale securities	284,319,527	131,170,185
	442,921,530	316,866,266

(f) **Commodity Risk**

Commodity risk is the risk of loss arising from adverse movements in the prices of commodities. The Branch does not undertake any activities exposing it to commodity risk.

(g) **Operational Risk**

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes credit, market, strategic and reputation risk. However the cultural nature of the Branch is such that reputational risk is considered within our frameworks.

Under a variety of committee charters, regulations and external governance principles, the Regional Head for Australia and New Zealand is charged with the responsibility of ensuring that risks are managed effectively by the Branch and for providing a declaration to this effect. This specifically includes Operational Risk.

The primary method the Branch uses to manage Operational Risk is by operating procedures that have been established to conform with the Parent Bank's guidelines. Operational procedures are documented in procedural manuals for each department and variances to these procedures are noted, tracked and analyzed for systemic issues.

The Branch has strict checking procedures and internal controls for those critical processes to operations with Self Inspection undertaking periodic assessments of compliance. The Parent Bank maintains close supervision of the Branch's activities as described below in (h) “Internal Audit Function”.

Finally, a specific Operational Risk Team under Risk management department monitors the overall Operational Risk profile of the Branch though Risk and Control Self Assessment, Global Risk and Control Assessment, KRI monitoring, Incident tracking and management and Executive Attestations.

(h) **Internal Audit Function**

Audit teams from the Parent Bank conduct on-site audits of the Branch's procedures including loans, treasury and general office inspections on regular basis (previously annual). The last internal audit was conducted during May 2012. The result of the internal audit was reported to corporate auditors whose are reported to the Board of Directors under the Parent Bank's corporation governance systems.

3. Risk Management Policies (continued)

(i) **Self Inspection**

Self Inspection (SI) from Sydney branch provides a limited procedural assurance to the branch. SI visits the branch quarterly for its planned assignments mainly across the branch operations. The locally appointed Self Inspection Checker conducts the monthly tests and report to the SI team in Sydney monthly. The matters raised by SI are discussed and actioned by the branch as soon as practicable but not later than a month after identification of any risks (non-compliance of policies and procedures and/or any process gaps/weaknesses). All SI findings are reported monthly to local management and the Parent Bank.

(j) **Access to parental disclosures**

The most recent publicly available information in relation to capital adequacy requirements or risk management processes implemented by the ultimate holding company are disclosed under the ultimate holding company's annual report which can be accessed via the Bank's global website: www.mufg.jp.

4. Profit Before Income Tax Expense

	Twelve Months ended 31 March 2014 Audited NZD	Twelve Months ended 31 March 2013 Audited NZD
Operating revenue		
a) Interest income		
Corporate loans and other accounts	102,975,542	84,772,454
Related parties	14,110	8,562
	102,989,652	84,781,016
(b) Other operating income		
Fees and commissions income	17,710,374	15,701,651
Net gain on interest rate derivatives	87,455	170,851
Net gain on currency derivatives	-	355
Net (loss) on foreign currency	(654)	(5,265)
Other income	3,877	14,646
	17,801,052	15,882,238
	120,790,704	100,663,254
Total interest income derived from financial assets:		
At amortised cost	99,356,995	83,162,338
Available-for-sale securities	3,632,657	1,618,678
Designated at fair value through profit or loss	-	-
Total fee income derived from financial assets that are not at fair value through profit or loss	17,145,999	15,446,469
Net (loss)/gain on financial assets/liabilities held for trading	(60,519)	53,071
Net realised gain on held for trading	147,320	112,870
Other fee income	564,375	255,182
Other income	3,877	14,646
	120,790,704	100,663,254
Expenses		
(a) Interest expense		
Deposits and other accounts	1,809,317	2,563,018
Related parties	89,180,586	70,684,062
	90,989,903	73,247,080
Total interest expense was derived from financial liabilities:		
At amortised cost	90,989,903	73,247,080
Designated at fair value through profit or loss	-	-
	90,989,903	73,247,080
(b) Other operating expenses		
Rental & operating lease costs	187,242	188,661
Depreciation		
Furniture, fixtures and fittings	83,520	205,282
Office equipment	250,625	182,787
Motor vehicles	13,643	10,045
Auditors' remuneration (see note 9)		
Audit fees	133,527	136,157
Other non-audit services	-	-
Salaries	2,325,855	2,086,306
Staff related cost	106,268	239,923
Net losses from the disposal of fixed assets	-	1,278
General administration and other operating expenses	1,231,248	545,318
Credit impairment loss	50,442,058	-
	54,773,986	3,595,757
(Loss)/Profit before income tax expense	(24,973,185)	23,820,417

5. Property, Plant and Equipment

	As at 31 March 2014 Audited NZD	As at 31 March 2013 Audited NZD
Furniture, fixtures and fittings:		
Opening balance	583,371	567,529
Additions	-	15,842
Disposal	-	-
Closing balance	583,371	583,371
Accumulated depreciation		
Opening balance	(431,398)	(226,116)
Depreciation during the year	(83,520)	(205,282)
Disposal	-	-
Closing balance	(514,918)	(431,398)
	68,453	151,973
Office equipment:		
Opening balance	1,288,487	619,610
Additions	6,329	717,872
Disposal	-	(48,995)
Closing balance	1,294,816	1,288,487
Accumulated depreciation		
Opening balance	(344,939)	(209,245)
Depreciation during the year	(250,625)	(182,787)
Disposal	-	47,093
Closing balance	(595,564)	(344,939)
	699,252	943,548
Motor vehicles:		
Opening balance	75,001	75,001
Additions	38,091	-
Disposal	(37,089)	-
Closing balance	76,003	75,001
Accumulated depreciation		
Opening balance	(60,110)	(50,065)
Depreciation during the year	(13,643)	(10,045)
Disposal	34,637	-
Closing balance	(39,116)	(60,110)
	36,887	14,891
	804,592	1,110,412

6. Income Tax

Income Tax recognised in profit and loss

	As at 31 March 2014 Audited NZD	As at 31 March 2013 Audited NZD
Tax expense/(income) comprises:		
Current tax expense	1,065,532	5,043,219
Adjustments recognised in the current year in relation to the current tax of prior years	(182,482)	(535,698)
Adjustments recognised in the current year in relation to the deferred tax of prior years	-	11,719
Deferred tax (income) relating to the origination and reversal of temporary differences	(9,589,477)	(34,867)
	(8,706,427)	4,484,373

The prima facie income tax expense on pre-tax accounting profit from operation reconciles to the income tax expense in the financial statement as follows:

Profit from operations	(24,973,185)	23,820,417
Income tax expense calculated at 28%	(6,992,492)	6,669,717
Effect of other assessable incomes	512,400	212,395
Effect of other deductible expenses	(2,799,853)	(2,357,880)
Effect of expenses that are not deductible in determining taxable profit	756,000	484,120
	(8,523,945)	5,008,352
Adjustment recognised in the current year in relation to the current tax and deferred tax of prior years	(182,482)	(523,979)
	(8,706,427)	4,484,373

Deferred tax balance

Deferred tax assets arise form the following

31 March 2014 Audited	NZD Opening balance	NZD Charged to income	NZD Charged to equity	NZD Changes in tax rate	NZD Closing balance
Temporary differences					
Provision for employee entitlement	33,480	(1,902)	-	-	31,578
Property, plant & equipment	62,566	34,461	-	-	97,027
Loan loss provision	-	9,558,558	-	-	9,558,558
	96,046	9,591,117	-	-	9,687,163

31 March 2013 Audited	NZD Opening balance	NZD Charged to income	NZD Charged to equity	NZD Changes in tax rate	NZD Closing balance
Temporary differences					
Provision for employee entitlement	26,943	6,537	-	-	33,480
Property, plant & equipment	45,955	16,611	-	-	62,566
Loan loss provision	-	-	-	-	-
	72,898	23,148	-	-	96,046

All deferred tax on temporary difference is recognized in the profit and loss. Based on current forecast, it is expected to crystallize in future to offset tax liabilities.

7. Deposits

	As at 31 March 2014 Audited NZD	As at 31 March 2013 Audited NZD
Retail deposit bearing interest	1,471,320	606,270
Retail deposit not bearing interest	11,919,754	6,674,297
Certificate deposit	9,966,401	10,973,747
Call deposit	28,408,271	16,652,086
Term deposit	73,333,891	5,266,014
	125,099,637	40,172,414

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

	As at 31 March 2014 Audited NZD	As at 31 March 2013 Audited NZD
Total Liabilities	3,352,699,563	2,724,222,889
Less: total amounts due to related parties	(3,214,821,073)	(2,672,713,166)
Total liabilities net of amounts due to related parties	137,878,490	51,509,723

9. Remuneration of Auditor

During the period the following fees were paid or payable for services provided by the auditor of the Branch:

	Twelve Months ended 31 March 2014 Audited NZD	Twelve Months ended 31 March 2013 Audited NZD
Assurance Services		
Auditor of the Branch		
Audit & review of the Branch's Disclosure Statements	133,527	136,157
Other non-audit services	-	-

The auditor of the Branch is Deloitte Touche Tohmatsu, Auckland.

10. Other Liabilities

	As at 31 March 2014 Audited NZD	As at 31 March 2013 Audited NZD
Provision	112,780	119,572
Unearned income	1,783,386	2,816,012
Others	411,152	371,637
	2,307,318	3,307,221

11. Commitments and Contingent Liabilities

	As at 31 March 2014 Audited NZD	As at 31 March 2013 Audited NZD
a) Future lease rental commitments		
Operating lease (primarily premises)		
Due within 1 year	247,458	174,618
Due within 1 - 2 years	160,027	174,618
Due within 2 - 5 years	42,490	87,187
	449,975	436,423
b) Other commitments		
Undrawn facility commitments	627,039,889	1,105,729,287
c) Contingent liabilities		
Guarantees given	1,435,000	1,573,839
Performance related contingencies	4,692,782	34,704,965
Trade related contingencies	10,687	6,028
	6,138,469	36,284,832

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; and

- 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 fulfill 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 fulfill a contractual non-monetary obligation.

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.

12. Key Management Personnel Compensation

The compensation of the executives, being the key management personnel of the Branch, is set out below:

	Twelve Months ended 31 March 2014 Audited NZD	Twelve Months ended 31 March 2013 Audited NZD
Short term benefits	921,547	889,270
	921,547	889,270
Loan Disclosure		
Loan Outstanding	-	-
Interest charged	-	-

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Branch.

13. 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. The maturity analysis for these balances are presented in Note 18. 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.

	Twelve Months ended 31 March 2014 Audited NZD	Twelve Months ended 31 March 2013 Audited NZD
A) Balances		
Assets		
Amounts due from related parties	23,233,711	30,677,150
Derivative instruments	10,611,940	8,007,173
	33,845,651	38,684,323
Liabilities		
Amounts due to related parties	3,211,263,534	2,669,359,764
Derivative instruments	3,557,539	3,353,402
	3,214,821,073	2,672,713,166
Equity		
Head Office capital	83,000,000	83,000,000
Off Balance Sheet		
Guarantees given	135,000	135,000
Performance related contingencies	692,782	30,692,782
	827,782	30,827,782
B) Transactions		
Interest income	14,110	8,562
Interest expense	89,180,586	70,684,062
Net profit/(loss) from derivative instruments	1,571,300	(1,433,835)
Fees and commissions income	10,043	1,066

13. 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 fulfill local thin capitalisation requirement. 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 22 and Note 23.

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

14. Derivative Financial Instruments

The Branch uses derivatives to manage its financial position and to service the needs of its clients. Such derivative financial instruments include swaps, and forwards based on interest rates and exchange rates. The following table summarises the notional amounts and fair value of the Branch's derivatives at 31 March 2014.

	As at 31 March 2014 Audited NZD	As at 31 March 2013 Audited NZD
Foreign Exchange Contracts		
Spot and forward contracts:		
Notional principal amount < 1 year	450,860,309	433,359,523
Notional principal amount 1 to 2 years	10,508,531	16,980,709
Total notional principal	461,368,840	450,340,232
Fair value < 1 year	(3,397)	-
Fair value 1 to 2 years	-	-
Total fair value	(3,397)	-
Interest Rate Swap Contracts		
Notional principal amount < 1 year	91,193,858	36,617,052
Notional principal amount 1 to 2 years	130,781,174	128,443,890
Notional principal amount 2 to 3 years	67,889,008	26,418,192
Notional principal amount 3 to 4 years	167,653,705	36,857,525
Notional principal amount 4 to 5 years	87,194,694	140,879,704
Notional principal amount more than 5 years	-	50,000,000
Total notional principal	544,712,439	419,216,363
Fair value < 1 year	5,690	18,470
Fair value 1 to 2 years	60,844	23,087
Fair value 2 to 3 years	23,642	84,455
Fair value 3 to 4 years	65,046	37,293
Fair value 4 to 5 years	36,223	68,248
Fair value more than 5 years	-	20,410
Total fair value	191,445	251,963

15. Concentration of Credit Risk

Credit risk is the risk of loss to the Branch arising from the failure of a counterparty to repay principal and/or interest under a commitment entered into with the Branch. Credit risk arises from the lending, treasury and trade finance activities of the Branch. Credit risk also arises from the possibility that the counterparty to a derivative financial instrument will not adhere to the terms of the contract with the Branch when settlement becomes due. The Branch's credit exposure on derivative financial instruments is determined in accordance with Capital Adequacy Framework (Standardized Approach) BS2A. The credit equivalent is derived by taking into account the residual maturity of each instrument.

Corporate loans originated by the bank are secured partially by the following collateral/credit enhancement:

i. financial guarantee by either third parties or customer's parent company
ii. deposit assignment
iii. asset assignment such as aircraft

The following table details the Branch's maximum credit risk exposure without taking account of any collateral/credit enhancement held of recognised financial assets and derivative financial instruments as at the reporting date.

	As at 31 March 2014 Audited NZD	As at 31 March 2013 Audited NZD
Notional principal		
On Balance Sheet		
Cash and short term liquid assets	45,500,952	66,103,389
Amounts due from related parties	23,233,711	30,677,150
Amounts due from other financial institutions	89,867,340	88,915,542
Available-for-sale securities	284,319,527	131,170,185
Corporate loans originated by the Bank	2,978,996,910	2,508,295,887
Acceptances of customers	-	101,446
Other assets	3,435,902	837,970
Total	3,425,354,342	2,826,101,569
Off Balance Sheet		
Guarantees given	1,435,000	1,573,839
Performance related contingencies	4,692,782	34,704,965
Trade related contingencies	10,687	6,028
Undrawn facility commitments	627,039,889	1,105,729,287
Total	633,178,358	1,142,014,119
Credit equivalent		
Derivative instruments	20,787,373	19,118,189

15. Concentration of Credit Risk (continued)

i. Concentration of Credit Risk by Customer Industry Sector

	As at 31 March 2014 Audited NZD	As at 31 March 2013 Audited NZD
Notional principal		
On Balance Sheet		
Agriculture	-	25,575,399
Communications	259,960,002	218,281,008
Construction	-	6,559,317
Electricity, gas and water	596,445,696	453,496,124
Finance	812,352,433	715,073,086
Fishing	59,421,903	58,840,312
Food Manufacturing	465,368,093	331,080,547
Forestry	55,157,338	52,315,189
Mining	30,273,064	79,985,130
Other Manufacturing	130,020,773	102,068,782
Property and Business Services	182,545,836	106,378
Transport and storage	681,453,660	657,389,123
Wholesale Trade	144,854,757	120,519,542
Wood and paper manufacturing	7,500,787	4,811,630
Total	3,425,354,342	2,826,101,569

	As at 31 March 2014 Audited NZD	As at 31 March 2013 Audited NZD
Notional principal		
Off Balance Sheet		
Agriculture	-	2,500,000
Communications	96,111,111	96,666,666
Construction	10,427,586	36,286,461
Electricity, gas and water	260,000,000	549,422,222
Finance	100,827,782	133,249,641
Fishing	8,486,156	6,141,841
Food Manufacturing	83,000,000	222,808,449
Other Manufacturing	45,500,000	48,500,000
Property and Business Services	2,515,036	-
Transport and storage	6,000,000	26,000,000
Wholesale Trade	310,687	438,839
Wood and paper manufacturing	20,000,000	20,000,000
Total	633,178,358	1,142,014,119

	As at 31 March 2014 Audited NZD	As at 31 March 2013 Audited NZD
Credit equivalent derivative financial instruments		
Agriculture	35,517	89,174
Communications	323,235	594,769
Electricity, gas and water	1,282,238	375,000
Finance	13,891,252	11,888,741
Fishing	574,624	912,044
Food manufacturing	1,031,669	1,284,937
Forestry	-	13,323
Other Manufacturing	300,021	356,981
Transport and storage	2,085,133	842,424
Wholesale Trade	588,443	184,746
Wood and paper manufacturing	675,241	2,576,050
Total	20,787,373	19,118,189

15. Concentration of Credit Risk (continued)

ii. Concentration of Credit Risk by Customer Geographic Location

	As at 31 March 2014 Audited NZD	As at 31 March 2013 Audited NZD
Notional principal		
On Balance Sheet		
New Zealand	3,050,292,744	2,565,868,596
Japan	182,798,204	126,630,236
Australia	172,311,525	118,611,332
Netherlands	19,951,869	14,991,405
Total	3,425,354,342	2,826,101,569
Off Balance Sheet		
New Zealand	560,350,576	1,111,186,337
Japan	827,782	30,827,782
Australia	72,000,000	-
Total	633,178,358	1,142,014,119
Credit equivalent of derivative financial instruments		
New Zealand	6,890,092	7,295,809
Japan	13,888,436	11,799,264
Australia	8,845	23,116
Total	20,787,373	19,118,189

iii. Concentration of Credit Risk by Customer Credit Rating

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Audited

Credit Rating	S&P Rating	Notional principal: On balance Sheet	Notional principal: Off balance Sheet	Credit equivalent of derivative financial instruments
1-2	A- and above	1,342,833,625	227,427,586	1,512,948
3-7	B- to BBB+	1,891,900,216	404,912,302	5,650,493
8-9	CCC+/-	167,386,790	10,687	35,517
Not rated*		23,233,711	827,783	13,588,415
		3,425,354,342	633,178,358	20,787,373

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Credit Rating	S&P Rating	Notional principal: On balance Sheet	Notional principal: Off balance Sheet	Credit equivalent of derivative financial instruments
1-2	A- and above	749,444,563	286,286,461	594,769
3-7	B- to BBB+	1,914,789,595	821,961,037	6,634,982
8-9	CCC+/-	131,189,645	2,938,839	89,174
Not rated*		30,677,766	30,827,782	11,799,264
		2,826,101,569	1,142,014,119	19,118,189

There is no period end aggregate exposure equalled or exceeded 10% of the global equity of the Overseas Banking Group.

*The not rated exposure is related to inter-branch exposure.

16. Concentration of Funding

	As at 31 March 2014 Audited NZD	As at 31 March 2013 Audited NZD
a) Category analysis		
Customer deposits	125,099,637	40,172,414
Due to related parties	3,211,263,534	2,669,359,764
	3,336,363,171	2,709,532,178
b) Counterparty analysis		
Corporate and individuals	115,099,637	29,198,667
Banks and other financial institutions	3,221,263,534	2,680,333,511
	3,336,363,171	2,709,532,178
c) Geographical analysis		
Australia	1,981,646,327	1,371,165,854
New Zealand	62,576,060	29,186,856
Japan	1,197,009,651	1,188,462,295
Singapore	85,131,133	109,743,426
Fiji	10,000,000	10,973,747
	3,336,363,171	2,709,532,178

17. Interest Rate Risk

Interest rate risk is the risk of loss to the Branch arising from movements in interest rates thereby having an adverse effect on the net interest earnings of the Branch in the current reporting period and in future years.

The following table represents the interest rate sensitivity gap of the Branch as at the reporting date. It analyses the Branch's assets and liabilities in relevant maturity groupings based on the earlier of residual contractual maturity or interest repricing date. One of the major causes of the mismatches is timing differences in the repricing of the assets and liabilities. These mismatches are managed by the Sydney Branch as part of the overall risk management process conducted in accordance with strict policy guidelines.

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	Up to 3 months NZD	Over 3 months and up to 6 months NZD	Over 6 months and up to 1 year NZD	Over 1 year and up to 2 years NZD	Over 2 years NZD	NON INTEREST SENSITIVE NZD	TOTAL NZD	WEIGHTED AVE. EFF. RATE %
ASSETS								
Cash and short term liquid assets	45,500,952	-	-	-	-	-	45,500,952	2.25%
Amounts due from related parties	-	-	-	-	-	23,233,711	23,233,711	
Amounts due from other financial institutions	89,867,340	-	-	-	-	-	89,867,340	2.91%
Available-for-sale securities	-	-	-	257,241,778	27,077,749	-	284,319,527	2.84%
Corporate loans originated by the Bank	2,782,268,186	108,837,843	-	6,270,261	81,620,620	-	2,978,996,910	3.59%
Acceptances of customers	-	-	-	-	-	-	-	
Property, Plant and Equipment	-	-	-	-	-	804,592	804,592	
Other assets	-	-	-	-	-	27,368,832	27,368,832	
Total assets	2,917,636,478	108,837,843	-	263,512,039	108,698,369	51,407,135	3,450,091,864	
LIABILITIES								
Amounts due to related parties	3,086,448,696	36,956,210	-	6,275,041	81,583,587	-	3,211,263,534	3.21%
Deposits	113,179,883	-	-	-	-	11,919,754	125,099,637	2.66%
Acceptances	-	-	-	-	-	-	-	
Other liabilities	-	-	-	-	-	16,336,392	16,336,392	
Total liabilities	3,199,628,579	36,956,210	-	6,275,041	81,583,587	28,256,146	3,352,699,563	

17. Interest Rate Risk (continued)

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	Up to 3 months NZD	Over 3 months and up to 6 months NZD	Over 6 months and up to 1 year NZD	Over 1 year and up to 2 years NZD	Over 2 years NZD	NON INTEREST SENSITIVE NZD	TOTAL NZD	WEIGHTED AVE. EFF. RATE %
ASSETS								
Cash and short term liquid assets	66,103,389	-	-	-	-	-	66,103,389	2.00
Amounts due from related parties	-	-	-	-	-	30,677,150	30,677,150	
Amounts due from other financial institutions	88,915,542	-	-	-	-	-	88,915,542	2.22
Available-for-sale securities	77,367,891	-	-	-	53,802,294	-	131,170,185	2.50
Corporate loans originated by the Bank	2,345,257,232	80,517,457	1,260,171	4,188,841	77,072,186	-	2,508,295,887	3.28
Acceptances of customers	-	-	-	-	-	101,446	101,446	
Property, Plant and Equipment	-	-	-	-	-	1,110,412	1,110,412	
Other assets	-	-	-	-	-	12,531,853	12,531,853	
Total assets	2,577,644,054	80,517,457	1,260,171	4,188,841	130,874,480	44,420,861	2,838,905,864	
LIABILITIES								
Amounts due to related parties	2,561,013,949	35,033,798	1,258,947	4,185,836	67,867,234	-	2,669,359,764	2.92
Deposits	33,498,117	-	-	-	-	6,674,297	40,172,414	2.54
Acceptances	-	-	-	-	-	101,446	101,446	
Other liabilities	-	-	-	-	-	14,589,265	14,589,265	
Total liabilities	2,594,512,066	35,033,798	1,258,947	4,185,836	67,867,234	21,365,008	2,724,222,889	

18. Maturity Analysis for Assets and Liabilities

The tables below analyse the Branch's financial assets and liabilities, as required by NZ IFRS7 "Financial Instruments: Disclosures", in relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the obligation is crystallised. The table includes both interest and principal cash flows. Therefore, they may differ to the carrying amounts on the statement of financial position.

31 March 2014
Audited

	On Demand NZD	To 1 Month NZD	1 to 3 Months NZD	3 to 12 Months NZD	1 to 5 Years NZD	Over 5 Years NZD	Total NZD
ASSETS							
Cash and short term liquid assets	45,500,952	-	-	-	-	-	45,500,952
Amounts due from related parties	23,233,711	-	-	-	-	-	23,233,711
Amounts due from other financial institutions	-	90,000,000	-	-	-	-	90,000,000
Available-for-sale securities	-	7,320,000	750,000	8,070,000	280,820,000	-	296,960,000
Corporate loans originated by the Bank	-	13,834,549	73,503,795	569,421,928	2,264,274,900	386,727,172	3,307,762,344
Acceptances of customers	-	-	-	-	-	-	-
Derivative instruments	-	2,963,734	3,107,634	5,769,376	5,142,954	-	16,983,698
	68,734,663	114,118,283	77,361,429	583,261,304	2,550,237,854	386,727,172	3,780,440,705
LIABILITIES							
Amounts due to related parties	-	1,644,828,317	1,455,946,490	45,851,781	27,427,767	55,903,309	3,229,957,664
Deposits	41,799,345	78,066,921	5,302,359	-	-	-	125,168,625
Acceptances	-	-	-	-	-	-	-
Derivative instruments	-	2,950,286	3,084,093	5,681,267	4,975,860	-	16,691,506
Lease commitment	-	20,622	41,243	185,593	202,517	-	449,975
Gross loan commitment	627,039,889	-	-	-	-	-	627,039,889
Guarantees given	-	300,000	-	135,000	1,000,000	-	1,435,000
Performance related contingencies	-	-	-	400,000	4,200,000	92,782	4,692,782
Trade related contingencies	10,687	-	-	-	-	-	10,687
	668,849,921	1,726,166,146	1,464,374,185	52,253,641	37,806,144	55,996,091	4,005,446,128

18. Maturity Analysis for Assets and Liabilities (continued)

31 March 2013
Audited

	On Demand NZD	To 1 Month NZD	1 to 3 Months NZD	3 to 12 Months NZD	1 to 5 Years NZD	Over 5 Years NZD	Total NZD
ASSETS							
Cash and short term liquid assets	66,103,389	-	-	-	-	-	66,103,389
Amounts due from related parties	30,677,150	-	-	-	-	-	30,677,150
Amounts due from other financial institutions	-	89,000,000	-	-	-	-	89,000,000
Available-for-sale securities	-	78,896,794	-	1,465,973	53,409,096	-	133,771,863
Corporate loans originated by the Bank	-	452,145,844	628,212,468	164,590,826	1,172,444,976	241,251,447	2,658,645,561
Acceptances of customers	-	50,233	51,213	-	-	-	101,446
Derivative instruments	-	4,886,753	3,399,795	4,394,462	5,345,476	233,325	18,259,811
	96,780,539	624,979,624	631,663,476	170,451,261	1,231,199,548	241,484,772	2,996,559,220
LIABILITIES							
Amounts due to related parties	-	793,849,779	1,585,286,190	68,851,392	236,227,071	30,409,831	2,714,624,263
Deposits	23,932,653	10,969,523	5,302,018	-	-	-	40,204,194
Acceptances	-	50,233	51,213	-	-	-	101,446
Derivative instruments	-	4,875,297	3,377,215	4,302,969	5,213,338	229,575	17,998,394
Lease commitments	-	14,551	29,102	130,965	261,805	-	436,423
Gross loan commitment	1,105,729,287	-	-	-	-	-	1,105,729,287
Guarantees given	-	300,000	-	1,273,839	-	-	1,573,839
Performance related contingencies	-	-	-	34,400,000	212,183	92,782	34,704,965
Trade related contingencies	-	6,028	-	-	-	-	6,028
	1,129,661,940	810,065,411	1,594,045,738	108,959,165	241,914,397	30,732,188	3,915,378,839

19. 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 by using 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.

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 quoted interest rates. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted 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.

19. Fair Value of Financial Instruments (continued)

31 March 2014 Audited	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
Assets							
Cash and cash equivalents	a	-	-	45,500,952	-	45,500,952	45,500,952
Amounts due from related parties	a	-	-	23,233,711	-	23,233,711	23,233,711
Amounts due from other financial institutions	a	-	-	89,867,340	-	89,867,340	89,867,340
Available-for-sale securities	d	-	284,319,527	-	-	284,319,527	284,319,527
Corporate loans originated by the Bank	b	-	-	2,978,996,910	-	2,978,996,910	2,985,538,641
Other assets	c, a	14,217,122	-	1,886,566	-	16,103,688	16,103,688
Total financial assets		14,217,122	284,319,527	3,139,485,479	-	3,438,022,128	3,444,563,859
Liabilities							
Amounts due to related parties	b	-	-	-	3,211,163,534	3,211,263,534	3,222,463,561
Deposits	b	-	-	-	125,099,637	125,099,637	125,099,637
Other liabilities	c	14,029,074	-	-	-	14,029,074	14,029,074
Total financial liabilities		14,029,074	-	-	3,336,363,171	3,350,392,245	3,361,592,272

31 March 2013 Audited	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
Assets							
Cash and cash equivalents	a	-	-	66,103,389	-	66,103,389	66,103,389
Amounts due from related parties	a	-	-	30,677,150	-	30,677,150	30,677,150
Amounts due from other financial institution	a	-	-	88,915,542	-	88,915,542	88,915,542
Available-for-sale securities	d		131,170,185	-		131,170,185	131,170,185
Corporate loans originated by the Bank	b	-	-	2,508,295,887	-	2,508,295,887	2,515,169,156
Other assets	c, a	11,534,007	-	942,321	-	12,476,328	12,476,328
Total financial assets		11,534,007	131,170,185	2,694,934,289	-	2,837,638,481	2,844,511,750
Liabilities							
Amounts due to related parties	b	-		-	2,669,359,764	2,669,359,764	2,678,781,436
Deposits	b	-		-	40,172,414	40,172,414	40,172,414
Other liabilities	c, a	11,282,044		-	101,446	11,383,490	11,383,490
Total financial liabilities		11,282,044		-	2,709,633,624	2,720,915,668	2,730,337,340

19. Fair Value of Financial Instruments (continued)

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).

	31 March 2014		**31 March 2013**	
	Level 1	**Level 2**	**Level 1**	**Level 2**
Derivative financial assets				
Interest rate swaps	-	3,725,625	-	1,216,216
Currency Options	-	700,865	-	-
FX forwards	-	9,790,632	-	10,317,791
Total derivative financial assets	-	14,217,122	-	11,534,007
Derivative financial liabilities				
Interest rate swaps	-	3,534,181	-	964,253
Currency Options	-	700,865	-	-
FX forwards	-	9,794,028	-	10,317,791
Total derivative financial liabilities	-	14,029,074	-	11,282,044
Available-for-sale securities	284,319,527	-	131,170,185	-
Corporate loans originated by the bank	-	2,985,538,641	-	2,515,169,156
Amounts due to related parties	-	3,222,463,561	-	2,678,781,436

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

20. Profitability and Size

The Overseas Banking Group

a) Profitability

	Twelve Months ended 31 March 2014 JPY(000's)	**Twelve Months ended 31 March 2013 JPY(000's)**
Net Profit After Tax	754,323,000	673,514,000
Net Profit After Tax over the previous 12 months period as a percentage of average total assets	0.39%	0.39%

b) Size

	Twelve Months ended 31 March 2014 JPY(000's)	**Twelve Months ended 31 March 2013 JPY(000's)**
Total Assets	201,614,685,000	181,625,667,000
% Change in total assets over the previous 12 months	11.01%	5.80%

21. Asset Quality

(i) The Overseas Banking Group

	As at 31 March 2014 JPY(000's)	As at 31 March 2013 JPY(000's)
Total individually impaired assets (before allowances for credit impairment loss and net of interest held in suspense)	1,484,342,000	1,676,113,000
Total individually impaired assets expressed as a percentage of total assets	0.74%	0.92%
Total individual credit impairment allowance	269,762,000	299,751,000
Total individually credit impairment allowance expressed as a percentage of total individually impaired assets	18.17%	17.88%
Total collective credit impairment allowance	535,357,000	620,782,000

(ii) 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' financial position. The provision represents the Branch's best estimate of the difference between the carrying amount of the corporate loans amount based on expected future cash flows.

	As at 31 March 2014 NZD	As at 31 March 2013 NZD
Individual impaired assets :		
Balance at the beginning of the period	-	-
Addition during the period	80,715,122	-
Amounts written off	16,304,348	-
Balance at the end of the period	64,410,774	-
Total individual impairment allowance	34,137,710	-

The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch does not have any collective credit impairment allowance, and any past due and not impaired assets as at 31 March 2014. The total collective credit impairment allowance of the Overseas Banking Group covers the assets of the Branch

The total interest income recognized on impaired asset over the accounting period ended 31 March 2014 was NZD 1,729,820.

Individual provision for loan impairment

	As at 31 March 2014 NZD	As at 31 March 2013 NZD
Balance at the beginning of the period	-	-
Charge to impairment of loans in profit and loss	50,442,058	-
Amounts written off	(16,304,348)	-
Balance at the end of the period	34,137,710	-

21. Asset Quality (continued)

Profit or loss charge

	As at 31 March 2014 NZD	As at 31 March 2013 NZD
Specific provisions for impairment against advances	50,442,058	-
Total provisions for impairment against advances	50,442,058	-

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.

22. 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 31 March 2014 NZD (000's)	As At 31 March 2013 NZD (000's)
(1) Aggregate Interest Rate Exposure			
(a)	Notional Capital Charge *	3,484	1,591
(b)	Implied risk weighted exposure	43,550	19,888

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

		Peak End of Day Ending 31 March 2014 NZD (000's)	Peak End of Day Ending 31 March 2013 NZD (000's)
(1) Aggregate Interest Rate Exposure (continued)			
(a)	Notional Capital Charge **	3,484	3,340
(b)	Implied risk weighted exposure	43,550	41,750

(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.

** The peak end of day notional capital charge was derived by determining the maximum over the period at the close of each business day derived in accordance with Capital Adequacy Framework (Standardized Approach) BS2A

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. Please refer to Note 3 (b) and (c) for detail. Under this arrangement, the Branch is exposed to limited market risk which is immaterial.

23. Capital Adequacy

The table below presents the minimum consolidated risk-based capital ratios from 31 March 2013. The underlying figures are calculated in accordance with Japanese banking regulations based upon information derived from the consolidated financial statements prepared in accordance with Japanese GAAP, as required by the Financial Services Agency in Japan. It is expected to maintain a minimum ratio up to full implementation of Basel III at 31/3/2019 based on Basel III Internal rating-based approach as follows:

	2013	2014	2015	2016	2017	2018	2019
Minimum Common Equity Tier 1 ratio	3.5%	4.0%	4.5%	4.5%	4.5%	4.5%	4.5%
Capital Conservation Buffer				0.625%	1.25%	1.875%	2.5%
Total	3.5%	4.0%	4.5%	5.125%	5.75%	6.375%	7.0%
Minimum Tier 1 ratio	4.5%	5.5%	6.0%	6.0%	6.0%	6.0%	6.0%
Total (with Capital Conservation Buffer)	4.5%	5.5%	6.0%	6.625%	7.25%	7.875%	8.5%
Minimum Capital ratio	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Total (with Capital Conservation Buffer)	8.0%	8.0%	8.0%	8.625%	9.25%	9.875%	10.5%

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

Overseas Banking Group	**As at 31 March 2014**	**As at 31 March 2013**
Capital ratios:		
Common Equity Tier 1 capital	11.05%	11.71 %
Tier 1 capital	12.21%	13.11 %
Total capital	15.57%	17.51 %

Overseas Bank	**As at 31 March 2014**	**As at 31 March 2013**
Capital ratios:		
Common Equity Tier 1 capital	11.88%	11.76 %
Tier 1 capital	13.74%	13.99 %
Total capital	17.52%	18.52 %

The most recent publicly available information in relation to capital adequacy framework implemented by the overseas bank and overseas banking group are disclosed under the ultimate holding company's annual report which can be accessed via the Bank's global website: www.mufg.jp.

24. 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 31 March 2014.

There is 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 31 March 2014 during this accounting period.

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

25. Insurance Business

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

26. 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.

27. Securitisation, 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 securitised assets or in the marketing or servicing of securitisation schemes.

(c) The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch is not involved in the marketing and distribution of insurance products.

28. 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.

29. 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 twelve months ended 31 March 2014, 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.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF THE BANK OF TOKYO-MITSUBISHI UFJ, LTD. (AUCKLAND BRANCH)

REPORT ON THE DISCLOSURE STATEMENT (EXCLUDING SUPPLEMENTARY INFORMATION RELATING TO CAPITAL ADEQUACY)

We have audited the accompanying Disclosure Statement (excluding the information relating to Credit and Market Risk Exposure and Capital Adequacy on pages 44 to 45) of The Bank of Tokyo-Mitsubishi UFJ, Ltd. – Auckland Branch ('the Branch' and 'the Banking Group') on pages 1 to 46.

The Disclosure Statement includes the financial statements of the Branch on pages 11 to 46 and supplementary information required to be disclosed under Schedules 2, 4, 7, 9, 10, 11 and 13 of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 ('the Order') on pages 1 to 46.

The financial statements of the Branch on pages 11 to 46 comprise the statement of financial position as at 31 March 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Branch's Directors, as a body, in accordance with Section 205(1) of the Companies Act 1993. Our audit has been undertaken so that we might state to the Branch's Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the branch's Directors as a body, for our audit work, for this report, or for the opinions we have formed

Directors' Responsibilities

The Directors of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Auckland Branch) ('the Directors') are responsible for the preparation and presentation of the financial statements of the Branch and Banking Group in accordance with New Zealand Generally Accepted Accounting Practice and that give a true and fair view of the matters to which they relate, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the preparation and presentation of supplementary information which fairly states the matters required to be disclosed under Schedules 2, 4, 7, 9, 10, 11 and 13 of the Order and which is prepared in accordance with any guidelines issued pursuant to Section 78(3) of the Reserve Bank of New Zealand Act 1989 and any Conditions of Registration.

Auditor's Responsibility

It is our responsibility to express an independent opinion on the financial statements and the supplementary information disclosed in accordance with Schedules 4, 7, 10, 11 and 13 of the Order ('the Supplementary Information'), prepared and presented by the Directors, and report our opinion in accordance with clause 2 of Schedule 1 of the Order. Our responsibility is to express an opinion based on our audit.

We conducted our audit in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements and the Supplementary Information are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the Supplementary Information. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements and the Supplementary Information, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial statements that give a true and fair view of the matters to which they relate, and considers internal controls relevant to the entity's preparation of the Supplementary Information which fairly states the matters to which they relate, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the financial statements and the Supplementary Information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

Other than in our role as auditor, we do not have any relationships with or interests in the Branch.Opinion
In our opinion, the financial statements on pages 11 to 46:

- comply with New Zealand Generally Accepted Accounting Practice;
- comply with International Financial Reporting Standards; and
- give a true and fair view of the financial position of the Branch as at 31 March 2014, and their financial performance and cash flows for the year then ended.

Deloitte.

In our opinion, the Supplementary Information disclosed in accordance with Schedules 4, 7, 10, 11 and 13 of the Order:

- has been prepared in accordance with the guidelines issued pursuant to Section 78(3) of the Reserve Bank of New Zealand Act 1989 and any Conditions of Registration, and is in accordance with the books and records of the Branch; and
- fairly states the matters to which it relates in accordance with those Schedules.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 16 of the Financial Reporting Act 1993, and clauses 2(1)(d) and 2(1)(e) of Schedule 1 of the Order, we report that:

- we have obtained all the information and explanations we have required; and
- in our opinion proper accounting records have been kept by the Branch as far as appears from our examination of those records.

Emphasis of Matter

The Branch is part of The Bank of Tokyo-Mitsubishi UFJ, Ltd ('the Registered Bank'), which is incorporated in Japan. The assets of the Branch are legally available for the satisfaction of debts of the entire Registered Bank, not solely those appearing on the accompanying statement of financial position and its debts may result in claims against assets not appearing thereon. Our opinion is not qualified in respect to this matter.

REPORT ON THE SUPPLEMENTARY INFORMATION RELATING TO CREDIT AND MARKET RISK EXPOSURES AND CAPITAL ADEQUACY

We have reviewed the supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy on pages 44 to 45.

Directors' Responsibilities

The Directors are responsible for including supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy prepared in accordance with Schedule 9 of the Order.

Auditor's Responsibilities

It is our responsibility to express an independent opinion on the supplementary information relating to Credit and Market Risk Exposure and Capital Adequacy based on our review.

We conducted our review in accordance with the Review Engagement Standards issued by the External Reporting Board.

We are responsible for reviewing the disclosures in order to state whether, on the basis of procedures described below, anything has come to our attention that would cause us to believe that the supplementary information is not, in all material respects:

- prepared in accordance with the Bank's Conditions of Registration; and
- disclosed in accordance with Schedule 9 of the Order and for reporting our findings to you.

A review is limited primarily to inquiries of the Branch personnel and analytical procedures applied to financial data, and thus provides less assurance than an audit. We have not performed audit procedures in respect of the Credit and Market Risk Exposure and Capital Adequacy disclosures and accordingly we do not express an audit opinion on these disclosures.

Opinion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the supplementary information relating to Credit and Market Risk Exposure and Capital Adequacy disclosed on pages 44 to 45 of the Disclosure Statement, as required by Schedule 9 of the Order, is not, in all material respects:

- prepared in accordance with the Capital Adequacy Framework (Standardised Approach) (BS2A); and
- disclosed in accordance with Schedule 9 of the Order.

Deloitte.

Chartered Accountants
25 June 2014
Auckland, New Zealand