REGISTERED BANK DISCLOSURE STATEMENT

31 MARCH 2016

MUFG

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD
AUCKLAND BRANCH

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

1. Corporate Information

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

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 of 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 premiums on an annual basis on all deposits for the protection.

Certain types of deposits such as foreign currency deposits (currencies other than JPY) 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. The following deposits of the Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch are not protected:

	As at 31 March 2016 NZD	As at 31 March 2015 NZD
Amount due to related parties	2,537,489,565	2,705,545,367
Retail deposit	22,208,605	19,375,117
Certificate deposit	49,714,693	48,086,360
Call deposit	60,415,575	49,176,102
Term deposit	351,596,388	84,226,890
	3,021,424,826	2,906,409,836

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 and cross guaranteeing arrangements) as at the date of signing this Disclosure Statement.

5. Directorate

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

C/- Mr Toru Masutani,
Regional Head for Oceania
(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

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 2016:

Name:	Katsunori Nagayasu	**Name:**	Kiyoshi Sono
Occupation:	Chairman	**Occupation:**	Deputy Chairman
Residence:	Japan	**Residence:**	Japan
Executive or Independent director:	Executive director	**Executive or Independent director:**	Executive director
Qualification:	Faculty of Law The University of Tokyo, Japan	**Qualification:**	Faculty of Law Kyushu University, Japan
Name:	Nobuyuki Hirano	**Name:**	Takashi Morimura
Occupation:	President & CEO	**Occupation:**	Deputy President
Residence:	Japan	**Residence:**	Japan
Executive or Independent director:	Executive director	**Executive or Independent director:**	Executive director
Qualification:	Faculty of Law Kyoto University, Japan	**Qualification:**	BA in Economics Keio University, Japan
Name:	Takeshi Ogasawara	**Name:**	Hidekazu Fukumoto
Occupation:	Deputy President	**Occupation:**	Deputy President
Residence:	Japan	**Residence:**	Japan
Executive or Independent director:	Executive director	**Executive or Independent director:**	Executive director
Qualification:	Faculty of Law Kyoto University, Japan	**Qualification:**	BA in Economics Kyoto University, Japan
Name:	Takashi Morisaki	**Name:**	Takashi Oyamada
Occupation:	Deputy President	**Occupation:**	Deputy President
Residence:	Japan	**Residence:**	Japan
Executive or Independent director:	Executive director	**Executive or Independent director:**	Executive director
Qualification:	BA in Economics The University of Tokyo, Japan; MBA New York University, USA	**Qualification:**	BA in Economics The University of Tokyo, Japan
Name:	Saburo Araki	**Name:**	Naoto Hirota
Occupation:	Senior Managing Director	**Occupation:**	Senior Managing Director
Residence:	Japan	**Residence:**	Japan
Executive or Independent director:	Executive director	**Executive or Independent director:**	Executive director
Qualification:	Faculty of Law The University of Tokyo, Japan; MS, Sloan Sch. of Management, Massachusetts Institute of Technology, USA	**Qualification:**	BA, Faculty of Economics Keio University, Japan; MBA, Stanford Graduate School of Business, Stanford University, USA

5. Directorate (continued)

Name:	Tadashi Kuroda
Occupation:	Senior Managing Director
Residence:	Japan
Executive or Independent director:	Executive director
Qualification:	Faculty of Law The University of Tokyo, Japan

Name:	Satoshi Murabayashi
Occupation:	Senior Managing Director
Residence:	Japan
Executive or Independent director:	Executive director
Qualification:	School of Economics Nagoya University, Japan

Name:	Shuzo Iwasaki
Occupation:	Managing Director
Residence:	Japan
Executive or Independent director:	Executive director
Qualification:	School of Technology Tokyo Institute of Technology, Japan

Name:	Muneaki Tokunari
Occupation:	Managing Director
Residence:	Japan
Executive or Independent director:	Executive director
Qualification:	Faculty of Law Keio University, Japan

Name:	Takahiro Yanai
Occupation:	Managing Director
Residence:	Japan
Executive or Independent director:	Executive director
Qualification:	Faculty of Law The University of Tokyo, Japan

Name:	Akira Hamamoto
Occupation:	Managing Director
Residence:	Japan
Executive or Independent director:	Executive director
Qualification:	Faculty of Law Waseda University, Tokyo, Japan

Name:	Masamichi Yasuda
Occupation:	Managing Director
Residence:	Japan
Executive or Independent director:	Executive director
Qualification:	Faculty of Law Hitotsubashi University, Tokyo, Japan

Name:	Teruo Ozaki
Occupation:	Director
Residence:	Japan
Executive or Independent director:	Independent director
Qualification:	Bachelor of Economics Yokohama National University, Japan; Chartered Accountant

Name:	Shuzo Sumi
Occupation:	Director
Residence:	Japan
Executive or Independent director:	Independent director
Qualification:	Faculty of Science and Engineering Waseda University, Japan

Mr. Kiyoshi Sono, Mr. Nobuyuki Hirano, Mr. Takashi Morimura, Mr. Hidekazu Fukumoto, Mr. Takashi Oyamada, Mr. Saburo Araki, Mr. Naoto Hirota, Mr. Tadashi Kuroda, Mr. Satoshi Murabayashi, Mr. Shuzo Iwasaki, Mr. Muneaki Tokunari, Mr. Takahiro Yanai, Mr. Akira Hamamoto, and Mr. Masamichi Yasuda have other directorships as follows:

i. Director of the Mitsubishi UFJ Financial Group, Inc.

Mr. Teruo Ozaki has other directorships as follows:

i. Managing Partner of Teruo Ozaki & Co

Mr. Shuzo Sumi has other directorships as follows:

i. Chairman of the Board of Tokyo Marine Holdings, Inc.
ii. Chairman of the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd.

5. Directorate (continued)

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

Name	Occupation	Residence	Qualification
Toru Masutani	Regional Head for Oceania, General Manager (Responsible Person on behalf of the Directors)	Australia	BA in Commerce Waseda University Japan
Michael Ryff	General Manager, Auckland Branch (New Zealand Chief Executive Officer)	New Zealand	B. Sc Auckland University New Zealand

5.4 Director and New Zealand Chief Executive Officer related transactions

A related transaction is not out of normal course of business, is not entered into on terms other than those that would be given to any other person, and could not be reasonably likely to influence materially the exercise of the Directors' or New Zealand Chief Executive Officer's duties. There have been no related transactions for year ended 31 March 2016 (2015: Nil).

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 2016.

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 the Articles of Incorporation contain any 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 grounds 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

There has been no change to the conditions of registration since the last disclosure statement as at 31 December 2015.

These conditions of registration apply on and after 1 November 2015.

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,-

7. Conditions of Registration (continued)

"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.

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
	On and after 31 March 2015
Common Equity Tier 1 Capital	4.5 percent
Tier 1 Capital	6 percent
Total Capital	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.

7. Conditions of Registration (continued)

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 amount in respect of APIL with a loan-to-valuation ratio of more than 70%, must not exceed 5% of the total of the qualifying new mortgage lending amount in respect of API L arising in the loan-to-valuation measurement period.

10. 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 amount in respect of ANPIL with a loan-to-valuation ratio of more than 80%, must not exceed 10% of the total of the qualifying new mortgage lending amount in 1respect of ANPIL arising in the loan-to-valuation measurement period.

11. 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 amount in respect of non-Auckland loans with a loan-to-valuation ratio of more than 80%, must not exceed 15% of the total of the qualifying new mortgage lending amount in respect of non-Auckland loans arising in the loan to valuation measurement period.

12. 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.

In these conditions of registration,-

"banking group" 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 .

"business of the registered bank in New Zealand" means the New Zealand business of the registered bank as defined in the requirement for financial statements for New Zealand business in section 461 B(1) of the Financial Markets Conduct Act 2013 .

"generally accepted accounting practice" has the same meaning as in section 8 of the Financial Reporting Act 2013.

"liabilities of the registered bank in New Zealand" 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 .

In conditions of registration 9 to 12,--

"ANPIL", "APIL", "loan-to-valuation ratio", "non-Auckland loan", "qualifying new mortgage lending amount in respect of [...]" 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 November 2015, where the version of the Reserve Bank of New Zealand document "Capital Adequacy Framework (Standardised Approach)" (BS2A) referred to in BS19 for the purpose of defining these terms is that dated November 2015.

"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 April 2016.

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	A1	Aa3	2 December 2014
Fitch	A	-	-

Rating scales are:

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

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 2016 NZD(000's) Audited	Year ended 31 March 2015 NZD(000's) Audited	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
(a)	Total interest revenue;	107,370	129,472	102,990	84,781	66,954
(b)	Total interest expense;	96,290	114,668	90,990	73,247	54,257
(c)	Total other revenue;	22,889	14,676	17,801	15,882	10,317
(d)	Total credit impairment loss charged to the income statement;	-	29,558	50,442	-	-
(e)	Total other expenses;	4,276	4,306	4,332	3,596	2,875
(f)	Net profit/(loss) before taxation;	29,692	(4,384)	(24,973)	23,820	20,139
(g)	Taxation;	3,224	(3,885)	(8,706)	4,484	3,530
(h)	Net profit or (loss) after taxation;	26,468	(499)	(16,267)	19,336	16,609
(i)	Net profit or (loss) attributable to non-controlling interests	-	-	-	-	-
(j)	The amount of branch profits repatriated;	-	-	-	-	(13,042)
(k)	Total assets;	3,168,660	3,018,986	3,450,092	2,838,906	2,574,398
(l)	Total individually impaired assets;	-	63,696	64,411	-	-
(m)	Total liabilities;	3,043,779	2,920,540	3,352,700	2,724,223	2,479,175
(n)	Head office account;	124,881	98,446	97,392	114,683	95,223

11. Other Material Matters

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

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 within two working days at no charge to any person who requests a copy.

The most recent publicly available Financial Statements of the Registered Bank and the Overseas Banking Group may be accessed via the Bank's global website: www.mufg.jp. 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 (as amended);
- the Disclosure Statement is not false or misleading;

and over the twelve-month accounting period ended 31 March 2016;

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

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

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

Dated (Sydney): 22 June 2016

Mr. Michael Ryff
General Manager
Auckland Branch

Dated (Auckland): 22 June 2016

Statement of Comprehensive Income

	Note	Twelve Months ended 31 March 2016 Audited NZD	Twelve Months ended 31 March 2015 Audited NZD
Interest income	4	107,369,981	129,471,855
Interest expense	4	(96,290,295)	(114,667,979)
Net interest income		11,079,686	14,803,876
Fees and commission income	4	12,358,544	14,891,370
Gains less losses on financial instruments	4	10,530,172	(215,287)
		22,888,716	14,676,083
Occupancy expenses	4	(204,423)	(183,384)
Personnel expenses	4	(2,726,834)	(2,420,948)
Auditors' remuneration	4	(106,235)	(155,307)
Administration and other expenses	4	(1,238,855)	(1,546,576)
Profit before provision for credit impairment and income tax expense		29,692,055	25,173,744
(Provision) for credit impairment	4	-	(29,557,942)
Profit / (Loss) before income tax expense		29,692,055	(4,384,198)
Income tax (expense)/ benefit	6	(3,223,749)	3,884,672
Profit / (Loss) from continuing operations		26,468,306	(499,526)
Other Comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Available-for-sale securities			
- Profit arising during the year		686,245	1,720,551
- (Less)/add: Reclassification adjustment for (gain)/loss included in profit or loss		(731,938)	436,376
		(45,693)	2,156,927
- Income tax benefit/(expense) on available-for-sale securities		12,794	(603,940)
Other comprehensive (expense)/income, net of tax		(32,899)	1,552,987
Total comprehensive income, net of tax		26,435,407	1,053,461

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 2014	83,000,000	15,292,760	(900,459)	97,392,301
(Loss) from continuing operations	-	(499,526)	-	(499,526)
Other comprehensive income, net of tax	-	-	1,552,987	1,552,987
Total comprehensive income/ (expense), net of tax	-	(499,526)	1,552,987	1,053,461
Balance at 31 March 2015	83,000,000	14,793,234	652,528	98,445,762
Balance at 1 April 2015	83,000,000	14,793,234	652,528	98,445,762
Profit from continuing operations	-	26,468,306	-	26,468,306
Other comprehensive (expense), net of tax	-	-	(32,899)	(32,899)
Total comprehensive income/ (expense), net of tax	-	26,468,306	(32,899)	26,435,407
Balance at 31 March 2016	83,000,000	41,261,540	619,629	124,881,169

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 2016 Audited NZD	As at 31 March 2015 Audited NZD
Assets			
Cash and short term liquid assets	15	27,791,027	22,447,350
Amounts due from related parties	13	56,166,131	60,335,239
Amounts due from other financial institutions	15	199,382,938	54,578,617
Available-for-sale securities	15	27,116,607	223,252,028
Corporate loans originated by the Bank	15	2,817,897,473	2,624,567,904
Acceptances of customers	15	44,815	-
Derivative instruments	14	20,848,509	12,618,722
Other assets		1,263,822	2,277,953
Current tax asset	6	4,603,723	447,881
Deferred tax asset	6	13,179,960	17,885,055
Property, plant and equipment	5	364,758	575,310
Total Assets		3,168,659,763	3,018,986,059
Liabilities			
Amounts due to related parties	13	2,537,489,565	2,705,545,367
Deposits	7	483,996,844	201,275,541
Acceptance		44,815	-
Derivative instruments	14	20,907,148	12,456,131
Other liabilities	10	1,340,222	1,263,258
Total Liabilities		3,043,778,594	2,920,540,297
Equity			
Head Office capital	13	83,000,000	83,000,000
Retained earnings		41,261,540	14,793,234
Available-for-sale revaluation reserve		619,629	652,528
Total Equity		124,881,169	98,445,762
Total Liabilities and Equity		3,168,659,763	3,018,986,059
Total Interest Earning and Discount Bearing Assets	17	3,072,188,045	2,924,845,899
Total Interest and Discount Bearing Liabilities	17	3,006,529,391	2,890,153,464

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 2016 Audited NZD	Twelve Months ended 31 March 2015 Audited NZD
Cash Flows from Operating Activities		
Interest income received	114,298,914	127,672,312
Commission fees & trading income	23,032,149	16,229,070
Interest paid	(97,771,160)	(114,578,280)
Payments to suppliers, employees and others	(4,051,740)	(3,370,109)
Net cash flows from operating activities before changes in operating assets and liabilities	35,508,163	25,952,993
Net (increase) / decrease in operating assets:		
Net (increase) / decrease in corporate loans originated by the Bank	(195,308,895)	325,530,773
Net (increase) / decrease in amounts due from other financial Institutions	(144,804,321)	35,288,723
Net decrease in available-for-sale securities	191,140,120	62,207,334
Net decrease / (increase) in amounts due from related parties	4,169,108	(37,101,528)
Net decrease / (increase) in other assets	1,213,552	(1,096,646)
	(143,590,436)	384,828,656
Net increase / (decrease) in operating liabilities:		
Net increase in commercial papers and deposits	281,147,562	76,091,633
Net (decrease) in amounts due to related parties	(165,001,197)	(505,723,594)
Net increase / (decrease) in other liabilities	12,276	(343,971)
	116,158,641	(429,975,932)
Net cash flows from operating activities before income tax	8,076,368	(19,194,283)
Net tax paid	(2,661,702)	(3,812,800)
Net cash flows from operating activities	5,414,666	(23,007,083)
Cash Flows from Investing Activities		
Payment for property, plant and equipment	(70,989)	(46,519)
Net cash flows from investing activities	(79,989)	(46,519)
Cash Flows from Financing Activities		
Remittance to the Overseas Bank	-	-
Capital injection	-	-
Net cash flows from financing activities	-	-
Net Change in Cash and Cash Equivalents		
Net increase / (decrease) in cash and cash equivalents	5,343,677	(23,053,602)
Cash and cash equivalents at beginning of year	22,447,350	45,500,952
Cash and cash equivalents at end of the year	27,791,027	22,447,350
Reconciliation of Closing Cash and Cash Equivalents		
Cash and short term liquid assets	27,791,027	22,447,350
Closing cash and cash equivalents	27,791,027	22,447,350

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 2016 Audited NZD	Twelve Months ended 31 March 2015 Audited NZD
Reconciliation of profit from continuing operations to net cash used in operating activities		
Profit /(loss) from continuing operations	26,468,306	(499,526)
(Increase) / decrease in corporate loans	(193,329,569)	324,871,064
(Increase) / decrease in due from other financial institutions	(144,804,321)	35,288,723
Decrease in available-for-sale securities	196,089,728	61,067,499
Decrease / (increase) in due from related parties	4,169,108	(37,101,528)
Decrease / (increase) in other assets	969,316	(361,459)
Increase in certificate of deposit	1,628,333	38,119,960
Increase in commercial paper and deposits	281,092,970	38,055,945
(Decrease) in due to related parties	(168,055,803)	(505,718,167)
Increase / (decrease) in other payables	107,346	(849,611)
Decrease / (increase) in provision for credit impairment	-	29,557,942
Movement in tax	562,047	(7,697,472)
Non-Cash items:		
Depreciation of property, plant and equipment	274,231	275,801
Other	242,974	1,983,746
Net cash flows from operating activities	5,414,666	(23,007,083)

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 and is an FMC Reporting Entity under the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013. 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") and the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended). 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 authorised 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 non-current assets and financial instruments.

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

c) Changes in Accounting Policy

There have been no material changes in accounting policies since the last financial statements for year ended 31 March 2015.

d) Comparative Figures

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

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 classify 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 certain financial assets as market prices are readily available. Where quoted market prices are not available for financial assets, fair value for such financial assets is estimated using discounted cash flow models that utilize prices from observable current market transactions or other valuation techniques. 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 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 2018 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 2018. 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 2018. This standard deals with revenue recognition and provides a five step model to be applied to all customer contracts with customers. It also establishes principles of reporting in order to provide more useful disclosure around revenue for users of financials statement. It is not practical to provide a reasonable estimate of the effect until a detailed review has been completed.

NZ IFRS 16 Leases eliminates the distinction between operating and finance leases for lessees and will result in lessees bringing most leases onto their balance sheets. The accounting by lessors will remain largely unchanged. This standard is effective for periods beginning on or after 1 January 2019, although early adoption is permitted.

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 profit or loss.

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 in other comprehensive income.

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 Flows

The Statement of Cash Flows 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 Flows 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.

2. Significant Accounting Policies (continued)

“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 Oceania. 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 Oceania 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 Oceania 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.

3. Risk Management Policies (continued)

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.

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 Oceania. 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

3. Risk Management Policies (continued)

Oceania, sent to the Parent Bank weekly and presented to the Oceania Region Asset and Liability Management Committee monthly.

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

	As at 31 March 2016 Audited NZD	As at 31 March 2015 Audited NZD
Cash and cash equivalents	27,791,027	22,447,350
Amounts due from related parties	56,166,131	60,335,239
Amounts due from other financial institutions	199,382,938	54,578,617
Available-for-sale securities	27,116,607	223,252,028
	310,456,703	360,613,234

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 Oceania 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. The last internal audit was conducted during October 2014. The result of the internal audit was reported to corporate auditors who report 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 periodically 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 2016 Audited NZD	Twelve Months ended 31 March 2015 Audited NZD
Operating revenue		
(a)interest income		
Corporate loans and other accounts	107,361,926	129,471,460
Related parties	8,055	395
	107,369,981	129,471,855
(b) Fees and commissions income		
Fees and commissions income	12,358,544	14,891,370
	12,358,544	14,891,370
(c)Gains less losses on financial instruments		
Net (loss) / gain on interest rate derivatives	(82,717)	112,757
Net (loss) on foreign currency	(3,292)	(518)
Gain / (loss) on sale of available-for-sale securities	841,505	(363,006)
Gain on sale of impaired loan	9,774,586	-
Other income	90	35,480
	10,530,172	(215,287)
	130,258,697	144,147,938
Total interest income derived from financial assets:		
At amortised cost	103,544,490	122,017,016
Available-for-sale securities	3,825,491	7,454,839
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	12,075,395	14,356,654
Net (loss) on financial assets/liabilities held for trading	(212,385)	(21,269)
Net realised gain on held for trading	126,376	133,509
Other fee income	283,149	534,715
Gain / (loss) on sale of available-for-sale securities	841,505	(363,006)
Gain on sale of impaired loan	9,774,586	-
Other income	90	35,480
	130,258,697	144,147,938
Expenses		
(a)Interest expense		
Deposits and other accounts	10,604,327	5,315,083
Related parties	85,685,968	109,352,896
	96,290,295	114,667,979
Total interest expense was derived from financial liabilities:		
At amortised cost	96,290,295	114,667,979
Designated at fair value through profit or loss	-	-
	96,290,295	114,667,979
(b) Other operating expense		
Rental & operating lease costs	204,423	183,384
Depreciation		
Furniture, fixtures and fittings	41,910	37,177
Office equipment	223,625	225,732
Motor vehicles	8,696	12,892
Auditors' remuneration (see note 9)		
Audit fees	106,235	155,307
Other non-audit services	-	-
Salaries	2,576,364	2,279,701
Staff related cost	150,470	141,247
Net losses from the disposal of fixed assets	7,085	-
General administration and other operating expenses	957,539	1,270,775
Provision for credit impairment (see also gain on sale of impaired loan)	-	29,557,942
	4,276,347	33,864,157
Gain/ (Loss) before income tax expense	29,692,055	(4,384,198)

Total income excluding any net loss for twelve months ended 31 March 2016 is NZD 130,344,706 (twelve months ended 31 March 2015 : NZD 144,511,462).

5. Property, Plant and Equipment

	As at 31 March 2016 Audited NZD	As at 31 March 2015 Audited NZD
Furniture, fixtures and fittings:		
Opening balance	602,139	583,371
Additions	58,714	18,768
Disposal	(15,449)	-
Closing balance	645,404	602,139
Accumulated depreciation		
Opening balance	(552,095)	(514,918)
Depreciation during the year	(41,910)	(37,177)
Disposal	15,449	-
Closing balance	(578,556)	(552,095)
	66,848	50,044
Office equipment:		
Opening balance	1,322,567	1,294,816
Additions	12,275	27,832
Disposal	(79,338)	(81)
Closing balance	1,255,504	1,322,567
Accumulated depreciation		
Opening balance	(821,296)	(595,564)
Depreciation during the year	(223,625)	(225,732)
Disposal	72,028	-
Closing balance	(972,893)	(821,296)
	282,611	501,271
Motor vehicles:		
Opening balance	76,003	76,003
Additions	-	-
Disposals	-	-
Closing balance	76,003	76,003
Accumulated depreciation		
Opening balance	(52,008)	(39,116)
Depreciation during the year	(8,696)	(12,892)
Disposals	-	-
Closing balance	(60,704)	(52,008)
	15,299	23,995
	364,758	575,310

6. Income Tax

Income Tax recognised in profit and loss

	As at 31 March 2016 Audited NZD	As at 31 March 2015 Audited NZD
Tax expense / (benefit) comprises:		
Current tax expense	2,856	4,993,692
Adjustments recognised in the current year in relation to the current tax of prior years	(1,484,202)	(680,472)
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	4,705,095	(8,197,892)
	3,223,749	(3,884,672)

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

Profit / (loss) from operations	29,692,055	(4,384,198)
Income tax expense / (benefit) calculated at 28%	8,313,774	(1,227,576)
Effect of other assessable incomes	369,600	422,800
Effect of other deductible expenses	(4,787,423)	(3,155,424)
Effect of expenses that are not deductible in determining taxable profit	812,000	756,000
	4,707,951	(3,204,200)
Adjustment recognised in the current year in relation to the current tax and deferred tax of prior years	(1,484,202)	(680,472)
	3,223,749	(3,884,672)

The prima facie income tax expense on pre-tax accounting other comprehensive income reconciles to the income tax expense in the financial statement as follows:

(Loss) / profit from other comprehensive income	(45,693)	2,156,927
Income tax (benefit) / expense calculated at 28%	(12,794)	603,940

The Branch did not have any imputation credits as at the year ended 31 March 2016 (2015: Nil).

The Branch had NZD 4,603,723 as current tax asset at the year ended 31 March 2016 (2015: NZD 447,881).

Deferred tax balance

Deferred tax assets arise from the following

	31 March 2016 Audited				
	NZD Opening balance	NZD Charged to income	NZD Charged to other comprehensive income	NZD Changes in tax rate	NZD Closing balance
Temporary differences					
Provision for employee entitlement	33,850	(167)	-	-	33,683
Property, plant & equipment	6,486	33,755	-	-	40,241
Loan loss provision	17,834,782	(17,834,782)	-	-	-
Tax loss	-	13,106,036	-	-	13,106,036
Others	9,937	(9,937)	-	-	-
	17,885,055	(4,705,095)	-	-	13,179,960

6. Income Tax (continued)

	31 March 2015 Audited				
	NZD Opening balance	NZD Charged to income	NZD Charged to other comprehensive income	NZD Changes in tax rate	NZD Closing balance
Temporary differences					
Provision for employee entitlement	31,578	2,272	-	-	33,850
Property, plant & equipment	97,027	(90,541)	-	-	6,486
Loan loss provision	9,558,558	8,276,224	-	-	17,834,782
Others	-	9,937	-	-	9,937
	9,687,163	8,197,892	-	-	17,885,055

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 2016 Audited NZD	As at 31 March 2015 Audited NZD
Retail deposit bearing interest	7,313,170	4,213,543
Retail deposit not bearing interest	14,957,018	15,572,646
Certificate deposit	49,714,693	48,086,360
Call deposit	60,415,575	49,176,102
Term deposit	351,596,388	84,226,890
	483,996,844	201,275,541

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

	As at 31 March 2016 Audited NZD	As at 31 March 2015 Audited NZD
Total Liabilities	3,043,778,594	2,920,540,297
Less: total amounts due to related parties (Note: 13)	(2,548,958,187)	(2,710,028,333)
Total liabilities net of amounts due to related parties	494,820,407	210,511,964

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 2016 Audited NZD	Twelve Months ended 31 March 2015 Audited NZD
Assurance Services		
Auditor of the Branch		
Audit & review of the Branch's Disclosure Statements	106,235	155,307
Other non-audit services	-	-

The auditor of the Branch is Deloitte, Auckland.

10. Other Liabilities

	As at 31 March 2016 Audited NZD	As at 31 March 2015 Audited NZD
Provision for employee entitlements	120,299	120,895
Unearned income	1,005,595	923,390
Others	214,328	218,973
	1,340,222	1,263,258

11. Commitments and Contingent Liabilities

	As at 31 March 2016 Audited NZD	As at 31 March 2015 Audited NZD
a) Future lease rental commitments		
Operating lease (primarily premises)		
Due within 1 year	232,912	160,027
Due within 1 - 2 years	174,876	42,490
Due within 2 - 5 years	556,741	-
Due over 5 years	96,958	-
	1,061,487	202,517
b) Other commitments		
Undrawn facility commitments	600,979,624	599,565,862
c) Contingent liabilities		
Guarantees given	12,703,456	710,595
Performance related contingencies	4,700,000	6,342,505
Trade related contingencies	69,616	93,243
	17,473,072	7,146,343

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 fulfil 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 2016 Audited NZD	Twelve Months ended 31 March 2015 Audited NZD
Short term benefits	933,156	923,583
	933,156	923,583
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. The interest rate risk analysis for these balances are presented in Note 17. 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 2016 Audited NZD	Twelve Months ended 31 March 2015 Audited NZD
A) Balances		
Assets		
Amounts due from related parties	56,166,131	60,335,239
Derivative instruments	9,468,030	8,039,325
	65,634,161	68,374,564
Liabilities		
Amounts due to related parties	2,537,489,565	2,705,545,367
Derivative instruments	11,468,622	4,482,966
	2,548,958,187	2,710,028,333
Equity		
Head Office capital	83,000,000	83,000,000
Off Balance Sheet		
Guarantees given	227,782	227,782
Performance related contingencies	400,000	600,000
	627,782	827,782
B) Transactions		
Interest income	8,055	395
Interest expense	85,685,968	109,352,896
Net (loss) from derivative instruments	(6,213,755)	(2,323,056)
Fees and commissions income	503	960

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 fulfil 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 2016.

	As at 31 March 2016 Audited NZD	As at 31 March 2015 Audited NZD
Foreign Exchange Contracts		
Spot and forward contracts:		
Notional principal amount < 1 year	474,843,333	456,314,759
Notional principal amount 1 to 2 years	34,988,323	11,638,650
Total notional principal	509,831,656	467,953,409
Fair value < 1 year	(13,253)	(7,228)
Fair value 1 to 2 years	(3,176)	(356)
Total fair value	(16,429)	(7,584)
Interest Rate Swap Contracts		
Notional principal amount < 1 year	128,956,037	179,772,592
Notional principal amount 1 to 2 years	344,824,300	79,284,589
Notional principal amount 2 to 3 years	139,255,366	242,713,054
Notional principal amount 3 to 4 years	345,186,774	89,389,909
Notional principal amount 4 to 5 years	76,000,000	293,457,894
Notional principal amount more than 5 years	80,000,000	20,000,000
Total notional principal	1,114,222,477	904,618,038
Fair value < 1 year	3,166	23,743
Fair value 1 to 2 years	28,418	13,334
Fair value 2 to 3 years	7,961	62,897
Fair value 3 to 4 years	(325)	35,562
Fair value 4 to 5 years	(68,614)	19,067
Fair value more than 5 years	(12,816)	15,572
Total fair value	(42,210)	170,175

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

Concentration of credit risk is determined by management to be by industry sector, geographical location and customer credit rating. Industry sectors are determined by reference to the categories in the RBNZ M3 Institutions Standard Statistical Return. The geographical locations reflect the primary location of the underlying borrower.

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 2016 Audited NZD	As at 31 March 2015 Audited NZD
Notional principal		
On Balance Sheet		
Cash and short term liquid assets	27,791,027	22,447,350
Amounts due from related parties	56,166,131	60,335,239
Amounts due from other financial institutions	199,382,938	54,578,617
Available-for-sale securities	27,116,607	223,252,028
Corporate loans originated by the Bank	2,817,897,473	2,624,567,904
Acceptance of customers	44,815	-
Other assets	5,770,887	2,696,314
Total	3,134,169,878	2,987,877,452
Off Balance Sheet		
Guarantees given	12,703,456	710,595
Performance related contingencies	4,700,000	6,342,505
Trade related contingencies	69,616	93,243
Undrawn facility commitments	600,979,624	599,565,862
Total	618,452,696	606,712,205
Credit equivalent		
Derivative instruments	33,072,690	26,355,844

15. Concentration of Credit Risk (continued)

i. Concentration of Credit Risk by Customers Industry Sector

	As at 31 March 2016 Audited NZD	As at 31 March 2015 Audited NZD
Notional principal		
On Balance Sheet		
Communications	251,629,773	251,626,740
Construction	-	9,029,905
Electricity, gas and water	411,323,942	396,271,120
Finance	648,647,279	663,583,666
Fishing	109,551,553	68,617,571
Food Manufacturing	579,386,789	566,639,107
Forestry	62,113,196	49,929,181
Other Manufacturing	104,730,851	128,742,581
Property and Business Services	220,740,084	59,350,041
Transport and storage	605,388,400	632,145,841
Wholesale Trade	139,057,875	152,740,577
Wood and paper manufacturing	1,600,136	9,201,122
Total	3,134,169,878	2,987,877,452
Notional principal		
Off Balance Sheet		
Communications	70,833,333	82,333,332
Construction	38,720,000	59,710,345
Electricity, gas and water	160,000,000	170,000,000
Finance	107,627,782	100,848,423
Fishing	6,980,475	6,182,942
Food Manufacturing	105,521,589	104,664,562
Other Manufacturing	71,042,861	47,500,000
Property and Business Services	4,157,040	-
Transport and storage	6,000,000	15,000,000
Wholesale Trade	15,569,616	20,472,601
Wood and paper manufacturing	32,000,000	-
Total	618,452,696	606,712,205
Credit equivalent derivative financial instruments		
Communications	1,559,476	319,349
Construction	408,761	-
Electricity, gas and water	375,191	375,000
Finance	20,172,624	18,330,136
Fishing	1,852,450	863,193
Food manufacturing	3,119,363	2,479,305
Forestry	212,073	-
Other Manufacturing	325,899	417,229
Transport and storage	2,691,959	1,407,422
Wholesale Trade	1,827,631	1,390,226
Wood and paper manufacturing	527,263	773,984
Total	33,072,690	26,355,844

15. Concentration of Credit Risk (continued)

ii. Concentration of Credit Risk by Customers Geographic Location

	As at 31 March 2016 Audited NZD	As at 31 March 2015 Audited NZD
Notional principal		
On Balance Sheet		
New Zealand	2,603,425,359	2,652,215,576
Japan	198,675,329	209,956,595
Australia	129,174,278	95,975,809
Netherlands	199,382,938	29,729,472
Bangladesh	3,511,974	-
Total	3,134,169,878	2,987,877,452
Off Balance Sheet		
New Zealand	535,594,869	519,863,781
Japan	627,782	827,782
Australia	82,230,045	86,000,000
Other	-	20,642
Total	618,452,696	606,712,205
Credit equivalent of derivative financial instruments		
New Zealand	15,698,405	11,111,741
Japan	15,890,804	15,237,799
Australia	1,483,481	6,304
Total	33,072,690	26,355,844

iii. Concentration of Credit Risk by Customer Credit Rating

The following tables set out credit quality information for balances which are neither past due nor impaired. Please refer to Note 21 for impaired asset.

31 March 2016
Audited

		Notional principal		Credit equivalent of derivative financial instruments
Credit Rating	**S&P Rating**	**On balance Sheet**	**Off balance Sheet**	
1-2	A- and above	499,742,019	66,220,000	2,175,314
3-7	B- to BBB+	2,556,628,670	551,562,054	15,317,255
8-9	CCC+/-	21,656,605	42,860	-
Not rated*		56,142,584	627,782	15,580,121
		3,134,169,878	618,452,696	33,072,690

31 March 2015
Audited

		Notional principal		Credit equivalent of derivative financial instruments
Credit Rating	**S&P Rating**	**On balance Sheet**	**Off balance Sheet**	
1-2	A- and above	1,046,555,505	193,710,344	2,106,560
3-7	B- to BBB+	1,798,002,511	412,153,436	9,428,714
8-9	CCC+/-	82,984,197	20,642	8,308,121
Not rated*		60,335,239	827,783	6,512,449
		2,987,877,452	606,712,205	26,355,844

There is no period end aggregate exposure equal to or exceeding 10% of the global equity of the Overseas Banking Group.

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

15. Concentration of Credit Risk (continued)

Collateral and other credit enhancements

The general nature and amount of collateral or other credit enhancements taken to mitigate the credit risk of each financial asset class are summarized as follows:

a. Cash and short term liquid assets

These exposures are mainly to relatively low risk banks (rate A+, AA- or better).
These balances are not collateralized.

b. Amounts due from related parties

These exposures are generally considered to be low risk due to the nature of the counterparties. There are typically no collateral or other credit enhancements obtained in respect of amounts due from related parties.

c. Amounts due from other financial institutions

The balance is short term deposit to other financial institutions. Collateral is not generally sought on these balances as exposures are considered to be of low risk.

d. Available-for-sale securities

These exposures are with the New Zealand government. Collateral is not sought directly with respect to these exposures.

e. Derivative instrument

The Branch is exposed to credit risk on derivative contracts, which arises as a result of counterparty credit risk. This credit risk from derivatives is mitigated where possible through master netting agreements whereby derivative assets and liabilities with the same counterparty can be offset. A master netting agreement provides the contractual framework within which dealing activities across a range of over-the-counter products are conducted and contractually binds both parties to apply close-out netting across all outstanding transactions covered by an agreement if either party defaults or other predetermined events occur. There have been no amounts set off in the statement of financial position for derivative assets and derivative liabilities as at 31 March 2016 (2015: Nil).

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements:

As at 31 March 2016
NZD

	Gross amounts of recognised financial assets (a)	Gross amounts of recognized financial liabilities set off in the statement of financial position (b)	Net amounts of financial assets presented in the statement of financial position (c) = (a) – (b)	Related amounts not setoff in the statement of financial position (d)	Net amount (e) = (c) – (d)
Derivatives	20,848,509	-	20,848,509	(720,194)	20,128,315

As at 31 March 2015
NZD

	Gross amounts of recognised financial assets (a)	Gross amounts of recognized financial assets set off in the statement of financial position (b)	Net amounts of financial liabilities presented in the statement of financial position (c) = (a) – (b)	Related amounts not setoff in the statement of financial position (d)	Net amount (e) = (c) – (d)
Derivatives	12,618,722	-	12,618,722	(655,363)	11,963,359

15. Concentration of Credit Risk (continued)

Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements:

As at 31 March 2016
NZD

	Gross amounts of recognised financial liabilities (a)	Gross amounts of recognized financial assets set off in the statement of financial position (b)	Net amounts of financial liabilities presented in the statement of financial position (c) = (a) – (b)	Related amounts not setoff in the statement of financial position (d)	Net amount (e) = (c) – (d)
Derivatives	20,907,148	-	20,907,148	(720,194)	20,186,954

As at 31 March 2015
NZD

	Gross amounts of recognised financial liabilities (a)	Gross amounts of recognized financial assets set off in the statement of financial position (b)	Net amounts of financial liabilities presented in the statement of financial position (c) = (a) – (b)	Related amounts not setoff in the statement of financial position (d)	Net amount (e) = (c) – (d)
Derivatives	12,456,131	-	12,456,131	(655,363)	11,800,768

Collateral is obtained against derivative assets, depending on the creditworthiness of the counterparty. There has been no collateral obtained against derivative assets for the year end 31 March 2016 (2015: Nil).

f. Other Assets

Collateral is generally not sought on these balances.

g. Corporate loans originated by the Bank

The Branch assesses the integrity and ability of counterparties to meet their contracted financial obligation for repayment. Principal collateral types for corporate loan include:

i. Cash (usually in the form of a charge over a deposit)
ii. Guarantee received from third parties
iii. Charges over business assets such as real estate, aircraft and ship

In other instances, a client's facilities may be secured by collateral with value less than carrying amount of credit exposure. These facilities are deemed secured, partially secured or unsecured.

The Branch lending is generally to large corporate counterparties of strong financial standing, the majority of which borrow on unsecured terms. If there is collateral received during loan drawdown, the value of the collateral will be checked against the agreement to ensure that it is either equal to or over the agreed value. The total collateral value as at 31 March 2016 is over NZD 276,558,614 which are based on guarantee received from third parties, the current unaudited financial accounts, and market value of business assets.

On Balance Sheet	**As at 31 March 2016 Audited**		**As at 31 March 2015 Audited**	
	NZD	**%**	**NZD**	**%**
Maximum Exposure	3,181,911,353	100.00	2,624,567,904	100.00
Collateral classification				
Secured	227,610,100	7.15	289,464,314	11.03
Partially secured	48,948,514	1.54	45,042,039	1.72
Unsecured	2,905,352,739	91.31	2,290,061,551	87.25

h. Undrawn facility commitments and contingent liabilities

The Branch applies the same principle for off balance sheet risk as it does for its on balance sheet risks. In the case of undrawn facility commitments, counterparties will be subject to the same principle as corporate loan and collateral may be sought depending on the strength of the counterparty and the nature of the transaction.

Off Balance Sheet	**As at 31 March 2016 Audited**		**As at 31 March 2015 Audited**	
	NZD	**%**	**NZD**	**%**
Maximum Exposure	600,979,624	100.00	606,712,205	100.00
Collateral classification				
Secured	-	-	-	-
Partially secured	-	-	-	-
Unsecured	600,979,624	100.00	606,712,205	100.00

16. Concentration of Funding

	As at 31 March 2016 Audited NZD	**As at 31 March 2015 Audited NZD**
a) Category analysis		
Customer deposits	483,996,844	201,275,541
Due to related parties	2,537,489,565	2,705,545,367
	3,021,486,409	2,906,820,908
b) Counterparty analysis		
Corporate and individuals	313,861,295	192,850,793
Banks and other financial institutions	2,707,625,114	2,713,970,115
	3,021,486,409	2,906,820,908
c) Geographical analysis		
Australia	1,337,796,541	1,502,132,917
New Zealand	483,972,603	192,850,794
Japan	1,199,717,265	1,203,412,449
Fiji	-	8,424,748
	3,021,486,409	2,906,820,908

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	27,791,027	-	-	-	-	-	27,791,027	1.75%
Amounts due from related parties	-	-	-	-	-	56,166,131	56,166,131	
Amounts due from other financial institutions	199,382,938	-	-	-	-	-	199,382,938	2.64%
Available-for-sale securities	-	-	-	27,116,607	-	-	27,116,607	3.92%
Corporate loans originated by the Bank	2,682,481,446	60,144,876	8,510,902	-	66,760,249	-	2,817,897,473	3.12%
Due from customers on acceptance	-	-	-	-	-	44,815	44,815	
Property, Plant and Equipment	-	-	-	-	-	364,758	364,758	
Other assets	-	-	-	-	-	39,896,014	39,896,014	
Total assets	2,909,655,411	60,144,876	8,510,902	27,116,607	66,760,249	96,471,718	3,168,659,763	
LIABILITIES								
Amounts due to related parties	2,418,757,384	43,510,998	8,514,134	-	66,707,049	-	2,537,489,565	2.84%
Deposits	364,005,983	74,448,406	30,585,437	-	-	14,957,018	483,996,844	2.85%
Liability for acceptance	-	-	-	-	-	44,815	44,815	
Other liabilities	-	-	-	-	-	22,247,370	22,247,370	
Total liabilities	2,782,763,367	117,959,404	39,099,571	-	66,707,049	37,249,203	3,043,778,594	

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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	22,447,350	-	-	-	-	-	22,447,350	3.00%
Amounts due from related parties	-	-	-	-	-	60,335,239	60,335,239	
Amounts due from other financial institutions	54,578,617	-	-	-	-	-	54,578,617	3.66%
Available-for-sale securities	169,529,810	-	-	-	53,722,218	-	223,252,028	3.07%
Corporate loans originated by the Bank	2,381,075,492	163,639,261	2,912,217	12,098,182	64,842,752	-	2,624,567,904	4.23%
Property, Plant and Equipment	-	-	-	-	-	575,310	575,310	
Other assets	-	-	-	-	-	33,229,611	33,229,611	
Total assets	2,627,631,269	163,639,261	2,912,217	12,098,182	118,564,970	94,140,160	3,018,986,059	
LIABILITIES								
Amounts due to related parties	2,424,084,270	100,393,378	102,916,667	12,116,667	64,939,587	1,094,798	2,705,545,367	3.88%
Deposits	157,208,801	8,448,101	20,045,993	-	-	15,572,646	201,275,541	3.47%
Other liabilities	-	-	-	-	-	13,719,389	13,719,389	
Total liabilities	2,581,293,071	108,841,479	122,962,660	12,116,667	64,939,587	30,386,833	2,920,540,297	

At 31 March 2016, assuming that all other variables held constant, if interest rates had been 50 basis points higher, post-tax profit for the year would have been NZD 0.2 million higher (2015: NZD 0.1M higher) due to increase in interest income. It is caused by the funding gap between lending and borrowing that medium term borrowing (between 3 to 12 months) has been used for funding short term variable lending (less than 6 months) and Available-for-sale securities. If interest rate had been 50 basis points lower with all the variables held constant, post-tax profit would have been NZD 0.2 million lower (2015: NZD 0.1M lower) due to decrease in interest income as a result of the funding gap. The impact of interest rate movement on pre-tax profit is immaterial due to the back to back transactions with Sydney Branch to minimize any long term interest rate risk (Note 3(c)). The sensitivity is similar in 2016 and 2015 because a similar funding structure was applied in 2016 and 2015.

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. There is no expectation that the principal or interest will be repaid or received earlier than the obligation. The table includes both interest and principal cash flows. Therefore, they may differ to the carrying amounts on the statement of financial position.

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	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	27,791,027	-	-	-	-	-	27,791,027
Amounts due from related parties	56,166,131	-	-	-	-	-	56,166,131
Amounts due from other financial institutions	-	40,000,000	160,000,000	-	-	-	200,000,000
Available-for-sale securities	-	-	750,000	750,000	26,500,000	-	28,000,000
Corporate loans originated by the Bank	7,321,136	12,773,934	472,730,203	109,942,793	2,214,693,183	238,165,766	3,055,627,015
Acceptance of customers	-	44,815	-	-	-	-	44,815
Derivative instruments	-	2,585,017	2,533,503	6,563,952	10,744,994	609,041	23,036,507
	91,278,294	55,403,766	636,013,706	117,256,745	2,251,938,177	238,774,807	3,390,665,495
LIABILITIES							
Amounts due to related parties	-	871,968,226	1,564,495,253	74,858,875	33,356,508	11,736,812	2,556,415,674
Deposits	82,685,763	198,713,614	48,438,307	156,568,735	-	-	486,406,419
Acceptance	-	44,815	-	-	-	-	44,815
Derivative instruments	-	2,575,640	2,517,313	6,472,875	10,464,149	593,984	22,623,961
Lease commitment	-	23,324	46,649	162,938	731,618	96,958	1,061,487
Gross loan commitment	600,979,624	-	-	-	-	-	600,979,624
Guarantees given	-	-	-	12,527,860	175,595	-	12,703,455
Performance related contingencies	-	-	-	4,700,000	-	-	4,700,000
Trade related contingencies	-	69,616	-	-	-	-	69,616
	683,665,387	1,073,395,235	1,615,497,522	255,291,283	44,727,870	12,427,754	3,685,005,051

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	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	22,447,350	-	-	-	-	-	22,447,350
Amounts due from related parties	60,335,239	-	-	-	-	-	60,335,239
Amounts due from other financial institutions	-	-	55,000,000	-	-	-	55,000,000
Available-for-sale securities	-	169,042,178	1,374,997	1,504,110	56,016,440	-	227,937,725
Corporate loans originated by the Bank	3,300,000	7,899,755	95,624,521	408,472,774	2,166,332,964	325,892,406	3,007,522,420
Derivative instruments	-	1,446,131	3,445,602	6,050,905	11,298,733	142,210	22,383,581
	86,082,589	178,388,064	155,445,120	416,027,789	2,233,648,137	326,034,616	3,395,626,315
LIABILITIES							
Amounts due to related parties	-	847,336,665	539,343,342	547,513,143	836,933,117	35,087,389	2,806,213,656
Deposits	68,962,291	56,400,937	47,849,860	29,213,671	-	-	202,426,759
Derivative instruments	-	1,434,332	3,425,284	5,962,797	11,094,990	139,542	22,056,944
Lease commitments	-	20,621	41,243	98,163	42,490	-	202,517
Gross loan commitment	599,565,862	-	-	-	-	-	599,565,862
Guarantees given	-	400,000	-	135,000	175,595	-	710,595
Performance related contingencies	-	200,000	-	6,142,505	-	-	6,342,505
Trade related contingencies	-	93,242	-	-	-	-	93,242
	668,528,153	905,885,797	590,659,729	589,065,279	848,246,192	35,226,931	3,637,612,080

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 that utilise prices from observable current market transactions or other valuation techniques. The summary table shows the carrying amounts and estimated fair values of financial instruments as at the reporting date. The methodologies and assumptions used to estimate the fair value of the financial instruments are:

a. For those assets or liabilities that are short term in nature, the related carrying value is equivalent to their fair value.

b. For floating rate loans and deposits, the carrying amount in the statement of financial position is considered a reasonable estimate of their fair value after making allowances for impairment. For fixed rate loans and deposits, fair value is estimated using discounted cash flow models based on current market rates. The differences between estimated fair value of loans and deposits and carrying value reflect the difference between observable market interest rates and customer rates on day one and changes in interest rates since the loans' and deposits' origination.

c. The fair values of derivative instruments are calculated using the discounted cash flow model. Swap transactions are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from observable interest rates. Foreign currency forward contracts are measured using observable forward exchange rates and yield curves derived from observable interest rates matching maturities of the contracts.

d. The fair values of available-for-sales securities are derived from quoted prices in the active market.

19. Fair Value of Financial Instruments (continued)

31 March 2016 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	-	-	27,791,027	-	27,791,027	27,791,027
Amounts due from related parties	a	-	-	56,166,131	-	56,166,131	56,166,131
Amounts due from other financial institutions	a	-	-	199,382,938		199,382,938	199,382,938
Available-for-sale securities	d	-	27,116,607	-	-	27,116,607	27,116,607
Corporate loans originated by the Bank	b	-	-	2,817,897,473	-	2,817,897,473	2,821,442,716
Other assets	c, a	20,848,509	-	1,214,396		22,062,905	22,062,905
Total financial assets		20,848,509	27,116,607	3,102,451,965	-	3,150,417,081	3,153,962,324
Liabilities							
Amounts due to related parties	b	-	-	-	2,537,489,565	2,537,489,565	2,546,851,778
Deposits	a, b	-	-	-	483,996,844	483,996,844	483,996,844
Other liabilities	c	20,907,148	-	44,815	-	20,951,963	20,951,963
Total financial liabilities		20,907,148	-	44,815	3,021,486,409	3,042,438,372	3,051,800,585

31 March 2015 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	-	-	22,447,350	-	22,447,350	22,447,350
Amounts due from related parties	a	-	-	60,335,239	-	60,335,239	60,335,239
Amounts due from other financial institution	a	-	-	54,578,617		54,578,617	54,578,617
Available-for-sale securities	d	-	223,252,028	-	-	223,252,028	223,252,028
Corporate loans originated by the Bank	b	-	-	2,624,567,904	-	2,624,567,904	2,630,932,904
Other assets	c, a	12,618,722	-	999,793		13,618,515	13,618,515
Total financial assets		12,618,722	223,252,028	2,762,928,903	-	2,998,799,653	3,005,164,653
Liabilities							
Amounts due to related parties	b	-	-	-	2,705,545,367	2,705,545,367	2,718,111,735
Deposits	a, b	-	-	-	201,275,541	201,275,541	201,275,541
Other liabilities	c, a	12,456,131	-	-	-	12,456,131	12,456,131
Total financial liabilities		12,456,131	-	-	2,906,820,908	2,919,277,039	2,931,843,407

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 2016		31 March 2015	
	Level 1	**Level 2**	**Level 1**	**Level 2**
Derivative financial assets				
Interest rate swaps	-	14,331,124	-	4,964,746
Currency Options	-	-	-	196,931
FX forwards	-	6,517,385	-	7,457,045
Total derivative financial assets	-	20,848,509	-	12,618,722
Derivative financial liabilities				
Interest rate swaps	-	14,373,334	-	4,794,571
Currency Options	-	-	-	196,931
FX forwards	-	6,533,814	-	7,464,629
Total derivative financial liabilities	-	20,907,148	-	12,456,131
Available-for-sale securities	27,116,607	-	223,252,028	-

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

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

20. Profitability and Size

The Overseas Banking Group

a) Profitability

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

b) Size

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

21. Asset Quality

(i) The Overseas Banking Group

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

(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' cash flow problem that affects the customers' going concern. The provision represents the Branch's best estimate of the difference between the carrying amount of the corporate loans and the recoverable amount based on expected future cash flows under liquidation.

	As at 31 March 2016 NZD	As at 31 March 2015 NZD
Individual impaired assets – Gross amounts before provision for loan impairment :		
Balance at the beginning of the period	63,695,652	64,410,774
Addition during the period	-	-
Amounts written off	-	-
Other movements	(63,695,652)	(715,122)
Balance at the end of the period	-	63,695,652

The individual impaired assets had been sold to a third party in 2016 for a consideration of NZD 9,774,586.

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 2016. The total collective credit impairment allowance of the Overseas Banking Group covers the assets of the Branch.

The aggregate amount of individual credit impairment allowance against individually impaired assets as at 31 March 2016 was Nil (31 March 2015: NZD 63,695,652).

The total interest income recognized on impaired asset over the accounting period ended 31 March 2016 was NZD 1,610,685 (31 March 2015: NZD 4,156,204).

21. Asset Quality (continued)

Individual provision for loan impairment

	As at 31 March 2016 NZD	As at 31 March 2015 NZD
Balance at the beginning of the period	63,695,652	34,137,710
Charge to the financial performance for an increase in individual impairment allowance	-	29,557,942
Amounts written off	(63,695,652)	-
Balance at the end of the period	-	63,695,652

Profit or loss charge

	As at 31 March 2016 NZD	As at 31 March 2015 NZD
Specific provisions for impairment against advances	-	29,557,942
Total provisions for impairment against advances	-	29,557,942

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.

		Twelve Months Ended 31 March 2016 NZD (000's)	Twelve Months Ended 31 March 2015 NZD (000's)
(1) Aggregate Interest Rate Exposure			
(a)	Notional Capital Charge *	2,325	1,953
(b)	Implied risk weighted exposure	29,063	24,413

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

22. Exposure to Market Risks (continued)

		Peak End of Day Ending 31 March 2016 NZD (000's)	Peak End of Day Ending 31 March 2015 NZD (000's)
(1) Aggregate Interest Rate Exposure (continued)			
(a)	Notional Capital Charge **	2,931	2,765
(b)	Implied risk weighted exposure	36,638	34,563

** The peak end of day Notional Capital Charge has been 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.

(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.

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 2015 for the registered bank. 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:

	2015	2016	2017	2018	2019
Minimum Common Equity Tier 1 ratio	4.5%	4.5%	4.5%	4.5%	4.5%
Capital Conservation Buffer		0.625%	1.25%	1.875%	2.5%
Total	4.5%	5.125%	5.75%	6.375%	7.0%
Minimum Tier 1 ratio	6.0%	6.0%	6.0%	6.0%	6.0%
Total (with Capital Conservation Buffer)	6.0%	6.625%	7.25%	7.875%	8.5%
Minimum Capital ratio	8.0%	8.0%	8.0%	8.0%	8.0%
Total (with Capital Conservation Buffer)	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 2016**	**As at 31 March 2015**
Capital ratios:		
Common Equity Tier 1 capital	11.08%	10.88%
Tier 1 capital	12.71%	12.33%
Total capital	15.66%	15.61%

23. Capital Adequacy (continued)

Overseas Bank	**As at 31 March 2016**	**As at 31 March 2015**
Capital ratios:		
Common Equity Tier 1 capital	12.30%	11.90%
Tier 1 capital	14.25%	13.54%
Total capital	17.51%	17.23%

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 twelve months ended 31 March 2016.

There has been no peak end-of-day aggregate credit exposures 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 2016 during this accounting period.

The credit exposure to individual counterparties was calculated on the basis of actual end of day aggregate amount of credit exposures 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. Securitization, Funds Management, and Other Fiduciary Activities

(a) The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch is not involved in any establishment, marketing, or sponsorship of trust, custodial, funds management or other fiduciary activities.

(b) The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch is not involved in any origination of securitized assets or in the marketing or servicing of securitization schemes.

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

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 31 March 2016, that has significantly affected, or may significantly affect, the operations of the branch, the results of the operations, or the state of affairs of the branch in future financial years.

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 48 to 49) of The Bank of Tokyo-Mitsubishi UFJ, Ltd. – Auckland Branch ('the Branch' and 'the Banking Group') on pages 1 to 51.

The Disclosure Statement includes the financial statements of the Branch on pages 12 to 51 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 51.

The financial statements of the Branch on pages 12 to 51 comprise the statement of financial position as at 31 March 2016, 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. 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

Board of Directors' Responsibility for the Financial Statements

The Board of Directors ('the Directors') are responsible for the preparation and fair presentation of these financial statements of the Branch, in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards and such internal control as the Board of Directors determine 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 Responsibilities

It is our responsibility to express an opinion on these 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 and presentation 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.

Other than in our capacity as auditor, we have no relationship with or interests in The Bank of Tokyo-Mitsubishi UFJ, Ltd. - Auckland Branch.

Opinion

In our opinion, the financial statements on pages 12 to 51 give a true and fair view of the financial position of the Branch as at 31 March 2016, and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

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 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. which is incorporated in Japan. As described in Note 28, the assets of the Branch are legally available for the satisfaction of debts of the entire Company, 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 of 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 49 to 50.

Board of Directors' Responsibilities

The Directors are responsible for the preparation and fair presentation of the Supplementary Information relating to Credit and Market Risk Exposures and Capital Adequacy prepared in accordance with Schedule 9 of the Order, and for such internal control as the Board of Directors determine is necessary to enable the preparation and fair presentation of the Supplementary Information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

It is our responsibility to express a conclusion on the Supplementary Information relating to Credit and Market Risk Exposure and Capital Adequacy based on our review.

Deloitte.

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 conclude 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 guidelines issued pursuant to Section 78(3) of the Reserve Bank of New Zealand Act 1989 and any Conditions of Registration, and in accordance with the books and records of the Branch;
- prepared in accordance with the Capital Adequacy Framework (Standardised Approach) (BS2A); and
- disclosed in accordance with Schedule 9 of the Order and for reporting our findings to you.

A review of the Supplementary Information relating to Credit and Market Risk Exposure and Capital Adequacy in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the entity* (NZ SRE 2410) is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries of the Branch personnel, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly, we do not express an audit opinion on the Supplementary Information relating to Credit and Market Risk Exposure and Capital Adequacy.

Conclusion

Based on our review, 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 49 to 50 of the Disclosure Statement, as required by Schedule 9 of the Order, is not, in all material respects:

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

Deloitte

Chartered Accountants
22 June 2016
Auckland, New Zealand

This report relates to the Disclosures Statement of The Bank of Tokyo-Mitsubishi UFJ, Ltd. – Auckland Branch ('the Branch') for the year ended 31 March 2016 included on The Bank of Tokyo-Mitsubishi UFJ, Ltd.'s – Auckland Branch website. The Board of Directors is responsible for the maintenance and integrity of the Branch's website. We have not been engaged to report on the integrity of the Branch's website. We accept no responsibility for any changes that may have occurred to the Disclosure Statement since it was initially presented on the website. The audit report refers only to the Disclosure Statement named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the Disclosure Statement. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the Disclosure Statement and related audit report dated 22 June 2016 to confirm the information included in the Disclosure Statement presented on this website. Legislation in New Zealand governing the preparation and dissemination of disclosure statement may differ from legislation in other jurisdictions.