



Bank of Tokyo-Mitsubishi UFJ

**REGISTERED BANK
DISCLOSURE STATEMENT**

30 September 2013

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

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Auditor's Review Report

Disclosure Statement

For the Six Months Ended 30 September 2013

This Disclosure Statement contains information as required by the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order (No 2) 2013 ('the Order').

1. Corporate Information

On 1 January 2006, The Bank of Tokyo-Mitsubishi, Ltd. and UFJ Bank Limited merged to form a single entity named The Bank of Tokyo-Mitsubishi UFJ, Ltd. (the 'Overseas Bank' and the 'Registered Bank').

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

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

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

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

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

There have been no material changes in any material legislative or regulatory restrictions in Japan for recognition and priority of claims of creditors or class in the event of liquidation since the balance date of the last full year Disclosure Statement.

3. Excess of Assets Over Deposit Liabilities

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

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

4. Guarantee Arrangement

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

5. Directorate

5.1 Directors of The Bank of Tokyo-Mitsubishi UFJ, Ltd. as of 30 September 2013:

Name	Occupation	Residence
Katsunori Nagayasu	Chairman	Japan
Takamune Okihara	Deputy Chairman	Japan
Nobuyuki Hirano	President	Japan

Disclosure Statement For the Six Months Ended 30 September 2013

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

Takashi Morimura	Deputy President	Japan
Takashi Nagaoka	Deputy President	Japan
Kiyoshi Sono	Deputy President	Japan
Takeshi Ogasawara	Deputy President	Japan
Hitoshi Suzuki	Deputy President	Japan
Hidekazu Fukumoto	Senior Managing Director	Japan
Takashi Morisaki	Senior Managing Director	Japan
Tadachiyo Osada	Managing Director	Japan
Saburo Araki	Managing Director	Japan
Satoshi Murabayashi	Managing Director	Japan
Takehiko Shimamoto	Managing Director	Japan
Taihei Yuki	Director	Japan
Kunio Ishihara	Director	Japan
Teruo Ozaki	Director	Japan

The following changes in Director of The Bank of Tokyo-Mitsubishi UFJ, Ltd. since the last full year disclosure statement were:

Kanetsugo Mike resigned as Managing Director on 15 May 2013.

Satoshi Murabayashi appointed as Managing Director on 26 June 2013.

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

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

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 30 June 2013.

Disclosure Statement

For the Six Months Ended 30 September 2013

8. Credit Rating

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

	Current Rating	Previous Rating (if changed in the previous two years)	Date of Change
Standard & Poor's	A+	-	-
Moody's	Aa3	Aa2	24 August 2011
Fitch's	A	A-	4 March 2013

Rating scales are:

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

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

9. Other Material Matters

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

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

The most recent publicly available Disclosure Statement for the Banking Group can be accessed via the Branch's website: www.nz.bk.mufig.jp. Copies of the most recent publicly available Disclosure Statement for the Banking Group will be provided at no charge to any person who requests a copy by the end of second working day after the day on which the request is made.

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

Disclosure Statement For the Six Months Ended 30 September 2013

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

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

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

- the Disclosure Statement contains all the information that is required by the Registered Bank Disclosure Statement (Overseas Incorporated Registered Banks) Order (No 2) 2013;
- the Disclosure Statement is not false or misleading ;

and over the half year accounting period ended 30 September 2013;

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

Dated (Sydney): 27 November 2013



Mr. Michael Ryff
General Manager
Auckland Branch

Dated (Auckland): 27 November 2013

Condensed Interim Financial Statements For the Six Month Ended 30 September 2013

Condensed Statement of Comprehensive Income

	Note	Six Months ended 30 September 2013 Unaudited NZD	Six Months ended 30 September 2012 Unaudited NZD
Interest income	2	48,360,424	42,156,353
Interest expense	2	(43,315,223)	(35,153,944)
Net interest income		<u>5,045,201</u>	<u>7,002,409</u>
Fees and commission income	2	8,061,678	7,541,768
Other income	2	90,666	88,247
Total other income		<u>8,152,344</u>	<u>7,630,015</u>
Occupancy expenses	2	(93,346)	(96,374)
Personnel expenses	2	(1,462,108)	(1,319,499)
Auditors' remuneration	2	(88,394)	(39,000)
Administration and other expenses	2	(440,527)	(491,727)
Profit before provision for credit impairment and income tax expense		<u>11,113,170</u>	<u>12,685,824</u>
Provision for credit impairment	2	(41,600,000)	-
(Loss) / profit before income tax expense		<u>(30,486,830)</u>	<u>12,685,824</u>
Income tax benefit / (expense)		<u>9,357,833</u>	<u>(2,619,793)</u>
(Loss) / profit from continuing operations		<u>(21,128,997)</u>	<u>10,066,031</u>
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Available-for-sale securities			
- Loss arising during the year		(1,111,873)	(40,040)
- Less: Reclassification adjustment for loss included in profit or loss		11,668	-
		<u>(1,100,205)</u>	<u>(40,040)</u>
Income tax expense on available-for-sale securities		<u>308,057</u>	<u>11,211</u>
Other comprehensive income, net of tax		<u>(792,148)</u>	<u>(28,829)</u>
Total comprehensive income, net of tax		<u>(21,921,145)</u>	<u>10,037,202</u>

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

Condensed Interim Financial Statements For the Six Month Ended 30 September 2013

Condensed Statement of Changes in Equity

Unaudited
NZD

	Head Office Capital	Retained Earnings	Available-for- sale Revaluation Reserve	Total
Balance at 1 April 2012	83,000,000	12,223,474	-	95,223,474
Profit from continuing operations	-	10,066,031	-	10,066,031
Other comprehensive income, net of tax	-	-	(28,829)	(28,829)
Total comprehensive income, net of tax	-	10,066,031	(28,829)	10,037,202
Balance at 30 September 2012	83,000,000	22,289,505	(28,829)	105,260,676
Balance at 1 April 2013	83,000,000	31,559,518	123,457	114,682,975
(Loss) from continuing operations	-	(21,128,997)	-	(21,128,997)
Other comprehensive income, net of tax	-	-	(792,148)	(792,148)
Total comprehensive income, net of tax	-	(21,128,997)	(792,148)	(21,921,145)
Balance at 30 September 2013	83,000,000	10,430,521	(668,691)	92,761,830

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

Condensed Interim Financial Statements For the Six Month Ended 30 September 2013

Condensed Statement of Financial Position

	Note	As at 30 September 2013 Unaudited NZD	As at 30 September 2012 Unaudited NZD	As at 31 March 2013 Audited NZD
Assets				
Cash and short term liquid assets		16,092,946	137,147,019	66,103,389
Amounts due from related parties	9	23,353,496	22,596,397	30,677,150
Amounts due from other financial institutions		89,895,933	73,820,598	88,915,542
Available-for-sale securities		127,525,433	52,566,489	131,170,185
Corporate loans originated by the Bank	4	2,869,681,404	2,284,621,990	2,508,295,887
Acceptances of customers		-	-	101,446
Other assets		855,965	790,240	863,058
Current tax asset		43,909	215,101	38,742
Deferred tax asset		11,756,768	93,489	96,046
Property, plant and equipment	3	975,856	882,713	1,110,412
Derivative instruments		10,845,420	16,961,077	11,534,007
Total Assets		<u>3,151,027,130</u>	<u>2,589,695,113</u>	<u>2,838,905,864</u>
Liabilities				
Amounts due to related parties	9	2,980,002,240	2,297,612,728	2,669,359,764
Deposits	5	65,199,741	166,627,133	40,172,414
Acceptances		-	-	101,446
Other liabilities	7	2,465,590	3,451,941	3,307,221
Derivative instruments		10,597,729	16,742,635	11,282,044
Total Liabilities		<u>3,058,265,300</u>	<u>2,484,434,437</u>	<u>2,724,222,889</u>
Equity				
Head Office capital	9	83,000,000	83,000,000	83,000,000
Retained earnings		10,430,521	22,289,505	31,559,518
Available-for-sale revaluation reserve		(668,691)	(28,829)	123,457
Total Equity		<u>92,761,830</u>	<u>105,260,676</u>	<u>114,682,975</u>
Total Liabilities and Equity		<u>3,151,027,130</u>	<u>2,589,695,113</u>	<u>2,838,905,864</u>
Total Interest Earning and Discount Bearing Assets				
		3,103,195,716	2,548,156,096	2,794,485,003
Total Interest and Discount Bearing Liabilities				
		3,034,502,372	2,458,436,338	2,702,857,881

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

Condensed Interim Financial Statements For the Six Month Ended 30 September 2013

Condensed Statement of Cash Flows

	Six Months ended 30 September 2013 Unaudited NZD	Six Months ended 30 September 2012 Unaudited NZD
Cash Flows from Operating Activities		
Interest income received	47,602,899	41,509,811
Commission fees & trading income	8,152,344	7,630,015
Interest paid	(42,724,522)	(36,738,868)
Payment to suppliers, employees and others	(3,011,076)	(1,613,204)
Net cash flows from operating activities before changes in operating assets and liabilities	10,019,645	10,787,754
Net (increase) / decrease in operating assets:		
Net (increase) / decrease in corporate loans originated by the Bank	(402,591,374)	88,848,309
Net (increase) in amounts due from other financial institutions	(980,391)	(8,156)
Net decrease / (increase) in available-for-sale securities	4,008,134	(51,460,068)
Net decrease in amounts due from related parties	7,323,654	778,957
Net (increase) / decrease in other assets	(2,805,909)	46,282,209
	(395,045,886)	84,441,251
Net increase / (decrease) in operating liabilities:		
Net increase in deposits	25,027,008	107,122,439
Net increase / (decrease) in amounts due to related parties	310,052,094	(56,656,904)
Net increase / (decrease)/increase in other liabilities	1,974,205	(46,795,385)
	337,053,307	3,670,150
Net cash flows from operating activities before income tax	(47,972,934)	98,899,155
Net tax paid	(2,000,000)	(2,530,000)
Net cash flows from operating activities	(49,972,934)	96,369,155
Cash Flows from Investing Activities		
Payment for property, plant and equipment	(37,509)	(303,225)
Net cash flows from investing activities	(37,509)	(303,225)
Cash Flows from Financing Activities		
Remittance to the Overseas Bank	-	-
Capital injection	-	-
Net cash flows from financing activities	-	-
Net Increase in Cash and Cash Equivalents		
Net (decrease) / increase in cash and cash equivalents	(50,010,443)	96,065,930
Cash and cash equivalents at beginning of year	66,103,389	41,081,089
Cash and cash equivalents at end of the period	16,092,946	137,147,019
Reconciliation of Closing Cash and Cash Equivalents		
Cash and short term liquid assets	16,092,946	137,147,019
Closing cash and cash equivalents	16,092,946	137,147,019

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

Condensed Interim Financial Statements For the Six Month Ended 30 September 2013

Condensed Statement of Cash Flows (continued)

	Six Months ended 30 September 2013	Six Months ended 30 September 2012
	Unaudited	Unaudited
	NZD	NZD
Reconciliation of (loss) / profit from continuing operations to net cash flows from operating activities		
(Loss) / profit from continuing operations	(21,128,997)	10,066,031
(Increase) / decrease in corporate loans	(402,985,517)	89,308,188
(Increase) in due from other financial institutions	(980,391)	(8,156)
Decrease / (increase) in available-for-sale securities	3,644,752	(52,566,489)
Decrease in due from related parties	7,323,654	778,957
Decrease / (increase) in other assets	7,093	(148,086)
Increase in deposits	25,027,327	107,613,675
Increase / (decrease) in due to related parties	310,642,476	(58,733,064)
(Decrease) in other payable (cash)	(634,788)	(761,989)
Increase in provision for credit impairment	41,600,000	-
Movement in tax provision	(11,357,833)	89,793
Non-Cash items:		
Depreciation of property, plant and equipment	172,065	197,226
Other	(1,302,775)	533,069
Net cash flows from operating activities	(49,972,934)	96,369,155

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

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2013

1. Statement of Significant Accounting Principles

a) Statement of Compliance

The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch (the Branch) operates in Auckland, New Zealand and the Registered Bank is incorporated in Japan. The Branch is profit-oriented. The condensed interim financial statements of the Branch incorporated in this Disclosure Statement have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP') and comply with the requirements of NZ IAS 34 Interim Financial Reporting and Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order (No 2) 2013. These condensed interim financial statements also comply with IAS 34 Interim Financial Reporting. The Branch does not qualify for any differential reporting exemptions and the financial statements should be read in conjunction with the financial statements for the year ended 31 March 2013.

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

b) Basis of preparation

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

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

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

c) Changes in accounting policy

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

d) Comparative figures

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

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2013

2. Profit Before Income Tax Expense

	Six Months ended 30 September 2013 Unaudited NZD	Six Months ended 30 September 2012 Unaudited NZD
Operating revenue		
a) Interest income		
Corporate loans and other accounts	48,350,835	42,147,791
Related parties	9,589	8,562
	48,360,424	42,156,353
(b) Other operating income		
Fees and commissions income	8,061,678	7,541,768
Net gain on interest rate derivatives	67,555	67,639
Net gain on currency derivatives	-	333
Net gain on foreign currency	19,254	5,016
Other income	3,857	15,259
	8,152,344	7,630,015
	56,512,768	49,786,368
Total interest income derived from financial assets:		
At amortised cost	46,839,521	41,742,335
Available-for-sale securities	1,520,903	414,018
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	7,897,098	7,502,171
Net (loss) on financial assets / liabilities held for trading	(4,273)	(32,053)
Net realised gain on held for trading	91,082	105,041
Other fee income	164,580	39,597
Other income	3,857	15,259
	56,512,768	49,786,368
Expenses		
(a) Interest expense		
Deposits and other accounts	629,241	1,481,068
Related parties	42,685,982	33,672,876
	43,315,223	35,153,944
Total interest expense was derived from financial liabilities:		
At amortised cost	43,315,223	35,153,944
Designated at fair value through profit or loss	-	-
	43,315,223	35,153,944
(b) Other operating expenses		
Rental & operating lease costs	93,346	96,374
Depreciation		
Furniture, fixtures and fittings	41,760	112,504
Office equipment	125,597	79,699
Motor vehicles	4,707	5,023
Auditors' remuneration		
Audit fees	88,394	39,000
Other non-audit services	-	-
Salaries	1,405,410	1,195,156
Staff related cost	56,698	124,343
General administration and other operating expenses	268,463	294,501
Provision for credit impairment	41,600,000	-
	43,684,375	1,946,600
(Loss) / profit before income tax expense	(30,486,830)	12,685,824

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2013

3. Property, Plant and Equipment

During the six months ended 30 September 2013 the Branch acquired property, plant and equipment with a cost of NZD 39,961 (six months ended 30 September 2012: NZD 303,225; twelve months ended 31 March 2013: NZD 733,714).

During the six months ended 30 September 2013 the Branch disposed of property, plant and equipment with the carrying amount of NZD 2,452 (six months ended 30 September 2012: Nil; twelve months ended 31 March 2013: NZD 1,902).

There was no impairment loss for property, plant and equipment recognized during the six months ended 30 September 2013 (six months ended 30 September 2012: Nil; twelve months ended 31 March 2013: Nil).

4. Loans and Advances

	As at 30 September 2013 Unaudited NZD	As at 30 September 2012 Unaudited NZD	As at 31 March 2013 Audited NZD
Corporate loans originated by the bank	2,911,281,404	2,284,621,990	2,508,295,887
Less: individual impairment allowance	(41,600,000)	-	-
	2,869,681,404	2,284,621,990	2,508,295,887

5. Deposits

	As at 30 September 2013 Unaudited NZD	As at 30 September 2012 Unaudited NZD	As at 31 March 2013 Audited NZD
Retail deposit bearing interest	1,939,090	169,729	606,270
Retail deposit not bearing interest	10,699,609	5,803,523	6,674,297
Certificate deposit	14,832,415	30,724,488	10,973,747
Call deposit	24,319,607	13,819,321	16,652,086
Term deposit	13,409,020	116,110,072	5,266,014
	65,199,741	166,627,133	40,172,414

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

	As at 30 September 2013 Unaudited NZD	As at 30 September 2012 Unaudited NZD	As at 31 March 2013 Audited NZD
Total Liabilities	3,058,265,300	2,484,434,437	2,724,222,889
Less: total amounts due to related parties	(2,983,215,370)	(2,307,217,447)	(2,672,713,166)
Total liabilities net of amounts due to related parties	75,049,930	177,216,990	51,509,723

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2013

7. Other Liabilities

	As at 30 September 2013 Unaudited NZD	As at 30 September 2012 Unaudited NZD	As at 31 March 2013 Audited NZD
Provision	127,463	129,488	119,572
Unearned income	2,179,117	2,543,200	2,816,012
Others	159,010	779,253	371,637
	2,465,590	3,451,941	3,307,221

8. Commitments and Contingent Liabilities

	As at 30 September 2013 Unaudited NZD	As at 30 September 2012 Unaudited NZD	As at 31 March 2013 Audited NZD
a) Future lease rental commitments			
Operating lease (primarily premises)			
Due within 1 year	174,618	174,618	174,618
Due within 1 - 2 years	174,496	174,618	174,618
Due within 2 - 5 years	-	163,600	87,187
	349,114	512,836	436,423
b) Other commitments			
Undrawn facility commitments	709,893,934	1,179,339,962	1,105,729,287
c) Contingent liabilities			
Guarantees given	1,435,000	1,573,839	1,573,839
Performance related contingencies	4,861,736	400,000	34,704,965
Trade related contingencies	-	-	6,028
	6,296,736	1,973,839	36,284,832

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

- Guarantee given – a financial guarantee that is an agreement by which the Branch agrees to pay an amount of money on demand on behalf of a customer to a third party during the life of the guarantee.
- 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 carry out 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 perform 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.

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2013

9. Related Party Disclosures

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

Related party transactions are unsecured and entered into in the normal course of business. During the period there have been dealings between Auckland branch, other overseas branches and Head Office. Amounts due from related parties is only related to settlement account which is due on demand. Amount due to related parties is mainly term deposits which are due according to the agreed date. The maturity analysis for these balances are presented in Note 13. No related party debts have been written off or forgiven during the reporting period.

	Six Months ended 30 September 2013 Unaudited NZD	Six Months ended 30 September 2012 Unaudited NZD	Twelve Months ended 31 March 2013 Audited NZD
A) Balances			
Assets			
Amounts due from related parties	23,353,496	22,596,397	30,677,150
Derivative instruments	7,508,972	7,144,898	8,007,173
	30,862,468	29,741,295	38,684,323
Liabilities			
Amounts due to related parties	2,980,002,240	2,297,612,728	2,669,359,764
Derivative instruments	3,213,130	9,604,719	3,353,402
	2,983,215,370	2,307,217,447	2,672,713,166
Equity			
Head Office capital	83,000,000	83,000,000	83,000,000
Off Balance Sheet			
Guarantee given	135,000	135,000	135,000
Performance related contingencies	692,782	400,000	30,692,782
	827,782	535,000	30,827,782
B) Transactions			
Interest income	9,589	8,562	8,562
Interest expense	42,685,982	33,672,876	70,684,062
Net gain / (loss) from derivative instruments	1,114,307	(2,066,854)	(1,433,835)
Fees and commissions income	9,543	105	1,066

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

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2013

10. 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 is secured partially by following collateral/credit enhancement:

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

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

	As at 30 September 2013 Unaudited NZD	As at 30 September 2012 Unaudited NZD
Notional Principal		
On Balance Sheet		
Cash and short term liquid assets	16,092,946	137,147,019
Amounts due from related parties	23,353,496	22,596,397
Amounts due from other financial institutions	89,895,933	73,820,598
Available-for-sale securities	127,525,433	52,566,489
Corporate loans originated by the Bank	2,869,681,404	2,284,621,990
Other assets	819,747	628,952
Total	3,127,368,959	2,571,381,445
Off Balance Sheet		
Guarantee given	1,435,000	1,573,839
Performance related contingencies	4,861,736	400,000
Undrawn facility commitments	709,893,934	1,179,339,962
Total	716,190,670	1,181,313,801
Credit Equivalent		
Derivative instruments	17,756,490	23,452,459

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2013

10. Concentration of Credit Risk (continued)

i. Concentration of Credit Risk by Customer Industry Sector

Notional principal	As at 30 September 2013 Unaudited NZD	As at 30 September 2012 Unaudited NZD
On Balance Sheet		
Agriculture	24,371,690	26,850,451
Communications	252,296,912	117,053,673
Construction	2,691,620	3,130,160
Electricity, gas and water	588,051,678	616,948,551
Finance	511,417,063	539,787,946
Fishing	76,768,076	35,068,387
Food manufacturing	452,528,620	210,299,535
Forestry	55,112,212	-
Mining	38,313,168	79,931,077
Other industries	461,307	-
Other manufacturing	123,310,662	91,995,482
Property and business services	49,973,111	-
Sovereign	127,525,433	52,578,550
Transport and storage	706,004,156	689,966,684
Wholesale trade	112,542,692	96,050,560
Wood and paper manufacturing	6,000,559	11,720,389
Total	3,127,368,959	2,571,381,445

Notional principal

Off Balance Sheet		
Agriculture	3,700,000	1,200,000
Communications	102,777,778	97,777,778
Construction	75,738,960	30,716,510
Electricity, gas and water	217,500,000	298,500,000
Finance	105,645,002	100,535,000
Fishing	2,188,489	6,619,044
Food manufacturing	110,340,441	480,585,107
Other manufacturing	52,000,000	88,100,000
Transport and storage	26,000,000	36,841,523
Wholesale trade	300,000	20,438,839
Wood and paper manufacturing	20,000,000	20,000,000
Total	716,190,670	1,181,313,801

Credit equivalent derivative financial instruments

Agriculture	95,300	51,271
Communications	300,720	-
Electricity, gas and water	1,395,842	-
Finance	10,891,088	18,252,658
Fishing	1,593,542	550,241
Food manufacturing	330,583	287,000
Forestry	-	16,643
Other manufacturing	320,629	299,719
Transport and storage	1,370,118	877,479
Wholesale trade	408,097	1,151,814
Wood and paper manufacturing	1,050,571	1,965,634
Total	17,756,490	23,452,459

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2013

10. Concentration of Credit Risk (continued)

ii. Concentration of Credit Risk by Customer Geographic Location

	As at 30 September 2013 Unaudited NZD	As at 30 September 2012 Unaudited NZD
Notional principal		
On Balance Sheet		
New Zealand	2,876,093,219	2,276,200,984
Japan	165,199,699	103,869,916
Australia	66,112,323	191,310,545
Netherlands	19,963,718	-
Total	3,127,368,959	2,571,381,445
Off Balance Sheet		
New Zealand	715,362,888	1,180,778,801
Japan	827,782	535,000
Total	716,190,670	1,181,313,801

Credit equivalent of derivative financial instruments

New Zealand	6,917,157	12,977,232
Japan	10,829,274	10,425,073
Australia	10,059	50,154
Total	17,756,490	23,452,459

iii. Concentration of Credit Risk by Customer Credit Rating

30 September 2013 Unaudited

Credit Rating	S&P Rating	Notional principal		Credit equivalent of derivative financial instruments
		On balance Sheet	Off balance Sheet	
1-2	A- and above	998,552,922	315,738,960	300,720
3-7	B- to BBB+	2,016,905,173	395,923,928	6,531,197
8-9	CCC+/- and below	88,096,062	3,700,000	95,300
Not rated*		23,814,802	827,782	10,829,273
		3,127,368,959	716,190,670	17,756,490

30 September 2012 Unaudited

Credit Rating	S&P Rating	Notional principal		Credit equivalent of derivative financial instruments
		On balance Sheet	Off balance Sheet	
1-2	A- and above	310,429,225	281,561,947	-
3-7	B- to BBB+	2,186,417,405	897,578,015	12,976,115
8-9	CCC+/- and below	51,938,418	1,638,839	51,271
Not rated*		22,596,397	535,000	10,425,073
		2,571,381,445	1,181,313,801	23,452,459

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

*Not rated exposure is related to inter-branch exposure.

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2013

11. Concentration of Funding

	As at 30 September 2013 Unaudited NZD	As at 30 September 2012 Unaudited NZD
a) Category analysis		
Customer deposits	65,199,741	166,627,133
Due to related parties	2,980,002,240	2,297,612,728
	3,045,201,981	2,464,239,861
b) Counterparty analysis		
Corporate and individuals	50,367,326	135,902,645
Sovereign	14,832,415	30,724,488
Banks and other financial institutions	2,980,002,240	2,297,612,728
	3,045,201,981	2,464,239,861
c) Geographical analysis		
Australia	1,630,579,014	1,586,770,745
New Zealand	50,355,516	135,890,835
Japan	1,261,923,652	621,012,942
Singapore	87,511,384	89,840,851
Fiji	14,832,415	30,724,488
	3,045,201,981	2,464,239,861

12. 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 into 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.

30 September 2013
Unaudited

	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	16,092,946	-	-	-	-	-	16,092,946	2.00
Amounts due from other financial institutions	89,895,933	-	-	-	-	-	89,895,933	1.92
Amounts due from related parties	-	-	-	-	-	23,353,496	23,353,496	-
Available-for-sale securities	-	-	-	127,525,433	-	-	127,525,433	2.45
Corporate loans originated by the Bank	2,679,571,239	77,102,359	25,881,712	-	87,126,094	-	2,869,681,404	3.25
Property, Plant and Equipment	-	-	-	-	-	975,856	975,856	-
Other assets	-	-	-	-	-	23,502,062	23,502,062	-
Total assets	2,785,560,118	77,102,359	25,881,712	127,525,433	87,126,094	47,831,414	3,151,027,130	
LIABILITIES								
Amounts due to related parties	2,844,127,777	35,031,960	21,780,576	-	79,061,927	-	2,980,002,240	3.01
Deposits	44,665,200	-	9,834,932	-	-	10,699,609	65,199,741	2.10
Others liabilities	-	-	-	-	-	13,063,319	13,063,319	-
Total liabilities	2,888,792,977	35,031,960	31,615,508	-	79,061,927	23,762,928	3,058,265,300	

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2013

12. Interest Rate Risk (continued)

30 September 2012
Unaudited

	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	137,147,019	-	-	-	-	-	137,147,019	2.00
Amounts due from other financial institutions	73,820,598	-	-	-	-	-	73,820,598	2.55
Amounts due from related parties	-	-	-	-	-	22,596,397	22,596,397	
Available-for-sale securities	-	-	52,566,489	-	-	-	52,566,489	2.38
Corporate loans originated by the Bank	2,186,295,678	54,577,085	1,256,287	7,965,744	34,527,196	-	2,284,621,990	3.24
Property, Plant and Equipment	-	-	-	-	-	882,713	882,713	
Other assets	-	-	-	-	-	18,059,907	18,059,907	
Total assets	2,397,263,295	54,577,085	53,822,776	7,965,744	34,527,196	41,539,017	2,589,695,113	
LIABILITIES								
Amounts due to related parties	2,253,031,855	839,790	1,255,531	7,959,355	34,526,197	-	2,297,612,728	2.95
Deposits	140,059,425	14,847,907	5,916,278	-	-	5,803,523	166,627,133	2.84
Others liabilities	-	-	-	-	-	20,194,576	20,194,576	
Total liabilities	2,393,091,280	15,687,697	7,171,809	7,959,355	34,526,197	25,998,099	2,484,434,437	

13. 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", into 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 Branch can be required to pay. The table includes both interest and principal cash flows. Therefore, they may differ to the carrying amounts on the condensed statement of financial position.

30 September 2013
Unaudited

	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	16,092,946	-	-	-	-	-	16,092,946
Amounts due from related parties	23,353,496	-	-	-	-	-	23,353,496
Amounts due from other financial institutions	-	90,000,000	-	-	-	-	90,000,000
Available-for-sale securities	-	3,570,803	-	3,560,219	126,140,000	-	133,271,022
Corporate loans originated by the Bank	-	5,297,827	188,512,765	447,573,695	2,129,566,871	404,136,970	3,175,088,128
Other assets	-	-	782,237	-	-	-	782,237
Derivative instruments	-	2,205,100	2,203,978	4,119,564	7,263,317	116,586	15,908,545
	39,446,442	101,073,730	191,498,980	455,253,478	2,262,970,188	404,253,556	3,454,496,374
LIABILITIES							
Amounts due to related parties	-	1,159,738,423	1,763,962,029	3,470,426	21,284,984	58,388,739	3,006,844,601
Deposits	36,958,306	18,128,982	302,026	10,000,000	-	-	65,389,314
Derivative instruments	-	2,193,733	2,176,023	4,028,166	7,056,371	114,726	15,569,019
Lease commitment	-	14,552	29,103	130,963	174,496	-	349,114
Gross loan commitment	709,893,934	-	-	-	-	-	709,893,934
Guarantee given	-	-	1,000,000	435,000	-	-	1,435,000
Performance related contingencies	-	-	-	4,568,954	200,000	92,782	4,861,736
	746,852,240	1,180,075,690	1,767,469,181	22,633,509	28,715,851	58,596,247	3,804,342,718

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2013

13. Maturity Analysis for Assets and Liabilities (continued)

30 September 2012
Unaudited

	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	137,147,019	-	-	-	-	-	137,147,019
Amounts due from related parties	22,596,397	-	-	-	-	-	22,596,397
Amounts due from other financial institutions	-	74,000,000	-	-	-	-	74,000,000
Available-for-sale securities	-	1,629,452	-	51,629,452	-	-	53,258,904
Corporate loans originated by the Bank	-	31,872,974	187,784,914	253,021,583	1,760,444,298	273,228,155	2,506,351,924
Other assets	-	-	631,854	-	-	-	631,854
Derivative instruments	-	2,567,104	9,722,042	5,827,925	2,351,650	-	20,468,721
	159,743,416	110,069,530	198,138,810	310,478,960	1,762,795,948	273,228,155	2,814,454,819
LIABILITIES							
Amounts due to related parties	-	988,485,695	1,275,844,065	7,953,341	13,879,413	22,662,966	2,308,825,480
Deposits	19,792,573	115,965,357	10,262,329	20,764,186	-	-	166,784,445
Derivative instruments	-	2,556,424	9,696,687	5,752,939	2,240,172	-	20,246,222
Lease commitments	-	14,551	29,102	130,965	338,218	-	512,836
Gross loan commitment	1,179,339,962	-	-	-	-	-	1,179,339,962
Guarantees given	-	-	1,000,000	573,839	-	-	1,573,839
Performance related contingencies	-	-	200,000	-	200,000	-	400,000
	1,199,132,535	1,107,022,027	1,297,032,183	35,175,270	16,657,803	22,662,966	3,677,682,784

14. Fair Value of Financial Instruments

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

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

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2013

14. Fair Value of Financial Instruments (continued)

30 September 2013 Unaudited	Note	Held for Trading NZD	Available for Sale Securities NZD	Loans and Receivables NZD	Other Amortised Cost NZD	Total Carrying Amount NZD	Fair Value NZD
Assets							
Cash and cash equivalents	a	-	-	16,092,946	-	16,092,946	16,092,946
Amounts due from related parties	a	-	-	23,353,496	-	23,353,496	23,353,496
Amounts due from other financial institutions	a	-	-	89,895,933	-	89,895,933	89,895,933
Available-for-sale securities	d	-	127,525,433	-	-	127,525,433	127,525,433
Corporate loans originated by the Bank	b	-	-	2,869,681,404	-	2,869,681,404	2,875,986,946
Other assets	c, a	10,845,420	-	782,237	-	11,627,657	11,627,657
Total financial assets		10,845,420	127,525,433	2,999,806,016	-	3,138,176,869	3,144,482,411
Liabilities							
Amounts due to related parties	b	-	-	-	2,980,002,240	2,980,002,240	2,967,740,667
Deposits	b	-	-	-	65,199,741	65,199,741	65,199,741
Other liabilities	c, a	10,597,729	-	-	-	10,597,729	10,597,729
Total financial liabilities		10,597,729	-	-	3,045,201,981	3,055,799,710	3,043,538,137

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

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2013

14. 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).

	30 September 2013		31 March 2013	
	Level 1	Level 2	Level 1	Level 2
Derivative financial assets				
Interest rate swaps	-	3,543,128	-	1,216,216
Currency Options	-	486,091	-	-
FX forwards	-	6,816,201	-	10,317,791
Total derivative financial assets	-	10,845,420	-	11,534,007
Derivative financial liabilities				
Interest rate swaps	-	3,295,437	-	964,253
Currency Options	-	486,091	-	-
FX forwards	-	6,816,201	-	10,317,791
Total derivative financial liabilities	-	10,597,729	-	11,282,044
Available-for-sale securities	127,525,433	-	131,170,185	-

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

The branch's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There was also no transfer between level 1, level 2 and level 3 of the fair value hierarchy.

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2013

15. Liquidity Risk Management

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

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

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

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

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

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

	As at 30 September 2013 Unaudited NZD	As at 30 September 2012 Unaudited NZD
Cash and short term liquid assets	16,092,946	137,147,019
Amounts due from related parties	23,353,496	22,596,397
Amounts due from other financial institutions	89,895,933	73,820,598
Available-for-sale securities	127,525,433	52,566,489
	256,867,808	286,130,503

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2013

16. Profitability and Size

a) Profitability

The Overseas Banking Group

	Six Months ended 30 September 2013 JPY(000's)	Six Months ended 30 September 2012 JPY(000's)
Net Profit After Tax	339,525,000	227,569,000
Net Profit After Tax over the previous 12 months period as a percentage of average total assets	0.19 %	0.13 %

b) Size

	Six Months ended 30 September 2013 JPY(000's)	Six Months ended 30 September 2012 JPY(000's)
Total Assets	192,147,651,000	169,554,150,000
% Change in total assets over the previous 12 months	13.33 %	0.10 %

17. Asset Quality

(i) The Overseas Banking Group

	As at 30 September 2013 JPY(000's)	As at 30 September 2012 JPY(000's)
Total individually impaired assets (before allowances for credit impairment loss and net of interest held in suspense)	1,535,924,000	1,610,373,000
Total individually impaired assets expressed as a percentage of total assets	0.80 %	0.95 %
Total individual credit impairment allowance	267,955,000	307,878,000
Total individual credit impairment allowance expressed as percentage of total individually impaired assets	17.45 %	19.12 %
Total collective credit impairment allowance	561,978,000	611,805,000

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2013

17. Asset Quality (continued)

(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 customer due to the customer's financial position. The provision represents the Branch's best estimate of the difference between the carrying amount of the loan and the recoverable amount based on expected future cash flows.

	As at 30 September 2013 NZD	As at 30 September 2012 NZD
Individual impaired assets:		
Balance at the beginning of the period	-	-
Addition during the period	79,913,168	-
Balance at the end of the period	79,913,168	-
Total individual credit impairment allowance	41,600,000	-

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 30 September 2013. The total collective credit impairment allowance of the Overseas Banking Group covers the assets of the Branch.

Individual provision for loan impairment

	As at 30 September 2013 NZD	As at 30 September 2012 NZD
Balance at the beginning of the period	-	-
Charge to impairment of loans in profit and loss	41,600,000	-
Balance at the end of the period	41,600,000	-

Profit or loss charge

	As at 30 September 2013 NZD	As at 30 September 2012 NZD
Specific provisions for impairment against advances	41,600,000	-
Total provisions for impairment against advances	41,600,000	-

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.

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2013

18. 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.

	Six Months ended 30 September 2013 Unaudited NZD (000's)	Six Months ended 30 September 2012 Unaudited NZD (000's)
(1) Aggregate Interest Rate Exposure		
(a) Notional Capital Charge*	333	1,736
(b) Implied risk weighted exposure	4,163	21,700

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

	Peak End of Day Ending 30 September 2013 Unaudited NZD (000's)	Peak End of Day Ending 30 September 2012 Unaudited NZD (000's)
(1) Aggregate Interest Rate Exposure (continued)		
(a) Notional Capital Charge**	3,221	2,987
(b) Implied risk weighted exposure	40,263	37,338

(2) Aggregate Foreign Currency Exposure

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

(3) Aggregate Equity Exposure

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

** The peak end of day Notional Capital Charge 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.

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

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2013

19. Capital Adequacy

The table below presents the consolidated risk-based capital ratios at 30 September 2013 the most recent period for which information is publicly available for the Overseas Banking Group and the Overseas 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:

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

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

Overseas Banking Group

As at
30 September 2013 **As at**
30 September 2012

Capital ratios:

Common Equity Tier 1 capital	11.54 %	-
Tier 1 capital	13.13 %	11.92 %
Total capital	17.26 %	15.48 %

Overseas Bank

As at
30 September 2013 **As at**
30 September 2012

Capital ratios:

Common Equity Tier 1 capital	11.99 %	-
Tier 1 capital	14.21 %	12.74 %
Total capital	18.74 %	16.55 %

The most recent publicly available information in related 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.

20. Credit Exposures to Individual Counterparties

Based on actual credit exposures, no credit exposure to any individual counterparty (excluding any booking outside New Zealand) of The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch equaled or exceeded 10% of the Overseas Banking Group's equity at six months ended 30 September 2013.

There is no peak end-of-day aggregate credit exposure to any individual counterparty (excluding any booking outside New Zealand) of The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch equaled or exceeded 10% of the Overseas Banking Group's equity as at 30 September 2013 during this accounting period.

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

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2013

21. Insurance Business

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

22. Non-Consolidated Activities

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

23. 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.

24. Risk Management Policies

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

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

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

25. 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.

26. Subsequent Events

One corporate customer was going through a debt restructuring process with its bank lenders at the end of the current period. Subsequent to period end, the debt restructuring process received approval from the majority of the bank lenders which resulted in 20% of the loan converted into redeemable preference shares. The Branch is currently involved in a legal proceeding to challenge this debt restructuring process. The outcome of this legal proceeding is uncertain and therefore the financial impact cannot be estimated.



REVIEW REPORT TO SHAREHOLDERS OF THE BANK OF TOKYO-MITSUBISHI UFJ, LTD – AUCKLAND BRANCH

We have reviewed pages 5 to 28 of the Disclosure Statement of The Bank of Tokyo-Mitsubishi UFJ, Ltd – Auckland Branch ('the Branch' and 'the Banking Group'), which consists of the condensed interim financial statements of the Branch and the supplementary information required to be disclosed under Schedules 5, 7, 9, 10, 12 and 14 of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order (No 2) 2013 (the 'Order').

The condensed interim financial statements comprise the condensed statement of financial position of the Branch, as at 30 September 2013, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Registered Bank's shareholders, as a body. Our review has been undertaken so that we might state to the Registered Bank's shareholders those matters we are required to state to them in a review 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 Registered Bank's shareholders as a body, for our engagement, for this report, or for the opinions we have formed

Directors' Responsibilities

The Board of Directors is responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of the condensed interim financial statements which present fairly the financial position of the Banking Group as at 30 September 2013 and the results of operations and cash flows for the six months ended on that date.

The Directors are also responsible for the preparation and presentation of supplementary information which fairly states the matters required to be disclosed under Schedules 3, 5, 7, 9, 10, 12 and 14 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.

Reviewer's Responsibilities

We are responsible for reviewing the condensed interim financial statements presented by the Directors in order to report to you whether, in our opinion on the basis of the procedures performed by us, anything has come to our attention that would cause us to believe that the condensed interim financial statements have not been prepared, in all material respects, in accordance with New Zealand Equivalent to International Accounting Standard 34: Interim Financial Reporting and do not present fairly the matters to which they relate.

We are also responsible for reviewing the supplementary information presented by the Directors (excluding the supplementary information relating to Capital Adequacy) in order to report to you whether, in our opinion on the basis of the procedures performed by us, anything has come to our attention that would cause us to believe that the supplementary information (excluding the supplementary information relating to Capital Adequacy) does not fairly state the matters to which it relates in accordance with Schedules 5, 7, 10, 12 and 14 of the Order.

We are also responsible for reviewing the supplementary information presented by the Directors relating to Capital Adequacy in order to report to you whether in our opinion, on the basis of the procedures performed by us, anything has come to our attention that would cause us to believe that the information is not in all material respects prepared in accordance with the Capital Adequacy Framework (Standardised Approach) (BS2A) and disclosed in accordance with Schedule 9.

We conducted our review in accordance with the Review Engagement Standards issued by the External Reporting Board. These standards require that we plan and perform the review to obtain moderate assurance as to whether the information is free from material misstatement. A review is limited primarily to enquiries of the Banking Group personnel and analytical review procedures applied to financial data, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

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

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

- The condensed interim financial statements on pages 5 to 28 have not been prepared, in all material respects, in accordance with NZ IAS 34: Interim Financial Reporting and IAS 34: Interim Financial Reporting and do not present fairly the financial position of the Banking Group as at 30 September 2013 and the results of its operations and cash flows for the six months ended on that date;
- the supplementary information disclosed in accordance with Schedules 5, 7, 10, 12 and 14 of the Order does not fairly state the matters to which it relates in accordance with those Schedules; and
- the supplementary information disclosed on page 26 and 27 relating to credit and market risk exposure and capital adequacy as required by Schedule 9 of the Order, is not in all material respects prepared in accordance with Capital Adequacy Framework (Standardised Approach) (BS2A) and disclosed in accordance with Schedule 9 of the Order.

Emphasis of Matter

The Branch is part of The Bank of Tokyo-Mitsubishi UFJ, Ltd which is incorporated in Japan ('the Registered Bank'). As described in Note 25, the assets of the Branch are legally available for the satisfaction of debts of the entire Registered Bank, not solely those appearing on the accompanying condensed 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.



Deloitte

Chartered Accountants

27 November 2013

Auckland, New Zealand

This review report relates to the unaudited Disclosure Statement of The Bank of Tokyo-Mitsubishi UFJ, Ltd – Auckland Branch for the six months ended 30 September 2013 included on Bank of Tokyo-Mitsubishi UFJ, Ltd – Auckland Branch's 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 review report refers only to the unaudited Disclosure Statement named above. It does not provide an opinion on any other information which may have been hyperlinked to/from this 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 unaudited Disclosure Statement and related review report dated 27 November 2013 to confirm the information included in the unaudited 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.