



**REGISTERED BANK
DISCLOSURE STATEMENT**



30 SEPTEMBER 2016



**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 2016

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

1. Corporate Information

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

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

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

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

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

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

3. Excess of Assets Over Deposit Liabilities

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

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

4. Guarantee Arrangement

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

5. Directorate

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

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

Disclosure Statement For the Six Months Ended 30 September 2016

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

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

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

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

Disclosure Statement

For the Six Months Ended 30 September 2016

5. Directorate (continued)

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

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

6. Auditors

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

Deloitte
Deloitte Centre
80 Queen Street
Auckland 1010
New Zealand

7. Conditions of Registration

There has been no change to the conditions of registration since the last disclosure statement as at 30 June 2016 to 30 September 2016. However, changes have been made to the conditions of registration to be applied on and after 1 October 2016. The changes will:

- (i) Impose conditions of registration relating to residential mortgage lending nationwide to property investors and non-property investors. The conditions allow only a small (5%) flow of investor mortgage lending with LVRs greater than 60% and a 10% flow of non-property investor lending with LVRs above 80%.
- (ii) Refer to a revised version of “Framework for Restrictions on High-LVR Residential Mortgage Lending” (BS19) which amends some of the terms and conditions (including exemptions) relating to the LVR conditions of registration.

There has been no impact on the Branch.

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	A1	Aa3	2 December 2014
Fitch	A	-	-

Disclosure Statement For the Six Months Ended 30 September 2016

8. Credit Rating (continued)

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 ability 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.

9. Other Material Matters

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

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

The most recent publicly available Disclosure Statement for the Banking Group can be accessed via the Branch's website: www.nz.bk.mufig.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.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 2016

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

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

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

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

and over the six- month accounting period ended 30 September 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. Masahiko Tanimura
Regional Head for Oceania,
General Manager
(and Authorised Attorney on behalf of
the Directors)

Dated (Sydney): 21 November 2016



Mr. Michael Ryff
General Manager
Auckland Branch

Dated (Auckland): 21 November 2016

Condensed Interim Financial Statements For the Six Months Ended 30 September 2016

Condensed Statement of Comprehensive Income

	Note	Six Months ended 30 September 2016 Unaudited NZD	Six Months ended 30 September 2015 Unaudited NZD
Interest income	2	41,793,424	57,263,400
Interest expense	2	(37,692,926)	(51,356,280)
Net interest income		<u>4,100,498</u>	<u>5,907,120</u>
Fees and commission income	2	6,526,245	6,287,487
Gains less losses on financial instruments	2	(249,626)	(197,931)
		6,276,619	6,089,556
Occupancy expenses	2	(139,368)	(130,149)
Personnel expenses	2	(1,656,585)	(1,553,893)
Auditor's remuneration	2	(67,528)	(46,085)
Administration and other expenses	2	(418,945)	(484,829)
Profit before provision for credit impairment and income tax expense		<u>8,094,691</u>	<u>9,781,720</u>
Provision for credit impairment		-	-
Profit before income tax expense		<u>8,094,691</u>	<u>9,781,720</u>
Income tax expense		(342,294)	(952,482)
Profit from continuing operations		<u>7,752,397</u>	<u>8,829,238</u>
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Available-for-sale securities			
- (Loss) / Profit arising during the year		(336,042)	863,398
- Add: Reclassification adjustment for loss included in profit or loss		52,211	195,521
		(283,831)	1,058,919
- Income tax benefit / (expense) on available-for-sale securities		79,473	(296,497)
Other comprehensive (expense) / income, net of tax		<u>(204,358)</u>	<u>762,422</u>
Total comprehensive income, net of tax		<u>7,548,039</u>	<u>9,591,660</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 Months Ended 30 September 2016

Condensed Statement of Changes in Equity

Unaudited
NZD

	Head Office Capital	Retained Earnings	Available-for- sale Revaluation Reserve	Total
Balance at 1 April 2015	83,000,000	14,793,234	652,528	98,445,762
Profit from continuing operations	-	8,829,238	-	8,829,238
Other comprehensive income net of tax	-	-	762,422	762,422
Total comprehensive income, net of tax	-	8,829,238	762,422	9,591,660
Balance at 30 September 2015	83,000,000	23,622,472	1,414,950	108,037,422
Balance at 1 April 2016	83,000,000	41,261,540	619,629	124,881,169
Profit from continuing operations	-	7,752,397	-	7,752,397
Other comprehensive (expense), net of tax	-	-	(204,358)	(204,358)
Total comprehensive income / (expense), net of tax	-	7,752,397	(204,358)	7,548,039
Balance at 30 September 2016	83,000,000	49,013,937	415,271	132,429,208

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 Months Ended 30 September 2016

Condensed Statement of Financial Position

	Note	As at 30 September 2016 Unaudited NZD	As at 30 September 2015 Unaudited NZD	As at 31 March 2016 Audited NZD
Assets				
Cash and short term liquid assets		69,474,100	29,079,287	27,791,027
Amounts due from related parties	9	70,437,566	66,768,818	56,166,131
Amounts due from other financial institutions		204,448,825	104,570,078	199,382,938
Available-for-sale securities		26,655,801	121,384,723	27,116,607
Corporate loans originated by the Bank	4	2,950,641,966	2,355,035,619	2,817,897,473
Acceptances of customers		13,412,228	-	44,815
Derivative instruments		22,890,003	21,509,412	20,848,509
Other assets		6,089,467	1,225,673	1,263,822
Current tax asset		3,109,583	1,864,652	4,603,723
Deferred tax asset		12,917,138	17,881,007	13,179,960
Property, plant and equipment	3	335,758	460,432	364,758
Total Assets		<u>3,380,412,435</u>	<u>2,719,779,701</u>	<u>3,168,659,763</u>
Liabilities				
Amounts due to related parties	9	2,927,564,847	2,246,481,303	2,537,489,565
Deposits	5	281,062,446	338,453,396	483,996,844
Acceptances		13,412,228	-	44,815
Derivative instruments		23,252,793	21,614,889	20,907,148
Other liabilities	7	2,690,913	5,192,691	1,340,222
Total Liabilities		<u>3,247,983,227</u>	<u>2,611,742,279</u>	<u>3,043,778,594</u>
Equity				
Head Office capital	9	83,000,000	83,000,000	83,000,000
Retained earnings		49,013,937	23,622,472	41,261,540
Available-for-sale revaluation reserve		415,271	1,414,950	619,629
Total Equity		<u>132,429,208</u>	<u>108,037,422</u>	<u>124,881,169</u>
Total Liabilities and Equity		<u>3,380,412,435</u>	<u>2,719,779,701</u>	<u>3,168,659,763</u>
Total Interest Earning and Discount Bearing Assets				
		3,251,220,692	2,610,069,707	3,072,188,045
Total Interest and Discount Bearing Liabilities				
		3,188,321,794	2,569,741,317	3,006,529,391

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

Condensed Interim Financial Statements

For the Six Months Ended 30 September 2016

Condensed Statement of Cash Flows

	Six Months ended 30 September 2016 Unaudited NZD	Six Months ended 30 September 2015 Unaudited NZD
Cash Flows from Operating Activities		
Interest income received	43,926,959	63,148,937
Commission fees & trading income	5,966,772	6,138,570
Interest paid	(40,065,218)	(51,216,342)
Payment to suppliers, employees and others	(2,098,063)	(2,125,281)
Net cash flows from operating activities before changes in operating assets and liabilities	7,730,450	15,945,884
Net (increase) / decrease in operating assets:		
Net (increase) / decrease in corporate loans originated by the Bank	(134,878,028)	268,157,832
Net (increase) in amounts due from other financial institutions	(5,065,887)	(49,991,461)
Net decrease in available-for-sale securities	176,975	98,415,140
Net (increase) in amounts due from related parties	(14,271,435)	(6,433,579)
Net (increase) / decrease in other assets	(2,955,121)	1,258,465
	(156,993,496)	311,406,397
Net increase / (decrease) in operating liabilities:		
Net (decrease) / increase in commercial paper and deposits	(202,117,506)	135,248,471
Net increase / (decrease) in amounts due to related parties	391,630,682	(457,274,618)
Net increase in other liabilities	30,636	3,991,853
	189,543,812	(318,034,294)
Net cash flows from operating activities before income tax	40,280,766	9,317,987
Net tax refund / (paid)	1,494,140	(2,661,702)
Net cash flows from operating activities	41,774,906	6,656,285
Cash Flows from Investing Activities		
Payment for property, plant and equipment	(91,833)	(24,348)
Net cash flows used in investing activities	(91,833)	(24,348)
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 in cash and cash equivalents	41,683,073	6,631,937
Cash and cash equivalents at beginning of year	27,791,027	22,447,350
Cash and cash equivalents at end of the period	69,474,100	29,079,287
Reconciliation of Closing Cash and Cash Equivalents		
Cash and short term liquid assets	69,474,100	29,079,287
Closing cash and cash equivalents	69,474,100	29,079,287

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 Months Ended 30 September 2016

Condensed Statement of Cash Flows (continued)

	Six Months ended 30 September 2016	Six Months ended 30 September 2015
	Unaudited	Unaudited
	NZD	NZD
Reconciliation of profit from continuing operations to net cash flows from operating activities		
Profit from continuing operations	7,752,397	8,829,238
(Increase) / decrease in corporate loans	(132,744,493)	269,532,285
(Increase) in due from other financial institutions	(5,065,887)	(49,991,461)
Decrease in available-for-sale securities	176,975	102,926,224
(Increase) in due from related parties	(14,271,435)	(6,433,579)
(Increase) / decrease in other assets	(4,825,644)	1,052,279
Increase / (decrease) in certificate of deposit	45,844	(23,182,246)
(Decrease) / increase in deposits	(202,980,241)	160,360,100
Increase / (decrease) in due to related parties	390,075,283	(459,064,065)
Increase in other payable	1,273,475	3,983,398
Movement in tax provision	1,836,434	(1,709,220)
Non-Cash items:		
Depreciation of property, plant and equipment	120,833	131,915
Other	381,365	221,417
Net cash flows from operating activities	41,774,906	6,656,285

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 2016

1. Statement of Significant Accounting Policies

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. The condensed interim financial statements of the Branch incorporated in this Disclosure Statement have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP') and comply with the requirements of NZ IAS 34 Interim Financial Reporting and Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended). These condensed interim financial statements also comply with IAS 34 Interim Financial Reporting. The Branch does not qualify for any differential reporting exemptions and the condensed interim financial statements should be read in conjunction with the financial statements for the year ended 31 March 2016.

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

b) Basis of preparation

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

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

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

c) Changes in accounting policy

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

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 2016

2. Profit Before Income Tax Expense

	Six Months ended 30 September 2016 Unaudited NZD	Six Months ended 30 September 2015 Unaudited NZD
Operating revenue		
(a) Interest income		
Corporate loans and other accounts	41,788,862	57,255,345
Related parties	4,562	8,055
	<u>41,793,424</u>	<u>57,263,400</u>
(b) Fees and commissions income		
Fees and commissions income	6,526,245	6,287,487
	<u>6,526,245</u>	<u>6,287,487</u>
(c) Gains less losses on financial instruments		
Net (loss) on interest rate derivatives	(250,051)	(134,838)
Net (loss) on foreign currency	(91)	(63,102)
Other income	516	9
	<u>(249,626)</u>	<u>(197,931)</u>
	<u>48,070,043</u>	<u>63,352,956</u>
Total interest income derived from financial assets:		
At amortised cost	41,273,826	55,038,448
Available-for-sale securities	519,598	2,224,952
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	6,343,162	6,119,981
Net (loss) on financial assets / liabilities held for trading	(302,594)	(273,793)
Net realised gain on held for trading	52,453	75,853
Other fee income	183,082	167,506
Other income	516	9
	<u>48,070,043</u>	<u>63,352,956</u>
Expenses		
(a) Interest expense		
Deposits and other accounts	5,620,251	5,145,704
Related parties	32,072,675	46,210,576
	<u>37,692,926</u>	<u>51,356,280</u>
Total interest expense was derived from financial liabilities:		
At Amortised cost	37,692,926	51,356,280
Designated at fair value through profit or loss	-	-
	<u>37,692,926</u>	<u>51,356,280</u>
(b) Other operating expenses		
Rental & operating lease costs	139,368	130,149
Depreciation		
Furniture, fixtures and fittings	10,691	16,384
Office equipment	106,890	111,183
Motor vehicles	3,252	4,348
Auditors' remuneration		
Audit fees	67,528	46,085
Other non-audit services	-	-
Salaries	1,634,743	1,479,720
Staff related cost	21,842	74,173
Net losses from the disposal of fixed assets	-	7,311
General administration and other operating expenses	298,112	345,603
	<u>2,282,426</u>	<u>2,214,956</u>
Gain before income tax expense	<u>8,094,691</u>	<u>9,781,720</u>

Total income excluding any net loss for six months ended 30 September 2016 is NZD 48,320,185 (six months ended 30 September 2015 : NZD 63,550,896)

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2016

3. Property, Plant and Equipment

During the six months ended 30 September 2016 the Branch acquired property, plant and equipment with a cost of NZD 91,921 (six months ended 30 September 2015: NZD 24,348; twelve months ended 31 March 2016: NZD 70,989).

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

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

4. Loans and Advances

	As at 30 September 2016 Unaudited NZD	As at 30 September 2015 Unaudited NZD	As at 31 March 2016 Audited NZD
Corporate loans originated by the bank	2,950,641,966	2,418,731,271	2,817,897,473
Less: individual impairment allowance	-	(63,695,652)	-
	2,950,641,966	2,355,035,619	2,817,897,473

5. Deposits

	As at 30 September 2016 Unaudited NZD	As at 30 September 2015 Unaudited NZD	As at 31 March 2016 Audited NZD
Retail deposit bearing interest	7,717,457	6,054,998	7,313,170
Retail deposit not bearing interest	19,270,200	15,193,382	14,957,018
Certificate deposit	49,760,537	24,904,115	49,714,693
Call deposit	65,675,761	63,273,461	60,415,575
Term deposit	138,638,491	229,027,440	351,596,388
	281,062,446	338,453,396	483,996,844

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

	As at 30 September 2016 Unaudited NZD	As at 30 September 2015 Unaudited NZD	As at 31 March 2016 Audited NZD
Total Liabilities	3,247,983,227	2,611,742,279	3,043,778,594
Less: total amounts due to related parties (Note : 9)	(2,941,569,206)	(2,261,415,197)	(2,548,958,187)
Total liabilities net of amounts due to related parties	306,414,021	350,327,082	494,820,407

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2016

7. Other Liabilities

	As at 30 September 2016 Unaudited NZD	As at 30 September 2015 Unaudited NZD	As at 31 March 2016 Audited NZD
Provision for employee entitlements	142,765	127,828	120,299
Unearned income	2,268,515	877,612	1,005,595
Others	279,633	4,187,251	214,328
	2,690,913	5,192,691	1,340,222

8. Commitments and Contingent Liabilities

	As at 30 September 2016 Unaudited NZD	As at 30 September 2015 Unaudited NZD	As at 31 March 2016 Audited NZD
a) Future lease rental commitments			
Operating lease (primarily premises)			
Due within 1 year	285,932	240,114	232,912
Due within 1 - 2 years	184,299	178,362	174,876
Due within 2 - 5 years	564,969	548,514	556,741
Due over 5 years	-	193,916	96,958
	1,035,200	1,160,906	1,061,487
b) Other commitments			
Undrawn facility commitments	844,975,400	1,133,022,544	600,979,624
c) Contingent liabilities			
Guarantees given	353,455	410,595	12,703,456
Performance related contingencies	18,050,000	17,351,095	4,700,000
Trade related contingencies	12,802,979	1,938,968	69,616
	31,206,434	19,700,658	17,473,072

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

- Guarantee given – a financial guarantee that is an agreement by which the Branch agrees to pay an amount of money on demand on behalf of a customer to a third party during the life of the guarantee.
- Performance related contingencies – a guarantee given by the Branch that undertakes to pay a sum of money to a third party where the customer fails to fulfil certain terms and conditions of a contract.
- Trade related contingencies – contingent liabilities arising from trade-related obligations secured against an underlying shipment of goods to make a payment to a third party if a counterparty fails to 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 2016

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 are mainly term deposits which are due in accordance with an agreed date. The maturity analysis for these balances are presented in Note 13. The interest rate risk analysis for these balances are presented in Note 12. 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.

	Six Months ended 30 September 2016 Unaudited NZD	Six Months ended 30 September 2015 Unaudited NZD	Twelve Months ended 31 March 2016 Audited NZD
A) Balances			
Assets			
Amounts due from related parties	70,437,566	66,768,818	56,166,131
Derivative instruments	9,325,672	6,717,978	9,468,030
	79,763,238	73,486,796	65,634,161
Liabilities			
Amounts due to related parties	2,927,564,847	2,246,481,303	2,537,489,565
Derivative instruments	14,004,359	14,933,893	11,468,622
	2,941,569,206	2,261,415,196	2,548,958,187
Equity			
Head Office capital	83,000,000	83,000,000	83,000,000
Off Balance Sheet			
Guarantee given	227,782	227,782	227,782
Performance related contingencies	1,400,000	400,000	400,000
	1,627,782	627,782	627,782
B) Transactions			
Interest income	4,562	8,055	8,055
Interest expense	32,072,675	46,210,576	85,685,968
Net (loss) from derivative instruments	(391,690)	(3,015,367)	(6,213,755)
Fees and commissions income	553	252	503

The Branch's Head Office capital comprises of funds provided by the overseas bank to support the Branch's daily operation and to fulfil local thin capitalisation requirements. It is non-interest bearing and there is no fixed date for repatriation. The capital of the registered bank is managed by the overseas bank. The Branch does not separately manage capital other than for the purpose of the Reserve Bank of New Zealand's requirements as disclosed in Note 18 and Note 19.

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 2016

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 are 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

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 30 September 2016 Unaudited NZD	As at 30 September 2015 Unaudited NZD
Notional Principal		
On Balance Sheet		
Cash and short term liquid assets	69,474,100	29,079,287
Amounts due from related parties	70,437,566	66,768,818
Amounts due from other financial institutions	204,448,825	104,570,078
Available-for-sale securities	26,655,801	121,384,723
Corporate loans originated by the Bank	2,950,641,966	2,355,035,619
Acceptances of customers	13,412,228	-
Other assets	9,150,455	3,044,576
Total	3,344,220,941	2,679,883,101
Off Balance Sheet		
Guarantee given	353,455	410,595
Performance related contingencies	18,050,000	17,351,095
Trade related contingencies	12,802,979	1,938,968
Undrawn facility commitments	844,975,400	1,133,022,544
Total	876,181,834	1,152,723,202
Credit Equivalent		
Derivative instruments	39,924,958	30,453,840

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2016

10. Concentration of Credit Risk (continued)

i. Concentration of Credit Risk by Customer Industry Sector

	As at 30 September 2016 Unaudited NZD	As at 30 September 2015 Unaudited NZD
Notional principal		
On Balance Sheet		
Communications	206,826,693	251,248,724
Construction	9,122,891	4,056,548
Electricity, gas and water	414,352,711	411,582,178
Finance	726,089,360	644,977,749
Fishing	101,044,204	68,887,365
Food manufacturing	497,490,019	194,561,638
Forestry	66,691,205	47,782,124
Other manufacturing	166,044,525	103,297,916
Property and business services	152,292,585	139,763,181
Transport and storage	819,290,623	643,152,652
Wholesale trade	184,476,085	162,772,246
Wood and paper manufacturing	500,040	7,800,780
Total	3,344,220,941	2,679,883,101

Notional principal

Off Balance Sheet		
Communications	51,388,889	70,833,332
Construction	34,547,586	64,924,138
Electricity, gas and water	325,000,000	280,000,000
Finance	112,763,914	102,566,750
Fishing	12,293,860	9,651,516
Food manufacturing	173,642,182	474,172,058
Other manufacturing	10,042,861	72,500,000
Property and Business Services	67,838,865	39,981,826
Transport and storage	28,666,847	17,000,000
Wholesale trade	15,996,830	21,093,582
Wood and paper manufacturing	44,000,000	-
Total	876,181,834	1,152,723,202

Credit equivalent derivative financial instruments

Communications	1,365,753	1,230,967
Construction	458,768	-
Electricity, gas and water	2,941,048	393,003
Finance	22,123,199	14,526,011
Fishing	4,748,521	2,437,901
Food manufacturing	3,283,031	5,235,583
Forestry	-	33,779
Other manufacturing	584,835	423,737
Transport and storage	2,496,532	2,054,077
Wholesale trade	1,467,527	4,118,782
Wood and paper manufacturing	455,744	-
Total	39,924,958	30,453,840

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2016

10. Concentration of Credit Risk (continued)

ii. Concentration of Credit Risk by Customer Geographical Location

	As at 30 September 2016 Unaudited NZD	As at 30 September 2015 Unaudited NZD
Notional principal		
On Balance Sheet		
New Zealand	2,751,868,773	2,344,600,152
Japan	262,771,351	225,544,782
Australia	125,131,992	39,988,284
Netherlands	204,448,825	69,749,883
Total	3,344,220,941	2,679,883,101
Off Balance Sheet		
New Zealand	741,810,109	1,000,156,452
Japan	1,627,782	627,782
Australia	129,607,811	150,000,000
Other	3,136,132	1,938,968
Total	876,181,834	1,152,723,202
Credit equivalent of derivative financial instruments		
New Zealand	19,280,930	18,825,113
Japan	18,334,895	11,495,200
Australia	2,309,133	133,527
Total	39,924,958	30,453,840

iii. Concentration of Credit Risk by Customer Credit Rating

The following tables set out the credit quality information for balances which are neither past due nor impaired. Please refer to Note 17 for impaired assets.

30 September 2016 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	896,452,198	229,886,452	3,110,631
3-7	B- to BBB+	2,350,703,300	644,624,739	19,057,214
8-9	CCC+/- and below	26,627,575	42,861	-
Not rated*		70,437,868	1,627,782	17,757,113
		3,344,220,941	876,181,834	39,924,958

30 September 2015 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	831,452,915	87,424,138	2,798,197
3-7	B- to BBB+	1,750,810,638	1,064,671,282	16,431,671
8-9	CCC+/- and below	30,850,730	-	33,779
Not rated*		66,768,818	627,782	11,190,193
		2,679,883,101	1,152,723,202	30,453,840

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.

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2016

10. 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 30 September 2016 (2015: Nil).

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

As at 30 September 2016					
NZD					
	Gross amounts of recognized 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	22,890,003	-	22,890,003	1,980,121	20,909,882
As at 30 September 2015					
NZD					
	Gross amounts of recognized 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	21,509,412	-	21,509,412	371,178	21,138,234

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2016

10. Concentration of Credit Risk (continued)

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

As at 30 September 2016 NZD					
	Gross amounts of recognized 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	23,252,793	-	23,252,793	1,980,121	21,272,672
As at 30 September 2015 NZD					
	Gross amounts of recognized 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	21,614,889	-	21,614,889	371,178	21,243,711

Collateral is obtained against derivative assets, depending on the creditworthiness of the counterparty. There has been no collateral obtained against derivative assets for the six month ended 30 September 2016 (2015: Nil).

f. Acceptances of customers and other assets

Collateral is generally not sought on these balances. For acceptances of customers, similar credit review processes as corporate loans originated by the Bank are performed.

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 loans 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 ships

A client's facilities may also be secured by different types of collateral with an agreed value, this may be less than the 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 30 September 2016 is over NZD 843,616,594 which is based on guarantees received from third parties, the current unaudited financial accounts of counterparties, and market value of business assets.

On Balance Sheet	As at 30 September 2016 Unaudited		As at 30 September 2015 Unaudited	
	NZD	%	NZD	%
Maximum Exposure	2,950,641,966	100.00	2,355,035,619	100.00
Collateral classification				
Secured	462,194,127	15.66	294,655,468	12.51
Partially secured	-	-	52,924,573	2.25
Unsecured	2,488,447,839	84.34	2,007,455,579	85.24

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2016

10. Concentration of Credit Risk (continued)

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 loans and collateral may be sought depending on the strength of the counterparty and the nature of the transaction.

Off Balance Sheet	As at 30 September 2016 Unaudited		As at 30 September 2015 Unaudited	
	NZD	%	NZD	%
Maximum Exposure	876,181,834	100.00	1,152,723,202	100.00
Collateral classification				
Secured	245,607,810	28.03	17,000,000	1.47
Partially secured	-	-	-	-
Unsecured	630,574,024	71.97	1,135,723,202	98.53

11. Concentration of Funding

Concentration of funding is determined by management to be by counterparty type and geographical location. The geographical locations reflect the primary location of the underlying depositor.

	As at 30 September 2016 Unaudited NZD	As at 30 September 2015 Unaudited NZD
a) Category analysis		
Customer deposits	281,062,446	338,453,396
Due to related parties	2,927,564,847	2,246,481,303
	<u>3,208,627,293</u>	<u>2,584,934,699</u>
b) Counterparty analysis		
Corporate and individuals	197,912,562	208,142,981
Banks and other financial institutions	3,010,714,731	2,376,791,718
	<u>3,208,627,293</u>	<u>2,584,934,699</u>
c) Geographical analysis		
Australia	1,727,978,124	1,034,685,437
New Zealand	296,010,307	338,453,393
Japan	1,184,638,862	1,211,795,869
	<u>3,208,627,293</u>	<u>2,584,934,699</u>

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.

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2016

12. Interest Rate Risk (continued)

30 September 2016 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	69,474,100	-	-	-	-	-	69,474,100	1.50%
Amounts due from related parties	-	-	-	-	-	70,437,566	70,437,566	
Amounts due from other financial institutions	204,448,825	-	-	-	-	-	204,448,825	2.35%
Available-for-sale securities	-	-	-	26,655,801	-	-	26,655,801	3.90%
Corporate loans originated by the Bank	2,774,091,878	125,554,426	-	-	50,995,662	-	2,950,641,966	2.90%
Acceptances of Customers	-	-	-	-	-	13,412,228	13,412,228	
Property, Plant and Equipment	-	-	-	-	-	335,758	335,758	
Other assets	-	-	-	-	-	45,006,191	45,006,191	
Total assets	3,048,014,803	125,554,426	-	26,655,801	50,995,662	129,191,743	3,380,412,435	
LIABILITIES								
Amounts due to related parties	2,760,943,232	114,610,358	-	-	50,975,957	1,035,300	2,927,564,847	2.48%
Deposits	225,105,930	22,107,439	14,578,877	-	-	19,270,200	281,062,446	2.44%
Liability for Acceptances	-	-	-	-	-	13,412,228	13,412,228	
Other liabilities	-	-	-	-	-	25,943,706	25,943,706	
Total liabilities	2,986,049,162	136,717,797	14,578,877	-	50,975,957	59,661,434	3,247,983,227	
30 September 2015 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	29,079,287	-	-	-	-	-	29,079,287	2.25
Amounts due from related parties	-	-	-	-	-	66,768,818	66,768,818	
Amounts due from other financial institutions	104,570,078	-	-	-	-	-	104,570,078	3.03
Available-for-sale securities	39,965,400	26,800,740	-	-	54,618,583	-	121,384,723	3.92
Corporate loans originated by the Bank	2,204,362,962	69,881,424	-	10,268,131	70,523,102	-	2,355,035,619	3.44
Acceptances of Customers	-	-	-	-	-	-	-	
Property, Plant and Equipment	-	-	-	-	-	460,432	460,432	
Other assets	-	-	-	-	-	42,480,744	42,480,744	
Total assets	2,377,977,727	96,682,164	-	10,268,131	125,141,685	109,709,994	2,719,779,701	
LIABILITIES								
Amounts due to related parties	2,117,429,513	47,881,975	-	10,360,450	70,809,365	-	2,246,481,303	3.20
Deposits	211,777,145	84,414,406	27,068,463	-	-	15,193,382	338,453,396	3.31
Liability for Acceptances	-	-	-	-	-	-	-	
Other liabilities	-	-	-	-	-	26,807,580	26,807,580	
Total liabilities	2,329,206,658	132,296,381	27,068,463	10,360,450	70,809,365	42,000,962	2,611,742,279	

At 30 September 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 0.3 million higher (2015: NZD 0.5M 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 0.3 million lower (2015: NZD 0.5M 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. The sensitivity is similar in 2016 and 2015 because a similar funding structure was applied in 2016 and 2015.

A re-statement on comparative figures was done by reclassifying NZD 100,000,000 on Amounts due to related parties from Over 2 years to Up to 3 months.

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", 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

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2016

principal cash flows. Therefore, they may differ to the carrying amounts on the condensed statement of financial position.

13. Maturity Analysis for Assets and Liabilities (continued)

30 September 2016
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	69,474,100	-	-	-	-	-	69,474,100
Amounts due from related parties	70,437,566	-	-	-	-	-	70,437,566
Amounts due from other financial institutions	-	20,000,000	185,000,000	-	-	-	205,000,000
Available-for-sale securities	-	-	750,000	750,000	25,750,000	-	27,250,000
Corporate loans originated by the Bank	43,755,639	15,264,100	182,728,403	545,133,759	1,970,291,443	444,873,321	3,202,046,665
Acceptances of customers	-	6,646,979	6,765,249	-	-	-	13,412,228
Derivative instruments	-	1,854,993	3,006,932	7,617,463	13,690,022	626,485	26,795,895
Other assets	-	5,505,744	515,050	301	-	-	6,021,095
	183,667,305	49,271,816	378,765,634	553,501,523	2,009,731,465	445,499,806	3,620,437,549
LIABILITIES							
Amounts due to related parties	-	831,679,804	1,943,232,064	117,217,510	38,678,120	10,128,195	2,940,935,693
Deposits	92,663,418	105,164,906	47,052,460	37,010,850	-	-	281,891,634
Acceptances	-	13,412,228	-	-	-	-	13,412,228
Derivative instruments	-	1,845,922	2,953,864	7,037,547	11,800,704	591,684	24,229,721
Lease commitment	-	23,810	47,658	214,464	749,268	-	1,035,200
Gross loan commitment	844,975,400	-	-	-	-	-	844,975,400
Guarantee given	-	-	-	260,673	92,782	-	353,455
Performance related contingencies	-	550,000	-	17,500,000	-	-	18,050,000
Trade related contingencies	-	-	3,136,132	9,666,847	-	-	12,802,979
	937,638,818	952,676,670	1,996,422,178	188,907,891	51,320,874	10,719,879	4,137,686,310

30 September 2015
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	29,079,287	-	-	-	-	-	29,079,287
Amounts due from related parties	66,768,818	-	-	-	-	-	66,768,818
Amounts due from other financial institutions	-	-	105,000,000	-	-	-	105,000,000
Available-for-sale securities	-	40,123,378	27,501,370	2,260,275	54,624,995	-	124,510,018
Corporate loans originated by the Bank	7,720,000	21,863,802	197,221,433	516,476,481	1,630,669,167	268,483,076	2,642,433,959
Derivative instruments	-	2,208,162	3,005,072	9,202,218	12,039,043	47,134	26,501,629
	103,568,105	64,195,342	332,727,875	527,938,974	1,697,333,205	268,530,210	2,994,293,711
LIABILITIES							
Amounts due to related parties	-	748,333,156	439,490,194	304,762,901	790,741,503	35,884,682	2,319,212,436
Deposits	84,521,841	68,515,042	55,490,561	132,221,900	-	-	340,749,344
Acceptances	-	-	-	-	-	-	-
Derivative instruments	-	2,191,256	2,990,576	9,127,123	11,861,878	46,454	26,217,287
Lease commitments	-	20,009	40,019	180,085	726,876	193,916	1,160,905
Gross loan commitment	1,133,022,544	-	-	-	-	-	1,133,022,544
Guarantees given	-	-	-	235,000	175,595	-	410,595
Performance related contingencies	-	400,000	-	16,951,095	-	-	17,351,095
Trade related contingencies	-	-	-	-	1,938,968	-	1,938,968
	1,217,544,385	819,459,463	498,011,350	463,478,104	805,444,820	36,125,052	3,840,063,174

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2016

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 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 loans and deposits origination.
- c. The fair values of derivative instruments are calculated using the discounted cash flow model. Swap transactions are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from observable interest rates. Foreign currency forward contracts are measured using observable forward exchange rates and yield curves derived from observable interest rates matching maturities of the contracts.
- d. The fair values of available-for-sales securities are derived from quoted prices in the active market.

30 September 2016 Unaudited	Note	Held for Trading NZD	Available for Sale Securities NZD	Loans and Receivables NZD	Other Amortised Cost NZD	Total Carrying Amount NZD	Fair Value NZD
Assets							
Cash and cash equivalents	a	-	-	69,474,100	-	69,474,100	69,474,100
Amounts due from related parties	a	-	-	70,437,566	-	70,437,566	70,437,566
Amounts due from other financial institutions	a	-	-	204,448,825	-	204,448,825	204,448,825
Available-for-sale securities	d	-	26,655,801	-	-	26,655,801	26,655,801
Corporate loans originated by the Bank	b	-	-	2,950,641,966	-	2,950,641,966	2,951,465,748
Other assets	c, a	22,890,003	-	19,455,580	-	42,345,583	42,345,583
Total financial assets		22,890,003	26,655,801	3,314,458,037	-	3,364,003,841	3,364,827,623
Liabilities							
Amounts due to related parties	b	-	-	-	2,927,564,847	2,927,564,847	2,928,351,467
Deposits	a, b	-	-	-	281,062,446	281,062,446	281,062,446
Other liabilities	c	23,252,793	-	-	13,412,228	36,665,021	36,665,021
Total financial liabilities		23,252,793	-	-	3,222,039,521	3,245,292,314	3,246,078,934

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2016

14. Fair Value of Financial Instruments (continued)

30 September 2015 Unaudited	Note	Held for Trading NZD	Available for Sale Securities NZD	Loans and Receivables NZD	Other Amortised Cost NZD	Total Carrying Amount NZD	Fair Value NZD
Assets							
Cash and cash equivalents	a	-	-	29,079,287	-	29,079,287	29,079,287
Amounts due from related parties	a	-	-	66,768,818	-	66,768,818	66,768,818
Amounts due from other financial institutions	a	-	-	104,570,078	-	104,570,078	104,570,078
Available-for-sale securities	d	-	121,384,723	-	-	121,384,723	121,384,723
Corporate loans originated by the Bank	b	-	-	2,355,035,619	-	2,355,035,619	2,362,078,162
Other assets	c, a	21,509,412	-	1,182,440	-	22,691,852	22,691,852
Total financial assets		21,509,412	121,384,723	2,556,636,242	-	2,699,530,377	2,706,572,920
Liabilities							
Amounts due to related parties	b	-	-	-	2,246,481,303	2,246,481,303	2,261,244,453
Deposits	a, b	-	-	-	338,453,396	338,453,396	338,453,396
Other liabilities	c	21,614,889	-	-	-	21,614,889	21,614,889
Total financial liabilities		21,614,889	-	-	2,584,934,699	2,606,549,588	2,621,312,738

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 2016		30 September 2015	
	Level 1	Level 2	Level 1	Level 2
Derivative financial assets				
Interest rate swaps	-	15,680,551	-	10,473,005
FX forwards	-	7,209,452	-	11,036,407
Total derivative financial assets	-	22,890,003	-	21,509,412
Derivative financial liabilities				
Interest rate swaps	-	16,031,624	-	10,503,911
FX forwards	-	7,221,169	-	11,110,978
Total derivative financial liabilities	-	23,252,793	-	21,614,889
Available-for-sale securities	26,655,801	-	121,384,723	-

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 carried at fair value categorised under Level 3 in this period.

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2016

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

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

	As at 30 September 2016 Unaudited NZD	As at 30 September 2015 Unaudited NZD
Cash and short term liquid assets	69,474,100	29,079,287
Amounts due from related parties	70,437,566	66,768,818
Amounts due from other financial institutions	204,448,825	104,570,078
Available-for-sale securities	26,655,801	121,384,723
	371,016,292	321,802,906

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2016

16. Profitability and Size

a) Profitability

The Overseas Banking Group

	Six Months ended 30 September 2016 JPY(000's)	Six Months ended 30 September 2015 JPY(000's)
Net Profit After Tax	405,581,000	444,001,000
Net Profit After Tax over the previous 12 months period as a percentage of average total assets	0.32%	0.36%

b) Size

	Six Months ended 30 September 2016 JPY(000's)	Six Months ended 30 September 2015 JPY(000's)
Total Assets	219,652,995,000	220,723,906,000
% Change in total assets over the previous 12 months	-0.49%	8.14%

17. Asset Quality

(i) The Overseas Banking Group

	As at 30 September 2016 JPY(000's)	As at 30 September 2015 JPY(000's)
Total individually impaired assets (before allowances for credit impairment loss and net of interest held in suspense)	1,333,861,000	1,275,325,000
Total individually impaired assets expressed as a percentage of total assets	0.61%	0.58%
Total individually credit impairment allowance	229,001,000	208,093,000
Total individually credit impairment allowance expressed as percentage of total individually impaired assets	17.17%	16.32%
Total collective credit impairment allowance	564,025,000	574,917,000

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2016

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 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 loans and the recoverable amount based on expected future cash flows under liquidation.

	As at 30 September 2016 NZD	As at 30 September 2015 NZD
Individual impaired assets – Gross amounts before provision for loan impairment:		
Balance at the beginning of the period	-	63,695,652
Addition during the period	-	-
Amounts written off	-	-
Deletion	-	-
Balance at the end of the period	-	63,695,652

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

There was no aggregate amount of individual credit impairment allowance against individually impaired assets as at 30 September 2016 (30 September 2015: NZD 63,695,652).

There was no interest income recognized on impaired asset over the accounting period ended 30 September 2016 (30 September 2015: NZD 1,389,682).

Individual provision for loan impairment

	As at 30 September 2016 NZD	As at 30 September 2015 NZD
Balance at the beginning of the period	-	63,695,652
(Credit) / Charge to financial performance for an increase in individual impairment allowance	-	-
Amount written off	-	-
Balance at the end of the period	-	63,695,652

Profit or loss charge

	As at 30 September 2016 NZD	As at 30 September 2015 NZD
Specific provisions for impairment against advances	-	-
Total provisions for impairment against advances	-	-

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

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

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2016

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 2016 Unaudited NZD (000's)	Six Months ended 30 September 2015 Unaudited NZD (000's)
(1) Aggregate Interest Rate Exposure		
(a) Notional Capital Charge*	1,635	931
(b) Implied risk weighted exposure	20,438	11,638

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

	Peak End of Day Ending 30 September 2016 Unaudited NZD (000's)	Peak End of Day Ending 30 September 2015 Unaudited NZD (000's)
(1) Aggregate Interest Rate Exposure		
(a) Notional Capital Charge**	2,496	2,736
(b) Implied risk weighted exposure	31,200	34,200

** 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 significant 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. 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 2016

19. Capital Adequacy

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

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

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

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

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

	2016
Minimum Common Equity Tier 1 ratio	4.5%
Capital Conservation Buffer	0.625%
Countercyclical Buffer	-
G-SIB Surcharge	0.375%
Total	5.5%
Minimum Tier 1 ratio	6.0%
Total (with Buffers and Surcharge)	7.0%
Minimum Capital ratio	8.0%
Total (with Buffers and Surcharge)	9.0%

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

Overseas Banking Group

	As at 30 September 2016 Unaudited	As at 30 September 2015 Unaudited
Capital ratios:		
Common Equity Tier 1 capital	11.64%	10.77%
Tier 1 capital	12.93%	12.23%
Total capital	16.20%	15.39%

Overseas Bank

	As at 30 September 2016 Unaudited	As at 30 September 2015 Unaudited
Capital ratios:		
Common Equity Tier 1 capital	12.97%	11.76%
Tier 1 capital	14.73%	13.37%
Total capital	18.37%	16.91%

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.

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2016

20. 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 at 30 September 2016.

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

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.

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 any insurance business or non-financial activities in New Zealand outside The Bank of Tokyo-Mitsubishi UFJ, Ltd., Auckland Branch.

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 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.

There have been no material changes to the risk management 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.

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2016

26. Subsequent Events

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the six months ended 30 September 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.



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

We have reviewed pages 6 to 32 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 2014 (the 'Order').

The condensed interim financial statements comprise the statement of financial position of the Branch, as at 30 September 2016, the statement of comprehensive income, statement of changes in equity and 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 company's shareholders, as a body. Our review has been undertaken so that we might state to the company'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 company's shareholders as a body, for our engagement, for this report, or for the opinions we have formed.

Board of Directors' Responsibilities

The Board of Directors are responsible for the preparation and fair presentation of the condensed interim financial statements, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting* and for such internal control as the Board of Directors determine is necessary to enable the preparation and fair presentation of the condensed interim financial statements that are free from material misstatement, whether due to fraud or error.

The Board of 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.

Our Responsibilities

We are responsible for reviewing the condensed interim financial statements (excluding the supplementary information) presented by the Directors in order to express a conclusion to you whether, on the basis of the procedures performed by us, anything has come to our attention that causes us to believe that the condensed interim financial statements, taken as a whole, are not prepared and do not present fairly the matters to which they relate, in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

We are also responsible for reviewing the supplementary information presented by the Directors (excluding the supplementary information relating to credit and market risk exposures and capital adequacy) to express a conclusion to you whether, 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 credit and market risk exposures and 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 credit and market risk exposures and capital adequacy in order to express a conclusion to you whether, 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 NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410). As the auditor of the Branch, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.



A review in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, 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 those financial statements.

Other than in our capacity as auditor, we have no relationship with or interests in The Bank of Tokyo-Mitsubishi UFJ, Ltd – Auckland Branch, except that partners and employees of our firm may deal with The Bank of Tokyo-Mitsubishi UFJ, Ltd – Auckland Branch on normal terms within the ordinary course of trading activities of the business of The Bank of Tokyo-Mitsubishi UFJ, Ltd – Auckland Branch.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that:

- the condensed interim financial statements on pages 6 to 32 (excluding the supplementary information) have not been prepared and do not present fairly, in all material respects, the financial position of the Branch Group as at 30 September 2016 and its financial performance and cash flows for the six months ended on that date in accordance with NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*;
- 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 pages 30 to 31 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. As described in Note 25, the assets of the Branch are legally available for the satisfaction of debts of the entire company, 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 conclusion is not qualified in respect of this matter.

Deloitte Limited

Chartered Accountants
Auckland, New Zealand
21 November 2016