



**REGISTERED BANK
DISCLOSURE STATEMENT**



30 SEPTEMBER 2022



**MUFG BANK, LTD.
AUCKLAND BRANCH**

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Auditor's Review Report

Disclosure Statement

For the Six Months Ended 30 September 2022

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 MUFG Bank, Ltd., its subsidiaries, and associated companies.

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

The Ultimate Holding Company of MUFG Bank, 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 MUFG Bank, Ltd. as of 30 September 2022:

Name	Occupation	Residence
Naoki Hori	Chairman	Japan
Junichi Hanzawa	President & CEO	Japan

Disclosure Statement For the Six Months Ended 30 September 2022

5. Directorate (continued)

Naomi Hayashi	Deputy President	Japan
Atsushi Miyata	Deputy President	Japan
Ichiro Takahara	Deputy President	Japan
Kentaro Matsuoka	Senior Managing Executive Officer	Japan
Teruyuki Sasaki	Senior Managing Executive Officer	Japan
Tetsuya Yonehana	Senior Managing Executive Officer	Japan
Fumitaka Nakahama	Managing Executive Officer	Japan
Hideaki Takase	Managing Executive Officer	Japan
Hiroyuki Seki	Managing Executive Officer	Japan
Hiroshi Mori	Managing Executive Officer	Japan
Kenichi Yamato	Managing Executive Officer	Japan
Yutaka Miyashita	Managing Executive Officer	Japan
Masakazu Oosawa	Managing Executive Officer	Japan
Keitaro Tsukiyama	Managing Executive Officer	Japan
Toshiki Ochi	Managing Executive Officer	Japan
Tadashi Yamamoto	Managing Executive Officer	Japan
Shuichi Yokoyama	Managing Executive Officer	Japan
Takeshi Suzuki	Director	Japan
Akio Negishi	Director	Japan
Masahito Monguchi	Director	Japan
Minoru Hagio	Director	Japan
Tadayuki Matsushige	Director	Japan
Shigeo Ohyagi	Director	Japan
Shigeru Yoshifuji	Director	Japan
Masahiko Kato	Director	Japan
Hironori Kamezawa	Director	Japan
Shinichi Koide	Director	Japan
Toshifumi Kitazawa	Director	Japan

The following changes in Directors of MUFG Bank, Ltd. since the last full year Disclosure Statement were:

Muneya Taniguchi resigned as Deputy President on 1 April 2022.
 Takayoshi Futae resigned as Deputy President on 28 June 2022.
 Masato Miyachi resigned as Deputy President on 28 June 2022.
 Akihiko Nakamura resigned as Deputy President on 28 June 2022.
 Masahiro Kuwahara resigned as Senior Managing Executive Officer on 1 Apr 2022.
 Hiroki Kameda resigned as Managing Executive Officer on 28 June 2022.
 Fumikazu Tatsumi resigned as Director on 28 June 2022.
 Naomi Hayashi appointed as Deputy President on 1 April 2022.
 Atsushi Miyata appointed as Deputy President on 1 April 2022.
 Ichiro Takahara appointed as Deputy President on 28 June 2022.
 Teruyuki Sasaki appointed as Senior Managing Executive Officer on 1 April 2022.
 Kentaro Matsuoka appointed as Senior Managing Executive Officer on 28 June 2022.
 Shuichi Yokoyama appointed as Managing Executive Officer on 28 June 2022.
 Fumitaka Nakahama appointed as Managing Executive Officer on 28 June 2022.
 Hiroyuki Seki appointed as Managing Executive Officer on 28 June 2022.
 Hideaki Takase appointed as Managing Executive Officer on 28 June 2022.
 Toshiki Ochi appointed as Managing Executive Officer on 28 June 2022.
 Tadashi Yamamoto appointed as Managing Executive Officer on 28 June 2022.
 Kenichi Yamato appointed as Managing Executive Officer on 28 June 2022.
 Shigeru Yoshifuji appointed as Director on 28 June 2022.

Disclosure Statement

For the Six Months Ended 30 September 2022

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
Hiroto Fukashiro	Managing Director, Head of Oceania, Head of Sydney Branch (Responsible Person on behalf of the Directors)	Australia
Masami Yoshitake	Managing Director, Head of 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 Limited
Deloitte Centre
80 Queen Street
Auckland 1010
New Zealand

7. Conditions of Registration

There has been no change to the conditions of registration since the last Disclosure Statement as at 31 March 2022.

The Branch has complied with all conditions of registration over the six months accounting period ended 30 September 2022.

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	-	-
Fitch	A-	-	-

Disclosure Statement

For the Six Months Ended 30 September 2022

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.mufg.jp. Copies of the most recent publicly available Disclosure Statement for the Banking Group will be provided within two working days at no charge to any person who requests a copy.

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

Disclosure Statement

For the Six Months Ended 30 September 2022

11. Directors' and Managing Directors Auckland Branch's Statement

After due enquiry, each Director and the Managing Directors 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 Statements (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 2022:

- MUFG Bank, 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
- MUFG Bank, Ltd. has complied with all Conditions of Registration that applied during the period.

Signed for and on behalf of the Board of Directors of MUFG Bank, Ltd. by their agent duly appointed in writing, and by the Managing Director, Auckland Branch.



Mr. Hiroto Fukashiro
Managing Director, Head of Oceania
Head of Sydney Branch
(and Authorised Attorney on behalf of
the Directors)

Dated (Sydney): 28 November 2022



Mr. Masami Yoshitake
Managing Director,
Head of Auckland Branch
(New Zealand Chief Executive Officer)

Dated (Auckland): 28 November 2022

Condensed Interim Financial Statements For the Six Months Ended 30 September 2022

Condensed Statement of Comprehensive Income

	Note	Six Months ended 30 September 2022 Unaudited NZD	Six Months ended 30 September 2021 Unaudited (restated) NZD
Interest income	2	86,314,525	33,052,466
Interest expense	2	<u>(72,495,042)</u>	<u>(18,134,112)</u>
Net interest income		<u>13,819,483</u>	<u>14,918,354</u>
Fees and commission income	2	16,269,946	14,789,585
Net (loss)/gains on financial instruments	2	<u>(293,772)</u>	<u>1,366,251</u>
		15,976,174	16,155,836
Occupancy expenses	2	(35,466)	(44,301)
Personnel expenses	2	(2,467,078)	(2,310,186)
Auditor's remuneration	2	(105,113)	(121,550)
Administration and other expenses	2	<u>(4,509,233)</u>	<u>(5,977,931)</u>
Profit before credit impairment losses and income tax expense		<u>22,678,767</u>	<u>22,620,222</u>
Expected credit (losses)/gain	7	<u>(3,348,905)</u>	<u>206,234</u>
Profit before income tax expense		<u>19,329,862</u>	<u>22,826,456</u>
Income tax expense		<u>(3,905,596)</u>	<u>(5,002,476)</u>
Profit from continuing operations		<u>15,424,266</u>	<u>17,823,980</u>
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Debt instruments measured at FVOCI			
- Profit/ (Loss) arising during the year		5,253,084	(2,816,191)
- Income tax (expense) / benefit on Debt instruments measured at FVOCI		<u>(1,470,864)</u>	<u>788,534</u>
Other comprehensive income, net of tax		<u>3,782,220</u>	<u>(2,027,657)</u>
Total comprehensive income, net of tax		<u>19,206,486</u>	<u>15,796,323</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 2022

Condensed Statement of Changes in Equity

Unaudited
NZD

	Head Office Capital	Retained Earnings	Investment Revaluation Reserve	Total
Balance at 1 April 2021 (restated)	83,000,000	172,490,270	2,106,360	257,596,630
Profit from continuing operations	-	17,823,980	-	17,823,980
Other comprehensive income, net of tax	-	-	(2,027,657)	(2,027,657)
Total comprehensive income, net of tax	-	17,823,980	(2,027,657)	15,796,323
Balance at 30 September 2021	83,000,000	190,314,250	78,703	273,392,953
Balance at 1 April 2022	83,000,000	207,426,479	(3,602,468)	286,824,011
Profit from continuing operations	-	15,424,266	-	15,424,266
Other comprehensive (expense), net of tax	-	-	3,782,220	3,782,220
Total comprehensive income, net of tax	-	15,424,266	3,782,220	19,206,486
Balance at 30 September 2022	83,000,000	222,850,745	179,752	306,030,497

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 2022

Condensed Statement of Financial Position

	Note	As at 30 September 2022 Unaudited NZD	As at 30 September 2021 Unaudited (restated) NZD	As at 31 March 2022 Audited NZD
Assets				
Cash and short term liquid assets		270,742,648	516,647,282	413,616,070
Amounts due from related parties	10	730,503,326	652,167,470	746,709,559
Amounts due from other financial institutions		1,124,911,841	164,999,409	514,986,246
Investment in debt instruments		352,575,436	500,052,736	359,276,178
Corporate loans originated by the Bank	4	4,298,681,754	3,686,113,359	4,224,642,885
Acceptances of customers		11,040,346	12,384,166	5,829,126
Derivative instruments		239,190,872	96,141,989	158,521,175
Other assets		1,916,887	1,784,749	2,378,859
Current tax asset		-	-	24,588
Deferred tax asset		1,802,596	353,305	953,952
Property, plant and equipment	3	1,225,105	1,418,317	1,318,517
Total Assets		<u>7,032,590,811</u>	<u>5,632,062,782</u>	<u>6,428,257,155</u>
Liabilities				
Amounts due to related parties	10	4,508,533,900	2,771,135,605	3,656,001,495
Deposits	5	1,951,786,731	2,467,435,305	2,303,314,821
Acceptances		11,040,346	12,384,166	5,829,126
Current tax payable		76,422	76,648	-
Derivative instruments		244,356,106	99,497,436	163,414,696
Other liabilities	8	10,766,809	8,140,669	12,873,006
Total Liabilities		<u>6,726,560,314</u>	<u>5,358,669,829</u>	<u>6,141,433,144</u>
Equity				
Head Office capital	10	83,000,000	83,000,000	83,000,000
Retained earnings		222,850,745	190,314,250	207,426,479
Investment revaluation reserve		179,752	78,703	(3,602,468)
Total Equity		<u>306,030,497</u>	<u>273,392,953</u>	<u>286,824,011</u>
Total Liabilities and Equity		<u>7,032,590,811</u>	<u>5,632,062,782</u>	<u>6,428,257,155</u>
Total Interest Earning and Discount Bearing Assets		6,054,199,705	4,913,019,084	5,551,326,878
Total Interest and Discount Bearing Liabilities		6,457,413,434	5,232,689,382	5,955,272,907

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 2022

Condensed Statement of Cash Flows

	Six Months ended 30 September 2022 Unaudited NZD	Six Months ended 30 September 2021 Unaudited NZD
Cash Flows from Operating Activities		
Interest income received	79,409,252	35,443,610
Commission fees & trading income	17,940,690	16,427,485
Interest paid	(64,871,017)	(17,860,700)
Payment to suppliers, employees and others	(10,398,276)	(9,454,116)
Tax paid	(6,124,094)	(12,540,553)
Net cash flows from operating activities before changes in operating assets and liabilities	15,956,555	12,015,726
Net decrease / (increase) in operating assets:		
Net (increase) / decrease in corporate loans originated by the Bank	(70,516,772)	359,799,589
Net (increase) in amounts due from other financial institutions	(609,925,595)	(405)
Net decrease / (increase) in investment in debt instruments	12,011,051	(49,230,786)
Net decrease / (increase) in amounts due from related parties	16,183,280	(45,283,477)
Net (increase) / decrease in other assets	(5,111,524)	2,127,182
	(657,359,560)	267,412,103
Net (decrease) / increase in operating liabilities:		
Net (decrease) / increase in commercial paper and deposits	(353,060,996)	196,570,030
Net increase / (decrease) in amounts due to related parties	846,441,286	(1,000,362,639)
Net increase / (decrease) in other liabilities	5,211,220	(3,416,573)
	498,591,510	(807,209,182)
Net cash flows from operating activities	(142,811,495)	(527,781,353)
Cash Flows from Investing Activities		
Payment for property, plant and equipment	(2,748)	(372,086)
Net cash flows used in investing activities	(2,748)	(372,086)
Cash Flows from Financing Activities		
Remittance to the Overseas Bank	-	-
Lease payment	(59,179)	(256,061)
Net cash flows from financing activities	(59,179)	(256,061)
Net Change in Cash and Cash Equivalents		
Net (decrease) in cash and cash equivalents	(142,873,422)	(528,409,500)
Cash and cash equivalents at beginning of year	413,616,070	1,045,056,782
Cash and cash equivalents at end of the period	270,742,648	516,647,282
Reconciliation of Closing Cash and Cash Equivalents		
Cash and short term liquid assets	270,742,648	516,647,282
Closing cash and cash equivalents	270,742,648	516,647,282

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 2022

Condensed Statement of Cash Flows (continued)

	Six Months ended 30 September 2022 Unaudited	Six Months ended 30 September 2021 Unaudited (restated)
	NZD	NZD
Reconciliation of profit from continuing operations to net cash flows from operating activities		
Profit from continuing operations	15,424,266	17,823,980
(Increase) / Decrease in corporate loans	(70,689,964)	359,964,953
(Increase) in due from other financial institutions	(609,925,595)	(405)
Decrease / (Increase) in investment in debt instruments	11,953,826	(47,015,993)
Decrease / (Increase) in due from related parties	16,206,233	(45,283,477)
Decrease in other assets	461,970	322,948
(Decrease) in certificate of deposit	(159,261,791)	(47,144,722)
(Decrease) / Increase in deposits	(192,266,299)	244,270,665
Increase / (Decrease) in due to related parties	852,532,404	(1,000,645,140)
(Decrease) in other liabilities	(2,417,674)	(955,187)
(Decrease) in provision for expected credit losses	(3,348,905)	(206,234)
Movement in tax provision and deferred tax	(2,218,498)	(7,538,077)
Non-Cash items:		
Depreciation of property, plant and equipment	96,159	91,683
Other	642,373	(1,466,347)
Net cash flows from operating activities	(142,811,495)	(527,781,353)

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 2022

1. Statement of Significant Accounting Policies

a) Reporting entity and Statement of Compliance

MUFG Bank 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 requirements of NZ IAS 34 Interim Financial Reporting and the 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 condensed interim financial statement should be read in conjunction with the financial statements for the year ended 31 March 2022.

The condensed interim financial statements were authorised 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 2022

d) Comparative figures

There has been a re-statement of comparative figures for these financial statements. In the prior year, there was a missing expense accrual for General administration and other operating expenses. The result of this restatement is as follows:

	As presented at 30 September 2021 NZD	Restated NZD	Movement NZD
Condensed Statement of Comprehensive Income:			
Administration and other expense	(2,413,697)	(5,977,931)	(3,564,234)
Condensed Statement of Changes in Equity:			
Profit from continuing operations	21,388,214	17,823,980	(3,564,234)
Condensed Statement of Financial Position:			
Other liabilities	4,576,435	8,140,669	3,564,234
Retained earnings	193,878,484	190,314,250	(3,564,234)
Condensed Statement of Cash Flows:			
Profit from continuing operations	21,388,214	17,823,980	(3,564,234)
(Decrease) in other liabilities	(4,519,421)	(955,187)	3,564,234
Note 2: General administration and other operating expenses	2,291,576	5,855,810	3,564,234
Note 6: Total Liabilities	5,355,105,595	5,358,669,829	3,564,234
Note 8: Management fee charged by related parties	-	3,564,234	3,564,234
Note 10: Liabilities – Other	-	3,564,234	3,564,234
Transactions – Management fee expense	(1,906,658)	(5,470,892)	(3,564,234)
Note 13: Other liabilities	103,094,048	106,658,282	3,564,234
Note 14: Liabilities – Other liabilities	-	3,914,870	3,914,870
Note 15: Liabilities – Other liabilities (Amortised cost)	12,384,166	17,432,155	5,047,989

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2022

2. Profit Before Income Tax Expense

	Six Months ended 30 September 2022 Unaudited NZD	Six Months ended 30 September 2021 Unaudited (restated) NZD
Operating revenue		
(a) Interest income		
Corporate loans and other accounts	85,814,424	32,878,920
Related parties	500,101	173,546
	<u>86,314,525</u>	<u>33,052,466</u>
(b) Fees and commissions income		
Fees and commissions income	16,269,946	14,789,585
	<u>16,269,946</u>	<u>14,789,585</u>
(c) Gains less losses on financial instruments		
Net (loss) / gain on interest rate derivatives	(775,012)	584,966
Net gain on currency derivatives	828,716	760,047
Net (loss) / gain on foreign currency	(347,476)	21,238
Other income	-	-
	<u>(293,772)</u>	<u>1,366,251</u>
	<u>102,290,699</u>	<u>49,208,302</u>
Total interest income derived from financial assets:		
At amortised cost	83,996,305	31,668,257
Investment in debt instruments (FVOCI)	2,318,219	1,384,209
Total fee income derived from financial assets that are not at fair value through profit or loss	16,269,946	14,725,867
Net unrealised (loss) / gain on financial assets/liabilities (FVTPL)	(259,104)	994,050
Net realised (loss) / gain on financial assets/liabilities (FVTPL)	(34,667)	372,200
Other income	-	63,719
	<u>102,290,699</u>	<u>49,208,302</u>
Expenses		
(a) Interest expense		
Deposits and other accounts	25,861,598	7,531,583
Related parties	46,633,444	10,602,529
	<u>72,495,042</u>	<u>18,134,112</u>
Total interest expense was derived from financial liabilities:		
At amortised cost	<u>72,495,042</u>	<u>18,134,112</u>
	<u>72,495,042</u>	<u>18,134,112</u>
(b) Other operating expenses		
Occupancy expenses	35,466	44,301
Depreciation		
Furniture, fixtures and fittings	22,801	12,248
Office equipment	9,240	6,446
Motor vehicles	-	-
Right of use assets	64,119	72,989
Auditors' remuneration		
Audit fees	105,113	121,550
Salaries	2,454,180	2,296,940
Staff related cost	12,898	13,246
Net losses from the disposal of fixed assets	-	30,438
General administration and other operating expenses	4,413,073	5,855,810
Provision for credit impairment	3,348,905	(206,234)
	<u>10,465,795</u>	<u>8,247,734</u>
Profit before income tax expense	<u>19,329,862</u>	<u>22,826,456</u>

Total income excluding any net loss for six months ended 30 September 2022 is NZD 103,413,187 (six months ended 30 September 2021: NZD 49,208,302)

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2022

3. Property, Plant and Equipment

During the six months ended 30 September 2022 the Branch acquired property, plant and equipment of NZD 2,748 (six months ended 30 September 2021: 1,467,293; twelve months ended 31 March 2022: NZD 1,467,293).

During the six months ended 30 September 2022 the Branch did not dispose of property, plant and equipment (six months ended 30 September 2021: 1,273,211; twelve months ended 31 March 2022: 1,273,211).

There was no impairment loss for property, plant and equipment recognised during the six months ended 30 September 2022 (six months ended 30 September 2021: Nil; twelve months ended 31 March 2022: Nil).

Right-of-use assets included property, plant and equipment of NZD 925,693 (six months ended 30 September 2021: NZD 1,053,177; twelve months ended 31 March 2022: NZD 989,812).

4. Loans and Advances

	As at 30 September 2022 Unaudited NZD	As at 30 September 2021 Unaudited NZD	As at 31 March 2022 Audited NZD
Corporate loans originated by the Bank	4,304,642,662	3,686,936,311	4,227,601,534
Less: collective impairment allowance	(5,960,908)	(822,952)	(2,958,649)
Total net loans	<u>4,298,681,754</u>	<u>3,686,113,359</u>	<u>4,224,642,885</u>

5. Deposits

	As at 30 September 2022 Unaudited NZD	As at 30 September 2021 Unaudited NZD	As at 31 March 2022 Audited NZD
Retail deposit bearing interest	134,340,764	204,734,392	239,749,580
Retail deposit not bearing interest	3,751,786	6,843,721	4,947,177
Certificate deposit	796,189,531	791,505,554	955,451,322
Call deposit	222,741,787	341,381,054	167,572,466
Term deposit	794,762,863	1,122,970,584	935,594,276
	<u>1,951,786,731</u>	<u>2,467,435,305</u>	<u>2,303,314,821</u>

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

	As at 30 September 2022 Unaudited NZD	As at 30 September 2021 Unaudited (restated) NZD	As at 31 March 2022 Audited NZD
Total Liabilities	6,726,560,314	5,358,669,829	6,141,433,144
Less: total amounts due to related parties (Note : 10)	<u>(4,572,139,841)</u>	<u>(2,816,131,949)</u>	<u>(3,726,384,323)</u>
Total liabilities net of amounts due to related parties	<u>2,154,420,473</u>	<u>2,542,537,880</u>	<u>2,415,048,821</u>

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2022

7. Provision for Impairment Losses

	Residential mortgages	Corporate exposures	Other exposures	Total credit exposures
Financial assets and credit commitments				
Collective provision for doubtful debts measured on a 12 months ECL	-	8,137,443	-	8,137,443
Provision for doubtful debts for assets measured on a lifetime ECL	-	-	-	-
Collective provision for doubtful debts for assets not credit impaired	-	-	-	-
Collective provision for doubtful debts for credit impaired assets	-	-	-	-
Individual provision for doubtful debts for credit impaired assets	-	-	-	-
Total provision for impairment losses	-	8,137,443	-	8,137,443

The following table reconciles the opening balance to the closing balance of provision for impairment losses and shows the movement in opening balance where financial assets have transferred between provision stages during the reporting period.

	Collective provision 12 months ECL	Collective provision lifetime ECL not credit impaired	Collective provision lifetime ECL credit impaired	Total
Corporate exposures				
Balance at beginning of period 1-Apr-22	4,788,538	-	-	4,788,538
Charge to income statement excluding transfer between ECL stages – Stage 1	3,348,905	-	-	3,348,905
<i>Movement to the opening balance due to transfer between ECL</i>				
Transferred to collective provision 12 months ECL	-	-	-	-
Transferred to collective provision lifetime ECL not credit	-	-	-	-
Transferred to collective provision lifetime ECL credit impaired	-	-	-	-
Transferred to individual provision lifetime ECL credit	-	-	-	-
Impact on period end ECL of exposures transferred between stages during the period	-	-	-	-
Total provision for impairment losses*	8,137,443	-	-	8,137,443

* Refer to Note 4 for total provision for ECL on loan, and Note 8 for total provision for ECL on financial guarantee and commitments

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2022

8. Other Liabilities

	As at 30 September 2022 Unaudited NZD	As at 30 September 2021 Unaudited (restated) NZD	As at 31 March 2022 Audited NZD
Provision for employee entitlements	160,270	145,824	136,260
Unearned income	3,704,813	2,672,645	2,360,737
Management fee charged by related parties	3,564,234	3,564,234	6,765,696
Provisions for ECL on financial guarantee and commitment	2,176,535	452,613	1,829,889
Lease liabilities	938,867	1,056,471	998,046
Others	222,090	248,882	782,378
	10,766,809	8,140,669	12,873,006

9. Commitments and Contingent Liabilities

	As at 30 September 2022 Unaudited NZD	As at 30 September 2021 Unaudited NZD	As at 31 March 2022 Audited NZD
a) Other commitments			
Undrawn facility commitments	2,390,653,350	2,340,141,242	2,749,893,864
b) Contingent liabilities			
Guarantees given	78,148,314	58,354,747	78,148,314
Performance related contingencies	135,436,632	142,653,957	229,867,155
Trade related contingencies	16,797,612	17,642,890	21,242,132
	230,382,558	218,651,594	329,257,601

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 2022

10. Related Party Disclosures

The Auckland Branch is a branch of an overseas company, MUFG Bank, 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 are only related to settlement account which is due on demand. Amounts due to related parties are mainly term deposits which are due in accordance with an agreed date. The maturity analysis for these balances is presented in Note 14. The interest rate risk analysis for these balances is presented in Note 13. 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 2022 Unaudited NZD	Six Months ended 30 September 2021 Unaudited (restated) NZD	Twelve Months ended 31 March 2022 Audited NZD
A) Balances			
Assets			
Amounts due from related parties	730,503,326	652,167,470	746,709,559
Derivative instruments	180,652,677	56,740,259	98,129,464
Others	-	57,232	132,018
	911,156,003	708,964,961	844,971,041
Liabilities			
Amounts due to related parties	4,508,533,900	2,771,135,605	3,656,001,495
Derivative instruments	60,038,112	41,432,110	63,617,132
Other	3,567,829	3,564,234	6,765,696
	4,572,139,841	2,816,131,949	3,726,384,323
Equity			
Head Office capital	83,000,000	83,000,000	83,000,000
Off Balance Sheet			
Guarantee given	5,683,941	1,034,864	5,683,941
Performance related contingencies	1,150,000	1,150,000	1,150,000
	6,833,941	2,184,864	6,833,941
B) Transactions			
Interest income	500,101	173,546	274,319
Interest expense	46,633,444	10,602,529	27,812,557
Net profit from derivative instruments	88,394,614	38,077,172	42,978,857
Fees and commissions income	1,714	2,528	4,403
Management fee expense	(3,927,006)	(5,470,892)	(8,672,354)

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 19 and Note 20.

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 2022

11. 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.

Corporate loans originated by the Bank are secured partially by following collateral/credit enhancements:

- 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 Bank Balance Sheet Survey. 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 recognized financial assets and derivative financial instruments as at the reporting date.

	As at 30 September 2022 Unaudited NZD	As at 30 September 2021 Unaudited NZD
Notional Principal		
On Balance Sheet		
Cash and short term liquid assets	270,742,648	516,647,282
Amounts due from related parties	730,503,326	652,167,470
Amounts due from other financial institutions	1,124,911,841	164,999,409
Investment in debt instruments	352,575,436	500,052,736
Corporate loans originated by the Bank*	4,304,642,662	3,686,936,311
Acceptances of customers	11,040,346	12,384,166
Other assets	1,856,548	1,768,299
Total	6,796,272,807	5,534,955,673
Off Balance Sheet		
Guarantee given	78,148,314	58,354,747
Performance related contingencies	135,436,632	142,653,957
Trade related contingencies	16,797,612	17,642,890
Undrawn facility commitments	2,390,653,350	2,340,141,242
Total	2,621,035,908	2,558,792,836
Fair Value		
Derivative instruments	239,190,872	96,141,989

* Total gross loans, excluding provision. Refer to Note 4

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2022

11. Concentration of Credit Risk (continued)

i. Concentration of Credit Risk by Customer Industry Sector

	As at 30 September 2022 Unaudited	As at 30 September 2021 Unaudited
	NZD	NZD
Notional Principal		
On Balance Sheet		
Communications	143,717,336	151,823,996
Construction	226,044,315	74,667,133
Education	80,780,997	74,003,729
Electricity, gas and water	652,309,116	700,793,787
Finance	3,060,183,594	2,415,329,988
Fishing	126,304,863	81,892,206
Food manufacturing	509,924,417	303,332,499
Forestry	92,667,717	75,817,714
Health care & social assistance	302,830,955	250,075,277
Mining	85,316,459	84,870,032
Other manufacturing	400,687,735	404,761,256
Property and business services	295,351,742	149,994,273
Retail Trade	50,139,741	80,130,037
Transport and storage	247,283,624	308,007,194
Wholesale trade	483,742,545	364,039,675
Wood and paper manufacturing	38,987,651	15,416,877
Total	6,796,272,807	5,534,955,673

Notional Principal

Off Balance Sheet		
Communications	60,770,964	29,307,245
Construction	31,994,326	171,656,345
Education	1,331,401	9,874,341
Electricity, gas and water	733,530,417	609,349,573
Finance	387,061,397	425,263,932
Food manufacturing	636,916,490	560,076,000
Forestry	278,020	13,028,020
Health care & social assistance	19,666,076	11,585,860
Other manufacturing	64,727,973	149,841,517
Property and Business Services	118,468,739	104,701,078
Retail trade	6,858,000	76,874,665
Transport and storage	417,623,149	279,167,870
Wholesale trade	128,759,371	103,003,883
Wood and paper manufacturing	13,049,585	15,062,507
Total	2,621,035,908	2,558,792,836

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2022

11. Concentration of Credit Risk (continued)

Fair Value

Derivatives

Communications	8,304,592	2,079,258
Electricity, gas and water	20,628,843	14,160,731
Finance	180,654,498	57,025,461
Fishing	2,558,928	1,974,741
Food manufacturing	7,763,775	1,756,245
Forestry	344,420	232,057
Mining	7,234,190	1,438,894
Other manufacturing	-	5,334,402
Transport and storage	169,136	7,562,004
Wholesale trade	717,707	1,428,548
Wood and paper manufacturing	10,814,783	3,149,648
Total	239,190,872	96,141,989

ii. Concentration of Credit Risk by Customer Geographical Location

	As at 30 September 2022 Unaudited NZD	As at 30 September 2021 Unaudited NZD
Notional Principal		
On Balance Sheet		
New Zealand	5,144,552,231	4,128,968,513
Japan	752,132,532	685,288,893
Australia	738,684,914	587,298,219
U.S.A.	750,253	3,550,379
France	2,932	16
China	25,081,165	-
Malaysia	135,068,780	129,849,653
Total	6,796,272,807	5,534,955,673
Off Balance Sheet		
New Zealand	2,588,767,796	2,547,441,816
Japan	6,833,941	2,184,864
Australia	15,570,964	164,388
Other	9,863,207	9,001,768
Total	2,621,035,908	2,558,792,836
Fair value		
Derivatives		
New Zealand	58,115,612	39,257,432
Japan	181,075,260	56,761,514
Australia	-	123,043
Total	239,190,872	96,141,989

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2022

11. Concentration of Credit Risk (continued)

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 18 for impaired assets.

30 September 2022 Unaudited		Notional principal		Derivative financial instruments
Credit Rating	S&P Rating	On balance Sheet	Off balance Sheet	
1-2	A- and above	2,683,526,656	1,224,882,169	19,679,830
3-7	B- to BBB+	3,748,771,847	1,389,319,799	38,435,782
8-9	CCC+/- and below	-	-	422,583
Not rated**		363,974,304	6,833,940	180,652,677
		<u>6,796,272,807</u>	<u>2,621,035,908</u>	<u>239,190,872</u>

30 September 2021 Unaudited		Notional principal		Derivative financial instruments
Credit Rating	S&P Rating	On balance Sheet	Off balance Sheet	
1-2	A- and above	1,540,432,259	885,198,694	2,247,252
3-7	B- to BBB+	3,342,298,712	1,671,409,278	37,133,223
8-9	CCC+/- and below	-	-	21,255
Not rated**		652,224,702	2,184,864	56,740,259
		<u>5,534,955,673</u>	<u>2,558,792,836</u>	<u>96,141,989</u>

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.

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 collateralised.

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. Investment in debt instruments

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

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2022

11. Concentration of Credit Risk (continued)

e. Derivative instruments

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 2022 (2021: Nil).

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

As at 30 September 2022

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	239,190,872	-	239,190,872	12,319,910	226,870,962

As at 30 September 2021

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	96,141,989	-	96,141,989	6,486,511	89,655,478

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

As at 30 September 2022

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	244,356,106	-	244,356,106	12,319,910	232,036,196

As at 30 September 2021

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	99,497,436	-	99,497,436	6,486,511	93,010,925

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2022

11. Concentration of Credit Risk (continued)

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 months ended 30 September 2022 (2021: 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

In other instances, a client's facilities may be secured by collateral with value less than the carrying amount of the 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 2022 is over NZD 1,329,000,000 which is based on guarantees received from third parties, the current unaudited financial accounts, and market value of business assets.

On Balance Sheet	As at 30 September 2022 Unaudited		As at 30 September 2021 Unaudited	
	NZD	%	NZD	%
	Maximum exposure	6,796,272,807	100.00	5,534,955,673
Collateral classification				
Secured	443,526,768	6.53	765,248,166	13.83
Partially secured	30,000,000	0.44	23,631,091	0.43
Unsecured	6,322,746,039	93.03	4,746,076,416	85.75

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 2022 Unaudited		As at 30 September 2021 Unaudited	
	NZD	%	NZD	%
	Maximum exposure	2,621,035,908	100.00	2,558,792,836
Collateral classification				
Secured	263,164,373	10.04	282,036,740	11.02
Partially secured	-	-	-	-
Unsecured	2,357,871,535	89.96	2,276,756,096	88.98

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2022

12. 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 2022 Unaudited NZD	As at 30 September 2021 Unaudited NZD
a) Category analysis		
Customer deposits	1,951,786,731	2,467,435,305
Due to related parties	4,508,533,900	2,771,135,605
	6,460,320,631	5,238,570,910
b) Counterparty analysis		
Agriculture	3,134,039	3,586,108
Communications	-	1,811,156
Constructions	24,254,107	59,164,597
Electricity, gas and water	119,152,410	302,971,697
Finance	5,171,707,522	3,776,817,176
Fishing	8,048	7,912
Food Manufacturing	5,617,205	24,761,555
Forestry	315,906	70,035,962
Insurance	25,002,137	26,010,154
Other Industries	315,944,518	200,775,917
Other Manufacturing	5,903,375	46,664,666
Property and business services	20,063,797	20,009,359
Public administration and safety	145,065,730	180,262,603
Retail trade	104,069	67,715
Transport and Storage	445,301,002	349,396,119
Wholesale Trading	157,173,278	169,715,266
Wood and Paper Manufacturing	21,573,488	6,512,948
	6,460,320,631	5,238,570,910
c) Geographical analysis		
Australia	3,603,640,474	1,556,198,319
New Zealand	1,869,128,696	2,451,469,432
Japan	949,366,246	1,223,170,755
Singapore	94,278	7,732,404
Fiji	38,090,937	-
	6,460,320,631	5,238,570,910

13. 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 2022

13. Interest Rate Risk (continued)

30 September 2022
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	270,742,648	-	-	-	-	-	270,742,648	0.00%
Amounts due from related parties	1,327,118	-	-	-	-	729,176,208	730,503,326	2.63%
Amounts due from other financial institutions	624,983,761	499,928,080	-	-	-	-	1,124,911,841	3.31%
Investment in debt instruments	-	-	258,164,349	94,411,087	-	-	352,575,436	1.22%
Corporate loans originated by the Bank	4,074,026,775	179,631,338	43,303,100	7,681,449	-	(5,960,908)	4,298,681,754	4.50%
Acceptances of customers	-	-	-	-	-	11,040,346	11,040,346	-
Property, plant and equipment	-	-	-	-	-	1,225,105	1,225,105	-
Other assets	-	-	-	-	-	242,910,355	242,910,355	-
Total assets	4,971,080,302	679,559,418	301,467,449	102,092,536	-	978,391,106	7,032,590,811	
LIABILITIES								
Amounts due to related parties	4,414,774,610	93,665,012	-	-	-	94,278	4,508,533,900	3.47%
Deposits	1,432,447,281	482,440,678	33,146,986	-	-	3,751,786	1,951,786,731	3.34%
Lease liability	-	-	-	-	938,867	-	938,867	2.61%
Liability for acceptances	-	-	-	-	-	11,040,346	11,040,346	-
Other liabilities	-	-	-	-	-	254,260,470	254,260,470	-
Total liabilities	5,847,221,891	576,105,690	33,146,986	-	938,867	269,146,880	6,726,560,314	

30 September 2021
Unaudited (restated)

	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	516,647,282	-	-	-	-	-	516,647,282	0.00%
Amounts due from related parties	28,972,622	15,410,724	-	-	-	607,784,124	652,167,470	0.62%
Amounts due from other financial institutions	164,999,409	-	-	-	-	-	164,999,409	0.52%
Investment in debt instruments	229,195,256	30,267,091	-	215,801,494	24,788,895	-	500,052,736	0.85%
Corporate loans originated by the Bank	3,216,231,949	277,226,357	77,778,294	90,729,534	24,970,177	(822,952)	3,686,113,359	1.62%
Acceptances of customers	-	-	-	-	-	12,384,166	12,384,166	-
Property, plant and equipment	-	-	-	-	-	1,418,317	1,418,317	-
Other assets	-	-	-	-	-	98,280,043	98,280,043	-
Total assets	4,156,046,518	322,904,172	77,778,294	306,531,028	49,759,072	719,043,698	5,632,062,782	
LIABILITIES								
Amounts due to related parties	2,575,400,544	186,018,310	2,054,608	7,567,865	-	94,278	2,771,135,605	0.74%
Deposits	2,300,242,076	160,349,508	-	-	-	6,843,721	2,467,435,305	0.61%
Lease liability	-	-	-	-	1,056,471	-	1,056,471	2.61%
Liability for acceptances	-	-	-	-	-	12,384,166	12,384,166	-
Other liabilities	-	-	-	-	-	106,658,282	106,658,282	-
Total liabilities	4,875,642,620	346,367,818	2,054,608	7,567,865	1,056,471	125,980,447	5,358,669,829	

At 30 Sep 2022, 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 3 million lower (2021: NZD 3M lower) due to decrease in net interest income. It is due to the increase in funding cost by using shorter term of funding to longer term of lending. If interest rate had been 50 basis points lower with all the variables held constant, post-tax profit would have been NZD 3 million higher (2021: NZD 3M higher) due to increase in net 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.

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2022

14. Maturity Analysis for Assets and Liabilities

The tables below analyse the Branch's financial assets and liabilities, as required by NZ IFRS 7 "Financial Instruments: Disclosures", in relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the obligation is crystallised. There is no expectation that the principal or interest will be repaid or received earlier than the obligation. The table includes both interest and principal cash flows. Therefore, they may differ to the carrying amounts on the condensed statement of financial position.

30 September 2022
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	270,742,648	-	-	-	-	-	270,742,648
Amounts due from related parties	729,176,209	1,327,118	-	-	-	-	730,503,327
Amounts due from other financial institutions	-	250,000,000	375,000,000	500,000,000	-	-	1,125,000,000
Investment in debt instruments	-	6,875,000	250,000	257,125,000	95,500,000	-	359,750,000
Corporate loans originated by the Bank	244,192,082	1,492,701,563	1,175,612,203	626,205,957	1,175,654,223	21,879,339	4,736,245,367
Acceptances of customers	-	8,378,126	2,662,220	-	-	-	11,040,346
Derivative instruments	-	15,107,853	33,010,406	68,647,502	176,802,303	169,180,902	462,748,966
Other assets	-	1,856,546	-	-	-	-	1,856,546
	<u>1,244,110,939</u>	<u>1,776,246,206</u>	<u>1,586,534,829</u>	<u>1,451,978,459</u>	<u>1,447,956,526</u>	<u>191,060,241</u>	<u>7,697,887,200</u>
LIABILITIES							
Amounts due to related parties	94,278	2,284,509,545	1,247,943,856	521,590,232	509,573,589	-	4,563,711,500
Deposits	360,834,336	466,525,780	365,401,168	527,660,857	261,493,699	-	1,981,915,840
Acceptances	-	8,378,125	2,662,220	-	-	-	11,040,346
Other liability	160,270	198,496	3,595	3,564,234	-	20,000	3,946,595
Derivative instruments	-	15,106,853	33,008,079	68,642,066	176,797,583	169,180,901	462,735,482
Lease liability	-	9,937	19,938	92,195	553,818	262,979	938,867
Gross loan commitment	2,390,653,350	-	-	-	-	-	2,390,653,350
Guarantee given	-	500,000	30,040,490	17,738,097	29,126,500	743,227	78,148,314
Performance related contingencies	-	42,446,667	2,372,681	72,699,554	9,767,730	-	127,286,632
Trade related contingencies	-	-	16,797,612	-	-	-	16,797,612
	<u>2,751,742,234</u>	<u>2,817,675,404</u>	<u>1,698,249,639</u>	<u>1,211,987,235</u>	<u>987,312,919</u>	<u>170,207,107</u>	<u>9,637,174,538</u>

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2022

14. Maturity Analysis for Assets and Liabilities (continued)

30 September 2021
Unaudited (restated)

	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	516,647,282	-	-	-	-	-	516,647,282
Amounts due from related parties	607,784,123	10,392,997	18,579,626	15,410,724	-	-	652,167,470
Amounts due from other financial institutions	-	80,000,000	85,000,000	-	-	-	165,000,000
Investment in debt instruments	-	131,125,000	102,000,000	36,125,000	238,500,000	-	507,750,000
Corporate loans originated by the Bank	504,339,012	27,676,318	96,084,683	641,946,401	2,467,337,354	88,833,174	3,826,216,942
Acceptances of customers	-	4,944,934	7,439,232	-	-	-	12,384,166
Derivative instruments	-	5,051,041	12,313,603	40,273,675	126,775,979	65,343,259	249,757,557
Other assets	-	1,768,299	-	-	-	-	1,768,299
	1,628,770,417	260,958,589	321,417,144	733,755,800	2,832,613,333	154,176,433	5,931,691,716
LIABILITIES							
Amounts due to related parties	-	1,170,446,452	609,958,393	695,204,953	307,155,587	-	2,782,765,385
Deposits	552,959,168	867,964,737	686,532,498	360,645,377	-	-	2,468,101,780
Acceptances	-	4,944,934	7,439,232	-	-	-	12,384,166
Other Liabilities	145,824	184,812	-	3,564,234	-	20,000	3,914,870
Derivative instruments	-	5,051,015	12,311,195	40,337,866	117,628,028	68,388,064	243,716,168
Lease liability	-	9,686	19,433	88,484	529,285	409,583	1,056,471
Gross loan commitment	2,340,141,242	-	-	-	-	-	2,340,141,242
Guarantee given	-	850,000	30,000,000	12,635,020	14,126,500	743,227	58,354,747
Performance related contingencies	-	47,114,118	24,842,126	61,045,556	9,652,157	-	142,653,957
Trade related contingencies	-	161,929	-	17,480,961	-	-	17,642,890
	2,893,246,234	2,096,727,683	1,371,102,877	1,191,002,451	449,091,557	69,560,874	8,070,731,676

15. 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:

- For those assets or liabilities that are short term in nature, the related carrying value is equivalent to their fair value.
- 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.
- 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.
- The fair values of investment of debt instruments are derived from quoted prices in the active market.

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2022

15. Fair Value of Financial Instruments (continued)

30 September 2022 Unaudited	Note	FVTPL NZD	FVOCI NZD	Amortised cost NZD	Other Amortised Cost NZD	Total Carrying Amount NZD	Fair Value NZD
Assets							
Cash and cash equivalents	a	-	-	270,742,648	-	270,742,648	270,742,648
Amounts due from related parties	a	-	-	730,503,326	-	730,503,326	730,503,326
Amounts due from other financial institutions	a	-	-	1,124,911,841	-	1,124,911,841	1,124,911,841
Investment in debt instruments	d	-	352,575,436	-	-	352,575,436	352,575,436
Corporate loans originated by the Bank	b	-	-	4,298,681,754	-	4,298,681,754	4,296,429,534
Other assets	c, a	239,190,872	-	12,896,892	-	252,087,764	252,087,764
Total financial assets		239,190,872	352,575,436	6,437,736,461	-	7,029,502,769	7,027,250,549
Liabilities							
Amounts due to related parties	b	-	-	-	4,508,533,900	4,508,533,900	4,517,078,273
Deposits	a, b	-	-	-	1,951,786,731	1,951,786,731	1,948,163,162
Other liabilities	c	244,356,106	-	16,002,229	-	260,358,335	260,358,335
Total financial liabilities		244,356,106	-	16,002,229	6,460,320,631	6,720,678,966	6,725,599,770
30 September 2021 Unaudited (restated)							
	Note	FVTPL NZD	FVOCI NZD	Amortised cost NZD	Other Amortised Cost NZD	Total Carrying Amount NZD	Fair Value NZD
Assets							
Cash and cash equivalents	a	-	-	516,647,282	-	516,647,282	516,647,282
Amounts due from related parties	a	-	-	652,167,470	-	652,167,470	652,167,470
Amounts due from other financial institutions	a	-	-	164,999,409	-	164,999,409	164,999,409
Investment in debt instruments	d	-	500,052,736	-	-	500,052,736	500,052,736
Corporate loans originated by the Bank	b	-	-	3,686,113,359	-	3,686,113,359	3,686,878,727
Other assets	c, a	96,141,989	-	14,152,465	-	110,294,454	110,294,454
Total financial assets		96,141,989	500,052,736	5,034,079,985	-	5,630,274,710	5,631,040,078
Liabilities							
Amounts due to related parties	b	-	-	-	2,771,135,605	2,771,135,605	2,772,850,518
Deposits	a, b	-	-	-	2,467,435,305	2,467,435,305	2,468,776,085
Other liabilities	c	99,497,436	-	17,432,155	-	116,929,591	116,929,591
Total financial liabilities		99,497,436	-	17,432,155	5,238,570,910	5,355,500,501	5,358,556,194

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).

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2022

15. Fair Value of Financial Instruments (continued)

- 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 2022		30 September 2021	
	Level 1	Level 2	Level 1	Level 2
Derivative financial assets				
Interest rate swaps	-	133,069,787	-	45,516,801
Currency swaps	-	49,796,028	-	30,704,000
Currency options	-	-	-	-
FX forwards	-	56,325,057	-	19,921,188
Total derivative financial assets	-	239,190,872	-	96,141,989
Derivative financial liabilities				
Interest rate swaps	-	135,767,822	-	47,455,999
Currency Swaps	-	52,111,616	-	32,092,146
Currency Options	-	-	-	-
FX forwards	-	56,476,668	-	19,949,291
Total derivative financial liabilities	-	244,356,106	-	99,497,436
Investment in debt instruments	352,575,436	-	500,052,736	-

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.

16. Liquidity Risk Management

Liquidity risk is the risk that the Branch will not have sufficient funds to meet its financial obligations. The Branch has policies to ensure that sufficient funds are available to meet its obligations as and when they fall due, and to maintain a prudent level of liquidity buffer to meet unexpected demands for funds under adverse market conditions. To achieve this objective, the Branch adopts a set of liquidity management strategies which limits the liquidity risk to acceptable levels. The compliance 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 three scenarios:

Going-concern – which refers to the normal behavior of cash flows 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 behavior of cash flows where there is some actual or perceived problem with the Branch.

Liquidity Coverage Ratio – a one month liquidity stress described in the APRA APS 210 standard

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 with oversight from the Oceania Region Asset and Liability Management Committee. Reports on liquidity are reviewed by the Regional Head for Oceania, sent to the Parent Bank daily and presented to the Oceania Region Asset and Liability Management Committee monthly.

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2022

16. Liquidity Risk Management (continued)

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

	As at 30 September 2022 Unaudited NZD	As at 30 September 2021 Unaudited NZD
Cash and short term liquid assets	270,742,648	516,647,282
Amounts due from related parties	730,503,326	652,167,470
Amounts due from other financial institutions	1,124,911,841	164,999,409
Investment in debt instruments	352,575,436	500,052,736
	2,478,733,251	1,833,866,897

17. Profitability and Size

a) Profitability

The Overseas Banking Group

	Six Months ended 30 September 2022 JPY(000's)	Six Months ended 30 September 2021 JPY(000's)
Net (Loss)/Profit After Tax	(61,212,000)	471,638,000
Net Profit After Tax over the previous 12 months period as a percentage of average total assets	0.00%	0.20%

b) Size

	Six Months ended 30 September 2022 JPY(000's)	Six Months ended 30 September 2021 JPY(000's)
Total Assets	320,251,656,000	289,269,608,000
% Change in total assets over the previous 12 months	10.71%	2.72%

18. Asset Quality

(i) The Overseas Banking Group

	As at 30 September 2022 JPY(000's)	As at 30 September 2021 JPY(000's)
Total individually impaired assets (before allowances for credit impairment loss and net of interest held in suspense)	1,298,241,000	1,121,828,000
Total individually impaired assets expressed as a percentage of total assets	0.41%	0.39%
Total individually credit impairment allowance	407,654,000	256,234,000
Total individually credit impairment allowance expressed as percentage of total individually impaired assets	31.40%	22.84%
Total collective credit impairment allowance	648,423,000	617,268,000

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2022

18. Asset Quality (continued)

(ii) MUFG Bank, Ltd., Auckland Branch.

The provision for impairment is based on NZ IFRS 9's impairment model which requires the Branch to recognised expected credit losses (ECL) based on unbiased forward looking information. The Branch will incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date.

In estimating individual and collective provision for ECL, the Branch based the judgments and assumptions under MUFG Bank's policy and procedure on determining borrower rating which is considering the quantitative analysis (the financial analysis and performance, etc.) and qualitative analysis (industry trend, corporate competitiveness, management policy, etc.) for the customer. This borrower rating already includes forward looking factors including the continuing impact of COVID-19 and the resulting government policies which reflect the Branch's view of the most likely future macro-economic conditions.

The modelling methodology applied in estimating ECL in this financial statement is consistent with that applied in the Branch's Financial Statements for the year ended 30 March 2022.

The Branch does not have any individually impaired assets that have been recognized, any individual credit impairment allowances, and any assets that are less than 30 days past due; at least 30 days but less than 60 days past due; at least 60 days but less than 90 days past due; and at least 90 days past due but not impaired as at 30 September 2022 (30 September 2021: Nil).

The Branch did not charge or credit to the condensed statement of comprehensive income for any increase or decrease in individual credit impairment allowances during the half year accounting period ended 30 September 2022 (30 September 2021: Nil).

The total interest income recognized on impaired assets over the half year accounting period ended 30 September 2022 is Nil (30 September 2021: Nil).

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 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.

Movement in balance of collective credit impairment allowance:

The following table reconciles the opening balance to the closing balance of provision for impairment losses:

Stage 1	Loan	Financial guarantee and commitments	Total
NZD			
Provision for impairment charges as at 31 March 2022	2,958,649	1,829,889	4,788,538
Net transfers in / (out) of stages *	-	-	-
New financial assets originated	1,021,647	504,609	1,526,256
Financial assets derecognized during the period	(358,254)	(1,305,483)	(1,663,737)
Change in ECL due to net further lending / repayment	2,338,866	1,147,520	3,486,386
Change in ECL due to amounts written-off	-	-	-
Total provision for ECL as at 30 September 2022	5,960,908	2,176,535	8,137,443

* Represents the transfers between stages

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2022

18. Asset Quality (continued)

Impacts of changes in gross financial assets on credit impairment allowance:

The following table reconciles the opening balance to the closing balance of the pre-allowance corporate loans originated by the Bank:

	As at 30 September 2022 Unaudited NZD
Balance at beginning of the period	4,227,601,534
Additions	953,788,287
Amounts written off	-
Deletions	(876,747,159)
Balance at the end of the period (Note 4)	4,304,642,662

19. Exposures to Market Risk

Aggregate market risk exposures of MUFG Bank, Ltd., Auckland Branch have been derived in accordance with Schedule 9 of the Reserve Bank Order.

	Six Months ended 30 September 2022 Unaudited NZD (000's)	Six Months ended 30 September 2021 Unaudited NZD (000's)
(1) Aggregate Interest Rate Exposure		
(a) Notional capital charge*	2,771	2,459
(b) Implied risk weighted exposure	34,638	30,738

* The Notional Capital Charge is calculated in accordance with BPR140: Market Risk

	Peak End of Day Ending 30 September 2022 Unaudited NZD (000's)	Peak End of Day Ending 30 September 2021 Unaudited NZD (000's)
(2) Aggregate Interest Rate Exposure		
(a) Notional capital charge**	6,180	6,358
(b) Implied risk weighted exposure	77,250	79,475

** 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 BPR 140: Market Risk

(3) Aggregate Foreign Currency Exposure

MUFG Bank, Ltd., Auckland Branch does not have any significant foreign currency exposures.

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2022

19. Exposure to Market Risk (continued)

(4) Aggregate Equity Exposure

MUFG Bank, 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.

20. 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. As a result, the minimum capital required by FSA is at least equal to Basel II.

The Financial Stability Board identified the Overseas Banking Group as a global systematically important bank, or G-SIB, in its most recent annual report published in November 2017.

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. From 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 2022:

	2021	2022
Minimum Common Equity Tier 1 ratio	4.50%	4.50%
Capital Conservation Buffer	2.50%	2.50%
Countercyclical Buffer	0.00%	0.00%
G-SIB Surcharge	1.50%	1.50%
Total	8.50%	8.50%
Minimum Tier 1 ratio	10.00%	10.00%
Minimum Capital ratio	12.00%	12.00%

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

Overseas Banking Group

	As at 30 September 2022 Unaudited	As at 30 September 2021 Unaudited
Capital ratios:		
Common Equity Tier 1 capital	8.49%	12.05%
Tier 1 capital	9.67%	13.69%
Total capital	11.27%	15.81%

Notes to the Condensed Interim Financial Statements For the Six Months Ended 30 September 2022

20. Capital Adequacy (continued)

Overseas Bank	As at 30 September 2022 Unaudited	As at 30 September 2021 Unaudited
Capital ratios:		
Common Equity Tier 1 capital	7.27%	11.47%
Tier 1 capital	8.59%	13.31%
Total capital	10.03%	15.32%

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.

21. Insurance Business

MUFG Bank, Ltd., Auckland Branch *does not* conduct any insurance business in or outside New Zealand.

22. Non-Consolidated Activities

MUFG Bank, Ltd. *does not* conduct any insurance business or non-financial activities in New Zealand outside MUFG Bank, Ltd., Auckland Branch.

23. Securitization, Funds Management, and Other Fiduciary Activities

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

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

(c) MUFG Bank, 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 to those of the ultimate parent bank, MUFG Bank, 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 MUFG Bank, 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 2022

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 2022, 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.

The impact of COVID-19 pandemic has not resulted in any specific subsequent event.



Independent Auditor's Review Report

To The Shareholders of MUFG Bank, Ltd. Auckland Branch

Conclusion

We have reviewed pages 6 to 34 of the Disclosure Statement of MUFG Bank, Ltd. Auckland Branch ('the Branch'), which consists of the condensed interim financial statements of the Branch and the supplementary information required to be disclosed under Schedules 3, 5, 7, 9, 12 and 14 of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (the 'Order').

The condensed interim financial statements comprise the condensed statement of financial position of the Branch as at 30 September 2022, and the condensed statement of comprehensive income, condensed statement of changes in equity and statement of cash flows for the six months ended on that date, and a summary of significant accounting policies and other explanatory information.

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 34 (excluding the supplementary information) have not been prepared and do not present fairly, in all material respects, the financial position of the Branch as at 30 September 2022 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 (excluding the supplementary information relating to credit and market risk exposures and capital adequacy), taken as a whole, does not fairly state the matters to which it relates in accordance with Schedules 5, 7, 12 and 14 of the Order; and
- the supplementary information disclosed on pages 31 to 33 relating to credit and market risk exposures and capital adequacy as required by Schedule 9 of the Order is not, in all material respects, disclosed in accordance with Schedule 9 of the Order.

Basis for Conclusion

We conducted our review in accordance with NZ SRE 2410 (Revised) Review of Financial Statements Performed by the Independent Auditor of the Entity ('NZ SRE 2410 (Revised)'). Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Interim Financial Statements section of our report.

We are independent of the Branch in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis of Matter

The Branch is part of MUFG Bank, 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.

Directors' responsibilities for the interim financial statements

The directors are responsible on behalf of the Branch 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 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 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, 12 and 14 of the Order.

Auditor's responsibilities for the review of the interim financial statements

Our responsibility is to express a conclusion on the condensed interim financial statements and the supplementary information based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that:

- the condensed interim financial statements (excluding the supplementary information), taken as a whole, are not prepared, in all material respects, in accordance with NZ IAS 34 Interim Financial Reporting and IAS 34 Interim Financial Reporting;
- the supplementary information (excluding the supplementary information relating to credit and market risk exposures and capital adequacy), taken as a whole, does not fairly state the matters to which it relates in accordance with Schedules 5, 7, 12 and 14 of the Order; and
- the supplementary information relating to credit and market risk exposure and capital adequacy, taken as a whole, is not, in all material respects, disclosed in accordance with Schedule 9 of the Order.

A review of the condensed interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform 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) and consequently do not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on the condensed interim financial statements and the supplementary information.

Restriction on use

This report is made solely to the Branch's shareholders, as a body. Our review has been undertaken so that we might state to the Branch'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 Branch's shareholders as a body, for our engagement, for this report, or for the conclusions we have formed.

Deloitte Limited

**Bindi Shah, Partner
for Deloitte Limited**

Auckland, New Zealand
28 November 2022

This review report relates to the unaudited disclosure statement of MUFG Bank, Ltd. Auckland Branch for the six months ended 30 September 2022 included on Branch's website. The Branch's Board of Directors are 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 unaudited disclosure statement since they were 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 these unaudited 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 28 November 2022 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.