

# **Mitsubishi UFJ Trust and Banking Corporation**

## **Hong Kong Branch**

### **Financial Disclosure for Overseas Incorporated Authorized Institutions**

**31 March 2019**

**This Disclosure Statement has been lodged with the Hong Kong Monetary Authority's Public Registry and is available at the following address and website of our Hong Kong Branch:**

Suites 2102-7, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

[https://www.tr.mufg.jp/english/ourservices/administration/hk\\_branch.html](https://www.tr.mufg.jp/english/ourservices/administration/hk_branch.html)

# Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch

## Financial Disclosure for Overseas Incorporated Authorised Institutions

### Section A: Branch Information

#### I. Profit and loss information

	Year ended 31 March 2019 (HKD'000)	Year ended 31 March 2018 (HKD'000)
Interest income	621,494	375,837
Interest expense	(483,107)	(213,142)
Other operating income		
- Gains less losses arising from trading in foreign currencies	(54)	57
- Gains less losses on securities held for trading purposes	-	-
- Gains less losses from other trading activities	-	-
- Net fees and commission income (Note 1)	3,673	(6,369)
- Others	31,693	37,830
Operating expenses		
- Staff expenses	(30,952)	(29,429)
- Others	(25,452)	(25,894)
Impairment losses and provisions for impaired loans and receivables (Note 2)	-	-
Gains less losses from the disposal of property, plant and equipment and investment properties	-	-
Profit before taxation	<u>117,295</u>	<u>138,890</u>
Tax expense or tax income	-	-
Profit after taxation	<u><u>117,295</u></u>	<u><u>138,890</u></u>
<u>Notes:</u>		
(1) Fees and commission income	12,552	1,620
Fees and commission expenses	(8,879)	(7,989)
	<u>3,673</u>	<u>(6,369)</u>
(2) Provision for impaired loans and receivables written back	-	-
Bad debt recovered	-	-
	<u>-</u>	<u>-</u>

# Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch

## Financial Disclosure for Overseas Incorporated Authorised Institutions

### Section A: Branch Information

#### II. Balance sheet information

	31 March 2019 (HKD'000)	30 September 2018 (HKD'000)
<b><u>Assets</u></b>		
Cash and balances with banks (except those included in amount due from overseas offices of the institution)	1,043,886	2,027,300
Placements with banks which have a residual contractual maturity of more than one month but not more than twelve months (except those included in amount due from overseas offices of the institution)	1,663,678	1,752,182
Amount due from overseas offices of the institution	614,099	278,709
Securities held for trading purposes	-	-
Loans and receivables		
Loans and advances to customers	-	-
Loans and advances to banks	1,962,483	1,959,451
Other accounts	537,969	986,126
Provisions for impaired loans and receivables	-	-
Investment securities	20,927,455	23,769,161
Other investments	699,115	1,253,193
Property, plant and equipment and investment properties	5,582	5,742
<b>Total assets</b>	<b><u>27,454,267</u></b>	<b><u>32,031,864</u></b>
<b><u>Liabilities</u></b>		
Deposits and balances from banks (except those included in amount due to overseas offices of the institution)	5,660,713	7,472,979
Deposits from customers		
Demand deposits and current accounts	28	967
Savings deposits	2,842	3,227
Time, call and notice deposits	668,345	499,170
Certificates of deposit issued	460,000	50,000
Amount due to overseas offices of the institution	6,374,386	6,743,804
Amount payable under repos *	12,712,275	16,070,962
Other accounts:		
Current profit/(loss)	117,295	60,415
Provisions	-	-
Other liabilities	1,458,383	1,130,340
<b>Total liabilities</b>	<b><u>27,454,267</u></b>	<b><u>32,031,864</u></b>
* Value of securities sold under repo agreements	<u>12,710,877</u>	<u>15,967,922</u>

# Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch

## Financial Disclosure for Overseas Incorporated Authorised Institutions

### Section A: Branch Information

#### III. Additional balance sheet information

	31 March 2019 (HKD'000)	30 September 2018 (HKD'000)
<b>1) Provisions for impaired loans and receivables</b>		
Loans and advances to customers		
- Specific provision	-	-
- Collective provision	-	-
Loans and advances to banks		
- Specific provision	-	-
- Collective provision	-	-
Accrued interest and other accounts		
- Specific provision	-	-
- Collective provision	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<p>Mitsubishi UFJ Trust and Banking Corporation provides the collective provision for loan loss on global loan portfolio based on historical loan loss experience.</p>		
<b>2) Impaired loans and advances to customers</b>		
Total amount of impaired loans and advances to customers	<u>-</u>	<u>-</u>
Percentage of total loans and advances to customers	<u>0.00%</u>	<u>0.00%</u>
Value of collateral held	<u>-</u>	<u>-</u>
Specific provisions made	<u>-</u>	<u>-</u>
<b>3) Impaired loans and advances to banks</b>		
Total amount of impaired loans and advances to banks	<u>-</u>	<u>-</u>
Percentage of total loans and advances to banks	<u>0.00%</u>	<u>0.00%</u>
Value of collateral held	<u>-</u>	<u>-</u>
Specific provisions made	<u>-</u>	<u>-</u>

# Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch

## Financial Disclosure for Overseas Incorporated Authorised Institutions

### Section A: Branch Information

#### III. Additional balance sheet information

	31 March 2019 (HKD'000)	30 September 2018 (HKD'000)
<b>4) Analysis of overdue loans and advances to customers</b>		
Gross amount of overdue loans and advances to customers		
six months or less but over three months	-	-
one year or less but over six months	-	-
over one year	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Overdue loans and advances to customers as a percentage of total amount of loans and advances to customer		
six months or less but over three months	0.00%	0.00%
one year or less but over six months	0.00%	0.00%
over one year	0.00%	0.00%
	<u>0.00%</u>	<u>0.00%</u>
	<u>0.00%</u>	<u>0.00%</u>
Value of collateral held	<u>-</u>	<u>-</u>
Specific provisions made	<u>-</u>	<u>-</u>
<b>5) Analysis of overdue loans and advances to banks</b>		
Gross amount of overdue loans and advances to banks		
six months or less but over three months	-	-
one year or less but over six months	-	-
over one year	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Overdue loans and advances to banks as a percentage of total amount of loans and advances to banks		
six months or less but over three months	0.00%	0.00%
one year or less but over six months	0.00%	0.00%
over one year	0.00%	0.00%
	<u>0.00%</u>	<u>0.00%</u>
	<u>0.00%</u>	<u>0.00%</u>
Value of collateral held	<u>-</u>	<u>-</u>
Specific provisions made	<u>-</u>	<u>-</u>

# Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch

## Financial Disclosure for Overseas Incorporated Authorised Institutions

### Section A: Branch Information

#### III. Additional balance sheet information

	31 March 2019 (HKD'000)	30 September 2018 (HKD'000)
<b>6) Rescheduled loans and advances to customers (net of those which have been overdue for over three months and reported in overdue loans and advances to customers)</b>		
Amount of rescheduled loans and advances to customers	-	-
Rescheduled loans and advances to customers as a percentage of total amount of loans and advances to customers	0.00%	0.00%
<b>7) Rescheduled loans and advances to banks (net of those which have been overdue for over three months and reported in overdue loans and advances to banks)</b>		
Amount of rescheduled loans and advances to banks	-	-
Rescheduled loans and advances to banks as a percentage of total amount of loans and advances to banks	0.00%	0.00%
<b>8) Analysis of other overdue assets by major categories</b>		
Investment securities		
six months or less but over three months	-	-
one year or less but over six months	-	-
over one year	-	-
<b>9) Total amount of repossessed assets held</b>	-	-

# Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch

## Financial Disclosure for Overseas Incorporated Authorised Institutions

### Section A: Branch Information

#### IV. Off-balance sheet exposure

	31 March 2019 (HKD'000)	30 September 2018 (HKD'000)
<b>1) Contingent liabilities and commitments</b>		
Direct credit substitutes	-	-
Other commitments	-	-
Others - Forward forward deposits placed	110,000	302,196
	<u>110,000</u>	<u>302,196</u>
<b>2) Derivative transactions</b>		
Exchange rate-related derivative contracts	1,371,294	2,719,594
Interest rate derivative contracts	11,000,700	13,560,476
	<u>12,371,994</u>	<u>16,280,070</u>
<b>3) Total fair value of derivative transactions (the effect of bilateral netting agreement has not been taken into account)</b>		
Exchange rate-related derivative contracts	(50,850)	(68,823)
Interest rate derivative contracts	(249,151)	139,167
	<u>(300,001)</u>	<u>70,344</u>

# Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch

## Financial Disclosure for Overseas Incorporated Authorised Institutions

### Section A: Branch Information

#### V. Segmental information

	31 March 2019	30 September 2018
	(HKD'000)	(HKD'000)
	% covered by collateral or other security	% covered by collateral or other security
<b>1) Analysis of loans and advances to customers by major sectors:</b>		
<b>Loans and advances for use in Hong Kong</b>		
Industrial, commercial and financial		
• Property development	-	-
• Property investment	-	-
• Financial concerns	-	-
• Stockbrokers	-	-
• Wholesale and retail trade	-	-
• Manufacturing	-	-
• Transport and transport equipment	-	-
• Recreational activities	-	-
• Information technology	-	-
• Others	-	-
Individuals		
• Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	-	-
• Loans for the purchase of other residential properties	-	-
• Credit card advances	-	-
• Others	-	-
<b>Trade finance</b>	-	-
<b>Loans and advances for use outside Hong Kong</b>	-	-
<b>Total advances to customers</b>	<u>-</u>	<u>-</u>
<b>2) Analysis of loans and advances to customers by major countries or geographical segments (transfers of risk has been taken into account)</b>		
Hong Kong	-	-
Japan	-	-
China	-	-
	<u>-</u>	<u>-</u>
<b>3) Analysis of overdue loans and advances to customers classified by major countries or geographical segments (transfers of risk has been taken into account)</b>		
	<u>-</u>	<u>-</u>
<b>4) Analysis of impaired loans and advances to customers classified by major countries or geographical segments (transfers of risk has been taken into account)</b>		
	<u>-</u>	<u>-</u>



# Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch

## Financial Disclosure for Overseas Incorporated Authorised Institutions

### Section A: Branch Information

#### V. Segmental information (continued)

#### 5) Major country or geographical segment breakdown of international claims by types of counterparties (which constitute not less than 10% of the total international claims after taking into account any recognised risk transfer )

(Equivalent in million of HKD)

	<u>Banks</u>	<u>Official Sector</u>	<u>Non-bank Financial Institution</u>	<u>Non-Financial Private Sector</u>	<u>Total</u>
<b>As at 31 March 2019</b>					
<i>1. Developed Countries</i>	1,995	10,427	3,681	72	16,175
France	-	6,067	-	-	6,067
Germany	40	1,622	-	-	1,662
Japan	1,864	-	3,439	-	5,303
United States	22	2,014	242	-	2,278
<i>2. Developing Asia and Pacific</i>	2,109	894	1,423	2,000	6,426
China	1,015	234	1,281	672	3,202
South Korea	150	82	143	1,040	1,415
Taiwan	943	-	-	229	1,172
<b>As at 30 September 2018</b>					
<i>1. Developed Countries</i>	1,556	14,104	3,031	54	18,745
France	-	3,527	-	-	3,527
Germany	31	3,196	-	-	3,227
Japan	1,503	-	2,716	-	4,219
United States	14	6,426	292	-	6,732
<i>2. Developing Asia and Pacific</i>	2,856	729	1,410	1,818	6,813
China	1,046	75	1,333	397	2,851
South Korea	93	78	77	1,226	1,474
Taiwan	1,717	-	-	138	1,855
<i>3. Offshore Centres</i>	510	-	2,232	453	3,195
Hong Kong	510	-	969	453	1,932
Jersey	-	-	863	-	863

# Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch

## Financial Disclosure for Overseas Incorporated Authorised Institutions

### Section A: Branch Information

#### V. Segmental information (continued)

##### 6) Non-bank Mainland exposures

(Equivalent in million of HKD)

<u>Types of Counterparties</u>	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total</u>
<b>As at 31 March 2019</b>			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	1,430	1	1,431
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	94	1	95
4. Other entities of central government not reported in item 1 above	89	-	89
5. Other entities of local government not reported in item 2 above	25	-	25
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	359	-	359
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	530	4	534
Total	2,527	6	2,533
Total assets after provision	27,454		
On-balance sheet exposures as percentage of total assets	9.21%		
<b>As at 30 September 2018</b>			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	1,078	9	1,087
2. Local governments, local government-owned entities and their subsidiaries and JVs	-	-	-
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	92	3	95
4. Other entities of central government not reported in item 1 above	252	-	252
5. Other entities of local government not reported in item 2 above	23	-	23
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	396	3	399
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	209	10	219
Total	2,050	25	2,075
Total assets after provision	32,032		
On-balance sheet exposures as percentage of total assets	6.40%		

# Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch

## Financial Disclosure for Overseas Incorporated Authorised Institutions

### Section A: Branch Information

#### VI. Currency risk

##### Foreign currency exposures

(Equivalent in millions of HKD)

<b>As at 31 March 2019</b>	<b><u>USD</u></b>	<b><u>JPY</u></b>	<b><u>EUR</u></b>	<b><u>CNY</u></b>	<b><u>Total</u></b>
Spot assets	15,667	172	8,914	74	24,827
Spot liabilities	(14,337)	(1,186)	(8,805)	(72)	(24,400)
Forward purchases	80	977	-	-	1,057
Forward sales	(1,450)	-	(5)	-	(1,455)
Net options position	-	-	-	-	-
Net long (short) position	<u>(40)</u>	<u>(37)</u>	<u>104</u>	<u>2</u>	<u>29</u>
Net structural position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>As at 30 September 2018</b>	<b><u>USD</u></b>	<b><u>JPY</u></b>	<b><u>EUR</u></b>	<b><u>CNY</u></b>	<b><u>Total</u></b>
Spot assets	20,295	1,089	7,781	37	29,202
Spot liabilities	(17,627)	(2,037)	(7,721)	(35)	(27,420)
Forward purchases	110	949	-	-	1,059
Forward sales	(2,826)	-	(5)	-	(2,831)
Net options position	-	-	-	-	-
Net long (short) position	<u>(48)</u>	<u>1</u>	<u>55</u>	<u>2</u>	<u>10</u>
Net structural position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The above net position of individual currency (in absolute terms) constitutes 10% or more of the total net position in all foreign currencies. The net positions are calculated by using the "model user" approach set out in the return "Foreign Currency Position - MA(BS)6" submitted to the HKMA.

# Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch

## Financial Disclosure for Overseas Incorporated Authorised Institutions

### Section A: Branch Information

#### VII. Liquidity

	For the quarter ended 31 March 2019	For the financial year ended 31 March 2018
1) Average liquidity maintenance ratio	<u>95.08%</u>	<u>65.17%</u>

The average liquidity maintenance ratio is the simple average of each month's average liquidity maintenance ratio for the reporting period. Liquidity maintenance ratio is calculated in accordance with the guidelines of Hong Kong Monetary Authority and Banking (Liquidity) Rules.

#### 2) Liquidity Risk Management

##### Governance

Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch ("HK Branch") formulates Liquidity Management Policy to measure, monitor and manage liquidity risk in accordance with Head Office policies and rules and HKMA requirements.

HK Branch Senior Management exercises effective oversight of the liquidity management system to ensure the compliance with the relevant rules of Head Office, HK Branch as well as HKMA requirements.

HK Branch Market Risk Committee (MRC) is responsible for managing market risk and liquidity risk, making decisions on the major issues relating to market risk management and liquidity risk management, regularly reviewing risk management reports.

Treasury Group is responsible for managing liquidity position, implementing liquidity management strategies and monitoring market liquidity.

Risk Management Group is responsible for monitoring and reporting the position of liquidity risk metrics and early warning indicators.

Internal Auditors are responsible for reviewing the implementation of the liquidity management system.

##### Strategies

The liquidity management strategies of HK Branch are to invest in liquefiable assets and ensure diversification and stability of funding by building long term relationship with existing or potential counterparties and customers, maintaining the diverse of funding sources options and monitoring market liquidity.

##### Risk Tolerance

HK Branch has established internal limits and procedures to monitor the position of the liquidity risk metrics, including Liquidity Maintenance Ratio, Funding Gap and Minimum Amount of Liquefiable Securities, to ensure compliance with HKMA regulatory requirements and adequate liquidity under normal and stressed circumstances.

# Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch

## Financial Disclosure for Overseas Incorporated Authorised Institutions

### Section A: Branch Information

#### VII. Liquidity (continued)

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##### 2) Liquidity Risk Management - continued

###### Risk Controls

In designing the framework of Liquidity Risk Controls, HK Branch has incorporated the principles of complete coverage, appropriateness and effectiveness to set out various types of liquidity risk controls and manage the position of liquidity risk metrics from different perspectives, in consideration of balance sheet structure, cash-flow profile, liquidity position, funding concentration across different dimensions, early warning indicators etc.

As for the implementation of risk controls, HK Branch measures and monitors the position of liquidity risk metrics and reports the results to Market Risk Committee. These risk controls are reviewed regularly to ensure the complete coverage, appropriateness and effectiveness on a continuing basis.

###### Stress Test

In designing the framework of Liquidity Stress Testing, HK Branch has incorporated the principles of complete coverage, effectiveness and timeliness to conduct the stress testing and provide the results from different perspectives, in consideration of changeable market environment and on the basis of insightful assessment and analysis to Senior Management to make prompt decision on investment and funding strategies and risk remedial or mitigating actions under normal and stressed circumstances.

As for the implementation of stress testing, HK Branch conducts the regular Liquidity Stress Testing for Liquidity Maintenance Ratio and on cash-flow basis and reports the results to Market Risk Committee. The stress scenarios include Bank Specific Scenario, Market Disruption Scenario and Combination Scenario of the above scenarios. These scenarios are reviewed regularly to ensure that the stress testing scenarios are of sufficient severity level and the results are effective to conduct the assessment of the adequacy of liquidity under stressed circumstances.

###### Contingency Funding Plan

In designing the framework of Contingency Funding Plan (CFP), HK Branch has incorporated the principles of effectiveness, operational feasibility and timeliness to set out various types of contingency funding measures to acquire sufficient funding during the liquidity crisis situation in consideration of funding capacity and support from Head Office, funding and operational costs, current market situation, regulatory requirements, and other short-term or long-term liquidity, financial or operational impacts etc.

As for the implementation of CFP, HK Branch conducts regular testing of CFP to ensure the availability of contingency funding measures and the readiness of the respective arrangements, and evaluate the overall effectiveness, operational feasibility and impacts.

# Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch

## Financial Disclosure for Overseas Incorporated Authorised Institutions

### Section A: Branch Information

#### VII. Liquidity (continued)

#### 3) Liquidity Gap

The table below analyses the on- and off-balance sheet items, broken down into maturity buckets \* and the resultant liquidity gaps:

(Equivalent in millions of HKD)

	Next day	2 to 7 days	8 days to 1 month	>1 month up to 3 months	>3 months up to 12 months	Over 1 year	Balancing amount	Total amount
<b>As at 31 March 2019</b>								
Cash and balances with central bank	7	-	-	-	-	-	-	7
Due from banks	534	605	513	1,676	-	1,963	-	5,291
Debt securities	8,217	3,280	9,430	-	-	-	-	20,927
Other assets #	699	6	390	99	356	1,243	275	1,229
<b>Total on-balance sheet assets</b>	<b>9,457</b>	<b>3,891</b>	<b>10,333</b>	<b>1,775</b>	<b>356</b>	<b>3,206</b>	<b>275</b>	<b>27,454</b>
<b>Total off-balance sheet claims</b>	<b>1,185</b>	<b>110</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,296</b>
Deposit from non-bank customers	3	3	81	481	106	-	-	674
Due to banks	1,185	2,246	3,412	4,786	444	-	-	12,073
Certificates of deposit issued	-	-	-	460	-	-	-	460
Amount payable under repo	-	3,278	9,435	-	-	-	-	12,713
Other liabilities #	85	338	363	32	384	1,524	532	1,417
Capital and reserve	-	-	117	-	-	-	-	117
<b>Total on-balance sheet liabilities</b>	<b>1,273</b>	<b>5,865</b>	<b>13,408</b>	<b>5,759</b>	<b>934</b>	<b>1,524</b>	<b>532</b>	<b>27,454</b>
<b>Total off-balance sheet obligations</b>	<b>110</b>	<b>1,185</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,296</b>
Contractual Maturity Mismatch	9,259	(3,049)	(3,075)	(3,984)	(578)	1,682		
Cumulative Contractual Maturity Mismatch	9,259	6,210	3,135	(849)	(1,427)	255		
<b>As at 30 September 2018</b>								
Cash and balances with central bank	12	-	-	-	-	-	-	12
Due from banks	413	900	983	899	862	1,960	-	6,017
Debt securities	7,801	10,982	4,986	-	-	-	-	23,769
Other assets #	1,280	8	1,747	117	397	1,635	409	2,234
<b>Total on-balance sheet assets</b>	<b>9,506</b>	<b>11,890</b>	<b>7,716</b>	<b>1,016</b>	<b>1,259</b>	<b>3,595</b>	<b>409</b>	<b>32,032</b>
<b>Total off-balance sheet claims</b>	<b>227</b>	<b>75</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>306</b>
Deposit from non-bank customers	7	-	157	321	21	-	-	506
Due to banks	-	5,693	4,332	3,822	401	-	-	14,248
Certificates of deposit issued	-	-	50	-	-	-	-	50
Amount payable under repo	-	11,071	5,003	-	-	-	-	16,074
Other liabilities #	237	3	1,706	54	403	1,548	467	1,094
Capital and reserve	-	-	-	-	60	-	-	60
<b>Total on-balance sheet liabilities</b>	<b>244</b>	<b>16,767</b>	<b>11,248</b>	<b>4,197</b>	<b>885</b>	<b>1,548</b>	<b>467</b>	<b>32,032</b>
<b>Total off-balance sheet obligations</b>	<b>75</b>	<b>-</b>	<b>4</b>	<b>227</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>306</b>
Contractual Maturity Mismatch	9,414	(4,802)	(3,532)	(3,408)	374	2,047		
Cumulative Contractual Maturity Mismatch	9,414	4,612	1,080	(2,328)	(1,954)	93		

\* The maturity buckets mainly follow information provided to the HKMA for part 4 of the MA(BS)23 - Return on Liquidity Monitoring Tools

# The "Total column of other assets and other liabilities includes the amount receivable/payable arising from derivative contracts, not the cash flow as shown in each time buckets.

# Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch

## Financial Disclosure for Overseas Incorporated Authorised Institutions

### Section A: Branch Information

#### VIII. Remuneration system

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##### Remuneration Policy

This disclosure is made in accordance with the Hong Kong Monetary Authority's Supervisory Policy Manual CG-5 'Guideline on a Sound Remuneration System' (HKMA SPM CG-5).

The remuneration policy of Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch is established at branch level in accordance with local custom and regulations without setting up a remuneration committee and applies to all locally employed staff. Hong Kong Branch does not engage external consultant in providing advice on remuneration. A few executives in this branch are considered to be senior management and key personnel. Senior management comprises 3 executives being charged with overseeing all the branch activities. They are supported by risk control personnel to monitor the key risks arising from change in local custom and regulations that directly affect minimum wage and statutory benefits. Key personnel are employees on manager grade or above heading major business functions. During the reporting period, the number of key personnel was 23. The remuneration package of this branch is total cash basis with minimal benefits, variable pay only consisting of cash discretionary bonus without any deferment, which enables this branch to retain sufficient human resources in risk management.

Pay for staff is reviewed in March each year based on individual job performance in the immediate past assessment year. Senior management is responsible for the review process and report the decision to Head Office for record. The criteria used for calculating the score of performance measurement are personal achievement, knowledge, competence and teamwork. Discretionary bonus may be paid, subject to senior management's review each year, to the staff in accordance with his or her performance appraisal done in March. Employees carrying out the duties of risk management, financial control, compliance, legal and internal audit are also subject to that review to ensure that they are remunerated independently of the business they oversee.

During the reporting period, no change was made to the remuneration policy and measures to counter key risks. No deferred payment, sign-on bonus, sign-on award or severance payment was paid to any staff in this Branch. Given a small number of executives, disclosure of a breakdown of the remuneration figures of senior management and key personnel is sensitive; therefore, the disclosure of aggregate figures is considered to be appropriate in accordance with Paragraph 3.3.3 of HKMA SPM CG-5. The remuneration of senior management and key personnel for this reporting period was as follows:-

##### Remuneration for

##### 1 April 2018 to 31 March 2019

HKD'000

Fixed Pay	13,083
Variable Pay	735

##### Remuneration for

##### 1 April 2017 to 31 March 2018

HKD'000

Fixed Pay	13,442
Variable Pay	684

# Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch

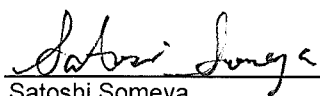
## Financial Disclosure for Overseas Incorporated Authorised Institutions

### Section B: Bank Information (consolidated basis)

	31 March 2019 (Audited) YEN in million	30 September 2018 (Unaudited) YEN in million
The information set out below was based on the consolidated accounts of Mitsubishi UFJ Trust and Banking Corporation, which have been compiled in Japanese GAAP basis.		
<b>Capital and capital adequacy</b>		
Capital adequacy ratio *	24.40%	24.44%
Shareholders' fund	2,114,625	2,440,921
* The ratios are presented on a consolidated basis in accordance with the guidelines set forth by the Bank for International Settlementment. The ratios incorporate market risk and operational risk.		
<b>Other financial information</b>		
Total assets	37,345,649	38,684,478
Total liabilities	35,218,326	36,131,022
Total loans and advances #	5,157,251	5,357,023
Total deposits	13,411,708	14,066,628
Pre-tax profit/(loss) (term-end figure)	149,584	249,419 @
# Total loans and advances represent the total of "Call loans and bills bought" and "Loans and bills discounted" as shown in the balance sheet.		
@ For the year ended 31 March 2018		
Note: The amounts were stated in YEN in this report. The prevailing exchange rates USD against Japanese YEN for each reporting date are		
	111.01	113.52

#### Statement of Compliance

The principal activities of our branch are securities investments, corporate banking service and treasury activities. The Disclosure Statement complies fully with the disclosure standards set out in the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority, and is neither false nor misleading.



Satoshi Someya  
Chief Executive  
Hong Kong Branch