

Mitsubishi UFJ Trust and Banking Corporation

Hong Kong Branch

(Incorporated in Japan with limited liability)

Financial Disclosure for Overseas Incorporated Authorized Institutions

31 March 2020

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

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 2020 (HKD'000)	Year ended 31 March 2019 (HKD'000)
Interest income	520,453	621,494
Interest expense	(393,583)	(483,107)
Other operating income		
- Gains less losses arising from trading in foreign currencies	22	(54)
- Gains less losses on securities held for trading purposes	-	-
- Gains less losses from other trading activities	-	-
- Net fees and commission income (Note 1)	7,745	3,673
- Others	26,042	31,693
Operating expenses		
- Staff expenses	(31,854)	(30,952)
- Others	(26,916)	(25,452)
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>101,909</u>	<u>117,295</u>
Tax expense or tax income	-	-
Profit after taxation	<u><u>101,909</u></u>	<u><u>117,295</u></u>
<u>Notes:</u>		
(1) Fees and commission income	15,925	12,552
Fees and commission expenses	<u>(8,180)</u>	<u>(8,879)</u>
	<u><u>7,745</u></u>	<u><u>3,673</u></u>
(2) Provision for impaired loans and receivables written back	-	-
Bad debt recovered	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

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II. Balance sheet information

	31 March 2020 (HKD'000)	30 September 2019 (HKD'000)
<u>Assets</u>		
Cash and balances with banks (except those included in amount due from overseas offices of the institution)	1,647,974	611,064
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)	4,041,546	2,966,952
Amount due from overseas offices of the institution	62,688	599,177
Trade Bills	-	-
Certificate of deposit held	-	-
Securities held for trading purposes	-	-
Loans and receivables		
Loans and advances to customers	-	-
Loans and advances to banks	779,221	784,408
Other accounts	1,213,069	891,262
Provisions for impaired loans and receivables	-	-
Investment securities	18,240,024	21,559,390
Other investments	166,914	515,283
Property, plant and equipment and investment properties	5,738	5,230
Total assets	<u>26,157,174</u>	<u>27,932,766</u>
<u>Liabilities</u>		
Deposits and balances from banks (except those included in amount due to overseas offices of the institution)	2,002,276	6,077,735
Deposits from customers		
Demand deposits and current accounts	28	28
Savings deposits	1,173	1,659
Time, call and notice deposits	737,266	961,082
Certificates of deposit issued	4,456,841	730,000
Issued debt securities	-	-
Amount due to overseas offices of the institution	9,464,846	7,113,532
Amount payable under repos *	7,063,874	11,031,492
Other accounts:		
Current profit/(loss)	101,909	45,889
Provisions	-	-
Other liabilities	2,328,961	1,971,349
Total liabilities	<u>26,157,174</u>	<u>27,932,766</u>
* Value of securities sold under repo agreements	<u>7,023,668</u>	<u>11,003,010</u>

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III. Additional balance sheet information

	31 March 2020 (HKD'000)	30 September 2019 (HKD'000)
1) Provisions for impaired loans and receivables		
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>
Mitsubishi UFJ Trust and Banking Corporation provides the collective provision for loan loss on global loan portfolio based on historical loan loss experience.		
2) Impaired loans and advances to customers		
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>
3) Impaired loans and advances to banks		
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>

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III. Additional balance sheet information (continued)

	31 March 2020 (HKD'000)	30 September 2019 (HKD'000)
4) Analysis of overdue loans and advances to customers		
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>
5) Analysis of overdue loans and advances to banks		
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>

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III. Additional balance sheet information (continued)

	31 March 2020 (HKD'000)	30 September 2019 (HKD'000)
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)		
Amount of rescheduled loans and advances to customers	<u>-</u>	<u>-</u>
Rescheduled loans and advances to customers as a percentage of total amount of loans and advances to customers	<u>0.00%</u>	<u>0.00%</u>
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)		
Amount of rescheduled loans and advances to banks	<u>-</u>	<u>-</u>
Rescheduled loans and advances to banks as a percentage of total amount of loans and advances to banks	<u>0.00%</u>	<u>0.00%</u>
8) Analysis of other overdue assets by major categories		
Investment securities		
six months or less but over three months	-	-
one year or less but over six months	-	-
over one year	-	-
	<u>-</u>	<u>-</u>
9) Total amount of repossessed assets held	<u>-</u>	<u>-</u>

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IV. Off-balance sheet exposure

	31 March 2020 (HKD'000)	30 September 2019 (HKD'000)
1) Contingent liabilities and commitments		
Direct credit substitutes	-	-
Other commitments	-	-
Others - Forward forward deposits placed	35,000	1,288,518
	<u>35,000</u>	<u>1,288,518</u>
2) Derivative transactions		
Exchange rate contracts	767,688	2,947,857
Interest rate contracts	13,674,613	13,210,935
	<u>14,442,301</u>	<u>16,158,792</u>
3) Total fair value of derivative transactions (the effect of bilateral netting agreement has not been taken into account)		
Net fair value of exchange rate contracts	(9,184)	(6,457)
Positive value	-	377
Negative value	(9,184)	(6,834)
Net fair value of interest rate contracts	(968,315)	(576,219)
Positive value	104	10,384
Negative value	(968,419)	(586,603)
	<u>(977,499)</u>	<u>(582,676)</u>

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V. Segmental information

	31 March 2020	30 September 2019
	(HKD'000)	(HKD'000)
	% covered by collateral or other security	% covered by collateral or other security
1) Analysis of loans and advances to customers by major sectors:		
Loans and advances for use in Hong Kong		
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	-	-
Trade finance	-	-
Loans and advances for use outside Hong Kong	-	-
Total advances to customers	<u>-</u>	<u>-</u>
2) Analysis of loans and advances to customers by major countries or geographical segments (transfers of risk has been taken into account)		
Hong Kong	-	-
Japan	-	-
China	-	-
	<u>-</u>	<u>-</u>
3) Analysis of overdue loans and advances to customers classified by major countries or geographical segments (transfers of risk has been taken into account)		
	<u>-</u>	<u>-</u>
4) Analysis of impaired loans and advances to customers classified by major countries or geographical segments (transfers of risk has been taken into account)		
	<u>-</u>	<u>-</u>

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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>
As at 31 March 2020					
<i>1. Developed Countries</i>	1,209	5,750	4,914	75	11,948
France	-	2,749	-	-	2,749
Japan	1,158	-	4,633	-	5,791
United States	24	2,269	243	-	2,536
<i>2. Developing Asia and Pacific</i>	4,406	670	1,387	2,451	8,914
China	1,703	170	1,321	1,053	4,247
South Korea	57	179	66	1,134	1,436
Taiwan	2,647	-	-	263	2,910
<i>3. Offshore Centres</i>	156	41	2,325	191	2,713
Hong Kong	156	41	1,723	191	2,111
Singapore	-	-	358	-	358
	<u>Banks</u>	<u>Official Sector</u>	<u>Non-bank Financial Institution</u>	<u>Non-Financial Private Sector</u>	<u>Total</u>
As at 30 September 2019					
<i>1. Developed Countries</i>	1,568	9,408	4,596	73	15,645
France	-	5,642	-	-	5,642
Japan	1,498	-	4,282	-	5,780
United States	9	2,547	244	-	2,800
<i>2. Developing Asia and Pacific</i>	2,326	878	1,389	2,485	7,078
China	565	168	1,323	837	2,893
South Korea	57	174	66	1,322	1,619
Taiwan	1,705	-	-	266	1,971

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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>
As at 31 March 2020			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	1,567	-	1,567
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	166	-	166
4. Other entities of central government not reported in item 1 above	491	-	491
5. Other entities of local government not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	750	-	750
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	874	-	874
Total	3,848	-	3,848
Total assets after provision	26,157		
On-balance sheet exposures as percentage of total assets	14.71%		
As at 30 September 2019			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	1,411	-	1,411
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	166	1	167
4. Other entities of central government not reported in item 1 above	487	-	487
5. Other entities of local government not reported in item 2 above	15	-	15
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	527	-	527
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	582	-	582
Total	3,188	1	3,189
Total assets after provision	27,933		
On-balance sheet exposures as percentage of total assets	11.41%		

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Section A: Branch Information

VI. Currency risk

Foreign currency exposures

(Equivalent in millions of HKD)

As at 31 March 2020	USD	JPY	EUR	CNY	Total
Spot assets	20,393	175	3,906	21	24,495
Spot liabilities	(19,640)	(951)	(3,766)	(22)	(24,379)
Forward purchases	39	768	-	-	807
Forward sales	(860)	-	(5)	-	(865)
Net options position	-	-	-	-	-
Net long (short) position	<u>(68)</u>	<u>(8)</u>	<u>135</u>	<u>(1)</u>	<u>58</u>
Net structural position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 30 September 2019	USD	JPY	EUR	CNY	Total
Spot assets	17,989	341	7,369	5	25,704
Spot liabilities	(15,030)	(1,130)	(7,297)	(5)	(23,462)
Forward purchases	43	781	-	-	824
Forward sales	(3,034)	-	(8)	-	(3,042)
Net options position	-	-	-	-	-
Net long (short) position	<u>(32)</u>	<u>(8)</u>	<u>64</u>	<u>-</u>	<u>24</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.

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Section A: Branch Information

VII. Liquidity

	For the quarter ended 31 March 2020	For the quarter ended 31 March 2019
Average liquidity maintenance ratio	<u>194.46%</u>	<u>95.08%</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.

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VII. Liquidity (continued)

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.

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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)

	<u>Next day</u>	<u>2 to 7 days</u>	<u>8 days to 1 month</u>	<u>>1 month up to 3 months</u>	<u>>3 months up to 12 months</u>	<u>Over 1 year</u>	<u>Balancing amount</u>	<u>Total amount</u>
As at 31 March 2020								
Cash and balances with central bank	16	-	-	-	-	-	-	16
Due from banks	768	929	-	3,506	545	780	-	6,528
Debt securities	11,216	2,833	4,191	-	-	-	-	18,240
Other assets #	205	7	42	80	118	996	940	1,373
Total on-balance sheet assets	12,205	3,769	4,233	3,586	663	1,776	940	26,157
Total off-balance sheet claims	-	-	-	2,134	-	-	-	2,134
Deposit from non-bank customers	1	236	356	118	28	-	-	739
Due to banks	-	2,013	3,292	6,187	-	-	-	11,492
Certificates of deposit issued	-	-	80	200	4,177	-	-	4,457
Amount payable under repo	-	2,860	4,205	-	-	-	-	7,065
Other liabilities #	-	4	19	38	211	1,801	1,196	2,302
Capital and reserve	-	-	102	-	-	-	-	102
Total on-balance sheet liabilities	1	5,113	8,054	6,543	4,416	1,801	1,196	26,157
Total off-balance sheet obligations	-	-	-	932	1,202	-	-	2,134
Contractual Maturity Mismatch	12,204	(1,344)	(3,821)	(1,755)	(4,955)	(25)		
Cumulative Contractual Maturity Mismatch	12,204	10,860	7,039	5,284	329	304		
As at 30 September 2019								
Cash and balances with central bank	6	-	-	-	-	-	-	6
Due from banks	780	391	34	1,796	1,177	785	-	4,963
Debt securities	10,556	6,142	4,861	-	-	-	-	21,559
Other assets #	563	2,169	48	96	129	1,211	607	1,405
Total on-balance sheet assets	11,905	8,702	4,943	1,892	1,306	1,996	607	27,933
Total off-balance sheet claims	2,086	363	-	-	-	-	-	2,449
Deposit from non-bank customers	2	3	811	112	39	-	-	967
Due to banks	393	5,392	3,527	2,736	1,176	-	-	13,224
Certificates of deposit issued	-	-	200	250	280	-	-	730
Amount payable under repo	-	6,172	4,861	-	-	-	-	11,033
Other liabilities #	156	2,164	14	37	177	1,745	1,051	1,933
Capital and reserve	-	-	-	-	46	-	-	46
Total on-balance sheet liabilities	551	13,731	9,413	3,135	1,718	1,745	1,051	27,933
Total off-balance sheet obligations	1,289	4	-	137	1,019	-	-	2,449
Contractual Maturity Mismatch	12,151	(4,670)	(4,470)	(1,380)	(1,431)	251		
Cumulative Contractual Maturity Mismatch	12,151	7,481	3,011	1,631	200	451		

* 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.

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VIII. Remuneration system

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 4 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 19. 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	
<u>1 April 2019 to 31 March 2020</u>	<u>HKD'000</u>
Fixed Pay	13,673
Variable Pay	541
Remuneration for	
<u>1 April 2018 to 31 March 2019</u>	<u>HKD'000</u>
Fixed Pay	13,083
Variable Pay	735

Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch
Financial Disclosure for Overseas Incorporated Authorised Institutions
Section B: Bank Information (consolidated basis)

	31 March 2020 (Audited) YEN in million	30 September 2019 (Unaudited) YEN in million
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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.

Capital and capital adequacy

Capital adequacy ratio *	25.46%	24.35%
Shareholders' fund	2,059,079	2,222,406

* The ratios are presented on a consolidated basis in accordance with the guidelines set forth by the Bank for International Settlement. The ratios incorporate market risk and operational risk.

Other financial information

Total assets	35,669,685	35,260,650
Total liabilities	33,597,457	33,025,336
Total loans and advances #	4,724,268	4,926,521
Total deposits	11,567,654	12,200,124
Pre-tax profit/(loss) (term-end figure)	160,341	149,584 @

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 2019

Note: The amounts were stated in YEN in this report. The prevailing exchange rates USD against Japanese YEN for each reporting date are

108.70	107.94
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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