

Mitsubishi UFJ Trust and Banking Corporation

Hong Kong Branch

(Incorporated in Japan with limited liability)

Financial Disclosure for Overseas Incorporated Authorized Institutions

30 September 2021

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

| | Six-month ended 30 September 2021 (HKD'000) | Six-month ended 30 September 2020 (HKD'000) |
|--|---|---|
| Interest income | 122,301 | 141,773 |
| Interest expense | (8,417) | (70,316) |
| Other operating income | | |
| - Gains less losses arising from trading in foreign currencies | (22) | 47 |
| - Gains less losses on securities held for trading purposes | - | - |
| - Gains less losses from other trading activities | - | - |
| - Net fees and commission income (Note 1) | (4,147) | (1,559) |
| - Others | (6,377) | (52,634) |
| Operating expenses | | |
| - Staff expenses | (16,238) | (15,750) |
| - Others | (11,632) | (11,237) |
| 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>75,468</u> | <u>(9,676)</u> |
| Tax expense or tax income | - | - |
| Profit after taxation | <u><u>75,468</u></u> | <u><u>(9,676)</u></u> |
| <u>Notes:</u> | | |
| (1) Fees and commission income | - | 1,258 |
| Fees and commission expenses | (4,147) | (2,817) |
| | <u>(4,147)</u> | <u>(1,559)</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

| | 30 September 2021 (HKD'000) | 31 March 2021 (HKD'000) |
|--|--------------------------------|----------------------------|
| <u>Assets</u> | | |
| Cash and balances with banks (except those included in amount due from overseas offices of the institution) | 1,093,842 | 2,272,914 |
| 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) | 1,557,536 | 3,221,316 |
| Amount due from overseas offices of the institution | 6,273,213 | 2,918,014 |
| Trade Bills | - | - |
| Certificate of deposit held | - | - |
| Securities held for trading purposes | - | - |
| Loans and receivables | | |
| Loans and advances to customers | - | - |
| Loans and advances to banks | - | - |
| Other accounts | 882,217 | 1,041,357 |
| Provisions for impaired loans and receivables | - | - |
| Investment securities | 24,626,558 | 23,360,209 |
| Other investments | 1,933,860 | 1,395,256 |
| Property, plant and equipment and investment properties | 6,301 | 6,810 |
| Total assets | <u>36,373,527</u> | <u>34,215,876</u> |
| <u>Liabilities</u> | | |
| Deposits and balances from banks (except those included in amount due to overseas offices of the institution) | 5,973,875 | 5,233,946 |
| Deposits from customers | | |
| Demand deposits and current accounts | 27 | 28 |
| Savings deposits | 238 | 617 |
| Time, call and notice deposits | 1,564,071 | 87,111 |
| Certificates of deposit issued | 9,178,743 | 8,143,604 |
| Issued debt securities | - | - |
| Amount due to overseas offices of the institution | 6,636,832 | 9,496,928 |
| Amount payable under repos * | 10,482,600 | 9,223,218 |
| Other accounts: | | |
| Current profit/(loss) | 75,468 | 14,476 |
| Provisions | - | - |
| Other liabilities | 2,461,673 | 2,015,948 |
| Total liabilities | <u>36,373,527</u> | <u>34,215,876</u> |
| * Value of securities sold under repo agreements | <u>10,340,421</u> | <u>9,129,381</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

| | 30 September 2021 (HKD'000) | 31 March 2021 (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 new accounting guidance.

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> |

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 (continued)

| | 30 September 2021 (HKD'000) | 31 March 2021 (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> |

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 (continued)

| | 30 September 2021 (HKD'000) | 31 March 2021 (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 | - | - |
| Rescheduled loans and advances to customers as a percentage of total amount of loans and advances to customers | 0.00% | 0.00% |
| 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 | - | - |
| Rescheduled loans and advances to banks as a percentage of total amount of loans and advances to banks | 0.00% | 0.00% |
| 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 | - | - |
| 9) Total amount of repossessed assets held | - | - |

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

| | 30 September 2021 (HKD'000) | 31 March 2021 (HKD'000) |
|---|--------------------------------|----------------------------|
| 1) Contingent liabilities and commitments | | |
| Direct credit substitutes | - | - |
| Other commitments | - | - |
| Others - Forward forward deposits placed | 747,617 | 310,943 |
| | <u>747,617</u> | <u>310,943</u> |
| 2) Derivative transactions | | |
| Exchange rate contracts | 576,782 | 4,452,016 |
| Interest rate contracts | 16,817,712 | 13,419,007 |
| | <u>17,394,494</u> | <u>17,871,023</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 | (4,202) | (33,447) |
| Positive value | - | - |
| Negative value | (4,202) | (33,447) |
| Net fair value of interest rate contracts | (438,454) | (444,906) |
| Positive value | 75,644 | 108,182 |
| Negative value | (514,098) | (553,088) |
| | <u>(442,656)</u> | <u>(478,353)</u> |

Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch

Financial Disclosure for Overseas Incorporated Authorised Institutions

Section A: Branch Information

V. Segmental information

| | 30 September 2021 | 31 March 2021 |
|---|---|---|
| | (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> |

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> |
|---------------------------------------|--------------|------------------------|---------------------------------------|-------------------------------------|--------------|
| As at 30 September 2021 | | | | | |
| <i>1. Developed Countries</i> | 7,096 | 10,470 | 5,065 | 592 | 23,223 |
| France | - | 3,330 | - | - | 3,330 |
| Japan | 6,935 | - | 4,870 | 518 | 12,323 |
| United States | 32 | 6,377 | 154 | - | 6,563 |
| <i>2. Developing Asia and Pacific</i> | 1,307 | 346 | 1,756 | 2,595 | 6,004 |
| China | 862 | 169 | 1,169 | 962 | 3,162 |
| South Korea | 55 | 177 | 89 | 1,160 | 1,481 |
| Taiwan | 390 | - | 498 | 473 | 1,361 |
| <i>3. Offshore Centres</i> | 468 | 42 | 5,141 | 307 | 5,958 |
| Hong Kong | 468 | 42 | 2,729 | 307 | 3,546 |
| Jersey | - | - | 1,934 | - | 1,934 |

| | <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 2021 | | | | | |
| <i>1. Developed Countries</i> | 3,528 | 9,645 | 5,215 | 590 | 18,978 |
| France | - | 2,930 | - | - | 2,930 |
| Japan | 3,438 | - | 5,040 | 516 | 8,994 |
| United States | 25 | 5,938 | 40 | - | 6,003 |
| <i>2. Developing Asia and Pacific</i> | 4,280 | 345 | 1,670 | 2,527 | 8,822 |
| China | 1,905 | 168 | 1,301 | 1,007 | 4,381 |
| Malaysia | 919 | - | - | - | 919 |
| South Korea | 56 | 177 | 90 | 1,022 | 1,345 |
| Taiwan | 1,400 | - | 279 | 498 | 2,177 |
| <i>3. Offshore Centres</i> | 311 | 42 | 4,249 | 307 | 4,909 |
| Hong Kong | 311 | 42 | 2,374 | 307 | 3,034 |
| Jersey | - | - | 1,395 | - | 1,395 |

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> |
|--|--|---|--------------|
| As at 30 September 2021 | | | |
| 1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs) | 1,513 | 21 | 1,534 |
| 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 | 780 | - | 780 |
| 4. Other entities of central government not reported in item 1 above | 912 | 17 | 929 |
| 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 | 81 | 2 | 83 |
| 7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures | 1,040 | 5 | 1,045 |
| Total | 4,326 | 45 | 4,371 |
| Total assets after provision | 36,374 | | |
| On-balance sheet exposures as percentage of total assets | 11.89% | | |
| As at 31 March 2021 | | | |
| 1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs) | 1,514 | 27 | 1,541 |
| 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 | 215 | - | 215 |
| 4. Other entities of central government not reported in item 1 above | 831 | 23 | 854 |
| 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 | 685 | 3 | 688 |
| 7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures | 1,106 | 11 | 1,117 |
| Total | 4,351 | 64 | 4,415 |
| Total assets after provision | 34,216 | | |
| On-balance sheet exposures as percentage of total assets | 12.72% | | |

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)

| As at 30 September 2021 | <u>USD</u> | <u>JPY</u> | <u>EUR</u> | <u>Total</u> |
|--------------------------------|-------------------|-------------------|-------------------|---------------------|
| Spot assets | 29,467 | 1,609 | 4,593 | 35,669 |
| Spot liabilities | (28,944) | (1,613) | (4,573) | (35,130) |
| Forward purchases | 92 | - | - | 92 |
| Forward sales | (593) | - | (8) | (601) |
| Net options position | - | - | - | - |
| Net long (short) position | <u>22</u> | <u>(4)</u> | <u>12</u> | <u>30</u> |
| Net structural position | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | | | | |
| As at 31 March 2021 | <u>USD</u> | <u>JPY</u> | <u>EUR</u> | <u>Total</u> |
| Spot assets | 27,423 | 1,234 | 4,152 | 32,809 |
| Spot liabilities | (23,054) | (1,977) | (4,111) | (29,142) |
| Forward purchases | 122 | 755 | - | 877 |
| Forward sales | (4,488) | - | (6) | (4,494) |
| Net options position | - | - | - | - |
| Net long (short) position | <u>3</u> | <u>12</u> | <u>35</u> | <u>50</u> |
| Net structural position | <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 30 Sep 2021 | For the quarter ended 30 Sep 2020 |
|--|---|---|
| Average liquidity maintenance ratio | <u>184.58%</u> | <u>201.37%</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.

Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch

Financial Disclosure for Overseas Incorporated Authorised Institutions

Section A: Branch Information

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 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 18. 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 2021 to 30 September 2021

HKD'000

Fixed Pay 7,239

Variable Pay 632

Remuneration for

1 April 2020 to 30 September 2020

HKD'000

Fixed Pay 6,491

Variable Pay 619

Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch

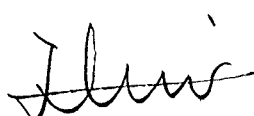
Financial Disclosure for Overseas Incorporated Authorised Institutions

Section B: Bank Information (consolidated basis)

| | 30 September 2021 (Unaudited) YEN in million | 31 March 2021 (Audited) 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. | | |
| Capital and capital adequacy | | |
| Capital adequacy ratio * | 23.25% | 22.47% |
| Shareholders' fund | 2,475,103 | 2,354,200 |
| * 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 | 38,656,209 | 37,151,742 |
| Total liabilities | 36,167,493 | 34,784,128 |
| Total loans and advances # | 4,060,960 | 4,241,209 |
| Total deposits | 11,644,361 | 11,479,530 |
| Pre-tax profit/(loss) (interim figure) | 126,994 | 64,994 @ |
| # 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 six-month ended 30 September 2020 | | |
| Note: The amounts were stated in YEN in this report. The prevailing exchange rates USD against Japanese YEN for each reporting date are | | |
| | 111.94 | 110.65 |

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.



Maromi Oike
Chief Executive
Hong Kong Branch