

Mitsubishi UFJ Trust and Banking Corporation

Hong Kong Branch

(Incorporated in Japan with limited liability)

Financial Disclosure for Overseas Incorporated Authorized Institutions

30 September 2023

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 2105-7, 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 30 September 2023 (HKD'000)	Year ended 30 September 2022 (HKD'000)
Interest income	596,849	300,484
Interest expense	(462,008)	(178,492)
Other operating income		
- Gains less losses arising from trading in foreign currencies	2,829	(250)
- Gains less losses on securities held for trading purposes	-	-
- Gains less losses from other trading activities	-	-
- Net fees and commission income (Note 1)	(2,098)	(3,397)
- Others	(100,690)	(49,064)
Operating expenses		
- Staff and rental expenses	(22,118)	(21,594)
- Others	(8,275)	(6,225)
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	(606)	18
Profit before taxation	3,883	41,480
Tax expense or tax income	-	-
Profit after taxation	3,883	41,480
<u>Notes:</u>		
(1) Fees and commission income	37	-
Fees and commission expenses	(2,135)	(3,397)
	(2,098)	(3,397)
(2) Provision for impaired loans and receivables written back	-	-
Bad debt recovered	-	-
	-	-

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II. Balance sheet information

	30 September 2023 (HKD'000)	31 March 2023 (HKD'000)
<u>Assets</u>		
Cash and balances with banks (except those included in amount due from overseas offices of the institution)	193,047	679,709
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)	-	839,947
Amount due from overseas offices of the institution	3,495,511	4,814,682
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	2,632,682	1,954,117
Provisions for impaired loans and receivables	-	-
Investment securities	12,831,435	13,602,221
Other investments	1,069,650	1,258,334
Property, plant and equipment and investment properties	9,829	7,466
Total assets	<u>20,232,154</u>	<u>23,156,476</u>
<u>Liabilities</u>		
Deposits and balances from banks (except those included in amount due to overseas offices of the institution)	7,502,239	12,876,022
Deposits from customers		
Demand deposits and current accounts	27	27
Savings deposits	161	163
Time, call and notice deposits	3,013,342	1,059,538
Certificates of deposit issued	-	-
Issued debt securities	-	-
Amount due to overseas offices of the institution	4,482,271	3,786,093
Amount payable under repos	3,956,643	4,459,099
Other accounts:		
Current profit/(loss)	3,883	5,222
Provisions	-	-
Other liabilities	1,273,588	970,312
Total liabilities	<u>20,232,154</u>	<u>23,156,476</u>

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III. Additional balance sheet information

	30 September 2023 (HKD'000)	31 March 2023 (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>

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III. Additional balance sheet information (continued)

	30 September 2023 (HKD'000)	31 March 2023 (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)

	30 September 2023 (HKD'000)	31 March 2023 (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	-	-

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IV. Off-balance sheet exposure

	30 September 2023 (HKD'000)	31 March 2023 (HKD'000)
1) Contingent liabilities and commitments		
Direct credit substitutes	-	-
Other commitments	-	-
Others - Forward forward deposits placed	939,438	-
	<u>939,438</u>	<u>-</u>
2) Derivative transactions		
Exchange rate contracts	438,981	242,463
Interest rate contracts	11,069,706	10,463,183
	<u>11,508,687</u>	<u>10,705,646</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	(667)	(363)
Positive value	923	37
Negative value	(1,590)	(400)
Net fair value of interest rate contracts	1,000,248	731,842
Positive value	1,000,969	735,013
Negative value	(721)	(3,171)
	<u>999,581</u>	<u>731,479</u>

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V. Segmental information

	30 September 2023	31 March 2023
	(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 30 September 2023					
<i>1. Developed Countries</i>	3,703	3,258	2,507	1,900	11,368
Japan	3,566	47	2,278	1,900	7,791
United States	29	1,673	174	-	1,876
<i>2. Developing Asia and Pacific</i>	292	724	625	1,519	3,160
South Korea	260	507	173	904	1,844
<i>3. Offshore Centres</i>	-	39	2,729	265	3,033
Hong Kong	-	39	1,495	265	1,799
	<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 2023					
<i>1. Developed Countries</i>	5,815	4,493	2,871	605	13,784
Japan	5,713	-	2,681	533	8,927
United States	37	2,117	135	-	2,289
<i>2. Developing Asia and Pacific</i>	524	464	1,009	1,909	3,906
South Korea	109	238	57	1,128	1,532
<i>3. Offshore Centres</i>	-	39	2,970	289	3,298
Hong Kong	-	39	1,543	289	1,871

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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 30 September 2023			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	603	-	603
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	413	-	413
4. Other entities of central government not reported in item 1 above	598	-	598
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	76	-	76
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	373	-	373
Total	2,063	-	2,063
Total assets after provision	20,232		
On-balance sheet exposures as percentage of total assets	10.20%		
As at 31 March 2023			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	1,184	-	1,184
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	581	-	581
4. Other entities of central government not reported in item 1 above	702	-	702
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	75	-	75
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	375	-	375
Total	2,917	-	2,917
Total assets after provision	23,156		
On-balance sheet exposures as percentage of total assets	12.60%		

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VI. Currency risk

Foreign currency exposures (Equivalent in millions of HKD)

As at 30 September 2023	<u>USD</u>	<u>JPY</u>	<u>EUR</u>	<u>CNY</u>	<u>Total</u>
Spot assets	17,138	863	1,769	244	20,014
Spot liabilities	(17,173)	(833)	(1,776)	(6)	(19,788)
Forward purchases	238	-	-	-	238
Forward sales	(201)	-	-	(229)	(430)
Net options position	-	-	-	-	-
Net long (short) position	<u>2</u>	<u>30</u>	<u>(7)</u>	<u>9</u>	<u>34</u>
Net structural position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 31 March 2023	<u>USD</u>	<u>JPY</u>	<u>EUR</u>	<u>CNY</u>	<u>Total</u>
Spot assets	18,656	1,078	2,822	245	22,801
Spot liabilities	(18,877)	(1,044)	(2,810)	(9)	(22,740)
Forward purchases	239	-	-	4	243
Forward sales	-	(4)	-	(235)	(239)
Net options position	-	-	-	-	-
Net long (short) position	<u>18</u>	<u>30</u>	<u>12</u>	<u>5</u>	<u>65</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 30 September 2023	For the quarter ended 30 September 2022
Average liquidity maintenance ratio	105.58%	164.72%

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.

VIII. Climate Risk

HK Branch is currently relying on the climate risk management framework developed by our parent company, Mitsubishi UFJ Financial Group, Inc. ("MUFG"), to manage related risk. MUFG has declared its support of relevant recommendations formulated by the Task Force on Climate-related Financial Disclosures ("TCFD"). Please refer to the 'MUFG TCFD Report 2022' for status of response to TCFD recommendations including Governance (page 8), Strategy (page 12), Risk Management (page 42) and Metrics and Targets (page 47).

URL: <https://www.mufg.jp/english/csr/report/tcf/index.html>

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Section A: Branch Information

IX. 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 21. 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 2023 to 30 September 2023

HKD'000

Fixed Pay	8,345
Variable Pay	806

Remuneration for

1 April 2022 to 30 September 2022

HKD'000

Fixed Pay	8,606
Variable Pay	778

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Section B: Bank Information (consolidated basis)

	30 September 2023 (Unaudited) YEN in million	31 March 2023 (Audited) 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 *	19.89%	20.67%
Shareholders' fund	2,402,599	2,303,974

* 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

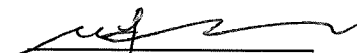
Total assets	43,039,763	39,881,284
Total liabilities	40,623,028	37,563,251
Total loans and advances #	4,153,468	3,112,741
Total deposits	13,010,158	11,974,730
Pre-tax profit/(loss)	94,348	136,272 @

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 2022

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.


 Masaki Yabe
 Chief Executive
 Hong Kong Branch