

Mitsubishi UFJ Trust and Banking Corporation

Hong Kong Branch

(Incorporated in Japan with limited liability)

Financial Disclosure for Overseas Incorporated Authorized Institutions

30 September 2024

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

	Six-month ended 30 September 2024 (HKD'000)	Six-month ended 30 September 2023 (HKD'000)
Interest income	644,571	596,849
Interest expense	(604,751)	(462,008)
Other operating income		
- Gains less losses arising from trading in foreign currencies	3,299	2,829
- Gains less losses on securities held for trading purposes	-	-
- Gains less losses from other trading activities	-	-
- Net fees and commission income (Note 1)	(1,426)	(2,098)
- Others	10,959	(100,690)
Operating expenses		
- Staff and rental expenses	(20,391)	(22,118)
- Others	(6,609)	(8,275)
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)
Profit before taxation	<u>25,652</u>	<u>3,883</u>
Tax expense or tax income	-	-
Profit after taxation	<u><u>25,652</u></u>	<u><u>3,883</u></u>
Notes:		
(1) Fees and commission income	27	37
Fees and commission expenses	<u>(1,453)</u>	<u>(2,135)</u>
	<u><u>(1,426)</u></u>	<u><u>(2,098)</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>

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 2024 (HKD'000)	31 March 2024 (HKD'000)
<u>Assets</u>		
Cash and balances with banks (except those included in amount due from overseas offices of the institution)	53,349	83,241
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)	-	782,375
Amount due from overseas offices of the institution	4,956,105	4,912,975
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	651,760	818,316
Provisions for impaired loans and receivables	-	-
Investment securities	12,269,460	9,928,743
Other investments	27,254	-
Property, plant and equipment and investment properties	10,143	9,903
Total assets	<u>17,968,071</u>	<u>16,535,553</u>
<u>Liabilities</u>		
Deposits and balances from banks (except those included in amount due to overseas offices of the institution)	10,513,626	5,804,568
Deposits from customers		
Demand deposits and current accounts	-	-
Savings deposits	157	158
Time, call and notice deposits	3,240,561	4,758,335
Certificates of deposit issued	-	-
Issued debt securities	-	-
Amount due to overseas offices of the institution	3,679,441	4,648,815
Amount payable under repos	-	1,227,076
Other liabilities	534,286	96,601
Total liabilities	<u>17,968,071</u>	<u>16,535,553</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 2024 (HKD'000)	31 March 2024 (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 2024 (HKD'000)	31 March 2024 (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 2024 (HKD'000)	31 March 2024 (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 2024 (HKD'000)	31 March 2024 (HKD'000)
1) Contingent liabilities and commitments		
Direct credit substitutes	-	-
Other commitments	-	-
Others - Forward forward deposits placed	372,868	625,900
	<u>372,868</u>	<u>625,900</u>
2) Derivative transactions		
Exchange rate contracts	6,390,297	2,500,246
Interest rate contracts	12,235,157	9,762,471
	<u>18,625,454</u>	<u>12,262,717</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	8,768	(441)
Positive value	11,262	830
Negative value	(2,494)	(1,271)
Net fair value of interest rate contracts	70,120	512,233
Positive value	285,436	521,912
Negative value	(215,316)	(9,679)
	<u>78,888</u>	<u>511,792</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 2024	31 March 2024
	(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 2024					
1. <i>Developed Countries</i>	4,978	5,269	1,521	-	11,768
Japan	4,968	5,015	811	-	10,794
2. <i>Developing Asia and Pacific</i>	599	305	646	2,293	3,843
South Korea	564	77	646	1,601	2,888
	<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 2024					
1. <i>Developed Countries</i>	5,122	4,062	661	-	9,845
Japan	5,084	4,062	387	-	9,533
2. <i>Developing Asia and Pacific</i>	1,251	334	401	2,277	4,263
South Korea	431	114	401	1,275	2,221

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 2024			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	488	-	488
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	185	-	185
4. Other entities of central government not reported in item 1 above	634	-	634
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	-	81
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	312	-	312
Total	1,700	-	1,700
Total assets after provision	17,968		
On-balance sheet exposures as percentage of total assets	9.46%		
As at 31 March 2024			
1. Central government, central government-owned entities and their subsidiaries and joint ventures (JVs)	616	-	616
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	420	-	420
4. Other entities of central government not reported in item 1 above	663	-	663
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	78	-	78
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	295	-	295
Total	2,072	-	2,072
Total assets after provision	16,536		
On-balance sheet exposures as percentage of total assets	12.53%		

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 2024	<u>USD</u>	<u>JPY</u>	<u>CNY</u>	<u>Total</u>
Spot assets	17,421	59	257	17,737
Spot liabilities	(12,205)	(64)	(1)	(12,270)
Forward purchases	586	-	-	586
Forward sales	(5,794)	-	(231)	(6,025)
Net options position	-	-	-	-
Net long (short) position	<u>8</u>	<u>(5)</u>	<u>25</u>	<u>28</u>
Net structural position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 31 March 2024	<u>USD</u>	<u>JPY</u>	<u>CNY</u>	<u>Total</u>
Spot assets	16,008	23	250	16,281
Spot liabilities	(13,792)	-	(3)	(13,795)
Forward purchases	238	-	4	242
Forward sales	(2,260)	(4)	(229)	(2,493)
Net options position	-	-	-	-
Net long (short) position	<u>194</u>	<u>19</u>	<u>22</u>	<u>235</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 September 2024	For the quarter ended 30 September 2023
Average liquidity maintenance ratio	<u>123.43%</u>	<u>105.58%</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 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 3.2.6 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 2024 to 30 September 2024</u>	<u>HKD'000</u>
Fixed Pay	8,471
Variable Pay	892
Remuneration for	
<u>1 April 2023 to 30 September 2023</u>	<u>HKD'000</u>
Fixed Pay	8,345
Variable Pay	806

Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch

Financial Disclosure for Overseas Incorporated Authorised Institutions

Section B: Bank Information (consolidated basis)

	30 September 2024 (Unaudited) YEN in million	31 March 2024 (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 *	21.02%	20.42%
Shareholders' fund	2,613,918	2,603,780

* 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	39,433,895	41,343,755
Total liabilities	36,786,997	38,708,411
Total loans and advances #	3,026,657	3,081,135
Total deposits	14,399,359	13,583,208
Pre-tax profit/(loss)	181,737	94,348 @

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 2023

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