

# **Mitsubishi UFJ Trust and Banking Corporation**

## **Hong Kong Branch**

(Incorporated in Japan with limited liability)

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

**30 September 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

	Six-month ended 30 September 2019 (HKD'000)	Six-month ended 30 September 2018 (HKD'000)
Interest income	264,663	275,067
Interest expense	(208,289)	(203,711)
Other operating income		
- Gains less losses arising from trading in foreign currencies	23	(77)
- Gains less losses on securities held for trading purposes	-	-
- Gains less losses from other trading activities	-	-
- Net fees and commission income (Note 1)	(4,266)	(4,114)
- Others	24,679	20,764
Operating expenses		
- Staff expenses	(16,075)	(14,958)
- Others	(14,846)	(12,556)
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>45,889</u>	<u>60,415</u>
Tax expense or tax income	-	-
Profit after taxation	<u><u>45,889</u></u>	<u><u>60,415</u></u>
<u>Notes:</u>		
(1) Fees and commission income	4	9
Fees and commission expenses	<u>(4,270)</u>	<u>(4,123)</u>
	<u><u>(4,266)</u></u>	<u><u>(4,114)</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 2019 (HKD'000)	31 March 2019 (HKD'000)
<b>Assets</b>		
Cash and balances with banks (except those included in amount due from overseas offices of the institution)	611,064	1,043,886
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)	2,966,952	1,663,678
Amount due from overseas offices of the institution	599,177	614,099
Trade Bills	-	-
Certificate of deposit held	-	-
Securities held for trading purposes	-	-
Loans and receivables		
Loans and advances to customers	-	-
Loans and advances to banks	784,408	1,962,483
Other accounts	891,262	537,969
Provisions for impaired loans and receivables	-	-
Investment securities	21,559,390	20,927,455
Other investments	515,283	699,115
Property, plant and equipment and investment properties	5,230	5,582
Total assets	<u>27,932,766</u>	<u>27,454,267</u>
<b>Liabilities</b>		
Deposits and balances from banks (except those included in amount due to overseas offices of the institution)	6,077,735	5,660,713
Deposits from customers		
Demand deposits and current accounts	28	28
Savings deposits	1,659	2,842
Time, call and notice deposits	961,082	668,345
Certificates of deposit issued	730,000	460,000
Issued debt securities	-	-
Amount due to overseas offices of the institution	7,113,532	6,374,386
Amount payable under repos *	11,031,492	12,712,275
Other accounts:		
Current profit/(loss)	45,889	117,295
Provisions	-	-
Other liabilities	1,971,349	1,458,383
Total liabilities	<u>27,932,766</u>	<u>27,454,267</u>
* Value of securities sold under repo agreements	<u>11,003,010</u>	<u>12,710,877</u>

**Mitsubishi UFJ Trust and Banking Corporation, Hong Kong Branch**  
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**Section A: Branch Information**

**III. Additional balance sheet information**

	30 September 2019 (HKD'000)	31 March 2019 (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 (continued)

	30 September 2019 (HKD'000)	31 March 2019 (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 (continued)

	30 September 2019 (HKD'000)	31 March 2019 (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

See Branch Information

### IV. Off-balance sheet exposure

	30 September 2019 (HKD'000)	31 March 2019 (HKD'000)
<b>1) Contingent liabilities and commitments</b>		
Direct credit substitutes	-	-
Other commitments	-	-
Others - Forward forward deposits placed	1,288,518	110,000
	<u>1,288,518</u>	<u>110,000</u>
<b>2) Derivative transactions</b>		
Exchange rate-related derivative contracts	2,947,857	1,371,294
Interest rate derivative contracts	13,210,935	11,000,700
	<u>16,158,792</u>	<u>12,371,994</u>
<b>3) Total fair value of derivative transactions (the effect of bilateral netting agreement has not been taken into account)</b>		
Net fair value of exchange rate-related derivative contracts	(6,457)	(50,850)
Positive value	377	-
Negative value	(6,834)	(50,850)
Net fair value of interest rate derivative contracts	(576,219)	(249,151)
Positive value	10,384	20,546
Negative value	(586,603)	(269,697)
	<u>(582,676)</u>	<u>(300,001)</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 2019	31 March 2019
	(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 30 September 2019</b>					
<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
<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

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**Section A: Branch Information**

**V. Segmental information (continued)**

<u>Types of Counterparties</u>	<u>On-balance sheet exposure</u>	<u>Off-balance sheet exposure</u>	<u>Total</u>
<b>6) Non-bank Mainland exposures</b> (Equivalent in million of HKD)			
<b>As at 30 September 2019</b>			
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%		
<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%		

# 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 30 September 2019</b>	<b>USD</b>	<b>JPY</b>	<b>EUR</b>	<b>CNY</b>	<b>Total</b>
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>
<b>As at 31 March 2019</b>	<b>USD</b>	<b>JPY</b>	<b>EUR</b>	<b>CNY</b>	<b>Total</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>

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**  
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**Section A: Branch Information**

**VII. Liquidity**

	<b>For the quarter ended 30 Sep 2019</b>	<b>For the quarter ended 30 Sep 2018</b>
<b>Average liquidity maintenance ratio</b>	<u>106.28%</u>	<u>80.39%</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

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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 20. 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:-

<b>Remuneration for</b>	
<b><u>1 April 2019 to 30 September 2019</u></b>	<b><u>HKD'000</u></b>
Fixed Pay	6,801
Variable Pay	541
<b>Remuneration for</b>	
<b><u>1 April 2018 to 30 September 2018</u></b>	<b><u>HKD'000</u></b>
Fixed Pay	6,169
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)

	30 September 2019 (Unaudited) YEN in million	31 March 2019 (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 *	24.35%	24.40%
Shareholders' fund	2,222,406	2,114,625

\* 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	35,260,650	37,345,649
Total liabilities	33,025,336	35,218,326
Total loans and advances #	4,926,521	5,157,251
Total deposits	12,200,124	13,411,708
Pre-tax profit/(loss) (interim figure)	72,376	103,235 @

# 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 2018

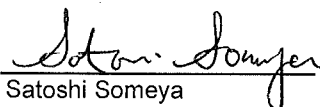
Note: The amounts were stated in YEN in this report. The prevailing exchange rates USD against Japanese YEN for each reporting date are

107.94

111.01

#### 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