# MUFG Securities EMEA plc Consolidated Pillar 3 Disclosure

**30TH JUNE 2024**

**MUFG Securities EMEA plc**
A member of MUFG, a global financial group

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# 1. About MUFG Securities EMEA plc

MUFG Securities EMEA plc ("The Group") is a wholly-owned international capital markets subsidiary of Mitsubishi UFJ Securities Holdings Co. Ltd. ("MUSHD"), which is wholly owned by Mitsubishi UFJ Financial Group ("MUFG") and was established in 1983. The Group's Tier 1 capital at 30 June 2024 was £2,009 million.

MUFG was formed in October 2005 through the merger of Mitsubishi Tokyo Financial Group and UFJ Holdings and is one of the world's largest and most diversified financial groups. MUFG's services include commercial banking, trust banking, investment banking, credit cards, consumer finance, asset management, leasing and other financial service activities.

The Group actively trades in fixed income, equity and structured finance products, providing client solutions across primary and secondary markets. The client group includes financial institutions, corporations and central banks. The Group primarily supports this client group from its base in London and additionally operates a branch in the Dubai International Financial Centre.

The Group established a wholly owned subsidiary in The Netherlands, namely MUFG Securities (Europe) N.V. ("MUS(EU)"), as well as a branch of that entity in Paris, to support the continued servicing of clients across Europe. MUS(EU) was granted a MiFID II Investment Firm Licence in The Netherlands in December 2018 and commenced trading in March 2019. MUS(EU) was granted a credit institution licence in 2022. The scope of this document covers MUS(EMEA) and MUS(EU) on a consolidated basis.

The Group works in close partnership with MUFG and its corporate bank, MUFG Bank, Ltd. ("MUFG Bank"), to ensure its clients experience seamless product delivery that meets all of their objectives.

# 2. Introduction

The Basel II Framework was implemented in the European Union via the Capital Requirements Directive ("CRD") in June 2006. The framework is made up of three pillars:

- Pillar 1 (Minimum capital requirements)
  Pillar 1 sets out 'minimum capital requirements'. It covers the calculation of risk weighted exposure amounts ("RWEA") and the capital resources requirements for credit risk, market risk and operational risk. Credit risk includes counterparty credit risk and concentration risk.

- Pillar 2 (Supervisory review process)
  Pillar 2 capital framework is intended to ensure that firms have adequate capital to support the relevant risks in their business, and that they have appropriate processes to ensure compliance with the CRD. It considers whether additional capital is required over and above the Pillar 1 capital requirements. A firm's internal capital adequacy assessment process ("ICAAP") supports this process.

- Pillar 3 (Market discipline)
  Pillar 3 of the Basel framework aims to promote market discipline through regulatory disclosure requirements. It covers external disclosures of capital and risk exposures to increase transparency and improve comparability and consistency of disclosures.

The Basel Committee agreed updates to the Basel framework in July 2009, commonly referred to as Basel 2.5. These seek to better capture risk from securitisation and trading book exposures and were incorporated into European law via amendments to the CRD known as the "Third Capital Requirements Directive" or "CRD III".

Basel III, released in December 2010, builds on Basel 2.5. It sets higher capital and liquidity requirements to be phased in over the coming years. In the EU, Basel III was implemented through the Capital Requirements Regulation ("CRR") and CRD IV in January 2014. The UK Prudential Regulation Authority ("PRA") published final rules for implementing CRD IV in its Policy Statement 7/13. Reporting and Disclosure requirements are covered in the Policy Statement.

In the UK, all European legislation that was in place on 31 December 2020 was onshored into UK law, subject to certain amendments. In Oct 2021, the PRA published PS22/21 Implementation of Basel standards – Final rules and 'The UK leverage ratio framework' in PS21/21. The final rules specified how the PRA implements the remaining Basel standards with the PRA rules set out these policy statements.

The PRA issued PS17/23, 'Implementation of the Basel 3.1 standards – Near-final part 1' in December 2023 and PS9/24, 'Implementation of the Basel 3.1 standards – Near-final part 2' in September 2024 on the implementation of the remaining Basel reforms that the PRA refers to as Basel 3.1. These policy statements cover the parts of the Basel III standards that remain to be implemented in the UK such as market risk, credit risk mitigation, Credit Valuation Adjustment ("CVA") capital requirements, operational risk and Pillar 3 disclosures. The proposed implementation date of these standards is 1 January 2026.

The Pillar 3 are prepared in accordance with the latest PRA rules and the disclosures are available on the Group's corporate website (www.mufgemea.com). Disclosure in respect of remuneration as required under Article 450 of the CRR is separately published on the same website and forms part of the Pillar 3 disclosure for the Group.

The Pillar 3 disclosures were verified and approved internally, including a review by the Board of Directors to ensure that the external disclosures convey the Group's capital and risk profile comprehensively, subject to materiality and proprietary confidentiality. There is no requirement for external auditing of these disclosures.

## 2.1 Management Attestation

I confirm that the information included in this disclosure complies to the best of my knowledge with the CRR disclosure requirements and has been prepared in accordance with the relevant formal policies and internal processes, systems and controls of the Group.

Tony Syson
Chief Financial Officer, MUS(EMEA)

# 3. Regulatory Approach

The Group is regulated by the UK PRA and Financial Conduct Authority ("FCA") and is subject to minimum capital adequacy standards. The Group calculates appropriate capital requirements for each of its material risks.

## 3.1 Methodologies for capital calculations

**Pillar 1 Credit Risk**

The Group's credit risk requirement is measured under the Standardised Approach in accordance with Title 2 of Part Three within CRR.

**Pillar 1 Market Risk**

The calculation of the Group's market risk capital requirements is primarily based on its Value at Risk ("VaR") model which has been approved by the PRA. Market risk capital requirements for a small number of positions are calculated using the Standardised Approach.

**Pillar 1 Operational Risk**

The Group calculates its operational risk using the Standardised Approach in accordance with Title 3 of Part Three within CRR.

**Basis of consolidation**

In this disclosure, the Group is presented on a consolidated basis and there is no difference between the financial accounting consolidation and the regulatory consolidation used for regulatory reporting purposes.

# 4. Key Prudential Metrics

The table below summarises the main prudential regulation measures and ratios.

**Table 1: Key Metrics (KM1)**

| | | 30 Jun 2024 £m | 31 Mar 2024 £m | 31 Dec 2023 £m | 30Sep 2023 £m | 30 Jun 2023 £m |
|---|---|---|---|---|---|---|
| **Available own funds (amounts)** | | | | | | |
| 1 | Common Equity Tier 1 (“CET1”) capital | 1,546 | 1,543 | 1,517 | 1,514 | 1,532 |
| 2 | Tier 1 capital | 2,009 | 2,007 | 1,981 | 1,978 | 1,996 |
| 3 | Total capital | 2,226 | 2,237 | 2,226 | 2,219 | 2,235 |
| **Risk-weighted exposure amounts** | | | | | | |
| 4 | Total risk-weighted exposure amount | 7,696 | 6,800 | 8,578 | 8,519 | 8,770 |
| **Capital ratios (as a percentage of risk-weighted exposure amount)** | | | | | | |
| 5 | Common Equity Tier 1 ratio (%) | 20.08% | 22.70% | 17.68% | 17.77% | 17.47% |
| 6 | Tier 1 ratio (%) | 26.11% | 29.52% | 23.09% | 23.22% | 22.76% |
| 7 | Total capital ratio (%) | 28.92% | 32.90% | 25.94% | 26.05% | 25.49% |
| **Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)** | | | | | | |
| UK 7a | Additional CET1 SREP requirements (%) | 2.57% | 2.57% | 2.57% | 2.57% | 2.57% |
| UK 7b | Additional AT1 SREP requirements (%) | 0.86% | 0.86% | 0.86% | 0.86% | 0.86% |
| UK 7c | Additional T2 SREP requirements (%) | 1.14% | 1.14% | 1.14% | 1.14% | 1.14% |
| UK 7d | Total SREP own funds requirements (%) | 12.56% | 12.56% | 12.56% | 12.56% | 12.56% |
| **Combined buffer requirement (as a percentage of risk-weighted exposure amount)** | | | | | | |
| 8 | Capital conservation buffer (%) | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| UK 8a | Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 9 | Institution specific countercyclical capital buffer (%) | 1.08% | 0.83% | 0.78% | 0.63% | 0.43% |
| UK 9a | Systemic risk buffer (%) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 10 | Global Systemically Important Institution buffer (%) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| UK 10a | Other Systemically Important Institution buffer | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 11 | Combined buffer requirement (%) | 3.58% | 3.33% | 3.28% | 3.13% | 2.93% |
| UK 11a | Overall capital requirements (%) | 16.14% | 15.89% | 15.84% | 15.69% | 15.49% |
| 12 | CET1 available after meeting the total SREP own funds requirements (%) | 13.02% | 15.63% | 10.62% | 10.71% | 10.41% |
| **Leverage ratio** | | | | | | |
| 13 | Total exposure measure excluding claims on central banks | 48,103 | 50,394 | 47,689 | 48,679 | 51,036 |
| 14 | Leverage ratio excluding claims on central banks (%) | 4.18% | 3.98% | 4.15% | 4.06% | 3.91% |
| **Additional Leverage Ratio Requirements** | | | | | | |
| 14a | Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%) | 4.18% | 3.98% | 4.15% | 4.06% | 3.91% |
| 14b | Leverage ratio including claims on central banks (%) | 3.97% | 3.77% | 4.01% | 3.91% | 3.86% |
| 14c | Average leverage ratio excluding claims on central banks (%) | 4.02% | 4.05% | 3.89% | 3.94% | 3.86% |
| 14d | Average leverage ratio including claims on central banks (%) | 3.79% | 3.87% | 3.75% | 3.81% | 3.66% |
| 14e | Countercyclical leverage ratio buffer (%) | 0.38% | 0.29% | 0.27% | 0.22% | 0.15% |
| **Liquidity Coverage Ratio (“LCR”)** | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| 15 | Total high-quality liquid assets (HQLA) (Weighted value - average) | 6,848 | 6,830 | 6,992 | 7,267 | 7,479 |
| UK 16a | Cash outflows - Total weighted value | 6,948 | 7,161 | 7,286 | 7,395 | 7,406 |
| UK 16b | Cash inflows - Total weighted value | 4,144 | 4,368 | 4,472 | 4,537 | 4,589 |
| 16 | Total net cash outflows (adjusted value) | 2,804 | 2,792 | 2,814 | 2,858 | 2,817 |
| 17 | Liquidity coverage ratio (%) | 246% | 251% | 251% | 260% | 275% |
| **Net Stable Funding Ratio** | | | | | | |
| 18 | Total available stable funding | 10,786 | 10,977 | 11,302 | 11,669 | 12,030 |
| 19 | Total required stable funding | 9,084 | 9,223 | 9,626 | 10,182 | 10,743 |
| 20 | NSFR ratio (%) | 119% | 119% | 117% | 115% | 113% |

Own funds was stable over the first half of 2024 as the inclusion of financial year 2023 retained earnings, was offset by FX moves on JPY denominated Tier 2 capital.

RWEAs decreased over the period due to reductions in counterparty credit risk and large exposures due a decrease in bilateral derivative and securities financing exposures.

Capital ratios improved due to the reduction in RWEAs.

Leverage ratio decreased driven by an increase in leverage ratio exposures driven by an increase in reverse repo exposures across a number of financial counterparties, partly offset by the increase in Tier 1 capital following the inclusion of 2023 retained earnings.

LCR and Net Stable Funding Ratio ("NSFR") were stable over the period.

# 5. Capital Resources

The Group's regulatory capital resources are assessed under the CRR and CRD. The Group's capital consists of Tier 1 – share capital, retained earnings and Additional Tier 1 ("AT1"), and Tier 2 – subordinated debt which is fixed term and denominated in Japanese yen.

The Group manages its risk profile and its capital resources with the objective of maintaining a capital ratio in excess of the Capital Resources Requirement for its risk profile at all times. The management of the Group's capital is carried out under the principle that it should not unexpectedly need to raise new capital or significantly reduce its risk taking in order to meet its capital management objectives. The Group has fulfilled its capital requirements at all times during the half-year.

MUFG and the Group's affiliate MUFG Bank provide support arrangements to the Group, including a 'Keep Well Agreement'. The Group is not aware of any material impediments to the transfer of capital resources from its parent or affiliate.

The breakdown of own funds and capital ratios is shown in Table 1 on page 8.

# 6. Capital Requirements

The Pillar 1 framework provides the basis for capital requirements arising from credit, market and operational risk. It covers the calculation of RWEA and the capital requirements. The Pillar 2 framework requires firms to hold capital for all risks not sufficiently covered in the Pillar 1 framework and ensures that firms have adequate capital to support the relevant risks in their business. The table below sets out the Group's RWEAs and own funds requirements.

**Table 2: Overview of Risk Weighted Exposure Amounts (OV1)**

| | (£m) | Risk weighted exposure amounts (RWEAs) 30 Jun 2024 | 31 Mar 2024 | Total own funds requirements 30 Jun 2024 |
|---|---|---|---|---|
| **1** | **Credit risk (excluding CCR)** | **888** | **874** | **71** |
| 2 | Of which the standardised approach | 888 | 874 | 71 |
| 3 | Of which the foundation IRB (FIRB) approach | - | - | - |
| 4 | Of which slotting approach | - | - | - |
| UK 4a | Of which equities under the simple risk-weighted approach | - | - | - |
| 5 | Of which the advanced IRB (AIRB) approach | - | - | - |
| **6** | **Counterparty credit risk - CCR** | **2,208** | **2,596** | **177** |
| 7 | Of which the standardised approach | 1,596 | 1,806 | 128 |
| 8 | Of which internal model method (IMM) | - | - | - |
| UK 8a | Of which exposures to a Central Counterparty ("CCP") | 60 | 58 | 5 |
| UK 8b | Of which credit valuation adjustment - CVA | 551 | 731 | 44 |
| 9 | Of which other CCR | | | - |
| 10 | Empty set in the UK | | | |
| 11 | Empty set in the UK | | | |
| 12 | Empty set in the UK | | | |
| 13 | Empty set in the UK | | | |
| 14 | Empty set in the UK | | | |
| **15** | **Settlement risk** | **0** | **0** | **0** |
| **16** | **Securitisation exposures in the non-trading book (after the cap)** | **-** | **-** | **-** |
| 17 | Of which SEC-IRBA approach | - | - | - |
| 18 | Of which SEC-ERBA (including IAA) | - | - | - |
| 19 | Of which SEC-SA approach | - | - | - |
| UK 19a | Of which 1250%/ deduction | - | - | - |
| **20** | **Position, foreign exchange and commodities risks (Market risk)** | **3,664** | **2,445** | **293** |
| 21 | Of which the standardised approach | 128 | 136 | 10 |
| 22 | Of which IMA | 3,536 | 2,309 | 283 |
| **UK 22a** | **Large exposures** | **139** | **47** | **11** |
| **23** | **Operational risk** | **797** | **837** | **64** |
| UK 23a | Of which basic indicator approach | - | - | - |
| UK 23b | Of which standardised approach | 797 | 837 | 64 |
| UK 23c | Of which advanced measurement approach | - | - | - |
| 24 | Amounts below the thresholds for deduction (subject to 250% risk weight) (For information) | - | - | - |
| 25 | Empty set in the UK | | | |
| 26 | Empty set in the UK | | | |
| 27 | Empty set in the UK | | | |
| 28 | Empty set in the UK | | | |
| **29** | **Total** | **7,696** | **6,800** | **616** |

# 7. Credit Risk

Credit risk is the risk of loss resulting from client, issuer or counterparty default and arises on credit exposure in all forms, including settlement risk. The Group measures credit risk capital requirements using the Standardised Approach.

## 7.1 Methodology

The Group takes counterparty and/or issuer credit risk through most of its business activities. Counterparty credit risk arises from derivatives and SFTs. It is calculated in both the trading and non-trading books. The Group uses Standardised approach for counterparty credit risk.

Day–to-day responsibility for the management of credit risk resides with the front office departments and responsibility for second line review, challenge and oversight is with the Credit Risk Management ("CRM") department which is within the Risk department. The Risk Analytics Group ("RAG") is responsible for the design of credit risk management models. Daily credit risk reports are prepared for Senior Management and front office departments using the Group's in house and vendor systems with on-going deliveries of enhancements to prevailing risk methodologies/reporting to ensure that the Group adheres to the changing general regulatory guidelines/recommendations.

Per Article 113 of CRR, the Group is required to use rating agencies' credit assessments for the determination of risk weights under the standardised approach to credit risk. The credit assessment should be produced by an eligible External Credit Assessment Institution ("ECAI") and used in a consistent manner over time. For regulatory purposes, the Group has selected Moody's Rating Agency as its nominated ECAI, with the exception of securitisation exposures where DBRS, a global credit rating agency, has been selected. ECAI ratings are used to determine risk weightings for all the relevant exposure classes.
The Group occasionally has exposures to intragroup entities which exceed the large exposure limits defined in the CRR and the Group holds capital against these exposures. The Group monitors large exposures to third parties on a daily basis.

**Table 3: Counterparty Credit Risk Summary**

| | At 30 Jun 2024 | | | At 31 Dec 2023 | | |
|---|---|---|---|---|---|---|
| | Exposure Value £m | RWEA £m | Capital Required £m | Exposure Value £m | RWEA £m | Capital Required £m |
| Central governments or central banks | 381 | 11 | 1 | 819 | 122 | 10 |
| Regional governments or local authorities | 212 | 42 | 3 | 180 | 36 | 3 |
| Public sector entities | 306 | 68 | 5 | 361 | 91 | 7 |
| Multilateral development banks | 13 | 1 | 0 | 22 | 1 | 0 |
| International organisations | 29 | - | - | - | - | - |
| Institutions | 4,687 | 739 | 59 | 5,692 | 1,002 | 80 |
| Corporates | 676 | 642 | 51 | 735 | 679 | 54 |
| Retail | - | - | - | - | - | - |
| Institutions and corporates with a short-term credit assessment | 737 | 153 | 12 | 607 | 127 | 10 |
| Other items | - | - | - | - | - | - |
| **Total** | **7,040** | **1,656** | **133** | **8,416** | **2,058** | **165** |

# 8. Market Risk

Market risk is the risk of losses from movements in market prices in the trading portfolio. The Group uses a variety of risk measures to quantify and control this risk, with the overall objective of ensuring that potential losses arising from market risk remain within the appetite set by the Board:

- VaR, Stressed Value at Risk ("SVaR"), and Incremental Risk Charge ("IRC") measures provide aggregate indicators of potential losses, subject to stated confidence levels and holding periods.
- Risk factor sensitivities measure the impact of moves in each risk factor, allowing concentrations of risk to be identified and controlled.
- Stress testing is used to monitor and control the exposure of the portfolio to extreme moves in market rates and prices. A range of stress tests is run, covering exposures to relevant market factors and scenarios in various market conditions.
- Stop loss and drawdown limits monitor actual losses at Group, business unit, department, and trader level.

Day–to-day responsibility for the management of market risk resides with the front office departments and responsibility for second line review, challenge and oversight is with the Market Risk Management ("MRM") department. RAG is responsible for the design of new market risk management models. Daily market risk reports are prepared for senior management and trading departments using the Group's in house and vendor systems.

The market risk capital requirement is measured using internal market risk models, where approved by the PRA, or under the Standardised Approach. The Group's internal market risk models comprise VaR, SVaR, IRC and Risks Not in VaR ("RNIV") which covers all major asset classes traded by the Group.

The table below shows the market risk capital requirements.

**Table 4: Market Risk Capital Requirements and RWEAs**

| | 30 Jun 2024 | | 31 Dec 2023 | |
|---|---|---|---|---|
| | Capital required | RWEA | Capital required | RWEA |
| | £m | £m | £m | £m |
| VaR | 38 | 471 | 42 | 524 |
| Stressed VaR | 92 | 1,149 | 107 | 1,333 |
| Incremental Risk Charge | 33 | 413 | 26 | 321 |
| Risks Not In VaR | 120 | 1,502 | 92 | 1,153 |
| Other Market Risk | 10 | 128 | 12 | 144 |
| **Total** | **293** | **3,663** | **279** | **3,475** |

# 9. Liquidity Risk

Liquidity risk is the risk that the Group has insufficient resources to meet its financial obligations as they fall due, or incurs a significantly higher cost than usual in securing the required funds. This risk could arise from both institution specific and market-wide events.

In line with the PRA rulebook, the LCR requires the Group to hold sufficient unencumbered High-Quality Liquid Assets ("HQLA") to meet expected contractual and contingent outflows over a 30-day stress period. The NSFR requires the Group to have sufficient long-term stable funding to meet the long-term funding requirements of its assets and off-balance sheet activities.

## 9.1 Oversight

The ultimate responsibility for liquidity risk management sits with the Board who sets the Group's liquidity risk appetite, which expresses the level of risk the Group chooses to take in pursuit of its strategic objectives. The Board mandate to the EMEA Executive Committee in respect of liquidity risk includes specification of liquidity stress testing, approval of business line unsecured funding limits, transfer pricing rates/policy and the Contingency Funding Plan ("CFP").

The EMEA Executive Committee has determined the powers and discretions delegated to the Asset and Liability Committee ("ALCO") which meets monthly or on an ad-hoc basis (as appropriate) to:

- Review and define the funding and liquidity risk policy
- Monitor the Group's liquidity risk profile and review compliance with the Board approved liquidity risk appetite
- Oversee and review stress testing
- Measure, monitor and mitigate liquidity risk exposures for the Group
- Ensure that appropriate business incentives are maintained that reflect the cost and availability of liquidity through the Group's Funds Transfer Pricing ("FTP") process and unsecured funding limit allocation process
- Review critical liquidity risk factors and prioritise issues arising
- Determine the Group's funding plans and funding diversification strategy in light of business projections and objectives.

The Group uses a variety of quantitative and qualitative measures to monitor the adequacy of the Group's liquidity resources and to ensure an integrated approach to liquidity risk management and incorporates a range of tools.

## 10. Leverage ratio

The Group assesses the leverage ratio to mitigate the risk of excessive leverage. The Group performs regular analysis of the leverage ratio to understand drivers and sensitivities. The Group's leverage ratio exposure measure is mainly driven by SFTs, derivatives and inventory which includes mainly trading securities and available-for-sale securities. In addition, Tier 1 capital resources and any applicable deductions impact on the leverage ratio. Leverage ratio is reported to the ALCO, Board Risk Committee ("BRC") and Board.

Per the PS21/21 "The UK leverage ratio framework" in October 2021, the Group is subject to the binding regulatory minimum leverage ratio requirement of 3.25% plus a countercyclical leverage ratio buffer rate of 35% of the firm's Countercyclical Buffer ("CCyB") rate. The new leverage ratio binding requirement was effective from 1st January 2023.

ALCO monitors the leverage ratio to ensure the Group meets the minimum regulatory requirements. In addition, balance sheet limits are in place for key exposure types which mitigate significant increase in leverage ratio exposure measures.

The disclosure of the leverage ratio is based on the end point CRR definition of Tier 1 capital and the CRR definition of leverage exposure.

# 11. Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Group manages and controls its exposure to operational risk through its policies and procedures, which are designed to ensure that it:

- Mitigates the risk of exposure to fraud
- Processes transactions correctly, accurately and on a timely basis
- Protects the integrity and availability of information processing facilities, infrastructure and data
- Maintains the confidentiality of its client information
- Employs appropriate numbers of skilled staff and complies with relevant employment laws and regulations
- Establishes workplace environments that are safe for both employees and visitors
- Reduces both the likelihood of an event occurring and the impact should an event occur.

The Group employs The Standardised Approach ("TSA") for calculating its Pillar 1 operational risk capital requirement. The Group is committed to adopting leading industry practices for managing and measuring operational risk, and has also developed a primarily scenario-based capital model to determine whether it should hold any additional capital for operational risk as part of Pillar 2.

The table below shows the operational risk capital requirements and RWEA.

**Table 5: Operational Risk Capital Requirements and RWEA**

| | 30 Jun 2024 (£m) Banking activities (£m) | Relevant indicator Year-3 | Year-2 | Last year | Own funds requirements | Risk weighted exposure amount |
|---|---|---|---|---|---|---|
| 1 | Banking activities subject to basic indicator approach (BIA) | - | - | - | - | - |
| 2 | Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches | 204 | 436 | 422 | 64 | 797 |
| 3 | Subject to TSA: | 204 | 436 | 422 | | |
| 4 | Subject to ASA: | - | - | - | | |
| 5 | Banking activities subject to advanced measurement approaches AMA | - | - | - | - | - |

# 12. List of Abbreviations

| Glossary | |
|---|---|
| ALCO | Asset and Liability Committee |
| AT1 | Additional Tier 1 Capital |
| BRC | Board Risk Committee |
| CCP | Central Counterparty |
| CCyB | Countercyclical Capital Buffer |
| CET1 | Common Equity Tier 1 Capital |
| CFP | Contingency Funding Plan |
| CRD | Capital Requirements Directive |
| CRM | Credit Risk Management |
| CRR | Capital Requirements Regulation |
| CVA | Credit Valuation Adjustment |
| ECAI | External Credit Assessment Institution |
| FCA | Financial Conduct Authority |
| FTP | Funds Transfer Pricing |
| The Group | The consolidated MUFG Securities EMEA plc entity, comprised of the solo MUFG Securities EMEA plc entity and MUS(EU). |
| HQLA | High Quality Liquid Assets |
| ICAAP | Internal Capital Adequacy Assessment Process |
| ILAAP | Internal Liquidity Adequacy Assessment Process |
| IRC | Incremental Risk Charge |
| LCR | Liquidity Coverage Ratio |
| MRM | Market Risk Management |
| MUFG | Mitsubishi UFJ Financial Group |
| MUFG Bank | MUFG Bank, Ltd. MUFG's corporate bank. |
| MUS(EMEA) | MUFG Securities EMEA plc. The solo MUFG Securities entity, not including MUS(EU). |
| MUS(EU) | MUFG Securities (Europe) N.V. A wholly owned subsidiary of MUS(EMEA) in The Netherlands. |
| MUSHD | Mitsubishi UFJ Securities Holdings Co. Ltd. The Group's parent company, which is wholly owned by Mitsubishi UFJ Financial Group. |
| NSFR | Net Stable Funding Ratio |
| PRA | Prudential Regulation Authority |
| RAG | Risk Analytics Group |
| RNIV | Risks Not In VaR |
| RWEA | Risk Weighted Exposure Amounts |
| SFT | Securities Financing Transaction |
| SREP | Supervisory Review Process |
| SVaR | Stressed Value at Risk |
| T2 | Tier 2 Capital |
| TSA | The Standardised Approach, used for calculating Operational Risk Capital. |
| VaR | Value at Risk |