MUFG Bank (Europe) N.V. Pillar 3 Report

For the year ended 31 March 2024

A member of MUFG, a global financial group

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1. Introduction

1.1. Basis of disclosure

This Pillar 3 report provides the disclosures of MUFG Bank (Europe) N.V. (hereinafter "the Bank") as required by Capital Requirements Regulation (EU) No 575/2013 on prudential requirements for credit institutions (CRR) and the Commission Implementing Regulation (EU) 2021/637 laying down Implementing Technical Standards (ITS) with regards to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013.

As the Bank is not classified as a large institution, nor as a small and non-complex institution based on CRR Article 4(145), it has compiled the Pillar 3 disclosure in accordance with the relevant disclosure requirements for other institutions set out in Article 433(c) of CRR. The Bank does not issue shares or bonds, and has therefore restricted its disclosure scope for the Pillar 3 report to the sub-article 433(c)(2). The disclosure requirements originate from the Basel III framework, developed by the Basel Committee on Banking Supervision. This framework combines three pillars, aiming to strengthen the risk management of the banking sector. The three pillars are:

- Pillar 1 - This pillar determines the calculation rules for the volume of risk-weighted assets (RWA), required regulatory capital and liquidity requirements.
- Pillar 2 - This pillar consists of the Supervisory Review and addresses the Bank's overall capital and liquidity adequacy in relation to its risks.
- Pillar 3 - This pillar provides a number of minimum disclosure requirements to drive market discipline.

The following table summarises where the reader can find the specific disclosures applicable for the Bank and it provides a link to the relevant section of the Annual Report (AR). For a detailed overview on the applicability of the disclosure templates please refer to the Disclosure Index in the Appendix.

CRR article	Pillar 3 disclosure obligations	Table	Pillar 3 reference	Annual Report FY23
435(1) points (a), (e) and (f) 435(2) points (a), (b) and (c)	Risk management objectives and policies	EU OVA EU OVB	Sections 2, 4, 5, 6, 7, 8 & 9	Note 28 Risk management
437 point (a)	Own funds	EU CC1 EU CC2	Section 3	Note 28 Risk management
438 points (c) and (d)	Capital requirements and Risk weighted exposure amounts	EU OV1 EU OVC	Section 3	Note 28 Risk management
447	Key metrics	EU KM1	Section 4.1	Note 28 Risk management
450(1) points (a) to (d) and (h) to (k)	Remuneration policy	REMA REM1 REM2 REM3 REM4	Section 10	Note 27 Key management remuneration

Basis of disclosure

1.2. Governance

The Pillar 3 report for the financial year 2023 (FY2023) has been prepared in accordance with the Bank's formal policies, internal processes, systems and controls to ensure disclosures have been made in accordance with the applicable laws and regulations. The Pillar 3 disclosures have been approved by both the Bank's Management Board and Supervisory Board prior to publication. This disclosure is not required to be, nor has it been, audited by The Bank's external auditor. The AR of the Bank is prepared simultaneously with the Pillar 3 report. This Pillar 3 report refers for certain additional information to the AR of the Bank. The financial statements within the AR have been audited by the Bank's external auditor.

2. Disclosure requirements

2.1. Scope of disclosures

The table below provides an overview of the subsidiaries and branches included in the consolidation scope of the Bank. Subsidiaries are fully consolidated from the date on which control is transferred to the Bank and deconsolidated from the date control ceases. Control is achieved when the Bank is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Entity	Country of Incorporation	Place	Function	Percentage of voting rights held
MUFG Bank (Europe) N.V.	Netherlands	Amsterdam	Head-Office	Not Applicable
MUFG Europe Lease (Deutschland) GmbH i.L.	Germany	Düsseldorf	Subsidiary	95%
MUFG Funding (UK) Limited	United Kingdom	London	Subsidiary	100%
MUFG Bank (Europe) N.V. Belgium Branch	Netherlands	Brussels	Branch	Not Applicable
MUFG Bank (Europe) N.V. Austria Branch	Netherlands	Vienna	Branch	Not Applicable
MUFG Bank (Europe) N.V. Germany Branch	Netherlands	Düsseldorf	Branch	Not Applicable
MUFG Bank (Europe) N.V. Spain Branch	Netherlands	Madrid	Branch	Not Applicable

2.2. Means and frequency of disclosures

The Bank has adopted a formal policy to periodically assess the appropriateness, verification and frequency of the current disclosures. This policy ensures that the disclosure conveys the Bank's risk profile comprehensively to market participants. As the Bank is not classified as a large institution, nor as a small and non-complex institution, it has compiled the Pillar 3 disclosure in accordance with the relevant disclosure requirements for other institutions set out in Article 433c(2) of CRR. Both the Bank's AR and Pillar 3 documents are made publicly accessible on the website of the Bank. Figures embedded in the disclosures have been sourced from and reconciled to the audited financial statements of the AR and the Bank's regulatory disclosures. Note that figures disclosed in this report may not fully align due to rounding.

3. Own funds & capital

The Bank targets a healthy and well diversified capital position that supports the business strategy and long term rating ambition of its parent Mitsubishi UFJ Financial Group, Inc. Applicable requirements of EU CC1, EU CC2, EU OVC and EU OV1 disclosures are included in this section of the disclosure.

3.1. Composition of regulatory own funds

This paragraph of the Pillar 3 disclosure is related to the Capital management section of AR note 28 (Risk management).

EU CC1 - Composition of regulatory own funds

in thousands of €s		Amounts[1]	Reference
	Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	1,434,306	EU CC2 - 21 EU CC2 - 22
	of which: Issued capital	1,434,306	
2	Retained earnings	412,846	
3	Accumulated other comprehensive income (and other reserves)	(8,521)	EU CC2 - 24 EU CC2 - 25 EU CC2 - 26
5	Minority interests (amount allowed in consolidated CET1)	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	100,971	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	1,939,603	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	(426)	
8	Intangible assets (net of related tax liability) (negative amount)	(3,676)	
EU-25a	Losses for the current financial year (negative amount)	-	
27a	Other regulatory adjustments	(777)	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	(4,879)	
29	**Common Equity Tier 1 (CET1) capital**	1,934,723	EU KM1 - 1
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	
44	Additional Tier 1 (AT1) capital	-	
45	**Tier 1 capital (T1 = CET1 + AT1)**	1,934,723	EU KM1 - 2
	Tier 2 (T2) capital: instruments		
46	Capital instruments and the related share premium accounts	-	
51	**Tier 2 (T2) capital before regulatory adjustments**	-	
	Tier 2 (T2) capital: regulatory adjustments		
57	Total regulatory adjustments to Tier 2 (T2) capital	-	
58	Tier 2 (T2) capital	-	
59	**Total capital (TC = T1 + T2)**	1,934,723	EU KM1 - 3
60	**Total Risk exposure amount**	10,024,168	EU KM1 - 4 EU OV1 - 29
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	19.30%	
62	Tier 1 (as a percentage of total risk exposure amount)	19.30%	
63	Total capital (as a percentage of total risk exposure amount)	19.30%	

Composition of regulatory own funds

	in thousands of €s	Amounts[1]	Reference
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD expressed as a percentage of risk exposure amount)	9.11%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical buffer requirement	0.61%	
67	of which: systemic risk buffer requirement	-	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.50%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	8.64%	EU KM1 - 12
	Applicable caps on the inclusion of provisions in Tier 2		
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	121,197	

1 Ratios presented in the table are in percentage terms of the total risk exposure amount.

3.2. Restrictions applied to the calculation of Own Funds

Pursuant to statutory and regulatory provisions, the Bank can only pay dividend to the shareholder in as far as its paid-up capital and retained earnings are larger than the paid-up and called-up part of the capital increased by the reserves which have to be maintained for regulatory purposes and the Bank's articles of association. The Bank takes into consideration the limitations on distribution of dividends at the moment of breaching regulatory thresholds according to CRD Articles 129 to 131 and CRD Article 141, and the limitations on any dividends that would put the Bank in breach of the overall capital requirements in line with CRD Article 141(1).

By virtue of a resolution of the general meeting of the shareholder, the Bank may acquire fully paid-up shares in the authorised capital of the Bank only if the paid-up capital and retained earnings, after deduction of the acquisition price, is not less than the paid-up and called-up part of the capital increased by the reserves which have to be maintained by law, and the par value of the shares to be acquired and already held by the Bank in its capital does not amount to more than one tenth of the issued capital.

3.3. Reconciliation of regulatory own funds to the balance sheet

EU CC2 - Reconciliation of regulatory own funds to balance sheet in the published Annual Report

	in thousands of €s	Balance sheet as in published Annual Report 31-3-2024	Reference
	Assets		
1	Cash and balances with central banks	2,622,278	
2	Loans and advances to banks	1,601,915	
3	Loans and advances to customers	7,424,523	
4	Derivatives	84,454	
5	Financial Investments	259,065	
6	Property and equipment	9,319	
7	Intangibles assets	9,295	
8	Current tax assets	30,455	
9	Deferred tax assets	34,326	
10	Retirement benefit asset	4,253	

Own funds & capital

Reconciliation of regulatory own funds to the balance sheet

in thousands of €s		Balance sheet as in published Annual Report 31-3-2024	Reference
11	Other assets	30,524	
12	**Total assets**	12,110,407	
	Liabilities		
13	Due to banks	4,405,232	
14	Due to customers	5,431,203	
15	Derivatives	82,868	
16	Current tax liabilities	57,835	
17	Subordinated debt	-	
18	Provisions	21,558	
19	Other liabilities	81,495	
20	**Total liabilities**	10,080,191	
	Shareholders' Equity		
21	Issued capital	100,003	EU CC1 - 1
22	Share premium	1,334,304	
23	Retained earnings	604,398	
24	Fair value reserve: financial instruments measured at FVOCI	143	EU CC1 - 3
25	Foreign currency translation reserve	316	
26	Actuarial reserve	(8,980)	
27	**Shareholder's equity**	2,030,184	
28	Non-controlling interest	32	
29	**Total equity**	2,030,216	

3.4. Summary of the institution's approach on ICAAP

The Supervisory Review and Evaluation Process (SREP) is a yearly supervisory assessment of a bank in which the supervisor assesses and measures the risks for the Bank. Specifically, the SREP aims to show where a bank stands in terms of capital and liquidity requirements and the way in which it deals with risks. As input to the SREP the Bank submits to De Nederlandsche Bank N.V. (DNB) on an annual basis an Internal Capital Adequacy Assessment Process (ICAAP) which comprises of the entire continuous capital management process and focuses on the capital adequacy requirements set by the supervisory authorities. For the 2024 ICAAP, the Management Board declared that the 2024 ICAAP 'gives a fair and adequate assessment of the Bank's business and risks as well as of our capital and liquidity & funding adequacy'. The reference date of the 2024 ICAAP is 30 September 2023.

The Bank prepares an ICAAP package using the standardised approach (SA) for Pillar 1 risks and internal quantitative analysis to determine additional capital requirements under Pillar 2 risks. In addition, the developments of the Bank's risk profile, both according to the strategic plan as well as in a stressed environment, are taken into account to determine whether the Bank is sufficiently capitalized (i.e. capital adequacy). The capital adequacy is evaluated on a yearly basis, for a three-year outlook at minimum. In case of a major business change or internal/external shocks, more frequent analyses will be produced.

The Bank actively manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk profile of its activities. In order to maintain or adjust the capital structure, the Bank may adjust the amount of dividend payment to shareholders, return capital to shareholders or request for a capital injection from MUFG Bank Ltd. These capital injections are planned based on the annual internal capital adequacy evaluation. In case of significant unexpected losses which require recovery measures, the Recovery Plan can be invoked and based on the situation at hand additional capital can be requested from MUFG Bank Ltd. A letter of intent has been issued by MUFG Bank Ltd. stating that support will be provided if needed to the Bank to comply with its regulatory capital requirements imposed by DNB now and in the future.

3.5. Results ICAAP

The ICAAP results presented below are based on the latest submitted ICAAP, as part of the 2024 SREP submission (March 2024). The reference date of the 2024 ICAAP is 30 September 2023. The table below shows the Bank's internal capital allocation for its Pillar 1 risks based on the SA. In addition, by means of internal quantitative and qualitative analysis, capital allocation for Pillar 2 risks are added for (material) risks which are not (adequately) covered in Pillar 1 capital.

EU OVC - ICAAP information

in thousands of €s	Pillar 1 Capital Basel 2	ICAAP Capital ICAAP (own confidence level)	Total SREP Capital
Pillar 1 risks			
Credit and dilution risk (CRR 92.3 a)	819,096	819,096	819,096
Position risk and large exposures (CRR 92.3 b)	-	-	-
FX, settlement and commodities risk (CRR 92.3 c)	-	-	-
Credit valuation adjustment risk (CRR 92.3 d)	6,772	6,772	6,772
Operational risk (CRR 92.3 e)	27,419	27,419	27,419
Counterparty risk (CRR 92.3 f)	11,125	11,125	11,125
Total Pillar 1 risk	864,412	864,412	864,412
Pillar 2 risks			
Concentration risk:		105,000	105,000
Countries		45,150	45,150
Sectors		9,450	9,450
Single Name		50,400	50,400
Other		-	-
Other credit risk		-	-
Market risk		-	-
Operational risk		43,495	43,495
Interest rate risk banking book		68,660	68,660
Business model risk & profitability		-	-
Pension risk		-	-
Integrity risk		-	-
Total Pillar 2 risk		217,155	217,155
Total Pillar 1 + Pillar 2		1,081,566	1,081,566

This results in total required capital for Pillar 1 and 2 of €1.08 billion, resulting in a bottom up ICAAP-ratio of 10.0% given the RWA of €10.81 billion for 30 September 2023. A forward looking analysis of the capital requirements is performed and presented as part of outlook setting.

3.6. Overview of minimum capital requirements for each exposure class

The table in this section presents an overview of the capital requirements using the SA for each exposure class:

EU OV1 – Overview of risk weighted exposure amounts

	in thousands of €s	Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		31-3-2024	31-3-2023	31-3-2024
1	Credit risk (excluding CCR)	9,492,676	10,166,571	759,414
2	Of which the standardised approach	9,492,676	10,166,571	759,414
4	Of which slotting approach	-	-	-

Own funds & capital

Overview of minimum capital requirements for each exposure class

in thousands of €s		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		31-3-2024	31-3-2023	31-3-2024
EU 4a	Of which equities under the simple risk-weighted approach	-	-	-
5	Of which the advanced IRB (AIRB) approach	-	-	-
6	**Counterparty credit risk - CCR**	107,248	364,756	8,580
7	Of which the standardised approach	107,175	296,988	8,574
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	-	-	-
EU 8b	Of which credit valuation adjustment - CVA	73	67,768	6
9	Of which other CCR	-	-	-
15	Settlement risk	-	-	-
16	**Securitisation exposures in the non-trading book (after the cap)**	81,509	106,304	6,521
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	81,509	106,304	6,521
EU 19a	Of which 1250%	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	-	-	-
21	Of which the standardised approach	-	-	-
22	Of which IMA	-	-	-
EU 22a	Large exposures	-	-	-
23	**Operational risk**	342,735	266,963	27,419
EU 23a	Of which basic indicator approach	342,735	266,963	27,419
EU 23b	Of which standardised approach	-	-	
EU 23c	Of which advanced measurement approach	-	-	
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	85,815	137,582	6,865
29	**Total Risk exposure amount**	10,024,168	10,904,594	801,933

4. Risk management objectives & policies

Applicable requirements of EU KM1, EU OVA and EU OVB disclosures are included in this section of the disclosure. Further information on the Bank's risk management objectives and policies for each separate category of risk can also be found in note 28 of the Bank's Annual Report and in the following sections of this Pillar 3 disclosure:

- Section 6: Credit risk
- Section 7: Liquidity risk
- Section 8: Market risk
- Section 9: Operational risk

4.1. Overview of the Bank's risk management objectives and policies

Risk management plays an important role in MUFG Bank's global operations. MUFG Bank identifies risks arising from business based on uniform criteria. Moreover, it has implemented integrated risk management to ensure a strong financial condition at all times and to maximize shareholder value. This integrated approach stems from the parent bank, MUFG Bank Ltd.

The Bank has in place the Risk Management Framework (RMF). The RMF of the Bank is a strategic document that sets the boundaries and principles for risk management. The RMF encompasses risk principles, risk culture, governance and provides the Bank's risk taxonomy. The objective of the RMF is to establish sound risk management practices within the Bank. Through this the Bank aims to create, protect, and realize value by aligning risk and strategy, enabling informed decision-making, reducing losses, managing multiple and cross-enterprise risks, seizing opportunities, improved capital deployment, addressing foreseeable risks, and using data-driven assessment to minimise subjectivity in risk evaluation. Additionally, the RMF aims to ensure an adequate level of capital and liquidity in relation to the Bank's risk profile, in both the short and longer term.

The RMF document comprises a risk-based rationale for building a system of policies, procedures, committees, roles and responsibilities. To formalize this governance, the Bank has in place the Risk Management Policy House (RMPH), which explains the interrelations between all risk management documentation (e.g. framework, policy, standard, procedure), provides a structure to position new documentation, and helps with implementing new sets of regulations and/or rules. As a result, risk management documents are better manageable and communicable including the management of risks. The RMPH is developed in accordance with the parental rules, external regulations, and MB priorities. Parental rules and external regulations are high-level drivers that govern the Bank's risk management on an institution-wide level. In addition, local MB priorities are drivers that reflect the local variation affecting the risk management in the Bank and should fit within the parental rules and external regulations.

The Risk Taxonomy is a glossary used within the Bank that defines and classifies risks according to a primary, secondary, and tertiary risk hierarchy. It outlines and serves as a framework for effective risk identification and assessment. It enhances clarity regarding accountabilities and responsibilities among different risk levels and facilitates reporting and aggregation of risk data. Based on the Risk Taxonomy, identified risks are then registered in the Risk Inventory.

Together with the RMF, the Risk Appetite Statement (RAS) is a strategic component in risk management. It expresses the types and amounts of risk that the Bank is willing to accept in order to meet its business strategies and financial plans.

The Bank aims to achieve a proper balance between earnings and risks. Furthermore, the Bank targets a healthy and well diversified capital and liquidity position which supports its business strategy and the long-term rating ambition of the MUFG Group.

Overview of the Bank's risk management objectives and policies

Lastly, in addition to providing an integrated risk management structure and guidance, the parent bank is an important partner for the Bank. It provides risk mitigation and support through group arrangements with regards to risk transfer, capital, funding and liquidity. Where appropriate, specific tailoring to the local (regulatory) environment is applied.

For further information on the risk management approach applied at the Bank, please refer to the AR note 28 (Risk management).

4.2. Overview of risk management, key prudential metrics and RWA

Please find below a detailed overview of the Bank's key risk management metrics:

Table EU KM1 - The Bank's risk management, key prudential metrics and RWA

in thousands of €s		31-3-2024	31-12-2023	30-9-2023	30-6-2023	31-3-2023
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	1,934,723	1,936,092	1,834,730	1,834,569	1,724,099
2	Tier 1 capital	1,934,723	1,936,092	1,834,730	1,834,569	1,724,099
3	Total capital	1,934,723	1,936,092	2,103,367	2,118,313	2,022,786
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	10,024,168	10,660,992	10,805,144	11,557,278	10,904,594
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	19.30%	18.16%	16.98%	15.87%	15.81%
6	Tier 1 ratio (%)	19.30%	18.16%	16.98%	15.87%	15.81%
7	Total capital ratio (%)	19.30%	18.16%	19.47%	18.33%	18.55%
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.66%	2.66%	3.50%	3.50%	3.50%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.50%	1.50%	1.97%	1.97%	1.97%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	2.00%	2.00%	2.63%	2.63%	2.63%
EU 7d	Total SREP own funds requirements (%)	10.66%	10.66%	11.50%	11.50%	11.50%
	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%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.61%	0.59%	0.58%	0.57%	0.34%
EU 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer	-	-	-	-	-
11	Combined buffer requirement (%)	3.11%	3.09%	3.08%	3.07%	2.84%
EU 11a	Overall capital requirements (%)	13.77%	13.75%	14.58%	14.57%	14.34%
12	CET1 available after meeting the total SREP own funds requirements (%)	8.64%	7.50%	5.48%	4.37%	4.31%

Overview of risk management, key prudential metrics and RWA

in thousands of €s		31-3-2024	31-12-2023	30-9-2023	30-6-2023	31-3-2023
	Leverage ratio					
13	Total exposure measure	17,303,271	18,360,673	22,912,066	23,719,638	23,749,845
14	Leverage ratio	11.18%	10.54%	8.01%	7.73%	7.26%
	Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e	Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	5,272,949	5,272,803	5,301,631	4,981,489	4,871,080
EU 16a	Cash outflows - Total weighted value	5,904,151	6,127,625	6,251,231	6,375,477	6,433,275
EU 16b	Cash inflows - Total weighted value	2,797,198	2,838,789	2,810,904	3,038,830	3,506,027
16	Total net cash outflows (adjusted value)	3,106,953	3,288,836	3,440,326	3,336,648	2,965,797
17	Liquidity coverage ratio (%)	170.89%	161.76%	155.30%	151.02%	178.91%
	Net Stable Funding Ratio					
18	Total available stable funding	7,726,454	8,036,740	9,988,939	10,146,219	9,948,626
19	Total required stable funding	6,588,417	6,905,733	8,979,364	9,258,993	9,167,821
20	NSFR ratio (%)	117.27%	116.38%	111.24%	109.58%	108.52%

4.3. Recruitment policies for members of the Management Board

The Bank's aim is to have an adequate composition of the Management Board in terms of relevant knowledge, experience and gender diversity (25% internal target), by assessing individual experience and skills against the core behavioural competencies for the Management Board role. Recruitment will be undertaken in a fair, transparent, and professional manner, whilst ensuring that the Bank's equal opportunities commitment is adhered to in the shortlisting, interviewing and selection of candidates, without regard to race, colour, nationality, ethnic or national origin, sex, sexual orientation, gender reassignment, marital status, disability, age, religion or belief, or trade union membership.

Developments in the composition of the Management Board have taken place during the year due to departing members. The Management Board fully complied with a gender diversity ratio of 40% for the first half of the financial year (gender diversity ratio threshold is 25%). The composition of the Management Board was made up of three males and two females, including the President of the Bank. During the course of the financial year two female management board members left the Bank. One female Management Board member has since been replaced for financial year 2024 by a female, whilst the remaining Management Board seat is being temporarily covered by another Management Board member. Consequently, the current gender diversity ratio is 25%.

Pursuant to the Bank's articles of association, Management Board and Supervisory Board members are nominated at the General Shareholders Meeting. Prior to the nomination, a profile containing the required suitability and availability of future board

Recruitment policies for members of the Management Board

members is composed, taking into account the composition and functioning of the collective board. The shareholder informs the Management Board of the name and provides key personal data of the Management Board candidate, the likely target date for the nomination and other relevant information to enable the Management Board for preparation of the prospective appointment notification to DNB. The nomination procedure is laid down in the Supervisory Board and Management Board bylaws. The nomination is subject to the prior declaration of 'no objection' issued by DNB. The Management Board is responsible for the application of the declaration of 'no objection' and for informing the shareholder upon receiving the declaration.

Two Management Board members hold directorships outside of the Bank. Mr. Harm Bots holds a non-executive directorship in the Dutch & Japanese Trade Federation (DUJAT) and an executive directorship in the Japanese Trade Federation and The Japanese Chamber of Commerce and Industry in The Netherlands (JCC). Mr. Mark Selles holds an executive directorship in the Foreign Bankers' Association.

4.4. Risk organization

For further information on the Bank's risk organization we refer to the AR note 28 (Risk management).

4.5. Risk reporting to the management body

For further information on the Bank's risk reporting to the Management Board we refer to the AR note 28 (Risk management).

5. Risk governance

5.1. Three Lines of Defence model

The Bank has implemented the three lines of defence model as part of its risk organization. The first line of defence (1st LoD) executes the normal banking processes and supporting processes within the Bank and is responsible for managing risks. The second line of defence (2nd LoD) sets risk policies and overseas the implementation in the 1st LoD. Further, it identifies risks and advises the 1st LoD on risk topics. The third line of defence (3rd LoD) verifies the proper functioning of the 1st and 2nd LoD. The Management Board is accountable for the proper functioning of the model and the control over the risks.

First line of defence (1st LoD)

The 1st LoD consists of the front-, mid- and back-offices, Finance, Planning, HR and the Business Support Areas. It owns the procedures, strategies and controls. The 1st LoD is responsible for the design and ongoing effectiveness of controls, risk taking, owning risk, transaction execution, acting in accordance with policies, risk assessment and for securing compliance on a day-to-day basis with the Bank's RMF to ensure that risks are identified, mitigated and managed appropriately in line with Bank's Risk Appetite. The 1st LoD owns and is accountable for risks originated by their processes, people, systems and interaction with external parties.

Second line of defence (2nd LoD)

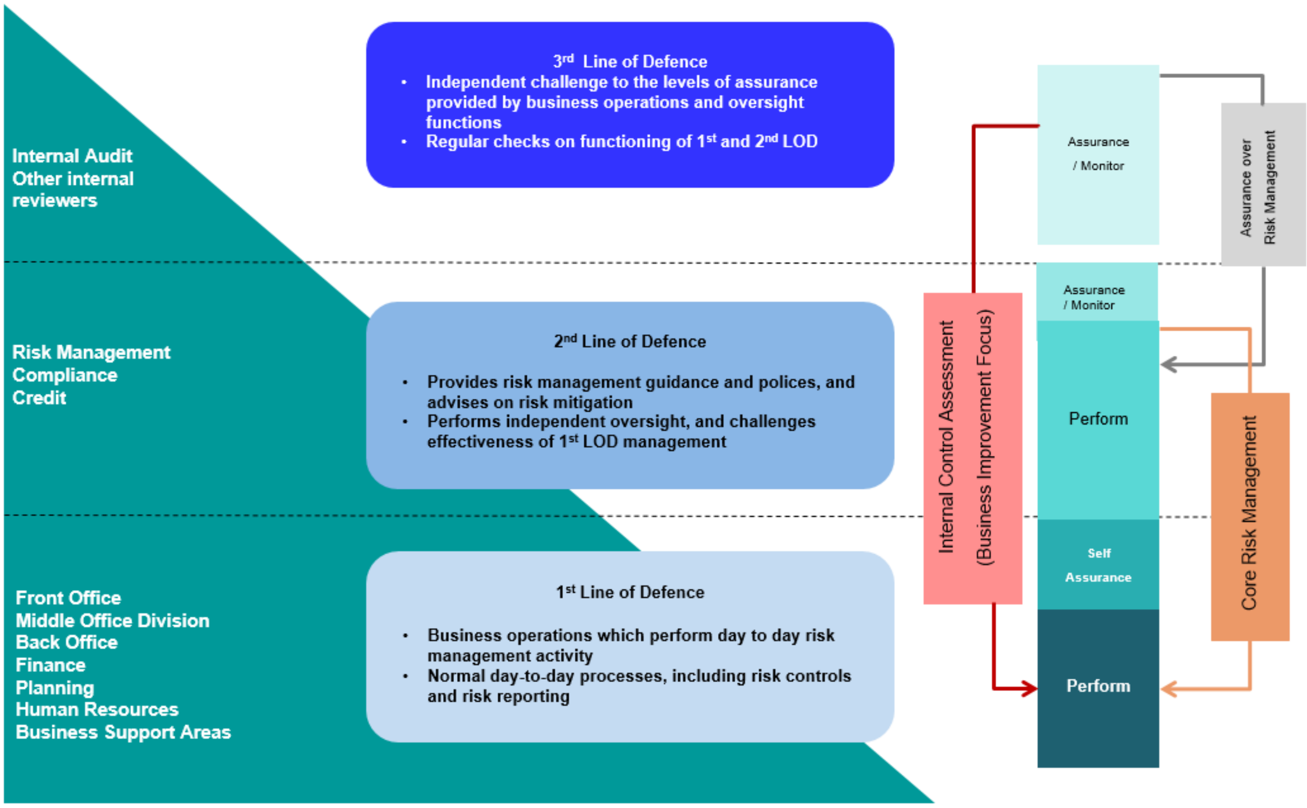
The 2nd LoD provides risk management guidance and policies, independent oversight and challenges the effectiveness of the 1st LoD to further ensure that risks are identified, assessed, managed, monitored and reported. The 2nd LoD is responsible for the ownership, development and effective implementation of the RMF, risk policies, risk methodologies and associated tools, which the business uses to execute their risk related responsibilities under the governance of the Management Board.

Third line of defence (3rd LoD)

The Bank's internal audit function provides independent assurance to local senior management and the Management Board on the adequacy and effectiveness of the existing RMF and related practices including the functioning of the 1st and 2nd LoD in coherence. The Bank's Chief Auditor reports functionally to the Chairperson of the Bank's Audit, Compliance and Risk Management Committee (ACRMC). Internally, the Bank's Chief Auditor hierarchically reports to the CEO of the Bank (Chairperson of the Management Board), with the purpose of providing day-to-day support and administrative oversight. The 3rd LoD is responsible for evaluation of effectiveness of risk governance, risk management and risk control and coordination with external auditor and main supervisors.

Risk governance

Three Lines of Defence model



5.2. Risk Committees

The Bank has a two-tiered board governance structure with two management bodies, the Management Board with its executive functions and the Supervisory Board with non-executive supervisory functions.

The final responsibility for risk management lies with the Management Board. To support the Management Board in the identification and control of the Bank's risks, a number of committees have been established. The following risk committees are in place within the Bank:

- Operations & IT Committee;
- Business Continuity Committee;
- Risk Management Committee;
- Credit Committee;
- Compliance Committee;
- Client Acceptance & Review Committee;
- Asset Liability Management Committee;
- New Product Committee;
- Data Management Committee;
- Outsourcing Committee;
- Breach Control Committee;
- ESG Committee.

6. Credit risk

Credit risk is the potential that a borrower in a loan contract or counterparty in a derivative contract will fail to meet its obligations in accordance with agreed terms, resulting in a financial loss for the Bank. This includes risks arising from counterparty, country, transaction structure and also concentrations on various levels. For some exposures credit risk is mitigated by obtaining collateral.

The Bank's risk appetite on credit risk is split between receptive risk appetite for counterparty risk and conservative risk appetite for portfolio concentration risk. Credit risk is managed in compliance with EMEA Regional Credit Policy and broader MUFG Bank's Risk Control Framework. The Internal policy framework defines standards and requirements for managing credit risk, while the RAS defines the amount of risk the Bank is willing to take within its risk capacity, in order to fulfil its business strategies and financial plans.

The Bank applies a MUFG Bank Ltd. group-wide uniform credit rating system for asset evaluation and assessment, loan pricing and quantitative measurement of credit risk. This credit rating system also underpins the calculation of credit provisions, steering of credit portfolios and credit risk monitoring and management.

The Management Board is responsible for the sustainable long-term strategic direction of the bank and the day to day running of the bank, including but not limited to the composition and monitoring of the credit portfolio booked in the Bank.

The Management Board's credit risk related responsibilities are delegated to duly vetted delegated credit authority holders (DCA-holders), which are the Bank's senior credit officers. All transactions booked in the Bank are approved by the Bank's DCA-holders. Transactions exceeding the DCA of the Bank's senior credit officers need to be approved as well in EMEA or Tokyo. In addition, the Credit Committee is authorized to take credit decisions in exceptional cases.

Daily monitoring of positions and limits is performed by the Middle Office Division (MOD). Second line credit risk management monitors the credit risk limits as derived from the internal RAS, and performs analysis and reporting of exposures on individual and portfolio level. Periodic evaluation of compliance with the Internal Policy Framework, credit risk assessments and credit stress testing was performed by the Risk Management Division (RMD) and, from March 2024, by the Credit Risk Division.

7. Liquidity risk

Funding liquidity risk is the risk that the firm will not be able to meet efficiently both expected and unexpected, current and future cash flow and collateral needs, without affecting either daily operations or the financial condition of the firm. Market liquidity risk is the risk that a firm cannot easily offset or eliminate a position at the market price because of inadequate market depth or market disruption.

The Bank has averse risk appetite for liquidity risk. Funding liquidity risk and market liquidity risk are managed in compliance with the the Bank's Liquidity Risk Management policy, procedures and control framework. In line with these requirements, the Bank has a well-established Liquidity Risk Management Framework (LRMF). The LRMF has been set up to allow the bank to achieve its strategic and operational objectives in an efficient, safe and profitable manner. The LRMF has been established through extensive coordination between the 1st and 2nd LoD within the Bank.

The LRMF ensures that the Bank maintains sufficient liquidity to withstand various stress scenarios which have been calibrated to the the Bank's-specific portfolio, keeping in mind the buffer assets (high-quality liquid assets) held by the Bank. The LRMF explains the methodology for managing liquidity risk within the Bank. The LRMF has been established to include a full liquidity risk management cycle, aligned with the risk cycle steps as described in the Bank's RMF.

These steps include the following:

1. Risk Identification: identification and substantiation of liquidity risk drivers.
2. Risk Assessment: assessment of the materiality of liquidity risk drivers.
3. Risk Management: establishment of liquidity risk appetite and liquidity risk appetite indicators (RAIs) and liquidity risk metrics to management liquidity risk drivers.
4. Risk Monitoring and Reporting: monitoring of reported liquidity RAIs and liquidity risk metrics.
5. Risk Evaluation: annual (at minimum) evaluation of liquidity risk drivers through review and calibration of RAIs against the risk appetite to establish updates to the Bank's risk appetite (if required).

Each step of the liquidity risk cycle is covered under the various governance documents in the RMPH. Daily, weekly, monthly, quarterly, and annual monitoring of positions and/or limits and execution of periodical stress tests are performed by RMD. The Bank's liquidity, interest rate risk and investment portfolio are evaluated by the Asset and Liability Committee (ALCO).

8. Market risk

Market risk is defined as the potential for sustaining a loss due to a change in the price of (an open position of) assets or liabilities held (including off-balance sheet items) resulting from changes in risk factors. Examples of risk factors are interest rates, exchange rates, equity prices, commodity prices and others.

The Bank is not performing proprietary trading activities on its own account in the financial markets and is therefore not exposed to substantial market risk. Market risk arising from transactions with customers are immediately squared with MUFG Bank EMEA headquarters on a back-to-back basis as much as possible.

Securities investments are subject to the investment policy as well as limits, which are strictly monitored and reviewed periodically. These securities are not for trading purposes and as such the risk is managed as part of the interest rate risk in the banking book.

The Bank has a conservative risk appetite for market risk. The Bank will not take active open positions to produce gains (proprietary positions) and will reduce potential open positions stemming from its operations to a bare minimum (frictional positions).

Market risk management within the Bank complies with external regulations and parental bank rules. Within the Bank's context, the RMC is the primary forum for discussions on market risk including but not limited to methodologies, limits, risk appetite and positioning/profile.

Every product introduced, suspended, decommissioned or modified can affect market risk significantly and therefore a market risk assessment is part of the New Product Approval (NPA) process.

9. Operational risk

Operational risk is defined as the risk of loss resulting from internal control issues, such as inadequate operational processes or misconduct, system failures, or external factors, like a natural disaster. The term includes a broad range of risks that could lead to losses.

The Bank has defined ten level 2 risks for operational risk: technology risk, operations risk, vendor/outsourcing risk, people risk, data risk, tangible asset risk, crisis risk, legal risk, fraud risk, and project/change risk. The Bank has conservative risk appetite for organization & process, technology, people and outsourcing risks. Risk appetite for data risk is averse. Any fraud risk is to be avoided.

The capitalization for operational risk is analysed on two levels. In Pillar 1, the Bank applies the basic indicator approach (BIA) and in Pillar 2, the Bank capitalizes for an additional EUR 43.5 million, based on calculations from a statistical model on the output of a portfolio of scenarios.

Operational risk is managed in compliance with the Bank's Operational Risk Management Policy and broader MUFG Operational Risk Management Framework. Within the RMF, standards and requirements for managing operational risk are defined, including relevant procedures. The RAS defines the amount of risk the Bank is willing to take within its risk capacity in order to fulfil business strategies and financial plans.

The objective of operational risk management is not to remove operational risk entirely but to keep it within the risk appetite, and to ensure that the control environment is sufficiently strong to prevent any high value losses that have the potential of damaging the bank.

The Operational Risk Management team (ORM) within RMD fulfils the 2nd LoD role and is mainly an advisor and challenger to the business divisions (1st LoD), i.e. where the actual risks are being taken. On a quarterly basis, ORM reports to the RMC on the risk profile, key risk indicators, material/high priority issues, incidents and events, fraud incidents, and key attention areas with a potential impact in the business execution.

10. Remuneration policy

The disclosures in this section are supplementary to those included in the Bank's AR note 27 (Key management remuneration). Applicable requirements of EU REMA, EU REM1, EU REM2, EU REM3 and EU REM4 disclosures are included in this section of the disclosure.

10.1. Introduction

This Remuneration policy (Reward Policy) covers the remuneration of the Bank, and the compensation of the Supervisory Board. The Bank's Reward Policy takes into account the Bank's strategy, size, nature and complexity, whilst ensuring alignment to its risk appetite, values, the international context it is working in, its stakeholders and wider societal acceptance.

The Reward Policy is the cornerstone of the Bank's approach to rewarding its employees. It promotes sound and effective risk management and does not encourage risk-taking that exceeds the level of tolerated risk of the bank. Its objective is to align the Bank's and the MUFG Group's strategic objectives and core values regarding rewards for employee performance, whilst ensuring compliance with regulatory requirements. The Reward Policy allows the Bank to provide locally competitive pay to attract and retain employees, while operating a consistent framework that rewards the achievement of business objectives and the delivery of shareholder value in a sustainable way.

This Policy has been drafted taking the MUFG Group's policies and principles on remuneration into account, with deviations applied as necessary to align with local requirements. The policy complies with all local and EU regulation including: MiFID II, the 'Act on remuneration Policies of Financial Undertakings'[1], the 'Guidelines on Sound Remuneration Policies' as issued by the European Banking Authority (EBA), Capital Requirements Directive (CRD IV and CRD V), the 'Regulation on Sound Remuneration Policies under WFT 2021'[2] as issued by the DNB and the 'Dutch Banking Code' as issued by the Dutch Association of Banks (DBA).

The Supervisory Board is responsible for approving the Bank's Reward Policy whilst the Management Board is responsible for implementing activities in accordance with the Reward Policy.

The Reward Policy is reviewed and assessed on an annual basis or whenever changes in local laws and regulations, Head Office circulars or other relevant Head Office official documents have been issued. This policy is maintained by the Bank's Head of HR, who ensures it aligns with relevant laws and regulations and safeguards continuing effectiveness.

Each year, the Bank's IA function also conducts an independent review of the annual remuneration process in order to ensure compliance with the Reward Policy and all regulatory requirements.

As well as the quarterly standard meetings of the Supervisory Board, an additional two meetings were scheduled around the end of the performance year to specifically review and approve the annual compensation for the Bank. The Supervisory Board meetings act in a 'pseudo Remuneration Committee' capacity, as the size of the Bank does not warrant a separate formal Remuneration Committee at this time.

10.2. Remuneration of the Management Board

Remuneration elements

The Management Board consisted of five members for the first half of performance year 2023 (PY2023), including the President. One Management Board member departed during the first half of the performance year, resulting in a Management Board of 4 members for the remainder of the year.
This Management Board member has since been replaced for performance year 2024. An additional Management Board member departed due to the

[1] 'Wet beloningsbeleid financieleondernemingen' : law of January the 28th, 2015.
[2] 'Regeling beheerst beloningsbeleid 2021': decree of the Dutch Central Bank of October the 1st, 2021.

Remuneration of the Management Board

end of a fixed term contract of five years. This Management Board seat is being temporarily covered by another Management Board member. One of the board members is an expatriate from Tokyo Head Office whilst the remaining three members are employed locally.

Fixed annual income

The fixed pay of the Management Board members are set according to their skills and experience, taking into account local market practice. Fixed remuneration can consist of a base salary, role based allowances, pension allowances and any fixed car/travel allowances. The aforementioned fixed remuneration types are not applicable to all board members.

For the fixed pay rates of the expatriate Management Board member, the Bank follows the conditions as provided by the Bank's shareholder. Both Supervisory and Management Boards understand that the shareholder, in principle, applies to its staff, principles of sound remunerations based on CRD IV and V.

For the avoidance of doubt, the Bank will explain in its annual report if this leads to a deviation from the Banking Code and the Bank will apply this policy to these Management Board Members in proportion to the amount of time such person spends with the bank in a relevant year.

Benchmarking

For the local Management Board members' fixed pay, the Bank aligns with prevailing market conditions and best practices. Based on individual agreement, for secondary labour conditions the bank applies the Dutch banking industry collective labour agreement (CAO). As part of the annual review, the bank compares the remuneration of the Management Board with peer positions in the general market, consisting of a combination of comparable financial and non-financial corporations.

Performance objectives

Each year, the Supervisory Board agrees on the performance objectives with the Management Board, which are derived from the Bank's (long-term) strategic objectives. In setting these objectives, the desired risk profile and the sustainability of the Bank are taken into account. These two themes are included in the objectives every year. Moreover, the Supervisory Board takes into account the interests of all stakeholders of the Bank.

The financial performance criteria are both quantitative and qualitative (split equally 50%) and are used to measure and adjust for both risk and performance. Examples of financial performance criteria are; (i) financial targets such as profit targets, (ii) client targets and (iii) risk related targets. RMD shall have the opportunity to provide input on the setting of Key Performance Indicators (KPIs).

At the end of each performance period, the Supervisory Board determines the extent to which the Management Board has achieved its performance targets. The Supervisory Board also evaluates the progress on the long-term financial and non-financial objectives.

Pension

The local Management Board members participate in the same pension scheme as all other staff of the Bank. This is a percentage of the income based on salary and age, capped at a salary of EUR 137.800. Additional pension supplement may be granted to compensate over this salary.

Other

- The fringe benefits provided to the Management Board members are in line with the fringe benefits that apply to all other employees. In the event of termination of employment at the initiative of the Bank, Management Boards members are entitled to compensation with a maximum of one year's fixed annual income.
- 50% of identified staff's variable remuneration is paid in share price linked (SPL) awards which consists of a number of units linked to MUFG shares.
- There was no performance adjustment made to Identified staff within PY2023.
- The Bank does not apply any derogation laid down in Article 94(3) of Directive 2013/36/EU relating to the regulations surrounding variable elements of remuneration.

Remuneration of the Management Board

- Head-office Material Risk Takers (MRT) that have left the Bank and returned to Tokyo/other location will not be subject to deferrals on their bonus.

EU REM1 - Remuneration awarded for the financial year

monetary values in thousands of €s			MB Supervisory function	MB Management function	Other senior management	Other identified staff[1]
1	Fixed remuneration	Number of identified staff	4	6	-	17
2		Total fixed remuneration	225	2,394	-	3,721
3		Of which: cash-based	225	2,394	-	3,721
9	Variable remuneration	Number of identified staff	4	6	-	17
10		Total variable remuneration	-	369	-	837[2]
11		Of which: cash-based	-	184	-	426
12		Of which: deferred	-	92	-	213
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	-	184	-	410
EU-14b		Of which: deferred	-	74	-	164
17	Total remuneration (2 + 10)		225	2,763	-	4,557

1 Due to the size of the organisation and the number of MRTs outside of the Management Board, all other MRTs have been grouped under other identified staff.

2 Includes 1 bonus awarded to an identified staff who joined in April 2024.

EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

monetary values in thousands of €s		MB Supervisory function	MB Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards					
1	Guaranteed variable remuneration awards - Number of identified staff	-	2	-	-
2	Guaranteed variable remuneration awards -Total amount	-	132	-	-
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
Severance payments awarded in previous periods, that have been paid out during the financial year					
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	-	-	-	-
Severance payments awarded during the financial year					
6	Severance payments awarded during the financial year - Number of identified staff	-	2	-	-
7	Severance payments awarded during the financial year - Total amount	-	514	-	-
8	Of which paid during the financial year	-	-	-	-
9	Of which deferred	-	-	-	-
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-

Remuneration policy

Remuneration of the Management Board

	monetary values in thousands of €s	MB Supervisory function	MB Management function	Other senior management	Other identified staff
11	Of which highest payment that has been awarded to a single person	-	387	-	-

EU REM3 - Deferred remuneration

	monetary values in thousands of €s	Total amount of deferred remuneration awarded for previous performance periods[1]	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Total amount of adjustment during the financial year due to ex post implicit adjustments	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB Supervisory function	-	-	-		-	-
2	Cash-based	-	-	-		-	-
3	Shares or equivalent ownership interests	-	-	-		-	-
4	Share-linked instruments or equivalent non-cash instruments	-	-	-		-	-
5	Other instruments	-	-	-		-	-
6	Other forms	-	-	-		-	-
7	MB Management function	340	107	233	28	130	69
8	Cash-based	125	38	87	-	38	-
9	Shares or equivalent ownership interests	-	-	-	-	-	-
10	Share-linked instruments or equivalent non-cash instruments[2]	214	69	145	28	92	69
11	Other instruments	-	-	-	-	-	-
12	Other forms	-	-	-	-	-	-
13	Other senior management	-	-	-	-	-	-
14	Cash-based	-	-	-	-	-	-
15	Shares or equivalent ownership interests	-	-	-	-	-	-
16	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-
17	Other instruments	-	-	-	-	-	-
18	Other forms	-	-	-	-	-	-
19	Other identified staff	479	141	338	26	151	90
20	Cash-based	179	51	128	-	51	-
21	Shares or equivalent ownership interests	-	-	-	-	-	-

Remuneration of the Management Board

monetary values in thousands of €s		Total amount of deferred remuneration awarded for previous performance periods[1]	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Total amount of adjustment during the financial year due to ex post implicit adjustments	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
22	Share-linked instruments or equivalent non-cash instruments	300	90	210	26	100	90
23	Other instruments	-	-	-	-	-	-
24	Other forms	-	-	-	-	-	-
25	Total amount	819	248	571	54	281	159

1 Deferrals include outstanding cash deferrals to a new MRT. Excludes retained non deferred portion of PY22 as this not classed as 'deferred award'. This payment however will be made in June 2024.

2 Share-linked instruments are valued using 5-day average up to and including 31 May 2024

EU REM4 - Remuneration of 1 million EUR or more per year

	EUR	Identified staff that are high earners as set out in Article 450(i) CRR
1	1,000,000 to below 1,500,000	1
2	1,500,000 to below 2,000,000	-
3	2,000,000 to below 2,500,000	-
4	2,500,000 to below 3,000,000	-
5	3,000,000 to below 3,500,000	-
6	3,500,000 to below 4,000,000	-
7	4,000,000 to below 4,500,000	-
8	4,500,000 to below 5,000,000	-
9	5,000,000 to below 6,000,000	-
10	6,000,000 to below 7,000,000	-
11	7,000,000 to below 8,000,000	-

11. Appendix

11.1. Disclosure Index

Template Name	Applicable for the Bank	Reason for exclusion	Section in the Pillar III Report FY2023	Quantitative
EU KM1 - Overview of risk weighted exposure amounts	Yes		Section 4.2	Yes
EU OV1 - Overview of risk weighted exposure amounts	Yes		Section 3.6	Yes
EU OVC - ICAAP information	Yes		Section 3.5	Yes
EU INS1 - Insurance participations	No	Restricted to listed and/or large institutions		
EU INS2 - Financial conglomerates information on own funds and capital adequacy ratio	No	Restricted to listed and/or large institutions		
EU OVA - Institution risk management approach	Yes		Section 4	No
EU OVB - Disclosure on governance arrangements	Yes		Section 4	No
EU LI1 - Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories	No	Restricted to listed and/or large institutions		
EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements	No	Restricted to listed and/or large institutions		
EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)	No	Restricted to listed and/or large institutions		
EU LIA - Explanations of differences between accounting and regulatory exposure amounts	No	Restricted to listed and/or large institutions		
EU PV1 - Prudent valuation adjustments (PVA)	No	Restricted to listed and/or large institutions		
EU LIB - Other qualitative information on the scope of application	No	Restricted to listed and/or large institutions		
EU CC1 - Composition of regulatory own funds	Yes		Section 3.1	Yes
EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements	Yes		Section 3.3	Yes
EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments	No	Restricted to listed and/or large institutions		
EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer	No	Restricted to listed and/or large institutions		
EU CCyB2 - Amount of institution-specific countercyclical capital buffer	No	Restricted to listed and/or large institutions		

Appendix

Disclosure Index

Template Name	Applicable for the Bank	Reason for exclusion	Section in the Pillar III Report FY2023	Quantitative
EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures	No	Restricted to listed and/or large institutions		
EU LR2 - LRCom: Leverage ratio common disclosure	No	Restricted to listed and/or large institutions		
EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	No	Restricted to listed and/or large institutions		
EU LRA - Free format text boxes for disclosure on qualitative items	No	Restricted to listed and/or large institutions		
EU LIQA - Liquidity risk management	Yes		Section 7	No
EU LIQ1 - Quantitative information of LCR	No	Restricted to listed and/or large institutions		
EU LIQB - On qualitative information on LCR, which complements template EU LIQ1	No	Restricted to listed and/or large institutions		
EU LIQ2 - Net Stable Funding Ratio	No	Restricted to listed and/or large institutions		
EU CRA - General qualitative information about credit risk	Yes		Section 6	No
EU CRB - Additional disclosure related to the credit quality of assets	No	Restricted to listed and/or large institutions		
EU CR1-A - Maturity of exposures	No	Restricted to listed and/or large institutions		
EU CR2 - Changes in the stock of non-performing loans and advances	No	Restricted to listed and/or large institutions		
EU CR1 - Performing and non-performing exposures and related provisions	No	Restricted to listed and/or large institutions		
EU CQ1 - Credit quality of forborne exposures	No	Restricted to listed and/or large institutions		
EU CQ2 - Quality of forbearance	No	Restricted to listed and/or large institutions		
EU CQ3 - Credit quality of performing and non-performing exposures by past due days	No	Restricted to listed and/or large institutions		
EU CQ4 - Quality of non-performing exposures by geography	No	Restricted to listed and/or large institutions		
EU CQ5 - Credit quality of loans and advances by industry	No	Restricted to listed and/or large institutions		

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Disclosure Index

Template Name	Applicable for the Bank	Reason for exclusion	Section in the Pillar III Report FY2023	Quantitative
EU CQ6 - Collateral valuation: loans and advances	No	Restricted to listed and/or large institutions		
EU CQ7 - Collateral obtained by taking possession and execution processes	No	Restricted to listed and/or large institutions		
EU CQ8 - Collateral obtained by taking possession and execution processes: vintage breakdown	No	Restricted to listed and/or large institutions		
EU CR2a - Changes in the stock of non-performing loans and advances and related net accumulated recoveries	No	Restricted to listed and/or large institutions		
EU CRC - Qualitative disclosure requirements related to CRM techniques	No	Restricted to listed and/or large institutions		
EU CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques	No	Restricted to listed and/or large institutions		
EU CRD - Qualitative disclosure requirements related to standardised model	No	Restricted to listed and/or large institutions		
EU CR4 - standardised approach: Credit risk exposure and CRM effects	No	Restricted to listed and/or large institutions		
EU CR5 - Standardised approach	No	Restricted to listed and/or large institutions		
EU CRE - Qualitative disclosure requirements related to IRB approach	No	MBE only applies the standardized approach		
EU CR6-A - Scope of the use of IRB and SA approaches	No	MBE only applies the standardized approach		
EU CR6 - IRB approach: Credit risk exposures by exposure class and PD range	No	MBE only applies the standardized approach		
EU CR7 - IRB approach: Effect on the RWEAs of credit derivatives used as CRM techniques	No	MBE only applies the standardized approach		
EU CR7-A - IRB approach: Disclosure of the extent of the use of CRM techniques	No	MBE only applies the standardized approach		
EU CR8 - RWEA flow statements of credit risk exposures under the IRB approach	No	MBE only applies the standardized approach		
EU CR9 - IRB approach: Back-testing of PD per exposure class (fixed PD scale)	No	MBE only applies the standardized approach		
EU CR9.1 - IRB approach: Back-testing of PD per exposure class (only for PD estimates according to point (f) of Article 180(1) CRR)	No	MBE only applies the standardized approach		
EU CR10 - Specialised lending and equity exposures under the simple riskweighted approach	No	MBE only applies the standardized approach		

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Disclosure Index

Template Name	Applicable for the Bank	Reason for exclusion	Section in the Pillar III Report FY2023	Quantitative
EU CCRA - Qualitative disclosure related to CCR	No	Restricted to listed and/or large institutions		
EU CCR1 - Analysis of CCR exposure by approach	No	Restricted to listed and/or large institutions		
EU CCR2 - Transactions subject to own funds requirements for CVA risk	No	Restricted to listed and/or large institutions		
EU CCR3 - Standardised approach: CCR exposures by regulatory exposure class and risk weights	No	Restricted to listed and/or large institutions		
EU CCR4 - IRB approach: CCR exposures by exposure class and PD scale	No	MBE only applies the standardized approach		
EU CCR5 - Composition of collateral for CCR exposures	No	Restricted to listed and/or large institutions		
EU CCR6 - Credit derivatives exposures	No	Restricted to listed and/or large institutions		
EU CCR7 - RWEA flow statements of CCR exposures under the IMM	No	MBE only applies the standardized approach		
EU CCR8 - Exposures to CCPs	No	Restricted to listed and/or large institutions		
EU-SECA - Qualitative disclosure requirements related to securitisation exposures	No	Restricted to listed and/or large institutions		
EU-SEC1 - Securitisation exposures in the non-trading book	No	Restricted to listed and/or large institutions		
EU-SEC2 - Securitisation exposures in the trading book	No	Restricted to listed and/or large institutions		
EU-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements: institution acting as originator or as sponsor	No	Restricted to listed and/or large institutions		
EU-SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements: institution acting as investor	No	Restricted to listed and/or large institutions		
EU-SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments	No	Restricted to listed and/or large institutions		
EU MR1 - Market risk under the standardised approach	No	Restricted to listed and/or large institutions		
EU MRA - Qualitative disclosure requirements related to market risk	Yes		Section 8	No

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Template Name	Applicable for the Bank	Reason for exclusion	Section in the Pillar III Report FY2023	Quantitative
EU MRB - Qualitative disclosure requirements for institutions using the internal Market Risk Models	No	Restricted to listed and/or large institutions		
EU MR2-A - Market risk under the internal Model Approach (IMA)	No	Restricted to listed and/or large institutions		
EU MR2-B - RWA flow statements of market risk exposures under the IMA	No	Restricted to listed and/or large institutions		
EU MR3 - IMA values for trading portfolios	No	Restricted to listed and/or large institutions		
EU MR4 - Comparison of VaR estimates with gains/losses	No	Restricted to listed and/or large institutions		
EU ORA - Qualitative information on operational risk	Yes		Section 9	No
EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts	No	Restricted to listed and/or large institutions		
EU REMA - Remuneration policy	Yes		Section 10	No
EU REM1 - Remuneration awarded for the financial year	Yes		Section 10.2	Yes
EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)	Yes		Section 10.2	Yes
EU REM3 - Deferred remuneration	Yes		Section 10.2	Yes
EU REM4 - Remuneration of 1 million EUR or more per year	Yes		Section 10.2	Yes
EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)	No	Restricted to listed and/or large institutions		
EU AE1 - Encumbered and unencumbered assets	No	Restricted to listed and/or large institutions		
EU AE2 - Collateral received and own debt securities issued	No	Restricted to listed and/or large institutions		
EU AE3 - Sources of encumbrance	No	Restricted to listed and/or large institutions		
EU AE4 - Accompanying narrative information	No	Restricted to listed and/or large institutions		
Annex XXXIX - Prudential disclosures on ESG risks (Article 449a CRR)				
Table 1 - Qualitative information on Environmental risk	No	Restricted to large institutions with listed securities		
Table 2 - Qualitative information on Social risk	No	Restricted to large institutions with listed securities		

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Disclosure Index

Template Name	Applicable for the Bank	Reason for exclusion	Section in the Pillar III Report FY2023	Quantitative
Table 3 - Qualitative information on Governance risk	No	Restricted to large institutions with listed securities		
Template 1 - Banking book: Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	No	Restricted to large institutions with listed securities		
Template 2 - Banking book - Indicators of potential climate change transition risk: Loans collateralised by immovable property	No	Restricted to large institutions with listed securities		
Template 3 - Banking book - Climate change transition risk: Alignment metrics	No	Restricted to large institutions with listed securities		
Template 4 - Banking book - Climate change transition risk: Exposures to top 20 carbon-intensive firms	No	Restricted to large institutions with listed securities		
Template 5 - Banking book - Climate change physical risk: Exposures subject to physical risk	No	Restricted to large institutions with listed securities		
Template 6 - Summary of GAR KPIs	No	Restricted to large institutions with listed securities		
Template 7 - Mitigating actions - Assets for the calculation of GAR	No	Restricted to large institutions with listed securities		
Template 8 - GAR (%)	No	Restricted to large institutions with listed securities		
Template 9 - Mitigating actions: BTAR	No	Restricted to large institutions with listed securities		
Template 10 - Other climate change mitigating actions that are not covered in the EU Taxonomy	No	Restricted to large institutions with listed securities		

Appendix

List of abbreviations

11.2. List of abbreviations

ACRMC	Audit, Compliance and Risk Management Committee
AIRB	Advanced Internal Ratings' Based (approach)
ALCO	Asset & Liability Committee
AR	Annual Report
AT1	Additional Tier 1
BIA	Basic Indicator Approach
BIS	Bank for International Settlements
CAO	Collective Labour Agreement
CCR	Counterparty Credit Rating
CET I	Common Equity Tier I
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
CVA	Credit Valuation Adjustment
DBA	Dutch Association of Banks
DCA-Holders	Delegated credit authority holders
DNB	Dutch Central Bank
DUJAT	Dutch & Japanese Trade Federation
EBA	European Banking Authority
EMEA	Europe, Middle East, and Africa
FVOCI	Fair Value Trough Other Comprehensive Income
FX	Foreign Exchange
HR	Human Resources
HQLA	High-Quality Liquid Assets
ICAAP	Internal Capital Adequacy Assessment Process
IMM	Internal Model Method
IRB	Internal Rating Based Approach
IT	Information Technology
ITS	Implementing Technical Standards
JCC	The Japanese Chamber of Commerce and Industry in The Netherlands
JTF	The Japanese Trade Federation
KPI	Key Performance Indicator
LCR	Liquidity Coverage Ratio
LoD	Line of Defence
LR	Leverage Ratio
LRMF	Liquidity Risk Management Framework
MB	Management Board
MRT	Material Risk Taker
NSFR	Net Stable Funding Ratio
NPA	New Product Approval Process
ORA	Operational Risk Assessment
ORM	Operational Risk Management
RAS	Risk Appetite Statement
RAI	Risk Appetite Indicator
RMF	Risk Management Framework
RMPH	Risk Management Policy House
RWA	Risk Weighted Assets
SA	Standardised Approach
SB	Supervisory Board
SREP	Supervisory Review and Evaluation Process
SPL	Share Price Linked Awards
PY2023	Performance Year 2023
T2	Tier 2
The Bank	MUFG Bank Europe N.V.
TREA	Total Risk Exposure Amount
WFT	The Financial Supervision Act
FY2023	Financial Year 2023

Appendix

Contact Information

11.3. Contact Information

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