

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

For the year ended 31 March 2025

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# 1. Introduction

## 1.1. Basis of disclosure

This Pillar 3 report provides the disclosures of MUFG Bank (Europe) N.V. (the Bank) as required by the Capital Requirements Regulation (EU) No 575/2013 as amended by Regulation (EU) 2024/1623 on prudential requirements for credit institutions (CRR). The Bank aligns with the requirements specified in the Commission Implementing Regulation (EU) 2024/3172 laying down the 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.

Since the Bank is not classified as a large institution, nor as a small and non-complex institution based on CRR Article 4 (145) and (146), it has compiled the Pillar 3 disclosures in accordance with the relevant disclosure requirements for other institutions set out in Article 433c of the CRR. The Bank is furthermore not listed, and has therefore restricted its disclosure scope for the Pillar 3 report to sub-article 433c (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 rules and regulations for calculating risk-weighted assets (RWA), required regulatory capital and liquidity requirements.
- Pillar 2 - This pillar consists of the Supervisory Review process 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 outlines the specific disclosures applicable for the Bank and includes a reference, where relevant to supplementary information provided in a section or note 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.

Introduction

Basis of disclosure

CRR article	Pillar 3 Disclosure obligation	Table	Section - Pillar 3 Report FY2024	Reference AR FY2024
435 (1) (a), (e) and (f) 435 (2) (a), (b) and (c)	Disclosure of risk management objectives and policies	EU OVA EU OVB EU LIQA EU MRA EU ORA	<b>Sections 4, 5, 6, 7, 8 &amp; 9</b>	Note 25. Related party transactions Note 27. Risk management
437 (a)	Disclosure of own funds	EU CC1 EU CC2	<b>Section 3.1</b> <b>Section 3.3</b>	Note 27. Risk management
438 (c), (d) and (da)	Disclosure of own funds requirements and risk-weighted exposure amounts <sup>1</sup>	EU OVC EU OV1	<b>Section 3.5</b> <b>Section 3.6</b>	
447	Disclosure of key metrics	EU KM1	<b>Section 4.2</b>	
442 (c) and (d)	Disclosure of exposures to credit risk and dilution risk	EU CR1 EU CQ3 EU CQ1	<b>Section 6</b>	
450 (1) (a) to (d) and (h) to (k)	Disclosure of remuneration policy	REMA REM1 REM2 REM3 REM4	<b>Section 10</b>	Note 26. Key management remuneration

1 The Bank recognises its obligation to disclose tables "EU\_CMS1" and "EU\_CMS2" as required by the amendments to Part Eight of Regulation (EU) No 575/2013, Article 433c (2), and the addition of Article 438 (da). The purpose of these tables is to present the differences between the risk-weighted exposure amounts calculated using internal models and those calculated under the standardised approach. The Bank does not make use of internal models and calculate all risk-weighted exposure amounts under the standardised approach. These tables are therefore regarded as not applicable for the Bank to separately disclose in this report.

The Bank acknowledges the amendments to Part Eight of the CRR, including the newly introduced disclosure requirements related to exposures to shadow banking entities and Environmental, Social and Governance Risks (ESG Risks). In advance of the finalisation of the ITS pertaining to these disclosure requirements for other institutions, the Bank has provided disclosures with regards to these topics based on the referenced CRR articles.

CRR article	Pillar 3 Disclosure obligation	Section - Pillar 3 Report FY2024
449a	Disclosure of ESG Risks <sup>1</sup>	<b>Section 11</b>
449b	Disclosure of aggregate exposure to shadow banking entities	<b>Section 6.2</b>

1 For supplementary information on ESG Risks, refer to the 'CSRD sustainability statement' included in the AR, prepared in accordance with the European Sustainability Reporting Standards (ESRS) as required by the Corporate Sustainability Directive (CSRD).

Introduction

Governance

1.2. Governance

The Pillar 3 report for the financial year 2024 (FY2024) 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 (MB) and Supervisory Board (SB) 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 de-consolidated 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. <sup>1</sup>	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

<sup>1</sup> The liquidation of MUFG Europe Lease (Deutschland) GmbH i.L. is in progress, and expected to be finalised in the near future.

On the basis of Article 19 (1) of the CRR and in consultation with DNB, the Bank has been subject to prudential requirements on an individual basis since July 2024 due to the Bank’s subsidiaries being less than the consolidation thresholds stated in this Article. As a result, the disclosures set out under Part Eight, Titles I and II of the CRR have been prepared and presented on an individual basis for periods presented after the 1st of July 2024. This aligns to the level where the prudential requirements and regulatory framework have been applied.

### 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 not listed, set out in Article 433c (2) of the CRR. Both the Bank’s AR and Pillar 3 documents are made publicly accessible on its website. 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 strong and well diversified capital position that supports the business strategy and long-term rating ambition of its parent Mitsubishi UFJ Financial Group, Inc (The Group). 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 27 (Risk management).

EU CC1 - Composition of regulatory own funds<sup>1</sup>

in thousands of €s		a	b
		Amounts <sup>2</sup>	Reference <sup>3</sup>
<b>Common Equity Tier 1 (CET1) capital: instruments and reserves</b>			
1	Capital instruments and the related share premium accounts	1,434,306	EU CC2 - 22 EU CC2 - 23
	of which: Issued capital	1,434,306	
2	Retained earnings	604,398	
3	Accumulated other comprehensive income (and other reserves)	(8,509)	EU CC2 - 25 EU CC2 - 26 EU CC2 - 27
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	76,226	
6	<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>2,106,422</b>	
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>			
7	Additional value adjustments (negative amount)	(1,267)	
8	Intangible assets (net of related tax liability) (negative amount)	(2,963)	
27a	Other regulatory adjustments	(1,031)	
28	<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>(5,261)</b>	
29	<b>Common Equity Tier 1 (CET1) capital</b>	<b>2,101,161</b>	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>2,101,161</b>	
<b>Tier 2 (T2) capital: instruments</b>			
51	<b>Tier 2 (T2) capital before regulatory adjustments</b>	<b>-</b>	
<b>Tier 2 (T2) capital: regulatory adjustments</b>			
59	<b>Total capital<sup>4</sup> (TC = T1 + T2)</b>	<b>2,101,161</b>	
60	<b>Total Risk exposure amount</b>	<b>11,315,552</b>	

## Own funds & capital

### Composition of regulatory own funds

		a	b
	in thousands of €s	Amounts <sup>2</sup>	Reference <sup>3</sup>
<b>Capital ratios and buffers</b>			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	18.57%	
62	Tier 1 (as a percentage of total risk exposure amount)	18.57%	
63	Total capital (as a percentage of total risk exposure amount)	18.57%	
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) Capital Requirements Directive, plus combined buffer requirement in accordance with Article 128 (6) CRD expressed as a percentage of risk exposure amount)	9.42%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical buffer requirement	0.93%	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	6.15%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount) <sup>5</sup>	7.92%	
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	20,028	
<b>Applicable caps on the inclusion of provisions in Tier 2</b>			
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	134,080	

1 In accordance with Article 432 (1) of the CRR and Article 25 of the ITS, certain rows have been removed from the table above, since for these rows, the Bank has no relevant positions to report for FY2024. The removal of not applicable rows from the table has been done to improve readability of the disclosure.

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

3 Based on reference numbers of the balance sheet under the regulatory scope of consolidation.

4 'Total capital' excludes the portion of financial year end profits pertaining to the second half of the financial year (€58,8mln), not yet eligible for inclusion in regulatory capital.

5 This ratio indicates the percentage of CET1 capital remaining after satisfying minimum capital requirements and institution specific Pillar II add-ons used for Additional Tier 1 and Tier 2, but before the combined buffer requirement.

### 3.2. Restrictions applied to the calculation of own Funds

In accordance with statutory and regulatory provisions, the Bank can only pay dividends to shareholders to the extent that its paid-up capital and retained earnings exceed the sum of the paid-up and called-up capital, together with the reserves required by regulatory standards 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 the Capital Requirements Directive (CRD) Articles 129 to 131 and the limitations on any dividends that would put

the Bank in breach of the overall capital requirements in line with Article 141 (1).

By virtue of a resolution of the general meeting of the shareholder, the Bank may acquire fully paid-up shares in its authorised capital only if, after deducting the acquisition price, its paid-up capital and retained earnings, are not less than the sum of the paid-up and called-up capital plus the legally required reserves. Furthermore, the par value of the shares to be acquired, together with those already held by the Bank, must not exceed one-tenth of the issued capital.



## Own funds & capital

### Reconciliation of regulatory own funds to the balance sheet

### 3.3. Reconciliation of regulatory own funds to the balance sheet

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

		a	b
		Balance sheet as in published AR	Reference <sup>1</sup>
in thousands of €s		31-3-2025	
<b>Assets</b>			
1	Cash and balances with central banks	1,893,636	
2	Loans and advances to banks	1,041,014	
3	Loans and advances to customers	8,536,389	
4	Derivatives	140,131	
5	Financial investments	948,916	
6	Property and equipment	22,982	
7	Intangible assets	9,413	
8	Current tax assets	44,261	
9	Deferred tax assets	20,028	
10	Retirement benefit asset	2,926	
11	Other assets	31,694	
12	<b>Total assets</b>	<b>12,691,391</b>	
<b>Liabilities</b>			
13	Due to banks	5,180,778	
14	Due to customers	4,953,143	
15	Derivatives	138,560	
16	Current tax liabilities	106,276	
17	Provisions	22,255	
20	Other liabilities	125,199	
21	<b>Total liabilities</b>	<b>10,526,211</b>	
<b>Shareholders' Equity</b>			
22	Issued capital	100,003	
23	Share premium	1,334,304	EU CC1 - 1
24	Retained earnings <sup>2</sup>	739,382	EU CC1 - 2 EU CC1 - EU-5a
25	Fair value reserve: financial instruments measured at FVOCI	1,470	
26	Foreign currency translation reserve	466	EU CC1 - 3
27	Actuarial reserve	(10,445)	
28	<b>Shareholder's equity</b>	<b>2,165,180</b>	
29	<b>Total equity</b>	<b>2,165,180</b>	

<sup>1</sup> Includes reference numbers to the composition of the regulatory own funds as disclosed in EU CC1.

<sup>2</sup> 'Retained earnings' presented in this table includes net results for FY2024 of €134,98mln. This is excluded from row 2 presented in EU CC1. The portion of the FY2024 net results which are eligible for inclusion in the regulatory capital is reported separately on row EU-5a in EU CC1.

Own funds & capital

Summary of the institution's approach on ICAAP

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.

The MB declared that the 2025 ICAAP gives a fair and adequate assessment of the Bank's business and risks, including capital, liquidity and funding adequacy. The reference date of the 2025 ICAAP is 30 September 2024.

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 considered to determine whether the Bank is sufficiently capitalised (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 adjusts 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 (immediate parent of the Bank).

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.

## Own funds & capital

### Results ICAAP

#### 3.5. Results ICAAP

The ICAAP results presented below are based on the latest submitted ICAAP, as part of the 2025 SREP submission (March 2025). The reference date of the 2025 ICAAP is 30 September 2024. 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	ICAAP Capital	Total SREP Capital
		ICAAP (own confidence level)	
Pillar 1 risks			
Credit and dilution risk (CRR 92.3 a)	756,802	756,802	756,802
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)	176	176	176
Operational risk (CRR 92.3 e)	41,614	41,614	41,614
Counterparty risk (CRR 92.3 f)	15,632	15,632	15,632
Total Pillar 1 risk	814,224	814,224	814,224
Pillar 2 risks			
Credit Concentration risk:		96,000	96,000
Countries		48,000	48,000
Sectors		8,200	8,200
Single Name		39,800	39,800
Other		-	-
Other credit risk		-	-
Market risk		-	-
Operational risk		27,800	27,800
Interest rate risk banking book		43,800	43,800
Business model risk & profitability		-	-
Total Pillar 2 risk		167,600	167,600
Total Pillar 1 + Pillar 2			
		981,824	981,824

This results in total required capital for Pillar 1 and 2 of €0.98 billion, resulting in a bottom up ICAAP-ratio of 9.6%, given the RWA of €10.18 billion as per 30 September 2024. A forward-looking analysis of the capital requirements is performed against the key external and internal risks and presented as part of outlook setting.

Based on the internal assessment and the results of the stress tests, The Bank's capital position remains robust during the stressed horizon and well above minimum regulatory capital levels defined by the regulator.

## Own funds & capital

### Overview of minimum capital requirements for each exposure class

#### 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<sup>1</sup>

in thousands of €s		a	b	c
		Risk-weighted exposure amounts (RWEAs)		Total own funds requirements
		31-3-2025	31-3-2024	31-3-2025
1	Credit risk (excluding CCR)	10,443,751	9,492,676	835,500
2	Of which the standardised approach	10,443,751	9,492,676	835,500
6	Counterparty credit risk - CCR	224,682	107,175 <sup>2</sup>	17,975
7	Of which the standardised approach	224,682	107,175	17,975
10	Credit valuation adjustments risk - CVA risk <sup>3</sup>	17,854	73	1,428
EU 10b	Of which the basic approach (F-BA and R-BA)	17,854	-	1,428
16	Securitisation exposures in the non-trading book (after the cap)	58,002	81,509	4,640
19	Of which SEC-SA approach	58,002	81,509	4,640
24	Operational risk <sup>4</sup>	571,262	342,735	45,701
25	Amounts below the thresholds for deduction (subject to 250% risk weight) <sup>5</sup>	67,749	85,815	5,420
29	Total Risk exposure amount	11,315,552	10,024,168	905,244

1 In accordance with Article 432 (1) of the CRR and Article 25 of the ITS, certain rows have been removed from the table above, since the Bank has no relevant positions to report for FY2024. The removal of not applicable rows from the table has been done to improve readability of the disclosure.

2 In accordance with the amended provision of the ITS and Annex I, row 6 no longer includes CVA risk and is separately disclosed in row 10.

3 In the current reporting period, the CVA risk capital requirement is calculated using the basic-approach (BA), in accordance with the amended provisions of Article 384 of the CRR. This represents a change from the prior year, where the CVA risk capital requirement was calculated on the basis of the standardised method. The amendment reflects the regulatory updates introduced under the CRR to align with the Basel III reforms.

4 Operational risk is calculated for FY2024 on the basis of Article 314 (7), the Business indicator approach, considering the amended calculation methodology brought about by the amendments to Title III of Part Three of the CRR.

5 The information in row 25 'Amounts below the threshold for deduction (subject to 250% risk weight)', is disclosed for information purposes as per the EBA ITS. Since this amount is also included in row 1 'Credit risk (excluding CCR)', it is not added to row 29 'Total Risk exposure amount'.

## 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 27 of the Bank's AR 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
- Section 11: ESG Risks

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

Risk management plays an important role in the Bank's global operations. The 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 maximise shareholder value. This integrated approach stems from MUFG Bank Ltd.

The Bank's risk control framework is based on the Risk Management Framework (RMF) and the Risk Appetite Statement (RAS), which is proposed by the MB and approved by the SB. This enables the organisation to operate and grow in a sustainable and balanced manner. The Bank defines the risk management activity based on the RMF as "the culture, capabilities, and practices, integrated with strategy setting and performance, that organisations rely on to manage risk in creating, preserving, and realising value."

The RMF describes a holistic approach to risk management in the form of rules and principles for the Bank to ensure risks are adequately controlled in line with the risk strategy and within defined risk appetite/limits. The RMF has been instituted by the Bank to systematically identify, manage, monitor, and report risks, ensuring a balanced relationship between risk

and reward. It is used to support the Bank's risk-based decision making and the resilience of operations to achieve the Bank's long-term goals. Within the Bank, the RMF consists of several key items that interact and build upon each other.

The risk management policy house (RMPH) is a concept described in the RMF which guides the Bank's second line of defence (2LoD) (see section 5.1), on the structure, governance, cadence and definitions of its documentation. The RMPH is developed in accordance with the parental rules, external law, regulation, 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, the MB's 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.

Risk taxonomy is a structured classification of risks, focusing on categorisation and standardisation to ensure comprehensive risk identification and a common understanding within the Bank. The risk taxonomy is used to inform the approach on managing risks and assign framework components in an organised and consistent manner. Based on the risk taxonomy, identified risks are then registered in the risk inventory.

Together with the RMF, the 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 strong and well diversified capital and liquidity position which supports its business strategy and the long-term rating ambition of the Group.

Risk management objectives & policies

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 27 (Risk management).

## Risk management objectives & policies

### Overview of risk management, key prudential metrics and RWA

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

Article 447, points (a) to (g) and CRR Article 438 point (b).

The following table provides an overview of the Bank's key risk management metrics in accordance with CRR

Table EU KM1 - The Bank's risk management, key prudential metrics and RWA<sup>1</sup>

		a	b	c	d <sup>2</sup>	e <sup>2</sup>
in thousands of €s		31-3-2025	31-12-2024	30-9-2024	30-6-2024	31-3-2024
<b>Available own funds (amounts)</b>						
1	Common Equity Tier 1 (CET1) capital	2,101,161	2,100,251	2,100,774	2,025,137	1,934,723
2	Tier 1 capital	2,101,161	2,100,251	2,100,774	2,025,137	1,934,723
3	Total capital	2,101,161	2,100,251	2,100,774	2,025,137	1,934,723
<b>Risk-weighted exposure amounts</b>						
4	Total risk-weighted exposure amount	11,315,552	11,422,949	10,177,804	10,158,415	10,024,168
4a	Total risk exposure pre-floor	11,315,552	11,422,949	10,177,804	10,158,415	10,024,168
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>						
5	Common Equity Tier 1 ratio (%)	18.57%	18.39%	20.64%	19.94%	19.30%
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	18.57%	18.39%	20.64%	19.94%	19.30%
6	Tier 1 ratio (%)	18.57%	18.39%	20.64%	19.94%	19.30%
6b	Tier 1 ratio considering unfloored TREA (%)	18.57%	18.39%	20.64%	19.94%	19.30%
7	Total capital ratio (%)	18.57%	18.39%	20.64%	19.94%	19.30%
7b	Total capital ratio considering unfloored TREA (%)	18.57%	18.39%	20.64%	19.94%	19.30%
<b>Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)</b>						
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.65%	2.65%	2.66%	2.66%	2.66%
EU 7e	of which: to be made up of CET1 capital (percentage points)	1.49%	1.49%	1.50%	1.50%	1.50%
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	1.98%	1.98%	2.00%	2.00%	2.00%
EU 7g	Total SREP own funds requirements (%)	10.65%	10.65%	10.66%	10.66%	10.66%
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>						
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Institution specific countercyclical capital buffer (%)	0.93%	0.88%	0.84%	0.84%	0.61%
11	Combined buffer requirement (%)	3.43%	3.38%	3.34%	3.34%	3.11%
EU 11a	Overall capital requirements (%)	14.08%	14.03%	14.00%	14.00%	13.77%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.92%	7.74%	9.98%	9.28%	8.64%

## Risk management objectives & policies

### Overview of risk management, key prudential metrics and RWA

		a	b	c	d <sup>2</sup>	e <sup>2</sup>
	in thousands of €s	31-3-2025	31-12-2024	30-9-2024	30-6-2024	31-3-2024
<b>Leverage ratio</b>						
13	Total exposure measure	16,452,231	17,430,300	16,019,314	16,820,489	17,317,638
14	Leverage ratio	12.77%	10.54%	13.11%	12.04%	11.18%
<b>Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)</b>						
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>						
EU 14e	Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
<b>Liquidity Coverage Ratio</b>						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	4,546,991	4,784,281	4,965,782	5,254,332	5,272,949
EU 16a	Cash outflows - Total weighted value	5,819,777	5,749,195	5,841,423	5,852,429	5,904,151
EU 16b	Cash inflows - Total weighted value	2,619,604	2,642,154	2,766,953	2,739,285	2,797,198
16	Total net cash outflows (adjusted value)	3,200,172	3,107,041	3,074,470	3,113,144	3,106,953
17	Liquidity coverage ratio (%)	142.53%	155.08%	162.80%	170.18%	170.89%
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding	8,447,920	8,590,760	7,597,603	7,923,884	7,726,454
19	Total required stable funding	7,609,243	7,267,177	6,676,452	6,550,424	6,588,417
20	NSFR ratio (%)	111.02%	118.21%	113.80%	120.97%	117.27%

1 In accordance with Article 432 (1) of the CRR and Article 25 of the ITS, certain rows have been removed from the table above, since the Bank has no relevant positions to report for FY2024. The removal of not applicable rows from the table has been done to improve readability of the disclosure.

2 On the basis of Article 19 (1) of the CRR, the Bank applies the prudential requirements on an individual basis as from 1-7-2024. As a result, the information reported for the quarters ending 31-3-2024 and 30-6-2024 are on consolidated basis, this in comparison to the periods following thereafter reported on an individual basis.

### 4.3. Recruitment policies for members of the Management Board

The Bank's aim is to have an adequate composition of the MB in terms of relevant knowledge, experience and gender diversity, by assessing individual experience and skills against the core behavioural competencies for the MB 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 short-listing, 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.

The composition of the MB for the financial year was made up of three males and one female, including the President of the Bank. There is currently a vacancy in the MB which is being temporarily covered by another MB member. The current gender diversity ratio is 25%.

Pursuant to the Bank's articles of association, the MB and SB are nominated at the general shareholders meeting. Prior to the nomination, a profile containing the required suitability and availability of future board members is composed, considering the composition and functioning of the collective board. The shareholder informs the MB of the name and provides key personal data of the MB candidate, the likely target date for the nomination and other relevant information to enable the MB to prepare the prospective appointment notification to the DNB. The nomination procedure is laid down in the SB and MB by-laws. The nomination is subject to the prior declaration of 'no objection' issued by the DNB. The MB is responsible for the application of the declaration of 'no objection' and for informing the shareholder upon receiving the declaration.

Two MB members hold directorships outside of the Bank. Mr. Harm Bots holds a non-executive directorship in the Dutch & Japanese Trade Federation (DUJAT), an executive directorship in the Japanese



Risk management objectives & policies

Recruitment policies for members of the Management Board

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 organisation

For further information on the Bank's risk organisation, refer to the AR note 27 (Risk management).

4.5. Risk reporting to the management body

For further information on the Bank's risk reporting to the MB, refer to the AR note 27 (Risk management).

## 5. Risk governance

Risk management is integrated throughout all activities of The Bank; from daily operations to strategic reviews and from Front Office to supporting processes. To further implement proper risk management and include new insights and developments, risk management activities are themselves governed and managed by the Chief Risk Officer (CRO).

Within the broader parent context, the CRO has a reporting line into the CRO of Europe, Middle East, and Africa (EMEA) headquarters in London. This establishes the link between the risk management in The Bank and the Group.

### 5.1. Three Lines of Defence model

Governance of risk is centred on three lines of defence (3LoD) approach. The 3LoD model identifies and defines the responsibilities for all employees in the organisation, to provide clarity and understanding, and to support the implementation of the Risk Management Framework. The 3LoD provides a clear understanding of these roles and ensures alignment, collaboration, and accountability in realising organisational objectives within the defined risk appetite.

#### First line of defence (1LoD)

The 1LoD (the business division, client-facing divisions, operational and control units) undertakes risks in accordance with risk appetite and is responsible and accountable for identifying, evaluating, and controlling business risks. Business lines take risks and are responsible for their operational management on a permanent basis. The business lines ensure prudent risk-taking, risk management and compliance to ensure a sound risk culture across the bank.

#### Second line of defence (2LoD)

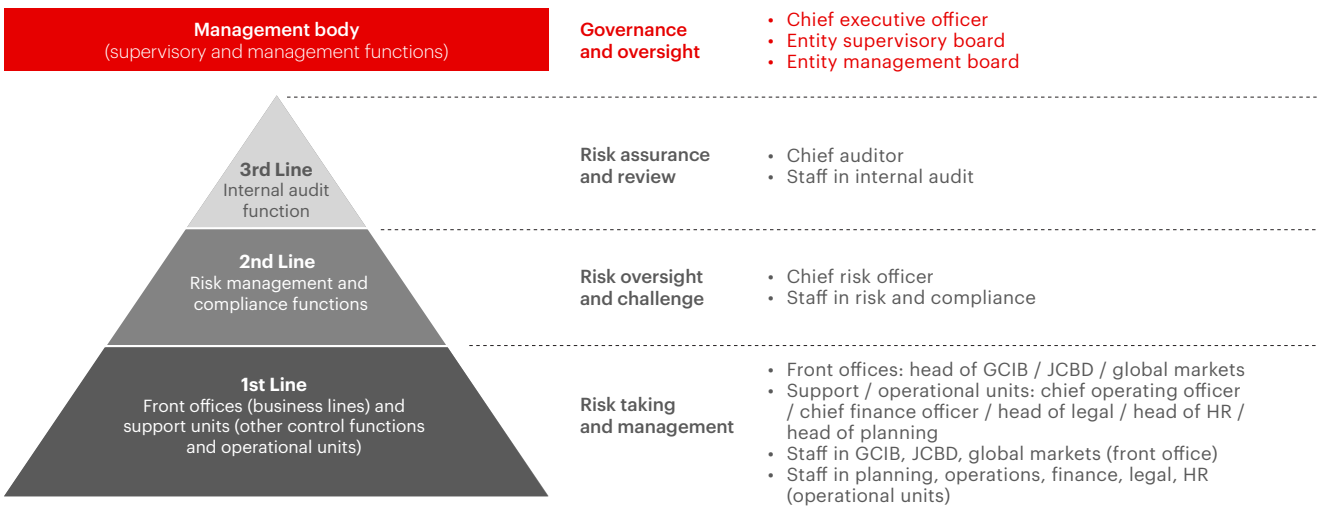
The 2LoD consists of the Risk Management function and Compliance function which are responsible for further identifying, measuring, monitoring, and reporting risks to which the Bank is or might be exposed, independently of the 1LoD. The Compliance function is in charge of ensuring compliance with applicable laws, rules, standards and advising the management body on measures to be taken in the case of non-compliance. The 2LoD develops and maintains the risk framework and its associated policies, procedures, and guidance, that guide and affect the management of risks. It provides independent advice and governance, as well as independent oversight and challenge on the effectiveness of risk controls owned by the 1LoD. Finally, it acts as trusted advisor to the business and senior management on matters related to regulatory compliance.

#### Third line of defence (3LoD)

The Bank's internal audit function (IA) independently reviews the 1LoD and 2LoD, assesses the efficiency and effectiveness of the Bank's risk management, governance and internal control processes, and informs the management body about deficiencies. It provides independent and objective assurance of the effectiveness of governance, risk management and internal control practices in the 1LoD and 2LoD. It challenges senior management and the MB on the adequacy and effectiveness of the governance, risk-management, and system of internal controls. It acts as a trusted advisor to the SB, the MB, and other key stakeholders over the control environment. It informs and reports to the SB and MB Board on the adequacy, design, and effectiveness of the bank's risk governance framework and critical issues as they arise. The Bank's Chief Auditor reports functionally to the Chairperson of the Audit & Risk Committee. Internally, the Bank's Chief Auditor hierarchically reports to the Bank's CEO, with the purpose of providing day-to-day support and administrative oversight.

Risk governance

Three Lines of Defence model



5.2. Bank Committees

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

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

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

The SB approves the risk profile and control framework of the Bank. The SB supervises, advises and challenges the MB in the exercise of its duties, and is responsible for the general course of business of the Bank and its related companies pursuant to the Bank's articles of association, MUFG principles of ethics and conduct, and prevailing legal and regulatory requirements,

including the Dutch Banking Code. The SB plays a vital role in the corporate governance framework of the Bank.

The SB established an audit, compliance and risk management committee (ACRMC). The ACRMC is responsible for supervising matters related to financial reporting, risk, and compliance. The task of the ACRMC is to prepare the SB for making final decisions by holding prior and separate meetings with internal audit, the CRO and the Chief Financial Officer (CFO) and representatives of those functions, as well as the external auditors of the Bank.

# 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 ECB and/or EBA Regulation 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 MB 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 MB'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 in London (EMEA Head Office) or Tokyo (Global Head Office). In addition, the Credit Committee is authorised to take credit decisions in exceptional cases.

Daily monitoring of positions and limits is performed by the Middle Office Division (MOD). Second line Risk Management function 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 are performed by the Credit Division.

The tables following in sections 6.1 shows respectively the performing and non-performing exposures and related provisions in accordance with Article 442 (c) and (d).

## Credit risk

### 6.1 Credit quality of assets

#### 6.1 Credit quality of assets

EU CR1 - Performing and non-performing exposures and related provisions

in thousands of €s		a	b	c	d	e	f
		Gross carrying amount/nominal amount					
		Performing exposures			Non-performing exposures		
			of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3
Cash balances at central banks and other demand deposits		2,022,193	2,022,193	-	-	-	-
005	Loans and advances	9,918,234	9,495,531	374,278	179,184	-	179,184
020	Central banks	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-
040	Credit institutions	910,535	910,535	-	-	-	-
050	Other financial corporations	1,123,085	1,123,085	-	-	-	-
060	Non-financial corporations	7,884,596	7,461,894	374,278	179,184	-	179,184
070	Of which: SMEs	932,781	926,881	5,900	-	-	-
080	Households	18	18	-	-	-	-
090	Debt Securities	345,584	345,584	-	-	-	-
100	Central banks	-	-	-	-	-	-
110	General governments	345,584	345,584	-	-	-	-
120	Credit institutions	-	-	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-
150	Off-balance sheet exposures	14,863,350	14,760,538	102,812	1,874	-	1,874
160	Central banks	-	-	-	-	-	-
170	General governments	22	22	-	-	-	-
180	Credit institutions	847,368	847,368	-	-	-	-
190	Other financial corporations	1,290,092	1,290,092	-	-	-	-
200	Non-financial corporations	12,725,859	12,623,046	102,812	1,874	-	1,874
210	Households	10	10	-	-	-	-
220	Total	27,149,361	26,623,846	477,090	181,058	-	181,058

The Bank's definition of default is aligned to Article 178 of the CRR and regard a customer to be in default when the customer is considered unlikely to pay ('UTP') and/or the customer is past due more than 90 consecutive days on any material credit obligation. For on-balance exposures in default as a percentage of the total loans and advances, also known as the 'NPE ratio', the Bank maintained a ratio of 1.8% for FY2024, compared to 1.6% in FY2023.

## Credit risk

### 6.1 Credit quality of assets

EU CR1 - Performing and non-performing exposures and related provisions (cont.)

		g	h	i	j	k	l
		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
		Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
			of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3
in thousands of €s							
	Cash balances at central banks and other demand deposits	- 6	- 6	-	-	-	-
005							
010	Loans and advances	- 4,874	- 3,144	- 1,730	- 47,505	-	- 47,505
020	Central banks	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-
040	Credit institutions	- 60	- 60	-	-	-	-
050	Other financial corporations	- 768	- 768	-	-	-	-
060	Non-financial corporations	- 4,046	- 2,316	- 1,730	- 47,505	-	- 47,505
070	Of which: SMEs	- 533	- 533	- 0	-	-	-
080	Households	-	-	-	-	-	-
090	Debt Securities	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-
110	General governments	-	-	-	-	-	-
120	Credit institutions	-	-	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-
150	Off-balance sheet exposures	3,193	2,495	698	76	-	76
160	Central banks	-	-	-	-	-	-
170	General governments	0	0	-	-	-	-
180	Credit institutions	22	22	-	-	-	-
190	Other financial corporations	202	202	-	-	-	-
200	Non-financial corporations	2,969	2,271	698	76	-	76
210	Households	0	0	-	-	-	-
220	Total	- 8,073	- 5,645	- 2,428	- 47,581	-	- 47,581

## Credit risk

### 6.1 Credit quality of assets

EU CR1 - Performing and non-performing exposures and related provisions (cont.)

in thousands of €s		m	n	o
		Accumulated partial write-off	Collaterals and financial guarantees received	
			On performing exposures	On non-performing exposures
005	Cash balances at central banks and other demand deposits	-	127,309	-
010	Loans and advances	-	4,501,802	123,679
020	Central banks	-	-	-
030	General governments	-	-	-
040	Credit institutions	-	522,112	-
050	Other financial corporations	-	681,629	-
060	Non-financial corporations	-	3,298,062	123,679
070	Of which: SMEs	-	130,738	-
080	Households	-	-	-
090	Debt Securities	-	-	-
100	Central banks	-	-	-
110	General governments	-	-	-
120	Credit institutions	-	-	-
130	Other financial corporations	-	-	-
140	Non-financial corporations	-	-	-
150	Off-balance sheet exposures		1,458,621	1,623
160	Central banks		-	-
170	General governments		-	-
180	Credit institutions		86,345	-
190	Other financial corporations		165,828	-
200	Non-financial corporations		1,206,448	1,623
210	Households		-	-
220	Total	-	6,087,732	125,302

## Credit risk

### 6.1 Credit quality of assets

EU CQ3 - Credit quality of performing and non-performing exposures by past due days

in thousands of €s		a	b	c
		Gross carrying amount / Nominal amount		
		Performing exposures		
			Not past due or Past due < 30 days	Past due > 30 days < 90 days
	Cash balances at central banks and other demand deposits	2,022,193	2,022,193	-
005				
010	Loans and advances	9,918,234	9,918,234	-
020	Central banks	-	-	-
030	General governments	-	-	-
040	Credit institutions	910,535	910,535	-
050	Other financial corporations	1,123,085	1,123,085	-
060	Non-financial corporations	7,884,596	7,884,596	-
070	Of which SMEs	932,781	932,781	-
080	Households	18	18	-
090	Debt Securities	345,584	345,584	-
100	Central banks	-	-	-
110	General governments	345,584	345,584	-
120	Credit institutions	-	-	-
130	Other financial corporations	-	-	-
140	Non-financial corporations	-	-	-
150	Off-balance sheet exposures	14,863,350		
160	Central banks	-		
170	General governments	22		
180	Credit institutions	847,368		
190	Other financial corporations	1,290,092		
200	Non-financial corporations	12,725,859		
210	Households	10		
220	Total	27,149,361	12,286,011	-



## Credit risk

### 6.1 Credit quality of assets

EU CQ3 - Credit quality of performing and non-performing exposures by past due days (cont.)

		d	e	f	g	h	i	j	k	l
		Gross carrying amount / Nominal amount								
		Non-performing exposures								
			Unlikely to pay that are not past-due or past-due <= 90 days	Past due > 90 days <= 180 days	Past due > 180 days <= 1 year	Past due > 1 year <= 2 years	Past due > 2 year <= 5 years	Past due > 5 year <= 7 years	Past due > 7 years	Of which defaulted
in thousands of €s										
	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-	-
005		-	-	-	-	-	-	-	-	-
010	Loans and advances	179,184	170,396	-	8,788	-	-	-	-	179,184
020	Central banks	-	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-	-
050	Other financial corporations	-	-	-	-	-	-	-	-	-
060	Non-financial corporations	179,184	170,396	-	8,788	-	-	-	-	179,184
070	Of which SMEs	-	-	-	-	-	-	-	-	-
080	Households	-	-	-	-	-	-	-	-	-
090	Debt Securities	-	-	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-
110	General governments	-	-	-	-	-	-	-	-	-
120	Credit institutions	-	-	-	-	-	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-	-	-	-
150	Off-balance sheet exposures	1,874								1,874
160	Central banks	-								-
170	General governments	-								-
180	Credit institutions	-								-
190	Other financial corporations	-								-
200	Non-financial corporations	1,874								1,874
210	Households	-								-
220	Total	181,058	170,396	-	8,788	-	-	-	-	181,058

## Credit risk

### 6.1 Credit quality of assets

#### EU CQ1 - Credit quality of forborne exposures

in thousands of €s		a	b	c	d
		Gross carrying amount/ Nominal amount of exposures with forbearance measures			
		Performing forborne	Non-performing forborne	Of which defaulted	Of which impaired
005	Cash balances at central banks and other demand deposits	-	-	-	-
010	Loans and advances	171,482	175,134	175,134	175,134
020	Central banks	-	-	-	-
030	General governments	-	-	-	-
040	Credit institutions	-	-	-	-
050	Other financial corporations	-	-	-	-
060	Non-financial corporations	171,482	175,134	175,134	175,134
070	Households	-	-	-	-
080	Debt Securities	-	-	-	-
090	Loan commitments given	49,343	-	-	-
100	Total	220,824	175,134	175,134	175,134

#### EU CQ1 - Credit quality of forborne exposures (cont.)

in thousands of €s		e	f	g	h
		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collaterals received and financial guarantees received on forborne exposures	
		On performing forborne exposures	On non-performing forborne exposures		Of which: Collateral and financial guarantees received on non-performing exposures with forbearance measures
005	Cash balances at central banks and other demand deposits	-	-	-	-
010	Loans and advances	- 1,394	- 47,430	169,109	74,514
020	Central banks	-	-	-	-
030	General governments	-	-	-	-
040	Credit institutions	-	-	-	-
050	Other financial corporations	-	-	-	-
060	Non-financial corporations	- 1,394	- 47,430	169,109	74,514
070	Households	-	-	-	-
080	Debt Securities	-	-	-	-
090	Loan commitments given	123	-	40,178	-
100	Total	- 1,516	- 47,430	209,287	74,514

Credit risk

6.2 Shadow banking entities

6.2 Shadow banking entities

In accordance with Article 449b of the CRR, as amended by Regulation (EU) 2024/1623, the Bank's

exposure to shadow banking entities for FY2024, is provided in the following table:

in thousands of €s	a	b	c	d
	Original exposures		Exposure value before application of exemptions and CRM	Exposure value after application of exemptions and CRM
	On-balance-sheet exposures	Off-balance-sheet exposures		
Aggregate exposure to shadow				
1 banking entities	506,803	398,432	905,187	615,107

## 7. Liquidity risk

Funding liquidity risk is the risk that the Bank 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 Bank. Market liquidity risk is the risk that the Bank cannot easily offset or eliminate a position at the market price because of inadequate market depth or market disruption.

The Bank has adverse risk appetite for liquidity risk. Funding liquidity risk and market liquidity risk are managed in compliance with 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 1LoD and 2LoD within the Bank.

The LRMF ensures that the Bank maintains sufficient liquidity to withstand various stress scenarios which have been calibrated to 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 Market Risk Management (MRM). The Bank's liquidity risk is managed by the Asset and Liability Committee (ALCO) and overseen by the Risk Management Committee (RMC).

## 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 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.

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.

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, transaction processing risk, third party risk, people risk, data risk, tangible asset risk, business continuity risk, legal risk, fraud risk, and project and change risk. The Bank has a conservative risk appetite for transaction processing, technology, people and third-party risk. Risk appetite for data risk is averse. Any fraud risk is to be avoided.

The capitalisation for operational risk is analysed on two levels. In Pillar 1, the Bank applies the business indicator approach and in Pillar 2, the Bank capitalises for an additional EUR 27.8 million, based on calculations from a statistical model on the output of a portfolio of scenarios.

Operational risk is managed in accordance with The Bank's Operational Risk Management policy. This policy defines standards and requirements for identifying, assessing, monitoring and managing operational risk supported by relevant procedures. The RAS articulates the level of operational risk the Bank is willing to accept within its risk capacity in order to deliver on its strategic and financial objectives.

The aim of operational risk management is not to eliminate operational risk entirely but to ensure it remains within risk appetite, and to ensure a robust control environment that is sufficiently effective in preventing significant losses that could adversely affect the Banks operations and reputation.

# 10. Remuneration policy

The disclosures in this section are supplementary to those included in the Bank's AR note 26 (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 SB. The Bank's reward Policy considers the Bank's strategy, size, nature and complexity, whilst ensuring alignment with its risk appetite, core values, local market conditions, the current economic environment, stakeholder expectations and broader 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 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 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'<sup>1</sup>, the 'Guidelines on Sound Remuneration Policies' as issued by the European Banking Authority (EBA), CRD, the 'Regulation on Sound Remuneration Policies under WFT 2021'<sup>2</sup> as issued by the DNB and the 'Dutch

Banking Code' as issued by the Dutch Association of Banks (NVB).

The SB is responsible for approving the Bank's Reward Policy whilst the MB 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.

In addition to the quarterly standard meetings of the SB, 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 SB 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.

<sup>1</sup> 'Wet beloningsbeleid financiële ondernemingen': law of January the 28th, 2015.

<sup>2</sup> 'Regeling beheerst beloningsbeleid 2021': decree of the Dutch Central Bank of October the 1st, 2021.

Remuneration policy

Remuneration of the Management Board

10.2. Remuneration of the Management Board

Remuneration elements

The MB consisted of four members for the performance year 2024 (PY2024), including the CEO. One MB member departed in PY2023 and was subsequently replaced by a new member who started April 2024. Another member also left in PY2024 which has resulted in this role being temporarily covered by another MB 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 MB members is set according to their skills and experience, considering 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 MB member, the Bank follows the conditions as provided by the Bank's shareholder. Both the SB and MB understand that the shareholder, applies to its staff, principles of sound remuneration based on CRD.

For the avoidance of doubt, the Bank will explain in its AR if this leads to a deviation from the Banking Code and the Bank will apply this policy to these MB members in proportion to the amount of time such persons spend with the bank in a relevant year.

Benchmarking

For local MB members' fixed pay, the Bank aligns with prevailing market conditions and best practices. A select peer group of Dutch and other European Banks in other EU locations are used to ensure pay is balanced, fair and appropriately competitive for the markets the Bank operates in. The peer group is selected based on similar size, governance framework and business profile. Market data used in benchmarking is based on total compensation.

Performance objectives

Each year, the SB agrees on performance objectives with the MB, which are derived from the Bank's (long-term) strategic objectives. In setting these objectives, the desired risk profile and operational resilience of the

Bank are considered. These two themes are included in the objectives every year. Moreover, the SB considers 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. Enterprise Risk Management has the opportunity to provide input on the setting of Key Performance Indicators (KPIs).

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

Pension

The local MB 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. An additional pension supplement may be granted to compensate over this salary.

Other

- The fringe benefits provided to the MB 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, MB 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 PY2024.
- 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.
- Head-office Material Risk Takers (MRT) that have left the Bank and returned to Tokyo/other locations are not subject to deferrals on their bonus.



## Remuneration policy

### Remuneration of the Management Board

#### EU REM1 - Remuneration awarded for the financial year

			a	b	c	d
			MB Supervisory function	MB Management function	Other senior management	Other identified staff
in thousands of €s						
1	Fixed remuneration	Number of identified staff <sup>1</sup>	5	4	-	23
2		Total fixed remuneration	285	2,276	-	5,225
3		Of which: cash-based	285	1,949	-	4,391
7		Of which: other forms <sup>2</sup>	-	327	-	834
9	Variable remuneration	Number of identified staff	-	4	-	19
10		Total variable remuneration	-	388	-	1,234
11		Of which: cash-based	-	194	-	645 <sup>3</sup>
12		Of which: deferred	-	78	-	236
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	-	194	-	589
EU-14b		Of which: deferred	-	78	-	236
17	Total remuneration (2 + 10)		285	2,664	-	6,460

1 'Number of identified staff' includes leavers throughout the financial year. MRTs employed by other entities are included in the headcount; however, their compensation is paid by their respective employers and, where relevant, captured through those entities' own submissions.

2 Included in 'other forms' are benefits allowances and pension.

3 'Home-Staff' MRT's who have left during year, received a bonus paid fully in cash.

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

		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
in thousands of €s					
Guaranteed variable remuneration awards					
1	Guaranteed variable remuneration awards - Number of identified staff	-	-	-	-
2	Guaranteed variable remuneration awards -Total amount	-	-	-	-
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	-	-	-	1
7	Severance payments awarded during the financial year - Total amount	-	-	-	103,175
8	Of which paid during the financial year	-	-	-	103,175
9	Of which deferred	-	-	-	-

## Remuneration policy

### Remuneration of the Management Board

	a	b	c	d
in thousands of €s	MB Supervisory function	MB Management function	Other senior management	Other identified staff
10 Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
11 Of which highest payment that has been awarded to a single person	-	-	-	103,175

#### EU REM3 - Deferred remuneration<sup>1</sup>

	a	b	c	f	EU - g	EU - h
in thousands of €s	Total amount of deferred remuneration awarded for previous performance periods.	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 <sup>2</sup>	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	375	70	305	57	57	44
8 Cash-based	158	26	132	-	26	-
9 Shares or equivalent ownership interests	217	44	172	57	31	44
10 Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-
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	760	132	628	113	100	74

Remuneration policy

Remuneration of the Management Board

		a	b	c	f	EU - g	EU - h
		Total amount of deferred remuneration awarded for previous performance periods.	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 <sup>2</sup>	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
in thousands of €s							
20	Cash-based	345	58	287	-	58	-
21	Shares or equivalent ownership interests	415	74	341	-	42	74
22	Share-linked instruments or equivalent non-cash instruments	-	-	-	113	-	-
23	Other instruments	-	-	-	-	-	-
24	Other forms	-	-	-	-	-	-
25	Total amount	1,136	202	933	170	157	118

1 Disclosure is based on the period 1 April 2024 to 31 March 2025; Vestings are based on June 2024; Future or outstanding vestings include PY2023 deferrals (100%).

2 Performance adjustments due to ex post implicit adjustments have used the share price and FX from 1 April 2024 to 31 March 2025.

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. ESG Risks

This section addresses the reporting requirement pertaining to ESG Risks as stipulated in Article 449a of the CRR. The Bank has compiled this disclosure on the basis of this article, in advance of the final ITS applicable to other institutions. This disclosure is to be read in conjunction with the CSRD sustainability statement included in the AR.

## 11.1 Introduction

The Group's stated purpose is being "committed to empowering a brighter future" and one of the three pillars of its medium-term business plan (MTBP) is to strengthen efforts to drive social and environmental progress. The Group has set ten priority issues and one of the most important issues is the achievement of a carbon neutral society.

### Approach towards climate change

The Group has a defined unwavering climate change commitment, which includes helping achieve the 1.5°C target. This approach reflects the Group's understanding of the interconnectedness between environmental health and economic prosperity. The Bank takes its direction from the Group and is cognisant of its role in mitigating climate change.

The Bank as a subsidiary of the Group, shares this commitment and recognises that the protection and preservation of the global environment is the shared responsibility of all. For some years, the Bank has invested in its ESG governance; embedded Climate-related and Environmental (C&E) risks into its risk framework; has expanded its sustainable finance offering; and worked towards more sustainable business operations, all integrated with its wider strategy.

### Managing risk related to climate change

Climate change presents both risks and opportunities for the Bank. As the Bank supports clients in transitioning to lower carbon business models, fully exploring green business opportunities, the Bank also recognises the need to clearly articulate its approach to identifying, assessing and managing C&E risks, in

response to growing expectations from regulators, investors and other stakeholders.

The Bank identifies C&E factors as important drivers that can influence the Bank's traditional risk categories, including credit risk, market risk, operational risk, reputational risk and strategic risk.

The Bank recognises that management of climate change risk, including both physical risks (e.g. the impact of acute weather events and chronic changes to the climate) and transitional risks (e.g. the impact of shifts to a low-carbon economy) is crucial to safeguard its clients' portfolios and assets.

To achieve this goal, the Bank is integrating C&E factors into its processes and procedures. The integration of climate into the Bank's RMF encompasses the identification, management, measurement, and monitoring of these risks as well as the implementation of mitigation measures.

Beyond compliance, the Bank is integrating C&E risk management into its core strategy. Proactively addressing these risks helps safeguard long-term financial stability by:

- Anticipating the impact of climate transition and environmental degradation, supporting clients' transitions by engaging with high-impact sectors to manage risk and exploring green financing opportunities
- Maintaining reputational integrity by meeting stakeholder expectations for responsible environmental and climate management
- Fostering innovation and competitiveness by capitalising on the growth of sustainable finance markets

## ESG Risks

### 11.2 Governance and policy mechanisms for managing ESG Risks

#### 11.2 Governance and policy mechanisms for managing ESG Risks

##### ESG Governance

##### Audit, compliance and risk management committee (ACRMC)

The ACRMC assembles on a quarterly basis. The members of the committee are the independent SB members and it is chaired by Gisella Eikelenboom.

The ACRMC advises the SB by ensuring that matters affecting the Bank's internal control framework are adequately discussed and challenged. This is achieved by holding regular meetings with internal audit, compliance, risk management and relevant MB members, as well as with the external auditors.

Topics discussed in the ACRMC include:

- Increased regulatory requirements: The ACRMC was informed about the regulatory horizon, on-site visits planned by DNB, and progress made on remediation activities related to regulatory findings. The supervisory review and evaluation process content was discussed and challenged. Additionally, the ACRMC challenged the Bank's position on emerging regulatory areas such as diversity and climate risk, to ensure sufficient efforts were made to address such topics
- Emerging risks: The ACRMC discussed ESG Risk with the MB, as well as the Bank's external auditors. The ACRMC focused on the Bank's efforts to ensure compliance with current regulations, as well as to anticipate upcoming regulatory expectations
- Other key topics discussed within the ACRMC were the Digital Operational Resilience Act, tax strategy, systematic integrity risk analysis (SIRA), RAS, Pillar 3 and the Corporate Sustainability Reporting Directive

##### ESG committee

At the Bank, the MB has formally delegated the responsibility of ESG matters to the Bank's ESG committee. The ESG committee is a tier-1 committee with its own Terms of Reference that provide an overview of the purpose, membership, decision making mechanism and operational elements such as reporting, meeting agendas, frequency and conduct of meetings. A Tier 1 committee is a committee with approval authority which discusses matters within its mandate on essential matters for the Bank's

healthy growth and development. The ESG committee has three voting members: The Chief Strategy and Planning officer (CSPO), CFO, and CRO.

The ESG committee is accountable for integrating ESG considerations into the business strategy; for establishing and evaluating the Bank-wide sustainability strategy; and for ensuring the implementation of relevant head office developments within the Bank. The ESG committee sets the overall agenda and seeks to assign resources based on appropriate skills and expertise.

The members of the ESG committee include experts on business, risk, finance, compliance, legal, HR, and sustainability. Relevant regional representatives also have a standing invitation to the ESG committee to ensure regional alignment. The ESG committee meets on a monthly basis.

The CSPO is the responsible executive for ESG matters and chairs the Bank's ESG committee where sustainability strategy and regulatory matters are discussed. The CSPO steers the Bank's overall direction of ESG initiatives and has a team within the planning department dedicated to ESG matters. Other committee members including the CFO and CRO are also actively involved in ESG in their respective fields.

##### Risk management framework

The RMF describes a holistic approach to risk management in the form of rules and principles for the Bank to ensure risks are adequately controlled in line with the risk strategy and within defined risk appetite/limits. The RMF has been instituted by the Bank to systematically identify, manage, monitor, and report risks, ensuring a balanced relationship between risk and reward. It is used to support the Bank's risk-based decision making and the sustainability of operations to achieve the Bank's long-term goals.

##### Integration of climate-related and environmental risks into the risk management framework

As part of a commitment to address C&E risks and to safeguard capital and profitability on an ongoing basis, the Bank has identified climate-related risks as drivers that can amplify existing risk types such as credit, market, operational, strategic and reputational risks. C&E risk is defined as risk related to the physical consequences of climate change and environmental degradation as well as the transition to a climate-

ESG Risks

11.2 Governance and policy mechanisms for managing ESG Risks

neutral economy. It is classified into physical risk, transition risk, and other environmental risks.

11.3 ESG Risk management

Climate-related and Environmental Risk assessment

The C&E risk materiality assessment is a live and interactive tool for consistently documenting, assessing and monitoring C&E risk that impacts the Bank's risk categories including credit, operational, market, liquidity, strategic and reputational risk across the value chain.

An annual assessment of the risk materiality is conducted to evaluate the relevance and impact of climate-related risk factors across existing risk categories including the aforementioned. This assessment, performed in the last quarter of the calendar year and approved in December 2024, considers short, medium- and long-term time frames using scenario analysis.

The materiality assessment used to identify and prioritise the Bank's most significant C&E risks is a dynamic evaluation that combines both quantitative data and qualitative insights. It includes a vulnerability assessment and a risk evolution assessment using two scenarios. The scenarios have been split in short, medium & long term according to the following time horizons:

- Short-term: Less than 1 year
- Medium-term: 1 to 5 years
- Long-term: More than 5 years

Risk appetite statement

Based on the results of the C&E materiality assessment, dedicated RASs are drawn up regarding C&E risks, to represent the Bank's commitment to assist its clients in the energy transition and the continuous integration of C&E risks within the RMF.

The risk appetite framework and statement (RAFS) outlines the comprehensive approach through which risk appetite is established, communicated, and monitored across the EMEA region. It includes policies, processes, controls, and systems, as well as the RAS, risk limits, and oversight roles. The RAFS considers material risks to the Bank and its stakeholders, supported by a risk taxonomy that catalogues all

risks. It combines top-down strategy and bottom-up risk assessments, ensuring formal governance over primary and significant subordinate risks. The RAS is a living document that guides decision-making and adapts to changing conditions.

Risk appetite is defined both qualitatively and quantitatively, with metrics and indicators for monitoring adherence. This approach is integral to the Bank's wider RMF.

Climate change risk is captured in the RMF as a driver of risk that permeates a number of strands of existing risks, covering both physical and transitional risks. Monitoring is conducted on a monthly basis via the RMC as part of the top risks report and key risk indicators (KRIs) for climate change in the RAS dashboard report.

As a result of the 2024 C&E materiality assessment, there are no immediate material risks in the short term. However, in the medium to long term there are actions required.

Short term

- No immediate risks

Medium to long term

- Material risks are identified
- For some of those risks, sufficient mitigation actions are already in place (reporting, stakeholder expectations, operational risk, policy & legal)
- Other risks are owned and addressed through dedicated planned directions by the risk owners
- The risks that are not yet fully addressed have received specific recommendations and dedicated remediation actions

Further analyses and actions will be developed throughout the vulnerability assessments taking place in the coming years. This is considered acceptable as the identified risks are only deemed material in the medium to long term.

As per the recent C&E risk materiality assessment, C&E aspects for credit, operational, strategic and reputational risks have been considered for inclusion in the RAS.

ESG Risks

11.3 ESG Risk management

Credit risk

- Portfolio quality KRI into the RAS for credit risk
- Green to brown asset ratio

Reputational risk

The Bank recognises the long-term reputational risks associated with climate change. The reputational risk policy has been updated to address C&E considerations. While specific KRIs for reputational risk related to climate change are still developing, the Bank is actively exploring options to integrate these metrics into its RMF.

Strategic risk

The Bank acknowledges the materiality of climate risk to its strategic objectives. The Bank will work on collecting data and developing methodologies to incorporate climate considerations into its strategic risk assessment and RAS.

Operational risk

The Bank acknowledges a potential for operational risks related to climate change, such as physical risks and transition risks. The Bank will continue working on collecting data and developing methodologies to incorporate climate considerations into operational risk.

Embedding C&E in policies and processes of existing risk typologies

Following the completion of the C&E risk materiality assessments, the Bank started implementing C&E consideration in the risk framework. The Bank updated relevant risk policies and procedures and is actively working to incorporate these findings into strategic planning, as well as scenario analysis for capital and liquidity decisions. This way, the climate materiality assessment remains a dynamic, forward looking process, reinforcing the Bank's commitment to transparency and resilience in managing environmental challenges.

In terms of governance, the Bank's RMC's scope now includes C&E considerations, while C&E aspects were included in the RMF, RAS, and relevant policies. Moreover, a dedicated risk manager focused on ESG Risk responsibilities was hired.

Further integration of C&E drivers into risk framework is foreseen in the future. Based on its strategy, and to meet regulators' expectations, the Bank aims to

identify measure, monitor, manage and report on the impact of C&E changes.

It is the Bank's ambition to fully embed the impact of C&E change into governance and risk management, to manage and mitigate the financial C&E risks in line with the evolution of sustainability matters in the Group. All relevant risk documentation shall be updated under consideration of C&E impact.

New regulations have been published recently, including EBA Guidelines on the management of ESG Risk, which define the principle and minimum requirements for the management of C&E risk, and draft EBA Guidelines on ESG scenario analysis. During 2025 the Bank will be working on further C&E risk integration to meet supervisory expectations.

Stress testing and scenario analysis

C&E risk is assessed using qualitative and quantitative approaches. Quantification of transition risk is captured both bottom up during the underwriting process at a loan origination stage and also top down through scenario analysis (using macroeconomic and market factors). Quantification of physical risk is under development.

As part of the annual stress testing programme, the Bank performs stress testing through internal quarterly stress tests and yearly regulatory stress tests to quantify the impact over the short-medium horizon.

At EMEA regional level, the high physical risk scenario and high transition risk scenario from Network for Greening the Financial System( NGFS) are used to estimate credit risk losses over a long-term horizon (up to 30 years) using a probability of default (PD) model with one single macro factor (e.g. GDP). Integrated stress testing impact is reflected on the balance sheet, profit and loss statement, and capital and liquidity metrics.

Scenario analysis has been used to inform risk identification and assessment/measurement. The set of climate scenarios used for the analysis was designed to evaluate and quantify potential vulnerabilities through analyses under stressed conditions for the short, medium and long term. The primary climate assumptions incorporated into the scenarios, regarding transition policies and emission/ temperature levels, are aligned with established



ESG Risks

11.3 ESG Risk management

international frameworks to ensure consistency with scientific climate change trajectories. This alignment is crucial for accurately assessing the impact of physical and transition risk drivers.

The Bank has developed three multi-decade scenarios which are based around the core NGFS scenarios covering physical, transition and combined risk. These scenarios complement the internal fossil fuel scenario and builds upon the original, internally developed, shorter-term carbon tax scenario which is run for the EMEA portfolio every six months.

In addition, qualitative assessment of physical risk (acute and chronic) events has been added to the strategic and reputational C&E risk materiality assessment. Quantification using scenario assessment is performed via operational risk scenario analysis (impact of climate change) as part of the ICAAP process.

Further work is in progress given that the results of the qualitative assessment show the immaterial nature of physical risk on the corporate book, the Bank has not developed an approach to quantify physical risk at portfolio level yet and plans to leverage on the Group's approach going forward.

At the global level, the Group is currently developing a methodological approach that will address impact at portfolio level using specific climate risk factors. Both top down and bottom up approaches for the corporate book are being considered.

The Bank has taken further steps to implement integrated stress testing in 2025 in line with new EBA Guidelines on the management of ESG Risks and EBA Guidelines on ESG scenario analysis. Finally, the Bank will follow Group developments and timelines in this area to ensure global alignment and benefit from wider Group resources.



## ESG Risks

### 11.4 Approach to different risk categories

#### 11.4 Approach to different risk categories

##### Credit risk

The approach to managing credit risk arising from climate change is defined in the EMEA regional procedures for climate change credit risk management.

EMEA procedures for climate change credit risk management serve as procedures to the EMEA regional credit policy which sets out the high-level requirements and controls for managing credit risk arising from climate change in EMEA, as well as the functions responsible for performing them. The climate heat map is a formulaic top-down assessment at client level to perform an initial quantitative assessment of the climate related risks. Driven by a combination of industry, country and tenor scores this facilitates a quick initial assessment of the climate related risks. The industry climate heat map is a static scoring of climate related industries mapped to transmission channels across physical and transition risk.

The country climate heat map is a static scoring for each country based on:

- MUFG country grade
- Physical risk – risks from gradual global warming
- Physical risk – risks from extreme weather conditions
- Transition risk – transition from CO2 intensive economies
- Transition risk – climate change policy

A tenor score is also allocated to each credit risk exposure. Corporates and project finance/ financial institutions are aggregated based on either industry or country score being a leading factor. To facilitate the assessment of clients, both as part of on-boarding and the annual review, an EMEA credit climate change assessment focused review is performed and split into two parts:

- Primary evaluation – assessment of the current situation of the clients' effort towards transition in an objective manner, by leveraging the carbon disclosure project (CDP) data or customer disclosures where CDP data is not available.

- Secondary evaluation – assessment of the current situation of the clients' effort toward transition in a qualitative manner, by completing questionnaires which will form the rationale if an override is needed for the 'primary evaluation' result.

For customers with CDP data, a primary evaluation is to be carried out by the Tokyo head office. The secondary evaluation consists of completion of questionnaires which consider the customers':

- Decarbonisation strategy
- Peer comparison
- Execution
- Governance
- Financing

Final outlook scores will be set and agreed between the 1LoD and the credit division, using the five-stage grading evaluation definition.

##### Operational risk

C&E risk factors might also be considered as operational risks. In the event of adverse extreme climate conditions, the Bank might face temporary disruption or unavailability of key premises (e.g. data centres, operational centres, headquarters) or discontinuity of services by some of its third-party service providers.

In the C&E risk materiality assessment, the Bank considered flooding as part of acute physical risk events and water and/or sea level rise as part of chronic physical risk events. These risks received a moderate vulnerability score. The assessment also considered a hot house scenario, a similar but not as extreme scenario selected from the NGFS scenarios 2024, which gave a low risk score for the short and medium term, but a moderate risk score for the long term, noting flooding in Austria, Germany, Belgium and Spain (but not in cities with major financial organisation centres). The combined materiality results of the vulnerability and scenario assessments for flooding and rising water and/or sea levels resulted in a score of 2 and 1.5 respectively for the short term (i.e. short term is applicable to the scenario analysis), showing a low and slightly higher immaterial but still informative result. The mitigation action strategy is useful in this scenario as it identifies increased regulatory pressure and reporting requirements that expose the Bank to legal

ESG Risks

11.4 Approach to different risk categories

and compliance risk, which will further strengthen controls related to funding and resource transfer.

During the latest operational risk scenario analysis cycle, with an initial assessment of climate risk from an operational risk perspective, the Bank has considered a flood scenario as a key natural hazard and its associated socio-economic impact globally and in the Netherlands in particular. A 2017 report from the DNB has noted that out of all-natural disasters, floods are likely to cause the highest potential losses in the Netherlands

Impacts have been carefully assessed, elaborating on assumptions taken into consideration in the quantification of severe and extreme impacts. The results predict limited impact on the Bank's own operations and a list of appropriate remedial actions have been developed.

Strategic and reputational risk

C&E risk factors may also be included in the reputational risk assessments. If the Bank's financial products and services were found to be supporting activities or projects that harmed the environment and contributed to a worsening climate change scenario, this could lead to criticism and a negative perception of the Bank by stakeholders, constituting a reputational risk.

Reputational risk has been identified as a material risk for the Bank over the long-term horizon, within the reputational and strategic C&E materiality risk assessment and within the biodiversity C&E materiality risk assessment. The Bank periodically reassesses risk materiality to ensure C&E risk is measured and managed within the defined risk appetite.

11.5 Actions to mitigate the negative impact of climate change mitigation

11.5 Actions to mitigate the negative impact of climate change mitigation

Policies to manage the negative impact of climate change

MUFG environmental and social policy framework (E&S framework)

The E&S framework is designed to identify and manage environmental and social risks associated with the Group’s business operations. It is based on the Group’s environmental policy statement and the human rights policy statement. It aligns with the Group’s reputational RMF to prevent negative impacts and promote positive impact and opportunities. It outlines the approach that the Group takes in responding appropriately to environmental and social issues in its business activities and contributing to sustainable development.

It applies to products and services provided to clients that include the extension of credit and the underwriting of bonds and stocks, also known as financing. Additionally, the E&S framework sets out prohibited transactions and transactions of high caution, which may be harmful from an environmental perspective. The latest version of the E&S framework was announced in July 2024 but the original was published in May 2018. The E&S framework was approved by the Group’s executive committee.

The Group’s sustainability committee regularly reviews the need to update the E&S framework and makes amendments as necessary to reflect changes in business activities and the business environment.

The E&S framework is cascaded to all Group entities including the Bank. It is important to note that the application of the E&S framework within Group entities is based on a fundamental premise of not violating the local laws and regulations.

ESG policy

The ESG policy localises relevant Group ambitions and makes them applicable to the Bank; and it outlines what sustainable financing standards are relevant for the Bank. This policy is applicable to the Bank and to the products and services offered by the Bank. The Bank’s ESG policy sets out the Bank’s overall sustainability ambitions (e.g. that the Bank is committed to the Group’s net-zero ambitions

and sustainable finance targets, which are also contributing to climate change mitigation, among others), and describes the Bank’s ESG governance framework. It also outlines how the Bank adheres to relevant ESG-related regulatory matters.

The ESG policy is owned by the CSPO who is also responsible for its implementation. It is published on the intranet of the Bank, accessible by all Bank employees. The ESG policy is reviewed at least annually and whenever it is necessary to do so; this may be due to changes in Group policies, regulatory requirements or simply when deemed necessary. Additionally, the ESG policy’s monitoring and governance is managed through the ESG committee.

The Group is committed to addressing negative environmental impact through responsible financing and transaction practices. As outlined in the E&S framework, the Bank integrates rigorous assessments into decision-making processes to ensure that its transactions consider potential negative impacts on climate change. Outlined below are the categories of transactions from the E&S framework that were also adhered to by the Bank during FY24. These categories are applicable across all financing activities of the Bank.

Actions to mitigate the negative impact of climate change mitigation

The Group is committed to addressing negative environmental impact through responsible financing and transaction practices.

As outlined in the E&S framework, the Bank integrates rigorous assessments into decision-making processes to ensure that its transactions consider potential negative impacts on climate change. Outlined below are the categories of transactions from the E&S framework that were also adhered to by the Bank during FY24. These categories are applicable across all financing activities of the Bank.

Applicable transactions

Taking into consideration the nature and severity of associated environmental risks or impacts, transactions are classified as “prohibited transactions” or “transactions of high caution”.

ESG Risks

11.5 Actions to mitigate the negative impact of climate change mitigation

Prohibited transactions

Transactions that could cause significant environmental and social risks or impacts are strictly prohibited.

Transactions that could cause significant environmental and social risks or impacts are strictly prohibited. This includes amongst others:

- Illegal transactions and transactions for illegal purposes.
- Transactions violating the convention on international trade in endangered species of wild fauna and flora.
- Transactions that negatively impact wetlands designated under the Ramsar Convention.

Transactions of high caution

The Group entities, including the Bank, identify “transactions of high caution” as activities that carry significant climate-related risks but may not qualify as prohibited. This consists of cross-sector guidelines and sector specific guidelines. These include amongst others:

- Transactions that negatively impact high conservation value areas.
- Sector specific guidelines on oil & gas, coal-fired power generation amongst others.

When the Group provides financing for these transactions of high caution, the identification and assessment process is used to confirm the client's approach to managing environmental issues.

Sustainable finance escalation forum

The Bank is part of the regional sustainable finance escalation forum within EMEA region which acts as a resource for relationship managers and wider front office business to escalate matters which need attention and actions related to deals and/or transactions labelled as green, social, sustainable, or sustainability-linked (GSSS). Escalations can be made pre-deal approval or post-approval in the case of amendments. Other ad-hoc ESG and/or sustainable finance issues may also be considered where the business requires guidance beyond what is available in existing internal documentation. The outcome of the sustainable finance escalation forum can be that a transaction is expected to not be completed or be divested.

Financing reputational risk management approach

Transactions assessed as having the potential to have significant negative impacts on the corporate value of the Bank are evaluated with the involvement of executive management through a financing reputational risk management approach. If a client's environmental approach is not considered sufficient relative to the level of the potential risks or impacts, financing is not provided.

Fossil fuel sector

The Bank generates revenue from the fossil fuel sector, and had a total gross exposure to this sector as at 31 March 2025 to the amount of €182,7 million. Included in this amount is a total of €43,9 million of undrawn commitments and guarantees.

# 12. Appendix

## 12.1 Disclosure Index

Template Name	Applicable for the Bank	Reason for exclusion	Section in the Pillar 3 Report FY2024	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 CMS1 – Comparison of modelled and standardised risk-weighted exposure amounts at risk level	No	The Bank only applies the standardised approach		
EU CMS2 – Comparison of modelled and standardised risk-weighted exposure amounts	No	The Bank only applies the standardised approach		
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

### 12.1 Disclosure Index

Template Name	Applicable for the Bank	Reason for exclusion	Section in the Pillar 3 Report FY2024	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	Yes		Section 6.1	Yes
EU CQ1 - Credit quality of forborne exposures	Yes		Section 6.1	Yes
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	Yes		Section 6.1	Yes
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		

## Appendix

### 12.1 Disclosure Index

Template Name	Applicable for the Bank	Reason for exclusion	Section in the Pillar 3 Report FY2024	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	The Bank does not hold any collateral which was obtained by taking possession		
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 approach	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	The Bank only applies the standardised approach		
EU CR6-A - Scope of the use of IRB and SA approaches	No	The Bank only applies the standardised approach		
EU CR6 - IRB approach: Credit risk exposures by exposure class and PD range	No	The Bank only applies the standardised approach		
EU CR7 - IRB approach: Effect on the RWEAs of credit derivatives used as CRM techniques	No	The Bank only applies the standardised approach		
EU CR7-A - IRB approach: Disclosure of the extent of the use of CRM techniques	No	The Bank only applies the standardised approach		
EU CR8 - RWEA flow statements of credit risk exposures under the IRB approach	No	The Bank only applies the standardised approach		
EU CR9 - IRB approach: Back-testing of PD per exposure class (fixed PD scale)	No	The Bank only applies the standardised 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	The Bank only applies the standardised approach		
EU CR10 - Specialised lending and equity exposures under the simple risk-weighted approach	No	The Bank only applies the standardised approach		



## Appendix

### 12.1 Disclosure Index

Template Name	Applicable for the Bank	Reason for exclusion	Section in the Pillar 3 Report FY2024	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 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	The Bank only applies the standardised 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	The Bank only applies the standardised 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 alternative standardised approach	No	Restricted to listed and/or large institutions		
EU MRA - Qualitative disclosure requirements related to market risk	Yes		Section 8	No



## Appendix

### 12.1 Disclosure Index

Template Name	Applicable for the Bank	Reason for exclusion	Section in the Pillar 3 Report FY2024	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 CVAA - Qualitative disclosure requirements related to credit valuation adjustment risk	No	Restricted to listed and/or large institutions		
EU CVA 1 - EU CVA 1 – Credit valuation adjustment risk under the Reduced Basic Approach	No	Restricted to listed and/or large institutions		
EU CVAB – Qualitative disclosure requirements related to CVA risk for institutions using the Standardised Approach	No	Restricted to listed and/or large institutions		
EU CVA 2 – Credit valuation adjustment risk under the Full Basic Approach	No	Restricted to listed and/or large institutions		
EU CVA3 – Credit valuation adjustment risk under the Standardised Approach	No	Restricted to listed and/or large institutions		
EU CVA4 – RWEA flow statements of credit valuation adjustment risk under the Standardised Approach	No	The Bank applies the R-BA for calculating CVA risk		
EU ORA - Qualitative information on operational risk	Yes		Section 9	No
EU OR1 - Operational risk losses	No	Restricted to listed and/or large institutions		
EU OR2 - Business Indicator, components and subcomponents	No	Restricted to listed and/or large institutions		
EU OR3 - Operational risk own funds requirements and risk exposure amounts	No	Restricted to listed and/or large institutions		
EU IRRBB1 - Interest rate risks of non-trading book activities	No	Restricted to listed and/or large institutions		
IRRBBA - Qualitative information on interest rate risks of non-trading book activities	No	Restricted to listed and/or large institutions		

## Appendix

### 12.1 Disclosure Index

Template Name	Applicable for the Bank	Reason for exclusion	Section in the Pillar 3 Report FY2024	Quantitative
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)				
Disclosure of environmental, social and governance risks (ESG Risks)	Yes		Section 11	No
Tables 1, 2 and 3 - Qualitative information on ESG Risks	No	Pending final disclosure requirements for other institutions		
Template 1 - Banking book- Indicators of potential climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	No	Pending final disclosure requirements for other institutions		
Template 2 - Banking book - Indicators of potential climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral	No	Pending final disclosure requirements for other institutions		
Template 3 - Banking book - Indicators of potential climate change transition risk: Alignment metrics (IAE/NACE codes)	No	Pending final disclosure requirements for other institutions		

Appendix

12.1 Disclosure Index

Template Name	Applicable for the Bank	Reason for exclusion	Section in the Pillar 3 Report FY2024	Quantitative
Template 4 - Banking book - Indicators of potential climate change transition risk: Exposures to top 20 carbon-intensive firms	No	Pending final disclosure requirements for other institutions		
Template 5 - Banking book - Indicators of potential climate change physical risk: Exposures subject to physical risk	No	Pending final disclosure requirements for other institutions		
Template 6 - Summary of GAR KPIs	No	Pending final disclosure requirements for other institutions		
Template 7 - Mitigating actions - Assets for the calculation of GAR	No	Pending final disclosure requirements for other institutions		
Template 8 - GAR (%)	No	Pending final disclosure requirements for other institutions		
Template 10 - Other climate change mitigating actions that are not covered in the EU Taxonomy	No	Pending final disclosure requirements for other institutions		
Template 9.1 - Mitigating actions: Assets for the calculation of BTAR	No	Pending final disclosure requirements for other institutions		
Template 9.2 - BTAR %	No	Pending final disclosure requirements for other institutions		
Template 9.3 - Summary table - BTAR %	No	Pending final disclosure requirements for other institutions		
Disclosure of aggregate exposure to shadow banking entities (Article 449b CRR)	Yes		Section 6.2	Yes

## Appendix

### 12.2 List of abbreviations

#### 12.2 List of abbreviations

ACRMC	Audit, Compliance and Risk Management Committee	IRB	Internal Rating Based Approach
AIRB	Advanced Internal Ratings' Based (approach)	IT	Information Technology
ALCO	Asset & Liability Committee	ITS	Implementing Technical Standards
AR	Annual Report financial year ending 31 March 2025	JCC	The Japanese Chamber of Commerce and Industry in The Netherlands
AT1	Additional Tier 1	JTF	The Japanese Trade Federation
BIA	Basic Indicator Approach	KPI	Key Performance Indicator
BIS	Bank for International Settlements	LCR	Liquidity Coverage Ratio
CAO	Collective Labour Agreement	LoD	Line of Defence
CCR	Counterparty Credit Rating	LR	Leverage Ratio
CET I	Common Equity Tier I	LRMF	Liquidity Risk Management Framework
CFO	Chief Financial Officer	MB	Management Board
C&E	Climate and Environmental	MRT	Material Risk Taker
CDP	Carbon Disclosure Project	MRM	Market Risk Management
CRD	Capital Requirements Directive	NGFS	Network for Greening the financial system
CRM	Credit Risk Mitigation	NSFR	Net Stable Funding Ratio
CRO	Chief Risk Officer	NPA	New Product Approval Process
CSPO	Chief Strategy & Planning Officer	NPE	Non-Performing exposure
CSRD	Corporate Sustainability Reporting Directive	NVB	Nederlandse Vereniging van Banken
CRR	Capital Requirements Regulation	ORA	Operational Risk Assessment
CVA	Credit Valuation Adjustment	ORM	Operational Risk Management
DBA	Dutch Association of Banks	RAI	Risk Appetite Indicator
DCA-Holders	Delegated credit authority holders	RAS	Risk Appetite Statement
DNB	Dutch Central Bank	R-BA	Reduced Basic approach
DORA	Digital Operational Resilience Act	RMC	Risk Management Committee
DUJAT	Dutch & Japanese Trade Federation	RMF	Risk Management Framework
EBA	European Banking Authority	RMPH	Risk Management Policy House
ECB	European Central Bank	RWA	Risk Weighted Assets
EMEA	Europe, Middle East, and Africa	SA	Standardised Approach
ESG	Environmental, Social and Governance	SB	Supervisory Board
ESRS	European Sustainability Reporting Standards	SREP	Supervisory Review and Evaluation Process
F-BA	Full Basic approach	SPL	Share Price Linked Awards
FVOCI	Fair Value Trough Other Comprehensive Income	PY2023	Performance Year 2023
FY2023	Financial year ending 31 March 2024	PY2024	Performance Year 2024
FY2024	Financial year ending 31 March 2025	The Bank	MUFG Bank Europe N.V.
FX	Foreign Exchange	The Group	Mitsubishi UFJ Financial Group
HR	Human Resources	TREA	Total Risk Exposure Amount
HQLA	High-Quality Liquid Assets	WFT	The Financial Supervision Act
IA	Internal audit	WWF	Worldwide Fund for Nature
ICAAP	Internal Capital Adequacy Assessment Process		
IMM	Internal Model Method		

Appendix

12.3 Contact Information

12.3 Contact Information

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