

**MUFG Corporate Markets Treasury
Limited**

Public Disclosure

Financial Year 24/25



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1. Overview

This disclosure is in relation to MUFG Corporate Markets Treasury Limited (“CMTL”, “the Firm”). CMTL is a private, UK incorporated company, authorised and regulated by the Financial Conduct Authority (“FCA”) under Firm Reference Number 150403. CMTL is primarily involved in the provision of treasury management and capital (including asset) financing advisory services primarily in the UK. CMTL is a wholly owned subsidiary of MUFG Pension & Market Services.

This document sets out the public disclosures for CMTL as at 31st December 2025, which represents the end of CMTL’s financial accounting period.

Basis and Frequency of Disclosure

As a UK investment firm undertaking activities within the scope of the UK Markets in Financial Instruments Directive (“MIFID”), CMTL is subject to the prudential requirements of the Investment Firms Prudential Regime (“IFPR”) contained in the MIFIDPRU Prudential sourcebook for MIFID investment firms of the FCA Handbook.

CMTL is required to publish disclosures in accordance with the provisions outlined in MIFIDPRU 8 of the IFPR. These requirements are supplemented by the guidance set out in MIFIDPRU 8 published by the FCA. Under the IFPR’s firm categorisation, CMTL is categorised as a small non-interconnected (“SNI”) MIFIDPRU investment firm. The disclosure for CMTL is prepared annually on a solo entity (i.e., individual) basis. The disclosed information is proportionate to CMTL’s size and organisation, and to the nature, scope and complexity of CMTL’s activities.

Policy, Validation and Sign-Off

CMTL is committed to following a robust internal controls framework to ensure the completeness, accuracy and compliance with the relevant standards and regulatory requirements of any external reports and disclosures. As an external publication, this document has been subject to internal verification and approval to ensure compliance with the regulatory requirements contained in MIFIDPRU 8.

The governance in place allows for appropriate challenge and oversight prior to publication. The disclosure is not required to be subject to independent external audit.

2. Own Funds

Composition of Regulatory Own Funds

CMTL's own funds (i.e., capital resources) comprise exclusively CET 1 capital. CET 1 capital consists of fully issued ordinary shares, satisfying all criteria for a CET 1 instrument in accordance with the IFPR.

As at the end of the Financial Year on 31st December 2025, CMTL complied with the relevant capital regulatory obligations, as outlined in the IFPR.

Table 1 – Own funds

No.	Item	Amount (GBP thousands)	Source based on reference numbers/letters of the balance sheet in the audited financial statements
1	OWN FUNDS	11,869	
2	TIER 1 CAPITAL	11,869	
3	COMMON EQUITY TIER 1 CAPITAL	11,921	
4	Fully paid-up capital instruments	900	E1
5	Share premium	50	E2
6	Retained earnings	19,971	E3
7	Accumulated other comprehensive income	N/A	
8	Other reserves	N/A	
9	Adjustments to CET1 due to prudential filters	N/A	
10	Other funds	N/A	
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER	(52)	

	1		
19	CET1: Other capital elements, deductions and adjustments	(52)	A1
20	ADDITIONAL TIER 1 CAPITAL	N/A	
21	Fully paid up, directly issued capital instruments	N/A	
22	Share premium	N/A	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	N/A	
24	Additional Tier 1: Other capital elements, deductions and adjustments	N/A	
25	TIER 2 CAPITAL	N/A	
26	Fully paid up, directly issued capital instruments	N/A	
27	Share premium	N/A	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	N/A	
29	Tier 2: Other capital elements, deductions and adjustments	N/A	

Reconciliation of Regulatory Own Funds to Balance Sheet in the Audited Financial Statements

Table 2 – Reconciliation of own funds to the balance sheet

	a	b	c
Amount in GBP (thousands)	Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross-reference to template OF1

**As at period
end**

Assets – Breakdown by asset classes according to the balance sheet in the audited financial statements

1	Intangible assets	52	19
2	Deferred tax assets	22	
3	Trade and other receivables	16,389	
4	Cash and cash equivalents	4,067	
5	Property, Plant and Equipment	16	
	Total Assets	20,546	

Liabilities – Breakdown by liability classes according to the balance sheet in the audited financial statements

1	Trade and other payables	(6,890)	
2	Corporation tax payable	(1,734)	
	Total Liabilities	(8,624)	

Shareholders' Equity

1	Share capital	(900)	4
2	Share premium	(50)	5
3	Retained earnings	(10,971)	6

Total Shareholders' equity	(11,921)
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Main features of own instruments

The table below provides information on the CET1 Instruments issued by CMTL

Table 3 – Main features of own instruments issued by CMTL

Own funds: main features of own instruments issued by the firm

Share Capital:

- Class of shares: ordinary £1
- Currency: GBP
- Number allotted: 900,000
- Aggregate nominal value: 900,000
- Amount paid per share: 1
- Amount unpaid per share: 0

Prescribed Particulars: Each share is entitled to one vote in any circumstances. Each share has equal rights to dividends. Each share is entitled to participate in a distribution arising from a winding up of the company.

3. Own Funds Requirements

Fixed Overheads Requirement

CMTL is required to disclose the fixed overhead requirement (“FOR”) amounts in relation to its compliance with the own funds requirement (“OFR”) set out in MIFIDPRU 4.3. The amounts are presented in the table below.

Table 4 – Fixed Overhead Requirements

Item	Total amount in GBP (thousands)
FOR	75

Approach to Assessing the Adequacy of Own Funds

CMTL is further required to disclose its approach to assessing the adequacy of its own funds in accordance with the Overall Financial Adequacy Rule (“OFAR”) as outlined in MIFIDPRU 7.4.7R.

ICARA Process

The Internal Capital Adequacy and Risk Assessment (“ICARA”) process serves as the means of assessing key risks to which CMTL is exposed. Further, it assists CMTL with identifying and managing material harms that CMTL may cause through its regulated and unregulated activities. The process further seeks to determine the level of own funds and liquidity CMTL needs to hold. The ICARA process has been implemented and embedded within the MUFG Corporate Markets Risk Management Framework (“RMF”).

The ICARA process, which has replaced the former Internal Capital Adequacy Assessment Process, has been enhanced to improve the effectiveness of the new process, including better alignment of own funds and liquidity stress-testing and wind-down planning.

The following are the key ICARA elements that are assessed as part of the process:

- Business strategy and growth plans.
- Comprehensive key risk and harms assessment.
- Internal assessment of own funds adequacy.
- Internal assessment of liquidity adequacy.
- Capital and liquidity planning (i.e., financial, own funds and liquidity).
- Stress testing.
- Recovery actions.

- Wind-down Plan (“WDP”).

The adequacy of the ICARA process will be reviewed at least annually or more frequently, should there be any material changes to CMTL’s risk profile, business strategy or if requested by the CMTL Board.

Overall OFAR Compliance

At all times, CMTL must hold adequate financial resources, both in amount and quality, to ensure that the Firm remains financially viable throughout the economic cycle with the ability to address and mitigate any potential harms that may be caused, arising from its ongoing business activities, and that the Firm is prepared for an orderly wind-down while minimising harm to customers or to other market participants, without threatening the integrity of the UK financial system.

As a minimum to meet the OFAR, an FCA standard of determining the adequacy of its financial resources through the internal assessment of its capital and liquidity adequacy, CMTL must meet the OFR and basic liquid assets requirement (“BLAR”).

As a SNI firm, CMTL has to comply with the provisions of the OFR contained within MIFIDPRU 4.3.3R by holding the highest of:

1. Its Permanent Minimum Capital Requirement (“PMR”). (Per MIFIDPRU 4.4).
2. Its FOR (per MIFIDPRU 4.5); or

CMTL complies with its PMR of £75,000 being a fixed requirement based on the permissions the Firm has to undertake its regulated activities. The FOR, which is an amount equal to one quarter of CMTL’s expenditure from the preceding year after the distribution of its profits and deduction of certain non-fixed expenditure items, is calculated from CMTL’s audited annual financial statements.

Further, CMTL performs an internal assessment of the own funds and liquid assets required to support its ongoing operations and to support an orderly wind-down of the Firm. The Firm also undertakes stress testing and scenario analysis as key inputs in these internal assessments of the adequacy of its financial resources. These internal assessments, alongside the OFR and BLAR, help inform the adequate level of financial resources required to be maintained by CMTL in compliance with the OFAR.

Own Funds Adequacy and Monitoring

CMTL's approach to ensuring that it has appropriate own funds is its alignment with its strategy and risk appetite. All identified key risks are individually assessed. Additionally, CMTL carries out stress testing of business specific and macro events which are outside the firm's control.

This testing provides confidence to CMTL's board and management that the capital and liquid resources currently held by the business are sufficient to withstand the impact of these stressed events.

Liquid Assets Adequacy and Monitoring

CMTL has documented systems and controls in place at both a Company and Group level to actively monitor and manage liquidity risk. The systems and controls are regularly reviewed by and reported on by senior management, as is the liquidity risk appetite.

The Company has a low tolerance for, and exposure to, liquidity risk. This is due to its business and cash flow model and the ongoing requirement to be able to meet contractual payments as they fall due. Liquidity risk tolerance is reviewed by senior management on an ongoing basis. The Board has defined a minimum approved liquidity balance of £750,000 as defined in its Contingency Funding Plan.

Wind-Down

The Company has assessed the realistic net cost to wind down at approximately £465,000 and as such it will also have sufficient capital resources to cover these costs. The wind down assessment has also been subject to stress testing of the key assumptions and in all cases the Company has assessed that it will continue to have sufficient capital and liquid resources to cover the wind down.

Having considered the various scenarios that could give rise to a wind down decision, it is anticipated that a similar approach would be taken for each scenario. This approach considers the diversity and complexity of each product along with the impact that wind down would have upon consumers. The approach taken is deemed to have the least impact upon individual investors within each product group.

The wind down will take one year in total with differing timeframes for each product.

Overview of Risk Management and Control Environment

CMTL operates in line with the MUFG Corporate Markets Enterprise Risk Management Framework (ERMF) which provides a consistent methodology, approach and process for risk management across the businesses within the Group. This Framework sets out the MUFG Corporate Markets Risk Appetite requirements, segregation of duties and management risks via the Three Lines of Defence model, which applies to all entities within the global MUFG group. The principal additions incorporated into the framework reflect the differences in the local regulatory and sector environment.

This helps the Board and management answer pertinent questions facing the Group, including questions around the risks to our business strategy; our appetite relating to material risks; our approach to controlling, monitoring and managing these risks; and how we respond to possible scenarios that could impact MUFG Corporate Markets.

The Group's approach to the Three Lines of Defence model is designed with clear roles and accountabilities to enable all employees to play an active role in the end-to-end management of risk. This helps the Group work together effectively ensuring there are no gaps in risk coverage. The Standard supports the Enterprise Risk Management Framework (ERMF).

4. Remuneration

CMTL's remuneration disclosures are prepared using the most up-to-date full-year remuneration data available at the time. Due to a change in reporting date that occurred during the last financial year, this has been displayed across two tables.

Period: 01/07/2024 – 31/12/2024

Remuneration	Total of All Staff
Number of Staff	56
Fixed Remuneration	£1,770,099.53
Variable Remuneration	£209,430.53
TOTAL Remuneration	£1,979,530.06

Period: 01/01/2025 – 31/12/2025

Remuneration	Total of All Staff
Number of Staff	53
Fixed Remuneration	£3,509,560.75
Variable Remuneration	£390,832.53
TOTAL Remuneration	£4,000,393.28

5. Disclaimer

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