

Composition of Capital Disclosure (Mitsubishi UFJ Financial Group)

(in million yen, in percentage)

Basel III Template No.	Items	September 30,2016		September 30,2015	
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
Common Equity Tier 1 capital: instruments and reserves (1)					
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	12,003,217		11,601,746	
1a	of which: capital and capital surplus	3,566,146		3,567,827	
2	of which: retained earnings	8,965,050		8,358,034	
1c	of which: treasury stock (-)	405,538		198,903	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	122,440		125,212	
	of which: other than above	-		-	
1b	Subscription rights to common shares	6,405		7,782	
3	Accumulated other comprehensive income and other disclosed reserves	1,695,622	1,130,414	1,356,272	2,034,408
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	144,662		178,124	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	83,557		121,354	
	of which: common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	83,557		121,354	
6	Common Equity Tier 1 capital: instruments and reserves (A)	13,933,465		13,265,279	
Common Equity Tier 1 capital: regulatory adjustments (2)					
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	635,076	423,384	452,729	679,094
8	of which: goodwill (including those equivalent)	236,356	157,570	175,845	263,768
9	of which: other intangibles other than goodwill and mortgage servicing rights	398,719	265,813	276,884	415,326
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	802	535	1,939	2,909
11	Deferred gains or losses on derivatives under hedge accounting	270,318	180,212	78,354	117,531
12	Shortfall of eligible provisions to expected losses	-	-	-	-
13	Securitisation gain on sale	8,479	5,652	5,519	8,278
14	Gains and losses due to changes in own credit risk on fair valued liabilities	576	384	602	903
15	Net defined benefit assets	174,374	116,249	148,926	223,389
16	Investments in own shares (excluding those reported in the Net assets section)	4,374	2,916	5,276	7,914
17	Reciprocal cross-holdings in common equity	-	-	-	-
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	-	-	-	-
19+20+21	Amount exceeding the 10% threshold on specified items	-	-	-	-
19	of which: significant investments in the common stock of financials	-	-	-	-
20	of which: mortgage servicing rights	-	-	-	-
21	of which: deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-	-
22	Amount exceeding the 15% threshold on specified items	-	-	-	-
23	of which: significant investments in the common stock of financials	-	-	-	-
24	of which: mortgage servicing rights	-	-	-	-
25	of which: deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-	-
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-		-	
28	Common Equity Tier 1 capital: regulatory adjustments (B)	1,094,002		693,348	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	12,839,463		12,571,931	

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Additional Tier 1 capital: instruments (3)						
30	31a	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as equity under applicable accounting standards	-		-	
	31b	Subscription rights to Additional Tier 1 instruments	-		-	
	32	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	550,000		100,000	
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	-		-	
34-35	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)	156,862		153,279		
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	837,523		1,160,271		
33	of which: instruments issued by bank holding companies and their special purpose vehicles	837,334		1,160,097		
35	of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles)	189		173		
	Total of items included in Additional Tier 1 capital: instruments subject to transitional arrangements	3,647		588,493		
	of which: foreign currency translation adjustments	3,647		588,493		
36	Additional Tier 1 capital: instruments (D)	1,548,033		2,002,044		
Additional Tier 1 capital: regulatory adjustments						
37	Investments in own Additional Tier 1 instruments	-	-	339	508	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	-	-	-	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	-	-	-	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	11,875	7,917	135	203	
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	170,088		319,321		
	of which: goodwill (net of related tax liability, including those equivalent)	93,233		177,002		
	of which: other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	71,202		134,040		
	of which: securitisation gain on sale	5,652		8,278		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-		
43	Additional Tier 1 capital: regulatory adjustments (E)	181,964		319,796		
Additional Tier 1 capital						
44	Additional Tier 1 capital ((D)-(E)) (F)	1,366,069		1,682,247		
Tier 1 capital (T1 = CET1 + AT1)						
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	14,205,532		14,254,178		

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Basel III Template No.	Items	September 30,2016		September 30,2015	
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Tier 2 capital: instruments and provisions (4)					
46	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards	-		-	
	Subscription rights to Tier 2 instruments	-		-	
	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	757,674		272,270	
	Qualifying Tier 2 instruments plus related capital surplus issued by special purpose vehicles and other equivalent entities	-		-	
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	70,893		68,438	
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	1,440,235		1,838,165	
47	of which: instruments issued by bank holding companies and their special purpose vehicles	-		-	
49	of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles)	1,440,235		1,838,165	
50	Total of general allowance for credit losses and eligible provisions included in Tier 2	366,377		318,925	
50a	of which: provision for general allowance for credit losses	185,084		187,950	
50b	of which: eligible provisions	181,293		130,975	
	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	660,385		904,205	
	of which: amounts equivalent to 45% of unrealized gains on other securities	621,968		838,381	
	of which: deferred gains or losses on derivatives under hedge accounting	(15,397)		(17,943)	
	of which: amounts equivalent to 45% of land revaluation excess	53,814		83,768	
51	Tier 2 capital: instruments and provisions (H)	3,295,565		3,402,006	
Tier 2 capital: regulatory adjustments					
52	Investments in own Tier 2 instruments	4,383	2,922	3,722	5,583
53	Reciprocal cross-holdings in Tier 2 instruments	-	-	-	-
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	-	-	-
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	297	198	1,198	1,797
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	72,045		88,385	
	of which: goodwill (net of related tax liability, including those equivalent)	64,337		86,765	
	of which: significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	7,708		1,620	
57	Tier 2 capital: regulatory adjustments (I)	76,726		93,306	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	3,218,839		3,308,699	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	17,424,372		17,562,878	

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			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
Risk weighted assets (5)					
	Total of items included in risk weighted assets subject to transitional arrangements	315,627		517,468	
	of which: other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	194,611		281,285	
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	535		2,909	
	of which: net defined benefit assets	116,249		223,389	
	of which: investments in own shares (excluding those reported in the Net assets section)	3,741		9,323	
	of which: significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	490		559	
60	Risk weighted assets (L)	105,206,221		111,925,313	
Capital ratio (consolidated)					
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	12.20%		11.23%	
62	Tier 1 capital ratio (consolidated)((G)/(L))	13.50%		12.73%	
63	Total capital ratio (consolidated)((K)/(L))	16.56%		15.69%	
Regulatory adjustments (6)					
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	719,948		893,759	
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)	846,193		873,362	
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	1,304		1,245	
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	42,381		45,810	
Provisions included in Tier 2 capital: instruments and provisions (7)					
76	Provisions (general allowance for credit losses)	185,084		187,950	
77	Cap on inclusion of provisions (general allowance for credit losses)	265,859		310,204	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as "nil")	181,293		130,975	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	364,509		387,517	
Capital instruments subject to transitional arrangements (8)					
82	Current cap on AT1 instruments subject to phase out arrangements	994,518		1,160,271	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	-		103,078	
84	Current cap on T2 instruments subject to transitional arrangements	1,589,984		1,854,981	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	-		-	

※1 Capital instruments, approved by the commissioner of Japanese Financial Services Agency, subject to the provision to Paragraph 12 of Article 8 of the notification of Japanese Financial Services Agency No. 20, 2006, hereinafter referred to as the "FSA Consolidated Capital Adequacy Notification", are excluded from the calculation of figures stipulated in Paragraph 8 of Article 8, 9-1, and 10-1 of FSA Consolidated Capital Adequacy Notification, for 10 years from March 31, 2013 to March 30, 2023. The approved amount will decrease by 20% each year from March 31, 2019. The amount approved at the end of September, 2016 is 1,289,304 million yen.

※2 The risk-adjusted capital ratios and the amounts of components thereof as of September 30, 2015 reflect corrections of errors discovered in the risk weighting applied to certain assets, mostly residential mortgage loans, and certain other adjustments made under Basel I standards to obtain amounts that were used for floor adjustments in determining the amounts of risk-weighted assets under Basel III standards.