

Composition of Capital Disclosure (Mitsubishi UFJ Financial Group)

(in million yen, in percentage)

Basel III Template No.	Items	December 31,2018	September 30,2018
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	13,317,920	13,196,671
1a	of which: capital and capital surplus	3,286,633	3,286,668
2	of which: retained earnings	10,659,098	10,581,941
1c	of which: treasury stock (-)	627,811	527,623
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	-	144,314
	of which: other than above	-	-
1b	Subscription rights to common shares	189	189
3	Accumulated other comprehensive income and other disclosed reserves	2,472,214	2,945,472
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group Common Equity Tier 1)	187,125	183,777
6	Common Equity Tier 1 capital: instruments and reserves (A)	15,977,450	16,326,110
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)	1,196,016	1,258,672
8	of which: goodwill (including those equivalent)	488,083	552,313
9	of which: other intangibles other than goodwill and mortgage servicing rights	707,932	706,359
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,700	1,619
11	Deferred gains or losses on derivatives under hedge accounting	71,946	△ 62,478
12	Shortfall of eligible provisions to expected losses	-	-
13	Securitisation gain on sale	14,896	14,810
14	Gains and losses due to changes in own credit risk on fair valued liabilities	1,113	1,144
15	Net defined benefit assets	662,576	650,798
16	Investments in own shares (excluding those reported in the Net assets section)	6,727	15,355
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)	1,954,976	1,879,923
Common Equity Tier 1 capital (CET1)			
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	14,022,473	14,446,186

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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	1,470,000	1,270,000
		Qualifying Additional Tier 1 instruments plus related capital surplus issued by special purpose vehicles and other equivalent	-	-
34-35	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group Additional Tier 1)		165,534	159,330
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments		552,189	552,189
33		of which: instruments issued by bank holding companies and their special purpose vehicles	552,000	552,000
35		of which: instruments issued by subsidiaries (excluding bank holding companies' special purpose vehicles)	189	189
36	Additional Tier 1 capital: instruments (D)		2,187,724	1,981,519
Additional Tier 1 capital: regulatory adjustments				
37	Investments in own Additional Tier 1 instruments		19,006	-
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)		809	611
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		-	-
43	Additional Tier 1 capital: regulatory adjustments (E)		19,815	611
Additional Tier 1 capital				
44	Additional Tier 1 capital ((D)-(E)) (F)		2,167,908	1,980,907
Tier 1 capital (T1 = CET1 + AT1)				
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)		16,190,382	16,427,094

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Basel III Template No.	Items	December 31,2018	September 30,2018
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	1,633,500	1,548,500
	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)	82,975	80,487
47+49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	611,882	695,013
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)	611,882	695,013
50	Total of general allowance for credit losses and eligible provisions included in Tier 2	281,020	283,262
50a	of which: provision for general allowance for credit losses	227,005	218,805
50b	of which: eligible provisions	54,015	64,457
51	Tier 2 capital: instruments and provisions (H)	2,609,378	2,607,263
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	17,181	22,774
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)	899	339
57	Tier 2 capital: regulatory adjustments (I)	18,081	23,114
Tier 2 capital (T2)			
58	Tier 2 capital (T2) ((H)-(I)) (J)	2,591,297	2,584,149
Total capital (TC = T1 + T2)			
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	18,781,679	19,011,243

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Risk weighted assets (5)			
60	Risk weighted assets (L)	117,107,939	120,127,129
Capital ratio (consolidated)			
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	11.97%	12.02%
62	Tier 1 capital ratio (consolidated)((G)/(L))	13.82%	13.67%
63	Total capital ratio (consolidated)((K)/(L))	16.03%	15.82%
Regulatory adjustments (6)			
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	824,313	921,478
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)	1,212,456	1,133,320
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	20,039	16,345
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	96,910	87,128
Provisions included in Tier 2 capital: instruments and provisions (7)			
76	Provisions (general allowance for credit losses)	227,005	218,805
77	Cap on inclusion of provisions (general allowance for credit losses)	318,870	309,894
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")	54,015	64,457
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	350,949	360,497
Capital instruments subject to transitional arrangements (8)			
82	Current cap on AT1 instruments subject to phase out arrangements	663,012	663,012
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	-	-
84	Current cap on T2 instruments subject to transitional arrangements	1,059,989	1,059,989
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 December, 2018 is 1,507,069 million yen.