

# Composition of Capital Disclosure (Capital ratio of the fiscal year ended March 31, 2018, Basel III)

## Capital ratio (consolidated)

(Appended Form 2 of Supplementary Provision of the Notification of Japanese Financial Services Agency No. 7, 2014)

Basel III Template No.	Items	Millions of yen, %			
		Year ended March 31, 2018		Year ended March 31, 2017	
			Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements
<b>Common Equity Tier 1 capital: instruments and reserves</b>					
1a+2-1c-26	Directly issued qualifying common share capital plus related capital surplus and retained earnings	250,167		238,193	
1a	of which: capital and capital surplus	57,613		57,654	
2	of which: retained earnings	197,201		185,201	
1c	of which: treasury stock (-)	3,476		3,490	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	1,171		1,172	
	of which: other than above	—		—	
1b	Subscription rights to common shares	125		113	
3	Accumulated other comprehensive income and other disclosed reserves	156,440	—	105,343	26,335
5	Common share capital issued by subsidiaries and held by non-controlling interests (amount allowed in group Common Equity Tier 1)	—		—	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to transitional arrangements	—		277	
	of which: common share capital issued by subsidiaries and held by non-controlling interests (amount allowed in group Common Equity Tier 1)	—		277	
6	Common Equity Tier 1 capital: instruments and reserves (A)	406,733		343,927	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>					
8+9	Total intangible fixed assets (excluding those relating to mortgage servicing rights)	1,953	—	2,041	510
8	of which: goodwill (including those equivalent)	—	—	—	—
9	of which: other intangibles other than goodwill and mortgage servicing rights	1,953	—	2,041	510
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences	—	—	—	—
11	Deferred gains or losses on derivatives under hedge accounting	0	—	(0)	(0)
12	Shortfall of eligible provisions to expected losses	7,025	—	4,541	1,135
13	Securitization gain on sale	—	—	—	—
14	Gains and losses due to changes in own credit risk on fair valued liabilities	—	—	—	—
15	Asset for retirement benefits	—	—	—	—
16	Investments in own shares (excluding those reported in the Net assets section)	2	—	2	0
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	—	—	—	—
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: intangible fixed assets relating to mortgage servicing rights	—	—	—	—
21	of which: deferred tax assets arising from temporary differences	—	—	—	—
22	Amount exceeding the 15% threshold on specified items	—	—	—	—
23	of which: significant investments in the common stock of financials	—	—	—	—
24	of which: intangible fixed assets relating to mortgage servicing rights	—	—	—	—
25	of which: deferred tax assets arising from temporary differences	—	—	—	—
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)	8,982		6,585	
<b>Common Equity Tier 1 capital (CET1)</b>					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	397,750		337,341	
<b>Additional Tier 1 capital: instruments</b>					
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	—		—	
30	Directly issued qualifying Additional Tier 1 instruments plus related capital surplus of which: classified as liabilities under applicable accounting standards	—		—	
32	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 non-controlling interests (amount allowed in group Additional Tier 1)	—		1,247	
33+35	Eligible Tier 1 capital instruments subject to transitional arrangements included in Additional Tier 1 capital: instruments	—		—	
33	of which: instruments issued by bank and its special purpose vehicles	—		—	
35	of which: instruments issued by subsidiaries	—		—	
	Total of items included in Additional Tier 1 capital: instruments subject to transitional arrangements	—		—	
	of which: transitional arrangements related to accumulated other comprehensive income	—		—	
36	Additional Tier 1 capital: instruments (D)	—		1,247	
<b>Additional Tier 1 capital: regulatory adjustments</b>					
37	Investments in own Additional Tier 1 instrument	—	—	—	—
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	—	—	—	—
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	—	—	—	—

		Millions of yen, %	
		Year ended March 31, 2018	Year ended March 31, 2017
Basel III Template No.	Items	Amounts excluded under transitional arrangements	Amounts excluded under transitional arrangements
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to transitional arrangements	—	567
	of which: shortfall of eligible provisions to expected losses	—	567
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deduction	—	—
43	Additional Tier 1 capital: regulatory adjustments (E)	—	567
<b>Additional Tier 1 capital</b>			
44	Additional Tier 1 capital ((D) – (E)) (F)	—	679
<b>Tier 1 capital (T1 = CET1 + AT1)</b>			
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	397,750	338,021
<b>Tier 2 capital: instruments and provisions</b>			
	Directly issued qualifying Tier 2 instruments plus related capital surplus of which: classified as equity under applicable accounting standards	—	—
46	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	9,478	14,491
	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 non-controlling interests (amount allowed in group Tier 2)	—	293
47-49	Eligible Tier 2 capital instruments subject to transitional arrangements included in Tier 2: instruments and provisions	20,000	20,000
47	of which: instruments issued by bank and its special purpose vehicles	20,000	20,000
49	of which: instruments issued by subsidiaries	—	—
50	Total of general allowance for credit losses and eligible provisions included in Tier 2	136	153
50a	of which: provision for general allowance for credit losses	136	153
50b	of which: eligible provisions	—	—
	Total of items included in Tier 2 capital: instruments and provisions subject to transitional arrangements	—	16,462
	of which: accumulated other comprehensive income	—	16,462
51	Tier 2 capital: instruments and provisions (H)	29,614	51,401
<b>Tier 2 capital: regulatory adjustments</b>			
52	Investments in own Tier 2 instruments	—	—
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	—	—
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation	—	—
	Total of items included in Tier 2 capital: regulatory adjustments subject to transitional arrangements	—	567
	of which: shortfall of eligible provisions to expected losses	—	567
57	Tier 2 capital: regulatory adjustments (I)	—	567
<b>Tier 2 capital (T2)</b>			
58	Tier 2 capital (T2) ((H)-(I)) (J)	29,614	50,833
<b>Total capital (TC = T1 + T2)</b>			
59	Total capital (TC = T1 + T2) ((G)+(J)) (K)	427,365	388,854
<b>Risk weighted assets</b>			
	Total of items included in risk weighted assets subject to transitional arrangements	—	512
	of which: intangibles other than mortgage servicing rights	—	510
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences	—	—
	of which: investments in own shares	—	1
60	Risk weighted assets (L)	2,516,280	2,331,485
<b>Capital ratio (consolidated)</b>			
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	15.80	14.46
62	Tier 1 capital ratio (consolidated) ((G)/(L))	15.80	14.49
63	Total capital ratio (consolidated) ((K)/(L))	16.98	16.67
<b>Regulatory adjustments</b>			
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	26,019	22,077
73	Significant investments in the common stock of other financials that are below the thresholds for deduction (before risk weighting)	768	779
74	Intangible fixed assets relating to mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	—	—
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	—	—
<b>Provisions included in Tier 2 capital: instruments and provisions</b>			
76	Provisions (general allowance for credit losses)	136	153
77	Cap on inclusion of provisions (general allowance for credit losses)	488	476
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")	—	—
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	13,533	12,822
<b>Capital instruments subject to transitional arrangements</b>			
82	Current cap on AT1 instruments subject to phase out arrangements	—	—
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	24,000	30,000
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	—	—

Note: "Basel III Template No." indicates the numbers in the table in Annex 1 of the document entitled Composition of capital disclosure requirements released by the Basel Committee on Banking Supervision on June 26, 2012.