

# Mitsubishi UFJ Financial Group, Inc.

## Summary

Issuer Rating	A (MUFG) A (MUFG Bank) A (MUTB)
Outlook	Stable
Location	Japan
Industry	Banking
Date	18 June 2026

## Key Figures of MUFG

(JPY trillion)	FY2024	FY2025
Total Assets	413.1	431.7
Loans and Bills Discounted	121.4	133.8
Common Equity Tier 1 Ratio	14.2%	12.5%
Total Capital Adequacy Ratio	18.8%	16.9%
Non-performing Loans Ratio	1.1%	1.0%
Return on Assets	0.5%	0.6%
Loans to Deposits Ratio	53.7%	56.4%

Source: MUFG and Lianhe Global's calculations

Lianhe Ratings Global Limited has assigned 'A' global scale Long-term Issuer Credit Ratings with Stable Outlook to Mitsubishi UFJ Financial Group, Inc. ("MUFG") and its two core banks - MUFG Bank, Ltd. and Mitsubishi UFJ Trust and Banking Corporation ("MUTB").

## Summary

The Issuer Ratings of MUFG and its two core subsidiary banks, MUFG Bank and MUTB, reflect MUFG's leading market position, adequate capitalization and strong funding and liquidity profile. The ratings also consider its adequate profitability and stable asset quality. In addition, we expect a high possibility of extraordinary support to be provided by the Japanese government, if needed, considering MUFG's strong market presence in Japan's banking system. The ratings assigned are based on MUFG's consolidated profile.

The Stable Outlook reflects our expectation that MUFG will maintain prudent risk management and sound capitalization, while preserving sufficient liquidity buffers to withstand adverse market movements.

## Rating Rationale

**Strong Franchise and Broad Business Coverage:** MUFG is one of the world's largest banking groups, with a strong franchise built on diversified business coverage across retail, corporate, investment banking, and asset management. Its broad reach positions it as a key player in both domestic Japanese markets and international finance. MUFG's total assets and deposits reached JPY431.7 trillion and JPY239.4 trillion respectively as of end-March 2026 on a consolidated basis with a leading market share in Japan.

**Integrated Management and Operations:** To fully leverage its strengths as a comprehensive financial services provider, MUFG introduced a business group structure that unifies strategy across group companies and promotes businesses via close collaboration among them. By integrating capabilities across banking, securities, and asset management, MUFG is able to deliver comprehensive solutions addressing the diverse needs of individuals, corporations, and institutional clients. This structure also enhances efficiency by reducing duplication and strengthens risk management through unified governance.

**Prudent Asset Allocation Sustains Quality:** MUFG continued to balance risk and returns in asset allocation. Its loan portfolio remained well diversified across domestic retail, corporate, and international businesses, with the loan balance reaching JPY135.2 trillion at end-March 2026. The consolidated non-performing loan ratio declined to 0.96% at end-March 2026 from 1.11% a year earlier, reflecting continued credit quality improvement. In addition, its securities portfolio decreased by JPY410.5 billion in FY2025 to JPY85.7 trillion at end-March 2026, with the majority invested in fixed-income instruments, providing stable income and liquidity flexibility.

**Adequate Capital Position:** MUFG actively optimized the balance between capital adequacy and efficiency, continuing to replace low-profitability assets with higher-return exposures. At end-March 2026, its total capital ratio stood at 16.85% and the common equity Tier 1 ratio at 12.47%, compared with 18.83% and 14.18% a year earlier. The decline was mainly due to increased risk-weighted assets.

## Analysts

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## Applicable Criteria

[Banking Rating Criteria](#)  
 (20 March 2023)

**Broad Revenue Base Underpins Profitability:** MUFG's broad revenue base across domestic and overseas operations, supported by multiple business divisions, underpinned its adequate profitability. It focused on rebalancing its portfolio by reducing low-earning assets, expanding fee income, and constraining expenses amid a dynamic operating environment. Return on assets improved to 0.61% in FY2025 from 0.48% in FY2024, mainly driven by higher net interest income, stronger fee generation, gains on debt securities, and greater contributions from equity-method investees.

**Strong Funding Capability and Liquidity:** MUFG's robust deposit-gathering capability supported reliable, low-cost funding, with a consolidated loans-to-deposits ratio staying at about 56% at end-March 2026. In addition, MUFG secured mid- to long-term market funding to supplement foreign-currency deposits, while maintaining high-liquidity assets such as foreign government bonds to enhance its resilience to market volatility.

### Rating Sensitivities

We would consider downgrading MUFG's and the two banks' ratings if there is 1) significant deterioration in capital adequacy and liquidity, or 2) notable deterioration in asset quality and profitability, or 3) perceived lower possibility of government support, or 4) a downgrade in our internal credit assessment on the Japanese government.

We would consider upgrading MUFG's and the two banks' ratings if there is 1) a notable improvement in financial metrics, particularly in capital adequacy and profitability, or 2) perceived higher possibility of government support, or 3) an upgrade in our internal credit assessment on the Japanese government.

### Company Profile

MUFG, established in October 2005 through the merger of Mitsubishi Tokyo Financial Group, Inc. and UFJ Holdings, Inc., is Japan's largest banking group and one of the world's leading banking groups. Its core subsidiaries include MUFG Bank, MUTB and Mitsubishi UFJ Securities Holdings Co., Ltd. with business lines spanning commercial banking, trust banking, securities, and asset management.

MUFG is listed on the Tokyo Stock Exchange and the New York Stock Exchange and has a global footprint with operations across Asia, Europe, and the United States. It has established presence in more than 400 locations in Japan and about 1900 locations overseas, positioning it as a key player in both regional and international finance and is classified as a global systemically important bank by the Financial Stability Board as per the 2025 list.

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