

Explanation of "Composition of Capital Disclosure"

Mizuho Financial Group
As of December 31, 2015

【Consolidated】

(in million yen)

Items	Consolidated Balance sheet as in published financial statements		Cross-reference to Appended template	Reference # of common disclosure template under the Composition of Capital Disclosure
	As of December 31, 2015	As of September 30, 2015		
(Assets)				
Cash and Due from Banks	37,393,820	35,194,504		
Call Loans and Bills Purchased	498,146	453,546		
Receivables under Resale Agreements	9,131,164	8,618,422		
Guarantee Deposits Paid under Securities				
Borrowing Transactions	3,624,545	3,900,412		
Other Debt Purchased	3,105,179	2,907,399		
Trading Assets	12,114,805	11,565,875	6-a	
Money Held in Trust	165,068	145,940		
Securities	38,888,647	39,996,490	2-b, 6-b	
Loans and Bills Discounted	75,882,584	74,276,839	6-c	
Foreign Exchange Assets	1,809,972	1,657,373		
Derivatives other than for Trading Assets	2,456,923	2,958,859	6-d	
Other Assets	3,261,271	3,537,663	6-e	
Tangible Fixed Assets	1,077,815	1,078,339		
Intangible Fixed Assets	767,886	706,610	2-a	
Net Defined Benefit Asset	787,525	773,296	3	
Deferred Tax Assets	34,033	37,174	4-a	
Customers' Liabilities for Acceptances and Guarantees	5,002,301	4,901,887		
Reserves for Possible Losses on Loans	(464,347)	(463,886)		
Total Assets	195,537,344	192,246,749		
(Liabilities)				
Deposits	102,163,821	100,595,584		
Negotiable Certificates of Deposit	17,165,077	15,455,822		
Call Money and Bills Sold	4,915,104	5,738,107		
Payables under Repurchase Agreements	20,083,562	19,677,206		
Guarantee Deposits Received under Securities				
Lending Transactions	2,207,053	2,115,663		
Commercial Paper	899,850	628,445		
Trading Liabilities	8,962,242	8,964,612	6-f	
Borrowed Money	7,633,718	7,406,585	8-a	
Foreign Exchange Liabilities	392,742	560,551		
Short-term Bonds	1,018,323	776,296		
Bonds and Notes	6,453,895	6,235,233	8-b	
Due to Trust Accounts	2,113,303	1,954,690		
Derivatives other than for Trading Liabilities	2,215,293	2,653,017	6-g	
Other Liabilities	4,146,442	4,649,335		
Reserve for Bonus Payments	30,912	43,964		
Net Defined Benefit Liability	49,426	48,948		
Reserve for Director and Corporate Auditor Retirement Benefits	1,704	1,567		
Reserve for Possible Losses on Sales of Loans	1,012	220		
Reserve for Contingencies	4,826	6,870		
Reserve for Reimbursement of Deposits	14,971	16,684		
Reserve for Reimbursement of Debentures	38,621	42,905		
Reserves under Special Laws	1,956	1,848		
Deferred Tax Liabilities	530,102	433,970	4-b	
Deferred Tax Liabilities for Revaluation Reserve for Land	71,714	71,897	4-c	
Acceptances and Guarantees	5,002,301	4,901,887		
Total Liabilities	186,117,984	182,981,918		
(Net Assets)				
Common Stock and Preferred Stock	2,255,790	2,255,790	1-a	
Capital Surplus	1,111,410	1,111,410	1-b	
Retained Earnings	3,045,962	3,004,969	1-c	
Treasury Stock	(3,713)	(4,031)	1-d	
Total Shareholders' Equity	6,409,450	6,368,139		
Net Unrealized Gains (Losses) on Other Securities	1,510,707	1,386,622		
Deferred Gains or Losses on Hedges	49,049	59,105	5	
Revaluation Reserve for Land	145,061	145,446		
Foreign Currency Translation Adjustments	(53,994)	(43,751)		
Remeasurements of Defined Benefit Plans	159,771	160,410		
Total Accumulated Other Comprehensive Income	1,810,594	1,707,834		3
Stock Acquisition Rights	2,762	2,762		1b
Non-Controlling Interests	1,196,552	1,186,094	7	
Total Net Assets	9,419,359	9,264,830		
Total Liabilities and Net Assets	195,537,344	192,246,749		

Note:

The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appended template)

1. Shareholders' equity

(1) Consolidated balance sheet

(in million yen)

Ref. No.	Consolidated balance sheet items	As of December 31, 2015	As of September 30, 2015	Remarks
1-a	Common Stock and Preferred Stock	2,255,790	2,255,790	Including eligible Tier 1 capital instruments subject to phase-out arrangements
1-b	Capital Surplus	1,111,410	1,111,410	Including eligible Tier 1 capital instruments subject to phase-out arrangements
1-c	Retained Earnings	3,045,962	3,004,969	
1-d	Treasury Stock	(3,713)	(4,031)	
	Total Shareholders' Equity	6,409,450	6,368,139	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2015	As of September 30, 2015	Remarks
	Directly issued qualifying common share capital plus related stock surplus and retained earnings	6,266,460	6,223,259	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
1a	of which: capital and stock surplus	3,224,996	3,223,128	
2	of which: retained earnings	3,045,178	3,004,162	
1c	of which: treasury stock (-)	3,713	4,031	
	of which: other than above	-	-	
31a	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as equity under applicable accounting standards and the breakdown	-	-	Shareholders' equity attributable to preferred shares with a loss absorbency clause upon entering into effective bankruptcy

2. Intangible fixed assets

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of December 31, 2015	As of September 30, 2015	Remarks
2-a	Intangible Fixed Assets	767,886	706,610	
2-b	Securities	38,888,647	39,996,490	
	of which: share of goodwill of companies accounted for using the equity method	28,106	31,016	Share of goodwill of companies accounted for using the equity method
	Income taxes related to above	(238,374)	(223,297)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2015	As of September 30, 2015	Remarks
8	Goodwill (net of related tax liability, including those equivalent)	51,579	40,161	
9	Other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	506,039	474,167	Software and other
	Mortgage servicing rights (net of related tax liability)	-	-	
20	Amount exceeding the 10% threshold on specified items	-	-	
24	Amount exceeding the 15% threshold on specified items	-	-	
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	-	-	

3. Net Defined Benefit Asset

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of December 31, 2015	As of September 30, 2015	Remarks
3	Net Defined Benefit Asset	787,525	773,296	
	Income taxes related to above	(253,353)	(248,767)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2015	As of September 30, 2015	Remarks
15	Net Defined Benefit Asset	534,172	524,528	

4. Deferred tax assets

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of December 31, 2015	As of September 30, 2015	Remarks
4-a	Deferred Tax Assets	34,033	37,174	
4-b	Deferred Tax Liabilities	530,102	433,970	
4-c	Deferred Tax Liabilities for Revaluation Reserve for Land	71,714	71,897	
	Tax effects on intangible fixed assets	238,374	223,297	
	Tax effects on net defined benefit asset	253,353	248,767	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2015	As of September 30, 2015	Remarks
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	10,565	11,829	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.
	Deferred tax assets that rely on future profitability arising from temporary differences (net of related tax liability)	67,359	76,167	This item does not agree with the amount reported on the consolidated balance sheet due to offsetting of assets and liabilities.
21	Amount exceeding the 10% threshold on specified items	-	-	
25	Amount exceeding the 15% threshold on specified items	-	-	
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	67,359	76,167	

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of December 31, 2015	As of September 30, 2015	Remarks
5	Deferred Gains or Losses on Hedges	49,049	59,105	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2015	As of September 30, 2015	Remarks
11	Deferred gains or losses on derivatives under hedge accounting	49,049	59,105	

6. Items associated with investments in the capital of financial institutions

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of December 31, 2015	As of September 30, 2015	Remarks
6-a	Trading Assets	12,114,805	11,565,875	Including trading account securities and derivatives for trading assets
6-b	Securities	38,888,647	39,996,490	
6-c	Loans and Bills Discounted	75,882,584	74,276,839	Including subordinated loans
6-d	Derivatives other than for Trading Assets	2,456,923	2,958,859	
6-e	Other Assets	3,261,271	3,537,663	Including money invested
6-f	Trading Liabilities	8,962,242	8,964,612	Including trading account securities sold
6-g	Derivatives other than for Trading Liabilities	2,215,293	2,653,017	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2015	As of September 30, 2015	Remarks
16	Investments in own capital instruments	5,313	3,325	
37	Common Equity Tier 1 capital	5,013	2,325	
52	Additional Tier 1 capital	-	-	
	Tier 2 capital	300	1,000	
	Reciprocal cross-holdings in the capital of banking, financial and insurance entities	-	-	
17	Common Equity Tier 1 capital	-	-	
38	Additional Tier 1 capital	-	-	
53	Tier 2 capital	-	-	
	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 10% threshold)	923,144	984,712	
18	Common Equity Tier 1 capital	152,389	195,883	
39	Additional Tier 1 capital	264	442	
54	Tier 2 capital	79,987	118,664	
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	690,503	669,722	
	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	240,755	298,315	
19	Amount exceeding the 10% threshold on specified items	-	-	
23	Amount exceeding the 15% threshold on specified items	-	-	
40	Additional Tier 1 capital	147,042	145,926	
55	Tier 2 capital	-	-	
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	93,712	152,389	

7. Non-Controlling Interests

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of December 31, 2015	As of September 30, 2015	Remarks
7	Non-Controlling Interests	1,196,552	1,186,094	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2015	As of September 30, 2015	Remarks
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	12,112	11,789	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)
30-31ab-32	Qualifying Additional Tier 1 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities	-	-	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)
34-35	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1)	31,703	29,117	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)
46	Tier 2 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities	180,810	179,955	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	9,835	9,190	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)

8. Other capital instruments

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of December 31, 2015	As of September 30, 2015	Remarks
8-a	Borrowed Money	7,633,718	7,406,585	
8-b	Bonds and Notes	6,453,895	6,235,233	
	Total	14,087,614	13,641,818	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2015	As of September 30, 2015	Remarks
32	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	300,000	300,000	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	325,405	200,000	

Note:

* Amounts in the "Composition of capital disclosure" are based on those before considering amounts under transitional arrangements and include "Amounts excluded under transitional arrangements" disclosed in "Composition of Capital Disclosure" as well as amounts included as regulatory capital. In addition, items for regulatory purposes under transitional arrangements are excluded from this table.