

Explanation of "Composition of Capital Disclosure"

Mizuho Bank [Non-Consolidated]
As of March 31, 2017

(in million yen)

Items	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 March 31, 2017	As of March 31, 2016		
(Assets)				
Cash and Due from Banks	38,943,082	30,156,145		
Call Loans	433,198	266,249		
Receivables under Resale Agreements	596,194	368,351		
Other Debt Purchased	728,080	729,842		
Trading Assets	4,234,901	6,421,352	6-a	
Money Held in Trust	3,137	3,197		
Securities	31,264,703	37,903,140		
Loans and Bills Discounted	71,262,838	70,374,392	6-c	
Foreign Exchange Assets	1,769,212	1,343,546		
Other Assets	5,470,641	6,696,402		
Tangible Fixed Assets	828,363	836,484		
Intangible Fixed Assets	754,547	636,583	2	
Prepaid Pension Cost	481,968	469,034	3	
Customers' Liabilities for Acceptances and Guarantees	5,757,150	5,297,202		
Reserves for Possible Losses on Loans	(437,689)	(379,190)		
Total Assets	162,090,330	161,122,736		
(Liabilities)				
Deposits	107,789,803	100,197,037		
Negotiable Certificates of Deposit	10,091,832	11,177,095		
Call Money	775,450	1,127,524		
Payables under Repurchase Agreements	7,604,970	7,588,922		
Guarantee Deposits Received under Securities Lending Transactions	335,575	786,431		
Commercial Paper	765,146	777,601		
Trading Liabilities	3,362,426	5,198,295	6-e	
Borrowed Money	9,136,351	8,697,522		
Foreign Exchange Liabilities	729,532	682,188		
Bonds and Notes	3,726,331	4,376,773	7-b	
Other Liabilities	4,453,787	7,422,691		
Reserve for Bonus Payments	20,902	20,437		
Reserve for Variable Compensation	1,269	1,300		
Reserve for Possible Losses on Sales of Loans	298	267		
Reserve for Contingencies	52	800		
Reserve for Reimbursement of Deposits	17,575	15,041		
Reserve for Reimbursement of Debentures	32,720	39,245		
Deferred Tax Liabilities	186,153	302,072		
Deferred Tax Liabilities for Revaluation Reserve for Land	66,585	67,991	4-c	
Acceptances and Guarantees	5,757,150	5,297,202		
Total Liabilities	154,853,914	153,776,443		
(Net Assets)				
Common Stock and Preferred Stock	1,404,065	1,404,065	1-a	
Capital Surplus	2,286,328	2,286,795	1-b	
Retained Earnings	2,298,416	2,231,469		
Total Shareholders' Equity	5,988,810	5,922,330		
Net Unrealized Gains (Losses) on Other Securities, net of Taxes	1,099,468	1,106,333		
Net Deferred Hedge Gains (Losses), net of Taxes	2,527	169,143		
Revaluation Reserve for Land, net of Taxes	145,609	148,483		
Total Valuation and Translation Adjustments	1,247,605	1,423,961		
Total Net Assets	7,236,415	7,346,292		
Total Liabilities and Net Assets	162,090,330	161,122,736		

Note1: Borrowed Money includes Subordinated borrowings (as of March 31, 2017 : JPY 586,200 million, as of March 31, 2016 : JPY 1,061,215 million).

This item is included in "Eligible Tier 1 capital instruments subject to phase-out arrangements included in Additional Tier 1 capital: instruments" in the Composition of Capital Disclosure.

Note2: The non-consolidated capital adequacy ratio is calculated based on the consolidated financial statements which include special purpose companies in accordance with Article 15 of "Criteria for Judging Whether A Financial Institution's Capital is Sufficient in Light of the Assets Held, etc. under the Provision of Article 14-2 of the Banking Law" (Notification No. 19 of 2006, the Financial Services Agency). The above capital adequacy ratio is calculated using the following balance sheet accounts reported on the consolidated financial statements.

Balance sheet account	Amount reported on the consolidated financial statements		Cross-reference to Appended template	Reference # of common disclosure template under the Composition of Capital Disclosure
	As of March 31, 2017	As of March 31, 2016		
Securities	31,255,983	37,886,956	6-b	
Other Assets	5,470,642	6,696,403	6-d	
Borrowed Money	8,550,151	7,636,307	7-a	
Other Liabilities	4,453,669	7,421,356	6-f	
Deferred Tax Liabilities	186,153	302,059	4-b	
Retained Earnings	2,298,702	2,231,733	1-c	
Net Deferred Hedge Gains (Losses), net of Taxes	2,527	169,115	5	
Total Valuation and Translation Adjustments	1,247,605	1,424,202		

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(Appended template)

1. Shareholders' equity

(1) Balance sheet

(in million yen)

Ref. No.	Balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks
1-a	Common Stock and Preferred Stock	1,404,065	1,404,065	Including eligible Tier 1 capital instruments subject to phase-out arrangements
1-b	Capital Surplus	2,286,328	2,286,795	Including eligible Tier 1 capital instruments subject to phase-out arrangements
1-c	Retained Earnings	2,298,702	2,231,733	
	Total Shareholders' Equity	5,989,096	5,922,594	

(2) Composition of capital

Base I Template No.	Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks
	Directly issued qualifying common share capital plus related stock surplus and retained earnings	5,989,092	5,922,590	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
1a	of which: capital and stock surplus	3,690,389	3,690,856	
2	of which: retained earnings	2,298,702	2,231,733	
1c	of which: treasury stock (-)	-	-	
	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) Balance sheet

Ref. No.	Balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks
2	Intangible Fixed Assets	754,547	636,583	
	Income taxes related to above	(230,589)	(194,539)	

(2) Composition of capital

Base I Template No.	Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks
8	Goodwill (net of related tax liability, including those equivalent)	-	-	
9	Other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	523,958	442,043	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. Defined-benefit pension fund net assets (prepaid pension costs)

(1) Balance sheet

Ref. No.	Balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks
3	Prepaid Pension Cost	481,968	469,034	
	Income taxes related to above	(147,289)	(143,337)	

(2) Composition of capital

Base I Template No.	Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks
15	Defined-benefit pension fund net assets (prepaid pension costs)	334,678	325,697	

4. Deferred tax assets

(1) Balance sheet

Ref. No.	Balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks
	Deferred Tax Assets	-	-	
4-b	Deferred Tax Liabilities	186,153	302,059	
4-c	Deferred Tax Liabilities for Revaluation Reserve for Land	66,585	67,991	
	Tax effects on intangible fixed assets	230,589	194,539	
	Tax effects on defined-benefit pension fund net assets (prepaid pension costs)	147,289	143,337	

(2) Composition of capital

Base I Template No.	Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	This item does not agree with the amount reported on the 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)	125,140	-	This item does not agree with the amount reported on the 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)	125,140	-	

5. Deferred gains or losses on derivatives under hedge accounting

(1) Balance sheet

Ref. No.	Balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks
5	Net Deferred Hedge Gains (Losses), net of Taxes	2,527	169,115	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks
11	Deferred gains or losses on derivatives under hedge accounting	2,527	169,115	

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

(1) Balance sheet

Ref. No.	Balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks
6-a	Trading Assets	4,234,901	6,421,352	Including trading account securities and derivatives for trading assets
6-b	Securities	31,255,983	37,886,956	
6-c	Loans and Bills Discounted	71,262,838	70,374,392	Including subordinated loans
6-d	Other Assets	5,470,642	6,696,403	Including Derivatives other than for Trading Assets and money invested
6-e	Trading Liabilities	3,362,426	5,198,295	Including trading account securities sold
6-f	Other Liabilities	4,453,669	7,421,356	Including Derivatives other than for Trading Liabilities

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks
	Investments in own capital instruments	-	-	
16	Common Equity Tier 1 capital	-	-	
37	Additional Tier 1 capital	-	-	
52	Tier 2 capital	-	-	
	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)	531,956	548,664	
18	Common Equity Tier 1 capital	-	-	
39	Additional Tier 1 capital	-	-	
54	Tier 2 capital	-	-	
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	531,956	548,664	
	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	457,126	537,764	
19	Amount exceeding the 10% threshold on specified items	-	-	
23	Amount exceeding the 15% threshold on specified items	-	-	
40	Additional Tier 1 capital	92,408	92,408	
55	Tier 2 capital	225,000	295,000	
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	139,718	150,355	

7. Other capital instruments

(1) Balance sheet

Ref. No.	Balance sheet items	As of March 31, 2017	As of March 31, 2016	Remarks
7-a	Borrowed Money	8,550,151	7,636,307	
7-b	Bonds and Notes	3,726,331	4,376,773	
	Total	12,276,482	12,013,080	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of March 31, 2017	As of March 31, 2016	Remarks
30-31ab-32	Qualifying Additional Tier 1 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities	-	-	
32	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	760,000	300,000	
46	Tier 2 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities	-	-	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	852,450	493,552	

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.