

Explanation of "Composition of Capital Disclosure"

Mizuho Financial Group
As of June 30, 2016

【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 June 30, 2016	As of March 31, 2016		
(Assets)				
Cash and Due from Banks	44,078,085	36,315,471		
Call Loans and Bills Purchased	1,076,222	893,545		
Receivables under Resale Agreements	8,438,297	7,805,798		
Guarantee Deposits Paid under Securities				
Borrowing Transactions	3,308,129	3,407,390		
Other Debt Purchased	2,752,309	2,979,797		
Trading Assets	15,432,999	13,004,522	6-a	
Money Held in Trust	188,282	175,638		
Securities	33,571,599	39,505,971	2-b, 6-b	
Loans and Bills Discounted	72,217,324	73,708,884	6-c	
Foreign Exchange Assets	1,404,523	1,447,743		
Derivatives other than for Trading Assets	3,937,514	3,157,752	6-d	
Other Assets	4,411,447	4,144,131	6-e	
Tangible Fixed Assets	1,075,492	1,085,791		
Intangible Fixed Assets	838,559	804,567	2-a	
Net Defined Benefit Asset	659,407	646,428	3	
Deferred Tax Assets	46,959	36,517	4-a	
Customers' Liabilities for Acceptances and Guarantees	4,728,689	4,798,158		
Reserves for Possible Losses on Loans	(450,266)	(459,531)		
Total Assets	197,715,575	193,458,580		
(Liabilities)				
Deposits	109,299,551	105,629,071		
Negotiable Certificates of Deposit	10,807,579	11,827,533		
Call Money and Bills Sold	3,163,841	2,521,008		
Payables under Repurchase Agreements	17,553,415	16,833,346		
Guarantee Deposits Received under Securities				
Lending Transactions	2,215,458	2,608,971		
Commercial Paper	877,464	1,010,139		
Trading Liabilities	12,019,249	10,276,133	6-f	
Borrowed Money	7,410,627	7,503,543	8-a	
Foreign Exchange Liabilities	464,012	492,473		
Short-term Bonds	456,065	648,381		
Bonds and Notes	6,378,673	6,120,928	8-b	
Due to Trust Accounts	4,327,342	5,067,490		
Derivatives other than for Trading Liabilities	2,951,875	2,571,597	6-g	
Other Liabilities	5,633,181	5,532,596		
Reserve for Bonus Payments	16,585	62,171		
Reserve for Variable Compensation	3,585	2,836		
Net Defined Benefit Liability	52,093	51,514		
Reserve for Director and Corporate Auditor				
Retirement Benefits	1,490	1,685		
Reserve for Possible Losses on Sales of Loans	736	267		
Reserve for Contingencies	5,449	5,271		
Reserve for Reimbursement of Deposits	14,697	16,154		
Reserve for Reimbursement of Debentures	37,678	39,245		
Reserves under Special Laws	2,090	2,024		
Deferred Tax Liabilities	393,512	414,799	4-b	
Deferred Tax Liabilities for Revaluation Reserve for Land	67,403	67,991	4-c	
Acceptances and Guarantees	4,728,689	4,798,158		
Total Liabilities	188,882,351	184,105,335		
(Net Assets)				
Common Stock and Preferred Stock	2,256,275	2,255,790	1-a	
Capital Surplus	1,110,532	1,110,164	1-b	
Retained Earnings	3,238,184	3,197,616	1-c	
Treasury Stock	(3,834)	(3,609)	1-d	
Total Shareholders' Equity	6,601,157	6,559,962		
Net Unrealized Gains (Losses) on Other Securities	1,167,760	1,296,039		
Deferred Gains or Losses on Hedges	207,629	165,264	5	
Revaluation Reserve for Land	147,148	148,483		
Foreign Currency Translation Adjustments	(66,758)	(53,689)		
Remeasurements of Defined Benefit Plans	58,404	51,752		
Total Accumulated Other Comprehensive Income	1,514,184	1,607,851		3
Stock Acquisition Rights	1,799	2,762		1b
Non-Controlling Interests	716,082	1,182,668	7	
Total Net Assets	8,833,224	9,353,244		
Total Liabilities and Net Assets	197,715,575	193,458,580		

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 June 30, 2016	As of March 31, 2016	Remarks
1-a	Common Stock and Preferred Stock	2,256,275	2,255,790	Including eligible Tier 1 capital instruments subject to phase-out arrangements
1-b	Capital Surplus	1,110,532	1,110,164	Including eligible Tier 1 capital instruments subject to phase-out arrangements
1-c	Retained Earnings	3,238,184	3,197,616	
1-d	Treasury Stock	(3,834)	(3,609)	
	Total Shareholders' Equity	6,601,157	6,559,962	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of June 30, 2016	As of March 31, 2016	Remarks
	Directly issued qualifying common share capital plus related stock surplus and retained earnings	6,525,441	6,460,330	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
1a	of which: capital and stock surplus	3,291,716	3,267,031	
2	of which: retained earnings	3,237,559	3,196,908	
1c	of which: treasury stock (-)	3,834	3,609	
	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 June 30, 2016	As of March 31, 2016	Remarks
2-a	Intangible Fixed Assets	838,559	804,567	
2-b	Securities	33,571,599	39,505,971	
	of which: share of goodwill of companies accounted for using the equity method	32,008	35,646	Share of goodwill of companies accounted for using the equity method
	Income taxes related to above	(248,221)	(237,595)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of June 30, 2016	As of March 31, 2016	Remarks
8	Goodwill (net of related tax liability, including those equivalent)	55,080	59,087	
9	Other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	567,266	543,531	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 June 30, 2016	As of March 31, 2016	Remarks
3	Net Defined Benefit Asset	659,407	646,428	
	Income taxes related to above	(201,425)	(197,428)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of June 30, 2016	As of March 31, 2016	Remarks
15	Net Defined Benefit Asset	457,982	449,000	

4. Deferred tax assets

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of June 30, 2016	As of March 31, 2016	Remarks
4-a	Deferred Tax Assets	46,959	36,517	
4-b	Deferred Tax Liabilities	393,512	414,799	
4-c	Deferred Tax Liabilities for Revaluation Reserve for Land	67,403	67,991	
	Tax effects on intangible fixed assets	248,221	237,595	
	Tax effects on net defined benefit asset	201,425	197,428	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of June 30, 2016	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)	11,648	11,024	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)	82,929	75,828	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)	82,929	75,828	

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of June 30, 2016	As of March 31, 2016	Remarks
5	Deferred Gains or Losses on Hedges	207,629	165,264	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of June 30, 2016	As of March 31, 2016	Remarks
11	Deferred gains or losses on derivatives under hedge accounting	207,629	165,264	

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

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of June 30, 2016	As of March 31, 2016	Remarks
6-a	Trading Assets	15,432,999	13,004,522	Including trading account securities and derivatives for trading assets
6-b	Securities	33,571,599	39,505,971	
6-c	Loans and Bills Discounted	72,217,324	73,708,884	Including subordinated loans
6-d	Derivatives other than for Trading Assets	3,937,514	3,157,752	
6-e	Other Assets	4,411,447	4,144,131	Including money invested
6-f	Trading Liabilities	12,019,249	10,276,133	Including trading account securities sold
6-g	Derivatives other than for Trading Liabilities	2,951,875	2,571,597	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of June 30, 2016	As of March 31, 2016	Remarks
16	Investments in own capital instruments	2,898	2,231	
37	Common Equity Tier 1 capital	2,646	2,231	
52	Additional Tier 1 capital	-	-	
	Tier 2 capital	252	-	
	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)	690,729	821,973	
18	Common Equity Tier 1 capital	13,113	93,508	
39	Additional Tier 1 capital	22	28	
54	Tier 2 capital	6,700	55,624	
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	670,894	672,811	
	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	259,709	260,053	
19	Amount exceeding the 10% threshold on specified items	-	-	
23	Amount exceeding the 15% threshold on specified items	-	-	
40	Additional Tier 1 capital	147,639	147,677	
55	Tier 2 capital	-	-	
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	112,070	112,376	

7. Non-Controlling Interests

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of June 30, 2016	As of March 31, 2016	Remarks
7	Non-Controlling Interests	716,082	1,182,668	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of June 30, 2016	As of March 31, 2016	Remarks
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	15,712	14,749	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)	30,570	30,843	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	154,440	169,035	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)	10,412	10,269	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 June 30, 2016	As of March 31, 2016	Remarks
8-a	Borrowed Money	7,410,627	7,503,543	
8-b	Bonds and Notes	6,378,673	6,120,928	
	Total	13,789,300	13,624,471	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of June 30, 2016	As of March 31, 2016	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	487,220	324,517	

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.