

**Composition of Capital Disclosure**

Mizuho Financial Group [Consolidated]  
As of December 31, 2016

(in million yen, in percentage)

Basel III Template No.	Items	As of December 31, 2016	Amounts excluded under transitional arrangements	As of September 30, 2016	Amounts excluded under transitional arrangements
<b>Common Equity Tier 1 capital: instruments and reserves (1)</b>					
1a+2-1c-26	Directly issued qualifying common share capital plus related stock surplus and retained earnings	6,900,462		6,730,792	
1a	of which: capital and stock surplus	3,390,725		3,367,574	
2	of which: retained earnings	3,514,612		3,463,490	
1c	of which: treasury stock (-)	4,875		5,098	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	-		95,173	
	of which: other than above	-		-	
1b	Subscription rights to common shares	1,754		1,754	
3	Accumulated other comprehensive income and other disclosed reserves	876,352	584,234	856,425	570,950
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	33,224		14,954	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to phase-out arrangements	36,557		33,263	
	of which: amount allowed in group CET1 capital subject to phase-out arrangements on common share capital issued by subsidiaries and held by third parties	36,557		33,263	
6	Common Equity Tier 1 capital: instruments and reserves (A)	7,848,350		7,637,189	
<b>Common Equity Tier 1 capital: regulatory adjustments (2)</b>					
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	451,911	301,274	383,779	255,853
8	of which: goodwill (net of related tax liability, including those equivalent)	60,209	40,139	30,506	20,337
9	of which: other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	391,701	261,134	353,273	235,515
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	26,412	17,608	35,461	23,641
11	Deferred gains or losses on derivatives under hedge accounting	20,277	13,518	100,246	66,831
12	Shortfall of eligible provisions to expected losses	41,814	27,874	40,278	26,855
13	Securitization gain on sale	42	28	46	30
14	Gains and losses due to changes in own credit risk on fair valued liabilities	1,526	1,017	1,047	698
15	Net defined benefit asset	286,241	190,827	280,679	187,119
16	Investments in own shares (excluding those reported in the net assets section)	3,726	2,484	1,594	1,062
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, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)	55,086	36,724	24,658	16,438
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: mortgage servicing rights	-	-	-	-
21	of which: deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-	-
22	Amount exceeding the 15% threshold on specified items	-	-	-	-
23	of which: significant investments in the common stock of financials	-	-	-	-
24	of which: mortgage servicing rights	-	-	-	-
25	of which: deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-	-
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)	887,039		867,792	
<b>Common Equity Tier 1 capital (CET1)</b>					
29	Common Equity Tier 1 capital (CET1) ((A)-(B) (C))	6,961,310		6,769,396	
<b>Additional Tier 1 capital: instruments (3)</b>					
30	31a Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as equity under applicable accounting standards and the breakdown	-		-	
	31b Subscription rights to Additional Tier 1 instruments	-		-	
	32 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	760,000		760,000	
	Qualifying Additional Tier 1 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities	-		-	
34-35	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1)	35,940		30,890	
33+35	Eligible Tier 1 capital instruments subject to phase-out arrangements included in Additional Tier 1 capital: instruments	577,500		577,500	
33	of which: directly issued capital instruments subject to phase out from Additional Tier 1	577,500		577,500	
35	of which: instruments issued by subsidiaries subject to phase out	-		-	
	Total of items included in Additional Tier 1 capital: instruments subject to phase-out arrangements	(35,359)		(34,360)	
	of which: foreign currency translation adjustments	(35,359)		(34,360)	
36	Additional Tier 1 capital: instruments (D)	1,338,080		1,334,030	
<b>Additional Tier 1 capital: regulatory adjustments</b>					
37	Investments in own Additional Tier 1 instruments	-	-	-	-
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, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	41	27	66	44
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	88,200	58,800	88,200	58,800
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to phase-out arrangements	68,037		32,630	
	of which: goodwill equivalent	29,947		9,078	
	of which: intangible fixed assets recognized as a result of a merger	24,123		10,095	
	of which: capital increase due to securitization transactions	28		30	
	of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach	13,938		13,426	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-	
43	Additional Tier 1 capital: regulatory adjustments (E)	156,279		120,897	
<b>Additional Tier 1 capital (AT1)</b>					
44	Additional Tier 1 capital ((D)-(E) (F))	1,181,801		1,213,132	
<b>Tier 1 capital (T1 = CET1 + AT1)</b>					
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F) (G))	8,143,112		7,982,529	

Basel III Template No.	Items	As of December 31, 2016	Amounts excluded under transitional arrangements	As of September 30, 2016	Amounts excluded under transitional arrangements
<b>Tier 2 capital: instruments and provisions (4)</b>					
46	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as equity under applicable accounting standards and the breakdown	-		-	
	Subscription rights to Tier 2 instruments	-		-	
	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	507,397		495,840	
	Tier 2 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities	174,795		151,680	
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	9,431		10,481	
47+49	Eligible Tier 2 capital instruments subject to phase-out arrangements included in Tier 2: instruments and provisions	889,526		884,083	
47	of which: directly issued capital instruments subject to phase out from Tier 2	174,771		151,680	
49	of which: instruments issued by subsidiaries subject to phase out	714,754		732,403	
50	Total of general allowance for loan losses and eligible provisions included in Tier 2	5,676		5,726	
50a	of which: general allowance for loan losses	5,676		5,726	
50b	of which: eligible provisions	-		-	
	Total of items included in Tier 2 capital: instruments and provisions subject to phase-out arrangements	368,549		333,124	
	of which: 45% of unrealized gains on other securities	330,019		294,596	
	of which: 45% of revaluation reserve for land	38,530		38,527	
51	Tier 2 capital: instruments and provisions (H)	1,955,377		1,880,935	
<b>Tier 2 capital: regulatory adjustments</b>					
52	Investments in own Tier 2 instruments	88	59	209	139
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, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	23,553	15,702	11,541	7,694
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-	-	-
	Total of items included in Tier 2 capital: regulatory adjustments subject to phase-out arrangements	83,633		83,844	
	of which: investments in the capital banking, financial and insurance entities	69,695		70,418	
	of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach	13,938		13,426	
57	Tier 2 capital: regulatory adjustments (I)	107,275		95,596	
<b>Tier 2 capital (T2)</b>					
58	Tier 2 capital (T2) ((H)-(I)-(J))	1,848,101		1,785,339	
<b>Total capital (TC = T1 + T2)</b>					
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	9,991,213		9,767,868	
<b>Risk weighted assets (5)</b>					
	Total of items included in risk weighted assets subject to phase-out arrangements	522,722		473,144	
	of which: intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	237,010		225,420	
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	17,608		23,641	
	of which: net defined benefit asset	190,827		187,119	
	of which: investments in the capital banking, financial and insurance entities	77,275		36,963	
60	Risk weighted assets (L)	64,665,113		61,648,482	
<b>Capital ratio (consolidated)</b>					
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	10.76%		10.98%	
62	Tier 1 capital ratio (consolidated) ((G)/(L))	12.59%		12.94%	
63	Total capital ratio (consolidated) ((K)/(L))	15.45%		15.84%	
<b>Regulatory adjustments (6)</b>					
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	700,937		676,959	
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	106,888		117,422	
74	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)	163,909		122,634	
<b>Provisions included in Tier 2 capital: instruments and provisions (7)</b>					
76	Provisions (general allowance for loan losses)	5,676		5,726	
77	Cap on inclusion of provisions (general allowance for loan losses)	53,885		46,690	
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	312,618		296,588	
<b>Capital instruments subject to phase-out arrangements (8)</b>					
82	Current cap on AT1 instruments subject to phase-out arrangements	1,249,883		1,249,883	
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 phase-out arrangements	1,012,236		1,012,236	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	-		-	