

Explanation of "Composition of Capital Disclosure"

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

(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, 2016	As of September 30, 2016		
(Assets)				
Cash and Due from Banks	42,239,153	42,715,384		
Call Loans and Bills Purchased	3,350,216	899,865		
Receivables under Resale Agreements	9,310,323	9,258,984		
Guarantee Deposits Paid under Securities				
Borrowing Transactions	4,783,893	3,195,977		
Other Debt Purchased	2,737,380	2,527,270		
Trading Assets	12,316,374	12,511,953	6-a	
Money Held in Trust	252,372	227,975		
Securities	33,668,600	32,705,104	2-b, 6-b	
Loans and Bills Discounted	77,590,637	73,030,669	6-c	
Foreign Exchange Assets	1,955,482	1,452,483		
Derivatives other than for Trading Assets	3,474,571	2,957,197	6-d	
Other Assets	4,978,265	4,272,085	6-e	
Tangible Fixed Assets	1,075,255	1,071,524		
Intangible Fixed Assets	1,013,233	869,070	2-a	
Net Defined Benefit Asset	686,895	673,562	3	
Deferred Tax Assets	56,178	77,011	4-a	
Customers' Liabilities for Acceptances and Guarantees	5,350,103	4,675,296		
Reserves for Possible Losses on Loans	(455,906)	(441,438)		
Total Assets	204,383,032	192,679,978		
(Liabilities)				
Deposits	117,403,443	110,171,994		
Negotiable Certificates of Deposit	10,809,023	9,568,325		
Call Money and Bills Sold	1,579,470	1,791,651		
Payables under Repurchase Agreements	19,366,683	17,739,258		
Guarantee Deposits Received under Securities				
Lending Transactions	1,703,370	1,314,573		
Commercial Paper	817,561	827,552		
Trading Liabilities	9,620,533	9,878,751	6-f	
Borrowed Money	7,289,235	7,243,394	8-a	
Foreign Exchange Liabilities	450,124	582,971		
Short-term Bonds	249,471	408,033		
Bonds and Notes	7,431,022	7,131,121	8-b	
Due to Trust Accounts	4,532,960	4,053,768		
Derivatives other than for Trading Liabilities	3,232,460	2,001,471	6-g	
Other Liabilities	4,888,867	5,755,737		
Reserve for Bonus Payments	35,992	47,174		
Reserve for Variable Compensation	2,264	1,488		
Net Defined Benefit Liability	54,255	52,668		
Reserve for Director and Corporate Auditor				
Retirement Benefits	1,422	1,376		
Reserve for Possible Losses on Sales of Loans	69	3		
Reserve for Contingencies	4,885	4,889		
Reserve for Reimbursement of Deposits	14,209	15,828		
Reserve for Reimbursement of Debentures	33,079	35,273		
Reserves under Special Laws	2,301	2,219		
Deferred Tax Liabilities	328,728	337,644	4-b	
Deferred Tax Liabilities for Revaluation Reserve for Land	67,155	67,247	4-c	
Acceptances and Guarantees	5,350,103	4,675,296		
Total Liabilities	195,268,698	183,709,717		
(Net Assets)				
Common Stock and Preferred Stock	2,256,275	2,256,275	1-a	
Capital Surplus	1,134,449	1,111,299	1-b	
Retained Earnings	3,515,270	3,464,082	1-c	
Treasury Stock	(4,875)	(5,098)	1-d	
Total Shareholders' Equity	6,901,119	6,826,558		
Net Unrealized Gains (Losses) on Other Securities	1,296,618	1,134,348		
Deferred Gains or Losses on Hedges	33,796	167,078	5	
Revaluation Reserve for Land	146,904	146,794		
Foreign Currency Translation Adjustments	(88,398)	(85,900)		
Remeasurements of Defined Benefit Plans	71,666	65,055		
Total Accumulated Other Comprehensive Income	1,460,587	1,427,376		3
Stock Acquisition Rights	1,754	1,754		
Non-Controlling Interests	750,872	714,572	7	1b
Total Net Assets	9,114,333	8,970,260		
Total Liabilities and Net Assets	204,383,032	192,679,978		

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, 2016	As of September 30, 2016	Remarks
1-a	Common Stock and Preferred Stock	2,256,275	2,256,275	
1-b	Capital Surplus	1,134,449	1,111,299	
1-c	Retained Earnings	3,515,270	3,464,082	
1-d	Treasury Stock	(4,875)	(5,098)	
	Total Shareholders' Equity	6,901,119	6,826,558	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2016	As of September 30, 2016	Remarks
	Directly issued qualifying common share capital plus related stock surplus and retained earnings	6,900,462	6,825,966	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
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	
	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, 2016	As of September 30, 2016	Remarks
2-a	Intangible Fixed Assets	1,013,233	869,070	
2-b	Securities	33,668,600	32,705,104	
	of which: share of goodwill of companies accounted for using the equity method	25,480	28,147	Share of goodwill of companies accounted for using the equity method
	Income taxes related to above	(285,528)	(257,585)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2016	As of September 30, 2016	Remarks
8	Goodwill (net of related tax liability, including those equivalent)	100,349	50,844	
9	Other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	652,836	588,788	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, 2016	As of September 30, 2016	Remarks
3	Net Defined Benefit Asset	686,895	673,562	
	Income taxes related to above	(209,826)	(205,762)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2016	As of September 30, 2016	Remarks
15	Net Defined Benefit Asset	477,069	467,799	

4. Deferred tax assets

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of December 31, 2016	As of September 30, 2016	Remarks
4-a	Deferred Tax Assets	56,178	77,011	
4-b	Deferred Tax Liabilities	328,728	337,644	
4-c	Deferred Tax Liabilities for Revaluation Reserve for Land	67,155	67,247	
	Tax effects on intangible fixed assets	285,528	257,585	
	Tax effects on net defined benefit asset	209,826	205,762	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2016	As of September 30, 2016	Remarks
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	44,020	59,102	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)	163,909	122,634	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)	163,909	122,634	

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of December 31, 2016	As of September 30, 2016	Remarks
5	Deferred Gains or Losses on Hedges	33,796	167,078	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2016	As of September 30, 2016	Remarks
11	Deferred gains or losses on derivatives under hedge accounting	33,796	167,078	

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, 2016	As of September 30, 2016	Remarks
6-a	Trading Assets	12,316,374	12,511,953	Including trading account securities and derivatives for trading assets
6-b	Securities	33,668,600	32,705,104	
6-c	Loans and Bills Discounted	77,590,637	73,030,669	Including subordinated loans
6-d	Derivatives other than for Trading Assets	3,474,571	2,957,197	
6-e	Other Assets	4,978,265	4,272,085	Including money invested
6-f	Trading Liabilities	9,620,533	9,878,751	Including trading account securities sold
6-g	Derivatives other than for Trading Liabilities	3,232,460	2,001,471	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2016	As of September 30, 2016	Remarks
	Investments in own capital instruments	6,359	3,006	
16	Common Equity Tier 1 capital	6,211	2,657	
37	Additional Tier 1 capital	-	-	
52	Tier 2 capital	148	348	
	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)	832,072	737,403	
18	Common Equity Tier 1 capital	91,810	41,097	
39	Additional Tier 1 capital	68	110	
54	Tier 2 capital	39,256	19,236	
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	700,937	676,959	
	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	253,888	264,422	
19	Amount exceeding the 10% threshold on specified items	-	-	
23	Amount exceeding the 15% threshold on specified items	-	-	
40	Additional Tier 1 capital	147,000	147,000	
55	Tier 2 capital	-	-	
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	106,888	117,422	

7. Non-Controlling Interests

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of December 31, 2016	As of September 30, 2016	Remarks
7	Non-Controlling Interests	750,872	714,572	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2016	As of September 30, 2016	Remarks
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	33,224	14,954	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)	35,940	30,890	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	174,795	151,680	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)	9,431	10,481	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, 2016	As of September 30, 2016	Remarks
8-a	Borrowed Money	7,289,235	7,243,394	
8-b	Bonds and Notes	7,431,022	7,131,121	
	Total	14,720,257	14,374,515	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2016	As of September 30, 2016	Remarks
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	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	507,397	495,840	

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.