

Composition of Capital Disclosure

Mizuho Financial Group [Consolidated]
As of March 31, 2017

(in million yen, in percentage)

Basel III Template No.	Items	As of March 31, 2017	Amounts excluded under transitional arrangements	As of March 31, 2016	Amounts excluded under transitional arrangements
Common Equity Tier 1 capital: instruments and reserves (1)					
1a+2-1c-26	Directly issued qualifying common share capital plus related stock surplus and retained earnings	6,905,510		6,365,502	
1a	of which: capital and stock surplus	3,390,691		3,267,031	
2	of which: retained earnings	3,614,841		3,196,908	
1c	of which: treasury stock (-)	4,849		3,609	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	95,173		94,827	
	of which: other than above	-		-	
1b	Subscription rights to common shares	1,754		2,762	
3	Accumulated other comprehensive income and other disclosed reserves	1,216,780	304,195	964,710	643,140
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	14,537		14,749	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to phase-out arrangements	22,881		32,465	
	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	22,881		32,465	
6	Common Equity Tier 1 capital: instruments and reserves (A)	8,161,464		7,380,191	
Common Equity Tier 1 capital: regulatory adjustments (2)					
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	619,806	154,951	361,571	241,047
8	of which: goodwill (net of related tax liability, including those equivalent)	79,695	19,923	35,452	23,635
9	of which: other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	540,111	135,027	326,118	217,412
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	36,601	9,150	6,614	4,409
11	Deferred gains or losses on derivatives under hedge accounting	8,137	2,034	99,158	66,105
12	Shortfall of eligible provisions to expected losses	9,381	2,352	18,041	12,000
13	Securitization gain on sale	52	13	52	35
14	Gains and losses due to changes in own credit risk on fair valued liabilities	593	148	1,419	946
15	Net defined benefit asset	443,158	110,789	269,400	179,600
16	Investments in own shares (excluding those reported in the net assets section)	5,473	1,368	1,338	892
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)	36,595	9,148	56,105	37,403
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)	1,159,800		813,702	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B) (C))	7,001,664		6,566,488	
Additional Tier 1 capital: instruments (3)					
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		300,000	
	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)	31,786		30,843	
33+35	Eligible Tier 1 capital instruments subject to phase-out arrangements included in Additional Tier 1 capital: instruments	577,500		1,144,037	
33	of which: directly issued capital instruments subject to phase out from Additional Tier 1	577,500		1,144,037	
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	(13,931)		(21,475)	
	of which: foreign currency translation adjustments	(13,931)		(21,475)	
36	Additional Tier 1 capital: instruments (D)	1,355,354		1,453,405	
Additional Tier 1 capital: regulatory adjustments					
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)	38	9	17	11
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)	117,600	29,400	88,606	59,071
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to phase-out arrangements	27,858		26,176	
	of which: goodwill equivalent	14,954		9,376	
	of which: intangible fixed assets recognized as a result of a merger	11,717		10,750	
	of which: capital increase due to securitization transactions	13		35	
	of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach	1,172		6,013	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-	
43	Additional Tier 1 capital: regulatory adjustments (E)	145,496		114,800	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital ((D)-(E) (F))	1,209,858		1,338,605	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F) (G))	8,211,522		7,905,093	

Basel III Template No.	Items	As of March 31, 2017	Amounts excluded under transitional arrangements	As of March 31, 2016	Amounts excluded under transitional arrangements
Tier 2 capital: instruments and provisions (4)					
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	684,150		324,517	
	Tier 2 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities	168,300		169,035	
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	10,574		10,269	
47+49	Eligible Tier 2 capital instruments subject to phase-out arrangements included in Tier 2: instruments and provisions	842,133		962,928	
47	of which: directly issued capital instruments subject to phase out from Tier 2	168,022		169,035	
49	of which: instruments issued by subsidiaries subject to phase out	674,110		793,893	
50	Total of general allowance for loan losses and eligible provisions included in Tier 2	6,510		6,031	
50a	of which: general allowance for loan losses	6,510		6,031	
50b	of which: eligible provisions	-		-	
	Total of items included in Tier 2 capital: instruments and provisions subject to phase-out arrangements	180,319		374,012	
	of which: 45% of unrealized gains on other securities	161,221		335,046	
	of which: 45% of revaluation reserve for land	19,097		38,965	
51	Tier 2 capital: instruments and provisions (H)	1,891,987		1,846,795	
Tier 2 capital: regulatory adjustments					
52	Investments in own Tier 2 instruments	409	102	-	-
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)	16,413	4,103	33,374	22,249
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	35,732		79,873	
	of which: investments in the capital banking, financial and insurance entities	34,559		73,859	
	of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach	1,172		6,013	
57	Tier 2 capital: regulatory adjustments (I)	52,555		113,248	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)-(J))	1,839,431		1,733,547	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	10,050,953		9,638,641	
Risk weighted assets (5)					
	Total of items included in risk weighted assets subject to phase-out arrangements	260,992		480,460	
	of which: intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	123,310		206,661	
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	9,150		4,409	
	of which: net defined benefit asset	110,789		179,600	
	of which: investments in the capital banking, financial and insurance entities	17,742		89,788	
60	Risk weighted assets (L)	61,717,158		62,531,174	
Capital ratio (consolidated)					
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	11.34%		10.50%	
62	Tier 1 capital ratio (consolidated) ((G)/(L))	13.30%		12.64%	
63	Total capital ratio (consolidated) ((K)/(L))	16.28%		15.41%	
Regulatory adjustments (6)					
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	703,872		672,811	
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	118,358		112,376	
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)	182,672		75,828	
Provisions included in Tier 2 capital: instruments and provisions (7)					
76	Provisions (general allowance for loan losses)	6,510		6,031	
77	Cap on inclusion of provisions (general allowance for loan losses)	46,343		47,342	
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	299,309		304,580	
Capital instruments subject to phase-out arrangements (8)					
82	Current cap on AT1 instruments subject to phase-out arrangements	1,041,569		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	843,530		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")	-		-	