

Composition of Capital Disclosure

Mizuho Trust & Banking
As of June 30, 2016

【Consolidated】

(in million yen, in percentage)

Basel III Template No.	Items	As of June 30, 2016	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	436,162		427,893	
1a	of which: capital and stock surplus	262,967		262,967	
2	of which: retained earnings	173,195		185,425	
1c	of which: treasury stock (-)	-		-	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	-		20,499	
	of which: other than above	-		-	
1b	Subscription rights to common shares	-		-	
3	Accumulated other comprehensive income and other disclosed reserves	51,312	34,208	55,795	37,197
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-		-	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to phase-out arrangements	1,722		1,661	
	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	1,722		1,661	
6	Common Equity Tier 1 capital: instruments and reserves (A)	489,196		485,351	
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)	22,803	15,202	22,275	14,850
8	of which: goodwill (net of related tax liability, including those equivalent)	9,635	6,423	9,758	6,505
9	of which: other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	13,168	8,779	12,517	8,344
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	99	66	13	8
11	Deferred gains or losses on derivatives under hedge accounting	2,061	1,374	300	200
12	Shortfall of eligible provisions to expected losses	486	325	541	362
13	Securitization gain on sale	49	33	52	35
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	-	-	-
15	Net defined benefit asset	17,203	11,469	16,718	11,145
16	Investments in own shares (excluding those reported in the Net assets section)	-	-	-	-
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)	-	-	-	-
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	5,254		5,044	
28	Common Equity Tier 1 capital: regulatory adjustments (B)	47,960		44,947	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	441,236		440,404	
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	-	-	-
		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)	1,330		1,454	
33+35	Eligible Tier 1 capital instruments subject to phase-out arrangements included in Additional Tier 1 capital: instruments	-		-	
33	of which: directly issued capital instruments subject to phase out from Additional Tier 1	-		-	
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	486		817	
	of which: foreign currency translation adjustments	486		817	
36	Additional Tier 1 capital: instruments (D)	1,817		2,271	
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)	-	-	-	-
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)	-	-	-	-
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to phase-out arrangements	7,072		7,316	
	of which: goodwill equivalent	6,423		6,505	
	of which: intangible fixed assets recognized as a result of a merger	453		594	
	of which: capital increase due to securitization transactions	33		35	
	of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach	162		180	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-	
43	Additional Tier 1 capital: regulatory adjustments (E)	7,072		7,316	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital ((D)-(E)) (F)	-		-	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	441,236		440,404	

[Consolidated]

(in million yen, in percentage)

Basel III Template No.	Items	As of June 30, 2016	Amounts excluded under transitional arrangements	As of March 31, 2016	Amounts excluded under transitional arrangements
Tier 2 capital: instruments and provisions (4)					
	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	-	-	-	-
46	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	-	-	-	-
	Tier 2 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities	-	-	-	-
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	313	-	342	-
47+49	Eligible Tier 2 capital instruments subject to phase-out arrangements included in Tier 2: instruments and provisions	8,949	-	9,447	-
47	of which: directly issued capital instruments subject to phase out from Tier 2	8,949	-	9,447	-
49	of which: instruments issued by subsidiaries subject to phase out	-	-	-	-
50	Total of general allowance for loan losses and eligible provisions included in Tier 2	127	-	146	-
50a	of which: general allowance for loan losses	127	-	146	-
50b	of which: eligible provisions	-	-	-	-
	Total of items included in Tier 2 capital: instruments and provisions subject to phase-out arrangements	19,646	-	21,994	-
	of which: 45% of unrealized gains on other securities	19,646	-	21,994	-
51	Tier 2 capital: instruments and provisions (H)	29,035	-	31,930	-
Tier 2 capital: regulatory adjustments					
52	Investments in own Tier 2 instruments	-	-	-	-
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)	-	-	-	-
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	162	-	180	-
	of which: investments in the capital banking, financial and insurance entities	-	-	-	-
	of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach	162	-	180	-
57	Tier 2 capital: regulatory adjustments (I)	162	-	180	-
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I) (J))	28,873	-	31,750	-
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	470,110	-	472,154	-
Risk weighted assets (5)					
	Total of items included in risk weighted assets subject to phase-out arrangements	19,861	-	18,905	-
	of which: intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	8,325	-	7,750	-
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	66	-	8	-
	of which: net defined benefit asset	11,469	-	11,145	-
	of which: investments in the capital banking, financial and insurance entities	-	-	-	-
60	Risk weighted assets (L)	2,393,268	-	2,418,164	-
Capital ratio (consolidated)					
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	18.43%	-	18.21%	-
62	Tier 1 capital ratio (consolidated) ((G)/(L))	18.43%	-	18.21%	-
63	Total capital ratio (consolidated) ((K)/(L))	19.64%	-	19.52%	-
Regulatory adjustments (6)					
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	17,767	-	40,091	-
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	1,908	-	2,022	-
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)	10,738	-	9,708	-
Provisions included in Tier 2 capital: instruments and provisions (7)					
76	Provisions (general allowance for loan losses)	127	-	146	-
77	Cap on inclusion of provisions (general allowance for loan losses)	1,342	-	1,386	-
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	11,988	-	12,112	-
Capital instruments subject to phase-out arrangements (8)					
82	Current cap on AT1 instruments subject to phase-out arrangements	-	-	-	-
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	46,027	-	46,027	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	-	-	-	-