

Explanation of "Composition of Capital Disclosure"

Mizuho Trust & Banking [Consolidated]
As of September 30, 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 September 30, 2016	As of September 30, 2015		
(Assets)				
Cash and Due from Banks	1,817,937	2,010,834		
Call Loans and Bills Purchased	11,628	4,318		
Guarantee Deposits Paid under Securities				
Borrowing Transactions	110,036	-		
Other Debt Purchased	10,862	15,052		
Trading Assets	132,466	74,011	6-a	
Money Held in Trust	3,053	2,706		
Securities	1,233,185	1,422,848	2-b, 6-b	
Loans and Bills Discounted	3,324,446	3,309,258	6-c	
Foreign Exchange Assets	4,733	4,628		
Other Assets	91,751	132,342	6-d	
Tangible Fixed Assets	28,593	29,231		
Intangible Fixed Assets	48,084	27,266	2-a	
Net Defined Benefit Asset	42,603	52,286	3	
Deferred Tax Assets	704	778	4-a	
Customers' Liabilities for Acceptances and Guarantees	40,248	43,909		
Reserves for Possible Losses on Loans	(6,322)	(7,265)		
Total Assets	6,894,012	7,122,208		
(Liabilities)				
Deposits	3,331,717	3,064,971		
Negotiable Certificates of Deposit	258,710	549,510		
Call Money and Bills Sold	729,953	891,566		
Payables under Repurchase Agreements	60,672	47,988		
Guarantee Deposits Received under Securities				
Lending Transactions	313,198	488,369		
Trading Liabilities	124,363	71,694	6-e	
Borrowed Money	298,083	277,368	8-a	
Foreign Exchange Liabilities	-	0		
Bonds and Notes	10,000	40,000	8-b	
Due to Trust Accounts	1,092,577	1,046,832		
Other Liabilities	82,644	36,353	6-f	
Reserve for Bonus Payments	3,204	3,003		
Reserve for Variable Compensation	206	-		
Net Defined Benefit Liability	994	788		
Reserve for Director and Corporate Auditor Retirement Benefits	282	339		
Reserve for Reimbursement of Deposits	1,089	1,101		
Deferred Tax Liabilities	9,421	16,123	4-b	
Acceptances and Guarantees	40,248	43,909		
Total Liabilities	6,357,368	6,579,919		
(Net Assets)				
Common Stock and Preferred Stock	247,369	247,369	1-a	
Capital Surplus	15,597	15,597	1-b	
Retained Earnings	186,148	166,670	1-c	
Total Shareholders' Equity	449,116	429,637		
Net Unrealized Gains (Losses) on Other Securities	83,515	104,974		
Deferred Gains or Losses on Hedges	2,478	(2,424)	5	
Foreign Currency Translation Adjustments	682	2,416		
Remeasurements of Defined Benefit Plans	(5,402)	2,328		
Total Accumulated Other Comprehensive Income	81,274	107,295		
Non-Controlling Interests	6,254	5,354	7	
Total Net Assets	536,644	542,288		
Total Liabilities and Net Assets	6,894,012	7,122,208		3

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 September 30, 2016	As of September 30, 2015	Remarks
1-a	Common Stock and Preferred Stock	247,369	247,369	
1-b	Capital Surplus	15,597	15,597	
1-c	Retained Earnings	186,148	166,670	
	Total Shareholders' Equity	449,116	429,637	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
	Directly issued qualifying common share capital plus related stock surplus and retained earnings	449,116	429,637	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
1a	of which: capital and stock surplus	262,967	262,967	
2	of which: retained earnings	186,148	166,670	
1c	of which: treasury stock (-)	-	-	
	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 September 30, 2016	As of September 30, 2015	Remarks
2-a	Intangible Fixed Assets	48,084	27,266	
2-b	Securities	1,233,185	1,422,848	
	of which: share of goodwill of companies accounted for using the equity method	-	-	Share of goodwill of companies accounted for using the equity method
	Income taxes related to above	(9,733)	(8,148)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
8	Goodwill (net of related tax liability, including those equivalent)	15,852	-	
9	Other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	22,498	19,117	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 September 30, 2016	As of September 30, 2015	Remarks
3	Net Defined Benefit Asset	42,603	52,286	
	Income taxes related to above	(13,070)	(16,875)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
15	Net Defined Benefit Asset	29,532	35,410	

4. Deferred tax assets

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
4-a	Deferred Tax Assets	704	778	
4-b	Deferred Tax Liabilities	9,421	16,123	
	Tax effects on intangible fixed assets	9,733	8,148	
	Tax effects on net defined benefit asset	13,070	16,875	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	68	0	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)	14,018	9,679	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)	14,018	9,679	

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
5	Deferred Gains or Losses on Hedges	2,478	(2,424)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
11	Deferred gains or losses on derivatives under hedge accounting	2,478	(2,424)	

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

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
6-a	Trading Assets	132,466	74,011	Including trading account securities and derivatives for trading assets
6-b	Securities	1,233,185	1,422,848	
6-c	Loans and Bills Discounted	3,324,446	3,309,258	Including subordinated loans
6-d	Other Assets	91,751	132,342	Including Derivatives other than for Trading Assets and money invested
6-e	Trading Liabilities	124,363	71,694	Including trading account securities sold
6-f	Other Liabilities	82,644	36,353	Including Derivatives other than for Trading Liabilities

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
	Investments in own capital instruments	-	-	
16	Common Equity Tier 1 capital	-	-	
37	Additional Tier 1 capital	-	-	
52	Tier 2 capital	-	-	
	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)	20,001	43,659	
18	Common Equity Tier 1 capital	-	-	
39	Additional Tier 1 capital	-	-	
54	Tier 2 capital	-	-	
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	20,001	43,659	
	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	1,946	2,147	
19	Amount exceeding the 10% threshold on specified items	-	-	
23	Amount exceeding the 15% threshold on specified items	-	-	
40	Additional Tier 1 capital	-	-	
55	Tier 2 capital	-	-	
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	1,946	2,147	

7. Non-Controlling Interests
(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
7	Non-Controlling Interests	6,254	5,354	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	-	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)	1,411	1,363	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	-	-	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)	332	320	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 September 30, 2016	As of September 30, 2015	Remarks
8-a	Borrowed Money	298,083	277,368	
8-b	Bonds and Notes	10,000	40,000	
	Total	308,083	317,368	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
32	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	-	-	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	-	-	

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.