

Explanation of "Composition of Capital Disclosure"

Mizuho Financial Group [Consolidated]
As of June 30, 2017

(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 June 30, 2017	As of March 31, 2017		
(Assets)				
Cash and Due from Banks	41,811,173	47,129,583		
Call Loans and Bills Purchased	1,519,891	1,035,746		
Receivables under Resale Agreements	9,350,185	8,967,777		
Guarantee Deposits Paid under Securities				
Borrowing Transactions	2,913,515	3,350,051		
Other Debt Purchased	2,639,525	2,745,204		
Trading Assets	11,303,501	10,361,787	6-a	
Money Held in Trust	247,314	247,583		
Securities	35,367,515	32,353,158	2-b, 6-b	
Loans and Bills Discounted	78,488,564	78,337,793	6-c	
Foreign Exchange Assets	1,924,522	1,828,782		
Derivatives other than for Trading Assets	1,868,313	2,170,750	6-d	
Other Assets	5,216,753	4,180,339	6-e	
Tangible Fixed Assets	1,120,611	1,136,329		
Intangible Fixed Assets	1,068,056	1,045,486	2-a	
Net Defined Benefit Asset	810,730	797,762	3	
Deferred Tax Assets	57,348	56,066	4-a	
Customers' Liabilities for Acceptances and Guarantees	5,409,044	5,273,581		
Reserves for Possible Losses on Loans	(477,008)	(509,175)		
Total Assets	200,639,561	200,508,610		
(Liabilities)				
Deposits	119,242,930	120,045,217		
Negotiable Certificates of Deposit	11,350,828	10,631,277		
Call Money and Bills Sold	1,511,951	1,255,172		
Payables under Repurchase Agreements	18,310,442	17,969,753		
Guarantee Deposits Received under Securities				
Lending Transactions	1,733,018	1,679,300		
Commercial Paper	534,655	789,705		
Trading Liabilities	8,124,844	7,923,285	6-f	
Borrowed Money	5,449,220	6,307,230	8-a	
Foreign Exchange Liabilities	404,689	526,053		
Short-term Bonds	206,530	226,348		
Bonds and Notes	7,416,653	7,564,535	8-b	
Due to Trust Accounts	4,479,344	4,784,077		
Derivatives other than for Trading Liabilities	1,547,923	1,784,857	6-g	
Other Liabilities	5,036,408	3,883,168		
Reserve for Bonus Payments	13,089	67,633		
Reserve for Variable Compensation	3,810	3,018		
Net Defined Benefit Liability	55,226	55,236		
Reserve for Director and Corporate Auditor				
Retirement Benefits	1,169	1,327		
Reserve for Possible Losses on Sales of Loans	58	298		
Reserve for Contingencies	5,706	5,680		
Reserve for Reimbursement of Deposits	17,466	19,072		
Reserve for Reimbursement of Debentures	30,781	32,720		
Reserves under Special Laws	2,285	2,309		
Deferred Tax Liabilities	329,530	337,800	4-b	
Deferred Tax Liabilities for Revaluation Reserve for Land	66,462	66,585	4-c	
Acceptances and Guarantees	5,409,044	5,273,581		
Total Liabilities	191,284,072	191,235,249		
(Net Assets)				
Common Stock and Preferred Stock	2,256,548	2,256,275	1-a	
Capital Surplus	1,134,811	1,134,416	1-b	
Retained Earnings	3,638,845	3,615,449	1-c	
Treasury Stock	(5,478)	(4,849)	1-d	
Total Shareholders' Equity	7,024,727	7,001,291		
Net Unrealized Gains (Losses) on Other Securities	1,356,077	1,289,985		
Deferred Gains or Losses on Hedges	10,499	10,172	5	
Revaluation Reserve for Land	145,329	145,609		
Foreign Currency Translation Adjustments	(79,421)	(69,657)		
Remeasurements of Defined Benefit Plans	144,856	144,866		
Total Accumulated Other Comprehensive Income	1,577,341	1,520,976		
Stock Acquisition Rights	1,210	1,754		
Non-Controlling Interests	752,209	749,339	7	
Total Net Assets	9,355,489	9,273,361		
Total Liabilities and Net Assets	200,639,561	200,508,610		

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 June 30, 2017	As of March 31, 2017	Remarks
1-a	Common Stock and Preferred Stock	2,256,548	2,256,275	
1-b	Capital Surplus	1,134,811	1,134,416	
1-c	Retained Earnings	3,638,845	3,615,449	
1-d	Treasury Stock	(5,478)	(4,849)	
	Total Shareholders' Equity	7,024,727	7,001,291	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of June 30, 2017	As of March 31, 2017	Remarks
	Directly issued qualifying common share capital plus related stock surplus and retained earnings	7,024,144	7,000,683	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
1a	of which: capital and stock surplus	3,391,360	3,390,691	
2	of which: retained earnings	3,638,262	3,614,841	
1c	of which: treasury stock (-)	5,478	4,849	
	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	-	-	

2. Intangible fixed assets

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of June 30, 2017	As of March 31, 2017	Remarks
2-a	Intangible Fixed Assets	1,068,056	1,045,486	
2-b	Securities	35,367,515	32,353,158	
	of which: share of goodwill of companies accounted for using the equity method	21,858	24,846	Share of goodwill of companies accounted for using the equity method
	Income taxes related to above	(302,755)	(295,574)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of June 30, 2017	As of March 31, 2017	Remarks
8	Goodwill (net of related tax liability, including those equivalent)	95,729	99,619	
9	Other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	691,430	675,139	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 June 30, 2017	As of March 31, 2017	Remarks
3	Net Defined Benefit Asset	810,730	797,762	
	Income taxes related to above	(247,777)	(243,814)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of June 30, 2017	As of March 31, 2017	Remarks
15	Net Defined Benefit Asset	562,952	553,947	

4. Deferred tax assets

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of June 30, 2017	As of March 31, 2017	Remarks
4-a	Deferred Tax Assets	57,348	56,066	
4-b	Deferred Tax Liabilities	329,530	337,800	
4-c	Deferred Tax Liabilities for Revaluation Reserve for Land	66,462	66,585	
	Tax effects on intangible fixed assets	302,755	295,574	
	Tax effects on net defined benefit asset	247,777	243,814	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of June 30, 2017	As of March 31, 2017	Remarks
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	46,626	45,751	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)	200,249	182,672	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)	200,249	182,672	

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of June 30, 2017	As of March 31, 2017	Remarks
5	Deferred Gains or Losses on Hedges	10,499	10,172	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of June 30, 2017	As of March 31, 2017	Remarks
11	Deferred gains or losses on derivatives under hedge accounting	10,499	10,172	

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

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of June 30, 2017	As of March 31, 2017	Remarks
6-a	Trading Assets	11,303,501	10,361,787	Including trading account securities and derivatives for trading assets
6-b	Securities	35,367,515	32,353,158	
6-c	Loans and Bills Discounted	78,488,564	78,337,793	Including subordinated loans
6-d	Derivatives other than for Trading Assets	1,868,313	2,170,750	
6-e	Other Assets	5,216,753	4,180,339	Including money invested
6-f	Trading Liabilities	8,124,844	7,923,285	Including trading account securities sold
6-g	Derivatives other than for Trading Liabilities	1,547,923	1,784,857	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of June 30, 2017	As of March 31, 2017	Remarks
	Investments in own capital instruments	9,628	7,353	
16	Common Equity Tier 1 capital	5,791	6,842	
37	Additional Tier 1 capital	-	-	
52	Tier 2 capital	3,837	511	
	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)	768,774	770,182	
18	Common Equity Tier 1 capital	33,953	45,743	
39	Additional Tier 1 capital	42	48	
54	Tier 2 capital	15,518	20,517	
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	719,259	703,872	
	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	192,654	265,358	
19	Amount exceeding the 10% threshold on specified items	-	-	
23	Amount exceeding the 15% threshold on specified items	-	-	
40	Additional Tier 1 capital	73,500	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)	119,154	118,358	

7. Non-Controlling Interests

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of June 30, 2017	As of March 31, 2017	Remarks
7	Non-Controlling Interests	752,209	749,339	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of June 30, 2017	As of March 31, 2017	Remarks
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	19,040	14,537	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)	30,173	31,786	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	168,000	168,300	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)	11,242	10,574	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 June 30, 2017	As of March 31, 2017	Remarks
8-a	Borrowed Money	5,449,220	6,307,230	
8-b	Bonds and Notes	7,416,653	7,564,535	
	Total	12,865,873	13,871,765	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of June 30, 2017	As of March 31, 2017	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	828,000	684,150	

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.