

Explanation of "Composition of Capital Disclosure"

Mizuho Trust & Banking 【Consolidated】
As of September 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 September 30, 2017	As of September 30, 2016		
(Assets)				
Cash and Due from Banks	1,824,645	1,817,937		
Call Loans and Bills Purchased	42,386	11,628		
Guarantee Deposits Paid under Securities Borrowing Transactions	216,037	110,036		
Other Debt Purchased	8,153	10,862		
Trading Assets	84,050	132,466	6-a	
Money Held in Trust	3,211	3,053		
Securities	1,156,221	1,233,185	2-b, 6-b	
Loans and Bills Discounted	3,302,919	3,324,446	6-c	
Foreign Exchange Assets	5,858	4,733		
Other Assets	199,544	91,751	6-d	
Tangible Fixed Assets	27,276	28,593		
Intangible Fixed Assets	52,287	48,084	2-a	
Net Defined Benefit Asset	60,345	42,603	3	
Deferred Tax Assets	576	704	4-a	
Customers' Liabilities for Acceptances and Guarantees	37,242	40,248		
Reserves for Possible Losses on Loans	(2,809)	(6,322)		
Total Assets	7,017,948	6,894,012		
(Liabilities)				
Deposits	3,443,461	3,331,717		
Negotiable Certificates of Deposit	311,390	258,710		
Call Money and Bills Sold	407,147	729,953		
Payables under Repurchase Agreements	67,638	60,672		
Guarantee Deposits Received under Securities Lending Transactions	325,143	313,198		
Trading Liabilities	77,508	124,363	6-e	
Borrowed Money	405,652	298,083	8-a	
Bonds and Notes	10,000	10,000	8-b	
Due to Trust Accounts	1,279,114	1,092,577		
Other Liabilities	44,959	82,644	6-f	
Reserve for Bonus Payments	3,538	3,204		
Reserve for Variable Compensation	253	206		
Net Defined Benefit Liability	1,106	994		
Reserve for Director and Corporate Auditor Retirement Benefits	194	282		
Reserve for Reimbursement of Deposits	1,575	1,089		
Deferred Tax Liabilities	17,831	9,421	4-b	
Acceptances and Guarantees	37,242	40,248		
Total Liabilities	6,433,758	6,357,368		
(Net Assets)				
Common Stock and Preferred Stock	247,369	247,369	1-a	
Capital Surplus	15,587	15,597	1-b	
Retained Earnings	205,604	186,148	1-c	
Total Shareholders' Equity	468,561	449,116		
Net Unrealized Gains (Losses) on Other Securities	100,052	83,515		
Deferred Gains or Losses on Hedges	1,584	2,478	5	
Foreign Currency Translation Adjustments	1,246	682		
Remeasurements of Defined Benefit Plans	6,890	(5,402)		
Total Accumulated Other Comprehensive Income	109,774	81,274		
Non-Controlling Interests	5,855	6,254	7	
Total Net Assets	584,190	536,644		
Total Liabilities and Net Assets	7,017,948	6,894,012		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, 2017	As of September 30, 2016	Remarks
1-a	Common Stock and Preferred Stock	247,369	247,369	
1-b	Capital Surplus	15,587	15,597	
1-c	Retained Earnings	205,604	186,148	
	Total Shareholders' Equity	468,561	449,116	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	Remarks
	Directly issued qualifying common share capital plus related stock surplus and retained earnings	468,561	449,116	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
1a	of which: capital and stock surplus	262,956	262,967	
2	of which: retained earnings	205,604	186,148	
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	-	-	

2. Intangible fixed assets

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of September 30, 2017	As of September 30, 2016	Remarks
2-a	Intangible Fixed Assets	52,287	48,084	
2-b	Securities	1,156,221	1,233,185	
	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	(11,591)	(9,733)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	Remarks
8	Goodwill (net of related tax liability, including those equivalent)	15,029	15,852	
9	Other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	25,666	22,498	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, 2017	As of September 30, 2016	Remarks
3	Net Defined Benefit Asset	60,345	42,603	
	Income taxes related to above	(18,504)	(13,070)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	Remarks
15	Net Defined Benefit Asset	41,840	29,532	

4. Deferred tax assets

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of September 30, 2017	As of September 30, 2016	Remarks
4-a	Deferred Tax Assets	576	704	
4-b	Deferred Tax Liabilities	17,831	9,421	
	Tax effects on intangible fixed assets	11,591	9,733	
	Tax effects on net defined benefit asset	18,504	13,070	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2017	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)	106	68	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)	12,735	14,018	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)	12,735	14,018	

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of September 30, 2017	As of September 30, 2016	Remarks
5	Deferred Gains or Losses on Hedges	1,584	2,478	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	Remarks
11	Deferred gains or losses on derivatives under hedge accounting	1,584	2,478	

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, 2017	As of September 30, 2016	Remarks
6-a	Trading Assets	84,050	132,466	Including trading account securities and derivatives for trading assets
6-b	Securities	1,156,221	1,233,185	
6-c	Loans and Bills Discounted	3,302,919	3,324,446	
6-d	Other Assets	199,544	91,751	Including Derivatives other than for Trading Assets and money invested
6-e	Trading Liabilities	77,508	124,363	Including trading account securities sold
6-f	Other Liabilities	44,959	82,644	Including Derivatives other than for Trading Liabilities

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	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)	27,029	20,001	
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)	27,029	20,001	
	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	2,034	1,946	
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)	2,034	1,946	

7. Non-Controlling Interests

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of September 30, 2017	As of September 30, 2016	Remarks
7	Non-Controlling Interests	5,855	6,254	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	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)	1,402	1,411	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)	330	332	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, 2017	As of September 30, 2016	Remarks
8-a	Borrowed Money	405,652	298,083	
8-b	Bonds and Notes	10,000	10,000	
	Total	415,652	308,083	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2017	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	-	-	
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.