

# Summary of Financial Results for Fiscal 2018

May 15, 2019

Mizuho Financial Group

**MIZUHO**

The Mizuho logo consists of the word "MIZUHO" in a bold, white, sans-serif font, positioned above a white, curved horizontal line that resembles a stylized wave or a bridge.

# Contents

◆ Overview of Income Statement (1) Summary of Financial Results	P.3
◆ Overview of Income Statement (2) Summary of Financial Results by In-house Company	P.4
◆ Overview of Balance Sheet	P.5
◆ Overview of Loans	P.6
◆ Non-interest Income	P.7
◆ Financial Soundness (1)	P.8
◆ Financial Soundness (2)	P.9
◆ BIS Capital Ratio	P.10
◆ Plan for FY2019	P.11
◆ Reference: Results against the Medium-term Business Plan (FY2016-FY2018)	P.12
◆ Reference: Recording of Losses in Light of Structural Reform	P.13

## Definitions

FG: Mizuho Financial Group, Inc. BK: Mizuho Bank, Ltd. TB: Mizuho Trust & Banking Co., Ltd. SC: Mizuho Securities Co., Ltd.  
RBC: Retail & Business Banking Company, CIC: Corporate & Institutional Company, GCC: Global Corporate Company,  
GMC: Global Markets Company, AMC: Asset Management Company

**2 Banks:** Aggregate figures for BK and TB on a non-consolidated basis

**Group aggregate:** Aggregate figures for BK, TB, SC and other major subsidiaries on a non-consolidated basis

# Overview of Income Statement (1) Summary of Financial Results

(JPY B)	FY18	Changes from FY17
Consolidated Gross Profits + Net Gains (Losses) related to ETFs and others <sup>1</sup>	1,827.7	-167.8
G&A Expenses (excluding Non-Recurring Losses and others) <sup>2</sup>	-1,440.6	3.6
<b>Consolidated Net Business Profits<sup>3</sup> + Net Gains (Losses) related to ETFs and others<sup>1</sup></b>	<b>408.3</b>	<b>-129.6</b>
Customer Groups <sup>4</sup>	474.2	121.3 <sup>6</sup>
Markets <sup>5</sup>	-13.6	-199.4 <sup>6</sup>
(Consolidated Net Business Profits) <sup>3</sup>	(393.3)	(-64.4)
Credit-related Costs	-19.5	-175.8
Net Gains (Losses) related to Stocks - Net Gains (Losses) related to ETFs and others <sup>1</sup>	259.8	68.0
Ordinary Profits	614.1	-168.3
Net Extraordinary Gains (Losses)	-497.8	-515.3
<b>Net Income Attributable to FG<sup>7</sup></b>	<b>96.5</b>	<b>-479.9</b>
CET1 Capital Ratio <sup>8</sup>	10.71%	0.56%
Cash Dividend per Share of Common Stock	JPY 7.5	unchanged

- Aggregate of Net Gains related to ETFs (2 Banks) and Net Gains on Operating Investment Securities (SC Consolidated) was JPY 14.9B (-JPY 65.2B YoY)
- G&A Expenses (excluding Non-Recurring Losses) - Amortization of Goodwill and others
- Consolidated Gross Profits - G&A Expenses (excluding Non-Recurring Losses) + Equity in Income from Investments in Affiliates and certain other consolidation adjustments

## Summary of Financial Results

- Despite the increase in Customer Groups both inside and outside Japan, Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and others decreased YoY mainly due to the losses pertaining to the restructuring of securities portfolio such as foreign bonds in Markets
- Net Income Attributable to FG declined sharply YoY mainly due to the losses recorded in light of Structural Reform
- CET1 Capital Ratio<sup>8</sup> was 10.71%. Annual Cash Dividend was maintained at JPY 7.50 (Fiscal Year-end Cash Dividend was JPY3.75)

### Net Income of major subsidiaries

	FY18	Changes from FY17
Mizuho Bank (Consolidated)	-29.8	-514.9
Mizuho Trust Bank (Consolidated)	47.5	0.1
Mizuho Securities (Consolidated)	4.3	-31.3
Asset Management One	14.1	-1.5

- Customer Groups: Aggregate of RBC, CIC, GCC and AMC
- Markets: GMC
- New management accounting rules were applied at the beginning of FY18. Figures for FY17 are recalculated based on the new rules
- Profit Attributable to Owners of Parent
- Excluding Net Unrealized Gains (Losses) on Other Securities

# Overview of Income Statement (2) Summary of Financial Results by In-house Company

Group aggregate, management accounting

(JPY B)	Gross Profits <sup>1, 3</sup>			Net Business Profits <sup>1, 3</sup>		
	FY17 <sup>2</sup>	FY18	Changes from FY17	FY17 <sup>2</sup>	FY18	Changes from FY17
Retail & Business Banking (RBC)	726.9	707.2	-19.7	14.4	11.2	-3.3
Corporate & Institutional (CIC)	431.4	473.8	42.4	229.5	276.1	46.7
Global Corporate (GCC)	340.7	416.1	75.4	91.7	171.2	79.5
Global Markets (GMC)	389.2	192.0	-197.1	185.7	-13.6	-199.4
Asset Management (AMC)	50.1	49.7	-0.4	17.4	15.7	-1.7
In-house Company Total	1,938.2	1,838.8	-99.5	538.7	460.6	-78.1
FG Consolidated	1,995.5	1,827.7	-167.8	538.0	408.3	-129.6

1. Net Gains (Losses) related to ETFs are included in Global Markets Company

2. New management accounting rules were applied at the beginning of FY18. Figures for FY17 are recalculated based on the new rules

3. Net Gains (Losses) related to ETFs and others are included in FG Consolidated

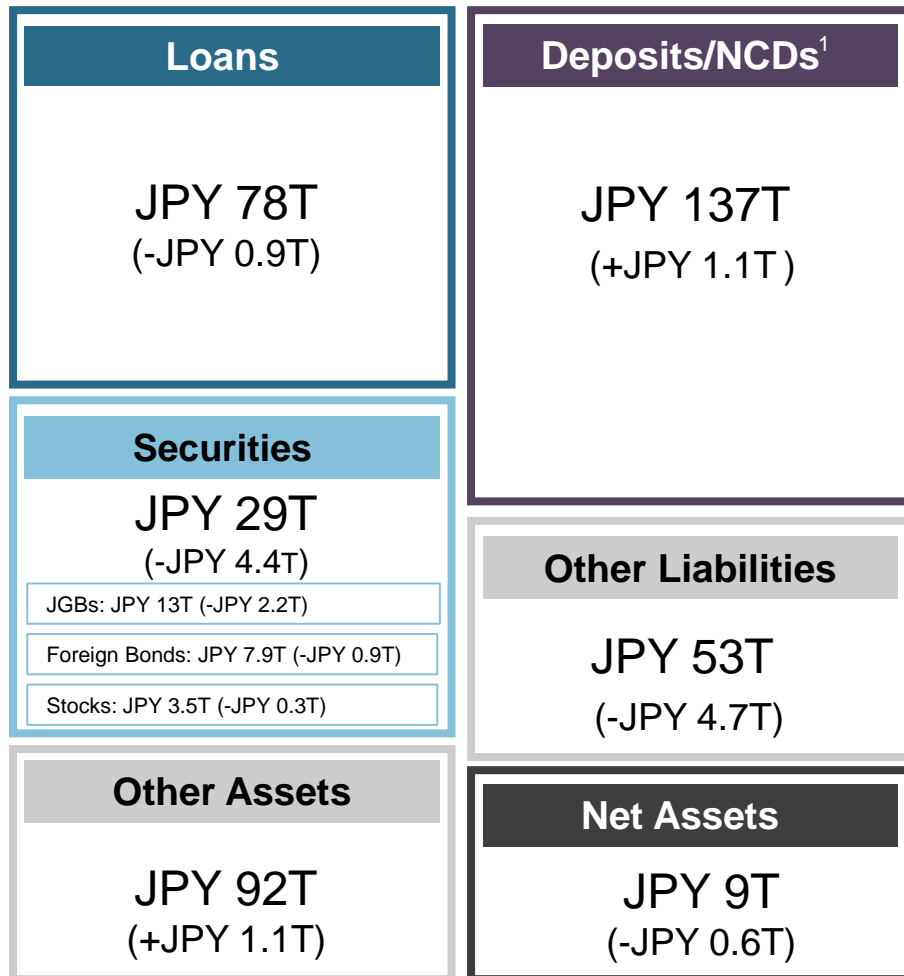
# Overview of Balance Sheet

Balance Sheet (As of Mar-19)

Consolidated

Total Assets: JPY 200T (-JPY 4.2T)

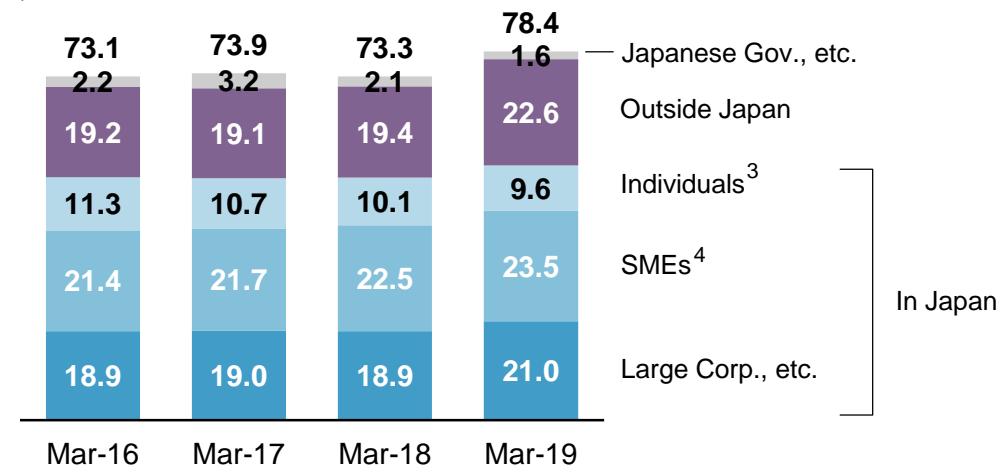
Figures in ( ) represent YoY



Loan Balance (Period-end Balance)<sup>2</sup>

2 Banks

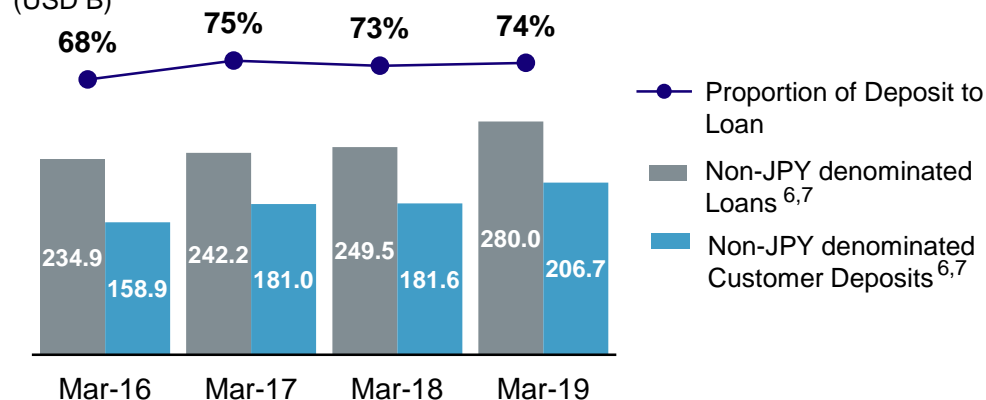
(JPY T)



Non-JPY denominated Loans and Deposits Balance (Period-end Balance)<sup>5</sup>

BK, management accounting

(USD B)



4. Calculated by deducting "Housing and Consumer Loans" from "Loans to SMEs and Individual Customers"

5. BK (including the subsidiaries in China, the US, the Netherlands, Indonesia, etc.)

6. Including Non-JPY loans and deposits in Japan

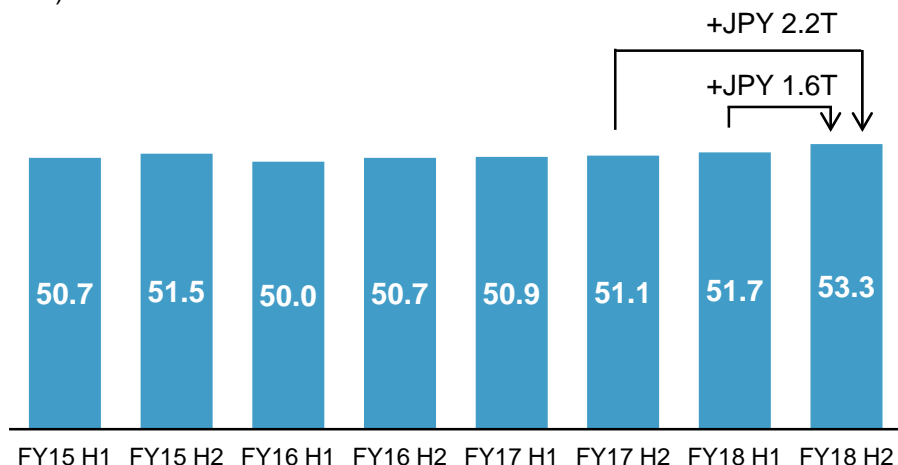
7. Changes in management accounting rules in FY18 (Figures from Mar-16 to Mar-18 are recalculated based on the new rules)

# Overview of Loans

## Loan Balance in Japan<sup>1</sup> (Average Balance)

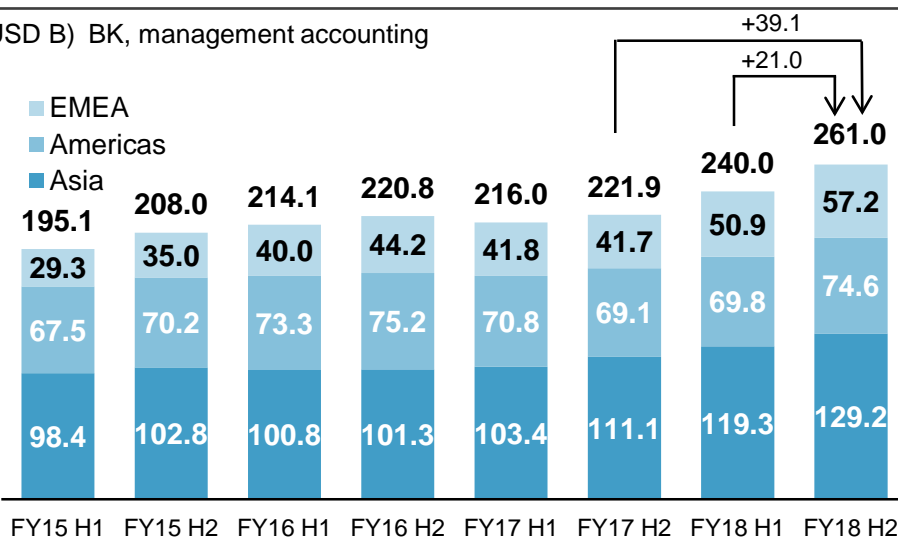
2 Banks

(JPY T)



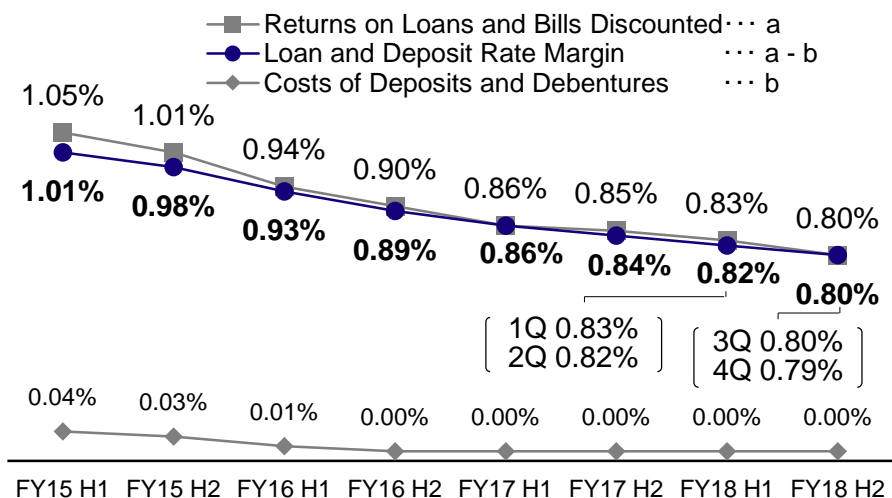
## Loan Balance outside Japan<sup>3,4</sup> (Average Balance)

(USD B) BK, management accounting



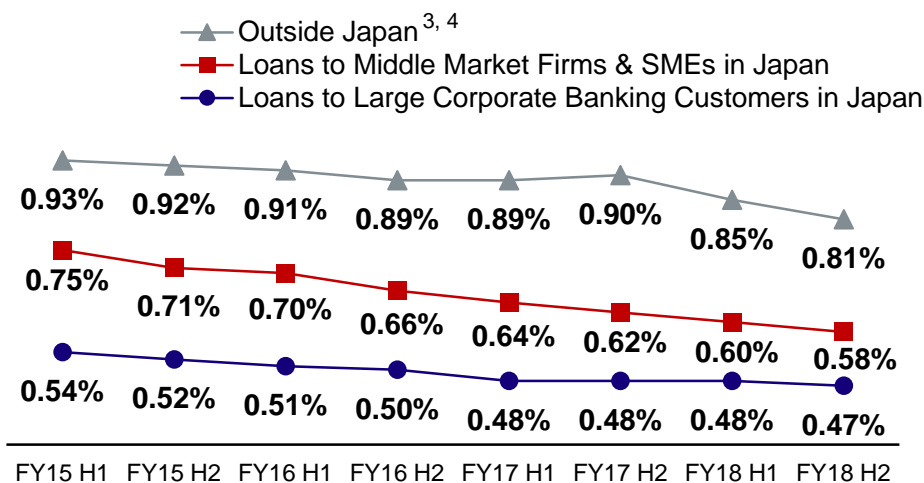
## Loan and Deposit Rate Margin in Japan<sup>2</sup>

2 Banks



## Loan Spread

BK, management accounting



1. Excluding loans to FG and the Japanese Government, etc. Banking account  
 2. Excluding loans to financial institutions (including FG) and the Japanese Government, etc., Domestic Operations  
 3. BK (including the subsidiaries in China, the US, the Netherlands, Indonesia, Malaysia, Russia, Brazil and Mexico)  
 4. Changes in management accounting rules in FY18 (Figures from 1H FY15 to 2H FY17 are recalculated based on the new rules)

# Non-interest Income

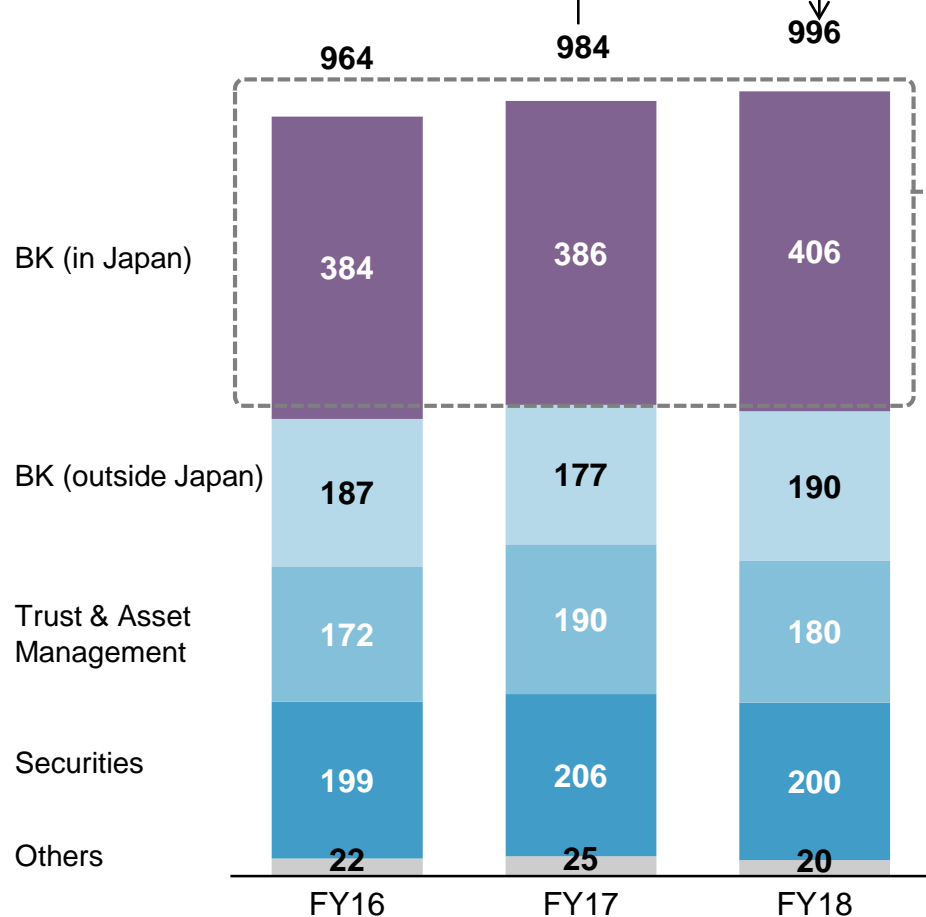
## Non-interest Income (Customer Groups)<sup>1</sup>

Group aggregate, management accounting

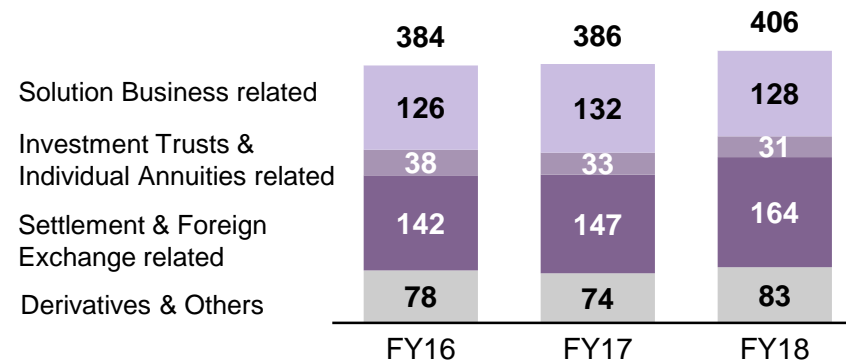
(JPY B)

(rounded figures)

+JPY 12B  
(+JPY 22B<sup>2</sup>)

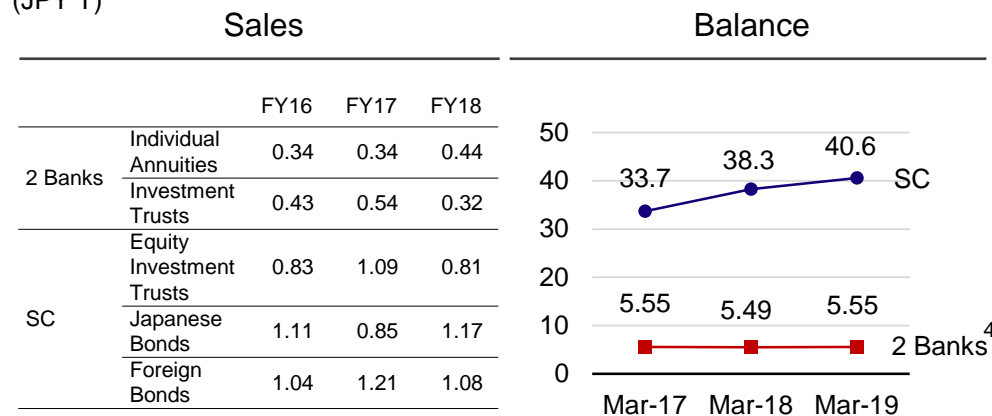


### Breakdown of BK (in Japan) Non-interest Income



### Reference Investment Products (Sales and Balance)<sup>3</sup>

(JPY T)



1. Changes in management accounting rules in FY18. The original figures before the recalculation were FY16: JPY 974B and FY17:JPY 994B

2. After adjustments of Trust & Custody Services Bank, Ltd. unconsolidated in Oct.2018

3. SC: Retail and Business Banking. Past figures of Balance are recalculated based on the new definitions

4. Total of Individual Annuities, Investment Trusts (excl. MMF) and non-JPY deposits

# Financial Soundness (1)

## Credit-related Costs

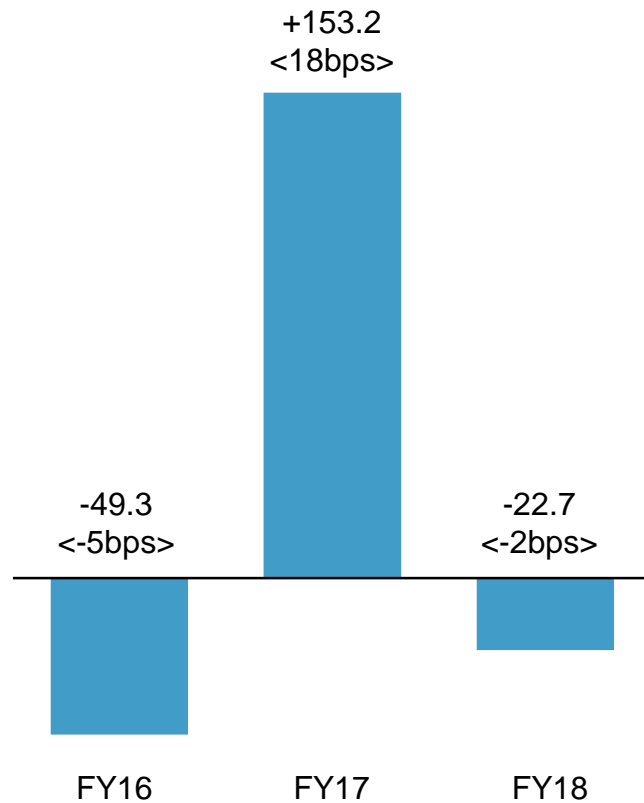
2 Banks

(JPY B)

Banking account + Trust account

< >Credit-related Costs ratio:

Ratio of Credit related Costs against total claims<sup>1</sup>



## Non Performing Loans based on FRA<sup>2</sup>

2 Banks

(JPY T)

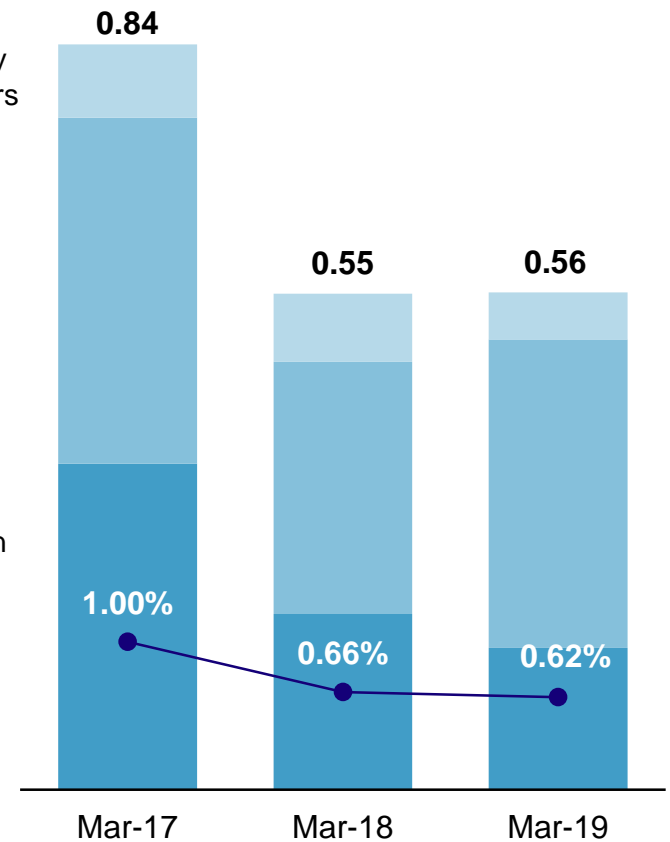
Banking account + Trust account

Claims against Bankrupt and Substantially Bankrupt Obligors

Claims with Collection Risk

Claims for Special Attention

● NPL Ratio



1. Based on the Financial Reconstruction Act

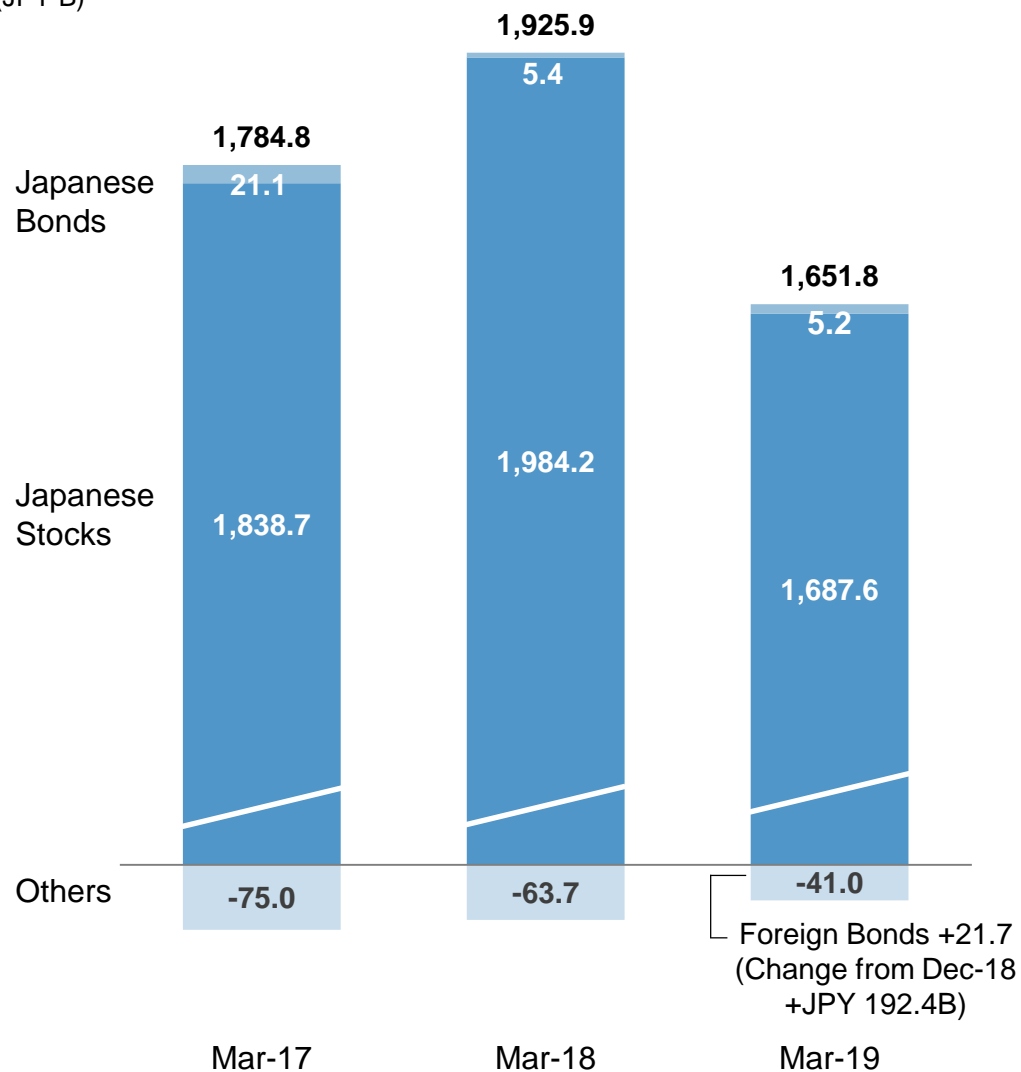
2. Disclosed Claims under the Financial Reconstruction Act



# Financial Soundness (2)

## Unrealized Gains/Losses on Other Securities<sup>1, 2</sup> Consolidated

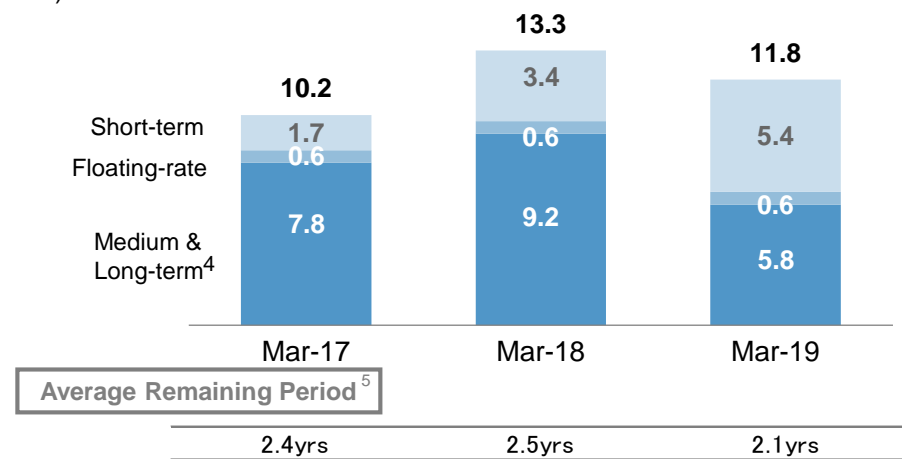
(JPY B)



## JGB Portfolio<sup>2, 3</sup>

2 Banks

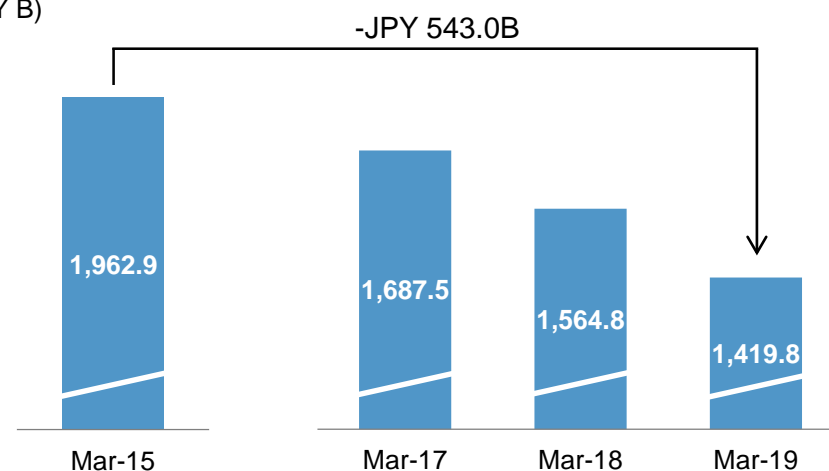
(JPY T)



## Japanese Stock Portfolio<sup>2, 3</sup>

Consolidated

(JPY B)



1. The base amount to be recorded directly to Net Assets after tax and other necessary adjustments. Calculated based on the quoted market price if available, or other reasonable value, at the respective period end  
 2. Other Securities which have readily determinable fair values 3. Acquisition cost basis 4. Including bonds with remaining period of one year or less 5. Excluding floating-rate notes

# BIS Capital Ratio

## Overview of BIS Capital Ratio

(Consolidated, JPY B)

	Mar-18	Mar-19
Common Equity Tier1 (CET1) Capital	7,437.0	7,390.0
Additional Tier1 Capital	1,755.1	1,842.1
Tier2 Capital	1,668.1	1,685.3
Total Capital	10,860.4	10,917.5
Risk weighted Assets	59,528.9	57,899.5
CET1 Capital Ratio	12.49%	12.76%
CET1 Capital Ratio (excl. Net Unrealized Gains (Losses) on Other Securities)	10.15%	10.71%
Tier1 Capital Ratio	15.44%	15.94%
Total Capital Ratio	18.24%	18.85%
Leverage Ratio	4.28%	4.42%
External TLAC Ratio (Risk Weighted Assets basis)	—	22.18%
External TLAC Ratio (Total Exposure basis)	—	7.14%

1. Excluding Net Unrealized Gains (Losses) on Other Securities

2. RWA associated with net unrealized gain on other securities (stocks) are excluded from the denominator. Capital floors are calculated by excluding RWA associated with reserves based on standardized approaches

## BIS Capital Ratio

- CET1 Capital Ratio<sup>1</sup> was 10.71%, achieved the previous Medium-term Business Plan Target of approx. 10%
- CET1 Capital Ratio<sup>1</sup> (Basel III finalization fully-effective basis)<sup>2</sup> was 8.2%
- Adequate level of Additional Tier1 Capital and Tier2 Capital
- Tier1 Capital Ratio: 15.94%
- Total Capital Ratio: 18.85%

## Other Regulatory Capital Requirements

- Adequate level of Other Regulatory Capital Requirements
- Leverage Ratio: 4.42%
- External TLAC Ratio (Risk weighted Assets basis): 22.18%
- External TLAC Ratio (Total Exposure basis): 7.14%

# Plan for FY2019

## Earnings Plan

Consolidated (JPY B)	FY2018	FY2019	
	Results	Plan	Changes from FY2018
Consolidated Net Business Profits <sup>1</sup> + Net Gains (Losses) related to ETFs and others <sup>2</sup>	408.3	<b>600.0</b>	191.6
Credit-related Costs	-19.5	<b>-60.0</b>	-40.4
Net Gains (Losses) related to Stocks - Net Gains (Losses) related to ETFs and others <sup>2</sup>	259.8	<b>160.0</b>	-99.8
Ordinary Profits	614.1	<b>700.0</b>	85.8
Net Income Attributable to FG <sup>3</sup>	96.5	<b>470.0</b>	373.4

2 Banks (JPY B)	FY2018	FY2019	
	Results	Plan	Changes from FY2018
Net Business Profits + Net Gains (Losses) related to ETFs	255.0	<b>465.0</b>	209.9
Credit-related Costs	-22.7	<b>-55.0</b>	-32.2
Net Gains (Losses) related to Stocks - Net Gains (Losses) related to ETFs	168.8	<b>155.0</b>	-13.8
Ordinary Profits	339.9	<b>565.0</b>	225.0
Net Income	-105.3	<b>390.0</b>	495.3

1. Consolidated Gross Profits - G&A Expenses (excluding Non-Recurring Losses) + Equity in Income from Investments in Affiliates and certain other consolidation adjustments

2. Net Gains (Losses) related to ETFs (2 Banks) + Net Gains on Operating Investment Securities (SC Consolidated)

3. Profit Attributable to Owners of Parent

## Return to Shareholders

### Cash Dividends per Share of Common Stock

	FY2019	
		Changes from FY2018
Interim Cash Dividend (Estimate)	<b>JPY 3.75</b>	unchanged
Fiscal Year-end Cash Dividend (Estimate)	<b>JPY 3.75</b>	unchanged
Annual Cash Dividends (Estimate)	<b>JPY 7.50</b>	unchanged

- Annual Cash Dividend Payment (Estimate) remain unchanged from FY18 at JPY 7.50

### Shareholder Return Policy

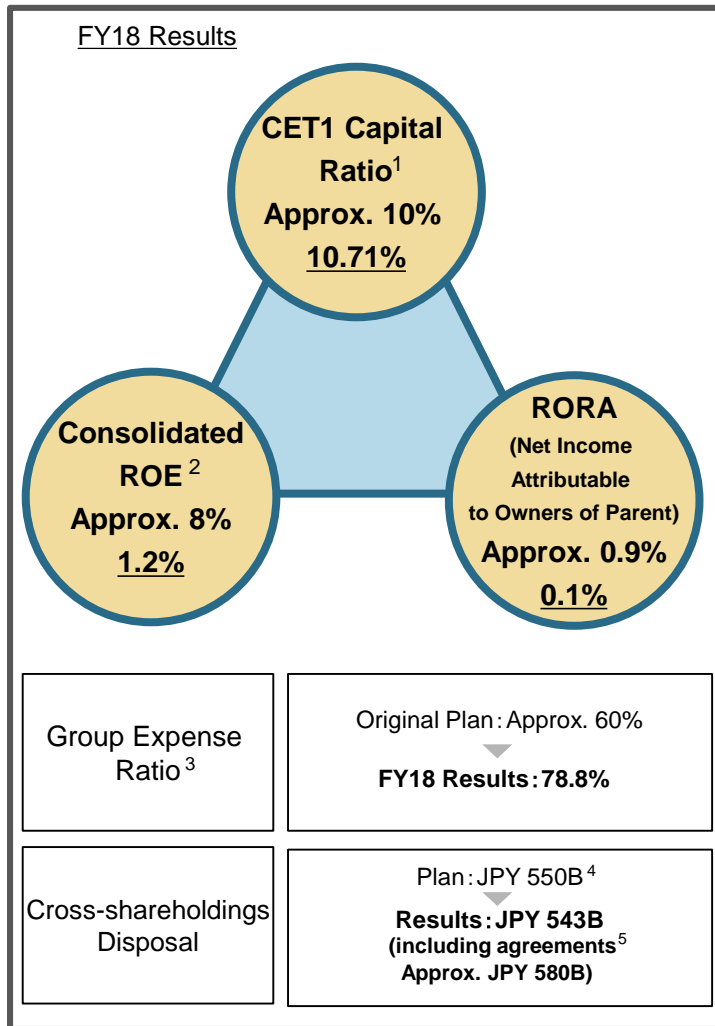
- Our policy to return profits to shareholders is revised as below taking into account the status of capital adequacy and the formulation of the new Business Plan

**‘We are maintaining the current level of dividends for the time being while aiming to strengthen our capital base further to enhance returns to shareholders at an early stage’**  
(Before revision)

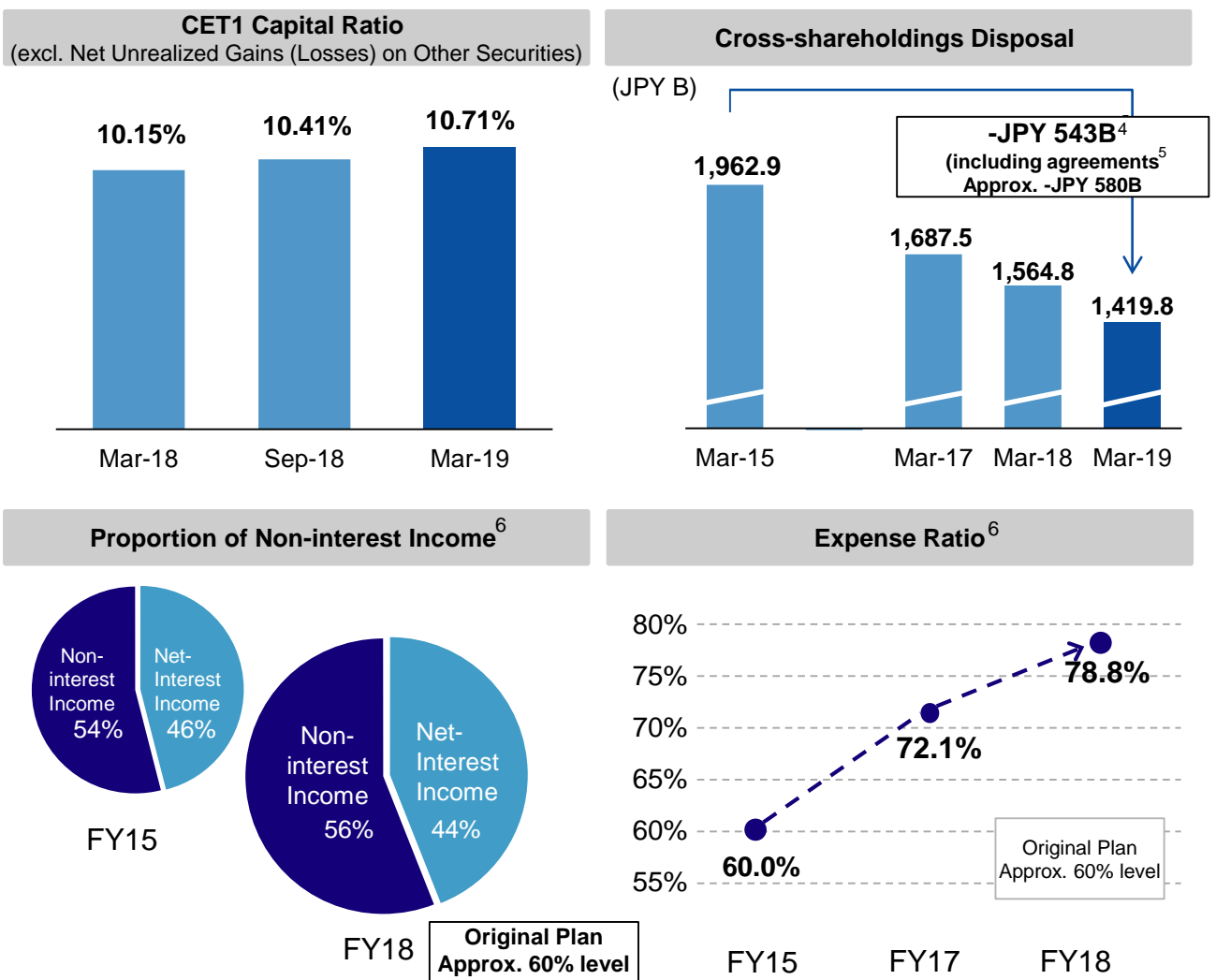
‘Steady dividend policy with a dividend payout ratio on a consolidated basis of approx. 30% as a guide for our consideration’

# Reference: Results against the Medium-term Business Plan (FY2016-FY2018)

## Financial Targets for FY2018



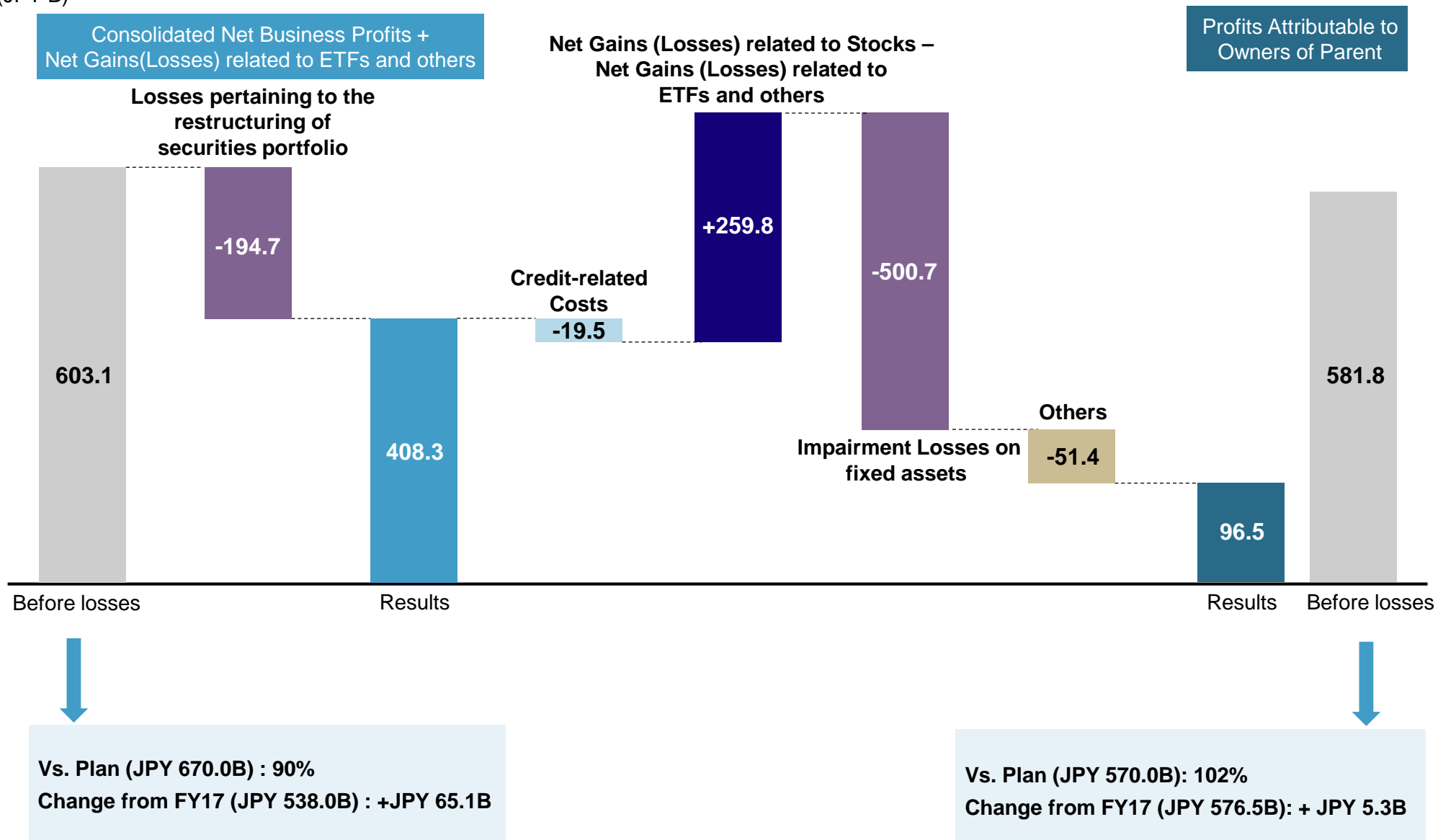
## Results against the Major Financial Targets



1. Basel III fully-effective basis (based on current regulations), excluding Net Unrealized Gains (Losses) on Other Securities  
 2. Excluding Net Unrealized Gains (Losses) on Other Securities  
 3. Group aggregated  
 4. Shares listed on Japanese stock market, acquisition cost basis, cumulative amount from FY15 to FY18  
 5. Including future sales already agreed upon  
 6. The range of management accounting companies has been changed since FY17 (FY15 results are unchanged)

# Reference: Recording of Losses in Light of Structural Reform

(JPY B)



This immediate release contains statements that constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, including estimates, forecasts, targets and plans. Such forward-looking statements do not represent any guarantee by management of future performance. In many cases, but not all, we use such words as “aim,” “anticipate,” “believe,” “endeavor,” “estimate,” “expect,” “intend,” “may,” “plan,” “probability,” “project,” “risk,” “seek,” “should,” “strive,” “target” and similar expressions in relation to us or our management to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions.

We may not be successful in implementing our business strategies, and management may fail to achieve its targets, for a wide range of possible reasons, including, without limitation: incurrence of significant credit-related costs; declines in the value of our securities portfolio; changes in interest rates; foreign currency fluctuations; decrease in the market liquidity of our assets; revised assumptions or other changes related to our pension plans; a decline in our deferred tax assets; the effect of financial transactions entered into for hedging and other similar purposes; failure to maintain required capital adequacy ratio levels; downgrades in our credit ratings; our ability to avoid reputational harm; our ability to implement our Medium-term Business Plan, realize the synergy effects of “One MIZUHO,” and implement other strategic initiatives and measures effectively; the effectiveness of our operational, legal and other risk management policies; the effect of changes in general economic conditions in Japan and elsewhere; and changes to applicable laws and regulations.

Further information regarding factors that could affect our financial condition and results of operations is included in “Item 3.D. Key Information—Risk Factors” and “Item 5. Operating and Financial Review and Prospects” in our most recent Form 20-F filed with the U.S. Securities and Exchange Commission (“SEC”) and our report on Form 6-K furnished to the SEC on December 26, 2018, both of which are available in the Financial Information section of our web page at [www.mizuho-fg.com/index.html](http://www.mizuho-fg.com/index.html) and also at the SEC’s web site at [www.sec.gov](http://www.sec.gov).

We do not intend to update our forward-looking statements. We are under no obligation, and disclaim any obligation, to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by the rules of the Tokyo Stock Exchange.