

# FY20 Financial Results (Under Japanese GAAP)

May 14, 2021

Mizuho Financial Group

**MIZUHO**

The Mizuho logo consists of the word "MIZUHO" in a bold, white, sans-serif font, positioned above a thin, white, curved line that arches under the letters.

This presentation contains statements that constitute forward-looking statements including estimates, forecasts, targets and plans. These statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions. Such forward-looking statements do not represent any guarantee of future performance by management.

Further information regarding factors that could affect our financial condition and results of operations is included in our most recent Form 20-F and our report on Form 6-K.

## Abbreviations

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

## Foreign exchange rate

### Management accounting

	FY20 Planned rate
USD/JPY	108.00
EUR/JPY	118.80

### Financial accounting

(TTM at the respective period end)

	Mar-20	Mar-21
USD/JPY	108.83	110.72
EUR/JPY	119.65	129.76

## Definitions

<b>Consolidated Net Business Profits</b>	: Consolidated Gross Profits - G&A Expenses (excl. Non-Recurring Losses) + Equity in Income from Investments in Affiliates and certain other consolidation adjustments
<b>Net Gains (Losses) related to ETFs and others</b>	: Total of Net Gains (Losses) related to ETFs (2 Banks) and Net Gains (Losses) on Operating Investment Securities (SC Consolidated)
<b>Customer Groups</b>	: Aggregate of results of RBC, CIC, GCC and AMC
<b>Markets</b>	: GMC
<b>G&amp;A Expenses (excl. Non-Recurring Losses and others)</b>	: G&A Expenses (excl. Non-Recurring Losses) - Amortization of Goodwill and other items
<b>Net Income attributable to FG</b>	: Profit Attributable to Owners of Parent
<b>Group aggregate</b>	: BK + TB + SC + other major subsidiaries on a non-consolidated basis (management accounting)
<b>2 Banks</b>	: BK + TB on a non-consolidated basis (financial accounting)
<b>Consolidated ROE</b>	: Calculated dividing Net Income by (Total Shareholders' Equity + Total Accumulated Other Comprehensive Income (excluding Net Unrealized Gains (Losses) on Other Securities))
<b>CET1 Capital Ratio (excl. Net Unrealized Gains (Losses) on Other Securities)</b>	: Includes the effect of partially fixing unrealized gains on Japanese stocks through hedging transactions [Numerator] Calculated by excluding Net Unrealized Gains (Losses) on Other Securities and its associated Deferred Gains or Losses on Hedges [Denominator] Calculated by excluding RWA associated with Net Unrealized Gains (Losses) on Other Securities (stocks)
<b>Basel III finalization fully-effective basis</b>	: Estimated figures reflecting the effect of Basel III finalization. The capital floor is calculated after deducting the associated reserves from RWA using the standardized approach.

# Summary of Financial Results

(JPY B)	FY20	YoY
Consolidated Gross Profits + Net Gains (Losses) related to ETFs and others	2,200.7	+127.9
G&A Expenses (excl. Non-Recurring Losses and others)	-1,408.6	+2.7
<b>Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and others</b>	<b>799.7</b>	<b>+127.1</b>
<i>Customer Groups</i>	549.6	+102.8 <sup>1</sup>
<i>Markets</i>	268.2	+60.4 <sup>1</sup>
(Consolidated Net Business Profits)	(797.7)	(+135.7)
Credit-related Costs	-204.9	-33.2
Net Gains (Losses) related to Stocks - Net Gains (Losses) related to ETFs and others	10.0	-116.4
Ordinary Profits	536.3	-101.5
Net Extraordinary Gains (Losses)	115.8 <sup>2</sup>	+135.0
<b>Net Income Attributable to FG</b>	<b>471.0</b>	<b>+22.4</b>
CET1 Capital Ratio <sup>3</sup>	<b>9.1%</b>	<b>+0.3%</b>
Cash Dividends per Share of Common Stock <sup>4</sup>	<b>JPY 75.00</b>	<b>±0</b>

- **Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and others:**  
Steady business performance of both Customer Groups and Markets led to 18.9% increase YoY
- **Credit-related Costs:**  
Remained around the same level of FY20 plan, as reserves were recorded to account for the prolonged impacts of COVID-19, etc. from a forward-looking perspective
- **Net Income Attributable to FG:**  
Steady progress in the core business profits mainly led to 5.0% increase YoY
- **CET 1 capital ratio<sup>3</sup>:**  
Accumulated steadily to 9.1% and Annual Cash Dividends are JPY 75 as planned

## Net Income of core group companies

(JPY B)	FY20	YoY
BK Consolidated <sup>5</sup>	351.0	-36.2
TB Consolidated	44.2	+2.7
SC Consolidated	75.5	+54.1
AM One	14.1	-0.8

1. New management accounting rules were applied in FY20. Figures for YoY were recalculated based on the new rules.

2. Net Extraordinary Gains due to the corporate pension plan reform: JPY 58.8B, Cancellation of Employee Retirement Benefit Trust: JPY 76.9B.

3. Basel III finalization fully-effective basis. Excluding Net Unrealized Gains (Losses) on Other Securities.

4. The amount reflects the effect of 1-for-10 share consolidation held on Oct. 1, 2020.

5. Including Net Income of Mizuho Securities USA of JPY 46.8B (+JPY 26.1B YoY).

# Financial Results by In-house Company

Group aggregate, management accounting

(JPY B)	Gross Profits <sup>1</sup>		G&A Expenses (excl. Non-Recurring Losses and others)		Net Business Profits <sup>1</sup>		Net Income <sup>1, 3</sup>	
	FY20	YoY <sup>2</sup>	FY20	YoY <sup>2</sup>	FY20	YoY <sup>2</sup>	FY20	YoY <sup>2</sup>
Retail & Business Banking	679.9	+3.5	-640.6	+32.6	42.5	+30.3	26.4	+43.5
Corporate & Institutional	491.9	+32.3	-209.6	+6.1	286.1	+40.4	205.2	+10.6
Global Corporate	450.6	+39.7	-251.1	-5.8	210.0	+34.5	113.7	+5.5
Global Markets	487.2	+75.7	-218.2	-15.6	268.2	+60.4	174.2	+31.1
Asset Management	50.4	-2.5	-32.9	+0.1	10.9	-2.4	4.4	-1.7
In-house Company Total	2,160.0	+148.8	-1,352.4	+17.5	817.8	+163.2	523.9	+89.0
FG Consolidated	2,200.7	+127.9	-1,408.6	+2.7	799.7	+127.1	471.0	+22.4

1. Global Markets includes Net Gains (Losses) related to ETFs (2 Banks).

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

2. New management accounting rules were applied in FY20. Figures for YoY are recalculated based on the new rules.

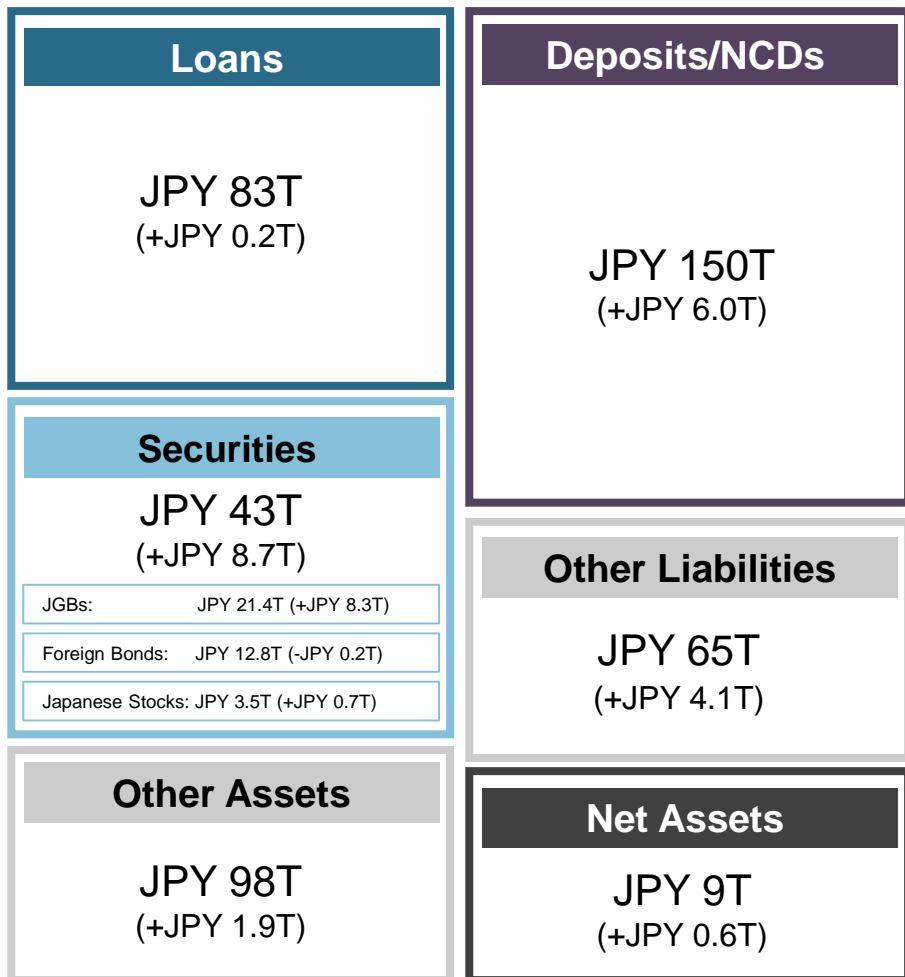
3. Credit-related costs of -JPY 39.3B recorded from a forward-looking perspective on head office account in FY19 were allocated to Retail & Business Banking and Corporate & Institutional Company on an actual basis both in FY19 and FY20.

# Overview of Balance Sheet

## Consolidated Balance Sheet (as of Mar-21)

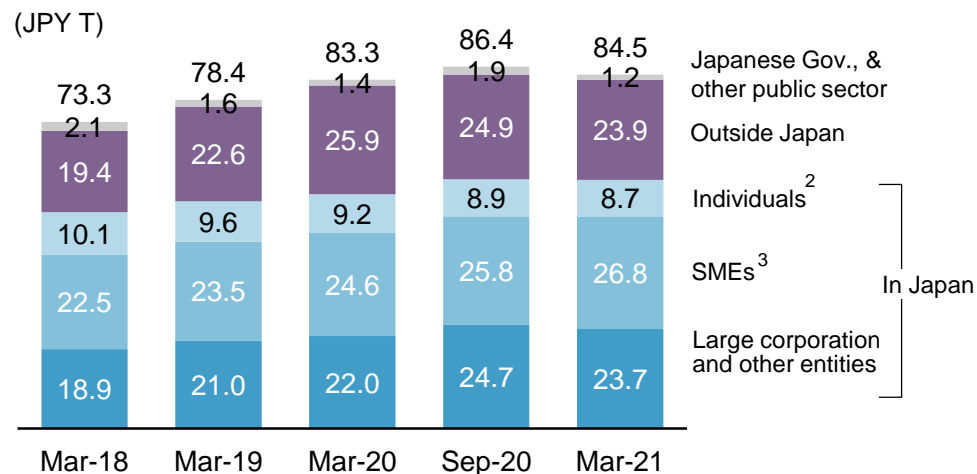
Figures in ( ) represent changes from Mar-20

Total Assets: JPY 225T (+JPY 10.9T)

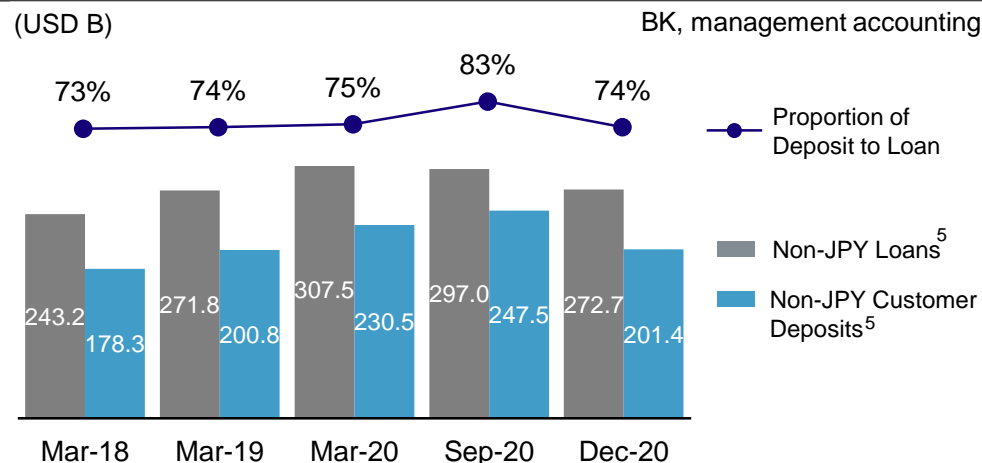


## Loans (Period-end Balance)<sup>1</sup>

2 Banks



## Non-JPY denominated Loans and Deposits (Period-end Balance)<sup>4</sup>



1. Excluding loans to FG. Banking account. 2. Consumer Loans. 3. Calculated by deducting "Consumer Loans" from "Loans to SMEs and Individual Customers".

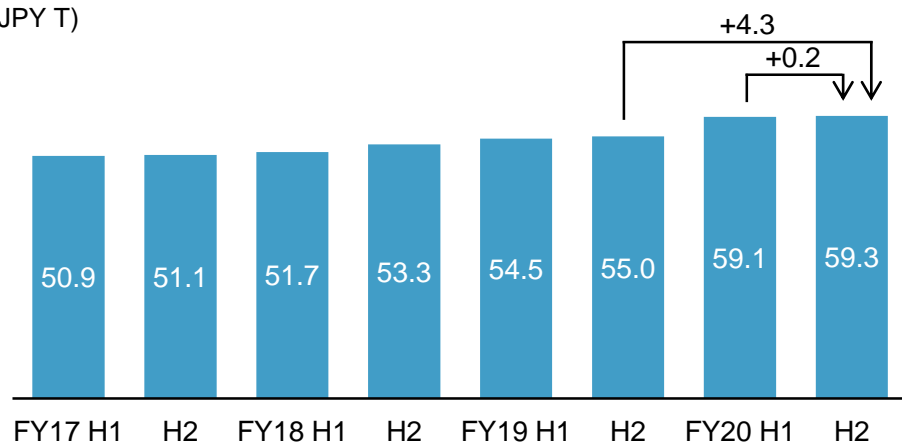
4. BK (including the subsidiaries in China, the USA, the Netherlands, Indonesia, Malaysia, Russia, Brazil and Mexico). 5. Including loans and deposits in Japan. New management accounting rules were applied in FY20 (Figures from Mar-18 to Mar-20 were recalculated based on the new rules).

# Loans

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

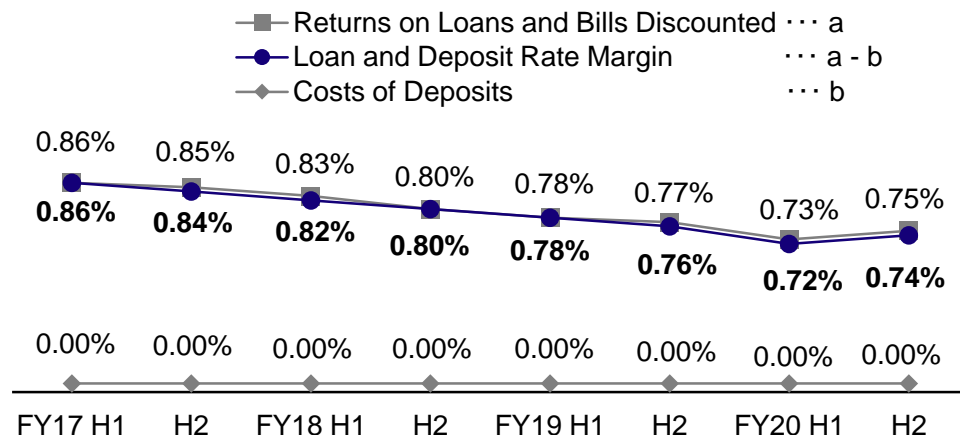
2 Banks

(JPY T)



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

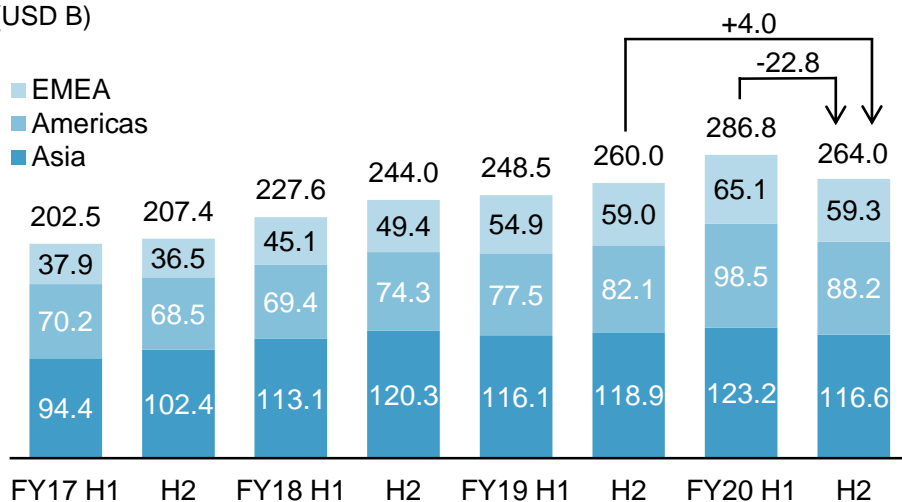
2 Banks



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

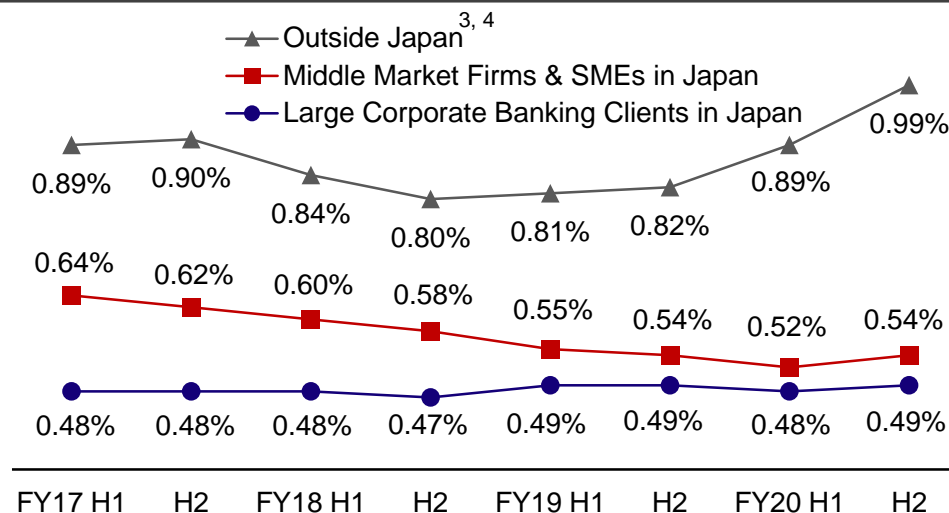
BK management accounting

(USD B)



## Loan Spread

BK management accounting



1. Excluding loans to FG and the Japanese Government & other public sector. Banking account. 2. Excluding loans to financial institutions (including FG) and the Japanese Government & other public sector, Domestic Operations. 3. BK (including the subsidiaries in China, the USA, the Netherlands, Indonesia, Malaysia, Russia, Brazil and Mexico). 4. Figures including past figures were recalculated based on the FY20 planned rate in USD.

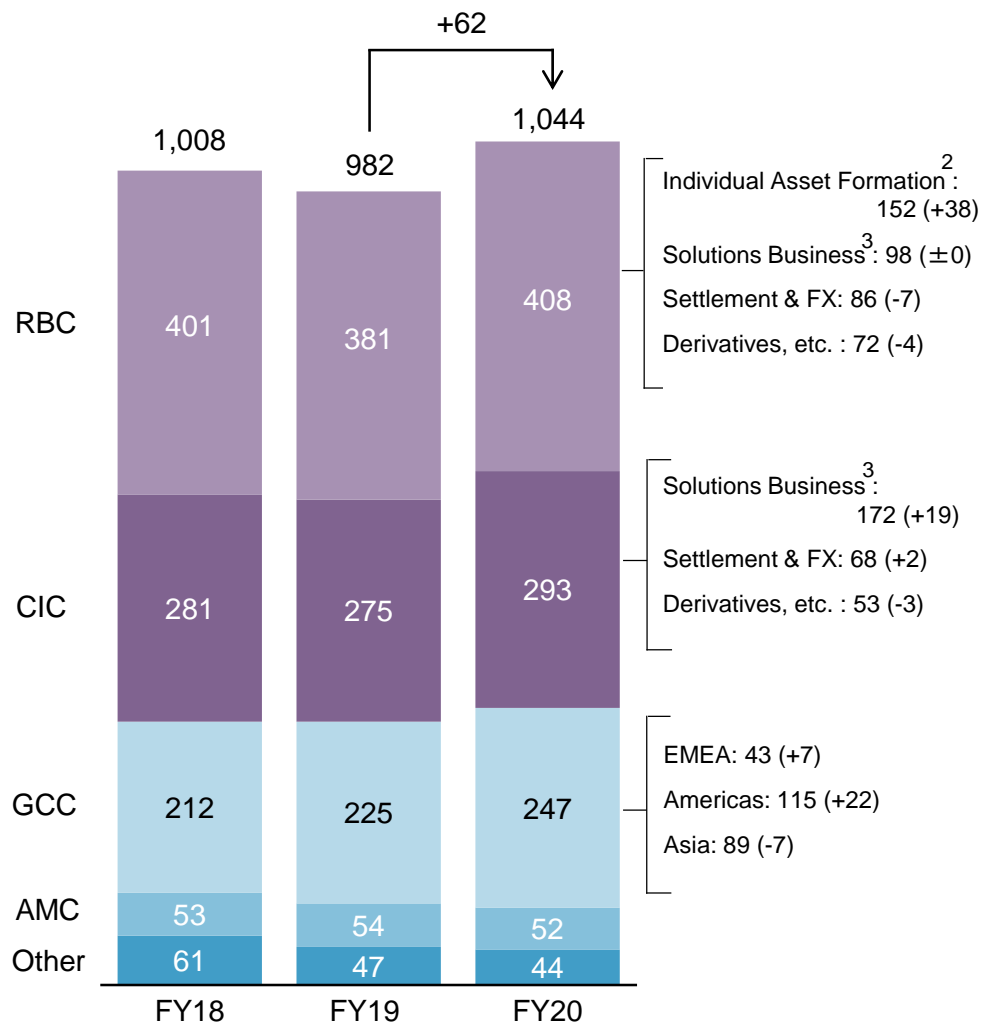
# Non-interest Income

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

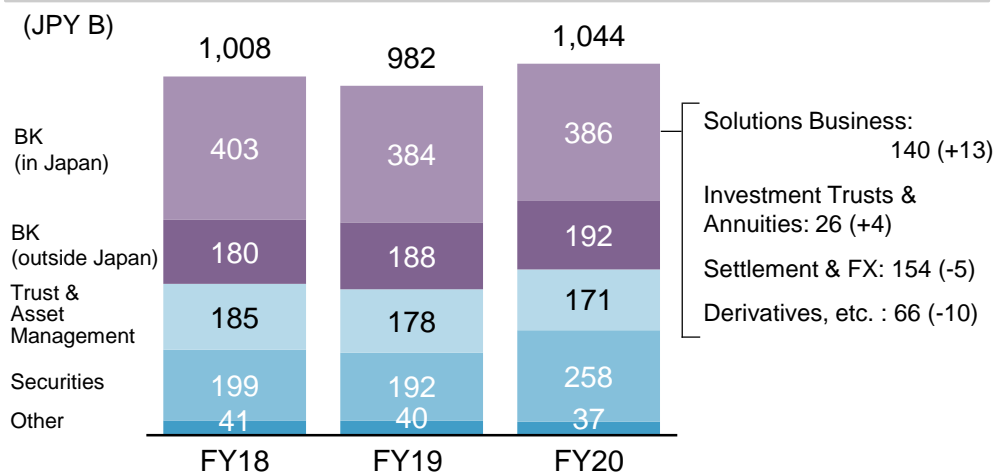
Group aggregate, management accounting (rounded figures)

Figures in ( ) represent YoY

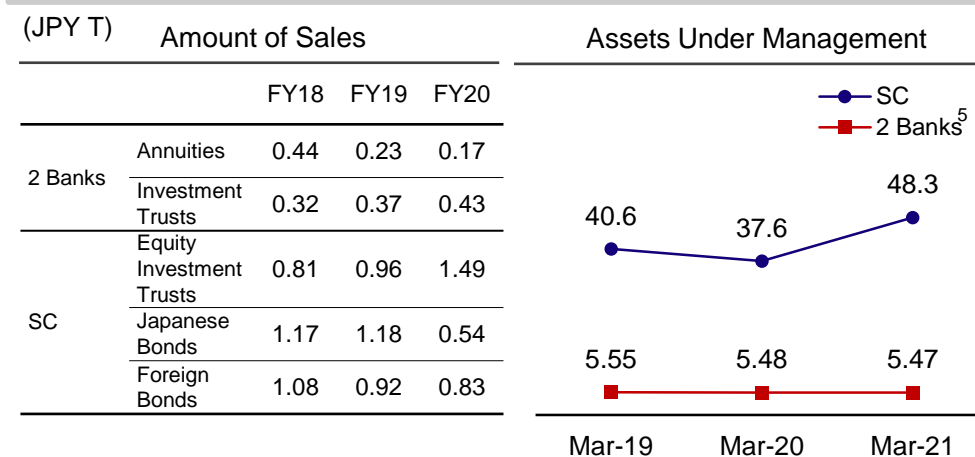
(JPY B)



## Reference Breakdown by business line



## Reference Investment Products (Sales and Outstanding Balance)<sup>4</sup>



1. Recalculated past figures based on FY20 planned rate and other factors such as expansion and refinement of past range of consolidated subsidiaries. The original figures before the recalculation were FY18: JPY 1,007B and FY19: JPY 984B.

2. BK investment trusts and annuities + SC individual segment and PB segment.

3. Including fee related to investment banking businesses and real estate brokerage.

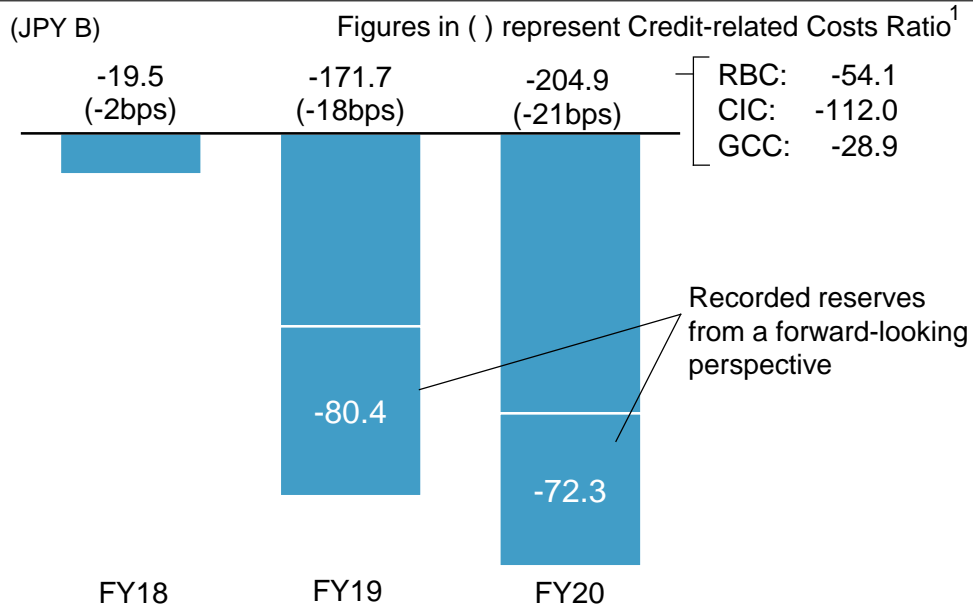
4. SC: Retail and Business Banking Division. Past figures of Outstanding Balance were recalculated based on the new definitions from Mar-19.

5. Aggregate of Annuities, Investment Trusts (excl. MMF), and non-JPY deposits.

# Credit Portfolio

## Credit-related Costs

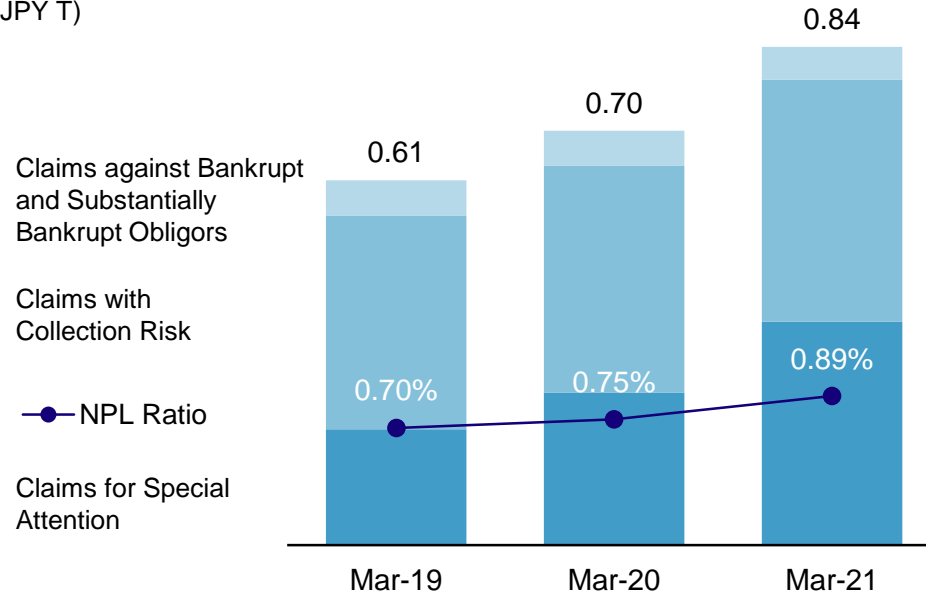
Consolidated



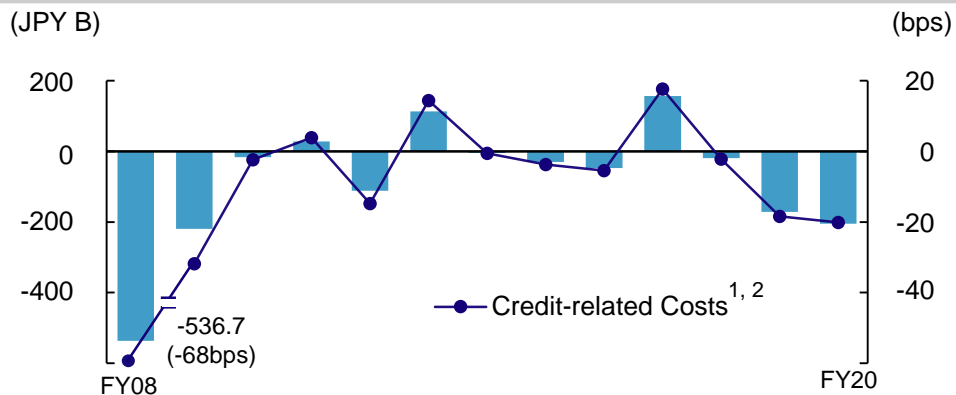
## Non Performing Loans based on FRA<sup>3, 4</sup>

Consolidated

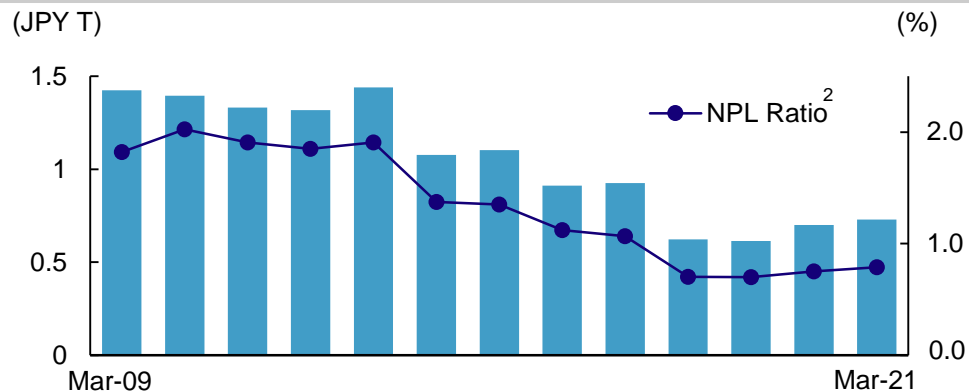
(JPY T)



Reference Past figures



Reference Past figures



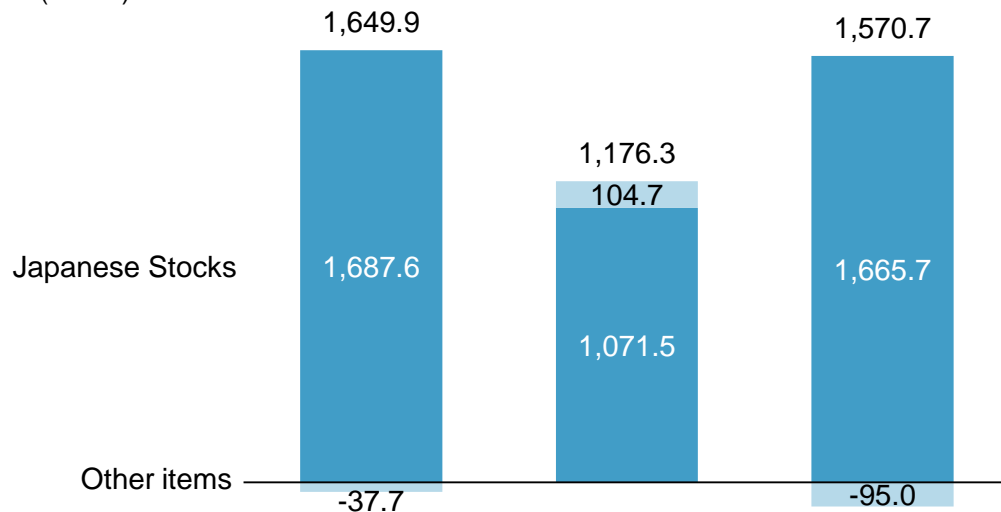
1. Ratio of Credit-related Costs against Total Claims (including Trust Account). 2. Figures before FY13 were calculated by using Total Claims of aggregate for 2 Banks. 3. Including Trust Account. 4. Financial Reconstruction Act.



# Securities Portfolio

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

(JPY B)

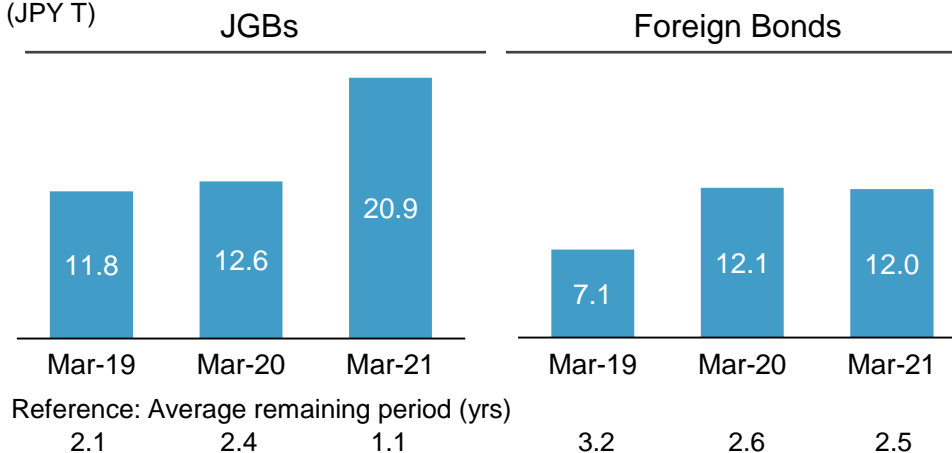


	Mar-19	Mar-20	Mar-21
Japanese Stocks	1,687.6	1,071.5	1,665.7
Other items	-37.7	104.7	-95.0
Japanese Bonds	5.2	-54.1	-44.9
o/w JGB	5.9	-44.0	-31.7
Foreign Bonds	21.7	200.9	-33.0
Other	-64.6	-42.0	-17.0
o/w Bear Funds <sup>3</sup>	—	86.2	-155.4
o/w Investment Trusts and others	-64.6	-128.2	138.4

## Bond Portfolio<sup>2, 4</sup>

2 Banks

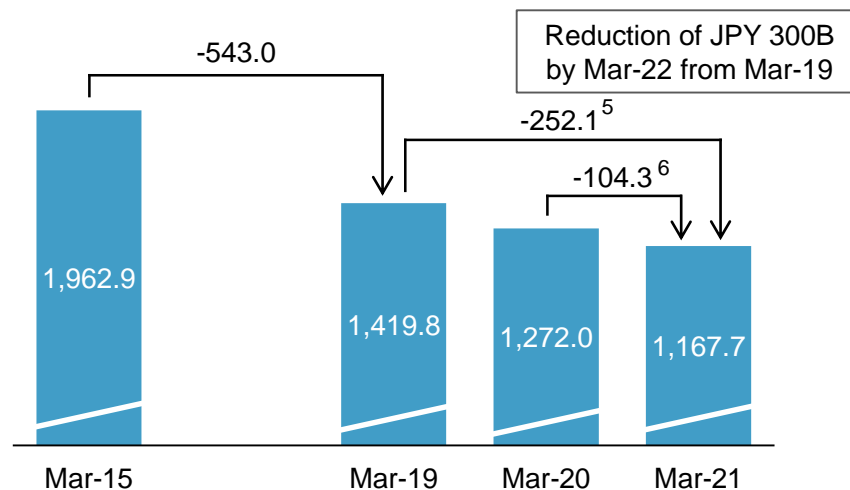
(JPY T)



## Japanese Stock Portfolio<sup>2, 4</sup>

Consolidated

(JPY B)



1. Changes in value to be recorded directly to Net Assets after tax and other necessary adjustments. Excluding Investments in Partnerships. After Mar-21: Calculated based on the quoted market price if available, or other reasonable value at the end of the month. Mar-19 and Mar-20: Japanese Stocks were calculated based on the average market price of the respective month. Other items were 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. Hedging transactions aiming to fix unrealized gains on Japanese Stocks. 4. Acquisition cost basis. 5. o/w Amount of sales: -JPY 219.4B, Impairment losses: -JPY 41.0B.

6. o/w Amount of sales: -JPY 107.2B, Impairment losses: -JPY 1.7B.

# Basel Regulatory Capital

(Consolidated, JPY B)	Mar-20	Mar-21
Common Equity Tier 1 (CET1) Capital	7,244.7	7,849.9
Additional Tier 1 Capital	1,779.6	1,851.9
Tier 2 Capital	1,697.8	1,683.4
Total Capital	10,722.2	11,385.3
Risk Weighted Assets	62,141.2	67,481.9
Total Exposure	220,977.5	200,546.6 <sup>1</sup>
<b>BIS Capital Ratio</b>		
CET1 Capital Ratio	11.65%	11.63%
Excluding Net Unrealized Gains (Losses) on Other Securities	11.00%	10.46%
Tier 1 Capital Ratio	14.52%	14.37%
Total Capital Ratio	17.25%	16.87%
<b>Other Regulatory Capital Requirements</b>		
Leverage Ratio	4.08%	4.83% <sup>2</sup>
External TLAC Ratio (Risk Weighted Assets basis)	21.95%	21.42%
External TLAC Ratio (Total Exposure basis)	7.16%	8.39% <sup>2</sup>

## BIS Capital Ratio

- CET1 Capital Ratio continuously secured adequate level against the Basel regulatory requirements and remained the same level while risk-weighted assets increased due to funding support related to the COVID-19 pandemic and other factors

## Other Regulatory Capital Requirements

- Both Leverage Ratio and External TLAC Ratio secured adequate level against the Basel regulatory requirements

## Reference: Basel III finalization fully-effective basis

	Mar-20	Mar-21
CET1 Capital Ratio	9.3%	10.0%
Excluding Net Unrealized Gains (Losses) on Other Securities	8.8%	9.1%

- CET1 Capital Ratio (excluding Net Unrealized Gains (Losses) on Other Securities) reached 9.1%

1. Due to the amendment of the notification of Japan FSA, deposits to BoJ has been excluded from Total Exposure since Jun. 30, 2020.

2. Including deposits to BoJ: Leverage Ratio: 4.03%, External TLAC Ratio (Total Exposure basis): 6.99%.

# Plan for FY2021

## Earnings Plan

Consolidated (JPY B)	FY20	FY21	
	Results	Plan	YoY
Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and others	799.7	<b>790.0</b>	-9.7
Credit-related Costs	-204.9	<b>-100.0</b>	+104.9
Net Gains (Losses) related to Stocks - Net Gains (Losses) related to ETFs and others	10.0	<b>50.0</b>	+39.9
Ordinary Profits	536.3	<b>720.0</b>	+183.6
Net Income Attributable to FG	471.0	<b>510.0</b>	+38.9

2 Banks (JPY B)	FY20	FY21	
	Results	Plan	YoY
Net Business Profits + Net Gains (Losses) related to ETFs	578.9	<b>590.0</b>	+11.0
Credit-related Costs	-201.5	<b>-90.0</b>	+111.5
Net Gains (Losses) related to Stocks - Net Gains (Losses) related to ETFs	-11.0	<b>50.0</b>	+61.0
Ordinary Profits	321.9	<b>540.0</b>	+218.0
Net Income	311.7	<b>375.0</b>	+63.2

## Capital Policy

Revised

**Pursue the optimum balance between capital adequacy, growth investment and enhancement of shareholder return**

### Shareholder Return Policy

Revised

**Progressive dividends being our principal approach while executing flexible and intermittent share buybacks**

- As for the dividends, we will decide based on the steady growth of our stable earnings base, taking 40% of the dividend payout ratio as a guide into consideration
- As for share buybacks, we will consider our business results and capital adequacy, our stock price and the opportunities for growth investment in determining the execution

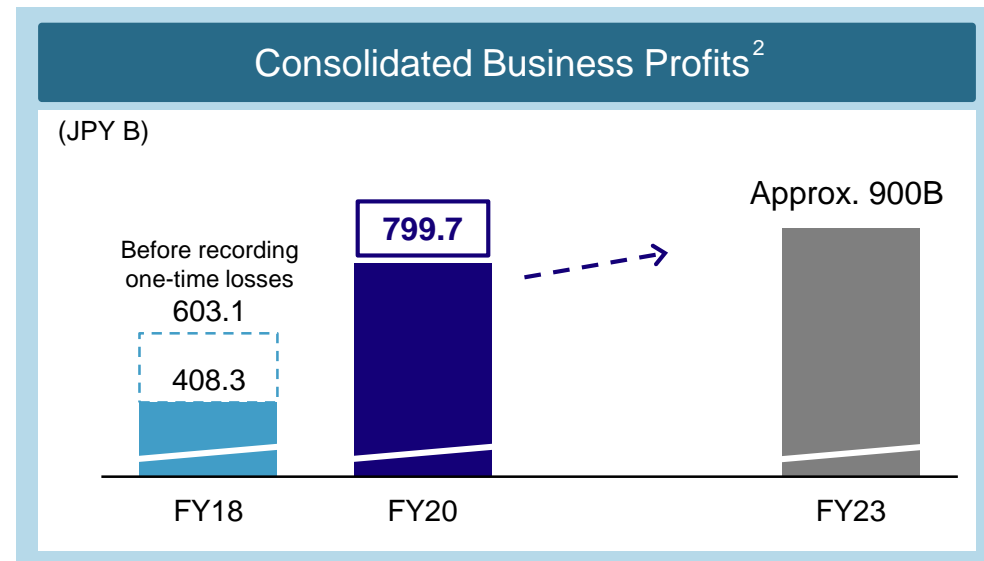
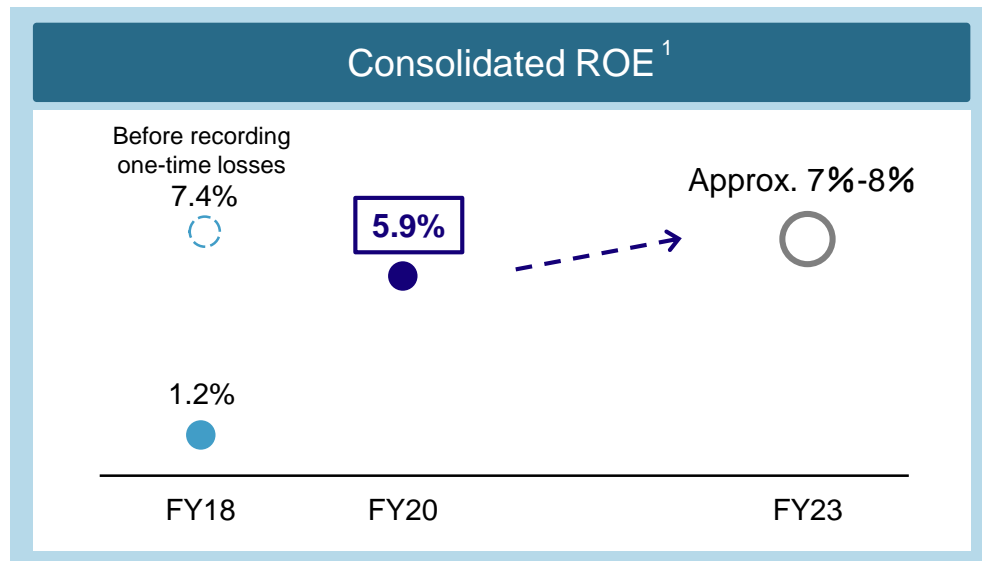
### Cash Dividends per Share of Common Stock

	FY21	
		YoY*
Interim Cash Dividend (Estimate)	<b>JPY 37.50</b>	<i>unchanged</i>
Fiscal Year-end Cash Dividend (Estimate)	<b>JPY 37.50</b>	<i>unchanged</i>
Annual Cash Dividends (Estimate)	<b>JPY 75.00</b>	<i>unchanged</i>

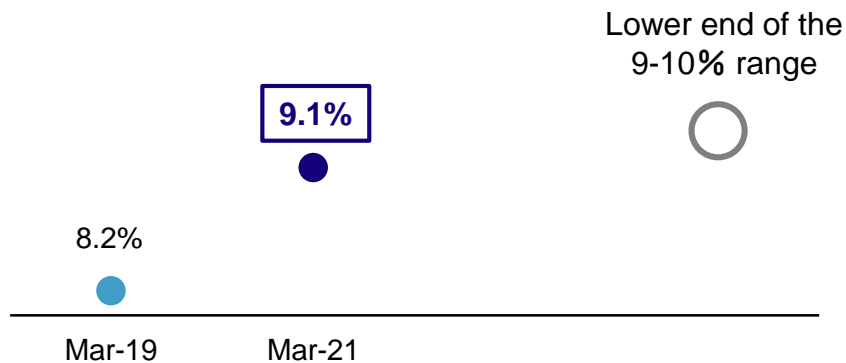
\* Interim Cash Dividend and Fiscal Year-end Dividend for FY20 were both JPY 37.50. Interim Cash Dividend reflects the effect of 1-for-10 share consolidation held on Oct. 1, 2020.

# Reference: Progress against the 5-Year Business Plan

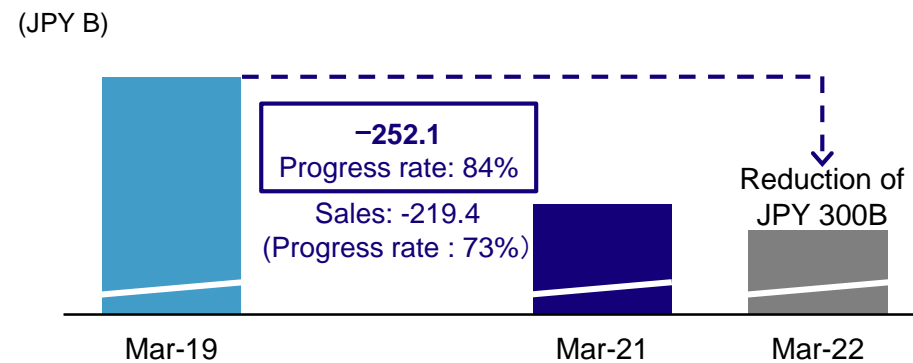
## Financial Targets



## Common Equity Tier 1 (CET1) Capital Ratio target level<sup>3</sup>



## Reduction of cross-shareholdings<sup>4</sup>



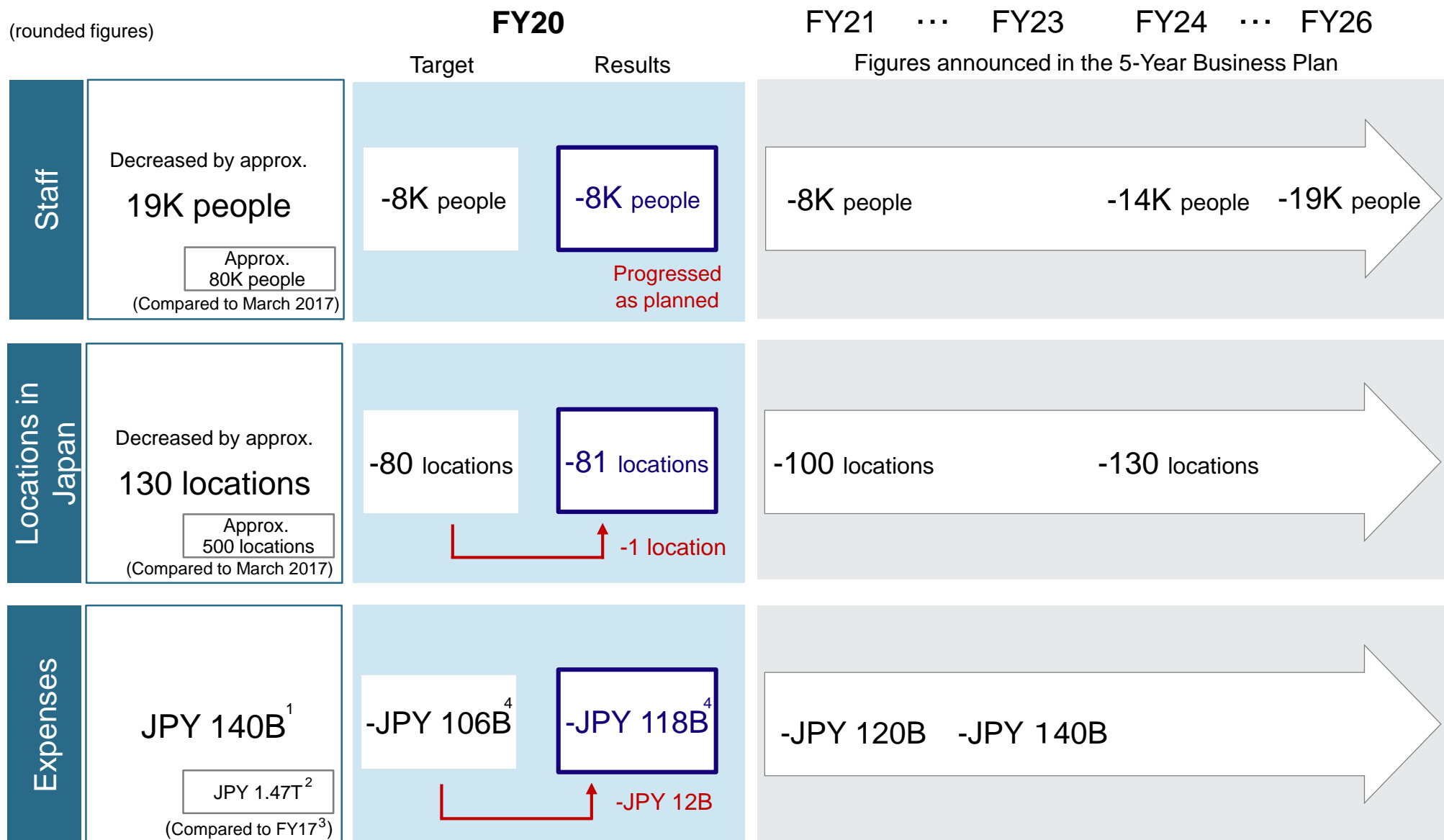
[Assumed financial indicators for FY23 targets] 10-year JGBs interest rate: 0.15%, Nikkei Stock Average: JPY 22,100, JPY/USD: JPY 101

1. Excluding Net Unrealized Gains (Losses) on Other Securities. 2. Consolidated Net Business Profits + Net Gains (Losses) related to ETFs and others.

3. Basel III finalization fully-effective basis, excluding Net Unrealized Gains (Losses) on Other Securities. 4. Acquisition cost basis.

# Reference: Progress against Fundamental Structural Reform Plan

(rounded figures)



1. Reduction excluding depreciation cost related to new core banking system.

2. Group Aggregate. New management accounting rules were applied in FY19. The original figures before the recalculation was JPY 1.45T.

3. Compared to the estimate for FY17 as of November 2017 when Fundamental Structural Reforms was announced. 4. Excluding effects of foreign exchange.