

# FY20 Q3 Financial Results

February 2021

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.

# Overview of Income Statement

(JPY B)	FY19 Q3 FYTD	FY20 Q3 FYTD	YoY			FY20 Q3	vs. FY20 Q2	
1	<b>Consolidated Gross Profits</b>							
	<b>+ Net Gains (Losses) related to ETFs and others *</b>	1,517.8	1,621.8	+103.9		528.4	-6.7	
2	Consolidated Gross Profits	1,512.5	1,619.5	+106.9		507.2	-35.5	
3	Net Interest Income	554.9	649.6	+94.7		209.4	-15.5	
4	Net Fee and Commission Income + Fiduciary Income	478.2	512.0	+33.7		165.2	-11.3	
5	Net Trading Income + Net Other Operating Income	479.4	457.9	-21.5		132.4	-8.6	
6	Net Gains (Losses) related to Bonds	90.0	39.5	-50.5		-5.7	-10.0	
7	General and Administrative Expenses	-1,023.5	-1,022.6	+0.9	<b>Target</b>	<i>Progress</i>	-341.3	-0.5
8	<b>Consolidated Net Business Profits</b>							
	<b>+ Net Gains (Losses) related to ETFs and others *</b>	475.5	610.7	+135.2	<b>710.0</b>	86%	191.2	-7.9
9	Consolidated Net Business Profits	470.2	608.4	+138.1			170.0	-36.7
10	Consolidated Net Business Profits from core business operations (9-6)	380.1	568.9	+188.7			175.7	-26.6
11	Credit-related Costs	-24.4	-98.1	-73.7	<b>-200.0</b>	49%	-16.9	+25.2
12	Net Gains (Losses) related to Stocks	92.1	-33.0	-125.2	<b>0</b>	-%	17.4	+66.3
	- Net Gains (Losses) related to ETFs and others *							
13	Net Gains (Losses) related to Stocks	97.3	-30.8	-128.2			38.6	+95.1
14	Equity in Income from Investments in Affiliates	24.1	17.1	-7.0			5.5	-0.1
15	Other	-24.5	-36.2	-11.6			-11.9	+4.7
16	Ordinary Profits	561.5	448.8	-112.6	<b>460.0</b>	97%	181.2	+89.0
17	Net Extraordinary Gains (Losses)	-7.7	69.5	+77.3			3.7	-61.3
18	Income before Income Taxes	553.7	518.4	-35.3			185.0	+27.7
19	Income Taxes	-140.8	-159.5	-18.7			-43.5	+18.9
20	Profit Attributable to Non-controlling Interests	-8.9	-4.4	+4.4			-2.6	-0.9
21	<b>Profit Attributable to Owners of Parent</b>	403.9	354.4	-49.5	<b>350.0</b>	101%	138.8	+45.7

\* FY19 Q3 FYTD: JPY 5.2B, FY20 Q3 FYTD: JPY 2.2B, FY20 Q3: JPY 21.2B (vs. FY20 Q2: +JPY 28.7B)

# Financial Results by In-house Company

(JPY B)

Group aggregate, management accounting

	Gross Profits <sup>1</sup>		G&A Expenses (excl. Non-recurring Losses and others) <sup>2</sup>		Net Business Profits <sup>1</sup>		Net Income <sup>1</sup>		ROE
	FY20 Q3 FYTD	YoY <sup>3</sup>	FY20 Q3 FYTD	YoY <sup>3</sup>	FY20 Q3 FYTD	YoY <sup>3</sup>	FY20 Q3 FYTD	YoY <sup>3</sup>	FY20 Q3 FYTD
Retail & Business Banking	473.8	-9.7	-474.0	+27.3	3.4	+15.4	5.2	+12.8	0.5%
Corporate & Institutional	342.1	+17.8	-155.4	+4.6	190.0	+24.4	77.5	-92.6	4.7%
Global Corporate	332.4	+22.6	-182.0	-2.1	158.7	+20.4	91.9	-21.1	8.7%
Global Markets	422.5	+95.4	-157.5	-3.5	264.3	+92.1	175.8	+56.4	14.6%
Asset Management	36.2	-2.7	-23.8	+0.9	7.3	-1.8	3.3	-1.1	3.8%
<b>FG Consolidated</b>	<b>1,621.8</b>	<b>+103.9</b>	<b>-1,019.0</b>	<b>+31.5</b>	<b>610.7</b>	<b>+135.2</b>	<b>354.4</b>	<b>-49.5</b>	<b>6.0%</b>

1. GMC includes Net Gains (Losses) related to ETFs (2 Banks). FG Consolidated includes Net Gains (Losses) related to ETFs.

2. G&A Expenses (excl. Non-recurring Losses and others) – Amortization of Goodwill and others items.

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

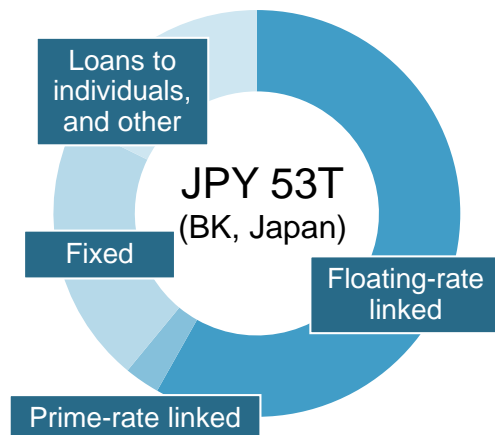
# Overview of Balance Sheet (Dec-20)

Consolidated, ( ) represent changes from Mar-20

Total Assets: JPY 217T (+JPY 3.2T)

Risk Weighted Assets: JPY 66T (+JPY 3.9T)

## JPY Loans<sup>1</sup>



BOJ current account balance  
2 Banks: JPY 35T (+JPY 3.7T)

Loans	
JPY 83T (+JPY 0.1T)	
JPY <sup>1</sup>	JPY 55T
Non-JPY <sup>1</sup>	USD 278.0B

Securities	
JPY 42T (+JPY 7.4T)	
JGBs	JPY 20.4T
Foreign Bonds	JPY 12.2T
Japanese Stocks	JPY 3.4T

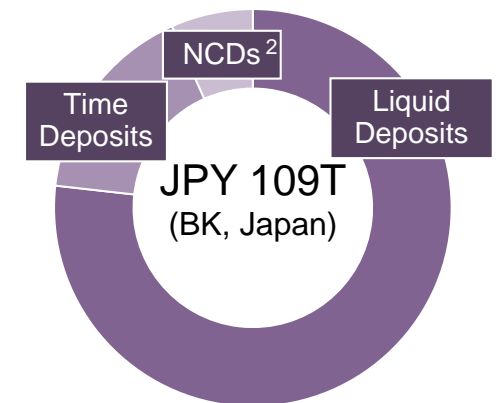
Other Assets	
JPY 91T (-JPY 4.3T)	
Cash and Due from Banks	JPY 42.9T

Deposits/NCDs <sup>2</sup>	
JPY 145T (+JPY 1.0T)	
JPY <sup>1</sup>	JPY 123T
Non-JPY <sup>1,3</sup>	USD 220.2B

Other Liabilities	
JPY 63T (+JPY 1.8T)	

Net Assets	
JPY 9T (+JPY 0.3T)	

## JPY Deposits<sup>1</sup>



o/w individual deposits:  
Approx. JPY 44T

Leverage Ratio: 4.95% (+0.12%)<sup>4</sup>

Liquidity Coverage Ratio<sup>5</sup>  
: 138.9% (+3.3%)

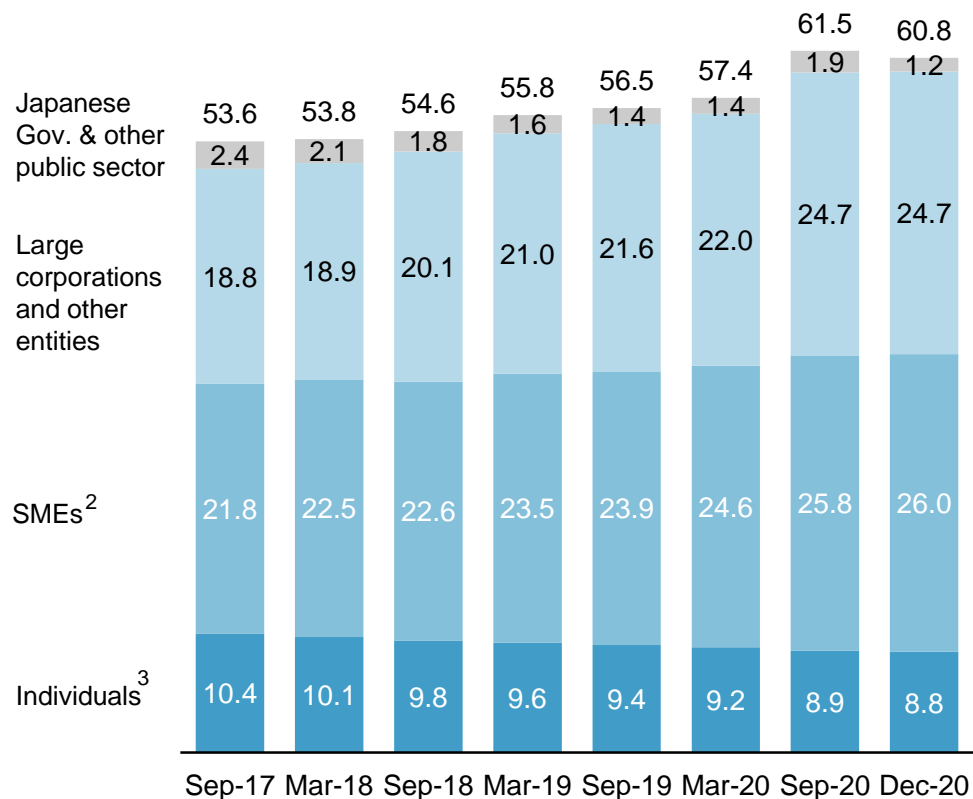
1. Management basis, rounded figures. 2. Negotiable Certificates of Deposit. 3. Customer Deposits. 4. Due to the amendment of the notification of Japan FSA, deposits to BoJ has been excluded from Total Exposure since Jun. 2020. (Before exclusion: Dec-20: 4.18%) 5. FY20 Q3 result, ( ) represents QoQ compared to FY20 Q2.

# Loans in Japan

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

2 Banks

(JPY T)

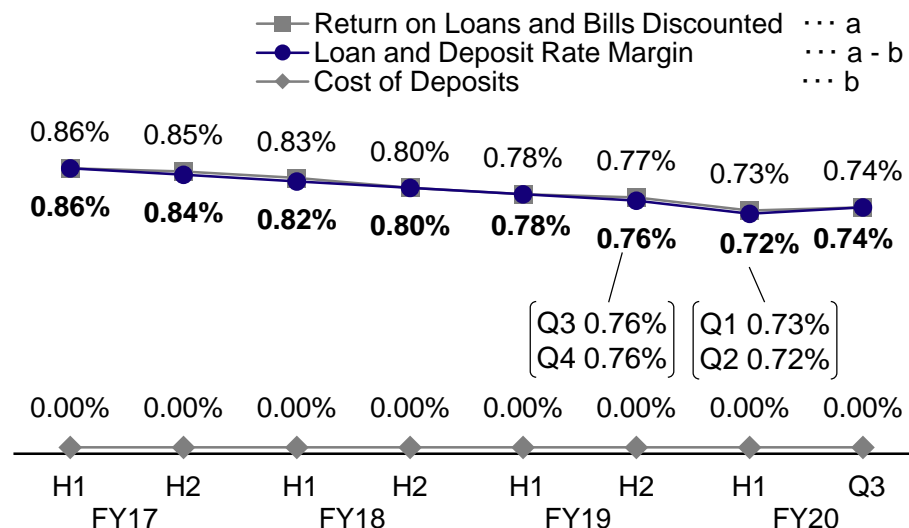


Avg. Balance

	FY17		FY18		FY19		FY20	
	H1	H2	H1	H2	H1	H2	H1	Q3
<b>Avg. Balance</b>	53.6	53.5	53.8	55.0	56.0	56.4	61.0	61.1

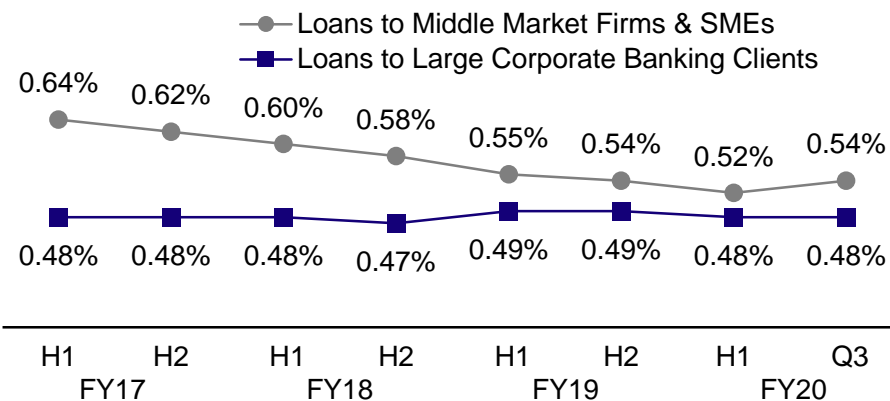
## Loan and Deposit Rate Margin<sup>4</sup>

2 Banks



## Loan Spread

BK, management accounting

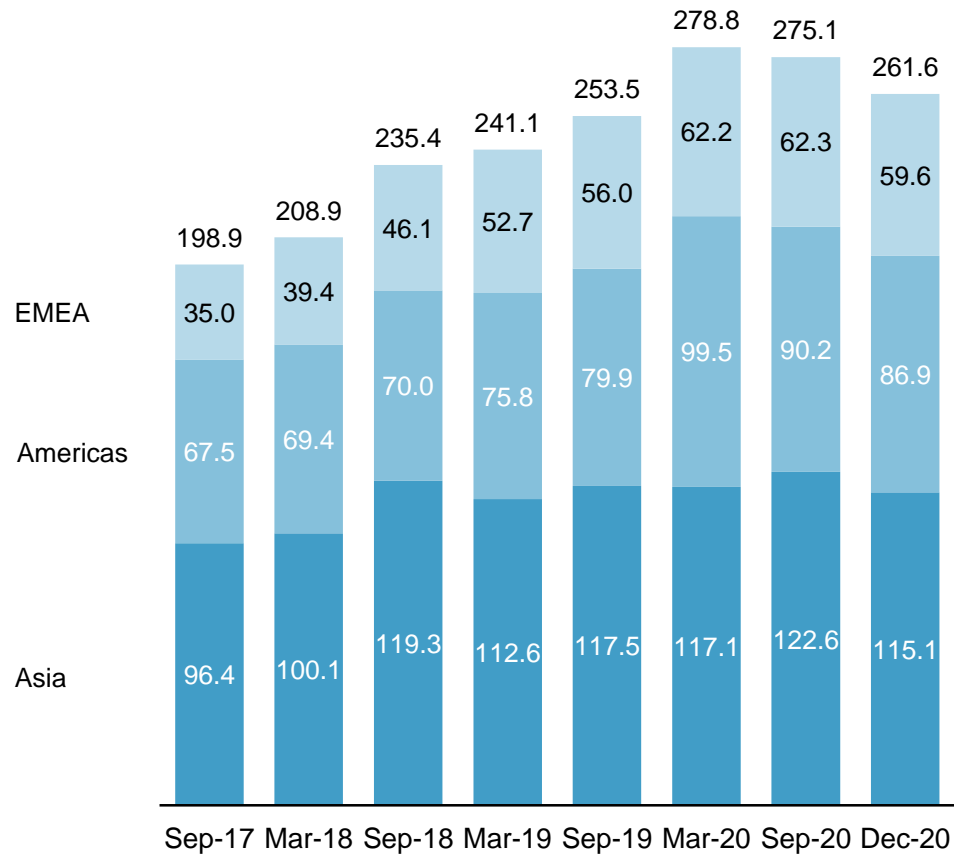


1. Excluding loans to FG. Banking account. 2. Calculated by deducting "Housing and Consumer Loans" from "Loans to SMEs and Individual Customers".  
3. Housing and Consumer Loans. 4. Domestic Operations, excluding loans to financial institutions (including FG) and the Japanese Government & other public sector.

# Loans outside Japan

## Loan Balance<sup>1, 2</sup> (Period-end Balance) BK, management accounting

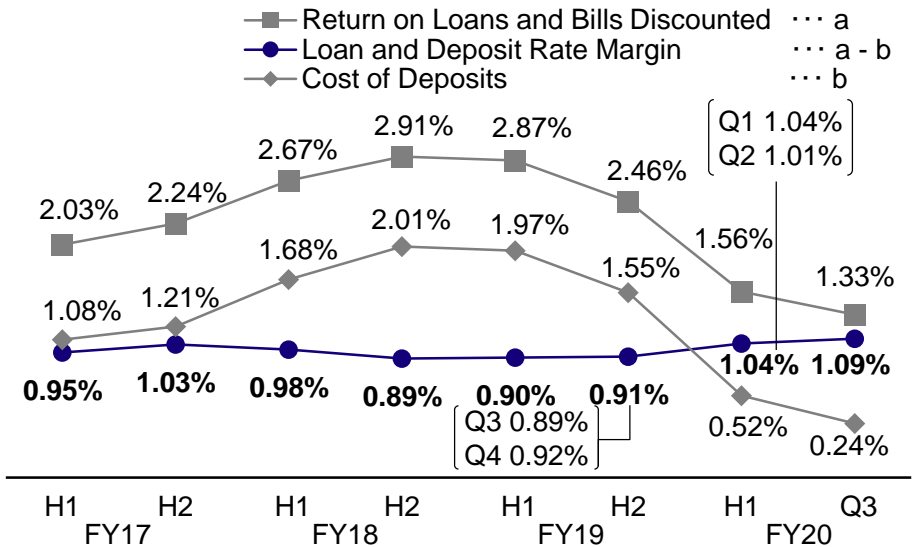
(USD B)



Avg. Balance	FY17		FY18		FY19		FY20	
	H1	H2	H1	H2	H1	H2	H1	Q3
	202.5	207.4	227.6	244.0	248.5	260.0	286.8	268.2

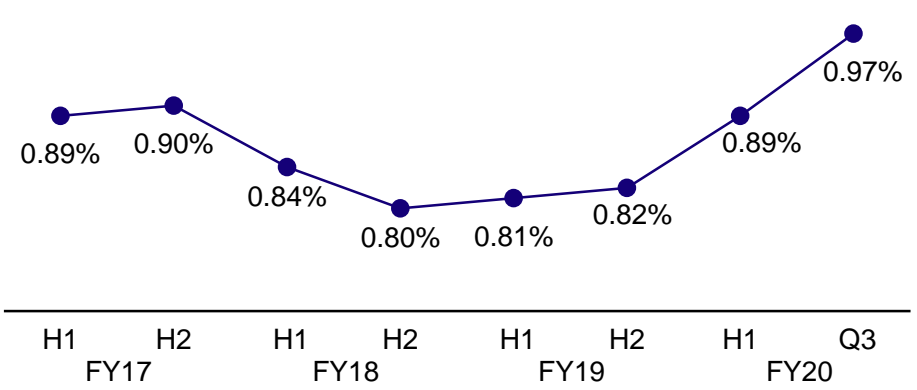
## Loan and Deposit Rate Margin

BK, Overseas



## Loan Spread<sup>1, 2</sup>

BK, management accounting

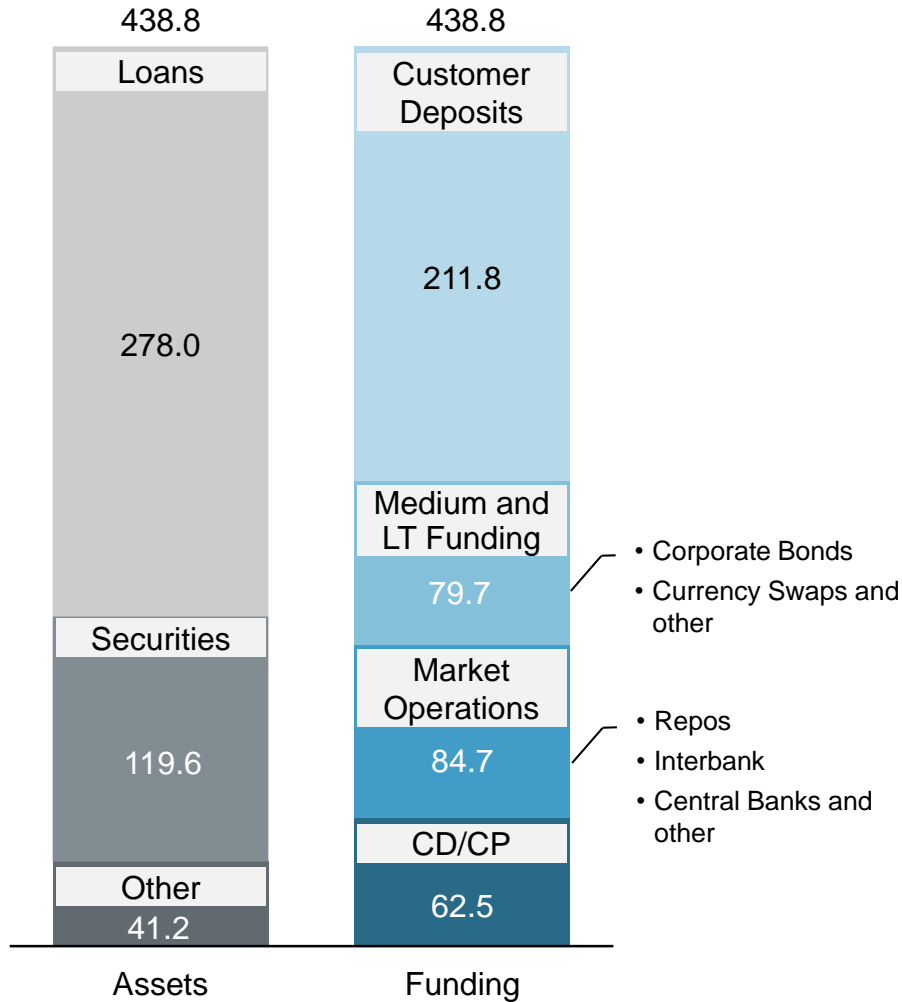


1. BK (including the subsidiaries in China, the US, the Netherlands, Indonesia, Malaysia, Russia, Brazil and Mexico) 2. Figures including past figures are recalculated based on the FY20 planned rate in USD.

# Non-JPY Funding

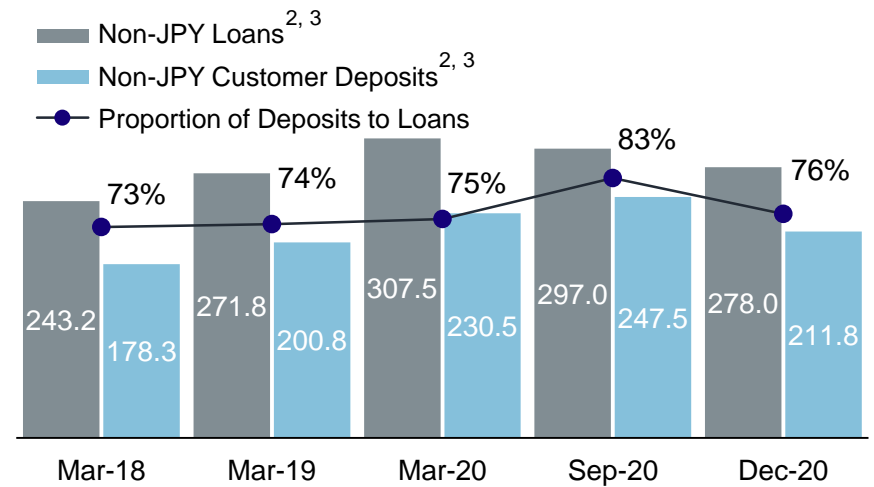
## Non-JPY Assets and Funding (Dec-20)

(USD B) BK<sup>1</sup>, management accounting

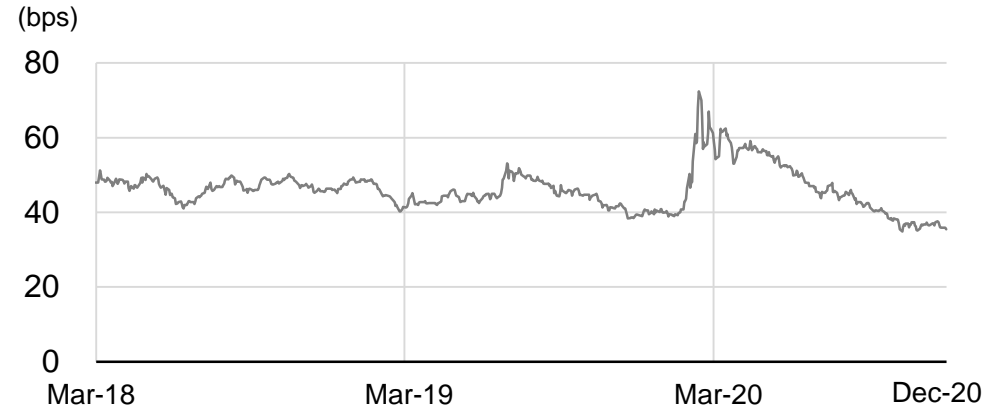


## Trends in Non-JPY Loans and Deposits

(USD B) BK<sup>1</sup>, management accounting



## Reference: 5 Year Currency Swap Rates (USD/JPY)



Source: Bloomberg

1. Including the banking subsidiaries in China, the US, the Netherlands, Indonesia and other.

2. Changed management accounting rules in FY20. Figures including past figures are recalculated based on the FY20 planned rate in USD.

3. Including Non-JPY loans/deposits in Japan.

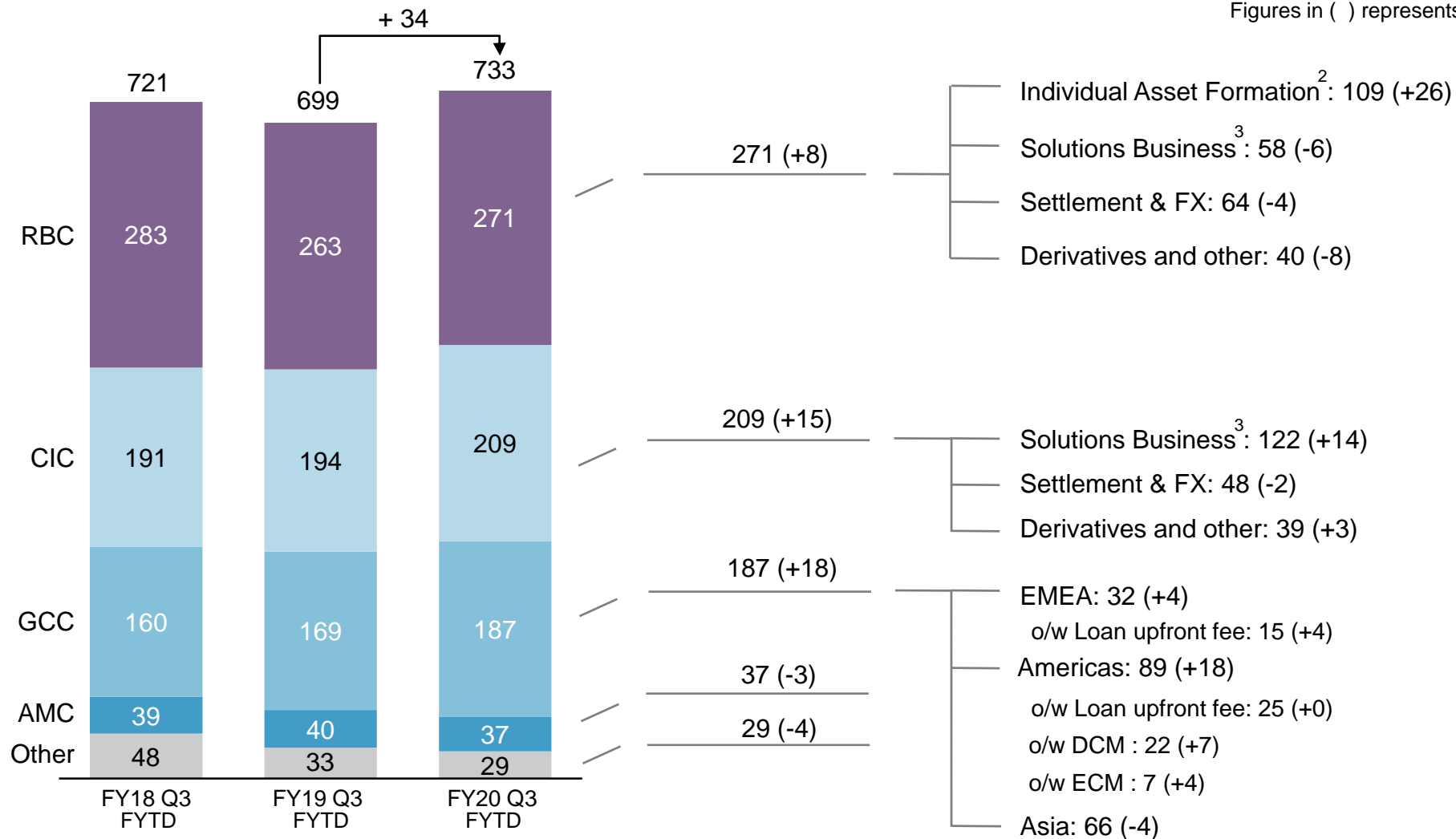
# Non-interest Income

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

Group aggregate, management accounting (rounded figures)

(JPY B)

Figures in ( ) represents YoY



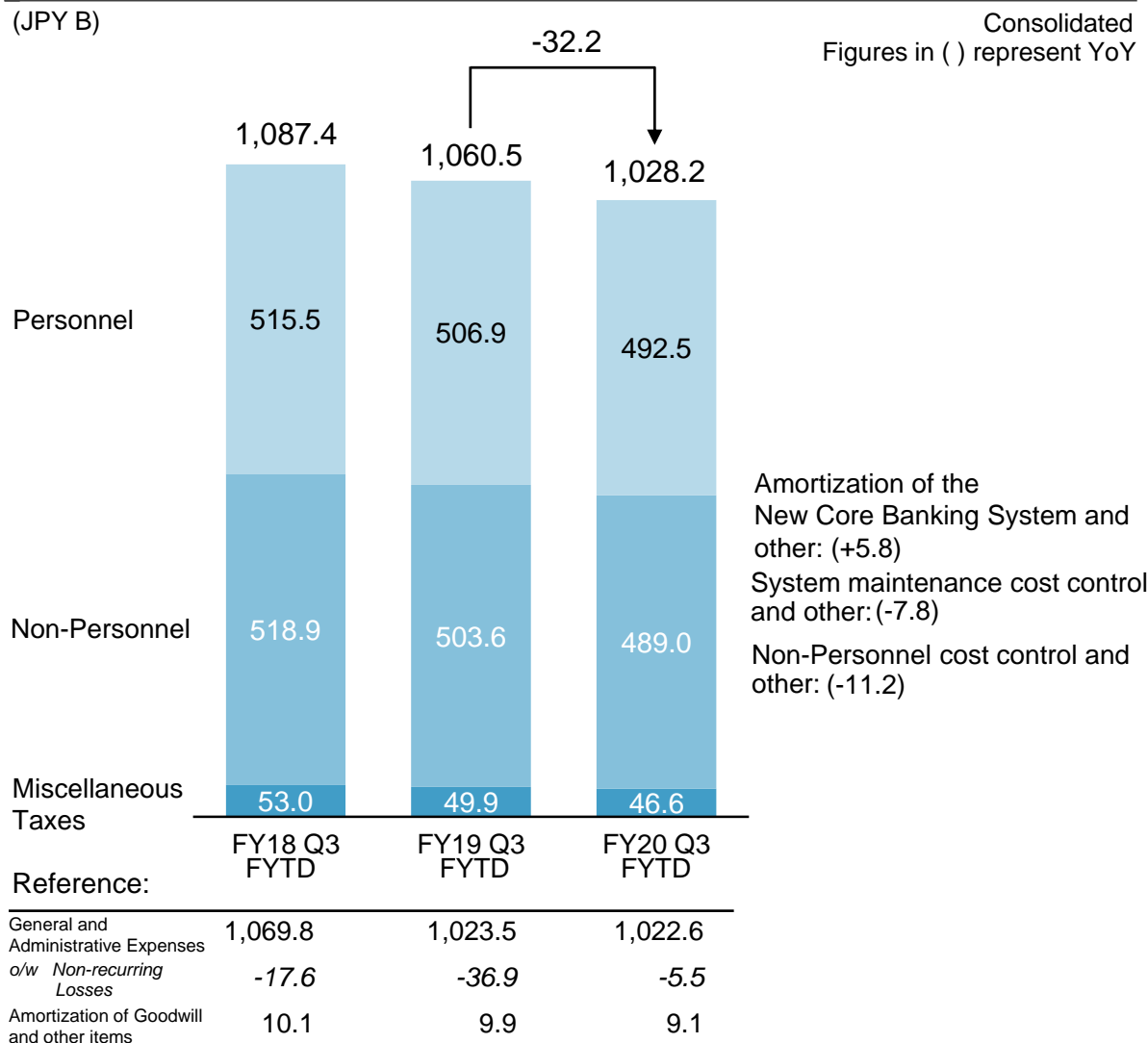
1. New management accounting rules were applied in FY20. Recalculated past figures based on FY20 planned rate and other factors such as expansion and refinement of range of consolidated subsidiaries under management accounting. The original figures before the recalculation were FY18 Q3 FYTD: JPY 720B and FY19 Q3 FYTD: JPY 703B.

2. BK investment trusts, annuities + SC individual segment, PB segment. 3. Including fee related to investment banking business and real estate brokerage.

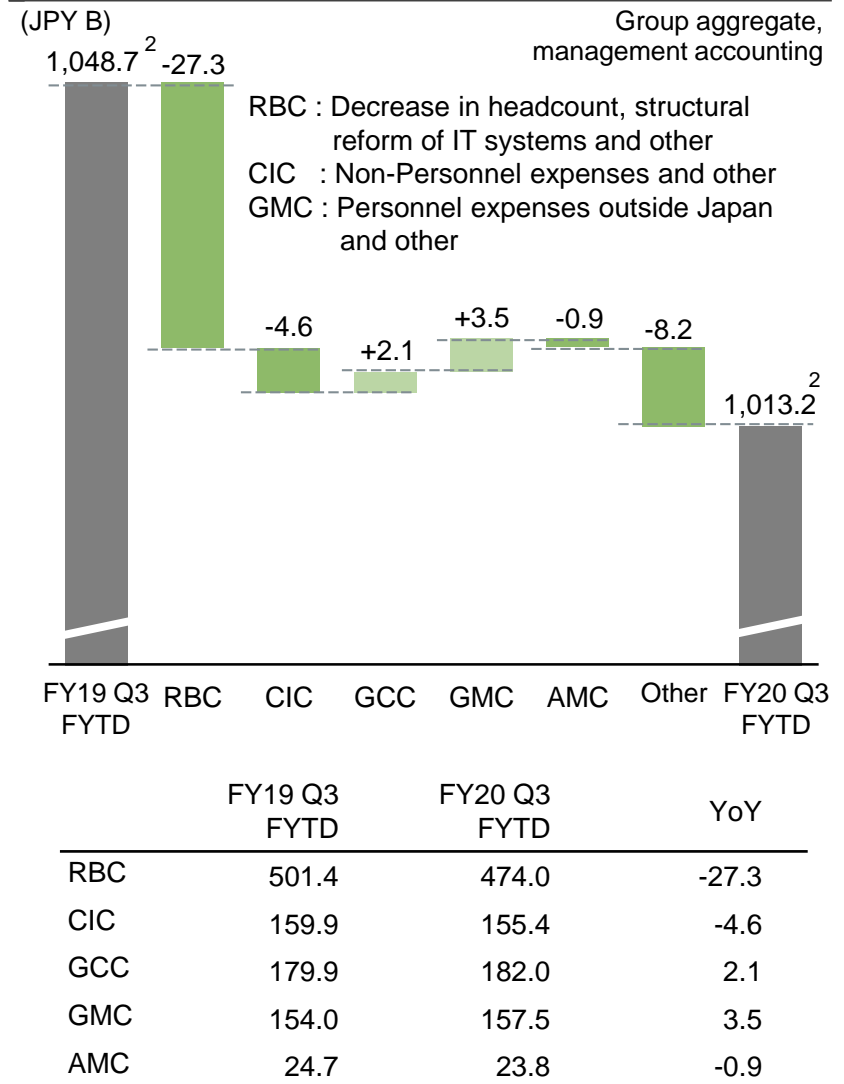


# General and Administrative Expenses

## General and Administrative Expenses (Excl. Non-recurring losses)



## Breakdown by In-house Company<sup>1</sup>



1. G&A Expenses (excl. Non-recurring Losses and others) – Amortization of Goodwill and other items.

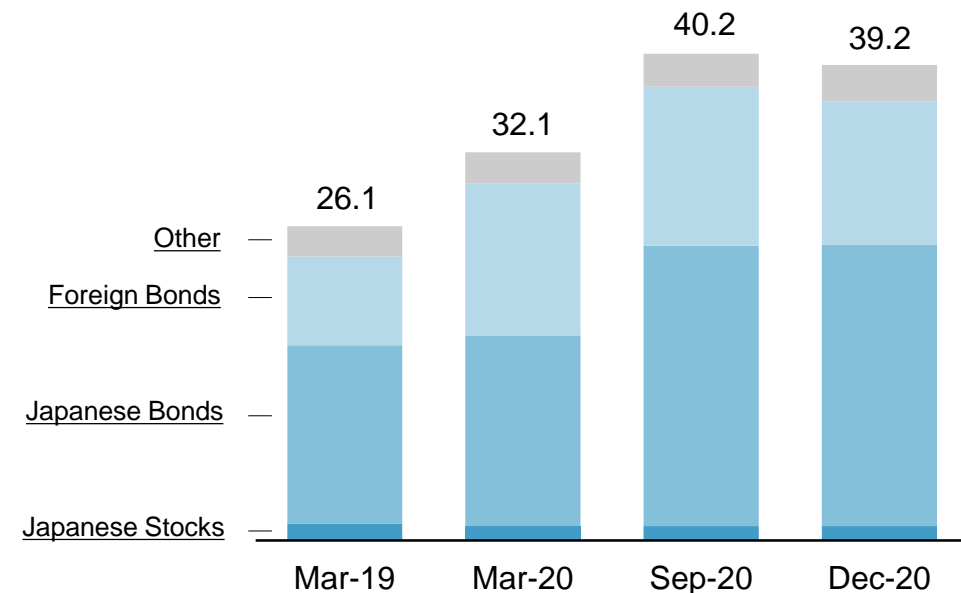
2. Difference between financial and management accounting is due to the range of consolidated subsidiaries calculated and adjustments of intercompany transactions and other.

# Securities Portfolio

## Balance of Other Securities<sup>1</sup>

Consolidated  
Acquisition cost basis

(JPY T)

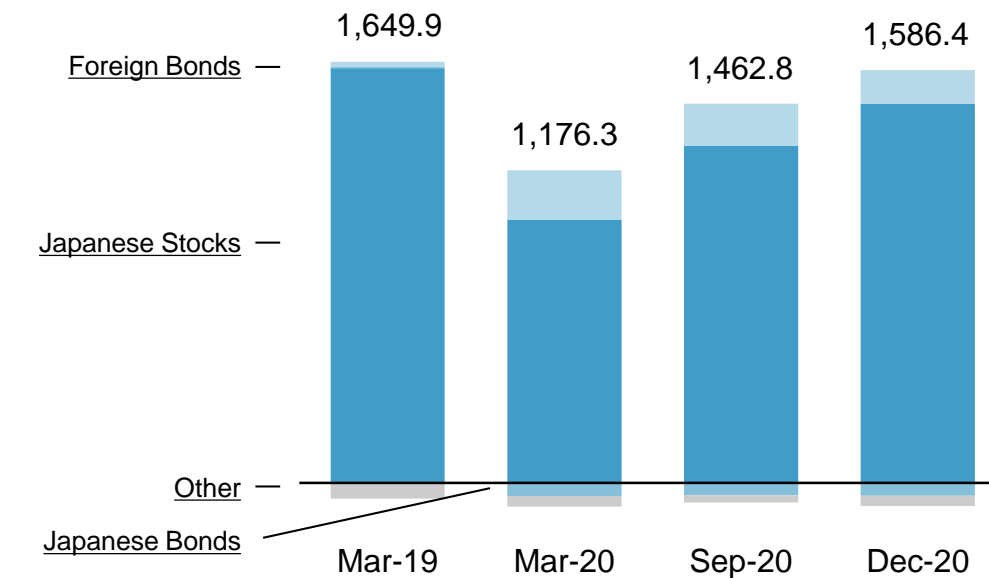


	Mar-19	Mar-20	Sep-20	Dec-20
Japanese Stocks	1.4	1.2	1.2	1.2
Japanese Bonds	14.7	15.7	23.1	23.2
o/w JGB	11.8	12.6	19.9	19.9
Foreign Bonds	7.3	12.5	13.1	11.8
o/w Debt Securities issued in US <sup>2, 3</sup>	2.1	8.0	9.0	7.8
Other	2.5	2.6	2.7	3.0
o/w bear funds <sup>4</sup>	-	0.8	0.8	0.8
o/w Investment Trusts and other	2.5	1.8	1.9	2.1

## Unrealized Gains/Losses on Other Securities<sup>1, 5</sup>

Consolidated

(JPY B)

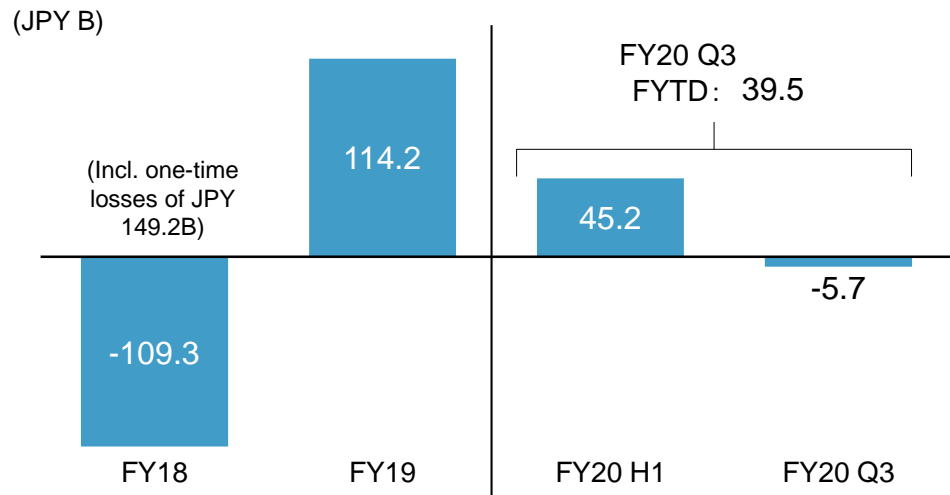


	Mar-19	Mar-20	Sep-20	Dec-20
Japanese Stocks	1,687.6	1,071.5	1,371.5	1,543.3
Japanese Bonds	5.2	-54.1	-50.5	-52.7
o/w JGB	5.9	-44.0	-44.6	-44.6
Foreign Bonds	21.7	200.9	171.5	136.5
o/w Debt Securities issued in US <sup>2, 3</sup>	5.1	234.4	170.1	132.5
Other	-64.6	-42.0	-29.6	-40.8
o/w bear funds <sup>4</sup>	-	86.2	-46.5	-149.1
o/w Investment Trusts and other	-64.6	-128.2	16.9	108.3

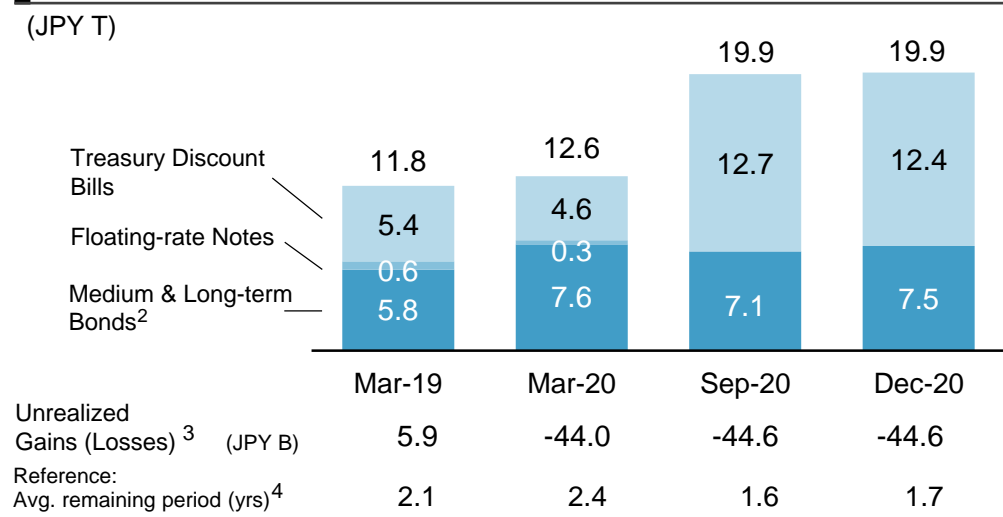
1. Other Securities which have readily determinable fair values. Excluding Investments in Partnership. 2. UST/GSE Bonds. 3. 2 Banks. 4. Hedging transactions aiming to fix unrealized gains on Japanese stocks. 5. Changes in value to be recorded directly to Net Assets after tax and other necessary adjustments. From Sep-20 to Dec-20: Calculated based on the quoted market price if available, or other reasonable value at the end of the month. From Mar-19 to Mar-20: Japanese Stocks were calculated based on the average market price of the respective month. Others are calculated based on the quoted market price if available, or other reasonable value, at the respective period end.

# Securities Portfolio (Bonds)

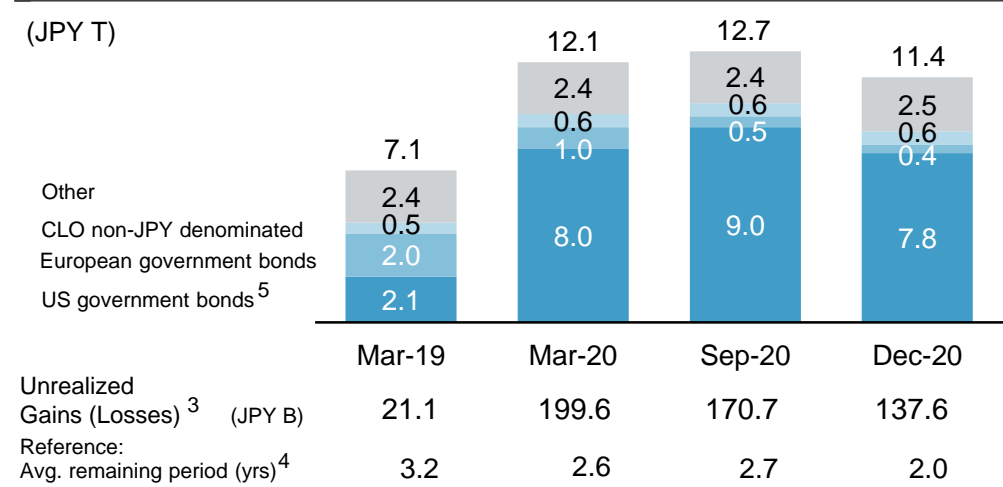
## Net Gains (Losses) related to Bonds Consolidated



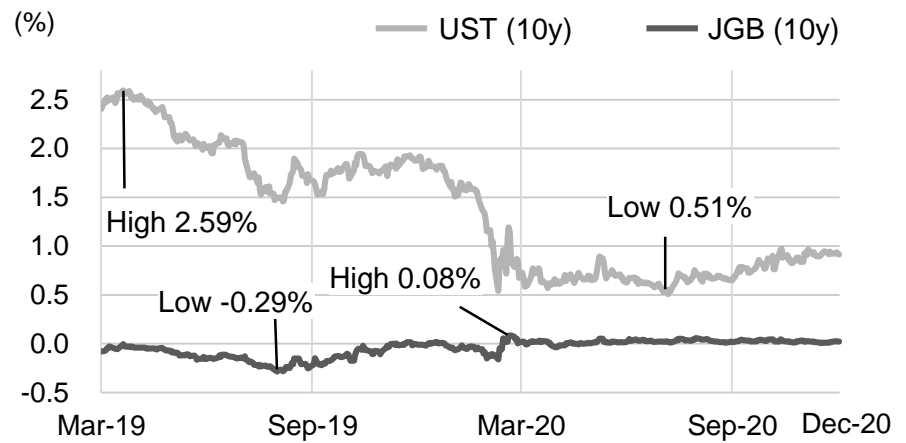
## JGB Portfolio<sup>1</sup> 2 Banks Acquisition cost basis



## Foreign Bond Portfolio<sup>1</sup> 2 Banks Acquisition cost basis



### Reference: Interest Rate Trends in and outside Japan

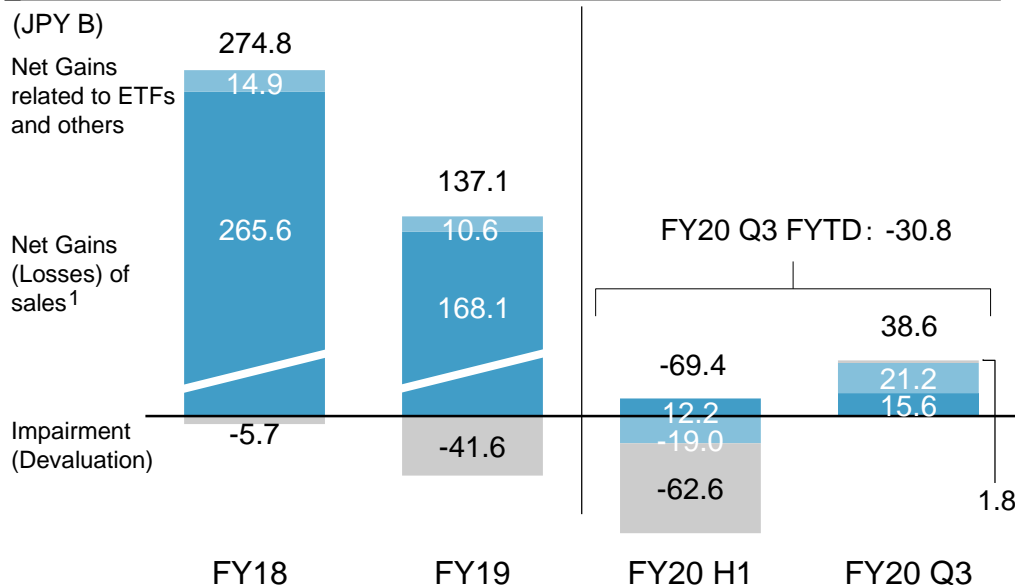


1. Other Securities which have readily determinable fair values. 2. Including bonds with remaining period of one year or less. 3. Changes in value to be recorded directly to Net Assets after tax and other necessary adjustments. Calculated based on the quoted market price if available, or other reasonable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

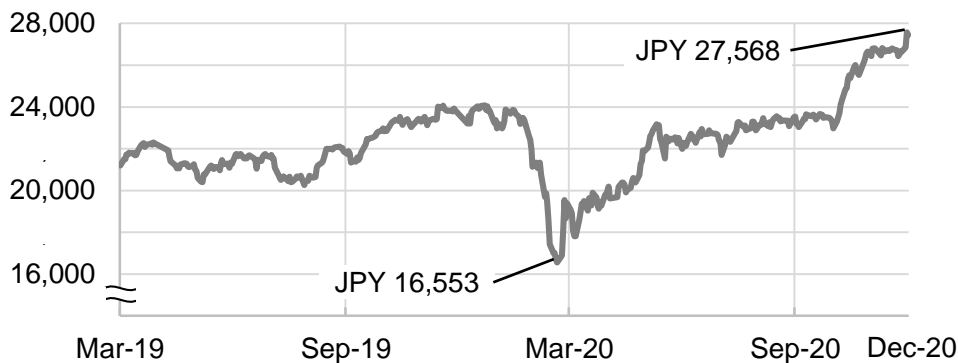
# Securities Portfolio (Stocks)

## Net Gains (Losses) related to Stocks

Consolidated



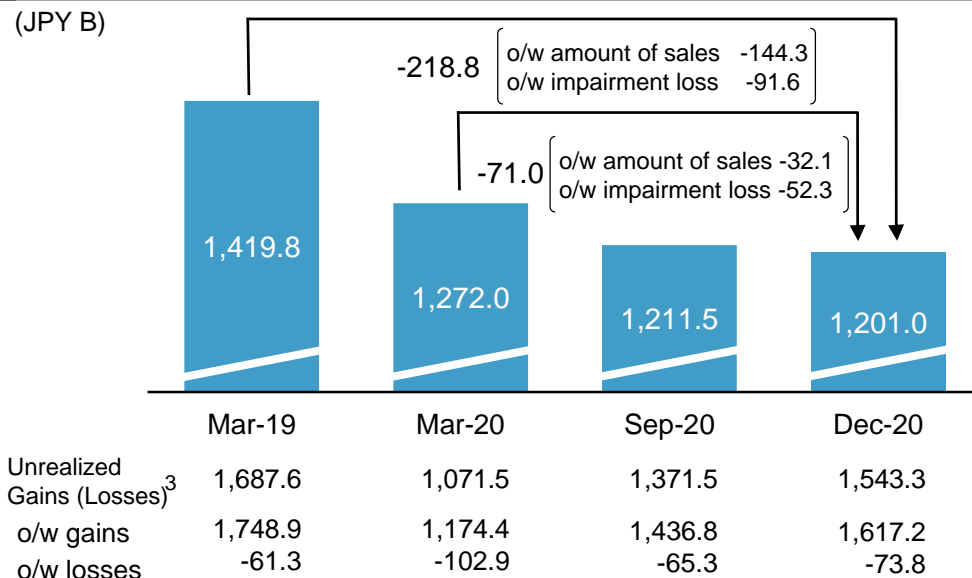
Reference: Nikkei 225



1. Net Gains (Losses) on sale of stocks + Gains (Losses) on Derivatives. 2. Other Securities which have readily determinable fair values. 3. Changes in value to be recorded directly to Net Assets after tax and other necessary adjustments. Based on the average market price of the respective month and other.

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

Consolidated Acquisition cost basis



## Policy for cross-shareholdings reduction

### Basic Policy

- ✓ Unless we consider these holdings to be meaningful, we will not hold the shares, which reflects the potential impact on our financial position associated with stock market volatility risk.
- ✓ Even though we consider the holdings to be meaningful, we will also reduce them through dialogue with the issuing companies.

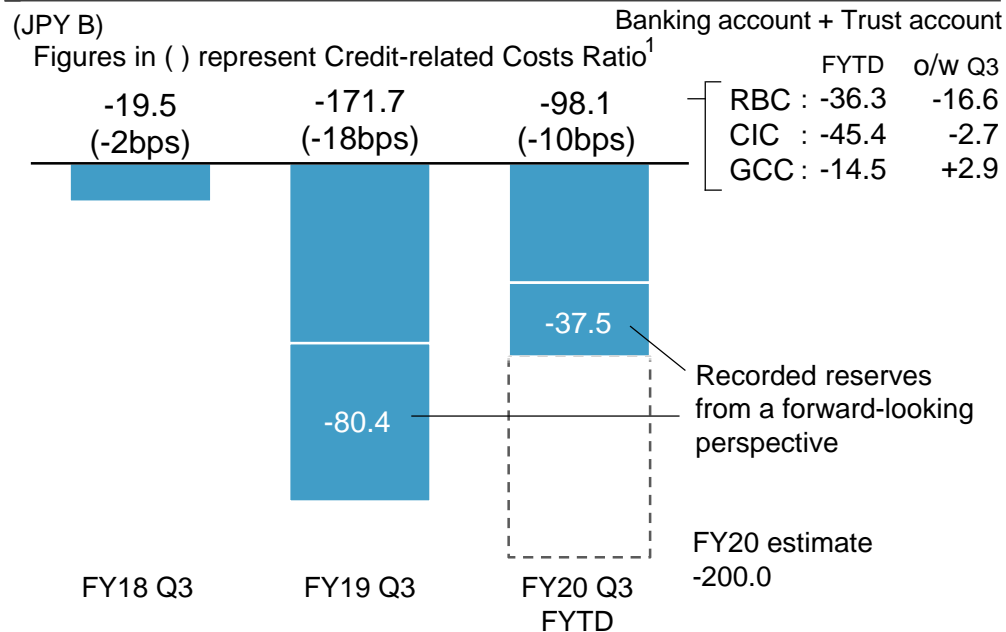
### Reduction Plan

Target (by Mar-22) **-JPY 300B**  
(Compared to Mar-19)

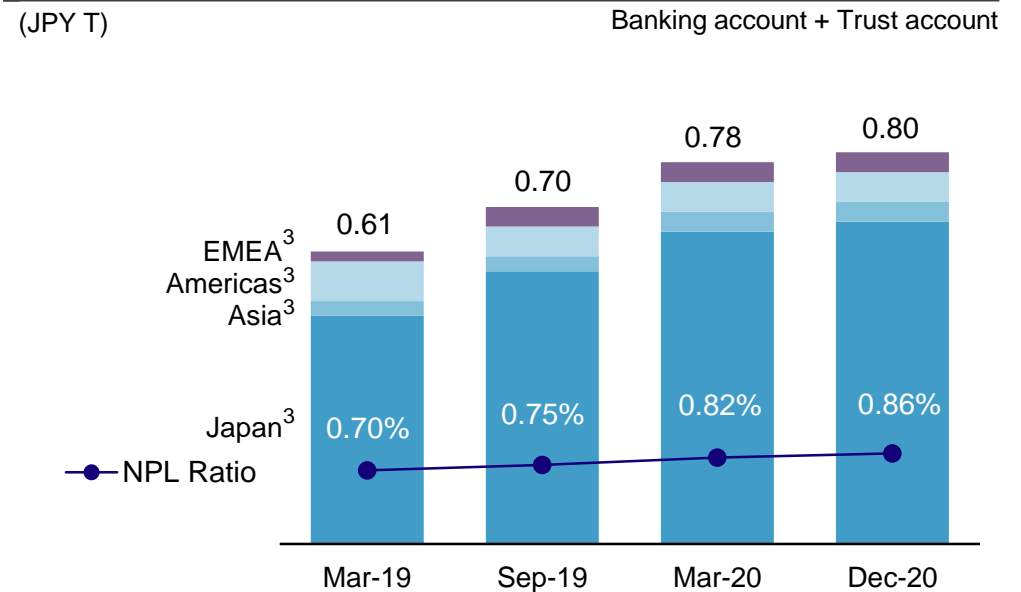
Progress of reduction **-JPY 218.8B**  
Progress rate **72%**

# Asset Quality

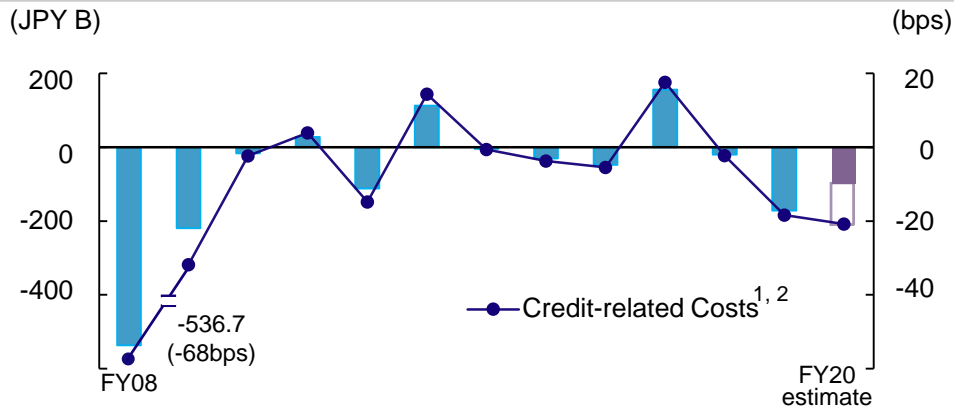
## Credit-related Costs



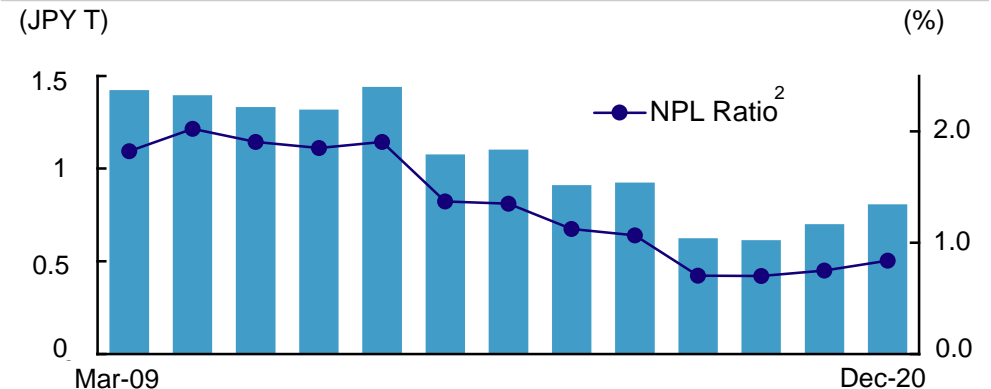
## Non Performing Loans based on FRA



Reference Past figures



Reference Past figures



1. Ratio of Credit-related Costs against Total Claims (based on the Financial Reconstruction Act (FRA)). Ratio of Credit-related Costs against Total Claims (including Trust Account).  
 2. Figures before FY13 was calculated by using Total Claims of aggregate for ex-BK, ex-CB and ex-TB on a non-consolidated basis. 3. Representative main branch basis.

# Loan Portfolio Outside Japan

## Loan Portfolio Outside Japan (Dec-20)

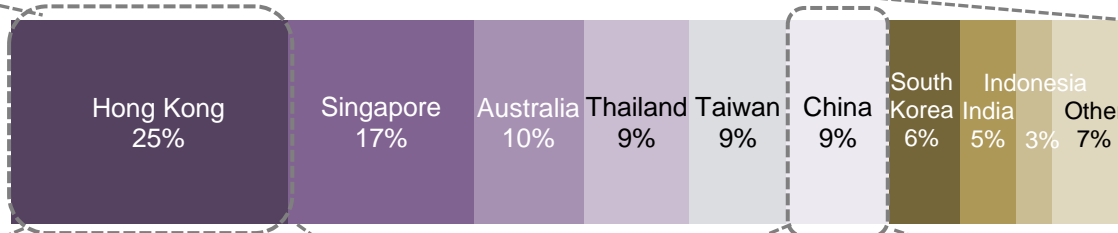
BK<sup>1</sup>

GCC management accounting basis

Total: USD 261.6B

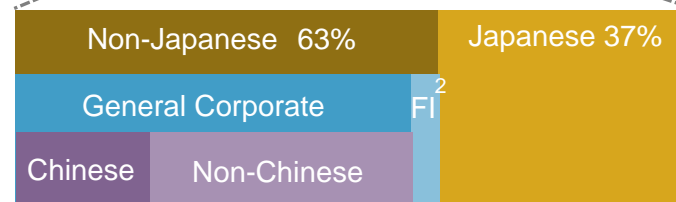
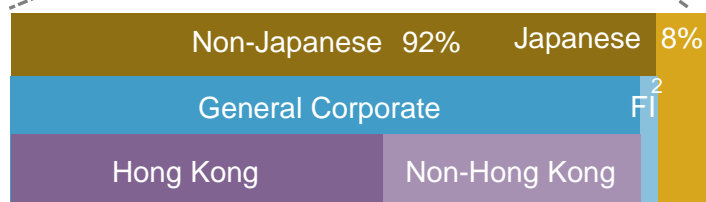


Asia/Oceania:  
USD 115.1B



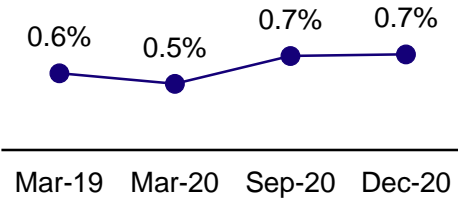
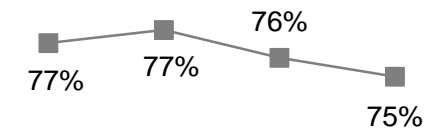
Hong Kong: USD 28.5B

China: USD 10.5B



### Quality of Loan Portfolio

- Investment Grade and equivalent ratio
- NPL Ratio



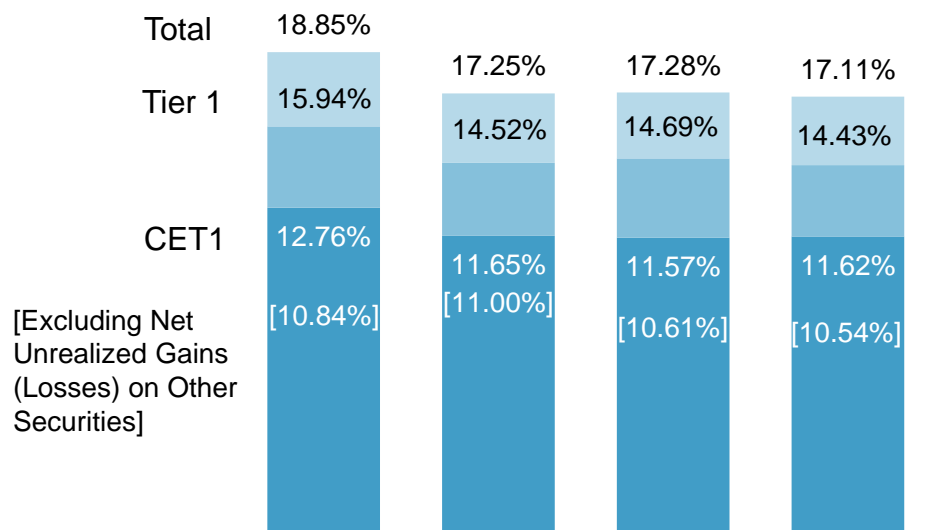
1. Including banking subsidiaries outside Japan. 2. Financial Institutions.

# Basel Regulatory Disclosures (1)

## Capital Ratio

Consolidated

(JPY B)

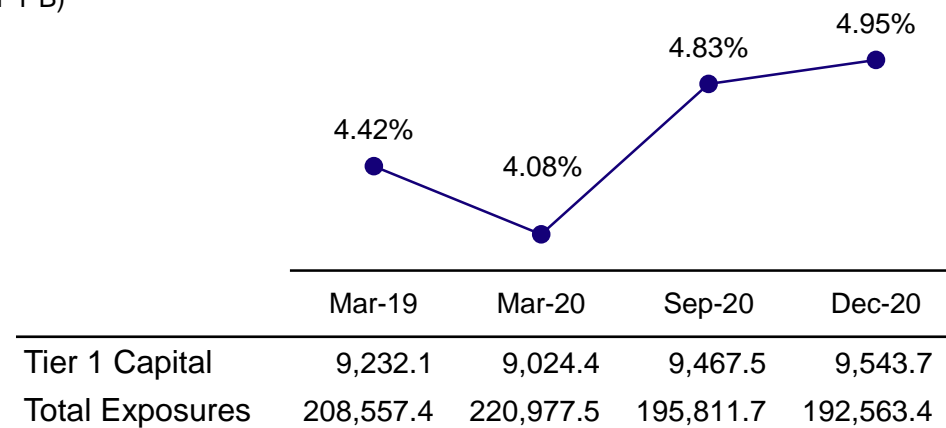


	Mar-19	Mar-20	Sep-20	Dec-20
CET1 Capital <sup>1</sup>	7,390.0	7,244.7	7,452.6	7,684.1
AT1 Capital <sup>2</sup>	1,842.1	1,779.6	2,014.8	1,859.6
Tier 1 Capital	9,232.1	9,024.4	9,467.5	9,543.7
Tier 2 Capital	1,685.3	1,697.8	1,665.2	1,772.4
Total Capital	10,917.5	10,722.2	11,132.7	11,316.1
Risk Weighted Assets	57,899.5	62,141.2	64,404.9	66,124.7
CET1 Capital Ratio (Basel III Finalization basis) <sup>3</sup>	8.2%	8.8%	8.8%	8.9%

## Leverage Ratio<sup>4</sup>

Consolidated

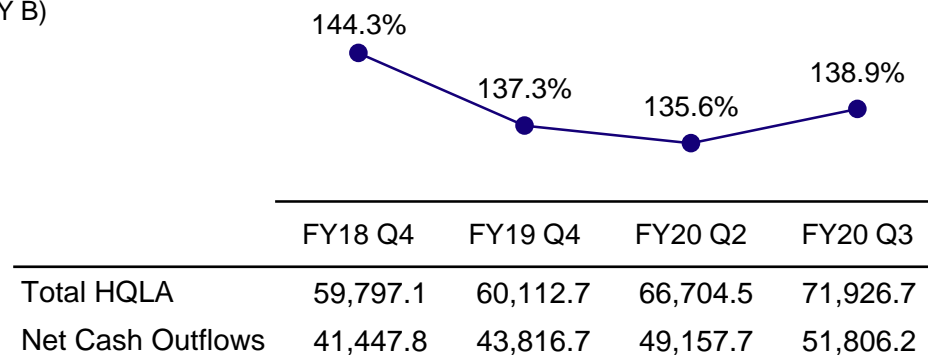
(JPY B)



## Liquidity Coverage Ratio (LCR)

Consolidated

(JPY B)

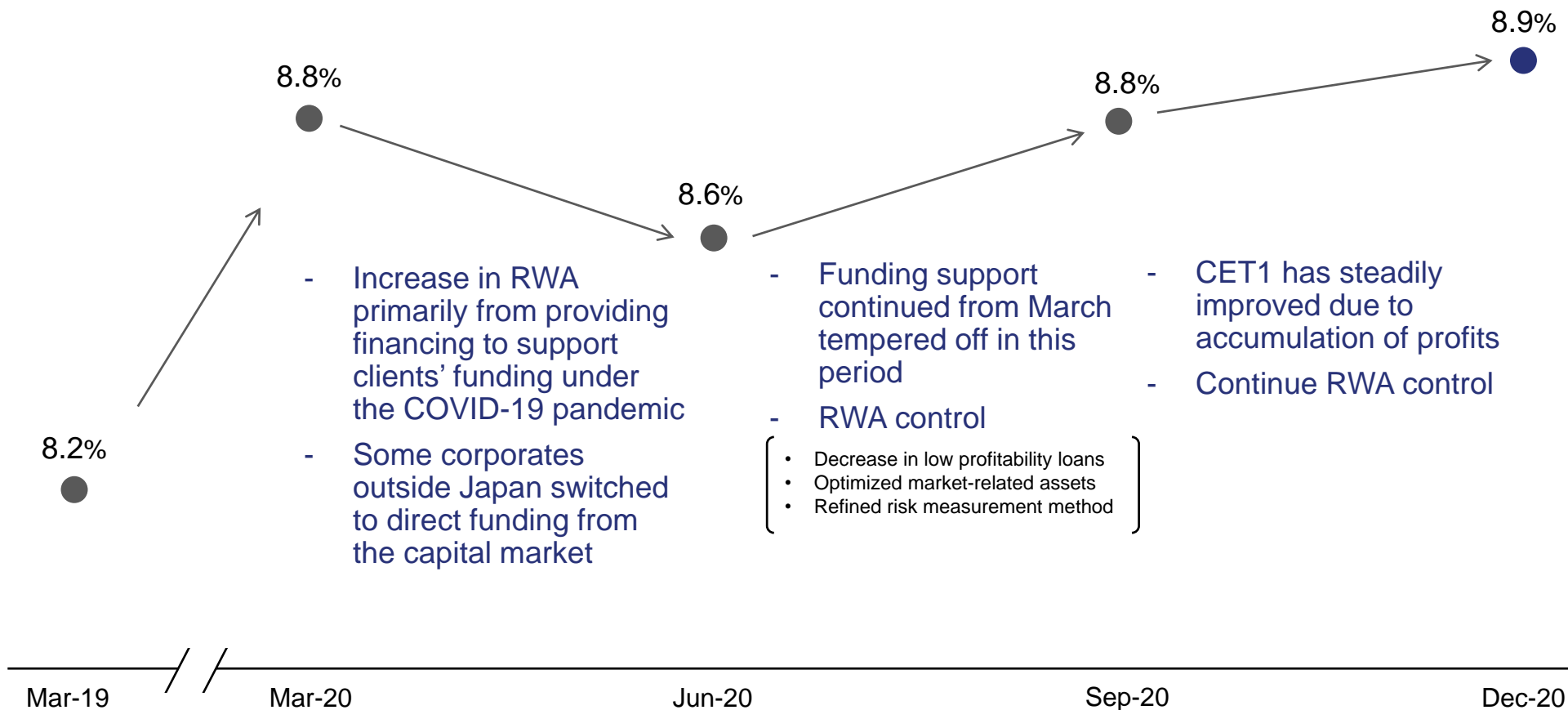


1. Common Equity Tier 1 Capital. 2. Additional Tier 1 Capital. 3. Excluding Net Unrealized Gains (Losses) on Other Securities.

4. Due to the amendment of the notification of Japan FSA, deposits to BoJ has been excluded from Total Exposure since Sep. 2020. (Before exclusion: Sep-20: 4.07%, Dec-20: 4.18%)

# Basel Regulatory Disclosures (2)

## CET1 capital ratio (Basel III finalization basis, excluding Net Unrealized Gains (Losses) on Other Securities)





# Reference: Initiatives responding to COVID-19

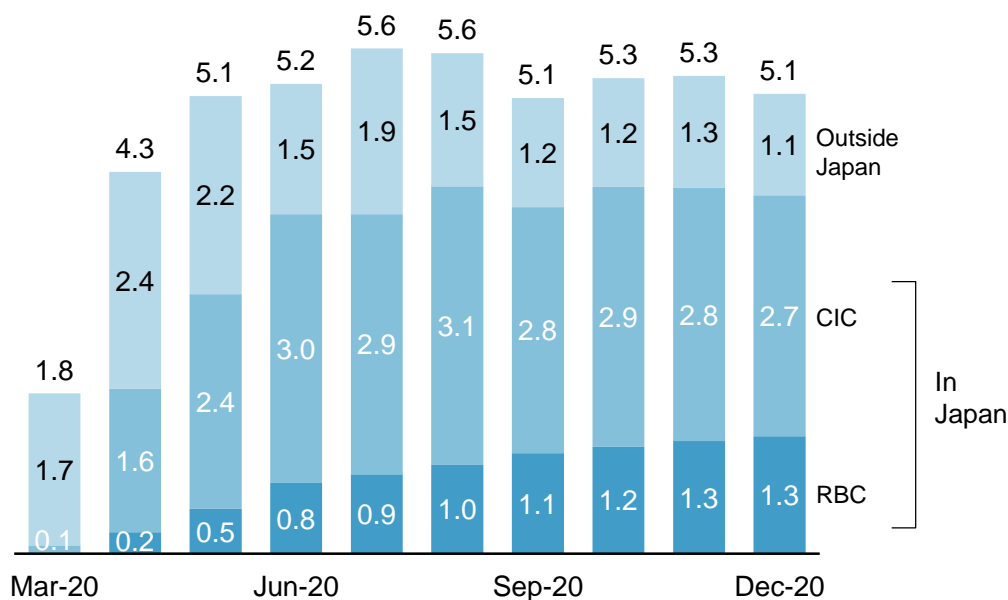
## Leveraging financial intermediary functions and other

- Support clients' business structure transformation with an eye towards the post-COVID-19 world, by leveraging the strengths of collaboration across BK, TB, and SC and industry insight.
- Steadily support clients whose business performance and funding are expected to be negatively impacted by the re-expansion of COVID-19.

COVID-19-related loans (period-end balance)

management accounting

(JPY T)



1. BK, YoY (Q3 FYTD). 2. Total of address changes and reissuance of cards and bankbooks.

## Ensuring business continuity in light of our role in financial infrastructure

- Ensuring business continuity as a provider of financial infrastructure, an essential part of society, while strengthening infection prevention against COVID-19.
- Thoroughly utilizing remote work from home and satellite offices (9 locations) which utilize branches, and split operation mainly for the Head Office.

### Preventing infections at branches

BK

Reduction in staff	<b>-50%</b>
Completion of transaction with tablets	<b>All 348 branches</b>

### Increasing digital transactions

No.<sup>1</sup>

Bank account openings (via mobile app)	<b>+73%</b>
Investment trust contracts (via online)	<b>+40%</b>
Other requests (via online) <sup>2</sup>	<b>+31%</b>

# Definitions

## Abbreviations

FG	: Mizuho Financial Group, Inc.	RBC	: Retail & Business Banking Company
BK	: Mizuho Bank, Ltd.	CIC	: Corporate & Institutional Company
TB	: Mizuho Trust & Banking Co., Ltd.	GCC	: Global Corporate Company
SC	: Mizuho Securities Co., Ltd.	GMC	: Global Markets Company
AM One	: Asset Management One Co., Ltd.	AMC	: Asset Management Company
IR	: Mizuho Information & Research Institute, Inc.	GPU	: Global Products Unit
RI	: Mizuho Research Institute Ltd.	RCU	: Research & Consulting Unit
		FYTD	: Fiscal year to date

## Definitions

- 2 Banks : BK + TB on a non-consolidated basis (financial accounting).
- Group aggregate : BK + TB + SC + AM One + other major subsidiaries on a non-consolidated basis (management accounting).
- Company management basis : Figure of the respective in-house company (management accounting).
- Consolidated Net Business Profits : Consolidated Gross Profits – G&A Expenses (excl. Non-Recurring Losses).  
+ Equity in Income from Investments in Affiliates and certain other consolidation adjustments.
- Net Business Profits by In-house Company : Gross Profits - G&A Expenses (excluding Non-Recurring Losses)  
+ Equity in Income from Investments in Affiliates - Amortization of Goodwill and other items.
- Net Gains (Losses) related to ETFs and others : Net Gains (Losses) related to ETFs (2 Banks) + Net Gains on Operating Investment Securities (SC Consolidated).
- Net Income Attributable to FG : Profit Attributable to Owners of Parent.
- Internal risk capital : Risk capital calculated taking account of factors such as regulatory risk-weighted assets (RWA) and interest rate risk in the banking account (management accounting).
- Consolidated ROE : Calculated dividing Net Income by (Total Shareholders' Equity + Total Accumulated Other Comprehensive Income (excluding Net Unrealized Gains (Losses) on Other Securities)).
- ROE by In-house Company : Calculated dividing Net Income by each company's internal risk capital.
- CET1 Capital Ratio (current regulations basis, excluding Net Unrealized Gains (Losses) on Other Securities) : Net Unrealized Gains (Losses) on Other Securities and its associated Deferred Gains or Losses on Hedges are excluded from the numerator and RWA associated with Net Unrealized Gains (Losses) on Other Securities (stocks) are excluded from the denominator. Includes the effect of partially fixing unrealized gains on Japanese stocks through hedging transactions.
- CET1 Capital Ratio (Basel III finalization basis, excluding Net Unrealized Gains (Losses) on Other Securities) : Basel III finalization fully-effective basis. In addition to the above adjustment, the capital floor is also calculated after deducting the associated reserves from RWA using the standard approach.

This presentation 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: impact of the corona virus pandemic; 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; impairment of the carrying value of our long-lived assets; problems related to our information technology systems, including as a result of cyber attacks; the effect of financial transactions entered into for hedging and other similar purposes; failure to maintain required capital adequacy ratio levels and meet other financial regulatory requirements; downgrades in our credit ratings; our ability to avoid reputational harm; our ability to implement our 5-Year Business Plan 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 28, 2020, 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.

## Foreign exchange rate

Financial accounting (TTM at the respective period end)

	Dec-19	Mar-20	Dec-20
USD/JPY	109.55	108.83	103.52
EUR/JPY	122.51	119.65	126.99

Management accounting (Revised planned rate)

	FY20
USD/JPY	107.00
EUR/JPY	126.36