

Composition of Capital Disclosure

Mizuho Financial Group
As of December 31, 2015

【Consolidated】

(in million yen, in percentage)

Basel III Template No.	Items	As of December 31, 2015	Amounts excluded under transitional arrangements	As of September 30, 2015	Amounts excluded under transitional arrangements
Common Equity Tier 1 capital: instruments and reserves (1)					
1a+2-1c-26	Directly issued qualifying common share capital plus related stock surplus and retained earnings	6,266,460		6,128,579	
1a	of which: capital and stock surplus	3,224,996		3,223,128	
2	of which: retained earnings	3,045,178		3,004,162	
1c	of which: treasury stock (-)	3,713		4,031	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	-		94,680	
	of which: other than above	-		-	
1b	Subscription rights to common shares	2,762		2,762	
3	Accumulated other comprehensive income and other disclosed reserves	724,237	1,086,356	683,133	1,024,700
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	12,112		11,789	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to phase-out arrangements	52,040		52,353	
	of which: amount allowed in group CET1 capital subject to phase-out arrangements on common share capital issued by subsidiaries and held by third parties	52,040		52,353	
6	Common Equity Tier 1 capital: instruments and reserves (A)	7,057,613		6,878,618	
Common Equity Tier 1 capital: regulatory adjustments (2)					
8+9	Total intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	223,047	334,571	205,731	308,597
8	of which: goodwill (net of related tax liability, including those equivalent)	20,631	30,947	16,064	24,096
9	of which: other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	202,415	303,623	189,667	284,500
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	4,226	6,339	4,731	7,097
11	Deferred gains or losses on derivatives under hedge accounting	19,619	29,429	23,642	35,463
12	Shortfall of eligible provisions to expected losses	11,525	17,215	16,047	23,976
13	Securitization gain on sale	38	57	40	61
14	Gains and losses due to changes in own credit risk on fair valued liabilities	593	890	516	774
15	Net defined benefit asset	213,668	320,503	209,811	314,717
16	Investments in own shares (excluding those reported in the net assets section)	2,005	3,008	930	1,395
17	Reciprocal cross-holdings in common equity	-	-	-	-
18	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 the 10% threshold)	60,955	91,433	78,353	117,530
19+20+21	Amount exceeding the 10% threshold on specified items	-	-	-	-
19	of which: significant investments in the common stock of financials	-	-	-	-
20	of which: mortgage servicing rights	-	-	-	-
21	of which: deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-	-
22	Amount exceeding the 15% threshold on specified items	-	-	-	-
23	of which: significant investments in the common stock of financials	-	-	-	-
24	of which: mortgage servicing rights	-	-	-	-
25	of which: deferred tax assets arising from temporary differences (net of related tax liability)	-	-	-	-
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-		-	
28	Common Equity Tier 1 capital: regulatory adjustments (B)	535,680		539,805	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B) (C))	6,521,932		6,338,812	
Additional Tier 1 capital: instruments (3)					
30	31a Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as equity under applicable accounting standards and the breakdown	-		-	
	31b Subscription rights to Additional Tier 1 instruments	-		-	
	32 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	300,000		300,000	
	Qualifying Additional Tier 1 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities	-		-	
34-35	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1)	31,703		29,117	
33+35	Eligible Tier 1 capital instruments subject to phase-out arrangements included in Additional Tier 1 capital: instruments	1,192,029		1,193,555	
33	of which: directly issued capital instruments subject to phase out from Additional Tier 1	1,192,029		1,193,555	
35	of which: instruments issued by subsidiaries subject to phase out	-		-	
	Total of items included in Additional Tier 1 capital: instruments subject to phase-out arrangements	(32,396)		(26,251)	
	of which: foreign currency translation adjustments	(32,396)		(26,251)	
36	Additional Tier 1 capital: instruments (D)	1,491,336		1,496,421	
Additional Tier 1 capital: regulatory adjustments					
37	Investments in own Additional Tier 1 instruments	-	-	-	-
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	-	-	-
39	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 common share capital of the entity (amount above 10% threshold)	105	158	177	265
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	58,817	88,225	58,370	87,555
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to phase-out arrangements	39,046		34,349	
	of which: goodwill equivalent	14,083		5,487	
	of which: intangible fixed assets recognized as a result of a merger	16,261		16,764	
	of which: capital increase due to securitization transactions	57		61	
	of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach	8,644		12,035	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-	
43	Additional Tier 1 capital: regulatory adjustments (E)	97,969		92,896	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital ((D)-(E) (F))	1,393,366		1,403,524	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F) (G))	7,915,298		7,742,337	

[Consolidated]

(in million yen, in percentage)

Basel III Template No.	Items	As of December 31, 2015	Amounts excluded under transitional arrangements	As of September 30, 2015	Amounts excluded under transitional arrangements
Tier 2 capital: instruments and provisions (4)					
	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as equity under applicable accounting standards and the breakdown	-	-	-	-
	Subscription rights to Tier 2 instruments	-	-	-	-
46	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	325,405	-	200,000	-
	Tier 2 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities	180,810	-	179,955	-
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	9,835	-	9,190	-
47+49	Eligible Tier 2 capital instruments subject to phase-out arrangements included in Tier 2: instruments and provisions	993,048	-	1,031,810	-
47	of which: directly issued capital instruments subject to phase out from Tier 2	180,810	-	179,955	-
49	of which: instruments issued by subsidiaries subject to phase out	812,238	-	851,855	-
50	Total of general allowance for loan losses and eligible provisions included in Tier 2	5,284	-	5,321	-
50a	of which: general allowance for loan losses	5,284	-	5,321	-
50b	of which: eligible provisions	-	-	-	-
	Total of items included in Tier 2 capital: instruments and provisions subject to phase-out arrangements	646,965	-	595,993	-
	of which: 45% of unrealized gains on other securities	588,436	-	537,310	-
	of which: 45% of revaluation reserve for land	58,529	-	58,683	-
51	Tier 2 capital: instruments and provisions (H)	2,161,349	-	2,022,270	-
Tier 2 capital: regulatory adjustments					
52	Investments in own Tier 2 instruments	120	180	400	600
53	Reciprocal cross-holdings in Tier 2 instruments	-	-	-	-
54	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 common share capital of the entity (amount above the 10% threshold)	31,994	47,992	47,465	71,198
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-	-	-
	Total of items included in Tier 2 capital: regulatory adjustments subject to phase-out arrangements	115,402	-	120,639	-
	of which: investments in the capital banking, financial and insurance entities	106,758	-	108,603	-
	of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach	8,644	-	12,035	-
57	Tier 2 capital: regulatory adjustments (I)	147,517	-	168,504	-
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I) (J))	2,013,832	-	1,853,765	-
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	9,929,131	-	9,596,102	-
Risk weighted assets (5)					
	Total of items included in risk weighted assets subject to phase-out arrangements	820,330	-	859,464	-
	of which: intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	287,361	-	267,735	-
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	6,339	-	7,097	-
	of which: net defined benefit asset	320,503	-	314,717	-
	of which: investments in the capital banking, financial and insurance entities	206,126	-	269,913	-
60	Risk weighted assets (L)	63,291,700	-	62,309,276	-
Capital ratio (consolidated)					
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	10.30%	-	10.17%	-
62	Tier 1 capital ratio (consolidated) ((G)/(L))	12.50%	-	12.42%	-
63	Total capital ratio (consolidated) ((K)/(L))	15.68%	-	15.40%	-
Regulatory adjustments (6)					
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	690,503	-	669,722	-
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	93,712	-	152,389	-
74	Mortgage servicing rights that are below the thresholds for deduction (before risk weighting)	-	-	-	-
75	Deferred tax assets arising from temporary differences that are below the thresholds for deduction (before risk weighting)	67,359	-	76,167	-
Provisions included in Tier 2 capital: instruments and provisions (7)					
76	Provisions (general allowance for loan losses)	5,284	-	5,321	-
77	Cap on inclusion of provisions (general allowance for loan losses)	46,701	-	46,560	-
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) (if the amount is negative, report as "nil")	-	-	-	-
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	310,128	-	304,483	-
Capital instruments subject to phase-out arrangements (8)					
82	Current cap on AT1 instruments subject to phase-out arrangements	1,458,197	-	1,458,197	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	-	-	-	-
84	Current cap on T2 instruments subject to phase-out arrangements	1,180,942	-	1,180,942	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	-	-	-	-