

Explanation of "Composition of Capital Disclosure"

Mizuho Bank [Non-Consolidated]
As of September 30, 2016

(in million yen)

Items	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, 2016	As of September 30, 2015		
(Assets)				
Cash and Due from Banks	35,301,082	29,829,966		
Call Loans	167,201	319,694		
Receivables under Resale Agreements	674,114	560,681		
Guarantee Deposits Paid under Securities	-	20,173		
Borrowing Transactions				
Other Debt Purchased	568,268	578,249		
Trading Assets	5,693,784	5,276,014	6-a	
Money Held in Trust	3,167	3,220		
Securities	31,663,053	38,445,416		
Loans and Bills Discounted	69,100,177	71,124,677	6-c	
Foreign Exchange Assets	1,346,301	1,559,078		
Derivatives other than for Trading Assets	4,671,257	4,625,858	6-d	
Other Assets	2,207,754	1,558,571		
Tangible Fixed Assets	823,914	829,837		
Intangible Fixed Assets	692,726	561,470	2	
Prepaid Pension Cost	475,146	441,987	3	
Customers' Liabilities for Acceptances and Guarantees	5,134,450	5,435,983		
Reserves for Possible Losses on Loans	(372,223)	(382,819)		
Total Assets	158,150,176	160,788,060		
(Liabilities)				
Deposits	101,928,492	95,805,535		
Negotiable Certificates of Deposit	8,992,754	13,639,653		
Call Money	965,292	3,636,215		
Payables under Repurchase Agreements	7,332,471	9,936,844		
Guarantee Deposits Received under Securities	763,564	245,228		
Lending Transactions				
Commercial Paper	672,313	388,413		
Trading Liabilities	4,762,196	4,210,264	6-f	
Borrowed Money	9,535,065	8,507,293		
Foreign Exchange Liabilities	843,780	829,322		
Short-term Bonds	-	21,000		
Bonds and Notes	3,951,738	4,502,391	7-b	
Derivatives other than for Trading Liabilities	3,731,362	4,326,087	6-g	
Other Liabilities	1,966,872	1,791,826		
Reserve for Bonus Payments	15,099	14,886		
Reserve for Variable Compensation	634	-		
Reserve for Possible Losses on Sales of Loans	3	220		
Reserve for Contingencies	204	1,310		
Reserve for Reimbursement of Deposits	14,739	15,583		
Reserve for Reimbursement of Debentures	35,273	42,905		
Deferred Tax Liabilities	255,482	261,382		
Deferred Tax Liabilities for Revaluation Reserve for Land	67,247	71,897	4-c	
Acceptances and Guarantees	5,134,450	5,435,983		
Total Liabilities	150,969,040	153,684,247		
(Net Assets)				
Common Stock and Preferred Stock	1,404,065	1,404,065	1-a	
Capital Surplus	2,286,328	2,286,795	1-b	
Retained Earnings	2,167,359	2,023,100		
Total Shareholders' Equity	5,857,753	5,713,961		
Net Unrealized Gains (Losses) on Other Securities, net of Taxes	962,192	1,200,361		
Net Deferred Hedge Gains (Losses), net of Taxes	214,396	44,044		
Revaluation Reserve for Land, net of Taxes	146,794	145,446		
Total Valuation and Translation Adjustments	1,323,382	1,389,852		
Total Net Assets	7,181,136	7,103,813		
Total Liabilities and Net Assets	158,150,176	160,788,060		

Note1: Borrowed Money includes Subordinated borrowings (as of September 30, 2016 : JPY 586,200 million, as of September 30, 2015 : JPY 1,065,641 million).

This item is included in "Eligible Tier 1 capital instruments subject to phase-out arrangements included in Additional Tier 1 capital: instruments" in the Composition of Capital Disclosure.

Note2: The non-consolidated capital adequacy ratio is calculated based on the consolidated financial statements which include special purpose companies in accordance with Article 15 of "Criteria for Judging Whether A Financial Institution's Capital is Sufficient in Light of the Assets Held, etc. under the Provision of Article 14-2 of the Banking Law" (Notification No. 19 of 2006, the Financial Services Agency). The above capital adequacy ratio is calculated using the following balance sheet accounts reported on the consolidated financial statements.

Balance sheet account	(in million yen) Amount reported on the consolidated financial statements		Cross-reference to Appended template	Reference # of common disclosure template under the Composition of Capital Disclosure
	As of September 30, 2016	As of September 30, 2015		
Securities	31,646,869	38,425,421	6-b	
Other Assets	2,207,757	1,558,575	6-e	
Borrowed Money	8,948,865	7,441,651	7-a	
Deferred Tax Liabilities	255,441	261,387	4-b	
Retained Earnings	2,167,586	2,023,591	1-c	
Net Deferred Hedge Gains (Losses), net of Taxes	214,302	44,055	5	
Total Valuation and Translation Adjustments	1,323,467	1,389,910		3

(Appended template)

1. Shareholders' equity

(1) Balance sheet

(in million yen)

Ref. No.	Balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
1-a	Common Stock and Preferred Stock	1,404,065	1,404,065	Including eligible Tier 1 capital instruments subject to phase-out arrangements
1-b	Capital Surplus	2,286,328	2,286,795	Including eligible Tier 1 capital instruments subject to phase-out arrangements
1-c	Retained Earnings	2,167,586	2,023,591	
	Total Shareholders' Equity	5,857,980	5,714,452	

(2) Composition of capital

Base I III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
	Directly issued qualifying common share capital plus related stock surplus and retained earnings	5,857,976	5,714,448	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
1a	of which: capital and stock surplus	3,690,389	3,690,856	
2	of which: retained earnings	2,167,586	2,023,591	
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	-	-	Shareholders' equity attributable to preferred shares with a loss absorbency clause upon entering into effective bankruptcy

2. Intangible fixed assets

(1) Balance sheet

Ref. No.	Balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
2	Intangible Fixed Assets	692,726	561,470	
	Income taxes related to above	(211,697)	(180,737)	

(2) Composition of capital

Base I III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
8	Goodwill (net of related tax liability, including those equivalent)	-	-	
9	Other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	481,029	380,733	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. Defined-benefit pension fund net assets (prepaid pension costs)

(1) Balance sheet

Ref. No.	Balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
3	Prepaid Pension Cost	475,146	441,987	
	Income taxes related to above	(145,204)	(142,275)	

(2) Composition of capital

Base I III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
15	Defined-benefit pension fund net assets (prepaid pension costs)	329,941	299,711	

4. Deferred tax assets

(1) Balance sheet

Ref. No.	Balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
	Deferred Tax Assets	-	-	
4-b	Deferred Tax Liabilities	255,441	261,387	
4-c	Deferred Tax Liabilities for Revaluation Reserve for Land	67,247	71,897	
	Tax effects on intangible fixed assets	211,697	180,737	
	Tax effects on defined-benefit pension fund net assets (prepaid pension costs)	145,204	142,275	

(2) Composition of capital

Base I III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	This item does not agree with the amount reported on the 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)	34,212	-	This item does not agree with the amount reported on the 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)	34,212	-	

5. Deferred gains or losses on derivatives under hedge accounting

(1) Balance sheet

Ref. No.	Balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
5	Net Deferred Hedge Gains (Losses), net of Taxes	214,302	44,055	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
11	Deferred gains or losses on derivatives under hedge accounting	214,302	44,055	

6. Items associated with investments in the capital of financial institutions

(1) Balance sheet

Ref. No.	Balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
6-a	Trading Assets	5,693,784	5,276,014	Including trading account securities and derivatives for trading assets
6-b	Securities	31,646,869	38,425,421	
6-c	Loans and Bills Discounted	69,100,177	71,124,677	Including subordinated loans
6-d	Derivatives other than for Trading Assets	4,671,257	4,625,858	
6-e	Other Assets	2,207,757	1,558,575	Including money invested
6-f	Trading Liabilities	4,762,196	4,210,264	Including trading account securities sold
6-g	Derivatives other than for Trading Liabilities	3,731,362	4,326,087	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	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)	477,985	722,382	
18	Common Equity Tier 1 capital	-	51,281	
39	Additional Tier 1 capital	-	80	
54	Tier 2 capital	-	40,808	
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	477,985	630,213	
	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	527,182	602,108	
19	Amount exceeding the 10% threshold on specified items	-	-	
23	Amount exceeding the 15% threshold on specified items	-	-	
40	Additional Tier 1 capital	92,408	92,408	
55	Tier 2 capital	295,000	325,000	
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	139,774	184,699	

7. Other capital instruments

(1) Balance sheet

Ref. No.	Balance sheet items	As of September 30, 2016	As of September 30, 2015	Remarks
7-a	Borrowed Money	8,948,865	7,441,651	
7-b	Bonds and Notes	3,951,738	4,502,391	
	Total	12,900,604	11,944,043	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2016	As of September 30, 2015	Remarks
30-31ab-32	Qualifying Additional Tier 1 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities	-	-	
32	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	760,000	300,000	
46	Tier 2 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities	-	-	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	647,520	379,955	

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.