

Explanation of "Composition of Capital Disclosure"

Mizuho Bank [Non-Consolidated]
As of September 30, 2017

(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, 2017	As of September 30, 2016		
(Assets)				
Cash and Due from Banks	41,452,853	35,301,082		
Call Loans	386,122	167,201		
Receivables under Resale Agreements	419,464	674,114		
Other Debt Purchased	706,623	568,268		
Trading Assets	4,143,100	5,693,784	6-a	
Money Held in Trust	3,108	3,167		
Securities	31,022,628	31,663,053		
Loans and Bills Discounted	70,003,309	69,100,177	6-c	
Foreign Exchange Assets	1,942,996	1,346,301		
Derivatives other than for Trading Assets	2,860,031	4,671,257	6-d	
Other Assets	2,733,307	2,207,754		
Tangible Fixed Assets	810,948	823,914		
Intangible Fixed Assets	791,390	692,726	2	
Prepaid Pension Cost	494,784	475,146	3	
Customers' Liabilities for Acceptances and Guarantees	5,949,279	5,134,450		
Reserves for Possible Losses on Loans	(302,836)	(372,223)		
Total Assets	163,417,112	158,150,176		
(Liabilities)				
Deposits	108,971,587	101,928,492		
Negotiable Certificates of Deposit	10,993,128	8,992,754		
Call Money	818,069	965,292		
Payables under Repurchase Agreements	8,103,363	7,332,471		
Guarantee Deposits Received under Securities Lending Transactions	659,208	763,564		
Commercial Paper	339,787	672,313		
Trading Liabilities	2,953,451	4,762,196	6-f	
Borrowed Money	9,125,211	9,535,065		
Foreign Exchange Liabilities	681,350	843,780		
Bonds and Notes	3,260,174	3,951,738	7-b	
Derivatives other than for Trading Liabilities	2,671,741	3,731,362	6-g	
Other Liabilities	1,185,639	1,966,872		
Reserve for Bonus Payments	16,240	15,099		
Reserve for Variable Compensation	646	634		
Reserve for Possible Losses on Sales of Loans	124	3		
Reserve for Contingencies	3	204		
Reserve for Reimbursement of Deposits	17,802	14,739		
Reserve for Reimbursement of Debentures	28,132	35,273		
Deferred Tax Liabilities	207,300	255,482		
Deferred Tax Liabilities for Revaluation Reserve for Land	66,237	67,247	4-c	
Acceptances and Guarantees	5,949,279	5,134,450		
Total Liabilities	156,048,482	150,969,040		
(Net Assets)				
Common Stock and Preferred Stock	1,404,065	1,404,065	1-a	
Capital Surplus	2,286,328	2,286,328	1-b	
Retained Earnings	2,355,615	2,167,359		
Total Shareholders' Equity	6,046,009	5,857,753		
Net Unrealized Gains (Losses) on Other Securities, net of Taxes	1,193,829	962,192		
Net Deferred Hedge Gains (Losses), net of Taxes	(16,026)	214,396		
Revaluation Reserve for Land, net of Taxes	144,817	146,794		
Total Valuation and Translation Adjustments	1,322,620	1,323,382		
Total Net Assets	7,368,630	7,181,136		
Total Liabilities and Net Assets	163,417,112	158,150,176		

Note1: Borrowed Money includes Subordinated borrowings (as of September 30, 2017 : JPY 586,200 million, as of September 30, 2016 : JPY 586,200 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	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, 2017	As of September 30, 2016		
Securities	31,013,908	31,646,869	6-b	
Other Assets	2,733,309	2,207,757	6-e	
Borrowed Money	8,539,011	8,948,865	7-a	
Deferred Tax Liabilities	207,300	255,441	4-b	
Retained Earnings	2,355,849	2,167,586	1-c	
Net Deferred Hedge Gains (Losses), net of Taxes	(16,026)	214,302	5	
Total Valuation and Translation Adjustments	1,322,620	1,323,467		3

(Appended template)

1. Shareholders' equity

(1) Balance sheet

(in million yen)

Ref. No.	Balance sheet items	As of September 30, 2017	As of September 30, 2016	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	2,286,328	Including eligible Tier 1 capital instruments subject to phase-out arrangements
1-c	Retained Earnings	2,355,849	2,167,586	
	Total Shareholders' Equity	6,046,243	5,857,980	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	Remarks
	Directly issued qualifying common share capital plus related stock surplus and retained earnings	6,046,238	5,857,976	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	3,690,389	
2	of which: retained earnings	2,355,849	2,167,586	
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	-	-	

2. Intangible fixed assets

(1) Balance sheet

Ref. No.	Balance sheet items	As of September 30, 2017	As of September 30, 2016	Remarks
2	Intangible Fixed Assets	791,390	692,726	
	Income taxes related to above	(241,848)	(211,697)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	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)	549,541	481,029	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, 2017	As of September 30, 2016	Remarks
3	Prepaid Pension Cost	494,784	475,146	
	Income taxes related to above	(151,206)	(145,204)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	Remarks
15	Defined-benefit pension fund net assets (prepaid pension costs)	343,578	329,941	

4. Deferred tax assets

(1) Balance sheet

Ref. No.	Balance sheet items	As of September 30, 2017	As of September 30, 2016	Remarks
	Deferred Tax Assets	-	-	
4-b	Deferred Tax Liabilities	207,300	255,441	
4-c	Deferred Tax Liabilities for Revaluation Reserve for Land	66,237	67,247	
	Tax effects on intangible fixed assets	241,848	211,697	
	Tax effects on defined-benefit pension fund net assets (prepaid pension costs)	151,206	145,204	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	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)	119,516	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)	119,516	34,212	

5. Deferred gains or losses on derivatives under hedge accounting

(1) Balance sheet

Ref. No.	Balance sheet items	As of September 30, 2017	As of September 30, 2016	Remarks
5	Net Deferred Hedge Gains (Losses), net of Taxes	(16,026)	214,302	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	Remarks
11	Deferred gains or losses on derivatives under hedge accounting	(16,026)	214,302	

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

(1) Balance sheet

Ref. No.	Balance sheet items	As of September 30, 2017	As of September 30, 2016	Remarks
6-a	Trading Assets	4,143,100	5,693,784	Including trading account securities and derivatives for trading assets
6-b	Securities	31,013,908	31,646,869	
6-c	Loans and Bills Discounted	70,003,309	69,100,177	Including subordinated loans
6-d	Derivatives other than for Trading Assets	2,860,031	4,671,257	
6-e	Other Assets	2,733,309	2,207,757	Including money invested
6-f	Trading Liabilities	2,953,451	4,762,196	Including trading account securities sold
6-g	Derivatives other than for Trading Liabilities	2,671,741	3,731,362	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	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)	516,793	477,985	
18	Common Equity Tier 1 capital	-	-	
39	Additional Tier 1 capital	-	-	
54	Tier 2 capital	-	-	
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	516,793	477,985	
	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	275,902	527,182	
19	Amount exceeding the 10% threshold on specified items	-	-	
23	Amount exceeding the 15% threshold on specified items	-	-	
40	Additional Tier 1 capital	46,204	92,408	
55	Tier 2 capital	90,000	295,000	
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	139,698	139,774	

7. Other capital instruments

(1) Balance sheet

Ref. No.	Balance sheet items	As of September 30, 2017	As of September 30, 2016	Remarks
7-a	Borrowed Money	8,539,011	8,948,865	
7-b	Bonds and Notes	3,260,174	3,951,738	
	Total	11,799,186	12,900,604	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2017	As of September 30, 2016	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	1,220,000	760,000	
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	997,665	647,520	

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.