

Explanation of "Composition of Capital Disclosure"

Mizuho Bank [Non-Consolidated]
As of March 31, 2018

(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 March 31, 2018	As of March 31, 2017		
(Assets)				
Cash and Due from Banks	38,625,732	38,943,082		
Call Loans	366,290	433,198		
Receivables under Resale Agreements	639,352	596,194		
Other Debt Purchased	443,136	728,080		
Trading Assets	3,467,593	4,234,901	6-a	
Money Held in Trust	3,076	3,137		
Securities	33,189,959	31,264,703		
Loans and Bills Discounted	70,997,730	71,262,838	6-c	
Foreign Exchange Assets	1,994,728	1,769,212		
Other Assets	6,406,960	5,470,641		
Tangible Fixed Assets	805,831	828,363		
Intangible Fixed Assets	799,723	754,547	2	
Prepaid Pension Cost	457,453	481,968	3	
Customers' Liabilities for Acceptances and Guarantees	6,186,894	5,757,150		
Reserves for Possible Losses on Loans	(259,853)	(437,689)		
Reserve for Possible Losses on Investments	(319)	-		
Total Assets	164,124,289	162,090,330		
(Liabilities)				
Deposits	110,415,961	107,789,803		
Negotiable Certificates of Deposit	10,652,957	10,091,832		
Call Money	1,165,198	775,450		
Payables under Repurchase Agreements	7,200,312	7,604,970		
Guarantee Deposits Received under Securities Lending Transactions	610,357	335,575		
Commercial Paper	710,391	765,146		
Trading Liabilities	2,797,942	3,362,426	6-e	
Borrowed Money	8,958,612	9,136,351		
Foreign Exchange Liabilities	689,958	729,532		
Bonds and Notes	2,421,033	3,726,331	7-b	
Other Liabilities	4,530,602	4,453,787		
Reserve for Bonus Payments	22,741	20,902		
Reserve for Variable Compensation	1,293	1,269		
Reserve for Possible Losses on Sales of Loans	1,075	298		
Reserve for Contingencies	56	52		
Reserve for Reimbursement of Deposits	18,097	17,575		
Reserve for Reimbursement of Debentures	30,760	32,720		
Deferred Tax Liabilities	181,914	186,153	4-b	
Deferred Tax Liabilities for Revaluation Reserve for Land	66,186	66,585	4-c	
Acceptances and Guarantees	6,186,894	5,757,150		
Total Liabilities	156,662,350	154,853,914		
(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	2,544,238	2,298,416		
Total Shareholders' Equity	6,234,632	5,988,810		
Net Unrealized Gains (Losses) on Other Securities, net of Taxes	1,159,210	1,099,468		
Net Deferred Hedge Gains (Losses), net of Taxes	(76,180)	2,527	5	
Revaluation Reserve for Land, net of Taxes	144,277	145,609		
Total Valuation and Translation Adjustments	1,227,306	1,247,605		3
Total Net Assets	7,461,939	7,236,415		
Total Liabilities and Net Assets	164,124,289	162,090,330		

Note1: Borrowed Money includes Subordinated borrowings (as of March 31, 2018 : JPY 586,200 million, as of March 31, 2017 : 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.

(in million yen)

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 March 31, 2018	As of March 31, 2017		
Securities	33,181,239	31,255,983	6-b	
Other Assets	6,406,961	5,470,642	6-d	
Borrowed Money	8,372,412	8,550,151	7-a	
Other Liabilities	4,530,488	4,453,669	6-f	
Retained Earnings	2,544,537	2,298,702	1-c	

(Appended template)

1. Shareholders' equity

(1) Balance sheet

(in million yen)

Ref. No.	Balance sheet items	As of March 31, 2018	As of March 31, 2017	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	2,544,537	2,298,702	
	Total Shareholders' Equity	6,234,931	5,989,096	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks
	Directly issued qualifying common share capital plus related stock surplus and retained earnings	6,234,927	5,989,092	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	2,544,537	2,298,702	
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 March 31, 2018	As of March 31, 2017	Remarks
2	Intangible Fixed Assets	799,723	754,547	
	Income taxes related to above	(244,875)	(230,589)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	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)	554,848	523,958	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 March 31, 2018	As of March 31, 2017	Remarks
3	Prepaid Pension Cost	457,453	481,968	
	Income taxes related to above	(140,072)	(147,289)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks
15	Defined-benefit pension fund net assets (prepaid pension costs)	317,381	334,678	

4. Deferred tax assets

(1) Balance sheet

Ref. No.	Balance sheet items	As of March 31, 2018	As of March 31, 2017	Remarks
	Deferred Tax Assets	-	-	
4-b	Deferred Tax Liabilities	181,914	186,153	
4-c	Deferred Tax Liabilities for Revaluation Reserve for Land	66,186	66,585	

	Tax effects on intangible fixed assets	244,875	230,589	
	Tax effects on defined-benefit pension fund net assets (prepaid pension costs)	140,072	147,289	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	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)	136,846	125,140	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)	136,846	125,140	

5. Deferred gains or losses on derivatives under hedge accounting

(1) Balance sheet

Ref. No.	Balance sheet items	As of March 31, 2018	As of March 31, 2017	Remarks
5	Net Deferred Hedge Gains (Losses), net of Taxes	(76,180)	2,527	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	Remarks
11	Deferred gains or losses on derivatives under hedge accounting	(76,180)	2,527	

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

(1) Balance sheet

Ref. No.	Balance sheet items	As of March 31, 2018	As of March 31, 2017	Remarks
6-a	Trading Assets	3,467,593	4,234,901	Including trading account securities and derivatives for trading assets
6-b	Securities	33,181,239	31,255,983	
6-c	Loans and Bills Discounted	70,997,730	71,262,838	Including subordinated loans
6-d	Other Assets	6,406,961	5,470,642	Including Derivatives other than for Trading Assets and money invested
6-e	Trading Liabilities	2,797,942	3,362,426	Including trading account securities sold
6-f	Other Liabilities	4,530,488	4,453,669	Including Derivatives other than for Trading Liabilities

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	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)	494,375	531,956	
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)	494,375	531,956	
	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	275,955	457,126	
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	225,000	
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	139,751	139,718	

7. Other capital instruments

(1) Balance sheet

Ref. No.	Balance sheet items	As of March 31, 2018	As of March 31, 2017	Remarks
7-a	Borrowed Money	8,372,412	8,550,151	
7-b	Bonds and Notes	2,421,033	3,726,331	
	Total	10,793,446	12,276,482	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of March 31, 2018	As of March 31, 2017	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	988,107	852,450	

Note:

* Amounts as of March 31, 2017 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.