Composition of Capital Disclosure

Mizuho Financial Group【Consolidated】
As of September 30, 2017

(in million yen, in percentage)

Basel III Template No.	Items	As of September 30, 2017	Amounts excluded under transitional arrangements	As of September 30, 2016	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	7,126,803		6,730,792	
1a	of which: capital and stock surplus	3,391,317		3,367,574	
2	of which: retained earnings	3,837,147		3,463,490	
1c	of which: treasury stock (-)	6,475		5,098	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	95,186		95,173	
	of which: other than above	-		-	
1b	Subscription rights to common shares	1,173		1,754	
3	Accumulated other comprehensive income and other disclosed reserves	1,296,157	324,039	856,425	570,950
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	14,173		14,954	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to phase-out arrangements	23,889		33,263	
	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	23,889		33,263	
6	Common Equity Tier 1 capital: instruments and reserves (A)	8,462,197		7,637,189	
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)	635,819	158,954	383,779	255,853
8	of which: goodwill (net of related tax liability, including those equivalent)	73,542	18,385	30,506	20,337
9	of which: other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	562,276	140,569	353,273	235,515
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	35,022	8,755	35,461	23,641
11	Deferred gains or losses on derivatives under hedge accounting	(6,171)	(1,542)	100,246	66,831
12	Shortfall of eligible provisions to expected losses	31,942	7,990	40,278	26,855
13	Securitization gain on sale	45	11	46	30
14	Gains and losses due to changes in own credit risk on fair valued liabilities	1,856	464	1,047	698
15	Net defined benefit asset	458,030	114,507	280,679	187,119
16	Investments in own shares (excluding those reported in the net assets section)	4,373	1,093	1,594	1,062
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)	20,679	5,169	24,658	16,438
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)	1,181,599		867,792	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,280,598		6,769,396	
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	-		-	
30 / 31b	Subscription rights to Additional Tier 1 instruments	-		-	
30 / 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	
30	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)	30,283		30,890	
33+35	Eligible Tier 1 capital instruments subject to phase-out arrangements included in Additional Tier 1 capital: instruments	577,500		577,500	
33	of which: directly issued capital instruments subject to phase out from Additional Tier 1	577,500		577,500	
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	(15,115)		(34,360)	
	of which: foreign currency translation adjustments	(15,115)		(34,360)	
36	Additional Tier 1 capital: instruments (D)	1,812,667		1,334,030	
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)	97	24	66	44
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)	58,800	14,700	88,200	58,800
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to phase-out arrangements	29,557		32,630	
	of which: goodwill equivalent	14,508		9,078	
	of which: intangible fixed assets recognized as a result of a merger	11,044		10,095	
	of which: capital increase due to securitization transactions	11		30	
	of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach	3,992		13,426	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-	
43	Additional Tier 1 capital: regulatory adjustments (E)	88,455		120,897	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital ((D)-(E)) (F)	1,724,212		1,213,132	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	9,004,810		7,982,529	

(in million yen, in percentage)

Basel III Template No.	Items	As of September 30, 2017	Amounts excluded under transitional arrangements	As of September 30, 2016	Amounts excluded under transitional arrangements
Tier 2 capital: instruments and provisions (4)					
46	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	-		-	
	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	828,555		495,840	
	Tier 2 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities	169,110		151,680	
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	10,117		10,481	
47+49	Eligible Tier 2 capital instruments subject to phase-out arrangements included in Tier 2: instruments and provisions	768,789		884,083	
47	of which: directly issued capital instruments subject to phase out from Tier 2	162,256		151,680	
49	of which: instruments issued by subsidiaries subject to phase out	606,532		732,403	
50	Total of general allowance for loan losses and eligible provisions included in Tier 2	4,639		5,726	
50a	of which: general allowance for loan losses	4,639		5,726	
50b	of which: eligible provisions	-		-	
	Total of items included in Tier 2 capital: instruments and provisions subject to phase-out arrangements	193,665		333,124	
	of which: 45% of unrealized gains on other securities	174,670		294,596	
	of which: 45% of revaluation reserve for land	18,994		38,527	
51	Tier 2 capital: instruments and provisions (H)	1,974,876		1,880,935	
Tier 2 capital: regulatory adjustments					
52	Investments in own Tier 2 instruments	1,658	414	209	139
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)	8,678	2,169	11,541	7,694
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	22,675		83,844	
	of which: investments in the capital banking, financial and insurance entities	18,682		70,418	
	of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach	3,992		13,426	
57	Tier 2 capital: regulatory adjustments (I)	33,011		95,596	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)) (J)	1,941,864		1,785,339	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	10,946,675		9,767,868	
Risk weighted assets (5)					
	Total of items included in risk weighted assets subject to phase-out arrangements	262,706		473,144	
	of which: intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	129,524		225,420	
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	8,755		23,641	
	of which: net defined benefit asset	114,507		187,119	
	of which: investments in the capital banking, financial and insurance entities	9,918		36,963	
60	Risk weighted assets (L)	61,695,509		61,648,482	
Capital ratio (consolidated)					
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	11.80%		10.98%	
62	Tier 1 capital ratio (consolidated) ((G)/(L))	14.59%		12.94%	
63	Total capital ratio (consolidated) ((K)/(L))	17.74%		15.84%	
Regulatory adjustments (6)					
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	731,117		676,959	
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	127,552		117,422	
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)	176,254		122,634	
Provisions included in Tier 2 capital: instruments and provisions (7)					
76	Provisions (general allowance for loan losses)	4,639		5,726	
77	Cap on inclusion of provisions (general allowance for loan losses)	46,794		46,690	
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	299,418		296,588	
Capital instruments subject to phase-out arrangements (8)					
82	Current cap on AT1 instruments subject to phase-out arrangements	1,041,569		1,249,883	
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	843,530		1,012,236	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	-		-	