

Explanation of "Composition of Capital Disclosure"

Mizuho Financial Group [Consolidated]
As of December 31, 2017

(in million yen)

Items	Consolidated 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 December 31, 2017	As of September 30, 2017		
(Assets)				
Cash and Due from Banks	47,913,637	50,982,819		
Call Loans and Bills Purchased	1,262,721	894,076		
Receivables under Resale Agreements	9,438,302	9,408,646		
Guarantee Deposits Paid under Securities				
Borrowing Transactions	2,868,193	3,585,209		
Other Debt Purchased	2,502,812	2,666,336		
Trading Assets	11,414,185	12,465,215	6-a	
Money Held in Trust	301,813	269,577		
Securities	35,065,618	32,072,076	2-b, 6-b	
Loans and Bills Discounted	81,563,363	79,811,834	6-c	
Foreign Exchange Assets	2,230,740	1,951,926		
Derivatives other than for Trading Assets	1,533,121	1,844,878	6-d	
Other Assets	3,717,451	5,299,252	6-e	
Tangible Fixed Assets	1,111,618	1,113,753		
Intangible Fixed Assets	1,093,872	1,083,617	2-a	
Net Defined Benefit Asset	803,456	824,534	3	
Deferred Tax Assets	51,183	56,567	4-a	
Customers' Liabilities for Acceptances and Guarantees	5,886,107	5,543,662		
Reserves for Possible Losses on Loans	(314,217)	(364,743)		
Total Assets	208,443,982	209,509,243		
(Liabilities)				
Deposits	124,895,672	124,646,612		
Negotiable Certificates of Deposit	12,518,605	11,992,948		
Call Money and Bills Sold	1,651,712	1,602,970		
Payables under Repurchase Agreements	19,020,795	19,521,855		
Guarantee Deposits Received under Securities				
Lending Transactions	2,402,938	2,640,306		
Commercial Paper	767,151	339,787		
Trading Liabilities	7,187,779	7,815,999	6-f	
Borrowed Money	5,035,902	5,353,682	8-a	
Foreign Exchange Liabilities	494,796	426,712		
Short-term Bonds	341,098	122,566		
Bonds and Notes	7,859,582	8,060,465	8-b	
Due to Trust Accounts	4,570,161	4,692,390		
Derivatives other than for Trading Liabilities	1,498,530	1,656,576	6-g	
Other Liabilities	3,769,749	4,902,561		
Reserve for Bonus Payments	32,688	46,173		
Reserve for Variable Compensation	2,430	1,614		
Net Defined Benefit Liability	56,888	56,163		
Reserve for Director and Corporate Auditor				
Retirement Benefits	1,389	1,284		
Reserve for Possible Losses on Sales of Loans	209	124		
Reserve for Contingencies	5,780	5,473		
Reserve for Reimbursement of Deposits	17,861	19,378		
Reserve for Reimbursement of Debentures	26,198	28,132		
Reserves under Special Laws	2,285	2,285		
Deferred Tax Liabilities	461,979	369,526	4-b	
Deferred Tax Liabilities for Revaluation Reserve for Land	66,237	66,237	4-c	
Acceptances and Guarantees	5,886,107	5,543,662		
Total Liabilities	198,574,533	199,915,493		
(Net Assets)				
Common Stock and Preferred Stock	2,256,548	2,256,548	1-a	
Capital Surplus	1,134,758	1,134,768	1-b	
Retained Earnings	3,901,581	3,837,710	1-c	
Treasury Stock	(6,052)	(6,475)	1-d	
Total Shareholders' Equity	7,286,835	7,222,552		
Net Unrealized Gains (Losses) on Other Securities	1,639,841	1,409,766		
Deferred Gains or Losses on Hedges	(33,354)	(7,714)	5	
Revaluation Reserve for Land	144,817	144,817		
Foreign Currency Translation Adjustments	(70,062)	(75,579)		
Remeasurements of Defined Benefit Plans	143,684	148,906		
Total Accumulated Other Comprehensive Income	1,824,927	1,620,196		
Stock Acquisition Rights	1,163	1,173		
Non-Controlling Interests	756,521	749,827	7	
Total Net Assets	9,869,448	9,593,750		
Total Liabilities and Net Assets	208,443,982	209,509,243		

Note:

The regulatory scope of consolidation is the same as the accounting scope of consolidation.

(Appended template)

1. Shareholders' equity

(1) Consolidated balance sheet

(in million yen)

Ref. No.	Consolidated balance sheet items	As of December 31, 2017	As of September 30, 2017	Remarks
1-a	Common Stock and Preferred Stock	2,256,548	2,256,548	
1-b	Capital Surplus	1,134,758	1,134,768	
1-c	Retained Earnings	3,901,581	3,837,710	
1-d	Treasury Stock	(6,052)	(6,475)	
	Total Shareholders' Equity	7,286,835	7,222,552	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2017	As of September 30, 2017	Remarks
	Directly issued qualifying common share capital plus related stock surplus and retained earnings	7,286,296	7,221,989	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
1a	of which: capital and stock surplus	3,391,306	3,391,317	
2	of which: retained earnings	3,901,041	3,837,147	
1c	of which: treasury stock (-)	6,052	6,475	
	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) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of December 31, 2017	As of September 30, 2017	Remarks
2-a	Intangible Fixed Assets	1,093,872	1,083,617	
2-b	Securities	35,065,618	32,072,076	
	of which: share of goodwill of companies accounted for using the equity method	17,038	19,383	Share of goodwill of companies accounted for using the equity method
	Income taxes related to above	(311,337)	(308,227)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2017	As of September 30, 2017	Remarks
8	Goodwill (net of related tax liability, including those equivalent)	88,821	91,928	
9	Other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	710,751	702,845	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. Net Defined Benefit Asset

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of December 31, 2017	As of September 30, 2017	Remarks
3	Net Defined Benefit Asset	803,456	824,534	
	Income taxes related to above	(245,557)	(251,996)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2017	As of September 30, 2017	Remarks
15	Net Defined Benefit Asset	557,898	572,538	

4. Deferred tax assets

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of December 31, 2017	As of September 30, 2017	Remarks
4-a	Deferred Tax Assets	51,183	56,567	
4-b	Deferred Tax Liabilities	461,979	369,526	
4-c	Deferred Tax Liabilities for Revaluation Reserve for Land	66,237	66,237	
	Tax effects on intangible fixed assets	311,337	308,227	
	Tax effects on net defined benefit asset	245,557	251,996	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2017	As of September 30, 2017	Remarks
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	45,883	43,777	This item does not agree with the amount reported on the consolidated 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)	80,813	176,254	This item does not agree with the amount reported on the consolidated 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)	80,813	176,254	

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of December 31, 2017	As of September 30, 2017	Remarks
5	Deferred Gains or Losses on Hedges	(33,354)	(7,714)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2017	As of September 30, 2017	Remarks
11	Deferred gains or losses on derivatives under hedge accounting	(33,354)	(7,714)	

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

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of December 31, 2017	As of September 30, 2017	Remarks
6-a	Trading Assets	11,414,185	12,465,215	Including trading account securities and derivatives for trading assets
6-b	Securities	35,065,618	32,072,076	
6-c	Loans and Bills Discounted	81,563,363	79,811,834	Including subordinated loans
6-d	Derivatives other than for Trading Assets	1,533,121	1,844,878	
6-e	Other Assets	3,717,451	5,299,252	Including money invested
6-f	Trading Liabilities	7,187,779	7,815,999	Including trading account securities sold
6-g	Derivatives other than for Trading Liabilities	1,498,530	1,656,576	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2017	As of September 30, 2017	Remarks
	Investments in own capital instruments	8,564	7,540	
16	Common Equity Tier 1 capital	6,832	5,467	
37	Additional Tier 1 capital	1,300	-	
52	Tier 2 capital	432	2,073	
	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)	818,438	767,936	
18	Common Equity Tier 1 capital	36,467	25,849	
39	Additional Tier 1 capital	199	122	
54	Tier 2 capital	13,839	10,848	
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	767,931	731,117	
	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	207,330	201,052	
19	Amount exceeding the 10% threshold on specified items	-	-	
23	Amount exceeding the 15% threshold on specified items	-	-	
40	Additional Tier 1 capital	73,500	73,500	
55	Tier 2 capital	-	-	
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	133,830	127,552	

7. Non-Controlling Interests

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of December 31, 2017	As of September 30, 2017	Remarks
7	Non-Controlling Interests	756,521	749,827	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2017	As of September 30, 2017	Remarks
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	18,870	14,173	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)
30-31ab-32	Qualifying Additional Tier 1 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities	-	-	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)
34-35	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1)	32,743	30,283	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)
46	Tier 2 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities	169,575	169,110	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	11,796	10,117	After reflecting amounts eligible for inclusion (Non-Controlling Interest after adjustments)

8. Other capital instruments

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of December 31, 2017	As of September 30, 2017	Remarks
8-a	Borrowed Money	5,035,902	5,353,682	
8-b	Bonds and Notes	7,859,582	8,060,465	
	Total	12,895,485	13,414,148	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of December 31, 2017	As of September 30, 2017	Remarks
32	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	1,220,000	1,220,000	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	828,787	828,555	

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.