

Composition of Capital Disclosure

Mizuho Financial Group [Consolidated]
As of March 31, 2018

(in million yen, except percentage)

Basel III Template No.	Items	As of March 31, 2018	Amounts excluded under transitional arrangements	As of March 31, 2017	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	7,292,638		6,905,510	
1a	of which: capital and stock surplus	3,391,471		3,390,691	
2	of which: retained earnings	4,002,350		3,614,841	
1c	of which: treasury stock (-)	5,997		4,849	
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	1,163		1,754	
3	Accumulated other comprehensive income and other disclosed reserves	1,677,534		1,216,780	304,195
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	14,344		14,537	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to phase-out arrangements			22,881	
	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			22,881	
6	Common Equity Tier 1 capital: instruments and reserves (A)	8,985,680		8,161,464	
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)	794,953		619,806	154,951
8	of which: goodwill (net of related tax liability, including those equivalent)	85,103		79,695	19,923
9	of which: other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	709,850		540,111	135,027
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	42,352		36,601	9,150
11	Deferred gains or losses on derivatives under hedge accounting	(67,578)		8,137	2,034
12	Shortfall of eligible provisions to expected losses	61,964		9,381	2,352
13	Securitization gain on sale	-		52	13
14	Gains and losses due to changes in own credit risk on fair valued liabilities	3,960		593	148
15	Net defined benefit asset	691,380		443,158	110,789
16	Investments in own shares (excluding those reported in the net assets section)	1,457		5,473	1,368
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)	20,140		36,595	9,148
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)	1,548,631		1,159,800	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,437,048		7,001,664	
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	-		-	-
	31b Subscription rights to Additional Tier 1 instruments	-		-	-
	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	
	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)	31,317		31,786	
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			(13,931)	
	of which: foreign currency translation adjustments			(13,931)	
36	Additional Tier 1 capital: instruments (D)	1,828,817		1,355,354	
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)	121		38	9
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)	73,500		117,600	29,400
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to phase-out arrangements			27,858	
	of which: goodwill equivalent			14,954	
	of which: intangible fixed assets recognized as a result of a merger			11,717	
	of which: capital increase due to securitization transactions			13	
	of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach			1,172	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-	-
43	Additional Tier 1 capital: regulatory adjustments (E)	73,621		145,496	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital ((D)-(E)) (F)	1,755,195		1,209,858	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	9,192,244		8,211,522	

Basel III Template No.	Items	As of March 31, 2018	Amounts excluded under transitional arrangements	As of March 31, 2017	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	828,702		684,150	
	Tier 2 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities	159,405		168,300	
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	10,378		10,574	
47+49	Eligible Tier 2 capital instruments subject to phase-out arrangements included in Tier 2: instruments and provisions	674,824		842,133	
47	of which: directly issued capital instruments subject to phase out from Tier 2	135,135		168,022	
49	of which: instruments issued by subsidiaries subject to phase out	539,688		674,110	
50	Total of general allowance for loan losses and eligible provisions included in Tier 2	4,794		6,510	
50a	of which: general allowance for loan losses	4,794		6,510	
50b	of which: eligible provisions	-		-	
	Total of items included in Tier 2 capital: instruments and provisions subject to phase-out arrangements			180,319	
	of which: 45% of unrealized gains on other securities			161,221	
	of which: 45% of revaluation reserve for land			19,097	
51	Tier 2 capital: instruments and provisions (H)	1,678,105		1,891,987	
Tier 2 capital: regulatory adjustments					
52	Investments in own Tier 2 instruments	1,892		409	102
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)	8,016		16,413	4,103
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			35,732	
	of which: investments in the capital banking, financial and insurance entities			34,559	
	of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach			1,172	
57	Tier 2 capital: regulatory adjustments (I)	9,908		52,555	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I)-(J))	1,668,196		1,839,431	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	10,860,440		10,050,953	
Risk weighted assets (5)					
	Total of items included in risk weighted assets subject to phase-out arrangements			260,992	
	of which: intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)			123,310	
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)			9,150	
	of which: net defined benefit asset			110,789	
	of which: investments in the capital banking, financial and insurance entities			17,742	
60	Risk weighted assets (L)	59,528,983		61,717,158	
Capital ratio (consolidated)					
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	12.49%		11.34%	
62	Tier 1 capital ratio (consolidated) ((G)/(L))	15.44%		13.30%	
63	Total capital ratio (consolidated) ((K)/(L))	18.24%		16.28%	
Regulatory adjustments (6)					
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	745,717		703,872	
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	142,407		118,358	
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)	185,172		182,672	
Provisions included in Tier 2 capital: instruments and provisions (7)					
76	Provisions (general allowance for loan losses)	4,794		6,510	
77	Cap on inclusion of provisions (general allowance for loan losses)	43,678		46,343	
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	284,521		299,309	
Capital instruments subject to phase-out arrangements (8)					
82	Current cap on AT1 instruments subject to phase-out arrangements	833,255		1,041,569	
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	674,824		843,530	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	7,304		-	