

Composition of Capital Disclosure

Mizuho Trust & Banking [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	468,561		449,116	
1a	of which: capital and stock surplus	262,956		262,967	
2	of which: retained earnings	205,604		186,148	
1c	of which: treasury stock (-)	-		-	
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	-		-	
	of which: other than above	-		-	
1b	Subscription rights to common shares				
3	Accumulated other comprehensive income and other disclosed reserves	87,819	21,954	48,764	32,509
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-		-	
	Total of items included in Common Equity Tier 1 capital: instruments and reserves subject to phase-out arrangements	824		1,804	
	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	824		1,804	
6	Common Equity Tier 1 capital: instruments and reserves (A)	557,205		499,685	
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)	32,556	8,139	23,010	15,340
8	of which: goodwill (net of related tax liability, including those equivalent)	12,023	3,005	9,511	6,341
9	of which: other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	20,533	5,133	13,498	8,999
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	85	21	40	27
11	Deferred gains or losses on derivatives under hedge accounting	1,267	316	1,487	991
12	Shortfall of eligible provisions to expected losses	1,499	375	527	353
13	Securitization gain on sale	45	11	46	30
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	-	-	-
15	Net defined benefit asset	33,472	8,368	17,719	11,813
16	Investments in own shares (excluding those reported in the Net assets section)	-	-	-	-
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)	-	-	-	-
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	1,552		5,184	
28	Common Equity Tier 1 capital: regulatory adjustments (B)	70,480		48,016	
Common Equity Tier 1 capital (CET1)					
29	Common Equity Tier 1 capital (CET1) ((A)-(B) (C))	486,724		451,668	
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	-		-	
	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)	1,402		1,411	
33+35	Eligible Tier 1 capital instruments subject to phase-out arrangements included in Additional Tier 1 capital: instruments	-		-	
33	of which: directly issued capital instruments subject to phase out from Additional Tier 1	-		-	
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	249		273	
	of which: foreign currency translation adjustments	249		273	
36	Additional Tier 1 capital: instruments (D)	1,652		1,684	
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)	-	-	-	-
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)	-	-	-	-
	Total of items included in Additional Tier 1 capital: regulatory adjustments subject to phase-out arrangements	3,204		6,868	
	of which: goodwill equivalent	3,005		6,341	
	of which: intangible fixed assets recognized as a result of a merger	-		320	
	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	187		175	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-		-	
43	Additional Tier 1 capital: regulatory adjustments (E)	3,204		6,868	
Additional Tier 1 capital (AT1)					
44	Additional Tier 1 capital ((D)-(E) (F))	-		-	
Tier 1 capital (T1 = CET1 + AT1)					
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F) (G))	486,724		451,668	

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	-		-	
	Tier 2 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities	-		-	
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	330		332	
47+49	Eligible Tier 2 capital instruments subject to phase-out arrangements included in Tier 2: instruments and provisions	6,447		8,445	
47	of which: directly issued capital instruments subject to phase out from Tier 2	6,447		8,445	
49	of which: instruments issued by subsidiaries subject to phase out	-		-	
50	Total of general allowance for loan losses and eligible provisions included in Tier 2	57		120	
50a	of which: general allowance for loan losses	57		120	
50b	of which: eligible provisions	-		-	
	Total of items included in Tier 2 capital: instruments and provisions subject to phase-out arrangements	11,170		18,711	
	of which: 45% of unrealized gains on other securities	11,170		18,711	
51	Tier 2 capital: instruments and provisions (H)	18,005		27,609	
Tier 2 capital: regulatory adjustments					
52	Investments in own Tier 2 instruments	-	-	-	-
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)	-	-	-	-
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	187		175	
	of which: investments in the capital banking, financial and insurance entities	-		-	
	of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach	187		175	
57	Tier 2 capital: regulatory adjustments (I)	187		175	
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I) (J))	17,818		27,433	
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	504,542		479,102	
Risk weighted assets (5)					
	Total of items included in risk weighted assets subject to phase-out arrangements	13,522		20,518	
	of which: intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)	5,133		8,678	
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	21		27	
	of which: net defined benefit asset	8,368		11,813	
	of which: investments in the capital banking, financial and insurance entities	-		-	
60	Risk weighted assets (L)	2,438,771		2,401,347	
Capital ratio (consolidated)					
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	19.95%		18.80%	
62	Tier 1 capital ratio (consolidated) ((G)/(L))	19.95%		18.80%	
63	Total capital ratio (consolidated) ((K)/(L))	20.68%		19.95%	
Regulatory adjustments (6)					
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	27,029		20,001	
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	2,034		1,946	
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)	12,735		14,018	
Provisions included in Tier 2 capital: instruments and provisions (7)					
76	Provisions (general allowance for loan losses)	57		120	
77	Cap on inclusion of provisions (general allowance for loan losses)	1,320		1,114	
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	12,283		12,148	
Capital instruments subject to phase-out arrangements (8)					
82	Current cap on AT1 instruments subject to phase-out arrangements	-		-	
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	38,356		46,027	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	-		-	