

Explanation of "Composition of Capital Disclosure"

Mizuho Financial Group [Consolidated]
As of September 30, 2018

(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 September 30, 2018		
(Assets)			
Cash and Due from Banks	46,579,445		
Call Loans and Bills Purchased	336,548		
Receivables under Resale Agreements	10,275,017		
Guarantee Deposits Paid under Securities	2,709,640		
Borrowing Transactions			
Other Debt Purchased	2,577,593		
Trading Assets	12,274,307	6-a	
Money Held in Trust	409,725		
Securities	34,975,299	2-b, 6-b	
Loans and Bills Discounted	80,516,017	6-c	
Foreign Exchange Assets	2,229,807		
Derivatives other than for Trading Assets	1,428,605	6-d	
Other Assets	4,342,091	6-e	
Tangible Fixed Assets	1,093,635		
Intangible Fixed Assets	1,074,255	2-a	
Net Defined Benefit Asset	983,445	3	
Deferred Tax Assets	42,924	4-a	
Customers' Liabilities for Acceptances and Guarantees	5,964,576		
Reserves for Possible Losses on Loans	(252,177)		
Total Assets	207,560,759		
(Liabilities)			
Deposits	120,819,088		
Negotiable Certificates of Deposit	12,500,325		
Call Money and Bills Sold	5,736,053		
Payables under Repurchase Agreements	17,488,448		
Guarantee Deposits Received under Securities	1,838,150		
Lending Transactions			
Commercial Paper	683,390		
Trading Liabilities	7,682,367	6-f	
Borrowed Money	4,817,339	8-a	
Foreign Exchange Liabilities	473,194		
Short-term Bonds	303,302		
Bonds and Notes	8,696,783	8-b	
Due to Trust Accounts	4,725,740		
Derivatives other than for Trading Liabilities	1,397,924	6-g	
Other Liabilities	4,174,229		
Reserve for Bonus Payments	49,284		
Reserve for Variable Compensation	1,500		
Net Defined Benefit Liability	59,466		
Reserve for Director and Corporate Auditor	1,308		
Retirement Benefits			
Reserve for Possible Losses on Sales of Loans	1,153		
Reserve for Contingencies	4,750		
Reserve for Reimbursement of Deposits	19,802		
Reserve for Reimbursement of Debentures	28,197		
Reserves under Special Laws	2,358		
Deferred Tax Liabilities	353,680	4-b	
Deferred Tax Liabilities for Revaluation Reserve for Land	65,732	4-c	
Acceptances and Guarantees	5,964,576		
Total Liabilities	197,888,149		
(Net Assets)			
Common Stock and Preferred Stock	2,256,767	1-a	
Capital Surplus	1,138,434	1-b	
Retained Earnings	4,268,037	1-c	
Treasury Stock	(7,888)	1-d	
Total Shareholders' Equity	7,655,351		
Net Unrealized Gains (Losses) on Other Securities	1,335,533		
Deferred Gains or Losses on Hedges	(123,418)	5	
Revaluation Reserve for Land	143,248		
Foreign Currency Translation Adjustments	(90,790)		
Remeasurements of Defined Benefit Plans	277,466		
Total Accumulated Other Comprehensive Income	1,542,038		3
Stock Acquisition Rights	714		1b
Non-Controlling Interests	474,506	7	
Total Net Assets	9,672,610		
Total Liabilities and Net Assets	207,560,759		

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 September 30, 2018	Remarks
1-a	Common Stock and Preferred Stock	2,256,767	
1-b	Capital Surplus	1,138,434	
1-c	Retained Earnings	4,268,037	
1-d	Treasury Stock	(7,888)	
	Total Shareholders' Equity	7,655,351	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2018	Remarks
	Directly issued qualifying common share capital plus related stock surplus and retained earnings	7,654,882	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
1a	of which: capital and stock surplus	3,395,202	
2	of which: retained earnings	4,267,569	
1c	of which: treasury stock (-)	7,888	
	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 September 30, 2018	Remarks
2-a	Intangible Fixed Assets	1,074,255	
2-b	Securities	34,975,299	
	of which: share of goodwill of companies accounted for using the equity method	9,381	Share of goodwill of companies accounted for using the equity method
	Income taxes related to above	(306,710)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2018	Remarks
8	Goodwill (net of related tax liability, including those equivalent)	76,910	
9	Other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	700,015	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 September 30, 2018	Remarks
3	Net Defined Benefit Asset	983,445	
	Income taxes related to above	(300,898)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2018	Remarks
15	Net Defined Benefit Asset	682,547	

4. Deferred tax assets

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of September 30, 2018	Remarks
4-a	Deferred Tax Assets	42,924	
4-b	Deferred Tax Liabilities	353,680	
4-c	Deferred Tax Liabilities for Revaluation Reserve for Land	65,732	
	Tax effects on intangible fixed assets	306,710	
	Tax effects on net defined benefit asset	300,898	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2018	Remarks
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	43,383	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)	219,310	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)	219,310	

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of September 30, 2018	Remarks
5	Deferred Gains or Losses on Hedges	(123,418)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2018	Remarks
11	Deferred gains or losses on derivatives under hedge accounting	(123,418)	

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

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of September 30, 2018	Remarks
6-a	Trading Assets	12,274,307	Including trading account securities and derivatives for trading assets
6-b	Securities	34,975,299	
6-c	Loans and Bills Discounted	80,516,017	Including subordinated loans
6-d	Derivatives other than for Trading Assets	1,428,605	
6-e	Other Assets	4,342,091	Including money invested
6-f	Trading Liabilities	7,682,367	Including trading account securities sold
6-g	Derivatives other than for Trading Liabilities	1,397,924	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2018	Remarks
	Investments in own capital instruments	8,221	
16	Common Equity Tier 1 capital	2,990	
37	Additional Tier 1 capital	2,600	
52	Tier 2 capital	2,631	
	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)	800,032	
18	Common Equity Tier 1 capital	26,120	
39	Additional Tier 1 capital	164	
54	Tier 2 capital	10,410	
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	763,336	
	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	232,964	
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	
55	Tier 2 capital	-	
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	159,464	

7. Non-Controlling Interests

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of September 30, 2018	Remarks
7	Non-Controlling Interests	474,506	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2018	Remarks
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	11,788	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)	30,891	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	170,370	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)	9,681	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 September 30, 2018	Remarks
8-a	Borrowed Money	4,817,339	
8-b	Bonds and Notes	8,696,783	
	Total	13,514,122	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2018	Remarks
32	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	1,570,000	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	994,185	