

Composition of Capital Disclosure

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

(in million yen, except percentage)

Basel III Template No.	Items	As of December 31, 2018	As of September 30, 2018
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	7,610,401	7,559,684
1a	of which: capital and stock surplus	3,395,194	3,395,202
2	of which: retained earnings	4,222,975	4,267,569
1c	of which: treasury stock (-)	7,768	7,888
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	-	95,197
	of which: other than above	-	-
1b	Subscription rights to common shares	707	714
3	Accumulated other comprehensive income and other disclosed reserves	1,244,555	1,542,038
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	7,804	11,788
6	Common Equity Tier 1 capital: instruments and reserves (A)	8,863,467	9,114,225
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)	757,447	776,925
8	of which: goodwill (net of related tax liability, including those equivalent)	74,878	76,910
9	of which: other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	682,568	700,015
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	46,854	43,383
11	Deferred gains or losses on derivatives under hedge accounting	(67,771)	(123,418)
12	Shortfall of eligible provisions to expected losses	108,126	95,020
13	Securitization gain on sale	-	6
14	Gains and losses due to changes in own credit risk on fair valued liabilities	3,481	3,382
15	Net defined benefit asset	686,535	682,547
16	Investments in own shares (excluding those reported in the net assets section)	2,412	2,990
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)	-	26,120
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)	1,537,086	1,506,958
Common Equity Tier 1 capital (CET1)			
29	Common Equity Tier 1 capital (CET1) ((A)-(B)) (C)	7,326,381	7,607,267
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	1,570,000
		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)	30,814	30,891
33+35	Eligible Tier 1 capital instruments subject to phase-out arrangements included in Additional Tier 1 capital: instruments	303,000	303,000
33	of which: directly issued capital instruments subject to phase out from Additional Tier 1	303,000	303,000
35	of which: instruments issued by subsidiaries subject to phase out	-	-
36	Additional Tier 1 capital: instruments (D)	1,903,814	1,903,891
Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	2,500	2,600
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)	-	164
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)	52,500	73,500
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-
43	Additional Tier 1 capital: regulatory adjustments (E)	55,000	76,264

(in million yen, except percentage)

Basel III Template No.	Items	As of December 31, 2018	As of September 30, 2018
Additional Tier 1 capital (AT1)			
44	Additional Tier 1 capital ((D)-(E)) (F)	1,848,814	1,827,626
Tier 1 capital (T1 = CET1 + AT1)			
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F)) (G)	9,175,195	9,434,893
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	1,002,182	994,185
	Tier 2 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities	166,365	170,370
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	8,721	9,681
47+49	Eligible Tier 2 capital instruments subject to phase-out arrangements included in Tier 2: instruments and provisions	566,762	613,542
47	of which: directly issued capital instruments subject to phase out from Tier 2	117,901	129,106
49	of which: instruments issued by subsidiaries subject to phase out	448,861	484,436
50	Total of general allowance for loan losses and eligible provisions included in Tier 2	4,988	4,457
50a	of which: general allowance for loan losses	4,988	4,457
50b	of which: eligible provisions	-	-
51	Tier 2 capital: instruments and provisions (H)	1,749,019	1,792,236
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	4,006	2,631
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)	-	10,410
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-
57	Tier 2 capital: regulatory adjustments (I)	4,006	13,041
Tier 2 capital (T2)			
58	Tier 2 capital (T2) ((H)-(I)) (J)	1,745,012	1,779,194
Total capital (TC = T1 + T2)			
59	Total capital (TC = T1 + T2) ((G) + (J)) (K)	10,920,208	11,214,088
Risk weighted assets (5)			
60	Risk weighted assets (L)	61,655,523	60,240,051
Capital ratio (consolidated)			
61	Common Equity Tier 1 capital ratio (consolidated) ((C)/(L))	11.88%	12.62%
62	Tier 1 capital ratio (consolidated) ((G)/(L))	14.88%	15.66%
63	Total capital ratio (consolidated) ((K)/(L))	17.71%	18.61%
Regulatory adjustments (6)			
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	698,622	763,336
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	196,371	159,464
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)	305,229	219,310
Provisions included in Tier 2 capital: instruments and provisions (7)			
76	Provisions (general allowance for loan losses)	4,988	4,457
77	Cap on inclusion of provisions (general allowance for loan losses)	42,923	43,176
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	297,483	288,806
Capital instruments subject to phase-out arrangements (8)			
82	Current cap on AT1 instruments subject to phase-out arrangements	833,255	833,255
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	674,824
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as "nil")	-	-