Disclosure regarding Denominator of Capital Adequacy Ratio Formula

Mizuho Financial Group〔Consolidated〕
As of December 31, 2018

(in million yen)

OV1: Overview of Risk-Weighted Assets (RWA)

Basel III Template No.		a	b	c	d
		RWA		Capital requirements	
		As of December 31 2018	As of September 30 2018	As of December 31 2018	As of September 30 2018
1	Credit risk (excluding counterparty credit risk)	39,215,597	39,321,500	3,309,118	3,318,738
2	of which: standardized approach (SA)	1,721,655	1,746,997	137,732	139,759
3	of which: internal rating-based (IRB) approach	35,806,473	36,045,504	3,036,388	3,056,658
	of which: significant investments	-	-	-	-
	of which: estimated residual value of lease transactions	-	-	-	-
	others	1,687,467	1,528,998	134,997	122,319
4	Counterparty credit risk (CCR)	4,489,683	4,224,033	364,067	342,012
5	of which: SA-CCR	-	-	-	-
	of which: current exposure method	257,310	191,124	21,161	15,676
6	of which: expected positive exposure (EPE) method	835,275	785,753	70,231	65,991
	of which: credit valuation adjustment (CVA) risk	2,370,996	2,217,316	189,679	177,385
	of which: central counterparty-related	271,731	209,223	21,738	16,737
	Others	754,368	820,615	61,257	66,221
7	Equity positions in banking book under market-based approach	3,578,732	2,933,478	303,476	248,758
	Fund exposures - standardized approach	-	-	-	-
	Fund exposures - regarded method	3,951,401	3,502,698	334,252	296,200
11	Settlement risk	23,652	6,530	2,004	552
12	Securitization exposures in banking book	437,902	441,369	36,976	37,270
13	of which: IRB ratings-based approach (RBA) or IRB internal assessment approach (IAA)	99,464	116,430	8,434	9,873
14	of which: IRB supervisory formula approach (SFA)	297,075	283,679	25,191	24,056
15	of which: SA/simplified supervisory formula approach (SSFA)	30,426	30,262	2,434	2,421
	of which: 1250% risk weight is applied	10,935	10,996	915	920
16	Market risk	2,734,656	2,939,149	218,772	235,131
17	of which: standardized approach (SA)	1,452,778	1,567,039	116,222	125,363
18	of which: internal model approaches (IMA)	1,281,877	1,372,110	102,550	109,768
19	Operational risk	3,263,694	3,285,870	261,095	262,869
20	of which: basic indicator approach	608,277	608,277	48,662	48,662
21	of which: standardized approach	-	-	-	-
22	of which: advanced measurement approach	2,655,416	2,677,592	212,433	214,207
23	Exposures of specified items not subject to regulatory adjustments	1,254,003	946,938	102,676	77,668
	Amounts included in RWA subject to phase-out arrangements	-	-	-	-
24	Floor adjustment	-	-	-	-
25	Total (after applying the scaling factor)	61,655,523	60,240,051	4,932,441	4,819,204

Mizuho Financial Group【Consolidated】
As of December 31, 2018

(Billions of yen)

CR8:RWA flow statements of credit risk exposures under IRB approach			
No.			RWA
1	RWA at the end of the previous reporting period		40,726.1
2	Breakdown of changes during this reporting period	Asset size	1,047.6
3		Portfolio quality	137.4
4		Model updates	-
5		Methodology and policy	-
6		Acquisitions and disposals	-
7		Foreign currency fluctuations	(386.7)
8		Other	(49.5)
9	RWA at the end of this reporting period		41,475.0

Notes: 1. Counterparty credit risk exposures, securitization exposures, and regarded-method exposures are excluded from the amount of credit risk exposures above.
2. Asset size corresponds to the amount of variation in RWA arising from changes in book size and composition, increased assets resulting from origination of new businesses, decreased assets due to matured receivables, etc.
3. Portfolio quality corresponds to the amount of variation in RWA arising from changes in obligor’s and facilities’ ratings, changes in collateral values and guarantees, etc.
4. Foreign currency fluctuations correspond to the amount of variation in RWA arising from the effect of fluctuations in foreign exchange rates involving exposures to transactions denominated in foreign currencies.

Mizuho Financial Group【Consolidated】
As of December 31, 2018

(Billions of yen)

CCR7: RWA flow statements of CCR exposures under EPE method			
No.			RWA
1	RWA at the end of the previous reporting period		785.7
2	Breakdown of changes during this reporting period	Asset size	71.2
3		Credit quality of counterparties	(5.5)
4		Model updates (EPE only)	-
5		Methodology and policy (EPE only)	-
6		Acquisitions and disposals	-
7		Foreign currency fluctuations	(15.8)
8		Other	(0.2)
9	RWA at the end of this reporting period		835.2

Mizuho Financial Group 【Consolidated】
As of December 31, 2018

(Billions of yen)

MR2：RWA flow statements of market risk exposures under IMA

No.			A	B	C	D	E	F
			VAR	Stressed VAR	IRC	CRM	Other	Total
1a	RWA at the end of the previous reporting period		333.5	1,038.5	-	-		1,372.1
1b	Adjustment to RWA at the end of the previous reporting period		2.72	2.96	-	-		2.90
1c	IMA values at the end of the previous reporting period		122.2	350.3	-	-		472.5
2	Breakdown of changes during this reporting period	Change in risk levels	(30.2)	(84.7)	-	-		(114.9)
3		Model updates/changes	5.7	9.2	-	-		14.9
4		Methodology and policy	-	-	-	-		-
5		Acquisitions and disposals	-	-	-	-		-
6		Foreign currency fluctuations	(7.4)	23.4	-	-		16.0
7		Other	11.6	(87.1)	-	-		(75.5)
8a	IMA values at the end of this reporting period		101.9	211.0	-	-		313.0
8b	Adjustment to RWA at the end of this reporting period		3.63	4.31	-	-		4.09
8c	RWA at the end of this reporting period		370.8	911.0	-	-		1,281.8