

Explanation of "Composition of Capital Disclosure"

Mizuho Financial Group [Consolidated]
As of September 30, 2019

(in million yen)

CC2: Reconciliation of regulatory capital to consolidated balance sheet			
Items	a	b	c
	Consolidated balance sheet as in published financial statements	Reference to Template CC1	Cross-reference to Appended template
Assets			
Cash and Due from Banks	43,444,902		
Call Loans and Bills Purchased	665,089		
Receivables under Resale Agreements	13,660,375		
Guarantee Deposits Paid under Securities Borrowing Transactions	3,070,458		
Other Debt Purchased	2,861,556		
Trading Assets	14,268,595		6-a
Money Held in Trust	347,461		
Securities	30,466,939		2-b, 6-b
Loans and Bills Discounted	79,653,636		6-c
Foreign Exchange Assets	1,831,329		
Derivatives other than for Trading Assets	1,577,986		6-d
Other Assets	4,539,742		6-e
Tangible Fixed Assets	1,092,867		
Intangible Fixed Assets	608,767		2-a
Net Defined Benefit Asset	994,685		3
Deferred Tax Assets	35,890		4-a
Customers' Liabilities for Acceptances and Guarantees	5,884,014		
Reserves for Possible Losses on Loans	(276,615)		
Total Assets	204,727,684		
Liabilities			
Deposits	125,713,322		
Negotiable Certificates of Deposit	13,547,082		
Call Money and Bills Sold	2,139,924		
Payables under Repurchase Agreements	17,339,806		
Guarantee Deposits Received under Securities Lending Transactions	1,577,062		
Commercial Paper	654,854		
Trading Liabilities	10,019,133		6-f
Borrowed Money	1,870,364		8-a
Foreign Exchange Liabilities	546,283		
Short-term Bonds	349,751		
Bonds and Notes	8,673,153		8-b
Due to Trust Accounts	1,114,501		
Derivatives other than for Trading Liabilities	1,280,794		6-g
Other Liabilities	4,636,480		
Reserve for Bonus Payments	49,276		
Reserve for Variable Compensation	1,335		
Net Defined Benefit Liability	61,477		
Reserve for Director and Corporate Auditor Retirement Benefits	1,055		
Reserve for Possible Losses on Sales of Loans	541		
Reserve for Contingencies	5,096		
Reserve for Reimbursement of Deposits	15,888		
Reserve for Reimbursement of Debentures	20,731		
Reserves under Special Laws	2,472		
Deferred Tax Liabilities	186,049		4-b
Deferred Tax Liabilities for Revaluation Reserve for Land	63,290		4-c
Acceptances and Guarantees	5,884,014		
Total Liabilities	195,753,746		
Net Assets			
Common Stock	2,256,767		1-a
Capital Surplus	1,137,550		1-b
Retained Earnings	4,107,437		1-c
Treasury Stock	(6,809)		1-d
Total Shareholders' Equity	7,494,945		
Net Unrealized Gains (Losses) on Other Securities	1,066,749		
Deferred Gains or Losses on Hedges	52,387		5
Revaluation Reserve for Land	137,716		
Foreign Currency Translation Adjustments	(148,153)		
Remeasurements of Defined Benefit Plans	233,831		
Total Accumulated Other Comprehensive Income	1,342,532	(a)	
Stock Acquisition Rights	213		
Non-Controlling Interests	136,245		7
Total Net Assets	8,973,937		
Total Liabilities and Net Assets	204,727,684		

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, 2019	Remarks
1-a	Common Stock	2,256,767	
1-b	Capital Surplus	1,137,550	
1-c	Retained Earnings	4,107,437	
1-d	Treasury Stock	(6,809)	
	Total Shareholders' Equity	7,494,945	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2019	Remarks
	Directly issued qualifying common share capital plus related stock surplus and retained earnings	7,494,593	Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
1a	of which: capital and stock surplus	3,394,318	
2	of which: retained earnings	4,107,084	
1c	of which: treasury stock (-)	6,809	
	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, 2019	Remarks
2-a	Intangible Fixed Assets	608,767	
2-b	Securities	30,466,939	
	of which: share of goodwill of companies accounted for using the equity method	7,080	Share of goodwill of companies accounted for using the equity method
	Income taxes related to above	(164,778)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2019	Remarks
8	Goodwill (net of related tax liability, including those equivalent)	70,467	
9	Other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	380,601	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, 2019	Remarks
3	Net Defined Benefit Asset	994,685	
	Income taxes related to above	(304,326)	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2019	Remarks
15	Net Defined Benefit Asset	690,358	

4. Deferred tax assets

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of September 30, 2019	Remarks
4-a	Deferred Tax Assets	35,890	
4-b	Deferred Tax Liabilities	186,049	
4-c	Deferred Tax Liabilities for Revaluation Reserve for Land	63,290	
	Tax effects on intangible fixed assets	164,778	
	Tax effects on net defined benefit asset	304,326	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2019	Remarks
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	31,990	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)	236,371	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)	236,371	

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of September 30, 2019	Remarks
5	Deferred Gains or Losses on Hedges	52,387	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2019	Remarks
11	Deferred gains or losses on derivatives under hedge accounting	52,387	

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, 2019	Remarks
6-a	Trading Assets	14,268,595	Including trading account securities and derivatives for trading assets
6-b	Securities	30,466,939	
6-c	Loans and Bills Discounted	79,653,636	Including subordinated loans
6-d	Derivatives other than for Trading Assets	1,577,986	
6-e	Other Assets	4,539,742	Including money invested
6-f	Trading Liabilities	10,019,133	Including trading account securities sold
6-g	Derivatives other than for Trading Liabilities	1,280,794	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2019	Remarks
	Investments in own capital instruments	7,782	
16	Common Equity Tier 1 capital	3,764	
37	Additional Tier 1 capital	400	
52	Tier 2 capital	3,618	
	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 and other TLAC liabilities	-	
	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)	518,270	
18	Common Equity Tier 1 capital	-	
39	Additional Tier 1 capital	-	
54	Tier 2 capital and other TLAC liabilities	-	
54a	Investments in the other TLAC liabilities of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity: amount previously designated for the 5% threshold but that no longer meets the conditions	1,502	
72	Non-significant investments in the capital and other TLAC liabilities of other financials that are below the thresholds for deduction (before risk weighting)	516,767	
	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	316,005	
19	Amount exceeding the 10% threshold on specified items	-	
23	Amount exceeding the 15% threshold on specified items	-	
40	Additional Tier 1 capital	56,500	
55	Tier 2 capital and other TLAC liabilities	-	
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	259,505	

7. Non-Controlling Interests

(1) Consolidated balance sheet

Ref. No.	Consolidated balance sheet items	As of September 30, 2019	Remarks
7	Non-Controlling Interests	136,245	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2019	Remarks
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	7,123	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)	30,398	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	145,364	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)	8,319	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, 2019	Remarks
8-a	Borrowed Money	1,870,364	
8-b	Bonds and Notes	8,673,153	
	Total	10,543,518	

(2) Composition of capital

Basel III Template No.	Composition of capital disclosure	As of September 30, 2019	Remarks
32	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	1,805,000	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	1,066,642	