

Disclosure regarding Denominator of Capital Adequacy Ratio Formula

Mizuho Financial Group [Consolidated]
As of December 31, 2020

(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, 2020	As of September 30, 2020	As of December 31, 2020	As of September 30, 2020
1	Credit risk (excluding counterparty credit risk)	40,604,389	40,583,267	3,425,814	3,424,325
2	of which: standardized approach (SA)	2,080,955	2,072,056	166,476	165,764
3	of which: internal rating-based (IRB) approach	36,971,500	37,013,372	3,135,183	3,138,734
	of which: significant investments	-	-	-	-
	of which: estimated residual value of lease transactions	-	-	-	-
	others	1,551,933	1,497,838	124,154	119,827
4	Counterparty credit risk (CCR)	4,124,635	4,255,024	336,143	346,544
5	of which: SA-CCR	-	-	-	-
	of which: current exposure method	242,993	213,471	19,952	17,681
6	of which: expected positive exposure (EPE) method	1,131,183	1,165,775	95,241	98,110
	of which: credit valuation adjustment (CVA) risk	1,785,558	1,996,899	142,844	159,751
	of which: central counterparty-related	181,283	177,078	14,502	14,166
	Others	783,616	701,799	63,602	56,834
7	Equity positions in banking book under market-based approach	3,026,949	2,000,261	256,685	169,622
8	Equity investments in funds - Look-through approach	6,482,290	5,948,455	548,497	503,088
9	Equity investments in funds - Mandate-based approach	-	-	-	-
	Equity investments in funds - Simple approach (subject to 250% RW)	-	-	-	-
	Equity investments in funds - Simple approach (subject to 400% RW)	598,402	583,791	50,744	49,505
10	Equity investments in funds - Fall-back approach	205,216	135,417	16,417	10,833
11	Settlement risk	2,522	2,728	213	230
12	Securitization exposures in banking book	1,076,504	1,035,139	86,120	82,811
13	of which: Securitisation IRB approach (SEC-IRBA) or internal assessment approach(IAA)	835,367	794,217	66,829	63,537
14	of which: Securitisation external ratings-based approach (SEC-ERBA)	240,565	240,453	19,245	19,236
15	of which: Securitisation standardised approach (SEC-SA)	232	-	18	-
	of which: 1250% risk weight is applied	338	467	27	37
16	Market risk	2,459,919	2,373,910	196,793	189,912
17	of which: standardized approach (SA)	1,212,688	1,127,173	97,015	90,173
18	of which: internal model approaches (IMA)	1,247,231	1,246,737	99,778	99,738
19	Operational risk	3,270,154	3,268,390	261,612	261,471
20	of which: basic indicator approach	695,179	695,179	55,614	55,614
21	of which: standardized approach	-	-	-	-
22	of which: advanced measurement approach	2,574,975	2,573,211	205,998	205,856
23	Exposures of specified items not subject to regulatory adjustments	1,344,075	1,384,607	110,933	114,053
	Amounts included in RWA subject to phase-out arrangements	-	-	-	-
24	Floor adjustment	-	-	-	-
25	Total (after applying the scaling factor)	66,124,705	64,404,983	5,289,976	5,152,398

Mizuho Financial Group 【Consolidated】
As of December 31, 2020

(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	41,272.9	
2	Breakdown of changes during this reporting period	Asset size	806.5
3		Portfolio quality	229.2
4		Model updates	-
5		Methodology and policy	-
6		Acquisitions and disposals	-
7		Foreign currency fluctuations	(97.1)
8		Other	14.4
9	RWA at the end of this reporting period	42,226.1	

- 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. Methodology and policy corresponds to the amount of variation in RWA arising from methodological changes in calculations driven by regulatory policy changes including revisions to existing regulations.
5. 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, 2020

(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	1,165.7	
2	Breakdown of changes during this reporting period	Asset size	(36.7)
3		Credit quality of counterparties	9.3
4		Model updates (EPE only)	-
5		Methodology and policy (EPE only)	-
6		Acquisitions and disposals	-
7		Foreign currency fluctuations	(7.9)
8		Other	0.8
9	RWA at the end of this reporting period	1,131.1	

Mizuho Financial Group 【Consolidated】
As of December 31, 2020

(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	461.4	785.3	-	-		1,246.7
1b	Adjustment to RWA at the end of the previous reporting period	4.12	3.24	-	-		3.52
1c	IMA values at the end of the previous reporting period	111.9	241.9	-	-		353.8
2	Breakdown of changes during this reporting period	Change in risk levels	(9.0)	(3.1)	-	-	(12.1)
3		Model updates/changes	-	-	-	-	-
4		Methodology and policy	-	-	-	-	-
5		Acquisitions and disposals	-	-	-	-	-
6		Foreign currency fluctuations	6.0	(13.5)	-	-	(7.5)
7		Other	(18.1)	13.5	-	-	(4.6)
8a	IMA values at the end of this reporting period	90.7	238.7	-	-		329.5
8b	Adjustment to RWA at the end of this reporting period	4.21	3.62	-	-		3.78
8c	RWA at the end of this reporting period	382.5	864.7	-	-		1,247.2