

MIZUHO FINANCIAL GROUP INC

Form 6-K

July 28, 2016

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16

UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of July 2016

Commission File Number 001-33098

Mizuho Financial Group, Inc.

(Translation of registrant's name into English)

5-5, Otemachi 1-chome

Chiyoda-ku, Tokyo 100-8176

Japan

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F. Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

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If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____ .

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: July 28, 2016

Mizuho Financial Group, Inc.

By: /s/ Koichi Iida

Name: Koichi Iida

Title: Managing Executive Officer / Group CFO

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The following is the English translation of excerpt regarding the Basel Pillar 3 disclosures and the relevant information from our Japanese language disclosure material published in July 2016.

The Japanese regulatory disclosure requirements are fulfilled with the Basel Pillar 3 disclosures and Japanese GAAP is applied to the relevant financial information.

In this report, we, us, and our refer to Mizuho Financial Group, Inc. and, unless the context indicates otherwise, its consolidated subsidiaries. Mizuho Financial Group refers to Mizuho Financial Group, Inc.

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The Basel Framework, based on the International Convergence of Capital Measurement and Capital Standards: A Revised Framework issued by the Basel Committee on Banking Supervision, requires the disclosure of capital adequacy information to ensure the enhanced effectiveness of market discipline. Our disclosure is made under the Matters Separately Prescribed by the Commissioner of the Financial Services Agency Regarding Capital Adequacy Conditions, etc. pursuant to Article 19-2, Paragraph 1, Item 5, Subitem (d), etc. of the Ordinance for Enforcement of the Banking Law (Ministry of Finance Ordinance No. 10 of 1982) (the FSA Notice No. 7 of 2014, etc.).

With respect to the calculation of capital adequacy ratio, we have applied the international standard and adopted (a) the advanced internal ratings-based approach as a method to calculate the amount of credit risk weighted assets and (b) the advanced measurement approach as a method to calculate the amount equivalent to the operational risk.

n Capital adequacy ratio highlights**Mizuho Financial Group (Consolidated)**

	As of March 31, 2015	(Billions of yen) As of March 31, 2016
Total capital ratio (International standard)	14.58%	15.41%
Tier 1 capital ratio	11.50%	12.64%
Common equity Tier 1 capital ratio	9.43%	10.50%
Total capital	9,508.4	9,638.6
Tier 1 capital	7,500.3	7,905.0
Common equity Tier 1 capital	6,153.1	6,566.4
Risk weighted assets	65,191.9	62,531.1

Mizuho Bank (Consolidated)

	As of March 31, 2015	(Billions of yen) As of March 31, 2016
Total capital ratio (International standard)	15.30%	15.46%
Tier 1 capital ratio	12.13%	12.75%
Common equity Tier 1 capital ratio	10.42%	10.81%
Total capital	8,753.5	8,780.2
Tier 1 capital	6,943.1	7,243.6
Common equity Tier 1 capital	5,965.7	6,142.2
Risk weighted assets	57,201.8	56,771.0

Mizuho Bank (Non-Consolidated)

	As of March 31, 2015	(Billions of yen) As of March 31, 2016
Total capital ratio (International standard)	15.35%	15.50%
Tier 1 capital ratio	12.01%	12.66%
Common equity Tier 1 capital ratio	10.33%	10.65%

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Total capital	8,597.5	8,576.3
Tier 1 capital	6,727.5	7,004.0
Common equity Tier 1 capital	5,787.3	5,892.2
Risk weighted assets	55,981.4	55,306.1

Mizuho Trust & Banking (Consolidated)

	As of March 31, 2015	(Billions of yen) As of March 31, 2016
Total capital ratio (International standard)	19.21%	19.52%
Tier 1 capital ratio	16.68%	18.21%
Common equity Tier 1 capital ratio	16.67%	18.21%
Total capital	511.6	472.1
Tier 1 capital	444.4	440.4
Common equity Tier 1 capital	444.1	440.4
Risk weighted assets	2,663.4	2,418.1

Mizuho Trust & Banking (Non-consolidated)

	As of March 31, 2015	(Billions of yen) As of March 31, 2016
Total capital ratio (International standard)	19.33%	19.80%
Tier 1 capital ratio	16.79%	18.52%
Common equity Tier 1 capital ratio	16.79%	18.52%
Total capital	502.8	479.5
Tier 1 capital	436.7	448.4
Common equity Tier 1 capital	436.7	448.4
Risk weighted assets	2,600.9	2,421.0

Table of Contents**Status of Mizuho Financial Group's consolidated capital adequacy****in Scope of consolidation****(1) Scope of consolidation for calculating consolidated capital adequacy ratio****(A) Difference from the companies included in the scope of consolidation based on consolidation rules for preparation of consolidated financial statements (the scope of accounting consolidation)**

None As of March 31, 2015 and 2016

(B) Number of consolidated subsidiaries

	As of March 31, 2015	As of March 31, 2016
Consolidated subsidiaries	150	143

Our major consolidated subsidiaries are Mizuho Bank, Ltd., Mizuho Trust & Banking Co., Ltd. and Mizuho Securities Co., Ltd.

The following table sets forth information with respect to our principal consolidated subsidiaries as of March 31, 2016:

Name	Country of organization	Main business	Proportion of ownership interest (%)	Proportion of voting interest (%)
Domestic				
Mizuho Bank, Ltd.	Japan	Banking	100.0%	100.0%
Mizuho Trust & Banking Co., Ltd.	Japan	Trust and banking	100.0	100.0
Mizuho Securities Co., Ltd.	Japan	Securities	95.8	95.8
Trust & Custody Services Bank, Ltd.	Japan	Trust and banking	54.0	54.0
Mizuho Asset Management Co., Ltd.	Japan	Investment management	98.7	100.0
Mizuho Research Institute Ltd.	Japan	Research and consulting	98.6	98.6
Mizuho Information & Research Institute Inc.	Japan	Information technology	91.5	91.5
Mizuho Private Wealth Management Co., Ltd.	Japan	Consulting	100.0	100.0
Mizuho Credit Guarantee Co., Ltd.	Japan	Credit guarantee	100.0	100.0
Mizuho Factors, Limited	Japan	Factoring	100.0	100.0
Shinko Asset Management Co., Ltd.	Japan	Investment management	99.6	99.6
Mizuho Realty Co., Ltd.	Japan	Real estate agency	86.7	76.9
Defined Contribution Plan Services Co., Ltd.	Japan	Pension plan-related business	60.0	60.0
Mizuho-DL Financial Technology Co., Ltd.	Japan	Application and Sophistication of Financial	60.0	60.0

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		Technology		
UC Card Co., Ltd.	Japan	Credit card	51.0	51.0
Mizuho Capital Co., Ltd.	Japan	Venture capital	50.0	50.0
Overseas				
Mizuho International plc	U.K.	Securities and banking	100.0	100.0
Mizuho Bank (China), Ltd.	China	Banking	100.0	100.0
Mizuho Securities Asia Limited	China	Securities	100.0	100.0
Mizuho Securities USA Inc.	U.S.A.	Securities	100.0	100.0
Mizuho Bank Nederland N.V.	Netherlands	Banking and securities	100.0	100.0
Banco Mizuho do Brasil S.A.	Brazil	Banking	100.0	100.0
Mizuho Trust & Banking (Luxembourg) S.A.	Luxembourg	Trust and banking	100.0	100.0
Mizuho Bank (USA)	U.S.A.	Banking	100.0	100.0
Mizuho Bank (Switzerland) Ltd.	Switzerland	Trust and banking	100.0	100.0
Mizuho Trust & Banking Co. (USA)	U.S.A.	Trust and banking	100.0	100.0
Mizuho Capital Markets Corporation	U.S.A.	Derivatives	100.0	100.0
PT. Bank Mizuho Indonesia	Indonesia	Banking	99.0	99.0

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(C) Corporations providing financial services for which Article 9 of the FSA Notice No. 20 is applicable

None as of March 31, 2015 and 2016.

(D) Companies that are in the bank holding company's corporate group but not included in the scope of accounting consolidation and companies that are not in the bank holding company's corporate group but included in the scope of accounting consolidation

None as of March 31, 2015 and 2016.

(E) Restrictions on transfer of funds or capital within the bank holding company's corporate group

None as of March 31, 2015 and 2016.

(F) Names of any other financial institutions, etc., classified as subsidiaries or other members of the bank holding company that are deficient in regulatory capital

None as of March 31, 2015 and 2016.

Table of Contents**n Composition of capital****(2) Composition of capital, etc.****(A) Composition of capital disclosure****Composition of capital disclosure (International standard)**

		As of March 31, 2015		(Millions of yen) As of March 31, 2016	
		Amounts excluded under transitional arrangements		Amounts excluded under transitional arrangements	
Basel III template					
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	5,816,601	/	6,365,502	/
1a	of which: capital and stock surplus	3,152,290	/	3,267,031	/
2	of which: retained earnings	2,768,510	/	3,196,908	/
1c	of which: treasury stock (-)	3,616	/	3,609	/
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	100,584	/	94,827	/
	of which: other than above		/		/
1b	Subscription rights to common shares	3,820	/	2,762	/
3	Accumulated other comprehensive income and other disclosed reserves	811,982	1,217,973	964,710	643,140
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	12,106	/	14,749	/
	Total of items included in common equity Tier 1 capital: instruments and reserves subject to phase-out arrangements	49,114	/	32,465	/
	of which: amount allowed in group CET1 capital subject to phase-out arrangements on common share capital issued by subsidiaries and held by third parties	49,114	/	32,465	/
6	Common equity Tier 1 capital: instruments and reserves (A)	6,693,624	/	7,380,191	/
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)	205,759	308,639	361,571	241,047
8	of which: goodwill (net of related tax liability, including those equivalent)	42,919	64,378	35,452	23,635
9	of which: other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	162,840	244,261	326,118	217,412
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	4,559	6,839	6,614	4,409
11	Deferred gains or losses on derivatives under hedge accounting	10,654	15,981	99,158	66,105
12	Shortfall of eligible provisions to expected losses	16,617	24,806	18,041	12,000
13	Securitization gain on sale	154	231	52	35
14	Gains and losses due to changes in own credit risk on fair valued liabilities	456	685	1,419	946
15	Net defined benefit asset	201,673	302,509	269,400	179,600
16	Investments in own shares (excluding those reported in the net assets section)	1,948	2,923	1,338	892

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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)		98,658	147,987	56,105	37,403
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)	540,483	/	813,702	/
Common equity Tier 1 capital (CET1)						
29	Common equity Tier 1 capital (CET1) ((A)-(B))	(C)	6,153,141	/	6,566,488	/
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			/		/
30 31b	Subscription rights to additional Tier 1 instruments			/		/
30 32	Directly issued qualifying additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards			/	300,000	/
30	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)		29,598	/	30,843	/
33+35	Eligible Tier 1 capital instruments subject to phase-out arrangements included in additional Tier 1 capital: instruments		1,458,197	/	1,144,037	/
33	of which: directly issued capital instruments subject to phase out from additional Tier 1		1,458,197	/	1,144,037	/
35	of which: instruments issued by subsidiaries subject to phase out			/		/
Total of items included in additional Tier 1 capital:						
	instruments subject to phase-out arrangements		(24,272)	/	(21,475)	/
	of which: foreign currency translation adjustments		(24,272)	/	(21,475)	/
36	Additional Tier 1 capital: instruments	(D)	1,463,523	/	1,453,405	/
Additional Tier 1 capital: regulatory adjustments						
37	Investments in own additional Tier 1 instruments					
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)		377	566	17	11

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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)		50,301	75,451	88,606	59,071
	Total of items included in additional Tier 1 capital:					
	regulatory adjustments subject to phase-out arrangements		65,636	/	26,176	/
	of which: goodwill equivalent		35,170	/	9,376	/
	of which: intangible fixed assets recognized as a result of a merger		17,771	/	10,750	/
	of which: capital increase due to securitization transactions		231	/	35	/
	of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach		12,462	/	6,013	/
42	Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions			/		/
43	Additional Tier 1 capital: regulatory adjustments	(E)	116,315	/	114,800	/
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital ((D)-(E))	(F)	1,347,208	/	1,338,605	/
Tier 1 capital (T1 = CET1 + AT1)						
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F))	(G)	7,500,349	/	7,905,093	/
Tier 2 capital: instruments and provisions						
46	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as equity under applicable accounting standards and the breakdown			/		/
46	Subscription rights to Tier 2 instruments			/		/
46	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards		150,000	/	324,517	/
46	Tier 2 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities		180,405	/	169,035	/
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		9,250	/	10,269	/
47+49	Eligible Tier 2 capital instruments subject to phase-out arrangements included in Tier 2: instruments and provisions		1,108,804	/	962,928	/
47	of which: directly issued capital instruments subject to phase out from Tier 2		180,405	/	169,035	/
49	of which: instruments issued by subsidiaries subject to phase out		928,399	/	793,893	/
50	Total of general allowance for loan losses and eligible provisions included in Tier 2		4,621	/	6,031	/
50a	of which: general allowance for loan losses		4,621	/	6,031	/
50b	of which: eligible provisions			/		/
	Total of items included in Tier 2 capital: instruments and provisions subject to phase-out arrangements		730,789	/	374,012	/
	of which: 45% of unrealized gains on other securities		671,710	/	335,046	/
	of which: 45% of revaluation reserve for land		59,079	/	38,965	/
51	Tier 2 capital: instruments and provisions	(H)	2,183,870	/	1,846,795	/
Tier 2 capital: regulatory adjustments						
52	Investments in own Tier 2 instruments		1,680	2,520		
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)		54,114	81,171	33,374	22,249

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55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)				
	Total of items included in Tier 2 capital: regulatory adjustments subject to phase-out arrangements		119,954	/	79,873 /
	of which: investments in the capital banking, financial and insurance entities		107,491	/	73,859 /
	of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach		12,462	/	6,013 /
57	Tier 2 capital: regulatory adjustments	(I)	175,748	/	113,248 /
Tier 2 capital (T2)					
58	Tier 2 capital (T2) ((H)-(I))	(J)	2,008,122	/	1,733,547 /
Total capital (TC = T1 + T2)					
59	Total capital (TC = T1 + T2) ((G)+(J))	(K)	9,508,471	/	9,638,641 /
Risk weighted assets (5)					
	Total of items included in risk weighted assets subject to phase-out arrangements		858,200	/	480,460 /
	of which: intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)		226,489	/	206,661 /
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)		6,839	/	4,409 /
	of which: net defined benefit asset		302,509	/	179,600 /
	of which: investments in the capital banking, financial and insurance entities		322,361	/	89,788 /
60	Risk weighted assets	(L)	65,191,951	/	62,531,174 /
Capital ratio (consolidated)					
61	Common equity Tier 1 capital ratio (consolidated) ((C)/(L))		9.43%	/	10.50% /
62	Tier 1 capital ratio (consolidated) ((G)/(L))		11.50%	/	12.64% /
63	Total capital ratio (consolidated) ((K)/(L))		14.58%	/	15.41% /
Regulatory adjustments (6)					
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)		675,780	/	672,811 /
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)		150,800	/	112,376 /
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)		75,937	/	75,828 /
Provisions included in Tier 2 capital: instruments and provisions (7)					
76	Provisions (general allowance for loan losses)		4,621	/	6,031 /
77	Cap on inclusion of provisions (general allowance for loan losses)		45,586	/	47,342 /
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		310,879	/	304,580 /

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Capital instruments subject to phase-out arrangements		(8)			
82	Current cap on AT1 instruments subject to phase-out arrangements	1,458,197	/	1,249,883	/
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as nil)	257,085	/		/
84	Current cap on T2 instruments subject to phase-out arrangements	1,180,942	/	1,012,236	/
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as nil)		/		/

Notes:

1. The above figures are calculated based on International standard applied on a consolidated basis under the FSA Notice No. 20.
2. In calculating the consolidated capital adequacy ratio, we underwent an examination following the procedures agreed with Ernst & Young ShinNihon LLC, on the basis of Treatment in implementing examination by agreed-upon procedures for calculating capital adequacy ratio (Industry Committee Practical Guideline No. 30 of the Japanese Institute of Certified Public Accountants). Note that this is not a part of the accounting audit performed on our consolidated financial statements. This consists of an examination under agreed-upon procedures performed by Ernst & Young ShinNihon LLC on a portion of the internal control structure concerning the calculation of the capital adequacy ratio and a report of the results to us. As such, they do not represent an opinion regarding the capital adequacy ratio itself nor the internal controls related to the calculation of the capital adequacy ratio.

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Items	(Millions of yen)		Cross- reference to Appended template	Reference # of Basel III template under the Composition of capital disclosure
	Consolidated balance sheet as in published financial statements			
	As of March 31, 2015	As of March 31, 2016		
(Assets)				
Cash and due from banks	29,096,166	36,315,471		
Call loans and bills purchased	444,115	893,545		
Receivables under resale agreements	8,582,239	7,805,798		
Guarantee deposits paid under securities borrowing transactions	4,059,340	3,407,390		
Other debt purchased	3,239,831	2,979,797		
Trading assets	10,781,735	13,004,522	6-a	
Money held in trust	157,728	175,638		
Securities	43,278,733	39,505,971	2-b, 6-b	
Loans and bills discounted	73,415,170	73,708,884	6-c	
Foreign exchange assets	1,623,736	1,447,743		
Derivatives other than for trading assets	3,544,243	3,157,752	6-d	
Other assets	4,066,424	4,144,131	6-e	
Tangible fixed assets	1,078,051	1,085,791		
Intangible fixed assets	657,556	804,567	2-a	
Net defined benefit asset	743,382	646,428	3	
Deferred tax assets	36,938	36,517	4-a	
Customers liabilities for acceptances and guarantees	5,404,843	4,798,158		
Reserves for possible losses on loans	(525,486)	(459,531)		
Reserve for possible losses on investments	(2)			
Total assets	189,684,749	193,458,580		
(Liabilities)				
Deposits	97,757,545	105,629,071		
Negotiable certificates of deposit	15,694,906	11,827,533		
Call money and bills sold	5,091,198	2,521,008		
Payables under repurchase agreements	19,612,120	16,833,346		
Guarantee deposits received under securities lending transactions	2,245,639	2,608,971		
Commercial paper	538,511	1,010,139		
Trading liabilities	8,743,196	10,276,133	6-f	
Borrowed money	7,195,869	7,503,543	8-a	
Foreign exchange liabilities	473,060	492,473		
Short-term bonds	816,705	648,381		
Bonds and notes	6,013,731	6,120,928	8-b	
Due to trust accounts	1,780,768	5,067,490		
Derivatives other than for trading liabilities	3,474,332	2,571,597	6-g	
Other liabilities	4,261,955	5,532,596		
Reserve for bonus payments	59,869	62,171		
Reserve for variable compensation		2,836		
Net defined benefit liability	47,518	51,514		
Reserve for director and corporate auditor retirement benefits	1,527	1,685		
Reserve for possible losses on sales of loans	13	267		
Reserve for contingencies	7,845	5,271		
Reserve for reimbursement of deposits	15,851	16,154		

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Reserve for reimbursement of debentures	48,878	39,245	
Reserves under special laws	1,607	2,024	
Deferred tax liabilities	524,321	414,799	4-b
Deferred tax liabilities for revaluation reserve for land	72,392	67,991	4-c
Acceptances and guarantees	5,404,843	4,798,158	
Total liabilities	179,884,211	184,105,335	
(Net assets)			
Common stock and preferred stock	2,255,404	2,255,790	1-a
Capital surplus	1,110,006	1,110,164	1-b
Retained earnings	2,769,371	3,197,616	1-c
Treasury stock	(3,616)	(3,609)	1-d
Total shareholders equity	6,131,166	6,559,962	
Net unrealized gains (losses) on other securities	1,737,348	1,296,039	
Deferred gains or losses on hedges	26,635	165,264	5
Revaluation reserve for land	146,419	148,483	
Foreign currency translation adjustments	(40,454)	(53,689)	
Remeasurements of defined benefit plans	160,005	51,752	
Total accumulated other comprehensive income	2,029,955	1,607,851	3
Stock acquisition rights	3,820	2,762	1b
Non-Controlling interests	1,635,595	1,182,668	7
Total net assets	9,800,538	9,353,244	
Total liabilities and net assets	189,684,749	193,458,580	

Note:

The regulatory scope of consolidation is the same as the accounting scope of consolidation.

Table of Contents**Appended template**

1. Shareholders' equity

(1) Consolidated balance sheet

Ref.	Consolidated balance sheet items	(Millions of yen)		Remarks
		As of March 31, 2015	As of March 31, 2016	
1-a	Common stock and preferred stock			Including eligible Tier 1 capital instruments subject to phase-out arrangements
		2,255,404	2,255,790	
1-b	Capital surplus			Including eligible Tier 1 capital instruments subject to phase-out arrangements
		1,110,006	1,110,164	
1-c	Retained earnings	2,769,371	3,197,616	
1-d	Treasury stock	(3,616)	(3,609)	
	Total shareholders' equity	6,131,166	6,559,962	

(2) Composition of capital

Basel III template	Composition of capital disclosure	(Millions of yen)		Remarks
		As of March 31, 2015	As of March 31, 2016	
	Directly issued qualifying common share capital plus related stock surplus and retained earnings			Shareholders' equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
		5,917,185	6,460,330	
1a	of which: capital and stock surplus	3,152,290	3,267,031	
2	of which: retained earnings	2,768,510	3,196,908	
1c	of which: treasury stock (-)	3,616	3,609	
	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			Shareholders' equity attributable to preferred shares with a loss absorbency clause upon entering into effectively bankruptcy

2. Intangible fixed assets

(1) Consolidated balance sheet

Ref.	Consolidated balance sheet items	(Millions of yen)		Remarks
		As of March 31, 2015	As of March 31, 2016	
2-a	Intangible fixed assets	657,556	804,567	
2-b	Securities	43,278,733	39,505,971	
	of which: share of goodwill of companies accounted for using the equity method	48,680	35,646	Share of goodwill of companies accounted for using the equity method
	Income taxes related to above	(191,837)	(237,595)	

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(2) Composition of capital

Basel III template	Composition of capital disclosure	(Millions of yen)		Remarks
		As of March 31, 2015	As of March 31, 2016	
8	Goodwill (net of related tax liability, including those equivalent)	107,297	59,087	
9	Other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	407,101	543,531	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.	Consolidated balance sheet items	(Millions of yen)		Remarks
		As of March 31, 2015	As of March 31, 2016	
3	Net defined benefit asset	743,382	646,428	
	Income taxes related to above	(239,199)	(197,428)	

(2) Composition of capital

Basel III template	Composition of capital disclosure	(Millions of yen)		Remarks
		As of March 31, 2015	As of March 31, 2016	
15	Net defined benefit asset	504,183	449,000	

4. Deferred tax assets

(1) Consolidated balance sheet

Ref.	Consolidated balance sheet items	(Millions of yen)		Remarks
		As of March 31, 2015	As of March 31, 2016	
4-a	Deferred tax assets	36,938	36,517	
4-b	Deferred tax liabilities	524,321	414,799	
4-c	Deferred tax liabilities for revaluation reserve for land	72,392	67,991	
	Tax effects on intangible fixed assets	191,837	237,595	
	Tax effects on net defined benefit asset	239,199	197,428	

(2) Composition of capital

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Basel III template	Composition of capital disclosure	(Millions of yen)		Remarks
		As of March 31, 2015	As of March 31, 2016	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	11,399	11,024	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)	75,937	75,828	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)	75,937	75,828	

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

Ref.	Consolidated balance sheet items	(Millions of yen)		Remarks
		As of March 31, 2015	As of March 31, 2016	
5	Deferred gains or losses on hedges	26,635	165,264	

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(2) Composition of capital

Basel III template	Composition of capital disclosure	(Millions of yen)		Remarks
		As of March 31, 2015	As of March 31, 2016	
11	Deferred gains or losses on derivatives under hedge accounting	26,635	165,264	

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

(1) Consolidated balance sheet

Ref.	Consolidated balance sheet items	(Millions of yen)		Remarks
		As of March 31, 2015	As of March 31, 2016	
6-a	Trading assets			Including trading account securities and derivatives for trading assets
		10,781,735	13,004,522	
6-b	Securities	43,278,733	39,505,971	
6-c	Loans and bills discounted	73,415,170	73,708,884	Including subordinated loans
6-d	Derivatives other than for trading assets	3,544,243	3,157,752	
6-e	Other assets	4,066,424	4,144,131	Including money invested
6-f	Trading liabilities			Including trading account securities sold
		8,743,196	10,276,133	
6-g	Derivatives other than for trading liabilities	3,474,332	2,571,597	

(2) Composition of capital

Basel III template	Composition of capital disclosure	(Millions of yen)		Remarks
		As of March 31, 2015	As of March 31, 2016	
	Investments in own capital instruments	9,072	2,231	
16	Common equity Tier 1 capital	4,872	2,231	
37	Additional Tier 1 capital			
52	Tier 2 capital	4,200		
	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)	1,058,656	821,973	
18	Common equity Tier 1 capital	246,646	93,508	
39	Additional Tier 1 capital	943	28	
54	Tier 2 capital	135,285	55,624	
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	675,780	672,811	

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	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	276,553	260,053
19	Amount exceeding the 10% threshold on specified items		
23	Amount exceeding the 15% threshold on specified items		
40	Additional Tier 1 capital	125,753	147,677
55	Tier 2 capital		
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	150,800	112,376

7. Non-Controlling interests

(1) Consolidated balance sheet

Ref.	Consolidated balance sheet items	(Millions of yen)		Remarks
		As of March 31, 2015	As of March 31, 2016	
7	Non-Controlling interests	1,635,595	1,182,668	

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(2) Composition of capital

Basel III template	Composition of capital disclosure	(Millions of yen)		Remarks
		As of March 31, 2015	As of March 31, 2016	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	12,106	14,749	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)	29,598	30,843	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	180,405	169,035	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)	9,250	10,269	After reflecting amounts eligible for inclusion (non-controlling interest after adjustments)

8. Other capital instruments

(1) Consolidated balance sheet

Ref.	Consolidated balance sheet items	(Millions of yen)		Remarks
		As of March 31, 2015	As of March 31, 2016	
8-a	Borrowed money	7,195,869	7,503,543	
8-b	Bonds and notes	6,013,731	6,120,928	
	Total	13,209,601	13,624,471	

(2) Composition of capital

Basel III template	Composition of capital disclosure	(Millions of yen)		Remarks
		As of March 31, 2015	As of March 31, 2016	
32	Directly issued qualifying additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards		300,000	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	150,000	324,517	

Note:

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Amounts in the Composition of capital disclosure are based on those before considering amounts under transitional arrangements and include Amounts excluded under transitional arrangements disclosed in (A) Composition of capital disclosure as well as amounts included as regulatory capital. In addition, items for regulatory purposes under transitional arrangements are excluded from this table.

Table of Contents**n Risk-based capital****(3) Summary of approach to assessing capital adequacy**

In order to ensure that risk-based capital is sufficiently maintained in light of the risk held by us, we regularly conduct the following assessment of capital adequacy in addition to adopting a suitable and effective capital adequacy monitoring structure.

Maintaining a sufficient BIS capital ratio

We confirm our maintenance of a high level of financial soundness by conducting regular evaluations to examine whether our risk-based capital is adequate in qualitative as well as quantitative terms, in light of our business plans and strategic targets to match the increase in risk-weighted assets acquired for growth, in addition to maintaining our capital above the minimum requirements of common equity Tier 1 capital ratio, Tier 1 capital ratio, total capital ratio and capital buffer ratio.

Balancing risk and capital

On the basis of the framework for allocating risk capital, after obtaining the clearest possible grasp of the group's overall risk exposure, we endeavor to control risk so as to keep it within the range of our business capacity by means of allocating capital that corresponds to the amount of risk to the principal banking subsidiaries, etc., within the bounds of our capital, and we conduct regular assessments to ensure that a sufficient level of capital is maintained for our risk profile. When making these assessments, we calculate the potential losses arising from assumed stress events and risk volumes, which we assess whether they balance with the group's capital. Stress events are based on risk scenarios that are formulated based on the current economic condition and the economic outlook, etc. and from scenarios such as the occurrence of historical stress events. In addition, we examine whether an appropriate return on risk is maintained in the assessments.

(4) Required capital by portfolio classification

	(Billions of yen)			
	As of March 31, 2015		As of March 31, 2016	
	EAD	Required capital	EAD	Required capital
Credit risk	196,575.9	5,456.6	200,940.9	5,234.5
Internal ratings-based approach	189,380.7	4,926.2	190,100.2	4,701.2
Corporate (except specialized lending)	68,175.7	2,434.9	70,940.2	2,502.9
Corporate (specialized lending)	3,574.5	323.9	3,818.1	270.3
Sovereign	77,687.8	92.8	79,624.1	102.0
Bank	7,827.4	155.8	6,893.6	150.2
Retail	13,346.9	546.0	12,942.5	514.4
Residential mortgage	10,173.4	344.5	9,855.1	324.7
Qualifying revolving loan	499.0	38.1	562.9	42.6
Other retail	2,674.4	163.3	2,524.5	147.0
Equities	5,628.1	695.3	4,460.7	587.7
PD/LGD approach	4,831.4	489.4	3,901.2	441.9
Market-based approach (simple risk weight method)	796.7	205.9	559.4	145.7
Market-based approach (internal models approach)				
Regarded-method exposure	2,073.3	382.1	1,750.8	311.6
Purchase receivables	5,111.1	140.1	3,669.1	116.7
Securitizations	3,340.6	24.0	3,803.3	23.2
Others	2,614.8	130.9	2,197.4	121.6
Standardized approach	7,195.2	279.0	10,840.7	290.2
Sovereign	2,881.6	7.8	5,748.0	8.3
Bank	1,274.6	25.0	2,035.8	37.1
Corporate	2,447.9	183.7	2,392.7	181.8
Residential mortgage				

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Securitizations	21.9	9.5	20.7	5.3
Others	569.0	52.8	643.2	57.5
CVA risk	n.a.	220.4	n.a.	225.8
Central counterparty-related	n.a.	31.0	n.a.	17.1
Market risk	n.a.	277.9	n.a.	135.6
Standardized approach	n.a.	78.8	n.a.	70.6
Interest rate risk	n.a.	42.3	n.a.	37.6
Equities risk	n.a.	22.9	n.a.	23.9
Foreign exchange risk	n.a.	10.3	n.a.	4.8
Commodities risk	n.a.	3.1	n.a.	4.1
Option transactions	n.a.		n.a.	
Internal models approach	n.a.	199.0	n.a.	65.0
Operational risk	n.a.	249.2	n.a.	259.7
Advanced measurement approach	n.a.	210.4	n.a.	221.0
Basic indicator approach	n.a.	38.8	n.a.	38.6
Total required capital (consolidated)	n.a.	5,215.3	n.a.	5,002.4

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Notes:

1. EAD: Exposure at default.
2. PD: Probability of default.
3. LGD: Loss given default.
4. Required capital: For credit risk, the sum of (i) 8% of credit risk-weighted assets and (ii) expected losses. For market risk, the market risk equivalent amount. For operational risk, the operational risk equivalent amount.
5. Total required capital (consolidated): 8% of the denominator of the capital adequacy ratio.
6. The major exposures included in each portfolio classification of internal ratings-based approach are as follows:

Corporate (excluding specialized lending)	Credits to corporations and sole proprietors (excluding credits to retail customers)
Corporate (specialized lending)	Credits which limit interest and principal repayment sources to cash flow derived from specific real estate, chattel, businesses, etc, including real estate non-recourse loan, ship finance and project finance, etc.
Sovereign	Credits to central governments, central banks and local governmental entities
Bank	Credits to banks and securities companies, etc.
Retail	Housing loans (residential mortgage), credit card loans (qualifying revolving retail loan) and other individual consumer loans and loans to business enterprises with total credit amount of less than ¥100 million, etc. (other retail).
Equities	Capital stock, preferred securities, perpetual subordinated debt, etc. (excluding trading assets)
	The transitional measure (Article 13 of supplementary provision of the FSA Notice No. 20) applies to those held from September 30, 2004 or earlier in the fiscal year ended March 31, 2015. Either the PD/LGD approach or the market-based approach applies in the fiscal year ended March 31, 2016 as the transitional period ended.
Regarded-method exposure	Investment trusts and funds, etc.
Purchase receivables	Receivables purchased from third parties excluding securities (excluding securitizations)
Securitizations	Transactions in the form of non-recourse and having a senior/subordinated structure, etc. (excluding specialized lending).

7. EAD calculated using the standardized approach for credit risk represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs.
8. From the fiscal year ended March 31, 2016, we have been calculating EAD using the internal ratings-based approach for credit risk by taking into account the amount of collateral for derivatives transactions. EAD as of March 31, 2015 represents the amount adjusted to retroactively reflect this method.

Table of Contents**n Credit risk****(5) Credit risk management****Summary of credit risk management**

See pages 71 to 72 for a summary of our credit risk management policies and procedures.

We apply the advanced internal ratings-based approach to calculate credit risk-weighted assets under Basel Framework. With regard to some business units or asset classes that are deemed to be immaterial for purposes of calculating credit risk-weighted assets, we apply the standardized approach.

We use our estimates of PD (probability of default) and LGD (loss given default) in calculating credit risk-weighted assets. In accordance with regulations, we estimate PD by using long-term averages of actual defaults, to which conservative adjustments are made, based on internal data, and make adjustments to LGD taking into account recessionary periods. We regularly perform verifications of PD and LGD through back testing and other methods. We also utilize these estimates for measuring credit risks for internal use, allocating risk capital and other purposes.

Status of portfolios to which the standardized approach is applied

Eligible external credit assessment institutions used for determining the risk weight for portfolios to which the standardized approach is applied are Rating and Investment Information, Inc. (R&I) in Japan and Standard & Poor's Ratings Services (S&P) overseas.

We apply a risk weight of 100% for all of our corporate exposure.

Summary of our internal rating system

See pages 71 to 72 for a summary of our internal rating system and rating assignment procedures.

The following table sets forth information with respect to the definition of obligor ratings.

Obligor ratings**Obligor ratings**

(major category)	Definition of ratings	Classification
A1 A3	Obligors whose certainty of debt fulfillment is very high, hence their level of credit risk is excellent.	Investment grade zone
B1 B2	Obligors whose certainty of debt fulfillment poses no problems for the foreseeable future, hence their level of credit risk is sufficient.	
C1 C3	Obligors whose certainty of debt fulfillment and their level of credit risk pose no problems for the foreseeable future.	
D1 D3	Obligors whose current certainty of debt fulfillment poses no problems, however, their resistance to future changes in business environment is low.	Non-investment grade zone
E1 E2	Obligors who require close watching going forward because there are problems with their borrowing conditions, such as reduced or suspended interest payments, problems with fulfillment such as de facto postponements of principal or interest payments, or problems with their financial positions as a result of their poor or unstable business conditions.	
F1	R* Obligors who are not yet bankrupt but are in financial difficulties and are deemed to be very likely to go bankrupt in the future because they are finding it difficult to make progress in implementing their management improvement plans (including obligors who are receiving ongoing support from financial institutions).	Default
G1	Obligors who have not yet gone legally or formally bankrupt but who are substantially bankrupt because they are in serious financial difficulties and are not deemed to be capable	

of restructuring.

H1 Obligors who have already gone bankrupt, from both a legal and/or formal perspective.

* Obligors who have loans in need of monitoring (restructured loans and loans past due for three months or more) out of the obligors who require close watching going forward

Table of Contents**(6) Credit risk exposure, etc.**

We exclude regarded-method exposure and securitization exposure from the amount of credit risk exposure.

The outstanding balance is based on exposure at default.

No significant difference exists between period-end credit risk position and the average credit risk position during the fiscal years ended March 31, 2015 and 2016.

Status of credit risk exposure**(A) Breakdown by geographical area**

	(Billions of yen)				
	As of March 31, 2015				
	Loans, commitments and other non-derivative off-balance-sheet exposures	Securities	Derivatives	Others	Total
Domestic	69,662.6	28,131.5	1,309.9	25,941.1	125,045.3
Overseas	37,120.2	11,831.1	2,959.8	7,010.2	58,921.5
Asia	9,175.5	2,076.8	338.3	1,764.3	13,355.1
Central and South America	3,157.2	162.9	141.2	578.4	4,039.9
North America	15,445.9	7,256.7	827.4	3,967.6	27,497.7
Eastern Europe	394.9		3.0	15.3	413.3
Western Europe	5,620.9	1,825.4	1,381.5	464.3	9,292.2
Other areas	3,325.5	509.1	268.2	220.0	4,323.1
Total	106,782.8	39,962.7	4,269.8	32,951.3	183,966.8
Exempt portion	n.a.	n.a.	n.a.	n.a.	7,173.2

	(Billions of yen)				
	As of March 31, 2016				
	Loans, commitments and other non-derivative off-balance-sheet exposures	Securities	Derivatives	Others	Total
Domestic	68,500.9	25,391.7	1,489.6	30,971.8	126,354.1
Overseas	38,737.2	10,892.1	2,678.3	5,884.1	58,191.9
Asia	9,269.4	2,145.6	409.9	1,464.4	13,289.4
Central and South America	3,107.3	56.7	126.7	470.8	3,761.6
North America	15,529.0	6,470.6	711.6	3,190.3	25,901.7
Eastern Europe	374.0		0.2	3.1	377.5
Western Europe	6,792.6	1,826.5	1,199.2	497.4	10,315.9
Other areas	3,664.6	392.5	230.4	257.8	4,545.5
Total	107,238.1	36,283.9	4,167.9	36,856.0	184,546.0
Exempt portion	n.a.	n.a.	n.a.	n.a.	10,820.0

Notes:

1. Exempt portion represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs, calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit risk-weighted assets.
2. Exposure to non-Japanese residents is included in Overseas.
3. Others include cash, deposits, call loans, other debt purchased, money held in trust, foreign exchange assets, other assets, etc.

Table of Contents**(B) Breakdown by industry**

(Billions of yen)

As of March 31, 2015

	Loans, commitments and other non-derivative off-balance-sheet exposures	Securities	Derivatives	Others	Total
Manufacturing	19,834.1	2,653.2	511.1	672.0	23,670.5
Construction	1,470.3	194.8	14.2	61.6	1,741.0
Real estate	7,799.4	592.5	63.0	14.9	8,469.9
Service industries	4,625.9	459.4	78.9	46.6	5,210.8
Wholesale and retail	9,008.8	745.4	113.9	1,089.7	10,958.1
Finance and insurance	13,070.3	3,578.9	2,595.0	2,042.5	21,286.8
Individuals	11,949.5		0.2	10.6	11,960.3
Other industries	25,245.1	10,133.2	888.8	8,035.2	44,302.5
Japanese Government; Bank of Japan	13,779.1	21,605.0	4.3	20,977.8	56,366.4
Total	106,782.8	39,962.7	4,269.8	32,951.3	183,966.8
Exempt portion	n.a.	n.a.	n.a.	n.a.	7,173.2

(Billions of yen)

As of March 31, 2016

	Loans, commitments and other non-derivative off-balance-sheet exposures	Securities	Derivatives	Others	Total
Manufacturing	19,955.7	2,212.9	569.1	638.8	23,376.7
Construction	1,498.5	201.1	12.5	47.4	1,759.7
Real estate	8,579.8	548.1	94.8	17.5	9,240.3
Service industries	5,018.6	381.3	85.4	65.8	5,551.2
Wholesale and retail	8,821.9	724.6	147.9	900.4	10,594.9
Finance and insurance	11,709.8	2,970.5	2,093.1	1,777.6	18,551.2
Individuals	11,634.5		0.6	10.1	11,645.3
Other industries	26,988.4	9,748.7	1,120.2	6,565.9	44,423.4
Japanese Government; Bank of Japan	13,030.5	19,496.4	43.8	26,832.1	59,402.9
Total	107,238.1	36,283.9	4,167.9	36,856.0	184,546.0
Exempt portion	n.a.	n.a.	n.a.	n.a.	10,820.0

Notes:

- Exempt portion represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs, calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit risk-weighted assets.
- Others include cash, deposits, call loans, other debt purchased, money held in trust, foreign exchange assets, other assets, etc.

Table of Contents**(C) Breakdown by residual contractual maturity**

(Billions of yen)

	As of March 31, 2015				
	Loans, commitments and other non-derivative off-balance-sheet exposures	Securities	Derivatives	Others	Total
	Less than one year	30,032.6	6,663.3	834.8	5,310.1
From one year to less than three years	18,221.8	10,934.4	2,073.4	604.0	31,833.7
From three years to less than five years	19,111.8	9,387.3	520.2	21.9	29,041.3
Five years or more	26,942.5	7,529.5	839.6	5.8	35,317.5
Other than above	12,474.0	5,448.0	1.6	27,009.4	44,933.1
Total	106,782.8	39,962.7	4,269.8	32,951.3	183,966.8
Exempt portion	n.a.	n.a.	n.a.	n.a.	7,173.2

(Billions of yen)

	As of March 31, 2016				
	Loans, commitments and other non-derivative off-balance-sheet exposures	Securities	Derivatives	Others	Total
	Less than one year	27,076.9	5,849.6	775.3	4,940.8
From one year to less than three years	20,332.0	13,249.2	1,666.4	599.1	35,846.9
From three years to less than five years	18,855.2	4,964.2	667.4	16.0	24,502.9
Five years or more	28,091.6	7,803.3	1,043.8	11.8	36,950.7
Other than above	12,882.2	4,417.4	14.7	31,288.0	48,602.5
Total	107,238.1	36,283.9	4,167.9	36,856.0	184,546.0
Exempt portion	n.a.	n.a.	n.a.	n.a.	10,820.0

Notes:

1. Exempt portion represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs, calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit risk-weighted assets.
2. Others include cash, deposits, call loans, other debt purchased, money held in trust, foreign exchange assets, other assets, etc.

Table of Contents**Status of exposure past due three months or more or in default****(D) Breakdown by geographical area**

(Billions of yen)

	As of March 31, 2015					Total
	Loans, commitments and other non-derivative off-balance-sheet exposures	Securities	Derivatives	Others	Total	
Domestic	1,124.1	24.2	4.9	24.6	1,178.0	
Overseas	349.1	1.9	23.6	6.9	381.6	
Asia	44.8	0.0	0.6	1.2	46.7	
Central and South America	83.9	0.0	10.6	0.0	94.6	
North America	16.2	1.9	0.9	2.0	21.1	
Eastern Europe	6.0		0.1		6.1	
Western Europe	72.1	0.0	11.4	3.5	87.0	
Other areas	125.9			0.0	125.9	
Total	1,473.3	26.2	28.5	31.5	1,559.6	
Exempt portion	n.a.	n.a.	n.a.	n.a.	4.4	

(Billions of yen)

	As of March 31, 2016					Total
	Loans, commitments and other non-derivative off-balance-sheet exposures	Securities	Derivatives	Others	Total	
Domestic	931.3	79.7	4.2	17.1	1,032.4	
Overseas	224.1	3.1	7.0	4.9	239.2	
Asia	49.6	0.0	0.5	0.7	50.9	
Central and South America	55.3	0.0	3.3	0.0	58.6	
North America	29.5	3.0		1.6	34.2	
Eastern Europe	1.9		0.0		2.0	
Western Europe	64.6	0.0	3.1	2.3	70.2	
Other areas	22.9			0.1	23.0	
Total	1,155.4	82.9	11.3	22.0	1,271.7	
Exempt portion	n.a.	n.a.	n.a.	n.a.	3.8	

Notes:

- Exempt portion represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs, calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit risk-weighted assets.
- Exposure to non-Japanese residents is included in Overseas.

3. Others include deposits, call loans, other debt purchased, money held in trust, foreign exchange assets, other assets, etc.

Table of Contents**(E) Breakdown by industry**

(Billions of yen)

	As of March 31, 2015					Total
	Loans, commitments and other non-derivative		Securities	Derivatives	Others	
	off-balance-sheet	exposures				
Manufacturing	516.7	15.9	3.5	6.2	542.3	
Construction	27.1	0.2		0.6	28.0	
Real estate	105.6	3.5	0.0	0.5	109.8	
Service industries	99.7	0.7	8.0	3.1	111.7	
Wholesale and retail	212.9	3.4	0.7	13.0	230.0	
Finance and insurance	73.4	1.5	0.0	3.8	78.8	
Individuals	126.1			1.2	127.3	
Other industries	311.5	0.7	16.2	2.8	331.4	
Total	1,473.3	26.2	28.5	31.5	1,559.6	
Exempt portion	n.a.	n.a.	n.a.	n.a.	4.4	

(Billions of yen)

	As of March 31, 2016					Total
	Loans, commitments and other non-derivative		Securities	Derivatives	Others	
	off-balance-sheet	exposures				
Manufacturing	420.3	73.2	2.7	4.5	500.7	
Construction	17.9	0.0		0.5	18.5	
Real estate	76.3	0.6	0.1	0.2	77.3	
Service industries	84.4	0.8	0.7	1.2	87.3	
Wholesale and retail	195.1	1.5	0.6	9.5	206.9	
Finance and insurance	11.3	5.5	0.0	2.1	19.0	
Individuals	108.3			1.1	109.5	
Other industries	241.5	0.9	7.0	2.6	252.2	
Total	1,155.4	82.9	11.3	22.0	1,271.7	
Exempt portion	n.a.	n.a.	n.a.	n.a.	3.8	

Notes:

- Exempt portion represents the amount before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs, calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit risk-weighted assets.
- Others include deposits, call loans, other debt purchased, money held in trust, foreign exchange assets, other assets, etc.

Table of Contents**Status of reserves for possible losses on loans**

The amounts associated with regarded-method exposure and securitization exposure are excluded.

(F) Fiscal year-end balances of reserves for possible losses on loans and changes during the fiscal year

(after partial direct write-offs)

	(Billions of yen)	
	As of, or for the fiscal year ended, March 31, 2015	As of, or for the fiscal year ended, March 31, 2016
General reserve for possible losses on loans		
Beginning balance	398.7	344.4
Increase during the fiscal year	344.4	304.8
Decrease during the fiscal year	398.7	344.4
Ending balance	344.4	304.8
Specific reserve for possible losses on loans		
Beginning balance	216.7	180.3
Increase during the fiscal year	180.3	154.6
Decrease during the fiscal year	216.7	180.3
Ending balance	180.3	154.6
Reserve for possible losses on loans to restructuring countries		
Beginning balance	0.7	0.6
Increase during the fiscal year	0.6	0.0
Decrease during the fiscal year	0.7	0.6
Ending balance	0.6	0.0
Total		
Beginning balance	616.3	525.4
Increase during the fiscal year	525.4	459.5
Decrease during the fiscal year	616.3	525.4
Ending balance	525.4	459.5

Note:

General reserve for possible losses on loans in the above table represents the amount recorded in our consolidated balance sheet, and the amounts associated with regarded-method exposure and securitization exposure are not excluded.

(G) Specific reserve for possible losses on loans by geographical area and industry

	(Billions of yen)		
	As of March 31, 2014	As of March 31, 2015	Change
Domestic	138.4	120.0	(18.3)
Manufacturing	30.7	29.5	(1.2)
Construction	7.5	5.5	(2.0)
Real estate	11.7	5.0	(6.7)
Service industries	12.0	11.4	(0.6)
Wholesale and retail	32.1	35.0	2.9

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Finance and insurance	0.0	0.8	0.7
Individuals	35.9	25.6	(10.2)
Other industries	8.1	6.9	(1.2)
Overseas	71.1	49.9	(21.2)
Exempt portion	7.1	10.4	3.2
Total	216.7	180.3	(36.4)

	As of March 31, 2015	As of March 31, 2016	(Billions of yen) Change
Domestic	120.0	96.2	(23.8)
Manufacturing	29.5	27.2	(2.3)
Construction	5.5	3.1	(2.3)
Real estate	5.0	2.3	(2.6)
Service industries	11.4	11.5	0.0
Wholesale and retail	35.0	28.8	(6.2)
Finance and insurance	0.8	0.6	(0.1)
Individuals	25.6	17.3	(8.3)
Other industries	6.9	5.0	(1.8)
Overseas	49.9	49.1	(0.8)
Exempt portion	10.4	9.3	(1.0)
Total	180.3	154.6	(25.6)

Note:
Exempt portion represents the amount calculated using the standardized approach for business units and asset classes that are immaterial for purposes of calculating credit risk-weighted assets.

Table of Contents**(H) Write-offs of loans by industry**

	(Billions of yen)	
	For the fiscal year ended March 31, 2015	For the fiscal year ended March 31, 2016
Manufacturing	3.6	1.1
Construction	0.3	0.2
Real estate	1.2	0.8
Service industries	1.3	1.4
Wholesale and retail	8.9	7.9
Finance and insurance	0.0	0.1
Individuals	6.2	5.3
Other industries	62.4	29.4
Exempt portion	0.2	0.0
Total	84.5	46.6

Notes:

1. The above table represents the breakdown of losses on write-offs of loans recorded in our consolidated statement of income after excluding the amounts associated with regarded-method exposure and securitization exposure.
2. Exempt portion represents the amount calculated using the standardized approach for business units and asset classes that are immaterial for purposes of calculating credit risk-weighted assets.
3. Other industries include overseas and non-Japanese resident portions.

Status of exposure to which the standardized approach is applied**(I) Exposure by risk weight category after applying credit risk mitigation**

	(Billions of yen)			
	As of March 31, 2015			
Risk weight	On-balance sheet	Off-balance sheet	Total	With external rating
0%	2,013.6	583.3	2,597.0	76.5
10%	149.2		149.2	
20%	468.6	723.0	1,191.7	26.9
35%				
50%	85.0	13.1	98.1	45.3
100%	1,974.4	1,098.8	3,073.2	63.3
150%	0.1		0.1	
250%	63.6		63.6	
350%				
625%		0.0	0.0	
937.5%		0.0	0.0	
1,250%				
Total	4,754.7	2,418.5	7,173.2	212.1

(Billions of yen)

As of March 31, 2016

Risk weight	On-balance sheet	Off-balance sheet	Total	With external rating
0%	4,659.9	695.5	5,355.4	63.2
10%	225.4		225.4	
20%	1,117.2	859.9	1,977.2	81.3
35%				
50%	46.3	41.5	87.9	51.8
100%	2,044.3	1,076.2	3,120.5	57.3
150%	0.0		0.0	0.0
250%	53.3		53.3	
350%				
625%		0.0	0.0	
937.5%		0.0	0.0	
1,250%				
Total	8,146.6	2,673.3	10,820.0	253.6

Notes:

1. The amounts in the above table are before the deduction of specific reserve for possible losses on loans, reserve for possible losses on loans to restructuring countries and partial direct write-offs.
2. Off-balance-sheet exposure shows credit equivalent amount.

Table of Contents**(J) Amount of exposure to which a risk weight of 1,250% is applied**

	As of March 31, 2015	(Billions of yen) As of March 31, 2016
Amount of exposure to which a risk weight of 1,250% is applied	6.1	0.8
Status of exposure to which the internal ratings-based approach is applied		

(K) Specialized lending exposure under supervisory slotting criteria by risk weight category

Risk weight	As of March 31, 2015	(Billions of yen) As of March 31, 2016
50%	0.6	0.5
70%	37.7	41.6
90%	7.1	1.1
95%	94.3	44.6
115%	30.5	5.0
120%		15.4
140%		7.5
250%	24.3	39.6
Default	28.3	19.5
Total	223.2	175.2

(L) Equity exposure under simple risk weight method of market-based approach by risk weight category

Risk weight	As of March 31, 2015	(Billions of yen) As of March 31, 2016
300%	729.5	488.3
400%	67.2	71.1
Total	796.7	559.4

Note: Of the equity exposure under the simple risk weight method, a risk weight of 300% is applied for listed equities and 400% for unlisted equities.

Table of Contents**(M) Portfolio by asset class and ratings segment (Corporate, etc.)**

(Billions of yen, except percentages)

As of March 31, 2015

	PD (EAD weighted average) (%)	LGD (EAD weighted average) (%)	EL default (EAD weighted average) (%)	Risk weight (EAD weighted average) (%)	EAD (Billions of yen)	On-balance sheet	Off-balance sheet	Amount of undrawn commitments	Weighted average of credit conversion factor (%)
Corporate	2.04	36.34	n.a.	36.84	76,322.9	54,372.9	21,950.0	21,339.9	74.99
Investment grade zone	0.09	37.76	n.a.	25.67	53,727.3	35,036.9	18,690.4	18,600.1	74.99
Non-investment grade zone	1.45	32.41	n.a.	64.92	21,403.3	18,186.8	3,216.5	2,735.3	75.00
Default	100.00	42.93	40.22	35.88	1,192.2	1,149.1	43.1	4.3	75.00
Sovereign	0.01	38.60	n.a.	1.50	77,974.1	64,807.8	13,166.2	953.3	75.00
Investment grade zone	0.00	38.61	n.a.	1.42	77,855.7	64,704.3	13,151.4	941.0	75.00
Non-investment grade zone	0.85	37.17	n.a.	58.31	118.2	103.4	14.8	12.2	75.00
Default	100.00	57.51	52.76	62.89	0.0	0.0			
Bank	0.20	33.54	n.a.	23.69	7,856.4	4,406.6	3,449.8	462.4	75.00
Investment grade zone	0.09	33.48	n.a.	20.46	7,153.0	3,968.7	3,184.3	375.6	75.00
Non-investment grade zone	0.79	33.73	n.a.	56.69	699.8	434.2	265.5	86.7	75.00
Default	100.00	97.29	95.04	29.81	3.6	3.6			
Equity exposure under PD/LGD approach	0.47	90.00	n.a.	126.62	4,831.4	4,691.1	140.2		
Investment grade zone	0.06	90.00	n.a.	115.13	4,502.9	4,362.7	140.2		
Non-investment grade zone	1.06	90.00	n.a.	235.79	311.8	311.8			
Default	100.00	90.00	n.a.	1,192.50	16.6	16.6			
Total	0.97	38.82	n.a.	22.32	166,984.9	128,278.5	38,706.4	22,755.6	74.99
Investment grade zone	0.05	39.65	n.a.	15.04	143,239.1	108,072.6	35,166.4	19,916.9	74.99
Non-investment grade zone	1.45	33.27	n.a.	67.00	22,533.2	19,036.3	3,496.8	2,834.3	75.00
Default	100.00	43.74	40.38	51.73	1,212.5	1,169.4	43.1	4.3	75.00

Table of Contents(Billions of yen, except percentages)
As of March 31, 2016

	PD (EAD weighted average) (%)	LGD (EAD weighted average) (%)	EL default (EAD weighted average) (%)	Risk weight (EAD weighted average) (%)	EAD (Billions of yen)	On-balance sheet	Off-balance sheet	Amount of undrawn commitments	Weighted average of credit conversion factor (%)
Corporate	1.72	36.43	n.a.	37.92	77,953.6	56,053.9	21,899.7	22,666.8	74.99
Investment grade zone	0.10	38.05	n.a.	27.27	54,868.1	36,687.2	18,180.9	19,298.2	74.99
Non-investment grade zone	1.49	32.28	n.a.	64.49	22,127.0	18,442.6	3,684.4	3,360.5	75.00
Default	100.00	39.19	36.60	34.30	958.4	924.0	34.4	8.0	75.00
Sovereign	0.01	38.29	n.a.	1.60	79,893.0	65,570.6	14,322.4	854.0	75.00
Investment grade zone	0.00	38.29	n.a.	1.49	79,739.7	65,426.9	14,312.7	845.5	75.00
Non-investment grade zone	0.72	38.13	n.a.	61.26	153.2	143.5	9.7	8.4	75.00
Default	100.00	56.88	52.15	62.73	0.0	0.0			
Bank	0.18	35.19	n.a.	26.25	6,923.3	4,151.3	2,772.0	555.6	75.00
Investment grade zone	0.09	35.00	n.a.	22.09	6,198.3	3,557.9	2,640.4	451.8	75.00
Non-investment grade zone	0.69	36.65	n.a.	61.91	723.0	591.4	131.5	103.8	75.00
Default	100.00	97.07	94.79	30.21	1.9	1.9			
Equity exposure under PD/LGD approach	2.04	90.00	n.a.	141.61	3,901.2	3,858.0	43.1		
Investment grade zone	0.07	90.00	n.a.	112.47	3,558.7	3,515.5	43.1		
Non-investment grade zone	1.03	90.00	n.a.	236.83	268.0	268.0			
Default	100.00	90.00	n.a.	1,191.88	74.4	74.4			
Total	0.85	38.50	n.a.	22.64	168,671.3	129,633.9	39,037.4	24,076.5	74.99
Investment grade zone	0.05	39.33	n.a.	14.90	144,364.9	109,187.6	35,177.2	20,595.6	74.99
Non-investment grade zone	1.45	33.11	n.a.	66.37	23,271.5	19,445.7	3,825.7	3,472.8	75.00
Default	100.00	42.95	36.72	117.56	1,034.9	1,000.5	34.4	8.0	75.00

Notes:

- Investment grade zone includes obligor ratings A1 through B2, non-investment grade zone includes C1 through E2 (excluding E2R), and default includes E2R through H1.
- Corporate does not include specialized lending exposure under supervisory slotting criteria.
- Each asset class includes purchased receivables.
- The commitments that can be terminated at any time without condition or terminated automatically are not included in the amount of undrawn commitments and weighted average of credit conversion factor.
- Regarding equity exposure under the PD/LGD approach, we recognize the risk-weighted assets by multiplying 1,250% by the expected loss (EL).

Table of Contents**(N) Portfolio by asset class and ratings segment (Retail)**

	(Billions of yen, except percentages)									
	As of March 31, 2015					EAD	On-balance sheet	Off-balance sheet	Amount of undrawn commitments	Weighted average of credit conversion factor
	PD	LGD	EL default	Risk weight	EAD					
	(EAD weighted average)	(EAD weighted average)	(EAD weighted average)	(EAD weighted average)	(Billions of yen)	(%)	(%)	(%)	(%)	
Residential mortgage	1.81	41.44	n.a.	32.44	10,173.4	9,990.1	183.3	8.9	75.25	
Non-default	0.77	41.37	n.a.	32.45	10,066.3	9,885.7	180.6	8.9	75.25	
Default	100.00	47.74	45.33	31.87	107.0	104.3	2.6			
Qualifying revolving loan (retail)	3.22	77.26	n.a.	64.63	499.0	333.5	165.4	1,562.1	10.59	
Non-default	3.03	77.27	n.a.	64.65	498.0	332.7	165.2	1,560.4	10.59	
Default	100.00	73.17	69.25	51.70	0.9	0.7	0.2	1.6	12.81	
Other retail	4.60	53.30	n.a.	50.93	2,674.4	2,659.3	15.0	17.5	66.35	
Non-default	1.64	53.54	n.a.	51.43	2,594.0	2,582.7	11.3	13.7	58.32	
Default	100.00	45.38	42.73	35.03	80.3	76.6	3.7	3.8	95.01	
Total	2.42	45.15	n.a.	37.35	13,346.9	12,983.0	363.8	1,588.7	11.57	
Non-default	1.03	45.13	n.a.	37.41	13,158.4	12,801.2	357.2	1,583.1	11.37	
Default	100.00	46.86	44.35	33.32	188.4	181.8	6.5	5.5	70.16	

	(Billions of yen, except percentages)									
	As of March 31, 2016					EAD	On-balance sheet	Off-balance sheet	Amount of undrawn commitments	Weighted average of credit conversion factor
	PD	LGD	EL default	Risk weight	EAD					
	(EAD weighted average)	(EAD weighted average)	(EAD weighted average)	(EAD weighted average)	(Billions of yen)	(%)	(%)	(%)	(%)	
Residential mortgage	1.68	41.05	n.a.	32.11	9,855.1	9,698.6	156.4	10.0	75.00	
Non-default	0.76	40.99	n.a.	32.10	9,763.1	9,608.6	154.5	10.0	75.00	
Default	100.00	47.31	44.79	33.37	91.9	90.0	1.9			
Qualifying revolving loan (retail)	3.18	76.66	n.a.	64.45	562.9	373.7	189.1	1,610.0	11.75	
Non-default	3.03	76.67	n.a.	64.46	562.0	373.1	188.9	1,608.5	11.75	
Default	100.00	71.97	67.80	55.26	0.8	0.6	0.2	1.5	14.39	

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Other retail	4.38	51.67	n.a.	49.11	2,524.5	2,508.6	15.8	18.1	65.01
Non-default	1.65	51.87	n.a.	49.45	2,454.3	2,442.0	12.2	14.3	57.51
Default	100.00	44.83	42.02	37.24	70.1	66.5	3.6	3.8	92.69
Total	2.28	44.67	n.a.	36.83	12,942.5	12,581.0	361.4	1,638.2	12.73
Non-default	1.03	44.65	n.a.	36.85	12,779.4	12,423.7	355.6	1,632.8	12.53
Default	100.00	46.37	43.72	35.15	163.0	157.2	5.7	5.4	70.15

Notes:

1. Each asset class includes purchased receivables.
2. The commitments that can be terminated at any time without condition or terminated automatically are not included in the amount of undrawn commitments and weighted average of credit conversion factor.

Table of Contents**(O) Actual losses by asset class**

	(Billions of yen)	
	For the period from April 1, 2014 through March 31, 2015 Actual losses	For the period from April 1, 2015 through March 31, 2016 Actual losses
Corporate	128.1	24.8
Sovereign	0	0
Bank	(1.2)	(0.5)
Residential mortgage	(0.7)	(6.0)
Qualifying revolving loan (retail)	2.2	0.4
Other retail	5.1	(1.2)
Total	133.6	17.4

Note:

Actual losses are the sum of the net increase (decrease) in the amount of partial direct write-offs, specific reserve for possible losses on loans and general reserve for possible losses on loans (for claims against special attention obligors or below), etc., as well as tax-qualified direct write-offs, losses from sales of non-performing loans, losses from debt forgiveness and losses from debt-equity swaps during the relevant period. Equity exposure under the PD/LGD approach is not included in the amount of actual losses.

<Analysis>

The total amount of actual losses was decreased by ¥116.2 billion from the previous period to ¥17.4 billion due to significant decrease of losses from corporate exposure.

Table of Contents**(P) Comparison of estimated and actual losses by asset class**

(Billions of yen)

	For the period from April 1, 2007 through March 31, 2008			For the period from April 1, 2008 through March 31, 2009		
	Estimated losses			Estimated losses		
	(expected losses as of			(expected losses as of		
	March 31, 2007)			March 31, 2008)		
	After		Actual losses	After		Actual losses
	deduction	of reserves		deduction	of reserves	
Corporate	1,086.0	217.0	74.6	1,121.0	350.0	345.3
Sovereign	5.4	(7.0)	0.0	1.3	(11.1)	0.0
Bank	6.4	2.6	(2.6)	2.9	2.5	28.6
Residential mortgage	78.2	6.8	5.1	86.6	22.7	17.2
Qualifying revolving loan (retail)	7.2	2.3	(0.1)	7.9	3.2	2.1
Other retail	52.9	8.8	(2.8)	51.9	16.4	3.8
Total	1,236.5	230.5	74.1	1,271.8	383.9	397.3

(Billions of yen)

	For the period from April 1, 2009 through March 31, 2010			For the period from April 1, 2010 through March 31, 2011		
	Estimated losses			Estimated losses		
	(expected losses as of			(expected losses as of		
	March 31, 2009)			March 31, 2010)		
	After		Actual losses	After		Actual losses
	deduction	of reserves		deduction	of reserves	
Corporate	1,313.1	473.3	166.5	1,296.9	454.0	22.9
Sovereign	1.7	(10.8)	0.3	1.5	(11.4)	0.2
Bank	35.5	6.5	1.0	38.4	8.3	(0.4)
Residential mortgage	95.8	24.8	33.2	122.6	31.1	31.5
Qualifying revolving loan (retail)	10.3	3.8	0.2	10.2	3.5	1.4
Other retail	51.3	15.6	4.3	51.2	15.0	23.1
Total	1,508.0	513.3	205.8	1,521.1	500.6	78.7

(Billions of yen)

	For the period from April 1, 2011 through March 31, 2012		For the period from April 1, 2012 through March 31, 2013	
	Estimated losses	Actual losses	Estimated losses	Actual losses
	(expected losses as of		(expected losses as of	
	March 31, 2011)		March 31, 2012)	

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		After deduction of reserves			After deduction of reserves	
Corporate	989.6	373.2	29.2	828.0	272.6	75.6
Sovereign	1.3	(11.7)	0.2	3.1	(10.2)	0.2
Bank	31.9	4.1	(1.4)	18.4	6.3	(5.0)
Residential mortgage	150.4	43.2	(2.9)	134.8	41.6	(9.2)
Qualifying revolving loan (retail)	12.2	4.2	(0.7)	10.8	3.7	0.3
Other retail	74.7	24.1	5.2	73.5	24.2	0.2
Total	1,260.3	437.2	29.5	1,068.8	338.4	62.1

(Billions of yen)

	For the period from April 1, 2013 through March 31, 2014 Estimated losses (expected losses as of March 31, 2013)			For the period from April 1, 2014 through March 31, 2015 Estimated losses (expected losses as of March 31, 2014)		
		After deduction of reserves	Actual losses		After deduction of reserves	Actual losses
Corporate	785.1	246.9	(41.2)	596.0	195.5	128.1
Sovereign	1.7	(11.9)	(13.5)	1.5	1.5	0.0
Bank	12.5	6.4	(1.2)	10.3	5.6	(1.2)
Residential mortgage	123.7	50.5	(3.2)	104.8	46.1	(0.7)
Qualifying revolving loan (retail)	11.2	3.9	0.4	11.5	3.8	2.2
Other retail	69.1	26.2	1.4	61.9	23.8	5.1
Total	1,003.5	322.3	(57.4)	786.3	276.6	133.6

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	(Billions of yen)		
	For the period from April 1, 2015 through March 31, 2016		
	Estimated losses		
	(expected losses as of		
	March 31, 2015)		
		After deduction	Actual
		of reserves	losses
Corporate	607.1	128.9	24.8
Sovereign	1.6	1.5	0
Bank	7.3	3.9	(0.5)
Residential mortgage	80.4	31.2	(6.0)
Qualifying revolving loan (retail)	12.3	2.4	0.4
Other retail	54.3	15.1	(1.2)
Total	763.2	183.3	17.4

Notes:

1. Estimated losses after deduction of reserve are the amount after deductions of partial direct write-offs, specific reserves for possible losses on loans and general reserves for possible losses on loans (for claims against special attention obligors or below), etc., as of the beginning of each period. Equity exposure under the PD/LGD approach is not included in the amount of estimated losses.
2. Actual losses are the sum of the net increase (decrease) in the amount of partial direct write-offs, specific reserves for possible losses on loans and general reserves for possible losses on loans (for claims against special attention obligors or below), etc., as well as tax-qualified direct write-offs, losses from sales of non-performing loans, losses from debt forgiveness and losses from debt-equity swaps during the relevant period. Equity exposure under the PD/LGD approach is not included in the amount of actual losses.

Table of Contents**n Methods for credit risk mitigation****(7) Risk management regarding credit risk mitigation**

We obtain collateral and guarantees as a means of securing credit. In obtaining the collateral and guarantees, we evaluate the value of the collateral, guarantee performance capability of guarantor and legal enforceability, and we also conduct periodical subsequent re-evaluations. Furthermore, we monitor the state of concentration of collateral type and concentration of credit risks in individual companies, including indirect credit exposure such as guarantees.

When calculating the credit risk weighted assets for capital adequacy ratio regulations, the effect of credit risk mitigation through financial collateral (mainly deposits and securities), other collateral (mainly real estate) and guarantees by sovereign, banks or corporations above a certain credit rating is reflected.

For derivatives transactions and repurchase transactions, in cases in which a bilateral netting contract is valid in light of the legal system of the relevant jurisdiction, we take its effect into consideration.

(8) Credit risk mitigation by portfolio classification

The amounts of exposure to which the method of credit risk mitigation through collateral and guarantees is applied are as follows:

	(Billions of yen)				
	As of March 31, 2015				
	Financial collateral	Other collateral	Guarantees	Credit derivatives	Total
Internal ratings-based approach	2,697.5	5,157.4	8,183.5	43.7	16,082.3
Corporate	1,715.0	4,769.8	6,763.0	43.7	13,291.7
Sovereign	8.4	13.0	672.0		693.5
Bank	946.5	157.2	47.7		1,151.6
Retail	27.4	217.3	700.6		945.4
Residential mortgage			154.7		154.7
Qualifying revolving loan			0.2		0.2
Other retail	27.4	217.3	545.6		790.4
Others					
Standardized approach	195.3	n.a.	104.6		300.0
Sovereign	180.0	n.a.	104.6		284.6
Bank	4.6	n.a.			4.6
Corporate	10.7	n.a.			10.7
Residential mortgage		n.a.			
Securitized		n.a.			
Others		n.a.			
Total	2,892.9	5,157.4	8,288.2	43.7	16,382.3

	(Billions of yen)				
	As of March 31, 2016				
	Financial collateral	Other collateral	Guarantees	Credit derivatives	Total
Internal ratings-based approach	1,075.7	5,455.6	7,740.6	50.4	14,322.5
Corporate	642.1	5,003.9	6,529.5	50.4	12,226.0
Sovereign	13.2	10.5	504.7		528.5

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Bank	394.8	193.9	58.8	647.6
Retail	25.6	247.2	647.4	920.3
Residential mortgage			151.0	151.0
Qualifying revolving loan			0.2	0.2
Other retail	25.6	247.2	496.2	769.1
Others				
Standardized approach	200.3	n.a.	196.8	397.1
Sovereign	160.0	n.a.	196.8	356.8
Bank	26.5	n.a.		26.5
Corporate	13.7	n.a.		13.7
Residential mortgage		n.a.		
Securitizations		n.a.		
Others		n.a.		
Total	1,276.0	5,455.6	7,937.4	50.4
				14,719.6

Table of Contents**n Counterparty risk in derivatives transactions and long-settlement transactions****(9) Management of counterparty risk in derivatives transactions and long-settlement transactions**

In managing the risk pertaining to counterparty risk in derivatives transactions and long-settlement transactions, we generally allocate risk capital together with loans, etc. As to derivatives transactions with financial institutions, etc., we periodically, where necessary, deliver and receive collateral to and from the counterparty based on the replacement cost to mitigate credit risk (collateralized derivatives transactions). In conducting such transactions, there is a risk in which we may be required to provide additional collateral in cases where our credit profile deteriorates. We calculate reserves for derivatives transactions by multiplying the same reserve ratio that we use for loans, etc., against the replacement cost.

(10) Status of counterparty risk in derivatives transactions and long-settlement transactions**(A) Status of derivatives transactions and long-settlement transactions****Derivative transactions**

	As of March 31, 2015			As of March 31, 2016		
	Gross replacement cost	Gross add-on	Credit equivalent amount	Gross replacement cost	Gross add-on	Credit equivalent amount
(Billions of yen)						
Current exposure method						
Foreign exchange-related transactions	2,867.1	2,812.2	5,679.3	2,637.9	2,903.1	5,541.1
Interest rate-related transactions	4,018.4	1,408.4	5,426.9	3,827.2	1,031.2	4,858.5
Gold-related transactions						
Equity-related transactions	102.6	78.8	181.5	107.8	182.5	290.3
Transactions related to precious metals (other than gold)	59.8	162.7	222.6	48.8	101.8	150.7
Other commodity-related transactions	1,001.3	1,313.3	2,314.7	671.5	896.4	1,568.0
Credit derivatives transactions	38.0	224.9	262.9	33.1	213.2	246.3
Subtotal (A)	8,087.5	6,000.5	14,088.0	7,326.5	5,328.5	12,655.1
Netting benefits by close-out netting settlement contracts (B)	n.a.	n.a.	8,533.5	n.a.	n.a.	7,250.9
Subtotal (C)=(A)+(B)	n.a.	n.a.	5,554.4	n.a.	n.a.	5,404.1
Effect of credit risk mitigation by collateral (D)	n.a.	n.a.	508.2	n.a.	n.a.	490.6
Total (C)+(D)	n.a.	n.a.	5,046.2	n.a.	n.a.	4,913.5
Standardized method			Credit equivalent amount			Credit equivalent amount
Total			311.6			333.6

Note: The current exposure method and standardized method are used as the method to calculate credit equivalent amounts.

Long-settlement transactions

(Billions of yen)

As of March 31, 2015 As of March 31, 2016

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	Gross replacement cost	Gross add-on	Credit equivalent amount	Gross replacement cost	Gross add-on	Credit equivalent amount
Long-settlement transactions	0.9	2.9	3.8	52.9	9.4	62.3

Notes:

1. The current exposure method is used as the method to calculate credit equivalent amounts.
2. Neither the netting benefits by close-out netting settlement contracts nor the effect of credit risk mitigation by collateral applies to long-settlement transactions.

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(B) Amounts of credit risk mitigation by type

	(Billions of yen)	
	As of March 31, 2015	As of March 31, 2016
Financial collateral	602.2	386.1
Other collateral	26.3	39.9
Guarantees, others	23.6	17.6
Total	652.3	443.7

(C) Notional amount of credit derivatives subject to credit equivalent amount calculations

		(Billions of yen)	
		As of March 31, 2015	As of March 31, 2016
		Notional amount	Notional amount
Credit derivatives type:			
Credit default swap	Protection bought	1,957.9	1,885.4
	Protection sold	1,983.9	1,912.9
Total return swap	Protection bought		
	Protection sold		
Total	Protection bought	1,957.9	1,885.4
	Protection sold	1,983.9	1,912.9

Note: Credit derivatives used for credit risk mitigation are as follows:

	(Billions of yen)	
	As of March 31, 2015	As of March 31, 2016
Credit derivatives used for credit risk mitigation	60.9	57.7

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n Securitization exposure

We classify transactions as securitization exposure based on two characteristics, non-recourse and senior/subordinated structure, pursuant to the definitions set forth in the FSA Notice No. 20, etc.; provided that the transactions do not include those which fall within specialized lending exposure.

(11) Summary of securitization exposure and its risk management

We are associated with securitization transactions from various purposes and positions through our banking book and trading book. Quantitative information related to (a) to (c) below is disclosed in (13) Quantitative disclosure items for securitization exposure, in accordance with the definitions set forth in the FSA Notice No. 20. Securitization exposures are separately disclosed for calculation of credit risk-weighted assets and market risk equivalent amounts.

The role of our securitization transactions

(a) Securitization of our assets (Securitization as originator)

For the purposes of mitigating credit risk and credit concentration risk, controlling economic capital and responding to the needs of our investors, etc., we engage in securitization transactions the underlying assets of which include mortgage loans and loans to our corporate customers. When conducting a securitization as an originator, we consider such transaction from various aspects, including the effects of reduction of economic capital and improvement of return on risk as well as the practical effects of risk transfers, and make a comprehensive judgment on structure and appropriateness of transaction.

(b) Securitization program (ABCP/ABL) sponsor

As a means of supporting our customers in their securitization of their account receivables and notes receivables, etc., we retain securitization exposure by providing asset-backed loans (ABLS, which are on-balance-sheet transactions), and providing asset-backed commercial paper (ABCP) backup lines (off-balance-sheet transactions), as sponsor to special purpose companies (in the form of Cayman Islands Corporations, etc.). In such cases, in addition to gaining firm understanding of the actual risk profile through due diligence from the viewpoint of investors, we assign internal ratings and make evaluations by assessing such transactions and carefully managing the exposure together with other direct loan assets.

(c) Investment in alternative credit risk assets (Securitization transactions as investor)

We hold securitization products, such as ABS, CMBS, RMBS, and CDO, and resecuritization products, the underlying assets of which are mainly RMBS and CDO, etc., for the purpose of investing in alternative credit risk assets that are different from conventional credit risk assets in order to diversify our investment portfolio. The Risk Management Committee, etc. set limits on the amount of investment for securitization transactions as investor, and we maintain a stringent structure for management of such transactions. In addition, we implement stress tests based on scenarios under the market liquidity depletion and sharp price declines.

In addition, we undertake various securitization program arrangements such as ABL, ABCP and trust schemes, etc., as a means of financing for our customers. We endeavor to understand the actual risk profile, including the underlying assets, and to disclose appropriately the risks and terms of the program to the customers who invest in the product.

Furthermore, we actively act as servicer for securitization transactions, offer settlement account facilities (servicer cash advance) and provide interest rate swaps to securitization conduits.

None of our affiliated entities hold securitization products in which we are involved as originators or sponsors.

Overview of risk characteristics in securitization and monitoring system

In addition to price fluctuation and market liquidity risks, securitization and resecuritization products are exposed to risks related to default, recovery and granularity of underlying asset portfolio.

The structure of these products also contains risks related to the originators, the administrators, trustees and managers of the underlying assets.

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To address these risks, we also analyze the structure in terms of the underlying assets and credit events. We monitor the ability, quality and operating performance of originators and managers in charge of controlling the underlying assets as well as covenant information and credit status of the parties related to the program. In addition, for resecuritization products, we pay attention to the underlying assets of the underlying securitization products.

We also assign internal ratings to all products and review the rating at least once a year. If there is a change in the credit situations, we will review the internal rating as appropriate. As mentioned above, we have established a system to comprehensively understand the risk characteristics of securitization exposures and manage these exposures.

We conduct credit risk measurements on all credit transactions, including securitization transactions. Furthermore, we carry out periodic monitoring on investment amount and performance on securitization transactions and report the situations to our Risk Management Committee, etc.

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Status of response to Basel Framework

In calculating credit risk-weighted assets of securitization exposure under the internal ratings-based approach, we apply the ratings-based approach (RBA) if the asset has a rating obtained from eligible external credit assessment institutions and apply the supervisory formula approach (SF) in other cases pursuant to the FSA Notice No. 20. We apply a risk weight of 1,250% under Basel III when neither RBA nor SF can be applied.

In addition, in calculating credit risk-weighted assets of securitization exposure under the standardized approach, we calculate based on risk weight according to ratings by eligible external credit assessment institutions and weighted average risk weight of underlying assets.

In terms of securitization exposure in our trading book that is subject to market risk regulations, we adopt the standardized measurement method and calculate market risk equivalent amounts in connection with the specific risks of securitization products based on risk weights according to ratings assigned by eligible external credit assessment institutions pursuant to the FSA Notice No. 20.

As for the eligible external credit assessment institutions, we refer to Rating and Investment Information, Inc. (R&I), Japan Credit Rating Agency, Ltd. (JCR), Moody's Investors Service Inc. (Moody's), Standard & Poor's (S&P) and Fitch Ratings, Ltd. in determining securitization exposure risk weight (We do not separately designate eligible external credit assessment institutions for each type of securitization exposure).

(12) Accounting policies for securitization transactions

The point at which financial assets and liabilities relating to securitization transactions begin or cease to be recognized, their evaluation and accounting treatment are pursuant to Accounting Standards Relating to Financial Products (Business Accounting Standards No. 10), etc., and we applied (a) valuations obtained from brokers and others or (b) reasonably calculated prices based on the reasonable estimates of our management as fair value, unless it is deemed to be extremely difficult to determine the fair value. In deriving reasonably calculated prices based on the reasonable estimates of our management, we used the discounted cash flow method, and the price decision variables include default rates, recovery rates, pre-payment rates and discount rates.

Furthermore, we apply appropriate accounting treatment on compound financial products based on Report on Auditing Securitized Instruments , announced by the Japanese Institute of Certified Public Accountants on March 26, 2008.

Table of Contents**(13) Quantitative disclosure items for securitization exposure****Securitization exposure as originator (for calculation of credit risk-weighted assets)****(A) Information by type of underlying assets**

	(Billions of yen)								
	As of, or for the fiscal year ended, March 31, 2015								
		Residential		Lease					
	Credit cards	mortgage loans	Auto loans	payment receivables	Corporate	Real estate	Securitization products	Total	
Traditional securitizations									
Amount of underlying assets (a)		98.3						98.3	
Default exposure		1.1						1.1	
Losses during the fiscal year		0.1						0.1	
Amount of exposures securitized during the fiscal year									
Gains and losses recognized on sales during the fiscal year									
Securitization subject to early amortization treatment									
Synthetic securitizations									
Amount of underlying assets (b)					173.5			173.5	
Default exposure									
Losses during the fiscal year									
Amount of exposures securitized during the fiscal year									
Total amount of underlying assets (a)+(b)		98.3			173.5			271.8	

	(Billions of yen)								
	As of, or for the fiscal year ended, March 31, 2016								
		Residential		Lease					
	Credit cards	mortgage loans	Auto loans	payment receivables	Corporate	Real estate	Securitization products	Total	
Traditional securitizations									
Amount of underlying assets (a)		58.8						58.8	
Default exposure		0.3						0.3	
Losses during the fiscal year									
Amount of exposures securitized during the fiscal year									
Gains and losses recognized on sales during the fiscal year									
Securitization subject to early amortization treatment									
Synthetic securitizations									
Amount of underlying assets (b)					70.6			70.6	
Default exposure									
Losses during the fiscal year									
Amount of exposures securitized during the fiscal year									
Total amount of underlying assets (a)+(b)		58.8			70.6			129.5	

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Notes:

1. Items that refer to during the fiscal year show amounts accumulated during the fiscal year ended March 31, 2015 and 2016.
2. Amount of underlying assets and Losses during the fiscal year include those related to, in addition to exposure originated by us, exposure to assets originated by other financial institutions if they are contained in the same securitization program.
3. Classification based on type of underlying assets is conducted according to the principal underlying asset type for each transaction.
4. Credit cards include shopping credit receivables, card loans, etc.
5. The effects of risk mitigation, in the context of calculating capital adequacy ratio, of transfers (hedges) of risk through synthetic securitization transactions are reflected in Required capital of (B) Information of securitization exposure retained or purchased.

Exposure intended to be securitized

								(Billions of yen)
								As of March 31, 2015
		Residential				Lease		
	Credit cards	mortgage loans	Auto loans	payment receivables	Corporate	Real estate	Securitization products	Total
Exposure intended to be securitized								

								(Billions of yen)
								As of March 31, 2016
		Residential				Lease		
	Credit cards	mortgage loans	Auto loans	payment receivables	Corporate	Real estate	Securitization products	Total
Exposure intended to be securitized								

Table of Contents**(B) Information of securitization exposure retained or purchased****Exposure by type of underlying asset**

(Billions of yen)

	As of March 31, 2015							
	Residential		Lease		Corporate	Real estate	Securitization products	Total
	Credit cards	mortgage loans	Auto loans	payment receivables				
On-balance sheet		32.6			168.7			201.4
Exposure on resecuritizations								
Off-balance sheet					4.8			4.8
Exposure on resecuritizations								
Total		32.6			173.5			206.2
Exposure on resecuritizations								
Exposure on securitizations to which a risk weight of 1,250% is applied								
Exposure whose underlying assets are overseas assets					121.5			121.5

(Billions of yen)

	As of March 31, 2016							
	Residential		Lease		Corporate	Real estate	Securitization products	Total
	Credit cards	mortgage loans	Auto loans	payment receivables				
On-balance sheet					70.6			70.6
Exposure on resecuritizations								
Off-balance sheet								
Exposure on resecuritizations								
Total					70.6			70.6
Exposure on resecuritizations								
Exposure on securitizations to which a risk weight of 1,250% is applied								
Exposure whose underlying assets are overseas assets					64.5			64.5

Notes:

1. Classification based on type of underlying asset is conducted according to the principal underlying asset type for each transaction.
2. Credit cards include shopping credit receivables, card loans, etc.
3. Exposure whose underlying assets are overseas assets is classified based on the principal underlying asset type for each transaction.
4. Exposure on resecuritizations as of both March 31, 2015 and 2016 are classified following Article 1, Paragraph 2-2 of the FSA Notice No. 20 (hereinafter the same).

Table of Contents**Exposure by risk weight category**

(Billions of yen)

As of March 31, 2015

Risk weight	On-balance sheet	Exposure on resecuritizations	Off-balance sheet	Exposure on resecuritizations	Total	Exposure on resecuritizations
Up to 20%	145.3		4.5		149.9	
Up to 50%	41.4				41.4	
Up to 100%						
Up to 250%	4.0				4.0	
Up to 650%	3.2				3.2	
Less than 1,250%	7.3		0.2		7.6	
1,250%						
Total	201.4		4.8		206.2	

(Billions of yen)

As of March 31, 2016

Risk weight	On-balance sheet	Exposure on resecuritizations	Off-balance sheet	Exposure on resecuritizations	Total	Exposure on resecuritizations
Up to 20%	62.7				62.7	
Up to 50%						
Up to 100%						
Up to 250%	1.7				1.7	
Up to 650%	6.1				6.1	
Less than 1,250%						
1,250%						
Total	70.6				70.6	

Amount of required capital by risk weight category

(Billions of yen)

As of March 31, 2015

Risk weight	On-balance sheet	Exposure on resecuritizations	Off-balance sheet	Exposure on resecuritizations	Total	Exposure on resecuritizations
Up to 20%	1.0		0.0		1.0	
Up to 50%	1.3				1.3	
Up to 100%						