MIZUHO FINANCIAL GROUP INC
Form 6-K
July 28, 2017
Table of Contents

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 2017

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

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

Table of Contents

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, 2017

Mizuho Financial Group, Inc.

By:	/s/ Makoto Umemiya
Name:	Makoto Umemiya
Title:	Managing Executive Officer / Group CFO

Table of Contents

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 2017.

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.

Status of Capital Adequacy

Status of Sound Management of Liquidity Risk

Table of Contents

Compensation of directors, corporate auditors and employees

Table of Contents

Capital adequacy requirement highlights

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.

Capital adequacy ratio

(1) Summary of capital adequancy ratio

Mizuho Financial Group (Consolidated)

(Billions of yen)	As of March 31, 2016	As of March 31, 2017
Total capital ratio (International standard)	**15.41%**	**16.28%**
Tier 1 capital ratio	12.64%	13.30%
Common equity Tier 1 capital ratio	10.50%	11.34%
Total capital	**9,638.6**	**10,050.9**
Tier 1 capital	7,905.0	8,211.5
Common equity Tier 1 capital	6,566.4	7,001.6
Risk weighted assets	**62,531.1**	**61,717.1**
Credit risk	57,588.4	56,060.0
Market risk	1,696.0	2,282.8
Operational risk	3,246.6	3,374.2

Mizuho Bank (Consolidated)

(Billions of yen)	As of March 31, 2016	As of March 31, 2017
Total capital ratio (International standard)	**15.46%**	**16.20%**
Tier 1 capital ratio	12.75%	13.34%
Common equity Tier 1 capital ratio	10.81%	11.16%
Total capital	**8,780.2**	**9,148.5**
Tier 1 capital	7,243.6	7,535.7
Common equity Tier 1 capital	6,142.2	6,304.0
Risk weighted assets	**56,771.0**	**56,461.7**
Credit risk	53,581.0	52,656.4
Market risk	1,027.0	1,334.2
Operational risk	2,162.9	2,471.0

Mizuho Bank (Non-Consolidated)

		(Billions of yen)
	As of March 31, 2016	**As of March 31, 2017**
Total capital ratio (International standard)	**15.50%**	**16.53%**
Tier 1 capital ratio	12.66%	13.53%
Common equity Tier 1 capital ratio	10.65%	11.20%
Total capital	**8,576.3**	**8,938.2**
Tier 1 capital	7,004.0	7,316.2
Common equity Tier 1 capital	5,892.2	6,057.2
Risk weighted assets	**55,306.1**	**54,052.6**
Credit risk	52,392.1	51,130.0
Market risk	1,017.8	876.4
Operational risk	1,896.1	2,046.2

Table of Contents

Mizuho Trust & Banking (Consolidated)

		(Billions of yen)
	As of March 31, 2016	**As of March 31, 2017**
Total capital ratio (International standard)	**19.52%**	**19.47%**
Tier 1 capital ratio	18.21%	18.73%
Common equity Tier 1 capital ratio	18.21%	18.73%
Total capital	**472.1**	**484.9**
Tier 1 capital	440.4	466.4
Common equity Tier 1 capital	440.4	466.4
Risk weighted assets	**2,418.1**	**2,489.5**
Credit risk	2,141.9	2,211.2
Market risk	15.1	16.7
Operational risk	261.0	261.4

Mizuho Trust & Banking (Non-consolidated)

		(Billions of yen)
	As of March 31, 2016	**As of March 31, 2017**
Total capital ratio (International standard)	**19.80%**	**19.70%**
Tier 1 capital ratio	18.52%	18.98%
Common equity Tier 1 capital ratio	18.52%	18.98%
Total capital	**479.5**	**492.6**
Tier 1 capital	448.4	474.5
Common equity Tier 1 capital	448.4	474.5
Risk weighted assets	**2,421.0**	**2,500.1**
Credit risk	2,192.2	2,261.4
Market risk	12.0	14.5
Operational risk	216.7	224.0

Table of Contents

Risk weighted assets

(1) Credit risk weighted assets by asset class and ratings segment

Mizuho Financial Group (Consolidated)

(Billions of yen)

	As of March 31, 2016			As of March 31, 2017		
	EAD	Credit risk weighted assets	Risk Weight(%)	EAD	Credit risk weighted assets	Risk Weight(%)
Internal ratings-based approach	**190,100.2**	**50,922.7**	**26.78**	**189,852.0**	**50,084.2**	**26.38**
Corporate, etc.	164,945.4	32,874.3	19.93	164,623.5	31,312.3	19.02
Corporate (except specialized lending)	77,953.6	29,559.7	37.91	78,222.1	28,727.3	36.72
Ratings A1-B2	54,868.1	14,961.2	27.26	55,538.0	14,486.4	26.08
Ratings C1-D3	20,947.9	12,694.1	60.59	20,306.6	12,002.9	59.10
Ratings E1-E2	1,179.1	1,575.6	133.62	1,373.3	1,885.3	137.27
Ratings E2R-H1	958.4	328.7	34.29	1,004.0	352.5	35.11
Sovereign	79,893.0	1,278.0	1.59	80,314.2	1,023.3	1.27
Ratings A1-B2	79,739.7	1,184.1	1.48	80,165.1	928.3	1.15
Ratings C1-D3	152.6	92.6	60.72	148.6	94.3	63.49
Ratings E1-E2	0.6	1.2	186.86	0.3	0.6	164.61
Ratings E2R-H1	0.0	0.0	62.73	0.0	0.0	40.50
Bank	6,923.3	1,817.2	26.24	5,921.5	1,375.8	23.23
Ratings A1-B2	6,198.3	1,369.0	22.08	5,337.6	1,036.1	19.41
Ratings C1-D3	718.6	437.6	60.90	582.4	339.2	58.25
Ratings E1-E2	4.4	9.9	225.53	0.0	0.0	184.04
Ratings E2R-H1	1.9	0.5	30.21	1.4	0.4	29.54
Specialized lending	175.2	219.2	125.09	165.6	185.8	112.16
Retail	12,942.5	4,767.1	36.83	12,235.5	4,541.9	37.12
Residential mortgage	9,855.1	3,164.6	32.11	9,388.0	3,096.3	32.98
Qualifying revolving loan	562.9	362.7	64.44	629.2	415.6	66.05
Other retail	2,524.5	1,239.6	49.10	2,218.2	1,029.9	46.42
Equities	4,460.7	7,347.2	164.70	4,973.3	8,642.9	173.78
PD/LGD approach	3,901.2	5,524.7	141.61	4,180.1	6,068.0	145.16
Market-based approach	559.4	1,822.4	325.76	793.1	2,574.9	324.64
Regarded-method exposure	1,750.8	3,887.1	222.02	1,744.0	3,341.4	191.58
Securitizations	3,803.3	291.1	7.65	4,009.5	328.9	8.20
Others	2,197.4	1,755.6	79.89	2,265.9	1,916.6	84.58
Standardized approach	**10,840.7**	**3,628.0**	**33.46**	**17,523.9**	**3,508.0**	**20.01**
CVA risk	**n.a.**	**2,823.3**	**n.a.**	**n.a.**	**2,272.3**	**n.a.**
Central counterparty-related	**n.a.**	**214.4**	**n.a.**	**n.a.**	**195.4**	**n.a.**
Total	**200,940.9**	**57,588.4**	**28.65**	**207,375.9**	**56,060.0**	**27.03**

Notes:

1. Corporate does not include specialized lending exposure under supervisory slotting criteria.
2. Specialized lending is specialized lending exposure under supervisory slotting criteria.

<Analysis>

Risk assets decreased due to changes in the EAD calculation method for derivative transactions.

5

Table of Contents

Status of Mizuho Financial Group s consolidated capital adequacy

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, 2016 and 2017

(B) Number of consolidated subsidiaries

	As of March 31, 2016	As of March 31, 2017
Consolidated subsidiaries	**143**	**139**

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

Table of Contents

The following table sets forth information with respect to our principal consolidated subsidiaries as of March 31, 2017:

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
Mizuho Research Institute Ltd.	Japan	Research and consulting	98.6	98.6
Mizuho Information & Research Institute Inc.	Japan	Information technology	91.5	91.5
Asset Management One Co., Ltd.	Japan	Investment management	70.0	51.0
Trust & Custody Services Bank, Ltd.	Japan	Trust and banking	54.0	54.0
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 Realty Co., Ltd.	Japan	Real estate agency	100.0	100.0
Mizuho Factors, Limited	Japan	Factoring	100.0	100.0
Simplex Investment Advisors Inc.	Japan	Holding company	100.0	100.0
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 Technology	60.0	60.0
UC Card Co., Ltd.	Japan	Credit card	51.0	51.0
Mizuho Trust Systems Company, Limited.	Japan	Subcontracted calculation services, software development	50.0	50.0
Mizuho Capital Co., Ltd.	Japan	Venture capital	50.0	50.0
Overseas				
Mizuho Americas LLC	U.S.A.	Holding company	100.0	100.0
Mizuho Bank (China), Ltd.	China	Banking	100.0	100.0
Mizuho International plc	U.K.	Securities and banking	100.0	100.0
Mizuho Securities Asia Limited	China	Securities	100.0	100.0
Banco Mizuho do Brasil S.A.	Brazil	Banking	100.0	100.0
Mizuho Securities USA LLC	U.S.A.	Securities	100.0	100.0
Mizuho Bank Europe N.V.	Netherlands	Banking and securities	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

Table of Contents

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

None as of March 31, 2016 and 2017.

(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, 2016 and 2017.

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

None as of March 31, 2016 and 2017.

(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, 2016 and 2017.

Table of Contents

Composition of capital

(2) Composition of capital, etc.

(A) Composition of capital disclosure

Composition of capital disclosure (International standard)

(Millions of yen)

Basel III template			As of March 31, 2016	As of March 31, 2016: Amounts excluded under transitional arrangements	As of March 31, 2017	As of March 31, 2017: Amounts excluded under transitional arrangements
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		6,365,502	/	6,905,510	/
1a	of which: capital and stock surplus		3,267,031	/	3,390,691	/
2	of which: retained earnings		3,196,908	/	3,614,841	/
1c	of which: treasury stock (-)		3,609	/	4,849	/
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)		94,827	/	95,173	/
	of which: other than above			/		/
1b	Subscription rights to common shares		2,762	/	1,754	/
3	Accumulated other comprehensive income and other disclosed reserves		964,710	643,140	1,216,780	304,195
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)		14,749	/	14,537	/
	Total of items included in common equity Tier 1 capital: instruments and reserves subject to phase-out arrangements		32,465	/	22,881	/
	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		32,465	/	22,881	/
6	Common equity Tier 1 capital: instruments and reserves	(A)	7,380,191	/	8,161,464	/
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)		361,571	241,047	619,806	154,951
8	of which: goodwill (net of related tax liability, including those equivalent)		35,452	23,635	79,695	19,923
9	of which: other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)		326,118	217,412	540,111	135,027
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)		6,614	4,409	36,601	9,150
11	Deferred gains or losses on derivatives under hedge accounting		99,158	66,105	8,137	2,034
12	Shortfall of eligible provisions to expected losses		18,041	12,000	9,381	2,352
13	Securitization gain on sale		52	35	52	13
14	Gains and losses due to changes in own credit risk on fair valued liabilities		1,419	946	593	148
15	Net defined benefit asset		269,400	179,600	443,158	110,789
16	Investments in own shares (excluding those reported in the net assets section)		1,338	892	5,473	1,368

9

Table of Contents

17	Reciprocal cross-holdings in common equity					
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above the 10% threshold)		56,105	37,403	36,595	9,148
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)	813,702	/	1,159,800	/
Common equity Tier 1 capital (CET1)						
29	Common equity Tier 1 capital (CET1) ((A)-(B))	(C)	6,566,488	/	7,001,664	/
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	/	760,000	/
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)		30,843	/	31,786	/
33+35	Eligible Tier 1 capital instruments subject to phase-out arrangements included in additional Tier 1 capital: instruments		1,144,037	/	577,500	/
33	of which: directly issued capital instruments subject to phase out from additional Tier 1		1,144,037	/	577,500	/
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		(21,475)	/	(13,931)	/
	of which: foreign currency translation adjustments		(21,475)	/	(13,931)	/
36	Additional Tier 1 capital: instruments	(D)	1,453,405	/	1,355,354	/
Additional Tier 1 capital: regulatory adjustments						
37	Investments in own additional Tier 1 instruments					
38	Reciprocal cross-holdings in additional Tier 1 instruments					

Table of Contents

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)		17	11	38	9
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)		88,606	59,071	117,600	29,400
	Total of items included in additional Tier 1 capital: regulatory adjustments subject to phase-out arrangements		26,176	/	27,858	/
	of which: goodwill equivalent		9,376	/	14,954	/
	of which: intangible fixed assets recognized as a result of a merger		10,750	/	11,717	/
	of which: capital increase due to securitization transactions		35	/	13	/
	of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach		6,013	/	1,172	/
42	Regulatory adjustments applied to additional Tier 1 due to insufficient Tier 2 to cover deductions			/		/
43	Additional Tier 1 capital: regulatory adjustments	(E)	114,800	/	145,496	/
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital ((D)-(E))	(F)	1,338,605	/	1,209,858	/
Tier 1 capital (T1 = CET1 + AT1)						
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F))	(G)	7,905,093	/	8,211,522	/
Tier 2 capital: instruments and provisions		(4)				
46	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as equity under applicable accounting standards and the breakdown			/		/
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		324,517	/	684,150	/
46	Tier 2 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities		169,035	/	168,300	/
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		10,269	/	10,574	/
47+49	Eligible Tier 2 capital instruments subject to phase-out arrangements included in Tier 2: instruments and provisions		962,928	/	842,133	/
47	of which: directly issued capital instruments subject to phase out from Tier 2		169,035	/	168,022	/
49	of which: instruments issued by subsidiaries subject to phase out		793,893	/	674,110	/
50	Total of general allowance for loan losses and eligible provisions included in Tier 2		6,031	/	6,510	/
50a	of which: general allowance for loan losses		6,031	/	6,510	/
50b	of which: eligible provisions			/		/
	Total of items included in Tier 2 capital: instruments and provisions subject to phase-out arrangements		374,012	/	180,319	/
	of which: 45% of unrealized gains on other securities		335,046	/	161,221	/
	of which: 45% of revaluation reserve for land		38,965	/	19,097	/
51	Tier 2 capital: instruments and provisions	(H)	1,846,795	/	1,891,987	/

Table of Contents

Tier 2 capital: regulatory adjustments							
52	Investments in own Tier 2 instruments				409	102
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)		33,374	22,249	16,413	4,103
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		79,873	/	35,732	/
	of which: investments in the capital banking, financial and insurance entities		73,859	/	34,559	/
	of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach		6,013	/	1,172	/
57	Tier 2 capital: regulatory adjustments	(I)	113,248	/	52,555	/
Tier 2 capital (T2)						
58	Tier 2 capital (T2) ((H)-(I))	(J)	1,733,547	/	1,839,431	/
Total capital (TC = T1 + T2)						
59	Total capital (TC = T1 + T2) ((G)+(J))	(K)	9,638,641	/	10,050,953	/
Risk weighted assets		(5)				
	Total of items included in risk weighted assets subject to phase-out arrangements		480,460	/	260,992	/
	of which: intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)		206,661	/	123,310	/
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)		4,409	/	9,150	/
	of which: net defined benefit asset		179,600	/	110,789	/
	of which: investments in the capital banking, financial and insurance entities		89,788	/	17,742	/
60	Risk weighted assets	(L)	62,531,174	/	61,717,158	/
Capital ratio (consolidated)						
61	Common equity Tier 1 capital ratio (consolidated) ((C)/(L))		10.50%	/	11.34%	/
62	Tier 1 capital ratio (consolidated) ((G)/(L))		12.64%	/	13.30%	/
63	Total capital ratio (consolidated) ((K)/(L))		15.41%	/	16.28%	/
Regulatory adjustments		(6)				
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)		672,811	/	703,872	/
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)		112,376	/	118,358	/
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)		75,828	/	182,672	/
Provisions included in Tier 2 capital: instruments and provisions		(7)				

12

Table of Contents

76	Provisions (general allowance for loan losses)		6,031	/	6,510	/
77	Cap on inclusion of provisions (general allowance for loan losses)		47,342	/	46,343	/
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		304,580	/	299,309	/
Capital instruments subject to phase-out arrangements		(8)				
82	Current cap on AT1 instruments subject to phase-out arrangements		1,249,883	/	1,041,569	/
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as nil)			/		/
84	Current cap on T2 instruments subject to phase-out arrangements		1,012,236	/	843,530	/
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.

13

Table of Contents

(B) Explanation of (A) Composition of capital disclosure

Reconciliation between Consolidated balance sheet and items of consolidated balance sheet and Composition of capital disclosure

(Millions of yen)

Items	Consolidated balance sheet as in published financial statements As of March 31, 2016	As of March 31, 2017	Cross-reference to Appended template	Reference # of Basel III template under the Composition of capital disclosure
(Assets)				
Cash and due from banks	36,315,471	47,129,583		
Call loans and bills purchased	893,545	1,035,746		
Receivables under resale agreements	7,805,798	8,967,777		
Guarantee deposits paid under securities borrowing transactions	3,407,390	3,350,051		
Other debt purchased	2,979,797	2,745,204		
Trading assets	13,004,522	10,361,787	6-a	
Money held in trust	175,638	247,583		
Securities	39,505,971	32,353,158	2-b, 6-b	
Loans and bills discounted	73,708,884	78,337,793	6-c	
Foreign exchange assets	1,447,743	1,828,782		
Derivatives other than for trading assets	3,157,752	2,170,750	6-d	
Other assets	4,144,131	4,180,339	6-e	
Tangible fixed assets	1,085,791	1,136,329		
Intangible fixed assets	804,567	1,045,486	2-a	
Net defined benefit asset	646,428	797,762	3	
Deferred tax assets	36,517	56,066	4-a	
Customers liabilities for acceptances and guarantees	4,798,158	5,273,581		
Reserves for possible losses on loans	(459,531)	(509,175)		
Total assets	193,458,580	200,508,610		
(Liabilities)				
Deposits	105,629,071	120,045,217		
Negotiable certificates of deposit	11,827,533	10,631,277		
Call money and bills sold	2,521,008	1,255,172		
Payables under repurchase agreements	16,833,346	17,969,753		
Guarantee deposits received under securities lending transactions	2,608,971	1,679,300		
Commercial paper	1,010,139	789,705		
Trading liabilities	10,276,133	7,923,285	6-f	
Borrowed money	7,503,543	6,307,230	8-a	
Foreign exchange liabilities	492,473	526,053		
Short-term bonds	648,381	226,348		
Bonds and notes	6,120,928	7,564,535	8-b	
Due to trust accounts	5,067,490	4,784,077		
Derivatives other than for trading liabilities	2,571,597	1,784,857	6-g	
Other liabilities	5,532,596	3,883,168		
Reserve for bonus payments	62,171	67,633		
Reserve for variable compensation	2,836	3,018		
Net defined benefit liability	51,514	55,236		
Reserve for director and corporate auditor retirement benefits	1,685	1,327		
Reserve for possible losses on sales of loans	267	298		
Reserve for contingencies	5,271	5,680		

Reserve for reimbursement of deposits	16,154	19,072	
Reserve for reimbursement of debentures	39,245	32,720	
Reserves under special laws	2,024	2,309	
Deferred tax liabilities	414,799	337,800	4-b
Deferred tax liabilities for revaluation reserve for land	67,991	66,585	4-c
Acceptances and guarantees	4,798,158	5,273,581	
Total liabilities	184,105,335	191,235,249	

Table of Contents

(Net assets)				
Common stock and preferred stock	2,255,790	2,256,275	1-a	
Capital surplus	1,110,164	1,134,416	1-b	
Retained earnings	3,197,616	3,615,449	1-c	
Treasury stock	(3,609)	(4,849)	1-d	
Total shareholders equity	6,559,962	7,001,291		
Net unrealized gains (losses) on other securities	1,296,039	1,289,985		
Deferred gains or losses on hedges	165,264	10,172	5	
Revaluation reserve for land	148,483	145,609		
Foreign currency translation adjustments	(53,689)	(69,657)		
Remeasurements of defined benefit plans	51,752	144,866		
Total accumulated other comprehensive income	1,607,851	1,520,976		3
Stock acquisition rights	2,762	1,754		1b
Non-controlling interests	1,182,668	749,339	7	
Total net assets	9,353,244	9,273,361		
Total liabilities and net assets	193,458,580	200,508,610		

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	As of March 31, 2016	As of March 31, 2017	Remarks
		(Millions of yen)		
1-a	Common stock and preferred stock	2,255,790	2,256,275	Including eligible Tier 1 capital instruments subject to phase-out arrangements (for the balance as of March 31, 2016)
1-b	Capital surplus	1,110,164	1,134,416	Including eligible Tier 1 capital instruments subject to phase-out arrangements (for the balance as of March 31, 2016)
1-c	Retained earnings	3,197,616	3,615,449	
1-d	Treasury stock	(3,609)	(4,849)	
	Total shareholders equity	6,559,962	7,001,291	

(2) Composition of capital

Basel III template	Composition of capital disclosure	As of March 31, 2016	As of March 31, 2017	Remarks
		(Millions of yen)		
	Directly issued qualifying common share capital plus related stock surplus and retained earnings	6,460,330	7,000,683	Shareholders equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
1a	of which: capital and stock surplus	3,267,031	3,390,691	
2	of which: retained earnings	3,196,908	3,614,841	
1c	of which: treasury stock (-)	3,609	4,849	
	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	As of March 31, 2016	As of March 31, 2017	Remarks
		(Millions of yen)		
2-a	Intangible fixed assets	804,567	1,045,486	
2-b	Securities	39,505,971	32,353,158	
	of which: share of goodwill of companies accounted for using the equity method	35,646	24,846	Share of goodwill of companies accounted for using the equity method
	Income taxes related to above	(237,595)	(295,574)	

Table of Contents

(2) Composition of capital

Basel III template	Composition of capital disclosure	As of March 31, 2016	As of March 31, 2017 (Millions of yen)	Remarks
8	Goodwill (net of related tax liability, including those equivalent)	59,087	99,619	
9	Other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	543,531	675,139	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	As of March 31, 2016	As of March 31, 2017 (Millions of yen)	Remarks
3	Net defined benefit asset	646,428	797,762	
	Income taxes related to above	(197,428)	(243,814)	

(2) Composition of capital

Basel III template	Composition of capital disclosure	As of March 31, 2016	As of March 31, 2017 (Millions of yen)	Remarks
15	Net defined benefit asset	449,000	553,947	

4. Deferred tax assets

(1) Consolidated balance sheet

Ref.	Consolidated balance sheet items	As of March 31, 2016	As of March 31, 2017 (Millions of yen)	Remarks
4-a	Deferred tax assets	36,517	56,066	
4-b	Deferred tax liabilities	414,799	337,800	
4-c	Deferred tax liabilities for revaluation reserve for land	67,991	66,585	
	Tax effects on intangible fixed assets	237,595	295,574	
	Tax effects on net defined benefit asset	197,428	243,814	

Table of Contents

(2) Composition of capital

Basel III template	Composition of capital disclosure	As of March 31, 2016	As of March 31, 2017 (Millions of yen)	Remarks
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	11,024	45,751	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)	75,828	182,672	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)	75,828	182,672	

5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

Ref.	Consolidated balance sheet items	As of March 31, 2016	As of March 31, 2017 (Millions of yen)	Remarks
5	Deferred gains or losses on hedges	165,264	10,172	

(2) Composition of capital

Basel III template	Composition of capital disclosure	As of March 31, 2016	As of March 31, 2017 (Millions of yen)	Remarks
11	Deferred gains or losses on derivatives under hedge accounting	165,264	10,172	

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

(1) Consolidated balance sheet

Ref.	Consolidated balance sheet items	As of March 31, 2016	As of March 31, 2017 (Millions of yen)	Remarks
6-a	Trading assets	13,004,522	10,361,787	Including trading account securities and derivatives for trading assets

6-b	Securities	39,505,971	32,353,158	
6-c	Loans and bills discounted	73,708,884	78,337,793	Including subordinated loans
6-d	Derivatives other than for trading assets	3,157,752	2,170,750	
6-e	Other assets	4,144,131	4,180,339	Including money invested
6-f	Trading liabilities	10,276,133	7,923,285	Including trading account securities sold
6-g	Derivatives other than for trading liabilities	2,571,597	1,784,857	

Table of Contents

(2) Composition of capital

Basel III template	Composition of capital disclosure	As of March 31, 2016	As of March 31, 2017 (Millions of yen)	Remarks
	Investments in own capital instruments	2,231	7,353	
16	Common equity Tier 1 capital	2,231	6,842	
37	Additional Tier 1 capital			
52	Tier 2 capital		511	
	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)	821,973	770,182	
18	Common equity Tier 1 capital	93,508	45,743	
39	Additional Tier 1 capital	28	48	
54	Tier 2 capital	55,624	20,517	
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	672,811	703,872	
	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	260,053	265,358	
19	Amount exceeding the 10% threshold on specified items			
23	Amount exceeding the 15% threshold on specified items			
40	Additional Tier 1 capital	147,677	147,000	
55	Tier 2 capital			
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	112,376	118,358	

7. Non-controlling interests

(1) Consolidated balance sheet

Ref.	Consolidated balance sheet items	As of March 31, 2016	As of March 31, 2017 (Millions of yen)	Remarks
7	Non-controlling interests	1,182,668	749,339	

Table of Contents

(2) Composition of capital

Basel III template	Composition of capital disclosure	As of March 31, 2016	(Millions of yen) As of March 31, 2017	Remarks
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	14,749	14,537	After reflecting amounts eligible for inclusion (non-controlling interest after adjustments)
30-31ab-32	Qualifying additional Tier 1 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities			After reflecting amounts eligible for inclusion (non-controlling interest after adjustments)
34-35	Additional Tier 1 instruments issued by subsidiaries and held by third parties (amount allowed in group AT1)	30,843	31,786	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	169,035	168,300	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)	10,269	10,574	After reflecting amounts eligible for inclusion (non-controlling interest after adjustments)

8. Other capital instruments

(1) Consolidated balance sheet

Ref.	Consolidated balance sheet items	As of March 31, 2016	(Millions of yen) As of March 31, 2017	Remarks
8-a	Borrowed money	7,503,543	6,307,230	
8-b	Bonds and notes	6,120,928	7,564,535	
	Total	13,624,471	13,871,765	

(2) Composition of capital

Basel III template	Composition of capital disclosure	As of March 31, 2016	(Millions of yen) As of March 31, 2017	Remarks
32	Directly issued qualifying additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	300,000	760,000	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	324,517	684,150	

Note:

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

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.

Table of Contents

(4) Required capital by portfolio classification

				(Billions of yen)
	As of March 31, 2016		As of March 31, 2017	
	EAD	Required capital	EAD	Required capital
Credit risk	**200,940.9**	**5,234.5**	**207,375.9**	**5,078.5**
Internal ratings-based approach	**190,100.2**	**4,701.2**	**189,852.0**	**4,600.4**
Corporate (except specialized lending)	70,940.2	2,502.9	71,777.8	2,468.9
Corporate (specialized lending)	3,818.1	270.3	3,630.9	225.4
Sovereign	79,624.1	102.0	80,002.7	81.0
Bank	6,893.6	150.2	5,902.0	113.6
Retail	12,942.5	514.4	12,235.5	486.3
Residential mortgage	9,855.1	324.7	9,388.0	312.2
Qualifying revolving loan	562.9	42.6	629.2	48.8
Other retail	2,524.5	147.0	2,218.2	125.1
Equities	4,460.7	587.7	4,973.3	691.4
PD/LGD approach	3,901.2	441.9	4,180.1	485.4
Market-based approach (simple risk weight method)	559.4	145.7	793.1	205.9
Market-based approach (internal models approach)				
Regarded-method exposure	1,750.8	311.6	1,744.0	268.4
Purchase receivables	3,669.1	116.7	3,297.5	102.5
Securitizations	3,803.3	23.2	4,009.5	26.3
Others	2,197.4	121.6	2,278.3	136.3
Standardized approach	**10,840.7**	**290.2**	**17,523.9**	**280.6**
Sovereign	5,748.0	8.3	12,638.5	12.2
Bank	2,035.8	37.1	1,930.1	36.7
Corporate	2,392.7	181.8	2,354.5	177.3
Residential mortgage				
Securitizations	20.7	5.3	14.4	2.1
Others	643.2	57.5	586.1	52.0
CVA risk	**n.a.**	**225.8**	**n.a.**	**181.7**
Central counterparty-related	**n.a.**	**17.1**	**n.a.**	**15.6**
Market risk	**n.a.**	**135.6**	**n.a.**	**182.6**
Standardized approach	**n.a.**	**70.6**	**n.a.**	**103.6**
Interest rate risk	n.a.	37.6	n.a.	39.0
Equities risk	n.a.	23.9	n.a.	34.2
Foreign exchange risk	n.a.	4.8	n.a.	6.9
Commodities risk	n.a.	4.1	n.a.	23.4
Option transactions	n.a.		n.a.	
Internal models approach	**n.a.**	**65.0**	**n.a.**	**78.9**
Operational risk	**n.a.**	**259.7**	**n.a.**	**269.9**
Advanced measurement approach	**n.a.**	**221.0**	**n.a.**	**223.4**
Basic indicator approach	**n.a.**	**38.6**	**n.a.**	**46.5**
Total required capital (consolidated)	**n.a.**	**5,002.4**	**n.a.**	**4,937.3**

22

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)
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.

Table of Contents

Credit risk

(5) Credit risk management

Summary of credit risk management

See pages 80 to 81 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 80 to 81 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.	Non-investment grade zone
D1 D3	Obligors whose current certainty of debt fulfillment poses no problems, however, their resistance to future changes in business environment is low.	
E1 **E2** **R***	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	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, 2016 and 2017.

Status of credit risk exposure

(A) Breakdown by geographical area

(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**

(Billions of yen)

	As of March 31, 2017				
	Loans, commitments and other non-derivative off-balance-sheet exposures	Securities	Derivatives	Others	Total
Domestic	**68,581.7**	**19,414.3**	**954.6**	**38,424.0**	**127,374.7**
Overseas	**37,218.6**	**10,014.2**	**1,635.9**	**7,854.8**	**56,723.7**
Asia	8,907.9	2,145.6	472.7	1,865.2	13,391.6
Central and South America	2,978.7	56.3	85.1	456.3	3,576.6
North America	14,644.8	6,304.6	339.6	4,420.9	25,710.0
Eastern Europe	289.1		0.2	4.6	294.0
Western Europe	6,597.0	882.1	581.5	722.7	8,783.4
Other areas	3,800.9	625.3	156.5	384.9	4,967.7
Total	**105,800.4**	**29,428.5**	**2,590.5**	**46,278.8**	**184,098.4**

Exempt portion	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**17,509.4**

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, 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**

(Billions of yen)

	As of March 31, 2017				
	Loans, commitments and other non-derivative off-balance-sheet exposures	Securities	Derivatives	Others	Total
Manufacturing	20,272.4	2,299.9	424.1	742.9	23,739.5
Construction	1,349.2	215.0	7.6	70.6	1,642.4
Real estate	8,608.9	570.4	83.5	19.7	9,282.6
Service industries	5,018.6	397.7	77.4	68.0	5,561.9
Wholesale and retail	8,532.7	738.9	92.3	994.4	10,358.5
Finance and insurance	12,095.5	3,034.3	896.8	2,144.1	18,170.9
Individuals	11,071.5		0.8	9.4	11,081.8
Other industries	25,759.5	8,846.0	1,002.5	8,360.3	43,968.5
Japanese Government; Bank of Japan	13,091.8	13,325.9	5.1	33,868.8	60,291.8
Total	**105,800.4**	**29,428.5**	**2,590.5**	**46,278.8**	**184,098.4**
Exempt portion	**n.a.**	**n.a**	**n.a.**	**n.a**	**17,509.4**

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

(C) Breakdown by residual contractual maturity

(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	38,642.8
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**

(Billions of yen)

	As of March 31, 2017				
	Loans, commitments and other non-derivative off-balance-sheet exposures	Securities	Derivatives	Others	Total
Less than one year	28,002.1	7,317.2	378.8	5,819.6	41,518.0
From one year to less than three years	18,999.1	7,689.9	980.2	676.6	28,346.1
From three years to less than five years	19,035.9	1,879.4	451.7	17.8	21,384.9
Five years or more	27,912.4	7,705.1	759.0	11.9	36,388.5
Other than above	11,850.6	4,836.7	20.5	39,752.7	56,460.7
Total	**105,800.4**	**29,428.5**	**2,590.5**	**46,278.8**	**184,098.4**
Exempt portion	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**17,509.4**

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.

27

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, 2016				
	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**

(Billions of yen)

	As of March 31, 2017				
	Loans, commitments and other non-derivative off-balance-sheet exposures	Securities	Derivatives	Others	Total
Domestic	**973.8**	**90.6**	**2.9**	**10.5**	**1,078.1**
Overseas	**244.6**	**2.9**	**7.8**	**3.3**	**258.8**
Asia	54.2	0.0	1.8	1.1	57.2
Central and South America	98.5	0.0	2.8	0.0	101.3
North America	30.1	2.9	0.1	1.4	34.7
Eastern Europe	0.6		0.0		0.7
Western Europe	47.3	0.0	2.9	0.5	50.8
Other areas	13.7		0.0	0.1	13.9
Total	**1,218.5**	**93.6**	**10.8**	**13.9**	**1,336.9**
Exempt portion	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**3.6**

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 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, 2016				
	Loans, commitments and other non-derivative off-balance-sheet exposures	Securities	Derivatives	Others	Total
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**

(Billions of yen)

	As of March 31, 2017				
	Loans, commitments and other non-derivative off-balance-sheet exposures	Securities	Derivatives	Others	Total
Manufacturing	548.4	87.5	2.9	4.8	643.8
Construction	13.2	0.0	0.0	0.0	13.3
Real estate	59.0	0.3	0.1	0.2	59.6
Service industries	84.1	0.4	0.9	0.9	86.4
Wholesale and retail	176.1	2.2	0.3	4.1	182.8
Finance and insurance	11.1	2.6	0.0	1.8	15.6
Individuals	94.6			1.1	95.7
Other industries	231.8	0.3	6.4	0.7	239.4
Total	**1,218.5**	**93.6**	**10.8**	**13.9**	**1,336.9**
Exempt portion	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**3.6**

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 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, 2016	**As of, or for the fiscal year ended, March 31, 2017**
General reserve for possible losses on loans		
Beginning balance	344.4	304.8
Increase during the fiscal year	304.8	344.7
Decrease during the fiscal year	344.4	304.8
Ending balance	304.8	344.7
Specific reserve for possible losses on loans		
Beginning balance	180.3	154.6
Increase during the fiscal year	154.6	164.4
Decrease during the fiscal year	180.3	154.6
Ending balance	154.6	164.4
Reserve for possible losses on loans to restructuring countries		
Beginning balance	0.6	0.0
Increase during the fiscal year	0.0	0.0
Decrease during the fiscal year	0.6	0.0
Ending balance	0.0	0.0
Total		
Beginning balance	**525.4**	**459.5**
Increase during the fiscal year	**459.5**	**509.1**
Decrease during the fiscal year	**525.4**	**459.5**
Ending balance	**459.5**	**509.1**

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.

Table of Contents

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

(Billions of yen)

	As of March 31, 2015	As of March 31, 2016	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)**

(Billions of yen)

	As of March 31, 2016	As of March 31, 2017	Change
Domestic	**96.2**	**105.0**	**8.7**
Manufacturing	27.2	36.4	9.2
Construction	3.1	0.8	(2.3)
Real estate	2.3	1.9	(0.3)
Service industries	11.5	12.6	1.1
Wholesale and retail	28.8	33.4	4.5
Finance and insurance	0.6	0.5	(0.0)
Individuals	17.3	14.1	(3.2)
Other industries	5.0	4.8	(0.1)
Overseas	**49.1**	**49.2**	**0.0**
Exempt portion	**9.3**	**10.1**	**0.8**
Total	**154.6**	**164.4**	**9.7**

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, 2016	**For the fiscal year ended March 31, 2017**
Manufacturing	1.1	0.9
Construction	0.2	0.3
Real estate	0.8	0.2
Service industries	1.4	2.3
Wholesale and retail	7.9	3.1
Finance and insurance	0.1	
Individuals	5.3	4.4
Other industries	29.4	4.2
Exempt portion	**0.0**	**0.1**
Total	**46.6**	**15.8**

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.

Table of Contents

Status of exposure to which the standardized approach is applied

(I) Exposure by risk weight category after applying credit risk mitigation

(Billions of yen)

Risk weight	As of March 31, 2016			
	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**

(Billions of yen)

Risk weight	As of March 31, 2017			
	On-balance sheet	Off-balance sheet	Total	With external rating
0%	10,729.6	1,522.4	12,252.1	50.0
10%	179.8		179.8	
20%	1,337.2	511.1	1,848.4	63.5
35%				
50%	42.4	55.8	98.3	22.0
100%	1,894.8	1,186.8	3,081.6	122.9
150%	0.0		0.0	
250%	48.9		48.9	
350%				
625%		0.0	0.0	
937.5%		0.0	0.0	
1,250%		0.0	0.0	
Total	**14,233.1**	**3,276.3**	**17,509.4**	**258.4**

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.

33

Table of Contents

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

(Billions of yen)

	As of March 31, 2016	As of March 31, 2017
Amount of exposure to which a risk weight of 1,250% is applied	**0.8**	**0.2**

Status of exposure to which the internal ratings-based approach is applied

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

(Billions of yen)

Risk weight	As of March 31, 2016	As of March 31, 2017
50%	0.5	0.0
70%	41.6	13.4
90%	1.1	3.8
95%	44.6	87.6
115%	5.0	4.5
120%	15.4	8.0
140%	7.5	15.2
250%	39.6	17.0
Default	19.5	15.5
Total	**175.2**	**165.6**

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

(Billions of yen)

Risk weight	As of March 31, 2016	As of March 31, 2017
300%	488.3	737.5
400%	71.1	55.6
Total	**559.4**	**793.1**

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, 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

35

Table of Contents

(Billions of yen, except percentages)

As of March 31, 2017

	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	**1.76**	**36.17**	**n.a.**	**36.73**	**78,222.1**	**56,571.6**	**21,650.4**	**22,184.7**	**74.99**
Investment grade zone	0.09	37.82	n.a.	26.08	55,538.0	37,788.8	17,749.1	18,464.6	74.99
Non-investment grade zone	1.49	31.95	n.a.	64.06	21,680.0	17,927.0	3,752.9	3,563.4	75.00
Default	100.00	35.87	33.22	35.12	1,004.0	855.7	148.2	156.6	75.00
Sovereign	**0.01**	**37.96**	**n.a.**	**1.27**	**80,314.2**	**67,492.6**	**12,821.5**	**816.3**	**75.00**
Investment grade zone	0.00	37.96	n.a.	1.16	80,165.1	67,353.7	12,811.4	806.8	75.00
Non-investment grade zone	0.94	37.82	n.a.	63.75	149.0	138.8	10.1	9.4	75.00
Default	100.00	28.51	25.45	40.51	0.0	0.0			
Bank	**0.16**	**37.28**	**n.a.**	**23.23**	**5,921.5**	**4,231.3**	**1,690.2**	**734.3**	**75.00**
Investment grade zone	0.08	37.30	n.a.	19.41	5,337.6	3,764.5	1,573.0	643.6	75.00
Non-investment grade zone	0.59	36.96	n.a.	58.25	582.4	465.3	117.1	90.6	75.00
Default	100.00	96.75	94.52	29.55	1.4	1.4			
Equity exposure under PD/LGD approach	**2.28**	**90.00**	**n.a.**	**145.16**	**4,180.1**	**4,064.4**	**115.7**		
Investment grade zone	0.07	90.00	n.a.	112.90	3,788.9	3,673.2	115.7		
Non-investment grade zone	1.10	90.00	n.a.	240.10	301.9	301.9			
Default	100.00	90.00	n.a.	1,192.50	89.3	89.3			
Total	**0.88**	**38.40**	**n.a.**	**22.06**	**168,638.0**	**132,360.1**	**36,277.9**	**23,735.3**	**74.99**
Investment grade zone	0.04	39.24	n.a.	14.31	144,829.7	112,580.3	32,249.4	19,915.1	74.99
Non-investment grade zone	1.46	32.89	n.a.	66.25	22,713.3	18,833.1	3,880.2	3,663.5	75.00
Default	100.00	40.37	33.31	129.54	1,094.9	946.6	148.2	156.6	75.00

Notes:

1. 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.
2. Corporate does not include specialized lending exposure under supervisory slotting criteria.
3. Each asset class includes purchased receivables.
4. 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.
5. Regarding equity exposure under the PD/LGD approach, we recognize the risk-weighted assets by multiplying 1,250% by the expected loss (EL).

36

Table of Contents

(N) Portfolio by asset class and ratings segment (Retail)

(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	Amount of undrawn	Weighted average of credit conversion