MIZUHO FINANCIAL GROUP INC
Form 6-K
July 30, 2018
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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 2018

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-________ .

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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 30, 2018

Mizuho Financial Group, Inc.

By:	/s/ Makoto Umemiya
Name:	Makoto Umemiya
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 2018. 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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Key Metrics

Under the capital adequacy ratio regulations agreed upon by the Basel Committee on Banking Supervision, banks are required to meet certain minimum capital requirements. We calculate our capital adequacy ratio on a consolidated basis based on the criteria used by a bank holding company for deciding whether or not the adequacy of equity capital of the bank holding company and its subsidiaries is appropriate in light of the assets owned by the bank holding company and its subsidiaries pursuant to Article 52-25 of the Banking Law (Financial Services Agency, or FSA, Notice No.20 issued in 2006).

We also calculate our leverage ratio on a consolidated basis according to the leverage ratio on a consolidated basis separately prescribed by the Commissioner of the Financial Services Agency according to Article 1 Paragraph 1 item 7 of the Matters Separately Prescribed by the Commissioner of the Financial Services Agency Regarding Status of the Adequacy of Equity Capital pursuant to Article 19-2 Paragraph 1 Item 5 Sub-item (d) etc. of the Ordinance for the Enforcement of the Banking Law (FSA Notice No.13 issued in 2015).

Liquidity standards agreed upon by the Basel Committee on Banking Supervision require our liquidity coverage ratio to surpass certain minimum standards. We calculate our consolidated liquidity coverage ratio (the Consolidated LCR) in accordance with the regulation The Evaluation Criterion on the Sound Management of Liquidity Risk Defined, Based on Banking Law Article 52-25, as One of Criteria for Bank Holding Companies to Evaluate the Soundness of Their Management and the Ones of Their Subsidiaries and Others, which is also One of Evaluation Criteria on the Soundness of the Banks Management (the FSA Notice No. 62 of 2015 (the Notice No. 62)).

Key Metrics

KM1: Key Metrics

(millions of yen, except percentages)

Basel III Template No.		a As of March 31, 2018	b As of December 31, 2017	c As of September 30, 2017	d As of June 30, 2017	e As of March 31, 2017
Capital						
1	Common Equity Tier 1 capital	7,437,048	7,597,964	7,280,598	7,157,984	7,001,664
2	Tier 1 capital	9,192,244	9,321,858	9,004,810	8,423,437	8,211,522
3	Total capital	10,860,440	11,260,104	10,946,675	10,410,297	10,050,953
Risk weighted assets						
4	Risk weighted assets	59,528,983	63,414,867	61,695,509	61,785,213	61,717,158
Capital ratio						
5	Common Equity Tier 1 capital ratio	12.49%	11.98%	11.80%	11.58%	11.34%
6	Tier 1 capital ratio	15.44%	14.69%	14.59%	13.63%	13.30%
7	Total capital ratio	18.24%	17.75%	17.74%	16.84%	16.28%
Capital buffer						
8	Capital conservation buffer requirement	1.87%	1.25%	1.25%	1.25%	1.25%
9	Countercyclical buffer requirement	0.01%	0.00%	0.00%	0.00%	0.00%
10	Bank G-SIB/D-SIB additional requirements	0.75%	0.50%	0.50%	0.50%	0.50%
11	Total of bank CET1 specific buffer requirements	2.63%	1.75%	1.75%	1.75%	1.75%
12	CET1 available after meeting the bank s minimum capital requirements	7.99%	7.48%	7.30%	7.08%	6.84%

Leverage ratio						
13	Total exposures	214,277,824	217,478,350	217,304,488	208,006,656	207,401,679
14	Leverage ratio	4.28%	4.28%	4.14%	4.04%	3.95%
Liquidity coverage ratio (LCR)						
15	Total HQLA allowed to be included in the calculation	60,159,630	63,459,113	60,568,697	61,146,475	59,034,682
16	Net cash outflows	50,079,075	50,808,181	48,025,220	47,132,781	45,611,601
17	LCR	120.1%	124.8%	126.1%	129.7%	129.4%

Note:

Base III Template No. from 15 to 17 are quarterly averages.

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Status of Mizuho Financial Group s Consolidated Capital Adequacy

Following the partial revision of Matters Separately Prescribed by the Commissioner of the Financial Services Agency Regarding Status of the Adequacy of Equity Capital Pursuant to Article 19-2, Paragraph 1, Item 5, Sub-item (d), etc. of the Ordinance for the Enforcement of the Banking Law, the disclosure of any information concerning the fiscal year ended March 31, 2018 is made in accordance with the relevant FSA Notice issued after the revision (the New FSA Notice). The figures relating to our banking activities for the fiscal year ended March 31, 2017 are disclosed in accordance with the relevant FSA Notice issued before the revision (the Old FSA Notice) (See pages 41 to 56 for the disclosure items which are different from those disclosed according to the new FSA Notice).

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, 2017 and 2018

(B) Number of consolidated subsidiaries

	As of March 31, 2017	As of March 31, 2018
Consolidated subsidiaries	**139**	**124**

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, 2018:

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
Mizuho Realty One Co., Ltd.	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 echnology	60.0	60.0
UC Card Co., Ltd.	Japan	Credit card	51.0	51.0
J.Score CO., LTD.	Japan	Lending	50.0	50.0
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
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
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 and trust	100.0	100.0
Mizuho Bank (Switzerland) Ltd	Switzerland	Banking and trust	100.0	100.0
Mizuho Capital Markets LLC	U.S.A.	Derivatives	100.0	100.0
PT. Bank Mizuho Indonesia	Indonesia	Banking	99.0	99.0

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

None as of March 31, 2017 and 2018.

(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, 2017 and 2018.

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

None as of March 31, 2017 and 2018.

(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, 2017 and 2018.

Risk-based Capital

(1) 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.

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(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, 2017	Amounts excluded under transitional arrangements	As of March 31, 2018	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	6,905,510	/	7,292,638	/
1a	of which: capital and stock surplus	3,390,691	/	3,391,471	/
2	of which: retained earnings	3,614,841	/	4,002,350	/
1c	of which: treasury stock (-)	4,849	/	5,997	/
26	of which: national specific regulatory adjustments (earnings to be distributed) (-)	95,173	/	95,186	/
	of which: other than above		/		/
1b	Subscription rights to common shares	1,754	/	1,163	/
3	Accumulated other comprehensive income and other disclosed reserves	1,216,780	304,195	1,677,534	/
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	14,537	/	14,344	/
		22,881	/	/	/

	Total of items included in common equity Tier 1 capital: instruments and reserves subject to phase-out arrangements					
	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		22,881	/	/	/
6	Common equity Tier 1 capital: instruments and reserves	(A)	8,161,464	/	8,985,680	/
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)		619,806	154,951	794,953	/
8	of which: goodwill (net of related tax liability, including those equivalent)		79,695	19,923	85,103	/
9	of which: other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)		540,111	135,027	709,850	/
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)		36,601	9,150	42,352	/
11	Deferred gains or losses on derivatives under hedge accounting		8,137	2,034	(67,578)	/
12	Shortfall of eligible provisions to expected losses		9,381	2,352	61,964	/
13	Securitization gain on sale		52	13		/
14	Gains and losses due to changes in own credit risk on fair valued liabilities		593	148	3,960	/
15	Net defined benefit asset		443,158	110,789	691,380	/

16	Investments in own shares (excluding those reported in the net assets section)	5,473	1,368	1,457	/
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)	36,595	9,148	20,140	/
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)				/

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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)	1,159,800	/		1,548,631	/
Common equity Tier 1 capital (CET1)							
29	Common equity Tier 1 capital (CET1) ((A)-(B))	(C)	7,001,664	/		7,437,048	/
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		760,000	/		1,220,000	/
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)		31,786	/		31,317	/
33+35			577,500	/		577,500	/

	Eligible Tier 1 capital instruments subject to phase-out arrangements included in additional Tier 1 capital: instruments					
33	of which: directly issued capital instruments subject to phase out from additional Tier 1		577,500	/	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		(13,931)	/	/	/
	of which: foreign currency translation adjustments		(13,931)	/	/	/
36	Additional Tier 1 capital: instruments	(D)	1,355,354	/	1,828,817	/
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)		38	9	121	/
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)		117,600	29,400	73,500	/
	Total of items included in additional Tier 1 capital: regulatory adjustments subject to phase-out arrangements		27,858	/	/	/
	of which: goodwill equivalent		14,954	/	/	/
			11,717	/	/	/

	of which: intangible fixed assets recognized as a result of a merger					
	of which: capital increase due to securitization transactions		13	/	/	/
	of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach		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)	145,496	/	73,621	/
Additional Tier 1 capital (AT1)						
44	Additional Tier 1 capital ((D)-(E))	(F)	1,209,858	/	1,755,195	/
Tier 1 capital (T1 = CET1 + AT1)						
45	Tier 1 capital (T1 = CET1 + AT1) ((C)+(F))	(G)	8,211,522	/	9,192,244	/

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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	684,150	/	828,702	/
46	Tier 2 instruments plus related stock surplus issued by special purpose vehicles and other equivalent entities	168,300	/	159,405	/
48-49	Tier 2 instruments issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	10,574	/	10,378	/
47+49	Eligible Tier 2 capital instruments subject to phase-out arrangements included in Tier 2: instruments and provisions	842,133	/	674,824	/
47	of which: directly issued capital instruments subject to phase out from Tier 2	168,022	/	135,135	/
49	of which: instruments issued by subsidiaries subject to phase out	674,110	/	539,688	/
50	Total of general allowance for loan losses and eligible provisions included in Tier 2	6,510	/	4,794	/
50a	of which: general allowance for loan losses	6,510	/	4,794	/
50b	of which: eligible provisions		/		/
	Total of items included in Tier 2 capital: instruments and provisions subject to phase-out arrangements	180,319	/	/	/
	of which: 45% of unrealized gains on other securities	161,221	/	/	/

	of which: 45% of revaluation reserve for land		19,097	/	/	/
51	Tier 2 capital: instruments and provisions	(H)	1,891,987	/	1,678,105	/
Tier 2 capital: regulatory adjustments						
52	Investments in own Tier 2 instruments		409	102	1,892	/
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)		16,413	4,103	8,016	/
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		35,732	/	/	/
	of which: investments in the capital banking, financial and insurance entities		34,559	/	/	/
	of which: 50% of excess of expected losses relative to eligible reserves by banks adopting internal ratings-based approach		1,172	/	/	/
57	Tier 2 capital: regulatory adjustments	(I)	52,555	/	9,908	/
Tier 2 capital (T2)						
58	Tier 2 capital (T2) ((H)-(I))	(J)	1,839,431	/	1,668,196	/
Total capital (TC = T1 + T2)						
59	Total capital (TC = T1 + T2) ((G)+(J))	(K)	10,050,953	/	10,860,440	/
Risk weighted assets		(5)				
	Total of items included in risk weighted assets subject to phase-out arrangements		260,992	/	/	/
			123,310	/	/	/

	of which: intangible assets (net of related tax liability, excluding those relating to mortgage servicing rights)					
	of which: deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)		9,150	/	/	/
	of which: net defined benefit asset		110,789	/	/	/
	of which: investments in the capital banking, financial and insurance entities		17,742	/	/	/
60	Risk weighted assets	(L)	61,717,158	/	59,528,983	/
Capital ratio (consolidated)						
61	Common equity Tier 1 capital ratio (consolidated) ((C)/(L))		11.34%	/	12.49%	/

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62	Tier 1 capital ratio (consolidated) ((G)/(L))		13.30%	/	15.44%	/
63	Total capital ratio (consolidated) ((K)/(L))		16.28%	/	18.24%	/
Regulatory adjustments		(6)				
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)		703,872	/	745,717	/
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)		118,358	/	142,407	/
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)		182,672	/	185,172	/
Provisions included in Tier 2 capital: instruments and provisions		(7)				
76	Provisions (general allowance for loan losses)		6,510	/	4,794	/
77	Cap on inclusion of provisions (general allowance for loan losses)		46,343	/	43,678	/
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		299,309	/	284,521	/
Capital instruments subject to phase-out arrangements		(8)				
82	Current cap on AT1 instruments subject to phase-out arrangements		1,041,569	/	833,255	/

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	843,530	/	674,824	/
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) (if the amount is negative, report as nil)		/	7,304	/

Notes:

1. The above figures are calculated based on the 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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(B) Explanation of (A) Composition of capital disclosure

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

Items	Consolidated balance sheet as in published financial statements (Millions of yen) As of March 31, 2017	As of March 31, 2018	Cross-reference to Appended template	Reference # of Basel III template under the Composition of capital disclosure
(Assets)				
Cash and due from banks	47,129,583	47,725,360		
Call loans and bills purchased	1,035,746	715,149		
Receivables under resale agreements	8,967,777	8,080,873		
Guarantee deposits paid under securities borrowing transactions	3,350,051	4,350,527		
Other debt purchased	2,745,204	2,713,742		
Trading assets	10,361,787	10,507,133	6-a	
Money held in trust	247,583	337,429		
Securities	32,353,158	34,183,033	2-b, 6-b	
Loans and bills discounted	78,337,793	79,421,473	6-c	
Foreign exchange assets	1,828,782	1,941,677		
Derivatives other than for trading assets	2,170,750	1,807,999	6-d	
Other assets	4,180,339	4,588,484	6-e	
Tangible fixed assets	1,136,329	1,111,128		
Intangible fixed assets	1,045,486	1,092,708	2-a	
Net defined benefit asset	797,762	996,173	3	
Deferred tax assets	56,066	47,839	4-a	
Customers liabilities for acceptances and guarantees	5,273,581	5,723,186		
Reserves for possible losses on loans	(509,175)	(315,621)		
Total assets	200,508,610	205,028,300		
(Liabilities)				
Deposits	120,045,217	125,081,233		
Negotiable certificates of deposit	10,631,277	11,382,590		
Call money and bills sold	1,255,172	2,105,293		
Payables under repurchase agreements	17,969,753	16,656,828		
Guarantee deposits received under securities lending transactions	1,679,300	1,566,833		
Commercial paper	789,705	710,391		
Trading liabilities	7,923,285	8,121,543	6-f	
Borrowed money	6,307,230	4,896,218	8-a	
Foreign exchange liabilities	526,053	445,804		
Short-term bonds	226,348	362,185		
Bonds and notes	7,564,535	7,544,256	8-b	
Due to trust accounts	4,784,077	4,733,131		
Derivatives other than for trading liabilities	1,784,857	1,514,483	6-g	
Other liabilities	3,883,168	3,685,585		
Reserve for bonus payments	67,633	66,872		
Reserve for variable compensation	3,018	3,242		
Net defined benefit liability	55,236	58,890		
Reserve for director and corporate auditor retirement benefits	1,327	1,460		
Reserve for possible losses on sales of loans	298	1,075		
Reserve for contingencies	5,680	5,622		

Reserve for reimbursement of deposits	19,072	20,011	
Reserve for reimbursement of debentures	32,720	30,760	
Reserves under special laws	2,309	2,361	
Deferred tax liabilities	337,800	421,002	4-b
Deferred tax liabilities for revaluation reserve for land	66,585	66,186	4-c
Acceptances and guarantees	5,273,581	5,723,186	
Total liabilities	191,235,249	195,207,054	

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(Net assets)				
Common stock and preferred stock	2,256,275	2,256,548	1-a	
Capital surplus	1,134,416	1,134,922	1-b	
Retained earnings	3,615,449	4,002,835	1-c	
Treasury stock	(4,849)	(5,997)	1-d	
Total shareholders equity	7,001,291	7,388,309		
Net unrealized gains (losses) on other securities	1,289,985	1,392,392		
Deferred gains or losses on hedges	10,172	(67,578)	5	
Revaluation reserve for land	145,609	144,277		
Foreign currency translation adjustments	(69,657)	(85,094)		
Remeasurements of defined benefit plans	144,866	293,536		
Total accumulated other comprehensive income	1,520,976	1,677,534		3
Stock acquisition rights	1,754	1,163		1b
Non-Controlling interests	749,339	754,239	7	
Total net assets	9,273,361	9,821,246		
Total liabilities and net assets	200,508,610	205,028,300		

Note:

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

Appended template

1. Shareholders equity

(1) Consolidated balance sheet

(Millions of yen)

Ref.	Consolidated balance sheet items	As of March 31, 2017	As of March 31, 2018	Remarks
1-a	Common stock and preferred stock	2,256,275	2,256,548	
1-b	Capital surplus	1,134,416	1,134,922	
1-c	Retained earnings	3,615,449	4,002,835	
1-d	Treasury stock	(4,849)	(5,997)	
	Total shareholders equity	7,001,291	7,388,309	

(2) Composition of capital

(Millions of yen)

Basel III template	Composition of capital disclosure	As of March 31, 2017	As of March 31, 2018	Remarks
	Directly issued qualifying common share capital plus related stock surplus and retained earnings	7,000,683	7,387,824	Shareholders equity attributable to common shares (before adjusting national specific regulatory adjustments (earnings to be distributed))
1a	of which: capital and stock surplus	3,390,691	3,391,471	
2	of which: retained earnings	3,614,841	4,002,350	
1c	of which: treasury stock (-)	4,849	5,997	
	of which: other than above			
31a	Directly issued qualifying additional Tier 1 instruments plus related stock surplus of which: classified as equity under applicable accounting standards and the breakdown			

2. Intangible fixed assets

(1) Consolidated balance sheet

(Millions of yen)

Ref.	Consolidated balance sheet items	As of March 31, 2017	As of March 31, 2018	Remarks
2-a	Intangible fixed assets	1,045,486	1,092,708	
2-b	Securities	32,353,158	34,183,033	
		24,846	14,588	

of which: share of goodwill of companies accounted for using the equity method			Share of goodwill of companies accounted for using the equity method
Income taxes related to above	(295,574)	(312,342)	

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(2) Composition of capital

Basel III template	Composition of capital disclosure	(Millions of yen) As of March 31, 2017	As of March 31, 2018	Remarks
8	Goodwill (net of related tax liability, including those equivalent)	99,619	85,103	
9	Other intangibles other than goodwill and mortgage servicing rights (net of related tax liability)	675,139	709,850	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) As of March 31, 2017	As of March 31, 2018	Remarks
3	Net defined benefit asset	797,762	996,173	
	Income taxes related to above	(243,814)	(304,793)	

(2) Composition of capital

Basel III template	Composition of capital disclosure	(Millions of yen) As of March 31, 2017	As of March 31, 2018	Remarks
15	Net defined benefit asset	553,947	691,380	

4. Deferred tax assets

(1) Consolidated balance sheet

Ref.	Consolidated balance sheet items	As of March 31, 2017	As of March 31, 2018	Remarks
		(Millions of yen)		
4-a	Deferred tax assets	56,066	47,839	
4-b	Deferred tax liabilities	337,800	421,002	
4-c	Deferred tax liabilities for revaluation reserve for land	66,585	66,186	
	Tax effects on intangible fixed assets	295,574	312,342	
	Tax effects on net defined benefit asset	243,814	304,793	

(2) Composition of capital

Basel III template	Composition of capital disclosure	As of March 31, 2017	As of March 31, 2018	Remarks
		(Millions of yen)		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	45,751	42,352	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)	182,672	185,172	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)	182,672	185,172	

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5. Deferred gains or losses on derivatives under hedge accounting

(1) Consolidated balance sheet

Ref.	Consolidated balance sheet items	As of March 31, 2017	As of March 31, 2018	Remarks
		(Millions of yen)		
5	Deferred gains or losses on hedges	10,172	(67,578)	

(2) Composition of capital

Basel III template	Composition of capital disclosure	As of March 31, 2017	As of March 31, 2018	Remarks
		(Millions of yen)		
11	Deferred gains or losses on derivatives under hedge accounting	10,172	(67,578)	

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

(1) Consolidated balance sheet

Ref.	Consolidated balance sheet items	As of March 31, 2017	As of March 31, 2018	Remarks
		(Millions of yen)		
6-a	Trading assets	10,361,787	10,507,133	Including trading account securities and derivatives for trading assets
6-b	Securities	32,353,158	34,183,033	
6-c	Loans and bills discounted	78,337,793	79,421,473	Including subordinated loans
6-d	Derivatives other than for trading assets	2,170,750	1,807,999	
6-e	Other assets	4,180,339	4,588,484	Including money invested
6-f	Trading liabilities	7,923,285	8,121,543	Including trading account securities sold
6-g	Derivatives other than for trading liabilities	1,784,857	1,514,483	

(2) Composition of capital

		(Millions of yen)		
Basel III template	**Composition of capital disclosure**	**As of March 31, 2017**	**As of March 31, 2018**	**Remarks**
	Investments in own capital instruments	7,353	3,349	
16	Common equity Tier 1 capital	6,842	1,457	
37	Additional Tier 1 capital			
52	Tier 2 capital	511	1,892	
	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)	770,182	773,996	
18	Common equity Tier 1 capital	45,743	20,140	
39	Additional Tier 1 capital	48	121	
54	Tier 2 capital	20,517	8,016	
72	Non-significant investments in the capital of other financials that are below the thresholds for deduction (before risk weighting)	703,872	745,717	
	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	265,358	215,907	
19	Amount exceeding the 10% threshold on specified items			
23	Amount exceeding the 15% threshold on specified items			
40	Additional Tier 1 capital	147,000	73,500	
55	Tier 2 capital			
73	Significant investments in the common stock of financials that are below the thresholds for deduction (before risk weighting)	118,358	142,407	

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7. Non-Controlling interests

(1) Consolidated balance sheet

Ref.	Consolidated balance sheet items	As of March 31, 2017	As of March 31, 2018 (Millions of yen)	Remarks
7	Non-Controlling interests	749,339	754,239	

(2) Composition of capital

Basel III template	Composition of capital disclosure	As of March 31, 2017	As of March 31, 2018 (Millions of yen)	Remarks
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	14,537	14,344	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)	31,786	31,317	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	168,300	159,405	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)	10,574	10,378	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, 2017	As of March 31, 2018 (Millions of yen)	Remarks

8-a	Borrowed money	6,307,230	4,896,218	
8-b	Bonds and notes	7,564,535	7,544,256	
	Total	13,871,765	12,440,475	

(2) Composition of capital

Basel III template	Composition of capital disclosure	As of March 31, 2017	(Millions of yen) As of March 31, 2018	Remarks
32	Directly issued qualifying additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	760,000	1,220,000	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	684,150	828,702	

Note:

Amounts as of March 31, 2017 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.

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Summary of Risk Management and Risk-weighted Assets (RWA)

(1) Summary of Our Group s Risk Profile, Risk Management Policies/ Procedures and Structure

See page 63 for a summary of our group s risk profile and risk management policies, etc.

(2) Summary of RWA

(A) OV1: Overview of Risk-weighted Assets (RWA)

(Millions of yen)

Basel III Template No.		a	b	c	d
		RWA		capital requirements	
		As of March 31, 2018	As of March 31, 2017	As of March 31, 2018	As of March 31, 2017
1	**Credit risk (excluding counterparty credit risk)**	**38,823,030**	/	**3,275,858**	/
2	Of which: standardized approach (SA)	1,820,063	/	145,605	/
3	Of which: internal rating-based (IRB) approach	35,420,038	/	3,003,619	/
	Of which: significant investments		/		/
	Of which: estimated residual value of lease transaction		/		/
	Others	1,582,929	/	126,634	/
4	**Counterparty credit risk (CCR)**	**4,531,171**	/	**366,994**	/
5	Of which: SA-CCR		/		/
	Of which: current exposure method	216,424	/	17,723	/
6	Of which: expected positive exposure (EPE) method	887,843	/	74,632	/
	Of which: credit valuation adjustment (CVA) risk	2,539,780	/	203,182	/
	Of which: central counterparty-related	193,088	/	15,447	/
	Others	694,035	/	56,009	/
7	**Equity positions in banking book under market-based approach**	**2,972,073**	/	**252,031**	/
	Fund exposures standardized approach		/		/
	Fund exposures regarded method	**3,515,582**	/	**297,289**	/

11	**Settlement risk**	**4,574**	/	**386**	/
12	**Securitization exposures in banking book**	**379,016**	/	**32,003**	/
13	Of which: IRB ratings-based approach (RBA) or IRB internal assessment approach (IAA)	110,551	/	9,374	/
14	Of which: IRB supervisory formula approach (SFA)	231,492	/	19,630	/
15	Of which: SA/simplified supervisory formula approach (SSFA)	25,711	/	2,056	/
	Of which: 1250% risk weight is applied	11,261	/	941	/
16	**Market risk**	**2,470,321**	/	**197,625**	/
17	Of which: standardized approach (SA)	1,406,398	/	112,511	/
18	Of which: internal model approaches (IMM)	1,063,922	/	85,113	/
19	**Operational risk**	**3,411,289**	/	**272,903**	/
20	Of which: basic indicator approach	591,083	/	47,286	/
21	Of which: standardized approach		/		/
22	Of which: advanced measurement approach	2,820,206	/	225,616	/
23	**Exposures of specified items not subject to regulatory adjustments**	**818,950**	/	**67,224**	/
	Amounts included in RWA subject to phase-out arrangements		/		/
24	**Floor adjustment**		/		/
25	**Total (after applying the scaling factor)**	**59,528,983**	/	**4,762,318**	/

Note:

We disclose the data for the fiscal year ended March 31, 2018 according to the New FSA Notice.

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(B) Credit Risk-weighted Assets by Asset Class and Ratings Segment

(Billions of yen)

	As of March 31, 2017			As of March 31, 2018		
	EAD	RWA	Risk Weight (%)	EAD	RWA	Risk Weight (%)
Internal ratings-based approach	**189,852.0**	**50,084.2**	**26.38**	**188,162.7**	**47,619.7**	**25.30**
Corporate, etc.	**164,623.5**	**31,312.3**	**19.02**	**162,853.7**	**29,536.1**	**18.13**
Corporate (except specialized lending)	78,222.1	28,727.3	36.72	79,917.9	27,232.1	34.07
Ratings A1-B2	55,538.0	14,486.4	26.08	58,776.0	13,840.5	23.54
Ratings C1-D3	20,306.6	12,002.9	59.10	19,376.2	11,569.6	59.71
Ratings E1-E2	1,373.3	1,885.3	137.27	1,182.2	1,625.0	137.45
Ratings E2R-H1	1,004.0	352.5	35.11	583.3	196.7	33.73
Sovereign	80,314.2	1,023.3	1.27	76,803.1	833.9	1.08
Ratings A1-B2	80,165.1	928.3	1.15	76,674.5	758.3	0.98
Ratings C1-D3	148.6	94.3	63.49	128.2	75.2	58.70
Ratings E1-E2	0.3	0.6	164.61	0.3	0.2	82.31
Ratings E2R-H1	0.0	0.0	40.50	0.0	0.0	39.56
Bank	5,921.5	1,375.8	23.23	5,986.3	1,313.1	21.93
Ratings A1-B2	5,337.6	1,036.1	19.41	5,447.4	1,002.1	18.39
Ratings C1-D3	582.4	339.2	58.25	537.5	310.5	57.77
Ratings E1-E2	0.0	0.0	184.04	0.0	0.0	129.81
Ratings E2R-H1	1.4	0.4	29.54	1.2	0.3	29.94
Specialized lending	165.6	185.8	112.16	146.3	156.9	107.22
Retail	**12,235.5**	**4,541.9**	**37.12**	**11,629.8**	**3,818.0**	**32.83**
Residential mortgage	9,388.0	3,096.3	32.98	9,046.0	2,508.1	27.72
Qualifying revolving loan	629.2	415.6	66.05	673.7	513.0	76.14
Other retail	2,218.2	1,029.9	46.42	1,910.0	796.8	41.72
Equities	**4,973.3**	**8,642.9**	**173.78**	**5,136.2**	**8,436.2**	**164.25**
PD/LGD approach	4,180.1	6,068.0	145.16	4,162.6	5,279.2	126.82
Market-based approach	793.1	2,574.9	324.64	973.5	3,157.0	324.26
Regarded-method exposure	**1,744.0**	**3,341.4**	**191.58**	**2,102.9**	**3,716.1**	**176.70**
Securitizations	**4,009.5**	**328.9**	**8.20**	**4,169.4**	**371.5**	**8.91**
Others	**2,265.9**	**1,916.6**	**84.58**	**2,270.5**	**1,741.5**	**76.70**
Standardized approach	**17,523.9**	**3,508.0**	**20.01**	**18,603.6**	**3,294.7**	**17.71**
CVA risk	**/**	**2,272.3**	**/**	**/**	**2,539.7**	**/**
Central counterparty-related	**/**	**195.4**	**/**	**/**	**193.0**	**/**
Total	**207,375.9**	**56,060.0**	**27.03**	**206,766.4**	**53,647.3**	**25.94**

Note:

Specialized lending is specialized lending exposure under supervisory slotting criteria.

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Linkages between Financial Statements and Regulatory Exposures

(A) LI1: Differences between Accounting and Regulatory Scopes of Consolidation and Mapping of Financial Statement Categories with Regulatory Risk Categories

(Millions of yen)

	As of March 31, 2018						
	a	b	c	d	e	f	g
			Carrying values of items:				
	Carrying values as reported in published financial statements/	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and Due from Banks	47,725,360		47,725,360				
Call Loans and Bills Purchased	715,149		715,149				
Receivables under Resale Agreements	8,080,873			8,080,873			
Guarantee Deposits Paid under Securities Borrowing Transactions	4,350,527			4,350,527			
Other Debt Purchased	2,713,742		2,127,247		551,092		35,402
Trading Assets	10,507,133			5,318,732		10,507,133	2,249
Money Held in Trust	337,429		337,429				
Securities	34,183,033		32,788,339		1,287,391		107,303
Loans and Bills Discounted	79,421,473		77,937,924	1,305	1,475,430		6,812
Foreign Exchange Assets	1,941,677		1,941,677				
Derivatives Other than for	1,807,999			1,807,999			

Trading Assets						
Other Assets	4,588,484	1,549,959	1,936,112	4,161		1,098,251
Tangible Fixed Assets	1,111,128	1,111,128				
Intangible Fixed Assets	1,092,708	312,342				780,365
Net Defined Benefit Asset	996,173	304,793				691,380
Deferred Tax Assets	47,839	5,487				42,352
Customers Liabilities for Acceptances and Guarantees	5,723,186	5,722,952	234			
Reserves for Possible Losses on Loans	(315,621)	(314,330)				(1,291)
Total assets	**205,028,300**	**172,265,461**	**21,495,785**	**3,318,075**	**10,507,133**	**2,762,827**
Liabilities						
Deposits	125,081,233					125,081,233
Negotiable Certificates of Deposit	11,382,590					11,382,590
Call Money and Bills Sold	2,105,293					2,105,293
Payables under Repurchase Agreements	16,656,828		16,656,828			
Guarantee Deposits Received under Securities Lending Transactions	1,566,833		1,566,833			
Commercial Paper	710,391					710,391
Trading Liabilities	8,121,543		4,936,441		8,121,543	
Borrowed Money	4,896,218					4,896,218
Foreign Exchange Liabilities	445,804					445,804
Short-term Bonds	362,185					362,185
Bonds and Notes	7,544,256					7,544,256
Due to Trust Accounts	4,733,131					4,733,131

Derivatives other than for trading liabilities	1,514,483		1,514,483		
Other Liabilities	3,685,585		76,599		3,608,986
Reserve for Bonus Payments	66,872				66,872
Reserve for variable compensation	3,242				3,242
Net Defined Benefit Liability	58,890				58,890
Reserve for Director and Corporate Auditor Retirement Benefits	1,460				1,460
Reserve for possible losses on sales of loans	1,075				1,075
Reserve for contingencies	5,622	56			5,566
Reserve for reimbursement of deposits	20,011				20,011
Reserve for reimbursement of debentures	30,760				30,760
Reserves under Special Laws	2,361				2,361
Deferred Tax Liabilities	421,002				421,002
Deferred Tax Liabilities for Revaluation Reserve for Land	66,186				66,186
Acceptances and Guarantees	5,723,186				5,723,186
Total liabilities	**195,207,054**	**56**	**24,751,187**	**8,121,543**	**167,270,708**

Notes:

1. Since the scope of accounting consolidation and that of regulatory consolidation are the same, the column (a) and (b) have been combined.
2. Market risk includes foreign exchange risk and commodities risk in the banking book, but only those items in the trading book are recorded.

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(B) LI2: Main Sources of Differences between Regulatory Exposure Amounts and Carrying Values in Financial Statements

(Millions of yen)

	As of March 31, 2018				
	a	b	c	d	e
		Items subject to:			
	Total	Credit risk framework	Counterparty credit risk framework	Securitization framework	Market risk framework
1 Asset carrying value amount under scope of regulatory consolidation (as per template LI1)	202,265,473	172,265,461	21,495,785	3,318,075	10,507,133
2 Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	27,936,345	56	24,751,187		8,121,543
3 Total net amount under regulatory scope of consolidation	174,329,127	172,265,405	(3,255,401)	3,318,075	2,385,589
4 Off-balance sheet amounts	17,311,153	16,446,822		864,331	
5 Differences due to consideration of provision for loan losses and write-offs	401,252	401,252			
6 Differences due to derivative transactions, etc.	1,887,980		1,887,980		
7 Differences due to repurchase transactions	17,310,011		17,310,011		
8 Other differences	(523,103)	(907,644)			
9 Exposure amounts considered for regulatory purposes	210,716,420	188,205,836	15,942,589	4,182,406	2,385,589

Notes:

1. Column (a) is not necessarily equal to the sum of columns (b) to (e) due to assets being riskweighted more than once.

2. Differences between regulatory exposure amounts and carrying values in consolidated financial statements and the main sources of the differences are as follows.

Off-balance sheet amounts correspond to the differences produced mainly by adding exposures to undrawn commitments and by multiplying customer liabilities for acceptances and guarantees by the credit conversion factor (CCF) assigned to off-balance sheet items under the regulatory capital requirements.

Differences due to consideration of provision for loan losses, and write-offs are produced mainly by adding general provisions for loan losses, specific provisions for loan losses and partial direct bad debt write-offs to those assets subject to the advanced internal ratings-based approach.

Differences due to derivative transactions, etc. are produced mainly by incorporating future market value fluctuations and the effect of netting into regulatory exposure amounts. Derivative transactions, etc. include long-settlement transactions.

Differences due to repurchase transactions are mainly produced by adding the exposure amounts related to assets pledged as collateral and considering the effect of netting and collateral.

Other differences are produced mainly by considering the offsetting of deferred tax assets against deferred tax liabilities and the regulatory recognized effectiveness of hedging and making regulatory prudential adjustments.

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Credit Risk

(1) Summary of Risk Profile, Risk Management Policies/ Procedures and Structure

See pages 64 to 66 for a summary of our credit risk profile and credit risk management policies, etc.

(2) Summary of Provision for Loan Losses and Charge-offs

See page 65 for a summary of provision for loan losses and charge-offs.

(3) Quantitative Disclosure on Credit Risk

Counterparty credit risk exposures, securitization exposures, and regarded-method exposures are excluded from the amount of credit risk exposures below.

(A) CR1: Credit Quality of Assets

(Millions of yen)

		As of March 31, 2018			
		a	b	c	d
		Gross carrying values of			
		Defaulted exposures	Non-defaulted exposures	Reserve	Net values (a+b-c)
	On-balance sheet exposures				
1	Loans	645,060	77,305,616	271,369	77,679,307
2	Debt securities	5,946	26,116,905		26,122,851
3	Other on-balance sheet debt exposures	2,652	51,697,897	2,526	51,698,023
4	**Total on-balance sheet exposures (1+2+3)**	**653,659**	**155,120,419**	**273,896**	**155,500,182**
	Off-balance sheet exposures				
5	Guarantees	13,776	5,709,421	30,819	5,692,378
6	Commitments	15,249	25,189,759		25,205,009
7	**Total off-balance sheet exposures (5+6)**	**29,026**	**30,899,180**	**30,819**	**30,897,388**
	Total				
8	**Total assets (4+7)**	**682,685**	**186,019,600**	**304,715**	**186,397,570**

Notes:

1.

Other on-balance sheet debt exposures include deposits, call loans, bills purchased, other debt purchased, money held in trust and foreign exchange assets, etc.

2. Defaulted exposures include restructured loans, loans past due for three months or more, loans to bankrupt borrowers and so on.

3. Reserve corresponds to the amount of reserves for possible loan losses

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(B) Breakdown of Credit Risk Exposures

(a) Breakdown by Geographical Area

(Billions of yen)

	As of March 31, 2018			
	Loans, commitments and other non-derivative off-balance-sheet exposures	Securities	Others	Total
Domestic	**62,042.2**	**21,449.0**	**37,376.2**	**120,867.5**
Overseas	**39,785.8**	**9,122.3**	**10,527.5**	**59,435.7**
Asia	10,263.4	1,961.2	1,947.9	14,172.7
Central and South America	2,947.5	52.0	1,136.3	4,135.9
North America	14,172.5	5,074.6	5,917.4	25,164.6
Eastern Europe	346.0		10.0	356.1
Western Europe	7,876.3	1,313.7	844.5	10,034.6
Other areas	4,179.8	720.5	671.1	5,571.5
Total	**101,828.0**	**30,571.3**	**47,903.8**	**180,303.2**
Standardized approach portion	**/**	**/**	**/**	**16,604.4**

Notes:

1. Standardized approach portion represents the amount calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit RWA

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 and other assets, etc.

(b) Breakdown by Industry

(Billions of yen)

As of March 31, 2018		
Securities	Others	Total

	Loans, commitments and other non-derivative off-balance-sheet exposures			
Manufacturing	22,348.0	2,335.3	551.1	25,234.5
Construction	1,834.4	235.7	65.5	2,135.6
Real estate	9,576.2	814.1	18.0	10,408.5
Service industries	5,455.8	440.1	714.2	6,610.2
Wholesale and retail	9,536.2	755.6	744.0	11,036.0
Finance and insurance	13,028.8	2,395.8	3,706.3	19,131.0
Individuals	12,145.6	9.9	114.1	12,269.6
Other industries	25,827.4	8,314.1	9,790.1	43,931.7
Japanese Government; Bank of Japan	2,075.1	15,270.3	32,200.0	49,545.6
Total	**101,828.0**	**30,571.3**	**47,903.8**	**180,303.2**
Standardized approach portion	**/**	**/**	**/**	**16,604.4**

Notes:

1. Standardized approach portion represents the amount calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit RWA.

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

(c) Breakdown by Residual Contractual Maturity

	(Billions of yen)			
	As of March 31, 2018			
	Loans, commitments and other non-derivative off-balance-sheet exposures	**Securities**	**Others**	**Total**
Less than one year	30,139.5	10,117.3	6,135.9	46,392.7
From one year to less than three years	22,692.1	4,828.9	789.9	28,311.0
From three years to less than five years	20,637.6	3,738.5	14.5	24,390.7
Five years or more	27,872.8	7,042.5	165.4	35,080.9
Other than above	485.8	4,843.9	40,798.0	46,127.8
Total	**101,828.0**	**30,571.3**	**47,903.8**	**180,303.2**
Standardized approach portion	**/**	**/**	**/**	**16,604.4**

Notes:

1. Standardized approach portion represents the amount calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit RWA

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

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(C) Exposure to Obligors Claims of Whom Meet the Stipulations in the Article 4 Paragraph 2, 3 or 4 of the Ordinance for Enforcement of the Act on Emergency Measures for the Revitalization of the Financial Functions Enacted in Japan

(a) Breakdown by Geographical Area

			(Billions of yen)
	As of March 31, 2018		
	Exposure	Reserve	Write-Offs
Domestic	**598.8**	**121.9**	**13.7**
Overseas	**193.0**	**35.9**	**1.4**
Asia	28.6	2.4	0.0
Central and South America	63.1	4.3	
North America	19.9	0.3	
Eastern Europe	0.4	0.4	
Western Europe	71.4	24.8	1.3
Other areas	9.2	3.4	
Total	**791.8**	**157.8**	**15.2**
Standardized approach portion	**14.1**	**6.9**	**0.3**

Note:

Standardized approach portion represents the amount calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit RWA

(b) Breakdown by Industry

			(Billions of yen)
	As of March 31, 2018		
	Exposure	Reserve	Write-Offs
Manufacturing	190.9	50.4	2.8
Construction	7.8	0.8	0.1
Real estate	43.5	1.8	0.2
Service industries	73.6	12.9	1.9
Wholesale and retail	198.2	55.0	5.7
Finance and insurance	21.5	1.9	
Individuals	103.3	12.3	3.3

Other industries	152.6	22.4	0.8
Total	**791.8**	**157.8**	**15.2**
Standardized approach portion	**14.1**	**6.9**	**0.3**

Note:

Standardized approach portion represents the amount calculated using the standardized approach for business units and asset classes that are immaterial for the purpose of calculating credit RWA.

(D) Exposure by Past Due Period

(Billions of yen)

As of March 31, 2018				
Less than one month	**From one month to less than two months**	**From two months to less than three months**	**Three months or more**	**Total**
100.7	46.1	15.1	29.4	**191.5**

Note:

Excluding claims under bankruptcy or substantial bankruptcy stipulated in the Article 4 paragraph 2 of the Ordinance for Enforcement of the Act on Emergency Measures for the Revitalization of the Financial Functions as well as high risk claims stipulated in the Article 4 paragraph 3.

(E) Exposure to Obligors Claims of Whom have been Restructured for the Purpose of Corporate Restructuring or Supporting the Customer

(Billions of yen)

As of March 31, 2018		
Exposure	**Amount of exposure for which loss reserve has increased as a result of restructuring of lending terms**	**Others**
322.7	280.6	42.0

Notes:

Excluding claims under bankruptcy or substantial bankruptcy stipulated in the Article 4 paragraph 2 of the Ordinance for Enforcement of the Act on Emergency Measures for the Revitalization of the Financial Functions, high risk claims stipulated in the Article 4 paragraph 3 or claims overdue for more than three months stipulated in the Article 4 paragraph 4.

(4) Credit Risk under Internal Ratings-Based (IRB) Approach

(i) Summary of Internal Ratings-Based (IRB) Approach

We have adopted Advanced Internal Ratings-Based (AIRB) Approach as a method to calculate credit risk weighted assets (RWA) since March 31, 2009. The following business units have adopted AIRB approach:

Mizuho Financial Group, Inc., Mizuho Bank, Ltd., Mizuho Trust & Banking Co., Ltd., Mizuho Credit Guarantee Co., Ltd., Mizuho Trust Realty Company Limited, Mizuho Bank (China), Mizuho Bank (USA), Ltd., Mizuho Bank Europe N.V., and Mizuho Capital Markets LLC.

Note: Special purpose companies (SPCs) controlled by the above companies have also adopted the AIRB approach due to their business operations integrated with their parent companies.

The application scope of AIRB is determined through taking into account the importance for each business unit, such as the ratio of its credit RWA to that of the entire group. AIRB is generally applied to those assets held by the business units that have adopted AIRB except for some asset classes considered immaterial for the purpose of calculating credit RWA. In addition, AIRB is used for all equity exposures and credit RWA exposures under Regarded-Method regardless of what approach the business unit has adopted. The standardized approach will be applied to any of those business units and asset classes that do not meet the above conditions.

(ii) Summary of Our Internal Rating System

See page 65 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 (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	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

Estimation of parameters and validation

We use our own estimates for the parameters indicated below in the calculation of credit RWA under the Basel Framework. We generally validate the parameters by backtesting or other methods on an annual basis. Methods of estimation and validation as well as results are approved by the Chief Risk Officer.

PD	Probability of default (likelihood of default of an obligor over a period of one year)
LGD	Loss given default
EAD	Exposure at default

The definition of default conforms to the Notice issued by Japan s Financial Services Agency.

Details of Estimates:

We estimate PD of corporate, sovereign and bank exposures per obligor rating, and that of retail exposures per pool allocations. In making estimations, we make conservative adjustments such as accounting for estimation error on the long-term average of internal default records. We supplement estimations for low default portfolios with external data. We apply the regulatory floor PD (0.03%) to A1-rated obligors in the measurement of credit RWA, except for sovereign exposures. The estimated parameters in almost all the PD categories such as obligor rating or pool allocations exceeded actual defaults in the last three years. The differences stemmed from such reasons as: actual defaults in the last few years were lower than the long-term average of the defaults over the entire period, which was the basis for our estimation; conservative adjustments have been made to estimated parameters.

We estimate LGD based on obligor classifications in our self-assessments or pool allocations, and protection coverage. For LGD per obligor classifications, we estimate LGD under normal economic circumstances based on prior defaulted obligor data, making adjustments in consideration of periods of economic downturn using stochastic methods. Our estimation is based on validation of the time between the default event and the closure of the exposure as well as LGD for low default portfolios etc. With regard to protection, we estimate LGD per type of collateral using some external data.

We estimate EAD based on prior defaulted obligor data.

(iii) Asset Class-based EAD Ratios to the Total EAD by Credit RWA Calculation Approach

	As of March 31, 2018
Internal Ratings-based Approach	**91.18%**
Corporate	79.20%
Retail	6.24%
Equities	2.75%
Purchase Receivables	1.75%
Others	1.21%
Standardized Approach	**8.81%**
Total	**100.00%**

Notes:

1. Counterparty credit risk exposures, securitization exposures, and regarded-method exposures are excluded from the amount of credit risk exposures above.
2. As for any portfolio to which the standardized approach is applied, exposure instead of EAD is used for calculation.

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(iv) Quantitative Disclosure on Credit Risk under Internal Ratings-based Approach

(A) CR6: IRB Credit Risk Exposures by Portfolio and PD Range

(Millions of yen, %, number in the thousands,

As of March 31, 2018

	a	b	c	d	e	f	g	h	i	j	k	
le	**Original on-balance sheet gross exposure**	**Off-balance sheet exposures pre CCF**	**Average CCF**	**EAD post CRM and post-CCF**	**Average PD**	**Number of obligors**	**Average LGD**	**Average maturity**	**RWA**	**RWA density**	**EL**	**Prov**
ereign												
) to 15	65,282,123	493,305	78.14	67,094,685	0.00	0.3	37.99	1.6	633,434	0.94	828	
5 to 25												
5 to 50	30,742	3,142	75.00	9,343	0.27	0.0	37.97	3.5	4,931	52.77	9	
) to 75	76,127	14,762	75.00	76,646	0.50	0.0	37.97	1.1	35,076	45.76	146	
5 to 50	80,202	163	75.00	28,798	1.46	0.0	37.44	1.6	22,058	76.59	158	
) to .00	62,602	9,186	75.00	947	3.30	0.0	37.97	2.6	1,068	112.71	11	
00 to 0.00	16,952	26	75.00	217	15.16	0.0	8.17	1.1	83	38.66	2	
.00 fault)	1,819			19	100.00	0.0	28.17	1.2	7	37.33	4	
-total	**65,550,571**	**520,586**	**77.97**	**67,210,657**	**0.00**	**0.3**	**37.99**	**1.6**	**696,660**	**1.03**	**1,163**	
ks												
) to 15	3,444,364	704,050	72.47	4,274,768	0.06	0.3	37.38	1.4	693,677	16.22	1,011	
5 to 25												
5 to 50	106,079	34,292	83.00	157,228	0.27	0.0	34.08	1.5	45,560	28.97	123	
) to 75	197,750	55,035	72.89	211,024	0.50	0.0	36.75	1.4	103,707	49.14	378	
5 to 50	130,564	9,911	75.32	138,643	1.00	0.0	36.73	1.4	102,512	73.93	504	
) to .00	20,652	18,128	67.96	24,045	3.13	0.0	40.38	2.2	28,335	117.84	304	

00 to 0.00												
.00 fault)	1,287			1,287	100.00	0.0	96.57	4.9	363	28.25	1,214	
-total	**3,900,699**	**821,418**	**72.87**	**4,806,998**	**0.16**	**0.5**	**37.26**	**1.4**	**974,158**	**20.26**	**3,536**	
rporate (except SME and specialized lending)												
) to 15	35,728,142	21,717,226	73.81	52,701,719	0.07	6.5	37.97	2.4	11,485,859	21.79	15,786	
5 to 25												
5 to 50	4,154,221	1,464,926	75.16	4,954,125	0.27	5.3	33.22	2.6	1,978,399	39.93	4,556	
) to 75	3,335,203	874,325	74.03	3,808,160	0.50	3.8	33.57	2.7	2,073,698	54.45	6,434	
5 to 50	4,212,757	926,478	75.97	4,518,372	1.18	5.2	31.97	2.6	3,145,660	69.61	17,169	
) to .00	1,967,931	684,281	70.34	1,912,682	3.86	1.9	32.58	3.0	2,026,392	105.94	24,920	
00 to 0.00	478,359	172,021	77.99	418,948	15.16	0.7	28.23	2.2	574,489	137.12	17,943	
.00 fault)	420,603	22,230	80.22	414,611	100.00	0.7	38.96	2.1	127,172	30.67	151,385	
-total	**50,297,219**	**25,861,490**	**73.92**	**68,728,619**	**0.99**	**24.3**	**36.78**	**2.5**	**21,411,672**	**31.15**	**238,196**	**16**
E												
) to 15	82,869	20,926	74.99	98,562	0.07	0.0	31.64	2.3	14,696	14.91	24	
5 to 25												
5 to 50	552,499	29,152	73.71	562,058	0.27	3.0	24.31	2.8	142,029	25.26	378	
) to 75	688,348	26,430	74.25	690,992	0.50	3.3	23.91	3.0	229,938	33.27	831	
5 to 50	1,243,471	29,192	75.43	1,226,916	1.19	5.9	20.75	3.4	491,630	40.07	3,124	
) to .00	454,790	12,354	76.30	446,427	3.25	1.7	19.05	3.7	214,824	48.12	2,802	
00 to 0.00	147,430	5,173	92.75	140,309	15.16	0.7	17.98	3.1	106,804	76.12	3,828	
.00 fault)	146,588	623	66.96	137,093	100.00	0.6	42.41	2.2	43,356	31.62	54,678	
-total	**3,315,998**	**123,853**	**75.47**	**3,302,360**	**5.83**	**15.4**	**22.89**	**3.2**	**1,243,280**	**37.64**	**65,667**	**4**
cialized Lending												
) to 15	2,375,330	262,272	77.84	2,206,165	0.09	0.4	36.49	4.3	707,374	32.06	759	

5 to 25												
5 to 50	386,629	139,797	77.89	373,281	0.27	0.0	38.49	4.1	219,941	58.92	397	
0 to 75	230,853	74,918	77.70	215,900	0.50	0.0	43.42	4.1	185,680	86.00	471	
5 to 50	413,034	107,078	75.36	331,811	1.02	0.0	38.49	4.5	335,100	100.99	1,312	
0 to .00	76,132	14,241	76.45	51,744	4.38	0.0	38.19	3.5	68,274	131.94	867	
00 to 0.00	40,737	1,342	94.02	9,364	15.16	0.0	37.97	3.9	18,836	201.13	539	
.00 fault)	29,001	389	100.00	25,293	100.00	0.0	64.04	4.2	12,473	49.31	15,201	
o-total	**3,551,720**	**600,039**	**77.41**	**3,213,563**	**1.13**	**0.6**	**37.64**	**4.2**	**1,547,680**	**48.16**	**19,549**	**1**
uities (PD/LGD approach)												
0 to 15	3,704,926	21,305	100.00	3,726,232	0.05	1.0	90.00	5.0	3,795,623	101.86	/	
5 to 25											/	
5 to 50	90,067			90,067	0.27	0.5	90.00	5.0	142,515	158.23	/	
0 to 75	43,662			43,662	0.50	0.3	90.00	5.0	89,021	203.88	/	
5 to 50	40,387			40,387	1.15	0.2	90.00	5.0	107,668	266.58	/	
0 to .00	113,095			113,095	3.76	0.0	90.00	5.0	425,736	376.44	/	
00 to 0.00	915			915	15.16	0.0	90.00	5.0	5,851	638.79	/	
.00 fault)	5,710			5,710	100.00	0.1	90.00	5.0	64,245	1,125.00	/	
o-total	**3,998,766**	**21,305**	**100.00**	**4,020,072**	**0.33**	**2.3**	**90.00**	**5.0**	**4,630,663**	**115.18**	/	

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(-Continued)

(Millions of yen, %, number in the thousands

As of March 31, 2018

le	a Original on-balance sheet gross exposure	b Off-balance sheet exposures pre CCF	c Average CCF	d EAD post CRM and post-CCF	e Average PD	f Number of obligors	g Average LGD	h Average maturity	i RWA	j RWA density	k EL	Pro
chased receivables (Corporate, etc.) Default Risk Equivalent												
to 5	2,148,219	701,913	75.14	2,671,876	0.08	0.9	38.23	1.9	472,908	17.69	818	
to 5												
to 0	129,026	94,175	77.74	202,240	0.27	0.2	37.89	2.0	80,622	39.86	212	
to 5	102,644	31,136	79.27	127,326	0.50	0.1	37.89	1.8	66,997	52.61	242	
to 0	83,546	28,528	77.42	105,635	1.04	0.1	37.88	2.3	80,956	76.63	419	
to 00	122,256	30,434	75.58	144,774	5.78	0.0	37.97	1.4	177,211	122.40	3,180	
0 to 0.00	1,163	18,484	75.71	15,159	15.16	0.0	37.97	1.6	27,179	179.28	873	
00 fault)	1,720			1,720	100.00	0.0	93.53	1.0	521	30.29	1,567	
-total	**2,588,578**	**904,673**	**75.65**	**3,268,735**	**0.51**	**1.6**	**38.20**	**1.9**	**906,398**	**27.72**	**7,314**	
chased receivables (Retail) Default Risk Equivalent												
to 5												
to 5												
to 0												
to 5												
to 0												
to 00												
0 to 0.00												

00 (ault)											
-total											
chased receivables (Dilution Risk Equivalent)											
to 5	895,557	16,505	100.00	912,062	0.02	0.1	7.96		166,817	18.29	411
to 5											
to 0	11,735			11,735	0.27	0.0	37.97		3,654	31.13	12
to 5	17,229			17,229	0.50	0.0	37.31		7,609	44.16	32
to 0	97,240	5,881	100.00	103,122	1.39	0.0	19.96		69,059	66.96	463
to 00	11,811			11,811	3.03	0.0	8.82		11,116	94.11	140
0 to 0.00	923			923	15.16	0.0	37.97		1,553	168.25	53
00 (ault)	2,139			2,139	100.00	0.0	47.79		1,087	50.85	935
-total	**1,036,637**	**22,387**	**100.00**	**1,059,024**	**0.41**	**0.1**	**10.06**		**260,898**	**24.63**	**2,050**
il qualifying revolving retail exposures (QRRE)											
to 5				0	0.13	0.0	78.04	/	0	6.01	0
to 5				33	0.18	0.4	77.05	/	2	7.79	0
to 0				60	0.34	2.0	78.04	/	7	12.85	0
to 5								/			
to 0	246,700	882,617	15.67	385,057	2.31	484.0	78.03	/	214,816	55.78	6,961
to 00	171,502	904,560	8.86	251,550	4.06	1,838.9	78.04	/	204,438	81.27	7,973
0 to 0.00	30,330	15,707	38.33	36,349	18.49	111.4	78.04	/	64,164	176.51	5,245
00 (ault)	547	1,389	12.13	710	100.00	2.1	71.86	/	564	79.48	465
-total	**449,080**	**1,804,276**	**12.45**	**673,761**	**3.94**	**2,439.0**	**78.03**	**/**	**483,995**	**71.83**	**20,647**
il Residential mortgage											
to 5	1,753,094			1,788,294	0.07	134.0	29.40	/	98,880	5.52	396
to 5	1,555,463			1,557,206	0.19	98.7	31.48	/	196,694	12.63	984
	1,995,206			1,996,178	0.35	137.5	33.88	/	411,553	20.61	2,400

to 0												
to 5	1,913,740	106,001	97.52	1,976,720	0.66	176.4	36.68	/	684,897	34.64	4,785	
to 0	1,540,512	869	100.00	1,543,115	1.08	118.2	36.58	/	736,804	47.74	6,054	
to 00	78,221	2,795	100.00	81,793	9.58	6.9	37.92	/	138,206	168.97	2,969	
0 to 0.00	31,308	2,477	100.00	33,807	47.05	3.2	40.24	/	66,608	197.02	6,406	
00 fault)	67,581	1,372	100.00	68,903	100.00	4.3	45.19	/	32,533	47.21	28,537	
-total	**8,935,128**	**113,516**	**97.68**	**9,046,019**	**1.48**	**679.7**	**33.80**	**/**	**2,366,178**	**26.15**	**52,535**	**3**
er retail												
to 5	20			307,294	0.05	41.4	43.50	/	19,034	6.19	75	
to 5	2			55,690	0.18	4.5	43.16	/	9,068	16.28	43	
to 0	121,031	155	100.00	137,772	0.34	4.1	46.55	/	37,291	27.06	224	
to 5	188,160	550	75.18	184,968	0.69	65.9	26.93	/	41,514	22.44	327	
to 0	1,017,097	3,472	78.21	940,438	1.36	26.4	53.29	/	528,419	56.18	5,988	
to 00	398,879	1,897	63.40	174,889	6.29	16.0	22.22	/	57,981	33.15	2,149	
0 to 0.00	98,427	9,870	51.83	49,497	18.27	11.8	31.29	/	32,253	65.16	3,156	
00 fault)	73,064	3,023	94.67	58,600	100.00	2.9	44.01	/	25,897	44.19	23,722	
-total	**1,896,684**	**18,970**	**65.72**	**1,909,152**	**4.89**	**173.4**	**44.68**	**/**	**751,460**	**39.36**	**35,688**	**2**
all ios)	**145,521,084**	**30,812,518**	**70.60**	**167,238,965**	**0.72**	**3,337.8**	**38.21**	**2.20**	**35,273,045**	**21.01**	**446,348**	**30**

Notes:

1. Counterparty credit risk exposures, securitization exposures, and regarded-method exposures are excluded from the amount of credit risk exposures above.
2. On-balance sheet exposures, pre-CCF and pre- CRM off-balance sheet exposures, and the average CCF are allocated to the PD ranges based on pre- CRM PD estimates.
3. The number of credits is disclosed as the number of data of obligors for QRRE, residential mortgage and other retail excluding credit for business purpose.

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(B) CR9: IRB Backtesting of Probability of Default (PD) per Portfolio

(%,

b	c					d	e	f		
	External rating equivalent							Number of obligors		
PD Range	S&P	Moody s	Fitch	R&I	JCR	Weighted average PD	Arithmetic average PD by obligors	As of March 31, 2017	As of March 31, 2018	Defa obl in th
0 to <0.10	AAA~A-	Aaa~A3	AAA~A-	AAA~A-	AAA~A-	0.05	0.06	2,330	2,395	
0 to <0.20	BBB+~BBB-	Baa1~Baa3	BBB+~BBB-	BBB+~BBB-	BBB+~BBB-	0.15	0.15	5,072	5,272	
0 to <1.00	BB+~BB-	Ba1~Ba3	BB+~BB-	BB+~BB-	BB+~BB-	0.48	0.52	20,736	21,267	
0 to <5.00	B+~B-	B1~B3	B+~B-	B+~B-	B+~B-	2.06	2.15	9,832	9,041	
0 to <100.00	CCC+~CCC-	Caa1~Caa3	CCC+~CCC-	CCC+~CCC-	CCC~C	12.59	12.86	2,500	2,144	
0 to <0.10	/	/	/	/	/					
0 to <0.20	/	/	/	/	/					
0 to <1.00	/	/	/	/	/					
0 to <5.00	/	/	/	/	/	2.35	2.80	316,263	338,973	5
0 to <100.00	/	/	/	/	/	10.17	6.24	137,011	146,695	12
0 to <0.10	/	/	/	/	/	0.05	0.05	77,649	71,310	
0 to <0.20	/	/	/	/	/	0.14	0.14	101,477	103,939	
0 to <1.00	/	/	/	/	/	0.53	0.53	413,756	395,746	
0 to <5.00	/	/	/	/	/	1.26	1.22	62,374	75,664	
0 to <100.00	/	/	/	/	/	19.03	20.36	11,209	8,551	1
0 to <0.10	/	/	/	/	/					
0 to <0.20	/	/	/	/	/					
0 to <1.00	/	/	/	/	/	0.80	0.66	429,469	340,586	1
0 to <5.00	/	/	/	/	/	2.20	3.08	440,253	322,169	2
0 to <100.00	/	/	/	/	/	17.74	22.92	73,044	47,241	3

Notes:

1. Counterparty credit risk exposures, securitization exposures, and regarded-method exposures are excluded from the amount of credit risk exposures above.

2. Exposures to sovereign and bank is included in the category of corporate, etc. because their obligors can be presumably specified. Likewise, exposures to corporate (except specialized lending), specialized lending, equity and purchased receivables (corporate) is included in the category of corporate, etc. because the data of the respective portfolios is not separately used for PD estimation. Since purchased receivables (retail) account for a small portion of the entire exposure, they are incorporated with any one of QRRE, residential mortgage or

other retail depending on the portfolio classification of the purchased receivables.

3. PD Range indicates the ranges of PD estimates for multiple consolidated internal ratings groups.

4. The following shows the percentages accounted for by the respective portfolios among the credit RWA calculated by the AIRB: Corporate, etc. : 76%, QRRE: 1%, Residential mortgage : 7%, Other retail : 3%

5. The number of credits is disclosed as the number of data of obligors for QRRE, residential mortgage and other retail excluding credit for business purpose.

6. The back testing covers the period from September 30, 2016 to September 30, 2017.

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(C) CR10: IRB -Specialized Lending under the Slotting Criteria Approach and Equity Exposures under the Market-based Approach etc.

(Millions of yen, %)

As of March 31, 2018

Specialized lending under slotting criteria approach

Other than HVCRE

a	b	c	d	e	f	g	h	i	j	k	l
					Exposure amount						
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	RW	P F	O F	C F	I P R E	Total	RWA	Expected losses
Strong	Less than 2.5 years			50%							
	Equal to or more than 2.5 years	24,919		70%		24,919			24,919	17,443	99
Good	Less than 2.5 years			70%							
	Equal to or more than 2.5 years			90%							
Satisfactory		3,464		115%		3,464			3,464	3,984	97
Weak		11,108		250%		11,147			11,147	27,868	891
Default		3,081				9,312			9,312		4,656
Total		**42,574**				**48,844**			**48,844**	**49,296**	**5,744**

HVCRE

Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	RW	Exposure amount	RWA	Expected losses
Strong	Less than 2.5 years	2,698	700	70%	3,225	2,257	12
	Equal to or more than 2.5 years	55,022	16,356	95%	67,290	63,925	269
Good	Less than 2.5 years	13		95%	13	13	0
	Equal to or more than 2.5 years	23,260	3,970	120%	26,250	31,500	105
Satisfactory				140%			
Weak				250%			
Default							
Total		**80,996**	**21,026**		**96,779**	**97,696**	**387**

Equity exposures under the market-based approach etc.

Equity exposures under the market-based approach

Categories	On-balance sheet amount	Off-balance sheet amount	RW	Exposure amount	RWA
Exchange-traded equity exposures	841,626	68,014	300%	909,640	2,728,922
Private equity exposures	58,551	1,510	400%	59,683	238,735
Other equity exposures					
Total	**900,177**	**69,524**		**969,324**	**2,967,658**
Equity exposures to which a risk weight of 100% is applied					
Equity exposures to which a risk weight of 100% is applied	**4,415**		**100%**	**4,415**	**4,415**

Notes:

1. Counterparty credit risk exposures, securitization exposures, and regarded-method exposures are excluded from the amount of credit risk exposures above.
2. PF, OF, CF and IPRE respectively stand for project finance, object finance, commodity finance and income-producing real estate.

(D) Credit RWA Exposures under Regarded-method

	(Millions of yen) As of March 31, 2018
Ending balance	**2,102,954**

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(5) Credit Risk under Standardized Approach

(i) 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 S&P Global Ratings overseas.

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

(ii) Quantitative disclosure on credit risk under standardized approach

(A) CR5: Standardized Approach Exposures by Asset Classes and Risk Weights

(Millions of yen)

		As of March 31, 2018										
		a	b	c	d	e	f	g	h	i	j	k
		Credit exposures amount (post CCF and post-CRM)										
	Asset classes / Risk weight	0%	10%	20%	35%	50%	75%	100%	150%	250%	1,250%	Total
1	Cash	10,169										**10,169**
2	Japanese sovereigns and Bank of Japan	12,698,108										**12,698,108**
3	Foreign central sovereigns and central banks	75,651		34,791		64,684		75,963				**251,091**
4	Bank for International Settlements,etc.											
5	Japanese non-central governmental PSEs	1,089										**1,089**
6	Non-central governmental PSEs other than foreign central sovereigns, etc.			7,731		38		16				**7,786**
7	International development banks	2,983										**2,983**
8	Japan Finance Organization for Municipalities		36,192									**36,192**
9			523,138									**523,138**

	Japanese government institutions					
10	Three regional public sectors of Japan					
11	Financial institutions and business operators conducting the type I financial instruments business	703,187	19,773	48,083		**771,044**
12	Corporates, etc.			1,484,951		**1,484,951**
13	Regulatory retail portfolios and individuals					
14	Mortgage housing loan					
15	Real estate acquisition business, etc.					
16	Claims past due for 3 months or more (excluding mortgage housing loan)		60	12	27	**100**
17	Claims past due for 3 months or more regarding mortgage housing loan					
18	Bills in process of collection					
19	With guarantee of Credit Guarantee Corporations, etc.					
20	With guarantee of Regional Economy Vitalization Corporation of Japan					
21	Investments, etc.(excluding significant investments)					

22	**Total**	**12,788,002**	**559,331**	**745,710**	**84,557**	**1,609,027**	**27**	**15,786,656**

Note:

Counterparty credit risk exposures, credit risk related to securitization transactions, and exposures which are underlaid with the plural number of assets and transactions are excluded from the amount of credit risk exposures above.

(B) Exposures which are underlaid with the plural number of assets and transactions and cannot be judged the risk weights directly in the institutions that adopt The Standardized Approach

	(Millions of yen) **As of March 31, 2018**
Ending balance	

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(6) Credit Risk Mitigation Techniques

(i) Summary of Risk Profile, Risk Management Policies/ Procedures and Structure

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 any concentration of risks in a particular classification, keeping an eye on the concentration of collateral type and/or of credit risks in particular 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.

(ii) Quantitative Disclosure on Credit Risk Mitigation Techniques

Counterparty risk exposures, securitization exposures, and regarded-method exposures are excluded from the amount of credit risk exposures below.

(A) CR3: Credit Risk Mitigation Techniques Overview

(Millions of yen)

		As of March 31, 2018				
		a	**b**	**c**	**d**	**e**
		Exposures unsecured	**Exposures secured**	**Exposures secured by collateral**	**Exposures secured by financial guarantees**	**Exposures secured by credit derivatives**
1	Loans	64,898,669	12,780,637	5,990,412	6,784,828	5,397
2	Debt securities	25,670,926	451,924	179,920	272,003	
3	Other on balance debt assets	51,653,415	44,607	5,016	39,591	
4	**Total (1+2+3)**	**142,223,012**	**13,277,170**	**6,175,349**	**7,096,423**	**5,397**
5	Of which defaulted	461,445	192,214	135,384	56,830	

Notes:

1. Other on-balance debt assets include deposits, call loans, bills purchased, monetary claims bought, money held in trust, and foreign exchange assets, etc.
2. Defaulted exposures include restructured loans, loans past due for three months or more, loans to bankrupt borrowers and so on.

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(B) CR4: Standardized Approach Credit Risk Exposure and Credit Risk Mitigation (CRM) Effects

(Millions of yen, except percentages)

		As of March 31, 2018					
		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM			
Asset classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Cash	10,169		10,169			0.00
2	Japanese sovereigns and Bank of Japan	12,698,108		12,698,108			0.00
3	Foreign central sovereigns and central banks	251,091		251,091		115,264	45.90
4	Bank for International Settlements,etc.						
5	Japanese non-central governmental PSEs	1,089		1,089			0.00
6	Non-central governmental PSEs other than foreign central sovereigns, etc.	7,786		7,786		1,581	20.31
7	International development banks	2,983		2,983			0.00
8	Japan finance organization for municipalities	36,192		36,192		100	0.27
9	Japanese government institutions	523,138		523,138		19,531	3.73
10	Three regional public sectors of Japan						
11	Financial institutions and business operators conducting the type I financial instruments business	770,920	774	770,657	387	198,607	25.75
12	Corporates, etc.	1,282,944	261,731	1,282,944	202,006	1,484,893	99.99
13	Regulatory retail portfolios and individuals						
14	Mortgage housing loan						
15	Real estate acquisition business, etc.						
16	Loans past due for 3 months or more (excluding mortgage housing loan)	100		100		83	83.26
17							

	Loans past due for 3 months or more regarding mortgage housing loan						
18	Bills in process of collection						
19	With guarantee of Credit Guarantee Corporation, etc.						
20	With guarantee of Regional Economy Vitalization Corporation of Japan						
21	Investments, etc.(excluding significant investments)						
22	**Total**	**15,584,525**	**262,506**	**15,584,262**	**202,393**	**1,820,063**	**11.52**

(C) CR7: IRB Effect on RWA of Credit Derivatives Used as CRM Techniques

		(Millions of yen)	
		As of March 31, 2018	
		a	b
Portfolios		**Pre-credit derivatives RWA**	**Actual RWA**
1	Sovereign FIRB		
2	Sovereign AIRB	577,518	577,518
3	Banks FIRB		
4	Banks AIRB	930,901	930,901
5	Corporate (except Specialized lending) FIRB		
6	Corporate (except Specialized lending) AIRB	22,718,567	22,715,534
7	Specialized lending FIRB		
8	Specialized lending AIRB	1,796,490	1,796,490
9	Retail qualifying revolving retail exposures (QRRE)	483,995	483,995
10	Retail residential mortgage exposures	2,366,178	2,366,178
11	Other retail exposures	751,460	751,460
12	Equity FIRB		
13	Equity AIRB	4,640,872	4,640,872
14	Purchased receivables FIRB		
15	Purchased receivables AIRB	1,167,296	1,167,296
16	**Total**	**35,433,279**	**35,430,246**

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Counterparty Credit Risk

(1) Summary of Risk Profile, Risk Management Policies/ Procedures and Structure

In managing the risk pertaining to counterparty credit risk (including central counterparty) in derivatives transactions and repurchase transactions etc., we generally allocate risk capital together with loans, etc., (we take into account wrong way risk for derivatives transactions). For derivatives transactions and repurchase transactions, in cases in which a bilateral netting agreement is valid in light of the legal system of the relevant jurisdiction, we take its effect into consideration. 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.

(2) Quantitative Disclosure on Counterparty Credit Risk

(A) CCR1: Analysis of Counterparty Credit risk (CCR) Exposure by Approach

(Millions of yen)

		As of March 31, 2018					
		a	b	c	d	e	f
		Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR			/	1.4		
	Current Exposure Method	323,382	230,084	/	/	535,507	216,424
2	Internal Model Method	/	/	1,944,443	1.4	2,722,221	887,843
3	Simple Approach for credit risk mitigation	/	/	/	/	763,521	39,710
4	Comprehensive Approach for credit risk mitigation	/	/	/	/	10,332,329	654,325
5	VAR for SFTs	/	/	/	/		
6	**Total**	**/**	**/**	**/**	**/**	**/**	**1,798,303**

(B) CCR2: Credit Valuation Adjustment (CVA) Capital Charge

(Millions of yen)

		As of March 31, 2018	
		a	b
		EAD post-CRM	RWA
1	**Total portfolios subject to the Advanced CVA capital charge**		
2	(i) VAR component (including the 3×multiplier)	/	

3	(ii) Stressed VAR component (including the 3×multiplier)	/	
4	**All portfolios subject to the Standardized CVA capital charge**	**3,552,645**	**2,539,780**
5	**Total subject to the CVA capital charge**	**3,552,645**	**2,539,780**

(C) CCR3: Standardized Approach CCR Exposures by Regulatory Portfolio and Risk Weights

(Millions of yen)

		As of March 31, 2018								
		a	b	c	d	e	f	g	h	i
		Credit exposures amount (post CCF and post-CRM)								
Regulatory portfolio	Risk weight	0%	10%	20%	50%	75%	100%	150%	Other	Total
1	Japanese sovereigns and Bank of Japan	742,381								**742,381**
2	Foreign central sovereigns and central banks	4,065		3,934	361		289			**8,650**
3	Bank for International Settlements,etc.									
4	Japanese non-central governmental PSEs									
5	Non-central governmental PSEs other than foreign central sovereigns, etc.			6,843	1,504		12			**8,361**
6	International development banks	15,357								**15,357**
7	Japan Finance Organization for Muicipalities									
8	Japanese government institutions		1,076							**1,076**
9	Three regional public sectors of Japan									
10	Financial institutions and business operators conducting the type I financial instruments business			665,336	13,269		41,948			**720,554**
11	Corporates, etc.						679,087			**679,087**
12	Regulatory retail portfolios and individuals									
13	Other assets									
14	**Total**	**761,805**	**1,076**	**676,114**	**15,135**		**721,337**			**2,175,469**

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(D) CCR4: IRB CCR Exposures by Portfolio and PD Scale

(Millions of yen, %, number in the thousands, year)
As of March 31, 2018

	PD scale	a EAD post-CRM	b Average PD	c Number of counterparty	d Average LGD	e Average maturity	f RWA	g RWA density
	Sovereign							
1	0.00 to <0.15	9,213,266	0.00	0.0	37.97	4.5	40,100	0.43
2	0.15 to <0.25							
3	0.25 to <0.50	419	0.27	0.0	37.97	2.3	180	42.94
4	0.50 to <0.75	682	0.50	0.0	37.97	3.0	440	64.52
5	0.75 to <2.50	2,944	1.28	0.0	37.97	4.9	3,291	111.77
6	2.50 to <10.00	84	6.34	0.0	37.97	1.6	108	129.20
7	10.00 to <100.00							
8	100.00 (Default)							
9	**Sub-total**	**9,217,397**	**0.00**	**0.0**	**37.97**	**4.5**	**44,120**	**0.47**
	Banks							
1	0.00 to <0.15	1,121,064	0.06	0.3	37.97	2.0	239,768	21.38
2	0.15 to <0.25							
3	0.25 to <0.50	26,824	0.27	0.0	37.97	1.0	11,354	42.32
4	0.50 to <0.75	3,623	0.50	0.0	37.97	4.0	3,472	95.81
5	0.75 to <2.50	130	1.11	0.0	35.50	1.1	78	59.96
6	2.50 to <10.00	1,506	3.13	0.0	37.97	0.9	1,431	95.04
7	10.00 to <100.00							
8	100.00 (Default)							
9	**Sub-total**	**1,153,150**	**0.07**	**0.4**	**37.96**	**2.0**	**256,105**	**22.20**
	Corporate							
1	0.00 to <0.15	1,276,093	0.07	2.3	37.87	3.3	338,813	26.55
2	0.15 to <0.25							
3	0.25 to <0.50	71,739	0.27	1.3	34.64	2.8	31,462	43.85
4	0.50 to <0.75	45,443	0.50	0.9	34.76	2.4	24,117	53.07
5	0.75 to <2.50	41,705	1.23	1.3	34.66	2.8	32,929	78.95
6	2.50 to <10.00	22,779	3.58	0.4	33.64	2.2	22,050	96.80
7	10.00 to <100.00	2,328	15.16	0.1	30.64	2.2	3,445	147.92
8	100.00 (Default)	1,301	100.00	0.1	51.99	2.5	446	34.31
9	**Sub-total**	**1,461,390**	**0.30**	**6.6**	**37.45**	**3.2**	**453,264**	**31.01**

	SME							
1	0.00 to <0.15	147	0.07	0.0	14.18	2.7	12	8.33
2	0.15 to <0.25							
3	0.25 to <0.50	7,928	0.27	0.5	21.80	3.2	1,954	24.64
4	0.50 to <0.75	5,688	0.50	0.5	22.58	3.3	1,892	33.27
5	0.75 to <2.50	6,843	1.16	0.9	23.24	3.2	3,136	45.82
6	2.50 to <10.00	4,172	3.16	0.2	23.43	3.8	2,612	62.61
7	10.00 to <100.00	999	15.16	0.0	22.64	3.0	984	98.44
8	100.00 (Default)	559	100.00	0.0	40.35	3.5	126	22.51
9	**Sub-total**	**26,340**	**3.69**	**2.5**	**22.98**	**3.3**	**10,718**	**40.69**
	Specialized Lending							
1	0.00 to <0.15	209,425	0.10	0.1	40.14	4.5	84,829	40.50
2	0.15 to <0.25							
3	0.25 to <0.50	36,813	0.27	0.0	38.75	4.6	23,601	64.11
4	0.50 to <0.75	30,159	0.50	0.0	37.97	4.3	23,135	76.70
5	0.75 to <2.50	34,864	0.96	0.0	37.97	4.1	32,817	94.12
6	2.50 to <10.00	2,966	3.60	0.0	37.97	4.0	3,861	130.20
7	10.00 to <100.00	1,194	15.16	0.0	37.97	3.4	2,348	196.71
8	100.00 (Default)	2,768	100.00	0.0	55.90	4.9	1,540	55.66
9	**Sub-total**	**318,190**	**1.21**	**0.3**	**39.64**	**4.5**	**172,134**	**54.09**
	Purchased receivables							
1	0.00 to <0.15							
2	0.15 to <0.25							
3	0.25 to <0.50							
4	0.50 to <0.75							
5	0.75 to <2.50							
6	2.50 to <10.00							
7	10.00 to <100.00							
8	100.00 (Default)							
9	**Sub-total**							
	Retails							
1	0.00 to <0.15					/		
2	0.15 to <0.25					/		
3	0.25 to <0.50					/		
4	0.50 to <0.75					/		
5	0.75 to <2.50	834	1.95	0.8	28.77	/	307	36.86
6	2.50 to <10.00	13	4.03	0.0	4.41	/	0	6.37
7	10.00 to <100.00	35	13.39	0.0	21.68	/	14	40.29
8	100.00 (Default)	3	100.00	0.0	36.77	/	1	40.68
9	**Sub-total**	**886**	**2.83**	**0.9**	**28.16**	**/**	**323**	**36.55**
Total (all portfolios)		**12,177,355**	**0.08**	**10.9**	**37.91**	**4.1**	**936,667**	**7.69**

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(E) CCR5: Composition of Collateral for CCR Exposure

(Millions of yen)

		As of March 31, 2018					
		a	b	c	d	e	f
		Collateral used in derivative transactions				Collateral used in SFTs	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
		Segregated	Unsegregated	Segregated	Unsegregated		
1	Cash domestic currency	3,458	481,886	5,310	803,536	1,695,567	2,996,441
2	Cash other currencies	343,180	385,532	257,532	536,166	16,529,816	9,267,379
3	Domestic sovereign debt	27,877	303,956	122,227	265,290	1,951,674	2,364,378
4	Other sovereign debt	48,205	69,742	253,988	184,402	7,744,419	13,853,163
5	Government agency debt	1,234		481		620,455	1,070,112
6	Corporate bonds	55	49,094	21	3,141	493,226	603,156
7	Equity securities		254,472		128,584	1,904,428	1,413,438
8	Other collateral		7,806		4,944	4,464	394,305
9	**Total**	**424,012**	**1,552,490**	**639,562**	**1,926,066**	**30,944,054**	**31,962,377**

(F) CCR6: Credit Derivatives Exposures

(Millions of yen)

		As of March 31, 2018	
		a	b
		Protection bought	Protection sold
	Notionals		
1	Single-name credit default swaps	1,120,511	1,142,042
2	Index credit default swaps	178,477	159,997
3	**Total return swaps**		
4	Credit options		
5	Other credit derivatives		
6	**Total notionals**	**1,298,988**	**1,302,040**
	Fair values		
7	**Positive fair value (asset)**	**2,480**	**20,313**
8	**Negative fair value (liability)**	**(18,489)**	**(868)**

(G) CCR8: Exposures to Central Counterparties

(Millions of yen)

	As of March 31, 2018	
	a	b
	EAD (post-CRM)	RWA

1	**Exposures to QCCPs (total)**	/	193,088
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	676,795	3,053
3	(i) OTC derivatives	438,891	425
4	(ii) Exchange-traded derivatives	115,828	2,035
5	(iii) Securities financing transactions	122,076	593
6	(iv) Netting sets where cross-product netting has been approved		
7	Segregated initial margin	95,392	/
8	Non-segregated initial margin	531,371	10,967
9	Pre-funded default fund contributions	332,443	162,394
10	Unfunded default fund contributions	34,112	16,672
11	**Exposures to non-QCCPs (total)**	/	
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which		
13	(i) OTC derivatives		
14	(ii) Exchange-traded derivatives		
15	(iii) Securities financing transactions		
16	(iv) Netting sets where cross-product netting has been approved		
17	Segregated initial margin		/
18	Non-segregated initial margin		
19	Pre-funded default fund contributions		
20	Unfunded default fund contributions		

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Securitization Exposures

We classify transactions as securitization exposures 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.

(1) Summary of Risk Management Regarding Securitization Exposures

Our role in securitization transactions

We are associated with securitization transactions from various purposes and positions through our banking book and trading book.

(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 transactions 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 the structure and appropriateness of such transactions.

(b) Securitization program (ABCP/ABL) sponsor

As a means of supporting our customers in the 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 an 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 an 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 appropriately disclose 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.

The securitization conduits included within the scope of consolidation are as follows:

ROCK FIELD CORPORATION, FANTASTIC FUNDING CORPORATION, ARTEMIS FUNDING CORPORATION, N&M FUNDING CORPORATION, Denshi Saiken Kaitori Godo Kaisha, JAPAN SECURITIZATION CORPORATION, Allstar Funding Co., Ltd, SPARCS FUNDING CORPORATION, PERPETUAL FUNDING CORPORATION, Working Capital Management Co. L.P., ALWAYS CAPITAL CORPORATION, HORIZON CAPITAL CORPORATION There are no securitization conduits that provide credit enhancement beyond what is provided in agreements.

Overview of risk profile of securitization transactions 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.

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.

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.

(2) 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).

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(3) Quantitative Disclosure on Securitization Exposures

(A) SEC1: Securitization Exposures in the Banking Book by Type of Underlying Assets

(Millions of yen)

		As of March 31, 2018								
		a	b	c	d	e	f	g	h	i
		Bank acts as originator			Bank acts as sponsor			Banks acts as investor		
	type of underlying assets	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	**Retail (total) of which**	**0**		**0**	**882,415**		**882,415**	**1,745,598**		**1,745,598**
2	residential mortgage	0		**0**				842,644		**842,644**
3	credit card				219,986		**219,986**	93,976		**93,976**
4	other retail exposures				662,429		**662,429**	808,977		**808,977**
5	re-securitization									
6	**Wholesale (total) of which**		**422,098**	**422,098**	**219,123**		**219,123**	**913,169**		**913,169**
7	loans to corporates		422,098	**422,098**				398,149		**398,149**
8	commercial mortgage							210		**210**
9	lease and receivables				219,123		**219,123**	414,345		**414,345**
10	other wholesale							100,463		**100,463**
11	re-securitization									

(B) SEC2: Securitization Exposures in the Trading Book by Type of Underlying Assets

(Millions of yen)

		As of March 31, 2018								
		a	b	c	d	e	f	g	h	i
		Bank acts as originator			Bank acts as sponsor			Banks acts as investor		
	type of underlying assets	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	**Retail (total) of which**							**11,560**		**11,560**
2	residential mortgage							4,287		**4,287**
3	credit card							2,956		**2,956**
4	other retail exposures							4,316		**4,316**
5	re-securitization							0		**0**
6	**Wholesale (total) of which**							**11,541**		**11,541**
7	loans to corporates							11,240		**11,240**
8	commercial mortgage									

9	lease and receivables	301	**301**
10	other wholesale		
11	re-securitization		

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(C) SEC3: Securitization Exposures in the Banking Book and Associated Regulatory Capital Requirements Bank Acting as Originator or as Sponsor

(Millions of yen)

		As of March 31, 2018							
		a	b	c	d	e	f	g	h
		Total exposures	Traditional securitization	Of which securitization	Of which retail underlying	Of which wholesale	Of which re-securitization	Of which senior	Of which non-senior
	Exposure values (by RW bands)								
1	£20% RW	**1,478,354**	**1,075,137**	1,075,137	859,674	215,463			
2	>20% to 50% RW	**25,515**	**25,515**	25,515	22,741	2,773			
3	>50% to 100% RW	**886**	**886**	886		886			
4	>100% to <1250% RW	**18,201**							
5	1250% RW	**680**							
	Exposure values (by regulatory approach)								
6	IRB RBA (including IAA)	**136,048**	**136,048**	136,048	117,049	18,999			
7	IRB SFA	**1,386,908**	**965,490**	965,490	765,366	200,124			
8	SA/SSFA								
9	1250%	**680**							
	RWA (by regulatory approach)								
10	IRB RBA (including IAA)	**11,093**	**11,093**	11,093	9,722	1,370			
11	IRB SFA	**110,473**	**77,763**	77,763	58,417	19,345			
12	SA/SSFA								
13	1250%	**8,500**							
	Capital charge after cap								
14	IRB RBA (including IAA)	**940**	**940**	940	824	116			
15	IRB SFA	**9,368**	**6,594**	6,594	4,953	1,640			
16	SA/SSFA								
17	1250%	**720**							

		As of March 31, 2018						
		i	j	k	l	m	n	o
		Synthetic securitization	Of which securitization	Of which retail underlying	Of which wholesale	Of which re-securitization	Of which senior	Of which non-senior
	Exposure values (by RW bands)							
1	£20% RW	**403,216**	403,216		403,216			
2	>20% to 50% RW							
3	>50% to 100% RW							
4		**18,201**	18,201		18,201			

	>100% to <1250% RW			
5	1250% RW	**680**	680	680
	Exposure values (by regulatory approach)			
6	IRB RBA (including IAA)			
7	IRB SFA	**421,418**	421,418	421,418
8	SA/SSFA			
9	1250%	**680**	680	680
	RWA (by regulatory approach)			
10	IRB RBA (including IAA)			
11	IRB SFA	**32,710**	32,710	32,710
12	SA/SSFA			
13	1250%	**8,500**	8,500	8,500
	Capital charge after cap			
14	IRB RBA (including IAA)			
15	IRB SFA	**2,773**	2,773	2,773
16	SA/SSFA			
17	1250%	**720**	720	720

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(D) SEC4: Securitization Exposures in the Banking Book and Associated Regulatory Capital Requirements Bank Acting as Investor

(Millions of yen)

		As of March 31, 2018							
		a	b	c	d	e	f	g	h
		Total exposures	Traditional securitization	Of which securitization	Of which retail underlying	Of which wholesale	Of which re-securitization	Of which senior	Of which non-senior
	Exposure values (by RW bands)								
1	£20% RW	**2,535,058**	**2,535,058**	2,535,058	1,677,283	857,775			
2	>20% to 50% RW	**107,393**	**107,393**	107,393	68,315	39,078			
3	>50% to 100% RW	**7,415**	**7,415**	7,415		7,415			
4	>100% to <1250% RW	**8,678**	**8,678**	8,678		8,678			
5	1250% RW	**220**	**220**	220	0	220			
	Exposure values (by regulatory approach)								
6	IRB RBA (including IAA)	**1,381,546**	**1,381,546**	1,381,546	929,913	451,633			
7	IRB SFA	**1,264,262**	**1,264,262**	1,264,262	815,585	448,677			
8	SA/SSFA	**12,737**	**12,737**	12,737	100	12,637			
9	1250%	**220**	**220**	220	0	220			
	RWA (by regulatory approach)								
10	IRB RBA (including IAA)	**99,457**	**99,457**	99,457	67,768	31,689			
11	IRB SFA	**121,018**	**121,018**	121,018	69,257	51,761			
12	SA/SSFA	**25,711**	**25,711**	25,711	20	25,691			
13	1250%	**2,761**	**2,761**	2,761	0	2,761			
	Capital charge after cap								
14	IRB RBA (including IAA)	**8,433**	**8,433**	8,433	5,746	2,687			
15	IRB SFA	**10,262**	**10,262**	10,262	5,873	4,389			
16	SA/SSFA	**2,056**	**2,056**	2,056	1	2,055			
17	1250%	**220**	**220**	220	0	220			

		As of March 31, 2018						
		i	j	k	l	m	n	o
		Synthetic securitization	Of which securitization	Of which retail underlying	Of which wholesale	Of which re-securitization	Of which senior	Of which non-senior
	Exposure values (by RW bands)							
1	£20% RW							
2	>20% to 50% RW							
3	>50% to 100% RW							
4	>100% to <1250% RW							
5	1250% RW							
	Exposure values (by regulatory approach)							
6	IRB RBA (including IAA)							
7	IRB SFA							
8	SA/SSFA							

9	1250%
	RWA (by regulatory approach)
10	IRB RBA (including IAA)
11	IRB SFA
12	SA/SSFA
13	1250%
	Capital charge after cap
14	IRB RBA (including IAA)
15	IRB SFA
16	SA/SSFA
17	1250%

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Market Risk

See pages 67 to 69 for information regarding our market risk management structure, etc.

(1) Trading Activities

In the calculation of the market risk equivalent amounts under the regulatory capital requirements, the risk arising from fluctuations in common factors across the market as a whole (e.g. foreign exchange and interest rates, etc.) is referred to as general market risk, and the risk arising from a deterioration in creditworthiness or market liquidity inherent in bonds and stocks is referred to as specific risk. In principle, we calculate market risk equivalent amounts by determining both general market risk and specific risk by applying the Internal Models Approach (IMA) to the former and the standardized approach to the latter, and by simply adding up both amounts. The Internal Models Approach is applied to trading transactions and calculated by adding up VAR and stressed VAR.

(A) MR1 : Market risk under standardized approach

No.		(Millions of yen) As of March 31, 2018 RWA (Risk equivalent / 8%)
1	Interest rate risk (general and specific)	405,247
2	Equity risk (general and specific)	652,526
3	Foreign exchange risk	81,926
4	Commodity risk	167,631
	Options	
5	Simplified approach	
6	Delta-plus method	24,628
7	Scenario approach	
8	Securitization	74,438
9	**Total**	**1,406,398**

(B) MR3 : IMA values for trading portfolios

No.		(Millions of yen) As of March 31, 2018
	VAR (10 day 99%)	
1	Maximum value	13,059
2	Average value	7,496
3	Minimum value	4,978
4	Period end	7,120
	Stressed VAR (10 day 99%)	
5	Maximum value	27,270

6	Average value	18,882
7	Minimum value	13,131
8	Period end	17,093
	Incremental Risk Charge (99.9%)	
9	Maximum value	
10	Average value	
11	Minimum value	
12	Period end	
	Comprehensive Risk Capital Charge (99.9%)	
13	Maximum value	
14	Average value	
15	Minimum value	
16	Period end	
17	Floor (standardized measurement method)	

Notes:

1. The historical simulation method is used for the calculation of VAR and stressed VAR under the Internal Models Approach.
2. VAR is measured based on the observation period of 3 years (801 business days), a 99% confidence interval and a 1-day holding period. This 1-day VAR is scaled up to 10-business day VAR using the square-root-of-time (Ö T) rule. We update historical data on a daily basis, in principle, and do not weight such data. When re-pricing instruments, we use the full revaluation method, a sensitivity-based approach and the like. We consider change width or rate as market volatility of risk factors according to product attributes.
3. When measuring stressed VAR, the same measurement approach as VAR is used except for the observation period of 1 year (265 business days). As a stressed period, we select a period which has an adequate length of time and is considered the most stressful under a certain set of criteria established based on the most recent portfolio.
4. When applying the internal model, we regularly verify the preconditions used for VAR measurement.

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(C) MR4 : Back testing results of IMA

Note:

The above graphs show the results of backtesting performed for the most recent 250 business days including the reporting reference date.

(2) Banking Activities

To comply with Interest Rate Risk in the Banking Book (IRRBB) requirements, we are required to calculate expected changes in the economic value of equity (DEVE) arising from banking activities and expected changes in net interest income (DNII) from the reference date until the date no later than 12 months from the reference date under interest rate shock scenarios (i.e. parallel up and downwards shifts in the yield curve and the like).

(D) IRRBB1 : Interest rate risk

(Millions of yen)

No.		a	b	c	d
		D EVE		D NII	
		As of March 31, 2018	As of March 31, 2017	As of March 31, 2018	As of March 31, 2017
1	Parallel up	895,416	/	(274,475)	/
2	Parallel down	0	/	370,566	/
3	Steepener	436,819	/	/	/
4	Flattener	90,789	/	/	/
5	Short rate up	321,141	/	/	/
6	Short rate down	69,824	/	/	/
7	Maximum	895,416	/	370,566	/

		e	f
		As of March 31, 2018	As of March 31, 2017
8	Tier1 capital	9,192,244	/

Notes:

1. Decreased economic values and interest income are shown as positive values.
2. As for some of those current deposits and ordinary deposits whose interest rates are not changed at predetermined intervals and from which depositors can withdraw money as desired on demand, we measure the interest rate risk associated with such deposits by applying an appropriate method after recognizing them as core deposits. The average repricing maturities are 0.9 years for yen deposits and 0.1 years for dollar deposits respectively. The longest repricing maturities are 10.0 years for yen deposits and 5.0 years for dollar deposits respectively. We measure interest rate risk associated with term deposits and loans in an appropriate manner by estimating their early redemption rates based on their historical prepayment and cancellation data.
3. When aggregating the respective D EVE of multiple currencies, we use the internal model that estimates the correlations between the key currencies based on historical data. When aggregating the respective D NII of multiple currencies, we simply add their respective D NII.
4. For the calculation of D EVE and D NII, we set an appropriate interest rate and spread according to a certain discount rate and reference rate.
5. When making the calculations above, we use regulatory defined preconditions including an interest rate shock scenario.

Investment or Equity Exposure

(1) Summary of Risk Profile, Risk Management Policies/ Procedures and Structure

With regard to equities, we manage default risk through our credit risk management structure and price fluctuation risk through our market risk management structure. With regard to subsidiaries and related companies in which we invest, we manage their risks on a consolidated basis, and manage them appropriately in accordance with their management classification. In addition, securities, a part of equity exposure, are valued as follows: Japanese stocks with quoted market prices are valued based on the average quoted market price over the month preceding the consolidated balance sheet date; other securities which have readily determinable fair values are valued at the quoted market price if available, or otherwise based on their reasonable value at the consolidated balance sheet date (cost of securities sold is calculated primarily by the moving average method); and other securities the fair values of which are extremely difficult to determine are stated at acquisition cost or amortized cost and determined by the moving average method.

Operational risk

(1) Summary of Operational Risk Management and Procedures

See pages 71 to 73 for a summary of our operational risk management policies, etc.

(2) Approach Used for the Measurement of Operational Risk Equivalent

We use the advanced measurement approach for the calculation of operational risk equivalent. See pages 72 to 73 for the outline and the scope of application of the advanced measurement approach. In the measurement of operational risk equivalent, we do not recognize the risk mitigating impact of insurance.

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Composition of Leverage Ratio

(Millions of yen)

Corresponding line # on Basel III disclosure template (Table 2)	Corresponding line # on Basel III disclosure template (Table 1)	Item		As of March 31, 2017	As of March 31, 2018
On-balance sheet exposures			(1)		
1		On-balance sheet exposures before deducting adjustment items		174,146,451	178,888,103
1a	1	Total assets reported in the consolidated balance sheet		200,508,610	205,028,300
1b	2	The amount of assets of subsidiaries that are not included in the scope of the leverage ratio on a consolidated basis (-)			
1c	7	The amount of assets of subsidiaries that are included in the scope of the leverage ratio on a consolidated basis (except those included in the total assets reported in the consolidated balance sheet)			
1d	3	The amount of assets that are deducted from the total assets reported in the consolidated balance sheet (except adjustment items) (-)		26,362,159	26,140,197
2	7	The amount of adjustment items pertaining to Tier1 capital (-)		1,296,500	1,685,871
3		Total on-balance sheet exposures	(a)	172,849,950	177,202,231
Exposures related to derivative transactions			(2)		
4		Replacement cost associated with derivatives transactions, etc.		2,454,674	2,655,175
5		Add-on amount associated with derivatives transactions, etc.		5,615,193	6,524,621
		The amount of receivables arising from providing cash margin in relation to derivatives transactions, etc.		1,038,620	858,877
6		The amount of receivables arising from providing cash margin, provided where deducted from the consolidated balance sheet pursuant to the operative accounting framework		204,188	263,112
7					

		The amount of deductions of receivables (out of those arising from providing cash variation margin) (-)			
8		The amount of client-cleared trade exposures for which a bank holding company acting as a clearing member is not obliged to make any indemnification (-)		/	/
9		Adjusted effective notional amount of written credit derivatives		1,882,691	1,319,146
10		The amount of deductions from effective notional amount of written credit derivatives (-)		1,705,729	1,207,805
11	4	Total exposures related to derivative transactions	(b)	9,489,638	10,413,128
Exposures related to repo transactions			(3)		
12		The amount of assets related to repo transactions, etc		12,317,829	12,431,400
13		The amount of deductions from the assets above (line 12) (-)		5,179,456	4,196,150
14		The exposures for counterparty credit risk for repo transactions, etc		385,734	521,728
15		The exposures for agent repo transactions		/	/
16	5	Total exposures related to repo transactions, etc.	(c)	7,524,107	8,756,979
Exposures related to off-balance sheet transactions			(4)		
17		Notional amount of off-balance sheet transactions		49,117,932	50,668,428
18		The amount of adjustments for conversion in relation to off-balance sheet transactions (-)		31,579,950	32,762,942
19	6	Total exposures related to off-balance sheet transactions	(d)	17,537,982	17,905,485
Leverage ratio on a consolidated basis			(5)		
20		The amount of capital (Tier1 capital)	(e)	8,211,522	9,192,244
21	8	Total exposures ((a)+(b)+(c)+(d))	(f)	207,401,679	214,277,824
22		Leverage ratio on a consolidated basis ((e)/(f))		3.95%	4.28%

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Indicators for Assessing Global Systemically Important Banks (G-SIBs)

(Billions of yen)

Item No.	Description	As of March 31, 2017	As of March 31, 2018
1	Total exposures (= a + b + c + d): a. On-balance sheet assets (other than assets specifically identified below b., c. and contra-account of guarantees) b. Sum of counterparty exposure of derivatives contracts, capped notional amount of written credit derivatives and potential future exposure of derivatives contracts c. Adjusted gross value of securities financing transactions (SFTs) and counterparty exposure of SFTs d. Gross notional amount of off-balance sheet items (other than derivatives contracts and SFTs)	208,698.1	215,963.6
2	Intra-financial system assets (= a + b + c + d): a. Funds deposited with or lent to other financial institutions and undrawn committed lines extended to other financial institutions b. Holdings of securities issued by other financial institutions (Note 1) c. Net positive current exposure of SFTs with other financial institutions d. Over-the-counter (OTC) derivatives with other financial institutions that have a net positive fair value	12,248.4	12,910.4
3	Intra-financial system liabilities(=a + b + c): a. Deposits due to, and loans and undrawn committed lines obtained from, other financial institutions b. Net negative current exposure of SFTs with other financial institutions c. OTC derivatives with other financial institutions that have a net negative fair value	20,482.5	22,558.2
4	Securities outstanding(Note 1)	24,386.5	24,854.2

5	Assets under custody	144,337.5	140,047.3
6	Notional amount of OTC derivatives	916,188.1	1,168,293.9
7	Held-for-trading(HFT) securities and available-for-sale(AFS) securities , excluding HFT and AFS securities that meet the definition of Level 1 assets and Level 2 assets with haircuts (Note 2)	9,728.9	10,838.3
8	Level 3 assets (Note 3)	1,774.5	1,901.4
9	Cross-jurisdictional claims	44,852.9	45,183.0
10	Cross-jurisdictional liabilities	30,741.5	31,932.9

Item No.	Description	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
11	Payments (settled through the BOJ-NET, the Japanese Banks Payment Clearing Network and other similar settlement systems, excluding intragroup payments)	5,820,573.6	5,991,927.8
12	Underwritten transactions in debt and equity markets (Note 4)	14,159.9	16,938.1

Notes:

1. Securities refer to secured debt securities, senior unsecured debt securities, subordinated debt securities, commercial paper, certificate of deposits, and common equities.
2. Level 1 and Level 2 assets with haircuts are defined in the Basel III Liquidity Coverage Ratio (LCR).
3. The amount is calculated in accordance with the U.S.GAAP.
4. This refers to underwriting of securities defined in article 2 paragraph 8 item 6 of the Financial Instruments and Exchange Act.

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Disclosure of Information for the Fiscal Year Ended on March 31, 2017 According to the Relevant Old FSA Notice

Among the information disclosed for the fiscal year ended March 31, 2017, according to the relevant Old FSA Notice, see the following for the items which are different from those disclosed according to the New FSA Notice.

Risk-based Capital

(1) Required capital by portfolio classification

	(Billions of yen)	
	As of March 31, 2017	
	EAD	Required capital
Credit risk	**207,375.9**	**5,078.5**
Internal ratings-based approach	**189,852.0**	**4,600.4**
Corporate (except specialized lending)	71,777.8	2,468.9
Corporate (specialized lending)	3,630.9	225.4
Sovereign	80,002.7	81.0
Bank	5,902.0	113.6
Retail	12,235.5	486.3
Residential mortgage	9,388.0	312.2
Qualifying revolving loan	629.2	48.8
Other retail	2,218.2	125.1
Equities	4,973.3	691.4
PD/LGD approach	4,180.1	485.4
Market-based approach (simple risk weight method)	793.1	205.9
Market-based approach (internal models approach)		
Regarded-method exposure	1,744.0	268.4
Purchase receivables	3,297.5	102.5
Securitizations	4,009.5	26.3
Others	2,278.3	136.3
Standardized approach	**17,523.9**	**280.6**
Sovereign	12,638.5	12.2
Bank	1,930.1	36.7
Corporate	2,354.5	177.3
Residential mortgage		
Securitizations	14.4	2.1
Others	586.1	52.0
CVA risk	**n.a.**	**181.7**
Central counterparty-related	**n.a.**	**15.6**
Market risk	**n.a.**	**182.6**

Standardized approach	**n.a.**	**103.6**
Interest rate risk	n.a.	39.0
Equities risk	n.a.	34.2
Foreign exchange risk	n.a.	6.9
Commodities risk	n.a.	23.4
Option transactions	n.a.	
Internal models approach	**n.a.**	**78.9**
Operational risk	**n.a.**	**269.9**
Advanced measurement approach	**n.a.**	**223.4**
Basic indicator approach	**n.a.**	**46.5**
Total required capital (consolidated)	**n.a.**	**4,937.3**

Note:

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.

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Credit Risk

(2) Credit Risk Exposures, etc.

The amounts associated with regarded-method exposures and securitization exposures are excluded. The outstanding balance is based on exposure at default.

Status of Credit Risk Exposure

(A) Breakdown by Geographical Area

(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.

(B) Breakdown by Industry

(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.

(C) Breakdown by Residual Contractual Maturity

(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.

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Status of Exposure Past Due Three Months or More or in Default

(D) Breakdown by Geographical Area

	As of March 31, 2017				(Billions of yen)
	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.

(E) Breakdown by Industry

	As of March 31, 2017				(Billions of yen)
	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.

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, 2017
General reserve for possible losses on loans	
Beginning balance	304.8
Increase during the fiscal year	344.7
Decrease during the fiscal year	304.8
Ending balance	344.7
Specific reserve for possible losses on loans	
Beginning balance	154.6
Increase during the fiscal year	164.4
Decrease during the fiscal year	154.6
Ending balance	164.4
Reserve for possible losses on loans to restructuring countries	
Beginning balance	0.0
Increase during the fiscal year	0.0
Decrease during the fiscal year	0.0
Ending balance	0.0
Total	
Beginning balance	**459.5**
Increase during the fiscal year	**509.1**
Decrease during the fiscal year	**459.5**
Ending balance	**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.

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(G) Specific Reserve for Possible Losses on Loans by Geographical Area and Industry

	As of March 31, 2016	As of March 31, 2017	(Billions of yen) 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.

(H) Write-offs of Loans by Industry

	(Billions of yen) For the fiscal year ended March 31, 2017
Manufacturing	0.9
Construction	0.3
Real estate	0.2
Service industries	2.3
Wholesale and retail	3.1
Finance and insurance	
Individuals	4.4
Other industries	4.2
Exempt portion	**0.1**
Total	**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.

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, 2017			
Risk weight	**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.

(J) Amount of Exposure to which a Risk Weight of 1,250% is Applied

(Billions of yen)

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

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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	(Billions of yen) As of March 31, 2017
50%	0.0
70%	13.4
90%	3.8
95%	87.6
115%	4.5
120%	8.0
140%	15.2
250%	17.0
Default	15.5
Total	**165.6**

(L) Equity Exposure under Simple Risk Weight Method of Market-based Approach by Risk Weight Category

Risk weight	(Billions of yen) As of March 31, 2017
300%	737.5
400%	55.6
Total	**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.

(M) Portfolio by Asset Class and Ratings Segment (Corporate, etc.)

(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	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).

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(N) Portfolio by Asset Class and Ratings Segment (Retail)

(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 (%)
Residential mortgage	**1.61**	**41.29**	**n.a.**	**32.98**	**9,388.0**	**9,258.2**	**129.8**	**9.1**	**75.00**
Non-default	0.76	41.24	n.a.	32.92	9,307.8	9,179.6	128.2	9.1	**75.00**
Default	100.00	47.30	44.25	40.27	80.2	78.6	1.5		
Qualifying revolving loan (retail)	**3.25**	**76.82**	**n.a.**	**66.05**	**629.2**	**414.9**	**214.2**	**1,715.6**	**12.49**
Non-default	3.14	76.83	n.a.	66.05	628.4	414.4	214.0	1,714.1	12.49
Default	100.00	71.62	66.53	67.40	0.7	0.5	0.1	1.5	12.84
Other retail	**4.50**	**49.02**	**n.a.**	**46.43**	**2,218.2**	**2,204.2**	**14.0**	**16.4**	**65.02**
Non-default	1.66	49.12	n.a.	46.56	2,154.0	2,143.4	10.5	12.7	56.80
Default	100.00	45.71	42.54	41.92	64.2	60.7	3.4	3.6	93.64
Total	**2.22**	**44.52**	**n.a.**	**37.12**	**12,235.5**	**11,877.4**	**358.0**	**1,741.2**	**13.31**
Non-default	1.04	44.49	n.a.	37.07	12,090.3	11,737.5	352.8	1,736.0	13.14
Default	100.00	46.72	43.61	41.14	145.2	139.9	5.2	5.2	69.86

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.

(O) Actual Losses by Asset Class

(Billions of yen)

	For the period from April 1, 2016 through March 31, 2017 Actual losses
Corporate	(2.8)
Sovereign	0
Bank	(0.2)
Residential mortgage	(0.6)
Qualifying revolving loan (retail)	0.5
Other retail	(1.6)
Total	(4.9)

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.

(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 (expected losses as of March 31, 2007)			Estimated losses (expected losses as of March 31, 2008)		
		After deduction of reserves	Actual losses		After deduction of reserves	Actual losses
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**

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(Billions of yen)

	For the period from April 1, 2009 through March 31, 2010 Estimated losses (expected losses as of March 31, 2009)			For the period from April 1, 2010 through March 31, 2011 Estimated losses (expected losses as of March 31, 2010)		
		After deduction of reserves	Actual losses		After deduction of reserves	Actual losses
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 Estimated losses (expected losses as of March 31, 2011)			For the period from April 1, 2012 through March 31, 2013 Estimated losses (expected losses as of March 31, 2012)		
		After deduction of reserves	Actual losses		After deduction of reserves	Actual losses
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			For the period from April 1, 2014 through March 31, 2015 Estimated losses (expected losses as of		
			Actual losses			Actual losses

	March 31, 2013)			March 31, 2014)		
		After deduction of reserves			After deduction of reserves	
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**

(Billions of yen)

	For the period from April 1, 2015 through March 31, 2016			For the period from April 1, 2016 through March 31, 2017		
	Estimated losses (expected losses as of March 31, 2015)			Estimated losses (expected losses as of March 31, 2016)		
		After deduction of reserves	Actual losses		After deduction of reserves	Actual losses
Corporate	607.1	128.9	24.8	483.4	117.6	(2.8)
Sovereign	1.6	1.5	0	1.8	1.7	0
Bank	7.3	3.9	(0.5)	5.5	3.6	(0.2)
Residential mortgage	80.4	31.2	(6.0)	71.5	34.2	(0.6)
Qualifying revolving loan (retail)	12.3	2.4	0.4	13.6	3.3	0.5
Other retail	54.3	15.1	(1.2)	47.8	16.5	(1.6)
Total	**763.2**	**183.3**	**17.4**	**623.8**	**177.2**	**(4.9)**

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.

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Methods for Credit Risk Mitigation

(3) 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, 2017				
	Financial collateral	Other collateral	Guarantees	Credit derivatives	Total
Internal ratings-based approach	**806.3**	**5,045.9**	**8,429.4**	**11.7**	**14,293.4**
Corporate	740.9	4,670.6	7,412.7	11.7	12,836.0
Sovereign	8.5	8.3	369.9		386.8
Bank	33.3	99.6	82.3		215.3
Retail	23.4	267.2	564.4		855.1
Residential mortgage			122.5		122.5
Qualifying revolving loan			0.1		0.1
Other retail	23.4	267.2	441.7		732.4
Others					
Standardized approach	**124.5**	**n.a.**	**163.4**		**287.9**
Sovereign	100.0	n.a.	163.4		263.4
Bank	14.0	n.a.			14.0
Corporate	10.5	n.a.			10.5
Residential mortgage		n.a.			
Securitizations		n.a.			
Others		n.a.			
Total	**930.8**	**5,045.9**	**8,592.9**	**11.7**	**14,581.4**

Counterparty Risk in Derivatives Transactions and Long-settlement Transactions

(4) Status of Counterparty Risk in Derivatives Transactions and Long-settlement Transactions

(A) Status of Derivatives Transactions and Long-settlement Transactions

Derivative Transactions

	(Billions of yen)		
	As of March 31, 2017		
	Gross replacement cost	Gross add-on	Credit equivalent amount

Current exposure method				
Foreign exchange-related transactions		139.7	95.7	235.4
Interest rate-related transactions		156.5	61.8	218.3
Gold-related transactions				
Equity-related transactions		36.6	130.4	167.0
Transactions related to precious metals (other than gold)		33.1	73.7	106.8
Other commodity-related transactions		527.4	1,160.5	1,688.0
Credit derivatives transactions		2.4	8.1	10.6
Subtotal	(A)	**895.9**	**1,530.4**	**2,426.4**
Netting benefits by close-out netting settlement contracts	(B)	n.a.	n.a.	1,154.2
Subtotal	(C)=(A)+(B)	n.a.	n.a.	**1,272.1**
Effect of credit risk mitigation by collateral	(D)	n.a.	n.a.	298.6
Total	(C)+(D)	n.a.	n.a.	**973.5**

Standardized method	**Credit equivalent amount**
Total	**16.3**

Expected positive exposure method	
Total	**2,386.1**

Long-settlement Transactions

	(Billions of yen) As of March 31, 2017		
	Gross replacement cost	Gross add-on	Credit equivalent amount
Long-settlement transactions	26.8	5.9	**32.8**

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.

(B) Amounts of Credit Risk Mitigation by Type

	(Billions of yen) As of March 31, 2017
Financial collateral	23.7
Other collateral	31.1
Guarantees, others	11.7
Total	**66.7**

(C) Notional Amount of Credit Derivatives Subject to Credit Equivalent Amount Calculations

		(Billions of yen) As of March 31, 2017 Notional amount
Credit derivatives type:		
Credit default swap	Protection bought	1,708.2
	Protection sold	1,803.0
Total return swap	Protection bought	
	Protection sold	
Total	**Protection bought**	**1,708.2**
	Protection sold	**1,803.0**

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

	(Billions of yen)
	As of March 31, 2017
Credit derivatives used for credit risk mitigation	**20.0**

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Securitization Exposures

(5) Quantitative Disclosure Items for Securitization Exposures

Securitization Exposures 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, 2017							
	Credit cards	Residential mortgage loans	Auto loans	Lease payment receivables	Corporate	Real estate	Securitization products	Total
Traditional securitizations								
Amount of underlying assets (a)		48.1						48.1
Default exposure		0.2						0.2
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)					280.9			280.9
Default exposure								
Losses during the fiscal year								
Amount of exposures securitized during the fiscal year					277.4			277.4
Total amount of underlying assets (a)+(b)		**48.1**			**280.9**			**329.1**

Notes:

1. Items that refer to during the fiscal year show amounts accumulated during the fiscal year ended March 31, and 2017.
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.

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Exposure Intended to be Securitized

	(Billions of yen)							
	As of March 31, 2017							
	Credit cards	Residential mortgage loans	Auto loans	Lease payment receivables	Corporate	Real estate	Securitization products	Total
Exposure intended to be securitized								

(B) Information of Securitization Exposure Retained or Purchased

Exposure by Type of Underlying Asset

	(Billions of yen)							
	As of March 31, 2017							
	Credit cards	Residential mortgage loans	Auto loans	Lease payment receivables	Corporate	Real estate	Securitization products	Total
On-balance sheet		**0**			**280.9**			**280.9**
Exposure on resecuritizations								
Off-balance sheet								
Exposure on resecuritizations								
Total		**0**			**280.9**			**280.9**
Exposure on resecuritizations								
Exposure on securitizations to which a risk weight of 1,250% is applied		0			0.6			0.6
Exposure whose underlying assets are overseas assets								

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 March 31, 2017 is classified following Article 1, Paragraph 2-2 of the FSA Notice No. 20 (hereinafter the same).

Exposure by Risk Weight Category

(Billions of yen)

	As of March 31, 2017					
Risk weight	On-balance sheet	Exposure on resecuritizations	Off-balance sheet	Exposure on resecuritizations	Total	Exposure on resecuritizations
Up to 20%	267.4				267.4	
Up to 50%						
Up to 100%						
Up to 250%	1.7				1.7	
Up to 650%						
Less than 1,250%	11.1				11.1	
1,250%	0.6				0.6	
Total	**280.9**				**280.9**	

Amount of Required Capital by Risk Weight Category

(Billions of yen)

	As of March 31, 2017					
Risk weight	On-balance sheet	Exposure on resecuritizations	Off-balance sheet	Exposure on resecuritizations	Total	Exposure on resecuritizations
Up to 20%	1.5				1.5	
Up to 50%						
Up to 100%						
Up to 250%						
Up to 650%						
Less than 1,250%	0.2				0.2	
1,250%	0.7				0.7	
Total	**2.6**				**2.6**	

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Credit Risk Mitigation against Exposure on Resecuritizations

Risk weight	(Billions of yen) As of March 31, 2017
Up to 20%	
Up to 50%	
Up to 100%	
Up to 250%	
Up to 650%	
Over 650%	
Total	

Note:

The above table shows the exposure on resecuritizations based on the risk weight after taking into consideration the effect of method to mitigate credit risk.

Capital Increase Due to Securitization Transactions

(Billions of yen)

	As of March 31, 2017							
	Credit cards	Residential mortgage loans	Auto loans	Lease payment receivables	Corporate	Real estate	Securitization products	Total
Capital increase due to securitization transactions								

Securitization Exposure as Sponsor of Securitization Programs (ABCP/ABL) (for Calculation of Credit Risk-weighted Assets)

(C) Information by Type of Underlying Assets

(Billions of yen)

	As of, or for the fiscal year ended, March 31, 2017							
	Credit cards	Residential mortgage	Auto loans	Lease payment	Account and note	Real estate	Others	Total

		loans		receivables	receivables			
Amount of underlying assets	**43.3**		**74.4**	**31.9**	**307.5**		**43.3**	**500.6**
Default exposure					4.9			4.9
Estimated loss amount related to underlying assets during the fiscal year	**1.6**		**0.8**	**0.5**	**5.8**		**0.7**	**9.6**
Amount of exposures securitized during the fiscal year	**394.0**		**814.3**	**753.7**	**2,512.4**		**680.3**	**5,154.9**

Notes:

1. Items that refer to during the fiscal year show amounts accumulated during the fiscal year ended March 31, 2017.
2. Securitization exposure that is acquired in securitization of customer s claims other than as sponsor (in the form of asset-backed securities, trust beneficiary rights and other transferable instruments) is categorized as securitization exposure as investor.
3. The amount of default exposure is the amount of the underlying assets recognized as default in the calculation of capital adequacy ratio.
4. Estimated loss amount related to underlying assets is based on the amount of the underlying assets as of the relevant date and the following parameters that are used in the calculation of capital adequacy ratio:

   parameters used in the calculation of required capital for an underlying asset when applying the supervisory formula (e.g., PD); and

   with respect to underlying assets classified as securitization exposure, the conservative application of risk weights used in the ratings-based approach.
5. Classification based on type of underlying assets is conducted according to the principal underlying asset type for each transaction. Transactions that are difficult to classify are included under Others.
6. Credit cards include shopping credit receivables, card loans, etc.

(D) Information of Securitization Exposure Retained or Purchased

Exposure by Type of Underlying Asset

(Billions of yen)

	As of March 31, 2017							
	Credit cards	**Residential mortgage loans**	**Auto loans**	**Lease payment receivables**	**Account and note receivables**	**Real estate**	**Others**	**Total**
On-balance sheet	**17.8**		**62.7**	**30.1**	**296.3**		**43.3**	**450.6**
Exposure on resecuritizations								
Off-balance sheet	**136.3**		**0.1**		**54.0**		**27.6**	**218.2**
Exposure on resecuritizations								
Total	**154.2**		**62.9**	**30.1**	**350.4**		**71.0**	**668.8**
Exposure on resecuritizations								
Exposure on securitizations to which a risk weight of 1,250% is								

applied							
Exposure whose underlying assets are overseas assets	98.2		18.0	153.0		58.3	327.7

Notes:

1. Securitization exposure retained or purchased includes unused portions of securitization programs that are subject to allocation of required capital.
2. Classification based on type of underlying assets is conducted according to the principal underlying asset type for each transaction. Transactions that are difficult to classify are included under Others.
3. Credit cards include shopping credit receivables, card loans, etc.
4. The classification of transactions of which the underlying assets are overseas assets is conducted according to the principal underlying assets of each transaction.
5. Exposure on resecuritizations as of March 31, 2017 is classified following Article 1, Paragraph 2-2 of the FSA Notice No. 20 (hereinafter the same).

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Exposure by Risk Weight Category

(Billions of yen)

	As of March 31, 2017					
Risk weight	**On-balance sheet**	**Exposure on resecuritizations**	**Off-balance sheet**	**Exposure on resecuritizations**	**Total**	**Exposure on resecuritizations**
Up to 20%	434.9		218.2		653.1	
Up to 50%	14.0				14.0	
Up to 100%	1.6				1.6	
Up to 250%						
Up to 650%						
Less than 1,250%						
1,250%						
Total	**450.6**		**218.2**		**668.8**	

Amount of Required Capital by Risk Weight Category

(Billions of yen)

	As of March 31, 2017					
Risk weight	**On-balance sheet**	**Exposure on resecuritizations**	**Off-balance sheet**	**Exposure on resecuritizations**	**Total**	**Exposure on resecuritizations**
Up to 20%	2.7		1.4		4.1	
Up to 50%	0.2				0.2	
Up to 100%	0.1				0.1	
Up to 250%						
Up to 650%						
Less than 1,250%						
1,250%						
Total	**3.1**		**1.4**		**4.5**	

Credit Risk Mitigation against Exposure on Resecuritizations

(Billions of yen)

Risk weight	**As of March 31, 2017**
Up to 20%	
Up to 50%	
Up to 100%	
Up to 250%	
Up to 650%	
Over 650%	
Total	

Note:

The above table shows the exposure on resecuritizations based on the risk weight after taking into consideration the effect of method to mitigate credit risk.

Securitization Exposure as Investor(for Calculation of Credit Risk-weighted Assets)

(E) Information of Securitization Exposure Retained or Ourchased

Exposure by Type of Underlying Asset

(Billions of yen)

	As of March 31, 2017							
	Credit cards	Residential mortgage loans	Auto loans	Lease payment receivables	Corporate	Real estate	Others	Total
On-balance sheet	**145.0**	**818.9**	**725.6**	**333.5**	**425.4**	**6.5**	**195.3**	**2,650.4**
Exposure on resecuritizations		0.0						0.0
Off-balance sheet	**32.0**		**97.2**	**130.1**	**161.6**	**0.1**	**2.3**	**423.6**
Exposure on resecuritizations								
Total	**177.1**	**818.9**	**822.8**	**463.7**	**587.1**	**6.6**	**197.6**	**3,074.1**
Exposure on resecuritizations		0.0						0.0
Exposure on securitizations to which a risk weight of 1,250% is applied		0.0				0.2		0.2
Exposure whose underlying assets are overseas assets	161.3	0.0	819.9	462.8	587.1	0.1	163.3	2,194.8

Notes:

1. Classification based on type of underlying assets is conducted according to the principal underlying asset type for each transaction. Transactions that are difficult to classify are included under Others.
2. Credit cards include shopping credit receivables, card loans, etc.
3. The classification of transactions of which the underlying assets are overseas assets is conducted according to the principal underlying assets of each transaction.
4. Exposure on resecuritizations as of March 31, 2017 is classified following Article 1, Paragraph 2-2 of the FSA Notice No. 20 (hereinafter the same).

Exposure by Risk Weight Category

(Billions of yen)

	As of March 31, 2017					
Risk weight	**On-balance sheet**	**Exposure on resecuritizations**	**Off-balance sheet**	**Exposure on resecuritizations**	**Total**	**Exposure on resecuritizations**
Up to 20%	2,593.7	0.0	421.1		3,014.9	0.0
Up to 50%	44.8				44.8	
Up to 100%	8.3		1.7		10.1	
Up to 250%						

Up to 650%	3.3		0.5	3.9	
Less than 1,250%					
1,250%	0.0		0.1	0.2	
Total	**2,650.4**	**0.0**	**423.6**	**3,074.1**	**0.0**

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Amount of Required Capital by Risk Weight Category

(Billions of yen)

Risk weight	As of March 31, 2017 On-balance sheet	Exposure on resecuritizations	Off-balance sheet	Exposure on resecuritizations	Total	Exposure on resecuritizations
Up to 20%	14.9	0.0	3.3		18.2	0.0
Up to 50%	0.9				0.9	
Up to 100%	0.6		0.1		0.8	
Up to 250%						
Up to 650%	0.9		0.1		1.1	
Less than 1,250%						
1,250%	0.0		0.1		0.2	
Total	**17.5**	**0.0**	**3.7**		**21.3**	**0.0**

Credit Risk Mitigation against Exposure on Resecuritizations

(Billions of yen)

Risk weight	As of March 31, 2017
Up to 20%	
Up to 50%	
Up to 100%	
Up to 250%	
Up to 650%	
Over 650%	
Total	

Note:

The above table shows the exposure on resecuritizations based on the risk weight after taking into consideration the effect of method to mitigate credit risk.

Securitization Exposure as Originator (for Calculation of Market Risk Equivalent Amounts)

(F) Information by Type of Underlying Assets

None as of March 31, 2017

(G) Information of Securitization Exposure Retained or Purchased

None as of March 31, 2017

Securitization Exposure as Sponsor of Securitization Programs (ABCP/ABL) (for Calculation of Market Risk Equivalent Amounts)

(H) Information by Type of Underlying Assets

None as of March 31, 2017

(I) Information of Securitization Exposure Retained or Purchased

None as of March 31, 2017

Securitization Exposure as Investor (for Calculation of Market Risk Equivalent Amounts)

(J) Information of Securitization Exposure Retained or Purchased

Exposure by Type of Underlying Asset

(Billions of yen)

	As of March 31, 2017							
	Credit Cards	Residential mortgage loans	Auto loans	Lease payment receivables	Corporate	Real estate	Others	Total
On-balance sheet	**0.0**	**3.7**	**13.8**	**0.6**	**0.0**	**3.0**	**7.0**	**28.4**
Exposure on resecuritizations							0.0	0.0
Off-balance sheet								
Exposure on resecuritizations								
Total	**0.0**	**3.7**	**13.8**	**0.6**	**0.0**	**3.0**	**7.0**	**28.4**
Exposure on resecuritizations							0.0	0.0
Exposure on securitizations to which a risk weight of 100% is applied		3.6	0.4		0.0		0.3	4.4
Exposure whose underlying assets are overseas assets		3.5	13.8	0.6	0.0	3.0	7.0	28.2

Notes:

1. Classification based on type of underlying assets is conducted according to the principal underlying asset type for each transaction. Transactions that are difficult to classify are included under Others.
2. Credit cards include shopping credit receivables, card loans, etc.
3. The classification of transactions of which the underlying assets are overseas assets is conducted according to the principal underlying assets of each transaction.
4. Exposure on resecuritizations are classified following Article 1, Paragraph 2-2 of the FSA Notice No. 20 (hereinafter the same).

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Exposure by Risk Capital Charge Category

(Billions of yen)

	As of March 31, 2017					
Risk capital charge	**On-balance sheet**	**Exposure on resecuritizations**	**Off-balance sheet**	**Exposure on resecuritizations**	**Total**	**Exposure on resecuritizations**
Up to 1.6%	20.5				20.5	
Up to 4%						
Up to 8%	2.4				2.4	
Up to 20%						
Up to 52%	1.0				1.0	
Less than 100%						
100%	4.4	0.0			4.4	0.0
Total	28.4	0.0			28.4	0.0

Amount of Required Capital by Risk Capital Charge Category

(Billions of yen)

	As of March 31, 2017					
Risk capital charge	**On-balance sheet**	**Exposure on resecuritizations**	**Off-balance sheet**	**Exposure on resecuritizations**	**Total**	**Exposure on resecuritizations**
Up to 1.6%	0.3				0.3	
Up to 4%						
Up to 8%	0.1				0.1	
Up to 20%						
Up to 52%	0.2				0.2	
Less than 100%						
100%	4.4	0.0			4.4	0.0
Total	**5.2**	**0.0**			**5.2**	**0.0**

Subject to Comprehensive Risk Measure

(Billions of yen)

As of March 31, 2017

	Securitization	Resecuritiation
Total amount of securitization exposure		
Total amount of required capital		

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Market Risk

(A) Market risk (VAR) and stressed VAR associated with trading activities for the fiscal year as of March 31, 2017.

The following table shows VAR (Value At Risk) figures of our trading activities:

	(Billions of yen) For the fiscal year ended March 31, 2017
End of period	1.9
Maximum	4.8
Minimum	1.7
Average	2.7
The number of cases where assumptive losses exceeded VAR during the period	0

Notes:

1. Amount of market risk (VAR) is calculated based on the internal model.
2. The multiplication factor for the calculation of market risk equivalent is determined by the number of cases where assumptive losses exceeded VAR before 250 business days prior to the end of period.
3. Our group companies which conduct trading activities are Mizuho Bank, Mizuho Trust & Banking and Mizuho Securities, etc.

VAR method:

VAR:	historical simulation method;
Quantitative standard:	1. confidence interval: one-tailed 99.0%;
	2. holding period: 1 day; and
	3. historical observation period of three years (801 business days)

The following table shows stressed VAR figures of our trading activities:

	(Billions of yen) For the fiscal year ended March 31, 2017
End of period	5.3
Maximum	8.9

Minimum	2.8
Average	5.2

Stressed VAR method:

Stressed VAR:	historical simulation method;
Quantitative standard:	1. confidence interval: one-tailed 99.0%;
	2. holding period: 1 day; and
	3. historical observation period of one year of significant financial stress (265 business days)

Stressed VAR

The stressed VAR measurement is based on a continuous 12-month period of significant financial stress.

(B) Outlier criteria

The following table shows results of calculations under the outlier framework based on previous outlier criteria:

			(Billions of yen)
	Amount of loss	**Broadly-defined capital**	**Loss ratio to capital**
As of March 31, 2016	516.6	9,638.6	5.3%
As of March 31, 2017	361.2	10,050.9	3.5%

Interest rate shock scenario under stress conditions in outlier criteria

For the interest rate shock scenario used in connection with the calculations under the outlier framework, we generate annual rate fluctuation data for five years derived from daily raw historical interest rate data of the past six years and then apply the actual fluctuation data at a 99.0% confidence level to the shock scenario.

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Equity Exposures in Banking Book

(6) Status of Equity Exposures in Banking Book

(A) Amounts Stated in Consolidated Balance Sheet

	(Billions of yen)	
	As of March 31, 2017	
	Consolidated balance sheet amount	Fair value
Exposure of listed stock, etc.	3,857.0	4,031.5
Other equity exposure	400.3	n.a.
Total	**4,257.4**	**n.a.**

Note: The above figures include only Japanese and foreign stocks.

(B) Gains and Losses on Sales Related to Equity Exposure

	(Billions of yen)		
	For the Fiscal year ended March 31, 2017		
	Gains and losses on sales	Gains on sales	Losses on sales
Sale of equity exposure	**261.1**	**295.8**	**34.7**

Note: The above figures represent gains and losses on sales of stocks in our consolidated statement of income.

(C) Gains and Losses from Write-offs Related to Equity Exposure

	(Billions of yen)
	For the Fiscal year ended March 31, 2017
	Gains and losses from write-offs
Write-offs of equity exposure	**(4.8)**

Note:The above figures represent gains and losses on devaluation of stocks in our consolidated statement of income.

(D) Unrealized Gains and Losses Recognized in the Consolidated Balance Sheet and not Recognized in the Consolidated Statement of Income

(Billions of yen)

	As of March 31, 2017		
	Net unrealized gains	Unrealized gains	Unrealized losses
Equity exposure	1,971.2	2,017.1	45.9

Note: The above figures include only Japanese and foreign stocks.

(E) Unrealized Gains and Losses not Recognized in the Consolidated Balance Sheet or in the Consolidated Statement of Income

(Billions of yen)

	As of March 31, 2017		
	Net	Unrealized gains	Unrealized losses
Equity exposure	174.5	182.8	8.3

Note: The above figures include only Japanese and foreign stocks.

(F) Equities Exposure by Portfolio Classification

	(Billions of yen) As of March 31, 2017
PD/LGD approach	4,180.1
Market-based approach (simple risk weight method)	793.1
Market-based approach (internal models approach)	
Total	**4,973.3**

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Status of Sound Management of Liquidity Risk

Liquidity Coverage Ratio

The information disclosed herein is in accordance with Matters Separately Prescribed by the Commissioner of the Financial Services Agency Regarding Status of Sound Management of Liquidity Risk , etc. pursuant to Article 19-2, Paragraph 1, Item 5, Sub-item (e) , etc. of the Ordinance for Enforcement of the Banking Law (the FSA Notice No. 7 of 2015).

(In million yen, the number of data)

Item			**For the three months ended December 31, 2017**		**For the three months ended March 31, 2018**	
High-Quality Liquid Assets		(1)	/		/	
1	Total high-quality liquid assets (HQLA)		63,459,113		60,159,630	
Cash Outflows		(2)	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
2	Cash outflows related to unsecured retail funding		45,597,491	3,638,206	46,184,608	3,682,339
3	of which, Stable deposits		13,200,574	396,017	13,410,643	402,319
4	of which, Less stable deposits		32,396,917	3,242,188	32,773,964	3,280,020
5	Cash outflows related to unsecured wholesale funding		78,558,012	49,864,317	77,563,913	49,329,388
6	of which, Qualifying operational deposits		0	0	0	0
7	of which, Cash outflows related to unsecured wholesale funding other than qualifying operational deposits and debt securities		73,002,116	44,308,421	71,364,662	43,130,137
8	of which, Debt securities		5,555,895	5,555,895	6,199,250	6,199,250
9	Cash outflows related to secured funding, etc		/	1,129,409	/	1,068,454
10	Cash outflows related to derivative transactions, etc. funding programs, credit and liquidity facilities		24,764,396	7,077,369	24,249,235	7,064,688
11	of which, Cash outflows related to derivative transactions, etc		2,368,843	2,368,843	2,315,235	2,315,235
12	of which, Cash outflows related to funding programs		23,706	23,706	21,922	21,922

13	of which, Cash outflows related to credit and liquidity facilities		22,371,846	4,684,819	21,912,077	4,727,530
14	Cash outflows related to contractual funding obligations, etc.		6,562,416	1,936,205	7,040,197	2,333,910
15	Cash outflows related to contingencies		78,261,200	695,462	77,792,015	696,424
16	Total cash outflows		/	64,340,971	/	64,175,205
Cash Inflows		(3)	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
17	Cash inflows related to secured lending, etc.		10,283,301	737,035	10,554,062	836,532
18	Cash inflows related to collections of loans, etc		14,205,103	10,755,503	14,863,687	11,012,718
19	Other cash inflows		7,092,196	2,040,250	7,515,036	2,246,878
20	Total cash inflows		31,580,601	13,532,789	32,932,786	14,096,129
Consolidated liquidity coverage ratio		(4)	/		/	
21	Total HQLA allowed to be included in the calculation		/	63,459,113	/	60,159,630
22	Net cash outflows		/	50,808,181	/	50,079,075
23	Consolidated liquidity coverage ratio (LCR)		/	124.8%	/	120.1%
24	The number of data used to calculate the average value		62		59	

Notes:

1. Item from 1 to 23 are quarterly average using data points as shown in item 24. From the fourth quarter of the fiscal year ended March 31, 2017, the average daily value is disclosed.

2. We do not apply the exception regarding qualifying operational deposits in Article 28 of the Notice No. 62 with respect to item 6.

3. The numbers in item 11 include the amount of additional collateral required due to market valuation changes on derivatives transactions estimated by the historical look-back approach instead of scenario approach in Article 37 of the Notice No. 62.

4. There are no material components that necessitate detailed explanation of cash outflows from other contracts in Article 59 of the Notice No. 62 within item 14, cash outflows from other contingent funding obligations in Article 52 of the Notice No. 62 within item 15, cash inflows from other contracts in Article 72 of the Notice No. 62 within item 19.

5. Monthly data or quarterly data is used for some of the data, etc., concerning our consolidated subsidiaries.

		2016				**2017**		**2018**
	Apr-Jun	**Jul-Sep**	**Oct-Dec**	**Jan-Mar**	**Apr-Jun**	**Jul-Sep**	**Oct-Dec**	**Jan-Mar**
Consolidated LCR (quartely average)	135.1%	137.4%	135.3%	129.4%	129.7%	126.1%	124.8%	120.1%

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Our Consolidated LCR surpasses the final regulatory standard (100%) and remains stable, with no change affecting funding conditions.

LCR disclosed herein does not differ much from the level we expected beforehand, and we do not expect our Consolidated LCR in

the future to deviate significantly from the current level.

There are no significant changes in the composition, such as currency composition or type composition, and geographic distribution of the HQLA allowed to be included in the calculation.

In addition, there is no significant currency mismatch which might affect our funding conditions between total amount of the HQLA allowed to be included in the calculation and net cash outflow regarding significant currencies.

Status of Major Liquid Assets

Item	**As of March 31, 2017**	**(Billions of yen) As of March 31, 2018**
Cash and Due from Banks (including Due from Central Banks)	47,129.5	47,725.3
Trading Securities	4,800.4	5,188.4
Securities	31,761.8	33,618.9
Bonds Held to Maturity	3,815.6	2,515.8
Other Securities	27,946.2	31,103.1
Japanese Stocks	3,542.0	3,582.2
Japanese Bonds	13,245.1	16,535.6
Japanese Government Bonds	10,264.3	13,332.0
Japanese Local Government Bonds	284.4	239.3
Japanese Corporate Bonds	2,696.3	2,964.1
Other	11,159.0	10,985.2
Foreign Bonds	8,955.4	8,329.1
Other	2,203.5	2,656.1
Total	83,691.8	86,532.7
Portion pledged as collateral	(14,398.5)	(11,660.9)
Total after the deduction above	69,293.3	74,871.7

Notes:

1. All securities included in the above table have fair value.
2.

Portion pledged as collateral mainly consists of securities and others collateralized for borrowed money, foreign and domestic exchange transactions or derivatives transactions, or substituted for margins for futures transactions.

3. Figures in the above table do not represent high quality liquid assets under the Basel III regulatory regime.

Status of Major Funding

(Billions of yen)

	As of March 31, 2017					
Types of Financial Instruments	**Within 1 year**	**1-3 years**	**3-5 years**	**5-7 years**	**7-10 years**	**Over 10 years**
Deposits	115,871.8	3,334.2	696.7	73.1	60.5	9.0
Negotiable Certificates of Deposit	10,421.6	150.6	60.1			
Call Money and Bills Sold	1,255.2					
Borrowed Money	604.6	3,095.1	1,542.0	338.6	377.8	305.0
Commercial Paper	226.3					
Issued Bonds	1,414.8	1,486.1	1,331.4	564.0	1,401.0	588.9
Due to Trust Account	4,784.1					
Total	134,578.5	8,066.0	3,630.2	975.8	1,839.2	902.9

						(Billions of yen)
	As of March 31, 2018					
Types of Financial Instruments	**Within 1 year**	**1-3 years**	**3-5 years**	**5-7 years**	**7-10 years**	**Over 10 years**
Deposits	121,278.4	2,974.1	691.7	86.9	41.3	8.5
Negotiable Certificates of Deposit	11,021.7	357.7	4.0			
Call Money and Bills Sold	2,105.2					
Borrowed Money	2,221.5	1,541.5	309.4	260.2	303.8	259.5
Commercial Paper	362.1					
Issued Bonds	740.9	1,145.7	1,883.4	626.6	1,375.9	532.9
Due to Trust Account	4,733.1					
Total	142,463.2	6,019.2	2,888.7	973.9	1,721.0	801.0

Notes:

1. Regarding Deposits, Demand deposits are included in Within 1 year

2. Borrowed money or issued bonds with open ended, 44.0 billion, 779.0 billion, respectively, at March 31, 2017, and 0.0 billion, 1,239.0 billion, respectively, at March 31, 2018, are excluded.

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Compensation of Directors, Corporate Auditors and Employees

Compensation of Directors, Corporate Auditors and Employees

(1) Qualitative Disclosure

(A) State of the Organizational System Relating to Compensation of Subject Directors, Corporate Auditors and Employees of Mizuho Group

1. Scope of Subject directors, corporate auditors and employees
Subject directors, etc. and Subject employees, etc. subject to disclosure as provided for in the FSA Notice (collectively, Subject directors, corporate auditors and employees) are as follows:

(1) Scope of Subject directors, etc.
Subject directors, etc. are directors and executive officers as defined in the Companies Act of Mizuho Financial Group, Inc. (MHFG). Outside directors auditors are excluded.

(2) Scope of Subject employees, etc.
Subject employees, etc. who are subject to disclosure are executive officers (as defined in our internal regulations), specialist officers and employees of MHFG and directors, corporate auditors and employees of its Major consolidated subsidiaries , who are persons who receive large amounts of compensation and materially affect the operation of business or the state of assets of Mizuho group or its major consolidated subsidiaries.

(a) Scope of Major consolidated subsidiaries
A Major consolidated subsidiary is a consolidated subsidiary, etc., (i) whose total assets as a percentage of consolidated total assets exceeds 2% of a bank holding company or bank and (ii) who materially affects the management of our group. Specifically, those are Mizuho Bank, Ltd. (MHBK), Mizuho Bank (USA) and other subsidiaries who conduct banking business similar to a branch of MHBK, Mizuho Trust & Banking Co., Ltd. (MHTB), Mizuho Securities Co., Ltd. (MHSC), Trust & Custody Services Bank, Ltd., Mizuho Securities USA Inc. and Mizuho International Plc.

(b) Scope of Persons who receive large amounts of compensation
A Person who receives large amounts of compensation refers to a person who receives compensation that exceeds the base amount from MHFG or its Major consolidated subsidiaries. The base amount at MHFG has been set at ¥50 million. Such base amount has been set based on the average amounts of the compensation of directors, executive officers (as defined in the Companies Act) and corporate auditors of MHFG, MHBK and MHTB for the last three fiscal years (excluding persons who resigned or retired during each of such fiscal years), taking into account fluctuations in amounts of compensation over past fiscal years. The preceding base amount has been adopted as the

common base in order to unify the selection criteria of persons who receive large amounts of compensation at each of the companies in this paragraph.

(c) Scope of Persons who materially affect the operation of business or the state of assets of Mizuho group

A Person who materially affects the operation of business or the state of assets of Mizuho group means a person who exerts significant influence on the operation of the business of MHFG or a Major consolidated subsidiary through his or her work in conducting transactions or management, or who materially affects the state of assets by incurring losses on transactions. Specifically, it includes executive officers (as defined in our internal regulations) and specialist officers of MHFG and directors, corporate auditors, executive officers (as defined in our internal regulations), specialist officers and market department employees of Major consolidated subsidiaries.

2. Decisions on compensation of Subject directors, corporate auditors and employees and the name, composition and duties of the committee to supervise business execution and other major organizations relating to payment of compensation and other compensation, etc.

(1) State of maintaining and ensuring the Compensation Committee, etc.

MHFG is a Company with Three Committees, and has established the Compensation Committee as a statutory committee.

The chairman of the statutory Compensation Committee shall be an outside director, and in principle its members shall be appointed from among the outside directors (or at least non-executive directors) in order to ensure objectivity and transparency in director and executive officer compensation. As of March 2018, all four members of the Compensation Committee, including the chairman, were outside directors. The Compensation Committee shall determine the basic policy and compensation system for directors and executive officers of MHFG, MHBK, MHTB and MHSC, determine the compensation for each individual director and executive officer (as defined in the Companies Act) of MHFG, and exercise approval rights in MHFG for compensation for each individual director of MHBK, MHTB and MHSC.

In addition, the president of each of MHBK, MHTB and MHSC determines the amount of compensation for each of its executive officers and specialist officers.

(2) Decisions on compensation of Subject employees, etc.

Matters relating to executive officers (as defined in our internal regulations) and specialist officers of MHFG and directors, executive officers (as defined in our internal regulations) and specialist officers of MHBK, MHTB and MHSC are as set out in (1) State of maintaining and ensuring the Compensation Committee, etc.. With regard to the compensation of directors of MHBK, MHTB and MHSC, it is determined through approval by the Compensation Committee, pursuant to each statutory procedure for directors who are Audit & Supervisory Committee Members and for directors who are not Audit & Supervisory Committee Members, and set within the scope of the total amount of compensation of directors resolved at the ordinary general meeting of shareholders.

With regard to the compensation of corporate auditors of MHBK, MHTB and MHSC, it is determined pursuant to consultation among corporate auditors, including outside corporate auditors, and set within the scope of the total amount of compensation of corporate auditors resolved at the ordinary general meeting of shareholders. The compensation of subject employees, etc., is decided and paid in accordance with the salary and bonus system established by MHFG and the Major consolidated subsidiaries. Such system is designed and put into writing by the human resources departments of MHFG and the Major consolidated subsidiaries which are independent of departments furthering business. In terms of the compensation of overseas employees, each overseas office or operation determines its own compensation policy based on local laws and regulations as well as employment relationships.

3. Total amount of compensation paid to members of the compensation committee and number of meetings held by the Compensation Committee

	Number of meetings held (April 2017 March 2018)
Compensation Committee (MHFG)	9

Note: The total amount of compensation is not set out above as it is not possible to separately calculate the amounts that are paid as consideration for the execution of duties by the compensation committee.

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(B) Evaluating the Appropriateness of the Design and Operation of the System Relating to Compensation of Subject Directors, Corporate Auditors and Employees of Mizuho Group

1. Policies relating to compensation

(1) Policies relating to compensation of Subject directors, etc.

MHFG set out the Mizuho Financial Group Compensation Policy concerning the determination of compensation for each individual director, executive officer and specialist officer (Officers, etc.) of MHFG as well as MHBK, MHTB and MHSC (the Three Core Companies).

a. Philosophy and objectives

Executive compensation for MHFG and the Three Core Companies pursuant to such policy is determined based on appropriate governance and control, and aims to function as incentive and compensation for each Officer, etc., to exercise their designated function to the fullest in our efforts to realize management that contributes to value creation for various stakeholders and improve corporate value through continuous and stable corporate growth based on our basic management policies under our Corporate Identity.

b. Basic Policy

The basic policy with respect to the determination concerning the individual compensation of Officers, etc., of MHFG and the Three Core Companies is set forth below:

(i) The executive compensation shall be determined based on appropriate governance and control, and function as an appropriate incentive in order to realize management that contributes to value creation for various stakeholders and improve corporate value through continuous and stable corporate growth based on our basic management policies under our Corporate Philosophy.

(ii) The executive compensation shall be based on the function and responsibility assigned to and the performance of each Officer, etc.

(iii) The executive compensation shall contribute to suppressing excessive risk-taking, improving corporate value and creating value for various stakeholders not only in the short-term, but also over the medium- to long-term.

(iv) The executive compensation shall reflect the management environment and business performance of our group.

(v) The executive compensation shall enable compensation for securing expert personnel such as professionals with a competitive edge in the market.

(vi) The compensation system and standards shall be timely and appropriately reevaluated and set at a competitive and appropriate standard based on such factors as the economic and social conditions and survey data with respect to management compensation provided by external specialized organizations.

(vii) Regulations and guidelines, etc., concerning executive compensation, both in Japan and overseas, shall be complied with.

c. Compensation System

I. Compensation for Officers, etc., shall, in principle, consist of a Basic Salary, Performance Payment and Stock Compensation.

(i) Basic Salaries shall factor in the function and responsibility of each Officer, etc., in addition to the standard amount for each position and payment will be made monthly in cash.

(ii) Performance Payments shall be made as a monetary incentive for Officers, etc., to achieve the annual budget and as compensation for their achievement. The payment thereof shall reflect our company-wide results of operations, the results of organizations (our in-house companies and units, etc.) that each Officer, etc., is in charge of and the performance or each Officer, etc., in addition to the standard amount for each position. A system shall be adopted which, based on resolution by the Compensation Committee, etc., enables certain amount of deferred payments of the performance payments over three years, as well as a decrease or forfeiture of the deferred amount depending on performance, etc., of the company or the individual.

(iii) Stock Compensation shall be paid in the form of shares of common stock of MHFG consisting of Stock Compensation I and Stock Compensation II, (together Stock Compensation I and II) acquired from the stock market through a trust with an aim to align the interests of Officers, etc., with those of the shareholders and increase the incentive to enhance corporate value.

(a) Stock Compensation I shall be paid at the time of retirement of each Officer, etc., in the form of shares of common stock of MHFG calculated based on each position. A system shall be adopted which enables a decrease or forfeiture of the amount by resolution of the Compensation Committee, etc., depending on performance of the company or the individual.

(b) Stock Compensation II shall be paid in accordance with our company-wide results of operations, the results of organizations (our in-house companies and units, etc.) that each Officer, etc., is in charge of and the performance of each Officer, etc., in addition to the standard amount for each position. A system shall be adopted which enables the entire amount of deferred payments over three years, as well as a decrease or forfeiture of the deferred amount by resolution of the Compensation Committee, etc., depending on performance of the company or the individual.

II. Within the Officers, etc., the compensation system for the executive officers as defined in the Companies Act, the directors, the executive officers as defined in our internal regulations and the specialist officers responsible for business execution (the Officers Responsible for Business Execution) shall be separate from the compensation system for the directors responsible for management supervision (Non-Executive Officers Responsible for Management Supervision).

(i) The basic compensation system for Officers Responsible for Business Execution shall be a Basic Salary, Performance Payment and Stock Compensation I and II.

(a) The composition of the compensation shall, in principle, be 50%, 17.5% and 32.5% for Basic Salary, Performance Payment and Stock Compensation I and II respectively.

(b) The upper limit of Performance Payment and Stock Compensation II shall be decided* in accordance with the our annual results of operations taking into account the traits of business activities of MHFG as a Financial Services Group. The payment to each officer shall reflect the performance of each officer and the results of organizations (our in-house companies and units, etc.) that each Officer, etc., is in charge of, and be, in principle, within the range of 0% to 150% of the standard amount for each position.

* The amount of funds for Performance Payment and Stock Compensation II is decided for each fiscal year by multiplying the standard amount for each position in a respective year with the total number of officers in that year and a coefficient based on the result from the fiscal year s results of operations. The evaluation metric for this coefficient is decided by setting metrics based on our Consolidated Gross Profits, and using such evaluation metrics for the reference year and the current fiscal year (provided that, for Mizuho Securities Co., Ltd., the system is linked to Ordinary Profits, which is a metric that is equivalent to Consolidated Gross Profits based on the traits of business activities and financial structure of securities companies).

(ii) The compensation for Non-Executive Officers Responsible for Management Supervision, in principle, shall be in the form of fixed compensation from the perspective of ensuring the effectiveness of the supervisory function. The compensation system shall consist of Basic Salaries and Stock Compensation and the composition shall, in principle, be 85% and 15% for Basic Salaries and Stock Compensation, respectively.

III. There are cases where compensation for some personnel, including those officers recruited locally in countries other than Japan, may be designed individually in compliance with local compensation regulations while taking into consideration local compensation practices and the responsibilities, business characteristics and market value, etc., of each respective officer.

For cases where compensation is designed individually, payment of compensation is also made in accordance with the performance of the company or the individual. Payment of compensation is designed to avoid excessive risk-taking through a system which enables certain amount or a portion of deferred payments and non-monetary payments such as stock, as well as a decrease or forfeiture of the deferred amount depending on the performance, etc., of the company or the individual.

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d. Compensation Determination Process

I. The Compensation Committee shall determine the determination policy of executive compensation for MHFG and the Three Core Companies and the executive compensation system including the compensation system set out in Compensation System in order to effectively secure the transparency and objectivity of compensation, etc., for individual Officers, etc. In addition, the Compensation Committee shall determine the compensation for each individual director and executive officer, as defined in the Companies Act, of MHFG and approve at MHFG the compensation of each individual director of the Three Core Companies.

II. The President & CEO, pursuant to this policy and regulations and detailed rules, etc., shall determine the compensation for each executive officer, as defined in our internal regulations, and specialist officer of MHFG and approve at the MHFG the compensation of each individual executive officer and specialist officer of the Three Core Companies.

III. The Compensation Committee will verify the validity of the compensation system and standards based on economic and social conditions and survey data with respect to management compensation provided by external specialized organizations.

IV. All members of the Compensation Committee shall be appointed from among outside directors (or at least non-executive directors) and the Chairman thereof shall be an outside director.

V. The Compensation Committee may have officers who are not members of the committee (including officers of the Three Core Companies) such as the President & CEO and external experts, etc., attend its meetings and provide their opinion in order to facilitate adequate and appropriate discussions and determinations.

(2) Policies relating to compensation of Subject employees, etc.

The policies relating to compensation for executive officers (as defined in our internal regulations) and specialist officers of MHFG and directors, executive officers (as defined in our internal regulations) and specialist officers of MHBK, MHTB and MHSC are also the same as the policies described in (1) Policies relating to compensation of Subject directors, etc. above. The compensation of corporate auditors is determined pursuant to consultation among corporate auditors, including outside corporate auditors, and set within the scope of the total amount of compensation of corporate auditors resolved at the ordinary general meeting of shareholders. Compensation for other employees, etc., is determined in accordance with their duties and responsibilities. Some bonuses that are linked to performance are determined after comprehensively evaluating the employee s contribution to business, including any qualitative contributions to the organization, in a manner that does not place an excessive emphasis on results.

2. The effect of the overall level of compensation, etc., on equity capital

The Compensation Committee of MHFG receives reports on the amount of compensation paid to directors, executive officers (as defined in the Companies Act), executive officers (as defined in our internal regulations) and specialist officers of MHFG, MHBK, MHTB and MHSC in the previous fiscal year and confirms that there is no material effect on the Mizuho group s performance or the adequacy of equity capital.

(C) Compatibility between System for Compensation of Subject Directors, Corporate Auditors and Employees of Mizuho Group and Risk Management and matters Relating to Linking Compensation with Performance

1. Compatibility between system for compensation of Subject directors, corporate auditors and employees and risk management

The compensation of employees in risk management department, compliance department and internal audit department is decided in accordance with the salary and bonus system, and specific payment amounts are conclusively determined in accordance with employee performance evaluations made by the relevant department and the human resources department, independent from departments furthering business.

Each employee of the risk management department, the compliance department and the internal audit department sets their own objectives in the employee performance evaluations, subject to the approval of their superiors. The degree to which the objectives are achieved is evaluated by taking into account the degree of the employee s contribution to the establishment of a system for risk management, compliance and internal audit.

2. Linking compensation of Subject directors, corporate auditors and employees with performance

The performance payments and performance-based stock compensation for Officers Responsible for Business Execution are made or paid based on the standard amount set for each position, with which each officer s performance shall be reflected, and determined in accord with a performance evaluation, etc., against the annual business plan. A certain amount of the performance payments and the entire amount of the performance-based stock compensation shall be made or paid in deferred payments over three years, and a decrease or forfeiture of the deferred amount may be made depending on the performance, etc., of the company and such officer. It should be noted that certain Subject directors, corporate auditors and employees have entered into compensation-related contracts. Stock compensation for Non-Executive Officers Responsible for Management Supervision shall be made in accordance with the standard amount set for each position, and the payment level shall not change based on the performance of each officer. The entire amount of the stock compensation shall be paid in deferred payments over three years, and a decrease or forfeiture of the deferred amount may be made depending on the performance, etc., of the company.

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(2) Quantitative Disclosure Items

(A) REM1 : Compensation Assigned to the Relevant Fiscal Year

(Millions of yen, except people)

No.			a Subject directors, etc.	b Subject employees, etc.
1	Fixed compensation	**Number of Subject directors, etc. and Subject employees, etc.**	**22**	**378**
2		**Fixed compensation amount (3+5+7)**	**976**	**13,530**
3		Cash compensation amount	937	12,381
4		Of which, deffered amount		
5		Stock compensation amount or stock-based type compensation amount	37	16
6		Of which, deffered amount	37	16
7		Other compensation amount	1	1,132
8		Of which, deffered amount		
9	Variable compensation	**Number of Subject directors, etc. and Subject employees, etc.**	**20**	**375**
10		**Variable compensation amount (11+13+15)**	**490**	**14,962**
11		Cash compensation amount	246	13,638
12		Of which, deffered amount	6	4,031
13		Stock compensation amount or stock-based type compensation amount	244	1,307
14		Of which, deffered amount	244	995
15		Other compensation amount		17
16		Of which, deffered amount		
17	Retirement benefits	**Number of Subject directors, etc. and Subject employees, etc.**		**2**
18		**Retirement benefits amount**		**8**
19		Of which, deffered amount		
20	Other compensation	**Number of Subject directors, etc. and Subject employees, etc.**		**171**
21		**Other compensation amount**		**897**
22		Of which, deffered amount		
23	**Comensation amount (2+10+18+21)**		**1,467**	**29,399**

Notes:

1. Amounts of compensation of Subject directors, etc. include amounts of compensation received for duties performed as a director or executive officer of a Major consolidated subsidiary.

2. The number of employees is the actual number of persons (a) for the compensation for the fiscal year ended March 31, 2018 and (b) for the compensation for the fiscal year ended March 31, 2017 for the payments made or anticipated payments for which the amount became clear during the fiscal year ended March 31, 2018 are stated.

3. The stated amount is the total amount for the fiscal year ended March 31, 2018 and the fiscal year ended March 31, 2017.

4. No. 7, Fixed compensation, Other compensation amount, includes condolence money insurance premiums and Group life insurance premium subsidies, both based on the decision of our Compensation Committee.

5. No. 11, Variable compensation Cash compensation amount, includes the recorded performance payment for the fiscal year ended March 31, 2017 for directors, executive officers (as defined in the Companies Act), executive officers (as defined in our internal regulations) and specialist officers of MHFG, MHBK, MHTB and MHSC. For portions that exceed a certain amount, we plan to defer payment over the three-year period from the fiscal year ending March 31, 2019.

6. No. 13, Variable compensation Stock compensation amount or stock-based type compensation amount includes the amount obtained by multiplying the stock compensation and performance-based stock compensation ownership points (with one point to be converted into one share of MHFG stock) granted to the directors, executive officers (as defined in the Companies Act), executive officers (as defined in our internal regulations) and specialist officers of MHFG, MHBK, MHTB and MHSC for the fiscal year ended March 31, 2017 by the book value of MHFG s shares (196.9447 yen per share). For stock compensation and performance-based stock compensation for the fiscal year ended March 31, 2017, we plan to defer payment over the three-year period from the fiscal year ending March 31, 2019.

7. Because the amounts of the stock compensation, performance payment and performance-based-type stock compensation for the directors, executive officers (as defined in the Companies Act), executive officers (as defined in our internal regulations) and specialist officers of MHFG, MHBK, MHTB and MHSC for the fiscal year ended March 31, 2017 have not been determined at this time, they are not included in the above compensation. However, we have recorded the required reserves for accounting purposes.

8. The exercise periods for the stock compensation-type stock options (stock acquisition rights) are as set out below. Under the stock option agreements, exercise of the options is postponed, even during the exercise period, until the time of retirement of the director or employee. [The exercise periods for stock options have been omitted from the table]

(B) REM2 : Special Compensation

(Millions of yen, except people)

	a	b	c	d	e	f

	Bonus guarantees People	Bonus guarantees JPY	Lump sum payments at the time of recruitment Peopl	Lump sum payments at the time of recruitment JPY	Additional retirement benefits Peopl	Additional retirement benefits JPY
Subject directors, etc.						
Subject employees, etc.	**1**	**127**	**3**	**36**	**19**	**813**

(C) REM3 : Deferred Compensation

(Millions of yen)

		a	b	c	d	e
		Deferred compensation amount	Of which, the deferred compensation amount subject to adjustment or variation	Regarding compensation after allocation, variable amounts adjusted but not linked to variations for the relevant fiscal year	Regarding compensation after allocation, variable amounts adjusted and linked to variations for the relevant fiscal year	Amount of deferred compensation paid in the relavent fiscal year
Subject directors, etc.	Cash compensation amount	10	10			
	Stock compensation amount or stock-based type compensation amount	773	444		103	162
	Other compensation amount					
Subject employees, etc.	Cash compensation amount	6,745	1,938	126		2,697
	Stock compensation amount or stock-based type compensation amount	2,440	1,333		157	566
	Other compensation amount	0				
Total amount		**9,969**	**3,727**	**126**	**260**	**3,429**

(D) Other Relevant Matters Relating to Our System of Compensation for Subject Directors, Corporate Auditors and Employees of Mizuho Group

Not applicable, other than those covered in the above.

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Our Internal Control Systems

Amid the growing diversity and complexity of banking operations, financial institutions are exposed to various risks, including credit, market, operations, information technology, legal, settlement and other risks. We recognize the conducting of operations tailored to the risks and managing such risks as a key issue relating to overall management. In order to implement our business strategy while maintaining our financial stability, we maintain comprehensive risk management and control measures. Mizuho Financial Group maintains basic policies for risk management established by our Board of Directors that are applicable to the entire Mizuho group. These policies clearly define the kinds of risks to be managed, set forth the organizational structure and provide for the human resources training necessary for appropriate levels of risk management. The policies also provide for audits to measure the effectiveness and suitability of the risk management structure. In line with these basic policies, we maintain various measures to strengthen and enhance the sophistication of our risk management system.

All yen figures and percentages in this item are truncated. Accordingly, the total of each column of figures may not be equal to the total of the individual items.

Overview of Risk Management

Risk Management Structure

Each of our subsidiaries adopts appropriate risk management measures for its business based on the size and nature of its risk exposures, while Mizuho Financial Group controls risk management for the Mizuho group as a whole. At Mizuho Financial Group, the Risk Management Committee, which is one of the Business Policy Committees of Mizuho Financial Group, chaired by the Group Chief Risk Officer, provides integrated monitoring and management of the overall risk for the Mizuho group. The Group Chief Risk Officer reports the risk management situation to the Board of Directors, the Risk Committee and the Executive Management Committee, etc., on a regular basis and as needed. Mizuho Financial Group regularly receives reports and applications concerning the risk management situation from our principal banking subsidiaries and other core group companies and gives them appropriate instructions concerning risk management. Our principal banking subsidiaries and other core group companies each maintain their own systems for managing various types of risk, receiving reports on the status of risk at their respective subsidiaries, and gives them appropriate instructions concerning risk management as necessary.

Basic Approach

We classify the risks arising from the group s businesses into different types of risk such as credit risk, market risk, liquidity risk and operational risk according to their risk factors, and manage each type of risk depending on its characteristics. Furthermore, each group entity manages such risks according to the characteristics of its business operations (i.e., management of risks associated with settlement and trust businesses, etc.). In addition to managing each type of risk individually, we have established a comprehensive risk management structure to identify and evaluate overall risk and to keep risk within limits that are managerially acceptable. In line with the basic policies relating to overall risk management laid down by Mizuho Financial Group, companies within the Mizuho group identify risk broadly and take a proactive and sophisticated approach to risk management.

Risk Capital Allocation

We endeavor to obtain a clear grasp of the group s risk exposure and have implemented measures to control such risks within the group s financial base in accordance with the risk capital allocation framework. More specifically, we allocate risk capital to our principal banking subsidiaries, including their respective subsidiaries, and other core group companies to control risk within the limits set for each company. We also control risk within managerially acceptable limits by working to ensure that the overall risk we hold on a consolidated basis does not exceed our financial strength. To ensure the ongoing financial soundness of Mizuho Financial Group, our principal banking subsidiaries and other core group companies, we regularly monitor the manner in which risk capital is being used in order to obtain a proper grasp of the risk profile within this framework. Reports are also submitted to the Board of Directors and other committees of each company. Risk capital is allocated to Mizuho Bank, Mizuho Trust & Banking, Mizuho Securities and Mizuho Americas by risk category, and is further allocated within their respective business units based on established frameworks.

Stress Testing

For the purpose of verifying the appropriateness of the Mizuho group s risk appetite and the adequacy of its business plans, we carry out stress testing on our entire portfolio by measuring and assessing the impacts on our capital ratio and financial performance of the stress events assumed in the main and risk scenarios set by the group. Stress testing is carried out to confirm that the required capital ratio and financial performance can be secured on the occurrence of any of the assumed stress events. When our capital ratio or financial performance falls below the required level, we will consider and carry out a revision of our risk appetite and business plans. We also calculate the impacts of assumed stress events on risk volumes, including interest rate risk related to our banking book that is not covered by regulatory capital, to confirm whether the risk volumes balance with the group s capital when a risk event occurs. The calculated risk volumes are used for assessing the group s internal capital adequacy. Risk scenarios are set considering the current and projected economic conditions, as well as vulnerabilities in the group s business and financial structure. Moreover, we have established a robust risk management framework under which stress testing is respectively carried out for each risk category, including market risk. Through such stress testing, we deepen our understanding of the distinctive features of our businesses and portfolios, and proactively determine action to be taken if a stress event happens. In this way, we are committed to enhancing our risk management capabilities on a continued basis.

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Credit Risk Management

We define credit risk as the Mizuho group s exposure to the risk of losses that may be incurred due to a decline in, or total loss of, the value of assets (including off-balance-sheet instruments), as a result of deterioration in obligors financial position. Mizuho Financial Group has established the methods and structures necessary for grasping and managing credit risk. Mizuho Financial Group manages credit risk for the Mizuho group as a whole. Specifically, Mizuho Financial Group establishes the group s fundamental credit risk policy to manage major group companies, and monitors and manages the credit risks of the group as a whole.

Credit Risk Management Structure

Credit Risk Management of the Mizuho Group

Our Board of Directors determines the Mizuho group s basic matters pertaining to credit risk management. In addition, the Risk Management Committee broadly discusses and coordinates matters relating to basic policies and operations in connection with credit risk management and matters relating to credit risk monitoring for the Mizuho group. Under the control of the Group Chief Risk Officer of Mizuho Financial Group, the Credit Risk Management Department and the Risk Management Department jointly monitor, analyze and submit suggestions concerning credit risk and formulate and execute plans in connection with basic matters pertaining to credit risk management.

Credit Risk Management at Our Principal Banking Subsidiaries and Other Core Group Companies

Our principal banking subsidiaries and other core group companies manage their credit risk according to the scale and nature of their exposures in line with basic policies set forth by Mizuho Financial Group. The Board of Directors of each company determines key matters pertaining to credit risk management.

The Balance Sheet & Risk Management Committee and the Credit Committee, each of which is a Business Policy Committee of our principal banking subsidiaries, are responsible for discussing and coordinating overall management of their individual credit portfolios and transaction policies towards obligors. The respective Chief Risk Officers of our principal banking subsidiaries are responsible for matters relating to planning and implementing credit risk management. The credit risk management departments of our principal banking subsidiaries are in charge of planning and administering credit risk management and conducting credit risk measuring and monitoring. The departments regularly present reports regarding their risk management situation to Mizuho Financial Group. The credit departments of our principal banking subsidiaries determine policies and approve/disapprove individual transactions in terms of credit review, credit management and collection from customers in accordance with the lines of authority set forth respectively by our principal banking subsidiaries. In addition, our principal banking subsidiaries have established internal audit groups that are independent of the business departments in order to ensure appropriate credit risk management.

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Method of Credit Risk Management

We have adopted two different but mutually complementary approaches to credit risk management. The first approach is individual credit management, in which we manage the process for each individual transaction and individual obligor from execution until collection, based on our assessment of the credit quality of the customer. Through this process, we curb losses in the case of a credit event. The second is credit portfolio management, in which we utilize statistical methods to assess the potential for losses related to credit risk. Through this process, we identify credit risks and respond appropriately.

Individual Credit Management

Credit Codes

The basic code of conduct for all of our officers and employees engaged in the credit business is set forth in our credit code. Seeking to fulfill the bank s mission and social responsibilities, our basic policy for credit business is determined in light of fundamental principles focusing on public welfare, safety, growth and profitability.

Internal Rating System

One of the most important elements of the risk management infrastructure of our principal banking subsidiaries is the use of an internal rating system that consists of credit ratings and pool allocations. Credit ratings consist of obligor ratings which represent the level of credit risk of the obligor, and transaction ratings which represent the possibility of ultimately incurring losses related to each individual claim by taking into consideration the nature of any collateral or guarantee and the seniority of the claim. In principle, obligor ratings apply to all obligors and are subject to regular reviews at least once a year to reflect promptly the fiscal period end financial results of the obligors, as well as special reviews as required whenever a obligor s credit standing changes. This enables our principal banking subsidiaries to monitor both individual obligors and the status of the overall portfolio in a timely fashion. Because we consider obligor ratings to be an initial phase of the self-assessment process regarding the quality of our loans and off-balance-sheet instruments, such obligor ratings are closely linked to the obligor classifications and are an integral part of the process for determining the provision for loan losses and charge-offs in our self-assessment of loans and off-balance-sheet instruments.

To assign obligor ratings, we have a quantitative evaluation system (rating model) in place to enable proper assessment of an obligor s credit standing. The system gives a quantitative rating to an obligor based on obligor-specific characteristics such as type of business (corporation or individual) and geography (in Japan or outside Japan). We categorize our rating models for companies in Japan into those for large companies and those for small and medium-sized companies. The former consist of 13 models according to industry-specific factors, while the latter consist of three models. For companies outside Japan, we utilize nine models.

These were developed by the Credit Risk Management Department based on a statistical methodology and approved by the Chief Risk Officer.

Pool allocations are applied to small claims that are less than a specified amount by pooling customers and claims with similar risk characteristics and assessing and managing the risk for each such pool. Our principal banking subsidiaries efficiently manage credit risk and credit screening by dispersing a sufficient number of small claims within each pool. Our principal banking subsidiaries generally review the appropriateness and effectiveness of our approach to obligor ratings and pool allocations once a year in accordance with predetermined procedures, which is audited by the Internal Audit Group.

Mizuho Financial Group defines a Restructured Loan as a loan extended to a Customer with Special Attention when the following conditions are met: we are aiming for business reconstruction or financial support; and lending conditions were amended favorably to the customer such as allowing interest rate reduction, postponement of principal repayment/interest payment, debt forgiveness, etc.

An overdue loan is defined as a loan for a Customer with Special Attention of which the loan principal or interest is overdue for three months or more following the contractual payment date.

Self-assessment, Provision for Loan Losses and Off-Balance-Sheet Instruments and Charge-Offs

We conduct self-assessment of assets to ascertain the status of assets both as an integral part of credit risk management and in preparation for appropriate accounting treatment, including provision for loan losses and off-balance-sheet instruments and charge-offs. During the process of self-assessment, obligors are categorized into certain groups taking into consideration their financial condition and their ability to make payments, and credit ratings are assigned to all obligors, in principle, to reflect the extent of their credit risks. The related assets are then categorized into certain classes based on the risk of impairment. This process allows us to identify and control the actual quality of assets and determine the appropriate accounting treatment, including provision for loan losses and off-balance-sheet instruments and charge-offs. Specifically, the credit risk management department of each of our principal subsidiaries is responsible for the overall control of the self-assessment of assets of the respective banking subsidiaries, cooperating with the administrative departments specified for each type of asset, including loan portfolios and securities, in executing and managing self-assessments. In our assessment of the probability of obligor bankruptcy, we deem an obligor that is rated as being insolvent or lower as being bankrupt.

Credit Review

Prevention of new impaired loans through routine credit management is important in maintaining the quality of our overall loan assets. Credit review involves analysis and screening of each potential transaction within the relevant business department. In case the screening exceeds the authority of the department, the credit department in charge at headquarters carries out the review. The credit group has specialist departments for different industries, business sizes and regions, carries out timely and specialized examinations based on the characteristics of the customer and its market, and provides appropriate advice to the business department. In addition, in the case of obligors with low credit ratings and high downside risks, the business department and credit department jointly clarify their credit policy and in appropriate cases assist the obligors at an early stage in working towards credit soundness.

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Credit Portfolio Management

Risk Measurement

We use statistical methodologies that involve a risk measurement system (enterprise value corporate valuation model, holding period of one year) to manage the possibility of losses by measuring the expected average loss for a one-year risk horizon (Expected Loss) and the maximum loss within a certain confidence interval (credit VAR). The difference between expected loss and credit VAR is measured as the credit risk amount (Unexpected Loss). The risk measurement system covers the following account items reported by each Mizuho Financial Group company: credit transactions including loans and discounts; securities; customer s liabilities for acceptances and guarantees; deposits and foreign exchange; derivatives including swaps and options; off-balance sheet items including commitments; and other assets involving credit risk.

In establishing transaction spread guidelines for credit transactions, we aim to ensure an appropriate return from the transaction in light of the level of risk by utilizing credit cost data as a reference. Also, we monitor our credit portfolio from various perspectives and set guidelines noted below so that losses incurred through a hypothetical realization of the full credit VAR would be within the amount of risk capital and loan loss reserves.

Risk Control Methods

Our principal banking subsidiaries recognize two types of risk arising from allowing unexpected loss to become too large. One type is credit concentration risk, which stems from granting excessive credit to certain individual counterparties or corporate groups. The other type is chain-reaction default risk, which arises from granting excessive credit to certain areas, industrial sectors and other groupings. Our principal banking subsidiaries manage these risks in line with our specific guidelines for each. Our principal banking subsidiaries also set the credit limit based on verification of status of capital adequacy. In cases where the limit is exceeded, our principal banking subsidiaries will formulate a handling policy and/or action plan. In addition to the above, our principal banking subsidiaries monitor total credit exposure, credit exposure per rating, credit concentration per individual company, corporate group, geography, country and business sector to make a periodical report to the Balance Sheet & Risk Management Committee and the Credit Committee.

The following diagram shows our risk management structure:

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Market Risk Management

We define market risk as the risk of losses incurred by the group due to fluctuations in interest rates, stock prices and foreign exchange rates. Market risk includes market liquidity risk; i.e., the risk that we will suffer a loss due to market disruptions or other disorders that prevent us from conducting transactions in the market or require us to pay significantly higher prices than normal to conduct transactions. Mizuho Financial Group manages market risk for the Mizuho group as a whole. Specifically, Mizuho Financial Group establishes the fundamental risk management policy for the entire group, manages the market risk of our principal banking subsidiaries and other core group companies and monitors how the group s market risk is being managed as a whole.

Market Risk Management Structure

Our Board of Directors determines basic matters pertaining to market risk management policies. The Risk Management Committee of Mizuho Financial Group broadly discusses and coordinates matters relating to basic policies in connection with market risk management, market risk operations and market risk monitoring. The Chief Risk Officer of Mizuho Financial Group is responsible for matters relating to market risk management planning and operations.

The Risk Management Department of Mizuho Financial Group is responsible for monitoring market risk, reporting and analysing, making proposals, setting limits and guidelines, and formulating and implementing plans relating to market risk management.

As for the situation of market risk, the Risk Management Department submits reports to the President and Group CEO on a daily basis and to the Board of Directors on a regular basis. For the purpose of managing the market risk of our principal banking subsidiaries and other core group companies, the Department regularly receives reports from each of them to properly identify and manage their market risk. These subsidiaries and core group companies, which account for most of the Mizuho group s exposure to market risk, establish their basic policies based on ours, and their Boards of Directors determine important matters relating to market risk management.

Market Risk Management Method

To manage market risk, we set limits that correspond to risk capital allocations according to the risk profile of each of our principal banking subsidiaries and other core group companies and thereby prevent the overall market risk we hold from exceeding our financial strength represented by capital, etc. The amount of risk capital allocated to market risk corresponds to value-at-risk (the VAR) and additional costs that may arise in order to close relevant positions.

Setting Limits

When the said limits are set, various factors are taken into account, including business strategies, historical limit usage ratios, risk-bearing capacity (profits, equity capital and risk management framework), profit targets and the market liquidity of the products involved. The limits are discussed and coordinated by the Risk Management Committee, discussed further by the Executive Management Committee and then determined by the President & Group CEO. For trading and banking activities, we set limits for VAR and for losses. For banking activities, we set position limits based on interest rate sensitivity (10 BPV) as needed. An excess over any of these limits is immediately reported and addressed according to a pre-determined procedure.

Monitoring

To provide a system of mutual checks and balances in market operations, we have established middle offices specializing in risk management that are independent of front offices which engage in market transactions and of back offices which are responsible for book entries and settlements. When VAR is not adequate to control risk, the middle offices manage risk using additional risk indices, carry out stress testing and set stop loss limits as needed. We monitor market liquidity risk for individual financial products in the market while taking turnover and other factors into consideration.

Value-at-Risk

We use the VAR method, supplemented with stress testing, as our principal tool to measure market risk. The VAR method measures the maximum possible loss that could be incurred due to market movements within a certain time period (or holding period) and degree of probability (or confidence interval).

Trading Activities

VAR related to our trading activities is based on the following:

- historical simulation method;
- confidence interval: one-tailed 99.0%;
- holding period of one day; and
- historical observation period of three years.

The following tables show the VAR related to our trading activities by risk category for the fiscal years ended March 31, 2016, 2017 and 2018 and as of March 31, 2016, 2017 and 2018:

Risk category	Fiscal year ended March 31, 2016 Daily average	Maximum	Minimum	As of March 31, 2016
	(in billions of yen)			
Interest rate	¥ 1.8	¥ 3.7	¥ 0.6	¥ 1.1
Foreign exchange	0.9	2.3	0.2	0.3
Equities	0.6	2.5	0.1	0.3
Commodities	0.0	0.0	0.0	0.0
Total	¥ 2.9	¥ 4.5	¥ 1.8	¥ 2.0

Risk category	Fiscal year ended March 31, 2017 Daily average	Maximum	Minimum	As of March 31, 2017
	(in billions of yen)			
Interest rate	¥ 2.0	¥ 3.6	¥ 1.0	¥ 1.0
Foreign exchange	0.5	1.6	0.1	0.1
Equities	0.4	3.2	0.1	0.9
Commodities	0.0	0.0	0.0	0.0
Total	¥ 3.3	¥ 5.8	¥ 2.3	¥ 2.6

Risk category	Fiscal year ended March 31, 2018 Daily average	Maximum	Minimum	As of March 31, 2018
	(in billions of yen)			
Interest rate	¥ 1.7	¥ 2.5	¥ 1.0	¥ 2.2
Foreign exchange	0.4	1.2	0.1	0.1

Equities		0.6		2.4		0.3		0.5
Commodities		0.0		0.0		0.0		0.0
Total	¥	3.0	¥	6.2	¥	2.2	¥	3.0

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The following graph shows VAR figures of our trading activities for the fiscal year ended March 31, 2018:

The following table shows VAR figures of our trading activities for the fiscal years indicated:

	Fiscal years ended March 31,			
	2016	2017	2018	Change
	(in billions of yen)			
As of fiscal year end	¥ 2.0	¥ 2.6	¥ 3.0	¥ 0.4
Maximum	4.5	5.8	6.2	0.3
Minimum	1.8	2.3	2.2	(0.1)
Average	2.9	3.3	3.0	(0.3)

Non-trading Activities

The VAR related to our banking activities is based on the same conditions as those of trading activities, but the holding period is one month. In addition, as for risk management of banking activities, it is important to properly measure interest rate risk so that we calculate interest risk using appropriate methods such as recognizing demand deposits as core deposits.

The following graph shows the VAR related to our banking activities excluding our cross-shareholdings portfolio for the year ended March 31, 2018:

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The following table shows the VAR figures relating to our banking activities for the fiscal years indicated:

	Fiscal years ended March 31, 2016	2017	2018	Change
	(in billions of yen)			
As of fiscal year end	¥ 321.5	¥ 292.7	¥ 268.4	¥ (24.3)
Maximum	360.6	397.5	307.2	(90.2)
Minimum	190.0	247.4	210.8	(36.6)
Average	284.9	331.0	267.8	(63.2)

VAR is a commonly used market risk management technique. However, VAR models have the following shortcomings:

- By its nature as a statistical approach, VAR estimates possible losses over a certain period at a particular confidence level using past market movement data. Past market movement, however, is not necessarily a good indicator of future events, particularly potential future events that are extreme in nature.

- VAR may underestimate the probability of extreme market movements.

- The use of a 99.0% confidence level does not take account of, nor makes any statement about, any losses that might occur beyond this confidence level.

- VAR does not capture all complex effects of various risk factors on the value of positions and portfolios and could underestimate potential losses.

Cross-shareholdings Portfolio Management Activities

We take the market risk management approach with use of VAR and risk indices for cross-shareholdings portfolio management activities to properly manage stock price risk. Specifically, we monitor VAR measurements and the state of risk capital on a daily basis. Moreover, in order to control stock price risk, we are working on the reduction in cross-shareholdings through careful negotiations with counterparties.

Back Testing

In order to evaluate the effectiveness of market risk measurements calculated using the VAR method, we carry out regular back tests to compare VAR with assumptive profits and losses. Assumptive profits and losses accounts for general market risk. The graph below shows daily VAR of trading activities for the fiscal year ended March 31, 2018 and the corresponding paired distribution of profits and losses. We had zero case where losses exceeded VAR during the period. In addition, we conduct evaluations of the assumptions related to the VAR models. Based on the number of times losses exceeded VAR through back testing and the results of the evaluation of the model assumptions, we will make adjustments to the models as appropriate. Changes to fundamental portions of the VAR models are subject to the approval of our Group Chief Risk Officer.

Note: We conduct our back testing and assess the number of cases where losses exceed VAR based on a 250 business day year. The expected average number of instances where one-day trading losses exceeded VAR at the 99% confidence level is 2.5.

Stress Testing

Because the VAR method is based on statistical assumptions, we conduct stress testing to simulate the levels of losses that could be incurred in cases where the market moves suddenly to levels that exceed these assumptions. The stress testing methods we use include the calculation of losses under scenarios in which stresses are applied to interest rate risk and stock price risk based on current and projected economic conditions, historical market events, etc.

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Liquidity Risk Management

We define liquidity risk as the risk of losses arising from funding difficulties due to a deterioration in our financial position that makes it difficult for us to raise necessary funds or that forces us to raise funds at significantly higher interest rates than usual. Mizuho Financial Group manages liquidity risk for the Mizuho group as a whole. Specifically, Mizuho Financial Group establishes the fundamental liquidity risk management policy for the entire group, manages the liquidity risk of our principal banking subsidiaries and other core group companies and monitors how the group s liquidity risk is being managed as a whole.

Liquidity Risk Management Structure

Our Board of Directors determines basic matters pertaining to liquidity risk management policies. The Risk Management Committee of Mizuho Financial Group broadly discusses and coordinates matters relating to basic policies in connection with liquidity risk management, operations, monitoring and proposes responses to emergencies such as sudden market changes. The Group Chief Risk Officer of Mizuho Financial Group is responsible for matters relating to liquidity risk management planning and operations. The Risk Management Department of Mizuho Financial Group is responsible for monitoring liquidity risk, reporting and analysing, making proposals, and formulating and implementing plans relating to liquidity risk management. In addition, the Group Chief Financial Officer of Mizuho Financial Group is additionally responsible for matters relating to planning and running cash flow management operations, and the Financial Planning Department is responsible for monitoring and adjusting cash flow management situation and for planning and implementing cash flow management to maintain appropriate funding liquidity. Reports on the liquidity risk management are submitted to the Risk Management Committee and the Balance Sheet Management Committee (each of which is a Business Policy Committee), the Executive Management Committee and the President & Group CEO on a regular basis.

Our principal banking subsidiaries and other core group companies also establish their basic policies on liquidity risk management to properly identify and manage liquidity risk.

Liquidity Risk Management Method

We manage liquidity risk with the use of Liquidity Risk Management Indicators and Liquidity Categorization. The former is determined for the purpose of managing limits on funds raised in the market considering our fund raising capabilities, and the latter is determined based on our funding conditions. We also carry out liquidity stress testing to verify the sufficiency of liquidity reserve assets and the effectiveness of countermeasures against a possible outflow of funds during a stress event. The results of stress testing are used for cash flow management operations.

Liquidity Risk Management Indicators

Limits on funds raised in the market are set based on a number of time horizons taking into account characteristics and strategies of each of our principal banking subsidiaries and other core group companies. Such limits are discussed and coordinated by the Risk Management Committee, discussed further by the Executive Management Committee and determined by the President & Group CEO. An excess over any of these limits is immediately reported and addressed according to a pre-determined procedure.

Liquidity Categorization

We have established a group-wide framework of liquidity risk stages such as Normal, Anxious and Crisis, which reflects funding conditions. In addition, we set Early Warning Indicators (EWIs) and monitor on a daily basis to manage funding conditions. As EWIs, we select stock prices, credit ratings, amount of liquidity reserve assets such as Japanese government bonds, our funding situations and others.

Liquidity Stress Testing

We carry out stress testing regularly based on market-wide factors, idiosyncratic factors of the group and a combination of both types of factors to verify the sufficiency of liquidity reserve assets and the effectiveness of our liquidity contingency funding plans. Furthermore, we utilize stress testing for evaluating the appropriateness of our annual funding plan.

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Operational Risk Management

We define operational risk as the risk of loss that we may incur resulting from inadequate or failed internal processes, people and systems or from external events. We control operational risk management for the Mizuho group as a whole. Considering that operational risk includes information technology risk, operations risk, legal risk, human resources risk, tangible asset risk, regulatory change risk and reputational risk, we have separately determined the fundamental risk management policies for these different types of risk. We manage the operational risk associated with our principal banking subsidiaries and other core group companies while monitoring the state of group-wide operational risk.

Operational Risk Management Structure

Our Board of Directors determines basic matters pertaining to operational risk management policies. The Risk Management Committee of Mizuho Financial Group broadly discusses and coordinates matters relating to basic policies in connection with operational risk management, operational risk operations and operational risk monitoring. The Group Chief Risk Officer of Mizuho Financial Group is responsible for matters relating to operational risk management planning and operations. The Risk Management Department of Mizuho Financial Group is responsible for monitoring market risk, reporting and analysing, making proposals, setting limits and guidelines, and formulating and implementing plans relating to operational risk management.

Our principal banking subsidiaries and core group companies establish their basic policies on operational risk management, and their Boards of Directors determine important matters relating to operational risk management.

Operational Risk Management Method

To manage operational risk, we set common rules for data gathering to develop various databases shared by the group and measure operational risk as operational VAR on a regular basis, taking into account possible future loss events and changes in the business environment and internal management.

We have established and are strengthening management methods and systems to appropriately identify, assess, measure, monitor and control the operational risks that arise from the growing sophistication and diversification of financial operations and developments relating to information technology by utilizing control self-assessments and improving measurement methods.

Definition of Risks and Risk Management Methods

As shown in the table below, we have defined each component of operational risk, and we apply appropriate risk management methods in accordance with the scale and nature of each risk.

	Definition	**Principal Risk Management Methods**
Information Technology Risk	Information technology risk (IT risk) shall refer to the risk that problems (e.g. malfunctions, disruptions, etc.) with the computer systems or improper use of the computers in these systems, which cause disruptions of	Identify and evaluate the risk by setting specific standards that need to be complied with and implementing measures tailored based on evaluation results to reduce the risk.

	the services provided to customers, or have significant impact on settlement systems, etc., will result in losses for customers, and the incurrence of losses (tangible or intangible) by our group companies.	Ensure ongoing project management in systems development and quality control. Strengthen security to prevent information leaks. Strengthen capabilities for rapidly and effectively dealing with cyberattacks. Improve effectiveness of emergency responses by improving backup systems and holding drills.
Operations Risk	Risk that customers may suffer service disruptions, as well as the risk that customers or the group may incur losses because senior executives or employees fail to fulfill their tasks properly, cause accidents or otherwise act improperly.	Establish clearly defined procedures for handling operations. Periodically check the status of operational processes. Conduct training and development programs by headquarters. Introduce information technology, office automation and centralization for operations. Improve the effectiveness of emergency responses by holding drills.
Legal Risk	Risk that the group may incur losses due to violation of laws and regulations, breach of contract, entering into improper contracts or other legal factors.	Review and confirm legal issues, including the legality of material decisions, agreements and external documents, etc. Collect and distribute legal information and conduct internal training programs. Analyze and manage issues related to lawsuits.
Human Resources Risk	Risk that the group may incur losses due to drain or loss of personnel, deterioration of morale, inadequate development of human resources, inappropriate working schedule, inappropriate working and safety environment, inequality or inequity in human resource management or discriminatory conduct.	Conduct employee satisfaction surveys. Understand the status of working hours. Understand the status of vacation days taken by personnel. Understand the status of voluntary resignations. Understand the status of the stress check system.
Tangible Asset Risk	Risk that the group may incur losses from damage to tangible assets or a decline in the quality of working	Manage the planning and implementation of construction projects related to the repair and replacement of facilities.

	environment as a result of disasters, criminal actions or defects in asset maintenance.	Identify and evaluate the status of damage to tangible assets caused by natural disasters, etc., and respond appropriately to such damage.
Regulatory Change Risk	Risk that the group may incur losses due to changes in various regulations or systems, such as those related to law, taxation and accounting.	Understand important changes in regulations or systems that have significant influence on our business operations or financial condition in a timely and accurate manner. Analyze degree of influence of regulatory changes and establish countermeasures. Continuously monitor our regulatory change risk management mentioned above.
Reputational Risk	Risk that the group may incur losses due to damage to our credibility or the value of the Mizuho brand when market participants or others learn about, or the media reports on, various adverse events, including actual materialization of risks or false rumors.	Establish framework to identify and manage, on an integrated basis, information that may have a serious impact on group management and respond to such risk in a manner appropriate to its scale and nature. Swiftly identify rumors and devise appropriate responses depending on the urgency and possible impact of the situation to minimize possible losses.

We also recognize and manage Information Security Risk and Compliance Risk, which constitute a combination of more than one of the above components of operational risk, as operational risk.

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Measurement of operational risk equivalent

Implementation of the AMA/Advanced Measurement Approach (AMA)

We have adopted the AMA for the calculation of operational risk equivalent in association with capital adequacy ratios based on Basel Regulation. However, we use the Basic Indicator Approach for entities that are deemed to be less important in the measurement of operational risk equivalent. Entities within our group that use the AMA include the following: Mizuho Financial Group; Mizuho Bank., Ltd., Mizuho Trust & Banking Co., Ltd.; Mizuho Securities; Mizuho Information & Research Institute Corporation Inc.; Trust & Custody Services Bank Ltd.; Mizuho Operation Service, Ltd.; Mizuho Credit Guarantee Co., Ltd.; Mizuho Business Service Co., Ltd.; Mizuho Trust Operations Co., Ltd.; Mizuho Trust Systems Co., Ltd.; Mizuho Trust Business Operations Co., Ltd.; Mizuho Trust Retail Support Co., Ltd.; Mizuho Bank Europe N.V.; and Mizuho International plc.

The measurement results under the AMA are used not only as the operational risk equivalent in the calculation of capital adequacy ratios based on Basel Regulation, but also as operational VAR for internal risk management purposes for implementing action plans to reduce operational risk, etc.

Outline of the AMA

Outline of measurement system

We have established the model by taking account of four elements: internal loss data; external loss data; scenario analysis and business environment; and internal control factors (BEICFs). We calculate the operational risk amount by estimating the maximum loss, using a 99.9th percentile one-tailed confidence interval and a one-year holding period, etc., as operational risk equivalent, employing both internal loss data (i.e., actually experienced operational loss events) and scenario data to reflect unexperienced potential future loss events in the measurement.

In the measurement of operational risk equivalent as of March 31, 2018, we did not exclude expected losses and also did not recognize the risk mitigating impact of insurance. In addition, we did not take into account the events related to credit risk in measuring operational risk equivalent.

Outline of measurement model

Operational risk equivalent is calculated as a simple sum of those risk amounts related to the seven loss event types defined in the FSA s Capital Adequacy Notice, large-scale natural disasters and litigation. In the measurement of operational risk equivalent as of March 31, 2018, we did not reflect the correlation effects among operational risk related to each of the seven loss event types.

Operational risk by loss event type

Loss Distribution (Compound Poisson Distribution) Approach (LDA) is adopted for the calculation of operational risk. LDA is based on the assumption that Poisson Distribution applies to the occurrence frequency of operational risk events, and loss severity is expressed through a separate distribution. Operational risk is calculated for each of the seven loss event types employing both internal loss data, based on our actual experience as operational loss events and scenario data. Scenario data, expressed as numerical values of occurrence frequency and loss severity, reflects external loss data and BEICFs, in order to estimate unexperienced potential future loss events (of low frequency and high severity).

Frequency Distribution and Severity Distribution are estimated employing the above mentioned internal loss data and scenario data, and Monte-Carlo simulations are then applied to these distributions to measure operational risk. The detailed steps of creation of scenario data are explained later in Scenario Analysis.

Estimation of Frequency Distribution and Loss Severity Distribution

Frequency Distribution is estimated by applying information on occurrence frequency of both internal loss data and scenario data to Poisson Distribution. Loss Severity Distribution is generated as the result of combining, through a statistical approach (Extreme Value Theory), of the actual distribution for the low severity distribution portion created by internal loss data and another loss distribution (Log-normal Distribution or Generalized Pareto Distribution) for the high severity distribution portion created by scenario data.

Operational risk of large-scale natural disasters

Monte-Carlo simulation is applied to the datasets expressed as a combination of the probability of occurrence of large-scale natural disasters and the probable loss amount in case of such occurrence, as opposed to estimating Frequency Distribution and Loss Severity Distribution.

Operational risk of litigation

Each litigation is converted into data according to the profile of the individual litigation to which Monte-Carlo simulation is applied, as opposed to estimating Frequency Distribution and Loss Severity Distribution. In the measurement process, we assume that final decisions will be made on all litigation within one year.

Verification

We confirm the appropriateness of the measurement model by verifying it, in principle, semi-annually.

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Scenario Analysis

Outline of scenario analysis

In the process of scenario analysis, scenario data is created as numerical values of occurrence frequency and loss severity reflecting external loss data and BEICFs, in order to estimate unexperienced potential future operational risk events (of low frequency and high severity).

As for external loss data, we refer to data publicly reported by domestic and overseas media, and such data are reflected in the estimation of occurrence frequency and loss severity distribution in the process of scenario analysis. In addition, BEICFs are utilized as indices to adjust occurrence frequency and loss severity distribution in the process of scenario analysis.

We categorize scenario analysis into four approaches in accordance with the characteristics of each loss event type and risk management structures.

Approach	**Loss event type(s) to be applied**
A	Internal fraud / External fraud / Clients, products and business practices / Execution, delivery and process management
B	Employment practices and workplace safety
C	Damage to [physical/tangible] assets
D	Business disruption and system failure

At Mizuho Financial Group, loss event types to which Approach A is applied account for a considerable amount of operational risk. The detailed process of Approach A is explained below as a typical example of scenario analysis.

Setting units for scenario analysis

In order to ensure completeness and sufficiency, we set units that are commonly applied across group entities that adopt AMA (the Group Entities) by referencing and categorizing risk scenarios recognized through control self-assessment, internal loss data of the Group Entities and external loss data, etc. Then each of the Group Entities selects the unit on which scenario analysis is conducted from the units established on a group-wide basis in accordance with its business activities and operational risk profile.

Estimation of occurrence frequency

Basic occurrence frequency (once a year) is calculated for each scenario analysis unit. If a certain scenario analysis unit has relevant internal loss data of a pre-determined threshold amount or above, its basic occurrence frequency is calculated based on such data, and if not, the basic occurrence frequency (the occurrence frequency per year of losses at or above a pre-determined threshold) is calculated with reference to the situation of occurrence of internal loss data of less than the threshold amount and/or external loss data. The basic occurrence frequency is then adjusted within a pre-determined range for the purpose of reflecting the most recent BEICFs to determine the final occurrence frequency.

Estimation of loss severity distribution

In order to estimate loss severity distribution, we use a pre-determined series of severity ranges. Basic loss severity distribution is calculated for each scenario analysis unit as an occurrence ratio (in percentile figures) of loss at each severity range when losses at or above a pre-determined threshold occurred, with reference to transaction amount data, external loss data, etc. Then the basic severity distribution is adjusted, if necessary, from the viewpoint of statistical data processing to determine the final loss severity distribution.

Creation of scenario data

For each scenario analysis unit, scenario data is generated as a series of combinations of occurrence frequency per year at each severity range, based on the final occurrence frequency and the final loss severity distribution.