



**NEW YORK STATE BANKING DEPARTMENT**  
**CONSUMER SERVICES DIVISION**  
One State Street  
New York, NY 10004

**PUBLIC SUMMARY**

**COMMUNITY REINVESTMENT ACT  
PERFORMANCE EVALUATION**

**Date of Evaluation:** December 31, 2003

**Institution:** Mizuho Corporate Bank (USA)  
1251 Avenue of the Americas  
New York, NY 10020

**Note:** This evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Banking Department concerning the safety and soundness of this financial institution.

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## GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of Mizuho Corporate Bank (USA) (“Mizuho USA”) prepared by the New York State Banking Department. The evaluation represents the Banking Department’s current assessment and rating of the institution’s CRA performance based on an evaluation conducted as of December 31, 2003.

Section 28-b of the New York State Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Banks shall assess a banking institution’s record of helping to meet the credit needs of its entire community, including low and moderate income (“LMI”) areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Banking Board implements Section 28-b and further requires that the Banking Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate the performance. Part 76.5 further provides that the Banking Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

- (1) outstanding record of meeting community credit needs;
- (2) satisfactory record of meeting community credit needs;
- (3) needs to improve record of meeting community credit needs; and
- (4) substantial noncompliance in meeting community credit needs.

Part 76.5 further requires that the CRA rating and the written summary be made available to the public (“Evaluation”). Evaluations are primarily based on a review of performance tests and standards described in Part 76.7 and detailed in Parts 76.8 – 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York State Banking Law.

For explanation of technical terms used in this report, please consult the **GLOSSARY** at the back of this document.

## **OVERVIEW OF INSTITUTION'S PERFORMANCE**

### **Overall Rating**

Mizuho USA is rated "1," indicating an outstanding record of helping to meet community credit needs.

- The bank exhibited excellent responsiveness to the credit and community development needs of its assessment area. As of December 31, 2003, Mizuho USA's assessment area-based community development loans and qualified investments totaled \$49.4 million, of which \$39.5 million, or 80%, represented new commitments. These commitments supported affordable housing (51.2%), community services (13.3%), economic development (1.2%) and the revitalization and stabilization of LMI geographies (34.3%). These initiatives are considered responsive to community credit needs.
- During the evaluation period, the bank made 15 new loan commitments totaling \$29.9 million, with \$15.2 million outstanding as of December 31, 2003.
- During the evaluation period, Mizuho USA made 151 qualified investments totaling \$18.5 million, including \$9.6 million (51.9%) representing new money. The qualified investments include 127 grants totaling \$1.4 million.
- Mizuho USA provided a significant level of community development services through community development organizations that promote affordable housing, economic development, financial counseling, job training, and revitalization and stabilization.

This evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York State Banking Law and Part 76 of the General Regulations of the Banking Board.

## **PERFORMANCE CONTEXT**

### **Institution's Profile:**

Mizuho USA, headquartered in New York City, is a state-chartered wholesale banking institution that was established in December 2002 through the merger of Industrial Bank of Japan Trust Company with Fuji Bank and Trust Company. Mizuho USA is a wholly owned subsidiary of Mizuho Corporate Bank, Ltd., which is a wholly owned subsidiary of Mizuho Holdings, Inc., a bank holding company.

The bank serves a predominantly international corporate, governmental and institutional client base by providing commercial lending and leasing services. As a wholesale bank, Mizuho USA does not engage in retail banking.

The bank offers the following types of credit: commercial loans, letter of credit financing, commercial real estate loans and equipment lease financing. Mizuho USA also offers credit to community financial institutions and community organizations that support the needs of LMI individuals, and participate in commercial and industrial loan syndications or project financing for LMI housing developments in New York City. The bank extends credit to the State of New York, the City of New York and their agencies.

Mizuho USA's main office is located at 1251 Avenue of the Americas. The bank's Park Avenue branch closed in February 2003 and the bank's Whitehall branch relocated from One State Street to 530 Fifth Avenue in April 2003.

As of December 31, 2003, the bank reported total assets of \$3.1 billion, including \$1.5 billion (48% of total assets) in net loans. Total deposits reported as of the same date were \$1.7 billion, of which only 14% (\$239 million) were domestic deposits.

### *Description of Bank Holding Company's Consolidation and Business Structure, Affiliates and Prior Evaluations*

#### *Consolidation*

In April 2002, a financial services group, Mizuho Financial Group, Inc., was formed through the consolidation of three Japanese banks: Fuji Bank, Ltd., Dai-Ichi Kangyo Bank, Ltd. and Industrial Bank of Japan, Ltd. The consolidation, first announced in August 1999, resulted in the establishment of four major subsidiary institutions, including Mizuho Corporate Bank, Ltd. ("MCB"). MCB focuses its efforts on corporate finance, primarily serving large corporations, financial institutions and their group companies, public sector entities and overseas corporations, including subsidiaries of Japanese companies. The parent company, Mizuho Holdings, Inc., was ranked first worldwide in total assets with \$1.3 trillion as of December 31, 2001.

## *Affiliates*

The bank's affiliates include MCB, New York Branch, Mizuho Capital Markets Corporation and Mizuho Trust & Banking Co. (USA), which are also located in New York City. In addition, the bank established the Mizuho USA Foundation, Inc. in January 2003. Mizuho USA coordinates its CRA activities with these affiliates.

## *Prior Evaluations*

Mizuho USA has three predecessor banks that were subject to evaluation under the CRA. Activities that occurred after the last evaluation of each of the predecessor entities were reviewed during this evaluation. Industrial Bank of Japan Trust Company was last evaluated for CRA compliance by the Banking Department as of May 28, 1999 and received an overall rating of "Outstanding." IBJ Whitehall Bank & Trust Co. was evaluated as of December 31, 2000 and received an overall rating of "Satisfactory." The Fuji Bank and Trust Company was evaluated as of December 31, 2001 and received an overall rating of "Outstanding."

*There were neither legal nor financial impediments noted that would adversely impact the bank's ability to meet the credit needs of its community.*

## **Assessment Area:**

The bank's assessment area consists of the five counties (Bronx, New York, Kings, Queens and Richmond) of New York City, which is part of Primary Metropolitan Statistical Area ("PMSA") 5600.

Including 58 zero-income tracts, there are 2,217 census tracts in the assessment area, of which 279 (12.6%) are low-income tracts, 552 (24.9%) are moderate-income, 671 (30.3%) are middle-income and 657 (29.6%) are upper-income. The following chart provides a summary of the census tracts within the assessment area:

<b>Distribution of Census Tracts Within the Assessment Area</b>						
County	Zero-Income Tracts	Low-Income Tracts	Moderate-Income Tracts	Middle-Income Tracts	Upper-Income Tracts	Total Census Tracts
Bronx	14	117	99	72	53	355
Kings	15	100	271	250	147	783
New York	9	47	68	26	146	296
Queens	18	12	107	298	238	673
Richmond	2	3	7	25	73	110
<b>Total</b>	<b>58</b>	<b>279</b>	<b>552</b>	<b>671</b>	<b>657</b>	<b>2,217</b>

The assessment area appears reasonable based upon the location of the bank's branches and the nature of the bank's operations. There is no evidence that LMI areas are arbitrarily excluded.

*Demographic and Economic Data for the Assessment Area as a Whole\**

This information includes population, the dispersion of households or families throughout the area, the distribution of residents among the various census tract categories, the reported income level of these households, unemployment statistics and other related data.

Statistics utilized in this evaluation were derived from various sources. Demographic data, along with the 2003 U.S. Department of Housing and Urban Development ("HUD") estimates of median family income, are from the 2000 U.S. census data.

Population and Households: According to the 2000 U.S. census data, the total population in the assessment area was approximately eight million. There were about three million households, of which 1.2 million (39.2%) were located within LMI census tracts, and 595.3 thousand (19.7%) households had income below the poverty level.

Housing Units: There are 3.2 million housing units in the assessment area, of which 28.5% are owner-occupied, 68.8% are rental units, 39.1% are 1-4 family units and 5.6% are vacant units. In 2000, the weighted average median housing value was \$240.9 thousand and the average median age of the housing was 40 years.

Family Income: In 2000, there were 1.9 million families in the assessment area, of which almost 541 thousand (28.9%) were low-income families, about 298 thousand (16%) were moderate-income, approximately 312 thousand (16.7%) were middle-income and 718 thousand (38.4%) were upper-income families. Of the approximately 839 thousand LMI families, 521 thousand, or nearly 62%, lived in LMI tracts. These families accounted for 64% of all the families (808 thousand) living in LMI tracts. Based on estimates by HUD, the weighted average of median family income for MSA 5600 increased to \$51.9 thousand in 2003, from \$46.5 thousand based on the 2000 U.S. Census.

Unemployment Rates: According to the New York State Department of Labor, New York City's average unemployment rates were 7.9% in 2002 and 8.4% in 2003, which were higher than the state's average rates of 6.1% and 6.3%, respectively.

Business Demographic Data: According to a Dun and Bradstreet survey, in 2003, there were 490.4 thousand businesses in the area, of which 187.6 thousand (38.2%) were service providers, 87.6 thousand (17.9%) were in the retail trade, nearly 22.1 thousand (4.5%) in construction, 45.8 thousand (9.4%) in finance, insurance and real estate and 30.5 thousand (6.2%) in the wholesale trade.

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\* Please note that while percentage figures are based on exact numbers, absolute numbers pertaining to population and housing characteristics that are listed in the report have been rounded to the nearest decimal point.

*Demographic and Economic Data for Individual Counties Within the Assessment Area:*

The following is a listing of the charts attached which provide additional demographic and economic information related to each county within the bank's assessment area. Minor discrepancies in column or row totals are the result of rounding.

Chart 1: Mizuho USA Assessment Area Population and Family Income by County

Chart 2: Mizuho USA Assessment Area Housing Characteristics by County

Chart 3: Mizuho USA Assessment Area Business Demographic by County

**CHART # 1**

<b>MIZUHO USA ASSESSMENT AREA POPULATION AND INCOME CHARACTERISTICS BY COUNTY</b>																					
<b>COUNTY</b>	Total Population	Age 65 and over		Age 15 and less		Median Family Income(MFI)	HUD MSA MFI	# of Households	# of HH below poverty level		Total Families	Low Income		Moderate Income		Middle Income		Upper Income		LMI families in LMI tracts	
		#	%	#	%				#	%		#	%	#	%	#	%	#	%	#	%
<b>BRONX</b>	1,332,650	133,948	10.1	356,895	26.8	30,682	51,900	463,242	134,404	29.0	317,248	126,457	39.9	57,091	18.0	51,600	16.3	82,100	25.9	150,948	47.6
<b>KINGS</b>	2,465,326	282,658	11.5	587,575	23.8	36,188	51,900	881,006	211,538	24.0	588,870	199,851	33.9	100,237	17.0	98,099	16.7	190,683	32.4	206,724	35.1
<b>NEW YORK</b>	1,537,195	186,776	12.2	229,772	14.9	50,229	51,900	739,167	123,037	16.6	306,220	84,445	27.6	39,739	13.0	38,302	12.5	143,734	46.9	95,683	31.2
<b>QUEENS</b>	2,229,379	283,042	12.7	453,930	20.4	48,608	51,900	782,646	110,462	14.1	542,804	114,175	21.0	88,789	16.4	104,945	19.3	234,895	43.3	62,219	11.5
<b>RICHMOND</b>	443,728	51,433	11.6	100,675	22.7	64,333	51,900	156,416	15,815	10.1	114,667	15,965	13.9	12,568	11.0	19,274	16.8	66,860	58.3	4,983	4.3
<b>TOTAL A/A*</b>	8,008,278	937,857	11.7	1,728,847	21.6	48,158	51,900	3,022,477	595,256	19.7	1,869,809	540,893	28.9	298,424	16.0	312,220	16.7	718,272	38.4	520,557	27.8

\* Assessment Area

**CHART # 2**

<b>MIZUHO USA ASSESSMENT AREA HOUSING CHARACTERISTICS BY COUNTY</b>																			
<b>COUNTY</b>	Total Housing Units	1-4 family Units		Multifamily Units		Owner-Occupied Units (O-O)		O-O Units in Low-income Tracts		O-O Units in Mod-income Tracts		O-O Units in Mid-income Tracts		O-O Units in Upp-income Tracts		Rental Units		Vacant/ Boarded-up Units	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
<b>BRONX</b>	490,659	132,650	27.0	357,495	72.9	90,522	18.4	8,799	9.7	19,571	21.6	33,575	37.1	28,569	31.6	391,918	79.9	27,447	5.6
<b>KINGS</b>	930,866	455,859	49.0	474,122	50.9	238,290	25.6	10,032	4.2	67,293	28.2	94,577	39.7	66,388	27.9	670,996	72.1	50,139	5.4
<b>NEW YORK</b>	798,144	28,178	3.5	769,392	96.4	148,695	18.6	2,587	1.7	13,115	8.8	7,717	5.2	125,261	84.2	616,053	77.2	59,500	7.5
<b>QUEENS</b>	817,250	494,122	60.5	322,175	39.4	334,894	41.0	1,005	0.3	27,763	8.3	144,708	43.2	161,419	48.2	462,179	56.6	34,586	4.2
<b>RICHMOND</b>	163,993	141,014	86.0	22,645	13.8	99,732	60.8	489	0.5	3,162	3.2	11,958	12.0	84,114	84.3	59,962	36.6	7,652	4.7
<b>TOTAL A/A*</b>	3,200,912	1,251,823	39.1	1,945,829	60.8	912,133	28.5	22,911	2.5	130,903	14.4	292,535	32.1	465,750	51.1	2,201,108	68.8	179,324	5.6

\* Assessment Area

**CHART # 3**

<b>MIZUHO USA BUSINESS DEMOGRAPHICS BY COUNTY</b>											
<b>COUNTY AND ASSESSMENT AREA(A/A)</b>	Number of Businesses	Businesses with revenues of \$1 million or less		Businesses with revenues of more than \$1 million		Businesses not reporting revenues		Businesses with fewer than 50 employees		Operating from a single location	
		#	%	#	%	#	%	#	%	#	%
<b>BRONX</b>	37,871	24,644	65.1	1,855	4.9	11,372	30.0	27,926	73.7	34,750	91.8
<b>KINGS</b>	106,517	69,497	65.2	5,235	4.9	31,785	29.8	77,928	73.2	99,599	93.5
<b>NEW YORK</b>	221,146	131,056	59.3	23,366	10.6	66,724	30.2	163,025	73.7	190,918	86.3
<b>QUEENS</b>	101,919	65,521	64.3	5,435	5.3	30,963	30.4	73,999	72.6	94,685	92.9
<b>RICHMOND</b>	22,945	14,953	65.2	882	3.8	7,110	31.0	16,838	73.4	21,392	93.2
<b>Total A/A</b>	490,398	305,671	62.3	36,773	7.5	147,954	30.2	359,716	73.4	441,344	90.0

## PERFORMANCE TEST AND ASSESSMENT FACTORS

*The Banking Department evaluates the CRA performance of wholesale banks pursuant to the “community development test” as provided for in Part 76.11 of the General Regulations of the Banking Board. Performance criteria may include (1) the number and amount of community development loans, qualified investments or community development services; (2) the use of innovative or complex qualified investments, community development loans or community development services and the extent to which the investments are not routinely provided by private investors and (3) the banking institution’s responsiveness to credit and community development needs.*

This performance evaluation is based on a review of Mizuho USA’s lending, investment and service activities in its assessment area. The bank’s community development lending and investment activities were reviewed for 2002 and 2003 and include activities performed by its predecessor banks since their last evaluations.

### **I. Community Development Test**

Mizuho USA exhibits excellent responsiveness to credit and community development needs in its assessment area. As of December 31, 2003, the bank’s assessment area-based community development loans and qualified investments totaled \$49.4 million, of which \$39.5 million, or 80%, represented new commitments. Included in the total is a relatively high level of grants aggregating \$1.4 million, which further demonstrates the bank’s excellent level of responsiveness to community development needs.

The majority of the bank’s loans and investments (51.2%) supported affordable housing projects, and the next largest category supported was revitalization/stabilization (34.3%). Community service (13.3%) and economic development (1.2%) initiatives received lower levels of support. The bank’s new money commitments show a similar pattern.

Mizuho USA participates in community development initiatives primarily by working with intermediaries that serve its assessment area. The following table summarizes the bank’s portfolio of community development loans and investments:

<b>Community Development Loans and Qualified Investments as of December 31, 2003</b>					
<b>Type</b>	<b>Number of Commitments</b>	<b>Commitments \$ (000’s)</b>	<b>Percentage</b>	<b>Outstanding \$ (000’s)</b>	<b>Percentage</b>
Affordable Housing	35	25,310	51.2	16,016	51.6
Community Service	89	6,576	13.3	5,092	16.5
Economic Development	10	577	1.2	77	0.2
Revitalization/ Stabilization	34	16,925	34.3	9,825	31.7
<b>Total</b>	<b>168</b>	<b>49,388</b>	<b>100.0</b>	<b>31,010</b>	<b>100.0</b>

The following table shows new and outstanding commitments, segregated by community development category:

<b>New and Outstanding Commitments as of December 31, 2003</b>					
<b>Type</b>	<b>Number of Commitments</b>	<b>Commitments \$ (000's)</b>	<b>Percentage</b>	<b>Outstanding \$ (000's)</b>	<b>Percentage</b>
Affordable Housing	29	16,403	41.5	7,109	33.7
Community Service	89	6,576	16.7	5,092	24.1
Economic Development	10	577	1.5	77	0.5
Revitalization/ Stabilization	33	15,925	40.3	8,825	41.7
<b>Total</b>	<b>161</b>	<b>39,481</b>	<b>100.0</b>	<b>21,103</b>	<b>100.0</b>

- **Community Development Lending**

During the evaluation period, the bank made 15 new loan commitments totaling \$29.9 million, with \$15.2 million outstanding as of December 31, 2003. These commitments are considered responsive to community credit needs.

Following are examples of Mizuho USA's community development loans extended to intermediaries:

*Local Initiatives Support Corporation ("LISC")*

In 2003, the bank extended a \$4 million revolving line of credit to LISC for working capital purposes. LISC is a lending and development intermediary that provides pre-development, construction loans, donations and seed financing to not-for-profit community development corporations ("CDCs") engaged in affordable housing and economic development activities nationwide. LISC also provides training and technical support to CDCs and assists them in the development of businesses in low-income areas.

One of Mizuho USA's predecessor banks made a \$4 million term loan in 2000, with an outstanding balance of \$1 million as of December 31, 2003, to LISC for the development and construction of low-income housing in New York City. In addition, another predecessor bank maintained a \$5 million revolving line of credit extended in 2000 to LISC for economic development projects in New York City.

*Community Preservation Corporation ("CPC")*

The bank committed to a \$3.5 million revolving line of credit to CPC, with \$1.9 million outstanding as of the evaluation date. The facility was originally committed to in 1998 by one of the predecessor banks, and was restructured in 2003 by Mizuho USA to extend the

maturity date. CPC is a lending consortium that makes construction and permanent loans for the creation, rehabilitation and preservation of affordable housing throughout New York State. Banks that sponsor CPC provide secured financing, under revolving bank lines of credit, for housing construction and rehabilitation, as well as permanent financing through purchases of collateral trust notes backed by CPC mortgages.

#### *Low Income Investment Fund (“LIIF”)*

In 2003, Mizuho USA extended a \$2.5 million term loan to LIIF to finance its programs. LIIF is a national not-for-profit community development financial institution which funds LMI housing projects, daycare centers, small business start-ups, healthcare centers and job training programs. The bank extended the loan to LIIF for two years with a balloon repayment of principal at maturity to allow LIIF to leverage the fund to match the term of the loans made by the nonprofit organization.

#### *Neighborhood Housing Services of New York City (“NHS”)*

In 2003, Mizuho USA committed a \$1 million, two-year revolving line of credit to NHS for its investments in LMI communities and for working capital. NHS is a not-for-profit intermediary that creates and preserves affordable housing. NHS promotes increased investment in underserved and declining New York City neighborhoods through a broad range of lending, development/rehabilitation and homebuyer education and counseling initiatives.

#### *Structured Employment Economic Development Corporation (“SEED”)*

In 2003, the bank extended a \$3 million term loan to this national not-for-profit community development intermediary. SEED provides financial and technical assistance to community-based organizations and local “anchor” institutions working in partnerships to revitalize low-asset communities. SEED helps nonprofits revitalize communities by identifying anchor institutions, such as higher education or health care institutions, which work together with community groups towards common interests. The proceeds of the bank’s loan will benefit SEED’s innovative programs such as: the Community Health Centers Project, which seeks to bring affordable health-care facilities into LMI communities; the National Consumer Credit Education Initiative; and its innovative welfare to work initiative called “Earn Fair.”

#### • **Qualified Investments**

As of the evaluation date, the bank had 151 qualified investments totaling \$18.5 million, including \$9.6 million (51.9%) representing new money. New activities included 15 non-member share deposits with credit unions, two investments in certificates of deposit, an investment in a Low Income Housing Tax Credit (“LIHTC”) and an investment in a CRA qualified fund. The qualified investments include 127 grants totaling \$1.4 million. The following are examples of the bank’s qualified investments:

### *National Equity Fund (“NEF”)*

In 2000, one of the bank’s predecessors made a \$5 million LIHTC investment with NEF. NEF is one of the nation’s premier not-for-profit syndicators of tax-credit financed housing. NEF, acting as a conduit, organizes limited partnerships to purchase equity in community-based housing developments that qualify investors for the federal LIHTC. When a project is ready for development, a limited partnership is formed which includes the NEF, the sponsoring CDC and the capital investors. The NEF solicits investors and they make a non-refundable commitment to the fund over a certain number of years. Annual capital contributions are then made by the investors to the partnership and subsequently disbursed to the CDC, which uses the funds to purchase or rehabilitate low-income housing. Tax credits resulting from the project are distributed to the investors over a specified time period.

### *CRA Qualified Investment Fund (“Fund”)*

In 2001, one of the bank’s predecessors, invested \$2 million in this Fund made up of a diversified portfolio of CRA “qualified investments.” The Fund has allocated \$2 million of Fannie Mae’s mortgages to Mizuho USA. This pool is a targeted mortgage-backed security financing Capitol Apartments, an affordable housing complex in Manhattan. Approximately 90% of the renters in this apartment complex receive Section 8 housing subsidies.

### *Community Capital Bank (“CCB”)*

In 2003, Mizuho USA invested \$100 thousand in a certificate of deposit with CCB. CCB is an FDIC-insured special purpose bank, which provides financial services to underserved communities throughout New York City, including small businesses, women and minority entrepreneurs, developers of affordable housing and nonprofit organizations.

### *Bushwick Cooperative Federal Credit Union (“BCFCU”)*

In 2003, Mizuho USA made a \$75 thousand non-member share deposit in the BCFCU for three years. This credit union provides financial services to its members in the Bushwick community, which is among the most economically disadvantaged neighborhoods in New York City.

### *In-Kind Donations*

During the evaluation period, Mizuho USA made in-kind donations totaling \$261 thousand. In-kind contributions were donated to not-for-profit organizations and public agencies to support their community development efforts and may include surplus office equipment, computers and furniture. For example, the bank donated personal computers and monitors through *Per Scholas* for users with no access to technology. *Per Scholas*, based in a Bronx Federal Empowerment Zone, gathers and distributes computer equipment for LMI families and creates job opportunities for individuals with limited options.

- **Community Development Services**

Mizuho USA provided a significant level of community development services to community development organizations that promote affordable housing, economic development, financial counseling, job training, and revitalization and stabilization in its community. The bank's management and CRA staff serve on the advisory boards of most of these not-for-profit organizations.

The following is a description of some of the bank's community development service activities:

*NHS*

Officers of the bank have served or currently serve in various capacities in this not-for-profit organization. Mizuho USA is the sole funder of NHS' core educational program offered throughout New York City. In 2003, NHS' seven local offices and Homeownership Center held more than 120 seminars educating more than 2,100 residents on a range of topics designed to encourage first-time home ownership and home maintenance. Seminars are offered when needed in Spanish, Creole, Korean and Chinese.

*Enterprise Foundation ("EF")*

A member of the bank's board of directors serves on this community development intermediary's advisory board in a planning and fundraising capacity. EF is a leading community development intermediary and advises community-based organizations on how to develop and deliver efficient programs, better manage their low-income housing portfolios and create long-term growth plans. In 2003, with the bank's support, EF developed a Fall 2003 workshop-training calendar that outlines their session offerings and held 23 training programs.

*LISC*

The bank's CRA officer and assistant CRA officer serve on LISC's advisory board and sub-committee evaluating grant and loan requests.

*National Federation of Community Development Credit Unions ("Federation")*

The Federation assists community development credit unions ("CDCUs") expand their community impact by providing capital, technical assistance, education and training, regulatory assistance and special outreach programs. In 2002 and 2003, the Mizuho USA Foundation funded the Federation's creation of the "*Each one, Teach many: Financial Literacy Training Program.*" This bi-lingual program trains additional financial literacy instructors in assisting CDCUs improve their financial literacy programming. In 2003, the Federation instructed 216 CDCU trainers, who taught classes to more than 1,000 residents from LMI communities throughout the city.

In addition, the bank's CRA staff organizes volunteer programs designed to foster community service by Mizuho Financial Group employees in New York City. These programs involve not only employees of Mizuho USA, but also related companies including Mizuho Capital Markets Corporation, Mizuho Securities and Mizuho Trust and Banking. The following examples occurred in 2003:

- *Banking On Our Future:* In conjunction with Operation HOPE, several bank employees serve as "Banker-Teacher" volunteers, bringing financial literacy education to New York City school children by volunteering in classrooms. Operation HOPE operates nationwide seeking to bring economic self-sufficiency through education.
- *Banking on Youth Program:* A Mizuho USA employee participated in the Banking on Youth Program, a summer financial literacy program for youths, which was organized by the Federal Reserve Bank of New York, the FDIC, and the New York City Department of Youth and Community Development. This program educates young people in financial literacy, and introduces them to banking services.

## **II. Discrimination or Other Illegal Practices**

### **Any practices intended to discourage applications for types of credit set forth in the banking institution's CRA Public File.**

No practices were noted that were intended to discourage applications for the types of credit offered by the institution.

### **Evidence of prohibited discriminatory or other illegal credit practices.**

During this evaluation period, no evidence of prohibited discriminatory or other illegal credit practices were noted. The most recent regulatory compliance examination conducted concurrently with this assessment indicated a satisfactory performance in terms of adherence to antidiscrimination or other applicable laws and regulations.

## **III. Other Factors**

### **Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking institution.**

Mizuho USA ascertains the credit needs of its community in a variety of ways. The bank's community relations unit maintains contact with community organizations to ascertain community credit needs and opportunities for bank services to meet these needs. Bank employees actively participate in various community development organizations and management meets with local government officials, community group representatives and other financial institutions. In addition, the CRA staff attends CRA-seminars and makes regular visits to low-income neighborhoods in New York City.

**The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution.**

Mizuho USA markets its special credit-related programs through meetings with financial intermediaries, local government, not-for-profit organizations and local and Japanese media. This approach is consistent with the bank's status as a wholesale institution.

In addition, the Mizuho USA Foundation identifies not-for-profit organizations through both proactive outreach and proposal submissions. In an effort to promote awareness of its activities, the Foundation provides its listing information to local directories for grant seekers.

**The extent of participation by the banking institution's board of directors in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act.**

The bank maintains a CRA policy, which establishes the formal framework for the activities of the program. The policy is approved annually by the board of directors and amended as necessary.

The board discusses CRA policies and procedures at most meetings, and the president and executive vice president are actively involved in the execution of the bank's CRA activities. Mizuho USA also maintains a comprehensive CRA statement, approved annually by the Board of Directors.

Mizuho USA has a standing CRA Committee, which meets monthly and is comprised of board members, management, additional staff and the CRA officer. This committee is responsible for developing and reviewing policies, implementing financing opportunities, and making decisions on specific CRA programs, donations, loans and investments.

**Other factors that in the judgement of the Superintendent and Banking Board, bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.**

In 2002, at its annual breakfast, NHS honored the bank's CRA officer for volunteer service. At NHS' annual gala, Mizuho USA's current and former presidents were honored for the predecessor banks' long support of NHS.

In early 2004, Mizuho USA received Common Ground's Corporate Partner award for the bank's long support of the organization.

The general manager of the bank's America division was honored with the Financial Services Partnership for Youth program leadership award in early 2004.

Mizuho USA organized employee teams for lunchtime meal servings at the Encore Social Services soup kitchen benefiting low-income senior citizen residents. Approximately 60 volunteers served meals every Tuesday and Wednesday.

In December, during its holiday gift drive, Mizuho USA employees donated more than 300 gifts for young people in the New York City foster care system.

## GLOSSARY

### Community Development

The term “community development” is defined to mean:

1. Affordable housing (including multifamily housing) for low- or moderate-income (“LMI”) individuals;
2. Community services targeted to LMI individuals;
3. Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration (“SBA”) Development Company or Small Business Investment Company programs, or have gross annual incomes of \$1 million or less;
4. Activities that revitalize or stabilize LMI geographies; and
5. Activities that seek to prevent defaults and/or foreclosures in loans included in (1) and (3), above.

A “community development loan” is defined as a loan that has as its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving low or moderate income (“LMI”) persons;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;
- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

A “qualified investment” is defined as a lawful investment, deposit, membership share or grant that has as its *primary purpose* community development. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;

- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;
- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women’s centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

A “community development service” is defined as a service that has as its *primary purpose* community development, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM “Training Machines” available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
  - ❖ Serving on a loan review committee;
  - ❖ Developing loan application and underwriting standards;
  - ❖ Developing loan processing systems;
  - ❖ Developing secondary market vehicles or programs;
  - ❖ Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
  - ❖ Furnishing financial services training for staff and management;
  - ❖ Contributing accounting/bookkeeping services; and

- ❖ Assisting in fund raising, including soliciting or arranging investments.

### **Low or Moderate Income (“LMI”) Geographies**

Those census tracts or block numbering areas (“BNAs”), where according to the 1990 US Census, the median family income is less than 80% of the area median family income. In the case of tract areas that are part of a Metropolitan Statistical Area (“MSA”) or Primary Metropolitan Statistical Area (“PMSA”), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of BNAs and tract areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

### **LMI Individuals/Persons**

Those individuals, whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by the U.S. Department of Housing and Urban Development (“HUD”).

### **Wholesale Institution**

The term “wholesale institution” means a banking institution that is not in the business of extending home mortgage, small business, small farm or consumer loans to retail customers, and for which a designation as a wholesale banking institution by the appropriate Federal regulatory authority is in effect. When evaluating a wholesale institution’s CRA performance, the Banking Department looks primarily at its record of helping to meet the credit needs of its assessment are through community development lending, qualified investments and community development services.