



**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, 2007

**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”) 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, 2007.

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. Section 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.

Section 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 Section 76.7 and detailed in Sections 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 is rated "1," indicating an outstanding record of helping to meet community credit needs.

- Mizuho exhibited an excellent responsiveness to the credit and community development needs of its assessment area. During the evaluation period, Mizuho's community development loans and qualified investments, including grants, totaled \$79.8 million, of which \$20.6 million, or 25.9%, represent new commitments. These commitments supported affordable housing (40.9%), community service (3.1%), economic development (23.5%) and the revitalization and stabilization of LMI geographies (32.5%).
- During the evaluation period, Mizuho's community development loans totaled \$58.7 million, including \$19.5 million or 33.2% in new money.
- During the evaluation period, Mizuho's qualified investments, including grants, totaled \$21.0 million, an increase of 13.5% since the prior evaluation. These investments were placed with nonprofit intermediaries that provide multiple community development services.
- Mizuho provided a significant level of community development services through community development organizations that promote affordable housing, economic development, financial counseling and job training.

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:**

Established in December 2002, through the merger of The Industrial Bank of Japan Trust Company with Fuji Bank and Trust Company, Mizuho is a New York State chartered, FDIC-insured, commercial bank. Mizuho is a wholly owned subsidiary of Mizuho Corporate Bank Ltd., which is a wholly owned subsidiary of Mizuho Holdings Inc., a bank holding company.

Mizuho is a wholesale commercial bank that focuses primarily on serving an international, institutional and government client base providing commercial lending and leasing services. It is not in the business of originating or purchasing residential mortgages, housing rehabilitation, home improvement, small business or small farm loans to retail customers, except as an accommodation to its existing clients. Accordingly, in 1996, the Federal Deposit Insurance Corporation ("FDIC") designated Mizuho's predecessor, Fuji Bank and Trust Co. as a wholesale institution for purposes of its evaluation under the CRA. This designation remains intact for Mizuho.

As of December 31, 2007, Mizuho reported total assets of \$2.9 billion, including net loans and leases of \$2.5 billion. Its total deposits amounted to \$1.5 billion, of which \$112 million were domestic deposits. Mizuho's total assets decreased by 6.5% since the prior CRA evaluation conducted as of December 31, 2005.

Mizuho's principal office is located at 1251 Avenue of the Americas. It has not opened or closed any branches since the previous CRA evaluation.

Mizuho coordinates its CRA activities with its affiliate, Mizuho USA Foundation, Inc. ("the Foundation"). The Foundation's primary mission is to support non-profit organizations that sustain and improve the quality of life in urban communities, particularly New York City.

At its prior Performance Evaluation conducted by the New York State Banking Department as of December 31, 2005, Mizuho was rated "1," reflecting an outstanding record of helping to meet community credit needs.

There are no known legal or financial impediments noted that would adversely impact Mizuho's ability to meet the credit needs of its assessment area.

### **Assessment Area:**

Mizuho's assessment area includes the five counties of New York City: Bronx, Kings, New York, Queens and Richmond. This area consists of 2,217 census tracts, 939 or 42.4% of which are considered to be LMI.

The assessment area appears reasonable based upon Mizuho's location and designation as a wholesale institution. There is no evidence that LMI areas are arbitrarily excluded.

## **PERFORMANCE TEST AND ASSESSMENT FACTORS**

*Mizuho's performance was evaluated according to the community development performance criteria for wholesale banking institutions, which include the following: (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 these investments are not routinely provided by private investors; and (3) the banking institution's responsiveness to credit and community development needs.*

This Performance Evaluation incorporates a review of Mizuho's community development activities for the period from January 1, 2006, through December 31, 2007. In accordance with Part 76 regulations, examiners also reviewed investments made by the bank to support recovery efforts in a designated disaster area.

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

Mizuho's community development activities demonstrate excellent responsiveness to the credit and community development needs of its assessment area. It participates in community development initiatives primarily by working with intermediaries that serve its assessment area.

During the evaluation period, Mizuho's assessment area-based community development loans and qualified investments, including grants, totaled \$79.8 million, a decrease of \$37.5 million, or 32%, since the prior evaluation. The decrease was primarily due to a significant decrease in commitments.

Mizuho's community development lending and investment activity within its assessment area is summarized below:

<b>Community Development Activity – 1/1/06 through 12/31/07</b>					
<b>Type</b>	<b>Number of Commitments</b>	<b>Commitment Amount (in \$000's)</b>	<b>Percentage</b>	<b>New Money (in \$000's)</b>	<b>Percentage</b>
Affordable Housing	21	32,607	40.9	12,704	61.5
Community Service	24	2,441	3.1	2,441	11.8
Economic Develop.	12	18,957	23.5	5,258	25.5
Revitalization/Stabilization	11	25,945	32.5	245	1.2
<b>Total</b>	<b>67</b>	<b>79,751</b>	<b>100.0</b>	<b>20,648</b>	<b>100.0</b>

A more detailed description of Mizuho's community development activity is provided below:

- **Community Development Lending**

During the evaluation period, Mizuho's community development loans totaled \$58.7 million including \$19.5 million or 33.2% in new money. This represented a 40.6% decline since the prior evaluation period's total commitments of \$98.8 million. The primary reason for the decrease was due to the reduction in a line of credit extended to a power company that was damaged by Hurricane Katrina.

Mizuho's community development loans were made to promote affordable housing, economic development, community service and projects that revitalize or stabilize neighborhoods in the assessment area.

Examples of Mizuho's community development lending are as follows:

**Common Ground Community HDF Inc.:** Mizuho extended \$1 million and \$3.0 million revolving lines of credit in 2006 and 2007, respectively, to this organization. Common Ground was established in 1990 with the mission to solve homelessness through innovative programs that transform people, buildings and communities. Common Ground has become a leader in the development of exceptionally designed housing for low-income and formerly homeless adults. Common Ground offers on-site social services to promote mental health and wellness and helps tenants regain independence. It has become the nation's largest developer of supportive housing, addressing the needs of chronic homelessness, people with mental and/or medical disabilities, the elderly, youth aging out of foster care at risk of homelessness, people leaving incarceration, veterans and families.

**Enterprise Community Loan Fund ("ECLF"):** Mizuho extended a \$2.0 million revolving line of credit to ECLF in December 2007. ECLF is Enterprise Community Partners' lending arm, and provides innovative financial products and technical assistance to support nonprofit organizations in the acquisition, development and rehabilitation of decent, affordable housing for LMI families and the revitalization of their communities.

**Neighborhood Housing Services of New York City ("NHS"):** Mizuho extended a \$1.5 million revolving line of credit in November 2007 to NHS. NHS is a nonprofit housing organization serving New York City. NHS revitalizes underserved neighborhoods by creating and preserving affordable housing and providing opportunities for homeownership education, financial assistance and community leadership.

**New York City Acquisition Fund LLC ("the Fund"):** Mizuho extended a \$5.0 million revolving line of credit to this fund in August 2006. The Fund is a major citywide affordable housing initiative established through partnership with the City of New York, major foundations, nonprofit organizations, and New York's banking industry to meet an acute need for acquisition and predevelopment financing for affordable housing.

**Primary Care Development Corporation (PCDC):** Mizuho extended a \$2.0 million revolving line of credit in December 2007. PCDC began in 1993 when the New York City government, private and philanthropic sectors came together to address the lack of primary

and preventive healthcare in economically distressed communities. PCDC's mission is to expand and enhance primary and preventive healthcare in medically underserved communities. PCDC offers low-cost financing and strategic advice to guide each project to successful completion, as it strives to ensure that everyone has access to timely patient-focused and effective care.

**Seedco Financial Services ("SFS"):** Mizuho extended a \$5.0 million revolving line of credit to SFS in December 2007. SFS is a national nonprofit organization that provides affordable financing and comprehensive technical assistance to nonprofit and for profit organizations situated in economically distressed and traditionally underserved communities. SFS is certified as a CDFI by the U.S. Department of Treasury, and is a wholly owned subsidiary of Seedco, a national intermediary that creates opportunities for low-wage earners and their families.

**Mississippi Power Company ("MPC"):** Mizuho's commitment to MPC to help fund Hurricane Katrina-related expenses was reduced to \$24.2 million from \$70 million.

- **Qualified Investments**

Mizuho's qualified investments totaled \$21.0 million during the evaluation period, an increase of 13.5% since the prior evaluation's total of \$18.5 million. Most of Mizuho's investments were placed with nonprofit intermediaries whose missions focus on community development objectives. Approximately 82% of the qualified investments support affordable housing in its assessment area and 17% promote economic development. Included in this activity are 48 grants totaling \$1.0 million.

Examples of Mizuho's qualified investments are shown below:

**Community Preservation Corporation ("CPC"):** Mizuho maintained its \$3.5 million commitment to purchase collateral trust notes from CPC. CPC is a private nonprofit mortgage lender that makes construction and permanent loans to create, rehabilitate and/or preserve affordable housing in LMI neighborhoods. CPC securitizes its loans and sells the securities as collateralized trust notes.

**CRA Qualified Investment Fund:** Mizuho has invested \$3 million in this fund, which is a mutual fund that invests in community development projects.

- **Community Development Services**

Mizuho's executives and officers are actively involved as volunteers and leaders in community development organizations that provide extensive community development services such as affordable housing seminars, job training programs and financial literacy programs to LMI people and in LMI geographies.

The following are examples of Mizuho's community development services:



**Neighborhood Housing Services of New York City:** Mizuho's CEO is on NHS' Advisory Board; the CRA officer serves on NHS' Board of Directors and is a member of the Nominating Committee; the assistant CRA officer is a member of NHS' Resource Development Committee, which oversees all initiatives to obtain donations.

**Enterprise Community Partners:** A member of Mizuho's Board of Directors and the CEO serve on the Advisory Board of this organization. The CEO is also a member of its loan committee.

**Local Initiatives Support Corporation:** The CRA officer serves on the Advisory Committee and the assistant CRA officer serves on the loan/grant committee of this organization.

**Low Income Investment Fund:** The CRA officer serves on the Advisory Committee of this group.

**Neighborhood Opportunities Fund:** The CRA officer serves on this fund's Donor Committee.

**New York City Workforce Development Funders Group:** The CRA officer serves as a member of this group, whose mission is to improve workforce development in New York City.

**Urban Pathways:** The community relations officer is on the Young Professionals Board and Fundraising Committee of this organization.

## **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.**

There were no practices 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.**

The compliance examination of Mizuho conducted concurrently with this evaluation indicates a satisfactory performance in terms of adherence to antidiscrimination or other applicable laws and regulations. No evidence of prohibited discriminatory or other illegal credit practices was noted.

### **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's Community Relations unit and the CRA staff are responsible for identifying and responding to the needs of its community through a range of Mizuho's resources and activities. They are in constant contact with community organizations, regularly ascertaining community credit needs and the opportunities to meet these needs through the services offered by Mizuho. The CRA compliance staff members regularly make site visits to low-income neighborhoods within its assessment area. Numerous meetings are conducted with representatives of community groups, not-for-profit organizations, government and other financial institutions to determine the financial needs within LMI communities in New York City. Some of the organizations include New York City Affordable Housing Acquisition Fund, Habitat for Humanity New York and Common Ground. In addition, the CRA staff attend CRA-related seminars and monitor research and media for relevant information about community needs.

**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's marketing of community development financing is done directly through the meetings with financial intermediaries, government agencies and officials, and not-for-profit organizations. It advertises with local and Japanese media to exhibit support of local community groups.

In addition, Mizuho's affiliate, the Mizuho USA Foundation, identifies not-for-profit organizations to support with grants through both proactive outreach activities as well as through unsolicited proposal submissions. Outreach includes participation in community events, including purchasing journal advertisements for the annual galas of community organizations.

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

The board of directors oversees Mizuho's CRA compliance through the annual review of its CRA policy and program. Mizuho's CRA officer makes a semi-annual formal presentation to the board, providing a comprehensive report on CRA activities. The CRA activity report gives the board an opportunity to ask questions about and offer suggestions for further enhancement of the CRA program. In addition, the board communicates with the CRA compliance staff regarding CRA issues on an ongoing basis, outside of the scheduled presentation.

**Other factors that in the judgment 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.**

Mizuho's employees serve its community by participating in various activities conducted by nonprofit organizations. These activities include the following:

- Approximately 60 employees participate on a regular basis in the meal-serving program for low-income senior citizens administered by Encore Community Services.
- During the 2006-2007 school year, 16 employees participated in Everybody Wins' Power Lunch program. This program is a reading/mentoring program for students in nearby elementary schools.

## **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 tracted 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 tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide nonmetropolitan 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 nonmetropolitan 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.