



**NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
CONSUMER PROTECTION AND FINANCIAL ENFORCEMENT
DIVISION**

One State Street
New York, NY 10004

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: June 30, 2018

Institution: Mizuho 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 Department of Financial Services 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 Bank (USA) (“Mizuho” or the “Bank”) prepared by the New York State Department of Financial Services (“DFS” or the “Department”). This evaluation represents the Department’s current assessment and rating of the institution’s CRA performance based on an evaluation conducted as of June 30, 2018.

Section 28-b of the New York Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Financial Services 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 Superintendent (“GRS”) implements Section 28-b and further requires that the 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 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 in 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 (“Evaluation”) be made available to the public. Evaluations of banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 through 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York Banking Law.

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

OVERVIEW OF INSTITUTION'S PERFORMANCE

Overall CRA Rating: "Outstanding"

DFS evaluated Mizuho's performance according to the community development test for wholesale or limited purpose banking institutions pursuant to Section 76.11 of the GRS. The assessment period covered April 1, 2016 through June 30, 2018. The Bank is rated "Outstanding," or "1." This rating means the Bank had an outstanding record of helping to meet community credit needs.

This rating is based on the following factors:

Community Development Test: "Outstanding"

Overall, Mizuho's community development performance demonstrated excellent responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, considering the Bank's capacity and the need and availability of such opportunities for community development in its assessment area.

Community Development Lending: "Outstanding"

During the evaluation period, Mizuho originated \$105.7 million in new community development loans, and had \$2.5 million outstanding from prior evaluation periods. When annualized, the total community development lending activities represent 0.9% of total average assets during the evaluation period, which favorably compared with the prior evaluation performance of 0.5%. In response to a significantly increasing need for affordable housing in New York City, 48.1% of the Bank's community development lending supported the need for affordable housing in New York City.

Community Development Qualified Investments: "Satisfactory"

During the evaluation period, Mizuho made \$750,000 in new community development investments, and had \$26.6 million outstanding from prior evaluation periods. The Bank also made \$1.3 million in community development grants. When annualized, the total level of qualified investment activities of \$28.6 million represented 0.2% of total average assets, which was the same as the prior period. The Bank's new investment activities consisted of two deposits made to community development financial institutions.

Community Development Services: "Outstanding"

During the evaluation period, in addition to the increased participation in technical assistance and financial education services by employees, the Bank's senior officers participated on boards and committees of community organizations that provide fundraising and strategic planning assistance in the Bank's assessment area.

Innovative or Complex Practices

Mizuho demonstrated an excellent level of innovative or flexible community development practices in its assessment area through flexible lending facilities, annual financial education initiatives and the Mizuho USA Foundation outreach program.

Responsiveness to Credit and Community Development Needs: “Outstanding”

Mizuho demonstrated an excellent level of responsiveness to credit and community development needs. The Bank’s CRA initiatives were directed toward the key community challenges in the New York City area, such as the affordable housing crisis, income disparities, the high costs impacting small businesses, inadequate health care, and the lack of social services provided to LMI neighborhoods.

This Evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York Banking Law and Part 76 of the GRS.

PERFORMANCE CONTEXT

Institution Profile

Mizuho is a New York State-chartered bank headquartered in New York City. It is a subsidiary of Mizuho Americas LLC, a member of the Mizuho Financial Group of Japan. Effective December 31, 2017, Mizuho merged with Mizuho Trust & Banking Co. (USA) under the Mizuho Bank (USA) name.

The Bank focuses its business upon corporate financial products and services including letter of credit financing, lease financing, and commercial banking accounts. Following the merger, the Bank began offering institutional custody services, fund administration, and agent securities lending, primarily to Japanese corporate clients.

In its Consolidated Report of Condition and Income (“Call Report”) as of June 30, 2018 filed with the Federal Deposit Insurance Corporation (“FDIC”), Mizuho reported total assets of \$5.4 billion, of which \$4.3 billion were net loans and lease financing receivables, and total deposits of \$3.2 billion. Since the prior evaluation, the Bank’s total assets declined by 15.6%, from \$6.4 billion to \$5.4 billion, due in part to a decline in corporate loans, while the asset mix remained relatively consistent. According to the latest available comparative deposit data as of June 30, 2017, the Bank had a market share of 0.25% or \$3.2 billion in a market of \$1.3 trillion, ranking it 29th among 111 deposit-taking institutions in the assessment area.

The following is a summary of the Bank’s loan portfolio, based on Schedule RC-C of the Bank’s December 31, 2016, 2017, and June 30, 2018 Call Reports:

TOTAL GROSS LOANS OUTSTANDING						
Loan Type	12/31/2016		12/31/2017		6/30/2018	
	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	4,695	0.1	4,328	0.1	3,786	0.1
Commercial & Industrial Loans	2,560,465	47.9	1,975,257	47.2	1,731,423	40.0
Commercial Mortgage Loans	35,623	0.7	117,202	2.8	116,211	2.7
Construction Loans	82,426	1.5	0	0.0	0	0.0
Obligations of States & Municipalities	46,512	0.9	0	0.0	0	0.0
Loans to Banks in Foreign Countries	269,981	5.0	80,297	1.9	55,000	1.3
Loans to Non-depository Financial Institutions	1,217,657	22.8	1,055,452	25.2	1,493,322	34.5
Lease Financing	1,132,136	21.2	951,938	22.7	926,105	21.4
Total Gross Loans	5,349,495		4,184,474		4,325,847	

As illustrated in the above table, Mizuho is primarily engaged in corporate finance

which includes commercial and industrial loans (40%), lease financing (21.4%), and lending to non-depository financial institutions (34.5%). Mizuho does not extend home mortgages, small business, or consumer credit to retail customers.

Examiners did not find evidence of financial or legal impediments that had an adverse impact on Mizuho's ability to meet the credit needs of its community.

Assessment Area

During the evaluation period, the Bank's assessment area consisted of the five boroughs of New York City, which includes New York, Kings, Richmond, Queens, and Bronx counties. The assessment area was unchanged from the prior evaluation.

There are 2,167 census tracts in the area, of which 347 are low-income, 608 are moderate-income, 631 are middle-income, 515 are upper-income, and 66 are tracts with no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Bronx	7	160	90	56	26	339	73.7
Kings	14	115	280	211	141	761	51.9
New York	15	44	51	20	158	288	33.0
Queens	27	24	176	308	134	669	29.9
Richmond	3	4	11	36	56	110	13.6
Total	66	347	608	631	515	2,167	44.1

The assessment area appears reasonable based upon the location of the Bank's offices and its lending patterns. There is no evidence that the Bank has arbitrarily excluded LMI areas.

Demographic & Economic Data

The assessment area had a population of 8.4 million during the evaluation period. Approximately 12.7% of the population was over the age of 65 and 19% was under the age of sixteen.

Of the 1,865,277 families in the assessment area, 32.6% were low-income, 16.3% were moderate-income, 15.7% were middle-income and 35.5% were upper-income. There were 3,113,535 households in the assessment area, of which 19.4% had income below the poverty level and 4.1% were on public assistance. The weighted average median family income in the assessment area was \$70,541.

There were 3,422,225 housing units within the assessment area, of which 39.4% were

1-4 family units, and 60.4% were multifamily units. A majority (62%) of the area’s housing units were rental-occupied units, while 29% were owner-occupied units. Of the 991,350 owner-occupied housing units, 24.2% were in LMI census tracts while 75.6% were in middle- and upper-income census tracts. The median age of the housing stock was 69 years, and the median home value in the assessment area was \$536,278.

There were 509,507 non-farm businesses in the assessment area. Of these, 85.9% were businesses with reported revenues of less than or equal to \$1 million, 7.3% reported revenues of more than \$1 million, and 6.8% did not report their revenues. Of all the businesses in the assessment area, 96.9% were businesses with less than fifty employees while 91.1% operated from a single location. The largest industries in the area were services (47.5%), retail trade (15.7%), and finance, insurance and real estate (9.6%); 9.6% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, the unemployment rate for New York State gradually declined from 4.8% to 4.5% during the evaluation period. All counties in the assessment area also showed improved unemployment rates.

Assessment Area Unemployment Rate						
	Statewide	Bronx	Kings	New York	Queens	Richmond
2016	4.8	7.1	5.3	4.5	4.5	5.2
2017	4.7	6.2	4.6	4.0	4.0	4.6
2018 (6-month Average)	4.5	5.7	4.2	3.7	3.6	4.1

Community Information

Examiners interviewed a nonprofit community organization for this evaluation. The contact was a national community development financial institution (“CDFI”) that supports community development corporations in more than thirty localities in the United States. Headquartered in New York City, the organization has nearly four decades of experience developing the infrastructure of community-based organizations by providing technical and financial assistance; building the capacity of local institutions to respond to changing community needs; sharing best practices to maximize precious resources; and brokering collaboration among its vast network of partners to address issues on the community level. The contact indicated that the strong economic performance of New York City does not necessarily mean that economic benefits are filtering down to LMI New Yorkers. While unemployment in New York City has reached low levels and private sector job growth is strong, there is less private sector job growth in lower-wage industries. There is an increase in rents and asset prices across the city, putting strain on LMI renter households, who make up the majority of New York City residents. The contact suggested that there are many industry participants that create networks for community development groups to interact with financial institutions and national and local CDFIs that provide numerous lending and investment opportunities for local financial institutions.

PERFORMANCE TEST AND ASSESSMENT FACTORS

DFS evaluated Mizuho under the wholesale banking institution performance standards pursuant to the “community development test,” as provided in Section 76.11 of the GRS. Performance criteria 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 investments are not routinely provided by private investors; and (3) the banking institution’s responsiveness to credit and community development needs.

In addition, the following factors are also considered in assessing Mizuho’s record of performance: the extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance; any practices intended to discourage credit applications; evidence of prohibited discriminatory or other illegal credit practices; the Bank’s record of opening and closing offices and providing services at offices; process factors such as activities to ascertain credit needs; and the extent of marketing and special credit related programs. Finally, the evaluation considered other factors as delineated in Section 28-b of the New York Banking Law that reasonably bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.

The evaluation period covered April 1, 2016 through June 30, 2018.

At its **prior** Performance Evaluation, as of March 31, 2016, DFS assigned Mizuho a rating of “1” reflecting an “Outstanding” record of helping to meet community credit needs.

Current CRA Rating: “Outstanding”

Community Development Test: “Outstanding”

Mizuho’s community development performance demonstrated excellent responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, considering the Bank’s capacity and the need and availability of such opportunities for community development in its assessment area.

Consistent with the prior evaluation, Mizuho’s community development activities were directed primarily to well-established CDFIs and nonprofit organizations responding to the increasing credit needs for affordable housing and small businesses in New York City. In addition to partnering with organizations with strong local networks and deep expertise in identifying and responding to community needs, the Bank conducted a wide range of activities to ascertain the credit needs of its assessment area. The Bank’s innovative or flexible practices continued through flexible loan terms offered to CDFIs and affordable housing organizations, a newly launched Mizuho Financial Education program specifically targeting LMI audiences, and Mizuho USA Foundation outreach programs.

During the evaluation period, Mizuho originated \$105.7 million in new community development loans, and had \$2.5 million in such loans outstanding from prior evaluation periods. The Bank also made \$800,000 in new community development investments and had \$26.6 million outstanding from prior evaluation periods. Mizuho made \$1.3 million in community development grants. The only outside assessment area activity during the current evaluation period was a \$50 million emergency standby line of credit increase made to a Texas-based company during Hurricane Harvey in 2017.

A more detailed description of the Bank’s community development activity follows.

Community Development Lending: “Outstanding”

Mizuho’s total of \$108.2 million in community development loans demonstrated an excellent level of community development lending. When annualized, the current level of community development lending activities represented 0.9% of average assets during the evaluation period, which compared favorably with the prior evaluation’s performance of 0.5%.

In response to the significantly increasing need for affordable housing in New York City, \$52 million (or 48.1%) of the Bank’s community development lending was provided to CDFIs, which in turn supply capital for nonprofit affordable and supportive housing developers in New York City. Many of the loans provided had flexible loan terms, such as LIBOR-based variable rates and/or options to extend maturities, therefore facilitating affordable housing development in the high cost real estate market of New York City.

Community Development Loans				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
Purpose	# of Loans	\$000	# of Loans	\$000
Affordable Housing	5	49,500	1	2,500
Economic Development	2	27,000		
Community Services				
Revitalize and Stabilize	1	29,167		
Total	8	105,667	1	2,500

Below are highlights of the Bank’s community development lending:

- Mizuho provided a \$7 million 2-year revolving line of credit to one of the nation’s largest nonprofit supportive housing developers that targets the homeless, low-income individuals, people with mental and/or medical disabilities, the elderly, youth at risk, people leaving incarceration, veterans, and homeless families. The loan proceeds were used to cover general operating expenses and various costs

relating to supportive housing development efforts. Priced at a competitive rate, the loan conditions are flexible. The loan is partially secured by a one-year renewable time deposit held at the Bank, and its term and interest period match the maturity of the pledged deposit.

- Mizuho provided a \$2.5 million 2-year unsecured revolving line of credit to a nonprofit social service and supportive housing provider serving New York City's homeless adults and lowest-income and hardest to serve citizens. Each year, the organization provides food, outreach programs, a drop-in center, and transitional supportive housing to more than 3,000 homeless men and women. While the organization is primarily funded through government grants, the loan proceeds were intended as working capital to provide liquidity, as the timing of the disbursement of these grants is often uncertain. The loan was highly flexible, as it is an unsecured revolving credit, priced at a low LIBOR rate with no clean-up period or commitment fee.
- Mizuho provided a \$10 million 2.5-year revolving line of credit as a part of a \$500 million syndicated loan to a special purpose entity financing mortgages for affordable housing projects. The loan facility is fully guaranteed by a leading nonprofit community revitalization finance company that works with government, local communities, and lenders to build and preserve neighborhoods by helping them solve their affordable housing needs. The loan proceeds supported community development financing initiatives in New York City and New York State. The loan facility is innovatively structured, providing the organization with leverage through a temporary loan transfer to its syndicate of lenders until permanent financing is obtained from Freddie Mac, SONYMA, or New York State pension funds.
- Mizuho provided a \$15 million 2-year revolving line of credit one of the largest nonprofit loan funds in the country to help it build or renovate nearly 100,000 affordable homes nationwide. In response to the fund's growing capital needs, the existing line was increased from \$5 million during the current evaluation, to help support its affordable housing and economic development financing initiatives in New York City. The loan facility had flexible terms, was low-cost, and had no fees, allowing the organization the opportunity to lend at competitive interest rates.
- Mizuho provided a \$15 million 2-year unsecured revolving line of credit to a CDFI which has provided almost \$700 million in financing and access to additional capital in support of over \$2.3 billion in projects for numerous organizations in New York City. In response to growing capital needs, the existing line was increased from \$6 million during the current evaluation. This supported its advisory and financial services through its loan fund, making available acquisition and construction loans, working capital loans, bridge loans, New Markets Tax Credit loans, and equipment loans. The loan facility had flexible terms, was low-cost, and had no fees, allowing the organization to enjoy maximum flexibility in deploying its

capital.

- Mizuho provided a \$15 million 3-year unsecured revolving line of credit to a national CDFI which has invested \$18.6 billion in urban and rural communities, helping community development corporations build over 376,000 affordable homes and apartments, as well as develop millions of square feet of commercial, retail, and community space. The credit line provided the organization with working capital to support its specific mission for New York City. The credit facility was flexibly termed with a floating rate and no clean-up period or commitment fee.

Qualified Investments: “Satisfactory”

During the evaluation period, Mizuho made \$750,000 in new community development investments, and had \$26.6 million outstanding from prior evaluation periods. The Bank made \$1.3 million in new community development grants. When annualized, the current level of qualified investment activities of \$28.6 million represents 0.2% of average assets during the evaluation period. This demonstrated a reasonable level of community development investments over the course of the evaluation period.

Mizuho’s new investment activities consisted of two deposits made to CDFIs representing \$750,000, which compared unfavorably with the \$10.8 million in new investment activities at the prior evaluation. All the investments outstanding from the prior evaluations were responsive to affordable housing needs in New York City.

Mizuho USA Foundation, Inc. is the Mizuho group’s charitable foundation in the U.S. Grants made by the Mizuho USA Foundation, Inc., Mizuho Bank, Ltd., New York Branch, and Mizuho Securities USA LLC, are included for consideration in this evaluation. Overall, the Bank’s grant activities remained consistent with the prior evaluation period, supporting activities for various New York City community organizations.

Community Development Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Inv.	\$000	# of Inv.	\$000
CD Investments				
Affordable Housing			7	26,634
Economic Development				
Community Services	2	750		
Revitalize/Stablize				
Total	2	750	7	26,634
CD Grants	# of Grants	\$000	Not Applicable	
Affordable Housing	31	440		
Economic Development	54	646		
Community Services	8	146		
Revitalize/Stablize	3	37		
Total	96	1,268		

Below are highlights of the Bank’s community development investment activities from the current and prior evaluation periods:

- Mizuho made a \$500,000 2-year investment into a federation of community development credit unions. The federation channels funds into several New York area community development credit unions whose missions are to serve LMI individuals, recent immigrants, and people with disabilities.
- Mizuho purchased a \$250,000 2-year certificate of deposit from a local financial institution which is also a CDFI promoting community development with a focus on LMI communities which are underserved by mainstream banks. The deposit at the CDFI funds affordable personal and small business loans that help individuals in LMI neighborhoods in New York City.
- A \$24.2 million investment remained outstanding in a fixed-income mutual fund that targets CRA eligible activities such as affordable housing, healthcare facilities, job creation, and small business development activities. Launched in 1999, the fund has grown to include investments from more than 400 financial institutions as well as other types of investors. The Bank’s investments are earmarked for community and economic development projects in its assessment area.

Below are highlights of programs and projects supported under the Bank’s community development grant programs during the evaluation period:

- Mizuho granted \$40,800 to one of the largest nationwide nonprofit lending networks in the United States. The organization provides fair and flexible loans, connections to business experts, and access to resources and opportunities,

specifically tailored to each business owner's unique needs and goals. The grant supported the network's efforts to launch a small business loan program in New York City.

- Mizuho granted \$60,000 to a nonprofit membership organization of community-based organizations concerned with developing, advocating for, and ensuring the implementation of policies and programs that meet the shelter needs of LMI individuals and neighborhoods in New York City. The grant supported a training program for affordable housing developers and building operations staff of community-based housing organizations.
- Mizuho granted \$50,000 to an organization whose mission is to advance housing solutions that deliver three powerful outcomes: 1) Improved lives for the most vulnerable people; 2) Maximize public resources; and 3) Strong, healthy communities across the country. The grant was to help improve the quality of life and housing for aging supportive housing tenants by building the capacity of supportive housing organizations to develop housing units and on-site programs to serve medically-fragile tenants.
- Mizuho granted \$26,000 to an organization that serves the poor and homeless elderly in New York City, providing a range of services to assist seniors with their daily needs to improve their quality of life. It serves seniors a hot meal each day, delivers meals to hundreds of homebound seniors, and offers a variety of educational and recreational activities as well as health and social services.
- Mizuho granted \$87,500 to an organization that focuses on creating employment solutions for disengaged young adults. Their mission is to leverage resources to bring out-of-school and out-of-work young adults into the economic life of New York City. The purpose of the grant was to provide technical and financial support to community-based organizations helping young adults obtain entry level jobs with career ladder potential.
- Mizuho granted \$62,700 to a nonprofit organization, established by New York City and private sector funders to address the subprime and foreclosure crisis in New York City by coordinating citywide programs among nonprofit partners. These programs provide legal services, housing counseling, outreach, and education to those at risk of losing their homes. This grant supported an effort to assist homeowners who want to transition from unaffordable mortgages by accessing financial counseling and resolving their mortgage problems.
- Mizuho granted \$55,000 to an organization providing social services to immigrants and low-income families throughout New York City. These services include quality education, finding affordable housing, community centers, childcare, afterschool programs, and support for the elderly. This grant was given to expand a program aimed to help residents facing eviction by the New York City Housing Authority.

Community Development Services: “Outstanding”

Mizuho demonstrated an excellent level of community development services over the course of the evaluation period. During the current evaluation period, in addition to existing leadership roles being provided to local CDFIs or community groups, the Bank’s senior officers participated on boards and committees that provided fundraising and strategic planning assistance to community organizations in its assessment area. Additionally, Bank employees provided technical assistance and financial education services to LMI individuals through the Mizuho Financial Education Blitz program, as well as the Mizuho Cares volunteer program initiatives launched during the current evaluation.

Below are highlights of the Bank’s community development services:

- A vice president serves as a board member on a not-for-profit affordable housing organization that has served more than 600 families in the five boroughs of New York City through home construction and preservation. The vice president has also actively participated on the executive committee, credit underwriting committee, other events and outreach programs.
- A first vice president serves as a board member on a community development credit union whose mission is to support the economic development of neighborhoods through consumer, business, and home loans, and core financial services. The vice president has assisted with an information security program, third party vendor management, and a disaster recovery test plan for the credit union’s ATM network, and provided technical expertise on risk management.
- A Mizuho vice president serves as a donor committee member at a nonprofit affordable housing organization whose mission is to ensure flourishing neighborhoods and affordable housing for all New Yorkers. This vice president has provided technical assistance for programs, fundraising and strategy.
- Mizuho’s CRA officer serves as a board member of a nonprofit community development intermediary that raises grants, loans, and equity capital for strategic investments in community development organizations. The CRA officer has helped with fundraising, strategic planning, and implementation of programs.
- A Mizuho community relations officer organized an elder fraud prevention program with the New York Police Department in 2018 at a midtown Manhattan senior center, providing LMI senior citizens with fraud prevention education.
- The CRA officer serves as a member on a local advisory committee of a CDFI that raises grants and makes loans and provides equity for strategic investments in community development organizations in New York.

Innovative and/or Flexible Practices

Mizuho demonstrated an excellent level of innovative or flexible community development practices considering the Bank's capacity and the availability of such opportunities in its assessment area.

Mizuho used its lending capabilities as a wholesale bank and its strong relationships with community development organizations and financial intermediaries to extend flexible lines of credit with highly competitive terms that met the need for credit to facilitate affordable housing development in New York City. Mizuho's responsiveness and flexibility enabled many CDFIs and other nonprofit organizations to provide very competitive financing for affordable housing projects, economic development projects, and other programs requiring longer term financing in New York City's highly competitive real estate market.

In recognition of the significant needs for financial education for children and adults in New York City, as well as Mizuho's local and global commitments to financial education, the Bank launched the "Blitz" program which provides LMI audiences with financial education workshops. The program features several financial education workshops held over a two-week period, reaching a range of LMI audiences using different curricula and formats. During the evaluation period, Mizuho conducted two "FinED Blitz" workshops, reaching approximately 200 underserved youth and women in Harlem and midtown Manhattan.

Formed in 2003, the Mizuho USA Foundation (the "Foundation") is the US-based charitable foundation of Mizuho Americas whose primary mission is to make grants to support programs in the areas of affordable housing, economic development and workforce development. Since its establishment, the Foundation has made approximately \$9.2 million in grants. During the current evaluation period, Mizuho continued to be the lead funder for several initiatives and a participant in two lead donor collaborative funds that were highly impactful and nationally recognized.

Responsiveness to Credit and Community Development Needs

Mizuho demonstrated an excellent level of responsiveness to credit and community development needs. The Bank's CRA-related efforts addressed some of the key community challenges in New York City area including affordable housing, income disparities, the high costs impacting small businesses, health care, and the lack of social services provided to LMI neighborhoods. Because the Bank specializes in corporate and investment banking with no retail products or services provided, Mizuho's resources are primarily directed to well-established CDFIs and other nonprofits that have records of serving their communities. Additionally, the Bank pursues CRA-eligible investment opportunities primarily focusing on affordable and supportive housing projects, small business, workforce development, and health care services for underserved communities in New York City.

Additional Factors

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 CRA

The Board of Directors adequately engaged in the oversight of the Bank's CRA program. The Board provided periodic oversight of CRA monitoring reports presented by the CRA group and reviewed and approved the annual CRA statement. As a board member and chairman of the CRA committee, the president and CEO played a key role in relationship management and regularly met with community development clients and partners. In addition, directors participated in off-site community development activities including site visits, neighborhood tours, and various community group conferences.

Discrimination and other illegal practices

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

DFS did not note evidence of any practices that were intended to discourage applications for the types of credit offered by the institution.

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

DFS did not note any evidence of prohibited discriminatory or other illegal practices.

The banking institution's record of opening and closing offices and providing services at offices

Upon completion of the merger with Mizuho Trust & Banking (USA) Co. in 2017, the headquarters office of the acquired entity became Mizuho's second branch. Neither branch offers any retail services.

Process 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 development financing is directed primarily to well-established CDFIs and nonprofit organizations. In addition to partnering with those organizations who have strong local networks and deep expertise in identifying and responding to community needs, the Bank conducts a wide range of activities including: attending community development meetings and conferences; monitoring social media,

publications, blogs, local news, or other publicly available information to update on local communities; serving on boards and committees of local community development organizations; activities through the Mizuho USA Foundation outreach programs.

- *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*

In addition to the Bank's current outreach efforts to make community development organizations aware of its available credit services, the Bank uses its website, various journal ads during community events, and social media postings on LinkedIn, Facebook and Twitter, and the social media platforms of the Bank's community partners to attract attention to the Bank's community development resources.

Other factors that in the judgment of the Superintendent bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community

DFS noted no other factors.

GLOSSARY

Aggregate Penetration Rate

The number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Community Development

“Community development”:

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.

Community Development Loan

A loan that has 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.

Community Development Service

Service that has community development as its *primary purpose*, 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.

Geography

A census tract delineated by the United States Bureau of the Census in the most recent decennial census

Home Mortgage Disclosure Act (“HMDA”)

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Income Level

The income level for borrowers is based on household or family income. A geography's income is categorized by median family income for the geography. In both cases, the income is compared to the MSA or statewide nonmetropolitan median income.

Income level of individual or geography	% of the area median income
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

Small Business Loan

A small business loan is a loan less than or equal to \$1 million.

Low or Moderate Income ("LMI") Geographies

Those census tracts or block numbering areas where, according to the 2000 U.S. 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 non-metropolitan median family income.

LMI Borrowers

Borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In cases where the residential property is located 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 borrower income levels are updated annually by the U.S. Department of Housing and Urban Development ("HUD").

LMI Individuals/Persons

Individuals or persons 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 HUD.

LMI Penetration Rate

A number that represents the percentage of a bank's total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, an LMI penetration rate of 20% would indicate that the bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers.

Low-Income Housing Tax Credit (LIHTC)

A dollar for dollar tax credit for affordable housing, created under the Tax Reform Act of 1986, that provides incentives to invest in projects for the utilization of private equity in the development of affordable housing aimed at low income Americans. It is also more commonly called Section 42 credits in reference to the applicable section of the IRC. The tax credits are more attractive than tax deductions as they provide a dollar for dollar reduction in a taxpayer's federal income tax. It is more commonly attractive to corporations since the passive loss rules and similar tax changes greatly reduced the value of tax credits and deductions to individual taxpayers.

New Markets Tax Credit (NMTC)

The New Markets Tax Credits (NMTC) Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits individual and corporate taxpayers to receive a credit against federal income taxes for making qualified equity investments in Community Development Entities (CDEs). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year period. CDEs must use substantially all of the taxpayer's investments to make qualified investments in low-income communities. The Fund is administered by the US Treasury Department's Community Development Financial Institutions Fund (CDFI).

Qualified Investment

A lawful investment, deposit, membership share or grant that has community development as its *primary purpose*. 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.