

# **PUBLIC DISCLOSURE**

February 22, 2021

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Mizuho Bank (USA)  
RSSD No. 229913

1271 Avenue of the Americas  
New York, NY 10020

Federal Reserve Bank of New York  
33 Liberty Street  
New York, New York 10045

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

## TABLE OF CONTENTS

Institution Rating .....	2
Scope of Examination .....	2
Description of Institution .....	4
Conclusions with Respect to Performance .....	8
Other Activities .....	17
Exhibits	
Exhibit I: Assessment Area Demographics .....	8
Exhibit II: Summary of Community Development Loans and Qualified Investments By Geography .....	9
Exhibit III: Summary of Community Development Loans and Qualified Investments By Purpose Designation.....	10
Exhibit IV: Summary of Community Development Services .....	10
Appendices	
CRA Appendix A: Map of Assessment Area .....	18
CRA Appendix B: Glossary.....	19

## INSTITUTION

**INSTITUTION'S CRA RATING: This institution is rated OUTSTANDING.**

The Outstanding performance of Mizuho Bank (USA) ("Mizuho", or the "bank") with regard to the Community Reinvestment Act ("CRA") is based on the following performance criteria:

- A high level of community development loans, community development services, and qualified investments, particularly investments that are not routinely provided by private investors.
- Extensive use of innovative or complex qualified investments, community development financing or community development services.
- Excellent responsiveness to credit and community economic development needs in its assessment area.

### SCOPE OF EXAMINATION

#### Procedures

Mizuho's performance was evaluated using the Federal Financial Institutions Examination Council's ("FFIEC") Wholesale and Limited Purpose Examination Procedures. These procedures consist of a community development test, which evaluated the level of the bank's investment, loan, and service activity; investment, loan, and service initiatives; and responsiveness to community development needs. Examiners conducted a full-scope review of provided community development loans, qualified investments (including grants made by the bank and its New York affiliates), and community development services conducted between July 1, 2018 and December 31, 2020. In addition, examiners evaluated prior evaluation period CRA qualified investments with outstanding balances as of December 31, 2020.

The extent, by number and dollar amount, of Mizuho's community development loans, qualified investments, and community development services was evaluated primarily for activities made within its assessment area, and secondarily for activities that benefitted the broader statewide or regional area that included Mizuho's assessment area. According to the FFIEC Wholesale and Limited Purpose Examination Procedures, because Mizuho adequately met the community development needs of its assessment area, community development loans, qualified investments, and community development services were considered that benefitted areas outside of the assessment area or the broader statewide or regional area.

Mizuho's performance level was compared to the level of community development loans and qualified investments of similarly-situated peer banks operating in Mizuho's assessment area. Mizuho's peer institutions were selected based on the criteria that they (i) were designated as

wholesale banks, (ii) maintained over \$1 billion in assets, and (iii) incorporated the five boroughs of New York City as part of their assessment area.

Examiners evaluated the degree to which Mizuho used innovative or flexible qualified investments, community development loans, and community development services, as well as Mizuho's responsiveness to the community development needs in its assessment area.

In order to gain an understanding of Mizuho's assessment area, examiners considered performance context information, including demographic and economic data related to Mizuho's assessment area. Performance context data was obtained from publicly available sources including the U.S. Census Bureau's 2010 Census ("2010 Census"), the 2015 American Community Survey ("ACS"), the FFIEC, the U.S. Bureau of Labor Statistics, the U.S. Department of Labor ("DOL"), and Dun & Bradstreet ("D&B").

### **Community Contacts**

To identify the community development needs in the bank's assessment area, examiners conducted interviews with four community development organizations located in the assessment area. One organization was a coalition of community groups across New York City, whose mission is to campaign for affordable housing and thriving equitable neighborhoods, using research, advocacy, and grassroots organization to support members in their work to build equity and equal justice within their neighborhoods. The organization stressed the need for affordable housing, including rent subsidies and housing rehabilitation programs to maintain housing, as housing costs have escalated beyond the reach of many LMI individuals.

The need for affordable housing was also emphasized by another community organization, which operated as a local community development corporation offering home ownership programs, affordable housing programs, economic development initiatives to revitalize neighborhoods, and rehabilitation of buildings to add to the housing stock with the goal of preserving affordable housing. This organization especially emphasized the need for multifamily lending to landlords who appropriately use funds for repairs and improvements.

Another organization, that operated as a non-profit, offered career and education programs, community development, housing counseling, community organizing, college success programs, and childcare. The contact indicated that there was a need for loans to very small businesses as many were not reached by the 2020 Paycheck Protection Program ("PPP") loans from banks amidst the economic hardship caused by the COVID-19 pandemic. Additionally, the organization stressed the need for improved access to bank branches in LMI areas and the need for more bank lending as lenders in LMI communities are mostly non-bank lenders. From an economic development perspective, the contact noted there was an increased need for job creation, as the region was facing a loss of skilled labor through an aging workforce. The contact also noted need

for workforce training to replace this loss of skilled labor, improved transportation to bring people to jobs, and rehabilitation loans to maintain existing affordable housing stock.

Finally, a contact was conducted with a national community development intermediary and CDFI with a large network in New York City. The contact highlighted the need for small business funding through low interest loans and grants, as well as assistance for those most affected in culture and tourism jobs, which are mostly held by low-income minorities. The organization emphasized the need for more very low-cost money to the smallest businesses and a stronger commitment to CRA by banks and their community partners to address the wide-spread economic impact from the pandemic. The organization also stressed the impact that the reduction in city and state funding sources will have on post-pandemic recovery in low- and moderate-income communities in need.

Comments from the community contacts were used to develop the performance context and are discussed throughout this performance evaluation.

## **DESCRIPTION OF INSTITUTION**

Mizuho is a New York state-chartered wholesale bank and operated three non-banking subsidiaries: (1) Mizuho USA Foundation, which offered grants for nonprofits; (2) Aoki and Company, which conducted fiduciary and custody activities; and (3) MHBK USA Leasing & Financing LLC, which engaged in commercial and industrial machinery and equipment rental and leasing. Mizuho maintained three branches, including their new headquarters located at 1271 Avenue of the Americas, New York, NY. The bank's other two branches were located at 135 West 50th Street, New York, NY and 1251 Avenue of the Americas, New York, NY.

As of December 31, 2020, Mizuho maintained assets of \$7.4 billion, which was an increase from the previous CRA evaluation when assets equaled \$5.4 billion as of June 30, 2018. As of December 31, 2020, Mizuho's total deposits equaled \$4.0 billion and net loans and leases equaled \$5.8 billion.

The bank focused on corporate deposit accounts and finance activities for large corporations including financial institutions, public corporations, and government entities. Mizuho did not extend home mortgage or consumer credit to retail customers or the general public. Mizuho's designation as a wholesale bank for CRA purposes was verified during this evaluation.

Mizuho's previous CRA evaluation was conducted as of August 13, 2018, also under the wholesale bank procedures. Mizuho received an overall rating of Outstanding. There were no financial or legal impediments that would prevent Mizuho from fulfilling its obligations under CRA.

### **Assessment Area**

Mizuho maintained one assessment area in the State of New York that consisted of the five boroughs of New York City: Bronx County ("Bronx"), Kings County ("Brooklyn"), New York

County (“Manhattan”), Queens County (“Queens”), and Richmond County (“Staten Island”). The assessment area was part of Metropolitan Division (“MD”) 35614 (New York-Jersey City-White Plains, NY-NJ), which was part of the Metropolitan Statistical Area (“MSA”) 35620 (New York-Newark-New Jersey, NY-NJ-PA).

The geographic footprint of Mizuho’s assessment area has not changed since the previous evaluation. During this evaluation, examiners determined that the assessment area was compliant with the requirements of Section 228.41 of Federal Reserve Regulation BB, which implements the CRA. A map of the assessment area is included in CRA Appendix A.

### **Performance Context**

As noted above, the data used to describe the assessment area, and to evaluate the context in which Mizuho operated, was obtained from publicly available sources, including the 2010 Census, the 2015 ACS, FFIEC, DOL, and D&B.

### ***Demographic Characteristics***

The assessment area was comprised of 2,167 census tracts and approximately 1.9 million families lived in the assessment area. Of the 2,167 census tracts in the assessment area, 289 (13.3%) were designated as low-income, 570 (26.3%) were designated as moderate-income, 642 (29.6%) were designated as middle-income, 600 (27.7%) were designated as upper-income, and 66 (3.0%) were of unknown income. Low- and moderate-income (“LMI”) census tracts were concentrated in Queens, Brooklyn, upper Manhattan, and Bronx County in New York.

New York City is the most densely populated city in the United States. New York City is also a very diverse city, resulting from the city’s historical role as a primary point of entry into the U.S. for immigrants. In its January 11, 2017 report on the Immigrant Population in New York City, the New York City Comptroller’s office found that New York City had 3.3 million foreign-born immigrants from more than 150 countries. Immigrants comprised nearly 40.0% of the city’s population in 2017 and represented 46.0% of the city’s workforce, a higher share than in any major city, except Miami, Florida.

### ***Income Characteristics***

According to the 2015 ACS, out of the approximately 1.9 million families in the assessment area, 569,883 (30.6%) were low-income, 294,677 (15.8%) were moderate-income, and 325,721 (17.5%) families lived below the poverty level. The data further show that New York City poverty levels were concentrated geographically, with 28.3% of families in Bronx County living below the poverty level, and 19.6% of families in Kings County living below the poverty level. Therefore, community development activities that targeted LMI individuals and families were particularly

important in New York City. Community contacts noted the need for affordable housing and economic development targeting LMI individuals and communities in New York City.

<b>Median Family Income</b>			
<b>Area</b>	<b>2010 Median Family Income</b>	<b>2015 Median Family Income</b>	<b>Percentage Change (%)</b>
Assessment Area	\$55,330	\$59,321	7.2%
MD 35614 (New York-Jersey City-White Plains, NY-NJ)	\$68,006	\$67,560	-0.7%
State of New York	\$67,405	\$71,913	6.7%
<i>Source: U.S. Census Bureau and American Community Survey</i>			

As shown in the table above, the median family income (“MFI”) for MD 35614 (New York-Jersey City-White Plains, NY-NJ) was \$67,560 in 2015, which was a decrease of 0.7% from the 2010 MFI. The MFI for the assessment area was \$59,321 in 2015, which was a 7.2% increase compared to the 2010 MFI. As shown in Exhibit I below, 17.5% of families live below the poverty level in the assessment area. The MFI of the State of New York increased by 6.7% between 2010 and 2015.

***Housing Characteristics***

According to the ACS housing data in Exhibit I, the bank’s assessment area had approximately 3.4 million housing units, of which 29.0% were owner-occupied, 62.0% were rental units, and 9.0% were vacant. Of the owner-occupied units in the assessment area, 35,899 units, or 3.6%, were located in low-income census tracts, and 164,089 units, or 16.6%, were located in moderate-income census tracts. In New York City, housing was generally expensive and affordable housing remained a constant need for New

<b>Housing Affordability</b>		
<b>Area</b>	<b>2010 Affordability Ratio</b>	<b>2015 Affordability Ratio</b>
Assessment Area	9.8	10.8
MD 35614 (New York-Jersey City-White Plains, NY-NJ)	13.0	12.9
Bronx County	8.9	9.4
Kings County	7.8	8.5
New York County	7.9	8.6
Queens County	11.5	12.8
Richmond County	15.4	16.7
State of New York	18.3	20.9
<i>Source: U.S. Census Bureau - Decennial Census and The American Community Survey</i>		

York City. According to the 2015 ACS, the median value of owner-occupied units was \$494,795 for the assessment area. The ACS housing data reported that the median family income was \$59,321 for the assessment area, in which the median value of owner-occupied units represented nine times the median household income.

As seen in the prior table, in 2015, the affordability ratio was 12.9 in MD 35614 (New York-Jersey City-White Plains, NY-NJ) and 10.8 in the assessment area. Although these ratios were relatively low and indicated that MD 35614 (New York-Jersey City-White Plains, NY-NJ) and the assessment area were not very affordable compared to the State of New York’s affordability ratio of 20.9, the affordability ratios within the assessment area and MD 35614 (New York-Jersey City-White Plains, NY-NJ) improved since 2010. Furthermore, within the assessment area and MD 35614 (New York-Jersey City-White Plains, NY-NJ), there was some variability in housing affordability at the county level, as some counties were more affordable than others. The combination of low vacancy rates and high real estate prices continued to make it challenging to find affordable housing in the assessment area. While 62.0% of housing units in the assessment area were rental housing, rents were generally unaffordable in relation to incomes. In the assessment area, 51.4% of renters had rent costs that exceeded 30% of their income. The least affordable county in the assessment area was Bronx County, with 58.0% of renters having rent costs that exceeded 30% of their income and the most affordable county in the assessment area was New York County, with 44.7% of renters having rent costs that exceeded 30% of their income.

***Labor, Employment and Economic Characteristics***

The MD 35614 (New York-Jersey City-White Plains, NY-NJ) assessment area is a global hub of international business and commerce. New York County is a major center for finance, insurance, real estate, and the arts. According to D&B, as of 2020, there were 369,314 businesses operating in this assessment area, of which 8.1% were located in low-income areas, and 19.6% were located in moderate-income areas. Of the total businesses operating in the assessment area, 90.3% were businesses with gross annual revenues of \$1 million or less.

The annual unemployment rate for MD 35614 (New York-Jersey City-White Plains, NY-NJ) demonstrated a decreasing trend from 2018 to 2019, with an unemployment rate of 4.1% and 3.7% respectively, according the U.S Bureau of Labor Statistics. The unemployment rate within the

<b>AVERAGE ANNUAL UNEMPLOYMENT RATE</b>			
<b>Area</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
MD 35614 (New York-Jersey City-White Plains, NY-NJ)	4.1%	3.7%	12.5%
State of New York	4.1%	3.9%	10.7%

State of New York was also reflective of this trend, declining from 4.1% in 2018 to 3.9% in 2019. However, amidst the COVID-19 pandemic which forced businesses to close in New York City and in the broader state, the unemployment rate drastically increased in both MD 35614 and the State of New York to 12.5% and 10.7%, respectively, in 2020.

Exhibit I provides a summary of the Assessment Area Demographics for the bank’s assessment area within MD 35614 (New York-Jersey City-White Plains, NY-NJ).



<b>Exhibit I</b>								
<b>Assessment Area Demographics – 2020</b>								
<b>Assessment Area: MD 35614 (New York-Jersey City-White Plains, NY-NJ-PA)</b>								
<b>Income Categories</b>	<b>Tract Distribution</b>		<b>Families by Tract Income</b>		<b>Families &lt; Poverty Level as % of Families by Tract</b>		<b>Families by Family Income</b>	
	#	%	#	%	#	%	#	%
Low-income	289	13.3	314,697	16.9	122,964	39.1	569,883	30.6
Moderate-income	570	26.3	529,651	28.4	116,307	22	294,677	15.8
Middle-income	642	29.6	500,429	26.8	59,317	11.9	293,704	15.7
Upper-income	600	27.7	518,079	27.8	26,834	5.2	707,013	37.9
Unknown-income	66	3.0	2,421	0.1	299	12.4	0	0
<b>Total Assessment Area</b>	<b>2,167</b>	<b>100.0</b>	<b>1,865,277</b>	<b>100.0</b>	<b>325,721</b>	<b>17.5</b>	<b>1,865,277</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>		<b>Rental</b>		<b>Vacant</b>		
		#	%	%	#	%	#	%
Low-income	509,555	35,899	3.6	7	440,067	86.4	33,589	6.6
Moderate-income	908,393	164,089	16.6	18.1	669,881	73.7	74,423	8.2
Middle-income	843,874	321,969	32.5	38.2	454,286	53.8	67,619	8
Upper-income	1,151,140	467,436	47.2	40.6	551,755	47.9	131,949	11.5
Unknown-income	9,263	1,957	0.2	21.1	6,196	66.9	1,110	12
<b>Total Assessment Area</b>	<b>3,422,225</b>	<b>991,350</b>	<b>100.0</b>	<b>29.0</b>	<b>2,122,185</b>	<b>62.0</b>	<b>308,690</b>	<b>9.0</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	30,065	8.1	27,979	8.4	1,869	5.6	217	7.8
Moderate-income	72,420	19.6	67,900	20.4	4,106	12.4	414	15
Middle-income	73,010	19.8	68,534	20.6	4,004	12.1	472	17.1
Upper-income	182,771	49.5	160,771	48.2	20,457	61.7	1,543	55.7
Unknown-income	11,048	3	8,228	2.5	2,698	8.1	122	4.4
<b>Total Assessment Area</b>	<b>369,314</b>	<b>100.0</b>	<b>333,412</b>	<b>100.0</b>	<b>33,134</b>	<b>100.0</b>	<b>2,768</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>90.3</b>		<b>9.0</b>		<b>0.7</b>

Sources: 2015 ACS data and 2020 D&B Data

## CONCLUSIONS WITH RESPECT TO COMMUNITY DEVELOPMENT TEST PERFORMANCE IN MD 35614 (NEW YORK-JERSEY CITY-WHITE PLAINS, NY-NJ-PA)

Overall, Mizuho had a high level of community development loans, investments, particularly investments that were not routinely provided by private investors, and community development services. Mizuho demonstrated excellent responsiveness to credit needs in its assessment area and

in the broader statewide or regional area, including highly responsive loans to small businesses, including minority- and women-owned small businesses impacted by the Covid-19 pandemic and related economic slowdown. In addition, the bank provided highly responsive in-kind donations to meet the needs of hospitals impacted by the Covid-19 pandemic. Additionally, Mizuho made extensive use of flexible community development loans and qualified investments to meet community needs.

**Community Development Test**

Mizuho had a high level of community development loans, qualified investments, and community development services. Mizuho made extensive use of flexible community development loans, qualified investments, and services. As illustrated in Exhibit II, Mizuho made 150 community development loans and qualified investments that totaled \$208.0 million during the CRA evaluation period in its assessment area or in the broader statewide or regional area (BSRA) that included the assessment area. Of the total community development loans and qualified investments made by Mizuho, 141, or 94.0% by count, totaling \$161.5 million, or 77.6% of total dollars, directly benefitted the bank’s assessment area. A total of nine qualified loans and investments, or 6.0% by count, totaling approximately \$46.6 million, or 22.4% by dollar amount, benefitted the BSRA that included the assessment area.

<b>Exhibit II</b> <b>Summary of Community Development Loans and Qualified Investments</b> <b>Inside of the Assessment Area and the BSRA that Included the Assessment Area</b> <b>July 1, 2018 through December 31, 2020</b>												
Geography	Loans				All Qualified Investments				TOTAL			
	#	% (#)	(\$000)	%(\$)	#	% (#)	(\$000)	%(\$)	#	% (#)	(\$000)	%(\$)
Inside Assessment Area	9	90.0%	98,500	86.8%	132	94.3%	62,984	66.6%	141	94.0 %	161,484	77.6%
Broader Statewide or Regional Area	1	10.0%	15,000	13.2%	8	5.7%	31,560	33.4%	9	6.0%	46,560	22.4%
<b>TOTAL</b>	<b>10</b>	<b>5.4%</b>	<b>113,500</b>	<b>54.4%</b>	<b>140</b>	<b>94.6%</b>	<b>94,544</b>	<b>45.6%</b>	<b>150</b>	<b>100.0%</b>	<b>208,044</b>	<b>100.0%</b>

Mizuho exhibited excellent responsiveness to the credit and community development needs of its assessment area. Exhibit III provides a summary of the types of community development loans and qualified investments made during the evaluation period. Of Mizuho’s total community development loans and qualified investments, \$143.9 million, or 69.2% by dollar amount, were targeted towards affordable housing, helping to meet a significant need in Mizuho’s assessment

area. By count, of Mizuho’s total community development loans and qualified investments, 78, or 52.0%, were targeted towards community services.

<b>Exhibit III</b> <b>Summary of Community Development Loans and Qualified Investments</b> <b>By Primary Purpose Designation</b> <b>Inside of the Assessment Area and the BSRA that Included the Assessment Area</b> <b>July 1, 2018 through December 31, 2020</b>												
Designation	Loans				All Qualified Investments				TOTAL			
	#	% (#)	(\$000)	%(\$)	#	% (#)	(\$000)	%(\$)	#	% (#)	(\$000)	%(\$)
Affordable Housing	8	80.0%	86,500	76.2%	52	37.1%	57,439	60.8%	60	40.0%	143,939	69.2%
Community Services	1	10.0%	12,000	10.6%	77	55.0%	1,225	1.3%	78	52.0%	13,225	6.4%
Economic Development	1	10.0%	15,000	13.2%	10	7.1%	35,830	37.9%	11	7.3%	50,830	24.4%
Revitalize and Stabilize	0	0.0%	0	0.0%	1	0.7%	50	0.1%	1	0.7%	50	0.0%
<b>TOTAL</b>	<b>10</b>	<b>100%</b>	<b>113,500</b>	<b>100%</b>	<b>140</b>	<b>100%</b>	<b>94,544</b>	<b>100%</b>	<b>150</b>	<b>100%</b>	<b>208,044</b>	<b>100%</b>

As demonstrated in Exhibit IV, Mizuho conducted 80 activities that qualified as community development services during the CRA evaluation period. All community development services provided by Mizuho benefitted the bank’s assessment area and the BSRA, including the assessment area.

<b>Exhibit IV</b> <b>Summary of Community Development Services</b> <b>July 1, 2018 through December 31, 2020</b>				
Geography	Ongoing Board and Committee Memberships	Technical Assistance Events	Seminars	TOTAL
Inside Assessment Area	36	24	15	75
Broader Statewide or Regional Area	0	4	1	5
<b>TOTAL</b>	<b>36</b>	<b>28</b>	<b>16</b>	<b>80</b>

### Community Development Lending

Mizuho had a high level of community development loans. As shown in the table to the right, during the evaluation period, Mizuho originated ten community development loans within the

COMMUNITY DEVELOPMENT LENDING				
Purpose	#	% (#)	(\$000)	%(\$)
Affordable Housing	8	80.0%	86,500	76.2%
Community Services	1	10.0%	12,000	10.6%
Economic Development	1	10.0%	15,000	13.2%
<b>TOTAL</b>	<b>10</b>	<b>6.7%</b>	<b>113,500</b>	<b>54.6%</b>

assessment area – including one economic development loan that benefitted the assessment area and BSRA – that totaled \$113.5 million. Annualized throughout the exam period, Mizuho originated \$45.4 million in community development loans per year.

Mizuho’s community development lending within the assessment area and BSRA increased \$37.0 million (48.4%) when compared to the amount of community development loans originated during the prior evaluation period, in which Mizuho originated \$76.5 million in community development loans. Annualized, Mizuho’s community development lending in the prior evaluation period was \$34.0 million; thus, Mizuho increased its annualized community development lending by \$11.4 million, or 33.5%. The level of Mizuho’s community development loan activity was comparable to the level of Mizuho’s peer wholesale banks operating in the assessment area.

Mizuho exhibited excellent responsiveness to credit and community development needs in its assessment area. Mizuho’s community development loans were responsive to community development needs, particularly affordable housing and community service needs, which were identified as critical by community contacts and other relevant performance context data. As illustrated in the table above, eight community development loans, or 80.0% of the total community development loans originated, totaling \$86.5 million, or 76.2% of total community development dollars lent, supported affordable housing. Mizuho also provided financing for one community development loan totaling \$12.0 million, or 10.6% of community development lending by dollar amount, related to community development services. The financing was for the expansion of primary health care facilities in LMI areas. Mizuho’s financing specifically aided LMI communities by increasing access and equity in healthcare.

Additionally, in response to the economic hardship caused by the COVID-19 pandemic and related economic downturn, Mizuho provided financing for one economic development loan totaling \$15.0 million to provide low cost and flexible capital to small businesses, specifically women- and minority-owned small businesses, and not-for-profits to help them reopen.

Mizuho made extensive use of flexible lending practices in serving the assessment area's credit needs. Community development loans were extended to non-profit community development financial institutions ("CDFIs"), which provided credit to underserved markets, as well as to affordable housing developers. Many of these CDFIs provided financing and technical expertise to community development organizations, which were not typically provided by for-profit or private entities. Mizuho's revolving lines of credit were often renewable, low-cost with no fees and provided organizations with flexible repayment features to maximize responsiveness and benefit to community development in LMI areas.

Examples of Mizuho's community development loans, including flexible and responsive loans, are listed below:

- A \$15.0 million revolving line of credit to a CDFI, which provided capital for affordable housing and community development projects with the intent of increasing the stock and improving the quantity and quality of affordable housing, health clinics, and schools in LMI areas of New York City. Mizuho's unsecured revolving line of credit, at a floating rate, allowed the organization to choose the period of repayment for any drawdown from the credit line and gave flexibility to the organization to borrow funds when needed.
- A \$12.0 million revolving line of credit to a CDFI organization that helped build, renovate, and/or expand primary healthcare facilities for patients in LMI communities. Mizuho's revolving line of credit for the organization provided a variety of short- and long-term loan products to help primary health care centers in economically distressed areas with pre-development, acquisition, renovation/expansion, and/or bridge financing.
- A \$7.0 million revolving line of credit to an organization that enabled LMI individuals and families to overcome or avoid homelessness through a range of services, including developing and sustaining supportive and affordable housing. Mizuho's revolving line of credit provided flexible pre-development and acquisition funding for the organization's affordable housing development efforts.
- A \$15.0 million revolving line of credit that provided liquidity to a large CDFI loan fund that provided construction and mortgage loans for the acquisition, refinancing and/or moderate rehabilitation of occupied multifamily properties, conversion/renovation of vacant buildings into habitable multifamily properties, and new construction of multifamily properties. This loan facility provided the organization with liquidity by allowing it to transfer these loans to its syndicate of lenders at a specified purchase price, with the obligation to transfer these loans back to the organization at a specified repurchase price and date.

## Qualified Investments

Mizuho made a high level of qualified investments, particularly investments that were not routinely provided by private investors. As shown in the table to the right, during the evaluation period, Mizuho maintained a

QUALIFIED INVESTMENTS				
Purpose	#	% (#)	(\$000)	%(\$)
Affordable Housing	52	37.1%	57,439	60.8%
Community Services	77	55.0%	1,225	1.3%
Economic Development	10	7.1%	35,830	37.9%
Revitalize and Stabilize	1	0.7%	50	0.1%
<b>TOTAL</b>	<b>140*</b>	<b>93.3%</b>	<b>94,544</b>	<b>45.4%</b>
* Eight of the 140 qualified investments had funds that were allocated to areas in the BSRA				

portfolio of 140 qualified investments that equaled \$94.5 million in the assessment area and BSRA.

Of the total qualified investments, including philanthropic grants, \$63.0 million (66.3%) were invested directly within Mizuho’s assessment area, and approximately \$31.6 million (33.2%) were invested in the BSRA. Of the total qualified investments made within Mizuho’s assessment area and BSRA \$66.9 million (70.7%) were new investments made since the prior evaluation, and \$27.7 million (29.3%) were investments made during the prior CRA evaluation.

Through its charitable foundation, Mizuho USA Foundation, Mizuho provided philanthropic grants to community development organizations in the assessment area, which are included in the Qualified Investments Table. Mizuho made \$1.8 million in donations and grants to community development organizations, of which 98.8% were dedicated to community development organizations operating directly in the bank’s assessment area, and 1.2% were allocated to organizations operating within the BSRA.

Total qualified investments in the assessment area and BSRA increased by \$65.8 million, or 228.5%, when compared to the prior evaluation period. On an annualized basis, Mizuho increased the level of its qualified investment activity from \$12.8 million to \$37.8 million. When compared to similarly-situated institutions, Mizuho ranked first with its level of qualified investment activity as a percentage of annualized qualified investments to average assets maintained during the evaluation period.

Mizuho exhibited excellent responsiveness to credit and community development needs in its assessment area. Community contacts and performance context information both signaled that affordable housing was a critical need within the assessment area. As indicated in the Qualified Investments Table, \$57.4 million, or 60.8%, of Mizuho’s total qualified investment activity targeted affordable housing initiatives, addressing a key community development need in the assessment area. Addressing another community development need in the assessment area, the

bank invested \$35.8 million, or 37.9%, in economic development initiatives during the evaluation period.

Mizuho extensively used complex qualified investments that were not routinely provided by Mizuho's peers and were responsive to New York City's critical need for affordable housing. Of Mizuho's total dollar amount of qualified investments made in the assessment area and BSRA, \$1.8 million consisted of investments in low income housing tax credits ("LIHTCs"). LIHTCs are considered complex, requiring considerable ongoing management and attention and expertise due to the technical accounting requirements associated with the administration of the investments over time.

Additionally, in response to the dire personal protective equipment shortage amidst the COVID-19 pandemic, Mizuho Americas donated 15,000 N-95 respirator masks to hospitals in three major cities that had been designated disaster areas as a result of the COVID-19 outbreak, including hospitals in Jersey City, NJ and New York, NY.

Examples of Mizuho's qualified investments, including innovative, complex, or responsive investments, are listed below:

- Multiple investments into a mutual fund of \$25.4 million that invested in fixed income securities to promote community development, including affordable housing. These investments were identified, purchased, and earmarked by Mizuho for use in the bank's assessment area. This mutual fund made investments that enabled government agencies and other entities to invest in community development and related activities.
- A \$500 thousand nominee deposit investment with the purpose of providing capital resources to member Community Development Credit Unions to increase their capacity to support and serve LMI communities.
- A \$15.0 million Certificate of Deposit Account Registry Investment in a Minority-owned Depository Institution (MDI) to promote and support a local MDI/CDFI in a safe and sound manner through reciprocal deposits.
- A \$20.0 million economic investment in a CDFI that was an active buyer of low- or moderate-income community development loans with the mission of promoting economic development by supporting job creation and retention in LMI geographies. The fund consisted of Small Business Administration (SBA) guaranteed community development loans.

### Community Development Services

Mizuho had a high level of community development services. As shown in the table to the right, during the evaluation period, Mizuho provided 80 activities that qualified as community development services

<b>COMMUNITY DEVELOPMENT SERVICES</b>		
<b>Activity Type</b>	<b>#</b>	<b>% (#)</b>
Ongoing Board and Committee Memberships	36	45.0%
Technical Assistance Events	28	35.0%
Seminars	16	20.0%
<b>Total</b>	<b>80</b>	<b>100.0%</b>

in the assessment area and BSRA. Of the total community development services, 36 (45.0%) were attributed to ongoing board and committee memberships, 28 (35.0%) were related to financially related technical assistance events, and 16 (20.0%) were financial education seminars held primarily for the benefit of LMI individuals.

Community development services conducted by Mizuho showed excellent responsiveness to community development needs in its assessment area. Mizuho provided human, technical, and financial resources to many non-profit community-based organizations, establishing long-term and multi-faceted relationships. Mizuho made extensive use of innovative community development services. Mizuho’s active volunteer program in the New York City area, known as the “Mizuho Cares” program, relied upon the financial and professional expertise of Mizuho’s staff to focus activities on: underserved youth, financial education and responses to basic needs, such as hunger and homelessness.

Examples of community development services, including innovative, complex, or responsive services, are listed below:

- A Managing Director served as a member of the advisory board of a CDFI that provided innovative capital solutions to support healthy families and communities. As an advisory board member, the Mizuho employee provided technical assistance on program development and budget planning.
- A Managing Director for Mizuho served as a board and committee member for an organization that empowered low-income women in the New York area to achieve employment and economic self-sufficiency by providing job-skills training, counseling, placement services and continuous learning opportunities that lead to upwardly mobile employment.



- The bank formed the Mizuho Pro Bono Program in 2020, which allowed employees to provide technical legal services through the City Bar Justice Center to those in need, including low-income veterans for issues related to their Veterans Affairs benefits claims.

#### **FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

The bank is in compliance with the substantive provisions of the anti-discrimination laws and regulations. No evidence of discriminatory or other illegal credit practices was identified as being inconsistent with helping to meet the community's credit needs.

## OTHER ACTIVITIES

As permitted under the Interagency Wholesale or Limited Purpose CRA Procedures, if a wholesale or limited purpose institution has adequately addressed the community development needs of its assessment area, community development activities that benefit areas outside of the assessment area or the broader statewide or regional area. As indicated previously, Mizuho was responsive to and adequately addressed the needs of its assessment areas. Furthermore, Mizuho provided approximately \$497 thousand in national funds outside its assessment area or broader statewide or regional area, which augmented the bank’s performance and contributed to the *Outstanding* rating for the institution.

### SUMMARY OF INSTITUTION’S OTHER COMMUNITY DEVELOPMENT ACTIVITIES

#### Community Development Activities

During the evaluation period, Mizuho made \$497 thousand worth of philanthropic grants that benefitted organizations that meet the needs of LMI individuals and families in areas outside the bank’s assessment area or outside of the BSRA. The bank did not originate any community development loans, nor did it provide any community development services outside of its assessment area and the BSRA.

#### Qualified Investments

During the evaluation period, as noted in the table to the right, Mizuho made 36 qualified investments, all in the form of philanthropic grants, totaling \$497 thousand, that

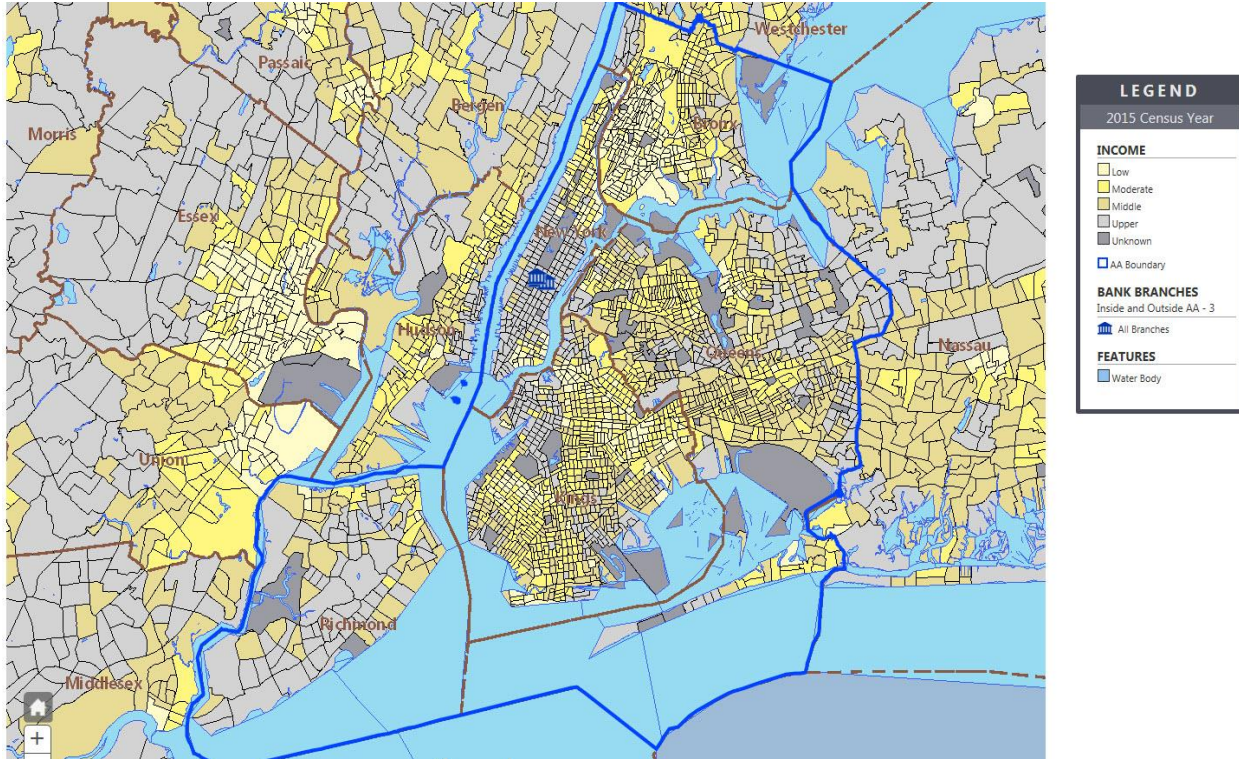
QUALIFIED INVESTMENTS				
Purpose	#	% (#)	\$(000)	% (\$)
Affordable Housing	5	13.9%	16	3.2%
Community Services	31	86.1%	481	96.8%
Total	36	100.0%	497	100.0%

benefitted individuals and markets outside of its assessment area or the broader statewide or regional area. By volume, the majority of Mizuho’s efforts were targeted toward community services, which equaled 31, or 86.1% by count, in philanthropic grants totaling \$481 thousand, or 96.8% by dollar volume.

### CRA APPENDIX A

### MAP OF ASSESSMENT AREA

### MD 35614 (NEW YORK-JERSEY CITY-WHITE PLAINS, NY-NJ)



## CRA APPENDIX B

### GLOSSARY

**Affordability ratio:** To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

**Aggregate lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Census tract:** A small, relatively permanent statistical subdivision of a county or statistically equivalent entity delineated for data presentation purposes by a local group of census data users or the geographic staff of a regional census center in accordance with Census Bureau guidelines. Designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time they are established, census tracts generally contain between 1,000 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries are delineated with the intention of being stable over many decades, so they generally follow relatively permanent visible features. However, they may follow governmental unit boundaries and other invisible features in some instances; the boundary of a state or county (or statistically equivalent entity) is always a census tract boundary.

**Community development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

**Family:** A family is a group of two or more people related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

**Full-scope review:** Performance is analyzed considering performance context, quantitative factors and qualitative factors.

**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 statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

**Home mortgage loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

**Household:** A household consists of all the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household. The count of households excludes group quarters.

**Limited-scope review:** Performance is analyzed using only quantitative factors.

**Low-income:** Individual income that is less than 50% of the area median income, or a median family income that is less than 50%, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MSA.

**Metropolitan Statistical Area (“MSA”):** A geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core.

**Metropolitan Division:** A county or group of counties within a **Metropolitan Statistical Area** that contains a population of at least 2.5 million and represents an employment center(s) associated through commuting ties.

**Middle-income:** Individual income that is at least 80% and less than 120% of the area median income, or a median family income that is at least 80% and less than 120%, in the case of a geography.

**Moderate-income:** Individual income that is at least 50% and less than 80% of the area median income, or a median family income that is at least 50% and less than 80%, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Owner-occupied units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified investment:** A qualified investment is defined as any lawful investment, deposit, membership share or grant that has as its primary purpose community development.

**Rated area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Small loan(s) to business(es):** A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income ("Call Report") and the Thrift Financial Reporting ("TFR") instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

**Upper income:** Individual income that is more than 120% of the area median income, or a median family income that is more than 120%, in the case of geography.