

Family Summary

Date: 11/27/2007

Ultimate Parent:	MIZUHO FINANCIAL GROUP, INC.	Existing ICR:	iAA
Industry:	Bank Holding Company	Proposed ICR:	iAA
Physical Residence:	Japan	Existing Reference IFR:	i7
Physical Residence ICR:	iAAA	Proposed Reference IFR:	i7
Analyst:	Saswata Guha / Miyuki Suzuki	Next Review Date:	11/27/2009
Scorecard Used:	Bank	Next Refresh Date:	11/27/2008

Family Credit Limits

Family Level (USD Millions)	Settlement Limit	Treasury Limit	Pre-Settlement Limits MPEFAM						
			< M03	<1 Year	< 3 Yrs	< 5 Yrs	< 10 Yrs	< 20 Yrs	> 20 Yrs
Existing Limit	2500	375	1400	1400	900	900	360	240	240
Proposed Limit	2500	500	2500	2200	1750	1750	750	400	400
Limit Change	-	-	1100	800	850	850	390	160	160
Existing Utilization	-	-	1448	1075	952	832	172	30	20
Hedged by CDS	-	-	240	240	240	240	-	-	-

This memo serves as an account review, and a request to increase MPEFAM for Mizuho Financial Group, as illustrated above. The limit increase is to accommodate: (i) increasing business requests for repo 105 activities at LBIE for our balance sheet relief, especially toward our fiscal year end and (ii) sharp exposure increase caused by the recent market movements, which is notably evident in index arbitrage CDS with Mizuho International plc. vs. LBSF. Of the \$2,500 billion MPEFAM proposed (<M03), \$300mm should be solely reserved for repo 105 activities toward the fiscal year end. The proposed MPEFAM is equivalent to 4.4% of the group's net worth of \$56.6 billion at ITM9/07.

Credit Assessment – Business & Management Evaluation**Family Description**

Mizuho Financial Group (MHFG) is the bank holding company of the second largest financial services group in Japan (Total Assets: \$ 1.2trn FY07) and the ninth largest in the world by market capitalization. MHFG was originally established in 2000 as Mizuho Holdings, Inc with merged interests of three of Japan's major banks namely DKB, Fuji Bank and Industrial Bank of Japan. The group went through further restructuring in 2003 with the establishment of MHFG which has since served as the holding company for the bank's banking and securities units. MHFG became the sole shareholder of Mizuho Holdings which was eventually renamed to Mizuho Financial Strategy and currently provides advisory services.

Shares of MHFG are widely held and are primarily listed on the Tokyo stock exchange. On Nov 2006, the shares of MHFG were also listed on the NYSE.

Recent developments: The merger of its two brokerage arms, Mizuho Securities and Shinko Securities, originally scheduled for Jan 2008 has been postponed to May 7, 2008. Mizuho Securities has already incurred losses of \$220m (Q1 '08) in relation to US sub-prime mortgage crisis. The uncertainty over losses has made it difficult to fix details of the merger deal.

Credit Assessment – Business & Management Evaluation**Operating Environment (Excellent)**

Japan is rated AA/Aaa by rating agencies reflecting the improved economic conditions and relatively promising growth outlook and a re-emerging corporate sector which has been plagued by overcapacity and debt over the 90's. The ratings are, however, negatively impacted by the high sovereign debt levels (180% of GDP at end-2006). However, we rate it as excellent based on much higher level of regulatory support received by the major Japanese banks as compared to the rest of the other banks in the region.

Franchise Size (Excellent)

MHFG is the second largest financial services group in Japan and enjoys an excellent reputation among its customers. It has a highly defensible franchise and operates through a network of over 770 branches both within Japan and abroad. MHFG has the second largest client base for individuals and corporate customers and transacts with 70% of listed companies. In view of the above, we rate franchise as excellent.

Business & Asset Diversification (Strong)

MHFG mainly operates through its four principal subsidiaries which have been re-organized under three business groups: i) Global Corporate Group (37% of op. profit): Mizuho Corporate Bank (MHCB) is the key subsidiary which offers wholesale banking services to large corporate and government clients. It also engages in various securities-related and investment banking activities through its majority owned subsidiary Mizuho Securities (MHSC) ii) Global Retail Group (51%): mainly houses the group's retail banking activities. Mizuho Bank (MHBK) is the key subsidiary which operates across Japan servicing ~25m retail account holders through 386 domestic branches. It caters to retail brokerage clients under the name, Mizuho Investors Securities iii) Global Asset & Wealth Management Group (10%): runs the group's wealth management and asset management activities through its two key subsidiaries, Mizuho Trust & Banking (MHTB) and Mizuho Private Wealth Management (MPWM). MHTB is also one of the core subsidiaries of the group and is

involved in a variety of custody, real-estate and securities-related business as well as corporate lending. On top of MHTB, MHFG has another trust banking subsidiary, Trust and Custody Services Bank, which specializes in master trust operations, owned 54% by MHFG and the rest by Japanese life insurers.

While Japan accounts for majority of the group's assets (77%) & profits (77%), the group has been successful in gradually expanding its operations internationally. Overall, we consider the group to be well-diversified across businesses which is partly offset by its relatively concentrated regional profile. In view of the above, we rate B&AD as strong.

Management & Corporate Governance (Good)

The management aims to improve its comprehensive financial services capabilities and has re-organized its operations under three key business divisions to efficiently cater to a larger client base through increased cross-selling of products. The group is focused on strengthening its overseas operations especially in the investment banking space and has obtained the license of a bank holding company in the U.S. in Dec 2006. On the retail business front, the management has been focusing on solution-oriented businesses (e.g. M&A, fund raisings) for SME's while ensuring a customer-focused product line-up in the individual banking space. The management has been actively seeking to strengthen its consulting business while increasingly tapping the unsecured loans and credit card market space. It also remains strongly focused on growing the asset management business where it enjoys a relatively small presence. The bank is particularly strong in the areas of real estate and securitization and is expected to leverage this strength going forward. On the financial front, the management has made significant progress towards disposing of NPLs and has improved its capitalization both in terms of level and quality, exemplified by the completion of the repayment of public funds totalling JPY2,949 billion during FY07. In view of the improved financial fundamentals and the prudent management of its business operations, we consider M & CG as good.

Credit Assessment - Financial Evaluation Capitalization (Good)

MHFG's capitalization has improved over the last two years both in terms of size and quality but remains weaker in comparison to international peers. In FY07, tier 1 ratio and total capital ratio improved to 7% (5.9% FY06) and 12.5% (11.6%) respectively, despite complete repayment of public funds. The improvement was mainly due to positive earnings retention, additional issuance of preferred securities (JPY400bn) and around 9% reduction in RWA. It is also worth noting that MHFG has adopted the foundation IRB approach for Basel II and had made adjustment to avoid excessive reduction in capital requirements, which, if excluded, is likely to result in higher capitalization (Tier 1: 7.5%; total capital: 13.4%). While the complete repayment of public funds, decline in NPL's and reduction in equity holdings have led to a stronger capital position, the quality of capital continues to be impacted by the high presence of preferred securities and hybrid instruments, though declining. Reduction in deferred tax assets has been significant over the years and is not a major concern at ~3.5% (netted) of Tier 1 capital. However, MHFG's large portfolio of equities and bonds and exposure to structured products continue to exert strong market risk pressure on the group's capitalization. In view of the above, we rate capitalization as good.

Asset Quality (Good)

MHFG has a robust risk management framework where risk is monitored and controlled at the group level. The asset quality of the group has improved significantly over the years due to a comprehensive restructuring process undertaken by the bank. Accelerated write-offs coupled with recovery of troubled loans have led to a considerable improvement in the NPL ratio (NPL/Gross Loans) from ~7% in FY01 to 1.8% in FY07. Moreover, consistent addition to reserves has also resulted in an improved coverage for impaired loans to 72% (49% in FY01) and is in the higher range of the peer group. The group has been making active efforts to reduce concentration risk on the wholesale banking side though retail portfolio remains relatively well-diversified. Though SMEs carry higher credit risk than large corporate customers of corporate banking, losses have been held in check with diversification of its loan assets. Housing loans accounted for a large part of loans to individuals and are considered to carry relatively low risk due to their collateralized nature. However, the large portfolio of investments exposes the group to high market risk. While large portfolio of bonds exposes the firm to significant interest rate risk, considerable equity holdings (in excess of 50% of Tier 1 capital) threatens capital position though substantially reduced over the past several years (vs. 125% of Tier 1 capital at FY01). We acknowledge the improvements in asset quality ratios but remain cautious of the group's high exposure to market risk and rate AQ as good.

Earnings (Good)

NII accounts for a dominant 50% of the total operating income with remaining contributed from fees & commissions (29%) and market related activities (21%). Rise in NII was mainly achieved on the back of growth in lending volumes as NIM remained largely stable at 0.79%. Fees & commission income also showed a steady rise mainly achieved through the bank's growing overseas operations and asset management business. Market-related income was positively impacted from a rise in trading revenue as well as from disposition of unrealized losses on bond portfolio in the previous year. MHFG's operating cost is among the highest within Japanese peers though the group has been making stringent efforts over the last few years to ensure strict cost control (C-I ratio: 50.5% FY07; 52% FY06). Despite the positive developments, overall profitability registered a decline (ROE: 0.49% FY07; 0.52% FY06) mainly due to worsening business performance of certain NBFCs which resulted in higher credit costs (LLP/NII: 13% FY07; 8% FY06) and losses on devaluation of their stocks. This more than offset the extraordinary gains recorded on retirement benefit trusts and gain on sale of stocks leading to an overall decline in earnings. H1 FYE03/08: MHFG announced its interim results which were adversely impacted by sub-prime related losses of nearly JPY 70bn (~\$ 595m), half of which stemmed from Mizuho securities. Net income registered a decline of 17% from prior first half to JPY 327bn. The group holds around JPY 800bn in RMBS and CDO, though possible impact from sub-prime investments is expected to be well-within manageable limits.

We, nonetheless, remain cautious of the potential losses from the group's sub-prime investments though it expects full-year earnings to rise by 5% (despite sub-prime related losses) to JPY 650bn on the back of equity capital gains of JPY 230bn. In view of the group's decline in earnings and uncertain future market conditions, we rate earnings as good.

Liquidity (Excellent)

MHFG is primarily deposit-funded with loans accounting for ~90% of the group's deposits base. MHFG, through MHBK, is the second largest deposit taker in Japan and thus benefits from a large low-cost retail deposit base. MHFG is also active in the wholesale market and raises funds through various sources viz. debentures, bonds & notes etc, and thus enjoys a well-diversified funding base. Its funding sources are reported to be better diversified than peers though the bank has been sharply reducing its reliance on debentures to lower funding costs (halted issuances since March 2006). The group has a diversified debt maturity profile spread over the next five years. While some concentration exists in '08, it is largely mitigated by the group's existing balance of liquid assets and JGB which account for ~15% of total assets. In view of the above, we rate liquidity as excellent.

Government Implied Support (Most Likely)

Given the group's importance to the local economy, we expect a very high probability of support from Japanese authorities.

Rating Override

NA

Recommended**Approved**

Appendix 1 – Counterparties Rated through the CCP**Counterparty: MIZUHO FINANCIAL GROUP, INC. (MHFG)**

Industry: Bank Holding Company
Physical Residence: Japan
Physical Residence ICR: iAAA
Analyst: Miyuki Suzuki
Guarantee: No
Equity Base: \$ 56,609mm [ITM9/07]
Next Review Date: 11/14/2009
Next Refresh Date: 11/14/2008

Existing ICR: iAA
Proposed ICR: iAA
Existing Reference IFR: i7
Proposed Reference IFR: i7
Moody's (S/T): P-1 / Stable
S&P: A / Stable
Fitch: A+ / Stable

Counterparty Level (USD Millions)	Settlement Limit	Treasury Limit	Pre-Settlement Limits MPECP						
			< M03	< 1 Year	< 3 Yrs	< 5 Yrs	< 10 Yrs	< 20 Yrs	> 20 Yrs
Existing Limit	0	0	0	0	0	0	0	0	0
Proposed Limit	0	0	0	0	0	0	0	0	0
Limit Change	-	-	-	-	-	-	-	-	-
Existing Utilization	-	-	-	-	-	-	-	-	-

Background

A bank holding company operating Japan's second largest banking group through various subsidiaries, i.e., Mizuho Bank, Mizuho Corporate Bank, Mizuho Trust & Banking, etc.

Trading Terms

We have no chance to have direct exposure on the holding company level.

Counterparty: MIZUHO BANK, LTD. (MHBK)

Industry: Commercial Bank
Physical Residence: Japan
Physical Residence ICR: iAAA
Analyst: Miyuki Suzuki
Guarantee: No
Equity Base: \$17,101mm [ITM9/07]
Next Review Date: 11/14/2009
Next Refresh Date: 11/14/2008

Existing ICR: iAA
Proposed ICR: iAA
Existing Reference IFR: i7
Proposed Reference IFR: i7
Moody's: Aa2 / Stable
S&P: A+ / Stable
Fitch: A+ / Stable

Counterparty Level (USD Millions)	Settlement Limit	Treasury Limit	Pre-Settlement Limits MPECP						
			< M03	< 1 Year	< 3 Yrs	< 5 Yrs	< 10 Yrs	< 20 Yrs	> 20 Yrs
Existing Limit	0	0	105	105	90	75	37.5	0	0
Proposed Limit	0	0	110	110	90	75	50	0	0
Limit Change	-	-	5	5	0	0	12.5	-	-
Existing Utilization	-	-	31.7	45.7	45.2	28.2	18.1	-	-

Background

A wholly-owned subsidiary of MHFG, focusing on individuals and SME clients.

Existing Business & Trading Guidelines

MHBK's businesses are domestic-oriented, and most of our businesses with the bank are executed in Tokyo. Our outstanding derivative trades consist solely of plain-vanilla IRS maturing within 10 years executed under CSA.

Mizuho Bank (021494DKYB) / LBSF

UK Master, UK CSA

Maintenance of Investment grade provision (lower rating determinative)

Regular additional events of default for Japanese banks

Sliding scale threshold (lower rating determinative, AAA: \$40mm; AA: \$30mm; A+ and A: \$20mm; A-: \$10mm;

BBB+: \$5mm; BBB and below: zero)

MTA: \$1mm; Weekly valuation

Independent amount of \$20mm (fixed number) if downgraded below investment grade level (lower rating determinative)

[Positions as at November 19, 2007]

MTM -\$27.3mm/ Notional \$74,126.0mm/ MPE / \$45.7mm

Counterparty: MIZUHO CORPORATE BANK, LTD. (MHCB)

Industry: Commercial Bank

Physical Residence: Japan

Physical Residence ICR:	iAAA
Analyst:	Miyuki Suzuki
Guarantee:	No
Equity Base:	\$32,001mm [ITM9/07]
Next Review Date:	11/14/2009
Next Refresh Date:	11/14/2008

Existing ICR:	iAA
Proposed ICR:	iAA
Existing Reference IFR:	i7
Proposed Reference IFR:	i7
Moody's:	Aa2 / Stable
S&P:	A+ / Stable
Fitch:	A+ / Stable

Counterparty Level (USD Millions)	Settlement Limit	Treasury Limit	Pre-Settlement Limits MPECP						
			< M03	<1 Year	<3 Yrs	<5 Yrs	<10 Yrs	<20 Yrs	>20 Yrs
Existing Limit	1,650	309	610	610	375	375	130	30	30
Proposed Limit	1,650	400	750	750	500	500	150	50	50
Limit Change	-	91	140	140	125	125	20	20	20
Existing Utilization	-	-	454.3	255.5	165	94.7	71.5	12.8	11.7

Background

A subsidiary of MHFG, providing wholesale banking activities to large corporates and government entities. It also provides securities and investment banking services through Mizuho Securities Co., Ltd., its majority-owned subsidiary.

Existing Business & Trading Guidelines

MHCB is a very active counterparty in almost all the business lines, e.g., cash forwards, financing and derivatives. MHCB trades various types of derivatives vs. LBSF, including FID, FX, CDS and NRG, which are executed under CSA. For trades beyond 10 years, we normally get breaks after 10 years and annually thereafter. We are currently amending the CSA to reduce the unsecured threshold to zero bilaterally from the current rating based sliding-scale threshold, at the request of MHCB.

Mizuho Corporate Bank (35890FUJB) / LBSF

UK Master, UK CSA

Maintenance of Investment grade provision (higher rating determinative)

Regular additional events of default for Japanese banks

Sliding scale threshold (higher rating determinative, AAA: \$40mm; AA: \$30mm; A: \$20mm; BBB+: \$10mm; BBB: \$5mm; BBB- and below: zero)

Independent amount of \$25mm (fixed number) if downgraded below investment grade level (lower rating determinative)

MTA: \$250,000; Daily valuation

[Positions as at November 19, 2007]

MTM -\$713.7mm/ Notional \$170,568.1mm/ MPE / \$355.3mm

Counterparty: MIZUHO TRUST AND BANKING CO., LTD. (MHTB)

Industry:	Commercial Bank
Physical Residence:	Japan
Physical Residence ICR:	iAAA
Analyst:	Miyuki Suzuki
Guarantee:	No
Equity Base:	\$4,282mm [ITM9/07]
Next Review Date:	11/14/2009
Next Refresh Date:	11/14/2008

Existing ICR:	iAA
Proposed ICR:	iAA
Existing Reference IFR:	i7
Proposed Reference IFR:	i7
Moody's:	Aa2 / Stable
S&P:	A+ / Stable
Fitch:	A+ / Stable

Counterparty Level (USD Millions)	Settlement Limit	Treasury Limit	Pre-Settlement Limits MPECP						
			< M03	<1 Year	<3 Yrs	<5 Yrs	<10 Yrs	<20 Yrs	>20 Yrs
Existing Limit	60	0	17.5	17.5	5	5	0	0	0
Proposed Limit	60	0	30	30	15	15	10	0	0
Limit Change	-	-	12.5	12.5	10	10	10	-	-
Existing Utilization	-	-	8.7	-	-	-	-	-	-

Background

A majority-owned subsidiary of MHFG, engaging in full-line trust banking operations, encompassing custody, real estate and securities-related businesses as well as in corporate lending.

Existing Business & Trading Guidelines

MHTB is active in: (i) JGB OTC options and (ii) US Treasury repo, both of which are governed by JSDA agreements. We have ISDA in place vs. LBSF, but currently no derivative trade is outstanding, except one IRS maturing in

September 2008. While Part 6 was added to the LBSF ISDA in March 2007, we are taking a cautious stance toward increasing long-dated derivative exposure due to lack of CSA.

Mizuho Trust and Banking (51302YTBC) / LBSF

NY Master

Maintenance of investment grade provision (higher rating determinative)

[Positions as at November 19, 2007]

MTM -\$0.0mm/ Notional \$9.1mm/ MPE / \$0.0mm

Counterparty: MIZUHO SECURITIES CO., LTD. (MHSC)

Industry: Broker Dealer General
Physical Residence: Japan
Physical Residence ICR: iAAA
Analyst: Miyuki Suzuki
Guarantee: No
Equity Base: \$3,545mm [ITM9/07]
Next Review Date: 11/14/2009
Next Refresh Date: 11/14/2008

Existing ICR: iAA
Proposed ICR: iAA
Existing Reference IFR: i7
Proposed Reference IFR: i7
Moody's: Unrated
S&P: Unrated
Fitch: Unrated

Counterparty Level (USD Millions)	Settlement Limit	Treasury Limit	Pre-Settlement Limits MPECP						
			< M03	<1 Year	< 3 Yrs	< 5 Yrs	< 10 Yrs	< 20 Yrs	> 20 Yrs
Existing Limit	50	0	130	130	130	130	80	30	30
Proposed Limit	50	0	175	175	175	150	100	50	30
Limit Change	0	-	45	45	45	20	20	20	-
Existing Utilization	-	-	93.8	93	83.2	59.2	40.8	11.6	5.3

Background

MHFG's brokerage arm, owned 81.52% by MHCB and the rest by Norinchukin Bank. Scheduled to merge with Shinko Securities, an equity-method affiliate of MHFG, in May 2008. The merger will create the third largest broker in Japan, surpassing Nikko Cordial Group.

Existing Business & Trading Guidelines

MHSC is an active counterparty, trading various types of derivatives, including FID (including exotics), FX, CDS and EQD. All the derivative business with MHSC are executed under CSAs, and we normally get breaks after 10 years and annually thereafter for long-dated trades.

Mizuho Securities (050903MIZS) / LBSF

UK Master, UK CSA

Maintenance of investment grade provision on MHCB (lower rating determinative)

Ownership maintenance clause (at least 51% by MHCB)

Regular additional events of default for Japanese brokers

Sliding-scale threshold: (lower rating determinative; applicable to MHCB's ratings; AAA: \$20mm; AA: \$15mm; A: \$10mm; BBB+: \$5mm; BBB and below: zero)

Independent amount: To be determined in good faith by non-downgraded party if MHCB is downgraded below investment grade level (lower rating determinative)

Sliding-scale MTA: AAA ~ BBB: \$0.5mm; BBB- and below: \$0.25mm

Weekly valuation

[Positions as at November 19, 2007]

MTM \$44.6mm/ Notional \$9,998.8mm/ MPE / \$86.5mm

Mizuho Securities (050903MIZS) / LBJ

Terms are identical to those in the LBSF ISDA / CSA.

[Positions as at November 19, 2007]

MTM -\$5.7mm/ Notional \$931.1mm/ MPE / \$14.0mm

Counterparty: MIZUHO CAPITAL MARKETS CORPORATION (MCMC)

Industry: Broker Dealer General
Physical Residence: United States
Physical Residence ICR: iAAA
Analyst: Miyuki Suzuki
Guarantee: Yes
Next Review Date: 11/14/2009
Next Refresh Date: 11/14/2008

Existing ICR: iAA
Proposed ICR: iAA
Existing Reference IFR: i7
Proposed Reference IFR: i7
Moody's: Unrated
S&P: Unrated
Fitch: Unrated

Counterparty Level (USD Millions)	Settlement Limit	Treasury Limit	Pre-Settlement Limits MPECP						
			< M03	<1 Year	< 3 Yrs	< 5 Yrs	< 10 Yrs	< 20 Yrs	> 20 Yrs
Existing Limit	50	0	75	75	75	60	45	20	20
Proposed Limit	75	0	80	80	75	75	50	20	20
Limit Change	25	-	5	5	-	15	5	-	-
Existing Utilization	-	-	56.5	47.1	25	20.3	15.8	4.8	2.7

Background

A wholly-owned, guaranteed subsidiary of MHC B in the U.S., specializing in derivatives trading.

Existing Business & Trading Guidelines

MCMC has been a very active FID derivatives counterparty vs. LBSF where CSA is in place. For long-dated trades, we normally get breaks after 10 years and annually thereafter. The scope of our business with MCMC has been recently widened to include CDS and FX.

Mizuho Capital Markets (072994FCMN) / LBSF

NY Master, NY CSA

Maintenance of investment grade provision (lower rating determinative)

Guarantee from MHC B

Unsecured threshold: \$5mm; down to zero if downgraded below BBB/Baa2 (higher rating determinative)

Independent amount: N/A unless specified in a confirmation

MTA: \$1mm; Daily valuation

[Positions as at November 19, 2007]

MTM \$7.8mm/ Notional \$285,731.7mm/ MPE / \$56.6mm

Counterparty: MIZUHO INTERNATIONAL PLC (MHIP)

Industry:	Broker Dealer General
Physical Residence:	United Kingdom
Physical Residence ICR:	iAAA
Analyst:	Miyuki Suzuki
Guarantee:	No (a wholly-owned subsidiary of MHSC)
Next Review Date:	11/14/2009
Next Refresh Date:	11/14/2008

Existing ICR:	iAA
Proposed ICR:	iAA
Existing Reference IFR:	i7
Proposed Reference IFR:	i7
Moody's:	Unrated
S&P:	Unrated
Fitch:	Unrated

Counterparty Level (USD Millions)	Settlement Limit	Treasury Limit	Pre-Settlement Limits MPECP						
			< M03	<1 Year	< 3 Yrs	< 5 Yrs	< 10 Yrs	< 20 Yrs	> 20 Yrs
Existing Limit	0	0	365	365	165	165	30	30	30
Proposed Limit	0	0	1150	900	850	850	100	50	50
Limit Change	-	-	785	535	685	685	70	20	20
Existing Utilization	-	-	805.9	636.9	633.3	628.7	26	1.1	0.2
Hedged by CDS	-	-	240	240	240	240	-	-	-

Background

A U.K.-based securities and investment banking arm of MHFG. Fully held by MHSC.

Existing Business & Trading Guidelines

MHIP is the most active counterparty in MHFG, and ranks with the Firm's top ten MPE / CCE. Exposures mostly stem from: (i) index arbitrage CDS vs. LBSF (notional: \$107.0 billion) and (ii) repo 105 vs. LBIE (notional: \$2.4 billion). The MPECP increase request above is to accommodate these two major activities. Of the proposed \$1,150mm <M03, \$250mm should be solely earmarked for repo 105 toward fiscal year end. Index arbitrage CDS started with MHIP in October 2006, and Credit then signed off on the exclusion of those trades from the regular margin process due to their low risk with the risk factor of 0.25% ~ 0.75%). While the notional of these trades have been steeply accumulated in a very short period, we have been notified by the desk that they own \$240mm CDS on MHFG in order to hedge a part of the risk arising from their trades. The application of MHIP to the CVA program is now in progress. We have recently requested the desk to suspend further additions of index arbitrage trades, given sharp MPE increase caused by the recent market movements.

Mizuho International (100693IBJI) / LBSF

UK Master, UK CSA

Maintenance of investment grade provision on MHC B (lower rating determinative)

Unsecured threshold: zero

Independent amount: N/A unless specified in a confirmation

MTA: \$0.5mm; Daily valuation
 [Positions as at November 19, 2007]
 MTM \$377.7mm / Notional \$108,402.6mm / MPE \$626.5mm

Mizuho International (100693IBJI) / LBIE

UK Master, UK CSA
 Maintenance of investment grade provision on MHIP (lower rating determinative)
 Unsecured threshold: zero
 Independent amount: N/A unless specified in a confirmation
 MTA: \$0.25mm; Daily valuation
 [Positions as at November 19, 2007]
 MTM \$19.8mm / Notional \$3,507.7mm / MPE \$11.2mm

Counterparty: MIZUHO SECURITIES ASIA LIMITED (MHSA)

Industry: Broker Dealer General
Physical Residence: Hong Kong
Physical Residence ICR: iAA
Analyst: Miyuki Suzuki
Guarantee: No
Next Review Date: 11/14/2009
Next Refresh Date: 11/14/2008

Existing ICR: iAA
Proposed ICR: iAA
Existing Reference IFR: i7
Proposed Reference IFR: i7
Moody's (S-T): Unrated
S&P: Unrated
Fitch: Unrated

Counterparty Level (USD Millions)	Settlement Limit	Treasury Limit	Pre-Settlement Limits MPECP						
			< M03	<1 Year	< 3 Yrs	< 5 Yrs	< 10 Yrs	< 20 Yrs	> 20 Yrs
Existing Limit	0	0	0	0	0	0	0	0	0
Proposed Limit	0	0	5	0	0	0	0	0	0
Limit Change	-	-	5	-	-	-	-	-	-
Existing Utilization	-	-	-	-	-	-	-	-	-

Background

A Hong Kong-based broker dealer arm of MHFG. A wholly-owned subsidiary of MHSC.

Existing Business & Trading Guidelines

Not active trading. We recommend to establish small MPECP <M03 to support occasional cash forwards.

Counterparty: MIZUHO CORPORATE BANK (GERMANY) AKTIENGESELLSCHAFT

Industry: Commercial Bank
Physical Residence: Germany
Physical Residence ICR: iAAA
Analyst: Miyuki Suzuki
Guarantee: No
Next Review Date: 11/14/2009
Next Refresh Date: 11/14/2008

Existing ICR: iAA
Proposed ICR: iAA
Existing Reference IFR: i7
Proposed Reference IFR: i7
Moody's (S-T): Unrated
S&P: Unrated
Fitch: Unrated

Counterparty Level (USD Millions)	Settlement Limit	Treasury Limit	Pre-Settlement Limits MPECP						
			< M03	<1 Year	< 3 Yrs	< 5 Yrs	< 10 Yrs	< 20 Yrs	> 20 Yrs
Existing Limit	0	65	0	0	0	0	0	0	0
Proposed Limit	0	100	0	0	0	0	0	0	0
Limit Change	-	-	-	-	-	-	-	-	-
Existing Utilization	-	-	-	-	-	-	-	-	-

Background

A wholly-owned subsidiary of MHCB based in Germany.

Existing Business & Trading Guidelines

The business activity is limited to occasional money market placements by LBAG. We recommend to increase the ML limit, in view of increasing business activity lately.

Other Family Group Members Rated through the CCP (No MPECP Assigned)

MIZUHO CAPITAL MARKETS (UK) LTD
 MIZUHO CORPORATE BANK (CANADA)

MIZUHO CORPORATE BANK (USA)
MIZUHO CORPORATE BANK OF CALIFORNIA
MIZUHO FINANCE (CAYMAN) LTD
MIZUHO BANK (SCHWEIZ) AG
MIZUHO FINANCIAL STRATEGY CO., LTD.
MIZUHO TRUST & BANKING CO USA

Other Family Group Members Reviewed Separately (MPECP Assigned from MHFG's MPEFAM)

MIZUHO INVESTORS SECURITIES CO LTD
TRUST AND CUSTODY SERVICES BANK LTD

Bank Name	Year	Loans mil USD	Other Earning Assets mil USD	Total Assets mil USD	Deposits & Short term funding mil USD	Equity mil USD	Net Income mil USD
Chuo Mitsui Trust & Banking Co Ltd (The)	2007	68,494	44,643	118,532	86,683	8,332	879
Kabushiki Kaisha Mitsubishi UFJ Financial Group- Mitsubishi UFJ Financial Group Inc	2007	723,936	717,124	1,504,061	1,249,269	88,901	8,329
Mizuho Financial Group	2007	561,010	613,818	1,235,864	974,284	56,280	6,017
Sumitomo Mitsui Financial Group, Inc	2007	507,292	274,371	826,623	694,711	44,747	4,252

Bank Name	Year	Total Capital Ratio	Tier 1 Ratio	Loan Loss Res / Impaired Loans	Impaired Loans / Gross Loans	Net Interest Margin	Return on Average Assets (ROAA)
Chuo Mitsui Trust & Banking Co Ltd (The)	2007	11.4	8.1	62.77	1.77	0.75	0.75
Kabushiki Kaisha Mitsubishi UFJ Financial Group- Mitsubishi UFJ Financial Group Inc	2007	12.6	7.6	85.13	1.77	1.12	0.55
Mizuho Financial Group	2007	12.5	7	72.43	1.8	0.79	0.49
Sumitomo Mitsui Financial Group, Inc	2007	11.3	6.5	83.3	1.76	1.22	0.5

Bank Name	Year	Return on Average Equity (ROAE)	Cost to Income Ratio	Interbank Ratio	Net Loans / Total Assets	Net Loans / Tot Dep & Bor	Liquid Assets / Cust & ST Funding
Chuo Mitsui Trust & Banking Co Ltd (The)	2007	11.3	36.75	81.14	57.79	64.72	24.67
Kabushiki Kaisha Mitsubishi UFJ Financial Group- Mitsubishi UFJ Financial Group Inc	2007	9.68	52.76	174.6	48.13	55.8	22.84
Mizuho Financial Group	2007	11.15	50.52	39.99	45.39	54.41	17.26
Sumitomo Mitsui Financial Group, Inc	2007	9.28	46.16	104.1	61.37	70.98	15.64