



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

SCOTT G. ALVAREZ
GENERAL COUNSEL

April 15, 2016

Luigi L. De Ghenghi, Esq.
Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017

Dear Mr. De Ghenghi:

This responds to your request on behalf of Mizuho Financial Group, Inc. (“Mizuho FG”), Tokyo, Japan, for a determination that an application under the Bank Holding Company Act of 1956 (“BHC Act”) would not be required in connection with a corporate reorganization of the U.S. subsidiary banks of Mizuho FG. Under the proposal, Mizuho FG would transfer its indirect ownership interest in two U.S. insured depository institutions, Mizuho Bank (USA) (“Mizuho Bank USA”) and Mizuho Trust & Banking Co. (USA) (“Mizuho TB USA”), both of New York, New York, to Mizuho Americas LLC (“Mizuho Americas”), which Mizuho FG proposes to form in Delaware. Mizuho Americas would be a wholly owned subsidiary of Mizuho Bank, Ltd. (“Mizuho Bank”), Tokyo, Japan, which in turn is wholly owned by Mizuho FG. Both Mizuho FG and Mizuho Bank are qualifying foreign banking organizations under the Board’s Regulation K and are registered bank holding companies.

The proposed transaction is an internal corporate rearrangement of companies within the Mizuho FG corporate structure that is being undertaken as part of Mizuho FG’s compliance with the Board’s risk-committee requirement for certain foreign banking organizations.¹ The transactions would all occur in immediate succession. Upon completion of the transactions, Mizuho Bank USA and Mizuho TB USA would become wholly owned subsidiaries of Mizuho Americas.

Section 3 of the BHC Act requires the approval of the Board before any action can be taken that causes any company to become a bank holding company and before any action can be taken that causes a bank to become a subsidiary of a bank holding company.² Through the proposal described above, Mizuho Bank would acquire

¹ 12 CFR 252.155.

² 12 U.S.C. § 1842(a)(1) and (2).

all of the shares of Mizuho TB USA, and Mizuho Americas would acquire all of the shares of both Mizuho Bank USA and Mizuho TB USA, and thereby become a bank holding company. Accordingly, Mizuho Bank and Mizuho Americas would be required to obtain the Board's approval under section 3 of the BHC Act and Regulation Y before acquiring Mizuho Bank USA and Mizuho TB USA.

In certain circumstances, however, the Board's rules provide that a bank holding company may transfer control of a subsidiary bank between one subsidiary holding company and another subsidiary holding company without the Board's prior approval under section 3. Specifically, section 225.12(d)(3) of the Board's Regulation Y provides that a bank holding company need not receive the Board's approval for this type of corporate reorganization where it occurs in the United States and meets certain other criteria.³ While section 225.12(d)(3) does not apply to transactions that, as here, occur partly outside the United States, your proposal is consistent with the purposes of section 225.12(d)(3) of the Board's Regulation Y.

The transaction represents solely a corporate reorganization involving companies and insured depository institutions that, both preceding and following the transaction, are lawfully controlled and operated by Mizuho FG. Specifically, the transaction involves only the internal restructuring of the ownership of Mizuho Bank USA and Mizuho TB USA, both companies controlled by Mizuho FG. The transaction does not involve the acquisition of additional voting shares of an insured depository institution that, prior to the transaction, was less than majority-owned by Mizuho FG. Mizuho Bank USA and Mizuho TB USA would continue to be held by Mizuho FG through a U.S.-domiciled holding company. The transaction does not raise any supervisory or regulatory concerns, including concerns related to access to information, and does not require any individual or company to enter into new commitments with the Board. Moreover, the reorganization will facilitate Mizuho FG's compliance with the risk-committee requirements of the Board's rules. Mizuho Bank has previously been determined by the Board to be subject to comprehensive supervision on a consolidated basis.⁴ In addition, both before and after the transaction, Mizuho FG and Mizuho Bank would have capital equivalent to capital that would be required of a U.S. banking organization.

After consultation with staff in the Division of Banking Supervision and Regulation, the Legal Division believes that no regulatory purpose would be served by requiring Mizuho Bank or Mizuho Americas to file a formal application under section 3 of the BHC Act in connection with the proposed internal reorganization.⁵ This

³ 12 CFR 225.12(d)(3).

⁴ See Mizuho Financial Group, Inc., 89 Federal Reserve Bulletin 181 (2003).

⁵ This does not relieve Mizuho Americas from the requirement to complete the registration requirements described in section 225.5 of Regulation Y (12 CFR 225.5).

opinion is based on all the facts and representations presented to Federal Reserve staff. Any material change in those facts or representations should be communicated to Federal Reserve staff promptly and may cause this opinion to be reconsidered. This opinion also is limited to this proposed transaction and does not apply to any other transaction.

If you have any questions regarding this matter, please contact Michelle Kidd (202-736-5554) or Andrew Hartlage (202-452-6483) of my staff.

Sincerely,

A handwritten signature in blue ink, reading "Scott G. Alley". The signature is written in a cursive style with a large, circular flourish at the end.