

# Consolidated Balance Sheet

September 30,2000

Mizuho Holdings,Inc.

(in millions of yen)

<b>Assets</b>		<b>Liabilities</b>	
Cash and Due from Banks	5,842,405	Deposits	66,677,573
Call Loans and Bills Purchased	2,679,129	Negotiable Certificates of Deposit	11,822,997
Other Debt Purchased	569,829	Debentures	19,079,324
Trading Assets	8,882,131	Call Money and Bills Sold	9,982,862
Money Held in Trust	460,975	Commercial Paper	989,388
Securities	24,226,127	Trading Liabilities	3,480,647
Loans and Bills Discounted	90,948,109	Borrowed Money	4,149,729
Foreign Exchanges	877,526	Foreign Exchanges	191,663
Other Assets	9,484,869	Bonds and Notes	3,904,895
Premises and Equipment	1,775,449	Convertible Bonds	7,046
Deferred Debenture Charges	8,883	Due to Trust Account	1,682,742
Deferred Tax Assets	1,727,808	Other Liabilities	16,098,129
Consolidation Differences	120,744	Reserve for Employee Retirement Benefit	166,522
Customer's Liabilities for Acceptances and Guarantees	4,975,762	Reserve for Possible Losses on Loans Sold	252,061
Reserve for Possible Losses on Loans	(1,610,674)	Reserve for Possible Losses on Support of Specific Borrowers	221,977
Reserve for Possible Losses on Securities	(9,286)	Reserve for Possible Foreign Exchange Losses on Trust Account Investments	36,393
		Reserve for Contingency	14,214
		Reserve under Special Laws	640
		Deferred Tax Liabilities	10,453
		Deferred Tax Liabilities for Revaluation Reserve for Land	352,057
		Acceptances and Guarantees	4,975,762
		<b>Total Liabilities</b>	<b>144,097,086</b>
		<b>Minority Interests</b>	
		Minority Interests	693,013
		<b>Shareholders' Equity</b>	
		Common Stock and Preferred Stock	2,572,000
		Capital Surplus	2,203,747
		Revaluation Reserve for Land, net of Taxes	562,200
		Retained Earnings	1,036,778
		Foreign Currency Translation Adjustments	(200,918)
		Sub. total	6,173,808
		Parent Company Stock Held by Subsidiaries	4,116
		<b>Total Shareholders' Equity</b>	<b>6,169,692</b>
<b>Total Assets</b>	<b>150,959,791</b>	<b>Total Liabilities, Minority Interests and Shareholders' Equity</b>	<b>150,959,791</b>

Notes to Consolidated Balance Sheet

1. Amounts less than one million yen are rounded down.
2. Trading transactions intended to take advantages of short-term fluctuations and arbitrage opportunities in interest rates, currency exchange rates, market prices of securities and related indices are recognized on a contract date basis and recorded in Trading Assets or Trading Liabilities on the interim consolidated balance sheet. Securities and other short-term credit instruments held for trading purposes are stated at fair value at the interim consolidated balance sheet date. Derivative financial products, such as swaps, forward contracts and option transactions, are stated at their theoretical values, assuming that such transactions were terminated and settled at the interim consolidated balance sheet date.
3. Securities held to maturity are valued on an amortized cost basis using the moving average method. Other Securities are valued on a cost basis or an amortized cost basis using the moving average method.
4. Securities in Money Held in Trust for the purpose of investment are valued mainly on mark-to-market.
5. Derivative transactions other than for trading purposes are valued on a mark-to-market basis.
6. Depreciations of Premises and Equipment are recorded as follows:
  - Buildings: Depreciation of buildings is computed primarily using the straight-line method based on rates prescribed under Japanese Tax Law.
  - Equipment: Depreciation of equipment is computed using the declining-balance method, based on rates prescribed under Japanese Tax Law.
  - Other premises and equipment: Depreciation of other premises and equipment is computed in accordance with methods prescribed under Japanese Tax Law.
7. Development costs for software internally-used by the domestic subsidiaries are capitalized and amortized under the straight-line method over an estimated useful life, mainly 5 years.
8. Deferred Debenture Charges are amortized as follows:
  - (1) Discounts of debentures are amortized over the term of the debenture.
  - (2) Debenture issuance costs are amortized over the term of such debentures up to a maximum of 3 years, which is the longest period permitted by the Japanese Commercial Code.

9.Assets and liabilities held by domestic consolidated banks and trust banks denominated in foreign currencies are translated into yen primarily using the exchange rates in effect at the interim consolidated balance sheet date.

Assets and Liabilities, held by other consolidated subsidiaries, denominated in foreign currencies are translated into their home currencies at the respective exchange rates in effect at the interim balance sheet dates.

10.Reserves for Possible Losses on Loans of major domestic subsidiaries are maintained in accordance with internally developed Standards for Write-Offs and Provisions:

----For credits extended to bankrupt and substantially bankrupt obligors, reserves are maintained for 100% of the said loans, less amounts recoverable from collateral and guarantees.

----For credits extended to obligors who are likely to become legally insolvent, reserves are maintained for the amount deemed necessary based on overall solvency analyses, less amounts recoverable from collateral and guarantees.

----For credits extended to other borrowers, reserves are maintained at rates derived from historical credit loss experiences.

----Reserves for Possible Losses on Loans to Restructuring Countries (including Reserves for losses on overseas investments prescribed in Article 55-2 of the Exceptions to Tax Laws Act) are maintained in order to cover possible losses based on analyses of political and economic climates of the countries.

All credits are assessed by each credit origination department, and the results of the assessments are verified and audited by an independent examination department. Reserves for Possible Losses on Loans are provided on the basis of such audited assessments.

In the case of loans to substantially bankrupt obligors or bankrupt obligors which are collateralized or guaranteed by a third party, the amounts deemed uncollectible are charged off against the respective loan balances. The total charge-off amount is ¥3,096,781 million.

Reserves for Possible Losses on Loans for other consolidated subsidiaries are maintained at rates formulated from respective historical credit loss experiences for normal claims. In cases where there is more reason for concern about the failure of the obligor than normal, the amounts deemed uncollectible are provided in the reserve.

11.Reserves for Possible Losses on Securities are maintained to provide against possible losses on securities, after taking into consideration the financial conditions and other relevant factors concerning the subject entity.

12.Reserve for Retirement Benefit, which is provided for future pension payments to

employees, is recorded as the amount accrued at the end of the interim fiscal term, based on the pension liability and the estimated pension asset amount at the end of the fiscal term.

With respect to the unrecognized net obligation of domestic subsidiaries, amounting to ¥353,159 million at the date of changing pension accounting policy, ¥144,166 million has already been expensed through the establishment of the retirement benefit trust, and the remainder is to be amortized over five years. For this interim fiscal period, half of the amount to be amortized during the year is charged to current expenses.

13. Reserve for Possible Losses on Loans Sold is provided to cover contingent losses on loans sold to the Cooperative Credit Purchasing Company Limited, taking into account the value of collateral pledged. This reserve is provided in accordance with Article 287-2 of the Japanese Commercial Code.
14. Reserve for Possible Losses on Support of Specific Borrowers is provided to cover losses on write-offs of loans to assist or facilitate the restructuring of certain borrowers. This reserve is provided in accordance with Article 287-2 of the Japanese Commercial Code.
15. Reserve for Possible Foreign Exchange Losses on Trust Account Investments is provided to cover foreign exchange losses on securities held by loan trust. This reserve is provided in accordance with Article 287-2 of the Japanese Commercial Code.
16. Reserve for Contingencies is provided to cover losses arising from matters not covered by specific reserves which are likely to occur and which are of determinable amounts. This reserve is provided in accordance with Article 287-2 of the Japanese Commercial Code.
17. Finance leases of MHHD and domestic consolidated subsidiaries that do not involve the transfer of ownership to the lessee at the end of lease terms are accounted for as operating leases.
18. The macrohedge method is adopted by the domestic consolidated banks and trust banks as a hedge accounting for the overall interest rate risk involved in various financial assets and liabilities, such as loans and deposits, etc. using derivatives. This is the risk management method stipulated in "Tentative Accounting and Auditing Treatment relating to Adoption of 'Accounting for Financial Instruments' for Banks" (JICPA Industry Audit Committee Report No.15) as "the Risk Adjusted Approach", and uses the deferral method of hedge accounting. Hedge effectiveness is assessed by checking (1) whether the total risk amount of derivative instruments used as the risk

adjusting measure is within the established risk limit as set out in the risk management policy and (2) whether interest risks from hedged items have been reduced.

In addition to the deferral method for hedge accounting, the mark-to-market method and a special accrual method of interest swaps are applied to certain assets or liabilities.

Other subsidiaries have adopted similar hedge accounting method to the above.

19. Consumption Taxes including local taxes for MHHD and its domestic subsidiaries are excluded from the transaction amounts.

20. Reserves under Special Laws are recorded as follows:

Reserve for Financial Futures Transaction Liability: ¥92 million.

This reserve is maintained in accordance with Article 82 of the Financial Futures Transactions Law.

Securities Transaction Liability Reserve : ¥548 million

This reserve is maintained in accordance with Article 65-2-7 of the Securities Exchange Law of Japan.

21. Loans by MHHD and its consolidated subsidiaries to directors and corporate auditors amount to ¥ 55 million.

22. Accumulated depreciation of Premises and Equipment amounts to ¥818,649 million.

23. The compressed book value of Premises and Equipment amount to ¥159,585 million.

24. Loans and Bills Discounted include Loans to Bankrupt Borrowers of ¥586,854 million and Non-Accrual Delinquent Loans of ¥2,171,974 million. Loans to Bankrupt Borrowers represent non-accrual loans to Borrowers who are legally bankrupt as defined in Article 96-1-3 and 4 of the Corporate Tax Law (Article 97 of 1965 Cabinet Order). Non-Accrual Delinquent Loans represent non-accrual loans other than (1) Loans to Bankrupt Borrowers and (2) Loans of which interest payments are deferred in order to assist or facilitate the restructuring of the borrowers.

25. Loans and Bills Discounted also include Loans Past Due for 3 Months or More of ¥188,147 million. Loans to Bankrupt Borrowers or Non-Accrual Delinquent Loans, both of which are classified as non-accrual, are not included in this category.

26. Loans and Bills Discounted also include Restructured Loans of ¥1,591,637 million.

Restructured Loans represent loans on which contracts have been amended in favor of borrowers (e.g., reduction of, or exemption from, stated interest, deferral of interest

payments, extension of maturity dates, renunciation of claims) in order to assist or facilitate restructuring processes of borrowers in financial difficulties, excluding Loans to Bankrupt Borrowers, Non-Accrual Delinquent Loans, and Loans Past Due for 3 Months or More.

27.Total balance of Loans to Bankrupt Borrowers, Non-Accrual Delinquent Loans, Loans Past Due for 3 Months or More and Restructured Loans total ¥4,538,612 million at the interim consolidated balance sheet date.

The amounts given in the paragraphs 24 through 27 are gross amounts before deduction of the Reserve for Possible Losses on Loans.

28.The face value of bank acceptance bills, commercial bills and documentary bills obtained as a result of discounting : ¥1,203,089 million.

29.The following assets have been pledged as collateral: (in millions of yen)

Cash and Due from Banks	990
Trading Assets	688,147
Securities	2,481,369
Loans and Bills Discounted	3,020,857
Premises and Equipment	15,919
Other Assets	143,979

The following liabilities are collateralized by the above assets:

Deposits	249,580
Call Money and Bills Sold	4,387,747
Trading Liabilities	5,712
Borrowed Money	131,268
Other Liabilities	32,906

In addition, stocks of ¥10,058 million related to Margin Trading are pledged for borrowed money and ¥31million are pledged for margins etc. The settlement accounts of foreign currency transactions and margins for futures transaction are collateralized by ¥148,824 million included in Cash and Due from Banks, ¥18,874 million included in Trading Assets, ¥3,318,480 million included in Securities, ¥438,965 million included in Loans, and ¥149,093 million included in Other Assets. None of the assets pledged is collateral in connection with borrowings by consolidated entities or affiliates.

Guarantee deposits amounting to ¥183,041 million are included in Premises and Equipment. Margins for futures transactions amounting to ¥34,217 million and collateralized cash on securities borrowed amounting to ¥2,205,977 million are included in Other Assets.

30.Net realized and unrealized gains/losses from hedging instruments are included in Other Assets as Deferred Hedge Losses. The gross amounts of deferred hedge gains

and losses before netting are ¥929,441 million and ¥1,487,473 million, respectively.

31. In accordance with the Land Revaluation Laws, lands used for business operations by domestic consolidated banks are revalued as follows:

Date of revaluation: March 31, 1998

Method of revaluation set forth in Article 3-3 of above law:

In accordance with Article 119 of the 1998 Cabinet Order Article 2-4 of the Enforcement Ordinance relating to the Land Revaluation Law, revaluation is performed by the method of calculating land value on the basis of taxable amounts for Land Value Tax along with reasonable adjustments, such as for the shape of land and accessibility. This method is established and published by the Director General of National Tax Administration.

The taxable portion of Revaluation Reserve for Land is included in Deferred Tax Liabilities for Land Revaluation, and the remainder, net of the taxable portion is stated as Revaluation Reserve for Land, net of tax in Shareholders' Equity.

32. Borrowed Money includes subordinated borrowings of ¥2,526,479 million.

33. Bonds and Notes includes subordinated bonds and notes of ¥3,050,404 million.

34. With respect to the domestic consolidated trust bank, the principal amounts indemnified for jointly operated designated money trusts and loan trusts were ¥671,582 million and ¥2,719,157 million, respectively.

35. Net Asset per Share of Common Stock amounts to ¥441,572.25.

36. Securities loaned with transfer of legal title, amounting to ¥2,763,473 million, are included in Securities, securities in custody in Other Assets, or trading securities in Trading Assets.