

II. Review of Credits

1. Self-Assessment of Assets and Write-offs/Reserves

Self-Assessment of Assets

Mizuho Holdings has strictly executed the following obligor classifications and asset classifications on its asset quality in accordance with the strict *Standard on Self-Assessment of Assets* with an unification among the 3 banks based on the Financial Inspection Manuals promulgated by the Financial Services Agency.

[Obligor Classifications]

Normal Obligors	Obligors generally recognized to be experiencing good business conditions and having no significant financial problems.
Watch Obligors	Obligors who require careful credit watching.
Intensive Control Obligors	Obligors who have a high probability that the obligor will go bankrupt.
Substantially Bankrupt Obligors	Obligors for which legal bankruptcy has not yet occurred, but who are substantially going bankrupt.
Bankrupt Obligors	Obligors who have already gone bankrupt, from both legal and/or formal perspectives.

[Asset Classifications]

Category I (Unclassified)	Assets, etc. not classified as Category II, III or IV.
Category II	Assets, etc. which are deemed to have a higher-than ordinary risk of default.
Category III	Assets, etc. of which there are significant concern over complete collection or the value.
Category IV	Assets, etc. that are deemed to be irrecoverable or of no value.

Write-offs/Reserves

Mizuho Holdings has enacted a conservative and rational *Standard on Write-offs and Reserves* with an unification among the 3 banks based on the Commercial Code, generally accepted auditing standards in Japan, the practical guidance published by the Japanese Institute of Certified Public Accountants, the Financial Inspection Manuals, etc., and carried out the following write-offs and reserves for its assets in principle, based on the results of aforementioned Self-Assessment of Assets.

Normal Obligors	Appropriate the expected amount of the losses over a year computed based on the expected loss ratio for general reserve for possible loan losses.
Watch Obligors	Appropriate the expected amount of the losses over three years computed based on the expected loss ratio for general reserve for possible loan losses. As for any claims against obligors having Past Due for 3 Months or More and/or Restructured Loans, appropriate the indispensable amount *among the balance after deduction of the anticipated amount from the sale of collateral pledged against the claims and/or the anticipated amount that may be recovered from guarantors of the claims for general reserve for possible loan losses.
Intensive Control Obligors	Appropriate either amount of following (1) or (2) for specific reserve for possible loan losses, among the balance* after deduction of the anticipated amount from the sale of collateral pledged against the claims and/or the anticipated amount that may be (1) the amount computed based on a comprehensive evaluation of the obligor's ability to pay. (2) the amount multiplying the aforementioned balance* by the expected loss ratio for the next three years.
Substantially Bankrupt Obligors	Appropriate the following amount for specific reserve for possible loan losses or write-offs: all of the balance after deduction of the anticipated amount from the sale of collateral pledged against the claims and/or the anticipated amount that may be recovered from guarantors of the claims.
Bankrupt Obligors	Appropriate the following amount for specific reserve for possible loan losses or write-offs: all of the balance after deduction of the anticipated amount from the sale of collateral pledged against the claims and/or the anticipated amount that may be recovered from guarantors of the claims.

* The Bank has executed reserves based on the guideline published by the Financial Reconstruction Commission.

2. Status of Non-Accrual, Past Due, & Restructured Loans

*1: The figures below are figured after direct charge-offs of Category IV loans.

*2: Treatment of accrued interest is based on the results of the self-assessment of assets.

(No accrued interest receivable on loans to Bankrupt Obligor, Substantially Bankrupt Obligor, and Intensive Control Obligor are recognized.)

(Consolidated)

(in millions of yen)

		9/30/00
Non-Accrual, Past Due & Restructured Loans		
	Loans to Bankrupt Borrowers	586,854
	Non-Accrual Delinquent Loans	2,171,974
	Loans Past Due for 3 Months or More	188,147
	Restructured Loans	1,591,637
	Total	4,538,612

* Above figures are presented net of direct charge-offs.

Amount of Direct Charge-offs	2,999,500
------------------------------	-----------

Total Loans (Balance as of 9/30/00)	90,948,109
-------------------------------------	------------

(%)

		(%)
Ratio to Total Loan	Loans to Bankrupt Borrowers	0.65
	Non-Accrual Delinquent Loans	2.39
	Loans Past Due for 3 Months or More	0.21
	Restructured Loans	1.75
	Total	4.99

(Aggregated Figures of the 3 Banks)

(in millions of yen)

		9/30/00	Change		3/31/00	9/30/99
			from 3/31/00	from 9/30/99		
Non-Accrual, Past Due & Restructured Loans						
	Loans to Bankrupt Borrowers	519,757	189,165	193,550	330,592	326,207
	Non-Accrual Delinquent Loans	1,888,743	(742,482)	(1,368,457)	2,631,225	3,257,200
	Loans Past Due for 3 Months or More	179,033	(20,606)	(9,400)	199,639	188,433
	Restructured Loans	1,491,863	(11,944)	413,991	1,503,807	1,077,872
	Total	4,079,400	(585,866)	(770,319)	4,665,266	4,849,719

* Above figures are presented net of direct charge-offs.

The amounts charge-offs are as follows:

Amount of Direct Charge-offs	2,257,736	338,737	231,513	1,918,999	2,026,223
------------------------------	-----------	---------	---------	-----------	-----------

Total Loans (Balance as of 9/30/2000)	84,555,501	(1,041,974)	69,408	85,597,475	84,486,093
---------------------------------------	------------	-------------	--------	------------	------------

(%)

		0.61	0.23	0.23	0.39	0.39
Ratio to Total Loan	Loans to Bankrupt Borrowers	0.61	0.23	0.23	0.39	0.39
	Non-Accrual Delinquent Loans	2.23	(0.84)	(1.62)	3.07	3.86
	Loans Past Due for 3 Months or More	0.21	(0.02)	(0.01)	0.23	0.22
	Restructured Loans	1.76	0.01	0.49	1.76	1.28
	Total	4.82	(0.63)	(0.92)	5.45	5.74

3. Status of Loan Loss Reserves (Consolidated)

(in millions of yen)

	9/30/00
Reserves for Possible Losses on Loans (a+b+c)	1,610,674
(a)General Reserve for Possible Losses on Loans	753,723
(b)Specific Reserve for Possible Losses on Loans	830,490
(c)Reserve for Possible Losses on Loans to Restructuring Countries	26,460

* Above figures are presented net of charge-offs.

The amounts of netted charge-offs are as follows:

Specific Reserve for Possible Losses on Loans	3,096,781
-----------------------------------------------	-----------

Reserve for Possible Losses on Support of Specific Borrowers	221,977
--------------------------------------------------------------	---------

Reserve for Possible Losses on Loans Sold	252,061
-------------------------------------------	---------

(Aggregated Figures of the 3 Banks)

(in millions of yen)

	9/30/00			3/31/00	9/30/99
		Change from 3/31/00	Change from 9/30/99		
Reserves for Possible Losses on Loans (a+b+c)	1,323,845	(473,382)	(590,517)	1,797,227	1,914,362
(a)General Reserve for Possible Losses on Loans	545,296	(1,173)	(1,628)	546,469	546,924
(b)Specific Reserve for Possible Losses on Loans	754,557	(468,717)	(587,747)	1,223,274	1,342,304
(c)Reserve for Possible Losses on Loans to Restructuring Countries	23,990	(3,492)	(1,141)	27,482	25,131

* Above figures are presented net of charge-offs.

The amounts netted charge-offs are as follows:

Specific Reserve for Possible Losses on Loans	2,322,069	335,883	199,404	1,986,186	2,122,665
-----------------------------------------------	-----------	---------	---------	-----------	-----------

Reserve for Possible Losses on Support of Specific Borrowers	235,204	10,500	27,338	224,704	207,866
--------------------------------------------------------------	---------	--------	--------	---------	---------

Reserve for Possible Losses on Loans Sold	244,602	(56,006)	(12,312)	300,608	256,914
-------------------------------------------	---------	----------	----------	---------	---------

Loans to CCPC	420,020	(108,162)	(190,429)	528,182	610,449
---------------	---------	-----------	-----------	---------	---------

*CCPC: Cooperative Credit Purchasing Company

4. Reserve Ratios for Non-Accrual, Past Due, & Restructured Loans (Consolidated)

(%)

	9/30/00
Before Direct Charge-offs of Category IV Loans	65.39
After Direct Charge-offs of Category IV Loans	40.38

(Aggregated Figures of the 3 Banks)

(%)

	9/30/00			3/31/00	9/30/99
		Change from 3/31/00	Change from 9/30/99		
Before Direct Charge-offs of Category IV Loans	61.24	0.37	(1.93)	60.87	63.17
After Direct Charge-offs of Category IV Loans	38.22	(5.12)	(5.54)	43.34	43.76

5. Disclosed Claims under the Financial Reconstruction Law("FRL") (Aggregated Figures of the 3 Banks)

(in millions of yen)

	9/30/00		3/31/00	9/30/99
		Change from 3/31/00		
Claims against Bankrupt and Quasi-Bankrupt Obligors	1,040,034	285,806	286,301	754,228
Claims with Collection Risk	1,425,599	(855,865)	(1,481,812)	2,281,464
Claims for Special Attention	1,670,897	(32,549)	404,589	1,703,446
Total (A)	4,136,535	(602,606)	(790,921)	4,739,141
Amount of Direct Charge-offs	2,322,069	335,883	199,404	1,986,186

6. Status of Coverage on Problem Loans under the FRL (Aggregated Figures of the 3 Banks)

(in millions of yen)

	9/30/00		3/31/00	9/30/99
		Change from 3/31/00		
Coverage Amount (B)	3,101,144	(650,907)	(797,480)	3,752,051
Reserve for Possible Losses on Loans	834,760	(470,540)	(600,346)	1,305,300
Reserve for Possible Losses on Support of Specific Borrowers	235,204	10,500	84,866	224,704
Collateral, Guarantees, etc.	2,031,180	(190,865)	(281,995)	2,222,045
				(%)
Coverage Ratio (B)/(A)				
After Direct Charge-offs of Category Loans	75.0	(4.1)	(4.1)	79.2
Before Direct Charge-offs of Category Loans	84.0	(1.3)	(1.4)	85.3
against Claims against Bankrupt and Quasi-Bankrupt Obligors	100.0	-	-	100.0
against Claims with Collection Risk	83.5	(4.6)	(0.4)	88.1
against Claims for Special Attention	52.3	(5.7)	(3.5)	57.9
				(%)
Reserve Ratio against Non-collateralized Claims				
against Claims against Bankrupt and Quasi-Bankrupt Obligors	100.0	-	-	100.0
against Claims with Collection Risk	68.8	(10.7)	(5.1)	79.5
against Claims for Special Attention	32.2	(0.1)	8.9	32.3
				(%)
[Reference] Reserve Ratio regarding Other Claims				
Claims against Watch Obligors excluding Claims for Special Attention	3.95	0.21	1.01	3.74
Normal Claims	0.12	(0.01)	(0.00)	0.13

**7. Non-accrual, Past Due & Restructured Loans
(Aggregated figures of the 3 Banks)**

(in millions of yen)

1. SELF-ASSESSMENT					2.	3.
Obligor	Non-Categorization	Category	Category III	Category IV	Disclosed Claims under the Financial Reconstruction Law	Non-Accrual, Past Due & Restructured Loans
Bankrupt and Substantially Bankrupt Obligors 1,040,034	1,040,034 Covered by Reserves, Good Quality Collateral or Guarantees		Reserve ratio 100% (Note 4)	Direct Write-offs	Claims against Bankrupt and Quasi-Bankrupt Obligors 1,040,034 Coverage ratio 100%	Loans to Bankrupt 519,757
Intensive Control Obligors 1,425,599	1,190,515 Covered by Reserves, Good Quality Collateral or Guarantees		235,083 Reserve ratio 68.8% (Note 4)		Claims with Collection Risk 1,425,599 Coverage ratio 83.5%	Non-Accrual Delinquent Loans 1,888,743
Watch Obligors						57,133 (Note 3)
Special Attention Obligors 1,670,897	Reserve ratio for un-covered portion 32.2%				Claims for Special Attention (Note 1) 1,670,897 Coverage ratio 52.3%	Lans Past Due for 3 Months or more 179,033
Claims for Special Attention Obligors						Restructured Loans 1,491,863
Claims against Other watch Obligors						
Normal Obligors						
			Reserved based on estimated credit losses			
Total 94,863,670					Total 4,136,535	Total 4,079,400

Note 1 Claims for Special Attention includes loans only and is equal to the total amount of Loans Past Due for 3 Months or More and Restructured Loans. The figure under Special Attention Obligors represents the total amount of claims against the obligors of claims for Special Attention.

Note 2 The same coverage ratio as Claims for Special Attention Obligors is used .

Note 3 The difference between total Non-Accrual, Past Due & Restructuring Loans and total Disclosed Claims under the Financial Reconstruction Law represents claims included in Disclosed Claims under the Financial Reconstruction Law other than loans.

Note 4 Loans with Reserves are included in Non-Categorization.

8 . Status of Loans by Industry**a) Outstanding Loans by Industry****(Aggregated Figures of the 3 Banks)**

(in millions of yen)

	9/30/00		3/31/00	9/30/99
		Change from 3/31/00		
Domestic Offices (excluding loans booked at offshore markets)	75,271,148	(1,094,376)	1,396,646	73,874,502
Manufacturing	11,580,223	(261,061)	53,128	11,527,095
Agriculture	109,469	(25)	(2,426)	111,895
Forestry	3,912	(30)	166	3,746
Fishery	51,678	(6,519)	(3,569)	55,247
Mining	92,151	(10,357)	(18,846)	110,997
Construction	2,857,781	(155,790)	(221,443)	3,079,224
Utilities	1,848,661	(179,685)	(121,028)	1,969,689
Transportation & Communication	4,521,272	667,174	852,061	3,669,211
Wholesale, Retail & Restaurant	10,860,105	(495,242)	(266,173)	11,126,278
Finance & Insurance	9,151,079	(944,446)	67,025	9,084,054
Real Estate	8,131,959	(105,095)	170,068	7,961,891
Services	11,902,740	(162,619)	46,636	11,856,104
Local Government	243,337	(106,429)	(8,689)	252,026
Others	13,916,774	665,761	849,739	13,067,035
Overseas Offices and loans booked at offshore markets	9,284,352	52,404	(1,327,237)	10,611,589
Governments	335,005	(200,525)	(278,612)	613,617
Financial Institutions	497,010	(369,997)	(794,914)	1,291,924
Others	8,452,333	622,925	(253,711)	8,706,044
Total	84,555,501	(1,041,974)	69,408	84,486,093

b) Problem Loans and Disclosed Claims under the Financial Reconstruction Laws**(Aggregated Figures of the 3 Banks)**

(in millions of yen)

	9/30/00		3/31/00	
	Non-Accrual, Past Due & Restructured Loans	Disclosed Claims under the "FRL"	Non-Accrual, Past Due & Restructured Loans	Disclosed Claims under the "FRL"
Domestic Offices (excluding loans booked at offshore markets)	3,836,169	3,881,581	4,405,850	4,462,823
Manufacturing	173,771	175,456	183,263	186,571
Agriculture	20,891	20,917	21,573	21,605
Forestry	138	138	-	-
Fishery	115	125	122	132
Mining	4,188	11,220	3,086	7,839
Construction	495,990	496,653	554,288	561,214
Utilities	5,015	5,015	4,116	4,117
Transportation & Communication	52,965	53,088	57,848	57,981
Wholesale, Retail & Restaurant	563,583	576,232	720,389	734,787
Finance & Insurance	434,316	434,544	439,099	439,851
Real Estate	951,491	953,560	1,050,160	1,052,752
Services	841,367	858,984	1,091,396	1,112,272
Local Government	-	-	-	-
Others	292,320	295,633	280,499	283,687
Overseas Offices and loans booked at offshore markets	243,231	254,953	259,415	276,316
Governments	13,443	13,459	19,413	19,428
Financial Institutions	10,564	10,564	9,666	9,667
Others	219,221	230,926	230,334	247,219
Total	4,079,400	4,136,535	4,665,266	4,739,141

**c) Outstanding Housing and Consumer Loans
(Aggregated Figures of the 3 Banks)**

(in millions of yen)

	9/30/00		3/31/00		9/30/99
		Change from 3/31/00	Change from 9/30/99		
Housing and Consumer Loans	12,065,291	157,240	304,747	11,908,051	11,760,544
Housing Loans	11,084,069	133,270	297,967	10,950,799	10,786,102
for owner occupied house	8,170,222	240,958	512,633	7,929,264	7,657,589
Consumer loans	981,221	23,970	6,780	957,251	974,441

**d) Share and Amount of Loans to Both Small/Medium-Size Companies and Individuals
(Aggregated Figures of the 3 Banks)**

(%, in millions of yen)

	9/30/00		3/31/99		9/30/99
		Change from 3/31/00	Change from 9/30/99		
Share of Loans to Both Small/Medium-Size Companies and Individuals	62.1	0.1	3.5	61.9	58.6
Loans to Both Small/Medium-Size Companies and Individuals	46,715,533	(795,709)	3,221,412	47,511,242	43,494,121

* The figures above do not include loans booked at overseas offices or offshore markets.

* Following law changes which became effective on December 3, 1999, the definition of "Small/Medium-Size companies" has been changed as follows:

<Former Definition (applying for the figures for Sept. 30, 1999)>:

Companies of which the capital is 100 million yen or below (30 million yen or below for the wholesale industry and 10 million yen or below for the retail, restaurant & service industries), or companies with full-time employees of 300 or below (100 or below for the wholesale industry and 50 or below for the retail, restaurant & service industries)

<New Definition (applying for the figures for Mar. 31, 2000 & Sept. 30, 2000)>:

Companies of which the capital is 300 million yen or below (100 million yen or below for the wholesale industry and 50 million yen or below for the retail, restaurant & service industries), or companies with full-time employees of 300 or below (100 or below for the wholesale industry, 50 or below for the retail and restaurant industries, and 100 or below for the service industry)

Share of Loans to Both Small/Medium-Size Companies and Individuals, and Loans to Both Small/Medium-Size Companies and Individuals as of Mar.31, 2000 according to the former definition, is 58.8 % and 45,135,076 million yen, respectively.

9 . Status of Loans by Nationality of Borrowers

**a) Loans to Restructuring Countries
(Aggregated Figures of the 3 Banks)**

(in millions of yen, number of countries)

	9/30/00		3/31/00		9/30/99
		Change from 3/31/00	Change from 9/30/99		
Loan amount	187,205	(14,142)	(30,511)	201,347	217,716
Number of Restructuring Countries	9	(1)	(2)	10	11

**b) Loans to Asia
(Aggregated Figures of the 3 Banks)**

(in millions of yen)

	9/30/00		3/31/00	9/30/99
		Change from 3/31/00		
Indonesia	45,097	(11,540)	(11,507)	56,637
Hong Kong	31,536	4,977	4,598	26,559
Thailand	29,177	933	(5,153)	28,244
China	28,616	(9,737)	(5,305)	38,353
South Korea	4,242	(180)	124	4,422
Malaysia	4,070	(2,107)	(633)	6,177
Singapore	3,204	(401)	(1,654)	3,605
Others	8,703	1,465	(85)	7,238
Total	154,651	(16,589)	(19,622)	171,240

**c) Loans to Central and South America
(Aggregated Figures of the 3 Banks)**

(in millions of yen)

	9/30/00		3/31/00	9/30/99
		Change from 3/31/00		
Central and South America	1,184	(56)	1,182	2

**d) Loans to Russia
(Aggregated Figures of the 3 Banks)**

(in millions of yen)

	9/30/00		3/31/00	9/30/99
		Change from 3/31/00		
Russia	3,595	(503)	(1,785)	5,380

10. Principals of Problem Loans Sold**(Aggregated Figures of the 3 Banks)**

(in hundred millions of yen)

	9/30/00		3/31/00	
		Change		9/30/99
Principals of Problem Loans Sold	1,662	(1,780)	5,936	3,442
To CCPC	-	(86)	105	86
To RCC	183	(153)	587	336
To Others	1,478	(1,539)	5,240	3,017

Notes: "CCPC" stands for Cooperative Credit Purchasing Company, Limited.

"RCC" stands for Resolution and Collection Corporation.

11. Debt Forgiveness**(Aggregated Figures of the 3 Banks)**

(in hundred millions of yen)

	9/30/00		3/31/00	
		Change		9/30/99
Number of Debt Forgiveness cases	7	(3)	17	10
Book Amounts of Debt Forgiveness	672	(539)	2,946	1,211

Note: The above figures do not include debt forgiveness conducted following legal bankruptcy procedures.