

February 27, 2026

Mizuho Bank Limited (Indian Branches): Rating reaffirmed

Summary of rating action

| Instrument* | Previous rated amount (Rs. crore) | Current rated amount (Rs. crore) | Rating action |
|------------------------|--------------------------------------|-------------------------------------|------------------------|
| Certificate Of Deposit | 500.00 | 500.00 | [ICRA]A1+ ; Reaffirmed |
| Total | 500.00 | 500.00 | |

*Instrument details are provided in Annexure-I

Rationale

The rating for the certificates of deposit programme to be issued by the Indian branches of Mizuho Bank Limited draws comfort from its strong credit profile. Mizuho Bank Limited, which is held by Mizuho Financial Group, Inc., is one of the largest banks in Japan in terms of assets. The Group's total assets stood at \$1.9 trillion as on December 31, 2025. Mizuho Bank Limited houses the Group's retail and wholesale banking segments, with over 544 branches and operations in more than 38 countries. ICRA draws comfort from the strong operational linkages of the Indian branches with the head office (HO) in Japan, which is reflected in the joint involvement in credit sanctions, risk management and liquidity policies. Mizuho Bank Limited is rated A1/P-1 for bank deposits and senior unsecured debt with base credit assessment (BCA) of Baa1 by Moody's while the ultimate holding company, Mizuho Financial Group, Inc. is rated A1 by Moody's.

The capitalisation of the Indian branches remains healthy with CET I and capital-to-risk weighted assets ratio (CRAR) of 17.04% and 18.31%, respectively, as on December 31, 2025. The Indian branches received a capital infusion of Rs. 4,100 crore in Q3 FY2024, which helped it achieve healthy growth in its advances and investment portfolio while maintaining strong capitalisation. Its advances grew by 15% in FY2025 and the investment book, which primarily includes investments in Government securities (G-Secs), rose by ~87%. The growth in the investment portfolio was also on account of the bond forward rate agreement (FRA) business, which the bank expanded significantly in India in FY2025 and 9M FY2026. To fund G-Secs, the Indian branches rely on secured overnight funding, resulting in high growth in borrowings.

The Indian branches continue to maintain strong asset quality indicators, given the focus on better-rated corporates (domestic, global as well as corporates with Japanese linkages). The asset quality remains steady with nil slippages in the last several years and no special mention accounts (SMA-1 and 2¹) as on December 31, 2025. The association of the Indian branches with corporate customers supports the deposit base (including current accounts and term deposits) with a competitive cost of interest-bearing funds, though the branches have high depositor concentration and a short maturity profile. Despite the short tenure of the liabilities, the liquidity of the Indian branches is supported by the excess holding of G-Secs, balances with the Reserve Bank of India (RBI), a committed line of credit from the HO and reciprocal lines of credit in Indian currency (Indian rupee; INR) from Indian banks to meet any unforeseen liquidity requirements. Further, Mizuho Bank (Indian Branches) reported a liquidity coverage ratio (LCR) of 142% for Q3 FY2026.

Mizuho Bank Limited, as a whole, had demonstrated weak profitability because of the low interest rate and low growth environment in Japan in the past, resulting in modest internal capital generation and a modest capital profile even though it has a strong market position in Japan in terms of the deposit and liquidity profile. ICRA notes the significant increase in bond yields in Japan, which led to mark-to-market losses on the bank's bond portfolio, though this was largely offset by gains on the equity investment portfolio.

¹SMA is defined as a special mention account (SMA), which is an account exhibiting signs of incipient stress resulting in the borrower defaulting in the timely servicing of their debt obligations though the account has not yet been classified as an NPA as per the extant RBI guidelines; SMA-1 accounts are overdue by 31-60 days while SMA-2 accounts are overdue by 61-90 days

ICRA will continue to monitor the credit profile of Mizuho Financial Group as well as Mizuho Bank Limited as it will be a key determinant of the rating of the Indian branches.

Key rating drivers and their description

Credit strengths

High operational and financial linkages of Indian branches with HO – For the Indian branches, ICRA draws comfort from Mizuho Bank Limited along with the strong parentage of Mizuho Financial Group (ultimate holding company of Mizuho Bank Limited). ICRA derives further comfort from the high operational linkages between the bank's Indian branches and the HO; the liquidity management and market risk management policies of the Indian branches are in line with the policies followed by the HO. Moreover, the HO extends help to its Indian branches by way of liquidity support as well as by approving all high-value exposures after carrying out due diligence at the global level.

Additionally, Japan-linked exposures and global relationships form a sizeable portion of the depositors and borrowers at the Indian branches because of their strong relationship with the bank at the global level. The Indian branches have also been instrumental in originating business from Indian corporates for Mizuho Bank Limited.

Strong capitalisation and liquidity position with sufficient backup lines for Indian branches – The Indian branches reported CRAR of 18.31% as on December 31, 2025 compared to 19.19% (largely core equity capital) as on December 31, 2024. The HO had infused ~Rs. 4,100-crore capital in Q3 FY2024, resulting in an improvement in the CRAR and helping the bank grow its advances book.

Although depositor concentration is high, which could result in volatility in the deposit base, the Indian branches have strong liquidity with a sizeable balance in reverse repo and liquid investments (~47% of total assets as on September 30, 2025). In addition, the Indian branches have backup lines of credit to take care of any liquidity requirements through reciprocal lines of credit of ~Rs. 3,500 crore from State Bank of India (rated [ICRA]AAA (Stable) for its Tier II bonds) and Bank of India (rated [ICRA]AA+ (Stable) for its Tier II bonds) and can borrow up to 50% of the Tier I capital from the HO.

While the Indian branches have a strong capital position, Mizuho Bank Limited's (consolidated) capital position is comfortable with an estimated core capital (CET I) of 13.76% as on December 31, 2025. Despite improving, the profitability remains weak.

Strong asset quality – The overall asset quality has remained strong over the years as a significant share of the outstanding loan book comprises large established entities with a Japanese association. The asset quality of the Indian branches remains strong with nil gross non-performing advances (NPAs) and nil net NPAs as on December 31, 2025. No slippages were witnessed during the last eight years. The SMA-1 and 2 also remained nil for the Indian branches as on December 31, 2025.

The asset quality of Mizuho Bank Limited's global operations is strong with net NPAs of 0.75% as on December 31, 2025.

Credit challenges

Profitability remains modest, given limited scale of operations – Given the limited scale of operations and the volatile liability profile of the Indian branches, profitability is expected to remain modest. Nevertheless, the capital infusion in Q3 FY2024 supported the expansion in scale and growth in net interest income (NII). The net interest margin (NIM) compressed to 2.76% of average total assets (ATA) in FY2025 from 2.82% in FY2024, given the sizeable increase in the FRA business. NIMs further reduced to 2.40% (annualised) in H1 FY2026. Operating expenses rose by 7% YoY in absolute terms in FY2025 (after netting off prior period expenses reported in FY2024) owing to the larger scale of operations. However, aided by the significant increase in the FRA business, operating expenses declined to 1.16% of ATA in FY2025 from 1.46% in FY2024 (excluding one-offs) vs reported operating expenses of 1.73% in FY2024. In H1 FY2026, operating expenses moderated further to 1.00% of ATA, although the same increased by 12% in absolute terms over the FY2025 level.

With no fresh slippages and nil net NPAs, the NPA provisions have remained negligible and provisions made during the past few fiscals were towards depreciation in the value of investments. With the growth in loan book and the full benefit of the equity infusion, which were the key drivers of NII growth, the profit after tax (PAT) increased to Rs. 730 crore in FY2025 from Rs. 439 crore in FY2024. Correspondingly, the return on assets (RoA) improved to 1.68% in FY2025 from 1.36% in FY2024, while the return on net worth (RoNW) rose to 6.51% from 4.20% over the same period. In H1 FY2026, PAT stood at Rs. 350

crore, leading to RoA of 1.24% (annualised).

Going forward, a sustained improvement in the profitability will depend on the Indian branches' ability to expand the deposit base and scale up the loan book while maintaining the asset quality.

The profitability of Mizuho Bank Limited's global operations is improving but remains weak. Measured as net income/tangible assets, it rose to 0.3% in FY2025 (ending March 31, 2025) from 0.2% in FY2023 (ending March 31, 2023), driven by higher NIMs and fee income.

High concentration of deposits and advances at Indian branches – The Indian branches largely depend on wholesale deposits as the retail franchise remains limited. This has resulted in high deposit concentration levels, with the top 20 depositors accounting for ~47% of the total deposits as on March 31, 2025. Moreover, the share of the low-cost current and savings account deposits (CASA) remained small at 21% of total deposits as on December 31, 2024. Given the deposit concentration levels and the short duration, the branch deals in short-tenor advances to prevent any gaps in asset-liability maturities with a limited share of term loans. However, access to the interbank market, excess holding of G-Secs and support from the HO mitigate the liquidity risks to an extent.

Globally, Mizuho Bank Limited's deposits accounted for 69% of its total liabilities as on December 31, 2025.

Liquidity position: Strong

The overall liquidity position of the Indian branches remains strong with positive gaps within the 1-year maturity buckets, as per the structural liquidity statement as on December 31, 2025, and an LCR of 142% for Q3 FY2026. This is supported by the short-term nature of the advances, the high level of liquid assets, the committed line of credit from the HO, and the reciprocal lines of credit from domestic banks, which can help meet any funding shortfall.

Rating sensitivities

Positive factors – NA

Negative factors – ICRA could downgrade the rating of the Indian branches in case of a deterioration in the credit profile of Mizuho Bank Limited.

Analytical approach

| Analytical approach | Comments |
|---------------------------------|--|
| Applicable rating methodologies | Banks and Financial Institutions |
| Parent/group Support | The Indian branches of Mizuho Bank Limited (Japan) are an integral part of the bank. ICRA expects the Indian branches to be supported by the HO, which will extend financial support if needed |
| Consolidation/standalone | Standalone for Indian branches |

About the company

Mizuho Bank Limited: The Group's retail and corporate banking unit is housed under Mizuho Bank Limited. Mizuho Bank Limited is one of the three so-called Japanese 'megabanks' (along with Mitsubishi UFJ Financial Group and Sumitomo Mitsui Financial Group). It provides financial products and services to a wide range of clients including individuals, small and medium-sized enterprises, large corporations, financial institutions, and public sector entities. Its headquarters is in Tokyo, Japan. Mizuho Bank has over 544 branches and offices in Japan and more than 38 other countries and is the only bank to have branches in every prefecture of Japan.

Mizuho Bank Limited (globally) reported a net profit of \$4.5 billion on total assets of \$1,581 billion in 9M FY2026 (ending December 31, 2025).

Mizuho Financial Group, Inc.: Headquartered in Tokyo, Mizuho Financial Group, Inc. (Mizuho) is one of the largest financial groups in Japan, with a number of enterprises operating under its umbrella: Mizuho Bank Limited (retail/wholesale bank, rated

Moody's A1 stable), Mizuho Trust & Banking Co., Ltd. (trust bank, rated Moody's A1 stable) and Mizuho Securities Co., Ltd. (securities company, rated Moody's A1 stable), as well as a number of other entities that provide a comprehensive array of financial services. The Group's consolidated total assets stood at \$1.9 trillion as of the end of December 31, 2025. Mizuho Bank Limited accounted for ~88% of the total assets and ~82% of the total net profit of the Group in 9M FY2026 (ending December 31, 2025).

Key financial indicators (audited)

| Mizuho Bank Limited (Indian Branches) | FY2024 | FY2025 | H1FY2026 |
|---------------------------------------|--------|--------|----------|
| Total income[^] | 1,321 | 1,694 | 1,155 |
| Profit after tax | 439 | 730 | 350 |
| Total assets | 36,446 | 50,671 | 62,280 |
| CET I | 22.44% | 20.71% | 16.87% |
| CRAR | 23.37% | 21.95% | 18.02% |
| PAT/ATA | 1.36% | 1.68% | 1.24% |
| Gross NPA | 0.03% | 0.00% | 0.00% |
| Net NPA | 0.00% | 0.00% | 0.00% |

Source: Mizuho Bank Limited (Indian Branches), ICRA Research

Amount in Rs. crore; All ratios as per ICRA's calculations

[^]Total income = Net interest income + Non-interest income (excluding profit on revaluation of investments)

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

| Instrument | Current rating(FY2026) | | | Chronology of rating history for the past 3 years | | | | | |
|------------------------|------------------------|-------------------------|-------------------|---|-----------|-------------------|-----------|-------------------|-----------|
| | Type | Amount rated (Rs crore) | February 27, 2026 | FY2025 | | FY2024 | | FY2023 | |
| | | | | Date | Rating | Date | Rating | Date | Rating |
| Certificate Of Deposit | Short term | 500.00 | [ICRA]A1+ | February 28, 2025 | [ICRA]A1+ | February 21, 2024 | [ICRA]A1+ | February 20, 2023 | [ICRA]A1+ |

Complexity level of the rated instruments

| Instrument | Complexity indicator |
|------------------------|----------------------|
| Certificate Of Deposit | Simple |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

| ISIN | Instrument name | Date of issuance / sanction | Coupon rate | Maturity date | Amount rated (Rs. crore) | Current rating and outlook |
|-------------------------|------------------------|-----------------------------|-------------|---------------|--------------------------|----------------------------|
| Yet to be placed | Certificate Of Deposit | NA | NA | 7-365 days | 500.00 | [ICRA]A1+ |

Source: Mizuho Bank Limited (Indian Branches)

Annexure II: List of entities considered for consolidated analysis

Not applicable

ANALYST CONTACTS

Karthik Srinivasan

+91 22 6114 3444

karthiks@icraindia.com

Sachin Sachdeva

+91 124 4545 307

sachin.sachdeva@icraindia.com

Mayank Mehta

+91 124 4545 884

mayank.mehta@icraindia.com

Anil Gupta

+91 124 4545 314

anilg@icraindia.com

Nikita Garg

+91 22 6114 3465

nikita.garg@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

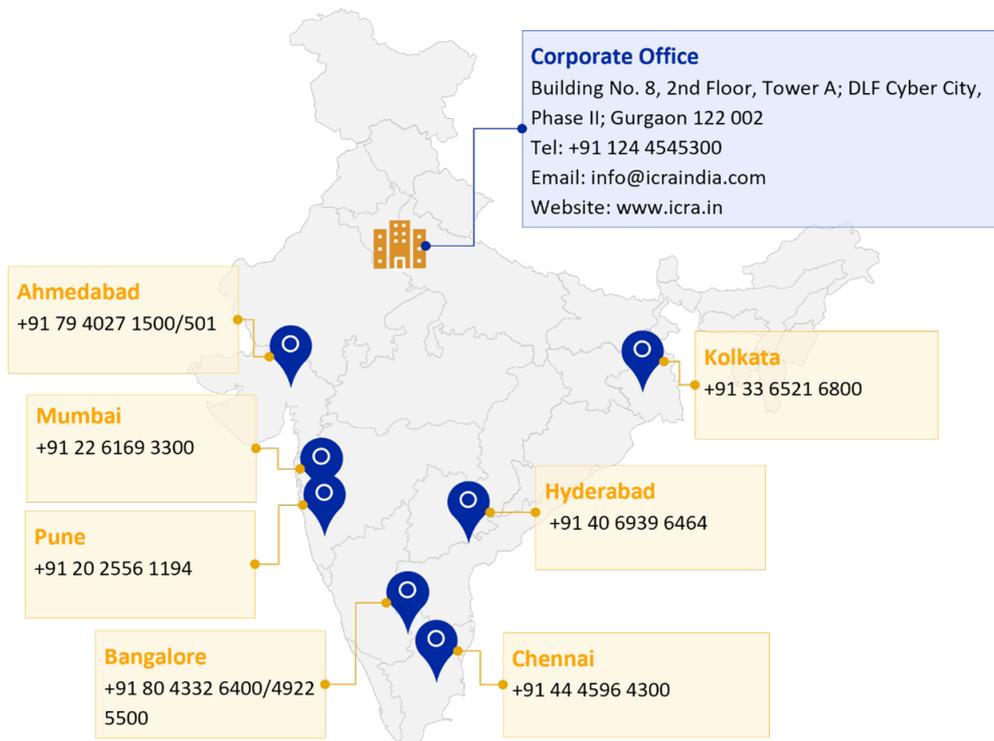


Registered Office

B-710, Statesman House 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.