

Independent Auditor's Report

To
Executive Committee (EXCO)
Mizuho Bank Ltd - IFSC Banking Unit

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Mizuho Bank Ltd - IFSC Banking Unit (hereinafter the "Unit" / the "IBU"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss including other comprehensive income, cash flow statement, and statement of changes in equity for the period then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements"). The financial statement has been prepared by management of Mizuho Bank Ltd – IFSC Banking Unit (IBU) as per International Financial Reporting Standards (IFRS) and for onward submission to the International Financial Service Centres Authority (IFSCA) to comply with IFSCA Regulations.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements are prepared in the manner so required and give a true and fair view in conformity with the International Financial Reporting Standards ('IFRS'), of the state of affairs of the IBU as at March 31, 2025 and profit and other comprehensive income, cash flow statement and changes in equity for the period ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statement in accordance with the Standards on Auditing (SAs) and any other applicable pronouncements issued by Institute of Chartered Accountants of India (ICAI), as well as the requirements of the banking regulations of IFSCA, rules, directions, circulars, guidelines, from time to time applicable for IFSC Banking Units (IBUs). Our responsibilities under those Standards are further described in the Auditor's responsibilities for the Audit of the financial statements section of our report. We are independent of the IBU in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the independence requirements that are relevant to our audit of the Financial Statement, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Financial Statement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The IBU's management and the Governing Body are responsible for preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the IBU in accordance with the IFRS and IFSCA Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the IFSCA Regulations for safeguarding the assets of the IBU and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal



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financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management and Governing Body are responsible for assessing the IBU's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the IBU or to cease operations, or has no realistic alternative but to do so. Management is also responsible for overseeing the IBU's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statement

Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misinformation can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose Financial Statement.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances on whether the IBU has adequate internal financial controls with reference to the financial statement in place and the operating effectiveness of such controls. However, we are not responsible for expressing our opinion on whether the IBU has adequate internal financial control with reference to financial statement in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the IBU's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the IBU to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the special purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair / compliance presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Restriction on distribution or use

This report is intended solely for the purpose of onward submission to the IFSCA for compliance with the provisions of the IFSCA Regulations and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent except for submission to any regulatory authorities. We shall not be liable to the IBU or to any other concerned for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment. We have no responsibility to update this report for any events or circumstances occurring after the date of the report.

For **CHHAJED & DOSHI**
Chartered Accountants
Firm Registration No. 101794W

Sankalp Khinvesra



Sankalp Khinvesra
Partner
Membership No. 628732
UDIN: 25628732BNQKGZ2709
Place: Mumbai
Date: 29th September, 2025

MIZUHO BANK, LTD.
(Incorporated in Japan with Limited Liability)
GIFT - IFSC Banking Unit
Balance Sheet
as at March 31, 2025

Currency: USD in thousands

Particulars	Note	As at March 31, 2025
Assets		
Cash and balances with banks	1	13,108
Advances	2	1,210,780
Property, plant and equipment	3	1,028
Other assets	4	98
Total Assets		1,225,014
Liabilities and Equity		
Liabilities		
Borrowings	5	1,217,185
Lease liability	6	207
Other liabilities and provisions	7	4,187
Total Liabilities		1,221,579
Equity		
Capital funds from Parent		3,000
Other equity	8	435
Total Equity		3,435
Total Liabilities and Equity		1,225,014
Contingent liabilities, commitments and guarantees	9	314,050

Accounting Policies

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Notes referred to herein form an integral part of the Balance Sheet

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As per our report of even date

For Chhajed & Doshi
Chartered Accountants
Firm Registration No.: 101794W

For Mizuho Bank, Ltd.
GIFT - IFSC Banking Unit

For Mizuho Bank, Ltd.
GIFT - IFSC Banking Unit


Sankalp Khinvesra
Partner
Membership Number: 628732


Puneet Agarwal
Branch Head


Ashish Adukia
Chief Financial Officer - India

Place: Mumbai

Date: September 29, 2025



MIZUHO BANK, LTD.
(Incorporated in Japan with Limited Liability)
GIFT - IFSC Banking Unit
Profit and Loss Account
for the period ended March 31, 2025

Currency: USD in thousands

Particulars	Note	For the period ended March 31, 2025
Interest income	10	7,950
Interest expense	11	5,649
Net interest income		2,301
Other income	12	3
Total Income, net of interest expense		2,304
Impairment losses on financial instruments	13	436
Depreciation and amortization	14	174
Other expenses	15	1,096
Total expenses		1,706
Net profit/(loss) before taxes and exceptional items		598
Exceptional items		-
Net Profit before taxes		598
Taxes		
Current tax		460
Deferred tax		-
Net profit/(loss) after tax from continuing operations		138
Profit/(loss) from discontinued operations, net of tax		-
Net profit/(loss) for the period		138
Other Comprehensive Income		
A (i) Items that will not be reclassified to profit or loss		(8)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-
Subtotal (A)		(8)
B (i) Items that will be reclassified to profit or loss		305
(ii) Income tax relating to items that will be reclassified to profit or loss		-
Subtotal (B)		305
Other Comprehensive Income (A + B)		297
Total Comprehensive Income for the period		435

Accounting Policies

Notes referred to herein form an integral part of the Balance Sheet

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17 - 24

As per our report of even date

For Chhajed & Doshi
Chartered Accountants
Firm Registration No.: 101794W


Sankalp Khinvesra
Partner
Membership Number: 628732

For Mizuho Bank, Ltd.
GIFT - IFSC Banking Unit


Puneet Agarwal
Branch Head

For Mizuho Bank, Ltd.
GIFT - IFSC Banking Unit


Ashish Adukia
Chief Financial Officer - India

Place: Mumbai
Date: September 29, 2025



MIZUHO BANK, LTD.
(Incorporated in Japan with Limited Liability)
GIFT - IFSC Banking Unit
Cash Flow Statement
for the period ended March 31, 2025

Currency: USD in thousands

Particulars	For the period ended March 31, 2025
Cash Flow from Operating Activities	
Profit / (loss) before taxation	598
Adjustments for non-cash and non-operating items:	
Other comprehensive income before tax	297
Depreciation and Amortization	174
Interest income on security deposits	(1)
Interest expense on lease liability	8
Exchange loss / (income)	79
Impairment losses (ECL) on financial instruments	436
Provision for retirement benefits	62
	1,653
Changes in operating assets and liabilities:	
(Increase) / decrease in financial assets	(1,210,780)
Increase / (decrease) in financial liabilities	1,217,185
(Increase) / decrease in other assets	(97)
Increase / (Decrease) in other liabilities & provisions	3,809
Net Cash used in operational activities	10,117
Less : Income Taxes paid	460
Net cash inflow / (outflow) from operating activities (A)	11,310
Cash flow from Investing Activities	
Purchase of fixed assets (net of movement in capital work in progress)	(1,202)
Net cash inflow / (outflow) from investing activities (B)	(1,202)
Cash flow from Financing Activities	
Capital infusion from Parent	3,000
Net cash inflow / (outflow) from financing activities (C)	3,000
Net increase/(decrease) in cash and cash equivalents (A+B+C)	13,108
Add : Cash and cash equivalents at beginning of the year	-
Cash and cash equivalents at end of the period	13,108

Accounting Policies

Notes referred to herein form an integral part of the Balance Sheet

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As per our report of even date

For Chhajed & Doshi
Chartered Accountants
Firm Registration No.: 101794W

For Mizuho Bank, Ltd.
GIFT - IFSC Banking Unit

For Mizuho Bank, Ltd.
GIFT - IFSC Banking Unit


Sankalp Khinvesra
Partner
Membership Number: 628732


Puneet Agarwal
Branch Head


Ashish Adukia
Chief Financial Officer - India

Place: Mumbai
Date: September 29, 2025



MIZUHO BANK, LTD.
(Incorporated in Japan with Limited Liability)
GIFT - IFSC Banking Unit
Statement of changes in Equity
as at March 31, 2025

1. Capital funds from parent

Currency: USD in thousands	
Particulars	As at March 31, 2025
Balance at the beginning of the period	-
Received during the period	3,000
Balance at the close of the period	3,000

2. Other equity

Currency: USD in thousands						
Particulars	Statutory Reserve	Retained Earnings	Items of Other Comprehensive Income (OCI)			Total
			Remeasurements of net defined benefit plans	Gains/ (losses) from equity investments through OCI	Gains/ (losses) of other financial assets through OCI	
Balance at the beginning of the period	-	-	-	-	-	-
Profit (loss) for the year after income tax		138				138
Other comprehensive income for the period before income tax	-	-	(8)	-	305	297
Less: Income tax on other comprehensive income	-	-	-	-	-	-
Total Comprehensive Income for the period ended March 31, 2025	-	138	(8)	-	305	435
Balance at the close of the period	-	138	(8)	-	305	435



MIZUHO BANK, LTD.
(Incorporated in Japan with Limited Liability)
GIFT - IFSC Banking Unit
Notes forming part of Financial Statements

1 Cash and balances with banks

Currency: USD in thousands

Sr No.	Particulars	As at March 31, 2025
I	Balance with banks	13,108
	Total	13,108
	Balances in India	538
	Balances outside India	12,570
	Total	13,108

2 Advances

Currency: USD in thousands

Sr No.	Particulars	As at March 31, 2025				
		At fair value				
		Amortised Cost	Through Other Comprehensive Income	Through Profit And Loss Account	Designated at fair value through profit and loss	Total
	Advances					
A						
(i)	Bills Purchased and Bills Discounted	-	-	-	-	-
(ii)	Cash Credits, Overdrafts, Loans repayable on Demand	71,502	-	-	-	71,502
(iii)	Term Loans	980,299	159,325	-	-	1,139,624
	Gross	1,051,801	159,325	-	-	1,211,126
	Less: Impairment loss allowance (Expected Credit Loss)	294	52	-	-	346
	Net	1,051,507	159,273	-	-	1,210,780

3 Property, Plant and Equipment

Currency: USD in thousands

Sr No.	Particulars	As at March 31, 2025
I	Furniture, fixtures, installations and leasehold improvements	
	At cost as on beginning of the period	-
	Additions during the period	977
	Acquisitions	-
	Revaluation adjustment, if any	-
	Disposals	-
	Deductions during the period	-
	At cost at the end of the period	977
	Accumulated depreciation and impairment as at the beginning of the period	-
	Depreciation for the period	160
	Disposals	-
	Impairment/(reversal) of impairment	-
	Reclassification from/to held for sale	-
	Accumulated depreciation and impairment as at the end of the period	160
	Net carrying amount as at the end of the period	817
II	ROU Asset (including leasehold improvements)	
	At cost, beginning of the period	-
	Additions during the period	216
	At cost at the end of the period	216
	Accumulated depreciation and impairment as at the beginning of the period	-
	Depreciation for the period	14
	Accumulated depreciation and impairment as at the end of the period	14
	Net carrying amount as at the end of the period	202
III	Capital work in progress	9
	Total	1,028



MIZUHO BANK, LTD.
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GIFT - IFSC Banking Unit
Notes forming part of Financial Statements

4 Other Assets

Currency: USD in thousands

Sr No.	Particulars	As at March 31, 2025
I	Security Deposits	16
II	Others	82
	Total	98

5 Borrowings

Currency: USD in thousands

Sr No.	Particulars	As at March 31, 2025		
		At Ammortised Cost (1)	At Fair value through Profit and Loss (2)	Total (3) = (1)+(2)
I	From Bank	1,217,185	-	1,217,185
II	Others	-	-	-
	Total	1,217,185	-	1,217,185
I	Borrowings in India	-	-	-
II	Borrowings outside India	1,217,185	-	1,217,185
	Total	1,217,185	-	1,217,185

6 Lease liability

Currency: USD in thousands

Sr No.	Particulars	As at March 31, 2025
I	Current	
	Lease liability	15
II	Non-Current	
	Lease liability	192
	Total (I + II)	207

7 Other liabilities and provisions

Currency: USD in thousands

Sr No.	Particulars	As at March 31, 2025
I	Income received in advance	2,407
II	Statutory liabilities	581
III	Accrued expenses payable	500
IV	Allowance for expected credit loss on un-drawn commitments	90
V	Provisions for employee benefits	97
VI	Others (including provisions)	512
	Total	4,187

8 Other equity

Currency: USD in thousands

Sr No.	Particulars	As at March 31, 2025
I	Retained earnings	
	Balance at the beginning of period	-
	Add: Profit / (loss) for the period	138
	Balance at the end of the period	138
II	Accumulated Other Comprehensive Income (OCI)	
	Balance at the beginning of period	-
	Change in OCI for the period	297
	Balance at the end of the period	297
	Total Other equity	435



MIZUHO BANK, LTD.
(Incorporated in Japan with Limited Liability)
GIFT - IFSC Banking Unit
Notes forming part of Financial Statements

9 Contingent liabilities, commitments and guarantees

Currency: USD in thousands

Sr No.	Particulars	As at March 31, 2025
I	Acceptances, endorsements and other obligations [Commitment (Own)]	314,050
	Total	314,050

10 Interest income

Currency: USD in thousands

Sr No.	Particulars	As at March 31, 2025
I	Interest on advances	7,820
II	Other interest income	130
	Total	7,950

11 Interest expense

Currency: USD in thousands

Sr No.	Particulars	As at March 31, 2025
I	Interest on borrowings	5,640
II	Interest expense on lease liability	8
III	Others	1
	Total	5,649

12 Other income

Currency: USD in thousands

Sr No.	Particulars	As at March 31, 2025
I	Miscellaneous income	3
	Total	3

13 Impairment losses (Expected Credit Loss) on financial instruments

Currency: USD in thousands

Sr No.	Particulars	As at March 31, 2025
I	On advances	436
	Total	436

14 Depreciation and Amortization

Currency: USD in thousands

Sr No.	Particulars	As at March 31, 2025
I	Depreciation on furniture, fixtures, installations and leasehold improvements	160
II	Amortization on ROU asset	14
	Total	174

15 Other expenses

Currency: USD in thousands

Sr No.	Particulars	As at March 31, 2025
I	Human resource cost	331
II	Electricity expenses	10
III	Printing and stationery	1
IV	Auditor's fees and expenses	2
V	Professional Charges / Fees	4
VI	Postage, telegrams, telephones, etc.	6
VII	Repairs and maintenance	15
VIII	Foreign exchange loss	79
IX	Head office allocated expenses - Indirect	175
X	Relationship management fees	309
XI	Commission and brokerage paid	2
XII	Taxes paid other than income tax	2
XIII	Other general expenses	160
	Total	1,096



MIZUHO BANK, LTD.
(Incorporated in Japan with Limited Liability)

GIFT- IFSC Banking Unit

Notes forming part of financial statements

16. Accounting Policies

I. Background

The financial statements for the period ended March 31, 2025 comprise the accounts of the GIFT- IFSC Banking Unit of Mizuho Bank, Ltd. (MHBK) which is a subsidiary of Mizuho Financial Group Inc. incorporated in Japan with limited liability.

Mizuho Bank, Ltd. GIFT IBU (hereinafter referred to as “MHBK - IBU” or “the Branch”), is established as an IFSC Banking Unit (IBU) under the International Financial Services Centres Authority (“IFSCA”) Banking Regulations, 2020, as amended, having its registered office at Gujarat International Finance Tec city (GIFT City), Gandhinagar, Gujarat, India. The Branch commenced its operations in GIFT City India in the year 2024. MHBK - IBU as on date is catering to India based relationships. In line with the business strategy of the Group, the Branch is focused purely on the corporate segment and providing external commercial borrowings, foreign currency term loan and trade finance loans. The Branch has no presence in the retail segment.

MHBK – IBU received permission for opening of IFSC banking unit in GIFT City, Gandhinagar on January 5, 2024 and commenced its operations with effect from September 18, 2024. Accordingly these are the first set of financial statements for the Branch.

II. Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS). These financial statements are prepared under the historical cost convention except for the application of fair value measurements where required or allowed by the relevant IFRS.

III. Functional and Presentation Currency

The financial statements are presented in United States dollars (\$), being the presentation currency and functional currency of the Branch.

IV. Significant and other accounting estimates and judgement

In determining the carrying amounts of certain assets and liabilities, the Branch makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. Further information about key assumptions concerning the future, and other key sources of estimation uncertainty and judgement, are set out in the relevant disclosure notes for the areas set out under the relevant headings below:

Significant accounting estimates and critical judgements

Significant accounting estimates and judgements represent those items which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year. Significant accounting estimates and judgements are:

- Impairment of financial assets using the expected credit loss method
- Business Model Test for Classification and Measurement of Financial Instruments



MIZUHO BANK, LTD.
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GIFT- IFSC Banking Unit

Notes forming part of financial statements

Other areas of accounting estimate and judgement

Other areas of accounting estimate and judgement do not meet the definition under IAS 1 of significant accounting estimates or critical accounting judgements, but the recognition of certain material assets and liabilities are based on assumptions and/or are subject to long-term uncertainties. The other areas of accounting estimate and judgement are:

- Property Plant and Equipment
- Right of use asset and Lease liability

V. These financial statements were approved by the Management on September 29, 2025.

VI. Significant accounting policies

1. Revenue Recognition

Income and expenses

Unless a financial asset is credit-impaired, interest income is recognised by applying the effective interest method to the carrying amount of a financial asset before adjusting for any allowance for expected credit losses. If a financial asset is credit-impaired, interest income is recognised by applying the effective interest rate to the carrying amount of the financial asset including any allowance for expected credit losses.

Interest expense on financial liabilities is recognised by applying the effective interest method to the amortised cost of financial liabilities.

Interest income and expense on financial assets and financial liabilities, excluding those classified at FVTPL are presented in interest income from financial assets measured at amortised cost and FVOCI and interest expense from financial liabilities measured at amortised cost respectively.

Interest generated as a result of 'negative' interest rates is recognised gross, as interest income or interest expense.

Fee Income

MHBK - IBU recognises fees earned on transaction-based arrangements at a point in time when it has fully provided the service to the customer. Where the contract requires services to be provided over time, income is recognised on a systematic basis over the life of the agreement.



MIZUHO BANK, LTD.
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GIFT- IFSC Banking Unit

Notes forming part of financial statements

2. Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchase and sale of financial assets are recognized on trade-date, the date on which the Branch commits to purchase or sell the asset.

At initial recognition, the Branch measures a financial asset or financial liability at its fair value plus or minus, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability (other than financial asset or financial liability carried at fair value through profit or loss).

Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

I. Financial Assets:

A. Classification and measurement

The Branch classifies its financial assets into the following measurement categories: amortised cost; fair value through other comprehensive income (FVOCI); and fair value through profit or loss. Financial liabilities are classified as either amortised cost or held at fair value through profit or loss. Management determines the classification of its financial assets and liabilities at initial recognition of the instrument or, where applicable, at the time of reclassification.

Financial assets held at amortized cost and fair value through other comprehensive income (FVOCI):

Debt instruments held at amortised cost or held at FVOCI have contractual terms that give rise to cash flows that are solely payments of principal and interest (SPPI characteristics). Principal is the fair value of the financial asset at initial recognition, but this may change over the life of the instrument as amounts are repaid. Interest consists of consideration for the time value for money, for the credit risk associated with the principal amount outstanding during a particular period and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows have SPPI characteristics, the Branch considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Whether financial assets are held at amortised cost or at FVOCI depends on the objectives of the business models under which the assets are held. A business model refers to how the Branch manages financial assets to generate cash flows.

The Branch makes an assessment of the objective of a business model in which an asset is held at the individual product business line, and where applicable within business lines depending on the way the business is managed, and information is provided to management.

Financial assets and liabilities held at fair value through profit or loss (FVTPL):

Financial assets which are not held at amortised cost or that are not held at FVOCI are held at fair



MIZUHO BANK, LTD.
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GIFT- IFSC Banking Unit

Notes forming part of financial statements

value through profit or loss. Financial assets and liabilities held at fair value through profit or loss are either mandatorily classified as fair value through profit or loss or irrevocably designated at fair value through profit or loss at initial recognition.

B. Subsequent measurement

Financial assets and financial liabilities held at amortised cost:

Financial assets and financial liabilities held at amortised cost are subsequently carried at amortised cost using the effective interest method. Foreign exchange gains and losses are recognized in the income statement.

Where a financial instrument carried at amortised cost is the hedged item in a qualifying fair value hedge relationship, its carrying value is adjusted by the fair value gain or loss attributable to the hedged risk.

Financial assets held at fair value through other comprehensive income:

Debt instruments held at FVOCI are subsequently carried at fair value, with all unrealized gains and losses arising from changes in fair value (including any related foreign exchange gains or losses) recognized in other comprehensive income and accumulated in a separate component of equity.

Financial assets and liabilities held at fair value through profit or loss:

Financial assets and liabilities mandatorily held at fair value through profit or loss and financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value, including contractual interest income or expense, recorded in the net gain / (loss) on fair value changes line in the profit or loss unless the instrument is part of a cash flow hedging relationship.

II. Financial Liabilities

Classification and subsequent measurement

Financial liabilities are classified at amortised cost, except for:

Financial liabilities at fair value through profit or loss: This classification is applied to derivatives and financial liabilities held for trading and other financial liabilities designated as such at initial recognition.

Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability).

Derecognition of financial liabilities

Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

Credit Impairment:

Expected credit losses (ECL) on Financial Assets:

ECL are determined for all financial debt instruments that are classified at amortised cost or fair value through other comprehensive income, undrawn commitments and financial



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Notes forming part of financial statements

guarantees. An ECL represents the present value of expected cash shortfalls over the residual term of a financial asset, undrawn commitment or financial guarantee.

Measurement:

ECL are computed as unbiased, probability-weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information including that which is forward-looking.

The estimate of expected cash shortfalls is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD). There may be multiple default events over the lifetime of an instrument.

Forward-looking economic assumptions are incorporated into the PD, LGD and EAD where relevant and where they influence credit risk, such as GDP growth rates, interest rates, house price indices and commodity prices among others. These assumptions are incorporated using the Branch's most likely forecast for a range of macroeconomic assumptions. These forecasts are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally, and are consistent with those used for budgeting, forecasting and capital planning.

The period over which cash shortfalls are determined is generally limited to the maximum contractual period for which the Branch is exposed to credit risk. However, for certain revolving credit facilities, such as overdrafts, the Branch's exposure to credit risk is not limited to the contractual period. For these instruments, the Branch estimates an appropriate life based on the period that the Branch is exposed to credit risk, which includes the effect of credit risk management actions such as the withdrawal of undrawn facilities.

Recognition:

12 months expected credit losses (stage 1) - Expected credit losses are recognised at the time of initial recognition of a financial instrument and represent the lifetime cash shortfalls arising from possible default events up to 12 months into the future from the balance sheet date. Expected credit losses continue to be determined on this basis until there is either a significant increase in the credit risk of an instrument or the instrument becomes credit-impaired. If an instrument is no longer considered to exhibit a significant increase in credit risk, expected credit losses will revert to being determined on a 12-month basis.

Significant increase in credit risk (Stage 2) - If a financial asset experiences a significant increase in credit risk (SICR) since initial recognition, an expected credit loss provision is recognised for default events that may occur over the lifetime of the asset. Significant increase in credit risk is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination (after taking into account the passage of time). Significant does not mean statistically significant nor is it assessed in the context of changes in expected credit loss. Whether a change in the risk of default is significant or not is assessed using a number of quantitative and qualitative factors, the weight of which depends on the type of product and counterparty. Financial assets that are 30 or more days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk. For less material portfolios where a loss rate or roll rate approach is applied to compute



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expected credit loss, significant increase in credit risk is primarily based on 30 days past due.

Quantitative factors include an assessment of whether there has been significant increase in the forward-looking probability of default (PD) since origination. A forward-looking PD is one that is adjusted for future economic conditions to the extent these are correlated to changes in credit risk. The Branch Management compares the residual lifetime PD at the balance sheet date to the residual lifetime PD that was expected at the time of origination for the same point in the term structure and determine whether both the absolute and relative change between the two exceeds predetermined thresholds. To the extent that the differences between the measures of default outlined exceed the defined thresholds, the instrument is considered to have experienced a significant increase in credit risk.

Credit-impaired (or defaulted) exposures (Stage 3) - Financial assets that are credit-impaired (or in default) represent those that are at least 90 days past due in respect of principal and / or interest. Financial assets are also considered to be credit-impaired where the obligors are unlikely to pay on the occurrence of one or more observable events that have a detrimental impact on the estimated future cash flows of the financial asset. It may not be possible to identify a single discrete event but instead the combined effect of several events may cause financial assets to become credit-impaired.

- Evidence that a financial asset is credit-impaired includes observable data about the following events:
- Significant financial difficulty of the issuer or borrower;
- Breach of contract such as default or a past due event;
- For economic or contractual reasons relating to the borrower's financial difficulty, the lenders of the borrower have granted the borrower concession/s that lenders would not otherwise consider. This would include forbearance actions
- Pending or actual bankruptcy or other financial re-organisation to avoid or delay discharge of the borrower's obligation/s;
- The disappearance of an active market for the applicable financial asset due to financial difficulties of the borrower;
- Purchase or origination of a financial asset at a deep discount that reflects incurred credit losses

Lending commitments to a credit-impaired obligor that have not yet been drawn down are included to the extent that the commitment cannot be withdrawn. Loss provisions against credit impaired financial assets are determined based on an assessment of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate. The loss provisions held represent the difference between the present value of the expected cash flows, discounted at the instrument's original effective interest rate, and the gross carrying value (including contractual interest due but not paid) of the instrument prior to any credit impairment.

Derecognition of financial instruments:

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Branch has transferred substantially all risks and rewards of ownership. If substantially all the risks and rewards have been neither retained nor transferred and the Branch has retained control, the assets continue to be recognised to the extent of the Branch's continuing involvement.



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Where financial assets have been modified, the modified terms are assessed on a qualitative and quantitative basis to determine whether a fundamental change in the nature of the instrument has occurred, such as whether the derecognition of the pre-existing instrument and the recognition of a new instrument is appropriate.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss except for equity instruments and cumulative fair value adjustments attributable to the credit risk of a liability that are held in other comprehensive income.

Financial liabilities are derecognized when they are extinguished. A financial liability is extinguished when the obligation is discharged, cancelled or expires and this is evaluated both qualitatively and quantitatively. However, where a financial liability has been modified, it is derecognized if the difference between the modified cash flows and the original cash flows is more than 10 per cent, or if less than 10 per cent, the Branch will perform a qualitative assessment to determine whether the terms of the two instruments are substantially different.

Reclassifications:

Financial liabilities are not reclassified subsequent to initial recognition. Reclassifications of financial assets are made when, and only when, the business model for those assets changes. Such changes are expected to be infrequent and arise as a result of significant external or internal changes such as the termination of a line of business or the purchase of a subsidiary whose business model is to realise the value of pre-existing held for trading financial assets through a hold to collect model.

Financial assets are reclassified at their fair value on the date of reclassification and previously recognised gains and losses are not restated. Moreover, reclassifications of financial assets between financial assets held at amortised cost and financial assets held at fair value through other comprehensive income do not affect effective interest rate or expected credit loss computations.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

VII.Cash and cash equivalents

For the purpose of presentation in the cash flow statement, cash and cash equivalents includes balances with banks and other short-term deposits with an original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



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VIII. Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Branch are segregated.

IX. Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

Current income tax is computed in accordance with the Indian Income Tax Act, 1961 and applicable laws and rules thereunder. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Branch has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously and are disclosed on a net basis.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In such case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Based on management's judgement and estimates, MHBK – IBU intends to avail of the 10 year tax exemption in the near future. Accordingly, management is of the view that no temporary differences exist which would necessitate recognition of deferred tax at this stage.

X. Provisions and contingent liabilities

Provisions are recognised when the Branch has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle



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the obligation, and a reliable estimate of the amount of the obligation can be made.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one of more uncertain future events not wholly within the control of the Branch, or a present obligation that arises from past events but is not recognised because either an outflow of economic benefits is not probable or the amount of the obligation cannot be reliably measured. Contingent liabilities are not recognised in the financial statements; however disclosure is made unless the probability of settlement is remote.

XI. Leases

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

The Branch recognizes lease right-of-use ("ROU") assets and lease liabilities at the lease commencement date. Lease ROU assets are included in property and equipment, and lease liabilities are included in other liabilities for operating leases in the Branch's balance sheet. The ROU assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the lease commencement date plus any initial direct costs incurred, less any lease incentives received. The ROU assets are subsequently amortized on a straight-line basis from the commencement date to the end of the lease term. In addition, the ROU assets may be reduced by impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Branch's incremental borrowing rate. The lease liability is measured at amortized cost using a constant periodic rate of interest. It is remeasured when there is a change in an index or rate, or if the Branch changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset.

XII. Segment reporting

The Branch is not in scope of IFRS 8 'Operating segments', as its debt or equity are not traded on a public market, therefore segmental analysis of the Branch's revenue and assets by business is not required.

XIII. Property, Plant and Equipment and depreciation

Property, plant and equipment are stated at their historical cost less accumulated depreciation / amortization and impairment loss, if any.

Property, plant and equipment are depreciated on Reducing Balance Method except in case of Improvements to Leasehold Property where the Straight Line Method of depreciation has been applied. Depreciation is provided using the Reducing Balance Method / Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under



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Schedule II to the Companies Act, 2013 whichever is higher.

Residual values of the property, plant and equipment are held at 5% except that for software and leasehold improvements.

Estimated useful life of the assets are as follows:

I Improvements to leasehold property	
i. Improvements to leasehold property	Primary Period of Lease
ii. Centralized air conditioner	
iii. Fire alarm system	
II Other property, plant and equipment	
i. Vehicles	8 Years
ii. Office equipment	5 Years
iii. Furniture and fixtures	10 Years
iv. Electronic data processing equipment	
a) Server related equipment	6 Years
b) Computer related equipment	3 Years
v. Software	10 Years

Depreciation on assets acquired / sold during the year is provided on pro-rata basis with reference to the month of addition / deletion. Assets costing less than the equivalent of YEN 100,000 individually are fully charged to the Profit & Loss Account in the year of purchase.

Capital work-in-progress includes cost of property, plant and equipment that are not ready for their intended use and also includes advances paid to acquire property, plant and equipment.

17. Financial Risk Management

Risk Type	Nature of Risk	Risk arising from	Risk management process
Credit risk	Credit risk is the risk of loss resulting from the decline in credit quality (or downgrade risk) or failure of a borrower, counterparty, third party or issuer to honor its financial or contractual obligations.	Credit risk arises principally from lending and investment	<p>Credit risk is:</p> <ul style="list-style-type: none"> measured as the amount that could be lost if a customer or counterparty fails to make repayments. The branch considers the amount of principal outstanding and interest due as credit exposure from its borrowers; monitored using various internal risk management measures and within limits approved by individuals within a framework of delegated authorities; and managed through a robust risk control framework and governance process, which outlines clear and consistent policies, principles and guidance for risk



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Risk Type	Nature of Risk	Risk arising from	Risk management process
			managers for credit sanctioning, lending and risk
Liquidity risk	Liquidity risk is the risk that the branch does not have sufficiently stable and diverse sources of funding. Also the risk of insufficient financial resources to meet our commitments as they fall due.	Liquidity risk arises from mismatches in the timing of cash flows	Liquidity risk is: • planned as per annual plan process and balance sheet forecast supplemented by periodic Balance Sheet monitoring, keeping in mind the prevailing market conditions is conducted.
Market risk	Market risk is the risk of loss arising from changes in the value of the Branch's assets and liabilities resulting from changes in market variables (for e.g. interest rates, corporate spreads)	Structured notes, Investments held for trading, loans carried at fair value through other comprehensive income	Market risk is: • measured using sensitivities and stress testing using factor sensitivities for market movements and scenarios

The Management has the overall responsibility for the establishment and oversight of the Branch's risk management framework.

A. Credit Risk

The following tables set out information about the credit quality of loans and advances to Corporates:

Currency: USD in thousands

Internal rating grades (ORR)	Credit Risk Category	Stage 1	Stage 2	Stage 3	Total
As at March 31, 2025					
Grades: A-F	Low	1,211,126	-	-	1,211,126
Gross carrying amount (at amortized		1,211,126	-	-	1,211,126



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cost)					
Less:		346	-	-	346
Expected Credit Losses					
Net Carrying Amount		1,210,780	-	-	1,210,780

B. Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The functional currency of the Branch is US Dollars (\$).

The Branch does not have any open currency derivative position as at March 31, 2025.

The carrying amounts of the Branch's assets and liabilities denominated in foreign currencies at the reporting date are as follows:

Particulars	As at March 31, 2025	
	INR	JPY
Assets	49,632,218	114,487,266,266
Liabilities	50,430,437	114,425,525,320

A sensitivity analysis demonstrating the impact of change in prices existing as at the reporting date is given below:

Increase / decrease	Impact on P&L and other equity	
	Assets in US\$	Liabilities in US\$
+5%	38,038,807	38,018,776
-5%	(38,038,807)	(38,018,776)

C. Liquidity Risk

The liquidity objectives of the Branch are to maintain a liquidity profile to enable it to efficiently meet expected and unexpected current and future cash flow and collateral needs and operate under a variety of market conditions, including market disruptions for both short term and long term periods.

The below table analyses the Branch's non-derivative financial assets and financial liabilities into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the below table are the contractual undiscounted cash flows and exclude the impact of netting agreements.

Currency: USD in thousands

Particulars	Carrying Amount	Gross Nominal inflow / outflow	Up to 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 years
As at March 31, 2025							
Non-derivative financial assets							
Cash and balances with	13,108	13,108	13,108	-	-	-	-



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Particulars	Carrying Amount	Gross Nominal inflow / outflow	Up to 3 months	3 to 6 months	6 to 12 months	1 year to 3 year	Over 3 years
banks							
Advances	1,210,780	1,210,780	1,210,780	-	-	-	-
Other assets	16	-	-	-	-	-	16
Total	1,223,904	1,223,888	1,223,888	-	-	-	16
Non-derivative financial liabilities							
Borrowings	1,217,185	1,217,185	1,217,185	-	-	-	-
Lease liability	207	207	4	4	8	41	150
Other liabilities and provisions	429	-	-	-	429	-	-
Total	1,217,821	1,217,392	1,217,189	4	437	41	150

Classification of Assets and liabilities under the different maturity bucket is based on the same estimates and assumptions as used by the Branch for compiling the return submitted to IFSCA and have been relied upon by the auditors.

18. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is a measure as at a specific date and may be significantly different from the amount which will actually be paid or received on maturity or settlement date. The standard also provides a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value, which gives highest priority to quoted prices.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Assets and liabilities are classified as Level 1 if their value is observable in an active market.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. A Level 2 input must be observable for substantially the full term of the instrument. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves observable at commonly quoted intervals, implied volatilities; and credit spreads.

Level 3 inputs are unobservable inputs. Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data.

Wherever possible, fair values have been calculated using unadjusted quoted market prices in active



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markets for identical instruments held by the Branch. Where quoted market prices are not available, or are unreliable because of poor liquidity, fair values have been determined using valuation techniques which, to the extent possible, use market observable inputs, but in some cases may also use non-market observable inputs also.

Valuation Control Framework

The Branch uses models for valuation of financial instruments which are subject to due diligence before becoming operational and goes through periodic assessment. These models are assessed by the Market Risk Management team housed under Risk Management.

Summarised classification of assets and liabilities:

Currency: USD in thousands

Particulars	Carrying Amount as at March 31, 2025	As at March 31, 2025					
		Amoritsed Cost	At Fair Value			Subtotal (2+3+4)	Total (1+5)
			Through Other Comprehe nsive Income	Through Profit and Loss Account	Designat ed at fair value through profit and loss		
		1	2	3	4	5	6
Assets							
Cash and balances with banks	13,108	13,108	-	-	-	-	13,108
Advances	1,210,780	1,051,507	159,273	-	-	159,273	1,210,780
Property, plant and equipment	1,028	1,028	-	-	-	-	1,028
Other assets	98	98	-	-	-	-	98
Total Assets	1,225,014	1,065,741	159,273	-	-	159,273	1,225,014
Liabilities							
Borrowings	1,217,185	1,217,185	-	-	-	-	1,217,185
Lease liability	207	207	-	-	-	-	207
Other liabilities and provisions	4,187	4,187	-	-	-	-	4,187
Total liabilities	1,221,579	1,221,579	-	-	-	-	1,221,579

19. Related Party Transactions

The Branch carries out transactions in the ordinary course of its business on an arm's length basis at commercial rates with parties who are defined as related parties in IAS 24, "Related Party Disclosures", the details of which are reported below.



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The Mizuho Bank, Ltd. (MHBK) which is incorporated in the Japan, is the ultimate holding company of parent.

(b) Other Related Parties

Name	Relationship
The Mizuho Bank, Ltd.	Parent Entity
The Mizuho Bank, Ltd. branches	Branches of Parent

(c) Transactions during the year:

Currency: USD in thousands	
Particulars	Period ended March 31, 2025
<u>The Mizuho Bank, Ltd.</u>	
Capital contribution	3,000
Head office allocated expenses	175
<u>Mizuho Bank, Ltd. Branches</u>	
Borrowings made during the year	2,425,107
Lending made during the year	61,652
Interest income from lending	125
Interest expenses on borrowings	5,640
Reimbursement of expenses	232
Receivable towards employee benefit cost	35
Income tax expenses	460
Relationship Management fees	309

(d) Balances due to/from related party:

Currency: USD in thousands	
Particulars	Period ended March 31, 2025
<u>The Mizuho Bank, Ltd.</u>	
Current Deposits	397
<u>Mizuho Bank, Ltd. Branches</u>	
Borrowings	1,214,995
Interest payable on borrowings	2,190
Lending	11,390
Interest receivable on lending	27
Current Deposits (SNRR Account)	538
Dues payable to Mizuho Bank Ltd India	772
Receivable towards employee benefit cost	35



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20. Tax expense

The income tax return for the Branch would be filed at a consolidated level i.e. Mizuho Bank, Ltd. India branches and GIFT IBU, including the branches regulated by the Reserve the Bank of India (RBI) as there is a single Permanent Account Number (PAN) for Mizuho Bank, Ltd., GIFT IBU and its branches.

Currency: USD in thousands	
Particulars	For period ended March 31, 2025
Current Tax	460
Deferred Tax	-
Total	460

Reconciliation of Effective Tax Rate

Currency: USD in thousands	
Particulars	For period ended March 31, 2025
Profit before tax	598
Applicable tax rate	38.22%
Tax using applicable tax rate	228
Add / (Less): tax impact due to	
1. Expected credit loss on financial assets	167
2. Allowances / disallowance of expenses (net)	66
3. Others	(1)
Total	460

21. Payment to Auditors

Currency: USD in thousands	
Particulars	For period ended March 31, 2025
Auditors fees and expenses include auditors remuneration as follows:	
as statutory auditors	2
others	-
out of pocket expenses	-
Total	2

22. Employee compensation and benefits:

(a) Compensated absences

The Branch has an amount of USD 14 ('000) as liability for compensated absences for the period ended March 31, 2025 and previous Year the Bank had no liability for compensated absence.

(b) Gratuity

The Branch has a defined benefit scheme for Gratuity as per the payment of Gratuity Act 1972. Every employee who has completed five years or more of service gets a gratuity on departure for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.



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The following tables summarize the principal assumptions, components of amount recognised in the Profit and Loss Account, the funded status and net asset/liability recognised in the balance sheet for gratuity & leave.

Profit and Loss Account

Net employee benefit expenses (recognized in employee cost)

Currency: USD in thousands

Particulars	For period ended March 31, 2025	
	Gratuity	Leave Encashment
Current service cost	-	-
Net interest on net defined benefit liability / (asset)	2	-
Immediate recognition of (gains)/losses – other long term employee benefit plans	2	1
Past service cost	40	-
Losses/(Gains) on "curtailments & settlements"	-	-
Losses/(Gains) on "acquisition/divestiture"	-	-
Total included in employee benefit expense	44	1

Other Comprehensive Income (OCI)

Currency: USD in thousands

Particulars	For period ended March 31, 2025	
	Gratuity	Leave Encashment
Actuarial (gain) / loss due to DBO experience	4	4
Return on plan assets (greater)/less than discount rate	-	-
Actuarial (gains) / losses recognized in OCI	4	4

Balance Sheet

Currency: USD in thousands

Particulars	Period ended March 31, 2025	
	Gratuity	Leave Encashment
Present value of funded obligations	(74)	(14)
Fair value of plan assets	8	-
Present value of unfunded obligations	-	-
Unrecognized past service cost	-	-
Net (Liability) / Asset	(66)	(14)



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Changes in the present value of the defined benefit obligation are as follows:

Currency: USD in thousands

Particulars	Period ended March 31, 2025	
	Gratuity	Leave Encashment
Opening defined benefit obligation	-	-
Current service cost	2	1
Interest cost	2	-
Plan Amendments cost/(credit)	41	-
Actuarial (gain) / loss due to DBO experience	3	4
Acquisition (credit)/cost	26	9
Actuarial (gain) / loss due to DBO demographic assumption changes	-	-
Actuarial (gain) / loss due to DBO financial assumption changes	-	-
Benefit paid	-	-
Closing defined benefit obligation	74	14

Changes in the fair value of plan assets are as follows:

Currency: USD in thousands

Particulars	Period ended March 31, 2025	
	Gratuity	Leave Encashment
Opening fair value of plan assets	-	-
Interest Income	-	-
Return on plan assets greater/(less) than discount rate	-	-
Assets distributed on settlements / acquisition adjustment	-	-
Employer's Contribution	8	-
Benefit paid	-	-
Closing fair value of plan assets	8	-

The major categories of plan assets as a percentage of fair value of total plan assets:

Category of assets (% allocation)	Period ended March 31, 2025
Issuer managed funds	100.00%

Principal actuarial assumptions at the balance sheet date:

Particulars	Period ended March 31, 2025	
	Gratuity	Leave Encashment
Discount rate (p.a.)	6.50%	6.50%
Salary escalation rate (p.a.)	9.00%	9.00%
Employee turnover	9.00%	9.00%
Leave availment rate	-	2.50%

The estimate of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors.



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The expected rate of return on plan assets is based on the Discount rate during the estimated term of the obligations. As the contribution expected to be paid to the plan during the annual period beginning after the balance sheet date is based on various internal/external factors, a best estimate of the contribution is not determinable.

23. Leases

The Branch has taken one office premises on lease. Lease contracts are typically entered into for a fixed period with termination and extension options. These are used to maximize operational flexibility in term of managing the premises used by the Branch. The lease agreements are generally non-cancellable for an initial lock in period and are renewable/cancellable thereafter by mutual consent and on mutually agreeable terms.

Information about leases for which the Branch is a lessee is presented below:

Currency: USD in thousands

Particulars	For period ended March 31, 2025
Amounts recognized in balance sheet	
Right of use assets	
Opening Balance	-
Additions to RoU assets for the year/period	216
Less: Amortization of RoU assets for the year/period	14
Closing balance	202
Lease liabilities	
Opening Balance	-
Additions during the period	214
Add : Finance cost accrued	8
Less : Lease payments	15
Closing balance	207
Current	15
Non-current	192
Total lease liabilities closing balance	207
Maturity of contractual lease liabilities	
Due within a year	15
Due between 1 and 2 years	19
Due between 2 and 3 years	23
Above 3 years	150
Total	207
Future interest payable	70
Amounts recognized in profit and loss account	
Amortisation of ROU assets	14
Interest on lease liabilities	8
Interest on security deposits	1



MIZUHO BANK, LTD.

(Incorporated in Japan with Limited Liability)

GIFT- IFSC Banking Unit

Notes forming part of financial statements

24. Events after the reporting period

There were no material events subsequent to March 31, 2025 and up until the adoption of the financial statements by the Management, unless otherwise disclosed in these financial statements.

For Chhajed & Doshi
Chartered Accountants
Firm Registration No.:
101794W



Sankalp Khinvesra
Partner
Membership Number: 628732

For Mizuho Bank, Ltd.
GIFT - IFSC Banking Unit



Puneet Agarwal
Branch Head

For Mizuho Bank, Ltd.
GIFT - IFSC Banking Unit



Ashish Adukia
Chief Financial Officer - India

Place: Mumbai

Date: September 29, 2025

