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● **TATSUHIRO OTAKE**, INDIA CEO; **SHINGO NAKAMURA**, SENIOR MD & **PIYUSH AGARWAL**, SENIOR MD, MIZUHO BANK

‘Want to be the go-to bank for funding big acquisitions’

Mizuho Bank hopes to double its business in the shortest time possible but will stick to a client-centric approach, India CEO **Tatsuhiko Otake**, senior MDs **Shingo Nakamura** and **Piyush Agarwal** tell **Sachin Kumar**

What are Mizuho's growth plans?

India has been identified as the key growth market for Mizuho globally. Our approach is to support and participate in this unique growth story. We are expanding our footprint in terms of offices, employees and capital. We have infused about \$500 million additional capital in India and are preparing to set up a new branch in GIFT City this year. We are hiring more onshore local talent to strengthen our

product and solution capabilities in areas such as onshore DCM market, project finance, specialised lending, startup coverage, etc. This has helped us better understand the local market and build strong relationships.

How is the bank structured in India?

Mizuho Group has been maintaining and growing its presence here for nearly three decades. We have four legal entities with over 800 employees:



Mizuho Bank with five offices, Mizuho Securities India, Mizuho Global Services as Mizuho's global in-house centre, and Rent Alpha sponsored by Mizuho Leasing Company. We have grown multi-fold and the group will continue to support this growth with capital infusion.

How do you leverage the Japan connection?

India is a large and rapidly-growing market and is attracting Japanese companies to expand their customer base. Japan and India have a long history of cultural and economic ties along with shared values. This has helped to build trust.

We see ourselves as a bridge connecting our countries. A larger number of Japanese companies' Indian operations are making profits. A 2022 study by Japan External Trade Organisation noted that 72% of

Japanese companies operating in India generated returns. This is an all-time high in India.

Mizuho Bank recently acquired a 15% stake in Kisetsu Saison Finance (India). Can we expect more acquisitions?

While we do not expect to be directly involved in the MSME/retail sectors, strategic engagements like these will help us gain understanding of these sectors. Acquisition is just one of the means to accelerate our strategies and realise corporate value, not a purpose nor goal. We are open to discussing potential opportunities with any company or partner who could generate unique synergies with us.

Will you infuse capital from Mizuho Financial Group?

In November 2023, we made a capital infusion of around \$500 million into our banking operations in India. This has taken our local net worth above ₹10,000 crore, instantly almost doubling our single-party limit to ₹2,000 crore, and taking the group exposure limit up to ₹2,400 crore from ₹1,400 crore, giving us more leeway for additional business. This will suffice, considering our short-term requirements. If business growth requires further capital allocation, a request will be sent to our head office together with the revised business plan.

What are the growth plans for the next five years?

We look at our business from a client-centric lens. We have been growing alongside clients and their needs. We hope to double our business in the shortest time possible but will stick to a client-centric approach. We want to be the go-to bank for funding big acquisitions and structured finance, by increasing our ticket size.

Which sectors look promising?

Given the high growth potential and the conglomerate nature of Indian



SEMICONDUCTOR AND RETAIL SECTORS ARE SEEING GREATER INTEREST FROM JAPANESE COMPANIES, APART FROM AUTOMOTIVE, MATERIAL AND RELATED SECTORS

corporates, almost all sectors are likely to see strong growth. We predict an even faster growth rate in the ESG and infrastructure-related sectors. The semiconductor and retail sectors are seeing greater interest from Japanese companies, apart from automotive, material and related sectors.

Also, Japanese clients' interest in Indian startups are ever-growing, making our dedicated startup coverage team in Bengaluru focus on connecting them. The attractiveness of the large and growing domestic market coupled with export competitiveness is growing stronger every day, making India come up in almost all regional and global conversations.

How do you plan to cater to Indian companies, here and overseas?

Around 50% of the group's net income before tax is now generated outside Japan. We want to be regarded as a global financial institution with Japanese roots, not just a Japanese financial group situated in India. We continue to focus on supporting our clients, especially on large and complex financing requirements including acquisition financing.

Several investments in startup funds have been made to ensure that we participate in the hyper-growing ecosystem, and also to connect Indian startups to opportunities in Japan and elsewhere.