

Mizuho Bank (Malaysia) Berhad

Company No. 201001039768 (923693-H)

(Incorporated in Malaysia)

**Unaudited condensed interim financial statements
for the financial period ended 30 September 2021**

MIZUHO BANK (MALAYSIA) BERHAD

Company No. 201001039768 (923693-H)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021**

		30 Sep 2021	31 Mar 2021
	Note	RM'000	RM'000
Assets			
Cash and short-term funds		1,547,549	1,068,070
Deposits and placements with financial institutions		566,109	282,343
Financial assets at fair value through other comprehensive income ("FVOCI")	11	1,994,068	1,903,042
Loans, advances and financing	12	7,970,525	8,011,411
Derivative financial assets		106,646	156,525
Other assets		41,051	102,404
Right of use assets		8,558	9,185
Property and equipment		6,056	5,235
Intangible assets		6,389	7,159
Current tax assets		10,005	8,699
Deferred tax assets		62	3,104
Total assets		12,257,018	11,557,177
Liabilities			
Deposits from customers	13	3,549,225	2,742,540
Deposits and placements from financial institutions	14	6,987,131	7,077,317
Derivative financial liabilities		87,342	153,581
Lease liabilities		8,637	9,276
Other liabilities		61,937	61,642
Total liabilities		10,694,272	10,044,356
Share capital		1,200,000	1,200,000
Reserves		362,746	312,821
Total equity attributable to owner of the bank		1,562,746	1,512,821
Total liabilities and equity		12,257,018	11,557,177
Commitments and contingencies	21	13,758,083	15,327,877

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2021.

MIZUHO BANK (MALAYSIA) BERHAD

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	Note	2nd Quarter ended		Six months ended	
		30 Sep 2021 RM'000	30 Sep 2020 RM'000 Restated	30 Sep 2021 RM'000	30 Sep 2020 RM'000 Restated
Interest income	15	38,115	45,890	78,744	115,688
Interest expense	16	(14,530)	(19,787)	(28,086)	(57,466)
Net interest income		<u>23,585</u>	<u>26,103</u>	<u>50,658</u>	<u>58,222</u>
Other operating income	17	20,163	10,787	38,454	28,211
Operating income		<u>43,748</u>	<u>36,890</u>	<u>89,112</u>	<u>86,433</u>
Other operating expenses	18	(17,477)	(17,615)	(38,429)	(35,702)
Operating profit		<u>26,271</u>	<u>19,275</u>	<u>50,683</u>	<u>50,731</u>
Writeback/(addition) of allowance for credit losses ("ECL")	19	3,027	(37,458)	13,704	(29,247)
Profit/(loss) before taxation		<u>29,298</u>	<u>(18,183)</u>	<u>64,387</u>	<u>21,484</u>
Tax (expense)/credit		(7,660)	2,415	(15,811)	(9,952)
Profit/(loss) for the financial period		<u>21,638</u>	<u>(15,768)</u>	<u>48,576</u>	<u>11,532</u>
Other comprehensive (loss)/income net of tax:					
Fair value changes of financial assets at FVOCI		(2,842)	4,579	1,775	9,024
Income tax effect		682	(1,099)	(426)	(2,166)
Other comprehensive (loss)/income for the financial period		<u>(2,160)</u>	<u>3,480</u>	<u>1,349</u>	<u>6,858</u>
Total comprehensive income/(loss) for the financial period		<u>19,478</u>	<u>(12,288)</u>	<u>49,925</u>	<u>18,390</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2021.

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	← Non-distributable reserves →			Distributable reserves	Total RM'000
	Share capital RM'000	Regulatory reserve RM'000	FVOCI reserve RM'000	Retained profits RM'000	
At 1 April 2021	1,200,000	-	1,016	311,805	1,512,821
Profit for the financial period	-	-	-	48,576	48,576
Other comprehensive income	-	-	1,349	-	1,349
Transfer to regulatory reserve	-	34,289	-	(34,289)	-
At 30 September 2021	<u>1,200,000</u>	<u>34,289</u>	<u>2,365</u>	<u>326,092</u>	<u>1,562,746</u>
At 1 April 2020	700,000	21,489	4,912	210,550	936,951
Issuance of shares	500,000	-	-	-	500,000
Profit for the financial period	-	-	-	11,532	11,532
Other comprehensive income	-	-	6,858	-	6,858
Transfer from regulatory reserve	-	(21,489)	-	21,489	-
At 30 September 2020	<u>1,200,000</u>	<u>-</u>	<u>11,770</u>	<u>243,571</u>	<u>1,455,341</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2021.

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	30 Sep 2021 RM'000	30 Sep 2020 RM'000
Profit before taxation	64,387	21,484
Adjustments for non-cash items	(10,919)	36,106
Operating profit before changes in working capital	<u>53,468</u>	<u>57,590</u>
Net changes in operating assets	<u>(197,419)</u>	<u>197,629</u>
Net changes in operating liabilities	<u>715,305</u>	<u>(82,173)</u>
	517,886	115,456
Cash generated from operating activities	<u>571,354</u>	<u>173,046</u>
Taxation paid	(14,552)	(9,480)
Net cash generated from operating activities	<u>556,802</u>	<u>163,566</u>
Net cash used in investing activities	(3,038)	(469)
Net cash generated from financing activity	-	500,000
Net increase in cash and cash equivalents during the financial period	553,764	663,097
Cash and cash equivalents at the beginning of the financial period	1,068,169	1,710,529
Cash and cash equivalents at the end of the financial period	<u>1,621,933</u>	<u>2,373,626</u>
Analysis of cash and cash equivalents:		
Cash and short-term funds	1,547,549	2,456,728
Deposits and placements with financial institutions	566,109	1,018,138
Less: deposits and placements with financial institutions with original contractual maturity of more than 3 months	<u>(491,725)</u>	<u>(1,101,240)</u>
	<u>1,621,933</u>	<u>2,373,626</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2021.

MIZUHO BANK (MALAYSIA) BERHAD

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

1. Basis of preparation

The unaudited condensed interim financial statements for the Bank have been prepared under the historical cost convention except for the following assets and liabilities that are stated at fair values: financial assets at fair value through other comprehensive income, financial assets and liabilities at fair value through profit or loss and derivative financial instruments.

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board.

The unaudited condensed interim financial statements should be read in conjunction with the Bank's audited financial statements for the financial year ended 31 March 2021. The explanatory notes attached to the condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Bank since the financial year ended 31 March 2021.

The significant accounting policies and methods of computation applied by the Bank are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2021 except for the adoption of the following during the current financial period:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- i) Amendments to MFRS 16 *Leases: Covid 19 - Related Rent Concessions*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- i) Amendments to MFRS 7, *Financial Instruments: Disclosures, Financial Instruments, Leases,*
Amendments to MFRS 9, *Financial Instruments: Recognition and Measurement - Interest Rate*
Amendments to MFRS 16, *Benchmark Reform - Phase 2*
and Amendments to MFRS
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MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- i) Amendments to MFRS 16 *Leases - Covid 19 - Related Rent Concessions beyond 30 June 2021*

The initial application of the abovementioned pronouncements are not expected to have any material impact to the financial statements of the Bank except for Amendments to MFRS 7, MFRS 9, MFRS 16 and MFRS 139: Interest Rate Benchmark Reform - Phase 2.

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

1. Basis of preparation (continued)

Amendments to MFRS 7, MFRS 9, MFRS 16, MFRS 139: Interest Rate Benchmark Reform - Phase 2

The amendments address issues that arise from the implementation of interest rate benchmark reforms, focusing on issues that affect financial reporting when an existing interest rate benchmark is replaced with an alternative nearly risk-free rate.

The amendments, among others, include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. In applying the practical expedient, an entity is required to first identify and account for modifications to the instrument by updating the effective interest rate without adjusting the carrying amount. As a result, no immediate gain or loss is recognised.

The Bank is still in the midst of assessing the impact of the above amendments to published standards.

2. Auditors' report on preceding audited annual financial statements

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2021 was not qualified.

3. Seasonal or cyclical factors

The operations of the Bank were not materially affected by any seasonal or cyclical factors during the second quarter ended 30 September 2021.

4. Unusual items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Bank during the second quarter ended 30 September 2021.

5. Changes in estimates

There were no material changes in estimates during the second quarter ended 30 September 2021.

6. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the second quarter ended 30 September 2021.

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

7. Dividend

No dividend was paid during the second quarter ended 30 September 2021.

8. Subsequent events

There were no material events subsequent to the balance sheet date that require disclosure or adjustments to the unaudited condensed interim financial statements.

9. Review of performance

The Bank recorded profit before taxation (“PBT”) of RM64.4 million for the financial period ended 30 September 2021 as compared to RM21.5 million in the previous corresponding period, representing an increase of RM42.9 million or 199.7%. The increase in PBT was mainly due to the writeback of allowance for expected credit losses (“ECL”) of RM13.7 million, compared to a provision for ECL allowance of RM29.2 million in the previous corresponding period. Operating income increased by RM2.7 million or 3.1% with the increase in non-interest income of RM10.3 million being offset by a decrease in net interest income by RM7.6 million in the current financial period. Operating expenses increased by RM2.7 million or 7.6% mainly due to higher administration and general expenses.

Total assets for the Bank stood at RM12.3 billion as at 30 September 2021, an increase of RM0.7 billion or 6.1% as compared against total assets of RM11.6 billion at 31 March 2021. The Bank’s Common Equity Tier 1 capital ratio and Total Capital Ratio remained strong at 29.23% and 30.32% respectively.

10. Prospects

Looking forward, the Bank anticipates a gradual recovery of the Malaysian economy underpinned by the systematic re-opening of various economic sectors and continued implementation of economic and fiscal stimulus measures by the Malaysian Government. However, given the expected uneven recovery across the economy in Malaysia and regionally, the Bank shall continue to be prudent in managing key business risks and cost optimisation efforts. The Bank expects to remain resilient and as part of Mizuho Financial Group, remains committed to fulfill its role as a financial institution, fully exercising its financial functions to support its customers.

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021****11. Financial assets at FVOCI**

	30 Sep 2021 RM'000	31 Mar 2021 RM'000
At fair value		
Government investment issues	809,427	607,183
Government guaranteed bond	1,184,641	1,295,859
	<u>1,994,068</u>	<u>1,903,042</u>

12. Loans, advances and financing

	30 Sep 2021 RM'000	31 Mar 2021 RM'000
(a) By type:		
At amortised cost:		
Term loans	5,141,350	5,225,246
Revolving credits	1,472,556	1,560,748
Bills receivable	16,219	20,310
	<u>6,630,125</u>	<u>6,806,304</u>
Less: Unearned interest	(23)	(36)
Gross loans, advances and financing at amortised cost	<u>6,630,102</u>	<u>6,806,268</u>
Less: Allowance for expected credit losses	(28,934)	(41,551)
	<u>6,601,168</u>	<u>6,764,717</u>
At fair value through profit or loss ("FVTPL"):		
Term loans	1,369,357	1,246,694
	<u>7,970,525</u>	<u>8,011,411</u>
Total net loans, advances and financing	<u>7,970,525</u>	<u>8,011,411</u>
Total gross loans, advances and financing		
- At amortised cost	6,630,102	6,806,268
- At FVTPL	1,369,357	1,246,694
	<u>7,999,459</u>	<u>8,052,962</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021****12. Loans, advances and financing (continued)**

	30 Sep 2021 RM'000	31 Mar 2021 RM'000
(b) By geographical distribution:		
Within Malaysia	6,111,814	6,122,916
Outside Malaysia	1,887,645	1,930,046
	<u>7,999,459</u>	<u>8,052,962</u>
(c) By type of customer:		
Domestic business enterprises	3,098,394	3,399,765
Domestic non-bank financial institutions	3,013,420	2,723,151
Foreign business entities	1,887,645	1,930,046
	<u>7,999,459</u>	<u>8,052,962</u>
(d) By interest/profit rate sensitivity:		
Fixed rate	1,349,808	1,296,508
Variable rate	6,649,651	6,756,454
	<u>7,999,459</u>	<u>8,052,962</u>
(e) By economic purpose:		
Purchase of fixed assets other than land and building	965,136	1,313,498
Purchase of non-residential property	13,852	16,817
Working capital	6,501,956	6,722,647
Others	518,515	-
	<u>7,999,459</u>	<u>8,052,962</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

12. Loans, advances and financing (continued)

	30 Sep 2021 RM'000	31 Mar 2021 RM'000
(f) By economic sector:		
Mining and quarrying	-	15,326
Manufacturing	1,672,462	1,721,334
Electricity, gas and water supply	32,869	810
Construction	878,186	650,536
Wholesale and retail trade, and restaurants and hotels	228,425	51,679
Transport, storage and communication	15,140	16,651
Finance, insurance, real estate and business activities	4,913,403	5,541,415
Education, health and others	258,974	55,211
	7,999,459	8,052,962
(g) By maturity structure:		
Maturing within one year	4,583,192	4,546,017
One year to three years	2,382,523	2,389,674
Three years to five years	1,025,011	1,098,648
Over five years	8,733	18,623
	7,999,459	8,052,962
(h) Movement in impairment allowance on loans, advances and financing which reflect the ECL model on impairment are as follows:		

	12-Month ECL	Lifetime ECL		
	Stage 1	Not credit- impaired Stage 2	Credit- impaired Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 April 2021	34,399	7,152	-	41,551
New financial assets originated	9,100	9,512	-	18,612
Financial assets derecognised	(19,730)	(7,152)	-	(26,882)
Net remeasurement during the financial period	(4,347)	-	-	(4,347)
At 30 September 2021	19,422	9,512	-	28,934

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021****12. Loans, advances and financing (continued)**

- (h) Movement in impairment allowance on loans, advances and financing which reflect the ECL model on impairment are as follows (continued):

	12-Month	Lifetime ECL		Total RM'000
	ECL	Not credit- impaired	Credit- impaired	
	Stage 1	Stage 2	Stage 3	
	RM'000	RM'000	RM'000	RM'000
At 1 April 2020	19,215	35,393	-	54,608
New financial assets originated	22,540	5,297	-	27,837
Financial assets derecognised	(17,963)	(35,393)	-	(53,356)
Net remeasurement during the financial year	10,607	1,855	-	12,462
At 31 March 2021	<u>34,399</u>	<u>7,152</u>	<u>-</u>	<u>41,551</u>

- (i) Movements in impairment allowance for loans, advances and financing:

	30 Sep 2021 RM'000	31 Mar 2021 RM'000
At 1 April	41,551	54,608
Writeback during the financial period	<u>(12,617)</u>	<u>(13,057)</u>
At end of the financial period	<u>28,934</u>	<u>41,551</u>
As percentage of total loans, advances and financing	<u>0.36%</u>	<u>0.52%</u>

The Bank has no impaired loans, advances and financing and no individual impairment allowance was deemed required as at 30 September 2021.

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021****13. Deposit from customers**

	30 Sep 2021 RM'000	31 Mar 2021 RM'000
(a) By type of deposit:		
Demand deposits	981,284	945,210
Fixed deposits	1,052,739	964,033
Short-term deposits	1,515,202	833,297
	<u>3,549,225</u>	<u>2,742,540</u>
(b) By type of customer:		
Domestic non-bank financial institutions	610,856	179,424
Domestic business enterprises	2,669,773	2,452,080
Foreign business enterprises	80,052	110,929
Domestic other enterprises	112	107
Government and statutory bodies	188,432	-
	<u>3,549,225</u>	<u>2,742,540</u>
(c) Maturity structure:		
On demand	981,284	945,210
Due within six months	2,514,651	1,700,790
Due over six months to one year	53,290	96,540
	<u>3,549,225</u>	<u>2,742,540</u>

14. Deposit and placements from financial institutions

	30 Sep 2021 RM'000	31 Mar 2021 RM'000
Licensed banks	<u>6,987,131</u>	<u>7,077,317</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021****15. Interest income**

	2nd Quarter ended		Six months ended	
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Loans, advances and financing	19,184	25,094	41,849	70,179
Money at call and deposits and placements with financial institutions	6,821	8,908	12,481	23,285
Financial assets at FVOCI	11,972	11,656	24,079	21,935
Others	138	232	335	289
	<u>38,115</u>	<u>45,890</u>	<u>78,744</u>	<u>115,688</u>

16. Interest expense

	2nd Quarter ended		Six months ended	
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	4,425	11,256	9,701	39,526
Deposits from customers	9,970	8,414	18,214	17,435
Others	135	117	171	505
	<u>14,530</u>	<u>19,787</u>	<u>28,086</u>	<u>57,466</u>

17. Other operating income

	2nd Quarter ended		Six months ended	
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
	RM'000	RM'000	RM'000	RM'000
Fee income	2,964	4,173	4,745	6,315
Realised gain in fair value of derivative financial instruments	3,848	4,237	8,516	8,034
Unrealised loss in fair value of derivative financial instruments	(2,663)	(2,342)	(11,054)	(17,487)
Realised foreign exchange gain	5,324	3,905	9,830	7,893
Unrealised foreign exchange gain	10,150	1,579	26,463	23,899
Net unrealised gain/(loss) on revaluation of financial assets at FVTPL	524	(811)	(78)	(505)
Others	16	46	32	62
	<u>20,163</u>	<u>10,787</u>	<u>38,454</u>	<u>28,211</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021****18. Other operating expenses**

	2nd Quarter ended		Six months ended	
	30 Sep 2021 RM'000	30 Sep 2020 RM'000 Restated	30 Sep 2021 RM'000	30 Sep 2020 RM'000 Restated
Personnel costs:				
Salaries, allowances and bonuses	7,337	6,960	15,659	14,523
Contribution to Employees Provident Fund	1,034	958	2,205	1,856
Other staff related costs	1,855	1,740	3,374	3,353
Establishment costs:				
Repair and maintenance	1,371	1,446	2,821	2,794
Depreciation of right of use assets	1,186	1,176	2,499	2,435
Depreciation of property and equipment	771	630	1,421	1,338
Amortisation of intangible assets	775	1,153	1,566	2,372
Rental of premises	5	5	10	10
Information technology expenses	802	1,380	1,513	2,417
Others	186	194	302	354
Marketing expenses:				
Advertisement and publicity	-	-	4	23
Others	29	139	122	157
Administration and general expenses:				
Communication expenses	208	245	475	483
Legal and professional fees	83	55	158	106
Others	1,835	1,534	6,300	3,481
	<u>17,477</u>	<u>17,615</u>	<u>38,429</u>	<u>35,702</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021****19. (Writeback)/addition of allowance for expected credit losses**

	2nd Quarter ended		Six months ended	
	30 Sep 2021 RM'000	30 Sep 2020 RM'000	30 Sep 2021 RM'000	30 Sep 2020 RM'000
Deposits and placements with financial institutions	-	-	(99)	-
Loans, advances and financing	(308)	384	(12,617)	(12,516)
Credit commitments and contingencies	(2,719)	37,074	(988)	41,763
	<u>(3,027)</u>	<u>37,458</u>	<u>(13,704)</u>	<u>29,247</u>

20. Credit transactions and exposures with connected parties

	30 Sep 2021 RM'000	31-Mar 2021 RM'000
Outstanding credit exposures with connected parties	<u>52,330</u>	<u>50,908</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>0.07%</u>	<u>0.12%</u>

There are currently no exposures to connected parties which are classified as impaired.

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties.

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(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

21. Commitments and contingencies

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to customers. No material losses are anticipated as a result of these transactions. The risk-weighted exposures of the Bank are as follows:

	Principal amount RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
As at 30 September 2021			
Direct credit substitutes	53,901	53,901	53,446
Transaction related contingent items	106,471	53,236	41,242
Short-term self-liquidating trade related contingencies	2,445	489	489
Foreign exchange related contracts			
- One year or less	1,456,116	30,446	20,064
- Over one year to five years	157,071	15,997	11,921
Interest related contracts			
- One year or less	2,692,877	75,325	43,046
- Over one year to five years	5,419,469	594,137	412,934
- Over five years	16,571	3,379	2,774
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	94,000	47,000	47,000
Any commitments that are unconditionally cancelled at any time without prior notice	3,759,162	-	-
Total	13,758,083	873,910	632,916

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In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to customers. No material losses are anticipated as a result of these transactions. The risk-weighted exposures of the Bank are as follows (continued):

	Principal amount RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
As at 31 March 2021			
Direct credit substitutes	35,117	35,117	34,665
Transaction related contingent items	105,819	52,910	40,830
Short-term self-liquidating trade related contingencies	11,543	2,309	2,309
Foreign exchange related contracts			
- One year or less	1,838,982	44,107	24,931
- Over one year to five years	349,366	27,719	20,481
Interest related contracts			
- One year or less	3,231,541	134,203	90,198
- Over one year to five years	4,720,190	551,365	389,242
- Over five years	36,291	6,635	4,873
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	1,245,630	58,129	58,129
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	100,000	50,000	50,000
Any commitments that are unconditionally cancelled at any time without prior notice	3,653,398	-	-
Total	15,327,877	962,494	715,658

*The credit equivalent amount and risk-weighted amount are arrived at using the credit conversion factors and risk-weights respectively as specified by Bank Negara Malaysia for regulatory capital adequacy purposes.

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
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The capital ratios are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework (Basel II - Risk Weighted Assets) (collectively, the "Framework") of which the latest version was issued on 3 May 2019. The Bank has adopted Standardised Approach for credit risk and market risk and the Basic Indicator Approach for operational risk. In line with transitional arrangements under BNM's Capital Adequacy Framework (Capital Components), the minimum regulatory capital adequacy requirement for common equity Tier 1 ("CET1") capital ratio, Tier 1 capital ratio and total capital ratio including the capital conservation buffer are 7.0%, 8.5% and 10.5% on the risk-weighted assets ("RWA") respectively. The minimum regulatory capital adequacy requirement remains at 8% for total capital ratio.

(i) Based on the above, the capital adequacy ratios of the Bank are as follows:

	30 Sep 2021	31 Mar 2021
Capital ratios:		
CET1 capital ratio / Tier 1 capital ratio	29.234%	30.176%
Total capital ratio	<u>30.319%</u>	<u>31.145%</u>

(ii) The components of CET1 capital, tier-1 and tier-2 capital of the Bank are as follows:

	30 Sep 2021 RM'000	31 Mar 2021 RM'000
CET 1 capital		
Paid-up share capital	1,200,000	1,200,000
Retained profits	277,516	311,805
Other reserves	(4,742)	(8,645)
Total tier 1 capital	<u>1,472,774</u>	<u>1,503,160</u>
Tier 2 capital		
General provisions and regulatory reserve	<u>54,683</u>	<u>48,313</u>
Total capital	<u>1,527,457</u>	<u>1,551,473</u>

(iii) The breakdown of risk-weighted assets ("RWA") by each major risk categories are as follows:

	30 Sep 2021 RM'000	31 Mar 2021 RM'000
Total RWA for credit risk	4,374,677	4,323,920
Total RWA for market risk	353,145	357,319
Total RWA for operational risk	310,076	300,152
Total RWA	<u>5,037,898</u>	<u>4,981,391</u>

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22. Capital adequacy (continued)

Disclosures relating to credit risk and market risk are as below:

Exposure class	Gross Exposures RM'000	Net Exposures RM'000	Risk-Weighted Assets RM'000	Minimum Capital Requirements at 8% RM'000
As at 30 September 2021				
Credit risk				
<u>On-balance sheet exposures:</u>				
Sovereigns/central banks	1,855,491	1,855,491	-	-
Banks, development financial institutions and Multilateral Development Banks ("MDBs")	2,998,233	1,353,045	346,902	27,752
Corporates	7,282,518	4,562,067	3,366,083	269,287
Other assets	28,776	28,776	28,776	2,302
Total on-balance sheet exposures	<u>12,165,018</u>	<u>7,799,379</u>	<u>3,741,761</u>	<u>299,341</u>
<u>Off-balance sheet exposures:</u>				
Over-the-counter ("OTC") derivatives	719,284	719,284	490,739	39,259
Off-balance sheet exposures other than OTC derivatives or credit derivatives	154,626	154,626	142,177	11,374
Total off-balance sheet exposures	<u>873,910</u>	<u>873,910</u>	<u>632,916</u>	<u>50,633</u>
Total on and off-balance sheet exposures	<u>13,038,928</u>	<u>8,673,289</u>	<u>4,374,677</u>	<u>349,974</u>
			Risk-Weighted Assets RM'000	Minimum Capital Requirements at 8% RM'000
	Long Position RM'000	Short Position RM'000		
Market risk				
Interest rate risk	8,299,037	8,278,888	94,720	7,577
Foreign currency risk	-	20,674	258,425	20,674
Operational risk			310,076	24,806
Total RWA and capital requirements			<u>5,037,898</u>	<u>403,031</u>

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22. Capital adequacy (continued)

Disclosures relating to credit risk and market risk are as below:

Exposure class	Gross Exposures RM'000	Net Exposures RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirements at 8% RM'000
As at 31 March 2021				
Credit risk				
<u>On-balance sheet exposures:</u>				
Sovereigns/central banks	1,298,696	1,298,696	-	-
Banks, development financial institutions and Multilateral Development Banks ("MDBs")	2,670,849	1,057,571	230,187	18,415
Corporates	7,399,258	4,661,823	3,350,181	268,014
Other assets	27,935	27,935	27,894	2,232
Total on-balance sheet exposures	<u>11,396,738</u>	<u>7,046,025</u>	<u>3,608,262</u>	<u>288,661</u>
<u>Off-balance sheet exposures:</u>				
Over-the-counter ("OTC") derivatives	764,029	764,029	529,725	42,378
Off-balance sheet exposures other than OTC derivatives or credit derivatives	198,465	198,465	185,933	14,875
Total off-balance sheet exposures	<u>962,494</u>	<u>962,494</u>	<u>715,658</u>	<u>57,253</u>
Total on and off-balance sheet exposures	<u>12,359,232</u>	<u>8,008,519</u>	<u>4,323,920</u>	<u>345,914</u>
			Risk- Weighted Assets RM'000	Minimum Capital Requirements at 8% RM'000
	Long Position RM'000	Short Position RM'000		
Market risk				
Interest rate risk	7,871,687	7,849,570	89,956	7,196
Foreign currency risk	21,389	-	267,363	21,389
Operational risk			300,152	24,012
Total RWA and capital requirements			<u>4,981,391</u>	<u>398,511</u>

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22. Capital adequacy (continued)

The following tables present the credit exposures by risk weights and after credit risk mitigation of the Bank:

Risk weights	← Exposures after Netting and Credit Risk Mitigation →					Total Exposures after Netting and Credit Risk Mitigation RM'000	Total Risk-Weighted Assets RM'000
	Sovereigns/ central banks RM'000	Banks, development Financial Institution MDBs RM'000	Corporates RM'000	Other Assets RM'000			
As at 30 September 2021							
0%	1,855,491	272,125	1,195,984	-	-	3,323,600	-
20%	-	808,511	-	-	-	808,511	161,702
50%	-	656,407	-	-	-	656,407	328,204
100%	-	-	3,855,995	28,776	-	3,884,771	3,884,771
	<u>1,855,491</u>	<u>1,737,043</u>	<u>5,051,979</u>	<u>28,776</u>		<u>8,673,289</u>	<u>4,374,677</u>
As at 31 March 2021							
0%	1,298,696	331,798	1,311,643	41	-	2,942,178	-
20%	-	616,834	-	-	-	616,834	123,366
50%	-	497,907	-	-	-	497,907	248,954
100%	-	-	3,923,706	27,894	-	3,951,600	3,951,600
	<u>1,298,696</u>	<u>1,446,539</u>	<u>5,235,349</u>	<u>27,935</u>		<u>8,008,519</u>	<u>4,323,920</u>