

**Mizuho Bank (Malaysia) Berhad**

Company No. 201001039768 (923693-H)

(Incorporated in Malaysia)

**Unaudited condensed interim financial statements  
for the financial period ended 30 September 2022**

**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 2022**

|   |             | <b>30 Sep<br/>2022</b> | <b>31 Mar<br/>2022</b> |
|---|-------------|------------------------|------------------------|
|   | <b>Note</b> | <b>RM'000</b>          | <b>RM'000</b>          |
| <b>Assets</b>   |             |                        |                        |
| Cash and short-term funds   |             | 2,912,654              | 1,930,307              |
| Deposits and placements with financial institutions                         |             | 1,810,168              | 1,397,000              |
| Financial assets at fair value through other comprehensive income ("FVOCI") | 11          | 1,520,581              | 1,990,351              |
| Loans, advances and financing   | 12          | 7,950,458              | 7,114,388              |
| Derivative financial assets   |             | 477,115                | 91,400                 |
| Other assets  |             | 30,132                 | 32,167                 |
| Right of use assets   |             | 8,460                  | 9,478                  |
| Property and equipment  |             | 4,098                  | 5,158                  |
| Intangible assets   |             | 5,295                  | 6,034                  |
| Current tax assets  |             | 10,849                 | 13,787                 |
| Deferred tax assets   |             | 2,855                  | -                      |
| <b>Total assets</b>   |             | <b>14,732,665</b>      | <b>12,590,070</b>      |
| <b>Liabilities</b>  |             |                        |                        |
| Deposits from customers   | 13          | 3,589,205              | 4,024,231              |
| Deposits and placements from financial institutions                         | 14          | 8,659,354              | 6,789,195              |
| Derivative financial liabilities  |             | 359,495                | 70,713                 |
| Lease liabilities   |             | 8,569                  | 9,564                  |
| Other liabilities   |             | 497,936                | 105,397                |
| Deferred tax liabilities  |             | -                      | 2,619                  |
| <b>Total liabilities</b>  |             | <b>13,114,559</b>      | <b>11,001,719</b>      |
| <b>Equity</b>   |             |                        |                        |
| Share capital   |             | 1,200,000              | 1,200,000              |
| Reserves  |             | 418,106                | 388,351                |
| <b>Total equity attributable to owners of the Bank</b>                      |             | <b>1,618,106</b>       | <b>1,588,351</b>       |
| <b>Total liabilities and equity</b>   |             | <b>14,732,665</b>      | <b>12,590,070</b>      |
| <b>Commitments and contingencies</b>  | 21          | <b>17,905,819</b>      | <b>13,886,651</b>      |

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2022.*

**MIZUHO BANK (MALAYSIA) BERHAD**

Company No. 201001039768 (923693-H)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

|   |      | 2nd Quarter ended |                | Six months ended |               |
|---|------|-------------------|----------------|------------------|---------------|
|   |      | 30 Sep            | 30 Sep         | 30 Sep           | 30 Sep        |
|   |      | 2022              | 2021           | 2022             | 2021          |
|   | Note | RM'000            | RM'000         | RM'000           | RM'000        |
| Interest income   | 15   | 89,256            | 38,115         | 143,218          | 78,744        |
| Interest expense  | 16   | (62,846)          | (14,530)       | (94,285)         | (28,086)      |
| <b>Net interest income</b>  |      | <u>26,410</u>     | <u>23,585</u>  | <u>48,933</u>    | <u>50,658</u> |
| Other operating income  | 17   | 5,741             | 20,163         | 27,597           | 38,454        |
| Total net income  |      | <u>32,151</u>     | <u>43,748</u>  | <u>76,530</u>    | <u>89,112</u> |
| Other operating expenses  | 18   | (17,779)          | (17,477)       | (37,307)         | (38,429)      |
| <b>Operating profit</b>   |      | <u>14,372</u>     | <u>26,271</u>  | <u>39,223</u>    | <u>50,683</u> |
| Writeback of allowance for expected credit losses ("ECL")         | 19   | 4,371             | 3,027          | 12,157           | 13,704        |
| <b>Profit before taxation</b>                                     |      | <u>18,743</u>     | <u>29,298</u>  | <u>51,380</u>    | <u>64,387</u> |
| Tax expense   |      | (5,339)           | (7,660)        | (14,987)         | (15,811)      |
| <b>Profit for the financial period</b>                            |      | <u>13,404</u>     | <u>21,638</u>  | <u>36,393</u>    | <u>48,576</u> |
| <b>Other comprehensive income/(loss) net of tax:</b>              |      |                   |                |                  |               |
| Fair value changes of financial assets at FVOCI                   |      | 1,436             | (2,842)        | (8,734)          | 1,775         |
| Income tax effect   |      | (345)             | 682            | 2,096            | (426)         |
| <b>Other comprehensive income/(loss) for the financial period</b> |      | <u>1,091</u>      | <u>(2,160)</u> | <u>(6,638)</u>   | <u>1,349</u>  |
| <b>Total comprehensive income for the financial period</b>        |      | <u>14,495</u>     | <u>19,478</u>  | <u>29,755</u>    | <u>49,925</u> |

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2022.*

**MIZUHO BANK (MALAYSIA) BERHAD**

Company No. 201001039768 (923693-H)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

|                                 | ←Non-distributable reserves → |                              |                         | Distributable reserves     |                  |
|---------------------------------|-------------------------------|------------------------------|-------------------------|----------------------------|------------------|
|                                 | Share capital<br>RM'000       | Regulatory reserve<br>RM'000 | FVOCI reserve<br>RM'000 | Retained profits<br>RM'000 | Total<br>RM'000  |
| <b>At 1 April 2022</b>          | 1,200,000                     | 30,534                       | (2,720)                 | 360,537                    | 1,588,351        |
| Profit for the financial period | -                             | -                            | -                       | 36,393                     | 36,393           |
| Other comprehensive loss        | -                             | -                            | (6,638)                 | -                          | (6,638)          |
| Transfer to regulatory reserve  | -                             | 24,190                       | -                       | (24,190)                   | -                |
| <b>At 30 September 2022</b>     | <u>1,200,000</u>              | <u>54,724</u>                | <u>(9,358)</u>          | <u>372,740</u>             | <u>1,618,106</u> |
| <b>At 1 April 2021</b>          | 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)                   | -                |
| <b>At 30 September 2021</b>     | <u>1,200,000</u>              | <u>34,289</u>                | <u>2,365</u>            | <u>326,092</u>             | <u>1,562,746</u> |

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**MIZUHO BANK (MALAYSIA) BERHAD**

Company No. 201001039768 (923693-H)

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

|   | <b>30 Sep<br/>2022<br/>RM'000</b> | <b>30 Sep<br/>2021<br/>RM'000</b> |
|---|-----------------------------------|-----------------------------------|
| Profit before taxation  | 51,380                            | 64,387                            |
| Adjustments for non-cash items  | 2,260                             | (10,919)                          |
| Operating profit before changes in working capital  | <u>53,640</u>                     | <u>53,468</u>                     |
| Net changes in operating assets   | <u>(858,152)</u>                  | <u>(95,538)</u>                   |
| Net changes in operating liabilities  | <u>1,834,754</u>                  | <u>717,816</u>                    |
|   | 976,602                           | 622,278                           |
| Cash generated from operating activities  | <u>1,030,242</u>                  | <u>675,746</u>                    |
| Taxation paid   | <u>(15,432)</u>                   | <u>(14,552)</u>                   |
| Net cash generated from operating activities  | <u>1,014,810</u>                  | <u>661,194</u>                    |
| Net cash generated from/(used in) investing activities  | 449,317                           | (104,919)                         |
| Net cash used in financing activity   | (2,500)                           | (2,511)                           |
| Net increase in cash and cash equivalents during<br>the financial period  | 1,461,627                         | 553,764                           |
| Cash and cash equivalents at the beginning of the financial period  | <u>3,061,223</u>                  | <u>1,068,169</u>                  |
| <b>Cash and cash equivalents at the end of the financial period</b>   | <u><b>4,522,850</b></u>           | <u><b>1,621,933</b></u>           |
| <b>Analysis of cash and cash equivalents:</b>   |                                   |                                   |
| Cash and short-term funds   | 2,912,682                         | 1,547,549                         |
| Deposits and placements with financial institutions   | 1,810,168                         | 566,109                           |
| Less: deposits and placements with financial institutions with original<br>contractual maturity of more than 3 months | <u>(200,000)</u>                  | <u>(491,725)</u>                  |
|   | <u><b>4,522,850</b></u>           | <u><b>1,621,933</b></u>           |

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2022.*

**MIZUHO BANK (MALAYSIA) BERHAD**

Company No. 201001039768 (923693-H)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**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 2022. 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 2022.

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 2022 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 January 2022

- i) Amendments to MFRS 9 *Financial Instruments (Annual Improvements to MFRS Standards 2018 - 2020 cycle)*
- ii) Amendments to Illustrative Examples accompanying MFRS 16 *Leases (Annual Improvements to MFRS Standards 2018 - 2020 cycle)*
- iii) Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*
- iv) Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract*

The initial application of the abovementioned pronouncements are not expected to have any material impact to the financial statements of the Bank.

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**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 2022 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 2022.

**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 2022.

**5. Changes in estimates**

There were no material changes in estimates during the second quarter ended 30 September 2022.

**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 2022.

## **MIZUHO BANK (MALAYSIA) BERHAD**

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### **NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

#### **7. Dividend**

No dividend was paid during the second quarter ended 30 September 2022.

#### **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 a profit before taxation (“PBT”) of RM51.4 million for the financial period ended 30 September 2022, a decrease of RM13.0 million or 20.2% as compared to RM64.4 million in the previous corresponding period. The lower PBT was mainly due to the decrease in operating income by RM12.6 million or 14.1%, with the lower non-interest income by RM10.9 million in the current financial period. Operating expenses decreased by RM1.1 million or 2.9% mainly due to lower administration and general expenses.

Total assets for the Bank stood at RM14.7 billion as at 30 September 2022, an increase of RM2.1 billion or 17.0% as compared against total assets of RM12.6 billion at 31 March 2022. The Bank’s Common Equity Tier 1 capital ratio and Total Capital Ratio remained strong at 26.82% and 27.89% respectively.

#### **10. Prospects**

The Malaysian economic is on the path of recovery and the process is expected to gain momentum with continuing support by expansion in domestic demand, improved labour market, resilient exports and the full reopening of most economies and international borders. However, the downside risks remain with a weaker-than-expected global growth and worsening supply chain disruptions.

On the ringgit, the depreciation against the United States (“US”) dollar is mainly driven by a more aggressive monetary tightening by the US Federal Reserve (“US Fed”) coupled with various economic forces, including, for example, increased investors’ risk appetite and uncertain market sentiment. The strengthening of the US dollar has affected the performance of other currencies in addition to the ringgit. To tame growing inflationary pressure and in line with hikes by US Fed monetary policy, Bank Negara Malaysia has third raise in overnight policy rate (“OPR”) in September 2022. The hike of a further 25 basis points took the OPR to 2.5%.

Nonetheless, the Bank expects to stand resilient in order to grow and transform its business under this challenging environment. As part of Mizuho Financial Group, the Bank will remain committed to fulfil its role as a financial institution and fully exercising its financial function to support its customer.



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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022****11. Financial assets at FVOCI**

|                                     | <b>30 Sep<br/>2022<br/>RM'000</b> | <b>31 Mar<br/>2022<br/>RM'000</b> |
|-------------------------------------|-----------------------------------|-----------------------------------|
| <b>At fair value</b>                |                                   |                                   |
| Malaysian government securities     | 49,900                            | 50,700                            |
| Malaysian government treasury bills | 49,972                            | 49,493                            |
| Government investment issues        | 543,598                           | 701,891                           |
| Government guaranteed bonds         | 877,111                           | 1,188,267                         |
|                                     | <u>1,520,581</u>                  | <u>1,990,351</u>                  |

**12. Loans, advances and financing**

|  | <b>30 Sep<br/>2022<br/>RM'000</b> | <b>31 Mar<br/>2022<br/>RM'000</b> |
|--|-----------------------------------|-----------------------------------|
| (a) By type:   |                                   |                                   |
| <b>At amortised cost:</b>                              |                                   |                                   |
| Term loans   | 5,018,626                         | 4,044,757                         |
| Revolving credits                                      | 1,866,731                         | 1,951,497                         |
| Overdraft  | -                                 | 545                               |
| Bills receivable                                       | 7,986                             | 9,428                             |
|  | <u>6,893,343</u>                  | <u>6,006,227</u>                  |
| Less: Unearned interest                                | (31)                              | (18)                              |
| Gross loans, advances and financing at amortised cost  | <u>6,893,312</u>                  | <u>6,006,209</u>                  |
| Less: Allowance for expected credit losses             | (8,977)                           | (14,034)                          |
| Net loans, advances and financing at amortised cost    | <u>6,884,335</u>                  | <u>5,992,175</u>                  |
| <b>At fair value through profit or loss ("FVTPL"):</b> |                                   |                                   |
| Term loans   | 1,066,123                         | 1,122,213                         |
| <b>Total net loans, advances and financing</b>         | <u>7,950,458</u>                  | <u>7,114,388</u>                  |
| <b>Total gross loans, advances and financing</b>       |                                   |                                   |
| - At amortised cost                                    | 6,893,312                         | 6,006,209                         |
| - At FVTPL   | 1,066,123                         | 1,122,213                         |
|  | <u>7,959,435</u>                  | <u>7,128,422</u>                  |

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022****12. Loans, advances and financing (continued)**

|   | <b>30 Sep<br/>2022<br/>RM'000</b> | <b>31 Mar<br/>2022<br/>RM'000</b> |
|---|-----------------------------------|-----------------------------------|
| (b) By geographical distribution:                     |                                   |                                   |
| Within Malaysia                                       | 6,563,644                         | 5,866,418                         |
| Outside Malaysia                                      | 1,395,791                         | 1,262,004                         |
|   | <u>7,959,435</u>                  | <u>7,128,422</u>                  |
| (c) By type of customer:                              |                                   |                                   |
| Commercial banks                                      | 922,865                           | -                                 |
| Domestic business enterprises                         | 2,184,261                         | 2,733,901                         |
| Domestic non-bank financial institutions              | 3,456,518                         | 3,132,517                         |
| Foreign business entities                             | 1,395,791                         | 1,262,004                         |
|   | <u>7,959,435</u>                  | <u>7,128,422</u>                  |
| (d) By interest/profit rate sensitivity:              |                                   |                                   |
| Fixed rate  | 1,437,271                         | 1,751,279                         |
| Variable rate   | 6,522,164                         | 5,377,143                         |
|   | <u>7,959,435</u>                  | <u>7,128,422</u>                  |
| (e) By economic purpose:                              |                                   |                                   |
| Purchase of fixed assets other than land and building | 178,734                           | 546,107                           |
| Purchase of non-residential property                  | 8,461                             | 10,792                            |
| Working capital                                       | 6,332,870                         | 6,053,265                         |
| Other purpose   | 1,439,370                         | 518,258                           |
|   | <u>7,959,435</u>                  | <u>7,128,422</u>                  |

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

**12. Loans, advances and financing (continued)**

|   | <b>30 Sep<br/>2022<br/>RM'000</b> | <b>31 Mar<br/>2022<br/>RM'000</b> |
|---|-----------------------------------|-----------------------------------|
| (f) By economic sector:   |                                   |                                   |
| Manufacturing   | 990,185                           | 1,404,721                         |
| Electricity, gas and water supply   | 30,294                            | 33,439                            |
| Construction  | 580,609                           | 573,972                           |
| Wholesale and retail trade, and restaurants and hotels  | 195,926                           | 177,028                           |
| Transport, storage and communication  | 96,739                            | 275,101                           |
| Finance, insurance, real estate and business activities   | 5,796,381                         | 4,410,413                         |
| Education, health and others  | 269,301                           | 253,748                           |
|   | <u>7,959,435</u>                  | <u>7,128,422</u>                  |
| (g) By maturity structure:  |                                   |                                   |
| Maturing within one year  | 4,331,441                         | 4,542,640                         |
| One year to three years   | 2,020,913                         | 2,113,728                         |
| Three years to five years   | 1,607,081                         | 472,054                           |
|   | <u>7,959,435</u>                  | <u>7,128,422</u>                  |
| (h) Movement in impairment allowance on loans, advances and financing which reflect the ECL model on impairment are as follows: |                                   |                                   |

|   | <b>Not credit-impaired</b> |                | <b>Credit-<br/>impaired</b> |               |
|---|----------------------------|----------------|-----------------------------|---------------|
|   | <b>Stage 1</b>             | <b>Stage 2</b> | <b>Stage 3</b>              | <b>Total</b>  |
|   | <b>RM'000</b>              | <b>RM'000</b>  | <b>RM'000</b>               | <b>RM'000</b> |
| <b>At 1 April 2022</b>                        | 13,418                     | 616            | -                           | 14,034        |
| New financial assets originated               | 6,520                      | 219            | -                           | 6,739         |
| Financial assets derecognised                 | (11,532)                   | (616)          | -                           | (12,148)      |
| Net remeasurement during the financial period | 352                        | -              | -                           | 352           |
| <b>At 30 September 2022</b>                   | <u>8,758</u>               | <u>219</u>     | <u>-</u>                    | <u>8,977</u>  |

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022****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):

|   | Not credit-impaired |            | Credit-impaired | Total         |
|---|---------------------|------------|-----------------|---------------|
|   | Stage 1             | Stage 2    | Stage 3         |               |
|   | RM'000              | RM'000     | RM'000          | RM'000        |
| <b>At 1 April 2021</b>                      | 34,399              | 7,152      | -               | 41,551        |
| New financial assets originated             | 11,967              | 616        | -               | 12,583        |
| Financial assets derecognised               | (22,015)            | (7,152)    | -               | (29,167)      |
| Net remeasurement during the financial year | (10,933)            | -          | -               | (10,933)      |
| <b>At 31 March 2022</b>                     | <b>13,418</b>       | <b>616</b> | <b>-</b>        | <b>14,034</b> |

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

|  | 30 Sep<br>2022 | 31 Mar<br>2022 |
|--|----------------|----------------|
|  | RM'000         | RM'000         |
| At beginning of the financial period                 | 14,034         | 41,551         |
| Writeback during the financial period                | (5,057)        | (27,517)       |
| At end of the financial period                       | <b>8,977</b>   | <b>14,034</b>  |
| As percentage of total loans, advances and financing | <b>0.11%</b>   | <b>0.20%</b>   |

The Bank has no impaired loans, advances and financing and no individual impairment allowance was deemed required as at 30 September 2022.

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(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022****13. Deposit from customers**

|  | <b>30 Sep<br/>2022<br/>RM'000</b> | <b>31 Mar<br/>2022<br/>RM'000</b> |
|--|-----------------------------------|-----------------------------------|
| (a) By type of deposits:                 |                                   |                                   |
| Demand deposits                          | 1,017,436                         | 972,770                           |
| Fixed deposits                           | 1,280,105                         | 1,049,072                         |
| Short-term deposits                      | 1,291,664                         | 2,002,389                         |
|  | <u>3,589,205</u>                  | <u>4,024,231</u>                  |
| (b) By type of customers:                |                                   |                                   |
| Domestic non-bank financial institutions | 503,965                           | 368,319                           |
| Domestic business enterprises            | 2,997,721                         | 3,394,697                         |
| Foreign business enterprises             | 87,441                            | 71,780                            |
| Domestic other enterprises               | 78                                | 94                                |
| Government and statutory bodies          | -                                 | 189,341                           |
|  | <u>3,589,205</u>                  | <u>4,024,231</u>                  |
| (c) Maturity structure:                  |                                   |                                   |
| On demand                                | 1,017,436                         | 972,770                           |
| Due within six months                    | 2,521,266                         | 2,933,060                         |
| Due over six months to one year          | 50,503                            | 118,401                           |
|  | <u>3,589,205</u>                  | <u>4,024,231</u>                  |

**14. Deposit and placements from financial institutions**

|                | <b>30 Sep<br/>2022<br/>RM'000</b> | <b>31 Mar<br/>2022<br/>RM'000</b> |
|----------------|-----------------------------------|-----------------------------------|
| Licensed banks | <u>8,659,354</u>                  | <u>6,789,195</u>                  |

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|  | 2nd Quarter ended |                | Six months ended |                |
|--|-------------------|----------------|------------------|----------------|
|  | 30 Sep<br>2022    | 30 Sep<br>2021 | 30 Sep<br>2022   | 30 Sep<br>2021 |
|  | RM'000            | RM'000         | RM'000           | RM'000         |
| Loans, advances and financing  | 52,273            | 19,184         | 81,862           | 41,849         |
| Money at call and deposits and placements<br>with financial institutions | 27,839            | 6,821          | 41,707           | 12,481         |
| Financial assets at FVOCI  | 9,140             | 11,972         | 19,638           | 24,079         |
| Others   | 4                 | 138            | 11               | 335            |
|  | <u>89,256</u>     | <u>38,115</u>  | <u>143,218</u>   | <u>78,744</u>  |

**16. Interest expense**

|  | 2nd Quarter ended |                | Six months ended |                |
|--|-------------------|----------------|------------------|----------------|
|  | 30 Sep<br>2022    | 30 Sep<br>2021 | 30 Sep<br>2022   | 30 Sep<br>2021 |
|  | RM'000            | RM'000         | RM'000           | RM'000         |
| Deposits and placements from<br>financial institutions | 47,072            | 4,425          | 67,015           | 9,701          |
| Deposits from customers                                | 14,314            | 9,970          | 25,340           | 18,214         |
| Others   | 1,460             | 135            | 1,930            | 171            |
|  | <u>62,846</u>     | <u>14,530</u>  | <u>94,285</u>    | <u>28,086</u>  |

**17. Other operating income**

|   | 2nd Quarter ended |                | Six months ended |                |
|---|-------------------|----------------|------------------|----------------|
|   | 30 Sep<br>2022    | 30 Sep<br>2021 | 30 Sep<br>2022   | 30 Sep<br>2021 |
|   | RM'000            | RM'000         | RM'000           | RM'000         |
| Fee income  | 2,367             | 2,964          | 3,846            | 4,745          |
| Realised gain in fair value of derivative<br>financial instruments        | 3,272             | 3,848          | 6,700            | 8,516          |
| Unrealised loss in fair value of derivative<br>financial instruments      | (2,189)           | (2,663)        | (10,119)         | (11,054)       |
| Realised foreign exchange gain  | 6,660             | 5,324          | 15,394           | 9,830          |
| Unrealised foreign exchange gain  | 6,795             | 10,150         | 21,170           | 26,463         |
| Net unrealised (loss)/gain on revaluation of<br>financial assets at FVTPL | (11,181)          | 524            | (9,427)          | (78)           |
| Others  | 17                | 16             | 33               | 32             |
|   | <u>5,741</u>      | <u>20,163</u>  | <u>27,597</u>    | <u>38,454</u>  |

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|   | 2nd Quarter ended        |                          | Six months ended         |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
|   | 30 Sep<br>2022<br>RM'000 | 30 Sep<br>2021<br>RM'000 | 30 Sep<br>2022<br>RM'000 | 30 Sep<br>2021<br>RM'000 |
| <b>Personnel costs:</b>                     |                          |                          |                          |                          |
| Salaries, allowances and bonuses            | 7,717                    | 7,337                    | 16,021                   | 15,659                   |
| Contribution to Employees Provident Fund    | 1,105                    | 1,034                    | 2,281                    | 2,205                    |
| Other staff related costs                   | 1,638                    | 1,855                    | 4,433                    | 3,374                    |
| <b>Establishment costs:</b>                 |                          |                          |                          |                          |
| Repair and maintenance                      | 1,244                    | 1,371                    | 2,534                    | 2,821                    |
| Depreciation of right of use assets         | 1,274                    | 1,186                    | 2,523                    | 2,499                    |
| Depreciation of property and equipment      | 470                      | 771                      | 1,060                    | 1,421                    |
| Amortisation of intangible assets           | 723                      | 775                      | 1,424                    | 1,566                    |
| Rental of premises                          | 7                        | 5                        | 12                       | 10                       |
| Information technology expenses             | 795                      | 802                      | 1,558                    | 1,513                    |
| Others                                      | 180                      | 186                      | 281                      | 302                      |
| <b>Marketing expenses:</b>                  |                          |                          |                          |                          |
| Advertisement and publicity                 | 3                        | -                        | 3                        | 4                        |
| Others                                      | 236                      | 29                       | 386                      | 122                      |
| <b>Administration and general expenses:</b> |                          |                          |                          |                          |
| Communication expenses                      | 273                      | 208                      | 511                      | 475                      |
| Legal and professional fees                 | 132                      | 83                       | 201                      | 158                      |
| Others                                      | 1,982                    | 1,835                    | 4,079                    | 6,300                    |
|   | <u>17,779</u>            | <u>17,477</u>            | <u>37,307</u>            | <u>38,429</u>            |

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|   | <b>2nd Quarter ended</b> |                        | <b>Six months ended</b> |                        |
|---|--------------------------|------------------------|-------------------------|------------------------|
|   | <b>30 Sep<br/>2022</b>   | <b>30 Sep<br/>2021</b> | <b>30 Sep<br/>2022</b>  | <b>30 Sep<br/>2021</b> |
|   | <b>RM'000</b>            | <b>RM'000</b>          | <b>RM'000</b>           | <b>RM'000</b>          |
| Deposits and placements with financial institutions | 1                        | -                      | (17)                    | (99)                   |
| Loans, advances and financing                       | (1,326)                  | (308)                  | (5,057)                 | (12,617)               |
| Credit commitments and contingencies                | (3,046)                  | (2,719)                | (7,083)                 | (988)                  |
|   | <u>(4,371)</u>           | <u>(3,027)</u>         | <u>(12,157)</u>         | <u>(13,704)</u>        |

**20. Credit transactions and exposures with connected parties**

|   | <b>30 Sep<br/>2022</b> | <b>31 Mar<br/>2022</b> |
|---|------------------------|------------------------|
|   | <b>RM'000</b>          | <b>RM'000</b>          |
| Outstanding credit exposures with connected parties   | <u>63,759</u>          | <u>55,652</u>          |
| Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures | <u>0.16%</u>           | <u>0.16%</u>           |

Currently, none of the exposures to connected parties 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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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:

|  | <b>Principal<br/>amount<br/>RM'000</b> | <b>Credit<br/>equivalent<br/>amount*<br/>RM'000</b> | <b>Risk-<br/>weighted<br/>amount*<br/>RM'000</b> |
|--|--|---|--|
| <b>As at 30 September 2022</b>   |  |   |  |
| Direct credit substitutes  | 133,668                                | 133,668   | 133,518  |
| Transaction related contingent items   | 135,516                                | 67,758  | 53,784   |
| Short-term self-liquidating trade related contingencies  | 2,513                                  | 503   | 503  |
| Foreign exchange related contracts   |  |   |  |
| - One year or less   | 3,723,649                              | 106,052   | 47,988   |
| - Over one year to five years  | 140,867                                | 16,907  | 9,735  |
| Interest related contracts   |  |   |  |
| - One year or less   | 2,882,570                              | 209,301   | 76,425   |
| - Over one year to five years  | 5,084,230                              | 672,599   | 375,605  |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year | 693,855                                | 64,760  | 64,760   |
| Any commitments that are unconditionally cancelled at any time without prior notice                                | 5,108,951                              | -   | -  |
| <b>Total</b>   | <b>17,905,819</b>                      | <b>1,271,548</b>                                    | <b>762,318</b>                                   |

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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):

|  | <b>Principal<br/>amount<br/>RM'000</b> | <b>Credit<br/>equivalent<br/>amount*<br/>RM'000</b> | <b>Risk-<br/>weighted<br/>amount*<br/>RM'000</b> |
|--|--|---|--|
| <b>As at 31 Mar 2022</b>   |  |   |  |
| Direct credit substitutes  | 107,626                                | 107,626   | 107,476  |
| Transaction related contingent items   | 120,426                                | 60,213  | 47,430   |
| Short-term self-liquidating trade related contingencies  | 2,013                                  | 403   | 403  |
| Foreign exchange related contracts   |  |   |  |
| - One year or less   | 976,967                                | 25,897  | 18,939   |
| - Over one year to five years  | 132,349                                | 14,710  | 9,173  |
| Interest related contracts   |  |   |  |
| - One year or less   | 2,224,680                              | 71,590  | 42,797   |
| - Over one year to five years  | 5,262,099                              | 498,949   | 332,724  |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year | 378,387                                | -   | -  |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year  | 4,500                                  | 2,250   | 2,250  |
| Any commitments that are unconditionally cancelled at any time without prior notice                                | 4,677,604                              | -   | -  |
| <b>Total</b>   | <b>13,886,651</b>                      | <b>781,638</b>                                      | <b>561,192</b>                                   |

\*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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The capital ratios are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework (Capital Components) issued on 9 December 2020 and Capital Adequacy Framework (Basel II - Risk Weighted Assets) 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:

|   | <b>30 Sep<br/>2022</b> | <b>31 Mar<br/>2022</b> |
|---|------------------------|------------------------|
| <b>Capital ratios:</b>                    |                        |                        |
| CET1 capital ratio / Tier 1 capital ratio | 26.815%                | 31.532%                |
| Total capital ratio                       | <u>27.888%</u>         | <u>32.677%</u>         |

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

|   | <b>30 Sep<br/>2022<br/>RM'000</b> | <b>31 Mar<br/>2022<br/>RM'000</b> |
|---|-----------------------------------|-----------------------------------|
| <b>CET 1 capital</b>                      |                                   |                                   |
| Paid-up share capital                     | 1,200,000                         | 1,200,000                         |
| Retained profits                          | 336,347                           | 360,537                           |
| Other reserves                            | <u>(17,986)</u>                   | <u>(8,692)</u>                    |
| Total tier 1 capital                      | 1,518,361                         | 1,551,845                         |
| <b>Tier 2 capital</b>                     |                                   |                                   |
| General provisions and regulatory reserve | <u>60,769</u>                     | <u>56,344</u>                     |
| Total capital                             | <u>1,579,130</u>                  | <u>1,608,189</u>                  |

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

|                                | <b>30 Sep<br/>2022<br/>RM'000</b> | <b>31 Mar<br/>2022<br/>RM'000</b> |
|--------------------------------|-----------------------------------|-----------------------------------|
| Total RWA for credit risk      | 4,861,520                         | 4,507,512                         |
| Total RWA for market risk      | 494,317                           | 103,189                           |
| Total RWA for operational risk | 306,524                           | 310,805                           |
| Total RWA                      | <u>5,662,361</u>                  | <u>4,921,506</u>                  |

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**22. Capital adequacy (continued)**

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

| Exposure class   | Gross<br>Exposures<br>RM'000 | Net<br>Exposures<br>RM'000 | Risk-<br>Weighted<br>Assets<br>RM'000           | Minimum<br>Capital<br>Requirements<br>at 8%<br>RM'000            |
|--|------------------------------|----------------------------|---|--|
| <b>As at 30 September 2022</b>   |                              |                            |   |  |
| <b>Credit risk</b>   |                              |                            |   |  |
| <u>On-balance sheet exposures:</u>   |                              |                            |   |  |
| Sovereigns/central banks   | 3,083,567                    | 3,083,567                  | -   | -  |
| Banks, development financial institutions and<br>Multilateral Development Banks ("MDBs") | 4,619,180                    | 2,471,306                  | 552,038   | 44,163   |
| Corporates   | 6,627,968                    | 4,404,142                  | 3,519,214                                       | 281,537  |
| Other assets   | 27,950                       | 27,950                     | 27,950  | 2,236  |
| Total on-balance sheet exposures   | <u>14,358,665</u>            | <u>9,986,965</u>           | <u>4,099,202</u>                                | <u>327,936</u>   |
| <u>Off-balance sheet exposures:</u>  |                              |                            |   |  |
| Over-the-counter ("OTC") derivatives   | 1,004,859                    | 1,004,859                  | 509,753   | 40,780   |
| Off-balance sheet exposures other than OTC<br>derivatives or credit derivatives          | 266,689                      | 266,689                    | 252,565   | 20,205   |
| Total off-balance sheet exposures  | <u>1,271,548</u>             | <u>1,271,548</u>           | <u>762,318</u>                                  | <u>60,985</u>  |
| Total on and off-balance sheet exposures   | <u>15,630,213</u>            | <u>11,258,513</u>          | <u>4,861,520</u>                                | <u>388,921</u>   |
|  |                              |                            | <b>Risk-<br/>Weighted<br/>Assets<br/>RM'000</b> | <b>Minimum<br/>Capital<br/>Requirements<br/>at 8%<br/>RM'000</b> |
| <b>Market risk</b>   |                              |                            |   |  |
| Interest rate risk   | 8,017,714                    | 8,003,163                  | 71,564  | 5,725  |
| Foreign currency risk  | 33,820                       | -                          | 422,753   | 33,820   |
| <b>Operational risk</b>  |                              |                            |   |  |
|  |                              |                            | 306,524   | 24,522   |
| Total RWA and capital requirements   |                              |                            | <u>5,662,361</u>                                | <u>452,988</u>   |

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**22. Capital adequacy (continued)**

Disclosures relating to credit risk and market risk are as below (continued):

| Exposure class   | Gross<br>Exposures<br>RM'000 | Net<br>Exposures<br>RM'000 | Risk-<br>Weighted<br>Assets<br>RM'000           | Minimum<br>Capital<br>Requirements<br>at 8%<br>RM'000            |
|--|------------------------------|----------------------------|---|--|
| <b>As at 31 March 2022</b>   |                              |                            |   |  |
| <b>Credit risk</b>   |                              |                            |   |  |
| <u>On-balance sheet exposures:</u>   |                              |                            |   |  |
| Sovereigns/central banks   | 2,508,011                    | 2,508,011                  | -   | -  |
| Banks, development financial institutions and<br>Multilateral Development Banks ("MDBs") | 2,899,912                    | 1,853,709                  | 396,762   | 31,741   |
| Corporates   | 7,060,756                    | 4,715,439                  | 3,516,311                                       | 281,305  |
| Other assets   | 33,247                       | 33,247                     | 33,247  | 2,660  |
| Total on-balance sheet exposures   | <u>12,501,926</u>            | <u>9,110,406</u>           | <u>3,946,320</u>                                | <u>315,706</u>   |
| <u>Off-balance sheet exposures:</u>  |                              |                            |   |  |
| Over-the-counter ("OTC") derivatives   | 611,146                      | 611,146                    | 403,633   | 32,291   |
| Off-balance sheet exposures other than OTC<br>derivatives or credit derivatives          | 170,492                      | 170,492                    | 157,559   | 12,605   |
| Total off-balance sheet exposures  | <u>781,638</u>               | <u>781,638</u>             | <u>561,192</u>                                  | <u>44,896</u>  |
| Total on and off-balance sheet exposures   | <u>13,283,564</u>            | <u>9,892,044</u>           | <u>4,507,512</u>                                | <u>360,602</u>   |
|  |                              |                            | <b>Risk-<br/>Weighted<br/>Assets<br/>RM'000</b> | <b>Minimum<br/>Capital<br/>Requirements<br/>at 8%<br/>RM'000</b> |
| <b>Market risk</b>   |                              |                            |   |  |
| Interest rate risk   | 7,615,123                    | 7,597,472                  | 77,681  | 6,214  |
| Foreign currency risk  | 2,041                        | -                          | 25,508  | 2,041  |
| <b>Operational risk</b>  |                              |                            | 310,805   | 24,864   |
| Total RWA and capital requirements   |                              |                            | <u>4,921,506</u>                                | <u>393,721</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<br>Netting and Credit<br>Risk Mitigation<br>RM'000 | Total<br>Risk-Weighted<br>Assets<br>RM'000 |
|--------------------------------|--|---|----------------------|------------------------|---|--|--|
|                                | Sovereigns/<br>central banks<br>RM'000                 | Banks, development<br>Financial Institution<br>MDBs<br>RM'000 | Corporates<br>RM'000 | Other Assets<br>RM'000 |   |  |  |
| <b>As at 30 September 2022</b> |  |   |                      |                        |   |  |  |
| 0%                             | 3,083,567  | 308,752   | 884,928              | -                      | - | 4,277,247  | -  |
| 20%                            | -  | 2,171,598   | -                    | -                      | - | 2,171,598  | 434,320                                    |
| 50%                            | -  | 764,936   | -                    | -                      | - | 764,936  | 382,468                                    |
| 100%                           | -  | -   | 4,016,782            | 27,950                 | - | 4,044,732  | 4,044,732                                  |
|                                | <u>3,083,567</u>                                       | <u>3,245,286</u>  | <u>4,901,710</u>     | <u>27,950</u>          | - | <u>11,258,513</u>  | <u>4,861,520</u>                           |
| <b>As at 31 March 2022</b>     |  |   |                      |                        |   |  |  |
| 0%                             | 2,508,011  | 273,993   | 1,199,128            | -                      | - | 3,981,132  | -  |
| 20%                            | -  | 1,465,389   | -                    | -                      | - | 1,465,389  | 293,078                                    |
| 50%                            | -  | 462,178   | -                    | -                      | - | 462,178  | 231,089                                    |
| 100%                           | -  | -   | 3,950,098            | 33,247                 | - | 3,983,345  | 3,983,345                                  |
|                                | <u>2,508,011</u>                                       | <u>2,201,560</u>  | <u>5,149,226</u>     | <u>33,247</u>          | - | <u>9,892,044</u>   | <u>4,507,512</u>                           |