

Mizuho Bank (Malaysia) Berhad

Company No. 201001039768 (923693-H)

(Incorporated in Malaysia)

**Unaudited condensed interim financial statements
for the financial period ended 30 September 2023**

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 2023

	Note	30 Sep 2023 RM'000	31 Mar 2023 RM'000
Assets			
Cash and short-term funds		3,209,055	5,118,847
Deposits and placements with financial institutions		1,947,610	1,846,911
Financial assets at fair value through other comprehensive income ("FVOCI")	11	1,578,305	1,523,709
Loans, advances and financing	12	10,188,800	9,244,048
Derivative financial assets		444,381	260,094
Other assets		43,710	72,184
Right of use assets		5,615	6,449
Property and equipment		7,615	7,994
Intangible assets		5,071	4,911
Current tax assets		-	8,415
Deferred tax assets		13,923	3,578
Total assets		<u>17,444,085</u>	<u>18,097,140</u>
Liabilities			
Deposits from customers	13	4,593,982	3,661,331
Deposits and placements from financial institutions	14	10,263,533	12,247,566
Derivative financial liabilities		330,351	225,185
Lease liabilities		5,847	6,744
Other liabilities		523,124	287,062
Current tax liabilities		14,405	-
Total liabilities		<u>15,731,242</u>	<u>16,427,888</u>
Equity			
Share capital		1,200,000	1,200,000
Reserves		512,843	469,252
Total equity attributable to owners of the Bank		<u>1,712,843</u>	<u>1,669,252</u>
Total liabilities and equity		<u>17,444,085</u>	<u>18,097,140</u>
Commitments and contingencies	21	<u>20,405,682</u>	<u>18,059,141</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2023.

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 2023**

		2nd Quarter ended		Six months ended	
		30 Sep	30 Sep	30 Sep	30 Sep
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Interest income	15	230,502	89,256	455,567	143,218
Interest expense	16	(194,570)	(62,846)	(384,966)	(94,285)
Net interest income		35,932	26,410	70,601	48,933
Other operating income	17	20,802	5,741	43,565	27,597
Total net income		56,734	32,151	114,166	76,530
Other operating expenses	18	(20,462)	(17,779)	(41,682)	(37,307)
Operating profit		36,272	14,372	72,484	39,223
(Addition)/writeback of allowance for expected credit losses ("ECL")	19	(1,679)	4,371	(160)	12,157
Profit before taxation		34,593	18,743	72,324	51,380
Tax expense		(14,502)	(5,339)	(29,099)	(14,987)
Profit for the financial period		20,091	13,404	43,225	36,393
Other comprehensive income/(loss) that will be reclassified to profit or loss in future periods:					
Fair value changes of financial assets at FVOCI		1,558	1,436	482	(8,734)
Income tax effect		(374)	(345)	(116)	2,096
Other comprehensive income/(loss) for the financial period		1,184	1,091	366	(6,638)
Total comprehensive income for the financial period		21,275	14,495	43,591	29,755

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	←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 2023	1,200,000	68,437	(2,741)	403,556	1,669,252
Profit for the financial period	-	-	-	43,225	43,225
Other comprehensive income	-	-	366	-	366
Transfer to regulatory reserve	-	12,254	-	(12,254)	-
At 30 September 2023	<u>1,200,000</u>	<u>80,691</u>	<u>(2,375)</u>	<u>434,527</u>	<u>1,712,843</u>
At 1 April 2022	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)	-
At 30 September 2022	<u>1,200,000</u>	<u>54,724</u>	<u>(9,358)</u>	<u>372,740</u>	<u>1,618,106</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2023.

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

	30 Sep 2023 RM'000	30 Sep 2022 RM'000
Profit before taxation	72,324	51,380
Adjustments for non-cash items	(4,227)	2,260
Operating profit before changes in working capital	<u>68,097</u>	<u>53,640</u>
Net changes in operating assets	<u>871,302</u>	<u>(858,152)</u>
Net changes in operating liabilities	<u>(815,076)</u>	<u>1,834,754</u>
	56,226	976,602
Cash generated from operating activities	<u>124,323</u>	<u>1,030,242</u>
Taxation paid	<u>(16,740)</u>	<u>(15,432)</u>
Net cash generated from operating activities	<u>107,583</u>	<u>1,014,810</u>
Net cash (used in)/generated from investing activities	(62,805)	449,317
Net cash used in financing activity	(2,420)	(2,500)
Net increase in cash and cash equivalents during the financial period	42,358	1,461,627
Cash and cash equivalents at the beginning of the financial period	4,964,307	3,061,223
Cash and cash equivalents at the end of the financial period	<u>5,006,665</u>	<u>4,522,850</u>
Analysis of cash and cash equivalents:		
Cash and short-term funds	3,209,055	2,912,682
Deposits and placements with financial institutions	1,947,610	1,810,168
Less: deposits and placements with financial institutions with original contractual maturity of more than 3 months	<u>(150,000)</u>	<u>(200,000)</u>
	<u>5,006,665</u>	<u>4,522,850</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2023.

MIZUHO BANK (MALAYSIA) BERHAD

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

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 2023. 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 2023.

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 2023 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 2023

- i) Amendments to MFRS 101 *Presentation of Financial Statements - Disclosures of Accounting Policies*
- ii) Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*
- iii) Amendments to MFRS 112 *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform - Pillar Two Model Rules*

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 2023**

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 2023 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 2023.

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 2023.

5. Changes in estimates

There were no material changes in estimates during the second quarter ended 30 September 2023.

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 2023.

7. Dividend

No dividend was paid during the second quarter ended 30 September 2023.

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.

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

9. Review of performance

The Bank recorded a profit before taxation (“PBT”) of RM72.3 million for the financial period ended 30 September 2023, a growth of RM20.9 million or 40.8% as compared to RM51.4 million in the previous corresponding period. The higher PBT was mainly attributable to higher net interest income and higher non-interest income by RM21.7 million and RM16.0 million respectively. The increase in PBT was however offset by addition of allowance for ECL of RM0.2 million in the current financial period, compared to a writeback of ECL of RM12.2 million in the previous corresponding period. Operating expenses increased by RM4.4 million mainly due to higher personnel costs, establishment costs and administration and general expenses.

Total assets for the Bank stood at RM17.4 billion as at 30 September 2023, a decrease of RM0.7 billion or 3.6% as compared against total assets of RM18.1 billion at 31 March 2023. The Bank’s Common Equity Tier 1 capital ratio and Total Capital Ratio remained strong at 22.55% and 23.65% respectively.

10. Prospects

Malaysia economy has been expanded at a moderate pace particularly due to slower external demand and decline in commodity production. In the remaining months of 2023, it is expected that the growth will continue to be driven by resilient domestic expenditure amid the challenging external environment. While the growth outlook is subject to some downside risks from weaker-than-expected global growth, upside risks mainly contribute by the domestic factors such as tourism activity and faster implementation of existing and new projects.

Despite the challenging economic environment, the Bank anticipates maintaining resilience and pursuing growth while undergoing business transformation. As part of Mizuho Financial Group, the Bank remains dedicated to fulfilling its role as a financial institution and fully leveraging its financial capabilities to support its customers.

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023****11. Financial assets at FVOCI**

	30 Sep 2023 RM'000	31 Mar 2023 RM'000
At fair value		
Malaysian government securities	363,070	253,635
Government investment issues	773,963	544,288
Government guaranteed bonds	441,272	676,503
Commercial papers	-	49,283
	<u>1,578,305</u>	<u>1,523,709</u>

12. Loans, advances and financing

	30 Sep 2023 RM'000	31 Mar 2023 RM'000
(a) By type:		
At amortised cost:		
Term loans	5,967,675	5,450,540
Revolving credits	2,979,452	2,410,518
Bills receivable	16,292	14,714
Overdraft	2	-
Banker's acceptances	-	4,662
	<u>8,963,421</u>	<u>7,880,434</u>
Less: Unearned interest	(73)	(93)
Gross loans, advances and financing at amortised cost	<u>8,963,348</u>	<u>7,880,341</u>
Less: Allowance for expected credit losses	(26,693)	(26,262)
Net loans, advances and financing at amortised cost	<u>8,936,655</u>	<u>7,854,079</u>
At fair value through profit or loss ("FVTPL"):		
Term loans	1,252,145	1,389,969
Total net loans, advances and financing	<u>10,188,800</u>	<u>9,244,048</u>
Total gross loans, advances and financing		
- At amortised cost	8,963,348	7,880,341
- At FVTPL	1,252,145	1,389,969
	<u>10,215,493</u>	<u>9,270,310</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023****12. Loans, advances and financing (continued)**

	30 Sep 2023 RM'000	31 Mar 2023 RM'000
(b) By geographical distribution:		
Within Malaysia	8,328,113	7,720,146
Outside Malaysia	1,887,380	1,550,164
	<u>10,215,493</u>	<u>9,270,310</u>
(c) By type of customer:		
Commercial banks	937,001	882,064
Domestic business enterprises	2,692,004	3,039,845
Domestic non-bank financial institutions	4,699,108	3,798,237
Foreign business entities	1,887,380	1,550,164
	<u>10,215,493</u>	<u>9,270,310</u>
(d) By interest/profit rate sensitivity:		
Fixed rate	2,441,831	1,924,595
Variable rate	7,773,662	7,345,715
	<u>10,215,493</u>	<u>9,270,310</u>
(e) By economic purpose:		
Purchase of fixed assets other than land and building	100,941	129,096
Purchase of non-residential property	-	4,802
Working capital	8,372,529	7,449,364
Other purpose	1,742,023	1,687,048
	<u>10,215,493</u>	<u>9,270,310</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

12. Loans, advances and financing (continued)

	30 Sep 2023 RM'000	31 Mar 2023 RM'000
(f) By economic sector:		
Manufacturing	1,453,083	974,826
Electricity, gas and water supply	170,656	25,603
Construction	70,139	621,084
Wholesale and retail trade, and restaurants and hotels	168,939	188,213
Transport, storage and communication	508,800	677,064
Finance, insurance, real estate and business activities	7,531,896	6,242,146
Education, health and others	311,980	541,374
	<u>10,215,493</u>	<u>9,270,310</u>
(g) By maturity structure:		
Maturing within one year	4,584,349	4,115,770
One year to three years	2,141,659	2,136,175
Three years to five years	3,489,485	3,018,365
	<u>10,215,493</u>	<u>9,270,310</u>
(h) Movement in impairment allowance on loans, advances and financing which reflect the ECL model on impairment are as follows:		

	Not credit-impaired		Credit- impaired	
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
At 1 April 2023	25,270	992	-	26,262
Changes due to loans, advances and financing recognised as at 1 April 2023:				
Transfer to lifetime ECL (Stage 2)	(14)	14	-	-
New financial assets originated	17,692	630	-	18,322
Financial assets derecognised	(16,237)	(214)	-	(16,451)
Net remeasurement during the financial period	(1,438)	(2)	-	(1,440)
At 30 September 2023	<u>25,273</u>	<u>1,420</u>	<u>-</u>	<u>26,693</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023****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
At 1 April 2022	13,418	616	-	14,034
New financial assets originated	17,943	992	-	18,935
Financial assets derecognised	(12,176)	(616)	-	(12,792)
Net remeasurement during the financial year	6,085	-	-	6,085
At 31 March 2023	<u>25,270</u>	<u>992</u>	<u>-</u>	<u>26,262</u>

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

	30 Sep 2023	31 Mar 2023
	RM'000	RM'000
At beginning of the financial period	26,262	14,034
Addition during the financial period	431	12,228
At end of the financial period	<u>26,693</u>	<u>26,262</u>
As percentage of total loans, advances and financing	<u>0.26%</u>	<u>0.28%</u>

The Bank has no impaired loans, advances and financing and no individual impairment allowance was deemed required as at 30 September 2023.

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023****13. Deposit from customers**

	30 Sep 2023 RM'000	31 Mar 2023 RM'000
(a) By type of deposits:		
Demand deposits	1,569,735	1,322,256
Fixed deposits	1,264,118	1,216,744
Short-term deposits	1,757,706	1,119,920
Others	2,423	2,411
	<u>4,593,982</u>	<u>3,661,331</u>

The maturity structure of fixed deposits and short-term deposits are as follows:

Due within six months	2,984,355	2,217,978
Due over six months to one year	37,469	118,686
	<u>3,021,824</u>	<u>2,336,664</u>

(b) By type of customers:		
Domestic non-bank financial institutions	397,676	153,811
Domestic business enterprises	3,818,291	3,407,421
Foreign business enterprises	362,018	84,114
Domestic other enterprises	15,997	15,985
	<u>4,593,982</u>	<u>3,661,331</u>

14. Deposit and placements from financial institutions

	30 Sep 2023 RM'000	31 Mar 2023 RM'000
Licensed banks	<u>10,263,533</u>	<u>12,247,566</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

15. Interest income

	2nd Quarter ended		Six months ended	
	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	145,874	52,273	273,901	81,862
Money at call and deposits and placements with financial institutions	73,120	27,839	159,355	41,707
Financial assets at FVOCI	11,504	9,140	22,274	19,638
Others	4	4	37	11
	<u>230,502</u>	<u>89,256</u>	<u>455,567</u>	<u>143,218</u>

16. Interest expense

	2nd Quarter ended		Six months ended	
	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	164,471	47,072	330,268	67,015
Deposits from customers	27,341	14,314	50,970	25,340
Others	2,758	1,460	3,728	1,930
	<u>194,570</u>	<u>62,846</u>	<u>384,966</u>	<u>94,285</u>

17. Other operating income

	2nd Quarter ended		Six months ended	
	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
	RM'000	RM'000	RM'000	RM'000
Fee income	3,087	2,367	5,294	3,846
Realised gain in fair value of derivative financial instruments	3,550	3,272	7,489	6,700
Unrealised (loss)/gain in fair value of derivative financial instruments	(6,202)	(2,189)	19,725	(10,119)
Realised foreign exchange gain	4,461	6,660	15,092	15,394
Unrealised foreign exchange gain/(loss)	11,057	6,795	(7,132)	21,170
Net unrealised gain/(loss) on revaluation of financial assets at FVTPL	4,831	(11,181)	3,061	(9,427)
Others	18	17	36	33
	<u>20,802</u>	<u>5,741</u>	<u>43,565</u>	<u>27,597</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023****18. Other operating expenses**

	2nd Quarter ended		Six months ended	
	30 Sep 2023 RM'000	30 Sep 2022 RM'000	30 Sep 2023 RM'000	30 Sep 2022 RM'000
Personnel costs:				
Salaries, allowances and bonuses	9,555	7,717	19,345	16,021
Contribution to Employees Provident Fund	1,242	1,105	2,394	2,281
Other staff related costs	1,766	1,638	3,487	4,433
Establishment costs:				
Repair and maintenance	1,596	1,244	3,341	2,534
Depreciation of right of use assets	1,055	1,274	2,357	2,523
Depreciation of property and equipment	483	470	1,053	1,060
Amortisation of intangible assets	508	723	1,159	1,424
Rental of premises	42	7	101	12
Information technology expenses	1,022	795	2,229	1,558
Others	144	180	256	281
Marketing expenses:				
Advertisement and publicity	-	3	-	3
Others	156	236	325	386
Administration and general expenses:				
Communication expenses	261	273	495	511
Legal and professional fees	207	132	388	201
Others	2,425	1,982	4,752	4,079
	<u>20,462</u>	<u>17,779</u>	<u>41,682</u>	<u>37,307</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023****19. Addition/(writeback) of allowance for expected credit losses**

	2nd Quarter ended		Six months ended	
	30 Sep 2023 RM'000	30 Sep 2022 RM'000	30 Sep 2023 RM'000	30 Sep 2022 RM'000
Deposits and placements with financial institutions	(3)	1	(23)	(17)
Loans, advances and financing	2,018	(1,326)	431	(5,057)
Credit commitments and contingencies	(336)	(3,046)	(248)	(7,083)
	<u>1,679</u>	<u>(4,371)</u>	<u>160</u>	<u>(12,157)</u>

20. Credit transactions and exposures with connected parties

	30 Sep 2023 RM'000	31 Mar 2023 RM'000
Outstanding credit exposures with connected parties	<u>110,123</u>	<u>85,497</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>0.23%</u>	<u>0.20%</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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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023****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 2023			
Direct credit substitutes	193,528	193,528	193,368
Transaction related contingent items	191,061	95,530	69,897
Short-term self-liquidating trade related contingencies	28,667	5,733	5,733
Foreign exchange related contracts			
- One year or less	5,268,098	122,476	59,073
- Over one year to five years	66,788	9,920	5,630
Interest related contracts			
- One year or less	3,869,830	254,868	132,057
- Over one year to five years	4,826,923	577,430	333,614
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,453,684	175,850	175,850
Any commitments that are unconditionally cancelled at any time without prior notice	4,507,103	-	-
Total	20,405,682	1,435,335	975,222

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
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21. Commitments and contingencies (continued)

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 2023			
Direct credit substitutes	206,224	206,224	206,064
Transaction related contingent items	138,147	69,073	51,070
Short-term self-liquidating trade related contingencies	7,846	1,569	1,569
Foreign exchange related contracts			
- One year or less	3,138,123	56,642	31,239
- Over one year to five years	87,825	11,475	6,732
Interest related contracts			
- One year or less	3,748,054	219,055	116,770
- Over one year to five years	5,340,073	537,198	355,032
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,324,830	154,564	154,564
Any commitments that are unconditionally cancelled at any time without prior notice	4,068,019	-	-
Total	<u>18,059,141</u>	<u>1,255,800</u>	<u>923,040</u>

*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:

	30 Sep 2023	31 Mar 2023
Capital ratios:		
CET1 capital ratio / Tier 1 capital ratio	22.549%	24.880%
Total capital ratio	<u>23.649%</u>	<u>26.019%</u>

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

	30 Sep 2023 RM'000	31 Mar 2023 RM'000
CET 1 capital		
Paid-up share capital	1,200,000	1,200,000
Retained profits	391,302	403,556
Other reserves	<u>(21,697)</u>	<u>(11,230)</u>
Total tier 1 capital	1,569,605	1,592,326
Tier 2 capital		
General provisions and regulatory reserve	<u>76,569</u>	<u>72,910</u>
Total capital	<u>1,646,174</u>	<u>1,665,236</u>

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

	30 Sep 2023 RM'000	31 Mar 2023 RM'000
Total RWA for credit risk	6,125,508	5,832,824
Total RWA for market risk	475,076	224,140
Total RWA for operational risk	<u>360,379</u>	<u>343,045</u>
Total RWA	<u>6,960,963</u>	<u>6,400,009</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 2023				
Credit risk				
<u>On-balance sheet exposures:</u>				
Sovereigns/central banks	2,689,242	2,689,242	-	-
Banks, development financial institutions and Multilateral Development Banks ("MDBs")	6,541,351	3,922,647	858,371	68,670
Corporates	7,831,675	4,717,373	4,272,716	341,817
Other assets	19,199	19,199	19,199	1,536
Total on-balance sheet exposures	<u>17,081,467</u>	<u>11,348,461</u>	<u>5,150,286</u>	<u>412,023</u>
<u>Off-balance sheet exposures:</u>				
Over-the-counter ("OTC") derivatives	964,694	964,694	530,374	42,430
Off-balance sheet exposures other than OTC derivatives or credit derivatives	470,641	470,641	444,848	35,588
Total off-balance sheet exposures	<u>1,435,335</u>	<u>1,435,335</u>	<u>975,222</u>	<u>78,018</u>
Total on and off-balance sheet exposures	<u>18,516,802</u>	<u>12,783,796</u>	<u>6,125,508</u>	<u>490,041</u>
			Risk- Weighted Assets RM'000	Minimum Capital Requirements at 8% RM'000
Market risk				
Interest rate risk	8,685,857	8,667,798	74,976	5,998
Foreign currency risk	32,008	-	400,100	32,008
Operational risk			360,379	28,830
Total RWA and capital requirements			<u>6,960,963</u>	<u>556,877</u>

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22. Capital adequacy (continued)

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

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 2023				
Credit risk				
<u>On-balance sheet exposures:</u>				
Sovereigns/central banks	3,023,209	3,023,209	-	-
Banks, development financial institutions and Multilateral Development Banks ("MDBs")	7,233,521	5,223,825	1,128,490	90,279
Corporates	7,585,441	4,486,645	3,753,954	300,317
Other assets	27,340	27,340	27,340	2,187
Total on-balance sheet exposures	<u>17,869,511</u>	<u>12,761,019</u>	<u>4,909,784</u>	<u>392,783</u>
<u>Off-balance sheet exposures:</u>				
Over-the-counter ("OTC") derivatives	824,370	824,370	509,773	40,782
Off-balance sheet exposures other than OTC derivatives or credit derivatives	431,430	431,430	413,267	33,061
Total off-balance sheet exposures	<u>1,255,800</u>	<u>1,255,800</u>	<u>923,040</u>	<u>73,843</u>
Total on and off-balance sheet exposures	<u>19,125,311</u>	<u>14,016,819</u>	<u>5,832,824</u>	<u>466,626</u>
				Minimum Capital Requirements
	Long Position	Short Position	Risk-Weighted Assets	at 8%
	RM'000	RM'000	RM'000	RM'000
Market risk				
Interest rate risk	9,078,399	9,057,616	82,103	6,568
Foreign currency risk	11,363	-	142,037	11,363
Operational risk			343,045	27,444
Total RWA and capital requirements			<u>6,400,009</u>	<u>512,001</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	Public Service Entities RM'000	Banks, Development Financial Institution and MDBs RM'000	Corporates RM'000	Other Assets RM'000		
As at 30 September 2023							
0%	2,689,242	-	316,464	444,657	-	3,450,363	-
20%	-	-	3,428,518	-	-	3,428,518	685,704
50%	-	-	930,222	-	-	930,222	465,111
100%	-	8,076	-	4,947,418	19,199	4,974,693	4,974,693
	<u>2,689,242</u>	<u>8,076</u>	<u>4,675,204</u>	<u>5,392,075</u>	<u>19,199</u>	<u>12,783,796</u>	<u>6,125,508</u>
As at 31 March 2023							
0%	3,023,209	-	313,656	732,690	-	4,069,555	-
20%	-	-	4,637,862	-	-	4,637,862	927,572
50%	-	-	808,301	-	-	808,301	404,151
100%	-	-	-	4,473,761	27,340	4,501,101	4,501,101
	<u>3,023,209</u>	<u>-</u>	<u>5,759,819</u>	<u>5,206,451</u>	<u>27,340</u>	<u>14,016,819</u>	<u>5,832,824</u>