

**Mizuho Bank (Malaysia) Berhad**  
Company No. 201001039768 (923693-H)  
(Incorporated in Malaysia)

**Unaudited condensed interim financial statements  
for the financial period ended 31 December 2021**

**MIZUHO BANK (MALAYSIA) BERHAD**

Company No. 201001039768 (923693-H)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

		<b>31 Dec 2021 RM'000</b>	<b>31 Mar 2021 RM'000</b>
<b>Assets</b>	<b>Note</b>		
Cash and short-term funds		1,233,591	1,068,070
Deposits and placements with financial institutions		705,085	282,343
Financial assets at fair value through other comprehensive income ("FVOCI")	11	2,037,660	1,903,042
Loans, advances and financing	12	6,982,769	8,011,411
Derivative financial assets		99,990	156,525
Other assets		26,885	102,404
Right of use assets		5,677	9,185
Property and equipment		5,753	5,235
Intangible assets		6,050	7,159
Current tax assets		13,212	8,699
Deferred tax assets		-	3,104
<b>Total assets</b>		<u>11,116,672</u>	<u>11,557,177</u>
<b>Liabilities</b>			
Deposits from customers	13	3,320,004	2,742,540
Deposits and placements from financial institutions	14	6,080,527	7,077,317
Derivative financial liabilities		82,488	153,581
Lease liabilities		5,697	9,276
Other liabilities		41,899	61,642
Deferred tax liabilities		2,820	-
<b>Total liabilities</b>		<u>9,533,435</u>	<u>10,044,356</u>
Share capital		1,200,000	1,200,000
Reserves		383,237	312,821
<b>Total equity attributable to owner of the bank</b>		<u>1,583,237</u>	<u>1,512,821</u>
<b>Total liabilities and equity</b>		<u>11,116,672</u>	<u>11,557,177</u>
<b>Commitments and contingencies</b>	21	<u>15,690,359</u>	<u>15,327,877</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**

Company No. 201001039768 (923693-H)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

		3rd Quarter ended		Nine months ended	
		31 Dec	31 Dec	31 Dec	31 Dec
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
			Restated		Restated
Interest income	15	34,930	42,120	113,674	157,808
Interest expense	16	(13,987)	(16,328)	(42,073)	(73,794)
<b>Net interest income</b>		<u>20,943</u>	<u>25,792</u>	<u>71,601</u>	<u>84,014</u>
Other operating income	17	<u>16,455</u>	<u>21,859</u>	<u>54,909</u>	<u>50,070</u>
Operating income		<u>37,398</u>	<u>47,651</u>	<u>126,510</u>	<u>134,084</u>
Other operating expenses	18	<u>(18,593)</u>	<u>(18,129)</u>	<u>(57,022)</u>	<u>(53,831)</u>
<b>Operating profit</b>		<u>18,805</u>	<u>29,522</u>	<u>69,488</u>	<u>80,253</u>
Writeback/(addition) of allowance for credit losses ("ECL")	19	<u>13,119</u>	<u>(9,881)</u>	<u>26,823</u>	<u>(39,128)</u>
<b>Profit before taxation</b>		<u>31,924</u>	<u>19,641</u>	<u>96,311</u>	<u>41,125</u>
Tax expense		<u>(8,027)</u>	<u>(5,477)</u>	<u>(23,838)</u>	<u>(15,429)</u>
<b>Profit for the financial period</b>		<u>23,897</u>	<u>14,164</u>	<u>72,473</u>	<u>25,696</u>
<b>Other comprehensive (loss)/income net of tax:</b>					
Fair value changes of financial assets at FVOCI		(4,482)	(3,033)	(2,707)	5,991
Income tax effect		<u>1,076</u>	<u>728</u>	<u>650</u>	<u>(1,438)</u>
<b>Other comprehensive (loss)/income for the financial period</b>		<u>(3,406)</u>	<u>(2,305)</u>	<u>(2,057)</u>	<u>4,553</u>
<b>Total comprehensive income for the financial period</b>		<u>20,491</u>	<u>11,859</u>	<u>70,416</u>	<u>30,249</u>

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**MIZUHO BANK (MALAYSIA) BERHAD**

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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	
<b>At 1 April 2021</b>	1,200,000	-	1,016	311,805	1,512,821
Profit for the financial period	-	-	-	72,473	72,473
Other comprehensive loss	-	-	(2,057)	-	(2,057)
Transfer to regulatory reserve	-	45,719	-	(45,719)	-
<b>At 31 December 2021</b>	<u>1,200,000</u>	<u>45,719</u>	<u>(1,041)</u>	<u>338,559</u>	<u>1,583,237</u>
<b>At 1 April 2020</b>	700,000	21,489	4,912	210,550	936,951
Issuance of shares	500,000	-	-	-	500,000
Profit for the financial period	-	-	-	25,696	25,696
Other comprehensive income	-	-	4,553	-	4,553
Transfer from regulatory reserve	-	(21,489)	-	21,489	-
<b>At 31 December 2020</b>	<u>1,200,000</u>	<u>-</u>	<u>9,465</u>	<u>257,735</u>	<u>1,467,200</u>

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**MIZUHO BANK (MALAYSIA) BERHAD**

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

	<b>31 Dec 2021 RM'000</b>	<b>31 Dec 2020 RM'000</b>
Profit before taxation	96,311	41,125
Adjustments for non-cash items	(18,537)	45,784
Operating profit before changes in working capital	<u>77,774</u>	<u>86,909</u>
Net changes in operating assets	834,525	432,790
Net changes in operating liabilities	(439,603)	(1,234,283)
	<u>394,922</u>	<u>(801,493)</u>
Cash generated from/(used in) operating activities	<u>472,696</u>	<u>(714,584)</u>
Taxation paid	(21,828)	(23,000)
Net cash generated from/(used in) operating activities	<u>450,868</u>	<u>(737,584)</u>
Net cash used in investing activities	(3,730)	(1,569)
Net cash generated from financing activity	-	500,000
Net increase/(decrease) in cash and cash equivalents during the financial period	447,138	(239,153)
Cash and cash equivalents at the beginning of the financial period	<u>1,068,169</u>	<u>1,710,529</u>
<b>Cash and cash equivalents at the end of the financial period</b>	<u><b>1,515,307</b></u>	<u><b>1,471,376</b></u>
<b>Analysis of cash and cash equivalents:</b>		
Cash and short-term funds	1,233,680	1,542,573
Deposits and placements with financial institutions	705,085	1,227,129
Less: deposits and placements with financial institutions with original contractual maturity of more than 3 months	(423,458)	(1,298,326)
	<u>1,515,307</u>	<u>1,471,376</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 31 DECEMBER 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 31 DECEMBER 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 third quarter ended 31 December 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 third quarter ended 31 December 2021.

**5. Changes in estimates**

There were no material changes in estimates during the third quarter ended 31 December 2021.

**6. Debt and equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the third quarter ended 31 December 2021.

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

**7. Dividend**

No dividend was paid during the third quarter ended 31 December 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's profit before taxation ("PBT") for the financial period ended 31 December 2021 was RM96.3 million, an increase of RM55.2 million or 134.2% as compared to RM41.1 million in the previous corresponding period. The increase in PBT was mainly due to the writeback of allowance for expected credit losses ("ECL") of RM26.8 million, compared to a provision for ECL allowance of RM39.1 million in the previous corresponding period. Operating income decreased by RM7.6 million or 5.6% with the decrease in net interest income of RM12.4 million cushioned by an increase in non-interest income by RM4.8 million in the current financial period. Operating expenses increased by RM3.2 million or 5.9% mainly due to higher general and administrative expenses.

Total assets for the Bank stood at RM11.1 billion as at 31 December 2021, a decrease of RM0.5 billion or 3.8% as compared against total assets of RM11.6 billion at 31 March 2021 mainly due to decrease in loans, advances and financing. The Bank's Common Equity Tier 1 capital ratio and Total Capital Ratio remained strong at 32.70% and 33.84% respectively.

**10. Prospects**

The Bank expects the Malaysian economy to continue its growth, albeit at a slower pace, post-lockdown recovery. Key downside risks to this growth include the emergence of new infectious Covid-19 virus and Covid-19 related disruptions to supply chains. Whilst the Bank will remain prudent in managing its key business risks and continue its cost optimisation efforts; the Bank is fully committed, as part of Mizuho Financial Group, to fulfil our role as a financial institution and support our customers in their business and banking needs.



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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021****11. Financial assets at FVOCI**

	<b>31 Dec 2021 RM'000</b>	<b>31 Mar 2021 RM'000</b>
<b>At fair value</b>		
Government investment issues	754,121	607,183
Government guaranteed bond	1,283,539	1,295,859
	<u>2,037,660</u>	<u>1,903,042</u>

**12. Loans, advances and financing**

	<b>31 Dec 2021 RM'000</b>	<b>31 Mar 2021 RM'000</b>
(a) By type:		
<b>At amortised cost:</b>		
Term loans	4,340,287	5,225,246
Revolving credits	1,309,860	1,560,748
Bills receivable	13,100	20,310
	<u>5,663,247</u>	<u>6,806,304</u>
Less: Unearned interest	(25)	(36)
Gross loans, advances and financing at amortised cost	<u>5,663,222</u>	<u>6,806,268</u>
Less: Allowance for expected credit losses	(18,058)	(41,551)
Net loans, advances and financing at amortised cost	<u>5,645,164</u>	<u>6,764,717</u>
<b>At fair value through profit or loss ("FVTPL"):</b>		
Term loans	1,337,605	1,246,694
<b>Total net loans, advances and financing</b>	<u>6,982,769</u>	<u>8,011,411</u>
<b>Total gross loans, advances and financing</b>		
- At amortised cost	5,663,222	6,806,268
- At FVTPL	1,337,605	1,246,694
	<u>7,000,827</u>	<u>8,052,962</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021****12. Loans, advances and financing (continued)**

	<b>31 Dec 2021 RM'000</b>	<b>31 Mar 2021 RM'000</b>
(b) By geographical distribution:		
Within Malaysia	5,749,689	6,122,916
Outside Malaysia	1,251,138	1,930,046
	<u>7,000,827</u>	<u>8,052,962</u>
(c) By type of customer:		
Domestic business enterprises	2,705,831	3,399,765
Domestic non-bank financial institutions	3,043,858	2,723,151
Foreign business entities	1,251,138	1,930,046
	<u>7,000,827</u>	<u>8,052,962</u>
(d) By interest/profit rate sensitivity:		
Fixed rate	1,202,277	1,296,508
Variable rate	5,798,550	6,756,454
	<u>7,000,827</u>	<u>8,052,962</u>
(e) By economic purpose:		
Purchase of fixed assets other than land and building	711,504	1,313,498
Purchase of non-residential property	12,247	16,817
Working capital	5,757,511	6,722,647
Others	519,565	-
	<u>7,000,827</u>	<u>8,052,962</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

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

	<b>31 Dec 2021 RM'000</b>	<b>31 Mar 2021 RM'000</b>
(f) By economic sector:		
Mining and quarrying	-	15,326
Manufacturing	1,398,795	1,721,334
Electricity, gas and water supply	29,551	810
Construction	787,488	650,536
Wholesale and retail trade, and restaurants and hotels	177,857	51,679
Transport, storage and communication	41,003	16,651
Finance, insurance, real estate and business activities	4,310,902	5,541,415
Education, health and others	255,231	55,211
	<u>7,000,827</u>	<u>8,052,962</u>
(g) By maturity structure:		
Maturing within one year	3,801,887	4,546,017
One year to three years	2,792,992	2,389,674
Three years to five years	405,948	1,098,648
Over five years	-	18,623
	<u>7,000,827</u>	<u>8,052,962</u>
(h) Movement in impairment allowance on loans, advances and financing which reflect the ECL model on impairment are as follows:		

	<b>12-Month ECL</b>	<b>Lifetime ECL</b>		
	<b>Stage 1 RM'000</b>	<b>Not credit- impaired Stage 2 RM'000</b>	<b>Credit- impaired Stage 3 RM'000</b>	<b>Total RM'000</b>
<b>At 1 April 2021</b>	34,399	7,152	-	41,551
New financial assets originated	9,360	4,143	-	13,503
Financial assets derecognised	(20,570)	(7,152)	-	(27,722)
Net remeasurement during the financial period	(9,274)	-	-	(9,274)
<b>At 31 December 2021</b>	<u>13,915</u>	<u>4,143</u>	<u>-</u>	<u>18,058</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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):

	<b>12-Month</b>	<b>Lifetime ECL</b>		<b>Total</b>
	<b>ECL</b>	<b>Not credit-</b>	<b>Credit-</b>	
	<b>Stage 1</b>	<b>impaired</b>	<b>impaired</b>	
	<b>RM'000</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>RM'000</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 April 2020</b>	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
<b>At 31 March 2021</b>	<b>34,399</b>	<b>7,152</b>	<b>-</b>	<b>41,551</b>

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

	<b>31 Dec</b>	<b>31 Mar</b>
	<b>2021</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 April	41,551	54,608
Writeback during the financial period	(23,493)	(13,057)
At end of the financial period	<b>18,058</b>	<b>41,551</b>
As percentage of total loans, advances and financing	<b>0.26%</b>	<b>0.52%</b>

The Bank has no impaired loans, advances and financing and no individual impairment allowance was deemed required as at 31 December 2021.

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021****13. Deposit from customers**

	<b>31 Dec 2021 RM'000</b>	<b>31 Mar 2021 RM'000</b>
(a) By type of deposit:		
Demand deposits	856,907	945,210
Fixed deposits	1,028,839	964,033
Short-term deposits	1,434,258	833,297
	<u>3,320,004</u>	<u>2,742,540</u>
(b) By type of customer:		
Domestic non-bank financial institutions	576,553	179,424
Domestic business enterprises	2,491,213	2,452,080
Foreign business enterprises	64,448	110,929
Domestic other enterprises	93	107
Government and statutory bodies	187,697	-
	<u>3,320,004</u>	<u>2,742,540</u>
(c) Maturity structure:		
On demand	856,907	945,210
Due within six months	2,375,975	1,700,790
Due over six months to one year	87,122	96,540
	<u>3,320,004</u>	<u>2,742,540</u>

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

	<b>31 Dec 2021 RM'000</b>	<b>31 Mar 2021 RM'000</b>
Licensed banks	<u>6,080,527</u>	<u>7,077,317</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021****15. Interest income**

	3rd Quarter ended		Nine months ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Loans, advances and financing	15,564	21,363	57,413	91,542
Money at call and deposits and placements with financial institutions	6,962	7,736	19,443	31,021
Financial assets at FVOCI	12,303	12,425	36,382	34,360
Others	101	596	436	885
	<u>34,930</u>	<u>42,120</u>	<u>113,674</u>	<u>157,808</u>

**16. Interest expense**

	3rd Quarter ended		Nine months ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	3,932	7,686	13,633	47,212
Deposits from customers	10,007	8,642	28,221	26,077
Others	48	-	219	505
	<u>13,987</u>	<u>16,328</u>	<u>42,073</u>	<u>73,794</u>

**17. Other operating income**

	3rd Quarter ended		Nine months ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	RM'000	RM'000	RM'000	RM'000
Fee income	2,616	2,874	7,361	9,189
Realised gain in fair value of derivative financial instruments	4,133	4,384	12,649	12,418
Unrealised loss in fair value of derivative financial instruments	(793)	(5,724)	(11,847)	(23,211)
Realised foreign exchange gain	5,607	7,267	15,437	15,160
Unrealised foreign exchange gain	5,890	13,579	32,353	37,478
Net unrealised loss on revaluation of financial assets at FVTPL	(1,014)	(566)	(1,092)	(1,071)
Others	16	45	48	107
	<u>16,455</u>	<u>21,859</u>	<u>54,909</u>	<u>50,070</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021****18. Other operating expenses**

	3rd Quarter ended		Nine months ended	
	31 Dec 2021 RM'000	31 Dec 2020 RM'000 Restated	31 Dec 2021 RM'000	31 Dec 2020 RM'000 Restated
<b>Personnel costs:</b>				
Salaries, allowances and bonuses	8,079	7,787	23,738	22,310
Contribution to Employees Provident Fund	1,081	979	3,286	2,835
Other staff related costs	1,380	1,276	4,754	4,629
<b>Establishment costs:</b>				
Repair and maintenance	1,328	1,467	4,149	4,261
Depreciation of right of use assets	1,186	1,243	3,685	3,678
Depreciation of property and equipment	593	642	2,014	1,980
Amortisation of intangible assets	741	1,071	2,307	3,443
Rental of premises	5	5	15	15
Information technology expenses	772	1,071	2,285	3,488
Others	154	190	456	544
<b>Marketing expenses:</b>				
Advertisement and publicity	82	84	86	107
Others	93	46	215	203
<b>Administration and general expenses:</b>				
Communication expenses	297	311	772	794
Legal and professional fees	156	102	314	208
Others	2,646	1,855	8,946	5,336
	<u>18,593</u>	<u>18,129</u>	<u>57,022</u>	<u>53,831</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
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	3rd Quarter ended		Nine months ended	
	31 Dec 2021 RM'000	31 Dec 2020 RM'000	31 Dec 2021 RM'000	31 Dec 2020 RM'000
Deposits and placements with financial institutions	89	213	(10)	213
Loans, advances and financing	(10,876)	9,500	(23,493)	(3,016)
Credit commitments and contingencies	(2,332)	168	(3,320)	41,931
	<u>(13,119)</u>	<u>9,881</u>	<u>(26,823)</u>	<u>39,128</u>

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

	31 Dec 2021 RM'000	31 Mar 2021 RM'000
Outstanding credit exposures with connected parties	<u>100,835</u>	<u>50,908</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>0.28%</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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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 amount RM'000</b>	<b>Credit equivalent amount* RM'000</b>	<b>Risk- weighted amount* RM'000</b>
<b>As at 31 December 2021</b>			
Direct credit substitutes	93,330	93,330	92,877
Transaction related contingent items	158,042	79,021	55,255
Short-term self-liquidating trade related contingencies	3,829	766	766
Foreign exchange related contracts			
- One year or less	1,375,641	26,801	17,694
- Over one year to five years	158,474	15,828	10,565
Interest related contracts			
- One year or less	2,583,863	65,214	39,130
- Over one year to five years	5,464,459	548,155	381,211
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	625,425	29,187	29,187
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	83,100	41,550	41,550
Any commitments that are unconditionally cancelled at any time without prior notice	5,144,196	-	-
<b>Total</b>	<b>15,690,359</b>	<b>899,852</b>	<b>668,235</b>

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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):

	<b>Principal amount RM'000</b>	<b>Credit equivalent amount* RM'000</b>	<b>Risk- weighted amount* RM'000</b>
<b>As at 31 March 2021</b>			
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	-	-
<b>Total</b>	<b><u>15,327,877</u></b>	<b><u>962,494</u></b>	<b><u>715,658</u></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) 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:

	<b>31 Dec 2021</b>	<b>31 Mar 2021</b>
<b>Capital ratios:</b>		
CET1 capital ratio / Tier 1 capital ratio	32.700%	30.176%
Total capital ratio	<u>33.836%</u>	<u>31.145%</u>

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

	<b>31 Dec 2021 RM'000</b>	<b>31 Mar 2021 RM'000</b>
<b>CET 1 capital</b>		
Paid-up share capital	1,200,000	1,200,000
Retained profits	266,086	311,805
Other reserves	(6,662)	(8,645)
Total tier 1 capital	<u>1,459,424</u>	<u>1,503,160</u>
<b>Tier 2 capital</b>		
General provisions and regulatory reserve	<u>50,686</u>	<u>48,313</u>
Total capital	<u>1,510,110</u>	<u>1,551,473</u>

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

	<b>31 Dec 2021 RM'000</b>	<b>31 Mar 2021 RM'000</b>
Total RWA for credit risk	4,054,871	4,323,920
Total RWA for market risk	99,702	357,319
Total RWA for operational risk	308,503	300,152
Total RWA	<u>4,463,076</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
<b>As at 31 December 2021</b>				
<b>Credit risk</b>				
<u>On-balance sheet exposures:</u>				
Sovereigns/central banks	1,398,182	1,398,182	-	-
Banks, development financial institutions and Multilateral Development Banks ("MDBs")	2,557,884	1,564,921	338,951	27,116
Corporates	7,035,491	4,313,958	3,019,310	241,545
Other assets	28,375	28,375	28,375	2,270
Total on-balance sheet exposures	<u>11,019,932</u>	<u>7,305,436</u>	<u>3,386,636</u>	<u>270,931</u>
<u>Off-balance sheet exposures:</u>				
Over-the-counter ("OTC") derivatives	655,998	655,998	448,600	35,888
Off-balance sheet exposures other than OTC derivatives or credit derivatives	243,854	243,854	219,635	17,571
Total off-balance sheet exposures	<u>899,852</u>	<u>899,852</u>	<u>668,235</u>	<u>53,459</u>
Total on and off-balance sheet exposures	<u>11,919,784</u>	<u>8,205,288</u>	<u>4,054,871</u>	<u>324,390</u>
			<b>Risk- Weighted Assets RM'000</b>	<b>Minimum Capital Requirements at 8% RM'000</b>
<b>Market risk</b>				
Interest rate risk	8,183,727	8,164,645	84,064	6,725
Foreign currency risk	1,251	-	15,638	1,251
<b>Operational risk</b>				
			308,503	24,680
Total RWA and capital requirements			<u>4,463,076</u>	<u>357,046</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
<b>As at 31 March 2021</b>				
<b>Credit risk</b>				
<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>
			<b>Risk- Weighted Assets RM'000</b>	<b>Minimum Capital Requirements at 8% RM'000</b>
<b>Market risk</b>				
Interest rate risk	7,871,687	7,849,570	89,956	7,196
Foreign currency risk	21,389	-	267,363	21,389
<b>Operational risk</b>				
			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 and MDBs RM'000	Corporates RM'000	Other Assets RM'000		
<b>As at 31 December 2021</b>						
0%	1,398,182	271,305	1,294,648	-	2,964,135	-
20%	-	1,173,516	-	-	1,173,516	234,703
50%	-	494,939	-	-	494,939	247,470
100%	-	-	3,544,323	28,375	3,572,698	3,572,698
	<u>1,398,182</u>	<u>1,939,760</u>	<u>4,838,971</u>	<u>28,375</u>	<u>8,205,288</u>	<u>4,054,871</u>
<b>As at 31 March 2021</b>						
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>