

**Mizuho Bank (Malaysia) Berhad**

Company No. 201001039768 (923693-H)

(Incorporated in Malaysia)

**Unaudited condensed interim financial statements  
for the financial period ended 31 December 2023**

**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 2023**

		<b>31 Dec 2023</b>	<b>31 Mar 2023</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>			
Cash and short-term funds		3,291,858	5,118,847
Deposits and placements with financial institutions		3,117,407	1,846,911
Financial assets at fair value through other comprehensive income ("FVOCI")	11	1,589,499	1,523,709
Loans, advances and financing	12	10,120,674	9,244,048
Derivative financial assets		307,917	260,094
Other assets		48,043	72,184
Right of use assets		6,076	6,449
Property and equipment		7,295	7,994
Intangible assets		6,675	4,911
Current tax assets		-	8,415
Deferred tax assets		5,547	3,578
<b>Total assets</b>		<b>18,500,991</b>	<b>18,097,140</b>
<b>Liabilities</b>			
Deposits from customers	13	5,130,389	3,661,331
Deposits and placements from financial institutions	14	10,946,403	12,247,566
Derivative financial liabilities		239,939	225,185
Lease liabilities		6,281	6,744
Other liabilities		418,687	287,062
Current tax liabilities		11,925	-
<b>Total liabilities</b>		<b>16,753,624</b>	<b>16,427,888</b>
<b>Equity</b>			
Share capital		1,200,000	1,200,000
Reserves		547,367	469,252
<b>Total equity attributable to owners of the Bank</b>		<b>1,747,367</b>	<b>1,669,252</b>
<b>Total liabilities and equity</b>		<b>18,500,991</b>	<b>18,097,140</b>
<b>Commitments and contingencies</b>	21	<b>22,237,172</b>	<b>18,059,141</b>

*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 31 DECEMBER 2023**

		3rd Quarter ended		Nine months ended	
		31 Dec	31 Dec	31 Dec	31 Dec
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Interest income	15	221,876	143,937	677,443	287,155
Interest expense	16	(181,116)	(112,676)	(566,082)	(206,961)
<b>Net interest income</b>		<b>40,760</b>	<b>31,261</b>	<b>111,361</b>	<b>80,194</b>
Other operating income	17	17,618	29,596	61,183	57,193
Total net income		58,378	60,857	172,544	137,387
Other operating expenses	18	(22,416)	(18,523)	(64,098)	(55,830)
<b>Operating profit</b>		<b>35,962</b>	<b>42,334</b>	<b>108,446</b>	<b>81,557</b>
Writeback of allowance for expected credit losses ("ECL")	19	14,269	13,452	14,109	25,609
<b>Profit before taxation</b>		<b>50,231</b>	<b>55,786</b>	<b>122,555</b>	<b>107,166</b>
Tax expense		(18,474)	(16,236)	(47,573)	(31,223)
<b>Profit for the financial period</b>		<b>31,757</b>	<b>39,550</b>	<b>74,982</b>	<b>75,943</b>
<b>Other comprehensive income/(loss) that will be reclassified to profit or loss in future periods:</b>					
Fair value changes of financial assets at FVOCI		3,640	2,714	4,122	(6,020)
Income tax effect		(873)	(651)	(989)	1,445
<b>Other comprehensive income/(loss) for the financial period</b>		<b>2,767</b>	<b>2,063</b>	<b>3,133</b>	<b>(4,575)</b>
<b>Total comprehensive income for the financial period</b>		<b>34,524</b>	<b>41,613</b>	<b>78,115</b>	<b>71,368</b>

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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	
<b>At 1 April 2023</b>	1,200,000	68,437	(2,741)	403,556	1,669,252
Profit for the financial period	-	-	-	74,982	74,982
Other comprehensive income	-	-	3,133	-	3,133
Transfer to regulatory reserve	-	21,521	-	(21,521)	-
<b>At 31 December 2023</b>	<u>1,200,000</u>	<u>89,958</u>	<u>392</u>	<u>457,017</u>	<u>1,747,367</u>
<b>At 1 April 2022</b>	1,200,000	30,534	(2,720)	360,537	1,588,351
Profit for the financial period	-	-	-	75,943	75,943
Other comprehensive loss	-	-	(4,575)	-	(4,575)
Transfer to regulatory reserve	-	32,802	-	(32,802)	-
<b>At 31 December 2022</b>	<u>1,200,000</u>	<u>63,336</u>	<u>(7,295)</u>	<u>403,678</u>	<u>1,659,719</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 2023**

	<b>31 Dec 2023 RM'000</b>	<b>31 Dec 2022 RM'000</b>
Profit before taxation	122,555	107,166
Adjustments for non-cash items	(18,594)	(14,031)
Operating profit before changes in working capital	<u>103,961</u>	<u>93,135</u>
Net changes in operating assets	<u>(925,022)</u>	<u>(1,168,964)</u>
Net changes in operating liabilities	<u>300,022</u>	<u>1,737,016</u>
	(625,000)	568,052
Cash (used in)/generated from operating activities	<u>(521,039)</u>	<u>661,187</u>
Taxation paid	<u>(30,205)</u>	<u>(25,337)</u>
<b>Net cash (used in)/generated from operating activities</b>	<u>(551,244)</u>	<u>635,850</u>
<b>Net cash (used in)/generated from investing activities</b>	(75,841)	508,939
<b>Net cash used in financing activity</b>	(3,518)	(3,479)
Net (decrease)/increase in cash and cash equivalents during the financial period	(630,603)	1,141,310
Cash and cash equivalents at the beginning of the financial period	4,964,307	3,061,223
<b>Cash and cash equivalents at the end of the financial period</b>	<u>4,333,704</u>	<u>4,202,533</u>
<b>Analysis of cash and cash equivalents:</b>		
Cash and short-term funds	3,291,903	3,271,311
Deposits and placements with financial institutions	3,117,407	1,431,222
Less: deposits and placements with financial institutions with original contractual maturity of more than 3 months	<u>(2,075,606)</u>	<u>(500,000)</u>
	<u>4,333,704</u>	<u>4,202,533</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 31 DECEMBER 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 31 DECEMBER 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 third quarter ended 31 December 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 third quarter ended 31 December 2023.

**5. Changes in estimates**

There were no material changes in estimates during the third quarter ended 31 December 2023.

**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 2023.

**7. Dividend**

No dividend was paid during the third quarter ended 31 December 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 31 DECEMBER 2023**

**9. Review of performance**

The Bank recorded a profit before taxation (“PBT”) of RM122.6 million for the financial period ended 31 December 2023, a growth of RM15.4 million or 14.4% as compared to RM107.2 million in the previous corresponding period. The increase in PBT was mainly attributable to higher net interest income by RM31.2 million; offset by lower writeback of allowance for ECL by RM11.5 million. Operating expenses increased by RM8.3 million mainly due to higher personnel costs during the financial period.

Total assets for the Bank stood at RM18.5 billion as at 31 December 2023, an increase of RM0.4 billion or 2.2% 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 24.00% and 25.12% respectively.

**10. Prospects**

Malaysia economy will continue to grow at moderate pace mainly driven by the resilient domestic expenditure as well as the support from the recovery in the electrical & electronic export sector. It is however subject to some downside risks such as weaker-than-expected external demand and declining in the commodity production. Bank Negara Malaysia has maintained the overnight policy rate as it would be able to support the current economy and growth prospect.

Despite the challenging economic environment, the Bank aims to maintain resilience and pursue sustainable 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 31 DECEMBER 2023****11. Financial assets at FVOCI**

	<b>31 Dec 2023 RM'000</b>	<b>31 Mar 2023 RM'000</b>
<b>At fair value</b>		
Malaysian government securities	504,495	253,635
Government investment issues	843,608	544,288
Government guaranteed bonds	241,396	676,503
Commercial papers	-	49,283
	<u>1,589,499</u>	<u>1,523,709</u>

**12. Loans, advances and financing**

	<b>31 Dec 2023 RM'000</b>	<b>31 Mar 2023 RM'000</b>
(a) By type:		
<b>At amortised cost:</b>		
Term loans	5,608,420	5,450,540
Revolving credits	2,748,751	2,410,518
Bills receivable	18,564	14,714
Banker's acceptances	-	4,662
	<u>8,375,735</u>	<u>7,880,434</u>
Less: Unearned interest	(93)	(93)
Gross loans, advances and financing at amortised cost	<u>8,375,642</u>	<u>7,880,341</u>
Less: Allowance for expected credit losses	(12,671)	(26,262)
Net loans, advances and financing at amortised cost	<u>8,362,971</u>	<u>7,854,079</u>
<b>At fair value through profit or loss ("FVTPL"):</b>		
Term loans	1,757,703	1,389,969
<b>Total net loans, advances and financing</b>	<u>10,120,674</u>	<u>9,244,048</u>
<b>Total gross loans, advances and financing</b>		
- At amortised cost	8,375,642	7,880,341
- At FVTPL	1,757,703	1,389,969
	<u>10,133,345</u>	<u>9,270,310</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023****12. Loans, advances and financing (continued)**

	<b>31 Dec 2023 RM'000</b>	<b>31 Mar 2023 RM'000</b>
(b) By geographical distribution:		
Within Malaysia	8,281,197	7,720,146
Outside Malaysia	1,852,148	1,550,164
	<u>10,133,345</u>	<u>9,270,310</u>
(c) By type of customer:		
Commercial banks	917,617	882,064
Domestic business enterprises	2,467,794	3,039,845
Domestic non-bank financial institutions	4,895,786	3,798,237
Foreign business entities	1,852,148	1,550,164
	<u>10,133,345</u>	<u>9,270,310</u>
(d) By interest/profit rate sensitivity:		
Fixed rate	2,665,367	1,924,595
Variable rate	7,467,978	7,345,715
	<u>10,133,345</u>	<u>9,270,310</u>
(e) By economic purpose:		
Purchase of fixed assets other than land and building	68,340	129,096
Purchase of non-residential property	-	4,802
Working capital	8,334,618	7,449,364
Other purpose	1,730,387	1,687,048
	<u>10,133,345</u>	<u>9,270,310</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023**

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

	<b>31 Dec 2023 RM'000</b>	<b>31 Mar 2023 RM'000</b>
(f) By economic sector:		
Manufacturing	1,439,592	974,826
Electricity, gas and water supply	165,743	25,603
Construction	70,197	621,084
Wholesale and retail trade, and restaurants and hotels	216,141	188,213
Transport, storage and communication	261,979	677,064
Finance, insurance, real estate and business activities	7,672,724	6,242,146
Education, health and others	306,969	541,374
	<b>10,133,345</b>	<b>9,270,310</b>
(g) By maturity structure:		
Maturing within one year	4,794,775	4,115,770
One year to three years	1,650,558	2,136,175
Three years to five years	3,688,012	3,018,365
	<b>10,133,345</b>	<b>9,270,310</b>
(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-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 2023</b>	25,270	992	-	26,262
New financial assets originated	9,348	416	-	9,764
Financial assets derecognised	(16,481)	(992)	-	(17,473)
Net remeasurement during the financial period	(5,882)	-	-	(5,882)
<b>At 31 December 2023</b>	<b>12,255</b>	<b>416</b>	<b>-</b>	<b>12,671</b>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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
<b>At 1 April 2022</b>	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
<b>At 31 March 2023</b>	<u>25,270</u>	<u>992</u>	<u>-</u>	<u>26,262</u>

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

	31 Dec 2023	31 Mar 2023
	RM'000	RM'000
At beginning of the financial period	26,262	14,034
(Writeback)/addition during the financial period	(13,591)	12,228
At end of the financial period	<u>12,671</u>	<u>26,262</u>
As percentage of total loans, advances and financing	<u>0.13%</u>	<u>0.28%</u>

The Bank has no impaired loans, advances and financing and no individual impairment allowance was deemed required as at 31 December 2023.

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023**

**13. Deposit from customers**

	<b>31 Dec 2023 RM'000</b>	<b>31 Mar 2023 RM'000</b>
(a) By type of deposits:		
Demand deposits	1,609,139	1,322,256
Fixed deposits	1,291,800	1,216,744
Short-term deposits	2,227,021	1,119,920
Others	2,429	2,411
	5,130,389	3,661,331

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

Due within six months	3,418,888	2,217,978
Due over six months to one year	99,933	118,686
	3,518,821	2,336,664

(b) By type of customers:		
Domestic non-bank financial institutions	547,642	153,811
Domestic business enterprises	3,880,942	3,407,421
Foreign business enterprises	701,624	84,114
Domestic other enterprises	181	15,985
	5,130,389	3,661,331

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

	<b>31 Dec 2023 RM'000</b>	<b>31 Mar 2023 RM'000</b>
Licensed banks	10,946,403	12,247,566

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023****15. Interest income**

	3rd Quarter ended		Nine months ended	
	31 Dec 2023 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2022 RM'000
Loans, advances and financing	151,575	86,485	425,476	168,347
Money at call and deposits and placements with financial institutions	58,072	48,698	217,427	90,405
Financial assets at FVOCI	12,228	8,754	34,502	28,392
Others	1	-	38	11
	<u>221,876</u>	<u>143,937</u>	<u>677,443</u>	<u>287,155</u>

**16. Interest expense**

	3rd Quarter ended		Nine months ended	
	31 Dec 2023 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2022 RM'000
Deposits and placements from financial institutions	143,644	91,087	473,912	158,102
Deposits from customers	34,337	18,793	85,307	44,133
Others	3,135	2,796	6,863	4,726
	<u>181,116</u>	<u>112,676</u>	<u>566,082</u>	<u>206,961</u>

**17. Other operating income**

	3rd Quarter ended		Nine months ended	
	31 Dec 2023 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2022 RM'000
Fee income	2,733	1,574	8,027	5,420
Realised gain in fair value of derivative financial instruments	3,817	3,408	11,306	10,108
Unrealised (loss)/gain in fair value of derivative financial instruments	(7,646)	(9,139)	12,079	(19,258)
Realised foreign exchange gain	5,684	14,147	20,776	29,541
Unrealised foreign exchange gain	19,730	16,618	12,598	37,788
Net unrealised (loss)/gain on revaluation of financial assets at FVTPL	(6,717)	2,944	(3,656)	(6,483)
Others	17	44	53	77
	<u>17,618</u>	<u>29,596</u>	<u>61,183</u>	<u>57,193</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023****18. Other operating expenses**

	3rd Quarter ended		Nine months ended	
	31 Dec 2023 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2022 RM'000
<b>Personnel costs:</b>				
Salaries, allowances and bonuses	10,216	8,245	29,561	24,266
Contribution to Employees Provident Fund	1,294	1,113	3,688	3,394
Other staff related costs	3,061	1,630	6,548	6,063
<b>Establishment costs:</b>				
Repair and maintenance	1,742	1,421	5,083	3,955
Depreciation of right of use assets	1,071	1,245	3,428	3,768
Depreciation of property and equipment	404	439	1,457	1,499
Amortisation of intangible assets	490	674	1,649	2,098
Rental of premises	51	26	152	38
Information technology expenses	904	741	3,133	2,299
Others	170	436	426	717
<b>Marketing expenses:</b>				
Advertisement and publicity	75	51	75	54
Others	317	168	642	554
<b>Administration and general expenses:</b>				
Communication expenses	259	281	754	792
Legal and professional fees	111	73	499	274
Others	2,251	1,980	7,003	6,059
	<u>22,416</u>	<u>18,523</u>	<u>64,098</u>	<u>55,830</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023****19. Writeback of allowance for expected credit losses**

	3rd Quarter ended		Nine months ended	
	31 Dec 2023 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2022 RM'000
Deposits and placements with financial institutions	45	22	22	5
Loans, advances and financing	(14,022)	1,022	(13,591)	(4,035)
Credit commitments and contingencies	(292)	(14,496)	(540)	(21,579)
	<u>(14,269)</u>	<u>(13,452)</u>	<u>(14,109)</u>	<u>(25,609)</u>

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

	31 Dec 2023 RM'000	31 Mar 2023 RM'000
Outstanding credit exposures with connected parties	<u>110,916</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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**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:

	<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 2023</b>			
Direct credit substitutes	169,198	169,198	169,038
Transaction related contingent items	192,055	96,027	70,659
Short-term self-liquidating trade related contingencies	7,808	1,562	1,562
Foreign exchange related contracts			
- One year or less	4,968,914	99,311	45,815
- Over one year to five years	55,675	7,768	4,431
Interest related contracts			
- One year or less	4,985,330	299,905	152,652
- Over one year to five years	3,825,691	446,494	301,908
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,514,931	218,058	218,058
Any commitments that are unconditionally cancelled at any time without prior notice	6,517,570	-	-
<b>Total</b>	<b>22,237,172</b>	<b>1,338,323</b>	<b>964,123</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 amount RM'000</b>	<b>Credit equivalent amount* RM'000</b>	<b>Risk- weighted amount* RM'000</b>
<b>As at 31 March 2023</b>			
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	-	-
<b>Total</b>	<b><u>18,059,141</u></b>	<b><u>1,255,800</u></b>	<b><u>923,040</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) issued on 15 December 2023 and Capital Adequacy Framework (Basel II - Risk Weighted Assets) issued on 18 December 2023. 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 2023</b>	<b>31 Mar 2023</b>
<b>Capital ratios:</b>		
CET1 capital ratio / Tier 1 capital ratio	23.998%	24.880%
Total capital ratio	<u>25.122%</u>	<u>26.019%</u>

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

	<b>31 Dec 2023 RM'000</b>	<b>31 Mar 2023 RM'000</b>
<b>CET 1 capital</b>		
Paid-up share capital	1,200,000	1,200,000
Retained profits	382,035	403,556
Other reserves	<u>(12,229)</u>	<u>(11,230)</u>
Total tier 1 capital	1,569,806	1,592,326
<b>Tier 2 capital</b>		
General provisions and regulatory reserve	<u>73,575</u>	<u>72,910</u>
Total capital	<u>1,643,381</u>	<u>1,665,236</u>

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

	<b>31 Dec 2023 RM'000</b>	<b>31 Mar 2023 RM'000</b>
Total RWA for credit risk	5,885,973	5,832,824
Total RWA for market risk	288,479	224,140
Total RWA for operational risk	<u>367,083</u>	<u>343,045</u>
Total RWA	<u>6,541,535</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:

<b>Exposure class</b>	<b>Gross Exposures RM'000</b>	<b>Net Exposures RM'000</b>	<b>Risk-Weighted Assets RM'000</b>	<b>Minimum Capital Requirements at 8% RM'000</b>
<b>As at 31 December 2023</b>				
<b>Credit risk</b>				
<u>On-balance sheet exposures:</u>				
Sovereigns/central banks	2,688,370	2,688,370	-	-
Banks, development financial institutions and Multilateral Development Banks ("MDBs")	8,048,378	5,557,223	1,173,590	93,887
Corporates	7,473,484	3,973,039	3,729,266	298,341
Other assets	18,994	18,994	18,994	1,520
Total on-balance sheet exposures	<u>18,229,226</u>	<u>12,237,626</u>	<u>4,921,850</u>	<u>393,748</u>
<u>Off-balance sheet exposures:</u>				
Over-the-counter ("OTC") derivatives	853,478	853,478	504,806	40,384
Off-balance sheet exposures other than OTC derivatives or credit derivatives	484,845	484,845	459,317	36,745
Total off-balance sheet exposures	<u>1,338,323</u>	<u>1,338,323</u>	<u>964,123</u>	<u>77,129</u>
Total on and off-balance sheet exposures	<u>19,567,549</u>	<u>13,575,949</u>	<u>5,885,973</u>	<u>470,877</u>
			<b>Risk-Weighted Assets RM'000</b>	<b>Minimum Capital Requirements at 8% RM'000</b>
<b>Market risk</b>				
Interest rate risk	8,853,942	8,832,193	87,375	6,990
Foreign currency risk	16,088	-	201,104	16,088
<b>Operational risk</b>			367,083	29,367
Total RWA and capital requirements			<u>6,541,535</u>	<u>523,322</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
<b>As at 31 March 2023</b>				
<b>Credit risk</b>				
<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>
			<b>Risk- Weighted Assets RM'000</b>	<b>Minimum Capital Requirements at 8% RM'000</b>
<b>Market risk</b>				
Interest rate risk	9,078,399	9,057,616	82,103	6,568
Foreign currency risk	11,363	-	142,037	11,363
<b>Operational risk</b>				
			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		
<b>As at 31 December 2023</b>							
0%	2,688,370	-	291,310	243,772	-	3,223,452	-
20%	-	-	5,078,207	-	-	5,078,207	1,015,641
50%	-	-	807,917	-	-	807,917	403,959
100%	-	3,443	-	4,443,936	18,994	4,466,373	4,466,373
	<u>2,688,370</u>	<u>3,443</u>	<u>6,177,434</u>	<u>4,687,708</u>	<u>18,994</u>	<u>13,575,949</u>	<u>5,885,973</u>
<b>As at 31 March 2023</b>							
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>