

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

**Unaudited condensed interim financial statements
for the financial period ended 30 June 2024**

MIZUHO BANK (MALAYSIA) BERHAD
Company No. 201001039768 (923693-H)
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	30 Jun 2024 RM'000	31 Mar 2024 RM'000
Assets			
Cash and short-term funds		2,673,547	2,784,039
Deposits and placements with financial institutions		996,230	2,074,262
Financial assets at fair value through other comprehensive income ("FVOCI")	11	1,498,180	1,595,385
Financial investments at amortised cost	12	578,885	
Loans, advances and financing	13	10,699,306	10,407,923
Derivative financial assets		273,611	320,473
Other assets		79,396	69,742
Right of use assets		5,437	6,073
Property and equipment		9,044	8,865
Intangible assets		7,630	7,599
Current tax assets		4,336	5,352
Deferred tax assets		3,249	5,261
Total assets		<u>16,828,851</u>	<u>17,284,974</u>
Liabilities			
Deposits from customers	14	4,197,128	4,944,596
Deposits and placements from financial institutions	15	10,212,644	9,931,819
Derivative financial liabilities		278,438	236,040
Lease liabilities		5,496	6,212
Other liabilities		333,132	396,085
Total liabilities		<u>15,026,838</u>	<u>15,514,752</u>
Equity			
Share capital		1,200,000	1,200,000
Reserves		602,013	570,222
Total equity attributable to owner of the Bank		<u>1,802,013</u>	<u>1,770,222</u>
Total liabilities and equity		<u>16,828,851</u>	<u>17,284,974</u>
Commitments and contingencies	22	<u>24,455,840</u>	<u>22,802,704</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2024.

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 JUNE 2024

	Note	1st Quarter ended		Three months ended	
		30 Jun 2024 RM'000	30 Jun 2023 RM'000	30 Jun 2024 RM'000	30 Jun 2023 RM'000
Interest income	16	213,458	225,065	213,458	225,065
Interest expense	17	(162,759)	(190,396)	(162,759)	(190,396)
Net interest income		<u>50,699</u>	<u>34,669</u>	<u>50,699</u>	<u>34,669</u>
Other operating income	18	24,332	22,763	24,332	22,763
Total net income		<u>75,031</u>	<u>57,432</u>	<u>75,031</u>	<u>57,432</u>
Other operating expenses	19	(23,557)	(21,220)	(23,557)	(21,220)
Operating profit		<u>51,474</u>	<u>36,212</u>	<u>51,474</u>	<u>36,212</u>
(Addition)/writeback of allowance for expected credit losses ("ECL")	20	(1,516)	1,519	(1,516)	1,519
Profit before taxation		<u>49,958</u>	<u>37,731</u>	<u>49,958</u>	<u>37,731</u>
Tax expense		(18,167)	(14,597)	(18,167)	(14,597)
Profit for the financial period		<u>31,791</u>	<u>23,134</u>	<u>31,791</u>	<u>23,134</u>
Other comprehensive loss that will be reclassified to profit or loss in future periods:					
Fair value changes of financial assets at FVOCI		-	(1,076)	-	(1,076)
Income tax effect		-	258	-	258
Other comprehensive loss for the financial period		<u>-</u>	<u>(818)</u>	<u>-</u>	<u>(818)</u>
Total comprehensive income for the financial period		<u>31,791</u>	<u>22,316</u>	<u>31,791</u>	<u>22,316</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2024.

MIZUHO BANK (MALAYSIA) BERHAD
Company No. 201001039768 (923693-H)
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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	← 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 2024	1,200,000	88,222	1,395	480,605	1,770,222
Profit for the financial period	-	-	-	31,791	31,791
Transfer to regulatory reserve	-	4,198	-	(4,198)	-
At 30 June 2024	<u>1,200,000</u>	<u>92,420</u>	<u>1,395</u>	<u>508,198</u>	<u>1,802,013</u>
At 1 April 2023	1,200,000	68,437	(2,741)	403,556	1,669,252
Profit for the financial period	-	-	-	23,134	23,134
Other comprehensive loss	-	-	(818)	-	(818)
Transfer to regulatory reserve	-	5,399	-	(5,399)	-
At 30 June 2023	<u>1,200,000</u>	<u>73,836</u>	<u>(3,559)</u>	<u>421,291</u>	<u>1,691,568</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2024.

MIZUHO BANK (MALAYSIA) BERHAD
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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	30 Jun 2024 RM'000	30 Jun 2023 RM'000
Profit before taxation	49,958	37,731
Adjustments for non-cash items	(8,614)	(1,563)
Operating profit before changes in working capital	41,344	36,168
Net changes in operating assets	56,638	1,538,618
Net changes in operating liabilities	(531,761)	1,052,672
	(475,123)	2,591,290
Cash (used in)/generated from operating activities	(433,779)	2,627,458
Taxation paid	(15,160)	(8,370)
Net cash (used in)/generated from operating activities	(448,939)	2,619,088
Net cash used in from investing activities	(486,014)	(10,026)
Net cash used in financing activity	(1,189)	(1,328)
Net (decrease)/increase in cash and cash equivalents during the financial period	(936,142)	2,607,734
Cash and cash equivalents at the beginning of the financial period	3,467,459	4,964,307
Cash and cash equivalents at the end of the financial period	2,531,317	7,572,041
Analysis of cash and cash equivalents:		
Cash and short-term funds	2,673,547	4,889,936
Deposits and placements with financial institutions	996,230	2,932,105
Less: Deposits and placements with financial institutions with original contractual maturity of more than 3 months	(1,138,460)	(250,000)
	2,531,317	7,572,041

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2024.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

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 2024. 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 2024.

The material 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 2024 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

- i) Amendments to MFRS 16 *Leases - Lease Liability in a Sale and Leaseback*
- ii) Amendments to MFRS 101 *Presentation of Financial Statements - Non-Current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- iii) Amendments to MFRS 107 *Statement of Cash Flows - Supplier Finance Arrangements*
- iv) Amendments to MFRS 7 *Financial Instruments: Disclosures - Supplier Finance Arrangements*

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

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

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 2024 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 first quarter ended 30 June 2024.

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 first quarter ended 30 June 2024.

5. Changes in estimates

There were no material changes in estimates during the first quarter ended 30 June 2024.

6. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the first quarter ended 30 June 2024.

7. Dividend

No dividend was paid during the first quarter ended 30 June 2024.

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 JUNE 2024**

9. Review of performance

The Bank recorded a profit before taxation (“PBT”) of RM50.0 million for the financial period ended 30 June 2024, a growth of RM12.2 million or 32.4% as compared to RM37.7 million in the previous corresponding period. The increase in PBT was mainly attributable to higher net interest income by RM16.0 million, coupled by higher non-interest income by RM1.6 million; offset by higher allowance for ECL by RM3.0 million. Operating expenses increased by RM2.3 million mainly due to higher personnel costs during the financial period.

Total assets for the Bank stood at RM16.8 billion as at 30 June 2024, a decrease of RM0.5 billion or 2.6% as compared against total assets of RM17.3 billion at 31 March 2024. The Bank’s Common Equity Tier 1 capital ratio and Total Capital Ratio remained strong at 24.18% and 25.30% respectively.

10. Prospects

Malaysia’s economy continues its growth momentum driven by revitalised domestic demand and exports recovery. Additionally, better investment activities are supported by higher capital spending by both the private and public sectors as well as higher realisation of approved investments. However, the growth outlook remains facing downside risks from weaker-than-expected external demand and larger declines in commodity production.

As we move forward, the Bank continues to realise sustainability through business expansion and transformation while maintaining resilience and pursuing growth. As part of Mizuho Financial Group, the Bank remains committed 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 JUNE 2024**

11. Financial assets at FVOCI

	30 Jun 2024 RM'000	31 Mar 2024 RM'000
At fair value		
Malaysian government securities	575,522	626,285
Government investment issues	872,101	873,328
Government guaranteed bonds	50,557	95,772
	1,498,180	1,595,385

12. Financial investments at amortised cost

	30 Jun 2024 RM'000	31 Mar 2024 RM'000
At amortised cost		
Unquoted securities in Malaysia:		
Corporate Sukuk	579,727	-
Less: Allowance for expected credit losses	(842)	-
	578,885	-

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

13. Loans, advances and financing

	30 Jun 2024 RM'000	31 Mar 2024 RM'000
(a) By type:		
At amortised cost:		
Term loans	5,153,459	5,225,226
Revolving credits	2,915,056	2,857,438
Bills receivable	21,994	31,676
Trust receipts	6,655	35,637
Banker's acceptances	78,628	68,244
	8,175,792	8,218,221
Less: Unearned interest	(836)	(391)
Gross loans, advances and financing at amortised cost	8,174,956	8,217,830
Less: Allowance for expected credit losses	(15,616)	(16,919)
Net loans, advances and financing at amortised cost	8,159,340	8,200,911
At fair value through profit or loss ("FVTPL"):		
Term loans	2,539,966	2,207,012
Total net loans, advances and financing	10,699,306	10,407,923
Total gross loans, advances and financing		
- At amortised cost	8,174,956	8,217,830
- At FVTPL	2,539,966	2,207,012
	10,714,922	10,424,842

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

13. Loans, advances and financing (continued)

	30 Jun 2024 RM'000	31 Mar 2024 RM'000
(b) By geographical distribution:		
Within Malaysia	8,802,628	8,514,822
Outside Malaysia	1,912,294	1,910,020
	<u>10,714,922</u>	<u>10,424,842</u>
(c) By type of customer:		
Commercial banks	943,396	944,338
Domestic business enterprises	2,512,034	2,809,769
Domestic non-bank financial institutions	5,347,198	4,760,715
Foreign business entities	1,912,294	1,910,020
	<u>10,714,922</u>	<u>10,424,842</u>
(d) By interest/profit rate sensitivity:		
Fixed rate	3,746,891	3,442,756
Variable rate	6,968,031	6,982,086
	<u>10,714,922</u>	<u>10,424,842</u>
(e) By economic purpose:		
Purchase of fixed assets other than land and building	37,755	69,432
Working capital	8,861,369	8,598,179
Other purpose	1,815,798	1,757,231
	<u>10,714,922</u>	<u>10,424,842</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

13. Loans, advances and financing (continued)

	30 Jun 2024 RM'000	31 Mar 2024 RM'000
(f) By economic sector:		
Manufacturing	1,538,321	1,535,073
Electricity, gas and water supply	158,978	162,370
Construction	302,966	311,491
Wholesale and retail trade, and restaurants and hotels	118,646	169,208
Transport, storage and communication	23,047	321,480
Finance, insurance, real estate and business activities	8,210,101	7,622,572
Education, health and others	362,863	302,648
	<u>10,714,922</u>	<u>10,424,842</u>
(g) By maturity structure:		
Maturing within one year	4,603,308	4,632,001
One year to three years	4,157,014	3,777,287
Three years to five years	1,954,600	2,015,554
	<u>10,714,922</u>	<u>10,424,842</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 2024	11,993	4,926	-	16,919
Changes due to loans, advances and financing recognised as at 1 April 2024:				
Transfer to lifetime ECL (Stage 2)	(4)	4	-	-
New financial assets originated	8,508	3,044	-	11,552
Financial assets derecognised	(9,254)	(3,075)	-	(12,329)
Net remeasurement during the financial period	(3)	(523)	-	(526)
At 30 June 2024	<u>11,240</u>	<u>4,376</u>	<u>-</u>	<u>15,616</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

13. 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 RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 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)	(17,698)	17,698	-	-
New financial assets originated	10,498	170	-	10,668
Financial assets derecognised	(6,107)	(7,932)	-	(14,039)
Net remeasurement during the financial year	30	(6,002)	-	(5,972)
At 31 March 2024	<u>11,993</u>	<u>4,926</u>	<u>-</u>	<u>16,919</u>

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

	30 Jun 2024 RM'000	31 Mar 2024 RM'000
At beginning of the financial period	16,919	26,262
Writeback during the financial period	(1,303)	(9,343)
At end of the financial period	<u>15,616</u>	<u>16,919</u>
As percentage of total loans, advances and financing	<u>0.15%</u>	<u>0.16%</u>

The Bank has no impaired loans, advances and financing and no individual impairment allowance was deemed required as at 30 June 2024.

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

14. Deposit from customers

	30 Jun 2024 RM'000	31 Mar 2024 RM'000
(a) By type of deposits:		
Demand deposits	1,557,019	2,251,569
Fixed deposits	804,158	889,632
Short-term deposits	1,833,509	1,800,960
Others	2,442	2,435
	4,197,128	4,944,596

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

Due within six months	2,600,270	2,592,243
Due over six months to one year	37,397	98,349
	2,637,667	2,690,592

(b) By type of customers:		
Domestic non-bank financial institutions	340,864	487,085
Domestic business enterprises	3,600,988	4,119,703
Foreign business enterprises	255,035	337,599
Domestic other enterprises	241	209
	4,197,128	4,944,596

15. Deposit and placements from financial institutions

	30 Jun 2024 RM'000	31 Mar 2024 RM'000
Licensed banks	10,212,644	9,931,819

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

16. Interest income

	1st Quarter ended		Three months ended	
	30 Jun 2024 RM'000	30 Jun 2023 RM'000	30 Jun 2024 RM'000	30 Jun 2023 RM'000
Loans, advances and financing	140,753	128,027	140,753	128,027
Money at call and deposits and placements with financial institutions	53,795	86,235	53,795	86,235
Financial assets at FVOCI	13,130	10,770	13,130	10,770
Financial investments at amortised cost	5,697	-	5,697	-
Others	83	33	83	33
	<u>213,458</u>	<u>225,065</u>	<u>213,458</u>	<u>225,065</u>

17. Interest expense

	1st Quarter ended		Three months ended	
	30 Jun 2024 RM'000	30 Jun 2023 RM'000	30 Jun 2024 RM'000	30 Jun 2023 RM'000
Deposits and placements from financial institutions	132,546	165,797	132,546	165,797
Deposits from customers	28,835	23,629	28,835	23,629
Others	1,378	970	1,378	970
	<u>162,759</u>	<u>190,396</u>	<u>162,759</u>	<u>190,396</u>

18. Other operating income

	1st Quarter ended		Three months ended	
	30 Jun 2024 RM'000	30 Jun 2023 RM'000	30 Jun 2024 RM'000	30 Jun 2023 RM'000
Fee income	1,980	2,207	1,980	2,207
Realised gain in fair value of derivative financial instruments	3,960	3,939	3,960	3,939
Unrealised (loss)/gain in fair value of derivative financial instruments	(3,932)	25,927	(3,932)	25,927
Realised foreign exchange gain	3,853	10,631	3,853	10,631
Unrealised foreign exchange gain/(loss)	20,127	(18,189)	20,127	(18,189)
Net unrealised loss on revaluation of financial assets at FVTPL	(1,674)	(1,770)	(1,674)	(1,770)
Others	18	18	18	18
	<u>24,332</u>	<u>22,763</u>	<u>24,332</u>	<u>22,763</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

19. Other operating expenses

	1st Quarter ended		Three months ended	
	30 Jun	30 Jun	30 Jun	30 Jun
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Personnel costs:				
Salaries, allowances and bonuses	11,178	9,790	11,178	9,790
Contribution to Employees Provident Fund	1,437	1,152	1,437	1,152
Other staff related costs	1,959	1,721	1,959	1,721
Establishment costs:				
Repair and maintenance	1,511	1,745	1,511	1,745
Depreciation of right of use assets	1,109	1,302	1,109	1,302
Depreciation of property and equipment	575	570	575	570
Amortisation of intangible assets	503	651	503	651
Rental of premises	54	59	54	59
Information technology expenses	1,541	1,207	1,541	1,207
Others	97	112	97	112
Marketing expenses:				
Others	205	169	205	169
Administration and general expenses:				
Communication expenses	251	234	251	234
Legal and professional fees	135	181	135	181
Others	3,002	2,327	3,002	2,327
	<u>23,557</u>	<u>21,220</u>	<u>23,557</u>	<u>21,220</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

20. Addition/(writeback) of allowance for expected credit losses

	1st Quarter ended		Three months ended	
	30 Jun 2024 RM'000	30 Jun 2023 RM'000	30 Jun 2024 RM'000	30 Jun 2023 RM'000
Deposits and placements with financial institutions	(4)	(20)	(4)	(20)
Financial investments at amortised cost	842	-	842	-
Loans, advances and financing	(1,303)	(1,587)	(1,303)	(1,587)
Credit commitments and contingencies	1,981	88	1,981	88
	<u>1,516</u>	<u>(1,519)</u>	<u>1,516</u>	<u>(1,519)</u>

21. Credit transactions and exposures with connected parties

	30 Jun 2024 RM'000	31 Mar 2024 RM'000
Outstanding credit exposures with connected parties	<u>74,199</u>	<u>68,794</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>0.13%</u>	<u>0.13%</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 JUNE 2024**

22. 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 June 2024			
Direct credit substitutes	192,578	192,578	192,417
Transaction related contingent items	258,137	129,067	114,027
Short-term self-liquidating trade related contingencies	164,848	32,970	32,970
Foreign exchange related contracts			
- One year or less	6,625,970	105,565	58,950
- Over one year to five years	36,270	6,285	3,417
Interest related contracts			
- One year or less	3,851,534	213,402	92,803
- Over one year to five years	5,253,270	623,431	459,297
- Over five years	10,009	1,600	998
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,732,780	224,148	224,148
Any commitments that are unconditionally cancelled at any time without prior notice	6,330,444	-	-
Total	24,455,840	1,529,046	1,179,027

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22. 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 2024			
Direct credit substitutes	194,785	194,785	194,625
Transaction related contingent items	215,678	107,840	92,702
Short-term self-liquidating trade related contingencies	4,620	924	924
Foreign exchange related contracts			
- One year or less	5,927,154	119,887	62,819
- Over one year to five years	46,148	7,080	3,930
Interest related contracts			
- One year or less	3,971,941	265,872	122,851
- Over one year to five years	4,520,748	519,199	363,679
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,794,968	252,713	252,713
Any commitments that are unconditionally cancelled at any time without prior notice	6,126,662	-	-
Total	22,802,704	1,468,300	1,094,243

*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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23. Capital adequacy

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:

	30 Jun 2024	31 Mar 2024
Capital ratios:		
CET1 Capital Ratio / Tier 1 Capital Ratio	24.181%	24.129%
Total Capital Ratio	<u>25.301%</u>	<u>25.243%</u>

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

	30 Jun 2024 RM'000	31 Mar 2024 RM'000
CET 1 / Tier 1 Capital		
Paid-up share capital	1,200,000	1,200,000
Retained profits	476,407	480,605
Other reserves and regulatory adjustments	<u>(10,380)</u>	<u>(12,420)</u>
Total CET 1 / Tier 1 Capital	1,666,027	1,668,185
Tier 2 Capital		
General provisions and regulatory reserve	<u>77,163</u>	<u>77,006</u>
Total Capital	<u>1,743,190</u>	<u>1,745,191</u>

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

	30 Jun 2024 RM'000	31 Mar 2024 RM'000
Total RWA for Credit risk	6,173,073	6,160,468
Total RWA for Market risk	316,974	371,801
Total RWA for Operational risk	<u>399,824</u>	<u>381,281</u>
Total RWA	<u>6,889,871</u>	<u>6,913,550</u>

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23. 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 June 2024				
Credit risk				
<u>On-balance sheet exposures:</u>				
Sovereigns/central banks	1,522,082	1,522,082	-	-
Banks, Development Financial Institutions and Multilateral Development Banks ("MDBs")	6,758,290	4,295,852	889,501	71,160
Corporates	8,213,943	4,128,938	4,078,075	326,246
Other assets	26,470	26,470	26,470	2,118
Total on-balance sheet exposures	<u>16,520,785</u>	<u>9,973,342</u>	<u>4,994,046</u>	<u>399,524</u>
<u>Off-balance sheet exposures:</u>				
Over-the-counter ("OTC") derivatives	950,283	950,283	615,465	49,237
Off-balance sheet exposures other than OTC derivatives or credit derivatives	578,763	578,763	563,562	45,085
Total off-balance sheet exposures	<u>1,529,046</u>	<u>1,529,046</u>	<u>1,179,027</u>	<u>94,322</u>
Total on and off-balance sheet exposures	<u>18,049,831</u>	<u>11,502,388</u>	<u>6,173,073</u>	<u>493,846</u>
Market risk				
Interest rate risk	9,065,974	9,039,706	100,818	8,065
Foreign currency risk	17,292	-	216,156	17,292
Operational risk				
			399,824	31,986
Total RWA and capital requirements			<u>6,889,871</u>	<u>551,189</u>

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23. 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 2024				
Credit risk				
<u>On-balance sheet exposures:</u>				
Sovereigns/central banks	2,729,712	2,729,712	-	-
Banks, Development Financial Institutions and Multilateral Development Banks ("MDBs")	6,621,610	4,101,140	851,426	68,114
Corporates	7,634,409	4,284,044	4,186,673	334,934
Other assets	28,126	28,126	28,126	2,250
Total on-balance sheet exposures	<u>17,013,857</u>	<u>11,143,022</u>	<u>5,066,225</u>	<u>405,298</u>
<u>Off-balance sheet exposures:</u>				
Over-the-counter ("OTC") derivatives	912,038	912,038	553,279	44,262
Off-balance sheet exposures other than OTC derivatives or credit derivatives	556,262	556,262	540,964	43,277
Total off-balance sheet exposures	<u>1,468,300</u>	<u>1,468,300</u>	<u>1,094,243</u>	<u>87,539</u>
Total on and off-balance sheet exposures	<u>18,482,157</u>	<u>12,611,322</u>	<u>6,160,468</u>	<u>492,837</u>
			Risk- Weighted Assets RM'000	Minimum Capital Requirements at 8% RM'000
Market risk				
Interest rate risk	8,514,624	8,493,984	95,196	7,616
Foreign currency risk	22,128	-	276,605	22,128
Operational risk				
			381,281	30,502
Total RWA and capital requirements			<u>6,913,550</u>	<u>553,083</u>

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23. 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 June 2024							
0%	1,522,082	-	307,868	50,864	-	1,880,814	-
20%	-	-	3,865,040	-	-	3,865,040	773,008
50%	-	-	712,939	-	-	712,939	356,470
100%	-	3,539	-	5,013,586	26,470	5,043,595	5,043,595
	<u>1,522,082</u>	<u>3,539</u>	<u>4,885,847</u>	<u>5,064,450</u>	<u>26,470</u>	<u>11,502,388</u>	<u>6,173,073</u>
As at 31 March 2024							
0%	2,729,712	-	303,996	97,371	-	3,131,079	-
20%	-	-	3,693,800	-	-	3,693,800	738,760
50%	-	-	729,471	-	-	729,471	364,736
100%	-	9,344	-	5,019,502	28,126	5,056,972	5,056,972
	<u>2,729,712</u>	<u>9,344</u>	<u>4,727,267</u>	<u>5,116,873</u>	<u>28,126</u>	<u>12,611,322</u>	<u>6,160,468</u>