

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

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

	Note	30 Sep 2024 RM'000	31 Mar 2024 RM'000
Assets			
Cash and short-term funds		2,867,067	2,784,039
Deposits and placements with financial institutions		816,084	2,074,262
Financial assets at fair value through other comprehensive income ("FVOCI")	11	1,489,804	1,595,385
Financial investments at amortised cost	12	578,807	-
Loans, advances and financing	13	10,497,675	10,407,923
Derivative financial assets		257,830	320,473
Other assets		418,220	69,742
Right of use assets		5,192	6,073
Property and equipment		8,554	8,865
Intangible assets		7,535	7,599
Current tax assets		7,171	5,352
Deferred tax assets		-	5,261
Total assets		<u>16,953,939</u>	<u>17,284,974</u>
Liabilities			
Deposits from customers	14	4,673,502	4,944,596
Deposits and placements from financial institutions	15	9,827,763	9,931,819
Derivative financial liabilities		527,982	236,040
Lease liabilities		5,216	6,212
Other liabilities		90,737	396,085
Deferred tax liabilities		805	-
Total liabilities		<u>15,126,005</u>	<u>15,514,752</u>
Equity			
Share capital		1,200,000	1,200,000
Reserves		627,934	570,222
Total equity attributable to owner of the Bank		<u>1,827,934</u>	<u>1,770,222</u>
Total liabilities and equity		<u>16,953,939</u>	<u>17,284,974</u>
Commitments and contingencies	22	<u>20,191,504</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 SEPTEMBER 2024

	Note	2nd Quarter ended		Six months ended	
		30 Sep 2024 RM'000	30 Sep 2023 RM'000	30 Sep 2024 RM'000	30 Sep 2023 RM'000
Interest income	16	203,845	230,502	417,303	455,567
Interest expense	17	(156,232)	(194,570)	(318,991)	(384,966)
Net interest income		<u>47,613</u>	<u>35,932</u>	<u>98,312</u>	<u>70,601</u>
Net income from Islamic Banking operations	24	9	-	9	-
Other operating income	18	<u>20,148</u>	<u>20,802</u>	<u>44,480</u>	<u>43,565</u>
Total net income		<u>67,770</u>	<u>56,734</u>	<u>142,801</u>	<u>114,166</u>
Other operating expenses	19	<u>(23,662)</u>	<u>(20,462)</u>	<u>(47,219)</u>	<u>(41,682)</u>
Operating profit		<u>44,108</u>	<u>36,272</u>	<u>95,582</u>	<u>72,484</u>
Addition of allowance for expected credit losses ("ECL")	20	<u>(4,155)</u>	<u>(1,679)</u>	<u>(5,671)</u>	<u>(160)</u>
Profit before taxation		<u>39,953</u>	<u>34,593</u>	<u>89,911</u>	<u>72,324</u>
Tax expense		<u>(15,814)</u>	<u>(14,502)</u>	<u>(33,981)</u>	<u>(29,099)</u>
Profit for the financial period		<u>24,139</u>	<u>20,091</u>	<u>55,930</u>	<u>43,225</u>
Other comprehensive income that will be reclassified to profit or loss in future periods:					
Fair value changes of financial assets at FVOCI		2,345	1,558	2,345	482
Income tax effect		<u>(563)</u>	<u>(374)</u>	<u>(563)</u>	<u>(116)</u>
Other comprehensive income for the financial period		<u>1,782</u>	<u>1,184</u>	<u>1,782</u>	<u>366</u>
Total comprehensive income for the financial period		<u>25,921</u>	<u>21,275</u>	<u>57,712</u>	<u>43,591</u>

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

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	-	-	-	55,930	55,930
Other comprehensive income	-	-	1,782	-	1,782
Transfer from regulatory reserve	-	(7,276)	-	7,276	-
At 30 September 2024	<u>1,200,000</u>	<u>80,946</u>	<u>3,177</u>	<u>543,811</u>	<u>1,827,934</u>
At 1 April 2023	1,200,000	68,437	(2,741)	403,556	1,669,252
Profit for the financial period	-	-	-	43,225	43,225
Other comprehensive income	-	-	366	-	366
Transfer to regulatory reserve	-	12,254	-	(12,254)	-
At 30 September 2023	<u>1,200,000</u>	<u>80,691</u>	<u>(2,375)</u>	<u>434,527</u>	<u>1,712,843</u>

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 SEPTEMBER 2024

	30 Sep 2024 RM'000	30 Sep 2023 RM'000
Profit before taxation	89,911	72,324
Adjustments for non-cash items	(7,701)	(4,227)
Operating profit before changes in working capital	82,210	68,097
Net changes in operating assets	791,650	871,302
Net changes in operating liabilities	(683,139)	(815,076)
	108,511	56,226
Cash generated from operating activities	190,721	124,323
Taxation paid	(30,318)	(16,740)
Net cash generated from operating activities	160,403	107,583
Net cash used in from investing activities	(477,904)	(62,805)
Net cash used in financing activity	(2,333)	(2,420)
Net (decrease)/increase in cash and cash equivalents during the financial period	(319,834)	42,358
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	3,147,625	5,006,665
Analysis of cash and cash equivalents:		
Cash and short-term funds	2,867,076	3,209,055
Deposits and placements with financial institutions	816,084	1,947,610
Less: Deposits and placements with financial institutions with original contractual maturity of more than 3 months	(535,535)	(150,000)
	3,147,625	5,006,665

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

- 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.

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 second quarter ended 30 September 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 second quarter ended 30 September 2024.

5. Changes in estimates

There were no material changes in estimates during the second quarter ended 30 September 2024.

6. Debt and equity securities

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

7. Dividend

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

MIZUHO BANK (MALAYSIA) BERHAD
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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

9. Review of performance

The Bank recorded a profit before taxation (“PBT”) of RM89.9 million for the financial period ended 30 September 2024, a growth of RM17.6 million or 24.3% as compared to RM72.3 million in the previous corresponding period. The increase in PBT was mainly attributable to higher net interest income by RM27.7 million, partially offset by higher allowance for ECL and operating expenses by RM5.5 million and RM5.5 million respectively. The increase in operating expenses was mainly due to higher personnel costs during the financial period.

Total assets for the Bank stood at RM17.0 billion as at 30 September 2024, a decrease of RM0.3 billion or 1.9% 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 21.52% and 22.61% respectively.

10. Prospects

Malaysia’s economy growth is advancing strongly driven by resilient domestic expenditure and further expansion in exports. Investment activities are underpinned by continued progress in multi-year projects within both private and public sectors. However, Malaysia’s growth prospect is subject to the downside risks from the downturn in external demand and lower-than-expected commodity production.

On the other hand, Malaysian Ringgit (“MYR”)’s is performing well driven by narrowing interest rate gap, strong economic growth and robust foreign direct investment inflows.

Looking ahead, the Bank aims to stand resilient and pursue growth through business transformation and evolution. 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 SEPTEMBER 2024**

11. Financial assets at FVOCI

	30 Sep 2024 RM'000	31 Mar 2024 RM'000
At fair value		
Malaysian government securities	575,792	626,285
Government investment issues	863,474	873,328
Government guaranteed bonds	50,538	95,772
	1,489,804	1,595,385

12. Financial investments at amortised cost

	30 Sep 2024 RM'000	31 Mar 2024 RM'000
At amortised cost		
Unquoted securities in Malaysia:		
Corporate Sukuk	579,922	-
Less: Allowance for expected credit losses	(1,115)	-
	578,807	-

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

13. Loans, advances and financing

	30 Sep 2024 RM'000	31 Mar 2024 RM'000
(a) By type:		
At amortised cost:		
Term loans	4,491,474	5,225,226
Revolving credits	3,260,656	2,857,438
Bills receivable	9,201	31,676
Trust receipts	-	35,637
Banker's acceptances	83,712	68,244
	7,845,043	8,218,221
Less: Unearned interest	(509)	(391)
Gross loans, advances and financing at amortised cost	7,844,534	8,217,830
Less: Allowance for expected credit losses	(18,936)	(16,919)
Net loans, advances and financing at amortised cost	7,825,598	8,200,911
At fair value through profit or loss ("FVTPL"):		
Term loans	2,672,077	2,207,012
Total net loans, advances and financing	10,497,675	10,407,923
Total gross loans, advances and financing		
- At amortised cost	7,844,534	8,217,830
- At FVTPL	2,672,077	2,207,012
	10,516,611	10,424,842

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

13. Loans, advances and financing (continued)

	30 Sep 2024 RM'000	31 Mar 2024 RM'000
(b) By geographical distribution:		
Within Malaysia	8,856,199	8,514,822
Outside Malaysia	1,660,412	1,910,020
	10,516,611	10,424,842
(c) By type of customer:		
Commercial banks	823,656	944,338
Domestic business enterprises	2,945,096	2,809,769
Domestic non-bank financial institutions	5,087,447	4,760,715
Foreign business entities	1,660,412	1,910,020
	10,516,611	10,424,842
(d) By interest/profit rate sensitivity:		
Fixed rate	4,176,381	3,442,756
Variable rate	6,340,230	6,982,086
	10,516,611	10,424,842
(e) By economic purpose:		
Purchase of fixed assets other than land and building	35,016	69,432
Working capital	8,809,865	8,598,179
Other purpose	1,671,730	1,757,231
	10,516,611	10,424,842

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

13. Loans, advances and financing (continued)

	30 Sep 2024 RM'000	31 Mar 2024 RM'000
(f) By economic sector:		
Manufacturing	1,540,056	1,535,073
Electricity, gas and water supply	157,579	162,370
Construction	247,787	311,491
Wholesale and retail trade, and restaurants and hotels	190,003	169,208
Transport, storage and communication	458,338	321,480
Finance, insurance, real estate and business activities	7,866,335	7,622,572
Education, health and others	56,513	302,648
	<u>10,516,611</u>	<u>10,424,842</u>
(g) By maturity structure:		
Maturing within one year	4,731,619	4,632,001
One year to three years	5,108,663	3,777,287
Three years to five years	666,022	2,015,554
Over 5 years	10,307	-
	<u>10,516,611</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
New financial assets originated	12,213	4,282	-	16,495
Financial assets derecognised	(9,693)	(4,004)	-	(13,697)
Net remeasurement during the financial period	(255)	(526)	-	(781)
At 30 September 2024	<u>14,258</u>	<u>4,678</u>	<u>-</u>	<u>18,936</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 Sep 2024 RM'000	31 Mar 2024 RM'000
At beginning of the financial period	16,919	26,262
(Addition)/writeback during the financial period	2,017	(9,343)
At end of the financial period	<u>18,936</u>	<u>16,919</u>
As percentage of total loans, advances and financing	<u>0.18%</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 September 2024.

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

14. Deposit from customers

	30 Sep 2024 RM'000	31 Mar 2024 RM'000
(a) By type of deposits:		
Demand deposits	1,666,049	2,251,569
Fixed deposits	843,178	889,632
Short-term deposits	2,161,827	1,800,960
Others	2,448	2,435
	<u>4,673,502</u>	<u>4,944,596</u>

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

Due within six months	2,963,093	2,592,243
Due over six months to one year	41,912	98,349
	<u>3,005,005</u>	<u>2,690,592</u>

(b) By type of customers:		
Domestic non-bank financial institutions	156,735	487,085
Domestic business enterprises	3,638,789	4,119,703
Foreign business enterprises	877,753	337,599
Domestic other enterprises	225	209
	<u>4,673,502</u>	<u>4,944,596</u>

15. Deposit and placements from financial institutions

	30 Sep 2024 RM'000	31 Mar 2024 RM'000
Licensed banks	<u>9,827,763</u>	<u>9,931,819</u>

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

16. Interest income

	2nd Quarter ended		Six months ended	
	30 Sep 2024 RM'000	30 Sep 2023 RM'000	30 Sep 2024 RM'000	30 Sep 2023 RM'000
Loans, advances and financing	142,259	145,874	283,012	273,901
Money at call and deposits and placements with financial institutions	40,508	73,120	94,303	159,355
Financial assets at FVOCI	12,427	11,504	25,557	22,274
Financial investments at amortised cost	8,077	-	13,774	-
Others	574	4	657	37
	<u>203,845</u>	<u>230,502</u>	<u>417,303</u>	<u>455,567</u>

17. Interest expense

	2nd Quarter ended		Six months ended	
	30 Sep 2024 RM'000	30 Sep 2023 RM'000	30 Sep 2024 RM'000	30 Sep 2023 RM'000
Deposits and placements from financial institutions	126,313	164,471	258,859	330,268
Deposits from customers	28,717	27,341	57,552	50,970
Others	1,202	2,758	2,580	3,728
	<u>156,232</u>	<u>194,570</u>	<u>318,991</u>	<u>384,966</u>

18. Other operating income

	2nd Quarter ended		Six months ended	
	30 Sep 2024 RM'000	30 Sep 2023 RM'000	30 Sep 2024 RM'000	30 Sep 2023 RM'000
Fee income	3,134	3,087	5,114	5,294
Realised gain in fair value of derivative financial instruments	4,417	3,550	8,377	7,489
Unrealised (loss)/gain in fair value of derivative financial instruments	(7,293)	(6,202)	(11,225)	19,725
Realised foreign exchange gain	5,228	4,461	9,081	15,092
Unrealised foreign exchange gain/(loss)	16,951	11,057	37,078	(7,132)
Net unrealised (loss)/gain on revaluation of financial assets at FVTPL	(2,306)	4,831	(3,980)	3,061
Others	17	18	35	36
	<u>20,148</u>	<u>20,802</u>	<u>44,480</u>	<u>43,565</u>

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

19. Other operating expenses

	2nd Quarter ended		Six months ended	
	30 Sep	30 Sep	30 Sep	30 Sep
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Personnel costs:				
Salaries, allowances and bonuses	11,118	9,555	22,296	19,345
Contribution to Employees Provident Fund	1,452	1,242	2,889	2,394
Other staff related costs	2,504	1,766	4,463	3,487
Establishment costs:				
Repair and maintenance	1,752	1,596	3,263	3,341
Depreciation of right of use assets	1,109	1,055	2,218	2,357
Depreciation of property and equipment	558	483	1,133	1,053
Amortisation of intangible assets	496	508	999	1,159
Rental of premises	56	42	110	101
Information technology expenses	1,736	1,022	3,277	2,229
Others	153	144	250	256
Marketing expenses:				
Advertisement and publicity	8	-	8	-
Others	275	156	480	325
Administration and general expenses:				
Communication expenses	273	261	524	495
Legal and professional fees	142	207	277	388
Others	2,030	2,425	5,032	4,752
	<u>23,662</u>	<u>20,462</u>	<u>47,219</u>	<u>41,682</u>

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

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

	2nd Quarter ended		Six months ended	
	30 Sep 2024 RM'000	30 Sep 2023 RM'000	30 Sep 2024 RM'000	30 Sep 2023 RM'000
Deposits and placements with financial institutions	9	(3)	5	(23)
Financial investments at amortised cost	273	-	1,115	-
Loans, advances and financing	3,320	2,018	2,017	431
Credit commitments and contingencies	553	(336)	2,534	(248)
	<u>4,155</u>	<u>1,679</u>	<u>5,671</u>	<u>160</u>

21. Credit transactions and exposures with connected parties

	30 Sep 2024 RM'000	31 Mar 2024 RM'000
Outstanding credit exposures with connected parties	<u>99,418</u>	<u>68,794</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>0.20%</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 SEPTEMBER 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 September 2024			
Direct credit substitutes	171,047	171,047	170,887
Transaction related contingent items	247,787	123,893	114,114
Short-term self-liquidating trade related contingencies	183,502	36,700	36,700
Foreign exchange related contracts			
- One year or less	4,446,656	232,698	146,967
- Over one year to five years	19,061	4,058	2,210
Interest related contracts			
- One year or less	3,009,311	162,881	142,301
- Over one year to five years	5,219,737	703,566	589,766
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,285,213	172,983	172,983
Any commitments that are unconditionally cancelled at any time without prior notice	5,609,190	-	-
Total	20,191,504	1,607,826	1,375,928

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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	<u>22,802,704</u>	<u>1,468,300</u>	<u>1,094,243</u>

*The credit equivalent amount and risk-weighted amount are arrived at using the credit conversion factors and risk-weights respectively as specified by Bank Negara Malaysia for regulatory capital adequacy purposes.

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
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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 Sep 2024	31 Mar 2024
Capital ratios:		
CET1 Capital Ratio / Tier 1 Capital Ratio	21.520%	24.129%
Total Capital Ratio	<u>22.608%</u>	<u>25.243%</u>

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

	30 Sep 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	487,881	480,605
Other reserves and regulatory adjustments	<u>(5,682)</u>	<u>(12,420)</u>
Total CET 1 / Tier 1 Capital	1,682,199	1,668,185
Tier 2 Capital		
General provisions and regulatory reserve	<u>85,067</u>	<u>77,006</u>
Total Capital	<u>1,767,266</u>	<u>1,745,191</u>

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

	30 Sep 2024 RM'000	31 Mar 2024 RM'000
Total RWA for Credit risk	6,805,337	6,160,468
Total RWA for Market risk	596,831	371,801
Total RWA for Operational risk	<u>414,848</u>	<u>381,281</u>
Total RWA	<u>7,817,016</u>	<u>6,913,550</u>

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FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

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 September 2024				
Credit risk				
<u>On-balance sheet exposures:</u>				
Sovereigns/central banks	1,628,599	1,628,599	-	-
Banks, Development Financial Institutions and Multilateral Development Banks ("MDBs")	6,587,234	4,691,017	1,015,166	81,213
Corporates	8,157,754	4,428,712	4,377,312	350,185
Other assets	36,931	36,931	36,931	2,954
Total on-balance sheet exposures	<u>16,410,518</u>	<u>10,785,259</u>	<u>5,429,409</u>	<u>434,352</u>
<u>Off-balance sheet exposures:</u>				
Over-the-counter ("OTC") derivatives	1,103,203	1,103,203	881,244	70,500
Off-balance sheet exposures other than OTC derivatives or credit derivatives	504,623	504,623	494,684	39,575
Total off-balance sheet exposures	<u>1,607,826</u>	<u>1,607,826</u>	<u>1,375,928</u>	<u>110,075</u>
Total on and off-balance sheet exposures	<u>18,018,344</u>	<u>12,393,085</u>	<u>6,805,337</u>	<u>544,427</u>
Market risk				
Interest rate risk	8,251,990	8,228,992	95,348	7,628
Foreign currency risk	40,119	-	501,483	40,119
Operational risk				
			414,848	33,188
Total RWA and capital requirements			<u>7,817,016</u>	<u>625,362</u>

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

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>
	Long Position RM'000	Short Position RM'000	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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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

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 September 2024							
0%	1,628,599	-	300,977	51,400	-	1,980,976	-
20%	-	-	3,990,977	-	-	3,990,977	798,195
50%	-	-	827,980	-	-	827,980	413,990
100%	-	3,090	-	5,553,131	36,931	5,593,152	5,593,152
	<u>1,628,599</u>	<u>3,090</u>	<u>5,119,934</u>	<u>5,604,531</u>	<u>36,931</u>	<u>12,393,085</u>	<u>6,805,337</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>

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

24. The operations of Islamic Banking Window

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

	Note	30 Sep 2024 RM'000	31 Mar 2024 RM'000
Assets			
Cash and short-term funds	(a)	4,987	-
Financial assets at FVOCI	(b)	20,017	-
Other assets		2	-
Total assets		25,006	-
Liabilities and islamic banking funds			
Total Liabilities		-	-
Capital funds		25,006	-
Islamic banking funds		25,006	-
Total liabilities and islamic banking funds		25,006	-

The operations of Islamic Banking is based on internal funding arrangement through Wakalah. Islamic Banking Window provides financing in Ringgit Malaysia through an internal Wakalah (agency) arrangement with Conventional banking. The financing is reported at the entity level. At the time of this report, the Wakalah amount is nil.

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

24. The operations of Islamic Banking Window (continued)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

	Note	2nd Quarter ended		Six months ended	
		30 Sep 2024 RM'000	30 Sep 2023 RM'000	30 Sep 2024 RM'000	30 Sep 2023 RM'000
Income derived from investment of Islamic Banking capital funds	(c)	9	-	9	-
Total net income		<u>9</u>	<u>-</u>	<u>9</u>	<u>-</u>
Other operating expenses		-	-	-	-
Profit before taxation		<u>9</u>	<u>-</u>	<u>9</u>	<u>-</u>
Tax expense		-	-	-	-
Profit for the financial period		<u>9</u>	<u>-</u>	<u>9</u>	<u>-</u>
Other comprehensive loss that will be reclassified to profit or loss in future periods:					
Fair value changes of financial assets at FVOCI		(3)	-	(3)	-
Income tax effect		-	-	-	-
		<u>(3)</u>	<u>-</u>	<u>(3)</u>	<u>-</u>
Total comprehensive income for the financial period		<u>6</u>	<u>-</u>	<u>6</u>	<u>-</u>

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

	Capital funds RM'000	FVOCI reserves RM'000	Retained profits RM'000	Total RM'000
At 1 April 2023/31 March 2024/1 April 2024	-	-	-	-
Capital contribution	25,000	-	-	25,000
Profit for the financial period	-	-	9	9
Other comprehensive loss	-	(3)	-	(3)
At 30 September 2024	<u>25,000</u>	<u>(3)</u>	<u>9</u>	<u>25,006</u>

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

24. The operations of Islamic Banking Window (continued)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

	30 Sep 2024 RM'000	30 Sep 2023 RM'000
Profit before taxation	9	-
Operating profit before changes in working capital	9	-
Net changes in operating assets	(2)	-
Net changes in operating liabilities	-	-
	(2)	-
Net cash generated from operating activities	7	-
Net cash used in investing activity	(20,020)	-
Net cash generated from financing activity	25,000	-
Net increase in cash and cash equivalents during the financial period	4,987	-
Cash and cash equivalents at the beginning of the financial period	-	-
Cash and cash equivalents at the end of the financial period	4,987	-

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

24. The operations of Islamic Banking Window (continued)

Shariah Committee

The Shariah Committee was established under BNM's "Shariah Governance Policy Document" to advise the Board of Directors on Shariah matters in its Islamic Banking business operations and to provide technical assistance in ensuring the Islamic Banking products and services offered by the Bank and the relevant documentation are in compliance with Shariah principles.

The Shariah Committee comprises of Dr. Abdullah bin Jalil, Dr. Syaryanti binti Hussin and En. Megat Hizaini bin Hassan.

Basis of preparation

The financial statements of the Islamic Banking business have been prepared on the basis consistent with that of the Bank as disclosed in Note 1.

(a) Cash and short-term funds

	30 Sep 2024 RM'000	31 Mar 2024 RM'000
Cash and balances with banks and other financial institutions	4,987	-

(b) Financial assets at FVOCI

	30 Sep 2024 RM'000	31 Mar 2024 RM'000
At fair value		
Government investment issues	20,017	-

(c) Income derived from investment of Islamic Banking Capital funds

	2nd Quarter ended		Six months ended	
	30 Sep 2024 RM'000	30 Sep 2023 RM'000	30 Sep 2024 RM'000	30 Sep 2023 RM'000
Financial assets at FVOCI	9	-	9	-

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

24. The operations of Islamic Banking Window (continued)

(d) Capital adequacy

The capital adequacy ratios of the Islamic Banking business of the Bank are computed in accordance with the Capital Adequacy Framework for Islamic Banks ("CAFIB"). The Bank's Islamic Banking business has adopted the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk.

(i) Based on the above, the capital adequacy ratios of the Bank are as follows:

	30 Sep 2024	31 Mar 2024
Capital ratios:		
CET1 Capital Ratio / Tier 1 Capital Ratio	147041.177%	-
Total Capital Ratio	147041.177%	-

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

	30 Sep 2024 RM'000	31 Mar 2024 RM'000
CET 1 / Tier 1 Capital		
Paid-up share capital	25,000	-
Retained profits	-	-
Other reserves and regulatory adjustments	(3)	-
Total CET 1 / Tier 1 Capital	24,997	-
Tier 2 Capital		
General provisions and regulatory reserve	-	-
Total Capital	24,997	-

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

	30 Sep 2024 RM'000	31 Mar 2024 RM'000
Total RWA for Credit risk	-	-
Total RWA for Market risk	-	-
Total RWA for Operational risk	17	-
Total RWA	17	-

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FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

24. The operations of Islamic Banking Window (continued)

(e) Capital adequacy (continued)

Disclosures relating to credit risk are as below:

Exposure class	Gross Exposures RM'000	Net Exposures RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirements at 8% RM'000
As at 30 September 2024				
Credit risk				
<u>On-balance sheet exposures:</u>				
Sovereigns/central banks	25,006	25,006	-	-
Total on-balance sheet exposures	<u>25,006</u>	<u>25,006</u>	<u>-</u>	<u>-</u>
			Risk- Weighted Assets RM'000	Minimum Capital Requirements at 8% RM'000
Operational risk			17	1
Total RWA and capital requirements			<u>17</u>	<u>1</u>

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

24. The operations of Islamic Banking Window (continued)

(e) Capital adequacy (continued)

Disclosures relating to credit 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	-	-	-	-
Total on-balance sheet exposures	-	-	-	-
Operational risk				
Total RWA and capital requirements			-	-

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 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

24. The operations of Islamic Banking Window (continued)

(f) Capital adequacy (continued)

The following tables present the credit exposures by risk weights and after credit risk mitigation of the Bank:

	Exposures after Netting and Credit Risk Mitigation		
Risk weights	Sovereigns/ central banks RM'000	Total Exposures after Netting and Credit Risk Mitigation RM'000	Total Risk-Weighted Assets RM'000
As at 30 September 2024			
0%	25,006	25,006	-
	<u>25,006</u>	<u>25,006</u>	<u>-</u>
As at 31 March 2024			
0%	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>