

Company No.

923693	H
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**MIZUHO BANK (MALAYSIA) BERHAD**  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 JUNE 2015**

**MIZUHO BANK (MALAYSIA) BERHAD (923693-H)**  
(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015**

	Note	30-Jun 2015 RM'000	31-Mar 2015 RM'000
<b>ASSETS</b>			
Cash and short-term funds		1,829,346	1,536,067
Deposits and placements with financial institutions		89,000	232,000
Financial investments available-for-sale	11	167,988	148,057
Loans, advances and financing	12	1,144,355	918,438
Derivative financial assets		292,510	260,942
Other assets		5,412	5,523
Property and equipment		8,830	9,287
Intangible assets		3,572	3,666
<b>TOTAL ASSETS</b>		<b>3,541,013</b>	<b>3,113,980</b>
<b>LIABILITIES AND EQUITY</b>			
Deposits from customers	13	1,311,502	1,139,744
Deposits and placements from financial institutions	14	942,572	764,630
Derivative financial liabilities		275,106	242,599
Other liabilities		283,784	245,036
Deferred tax liabilities		1,589	1,541
<b>TOTAL LIABILITIES</b>		<b>2,814,553</b>	<b>2,393,550</b>
Share capital		700,000	700,000
Retained profits		15,030	8,915
Other reserves		11,430	11,515
<b>TOTAL EQUITY</b>		<b>726,460</b>	<b>720,430</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,541,013</b>	<b>3,113,980</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	20	<b>6,341,801</b>	<b>5,838,447</b>

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Bank for the year ended 31 March 2015.*

**MIZUHO BANK (MALAYSIA) BERHAD (923693-H)**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2015**

	Note	1st Quarter ended		Three months ended	
		30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Interest income	15	19,615	14,070	19,615	14,070
Interest expense	16	<u>(8,228)</u>	<u>(5,526)</u>	<u>(8,228)</u>	<u>(5,526)</u>
Net interest income		11,387	8,544	11,387	8,544
Other operating income	17	<u>6,564</u>	<u>3,216</u>	<u>6,564</u>	<u>3,216</u>
Net operating income		17,951	11,760	17,951	11,760
Other operating expenses	18	<u>(10,339)</u>	<u>(7,691)</u>	<u>(10,339)</u>	<u>(7,691)</u>
Operating profit		7,612	4,069	7,612	4,069
Allowance for impairment on loans, advances and financing	19	<u>(297)</u>	<u>(850)</u>	<u>(297)</u>	<u>(850)</u>
Profit before taxation		7,315	3,219	7,315	3,219
Taxation		<u>(1,200)</u>	<u>(1,093)</u>	<u>(1,200)</u>	<u>(1,093)</u>
Profit for the financial period		<u>6,115</u>	<u>2,126</u>	<u>6,115</u>	<u>2,126</u>
<b>Other comprehensive income:</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Unrealised (loss) / gain on financial investments		(113)	(21)	(113)	(21)
Income tax effect		<u>27</u>	<u>5</u>	<u>27</u>	<u>5</u>
<b>Other comprehensive income for the period</b>		(86)	(16)	(86)	(16)
<b>Total comprehensive income for the financial period</b>		<u>6,029</u>	<u>2,110</u>	<u>6,029</u>	<u>2,110</u>
Profit attributable to: Owner of the Bank		<u>6,115</u>	<u>2,126</u>	<u>6,115</u>	<u>2,126</u>
Total comprehensive income attributable to: Owner of the Bank		<u>6,029</u>	<u>2,110</u>	<u>6,029</u>	<u>2,110</u>

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Bank for the year ended 31 March 2015.*

**MIZUHO BANK (MALAYSIA) BERHAD (923693-H)**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2015**

	Share capital RM'000	Statutory reserve RM'000	← Non-distributable → Available for-sale reserve RM'000	Distributable Retained profits RM'000	Total RM'000
<b>2015</b>					
<b>At 1 April 2015</b>	700,000	11,484	31	8,915	720,430
Profit for the period	-	-	-	6,115	6,115
Other comprehensive income	-	-	(86)	-	(86)
<b>At 30 June 2015</b>	<u>700,000</u>	<u>11,484</u>	<u>(55)</u>	<u>15,030</u>	<u>726,459</u>
<b>2015</b>					
<b>At 1 April 2014</b>	700,000	2,778	(32)	4,738	707,484
Profit for the financial year	-	-	-	12,883	12,883
Other comprehensive income	-	-	63	-	63
Transfer to statutory reserve	-	8,706	-	(8,706)	-
<b>At 31 March 2015</b>	<u>700,000</u>	<u>11,484</u>	<u>31</u>	<u>8,915</u>	<u>720,430</u>

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Bank for the year ended 31 March 2015.*

**MIZUHO BANK (MALAYSIA) BERHAD (923693-H)**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2015**

	<b>30 June 2015 RM'000</b>	<b>30 June 2014 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	7,315	3,219
Adjustment for non-operating and non-cash items	(907)	421
Operating profit before working capital changes	6,408	3,640
Changes in working capital:		
Increase in operating assets	(261,121)	(49,755)
Increase/(Decrease) in operating liabilities	388,447	(131,963)
Taxation paid	(1,125)	(549)
Net cash generated from / (used in) operating activities	132,609	(178,627)
Net cash used in investing activities	(330)	(469)
Net increase / (decrease) in cash and cash equivalents	132,279	(179,096)
Cash and cash equivalents at beginning of financial year	1,768,067	1,400,637
Cash and cash equivalents at end of financial period	1,900,346	1,221,541
<b>Analysis of cash and cash equivalents</b>		
Cash and short-term funds	1,829,346	995,220
Deposits and placements with financial institutions	89,000	251,321
Less: Deposits and placements with financial institutions with contractual maturity more than 3 months	(18,000)	(25,000)
	1,900,346	1,221,541

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Bank for the year ended 31 March 2015.*

**MIZUHO BANK (MALAYSIA) BERHAD (923693-H)**  
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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2015**

**1 BASIS OF PREPARATION**

The unaudited interim financial statements for the financial quarter ended 30 June 2015 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair value: financial investments available-for-sale 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 ("MASB") and Bank Negara Malaysia's Guidelines on Financial Reporting. The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 March 2015. The explanatory notes attached to the 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 2015.

The following are accounting standards and amendments of the MFRS framework that have been issued by MASB but are not yet effective:

Amendments to MFRS 5	<i>Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012 - 2014 Cycle)</i>
Amendments to MFRS 7	<i>Financial Instruments: Disclosures (Annual Improvements 2012 - 2014 Cycle)</i>
Amendments to MFRS 119	<i>Employee Benefits - Defined Benefits Plans: Employee Contributions (Annual Improvements 2012 - 2014 Cycle)</i>
Amendments to MFRS 134	<i>Interim Financial Reporting (Annual Improvements 2012 - 2014 Cycle)</i>
Amendments to MFRS 127	<i>Equity Method in Separate Financial Statements</i>
Amendments to MFRS 101	<i>Disclosure Initiative</i>
Amendments to MFRS 128 and MFRS 10	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Amendments to MFRS 10, MFRS 12 and MFRS 128	<i>Investment Entities: Applying the Consolidation Exception</i>
MFRS 15	<i>Revenue from Contracts with Customers</i>
MFRS 9	<i>Financial Instruments (2014)</i>

The adoption of these amendments is not expected to have any material impact on the financial statements of the Bank.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2015**

**2 AUDIT REPORT**

The audit report on the audited annual financial statements for the financial year ended 31 March 2015 was not subject to any qualification.

**3 SEASONAL OR CYCLICAL FACTORS**

The business operations of the Bank have not been affected by any material seasonal or cyclical factors.

**4 EXCEPTIONAL OR EXTRAORDINARY ITEMS**

There were no exceptional or extraordinary items for the financial quarter ended 30 June 2015.

**5 CHANGES IN ESTIMATES**

There were no significant changes in estimates of amounts reported in the prior financial years that have a material effect on the financial results and position of the Bank for the financial quarter ended 30 June 2015.

**6 CHANGES IN DEBT AND EQUITY SECURITIES**

There were no issuance and repayment of debt and equity securities during the financial quarter ended 30 June 2015.

**7 DIVIDEND PAID**

No dividend was declared or paid during the financial quarter ended 30 June 2015.

**8 SUBSEQUENT EVENTS**

There were no material events subsequent to the balance sheet date that require disclosure or adjustments to the unaudited condensed interim financial statements.

**9 REVIEW OF PERFORMANCE**

The Bank recorded profit before taxation for the financial period ended 30 June 2015 of RM7.3 million compared to RM3.2 million profit before taxation in the previous corresponding period. Operating profit increased by RM3.5 million (87.1%) from RM4.1 million to RM7.6 million primarily on higher interest income of RM19.6 million against interest income of RM14.1 million in the previous corresponding period. Operating expenses increased by RM2.6 million (34.4%) from RM7.7 million to RM10.3 million as the Bank continues to invest and support growth while ensuring compliance with regulatory requirements. Total assets registered an increase of RM427.0 million or 13.7% from RM3.1 billion to RM3.5 billion at 30 June 2015. The Bank's total common equity tier 1 ratio and total capital ratio remained strong at 35.159% and 35.602% respectively.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2015**

**10 PROSPECTS**

The Bank's strategy is to continue profit growth in the financial year by focusing on growing its corporate client portfolio asset base and managing capital efficiently to support business growth. Loan growth in corporate loans and syndicated loans will continue to be a component of this strategy through business expansion with both Japanese and non-Japanese clients. The Bank will also continue to offer fundamental commercial banking services such as deposit, foreign exchange, derivatives and cash management service to both Japanese and non-Japanese clients. In addition, the Bank will continue to leverage on its network of group companies - Mizuho Bank, Mizuho Securities, and Mizuho Trust & Banking - to offer a complete range of high quality financial products and services to the local market.

**11 FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE**

	<b>30-Jun 2015 RM'000</b>	<b>31-Mar 2015 RM'000</b>
<b>At fair value:</b>		
Malaysian Government Treasury Bills	167,988	148,057
	<u>167,988</u>	<u>148,057</u>

**12 LOANS, ADVANCES AND FINANCING**

	<b>30-Jun 2015 RM'000</b>	<b>31-Mar 2015 RM'000</b>
(a) By type:		
At amortised cost:		
Term loans	552,907	388,968
Revolving credits	600,530	538,256
Gross loans, advances and financing	<u>1,153,437</u>	<u>927,224</u>
Less: Impairment allowance		
- Collective impairment allowance	(9,082)	(8,786)
Net loans, advances and financing	<u>1,144,355</u>	<u>918,438</u>
(b) By geographical distribution:		
In Malaysia	1,055,273	853,135
Outside Malaysia	98,164	74,089
	<u>1,153,437</u>	<u>927,224</u>



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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2015**

**12 LOANS, ADVANCES AND FINANCING (CONTINUED)**

	<b>30-Jun 2015 RM'000</b>	<b>31-Mar 2015 RM'000</b>
<b>(c) By type of customer:</b>		
Domestic business enterprise	686,879	608,869
Domestic non-bank financial institutions	217,342	244,266
Foreign business entity	249,216	74,089
	<u>1,153,437</u>	<u>927,224</u>
<b>(d) By interest/profit rate sensitivity:</b>		
Fixed rate	499,645	444,934
Variable rate - Cost plus	653,792	480,290
	<u>1,153,437</u>	<u>925,224</u>
<b>(e) By economic purpose:</b>		
Construction	107,683	111,564
Purchase of fixed assets other than land and building	138,066	122,974
Purchase of non-residential property	1,203	1,575
Working capital	906,485	691,111
	<u>1,153,437</u>	<u>927,224</u>
<b>(f) By economic sector:</b>		
Manufacturing	377,154	299,135
Wholesale and retail trade, and restaurants and hotels	155,674	161,233
Transport, storage and communication	14,344	11,594
Finance, insurance, real estate and business activities	508,101	381,173
Others	98,164	74,089
	<u>1,153,437</u>	<u>927,224</u>
<b>(g) By residual contractual maturity:</b>		
Maturity within		
- one year	664,528	474,179
- one to five years	408,717	387,320
- after five years	80,192	65,725
	<u>1,153,437</u>	<u>927,224</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2015**

**12 LOANS, ADVANCES AND FINANCING (CONTINUED)**

	<b>30-Jun 2015 RM'000</b>	<b>31-Mar 2015 RM'000</b>
(h) Movements in collective impairment allowance for loans, advances and financing:		
Collective impairment allowance:		
At 1 April	8,786	5,601
Allowance made during the period	296	3,185
At end of the reporting period / year	9,082	8,786
As percentage of total loan	0.79%	0.95%

The Bank has no impaired loans, advances and financing and no individual impairment allowance was deemed required as at 30 June 2015.

**13 DEPOSITS FROM CUSTOMERS**

	<b>30-Jun 2015 RM'000</b>	<b>31-Mar 2015 RM'000</b>
(a) By type of deposit:		
- Demand deposits	504,440	405,582
- Fixed deposits	275,702	197,079
- Short-term deposits	531,360	537,083
	1,311,502	1,139,744
(b) By type of customer:		
- Domestic non-bank financial institutions	131,175	109,368
- Domestic business enterprises	1,147,376	1,006,769
- Foreign business enterprises	32,951	23,607
	1,311,502	1,139,744
(c) Maturity structure:		
- On demand	504,440	405,582
- Due within six months	761,935	670,034
- Due within six months to one year	45,127	64,128
	1,311,502	1,139,744

**14 DEPOSITS AND PLACEMENTS FROM FINANCIAL INSTITUTIONS**

	<b>30-Jun 2015 RM'000</b>	<b>31-Mar 2015 RM'000</b>
Licensed banks	942,572	764,630

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2015**

**15 INTEREST INCOME**

	1st Quarter ended		Three months ended	
	30-Jun 2015	30-Jun 2014	30-Jun 2015	30-Jun 2014
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	5,422	2,768	5,422	2,768
Money at call and deposits and placements with financial institutions	12,598	9,331	12,598	9,331
Net gain from interest rate swap and cross-currency interest rate swap	264	913	264	913
Financial investments available-for-sale	1,331	1,058	1,331	1,058
	<u>19,615</u>	<u>14,070</u>	<u>19,615</u>	<u>14,070</u>

**16 INTEREST EXPENSE**

	1st Quarter ended		Three months ended	
	30-Jun 2015	30-Jun 2014	30-Jun 2015	30-Jun 2014
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	1,417	173	1,417	173
Deposits from customers	6,811	5,353	6,811	5,353
	<u>8,228</u>	<u>5,526</u>	<u>8,228</u>	<u>5,526</u>

**17 OTHER OPERATING INCOME**

	1st Quarter ended		Three months ended	
	30-Jun 2015	30-Jun 2014	30-Jun 2015	30-Jun 2014
	RM'000	RM'000	RM'000	RM'000
Fee income	1,088	867	1,088	867
Net unrealised gain on revaluation of derivatives	(940)	(1,012)	(940)	(1,012)
Realised foreign exchange gain	4,722	2,207	4,722	2,207
Unrealised foreign exchange gain	1,694	1,154	1,694	1,154
	<u>6,564</u>	<u>3,216</u>	<u>6,564</u>	<u>3,216</u>

**MIZUHO BANK (MALAYSIA) BERHAD (923693-H)**  
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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2015**

**18 OTHER OPERATING EXPENSES**

	1st Quarter ended		Three months ended	
	30-Jun 2015 RM'000	30-Jun 2014 RM'000	30-Jun 2015 RM'000	30-Jun 2014 RM'000
Personnel costs:				
Salaries, allowances and bonuses	4,494	3,253	4,494	3,253
Contribution to Employees Provident Fund	491	292	491	292
Other staff related costs	1,447	951	1,447	951
Establishment costs:				
Repair and maintenance	444	317	444	317
Depreciation of property and equipment	669	591	669	591
Amortisation of intangible asset	213	137	213	137
Rental of premises	499	493	499	493
Information technology expenses	328	163	328	163
Others	278	258	278	258
Marketing expenses:				
Others	152	72	152	72
Administration and general expenses:				
Communication expenses	195	271	195	271
Legal and professional fees	390	309	390	309
Others	739	584	739	584
	<u>10,339</u>	<u>7,691</u>	<u>10,339</u>	<u>7,691</u>

**19 ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING**

	1st Quarter ended		Three months ended	
	30-Jun 2015 RM'000	30-Jun 2014 RM'000	30-Jun 2015 RM'000	30-Jun 2014 RM'000
Collective impairment allowance				
- made during the year	<u>297</u>	<u>850</u>	<u>297</u>	<u>850</u>

**MIZUHO BANK (MALAYSIA) BERHAD (923693-H)**  
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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
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**20 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 30 June 2015</b>			
Direct credit substitutions	8,362	8,362	8,362
Transaction related contingent items	136,570	68,285	45,868
Short-term self-liquidating trade related contingencies	622	124	124
Foreign exchange related contracts			
- One year or less	1,589,851	36,067	18,985
Interest related contracts			
- One year or less	192,425	12,861	7,013
- Over one year to five years	2,971,440	537,030	341,183
- Over five years	612,006	140,723	91,742
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	52,934	26,467	26,467
Any commitments that are unconditionally cancelled at any time without prior notice	777,591	-	-
<b>Total</b>	<b>6,341,801</b>	<b>829,919</b>	<b>539,744</b>
<b>As at 31 March 2015</b>			
Direct credit substitutions	5,179	5,179	5,179
Transaction related contingent items	133,047	66,524	44,520
Short-term self-liquidating trade related contingencies	255	51	51
Foreign exchange related contracts			
- One year or less	1,094,934	33,660	18,206
Interest related contracts			
- One year or less	243,107	15,072	8,710
- Over one year to five years	2,944,284	503,708	324,855
- Over five years	641,593	143,672	94,985
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	91,086	45,543	45,543
Any commitments that are unconditionally cancelled at any time without prior notice	684,962	-	-
<b>Total</b>	<b>5,838,447</b>	<b>813,409</b>	<b>542,049</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.

**MIZUHO BANK (MALAYSIA) BERHAD (923693-H)**  
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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
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**21 CAPITAL ADEQUACY**

The capital ratios are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework (Basel II - Risk Weighted Assets) (collectively, the "Framework") issued on 28 November 2012. 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 and Tier 1 capital ratio are 4.0% and 5.5% respectively for year 2014. 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>30-Jun 2015</b>	<b>31-Mar 2015</b>
<u>Capital ratios:</u>		
CET1 Capital Ratio / Total Tier 1 Capital Ratio	35.159%	38.494%
Total Capital Ratio	<u>35.602%</u>	<u>38.964%</u>

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

	<b>30-Jun 2015 RM'000</b>	<b>31-Mar 2015 RM'000</b>
<b>CET 1 Capital</b>		
Paid-up share capital	700,000	700,000
Retained profits	8,915	8,915
Other reserves (net of regulatory adjustments)	11,484	11,500
Total CET1 Capital, representing total Tier 1 Capital	<u>720,399</u>	<u>720,415</u>
<b>Tier 2 Capital</b>		
Collective impairment allowance	9,082	8,786
Total Capital	<u>729,481</u>	<u>729,201</u>

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

	<b>30-Jun 2015 RM'000</b>	<b>31-Mar 2015 RM'000</b>
Total RWA for Credit risk	1,865,716	1,695,779
Total RWA for Market risk	83,361	83,264
Total RWA for Operational risk	99,891	92,443
Total RWA	<u>2,048,968</u>	<u>1,871,486</u>

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(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
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**21 CAPITAL ADEQUACY**

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 Require- ments at 8% RM'000
<b>As at 30 June 2015</b>				
<b>Credit risk</b>				
<u>On-balance sheet exposures:</u>				
Sovereigns/central banks	1,167,387	1,167,387	-	-
Banks, development financial Institutions and Multilateral Development Banks (MDBs)	919,989	642,677	128,536	10,283
Corporates	1,153,437	1,153,437	1,153,437	92,275
Other assets	44,023	44,023	43,999	3,520
Total on-balance sheet exposures	<u>3,284,836</u>	<u>3,007,524</u>	<u>1,325,972</u>	<u>106,078</u>
<u>Off-balance sheet exposures:</u>				
Over-the-counter (OTC) derivatives	726,681	726,681	458,923	36,714
Off-balance sheet exposures other than OTC derivatives or credit derivatives	103,238	103,238	80,821	6,465
Total off-balance sheet exposures	<u>829,919</u>	<u>829,919</u>	<u>539,744</u>	<u>43,179</u>
Total on and off-balance sheet exposures	<u>4,114,755</u>	<u>3,837,443</u>	<u>1,865,716</u>	<u>149,257</u>
<b>Market risk</b>	<b>Long Position RM'000</b>	<b>Short Position RM'000</b>		
Interest rate risk	3,836,027	3,819,603	72,127	5,770
Foreign currency risk	11,234	727	11,234	899
<b>Operational risk</b>			99,891	7,991
Total RWA and capital requirements			<u>2,048,968</u>	<u>163,917</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS  
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**21 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 Require- ments at 8% RM'000
<b>As at 31 March 2015</b>				
<b>Credit risk</b>				
<u>On-balance sheet exposures:</u>				
Sovereigns/central banks	773,224	773,224	-	-
Banks, development financial Institutions and Multilateral Development Banks (MDBs)	1,144,983	907,210	181,442	14,515
Corporates	927,224	927,224	927,224	74,178
Other assets	45,096	45,096	45,064	3,605
Total on-balance sheet exposures	<u>2,890,527</u>	<u>2,652,754</u>	<u>1,153,730</u>	<u>92,298</u>
<u>Off-balance sheet exposures:</u>				
Over-the-counter (OTC) derivatives	696,112	696,112	446,756	35,740
Off-balance sheet exposures other than OTC derivatives or credit derivatives	117,297	117,297	95,293	7,624
Total off-balance sheet exposures	<u>813,409</u>	<u>813,409</u>	<u>542,049</u>	<u>43,364</u>
Total on and off-balance sheet exposures	<u>3,703,936</u>	<u>3,466,163</u>	<u>1,695,779</u>	<u>135,662</u>
<b>Market risk</b>				
	<b>Long Position RM'000</b>	<b>Short Position RM'000</b>		
Interest rate risk	3,873,219	3,855,585	74,478	5,958
Foreign currency risk	8,902	1,126	8,786	703
<b>Operational risk</b>			92,443	7,395
Total RWA and capital requirements			<u>1,871,486</u>	<u>149,718</u>



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**21 CAPITAL ADEQUACY (CONTINUED)**

The breakdown of credit risk exposures by risk weights for the respective balance sheet dates are as follows:

**< ---- Exposures after Netting and Credit Risk Mitigation ---- >**

Risk weights	Sovereigns/ central banks RM'000	Banks, Development Financial Institutions & MDBs RM'000	Corporates RM'000	Other Assets RM'000	Total Exposures after Netting and Credit Risk Mitigation RM'000	Total Risk- Weighted Assets RM'000
<b>As at 30 June 2015</b>						
0%	1,167,387	-	-	24	1,167,411	-
20%	-	664,029	-	-	664,029	132,806
50%	-	546,186	-	-	546,186	273,093
100%	-	-	1,415,818	43,999	1,459,817	1,459,817
	<u>1,167,387</u>	<u>1,210,215</u>	<u>1,415,818</u>	<u>44,023</u>	<u>3,837,443</u>	<u>1,865,716</u>
<b>As at 31 March 2015</b>						
0%	773,224	-	-	32	773,256	-
20%	-	926,528	-	-	926,528	185,306
50%	-	511,812	-	-	511,812	255,906
100%	-	-	1,209,503	45,064	1,254,567	1,254,567
	<u>773,224</u>	<u>1,438,340</u>	<u>1,209,503</u>	<u>45,096</u>	<u>3,466,163</u>	<u>1,695,779</u>