

Company No.

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

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

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

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

	Note	30-Sep 2015 RM'000	31-Mar 2015 RM'000
ASSETS			
Cash and short-term funds		2,263,939	1,536,067
Deposits and placements with financial institutions		175,000	232,000
Financial investments available-for-sale	11	158,572	148,057
Loans, advances and financing	12	1,419,762	918,438
Derivative financial assets		658,091	260,942
Other assets		4,356	5,523
Property and equipment		12,142	9,287
Intangible assets		4,004	3,666
TOTAL ASSETS		4,695,866	3,113,980
LIABILITIES AND EQUITY			
Deposits from customers	13	1,529,851	1,139,744
Deposits and placements from financial institutions	14	1,184,487	764,630
Derivative financial liabilities		635,236	242,599
Other liabilities		618,879	245,036
Deferred tax liabilities		1,719	1,541
TOTAL LIABILITIES		3,970,172	2,393,550
Share capital		700,000	700,000
Retained profits		14,294	8,915
Other reserves		11,400	11,515
TOTAL EQUITY		725,694	720,430
TOTAL LIABILITIES AND EQUITY		4,695,866	3,113,980
COMMITMENTS AND CONTINGENCIES	20	7,195,898	5,838,357

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 STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2015

		2nd Quarter ended		Six months ended	
		30 Sept	30 Sept	30 Sept	30 Sept
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
Interest income	15	22,739	14,575	42,354	28,645
Interest expense	16	(10,320)	(4,985)	(18,548)	(10,511)
Net interest income		<u>12,419</u>	<u>9,590</u>	<u>23,806</u>	<u>18,134</u>
Other operating income	17	<u>10,620</u>	<u>5,949</u>	<u>17,184</u>	<u>9,165</u>
Net operating income		23,039	15,539	40,990	27,299
Other operating expenses	18	<u>(12,288)</u>	<u>(8,606)</u>	<u>(22,627)</u>	<u>(16,297)</u>
Operating profit		10,751	6,933	18,363	11,002
Allowance for impairment on loans, advances and financing	19	<u>(10,221)</u>	<u>123</u>	<u>(10,518)</u>	<u>(727)</u>
Profit before taxation		530	7,056	7,845	10,275
Taxation		<u>(1,265)</u>	<u>91</u>	<u>(2,465)</u>	<u>(1,002)</u>
(Loss)/Profit for the financial period		<u>(735)</u>	<u>7,147</u>	<u>5,380</u>	<u>9,273</u>
Other comprehensive income:					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Unrealised loss on financial investments		(40)	(40)	(153)	(61)
Income tax effect		<u>10</u>	<u>10</u>	<u>37</u>	<u>15</u>
Other comprehensive income for the period		(30)	(30)	(116)	(46)
Total comprehensive income for the financial period		<u>(765)</u>	<u>7,117</u>	<u>5,264</u>	<u>9,227</u>
Profit attributable to: Owner of the Bank		<u>(735)</u>	<u>7,147</u>	<u>5,380</u>	<u>9,273</u>
Total comprehensive income attributable to: Owner of the Bank		<u>(765)</u>	<u>7,117</u>	<u>5,264</u>	<u>9,227</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)
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 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
2015					
At 1 April 2015	700,000	11,484	31	8,915	720,430
Profit for the period	-	-	-	5,380	5,380
Other comprehensive income	-	-	(116)	-	(116)
At 30 Sept 2015	<u>700,000</u>	<u>11,484</u>	<u>(85)</u>	<u>14,295</u>	<u>725,694</u>
2015					
At 1 April 2014	700,000	2,778	(32)	4,738	707,484
Profit for the financial year	-	-	-	9,273	9,273
Other comprehensive loss	-	-	(46)	-	(46)
Transfer to statutory reserve	-	2,265	-	(2,265)	-
At 30 September 2014	<u>700,000</u>	<u>5,043</u>	<u>(78)</u>	<u>11,746</u>	<u>716,711</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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UNAUDITED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	30 Sept 2015 RM'000	30 Sept 2014 RM'000
Cash flows from operating activities		
Profit before taxation	7,845	10,275
Adjustments for non-operating and non-cash items	849	(1,911)
Operating profit before working capital changes	8,694	8,364
Changes in working capital:		
Net changes in operating assets	(534,406)	(281,653)
Net changes in operating liabilities	1,183,806	71,332
Taxation paid	(2,250)	(1,176)
Net cash generated from / (used in) operating activities	655,844	(203,133)
Net cash used in investing activities	(4,972)	(953)
Net increase / (decrease) in cash and cash equivalents	650,872	(204,086)
Cash and cash equivalents at beginning of financial year	1,768,067	1,400,637
Cash and cash equivalents at end of financial period	2,418,939	1,196,551
Analysis of cash and cash equivalents		
Cash and short-term funds	2,263,939	994,551
Deposits and placements with financial institutions	175,000	227,000
Less: Deposits and placements with financial institutions with contractual maturity more than 3 months	(20,000)	(25,000)
	2,418,939	1,196,551

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 QUARTER ENDED 30 SEPTEMBER 2015

1 BASIS OF PREPARATION

The unaudited interim financial statements for the quarter ended 30 September 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 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>
Amendments to MFRS 11	<i>Accounting for Acquisitions of Interest in Joint Operations</i>
Amendments to MFRS 101	<i>Disclosure Initiative</i>
Amendments to MFRS 116, and MFRS 138	<i>Property, Plant and Equipment and Intangible Assets- Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to MFRS 119	<i>Employee Benefits - Defined Benefits Plans: Employee Contributions (Annual Improvements 2012 - 2014 Cycle)</i>
Amendments to MFRS 127	<i>Equity Method in Separate Financial Statements</i>
Amendments to MFRS 134	<i>Interim Financial Reporting (Annual Improvements 2012 - 2014 Cycle)</i>
MFRS 14	<i>Regulatory Deferral Accounts</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 QUARTER ENDED 30 SEPTEMBER 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 September 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 September 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 September 2015.

7 DIVIDEND PAID

No dividend was declared or paid during the financial quarter ended 30 September 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 September 2015 of RM7.8 million compared to RM10.3 million profit before taxation in the previous corresponding period. Operating profit increased by RM7.4 million (66.9%) from RM11.0 million to RM18.4 million primarily on higher interest income of RM13.7 million against interest income of RM28.6 million in the previous corresponding period. Operating expenses increased by RM6.3 million (38.8%) from RM16.3 million to RM22.6 million as the Bank continues to invest and support growth while ensuring compliance with regulatory requirements. Total assets registered an increase of RM1,581.9 million or 50.8% from RM3.1 billion to RM4.7 billion at 30 September 2015. The Bank's total common equity tier 1 ratio and total capital ratio remained strong at 26.664% and 27.379% respectively.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 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

	30-Sep 2015 RM'000	31-Mar 2015 RM'000
At fair value:		
Malaysian Government Treasury Bills	158,572	148,057
	<u>158,572</u>	<u>148,057</u>

12 LOANS, ADVANCES AND FINANCING

	30-Sep 2015 RM'000	31-Mar 2015 RM'000
(a) By type:		
At amortised cost:		
Term loans	589,298	388,968
Revolving credits	849,648	538,256
Overdraft	120	-
Gross loans, advances and financing	<u>1,439,066</u>	<u>927,224</u>
Less: Impairment allowance		
- Collective impairment allowance	(19,304)	(8,786)
Net loans, advances and financing	<u>1,419,762</u>	<u>918,438</u>
(b) By geographical distribution:		
In Malaysia	1,324,460	853,135
Outside Malaysia	114,606	74,089
	<u>1,439,066</u>	<u>927,224</u>

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2015

12 LOANS, ADVANCES AND FINANCING (CONTINUED)

	30-Sep 2015 RM'000	31-Mar 2015 RM'000
(c) By type of customer:		
Domestic business enterprise	995,573	608,869
Domestic non-bank financial institutions	218,631	244,266
Foreign business entity	224,862	74,089
	<u>1,439,066</u>	<u>927,224</u>
(d) By interest/profit rate sensitivity:		
Fixed rate	757,868	444,934
Variable rate - Cost plus	681,198	480,290
	<u>1,439,066</u>	<u>925,224</u>
(e) By economic purpose:		
Construction	118,781	111,564
Purchase of fixed assets other than land and building	195,278	122,974
Purchase of non-residential property	937	1,575
Working capital	1,124,070	691,111
	<u>1,439,066</u>	<u>927,224</u>
(f) By economic sector:		
Manufacturing	595,591	299,135
Wholesale and retail trade, and restaurants and hotels	226,270	161,233
Transport, storage and communication	11,960	11,594
Finance, insurance, real estate and business activities	490,338	381,173
Others	114,907	74,089
	<u>1,439,066</u>	<u>927,224</u>
(g) By residual contractual maturity:		
Maturity within		
- one year	754,242	474,179
- one to five years	576,647	387,320
- after five years	108,177	65,725
	<u>1,439,066</u>	<u>927,224</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
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12 LOANS, ADVANCES AND FINANCING (CONTINUED)

	30-Sep 2015 RM'000	31-Mar 2015 RM'000
(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	10,518	3,185
At end of the reporting period / year	19,304	8,786
As percentage of total loan	1.34%	0.95%

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

13 DEPOSITS FROM CUSTOMERS

	30-Sep 2015 RM'000	31-Mar 2015 RM'000
(a) By type of deposit:		
- Demand deposits	486,284	405,582
- Fixed deposits	456,110	197,079
- Short-term deposits	587,457	537,083
	1,529,851	1,139,744
(b) By type of customer:		
- Domestic non-bank financial institutions	212,949	109,368
- Domestic business enterprises	1,293,203	1,006,769
- Foreign business enterprises	23,699	23,607
	1,529,851	1,139,744
(c) Maturity structure:		
- On demand	486,284	405,582
- Due within six months	975,367	670,034
- Due within six months to one year	68,200	64,128
	1,529,851	1,139,744

14 DEPOSITS AND PLACEMENTS FROM FINANCIAL INSTITUTIONS

	30-Sep 2015 RM'000	31-Mar 2015 RM'000
Licensed banks	1,184,487	764,630

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

15 INTEREST INCOME

	2nd Quarter ended		Six months ended	
	30-Sep 2015	30-Sep 2014	30-Sep 2015	30-Sep 2014
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	6,072	3,591	11,494	6,359
Money at call and deposits and placements with financial institutions	16,273	8,448	28,871	17,779
Net (loss) / gain from interest rate swap and cross-currency interest rate swap	(935)	1,359	(671)	2,272
Financial investments available-for-sale	1,329	1,177	2,660	2,235
	<u>22,739</u>	<u>14,575</u>	<u>42,354</u>	<u>28,645</u>

16 INTEREST EXPENSE

	2nd Quarter ended		Six months ended	
	30-Sep 2015	30-Sep 2014	30-Sep 2015	30-Sep 2014
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	1,944	282	3,361	455
Deposits from customers	8,376	4,703	15,187	10,056
	<u>10,320</u>	<u>4,985</u>	<u>18,548</u>	<u>10,511</u>

17 OTHER OPERATING INCOME

	2nd Quarter ended		Six months ended	
	30-Sep 2015	30-Sep 2014	30-Sep 2015	30-Sep 2014
	RM'000	RM'000	RM'000	RM'000
Fee income	1,971	1,288	3,059	2,155
Net unrealised gain on revaluation of derivatives	5,453	1,492	4,513	480
Realised foreign exchange gain	3,699	1,923	8,421	4,130
Unrealised foreign exchange (loss) / gain	(505)	1,246	1,189	2,400
Other income	2	-	2	-
	<u>10,620</u>	<u>5,949</u>	<u>17,184</u>	<u>9,165</u>

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

18 OTHER OPERATING EXPENSES

	2nd Quarter ended		Six months ended	
	30-Sep 2015 RM'000	30-Sep 2014 RM'000	30-Sep 2015 RM'000	30-Sep 2014 RM'000
Personnel costs:				
Salaries, allowances and bonuses	5,194	3,229	9,688	6,482
Contribution to Employees Provident Fund	685	364	1,176	656
Other staff related costs	1,544	1,236	2,991	2,187
Establishment costs:				
Repair and maintenance	774	356	1,218	673
Depreciation of property and equipment	684	595	1,353	1,186
Amortisation of intangible asset	214	152	427	289
Rental of premises	445	493	944	986
Information technology expenses	548	281	876	444
Others	280	311	558	569
Marketing expenses:				
Others	274	174	426	246
Administration and general expenses:				
Communication expenses	179	192	374	463
Legal and professional fees	323	598	713	907
Others	1,144	625	1,883	1,209
	<u>12,288</u>	<u>8,606</u>	<u>22,627</u>	<u>16,297</u>

19 ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	2nd Quarter ended		Six months ended	
	30-Sep 2015 RM'000	30-Sep 2014 RM'000	30-Sep 2015 RM'000	30-Sep 2014 RM'000
Collective impairment allowance				
- made / (reversed) during the year	<u>10,221</u>	<u>(124)</u>	<u>10,518</u>	<u>726</u>

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

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:

	Principal amount RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
As at 30 September 2015			
Direct credit substitutions	6,565	6,565	6,565
Transaction related contingent items	125,722	62,861	43,622
Short-term self-liquidating trade related contingencies	1,927	385	385
Foreign exchange related contracts			
- One year or less	1,793,698	69,166	27,117
Interest related contracts			
- One year or less	209,289	33,762	17,849
- Over one year to five years	3,462,351	908,922	534,369
- Over five years	497,683	132,791	89,280
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	61,704	30,852	30,852
Any commitments that are unconditionally cancelled at any time without prior notice	1,036,959	-	-
Total	7,195,898	1,245,304	750,039
As at 31 March 2015			
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	641,503	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	-	-
Total	5,838,357	813,409	542,049

* 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 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 2015. 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 2015	31-Mar 2015
<u>Capital ratios:</u>		
CET1 Capital Ratio / Total Tier 1 Capital Ratio	26.664%	38.494%
Total Capital Ratio	<u>27.379%</u>	<u>38.964%</u>

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

	30-Sep 2015 RM'000	31-Mar 2015 RM'000
CET 1 Capital		
Paid-up share capital	700,000	700,000
Retained profits	8,915	8,915
Other reserves (net of regulatory adjustments)	11,399	11,500
Total CET1 Capital, representing total Tier 1 Capital	<u>720,314</u>	<u>720,415</u>
Tier 2 Capital		
Collective impairment allowance	19,304	8,786
Total Capital	<u>739,618</u>	<u>729,201</u>

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

	30-Sep 2015 RM'000	31-Mar 2015 RM'000
Total RWA for Credit risk	2,416,160	1,695,779
Total RWA for Market risk	176,665	83,264
Total RWA for Operational risk	108,606	92,443
Total RWA	<u>2,701,431</u>	<u>1,871,486</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
As at 30 September 2015				
Credit risk				
<u>On-balance sheet exposures:</u>				
Sovereigns/central banks	1,280,492	1,280,492	-	-
Banks, development financial Institutions and Multilateral Development Banks (MDBs)	1,318,056	707,285	141,457	11,317
Corporates	1,439,068	1,439,068	1,439,068	115,125
Other assets	85,616	85,616	85,596	6,848
Total on-balance sheet exposures	<u>4,123,232</u>	<u>3,512,461</u>	<u>1,666,121</u>	<u>133,290</u>
<u>Off-balance sheet exposures:</u>				
Over-the-counter (OTC) derivatives	1,144,641	1,144,641	668,615	53,489
Off-balance sheet exposures other than OTC derivatives or credit derivatives	100,663	100,663	81,424	6,514
Total off-balance sheet exposures	<u>1,245,304</u>	<u>1,245,304</u>	<u>750,039</u>	<u>60,003</u>
Total on and off-balance sheet exposures	<u>5,368,536</u>	<u>4,757,765</u>	<u>2,416,160</u>	<u>193,293</u>
Market risk				
	Long Position RM'000	Short Position RM'000		
Interest rate risk	4,762,651	4,742,971	94,179	7,534
Foreign currency risk	82,486	-	82,486	6,599
Operational risk			108,606	8,688
Total RWA and capital requirements			<u>2,701,431</u>	<u>216,114</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
As at 31 March 2015				
Credit risk				
<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>
Market risk				
	Long Position RM'000	Short Position RM'000		
Interest rate risk	3,873,219	3,855,585	74,478	5,958
Foreign currency risk	8,902	1,126	8,786	703
Operational risk			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
As at 30 September 2015						
0%	1,280,492	-	-	20	1,280,512	-
20%	-	759,846	-	-	759,846	151,969
50%	-	906,433	-	-	906,433	453,217
100%	-	-	1,725,378	85,596	1,810,974	1,810,974
	<u>1,280,492</u>	<u>1,666,279</u>	<u>1,725,378</u>	<u>85,616</u>	<u>4,757,765</u>	<u>2,416,160</u>
As at 31 March 2015						
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>