

Company No.

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2015**

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

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	31 Dec 2015 RM'000	31 Mar 2015 RM'000
ASSETS			
Cash and short-term funds		2,621,330	1,536,067
Deposits and placements with financial institutions		202,913	232,000
Financial investments available-for-sale	11	160,106	148,057
Loans, advances and financing	12	2,222,401	918,438
Derivative financial assets		554,904	260,942
Other assets		6,411	5,523
Property and equipment		9,693	9,287
Intangible assets		8,257	3,666
TOTAL ASSETS		5,786,015	3,113,980
LIABILITIES AND EQUITY			
Deposits from customers	13	2,462,518	1,139,744
Deposits and placements from financial institutions	14	1,479,790	764,630
Derivative financial liabilities		530,418	242,599
Other liabilities		578,057	245,036
Deferred tax liabilities		1,692	1,541
TOTAL LIABILITIES		5,052,475	2,393,550
Share capital		700,000	700,000
Retained profits		15,684	8,915
Other reserves		17,856	11,515
TOTAL EQUITY		733,540	720,430
TOTAL LIABILITIES AND EQUITY		5,786,015	3,113,980
COMMITMENTS AND CONTINGENCIES	20	7,663,524	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 31 DECEMBER 2015

	Note	3rd Quarter ended		Nine months ended	
		31 Dec 2015 RM'000	31 Dec 2014 RM'000	31 Dec 2015 RM'000	31 Dec 2014 RM'000
Interest income	15	24,204	17,499	66,558	46,144
Interest expense	16	(13,302)	(6,522)	(31,850)	(17,033)
Net interest income		<u>10,902</u>	<u>10,977</u>	<u>34,708</u>	<u>29,111</u>
Other operating income	17	<u>13,166</u>	<u>6,850</u>	<u>30,350</u>	<u>16,015</u>
Net operating income		<u>24,068</u>	<u>17,827</u>	<u>65,058</u>	<u>45,126</u>
Other operating expenses	18	<u>(13,620)</u>	<u>(9,194)</u>	<u>(36,247)</u>	<u>(25,491)</u>
Operating profit		<u>10,448</u>	<u>8,633</u>	<u>28,811</u>	<u>19,635</u>
Allowance for impairment on loans, advances and financing	19	<u>(1,356)</u>	<u>(1,724)</u>	<u>(11,874)</u>	<u>(2,451)</u>
Profit before taxation		<u>9,092</u>	<u>6,909</u>	<u>16,937</u>	<u>17,184</u>
Taxation		<u>(1,446)</u>	<u>(1,040)</u>	<u>(3,911)</u>	<u>(2,042)</u>
Profit for the financial period		<u><u>7,646</u></u>	<u><u>5,869</u></u>	<u><u>13,026</u></u>	<u><u>15,142</u></u>
Other comprehensive income:					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Unrealised gain/(loss) on financial investments		264	7	111	(55)
Income tax effect		<u>(64)</u>	<u>(2)</u>	<u>(27)</u>	<u>14</u>
Other comprehensive income/(loss) for the period		200	5	84	(41)
Total comprehensive income for the financial period		<u><u>7,846</u></u>	<u><u>5,874</u></u>	<u><u>13,110</u></u>	<u><u>15,101</u></u>
Profit attributable to: Owner of the Bank		<u><u>7,646</u></u>	<u><u>5,869</u></u>	<u><u>13,026</u></u>	<u><u>15,142</u></u>
Total comprehensive income attributable to: Owner of the Bank		<u><u>7,846</u></u>	<u><u>5,874</u></u>	<u><u>13,110</u></u>	<u><u>15,101</u></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 CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2015**

	← Non-distributable			→ Distributable		Total RM'000
	Share capital RM'000	Statutory reserve RM'000	Regulatory reserve RM'000	Available for-sale reserve RM'000	Retained profits RM'000	
2015						
At 1 April 2015	700,000	11,484	-	31	8,915	720,430
Profit for the period	-	-	-	-	13,026	13,026
Other comprehensive income	-	-	-	84	-	84
Transfer to regulatory reserve	-	-	6,257	-	(6,257)	-
At 31 December 2015	<u>700,000</u>	<u>11,484</u>	<u>6,257</u>	<u>115</u>	<u>15,684</u>	<u>733,540</u>
2015						
At 1 April 2014	700,000	2,778	-	(32)	4,738	707,484
Profit for the financial year	-	-	-	-	15,142	15,142
Other comprehensive loss	-	-	-	(41)	-	(41)
Transfer to statutory reserve	-	2,265	-	-	(2,265)	-
At 31 December 2014	<u>700,000</u>	<u>5,043</u>	<u>-</u>	<u>(73)</u>	<u>17,615</u>	<u>722,585</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 31 DECEMBER 2015

	31 Dec 2015 RM'000	31 Dec 2014 RM'000
Cash flows from operating activities		
Profit before taxation	16,937	17,184
Adjustments for non-operating and non-cash items	(895)	(2,215)
Operating profit before working capital changes	16,042	14,969
Changes in working capital:		
Increase in operating assets	(1,373,923)	(467,635)
Increase in operating liabilities	2,370,952	735,776
Taxation paid	(3,787)	(2,299)
Net cash generated from operating activities	1,009,284	280,811
Net cash used in investing activities	(8,108)	(3,303)
Net increase in cash and cash equivalents	1,001,176	277,508
Cash and cash equivalents at beginning of financial year	1,768,067	1,400,637
Cash and cash equivalents at end of financial period	2,769,243	1,678,145
Analysis of cash and cash equivalents		
Cash and short-term funds	2,621,330	1,499,145
Deposits and placements with financial institutions	202,913	204,000
Less: Deposits and placements with financial institutions with contractual maturity more than 3 months	(55,000)	(25,000)
	2,769,243	1,678,145

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 31 DECEMBER 2015

1 BASIS OF PREPARATION

The unaudited interim financial statements for the quarter ended 31 December 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.

In compliance with the requirement of the revised Impairment Provisions Framework and Policy on Write-off and Rescheduled Loans/Financing, the Bank transferred RM 6.3million from retained earnings to regulatory reserve in the 3rd quarter 2015 to meet the minimum 1.20% Collective Impairment Provision and Regulatory Reserve requirement from Bank Negara Malaysia.

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 31 DECEMBER 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 31 December 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 31 December 2015.

6 CHANGES IN DEBT AND EQUITY SECURITIES

There were no issuance and repayment of debt and equity securities during the financial quarter ended 31 December 2015.

7 DIVIDEND PAID

No dividend was declared or paid during the financial quarter ended 31 December 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 slightly lower profit before taxation for the financial period ended 31 December 2015 of RM16.9 million compared to RM17.2 million profit before taxation in the previous corresponding period. Operating profit increased by RM9.2 million (46.7%) from RM19.6 million to RM28.8 million primarily on higher interest income of RM66.6 million against interest income of RM46.1 million in the previous corresponding period. Operating expenses increased by RM10.7 million (42.2%) from RM25.5 million to RM36.2 million as the Bank continues to invest and support growth while ensuring compliance with regulatory requirements. Total assets registered an increase of RM2,672 million or 85.8% from RM3.1 billion to RM5.8 billion at 31 December 2015. The Bank's total common equity tier 1 ratio and total capital ratio remained strong at 23.032% and 23.900% respectively.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 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

	31 Dec 2015 RM'000	31 Mar 2015 RM'000
At fair value:		
Malaysian Government Securities	105,387	-
Malaysian Government Treasury Bills	54,719	148,057
	160,106	148,057

12 LOANS, ADVANCES AND FINANCING

	31 Dec 2015 RM'000	31 Mar 2015 RM'000
(a) By type:		
At amortised cost:		
Term loans	1,243,991	388,968
Revolving credits	999,070	538,256
Gross loans, advances and financing	2,243,061	927,224
Less: Impairment allowance		
- Collective impairment allowance	(20,660)	(8,786)
Net loans, advances and financing	2,222,401	918,438
(b) By geographical distribution:		
In Malaysia	2,114,316	853,135
Outside Malaysia	128,745	74,089
	2,243,061	927,224

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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2015

12 LOANS, ADVANCES AND FINANCING (CONTINUED)

	31 Dec 2015 RM'000	31 Mar 2015 RM'000
(c) By type of customer:		
Domestic business enterprise	1,369,579	608,869
Domestic non-bank financial institutions	637,357	244,266
Foreign business entity	236,125	74,089
	<u>2,243,061</u>	<u>927,224</u>
(d) By interest/profit rate sensitivity:		
Fixed rate	908,759	444,934
Variable rate - Cost plus	1,334,302	480,290
	<u>2,243,061</u>	<u>925,224</u>
(e) By economic purpose:		
Construction	108,855	111,564
Purchase of fixed assets other than land and building	290,723	122,974
Purchase of non-residential property	456	1,575
Working capital	1,843,027	691,111
	<u>2,243,061</u>	<u>927,224</u>
(f) By economic sector:		
Manufacturing	829,643	299,135
Mining and quarrying	128,916	-
Wholesale and retail trade, and restaurants and hotels	218,125	161,233
Transport, storage and communication	10,591	11,594
Finance, insurance, real estate and business activities	905,605	381,173
Education, health and others	21,437	-
Others	128,744	74,089
	<u>2,243,061</u>	<u>927,224</u>
(g) By residual contractual maturity:		
Maturity within		
- one year	1,010,544	474,179
- one to five years	920,571	387,320
- over five years	311,946	65,725
	<u>2,243,061</u>	<u>927,224</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2015**

12 LOANS, ADVANCES AND FINANCING (CONTINUED)

	31 Dec 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	11,874	3,185
At end of the reporting period / year	20,660	8,786
As percentage of total loan	0.92%	0.95%

The Bank has no impaired loans, advances and financing and no individual impairment allowance was deemed required as at 31 December 2015.

13 DEPOSITS FROM CUSTOMERS

	31 Dec 2015 RM'000	31 Mar 2015 RM'000
(a) By type of deposit:		
- Demand deposits	514,009	405,582
- Fixed deposits	1,260,045	197,079
- Short-term deposits	688,464	537,083
	2,462,518	1,139,744
(b) By type of customer:		
- Domestic non-bank financial institutions	256,246	109,368
- Domestic business enterprises	1,557,408	1,006,769
- Foreign business enterprises	23,663	23,607
- Foreign banking institutions	625,201	-
	2,462,518	1,139,744
(c) Maturity structure:		
- On demand	514,009	405,582
- Due within six months	1,778,309	670,034
- Due within six months to one year	170,200	64,128
	2,462,518	1,139,744

14 DEPOSITS AND PLACEMENTS FROM FINANCIAL INSTITUTIONS

	31 Dec 2015 RM'000	31 Mar 2015 RM'000
Licensed banks	1,479,790	764,630

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2015**

15 INTEREST INCOME

	3rd Quarter ended		Nine months ended	
	31 Dec 2015 RM'000	31 Dec 2014 RM'000	31 Dec 2015 RM'000	31 Dec 2014 RM'000
Loans, advances and financing	7,569	4,791	19,063	11,150
Money at call and deposits and placements with financial institutions	18,958	10,574	47,829	28,353
Net (loss) / gain from interest rate swap and cross-currency interest rate swap	(3,538)	922	(4,209)	3,194
Financial investments available-for-sale	1,215	1,212	3,875	3,447
	<u>24,204</u>	<u>17,499</u>	<u>66,558</u>	<u>46,144</u>

16 INTEREST EXPENSE

	3rd Quarter ended		Nine months ended	
	31 Dec 2015 RM'000	31 Dec 2014 RM'000	31 Dec 2015 RM'000	31 Dec 2014 RM'000
Deposits and placements from financial institutions	2,360	796	5,721	1,251
Deposits from customers	10,942	5,726	26,129	15,782
	<u>13,302</u>	<u>6,522</u>	<u>31,850</u>	<u>17,033</u>

17 OTHER OPERATING INCOME

	3rd Quarter ended		Nine months ended	
	31 Dec 2015 RM'000	31 Dec 2014 RM'000	31 Dec 2015 RM'000	31 Dec 2014 RM'000
Fee income	3,241	1,179	6,300	3,334
Net unrealised gain on revaluation of derivatives	1,631	2,313	6,144	2,793
Realised foreign exchange gain	3,195	2,750	11,616	6,880
Unrealised foreign exchange gain	5,099	608	6,288	3,008
Other income	-	-	2	-
	<u>13,166</u>	<u>6,850</u>	<u>30,350</u>	<u>16,015</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
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18 OTHER OPERATING EXPENSES

	3rd Quarter ended		Nine months ended	
	31 Dec 2015 RM'000	31 Dec 2014 RM'000	31 Dec 2015 RM'000	31 Dec 2014 RM'000
Personnel costs:				
Salaries, allowances and bonuses	5,310	3,468	14,998	9,950
Contribution to Employees Provident Fund	588	317	1,764	973
Other staff related costs	1,599	1,301	4,590	3,488
Establishment costs:				
Repair and maintenance	673	440	1,891	1,113
Depreciation of property and equipment	850	585	2,203	1,771
Amortisation of intangible asset	483	171	910	460
Rental of premises	563	609	1,507	1,595
Information technology expenses	664	492	1,540	936
Others	351	273	909	842
Marketing expenses:				
Advertisement and publicity	85	70	85	70
Others	487	146	913	392
Administration and general expenses:				
Communication expenses	246	190	620	653
Legal and professional fees	613	338	1,327	1,245
Others	1,108	794	2,990	2,003
	<u>13,620</u>	<u>9,194</u>	<u>36,247</u>	<u>25,491</u>

19 ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	3rd Quarter ended		Nine months ended	
	31 Dec 2015 RM'000	31 Dec 2014 RM'000	31 Dec 2015 RM'000	31 Dec 2014 RM'000
Collective impairment allowance				
- made during the year	<u>1,356</u>	<u>1,724</u>	<u>11,874</u>	<u>2,451</u>

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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:

	Principal amount RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
As at 31 December 2015			
Direct credit substitutions	6,982	6,982	6,982
Transaction related contingent items	123,371	61,686	42,929
Short-term self-liquidating trade related contingencies	1,398	280	280
Foreign exchange related contracts			
- One year or less	1,194,489	21,901	13,388
Interest related contracts			
- One year or less	224,616	34,025	18,198
- Over one year to five years	4,372,129	942,211	577,257
- Over five years	461,313	118,820	81,980
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	42,913	21,457	21,457
Any commitments that are unconditionally cancelled at any time without prior notice	1,236,313	-	-
Total	7,663,524	1,207,362	762,471
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:

	31 Dec 2015	31 Mar 2015
<u>Capital ratios:</u>		
CET1 Capital Ratio / Total Tier 1 Capital Ratio	23.032%	38.494%
Total Capital Ratio	<u>23.900%</u>	<u>38.964%</u>

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

	31 Dec 2015 RM'000	31 Mar 2015 RM'000
CET 1 Capital		
Paid-up share capital	700,000	700,000
Retained profits	2,658	8,915
Other reserves	11,536	11,500
Total CET1 Capital, representing total Tier 1 Capital	<u>714,194</u>	<u>720,415</u>
Tier 2 Capital		
Collective impairment allowance and regulatory reserve	26,917	8,786
Total Capital	<u>741,111</u>	<u>729,201</u>

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

	31 Dec 2015 RM'000	31 Mar 2015 RM'000
Total RWA for Credit risk	2,869,601	1,695,779
Total RWA for Market risk	115,984	83,264
Total RWA for Operational risk	115,356	92,443
Total RWA	<u>3,100,941</u>	<u>1,871,486</u>

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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 December 2015				
Credit risk				
<u>On-balance sheet exposures:</u>				
Sovereigns/central banks	1,980,485	1,980,485	-	-
Banks, development financial Institutions and Multilateral Development Banks (MDBs)	1,007,515	438,918	87,784	7,023
Corporates	2,243,063	2,243,063	1,969,953	157,596
Other assets	49,425	49,425	49,392	3,951
Total on-balance sheet exposures	<u>5,280,488</u>	<u>4,711,891</u>	<u>2,107,129</u>	<u>168,570</u>
<u>Off-balance sheet exposures:</u>				
Over-the-counter (OTC) derivatives	1,116,958	1,116,958	690,823	55,266
Off-balance sheet exposures other than OTC derivatives or credit derivatives	90,404	90,404	71,649	5,732
Total off-balance sheet exposures	<u>1,207,362</u>	<u>1,207,362</u>	<u>762,472</u>	<u>60,998</u>
Total on and off-balance sheet exposures	<u>6,487,850</u>	<u>5,919,253</u>	<u>2,869,601</u>	<u>229,568</u>
Market risk				
	Long Position RM'000	Short Position RM'000		
Interest rate risk	5,513,031	5,489,286	64,629	5,170
Foreign currency risk	82,486	-	51,355	4,108
Operational risk			115,356	9,228
Total RWA and capital requirements			<u>3,100,941</u>	<u>248,074</u>

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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 31 December 2015						
0%	1,980,485	-	-	34	1,980,519	-
20%	-	449,559	-	-	449,559	89,912
50%	-	872,757	546,214	-	1,418,971	709,485
100%	-	-	2,020,813	49,391	2,070,204	2,070,204
	<u>1,980,485</u>	<u>1,322,316</u>	<u>2,567,027</u>	<u>49,425</u>	<u>5,919,253</u>	<u>2,869,601</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>