

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 2016**

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016**

	Note	30 June 2016 RM'000	31 Mar 2016 RM'000
<b>ASSETS</b>			
Cash and short-term funds		2,323,247	2,761,801
Deposits and placements with financial institutions		47,984	102,209
Financial investments available-for-sale	11	245,802	211,105
Loans, advances and financing	12	2,583,909	2,271,421
Derivative financial assets		465,918	430,134
Other assets		23,947	24,572
Property and equipment		8,494	9,178
Intangible assets		11,998	11,450
<b>TOTAL ASSETS</b>		<u>5,711,299</u>	<u>5,821,870</u>
<b>LIABILITIES AND EQUITY</b>			
Deposits from customers	13	1,673,355	1,637,598
Deposits and placements from financial institutions	14	2,510,127	2,717,126
Derivative financial liabilities		434,258	407,324
Other liabilities		355,919	325,830
Deferred tax liabilities		2,717	2,274
<b>TOTAL LIABILITIES</b>		<u>4,976,376</u>	<u>5,090,152</u>
Share capital		700,000	700,000
Retained profits		17,291	8,712
Other reserves		17,632	23,006
<b>TOTAL EQUITY</b>		<u>734,923</u>	<u>731,718</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>5,711,299</u>	<u>5,821,870</u>
<b>COMMITMENTS AND CONTINGENCIES</b>	20	<u>8,735,632</u>	<u>7,178,426</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 2016.*

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

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 30 JUNE 2016**

	Note	1st Quarter ended		Three months ended	
		30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
Interest income	15	26,518	19,615	26,518	19,615
Interest expense	16	(13,784)	(8,228)	(13,784)	(8,228)
Net interest income		<u>12,734</u>	<u>11,387</u>	<u>12,734</u>	<u>11,387</u>
Other operating income	17	<u>15,130</u>	<u>6,564</u>	<u>15,130</u>	<u>6,564</u>
Net operating income		<u>27,864</u>	<u>17,951</u>	<u>27,864</u>	<u>17,951</u>
Other operating expenses	18	<u>(13,808)</u>	<u>(10,339)</u>	<u>(13,808)</u>	<u>(10,339)</u>
Operating profit		<u>14,056</u>	<u>7,612</u>	<u>14,056</u>	<u>7,612</u>
Allowance for impairment on loans, advances and financing	19	<u>(9,076)</u>	<u>(297)</u>	<u>(9,076)</u>	<u>(297)</u>
Profit before taxation		<u>4,980</u>	<u>7,315</u>	<u>4,980</u>	<u>7,315</u>
Taxation		<u>(1,618)</u>	<u>(1,200)</u>	<u>(1,618)</u>	<u>(1,200)</u>
Profit for the financial period		<u><u>3,362</u></u>	<u><u>6,115</u></u>	<u><u>3,362</u></u>	<u><u>6,115</u></u>
<b>Other comprehensive income:</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Unrealised loss on financial investments		(207)	(113)	(207)	(113)
Income tax effect		<u>50</u>	<u>27</u>	<u>50</u>	<u>27</u>
<b>Other comprehensive loss for the period</b>		<u>(157)</u>	<u>(86)</u>	<u>(157)</u>	<u>(86)</u>
<b>Total comprehensive income for the financial period</b>		<u><u>3,205</u></u>	<u><u>6,029</u></u>	<u><u>3,205</u></u>	<u><u>6,029</u></u>
Profit attributable to: Owner of the Bank		<u><u>3,362</u></u>	<u><u>6,115</u></u>	<u><u>3,362</u></u>	<u><u>6,115</u></u>
Total comprehensive income attributable to: Owner of the Bank		<u><u>3,205</u></u>	<u><u>6,029</u></u>	<u><u>3,205</u></u>	<u><u>6,029</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 2016.*

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

**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 JUNE 2016**

	← 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	
<b>2016</b>						
<b>At 1 April 2016</b>	700,000	17,065	5,784	157	8,712	731,718
Profit for the period	-	-	-	-	3,362	3,362
Other comprehensive loss	-	-	-	(157)	-	(157)
Transfer to retained earnings	-	-	(5,217)	-	5,217	-
<b>At 30 June 2016</b>	<u>700,000</u>	<u>17,065</u>	<u>567</u>	<u>-</u>	<u>17,291</u>	<u>734,923</u>
<b>2015</b>						
<b>At 1 April 2015</b>	700,000	11,484	-	31	8,915	720,430
Profit for the financial period	-	-	-	-	6,115	6,115
Other comprehensive loss	-	-	-	(86)	-	(86)
<b>At 30 June 2015</b>	<u>700,000</u>	<u>11,484</u>	<u>-</u>	<u>(55)</u>	<u>15,030</u>	<u>726,459</u>

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**MIZUHO BANK (MALAYSIA) BERHAD (923693-H)**  
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**UNAUDITED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 30 JUNE 2016**

	<b>30 June 2016 RM'000</b>	<b>30 June 2015 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	4,980	7,315
Adjustments for non-operating and non-cash items	(911)	(907)
Operating profit before working capital changes	4,069	6,408
Changes in working capital:		
Increase in operating assets	(352,820)	(261,121)
(Decrease)/Increase in operating liabilities	(141,152)	388,447
Taxation paid	(1,125)	(1,125)
Net cash (used in)/generated from operating activities	(491,028)	132,609
Net cash used in investing activities	(1,374)	(330)
Net (decrease)/increase in cash and cash equivalents	(492,402)	132,279
Cash and cash equivalents at beginning of financial year	2,803,814	1,768,067
Cash and cash equivalents at end of financial period	2,311,412	1,900,346
<b>Analysis of cash and cash equivalents</b>		
Cash and short-term funds	2,323,247	1,829,346
Deposits and placements with financial institutions	47,984	89,000
Less: Deposits and placements with financial institutions with contractual maturity more than 3 months	(59,819)	(18,000)
	2,311,412	1,900,346

*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 2016.*

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

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 JUNE 2016**

**1 BASIS OF PREPARATION**

The unaudited interim financial statements for the quarter ended 30 June 2016 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 2016. 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 2016.

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 (Annual Improvements 2012 - 2014 Cycle)</i>
Amendments to MFRS 134	<i>Interim Financial Reporting (Annual Improvements 2012 - 2014 Cycle)</i>
Amendments to MFRS 116, and MFRS 138	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to MFRS 116 and MFRS 141	<i>Agriculture: Bearer Plants</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 127	<i>Equity Method in Separate Financial Statements</i>
MFRS 14	<i>Regulatory Deferral Accounts</i>
Amendments to MFRS 107	<i>Disclosure Initiatives</i>
Amendments to MFRS 112	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
MFRS 15	<i>Revenue from Contracts with Customers</i>
MFRS 9	<i>Financial Instruments</i>
MFRS 16	<i>Leases</i>

Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture which was earlier announced to be effective for the financial year ending 31 March 2017 has been deferred to a date to be determined by MASB.

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 JUNE 2016**

**2 AUDIT REPORT**

The audit report on the audited annual financial statements for the financial year ended 31 March 2016 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 2016.

**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 2016.

**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 2016.

**7 DIVIDEND PAID**

No dividend was declared or paid during the financial quarter ended 30 June 2016.

**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 lower profit before taxation for the financial period ended 30 June 2016 of RM5.0 million compared to RM7.3 million profit before taxation in the previous corresponding period, representing a decrease of RM2.3 million or 31.9%. Operating profit increased by RM6.4 million (84.7%) from RM7.6 million to RM14.1 million primarily on higher other operating income compared to June 2015. Other operating income of RM15.1 million (increased by RM8.6 million or 130.5%) was derived mainly from unrealised foreign exchange gains and mark to market gains on revaluation of derivatives. Operating expenses increased by RM3.5 million (33.6%) from RM10.3 million to RM13.8 million, which can be mainly attributed to personnel costs. The Bank's total assets stood at RM5,711.3 million as at 30 June 2016, where this is slightly lower compared against 31 March 2016. The Bank's total common equity tier 1 ratio and total capital ratio remained strong at 22.387% and 23.348% respectively.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 JUNE 2016**

**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 June 2016 RM'000</b>	<b>31 Mar 2016 RM'000</b>
<b>At fair value:</b>		
Malaysian Government Securities	245,802	176,108
Malaysian Government Treasury Bills	-	34,997
	<u>245,802</u>	<u>211,105</u>

**12 LOANS, ADVANCES AND FINANCING**

	<b>30 June 2016 RM'000</b>	<b>31 Mar 2016 RM'000</b>
(a) By type:		
At amortised cost:		
Term loans	1,561,294	1,182,695
Revolving credits	995,544	1,110,447
Overdraft	-	13
Bills receivable	58,112	-
	<u>2,614,950</u>	<u>2,293,155</u>
Less: Unearned interest	(231)	-
Gross loans, advances and financing	<u>2,614,719</u>	<u>2,293,155</u>
Less: Impairment allowance		
- Collective impairment allowance	(30,810)	(21,734)
Net loans, advances and financing	<u>2,583,909</u>	<u>2,271,421</u>
(b) By geographical distribution:		
In Malaysia	2,534,136	2,175,619
Outside Malaysia	80,583	117,536
	<u>2,614,719</u>	<u>2,293,155</u>



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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 JUNE 2016**

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

	<b>30 June 2016 RM'000</b>	<b>31 Mar 2016 RM'000</b>
(c) By type of customer:		
Domestic business enterprise	1,619,800	1,514,283
Domestic non-bank financial institutions	914,336	661,336
Foreign business entity	80,583	117,536
	<u>2,614,719</u>	<u>2,293,155</u>
(d) By interest/profit rate sensitivity:		
Fixed rate	931,239	1,025,661
Variable rate - Cost plus	1,683,480	1,267,494
	<u>2,614,719</u>	<u>2,293,155</u>
(e) By economic purpose:		
Construction	89,448	93,188
Purchase of fixed assets other than land and building	631,431	325,527
Working capital	1,893,840	1,874,440
	<u>2,614,719</u>	<u>2,293,155</u>
(f) By economic sector:		
Mining and quarrying	121,123	117,791
Manufacturing	931,004	1,015,013
Electricity, gas and water supply	17,054	7,398
Wholesale and retail trade, and restaurants and hotels	283,289	186,714
Transport, storage and communication	73,761	10,021
Finance, insurance, real estate and business activities	1,087,765	819,098
Education, health and others	20,140	19,584
Others	80,583	117,536
	<u>2,614,719</u>	<u>2,293,155</u>
(g) By residual contractual maturity:		
Maturity within		
- one year	938,480	1,030,851
- one to five years	1,156,723	972,659
- over five years	519,516	289,645
	<u>2,614,719</u>	<u>2,293,155</u>

**MIZUHO BANK (MALAYSIA) BERHAD (923693-H)**  
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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 JUNE 2016**

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

	<b>30 June 2016 RM'000</b>	<b>31 Mar 2016 RM'000</b>
(h) Movements in collective impairment allowance for loans, advances and financing:		
Collective impairment allowance:		
At 1 April	21,734	8,786
Allowance made during the period	9,076	12,948
At end of the reporting period / year	30,810	21,734
As percentage of total loan	1.18%	0.95%

The Bank has no impaired loans, advances and financing and no individual impairment allowance was deemed required as at 30 June 2016.

**13 DEPOSITS FROM CUSTOMERS**

	<b>30 June 2016 RM'000</b>	<b>31 Mar 2016 RM'000</b>
(a) By type of deposit:		
- Demand deposits	560,683	583,000
- Fixed deposits	611,389	588,968
- Short-term deposits	501,283	465,630
	1,673,355	1,637,598
(b) By type of customer:		
- Domestic non-bank financial institutions	127,641	156,404
- Domestic business enterprises	1,523,700	1,476,778
- Foreign business enterprises	22,014	4,416
	1,673,355	1,637,598
(c) Maturity structure:		
- On demand	560,683	583,000
- Due within six months	1,092,672	932,598
- Due within six months to one year	20,000	122,000
	1,673,355	1,637,598

**14 DEPOSITS AND PLACEMENTS FROM FINANCIAL INSTITUTIONS**

	<b>30 June 2016 RM'000</b>	<b>31 Mar 2016 RM'000</b>
Licensed banks	2,510,127	2,717,126

**MIZUHO BANK (MALAYSIA) BERHAD (923693-H)**  
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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 JUNE 2016**

**15 INTEREST INCOME**

	1st Quarter ended		Three months ended	
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
Loans, advances and financing	10,158	5,422	10,158	5,422
Money at call and deposits and placements with financial institutions	14,319	12,598	14,319	12,598
Net gain from interest rate swap and cross-currency interest rate swap	567	264	567	264
Financial investments available-for-sale	1,474	1,331	1,474	1,331
	<u>26,518</u>	<u>19,615</u>	<u>26,518</u>	<u>19,615</u>

**16 INTEREST EXPENSE**

	1st Quarter ended		Three months ended	
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
Deposits and placements from financial institutions	5,396	1,417	5,396	1,417
Deposits from customers	8,388	6,811	8,388	6,811
	<u>13,784</u>	<u>8,228</u>	<u>13,784</u>	<u>8,228</u>

**17 OTHER OPERATING INCOME**

	1st Quarter ended		Three months ended	
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
Fee income	510	1,088	510	1,088
Net unrealised gain/(loss) on revaluation of derivatives	-	(940)	8,854	(940)
Realised foreign exchange gain	2,649	4,722	2,649	4,722
Unrealised foreign exchange gain	3,116	1,694	3,116	1,694
Other income	1	-	1	-
	<u>15,130</u>	<u>6,564</u>	<u>15,130</u>	<u>6,564</u>

**MIZUHO BANK (MALAYSIA) BERHAD (923693-H)**  
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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 JUNE 2016**

**18 OTHER OPERATING EXPENSES**

	1st Quarter ended		Three months ended	
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
Personnel costs:				
Salaries, allowances and bonuses	6,330	4,494	6,330	4,494
Contribution to Employees Provident Fund	726	491	726	491
Other staff related costs	1,401	1,447	1,401	1,447
Establishment costs:				
Repair and maintenance	992	444	992	444
Depreciation of property and equipment	812	669	812	669
Amortisation of intangible asset	697	213	697	213
Rental of premises	523	499	523	499
Information technology expenses	202	328	202	328
Others	352	278	352	278
Marketing expenses:				
Advertisement and publicity	3	-	3	-
Others	259	152	259	152
Administration and general expenses:				
Communication expenses	239	195	239	195
Legal and professional fees	255	390	255	390
Others	1,017	739	1,017	739
	<u>13,808</u>	<u>10,339</u>	<u>13,808</u>	<u>10,339</u>

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

	1st Quarter ended		Three months ended	
	30 June 2016 RM'000	30 June 2015 RM'000	30 June 2016 RM'000	30 June 2015 RM'000
Collective impairment allowance				
- made during the year	<u>9,076</u>	<u>297</u>	<u>9,076</u>	<u>297</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:

	<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 2016</b>			
Direct credit substitutions	13,559	13,559	13,549
Transaction related contingent items	78,606	39,303	33,494
Short-term self-liquidating trade related contingencies	7,289	1,458	1,458
Foreign exchange related contracts			
- One year or less	953,045	19,657	11,199
- Over one year to five years	144,820	14,052	9,872
Interest related contracts			
- One year or less	158,547	15,122	8,180
- Over one year to five years	4,556,023	831,896	550,064
- Over five years	966,088	178,106	136,616
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	449,101	224,551	224,551
Any commitments that are unconditionally cancelled at any time without prior notice	1,408,554	-	-
<b>Total</b>	<b><u>8,735,632</u></b>	<b><u>1,337,704</u></b>	<b><u>988,983</u></b>
<b>As at 31 March 2016</b>			
Direct credit substitutions	11,421	11,421	11,421
Transaction related contingent items	81,001	40,501	34,749
Short-term self-liquidating trade related contingencies	6,504	1,301	1,301
Foreign exchange related contracts			
- One year or less	597,366	18,412	12,734
Interest related contracts			
- One year or less	192,389	18,517	10,623
- Over one year to five years	4,286,966	773,332	519,953
- Over five years	570,119	143,270	109,861
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	431,239	215,619	215,619
Any commitments that are unconditionally cancelled at any time without prior notice	1,001,421	-	-
<b>Total</b>	<b><u>7,178,426</u></b>	<b><u>1,222,373</u></b>	<b><u>916,261</u></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.

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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:

	<b>30 June 2016</b>	<b>31 Mar 2016</b>
<u>Capital ratios:</u>		
CET1 Capital Ratio / Total Tier 1 Capital Ratio	22.387%	23.539%
Total Capital Ratio	23.348%	24.431%

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

	<b>30 June 2016 RM'000</b>	<b>31 Mar 2016 RM'000</b>
<b>CET 1 Capital</b>		
Paid-up share capital	700,000	700,000
Retained profits	13,929	8,712
Other reserves	17,064	17,137
Total CET1 Capital, representing total Tier 1 Capital	730,993	725,849
<b>Tier 2 Capital</b>		
Collective impairment allowance and regulatory reserve	31,377	27,518
Total Capital	762,370	753,367

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

	<b>30 June 2016 RM'000</b>	<b>31 Mar 2016 RM'000</b>
Total RWA for Credit risk	3,029,530	2,864,784
Total RWA for Market risk	104,853	99,316
Total RWA for Operational risk	130,842	119,523
Total RWA	3,265,225	3,083,623

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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 Requirements at 8% RM'000
<b>As at 30 June 2016</b>				
<b>Credit risk</b>				
<u>On-balance sheet exposures:</u>				
Sovereigns/central banks	2,052,004	2,052,004	-	-
Banks, development financial Institutions and Multilateral Development Banks ("MDBs")	582,982	243,556	48,711	3,897
Corporates	2,614,950	2,614,950	1,926,057	154,085
Other assets	65,894	65,894	65,779	5,262
<b>Total on-balance sheet exposures</b>	<b>5,315,830</b>	<b>4,976,404</b>	<b>2,040,547</b>	<b>163,244</b>
<u>Off-balance sheet exposures:</u>				
Over-the-counter ("OTC") derivatives	1,058,833	1,058,833	715,932	57,275
Off-balance sheet exposures other than OTC derivatives or credit derivatives	278,871	278,871	273,051	21,844
<b>Total off-balance sheet exposures</b>	<b>1,337,704</b>	<b>1,337,704</b>	<b>988,983</b>	<b>79,119</b>
<b>Total on and off-balance sheet exposures</b>	<b>6,653,534</b>	<b>6,314,108</b>	<b>3,029,530</b>	<b>242,363</b>
<b>Market risk</b>				
Interest rate risk	5,521,190	5,489,759	57,251	4,580
Foreign currency risk	82,486	-	47,602	3,808
<b>Operational risk</b>			130,842	10,467
<b>Total RWA and capital requirements</b>			<b>3,265,225</b>	<b>261,218</b>

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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 2016</b>				
<b>Credit risk</b>				
<u>On-balance sheet exposures:</u>				
Sovereigns/central banks	2,414,107	2,414,107	-	-
Banks, development financial Institutions and Multilateral Development Banks ("MDBs")	680,551	369,233	73,847	5,908
Corporates	2,293,155	2,293,155	1,819,789	145,583
Other assets	54,898	54,898	54,887	4,391
Total on-balance sheet exposures	<u>5,442,711</u>	<u>5,131,393</u>	<u>1,948,523</u>	<u>155,882</u>
<u>Off-balance sheet exposures:</u>				
Over-the-counter ("OTC") derivatives	953,531	953,531	653,171	52,254
Off-balance sheet exposures other than OTC derivatives or credit derivatives	268,842	268,842	263,090	21,047
Total off-balance sheet exposures	<u>1,222,373</u>	<u>1,222,373</u>	<u>916,261</u>	<u>73,301</u>
Total on and off-balance sheet exposures	<u>6,665,084</u>	<u>6,353,766</u>	<u>2,864,784</u>	<u>229,183</u>
<b>Market risk</b>				
	Long Position RM'000	Short Position RM'000	Risk- Weighted Assets RM'000	Minimum Capital Require- ments at 8% RM'000
Interest rate risk	5,266,324	5,243,892	52,907	4,233
Foreign currency risk	82,486	-	46,409	3,713
<b>Operational risk</b>			119,523	9,562
Total RWA and capital requirements			<u>3,083,623</u>	<u>246,691</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 2016</b>						
0%	2,052,004	-	-	115	2,052,119	-
20%	-	259,353	-	-	259,353	51,871
50%	-	672,169	1,377,785	-	2,049,954	1,024,977
100%	-	-	1,886,903	65,779	1,952,682	1,952,682
	<u>2,052,004</u>	<u>931,522</u>	<u>3,264,688</u>	<u>65,894</u>	<u>6,314,108</u>	<u>3,029,530</u>
<b>As at 31 March 2016</b>						
0%	2,414,107	-	-	11	2,414,118	-
20%	-	376,330	-	-	376,330	75,266
50%	-	600,869	946,731	-	1,547,600	773,800
100%	-	-	1,960,831	54,797	2,015,628	2,015,628
	<u>2,414,107</u>	<u>977,199</u>	<u>2,907,562</u>	<u>54,808</u>	<u>6,353,676</u>	<u>2,864,694</u>