

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 2016**

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

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2016

	Note	30 Sep 2016 RM'000	31 Mar 2016 RM'000
ASSETS			
Cash and short-term funds		2,427,696	2,761,801
Deposits and placements with financial institutions		283,183	102,209
Financial investments available-for-sale	11	220,668	211,105
Loans, advances and financing	12	2,899,280	2,271,421
Derivative financial assets		481,832	430,134
Other assets		19,534	24,572
Property and equipment		7,849	9,178
Intangible assets		13,493	11,450
TOTAL ASSETS		6,353,535	5,821,870
LIABILITIES AND EQUITY			
Deposits from customers	13	1,786,461	1,637,598
Deposits and placements from financial institutions	14	2,996,662	2,717,126
Derivative financial liabilities		450,621	407,324
Other liabilities		363,365	325,830
Deferred tax liabilities		2,744	2,274
TOTAL LIABILITIES		5,599,853	5,090,152
Share capital		700,000	700,000
Retained profits		18,997	8,712
Other reserves		34,685	23,006
TOTAL EQUITY		753,682	731,718
TOTAL LIABILITIES AND EQUITY		6,353,535	5,821,870
COMMITMENTS AND CONTINGENCIES	20	8,745,197	7,178,426

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 SEPTEMBER 2016

	Note	2nd Quarter ended		Six months ended	
		30 Sep 2016 RM'000	30 Sep 2015 RM'000	30 Sep 2016 RM'000	30 Sep 2015 RM'000
Interest income	15	29,359	22,739	55,877	42,354
Interest expense	16	(14,722)	(10,320)	(28,506)	(18,548)
Net interest income		<u>14,637</u>	<u>12,419</u>	<u>27,371</u>	<u>23,806</u>
Other operating income	17	<u>5,881</u>	<u>10,620</u>	<u>21,011</u>	<u>17,184</u>
Net operating income		<u>20,518</u>	<u>23,039</u>	<u>48,382</u>	<u>40,990</u>
Other operating expenses	18	<u>(14,034)</u>	<u>(12,288)</u>	<u>(27,842)</u>	<u>(22,627)</u>
Operating profit		<u>6,484</u>	<u>10,751</u>	<u>20,540</u>	<u>18,363</u>
Writeback of allowance /(Allowance) for impairment on loans, advances and financing	19	<u>13,437</u>	<u>(10,221)</u>	<u>4,361</u>	<u>(10,518)</u>
Profit before taxation		<u>19,921</u>	<u>530</u>	<u>24,901</u>	<u>7,845</u>
Taxation		<u>(1,155)</u>	<u>(1,265)</u>	<u>(2,773)</u>	<u>(2,465)</u>
Profit for the financial period		<u><u>18,766</u></u>	<u><u>(735)</u></u>	<u><u>22,128</u></u>	<u><u>5,380</u></u>
Other comprehensive income:					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Unrealised loss on financial investments		(9)	(40)	(216)	(153)
Income tax effect		<u>2</u>	<u>10</u>	<u>52</u>	<u>37</u>
Other comprehensive loss for the period		<u>(7)</u>	<u>(30)</u>	<u>(164)</u>	<u>(116)</u>
Total comprehensive income for the financial period		<u><u>18,759</u></u>	<u><u>(765)</u></u>	<u><u>21,964</u></u>	<u><u>5,264</u></u>
Profit attributable to: Owner of the Bank		<u><u>18,766</u></u>	<u><u>(735)</u></u>	<u><u>22,128</u></u>	<u><u>5,380</u></u>
Total comprehensive income attributable to: Owner of the Bank		<u><u>18,759</u></u>	<u><u>(765)</u></u>	<u><u>21,964</u></u>	<u><u>5,264</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 SEPTEMBER 2016**

	← Non-distributable			→	Distributable	
	Share capital RM'000	Statutory reserve RM'000	Regulatory reserve RM'000	Available for-sale reserve RM'000	Retained profits RM'000	Total RM'000
2016						
At 1 April 2016	700,000	17,065	5,784	157	8,712	731,718
Profit for the period	-	-	-	-	22,128	22,128
Other comprehensive loss	-	-	-	(164)	-	(164)
Transfer from retained earnings	-	-	11,843	-	(11,843)	-
At 30 September 2016	<u>700,000</u>	<u>17,065</u>	<u>17,627</u>	<u>(7)</u>	<u>18,997</u>	<u>753,682</u>
2015						
At 1 April 2015	700,000	11,484	-	31	8,915	720,430
Profit for the financial period	-	-	-	-	5,380	5,380
Other comprehensive loss	-	-	-	(116)	-	(116)
At 30 September 2015	<u>700,000</u>	<u>11,484</u>	<u>-</u>	<u>(85)</u>	<u>14,295</u>	<u>725,694</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)
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UNAUDITED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2016

	30 Sep 2016 RM'000	30 Sep 2015 RM'000
Cash flows from operating activities		
Profit before taxation	24,901	7,845
Adjustments for non-operating and non-cash items	(15,119)	849
Operating profit before working capital changes	9,782	8,694
Changes in working capital:		
Increase in operating assets	(617,315)	(534,406)
Increase in operating liabilities	465,935	1,183,806
Taxation paid	(2,250)	(2,250)
Net cash (used in)/generated from operating activities	(143,848)	655,844
Net cash used in investing activities	(3,652)	(4,972)
Net (decrease)/increase in cash and cash equivalents	(147,500)	650,872
Cash and cash equivalents at beginning of financial year	2,803,814	1,768,067
Cash and cash equivalents at end of financial period	2,656,314	2,418,939
Analysis of cash and cash equivalents		
Cash and short-term funds	2,427,696	2,263,939
Deposits and placements with financial institutions	283,183	175,000
Less: Deposits and placements with financial institutions with contractual maturity more than 3 months	(54,565)	(20,000)
	2,656,314	2,418,939

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 SEPTEMBER 2016

1 BASIS OF PREPARATION

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

7 DIVIDEND PAID

No dividend was declared or paid during the financial quarter ended 30 September 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 higher profit before taxation for the financial period ended 30 September 2016 of RM24.9 million compared to RM7.8 million profit before taxation in the previous corresponding period, representing a increase of RM17.1 million or 217.4%. Operating profit increased by RM2.2 million (11.9%) from RM18.4 million to RM20.5 million primarily due to higher other operating income compared to September 2015. The higher operating income of RM21.0 million (increased by RM3.8 million or 22.3%) was derived mainly from unrealised foreign exchange gains and mark to market gains on revaluation of derivatives. Operating expenses increased by RM5.2 million (23.1%) from RM22.7 million to RM27.8 million, mainly due to personnel costs and establishment cost. The Bank's total assets stood at RM6,353.50 million as at 30 September 2016, where this is higher compared against 31 March 2016. The Bank's total common equity tier 1 ratio and total capital ratio remained strong at 20.382% and 21.381% respectively.

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

10 PROSPECTS

The Bank's strategy is to continue its profit growth in the financial year by focusing on expanding corporate client portfolio asset base and managing its capital efficiently to support loan growth. Corporate loans and syndicated loans will continue to be a component of the Bank business expansion with both Japanese and non-Japanese clients. The Bank will also continue to offer normal 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 2016 RM'000	31 Mar 2016 RM'000
At fair value:		
Government Investment Issues	170,478	-
Malaysian Government Securities	50,190	176,108
Malaysian Government Treasury Bills	-	34,997
	<u>220,668</u>	<u>211,105</u>

12 LOANS, ADVANCES AND FINANCING

	30 Sep 2016 RM'000	31 Mar 2016 RM'000
(a) By type:		
At amortised cost:		
Term loans	1,663,954	1,182,695
Revolving credits	1,192,585	1,110,447
Overdraft	-	13
Bills receivable	60,377	-
	<u>2,916,916</u>	<u>2,293,155</u>
Less: Unearned interest	(263)	-
Gross loans, advances and financing	<u>2,916,653</u>	<u>2,293,155</u>
Less: Impairment allowance		
- Collective impairment allowance	(17,373)	(21,734)
Net loans, advances and financing	<u>2,899,280</u>	<u>2,271,421</u>
(b) By geographical distribution:		
In Malaysia	2,817,228	2,175,619
Outside Malaysia	99,425	117,536
	<u>2,916,653</u>	<u>2,293,155</u>

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

12 LOANS, ADVANCES AND FINANCING (CONTINUED)

	30 Sep 2016 RM'000	31 Mar 2016 RM'000
(c) By type of customer:		
Domestic business enterprise	1,809,733	1,514,283
Domestic non-bank financial institutions	1,007,495	661,336
Foreign business entity	99,425	117,536
	<u>2,916,653</u>	<u>2,293,155</u>
(d) By interest/profit rate sensitivity:		
Fixed rate	1,787,323	1,025,661
Variable rate - Cost plus	1,129,330	1,267,494
	<u>2,916,653</u>	<u>2,293,155</u>
(e) By economic purpose:		
Construction	85,414	93,188
Purchase of fixed assets other than land and building	719,171	325,527
Purchase of non-residential property	2,575	-
Working capital	2,109,493	1,874,440
	<u>2,916,653</u>	<u>2,293,155</u>
(f) By economic sector:		
Mining and quarrying	124,540	117,791
Manufacturing	986,895	1,015,013
Electricity, gas and water supply	28,065	7,398
Wholesale and retail trade, and restaurants and hotels	271,788	186,714
Transport, storage and communication	197,438	10,021
Finance, insurance, real estate and business activities	1,187,793	819,098
Education, health and others	20,709	19,584
Others	99,425	117,536
	<u>2,916,653</u>	<u>2,293,155</u>
(g) By residual contractual maturity:		
Maturity within		
- one year	1,296,997	1,030,851
- one to five years	1,024,550	972,659
- over five years	595,106	289,645
	<u>2,916,653</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 SEPTEMBER 2016

12 LOANS, ADVANCES AND FINANCING (CONTINUED)

	30 Sep 2016 RM'000	31 Mar 2016 RM'000
(h) Movements in collective impairment allowance for loans, advances and financing:		
Collective impairment allowance:		
At 1 April	21,734	8,786
(Writeback) / Allowance made during the period	<u>(4,361)</u>	<u>12,948</u>
At end of the reporting period / year	<u>17,373</u>	<u>21,734</u>
As percentage of total loan	<u>0.60%</u>	<u>0.95%</u>

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

13 DEPOSITS FROM CUSTOMERS

	30 Sep 2016 RM'000	31 Mar 2016 RM'000
(a) By type of deposit:		
- Demand deposits	604,188	583,000
- Fixed deposits	784,949	588,968
- Short-term deposits	<u>397,324</u>	<u>465,630</u>
	<u>1,786,461</u>	<u>1,637,598</u>
(b) By type of customer:		
- Domestic non-bank financial institutions	169,454	156,404
- Domestic business enterprises	1,580,852	1,476,778
- Foreign business enterprises	<u>36,155</u>	<u>4,416</u>
	<u>1,786,461</u>	<u>1,637,598</u>
(c) Maturity structure:		
- On demand	604,188	583,000
- Due within six months	979,618	932,598
- Due within six months to one year	<u>202,655</u>	<u>122,000</u>
	<u>1,786,461</u>	<u>1,637,598</u>

14 DEPOSITS AND PLACEMENTS FROM FINANCIAL INSTITUTIONS

	30 Sep 2016 RM'000	31 Mar 2016 RM'000
Licensed banks	<u>2,996,662</u>	<u>2,717,126</u>

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

15 INTEREST INCOME

	2nd Quarter ended		Six months ended	
	30 Sep 2016 RM'000	30 Sep 2015 RM'000	30 Sep 2016 RM'000	30 Sep 2015 RM'000
Loans, advances and financing	13,258	6,072	23,416	11,494
Money at call and deposits and placements with financial institutions	14,332	16,273	28,651	28,871
Net gain from interest rate swap and cross-currency interest rate swap	181	(935)	748	(671)
Financial investments available-for-sale	1,588	1,329	3,062	2,660
	<u>29,359</u>	<u>22,739</u>	<u>55,877</u>	<u>42,354</u>

16 INTEREST EXPENSE

	2nd Quarter ended		Six months ended	
	30 Sep 2016 RM'000	30 Sep 2015 RM'000	30 Sep 2016 RM'000	30 Sep 2015 RM'000
Deposits and placements from financial institutions	5,744	1,944	11,140	3,361
Deposits from customers	8,978	8,376	17,366	15,187
	<u>14,722</u>	<u>10,320</u>	<u>28,506</u>	<u>18,548</u>

17 OTHER OPERATING INCOME

	2nd Quarter ended		Six months ended	
	30 Sep 2016 RM'000	30 Sep 2015 RM'000	30 Sep 2016 RM'000	30 Sep 2015 RM'000
Fee income	1,073	1,971	1,583	3,059
Net unrealised gain/(loss) on revaluation of derivatives	(447)	5,453	8,407	4,513
Realised foreign exchange gain	2,095	3,699	4,744	8,421
Unrealised foreign exchange gain	3,160	(505)	6,276	1,189
Other income	-	2	1	2
	<u>5,881</u>	<u>10,620</u>	<u>21,011</u>	<u>17,184</u>

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

18 OTHER OPERATING EXPENSES

	2nd Quarter ended		Six months ended	
	30 Sep	30 Sep	30 Sep	30 Sep
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Personnel costs:				
Salaries, allowances and bonuses	5,943	5,194	12,273	9,688
Contribution to Employees Provident Fund	809	685	1,535	1,176
Other staff related costs	1,365	1,544	2,766	2,991
Establishment costs:				
Repair and maintenance	1,306	774	2,298	1,218
Depreciation of property and equipment	702	684	1,514	1,353
Amortisation of intangible asset	726	214	1,423	427
Rental of premises	565	445	1,088	944
Information technology expenses	160	548	362	876
Others	370	280	722	558
Marketing expenses:				
Advertisement and publicity	18	-	21	-
Others	346	274	605	426
Administration and general expenses:				
Communication expenses	231	179	470	374
Legal and professional fees	408	323	663	713
Others	1,085	1,144	2,102	1,883
	<u>14,034</u>	<u>12,288</u>	<u>27,842</u>	<u>22,627</u>

19 (WRITEBACK OF ALLOWANCE) / ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	2nd Quarter ended		Six months ended	
	30 Sep	30 Sep	30 Sep	30 Sep
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Collective impairment allowance				
- (writeback)/made during the year	<u>(13,437)</u>	<u>10,221</u>	<u>(4,361)</u>	<u>10,518</u>

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

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 2016			
Direct credit substitutions	13,171	13,171	13,161
Transaction related contingent items	87,015	43,508	37,517
Short-term self-liquidating trade related contingencies	2,849	570	570
Foreign exchange related contracts			
- One year or less	926,318	16,942	9,228
- Over one year to five years	138,801	14,528	10,594
Interest related contracts			
- One year or less	64,169	4,185	2,336
- Over one year to five years	5,168,140	924,595	595,445
- Over five years	442,167	100,922	81,050
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	466,300	233,150	233,150
Any commitments that are unconditionally cancelled at any time without prior notice	1,436,267	-	-
Total	<u>8,745,197</u>	<u>1,351,571</u>	<u>983,051</u>
As at 31 March 2016			
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	-	-
Total	<u>7,178,426</u>	<u>1,222,373</u>	<u>916,261</u>

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

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

21 CAPITAL ADEQUACY

The total capital and capital adequacy ratios of the Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework. The Bank has adopted Standardised Approach for credit risk and market risk and the Basic Indicator Approach for operational risk.

(i) The capital adequacy ratios of the Bank are as follows:

	30 Sep 2016	31 Mar 2016
<u>Capital ratios:</u>		
CET1 Capital Ratio / Total Tier 1 Capital Ratio	20.382%	23.539%
Total Capital Ratio	21.381%	24.431%

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

	30 Sep 2016 RM'000	31 Mar 2016 RM'000
CET 1 Capital		
Paid-up share capital	700,000	700,000
Retained (loss) / profits	(3,131)	8,712
Other reserves	17,058	17,137
Total CET1 Capital, representing total Tier 1 Capital	713,927	725,849
Tier 2 Capital		
Collective impairment allowance and regulatory reserve	35,000	27,518
Total Capital	748,927	753,367

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

	30 Sep 2016 RM'000	31 Mar 2016 RM'000
Total RWA for Credit risk	3,248,683	2,864,784
Total RWA for Market risk	117,019	99,316
Total RWA for Operational risk	137,019	119,523
Total RWA	3,502,721	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
As at 30 September 2016				
Credit risk				
<u>On-balance sheet exposures:</u>				
Sovereigns/central banks	1,935,335	1,935,335	-	-
Banks, development financial Institutions and Multilateral Development Banks ("MDBs")	1,009,466	660,839	132,168	10,573
Corporates	2,916,916	2,916,916	2,065,694	165,256
Other assets	67,802	67,802	67,770	5,422
Total on-balance sheet exposures	5,929,519	5,580,892	2,265,632	181,251
<u>Off-balance sheet exposures:</u>				
Over-the-counter ("OTC") derivatives	1,061,171	1,061,171	698,653	55,892
Off-balance sheet exposures other than OTC derivatives or credit derivatives	290,399	290,399	284,398	22,752
Total off-balance sheet exposures	1,351,570	1,351,570	983,051	78,644
Total on and off-balance sheet exposures	7,281,089	6,932,462	3,248,683	259,895
Market risk				
Interest rate risk	5,446,632	5,415,950	96,102	7,688
Foreign currency risk	20,917	-	20,917	1,673
Operational risk			137,019	10,962
Total RWA and capital requirements			3,502,721	280,218

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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 2016				
Credit risk				
<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>
Market risk				
	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
Operational risk			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
As at 30 September 2016						
0%	1,935,335	-	-	32	1,935,367	-
20%	-	675,399	-	-	675,399	135,080
50%	-	713,742	1,702,444	-	2,416,186	1,208,093
100%	-	-	1,837,740	67,770	1,905,510	1,905,510
	<u>1,935,335</u>	<u>1,389,141</u>	<u>3,540,184</u>	<u>67,802</u>	<u>6,932,462</u>	<u>3,248,683</u>
As at 31 March 2016						
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>