

Company No.

923693	H
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MIZUHO CORPORATE BANK (MALAYSIA) BERHAD

Incorporated in Malaysia

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
QUARTER ENDED 30 SEPTEMBER 2011

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

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

	Note	Unaudited As at 30.09.2011 RM'000
ASSETS		
Cash and short-term funds		331,501
Deposits and placements with banks and other financial institutions		25,000
Financial investments available-for-sale	10	30,338
Other Assets	11	1,146
Property and equipment		13,292
Intangible assets		1,301
TOTAL ASSETS		<u>402,578</u>
LIABILITIES AND EQUITY		
Deposits from customers	12	15,000
Deposits and placements of banks and other financial institutions	13	24,221
Other liabilities	14	13,959
Deferred tax liabilities		10
TOTAL LIABILITIES		<u>53,190</u>
Ordinary share capital		350,000
Available-for-sale reserve		28
Reserves		(640)
TOTAL EQUITY	19	<u>349,388</u>
TOTAL LIABILITIES AND EQUITY		<u>402,578</u>
COMMITMENTS AND CONTINGENCIES	20	<u>673</u>

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

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
 STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2011

		1.07.2011 to 30.09.2011 RM'000	29.11.2010 to 30.09.2011 RM'000
Interest income	15	2,683	6,636
Interest expense	16	<u>(1)</u>	<u>(1)</u>
Net interest income		2,682	6,635
Other operating income	17	<u>48</u>	<u>48</u>
Other operating expenses	18	<u>2,730</u> <u>(2,953)</u>	<u>6,683</u> <u>(7,323)</u>
Operating profit before allowances		<u>(223)</u>	<u>(640)</u>
Net loss for the financial period		<u>(223)</u>	<u>(640)</u>
Other comprehensive income			
- Unrealised gain on securities - available-for-sale		38	38
Less:			
Income tax relating to other comprehensive income		<u>(10)</u>	<u>(10)</u>
Other comprehensive income for the year, net of tax		28	28
Total comprehensive income for the period		<u>(195)</u>	<u>(612)</u>

MIZUHO CORPORATE BANK (MALAYSIA) BERHAD (923693-H)
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UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
 STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 30 SEPTEMBER 2011

	Share capital RM'000	AFS reserves RM'000	Retained profits RM'000	Total RM'000
At 29 November 2010 (date of incorporation)	*	-	-	-
Issuance of shares	350,000	-	-	350,000
Total comprehensive income for the financial period	-	28	(640)	(612)
Balance as at 30 September 2011	<u>350,000</u>	<u>28</u>	<u>(640)</u>	<u>349,388</u>

* Representing 2 ordinary shares of RM1 each

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

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2011

	29.11.2010 to 30.09.2011 <hr style="border-top: 1px solid black;"/> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before taxation	(640)
Adjustment for non-cash items	
Depreciation	164
Amortisation of intangible assets	21
Amortisation of premium net of accretion of discount	<hr style="border-top: 1px solid black;"/> 38
Operating loss before changes in working capital	(417)
Changes in working capital:	
Increase in other assets	(1,146)
Increase in deposits and placements of banks and other financial institutions	24,221
Increase in other liabilities	13,959
Increase in deposits from customers	15,000
Increase in pledged deposits	(25,000)
	<hr style="border-top: 1px solid black;"/>
Net cash generated from operating activities	<hr style="border-top: 1px solid black;"/> 26,617
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(13,466)
Purchase of intangible assets	(1,312)
Purchase of securities available-for-sale	<hr style="border-top: 1px solid black;"/> 30,338
Net cash used in investing activities	<hr style="border-top: 1px solid black;"/> 45,116
CASH FLOWS FROM FINANCING ACTIVITY	
Issue of ordinary share	<hr style="border-top: 1px solid black;"/> 350,000
Net cash generating from financing activity	<hr style="border-top: 1px solid black;"/> 350,000
Net increase in cash and cash equivalents	331,501
Cash and cash equivalents	
- at the beginning of the financial period	<hr style="border-top: 1px solid black;"/> -
- at the end of the financial period	<hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/> 331,501
ANALYSIS OF CASH AND CASH EQUIVALENTS:	
Cash and short-term funds	<hr style="border-top: 1px solid black;"/> 331,501
Cash and short-term funds	<hr style="border-top: 1px solid black;"/> <hr style="border-top: 1px solid black;"/> 331,501

MIZUHO CORPORATE BANK (MALAYSIA) BERHAD (923693 - H)
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NOTES TO UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2011

1 General Information

Mizuho Corporate Bank (M) Berhad is principally engaged in the provision of banking and related financial services.

The Bank received its banking licence and commenced its banking operations on 5 September 2011.

The Bank is a company limited by shares, a licenced bank, incorporated and domiciled in Malaysia. The principal place of business of the Bank is located at Level 27, Menara Maxis, Kuala Lumpur City Centre, 50088 Kuala Lumpur.

The Bank is a wholly-owned subsidiary of its holding company, Mizuho Corporate Bank Ltd, a bank incorporated in Japan.

2 BASIS OF PREPARATION

The interim condensed financial statements are unaudited and has been prepared in compliance with Financial Reporting Standard ('FRS') 134, 'Interim Financial Reporting' issued by the Malaysian Accounting Standards Board ('MASB').

Notes attached to the unaudited interim condensed financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Bank for the period ended 30 September 2011.

3 BASIS OF MEASUREMENT

The unaudited interim condensed financial statements for the period ended 30 September 2011 have been prepared under the historical cost convention except for the valuation of financial assets available-for-sale that are carried at fair value.

4 SIGNIFICANT ACCOUNTING POLICIES

Functional and Presentation Currency

The financial statements of the Bank is measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia which is also the Bank's functional currency.

Foreign currency transactions

Transactions in currencies other than the Bank's functional currency (foreign currencies) are recorded in the functional currency using the exchange rates prevailing at the date of the transactions.

At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are transacted at the rates prevailing on the date when the fair value was determined. Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

NOTES TO UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30
SEPTEMBER 2011 (cont'd)

4 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derivative financial instruments

The Bank uses derivatives such as forward foreign exchange contracts. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives are included in 'other operating income'.

Derivatives embedded in other financial instruments, such as the conversion option in an acquired convertible bond, are treated as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contract, and the host contract is not itself held-for-trading or designated at fair value through profit or loss. The embedded derivatives separated from the host are carried at fair value in the trading portfolio with changes in fair value recognised in the profit or loss.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Useful lives of property and equipment

The cost of property and equipment of the Bank is depreciated over the assets' estimated economic useful lives as disclosed below. The tenancies of rented premises under operating leases of the Bank ranged from three to five years. The Bank expects that it will continue to renew the operating leases on its rented premises and therefore is depreciating its renovation over the remaining period of expected usage.

Changes in the expected years of usage could impact the economic useful lives and the residual values of these assets. Future depreciation charges could be revised.

Property and Equipment and Depreciation

All items of property and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit and loss during the financial period in which they are incurred.

Subsequent to recognition, property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The principal estimated useful lives are as follows:

	<u>Years</u>
Renovation	10
Furniture / Equipment	5
Computer Hardware	3 - 5

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

NOTES TO UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
30 SEPTEMBER 2011 (cont'd)

4 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property and Equipment and Depreciation (cont'd)

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period the asset is derecognised.

The residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each reporting date.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

Intangible assets are amortised over their finite useful lives at the following annual rate:

	<u>Years</u>
Software	5

Revenue Recognition

(i) Interest and Financing Income Recognition

Income is recognised on an accrual basis. Interest income on term loans is accounted for on daily accrual basis by reference to rest periods as stipulated in the loan agreements.

Interest income on securities is recognised on an effective yield basis. Interest income is recognised using the effective interest method. Interest income includes any amortisation of premiums or accretion of discounts. The effective interest method applies the rate that exactly discounts estimated future cash receipts through the effective life of the financial instruments to the net carrying amount of the financial asset.

Customers' accounts are classified as impaired when there is objective evidence such as significant financial difficulty of the customer and adverse economic indicators that the recoverable amount of a financial asset is below its carrying amount.

Any loan arrangement fees and commissions that form part of the effective interest income from the related loans, advances and financing are recognised using the effective interest method.

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Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30
SEPTEMBER 2011 (cont'd)

4 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(ii) Fee and Other Income Recognition

Loan arrangement fees and commissions that do not form part of the effective interest income from the related loans, advances and financing are recognised as income when all conditions precedent are fulfilled.

Commitment fees and guarantee fees are recognised as income based on time appointment method.

Operating Lease

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Employee Benefits

(i) Short Term Employee Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Bank. Short-term accumulating compensated balances such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined Contribution Plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred.

Financial Assets

Financial assets are recognised in the statements of financial position when, and only when, the Bank become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Bank determines the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investment and available-for-sale financial assets. The Bank does not have any financial assets at fair value through profit or loss or held-to-maturity investment at the reporting date.

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NOTES TO UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30
SEPTEMBER 2011 (cont'd)

4 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Loans and Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Financial Assets Available-For-Sale

Financial assets available-for-sale designated as available for sale or are not classified in any of the categories of fair value through profit or loss, held-to-maturity or loan and receivables.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Bank's right to receive payment is established.

Investment in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss

Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Bank becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial Liabilities at Fair-Value Through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Bank that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Bank has not designated any financial liabilities as at fair value through profit or loss.

MIZUHO CORPORATE BANK (MALAYSIA) BERHAD (923693 - H)
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NOTES TO UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30
SEPTEMBER 2011 (cont'd)

4 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(ii) Other Financial Liabilities

The Bank's other financial liabilities include deposits from customers and related parties and other payables.

Deposits from customers and related party are recognised initially at placement values and subsequently measured at amortised cost using the effective interest method.

Other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

5 SEASONAL OR CYCLICAL FACTORS

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

6 EXCEPTIONAL OR UNUSUAL ITEMS DUE TO THEIR NATURE SIZE OR INCIDENCE

There were no unusual items in affecting assets, liabilities, equity, net income or credit flows of the Bank in the period ended 30 September 2011.

7 CHANGES IN ESTIMATES

There were no material estimated amounts in the period ended 30 September 2011.

8 ISSUANCE, REPURCHASES AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

There were no issuance, repurchase nor repayment of debt and equity securities for the period under review.

9 DIVIDEND

There were no dividends paid or declared for the period ended 30 September 2011.

MIZUHO CORPORATE BANK (MALAYSIA) BERHAD (923693-H)
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NOTES TO UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2011

10	FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE	Unaudited As at <u>30.09.2011</u> RM'000
	At fair value	
	<u>Money market instruments:-</u>	
	Malaysia Government Securities	10,490
	Malaysia Treasury Bills	19,848
		<u><u>30,338</u></u>
11	OTHER ASSETS	
	Other receivables, deposits and prepayments	<u><u>1,146</u></u>
12	DEPOSITS FROM CUSTOMERS	
	<u>By type of deposits</u>	
	Demand deposits	<u><u>15,000</u></u>
	<u>By type of customers</u>	
	Domestic business enterprise	<u><u>15,000</u></u>
	<u>Maturity Structure</u>	
	On demand	<u><u>15,000</u></u>
13	DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS	
	Branch of the holding Bank	<u><u>24,221</u></u>
14	OTHER LIABILITIES	
	Other payables and accruals	<u><u>13,959</u></u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the Financial year ended 31 March 2012

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

NOTES TO UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED
30 SEPTEMBER 2011 (cont'd)

15 INTEREST INCOME

	1.07.2011 to 30.09.2011 RM'000	29.11.2010 to 30.09.2011 RM'000
Money at call and deposit placements with banks and other financial institutions	2,683	6,634
Others	-	2
	2,683	6,636

16 INTEREST EXPENSE

Money at call and deposit placements with banks and other financial institutions	1	1
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17 OTHER OPERATING INCOME

a) Other Income		
Foreign exchange gain and mark-to-market gain*		
- Realised	15	15
- Unrealised	33	33
	48	48
	48	48

* Relating to foreign currency derivatives

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Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 30 SEPTEMBER 2011 (cont'd)

18 OTHER OPERATING EXPENSES

	1.07.2011 to 30.09.2011 RM'000	29.11.2010 to 30.09.2011 RM'000
<u>Personnel costs</u>		
- Salaries, allowances and bonuses	513	513
- Contribution to Employees Employees Provident Fund	42	42
- Other staff related costs	188	208
	743	763
<u>Establishment costs</u>		
- Repair and maintenance	109	360
- Depreciation	185	185
- Rental of premises	378	1,187
- Information technology expenses	382	2,206
- Others	207	270
	1,261	4,208
<u>Marketing expenses</u>		
- Advertisement and publicity	25	25
- Others	5	5
	30	30
<u>Administration and general expenses</u>		
- Communication expenses	236	665
- Legal and professional fees	471	1,250
- Others	212	407
	919	2,322
	2,953	7,323

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 Incorporated in Malaysia

NOTES TO UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30
 SEPTEMBER 2011 (cont'd)

19 CAPITAL ADEQUACY

The capital adequacy ratios of Mizuho Corporate Bank (M) Berhad are computed in accordance with Bank Negara Malaysia's revised Risk-Weighted Capital Adequacy Framework: Standardised Approach for Credit and Market Risk, and Basic Indicator Approach for Operational Risk (Basel II).

The capital adequacy ratios of the Bank are as follows:

	Unaudited As at 30.09.2011 RM'000
Tier 1 Capital	
Paid-up share capital	350,000
Accumulated loss	(640)
	<u>349,360</u>
Total Capital Base	<u><u>349,360</u></u>
<u>Capital Ratio</u>	
Core Capital Ratio	337.93%
Risk-weighted capital adequacy ratio	<u><u>337.93%</u></u>

The breakdown of risk-weighted assets by each major risk category is as follows:

Credit risk	67,646
Market risk	23,206
Operational risk	12,530
	<u>103,382</u>
Total risk-weighted assets	<u><u>103,382</u></u>

MIZUHO CORPORATE BANK (MALAYSIA) BERHAD (923693-H)
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NOTES TO UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2011 (cont'd)

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.

	←	Unaudited 30.09.2011	→
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount RM'000
Foreign exchange related contracts			
- less than one year	673	-	-
- one year to less than five years	-	-	-
- five years and above	-	-	-
Total	673	-	-

* The credit equivalent amount is arrived at using the credit conversion factors as stated in the Bank Negara Malaysia guidelines.

21 SEGMENT INFORMATION

There is no segmental information as the Bank only has one reportable segment, which is its banking operations in Malaysia.

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NOTES TO UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2011 (cont'd)

22 RELATED PARTY BALANCES AND TRANSACTIONS

	1.07.2011 to 30.09.2011 RM'000	29.11.2010 to 30.09.2011 RM'000
<u>Interest Income</u>		
Cash and short-term funds placed with holding bank and its branches	<u>1</u>	<u>1</u>
	<u>30.09.2011</u> RM'000	<u>30.09.2011</u> RM'000
<u>Amount due from</u>		
Cash and short-term funds placed with holding bank and its branches	<u>24,373</u>	<u>24,373</u>
<u>Amount due to</u>		
Deposits and placements from holding bank and its branches	<u>24,221</u>	<u>24,221</u>

23 PROPERTY AND EQUIPMENT

The Bank acquired property, plant and equipment at a cost of RM13.5m during the period ended 30 September 2011.

There is no commitment to purchase property, plant and equipment as at 30 September 2011.

24 EVENTS SUBSEQUENT TO THE DATE OF STATEMENT OF FINANCIAL POSITION

There were no material events subsequent to the date of statement of financial position that have not been reflected in the financial statements.

25 PERFORMANCE REVIEW

The Bank recorded loss before taxation of RM0.64 million for the period since it commenced its incorporation. Major contributions to interest income were from cash and short term funds, placements with banks and other financial institutions. Other operating income is generated mainly from foreign exchange gains and mark-to-market gain from revaluation of derivatives.

Operating expense is high for the current quarter and period to date, mainly attributed to information systems, equipment and personnel costs incurred in the establishment of the Bank's operations in Malaysia.

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NOTES TO UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30
SEPTEMBER 2011 (cont'd)

26 PROSPECT FOR FINANCIAL PERIOD ENDING 31 MARCH 2012

The Bank commenced its banking operations on 5 September 2011. As a newly established commercial bank, the Bank's strategy is to focus on building and expanding its customer base, offering fundamental banking products such as loan, deposit, foreign exchange and derivatives to companies in the region. The positive outlook for the Malaysian banking sector supports further growth of the Bank's business.

By Order of the Board

Hiroyuki Yoshinari
Chief Executive Officer

Kuala Lumpur
31 October 2011