

Company No.

923693	H
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MIZUHO CORPORATE BANK (MALAYSIA) BERHAD

Incorporated in Malaysia

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2011**

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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Note	December 2011 RM'000
ASSETS		
Cash and short-term funds		193,984
Deposits and placements with banks and other financial institutions		173,000
Loans, advances and financing	10	33,015
Financial investments available-for-sale	11	30,195
Derivative financial assets		14,354
Other assets		1,832
Property and equipment		12,825
Intangible assets		1,307
TOTAL ASSETS		<u><u>460,512</u></u>
 LIABILITIES AND EQUITY		
Deposits from customers	12	67,612
Deposits and placements of banks and other financial institutions	13	32,025
Derivative financial liabilities		10,099
Other liabilities		964
Deferred tax liabilities		1,884
TOTAL LIABILITIES		<u><u>112,584</u></u>
 Ordinary share capital		 350,000
Available-for-sale reserve		53
Accumulated losses		(2,125)
TOTAL EQUITY		<u><u>347,928</u></u>
 TOTAL LIABILITIES AND EQUITY		 <u><u>460,512</u></u>
 COMMITMENTS AND CONTINGENCIES	 20	 <u><u>553,773</u></u>

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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2011

	Note	3rd Quarter Ended 31 December 2011 RM'000	Thirteen Months Ended December 2011 RM'000
Interest income	14	2,705	9,339
Interest expense	15	(72)	(73)
Net interest income		2,633	9,266
Other operating income	16	5,455	5,517
Net operating income		8,088	14,783
Other operating expenses	17	(6,979)	(14,539)
Operating profit		1,109	244
Allowance for impairment on loans, advances and financing	18	(503)	(503)
Profit / (loss) before tax		606	(259)
Income tax expense		(1,866)	(1,866)
Net loss for the financial period		(1,260)	(2,125)
Other comprehensive income			
- Unrealised gain on securities - available-for-sale		32	70
Less:			
Income tax relating to other comprehensive income		(7)	(17)
Other comprehensive income for the year, net of tax		25	53
Total comprehensive income for the period		(1,235)	(2,072)

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2011

	Share capital RM'000	AFS reserve RM'000	Accumulated losses 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	-	53	(2,125)	(2,072)
Balance as at 31 December 2011	<u>350,000</u>	<u>53</u>	<u>(2,125)</u>	<u>347,928</u>

* Representing 2 ordinary shares of RM1 each

MIZUHO CORPORATE BANK (MALAYSIA) BERHAD (923693-H)
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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2011

	31 December 2011 RM'000
Cash Flows from Operating Activities	
Loss before taxation	(2,125)
Adjustment for non-cash items	
Depreciation	698
Amortisation of intangible assets	47
Unrealised gain on derivatives	(4,255)
Amortisation of premium net of accretion of discount	53
Operating loss before changes in working capital	<u>(5,582)</u>
Changes in working capital:	
Increase in other assets	(1,832)
Increase in loans, advances and financing	(33,015)
Increase in deposits and placements of banks and other financial institutions	32,025
Increase in other liabilities	2,848
Increase in deposits from customers	67,612
Increase in deposits and placements with banks and other financial institutions	(173,000)
Net cash used in operating activities	<u>(110,944)</u>
Cash Flows from Investing Activities	
Purchase of property and equipment	(13,523)
Purchase of intangible assets	(1,354)
Purchase of securities available-for-sale	(30,195)
Net cash used in investing activities	<u>(45,072)</u>
Cash Flow from Financing Activity	
Issue of ordinary share	350,000
Net cash generating from financing activity	<u>350,000</u>
Net increase in cash and cash equivalents	193,984
Cash and cash equivalents	
- at the beginning of the financial period	-
- at the end of the financial period	<u>193,984</u>
Analysis of Cash and Cash equivalents	
Cash and short-term funds	<u>193,984</u>
	<u>193,984</u>

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NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 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 condensed interim 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") and Bank Negara Malaysia ("BNM") guidelines.

Notes attached to the unaudited condensed interim 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 31 December 2011.

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer.

The Bank will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2013. In presenting its first MFRS financial statements, the Bank will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Bank has established a project team to plan and manage the adoption of the MFRS Framework.

The Bank has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 March 2012 could be different if prepared under the MFRS Framework.

The Bank considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2013.

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NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2011

3 BASIS OF MEASUREMENT

The unaudited interim condensed financial statements for the period ended 31 December 2011 have been prepared under the historical cost convention except for the valuation of financial assets available-for-sale, derivative financial assets and derivative financial liabilities that are carried at fair value.

4 SIGNIFICANT ACCOUNTING POLICIES

(a) 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.

(b) 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.

(c) 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.

(d) Cash and short term funds

Cash and short term funds consist of cash, bank balances 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.

(e) 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.

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NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2011

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) 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.

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.

(g) 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

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NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
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4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) 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.

(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.

(i) 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 profit or loss 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.

(j) 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.

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4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Employee Benefits (continued)

(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.

(k) 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 held-to-maturity investment at the reporting date.

(l) Loans, advances and financing

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

Subsequent to initial recognition, loans, advances and financing 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.

(m) Allowance for impairment of loans and receivables

The Bank reviews its individually significant loans, advances and financing at each statement of financial position date to assess whether an impairment loss should be recorded in the statement of comprehensive income.

The Bank has no individual impairment during the period as there are no impaired loans identified.

A collective assessment for impairment based on a percentage of the loans, advances and financing portfolio is also made to cover possible losses which are not specifically identified. The allowance made is in compliance with the minimum requirement of 1.5% under the transitional provision of BNM's Guidelines on Classification and Impairment Provisions for Loans/Financing, which is applicable to financial periods which have started before 1 January 2012.

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FOR THE QUARTER ENDED 31 DECEMBER 2011

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) 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.

(o) 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.

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FOR THE QUARTER ENDED 31 DECEMBER 2011

4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial Liabilities (continued)

(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 cash flows of the Bank in the quarter ended 31 December 2011.

7 CHANGES IN ESTIMATES

There were no material estimated amounts in the quarter ended 31 December 2011.

8 ISSUANCE, REPURCHASES AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

Other than the issuance of ordinary shares, there were no other issuance, cancellation, repurchase, resale or repayment of debt and equity securities for the period under review.

9 DIVIDEND

There were no dividends paid or declared for the quarter ended 31 December 2011.

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**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2011**

10 LOANS, ADVANCES AND FINANCING

		December 2011 RM'000
(a)	By Type:	
	At amortised cost	
	Revolving credits	33,518
	Gross loans, advances and financing	<u>33,518</u>
	Allowance for impairment:	
	Individual assessment	-
	Collective assessment	<u>(503)</u>
	Net loans, advances and financing	<u><u>33,015</u></u>
(b)	By Geographical Distribution:	
	Malaysia	<u><u>33,518</u></u>
(c)	By Type of Customer:	
	Domestic non-bank financial institutions	<u><u>33,518</u></u>
(d)	By Interest/Profit Rate Sensitivity:	
	Variable rate	
	Cost Plus	<u><u>33,518</u></u>
(e)	By Economic Purpose:	
	Working Capital	<u><u>33,518</u></u>
(f)	By Sector:	
	Finance, insurance and business services	<u><u>33,518</u></u>
(g)	By Residual Contractual Maturity:	
	Maturity up to one year	<u><u>33,518</u></u>
(h)	Movements in collective assessment for impairment of loans, advances and financing:	
	At the beginning of financial period	-
	Allowance made during the financial period	<u>503</u>
	At the end of the financial period/year	<u><u>503</u></u>
	(as % of gross loans, advances and financing (net of individual asseesment))	<u><u>1.5%</u></u>

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FOR THE QUARTER ENDED 31 DECEMBER 2011

11 FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	December 2011 RM'000
At fair value:	
Malaysia Government Securities	10,481
Malaysia Treasury Bills	19,714
	30,195

12 DEPOSITS FROM CUSTOMERS

	December 2011 RM'000
(a) By Type of Deposit:	
Demand deposits	43,612
Short-term deposits	24,000
	67,612
(b) By Type of Customer:	
Domestic non-bank financial institutions	426
Domestic business enterprises	67,186
	67,612
(c) Maturity Structure:	
On demand	43,612
Due within six months	24,000
	67,612

13 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	December 2011 RM'000
Branch of the holding Bank	32,025

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14 INTEREST INCOME

	Quarter Ended December 2011 RM'000	Thirteen Months Ended December 2011 RM'000
Loans, advances and financing		
Interest income other than from impaired loans	18	18
Money at call and deposit placements with banks and other financial institutions	2,590	9,224
Others	97	97
	<u>2,705</u>	<u>9,339</u>

15 INTEREST EXPENSE

	Quarter Ended December 2011 RM'000	Thirteen Months Ended December 2011 RM'000
Money at call and deposit placements of banks and other financial institutions	-	1
Deposits from customers	72	72
	<u>72</u>	<u>73</u>

16 OTHER OPERATING INCOME

	Quarter Ended December 2011 RM'000	Thirteen Months Ended December 2011 RM'000
Fee income	4	4
Net unrealised gain on revaluation of derivatives	4,255	4,255
Foreign exchange gain and mark-to-market gain		
Realised	1,030	1,060
Unrealised	166	198
	<u>5,455</u>	<u>5,517</u>

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NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
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17 OTHER OPERATING EXPENSES

	Quarter Ended December 2011 RM'000	Thirteen Months Ended December 2011 RM'000
Personnel costs		
Salaries, allowances and bonuses	2,702	3,212
Contribution to Employees Provident Fund	225	267
Other staff related costs	817	1,025
Establishment costs		
Repair and maintenance	108	469
Depreciation	560	745
Rental of premises	338	1,525
Information technology expenses	384	2,592
Others	97	367
Marketing expenses		
Advertisement and publicity	29	54
Others	79	84
Administration and general expenses		
Communication expenses	211	876
Legal and professional fees	1,092	2,342
Others	337	981
	<u>6,979</u>	<u>14,539</u>

18 ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	Quarter Ended December 2011 RM'000	Thirteen Months Ended December 2011 RM'000
Collective assessment allowance for impairment made during the financial period	<u>503</u>	<u>503</u>

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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:

	December 2011 RM'000
Tier-I Capital	
Paid-up share capital	350,000
Statutory reserves	-
Accumulated loss	(2,125)
Total Tier-I Capital	347,875
Tier-II Capital	
Collective allowance for impairment	503
Total Capital Base	348,378
<u>Capital Ratio</u>	
Core Capital Ratio	171.21%
Risk-weighted capital adequacy ratio	171.46%

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

Credit risk	165,584
Market risk	9,883
Operational risk	27,718
Total risk-weighted assets	203,185

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NOTES TO UNAUDITED CONDENSED 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.

	← Unaudited 31 Dec 2011 →		
	Principal amount RM'000	Credit equivalent amount* RM'000	Risk weighted amount RM'000
Foreign exchange related contracts			
- less than one year	8,449	-	-
- one year to less than five years	504,824	75,712	46,823
- five years and above	-	-	-
Any commitment that are unconditionally cancelled at any time without prior notice	40,500	-	-
Total	553,773	75,712	46,823

* 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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22 RELATED PARTY BALANCES AND TRANSACTIONS

	December 2011 RM'000
<u>Interest Income</u>	
Cash and short-term funds placed with holding bank and its branches	<u>9</u>
<u>Amount due from</u>	
Cash and short-term funds placed with holding bank and its branches	<u>39,114</u>
<u>Amount due to</u>	
Deposits and placements from holding bank and its branches	<u>32,025</u>

23 PROPERTY AND EQUIPMENT

There is no commitment to purchase property, plant and equipment as at 31 December 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 REVIEW OF PERFORMANCE

The Bank recorded net loss of RM2.125 million for the period since it commenced its incorporation.

Interest income was generated mainly from interbank lending and securities purchased. Other operating income is attributed mainly to foreign exchange gains and mark to market gains from revaluation of financial derivatives. Operating expense is mainly attributed to personnel costs and administration expenses.

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

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2011

26 PROSPECTS 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 is consistent with the Bank's strategic plans for continued growth to its business.

For and on behalf of,
Mizuho Corporate Bank (Malaysia) Berhad

Hiroyuki Yoshinari
Chief Executive Officer