

Company No.

923693	H
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MIZUHO BANK (MALAYSIA) BERHAD

(formerly known as Mizuho Corporate Bank (Malaysia) Berhad)
Incorporated in Malaysia

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
30 June 2013

MIZUHO BANK (MALAYSIA) BERHAD (923693-H)
(formerly known as Mizuho Corporate Bank (Malaysia) Berhad)
Incorporated in Malaysia

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	30 June 2013 RM'000	31 March 2013 RM'000
ASSETS			
Cash and short-term funds	11	615,756	651,596
Deposits and placements with financial institutions	12	31,000	35,927
Loans, advances and financing	13	335,114	277,472
Financial investments available-for-sale	14	74,383	94,340
Derivative financial assets	15	18,836	19,967
Other assets	16	2,407	2,591
Property and equipment		10,469	11,003
Intangible assets		2,589	2,528
TOTAL ASSETS		1,090,554	1,095,424
LIABILITIES AND EQUITY			
Deposits from customers	17	548,919	577,622
Deposits and placements from financial institutions	18	174,260	151,995
Derivative financial liabilities	15	6,580	7,654
Other liabilities	19	3,876	3,794
Deferred tax liabilities		1,929	1,347
TOTAL LIABILITIES		735,564	742,412
Share Capital		350,000	350,000
Reserves		4,990	3,012
SHAREHOLDERS' FUNDS		354,990	353,012
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		1,090,554	1,095,424
COMMITMENTS AND CONTINGENCIES		2,522,760	2,277,317

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 2013.

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

UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2013

	Note	1st Quarter ended		Three months ended	
		30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
Interest income	20	7,659	5,202	7,659	5,202
Interest expense	21	(3,043)	(1,796)	(3,043)	(1,796)
Net interest income		4,616	3,406	4,616	3,406
Other operating income	22	5,188	2,627	5,188	2,627
Net operating income		9,804	6,033	9,804	6,033
Other operating expenses	23	(7,143)	(7,963)	(7,143)	(7,963)
Operating profit / (loss)		2,661	(1,930)	2,661	(1,930)
Impairment allowance for on loans, advances and financing	24	(65)	(557)	(65)	(557)
Profit / (loss) before taxation		2,596	(2,487)	2,596	(2,487)
Taxation		(589)	(266)	(589)	(266)
Profit / (loss) for the period		2,007	(2,221)	2,007	(2,221)
Other comprehensive income for the period, net of tax		(3)	20	(3)	20
Total comprehensive income for the period		2,004	(2,201)	2,004	(2,201)

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 2013.

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CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2013

	← Attributable to equity holders of the Bank →				
	Share capital RM'000	Non-distributable Other reserves RM'000	Statutory reserve RM'000	Distributable Retained profits / (loss) RM'000	Total RM'000
At 1 April 2013	350,000	26	-	2,986	353,012
Profit for the period	-	-	-	2,007	2,007
Other comprehensive income / (loss)	-	(29)	-	-	(29)
Transfer to statutory reserve	-	-	2,778	(2,778)	-
Total comprehensive income for the period	<u>-</u>	<u>(29)</u>	<u>2,778</u>	<u>(771)</u>	<u>1,978</u>
At 30 June 2013	<u>350,000</u>	<u>(3)</u>	<u>2,778</u>	<u>2,215</u>	<u>354,990</u>
At 1 April 2012	350,000	18	-	(2,570)	347,448
Profit for the period	-	-	-	(2,221)	(2,221)
Other comprehensive income / (loss)	-	20	-	-	20
Total comprehensive income for the period	<u>-</u>	<u>20</u>	<u>-</u>	<u>(2,221)</u>	<u>(2,201)</u>
At 30 June 2012	<u>350,000</u>	<u>38</u>	<u>-</u>	<u>(4,791)</u>	<u>345,247</u>

*Representing 3 ordinary shares of RM1 each

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 2013.

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UNAUDITED INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE FIRST FINANCIAL QUARTER ENDED 30 JUNE 2013

	30 June 2013 RM'000	30 June 2012 RM'000
Cash flows from operating activities		
Profit / (loss) before taxation	2,596	(2,487)
<i>Adjustments for:</i>		
Depreciation of property and equipment	568	423
Amortisation of intangible asset	106	208
Impairment allowances on loans, advances and financing	65	557
Amortisation of premium net of accretion of discount	1,076	21
Unrealised (gain) / loss on revaluation of derivatives	(67)	339
Unrealised foreign exchange gain	(723)	(23)
Operating profit / (loss) before changes in working capital	<u>3,621</u>	<u>(962)</u>
<i>(Increase) / decrease in operating assets</i>		
Deposits and placements with financial institutions	4,927	(73,000)
Loans, advances and financing	(57,642)	(47,901)
Other assets	184	(262)
Purchase of financial investments available-for-sale	19,957	(30,985)
<i>Increase / (decrease) in operating liabilities</i>		
Deposits from customers	(28,703)	233,345
Deposits and placements from financial institutions	22,265	15,200
Other liabilities	82	1,946
Cash generated from operating activities	<u>(35,309)</u>	<u>97,381</u>
Taxation paid	(312)	-
Net cash generated from operating activities	<u>(35,622)</u>	<u>97,381</u>
Cash flows from investing activities		
Purchase of property and equipment	(126)	(290)
Purchase of intangible asset	(92)	(148)
Net cash used in investing activities	<u>(218)</u>	<u>(438)</u>
Net increase in cash and cash equivalents	(35,840)	96,943
Cash and cash equivalents at the beginning of the financial period	<u>651,596</u>	<u>327,667</u>
Cash and cash equivalents at the end of the financial period	<u>615,756</u>	<u>424,610</u>
Analysis of cash and cash equivalents		
Cash and short-term funds	<u>615,756</u>	<u>424,610</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 2013.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
AT 30 JUNE 2013

1 BASIS OF PREPARATION

The unaudited interim financial statements for the financial first quarter ended 30 June 2013 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: financial assets held-for-trading, financial investments available-for-sale and derivative financial instruments.

The unaudited interim financial statements have been prepared in accordance with FRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and Bank Negara Malaysia's Guidelines on Financial Reporting for Banking Institutions. The unaudited interim financial statements should be read in conjunction with the audited annual financial statements for the Bank for the financial year ended 31 March 2013. 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 period ended 31 March 2013.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited financial statements for the year ended 31 March 2013.

The following are accounting standards, amendments and interpretations of the FRS framework that have been issued by the MASB but have not been adopted by the Bank:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 132, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- MFRS 9, Financial Instruments (2009)
- MFRS 9, Financial Instruments (2010)
- Amendments to MFRS 7, *Financial Instruments: Disclosures - Mandatory Date of MFRS 9 and Transition Disclosures*

The Bank plans to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning on 1 April 2014 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2014.
- from the annual period beginning on 1 April 2015 for those standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2015.

2 AUDIT REPORT

The audit report on the audited annual financial statements for the financial year ended 31 March 2013 was not subject to any qualification.

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2 AUDIT REPORT

The audit report on the audited annual financial statements for the financial year ended 31 March 2013 was not subject to any qualification.

3 SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations of the Bank are not subject to material seasonal or cyclical fluctuations.

4 UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Bank for the first financial quarter ended 30 June 2013.

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 first financial quarter ended 30 June 2013.

6 MATERIAL EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

There were no material events subsequent to the balance sheet date that require disclosure or adjustments to the unaudited condensed interim financial statements.

7 ISSUE OF SHARES AND DEBENTURES

There were no issuance of shares and debentures during the first financial quarter ended 30 June 2013.

8 DIVIDENDS PAID

No dividend was declared or paid during the first financial quarter ended 30 June 2013.

9 REVIEW OF PERFORMANCE

The Bank recorded profit before taxation for the three months ended 30 June 2013 of RM2.6 million compared to RM2.5 million loss before tax for the previous corresponding period. Operating income increased by RM3.8 million (62.5%) from RM6.0 million to RM9.8 million primarily on higher interest income of RM7.4 million against interest income of RM5.2 million in the previous corresponding period. Net interest income increased by RM1.2 million (35.5%) from RM3.4 million to RM4.6 million. Operating expenses decreased by RM0.8 million (-10.3%) from RM7.9 million to RM7.1 million, with higher expenses attributed to one-off expenses incurred by the Bank in relation to commencement of business expenses.

Total assets registered a decrease of RM4.9 million or 0.4% from RM1,095 million to RM1,090 million at 30 June 2013. The Bank's core capital ratio and risk weighted capital ratio remained strong at 48.63% and 48.89% respectively.

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10 PROSPECTS

The Bank remains optimistic on the Malaysian economy which is expected to show GDP growth of 5.0% in 2013, supported by domestic consumption and government expenditure. Sustainable growth in private sector consumption and increasing investment activities will further support Malaysia's economic growth as well. As such, the Bank is confident that it is well positioned to capitalise on the business opportunities available in Malaysia's economy.

The Bank's strategy remains focused on growing its high priority corporate client portfolio asset base and managing capital efficiently to support business growth. In addition, the Bank will continue to leverage on its network of group companies - Mizuho Corporate Bank, 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 CASH AND SHORT-TERM FUNDS

	30 June 2013 RM'000	31 March 2013 RM'000
Cash and balances with banks and other financial institutions	50,356	38,238
Money at call and deposit placements maturing within one month	565,400	613,358
	<u>615,756</u>	<u>651,596</u>

12 DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS

	30 June 2013 RM'000	31 March 2013 RM'000
Deposits and placements maturing more than one month	<u>31,000</u>	<u>35,927</u>

13 LOANS, ADVANCES AND FINANCING

	30 June 2013 RM'000	31 March 2013 RM'000
(a) By type:		
At amortised cost:		
Term loan	101,867	80,497
Revolving credits	235,145	198,808
Gross loans, advances and financing	<u>337,012</u>	<u>279,305</u>
Less: Impairment allowance		
- Collective impairment allowance	(1,898)	(1,833)
Net loans, advances and financing	<u>335,114</u>	<u>277,472</u>
(b) By geographical distribution:		
Malaysia	<u>337,012</u>	<u>279,305</u>

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13 LOANS, ADVANCES AND FINANCING (CONTINUED)

	30 June 2013 RM'000	31 March 2013 RM'000
(c) By Type of Customer:		
Domestic business enterprise	255,318	200,043
Domestic non-bank financial institutions	81,694	79,262
	<u>337,012</u>	<u>279,305</u>
(d) By Interest/Profit Rate Sensitivity:		
Cost plus	<u>337,012</u>	<u>279,305</u>
(e) By economic purpose:		
Purchase of fixed assets other than land and building	69,615	64,936
Purchase of non-residential property	4,893	5,485
Working capital	262,504	208,884
	<u>337,012</u>	<u>279,305</u>
(f) By economic sector:		
Manufacturing	206,439	156,372
Construction	19,039	9,640
Wholesale and retail trade, and restaurants and hotels	14,829	18,526
Transport, storage and communication	15,011	15,505
Finance, insurance, real estate and business activities	81,694	79,262
	<u>337,012</u>	<u>279,305</u>
(g) By residual contractual maturity:		
Maturity within		
- one year	250,398	206,482
- one to five years	86,614	72,823
	<u>337,012</u>	<u>279,305</u>
(h) Movements in collective assessment for impairment of loans, advances and financing:		
At 1 April	1,833	1,365
Made / (reversal) during year	65	468
At 31 March	<u>1,898</u>	<u>1,833</u>
Collective assessment for impairment of loans, advances and financing as a percentage of gross loans, advances and financing	<u>0.56%</u>	<u>0.66%</u>

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14 FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	30 June 2013 RM'000	31 March 2013 RM'000
At fair value:		
Malaysia Government Securities	10,164	10,242
Malaysia Treasury Bills	64,219	84,098
	74,383	94,340

15 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are financial instruments whose values change in response to changes in prices or rates (such as foreign exchange rates, interest rates and security prices) of the underlying instruments. These instruments allow the Bank to transfer, modify or reduce its foreign exchange and interest rate risks via hedge relationships. Most of the Bank's derivative trading activities relate to deals with customers which the Bank normally enters corresponding positions with counterparties. The Bank may also take positions with the expectation of profiting from favourable movements in prices, rates or indices. The table below shows the Bank's derivative financial instruments as at the date of statement of financial position. The contractual or underlying principal amounts of these derivative financial instruments and their corresponding gross positive (derivative financial asset) and gross negative (derivative financial liability) fair values at the date of statement of financial position are analysed below.

	Notional amount RM'000	<----- Fair values ----->	
		Assets RM'000	Liabilities RM'000
As at 30 June 2013			
<u>Foreign exchange related contracts</u>			
Foreign exchange forward contracts	493,946	1,688	(1,487)
<u>Interest rate related contracts</u>			
Cross-currency interest rate swaps / Interest rate swaps	1,749,319	17,148	(5,093)
Total derivative assets / (liabilities)	2,243,265	18,836	(6,580)
	Notional amount RM'000	<----- Fair values ----->	
		Assets RM'000	Liabilities RM'000
As at 31 March 2013			
<u>Foreign exchange related contracts</u>			
Foreign exchange forward contracts	374,409	519	(385)
<u>Interest rate related contracts</u>			
Cross-currency interest rate swaps	1,698,028	19,448	(7,269)
Total derivative assets / (liabilities)	2,072,437	19,967	(7,654)

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16 OTHER ASSETS

	30 June 2013 RM'000	31 March 2013 RM'000
Interest / Income receivable	610	752
Other receivables, deposits and prepayments	1,759	1,502
Due from holding company	38	337
	<u>2,407</u>	<u>2,591</u>

17 DEPOSITS FROM CUSTOMERS

	30 June 2013 RM'000	31 March 2013 RM'000
(a) By Type of Deposit:		
Demand deposits	293,484	244,827
Fixed deposits	84,174	31,839
Short-term deposits	171,261	300,956
	<u>548,919</u>	<u>577,622</u>
(b) By Type of Customer:		
Domestic non-bank financial institutions	15,538	25,506
Domestic business enterprises	530,923	541,063
Foreign business enterprises	2,458	11,053
	<u>548,919</u>	<u>577,622</u>
(c) Maturity Structure:		
On demand	293,484	244,827
Due within six months	245,435	273,795
Due within six months to one year	10,000	59,000
	<u>548,919</u>	<u>577,622</u>

18 DEPOSITS AND PLACEMENTS FROM FINANCIAL INSTITUTIONS

	30 June 2013 RM'000	31 March 2013 RM'000
Licensed banks	<u>174,260</u>	<u>151,995</u>

19 OTHER LIABILITIES

	30 June 2013 RM'000	31 March 2013 RM'000
Accrued interest payable	967	626
Other accruals	239	127
Other payables	2,670	3,041
	<u>3,876</u>	<u>3,794</u>

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20 INTEREST INCOME

	1st Quarter ended		Three months ended	
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
Loans, advances and financing				
- Interest income other than from impaired loans	2,167	987	2,167	987
Money at call and deposit placements with financial institutions	4,574	3,667	4,574	3,667
Net gain from cross-currency interest rate swap	918	422	918	422
Financial investments available-for-sale	-	126	-	126
	<u>7,659</u>	<u>5,202</u>	<u>7,659</u>	<u>5,202</u>

21 INTEREST EXPENSE

	1st Quarter ended		Three months ended	
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
Money at call and deposit placements from financial institutions	174	96	174	96
Deposits from customers	2,623	1,700	2,623	1,700
Others	246	-	246	-
	<u>3,043</u>	<u>1,796</u>	<u>3,043</u>	<u>1,796</u>

22 OTHER OPERATING INCOME

	1st Quarter ended		Three months ended	
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
Fee income	900	990	900	990
Net unrealised gain on revaluation of derivatives	67	32	67	32
Realised foreign exchange gain	2,671	1,458	2,671	1,458
Realised gain on disposal of financial investments available-for-sale	827	297	827	297
Unrealised foreign exchange gain / (loss)	723	(150)	723	(150)
	<u>5,188</u>	<u>2,627</u>	<u>5,188</u>	<u>2,627</u>

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23 OTHER OPERATING EXPENSES

	1st Quarter ended		Three months ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
Salaries, allowances and bonuses	3,249	3,220	3,249	3,220
Contribution to Employees Provident Fund	289	290	289	290
Other staff related costs	805	1,129	805	1,129
Establishment costs				
Repair and maintenance	270	299	270	299
Depreciation of property and equipment	568	537	568	537
Amortisation of intangible asset	106	93	106	93
Rental of premises	491	337	491	337
Information technology expenses	421	360	421	360
Others	49	86	49	86
Marketing expenses				
Advertisement and publicity	-	1	-	1
Others	24	31	24	31
Administration and general expenses				
Communication expenses	184	123	184	123
Legal and professional fees	149	1,096	149	1,096
Others	538	361	538	361
	<u>7,143</u>	<u>7,963</u>	<u>7,143</u>	<u>7,963</u>

24 ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	1st Quarter ended		Three months ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Collective assessment allowance				
- made during the year	<u>65</u>	<u>557</u>	<u>65</u>	<u>557</u>

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31 CAPITAL ADEQUACY

With effect from 1 January 2013, the capital ratios are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework (Capital Components and Basel II - Risk Weighted Assets) (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 capital adequacy requirement for common equity Tier 1 ("CET1") capital ratio and Tier 1 capital ratio are 3.5% and 4.5% respectively for year 2013. The minimum regulatory capital adequacy requirement remains at 8% for total capital ratio.

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

	As at 30 June 2013 RM'000	As at 31 March 2013 RM'000
Eligible CET1 / Tier 1 Capital		
Paid-up share capital	350,000	350,000
Retained earnings	208	2,986
Other disclosed reserves (net of regulatory adjustments)	2,777	12
Total CET1 / Tier 1 Capital	<u>352,985</u>	<u>352,998</u>
Eligible Tier 2 Capital		
Collective assessment allowance	1,898	1,833
Total capital base	<u>354,883</u>	<u>354,831</u>
<u>Capital ratios:</u>		
CET1 / Tier 1 Capital	48.641%	52.090%
Risk-weighted capital adequacy ratio	<u>48.903%</u>	<u>52.361%</u>

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

	As at 30 June 2013 RM'000	As at 31 March 2013 RM'000
Credit risk	643,192	583,639
Market risk	37,443	35,641
Operational risk	45,053	58,388
Total risk-weighted assets	<u>725,688</u>	<u>677,668</u>

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25 CAPITAL ADEQUACY (CONTINUED)

The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category under standardised approach for the Bank are as follows:

30 June 2013				
	Gross Exposures RM'000	Net Exposures RM'000	Risk- Weighted Assets RM'000	Capital Requirement RM'000
<u>Credit Risk</u>				
On-Balance Sheet Exposures				
Sovereigns/Central Bank	323,004	323,004	-	-
Banks, Development Financial Institutions and MDBs	398,745	398,745	79,750	6,380
Corporates	337,012	337,012	337,012	26,961
Other Assets	28,595	28,595	28,595	2,287
Total On-Balances Sheet Exposures	<u>1,087,356</u>	<u>1,087,356</u>	<u>445,357</u>	<u>35,628</u>
Off-Balance Sheet Exposures				
OTC derivatives	220,125	220,125	158,650	12,692
Off balance sheet exposures other than OTC derivatives or credit derivatives	53,714	53,714	39,185	3,135
Total Off-Balance Sheet Exposures	<u>273,839</u>	<u>273,839</u>	<u>197,835</u>	<u>15,827</u>
Total On and Off- Balance Sheet Exposures	<u>1,361,195</u>	<u>1,361,195</u>	<u>643,192</u>	<u>51,455</u>
<u>Market Risk</u>				
	Long position RM'000	Short position RM'000		
Interest rate risk	1,551,153	1,539,096	36,780	2,943
Foreign currency risk	663	127	663	53
<i>Operational Risk</i>			45,053	3,604
Total RWA and Capital Requirements			<u>725,688</u>	<u>58,055</u>

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25 CAPITAL ADEQUACY (CONTINUED)

	31 March 2013			
	Gross Exposures RM'000	Net Exposures RM'000	Risk- Weighted Assets RM'000	Capital Requirement RM'000
<u>Credit Risk</u>				
On-Balance Sheet Exposures				
Sovereigns/Central Bank	261,710	261,710	-	-
Banks, Development Financial Institutions and MDBs	520,906	520,906	104,182	8,334
Corporates	279,305	279,305	279,305	22,345
Other Assets	28,067	28,067	28,067	2,245
Total On-Balances Sheet Exposures	<u>1,089,988</u>	<u>1,089,988</u>	<u>411,554</u>	<u>32,924</u>
Off-Balance Sheet Exposures				
OTC derivatives	204,695	204,695	156,512	12,521
Off balance sheet exposures other than OTC derivatives or credit derivatives	20,617	20,617	15,573	1,246
Total Off-Balance Sheet Exposures	<u>225,312</u>	<u>225,312</u>	<u>172,085</u>	<u>13,767</u>
Total On and Off- Balance Sheet Exposures	<u>1,315,300</u>	<u>1,315,300</u>	<u>583,639</u>	<u>46,691</u>
	Long position RM'000	Short position RM'000		
<u>Market Risk</u>				
Interest rate risk	1,480,067	1,467,886	34,507	2,761
Foreign currency risk	1,134	-	1,134	91
<i>Operational Risk</i>			58,388	4,671
Total RWA and Capital Requirements			<u>677,668</u>	<u>54,214</u>

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

25 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	Banks, Development Financial Institutions & MDBs	Corporates	Other Assets	Total Exposures after Netting and Credit Risk Mitigation	Total Risk-Weighted Assets
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 30 June 2013						
0%	323,004	-	-	-	323,004	-
20%	-	407,072	-	-	407,072	81,414
50%	-	138,683	-	-	138,683	69,342
100%	-	-	463,841	28,595	492,436	492,436
	323,004	545,755	463,841	28,595	1,361,195	643,192
As at 31 March 2013						
0%	261,710	-	-	-	261,710	-
20%	-	525,958	-	-	525,958	105,192
50%	-	98,370	-	-	98,370	49,185
100%	-	-	401,195	28,067	429,262	429,262
	261,710	624,328	401,195	28,067	1,315,300	583,639

MIZUHO BANK (MALAYSIA) BERHAD (923693-H)
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26 COMMITMENTS AND CONTINGENCIES

The off-balance sheet exposures and their related counterparty credit risk of the Bank are as follows:

	Principal amount RM'000	Credit equivalent amount* RM'000	Risk weighted amount RM'000
As at 30 June 2013			
Direct credit substitutions	3,882	3,882	3,882
Transaction related contingent items	59,664	29,832	15,303
Foreign exchange related contracts			
- One year or less	493,946	14,895	8,233
Interest / Profit related contracts			
- One year or less	2,319	132	84
- Over one year to five years	1,544,826	167,418	122,608
- Over five years	202,175	37,680	27,275
Other commitments, such as formal standby facilities and credit lines, with original maturity of over one year	40,000	20,000	20,000
Any commitments that are unconditionally cancelled at any time without prior notice	175,948	-	-
Total	<u>2,522,760</u>	<u>273,839</u>	<u>197,385</u>
	Principal amount RM'000	Credit equivalent amount* RM'000	Risk weighted amount RM'000
As at 31 March 2013			
Direct credit substitutions	2,757	2,757	2,757
Transaction related contingent items	21,720	10,860	5,816
Foreign exchange related contracts			
- One year or less	374,409	9,491	5,449
Interest / Profit related contracts			
- One year or less	3,052	136	92
- Over one year to five years	1,565,684	171,081	132,704
- Over five years	129,292	23,987	18,267
Other commitments, such as formal standby facilities and credit lines, with original maturity of over one year	14,000	7,000	7,000
Any commitments that are unconditionally cancelled at any time without prior notice	166,403	-	-
Total	<u>2,277,317</u>	<u>225,312</u>	<u>172,085</u>