

Company No.

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

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2014**

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

UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	31-Dec 2014 RM'000	31-Mar 2014 RM'000
ASSETS			
Cash and short-term funds		1,499,145	1,203,637
Deposits and placements with financial institutions		204,000	222,000
Financial investments available-for-sale	11	160,757	143,471
Loans, advances and financing	12	877,354	424,168
Derivative financial assets		160,902	74,982
Other assets		5,335	6,751
Property and equipment		9,346	9,183
Intangible asset		3,687	2,777
TOTAL ASSETS		2,920,526	2,086,969
LIABILITIES AND EQUITY			
Deposits from customers	13	1,183,604	971,160
Deposits and placements from financial institutions	14	704,386	293,754
Derivative financial liabilities		141,960	58,933
Other liabilities		166,485	53,784
Deferred tax liabilities		1,506	1,854
TOTAL LIABILITIES		2,197,941	1,379,485
Share capital		700,000	700,000
Retained profit		17,615	4,738
Other reserves		4,970	2,746
TOTAL EQUITY		722,585	707,484
TOTAL LIABILITIES AND EQUITY		2,920,526	2,086,969
COMMITMENTS AND CONTINGENCIES	20	5,408,868	4,348,033

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 2014.

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

UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2014

	Note	3rd Quarter ended		Nine months ended	
		31 Dec 2014 RM'000	31 Dec 2013 RM'000	31 Dec 2014 RM'000	31 Dec 2013 RM'000
Interest income	15	17,499	9,607	46,144	25,449
Interest expense	16	<u>(6,522)</u>	<u>(4,182)</u>	<u>(17,033)</u>	<u>(9,976)</u>
Net interest income		10,977	5,425	29,111	15,473
Other operating income	17	<u>6,850</u>	<u>3,449</u>	<u>16,015</u>	<u>13,788</u>
Net operating income		17,827	8,874	45,126	29,261
Other operating expenses	18	<u>(9,194)</u>	<u>(9,229)</u>	<u>(25,491)</u>	<u>(23,755)</u>
Operating profit		8,633	(355)	19,635	5,506
Allowance for impairment on loans, advances and financing	19	<u>(1,724)</u>	<u>1,147</u>	<u>(2,451)</u>	<u>(500)</u>
Profit before taxation		6,909	792	17,184	5,006
Taxation		<u>(1,040)</u>	<u>(1,227)</u>	<u>(2,042)</u>	<u>(2,406)</u>
Profit / (loss) for the financial period		<u>5,869</u>	<u>(435)</u>	<u>15,142</u>	<u>2,600</u>
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Unrealised (loss) / gain on financial investments		7	(9)	(55)	(20)
Income tax effect		<u>(2)</u>	<u>-</u>	<u>14</u>	<u>-</u>
Other comprehensive income for the period		5	(9)	(41)	(20)
Total comprehensive income for the financial period		<u>5,874</u>	<u>(444)</u>	<u>15,101</u>	<u>2,580</u>
Profit attributable to: Owner of the Bank		<u>5,869</u>	<u>(435)</u>	<u>15,142</u>	<u>2,600</u>
Total comprehensive income attributable to: Owner of the Bank		<u>5,874</u>	<u>(444)</u>	<u>15,101</u>	<u>2,580</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 2014.

MIZUHO BANK (MALAYSIA) BERHAD (923693-H)
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STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2014

	Share capital RM'000	Statutory reserve RM'000	←Non-distributable → Available for-sale reserve RM'000	Distributable Retained profits RM'000	Total RM'000
2015					
At 1 April 2014	700,000	2,778	(32)	4,738	707,484
Profit for the period	-	-	-	15,142	15,142
Other comprehensive income	-	-	(41)	-	(41)
Transfer to statutory reserve	-	2,265	-	(2,265)	-
At 31 December 2014	<u>700,000</u>	<u>5,043</u>	<u>(73)</u>	<u>17,615</u>	<u>722,585</u>
2014					
At 1 April 2013	350,000	-	26	2,986	353,012
Issuance of shares	350,000	-	-	-	350,000
Profit for the financial year	-	-	-	4,530	4,530
Other comprehensive income	-	-	(58)	-	(58)
Transfer to statutory reserve	-	2,778	-	(2,778)	-
At 31 March 2014	<u>700,000</u>	<u>2,778</u>	<u>(32)</u>	<u>4,738</u>	<u>707,484</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 2014.

MIZUHO BANK (MALAYSIA) BERHAD (923693-H)
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STATEMENT OF CASH FLOWS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2014

	31 Dec 2014 RM'000	31 Dec 2013 RM'000
Cash flows from operating activities		
Profit before taxation	17,184	5,006
Adjustment for non-operating and non-cash items	(2,215)	744
Operating profit before working capital changes	14,969	5,750
Changes in working capital:		
Increase in operating assets	(449,635)	(54,623)
Increase in operating liabilities	735,776	270,999
Taxation paid	(2,299)	(2,359)
Net cash generated from operating activities	298,811	219,767
Net cash used in investing activities	(3,303)	(1,006)
Net increase / (decrease) in cash and cash equivalents	295,508	218,761
Cash and cash equivalents at beginning of financial year	1,203,637	651,596
Cash and cash equivalents at end of financial period	1,499,145	870,357
Analysis of cash and cash equivalents		
Cash and short-term funds	1,499,145	870,357

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 2014.

MIZUHO BANK (MALAYSIA) BERHAD (923693-H)
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NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2014

1 BASIS OF PREPARATION

The unaudited interim financial statements for the financial quarter ended 31 December 2014 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 2014. 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 2014.

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 1	<i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011 - 2013 Cycle)</i>
Amendments to MFRS 2	<i>Share-based payment (Annual Improvements 2010 - 2012 Cycle)</i>
Amendments to MFRS 3	<i>Business combination (Annual Improvements 2010 - 2012 Cycle and Annual Improvements 2011 - 2013 Cycle)</i>
Amendments to MFRS 8	<i>Operating Segments (Annual Improvements 2010 - 2012 Cycle)</i>
Amendments to MFRS 13	<i>Fair Value Measurement (Annual Improvements 2010 - 2012 Cycle and Annual Improvements 2011 - 2013 Cycle)</i>
Amendments to MFRS 116	<i>Property, Plant and Equipment (Annual Improvements 2010 - 2012 Cycle)</i>
Amendments to MFRS 119	<i>Employee Benefits - Defined Benefits Plans: Employee Contributions</i>
Amendments to MFRS 124	<i>Related Party Disclosures (Annual Improvements 2010 - 2012 Cycle)</i>
Amendments to MFRS 138	<i>Intangible Assets (Annual Improvements 2010 - 2012 Cycle)</i>
Amendments to MFRS 140	<i>Investment Property (Annual Improvements 2011 - 2013 Cycle)</i>
MFRS 9	<i>Financial Instruments (2009)</i>
MFRS 9	<i>Financial Instruments (2010)</i>
MFRS 9	<i>Financial Instruments - Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139</i>
Amendments to MFRS 7	<i>Financial Instruments: Disclosures - Mandatory Effective Date of MFRS and Transition Disclosures</i>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2014**

2 AUDIT REPORT

The audit report on the audited annual financial statements for the financial year ended 31 March 2014 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 31 December 2014.

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 31 December 2014.

6 CHANGES IN DEBT AND EQUITY SECURITIES

There were no issuance and repayment of debt and equity securities during the financial quarter ended 31 December 2014.

7 DIVIDEND PAID

No dividend was declared or paid during the financial quarter ended 31 December 2014.

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 profit before taxation for the financial period ended 31 December 2014 of RM17.2 million compared to RM5.0 million profit before taxation in the previous corresponding period. Operating profit increased by RM14.1 million (256.6%) from RM5.5 million to RM19.6 million primarily on higher interest income of RM46.1 million against interest income of RM25.4 million in the previous corresponding period. Operating expenses increased by RM1.7 million (7.1%) from RM23.8 million to RM25.5 million as the Bank continues to invest and support growth while ensuring compliance with regulatory requirements. Total assets registered an increase of RM833.6 million or 39.9% from RM2.1 billion to RM2.9 billion at 31 December 2014. The Bank's total common equity tier 1 ratio and total capital ratio remained strong at 40.044% and 40.500% respectively.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2014**

10 PROSPECTS

The Bank's strategy is to continue profit growth in the financial year by focusing on growing its corporate client portfolio asset base and managing capital efficiently to support business growth. Loan growth in corporate loans and syndicated loans will continue to be a component of this strategy through business expansion with both Japanese and non-Japanese clients. The Bank will also continue to offer fundamental commercial banking services such as deposit, foreign exchange, derivatives and cash management service to both Japanese and non-Japanese clients. In addition, the Bank will continue to leverage on its network of group companies - Mizuho Bank, Mizuho Securities, and Mizuho Trust & Banking - to offer a complete range of high quality financial products and services to the local market.

11 FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	31-Dec 2014 RM'000	31-Mar 2014 RM'000
At fair value:		
Malaysian Government Securities	-	10,015
Malaysian Government Treasury Bills	160,757	133,456
	<u>160,757</u>	<u>143,471</u>

12 LOANS, ADVANCES AND FINANCING

	31-Dec 2014 RM'000	31-Mar 2014 RM'000
(a) By type:		
At amortised cost:		
Term loans	385,700	177,894
Revolving credits	499,706	251,875
Gross loans, advances and financing	<u>885,406</u>	<u>429,769</u>
Less: Impairment allowance		
- Collective impairment allowance	(8,052)	(5,601)
Net loans, advances and financing	<u>877,354</u>	<u>424,168</u>
(b) By geographical distribution:		
Malaysia	<u>885,406</u>	<u>429,769</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2014**

12 LOANS, ADVANCES AND FINANCING (CONTINUED)

	31-Dec 2014 RM'000	31-Mar 2014 RM'000
(c) By type of customer:		
Domestic business enterprise	571,401	317,378
Domestic non-bank financial institutions	226,627	92,788
Foreign business entity	87,378	19,603
	<u>885,406</u>	<u>429,769</u>
(d) By interest/profit rate sensitivity:		
Cost plus	<u>885,406</u>	<u>429,769</u>
(e) By economic purpose:		
Construction	110,802	-
Purchase of fixed assets other than land and building	127,998	120,826
Purchase of non-residential property	1,857	2,777
Working capital	644,749	306,166
	<u>885,406</u>	<u>429,769</u>
(f) By economic sector:		
Manufacturing	282,980	274,911
Construction	-	7,257
Wholesale and retail trade, and restaurants and hotels	156,488	22,412
Transport, storage and communication	11,991	12,798
Finance, insurance, real estate and business activities	346,569	112,391
Others	87,378	-
	<u>885,406</u>	<u>429,769</u>
(g) By residual contractual maturity:		
Maturity within		
- one year	518,708	295,072
- one to five years	314,273	85,664
- after five years	52,425	49,033
	<u>885,406</u>	<u>429,769</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2014**

12 LOANS, ADVANCES AND FINANCING (CONTINUED)

	31-Dec 2014 RM'000	31-Mar 2014 RM'000
(h) Movements in collective impairment allowance for loans, advances and financing:		
Collective impairment allowance:		
At 1 April	5,601	1,833
Allowance made during the period	2,451	3,768
At end of the reporting period / year	8,052	5,601

The Bank has no impaired loans, advances and financing and no individual impairment allowance was deemed required as at 31 December 2014.

13 DEPOSITS FROM CUSTOMERS

	31-Dec 2014 RM'000	31-Mar 2014 RM'000
(a) By type of deposit:		
- Demand deposits	517,667	318,188
- Fixed deposits	225,269	215,636
- Short-term deposits	440,668	437,336
	1,183,604	971,160
(b) By type of customer:		
- Domestic non-bank financial institutions	126,229	73,835
- Domestic business enterprises	1,035,556	858,875
- Foreign business enterprises	21,819	38,450
	1,183,604	971,160
(c) Maturity structure:		
- On demand	517,667	318,188
- Due within six months	636,937	625,659
- Due within six months to one year	29,000	27,313
	1,183,604	971,160

14 DEPOSITS AND PLACEMENTS FROM FINANCIAL INSTITUTIONS

	31-Dec 2014 RM'000	31-Mar 2014 RM'000
Licensed banks	704,386	293,754

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2014**

15 INTEREST INCOME

	3rd Quarter ended		Nine months ended	
	31-Dec 2014 RM'000	31-Dec 2013 RM'000	31-Dec 2014 RM'000	31-Dec 2013 RM'000
Loans, advances and financing				
- Interest income other than from impaired loans	4,791	2,580	11,150	7,527
Money at call and deposits and placements with financial institutions	10,574	5,653	28,353	14,728
Net gain from cross-currency interest rate swap	922	882	3,194	2,906
Financial investments available-for-sale	1,212	492	3,447	288
	<u>17,499</u>	<u>9,607</u>	<u>46,144</u>	<u>25,449</u>

16 INTEREST EXPENSE

	3rd Quarter ended		Nine months ended	
	31-Dec 2014 RM'000	31-Dec 2013 RM'000	31-Dec 2014 RM'000	31-Dec 2013 RM'000
Deposits and placements from financial institutions	796	397	1,251	1,045
Deposits from customers	5,726	3,777	15,782	8,909
Others	-	8	-	22
	<u>6,522</u>	<u>4,182</u>	<u>17,033</u>	<u>9,976</u>

17 OTHER OPERATING INCOME

	3rd Quarter ended		Nine months ended	
	31-Dec 2014 RM'000	31-Dec 2013 RM'000	31-Dec 2014 RM'000	31-Dec 2013 RM'000
Fee income	1,179	1,246	3,334	3,418
Net unrealised gain on revaluation of derivatives	2,313	572	2,793	748
Realised foreign exchange gain	2,750	2,060	6,880	6,965
Realised gain on disposal of financial investments available-for-sale	-	148	-	1,504
Unrealised foreign exchange gain / (loss)	608	(577)	3,008	1,153
	<u>6,850</u>	<u>3,449</u>	<u>16,015</u>	<u>13,788</u>

MIZUHO BANK (MALAYSIA) BERHAD (923693-H)
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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2014**

18 OTHER OPERATING EXPENSES

	3rd Quarter ended		Nine months ended	
	31-Dec 2014 RM'000	31-Dec 2013 RM'000	31-Dec 2014 RM'000	31-Dec 2013 RM'000
Personnel costs:				
Salaries, allowances and bonuses	3,468	3,314	9,950	9,288
Contribution to Employees Provident Fund	317	294	973	861
Other staff related costs	1,301	998	3,488	2,926
Establishment costs:				
Repair and maintenance	440	587	1,113	1,151
Depreciation of property and equipment	585	583	1,771	1,723
Amortisation of intangible asset	171	112	460	327
Rental of premises	609	491	1,595	1,473
Information technology expenses	492	317	936	1,097
Others	273	64	842	191
Marketing expenses:				
Advertisement and publicity	70	82	70	85
Others	146	24	392	94
Administration and general expenses:				
Communication expenses	190	165	653	535
Legal and professional fees	338	364	1,245	1,076
Others	794	1,834	2,003	2,928
	<u>9,194</u>	<u>9,229</u>	<u>25,491</u>	<u>23,755</u>

19 ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	3rd Quarter ended		Nine months ended	
	31-Dec 2014 RM'000	31-Dec 2013 RM'000	31-Dec 2014 RM'000	31-Dec 2013 RM'000
Collective impairment allowance				
- made / (reversed) during the year	<u>1,724</u>	<u>(1,147)</u>	<u>2,451</u>	<u>500</u>

MIZUHO BANK (MALAYSIA) BERHAD (923693-H)
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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2014**

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 31 December 2014			
Direct credit substitutions	4,543	4,543	4,543
Transaction related contingent items	107,361	53,681	37,889
Short-term self-liquidating trade related contingencies	4,485	897	897
Foreign exchange related contracts			
- One year or less	954,220	27,875	17,196
Interest related contracts			
- One year or less	286,045	13,157	7,477
- Over one year to five years	2,792,906	438,858	297,003
- Over five years	612,073	122,011	83,706
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	144,375	72,188	72,188
Any commitments that are unconditionally cancelled at any time without prior notice	502,860	-	-
Total	5,408,868	733,210	520,899
As at 31 March 2014			
Direct credit substitutions	4,063	4,063	4,063
Transaction related contingent items	95,988	47,994	33,265
Short-term self-liquidating trade related contingencies	558	112	112
Foreign exchange related contracts			
- One year or less	1,039,305	21,220	13,156
Interest related contracts			
- One year or less	187,448	8,968	6,100
- Over one year to five years	2,388,706	316,857	234,327
- Over five years	320,901	63,732	46,631
Any commitments that are unconditionally cancelled at any time without prior notice	311,064	-	-
Total	4,348,033	462,946	337,654

* 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 THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2014**

21 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 Capital Adequacy Framework (Basel II - Risk Weighted Assets) (collectively, the "Framework") issued on 28 November 2012. The Bank has adopted Standardised Approach for credit risk and market risk and the Basic Indicator Approach for operational risk. In line with transitional arrangements under BNM's Capital Adequacy Framework (Capital Components), the minimum regulatory capital adequacy requirement for common equity Tier 1 ("CET1") capital ratio and Tier 1 capital ratio are 4.0% and 5.5% respectively for the year 2014. The minimum regulatory capital adequacy requirement remains at 8% for total capital ratio.

(i) Based on the above, the capital adequacy ratios of the Bank are as follows:

	31-Dec 2014	31-Mar 2014
<u>Capital ratios:</u>		
CET1 Capital Ratio / Total Tier 1 Capital Ratio	40.044%	65.877%
Total Capital Ratio	<u>40.500%</u>	<u>66.399%</u>

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

	31-Dec 2014 RM'000	31-Mar 2014 RM'000
CET 1 Capital		
Paid-up share capital	700,000	700,000
Retained profits	2,473	4,738
Other reserves (net of regulatory adjustments)	5,010	2,764
Total CET1 Capital, representing total Tier 1 Capital	<u>707,483</u>	<u>707,502</u>
Tier 2 Capital		
Collective impairment allowance	8,052	5,601
Total Capital	<u>715,535</u>	<u>713,103</u>

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

	31-Dec 2014 RM'000	31-Mar 2014 RM'000
Total RWA for Credit risk	1,596,715	945,263
Total RWA for Market risk	83,524	61,138
Total RWA for Operational risk	86,534	67,569
Total RWA	<u>1,766,773</u>	<u>1,073,970</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
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21 CAPITAL ADEQUACY

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 December 2014				
<u>Credit risk</u>				
On-balance sheet exposures:				
Sovereigns/central banks	953,271	953,271	-	-
Banks, development financial Institutions and MDBs	913,704	753,029	150,606	12,048
Corporates	885,406	885,406	885,405	70,832
Other assets	39,810	39,810	39,805	3,185
Total on-balance sheet exposures	<u>2,792,191</u>	<u>2,631,516</u>	<u>1,075,816</u>	<u>86,065</u>
Off-balance sheet exposures:				
OTC derivatives	601,902	601,902	405,382	32,431
Off-balance sheet exposures other than OTC derivatives or credit derivatives	131,308	131,308	115,517	9,241
Total off-balance sheet exposures	<u>733,210</u>	<u>733,210</u>	<u>520,899</u>	<u>41,672</u>
Total on and off-balance sheet exposures	<u>3,525,401</u>	<u>3,364,726</u>	<u>1,596,715</u>	<u>127,737</u>
<u>Market risk</u>				
	Long Position RM'000	Short Position RM'000		
Interest rate risk	3,698,280	3,680,247	76,856	6,149
Foreign currency risk	6,668	709	6,668	533
Operational risk			86,534	6,923
Total RWA and capital requirements			<u>1,766,773</u>	<u>141,342</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2014**

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 2014				
<u>Credit risk</u>				
On-balance sheet exposures:				
Sovereigns/central banks	799,385	799,385	-	-
Banks, development financial Institutions and MDBs	774,279	725,728	145,146	11,612
Corporates	429,769	429,769	429,769	34,382
Other assets	32,705	32,705	32,694	2,615
Total on-balance sheet exposures	<u>2,036,138</u>	<u>1,987,587</u>	<u>607,609</u>	<u>48,609</u>
Off-balance sheet exposures:				
OTC derivatives	410,777	410,777	300,214	24,017
Off-balance sheet exposures other than OTC derivatives or credit derivatives	52,169	52,169	37,440	2,995
Total off-balance sheet exposures	<u>462,946</u>	<u>462,946</u>	<u>337,654</u>	<u>27,012</u>
Total on and off-balance sheet exposures	<u>2,499,084</u>	<u>2,450,533</u>	<u>945,263</u>	<u>75,621</u>
<u>Market risk</u>				
	Long Position RM'000	Short Position RM'000		
Interest rate risk	2,826,214	2,810,384	59,548	4,764
Foreign currency risk	1,590	-	1,590	127
Operational risk			67,569	5,406
Total RWA and capital requirements			<u>1,073,970</u>	<u>85,918</u>

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

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 DECEMBER 2014**

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 31 December 2014						
0%	953,271	-	-	5	953,276	-
20%	-	766,377	-	-	766,377	153,275
50%	-	403,266	-	-	403,266	201,633
100%	-	-	1,202,002	39,805	1,241,807	1,241,807
	<u>953,271</u>	<u>1,169,643</u>	<u>1,202,002</u>	<u>39,810</u>	<u>3,364,726</u>	<u>1,596,715</u>
As at 31 March 2014						
0%	799,385	-	-	11	799,396	-
20%	-	735,808	-	-	735,808	147,162
50%	-	234,456	-	-	234,456	117,228
100%	-	-	648,179	32,694	680,873	680,873
	<u>799,385</u>	<u>970,264</u>	<u>648,179</u>	<u>32,705</u>	<u>2,450,533</u>	<u>945,263</u>