

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 September 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 SEPTEMBER 2013

	Note	30 Sep 2013 RM'000	31 Mar 2013 RM'000
ASSETS			
Cash and short-term funds	11	742,711	651,596
Deposits and placements with financial institutions	12	37,000	35,927
Loans, advances and financing	13	365,441	277,472
Financial investments available-for-sale	14	74,405	94,340
Derivative financial assets	15	45,667	19,967
Other assets	16	2,746	2,591
Property and equipment		10,009	11,003
Intangible assets		2,695	2,528
TOTAL ASSETS		1,280,674	1,095,424
LIABILITIES AND EQUITY			
Deposits from customers	17	659,077	577,622
Deposits and placements from financial institutions	18	226,032	151,995
Derivative financial liabilities	15	33,194	7,654
Other liabilities	19	4,816	3,794
Deferred tax liabilities		1,519	1,347
TOTAL LIABILITIES		924,638	742,412
Share Capital		350,000	350,000
Reserves		6,036	3,012
SHAREHOLDERS' FUNDS		356,036	353,012
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		1,280,674	1,095,424
COMMITMENTS AND CONTINGENCIES		2,875,755	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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UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013

	Note	2nd Quarter ended		Six months ended	
		30 Sep 2013 RM'000	30 Sep 2012 RM'000	30 Sep 2013 RM'000	30 Sep 2012 RM'000
Interest income	20	8,429	5,411	16,046	10,613
Interest expense	21	<u>(2,997)</u>	<u>(2,039)</u>	<u>(5,998)</u>	<u>(3,835)</u>
Net interest income		5,432	3,372	10,048	6,778
Other operating income	22	<u>5,202</u>	<u>5,723</u>	<u>10,339</u>	<u>8,351</u>
Net operating income		10,634	9,095	20,387	15,129
Other operating expenses	23	<u>(7,383)</u>	<u>(7,499)</u>	<u>(14,526)</u>	<u>(15,457)</u>
Operating profit / (loss)		3,251	1,596	5,861	(328)
Impairment allowance for on loans, advances and financing	24	<u>(1,582)</u>	<u>(136)</u>	<u>(1,647)</u>	<u>(693)</u>
Profit / (loss) before taxation		1,669	1,460	4,214	(1,021)
Taxation		<u>(590)</u>	<u>(154)</u>	<u>(1,179)</u>	<u>112</u>
Profit / (loss) for the period		<u>1,079</u>	<u>1,306</u>	<u>3,035</u>	<u>(909)</u>
Other comprehensive income for the period, net of tax		<u>(8)</u>	<u>(8)</u>	<u>(11)</u>	<u>12</u>
Total comprehensive income for the period		<u>1,071</u>	<u>1,298</u>	<u>3,024</u>	<u>(897)</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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CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST FINANCIAL QUARTER ENDED 30 SEPTEMBER 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	-	-	-	3,035	3,035
Other comprehensive income / (loss)	-	(11)	-	-	(11)
Transfer to statutory reserve	-	-	2,778	(2,778)	-
Total comprehensive income for the period	-	(11)	2,778	257	3,024
At 30 September 2013	350,000	15	2,778	3,243	356,036
At 1 April 2012	350,000	18	-	(2,570)	347,448
Profit for the period	-	-	-	(909)	(909)
Other comprehensive income / (loss)	-	(6)	-	-	(6)
Total comprehensive income for the period	-	(6)	-	(909)	(915)
At 30 September 2012	350,000	12	-	(3,479)	346,533

*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 SEPTEMBER 2013

	30 Sep 2013 RM'000	30 Sep 2012 RM'000
Cash flows from operating activities		
Profit / (loss) before taxation	4,214	(1,021)
<i>Adjustments for:</i>		
Depreciation of property and equipment	1,140	1,084
Amortisation of intangible asset	215	189
Impairment allowances on loans, advances and financing	1,647	692
Amortisation of premium net of accretion of discount	140	(302)
Unrealised (gain) / loss on revaluation of derivatives	(176)	(134)
Unrealised foreign exchange gain	(1,730)	(545)
Operating profit / (loss) before changes in working capital	5,450	(37)
<i>(Increase) / decrease in operating assets</i>		
Deposits and placements with financial institutions	(1,073)	(25,719)
Loans, advances and financing	(87,969)	(119,611)
Other assets	(155)	(24)
Purchase of financial investments available-for-sale	19,935	(51,420)
<i>Increase / (decrease) in operating liabilities</i>		
Deposits from customers	81,455	174,309
Deposits and placements from financial institutions	74,037	72,561
Other liabilities	1,022	590
Cash generated from operating activities	92,702	50,649
Taxation paid	(1,004)	-
Net cash generated from operating activities	91,698	50,649
Cash flows from investing activities		
Purchase of property and equipment	(146)	(646)
Purchase of intangible asset	(437)	(1,116)
Net cash used in investing activities	(583)	(1,762)
Net increase in cash and cash equivalents	91,115	48,887
Cash and cash equivalents at the beginning of the financial period	651,596	327,667
Cash and cash equivalents at the end of the financial period	742,711	376,554
Analysis of cash and cash equivalents		
Cash and short-term funds	742,711	376,554

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 SEPTEMBER 2013

1 BASIS OF PREPARATION

The unaudited interim financial statements for the financial second quarter ended 30 September 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 second financial quarter ended 30 September 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 second financial quarter ended 30 September 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 second financial quarter ended 30 September 2013.

8 DIVIDENDS PAID

No dividend was declared or paid during the second financial quarter ended 30 September 2013.

9 REVIEW OF PERFORMANCE

The Bank recorded profit before taxation for the six months ended 30 September 2013 of RM4.3 million compared to RM1.0 million loss before tax for the previous corresponding period. Operating income increased by RM5.3 million (35.1%) from RM15.1 million to RM20.4 million primarily on higher interest income of RM16.0 million against interest income of RM10.6 million in the previous corresponding period. Net interest income increased by RM3.3 million (47.1%) from RM6.8 million to RM10.0 million. Operating expenses decreased by RM0.9 million (-10.3%) from RM15.5 million to RM14.5 million, with higher expenses in the previous corresponding period attributed to one-off expenses incurred by the Bank in relation to commencement of business expenses. Total assets registered an increase of RM186 million or 16.9% from RM1,095 million to RM1,281 million at 30 September 2013. The Bank's core capital ratio and risk weighted capital ratio remained strong at 44.17% and 44.61% respectively.

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10 PROSPECTS

The Bank remains optimistic on the Malaysian economy which is expected to grow at 4.5% - 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 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 Sep 2013 RM'000	31 Mar 2013 RM'000
Cash and balances with banks and other financial institutions	32,018	38,238
Money at call and deposit placements maturing within one month	710,693	613,358
	<u>742,711</u>	<u>651,596</u>

12 DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS

	30 Sep 2013 RM'000	31 Mar 2013 RM'000
Deposits and placements maturing more than one month	<u>37,000</u>	<u>35,927</u>

13 LOANS, ADVANCES AND FINANCING

	30 Sep 2013 RM'000	31 Mar 2013 RM'000
(a) By type:		
At amortised cost:		
Term loan	103,185	80,497
Revolving credits	265,736	198,808
Gross loans, advances and financing	<u>368,921</u>	<u>279,305</u>
Less: Impairment allowance		
- Collective impairment allowance	(3,480)	(1,833)
Net loans, advances and financing	<u>365,441</u>	<u>277,472</u>
(b) By geographical distribution:		
Malaysia	<u>368,921</u>	<u>279,305</u>

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13 LOANS, ADVANCES AND FINANCING (CONTINUED)

	30 Sep 2013 RM'000	31 Mar 2013 RM'000
(c) By Type of Customer:		
Domestic business enterprise	287,140	200,043
Domestic non-bank financial institutions	81,781	79,262
	<u>368,921</u>	<u>279,305</u>
(d) By Interest/Profit Rate Sensitivity:		
Cost plus	<u>368,921</u>	<u>279,305</u>
(e) By economic purpose:		
Purchase of fixed assets other than land and building	71,725	64,936
Purchase of non-residential property	4,285	5,485
Working capital	292,911	208,884
	<u>368,921</u>	<u>279,305</u>
(f) By economic sector:		
Manufacturing	213,037	156,372
Construction	17,706	9,640
Wholesale and retail trade, and restaurants and hotels	42,093	18,526
Transport, storage and communication	14,304	15,505
Finance, insurance, real estate and business activities	81,781	79,262
	<u>368,921</u>	<u>279,305</u>
(g) By residual contractual maturity:		
Maturity within		
- one year	280,788	206,482
- one to five years	88,133	72,823
	<u>368,921</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	1,647	468
At 31 March	<u>3,480</u>	<u>1,833</u>
Collective assessment for impairment of loans, advances and financing as a percentage of gross loans, advances and financing	<u>0.94%</u>	<u>0.66%</u>

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14 FINANCIAL INVESTMENTS AVAILABLE-FOR-SALE

	30 Sep 2013 RM'000	31 Mar 2013 RM'000
At fair value:		
Malaysia Government Securities	10,126	10,242
Malaysia Treasury Bills	64,279	84,098
	74,405	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 September 2013			
<u>Foreign exchange related contracts</u>			
Foreign exchange forward contracts	691,046	3,050	(2,741)
<u>Interest rate related contracts</u>			
Cross-currency interest rate swaps / Interest rate swaps	1,905,010	42,617	(30,453)
Total derivative assets / (liabilities)	2,596,056	45,667	(33,194)

	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 Sep 2013 RM'000	31 Mar 2013 RM'000
Interest / Income receivable	1,152	752
Other receivables, deposits and prepayments	1,523	1,502
Due from holding company	71	337
	<u>2,746</u>	<u>2,591</u>

17 DEPOSITS FROM CUSTOMERS

	30 Sep 2013 RM'000	31 Mar 2013 RM'000
(a) By Type of Deposit:		
Demand deposits	264,609	244,827
Fixed deposits	184,709	31,839
Short-term deposits	209,759	300,956
	<u>659,077</u>	<u>577,622</u>
(b) By Type of Customer:		
Domestic non-bank financial institutions	10,627	25,506
Domestic business enterprises	631,652	541,063
Foreign business enterprises	16,798	11,053
	<u>659,077</u>	<u>577,622</u>
(c) Maturity Structure:		
On demand	264,609	244,827
Due within six months	394,468	273,795
Due within six months to one year	-	59,000
	<u>659,077</u>	<u>577,622</u>

18 DEPOSITS AND PLACEMENTS FROM FINANCIAL INSTITUTIONS

	30 Sep 2013 RM'000	31 Mar 2013 RM'000
Licensed banks	<u>226,032</u>	<u>151,995</u>

19 OTHER LIABILITIES

	30 Sep 2013 RM'000	31 Mar 2013 RM'000
Accrued interest payable	1,962	626
Other accruals	168	127
Other payables	2,686	3,041
	<u>4,816</u>	<u>3,794</u>

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20 INTEREST INCOME

	2nd Quarter ended		Six months ended	
	30 Sep 2013 RM'000	30 Sep 2012 RM'000	30 Sep 2013 RM'000	30 Sep 2012 RM'000
Loans, advances and financing				
- Interest income other than from impaired loans	2,780	1,376	4,947	2,362
Money at call and deposit placements with financial institutions	4,501	3,198	9,075	6,865
Net gain from cross-currency interest rate swap	1,106	405	2,024	829
Financial investments available-for-sale	42	432	-	557
	<u>8,429</u>	<u>5,411</u>	<u>16,046</u>	<u>10,613</u>

21 INTEREST EXPENSE

	2nd Quarter ended		Six months ended	
	30 Sep 2013 RM'000	30 Sep 2012 RM'000	30 Sep 2013 RM'000	30 Sep 2012 RM'000
Money at call and deposit placements from financial institutions	474	43	648	139
Deposits from customers	2,523	1,996	5,146	3,696
Others	-	-	204	-
	<u>2,997</u>	<u>2,039</u>	<u>5,998</u>	<u>3,835</u>

22 OTHER OPERATING INCOME

	2nd Quarter ended		Six months ended	
	30 Sep 2013 RM'000	30 Sep 2012 RM'000	30 Sep 2013 RM'000	30 Sep 2012 RM'000
Fee income	1,323	2,118	2,172	3,110
Net unrealised gain on revaluation of derivatives	109	102	176	134
Realised foreign exchange gain	2,234	2,553	4,905	4,011
Realised gain on disposal of financial investments available-for-sale	529	254	1,356	551
Unrealised foreign exchange gain / (loss)	1,007	696	1,730	545
	<u>5,202</u>	<u>5,723</u>	<u>10,339</u>	<u>8,351</u>

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23 OTHER OPERATING EXPENSES

	2nd Quarter ended		Six months ended	
	30 Sep 2013 RM'000	30 Sep 2012 RM'000	30 Sep 2013 RM'000	30 Sep 2012 RM'000
Personnel costs				
Salaries, allowances and bonuses	2,725	2,312	5,974	5,531
Contribution to Employees Provident Fund	278	231	567	521
Other staff related costs	1,123	1,054	1,928	2,182
Establishment costs				
Repair and maintenance	294	323	564	622
Depreciation of property and equipment	572	547	1,140	1,084
Amortisation of intangible asset	109	96	215	189
Rental of premises	491	353	982	690
Information technology expenses	359	503	780	862
Others	78	67	127	152
Marketing expenses				
Advertisement and publicity	3	-	3	1
Others	46	23	70	54
Administration and general expenses				
Communication expenses	186	145	370	269
Legal and professional fees	563	1,512	712	2,608
Others	556	333	1,094	692
	<u>7,383</u>	<u>7,499</u>	<u>14,526</u>	<u>15,457</u>

24 ALLOWANCE FOR IMPAIRMENT ON LOANS, ADVANCES AND FINANCING

	2nd Quarter ended		Six months ended	
	30 Sep 2013 RM'000	30 Sep 2012 RM'000	30 Sep 2013 RM'000	30 Sep 2012 RM'000
Collective assessment allowance				
- made during the year	<u>1,582</u>	<u>557</u>	<u>1,647</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 September 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)	2,785	12
Total CET1 / Tier 1 Capital	<u>352,993</u>	<u>352,998</u>
Eligible Tier 2 Capital		
Collective assessment allowance	3,480	1,833
Total capital base	<u>356,473</u>	<u>354,831</u>
<u>Capital ratios:</u>		
CET1 / Tier 1 Capital	44.178%	52.090%
Risk-weighted capital adequacy ratio	<u>44.613%</u>	<u>52.361%</u>

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

	As at 30 September 2013 RM'000	As at 31 March 2013 RM'000
Credit risk	707,623	583,639
Market risk	39,742	35,641
Operational risk	51,668	58,388
Total risk-weighted assets	<u>799,033</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 September 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	445,814	445,814	-	-
Banks, Development Financial Institutions and MDBs	409,423	409,342	81,869	6,549
Corporates	368,921	368,921	368,921	29,514
Other Assets	29,543	29,543	29,512	2,361
Total On-Balances Sheet Exposures	<u>1,253,701</u>	<u>1,253,620</u>	<u>480,302</u>	<u>38,424</u>
Off-Balance Sheet Exposures				
OTC derivatives	267,305	267,305	186,068	14,886
Off balance sheet exposures other than OTC derivatives or credit derivatives	56,197	56,197	41,253	3,300
Total Off-Balance Sheet Exposures	<u>323,502</u>	<u>323,502</u>	<u>227,321</u>	<u>18,186</u>
Total On and Off- Balance Sheet Exposures	<u>1,577,203</u>	<u>1,577,122</u>	<u>707,623</u>	<u>56,610</u>
<u>Market Risk</u>				
	Long position RM'000	Short position RM'000		
Interest rate risk	1,730,137	1,717,971	39,414	3,153
Foreign currency risk	328	119	328	26
<i>Operational Risk</i>			51,668	4,133
Total RWA and Capital Requirements			<u>799,033</u>	<u>63,922</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 September 2013						
0%	445,814	-	-	31	445,845	-
20%	-	419,583	-	-	419,583	83,917
50%	-	175,976	-	-	175,976	87,988
100%	-	-	506,206	29,512	535,718	535,718
	445,814	595,559	506,206	29,543	1,577,122	707,623

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 September 2013			
Direct credit substitutions	3,869	3,869	3,869
Transaction related contingent items	64,447	32,224	17,280
Short-term self liquidating trade related contingencies	521	104	104
Foreign exchange related contracts			
- One year or less	691,046	16,734	8,541
Interest / Profit related contracts			
- One year or less	1,570	63	31
- Over one year to five years	1,609,837	195,562	135,929
- Over five years	293,603	56,946	41,567
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	170,862	-	-
Total	<u>2,875,755</u>	<u>325,502</u>	<u>227,321</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>