

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**

(Company No. 926374-U)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

**30 SEPTEMBER 2015**

# SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

(Company No. 926374-U)

(Incorporated in Malaysia)

## UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

	Note	30 September 2015 RM'000	31 March 2015 RM'000
<b>Assets</b>			
Cash and short-term funds		3,460,002	4,038,925
Deposits and placements with banks and other financial institutions		1,048,147	637,033
Investment securities available-for-sale	10	220,094	129,654
Loans, advances and financing	11	4,231,549	2,774,951
Derivative financial assets		1,093,048	380,250
Other assets		12,023	7,315
Plant and equipment		18,943	20,253
Tax recoverable		13,362	7,685
<b>Total assets</b>		<u>10,097,168</u>	<u>7,996,066</u>
<b>Liabilities</b>			
Deposits from customers	12	4,258,917	3,746,038
Deposits and placements of banks and other financial institutions	13	2,523,697	2,866,292
Bills and acceptances payable		580	749
Derivative financial liabilities		991,172	317,134
Other liabilities		602,430	257,947
Deferred tax liabilities		20,888	13,033
<b>Total liabilities</b>		<u>8,397,684</u>	<u>7,201,193</u>
<b>Equity</b>			
Share capital		1,575,000	700,000
Reserves		73,111	66,416
Retained earnings		51,373	28,457
<b>Total equity attributable to equity holder of the Bank</b>		<u>1,699,484</u>	<u>794,873</u>
<b>Total liabilities and equity</b>		<u>10,097,168</u>	<u>7,996,066</u>
<b>Commitments and contingencies</b>	25	<u>15,751,538</u>	<u>10,721,508</u>

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**

(Company No. 926374-U)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

	Note	2nd Quarter Ended		Half Year Ended	
		30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
Interest income	14	62,972	27,060	109,210	52,492
Interest expense	15	(32,614)	(12,234)	(58,662)	(24,525)
<b>Net interest income</b>		<u>30,358</u>	<u>14,826</u>	<u>50,548</u>	<u>27,967</u>
Other operating income	16	21,469	9,599	30,662	17,272
Net operating income		<u>51,827</u>	<u>24,425</u>	<u>81,210</u>	<u>45,239</u>
Other operating expenses	17	(16,063)	(12,549)	(31,235)	(25,870)
Operating profit		<u>35,764</u>	<u>11,876</u>	<u>49,975</u>	<u>19,369</u>
Allowance for impairment on loans, advances and financing	18	(6,572)	(2,902)	(10,935)	(4,378)
<b>Profit before taxation</b>		<u>29,192</u>	<u>8,974</u>	<u>39,040</u>	<u>14,991</u>
Tax expense		(7,125)	(2,423)	(9,449)	(4,104)
<b>Profit after taxation</b>		<u>22,067</u>	<u>6,551</u>	<u>29,591</u>	<u>10,887</u>
<b>Other comprehensive income for the period, net of income tax</b>					
Fair value changes of investment securities available-for-sale		98	31	20	61
<b>Total comprehensive income for the period</b>		<u>22,165</u>	<u>6,582</u>	<u>29,611</u>	<u>10,948</u>
Basic earnings per ordinary share (sen)		<u>1.72</u>	<u>0.94</u>	<u>2.31</u>	<u>1.56</u>

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**

(Company No. 926374-U)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

	←———— <i>Non-distributable reserves</i> —————→				<i>Distributable reserves</i>	
	Share capital RM'000	Statutory reserve RM'000	Regulatory reserve RM'000	Available- for-sale reserve RM'000	Retained earnings RM'000	Total RM'000
<b>At 1 April 2015</b>	700,000	49,673	16,751	(8)	28,457	794,873
Issuance of shares	875,000	-	-	-	-	875,000
Profit for the period	-	-	-	-	29,591	29,591
Fair value changes of available-for-sale financial assets	-	-	-	20	-	20
<b>Total comprehensive income for the period</b>	-	-	-	20	-	-
Transfer to regulatory reserve	-	-	6,675	-	(6,675)	-
<b>At 30 September 2015</b>	<u>1,575,000</u>	<u>49,673</u>	<u>23,426</u>	<u>12</u>	<u>51,373</u>	<u>1,699,484</u>
<b>At 1 April 2014</b>	700,000	33,006	-	(47)	28,542	761,501
Profit for the period	-	-	-	-	10,887	10,887
Fair value changes of available-for-sale financial assets	-	-	-	61	-	61
<b>Total comprehensive income for the period</b>	-	-	-	61	10,887	10,948
<b>At 30 September 2014</b>	<u>700,000</u>	<u>33,006</u>	<u>-</u>	<u>14</u>	<u>39,429</u>	<u>772,449</u>

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**  
(Company No. 926374-U)  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit from ordinary activities before taxation	39,040	14,991
Adjustments for non-cash items	(26,314)	7,628
Operating profit before working capital changes	12,726	22,619
Changes in working capital:		
Net changes in operating assets	(1,883,355)	(796,348)
Net changes in operating liabilities	514,598	984,468
Net cash (used in)/ generated from operating activities	(1,356,031)	210,739
Tax paid	(7,277)	(5,161)
<b>Net cash (used in)/ generated from operating activities</b>	(1,363,308)	205,578
Net cash (used in)/ generated from investing activities	(90,615)	89
Net cash generated from financing activities	875,000	-
<b>Net (decrease)/ increase in cash and cash equivalents during the financial period</b>	(578,923)	205,667
<b>Cash and cash equivalents at beginning of the financial period</b>	4,038,925	1,661,183
<b>Cash and cash equivalents at end of the financial period</b>	3,460,002	1,866,850
<b>Cash and cash equivalents comprise:</b>		
Cash and balances with banks and other financial institutions	14,190	17,375
Money at call and deposit placements maturing within one month	3,445,812	1,849,475
	3,460,002	1,866,850

# SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

(Company No. 926374-U)

(Incorporated in Malaysia)

## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

### 1. Basis of Preparation

The unaudited condensed interim financial statements for the second quarter and financial half year ended 30 September 2015 have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”).

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Bank as at and for the financial year ended 31 March 2015. The explanatory notes attached to the unaudited condensed 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 2015.

The accounting policies and methods of computation in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited financial statements for the year ended 31 March 2015, except for the adoption of the following MFRSs, Amendments to MFRSs and Issues Committee (“IC”) Interpretations that have been issued by the MASB:-

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*  
Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits- Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**  
(Company No. 926374-U)  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**1. Basis of Preparation (Continued)**

- Amendments to MFRS 140, *Investment Properties (Annual Improvements 2011-2013 Cycle)*

The following MFRSs, Amendments to MFRSs and IC Interpretations have been issued by the Malaysian Accounting Standards Board (“MASB”) and are not yet effective for the Bank.

***Effective for annual periods beginning on or after 1 January 2016***

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements- Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**  
(Company No. 926374-U)  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**1. Basis of Preparation (Continued)**

*Effective for annual periods beginning on or after 1 January 2017*

- MFRS 15, *Revenue from Contracts with Customers*

*Effective for annual periods beginning on or after 1 January 2018*

- MFRS 9, *Financial Instruments (2014)*

The initial application of the applicable standards and amendments are not expected to have any material financial impact to the current and prior period financial statements of the Bank except as mentioned below:

**MFRS 9, *Financial Instruments***

In November 2014, MASB issued the final version of MFRS 9 which replaces all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement of financial instruments, impairment of financial assets and hedge accounting.

MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Due to the complexity of the standard and its requirement, the Bank is currently assessing the financial impact that may arise from the adoption of MFRS 9.

**2. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2015 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. Unusual Items Due to Their Nature, Size or Incidence**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Bank in the second quarter and financial half year ended 30 September 2015.

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**  
(Company No. 926374-U)  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**5. Changes in Estimates**

There was no material changes in estimates of amounts reported that have a material effect on the unaudited condensed interim financial statements in the second quarter and financial half year ended 30 September 2015.

**6. Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities in the second quarter and financial half year ended 30 September 2015.

**7. Dividend**

No dividend was paid during the second quarter and financial half year ended 30 September 2015.

**8. Review of Performance**

The Bank recorded a profit before taxation of RM 39.0 million for the financial half year ended 30 September 2015, an increase of RM 24.0 million or 160.4% compared to the previous corresponding period last year. The higher profit was due to higher net operating income of RM 36.0 million, mitigated by higher operating expenses of RM 5.4 million, higher allowance for impairment on loans, advances and financing of RM 6.6 million.

Total assets at 30 September 2015 stood at RM 10.1 billion, RM 2.1 billion or 26.3% higher compared against 31 March 2015. Deposits and placements with banks and other financial institutions recorded a decrease of RM 0.3 million, followed by increases in loans, advances and financing of RM 1.5 billion, investment securities available-for-sale of RM 90.4 million and derivative financial assets of RM 712.8 million. Cash and short term funds has recorded a decrease of RM 578.9 million as compared to 31 March 2015.

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**  
 (Company No. 926374-U)  
 (Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**9. Current Year Prospects**

Malaysia's GDP is expected to grow steadily at 4.5%-5.5% in year 2015. Although buffered by the slump in oil prices, Malaysia's economy is projected to post growth through the year 2015 which is more moderate than last year's rate but still solid. The Bank also foresees the growth of Malaysian banking industry to remain stable for the coming few years. For the financial year ending 31 March 2016, the Bank will continue to offer basic commercial banking services such as loans, deposits, foreign exchange, derivatives, cash management services and Foreign Currency Islamic Finance to both Japanese and Non-Japanese customers. In order to grow sustainably, the Bank needs to strengthen its base income by capturing the flow of business of its clients. The Bank continues to make efforts to support trade and investment between Japan and Malaysia which will contribute to further growth of the Malaysian economy.

In addition, the Bank has obtained Bank Negara Malaysia's approval to commence its Islamic Finance business on 10 March 2014 (ICBU). The Bank will focus to meet customers' needs in Islamic Finance by developing a variety of Shariah compliant products.

**10. Investments Securities Available-for-Sale**

	<b>30 September 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
<b>At fair value</b>		
Bank Negara Malaysia Bills	185,117	89,663
Malaysian Government Treasury Bills	34,977	39,991
	220,094	129,654

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**  
(Company No. 926374-U)  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**11. Loans, Advances and Financing**

	<b>30 September 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
<b>(a) By type:</b>		
At amortised cost:		
Overdrafts	73,851	-
Term loans		
- Syndicated loans	772,686	500,267
- Bridging loans	14,047	9,826
- Factoring receivables	49,865	45,986
- Other term loans	1,713,819	820,196
Revolving credits	1,634,967	1,415,427
Gross loans, advances and financing	4,259,235	2,791,702
Less: Impairment provision	(27,686)	(16,751)
Net loans, advances and financing	4,231,549	2,774,951
<b>(b) By type of customer:</b>		
Domestic non-bank financial institutions	1,257,543	683,241
Domestic business enterprises	2,571,474	1,744,412
Foreign entities	430,218	364,049
Gross loans, advances and financing	4,259,235	2,791,702
<b>(c) By geographical distribution:</b>		
Malaysia	3,829,017	2,427,653
Other countries	430,218	364,049
Gross loans, advances and financing	4,259,235	2,791,702

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**  
(Company No. 926374-U)  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**11. Loans, Advances and Financing (Continued)**

	<b>30 September 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
<b>(d) By interest rate sensitivity:</b>		
Fixed rate		
- Other fixed rate loans	184,795	143,254
Variable rate		
- BLR-plus	-	-
- Cost-plus	1,509,419	1,031,204
- Other variable rates	2,565,021	1,617,244
Gross loans, advances and financing	<u>4,259,235</u>	<u>2,791,702</u>
<b>(e) By sector:</b>		
Primary agriculture	34,276	28,805
Mining and quarrying	352,996	325,946
Manufacturing	1,190,826	724,565
Electricity, gas and water	128,067	127,311
Construction	39,917	32,839
Wholesale and retail trade, and restaurants and hotels	353,476	177,140
Transport, storage and communication	94,216	96,646
Finance, insurance, real estate and business services	1,934,323	1,102,352
Real estate	113,470	156,020
Education, health and others	17,668	20,078
Gross loans, advances and financing	<u>4,259,235</u>	<u>2,791,702</u>

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**  
(Company No. 926374-U)  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**11. Loans, Advances and Financing (Continued)**

	<b>30 September 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
<b>(f) By economic purposes:</b>		
Purchase of residential property	28,439	28,446
Purchase of non-residential property - Commercial complexes	338,120	137,081
Purchase of fixed assets other than land and building	289,955	193,700
Construction	109,389	44,127
Working Capital	2,876,540	2,229,561
Other purpose	616,792	158,787
Gross loans, advances and financing	<u>4,259,235</u>	<u>2,791,702</u>
<b>(g) By residual contractual maturity:</b>		
Maturing within one year	2,180,942	1,704,595
One year to three years	930,652	622,584
Three years to five years	955,827	295,813
More than five years	191,814	168,710
Gross loans, advances and financing	<u>4,259,235</u>	<u>2,791,702</u>
<b>(h) Movements in collective allowance for impairment on loans, advances and financing:</b>		
At beginning of the financial period	16,751	10,925
Allowance made during the financial period	10,935	5,826
At end of the financial period	<u>27,686</u>	<u>16,751</u>
 (As % of gross loans, advances and financing (net of individual allowance))	 <u>0.65%</u>	 <u>0.60%</u>

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**  
(Company No. 926374-U)  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**12. Deposits from Customers**

	<b>30</b>	<b>31</b>
	<b>September</b>	<b>March</b>
	<b>2015</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(a) By type of deposits:</b>		
Demand deposits	1,068,935	1,150,021
Fixed deposits	1,102,410	587,797
Short-term deposits	2,087,572	2,008,220
	<u>4,258,917</u>	<u>3,746,038</u>
<b>(b) By type of customers:</b>		
Domestic non-bank financial institutions	137,824	89,206
Domestic business enterprises	3,829,102	3,589,006
Foreign banks	180,213	-
Foreign non-bank entities	111,778	67,826
	<u>4,258,917</u>	<u>3,746,038</u>
<b>(c) Maturity structure of fixed deposits:</b>		
Due within six months	1,029,110	576,688
Six months to one year	73,300	11,109
	<u>1,102,410</u>	<u>587,797</u>

**13. Deposits and Placements of Banks and Other Financial Institutions**

	<b>30</b>	<b>31</b>
	<b>September</b>	<b>March</b>
	<b>2015</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed Malaysian Bank	84,455	-
Foreign banks		
- Immediate holding company	1,565	1,466
- Other related corporations	2,437,677	2,864,826
	<u>2,523,697</u>	<u>2,866,292</u>

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**  
(Company No. 926374-U)  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**14. Interest Income**

	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>
Loans, advances and financing				
- Interest income other than from impaired loans	24,463	13,734	42,653	25,205
Money at call and deposit placements with banks and other financial institutions	36,612	12,638	62,858	25,830
Investment securities available-for-sale	1,831	622	3,551	1,269
Others	66	66	148	188
	<u>62,972</u>	<u>27,060</u>	<u>109,210</u>	<u>52,492</u>

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**  
(Company No. 926374-U)  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**15. Interest Expense**

	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>
Deposits and placement of bank and other financial institutions	5,832	1,533	9,813	2,756
Deposits from customers	26,558	10,599	48,454	20,830
Investment securities available-for-sale	148	19	237	75
Others	76	83	158	864
	<u>32,614</u>	<u>12,234</u>	<u>58,662</u>	<u>24,525</u>

**16. Other Operating Income**

	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>
Fee and commission income				
- Service charges/fees	10	20	26	30
- Guarantee fees	91	142	241	262
- Loan related fees	60	334	327	596
- Commitment fees	414	187	678	335
	<u>575</u>	<u>683</u>	<u>1,272</u>	<u>1,223</u>
Gain from derivative financial instruments	2,469	1,419	4,563	3,931

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**  
(Company No. 926374-U)  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**16. Other Operating Income (Continued)**

	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>
Unrealised net gain on revaluation of derivatives	6,197	(1,168)	5,589	(3,446)
Foreign exchange net gain	10,369	7,004	16,983	12,566
Other income				
- Management fees	979	1,250	653	2,218
- Rental of fixed assets	488	152	963	308
- Miscellaneous income	392	259	639	472
	1,859	1,661	2,255	2,998
	21,469	9,599	30,662	17,272

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**  
(Company No. 926374-U)  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015**

**17. Other Operating Expenses**

	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>
<b>Personnel costs</b>				
Salaries, allowance and bonuses	5,426	4,079	9,930	7,817
Employees' provident fund	494	556	932	828
Staff training expenses	143	134	195	208
Other personnel expenses	825	575	2,795	2,355
	<u>6,888</u>	<u>5,344</u>	<u>13,852</u>	<u>11,208</u>
<b>Establishment costs</b>				
Rental of premises	448	280	895	560
Depreciation	1,049	410	2,078	841
Repair and maintenance	174	71	225	136
Other establishment expenses	3,300	1,967	5,635	4,148
	<u>4,971</u>	<u>2,728</u>	<u>8,833</u>	<u>5,685</u>
<b>Marketing expenses</b>				
Advertisement and publicity	20	20	32	40
Other marketing expenses	29	27	56	51
	<u>49</u>	<u>47</u>	<u>88</u>	<u>91</u>

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**  
(Company No. 926374-U)  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**17. Other Operating Expenses (Continued)**

	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>
<b>Administration and general expenses</b>				
Auditors' remuneration				
- Statutory audit	59	49	108	98
- Other services	25	25	50	50
Professional fees	95	174	220	288
Communication expenses	47	45	133	129
Management fees	3,762	3,239	7,016	6,583
License fees and stamp duties	28	27	68	55
Non-executive directors' fees and allowances	101	73	196	197
Other administration and general expenses	38	798	671	1,486
	<u>4,155</u>	<u>4,430</u>	<u>8,462</u>	<u>8,886</u>
	<u>16,063</u>	<u>12,549</u>	<u>31,235</u>	<u>25,870</u>

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**  
(Company No. 926374-U)  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**18. Allowance for Impairment on Loans, Advances and Financing**

	<b>2nd Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>	<b>30 September 2015 RM'000</b>	<b>30 September 2014 RM'000</b>
Collective impairment allowance made	6,572	2,902	10,935	4,378

**19. Credit Exposures to Connected Parties**

The credit exposures of the Bank to connected parties, as defined by Bank Negara Malaysia's Guidelines on Credit Transactions and Exposures with Connected Parties' are as follows:-

	<b>30 September 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
Aggregate value of outstanding credit exposures to connected parties (RM'000)	487,923	696,561
As a percentage of total credit exposures	3.65%	7.19%

There are currently no exposures to connected parties which are classified as impaired.

**20. Segmental Reporting on Revenue, Profit and Assets**

Segmental reporting has not been prepared as there are no other segments other than the commercial banking segment.

**21. Subsequent Events**

There were no significant events subsequent to the statement of financial position date which have not been disclosed in these unaudited condensed interim financial statements.

**22. Changes in the Composition of the Bank**

There were no significant changes in the composition of the Bank during the second quarter and financial half year ended 30 September 2015.

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**  
(Company No. 926374-U)  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**23. Use of Financial Instruments**

Interest rate risk

The tables below summarise the Bank's financial instruments at carrying amounts, categorised by contractual re-pricing or maturity dates.

	← Non-trading book →						Trading book RM'000	Total RM'000
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non- interest bearing RM'000		
<b>30 September 2015</b>								
<b><u>Assets</u></b>								
Cash and short-term funds	3,461,700	-	-	-	-	(1,698)	-	3,460,002
Deposits and placements with banks and other financial institutions	-	848,147	200,000	-	-	-	-	1,048,147
Investment securities available-for-sale	34,935	-	185,159	-	-	-	-	220,094
Loans, advances and financing	1,349,196	288,688	543,064	1,886,480	191,807	(27,686) ^	-	4,231,549
Other assets	4,244	1,429	1,630	-	-	4,285	-	11,588
Derivative assets	21,000	28,161	100,132	134,326	3,135	-	806,294	1,093,048
Statutory deposits with BNM	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>4,871,075</b>	<b>1,166,425</b>	<b>1,029,985</b>	<b>2,020,806</b>	<b>194,942</b>	<b>(25,099)</b>	<b>806,294</b>	<b>10,064,428</b>

^ The negative balance represents collective allowance for impairment on loans, advances and financing.

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**  
(Company No. 926374-U)  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**23. Use of Financial Instruments (Continued)**

Interest rate risk (continued)

	←———— Non-trading book —————→						Trading book RM'000	Total RM'000
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non- interest bearing RM'000		
<b>30 September 2015</b>								
<b><u>Liabilities</u></b>								
Deposits from customers	(1,956,135)	(1,233,845)	-	-	-	(1,068,938)	-	(4,258,918)
Deposits and placements of banks and other financial institutions	(1,406,104)	(711,578)	(122,900)	(139,747)	(139,960)	(3,408)	-	(2,523,697)
Bills and acceptances payable	-	-	(580)	-	-	-	-	(580)
Other liabilities	(569,073)	(268)	(12)	(453)	(133)	(32,491)	-	(602,430)
Derivative liabilities	-	-	-	-	-	-	(991,172)	(991,172)
<b>Total liabilities</b>	<b>(3,931,312)</b>	<b>(1,945,691)</b>	<b>(123,492)</b>	<b>(140,200)</b>	<b>(140,093)</b>	<b>(1,104,837)</b>	<b>(991,172)</b>	<b>(8,376,797)</b>
On balance sheet interest rate gap	993,763	(779,266)	906,493	1,880,606	54,849	(1,129,936)	(184,878)	1,687,631
Off balance sheet interest rate gap	(1,000)	783,019	(9,000)	(522,021)	(250,998)	-	-	-
<b>Total interest rate gap</b>	<b>938,763</b>	<b>3,753</b>	<b>897,493</b>	<b>1,358,585</b>	<b>(196,149)</b>	<b>(1,129,936)</b>	<b>(184,878)</b>	<b>1,687,631</b>

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**  
(Company No. 926374-U)  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**23. Use of Financial Instruments (Continued)**

Interest rate risk (continued)

	← Non-trading book →						Trading book RM'000	Total RM'000
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non- interest bearing RM'000		
<b>31 March 2015</b>								
<b><u>Assets</u></b>								
Cash and short-term funds	3,118,459	-	-	-	-	920,466	-	4,038,925
Deposits and placements with banks and other financial institutions	-	637,033	-	-	-	-	-	637,033
Investment securities available- for-sale	34,954	54,709	39,991	-	-	-	-	129,654
Loans, advances and financing	29,396	19,289	654,444	1,835,715	252,858	(16,751) ^	-	2,774,951
Other assets	1,751	870	183	-	-	3,908	-	6,712
Derivative financial assets	5,102	10,341	22,165	28,024	2,515	-	312,103	380,250
<b>Total assets</b>	<b>3,189,662</b>	<b>722,242</b>	<b>716,783</b>	<b>1,863,739</b>	<b>255,373</b>	<b>907,623</b>	<b>312,103</b>	<b>7,967,525</b>

^ The negative balance represents collective allowance for impairment on loans, advances and financing.

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**  
(Company No. 926374-U)  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**23. Use of Financial Instruments (Continued)**

Interest rate risk (continued)

	←————— Non-trading book —————→						Trading book RM'000	Total RM'000
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	1-5 years RM'000	Over 5 years RM'000	Non- interest bearing RM'000		
<b>31 March 2015</b>								
<b><u>Liabilities</u></b>								
Deposits from customers	(1,507,727)	(1,031,909)	(56,381)	-	-	(1,150,021)	-	(3,746,038)
Deposits and placements of banks and other financial institutions	(812,200)	(1,652,390)	(136,691)	(139,320)	(123,112)	(2,579)	-	(2,866,292)
Bills and acceptances payable	-	-	(162)	-	-	(587)	-	(749)
Other liabilities	(2,996)	(1,704)	(1,090)	(41)	(92)	(242,004)	-	(247,927)
Derivative financial liabilities	(5,940)	(9,672)	(19,726)	(23,741)	-	-	(258,055)	(317,134)
Total liabilities	<u>(2,328,863)</u>	<u>(2,695,675)</u>	<u>(214,050)</u>	<u>(163,102)</u>	<u>(123,204)</u>	<u>(1,395,191)</u>	<u>(258,055)</u>	<u>(7,178,140)</u>
On balance sheet interest rate gap	860,799	(1,973,433)	502,733	1,700,637	132,169	(487,568)	54,048	789,385
Off balance sheet interest rate gap	-	415,929	(7,000)	(189,322)	(219,607)	-	-	-
Total interest rate gap	<u>860,799</u>	<u>(1,557,504)</u>	<u>495,733</u>	<u>1,511,315</u>	<u>(87,438)</u>	<u>(487,568)</u>	<u>54,048</u>	<u>789,385</u>

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**  
(Company No. 926374-U)  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**23. Use of Financial Instruments (Continued)**

Interest rate risk (continued)

	<b>30 September 2015</b>		<b>31 March 2015</b>	
	<b>MYR</b>	<b>USD</b>	<b>MYR</b>	<b>USD</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Financial assets</b>				
Cash and short-term funds	3.28	0.34	3.24	0.09
Deposits and placements with banks and other financial institutions	3.71	0.68	3.76	0.58
Loans, advances and financing	4.35	1.31	4.38	1.34
<b>Financial liabilities</b>				
Deposits from customers	3.58	0.32	3.55	0.16
Deposits and placements of banks and other financial institutions	-	0.38	-	0.27

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**

(Company No. 926374-U)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**24. Capital Adequacy**

The total capital and capital adequacy ratios of the Bank are computed based on the Standardised Approach in accordance with the Capital Adequacy Framework (Capital Components).

The capital adequacy ratios of the Bank are analysed as follows:

	<b>30 September 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
<b><u>Tier-1 capital</u></b>		
Paid-up ordinary share capital	1,575,000	700,000
Retained earnings	28,457	28,457
Statutory reserve	49,673	49,673
Available-for-sale reserve	5	(8)
	<u>1,653,135</u>	<u>778,122</u>
Less: Deferred tax assets	-	-
Common Equity Tier 1 (CET 1) and Tier-1 Capital	<u>1,653,135</u>	<u>778,122</u>
<b><u>Tier-2 capital</u></b>		
Collective allowance for impairment	27,686	16,751
Regulatory reserves	23,426	16,751
Tier-2 Capital	<u>51,112</u>	<u>33,502</u>
Total capital base	<u>1,704,247</u>	<u>811,624</u>
<b><u>Capital ratios</u></b>		
CET 1 and Tier 1 Capital Ratio	20.064%	15.341%
Total Capital Ratio	20.685%	16.001%

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**  
(Company No. 926374-U)  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**24. Capital Adequacy (Continued)**

Breakdown of gross risk-weighted assets in the various categories of risk-weights are as follows :

	<b>30 September 2015 RM'000</b>	<b>31 March 2015 RM'000</b>
Credit risk	7,869,901	4,761,536
Market risk	169,858	128,594
Operational risk	199,384	182,109
Total risk-weighted assets	<u>8,239,143</u>	<u>5,072,239</u>

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**

(Company No. 926374-U)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015**

**25. Commitments and Contingencies**

In the ordinary course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

The commitment and contingencies are as follows:

	← 30 September 2015 →			← 31 March 2015 →		
	Principal amount RM'000	Credit equivalent amount* RM'000	Risk- weighted assets RM'000	Principal amount RM'000	Credit equivalent amount* RM'000	Risk- weighted assets RM'000
Transaction related contingent items	144,636	72,318	60,837	131,972	65,986	54,505
Short-term self-liquidating trade-related contingencies	52,192	10,438	10,438	18,070	3,614	3,614
Foreign exchange related contracts:						
One year or less	4,207,131	310,809	192,882	3,666,400	134,979	67,634
Over one year to five years	6,302,531	1,244,057	704,929	4,401,367	620,932	271,771
Over five years	1,302,340	405,929	204,754	602,100	184,599	58,652
Interest/ profit rate related contracts						
One year or less	12,000	51	23	10,000	51	10
Over one year to five years	522,021	19,014	14,873	189,322	4,012	2,448
Over five years	250,998	18,201	14,436	219,607	17,888	11,445
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,947,760	973,880	964,294	1,195,547	597,774	566,710
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	1,009,929	201,986	186,277	287,123	57,425	57,425
<b>Total</b>	<b>15,751,538</b>	<b>3,256,683</b>	<b>2,353,743</b>	<b>10,721,508</b>	<b>1,687,260</b>	<b>1,094,214</b>

\* The credit equivalent amount and risk-weighted amount are arrived at using the credit conversion factor as per Bank Negara Malaysia Guidelines.

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**

(Company No. 926374-U)

(Incorporated in Malaysia)

**MANAGEMENT'S CERTIFICATION**

I hereby certify that the attached unaudited condensed interim financial statements for the financial period ended 30 September 2015 have been prepared from the Bank's accounting and other records and they are in accordance with the requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board and the Revised Guidelines on Financial Reporting issued by Bank Negara Malaysia on 28 January 2015.

.....  
Yoshimi Gunji  
Chief Executive Officer

Date: 28 October 2015