

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**

(Company No. 926374-U)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

**31 DECEMBER 2014**

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

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014**

	Note	31 December 2014 RM'000	31 March 2014 RM'000
<b>Assets</b>			
Cash and short-term funds		3,145,625	1,661,183
Deposits and placements with banks and other financial institutions		1,032,719	335,158
Investment securities available-for-sale	10	129,219	79,630
Loans, advances and financing	11	2,207,027	1,445,610
Derivative financial assets		258,757	113,078
Other assets		9,909	10,939
Statutory deposits with Bank Negara Malaysia		4,830	-
Plant and equipment		7,463	6,234
Tax recoverable		3,097	5,103
<b>Total assets</b>		6,798,646	3,656,935
<b>Liabilities</b>			
Deposits from customers	12	3,643,598	1,945,801
Deposits and placements of banks and other financial institutions	13	1,958,598	782,104
Bills and acceptances payable		1,505	1,071
Derivative financial liabilities		206,866	69,690
Other liabilities		198,708	91,478
Deferred tax liabilities		4,542	5,290
<b>Total liabilities</b>		6,013,817	2,895,434
<b>Equity</b>			
Share capital		700,000	700,000
Reserves		84,829	61,501
<b>Total equity attributable to equity holder of the Bank</b>		784,829	761,501
<b>Total liabilities and equity</b>		6,798,646	3,656,935
<b>Commitments and contingencies</b>	24	8,666,352	6,653,123

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

	Note	3rd Quarter Ended		Nine Months Ended	
		31 December 2014 RM'000	31 December 2013 RM'000	31 December 2014 RM'000	31 December 2013 RM'000
Interest income	14	36,249	20,755	88,741	59,426
Interest expense	15	(19,308)	(8,571)	(43,833)	(24,778)
<b>Net interest income</b>		16,941	12,184	44,908	34,648
Other operating income	16	12,837	8,550	30,109	25,999
Net operating income		29,778	20,734	75,017	60,647
Other operating expenses	17	(11,943)	(11,118)	(37,813)	(35,035)
Operating profit		17,835	9,616	37,204	25,612
Allowance for impairment on loans, advances and financing	18	(1,376)	(1,777)	(5,754)	(2,084)
<b>Profit before taxation</b>		16,459	7,839	31,450	23,528
Tax expense		(4,031)	(1,515)	(8,135)	(5,549)
<b>Profit after taxation</b>		12,428	6,324	23,315	17,979
<b>Other comprehensive income for the period, net of income tax</b>					
Fair value changes of investment securities available-for-sale		(48)	(111)	13	(69)
<b>Total comprehensive income for the period</b>		12,380	6,213	23,328	17,910
Basic earnings per ordinary share (sen)		1.78	0.90	3.33	2.57

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

	<i>← Non-distributable reserves →</i>			<i>Distributable reserves</i>	<b>Total RM'000</b>
	<b>Share capital RM'000</b>	<b>Statutory reserve RM'000</b>	<b>Available- for-sale reserve RM'000</b>	<b>Retained earnings RM'000</b>	
<b>At 1 April 2014</b>	700,000	33,006	(47)	28,542	761,501
Profit for the period	-	-	-	23,315	23,315
Fair value changes of available-for-sale financial assets	-	-	13	-	13
<b>Total comprehensive income for the period</b>	-	-	13	23,315	23,328
<b>At 31 December 2014</b>	<u>700,000</u>	<u>33,006</u>	<u>(34)</u>	<u>51,857</u>	<u>784,829</u>
<b>At 1 April 2013</b>	700,000	19,256	(42)	14,792	734,006
Profit for the period	-	-	-	17,979	17,979
Fair value changes of available-for-sale financial assets	-	-	(69)	-	(69)
<b>Total comprehensive income for the period</b>	-	-	(69)	17,979	17,910
<b>At 31 December 2013</b>	<u>700,000</u>	<u>19,256</u>	<u>(111)</u>	<u>32,771</u>	<u>751,916</u>

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

	<b>31 December 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit from ordinary activities before taxation	31,450	23,528
Adjustments for non-cash items	(3,401)	3,860
Operating profit before working capital changes	28,049	27,388
Changes in working capital:		
Net changes in operating assets	(1,468,532)	(543,522)
Net changes in operating liabilities	2,981,955	732,286
Net cash generated from operating activities	1,541,472	216,152
Tax paid	(6,881)	(11,039)
<b>Net cash generated from operating activities</b>	<b>1,534,591</b>	<b>205,113</b>
Net cash (used in)/ generated from investing activities	(50,149)	1,269
Net cash generated from financing activities	-	-
<b>Net increase in cash and cash equivalents during the financial period</b>	<b>1,484,442</b>	<b>206,382</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>1,661,183</b>	<b>1,095,919</b>
<b>Cash and cash equivalents at end of the financial period</b>	<b>3,145,625</b>	<b>1,302,301</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and short-term funds	3,145,625	1,302,301

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

**1. Basis of Preparation**

The unaudited condensed interim financial statements for the third quarter and nine months ended 31 December 2014 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 2014. 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 2014.

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 2014, 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 10, Consolidated Financial Statements: Investment Entities
- Amendments to MFRS 12, Disclosure of Interests in Other Entities: Investment Entities
- Amendments to MFRS 127, Separate Financial Statements (2011): Investment Entities
- Amendments to MFRS 132, Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136, Impairment of Assets- Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139, Financial Instruments: Recognition and Measurement- Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21, Levies

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

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

The adoption of the above Amendments to MFRSs and IC Interpretations do not have any material impact on the financial statements of the Bank.

The following MFRSs, Amendments to MFRSs have been issued by the MASB but are not yet effective:

Effective for annual periods beginning on or after 1 July 2014

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

The Bank plans to apply the abovementioned Amendments to MFRSs from the annual period beginning on 1 April 2015.

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

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

Effective for a date yet to be confirmed

- MFRS 9, Financial Instruments (IFRS 9 issued by IASB in November 2009)
- MFRS 9, Financial Instruments (IFRS 9 issued by IASB in October 2010)
- MFRS 9, Financial Instruments- Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139
- Amendments to MFRS 7, Financial Instruments: Disclosures – Mandatory Date of MFRS 9 and Transition Disclosures

The initial application of the above MFRSs and Amendments to MFRSs 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

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and liability and on hedge accounting.

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

The auditors' 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. 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 third quarter and nine months ended 31 December 2014.



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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

**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 third quarter and nine months ended 31 December 2014.

**6. Debt and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities in the third quarter and nine months ended 31 December 2014.

**7. Dividend**

No dividend was paid during the third quarter and nine months ended 31 December 2014.

**8. Review of Performance**

The Bank recorded a profit before taxation of RM31.5 million for the nine months ended 31 December 2014, an increase of RM8.0 million or 34.0% compared against the corresponding period last year.

Net interest income increased by RM10.3 million or 29.8% to RM44.9 million contributed by strong loan growth. Other operating income recorded an increase of RM4.1 million or 15.8% as compared to previous corresponding period. These were offset against higher allowance for impairment on loans, advances and financing of RM3.7 million (176.2%) and higher operating expenses of RM2.8 million (8.0%) respectively.

Total assets at 31 December 2014 stood at RM6.8 billion, RM3.1 billion higher compared against 31 March 2014. Cash and short-term funds recorded an increase of RM1,484.4 million, followed by increases in loans, advances and financing of RM761.4 million, deposits and placements with banks and other financial institutions of RM697.5 million, and derivative financial assets of RM145.7 million.

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 FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

**9. Current Year Prospects**

Malaysia's GDP is expected to grow steadily at 5%-6% in year 2014 supported by moderate domestic demand and favorable economic outlook in the region. The Bank foresees the growth of Malaysian banking industry to remain stable for the coming few years. For the financial year ending 31 March 2015, the Bank will continue to offer basic commercial banking services such as loans, deposits, foreign exchange, derivatives and cash management services to both Japanese and Non-Japanese clients. 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. 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>31 December 2014 RM'000</b>	<b>31 March 2014 RM'000</b>
<b>At fair value</b>		
Bank Negara Malaysia Bills	129,219	79,630

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

**11. Loans, Advances and Financing**

	<b>31 December 2014 RM'000</b>	<b>31 March 2014 RM'000</b>
<b>(a) By type:</b>		
At amortised cost:		
Overdrafts	316	-
Term loans		
- Syndicated loans	356,381	317,446
- Bridging loans	2,814	2,808
- Factoring receivables	74,665	22,844
- Other term loans	635,263	401,732
Trade bills discounted	-	5,269
Revolving credits	1,154,267	706,436
Gross loans, advances and financing	<u>2,223,706</u>	<u>1,456,535</u>
Less: Impairment provision	(16,679)	(10,925)
Net loans, advances and financing	<u><u>2,207,027</u></u>	<u><u>1,445,610</u></u>
<b>(b) By type of customer:</b>		
Domestic non-bank financial institutions	478,201	139,682
Domestic business enterprises	1,363,657	1,109,776
Foreign entities	381,848	207,077
Gross loans, advances and financing	<u>2,223,706</u>	<u>1,456,535</u>
<b>(c) By geographical distribution:</b>		
Malaysia	2,016,374	1,249,458
Other countries	207,332	207,077
Gross loans, advances and financing	<u>2,223,706</u>	<u>1,456,535</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

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

	<b>31 December 2014 RM'000</b>	<b>31 March 2014 RM'000</b>
<b>(d) By interest rate sensitivity:</b>		
Fixed rate		
- Other fixed rate loans	149,151	53,945
Variable rate		
- BLR plus	316	-
- Cost plus	935,162	811,347
- Other variable rates	1,139,077	591,243
	<u>2,223,706</u>	<u>1,456,535</u>
<b>(e) By sector:</b>		
Primary agriculture	27,184	25,407
Mining and quarrying	27,974	65,354
Manufacturing	679,278	620,761
Electricity, gas and water	127,152	127,266
Construction	28,624	7,743
Wholesale and retail trade, and restaurants and hotels	197,921	50,028
Transport, storage and communication	99,720	57,607
Finance, insurance, real estate and business services	1,014,973	478,109
Education, health and others	20,880	24,260
Gross loans, advances and financing	<u>2,223,706</u>	<u>1,456,535</u>

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FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

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

	<b>31 December 2014 RM'000</b>	<b>31 March 2014 RM'000</b>
<b>(f) By economic purposes:</b>		
Purchase of residential property	28,449	28,502
Purchase of non-residential property - Commercial complexes	137,380	136,251
Purchase of fixed assets other than land and building	8,440	7,200
Construction	36,043	35,705
Working Capital	1,853,379	1,084,436
Other purpose	160,015	164,441
	<u>2,223,706</u>	<u>1,456,535</u>
<b>(g) By residual contractual maturity:</b>		
Maturing within one year	1,288,870	775,125
One year to three years	573,832	187,158
Three years to five years	195,854	251,606
More than five years	165,150	242,646
Gross loans, advances and financing	<u>2,223,706</u>	<u>1,456,535</u>
<b>(h) Movements in collective allowance for impairment on loans, advances and financing:</b>		
At beginning of the financial period	10,925	8,283
Allowance made during the financial period	5,754	2,642
At end of the financial period	<u>16,679</u>	<u>10,925</u>
 (As % of gross loans, advances and financing (net of individual allowance))	 <u>0.75%</u>	 <u>0.75%</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

**12. Deposits from Customers**

	<b>31 December 2014 RM'000</b>	<b>31 March 2014 RM'000</b>
<b>(a) By type of deposits:</b>		
Demand deposits	948,334	764,894
Fixed deposits	585,959	493,179
Short-term deposits	2,109,305	687,728
	3,643,598	1,945,801
<b>(b) By type of customers:</b>		
Domestic non-bank financial institutions	88,297	82,171
Domestic business enterprises	3,368,426	1,705,372
Foreign non-bank entities	186,875	158,258
	3,643,598	1,945,801
<b>(c) Maturity structure of fixed deposits:</b>		
Due within six months	538,209	481,095
Six months to one year	47,750	12,084
	585,959	493,179

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

	<b>31 December 2014 RM'000</b>	<b>31 March 2014 RM'000</b>
Foreign banks		
- Immediate holding company	1,455	1,268
- Other related companies	1,957,143	780,836
	1,958,598	782,104

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

**14. Interest Income**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December 2014 RM'000</b>	<b>31 December 2013 RM'000</b>	<b>31 December 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
Loans, advances and financing				
- Interest income other than from impaired loans	15,545	9,775	40,750	25,784
Money at call and deposit placements with banks and other financial institutions	19,563	10,223	45,393	31,711
Investment securities available-for-sale	1,036	637	2,305	1,600
Others	105	120	293	331
	<u>36,249</u>	<u>20,755</u>	<u>88,741</u>	<u>59,426</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

**15. Interest Expense**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December 2014 RM'000</b>	<b>31 December 2013 RM'000</b>	<b>31 December 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
Deposits and placement of bank and other financial institutions	2,935	982	5,691	2,889
Deposits from customers	15,938	6,396	36,768	19,299
Investment securities available-for-sale	-	-	75	-
Others	435	1,193	1,299	2,590
	<u>19,308</u>	<u>8,571</u>	<u>43,833</u>	<u>24,778</u>

**16. Other Operating Income**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December 2014 RM'000</b>	<b>31 December 2013 RM'000</b>	<b>31 December 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
Fee and commission income				
- Service charges/fees	14	14	44	52
- Guarantee fees	130	92	392	232
- Loan related fees	196	144	792	234
- Commitment fees	246	108	581	287
	<u>586</u>	<u>358</u>	<u>1,809</u>	<u>805</u>
Gain from derivative financial instruments	<u>1,847</u>	<u>1,983</u>	<u>5,778</u>	<u>5,632</u>



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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

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

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December 2014 RM'000</b>	<b>31 December 2013 RM'000</b>	<b>31 December 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
Unrealised net loss on revaluation of derivatives	<u>(587)</u>	<u>(473)</u>	<u>(4,033)</u>	<u>(1,638)</u>
Foreign exchange net gain	<u>9,405</u>	<u>5,151</u>	<u>21,971</u>	<u>16,583</u>
Other income				
- Management fees	1,028	984	3,246	3,010
- Rental of fixed assets	158	353	466	1,046
- Miscellaneous income	<u>400</u>	<u>194</u>	<u>872</u>	<u>561</u>
	<u>1,586</u>	<u>1,531</u>	<u>4,584</u>	<u>4,617</u>
	<u>12,837</u>	<u>8,550</u>	<u>30,109</u>	<u>25,999</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014**

**17. Other Operating Expenses**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 December 2014 RM'000</b>	<b>31 December 2013 RM'000</b>	<b>31 December 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
<b>Personnel costs</b>				
Salaries, allowance and bonuses	4,032	3,808	11,849	10,220
Employees' provident fund	318	241	1,146	1,022
Staff training expenses	97	85	305	265
Other personnel expenses	570	462	2,925	2,413
	<u>5,017</u>	<u>4,596</u>	<u>16,225</u>	<u>13,920</u>
<b>Establishment costs</b>				
Rental of premises	280	247	840	708
Depreciation	413	826	1,254	2,463
Repair and maintenance	92	29	228	85
Other establishment expenses	1,630	1,588	5,778	5,228
	<u>2,415</u>	<u>2,690</u>	<u>8,100</u>	<u>8,484</u>
<b>Marketing expenses</b>				
Advertisement and publicity	86	70	126	109
Other marketing expenses	29	19	80	41
	<u>115</u>	<u>89</u>	<u>206</u>	<u>150</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 31 DECEMBER 2014**

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

	3rd Quarter Ended		Nine Months Ended	
	31 December 2014 RM'000	31 December 2013 RM'000	31 December 2014 RM'000	31 December 2013 RM'000
<b>Administration and general expenses</b>				
Auditors' remuneration				
- Statutory audit	48	45	146	135
- Other services	25	25	75	75
Professional fees	273	77	561	210
Communication expenses	44	35	173	155
Management fees	3,209	2,973	9,792	10,225
License fees and stamp duties	28	28	83	83
Non-executive directors' fees and allowances	69	56	266	180
Other administration and general expenses	700	504	2,186	1,418
	<u>4,396</u>	<u>3,743</u>	<u>13,282</u>	<u>12,481</u>
	<u>11,943</u>	<u>11,118</u>	<u>37,813</u>	<u>35,035</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 31 DECEMBER 2014**

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

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31</b>	<b>31</b>	<b>31</b>	<b>31</b>
	<b>December</b>	<b>December</b>	<b>December</b>	<b>December</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Collective impairment allowance made	1,376	1,777	5,754	2,084

**19. 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.

**20. 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.

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

There were no significant changes in the composition of the Bank during the third quarter and nine months ended 31 December 2014.

**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 31 DECEMBER 2014**

**22. 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>31 December 2014</b>								
<b><u>Assets</u></b>								
Cash and short-term funds	3,087,892	-	-	-	-	57,733	-	3,145,625
Deposits and placements with banks and other financial institutions	-	1,012,719	20,000	-	-	-	-	1,032,719
Investment securities available-for-sale	4,992	94,515	29,712	-	-	-	-	129,219
Loans, advances and financing	62,093	18,842	133,305	1,767,181	242,285	(16,679) <sup>^</sup>	-	2,207,027
Other assets	1,588	1,705	60	-	-	5,902	-	9,255
Derivative assets	1,360	-	44,411	10,421	2,586	-	199,979	258,757
Statutory deposits with BNM	-	-	-	-	-	4,830	-	4,830
<b>Total assets</b>	<b>3,157,925</b>	<b>1,127,781</b>	<b>227,488</b>	<b>1,777,602</b>	<b>244,871</b>	<b>51,786</b>	<b>199,979</b>	<b>6,787,432</b>

<sup>^</sup> 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 31 DECEMBER 2014**

**22. 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 December 2014</b>								
<b><u>Liabilities</u></b>								
Deposits from customers	(1,575,770)	(1,035,547)	(83,950)	-	-	(948,331)	-	(3,643,598)
Deposits and placements of banks and other financial institutions	(493,184)	(1,203,995)	-	(138,905)	(120,840)	(1,674)	-	(1,958,598)
Bills and acceptances payable	-	-	(1,505)	-	-	-	-	(1,505)
Other liabilities	(184,376)	(2,210)	(853)	(19)	(178)	(11,072)	-	(198,708)
Derivative liabilities	-	-	-	-	-	-	(206,866)	(206,866)
<b>Total liabilities</b>	<b>(2,253,330)</b>	<b>(2,241,752)</b>	<b>(86,308)</b>	<b>(138,924)</b>	<b>(121,018)</b>	<b>(961,077)</b>	<b>(206,866)</b>	<b>(6,009,275)</b>
On balance sheet interest rate gap	904,595	(1,113,971)	141,180	1,638,678	123,853	(909,291)	(6,887)	778,157
Off balance sheet interest rate gap	(500)	417,723	(7,000)	(194,753)	(215,470)	-	-	-
<b>Total interest rate gap</b>	<b>904,095</b>	<b>(696,248)</b>	<b>134,180</b>	<b>1,443,925</b>	<b>(91,617)</b>	<b>(909,291)</b>	<b>(6,887)</b>	<b>778,157</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 31 DECEMBER 2014**

**22. 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 2014</b>								
<b><u>Assets</u></b>								
Cash and short-term funds	1,652,159	-	-	-	-	9,024	-	1,661,183
Deposits and placements with banks and other financial institutions	-	335,158	-	-	-	-	-	335,158
Investment securities available- for-sale	29,929	49,701	-	-	-	-	-	79,630
Loans, advances and financing	655	1,375	220,498	890,619	343,388	(10,925) ^	-	1,445,610
Other assets	8,246	782	-	-	-	1,127	-	10,155
Derivative assets	1,951	2,704	10,752	3,148	3,833	-	90,690	113,078
<b>Total assets</b>	<b>1,692,940</b>	<b>389,720</b>	<b>231,250</b>	<b>893,767</b>	<b>347,221</b>	<b>(774)</b>	<b>90,690</b>	<b>3,644,814</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 31 DECEMBER 2014**

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

Interest rate risk (continued)

	←————— Non-trading book —————→						Trading book	Total
	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 2014</b>								
<b><u>Liabilities</u></b>								
Deposits from customers	(991,867)	(114,305)	(74,734)	-	-	(764,895)	-	(1,945,801)
Deposits and placements of banks and other financial institutions	(163,326)	(230,692)	(135,832)	(132,088)	(118,309)	(1,857)	-	(782,104)
Bills and acceptances payable	-	-	(23)	-	-	-	-	(23)
Other liabilities	(2,030)	(456)	(1,012)	(40)	(76)	(87,446)	-	(91,060)
Derivative liabilities	-	-	-	-	-	-	(69,690)	(69,690)
<b>Total liabilities</b>	<b>(1,157,223)</b>	<b>(345,453)</b>	<b>(211,601)</b>	<b>(132,128)</b>	<b>(118,385)</b>	<b>(854,198)</b>	<b>(69,690)</b>	<b>(2,888,678)</b>
On balance sheet interest rate gap	535,717	44,267	19,649	761,639	228,836	(854,972)	21,000	756,136
Off balance sheet interest rate gap	(2,000)	456,060	(20,510)	(224,492)	(209,058)	-	-	-
<b>Total interest rate gap</b>	<b>533,717</b>	<b>500,327</b>	<b>(861)</b>	<b>537,147</b>	<b>19,778</b>	<b>(854,972)</b>	<b>21,000</b>	<b>756,136</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 31 DECEMBER 2014**

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

Interest rate risk (continued)

	<b>31 December 2014</b>		<b>31 March 2014</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	3.46	0.15	3.39	0.28
Deposits and placements with banks and other financial institutions	3.50	0.37	2.50	-
Loans, advances and financing	4.43	1.18	4.20	1.36
<b>Financial liabilities</b>				
Deposits from customers	3.24	0.19	3.13	0.21
Deposits and placements of banks and other financial institutions	-	0.27	-	0.29

**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 31 DECEMBER 2014**

**23. 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>31 December 2014 RM'000</b>	<b>31 March 2014 RM'000</b>
<b><u>Tier-1 capital</u></b>		
Paid-up ordinary share capital	700,000	700,000
Retained earnings	28,542	28,542
Statutory reserve	33,006	33,006
Available-for-sale reserve	(34)	(47)
Common Equity Tier 1 (CET 1) and Tier-1 Capital	761,514	761,501
<b><u>Tier-2 capital</u></b>		
Collective allowance for impairment	16,679	10,925
Tier-2 Capital	16,679	10,925
Total capital base	778,193	772,426
<b><u>Capital ratios</u></b>		
CET 1 and Tier 1 Capital Ratio	18.595%	28.327%
Total Capital Ratio	19.002%	28.733%

**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 31 DECEMBER 2014**

**23. Capital Adequacy (Continued)**

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

	<b>31 December 2014 RM'000</b>	<b>31 March 2014 RM'000</b>
Credit risk	3,815,842	2,454,115
Market risk	110,005	88,707
Operational risk	169,403	145,444
Total risk-weighted assets	<u>4,095,250</u>	<u>2,688,266</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 31 DECEMBER 2014**

**24. 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:

	← 31 December 2014 →			← 31 March 2014 →		
	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	123,945	61,972	50,491	104,852	52,426	40,945
Short-term self-liquidating trade-related contingencies	15,427	3,085	3,085	433	87	87
Foreign exchange related contracts:						
One year or less	2,435,703	121,257	54,485	2,111,271	49,032	34,248
Over one year to five years	3,831,397	493,963	185,189	2,637,290	316,394	102,453
Over five years	392,967	126,746	33,138	273,537	83,054	26,732
Interest/ profit rate related contracts						
One year or less	14,553	59	12	25,510	65	13
Over one year to five years	194,753	4,230	2,442	224,492	7,169	4,237
Over five years	215,470	17,669	10,593	209,058	20,557	10,801
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,166,949	583,475	511,554	528,161	264,080	264,080
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	275,188	55,038	55,038	538,519	107,704	101,304
<b>Total</b>	<b>8,666,352</b>	<b>1,467,494</b>	<b>906,027</b>	<b>6,653,123</b>	<b>900,568</b>	<b>584,900</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 31 December 2014 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 June 2013.

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Yasuhiro Oashi  
Chief Executive Officer

Date: 27 January 2015