

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED
30 SEPTEMBER 2020**

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

		30 September	31 March
		2020	2020
	Note	RM'000	RM'000
Assets			
Cash and short-term funds	14	4,736,767	4,239,396
Deposits and placements with banks and other financial institutions	15	889,453	869,486
Debt instruments at fair value through other comprehensive income ("FVOCI")	16	552,853	596,080
Loans, advances and financing	17	14,539,990	15,311,113
Derivative financial assets		559,243	620,808
Other assets	18	296,821	61,468
Statutory deposits with Bank Negara Malaysia		-	51,463
Plant and equipment		13,119	12,961
Right-of-use assets		3,179	5,404
Tax recoverable		47,264	53,446
Total assets		<u><u>21,638,689</u></u>	<u><u>21,821,625</u></u>
Liabilities			
Deposits from customers	19	16,782,863	15,436,734
Deposits and placements of banks and other financial institutions	20	875,395	2,271,747
Bills and acceptances payable		2,046	2,150
Derivative financial liabilities		521,106	560,269
Other liabilities	21	119,718	236,817
Lease liabilities		3,228	5,487
Provision for credit commitments and contingencies	22	8,213	5,399
Deferred tax payable		15,726	32,958
Total liabilities		<u><u>18,328,295</u></u>	<u><u>18,551,561</u></u>
Equity			
Share capital		2,452,605	2,452,605
Reserves		857,789	817,459
Total equity attributable to owners of the Bank		<u><u>3,310,394</u></u>	<u><u>3,270,064</u></u>
Total liabilities and equity		<u><u>21,638,689</u></u>	<u><u>21,821,625</u></u>
Commitments and contingencies	33	<u><u>31,736,203</u></u>	<u><u>33,701,525</u></u>

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(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	Note	2nd Quarter Ended		Six Months Ended	
		30 September 2020	30 September 2019	30 September 2020	30 September 2019
		RM'000	RM'000	RM'000	RM'000
Interest income	23	96,713	169,336	217,541	344,296
Interest expense	24	(37,338)	(102,646)	(93,142)	(214,081)
Net interest income		<u>59,375</u>	<u>66,690</u>	<u>124,399</u>	<u>130,215</u>
Other operating income	25	41,513	37,711	73,703	82,231
Net operating income		<u>100,888</u>	<u>104,401</u>	<u>198,102</u>	<u>212,446</u>
Other operating expenses	26	(38,392)	(33,948)	(74,125)	(66,605)
Operating profit		<u>62,496</u>	<u>70,453</u>	<u>123,977</u>	<u>145,841</u>
(Allowance)/writeback of impairment on loans, advances and financing	27	(27,954)	(3,274)	(61,170)	46
(Allowance)/writeback of impairment on other financial assets	28	(9,023)	(220)	(10,372)	(566)
Profit before taxation		<u>25,519</u>	<u>66,959</u>	<u>52,435</u>	<u>145,321</u>
Tax expense		<u>(7,755)</u>	<u>(12,384)</u>	<u>(12,240)</u>	<u>(31,577)</u>
Profit after taxation		<u>17,764</u>	<u>54,575</u>	<u>40,195</u>	<u>113,744</u>
Other comprehensive income for the financial period, net of income tax					
Items that may be reclassified subsequently to profit or loss					
Movement in fair value reserve (FVOCI debt instruments):					
- Debt instruments measured at FVOCI - net change in fair value		(1,300)	849	(1,083)	(627)
- Debt instruments measured at FVOCI - increase in allowance for impairment		402	56	1,218	45
Total comprehensive income for the financial period		<u><u>16,866</u></u>	<u><u>55,480</u></u>	<u><u>40,330</u></u>	<u><u>113,162</u></u>
Basic earnings per ordinary share (sen)		<u><u>0.73</u></u>	<u><u>2.23</u></u>	<u><u>1.64</u></u>	<u><u>4.64</u></u>

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	<i>Non-distributable reserves</i>			<i>Distributable</i>	Total RM'000
	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
At 1 April 2020	2,452,605	80,480	4,353	732,626	3,270,064
Profit for the period	-	-	-	40,195	40,195
Fair value change and increase in allowance for impairment of debt instruments measured at FVOCI	-	-	135	-	135
Total comprehensive income for the period	-	-	135	40,195	40,330
Transfer from regulatory reserve	-	(74,747)	-	74,747	-
At 30 September 2020	<u>2,452,605</u>	<u>5,733</u>	<u>4,488</u>	<u>847,568</u>	<u>3,310,394</u>
At 1 April 2019	2,452,605	111,598	2,872	514,958	3,082,033
Profit for the period	-	-	-	113,744	113,744
Fair value and allowance for impairment change of debt instruments measured at FVOCI	-	-	(582)	-	(582)
Total comprehensive income for the period	-	-	(582)	113,744	113,162
Transfer to regulatory reserve	-	4,731	-	(4,731)	-
At 30 September 2019	<u>2,452,605</u>	<u>116,329</u>	<u>2,290</u>	<u>623,971</u>	<u>3,195,195</u>

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

	2nd Quarter Ended / Six Months Ended	
	30 September 2020	30 September 2019
	RM'000	RM'000
Cash flows from operating activities		
Profit from ordinary activities before taxation	52,435	145,321
Adjustments for non-cash items	48,638	(17,199)
Operating profit before working capital changes	<u>101,073</u>	<u>128,122</u>
Changes in working capital:		
Net changes in operating assets	550,700	(981,778)
Net changes in operating liabilities	(161,556)	918,577
Net cash generated from operating activities	<u>490,217</u>	<u>64,921</u>
Tax paid	(22,950)	(36,289)
Net cash generated from operating activities	<u>467,267</u>	<u>28,632</u>
Net cash used in investing activities	38,928	19,683
Net cash generated from financing activities	<u>(3,014)</u>	<u>-</u>
Net increase in cash and cash equivalents during the financial period	503,181	48,315
Cash and cash equivalents at beginning of the financial period	4,246,465	4,378,459
Cash and cash equivalents at end of the financial period	<u>4,749,646</u>	<u>4,426,774</u>
Cash and cash equivalents comprise:		
Cash and balances with banks and other financial institutions	80,515	60,459
Money at call and deposit placements maturing within one month	<u>4,669,131</u>	<u>4,366,315</u>
	<u>4,749,646</u>	<u>4,426,774</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

1. Basis of preparation

The unaudited condensed interim financial statements for the 2nd quarter and financial period ended 30 September 2020 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 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: financial assets and liabilities at fair value through profit or loss (“FVTPL”), financial assets at fair value through other comprehensive income (“FVOCI”) and derivative financial instruments.

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Bank for the financial year ended 31 March 2020. 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 2020.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 March 2020, except for the adoption of the following new MFRSs, amendments to MFRSs and Issues Committee (“IC”) Interpretations which are effective for annual periods beginning on or after 1 January 2020:

- Amendments to MFRS 3, *Business Combinations - Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures - Interest Rate Benchmark Reform*

Effective for annual periods beginning on or after 1 June 2020

- Amendments to MFRS 16, *Lease - Covid-19 - Related Rent Concessions*

The following MFRSs and amendments have been issued by the MASB and are not yet effective to the Bank:

Effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)*

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

1. Basis of preparation (continued)

The following MFRSs and amendments have been issued by the MASB and are not yet effective to the Bank (continued):

Effective for annual periods beginning on or after 1 January 2022 (continued)

- Amendments to Illustrative Examples accompanying MFRS 16, *Lease (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018-2020)*

Effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*

Effective for annual periods beginning on or after a date yet to be confirmed

- 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*

The Bank does not plan to apply MFRS 17, *Insurance Contracts* that is effective for annual period beginning on 1 January 2023 as it is not applicable to the Bank.

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material financial impacts to the financial statements of the Bank.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2020 was not qualified.

3. Seasonal or Cyclical Factors

The business operations of the Bank were not materially affected by any seasonal or cyclical factors in the 2nd quarter and financial period ended 30 September 2020.

4. Unusual Items Due to Their Nature, Size or Incidence

Other than the impact of COVID-19 outbreak that affects the provision of impairment, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Bank in the 2nd quarter and financial period ended 30 September 2020.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

5. Changes in Estimates

There were no material changes in estimates of amounts reported that have a material effect on the unaudited condensed interim financial statements in the 2nd quarter and financial period ended 30 September 2020.

6. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities in the 2nd quarter and financial period ended 30 September 2020.

7. Dividend

No dividend was paid during the 2nd quarter and financial period ended 30 September 2020.

8. 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.

9. Subsequent Events

There were no significant events subsequent to the statement of financial position date that require disclosure or adjustments to the unaudited condensed interim financial statements.

10. Changes in the Composition of the Bank

There were no changes in the composition of the Bank during the 2nd quarter and financial period ended 30 September 2020.

11. Change in comparatives

Certain comparatives in the financial statements have been restated to align with the current period presentation consistent with the latest disclosure requirements.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

12. Review of Performance

2nd quarter results ended 30 September 2020

For the second quarter ended 30 September 2020, the Bank registered a profit before taxation of RM25.5 million, a decrease of 61.9% as compared to RM67.0 million recorded in the corresponding quarter last year. Profit after taxation decreased by 67.4% to RM17.8 million in the quarter under review as compared to RM54.6 million in the corresponding quarter in FY2019.

The decrease was attributed to the decrease in net interest income of 10.9% amounting to RM59.4 million as compared to RM66.7 million recorded in the corresponding quarter last year. In addition, the decrease was also resulted from the higher allowances of impairment on loans, advances & financing and other financial assets of RM37.0 million as compared to RM3.5 million in the corresponding quarter last year.

Six months financial results ended 30 September 2020

For the six months financial period ended 30 September 2020, the Bank registered a profit before taxation of RM52.4 million, a decrease of 63.9% as compared to RM145.3 million recorded in the corresponding six months of FY2019. Consequentially, profit after taxation has decreased by 64.6% to RM40.2 million as compared to RM113.7 million in the corresponding six months in the last financial year. The decrease was attributed to the decrease in net operating income of 6.7% amounting to RM198.1 million as compared to RM212.4 million recorded in the corresponding period last financial year. In addition, the decrease was also resulted from the higher allowances of impairment on loans, advances & financing and other financial assets amounting to RM71.5 million as compared to RM0.5 million in the corresponding period last financial year.

Total assets recorded a slight decrease of 0.8% to RM21,639 million as at 30 September 2020 as compared to RM21,822 million as at the financial year ended 31 March 2020. This was mainly attributed to the 5.0% decrease in loans, advances and financing amounting to RM14,540 million as compared to RM15,311 million as at 31 March 2020, but was partially offset by the increase in cash and short-term funds of 11.7% amounting to RM4,737 million as compared to RM4,239 million as at 31 March 2020.

The total liabilities recorded a decrease of 1.2% to RM18,328 million as at 30 September 2020 as compared to RM18,552 million as at financial year ended 31 March 2020. This was largely due to the lower deposits and placements of banks and other financial institutions amounting to RM875 million as at 30 September 2020 as compared to RM2,272 million as at 31 March 2020, a reduction of 61.5%. The decrease was offset by the increase in deposits from customers of 8.7% to RM16,783 million as at 30 September 2020 compared to RM15,437 million as at 31 March 2020.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

13. Current Year Prospects

The COVID-19 pandemic that crept into Malaysia at the start of the financial year 2020 had affected the Malaysian economy. The Government had introduced the Movement Control Order (“MCO”) in Malaysia on 18 March 2020 following the increase in COVID-19 cases.

The economy was badly affected with the Gross Domestic Product (“GDP”) contraction in the first quarter (April-June 2020) of the financial year of 17.1%, being the highest quarterly GDP contraction in 22 years since the Asian Financial Crisis 1997/98. During the crisis, the worst recorded GDP contraction was 11.2% in the quarter of October-December 1998. The economic activities had come to a sharp downshift confronted by concurrent supply and demand shocks arising from weak external demand conditions and strict containment measures during the quarter.

Year to date until 30 September 2020, Bank Negara Malaysia (“BNM”) had cut the Overnight Policy Rate (“OPR”) by a total of 125 basis points from 3.00% in January 2020 to 1.75% in July 2020. Meanwhile, the Government had also revised the national statutory debt ceiling which is one of the important elements to ensure fiscal support for growth to protect the economy and the most vulnerable segments of society.

On 30 September 2020, BNM had revised its GDP forecast for the full calendar year 2020 to between -3.5% to -5.5% from -2.0% to 0.5% previously. Whilst, the World Bank had lowered the forecast to -4.9% from -3.1%.

The Malaysian economy is expected to recover gradually in the remaining calendar quarters of 2020 as the economy progressively re-opens and external demand improves, supported by the expected recovery in global growth. BNM expected a rebound in GDP growth in the range of 5.5% to 8.0% for 2021, underpinned by the improvements in external factors and a gradual normalisation in local economic activities and labour market conditions.

The Bank will be supportive of customers in doing business during this challenging period. In line with the Government's call to sustain the economy, the Bank had put in place the loan repayment moratorium program that took effect from April to September 2020. Nonetheless, the Bank was not affected as customers continued to repay loans as scheduled. In October 2020, the Bank has put in place the loan repayment assistance program to support customers in the event they face financial difficulties during the Covid-19 pandemic.

The Bank has taken the provisioning for potential loan losses and will strive to achieve the targets for the financial year ending 31 March 2021 while acknowledging the challenges ahead. The Bank will remain with the strategies in place to increase its presence with raised profiles and positions, to enhance processes with improved productivities and to build up portfolio with good profitability.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

14. Cash and short-term funds

	30 September 2020 RM'000	31 March 2020 RM'000
Cash and balances with banks and other financial institutions	80,515	52,275
Money at call and deposit placements maturing within one month	4,669,131	4,194,190
	<u>4,749,646</u>	<u>4,246,465</u>
Less: Allowance for expected credit losses ("ECL")	(12,879)	(7,069)
	<u><u>4,736,767</u></u>	<u><u>4,239,396</u></u>

Movement in allowance for ECL on cash and short-term funds

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit- impaired (Stage 2) RM'000	Lifetime ECL credit- impaired (Stage 3) RM'000	Total RM'000
At 1 April 2020	7,069	-	-	7,069
Charge to income statement:				
- Increase in ECL	5,810	-	-	5,810
At 30 September 2020	<u>12,879</u>	<u>-</u>	<u>-</u>	<u>12,879</u>
At 1 April 2019	701	-	-	701
Charge to income statement:				
- Increase in ECL	6,368	-	-	6,368
At 31 March 2020	<u>7,069</u>	<u>-</u>	<u>-</u>	<u>7,069</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

15. Deposits and placements with banks and other financial institutions

	30 September 2020 RM'000	31 March 2020 RM'000
Money at call and deposit placements maturing more than one month	892,481	870,000
Less: Allowance for ECL	(3,028)	(514)
	<u>889,453</u>	<u>869,486</u>

Movement in allowance for ECL on deposits and placements with banks and other financial institutions

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit- impaired (Stage 2) RM'000	Lifetime ECL credit- impaired (Stage 3) RM'000	Total RM'000
At 1 April 2020	514	-	-	514
Charge to income statement:				
- Increase in ECL	2,514	-	-	2,514
At 30 September 2020	<u>3,028</u>	-	-	<u>3,028</u>
At 1 April 2019	555	-	-	555
Charge to income statement:				
- Decrease in ECL	(41)	-	-	(41)
At 31 March 2020	<u>514</u>	-	-	<u>514</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

16. Debt instruments measured at fair value through other comprehensive income ("FVOCI")

	30 September 2020 RM'000	31 March 2020 RM'000
At fair value		
Negotiable instruments of deposits	350,407	351,981
Malaysian Government Securities	70,457	70,546
Malaysian Government Investment Issues	131,989	173,553
	<u>552,853</u>	<u>596,080</u>

Movement in allowance for ECL on debt instruments measured at FVOCI

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit- impaired (Stage 2) RM'000	Lifetime ECL credit- impaired (Stage 3) RM'000	Total RM'000
At 1 April 2020	1,449	-	-	1,449
- Increase in ECL	1,218	-	-	1,218
At 30 September 2020	<u>2,667</u>	-	-	<u>2,667</u>
At 1 April 2019	377	-	-	377
- Increase in ECL	1,072	-	-	1,072
At 31 March 2020	<u>1,449</u>	-	-	<u>1,449</u>

The carrying amount of a debt instrument measured at FVOCI is its fair value. Accordingly, the recognition of an impairment loss does not affect the carrying amount of those assets, but is reflected as a debit to profit or loss or retained earnings and credit to other comprehensive income.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

17. Loans, advances and financing

	30 September 2020 RM'000	31 March 2020 RM'000
(a) By type:		
<u>At amortised cost:</u>		
Overdraft	6,801	57,704
Term loans / financing		
- Syndicated loans / Syndicated Islamic financing	2,401,759	2,497,022
- Factoring receivables	39,426	112,804
- Other term loans / Islamic term financing	7,859,274	7,958,484
Trade bills discounted	25,057	396,635
Revolving credits / Revolving credit-i	4,198,470	4,220,856
Other loans	150,280	150,329
Gross loans, advances and financing	<u>14,681,067</u>	<u>15,393,834</u>
Less: Allowance for ECL		
- 12-month ECL (Stage 1)	(43,231)	(42,425)
- Lifetime ECL not credit impaired (Stage 2)	(97,846)	(40,296)
- Lifetime ECL credit impaired (Stage 3)	-	-
Net loans, advances and financing	<u><u>14,539,990</u></u>	<u><u>15,311,113</u></u>
(b) By geographical distribution:		
Malaysia	11,658,152	12,374,229
Other countries:		
- Jordan	1,038,826	1,077,014
- Australia	653,860	556,470
- United States of America	420,406	431,273
- Japan	212,565	214,722
- Germany	34,130	71,047
- Hong Kong	54,360	56,549
- Cayman Islands	270,121	280,044
- Netherlands	178,853	173,742
- United Kingdom	159,794	158,744
Gross loans, advances and financing	<u><u>14,681,067</u></u>	<u><u>15,393,834</u></u>
(c) By type of customer:		
Domestic non-bank financial institutions	4,417,441	4,168,306
Domestic business enterprises	10,040,330	11,001,619
Foreign entities	223,296	223,909
Gross loans, advances and financing	<u><u>14,681,067</u></u>	<u><u>15,393,834</u></u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020****17. Loans, advances and financing (continued)**

	30 September 2020 RM'000	31 March 2020 RM'000
(d) By interest rate sensitivity:		
Fixed rate		
- Other fixed rate loans	1,224,523	1,358,867
Variable rate		
- Cost-plus	4,063,038	4,390,165
- Other variable rates	9,393,506	9,644,802
Gross loans, advances and financing	<u>14,681,067</u>	<u>15,393,834</u>
(e) By sector:		
Primary agriculture	40,013	50,006
Mining and quarrying	252,949	213,421
Manufacturing	2,756,362	3,111,093
Electricity, gas and water	1,748,747	2,189,634
Construction	87,986	194,176
Wholesale and retail trade, and restaurants and hotels	1,365,420	1,656,354
Transport, storage and communication	329,707	388,362
Finance, insurance and business services	5,300,366	5,278,551
Real estate	1,804,022	1,406,126
Education, health and other services	712,226	682,202
Other sectors	283,269	223,909
Gross loans, advances and financing	<u>14,681,067</u>	<u>15,393,834</u>
(f) By economic purpose:		
Purchase of securities	451,361	465,835
Purchase of non-residential property		
- Purchase of land	142,739	142,787
- Commercial complexes	-	191,268
Purchase of fixed assets other than land and building	404,849	406,368
Construction	686,343	642,417
Working capital	6,422,949	6,709,108
Mergers and acquisition	291,336	345,644
Other purpose	6,281,490	6,490,407
Gross loans, advances and financing	<u>14,681,067</u>	<u>15,393,834</u>

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

17. Loans, advances and financing (continued)

	30 September 2020	31 March 2020
	RM'000	RM'000
(g) By residual contractual maturity:		
Maturing within one year	5,378,782	6,008,659
One year to three years	4,633,990	4,501,199
Three years to five years	3,358,691	3,647,464
More than five years	1,309,604	1,236,512
Gross loans, advances and financing	<u>14,681,067</u>	<u>15,393,834</u>

(h) Change in gross loans, advances and financing carrying amount

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit- impaired (Stage 2) RM'000	Lifetime ECL credit- impaired (Stage 3) RM'000	Total RM'000
At 1 April 2020	13,178,998	2,214,836	-	15,393,834
Transfer to 12-month ECL (Stage 1)	9,676	(9,676)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(720,849)	720,849	-	-
Transfer to lifetime ECL credit- impaired (Stage 3)	-	-	-	-
Loans, advances and financing derecognised	(2,800,048)	(437,166)	-	(3,237,214)
New loans, advances and financing originated or purchased	2,633,048	47,926	-	2,680,974
Other adjustments	(158,438)	1,911	-	(156,527)
At 30 September 2020	<u>12,142,387</u>	<u>2,538,680</u>	-	<u>14,681,067</u>
At 1 April 2019	12,325,321	728,335	-	13,053,656
Transfer to 12-month ECL (Stage 1)	1,208,584	(1,208,584)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(3,268,264)	3,268,264	-	-
Transfer to lifetime ECL credit impaired (Stage 3)	(7,710)	-	7,710	-
Loans, advances and financing derecognised	(4,536,768)	(101,723)	(6,309)	(4,644,800)
New loans, advances and financing originated or purchased	6,477,456	46,358	-	6,523,814
Other adjustments	980,379	(517,814)	(1,401)	461,164
At 31 March 2020	<u>13,178,998</u>	<u>2,214,836</u>	-	<u>15,393,834</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

17. Loans, advances and financing (continued)

(i) Movements in allowance for ECL on loans, advances and financing measured at amortised cost

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit- impaired (Stage 2) RM'000	Lifetime ECL credit- impaired (Stage 3) RM'000	Total RM'000
At 1 April 2020	42,425	40,296	-	82,721
Transfer to 12-month ECL (Stage 1)	6	(6)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(4,946)	4,946	-	-
Transfer to lifetime ECL credit- impaired (Stage 3)	-	-	-	-
Loans, advances and financing derecognised	(8,171)	(5,607)	-	(13,778)
New loans, advances and financing originated or purchased	5,669	1,459	-	7,128
Changes due to change in credit risk	8,248	56,758	-	65,006
At 30 September 2020	<u>43,231</u>	<u>97,846</u>	<u>-</u>	<u>141,077</u>
At 1 April 2019	14,026	19,236	-	33,262
Transfer to 12-month ECL (Stage 1)	17,206	(17,206)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(12,570)	12,570	-	-
Transfer to lifetime ECL credit impaired (Stage 3)	(7)	-	7	-
Loans, advances and financing derecognised	(7,093)	(5,397)	(3,565)	(16,055)
New loans, advances and financing originated or purchased	18,140	4,040	-	22,180
Changes due to change in credit risk	12,723	27,053	3,558	43,334
At 31 March 2020	<u>42,425</u>	<u>40,296</u>	<u>-</u>	<u>82,721</u>

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18. Other assets

	30 September 2020 RM'000	31 March 2020 RM'000
Interest receivable	6,156	10,322
Amount due from related corporations	5,052	174
Cash collateral placements	283,530	46,783
Other receivables	648	2,234
Deposits	2,001	2,028
Prepayments	378	41
	<u>297,765</u>	<u>61,582</u>
Less: Allowance for ECL	(944)	(114)
	<u><u>296,821</u></u>	<u><u>61,468</u></u>

Movement in allowance for ECL on other assets

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit- impaired (Stage 2) RM'000	Lifetime ECL credit- impaired (Stage 3) RM'000	Total RM'000
At 1 April 2020	114	-	-	114
Charge to income statement:				
- Increase in ECL	830	-	-	830
At 30 September 2020	<u>944</u>	<u>-</u>	<u>-</u>	<u>944</u>
At 1 April 2019	18	-	-	18
Charge to income statement:				
- Increase in ECL	96	-	-	96
At 31 March 2020	<u>114</u>	<u>-</u>	<u>-</u>	<u>114</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

19. Deposits from customers

	30 September 2020 RM'000	31 March 2020 RM'000
(a) By type of deposits:		
Demand deposits	3,187,029	3,468,661
Fixed deposits	9,331,532	8,381,772
Short-term deposits	4,264,302	3,586,301
	<u>16,782,863</u>	<u>15,436,734</u>

The maturity structure of fixed deposits and short-term deposits is as follows:

Due within six months	6,352,532	4,910,471
Six months to one year	483,900	981,029
One year to three years	3,027,650	3,143,885
Three years to five years	2,423,648	1,699,005
Five years to ten years	600,668	474,260
Ten years and above	707,436	759,423
	<u>13,595,834</u>	<u>11,968,073</u>

(b) By type of customers:

Domestic non-bank financial institutions	243,601	256,069
Domestic business enterprises	7,959,868	7,572,915
Branch of immediate holding corporation	7,731,238	7,303,658
Foreign non-bank entities	222,492	302,421
Domestic other entities	2,207	1,671
Government	623,457	-
	<u>16,782,863</u>	<u>15,436,734</u>

20. Deposits and placements of banks and other financial institutions

	30 September 2020 RM'000	31 March 2020 RM'000
Licensed Malaysian banks	322,027	399,548
Foreign banks		
- Immediate holding corporation	553,368	1,698,739
- Other related corporations / companies	-	173,460
	<u>875,395</u>	<u>2,271,747</u>

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21. Other liabilities

	30 September 2020 RM'000	31 March 2020 RM'000
Interest payable	8,598	13,774
Amount due to immediate holding corporation and related corporations/companies	22,870	15,186
Cash collateral placements	51,075	157,328
Other payables	30,459	37,834
Accruals	6,716	12,695
	<u>119,718</u>	<u>236,817</u>

22. Provision for credit commitments and contingencies

	30 September 2020 RM'000	31 March 2020 RM'000
Provision for credit commitments and contingencies	<u>8,213</u>	<u>5,399</u>

Movement in allowance for ECL on credit commitments and contingencies

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit- impaired (Stage 2) RM'000	Lifetime ECL credit- impaired (Stage 3) RM'000	Total RM'000
At 1 April 2020	5,250	149	-	5,399
Charge to income statement:				
- Increase in ECL	1,714	1,100	-	2,814
At 30 September 2020	<u>6,964</u>	<u>1,249</u>	<u>-</u>	<u>8,213</u>
At 1 April 2019	2,006	14,010	-	16,016
Charge to income statement:				
- Increase/(Decrease) in ECL	3,244	(13,861)	-	(10,617)
At 31 March 2020	<u>5,250</u>	<u>149</u>	<u>-</u>	<u>5,399</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020****23. Interest income**

	2nd Quarter Ended		Six Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Loans, advances and financing				
- Interest income	65,794	98,303	150,411	198,688
- Financing income	5,902	19,827	16,093	39,819
Money at call and deposit placements with banks and other financial institutions	21,266	44,910	42,873	92,977
Debt instruments measured at FVOCI	3,751	6,291	8,164	12,806
Others	-	5	-	6
	<u>96,713</u>	<u>169,336</u>	<u>217,541</u>	<u>344,296</u>

24. Interest expense

	2nd Quarter Ended		Six Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Deposits and placements of banks and other financial institutions	673	8,447	3,766	18,732
Deposits from customers	36,615	94,197	89,279	195,346
Lease liabilities	50	2	97	3
	<u>37,338</u>	<u>102,646</u>	<u>93,142</u>	<u>214,081</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020****25. Other operating income**

	2nd Quarter Ended		Six Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Fee and commission income				
- Service charges/fees	-	24	-	33
- Guarantee fees	323	614	812	944
- Loan related fees	2,968	3,424	6,001	7,054
- Commitment fees	612	850	1,129	1,710
	<u>3,903</u>	<u>4,912</u>	<u>7,942</u>	<u>9,741</u>
Gain from derivative financial instruments	<u>700</u>	<u>3,221</u>	<u>2,064</u>	<u>4,855</u>
Unrealised net gain on revaluation of derivatives	<u>15,033</u>	<u>4,952</u>	<u>22,732</u>	<u>19,221</u>
Foreign exchange, net gain	<u>17,225</u>	<u>20,377</u>	<u>31,501</u>	<u>40,276</u>
Other income				
- Management fees	2,393	2,287	4,898	4,573
- Rental of fixed assets	475	539	991	1,099
- Miscellaneous income	1,784	1,423	3,575	2,466
	<u>4,652</u>	<u>4,249</u>	<u>9,464</u>	<u>8,138</u>
	<u>41,513</u>	<u>37,711</u>	<u>73,703</u>	<u>82,231</u>

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26. Other operating expenses

	2nd Quarter Ended		Six Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Personnel costs				
Salaries, allowances and bonuses	9,768	8,641	19,482	17,839
Employees' provident fund contributions	1,319	1,084	2,578	2,257
Staff training expenses	32	115	52	262
Staff welfare expenses	29	62	45	135
Other personnel expenses	1,347	845	2,451	1,946
	<u>12,495</u>	<u>10,747</u>	<u>24,608</u>	<u>22,439</u>
Establishment costs				
Depreciation - Plant and equipment	1,142	1,030	2,300	2,071
Depreciation - Right-of-use assets	1,438	-	2,875	-
Repair and maintenance	169	278	198	148
Other establishment expenses	3,919	4,323	7,853	8,323
	<u>6,668</u>	<u>5,631</u>	<u>13,226</u>	<u>10,542</u>
Marketing expenses				
Advertisement and publicity	42	56	84	98
Other marketing expenses	12	18	12	42
	<u>54</u>	<u>74</u>	<u>96</u>	<u>140</u>
Administration and general expenses				
Guarantee fees	10,409	9,161	20,312	17,558
Auditors' remuneration				
- Statutory audit	79	76	158	153
- Other services	25	25	50	50
Professional fees	143	49	256	143
Communication expenses	131	78	301	225
Management fees	5,465	5,306	10,306	9,857
Licence fees and stamp duties	37	37	75	75
Non-executive directors' fees and allowances	193	193	410	440
Other administration and general expenses	2,693	2,571	4,327	4,983
	<u>19,175</u>	<u>17,496</u>	<u>36,195</u>	<u>33,484</u>
	<u>38,392</u>	<u>33,948</u>	<u>74,125</u>	<u>66,605</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020****27. Allowance for impairment on loans, advances and financing**

	2nd Quarter Ended		Six Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
<u>Allowance/(writeback) for ECL</u>				
Loans, advances and financing	29,344	15,716	58,356	13,594
Provision for credit commitments and contingencies	(1,390)	(12,442)	2,814	(13,640)
	<u>27,954</u>	<u>3,274</u>	<u>61,170</u>	<u>(46)</u>

28. Allowance for impairment on other financial assets

	2nd Quarter Ended		Six Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
<u>Allowance/(writeback) for ECL</u>				
Cash and short-term funds	4,821	185	5,810	980
Deposits and placements with banks and other financial institutions	3,028	(25)	2,514	(445)
Debt instruments measured at FVOCI	402	56	1,218	45
Other assets	772	4	830	(14)
	<u>9,023</u>	<u>220</u>	<u>10,372</u>	<u>566</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
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29. 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	Total
	Up to 1 month	>1 - 3 months	>3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing #		
30 September 2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets								
Cash and short-term funds	4,669,136	-	-	-	-	67,631	-	4,736,767
Deposits and placements with banks and other financial institutions	-	659,378	233,103	-	-	(3,028)	-	889,453
Debt instruments measured at FVOCI	400,443	-	101,152	51,258	-	-	-	552,853
Loans, advances and financing	2,432,111	1,661,848	1,284,814	7,992,689	1,309,605	(141,077)	-	14,539,990
Derivative financial assets	-	-	-	-	-	-	559,243	559,243
Other assets ^	286,516	1,005	2,563	-	-	6,359	-	296,443
Total assets	7,788,206	2,322,231	1,621,632	8,043,947	1,309,605	(70,115)	559,243	21,574,749

The negative balance represents allowance for expected credit losses on financial assets.

^ Other assets exclude prepayments and deferred expenses as these items are classified as non-financial assets.

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

29. Use of Financial Instruments (continued)

Interest rate risk (continued)

	Non-trading book						Trading book	Total
	Up to 1 month	>1 - 3 months	>3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing		
30 September 2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Liabilities								
Deposits from customers	3,732,626	2,244,900	858,895	5,451,300	1,308,104	3,187,038	-	16,782,863
Deposits and placements of banks and other financial institutions	529,590	270,146	-	69,495	-	6,164	-	875,395
Bills and acceptances payable	-	-	2,046	-	-	-	-	2,046
Derivative financial liabilities	-	-	476	76,358	-	-	444,272	521,106
Other liabilities *	6,788	6,599	2,211	968	332	65,722	-	82,620
Total liabilities	4,269,004	2,521,645	863,628	5,598,121	1,308,436	3,258,924	444,272	18,264,030
On balance sheet interest rate gap	3,519,202	(199,414)	758,004	2,445,826	1,169	(3,329,039)	114,971	3,310,719
Off balance sheet interest rate gap	-	1,971,082	(43,684)	(1,927,398)	-	-	-	-
Total interest rate gap	3,519,202	1,771,668	714,320	518,428	1,169	(3,329,039)	114,971	3,310,719

* Other liabilities exclude other provisions and accruals as well as deferred income as these items are classified as non-financial liabilities.

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29. Use of Financial Instruments (continued)

Interest rate risk (continued)

	Non-trading book						Trading book	Total
	Up to 1 month	>1 - 3 months	>3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing #		
31 March 2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>								
Cash and short-term funds	4,194,190	-	-	-	-	45,206	-	4,239,396
Deposits and placements with banks and other financial institutions	-	800,000	70,000	-	-	(514)	-	869,486
Debt instruments measured at FVOCI	-	150,626	201,354	30,557	232,156	(18,613)	-	596,080
Loans, advances and financing	2,728,462	1,745,517	1,534,681	8,148,662	1,236,512	(82,721)	-	15,311,113
Derivative financial assets	6,634	-	7,255	646	-	-	606,273	620,808
Other assets ^	49,400	4,090	2,500	-	-	5,437	-	61,427
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	51,463	-	51,463
Total assets	6,978,686	2,700,233	1,815,790	8,179,865	1,468,668	258	606,273	21,749,773

The negative balance represents allowance for expected credit losses on financial assets.

^ Other assets exclude prepayments and deferred expenses as these items are classified as non-financial assets.

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29. Use of Financial Instruments (continued)

Interest rate risk (continued)

	Non-trading book						Trading book	Total
	Up to 1 month	>1 - 3 months	>3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 March 2020								
Liabilities								
Deposits from customers	2,930,689	1,430,876	1,529,941	4,842,882	1,233,683	3,468,663	-	15,436,734
Deposits and placements of banks and other financial institutions	1,775,986	374,127	40,789	77,110	-	3,735	-	2,271,747
Bills and acceptances payable	-	-	2,150	-	-	-	-	2,150
Derivative financial liabilities	-	59	-	63,492	-	-	496,718	560,269
Other liabilities *	6,853	3,331	6,289	3,789	1,723	164,585	-	186,570
Total liabilities	4,713,528	1,808,393	1,579,169	4,987,273	1,235,406	3,636,983	496,718	18,457,470
On balance sheet interest rate gap	2,265,158	891,840	236,621	3,192,592	233,262	(3,636,725)	109,555	3,292,303
Off balance sheet interest rate gap	-	1,527,810	-	(238)	(1,527,572)	-	-	-
Total interest rate gap	2,265,158	2,419,650	236,621	3,192,354	(1,294,310)	(3,636,725)	109,555	3,292,303

* Other liabilities exclude other provisions and accruals as well as deferred income as these items are classified as non-financial liabilities.

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FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020****30. Use of Financial Instruments (continued)****Interest rate risk (continued)**

	30 September 2020		31 March 2020	
	MYR % p.a.	USD % p.a.	MYR % p.a.	USD % p.a.
Financial assets				
Cash and short-term funds	1.79	0.17	2.59	1.85
Deposits and placements with banks and other financial institutions	2.13	0.39	2.86	-
Loans, advances and financing	3.62	1.30	4.16	2.24
Financial liabilities				
Deposits from customers	2.14	0.25	3.00	1.36
Deposits and placements of banks and other financial institutions	-	0.11	-	0.71

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

31. 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:

	30 September 2020 RM'000	31 March 2020 RM'000
Aggregate value of outstanding credit exposures to connected parties	1,516,409	1,066,549
As a percentage of total credit exposures	5.51%	3.89%

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

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

32. Capital Adequacy

The capital adequacy ratios of the Bank are computed in accordance with Bank Negara Malaysia's Guidelines on Capital Adequacy Framework (Capital Components and Basel II - Risk Weighted Assets). The Bank adopted the Standardised Approach for credit risk and market risk and the Basic Indicator Approach for operational risk.

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

	30 September 2020 RM'000	31 March 2020 RM'000
<u>Tier 1 capital</u>		
Paid-up ordinary share capital	2,452,605	2,452,605
Retained earnings	847,568	732,626
Other reserves	10,221	84,833
	<u>3,310,394</u>	<u>3,270,064</u>
Less: Deferred tax assets	-	-
55% of fair value reserve	(2,468)	(2,394)
Regulatory reserve	(5,733)	(80,480)
Common Equity Tier 1 (CET 1) and Tier 1 Capital	<u>3,302,193</u>	<u>3,187,190</u>
<u>Tier 2 capital</u>		
Expected credit losses	168,808	97,266
Regulatory reserve *	(3,045)	78,083
Tier 2 Capital	<u>165,763</u>	<u>175,349</u>
Total capital base	<u><u>3,467,956</u></u>	<u><u>3,362,539</u></u>
<u>Capital ratios</u>		
CET 1 and Tier 1 capital ratio	23.064%	21.199%
Total capital ratio	24.222%	22.365%

* Collective ECL on non-credit impaired exposure and regulatory reserves is subject to a maximum of 1.25% of total credit risk-weighted assets.

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

	30 September 2020 RM'000	31 March 2020 RM'000
Credit risk	13,261,008	14,027,952
Market risk	394,821	370,237
Operational risk	661,582	636,404
Total risk-weighted assets	<u><u>14,317,411</u></u>	<u><u>15,034,593</u></u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

33. 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:

	Principal amount RM'000	Credit equivalent amount * RM'000	Risk- weighted assets * RM'000
30 September 2020			
Transaction-related contingent items	450,867	221,741	213,904
Short-term self-liquidating trade-related contingencies	78,159	14,347	14,347
Foreign exchange related contracts:			
- Less than one year	11,140,631	357,553	215,535
- One year to less than five years	8,330,820	993,674	633,751
- Five years and above	2,410,789	538,358	350,526
Interest / Profit rate related contracts:			
- Less than one year	43,684	109	55
- One year to less than five years	1,649,151	58,632	47,805
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	6,905,102	3,449,715	3,359,132
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	727,000	145,000	112,962
Total	31,736,203	5,779,129	4,948,017

* The credit equivalent amount and the risk-weighted amount are derived at using the credit conversion factors and risk weights respectively as per Bank Negara Malaysia Guidelines.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

33. Commitments and contingencies (continued)

	Principal amount RM'000	Credit equivalent amount * RM'000	Risk- weighted assets * RM'000
31 March 2020			
Transaction-related contingent items	395,088	194,859	184,770
Short-term self-liquidating trade-related contingencies	148,710	29,008	29,008
Foreign exchange related contracts:			
- Less than one year	14,023,563	512,164	273,498
- One year to less than five years	8,117,375	871,802	569,035
- Five years and above	2,132,258	510,364	351,887
Interest / Profit rate related contracts:			
- Less than one year	333,715	1,154	1,048
- One year to less than five years	1,527,572	57,704	45,501
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	6,523,113	3,259,577	3,225,117
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	500,131	100,026	67,718
Total	33,701,525	5,536,658	4,747,582

* The credit equivalent amount and the risk-weighted amount are derived at using the credit conversion factors and risk weights respectively as per Bank Negara Malaysia Guidelines.

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MANAGEMENT'S CERTIFICATION

I hereby certify that the attached unaudited condensed interim financial statements for the financial period ended 30 September 2020 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 27 September 2019.

Tetsuya Kainaka
Chief Executive Officer

Date: 23 October 2020