

**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 2021**

# 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 2021

		<b>30 September 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
	<b>Note</b>		
<b>Assets</b>			
Cash and short-term funds	14	4,018,345	4,339,905
Deposits and placements with banks and other financial institutions	15	1,571,551	975,724
Debt instruments at fair value through other comprehensive income ("FVOCI")	16	605,919	392,745
Loans, advances and financing	17	15,554,892	14,976,985
Derivative financial assets		370,742	395,700
Other assets	18	150,988	190,963
Plant and equipment		13,458	12,594
Right-of-use assets		12,204	14,704
Tax recoverable		88,898	78,045
Deferred tax assets		6,297	15,062
<b>Total assets</b>		<b><u>22,393,294</u></b>	<b><u>21,392,427</u></b>
<b>Liabilities</b>			
Deposits from customers	19	17,183,811	16,301,368
Deposits and placements of banks and other financial institutions	20	1,126,299	1,067,903
Bills and acceptances payable		2,156	775
Derivative financial liabilities		311,305	359,158
Other liabilities	21	126,324	132,832
Lease liabilities		12,851	15,051
Provision for credit commitments and contingencies	22	5,439	7,627
<b>Total liabilities</b>		<b><u>18,768,185</u></b>	<b><u>17,884,714</u></b>
<b>Equity</b>			
Share capital		2,452,605	2,452,605
Reserves		1,172,504	1,055,108
<b>Total equity attributable to owners of the Bank</b>		<b><u>3,625,109</u></b>	<b><u>3,507,713</u></b>
<b>Total liabilities and equity</b>		<b><u>22,393,294</u></b>	<b><u>21,392,427</u></b>
<b>Commitments and contingencies</b>	33	<b><u>31,414,848</u></b>	<b><u>28,973,196</u></b>

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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 2021**

	Note	2nd Quarter Ended		Six Months Ended	
		30 September 2021	30 September 2020	30 September 2021	30 September 2020
		RM'000	RM'000	RM'000	RM'000
			Restated		Restated
Interest income	23	76,523	86,304	156,969	197,229
Interest expense	24	(24,567)	(37,338)	(53,580)	(93,142)
<b>Net interest income</b>		<u>51,956</u>	<u>48,966</u>	<u>103,389</u>	<u>104,087</u>
Other operating income	25	43,581	41,513	82,867	73,703
Net operating income		<u>95,537</u>	<u>90,479</u>	<u>186,256</u>	<u>177,790</u>
Other operating expenses	26	(28,576)	(27,983)	(56,662)	(53,813)
Operating profit		<u>66,961</u>	<u>62,496</u>	<u>129,594</u>	<u>123,977</u>
Writeback/(Allowance) of impairment on loans, advances and financing	27	5,880	(27,954)	19,592	(61,170)
Writeback/(Allowance) of impairment on other financial assets	28	2,058	(9,023)	5,158	(10,372)
<b>Profit before taxation</b>		<u>74,899</u>	<u>25,519</u>	<u>154,344</u>	<u>52,435</u>
Tax expense		<u>(19,051)</u>	<u>(7,755)</u>	<u>(37,010)</u>	<u>(12,240)</u>
<b>Profit after taxation</b>		<u>55,848</u>	<u>17,764</u>	<u>117,334</u>	<u>40,195</u>
<b>Other comprehensive income for the financial period, net of income tax</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Movement in fair value reserve (FVOCI debt instruments):					
- Debt instruments measured at FVOCI - net change in fair value		178	(1,300)	543	(1,083)
- Debt instruments measured at FVOCI - (decrease)/increase in allowance for impairment		(245)	402	(481)	1,218
<b>Total comprehensive income for the financial period</b>		<u>55,781</u>	<u>16,866</u>	<u>117,396</u>	<u>40,330</u>
<b>Basic earnings per ordinary share (sen)</b>		<u>2.27</u>	<u>0.73</u>	<u>4.78</u>	<u>1.64</u>

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	<i>Non-distributable reserves</i>			<i>Distributable</i>	<b>Total</b> <b>RM'000</b>
	<b>Share capital</b> <b>RM'000</b>	<b>Regulatory reserve</b> <b>RM'000</b>	<b>Fair value reserve</b> <b>RM'000</b>	<b>Retained earnings</b> <b>RM'000</b>	
<b>At 1 April 2021</b>	2,452,605	93,220	1,944	959,944	3,507,713
Profit for the period	-	-	-	117,334	117,334
Fair value change and increase in allowance for impairment of debt instruments measured at FVOCI	-	-	62	-	62
<b>Total comprehensive income for the period</b>	-	-	62	117,334	117,396
Transfer to regulatory reserve	-	41,546	-	(41,546)	-
<b>At 30 September 2021</b>	<b>2,452,605</b>	<b>134,766</b>	<b>2,006</b>	<b>1,035,732</b>	<b>3,625,109</b>
<b>At 1 April 2020</b>	2,452,605	80,480	4,353	732,626	3,270,064
Profit for the period	-	-	-	40,195	40,195
Fair value and allowance for impairment change of debt instruments measured at FVOCI	-	-	135	-	135
<b>Total comprehensive income for the period</b>	-	-	135	40,195	40,330
Transfer from regulatory reserve	-	(74,747)	-	74,747	-
<b>At 30 September 2020</b>	<b>2,452,605</b>	<b>5,733</b>	<b>4,488</b>	<b>847,568</b>	<b>3,310,394</b>

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[Company No. 201001042446 (926374-U)]

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	<b>2nd Quarter Ended / Six Months Ended</b>	
	<b>30 September 2021 RM'000</b>	<b>30 September 2020 RM'000 Restated</b>
<b>Cash flows from operating activities</b>		
Profit from ordinary activities before taxation	154,344	52,435
Adjustments for non-cash items	(7,389)	48,638
Operating profit before working capital changes	146,955	101,073
Changes in working capital:		
Net changes in operating assets	(1,147,990)	550,700
Net changes in operating liabilities	935,877	(161,556)
Net cash (generated from)/ used in operating activities	(65,158)	490,217
Tax paid	(39,270)	(22,950)
Net cash (generated from)/ used in operating activities	(104,428)	467,267
Net cash (generated from)/used in investing activities	(216,875)	38,928
Net cash generated from financing activities	(2,614)	(3,014)
<b>Net (decrease)/increase in cash and cash equivalents during the financial period</b>	<b>(323,917)</b>	<b>503,181</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>4,344,248</b>	<b>4,246,465</b>
<b>Cash and cash equivalents at end of the financial period</b>	<b>4,020,331</b>	<b>4,749,646</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and balances with banks and other financial institutions	123,213	80,515
Money at call and deposit placements maturing within one month	3,897,118	4,669,131
	<b>4,020,331</b>	<b>4,749,646</b>

# SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

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## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

### 1. Basis of preparation

The unaudited condensed interim financial statements for the second quarter and financial period ended 30 September 2021 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 2021. 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 2021.

The unaudited condensed interim financial statements incorporated those activities relating to the Islamic banking business which have been undertaken by the Bank. Islamic banking business refers generally to the acceptance of deposits and granting of financing under the principles of Shariah.

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 2021, 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 2021:

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

#### ***Effective for annual periods beginning on or after 1 April 2021***

- Amendment to MFRS 16, *Leases – Covid-19 - Related Rent Concessions beyond 30 June 2021*

The initial application of the abovementioned accounting standards, amendments and interpretations do not have any material financial impact to the financial statements of the Bank.

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## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

### 1. Basis of preparation (continued)

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)*
- 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 and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

#### *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 plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable, except for MFRS 17 which is not applicable to 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 2021 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 second quarter and financial period ended 30 September 2021.

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## **NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

### **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 second quarter and financial period ended 30 September 2021.

### **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 second quarter and financial period ended 30 September 2021.

### **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 period ended 30 September 2021.

### **7. Dividend**

No dividend was paid during the second quarter and financial period ended 30 September 2021.

### **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 second quarter and financial period ended 30 September 2021.

### **11. Changes in comparatives**

Certain comparatives in the financial statements have been restated to align with the current financial period presentation in accordance with the latest accounting standards and disclosure requirements.



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## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

### 11. Changes in comparatives (continued)

#### Reclassifications:

In the current financial period, guarantee fees payable to Sumitomo Mitsui Banking Corporation Labuan Branch, a related company, (as a consideration for participation of risk through the deposits placed with the Bank as cash collateral) are included in interest income. For comparability purposes, the guarantee fees which were included in other operating expenses in the previous financial period ended 30 September 2020 are included in interest income accordingly.

<b>Statement of profit or loss and other comprehensive income for the financial period ended 30 September 2020</b>	<b>As restated RM'000</b>	<b>Differences RM'000</b>	<b>As previously reported RM'000</b>
Interest income	197,229	76,400	120,829
Other operating expenses	(53,813)	(18,070)	(35,743)

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## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

### 12. Review of Performance

#### 2nd quarter results ended 30 September 2021

For the second quarter ended 30 September 2021, the Bank registered a profit before taxation of RM74.9 million, an increase of 193.7% (Q2 Sep 2020: RM25.5 million). Profit after taxation increased by 213.5% to RM55.8 million in the quarter under review (Q2 Sep 2020: RM17.8 million).

The increase was attributed to the increase in net interest income of 6.1% amounting to RM52.0 million (Q2 Sep 2020: RM49.0 million). In addition, the increase was also resulted from the writeback of impairment on loans, advances & financing and other financial assets of RM8.0 million, contributing to 91% increase in the profit before taxation (Q2 Sep 2020: allowance of impairment of RM37.0 million).

#### Six months financial results ended 30 September 2021

For the six months financial period ended 30 September 2021, the Bank registered a profit before taxation of RM154.3 million, an increase of 194.5% (6 months ended Sep 2020: RM52.4 million). Consequentially, profit after taxation has increased by 191.8% to RM117.3 million (6 months ended Sep 2020: RM40.2 million).

The increase was attributed to the increase in net operating income of 4.8% amounting to RM186.3 million (6 months ended Sep 2020: RM177.8 million). In addition, the increase was also resulted from the writeback of impairment on loans, advances & financing and other financial assets of RM24.8 million, contributing to 94.5% increase in the profit before taxation (6 months ended Sep 2020: allowance of impairment of RM71.6 million).

Total assets recorded a 4.7% (RM1,001 million) increase amounting to RM22,393 million as at 30 September 2021 (31 March 2021: RM21,392 million). This was mainly attributed to the 61.1% increase in deposits and placements with banks and other financial institutions amounting to RM1,572 million (31 March 2021: RM976 million) and 3.9% increase in net loans, advances and financing amounting to RM15,555 million (31 March 2021: RM14,977 million).

The total liabilities recorded an increase of 4.9% (RM883 million) to RM18,768 million as at 30 September 2021 (31 March 2021: RM17,885 million). This was largely due to the higher deposits from customers of 5.4% amounting to RM17,184 million (31 March 2021: RM16,301 million).

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## **NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

### **13. Current Year Prospects**

Malaysia's Gross Domestic Product ("GDP") in the second quarter of 2021 grew by 16.1 per cent compared to minus 0.5 per cent in the first quarter of 2021, which was supported by the improvement in the domestic demand and the continued robust exports performance. The strong growth was due to the low base arising from the significant decline in activities in the corresponding quarter of 2020. Economic activity had initially picked up at the start of the second quarter but slowed down in the last month of the quarter following the re-imposition of stricter containment measures nationwide under Phase 1 of the Full Movement Control Order ("FMCO").

Bank Negara Malaysia ("BNM") has revised its full-year GDP growth forecast for Malaysia to between 3 per cent and 4 per cent, from the previous forecast of between 6 per cent and 7.5 per cent for 2021. The World Bank has further cut its economic growth projection for Malaysia to 3.3 per cent in 2021, from an earlier estimate of 4.5 per cent in June 2021. The worst projection was by Fitch Solutions which had revised Malaysia's 2021 gross domestic product (GDP) growth to 0 per cent from its earlier estimate of 4.9 per cent.

The Malaysian economy is expected to gradually recover in line with expectations for positive global economic, trade activities and also the National COVID-19 Immunisation Programme is accelerated and the National Recovery Plan ("NRP") thresholds are met for each state, which will facilitate a broader reopening of economic and social activities. The growth trajectory is expected to be challenging amid tighter domestic containment measures as part of wider efforts to quell the spread of infections. The negative impact on growth is moderated with some economic sectors allowed to open subject to strict operating procedure as well as supported by rapid rollout of the national vaccination program.

The Bank will continue to support its customers in doing business through these challenging times. Since April 2020, in support of the Government's call to sustain the economy and Bank Negara Malaysia's initiatives, the Bank had put in place the loan repayment moratorium to relieve customers' repayment difficulty. However, the Bank was not adversely affected as customers continued to repay their loans on scheduled. The Bank has also put in place the loan repayment assistance program to support customers who faced financial difficulties amid this unprecedented crisis.

The Bank is mindful of the ongoing downside risks that could pose further disruptions to the banking business. Thus, strategic business direction to increase presence with raised profiles and positions, process improvement initiatives to increase productivity will remain on the Bank's business agenda so that the Bank can continue to be resilient and to build up a profitable portfolio.

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## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

### 14. Cash and short-term funds

	<b>30 September 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
Cash and balances with banks and other financial institutions	123,213	91,167
Money at call and deposit placements maturing within one month	3,897,118	4,253,081
	<u>4,020,331</u>	<u>4,344,248</u>
Less: Allowance for expected credit losses ("ECL")	(1,986)	(4,343)
	<u><u>4,018,345</u></u>	<u><u>4,339,905</u></u>

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

	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not credit- impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit- impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
At 1 April 2021	1,978	2,365	-	4,343
Charge to profit or loss				
- Decrease in ECL	(965)	(1,392)	-	(2,357)
At 30 September 2021	<u>1,013</u>	<u>973</u>	<u>-</u>	<u>1,986</u>
At 1 April 2020	7,069	-	-	7,069
Charge to profit or loss				
- (Decrease)/Increase in ECL	(5,091)	2,365	-	(2,726)
At 31 March 2021	<u>1,978</u>	<u>2,365</u>	<u>-</u>	<u>4,343</u>

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## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

### 15. Deposits and placements with banks and other financial institutions

	<b>30 September 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
Money at call and deposit placements maturing more than one month	1,572,179	978,366
Less: Allowance for ECL	(628)	(2,642)
	<u>1,571,551</u>	<u>975,724</u>

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

	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not credit- impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit- impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
At 1 April 2021	1,212	1,430	-	2,642
Charge to profit or loss				
- Decrease in ECL	(1,067)	(947)	-	(2,014)
At 30 September 2021	<u>145</u>	<u>483</u>	<u>-</u>	<u>628</u>
At 1 April 2020	514	-	-	514
Charge to profit or loss				
- Increase in ECL	698	1,430	-	2,128
At 31 March 2021	<u>1,212</u>	<u>1,430</u>	<u>-</u>	<u>2,642</u>

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## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

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

	30 September 2021 RM'000	31 March 2021 RM'000
<b>At fair value</b>		
Negotiable instruments of deposits	401,788	250,734
Malaysian Government Securities	20,059	20,238
Malaysian Government Investment Issues	184,072	121,773
	<u>605,919</u>	<u>392,745</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 2021	36	831	-	867
- Increase/(Decrease) in ECL	47	(528)	-	(481)
At 30 September 2021	<u>83</u>	<u>303</u>	<u>-</u>	<u>386</u>
At 1 April 2020	1,449	-	-	1,449
- (Decrease)/Increase in ECL	(1,413)	831	-	(582)
At 31 March 2021	<u>36</u>	<u>831</u>	<u>-</u>	<u>867</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.

# 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 2021

### 17. Loans, advances and financing

	30 September 2021 RM'000	31 March 2021 RM'000
<b>(a) By type:</b>		
<u>At amortised cost:</u>		
Overdraft	3,453	2,128
Term loans / financing		
- Syndicated loans / Syndicated Islamic financing	3,129,482	2,533,056
- Factoring receivables	107,989	49,554
- Other term loans / Islamic term financing	7,794,583	7,689,206
Trade bills discounted	37,863	43,175
Revolving credits / Revolving credit-i	4,544,588	4,590,041
Other loans	-	150,296
Gross loans, advances and financing	<u>15,617,958</u>	<u>15,057,456</u>
Less: Allowance for ECL		
- 12-month ECL (Stage 1)	(3,422)	(10,453)
- Lifetime ECL not credit impaired (Stage 2)	(49,053)	(59,634)
- Lifetime ECL credit impaired (Stage 3)	(10,591)	(10,384)
Net loans, advances and financing	<u><u>15,554,892</u></u>	<u><u>14,976,985</u></u>
<b>(b) By geographical distribution:</b>		
Malaysia	12,302,416	12,010,889
Other countries:		
- Jordan	1,046,846	1,038,068
- Australia	984,579	727,828
- United States of America	421,631	418,146
- Japan	202,179	202,576
- Hong Kong	54,597	54,199
- Cayman Islands	258,595	256,427
- Netherlands	178,272	178,676
- United Kingdom	168,843	170,647
Gross loans, advances and financing	<u><u>15,617,958</u></u>	<u><u>15,057,456</u></u>
<b>(c) By type of customer:</b>		
Domestic non-bank financial institutions	4,191,400	4,461,467
Domestic business enterprises	11,192,231	10,361,177
Foreign entities	234,327	234,812
Gross loans, advances and financing	<u><u>15,617,958</u></u>	<u><u>15,057,456</u></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 2021****17. Loans, advances and financing (continued)**

	<b>30 September 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
<b>(d) By interest rate sensitivity:</b>		
Fixed rate		
- Other fixed rate loans	1,123,115	1,164,613
Variable rate		
- Cost-plus	4,309,290	4,403,751
- Other variable rates	10,185,553	9,489,092
Gross loans, advances and financing	<u>15,617,958</u>	<u>15,057,456</u>
<b>(e) By sector:</b>		
Primary agriculture	83,784	-
Mining and quarrying	10,469	188,839
Manufacturing	2,565,791	2,360,094
Electricity, gas and water	1,764,953	1,749,648
Construction	81,222	71,173
Wholesale and retail trade, and restaurants and hotels	1,357,033	1,152,663
Transport, storage and communication	1,220,595	1,021,691
Finance, insurance and business services	5,276,044	5,547,025
Real estate	2,213,070	1,968,852
Education, health and other services	717,056	668,926
Other sectors	327,941	328,545
Gross loans, advances and financing	<u>15,617,958</u>	<u>15,057,456</u>
<b>(f) By economic purpose:</b>		
Purchase of securities	289,083	437,447
Purchase of non-residential property		
- Purchase of land	142,727	142,714
Purchase of fixed assets other than land and building	395,935	397,949
Construction	1,059,343	899,264
Working capital	6,251,764	6,477,069
Mergers and acquisition	209,680	249,501
Other purpose	7,269,426	6,453,512
Gross loans, advances and financing	<u>15,617,958</u>	<u>15,057,456</u>



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[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

### 17. Loans, advances and financing (continued)

	30 September 2021	31 March 2021
	RM'000	RM'000
<b>(g) By residual contractual maturity:</b>		
Maturing within one year	6,310,600	6,640,915
One year to three years	4,484,011	4,063,338
Three years to five years	2,872,301	2,349,882
More than five years	1,951,046	2,003,321
Gross loans, advances and financing	<u>15,617,958</u>	<u>15,057,456</u>

### (h) Movements in credit-impaired loans, advances and financing are as follows:

	30 September 2021	31 March 2021
	RM'000	RM'000
At 1 April 2021 / 1 April 2020	54,199	-
Currency translation differences	398	-
Impaired during the financial year	-	54,199
At 30 September 2021 / 31 March 2021	<u>54,597</u>	<u>54,199</u>
Less: Lifetime ECL credit impaired (Stage 3)	<u>(10,591)</u>	<u>(10,384)</u>
Net impaired loans, advances and financing	<u>44,006</u>	<u>43,815</u>
Gross credit-impaired loans and financing as a percentage of gross loans, advances and financing	<u>0.35%</u>	<u>0.36%</u>

### (i) Credit-impaired loans, advances and financing by geographical distribution:

Hong Kong	<u>54,597</u>	<u>54,199</u>
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### (j) Credit-impaired loans, advances and financing by sector:

Other sectors	<u>54,597</u>	<u>54,199</u>
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### (k) Credit-impaired loans, advances and financing by economic purpose:

Other purpose	<u>54,597</u>	<u>54,199</u>
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## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

### 17. Loans, advances and financing (continued)

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

	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not credit- impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit- impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
At 1 April 2021	9,013,615	5,989,642	54,199	15,057,456
Transfer to 12-month ECL (Stage 1)	65,476	(65,476)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(335,768)	335,768	-	-
Transfer to lifetime ECL credit- impaired (Stage 3)	(33,421)	-	33,421	-
Loans, advances and financing derecognised	(927,639)	(322,744)	(8,303)	(1,258,686)
New loans, advances and financing originated or purchased	796,882	68,826	-	865,708
Other adjustments	1,443,570	(465,370)	(24,720)	953,480
At 30 September 2021	<u>10,022,715</u>	<u>5,540,646</u>	<u>54,597</u>	<u>15,617,958</u>
At 1 April 2020	13,178,998	2,214,836	-	15,393,834
Transfer to 12-month ECL (Stage 1)	119,442	(119,442)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(4,577,456)	4,577,456	-	-
Transfer to lifetime ECL credit impaired (Stage 3)	-	(52,780)	52,780	-
Loans, advances and financing derecognised	(4,340,183)	(1,184,545)	-	(5,524,728)
New loans, advances and financing originated or purchased	4,927,916	552,810	-	5,480,726
Other adjustments	(295,101)	1,306	1,419	(292,376)
At 31 March 2021	<u>9,013,615</u>	<u>5,989,642</u>	<u>54,199</u>	<u>15,057,456</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 2021

### 17. Loans, advances and financing (continued)

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

	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not credit- impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit- impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
At 1 April 2021	10,453	59,634	10,384	80,471
Transfer to 12-month ECL (Stage 1)	30,371	(30,371)		-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(4,703)	4,703	-	-
Transfer to lifetime ECL credit- impaired (Stage 3)	-	-	-	-
Loans, advances and financing derecognised	(2,012)	(2,602)	-	(4,614)
New loans, advances and financing originated or purchased	956	1,543	-	2,499
Changes due to change in credit risk	(31,643)	16,146	207	(15,290)
At 30 September 2021	<u>3,422</u>	<u>49,053</u>	<u>10,591</u>	<u>63,066</u>
At 1 April 2020	42,425	40,296	-	82,721
Transfer to 12-month ECL (Stage 1)	396	(396)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(14,282)	14,282	-	-
Transfer to lifetime ECL credit impaired (Stage 3)	-	(9,804)	9,804	-
Loans, advances and financing derecognised	(12,280)	(9,339)	-	(21,619)
New loans, advances and financing originated or purchased	9,177	2,460	-	11,637
Changes due to change in credit risk	(14,983)	22,135	580	7,732
At 31 March 2021	<u>10,453</u>	<u>59,634</u>	<u>10,384</u>	<u>80,471</u>

# SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

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## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

### 18. Other assets

	<b>30 September 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
Interest receivable	5,274	6,188
Amount due from related corporations	9,774	123
Cash collateral placements	132,712	181,320
Other receivables	529	979
Deposits	1,972	1,943
Prepayments	821	810
	<u>151,082</u>	<u>191,363</u>
Less: Allowance for ECL	(94)	(400)
	<u><u>150,988</u></u>	<u><u>190,963</u></u>

#### Movement in allowance for ECL on other assets

	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not credit- impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit- impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
At 1 April 2021	400	-	-	400
Charge to profit or loss				
- Decrease in ECL	(306)	-	-	(306)
At 30 September 2021	<u>94</u>	<u>-</u>	<u>-</u>	<u>94</u>
At 1 April 2020	114	-	-	114
Charge to profit or loss				
- Increase in ECL	286	-	-	286
At 31 March 2021	<u>400</u>	<u>-</u>	<u>-</u>	<u>400</u>

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## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

### 19. Deposits from customers

	<b>30 September 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
<b>(a) By type of deposits:</b>		
Demand deposits	3,807,848	3,584,651
Fixed deposits	10,957,577	9,214,084
Short-term deposits	2,418,386	3,502,633
	<u>17,183,811</u>	<u>16,301,368</u>

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

Due within six months	5,004,053	5,127,521
Six months to one year	1,513,394	1,821,425
One year to three years	3,117,600	2,428,029
Three years to five years	2,450,418	1,933,213
Five years to ten years	345,170	697,952
Ten years and above	945,328	708,577
	<u>13,375,963</u>	<u>12,716,717</u>

### (b) By type of customers:

Domestic non-bank financial institutions	240,932	212,732
Domestic business enterprises	7,518,565	7,954,323
Branch of immediate holding corporation	8,750,180	7,676,162
Foreign non-bank entities	251,444	247,165
Domestic other entities	3,867	3,334
Government	418,823	207,652
	<u>17,183,811</u>	<u>16,301,368</u>

### 20. Deposits and placements of banks and other financial institutions

	<b>30 September 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
Licensed Malaysian banks	333,004	213,307
Foreign banks		
- Immediate holding corporation	793,295	854,596
	<u>1,126,299</u>	<u>1,067,903</u>

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## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

### 21. Other liabilities

	<b>30 September 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
Interest payable	8,036	9,676
Amount due to immediate holding corporation and related corporations/companies	20,070	10,122
Cash collateral placements	54,220	65,295
Other payables	35,469	33,396
Accruals	8,529	14,343
	<u>126,324</u>	<u>132,832</u>

### 22. Provision for credit commitments and contingencies

	<b>30 September 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
Provision for credit commitments and contingencies	<u>5,439</u>	<u>7,627</u>

#### Movement in allowance for ECL on credit commitments and contingencies

	<b>12-month ECL (Stage 1) RM'000</b>	<b>Lifetime ECL not credit- impaired (Stage 2) RM'000</b>	<b>Lifetime ECL credit- impaired (Stage 3) RM'000</b>	<b>Total RM'000</b>
At 1 April 2021	1,487	6,131	9	7,627
Charge to profit or loss				
- Decrease in ECL	(1,048)	(1,131)	(9)	(2,188)
At 30 September 2021	<u>439</u>	<u>5,000</u>	<u>-</u>	<u>5,439</u>
At 1 April 2020	5,250	149	-	5,399
Charge to profit or loss				
- (Decrease)/Increase in ECL	(3,763)	5,982	9	2,228
At 31 March 2021	<u>1,487</u>	<u>6,131</u>	<u>9</u>	<u>7,627</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021****23. Interest income**

	<b>2nd Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>30 September 2021 RM'000</b>	<b>30 September 2020 RM'000 Restated</b>	<b>30 September 2021 RM'000</b>	<b>30 September 2020 RM'000 Restated</b>
Loans, advances and financing				
- Interest income	53,666	56,532	108,578	132,490
- Financing income	4,181	4,755	8,510	13,702
Money at call and deposit placements with banks and other financial institutions	15,819	21,266	34,438	42,873
Debt instruments measured at FVOCI	2,857	3,751	5,443	8,164
	<u>76,523</u>	<u>86,304</u>	<u>156,969</u>	<u>197,229</u>

**24. Interest expense**

	<b>2nd Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>30 September 2021 RM'000</b>	<b>30 September 2020 RM'000</b>	<b>30 September 2021 RM'000</b>	<b>30 September 2020 RM'000</b>
Deposits and placements of banks and other financial institutions	342	673	922	3,766
Deposits from customers	24,101	36,615	52,410	89,279
Lease liabilities	124	50	248	97
	<u>24,567</u>	<u>37,338</u>	<u>53,580</u>	<u>93,142</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
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	2nd Quarter Ended		Six Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Fee and commission income				
- Service charges and guarantee fees	316	323	607	812
- Loan related fees	3,063	2,968	7,077	6,001
- Commitment fees	690	612	1,225	1,129
	<u>4,069</u>	<u>3,903</u>	<u>8,909</u>	<u>7,942</u>
Realised gain from derivative financial instruments	<u>898</u>	<u>700</u>	<u>1,811</u>	<u>2,064</u>
Unrealised gain on revaluation of derivatives	<u>11,947</u>	<u>13,551</u>	<u>15,121</u>	<u>25,783</u>
Unrealised (loss)/gain on hedging activities	<u>(5,118)</u>	<u>1,482</u>	<u>(4,061)</u>	<u>(3,051)</u>
Foreign exchange, net gain	<u>22,846</u>	<u>17,225</u>	<u>45,211</u>	<u>31,501</u>
Other income				
- Management fees	4,624	2,393	9,663	4,898
- Rental of fixed assets	332	475	703	991
- Miscellaneous income	3,983	1,784	5,510	3,575
	<u>8,939</u>	<u>4,652</u>	<u>15,876</u>	<u>9,464</u>
	<u>43,581</u>	<u>41,513</u>	<u>82,867</u>	<u>73,703</u>



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### 26. Other operating expenses

	2nd Quarter Ended		Six Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000 Restated	30 September 2021 RM'000	30 September 2020 RM'000 Restated
<b>Personnel costs</b>				
Salaries, allowances and bonuses	10,506	9,768	21,924	19,482
Employees' provident fund contributions	1,357	1,319	2,917	2,578
Staff training expenses	20	32	115	52
Staff welfare expenses	-	29	-	45
Other personnel expenses	2,022	1,347	2,784	2,451
	<u>13,905</u>	<u>12,495</u>	<u>27,740</u>	<u>24,608</u>
<b>Establishment costs</b>				
Depreciation - Plant and equipment	1,175	1,142	2,282	2,300
Depreciation - Right-of-use assets	1,228	1,438	2,665	2,875
Repair and maintenance	180	169	248	198
Other establishment expenses	3,994	3,919	7,821	7,853
	<u>6,577</u>	<u>6,668</u>	<u>13,016</u>	<u>13,226</u>
<b>Marketing expenses</b>				
Advertisement and publicity	45	42	87	84
Other marketing expenses	4	12	13	12
	<u>49</u>	<u>54</u>	<u>100</u>	<u>96</u>
<b>Administration and general expenses</b>				
Auditors' remuneration				
- Statutory audit	87	79	173	158
- Other services	-	25	-	50
Professional fees	439	143	556	256
Communication expenses	138	131	298	301
Management fees	5,373	5,465	10,884	10,306
Licence fees and stamp duties	38	37	75	75
Non-executive directors' fees and allowances	217	193	467	410
Other administration and general expenses	1,753	2,693	3,353	4,327
	<u>8,045</u>	<u>8,766</u>	<u>15,806</u>	<u>15,883</u>
	<u>28,576</u>	<u>27,983</u>	<u>56,662</u>	<u>53,813</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
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	<b>2nd Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>30 September 2021 RM'000</b>	<b>30 September 2020 RM'000</b>	<b>30 September 2021 RM'000</b>	<b>30 September 2020 RM'000</b>
<u>Allowance/(writeback) of ECL</u>				
Loans, advances and financing	(5,498)	29,344	(17,404)	58,356
Provision for credit commitments and contingencies	(382)	(1,390)	(2,188)	2,814
	<u>(5,880)</u>	<u>27,954</u>	<u>(19,592)</u>	<u>61,170</u>

**28. Allowance for impairment on other financial assets**

	<b>2nd Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>30 September 2021 RM'000</b>	<b>30 September 2020 RM'000</b>	<b>30 September 2021 RM'000</b>	<b>30 September 2020 RM'000</b>
<u>Allowance/(writeback) of ECL</u>				
Cash and short-term funds	(1,384)	4,821	(2,357)	5,810
Deposits and placements with banks and other financial institutions	(303)	3,028	(2,014)	2,514
Debt instruments measured at FVOCI	(245)	402	(481)	1,218
Other assets	(126)	772	(306)	830
	<u>(2,058)</u>	<u>9,023</u>	<u>(5,158)</u>	<u>10,372</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 2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>								
Cash and short-term funds	3,897,116	-	-	-	-	121,229	-	4,018,345
Deposits and placements with banks and other financial institutions	-	1,012,324	559,855	-	-	(628)	-	1,571,551
Debt instruments measured at FVOCI	130,577	170,516	191,782	113,044	-	-	-	605,919
Loans, advances and financing	2,692,347	1,772,138	1,846,118	7,356,310	1,951,045	(63,066)	-	15,554,892
Other assets ^	134,359	663	3,071	-	-	12,074	-	150,167
Derivative financial assets	-	212	-	3	-	-	370,527	370,742
<b>Total assets</b>	<b>6,854,399</b>	<b>2,955,853</b>	<b>2,600,826</b>	<b>7,469,357</b>	<b>1,951,045</b>	<b>69,609</b>	<b>370,527</b>	<b>22,271,616</b>

# 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					Non- interest bearing RM'000	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			
<b>30 September 2021</b>								
<b>Liabilities</b>								
Deposits from customers	3,451,072	1,198,514	1,867,861	5,568,017	1,290,498	3,807,849	-	17,183,811
Deposits and placements of banks and other financial institutions	775,934	284,344	60,192	-	-	5,829	-	1,126,299
Bills and acceptances payable	-	-	2,156	-	-	-	-	2,156
Derivative financial liabilities	-	289	5,532	50,900	-	-	254,584	311,305
Other liabilities *	4,247	4,075	1,528	1,053	178	71,330	-	82,411
<b>Total liabilities</b>	<b>4,231,253</b>	<b>1,487,222</b>	<b>1,937,269</b>	<b>5,619,970</b>	<b>1,290,676</b>	<b>3,885,008</b>	<b>254,584</b>	<b>18,705,982</b>
On balance sheet interest rate gap	2,623,146	1,468,631	663,557	1,849,387	660,369	(3,815,399)	115,943	3,565,634
Off balance sheet interest rate gap	-	2,052,367	(570,383)	(1,274,150)	(207,834)	-	-	-
<b>Total interest rate gap</b>	<b>2,623,146</b>	<b>3,520,998</b>	<b>93,174</b>	<b>575,237</b>	<b>452,535</b>	<b>(3,815,399)</b>	<b>115,943</b>	<b>3,565,634</b>

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

**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 2021**

**29. 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 2021</b>								
<u>Assets</u>								
Cash and short-term funds	4,253,081	-	-	-	-	86,824	-	4,339,905
Deposits and placements with banks and other financial institutions	-	249,999	728,367	-	-	(2,642)	-	975,724
Debt instruments measured at FVOCI	50,103	250,734	50,785	41,123	-	-	-	392,745
Loans, advances and financing								
- non-impaired	2,516,193	1,902,031	2,189,387	6,392,325	2,003,321	(70,087)	-	14,933,170
- impaired	-	-	33,303	20,896	-	(10,384)	-	43,815
Derivative financial assets	-	-	-	74	-	-	395,626	395,700
Other assets ^	184,334	1,741	1,783	-	-	2,295	-	190,153
<b>Total assets</b>	<b>7,003,711</b>	<b>2,404,505</b>	<b>3,003,625</b>	<b>6,454,418</b>	<b>2,003,321</b>	<b>6,006</b>	<b>395,626</b>	<b>21,271,212</b>

# 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.

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

**29. Use of Financial Instruments (continued)**

**Interest rate risk (continued)**

	Non-trading book					Non- interest bearing RM'000	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			
<b>31 March 2021</b>								
<b>Liabilities</b>								
Deposits from customers	3,252,055	1,396,047	2,300,843	4,361,242	1,406,530	3,584,651	-	16,301,368
Deposits and placements of banks and other financial institutions	715,932	283,100	-	64,565	-	4,306	-	1,067,903
Bills and acceptances payable	-	-	775	-	-	-	-	775
Derivative financial liabilities	126	-	934	62,441	-	-	295,657	359,158
Other liabilities *	3,973	3,270	3,130	532	324	75,107	-	86,336
<b>Total liabilities</b>	<b>3,972,086</b>	<b>1,682,417</b>	<b>2,305,682</b>	<b>4,488,780</b>	<b>1,406,854</b>	<b>3,664,064</b>	<b>295,657</b>	<b>17,815,540</b>
On balance sheet interest rate gap	3,031,625	722,088	697,943	1,965,638	596,467	(3,658,058)	99,969	3,455,672
Off balance sheet interest rate gap	2,104,924	-	(504,498)	(1,373,185)	(227,241)	-	-	-
<b>Total interest rate gap</b>	<b>5,136,549</b>	<b>722,088</b>	<b>193,445</b>	<b>592,453</b>	<b>369,226</b>	<b>(3,658,058)</b>	<b>99,969</b>	<b>3,455,672</b>

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

# 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 2021

### 30. Use of Financial Instruments (continued)

#### Interest rate risk (continued)

	30 September 2021		31 March 2021	
	MYR % p.a.	USD % p.a.	MYR % p.a.	USD % p.a.
<b>Financial assets</b>				
Cash and short-term funds	1.77	0.13	1.79	0.19
Deposits and placements with banks and other financial institutions	1.91	0.21	1.97	0.38
Loans, advances and financing	3.45	1.12	3.57	1.18
<b>Financial liabilities</b>				
Deposits from customers	1.99	0.14	2.04	0.20

# SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

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## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

### 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:

	<b>30 September 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
Aggregate value of outstanding credit exposures to connected parties	1,262,821	1,005,042
As a percentage of total credit exposures	4.42%	3.70%

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 2021

### 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:

	<b>30 September 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
<b><u>Tier 1 capital</u></b>		
Paid-up ordinary share capital	2,452,605	2,452,605
Retained earnings	959,944	959,944
Other reserves	136,772	95,164
	<u>3,549,321</u>	<u>3,507,713</u>
Less: Deferred tax assets	(6,297)	(15,062)
55% of fair value reserve	(1,103)	(1,069)
Regulatory reserve	(134,766)	(93,220)
Common Equity Tier 1 (CET 1) and Tier 1 Capital	<u>3,407,155</u>	<u>3,398,362</u>
<b><u>Tier 2 capital</u></b>		
Expected credit losses	61,008	85,957
Regulatory reserve *	111,676	86,391
Tier 2 Capital	<u>172,684</u>	<u>172,348</u>
Total capital base	<u>3,579,839</u>	<u>3,570,710</u>
<b><u>Capital ratios</u></b>		
CET 1 and Tier 1 capital ratio	22.885%	22.876%
Total capital ratio	24.045%	24.036%

\* 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:

	<b>30 September 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
Credit risk	13,814,740	13,787,858
Market risk	382,793	393,141
Operational risk	690,583	674,596
Total risk-weighted assets	<u>14,888,116</u>	<u>14,855,595</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
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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:

	<b>Principal amount RM'000</b>	<b>Credit equivalent amount * RM'000</b>	<b>Risk- weighted assets * RM'000</b>
<b>30 September 2021</b>			
Transaction-related contingent items	523,705	259,175	253,435
Short-term self-liquidating trade-related contingencies	484,108	95,800	95,800
Foreign exchange related contracts:			
- Less than one year	6,726,045	233,921	156,815
- One year to less than five years	10,600,461	978,601	603,240
- Five years and above	2,185,362	448,980	275,903
Interest / Profit rate related contracts:			
- Less than one year	1,274,150	35,298	28,154
- One year to less than five years	207,834	40,039	29,791
- Five years and above	607,920	3,690	3,484
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	7,906,022	3,951,271	3,673,818
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	899,241	179,849	179,849
<b>Total</b>	<b>31,414,848</b>	<b>6,226,624</b>	<b>5,300,289</b>

\* 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.

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021****33. Commitments and contingencies (continued)**

	<b>Principal amount RM'000</b>	<b>Credit equivalent amount * RM'000</b>	<b>Risk- weighted assets * RM'000</b>
<b>31 March 2021</b>			
Transaction-related contingent items	493,254	242,386	234,550
Short-term self-liquidating trade-related contingencies	137,937	27,153	27,153
Foreign exchange related contracts:			
- Less than one year	9,440,347	303,878	215,356
- One year to less than five years	7,176,944	878,545	523,234
- Five years and above	1,845,388	397,290	258,946
Interest / Profit rate related contracts:			
- Less than one year	526,989	4,622	4,270
- One year to less than five years	1,241,286	40,103	31,169
- Five years and above	157,573	31,319	22,750
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	7,560,446	3,777,267	3,565,453
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	393,032	78,606	72,356
<b>Total</b>	<b>28,973,196</b>	<b>5,781,169</b>	<b>4,955,237</b>

\* 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.

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**

[Company No. 201001042446 (926374-U)]

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
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**34. The operations of International Currency Business Unit (ICBU)**

The Bank had obtained approval from BNM to set up an International Currency Business Unit ("ICBU") to promote Islamic Banking business. The ICBU is permitted to conduct a wide range of Islamic banking business in international currencies other than Malaysian Ringgit and the currency of Israel as per the Guidelines on the Establishment of International Currency Business Unit issued by BNM.

The following breakdown shows the Bank's financing and advances and deposits from customers which are conducted through the ICBU.

**(a) Financing and advances**

	<b>30 September 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
<b>(i) By type:</b>		
<u>At amortised cost:</u>		
Term financing		
- Syndicated Islamic financing	466,304	422,983
- Islamic term financing	400,220	549,310
Revolving credit-i	1,177,340	1,077,176
Gross financing and advances	<u>2,043,864</u>	<u>2,049,469</u>
Less: Allowance for ECL		
- 12-month ECL (Stage 1)	(524)	(623)
- Lifetime ECL not credit impaired (Stage 2)	(10,723)	(9,686)
Net financing and advances	<u><u>2,032,617</u></u>	<u><u>2,039,160</u></u>
<b>(ii) By contract:</b>		
Murabahah	2,043,864	2,049,469
Gross financing and advances	<u>2,043,864</u>	<u>2,049,469</u>

**(b) Deposits from customers**

	<b>30 September 2021 RM'000</b>	<b>31 March 2021 RM'000</b>
<b>(i) By type and contract:</b>		
<u>At amortised cost:</u>		
Demand deposits - Qard	754	3,723
	<u>754</u>	<u>3,723</u>

**SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD**

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(Incorporated in Malaysia)

**MANAGEMENT'S CERTIFICATION**

I hereby certify that the attached unaudited condensed interim financial statements for the financial period ended 30 September 2021 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.

[Signed]

\_\_\_\_\_  
Hiroshi Okawa

Chief Executive Officer

Date: 28 October 2021