

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED
31 DECEMBER 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 31 DECEMBER 2020

		31 December	31 March
		2020	2020
	Note	RM'000	RM'000
Assets			
Cash and short-term funds	14	3,947,649	4,239,396
Deposits and placements with banks and other financial institutions	15	1,537,597	869,486
Debt instruments at fair value through other comprehensive income ("FVOCI")	16	543,984	596,080
Loans, advances and financing	17	14,369,224	15,311,113
Derivative financial assets		658,461	620,808
Other assets	18	313,647	61,468
Statutory deposits with Bank Negara Malaysia		-	51,463
Plant and equipment		12,633	12,961
Right-of-use assets		1,728	5,404
Tax recoverable		40,526	53,446
Deferred tax assets		16,747	-
Total assets		<u><u>21,442,196</u></u>	<u><u>21,821,625</u></u>
Liabilities			
Deposits from customers	19	16,630,246	15,436,734
Deposits and placements of banks and other financial institutions	20	818,426	2,271,747
Bills and acceptances payable		2,944	2,150
Derivative financial liabilities		599,942	560,269
Other liabilities	21	117,903	236,817
Lease liabilities		1,756	5,487
Provision for credit commitments and contingencies	22	17,233	5,399
Deferred tax liabilities		-	32,958
Total liabilities		<u><u>18,188,450</u></u>	<u><u>18,551,561</u></u>
Equity			
Share capital		2,452,605	2,452,605
Reserves		801,141	817,459
Total equity attributable to owners of the Bank		<u><u>3,253,746</u></u>	<u><u>3,270,064</u></u>
Total liabilities and equity		<u><u>21,442,196</u></u>	<u><u>21,821,625</u></u>
Commitments and contingencies	33	<u><u>29,802,876</u></u>	<u><u>33,701,525</u></u>

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[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020

	Note	3rd Quarter Ended		Nine Months Ended	
		31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Interest income	23	92,503	158,695	310,044	502,991
Interest expense	24	(33,636)	(91,628)	(126,778)	(305,709)
Net interest income		<u>58,867</u>	<u>67,067</u>	<u>183,266</u>	<u>197,282</u>
Other operating income	25	28,782	32,913	102,486	115,144
Net operating income		<u>87,649</u>	<u>99,980</u>	<u>285,752</u>	<u>312,426</u>
Other operating expenses	26	(40,215)	(34,300)	(114,341)	(100,905)
Operating profit		<u>47,434</u>	<u>65,680</u>	<u>171,411</u>	<u>211,521</u>
Allowance of impairment on loans, advances and financing	27	(114,847)	(6,762)	(176,017)	(6,716)
Allowance of impairment on other financial assets	28	(11,332)	(708)	(21,704)	(1,274)
(Loss)/Profit before taxation		<u>(78,745)</u>	<u>58,210</u>	<u>(26,310)</u>	<u>203,531</u>
Tax credit/(expense)		<u>20,379</u>	<u>(12,132)</u>	<u>8,139</u>	<u>(43,709)</u>
(Loss)/Profit after taxation		<u>(58,366)</u>	<u>46,078</u>	<u>(18,171)</u>	<u>159,822</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		(18)	1,909	(1,101)	1,281
- Debt instruments measured at FVOCI - increase in allowance for impairment		1,736	64	2,954	109
Total comprehensive (loss)/income for the financial period		<u><u>(56,648)</u></u>	<u><u>48,051</u></u>	<u><u>(16,318)</u></u>	<u><u>161,212</u></u>

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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
Loss for the period	-	-	-	(18,171)	(18,171)
Fair value change and increase in allowance for impairment of debt instruments measured at FVOCI	-	-	1,853	-	1,853
Total comprehensive (loss)/income for the period	-	-	1,853	(18,171)	(16,318)
Transfer from regulatory reserve	-	-	-	-	-
At 31 December 2020	2,452,605	80,480	6,206	714,455	3,253,746
At 1 April 2019	2,452,605	111,598	2,872	514,958	3,082,033
Profit for the period	-	-	-	159,822	159,822
Fair value and allowance for impairment change of debt instruments measured at FVOCI	-	-	1,391	-	1,391
Total comprehensive income for the period	-	-	1,391	159,822	161,213
Transfer from regulatory reserve	-	(5,313)	-	5,313	-
At 31 December 2019	2,452,605	106,285	4,263	680,093	3,243,246

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

	Nine Months Ended	
	31 December 2020 RM'000	31 December 2019 RM'000
Cash flows from operating activities		
(Loss)/Profit from ordinary activities before taxation	(26,310)	203,531
Adjustments for non-cash items	170,981	(12,232)
Operating profit before working capital changes	144,671	191,299
Changes in working capital:		
Net changes in operating assets	(72,392)	(1,563,458)
Net changes in operating liabilities	(364,640)	2,378,774
Net cash (used in)/generated from operating activities	(292,361)	1,006,615
Tax paid	(28,300)	(51,708)
Net cash (used in)/generated from operating activities	(320,661)	954,907
Cash flows from investing activities		
Net cash generated from/(used in) investing activities	46,655	(236,056)
Cash flows from financing activities		
Net cash used in financing activities	(4,536)	-
Net (decrease)/increase in cash and cash equivalents during the financial period	(278,542)	718,851
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	3,967,923	5,097,310
Cash and cash equivalents comprise:		
Cash and balances with banks and other financial institutions	94,628	47,681
Money at call and deposit placements maturing within one month	3,873,295	5,049,629
	3,967,923	5,097,310

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020

1. Basis of preparation

The unaudited condensed interim financial statements for the 3rd quarter and financial period ended 31 December 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 31 DECEMBER 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 3rd quarter and financial period ended 31 December 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 3rd quarter and financial period ended 31 December 2020.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 3rd quarter and financial period ended 31 December 2020.

6. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities in the 3rd quarter and financial period ended 31 December 2020.

7. Dividend

No dividend was paid during the 3rd quarter and financial period ended 31 December 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 3rd quarter and financial period ended 31 December 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 31 DECEMBER 2020

12. Review of Performance

3rd quarter results ended 31 December 2020

For the third quarter ended 31 December 2020, the Bank recorded an operating profit of RM47.4 million, a decrease of 27.9% (Q3 FY2019: RM65.7 million). Due to the COVID-19 pandemic that resulted in the worsened market conditions, the Bank has taken a more prudent approach by providing higher allowances of impairment amounting to RM126.2 million (Q3 FY2019: RM7.5 million) despite no impaired loans were recorded to date. Consequentially, the Bank recorded a loss before taxation of RM78.7 million in the third quarter ended 31 December 2020, a decrease of RM136.9 million (Q3 FY2019: Profit before taxation of RM58.2 million). In the same financial quarter, the Bank recorded a loss after taxation of RM58.4 million, a decrease of RM104.5 million (Q3 FY2019: Profit after taxation of RM46.1 million) subsequent to the tax credit of RM20.4 million (Q3 FY2019: Tax expense of RM12.1 million) stemming from the higher allowances of impairment provided in the current quarter financial period.

Nine months financial results ended 31 December 2020

For the nine months financial period ended 31 December 2020, the Bank recorded an operating profit of RM171.4 million, a decrease of 19.0% (9-months FY2019: RM211.5 million). As a result of the COVID-19 pandemic impact, the Bank has taken a more prudent approach by providing higher allowances of impairment amounting to RM197.7 million (9-months FY2019: RM8.0 million) despite no impaired loans were recorded to date. Consequentially, the Bank recorded a loss before taxation of RM26.3 million, a decrease of RM229.8 million (9-months FY2019: Profit before taxation of RM203.5 million). The Bank recorded a loss after taxation of RM18.2 million, a decrease of RM178.0 million (9-months FY2019: Profit after taxation of RM159.8 million) subsequent to the tax credit of RM8.1 million (9-months FY2019: Tax expense of RM43.7 million) stemming from the higher allowances of impairment provided in the current financial period.

Total assets recorded a decrease of 1.7% to RM21,442 million as at 31 December 2020 (31 March 2020: RM21,822 million). This was mainly attributed to the 6.2% decrease in loans, advances and financing amounting to RM14,369 million (31 March 2020: RM15,311 million) and the decrease in cash and short-term funds of 6.9% amounting to RM3,948 million (31 March 2020: RM4,239 million). The decrease was partially offset by the increase in deposits and placements with banks and other financial institutions of 76.9% amounting to RM1,538 million (31 March 2020: RM869.5 million).

The total liabilities recorded a decrease of 2.0% to RM18,188 million as at 31 December 2020 (31 March 2020: RM18,552 million). This was largely due to the lower deposits and placements of banks and other financial institutions of 64.0% amounting to RM818 million as at 31 December 2020 (31 March 2020: RM2,272 million). The decrease was partially offset by the increase in deposits from customers of 7.7% to RM16,630 million as at 31 December 2020 (31 March 2020: RM15,437 million).

Overall, the Bank remained well capitalised with Common Equity Tier 1 capital ratio and Total capital ratio of 21.8% and 23.0% respectively as at 31 December 2020 (31 March 2020: 21.2% and 22.4%).

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 reopening of the Malaysian economy from earlier COVID-19 containment measures and improving external demand conditions, the Malaysian economy recorded a smaller contraction Gross Domestic Product (“GDP”) growth of 2.7% in the third quarter of calendar year 2020. The improvements in growth were seen across most economic sectors, particularly in the manufacturing sector, which turned positive on account of strong electrical and electronics (E&E) production activity. On the expenditure side, domestic demand contracted at a slower pace of 3.3% in the third quarter of calendar year 2020, driven by improvements in both consumption and investment activity. Net exports rebounded to record a positive growth of 21.9%, driven by a large improvement in exports vis-a-vis imports.

Year to date until 31 December 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. Thereafter, no change in OPR in the last quarter of calendar year 2020. BNM kept its full year 2020 GDP growth forecast to between -3.5% to -5.5%, albeit closer to the lower end of the range as this forecast range has already incorporated the assumption of resurgence in COVID-19 cases could affect the growth momentum in the final quarter of the year.

The Malaysian economy is expected to recover gradually in the final quarter of calendar year 2020 as the economy progressively re-opens and external demand improves, supported by the recovery in global growth and continued policies support which expected to register a positive recovery in 2021. BNM expected a rebound GDP growth range between 6.5% to 7.5% for 2021, underpinned by the improvements in external and a gradual normalisation in economic activities and labour market conditions. The projection is similar to the Malaysia Ministry of Finance’s forecast and it is also in line with multilateral institutions such as the IMF and the World Bank.

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. However, the Bank was not affected as customers continued to repay their loans on scheduled. From October 2020, the Bank has also put in place the loan repayment assistance program to support customers in the event they have financial difficulties during the Covid-19 pandemic.

The Bank has taken the provisioning for potential loan loss and will continue to acknowledge the challenges ahead in achieving the targets for the financial year ending 31 March 2021. 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. The Bank does not expect further large provisions in the remaining quarter of financial year ending 31 March 2021.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020

14. Cash and short-term funds

	31 December 2020 RM'000	31 March 2020 RM'000
Cash and balances with banks and other financial institutions	94,628	52,275
Money at call and deposit placements maturing within one month	3,873,295	4,194,190
	<u>3,967,923</u>	<u>4,246,465</u>
Less: Allowance for expected credit losses ("ECL")	(20,274)	(7,069)
	<u><u>3,947,649</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	13,205	-	-	13,205
At 31 December 2020	<u>20,274</u>	<u>-</u>	<u>-</u>	<u>20,274</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 31 DECEMBER 2020

15. Deposits and placements with banks and other financial institutions

	31 December 2020 RM'000	31 March 2020 RM'000
Money at call and deposit placements maturing more than one month	1,541,883	870,000
Less: Allowance for ECL	(4,286)	(514)
	<u>1,537,597</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	3,772	-	-	3,772
At 31 December 2020	<u>4,286</u>	-	-	<u>4,286</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 31 DECEMBER 2020

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

	31 December 2020 RM'000	31 March 2020 RM'000
At fair value		
Negotiable instruments of deposits	350,917	351,981
Malaysian Government Securities	20,336	70,546
Malaysian Government Investment Issues	172,731	173,553
	<u>543,984</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	2,954	-	-	2,954
At 31 December 2020	<u>4,403</u>	-	-	<u>4,403</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 31 DECEMBER 2020

17. Loans, advances and financing

	31 December 2020 RM'000	31 March 2020 RM'000
(a) By type:		
<u>At amortised cost:</u>		
Overdraft	12,248	57,704
Term loans / financing		
- Syndicated loans / Syndicated Islamic financing	2,379,824	2,497,022
- Factoring receivables	54,030	112,804
- Other term loans / Islamic term financing	7,619,975	7,958,484
Trade bills discounted	17,947	396,635
Revolving credits / Revolving credit-i	4,381,808	4,220,856
Other loans	150,296	150,329
Gross loans, advances and financing	<u>14,616,128</u>	<u>15,393,834</u>
Less: Allowance for ECL		
- 12-month ECL (Stage 1)	(75,331)	(42,425)
- Lifetime ECL not credit impaired (Stage 2)	(171,573)	(40,296)
- Lifetime ECL credit impaired (Stage 3)	-	-
Net loans, advances and financing	<u><u>14,369,224</u></u>	<u><u>15,311,113</u></u>
(b) By geographical distribution:		
Malaysia	11,619,456	12,374,229
Other countries:		
- Jordan	1,004,318	1,077,014
- Australia	685,422	556,470
- United States of America	403,047	431,273
- Japan	210,425	214,722
- Germany	34,566	71,047
- Hong Kong	52,640	56,549
- Cayman Islands	261,160	280,044
- Netherlands	181,137	173,742
- United Kingdom	163,957	158,744
Gross loans, advances and financing	<u><u>14,616,128</u></u>	<u><u>15,393,834</u></u>
(c) By type of customer:		
Domestic non-bank financial institutions	4,334,971	4,168,306
Domestic business enterprises	10,054,919	11,001,619
Foreign entities	226,238	223,909
Gross loans, advances and financing	<u><u>14,616,128</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 31 DECEMBER 2020****17. Loans, advances and financing (continued)**

	31 December 2020 RM'000	31 March 2020 RM'000
(d) By interest rate sensitivity:		
Fixed rate		
- Other fixed rate loans	1,195,911	1,358,867
Variable rate		
- Cost-plus	4,182,887	4,390,165
- Other variable rates	9,237,330	9,644,802
Gross loans, advances and financing	<u>14,616,128</u>	<u>15,393,834</u>
(e) By sector:		
Primary agriculture	18,758	50,006
Mining and quarrying	186,460	213,421
Manufacturing	2,539,390	3,111,093
Electricity, gas and water	1,678,026	2,189,634
Construction	97,882	194,176
Wholesale and retail trade, and restaurants and hotels	1,477,705	1,656,354
Transport, storage and communication	527,594	388,362
Finance, insurance and business services	5,195,328	5,278,551
Real estate	1,886,847	1,406,126
Education, health and other services	699,501	682,202
Other sectors	308,637	223,909
Gross loans, advances and financing	<u>14,616,128</u>	<u>15,393,834</u>
(f) By economic purpose:		
Purchase of securities	442,299	465,835
Purchase of non-residential property		
- Purchase of land	142,728	142,787
- Commercial complexes	-	191,268
Purchase of fixed assets other than land and building	402,843	406,368
Construction	710,195	642,417
Working capital	6,167,074	6,709,108
Mergers and acquisition	261,544	345,644
Other purpose	6,489,445	6,490,407
Gross loans, advances and financing	<u>14,616,128</u>	<u>15,393,834</u>

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[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

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17. Loans, advances and financing (continued)

	31 December 2020	31 March 2020
	RM'000	RM'000
(g) By residual contractual maturity:		
Maturing within one year	5,466,147	6,008,659
One year to three years	4,620,405	4,501,199
Three years to five years	2,882,905	3,647,464
More than five years	1,646,671	1,236,512
Gross loans, advances and financing	<u>14,616,128</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)	100,329	(100,329)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(2,740,691)	2,740,691	-	-
Transfer to lifetime ECL credit- impaired (Stage 3)	-	-	-	-
Loans, advances and financing derecognised	(3,692,379)	(621,328)	-	(4,313,707)
New loans, advances and financing originated or purchased	3,813,369	82,217	-	3,895,586
Other adjustments	(278,330)	(81,255)	-	(359,585)
At 31 December 2020	<u>10,381,296</u>	<u>4,234,832</u>	-	<u>14,616,128</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 31 DECEMBER 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)	311	(311)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(8,714)	8,714	-	-
Transfer to lifetime ECL credit- impaired (Stage 3)	-	-	-	-
Loans, advances and financing derecognised	(12,019)	(5,608)	-	(17,627)
New loans, advances and financing originated or purchased	8,870	1,459	-	10,329
Changes due to change in credit risk	44,458	127,023	-	171,481
At 31 December 2020	<u>75,331</u>	<u>171,573</u>	<u>-</u>	<u>246,904</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

	31 December 2020 RM'000	31 March 2020 RM'000
Interest receivable	7,456	10,322
Amount due from related corporations	7,495	174
Cash collateral placements	297,300	46,783
Other receivables	671	2,234
Deposits	1,956	2,028
Prepayments	656	41
	<u>315,534</u>	<u>61,582</u>
Less: Allowance for ECL	(1,887)	(114)
	<u><u>313,647</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	1,773	-	-	1,773
At 31 December 2020	<u>1,887</u>	<u>-</u>	<u>-</u>	<u>1,887</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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19. Deposits from customers

	31 December 2020 RM'000	31 March 2020 RM'000
(a) By type of deposits:		
Demand deposits	3,563,184	3,468,661
Fixed deposits	9,060,256	8,381,772
Short-term deposits	4,006,806	3,586,301
	<u>16,630,246</u>	<u>15,436,734</u>

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

Due within six months	5,437,121	4,910,471
Six months to one year	883,179	981,029
One year to three years	2,632,772	3,143,885
Three years to five years	2,669,140	1,699,005
Five years to ten years	773,406	474,260
Ten years and above	671,444	759,423
	<u>13,067,062</u>	<u>11,968,073</u>

(b) By type of customers:

Domestic non-bank financial institutions	218,019	256,069
Domestic business enterprises	8,130,504	7,572,915
Branch of immediate holding corporation	7,592,523	7,303,658
Foreign non-bank entities	284,704	302,421
Domestic other entities	2,523	1,671
Government	401,973	-
	<u>16,630,246</u>	<u>15,436,734</u>

20. Deposits and placements of banks and other financial institutions

	31 December 2020 RM'000	31 March 2020 RM'000
Licensed Malaysian banks	293,456	399,548
Foreign banks		
- Immediate holding corporation	459,734	1,698,739
- Other related corporations / companies	65,236	173,460
	<u>818,426</u>	<u>2,271,747</u>

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21. Other liabilities

	31 December 2020 RM'000	31 March 2020 RM'000
Interest payable	9,459	13,774
Amount due to immediate holding corporation and related corporations/companies	19,335	15,186
Cash collateral placements	45,612	157,328
Other payables	33,074	37,834
Accruals	10,423	12,695
	<u>117,903</u>	<u>236,817</u>

22. Provision for credit commitments and contingencies

	31 December 2020 RM'000	31 March 2020 RM'000
Provision for credit commitments and contingencies	<u>17,233</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	9,505	2,329	-	11,834
At 31 December 2020	<u>14,755</u>	<u>2,478</u>	<u>-</u>	<u>17,233</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 31 DECEMBER 2020****23. Interest income**

	3rd Quarter Ended		Nine Months Ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income	62,268	94,394	212,679	293,082
- Financing income	4,874	15,587	20,967	55,406
Money at call and deposit placements with banks and other financial institutions	22,476	41,713	65,349	134,690
Debt instruments measured at FVOCI	2,885	6,999	11,049	19,805
Others	-	2	-	8
	<u>92,503</u>	<u>158,695</u>	<u>310,044</u>	<u>502,991</u>

24. Interest expense

	3rd Quarter Ended		Nine Months Ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	279	7,396	4,045	26,128
Deposits from customers	33,306	84,218	122,585	279,564
Others	51	14	148	17
	<u>33,636</u>	<u>91,628</u>	<u>126,778</u>	<u>305,709</u>

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FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020****25. Other operating income**

	3rd Quarter Ended		Nine Months Ended	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Fee and commission income				
- Service charges/fees	-	29	-	62
- Guarantee fees	435	418	1,247	1,362
- Loan related fees	3,101	2,708	9,102	9,762
- Commitment fees	163	558	1,291	2,268
	<u>3,699</u>	<u>3,713</u>	<u>11,640</u>	<u>13,454</u>
Gain from derivative financial instruments	<u>521</u>	<u>1,796</u>	<u>2,585</u>	<u>6,651</u>
Unrealised net (loss)/gain on revaluation of derivatives	<u>(478)</u>	<u>3,577</u>	<u>22,254</u>	<u>22,798</u>
Foreign exchange, net gain	<u>20,020</u>	<u>19,739</u>	<u>51,523</u>	<u>60,015</u>
Other income				
- Management fees	2,449	2,135	7,347	6,708
- Rental of fixed assets	451	550	1,442	1,649
- Miscellaneous income	2,120	1,403	5,695	3,869
	<u>5,020</u>	<u>4,088</u>	<u>14,484</u>	<u>12,226</u>
	<u>28,782</u>	<u>32,913</u>	<u>102,486</u>	<u>115,144</u>

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26. Other operating expenses

	3rd Quarter Ended		Nine Months Ended	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Personnel costs				
Salaries, allowances and bonuses	11,767	9,530	31,249	27,369
Employees' provident fund contributions	1,469	1,248	4,047	3,505
Staff training expenses	7	112	59	374
Staff welfare expenses	22	137	67	272
Other personnel expenses	1,086	717	3,537	2,663
	<u>14,351</u>	<u>11,744</u>	<u>38,959</u>	<u>34,183</u>
Establishment costs				
Depreciation - Plant and equipment	1,134	1,040	3,434	3,111
Depreciation - Right-of-use assets	1,451	715	4,326	1,614
Repair and maintenance	288	(58)	486	90
Other establishment expenses	3,781	3,829	11,634	12,152
	<u>6,654</u>	<u>5,526</u>	<u>19,880</u>	<u>16,967</u>
Marketing expenses				
Advertisement and publicity	56	142	140	240
Other marketing expenses	19	37	31	79
	<u>75</u>	<u>179</u>	<u>171</u>	<u>319</u>
Administration and general expenses				
Guarantee fees	10,547	9,192	30,859	26,750
Auditors' remuneration				
- Statutory audit	78	77	236	230
- Other services	25	25	75	75
Professional fees	344	(10)	600	133
Communication expenses	160	72	461	297
Management fees	5,343	5,273	15,649	15,130
Licence fees and stamp duties	38	38	113	113
Non-executive directors' fees and allowances	205	263	615	703
Other administration and general expenses	2,395	1,921	6,723	6,005
	<u>19,135</u>	<u>16,851</u>	<u>55,331</u>	<u>49,436</u>
	<u>40,215</u>	<u>34,300</u>	<u>114,341</u>	<u>100,905</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020****27. Allowance for impairment on loans, advances and financing**

	3rd Quarter Ended		Nine Months Ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
<u>Allowance/(writeback) for ECL</u>				
Loans, advances and financing	105,827	7,362	164,183	20,956
Provision for credit commitments and contingencies	9,020	(600)	11,834	(14,240)
	<u>114,847</u>	<u>6,762</u>	<u>176,017</u>	<u>6,716</u>

28. Allowance for impairment on other financial assets

	3rd Quarter Ended		Nine Months Ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
<u>Allowance/(writeback) for ECL</u>				
Cash and short-term funds	7,395	197	13,205	1,177
Deposits and placements with banks and other financial institutions	1,258	442	3,772	(3)
Debt instruments measured at FVOCI	1,736	64	2,954	109
Other assets	943	5	1,773	(9)
	<u>11,332</u>	<u>708</u>	<u>21,704</u>	<u>1,274</u>

Note: The allowances for impairment for the financial period ended 31 December 2020 was computed in consistent with the audited financial statements for the year ended 31 March 2020, whereby revised scalar and LGD were taken into consideration in the ECL computation as compared to the comparative financial period ended 31 December 2019.

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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 #		
31 December 2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets								
Cash and short-term funds	3,873,295	-	-	-	-	74,354	-	3,947,649
Deposits and placements with banks and other financial institutions	-	1,301,712	240,171	-	-	(4,286)	-	1,537,597
Debt instruments measured at FVOCI	150,369	250,775	70,741	72,099	-	-	-	543,984
Loans, advances and financing	2,698,673	1,249,324	1,518,150	7,503,310	1,646,671	(246,904)	-	14,369,224
Derivative financial assets	-	-	-	-	-	-	658,461	658,461
Other assets [^]	300,394	1,809	2,950	-	-	7,838	-	312,991
Total assets	7,022,731	2,803,620	1,832,012	7,575,409	1,646,671	(168,998)	658,461	21,369,906

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 31 DECEMBER 2020**

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			
31 December 2020								
Liabilities								
Deposits from customers	4,010,323	1,299,531	1,010,445	5,301,912	1,444,851	3,563,184	-	16,630,246
Deposits and placements of banks and other financial institutions	463,882	280,779	-	67,186	-	6,579	-	818,426
Bills and acceptances payable	-	-	2,944	-	-	-	-	2,944
Derivative financial liabilities	-	-	2,417	80,501	-	-	517,024	599,942
Other liabilities *	4,591	2,328	2,689	735	358	63,767	-	74,468
Total liabilities	4,478,796	1,582,638	1,018,495	5,450,334	1,445,209	3,633,530	517,024	18,126,026
On balance sheet interest rate gap	2,543,935	1,220,982	813,517	2,125,075	201,462	(3,802,528)	141,437	3,243,880
Off balance sheet interest rate gap	-	1,946,333	(84,547)	(1,861,786)	-	-	-	-
Total interest rate gap	2,543,935	3,167,315	728,970	263,289	201,462	(3,802,528)	141,437	3,243,880

* 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					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			
31 March 2020								
<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 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		
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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30. Use of Financial Instruments (continued)

Interest rate risk (continued)

	31 December 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	0.24	2.59	1.85
Deposits and placements with banks and other financial institutions	1.93	0.43	2.86	-
Loans, advances and financing	3.62	1.23	4.16	2.24
Financial liabilities				
Deposits from customers	2.06	0.25	3.00	1.36
Deposits and placements of banks and other financial institutions	-	0.01	-	0.71

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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:

	31 December 2020 RM'000	31 March 2020 RM'000
Aggregate value of outstanding credit exposures to connected parties	1,227,035	1,066,549
As a percentage of total credit exposures	4.46%	3.89%

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

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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:

	31 December 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	714,455	732,626
Other reserves	86,686	84,833
	<u>3,253,746</u>	<u>3,270,064</u>
Less: Deferred tax assets	(16,747)	-
55% of fair value reserve	(3,413)	(2,394)
Regulatory reserve	(80,480)	(80,480)
Common Equity Tier 1 (CET 1) and Tier 1 Capital	<u>3,153,106</u>	<u>3,187,190</u>
<u>Tier 2 capital</u>		
Expected credit losses	167,830	97,266
Regulatory reserve *	-	78,083
Tier 2 Capital	<u>167,830</u>	<u>175,349</u>
Total capital base	<u>3,320,936</u>	<u>3,362,539</u>
<u>Capital ratios</u>		
CET 1 and Tier 1 capital ratio	21.794%	21.199%
Total capital ratio	22.954%	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:

	31 December 2020 RM'000	31 March 2020 RM'000
Credit risk	13,426,392	14,027,952
Market risk	381,079	370,237
Operational risk	660,503	636,404
Total risk-weighted assets	<u>14,467,974</u>	<u>15,034,593</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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
31 December 2020			
Transaction-related contingent items	436,633	210,594	202,826
Short-term self-liquidating trade-related contingencies	148,109	25,584	25,584
Foreign exchange related contracts:			
- Less than one year	9,872,978	381,144	246,546
- One year to less than five years	7,674,691	1,005,669	603,914
- Five years and above	2,229,524	522,976	372,823
Interest / Profit rate related contracts:			
- Less than one year	84,547	178	89
- One year to less than five years	1,657,784	57,441	46,553
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	6,988,292	3,489,473	3,287,091
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	710,318	141,263	140,136
Total	29,802,876	5,834,322	4,925,562

* 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 31 DECEMBER 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 31 December 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: 26 January 2021