

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

(Company No. 926374-U)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED
31 DECEMBER 2019**

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

(Company No. 926374-U)

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

		31 December 2019	31 March 2019
	Note	RM'000	RM'000
Assets			
Cash and short-term funds	13	5,095,432	4,377,758
Deposits and placements with banks and other financial institutions	14	1,406,521	762,624
Debt instruments at fair value through other comprehensive income ("FVOCI")	15	966,042	733,457
Loans, advances and financing	16	13,919,272	13,020,394
Derivative financial assets		454,486	355,051
Other assets	17	79,164	72,479
Statutory deposits with Bank Negara Malaysia		44,983	50,680
Plant and equipment		13,711	15,822
Right-of-use assets		6,455	-
Tax recoverable		69,934	37,919
Total assets		<u>22,056,000</u>	<u>19,426,184</u>
Liabilities			
Deposits from customers	18	16,736,349	13,752,568
Deposits and placements of banks and other financial institutions	19	1,435,434	1,982,471
Bills and acceptances payable		5,035	1,305
Derivative financial liabilities		393,443	309,102
Other liabilities	20	177,846	250,692
Lease liabilities		6,455	-
Provision for credit commitments and contingencies	21	1,776	16,016
Deferred tax payable		56,416	31,997
Total liabilities		<u>18,812,754</u>	<u>16,344,151</u>
Equity			
Share capital		2,452,605	2,452,605
Reserves		790,641	629,428
Total equity attributable to owners of the Bank		<u>3,243,246</u>	<u>3,082,033</u>
Total liabilities and equity		<u>22,056,000</u>	<u>19,426,184</u>
Commitments and contingencies	32	<u>32,518,017</u>	<u>30,342,234</u>

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

	Note	3rd Quarter Ended		Nine Months Ended	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
		RM'000	RM'000	RM'000	RM'000
Interest income	22	158,695	171,517	502,991	485,519
Interest expense	23	(91,628)	(107,939)	(305,709)	(300,718)
Net interest income		<u>67,067</u>	<u>63,578</u>	<u>197,282</u>	<u>184,801</u>
Other operating income	24	32,913	28,063	115,144	81,033
Net operating income		<u>99,980</u>	<u>91,641</u>	<u>312,426</u>	<u>265,834</u>
Other operating expenses	25	(34,300)	(30,917)	(100,905)	(88,442)
Operating profit		<u>65,680</u>	<u>60,724</u>	<u>211,521</u>	<u>177,392</u>
(Allowance)/writeback of impairment on loans, advances and financing	26	(6,762)	12,621	(6,716)	8,250
(Allowance)/writeback of impairment on other financial assets	27	(708)	35	(1,274)	212
Profit before taxation		<u>58,210</u>	<u>73,380</u>	<u>203,531</u>	<u>185,854</u>
Tax expense		(12,132)	(13,927)	(43,709)	(41,558)
Profit after taxation		<u>46,078</u>	<u>59,453</u>	<u>159,822</u>	<u>144,296</u>
Other comprehensive income for the financial period, net of income tax					
Items that may be reclassified subsequently to profit or loss					
Movement in fair value reserve (FVOCI debt instruments):					
- Debt instruments measured at FVOCI - net change in fair value		1,909	(961)	1,281	1,056
- Debt instruments measured at FVOCI - increase/(decrease) in allowance for impairment		64	(39)	109	(30)
Total comprehensive income for the financial period		<u><u>48,051</u></u>	<u><u>58,453</u></u>	<u><u>161,212</u></u>	<u><u>145,322</u></u>
Basic earnings per ordinary share (sen)		<u><u>1.88</u></u>	<u><u>2.45</u></u>	<u><u>6.52</u></u>	<u><u>5.95</u></u>

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

	<i>Non-distributable reserves</i>					<i>Distributable</i>	Total RM'000
	Share capital RM'000	Statutory reserve RM'000	Regulatory reserve RM'000	AFS reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
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 changes 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
At 1 April 2018	2,452,605	-	122,541	-	960	312,385	2,888,491
Profit for the period	-	-	-	-	-	144,296	144,296
Fair value changes of debt instruments measured at FVOCI	-	-	-	-	1,026	-	1,026
Total comprehensive income for the period	-	-	-	-	1,026	144,296	145,322
Transfer to regulatory reserve	-	-	26,751	-	-	(26,751)	-
At 31 December 2018	2,452,605	-	149,292	-	1,986	429,930	3,033,813

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

	3rd Quarter Ended / Nine Months Ended	
	31 December 2019 RM'000	31 December 2018 RM'000
Cash flows from operating activities		
Profit from ordinary activities before taxation	203,531	185,854
Adjustments for non-cash items	(12,232)	35,322
Operating profit before working capital changes	<u>191,299</u>	<u>221,176</u>
Changes in working capital:		
Net changes in operating assets	(1,563,458)	(1,557,025)
Net changes in operating liabilities	2,378,774	2,419,028
Net cash generated from operating activities	<u>1,006,615</u>	<u>1,083,179</u>
Tax paid	(51,708)	(39,521)
Net cash generated from operating activities	<u>954,907</u>	<u>1,043,658</u>
Net cash used in investing activities	(236,056)	(236,631)
Net cash generated from financing activities	-	-
Net increase in cash and cash equivalents during the financial period	<u>718,851</u>	<u>807,027</u>
Cash and cash equivalents at beginning of the financial period	<u>4,378,459</u>	<u>3,616,844</u>
Cash and cash equivalents at end of the financial period	<u><u>5,097,310</u></u>	<u><u>4,423,871</u></u>
Cash and cash equivalents comprise:		
Cash and balances with banks and other financial institutions	47,681	82,062
Money at call and deposit placements maturing within one month	<u>5,049,629</u>	<u>4,341,809</u>
	<u><u>5,097,310</u></u>	<u><u>4,423,871</u></u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019

1. Basis of preparation

The unaudited condensed interim financial statements for the 3rd quarter and financial period ended 31 December 2019 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 2019. 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 2019.

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 2019, 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 2019:

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 9, *Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits - Plan Amendment, Curtailment or Settlement*

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019

1. Basis of preparation (continued)

- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)*
- Amendments to MFRS 128, *Investment in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures*

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, except for as disclosed below:

MFRS 16, Leases

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases - Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset during the lease term and a lease liability representing its obligations to make lease payments. The right-of-use asset is depreciated in accordance with the principle in MFRS 116, *Property, Plant and Equipment* and the lease liability is accreted over time with interest expense recognised in the profit or loss. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to classify a lease as finance or operating lease.

The Bank applied MFRS 16 using the modified retrospective approach, where the cumulative transition effect of adoption, if any, is recognised in the opening of retained earnings as at 1 April 2019, with no restatement of comparative figures. On transition to MFRS 16, the Bank recognised lease liabilities amounting to RM10.4 million with a corresponding right-of-use assets amounting to RM10.4 million, whereby the difference between the lease liabilities and right-of-use assets is recognised in the retained earnings.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019

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 2020

- Amendments to MFRS 3, *Business Combinations - Definition of Business*
- Amendments to MFRS 101, *Presentation of Financial Statements - Definition of Material*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material*

Effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*

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 periods beginning on 1 January 2021 as it 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 2019 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 2019.

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

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Bank in the 3rd quarter and financial period ended 31 December 2019.

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 2019.

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 2019.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019

7. Dividend

No dividend was paid during the 3rd quarter and financial period ended 31 December 2019.

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 2019.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019

11. Review of Performance

3rd quarter results ended 31 December 2019

For the third quarter ended 31 December 2019, the Bank registered profit before taxation of RM58.2 million, a decrease of 20.7% as compared to RM73.4 million recorded in the corresponding quarter last year. Profit after taxation decreased by 22.5% to RM46.1 million in the quarter under review as compared to RM59.5 million in the corresponding quarter in FY2018.

The decrease was mainly attributed to the increase in allowance for impairment on loans, advances and financing to RM6.8 million as compared to writeback of allowance of RM12.6 million in the corresponding quarter of FY2018.

Notwithstanding, the decrease in profit after taxation was partially offset by the increase in other operating income of 17.1% amounting to RM32.9 million as compared to RM28.1 million recorded in the corresponding quarter last year attributed mainly to the higher unrealised net gain on revaluation of derivatives. In addition, the net interest income recorded an increase amounting to RM67.1 million in the current quarter as compared to RM63.6 million in the corresponding quarter of FY2018.

Nine months financial results ended 31 December 2019

For the nine months financial period ended 31 December 2019, the Bank registered a profit before taxation of RM203.5 million, an increase of 9.5% as compared to RM185.9 million recorded in the corresponding period of FY2018. Consequentially, profit after taxation has improved by 10.7% to RM159.8 million as compared to RM144.3 million in the corresponding period last year. The improved performance was mainly attributed to the increase in other operating income of 42.1% to RM115.1 million as compared to RM81.0 million recorded in the corresponding period of FY2018 attributed largely to the higher unrealised net gain on revaluation of derivatives. In addition, the higher net interest income of RM197.3 million recorded in the nine months period of FY2019 as compared to RM184.8 million in the corresponding period of FY2018 had also contributed to the overall improved financial performance of the Bank.

Total assets registered a 13.5% increase amounting to RM22,056 million as at 31 December 2019 as compared to RM19,426 million as at the financial year ended 31 March 2019. This was mainly attributed to the net growth in loans, advances and financing of 6.9% to RM13,919 million, increase in cash and short-term funds of 16.4% to RM5,095 million and increase in deposits and placements with banks and other financial institutions of 84.4% to RM1,407 million as at 31 December 2019. In line with increase in total assets, total liabilities recorded an increase of 15.1% to RM18,813 million as compared to RM16,344 million as at 31 March 2019. This was largely contributed by the higher customer deposits of 21.7% to RM16,736 million as at 31 December 2019 as compared to RM13,753 million as at 31 March 2019.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019

12. Current Year Prospects

The Malaysian economy recorded a moderated gross domestic product (“GDP”) growth of 4.4% in the third quarter of 2019, bringing the overall performance of the first three quarters to 4.6%. Bank Negara Malaysia (“BNM”) maintained its full year forecast for 2019 economic growth rate at between 4.3% to 4.8%. The pace of growth is expected to be sustained for the remainder of the year and going into 2020, the Government projected a growth of 4.8%. The optimistic outlook was underpinned by the continued expansion in domestic demand and key economic sectors such as a healthy labour market, low and stable inflation, well-diversified economy.

Private sector activities continued to be the primary driver of economic growth. Private consumption expanded consistent with strong employment rate and income growths although consumer sentiments moderate from its recent peak. In addition, growth was also supported by higher private investment indicative of both the Foreign Direct Investment (“FDI”) and domestic direct investment in diverse sectors of the economy.

Despite the resilient economic performance, Malaysia remains subject to heightening uncertainties from external factors including rising protectionism, trade tensions in the major economies and geopolitical instability. These factors have exacerbated the financial and commodity price volatility on the back of high debt levels in the global market. Malaysia's diversified structure and inherent dynamism will help to weather the risks and vulnerabilities while preserving macroeconomic and financial stability.

The Bank remains cautiously optimistic and focus in doing business to achieve the targets for financial year ending 31 March 2020, despite the business challenges as stated above. The Bank has 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 is also confident that it will continue to be able to achieve its key financial targets similar to previous financial years.

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

13. Cash and short-term funds

	31 December 2019 RM'000	31 March 2019 RM'000
Cash and balances with banks and other financial institutions	47,681	52,810
Money at call and deposit placements maturing within one month	5,049,629	4,325,649
	<u>5,097,310</u>	<u>4,378,459</u>
Less: Allowance for expected credit losses ("ECL")	(1,878)	(701)
	<u><u>5,095,432</u></u>	<u><u>4,377,758</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 2019	701	-	-	701
Charge to income statement:				
- Increase in ECL	1,177	-	-	1,177
At 31 December 2019	<u>1,878</u>	-	-	<u>1,878</u>
At 1 April 2018	676	-	-	676
Charge to income statement:				
- Increase in ECL	25	-	-	25
At 31 March 2019	<u>701</u>	-	-	<u>701</u>

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FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

14. Deposits and placements with banks and other financial institutions

	31 December 2019 RM'000	31 March 2019 RM'000
Money at call and deposit placements maturing more than one month	1,407,073	763,179
Less: Allowance for expected credit losses ("ECL")	<u>(552)</u>	<u>(555)</u>
	<u><u>1,406,521</u></u>	<u><u>762,624</u></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 2019	555	-	-	555
Charge to income statement:				
- Decrease in ECL	(3)	-	-	(3)
At 31 December 2019	<u>552</u>	<u>-</u>	<u>-</u>	<u>552</u>
At 1 April 2018	413	-	-	413
Charge to income statement:				
- Increase in ECL	142	-	-	142
At 31 March 2019	<u>555</u>	<u>-</u>	<u>-</u>	<u>555</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

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

	31 December 2019 RM'000	31 March 2019 RM'000
At fair value		
Negotiable instruments of deposits	703,688	503,000
Malaysian Government treasury bills	262,354	180,571
Malaysian Government sukuk	-	49,886
	<u>966,042</u>	<u>733,457</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 2019	377	-	-	377
- Increase in ECL	109	-	-	109
At 31 December 2019	<u>486</u>	<u>-</u>	<u>-</u>	<u>486</u>
At 1 April 2018	234	-	-	234
- Increase in ECL	143	-	-	143
At 31 March 2019	<u>377</u>	<u>-</u>	<u>-</u>	<u>377</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 2019

16. Loans, advances and financing

	31 December 2019 RM'000	31 March 2019 RM'000
(a) By type:		
<u>At amortised cost:</u>		
Overdraft	66,846	83,658
Term loans / financing		
- Syndicated loans / Syndicated Islamic financing	1,874,369	1,260,521
- Factoring receivables	137,450	116,294
- Other term loans / Islamic term financing	7,936,977	7,629,862
Trade bills discounted	59,474	102,236
Revolving credits / Revolving credit-i	3,748,014	3,861,085
Other loan	150,360	-
Gross loans, advances and financing	13,973,490	13,053,656
Less: Allowance for expected credit losses ("ECL")		
- 12-month ECL (Stage 1)	(16,041)	(14,026)
- Lifetime ECL not credit impaired (Stage 2)	(35,370)	(19,236)
- Lifetime ECL credit impaired (Stage 3)	(2,807)	-
Net loans, advances and financing	13,919,272	13,020,394
(b) By geographical distribution:		
Malaysia	11,442,680	11,089,511
Other countries:		
- Japan	203,373	199,087
- Hong Kong	57,644	45,227
- Jordan	1,023,214	1,020,649
- Germany	68,778	114,572
- Australia	599,676	396,478
- United States of America	409,930	188,132
- Netherlands	168,195	-
Gross loans, advances and financing	13,973,490	13,053,656
(c) By type of customer:		
Domestic non-bank financial institutions	3,997,505	3,902,440
Domestic business enterprises	9,910,974	9,105,989
Foreign entities	65,011	45,227
Gross loans, advances and financing	13,973,490	13,053,656

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019

16. Loans, advances and financing (continued)

	31 December 2019 RM'000	31 March 2019 RM'000
(d) By interest rate sensitivity:		
Fixed rate		
- Other fixed rate loans	1,333,070	1,443,811
Variable rate		
- Cost-plus	3,825,058	3,829,620
- Other variable rates	8,815,362	7,780,225
Gross loans, advances and financing	13,973,490	13,053,656
(e) By sector:		
Primary agriculture	50,007	50,020
Mining and quarrying	191,290	40,830
Manufacturing	3,044,895	3,346,613
Electricity, gas and water *	1,760,706	1,023,659
Construction	55,825	113,260
Wholesale and retail trade, and restaurants and hotels	1,637,343	1,319,422
Transport, storage and communication	452,472	520,787
Finance, insurance and business services	5,146,190	5,205,888
Real estate	1,231,483	1,042,595
Education, health and others	403,279	390,582
Gross loans, advances and financing	13,973,490	13,053,656
* Amount increased due to sector reclassification from 'Other Sectors' to 'Electricity, Gas and Water'.		
(f) By economic purpose:		
Purchase of securities	185,441	34,958
Purchase of non-residential property		
- Purchase of land	99,393	99,414
- Commercial complexes	205,200	206,207
Purchase of fixed assets other than land and building	400,061	408,274
Construction	548,457	627,692
Working capital	6,512,271	6,538,116
Mergers and acquisition	349,018	396,380
Other purpose	5,673,649	4,742,615
Gross loans, advances and financing	13,973,490	13,053,656

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Maturing within one year	5,365,491	4,550,023
One year to three years	3,826,952	3,653,429
Three years to five years	3,593,441	4,279,956
More than five years	1,187,606	570,248
Gross loans, advances and financing	<u>13,973,490</u>	<u>13,053,656</u>

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

	31 December 2019 RM'000	31 March 2019 RM'000
At 1 April 2019	-	-
Impaired during the financial period / year	6,308	-
At 31 December 2019	6,308	-
Less: Lifetime ECL credit impaired (Stage 3)	(2,807)	-
Net impaired loans, advances and financing	<u>3,501</u>	<u>-</u>

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

Malaysia	<u>6,308</u>	<u>-</u>
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(j) Credit-impaired loans, advances and financing by sector:

Manufacturing	<u>6,308</u>	<u>-</u>
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(k) Credit-impaired loans, advances and financing by economic purpose:

Working capital	<u>6,308</u>	<u>-</u>
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16. Loans, advances and financing (continued)

(i) 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 2019	12,325,321	728,335	-	13,053,656
Transfer to 12-month ECL (Stage 1)	1,201,074	(1,201,074)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(1,873,327)	1,873,327	-	-
Transfer to lifetime ECL credit- impaired (Stage 3)	(7,710)	-	7,710	-
Loans, advances and financing derecognised	(3,109,317)	(73,867)	-	(3,183,184)
New loans, advances and financing originated or purchased	4,024,780	26,394	-	4,051,174
Other adjustments	612,009	(558,763)	(1,402)	51,844
At 31 December 2019	<u>13,172,830</u>	<u>794,352</u>	<u>6,308</u>	<u>13,973,490</u>
At 1 April 2018	11,024,418	535,919	-	11,560,337
Transfer to 12-month ECL (Stage 1)	357,974	(357,974)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(759,491)	759,491	-	-
Loans, advances and financing derecognised	(4,322,648)	(267,513)	-	(4,590,161)
New loans, advances and financing originated or purchased	5,691,926	7,052	-	5,698,978
Other adjustments	333,142	51,360	-	384,502
At 31 March 2019	<u>12,325,321</u>	<u>728,335</u>	<u>-</u>	<u>13,053,656</u>

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16. Loans, advances and financing (continued)

(m) 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 2019	14,026	19,236	-	33,262
Transfer to 12-month ECL (Stage 1)	17,185	(17,185)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(4,731)	4,731	-	-
Transfer to lifetime ECL credit- impaired (Stage 3)	(7)	-	7	-
Loans, advances and financing derecognised	(3,079)	(2,339)	-	(5,418)
New loans, advances and financing originated or purchased	3,756	476	-	4,232
Changes due to change in credit risk	(11,109)	30,451	2,800	22,142
At 31 December 2019	<u>16,041</u>	<u>35,370</u>	<u>2,807</u>	<u>54,218</u>
At 1 April 2018	9,412	25,150	-	34,562
Transfer to 12-month ECL (Stage 1)	8,875	(8,875)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(1,996)	1,996	-	-
Loans, advances and financing derecognised	(2,148)	(2,823)	-	(4,971)
New loans, advances and financing originated or purchased	4,094	5,818	-	9,912
Changes due to change in credit risk	(4,211)	(2,030)	-	(6,241)
At 31 March 2019	<u>14,026</u>	<u>19,236</u>	<u>-</u>	<u>33,262</u>

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17. Other assets

	31 December 2019 RM'000	31 March 2019 RM'000
Interest receivable	15,098	21,275
Amount due from related corporations	6,901	194
Cash collateral placements	54,395	48,263
Other receivables	462	313
Deposits	2,053	1,996
Prepayments	264	456
	<u>79,173</u>	<u>72,497</u>
Less: Allowance for expected credit losses ("ECL")	(9)	(18)
	<u><u>79,164</u></u>	<u><u>72,479</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 2019	18	-	-	18
Charge to income statement:				
- Decrease in ECL	(9)	-	-	(9)
At 31 December 2019	<u>9</u>	<u>-</u>	<u>-</u>	<u>9</u>
At 1 April 2018	55	-	-	55
Charge to income statement:				
- Decrease in ECL	(37)	-	-	(37)
At 31 March 2019	<u>18</u>	<u>-</u>	<u>-</u>	<u>18</u>

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	31 December 2019 RM'000	31 March 2019 RM'000
(a) By type of deposits:		
Demand deposits	4,299,365	1,808,922
Fixed deposits	8,036,775	7,483,463
Short-term deposits	4,400,209	4,460,183
	<u>16,736,349</u>	<u>13,752,568</u>
The maturity structure of fixed deposits is as follows:		
Due within six months	1,617,538	1,734,444
Six months to one year	773,045	400,763
One year to three years	2,513,922	1,878,851
Three years to five years	1,948,041	2,961,558
Five years to ten years	450,559	99,715
Ten years and above	733,670	408,132
	<u>8,036,775</u>	<u>7,483,463</u>
(b) By type of customers:		
Domestic non-bank financial institutions	426,480	355,487
Domestic business enterprises	9,198,799	7,543,945
Branch of immediate holding corporation	6,851,252	5,758,383
Foreign non-bank entities	258,159	93,147
Domestic other entities	1,659	1,606
	<u>16,736,349</u>	<u>13,752,568</u>

19. Deposits and placements of banks and other financial institutions

	31 December 2019 RM'000	31 March 2019 RM'000
Licensed Malaysian banks	73,415	66,338
Foreign banks		
- Immediate holding corporation	1,362,019	1,916,133
	<u>1,435,434</u>	<u>1,982,471</u>

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20. Other liabilities

	31 December 2019 RM'000	31 March 2019 RM'000
Interest payable	20,174	35,429
Amount due to immediate holding corporation and related corporations/companies	27,243	20,008
Cash collateral placements	88,228	143,184
Other payables	33,344	39,745
Accruals	8,857	12,326
	<u>177,846</u>	<u>250,692</u>

21. Provision for credit commitments and contingencies

	31 December 2019 RM'000	31 March 2019 RM'000
Provision for credit commitments and contingencies	<u>1,776</u>	<u>16,016</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 2019	2,006	14,010	-	16,016
Charge to income statement:				
- Decrease in ECL	(329)	(13,911)	-	(14,240)
At 31 December 2019	<u>1,677</u>	<u>99</u>	<u>-</u>	<u>1,776</u>
At 1 April 2018	1,876	7,752	-	9,628
Charge to income statement:				
- Increase in ECL	130	6,258	-	6,388
At 31 March 2019	<u>2,006</u>	<u>14,010</u>	<u>-</u>	<u>16,016</u>

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FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019****22. Interest income**

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income	94,394	98,044	293,082	275,073
- Financing income	15,587	20,002	55,406	59,832
Money at call and deposit placements with banks and other financial institutions	41,713	47,677	134,690	132,317
Debt instruments measured at FVOCI	6,999	5,794	19,805	18,289
Others	2	-	8	8
	<u>158,695</u>	<u>171,517</u>	<u>502,991</u>	<u>485,519</u>

23. Interest expense

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	7,396	16,166	26,128	46,913
Deposits from customers	84,218	91,771	279,564	253,801
Others	14	2	17	4
	<u>91,628</u>	<u>107,939</u>	<u>305,709</u>	<u>300,718</u>

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	3rd Quarter Ended		Nine Months Ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
Fee and commission income				
- Service charges/fees	29	12	62	32
- Guarantee fees	418	463	1,362	1,360
- Loan related fees	2,708	3,705	9,762	10,499
- Commitment fees	558	874	2,268	2,562
	<u>3,713</u>	<u>5,054</u>	<u>13,454</u>	<u>14,453</u>
Gain from derivative financial instruments	<u>1,796</u>	<u>1,415</u>	<u>6,651</u>	<u>5,325</u>
Unrealised net gain/(loss) on revaluation of derivatives	<u>3,577</u>	<u>(3,303)</u>	<u>22,798</u>	<u>(5,706)</u>
Foreign exchange, net gain	<u>19,739</u>	<u>20,948</u>	<u>60,015</u>	<u>55,318</u>
Other income				
- Management fees	2,135	1,295	6,708	5,700
- Rental of fixed assets	550	704	1,649	1,618
- Miscellaneous income	1,403	1,950	3,869	4,325
	<u>4,088</u>	<u>3,949</u>	<u>12,226</u>	<u>11,643</u>
	<u>32,913</u>	<u>28,063</u>	<u>115,144</u>	<u>81,033</u>

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25. Other operating expenses

	3rd Quarter Ended		Nine Months Ended	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Personnel costs				
Salaries, allowances and bonuses	9,530	8,877	27,369	24,507
Employees' provident fund contributions	1,248	1,156	3,505	3,023
Staff training expenses	112	123	374	384
Staff welfare expenses	137	-	272	-
Other personnel expenses	717	791	2,663	2,564
	<u>11,744</u>	<u>10,947</u>	<u>34,183</u>	<u>30,478</u>
Establishment costs				
Rental of premises	-	117	-	1,263
Depreciation	1,040	1,157	3,111	2,812
Repair and maintenance	(58)	267	90	556
Other establishment expenses	3,829	4,232	12,152	12,152
	<u>4,811</u>	<u>5,773</u>	<u>15,353</u>	<u>16,783</u>
Marketing expenses				
Advertisement and publicity	142	115	240	240
Other marketing expenses	37	46	79	101
	<u>179</u>	<u>161</u>	<u>319</u>	<u>341</u>
Administration and general expenses				
Guarantee fees	9,192	6,830	26,750	20,105
Auditors' remuneration				
- Statutory audit	77	107	230	230
- Other services	25	37	75	113
Professional fees	(10)	(137)	133	54
Communication expenses	72	211	297	418
Management fees	5,273	5,121	15,130	13,452
Licence fees and stamp duties	38	38	113	113
Non-executive directors' fees and allowances	263	350	703	647
Other administration and general expenses	2,636	1,479	7,619	5,708
	<u>17,566</u>	<u>14,036</u>	<u>51,050</u>	<u>40,840</u>
	<u>34,300</u>	<u>30,917</u>	<u>100,905</u>	<u>88,442</u>

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FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019****26. Allowance for impairment on loans, advances and financing**

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<u>Allowance/(writeback) of allowance for expected credit losses</u>				
Loans, advances and financing	7,362	(341)	20,956	(4,403)
Provision for credit commitments and contingencies	(600)	(12,280)	(14,240)	(3,847)
	<u>6,762</u>	<u>(12,621)</u>	<u>6,716</u>	<u>(8,250)</u>

27. Allowance for impairment on other financial assets

	3rd Quarter Ended		Nine Months Ended	
	31 December	31 December	31 December	31 December
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
<u>Allowance/(writeback) of allowance for expected credit losses</u>				
Cash and short-term funds	197	(62)	1,177	(92)
Deposits and placements with banks and other financial institutions	442	68	(3)	(57)
Debt instruments measured at FVOCI	64	(39)	109	(30)
Other assets	5	(2)	(9)	(33)
	<u>708</u>	<u>(35)</u>	<u>1,274</u>	<u>(212)</u>

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28. 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 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets								
Cash and short-term funds	5,049,629	-	-	-	-	45,803	-	5,095,432
Deposits and placements with banks and other financial institutions	-	1,157,073	250,000	-	-	(552)	-	1,406,521
Debt instruments measured at FVOCI	251,128	402,290	160,855	151,769	-	-	-	966,042
Loans, advances and financing	2,458,097	1,257,093	1,650,302	7,420,395	1,187,606	(54,221)	-	13,919,272
Other assets	5,624	5,428	4,139	-	-	1,993	-	17,184
Derivative financial assets	-	376	4,880	647	-	-	448,583	454,486
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	44,983	-	44,983
Total assets	7,764,478	2,822,260	2,070,176	7,572,811	1,187,606	38,006	448,583	21,903,920

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

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28. Use of Financial Instruments (continued)

Interest rate risk (continued)

	Non-trading book						Trading book	Total
	Up to 1 month	>1 - 3 months	>3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing		
31 December 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Liabilities</u>								
Deposits from customers	3,601,331	1,909,362	1,280,090	4,461,963	1,184,229	4,299,374	-	16,736,349
Deposits and placements of banks and other financial institutions	1,079,109	270,924	2,558	78,065	-	4,778	-	1,435,434
Bills and acceptances payable	-	-	5,035	-	-	-	-	5,035
Other liabilities	10,489	8,401	4,476	4,744	2,237	139,844	-	170,191
Derivative financial liabilities	-	-	391	47,880	-	-	345,172	393,443
Total liabilities	4,690,929	2,188,687	1,292,550	4,592,652	1,186,466	4,443,996	345,172	18,740,452
On balance sheet interest rate gap	3,073,549	633,573	777,626	2,980,159	1,140	(4,405,990)	103,411	3,163,468
Off balance sheet interest rate gap	-	1,826,646	(357,532)	(1,469,114)	-	-	-	-
Total interest rate gap	3,073,549	2,460,219	420,094	1,511,045	1,140	(4,405,990)	103,411	3,163,468

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28. Use of Financial Instruments (continued)

Interest rate risk (continued)

	Non-trading book						Trading book	Total
	Up to 1 month	>1 - 3 months	>3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing ^		
31 March 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Assets</u>								
Cash and short-term funds	4,325,649	-	-	-	-	52,109	-	4,377,758
Deposits and placements with banks and other financial institutions	-	544,820	218,359	-	-	(555)	-	762,624
Debt instruments measured at FVOCI	150,465	452,430	30,150	100,412	-	-	-	733,457
Loans, advances and financing	2,272,222	1,472,003	805,800	7,933,383	570,248	(33,262)	-	13,020,394
Other assets	12,077	6,071	3,126	-	-	4,045	-	25,319
Derivative financial assets	-	27,281	1,561	4,642	-	-	321,567	355,051
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	50,680	-	50,680
Total assets	6,760,413	2,502,605	1,058,996	8,038,437	570,248	73,017	321,567	19,325,283

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

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28. Use of Financial Instruments (continued)

Interest rate risk (continued)

	Non-trading book						Trading book	Total
	Up to 1 month	>1 - 3 months	>3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing		
31 March 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Liabilities								
Deposits from customers	3,736,722	1,903,008	955,660	4,840,409	507,847	1,808,922	-	13,752,568
Deposits and placements of banks and other financial institutions	991,035	901,673	-	87,111	-	2,652	-	1,982,471
Bills and acceptances payable	-	-	1,305	-	-	-	-	1,305
Other liabilities	20,850	11,687	8,097	7,863	754	203,219	-	252,470
Derivative financial liabilities	-	-	1,006	40,300	-	-	267,796	309,102
Total liabilities	4,748,607	2,816,368	966,068	4,975,683	508,601	2,014,793	267,796	16,297,916
On balance sheet interest rate gap	2,011,806	(313,763)	92,928	3,062,754	61,647	(1,941,776)	53,771	3,027,367
Off balance sheet interest rate gap	-	1,691,218	-	(1,245,885)	(445,333)	-	-	-
Total interest rate gap	2,011,806	1,377,455	92,928	1,816,869	(383,686)	(1,941,776)	53,771	3,027,367

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FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019****29. Use of Financial Instruments (continued)****Interest rate risk (continued)**

	31 December 2019		31 March 2019	
	MYR	USD	MYR	USD
	% p.a.	% p.a.	% p.a.	% p.a.
Financial assets				
Cash and short-term funds	3.04	2.15	3.31	2.79
Deposits and placements with banks and other financial institutions	3.34	2.29	3.74	2.91
Loans, advances and financing	4.52	2.83	4.61	3.55
Financial liabilities				
Deposits from customers	3.40	2.14	3.69	2.66
Deposits and placements of banks and other financial institutions	-	2.00	-	2.47

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30. 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 2019 RM'000	31 March 2019 RM'000
Aggregate value of outstanding credit exposures to connected parties	1,235,900	973,180
As a percentage of total credit exposures	4.50%	3.96%

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

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31. 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 2019 RM'000	31 March 2019 RM'000
<u>Tier 1 capital</u>		
Paid-up ordinary share capital	2,452,605	2,452,605
Retained earnings	680,093	514,958
Fair value reserve	1,700	1,292
	<u>3,134,398</u>	<u>2,968,855</u>
Less: Deferred tax assets	-	-
Common Equity Tier 1 (CET 1) and Tier 1 Capital	<u>3,134,398</u>	<u>2,968,855</u>
<u>Tier 2 capital</u>		
Expected credit losses	58,919	50,929
Regulatory reserve	106,285	111,598
Tier 2 Capital	<u>165,204</u>	<u>162,527</u>
Total capital base	<u>3,299,602</u>	<u>3,131,382</u>
<u>Capital ratios</u>		
CET 1 and Tier 1 capital ratio	22.808%	22.463%
Total capital ratio	24.010%	23.692%

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

	31 December 2019 RM'000	31 March 2019 RM'000
Credit risk	12,828,246	12,348,428
Market risk	297,109	336,060
Operational risk	617,011	532,388
Total risk-weighted assets	<u>13,742,366</u>	<u>13,216,876</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019****32. 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 2019			
Transaction-related contingent items	365,877	181,920	172,049
Short-term self-liquidating trade-related contingencies	135,092	26,754	26,754
Foreign exchange related contracts:			
- Less than one year	12,859,549	416,081	191,341
- One year to less than five years	7,836,240	789,098	527,744
- Five years and above	2,491,559	539,240	361,138
Interest / profit rate related contracts:			
- Less than one year	365,332	2,003	1,699
- One year to less than five years	1,469,114	48,030	33,896
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	6,819,348	3,409,181	3,283,356
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	175,906	35,181	35,181
Total	32,518,017	5,447,488	4,633,158

* 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 2019****32. Commitments and contingencies (continued)**

	Principal amount RM'000	Credit equivalent amount * RM'000	Risk- weighted assets * RM'000
31 March 2019			
Transaction-related contingent items	604,552	301,201	291,341
Short-term self-liquidating trade-related contingencies	269,421	53,543	53,543
Foreign exchange related contracts:			
- Less than one year	11,071,830	316,413	139,511
- One year to less than five years	9,039,740	981,581	610,310
- Five years and above	920,972	258,767	136,257
Interest / profit rate related contracts:			
- Less than one year	63,500	1,646	810
- One year to less than five years	1,627,718	46,022	29,102
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	6,251,089	3,110,944	2,972,118
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	493,412	98,683	98,683
Total	30,342,234	5,168,800	4,331,675

* 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 2019 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: 22 January 2020