

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 2021**

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

		31 December 2021	31 March 2021
	Note	RM'000	RM'000
Assets			
Cash and short-term funds	14	3,416,253	4,339,905
Deposits and placements with banks and other financial institutions	15	1,703,902	975,724
Debt instruments at fair value through other comprehensive income ("FVOCI")	16	735,843	392,745
Loans, advances and financing	17	15,445,447	14,976,985
Derivative financial assets		387,878	395,700
Other assets	18	162,078	190,963
Plant and equipment		12,544	12,594
Right-of-use assets		11,013	14,704
Tax recoverable		80,982	78,045
Deferred tax assets		7,842	15,062
Total assets		<u>21,963,782</u>	<u>21,392,427</u>
Liabilities			
Deposits from customers	19	16,931,571	16,301,368
Deposits and placements of banks and other financial institutions	20	888,339	1,067,903
Bills and acceptances payable		5,614	775
Derivative financial liabilities		326,272	359,158
Other liabilities	21	131,181	132,832
Lease liabilities		11,640	15,051
Provision for credit commitments and contingencies	22	9,178	7,627
Total liabilities		<u>18,303,795</u>	<u>17,884,714</u>
Equity			
Share capital		2,452,605	2,452,605
Reserves		1,207,382	1,055,108
Total equity attributable to owners of the Bank		<u>3,659,987</u>	<u>3,507,713</u>
Total liabilities and equity		<u>21,963,782</u>	<u>21,392,427</u>
Commitments and contingencies	33	<u>30,476,658</u>	<u>28,973,196</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 2021

	Note	3rd Quarter Ended		Nine Months Ended	
		31 December 2021 RM'000	31 December 2020 RM'000 Restated	31 December 2021 RM'000	31 December 2020 RM'000 Restated
Interest income	23	75,695	81,956	232,664	279,185
Interest expense	24	(25,587)	(33,636)	(79,167)	(126,778)
Net interest income		50,108	48,320	153,497	152,407
Other operating income	25	42,034	28,782	124,901	102,486
Net operating income		92,142	77,102	278,398	254,893
Other operating expenses	26	(29,533)	(29,668)	(86,195)	(83,482)
Operating profit		62,609	47,434	192,203	171,411
Writeback/(Allowance) of impairment on loans, advances and financing	27	(5,548)	(114,847)	14,044	(176,017)
Writeback/(Allowance) of impairment on other financial assets	28	1,455	(11,332)	6,613	(21,704)
Profit/ (Loss) before taxation		58,516	(78,745)	212,860	(26,310)
Tax (expense)/ credit		(23,863)	20,379	(60,873)	8,139
Profit/ (Loss) after taxation		34,653	(58,366)	151,987	(18,171)
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		367	(18)	910	(1,101)
- Debt instruments measured at FVOCI - (decrease)/increase in allowance for impairment		(142)	1,736	(623)	2,954
Total comprehensive income/ (loss) for the financial period		34,878	(56,648)	152,274	(16,318)
Basic earnings/(loss) per ordinary share (sen)		1.42	(2.38)	6.20	(0.74)

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

	<i>Non-distributable reserves</i>			<i>Distributable reserves</i>	Total RM'000
	Share capital RM'000	Regulatory reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
At 1 April 2021	2,452,605	93,220	1,944	959,944	3,507,713
Profit for the period	-	-	-	151,987	151,987
Fair value change and increase in allowance for impairment of debt instruments measured at FVOCI	-	-	287	-	287
Total comprehensive income for the period	-	-	287	151,987	152,274
Transfer to regulatory reserve	-	34,682	-	(34,682)	-
At 31 December 2021	2,452,605	127,902	2,231	1,077,249	3,659,987
At 1 April 2020 (as restated)	2,452,605	80,480	4,353	782,100	3,319,538
Profit for the period	-	-	-	(18,171)	(18,171)
Fair value and allowance for impairment change of debt instruments measured at FVOCI	-	-	1,853	-	1,853
Total comprehensive income for the period	-	-	1,853	(18,171)	(16,318)
Transfer from regulatory reserve	-	-	-	-	-
At 31 December 2020 (as restated)	2,452,605	80,480	6,206	763,929	3,303,220

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

	3rd Quarter Ended / Nine Months Ended	
	31 December 2021 RM'000	31 December 2020 RM'000 Restated
Cash flows from operating activities		
Profit/(Loss) from ordinary activities before taxation	212,860	(26,310)
Adjustments for non-cash items	(4,201)	170,981
Operating profit before working capital changes	208,659	144,671
Changes in working capital:		
Net changes in operating assets	(1,181,833)	(72,392)
Net changes in operating liabilities	454,583	(364,640)
Net cash used in operating activities	(518,591)	(292,361)
Tax paid	(56,877)	(28,300)
Net cash used in operating activities	(575,468)	(320,661)
Net cash (used in/generated from investing activities	(347,759)	46,655
Net cash used in financing activities	(4,079)	(4,536)
Net decrease in cash and cash equivalents during the financial period	(927,306)	(278,542)
Cash and cash equivalents at beginning of the financial period	4,344,248	4,246,465
Cash and cash equivalents at end of the financial period	3,416,942	3,967,923
Cash and cash equivalents comprise:		
Cash and balances with banks and other financial institutions	99,195	94,628
Money at call and deposit placements maturing within one month	3,317,747	3,873,295
	3,416,942	3,967,923

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

1. Basis of preparation

The unaudited condensed interim financial statements for the third quarter and financial period ended 31 December 2021 have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”).

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

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Bank for the financial year ended 31 March 2021. The explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Bank since the financial year ended 31 March 2021.

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

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 March 2021, except for the adoption of the following new MFRSs, amendments to MFRSs and Issues Committee (“IC”) Interpretations which are effective for annual periods beginning on or after 1 January 2021:

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

Effective for annual periods beginning on or after 1 April 2021

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

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

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

1. Basis of preparation (continued)

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

Effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Lease (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018-2020)*

Effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Bank plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable, except for MFRS 17 which is not applicable to the Bank.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2021 was not qualified.

3. Seasonal or Cyclical Factors

The business operations of the Bank were not materially affected by any seasonal or cyclical factors in the third quarter and financial period ended 31 December 2021.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

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

Other than the impact of COVID-19 outbreak that affects the provision of impairment, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Bank in the third quarter and financial period ended 31 December 2021.

5. Changes in Estimates

There were no material changes in estimates of amounts reported that have a material effect on the unaudited condensed interim financial statements in the third quarter and financial period ended 31 December 2021.

6. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities in the third quarter and financial period ended 31 December 2021.

7. Dividend

No dividend was paid during the third quarter and financial period ended 31 December 2021.

8. Segmental Reporting on Revenue, Profit and Assets

Segmental reporting has not been prepared as there are no other segments other than the commercial banking segment.

9. Subsequent Events

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

10. Changes in the Composition of the Bank

There were no changes in the composition of the Bank during the third quarter and financial period ended 31 December 2021.

11. Changes in comparatives

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

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

11. Changes in comparatives (continued)

Reclassifications:

In the current financial period, guarantee fees payable to Sumitomo Mitsui Banking Corporation Labuan Branch, a related company, (as a consideration for participation of risk through the deposits placed with the Bank as cash collateral) are included in interest income. For comparability purposes, the guarantee fees which were included in other operating expenses in the previous financial period ended 31 December 2020 are included in interest income accordingly.

Statement of profit or loss and other comprehensive income for the financial period ended 31 December 2020	As restated RM'000	Differences RM'000	As previously reported RM'000
Interest income	279,185	(30,859)	310,044
Other operating expenses	(83,482)	30,859	(114,341)

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

12. Review of Performance

3rd quarter results ended 31 December 2021

For the third quarter ended 31 December 2021, the Bank registered a profit before taxation of RM58.5 million, an increase of 174.3% (Q3 Dec 2020: loss before taxation of RM78.7 million). Profit after taxation increased by 159.4% to RM34.7 million in the quarter under review (Q3 Dec 2020: loss after taxation of RM58.4 million).

The increase was mainly resulted from the decrease in allowance of impairment by 96.8% to RM4.1 million largely due to the increase in writeback of impairment on loans, advances & financing and other financial assets of RM122.1 million, contributing to 88.9% increase in the profit before taxation (Q3 Dec 2020: allowance of impairment of RM126.2 million). The increase was also attributed to the increase in the net operating income of 19.5% amounting to RM92.1 million (Q3 Dec 2020: RM77.1 million).

Nine months financial results ended 31 December 2021

For the nine months financial period ended 31 December 2021, the Bank registered a profit before taxation of RM212.9 million, an increase of 909.5% (9 months ended Dec 2020: loss before taxation of RM26.3 million). Consequentially, profit after taxation has increased by 935.2% to RM152.0 million (9 months ended Dec 2020: loss after taxation of RM18.2 million).

The increase was mainly resulted from the writeback of impairment on loans, advances & financing and other financial assets to RM20.6 million, contributing to 91.3% increase in the profit before taxation (9 months ended Dec 2020: allowance of impairment of RM197.7 million). In addition, the increase was also attributed to the increase in net operating income of 9.2% amounting to RM278.4 million (9 months ended Dec 2020: RM254.9 million).

Total assets recorded a 2.7% (RM572 million) increase amounting to RM21,964 million as at 31 December 2021 (31 March 2021: RM21,392 million). This was mainly attributed to the 74.6% increase in deposits and placements with banks and other financial institutions amounting to RM1,704 million (31 March 2021: RM976 million) and 3.1% increase in net loans, advances and financing amounting to RM15,445 million (31 March 2021: RM14,977 million).

The total liabilities recorded an increase of 2.3% (RM419 million) to RM18,304 million as at 31 December 2021 (31 March 2021: RM17,885 million). This was largely due to the higher deposits from customers of 3.9% amounting to RM16,932 million (31 March 2021: RM16,301 million).

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

13. Current Year Prospects

Malaysia's Gross Domestic Product ("GDP") in the third quarter of 2021 has contracted by 4.5 per cent compared to 16.1 per cent in the second quarter of 2021. This was largely attributable to the strict containment measures particularly in July 2021, under Phase 1 of the National Recovery Plan ("NRP"). Economic activity subsequently picked up as more states transitioned into Phase 2 with less restrictive containment measures.

All economic sectors recorded negative growth in the third quarter of 2021. Nonetheless, consumer-related activities have shown emerging signs of recovery on a month-on-month basis since August 2021 as operating restrictions were eased, including restaurants and recreational activities. Domestic demand declined in the third quarter of 2021, as private consumption and investment activities were affected by the imposition of phased restrictions under NRP. Public consumption expanded during the quarter, supported by COVID-19 related expenditure, including vaccine procurement and logistics spending.

The Ministry of Finance ("MoF") has projected that the economy would rebound between 6.5 per cent and 7.5 per cent in 2021 premised on the sustained economic reopening and ease of mobility within the country and abroad. Bank Negara Malaysia ("BNM") emphasised that Malaysia's growth would accelerate between 5.5 per cent and 6.5 per cent on the back of improving external demand conditions and the easing of containment measures amid high vaccination rates. BNM is not overly worried about runaway inflation noting that there is still room for improvement in both growth and employment before demand-driven price pressures become a concern.

The Bank will continue to support its customers in doing business and gain their trust during times of economic uncertainty. Since April 2020, in support of the Government's call to sustain the economies, the Bank had put in place loan repayment moratorium to be extended to customers to ease their financial commitment. However, the Bank was not adversely affected as its customers continued to repay their loans as scheduled.

The Bank remains mindful of the downside risks that could create growth headwinds. As such, strategic business direction to increase presence with raised profiles and positions as well as process improvement initiatives to increase productivity will remain on the Bank's business agenda so that the Bank can continue to be resilient and to build up a sustainable portfolio with inclusive growth.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

14. Cash and short-term funds

	31 December 2021 RM'000	31 March 2021 RM'000
Cash and balances with banks and other financial institutions	99,195	91,167
Money at call and deposit placements maturing within one month	3,317,747	4,253,081
	<u>3,416,942</u>	<u>4,344,248</u>
Less: Allowance for expected credit losses ("ECL")	(689)	(4,343)
	<u><u>3,416,253</u></u>	<u><u>4,339,905</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 2021	1,978	2,365	-	4,343
Charge to profit or loss				
- Decrease in ECL	(1,289)	(2,365)	-	(3,654)
At 31 December 2021	<u>689</u>	<u>-</u>	<u>-</u>	<u>689</u>
At 1 April 2020	7,069	-	-	7,069
Charge to profit or loss				
- (Decrease)/Increase in ECL	(5,091)	2,365	-	(2,726)
At 31 March 2021	<u>1,978</u>	<u>2,365</u>	<u>-</u>	<u>4,343</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021****15. Deposits and placements with banks and other financial institutions**

	31 December 2021 RM'000	31 March 2021 RM'000
Money at call and deposit placements maturing more than one month	1,704,577	978,366
Less: Allowance for ECL	(675)	(2,642)
	<u>1,703,902</u>	<u>975,724</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 2021	1,212	1,430	-	2,642
Charge to profit or loss				
- Decrease in ECL	(537)	(1,430)	-	(1,967)
At 31 December 2021	<u>675</u>	<u>-</u>	<u>-</u>	<u>675</u>
At 1 April 2020	514	-	-	514
Charge to profit or loss				
- Increase in ECL	698	1,430	-	2,128
At 31 March 2021	<u>1,212</u>	<u>1,430</u>	<u>-</u>	<u>2,642</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

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

	31 December 2021 RM'000	31 March 2021 RM'000
At fair value		
Negotiable instruments of deposits	552,980	250,734
Malaysian Government Securities	-	20,238
Malaysian Government Investment Issues	182,863	121,773
	<u>735,843</u>	<u>392,745</u>

Movement in allowance for ECL on debt instruments measured at FVOCI

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit- impaired (Stage 2) RM'000	Lifetime ECL credit- impaired (Stage 3) RM'000	Total RM'000
At 1 April 2021	36	831	-	867
- Increase/(Decrease) in ECL	208	(831)	-	(623)
At 31 December 2021	<u>244</u>	<u>-</u>	<u>-</u>	<u>244</u>
At 1 April 2020	1,449	-	-	1,449
- (Decrease)/Increase in ECL	(1,413)	831	-	(582)
At 31 March 2021	<u>36</u>	<u>831</u>	<u>-</u>	<u>867</u>

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

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

17. Loans, advances and financing

	31 December 2021 RM'000	31 March 2021 RM'000
(a) By type:		
<u>At amortised cost:</u>		
Overdraft	-	2,128
Term loans / financing		
- Syndicated loans / Syndicated Islamic financing	3,118,757	2,533,056
- Factoring receivables	205,311	49,554
- Other term loans / Islamic term financing	7,644,662	7,689,206
Trade bills discounted	104,296	43,175
Revolving credits / Revolving credit-i	4,437,297	4,590,041
Other loans	-	150,296
Gross loans, advances and financing	<u>15,510,323</u>	<u>15,057,456</u>
Less: Allowance for ECL		
- 12-month ECL (Stage 1)	(4,974)	(10,453)
- Lifetime ECL not credit impaired (Stage 2)	(49,359)	(59,634)
- Lifetime ECL credit impaired (Stage 3)	(10,543)	(10,384)
Net loans, advances and financing	<u><u>15,445,447</u></u>	<u><u>14,976,985</u></u>
(b) By geographical distribution:		
Malaysia	12,168,499	12,010,889
Other countries:		
- Jordan	1,042,092	1,038,068
- Australia	1,032,449	727,828
- United States of America	418,124	418,146
- Japan	195,484	202,576
- Hong Kong	54,488	54,199
- Cayman Islands	257,432	256,427
- Netherlands	172,875	178,676
- United Kingdom	168,880	170,647
Gross loans, advances and financing	<u><u>15,510,323</u></u>	<u><u>15,057,456</u></u>
(c) By type of customer:		
Domestic non-bank financial institutions	4,089,806	4,461,467
Domestic business enterprises	11,185,477	10,361,177
Foreign entities	235,040	234,812
Gross loans, advances and financing	<u><u>15,510,323</u></u>	<u><u>15,057,456</u></u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

17. Loans, advances and financing (continued)

	31 December 2021 RM'000	31 March 2021 RM'000
(d) By interest rate sensitivity:		
Fixed rate		
- Other fixed rate loans	1,087,527	1,164,613
Variable rate		
- Cost-plus	4,550,350	4,403,751
- Other variable rates	9,872,446	9,489,092
Gross loans, advances and financing	<u>15,510,323</u>	<u>15,057,456</u>
(e) By sector:		
Primary agriculture	68,391	-
Mining and quarrying	-	188,839
Manufacturing	2,543,760	2,360,094
Electricity, gas and water	1,859,627	1,749,648
Construction	64,725	71,173
Wholesale and retail trade, and restaurants and hotels	1,325,464	1,152,663
Transport, storage and communication	1,244,534	1,021,691
Finance, insurance and business services	5,160,515	5,547,025
Real estate	2,209,803	1,968,852
Education, health and other services	704,546	668,926
Other sectors	328,958	328,545
Gross loans, advances and financing	<u>15,510,323</u>	<u>15,057,456</u>
(f) By economic purpose:		
Purchase of securities	257,432	437,447
Purchase of non-residential property		
- Purchase of land	99,365	142,714
Purchase of fixed assets other than land and building	393,006	397,949
Construction	1,052,524	899,264
Working capital	6,172,425	6,477,069
Mergers and acquisition	187,866	249,501
Other purpose	7,347,705	6,453,512
Gross loans, advances and financing	<u>15,510,323</u>	<u>15,057,456</u>

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

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17. Loans, advances and financing (continued)

	31 December 2021 RM'000	31 March 2021 RM'000
(g) By residual contractual maturity:		
Maturing within one year	6,086,345	6,640,915
One year to three years	4,513,142	4,063,338
Three years to five years	2,936,144	2,349,882
More than five years	1,974,692	2,003,321
Gross loans, advances and financing	<u>15,510,323</u>	<u>15,057,456</u>

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

	31 December 2021 RM'000	31 March 2021 RM'000
At 1 April 2021 / 1 April 2020	54,199	-
Currency translation differences	289	-
Impaired during the financial year	-	54,199
At 31 December 2021 / 31 March 2021	<u>54,488</u>	<u>54,199</u>
Less: Lifetime ECL credit impaired (Stage 3)	<u>(10,543)</u>	<u>(10,384)</u>
Net impaired loans, advances and financing	<u>43,945</u>	<u>43,815</u>
Gross credit-impaired loans and financing as a percentage of gross loans, advances and financing	<u>0.35%</u>	<u>0.36%</u>

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

Hong Kong	<u>54,488</u>	<u>54,199</u>
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(j) Credit-impaired loans, advances and financing by sector:

Other sectors	<u>54,488</u>	<u>54,199</u>
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(k) Credit-impaired loans, advances and financing by economic purpose:

Other purpose	<u>54,488</u>	<u>54,199</u>
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17. 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 2021	9,013,616	5,989,641	54,199	15,057,456
Transfer to 12-month ECL (Stage 1)	91,213	(91,213)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(410,924)	410,924	-	-
Transfer to lifetime ECL credit- impaired (Stage 3)	(33,421)	-	33,421	-
Loans, advances and financing derecognised	(1,226,683)	(440,971)	(8,303)	(1,675,957)
New loans, advances and financing originated or purchased	1,048,433	133,845	-	1,182,278
Other adjustments	1,764,089	(792,714)	(24,829)	946,546
At 31 December 2021	<u>10,246,323</u>	<u>5,209,512</u>	<u>54,488</u>	<u>15,510,323</u>
At 1 April 2020	13,178,998	2,214,836	-	15,393,834
Transfer to 12-month ECL (Stage 1)	119,442	(119,442)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(4,577,456)	4,577,456	-	-
Transfer to lifetime ECL credit impaired (Stage 3)	-	(52,780)	52,780	-
Loans, advances and financing derecognised	(4,340,183)	(1,184,545)	-	(5,524,728)
New loans, advances and financing originated or purchased	4,927,916	552,810	-	5,480,726
Other adjustments	(295,101)	1,306	1,419	(292,376)
At 31 March 2021	<u>9,013,616</u>	<u>5,989,641</u>	<u>54,199</u>	<u>15,057,456</u>

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17. 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 2021	10,453	59,634	10,384	80,471
Transfer to 12-month ECL (Stage 1)	33,564	(33,564)		-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(4,707)	4,707	-	-
Transfer to lifetime ECL credit- impaired (Stage 3)	-	-	-	-
Loans, advances and financing derecognised	(2,445)	(4,815)	-	(7,260)
New loans, advances and financing originated or purchased	1,867	1,841	-	3,708
Changes due to change in credit risk	(33,758)	21,556	159	(12,043)
At 31 December 2021	<u>4,974</u>	<u>49,359</u>	<u>10,543</u>	<u>64,876</u>
At 1 April 2020	42,425	40,296	-	82,721
Transfer to 12-month ECL (Stage 1)	396	(396)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(14,282)	14,282	-	-
Transfer to lifetime ECL credit impaired (Stage 3)	-	(9,804)	9,804	-
Loans, advances and financing derecognised	(12,280)	(9,339)	-	(21,619)
New loans, advances and financing originated or purchased	9,177	2,460	-	11,637
Changes due to change in credit risk	(14,983)	22,135	580	7,732
At 31 March 2021	<u>10,453</u>	<u>59,634</u>	<u>10,384</u>	<u>80,471</u>

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18. Other assets

	31 December 2021 RM'000	31 March 2021 RM'000
Interest receivable	8,612	6,188
Amount due from related corporations	20,283	123
Cash collateral placements	128,770	181,320
Other receivables	1,907	979
Deposits	2,018	1,943
Prepayments	519	810
	<u>162,109</u>	<u>191,363</u>
Less: Allowance for ECL	(31)	(400)
	<u><u>162,078</u></u>	<u><u>190,963</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 2021	400	-	-	400
Charge to profit or loss				
- Decrease in ECL	(369)	-	-	(369)
At 31 December 2021	<u>31</u>	<u>-</u>	<u>-</u>	<u>31</u>
At 1 April 2020	114	-	-	114
Charge to profit or loss				
- Increase in ECL	286	-	-	286
At 31 March 2021	<u>400</u>	<u>-</u>	<u>-</u>	<u>400</u>

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19. Deposits from customers

	31 December 2021 RM'000	31 March 2021 RM'000
(a) By type of deposits:		
Demand deposits	3,660,505	3,584,651
Fixed deposits	10,581,942	9,214,084
Short-term deposits	2,689,124	3,502,633
	<u>16,931,571</u>	<u>16,301,368</u>

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

Due within six months	5,716,113	5,127,521
Six months to one year	508,418	1,821,425
One year to three years	3,281,961	2,428,029
Three years to five years	2,443,821	1,933,213
Five years to ten years	343,603	697,952
Ten years and above	977,150	708,577
	<u>13,271,066</u>	<u>12,716,717</u>

(b) By type of customers:

Domestic non-bank financial institutions	287,788	212,732
Domestic business enterprises	7,353,609	7,954,323
Branch of immediate holding corporation	8,588,938	7,676,162
Foreign non-bank entities	280,456	247,165
Domestic other entities	3,885	3,334
Government	416,895	207,652
	<u>16,931,571</u>	<u>16,301,368</u>

20. Deposits and placements of banks and other financial institutions

	31 December 2021 RM'000	31 March 2021 RM'000
Licensed Malaysian banks	72,380	213,307
Foreign banks		
- Immediate holding corporation	815,959	854,596
	<u>888,339</u>	<u>1,067,903</u>

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21. Other liabilities

	31 December 2021 RM'000	31 March 2021 RM'000
Interest payable	8,867	9,676
Amount due to immediate holding corporation and related corporations/companies	21,008	10,122
Cash collateral placements	56,763	65,295
Other payables	33,324	33,396
Accruals	11,219	14,343
	<u>131,181</u>	<u>132,832</u>

22. Provision for credit commitments and contingencies

	31 December 2021 RM'000	31 March 2021 RM'000
Provision for credit commitments and contingencies	<u>9,178</u>	<u>7,627</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 2021	1,487	6,131	9	7,627
Charge to profit or loss				
- Increase/(Decrease) in ECL	290	1,270	(9)	1,551
At 31 December 2021	<u>1,777</u>	<u>7,401</u>	<u>-</u>	<u>9,178</u>
At 1 April 2020	5,250	149	-	5,399
Charge to profit or loss				
- (Decrease)/Increase in ECL	(3,763)	5,982	9	2,228
At 31 March 2021	<u>1,487</u>	<u>6,131</u>	<u>9</u>	<u>7,627</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021****23. Interest income**

	3rd Quarter Ended		Nine Months Ended	
	31 December 2021 RM'000	31 December 2020 RM'000 Restated	31 December 2021 RM'000	31 December 2020 RM'000 Restated
Loans, advances and financing				
- Interest income	51,546	52,818	160,124	185,308
- Financing income	4,429	3,777	12,939	17,479
Money at call and deposit placements with banks and other financial institutions	16,332	22,476	50,770	65,349
Debt instruments measured at FVOCI	3,388	2,885	8,831	11,049
	<u>75,695</u>	<u>81,956</u>	<u>232,664</u>	<u>279,185</u>

24. Interest expense

	3rd Quarter Ended		Nine Months Ended	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
Deposits and placements of banks and other financial institutions	601	279	1,523	4,045
Deposits from customers	24,860	33,306	77,270	122,585
Lease liabilities	126	51	374	148
	<u>25,587</u>	<u>33,636</u>	<u>79,167</u>	<u>126,778</u>

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25. Other operating income

	3rd Quarter Ended		Nine Months Ended	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
Fee and commission income				
- Service charges and guarantee fees	428	435	1,035	1,247
- Loan related fees	4,660	3,101	11,737	9,102
- Commitment fees	809	163	2,034	1,291
	<u>5,897</u>	<u>3,699</u>	<u>14,806</u>	<u>11,640</u>
Realised gain from derivative financial instruments	<u>1,067</u>	<u>521</u>	<u>2,878</u>	<u>2,585</u>
Unrealised gain on revaluation of derivatives	<u>3,396</u>	<u>6,947</u>	<u>18,517</u>	<u>32,730</u>
Unrealised loss on hedging activities	<u>(7,512)</u>	<u>(7,425)</u>	<u>(11,573)</u>	<u>(10,476)</u>
Foreign exchange, net gain	<u>26,224</u>	<u>20,020</u>	<u>71,435</u>	<u>51,523</u>
Other income				
- Management fees	10,516	2,449	20,179	7,347
- Rental of fixed assets	320	451	1,023	1,442
- Miscellaneous income	2,126	2,120	7,636	5,695
	<u>12,962</u>	<u>5,020</u>	<u>28,838</u>	<u>14,484</u>
	<u>42,034</u>	<u>28,782</u>	<u>124,901</u>	<u>102,486</u>

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26. Other operating expenses

	3rd Quarter Ended		Nine Months Ended	
	31 December 2021 RM'000	31 December 2020 RM'000 Restated	31 December 2021 RM'000	31 December 2020 RM'000 Restated
Personnel costs				
Salaries, allowances and bonuses	12,180	11,767	34,104	31,249
Employees' provident fund contributions	1,700	1,469	4,617	4,047
Staff training expenses	(3)	7	112	59
Staff welfare expenses	11	22	11	67
Other personnel expenses	977	1,086	3,761	3,537
	<u>14,865</u>	<u>14,351</u>	<u>42,605</u>	<u>38,959</u>
Establishment costs				
Depreciation - Plant and equipment	1,207	1,134	3,489	3,434
Depreciation - Right-of-use assets	1,319	1,451	3,984	4,326
Repair and maintenance	30	288	278	486
Other establishment expenses	3,470	3,781	11,291	11,634
	<u>6,026</u>	<u>6,654</u>	<u>19,042</u>	<u>19,880</u>
Marketing expenses				
Advertisement and publicity	59	56	146	140
Other marketing expenses	2	19	15	31
	<u>61</u>	<u>75</u>	<u>161</u>	<u>171</u>
Administration and general expenses				
Auditors' remuneration				
- Statutory audit	101	78	274	236
- Other services	-	25	-	75
Professional fees	223	344	779	600
Communication expenses	104	160	402	461
Management fees	5,907	5,343	16,791	15,649
Licence fees and stamp duties	38	38	113	113
Non-executive directors' fees and allowances	228	205	695	615
Other administration and general expenses	1,980	2,395	5,333	6,723
	<u>8,581</u>	<u>8,588</u>	<u>24,387</u>	<u>24,472</u>
	<u>29,533</u>	<u>29,668</u>	<u>86,195</u>	<u>83,482</u>

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27. Allowance for impairment on loans, advances and financing

	3rd Quarter Ended		Nine Months Ended	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
<u>Allowance/(writeback) of ECL</u>				
Loans, advances and financing	1,809	105,827	(15,595)	164,183
Provision for credit commitments and contingencies	3,739	9,020	1,551	11,834
	<u>5,548</u>	<u>114,847</u>	<u>(14,044)</u>	<u>176,017</u>

28. Allowance for impairment on other financial assets

	3rd Quarter Ended		Nine Months Ended	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
<u>Allowance/(writeback) of ECL</u>				
Cash and short-term funds	(1,297)	7,395	(3,654)	13,205
Deposits and placements with banks and other financial institutions	47	1,258	(1,967)	3,772
Debt instruments measured at FVOCI	(142)	1,736	(623)	2,954
Other assets	(63)	943	(369)	1,773
	<u>(1,455)</u>	<u>11,332</u>	<u>(6,613)</u>	<u>21,704</u>

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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 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 December 2021								
Assets								
Cash and short-term funds	3,317,747	-	-	-	-	98,506	-	3,416,253
Deposits and placements with banks and other financial institutions	-	1,487,867	216,710	-	-	(675)	-	1,703,902
Debt instruments measured at FVOCI	-	281,281	342,356	112,206	-	-	-	735,843
Loans, advances and financing								
- non-impaired	2,537,993	2,859,033	689,321	7,394,796	1,974,692	(54,333)	-	15,401,502
- impaired	-	-	-	54,488	-	(10,543)	-	43,945
Derivative financial assets	-	-	-	118	-	-	387,760	387,878
Other assets [^]	129,966	3,540	3,914	-	-	24,139	-	161,559
Total assets	5,985,706	4,631,721	1,252,301	7,561,608	1,974,692	57,094	387,760	21,850,882

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

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

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29. Use of Financial Instruments (continued)

Interest rate risk (continued)

	Non-trading book					Non- interest bearing RM'000	Trading book RM'000	Total RM'000
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000			
31 December 2021								
<u>Liabilities</u>								
Deposits from customers	2,881,128	2,615,894	727,507	5,725,783	1,320,753	3,660,506	-	16,931,571
Deposits and placements of banks and other financial institutions	536,073	280,538	59,919	-	-	11,809	-	888,339
Bills and acceptances payable	-	-	5,614	-	-	-	-	5,614
Derivative financial liabilities	-	-	7,877	47,286	-	-	271,109	326,272
Other liabilities *	3,690	2,902	2,515	881	308	72,299	-	82,595
Total liabilities	3,420,891	2,899,334	803,432	5,773,950	1,321,061	3,744,614	271,109	18,234,391
On balance sheet interest rate gap	2,564,815	1,732,387	448,869	1,787,658	653,631	(3,687,520)	116,651	3,616,491
Off balance sheet interest rate gap	-	2,598,597	(120,636)	(1,284,111)	(1,193,850)	-	-	-
Total interest rate gap	2,564,815	4,330,984	328,233	503,547	(540,219)	(3,687,520)	116,651	3,616,491

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

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

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

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29. Use of Financial Instruments (continued)

Interest rate risk (continued)

	Non-trading book					Non- interest bearing RM'000	Trading book RM'000	Total RM'000
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000			
31 March 2021								
<u>Liabilities</u>								
Deposits from customers	3,252,055	1,396,047	2,300,843	4,361,242	1,406,530	3,584,651	-	16,301,368
Deposits and placements of banks and other financial institutions	715,932	283,100	-	64,565	-	4,306	-	1,067,903
Bills and acceptances payable	-	-	775	-	-	-	-	775
Derivative financial liabilities	126	-	934	62,441	-	-	295,657	359,158
Other liabilities *	3,973	3,270	3,130	532	324	75,107	-	86,336
Total liabilities	3,972,086	1,682,417	2,305,682	4,488,780	1,406,854	3,664,064	295,657	17,815,540
On balance sheet interest rate gap	3,031,625	722,088	697,943	1,965,638	596,467	(3,658,058)	99,969	3,455,672
Off balance sheet interest rate gap	2,104,924	-	(504,498)	(1,373,185)	(227,241)	-	-	-
Total interest rate gap	5,136,549	722,088	193,445	592,453	369,226	(3,658,058)	99,969	3,455,672

* 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 2021		31 March 2021	
	MYR % p.a.	USD % p.a.	MYR % p.a.	USD % p.a.
Financial assets				
Cash and short-term funds	1.78	0.18	1.79	0.19
Deposits and placements with banks and other financial institutions	1.98	0.32	1.97	0.38
Loans, advances and financing	3.38	1.15	3.57	1.18
Financial liabilities				
Deposits from customers	1.99	0.19	2.04	0.20

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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 2021 RM'000	31 March 2021 RM'000
Aggregate value of outstanding credit exposures to connected parties	1,253,840	1,005,042
As a percentage of total credit exposures	4.46%	3.70%

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 2021 RM'000	31 March 2021 RM'000
<u>Tier 1 capital</u>		
Paid-up ordinary share capital	2,452,605	2,452,605
Retained earnings	959,944	959,944
Other reserves	130,133	95,164
	<u>3,542,682</u>	<u>3,507,713</u>
Less: Deferred tax assets	(7,842)	(15,062)
55% of fair value reserve	(1,227)	(1,069)
Regulatory reserve	<u>(127,902)</u>	<u>(93,220)</u>
Common Equity Tier 1 (CET 1) and Tier 1 Capital	<u>3,405,711</u>	<u>3,398,362</u>
<u>Tier 2 capital</u>		
Expected credit losses	65,150	85,957
Regulatory reserve *	107,500	86,391
Tier 2 Capital	<u>172,650</u>	<u>172,348</u>
Total capital base	<u><u>3,578,361</u></u>	<u><u>3,570,710</u></u>
<u>Capital ratios</u>		
CET 1 and Tier 1 capital ratio	22.924%	22.876%
Total capital ratio	24.086%	24.036%

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

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

	31 December 2021 RM'000	31 March 2021 RM'000
Credit risk	13,812,001	13,787,858
Market risk	349,054	393,141
Operational risk	695,249	674,596
Total risk-weighted assets	<u><u>14,856,304</u></u>	<u><u>14,855,595</u></u>

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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 2021			
Transaction-related contingent items	375,344	184,356	178,615
Short-term self-liquidating trade-related contingencies	414,342	81,573	81,573
Foreign exchange related contracts:			
- Less than one year	7,985,394	231,185	142,737
- One year to less than five years	8,136,144	1,033,187	631,207
- Five years and above	1,779,973	371,042	229,577
Interest / Profit rate related contracts:			
- Less than one year	1,284,111	32,699	25,193
- One year to less than five years	1,193,850	91,958	68,357
- Five years and above	570,636	2,659	2,471
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	8,055,301	4,023,084	3,872,795
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	681,563	136,313	136,313
Total	30,476,658	6,188,056	5,368,838

* 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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33. Commitments and contingencies (continued)

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

* 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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34. The operations of International Currency Business Unit (ICBU)

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

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

(a) Financing and advances

	31 December 2021 RM'000	31 March 2021 RM'000
(i) By type:		
<u>At amortised cost:</u>		
Term financing		
- Syndicated Islamic financing	491,262	422,983
- Islamic term financing	370,511	549,310
Revolving credit-i	1,094,995	1,077,176
Gross financing and advances	<u>1,956,768</u>	<u>2,049,469</u>
Less: Allowance for ECL		
- 12-month ECL (Stage 1)	(1,253)	(623)
- Lifetime ECL not credit impaired (Stage 2)	(6,303)	(9,686)
Net financing and advances	<u><u>1,949,212</u></u>	<u><u>2,039,160</u></u>
(ii) By contract:		
Murabahah	<u>1,956,768</u>	<u>2,049,469</u>
Gross financing and advances	<u><u>1,956,768</u></u>	<u><u>2,049,469</u></u>

(b) Deposits from customers

	31 December 2021 RM'000	31 March 2021 RM'000
(i) By type and contract:		
<u>At amortised cost:</u>		
Demand deposits - Qard	<u>4,050</u>	<u>3,723</u>
	<u><u>4,050</u></u>	<u><u>3,723</u></u>

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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 2021 have been prepared from the Bank's accounting and other records and they are in accordance with the requirements of MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and the Revised Guidelines on Financial Reporting issued by Bank Negara Malaysia on 27 September 2019.

[Signed]

Soji Takano
Deputy President

Date: 28 January 2022