

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

(Company No. 926374-U)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL HALF YEAR ENDED
30 SEPTEMBER 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 30 SEPTEMBER 2019**

		30 September 2019	31 March 2019
	Note	RM'000	RM'000
Assets			
Cash and short-term funds	13	4,425,093	4,377,758
Deposits and placements with banks and other financial institutions	14	704,435	762,624
Debt instruments at fair value through other comprehensive income ("FVOCI")	15	713,479	733,457
Loans, advances and financing	16	14,094,493	13,020,394
Derivative financial assets		391,597	355,051
Other assets	17	39,060	72,479
Statutory deposits with Bank Negara Malaysia		48,348	50,680
Plant and equipment		14,342	15,822
Right-of-use assets		7,612	-
Tax recoverable		52,557	37,919
Total assets		20,491,016	19,426,184
Liabilities			
Deposits from customers	18	14,274,701	13,752,568
Deposits and placements of banks and other financial institutions	19	2,409,038	1,982,471
Bills and acceptances payable		1,687	1,305
Derivative financial liabilities		345,555	309,102
Other liabilities	20	213,129	250,692
Lease liabilities		7,612	-
Provision for credit commitments and contingencies	21	2,376	16,016
Deferred tax payable		41,723	31,997
Total liabilities		17,295,821	16,344,151
Equity			
Share capital		2,452,605	2,452,605
Reserves		742,590	629,428
Total equity attributable to owners of the Bank		3,195,195	3,082,033
Total liabilities and equity		20,491,016	19,426,184
Commitments and contingencies	32	31,888,997	30,342,234

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL HALF YEAR ENDED 30 SEPTEMBER 2019**

	Note	2nd Quarter Ended		Half Year Ended	
		30 September 2019	30 September 2018	30 September 2019	30 September 2018
		RM'000	RM'000	RM'000	RM'000
Interest income	22	169,336	167,110	344,296	314,002
Interest expense	23	(102,646)	(104,466)	(214,081)	(192,779)
Net interest income		<u>66,690</u>	<u>62,644</u>	<u>130,215</u>	<u>121,223</u>
Other operating income	24	37,711	26,181	82,231	52,970
Net operating income		<u>104,401</u>	<u>88,825</u>	<u>212,446</u>	<u>174,193</u>
Other operating expenses	25	(33,948)	(28,465)	(66,605)	(57,525)
Operating profit		<u>70,453</u>	<u>60,360</u>	<u>145,841</u>	<u>116,668</u>
(Allowance)/writeback of impairment on loans, advances and financing	26	(3,274)	(11,360)	46	(4,371)
(Allowance)/writeback of impairment on other financial assets	27	(220)	95	(566)	177
Profit before taxation		<u>66,959</u>	<u>49,095</u>	<u>145,321</u>	<u>112,474</u>
Tax expense		(12,384)	(12,026)	(31,577)	(27,631)
Profit after taxation		<u>54,575</u>	<u>37,069</u>	<u>113,744</u>	<u>84,843</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		849	859	(627)	2,017
- Debt instruments measured at FVOCI - increase/(decrease) in allowance for impairment		56	(31)	45	9
Total comprehensive income for the financial period		<u><u>55,480</u></u>	<u><u>37,897</u></u>	<u><u>113,162</u></u>	<u><u>86,869</u></u>
Basic earnings per ordinary share (sen)		<u><u>2.23</u></u>	<u><u>1.53</u></u>	<u><u>4.64</u></u>	<u><u>3.50</u></u>

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 SEPTEMBER 2019**

	<i>Non-distributable reserves</i>					<i>Distributable reserves</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	-	-	-	-	-	113,744	113,744
Fair value changes of debt instruments measured at FVOCI	-	-	-	-	(582)	-	(582)
Total comprehensive income for the period	-	-	-	-	(582)	113,744	113,162
Transfer to regulatory reserve	-	-	4,731	-	-	(4,731)	-
At 30 September 2019	2,452,605	-	116,329	-	2,290	623,971	3,195,195
At 1 April 2018	2,452,605	-	122,541	-	960	310,976	2,887,082
Profit for the period	-	-	-	-	-	84,843	84,843
Fair value changes of debt instruments measured at FVOCI	-	-	-	-	2,025	-	2,025
Total comprehensive income for the period	-	-	-	-	2,025	84,843	86,868
Transfer to regulatory reserve	-	-	14,996	-	-	(14,996)	-
At 30 September 2018	2,452,605	-	137,537	-	2,985	380,823	2,973,950

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL HALF YEAR ENDED 30 SEPTEMBER 2019**

	2nd Quarter Ended / Half Year Ended	
	30 September 2019 RM'000	30 September 2018 RM'000
Cash flows from operating activities		
Profit from ordinary activities before taxation	145,321	112,474
Adjustments for non-cash items	(17,199)	46,893
Operating profit before working capital changes	<u>128,122</u>	<u>159,367</u>
Changes in working capital:		
Net changes in operating assets	(981,778)	(1,966,329)
Net changes in operating liabilities	918,577	2,864,159
Net cash generated from operating activities	<u>64,921</u>	<u>1,057,197</u>
Tax paid	(36,289)	(28,200)
Net cash generated from operating activities	<u>28,632</u>	<u>1,028,997</u>
Net cash generated from/(used in) investing activities	19,683	(155,874)
Net cash generated from/(used in) financing activities	-	-
Net increase in cash and cash equivalents during the financial period	<u>48,315</u>	<u>873,123</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>4,426,774</u></u>	<u><u>4,489,967</u></u>
Cash and cash equivalents comprise:		
Cash and balances with banks and other financial institutions	60,459	74,374
Money at call and deposit placements maturing within one month	<u>4,366,315</u>	<u>4,415,593</u>
	<u><u>4,426,774</u></u>	<u><u>4,489,967</u></u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL HALF YEAR ENDED 30 SEPTEMBER 2019

1. Basis of preparation

The unaudited condensed interim financial statements for the 2nd quarter and financial half year ended 30 September 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 HALF YEAR ENDED 30 SEPTEMBER 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 HALF YEAR ENDED 30 SEPTEMBER 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 2nd quarter and financial half year ended 30 September 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 2nd quarter and financial half year ended 30 September 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 2nd quarter and financial half year ended 30 September 2019.

6. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities in the 2nd quarter and financial half year ended 30 September 2019.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL HALF YEAR ENDED 30 SEPTEMBER 2019

7. Dividend

No dividend was paid during the 2nd quarter and financial half year ended 30 September 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 2nd quarter and financial half year ended 30 September 2019.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL HALF YEAR ENDED 30 SEPTEMBER 2019

11. Review of Performance

2nd quarter results ended 30 September 2019

For the second quarter ended 30 September 2019, the Bank registered profit before taxation of RM67.0 million, an increase of 36.4% as compared to RM49.1 million recorded in the corresponding quarter last year. Profit after taxation increased by 47.2% to RM54.6 million in the quarter under review as compared to RM37.1 million in the corresponding quarter in FY2018.

The improved performance was mainly attributed to the increase in other operating income of 44.0% to RM37.7 million as compared to RM26.2 million recorded in the corresponding quarter last year mainly attributed to the higher unrealised net gain on revaluation of derivatives and higher net gain on foreign exchange. In addition, the net interest income recorded an increase amounting to RM66.7 million in the current quarter as compared to RM62.6 million in the corresponding quarter of FY2018. In the same quarter, the allowance of impairment on loans, advances and financing has decreased to RM3.3 million as compared to the corresponding quarter of RM11.4 million recorded in FY2018.

Notwithstanding, the higher earnings were partially offset by an increase in other operating expenses of 19.3% to RM33.9 million as compared to RM28.5 million in the corresponding quarter last year mainly due to higher personnel costs, higher guarantee fees paid and higher management fees paid.

Half yearly financial results ended 30 September 2019

For the first half year ended 30 September 2019, the Bank registered a profit before taxation of RM145.3 million, an increase of 29.2% as compared to RM112.5 million recorded in the corresponding first half year of FY2018. Consequentially, profit after taxation has improved by 34.1% to RM113.7 million as compared to RM84.8 million in the corresponding period last year. The improved performance was mainly attributed to the increase in other operating income of 55.1% to RM82.2 million as compared to RM53.0 million recorded in the first half year of FY2018 attributed largely by the higher unrealised net gain on revaluation of derivatives. In addition, the higher net interest income of RM130.2 million recorded in the first half year of FY2019 as compared to RM121.2 million in the corresponding first half year of FY2018 had also contributed to the overall improved financial performance of the Bank.

Total assets registered a 5.5% increase amounting to RM20,491 million as at 30 September 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 8.2% to RM14,094 million as at 30 September 2019. In line with increase in total assets, total liabilities recorded an increase of 5.8% to RM17,296 million. This was largely contributed by the higher customer deposits of 3.8% to RM14,275 million as at 30 September 2019 as compared to RM13,753 million as at 31 March 2019 and higher deposits and placements of banks and other financial institutions of 21.5% to RM2,409 million as at 30 September 2019 as compared to RM1,982 million as at 31 March 2019.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL HALF YEAR ENDED 30 SEPTEMBER 2019

12. Current Year Prospects

The Malaysian economy recorded a gross domestic product (“GDP”) growth of 4.9% in the second quarter of 2019. Bank Negara Malaysia (“BNM”) maintained its forecast for 2019 economic growth rate at between 4.3% to 4.8%. Despite unveiling a smaller Malaysia's 2020 Budget on 11 October 2019, the Government forecasts that the Malaysia’s GDP to grow by 4.8% in 2020, slightly stronger than the forecasted GDP for 2019. 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 as well as strengthening exports.

Private sector activities continued to be the primary driver of economic growth. Private consumption expanded consistently with income growth and festive spending during the quarter although consumer sentiments had moderated 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 rising debts 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 in doing business to achieve the targets for the 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 in doing more business moving forward and expects 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 HALF YEAR ENDED 30 SEPTEMBER 2019

13. Cash and short-term funds

	30 September 2019 RM'000	31 March 2019 RM'000
Cash and balances with banks and other financial institutions	60,459	52,810
Money at call and deposit placements maturing within one month	4,366,315	4,325,649
	<u>4,426,774</u>	<u>4,378,459</u>
Less: Allowance for expected credit losses ("ECL")	(1,681)	(701)
	<u><u>4,425,093</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	980	-	-	980
At 30 September 2019	<u>1,681</u>	<u>-</u>	<u>-</u>	<u>1,681</u>
At 1 April 2018	676	-	-	676
Charge to income statement:				
- Increase in ECL	25	-	-	25
At 31 March 2019	<u>701</u>	<u>-</u>	<u>-</u>	<u>701</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL HALF YEAR ENDED 30 SEPTEMBER 2019**

14. Deposits and placements with banks and other financial institutions

	30 September 2019 RM'000	31 March 2019 RM'000
Money at call and deposit placements maturing more than one month	704,545	763,179
Less: Allowance for expected credit losses ("ECL")	<u>(110)</u>	<u>(555)</u>
	<u><u>704,435</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	(445)	-	-	(445)
At 30 September 2019	<u>110</u>	<u>-</u>	<u>-</u>	<u>110</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 HALF YEAR ENDED 30 SEPTEMBER 2019****15. Debt instruments measured at fair value through other comprehensive income ("FVOCI")**

	30 September 2019 RM'000	31 March 2019 RM'000
At fair value		
Negotiable instruments of deposits	451,264	503,000
Malaysian Government treasury bills	262,215	180,571
Malaysian Government sukuk	-	49,886
	<u>713,479</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	45	-	-	45
At 30 September 2019	<u>422</u>	<u>-</u>	<u>-</u>	<u>422</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 HALF YEAR ENDED 30 SEPTEMBER 2019

16. Loans, advances and financing

	30 September 2019 RM'000	31 March 2019 RM'000
(a) By type:		
<u>At amortised cost:</u>		
Overdraft	75,675	83,658
Term loans / financing		
- Syndicated loans / Syndicated Islamic financing	1,539,970	1,260,521
- Factoring receivables	100,409	116,294
- Other term loans / Islamic term financing	8,287,499	7,629,862
Trade bills discounted	50,108	102,236
Revolving credits / Revolving credit-i	3,937,377	3,861,085
Other loan	150,311	-
Gross loans, advances and financing	<u>14,141,349</u>	<u>13,053,656</u>
Less: Allowance for expected credit losses ("ECL")		
- 12-month ECL (Stage 1)	(16,840)	(14,026)
- Lifetime ECL not credit impaired (Stage 2)	(26,988)	(19,236)
- Lifetime ECL credit impaired (Stage 3)	(3,028)	-
Net loans, advances and financing	<u><u>14,094,493</u></u>	<u><u>13,020,394</u></u>
(b) By geographical distribution:		
Malaysia	11,531,465	11,089,511
Other countries:		
- Japan	209,763	199,087
- Hong Kong	59,039	45,227
- Jordan	1,047,526	1,020,649
- Germany	114,525	114,572
- Australia	591,379	396,478
- United States of America	419,610	188,132
- Netherlands	168,042	-
Gross loans, advances and financing	<u><u>14,141,349</u></u>	<u><u>13,053,656</u></u>
(c) By type of customer:		
Domestic non-bank financial institutions	4,166,282	3,902,440
Domestic business enterprises	9,909,324	9,105,989
Foreign entities	65,743	45,227
Gross loans, advances and financing	<u><u>14,141,349</u></u>	<u><u>13,053,656</u></u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL HALF YEAR ENDED 30 SEPTEMBER 2019****16. Loans, advances and financing (continued)**

	30 September 2019 RM'000	31 March 2019 RM'000
(d) By interest rate sensitivity:		
Fixed rate		
- Other fixed rate loans	1,353,581	1,443,811
Variable rate		
- Cost-plus	3,851,083	3,829,620
- Other variable rates	8,936,685	7,780,225
Gross loans, advances and financing	<u>14,141,349</u>	<u>13,053,656</u>
(e) By sector:		
Primary agriculture	50,007	50,020
Mining and quarrying	192,213	40,830
Manufacturing	3,164,801	3,346,613
Electricity, gas and water	1,050,144	1,023,659
Construction	130,026	113,260
Wholesale and retail trade, and restaurants and hotels	1,759,293	1,319,422
Transport, storage and communication	452,919	520,787
Finance, insurance and business services	5,733,032	5,205,888
Real estate	1,218,981	1,042,595
Education, health and others	389,933	390,582
Gross loans, advances and financing	<u>14,141,349</u>	<u>13,053,656</u>
(f) By economic purpose:		
Purchase of securities	185,441	34,958
Purchase of non-residential property		
- Purchase of land	99,396	99,414
- Commercial complexes	202,355	206,207
Purchase of fixed assets other than land and building	404,804	408,274
Construction	570,046	627,692
Working capital	6,672,636	6,538,116
Mergers and acquisition	378,407	396,380
Other purpose	5,628,264	4,742,615
Gross loans, advances and financing	<u>14,141,349</u>	<u>13,053,656</u>

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Maturing within one year	5,245,264	4,550,023
One year to three years	4,335,522	3,653,429
Three years to five years	3,650,659	4,279,956
More than five years	909,904	570,248
Gross loans, advances and financing	<u>14,141,349</u>	<u>13,053,656</u>

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

	30 September 2019 RM'000	31 March 2019 RM'000
At 1 April 2019	-	-
Impaired during the financial period / year	<u>3,028</u>	<u>-</u>
Closing balance	<u>3,028</u>	<u>-</u>
Gross credit-impaired loans and financing as a percentage of gross loans, advances and financing	<u>0.02%</u>	<u>-</u>
(i) Credit-impaired loans, advances and financing by geographical distribution:		
Malaysia	<u>3,028</u>	<u>-</u>
(j) Credit-impaired loans, advances and financing by sector:		
Manufacturing	<u>3,028</u>	<u>-</u>
(k) Credit-impaired loans, advances and financing by economic purpose:		
Working capital	<u>3,028</u>	<u>-</u>

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	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)	865,116	(865,116)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(1,332,821)	1,332,821	-	-
Transfer to lifetime ECL credit- impaired (Stage 3)	(7,710)	-	7,710	-
Loans, advances and financing derecognised	(1,956,440)	(29,298)	-	(1,985,738)
New loans, advances and financing originated or purchased	2,835,857	25,203	-	2,861,060
Other adjustments	767,905	(554,130)	(1,404)	212,371
At 30 September 2019	<u>13,497,228</u>	<u>637,815</u>	<u>6,306</u>	<u>14,141,349</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)	13,845	(13,845)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(3,080)	3,080	-	-
Transfer to lifetime ECL credit- impaired (Stage 3)	(7)	-	7	-
Loans, advances and financing derecognised	(2,240)	(1,784)	-	(4,024)
New loans, advances and financing originated or purchased	2,730	-	-	2,730
Changes due to change in credit risk	(8,434)	20,301	3,021	14,888
At 30 September 2019	<u>16,840</u>	<u>26,988</u>	<u>3,028</u>	<u>46,856</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

	30 September 2019 RM'000	31 March 2019 RM'000
Interest receivable	10,597	21,275
Amount due from related corporations	4,755	194
Cash collateral placements	20,593	48,263
Other receivables	485	313
Deposits	2,112	1,996
Prepayments	522	456
	<u>39,064</u>	<u>72,497</u>
Less: Allowance for expected credit losses ("ECL")	(4)	(18)
	<u><u>39,060</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	(14)	-	-	(14)
At 30 September 2019	<u>4</u>	<u>-</u>	<u>-</u>	<u>4</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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	30 September 2019 RM'000	31 March 2019 RM'000
(a) By type of deposits:		
Demand deposits	2,100,058	1,808,922
Fixed deposits	7,638,825	7,483,463
Short-term deposits	4,535,818	4,460,183
	<u>14,274,701</u>	<u>13,752,568</u>
The maturity structure of fixed deposits is as follows:		
Due within six months	1,131,967	1,734,444
Six months to one year	566,991	400,763
One year to three years	3,064,361	1,878,851
Three years to five years	1,968,530	2,961,558
Five years to ten years	488,004	99,715
Ten years and above	418,972	408,132
	<u>7,638,825</u>	<u>7,483,463</u>
(b) By type of customers:		
Domestic non-bank financial institutions	834,156	355,487
Domestic business enterprises	6,498,344	7,543,945
Branch of immediate holding corporation	6,717,163	5,758,383
Foreign non-bank entities	223,398	93,147
Domestic other entities	1,640	1,606
	<u>14,274,701</u>	<u>13,752,568</u>

19. Deposits and placements of banks and other financial institutions

	30 September 2019 RM'000	31 March 2019 RM'000
Licensed Malaysian banks	143,677	66,338
Foreign banks		
- Immediate holding corporation	2,265,361	1,916,133
	<u>2,409,038</u>	<u>1,982,471</u>

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20. Other liabilities

	30 September 2019 RM'000	31 March 2019 RM'000
Interest payable	22,132	35,429
Amount due to immediate holding corporation and related corporations/companies	28,185	20,008
Cash collateral placements	119,593	143,184
Other payables	36,535	39,745
Accruals	6,684	12,326
	<u>213,129</u>	<u>250,692</u>

21. Provision for credit commitments and contingencies

	30 September 2019 RM'000	31 March 2019 RM'000
Provision for credit commitments and contingencies	<u>2,376</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:				
- Increase/(Decrease) in ECL	259	(13,899)	-	(13,640)
At 30 September 2019	<u>2,265</u>	<u>111</u>	<u>-</u>	<u>2,376</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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	2nd Quarter Ended		Half Year Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
Loans, advances and financing				
- Interest income	98,303	94,473	198,688	177,029
- Financing income	19,827	20,854	39,819	39,830
Money at call and deposit placements with banks and other financial institutions	44,910	45,525	92,977	84,640
Debt instruments measured at FVOCI	6,291	6,258	12,806	12,495
Others	5	-	6	8
	<u>169,336</u>	<u>167,110</u>	<u>344,296</u>	<u>314,002</u>

23. Interest expense

	2nd Quarter Ended		Half Year Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
Deposits and placements of banks and other financial institutions	8,447	17,034	18,732	30,747
Deposits from customers	94,197	87,432	195,346	162,030
Others	2	-	3	2
	<u>102,646</u>	<u>104,466</u>	<u>214,081</u>	<u>192,779</u>

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	2nd Quarter Ended		Half Year Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
Fee and commission income				
- Service charges/fees	24	5	33	19
- Guarantee fees	614	599	944	897
- Loan related fees	3,424	3,350	7,054	6,794
- Commitment fees	850	833	1,710	1,689
	<u>4,912</u>	<u>4,787</u>	<u>9,741</u>	<u>9,399</u>
Gain from derivative financial instruments	<u>3,221</u>	<u>2,642</u>	<u>4,855</u>	<u>3,910</u>
Unrealised net gain/(loss) on revaluation of derivatives	<u>4,952</u>	<u>(2,477)</u>	<u>19,221</u>	<u>(2,403)</u>
Foreign exchange, net gain	<u>20,377</u>	<u>17,002</u>	<u>40,276</u>	<u>34,370</u>
Other income				
- Management fees	2,287	2,202	4,573	4,405
- Rental of fixed assets	539	497	1,099	914
- Miscellaneous income	1,423	1,528	2,466	2,375
	<u>4,249</u>	<u>4,227</u>	<u>8,138</u>	<u>7,694</u>
	<u><u>37,711</u></u>	<u><u>26,181</u></u>	<u><u>82,231</u></u>	<u><u>52,970</u></u>

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25. Other operating expenses

	2nd Quarter Ended		Half Year Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
Personnel costs				
Salaries, allowances and bonuses	8,641	6,772	17,839	15,630
Employees' provident fund contributions	1,084	800	2,257	1,867
Staff training expenses	115	65	262	261
Staff welfare expenses	62	-	135	-
Other personnel expenses	845	889	1,946	1,773
	<u>10,747</u>	<u>8,526</u>	<u>22,439</u>	<u>19,531</u>
Establishment costs				
Rental of premises	-	164	-	1,146
Depreciation	1,030	891	2,071	1,655
Repair and maintenance	278	184	148	289
Other establishment expenses	4,323	4,587	8,323	7,920
	<u>5,631</u>	<u>5,826</u>	<u>10,542</u>	<u>11,010</u>
Marketing expenses				
Advertisement and publicity	56	83	98	125
Other marketing expenses	18	26	42	55
	<u>74</u>	<u>109</u>	<u>140</u>	<u>180</u>
Administration and general expenses				
Guarantee fees	9,161	6,903	17,558	13,275
Auditors' remuneration				
- Statutory audit	76	61	153	123
- Other services	25	37	50	75
Professional fees	49	88	143	191
Communication expenses	78	100	225	208
Management fees	5,306	4,193	9,857	8,331
Licence fees and stamp duties	37	37	75	75
Non-executive directors' fees and allowances	193	144	440	297
Other administration and general expenses	2,571	2,441	4,983	4,229
	<u>17,496</u>	<u>14,004</u>	<u>33,484</u>	<u>26,804</u>
	<u>33,948</u>	<u>28,465</u>	<u>66,605</u>	<u>57,525</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
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	2nd Quarter Ended		Half Year Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
<u>Allowance/(writeback) of allowance for expected credit losses</u>				
Loans, advances and financing	15,716	(654)	13,594	(4,062)
Provision for credit commitments and contingencies	(12,442)	12,014	(13,640)	8,433
	<u>3,274</u>	<u>11,360</u>	<u>(46)</u>	<u>4,371</u>

27. Allowance for impairment on other financial assets

	2nd Quarter Ended		Half Year Ended	
	30 September 2019 RM'000	30 September 2018 RM'000	30 September 2019 RM'000	30 September 2018 RM'000
<u>Allowance/(writeback) of allowance for expected credit losses</u>				
Cash and short-term funds	185	77	980	(30)
Deposits and placements with banks and other financial institutions	(25)	(123)	(445)	(125)
Debt instruments measured at FVOCI	56	(31)	45	9
Other assets	4	(18)	(14)	(31)
	<u>220</u>	<u>(95)</u>	<u>566</u>	<u>(177)</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 ^		
30 September 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets								
Cash and short-term funds	4,366,315	-	-	-	-	58,778	-	4,425,093
Deposits and placements with banks and other financial institutions	-	650,000	54,545	-	-	(110)	-	704,435
Debt instruments measured at FVOCI	150,682	80,131	300,786	181,880	-	-	-	713,479
Loans, advances and financing	1,814,454	1,508,754	1,922,057	7,986,181	909,903	(46,856)	-	14,094,493
Other assets	6,128	1,305	3,204	-	-	2,242	-	12,879
Derivative financial assets	-	-	4,955	298	-	-	386,344	391,597
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	48,348	-	48,348
Total assets	6,337,579	2,240,190	2,285,547	8,168,359	909,903	62,402	386,344	20,390,324

^ 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 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		
30 September 2019								
<u>Liabilities</u>								
Deposits from customers	3,254,288	1,716,647	1,263,841	5,032,892	906,976	2,100,057	-	14,274,701
Deposits and placements of banks and other financial institutions	1,537,656	746,609	37,708	83,192	-	3,873	-	2,409,038
Bills and acceptances payable	-	-	1,687	-	-	-	-	1,687
Other liabilities	8,880	11,639	7,900	5,955	2,158	176,558	-	213,090
Derivative financial liabilities	-	324	39	40,447	-	-	304,745	345,555
Total liabilities	4,800,824	2,475,219	1,311,175	5,162,486	909,134	2,280,488	304,745	17,244,071
On balance sheet interest rate gap	1,536,755	(235,029)	974,372	3,005,873	769	(2,218,086)	81,599	3,146,253
Off balance sheet interest rate gap	-	1,788,919	(361,327)	(1,400,849)	(26,743)	-	-	-
Total interest rate gap	1,536,755	1,553,890	613,045	1,605,024	(25,974)	(2,218,086)	81,599	3,146,253

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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 RM'000	Total RM'000
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest bearing RM'000		
31 March 2019								
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 HALF YEAR ENDED 30 SEPTEMBER 2019****29. Use of Financial Instruments (continued)****Interest rate risk (continued)**

	30 September 2019		31 March 2019	
	MYR	USD	MYR	USD
	% p.a.	% p.a.	% p.a.	% p.a.
Financial assets				
Cash and short-term funds	3.05	2.55	3.31	2.79
Deposits and placements with banks and other financial institutions	3.31	-	3.74	2.91
Loans, advances and financing	4.52	3.08	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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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL HALF YEAR ENDED 30 SEPTEMBER 2019

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:

	30 September 2019 RM'000	31 March 2019 RM'000
Aggregate value of outstanding credit exposures to connected parties	1,008,703	973,180
As a percentage of total credit exposures	3.89%	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:

	30 September 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	623,971	514,958
Fair value reserve	1,031	1,292
	<u>3,077,607</u>	<u>2,968,855</u>
Less: Deferred tax assets	-	-
Common Equity Tier 1 (CET 1) and Tier 1 Capital	<u>3,077,607</u>	<u>2,968,855</u>
<u>Tier 2 capital</u>		
Expected credit losses	51,449	50,929
Regulatory reserve	116,329	111,598
Tier 2 Capital	<u>167,778</u>	<u>162,527</u>
Total capital base	<u>3,245,385</u>	<u>3,131,382</u>
<u>Capital ratios</u>		
CET 1 and Tier 1 capital ratio	22.395%	22.463%
Total capital ratio	23.616%	23.692%

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

	30 September 2019 RM'000	31 March 2019 RM'000
Credit risk	12,778,893	12,348,428
Market risk	368,127	336,060
Operational risk	595,215	532,388
Total risk-weighted assets	<u>13,742,235</u>	<u>13,216,876</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL HALF YEAR ENDED 30 SEPTEMBER 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
30 September 2019			
Transaction-related contingent items	429,990	213,951	203,982
Short-term self-liquidating trade-related contingencies	152,874	30,245	30,245
Foreign exchange related contracts:			
- Less than one year	11,564,854	299,189	132,707
- One year to less than five years	8,883,628	936,910	617,046
- Five years and above	2,020,915	456,467	291,814
Interest / profit rate related contracts:			
- Less than one year	364,827	3,570	2,952
- One year to less than five years	1,400,849	45,806	32,565
- Five years and above	26,743	1,472	736
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	6,760,855	3,379,424	3,311,426
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	283,462	56,692	56,692
Total	31,888,997	5,423,726	4,680,165

* 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 HALF YEAR ENDED 30 SEPTEMBER 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 30 September 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 2 February 2018.

Tetsuya Kainaka
Chief Executive Officer

Date: 25 October 2019