SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE
31 MARCH 2026

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1. Overview

The Pillar 3 Disclosure for financial reporting beginning 1 January 2010 was introduced under the Bank Negara Malaysia's Risk-Weighted Capital Adequacy Framework ("RWCAF"), which is the equivalent to Basel II issued by the Basel Committee on Banking Supervision. Basel II consists of 3 Pillars as follows:

(a) Pillar 1 outlines the minimum amount of regulatory capital that banking institutions must hold against credit, market and operational risks assumed.

(b) Pillar 2 focuses on strengthening the supervisory review process in developing more rigorous risk management framework and techniques. The purpose is for banking institutions to implement an effective and rigorous internal capital adequacy assessment process that commensurate with the risk profile and business plans of the Bank.

(c) Pillar 3 sets out the minimum disclosure requirements of information on the risk management practices and capital adequacy of banking institution, aimed to enhance comparability amongst banking institutions.

The approaches adopted by Sumitomo Mitsui Banking Corporation Malaysia Berhad ("the Bank"), are shown in the table below:

Risk type	Approach adopted	Capital requirement assessment
Credit	Standardised Approach	Standard risk weights
Market	Standardised Approach	Standard risk weights
Operational	Standardised Approach*	Business Indicator Component and Internal Loss Multiplier

* For 31 March 2025 report and onwards, in accordance with Bank Negara Malaysia's Revised Capital Adequacy Framework (Operational Risk), issued on 15 December 2023 and effective from 1 January 2025.

The Bank’s main business activity is commercial banking focusing on corporate banking, trade and treasury businesses. The Bank is also involved in Islamic banking business providing non-Malaysia Ringgit Islamic facilities via International Currency Business Unit (“ICBU”) since March 2014 and Malaysia Ringgit Islamic facilities via Islamic Banking Window (“IBW”) since January 2023, after securing Bank Negara Malaysia (“BNM”) approval.

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2. Capital Management

The objective of the Bank's capital management policy is to maintain an adequate level of capital to support business growth strategies under an acceptable risk framework, and to meet its regulatory minimum capital requirements. The Bank's capital management process includes analysis of the risk appetite and the capital requirement for the business growth and periodical monitoring of capital adequacy ratios.

3. Capital Management Framework

The Bank has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

The Board of Directors ("the Board") has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established a Board Risk Management Committee ("BRMC"), which is responsible for developing the risk management policies and assessing the implementation of risk management by the management of the Bank. The Bank has also established a Risk Management Committee ("RMC") as one of the management committees to formulate the policies, procedures and risk limits and conduct periodical monitoring on risk exposure, risk portfolio and risk management activities.

3.1. Credit Risk

Credit risk is the risk of a financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Bank's exposure to credit risk arises principally from loans, advances and financing to customers, placements with other banks, investment in debt securities, derivative financial assets and other receivables.

Credit Risk Management

Integral to the management of credit risk, the Bank has credit policies and procedures in place to identify, measure and manage credit risk, while continually monitoring the exposure to credit risk on an ongoing basis and identify emerging risks to formulate appropriate mitigation actions.

The Bank monitors its credit concentration risk from a single counterparty exposure, large exposure or from other portfolio concentrations by setting an exposure limits on customers, customer group, industries, products, asset quality etc.

Credit evaluations are required to be performed on customers requiring credit by the business managers and credit analyst in the first line of defence function with independent risk assessment and approval roles in the second line of defence function which are clearly defined and segregated.

3.1. Credit Risk (continued)

Credit Risk Governance

The Bank has established Credit Committee as one of the management committees with the following objectives:

(i) to review, analyse and endorse or approve credit proposal by ensuring approvals are granted within the Bank's risk appetite as well as effective credit limit control and monitoring; and

(ii) the review and approvals are guided by credit policies and procedures which are reviewed periodically to ensure their continued relevance to the Bank's business strategy and the business environment.

The RMC conducts periodical monitoring on credit exposure trend, asset quality by obligor grading and its credit cost ratio in relation to the probability of default as well as default or impaired loans ratio, portfolio concentration analysis and credit related limits control such as single counterparty exposure limit, large loan limit, exposure to connected parties, product concentration limits and sectorial limits.

As at the end of the reporting period, the maximum exposure to credit risk arising from loans, advances and receivables are represented by the carrying amounts of cash and short-term funds, deposits and placements with banks and other financial institutions, debt instruments measured at FVOCI and loans, advances and financing and other receivables as shown in the statement of financial position.

The Bank has taken reasonable steps to ensure that loans, advances, investments and receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these loans, advances, investments and receivables are regular customers or counterparties that have been transacting with the Bank.

3.1. Credit Risk (continued)

Distribution of credit exposures

(a) The following table presents the gross credit exposures of financial assets of the Bank analysed by economic sector:

31 March 2026	Cash and short-term funds* RM'000	Deposits and placements with banks and other financial institutions* RM'000	Financial investments FVOCI RM'000	Loans, advances and financing* RM'000	Statutory deposits with BNM RM'000	Derivative financial assets RM'000	Plant and equipment RM'000	Other assets* RM'000	Total on-balance sheet exposures RM'000	Total off-balance sheet exposures RM'000	Total exposures RM'000
Agriculture	-	-	-	6,460	-	-	-	-	6,460	300,801	307,261
Mining and quarrying	-	-	-	396,092	-	4,726	-	-	400,818	394,623	795,441
Manufacturing	-	-	-	1,051,760	-	45,710	-	-	1,097,470	6,508,578	7,606,048
Electricity, gas and water	-	-	-	1,160,260	-	-	-	-	1,160,260	761,155	1,921,415
Construction	-	-	-	533,323	-	1,309	-	-	534,632	721,816	1,256,448
Wholesale and retail trade, and restaurants and hotel	-	-	-	529,642	-	5,730	-	-	535,372	2,506,337	3,041,709
Finance, insurance and business services	6,377,030	2,409,261	2,862,496	5,032,484	31,450	975,999	17,190	757,275	18,463,185	29,200,622	47,663,807
Transport, storage and communication	-	-	-	1,319,593	-	8,223	-	-	1,327,816	115,882	1,443,698
Real estate	-	-	-	1,676,700	-	13,974	-	-	1,690,674	602,755	2,293,429
Education, health and others	-	-	-	573,328	-	18,275	-	-	591,603	397,532	989,135
	6,377,030	2,409,261	2,862,496	12,279,642	31,450	1,073,946	17,190	757,275	25,808,290	41,510,101	67,318,391
Allowance for ECL	(74)	(296)	-	(56,146)	-	-	-	(7)	(56,523)	-	(56,523)
Other assets not subject to credit risk	-	-	-	-	-	-	-	76,444	76,444	-	76,444
	6,376,956	2,408,965	2,862,496	12,223,496	31,450	1,073,946	17,190	833,712	25,828,211	41,510,101	67,338,312

* Exclude allowance for expected credit losses ("ECL")

3.1. Credit Risk (continued)

Distribution of credit exposures (continued)

31 March 2025	Cash and short-term funds* RM'000	Deposits and placements with banks and other financial institutions* RM'000	Financial investments FVOCI RM'000	Loans, advances and financing* RM'000	Statutory deposits with BNM RM'000	Derivative financial assets RM'000	Plant and equipment RM'000	Other assets* RM'000	Total on-balance sheet exposures RM'000	Total off-balance sheet exposures RM'000	Total exposures RM'000
Agriculture	-	-	-	6,963	-	-	-	-	6,963	320,670	327,633
Mining and quarrying	-	-	-	752,449	-	49	-	-	752,498	370,220	1,122,718
Manufacturing	-	-	-	1,392,311	-	27,153	-	-	1,419,464	7,413,364	8,832,828
Electricity, gas and water	-	-	-	969,111	-	-	-	-	969,111	802,237	1,771,348
Construction	-	-	-	16,008	-	395	-	-	16,403	513,960	530,363
Wholesale and retail trade, and restaurants and hotel	-	-	-	664,833	-	1,986	-	-	666,819	2,592,820	3,259,639
Finance, insurance and business services	5,777,276	3,377,802	3,362,258	6,067,547	8,450	621,166	15,249	354,134	19,583,882	23,651,753	43,235,635
Transport, storage and communication	-	-	-	1,476,000	-	4,471	-	-	1,480,471	336,669	1,817,140
Real estate	-	-	-	1,552,407	-	6,088	-	-	1,558,495	694,509	2,253,004
Education, health and others	-	-	-	661,372	-	5,513	-	-	666,885	363,155	1,030,040
	5,777,276	3,377,802	3,362,258	13,559,001	8,450	666,821	15,249	354,134	27,120,991	37,059,357	64,180,348
Allowance for ECL	(1,784)	(1,444)	-	(82,176)	-	-	-	(144)	(85,548)	-	(85,548)
Other assets not subject to credit risk	-	-	-	-	-	-	-	116,708	116,708	-	116,708
	5,775,492	3,376,358	3,362,258	13,476,825	8,450	666,821	15,249	470,698	27,152,151	37,059,357	64,211,508

* Exclude allowance for ECL

3.1. Credit Risk (continued)

Distribution of credit exposures (continued)

(b) The following table presents the gross credit exposures of financial assets of the Bank analysed by geographical location based on where the credit risk resides:

	Cash and short-term funds* RM'000	Deposits and placements with banks and other financial institutions* RM'000	Financial investments FVOCI RM'000	Loans, advances and financing* RM'000	Statutory deposits with BNM RM'000	Derivative financial assets RM'000	Plant and equipment RM'000	Other assets* RM'000	Total on-balance sheet exposures RM'000	Total off-balance sheet exposures RM'000	Total exposures RM'000
31 March 2026											
Malaysia	6,026,491	2,409,261	2,862,496	11,798,787	31,450	1,039,080	17,190	757,275	24,942,030	39,924,128	64,866,158
Other countries	350,539	-	-	480,855	-	34,866	-	-	866,260	1,585,973	2,452,233
	6,377,030	2,409,261	2,862,496	12,279,642	31,450	1,073,946	17,190	757,275	25,808,290	41,510,101	67,318,391
31 March 2025											
Malaysia	5,509,565	3,377,802	3,362,258	13,136,907	8,450	656,619	15,249	354,134	26,420,984	34,977,653	61,398,637
Other countries	267,711	-	-	422,094	-	10,202	-	-	700,007	2,081,704	2,781,711
	5,777,276	3,377,802	3,362,258	13,559,001	8,450	666,821	15,249	354,134	27,120,991	37,059,357	64,180,348

* Exclude allowance for ECL

3.1. Credit Risk (continued)

Distribution of credit exposures (continued)

(c) The following table presents the residual contractual maturity breakdown by major types of gross credit exposures for on-balance sheet exposures of financial assets. Approximately 64.11% of the Bank's exposures to customers are short-term, having contractual maturity of one year or less:

	Cash and short-term funds* RM'000	Deposits and placements with banks and other financial institutions* RM'000	Financial investments FVOCI RM'000	Loans, advances and financing* RM'000	Statutory deposits with BNM RM'000	Derivative financial assets RM'000	Plant and equipment RM'000	Other assets* RM'000	Total on-balance sheet exposures RM'000
31 March 2026									
Up to 1 month	6,377,030	-	150,962	2,851,825	31,450	60,990	-	754,881	10,227,138
> 1-3 months	-	2,409,261	-	585,184	-	104,840	-	-	3,099,285
> 3-12 months	-	-	1,803,926	1,056,186	-	357,398	-	2,394	3,219,904
> 1-5 years	-	-	907,608	5,765,703	-	485,049	17,190	-	7,175,550
> 5 years	-	-	-	2,020,744	-	65,669	-	-	2,086,413
	6,377,030	2,409,261	2,862,496	12,279,642	31,450	1,073,946	17,190	757,275	25,808,290

* Exclude allowance for ECL

The residual contractual maturity for off-balance sheet exposures is not presented as the total off-balance sheet exposures do not represent future receivables since the Bank expects many of these commitments (such as undrawn credit facilities) to expire or unconditionally cancelled by the Bank without them being called or drawn upon.

3.1. Credit Risk (continued)

Distribution of credit exposures (continued)

	Cash and short-term funds* RM'000	Deposits and placements with banks and other financial institutions* RM'000	Financial investments FVOCI RM'000	Loans, advances and financing* RM'000	Statutory deposits with BNM RM'000	Derivative financial assets RM'000	Plant and equipment RM'000	Other assets* RM'000	Total on-balance sheet exposures RM'000
31 March 2025									
Up to 1 month	5,777,276	-	302,046	2,643,634	8,450	22,663	-	352,331	9,106,400
> 1-3 months	-	3,377,802	401,724	442,385	-	46,585	-	-	4,268,496
> 3-12 months	-	-	1,996,340	1,600,363	-	190,385	-	1,803	3,788,891
> 1-5 years	-	-	662,148	6,797,487	-	394,532	15,249	-	7,869,416
> 5 years	-	-	-	2,075,132	-	12,656	-	-	2,087,788
	5,777,276	3,377,802	3,362,258	13,559,001	8,450	666,821	15,249	354,134	27,120,991

* Exclude allowance for ECL

The residual contractual maturity for off-balance sheet exposures is not presented as the total off-balance sheet exposures do not represent future receivables since the Bank expects many of these commitments (such as undrawn credit facilities) to expire or unconditionally cancelled by the Bank without them being called or drawn upon.

3.1. Credit Risk (continued)

Credit quality of gross loans, advances and financing

The Bank's ECL model takes account of the on and off-balance sheet credit exposures to sovereign, financial institutions and corporates. The credit exposures are categorised into three stages, defined as follows:

Stage 1: Ordinary / Performing Credit Exposure (12-month ECL)
Stage 2: Exposure with Significant Increase in Credit Risk (Lifetime ECL)
Stage 3: Impaired Credit Exposure (Lifetime ECL)

The general and impairment provision of the credit exposures are equivalent to 12-month ECL or Lifetime ECL, depending on the stage of credit exposures applicable to each financial asset.

All gross loans, advances and financing are neither past due nor impaired as at the following reporting dates:

	2026 RM'000	2025 RM'000
At amortised cost:		
Overdraft	-	42,181
Term loans / financing		
- Syndicated loans / Syndicated Islamic financing	2,482,444	2,936,572
- Factoring receivables	132,600	48,014
- Other term loans / Islamic term financing	4,211,285	5,557,714
Trade bills discounted	12,357	4,598
Revolving credits / Revolving credit-i	5,440,956	4,969,922
Trust receipt	-	-
Gross loans, advances and financing	12,279,642	13,559,001
Less: Allowance for ECL		
- 12-month ECL (Stage 1)	(7,194)	(4,915)
- Lifetime ECL not credit impaired (Stage 2)	(3,719)	(26,982)
- Lifetime ECL credit impaired (Stage 3)	(45,233)	(50,279)
Net loans, advances and financing	12,223,496	13,476,825

3.1. Credit Risk (continued)

Credit quality of gross loans, advances and financing (continued)

(a) The following table presents the ECL allowance for impairment on loans, advances and financing of the Bank analysed by economic sector:

	Agriculture RM'000	Mining and quarrying RM'000	Manufacturing RM'000	Electricity, gas and water RM'000	Construction RM'000	Wholesale and retail trade, and restaurants and hotel RM'000	Finance, insurance and business services RM'000	Transport, storage and communication RM'000	Real estate RM'000	Education, health and other services RM'000	Total RM'000
31 March 2026											
Loans, advances and financing	31	-	1,578	75	64	45,752	1,543	2,634	3,594	875	56,146
	31	-	1,578	75	64	45,752	1,543	2,634	3,594	875	56,146

Restated	Agriculture RM'000	Mining and quarrying RM'000	Manufacturing RM'000	Electricity, gas and water RM'000	Construction RM'000	Wholesale and retail trade, and restaurants and hotel RM'000	Finance, insurance and business services RM'000	Transport, storage and communication RM'000	Real estate RM'000	Education, health and other services RM'000	Total RM'000
31 March 2025											
Loans, advances and financing	125	298	1,603	3,708	3	54,034	2,268	5,213	13,507	1,417	82,176
	125	298	1,603	3,708	3	54,034	2,268	5,213	13,507	1,417	82,176

3.1. Credit Risk (continued)

Credit quality of gross loans, advances and financing (continued)

(b) The following table presents the ECL allowance for impairment on loans, advances and financing of the Bank analysed by geographical location based on where the credit risk resides:

	Malaysia RM'000	Other countries RM'000	Total RM'000
31 March 2026			
Loans, advances and financing	9,671	46,475	56,146

	Malaysia RM'000	Other countries RM'000	Total RM'000
31 March 2025			
Loans, advances and financing	28,510	53,666	82,176

3.1. Credit Risk (continued)

Credit quality of gross loans, advances and financing (continued)

(c) Movements in impairment allowances on loans, advances and financing which reflects ECL model on impairment as follows:

	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 2025	4,915	26,982	50,279	82,176
Net allowance for/(writeback of) ECL	2,279	(23,263)	(5,046)	(26,030)
Transfer to 12-month ECL (Stage 1)	9,747	(9,747)	-	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(747)	747	-	-
Transfer to lifetime ECL credit impaired (Stage 3)	-	-	-	-
Loans, advances and financing derecognised	(1,352)	(2,340)	(655)	(4,347)
New loans, advances and financing originated or purchased	1,817	1,310	-	3,127
Net remeasurement of allowance^	(7,186)	(13,233)	(4,391)	(24,810)
At 31 March 2026	7,194	3,719	45,233	56,146
At 1 April 2024	5,948	32,064	53,585	91,597
Net writeback of ECL	(1,033)	(5,082)	(3,306)	(9,421)
Transfer to 12-month ECL (Stage 1)	11,047	(11,047)	-	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(1,815)	1,815	-	-
Transfer to lifetime ECL credit impaired (Stage 3)	-	-	-	-
Loans, advances and financing derecognised	(3,084)	(10,879)	-	(13,963)
New loans, advances and financing originated or purchased	3,387	5,307	-	8,694
Net remeasurement of allowance	(10,568)	9,722	(3,306)	(4,152)
At 31 March 2025	4,915	26,982	50,279	82,176

^ The net remeasurement during the financial year ended 31 March 2026 is mainly arising from the changes in model assumptions and methodologies in relation to the revision in forward-looking modelling.

3.1. Credit Risk (continued)

Disclosure for portfolio under Standardised Approach

The Bank refers to the credit ratings assigned by credit rating agencies in its calculation of credit risk-weighted assets. The following are the External Credit Assessment Institutions ("ECAI") ratings used by the Bank and are recognised by BNM in the RWCAF:

(a) Standard & Poor's Rating Services ("S & P")
(b) Moody's Investors Service ("Moody's")
(c) Fitch Ratings ("Fitch")
(d) RAM Rating Services Berhad ("RAM")
(e) Malaysian Rating Corporation Berhad ("MARC")
(f) Rating and Investment Information, Inc. ("R&I")

The ECAI ratings accorded to the following counterparty exposure classes are used in the calculation of risk-weighted assets for capital adequacy purposes:
(a) Sovereigns and Central Bank
(b) Banking Institutions
(c) Corporates

Rated and Unrated Counterparties
In general, the issue rating i.e. the rating specific to the credit exposure is used. When there is no specific rating available, the credit rating assigned to the issuer or counterparty of the particular credit exposure is used. In cases where an exposure has neither an issue or issuer rating, it is deemed as unrated.

Where a counterparty or an exposure is rated by more than one ECAI, all available external ratings of the counterparty will be captured and the following rules will be observed:

- Where 2 recognised external ratings are available, the lower rating is to be applied; or
- Where 3 or more recognised external ratings are available, the lower of the highest 2 ratings will be used for the capital adequacy calculation purposes.

3.1. Credit Risk (continued)

Disclosure for portfolio under Standardised Approach (continued)

A. The following is a summary of the rules governing the assignment of risk weights and rating categories under the Standardised Approach:

Sovereigns and Central Banks

Rating category	S & P	Moody's	Fitch	R&I	Risk Weight
1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA-	0%
2	A+ to A-	A1 to A3	A+ to A-	A+ to A-	20%
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	BBB+ to BBB-	50%
4	BB+ to B-	Ba1 to B3	BB+ to B-	BB+ to B-	100%
5	CCC+ to D	Caa1 to C	CCC+ to D	CCC+ to C	150%
Unrated					100%

Banking Institutions

Rating category	S & P	Moody's	Fitch	RAM	MARC	R&I	Risk Weight
1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA3	AAA to AA-	AAA to AA-	20%
2	A+ to A-	A1 to A3	A+ to A-	A1 to A3	A+ to A-	A+ to A-	50%
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	BBB1 to BBB3	BBB+ to BBB-	BBB+ to BBB-	50%
4	BB+ to B-	Ba1 to B3	BB+ to B-	BB1 to B3	BB+ to B-	BB+ to B-	100%
5	CCC+ to D	Caa1 to C	CCC+ to D	C1 to D	C+ to D	CCC+ to C	150%
Unrated							50%

3.1. Credit Risk (continued)

Disclosure for portfolio under Standardised Approach (continued)

A. The following is a summary of the rules governing the assignment of risk weights and rating categories under the Standardised Approach (continued):

Corporate

Rating category	S & P	Moody's	Fitch	RAM	MARC	R&I	Risk Weight
1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA3	AAA to AA-	AAA to AA-	20%
2	A+ to A-	A1 to A3	A+ to A-	A1 to A3	A+ to A-	A+ to A-	50%
3	BBB+ to BB-	Baa1 to Ba3	BBB+ to BB-	BBB1 to BB3	BBB+ to BB-	BBB+ to BB-	100%
4	B+ to D	B1 to C	B+ to D	B1 to D	B+ to D	B+ to D	150%
Unrated							100%

3.1. Credit Risk (continued)

Disclosure for portfolio under Standardised Approach (continued)

B. The following table presents the breakdown of credit exposures by risk weights of the Bank:

31 March 2026 Risk Weights	Sovereigns/ Central Banks RM'000	Public Sector Entities RM'000	Banks, Development Financial Institutions and MDBs RM'000	Corporates RM'000	Other Assets RM'000	Total Exposure after Netting and Credit Risk Mitigation RM'000	Total Risk-Weighted Assets RM'000
0%	4,939,011	-	-	4,841,893	-	9,780,904	-
20%	889,295	-	6,907,830	2,806,372	-	10,603,497	2,120,699
50%	-	-	806,665	245,562	-	1,052,227	526,114
100%	-	167,345	-	10,743,127	29,589	10,940,061	10,940,061
Total	5,828,306	167,345	7,714,495	18,636,954	29,589	32,376,689	13,586,874
Risk-weighted assets by exposure	177,859	167,345	1,784,899	11,427,182	29,589	13,586,874	
Average risk weight	3.1%	100.0%	23.1%	61.3%	100.0%	42.0%	
Deduction from capital base	-	-	-	-	-	-	

3.1. Credit Risk (continued)

Disclosure for portfolio under Standardised Approach (continued)

B. The following table presents the breakdown of credit exposures by risk weights of the Bank (continued):

Restated 31 March 2025 Risk Weights	Sovereigns/ Central Banks RM'000	Public Sector Entities RM'000	Banks, Development Financial Institutions and MDBs RM'000	Corporates RM'000	Other Assets RM'000	Total Exposure after Netting and Credit Risk Mitigation RM'000	Total Risk-Weighted Assets RM'000
0%	3,694,963	-	-	6,251,018	-	9,945,981	-
20%	1,373,813	-	8,266,401	3,440,135	-	13,080,349	2,616,070
50%	-	-	1,022,405	321,077	-	1,343,482	671,742
100%	-	53,855	-	9,593,388	31,987	9,679,230	9,679,230
Total	5,068,776	53,855	9,288,806	19,605,618	31,987	34,049,042	12,967,042
Risk-weighted assets by exposure	274,763	53,855	2,164,483	10,441,954	31,987	12,967,042	
Average risk weight	5.4%	100.0%	23.3%	53.3%	100.0%	38.1%	
Deduction from capital base	-	-	-	-	-	-	

3.1. Credit Risk (continued)

Disclosure for portfolio under Standardised Approach (continued)

C. The following table presents the on and off balance sheet credit exposures, categorised according to the credit quality rating:

	Rating Categories					
	1	2	3	4	5	Unrated
31 March 2026	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Sovereign and Central Bank	4,939,011	889,295	-	-	-	-
Public Sector Entities	-	-	-	-	-	167,345
Banks, Development Financial Institutions and MDBs	6,907,830	806,665	-	-	-	-
Corporates ^	7,648,265	245,562	10,743,127	-	-	-
Other assets *	-	-	-	-	-	29,589

	Rating Categories					
Restated	1	2	3	4	5	Unrated
31 March 2025	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Sovereign and Central Bank	3,694,963	1,373,813	-	-	-	-
Public Sector Entities	-	-	-	-	-	53,855
Banks, Development Financial Institutions and MDBs	8,254,677	1,022,405	-	-	-	-
Corporates	9,691,153	321,077	9,605,112	-	-	-
Other assets #	-	-	-	-	-	31,987

^ Total cash collateral of RM4,841,893 thousand was rated at 0% risk under corporates.
Total cash collateral of RM1,617,548 thousand was rated at 20% risk under corporates.

* Total cash of other assets at nil was rated at 0% risk. The remaining balance was classified under 100% risk.

\# Total cash of other assets at nil was rated at 0% risk. The remaining balance was classified under 100% risk.

3.1. Credit Risk (continued)

General Disclosure for Off-Balance Sheet Exposure and Counterparty Credit Risk

The following table presents the Bank's off-balance sheet exposure and counterparty credit risk:

31 March 2026 Description	Principal amount RM'000	Positive fair value of derivative contracts RM'000	Negative fair value of derivative contracts RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Transaction related contingent item	618,945			309,473	309,473
Short-term self-liquidating trade related contingencies	248,726			49,745	29,048
Foreign exchange related contracts:					
- Less than one year	20,724,881	522,174	530,108	880,633	610,111
- One year to less than five years	8,074,497	482,555	534,323	1,187,698	558,878
- Five years and above	727,804	62,152	56,727	179,830	138,784
Interest/Profit rate related contracts					
- Less than one year	152,062	1,054	937	1,430	786
- One year to less than five years	534,650	2,494	2,237	12,991	9,713
- Five years and above	186,779	3,517	1,912	27,798	19,969
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	276,326			55,265	37,648
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	9,965,431			4,982,715	4,626,518
Total	41,510,101	1,073,946	1,126,244	7,687,578	6,340,928

3.1. Credit Risk (continued)

General Disclosure for Off-Balance Sheet Exposure and Counterparty Credit Risk (continued)

The following table presents the Bank's off-balance sheet exposure and counterparty credit risk (continued):

31 March 2025 Description	Principal amount RM'000	Positive fair value of derivative contracts RM'000	Negative fair value of derivative contracts RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Transaction related contingent item	505,992			252,996	252,996
Short-term self-liquidating trade related contingencies	335,752			67,150	38,639
Foreign exchange related contracts:					
- Less than one year	13,305,428	259,463	241,219	556,606	295,645
- One year to less than five years	9,846,444	379,066	368,296	1,228,800	551,343
- Five years and above	750,328	9,190	3,961	141,841	53,185
Interest/Profit rate related contracts					
- Less than one year	75,266	87	64	173	108
- One year to less than five years	1,246,007	15,579	14,421	39,497	26,854
- Five years and above	197,868	3,436	1,643	31,137	22,494
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	248,384			49,677	47,231
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	10,547,888			5,273,945	4,893,095
Total	37,059,357	666,821	629,604	7,641,822	6,181,590

3.1. Credit Risk (continued)

Credit Risk Mitigation

When extending credit, the Bank shall make reasonable credit judgment after confirming the credit standing and repayment/payment ability of the borrower/customer and does not grant credit facilities solely on the basis of the collateral provided. Credit facilities may be provided on an unsecured basis or with some credit supports depending on few common factors such as the strength of customer's credit standing, product type and/or the total counterparty exposures. Credit risk mitigation nevertheless is an important aspect of effective risk management in the Bank.

Collaterals taken by the Bank generally are cash, properties and corporate guarantees. At present, the Bank does not make use of credit derivative instruments and on and off-balance sheet netting in the bank's credit risk mitigation process. The netting arrangement will be considered on an as-and-when basis to minimise the Bank’s risk exposures. Exposures arising from forex and derivatives are typically mitigated through agreements such as the International Swaps and Derivatives Association (ISDA) Master Agreements and the Credit Support Annex (CSA). Such agreements help to minimise credit exposure by allowing the Bank to offset what it owes to a counterparty against what is due from that counterparty in the event of default. The Bank has procedures to ensure that appropriate information is available to support the collateral process and to highlight counterparties that have not met their requirement for additional collateral to satisfy specified initial margin amount and variation margin threshold.

For calculating and assessing Net Credit Risk-Weighted Assets (RWA), the Bank takes into account eligible collaterals pledged with the Bank, that are primarily cash deposits. Collateral haircuts are applied when there is a currency mismatch between customer exposure and collaterals.

For collateral valuation and management, the Bank is guided by its credit policy and procedures. The collaterals legal enforceability are reviewed on yearly basis or as and when there are any changes to the relevant regulations.

3.1. Credit Risk (continued)

Credit Risk Mitigation (continued)

The following tables disclose the total exposure before the effect of Credit Risk Mitigation ("CRM") and the exposures covered by guarantees, credit derivatives and eligible financial collateral:

31 March 2026 **Exposure Class**	**Exposures before CRM RM'000**	**Exposures covered by Guarantees/ Credit Derivatives RM'000**	**Exposures covered by Eligible Financial Collateral RM'000**	**Exposures covered by Other Eligible Collateral RM'000**
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns / Central Banks	5,828,306	-	-	-
Public Sector Entities	-	-	-	-
Banks, Development Financial Institutions & MDBs	6,680,980	-	-	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-
Corporates	12,150,236	-	6,459,441	-
Regulatory Retail	-	-	-	-
Residential Mortgages	-	-	-	-
Higher Risk Assets	-	-	-	-
Other Assets	29,589	-	-	-
Specialised Financing / Investment	-	-	-	-
Equity Exposure	-	-	-	-
Securitisation Exposure	-	-	-	-
Defaulted Exposure	-	-	-	-
Total On-Balance Sheet Exposures	**24,689,111**	**-**	**6,459,441**	**-**
Off-Balance Sheet Exposures				
OTC Derivatives	2,290,379	-	-	-
Credit Derivatives	-	-	-	-
Off-Balance sheet exposures other than OTC derivatives or credit derivatives	5,397,199	-	-	-
Defaulted exposures	-	-	-	-
Total Off-Balance Sheet Exposures	**7,687,578**	**-**	**-**	**-**
Total On and Off-Balance Sheet Exposures	**32,376,689**	**-**	**6,459,441**	**-**

3.1. Credit Risk (continued)

Credit Risk Mitigation (continued)

The following tables disclose the total exposure before the effect of Credit Risk Mitigation ("CRM") and the exposures covered by guarantees, credit derivatives and eligible financial collateral (continued):

31 March 2025 Restated **Exposure Class**	**Exposures before CRM RM'000**	**Exposures covered by Guarantees/ Credit Derivatives RM'000**	**Exposures covered by Eligible Financial Collateral RM'000**	**Exposures covered by Other Eligible Collateral RM'000**
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns / Central Banks	5,068,776	-	-	-
Public Sector Entities	-	-	-	-
Banks, Development Financial Institutions & MDBs	8,335,660	-	-	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-
Corporates	12,970,797	-	8,148,412	-
Regulatory Retail	-	-	-	-
Residential Mortgages	-	-	-	-
Higher Risk Assets	-	-	-	-
Other Assets	31,987	-	-	-
Specialised Financing / Investment	-	-	-	-
Equity Exposure	-	-	-	-
Securitisation Exposure	-	-	-	-
Defaulted Exposure	-	-	-	-
Total On-Balance Sheet Exposures	**26,407,220**	**-**	**8,148,412**	**-**
Off-Balance Sheet Exposures				
OTC Derivatives	1,998,055	-	-	-
Credit Derivatives	-	-	-	-
Off-Balance sheet exposures other than OTC derivatives or credit derivatives	5,643,767	-	-	-
Defaulted exposures	-			
Total Off-Balance Sheet Exposures	**7,641,822**	**-**	**-**	**-**
Total On and Off-Balance Sheet Exposures	**34,049,042**	**-**	**8,148,412**	**-**

3.1. Credit Risk (continued)

The Counterparty Credit Risk (CCR) on derivative financial instruments is the risk that the Bank's counterparty in a foreign exchange, interest rate, options or credit derivative contract defaults prior to maturity date of the contract and the Bank has a claim on the counterparty at a relevant time. The Bank's financial loss is not the entire contracted principal value of the derivatives, but the Bank will only suffer a replacement cost if the contract carries a fair value gain at time of default.

The CCR is managed via the establishment of counterparty limits and also managed as part of the overall lending limits to banks and customers based on BNM's Single Counterparty Exposure Limit ("SCEL"). As the CCR exposure fluctuates with market variables, CCR is measured as the sum of mark-to-market (MTM) plus appropriate add-on factor for Potential Exposure (PE). The PE factor is an estimate of the maximum credit exposure over the remaining life of the foreign exchange (FX)/ derivative transactions and is used for limit setting estimation and internal risk management.

3.2. Liquidity Risk

Liquidity risk is the risk when the Bank fails to raise funds to meet the present or future demand of customers or counterparties at a reasonable cost. The potential liquidity risks of the Bank mainly include customers' premature and collective withdrawal, overdue payment of the debtors, mismatched asset-liability maturity structure and difficulties in realisation of assets. Liquidity risk management in the Bank followed the six process which is Identification, Assessment, Monitoring, Review, Control and Reporting.

No	Process	Description
1	Identification	Identify potential cash flow short fall.
2	Assessment	Assess cash flow short fall and build risk profile.
3	Monitoring	Observe the indicators that measure cash flow short fall.
4	Review	Review and challenge the liquidity risk management.
5	Control	Establish key control process and monitor effectiveness of control.
6	Reporting	Report on key risk indicators and remedial action to mitigate risk.

The primary tool used for monitoring liquidity is the Bank Negara Malaysia's Liquidity Coverage Ratio ("LCR") which requires the Bank to maintain at least 100% on an ongoing basis. The LCR measured the adequacy of high quality liquid assets to withstand acute liquidity stress scenario over 30-day horizon. It is further supplemented with the internal liquidity risk management policies set by the Board and incorporated in the Market / Liquidity Risk Management policies and procedures. These policies ensure that the liquidity surpluses are within the limit. The Assets and Liabilities Management Committee ("ALCO") is responsible for the liquidity risk management. The liquidity risk management activities are carried out through active management of maturity profiles of assets and liabilities, diversification of the funding base and proactive management of the Bank's customer deposits. It also contained liquidity stress testing with market-wide, idiosyncratic and combined scenario to measure the bank position in stress period.

For the financial period ended 31 March 2026, the simple average of recent 12 month end LCRs increased by 5.60% mainly due to lower net cash outflow.

The LCR are as follows:

FYE 31 March	2026	2025
Simple average of recent 12 months	191.88%	186.28%

3.3. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Bank's financial position or cash flows due to the revaluation of financial instruments categorised as trading items. The objective of market risk management is to manage and control market risk exposures within the predetermined limits which are in line with the risk appetite of the Bank.

The BRMC approves the Bank's market risk appetite taking account of market volatility, the range of traded products and assets classes, the business volumes and transaction sizes. Market risk appetite has remained broadly stable since 2011 and to date.

The BRMC is responsible for the limit setting at a business level. The BRMC is also responsible for policies and other standards for the control of market risk and overseeing their effective implementation. These policies cover both trading and non-trading books of the Bank.

All permanent limits are approved by the Board / BRMC prior to implementation. Exceptions are escalated to the Board / BRMC.

Interest rate risk management

Interest rate risk in market risk management refers to the changes in the present values of fixed income securities in the trading book and derivative instrument such as interest rate swap, currency swap and forward exchange rate contracts, as a result of changes in the levels of market interest rates. Bank's ALCO regularly reviews the interest rate outlook, assessed the vulnerability of present values of the trading book items and develops strategies to mitigate interest rate risk.

3.3. Market Risk (continued)

Foreign exchange risk management

Foreign exchange risk arises from exchange rate movements, which affects the profit of the Bank from its foreign exchange open positions taken from time to time. This risk is principally managed by setting predetermined limits on open foreign exchange positions against these limits and the setting and monitoring of cut-loss mechanisms. To mitigate this risk the Bank's foreign exchange positions with customers are normally hedged with counter deals in the market and the Bank does not keep any large open currency positions. The Bank enters into foreign exchange related derivatives, namely spot and forward contracts, as part of its strategies to manage foreign exchange risk.

	Long position RM'000	Short position RM'000	Risk-weighted assets RM'000	Minimum capital requirements at 8% RM'000
31 March 2026				
Interest rate risk	29,017,266	28,959,444	299,265	23,941
Foreign exchange risk	6,691	(8,069)	8,069	646
	29,023,957	28,951,375	307,334	24,587
31 March 2025				
Interest rate risk	24,062,654	23,989,455	297,185	23,775
Foreign exchange risk	6,124	(1,432)	6,124	490
	24,068,778	23,988,023	303,309	24,265

3.3. Market Risk (continued)

Interest Rate Risk in Banking Book

Interest rate risk is defined as the potential impact on the Bank's earnings (i.e. the net interest income) and the net assets value resulting from a change in interest rates.

Interest rate risk in banking book is managed through the Bank's ALCO, which meets on a monthly basis. The committee is responsible to study the sensitivity of the net interest income against the change in interest rates and subsequently, to determine the Bank's policy on balance sheet management. The committee also monitors the impact of the change in interest rates on the net assets value.

The primary tool used for monitoring the interest rate risk impact on the earnings is the re-pricing gap analysis. In this analysis, the re-price dates of rate sensitive assets are compared against the re-price dates of rate sensitive liabilities. A positive gap position indicates that more assets are available to be re-priced than liabilities; hence, an increase in the interest rates will positively impact the Bank's net interest income.

In addition to monitoring the assets and liabilities gap, the Bank also uses interest rate derivatives (i.e. interest rate swaps) to mitigate the interest rate risk impact on the earnings.

The primary tool used to monitor the interest rate risk impact on the net assets value is the basis point value ("BPV") analysis and economic value of equity ("EVE") analysis. The Bank's BPV positions are monitored on daily basis against the approved BPV limits as set by the Head Office based on recommendation by ALCO, whereas, the EVE is monitored and reported to ALCO on a monthly basis.

3.3. Market Risk (continued)

Interest Rate Risk in Banking Book (continued)

The table below details the disclosure for interest rate risk in the banking book, the increase or decline in earnings and equity for upward and downward rate shocks which are consistent with shocks applied in simulation for measuring interest rate risk, broken down by various currencies, where relevant. Simulation is measured based on the banking book positions as at reporting date and does not take into account loans / financing and deposit owing to prepayments/ premature withdrawals.

	Impact on positions as at reporting date (200 basis points) Hike		Impact on positions as at reporting date (200 basis points) Hike	
Type of Currency	**Decrease in profit before taxation**	**Decrease in equity**	**Decrease in profit before taxation**	**Decrease in equity**
	31 March 2026 RM'000	**31 March 2026 RM'000**	**31 March 2025 RM'000**	**31 March 2025 RM'000**
JPY	(256,770)	(195,145)	(195,369)	(148,480)
USD	(3,181)	(2,418)	(10,004)	(7,603)
MYR	(858,575)	(652,517)	(526,911)	(400,452)

3.4. Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, human behaviour and systems, or from external events. Operational risk is inherent in each of the Bank's business activities. It includes risks such as fraud, physical damage, business interruption, transaction failures, legal and regulatory breaches, shariah non-compliance and employee health and safety hazards. Operational risk may result in direct financial loss as well as indirect financial losses to the Bank.

Operational risks are managed and controlled within the individual business lines. The RMC monitors the predetermined items to assess the trend of operational risks.

The Calculation of Value Equivalent to Operational Risk-weighted Assets

The calculation of value equivalent to operational risk-weighted assets used by the Bank is based on Standardised Approach, for 31 March 2025 report and onwards, in accordance with Bank Negara Malaysia's Revised Capital Adequacy Framework (Operational Risk), issued on 15 December 2023 and effective from 1 January 2025.

The following tables present the minimum disclosure on regulatory capital requirements on operational risk.

31 March 2026	**Risk-Weighted Assets RM'000**	**Minimum Capital Requirements at 8% RM'000**
Operational Risk	763,478	61,078

31 March 2025	**Risk-Weighted Assets RM'000**	**Minimum Capital Requirements at 8% RM'000**
Operational Risk	720,047	57,604

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]
(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE
31 MARCH 2026

4. Capital Adequacy

(a) The capital adequacy ratios of the Bank are as follows:

	31 March 2026	31 March 2025
Core capital ratio	31.013%	30.452%
Risk-weighted capital ratio	32.172%	31.611%

The capital adequacy ratios consist of capital base and risk-weighted assets derived from balances of the Bank. Beginning 1 January 2016, the minimum regulatory capital adequacy requirement has been increased to include capital requirement for capital conservation buffer and countercyclical capital buffer. As at 31 March 2026, the minimum regulatory capital adequacy and capital buffer requirement is 10.50% (March 2025: 10.50%) for the risk-weighted capital ratio.

4. Capital Adequacy (continued)

(b) The breakdown of risk-weighted assets by exposures in each major risk category are as follows:

31 March 2026 Exposure class	Gross exposures RM'000	Net exposures RM'000	Risk-weighted assets RM'000	Capital requirements RM'000
(i) Credit risk				
On-balance sheet exposures:				
Sovereigns / Central Banks	5,828,306	5,828,306	177,859	14,229
Banks, Development Financial Institutions and MDBs	6,680,980	6,680,980	1,351,368	108,109
Corporates	12,150,236	12,150,236	5,687,130	454,970
Other assets	29,589	29,589	29,589	2,367
Total on-balance sheet exposures	24,689,111	24,689,111	7,245,946	579,676
Off-balance sheet exposures:				
Credit-related exposures	7,687,578	7,687,578	6,340,928	507,274
Total off-balance sheet exposures	7,687,578	7,687,578	6,340,928	507,274
Total on and off-balance sheet exposures	32,376,689	32,376,689	13,586,874	1,086,950
(ii) Large exposure risk requirement	-	-	-	-

	Long position RM'000	Short position RM'000			
(iii) Market risk					
Interest rate risk	29,017,266	28,959,444	57,822	299,265	23,941
Foreign exchange risk	6,691	(8,069)	14,760	8,069	646
	29,023,957	28,951,375	72,582	307,334	24,587
(iv) Operational risk				763,478	61,078
Total risk-weighted assets and capital requirements				14,657,686	1,172,615

4. Capital Adequacy (continued)

Restated 31 March 2025 Exposure class	Gross exposures RM'000	Net exposures RM'000	Risk-weighted assets RM'000	Capital requirements RM'000
(i) Credit risk				
On-balance sheet exposures:				
Sovereigns / Central Banks	5,068,776	5,068,776	274,763	21,981
Banks, Development Financial Institutions and MDBs	8,335,660	8,335,660	1,727,122	138,170
Corporates	12,970,797	12,970,797	4,751,580	380,126
Other assets	31,987	31,987	31,987	2,559
Total on-balance sheet exposures	26,407,220	26,407,220	6,785,452	542,836
Off-balance sheet exposures:				
Credit-related exposure	7,641,822	7,641,822	6,181,590	494,527
Total off-balance sheet exposures	7,641,822	7,641,822	6,181,590	494,527
Total on and off-balance sheet exposures	34,049,042	34,049,042	12,967,042	1,037,363
(ii) Large exposure risk requirement	-	-	-	-

(iii) Market risk	Long position RM'000	Short position RM'000			
Interest rate risk	24,062,654	23,989,455	73,199	297,185	23,775
Foreign exchange risk	6,124	(1,432)	7,556	6,124	490
	24,068,778	23,988,023	80,755	303,309	24,265
(iv) Operational risk				720,047	57,604
Total risk-weighted assets and capital requirements				13,990,398	1,119,232

5. Capital Structure

The components of Tier 1 and Tier 2 capital of the Bank are as follows:

	31 March 2026 RM'000	Restated 31 March 2025 RM'000
Tier 1 capital		
Paid-up ordinary share capital	2,452,605	2,452,605
Retained earnings	2,091,643	1,805,889
Other reserves	160,160	160,124
	4,704,408	4,418,618
Less: Deferred tax assets	-	-
55% of fair value reserve	(1,917)	(2,309)
Regulatory reserve	(156,675)	(155,926)
Total Common Equity Tier 1 (CET 1) and Tier 1 capital	4,545,816	4,260,383
Tier 2 capital		
General provision and regulatory reserves *	169,836	162,088
Total Tier 2 capital	169,836	162,088
Total capital base	4,715,652	4,422,471

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

6. The operations of Islamic Banking Window

6.1. Credit Risk

Distribution of credit exposures by Islamic Banking Window

(a) The following table presents the gross credit exposures of financial assets of the Bank analysed by economic sector:

31 March 2026	Cash and short-term funds* RM'000	Deposits and placements with banks and other financial institutions* RM'000	Financial investments FVOCI RM'000	Loans, advances and financing* RM'000	Statutory deposits with BNM RM'000	Derivative financial assets RM'000	Plant and equipment RM'000	Other assets* RM'000	Total on-balance sheet exposures RM'000	Total off-balance sheet exposures RM'000	Total exposures RM'000
Finance, insurance and business services	175,762	-	-	-	-	-	-	6,825	182,587	-	182,587
	175,762	-	-	-	-	-	-	6,825	182,587	-	182,587
Allowance for ECL	-	-	-	-	-	-	-	-	-	-	-
Other assets not subject to credit risk	-	-	-	-	-	-	-	-	-	-	-
	175,762	-	-	-	-	-	-	6,825	182,587	-	182,587

31 March 2025	Cash and short-term funds* RM'000	Deposits and placements with banks and other financial institutions* RM'000	Financial investments FVOCI RM'000	Loans, advances and financing* RM'000	Statutory deposits with BNM RM'000	Derivative financial assets RM'000	Plant and equipment RM'000	Other assets* RM'000	Total on-balance sheet exposures RM'000	Total off-balance sheet exposures RM'000	Total exposures RM'000
Finance, insurance and business services	30,000	-	-	-	-	-	-	4,045	34,045	-	34,045
	30,000	-	-	-	-	-	-	4,045	34,045	-	34,045
Allowance for ECL					-	-	-		-	-	-
Other assets not subject to credit risk	-	-	-	-	-	-	-		-	-	-
	30,000	-	-	-	-	-	-	4,045	34,045	-	34,045

6. The operations of Islamic Banking Window

6.1. Credit Risk

* Exclude allowance for ECL

6. The operations of Islamic Banking Window

6.1. Credit Risk

Distribution of credit exposures by Islamic Banking Window (continued)

(b) The following table presents the gross credit exposures of financial assets of the Bank analysed by geographical location based on where the credit risk resides:

	Cash and short-term funds* RM'000	Deposits and placements with banks and other financial institutions* RM'000	Financial investments FVOCI RM'000	Loans, advances and financing* RM'000	Statutory deposits with BNM RM'000	Derivative financial assets RM'000	Plant and equipment RM'000	Other assets* RM'000	Total on-balance sheet exposures RM'000	Total off-balance sheet exposures RM'000	Total exposures RM'000
31 March 2026											
Malaysia	175,762	-	-	-	-	-	-	6,825	182,587	-	182,587
	175,762	-	-	-	-	-	-	6,825	182,587	-	182,587
31 March 2025											
Malaysia	30,000	-	-	-	-	-	-	4,045	34,045	-	34,045
	30,000	-	-	-	-	-	-	4,045	34,045	-	34,045

* Exclude allowance for ECL

6. The operations of Islamic Banking Window

6.1. Credit Risk

Distribution of credit exposures by Islamic Banking Window (continued)

(c) The following table presents the residual contractual maturity breakdown by major types of gross credit exposures for on-balance sheet exposures of financial assets. 100% of the Bank's exposures to customers are short-term, having contractual maturity of one year or less:

	Cash and short-term funds* RM'000	Deposits and placements with banks and other financial institutions* RM'000	Financial investments FVOCI RM'000	Loans, advances and financing* RM'000	Statutory deposits with BNM RM'000	Derivative financial assets RM'000	Plant and equipment RM'000	Other assets* RM'000	Total on-balance sheet exposures RM'000
31 March 2026									
Up to 1 month	175,762	-	-	-	-	-	-	-	175,762
> 1-3 months	-	-	-	-	-	-	-	-	-
> 3-12 months	-	-	-	-	-	-	-	6,825	6,825
	175,762	-	-	-	-	-	-	6,825	182,587

* Exclude allowance for ECL

The residual contractual maturity for off-balance sheet exposures is not presented as the total off-balance sheet exposures do not represent future receivables since the Bank expects many of these commitments (such as undrawn credit facilities) to expire or unconditionally cancelled by the Bank without them being called or drawn upon.

6. The operations of Islamic Banking Window

6.1. Credit Risk

Distribution of credit exposures by Islamic Banking Window (continued)

	Cash and short-term funds* RM'000	Deposits and placements with banks and other financial institutions* RM'000	Financial investments FVOCI RM'000	Loans, advances and financing* RM'000	Statutory deposits with BNM RM'000	Derivative financial assets RM'000	Plant and equipment RM'000	Other assets* RM'000	Total on-balance sheet exposures RM'000
31 March 2025									
Up to 1 month	30,000	-	-	-	-	-	-	-	30,000
> 1-3 months	-	-	-	-	-	-	-	-	-
> 3-12 months	-	-	-	-	-	-	-	4,045	4,045
	30,000	-	-	-	-	-	-	4,045	34,045

* Exclude allowance for ECL

The residual contractual maturity for off-balance sheet exposures is not presented as the total off-balance sheet exposures do not represent future receivables since the Bank expects many of these commitments (such as undrawn credit facilities) to expire or unconditionally cancelled by the Bank without them being called or drawn upon.

6. The operations of Islamic Banking Window

6.1. Credit Risk

Disclosure for portfolio under Standardised Approach by Islamic Banking Window (continued)

(a) The following table presents the breakdown of credit exposures by risk weights of the Bank:

31 March 2026 Risk Weights	Sovereigns/ Central Banks RM'000	Public Sector Entities RM'000	Banks, Development Financial Institutions and MDBs RM'000	Corporates RM'000	Other Assets RM'000	Total Exposure after Netting and Credit Risk Mitigation RM'000	Total Risk-Weighted Assets RM'000
0%	175,762	-	-	-	-	175,762	-
100%	-	-	-	-	6,825	6,825	6,825
Total	175,762	-	-	-	6,825	182,587	6,825
Risk-weighted assets by exposure	-	-	-	-	6,825	6,825	
Average risk weight	0.0%	-	-	-	100.0%	3.7%	
Deduction from capital base	-	-	-	-	-	-	

6. The operations of Islamic Banking Window

6.1. Credit Risk

Disclosure for portfolio under Standardised Approach by Islamic Banking Window (continued)

(a) The following table presents the breakdown of credit exposures by risk weights of the Bank (continued):

31 March 2025 Risk Weights	Sovereigns/ Central Banks RM'000	Public Sector Entities RM'000	Banks, Development Financial Institutions and MDBs RM'000	Corporates RM'000	Other Assets RM'000	Total Exposure after Netting and Credit Risk Mitigation RM'000	Total Risk-Weighted Assets RM'000
0%	30,000	-	-	-	-	30,000	-
100%	-	-	-	-	4,045	4,045	4,045
Total	30,000	-	-	-	4,045	34,045	4,045
Risk-weighted assets by exposure	-	-	-	-	4,045	4,045	
Average risk weight	0.0%	-	-	-	100.0%	11.9%	
Deduction from capital base	-	-	-	-	-	-	

6. The operations of Islamic Banking Window

6.1. Credit Risk

Disclosure for portfolio under Standardised Approach by Islamic Banking Window (continued)

(b) The following table presents the on and off balance sheet credit exposures, categorised according to the credit quality rating:

	Rating Categories					
	1	2	3	4	5	Unrated
31 March 2026	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Sovereign and Central Bank	175,762	-	-	-	-	-
Other assets *	-	-	-	-	-	6,825

	Rating Categories					
	1	2	3	4	5	Unrated
31 March 2025	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Sovereign and Central Bank	30,000	-	-	-	-	-
Other assets #	-	-	-	-	-	4,045

* Total cash of other assets at nil was rated at 0% risk. The remaining balance was classified under 100% risk.
\# Total cash of other assets at nil was rated at 0% risk. The remaining balance was classified under 100% risk.

6. The operations of Islamic Banking Window

6.2. Operational Risk

The following tables present the minimum disclosure on regulatory capital requirements on operational risk.

31 March 2026	**Risk-Weighted Assets RM'000**	**Minimum Capital Requirements at 8% RM'000**
Operational Risk	1,951	156

31 March 2025	**Risk-Weighted Assets RM'000**	**Minimum Capital Requirements at 8% RM'000**
Operational Risk	300	24

6. The operations of Islamic Banking Window

6.3. Capital Adequacy

(a) The capital adequacy ratios of the Bank are as follows:

	31 March 2026	31 March 2025
Core capital ratio	340.166%	651.070%
Risk-weighted capital ratio	340.166%	651.070%

The capital adequacy ratios consist of capital base and risk-weighted assets derived from balances of the Bank. As at 31 March 2026, the minimum regulatory capital adequacy and capital buffer requirement is 10.50% (March 2025: 10.50%) for the risk-weighted capital ratio.

6. The operations of Islamic Banking Window

6.3. Capital Adequacy (continued)

(b) The breakdown of risk-weighted assets by exposures in each major risk category are as follows:

31 March 2026 Exposure class	Gross exposures RM'000	Net exposures RM'000	Risk-weighted assets RM'000	Capital requirements RM'000
(i) Credit risk				
On-balance sheet exposures:				
Sovereigns / Central Banks	175,762	175,762	-	-
Other assets	6,825	6,825	6,825	546
Total on-balance sheet exposures	182,587	182,587	6,825	546
Off-balance sheet exposures:				
Credit-related exposures	-	-	-	-
Total off-balance sheet exposures	-	-	-	-
Total on and off-balance sheet exposures	182,587	182,587	6,825	546
(ii) Large exposure risk requirement	-	-	-	-

(iii) Market risk	Long position RM'000	Short position RM'000			
Profit rate risk	-	-	-	-	-
Foreign exchange risk	-	-	-	-	-
	-	-	-	-	-
(iv) Operational risk				1,951	156
Total risk-weighted assets and capital requirements				8,776	702

6. The operations of Islamic Banking Window

6.3. Capital Adequacy (continued)

31 March 2025 Exposure class	Gross exposures RM'000	Net exposures RM'000	Risk-weighted assets RM'000	Capital requirements RM'000
(i) Credit risk				
On-balance sheet exposures:				
Sovereigns / Central Banks	30,000	30,000	-	-
Other assets	4,045	4,045	4,045	324
Total on-balance sheet exposures	34,045	34,045	4,045	324
Off-balance sheet exposures:				
Credit-related exposure	-	-	-	-
Total off-balance sheet exposures	-	-	-	-
Total on and off-balance sheet exposures	34,045	34,045	4,045	324
(ii) Large exposure risk requirement	-	-	-	-

	Long position RM'000	Short position RM'000			
(iii) Market risk					
Profit rate risk	-	-	-	-	-
Foreign exchange risk	-	-	-	-	-
	-	-	-	-	-
(iv) Operational risk				300	24
Total risk-weighted assets and capital requirements				4,345	348

6. The operations of Islamic Banking Window

6.4. Capital Structure

The components of Tier 1 and Tier 2 capital of the Bank are as follows:

	31 March 2026 RM'000	31 March 2025 RM'000
Tier 1 capital		
Paid-up ordinary share capital	30,000	30,000
Accumulated losses	(147)	(1,711)
	29,853	28,289
Less: Deferred tax assets	-	-
55% of fair value reserve	-	-
Regulatory reserve	-	-
Total Common Equity Tier 1 (CET 1) and Tier 1 capital	29,853	28,289
Tier 2 capital		
General provision and regulatory reserves	-	-
Total Tier 2 capital	-	-
Total capital base	29,853	28,289

6. The operations of Islamic Banking Window

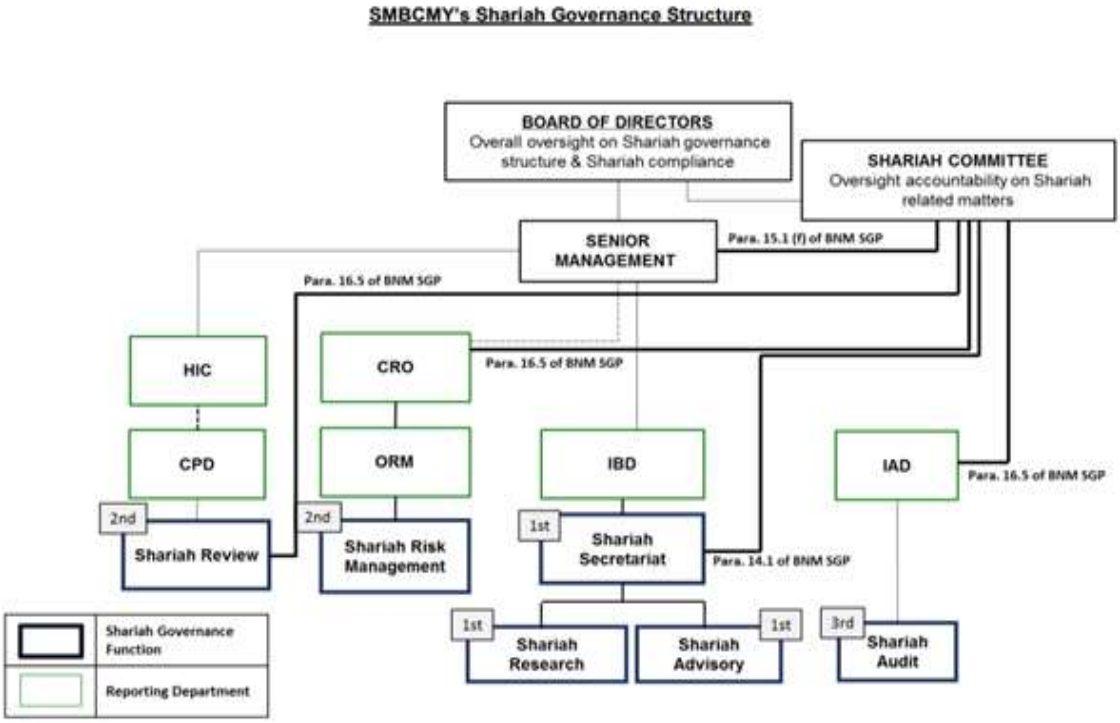
6.5. Profit Sharing Investment Account

The disclosure is not applicable as the Islamic Banking business does not have any Profit Sharing Investment Account.

6.6. Shariah Governance

The Shariah Committee ("ShC") reports directly to the Board and has the responsibility to provide objective and sound advice to Islamic Banking Department ("IBD"), Management and the Board to ensure that, on all matters pertaining to Islamic Banking of the Bank, the Bank's aims and operations, business, affairs and activities are in compliance with Shariah.

The Shariah Governance structure adopted by the Bank is illustrated as follows:



6. The operations of Islamic Banking Window

6.6. Shariah Governance (continued)

As stated in the Shariah Committee Charter, the ShC is responsible for:

1. Performing an oversight role on Shariah matters related to business operations and activities of the Bank;
2. Providing a decision or advice to the Bank on the application of any rulings of the Shariah Advisory Council ("SAC") of BNM or standards on Shariah matters that are applicable to the operations, business, affairs and activities of the Bank;
3. Providing a decision or advice on matters which require a reference to be made to the SAC of BNM;
4. Providing a decision or advice on the operations, business, affairs and activities of the Bank which may trigger a Shariah non-compliance event;
5. Deliberating and affirming a Shariah non-compliance finding by any other relevant functions in the Bank;
6. Endorsing or recommending a rectification measure to address a Shariah non-compliance event;
7. Establishing a robust methodology to guide its decision-making process and take into account relevant business and risk practices in arriving at a decision or advice; and
8. Immediately updating the Board whenever the ShC has reason to believe that any Shariah issues or matter may affect the Shariah compliance of the Bank.

The ShC is supported on a functional basis by the Shariah Secretariat and the Shariah control functions namely Shariah Review, Shariah Risk Management and Shariah Audit.

The main duties and responsibilities of the Shariah Secretariat are to provide a secretariat function to the ShC, conducting research on Shariah issues and providing day-to-day Shariah advice to the Bank's internal parties based on the rulings of the BNM's SAC and the decisions or advice of the ShC.

Meanwhile, the Shariah Review function conducts regular assessments on the compliance of the Bank's operations, business, affairs and activities with Shariah requirements.

The Shariah Risk Management systematically assess, measures, monitors, and reports Shariah non-compliance risks in the operations, business, affairs and activities of the Bank.

6. The operations of Islamic Banking Window

6.6. Shariah Governance (continued)

Finally, the Shariah Audit provides an independent assessment of the adequacy and effectiveness of the Bank's internal control, risk management systems, and governance processes. The Shariah Audit scope covers the overall compliance of the Bank's operations, business, affairs and activities with Shariah.

In addition to the above, the Management of the Bank is responsible for providing adequate resources across every function involved in Shariah governance implementation to ensure end-to-end compliance with Shariah principles. The Management expects the various functions to be responsible for and to manage the implementation of any or all rulings of the BNM's SAC and they are complying with the said policy.

6.7. Shariah Non-Compliance Event

No actual Shariah non-compliance event had been detected for the financial year ended 31 March 2026. As such, no Shariah non-compliant income had been recorded for the year.

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]
(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE
31 MARCH 2026

CHIEF EXECUTIVE OFFICER ATTESTATION

In accordance with Bank Negara Malaysia's Risk Weighted Capital Adequacy Framework (Basel II) - Disclosure Requirements (Pillar 3), I hereby attest that to the best of my knowledge, the disclosures contained in Sumitomo Mitsui Banking Corporation Malaysia Berhad's Pillar 3 Disclosure report for the financial year ended 31 March 2026 are consistent with the manner the Bank assesses and manages its risk, accurate, complete and not misleading in any particular way.

[Signed]

Atsuhide Shiojiri
Chief Executive Officer

Date: 30 June 2026