

**SUMITOMO MITSUI BANKING CORPORATION
MALAYSIA BERHAD**

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

**UNAUDITED PILLAR 3 DISCLOSURE
31 MARCH 2021**

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

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

UNAUDITED PILLAR 3 DISCLOSURE 31 MARCH 2021

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	Basic Indicator Approach	Fixed percentage over average gross income for a fixed number of years

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE

31 MARCH 2021

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 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.

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

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

UNAUDITED PILLAR 3 DISCLOSURE 31 MARCH 2021

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 and advances to customers, placements with other banks and investment in debt securities.

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

- (i) to discuss, formulate, review and implement the credit policies, procedures and manuals; and
- (ii) to review, analyse and approve credit proposals by ensuring effective credit limit control and monitoring.

The Bank has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are required to be performed on customers requiring credit.

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.

The RMC conducts periodical monitoring on credit exposure trend, asset quality by obligor grading / impaired loans, portfolio concentration analysis and credit related limits control such as single counterparty exposure limit, large loan limit, exposure to connected parties and sectorial limits.

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE 31 MARCH 2021

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:

	Cash and short-term funds*	Deposits and placements with banks and other financial institutions*	Financial investments FVOCI	Loans, advances and financing*	Statutory deposits with BNM	Derivative financial assets	Plant and equipment	Other assets*	Total on- balance sheet exposures	Total off- balance sheet exposures	Total exposures
31 March 2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Agriculture	-	-	-	-	-	11,599	-	-	11,599	538,880	550,479
Mining and quarrying	-	-	-	188,839	-	-	-	-	188,839	203,002	391,841
Manufacturing	-	-	-	2,360,094	-	20,201	-	-	2,380,295	5,026,882	7,407,177
Electricity	-	-	-	1,749,648	-	26	-	-	1,749,674	832,040	2,581,714
Construction	-	-	-	71,173	-	37	-	-	71,210	640,479	711,689
Wholesale and retail trade, and restaurants and hotel	-	-	-	1,152,663	-	7,887	-	-	1,160,550	2,511,333	3,671,883
Finance, insurance and business services	4,344,248	978,366	392,745	5,547,025	-	332,975	12,594	206,067	11,814,020	17,901,478	29,715,498
Transport, storage and communication	-	-	-	1,021,691	-	192	-	-	1,021,883	202,189	1,224,072
Real estate	-	-	-	1,968,852	-	14,196	-	-	1,983,048	627,971	2,611,019
Education, health and other services	-	-	-	668,926	-	-	-	-	668,926	81,023	749,949
Other sectors	-	-	-	328,545	-	8,587	-	-	337,132	407,919	745,051
	<u>4,344,248</u>	<u>978,366</u>	<u>392,745</u>	<u>15,057,456</u>	<u>-</u>	<u>395,700</u>	<u>12,594</u>	<u>206,067</u>	<u>21,387,176</u>	<u>28,973,196</u>	<u>50,360,372</u>
Allowance for ECL	(4,343)	(2,642)	-	(80,471)	-	-	-	(400)	(87,856)	-	(87,856)
Other assets not subject to credit risk	-	-	-	-	-	-	-	93,107	93,107	-	93,107
	<u>4,339,905</u>	<u>975,724</u>	<u>392,745</u>	<u>14,976,985</u>	<u>-</u>	<u>395,700</u>	<u>12,594</u>	<u>298,774</u>	<u>21,392,427</u>	<u>28,973,196</u>	<u>50,365,623</u>

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

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE

31 MARCH 2021

3.1. Credit Risk (continued)

Distribution of credit exposures (continued)

31 March 2020	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 Restated	Total on-balance sheet exposures RM'000 Restated	Total off-balance sheet exposures RM'000	Total exposures RM'000 Restated
Agriculture	-	-	-	50,006	-	-	-	-	50,006	745,492	795,498
Mining and quarrying	-	-	-	213,421	-	-	-	-	213,421	180,000	393,421
Manufacturing	-	-	-	3,111,093	-	61,840	-	-	3,172,933	5,587,970	8,760,903
Electricity	-	-	-	2,189,634	-	952	-	-	2,190,586	318,635	2,509,221
Construction	-	-	-	194,176	-	64	-	-	194,240	900,580	1,094,820
Wholesale and retail trade, and restaurants and hotel	-	-	-	1,656,354	-	12,053	-	-	1,668,407	2,061,695	3,730,102
Finance, insurance and business services	4,246,465	870,000	596,080	5,278,551	51,463	528,362	12,961	66,992	11,650,874	23,209,292	34,860,166
Transport, storage and communication	-	-	-	388,362	-	79	-	-	388,441	43,313	431,754
Real estate	-	-	-	1,406,126	-	17,458	-	-	1,423,584	535,458	1,959,042
Education, health and other services	-	-	-	682,202	-	-	-	-	682,202	77,102	759,304
Other sectors	-	-	-	223,909	-	-	-	-	223,909	41,988	265,897
	4,246,465	870,000	596,080	15,393,834	51,463	620,808	12,961	66,992	21,858,603	33,701,525	55,560,128
Allowance for ECL	(7,069)	(514)	-	(82,721)	-	-	-	(114)	(90,418)	-	(90,418)
Other assets not subject to credit risk	-	-	-	-	-	-	-	69,956	69,956	-	69,956
	4,239,396	869,486	596,080	15,311,113	51,463	620,808	12,961	136,834	21,838,141	33,701,525	55,539,666

* Exclude allowance for ECL

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

**UNAUDITED PILLAR 3 DISCLOSURE
31 MARCH 2021**

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 2021											
Malaysia	3,945,213	978,366	392,745	12,010,890	-	390,492	12,594	206,067	17,936,367	27,805,977	45,742,344
Other countries	399,035	-	-	3,046,566	-	5,208	-	-	3,450,809	1,167,219	4,618,028
	4,344,248	978,366	392,745	15,057,456	-	395,700	12,594	206,067	21,387,176	28,973,196	50,360,372
31 March 2020											
Malaysia	4,128,621	870,000	596,080	12,374,229	51,463	581,639	12,961	66,992	18,681,985	29,337,515	48,019,500
Other countries	117,844	-	-	3,019,605	-	39,169	-	-	3,176,618	4,364,010	7,540,628
	4,246,465	870,000	596,080	15,393,834	51,463	620,808	12,961	66,992	21,858,603	33,701,525	55,560,128

* Exclude allowance for ECL

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE

31 MARCH 2021

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 59.26% 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 2021									
Up to 1 month	4,344,248	-	-	2,516,192	-	9,745	-	203,987	7,074,172
> 1-3 months	-	250,000	-	1,902,032	-	25,415	-	-	2,177,447
> 3-12 months	-	728,366	392,745	2,222,691	-	76,184	-	2,080	3,422,066
> 1-5 years	-	-	-	6,413,220	-	174,705	12,594	-	6,600,519
> 5 years	-	-	-	2,003,321	-	109,651	-	-	2,112,972
	4,344,248	978,366	392,745	15,057,456	-	395,700	12,594	206,067	21,387,176

* 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.

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE

31 MARCH 2021

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 2020									
Up to 1 month	4,246,465	-	-	2,728,462	51,463	32,892	-	62,991	7,122,273
> 1-3 months	-	800,000	-	1,745,517	-	59,519	-	-	2,605,036
> 3-12 months	-	70,000	596,080	1,534,688	-	160,870	-	4,001	2,365,639
> 1-5 years	-	-	-	8,148,658	-	201,329	12,961	-	8,362,948
> 5 years	-	-	-	1,236,509	-	166,198	-	-	1,402,707
	4,246,465	870,000	596,080	15,393,834	51,463	620,808	12,961	66,992	21,858,603

* 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.

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

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

UNAUDITED PILLAR 3 DISCLOSURE 31 MARCH 2021

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:

	2021	2020
	RM'000	RM'000
At amortised cost:		
Overdraft	2,128	57,704
Term loans / financing		
- Syndicated loans / Syndicated Islamic financing	2,533,056	2,497,022
- Factoring receivables	49,554	112,804
- Other term loans / Islamic term financing	7,689,206	7,958,484
Trade bills discounted	43,175	396,635
Revolving credits / Revolving credit-i	4,590,041	4,220,856
Other loan	150,296	150,329
Gross loans, advances and financing	<u>15,057,456</u>	<u>15,393,834</u>
Less: Allowance for ECL		
- 12-month ECL (Stage 1)	(10,453)	(42,425)
- Lifetime ECL not credit impaired (Stage 2)	(59,634)	(40,296)
- Lifetime ECL credit impaired (Stage 3)	(10,384)	-
Net loans, advances and financing	<u><u>14,976,985</u></u>	<u><u>15,311,113</u></u>

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

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

UNAUDITED PILLAR 3 DISCLOSURE

31 MARCH 2021

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 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	Other sectors RM'000	Total RM'000
31 March 2021												
Loans, advances and financing	-	4,001	9,655	31	433	16,124	11,355	4,946	13,636	8,221	12,069	80,471
	-	4,001	9,655	31	433	16,124	11,355	4,946	13,636	8,221	12,069	80,471
31 March 2020												
Loans, advances and financing	1,178	2,084	27,545	-	625	8,786	14,074	3,763	5,965	6,052	12,649	82,721
	1,178	2,084	27,545	-	625	8,786	14,074	3,763	5,965	6,052	12,649	82,721

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE

31 MARCH 2021

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 2021			
Loans, advances and financing	58,333	22,138	80,471
	Malaysia RM'000	Other countries RM'000	Total RM'000
31 March 2020			
Loans, advances and financing	61,895	20,826	82,721

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE

31 MARCH 2021

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 2020	42,425	40,296	-	82,721
Transfer to 12-month ECL (Stage 1)	396	(396)	-	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(14,282)	14,282	-	-
Transfer to lifetime ECL credit impaired (Stage 3)	-	(9,804)	9,804	-
Loans, advances and financing derecognised	(12,280)	(9,339)	-	(21,619)
New loans, advances and financing originated or purchased	9,177	2,460	-	11,637
Changes due to change in credit risk	(14,983)	22,135	580	7,732
At 31 March 2021	10,453	59,634	10,384	80,471
At 1 April 2019	14,026	19,236	-	33,262
Transfer to 12-month ECL (Stage 1)	17,206	(17,206)	-	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(12,570)	12,570	-	-
Transfer to lifetime ECL credit impaired (Stage 3)	(7)	-	7	-
Loans, advances and financing derecognised	(7,093)	(5,397)	(3,565)	(16,055)
New loans, advances and financing originated or purchased	18,140	4,040	-	22,180
Changes due to change in credit risk	12,723	27,053	3,558	43,334
At 31 March 2020	42,425	40,296	-	82,721

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

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

UNAUDITED PILLAR 3 DISCLOSURE 31 MARCH 2021

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.

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE

31 MARCH 2021

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	Risk Weight
1	AAA to AA-	Aaa to Aa3	AAA to AA-	0%
2	A+ to A-	A1 to A3	A+ to A-	20%
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	50%
4	BB+ to B-	Ba1 to B3	BB+ to B-	100%
5	CCC+ to D	Caa1 to C	CCC+ to D	150%
Unrated				100%

Banking Institutions

Rating category	S & P	Moody's	Fitch	RAM	MARC	R&I	Risk Weight	Risk weight (original maturity of <=6 months)	Risk weight (original maturity of <=3 months)
1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA3	AAA to AA-	AAA to AA-	20%	20%	20%
2	A+ to A-	A1 to A3	A+ to A-	A1 to A3	A+ to A-	A+ to A-	50%	20%	
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	BBB1 to BBB3	BBB+ to BBB-	BBB+ to BBB-	50%	20%	
4	BB+ to B-	Ba1 to B3	BB+ to B-	BB1 to B3	BB+ to B-	BB+ to B-	100%	50%	
5	CCC+ to D	Caa1 to C	CCC+ to D	C1 to D	C+ to D	CCC+ to C	150%	150%	
Unrated							50%	20%	

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

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

UNAUDITED PILLAR 3 DISCLOSURE 31 MARCH 2021

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%

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE

31 MARCH 2021

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 2021	Sovereigns/ Central Banks	Public Sector Entities	Banks, Development Financial Institutions and MDBs	Corporates	Other Assets	Total Exposure after Netting and Credit Risk Mitigation	Total Risk-Weighted Assets
Risk Weights	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
0%	2,822,183	-	-	7,369,941	438	10,192,562	-
20%	-	-	2,772,314	517,724	-	3,290,038	658,008
50%	-	-	1,134,837	-	-	1,134,837	567,419
100%	-	15,104	-	12,054,910	426,694	12,496,708	12,496,708
150%	-	-	-	43,815	-	43,815	65,723
Total	2,822,183	15,104	3,907,151	19,986,390	427,132	27,157,960	13,787,858
Risk-weighted assets by exposure	-	15,104	1,121,881	12,224,177	426,696	13,787,858	
Average risk weight	0.0%	100.0%	28.7%	61.2%	99.9%	50.8%	
Deduction from capital base	-	-	-	-	-	-	

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE

31 MARCH 2021

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):

	Sovereigns/ Central Banks	Public Sector Entities	Banks, Development Financial Institutions and MDBs	Corporates	Other Assets	Total Exposure after Netting and Credit Risk Mitigation	Total Risk-Weighted Assets
31 March 2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Risk Weights							
0%	2,555,940	-	-	6,989,382	453	9,545,775	-
20%	-	-	3,256,859	780,394	-	4,037,253	807,450
50%	-	-	1,118,846	64,617	-	1,183,463	591,732
100%	-	1,835	-	11,983,285	643,650	12,628,770	12,628,770
Total	2,555,940	1,835	4,375,705	19,817,678	644,103	27,395,261	14,027,952
Risk-weighted assets by exposure	-	1,835	1,210,795	12,171,672	643,650	14,027,952	
Average risk weight	0.0%	100.0%	27.7%	61.4%	99.9%	51.2%	
Deduction from capital base	-	-	-	-	-	-	

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE

31 MARCH 2021

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 2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Sovereign and Central Bank	2,822,183	-	-	-	-	-
Public Sector Entities	-	-	-	-	-	15,104
Banks, Development Financial Institutions and MDBs	-	2,772,314	1,134,837	-	-	-
Corporates	7,887,665	-	-	43,815	-	12,054,910
Other assets	-	-	-	-	-	427,132

	Rating Categories					
	1	2	3	4	5	Unrated #
31 March 2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Sovereign and Central Bank	2,555,940	-	-	-	-	-
Public Sector Entities	-	-	-	-	-	1,835
Banks, Development Financial Institutions and MDBs	-	3,256,859	1,118,846	-	-	-
Corporates	7,769,776	64,617	-	-	-	11,983,285
Other assets	-	-	-	-	-	644,103

^ Total cash collateral of RM7,369,941 thousand was rated at 0% risk under corporates.

* Total cash of other assets at RM438 thousand was rated at 0% risk. The remaining balance was classified under 100% risk.

Total cash of other assets at RM453 thousand was rated at 0% risk. The remaining balance was classified under 100% risk.

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE

31 MARCH 2021

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 2021 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	493,254			242,386	234,550
Short-term self-liquidating trade related contingencies	137,937			27,153	27,153
Foreign exchange related contracts:					
- Less than one year	9,440,347	107,986	106,268	303,878	215,356
- One year to less than five years	7,176,944	159,031	147,237	878,545	523,234
- Five years and above	1,845,388	106,696	73,538	397,290	258,946
Interest/Profit rate related contracts					
- Less than one year	526,989	3,356	3,906	4,622	4,270
- One year to less than five years	1,241,286	15,674	27,949	40,103	31,169
- Five years and above	157,573	2,955	259	31,319	22,750
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	7,560,446			3,777,267	3,565,453
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	393,032			78,606	72,356
Total	28,973,196	395,699	359,157	5,781,169	4,955,237

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE

31 MARCH 2021

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 2020 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	395,088			194,859	184,770
Short-term self-liquidating trade related contingencies	148,710			29,008	29,008
Foreign exchange related contracts:					
- Less than one year	14,023,563	252,462	210,837	512,164	273,498
- One year to less than five years	8,117,375	175,903	180,219	871,802	569,035
- Five years and above	2,132,258	166,198	126,142	510,364	351,887
Interest/Profit rate related contracts					
- Less than one year	333,715	820	838	1,154	1,048
- One year to less than five years	1,527,572	25,426	42,233	57,704	45,501
- Five years and above	-	-	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	6,523,113			3,259,577	3,225,117
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	500,131			100,026	67,718
Total	33,701,525	620,809	560,269	5,536,658	4,747,582

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE

31 MARCH 2021

3.1. Credit Risk (continued)

Credit Risk Mitigation

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 2021 Group and Bank	Exposures before CRM RM'000	Exposures covered by Guarantees/ Credit Derivatives 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					
<u>On-Balance Sheet Exposures</u>					
Sovereigns / Central Banks	2,822,183	-	-	-	-
Public Sector Entities	-	-	-	-	-
Banks, Development Financial Institutions & MDBs	3,092,709	-	-	-	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-
Corporates	14,990,952	-	-	7,369,941	-
Regulatory Retail	-	-	-	-	-
Residential Mortgages	-	-	-	-	-
Higher Risk Assets	-	-	-	-	-
Other Assets	427,132	-	-	-	-
Specialised Financing / Investment	-	-	-	-	-
Equity Exposure	-	-	-	-	-
Securitisation Exposure	-	-	-	-	-
Defaulted Exposure	43,815	-	-	-	-
Total On-Balance Sheet Exposures	21,376,791	-	-	7,369,941	-
<u>Off-Balance Sheet Exposures</u>					
OTC Derivatives	1,655,757	-	-	-	-
Credit Derivatives	-	-	-	-	-
Off-Balance sheet exposures other than OTC derivatives or credit derivatives	4,125,412	-	-	-	-
Defaulted exposures	-	-	-	-	-
Total Off-Balance Sheet Exposures	5,781,169	-	-	-	-
Total On and Off-Balance Sheet Exposures	27,157,960	-	-	7,369,941	-

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE

31 MARCH 2021

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 2020 Group and Bank	Exposures before CRM RM'000	Exposures covered by Guarantees/ Credit Derivatives 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					
<u>On-Balance Sheet Exposures</u>					
Sovereigns / Central Banks	2,555,940	-	-	-	-
Public Sector Entities	-	-	-	-	-
Banks, Development Financial Institutions & MDBs	3,264,725	-	-	-	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-
Corporates	15,393,835	-	-	6,989,382	-
Regulatory Retail	-	-	-	-	-
Residential Mortgages	-	-	-	-	-
Higher Risk Assets	-	-	-	-	-
Other Assets	644,103	-	-	-	-
Specialised Financing / Investment	-	-	-	-	-
Equity Exposure	-	-	-	-	-
Securitisation Exposure	-	-	-	-	-
Defaulted Exposure	-	-	-	-	-
Total On-Balance Sheet Exposures	21,858,603	-	-	6,989,382	-
<u>Off-Balance Sheet Exposures</u>					
OTC Derivatives	1,953,188	-	-	-	-
Credit Derivatives	-	-	-	-	-
Off-Balance sheet exposures other than OTC derivatives or credit derivatives	3,583,470	-	-	-	-
Defaulted exposures	-	-	-	-	-
Total Off-Balance Sheet Exposures	5,536,658	-	-	-	-
Total On and Off-Balance Sheet Exposures	27,395,261	-	-	6,989,382	-

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

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

UNAUDITED PILLAR 3 DISCLOSURE 31 MARCH 2021

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.

The primary tool used for monitoring liquidity is the Bank Negara Malaysia's Liquidity Coverage Ratio ("LCR"). 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 of Directors 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.

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.

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

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

UNAUDITED PILLAR 3 DISCLOSURE 31 MARCH 2021

3.3. Market Risk (continued)

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.

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 2021				
Interest rate risk	19,462,572	19,362,530	381,337	30,507
Foreign exchange risk	11,804	(216)	11,804	944
	<u>19,474,376</u>	<u>19,362,314</u>	<u>393,141</u>	<u>31,451</u>
31 March 2020				
Interest rate risk	24,361,125	24,251,263	357,832	28,627
Foreign exchange risk	12,405	-	12,405	992
	<u>24,373,530</u>	<u>24,251,263</u>	<u>370,237</u>	<u>29,619</u>

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE

31 MARCH 2021

3.3.1 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.

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE

31 MARCH 2021

3.3.1 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 stress test for measuring interest rate risk, broken down by various currencies, where relevant:

Type of Currency	Impact on positions as at reporting period (200 basis points) Hike		Impact on positions as at reporting period (200 basis points) Hike	
	Decrease in		Decrease in	
	profit before taxation	Decrease in equity	profit before taxation	Decrease in equity
	31 March 2021 RM'000	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2020 RM'000
JPY	(547)	(416)	(440)	(334)
USD	(2,249)	(1,709)	(919)	(698)
MYR	(6,444)	(4,897)	(8,505)	(6,464)

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

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

UNAUDITED PILLAR 3 DISCLOSURE 31 MARCH 2021

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 Asset

The Bank currently uses Basic Indicator Approach ("BIA") to calculate its value equivalent to operational risk-weighted assets as at 31 March 2021.

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

31 March 2021	Risk-Weighted Assets	Minimum Capital
	RM'000	Requirements at 8%
		RM'000
Operational Risk	674,596	53,968

31 March 2020	Risk-Weighted Assets	Minimum Capital
	RM'000	Requirements at 8%
		RM'000
Operational Risk	636,404	50,912

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

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

UNAUDITED PILLAR 3 DISCLOSURE 31 MARCH 2021

4. Capital Adequacy

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

	31 March 2021	31 March 2020 Restated
Core capital ratio	22.876%	21.418%
Risk-weighted capital ratio	24.036%	22.585%

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 2021, the minimum regulatory capital adequacy and capital buffer requirement is 10.50% (March 2020: 10.50%) for the risk-weighted capital ratio.

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE

31 MARCH 2021

4. Capital Adequacy (continued)

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

31 March 2021 Exposure class	Gross exposures RM'000	Net exposures RM'000	Risk- weighted assets RM'000	Capital requirements RM'000
(i) Credit risk				
<u>On-balance sheet exposures:</u>				
Sovereigns / Central Banks	2,822,183	2,822,183	-	-
Banks, Development Financial Institutions and MDBs	3,092,709	3,092,709	719,933	57,595
Corporates	15,034,767	15,034,767	7,685,994	614,880
Other assets	427,132	427,132	426,694	34,135
Total on-balance sheet exposures	21,376,791	21,376,791	8,832,621	706,610
<u>Off-balance sheet exposures:</u>				
Credit-related exposures	5,781,169	5,781,169	4,955,237	396,419
Total off-balance sheet exposures	5,781,169	5,781,169	4,955,237	396,419
Total on and off-balance sheet exposures	27,157,960	27,157,960	13,787,858	1,103,029
(ii) Large exposure risk requirement				
	-	-	-	-
(iii) Market risk				
	Long position RM'000	Short position RM'000		
Interest rate risk	19,462,572	19,362,530	100,042	381,337
Foreign exchange risk	11,804	(216)	12,020	11,804
	19,474,376	19,362,314	112,062	393,141
(iv) Operational risk			674,596	53,968
Total risk-weighted assets and capital requirements			14,855,595	1,188,448

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED PILLAR 3 DISCLOSURE

31 MARCH 2021

4. Capital Adequacy (continued)

31 March 2020 Exposure class	Gross exposures RM'000	Net exposures RM'000	Risk- weighted assets RM'000	Capital requirements RM'000
(i) Credit risk				
<u>On-balance sheet exposures:</u>				
Sovereigns / Central Banks	2,555,940	2,555,940	-	-
Banks, Development Financial Institutions and MDBs	3,264,725	3,264,725	683,608	54,689
Corporates	15,393,835	15,393,835	7,951,178	636,094
Other assets	644,103	644,103	643,650	51,492
Total on-balance sheet exposures	<u>21,858,603</u>	<u>21,858,603</u>	<u>9,278,436</u>	<u>742,275</u>
<u>Off-balance sheet exposures:</u>				
Credit-related exposure	5,536,658	5,536,658	4,749,516	379,961
Total off-balance sheet exposures	<u>5,536,658</u>	<u>5,536,658</u>	<u>4,749,516</u>	<u>379,961</u>
Total on and off-balance sheet exposures	<u>27,395,261</u>	<u>27,395,261</u>	<u>14,027,952</u>	<u>1,122,236</u>
(ii) Large exposure risk requirement				
	-	-	-	-
(iii) Market risk				
	Long position RM'000	Short position RM'000		
Interest rate risk	24,361,125	24,251,263	109,862	357,832
Foreign exchange risk	12,405	-	12,405	12,405
	<u>24,373,530</u>	<u>24,251,263</u>	<u>122,267</u>	<u>370,237</u>
(iv) Operational risk			<u>636,404</u>	<u>50,912</u>
Total risk-weighted assets and capital requirements			<u>15,034,593</u>	<u>1,202,767</u>

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

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

UNAUDITED PILLAR 3 DISCLOSURE 31 MARCH 2021

5. Capital Structure

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

	31 March 2021 RM'000	31 March 2020 RM'000 Restated
<u>Tier 1 capital</u>		
Paid-up ordinary share capital	2,452,605	2,452,605
Retained earnings	959,944	782,100
Other reserves	95,164	84,833
	<u>3,507,713</u>	<u>3,319,538</u>
Less: Deferred tax assets	(15,062)	(16,516)
55% of fair value reserve	(1,069)	(2,394)
Regulatory reserve	(93,220)	(80,480)
Total Common Equity Tier 1 (CET 1) and Tier 1 capital	<u>3,398,362</u>	<u>3,220,148</u>
<u>Tier 2 capital</u>		
Expected credit losses (Stage 1 and Stage 2)	85,957	97,266
Regulatory reserve *	86,391	78,083
Total Tier 2 capital	<u>172,348</u>	<u>175,349</u>
Total capital base	<u>3,570,710</u>	<u>3,395,497</u>

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

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

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

**UNAUDITED PILLAR 3 DISCLOSURE
31 MARCH 2021**

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 2021 are consistent with the manner the Bank assesses and manages its risk, accurate, complete and not misleading in any particular way.

[Signed]

Hiroshi Okawa
Chief Executive Officer

Date: 30 July 2021