

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED
30 JUNE 2024**

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	As at 30 June 2024 RM'000	As at 31 March 2024 RM'000
Assets			
Cash and short-term funds	13	6,620,742	5,767,894
Deposits and placements with banks and other financial institutions	14	1,713,260	2,033,895
Debt instruments at fair value through other comprehensive income ("FVOCI")	15	2,795,477	3,373,882
Loans, advances and financing	16	14,404,510	14,353,388
Derivative financial assets		886,992	812,730
Other assets	17	172,309	92,338
Statutory deposits with Bank Negara Malaysia	18	650	650
Plant and equipment		8,548	9,661
Right-of-use assets		9,969	10,434
Tax recoverable		109,903	101,495
Total assets		<u>26,722,360</u>	<u>26,556,367</u>
Liabilities			
Deposits from customers	19	17,191,115	17,689,286
Deposits and placements of banks and other financial institutions	20	4,205,431	3,609,436
Bills and acceptances payable		643	392
Derivative financial liabilities		804,987	700,856
Other liabilities	21	278,342	386,127
Lease liabilities		10,119	10,679
Provision for credit commitments and contingencies	22	5,426	4,875
Deferred tax liabilities		11,320	6,574
Total liabilities		<u>22,507,383</u>	<u>22,408,225</u>
Equity			
Share capital		2,452,605	2,452,605
Reserves		1,762,372	1,695,537
Total equity attributable to owners of the Bank		<u>4,214,977</u>	<u>4,148,142</u>
Total liabilities and equity		<u>26,722,360</u>	<u>26,556,367</u>
Commitments and contingencies	33	<u>37,745,733</u>	<u>41,548,626</u>

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Note	1st Quarter Ended		Three Months Ended	
		30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Interest income	23	283,588	256,713	283,588	256,713
Interest expense	24	(218,110)	(188,348)	(218,110)	(188,348)
Net interest income		<u>65,478</u>	<u>68,365</u>	<u>65,478</u>	<u>68,365</u>
Other operating income	25	58,047	49,729	58,047	49,729
Net operating income		<u>123,525</u>	<u>118,094</u>	<u>123,525</u>	<u>118,094</u>
Other operating expenses	26	(34,759)	(34,762)	(34,759)	(34,762)
Operating profit		<u>88,766</u>	<u>83,332</u>	<u>88,766</u>	<u>83,332</u>
(Allowance for) / Writeback of impairment on loans, advances and financing	27	(3,110)	7,494	(3,110)	7,494
Writeback of impairment on other financial assets	28	1,224	1,410	1,224	1,410
Profit before taxation		<u>86,880</u>	<u>92,236</u>	<u>86,880</u>	<u>92,236</u>
Tax expense		(22,348)	(22,033)	(22,348)	(22,033)
Profit after taxation		<u>64,532</u>	<u>70,203</u>	<u>64,532</u>	<u>70,203</u>
Other comprehensive income for the financial period, net of income tax					
Items that may be reclassified subsequently to profit or loss					
Movement in fair value reserve (FVOCI debt instruments):					
- Debt instruments measured at FVOCI - net change in fair value		2,442	(1,454)	2,442	(1,454)
- Debt instruments measured at FVOCI - decrease in allowance for impairment		(139)	(292)	(139)	(292)
Total comprehensive income for the financial period		<u><u>66,835</u></u>	<u><u>68,457</u></u>	<u><u>66,835</u></u>	<u><u>68,457</u></u>
Basic earnings per ordinary share (sen)		<u><u>2.63</u></u>	<u><u>2.86</u></u>	<u><u>2.63</u></u>	<u><u>2.86</u></u>

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	Share capital RM'000	<i>Non-distributable reserves</i>		<i>Distributable</i> <i>reserves</i>	Total RM'000
		Regulatory reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
At 1 April 2024	2,452,605	155,926	1,726	1,537,885	4,148,142
Profit for the period	-	-	-	64,532	64,532
Fair value change and increase in allowance for impairment of debt instruments measured at FVOCI	-	-	2,303	-	2,303
Total comprehensive income for the period	-	-	2,303	64,532	66,835
At 30 June 2024	2,452,605	155,926	4,029	1,602,417	4,214,977
At 1 April 2023	2,452,605	143,570	2,397	1,288,107	3,886,679
Profit for the period	-	-	-	70,203	70,203
Fair value change and decrease in allowance for impairment of debt instruments measured at FVOCI	-	-	(1,746)	-	(1,746)
Total comprehensive income for the period	-	-	(1,746)	70,203	68,457
At 30 June 2023	2,452,605	143,570	651	1,358,310	3,955,136

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	30 June 2024 RM'000	30 June 2023 RM'000
Cash flows from operating activities		
Profit from ordinary activities before taxation	86,880	92,236
Adjustments for non-cash items	11,904	1,350
Operating profit before working capital changes	<u>98,784</u>	<u>93,586</u>
Changes in working capital:		
Net changes in operating assets	204,216	260,980
Net changes in operating liabilities	327	661,119
Cash generated from operating activities	<u>303,327</u>	<u>1,015,685</u>
Tax paid	<u>(22,910)</u>	<u>(20,409)</u>
Net cash generated from operating activities	280,417	995,276
Net cash generated from / (used in) investing activities	573,721	(27,650)
Net cash used in financing activities	<u>(1,279)</u>	<u>(1,219)</u>
Net increase in cash and cash equivalents during the financial period	852,859	966,407
Cash and cash equivalents at beginning of the financial period	<u>5,769,489</u>	<u>5,911,756</u>
Cash and cash equivalents at end of the financial period	<u><u>6,622,348</u></u>	<u><u>6,878,163</u></u>
Cash and cash equivalents comprise:		
Cash and balances with banks and other financial institutions	105,042	114,171
Money at call and deposit placements maturing within one month	6,517,306	6,763,992
	<u>6,622,348</u>	<u>6,878,163</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

1. Basis of preparation

The unaudited condensed interim financial statements for the first quarter and financial period ended 30 June 2024 have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”).

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

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Bank for the financial year ended 31 March 2024. The explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Bank since the financial year ended 31 March 2024.

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

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 March 2024, except for the adoption of the following new MFRSs, amendments to MFRSs and Issues Committee (“IC”) Interpretations which are effective for annual periods beginning on or after 1 January 2024:

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements*

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

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

1. Basis of preparation (continued)

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

Effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

Effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*

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

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

The Bank plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2024 was not qualified.

3. Seasonal or Cyclical Factors

The business operations of the Bank were not materially affected by any seasonal or cyclical factors in the first quarter and financial period ended 30 June 2024.

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

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Bank in the first quarter and financial period ended 30 June 2024.

5. Changes in Estimates

There were no material changes in estimates of amounts reported that have a material effect on the unaudited condensed interim financial statements in the first quarter and financial period ended 30 June 2024.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

6. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities in the first quarter and financial period ended 30 June 2024.

7. Dividend

No dividend was paid during the first quarter and financial period ended 30 June 2024.

8. Segmental Reporting on Revenue, Profit and Assets

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

9. Subsequent Events

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

10. Changes in the Composition of the Bank

There were no changes in the composition of the Bank during the first quarter and financial period ended 30 June 2024.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

11. Review of Performance

For the first quarter ended 30 June 2024, the Bank registered an operating profit of RM88.8 million, an increase of 6.6% (Q1 June 2023: RM83.3 million) mainly due to higher other operating income of 16.7% to RM58.0 million (Q1 June 2023: RM49.7 million). The Bank recorded a profit before taxation of RM86.9 million, a decrease of 5.7% (Q1 June 2023: RM92.2 million) mainly attributed to the allowance for impairment on loans, advances and financing and other financial assets amounting to RM1.9 million (Q1 June 2023: writeback of impairment of RM8.9 million). Consequentially, the Bank recorded a profit after taxation of RM64.5 million, a decrease of 8.1% in the first quarter ended 30 June 2024 (Q1 June 2023: RM70.2 million).

Total assets recorded an increase of 0.6% to RM26,722 million as at 30 June 2024 (31 March 2024: RM26,556 million). This was mainly attributed to the 14.8% increase in cash and short-term funds to RM6,621 million (31 March 2024: RM5,768 million). The increase was partially offset by the decrease of 17.2% in debt instruments measured at fair value through other comprehensive income to RM2,795 million (31 March 2024: RM3,374 million) and decrease of 15.8% in deposits and placements with banks and other financial institutions to RM1,713 million (31 March 2024: RM2,034 million).

The total liabilities recorded an increase of 0.4% to RM22,507 million as at 30 June 2024 (31 March 2024: RM22,408 million). This was largely due to the higher deposits and placements of banks and other financial institutions of 16.5% amounting to RM4,205 million (31 March 2024: RM3,609 million) and was partially offset by the lower deposits from customers of 2.8% amounting to RM17,191 million (31 March 2024: RM17,689 million).

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

12. Current Year Prospects

Malaysia's Gross Domestic Product ("GDP") in the first quarter of 2024 grew by 4.2% (4Q 2023: 2.9%). The growth was supported mainly by stronger domestic demand as economic activity, continued improving labour market conditions, inbound tourism activities continued to recover, exports rebounded amid higher external demand and coupled with continued policy support from the government. Furthermore, the on-going public and private investments are driven by the multi-year national development projects and realization of approved investments leading to more robust investment expenditure.

The growth momentum in the Malaysian economy is envisaged to accelerate in 2024 underpinned by positive trade outlook and resilience domestic demand. The domestic demand will continue to drive growth, supported by the continued recovery in the labour market and the realisation of multi-year investment projects implementation, with additional support from the expected recovery in exports. Meanwhile, the tourism is expected to improve further. The balance of risks remains tilted to the downside, mainly from weaker global growth, tighter financial conditions, re-escalation of geopolitical conflicts, worsening supply chain disruptions and larger declines in commodity production domestically. Global technological investment may face challenge to 'monetize' leading to corporates halting further investment impacting Malaysia's tech exports and private investment in adding more capacity.

Bank Negara Malaysia ("BNM")'s Monetary Policy Committee ("MPC") left Overnight Policy Rate ("OPR") unchanged at 3.00% for the sixth consecutive meetings since May 2023. MPC cited muted inflation of under 2.00% as one of the key reasons for the decision. Inflation outlook however is projected to increase moderately to between 2.0% to 3.5% in 2024 to 2026 due to the Malaysian government's withdrawal of fuel subsidy, the implementation of domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments.

With the country's economic recovery continue to remain in traction, providing supportive environment for businesses, the Bank remains steadfast in building sustainable portfolio with inclusive growth and focuses on strengthening its business resilience. The Bank continues to maintain its business agenda with both Japanese and Non-Japanese clients while acknowledging the challenges ahead and continue to remain responsive to changing environment by adopting prudent approach in managing costs.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

12. Current Year Prospects (Continued)

Islamic Finance Outlook

The Islamic Banking industry in Malaysia continues to grow in the first quarter of 2024, whereby in the month of March 2024 total Islamic Banking assets has grown to RM1,148.6 billion which was contributed mainly by stand-alone Islamic Banks recording a total assets of RM1,122.9 billion (97.8%), followed by Islamic Banking Window ("IBW") operations with a total assets of RM25.76 billion (2.2%). This is an increase of 2.53% from fourth quarter of 2023's total assets of RM1,120.3 billion (stand-alone Islamic Banks' assets of RM1,095.3 billion and IBW assets of RM24.9 billion). Financing makes up the largest contribution at RM841.2 billion which is an increase of 1.98% from the fourth quarter of 2023 of RM824.9 billion.

The Bank's IBW has been in operation since early 2023 which has since offered Islamic financing products. Currently the Bank has also extended MYR green facilities to new and existing clients.

The Bank is currently working on the next phase of IBW to provide more Islamic Ringgit products covering Deposits, Treasury and Trade Finance products and services. This development of products will be done in stages. This will ensure the Bank's new and existing clients will be able to enjoy a more comprehensive products and services, which are competitive and relevant to meet their business needs and requirements. Notwithstanding this, the current economic scenario locally and abroad, plus the movement of OPR will have a direct impact on the demand for the Bank's products under ICBU and IBW.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

13. Cash and short-term funds

	30 June 2024 RM'000	31 March 2024 RM'000
Cash and balances with banks and other financial institutions	105,042	157,202
Money at call and deposit placements maturing within one month	6,517,306	5,612,287
	<u>6,622,348</u>	<u>5,769,489</u>
Less: Allowance for expected credit losses ("ECL")	(1,606)	(1,595)
	<u><u>6,620,742</u></u>	<u><u>5,767,894</u></u>

Movement in allowance for ECL on cash and short-term funds

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit- impaired (Stage 2) RM'000	Lifetime ECL credit- impaired (Stage 3) RM'000	Total RM'000
At 1 April 2024	1,595	-	-	1,595
Charge to profit or loss				
- Increase in ECL	11	-	-	11
At 30 June 2024	<u>1,606</u>	<u>-</u>	<u>-</u>	<u>1,606</u>
At 1 April 2023	2,515	-	-	2,515
Charge to profit or loss				
- Decrease in ECL	(920)	-	-	(920)
At 31 March 2024	<u>1,595</u>	<u>-</u>	<u>-</u>	<u>1,595</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

14. Deposits and placements with banks and other financial institutions

	30 June 2024 RM'000	31 March 2024 RM'000
Money at call and deposit placements maturing more than one month	1,713,494	2,035,228
Less: Allowance for ECL	(234)	(1,333)
	<u>1,713,260</u>	<u>2,033,895</u>

Movement in allowance for ECL on deposits and placements with banks and other financial institutions

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit- impaired (Stage 2) RM'000	Lifetime ECL credit- impaired (Stage 3) RM'000	Total RM'000
At 1 April 2024	1,333	-	-	1,333
Charge to profit or loss				
- Decrease in ECL	(1,099)	-	-	(1,099)
At 30 June 2024	<u>234</u>	<u>-</u>	<u>-</u>	<u>234</u>
At 1 April 2023	1,521	-	-	1,521
Charge to profit or loss				
- Decrease in ECL	(188)	-	-	(188)
At 31 March 2024	<u>1,333</u>	<u>-</u>	<u>-</u>	<u>1,333</u>

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

	30 June 2024 RM'000	31 March 2024 RM'000
At fair value		
Negotiable Instruments of Deposits	703,641	402,173
Malaysian Government Securities	1,133,196	101,077
Malaysian Government Investment Issues	808,737	323,650
Bank Negara Malaysia Debt Securities	149,903	2,546,982
	<u>2,795,477</u>	<u>3,373,882</u>

Movement in allowance for ECL on debt instruments measured at FVOCI

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit- impaired (Stage 2) RM'000	Lifetime ECL credit- impaired (Stage 3) RM'000	Total RM'000
At 1 April 2024	641	-	-	641
- Decrease in ECL	(139)	-	-	(139)
At 30 June 2024	<u>502</u>	<u>-</u>	<u>-</u>	<u>502</u>
At 1 April 2023	694	-	-	694
- Decrease in ECL	(53)	-	-	(53)
At 31 March 2024	<u>641</u>	<u>-</u>	<u>-</u>	<u>641</u>

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

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

16. Loans, advances and financing

	30 June 2024 RM'000	31 March 2024 RM'000
(a) By type:		
<u>At amortised cost:</u>		
Overdraft	-	2,293
Term loans / financing		
- Syndicated loans / Syndicated Islamic financing	3,466,450	3,471,584
- Factoring receivables	237,247	182,069
- Other term loans / Islamic term financing	5,554,758	6,432,092
Trade bills discounted	38,275	68,666
Revolving credits / Revolving credit-I	5,201,936	4,285,311
Trust receipt	-	2,970
Gross loans, advances and financing	<u>14,498,666</u>	<u>14,444,985</u>
Less: Allowance for ECL		
- 12-month ECL (Stage 1)	(6,081)	(5,948)
- Lifetime ECL not credit impaired (Stage 2)	(34,545)	(32,064)
- Lifetime ECL credit impaired (Stage 3)	(53,530)	(53,585)
Net loans, advances and financing	<u><u>14,404,510</u></u>	<u><u>14,353,388</u></u>
(b) By geographical distribution:		
Malaysia	13,694,980	13,449,567
Other countries:		
- Australia	225,070	221,069
- Japan	159,544	169,825
- Hong Kong	53,530	53,585
- Cayman Islands	184,115	184,376
- Netherlands	-	188,167
- United Kingdom	181,427	178,396
Gross loans, advances and financing	<u><u>14,498,666</u></u>	<u><u>14,444,985</u></u>
(c) By type of customer:		
Domestic non-bank financial institutions	5,601,343	4,999,524
Domestic business enterprises	8,648,218	9,199,046
Foreign entities	234,957	231,981
Domestic other entities	14,148	14,434
Gross loans, advances and financing	<u><u>14,498,666</u></u>	<u><u>14,444,985</u></u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024****16. Loans, advances and financing (continued)**

	30 June 2024 RM'000	31 March 2024 RM'000
(d) By interest rate sensitivity:		
Fixed rate		
- Other fixed rate loans	871,011	875,835
Variable rate		
- Cost-plus	5,348,857	5,652,972
- Other variable rates	8,278,798	7,916,178
Gross loans, advances and financing	<u>14,498,666</u>	<u>14,444,985</u>
(e) By sector:		
Primary agriculture	5,002	15,005
Mining and quarrying	872,385	890,826
Manufacturing	1,993,839	1,889,649
Electricity, gas and water	584,083	584,744
Construction	170,060	171,036
Wholesale and retail trade, and restaurants and hotels	767,148	669,102
Transport, storage and communication	1,007,042	1,612,865
Finance, insurance and business services	6,289,745	5,974,951
Real estate	1,906,094	1,726,745
Education, health and other services	903,268	910,062
Gross loans, advances and financing	<u>14,498,666</u>	<u>14,444,985</u>
(f) By economic purpose:		
Purchase of securities	184,115	184,376
Purchase of non-residential property		
- Purchase of land	82,541	82,571
Construction	378,896	377,547
Working capital	6,509,675	5,871,025
Mergers and acquisition	280,104	280,104
Other purpose	7,063,335	7,649,362
Gross loans, advances and financing	<u>14,498,666</u>	<u>14,444,985</u>

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

[Company No. 201001042446 (926374-U)]

(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

16. Loans, advances and financing (continued)

	30 June 2024	31 March 2024
	RM'000	RM'000
(g) By residual contractual maturity:		
Maturing within one year	5,330,885	4,390,529
One year to three years	4,144,926	4,474,185
Three years to five years	3,900,906	4,387,279
More than five years	1,121,949	1,192,992
Gross loans, advances and financing	<u>14,498,666</u>	<u>14,444,985</u>

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

	30 June 2024	31 March 2024
	RM'000	RM'000
At 1 April 2024 / 1 April 2023	53,585	51,065
Currency translation differences	(55)	2,520
At 30 June 2024 / 31 March 2024	<u>53,530</u>	<u>53,585</u>
Less: Lifetime ECL credit impaired (Stage 3)	<u>(53,530)</u>	<u>(53,585)</u>
Net impaired loans, advances and financing	<u>-</u>	<u>-</u>
Gross credit-impaired loans and financing as a percentage of gross loans, advances and financing	<u>0.37%</u>	<u>0.37%</u>

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

Hong Kong	<u>53,530</u>	<u>53,585</u>
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(j) Credit-impaired loans, advances and financing by sector:

Wholesale and retail trade, and restaurants and hotels	<u>53,530</u>	<u>53,585</u>
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(k) Credit-impaired loans, advances and financing by economic purpose:

Other purpose	<u>53,530</u>	<u>53,585</u>
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SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

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(Incorporated in Malaysia)

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

16. Loans, advances and financing (continued)

(i) Change in gross loans, advances and financing carrying amount

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit- impaired (Stage 2) RM'000	Lifetime ECL credit- impaired (Stage 3) RM'000	Total RM'000
At 1 April 2024	11,161,875	3,229,525	53,585	14,444,985
Transfer to 12-month ECL (Stage 1)	191,464	(191,464)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(211,051)	211,051	-	-
Loans, advances and financing derecognised	(859,485)	(985,741)	-	(1,845,226)
New loans, advances and financing originated or purchased	1,902,067	85,327	-	1,987,394
Other adjustments	(86,689)	(1,743)	(55)	(88,487)
At 30 June 2024	<u>12,098,181</u>	<u>2,346,955</u>	<u>53,530</u>	<u>14,498,666</u>
At 1 April 2023	9,487,081	5,741,781	51,065	15,279,927
Transfer to 12-month ECL (Stage 1)	2,591,545	(2,591,545)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(2,600,468)	2,600,468	-	-
Loans, advances and financing derecognised	(4,351,532)	(3,131,292)	-	(7,482,824)
New loans, advances and financing originated or purchased	5,654,794	504,458	-	6,159,252
Other adjustments	380,455	105,655	2,520	488,630
At 31 March 2024	<u>11,161,875</u>	<u>3,229,525</u>	<u>53,585</u>	<u>14,444,985</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

16. Loans, advances and financing (continued)

(m) Movements in allowance for ECL on loans, advances and financing measured at amortised cost

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit- impaired (Stage 2) RM'000	Lifetime ECL credit- impaired (Stage 3) RM'000	Total RM'000
At 1 April 2024	5,948	32,064	53,585	91,597
Transfer to 12-month ECL (Stage 1)	2,137	(2,137)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(500)	500	-	-
Loans, advances and financing derecognised	(1,630)	(5,378)	-	(7,008)
New loans, advances and financing originated or purchased	2,184	5,253	-	7,437
Changes due to change in credit risk	(2,058)	4,243	(55)	2,130
At 30 June 2024	<u>6,081</u>	<u>34,545</u>	<u>53,530</u>	<u>94,156</u>
At 1 April 2023	6,309	53,063	51,065	110,437
Transfer to 12-month ECL (Stage 1)	17,467	(17,467)	-	-
Transfer to lifetime ECL not credit- impaired (Stage 2)	(1,759)	1,759	-	-
Loans, advances and financing derecognised	(2,309)	(12,341)	-	(14,650)
New loans, advances and financing originated or purchased	4,182	5,702	-	9,884
Changes due to change in credit risk	(17,942)	1,348	2,520	(14,074)
At 31 March 2024	<u>5,948</u>	<u>32,064</u>	<u>53,585</u>	<u>91,597</u>

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17. Other assets

	30 June 2024 RM'000	31 March 2024 RM'000
Interest receivable	50,747	26,783
Amount due from related corporations	10,511	351
Cash collateral placements	105,418	53,514
Other receivables	2,154	9,588
Deposits	1,534	1,542
Prepayments	1,986	598
	<u>172,350</u>	<u>92,376</u>
Less: Allowance for ECL	(41)	(38)
	<u><u>172,309</u></u>	<u><u>92,338</u></u>

Movement in allowance for ECL on other assets

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit- impaired (Stage 2) RM'000	Lifetime ECL credit- impaired (Stage 3) RM'000	Total RM'000
At 1 April 2024	38	-	-	38
Charge to profit or loss				
- Increase in ECL	3	-	-	3
At 30 June 2024	<u>41</u>	<u>-</u>	<u>-</u>	<u>41</u>
At 1 April 2023	13	-	-	13
Charge to profit or loss				
- Increase in ECL	25	-	-	25
At 31 March 2024	<u>38</u>	<u>-</u>	<u>-</u>	<u>38</u>

18. Statutory deposits with Bank Negara Malaysia

The non-interest bearing statutory deposits are maintained with Bank Negara Malaysia in compliance with Sections 26(2)(c) and 26(3) of the Central Bank of Malaysia Act 2009, the amounts of which are determined as set percentages of total eligible liabilities.

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024****19. Deposits from customers**

	30 June 2024 RM'000	31 March 2024 RM'000
(a) By type of deposits:		
Demand deposits	2,790,784	2,613,351
Fixed deposits	11,796,408	12,158,622
Short-term deposits	2,603,923	2,917,313
	<u>17,191,115</u>	<u>17,689,286</u>

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

Due within six months	6,985,371	6,898,441
Six months to one year	953,921	709,001
One year to three years	2,981,739	3,496,576
Three years to five years	2,427,596	2,903,571
Five years to ten years	758,203	774,541
Ten years and above	293,501	293,805
	<u>14,400,331</u>	<u>15,075,935</u>

(b) By type of customers:

Domestic non-bank financial institutions	972,339	510,835
Domestic business enterprises	8,649,610	8,798,325
Branch of immediate holding corporation	7,374,027	8,196,285
Foreign non-bank entities	186,201	173,446
Domestic other entities	8,938	10,395
	<u>17,191,115</u>	<u>17,689,286</u>

20. Deposits and placements of banks and other financial institutions

	30 June 2024 RM'000	31 March 2024 RM'000
Foreign banks		
- Immediate holding corporation	4,205,431	3,609,436
	<u>4,205,431</u>	<u>3,609,436</u>

SUMITOMO MITSUI BANKING CORPORATION MALAYSIA BERHAD

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21. Other liabilities

	30 June 2024 RM'000	31 March 2024 RM'000
Interest payable	22,588	19,741
Amounts due to immediate holding corporation and related corporations/companies ^	77,268	66,325
Cash collateral placements *	119,450	224,720
Other payables	50,562	49,771
Accruals	8,474	25,570
	<u>278,342</u>	<u>386,127</u>

^ The amounts due to immediate holding corporation and related corporations / companies are unsecured, interest free and repayable on demand.

* The cash collaterals are received in respect of derivative balances pursuant to agreements in accordance with ISDA and CSA entered into with respective counterparties.

22. Provision for credit commitments and contingencies

	30 June 2024 RM'000	31 March 2024 RM'000
Provision for credit commitments and contingencies	<u>5,426</u>	<u>4,875</u>

Movement in allowance for ECL on credit commitments and contingencies

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit- impaired (Stage 2) RM'000	Lifetime ECL credit- impaired (Stage 3) RM'000	Total RM'000
At 1 April 2024	1,589	3,286	-	4,875
Charge to profit or loss				
- (Decrease) / Increase in ECL	(796)	1,347	-	551
At 30 June 2024	<u>793</u>	<u>4,633</u>	<u>-</u>	<u>5,426</u>
At 1 April 2023	365	7,116	-	7,481
Charge to profit or loss				
- Increase / (Decrease) in ECL	1,224	(3,830)	-	(2,606)
At 31 March 2024	<u>1,589</u>	<u>3,286</u>	<u>-</u>	<u>4,875</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024****23. Interest income**

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income	156,527	153,715	156,527	153,715
- Financing income	20,885	16,448	20,885	16,448
Money at call and deposit placements with banks and other financial institutions	83,502	80,866	83,502	80,866
Debt instruments measured at FVOCI	22,674	5,684	22,674	5,684
	<u>283,588</u>	<u>256,713</u>	<u>283,588</u>	<u>256,713</u>

24. Interest expense

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	174,216	153,928	174,216	153,928
Deposits and placements of banks and other financial institutions	-	-	43,804	34,385
Lease liabilities	90	35	90	35
	<u>218,110</u>	<u>188,348</u>	<u>218,110</u>	<u>188,348</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024****25. Other operating income**

	1st Quarter Ended		Three Months Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Fee and commission income				
- Service charges and guarantee fees	631	499	631	499
- Loan related fees	3,035	2,864	3,035	2,864
- Commitment fees	482	626	482	626
	<u>4,148</u>	<u>3,989</u>	<u>4,148</u>	<u>3,989</u>
Realised gain from derivative financial instruments	<u>13,090</u>	<u>10,543</u>	<u>13,090</u>	<u>10,543</u>
Unrealised loss on revaluation of derivatives	<u>(5,119)</u>	<u>(5,168)</u>	<u>(5,119)</u>	<u>(5,168)</u>
Unrealised loss on hedging activities	<u>(767)</u>	<u>(2,345)</u>	<u>(767)</u>	<u>(2,345)</u>
Foreign exchange, net gain	<u>35,020</u>	<u>32,237</u>	<u>35,020</u>	<u>32,237</u>
Other income				
- Management fees	10,227	8,923	10,227	8,923
- Rental of fixed assets	158	194	158	194
- Miscellaneous income	1,290	1,356	1,290	1,356
	<u>11,675</u>	<u>10,473</u>	<u>11,675</u>	<u>10,473</u>
	<u>58,047</u>	<u>49,729</u>	<u>58,047</u>	<u>49,729</u>

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26. Other operating expenses

	1st Quarter Ended		Three Months Ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
Salaries, allowances and bonuses	15,223	14,826	15,223	14,826
Employees' provident fund contributions	2,204	2,189	2,204	2,189
Staff training expenses	41	14	41	14
Staff welfare expenses	44	13	44	13
Other personnel expenses	1,660	1,544	1,660	1,544
	<u>19,172</u>	<u>18,586</u>	<u>19,172</u>	<u>18,586</u>
Establishment costs				
Depreciation - Plant and equipment	1,394	986	1,394	986
Depreciation - Right-of-use assets	1,092	1,044	1,092	1,044
Repair and maintenance	271	351	271	351
Other establishment expenses	4,019	3,593	4,019	3,593
	<u>6,776</u>	<u>5,974</u>	<u>6,776</u>	<u>5,974</u>
Marketing expenses				
Advertisement and publicity	36	41	36	41
Other marketing expenses	22	26	22	26
	<u>58</u>	<u>67</u>	<u>58</u>	<u>67</u>
Administration and general expenses				
Auditors' remuneration				
- Statutory audit	106	100	106	100
Professional fees	32	184	32	184
Communication expenses	167	142	167	142
Management fees	5,937	6,704	5,937	6,704
Licence fees and stamp duties	38	38	38	38
Non-executive directors' fees and allowances	265	257	265	257
Plant and equipment written off	3	-	3	-
Other administration and general expenses	2,205	2,710	2,205	2,710
	<u>8,753</u>	<u>10,135</u>	<u>8,753</u>	<u>10,135</u>
	<u>34,759</u>	<u>34,762</u>	<u>34,759</u>	<u>34,762</u>

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27. Allowance for / (Writeback of) impairment on loans, advances and financing

	1st Quarter Ended		Three Months Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
<u>Allowance for / (Writeback of) ECL</u>				
Loans, advances and financing	2,559	(7,650)	2,559	(7,650)
Provision for credit commitments and contingencies	551	156	551	156
	<u>3,110</u>	<u>(7,494)</u>	<u>3,110</u>	<u>(7,494)</u>

28. Writeback of impairment on other financial assets

	1st Quarter Ended		Three Months Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
<u>Writeback of ECL</u>				
Cash and short-term funds	11	59	11	59
Deposits and placements with banks and other financial institutions	(1,099)	(1,180)	(1,099)	(1,180)
Debt instruments measured at FVOCI	(139)	(292)	(139)	(292)
Other assets	3	3	3	3
	<u>(1,224)</u>	<u>(1,410)</u>	<u>(1,224)</u>	<u>(1,410)</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

29. Use of Financial Instruments

Interest / profit rate risk

The tables below summarise the Bank's financial instruments at carrying amounts, categorised by contractual re-pricing or maturity dates.

	Non-trading book						Trading book	Total
	Up to 1 month	>1 - 3 months	>3 - 12 months	1 - 5 years	Over 5 years	Non-interest bearing #		
30 June 2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets								
Cash and short-term funds	6,516,656	-	-	-	-	104,086	-	6,620,742
Deposits and placements with banks and other financial institutions	-	1,571,948	141,546	-	-	(234)	-	1,713,260
Debt instruments measured at FVOCI	952,431	702,075	746,885	394,086	-	-	-	2,795,477
Loans, advances and financing								
- non-impaired	2,735,814	602,707	1,992,366	7,992,300	1,121,949	(40,626)	-	14,404,510
- impaired	-	-	-	53,530	-	(53,530)	-	-
Derivative financial assets	-	176	3,845	1,170	-	-	881,801	886,992
Other assets ^	126,315	6,436	23,828	-	-	13,744	-	170,323
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	650	-	650
Total assets	10,331,216	2,883,342	2,908,470	8,441,086	1,121,949	24,090	881,801	26,591,954

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

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

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29. Use of Financial Instruments (continued)

Interest / profit rate risk (continued)

	Non-trading book					Non- interest bearing RM'000	Trading book RM'000	Total RM'000
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000			
30 June 2024								
Liabilities								
Deposits from customers	5,365,352	1,165,390	1,408,550	5,409,335	1,051,704	2,790,784	-	17,191,115
Deposits and placements of banks and other financial institutions	3,178,120	425,573	589,774	-	-	11,964	-	4,205,431
Bills and acceptances payable	-	-	643	-	-	-	-	643
Derivative financial liabilities	-	-	-	11	-	-	804,976	804,987
Other liabilities *	14,014	11,975	32,851	23,599	3,513	133,628	-	219,580
Lease liabilities	307	613	2,760	6,439	-	-	-	10,119
Total liabilities	8,557,793	1,603,551	2,034,578	5,439,384	1,055,217	2,936,376	804,976	22,431,875
On balance sheet interest rate gap	1,773,423	1,279,791	873,892	3,001,702	66,732	(2,912,286)	76,825	4,160,079
Off balance sheet interest rate gap	-	1,824,554	(42,008)	(1,573,931)	(208,615)	-	-	-
Total interest rate gap	1,773,423	3,104,345	831,884	1,427,771	(141,883)	(2,912,286)	76,825	4,160,079

* Other liabilities exclude other provisions and accruals as well as deferred income as these items are classified as non-financial liabilities.

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29. Use of Financial Instruments (continued)

Interest / profit rate risk (continued)

	Non-trading book						Trading book RM'000	Total RM'000
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest bearing # RM'000		
31 March 2024								
<u>Assets</u>								
Cash and short-term funds	5,612,287	-	-	-	-	155,607	-	5,767,894
Deposits and placements with banks and other financial institutions	-	2,035,228	-	-	-	(1,333)	-	2,033,895
Debt instruments measured at FVOCI	2,798,366	150,790	30,079	394,647	-	-	-	3,373,882
Loans, advances and financing								
- non-impaired	2,385,517	752,262	1,292,569	8,827,352	1,133,700	(38,012)	-	14,353,388
- impaired	-	-	-	53,585	-	(53,585)	-	-
Derivative financial assets	-	8,153	4,301	7,138	-	-	793,138	812,730
Other assets [^]	64,035	9,976	6,748	-	-	10,981	-	91,740
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	650	-	650
Total assets	10,860,205	2,956,409	1,333,697	9,282,722	1,133,700	74,308	793,138	26,434,179

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

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

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29. Use of Financial Instruments (continued)

Interest / profit rate risk (continued)

	Non-trading book						Trading book RM'000	Total RM'000
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest bearing RM'000		
31 March 2024								
<u>Liabilities</u>								
Deposits from customers	5,301,150	1,242,062	1,064,231	6,400,147	1,068,346	2,613,350	-	17,689,286
Deposits and placements of banks and other financial institutions	1,498,898	1,217,316	293,485	590,383	-	9,354	-	3,609,436
Bills and acceptances payable	-	-	392	-	-	-	-	392
Derivative financial liabilities	-	-	-	7	-	-	700,849	700,856
Other liabilities *	16,435	9,785	6,621	41,373	3,739	233,436	-	311,389
Lease liabilities	319	637	2,867	6,856	-	-	-	10,679
Total liabilities	6,816,802	2,469,800	1,367,596	7,038,766	1,072,085	2,856,140	700,849	22,322,038
On balance sheet interest rate gap	4,043,403	486,609	(33,899)	2,243,956	61,615	(2,781,832)	92,289	4,112,141
Off balance sheet interest rate gap	-	1,478,421	(51,783)	(1,218,023)	(208,615)	-	-	-
Total interest rate gap	4,043,403	1,965,030	(85,682)	1,025,933	(147,000)	(2,781,832)	92,289	4,112,141

* Other liabilities exclude other provisions and accruals as well as deferred income as these items are classified as non-financial liabilities.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

30. Use of Financial Instruments (continued)

Interest / profit rate risk (continued)

	30 June 2024		31 March 2024	
	MYR % p.a.	USD % p.a.	MYR % p.a.	USD % p.a.
Financial assets				
Cash and short-term funds	3.07	5.48	3.05	5.34
Deposits and placements with banks and other financial institutions	3.58	5.63	3.56	5.54
Loans, advances and financing	4.75	6.46	4.70	6.48
Financial liabilities				
Deposits from customers	3.31	5.49	3.28	5.47
Deposits and placements of banks and other financial institutions	-	5.51	-	5.53

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31. Credit Exposures to Connected Parties

The credit exposures of the Bank to connected parties, as defined by Bank Negara Malaysia's Guidelines on Credit Transactions and Exposures with Connected Parties' are as follows:

	30 June 2024 RM'000	31 March 2024 RM'000
Aggregate value of outstanding credit exposures to connected parties	426,320	743,635
As a percentage of total credit exposures	1.25%	2.18%

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

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32. Capital Adequacy

The capital adequacy ratios of the Bank are computed in accordance with Bank Negara Malaysia's Guidelines on Capital Adequacy Framework (Capital Components and Basel II - Risk Weighted Assets). The Bank adopted the Standardised Approach for credit risk and market risk and the Basic Indicator Approach for operational risk.

The capital adequacy ratios of the Bank are analysed as follows:

	30 June 2024 RM'000	31 March 2024 RM'000
<u>Tier 1 capital</u>		
Paid-up ordinary share capital	2,452,605	2,452,605
Retained earnings	1,537,885	1,537,885
Other reserves	159,955	157,652
	<u>4,150,445</u>	<u>4,148,142</u>
Less: 55% of fair value reserve	(2,216)	(949)
Regulatory reserve	(155,926)	(155,926)
Total Common Equity Tier 1 (CET 1) and Tier 1 Capital	<u>3,992,303</u>	<u>3,991,267</u>
<u>Tier 2 capital</u>		
Expected credit losses	48,435	46,494
Regulatory reserve *	141,133	133,865
Tier 2 Capital	<u>189,568</u>	<u>180,359</u>
Total capital base	<u>4,181,871</u>	<u>4,171,626</u>
<u>Capital ratios</u>		
CET 1 and Tier 1 capital ratio	24.493%	25.593%
Total capital ratio	25.656%	26.749%

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

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

	30 June 2024 RM'000	31 March 2024 RM'000
Credit risk	15,165,426	14,428,701
Market risk	305,575	358,060
Operational risk	828,994	808,459
Total risk-weighted assets	<u>16,299,995</u>	<u>15,595,220</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

33. Commitments and contingencies

In the ordinary course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

The commitment and contingencies are as follows:

	Principal amount RM'000	Credit equivalent amount * RM'000	Risk- weighted assets * RM'000
30 June 2024			
Transaction-related contingent items	467,601	231,452	231,452
Short-term self-liquidating trade-related contingencies	284,626	56,563	56,563
Foreign exchange related contracts:			
- Less than one year	12,942,294	485,707	288,970
- One year to less than five years	11,625,990	1,682,806	1,018,005
- Five years and above	173,061	36,206	28,038
Interest / Profit rate related contracts:			
- Less than one year	50,265	434	217
- One year to less than five years	1,573,931	66,574	42,759
- Five years and above	208,615	36,407	26,026
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	841,669	168,150	161,105
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	9,577,681	4,786,309	4,650,863
Total	37,745,733	7,550,608	6,503,998

* The credit equivalent amount and the risk-weighted amount are derived at using the credit conversion factors and risk weights respectively as per Bank Negara Malaysia Guidelines.

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33. Commitments and contingencies (continued)

	Principal amount RM'000	Credit equivalent amount * RM'000	Risk- weighted assets * RM'000
31 March 2024			
Transaction-related contingent items	477,057	235,217	235,217
Short-term self-liquidating trade-related contingencies	472,994	93,836	93,836
Foreign exchange related contracts:			
- Less than one year	15,368,344	393,731	234,709
- One year to less than five years	12,630,186	1,742,328	1,044,440
- Five years and above	178,188	36,899	28,354
Interest / Profit rate related contracts:			
- Less than one year	11,783	234	117
- One year to less than five years	1,258,023	56,494	34,007
- Five years and above	208,615	36,997	26,321
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	971,098	193,841	174,100
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	9,972,338	4,985,748	4,722,511
Total	41,548,626	7,775,325	6,593,612

* The credit equivalent amount and the risk-weighted amount are derived at using the credit conversion factors and risk weights respectively as per Bank Negara Malaysia Guidelines.

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

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

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

(a) Financing and advances

	30 June 2024 RM'000	31 March 2024 RM'000
(i) By type:		
<u>At amortised cost:</u>		
Term financing		
- Syndicated Islamic financing	477,390	472,474
- Islamic term financing	391,099	595,878
Revolving credit-i	911,537	575,716
Gross financing and advances	<u>1,780,026</u>	<u>1,644,068</u>
Less: Allowance for ECL		
- 12-month ECL (Stage 1)	(884)	(848)
Net financing and advances	<u><u>1,779,142</u></u>	<u><u>1,643,220</u></u>
(ii) By contract:		
Murabahah	1,780,026	1,644,068
Gross financing and advances	<u><u>1,780,026</u></u>	<u><u>1,644,068</u></u>

(b) Deposits from customers

	30 June 2024 RM'000	31 March 2024 RM'000
(i) By type and contract:		
<u>At amortised cost:</u>		
Demand deposits - Qard	-	381
	<u><u>-</u></u>	<u><u>381</u></u>

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35. The operations of Islamic Banking Window

Islamic Banking Window ("IBW") was launched on 10 January 2023 after obtaining BNM approval to expand Islamic businesses in Malaysian Ringgit. This initiative is part of the Bank's strategy to grow Shariah compliant assets and complement ICBU offerings in Malaysia market. IBW offers financing products and the Bank embarks in expanding more products to serve customers better. All Islamic operations are supervised by the independent Shariah Committee and will be reported on annual basis.

The financial statement as at 30 June 2024 is summarised as follows:

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

		30 June 2024 RM'000	31 March 2024 RM'000
	Note		
Assets			
Cash and short-term funds	(a)	30,000	50,900
Other assets	(b)	18	1
Total assets		<u>30,018</u>	<u>50,901</u>
Liabilities and islamic banking funds			
Other liabilities	(c)	1,523	22,251
Total liabilities		<u>1,523</u>	<u>22,251</u>
Capital funds		<u>28,495</u>	<u>28,650</u>
Islamic banking funds		<u>28,495</u>	<u>28,650</u>
Total liabilities and islamic banking funds		<u>30,018</u>	<u>50,901</u>

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

35. The operations of Islamic Banking Window (continued)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Note	1st Quarter Ended		Three Months Ended	
		30 June 2024	30 June 2023	30 June 2024	30 June 2023
				RM'000	RM'000
Other operating income	(d)	17	-	17	-
Other operating expenses	(e)	(172)	(235)	(172)	(235)
Loss before taxation		(155)	(235)	(155)	(235)
Tax expense		-	-	-	-
Loss for the period		(155)	(235)	(155)	(235)

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Capital funds RM'000	Retained earnings RM'000	Total RM'000
At 1 April 2024	30,000	(1,350)	28,650
Loss for the period	-	(155)	(155)
At 30 June 2024	30,000	(1,505)	28,495
At 1 April 2023	30,000	(383)	29,617
Loss for the period	-	(235)	(235)
At 30 June 2023	30,000	(618)	29,382

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024****35. The operations of Islamic Banking Window (continued)****STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	30 June 2024 RM'000	30 June 2023 RM'000
Cash flows from operating activities		
Loss before taxation	(155)	(235)
Operating loss before working capital changes	<u>(155)</u>	<u>(235)</u>
Increase in operating assets:		
Other assets	(17)	-
(Decrease) / Increase in operating liabilities:		
Other liabilities	<u>(20,728)</u>	<u>235</u>
Cash used in operating activities	<u>(20,900)</u>	<u>-</u>
Net decrease in cash and cash equivalents during the financial period	(20,900)	-
Cash and cash equivalents at beginning of the financial period	50,900	30,000
Cash and cash equivalents at end of the financial period	<u><u>30,000</u></u>	<u><u>30,000</u></u>

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35. The operations of Islamic Banking Window (continued)

Basis of Preparation

The financial statements of the Islamic Banking business have been prepared on the basis consistent with that of the Bank as disclosed in Note 1.

(a) Cash and short-term funds

	30 June 2024 RM'000	31 March 2024 RM'000
Cash and balances with banks and other financial institutions	30,000	50,900

(b) Other assets

	30 June 2024 RM'000	31 March 2024 RM'000
Other receivables	18	1

(c) Other liabilities

	30 June 2024 RM'000	31 March 2024 RM'000
Amounts due to conventional banking	1,523	1,351
Converted funds	-	20,900
	<u>1,523</u>	<u>22,251</u>

35. The operations of Islamic Banking Window (continued)

(d) Other operating income

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Fee income	17	-	17	-

(e) Other operating expenses

	1st Quarter Ended		Three Months Ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Salaries, allowances and bonuses	172	235	172	235

(f) Assets under management

The details of asset under management in respect of the Internal Wakalah scheme are as below.

	30 June	31 March
	2024	2023
	RM'000	RM'000
Total gross financing and advances	20,408	20,900
Less: Allowance for ECL	(136)	(202)
Total net financing and advances	20,272	20,698

The IBW is financed based on Internal Wakalah scheme. Whereby, financing and income are reported at entity level as total risks associated with the financing are borne at entity level instead of at IBW. As part of the Internal Wakalah scheme, IBW will earn Wakalah fees for managing the Internal Wakalah structure. Hence, the underlying assets and allowance for impairment arising thereon, if any, are recognised and accounted for at entity level only.

35. The operations of Islamic Banking Window (continued)

(g) Shariah Committee

The Shariah Committee was established under BNM's Shariah Governance Policy Document ("the SGP").

The Board is ultimately responsible for the oversight over the functioning of the Bank's overall Shariah Governance structure and Shariah compliance. Additionally, the Board promotes Shariah compliance in accordance with the expectations set out in the Bank's Shariah governance policies and ensure its integration with the Bank's business and risk strategies.

The Shariah Committee ("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 Shariah Advisory Council (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.

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

Finally, 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 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 SAC and they are complying with the said

As of March 2024, Shariah Committee ("ShC") comprises: Assoc. Prof. Dr. Mushaddad bin Hasbullah, Assoc. Prof. Dr. Abdul Manan bin Ismail, Dr. Mohamad Rizal bin Mohamed Nor and Wan Rizaidy bin W Mamat Saufi.

38. The operations of Islamic Banking Window (continued)

(h) Capital adequacy

The capital adequacy ratios of the Islamic Banking Window are computed in accordance with the requirements of the Bank Negara Malaysia's Capital Framework for Islamic Banks (Capital Components) and Capital Adequacy Framework for Islamic Banks (Risk Weighted Assets).

The capital adequacy ratios of the Bank's Islamic Banking Window are analysed as follows:

	30 June 2024 RM'000	31 March 2024 RM'000
<u>Tier 1 capital</u>		
Paid-up ordinary share capital	30,000	30,000
Retained earnings	(1,505)	(1,350)
	<u>28,495</u>	<u>28,650</u>
Less: Deferred tax assets	-	-
55% of fair value reserve	-	-
Regulatory reserve	-	-
Total Common Equity Tier 1 (CET 1) and Tier 1 capital	<u>28,495</u>	<u>28,650</u>
<u>Tier 2 capital</u>		
Expected credit losses (Stage 1 and Stage 2)	-	-
Regulatory reserve	-	-
Total Tier 2 capital	<u>-</u>	<u>-</u>
Total capital base	<u>28,495</u>	<u>28,650</u>
<u>Capital ratios</u>		
CET 1 and Tier 1 capital ratio	54798.077%	955000.000%
Total capital ratio	54798.077%	955000.000%

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

	30 June 2024 RM'000	31 March 2024 RM'000
Credit risk	18	1
Market risk	-	-
Operational risk	34	2
Total risk-weighted assets	<u>52</u>	<u>3</u>

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MANAGEMENT'S CERTIFICATION

I hereby certify that the attached unaudited condensed interim financial statements for the financial period ended 30 June 2024 have been prepared from the Bank's accounting and other records and they are in accordance with the requirements of MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and the latest Revised Guidelines on Financial Reporting issued by Bank Negara Malaysia.

[Signed]

Atsuhide Shiojiri
Chief Executive Officer

Date: 26 July 2024