



Standard Chartered Bank Malaysia Berhad
(Incorporated in Malaysia)
and its subsidiaries

**Financial statements for the three months
ended 31 March 2014**

STANDARD CHARTERED BANK MALAYSIA BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

	Note	Group		Bank	
		31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Assets					
Cash and short term funds		7,441,497	8,143,220	5,884,300	6,794,448
Deposits and placements with banks and other financial institutions		330,717	12,590	3,101,523	2,389,694
Securities purchased under resale agreements		239,326	291,261	239,326	291,261
Financial assets held for trading	11	1,965,478	2,918,194	1,965,478	2,918,194
Investment securities available-for-sale	12	5,012,351	4,648,145	4,940,885	4,522,205
Loans, advances and financing	13	33,767,430	34,209,142	28,084,601	29,163,612
Derivative financial assets		1,849,771	2,096,671	1,849,473	2,096,231
Other assets	15	1,688,532	702,619	1,978,993	989,697
Current tax assets		62,836	64,624	51,930	53,150
Statutory deposits with Bank Negara Malaysia	16	1,168,585	1,153,509	949,838	952,192
Investments in subsidiaries		-	-	411,522	411,522
Property, plant and equipment		64,572	65,741	60,841	61,366
Deferred tax assets		41,733	43,373	38,372	38,533
Total assets		53,632,828	54,349,089	49,557,082	50,682,105
Liabilities					
Deposits from customers	17	38,760,868	38,594,479	34,238,102	34,452,038
Deposits and placements of banks and other financial institutions	18	5,769,006	7,170,856	5,655,279	7,056,409
Derivative financial liabilities		1,464,223	1,754,037	1,462,444	1,756,805
Other liabilities	19	2,560,441	1,887,018	3,295,995	2,638,024
Current tax liabilities		1,666	1,476	-	-
Subordinated debts		1,000,000	1,000,000	1,000,000	1,000,000
Total liabilities		49,556,204	50,407,866	45,651,820	46,903,276
Equity					
Share capital		163,000	163,000	163,000	163,000
Reserves		3,903,882	3,768,971	3,742,262	3,615,829
Total equity attributable to owner of the Bank		4,066,882	3,931,971	3,905,262	3,778,829
Non-controlling interest		9,742	9,252	-	-
Total liabilities and equity		53,632,828	54,349,089	49,557,082	50,682,105
Commitments and contingencies	27	157,167,448	156,185,486	154,621,465	152,762,568

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2013.

STANDARD CHARTERED BANK MALAYSIA BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER AND THREE MONTHS ENDED 31 MARCH 2014

	Note	Group			
		1st Quarter ended 31 March 2014	31 March 2013 Restated RM'000	31 March 2014	31 March 2013 Restated RM'000
Interest income	20	452,619	452,258	452,619	452,258
Interest expense	21	(191,908)	(184,550)	(191,908)	(184,550)
Net interest income		260,711	267,708	260,711	267,708
Net income from Islamic Banking operations	22	73,954	76,165	73,954	76,165
		334,665	343,873	334,665	343,873
Other operating income	23	139,757	163,495	139,757	163,495
Total net income		474,422	507,368	474,422	507,368
Other operating expenses	24	(247,403)	(232,102)	(247,403)	(232,102)
Operating profit		227,019	275,266	227,019	275,266
Provisions for loans, advances and financing	25	(46,856)	(110,070)	(46,856)	(110,070)
Profit before taxation		180,163	165,196	180,163	165,196
Tax expense		(45,254)	(43,085)	(45,254)	(43,085)
Profit for the period		134,909	122,111	134,909	122,111
Other comprehensive income/(expense), net of income tax					
Items that may be reclassified subsequently to profit or loss					
Fair value reserve (investment securities available-for-sale):-					
Net changes in fair value		2,443	1,572	2,443	1,572
Net amount transferred to profit or loss		(2,453)	(3,625)	(2,453)	(3,625)
Cash flow hedges:-					
Effective portion of changes in fair value		585	(164)	585	(164)
Net amount transferred to profit or loss		(83)	49	(83)	49
Other comprehensive income / (expense) for the period, net of income tax		492	(2,168)	492	(2,168)
Total comprehensive income for the period		135,401	119,943	135,401	119,943
Profit attributable to:					
Owner of the Bank		134,419	122,111	134,419	122,111
Non-controlling interest		490	-	490	-
		134,909	122,111	134,909	122,111
Total comprehensive income attributable to:					
Owner of the Bank		134,911	119,943	134,911	119,943
Non-controlling interest		490	-	490	-
		135,401	119,943	135,401	119,943

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2013.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER AND THREE MONTHS ENDED 31 MARCH 2014

	Note	Bank			
		1st Quarter ended		Three months ended	
		31 March 2014	31 March 2013 Restated	31 March 2014	31 March 2013 Restated
		RM'000	RM'000	RM'000	RM'000
Interest income	20	465,344	469,220	465,344	469,220
Interest expense	21	(191,908)	(184,550)	(191,908)	(184,550)
Net interest income		273,436	284,670	273,436	284,670
Net income from Islamic Banking operations	22	-	-	-	-
		273,436	284,670	273,436	284,670
Other operating income	23	163,251	181,721	163,251	181,721
Total net income		436,687	466,391	436,687	466,391
Other operating expenses	24	(237,311)	(221,797)	(237,311)	(221,797)
Operating profit		199,376	244,594	199,376	244,594
Provisions for loans, advances and financing	25	(33,956)	(88,237)	(33,956)	(88,237)
Profit before taxation		165,420	156,357	165,420	156,357
Tax expense		(39,470)	(40,687)	(39,470)	(40,687)
Profit for the period		125,950	115,670	125,950	115,670
Other comprehensive income/(expense), net of income tax					
Items that may be reclassified subsequently to profit or loss					
Fair value reserve (investment securities available-for-sale):-					
Net changes in fair value		2,434	1,552	2,434	1,552
Net amount transferred to profit or loss		(2,453)	(3,625)	(2,453)	(3,625)
Cash flow hedges:-					
Effective portion of changes in fair value		585	(164)	585	(164)
Net amount transferred to profit or loss		(83)	49	(83)	49
Other comprehensive income/(expense) for the period, net of income tax		483	(2,188)	483	(2,188)
Total comprehensive income for the period		126,433	113,482	126,433	113,482

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2013.

STANDARD CHARTERED BANK MALAYSIA BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2014

GROUP	← Attributable to owner of the Bank →							Retained profits RM'000	Total RM'000	Non-controlling interest RM'000	Total RM'000
	← Non-Distributable Reserves →				Distributable Reserves						
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Regulatory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000				
At 1 January 2014	163,000	717,000	265,750	219,000	190	(3,115)	(7,594)	2,577,740	3,931,971	9,252	3,941,223
Fair value reserve (investment securities available-for-sale):-											
Net changes in fair value	-	-	-	-	-	2,443	-	-	2,443	-	2,443
Net amount transferred to profit or loss	-	-	-	-	-	(2,453)	-	-	(2,453)	-	(2,453)
Cash flow hedges:-											
Effective portion of changes in fair value	-	-	-	-	-	-	585	-	585	-	585
Net amount transferred to profit or loss	-	-	-	-	-	-	(83)	-	(83)	-	(83)
Total other comprehensive expense for the period	-	-	-	-	-	(10)	502	-	492	-	492
Profit for the period	-	-	-	-	-	-	-	134,419	134,419	490	134,909
Total comprehensive (expense) / income for the period	-	-	-	-	-	(10)	502	134,419	134,911	490	135,401
At 31 March 2014	163,000	717,000	265,750	219,000	190	(3,125)	(7,092)	2,712,159	4,066,882	9,742	4,076,624

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2013.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2014

GROUP	← Attributable to owner of the Bank →							Retained profits RM'000	Total RM'000	Non-controlling interest RM'000	Total RM'000
	← Non-Distributable Reserves →				Distributable Reserves						
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Regulatory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000				
At 1 January 2013 (restated)	163,000	717,000	249,017	150,000	190	1,578	2,392	2,408,664	3,691,841	-	3,691,841
Fair value reserve (investment securities available-for-sale):-											
Net changes in fair value	-	-	-	-	-	1,572	-	-	1,572	-	1,572
Net amount transferred to profit or loss	-	-	-	-	-	(3,625)	-	-	(3,625)	-	(3,625)
Cash flow hedges:-											
Effective portion of changes in fair value	-	-	-	-	-	-	(164)	-	(164)	-	(164)
Net amount transferred to profit or loss	-	-	-	-	-	-	49	-	49	-	49
Total other comprehensive expense for the period	-	-	-	-	-	(2,053)	(115)	-	(2,168)	-	(2,168)
Profit for the period	-	-	-	-	-	-	-	122,111	122,111	-	122,111
Total comprehensive (expense) / income for the period	-	-	-	-	-	(2,053)	(115)	122,111	119,943	-	119,943
At 31 March 2013	163,000	717,000	249,017	150,000	190	(475)	2,277	2,530,775	3,811,784	-	3,811,784

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2013.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2014

BANK	← Attributable to owner of the Bank →							Distributable Reserves	Total
	← Non-Distributable Reserves →								
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Regulatory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000	Retained profits RM'000	RM'000
At 1 January 2014	163,000	717,000	163,000	219,000	190	(3,105)	(7,594)	2,527,338	3,778,829
Fair value reserve (investment securities available-for-sale):-									
Net changes in fair value	-	-	-	-	-	2,434	-	-	2,434
Net amount transferred to profit or loss	-	-	-	-	-	(2,453)	-	-	(2,453)
Cash flow hedges:-									
Effective portion of changes in fair value	-	-	-	-	-	-	585	-	585
Net amount transferred to profit or loss	-	-	-	-	-	-	(83)	-	(83)
Total other comprehensive expense for the period	-	-	-	-	-	(19)	502	-	483
Profit for the period	-	-	-	-	-	-	-	125,950	125,950
Total comprehensive (expense) / income for the period	-	-	-	-	-	(19)	502	125,950	126,433
At 31 March 2014	163,000	717,000	163,000	219,000	190	(3,124)	(7,092)	2,653,288	3,905,262

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2013.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2014

BANK	← <i>Attributable to owner of the Bank</i> →							<i>Distributable Reserves</i>	Total
	← <i>Non-Distributable Reserves</i> →				→				
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Regulatory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000	Retained profits RM'000	RM'000
At 1 January 2013 (restated)	163,000	717,000	163,000	150,000	190	1,651	2,392	2,404,758	3,601,991
Fair value reserve (investment securities available-for-sale):-									
Net changes in fair value	-	-	-	-	-	1,552	-	-	1,552
Net amount transferred to profit or loss	-	-	-	-	-	(3,625)	-	-	(3,625)
Cash flow hedges:-									
Effective portion of changes in fair value	-	-	-	-	-	-	(164)	-	(164)
Net amount transferred to profit or loss	-	-	-	-	-	-	49	-	49
Total other comprehensive expense for the period	-	-	-	-	-	(2,073)	(115)	-	(2,188)
Profit for the period	-	-	-	-	-	-	-	115,670	115,670
Total comprehensive (expense) / income for the period	-	-	-	-	-	(2,073)	(115)	115,670	113,482
At 31 March 2013	163,000	717,000	163,000	150,000	190	(422)	2,277	2,520,428	3,715,473

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2013.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2014

	Group		Bank	
	31 March 2014	31 March 2013 Restated	31 March 2014	31 March 2013 Restated
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	180,163	165,196	165,420	156,357
Adjustment for non-cash items	12,158	(15,631)	7,109	(17,537)
Operating profit before working capital changes	192,321	149,565	172,529	138,820
Changes in working capital:-				
Net changes in operating assets	85,002	(909,386)	337,957	369,076
Net changes in operating liabilities	(562,039)	(2,167,634)	(957,095)	(3,411,397)
Income taxes paid	(41,800)	(98,647)	(38,250)	(94,375)
Net cash used in operating activities	(326,516)	(3,026,102)	(484,859)	(2,997,876)
Net cash (used in) / generated from investing activities	(375,207)	2,503,537	(425,289)	1,703,795
Net decrease in cash and cash equivalents	(701,723)	(522,565)	(910,148)	(1,294,081)
Cash and cash equivalent at beginning of the period	8,143,220	5,306,549	6,794,448	4,139,071
Cash and cash equivalent at end of the period	7,441,497	4,783,984	5,884,300	2,844,990

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2013.

STANDARD CHARTERED BANK MALAYSIA BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

REVIEW OF PERFORMANCE

The Group recorded net profit before taxation of RM 180.16 million for the financial period ended 31 March 2014, as opposed to a net profit before taxation of RM 165.19 million in the previous period last year.

Provisions for loans, advances and financing improved significantly, reducing by RM 63.21 million or 57.43% through intensified recovery efforts and better asset quality and credit management. Meanwhile, operating expenses increased by RM 15.30 million or 6.59% as the Group continues to invest to support growth and ensuring compliance with regulatory requirements, while retaining the best talent in a highly competitive market.

The Group's total assets registered a marginal 1.32% decline to RM 53.63 billion while remaining well capitalized with Tier 1 Common Equity ratio and risk-weighted capital ratio at 10.21% and 14.17% respectively.

PROSPECTS

Standard Chartered PLC Group's refreshed strategy aspirations was recently announced, which is *'To bank the people and companies driving investment, trade and wealth creation across Asia, Africa and the Middle East'*. In line with this refreshed strategy and to reinvigorate growth momentum, Standard Chartered has integrated the two businesses of Wholesale Banking and Consumer Banking into one business. This entails the creation of three customer segment groups, namely Corporate and Institutional Clients, Commercial and Private Banking Clients and Retail Customers, as well as five global product groups - Corporate Finance, Financial Markets, Transaction Banking, Wealth Products and Retail Products. This new structure will enable Standard Chartered to better adapt to new changes in the market and regulatory environment. With one team driving active collaboration towards sustainable growth, the structure will also enable the deployment of capital, liquidity and investment spend more effectively and deliver improvements in productivity and quality of service to customers.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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Notes to the financial statements for the three months ended 31 March 2014

1. Basis of preparation of the financial statements

The unaudited condensed interim financial statements for the first quarter and the three months ended 31 March 2014 have been prepared in accordance with MFRS 134, *Interim Financial Reporting in Malaysia*.

The financial statements incorporate those activities relating to Islamic Banking which have been undertaken by the Group. Islamic Banking refers generally to the acceptance of deposits and granting of financing under the Syariah principles.

The accounting policies and methods of computation in the unaudited condensed interim financial statements are consistent with those adopted in the last audited financial statements, except for the adoption of the following Amendments to MFRSs and IC Interpretation that have been issued by the Malaysian Accounting Standards Board ("MASB"):-

- | | | |
|------|------------------------|--|
| i) | Amendments to MFRS 10 | <i>Consolidated Financial Statements: Investment Entities</i> |
| ii) | Amendments to MFRS 12 | <i>Disclosure of Interests in Other Entities: Investment Entities</i> |
| iii) | Amendments to MFRS 127 | <i>Separate Financial Statements (2011): Investment Entities</i> |
| iv) | Amendments to MFRS 132 | <i>Financial Instruments: Presentation- Offsetting Financial Assets and Financial Liabilities</i> |
| v) | Amendments to MFRS 136 | <i>Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets</i> |
| vi) | Amendments to MFRS 139 | <i>Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting</i> |
| vii) | IC Interpretation 21 | <i>Levies</i> |

The adoption of the above Amendments to MFRSs and IC Interpretation do not have any material impact on the financial statements of the Group and the Bank.

The following MFRSs and Amendments to MFRSs have been issued by the MASB but are not yet effective:

MFRSs and Amendments to MFRSs effective for annual periods beginning on or after 1 July 2014

- | | | |
|-------|------------------------|---|
| i) | Amendments to MFRS 1 | <i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)</i> |
| ii) | Amendments to MFRS 2 | <i>Share-based Payment (Annual Improvements 2010-2012 Cycle)</i> |
| iii) | Amendments to MFRS 3 | <i>Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)</i> |
| iv) | Amendments to MFRS 8 | <i>Operating Segments (Annual Improvements 2010-2012 Cycle)</i> |
| v) | Amendments to MFRS 13 | <i>Fair Value Measurement (Annual Improvements 2011-2013 Cycle)</i> |
| vi) | Amendments to MFRS 116 | <i>Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)</i> |
| vii) | Amendments to MFRS 119 | <i>Employee Benefits – Defined Benefit Plans: Employee Contributions</i> |
| viii) | Amendments to MFRS 124 | <i>Related Party Disclosures (Annual Improvements 2010-2012 Cycle)</i> |
| ix) | Amendments to MFRS 138 | <i>Intangible Assets (Annual Improvements 2010-2012 Cycle)</i> |
| x) | Amendments to MFRS 140 | <i>Investment Property (Annual Improvements 2011-2013 Cycle)</i> |

STANDARD CHARTERED BANK MALAYSIA BERHAD
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1. Basis of preparation of the financial statements (continued)

MFRSs and Amendments to MFRS effective for a date yet to be confirmed

- | | | |
|------|----------------------|--|
| i) | MFRS 9 | <i>Financial Instruments (2009)</i> |
| ii) | MFRS 9 | <i>Financial Instruments (2010)</i> |
| iii) | MFRS 9 | <i>Financial Instruments – Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139</i> |
| iv) | Amendments to MFRS 7 | <i>Financial Instruments: Disclosures- Mandatory Effective Date of MFRS 9 and Transition Disclosures</i> |

The Group and the Bank plan to apply the abovementioned standards and amendments from the annual period beginning on 1 January 2015 for those standards and amendments that are effective for annual periods beginning on or after 1 July 2014.

Except for MFRS 9, the initial application of all the above applicable amendments to MFRSs is not expected to have any material impact on the financial statements upon their first adoption.

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost.

The adoption of MFRS 9 will result in a change in accounting policy. The Group and the Bank is currently assessing the financial impact of adopting MFRS 9.

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013. The explanatory notes attached in the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2013.

2. Auditor's report on preceding annual financial statements

The auditor's report on the financial statements for the financial year ended 31 December 2013 was not qualified.

3. Seasonal or cyclical factors

The business operations of the Group and the Bank have not been affected by any material seasonal or cyclical factors.

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 Group and the Bank in the first quarter and three months ended 31 March 2014.

5. Changes in accounting 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 three months ended 31 March 2014.

6. Issuances, cancellations, repurchases, resale and repayments of securities portfolio

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares in the first quarter and three months ended 31 March 2014.

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7. Proposed Dividend

No dividend has been proposed for the first quarter and the three months ended 31 March 2014.

8. Carrying amount of revalued assets

The Group's and the Bank's property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The valuations of certain land and buildings of the Group and the Bank have been brought forward without amendment from the previous audited annual financial statements for the financial year ended 31 December 2013.

9. Subsequent events

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

10. Changes in composition of the Group

There were no other changes in the composition of the Group for the three months period ended 31 March 2014.

11. Financial assets held for trading

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
<u>At fair value</u>				
Malaysian Government treasury bills	90,741	160,593	90,741	160,593
Malaysian Government bonds/securities	505,861	979,398	505,861	979,398
Government Islamic bonds	-	9,985	-	9,985
Bank Negara Malaysia bills	1,157,638	1,558,607	1,157,638	1,558,607
Cagamas bonds	77,081	-	77,081	-
Private debt securities	134,157	209,611	134,157	209,611
	<u>1,965,478</u>	<u>2,918,194</u>	<u>1,965,478</u>	<u>2,918,194</u>

12. Investment securities available-for-sale

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
<u>At fair value</u>				
Malaysian Government bonds/ securities	2,111,674	2,038,391	2,111,674	2,038,391
Bank Negara Malaysia bills	199,188	746,173	149,559	646,475
Bankers' acceptances and Islamic acceptance bills	1,279,792	722,539	1,279,792	722,539
Negotiable instruments of deposit	1,239,907	1,104,836	1,239,907	1,104,836
Private debt securities	149,988	-	149,988	-
	<u>4,980,549</u>	<u>4,611,939</u>	<u>4,930,920</u>	<u>4,512,241</u>
Unquoted securities:-				
Equity shares, at cost	9,722	9,721	9,722	9,721
Private debt securities, at fair value	22,080	26,485	243	243
	<u>5,012,351</u>	<u>4,648,145</u>	<u>4,940,885</u>	<u>4,522,205</u>

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13. Loans, advances and financing**(i) By type**

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
<u>At amortised cost</u>				
Overdrafts	595,516	620,665	595,516	620,665
Term loans/financing				
- Housing loans/financing	13,945,025	13,610,278	11,481,082	11,566,925
- Syndicated term loan/financing	176,234	50,643	176,234	50,643
- Hire purchase receivables	270,691	248,672	-	-
- Lease receivables	573,865	542,668	-	-
- Other term loans/financing	10,706,323	11,004,065	8,345,708	8,722,415
Bills receivable	3,289,142	3,255,142	3,218,147	3,190,076
Trust receipts	1,252,280	1,448,438	1,112,336	1,345,792
Staff loans/financing	51,130	54,951	49,553	53,324
Loans/financing to banks and other financial institutions	250,734	268,738	250,734	268,738
Credit card receivables	2,235,034	2,357,202	2,235,034	2,357,202
Revolving credit	1,929,222	2,302,691	1,120,841	1,509,710
	<u>35,275,196</u>	<u>35,764,153</u>	<u>28,585,185</u>	<u>29,685,490</u>
Less: Unearned interest and income	(916,420)	(943,945)	(26,473)	(30,531)
Gross loans, advances and financing	<u>34,358,776</u>	<u>34,820,208</u>	<u>28,558,712</u>	<u>29,654,959</u>
Less: Impairment provisions on loans, advances and financing:-				
- Individual impairment provisions	(266,812)	(263,135)	(249,139)	(247,352)
- Collective impairment provisions	(324,534)	(347,931)	(224,972)	(243,995)
Total net loans, advances and financing	<u><u>33,767,430</u></u>	<u><u>34,209,142</u></u>	<u><u>28,084,601</u></u>	<u><u>29,163,612</u></u>

(ii) By type of customer

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Domestic banking institutions	181,851	10,344	181,851	10,344
Domestic non-bank financial institutions	552,823	544,943	319,747	344,493
Domestic business enterprises	12,948,993	13,578,097	10,544,324	11,392,459
<i>Small medium enterprises</i>	<u>4,852,792</u>	<u>4,644,283</u>	<u>3,899,589</u>	<u>3,844,425</u>
<i>Others</i>	<u>8,096,201</u>	<u>8,933,814</u>	<u>6,644,735</u>	<u>7,548,034</u>
Individuals	18,117,666	18,232,044	15,250,717	15,668,946
Other domestic entities	663	643	663	643
Foreign entities	2,556,780	2,454,137	2,261,410	2,238,074
	<u><u>34,358,776</u></u>	<u><u>34,820,208</u></u>	<u><u>28,558,712</u></u>	<u><u>29,654,959</u></u>

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13. Loans, advances and financing (continued)**(iii) By interest/profit rate sensitivity**

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Fixed rate				
Housing loans/financing	27,277	29,900	24,857	27,339
Other fixed rate loan/financing	4,898,278	5,150,392	3,442,899	3,701,030
Variable rate				
BLR plus	17,554,990	17,110,006	15,482,615	15,478,024
Cost plus	9,880,406	10,735,593	9,110,136	9,984,253
Other variable rates	1,997,825	1,794,317	498,205	464,313
	<u>34,358,776</u>	<u>34,820,208</u>	<u>28,558,712</u>	<u>29,654,959</u>

(iv) By sector

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Agriculture	704,863	690,739	505,426	542,592
Mining and quarrying	147,750	170,400	67,076	101,517
Manufacturing	5,073,542	5,026,833	4,520,916	4,512,471
Electricity, gas and water	123,488	97,180	121,379	95,080
Construction	457,236	732,672	366,763	634,622
Real estate	1,236,999	1,303,978	871,876	934,436
Wholesale & retail trade and restaurants & hotels	2,872,852	3,276,282	2,489,916	2,959,085
Transportation, storage and communication	607,451	568,422	376,747	336,272
Finance, insurance and business services	2,341,712	2,123,872	1,728,992	1,604,563
Household	19,727,849	19,688,548	16,565,530	16,909,387
Others	1,065,034	1,141,282	944,091	1,024,934
	<u>34,358,776</u>	<u>34,820,208</u>	<u>28,558,712</u>	<u>29,654,959</u>

(v) By purpose

	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Purchase of securities	-	8,633	-	8,633
Purchase of landed property	17,517,482	17,094,064	14,587,344	14,713,924
- Residential	13,769,428	13,432,237	11,673,856	11,776,288
- Non-residential	3,748,054	3,661,827	2,913,488	2,937,636
Fixed assets excluding land & building	209,855	179,994	-	-
Personal use	2,257,558	2,460,613	1,405,657	1,532,538
Credit cards	2,235,034	2,357,202	2,235,034	2,357,202
Working capital	11,889,965	12,466,562	10,081,795	10,789,522
Others	248,882	253,140	248,882	253,140
	<u>34,358,776</u>	<u>34,820,208</u>	<u>28,558,712</u>	<u>29,654,959</u>

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13. Loans, advances and financing (continued)**(vi) By maturity structure**

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Maturing within one year	10,442,262	9,612,015	9,532,555	9,046,983
One year to three years	3,134,703	4,273,050	2,427,893	3,271,176
Three years to five years	2,565,474	2,946,266	1,637,371	2,115,023
Over five years	18,216,337	17,988,877	14,960,893	15,221,777
	<u>34,358,776</u>	<u>34,820,208</u>	<u>28,558,712</u>	<u>29,654,959</u>

(vii) By geographical distribution

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Within Malaysia	34,042,284	34,488,375	28,242,220	29,323,126
Outside Malaysia	316,492	331,833	316,492	331,833
	<u>34,358,776</u>	<u>34,820,208</u>	<u>28,558,712</u>	<u>29,654,959</u>

(viii) Analysis of foreign currency exposure

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
USD	2,644,403	3,083,275	2,250,675	2,777,896
GBP	670,059	669,076	670,059	669,076
Other foreign currencies	28,016	106,711	28,016	106,711
	<u>28,016</u>	<u>106,711</u>	<u>28,016</u>	<u>106,711</u>

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14. Impaired loans, advances and financing**(i) Movements in impaired loans, advances and financing**

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
At 1 January	1,088,877	424,940	1,048,268	391,051
Classified as impaired during the financial period/year	188,900	1,355,589	165,865	1,250,426
Reclassified as performing during the financial period/year	(46,051)	(227,567)	(44,421)	(224,208)
Amount recovered during the financial period/year	(73,887)	(160,456)	(71,024)	(152,196)
Amount written off during the financial period/year	(81,907)	(303,629)	(63,605)	(216,805)
At end of reporting period/year	<u>1,075,932</u>	<u>1,088,877</u>	<u>1,035,083</u>	<u>1,048,268</u>
Individual impairment provisions	<u>(266,812)</u>	<u>(263,135)</u>	<u>(249,139)</u>	<u>(247,352)</u>
Net impaired loans, advances and financing	<u>809,120</u>	<u>825,742</u>	<u>785,944</u>	<u>800,916</u>

(ii) Movements in impairment provisions for loans, advances and financing

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Collective impairment provisions				
At 1 January	347,931	360,752	243,995	225,935
Impairment made during the financial period/year	2,724	49,097	1,944	45,103
Amount written back	(26,121)	(61,918)	(20,967)	(27,043)
At end of reporting period/year	<u>324,534</u>	<u>347,931</u>	<u>224,972</u>	<u>243,995</u>
As a percentage of gross loans, advances and financing less individual impairment provisions	<u>0.95%</u>	<u>1.01%</u>	<u>0.79%</u>	<u>0.83%</u>
Individual impairment provisions				
At 1 January	263,135	218,584	247,352	215,210
Impairment made during the financial period/year	59,848	302,261	38,479	199,878
Amount written back	(15,565)	(78,782)	(14,333)	(75,677)
Amount written off	(40,606)	(178,928)	(22,359)	(92,059)
At end of reporting period/year	<u>266,812</u>	<u>263,135</u>	<u>249,139</u>	<u>247,352</u>

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14. Impaired loans, advances and financing (continued)**(iii) Impaired loans, advances and financing by sector**

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Agriculture	14,739	14,803	14,739	14,803
Mining and quarrying	9,435	9,221	9,435	9,221
Manufacturing	701,107	675,054	700,231	673,788
Construction	66,797	92,852	66,797	92,852
Wholesale & retail trade and restaurants & hotels	48,606	49,249	47,329	48,360
Transportation, storage and communication	678	238	407	238
Finance, insurance and business services	943	1,403	766	1,156
Household	230,226	242,100	191,978	203,893
Others	3,401	3,957	3,401	3,957
	<u>1,075,932</u>	<u>1,088,877</u>	<u>1,035,083</u>	<u>1,048,268</u>

(iv) Impaired loans, advances and financing by purpose

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Purchase of landed property	113,677	125,175	108,771	122,386
- Residential	107,429	116,275	103,515	114,478
- Non-residential	6,248	8,900	5,256	7,908
Fixed assets excluding land & building	722	722	-	-
Personal use	96,943	98,152	63,601	62,734
Credit cards	23,721	25,155	23,721	25,155
Working capital	840,869	839,673	838,990	837,993
	<u>1,075,932</u>	<u>1,088,877</u>	<u>1,035,083</u>	<u>1,048,268</u>

(v) Impaired loans, advances and financing by geographical distribution

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Within Malaysia	1,075,792	1,088,614	1,034,943	1,048,005
Outside Malaysia	140	263	140	263
	<u>1,075,932</u>	<u>1,088,877</u>	<u>1,035,083</u>	<u>1,048,268</u>

15. Other assets

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Interest/Income receivables	26,265	52,627	37,547	60,442
Unquoted Subordinated Sukuk of a subsidiary company	-	-	100,000	100,000
Other receivables, deposits and prepayments	1,662,267	649,992	1,841,446	829,255
	<u>1,688,532</u>	<u>702,619</u>	<u>1,978,993</u>	<u>989,697</u>

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16. Statutory deposits with Bank Negara Malaysia

The non-interest bearing statutory deposits are maintained with Bank Negara Malaysia ("BNM") in accordance with Section 37(1)(c) of the Central Bank of Malaysia Act 1958 (revised 1994) to satisfy the Statutory Reserve Requirement ("SRR"); the amounts of which are determined as set percentages of total eligible liabilities.

17. Deposits from customers**(i) By type of deposits**

	Group		Bank	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	RM'000	RM'000	RM'000	RM'000
Demand deposits	13,196,780	15,228,387	11,888,723	14,047,772
Savings deposits	3,469,146	3,468,707	3,318,698	3,316,637
Fixed/Investment deposits	21,660,853	19,466,074	18,706,370	16,764,728
Negotiable instruments of deposits	434,089	431,311	324,311	322,901
	<u>38,760,868</u>	<u>38,594,479</u>	<u>34,238,102</u>	<u>34,452,038</u>

The maturity structure of the fixed/investment deposits and negotiable instruments of deposits is as follows:-

	Group		Bank	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	RM'000	RM'000	RM'000	RM'000
Due within six months	18,149,562	16,253,618	15,362,955	13,764,411
Six months to one year	3,156,192	2,749,099	3,008,996	2,566,566
One year to three years	114,185	247,951	113,115	227,681
Three years to five years	524,008	597,037	394,620	479,291
Over five years	150,995	49,680	150,995	49,680
	<u>18,994,942</u>	<u>19,907,785</u>	<u>19,029,671</u>	<u>17,087,635</u>

(ii) By type of customers

	Group		Bank	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	RM'000	RM'000	RM'000	RM'000
Government and statutory bodies	1,293,536	1,624,930	19,275	17,438
Business enterprises	16,200,567	16,108,625	15,689,847	15,624,897
Individuals	17,149,322	17,152,027	15,559,223	15,563,082
Others	4,117,443	3,708,897	2,969,757	3,246,621
	<u>38,760,868</u>	<u>38,594,479</u>	<u>34,238,102</u>	<u>34,452,038</u>

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18. Deposits and placements of banks and other financial institutions

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Licensed banks	1,559,818	2,139,485	1,449,672	2,139,485
Bank Negara Malaysia	111,507	31,050	111,507	31,050
Other financial institutions	4,097,681	5,000,321	4,094,100	4,885,874
	<u>5,769,006</u>	<u>7,170,856</u>	<u>5,655,279</u>	<u>7,056,409</u>

19. Other liabilities

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Interest/Income payable	202,331	200,004	186,305	184,911
Provision for retirement benefit scheme	443	491	443	491
Amount owing to subsidiaries	-	-	22	22
Other payables and accruals	2,357,667	1,686,523	3,109,225	2,452,600
	<u>2,560,441</u>	<u>1,887,018</u>	<u>3,295,995</u>	<u>2,638,024</u>

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20. Interest income

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries				
from impaired loans	350,882	372,029	350,882	372,029
- Recoveries from impaired loans	4,949	6,250	4,949	6,250
Money at call and deposit placements				
with banks and other financial institutions	27,600	11,902	27,600	11,902
Financial assets held for trading	19,241	27,148	19,241	27,148
Investment securities available-for-sale	49,947	34,929	49,947	34,929
	<u>452,619</u>	<u>452,258</u>	<u>452,619</u>	<u>452,258</u>

	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries				
from impaired loans	350,882	372,029	350,882	372,029
- Recoveries from impaired loans	4,949	6,250	4,949	6,250
Money at call and deposit placements				
with banks and other financial institutions	47,899	28,864	47,899	28,864
Financial assets held for trading	19,241	27,148	19,241	27,148
Investment securities available-for-sale	42,373	34,929	42,373	34,929
	<u>465,344</u>	<u>469,220</u>	<u>465,344</u>	<u>469,220</u>

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21. Interest expense

	Group and Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	15,929	12,607	15,929	12,607
Deposits from customers	164,671	166,075	164,671	166,075
Subordinated debts	11,308	5,868	11,308	5,868
	<u>191,908</u>	<u>184,550</u>	<u>191,908</u>	<u>184,550</u>

22. Net income from Islamic Banking operations

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others / Total distributable income	54,108	43,180	54,108	43,180
Income attributable to depositors	<u>(21,825)</u>	<u>(29,185)</u>	<u>(21,825)</u>	<u>(29,185)</u>
Income attributable to the Bank	32,283	13,995	32,283	13,995
Income derived from investment of Islamic banking capital funds and shareholder's funds	<u>41,671</u>	<u>62,170</u>	<u>41,671</u>	<u>62,170</u>
	<u>73,954</u>	<u>76,165</u>	<u>73,954</u>	<u>76,165</u>

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23. Other operating income

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Fee and commission				
Fee and commission income:-				
Arising from financial instruments not fair valued through profit or loss	76,264	94,105	76,264	94,105
- <i>Commission income</i>	47,876	52,635	47,876	52,635
- <i>Service fees</i>	17,180	32,880	17,180	32,880
- <i>Guarantee fees</i>	11,208	8,590	11,208	8,590
Fee and commission expense:-				
Arising from financial instruments not fair valued through profit or loss	(14,595)	(20,316)	(14,595)	(20,316)
- <i>Commission charges</i>	(1,747)	(10,050)	(1,747)	(10,050)
- <i>Service charges</i>	(12,848)	(10,266)	(12,848)	(10,266)
	<u>61,669</u>	<u>73,789</u>	<u>61,669</u>	<u>73,789</u>
Net trading income				
(Losses)/gains from sale of financial assets held for trading and derivative financial instruments	(51,088)	24,230	(51,088)	24,230
Unrealised gains on revaluation of financial assets held for trading and other financial instruments	66,316	16,253	66,316	16,253
Foreign exchange currency				
- Gains from dealing in foreign currency	57,805	49,070	57,805	49,070
- Unrealised gains/(losses) from foreign exchange translation	4,785	(4,662)	4,785	(4,662)
	<u>77,818</u>	<u>84,891</u>	<u>77,818</u>	<u>84,891</u>
Other income				
(Losses)/gains from sale of investment securities available-for-sale	(429)	3,705	(429)	3,705
Gross dividends from unquoted investments	689	-	689	-
Rental income	8	-	8	-
Gain on disposal of property, plant and equipment	-	92	-	92
Others	2	1,018	2	1,018
	<u>270</u>	<u>4,815</u>	<u>270</u>	<u>4,815</u>
Total other operating income	<u>139,757</u>	<u>163,495</u>	<u>139,757</u>	<u>163,495</u>

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23. Other operating income (continued)

	Bank			
	1st Quarter ended		Three months ended	
	31 March 2014 RM'000	31 March 2013 RM'000	31 March 2014 RM'000	31 March 2013 RM'000
Fee and commission				
Fee and commission income:-				
Arising from financial instruments not fair valued through profit or loss	76,264	94,105	76,264	94,105
- <i>Commission income</i>	47,876	52,635	47,876	52,635
- <i>Service fees</i>	17,180	32,880	17,180	32,880
- <i>Guarantee fees</i>	11,208	8,590	11,208	8,590
Fee and commission expense:-				
Arising from financial instruments not fair valued through profit or loss	(11,922)	(20,316)	(11,922)	(20,316)
- <i>Commission charges</i>	(1,747)	(10,050)	(1,747)	(10,050)
- <i>Service charges</i>	(10,175)	(10,266)	(10,175)	(10,266)
	<u>64,342</u>	<u>73,789</u>	<u>64,342</u>	<u>73,789</u>
Net trading income				
(Losses)/gains from sale of financial assets held for trading and derivative financial instruments	(51,088)	24,230	(51,088)	24,230
Unrealised gains on revaluation of financial assets held for trading and other financial instruments	66,316	16,253	66,316	16,253
Foreign exchange currency				
- Gains from dealing in foreign currency	57,805	49,070	57,805	49,070
- Unrealised gains/(losses) from foreign exchange translation	4,785	(4,662)	4,785	(4,662)
	<u>77,818</u>	<u>84,891</u>	<u>77,818</u>	<u>84,891</u>
Other income				
(Losses)/gains from sale of investment securities available-for-sale	(429)	3,705	(429)	3,705
Gross dividends from unquoted investments	689	-	689	-
Rental income	8	-	8	-
Gain on disposal of property, plant and equipment	-	92	-	92
Others	20,823	19,244	20,823	19,244
	<u>21,091</u>	<u>23,041</u>	<u>21,091</u>	<u>23,041</u>
Total other operating income	<u>163,251</u>	<u>181,721</u>	<u>163,251</u>	<u>181,721</u>

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24. Other operating expenses

	Group			
	1st Quarter ended 31 March 2014 RM'000	31 March 2013 RM'000	Three months ended 31 March 2014 RM'000	31 March 2013 RM'000
Personnel costs				
- Salaries, bonuses, wages and allowances	82,918	77,352	82,918	77,352
- Pension fund contributions	8,977	8,147	8,977	8,147
- Other staff related cost	11,296	7,702	11,296	7,702
	<u>103,191</u>	<u>93,201</u>	<u>103,191</u>	<u>93,201</u>
Establishment costs				
- Depreciation of property, plant and equipment	8,013	6,204	8,013	6,204
- Rental	6,953	6,807	6,953	6,807
- Information technology and project expenses	28,690	24,943	28,690	24,943
- Others	10,643	12,640	10,643	12,640
	<u>54,299</u>	<u>50,594</u>	<u>54,299</u>	<u>50,594</u>
Marketing expenses				
- Advertisement and publicity	5,185	4,204	5,185	4,204
- Others	3,253	3,536	3,253	3,536
	<u>8,438</u>	<u>7,740</u>	<u>8,438</u>	<u>7,740</u>
Administration and general expenses				
- Communication expenses	2,935	3,006	2,935	3,006
- Group administration and business support expenses	27,514	28,036	27,514	28,036
- Outsourcing expenses	25,201	23,745	25,201	23,745
- Others	25,825	25,780	25,825	25,780
	<u>81,475</u>	<u>80,567</u>	<u>81,475</u>	<u>80,567</u>
Total other operating expenses	<u>247,403</u>	<u>232,102</u>	<u>247,403</u>	<u>232,102</u>

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24. Other operating expenses (continued)

	Bank			
	1st Quarter ended 31 March 2014 RM'000	31 March 2013 RM'000	Three months ended 31 March 2014 RM'000	31 March 2013 RM'000
Personnel costs				
- Salaries, bonuses, wages and allowances	79,665	74,650	79,665	74,650
- Pension fund contributions	8,977	8,147	8,977	8,147
- Other staff related cost	10,893	6,992	10,893	6,992
	<u>99,535</u>	<u>89,789</u>	<u>99,535</u>	<u>89,789</u>
Establishment costs				
- Depreciation of property, plant and equipment	7,369	5,389	7,369	5,389
- Rental	6,392	6,327	6,392	6,327
- Information technology and project expenses	28,637	24,954	28,637	24,954
- Others	10,167	12,260	10,167	12,260
	<u>52,565</u>	<u>48,930</u>	<u>52,565</u>	<u>48,930</u>
Marketing expenses				
- Advertisement and publicity	5,151	4,178	5,151	4,178
- Others	3,105	3,444	3,105	3,444
	<u>8,256</u>	<u>7,622</u>	<u>8,256</u>	<u>7,622</u>
Administration and general expenses				
- Communication expenses	2,847	2,878	2,847	2,878
- Group administration and business support expenses	25,894	26,159	25,894	26,159
- Outsourcing expenses	25,201	23,745	25,201	23,745
- Others	23,013	22,674	23,013	22,674
	<u>76,955</u>	<u>75,456</u>	<u>76,955</u>	<u>75,456</u>
Total other operating expenses	<u><u>237,311</u></u>	<u><u>221,797</u></u>	<u><u>237,311</u></u>	<u><u>221,797</u></u>

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25. Provisions for loans, advances and financing

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	Restated RM'000	RM'000	Restated RM'000
Provisions for loans, advances and financing:-				
Individual impairment provisions	46,835	70,130	46,835	70,130
- Made in the financial period	47,600	70,954	47,600	70,954
- Discounting of collaterals	12,248	18,859	12,248	18,859
- Written back	(13,013)	(19,683)	(13,013)	(19,683)
Collective impairment provisions				
- Made in the financial period	2,724	14,183	2,724	14,183
- Written back	(26,121)	(6,716)	(26,121)	(6,716)
Bad and doubtful debts on loans, advances and financing:-				
Written off	41,356	41,715	41,356	41,715
Recovered	(17,938)	(9,242)	(17,938)	(9,242)
	<u>46,856</u>	<u>110,070</u>	<u>46,856</u>	<u>110,070</u>

	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2014	2013	2014	2013
	RM'000	Restated RM'000	RM'000	Restated RM'000
Provisions for loans, advances and financing:-				
Individual impairment provisions	26,698	44,713	26,698	44,713
- Made in the financial period	26,231	45,208	26,231	45,208
- Discounting of collaterals	12,248	18,859	12,248	18,859
- Written back	(11,781)	(19,354)	(11,781)	(19,354)
Collective impairment provisions				
- Made in the financial period	1,944	13,130	1,944	13,130
- Written back	(20,967)	(3,293)	(20,967)	(3,293)
Bad and doubtful debts on loans, advances and financing:-				
Written off	41,356	41,715	41,356	41,715
Recovered	(15,075)	(8,028)	(15,075)	(8,028)
	<u>33,956</u>	<u>88,237</u>	<u>33,956</u>	<u>88,237</u>

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27. Commitments and contingencies

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

The commitments and contingencies are as follows:-

Group	31 March 2014			31 December 2013		
	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Direct credit substitutes	3,255,037	3,255,037	907,770	2,390,276	2,390,276	824,234
Transaction-related contingent items	3,939,963	3,936,603	917,422	4,254,108	4,253,025	952,615
Short-term self liquidating trade-related contingencies	305,614	305,614	80,541	390,974	390,974	105,794
Other commitments to extend credit:-						
- maturity not exceeding one year	10,949,857	4,565,215	1,479,717	12,282,795	5,471,974	1,840,909
- maturity exceeding one year	6,034,345	1,536,968	795,470	6,359,524	1,534,941	766,560
Foreign exchange related contracts:-						
- less than one year	30,736,843	805,458	177,675	32,294,898	975,552	234,754
- one year to less than five years	18,739,002	2,068,419	549,050	19,066,983	2,187,200	535,207
- five years and above	1,635,231	330,457	93,027	1,744,078	345,249	129,674
Interest rate related contracts:-						
- less than one year	22,737,981	48,605	6,279	19,220,803	40,177	4,996
- one year to less than five years	47,403,824	1,499,816	320,176	48,719,725	1,581,268	333,331
- five years and above	5,457,484	541,246	126,923	5,512,026	568,450	162,432
Miscellaneous commitments and contingencies	5,972,267	351,841	103,800	3,949,296	287,625	78,858
	<u>157,167,448</u>	<u>19,245,279</u>	<u>5,557,850</u>	<u>156,185,486</u>	<u>20,026,711</u>	<u>5,969,364</u>

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27. Commitments and contingencies (continued)

	31 March 2014			31 December 2013		
	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Bank						
Direct credit substitutes	3,252,241	3,252,241	907,233	2,387,464	2,387,464	823,662
Transaction-related contingent items	3,928,257	3,924,897	915,273	4,181,018	4,179,934	931,868
Short-term self liquidating trade-related contingencies	246,441	246,441	56,616	324,817	324,817	74,723
Sell and buy back agreements	-	-	-	-	-	-
Other commitments to extend credit:-						
- maturity not exceeding one year	9,490,402	3,686,393	1,195,091	10,172,392	4,116,128	1,397,330
- maturity exceeding one year	4,911,308	1,284,561	694,143	5,083,055	1,302,260	679,210
Foreign exchange related contracts:-						
- less than one year	30,684,502	802,586	176,854	32,294,898	972,659	233,968
- one year to less than five years	18,902,178	2,076,578	550,182	19,066,983	2,187,200	535,207
- five years and above	1,635,231	330,457	93,027	1,744,078	345,249	129,674
Interest rate related contracts:-						
- less than one year	22,737,981	48,605	6,279	19,327,561	44,671	5,396
- one year to less than five years	47,403,824	1,498,242	317,105	48,719,725	1,579,583	329,955
- five years and above	5,457,484	541,246	126,918	5,512,026	568,449	162,427
Miscellaneous commitments and contingencies	5,971,616	352,709	100,951	3,948,551	288,817	76,082
	<u>154,621,465</u>	<u>18,044,956</u>	<u>5,139,672</u>	<u>152,762,568</u>	<u>18,297,231</u>	<u>5,379,502</u>

Foreign exchange and interest rate related contracts are subject to market risk and credit risk.

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28. Interest rate risk

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

Group	← Non-trading books →					Trading books RM'000	Total RM'000	Effective interest rate (%)
	3 months or less RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
As at 31 March 2014								
Financial assets								
Cash and short term funds	6,195,531	-	-	-	1,245,966	-	7,441,497	2.97
Deposits and placements with banks and other financial institutions	318,185	-	12,532	-	-	-	330,717	2.92
Securities purchased under resale agreements	239,326	-	-	-	-	-	239,326	2.82
Financial assets held for trading	-	-	-	-	-	1,965,478	1,965,478	2.98
Investment securities available-for-sale	2,371,521	357,420	2,106,619	145,232	31,559	-	5,012,351	3.34
Loans, advances and financing								
- Performing	26,614,609	3,614,163	1,813,393	916,145	-	-	32,958,310	5.33
- Impaired	-	-	-	-	809,120	-	809,120	
Derivative financial assets	-	-	-	-	-	1,849,771	1,849,771	
Other balances	-	-	-	-	2,857,117	-	2,857,117	
	35,739,172	3,971,583	3,932,544	1,061,377	4,943,762	3,815,249	53,463,687	
Financial liabilities								
Deposits from customers	25,949,884	6,170,729	828,558	4,799	5,806,898	-	38,760,868	2.21
Deposits and placements of banks and other financial institutions	5,157,118	-	230,000	381,888	-	-	5,769,006	3.57
Derivative financial liabilities	-	-	-	-	-	1,464,223	1,464,223	
Other balances	-	-	-	-	2,560,441	-	2,560,441	
Subordinated debts	-	1,000,000	-	-	-	-	1,000,000	4.62
	31,107,002	7,170,729	1,058,558	386,687	8,367,339	1,464,223	49,554,538	
On-balance sheet interest sensitivity gap	4,632,170	(3,199,146)	2,873,986	674,690	(3,423,577)	2,351,026		
Off-balance sheet interest sensitivity gap	6,491,563	(9,259,728)	1,589,795	(3,172)	-	-		
Total interest sensitivity gap	11,123,733	(12,458,874)	4,463,781	671,518	(3,423,577)	2,351,026		

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28. Interest rate risk (continued)

Group As at 31 December 2013	Non-trading books					Trading books RM'000	Total RM'000	Effective interest rate (%)
	← 3 months or less RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	→ Non-interest sensitive RM'000			
Financial assets								
Cash and short term funds	7,225,795	-	-	-	917,425	-	8,143,220	2.64
Deposits and placements with banks and other financial institution	-	-	12,590	-	-	-	12,590	2.30
Securities purchased under resale agreements	291,261	-	-	-	-	-	291,261	2.69
Financial assets held for trading	-	-	-	-	-	2,918,194	2,918,194	3.32
Investment securities available-for-sale	2,331,298	242,250	2,038,392	242	35,963	-	4,648,145	3.28
Loans, advances and financing								
- Performing	27,478,834	3,461,586	1,712,778	730,202	-	-	33,383,400	5.41
- Impaired	-	-	-	-	825,742	-	825,742	
Derivative financial assets	7,915	46	1,686	-	-	2,087,024	2,096,671	
Other balances	-	-	-	-	1,856,128	-	1,856,128	
	37,335,103	3,703,882	3,765,446	730,444	3,635,258	5,005,218	54,175,351	
Financial liabilities								
Deposits from customers	22,853,520	6,921,252	836,029	4,771	7,978,907	-	38,594,479	2.62
Deposits and placements of banks and other financial institutions	6,596,305	945	230,000	343,606	-	-	7,170,856	2.90
Derivative financial liabilities	54	32	1,096	844	-	1,752,011	1,754,037	
Other balances	-	-	-	-	1,887,018	-	1,887,018	
Subordinated debts	-	-	-	1,000,000	-	-	1,000,000	4.62
	29,449,879	6,922,229	1,067,125	1,349,221	9,865,925	1,752,011	50,406,390	
On-balance sheet interest sensitivity gap	7,885,224	(3,218,347)	2,698,321	(618,777)	(6,230,667)	3,253,207		
Off-balance sheet interest sensitivity gap	391,971	(2,643,657)	(200,900)	126,845	-	-		
Total interest sensitivity gap	8,277,195	(5,862,004)	2,497,421	(491,932)	(6,230,667)	3,253,207		

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28. Interest rate risk (continued)

Bank	←----- Non-trading books -----→				Non-interest sensitive	Trading books	Total	Effective interest rate (%)
	3 months or less	> 3 - 12 months	> 1 - 5 years	Over 5 years				
As at 31 March 2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Financial assets								
Cash and short term funds	4,651,336	-	-	-	1,232,964	-	5,884,300	2.97
Deposits and placements with banks and other financial institutions	1,537,675	1,551,316	12,532	-	-	-	3,101,523	2.86
Securities purchased under resale agreements	239,326	-	-	-	-	-	239,326	2.82
Financial assets held for trading	-	-	-	-	-	1,965,478	1,965,478	2.98
Investment securities available-for-sale	2,371,521	307,791	2,106,619	145,232	9,722	-	4,940,885	3.34
Loans, advances and financing								
- Performing	23,540,677	3,439,506	72,024	246,450	-	-	27,298,657	5.21
- Impaired	-	-	-	-	785,944	-	785,944	
Derivative financial assets	-	-	-	-	-	1,849,473	1,849,473	
Other balances	-	-	-	100,000	2,828,831	-	2,928,831	4.85
	32,340,535	5,298,613	2,191,175	491,682	4,857,461	3,814,951	48,994,417	
Financial liabilities								
Deposits from customers	22,955,663	4,763,090	712,451	-	5,806,898	-	34,238,102	2.39
Deposits and placements of banks and other financial institutions	5,046,970	-	230,000	378,309	-	-	5,655,279	3.57
Derivative financial liabilities	-	-	-	-	-	1,462,444	1,462,444	
Other balances	-	-	-	-	3,295,995	-	3,295,995	
Subordinated debts	-	-	-	1,000,000	-	-	1,000,000	4.62
	28,002,633	4,763,090	942,451	1,378,309	9,102,893	1,462,444	45,651,820	
On-balance sheet interest sensitivity gap	4,337,902	535,523	1,248,724	(886,627)	(4,245,432)	2,352,507		
Off-balance sheet interest sensitivity gap	6,491,563	(9,259,728)	1,589,795	(3,172)	-	-		
Total interest sensitivity gap	10,829,465	(8,724,205)	2,838,519	(889,799)	(4,245,432)	2,352,507		

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28. Interest rate risk (continued)

Bank As at 31 December 2013	Non-trading books					Trading books RM'000	Total RM'000	Effective interest rate (%)
	← 3 months or less RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	→ Non-interest sensitive RM'000			
Financial assets								
Cash and short term funds	5,891,623	-	-	-	902,825	-	6,794,448	2.59
Deposits and placements with banks and other financial institutions	1,441,763	935,341	12,590	-	-	-	2,389,694	2.94
Securities purchased under resale agreements	291,261	-	-	-	-	-	291,261	2.69
Financial assets held for trading	-	-	-	-	-	2,918,194	2,918,194	3.32
Investment securities available-for-sale	2,231,600	242,250	2,038,392	242	9,721	-	4,522,205	3.29
Loans, advances and financing								
- Performing	24,760,727	3,347,946	168,204	85,819	-	-	28,362,696	5.22
- Impaired	-	-	-	-	800,916	-	800,916	
Derivative financial assets	-	-	-	-	-	2,096,231	2,096,231	
Other balances	-	-	-	100,000	1,841,889	-	1,941,889	4.85
	34,616,974	4,525,537	2,219,186	186,061	3,555,351	5,014,425	50,117,534	
Financial liabilities								
Deposits from customers	20,083,158	5,677,739	712,234	-	7,978,907	-	34,452,038	2.56
Deposits and placements of banks and other financial institutions	6,485,463	945	230,000	340,001	-	-	7,056,409	2.90
Derivative financial liabilities	-	-	-	-	-	1,756,805	1,756,805	
Other balances	-	-	-	-	2,638,024	-	2,638,024	
Subordinated debts	-	-	-	1,000,000	-	-	1,000,000	4.62
	26,568,621	5,678,684	942,234	1,340,001	10,616,931	1,756,805	46,903,276	
On-balance sheet interest sensitivity gap	8,048,353	(1,153,147)	1,276,952	(1,153,940)	(7,061,580)	3,257,620		
Off-balance sheet interest sensitivity gap	391,971	(2,643,657)	(200,900)	126,845	-	-		
Total interest sensitivity gap	8,440,324	(3,796,804)	1,076,052	(1,027,095)	(7,061,580)	3,257,620		

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29. Fair values of financial assets and liabilities

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:-

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The valuation hierarchy, and the types of instruments classified into each level within that hierarchy, is set out below:-

	Level 1	Level 2	Level 3
Fair value determined using	Unadjusted quoted prices in an active market for identical assets and liabilities	Valuation models with directly or indirectly market observable inputs	Valuation models using significant non-market observable inputs
Type of financial assets	Actively traded government and agency securities	Corporate and other government bonds and loans Over-the-counter ("OTC") derivatives	Private debt equity investments
Type of financial liabilities	-	OTC derivatives	-

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29. Fair values of financial assets and liabilities (continued)

Fair value hierarchy (continued)

Group 31 March 2014	Fair value of financial instruments carried at fair value			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets held for trading				
Malaysian Government / Bank Negara Bills	711,654	536,725	-	1,248,379
Debt securities	525,868	191,231	-	717,099
Derivative financial instruments	2,084	1,847,687	-	1,849,771
Investment securities available-for-sale				
Malaysian Government / Bank Negara Bills	199,188	-	-	199,188
Debt securities	2,111,673	2,669,931	21,837	4,803,441
At 31 March 2014	<u>3,550,467</u>	<u>5,245,574</u>	<u>21,837</u>	<u>8,817,878</u>
Liabilities				
Derivative financial instruments	2,153	1,462,070	-	1,464,223
At 31 March 2014	<u>2,153</u>	<u>1,462,070</u>	<u>-</u>	<u>1,464,223</u>

Group 31 December 2013	Fair value of financial instruments carried at fair value			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets held for trading				
Malaysian Government / Bank Negara Bills	1,719,200	-	-	1,719,200
Debt securities	989,383	209,611	-	1,198,994
Derivative financial instruments	1,350	2,095,321	-	2,096,671
Investment securities available-for-sale				
Malaysian Government / Bank Negara Bills	746,173	-	-	746,173
Debt securities	2,038,391	1,827,618	26,242	3,892,251
Unquoted equity securities, at cost	-	-	-	-
At 31 December 2013	<u>5,494,497</u>	<u>4,132,550</u>	<u>26,242</u>	<u>9,653,289</u>
Liabilities				
Derivative financial instruments	1,033	1,753,004	-	1,754,037
At 31 December 2013	<u>1,033</u>	<u>1,753,004</u>	<u>-</u>	<u>1,754,037</u>

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29. Fair values of financial assets and liabilities (continued)

Fair value hierarchy (continued)

Bank	Fair value of financial instruments carried at fair value			
	Level 1	Level 2	Level 3	Total
31 March 2014				
Assets	RM'000	RM'000	RM'000	RM'000
Financial assets held for trading				
Malaysian Government / Bank Negara Bills	711,653	536,726	-	1,248,379
Debt securities	525,868	191,231	-	717,099
Derivative financial instruments	2,084	1,847,389	-	1,849,473
Investment securities available-for-sale				
Malaysian Government / Bank Negara Bills	149,559	-	-	149,559
Debt securities	2,111,673	2,669,931	-	4,781,604
At 31 March 2014	<u>3,500,837</u>	<u>5,245,277</u>	<u>-</u>	<u>8,746,114</u>
Liabilities				
Derivative financial instruments	2,153	1,460,291	-	1,462,444
At 31 March 2014	<u>2,153</u>	<u>1,460,291</u>	<u>-</u>	<u>1,462,444</u>

Bank	Fair value of financial instruments carried at fair value			
	Level 1	Level 2	Level 3	Total
31 December 2013				
Assets	RM'000	RM'000	RM'000	RM'000
Financial assets held for trading				
Malaysian Government / Bank Negara Bills	1,719,200	-	-	1,719,200
Debt securities	989,383	209,611	-	1,198,994
Derivative financial instruments	1,350	2,094,881	-	2,096,231
Investment securities available-for-sale				
Malaysian Government / Bank Negara Bills	646,475	-	-	646,475
Debt securities	2,038,391	1,827,618	-	3,866,009
31 December 2013	<u>5,394,799</u>	<u>4,132,110</u>	<u>-</u>	<u>9,526,909</u>
Liabilities				
Derivative financial instruments	1,033	1,755,772	-	1,756,805
31 December 2013	<u>1,033</u>	<u>1,755,772</u>	<u>-</u>	<u>1,756,805</u>

There were no transfers between Level 1 and Level 2 during the period ended 31 March 2014.

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29. Fair values of financial assets and liabilities (continued)**Methods and Assumptions (continued)****Fair value hierarchy (continued)**

Reconciliation of movements in Level 3 financial instruments:

Group

	31 March 2014			31 December 2013		
	Investment securities available-for-sale	Derivative assets	Derivative liabilities	Investment securities available-for-sale	Derivative assets	Derivative liabilities
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January	26,242	-	-	-	3,648	3,361
Losses recognised in income statement	(4,405)	-	-	(3,146)	-	-
Arising from acquisition of a subsidiary	-	-	-	29,388	-	-
Sales	-	-	-	-	(3,648)	(3,361)
At 31 March/31 December	<u>21,837</u>	<u>-</u>	<u>-</u>	<u>26,242</u>	<u>-</u>	<u>-</u>

Bank

	31 March 2014		31 December 2013	
	Derivative assets	Derivative liabilities	Derivative assets	Derivative liabilities
	RM'000	RM'000	RM'000	RM'000
At 1 January	-	-	3,648	3,361
Sales	-	-	(3,648)	(3,361)
At 31 March/31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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29. Fair values of financial assets and liabilities (continued)

Fair value hierarchy (continued)

The following table shows the valuation techniques used in the determination of fair value within level 3, as well as the unobservable inputs used in the valuation model.

Type	Valuation techniques	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Private debt securities	The fair value of private debt securities is determined by discounting estimated future cash inflows.	Estimated future cash inflows	The estimated fair value would increase/(decrease) if interest rate and estimated future cash inflows were higher or lower.

Sensitivity analysis for level 3

	Other comprehensive income	
	Increase RM'000	(Decrease) RM'000
Estimated cash inflows (10% movement)	3,173	(3,173)

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30. Capital adequacy

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

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Tier 1 Capital				
Paid-up ordinary share capital	125,000	125,000	125,000	125,000
Share premium	375,000	375,000	375,000	375,000
Other reserves	2,952,220	2,827,996	2,807,430	2,690,527
Less: Deferred tax assets	(38,327)	(39,804)	(34,967)	(34,967)
Unrealised gains and losses on 'available-for-sale' financial instruments	(3,125)	(3,115)	(3,124)	(3,105)
Investment in subsidiaries deducted from CET 1 capital	-	-	(82,304)	-
CET 1 capital	<u>3,410,768</u>	<u>3,285,077</u>	<u>3,187,035</u>	<u>3,152,455</u>
Musarakah Irredeemable Non-Cumulative Preference Shares	304,000	342,000	304,000	342,000
Eligible Tier 1 capital	<u>3,714,768</u>	<u>3,627,077</u>	<u>3,491,035</u>	<u>3,494,455</u>
Tier 2 Capital				
Subordinated debts	1,000,000	1,000,000	1,000,000	1,000,000
Collective impairment provisions under standardised approach	11,782	10,827	6,917	6,592
Surplus of total eligible provisions over total expected loss under AIRB approach	7,184	1,117	57,788	54,544
	<u>1,018,966</u>	<u>1,011,944</u>	<u>1,064,705</u>	<u>1,061,136</u>
Less: Investment in subsidiaries	-	-	(429,218)	(511,522)
Eligible Tier 2 capital	<u>1,018,966</u>	<u>1,011,944</u>	<u>635,487</u>	<u>549,614</u>
Total capital base	<u><u>4,733,734</u></u>	<u><u>4,639,021</u></u>	<u><u>4,126,522</u></u>	<u><u>4,044,069</u></u>

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

	Group		Bank	
	31 March 2014 RM'000	31 December 2013 RM'000	31 March 2014 RM'000	31 December 2013 RM'000
Total risk-weighted assets:-				
Credit risk	28,064,022	29,336,671	24,500,047	25,813,311
Market risk	1,680,206	1,367,245	1,680,206	1,367,245
Operational risk	3,661,012	3,596,736	3,409,396	3,343,551
Large exposure for equity holdings	624	623	624	623
	<u>33,405,864</u>	<u>34,301,275</u>	<u>29,590,273</u>	<u>30,524,730</u>

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30. Capital adequacy (continued)

The capital adequacy ratios of the Group and the Bank are as follows:-

	Group		Bank	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
CET 1 capital ratio	10.210%	9.577%	10.771%	10.328%
Tier 1 capital ratio	11.120%	10.574%	11.798%	11.448%
Risk-weighted capital ratio	14.170%	13.524%	13.946%	13.249%

The capital adequacy ratios of the Islamic banking subsidiary of the Bank are as follows:-

	31 March 2014	31 December 2013
CET 1 capital ratio	11.347%	11.314%
Tier 1 capital ratio	11.347%	11.314%
Risk-weighted capital ratio	13.733%	13.719%

31. Comparatives

Certain comparatives have been restated as a result of the change in accounting policy with respect to the measurement basis of collective impairment for loans, advances and financing as disclosed in the audited financial statements of the Group and the Bank for the financial year ended 31 December 2013.