



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

**Financial statements for the nine months
ended 30 September 2013**

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

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013

	Note	Group		Bank	
		30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Assets					
Cash and short term funds		5,848,746	5,306,549	5,295,866	4,139,071
Deposits and placements with banks and other financial institutions		12,524	188,206	1,658,380	2,053,652
Securities purchased under resale agreements		504,034	148,141	504,034	148,141
Financial assets held for trading	11	2,779,735	3,391,192	2,779,735	3,391,192
Investment securities available-for-sale	12	4,469,640	6,114,799	4,137,748	4,973,165
Loans, advances and financing	13	34,326,575	32,868,952	29,658,953	28,932,240
Derivative financial assets		2,103,726	1,589,143	2,101,796	1,589,144
Other assets	15	847,950	838,945	1,166,576	1,223,117
Tax recoverable		4,001	-	4,001	-
Statutory deposits with Bank Negara Malaysia	16	1,119,070	1,103,592	944,748	964,907
Investments in subsidiaries		-	-	411,522	411,522
Property, plant and equipment		70,404	70,229	65,048	63,872
Deferred tax assets		35,508	39,022	27,883	33,545
Total assets		52,121,913	51,658,770	48,756,290	47,923,568
Liabilities					
Deposits from customers	17	34,698,167	35,564,486	31,093,248	31,664,183
Deposits and placements of banks and other financial institutions	18	7,683,002	8,314,656	7,571,431	8,212,243
Derivative financial liabilities		1,673,744	1,385,896	1,672,980	1,386,071
Other liabilities	19	3,018,341	2,027,102	3,552,456	2,438,793
Tax payable		7,756	68,621	-	56,435
Subordinated debts		1,000,000	500,000	1,000,000	500,000
Total liabilities		48,081,010	47,860,761	44,890,115	44,257,725
Equity					
Share capital		163,000	163,000	163,000	163,000
Reserves		3,861,702	3,635,009	3,703,175	3,502,843
Total equity attributable to owner of the Bank		4,024,702	3,798,009	3,866,175	3,665,843
Non-controlling interest		16,201	-	-	-
Total liabilities and equity		52,121,913	51,658,770	48,756,290	47,923,568
Commitments and contingencies	27	162,835,856	165,247,235	160,198,913	163,586,868

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 2012.

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

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 3RD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2013

	Note	Group			
		3rd Quarter ended		Nine months ended	
		30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Interest income	20	478,174	447,220	1,398,287	1,311,795
Interest expense	21	(192,311)	(196,180)	(579,272)	(589,129)
Net interest income		285,863	251,040	819,015	722,666
Net income from Islamic Banking operations	22	62,411	81,881	205,238	243,391
		348,274	332,921	1,024,253	966,057
Other operating income	23	169,862	160,650	499,711	538,647
Total net income		518,136	493,571	1,523,964	1,504,704
Other operating expenses	24	(239,994)	(224,497)	(733,148)	(675,172)
Operating profit		278,142	269,074	790,816	829,532
Provisions for loans, advances and financing	25	(78,663)	(55,898)	(259,338)	(150,775)
Profit before taxation		199,479	213,176	531,478	678,757
Tax expense		(61,585)	(55,111)	(138,007)	(176,381)
Profit for the period		137,894	158,065	393,471	502,376
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		(1,229)	(2,901)	(3,087)	(2,334)
Net amount transferred to profit or loss		579	1,561	(4,604)	721
Cash flow hedges:-					
Effective portion of changes in fair value		(1,341)	(2,229)	(2,928)	(2,588)
Net amount transferred to profit or loss		(1,292)	1,249	(1,488)	887
Items that will not be reclassified subsequently to profit or loss					
Actuarial gains from defined benefit plan		-	-	-	37
Other comprehensive expense for the period, net of income tax		(3,283)	(2,320)	(12,107)	(3,277)
Total comprehensive income for the period		134,611	155,745	381,364	499,099
Profit attributable to:					
Owner of the Bank		136,004	158,065	388,800	502,376
Non-controlling interests		1,890	-	4,671	-
		137,894	158,065	393,471	502,376
Total comprehensive income attributable to:					
Owner of the Bank		132,721	155,745	376,693	499,099
Non-controlling interests		1,890	-	4,671	-
		134,611	155,745	381,364	499,099

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 2012.

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

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 3RD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2013

	Note	Bank			
		3rd Quarter ended 30 September		Nine months ended 30 September	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Interest income	20	481,972	468,904	1,421,910	1,380,300
Interest expense	21	(192,311)	(196,180)	(579,272)	(589,129)
Net interest income		289,661	272,724	842,638	791,171
Net income from Islamic Banking operations	22	-	-	-	-
		289,661	272,724	842,638	791,171
Other operating income	23	186,497	176,853	555,396	586,260
Total net income		476,158	449,577	1,398,034	1,377,431
Other operating expenses	24	(230,678)	(214,166)	(700,300)	(646,321)
Operating profit		245,480	235,411	697,734	731,110
Provisions for loans, advances and financing	25	(61,215)	(38,466)	(204,278)	(106,162)
Profit before taxation		184,265	196,945	493,456	624,948
Tax expense		(59,113)	(50,819)	(130,962)	(162,908)
Profit for the period		125,152	146,126	362,494	462,040
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		(1,287)	(2,898)	(3,142)	(2,026)
Net amount transferred to profit or loss		579	1,561	(4,604)	721
Cash flow hedges:-					
Effective portion of changes in fair value		(1,341)	(2,229)	(2,928)	(2,588)
Net amount transferred to profit or loss		(1,292)	1,249	(1,488)	887
Items that will not be reclassified subsequently to profit or loss					
Actuarial gains from defined benefit plan		-	-	-	37
Other comprehensive expense for the period, net of income tax		(3,341)	(2,317)	(12,162)	(2,969)
Total comprehensive income for the period		121,811	143,809	350,332	459,071

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 2012.

STANDARD CHARTERED BANK MALAYSIA BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

GROUP	← Attributable to owner of the Bank →							Retained profits RM'000	Total RM'000	Non- controlling interests 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	163,000	717,000	249,017	150,000	190	1,578	2,392	2,514,832	3,798,009	-	3,798,009
Fair value reserve (investment securities available-for-sale):-											
Net changes in fair value	-	-	-	-	-	(3,087)	-	-	(3,087)	-	(3,087)
Net amount transferred to profit or loss	-	-	-	-	-	(4,604)	-	-	(4,604)	-	(4,604)
Cash flow hedges:-											
Effective portion of changes in fair value	-	-	-	-	-	-	(2,928)	-	(2,928)	-	(2,928)
Net amount transferred to profit or loss	-	-	-	-	-	-	(1,488)	-	(1,488)	-	(1,488)
Total other comprehensive expense for the period	-	-	-	-	-	(7,691)	(4,416)	-	(12,107)	-	(12,107)
Profit for the period	-	-	-	-	-	-	-	388,800	388,800	4,671	393,471
Total comprehensive (expense) / income for the period	-	-	-	-	-	(7,691)	(4,416)	388,800	376,693	4,671	381,364
Acquisition by non-controlling interests	-	-	-	-	-	-	-	-	-	11,530	11,530
Distribution to Owner of the Bank											
Dividends :-											
- 2012 final	-	-	-	-	-	-	-	(150,000)	(150,000)	-	(150,000)
Total transaction with owner of the Bank	-	-	-	-	-	-	-	(150,000)	(150,000)	-	(150,000)
At 30 September 2013	163,000	717,000	249,017	150,000	190	(6,113)	(2,024)	2,753,632	4,024,702	16,201	4,040,903

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 2012.

STANDARD CHARTERED BANK MALAYSIA BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES
CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

GROUP	← Attributable to owner of the Bank →							Retained profits RM'000	Total RM'000	Non-controlling interests 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 2012	163,000	717,000	222,924	150,000	190	6,466	6,726	2,212,830	3,479,136	-	3,479,136
Fair value reserve (investment securities available-for-sale):-											
Net changes in fair value	-	-	-	-	-	(2,334)	-	-	(2,334)	-	(2,334)
Net amount transferred to profit or loss	-	-	-	-	-	721	-	-	721	-	721
Cash flow hedges:-											
Effective portion of changes in fair value	-	-	-	-	-	-	(2,588)	-	(2,588)	-	(2,588)
Net amount transferred to profit or loss	-	-	-	-	-	-	887	-	887	-	887
Actuarial gains from defined benefit plan	-	-	-	-	-	-	-	37	37	-	37
Total other comprehensive (expense)/ income for the period	-	-	-	-	-	(1,613)	(1,701)	37	(3,277)	-	(3,277)
Profit for the period	-	-	-	-	-	-	-	502,376	502,376	-	502,376
Total comprehensive (expense) / income for the period	-	-	-	-	-	(1,613)	(1,701)	502,413	499,099	-	499,099
Distribution to Owner of the Bank											
Dividends :-											
- 2011 final	-	-	-	-	-	-	-	(195,000)	(195,000)	-	(195,000)
Total transaction with Owner of the Bank	-	-	-	-	-	-	-	(195,000)	(195,000)	-	(195,000)
At 30 September 2012	163,000	717,000	222,924	150,000	190	4,853	5,025	2,520,243	3,783,235	-	3,783,235

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 2012.

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

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 2013	163,000	717,000	163,000	150,000	190	1,651	2,392	2,468,610	3,665,843
Fair value reserve (investment securities available-for-sale):-									
Net changes in fair value	-	-	-	-	-	(3,142)	-	-	(3,142)
Net amount transferred to profit or loss	-	-	-	-	-	(4,604)	-	-	(4,604)
Cash flow hedges:-									
Effective portion of changes in fair value	-	-	-	-	-	-	(2,928)	-	(2,928)
Net amount transferred to profit or loss	-	-	-	-	-	-	(1,488)	-	(1,488)
Total other comprehensive expense for the period	-	-	-	-	-	(7,746)	(4,416)	-	(12,162)
Profit for the period	-	-	-	-	-	-	-	362,494	362,494
Total comprehensive (expense) / income for the period	-	-	-	-	-	(7,746)	(4,416)	362,494	350,332
Distribution to Owner of the Bank									
Dividends :-									
- 2012 Final	-	-	-	-	-	-	-	(150,000)	(150,000)
Total transaction with owner of the Bank	-	-	-	-	-	-	-	(150,000)	(150,000)
At 30 September 2013	163,000	717,000	163,000	150,000	190	(6,095)	(2,024)	2,681,104	3,866,175

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 2012.

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

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 2012	163,000	717,000	163,000	150,000	190	6,409	6,726	2,192,231	3,398,556
Fair value reserve (investment securities available-for-sale):-									
Net changes in fair value	-	-	-	-	-	(2,026)	-	-	(2,026)
Net amount transferred to profit or loss	-	-	-	-	-	721	-	-	721
Cash flow hedges:-									
Effective portion of changes in fair value	-	-	-	-	-	-	(2,588)	-	(2,588)
Net amount transferred to profit or loss	-	-	-	-	-	-	887	-	887
Actuarial gains from defined benefit plan	-	-	-	-	-	-	-	37	37
Total other comprehensive (expense) / income for the period	-	-	-	-	-	(1,305)	(1,701)	37	(2,969)
Profit for the period	-	-	-	-	-	-	-	462,040	462,040
Total comprehensive (expense) / income for the period	-	-	-	-	-	(1,305)	(1,701)	462,077	459,071
Distribution to Owner of the Bank									
Dividends :-									
- 2011 final	-	-	-	-	-	-	-	(195,000)	(195,000)
Total transaction with owner of the Bank	-	-	-	-	-	-	-	(195,000)	(195,000)
At 30 September 2012	163,000	717,000	163,000	150,000	190	5,104	5,025	2,459,308	3,662,627

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 2012.

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

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2013

	Group		Bank	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Profit before taxation	531,478	678,757	493,456	624,948
Adjustment for non-cash items	(49,813)	(40,297)	(53,906)	(30,671)
Operating profit before working capital changes	481,665	638,460	439,550	594,277
Changes in working capital:-				
Net changes in operating assets	(1,280,043)	(2,887,802)	(230,808)	(3,187,561)
Net changes in operating liabilities	(547,863)	(461,742)	(98,084)	(359,790)
Income taxes paid	(193,860)	(126,116)	(181,682)	(121,469)
Net cash used in operating activities	(1,540,101)	(2,837,200)	(71,024)	(3,074,543)
Net cash generated from investing activities	1,705,052	765,199	877,819	1,818,537
Net cash generated from / (used in) financing activities	377,246	(195,000)	350,000	(195,000)
Net increase / (decrease) in cash and cash equivalents	542,197	(2,267,001)	1,156,795	(1,451,006)
Cash and cash equivalent at beginning of the period	5,306,549	6,251,969	4,139,071	4,881,279
Cash and cash equivalent at end of the period	<u>5,848,746</u>	<u>3,984,968</u>	<u>5,295,866</u>	<u>3,430,273</u>

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 2012.

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

REVIEW OF PERFORMANCE

The Group recorded a profit before taxation of RM 531.48 million for the financial period ended 30 September 2013 while net interest income achieved a 13.33% growth against the corresponding period. Other operating income (including income from Islamic Banking operations) decreased by 9.86% or RM 77.09 million mainly as a result of lower net income from Islamic Banking operations and net trading income.

Other operating expenses increased by RM 57.98 million or 8.59%. This is partially due to the Group's investments in new infrastructure to support future growth as well as meeting new regulatory requirements, coupled with higher volume of business. Staff costs are also higher against the corresponding period due to the Group's strong full year performance in 2012 coupled with adjustments to ensure that the Group continues to retain its best talent in a highly competitive market. Provisions for loans, advances and financing increased from RM 150.78 million to RM 259.34 million, partially impacted by changes in impairment provision methodology for Consumer Banking loans under Debt Restructuring Programs coupled with non-recurrence of bad debt sale recognised in the previous corresponding period.

The Group's total assets registered a 0.90% increase to RM 52.12 billion. The Group's Tier 1 Capital ratio and risk-weighted capital ratio remained strong at 10.06% and 13.41%, respectively.

PROSPECTS

The Group's Consumer Banking priorities are to achieve increased penetration and growth in its chosen customer segments through enhanced value propositions, delivered via integrated distribution channels, while continuing to focus on efficiency and enhancing customer experience.

The Wholesale Banking business will continue its agenda in deepening client relationships by leveraging on the Group's expertise, experience and established history and network in Asia, Africa and the Middle East, while remaining committed to the fundamentals of banking.

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

Notes to the financial statements for the nine months ended 30 September 2013

1. Basis of preparation of the financial statements

The unaudited condensed interim financial statements for the third quarter and the nine months ended 30 September 2013 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 Malaysian Financial Reporting Standards ("MFRS"), Amendments to MFRSs and IC Interpretation that have been issued by the Malaysian Accounting Standards Board ("MASB"):-

i)	MFRS 10	<i>Consolidated Financial Statements</i>
ii)	MFRS 11	<i>Joint Arrangements</i>
iii)	MFRS 12	<i>Disclosure of Interests in Other Entities</i>
iv)	MFRS 13	<i>Fair Value Measurement</i>
v)	MFRS 119	<i>Employee Benefits</i>
vi)	MFRS 127	<i>Separate Financial Statements (2011)</i>
vii)	MFRS 128	<i>Investments in Associates and Joint Ventures (2011)</i>
viii)	IC Interpretation 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>
ix)	Amendments to MFRS 7	<i>Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities</i>
x)	Amendments to MFRS 1	<i>First-time Adoption of Malaysian Financial Reporting Standards - Government Government Loans</i>
xi)	Amendments to MFRS 1	<i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)</i>
xii)	Amendments to MFRS 101	<i>Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)</i>
xiii)	Amendments to MFRS 116	<i>Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)</i>
xiv)	Amendments to MFRS 132	<i>Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)</i>
xv)	Amendments to MFRS 134	<i>Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)</i>
xvi)	Amendments to MFRS 10	<i>Consolidated Financial Statements: Transition Guidance</i>
xvii)	Amendments to MFRS 11	<i>Joint Arrangements: Transition Guidance</i>
xviii)	Amendments to MFRS 12	<i>Disclosure of Interests in Other Entities: Transition Guidance</i>

The adoption of the above MFRSs, Amendments to MFRSs and IC Interpretation do not have any material impacts 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 January 2014

Amendments to MFRS 10	<i>Consolidated Financial Statements: Investment Entities</i>
Amendments to MFRS 12	<i>Disclosure of Interests in Other Entities: Investment Entities</i>
Amendments to MFRS 127	<i>Separate Financial Statements (2011): Investment Entities</i>
Amendments to MFRS 132	<i>Financial Instruments: Presentation- Offsetting Financial Assets and Financial Liabilities</i>

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

1. Basis of preparation of the financial statements (continued)

MFRSs and Amendments to MFRSs effective for annual periods beginning on or after 1 January 2015

i)	MFRS 9	<i>Financial Instruments (2009)</i>
ii)	MFRS 9	<i>Financial Instruments (2010)</i>
iii)	Amendments to MFRS 7	<i>Financial Instruments: Disclosures- Mandatory Effective Date of MFRS 9 and Transition Disclosures</i>

The Group and the Bank plans to apply the abovementioned standards and amendments:-

- from the annual period beginning on 1 January 2014 for those standards and amendments that are effective for annual periods beginning on or after 1 January 2014.
- from the annual period beginning on 1 January 2015 for those standards that are effective for annual periods beginning on or after 1 January 2015.

Except for MFRS 9, the initial application of all the above applicable MFRSs and amendments 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 2012. 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 2012.

2. Auditor's report on preceding annual financial statements

The auditor's report on the financial statements for the financial year ended 31 December 2012 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 third quarter and nine months ended 30 September 2013.

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 third quarter and nine months ended 30 September 2013.

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

Except as detailed below and disclosed in Note 10, 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 third quarter and nine months ended 30 September 2013.

On 28 August 2013, the Bank issued RM 500 million nominal value Subordinated Bond ("the Bond") at a floating rate equals to KLIBOR plus 1.20% per annum payable semi-annually. The Bond, with a 10-year tenor, due in August 2023, is redeemable on or after 5 years at the Bank's option, subject to consent of BNM and satisfaction of redemption conditions. The issuance of the Bond was intended for working capital purpose.

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

7. Dividend

During the nine months period ended 30 September 2013, a final dividend of 160 sen per ordinary share, less income tax at 25% totalling RM 150,000,000 (120 sen per ordinary share) in respect of the financial year ended 31 December 2012 was paid on 30 April 2013.

An interim dividend (gross) of 160 sen per ordinary share, less income tax at 25% totalling RM 150,000,000 (120 sen per ordinary share) in respect of the financial period ended 30 September 2013 will be proposed. The proposed interim dividend has not been accounted for in the financial statements of the Group and the Bank as at 30 September 2013.

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 2012.

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.

There were no other 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

Golden Maestro Sdn Bhd ("GMSB"), a wholly-owned subsidiary of Standard Chartered Bank Malaysia Berhad ("SCBMB"), had on 1 June 2013 acquired the following:

- i) 40 ordinary shares and 70 preference shares of RM1.00 each, respectively, representing 40% of the issued and paid up ordinary share capital and 70% of the irredeemable preference share capital, respectively, in Resolution Alliance Sdn Bhd (Note 12) for a total consideration of RM 26,902,621; and
- ii) 49 ordinary shares of RM1.00 each, representing 49% of the issued and paid up ordinary share capital in Popular Ambience Sdn Bhd for a total consideration of RM 343,578 (Note 12).

On 1 June 2013, GMSB issued a 3-year Note Payable amounted to RM27,246,199 to fund the above acquisitions. The Note Payable bears a floating interest rate per annum equal to KLIBOR plus 0.55%.

Except for the above acquisitions, there were no other changes in the composition of the Group for the nine months period ended 30 September 2013.

11. Financial assets held for trading

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
<u>At fair value</u>				
Malaysian Government treasury bills	-	137,411	-	137,411
Malaysian Government bonds/securities	1,242,358	1,724,946	1,242,358	1,724,946
Government Islamic bonds	22,928	81,479	22,928	81,479
Bank Negara Malaysia bills	1,250,504	1,258,891	1,250,504	1,258,891
Private debt securities	263,945	188,465	263,945	188,465
	<u>2,779,735</u>	<u>3,391,192</u>	<u>2,779,735</u>	<u>3,391,192</u>

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

12. Investment securities available-for-sale

	Group		Bank	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
	RM'000	RM'000	RM'000	RM'000
<u>At fair value</u>				
Malaysian Government bonds/ securities	1,648,846	1,742,333	1,648,846	1,742,333
Bank Negara Malaysia bills	896,501	2,984,992	596,525	1,888,359
Bankers' acceptances and Islamic acceptance bills	900,009	515,217	900,009	515,217
Negotiable instruments of deposit	969,963	499,999	969,963	460,007
Private debt securities	12,459	362,349	12,459	357,340
	<u>4,427,778</u>	<u>6,104,890</u>	<u>4,127,802</u>	<u>4,963,256</u>
Unquoted securities:-				
Equity shares, at cost	9,703	9,666	9,703	9,666
Private debt securities, at fair value	32,159	243	243	243
	<u>4,469,640</u>	<u>6,114,799</u>	<u>4,137,748</u>	<u>4,973,165</u>

Included in the Group's unquoted equity shares as at 31 December 2012 were 51% shareholdings held in Popular Ambience Sdn. Bhd. ("PASB") and Resolution Alliance Sdn Bhd ("RASB"), amounted to RM 51 each, which were owned by Golden Maestro Sdn Bhd ("GMSB"), a wholly owned subsidiary of the Bank. The remaining 49% shareholdings of PASB were held by Standard Chartered Bank (Hong Kong) Limited ("SCBHK"), while that of RASB were held by SCBHK (40%) and an unrelated third party (9%). Both PASB and RASB are incorporated in Malaysia. The principal activities of PASB and RASB are that of special purpose vehicles established to undertake the purchase of non-performing loans.

In accordance with MFRS 10, Consolidated Financial Statements, consolidated financial statements shall include the financial statements of all investees where control exists.

The shareholders of PASB and RASB had previously entered into separate Master Shareholders' Agreements in which the Group had assigned to SCBHK its rights over all the profits or losses of PASB and RASB and the entitlement to appoint Directors of PASB and RASB. The Bank had therefore ceased to have control over PASB and RASB as it did not have the ability to use its power to direct the activities that affect PASB's and RASB's returns and did not have exposure or rights to variable returns. In view of the above, PASB and RASB were excluded from the Group's consolidated financial statements and were classified under investment securities available-for-sale.

On 1 June 2013, the Group had entered into a Share Purchase Agreement in which GMSB acquired all SCBHK's interest in PASB and RASB. In addition, the Master Shareholders' Agreements had been restated and GMSB resumed its control over PASB and RASB. The results of PASB and RASB are therefore included in the Group's consolidated financial statements effective from 1 June 2013.

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

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

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
<u>At amortised cost</u>				
Overdrafts	658,014	646,987	658,014	646,987
Term loans/financing				
- Housing loans/financing	13,373,845	13,069,756	11,703,849	11,970,351
- Syndicated term loan/financing	123,433	156,669	123,433	156,669
- Hire purchase receivables	220,491	234,809	-	-
- Lease receivables	554,322	559,044	-	-
- Other term loans/financing	11,233,675	10,970,898	8,980,406	8,479,073
Bills receivable	3,712,185	3,164,832	3,642,474	3,117,480
Trust receipts	1,469,542	1,567,772	1,275,076	1,407,164
Staff loans/financing	59,389	69,558	57,710	67,715
Loans/financing to banks and other financial institutions	421,963	365,000	421,963	365,000
Credit card receivables	2,274,057	2,276,880	2,274,057	2,276,880
Revolving credit	1,691,352	1,473,397	952,227	806,362
	<u>35,792,268</u>	<u>34,555,602</u>	<u>30,089,209</u>	<u>29,293,681</u>
Less: Unearned interest and income	(992,629)	(1,248,870)	(32,311)	(5,432)
Gross loans, advances and financing	34,799,639	33,306,732	30,056,898	29,288,249
Less: Impairment provisions on loans, advances and financing:-				
- Individual impairment provisions	(247,143)	(218,584)	(234,497)	(215,210)
- Collective impairment provisions	(225,921)	(219,196)	(163,448)	(140,799)
Total net loans, advances and financing	<u>34,326,575</u>	<u>32,868,952</u>	<u>29,658,953</u>	<u>28,932,240</u>

(ii) By type of customer

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Domestic banking institutions	10,248	56,573	10,248	56,573
Domestic non-bank financial institutions	512,439	665,964	311,979	416,203
Domestic business enterprises	13,408,360	12,227,034	11,279,918	10,492,115
<i>Small medium enterprises</i>	4,554,903	4,147,228	3,851,549	3,654,593
<i>Others</i>	8,853,457	8,079,806	7,428,369	6,837,522
Individuals	18,154,095	18,259,278	15,900,106	16,290,965
Other domestic entities	717	707	717	707
Foreign entities	2,713,780	2,097,176	2,553,930	2,031,686
	<u>34,799,639</u>	<u>33,306,732</u>	<u>30,056,898</u>	<u>29,288,249</u>

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

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

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Fixed rate				
Housing loans/financing	32,935	38,089	30,246	35,044
Other fixed rate loan/financing	5,557,609	5,525,553	3,733,963	3,662,071
Variable rate				
BLR plus	16,916,916	16,446,376	15,677,966	15,838,866
Cost plus	10,861,494	9,901,455	10,165,564	9,289,222
Other variable rates	1,430,685	1,395,259	449,159	463,046
	<u>34,799,639</u>	<u>33,306,732</u>	<u>30,056,898</u>	<u>29,288,249</u>

(iv) By sector

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Agriculture	838,355	387,422	621,396	234,732
Mining and quarrying	174,909	276,425	104,235	218,920
Manufacturing	4,843,994	4,464,558	4,292,916	3,952,384
Electricity, gas and water	82,298	11,392	80,163	9,167
Construction	833,300	754,693	743,006	676,490
Real estate	1,302,821	915,124	987,884	803,419
Wholesale & retail trade and restaurants & hotels	3,011,621	2,746,491	2,731,124	2,378,742
Transportation, storage and communication	658,720	553,763	437,707	323,008
Finance, insurance and business services	2,195,999	2,101,068	1,723,678	1,710,548
Household	19,505,751	19,440,835	17,091,912	17,407,032
Others	1,351,871	1,654,961	1,242,877	1,573,807
	<u>34,799,639</u>	<u>33,306,732</u>	<u>30,056,898</u>	<u>29,288,249</u>

(v) By purpose

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Purchase of securities	12,500	25,000	12,500	25,000
Purchase of landed property	16,699,845	16,026,164	14,862,963	15,207,807
- Residential	13,186,549	12,857,522	11,923,151	12,220,573
- Non-residential	3,513,296	3,168,642	2,939,812	2,987,234
Fixed assets excluding land & building	151,175	148,826	-	-
Personal use	2,654,943	2,974,585	1,645,909	1,610,451
Credit cards	2,274,057	2,276,880	2,274,057	2,276,880
Working capital	12,603,441	11,349,586	10,857,791	9,662,420
Others	403,678	505,691	403,678	505,691
	<u>34,799,639</u>	<u>33,306,732</u>	<u>30,056,898</u>	<u>29,288,249</u>

STANDARD CHARTERED BANK MALAYSIA BERHAD
(Incorporated in Malaysia)

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

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Maturing within one year	11,081,693	11,106,800	10,231,186	10,378,473
One year to three years	3,509,973	2,811,548	2,768,271	1,960,099
Three years to five years	2,895,650	3,103,763	1,961,001	1,824,357
Over five years	17,312,323	16,284,621	15,096,440	15,125,320
	<u>34,799,639</u>	<u>33,306,732</u>	<u>30,056,898</u>	<u>29,288,249</u>

(vii) By geographical distribution

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Within Malaysia	34,051,438	32,792,024	29,308,697	28,773,541
Outside Malaysia	748,201	514,708	748,201	514,708
	<u>34,799,639</u>	<u>33,306,732</u>	<u>30,056,898</u>	<u>29,288,249</u>

(viii) Analysis of foreign currency exposure

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
USD	3,814,766	2,844,307	3,412,366	2,721,934
GBP	649,475	609,726	649,475	609,726
Other foreign currencies	93,372	68,813	93,372	68,813
	<u>93,372</u>	<u>68,813</u>	<u>93,372</u>	<u>68,813</u>

STANDARD CHARTERED BANK MALAYSIA BERHAD
(Incorporated in Malaysia)

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

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
At 1 January	424,940	374,713	391,051	356,203
Classified as impaired during the financial period/year	1,145,191	721,433	1,061,083	625,963
Reclassified as performing during the financial period/year	(180,480)	(280,157)	(178,347)	(278,470)
Amount recovered during the financial period/year	(101,048)	(97,391)	(96,308)	(85,775)
Amount written off during the financial period/year	(227,582)	(293,658)	(160,946)	(226,870)
At end of reporting period/year	1,061,021	424,940	1,016,533	391,051
Individual impairment provisions	(247,143)	(218,584)	(234,497)	(215,210)
Net impaired loans, advances and financing	<u>813,878</u>	<u>206,356</u>	<u>782,036</u>	<u>175,841</u>

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

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Collective impairment provisions				
At 1 January	219,196	229,189	140,799	154,074
Impairment made during the financial period/year	44,401	46,987	41,055	31,746
Amount written back	(37,676)	(56,980)	(18,406)	(45,021)
At end of reporting period/year	<u>225,921</u>	<u>219,196</u>	<u>163,448</u>	<u>140,799</u>
Individual impairment provisions				
At 1 January	218,584	249,662	215,210	247,153
Impairment made during the financial period/year	221,998	227,048	143,923	156,946
Amount written back	(60,147)	(71,568)	(58,163)	(70,049)
Amount written off	(133,292)	(186,558)	(66,473)	(118,840)
At end of reporting period/year	<u>247,143</u>	<u>218,584</u>	<u>234,497</u>	<u>215,210</u>

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

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

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Agriculture	14,722	14,432	14,722	14,432
Mining and quarrying	9,011	-	9,011	-
Manufacturing	680,328	82,809	679,606	81,929
Construction	66,772	60,801	66,772	60,801
Wholesale & retail trade and restaurants & hotels	47,555	35,092	46,430	34,948
Transportation, storage and communication	86	1,138	86	1,138
Finance, insurance and business services	1,481	2,755	1,221	2,755
Household	238,203	223,089	196,011	190,370
Others	2,863	4,824	2,674	4,678
	<u>1,061,021</u>	<u>424,940</u>	<u>1,016,533</u>	<u>391,051</u>

(iv) Impaired loans, advances and financing by purpose

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Purchase of landed property	117,124	147,884	112,878	143,858
- Residential	108,253	139,056	104,998	135,030
- Non-residential	8,871	8,828	7,880	8,828
Fixed assets excluding land & building	722	-	-	-
Personal use	104,310	60,364	66,364	30,791
Credit cards	22,468	23,766	22,468	23,766
Working capital	816,397	192,926	814,823	192,636
	<u>1,061,021</u>	<u>424,940</u>	<u>1,016,533</u>	<u>391,051</u>

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

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Within Malaysia	1,060,803	424,774	1,016,315	390,885
Outside Malaysia	218	166	218	166
	<u>1,061,021</u>	<u>424,940</u>	<u>1,016,533</u>	<u>391,051</u>

15. Other assets

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Interest/Income receivables	29,621	50,176	33,573	56,989
Unquoted Subordinated Sukuk of a subsidiary company	-	-	100,000	-
Other receivables, deposits and prepayments	818,329	788,769	1,033,003	1,166,128
	<u>847,950</u>	<u>838,945</u>	<u>1,166,576</u>	<u>1,223,117</u>

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

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	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Demand deposits	13,455,761	13,736,568	12,293,477	12,445,321
Savings deposits	3,483,897	3,631,190	3,380,854	3,544,920
Fixed/Investment deposits	17,329,967	17,701,923	15,097,421	15,301,418
Negotiable instruments of deposits	428,542	494,805	321,496	372,524
	<u>34,698,167</u>	<u>35,564,486</u>	<u>31,093,248</u>	<u>31,664,183</u>

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

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Due within six months	14,341,927	13,837,647	12,412,538	11,670,776
Six months to one year	2,678,856	3,706,830	2,396,853	3,467,672
One year to three years	104,344	141,195	92,591	132,464
Three years to five years	549,268	109,084	432,821	95,485
Over five years	84,114	401,972	84,114	307,545
	<u>17,758,509</u>	<u>18,196,528</u>	<u>15,318,817</u>	<u>15,573,842</u>

(ii) By type of customers

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Government and statutory bodies	1,125,072	1,174,366	19,669	19,713
Business enterprises	12,745,825	13,014,394	12,208,201	12,310,741
Individuals	17,083,795	18,258,531	15,614,096	16,687,626
Others	3,743,475	3,117,195	3,251,282	2,646,103
	<u>34,698,167</u>	<u>35,564,486</u>	<u>31,093,248</u>	<u>31,664,183</u>

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

18. Deposits and placements of banks and other financial institutions

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Licensed banks	3,980,008	3,898,984	3,872,014	3,833,708
Bank Negara Malaysia	209,027	45,783	209,027	45,783
Other financial institutions	3,493,967	4,369,889	3,490,390	4,332,752
	<u>7,683,002</u>	<u>8,314,656</u>	<u>7,571,431</u>	<u>8,212,243</u>

19. Other liabilities

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Interest/Income payable	207,866	186,967	190,956	171,206
Provision for retirement benefit scheme	443	438	443	438
Amount owing to subsidiaries	-	-	22	22
Other payables and accruals	2,810,032	1,839,697	3,361,035	2,267,127
	<u>3,018,341</u>	<u>2,027,102</u>	<u>3,552,456</u>	<u>2,438,793</u>

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

20. Interest income

	Group			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from impaired loans	386,363	381,354	1,139,364	1,095,457
- Recoveries from impaired loans	4,858	4,190	15,555	13,162
Money at call and deposit placements with banks and other financial institutions	29,602	10,691	59,947	37,189
Financial assets held for trading	16,862	28,258	70,013	90,336
Investment securities available-for-sale	40,489	22,727	113,408	75,651
	<u>478,174</u>	<u>447,220</u>	<u>1,398,287</u>	<u>1,311,795</u>

	Bank			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from impaired loans	386,363	381,354	1,139,364	1,095,457
- Recoveries from impaired loans	4,858	4,190	15,555	13,162
Money at call and deposit placements with banks and other financial institutions	43,576	32,375	106,543	105,694
Financial assets held for trading	16,862	28,258	70,013	90,336
Investment securities available-for-sale	30,313	22,727	90,435	75,651
	<u>481,972</u>	<u>468,904</u>	<u>1,421,910</u>	<u>1,380,300</u>

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

21. Interest expense

	Group and Bank			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	17,049	15,871	61,716	64,571
Deposits from customers	167,190	174,889	497,682	508,416
Subordinated debts	8,072	5,420	19,874	16,142
	<u>192,311</u>	<u>196,180</u>	<u>579,272</u>	<u>589,129</u>

22. Net income from Islamic Banking operations

	Group			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others / Total distributable income	39,020	38,788	128,804	121,025
Income attributable to depositors	<u>(26,695)</u>	<u>(21,745)</u>	<u>(91,176)</u>	<u>(57,253)</u>
Income attributable to the Bank	12,325	17,043	37,628	63,772
Income derived from investment of Islamic banking capital funds and shareholder's funds	50,086	64,838	167,610	179,619
	<u>62,411</u>	<u>81,881</u>	<u>205,238</u>	<u>243,391</u>

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

23. Other operating income

	Group			
	3rd Quarter ended 30 September 2013 RM'000	30 September 2012 RM'000	Nine months ended 30 September 2013 RM'000	30 September 2012 RM'000
Fee and commission				
Fee and commission income:-				
Arising from financial instruments not fair valued through profit or loss	69,136	80,633	240,634	234,216
- <i>Commission income</i>	46,337	52,933	148,985	152,798
- <i>Service fees</i>	14,289	20,427	68,428	58,093
- <i>Guarantee fees</i>	8,510	7,273	23,221	23,325
Fee and commission expense:-				
Arising from financial instruments not fair valued through profit or loss	(13,217)	(15,174)	(55,808)	(42,546)
- <i>Commission charges</i>	(3,850)	(6,487)	(28,797)	(17,500)
- <i>Service charges</i>	(9,367)	(8,687)	(27,011)	(25,046)
	<u>55,919</u>	<u>65,459</u>	<u>184,826</u>	<u>191,670</u>
Net trading income				
(Losses)/gains from sale of financial assets held for trading and derivative financial instruments	(144,412)	(11,110)	(51,510)	24,325
Unrealised gains on revaluation of financial assets held for trading and other financial instruments	52,526	22,972	63,094	99,877
Foreign exchange currency				
- (Losses)/gains from dealing in foreign currency	(136,055)	65,926	33,179	182,433
- Unrealised gains from foreign exchange translation	341,470	14,505	243,175	12,753
	<u>113,529</u>	<u>92,293</u>	<u>287,938</u>	<u>319,388</u>
Other income				
Gains from sale of investment securities available-for-sale	-	-	5,773	5,431
Gross dividends from unquoted investments	245	-	17,942	17,732
Gain on disposal of property, plant and equipment	-	155	92	335
Others	169	2,743	3,140	4,091
	<u>414</u>	<u>2,898</u>	<u>26,947</u>	<u>27,589</u>
Total other operating income	<u>169,862</u>	<u>160,650</u>	<u>499,711</u>	<u>538,647</u>

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

23. Other operating income (continued)

	Bank			
	3rd Quarter ended		Nine months ended	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Fee and commission				
Fee and commission income:-				
Arising from financial instruments not fair valued through profit or loss	69,136	80,633	240,634	234,216
- <i>Commission income</i>	46,337	52,933	148,985	152,798
- <i>Service fees</i>	14,289	20,427	68,428	58,093
- <i>Guarantee fees</i>	8,510	7,273	23,221	23,325
Fee and commission expense:-				
Arising from financial instruments not fair valued through profit or loss	(13,217)	(15,174)	(55,808)	(42,546)
- <i>Commission charges</i>	(3,850)	(6,487)	(28,797)	(17,500)
- <i>Service charges</i>	(9,367)	(8,687)	(27,011)	(25,046)
	<u>55,919</u>	<u>65,459</u>	<u>184,826</u>	<u>191,670</u>
Net trading income				
(Losses)/gains from sale of financial assets held for trading and derivative financial instruments	(144,412)	(11,110)	(51,510)	24,325
Unrealised gains on revaluation of financial assets held for trading and other financial instruments	52,526	22,972	63,094	99,877
Foreign exchange currency				
- (Losses)/gains from dealing in foreign currency	(136,055)	65,926	33,179	182,433
- Unrealised gains from foreign exchange translation	341,470	14,505	243,175	12,753
	<u>113,529</u>	<u>92,293</u>	<u>287,938</u>	<u>319,388</u>
Other income				
Gains from sale of investment securities available-for-sale	-	-	5,773	5,431
Gross dividends from unquoted investments	245	-	17,942	17,732
Gain on disposal of property, plant and equipment	-	155	92	335
Others	16,804	18,946	58,825	51,704
	<u>17,049</u>	<u>19,101</u>	<u>82,632</u>	<u>75,202</u>
Total other operating income	<u>186,497</u>	<u>176,853</u>	<u>555,396</u>	<u>586,260</u>

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

24. Other operating expenses

	Group			
	3rd Quarter ended 30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Personnel costs				
- Salaries, bonuses, wages and allowances	75,906	71,697	236,854	212,481
- Pension fund contributions	7,591	8,227	24,910	25,016
- Other staff related cost	8,112	7,600	24,153	33,441
	<u>91,609</u>	<u>87,524</u>	<u>285,917</u>	<u>270,938</u>
Establishment costs				
- Depreciation of property, plant and equipment	7,707	6,281	20,451	20,393
- Rental	6,913	6,949	20,578	19,804
- Information technology and project expenses	26,228	17,516	79,712	62,290
- Others	10,976	11,393	33,637	34,971
	<u>51,824</u>	<u>42,139</u>	<u>154,378</u>	<u>137,458</u>
Marketing expenses				
- Advertisement and publicity	5,579	10,058	14,779	21,779
- Others	3,711	6,507	11,290	16,665
	<u>9,290</u>	<u>16,565</u>	<u>26,069</u>	<u>38,444</u>
Administration and general expenses				
- Communication expenses	3,185	3,416	9,725	11,007
- Group administration and business support expenses	36,838	28,563	108,345	86,347
- Outsourcing expenses	24,318	24,120	72,396	68,747
- Others	22,930	22,170	76,318	62,231
	<u>87,271</u>	<u>78,269</u>	<u>266,784</u>	<u>228,332</u>
Total other operating expenses	<u>239,994</u>	<u>224,497</u>	<u>733,148</u>	<u>675,172</u>

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

24. Other operating expenses (continued)

	Bank			
	3rd Quarter ended 30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Personnel costs				
- Salaries, bonuses, wages and allowances	73,765	68,415	230,587	205,705
- Pension fund contributions	7,591	8,227	24,910	25,016
- Other staff related cost	7,372	7,116	22,409	31,458
	<u>88,728</u>	<u>83,758</u>	<u>277,906</u>	<u>262,179</u>
Establishment costs				
- Depreciation of property, plant and equipment	6,798	5,513	17,963	18,207
- Rental	6,352	6,501	19,028	18,524
- Information technology and project expenses	26,178	17,531	79,646	62,195
- Others	10,304	10,914	32,087	33,163
	<u>49,632</u>	<u>40,459</u>	<u>148,724</u>	<u>132,089</u>
Marketing expenses				
- Advertisement and publicity	5,534	9,959	14,645	21,391
- Others	3,539	6,367	10,921	16,345
	<u>9,073</u>	<u>16,326</u>	<u>25,566</u>	<u>37,736</u>
Administration and general expenses				
- Communication expenses	3,072	3,352	9,340	10,675
- Group administration and business support expenses	35,449	26,808	103,535	81,002
- Outsourcing expenses	24,318	24,120	72,396	68,747
- Others	20,406	19,343	62,833	53,893
	<u>83,245</u>	<u>73,623</u>	<u>248,104</u>	<u>214,317</u>
Total other operating expenses	<u>230,678</u>	<u>214,166</u>	<u>700,300</u>	<u>646,321</u>

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

25. Provisions for loans, advances and financing

	Group			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Provisions for loans, advances and financing:-				
Individual impairment provisions	50,447	38,284	166,479	111,578
- Made in the financial period	52,373	48,461	167,726	137,475
- Discounting of collaterals	14,719	6,573	54,272	22,956
- Written back	(16,645)	(16,750)	(55,519)	(48,853)
Collective impairment provisions				
- Made in the financial period	12,176	10,565	44,401	32,073
- Written back	(10,319)	(5,616)	(37,676)	(31,083)
Bad and doubtful debts on loans, advances and financing:-				
Written off	40,098	34,309	119,680	95,346
Recovered	(13,739)	(21,644)	(33,546)	(57,139)
	<u>78,663</u>	<u>55,898</u>	<u>259,338</u>	<u>150,775</u>

	Bank			
	3rd Quarter ended		Nine months ended	
	September	30 September	30 September	30 September
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Provisions for loans, advances and financing:-				
Individual impairment provisions	26,256	22,042	90,388	64,824
- Made in the financial period	27,242	31,931	89,651	89,825
- Discounting of collaterals	14,719	6,573	54,272	22,956
- Written back	(15,705)	(16,462)	(53,535)	(47,957)
Collective impairment provisions				
- Made in the financial period	11,496	6,212	41,055	21,930
- Written back	(5,076)	(5,613)	(18,406)	(27,086)
Bad and doubtful debts on loans, advances and financing:-				
Written off	40,098	34,309	119,680	95,346
Recovered	(11,559)	(18,484)	(28,439)	(48,852)
	<u>61,215</u>	<u>38,466</u>	<u>204,278</u>	<u>106,162</u>

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

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	30 September 2013			31 December 2012		
	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	2,382,450	2,382,451	714,454	1,699,935	1,698,521	423,905
Transaction-related contingent items	4,392,742	4,391,751	1,014,532	3,759,364	3,642,859	966,914
Short-term self liquidating trade-related contingencies	336,140	336,140	79,399	521,072	497,940	109,762
Other commitments to extend credit:-						
- maturity not exceeding one year	12,552,986	5,705,991	2,125,520	13,261,669	4,594,421	1,499,749
- maturity exceeding one year	5,906,567	1,362,856	481,949	6,974,639	2,099,000	1,256,883
Foreign exchange related contracts:-						
- less than one year	35,329,936	1,097,217	336,211	42,695,582	734,554	156,436
- one year to less than five years	19,602,617	2,258,996	554,403	18,888,316	1,957,252	477,765
- five years and above	1,590,603	311,272	102,380	1,574,499	286,676	114,225
Interest rate related contracts:-						
- less than one year	20,167,461	44,207	5,317	21,996,302	84,276	9,742
- one year to less than five years	51,936,019	1,579,500	333,177	47,063,548	1,384,302	305,745
- five years and above	5,201,080	509,513	150,184	5,073,393	558,044	167,964
Miscellaneous commitments and contingencies	3,437,255	181,723	55,719	1,738,916	136,104	81,756
	<u>162,835,856</u>	<u>20,161,617</u>	<u>5,953,245</u>	<u>165,247,235</u>	<u>17,673,949</u>	<u>5,570,846</u>

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

27. Commitments and contingencies (continued)

	30 September 2013			31 December 2012		
	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	2,368,939	2,368,939	708,713	1,696,370	1,696,300	423,294
Transaction-related contingent items	4,345,976	4,344,986	997,837	3,704,863	3,597,280	949,608
Short-term self liquidating trade-related contingencies	279,829	279,829	60,732	361,387	339,687	64,846
Sell and buy back agreements	617,000	617,000	85,497	-	-	-
Other commitments to extend credit:-						
- maturity not exceeding one year	10,388,612	4,349,925	1,689,767	12,434,304	4,294,769	1,398,489
- maturity exceeding one year	4,933,619	1,188,896	406,948	6,221,888	1,942,688	1,143,625
Foreign exchange related contracts:-						
- less than one year	35,329,936	1,094,896	317,258	42,695,582	734,554	155,309
- one year to less than five years	19,602,617	2,258,996	554,403	18,888,316	1,957,252	477,765
- five years and above	1,590,603	311,272	102,380	1,574,499	286,676	114,225
Interest rate related contracts:-						
- less than one year	20,167,461	44,207	5,317	22,196,302	84,476	9,681
- one year to less than five years	51,936,019	1,579,500	324,174	47,063,662	1,378,785	288,963
- five years and above	5,195,047	509,212	144,918	5,010,779	554,286	158,343
Miscellaneous commitments and contingencies	3,443,255	182,885	56,163	1,738,916	136,104	81,756
	<u>160,198,913</u>	<u>19,130,543</u>	<u>5,454,107</u>	<u>163,586,868</u>	<u>17,002,857</u>	<u>5,265,904</u>

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

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

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	Total	Effective interest rate (%)
	← 3 months or less	> 3 - 12 months	> 1 - 5 years	Over 5 years	→ Non-interest sensitive			
As at 30 September 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Financial assets								
Cash and short term funds	4,514,082	-	-	-	1,334,664	-	5,848,746	2.82
Deposits and placements with banks and other financial institutions	-	-	12,524	-	-	-	12,524	2.30
Securities purchased under resale agreements	504,034	-	-	-	-	-	504,034	2.88
Financial assets held for trading	-	-	-	-	-	2,779,735	2,779,735	3.07
Investment securities available-for-sale	1,807,387	959,086	1,661,305	243	41,619	-	4,469,640	3.23
Loans, advances and financing								
- Performing	28,172,624	2,790,580	1,866,665	682,828	-	-	33,512,697	5.44
- Impaired	-	-	-	-	813,878	-	813,878	
Derivative financial assets	-	-	-	-	-	2,103,726	2,103,726	
Other balances	-	-	-	-	1,967,020	-	1,967,020	
	34,998,127	3,749,666	3,540,494	683,071	4,157,181	4,883,461	52,012,000	
Financial liabilities								
Deposits from customers	22,159,490	5,067,173	923,971	-	6,547,533	-	34,698,167	2.67
Deposits and placements of banks and other financial institutions	7,051,020	158,405	130,000	343,577	-	-	7,683,002	2.98
Derivative financial liabilities	-	-	-	-	-	1,673,744	1,673,744	
Other balances	-	-	27,246	-	2,991,095	-	3,018,341	3.81
Subordinated debts	-	1,000,000	-	-	-	-	1,000,000	4.62
	29,210,510	6,225,578	1,081,217	343,577	9,538,628	1,673,744	48,073,254	
On-balance sheet interest sensitivity gap	5,787,617	(2,475,912)	2,459,277	339,494	(5,381,447)	3,209,717		
Off-balance sheet interest sensitivity gap	1,751,617	(2,324,880)	(2,106,918)	(623,731)	-	-		
Total interest sensitivity gap	7,539,234	(4,800,792)	352,359	(284,237)	(5,381,447)	3,209,717		

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

28. Interest rate risk (continued)

Group As at 31 December 2012	← Non-trading books →				Non-interest sensitive RM'000	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				
Financial assets								
Cash and short term funds	4,404,546	-	-	-	902,003	-	5,306,549	2.47
Deposits and placements with banks and other financial institution	176,462	-	11,744	-	-	-	188,206	2.19
Securities purchased under resale agreements	118,227	29,914	-	-	-	-	148,141	2.47
Financial assets held for trading	-	-	-	-	-	3,391,192	3,391,192	3.21
Investment securities available-for-sale	2,254,245	2,088,170	1,630,359	132,116	9,909	-	6,114,799	3.01
Loans, advances and financing								
- Performing	25,044,955	4,396,793	2,577,359	643,489	-	-	32,662,596	5.73
- Impaired	-	-	-	-	206,356	-	206,356	
Derivative financial assets	-	-	-	-	-	1,589,143	1,589,143	
Other balances	-	-	-	-	1,942,537	-	1,942,537	
	31,998,435	6,514,877	4,219,462	775,605	3,060,805	4,980,335	51,549,519	
Financial liabilities								
Deposits from customers	18,750,509	6,788,012	333,885	401,952	9,290,128	-	35,564,486	3.08
Deposits and placements of banks and other financial institutions	7,754,748	242	210,051	349,615	-	-	8,314,656	2.94
Derivative financial liabilities	-	-	-	-	-	1,385,896	1,385,896	
Other balances	-	-	-	-	2,027,102	-	2,027,102	
Subordinated debts	-	500,000	-	-	-	-	500,000	4.51
	26,505,257	7,288,254	543,936	751,567	11,317,230	1,385,896	47,792,140	
On-balance sheet interest sensitivity gap	5,493,178	(773,377)	3,675,526	24,038	(8,256,425)	3,594,439		
Off-balance sheet interest sensitivity gap	(992,507)	(476,699)	(1,638,623)	479,120	-	-		
Total interest sensitivity gap	4,500,671	(1,250,076)	2,036,903	503,158	(8,256,425)	3,594,439		

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

28. Interest rate risk (continued)

Bank As at 30 September 2013	← Non-trading books →				Non-interest sensitive RM'000	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				
Financial assets								
Cash and short term funds	3,982,281	-	-	-	1,313,585	-	5,295,866	2.82
Deposits and placements with banks and other financial institutions	1,318,942	326,914	12,524	-	-	-	1,658,380	2.70
Securities purchased under resale agreements	504,034	-	-	-	-	-	504,034	2.88
Financial assets held for trading	-	-	-	-	-	2,779,735	2,779,735	3.07
Investment securities available-for-sale	1,507,411	959,086	1,661,305	243	9,703	-	4,137,748	3.25
Loans, advances and financing								
- Performing	25,908,190	2,661,326	225,504	81,897	-	-	28,876,917	5.15
- Impaired	-	-	-	-	782,036	-	782,036	
Derivative financial assets	-	-	-	-	-	2,101,796	2,101,796	
Other balances	-	-	-	100,000	2,011,324	-	2,111,324	4.85
	33,220,858	3,947,326	1,899,333	182,140	4,116,648	4,881,531	48,247,836	
Financial liabilities								
Deposits from customers	20,095,354	3,655,065	795,296	-	6,547,533	-	31,093,248	2.77
Deposits and placements of banks and other financial institutions	7,051,018	50,413	130,000	340,000	-	-	7,571,431	2.98
Derivative financial liabilities	-	-	-	-	-	1,672,980	1,672,980	
Other balances	-	-	-	-	3,552,456	-	3,552,456	
Subordinated debts	-	-	-	1,000,000	-	-	1,000,000	4.62
	27,146,372	3,705,478	925,296	1,340,000	10,099,989	1,672,980	44,890,115	
On-balance sheet interest sensitivity gap	6,074,486	241,848	974,037	(1,157,860)	(5,983,341)	3,208,551		
Off-balance sheet interest sensitivity gap	1,751,617	(2,324,880)	(2,106,918)	(623,731)	-	-		
Total interest sensitivity gap	7,826,103	(2,083,032)	(1,132,881)	(1,781,591)	(5,983,341)	3,208,551		

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

28. Interest rate risk (continued)

Bank As at 31 December 2012	← 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	3,253,214	-	-	-	885,857	-	4,139,071	2.28
Deposits and placements with banks and other financial institutions	944,572	1,071,831	11,745	25,504	-	-	2,053,652	3.14
Securities purchased under resale agreements	118,227	29,914	-	-	-	-	148,141	2.47
Financial assets held for trading	-	-	-	-	-	3,391,192	3,391,192	3.21
Investment securities available-for-sale	1,450,176	1,750,605	1,630,359	132,116	9,909	-	4,973,165	3.00
Loans, advances and financing								
- Performing	23,809,262	4,267,231	538,595	141,311	-	-	28,756,399	5.29
- Impaired	-	-	-	-	175,841	-	175,841	
Derivative financial assets	-	-	-	-	-	1,589,144	1,589,144	
Other balances	-	-	-	-	2,188,024	-	2,188,024	
	29,575,451	7,119,581	2,180,699	298,931	3,259,631	4,980,336	47,414,629	
Financial liabilities								
Deposits from customers	16,418,597	5,342,339	305,594	307,525	9,290,128	-	31,664,183	3.12
Deposits and placements of banks and other financial institutions	7,655,949	242	210,051	346,001	-	-	8,212,243	3.02
Derivative financial liabilities	-	-	-	-	-	1,386,071	1,386,071	
Other balances	-	-	-	-	2,438,793	-	2,438,793	
Subordinated debts	-	500,000	-	-	-	-	500,000	4.51
	24,074,546	5,842,581	515,645	653,526	11,728,921	1,386,071	44,201,290	
On-balance sheet interest sensitivity gap	5,500,905	1,277,000	1,665,054	(354,595)	(8,469,290)	3,594,265		
Off-balance sheet interest sensitivity gap	(992,507)	(476,699)	(1,638,623)	479,120	-	-		
Total interest sensitivity gap	4,508,398	800,301	26,431	124,525	(8,469,290)	3,594,265		

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

29. Liquidity risk

The following tables summarise financial instruments into relevant maturity groupings based on the remaining contractual maturities as at the financial period / year end, on an undiscounted basis. The assets and liabilities in this table will not agree to the balances reported on the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis.

Group At 30 September 2013	3 months or less RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Total RM'000
Financial assets					
Cash and short term funds	5,862,488	-	-	-	5,862,488
Deposits and placements with banks and other financial institutions	-	-	13,878	-	13,878
Securities purchased under resale agreements	505,679	-	-	-	505,679
Financial assets held for trading	511,684	817,456	1,232,358	417,753	2,979,251
Investment securities available-for-sale	1,826,963	1,004,514	1,846,415	290	4,678,182
Loans, advances and financing					
- Performing	8,236,458	4,750,648	6,158,037	26,789,601	45,934,744
- Impaired	-	-	-	813,878	813,878
Derivative financial assets	58,907	166,910	1,214,816	663,093	2,103,726
Other balances	1,971,037	-	-	-	1,971,037
	18,973,216	6,739,528	10,465,504	28,684,615	64,862,863
Financial liabilities					
Deposits from customers	28,785,848	5,166,268	1,057,516	-	35,009,632
Deposits and placements of banks and other financial institutions	7,073,574	160,247	144,285	409,808	7,787,914
Derivative financial liabilities	74,135	183,036	1,056,867	359,707	1,673,745
Other balances	2,593,302	424,287	30,360	-	3,047,949
Subordinated debts	-	-	-	1,276,900	1,276,900
	38,526,859	5,933,838	2,289,028	2,046,415	48,796,140
Net liquidity gap	(19,553,643)	805,690	8,176,476	26,638,200	16,066,723
Gross loans/financing commitments	1,943,472	14,063,771	7,580,811	1,982,831	25,570,885

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

29. Liquidity risk (continued)

Group As at 31 December 2012	3 months or less RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Total RM'000
Financial assets					
Cash and short term funds	5,317,467	-	-	-	5,317,467
Deposits and placements with banks and other financial institutions	177,426	-	13,028	-	190,454
Securities purchased under resale agreements	118,470	30,161	-	-	148,631
Financial assets held for trading	553,148	1,074,737	1,259,883	758,909	3,646,677
Investment securities available-for-sale	2,273,133	2,119,756	1,807,369	155,963	6,356,221
Loans, advances and financing					
- Performing	7,264,257	6,046,122	5,710,114	26,009,708	45,030,201
- Impaired	-	-	-	206,356	206,356
Derivative financial assets	148,227	196,659	934,980	309,277	1,589,143
Other balances	1,942,536	-	-	-	1,942,536
	17,794,664	9,467,435	9,725,374	27,440,213	64,427,686
Financial liabilities					
Deposits from customers	28,126,526	6,939,767	387,363	482,162	35,935,818
Deposits and placements of banks and other financial institutions	7,778,187	245	240,858	416,094	8,435,384
Derivative financial liabilities	103,279	220,215	840,454	221,948	1,385,896
Other balances	1,602,100	425,003	-	-	2,027,103
Subordinated debts	-	-	-	635,300	635,300
	37,610,092	7,585,230	1,468,675	1,755,504	48,419,501
Net liquidity gap	(19,815,428)	1,882,205	8,256,699	25,684,709	16,008,185
Gross loans/financing commitments	1,653,444	12,683,671	9,213,323	2,666,241	26,216,679

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

29. Liquidity risk (continued)

Bank At 30 September 2013	3 months or less RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Total RM'000
Financial assets					
Cash and short term funds	5,308,309	-	-	-	5,308,309
Deposits and placements with banks and other financial institutions	1,325,852	335,343	13,878	-	1,675,073
Securities purchased under resale agreements	505,242	-	-	-	505,242
Financial assets held for trading	511,684	817,456	1,232,358	417,753	2,979,251
Investment securities available-for-sale	1,526,175	971,907	1,846,415	290	4,344,787
Loans, advances and financing					
- Performing	7,406,628	4,327,106	4,577,417	24,108,725	40,419,876
- Impaired	-	-	-	782,036	782,036
Derivative financial assets	56,416	166,909	1,214,816	663,654	2,101,795
Other balances	1,075,887	-	-	129,100	1,204,987
	17,716,193	6,618,721	8,884,884	26,101,558	59,321,356
Financial liabilities					
Deposits from customers	26,714,660	3,730,738	911,537	-	31,356,935
Deposits and placements of banks and other financial institutions	7,073,575	50,914	144,285	405,538	7,674,312
Derivative financial liabilities	74,134	183,035	1,056,867	358,944	1,672,980
Other balances	3,166,043	386,391	-	22	3,552,456
Subordinated debts	-	-	-	1,276,900	1,276,900
	37,028,412	4,351,078	2,112,689	2,041,404	45,533,583
Net liquidity gap	(19,312,219)	2,267,643	6,772,195	24,060,154	13,787,773
Gross loans/financing commitments	939,824	12,414,092	8,005,223	1,574,836	22,933,975

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

29. Liquidity risk (continued)

Bank	3 months	> 3 - 12	> 1 - 5	Over 5	Total
At 31 December 2012	or less	months	years	years	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000
Financial assets					
Cash and short term funds	4,146,926	-	-	-	4,146,926
Deposits and placements with banks and other financial institutions	950,716	1,092,625	13,586	30,301	2,087,228
Securities purchased under resale agreements	118,470	30,161	-	-	148,631
Financial assets held for trading	553,148	1,074,737	1,259,883	758,909	3,646,677
Investment securities available-for-sale	1,460,084	1,750,605	1,630,359	132,117	4,973,165
Loans, advances and financing					
- Performing	6,603,686	5,649,053	3,640,187	23,745,308	39,638,234
- Impaired	-	-	-	175,841	175,841
Derivative financial assets	153,666	198,660	929,453	309,365	1,591,144
Other balances	2,188,024	-	-	-	2,188,024
	16,174,720	9,795,841	7,473,468	25,151,841	58,595,870
Financial liabilities					
Deposits from customers	25,786,971	5,547,203	265,857	369,897	31,969,928
Deposits and placements of banks and other financial institutions	7,679,509	246	241,717	413,659	8,335,131
Derivative financial liabilities	103,453	220,215	840,453	221,950	1,386,071
Other balances	2,025,821	412,950	-	22	2,438,793
Subordinated debts	-	-	-	635,300	635,300
	35,595,754	6,180,614	1,348,027	1,640,828	44,765,223
Net liquidity gap	(19,421,034)	3,615,227	6,125,441	23,511,013	13,830,647
Gross loans/financing commitments	1,397,712	11,554,874	9,188,078	2,278,148	24,418,812

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

30. Fair values of financial assets and liabilities**Fair value hierarchy**

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 Corporate bonds in illiquid markets
Type of financial liabilities	-	OTC derivatives	-

Group**30 September 2013****Assets****Financial assets held for trading**

Malaysian Government / Bank Negara Bills	952,699	297,805	-	1,250,504
Debt securities	1,265,286	263,945	-	1,529,231

Derivative financial instruments**Investment securities available-for-sale**

Malaysian Government / Bank Negara Bills	896,501	-	-	896,501
Debt securities	1,648,846	1,882,674	31,916	3,563,436

At 30 September 2013

4,763,332	4,548,150	31,916	9,343,398
-----------	-----------	--------	-----------

Liabilities**Derivative financial instruments**

At 30 September 2013

-	1,673,744	-	1,673,744
-	1,673,744	-	1,673,744

Bank**30 September 2013****Assets****Financial assets held for trading**

Malaysian Government / Bank Negara Bills	952,699	297,805	-	1,250,504
Debt securities	1,265,286	263,945	-	1,529,231

Derivative financial instruments**Investment securities available-for-sale**

Malaysian Government / Bank Negara Bills	596,525	-	-	596,525
Debt securities	1,648,846	1,882,674	-	3,531,520

At 30 September 2013

4,463,356	4,546,220	-	9,009,576
-----------	-----------	---	-----------

Liabilities**Derivative financial instruments**

At 30 September 2013

-	1,672,980	-	1,672,980
-	1,672,980	-	1,672,980

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

30. Fair values of financial assets and liabilities (continued)**Fair value hierarchy (continued)**

Group				
31 December 2012				
Assets	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Financial assets held for trading				
Malaysian Government / Bank Negara Bills	1,396,302	-	-	1,396,302
Debt securities	1,811,644	183,246	-	1,994,890
Derivative financial instruments	739	1,584,756	3,648	1,589,143
Investment securities available-for-sale				
Malaysian Government / Bank Negara Bills	2,984,992	-	-	2,984,992
Debt securities	1,790,325	1,329,816	-	3,120,141
At 31 December 2012	<u>7,984,002</u>	<u>3,097,818</u>	<u>3,648</u>	<u>11,085,468</u>
Liabilities				
Derivative financial instruments	2,600	1,379,935	3,361	1,385,896
At 31 December 2012	<u>2,600</u>	<u>1,379,935</u>	<u>3,361</u>	<u>1,385,896</u>

Bank				
31 December 2012				
Assets	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Financial assets held for trading				
Malaysian Government / Bank Negara Bills	1,396,302	-	-	1,396,302
Debt securities	1,811,644	183,246	-	1,994,890
Derivative financial instruments	739	1,584,757	3,648	1,589,144
Investment securities available-for-sale				
Malaysian Government / Bank Negara Bills	1,888,359	-	-	1,888,359
Debt securities	1,790,325	1,284,815	-	3,075,140
At 31 December 2012	<u>6,887,369</u>	<u>3,052,818</u>	<u>3,648</u>	<u>9,943,835</u>
Liabilities				
Derivative financial instruments	2,600	1,380,110	3,361	1,386,071
At 31 December 2012	<u>2,600</u>	<u>1,380,110</u>	<u>3,361</u>	<u>1,386,071</u>

There were no transfers between Level 1 and Level 2 during the period ended 30 September 2013.

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

30. Fair values of financial assets and liabilities (continued)**Fair value hierarchy (continued)**

Reconciliation of movements in Level 3 financial instruments:

Group	30 September 2013			31 December 2012		
	Investment securities available-for-sale RM'000	Derivative financial assets RM'000	Derivative financial liabilities RM'000	Investment securities available-for-sale RM'000	Derivative financial assets RM'000	Derivative financial liabilities RM'000
At 1 January	-	3,648	3,361	-	-	-
Gains recognised in statement of comprehensive income	2,528	-	-	-	-	-
Purchases	-	-	-	-	3,648	3,361
Arising from acquisition of a subsidiary	29,388	-	-	-	-	-
Sales	-	(3,648)	(3,361)	-	-	-
At 30 September/31 December	<u>31,916</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,648</u>	<u>3,361</u>

Bank	30 September 2013			31 December 2012		
	Investment securities available-for-sale RM'000	Derivative financial assets RM'000	Derivative financial liabilities RM'000	Investment securities available-for-sale RM'000	Derivative financial assets RM'000	Derivative financial liabilities RM'000
At 1 January	-	3,648	3,361	-	-	-
Gains recognised in statement of comprehensive income	-	-	-	-	-	-
Purchases	-	-	-	-	3,648	3,361
Sales	-	(3,648)	(3,361)	-	-	-
At 30 September/31 December	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,648</u>	<u>3,361</u>

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

31. Capital adequacy

The capital adequacy ratios of the Group and the Bank as at 30 September 2013 are analysed as follows:-

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 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	2,991,940	2,760,535	2,844,294	2,628,296
Less: Deferred tax assets	(32,795)	(41,513)	(25,176)	(36,062)
Excess of Expected Loss over Expected Provisions under IRB approach	(316,545)	-	(219,048)	-
Unrealised gains and losses on 'available-for-sale' financial instruments	(6,113)	-	(6,095)	-
CET 1 capital	<u>3,136,487</u>	<u>3,219,022</u>	<u>3,093,975</u>	<u>3,092,234</u>
Musyarakah Irredeemable Non-Cumulative Preference Shares	342,000	380,000	342,000	380,000
Eligible Tier 1 capital	<u>3,478,487</u>	<u>3,599,022</u>	<u>3,435,975</u>	<u>3,472,234</u>
Tier 2 Capital				
Subordinated debts	1,000,000	500,000	1,000,000	500,000
Collective impairment provisions under standardised approach	7,126	52,270	4,789	34,766
Regulatory reserves	150,000	150,000	150,000	150,000
	<u>1,157,126</u>	<u>702,270</u>	<u>1,154,789</u>	<u>684,766</u>
Less: Investment in subsidiaries	-	-	(511,522)	(411,522)
Excess of Expected Loss over Expected Provisions under IRB approach	-	(312,602)	-	(214,819)
Exclusion of collective impairment provisions on impaired loans	-	(47,394)	-	(30,460)
Eligible Tier 2 capital	<u>1,157,126</u>	<u>342,274</u>	<u>643,267</u>	<u>27,965</u>
Total capital base	<u>4,635,613</u>	<u>3,941,296</u>	<u>4,079,242</u>	<u>3,500,199</u>

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

	Group		Bank	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Total risk-weighted assets:-				
Credit risk	29,115,697	24,843,338	25,503,568	21,806,983
Market risk	1,996,927	1,423,771	1,996,927	1,423,771
Operational risk	3,449,853	3,189,623	3,203,774	2,918,198
Large exposure for equity holdings	606	568	606	568
	<u>34,563,083</u>	<u>29,457,300</u>	<u>30,704,875</u>	<u>26,149,520</u>

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

31. Capital adequacy (continued)

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

	Group		Bank	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Before proposed dividend:-				
CET 1 capital ratio	9.075%	10.928% **	10.076%	11.825% **
Tier 1 capital ratio	10.064%	12.218%	11.190%	13.278%
Risk-weighted capital ratio	13.412%	13.380%	13.285%	13.385%
After proposed dividend:-				
CET 1 capital ratio	8.641%	10.419% **	9.588%	11.252% **
Tier 1 capital ratio	9.630%	11.709%	10.702%	12.705%
Risk-weighted capital ratio	12.978%	12.870%	12.797%	12.812%

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

	30 September 2013	31 December 2012
	CET 1 capital ratio	10.274%
Tier 1 capital ratio	10.274%	11.482%
Risk-weighted capital ratio	12.587%	11.482%

With effect from 1 January 2013, the capital ratios have been computed in accordance with Bank Negara Malaysia's Risk-Weighted Capital Adequacy Framework (RWCAF) - Basel III and Capital Adequacy Framework for Islamic Banks (CAFIB) - Basel III.

Comparative figures computed based on RWCAF - Basel II and CAFIB - Basel II have not been restated. However, CET 1 ratios (**) have been presented for comparative purpose.