
**Standard Chartered Bank Malaysia Berhad
and its subsidiaries**

**Pillar 3 Disclosures
30 June 2014**



Incorporated in Malaysia with registered Company No. 115793P

***Level 16, Menara Standard Chartered
No. 30, Jalan Sultan Ismail 50250 Kuala Lumpur***

**Standard Chartered Bank Malaysia Berhad
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1 Regulatory capital requirement

Disclosure on capital adequacy under the Standardised and IRB approach

Group 30 June 2014 Exposure class	Gross exposures RM'000	Net exposures RM'000	Risk weighted assets RM'000	Minimum capital requirement at 8% RM'000
(a) Credit risk				
<u>Exposures under the Standardised approach</u>				
On-balance sheet exposures:-				
Corporates	175,405	164,675	164,989	13,199
Regulatory retail	163,469	80,485	62,126	4,970
Residential mortgages	16,005	16,005	5,661	453
Higher risk assets	31,510	31,510	47,265	3,781
Other assets	755,797	748,649	644,006	51,520
Defaulted exposures	47,045	46,616	86,540	6,923
Total on-balance sheet exposures	1,189,231	1,087,940	1,010,587	80,846
Off-balance sheet exposures:-				
OTC derivatives	931	674	660	53
Off-balance sheet exposures other than OTC derivative transactions and credit derivatives	139,751	99,916	99,231	7,938
Defaulted exposures	245	245	367	29
Total off-balance sheet exposures	140,927	100,835	100,258	8,020
Total on and off-balance sheet exposures	1,330,158	1,188,775	1,110,845	88,866
<u>Exposures under the IRB approach</u>				
On-balance sheet exposures:-				
Sovereigns/Central banks	8,195,861	8,218,948	454,006	36,320
Banks, development financial institutions & multilateral development banks ("MDBs")	4,585,627	4,595,345	573,034	45,843
Insurance companies, securities firms & fund managers	342,779	423,040	86,426	6,914
Corporates	10,516,598	10,395,508	8,511,367	680,909
Residential mortgages	13,214,148	13,214,148	2,403,449	192,276
Qualifying revolving retail exposures	1,766,562	1,766,562	1,256,109	100,489
Other retail	5,604,299	5,612,323	3,209,995	256,800
Defaulted exposures	1,433,124	1,433,124	4,443,070	355,446
Total on-balance sheet exposures	45,658,998	45,658,998	20,937,456	1,674,997
Off-balance sheet exposures:-				
OTC derivatives	5,647,867	5,647,867	1,456,739	116,539
Off-balance sheet exposures other than OTC derivative transactions and credit derivatives	11,576,061	11,576,061	3,656,207	292,497
Defaulted exposures	25,224	25,224	23,980	1,918
Total off-balance sheet exposures	17,249,152	17,249,152	5,136,926	410,954
Total on and off-balance sheet exposures	62,908,150	62,908,150	26,074,382	2,085,951
(b) Large exposures risk requirement			629	50
(c) Market risk (Standardised approach)				
	Long position	Short position		
Interest rate risk	38,450,629	37,325,940	2,127,306	170,185
Foreign currency risk	47,107,743	47,067,622	37,732	3,019
Options risk	4,565,842	2,643,609	618,142	49,451
(d) Operational risk (Standardised approach)			3,698,319	295,866
Total RWA and capital requirements			33,667,355	2,693,388

CET1, Tier 1 and Risk-Weighted Capital ratios

	Before proposed dividend	After proposed dividend
CET 1 capital ratio	10.50%	10.20%
Tier 1 capital ratio	11.41%	11.11%
Risk-weighted capital ratio	14.41%	14.11%

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1. Regulatory capital requirement (continued)

Disclosure on capital adequacy under the Standardised and IRB approach (continued)

Group 31 December 2013 Exposure class	Gross exposures RM'000	Net exposures RM'000	Risk weighted assets RM'000	Minimum capital requirement at 8% RM'000
(a) Credit risk				
<u>Exposures under the Standardised approach</u>				
On-balance sheet exposures:-				
Corporates	158,645	147,874	148,185	11,855
Regulatory retail	152,295	85,925	66,535	5,323
Residential mortgages	14,869	14,869	5,440	435
Higher risk assets	33,468	33,468	50,203	4,016
Other assets	754,967	753,746	635,005	50,800
Defaulted exposures	71,973	71,540	122,494	9,800
Total on-balance sheet exposures	<u>1,186,217</u>	<u>1,107,422</u>	<u>1,027,862</u>	<u>82,229</u>
Off-balance sheet exposures:-				
OTC derivatives	3,551	3,163	3,133	251
Off-balance sheet exposures other than OTC derivative transactions and credit derivatives	128,873	86,547	86,481	6,918
Defaulted exposures	246	246	370	30
Total off-balance sheet exposures	<u>132,670</u>	<u>89,956</u>	<u>89,984</u>	<u>7,199</u>
Total on and off-balance sheet exposures	<u>1,318,887</u>	<u>1,197,378</u>	<u>1,117,846</u>	<u>89,428</u>
<u>Exposures under the IRB approach</u>				
On-balance sheet exposures:-				
Sovereigns/Central banks	9,969,697	9,994,482	570,392	45,631
Banks, development financial institutions & multilateral development banks	4,755,962	4,754,144	568,404	45,472
Insurance companies, securities firms & fund managers	430,026	499,511	105,222	8,418
Corporates	10,977,271	10,894,622	9,168,081	733,446
Residential mortgages	12,798,587	12,798,587	2,279,571	182,366
Qualifying revolving retail exposures	1,887,696	1,887,695	1,323,198	105,856
Other retail	6,323,330	6,313,530	4,022,232	321,779
Defaulted exposures	1,385,382	1,385,382	4,302,345	344,188
Total on-balance sheet exposures	<u>48,527,951</u>	<u>48,527,953</u>	<u>22,339,445</u>	<u>1,787,156</u>
Off-balance sheet exposures:-				
OTC derivatives	5,981,957	5,981,957	1,476,002	118,080
Off-balance sheet exposures other than OTC derivative transactions and credit derivatives	13,884,919	13,884,919	4,372,366	349,789
Defaulted exposures	27,165	27,165	31,012	2,481
Total off-balance sheet exposures	<u>19,894,041</u>	<u>19,894,041</u>	<u>5,879,380</u>	<u>470,350</u>
Total on and off-balance sheet exposures	<u>68,421,992</u>	<u>68,421,994</u>	<u>28,218,825</u>	<u>2,257,506</u>
(b) Large exposures risk requirement			623	50
(c) Market risk (Standardised approach)				
	Long position	Short position		
Interest rate risk	31,746,873	31,361,067	979,382	78,351
Foreign currency risk	52,763,098	52,655,779	28,053	2,244
Options risk	5,209,210	3,247,859	359,810	28,785
(d) Operational risk (Standardised approach)			3,596,736	287,739
Total RWA and capital requirements			<u>34,301,275</u>	<u>2,744,103</u>

CET 1, Tier 1 and Risk-Weighted Capital ratios

	Before proposed dividend	After proposed dividend
CET 1 capital ratio	9.58%	9.58%
Tier 1 capital ratio	10.57%	10.57%
Risk-weighted capital ratio	13.52%	13.52%

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1. Regulatory capital requirement (continued)

Disclosure on capital adequacy under the Standardised and IRB approach (continued)

Bank 30 June 2014 Exposure class	Gross exposures RM'000	Net exposures RM'000	Risk weighted assets RM'000	Minimum capital requirement at 8% RM'000
(a) Credit risk				
<u>Exposures under the Standardised approach</u>				
On-balance sheet exposures:-				
Corporates	152,364	141,634	141,948	11,356
Regulatory retail	161,985	79,001	60,961	4,877
Residential mortgages	16,005	16,005	5,661	453
Higher risk assets	91	91	136	11
Other assets	498,012	490,864	398,505	31,880
Defaulted exposures	47,020	46,591	86,502	6,920
Total on-balance sheet exposures	<u>875,477</u>	<u>774,186</u>	<u>693,713</u>	<u>55,497</u>
Off-balance sheet exposures:-				
OTC derivatives	931	674	660	53
Off-balance sheet exposures other than OTC derivative transactions and credit derivatives	122,704	83,844	83,158	6,653
Defaulted exposures	245	245	367	29
Total off-balance sheet exposures	<u>123,880</u>	<u>84,763</u>	<u>84,185</u>	<u>6,735</u>
Total on and off-balance sheet exposures	<u>999,357</u>	<u>858,949</u>	<u>777,898</u>	<u>62,232</u>
<u>Exposures under the IRB approach</u>				
On-balance sheet exposures:-				
Sovereigns/Central banks	5,045,695	5,051,182	305,428	24,434
Banks, development financial institutions & multilateral development banks	7,964,319	7,974,037	1,039,388	83,151
Insurance companies, securities firms & fund managers	343,263	423,524	86,507	6,921
Corporates	9,234,843	9,133,360	7,336,093	586,887
Residential mortgages	10,937,484	10,937,484	1,744,077	139,526
Qualifying revolving retail exposures	1,766,562	1,766,562	1,256,109	100,489
Other retail	4,313,604	4,319,621	2,096,028	167,682
Defaulted exposures	1,317,988	1,317,988	4,135,751	330,860
Total on-balance sheet exposures	<u>40,923,758</u>	<u>40,923,758</u>	<u>17,999,381</u>	<u>1,439,950</u>
Off-balance sheet exposures:-				
OTC derivatives	5,620,888	5,620,888	1,410,947	112,876
Off-balance sheet exposures other than OTC derivative transactions and credit derivatives	10,453,327	10,453,327	3,302,262	264,181
Defaulted exposures	25,224	25,224	23,980	1,918
Total off-balance sheet exposures	<u>16,099,439</u>	<u>16,099,439</u>	<u>4,737,189</u>	<u>378,975</u>
Total on and off-balance sheet exposures	<u>57,023,197</u>	<u>57,023,197</u>	<u>22,736,570</u>	<u>1,818,925</u>
(b) Large exposures risk requirement			629	50
(c) Market risk (Standardised approach)				
	Long position	Short position		
Interest rate risk	38,450,629	37,325,940	2,127,306	170,185
Foreign currency risk	47,107,743	47,067,622	37,732	3,019
Options risk	4,565,842	2,643,609	618,142	49,451
(d) Operational risk (Standardised approach)			3,434,550	274,764
Total RWA and capital requirements			<u>29,732,827</u>	<u>2,378,626</u>

CET1, Tier 1 and Risk-Weighted Capital ratios

	Before proposed dividend	After proposed dividend
CET 1 capital ratio	11.06%	10.72%
Tier 1 capital ratio	12.08%	11.74%
Risk-weighted capital ratio	14.19%	13.85%

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1. Regulatory capital requirement (continued)

Disclosure on capital adequacy under the Standardised and IRB approach (continued)

Bank 31 December 2013 Exposure class	Gross exposures RM'000	Net exposures RM'000	Risk weighted assets RM'000	Minimum capital requirement at 8% RM'000
(a) Credit risk				
<u>Exposures under the Standardised approach</u>				
On-balance sheet exposures:-				
Corporates	139,092	128,321	128,632	10,291
Regulatory retail	151,127	84,757	65,604	5,248
Residential mortgages	14,869	14,869	5,440	435
Higher risk assets	95	95	143	11
Other assets	567,990	566,769	462,036	36,963
Defaulted exposures	71,948	71,515	122,456	9,796
Total on-balance sheet exposures	<u>945,121</u>	<u>866,326</u>	<u>784,311</u>	<u>62,744</u>
Off-balance sheet exposures:-				
OTC derivatives	3,551	3,163	3,133	251
Off-balance sheet exposures other than OTC derivative transactions and credit derivatives	110,737	69,600	69,534	5,563
Defaulted exposures	246	246	370	30
Total off-balance sheet exposures	<u>114,534</u>	<u>73,009</u>	<u>73,037</u>	<u>5,844</u>
Total on and off-balance sheet exposures	<u>1,059,655</u>	<u>939,335</u>	<u>857,348</u>	<u>68,588</u>
<u>Exposures under the IRB approach</u>				
On-balance sheet exposures:-				
Sovereigns/Central banks	7,727,525	7,734,784	463,838	37,107
Banks, development financial institutions & multilateral development banks	7,404,706	7,402,886	935,681	74,854
Insurance companies, securities firms & fund managers	430,034	499,519	105,199	8,416
Corporates	9,938,466	9,873,767	8,379,964	670,397
Residential mortgages	11,190,869	11,190,869	1,820,953	145,676
Qualifying revolving retail exposures	1,887,696	1,887,695	1,323,198	105,856
Other retail	4,943,934	4,933,710	2,590,651	207,252
Defaulted exposures	1,278,671	1,278,671	4,030,014	322,401
Total on-balance sheet exposures	<u>44,801,901</u>	<u>44,801,901</u>	<u>19,649,498</u>	<u>1,571,959</u>
Off-balance sheet exposures:-				
OTC derivatives	5,983,064	5,983,064	1,469,458	117,557
Off-balance sheet exposures other than OTC derivative transactions and credit derivatives	12,172,468	12,172,468	3,805,995	304,480
Defaulted exposures	27,165	27,165	31,012	2,481
Total off-balance sheet exposures	<u>18,182,697</u>	<u>18,182,697</u>	<u>5,306,465</u>	<u>424,518</u>
Total on and off-balance sheet exposures	<u>62,984,598</u>	<u>62,984,598</u>	<u>24,955,963</u>	<u>1,996,477</u>
(b) Large exposures risk requirement			623	50
(c) Market risk (Standardised approach)			Long position	Short position
Interest rate risk	31,746,873	31,361,067	979,382	78,351
Foreign currency risk	52,763,098	52,655,779	28,053	2,244
Options risk	5,209,210	3,247,859	359,810	28,785
(d) Operational risk (Standardised approach)			3,343,551	267,484
Total RWA and capital requirements			<u>30,524,730</u>	<u>2,441,979</u>

CET1, Tier 1 and Risk-Weighted Capital ratios:

	Before proposed dividend	After proposed dividend
CET 1 capital ratio	10.33%	10.33%
Tier 1 capital ratio	11.45%	11.45%
Risk-weighted capital ratio	13.25%	13.25%

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2. Credit risk

2.1 Exposure values

The following tables detail the Group's and the Bank's Exposure at Default ("EAD") before the effect of credit risk mitigation, broken down by the relevant exposure class against the relevant industry, maturity and geography. EAD is based on the current outstanding and accrued interest and fees, plus a proportion of the undrawn component of the facility. The amount of the undrawn facility included is dependant on the credit conversion factor of respective product type, and for IRB exposure classes, this amount is modeled internally.

Geographical analysis

The below tables provide the Group's and the Bank's EAD analysed by location of the exposures.

Group	Malaysia	Others	Total
30 June 2014	RM'000	RM'000	RM'000
IRB exposures			
Sovereigns/Central banks	8,195,882	35,045	8,230,927
Banks, development financial institutions & multilateral development banks	5,107,532	5,371,073	10,478,605
Insurance companies, securities firms & fund managers	402,295	136,110	538,405
Corporate exposures (excluding specialised lending and firm-size adjustment)	14,957,292	689,824	15,647,116
Corporate exposures (with firm-size adjustment)	1,867,733	-	1,867,733
Specialised lending	311,699	89,451	401,150
Retail exposures	25,744,214	-	25,744,214
<i>Residential mortgages</i>	15,237,999	-	15,237,999
<i>Qualifying revolving retail exposures</i>	3,975,303	-	3,975,303
<i>Other retail exposures</i>	6,530,912	-	6,530,912
Total IRB exposures	56,586,647	6,321,503	62,908,150
Standardised exposures			
Corporates	299,199	15,831	315,030
Regulatory retail	181,296	-	181,296
Residential mortgages	16,751	-	16,751
Higher risk assets	58,180	-	58,180
Other assets	751,081	7,820	758,901
Total Standardised exposures	1,306,507	23,651	1,330,158
Total credit risk exposures	57,893,154	6,345,154	64,238,308

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2. Credit risk (continued)

2.1 Exposure values (continued)

Geographical analysis (continued)

Group 31 December 2013	Malaysia RM'000	Others RM'000	Total RM'000
IRB exposures			
Sovereigns/Central banks	9,978,242	5,000	9,983,242
Banks, development financial institutions & multilateral development banks	6,371,428	4,866,220	11,237,648
Insurance companies, securities firms & fund managers	456,677	193,856	650,533
Corporate exposures (excluding specialised lending and firm-size adjustment)	15,128,724	538,106	15,666,830
Corporate exposures (with firm-size adjustment)	2,875,546	-	2,875,546
Specialised lending	290,096	79,210	369,306
Retail exposures	27,638,743	144	27,638,887
<i>Residential mortgages</i>	15,842,005	-	15,842,005
<i>Qualifying revolving retail exposures</i>	4,229,023	-	4,229,023
<i>Other retail exposures</i>	7,567,715	144	7,567,859
Total IRB exposures	62,739,456	5,682,536	68,421,992
Standardised exposures			
Corporates	303,011	13,390	316,401
Regulatory retail	168,975	-	168,975
Residential mortgages	15,673	-	15,673
Higher risk assets	59,393	-	59,393
Other assets	754,127	4,318	758,445
Total Standardised exposures	1,301,179	17,708	1,318,887
Total credit risk exposures	64,040,635	5,700,244	69,740,879

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2. Credit risk (continued)

2.1 Exposure values (continued)

Geographical analysis (continued)

Bank 30 June 2014	Malaysia RM'000	Others RM'000	Total RM'000
IRB exposures			
Sovereigns/Central banks	5,045,716	35,045	5,080,761
Banks, development financial institutions & multilateral development banks	8,534,584	5,308,222	13,842,806
Insurance companies, securities firms & fund managers	392,290	136,110	528,400
Corporate exposures (excluding specialised lending and firm-size adjustment)	13,979,702	597,418	14,577,120
Corporate exposures (with firm-size adjustment)	1,429,287	-	1,429,287
Specialised lending	217,808	89,451	307,259
Retail exposures	21,257,564	-	21,257,564
<i>Residential mortgages</i>	12,293,390	-	12,293,390
<i>Qualifying revolving retail exposures</i>	3,975,303	-	3,975,303
<i>Other retail exposures</i>	4,988,871	-	4,988,871
Total IRB exposures	50,856,951	6,166,246	57,023,197
Standardised exposures			
Corporates	259,499	15,443	274,942
Regulatory retail	179,787	-	179,787
Residential mortgages	16,751	-	16,751
Higher risk assets	26,761	-	26,761
Other assets	493,296	7,820	501,116
Total Standardised exposures	976,094	23,263	999,357
Total credit risk exposures	51,833,045	6,189,509	58,022,554

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2. Credit risk (continued)

2.1 Exposure values (continued)

Geographical analysis (continued)

Bank 31 December 2013	Malaysia RM'000	Others RM'000	Total RM'000
IRB exposures			
Sovereigns/Central banks	7,736,070	5,000	7,741,070
Banks, development financial institutions & multilateral development banks	9,031,441	4,866,220	13,897,661
Insurance companies, securities firms & fund managers	450,397	193,856	644,253
Corporate exposures (excluding specialised lending and firm-size adjustment)	14,565,346	507,714	15,073,060
Corporate exposures (with firm-size adjustment)	2,245,024	-	2,245,024
Specialised lending	179,168	79,210	258,378
Retail exposures	23,125,008	144	23,125,152
<i>Residential mortgages</i>	13,059,682	-	13,059,682
<i>Qualifying revolving retail exposures</i>	4,229,023	-	4,229,023
<i>Other retail exposures</i>	5,836,303	144	5,836,447
Total IRB exposures	57,332,454	5,652,144	62,984,598
Standardised exposures			
Corporates	265,797	12,914	278,711
Regulatory retail	167,782	-	167,782
Residential mortgages	15,673	-	15,673
Higher risk assets	26,020	-	26,020
Other assets	567,151	4,318	571,469
Total Standardised exposures	1,042,423	17,232	1,059,655
Total credit risk exposures	58,374,877	5,669,376	64,044,253

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2. Credit risk (continued)

2.1 Exposure values (continued)

Sector or economic purpose analysis

The below tables provide the Group's and the Bank's EAD analysed by sector or economic purpose of the exposure.

Group 30 June 2014	Agricultural, hunting, forestry and fishing RM'000	Mining and quarrying RM'000	Manufacturing RM'000	Electricity, gas and water RM'000	Construction RM'000	Wholesale & retail trade and restaurants & hotels RM'000	Transportation storage and communication RM'000	Finance, insurance and business services RM'000	Real estate RM'000	Household RM'000	Others RM'000	Total RM'000
IRB exposures												
Sovereigns/Central banks	-	-	-	-	-	-	-	8,230,907	-	-	20	8,230,927
Banks, development financial institutions & multilateral development banks	-	-	-	-	-	-	-	10,478,605	-	-	-	10,478,605
Insurance companies, securities firms & fund managers	-	-	-	-	-	-	-	536,919	-	-	1,486	538,405
Corporate exposures (excluding specialised lending and firm-size adjustment)	517,525	1,217,582	5,542,514	201,232	1,512,024	3,074,311	876,058	970,577	879,247	-	856,046	15,647,116
Corporate exposures (with firm-size adjustment)	763	43,124	308,197	-	14,428	285,501	33,116	25,984	245,415	-	911,205	1,867,733
Specialised lending	-	9,188	26,575	133,770	-	-	-	137,726	93,891	-	-	401,150
Retail exposures	6,676	2,805	171,847	540	73,809	377,842	38,206	52,286	7,740	21,464,724	3,547,739	25,744,214
<i>Residential mortgages</i>	-	-	-	-	-	-	-	-	-	15,237,999	-	15,237,999
<i>Qualifying revolving retail exposures</i>	-	-	-	-	-	-	-	-	-	3,975,303	-	3,975,303
<i>Other retail exposures</i>	6,676	2,805	171,847	540	73,809	377,842	38,206	52,286	7,740	2,251,422	3,547,739	6,530,912
Total IRB exposures	524,964	1,272,699	6,049,133	335,542	1,600,261	3,737,654	947,380	20,433,004	1,226,293	21,464,724	5,316,496	62,908,150
Standardised exposures												
Corporates	113	-	42,692	-	235,390	12,768	2	3	-	-	24,062	315,030
Regulatory retail	-	-	-	-	1,376	107	-	-	-	179,813	-	181,296
Residential mortgages	-	-	-	-	-	-	-	-	-	16,751	-	16,751
Higher risk assets	-	-	26,493	-	-	-	-	-	-	31,687	-	58,180
Other assets	-	-	-	-	-	-	-	-	-	18,382	740,519	758,901
Total Standardised exposures	113	-	69,185	-	236,766	12,875	2	3	-	246,633	764,581	1,330,158
Total credit risk exposures	525,077	1,272,699	6,118,318	335,542	1,837,027	3,750,529	947,382	20,433,007	1,226,293	21,711,357	6,081,077	64,238,308

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2. Credit risk (continued)

2.1 Exposure values (continued)

Sector or economic purpose analysis (continued)

Group	Agricultural, hunting, forestry and fishing	Mining and quarrying	Manufacturing	Electricity, gas and water	Construction	Wholesale & retail trade and restaurants & hotels	Transportation storage and communication	Finance, insurance and business services	Real estate	Household	Others	Total
31 December 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
IRB exposures												
Sovereigns/Central banks	-	-	-	-	-	-	-	9,983,242	-	-	-	9,983,242
Banks, development financial institutions & multilateral development banks	-	-	-	-	-	-	-	11,237,648	-	-	-	11,237,648
Insurance companies, securities firms & fund managers	-	-	-	-	-	-	-	650,533	-	-	-	650,533
Corporate exposures (excluding specialised lending and firm-size adjustment)	650,545	927,372	5,338,544	97,123	1,868,338	2,509,445	1,580,056	1,037,931	886,428	-	771,048	15,666,830
Corporate exposures (with firm-size adjustment)	1,513	53,410	522,155	-	14,516	632,842	189,799	23,517	468,784	-	969,010	2,875,546
Specialised lending	-	9,725	68,029	111,140	-	-	-	69,484	110,928	-	-	369,306
Retail exposures	5,255	4,380	297,772	2,048	97,163	609,597	55,262	60,987	6,934	22,798,761	3,700,728	27,638,887
<i>Residential mortgages</i>	-	-	-	-	-	-	-	-	-	15,842,005	-	15,842,005
<i>Qualifying revolving retail exposures</i>	-	-	-	-	-	-	-	-	-	4,229,023	-	4,229,023
<i>Other retail exposures</i>	5,255	4,380	297,772	2,048	97,163	609,597	55,262	60,987	6,934	2,727,733	3,700,728	7,567,859
Total IRB exposures	657,313	994,887	6,226,500	210,311	1,980,017	3,751,884	1,825,117	23,063,342	1,473,074	22,798,761	5,440,786	68,421,992
Standardised exposures												
Corporates	4,184	-	28,248	-	240,497	21,085	259	14	-	-	22,114	316,401
Regulatory retail	-	-	85	-	3,523	128	-	-	-	164,492	747	168,975
Residential mortgages	-	-	-	-	-	-	-	-	-	15,673	-	15,673
Higher risk assets	-	-	25,748	-	-	-	-	-	-	33,645	-	59,393
Other assets	-	-	-	-	-	-	-	-	-	2,082	756,363	758,445
Total Standardised exposures	4,184	-	54,081	-	244,020	21,213	259	14	-	215,892	779,224	1,318,887
Total credit risk exposures	661,497	994,887	6,280,581	210,311	2,224,037	3,773,097	1,825,376	23,063,356	1,473,074	23,014,653	6,220,010	69,740,879

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2. Credit risk (continued)

2.1 Exposure values (continued)

Sector or economic purpose analysis (continued)

Bank	Agricultural, hunting, forestry and fishing	Mining and quarrying	Manufacturing	Electricity, gas and water	Construction	Wholesale & retail trade and restaurants & hotels	Transportation storage and communication	Finance, insurance and business services	Real estate	Household	Others	Total
30 June 2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
IRB exposures												
Sovereigns/Central banks	-	-	-	-	-	-	-	5,080,741	-	-	20	5,080,761
Banks, development financial institutions & multilateral development banks	-	-	-	-	-	-	-	13,842,806	-	-	-	13,842,806
Insurance companies, securities firms & fund managers	-	-	-	-	-	-	-	526,914	-	-	1,486	528,400
Corporate exposures (excluding specialised lending and firm-size adjustment)	517,286	1,025,961	5,198,691	201,232	1,475,435	2,884,329	787,709	930,178	744,676	-	811,623	14,577,120
Corporate exposures (with firm-size adjustment)	763	43,124	297,953	-	13,428	283,857	24,894	3,692	230,253	-	531,323	1,429,287
Specialised lending	-	9,188	26,575	133,770	-	-	-	137,726	-	-	-	307,259
Retail exposures	4,397	1,399	125,678	151	52,231	306,084	24,921	37,218	7,740	17,890,087	2,807,658	21,257,564
<i>Residential mortgages</i>	-	-	-	-	-	-	-	-	-	12,293,390	-	12,293,390
<i>Qualifying revolving retail exposures</i>	-	-	-	-	-	-	-	-	-	3,975,303	-	3,975,303
<i>Other retail exposures</i>	4,397	1,399	125,678	151	52,231	306,084	24,921	37,218	7,740	1,621,394	2,807,658	4,988,871
Total IRB exposures	522,446	1,079,672	5,648,897	335,153	1,541,094	3,474,270	837,524	20,559,275	982,669	17,890,087	4,152,110	57,023,197
Standardised exposures												
Corporates	113	-	42,692	-	195,690	12,768	2	3	-	-	23,674	274,942
Regulatory retail	-	-	-	-	536	107	-	-	-	179,144	-	179,787
Residential mortgages	-	-	-	-	-	-	-	-	-	16,751	-	16,751
Higher risk assets	-	-	26,493	-	-	-	-	-	-	268	-	26,761
Other assets	-	-	-	-	-	-	-	-	-	18,382	482,734	501,116
Total Standardised exposures	113	-	69,185	-	196,226	12,875	2	3	-	214,545	506,408	999,357
Total credit risk exposures	522,559	1,079,672	5,718,082	335,153	1,737,320	3,487,145	837,526	20,559,278	982,669	18,104,632	4,658,518	58,022,554

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2. Credit risk (continued)

2.1 Exposure values (continued)

Sector or economic purpose analysis (continued)

Bank	Agricultural, hunting, forestry and fishing	Mining and quarrying	Manufacturing	Electricity, gas and water	Construction	Wholesale & retail trade and restaurants & hotels	Transportation storage and communication	Finance, insurance and business services	Real estate	Household	Others	Total
31 December 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
IRB exposures												
Sovereigns/Central banks	-	-	-	-	-	-	-	7,741,070	-	-	-	7,741,070
Banks, development financial institutions & multilateral development banks	-	-	-	-	-	-	-	13,897,661	-	-	-	13,897,661
Insurance companies, securities firms & fund managers	-	-	-	-	-	-	-	644,253	-	-	-	644,253
Corporate exposures (excluding specialised lending and firm-size adjustment)	660,366	852,876	5,208,487	97,123	1,829,644	2,344,326	1,563,785	1,029,312	754,423	-	732,718	15,073,060
Corporate exposures (with firm-size adjustment)	1,513	53,410	476,198	-	14,516	626,191	31,482	8,718	451,291	-	581,705	2,245,024
Specialised lending	-	9,725	68,029	111,140	-	-	-	69,484	-	-	-	258,378
Retail exposures	3,626	4,081	244,452	1,825	75,216	539,402	36,506	46,035	6,802	19,194,291	2,972,916	23,125,152
<i>Residential mortgages</i>	-	-	-	-	-	-	-	-	-	13,059,682	-	13,059,682
<i>Qualifying revolving retail exposures</i>	-	-	-	-	-	-	-	-	-	4,229,023	-	4,229,023
<i>Other retail exposures</i>	3,626	4,081	244,452	1,825	75,216	539,402	36,506	46,035	6,802	1,905,586	2,972,916	5,836,447
Total IRB exposures	665,505	920,092	5,997,166	210,088	1,919,376	3,509,919	1,631,773	23,436,533	1,212,516	19,194,291	4,287,339	62,984,598
Standardised exposures												
Corporates	4,184	-	28,248	-	203,284	21,085	259	14	-	-	21,637	278,711
Regulatory retail	-	-	85	-	3,077	128	-	-	-	164,492	-	167,782
Residential mortgages	-	-	-	-	-	-	-	-	-	15,673	-	15,673
Higher risk assets	-	-	25,748	-	-	-	-	-	-	272	-	26,020
Other assets	-	-	-	-	-	-	-	-	-	2,082	569,387	571,469
Total Standardised exposures	4,184	-	54,081	-	206,361	21,213	259	14	-	182,519	591,024	1,059,655
Total credit risk exposures	669,689	920,092	6,051,247	210,088	2,125,737	3,531,132	1,632,032	23,436,547	1,212,516	19,376,810	4,878,363	64,044,253

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2. Credit risk (continued)

2.1 Exposure values (continued)

Residual contractual maturity analysis

The following tables show the Group's and the Bank's residual maturity of EAD by each principal category of exposure class.

Group 30 June 2014	Up to 1 year RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Total RM'000
IRB exposures				
Sovereigns/Central banks	6,619,744	1,610,940	243	8,230,927
Banks, development financial institutions & multilateral development banks	5,824,534	3,883,896	770,175	10,478,605
Insurance companies, securities firms & fund managers	266,011	239,016	33,378	538,405
Corporate exposures (excluding specialised lending and firm-size adjustment)	11,067,984	3,736,206	842,926	15,647,116
Corporate exposures (with firm-size adjustment)	752,998	179,689	935,046	1,867,733
Specialised lending	32,965	123,633	244,552	401,150
Retail exposures	4,712,746	5,798,733	15,232,735	25,744,214
<i>Residential mortgages</i>	<i>3,259,373</i>	<i>344,827</i>	<i>11,633,799</i>	<i>15,237,999</i>
<i>Qualifying revolving retail exposures</i>	<i>781,748</i>	<i>2,994,871</i>	<i>198,684</i>	<i>3,975,303</i>
<i>Other retail exposures</i>	<i>671,625</i>	<i>2,459,035</i>	<i>3,400,252</i>	<i>6,530,912</i>
Total IRB exposures	29,276,982	15,572,113	18,059,055	62,908,150
Corporates	193,010	101,171	20,849	315,030
Regulatory retail	81,976	13,023	86,297	181,296
Residential mortgages	96	882	15,773	16,751
Higher risk assets	57,922	6	252	58,180
Other assets	681,607	8,732	68,562	758,901
Total Standardised exposures	1,014,611	123,814	191,733	1,330,158
Total credit risk exposures	30,291,593	15,695,927	18,250,788	64,238,308

Note: The above table shows that exposures with residual contractual maturity more than 5 years amounted to RM18,250,789,000. Of this amount, 61% are collateralized.

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2. Credit risk (continued)

2.1 Exposure values (continued)

Residual contractual maturity analysis (continued)

Group 31 December 2013	Up to 1 year RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Total RM'000
IRB exposures				
Sovereigns/Central banks	7,909,936	2,073,063	243	9,983,242
Banks, development financial institutions & multilateral development banks	6,473,546	4,038,785	725,317	11,237,648
Insurance companies, securities firms & fund managers	371,197	220,880	58,456	650,533
Corporate exposures (excluding specialised lending and firm-size adjustment)	10,769,157	4,187,230	710,443	15,666,830
Corporate exposures (with firm-size adjustment)	1,494,592	302,398	1,078,556	2,875,546
Specialised lending	50,011	136,200	183,095	369,306
Retail exposures	5,573,651	6,651,272	15,413,964	27,638,887
<i>Residential mortgages</i>	<i>3,597,277</i>	<i>370,148</i>	<i>11,874,580</i>	<i>15,842,005</i>
<i>Qualifying revolving retail exposures</i>	<i>885,417</i>	<i>3,159,983</i>	<i>183,623</i>	<i>4,229,023</i>
<i>Other retail exposures</i>	<i>1,090,957</i>	<i>3,121,141</i>	<i>3,355,761</i>	<i>7,567,859</i>
Total IRB exposures	32,642,090	17,609,828	18,170,074	68,421,992
Standardised exposures				
Corporates	206,265	93,980	16,156	316,401
Regulatory retail	62,609	15,026	91,340	168,975
Residential mortgages	193	781	14,699	15,673
Higher risk assets	59,121	10	262	59,393
Other assets	641,873	8,676	107,896	758,445
Total Standardised exposures	970,061	118,473	230,353	1,318,887
Total credit risk exposures	33,612,151	17,728,301	18,400,427	69,740,879

Note: The above table shows that exposures with residual contractual maturity more than 5 years amounted to RM18,400,427,000. Of this amount, 63% are collateralized.

**Standard Chartered Bank Malaysia Berhad
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2. Credit risk (continued)**

2.1 Exposure values (continued)

Residual contractual maturity analysis (continued)

Bank 30 June 2014	Up to 1 year RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Total RM'000
IRB exposures				
Sovereigns/Central banks	3,469,578	1,610,940	243	5,080,761
Banks, development financial institutions & multilateral development banks	9,213,173	3,858,229	771,404	13,842,806
Insurance companies, securities firms & fund managers	255,529	239,500	33,371	528,400
Corporate exposures (excluding specialised lending and firm-size adjustment)	10,479,707	3,309,747	787,666	14,577,120
Corporate exposures (with firm-size adjustment)	693,907	122,609	612,771	1,429,287
Specialised lending	-	62,707	244,552	307,259
Retail exposures	1,831,051	5,170,573	14,255,940	21,257,564
<i>Residential mortgages</i>	<i>604,957</i>	<i>339,617</i>	<i>11,348,816</i>	<i>12,293,390</i>
<i>Qualifying revolving retail exposures</i>	<i>781,748</i>	<i>2,994,871</i>	<i>198,684</i>	<i>3,975,303</i>
<i>Other retail exposures</i>	<i>444,346</i>	<i>1,836,085</i>	<i>2,708,440</i>	<i>4,988,871</i>
Total IRB exposures	25,942,945	14,374,305	16,705,947	57,023,197
Standardised exposures				
Corporates	186,681	67,548	20,713	274,942
Regulatory retail	81,950	12,088	85,749	179,787
Residential mortgages	96	882	15,773	16,751
Higher risk assets	26,503	6	252	26,761
Other assets	423,822	8,732	68,562	501,116
Total Standardised exposures	719,052	89,256	191,049	999,357
Total credit risk exposures	26,661,997	14,463,561	16,896,996	58,022,554

Note: The above table shows that exposures with residual contractual maturity more than 5 years amounted to RM16,896,996,000. Of this amount, 64% are collateralized.

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2. Credit risk (continued)

2.1 Exposure values (continued)

Residual contractual maturity analysis (continued)

Bank 31 December 2013	Up to 1 year RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Total RM'000
IRB exposures				
Sovereigns/Central banks	5,667,764	2,073,063	243	7,741,070
Banks, development financial institutions & multilateral development banks	9,129,374	4,040,466	727,821	13,897,661
Insurance companies, securities firms & fund managers	364,916	220,888	58,449	644,253
Corporate exposures (excluding specialised lending and firm-size adjustment)	10,427,717	3,937,605	707,738	15,073,060
Corporate exposures (with firm-size adjustment)	1,300,349	218,885	725,790	2,245,024
Specialised lending	-	75,283	183,095	258,378
Retail exposures	2,820,247	5,768,991	14,535,914	23,125,152
<i>Residential mortgages</i>	<i>1,119,826</i>	<i>363,617</i>	<i>11,576,239</i>	<i>13,059,682</i>
<i>Qualifying revolving retail exposures</i>	<i>885,417</i>	<i>3,159,983</i>	<i>183,623</i>	<i>4,229,023</i>
<i>Other retail exposures</i>	<i>815,004</i>	<i>2,245,391</i>	<i>2,776,052</i>	<i>5,836,447</i>
Total IRB exposures	29,710,367	16,335,181	16,939,050	62,984,598
Standardised exposures				
Corporates	200,104	62,588	16,019	278,711
Regulatory retail	62,493	14,528	90,761	167,782
Residential mortgages	193	781	14,699	15,673
Higher risk assets	25,748	10	262	26,020
Other assets	454,897	8,676	107,896	571,469
Total Standardised exposures	743,435	86,583	229,637	1,059,655
Total credit risk exposures	30,453,802	16,421,764	17,168,687	64,044,253

Note: The above table shows that exposures with residual contractual maturity more than 5 years amounted to RM17,168,687,000. Of this amount, 65% are collateralized.

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2. Credit risk (continued)

2.2 Credit risk mitigation

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

Group 30 June 2014	Exposures before CRM RM'000	Exposures covered by guarantees or credit derivatives RM'000	Exposures covered by eligible financial collateral RM'000	Exposures covered by Other eligible collateral RM'000
On-balance sheet exposures				
Sovereigns/Central banks	8,195,861	-	-	-
Banks, development financial institutions & multilateral development banks	4,585,627	-	-	-
Insurance companies, securities firms & fund managers	342,779	141,903	2,592	-
Corporates	10,379,732	84,223	665,677	1,382,455
Regulatory retail	7,534,330	3,034	122,580	16,057
Residential mortgages	13,230,153	-	-	12,322,060
Higher risk assets	31,510	-	-	-
Other assets	755,797	7,172	7,148	-
Specialised financing/investment	312,271	80,263	2,079	-
Defaulted exposures	1,480,169	-	18,597	389,801
Total on-balance sheet exposures	46,848,229	316,595	818,673	14,110,373
Off-balance sheet exposures				
OTC derivatives	5,648,798	1	264	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	11,715,812	17,020	141,457	375,686
Defaulted exposures	25,469	-	1,341	1,643
Total off-balance sheet exposures	17,390,079	17,021	143,062	377,329
Total on and off-balance sheet exposures	64,238,308	333,616	961,735	14,487,702

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2. Credit risk (continued)

2.2 Credit risk mitigation (continued)

Group	Exposures before CRM RM'000	Exposures covered by guarantees or credit derivatives RM'000	Exposures covered by eligible financial collateral RM'000	Exposures covered by Other eligible collateral RM'000
31 December 2013				
On-balance sheet exposures				
Sovereigns/Central banks	9,969,697	-	-	-
Banks, development financial institutions & multilateral development banks	4,755,962	3,361	-	-
Insurance companies, securities firms & fund managers	430,026	214,828	2,592	-
Corporates	10,870,085	111,241	707,106	1,415,554
Regulatory retail	8,363,321	8,218	175,066	60,940
Residential mortgages	12,813,456	-	-	12,046,443
Higher risk assets	33,468	-	-	-
Other assets	754,967	4,316	1,221	-
Specialised financing/investment	265,831	69,485	20	-
Defaulted exposures	1,457,355	-	7,125	380,896
Total on-balance sheet exposures	49,714,168	411,449	893,130	13,903,833
Off-balance sheet exposures				
OTC derivatives	5,985,508	9	388	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	14,013,792	7,707	691,099	790,872
Defaulted exposures	27,411	-	846	1,569
Total off-balance sheet exposures	20,026,711	7,716	692,333	792,441
Total on and off-balance sheet exposures	69,740,879	419,165	1,585,463	14,696,274

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2. Credit risk (continued)

2.2 Credit risk mitigation (continued)

Bank 30 June 2014	Exposures before CRM RM'000	Exposures covered by guarantees or credit derivatives RM'000	Exposures covered by eligible financial collateral RM'000	Exposures covered by other eligible collateral RM'000
On-balance sheet exposures				
Sovereigns/Central banks	5,045,695	-	-	-
Banks, development financial institutions & multilateral development banks	7,964,319	-	-	-
Insurance companies, securities firms & fund managers	343,263	141,903	2,592	-
Corporates	9,168,827	67,876	518,002	1,200,712
Regulatory retail	6,242,151	3,034	122,580	15,582
Residential mortgages	10,953,489	-	-	10,424,367
Higher risk assets	91	-	-	-
Other assets	498,012	7,172	7,148	-
Specialised financing/investment	218,380	80,263	2,079	-
Defaulted exposures	1,365,008	-	18,597	387,139
Total on-balance sheet exposures	41,799,235	300,248	670,998	12,027,800
Off-balance sheet exposures				
OTC derivatives	5,621,819	1	264	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	10,576,031	17,020	136,549	207,543
Defaulted exposures	25,469	-	1,341	1,643
Total off-balance sheet exposures	16,223,319	17,021	138,154	209,186
Total on and off-balance sheet exposures	58,022,554	317,269	809,152	12,236,986

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2. Credit risk (continued)

2.2 Credit risk mitigation (continued)

Bank	Exposures before CRM RM'000	Exposures covered by guarantees or credit derivatives RM'000	Exposures covered by eligible financial collateral RM'000	Exposures covered by other eligible collateral RM'000
31 December 2013				
On-balance sheet exposures				
Sovereigns/Central banks	7,727,525	-	-	-
Banks, development financial institutions & multilateral development banks	7,404,706	3,361	-	-
Insurance companies, securities firms & fund managers	430,034	214,828	2,592	-
Corporates	9,922,655	93,293	542,975	1,184,772
Regulatory retail	6,982,757	8,218	175,027	55,271
Residential mortgages	11,205,738	-	-	10,686,364
Higher risk assets	95	-	-	-
Other assets	567,990	4,316	1,221	-
Specialised financing/investment	154,903	69,485	20	-
Defaulted exposures	1,350,619	-	7,125	379,214
Total on-balance sheet exposures	45,747,022	393,501	728,960	12,305,621
Off-balance sheet exposures				
OTC derivatives	5,986,615	9	388	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	12,283,205	7,632	685,845	360,671
Defaulted exposures	27,411	-	846	1,569
Total off-balance sheet exposures	18,297,231	7,641	687,079	362,240
Total on and off-balance sheet exposures	64,044,253	401,142	1,416,039	12,667,861

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2. Credit risk (continued)

2.3 Exposures under IRB approach

Exposures under the IRB approach by risk grade or PD band for non-retail exposures

The below tables analyse the Group's and the Bank's PD range or internal risk grading of non-retail exposures.

Group	0<0.04%	0.04<0.17%	0.17<0.59%	0.59<3.05%	3.05<12.00%	12.00<100%	Default or 100%
30 June 2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-retail exposures (EAD)							
<u>On balance sheet exposures</u>							
Sovereign	8,195,861	-	-	-	-	-	-
Bank	1,969,213	1,951,835	538,001	102,768	23,810	-	-
Corporate	40,400	1,838,959	2,575,823	5,443,989	885,840	74,366	790,810
Total on-balance sheet exposures	10,205,474	3,790,794	3,113,824	5,546,757	909,650	74,366	790,810
<u>Undrawn commitments</u>							
Sovereign	35,000	-	-	-	-	-	-
Bank	67,515	84,514	6,744	400	-	-	-
Corporate	44,475	84,030	218,356	432,751	8,826	3,366	799
Total undrawn commitments	146,990	168,544	225,100	433,151	8,826	3,366	799
<u>Derivatives</u>							
Sovereign	46	-	-	-	-	-	-
Bank	2,180,689	2,206,604	211,103	55,261	-	-	-
Corporate	36,634	337,011	227,881	377,627	15,011	-	-
Total derivatives	2,217,369	2,543,615	438,984	432,888	15,011	-	-
<u>Contingent</u>							
Sovereign	20	-	-	-	-	-	-
Bank	594,963	352,858	87,909	32,273	12,145	-	-
Corporate	49,376	1,270,896	2,057,772	1,506,122	114,177	4,234	14,873
Total contingent	644,359	1,623,754	2,145,681	1,538,395	126,322	4,234	14,873
Exposure weighted average LGD (%)							
Sovereign	26.29%	-	-	-	-	-	-
Bank	26.75%	26.85%	32.14%	40.42%	41.20%	-	-
Corporate	31.20%	42.50%	34.25%	44.91%	53.38%	47.21%	42.10%
Exposure weighted average risk weight (%)							
Sovereign	5.51%	-	-	-	-	-	-
Bank	7.68%	14.47%	31.14%	94.53%	132.72%	-	-
Corporate	7.59%	16.20%	36.14%	89.69%	182.60%	233.15%	381.88%

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2. Credit risk (continued)

2.3 Exposures under IRB approach (continued)

Exposures under the IRB approach by risk grade or PD band for non-retail exposures (continued)

Group	0<0.04%	0.04<0.17%	0.17<0.59%	0.59<3.05%	3.05<12.00%	12.00<100%	Default or 100%
31 December 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-retail exposures (EAD)							
<u>On balance sheet exposures</u>							
Sovereign	9,969,697	-	-	-	-	-	-
Bank	1,748,037	2,529,801	286,079	135,721	56,015	309	-
Corporate	35,115	1,944,718	2,768,201	5,674,986	578,385	405,892	750,935
Total on-balance sheet exposures	11,752,849	4,474,519	3,054,280	5,810,707	634,400	406,201	750,935
<u>Undrawn commitments</u>							
Sovereign	5,000	-	-	-	-	-	-
Bank	65,668	150,833	6,621	400	-	-	-
Corporate	46,160	60,853	206,578	481,926	8,573	13,399	708
Total undrawn commitments	116,828	211,686	213,199	482,326	8,573	13,399	708
<u>Derivatives</u>							
Sovereign	8,525	-	-	-	-	-	-
Bank	2,128,046	2,585,497	256,038	11,101	-	-	-
Corporate	46,634	373,442	370,422	199,384	2,212	656	13
Total derivatives	2,183,205	2,958,939	626,460	210,485	2,212	656	13
<u>Contingent</u>							
Sovereign	20	-	-	-	-	-	-
Bank	672,608	358,949	90,240	51,249	104,436	-	-
Corporate	52,087	1,009,976	3,052,143	1,348,842	108,338	4,439	17,198
Total contingent	724,715	1,368,925	3,142,383	1,400,091	212,774	4,439	17,198
Exposure weighted average LGD (%)							
Sovereign	26.21%	-	-	-	-	-	-
Bank	26.23%	26.08%	29.65%	40.33%	41.20%	41.20%	-
Corporate	32.37%	41.72%	33.86%	45.24%	49.34%	64.66%	41.21%
Exposure weighted average risk weight (%)							
Sovereign	5.70%	-	-	-	-	-	-
Bank	7.93%	12.97%	35.02%	80.62%	111.51%	182.73%	-
Corporate	6.59%	18.09%	35.97%	92.53%	154.16%	242.93%	381.96%

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2. Credit risk (continued)

2.3 Exposures under IRB approach (continued)

Exposures under the IRB approach by risk grade or PD band for non-retail exposures (continued)

Bank	0<0.04%	0.04<0.17%	0.17<0.59%	0.59<3.05%	3.05<12.00%	12.00<100%	Default or 100%
30 June 2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-retail exposures (EAD)							
<u>On balance sheet exposures</u>							
Sovereign	5,045,695	-	-	-	-	-	-
Bank	1,969,213	5,330,527	538,001	102,768	23,810	-	-
Corporate	22,800	1,851,974	2,232,969	4,601,203	796,033	73,127	789,494
Total on-balance sheet exposures	7,037,708	7,182,501	2,770,970	4,703,971	819,843	73,127	789,494
<u>Undrawn commitments</u>							
Sovereign	35,000	-	-	-	-	-	-
Bank	67,515	84,514	6,744	400	-	-	-
Corporate	44,475	72,530	218,356	349,291	8,826	3,366	799
Total undrawn commitments	146,990	157,044	225,100	349,691	8,826	3,366	799
<u>Derivatives</u>							
Sovereign	46	-	-	-	-	-	-
Bank	2,164,397	2,254,964	211,103	8,702	-	-	-
Corporate	36,634	329,654	227,684	372,693	15,011	-	-
Total derivatives	2,201,077	2,584,618	438,787	381,395	15,011	-	-
<u>Contingent</u>							
Sovereign	20	-	-	-	-	-	-
Bank	594,963	352,858	87,909	32,273	12,145	-	-
Corporate	49,376	1,270,896	2,037,707	1,306,595	111,466	4,234	14,873
Total contingent	644,359	1,623,754	2,125,616	1,338,868	123,611	4,234	14,873
Exposure weighted average LGD (%)							
Sovereign	26.34%	-	-	-	-	-	-
Bank	26.75%	26.60%	32.14%	40.17%	41.20%	-	-
Corporate	32.15%	42.48%	34.73%	46.84%	53.31%	47.09%	42.01%
Exposure weighted average risk weight (%)							
Sovereign	6.03%	-	-	-	-	-	-
Bank	7.67%	14.32%	31.14%	87.50%	132.72%	-	-
Corporate	7.66%	16.14%	35.72%	90.34%	182.91%	232.13%	381.10%

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2. Credit risk (continued)

2.3 Exposures under IRB approach (continued)

Exposures under the IRB approach by risk grade or PD band for non-retail exposures (continued)

Bank 31 December 2013	0<0.04% RM'000	0.04<0.17% RM'000	0.17<0.59% RM'000	0.59<3.05% RM'000	3.05<12.00% RM'000	12.00<100% RM'000	Default or 100% RM'000
Non-retail exposures (EAD)							
<u>On balance sheet exposures</u>							
Sovereign	7,727,525	-	-	-	-	-	-
Bank	1,748,037	5,178,545	286,079	135,721	56,015	309	-
Corporate	17,590	1,991,792	2,476,711	4,971,847	522,162	388,398	750,935
Total on-balance sheet exposures	9,493,152	7,170,337	2,762,790	5,107,568	578,177	388,707	750,935
<u>Undrawn commitments</u>							
Sovereign	5,000	-	-	-	-	-	-
Bank	65,668	150,833	6,621	400	-	-	-
Corporate	46,085	48,853	197,727	346,555	8,437	13,399	708
Total undrawn commitments	116,753	199,686	204,348	346,955	8,437	13,399	708
<u>Derivatives</u>							
Sovereign	8,525	-	-	-	-	-	-
Bank	2,128,046	2,596,766	256,038	11,101	-	-	-
Corporate	46,634	368,140	370,258	195,102	1,798	656	13
Total derivatives	2,183,205	2,964,906	626,296	206,203	1,798	656	13
<u>Contingent</u>							
Sovereign	20	-	-	-	-	-	-
Bank	672,608	358,949	90,240	51,249	104,436	-	-
Corporate	52,087	1,009,976	2,983,693	1,284,951	104,571	4,439	17,198
Total contingent	724,715	1,368,925	3,073,933	1,336,200	209,007	4,439	17,198
Exposure weighted average LGD (%)							
Sovereign	26.21%	-	-	-	-	-	-
Bank	26.23%	26.12%	29.65%	40.33%	41.20%	41.20%	-
Corporate	33.08%	41.86%	34.69%	46.86%	50.62%	67.13%	41.21%
Exposure weighted average risk weight (%)							
Sovereign	5.99%	-	-	-	-	-	-
Bank	7.93%	13.26%	35.02%	80.62%	111.51%	182.73%	-
Corporate	6.27%	18.08%	36.52%	93.88%	156.25%	252.09%	381.96%

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2. Credit risk (continued)

2.3 Exposures under IRB approach (continued)

Exposures under the IRB approach by risk grade or PD band for retail exposures

The below tables analyse the Group's and the Bank's PD range of retail exposures.

Group	0<0.11%	0.11<0.30%	0.30<0.43%	0.43<3.05%	3.05<9.20%	9.20<100%	Default or 100%
30 June 2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Retail exposures (EAD)							
<u>On balance sheet exposures</u>							
Residential mortgage	171,383	2,734,219	1,451,756	7,262,842	1,054,090	539,858	228,313
Qualifying revolving retail	32,766	163,365	57,214	631,513	581,196	300,508	126,092
Other retail	777,512	475,065	443,894	2,467,252	929,958	510,618	287,909
Total on-balance sheet exposures	981,661	3,372,649	1,952,864	10,361,607	2,565,244	1,350,984	642,314
<u>Undrawn commitments</u>							
Residential mortgage	49	83,300	81,244	1,563,282	37,467	26,304	3,892
Qualifying revolving retail	461,331	471,303	110,010	712,828	245,000	82,177	-
Other retail	17,227	43,547	17,435	468,859	62,277	23,699	5,660
Total undrawn commitments	478,607	598,150	208,689	2,744,969	344,744	132,180	9,552
Exposure weighted average LGD (%)							
Residential mortgage	12.35%	12.44%	12.64%	12.86%	12.53%	13.14%	14.60%
Qualifying revolving retail	67.07%	67.07%	67.07%	67.07%	67.07%	67.07%	60.31%
Other retail	14.83%	21.25%	24.76%	43.13%	66.45%	71.76%	71.86%
Exposure weighted average risk weight (%)							
Residential mortgage	3.10%	5.81%	9.26%	18.54%	44.59%	68.55%	92.30%
Qualifying revolving retail	3.74%	7.21%	12.60%	32.36%	83.87%	172.68%	315.75%
Other retail	2.81%	10.63%	15.55%	50.84%	104.06%	152.58%	263.92%

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2. Credit risk (continued)

2.3 Exposures under IRB approach (continued)

Exposures under the IRB approach by risk grade or PD band for retail exposures (continued)

Group	0<0.11%	0.11<0.30%	0.30<0.43%	0.43<3.05%	3.05<9.20%	9.20<100%	Default or 100%
31 December 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Retail exposures (EAD)							
<u>On balance sheet exposures</u>							
Residential mortgage	163,055	2,678,873	1,430,131	7,053,625	976,980	495,923	250,037
Qualifying revolving retail	37,228	175,960	50,024	697,053	616,577	310,854	120,226
Other retail	799,622	538,589	406,259	2,870,310	1,113,205	595,345	264,184
Total on-balance sheet exposures	999,905	3,393,422	1,886,414	10,620,988	2,706,762	1,402,122	634,447
<u>Undrawn commitments</u>							
Residential mortgage	181	80,976	92,745	2,556,646	46,347	12,366	4,120
Qualifying revolving retail	349,587	468,974	118,536	838,088	353,349	92,567	-
Other retail	15,348	65,867	38,121	744,757	76,318	34,808	5,126
Total undrawn commitments	365,116	615,817	249,402	4,139,491	476,014	139,741	9,246
Exposure weighted average LGD (%)							
Residential mortgage	12.38%	12.49%	12.70%	13.19%	12.63%	13.16%	14.90%
Qualifying revolving retail	67.07%	67.07%	67.07%	67.07%	67.07%	67.07%	60.36%
Other retail	16.40%	28.46%	27.08%	45.78%	70.10%	73.31%	71.97%
Exposure weighted average risk weight (%)							
Residential mortgage	3.03%	5.66%	8.89%	19.24%	44.81%	71.25%	91.70%
Qualifying revolving retail	3.81%	7.21%	12.66%	31.74%	83.19%	172.56%	306.70%
Other retail	3.14%	14.04%	17.03%	54.88%	109.68%	155.74%	295.14%

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2. Credit risk (continued)

2.3 Exposures under IRB approach (continued)

Exposures under the IRB approach by risk grade or PD band for retail exposures (continued)

Bank 30 June 2014	0<0.11% RM'000	0.11<0.30% RM'000	0.30<0.43% RM'000	0.43<3.05% RM'000	3.05<9.20% RM'000	9.20<100% RM'000	Default or 100% RM'000
Retail exposures (EAD)							
<u>On balance sheet exposures</u>							
Residential mortgage	168,876	2,583,520	1,270,969	5,715,454	767,236	431,429	225,510
Qualifying revolving retail	32,766	163,365	57,214	631,513	581,196	300,508	126,092
Other retail	731,354	439,046	334,563	1,787,141	696,165	325,335	176,892
Total on-balance sheet exposures	932,996	3,185,931	1,662,746	8,134,108	2,044,597	1,057,272	528,494
<u>Undrawn commitments</u>							
Residential mortgage	49	83,300	80,821	913,233	24,135	24,966	3,892
Qualifying revolving retail	461,331	471,303	110,010	712,828	245,000	82,177	-
Other retail	16,905	43,455	16,276	330,414	61,994	23,671	5,660
Total undrawn commitments	478,285	598,058	207,107	1,956,475	331,129	130,814	9,552
Exposure weighted average LGD (%)							
Residential mortgage	12.35%	12.47%	12.71%	13.06%	12.63%	13.24%	14.58%
Qualifying revolving retail	67.07%	67.07%	67.07%	67.07%	67.07%	67.07%	60.31%
Other retail	14.76%	21.65%	26.30%	40.73%	61.41%	65.14%	64.67%
Exposure weighted average risk weight (%)							
Residential mortgage	2.99%	5.35%	8.35%	16.04%	42.41%	66.63%	92.17%
Qualifying revolving retail	3.74%	7.21%	12.60%	32.36%	83.87%	172.68%	315.75%
Other retail	2.81%	10.80%	16.56%	46.66%	96.19%	138.89%	263.85%

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2. Credit risk (continued)

2.3 Exposures under IRB approach (continued)

Exposures under the IRB approach by risk grade or PD band for retail exposures (continued)

Bank 31 December 2013	0<0.11% RM'000	0.11<0.30% RM'000	0.30<0.43% RM'000	0.43<3.05% RM'000	3.05<9.20% RM'000	9.20<100% RM'000	Default or 100% RM'000
Retail exposures (EAD)							
<u>On balance sheet exposures</u>							
Residential mortgage	161,683	2,573,085	1,298,918	5,958,745	776,230	422,208	248,126
Qualifying revolving retail	37,228	175,960	50,024	697,053	616,577	310,854	120,226
Other retail	766,891	515,536	363,331	2,120,048	806,315	371,813	159,384
Total on-balance sheet exposures	965,802	3,264,581	1,712,273	8,775,846	2,199,122	1,104,875	527,736
<u>Undrawn commitments</u>							
Residential mortgage	181	80,976	92,023	1,410,399	22,974	10,014	4,120
Qualifying revolving retail	349,587	468,974	118,536	838,088	353,349	92,567	-
Other retail	14,896	65,549	37,890	500,520	74,366	34,782	5,126
Total undrawn commitments	364,664	615,499	248,449	2,749,007	450,689	137,363	9,246
Exposure weighted average LGD (%)							
Residential mortgage	12.38%	12.50%	12.76%	13.44%	12.71%	13.19%	14.89%
Qualifying revolving retail	67.07%	67.07%	67.07%	67.07%	67.07%	67.07%	60.36%
Other retail	16.37%	28.77%	27.81%	43.45%	63.31%	65.47%	64.30%
Exposure weighted average risk weight (%)							
Residential mortgage	2.99%	5.38%	8.38%	16.91%	43.07%	69.83%	91.65%
Qualifying revolving retail	3.81%	7.21%	12.66%	31.74%	83.19%	172.56%	306.70%
Other retail	3.14%	14.17%	17.51%	50.58%	99.04%	139.10%	318.75%

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2. Credit risk (continued)

2.3 Exposures under IRB approach (continued)

Exposures under the IRB approach by expected loss range for retail exposures

The below tables analyse the Group's and the Bank's expected loss range for retail exposures.

Group	Up to 0.10%	>0.10 to 0.20%	>0.20 to 0.50%	>0.50 to 1.00%	>1.00 to 30.00%	>30 to <100%	100%
30 June 2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Retail exposures (EAD)							
<u>On balance sheet exposures</u>							
Residential mortgage	7,209,687	1,975,336	2,024,019	1,208,281	1,025,138	-	-
Qualifying revolving retail	71,184	124,947	215,889	192,364	1,132,519	155,751	-
Other retail	1,649,907	926,956	586,084	406,486	1,969,191	353,584	-
Total on-balance sheet exposures	8,930,778	3,027,239	2,825,992	1,807,131	4,126,848	509,335	-
<u>Undrawn commitments</u>							
Residential mortgage	262,816	248,634	603,065	631,583	49,440	-	-
Qualifying revolving retail	606,282	326,352	293,687	314,581	537,754	3,993	-
Other retail	71,104	34,591	398,071	20,023	109,175	5,740	-
Total undrawn commitments	940,202	609,577	1,294,823	966,187	696,369	9,733	-
Exposure weighted average risk weight (%)							
Residential mortgage	8.37%	17.61%	24.00%	34.79%	69.71%	-	-
Qualifying revolving retail	4.17%	7.97%	16.27%	26.47%	91.81%	286.42%	-
Other retail	7.00%	16.29%	34.99%	58.98%	119.89%	250.39%	-
31 December 2013							
Retail exposures (EAD)							
<u>On balance sheet exposures</u>							
Residential mortgage	7,278,352	1,974,979	1,886,185	1,070,211	838,897	-	-
Qualifying revolving retail	79,926	133,261	227,857	218,250	1,199,258	149,370	-
Other retail	1,712,723	845,934	773,631	473,084	2,443,845	338,298	-
Total on-balance sheet exposures	9,071,001	2,954,174	2,887,673	1,761,545	4,482,000	487,668	-
<u>Undrawn commitments</u>							
Residential mortgage	310,836	324,373	1,010,970	1,110,099	37,103	-	-
Qualifying revolving retail	502,807	315,754	393,652	319,082	685,778	4,028	-
Other retail	114,669	57,411	635,670	28,848	138,679	5,068	-
Total undrawn commitments	928,312	697,538	2,040,292	1,458,029	861,560	9,096	-
Exposure weighted average risk weight (%)							
Residential mortgage	8.46%	17.78%	24.97%	35.32%	74.81%	-	-
Qualifying revolving retail	4.32%	8.04%	16.45%	26.63%	90.55%	279.01%	-
Other retail	11.83%	17.61%	37.58%	63.01%	122.78%	250.21%	-

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2. Credit risk (continued)

2.3 Exposures under IRB approach (continued)

Exposures under the IRB approach by expected loss range for retail exposures (continued)

Bank	Up to 0.10%	>0.10 to 0.20%	>0.20 to 0.50%	>0.50 to 1.00%	>1.00 to 30.00%	>30 to <100%	100%
30 June 2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Retail exposures (EAD)							
<u>On balance sheet exposures</u>							
Residential mortgage	7,090,774	1,899,458	959,347	420,081	793,334	-	-
Qualifying revolving retail	71,184	124,947	215,889	192,364	1,132,519	155,751	-
Other retail	1,458,293	761,356	396,485	359,012	1,318,345	197,006	-
Total on-balance sheet exposures	8,620,251	2,785,761	1,571,721	971,457	3,244,198	352,757	-
<u>Undrawn commitments</u>							
Residential mortgage	262,647	248,629	566,471	10,446	42,203	-	-
Qualifying revolving retail	606,282	326,352	293,687	314,581	537,754	3,993	-
Other retail	68,351	32,508	262,889	19,741	109,146	5,740	-
Total undrawn commitments	937,280	607,489	1,123,047	344,768	689,103	9,733	-
Exposure weighted average risk weight (%)							
Residential mortgage	8.35%	17.60%	26.70%	43.03%	70.64%	-	-
Qualifying revolving retail	4.17%	7.97%	16.27%	26.47%	91.81%	286.42%	-
Other retail	6.72%	16.42%	37.41%	58.02%	112.61%	250.62%	-
31 December 2013							
Retail exposures (EAD)							
<u>On balance sheet exposures</u>							
Residential mortgage	7,149,262	1,903,461	1,168,132	533,730	684,410	-	-
Qualifying revolving retail	79,926	133,261	227,857	218,250	1,199,258	149,370	-
Other retail	1,609,743	761,481	506,309	429,564	1,619,619	176,603	-
Total on-balance sheet exposures	8,838,931	2,798,203	1,902,298	1,181,544	3,503,287	325,973	-
<u>Undrawn commitments</u>							
Residential mortgage	310,659	324,368	947,886	13,416	24,358	-	-
Qualifying revolving retail	502,807	315,754	393,652	319,082	685,778	4,028	-
Other retail	113,632	54,863	395,634	26,802	137,150	5,048	-
Total undrawn commitments	927,098	694,985	1,737,172	359,300	847,286	9,076	-
Exposure weighted average risk weight (%)							
Residential mortgage	8.44%	17.77%	26.82%	46.44%	76.31%	-	-
Qualifying revolving retail	4.32%	8.04%	16.45%	26.63%	90.55%	279.01%	-
Other retail	12.06%	17.71%	39.77%	61.63%	114.30%	255.74%	-

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2. Credit risk (continued)

2.3 Exposures under IRB approach (continued)

The following tables set out exposures subject to the supervisory risk weights under the IRB approach for the Group and the Bank.

Group	Strong or 70% RM'000	Good or 90% RM'000	Satisfactory or 115% RM'000	Weak or 250% RM'000	Default or 0% RM'000
30 June 2014					
Income producing real estate					
- Total Exposures	-	93,891	-	-	-
- Risk Weighted Assets		84,502	-	-	-
31 December 2013					
Income producing real estate					
- Total Exposures	-	110,928	-	-	-
- Risk Weighted Assets		99,836	-	-	-
Bank	Strong or 70% RM'000	Good or 90% RM'000	Satisfactory or 115% RM'000	Weak or 250% RM'000	Default or 0% RM'000
30 June 2014					
Income producing real estate					
- Total Exposures	-	-	-	-	-
- Risk Weighted Assets		-	-	-	-
31 December 2013					
Income producing real estate					
- Total Exposures	-	-	-	-	-
- Risk Weighted Assets		-	-	-	-

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2. Credit risk (continued)

2.4 Exposures under the Standardised approach

Risk weights under the Standardised approach

The following tables set out analysis of risk weights under the Standardised approach for the Group and the Bank.

Group	← Exposures after netting and credit risk mitigation →					Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000
	Corporates* RM'000	Regulatory retail RM'000	Residential mortgages RM'000	Higher risk assets RM'000	Other assets RM'000		
30 Jun 2014							
Risk weights							
0%	-	-	-	-	106,084	106,084	-
20%	-	-	-	-	-	-	-
35%	-	-	15,676	-	-	15,676	5,487
50%	-	22	403	-	-	425	213
75%	-	73,583	143	-	-	73,726	55,295
100%	263,633	7,245	485	-	644,007	915,370	915,370
150%	629	16,983	44	58,180	-	75,836	113,755
1250%	-	-	-	-	1,658	1,658	20,725
Total exposures	264,262	97,833	16,751	58,180	751,749	1,188,775	1,110,845
Risk-weighted exposures	264,577	87,918	6,346	87,270	664,734	1,110,845	
Average risk weight	100.1%	89.9%	37.9%	150.0%	88.4%	93.4%	
Deduction from capital base	-	-	-	-	-	-	
31 Dec 2013							
Risk weights							
0%	-	-	-	-	120,562	120,562	-
20%	-	-	-	-	-	-	-
35%	-	-	14,501	-	-	14,501	5,075
50%	-	9	107	-	-	116	58
75%	-	77,778	168	-	-	77,946	58,459
100%	236,473	8,413	853	-	635,005	880,744	880,744
150%	26,635	15,779	44	59,393	-	101,851	152,785
1250%	-	-	-	-	1,658	1,658	20,725
Total exposures	263,108	101,979	15,673	59,393	757,225	1,197,378	1,117,846
Risk-weighted assets by exposures	276,426	90,420	6,174	89,090	655,736	1,117,846	
Average risk weight	105.1%	88.7%	39.4%	150.0%	86.6%	93.4%	
Deduction from capital base	-	-	-	-	-	-	

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2. Credit risk (continued)

2.4 Exposures under the Standardised approach (continued)

Risk weights under the Standardised approach (continued)

Bank	← Exposures after netting and credit risk mitigation →					Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000
	Corporates* RM'000	Regulatory retail RM'000	Residential mortgages RM'000	Higher risk assets RM'000	Other assets RM'000		
30 Jun 2014							
Risk weights							
0%	-	-	-	-	93,801	93,801	-
20%	-	-	-	-	-	-	-
35%	-	-	15,676	-	-	15,676	5,487
50%	-	22	403	-	-	425	213
75%	-	72,306	143	-	-	72,449	54,337
100%	224,520	7,038	485	-	398,505	630,548	630,548
150%	629	16,958	44	26,761	-	44,392	66,588
1250%	-	-	-	-	1,658	1,658	20,725
Total exposures	225,149	96,324	16,751	26,761	493,964	858,949	777,898
Risk-weighted assets by exposures	225,464	86,716	6,346	40,142	419,230	777,898	
Average risk weight	100.1%	90.0%	37.9%	150.0%	84.9%	90.6%	
Deduction from capital base	-	-	-	-	-	-	
31 Dec 2013							
Risk weights							
0%	-	-	-	-	106,554	106,554	-
20%	-	-	-	-	-	-	-
35%	-	-	14,501	-	-	14,501	5,075
50%	-	9	107	-	-	116	58
75%	-	76,831	168	-	-	76,999	57,749
100%	199,973	8,192	853	-	462,036	671,054	671,054
150%	26,635	15,754	44	26,020	-	68,453	102,687
1250%	-	-	-	-	1,658	1,658	20,725
Total exposures	226,608	100,786	15,673	26,020	570,248	939,335	857,348
Risk-weighted assets by exposures	239,926	89,451	6,174	39,030	482,767	857,348	
Average risk weight	105.9%	88.8%	39.4%	150.0%	84.7%	91.3%	
Deduction from capital base	-	-	-	-	-	-	

* All corporate standardised exposures are unrated.

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2. Credit risk (continued)

2.5 Problem credit management and provisioning

Impairment provisions analysed by borrowers' business or industry

The following tables show the Group's and the Bank's collective impairment provisions and movement in individual impairment provisions by each principal category of borrowers' business or industry for Consumer Banking and Wholesale Banking.

Group 30 June 2014	Collective impairment provisions as at 30 June 2014 RM'000	Individual impairment provisions held as at 1 January 2014 RM'000	Net individual impairment charge during the financial period RM'000	Amounts written off or other movements during the financial period RM'000	Individual impairment provisions held as at 30 June 2014 RM'000
Loans to individuals					
Mortgages	32,572	55,243	15,893	(21,620)	49,516
Others	201,285	58,616	77,361	(62,645)	73,332
Small and medium enterprises and others	13,946	27,552	28,644	(23,914)	32,282
Consumer Banking	247,803	141,411	121,898	(108,179)	155,130
Agriculture	4,167	14,808	-	(290)	14,518
Mining and quarrying	1,115	-	-	-	-
Manufacturing	22,301	29,358	33,061	(1,049)	61,370
Electricity, gas and water	505	-	-	-	-
Construction	5,648	61,323	-	(1,192)	60,131
Real estate	1,875	-	-	-	-
Wholesale & retail trade and restaurants & hotels	5,803	16,235	-	(305)	15,930
Transportation, storage and communication	563	-	-	-	-
Finance, insurance and business services	13,655	-	-	-	-
Others	815	-	-	-	-
Wholesale Banking	56,447	121,724	33,061	(2,836)	151,949

**Standard Chartered Bank Malaysia Berhad
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2.5 Problem credit management and provisioning (continued)

Impairment provisions analysed by borrowers' business or industry (continued)

Group	Collective impairment provisions as at	Individual impairment provisions held as at	Net individual impairment charge during the	Amounts written off or other movements during the	Individual impairment provisions held as at
31 December 2013	31 December 2013	1 January 2013	financial period	financial period	31 December 2013
	RM'000	RM'000	RM'000	RM'000	RM'000
Loans to individuals					
Mortgages	33,505	67,552	42,457	(54,766)	55,243
Others	226,352	21,612	181,743	(144,739)	58,616
Small and medium enterprises and others	13,016	26,955	57,081	(56,484)	27,552
Consumer Banking	272,873	116,119	281,281	(255,989)	141,411
Agriculture	7,084	13,872	936	-	14,808
Mining and quarrying	251	-	-	-	-
Manufacturing	27,769	12,704	17,183	(529)	29,358
Electricity, gas and water	437	-	-	-	-
Construction	10,484	60,639	1,876	(1,192)	61,323
Real estate	2,169	-	-	-	-
Wholesale & retail trade and restaurants & hotels	8,058	15,250	985	-	16,235
Transportation, storage and communication	1,716	-	-	-	-
Finance, insurance and business services	15,638	-	-	-	-
Others	1,452	-	-	-	-
Wholesale Banking	75,058	102,465	20,980	(1,721)	121,724

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2. Credit risk (continued)

2.5 Problem credit management and provisioning (continued)

Impairment provisions analysed by borrowers' business or industry (continued)

Bank	Collective impairment provisions as at 30 June 2014 RM'000	Individual impairment provisions held as at 1 January 2014 RM'000	Net individual impairment charge during the financial period RM'000	Amounts written off or other movements during the financial period RM'000	Individual impairment provisions held as at 30 June 2014 RM'000
30 June 2014					
Loans to individuals					
Mortgages	28,493	54,874	15,350	(21,372)	48,852
Others	118,191	44,569	40,366	(29,666)	55,269
Small and medium enterprises and others	11,604	26,185	24,153	(19,410)	30,928
Consumer Banking	158,288	125,628	79,869	(70,448)	135,049
Agriculture	3,785	14,808	-	(290)	14,518
Mining and quarrying	513	-	-	-	-
Manufacturing	21,166	29,358	33,061	(1,049)	61,370
Electricity, gas and water	505	-	-	-	-
Construction	5,606	61,323	-	(1,192)	60,131
Real estate	1,290	-	-	-	-
Wholesale & retail trade and restaurants & hotels	4,589	16,235	-	(305)	15,930
Transportation, storage and communication	528	-	-	-	-
Finance, insurance and business services	12,748	-	-	-	-
Others	791	-	-	-	-
Wholesale Banking	51,521	121,724	33,061	(2,836)	151,949

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2. Credit risk (continued)

2.5 Problem credit management and provisioning (continued)

Impairment provisions analysed by borrowers' business or industry (continued)

Bank 31 December 2013	Collective impairment provisions as at 31 December 2013 RM'000	Individual impairment provisions held as at 1 January 2013 RM'000	Net individual impairment charge during the financial year RM'000	Amounts written off or other movements during the financial year RM'000	Individual impairment provisions held as at 31 December 2013 RM'000
Loans to individuals					
Mortgages	30,512	67,159	41,722	(54,007)	54,874
Others	130,561	19,081	89,931	(64,443)	44,569
Small and medium enterprises and others	11,150	26,505	47,245	(47,565)	26,185
Consumer Banking	172,223	112,745	178,898	(166,015)	125,628
Agriculture	6,746	13,872	936	-	14,808
Mining and quarrying	127	-	-	-	-
Manufacturing	26,553	12,704	17,183	(529)	29,358
Electricity, gas and water	437	-	-	-	-
Construction	10,438	60,639	1,876	(1,192)	61,323
Real estate	1,808	-	-	-	-
Wholesale & retail trade and restaurants & hotels	7,651	15,250	985	-	16,235
Transportation, storage and communication	1,387	-	-	-	-
Finance, insurance and business services	15,193	-	-	-	-
Others	1,432	-	-	-	-
Wholesale Banking	71,772	102,465	20,980	(1,721)	121,724

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2. Credit risk (continued)

2.5 Problem credit management and provisioning (continued)

Loans, advances and financing past due

The following table analyses the Group's and the Bank's loans, advances and financing past due but not impaired, analysed by borrowers' business and industry for Consumer Banking and Wholesale Banking.

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
Loans to individuals				
Mortgages	1,184,746	1,108,439	1,010,719	979,063
Others	557,404	575,550	357,584	362,581
Small and medium enterprises and others	445,436	417,366	329,082	306,982
Consumer Banking	2,187,586	2,101,355	1,697,385	1,648,626
Manufacturing	12,814	34,726	12,814	34,726
Wholesale & retail trade and restaurants & hotels	12,020	7,251	7,020	7,251
Agriculture	-	10,998	-	10,998
Wholesale Banking	24,834	52,975	19,834	52,975

The following table analyses the Group's and the Bank's loans, advances and financing past due but not impaired, analysed by significant geographical areas.

	Group		Bank	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Malaysia	2,212,420	2,154,330	1,717,219	1,701,601
Others	-	-	-	-
	2,212,420	2,154,330	1,717,219	1,701,601

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2. Credit risk (continued)

2.5 Problem credit management and provisioning (continued)

Summary analysis of loans, advances and financing

The following tables show the Group's and the Bank's impaired loans, advances and financing, individual impairment provisions and collective impairment provisions by significant geographical areas.

Group	Within Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
30 June 2014			
Gross impaired loans, advances and financing	1,075,949	432	1,076,381
Individual impairment provisions	306,647	432	307,079
Collective impairment provisions	302,857	1,393	304,250
31 December 2013			
Gross impaired loans, advances and financing	1,088,614	263	1,088,877
Individual impairment provisions	262,872	263	263,135
Collective impairment provisions	345,178	2,753	347,931
Bank			
30 June 2014			
Gross impaired loans, advances and financing	1,036,310	432	1,036,742
Individual impairment provisions	286,566	432	286,998
Collective impairment provisions	208,631	1,178	209,809
31 December 2013			
Gross impaired loans, advances and financing	1,048,005	263	1,048,268
Individual impairment provisions	247,089	263	247,352
Collective impairment provisions	241,242	2,753	243,995

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2. Credit risk (continued)

2.6 Off-balance sheet and counterparty credit risk

The following tables analyse the Group's and the Bank's off-balance sheet and counterparty credit risk.

Group	Principal amount	Positive fair value of contracts	Negative fair value of contracts	Credit equivalent amount	Risk weighted assets
30 June 2014	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	2,243,695	-	-	2,243,695	837,461
Transaction related contingent items	3,854,181	-	-	3,853,809	864,988
Short term self liquidating trade related contingencies	146,765	-	-	146,765	54,162
Foreign exchange related contracts					
<i>One year or less</i>	25,386,532	270,840	236,192	646,261	139,637
<i>Over one year to five years</i>	19,654,562	643,098	423,270	2,025,730	615,505
<i>Over five years</i>	2,117,084	153,091	72,487	386,567	132,804
Interest/profit rate related contracts					
<i>One year or less</i>	25,899,732	16,671	19,210	58,646	7,282
<i>Over one year to five years</i>	46,565,198	341,589	515,083	1,456,973	305,513
<i>Over five years</i>	6,584,484	135,902	76,248	648,884	131,267
Equity related contracts					
<i>One year or less</i>	85,136	453	453	3,093	366
<i>Over one year to five years</i>	305,229	12,480	4,964	24,411	6,692
<i>Over five years</i>	11,877	964	964	2,152	1,895
Commodity contracts					
<i>One year or less</i>	4,237,702	59,586	59,586	284,389	93,385
<i>Over one year to five years</i>	1,184,065	24,914	24,914	97,459	21,895
Credit derivative contracts *					
<i>One year or less</i>	49,222	-	-	2,461	115
<i>Over one year to five years</i>	96,315	6,957	-	11,772	1,043
Other commitments, such as formal facilities and credit lines, with an original maturity of over one year	6,129,211	-	-	1,536,273	736,203
Other commitments, such as formal facilities and credit lines, with an original maturity of up to one year	3,012,398	-	-	1,728,659	532,765
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	7,441,781	-	-	2,232,080	754,207
	<u>155,005,169</u>	<u>1,666,545</u>	<u>1,433,371</u>	<u>17,390,079</u>	<u>5,237,185</u>

The table below shows the credit derivative contracts for client intermediation activities:

	Principal amount	Credit equivalent amount	Risk weighted assets
	RM'000	RM'000	RM'000
* <i>Credit derivative contracts</i>			
Total return swap			
- protection sold	49,222	2,461	115
Credit link notes			
- protection sold	96,315	11,772	1,043
	<u>145,537</u>	<u>14,233</u>	<u>1,158</u>

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2. Credit risk (continued)

2.6 Off-balance sheet and counterparty credit risk (continued)

Group	Principal amount	Positive fair value of contracts	Negative fair value of contracts	Credit equivalent amount	Risk weighted assets
31 December 2013	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	2,390,276	-	-	2,390,276	824,234
Transaction related contingent items	4,254,108	-	-	4,253,025	952,615
Short term self liquidating trade related contingencies	390,974	-	-	390,974	105,794
Foreign exchange related contracts					
<i>One year or less</i>	32,294,898	502,513	404,478	975,552	234,754
<i>Over one year to five years</i>	19,066,983	844,827	561,990	2,187,200	535,207
<i>Over five years</i>	1,744,078	156,343	121,677	345,249	129,674
Interest/profit rate related contracts					
<i>One year or less</i>	19,220,803	11,644	12,868	40,177	4,996
<i>Over one year to five years</i>	48,719,725	364,498	527,681	1,581,268	333,331
<i>Over five years</i>	5,512,026	149,175	64,402	568,450	162,432
Equity related contracts					
<i>One year or less</i>	69,406	765	765	2,245	93
<i>Over one year to five years</i>	286,641	16,676	14,463	26,494	4,616
<i>Over five years</i>	32,100	1,416	524	4,626	2,078
Commodity contracts					
<i>One year or less</i>	1,814,838	20,392	20,392	118,973	29,297
<i>Over one year to five years</i>	1,647,953	24,797	24,797	126,744	41,898
Credit derivative contracts *					
<i>One year or less</i>	-	-	-	-	-
<i>Over one year to five years</i>	98,358	3,625	-	8,543	876
Other commitments, such as formal facilities and credit lines, with an original maturity of over one year	6,359,524	-	-	1,534,941	766,560
Other commitments, such as formal facilities and credit lines, with an original maturity of up to one year	4,390,695	-	-	3,070,330	926,593
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	7,892,100	-	-	2,401,644	914,316
	<u>156,185,486</u>	<u>2,096,671</u>	<u>1,754,037</u>	<u>20,026,711</u>	<u>5,969,364</u>

The table below shows the credit derivative contracts for client intermediation activities:

	Principal amount	Credit equivalent amount	Risk weighted assets
	RM'000	RM'000	RM'000
* <i>Credit derivative contracts</i>			
Credit link notes			
- protection sold	98,358	8,543	876

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2. Credit risk (continued)

2.6 Off-balance sheet and counterparty credit risk (continued)

Bank 30 June 2014	Principal amount RM'000	Positive fair value of contracts RM'000	Negative fair value of contracts RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Direct credit substitutes	2,239,068	-	-	2,239,068	836,362
Transaction related contingent items	3,688,278	-	-	3,687,906	825,373
Short term self liquidating trade related contingencies	89,010	-	-	89,010	31,262
Foreign exchange related contracts					
<i>One year or less</i>	25,405,595	274,877	236,193	646,301	139,262
<i>Over one year to five years</i>	19,641,965	643,098	424,575	2,024,848	576,958
<i>Over five years</i>	2,117,084	153,091	72,487	386,567	132,804
Interest rate related contracts					
<i>One year or less</i>	25,899,732	16,671	19,210	58,646	7,282
<i>Over one year to five years</i>	46,179,937	340,109	515,084	1,430,708	300,726
<i>Over five years</i>	6,584,484	135,902	76,248	648,884	131,263
Equity related contracts					
<i>One year or less</i>	85,136	453	453	3,093	365
<i>Over one year to five years</i>	304,845	12,527	3,534	24,427	5,316
<i>Over five years</i>	11,939	1,072	-	2,266	1,193
Commodity contracts					
<i>One year or less</i>	4,237,702	59,586	59,586	284,388	93,385
<i>Over one year to five years</i>	1,184,065	24,913	23,606	97,458	21,895
Credit derivative contracts *					
<i>One year or less</i>	49,222	-	-	2,461	115
<i>Over one year to five years</i>	96,315	6,957	-	11,772	1,043
Other commitments, such as formal facilities and credit lines, with an original maturity of over one year	5,009,054	-	-	1,273,274	637,788
Other commitments, such as formal facilities and credit lines, with an original maturity of up to one year	1,834,359	-	-	1,080,161	324,776
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	7,441,781	-	-	2,232,081	754,207
	<u>152,099,571</u>	<u>1,669,256</u>	<u>1,430,976</u>	<u>16,223,319</u>	<u>4,821,375</u>

The table below shows the credit derivative contracts for client intermediation activities:

	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
<i>* Credit derivative contracts</i>			
Total return swap			
- protection sold	49,222	2,461	115
Credit default swap			
- protection sold	96,315	11,772	1,043
	<u>145,537</u>	<u>14,233</u>	<u>1,158</u>

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2. Credit risk (continued)

2.6 Off-balance sheet and counterparty credit risk (continued)

Bank	Principal amount	Positive fair value of contracts	Negative fair value of contracts	Credit equivalent amount	Risk weighted assets
31 December 2013	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	2,387,464	-	-	2,387,464	823,662
Transaction related contingent items	4,181,018	-	-	4,179,934	931,868
Short term self liquidating trade related contingencies	324,817	-	-	324,817	74,723
Foreign exchange related contracts					
<i>One year or less</i>	32,294,898	498,125	408,863	972,659	233,968
<i>Over one year to five years</i>	19,066,983	844,827	561,990	2,187,200	535,207
<i>Over five years</i>	1,744,078	156,343	121,677	345,249	129,674
Interest rate related contracts					
<i>One year or less</i>	19,327,561	16,024	12,868	44,671	5,396
<i>Over one year to five years</i>	48,719,725	362,813	527,681	1,579,583	329,955
<i>Over five years</i>	5,512,026	149,174	64,402	568,449	162,427
Equity related contracts					
<i>One year or less</i>	69,404	765	765	2,244	93
<i>Over one year to five years</i>	285,961	17,268	13,367	27,032	2,756
<i>Over five years</i>	32,035	2,077	-	5,281	1,161
Commodity contracts					
<i>One year or less</i>	1,814,838	20,392	20,392	118,973	29,297
<i>Over one year to five years</i>	1,647,953	24,797	24,800	126,744	41,899
Credit derivative contracts *					
<i>One year or less</i>	-	-	-	-	-
<i>Over one year to five years</i>	98,358	3,626	-	8,543	876
Other commitments, such as formal facilities and credit lines, with an original maturity of over one year	5,083,055	-	-	1,302,260	679,210
Other commitments, such as formal facilities and credit lines, with an original maturity of up to one year	2,280,292	-	-	1,714,484	483,013
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	7,892,100	-	-	2,401,644	914,317
	<u>152,762,566</u>	<u>2,096,231</u>	<u>1,756,805</u>	<u>18,297,231</u>	<u>5,379,502</u>

The table below shows the credit derivative contracts for client intermediation activities:

	Principal amount	Credit equivalent amount	Risk weighted assets
	RM'000	RM'000	RM'000
* <i>Credit derivative contracts</i>			
Credit link notes			
- protection sold	98,358	8,543	876

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2. Credit risk (continued)

2.7 Actual losses

The tables below show net individual impairment charges versus net individual impairment charges raised during the financial half year of 2014 and 2013 for IRB exposure classes. The net individual impairment charge is a point in time actual charge raised in accordance with accounting standards that require the Bank to either provide for or write-off debts when certain conditions are met.

Group

	30 Jun 2014 Net individual impairment charges RM'000	30 Jun 2013 Net individual impairment charges RM'000
Corporates	33,061	10,416
Residential Mortgages	15,893	26,440
Qualifying Revolving Retail Exposures	61,478	63,147
Other Retail	125,371	111,748
	235,803	211,751

Bank

	30 Jun 2014 Net individual impairment charges RM'000	30 Jun 2013 Net individual impairment charges RM'000
Corporates	33,061	10,416
Residential Mortgages	15,350	25,796
Qualifying Revolving Retail Exposures	61,478	63,147
Other Retail	83,885	63,748
	193,774	163,107

The higher actual loss as compared to the corresponding period was mainly due to a large corporate provision made during the period, coupled with the inclusion of SME exposures in IRB approach since July 2013. The higher loss was partially offset by lower impairment charges for residential mortgages as a result of intensified recovery efforts.

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3. Market risk

The tables below detail the disclosure for interest rate risk in the banking book, the increase or decline in earnings and economic value for upward and downward rate shocks which are consistent with shocks applied in stress test for measuring interest rate risk, broken down by major currency exposures where relevant:-

Group 30 June 2014	Impact on positions as at reporting period (200 basis points) parallel shift	
	Increase/(Decline) in earnings at risk	Increase/(Decline) in economic value
	RM'000	RM'000
Type of Currency		
Ringgit Malaysia	45,738	72,412
US Dollar	(63,481)	(66,620)
Euro	1,615	(77)
Pound Sterling	(571)	198
Australian Dollar	(1,474)	1,938
Japanese Yen	1,387	(297)
Singapore Dollar	1,541	(13)
Chinese Yuan	2,557	(223)

Group 31 December 2013	Impact on positions as at reporting period (200 basis points) parallel shift	
	Increase/(Decline) in earnings at risk	Increase/(Decline) in economic value
	RM'000	RM'000
Type of Currency		
Ringgit Malaysia	612	108,630
US Dollar	(35,520)	(66,970)
Euro	1,737	(58)
Pound Sterling	(470)	103
Australian Dollar	(4,114)	2,787
Japanese Yen	1,197	(448)
Singapore Dollar	1,166	(14)

Bank 30 June 2014	Impact on positions as at reporting period (200 basis points) parallel shift	
	Increase/(Decline) in earnings at risk	Increase/(Decline) in economic value
	RM'000	RM'000
Type of Currency		
Ringgit Malaysia	39,676	119,488
US Dollar	(21,802)	(77,214)
Euro	1,615	(77)
Pound Sterling	(571)	198
Australian Dollar	(1,474)	1,938
Japanese Yen	1,387	(297)
Singapore Dollar	1,541	(13)
Chinese Yuan	2,557	(223)

Bank 31 December 2013	Impact on positions as at reporting period (200 basis points) parallel shift	
	Increase/(Decline) in earnings at risk	Increase/(Decline) in economic value
	RM'000	RM'000
Type of Currency		
Ringgit Malaysia	33,908	252,318
US Dollar	(28,615)	(71,558)
Euro	1,737	(58)
Pound Sterling	(470)	103
Australian Dollar	(4,114)	2,787
Japanese Yen	1,197	(448)
Singapore Dollar	1,166	(14)

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4. Equity exposures in banking book

Table below details the equity exposures in banking book of the Group.

Group and Bank	30 June 2014		31 December 2013	
	Gross exposures	Risk weighted assets	Gross exposures	Risk weighted assets
	RM'000	RM'000	RM'000	RM'000
<u>Privately Held</u>				
For socio-economic purposes	9,098	9,098	9,098	9,098
For non socio-economic purposes	629	943	623	934
	<u>9,726</u>	<u>10,041</u>	<u>9,721</u>	<u>10,032</u>

5. Changes in New Business Structure

During the half year ended 2014 and in line with the Standard Chartered PLC Group's refreshed strategy, the Group and the Bank implemented a new business structure through the creation of three customer segments, 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 under one business. The new business structure does not have significant impact to the existing qualitative and quantitative Pillar 3 disclosures.

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Chief Executive Officer Attestation

In accordance with Bank Negara Malaysia's Risk Weighted Capital Adequacy Framework (Basel II) – Disclosure Requirements (Pillar 3), I hereby attest that to the best of my knowledge, the disclosures contained in Standard Chartered Bank Malaysia Berhad's Pillar 3 Disclosures report for the financial half year ended 30 June 2014 are consistent with the manner in which the Group and the Bank assesses and manages its risk, and are not misleading in any particular way.

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Osman Tarique Morad
Chief Executive Officer

Date: 27 August 2014