



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

**Financial statements for the three months
ended 31 March 2012**

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

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2012

	Note	Group		Bank	
		31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Assets					
Cash and short term funds		5,108,844	6,251,969	4,114,960	4,881,279
Deposits and placements with banks and other financial institutions		-	100,000	2,918,300	839,014
Securities purchased under resale agreements		463,698	117,966	463,698	117,966
Financial assets held for trading	11	4,584,620	3,608,720	4,584,620	3,608,720
Investment securities available-for-sale	12	4,174,987	4,904,227	3,510,293	4,729,706
Loans, advances and financing	13	34,528,755	30,904,412	29,770,101	28,017,045
Derivative financial assets		1,779,117	1,907,653	1,779,117	1,907,744
Other assets	15	383,209	843,060	787,296	949,694
Tax recoverable		-	3,684	-	-
Statutory deposits with Bank Negara Malaysia	16	995,235	950,971	915,725	858,419
Investments in subsidiaries		-	-	386,022	386,022
Property, plant and equipment		62,250	58,998	54,272	53,336
Deferred tax assets		48,247	46,368	44,650	42,826
Total assets		52,128,962	49,698,028	49,329,054	46,391,771
Liabilities					
Deposits from customers	17	35,449,355	38,323,994	32,952,123	35,378,935
Deposits and placements of banks and other financial institutions	18	8,940,179	2,964,816	8,810,461	2,833,685
Bills and acceptances payable		-	-	-	-
Recourse obligations on loans sold to Cagamas Berhad		-	-	-	-
Derivative financial liabilities		1,514,700	1,784,196	1,515,151	1,784,968
Other liabilities	19	2,031,903	2,447,892	1,989,329	2,332,241
Tax payable		129,476	99,171	124,697	95,776
Subordinated debts		502,328	503,762	502,328	503,762
Total liabilities		48,567,941	46,123,831	45,894,089	42,929,367
Equity					
Share capital		163,000	163,000	163,000	163,000
Reserves		3,398,021	3,411,197	3,271,965	3,299,404
Total equity attributable to equity holder of the Bank		3,561,021	3,574,197	3,434,965	3,462,404
Total liabilities and equity		52,128,962	49,698,028	49,329,054	46,391,771
Commitments and contingencies	26	161,355,120	152,492,327	160,066,866	151,219,830

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 2011.

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

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER AND THREE MONTHS ENDED 31 MARCH 2012

	Note	Group			
		1st Quarter ended		Three months ended	
		31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Interest income	20	420,814	378,391	420,814	378,391
Interest expense	21	(180,521)	(168,230)	(180,521)	(168,230)
Net interest income		240,293	210,161	240,293	210,161
Net income from Islamic Banking operations	22	80,750	50,406	80,750	50,406
Other operating income	23	321,043 213,833	260,567 138,842	321,043 213,833	260,567 138,842
Total net income		534,876	399,409	534,876	399,409
Other operating expenses	24	(222,752)	(190,213)	(222,752)	(190,213)
Operating profit		312,124	209,196	312,124	209,196
Provisions for loans, advances and financing	25	(58,806)	11,674	(58,806)	11,674
Profit before taxation		253,318	220,870	253,318	220,870
Tax expense		(65,861)	(55,604)	(65,861)	(55,604)
Profit for the period		187,457	165,266	187,457	165,266
Other comprehensive income, net of income tax					
Fair value reserve (investment securities available-for-sale):-					
Net changes in fair value		(2,270)	(797)	(2,270)	(797)
Net amount transferred to profit or loss		601	320	601	320
Cash flow hedges:-					
Effective portion of changes in fair value		(3,842)	(4,569)	(3,842)	(4,569)
Net amount transferred to profit or loss		(159)	3,008	(159)	3,008
Actuarial gains from defined benefit plan		37	-	37	-
Other comprehensive expense for the period, net of income tax		(5,633)	(2,038)	(5,633)	(2,038)
Total comprehensive income for the period		181,824	163,228	181,824	163,228

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 2011.

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

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER AND THREE MONTHS ENDED 31 MARCH 2012

	Note	Bank			
		1st Quarter ended		Three months ended	
		31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Interest income	20	443,309	390,997	443,309	390,997
Interest expense	21	(180,521)	(168,230)	(180,521)	(168,230)
Net interest income		262,788	222,767	262,788	222,767
Net income from Islamic Banking operations	22	-	-	-	-
		262,788	222,767	262,788	222,767
Other operating income	23	230,491	154,592	230,491	154,592
Total net income		493,279	377,359	493,279	377,359
Other operating expenses	24	(213,111)	(183,955)	(213,111)	(183,955)
Operating profit		280,168	193,404	280,168	193,404
Provisions for loans, advances and financing	25	(46,343)	14,541	(46,343)	14,541
Profit before taxation		233,825	207,945	233,825	207,945
Tax expense		(60,794)	(52,450)	(60,794)	(52,450)
Profit for the period		173,031	155,495	173,031	155,495
Other comprehensive income, net of income tax					
Fair value reserve (investment securities available-for-sale):-					
Net changes in fair value		(2,107)	(654)	(2,107)	(654)
Net amount transferred to profit or loss		601	320	601	320
Cash flow hedges:-					
Effective portion of changes in fair value		(3,842)	(4,569)	(3,842)	(4,569)
Net amount transferred to profit or loss		(159)	3,008	(159)	3,008
Actuarial gains from defined benefit plan		37	-	37	-
Other comprehensive expense for the period, net of income tax		(5,470)	(1,895)	(5,470)	(1,895)
Total comprehensive income for the period		167,561	153,600	167,561	153,600

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 2011.

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

CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2012

GROUP	← Non-Distributable Reserves →					→ Distributable Reserves ←		Total RM'000	
	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
At 1 January 2012									
As previously stated	163,000	717,000	222,924	-	190	8,152	6,726	2,172,823	3,290,815
Effect of transition to MFRSs	-	-	-	-	-	(1,685)	-	285,067	283,382
Transfer to regulatory reserves	-	-	-	332,001	-	-	-	(332,001)	-
	<u>163,000</u>	<u>717,000</u>	<u>222,924</u>	<u>332,001</u>	<u>190</u>	<u>6,467</u>	<u>6,726</u>	<u>2,125,889</u>	<u>3,574,197</u>
Fair value reserve (investment securities available-for-sale):-									
Net changes in fair value	-	-	-	-	-	(2,270)	-	-	(2,270)
Net amount transferred to profit or loss	-	-	-	-	-	601	-	-	601
Cash flow hedges:-									
Effective portion of changes in fair value	-	-	-	-	-	-	(3,842)	-	(3,842)
Net amount transferred to profit or loss	-	-	-	-	-	-	(159)	-	(159)
Actuarial gain from defined benefit plan	-	-	-	-	-	-	-	37	37
Total other comprehensive (expense) / income for the period	-	-	-	-	-	(1,669)	(4,001)	37	(5,633)
Profit for the period	-	-	-	-	-	-	-	187,457	187,457
Total comprehensive (expense) / income for the period	-	-	-	-	-	(1,669)	(4,001)	187,494	181,824
Dividends payable:-									
- 2011 final	-	-	-	-	-	-	-	(195,000)	(195,000)
At 31 March 2012	163,000	717,000	222,924	332,001	190	4,798	2,725	2,118,383	3,561,021

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 2011.

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

CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2012

GROUP	← Non-Distributable Reserves					→ Distributable Reserves			Total RM'000
	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	
At 1 January 2011									
As previously stated	125,000	375,000	156,706	-	190	1,416	(8,601)	1,964,830	2,614,541
Effect of transition to MFRSs	-	-	-	-	-	(1,954)	-	265,441	263,487
Transfer to regulatory reserves	-	-	-	313,851	-	-	-	(313,851)	-
	125,000	375,000	156,706	313,851	190	(538)	(8,601)	1,916,420	2,878,028
Fair value reserve (investment securities available-for-sale):-									
Net changes in fair value	-	-	-	-	-	(797)	-	-	(797)
Net amount transferred to profit or loss	-	-	-	-	-	320	-	-	320
Cash flow hedges:-									
Effective portion of changes in fair value	-	-	-	-	-	-	(4,569)	-	(4,569)
Net amount transferred to profit or loss	-	-	-	-	-	-	3,008	-	3,008
Total other comprehensive expense for the period	-	-	-	-	-	(477)	(1,561)	-	(2,038)
Profit for the period	-	-	-	-	-	-	-	165,266	165,266
Total comprehensive (expense) / income for the period	-	-	-	-	-	(477)	(1,561)	165,266	163,228
Dividends payable:-									
- 2010 final	-	-	-	-	-	-	-	(225,000)	(225,000)
At 31 March 2011	125,000	375,000	156,706	313,851	190	(1,015)	(10,162)	1,856,686	2,816,256

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 2011.

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2012

BANK	← Non-Distributable Reserves →						Distributable Reserves		Total RM'000
	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	
At 1 January 2012									
As previously stated	163,000	717,000	163,000	-	190	8,095	6,726	2,120,234	3,178,245
Effect of transition to MFRSs	-	-	-	-	-	(1,685)	-	285,844	284,159
Transfer to regulatory reserves	-	-	-	331,457	-	-	-	(331,457)	-
	<u>163,000</u>	<u>717,000</u>	<u>163,000</u>	<u>331,457</u>	<u>190</u>	<u>6,410</u>	<u>6,726</u>	<u>2,074,621</u>	<u>3,462,404</u>
Fair value reserve (investment securities available-for-sale):-									
Net changes in fair value	-	-	-	-	-	(2,107)	-	-	(2,107)
Net amount transferred to profit or loss	-	-	-	-	-	601	-	-	601
Cash flow hedges:-									
Effective portion of changes in fair value	-	-	-	-	-	-	(3,842)	-	(3,842)
Net amount transferred to profit or loss	-	-	-	-	-	-	(159)	-	(159)
Actuarial gain from defined benefit plan	-	-	-	-	-	-	-	37	37
Total other comprehensive income for the period	-	-	-	-	-	(1,506)	(4,001)	37	(5,470)
Profit for the period	-	-	-	-	-	-	-	173,031	173,031
Total comprehensive income for the period	-	-	-	-	-	(1,506)	(4,001)	173,068	167,561
Dividends payable:-									
- 2011 final	-	-	-	-	-	-	-	(195,000)	(195,000)
At 31 March 2012	163,000	717,000	163,000	331,457	190	4,904	2,725	2,052,689	3,434,965

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 2011.

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2012

BANK	← Non-Distributable Reserves →						Distributable Reserves		Total RM'000
	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	
At 1 January 2011									
As previously stated	125,000	375,000	125,000	-	190	1,363	(8,601)	1,936,745	2,554,697
Effect of transition to MFRSs	-	-	-	-	-	(1,954)	-	259,823	257,869
Transfer to regulatory reserves	-	-	-	306,857	-	-	-	(306,857)	-
	<u>125,000</u>	<u>375,000</u>	<u>125,000</u>	<u>306,857</u>	<u>190</u>	<u>(591)</u>	<u>(8,601)</u>	<u>1,889,711</u>	<u>2,812,566</u>
Fair value reserve (investment securities available-for-sale):-									
Net changes in fair value	-	-	-	-	-	(654)	-	-	(654)
Net amount transferred to profit or loss	-	-	-	-	-	320	-	-	320
Cash flow hedges:-									
Effective portion of changes in fair value	-	-	-	-	-	-	(4,569)	-	(4,569)
Net amount transferred to profit or loss	-	-	-	-	-	-	3,008	-	3,008
Total other comprehensive expense for the period	-	-	-	-	-	(334)	(1,561)	-	(1,895)
Profit for the period	-	-	-	-	-	-	-	155,495	155,495
Total comprehensive (expense) / income for the period	-	-	-	-	-	(334)	(1,561)	155,495	153,600
Dividends payable:-									
- 2010 final	-	-	-	-	-	-	-	(225,000)	(225,000)
At 31 March 2011	<u>125,000</u>	<u>375,000</u>	<u>125,000</u>	<u>306,857</u>	<u>190</u>	<u>(925)</u>	<u>(10,162)</u>	<u>1,820,206</u>	<u>2,741,166</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 2011.

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

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2012

	Group		Bank	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Profit before taxation	253,318	220,870	233,825	207,945
Adjustment for non-cash items	1,341	(7,394)	(1,828)	(10,475)
Operating profit before working capital changes	254,659	213,476	231,997	197,470
Changes in working capital:-				
Net changes in operating assets	(4,572,966)	153,799	(4,925,588)	386,213
Net changes in operating liabilities	2,488,335	1,833,314	2,740,831	1,621,525
Income taxes paid	(35,556)	(29,538)	(31,873)	(25,500)
Net cash used in operating activities	(1,865,528)	2,171,051	(1,984,633)	2,179,708
Net cash generated from investing activities	722,403	2,032,908	1,218,314	1,589,476
Net (decrease) / increase in cash and cash equivalents	(1,143,125)	4,203,959	(766,319)	3,769,184
Cash and cash equivalent at beginning of the period	6,251,969	4,522,666	4,881,279	3,667,843
Cash and cash equivalent at end of the period	5,108,844	8,726,625	4,114,960	7,437,027

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 2011.

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

REVIEW OF PERFORMANCE

The Group recorded a profit before taxation of RM 253.32 million for the three months ended 31 March 2012, representing a RM 32.45 million or 15% increase compared with the corresponding period last year. Net interest income increased by RM 30.13 million to RM 240.29 million on the back of strong loans growth. Other operating income (including income from Islamic Banking operations) increased by RM 105.33 million or 55.66% to RM 294.58 million, whilst operating expenses increased by RM 32.54 million to RM 222.75 million. Recoveries from bad and doubtful debts on loans, advances and financing decreased from RM65.67 million to RM16.44 million due to the disposal of impaired loans which were written off in the corresponding period last year. Total assets increased by RM 2.43 billion or 4.90% to RM 52.13 billion. The Group's core capital ratio and risk-weighted capital ratio remained strong at 11.95% and 13.88% respectively.

PROSPECTS

The Group continues to retain a strong platform for growth in both the Consumer and Wholesale banking segments.

The agenda for Consumer Banking will continue to be growth momentum in major loan products and customer deposits, particularly in the SME segment, as well as more focus on fee-based income from the High Value segments. Key to achieving these objectives will be staff attrition management as well as optimization of marketing spend in creating brand awareness.

The Wholesale Banking business will continue to increase the depth of its client relationships and improve on its cross border capabilities while building new coverage in commodity clients and the public sector.

The Islamic Banking business will focus on diversification of its Consumer Banking revenue streams and growing Saadiq's footprints and segment penetration, while offering Islamic alternatives in the capital markets and supporting the coverage of commodity clients. Saadiq will also seek to grow its deposit base from both retail and corporate customers.

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

Notes to the financial statements for the three months ended 31 March 2012

1. Basis of preparation of the financial statements

The unaudited condensed interim financial statements for the first quarter and three months ended 31 March 2012 have been prepared in accordance with MFRS 134, *Interim Financial Reporting in Malaysia*, IAS 34, *Interim Financial Reporting* and Bank Negara Malaysia ("BNM") guidelines.

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.

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards* ("MFRS 1") has been applied. An explanation of how the transition to MFRSs has affected the reported financial position, financial performance and cash flows of the Group and the Bank is provided in note 29.

The following MFRS, IC Interpretation and Amendments to MFRSs have been adopted by the Group and the Bank during the current period:

IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*
Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to MFRS 1)
Disclosures - Transfer of Financial Assets (Amendments to MFRS 7)
Deferred tax: Recovery of Underlying assets (Amendments to MFRS 112)

The adoption of the IC Interpretation and Amendments to MFRSs above did not have any financial impact on the Group and the Bank as they mainly help to clarify the requirements of or provide further explanations to existing MFRSs.

The following MFRSs and IC Interpretations have been issued by the MASB and are not yet effective:

Effective for annual periods commencing on or after 1 July 2012

Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)

Effective for annual periods commencing on or after 1 January 2013

MFRS 10	<i>Consolidated Financial Statements</i>
MFRS 11	<i>Joint Arrangements</i>
MFRS 12	<i>Disclosure of Interests in Other Entities</i>
MFRS 13	<i>Fair Value Measurement</i>
MFRS 119	<i>Employee Benefits (as amended in June 2011)</i>
MFRS 127	<i>Separate Financial Statements (as amended by IASB in May 2011)</i>
MFRS 128	<i>Investments in Associates and Joint Ventures (as amended by IASB in May 2011)</i>
IC Interpretation 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>
	<i>Disclosures - Offsetting Financial Assets and Financial Liabilities</i> (Amendments to MFRS 7)

Effective for annual periods commencing on or after 1 January 2014

Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 132)

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

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

Effective for annual periods commencing on or after 1 January 2015

MFRS 9 *Financial Instruments (IFRS 9 issued by IASB in November 2009)*
MFRS 9 *Financial Instruments (IFRS 9 issued by IASB in October 2010)*

IC Interpretation 20 will not have any financial impact to the Group and the Bank as it is not relevant to the Group's and the Bank's operations. The financial effects of the above MFRSs and Amendments to MFRSs are still being assessed.

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011. 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 2011.

2. Auditor's report on preceding annual financial statements

The auditor's report on the financial statements for the financial year ended 31 December 2011 was not qualified.

3. Seasonal or cyclical factors

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

4. Unusual items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank in the first quarter and three months ended 31 March 2012.

5. Changes in accounting estimates

There were no material changes in estimates of amounts reported that have a material effect on the unaudited condensed interim financial statements in the first quarter and three months ended 31 March 2012.

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

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares in the first quarter and three months ended 31 March 2012.

7. Dividend

There were no dividend paid during the first quarter and the financial three months ended 31 March 2012.

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 2011.

9. Subsequent events

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

10. Changes in the composition of the Group

There were no significant changes in the composition of the Group in the first quarter and three months ended 31 March 2012.

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

11. Financial assets held for trading

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
<u>At fair value</u>				
Malaysian Government treasury bills	130,512	58,762	130,512	58,762
Malaysian Government bonds/securities	1,477,604	1,305,965	1,477,604	1,305,965
Government Islamic bonds	63,020	113,478	63,020	113,478
Bank Negara Malaysia bills	2,548,097	1,862,113	2,548,097	1,862,113
Private debt securities	365,387	268,402	365,387	268,402
	<u>4,584,620</u>	<u>3,608,720</u>	<u>4,584,620</u>	<u>3,608,720</u>

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

12. Investment securities available-for-sale

	Group		Bank	
	31 March	31 December	31 March	31 December
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
<u>At fair value</u>				
Malaysian Government bonds/ securities	426,792	1,552,427	426,792	1,552,427
Bank Negara Malaysia bills	1,514,035	219,168	919,385	119,734
Cagamas bonds	25,012	25,029	-	-
Bankers' acceptances and Islamic acceptance bills	510,503	498,224	510,503	498,224
Negotiable instruments of deposit	1,292,541	2,177,569	1,252,547	2,137,569
Private debt securities	380,023	405,730	374,985	395,672
	<u>4,148,906</u>	<u>4,878,147</u>	<u>3,484,212</u>	<u>4,703,626</u>
Unquoted securities:-				
Equity shares, at cost	9,661	9,660	9,661	9,660
Private debt securities, at fair value	16,420	16,420	16,420	16,420
	<u>4,174,987</u>	<u>4,904,227</u>	<u>3,510,293</u>	<u>4,729,706</u>

Included in unquoted equity shares are 51% shareholdings held in Popular Ambience Sdn. Bhd. ("PASB") and Resolution Alliance Sdn Bhd ("RASB"), amounting to RM 51 each. Both companies are incorporated in Malaysia. The remaining 49% shareholdings of PASB are held by Standard Chartered Bank (Hong Kong) Limited ("SCBHK"), while that of RASB are held by SCBHK (40%) and an unrelated third party (9%). 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 paragraphs 12 and 13 of FRS 127, *Consolidated and Separate Financial Statements*, consolidated financial statements shall include the financial statements of all subsidiaries of the parent where control exists.

The shareholders of PASB and RASB have entered into separate Master Shareholders' Agreements in which the Bank 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 has therefore ceased to have control over PASB and RASB as it does not have the ability to exercise its power to govern the financial and operating policies of PASB and RASB so as to obtain benefits from its activities. In view of the above, PASB and RASB are excluded from the Group's consolidated financial statements and they are classified under investment securities available-for-sale.

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

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

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
<u>At amortised cost</u>				
Overdrafts	649,374	582,563	649,374	582,563
Term loans/financing				
- Housing loans/financing	13,179,558	13,297,938	12,248,131	12,359,104
- Syndicated term loan/financing	881,901	844,194	881,901	844,194
- Hire purchase receivables	190,737	188,025	-	-
- Lease receivables	444,038	445,735	-	-
- Other term loans/financing	13,045,411	9,903,125	9,213,105	7,907,750
Bills receivable	2,515,878	2,382,754	2,476,337	2,342,683
Trust receipts	1,515,863	1,675,670	1,375,507	1,505,135
Staff loans/financing	75,765	79,140	73,992	76,098
Loans/financing to banks and other financial institutions	298,361	138,509	298,361	138,509
Credit card receivables	1,835,446	1,805,801	1,835,446	1,805,801
Revolving credit	1,480,490	1,143,068	1,068,637	799,804
	<u>36,112,822</u>	<u>32,486,522</u>	<u>30,120,791</u>	<u>28,361,641</u>
Less: Unearned interest and income	(1,193,718)	(1,198,320)	(7,964)	(7,217)
Gross loans, advances and financing	34,919,104	31,288,202	30,112,827	28,354,424
Less: Impairment provisions on loans, advances and financing:-				
- Individual impairment provisions	(244,680)	(249,662)	(242,324)	(247,153)
- Collective impairment provisions	(145,669)	(134,128)	(100,402)	(90,226)
Total net loans, advances and financing	<u>34,528,755</u>	<u>30,904,412</u>	<u>29,770,101</u>	<u>28,017,045</u>

(ii) By type of customer

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Domestic banking institutions	-	-	-	-
Domestic non-bank financial institutions	3,282,612	210,941	1,362,403	165,139
Domestic business enterprises	11,679,528	11,073,679	10,524,752	9,937,270
<i>Small medium enterprises</i>	3,465,756	3,449,283	3,298,981	3,306,232
<i>Others</i>	8,213,772	7,624,396	7,225,771	6,631,038
Individuals	18,006,320	18,166,840	16,305,012	16,444,227
Other domestic entities	718	738	718	738
Foreign entities	1,949,926	1,836,004	1,919,942	1,807,050
	<u>34,919,104</u>	<u>31,288,202</u>	<u>30,112,827</u>	<u>28,354,424</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	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Fixed rate				
Housing loans/financing	42,410	44,030	39,165	39,995
Other fixed rate loan/financing	4,709,736	4,660,029	3,075,347	3,025,517
Variable rate				
BLR plus	16,523,428	16,611,775	16,139,100	16,229,030
Cost plus	10,766,779	8,904,539	10,381,935	8,565,069
Other variable rates	2,876,751	1,067,829	477,280	494,813
	<u>34,919,104</u>	<u>31,288,202</u>	<u>30,112,827</u>	<u>28,354,424</u>

(iv) By sector

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Agriculture	237,089	235,601	155,716	137,675
Mining and quarrying	322,822	338,815	236,352	258,986
Manufacturing	3,980,546	3,865,446	3,629,710	3,513,524
Electricity, gas and water	427,659	421,589	425,390	419,316
Construction	576,942	599,903	548,624	566,178
Real estate	997,085	946,459	820,670	759,568
Wholesale & retail trade and restaurants & hotels	2,434,406	2,106,073	2,289,797	1,966,297
Transportation, storage and communication	540,180	518,907	363,973	353,472
Finance, insurance and business services	4,514,112	1,295,746	2,535,504	1,195,174
Household	19,095,355	19,242,236	17,364,063	17,490,669
Others	1,792,908	1,717,427	1,743,028	1,693,565
	<u>34,919,104</u>	<u>31,288,202</u>	<u>30,112,827</u>	<u>28,354,424</u>

(v) By purpose

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Purchase of securities	460,724	455,470	460,724	455,470
Purchase of landed property	17,639,697	15,938,395	16,615,599	15,475,184
- Residential	<u>12,800,128</u>	<u>12,885,891</u>	<u>12,380,455</u>	<u>12,497,858</u>
- Non-residential	<u>4,839,569</u>	<u>3,052,504</u>	<u>4,235,144</u>	<u>2,977,326</u>
Fixed assets excluding land & building	101,962	97,797	-	-
Personal use	2,966,962	3,003,890	1,649,600	1,668,461
Credit cards	1,835,446	1,805,801	1,835,446	1,805,801
Working capital	10,347,767	9,773,406	9,253,098	8,750,783
Others	1,566,546	213,443	298,360	198,725
	<u>34,919,104</u>	<u>31,288,202</u>	<u>30,112,827</u>	<u>28,354,424</u>

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

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

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Maturing within one year	12,912,389	8,961,857	10,435,771	8,568,157
One year to three years	2,632,227	2,594,566	2,032,127	2,012,566
Three years to five years	3,302,421	3,520,185	2,303,542	2,344,805
Over five years	16,072,067	16,211,594	15,341,387	15,428,896
	<u>34,919,104</u>	<u>31,288,202</u>	<u>30,112,827</u>	<u>28,354,424</u>

(vii) By geographical distribution

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Within Malaysia	34,653,134	31,042,872	29,846,857	28,109,094
Outside Malaysia	265,970	245,330	265,970	245,330
	<u>34,919,104</u>	<u>31,288,202</u>	<u>30,112,827</u>	<u>28,354,424</u>

(viii) Analysis of foreign currency exposure

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
USD	2,363,136	2,379,607	2,227,607	2,223,905
GBP	3,659,349	579,887	1,814,042	579,281
Other foreign currencies	21,264	14,180	21,264	14,180
	<u>21,264</u>	<u>14,180</u>	<u>21,264</u>	<u>14,180</u>

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

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

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
At 1 January	374,713	441,715	356,203	419,285
Classified as impaired during the financial period/year	172,849	506,336	151,437	449,055
Reclassified as performing during the financial period/year	(70,307)	(296,041)	(70,004)	(294,639)
Amount recovered during the financial period/year	(18,681)	(62,944)	(15,257)	(54,277)
Amount written off during the financial period/year	(61,682)	(214,353)	(47,786)	(163,221)
At end of reporting period/year	396,892	374,713	374,593	356,203
Individual impairment provisions	(244,680)	(249,662)	(242,324)	(247,153)
Net impaired loans, advances and financing	<u>152,212</u>	<u>125,051</u>	<u>132,269</u>	<u>109,050</u>
Ratio of net impaired loans, advances and financing to net loans, advances and financing	<u>0.44%</u>	<u>0.40%</u>	<u>0.44%</u>	<u>0.39%</u>

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

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Collective impairment provisions				
At 1 January	134,128	113,395	90,226	78,866
Impairment made during the financial period/year	13,280	36,987	11,015	23,871
Amount written back	(1,739)	(16,254)	(839)	(12,511)
At end of reporting period/year	<u>145,669</u>	<u>134,128</u>	<u>100,402</u>	<u>90,226</u>
As a percentage of gross loans, advances and financing less individual impairment provisions	<u>0.4%</u>	<u>0.4%</u>	<u>0.3%</u>	<u>0.3%</u>
Individual impairment provisions				
At 1 January	249,662	268,545	247,153	266,840
Impairment made during the financial period/year	51,636	198,451	37,663	145,593
Amount written back	(17,591)	(78,198)	(17,320)	(76,944)
Amount written off	(39,027)	(139,136)	(25,172)	(88,336)
At end of reporting period/year	<u>244,680</u>	<u>249,662</u>	<u>242,324</u>	<u>247,153</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	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Agriculture	14,120	14,361	14,120	14,361
Manufacturing	34,055	28,902	33,791	28,902
Construction	76,262	54,451	76,262	54,451
Real estate	885	795	885	795
Wholesale & retail trade and restaurants & hotels	51,147	56,885	51,147	56,885
Transportation, storage and communication	1,656	241	1,656	241
Finance, insurance and business services	1,993	1,675	1,993	1,675
Household	216,218	216,129	194,183	197,619
Others	556	1,274	556	1,274
	<u>396,892</u>	<u>374,713</u>	<u>374,593</u>	<u>356,203</u>

(iv) Impaired loans, advances and financing by purpose

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Purchase of landed property	171,983	183,968	165,176	175,940
- Residential	157,176	167,989	150,369	159,961
- Non-residential	14,807	15,979	14,807	15,979
Personal use	30,486	21,398	14,994	10,916
Credit cards	19,047	15,602	19,047	15,602
Working capital	175,376	153,745	175,376	153,745
	<u>396,892</u>	<u>374,713</u>	<u>374,593</u>	<u>356,203</u>

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

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Within Malaysia	396,747	374,337	374,448	355,827
Outside Malaysia	145	376	145	376
	<u>396,892</u>	<u>374,713</u>	<u>374,593</u>	<u>356,203</u>

15. Other assets

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Interest/Income receivables	30,740	55,875	45,242	58,377
Other receivables, deposits and prepayments	352,469	787,185	742,054	891,317
	<u>383,209</u>	<u>843,060</u>	<u>787,296</u>	<u>949,694</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.

In accordance with BNM's circular titled "Regulatory Treatment related to the Statutory Reserve Requirement

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

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Demand deposits	14,583,660	15,054,339	13,739,982	13,774,501
Savings deposits	3,303,118	4,801,559	3,212,270	4,676,741
Fixed/Investment deposits	17,059,451	17,975,673	15,622,583	16,551,628
Negotiable instruments of deposits	503,126	492,423	377,288	376,065
	<u>35,449,355</u>	<u>38,323,994</u>	<u>32,952,123</u>	<u>35,378,935</u>

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

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Due within six months	14,035,632	14,695,303	12,790,106	13,503,487
Six months to one year	2,661,455	2,825,947	2,466,756	2,594,816
One year to three years	277,249	224,505	249,352	200,589
Three years to five years	189,857	326,177	189,857	326,177
Over five years	398,384	396,164	303,800	302,624

(ii) By type of customers

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Government and statutory bodies	399,940	206,519	32,178	20,672
Business enterprises	15,569,642	16,652,774	14,980,818	15,847,010
Individuals	17,374,391	19,506,578	16,060,882	17,782,315
Others	2,105,382	1,958,123	1,878,245	1,728,938
	<u>35,449,355</u>	<u>38,323,994</u>	<u>32,952,123</u>	<u>35,378,935</u>

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

18. Deposits and placements of banks and other financial institutions

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Licensed banks	3,610,656	242,903	3,590,694	220,154
Bank Negara Malaysia	38,961	35,942	38,961	35,942
Other financial institutions	5,290,562	2,685,971	5,180,806	2,577,589
	<u>8,940,179</u>	<u>2,964,816</u>	<u>8,810,461</u>	<u>2,833,685</u>

19. Other liabilities

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Interest/Income payable	172,187	148,232	160,187	137,306
Provision for retirement benefit scheme	-	1,685	-	1,685
Amount owing to subsidiaries	-	-	22	22
Profit equalisation reserve	-	-	-	-
Dividends payable	195,000	-	195,000	-
Other payables and accruals	1,664,716	2,297,975	1,634,120	2,193,228
	<u>2,031,903</u>	<u>2,447,892</u>	<u>1,989,329</u>	<u>2,332,241</u>

The movements in profit equalisation reserve are as follows:-

Profit equalisation reserve

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
At 1 January	-	7,478	-	-
Amount provided during the financial period/year	-	-	-	-
Amount written back during the financial period	-	(7,478)	-	-
At end of reporting period/year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

20. Interest income

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from impaired loans	346,318	290,742	346,318	290,742
- Recoveries from impaired loans	4,897	4,732	4,897	4,732
Money at call and deposit placements with banks and other financial institutions	13,474	19,843	13,474	19,843
Financial assets held for trading	30,620	21,404	30,620	21,404
Investment securities available-for-sale	25,505	41,670	25,505	41,670
	<u>420,814</u>	<u>378,391</u>	<u>420,814</u>	<u>378,391</u>
	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from impaired loans	346,318	290,742	346,318	290,742
- Recoveries from impaired loans	4,897	4,732	4,897	4,732
Money at call and deposit placements with banks and other financial institutions	35,969	32,449	35,969	32,449
Financial assets held for trading	30,620	21,404	30,620	21,404
Investment securities available-for-sale	25,505	41,670	25,505	41,670
	<u>443,309</u>	<u>390,997</u>	<u>443,309</u>	<u>390,997</u>

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

21. Interest expense

	Group and Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	11,447	6,789	11,447	6,789
Deposits from customers	163,713	148,854	163,713	148,854
Loans sold to Cagamas	-	708	-	708
Subordinated debts	5,361	11,879	5,361	11,879
	<u>180,521</u>	<u>168,230</u>	<u>180,521</u>	<u>168,230</u>

22. Net income from Islamic Banking operations

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	39,114	22,281	39,114	22,281
Transfer to profit equalisation reserves	-	-	-	-
Total distributable income	<u>39,114</u>	<u>22,281</u>	<u>39,114</u>	<u>22,281</u>
Income attributable to depositors	<u>(16,784)</u>	<u>(5,949)</u>	<u>(16,784)</u>	<u>(5,949)</u>
Income attributable to the Bank	22,330	16,332	22,330	16,332
Income derived from investment of Islamic banking capital funds and shareholder's funds	<u>58,420</u>	<u>34,074</u>	<u>58,420</u>	<u>34,074</u>
	<u>80,750</u>	<u>50,406</u>	<u>80,750</u>	<u>50,406</u>

	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	-	-	-	-
Transfer to profit equalisation reserves	-	-	-	-
Total distributable income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income attributable to depositors	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income attributable to the Bank	-	-	-	-
Income derived from investment of Islamic banking capital funds and shareholder's funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

23. Other operating income

	Group			
	1st Quarter ended		Three months ended	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Fee and commission				
Fee and commission income:-				
Arising from financial instruments not fair valued through profit or loss	71,476	63,611	71,476	63,611
- <i>Commission income</i>	50,517	43,469	50,517	43,469
- <i>Service fees</i>	12,955	12,606	12,955	12,606
- <i>Guarantee fees</i>	8,004	7,536	8,004	7,536
Fee and commission expense:-				
Arising from financial instruments not fair valued through profit or loss	(13,348)	(15,003)	(13,348)	(15,003)
- <i>Commission charges</i>	(4,887)	(9,965)	(4,887)	(9,965)
- <i>Service charges</i>	(8,461)	(5,038)	(8,461)	(5,038)
	<u>58,128</u>	<u>48,608</u>	<u>58,128</u>	<u>48,608</u>
Net trading income				
Gains from sale of financial assets held for trading and derivative financial instruments	74,549	25,992	74,549	25,992
Unrealised gains on revaluation of financial assets held for trading and other financial instruments	3,336	8,340	3,336	8,340
Foreign exchange currency				
- Gains from dealing in foreign currency	72,807	20,911	72,807	20,911
- Unrealised gains from foreign exchange translation	458	32,501	458	32,501
	<u>151,150</u>	<u>87,744</u>	<u>151,150</u>	<u>87,744</u>
Other income				
Gains from sale of investment securities available-for-sale	3,874	429	3,874	429
Rental (expense)/income	(16)	(22)	(16)	(22)
Gain on disposal of property, plant and equipment	22	-	22	-
Others	675	2,083	675	2,083
	<u>4,555</u>	<u>2,490</u>	<u>4,555</u>	<u>2,490</u>
Total other operating income	<u>213,833</u>	<u>138,842</u>	<u>213,833</u>	<u>138,842</u>

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

23. Other operating income (continued)

	Bank			
	1st Quarter ended		Three months ended	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Fee and commission				
Fee and commission income:-				
Arising from financial instruments not fair valued through profit or loss	71,476	63,611	71,476	63,611
- <i>Commission income</i>	50,517	43,469	50,517	43,469
- <i>Service fees</i>	12,955	12,606	12,955	12,606
- <i>Guarantee fees</i>	8,004	7,536	8,004	7,536
Fee and commission expense:-				
Arising from financial instruments not fair valued through profit or loss	(13,348)	(15,003)	(13,348)	(15,003)
- <i>Commission charges</i>	(4,887)	(9,965)	(4,887)	(9,965)
- <i>Service charges</i>	(8,461)	(5,038)	(8,461)	(5,038)
	<u>58,128</u>	<u>48,608</u>	<u>58,128</u>	<u>48,608</u>
Net trading income				
(Loss)/gains from sale of financial assets held for trading and derivative financial instruments	74,549	25,992	74,549	25,992
Unrealised gains on revaluation of financial assets held for trading and other financial instruments	3,336	8,340	3,336	8,340
Foreign exchange currency				
- Gains from dealing in foreign currency	72,807	20,911	72,807	20,911
- Unrealised gains from foreign exchange translation	458	32,501	458	32,501
	<u>151,150</u>	<u>87,744</u>	<u>151,150</u>	<u>87,744</u>
Other income				
Gains from sale of investment securities available-for-sale	3,874	429	3,874	429
Rental expense	(16)	(22)	(16)	(22)
Gain on disposal of property, plant and equipment	22	-	22	-
Others	17,333	17,833	17,333	17,833
	<u>21,213</u>	<u>18,240</u>	<u>21,213</u>	<u>18,240</u>
Total other operating income	<u>230,491</u>	<u>154,592</u>	<u>230,491</u>	<u>154,592</u>

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

24. Other operating expenses

	Group			
	1st Quarter ended		Three months ended	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Personnel costs				
- Salaries, bonuses, wages and allowances	68,183	67,611	68,183	67,611
- Pension fund contributions	8,375	7,391	8,375	7,391
- Other staff related cost	18,341	7,861	18,341	7,861
	<u>94,899</u>	<u>82,863</u>	<u>94,899</u>	<u>82,863</u>
Establishment costs				
- Depreciation of property, plant and equipment	7,015	6,156	7,015	6,156
- Rental	6,375	5,691	6,375	5,691
- Information technology and project expenses	19,257	22,542	19,257	22,542
- Others	10,518	8,327	10,518	8,327
	<u>43,165</u>	<u>42,716</u>	<u>43,165</u>	<u>42,716</u>
Marketing expenses				
- Advertisement and publicity	6,017	4,343	6,017	4,343
- Others	5,177	7,432	5,177	7,432
	<u>11,194</u>	<u>11,775</u>	<u>11,194</u>	<u>11,775</u>
Administration and general expenses				
- Communication expenses	3,730	3,182	3,730	3,182
- Group administration and business support expenses	27,167	22,257	27,167	22,257
- Outsourcing expenses	21,546	16,276	21,546	16,276
- Others	21,051	11,144	21,051	11,144
	<u>73,494</u>	<u>52,859</u>	<u>73,494</u>	<u>52,859</u>
Total other operating expenses	<u><u>222,752</u></u>	<u><u>190,213</u></u>	<u><u>222,752</u></u>	<u><u>190,213</u></u>

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

24. Other operating expenses (continued)

	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, bonuses, wages and allowances	66,541	65,988	66,541	65,988
- Pension fund contributions	8,375	7,391	8,375	7,391
- Other staff related cost	17,288	7,626	17,288	7,626
	<u>92,204</u>	<u>81,005</u>	<u>92,204</u>	<u>81,005</u>
Establishment costs				
- Depreciation of property, plant and equipment	6,393	5,644	6,393	5,644
- Rental	5,961	5,408	5,961	5,408
- Information technology and project expenses	19,223	22,509	19,223	22,509
- Others	9,709	7,950	9,709	7,950
	<u>41,286</u>	<u>41,511</u>	<u>41,286</u>	<u>41,511</u>
Marketing expenses				
- Advertisement and publicity	5,809	4,239	5,809	4,239
- Others	5,113	7,386	5,113	7,386
	<u>10,922</u>	<u>11,625</u>	<u>10,922</u>	<u>11,625</u>
Administration and general expenses				
- Communication expenses	3,597	3,148	3,597	3,148
- Group administration and business support expenses	25,402	21,033	25,402	21,033
- Outsourcing expenses	21,546	16,276	21,546	16,276
- Others	18,154	9,357	18,154	9,357
	<u>68,699</u>	<u>49,814</u>	<u>68,699</u>	<u>49,814</u>
Total other operating expenses	<u><u>213,111</u></u>	<u><u>183,955</u></u>	<u><u>213,111</u></u>	<u><u>183,955</u></u>

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

25. Provisions for loans, advances and financing

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Provisions for loans, advances and financing:-				
Individual impairment provisions	35,075	33,209	35,075	33,209
- Made in the financial period	42,294	43,378	42,294	43,378
- Discounting of collaterals	9,342	10,444	9,342	10,444
- Written back	(16,561)	(20,613)	(16,561)	(20,613)
Collective impairment provisions				
- Made in the financial period	13,280	7,755	13,280	7,755
- Written back	(1,739)	(4,719)	(1,739)	(4,719)
Bad and doubtful debts on loans, advances and financing:-				
Written off	28,629	17,742	28,629	17,742
Recovered	(16,439)	(65,661)	(16,439)	(65,661)
	<u>58,806</u>	<u>(11,674)</u>	<u>58,806</u>	<u>(11,674)</u>

	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Provisions for loans, advances and financing:-				
Individual impairment provisions	21,373	18,381	21,373	18,381
- Made in the financial period	28,321	28,381	28,321	28,381
- Discounting of collaterals	9,342	10,444	9,342	10,444
- Written back	(16,290)	(20,444)	(16,290)	(20,444)
Collective impairment provisions				
- Made in the financial period	11,015	6,443	11,015	6,443
- Written back	(839)	(2,292)	(839)	(2,292)
Bad and doubtful debts on loans, advances and financing:-				
Written off	28,629	17,742	28,629	17,742
Recovered	(13,835)	(54,815)	(13,835)	(54,815)
	<u>46,343</u>	<u>(14,541)</u>	<u>46,343</u>	<u>(14,541)</u>

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

26. Commitments and contingencies

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

The commitments and contingencies are as follows:-

Group	31 March 2012			31 December 2011		
	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	1,527,254	1,526,468	355,565	1,572,066	1,571,843	368,874
Transaction-related contingent items	3,796,692	3,707,470	1,002,253	3,856,878	3,767,555	979,562
Short-term self liquidating trade-related contingencies	528,307	490,506	123,645	569,530	533,569	147,009
Sell and buy back agreements	-	-	-	-	-	-
Other commitments to extend credit:-						
- maturity not exceeding one year	13,342,257	3,915,656	1,246,350	12,707,121	3,938,640	1,300,898
- maturity exceeding one year	4,338,121	1,569,870	773,405	4,588,160	1,685,064	801,041
Foreign exchange related contracts:-						
- less than one year	38,400,257	795,327	209,395	36,482,252	864,502	282,170
- one year to less than five years	12,950,170	1,230,457	323,621	10,521,067	967,150	234,862
- five years and above	4,827,225	957,472	233,045	4,524,575	905,182	186,124
Interest rate related contracts:-						
- less than one year	25,252,039	105,056	28,120	24,073,149	97,368	27,378
- one year to less than five years	47,276,479	1,331,473	329,562	44,178,303	1,279,154	318,725
- five years and above	7,222,704	671,398	200,807	6,916,565	714,688	210,047
Miscellaneous commitments and contingencies	1,893,615	139,553	39,860	2,502,661	224,936	115,038
	<u>161,355,120</u>	<u>16,440,706</u>	<u>4,865,628</u>	<u>152,492,327</u>	<u>16,549,651</u>	<u>4,971,728</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

26. Commitments and contingencies (continued)

	31 March 2012			31 December 2011		
	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	1,523,112	1,523,042	353,230	1,565,668	1,565,598	365,123
Transaction-related contingent items	3,747,009	3,661,580	989,192	3,809,788	3,723,453	967,735
Short-term self liquidating trade-related contingencies	313,737	279,658	57,505	318,657	283,929	71,343
Sell and buy back agreements	-	-	-	-	-	-
Other commitments to extend credit:-						
- maturity not exceeding one year	12,637,111	3,857,974	1,215,792	11,830,286	3,861,917	1,259,280
- maturity exceeding one year	3,823,408	1,541,556	749,321	4,290,377	1,657,865	773,473
Foreign exchange related contracts:-						
- less than one year	38,400,257	795,327	208,733	36,488,734	864,639	279,770
- one year to less than five years	12,950,170	1,230,457	323,621	10,521,067	967,150	234,862
- five years and above	4,827,225	957,472	233,045	4,524,575	905,182	186,124
Interest rate related contracts:-						
- less than one year	25,452,039	105,556	28,189	24,073,149	97,368	27,378
- one year to less than five years	47,276,479	1,332,810	299,536	44,378,303	1,281,154	289,795
- five years and above	7,222,704	663,372	200,718	6,916,565	704,989	209,939
Miscellaneous commitments and contingencies	1,893,615	139,553	39,860	2,502,661	224,936	115,038
	<u>160,066,866</u>	<u>16,088,357</u>	<u>4,698,742</u>	<u>151,219,830</u>	<u>16,138,180</u>	<u>4,779,860</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

27. 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 As at 31 March 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	3,417,803	-	-	-	1,691,041	-	5,108,844	2.83
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	-
Securities purchased under resale agreements	463,698	-	-	-	-	-	463,698	2.77
Financial assets held for trading	-	-	-	-	-	4,584,620	4,584,620	3.21
Investment securities available-for-sale	2,262,726	1,646,344	22,025	218,054	25,838	-	4,174,987	3.09
Loans, advances and financing								
- Performing	24,586,788	6,095,913	2,481,845	1,203,640	8,359	-	34,376,545	5.83
- Impaired	-	-	-	-	152,210	-	152,210	-
Derivative financial assets	-	-	-	-	-	1,779,117	1,779,117	-
Other balances	-	-	-	-	1,378,444	-	1,378,444	-
	30,731,015	7,742,257	2,503,870	1,421,694	3,255,892	6,363,737	52,018,465	
Financial liabilities								
Deposits from customers	22,070,771	4,949,231	444,788	397,209	7,587,357	-	35,449,356	2.48
Deposits and placements of banks and other financial institutions	7,952,657	579,676	229,267	178,579	-	-	8,940,179	3.47
Derivative financial liabilities	-	-	-	-	-	1,514,700	1,514,700	-
Other balances	-	-	-	-	2,031,903	-	2,031,903	-
Subordinated debts	-	502,328	-	-	-	-	502,328	4.28
	30,023,428	6,031,235	674,055	575,788	9,619,260	1,514,700	48,438,466	
On-balance sheet interest sensitivity gap	707,589	1,711,022	1,829,815	845,906	(6,363,368)	4,849,037		
Off-balance sheet interest sensitivity gap	(3,535,437)	949,066	(1,291,755)	(653,952)	-	-		
Total interest sensitivity gap	(2,827,848)	2,660,088	538,060	191,954	(6,363,368)	4,849,037		

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

27. Interest rate risk (continued)

Group As at 31 December 2011	← Non-trading books →					Trading books RM'000	Total RM'000	Effective interest rate (%)
	3 months or less RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
Financial assets								
Cash and short term funds	5,245,079	-	-	-	1,006,890	-	6,251,969	2.99
Deposits and placements with banks and other financial institution	100,000	-	-	-	-	-	100,000	3.20
Securities purchased under resale agreements	117,966	-	-	-	-	-	117,966	2.62
Financial assets held for trading	-	-	-	-	-	3,608,720	3,608,720	3.39
Investment securities available-for-sale	2,756,779	739,855	811,667	570,090	25,836	-	4,904,227	2.89
Loans, advances and financing								
- Performing	22,650,473	4,387,696	2,513,700	1,235,319	2,323	-	30,789,511	5.62
- Impaired	-	-	-	-	114,901	-	114,901	
Derivative financial assets	-	-	-	-	-	1,907,653	1,907,653	
Other balances	-	-	-	-	1,794,031	-	1,794,031	
	30,870,297	5,127,551	3,325,367	1,805,409	2,943,981	5,516,373	49,588,978	
Financial liabilities								
Deposits from customers	25,770,298	4,537,711	535,563	396,163	7,084,259	-	38,323,994	2.29
Deposits and placements of banks and other financial institutions	2,135,145	647,486	42,185	140,000	-	-	2,964,816	3.56
Bills and acceptances payable	-	-	-	-	-	-	-	
Recourse obligations on loans sold to Cagamas Berhad	-	-	-	-	-	-	-	
Derivative financial liabilities	-	-	-	-	-	1,784,196	1,784,196	
Other balances	-	-	-	-	2,447,892	-	2,447,892	
Subordinated debts	-	503,762	-	-	-	-	503,762	4.28
	27,905,443	5,688,959	577,748	536,163	9,532,151	1,784,196	46,024,660	
On-balance sheet interest sensitivity gap	2,964,854	(561,408)	2,747,619	1,269,246	(6,588,170)	3,732,177		
Off-balance sheet interest sensitivity gap	(7,033,571)	3,418,721	(402,670)	(871,933)	-	-		
Total interest sensitivity gap	(4,068,717)	2,857,313	2,344,949	397,313	(6,588,170)	3,732,177		

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

27. Interest rate risk (continued)

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

Bank	Non-trading books					Trading books RM'000	Total RM'000	Effective interest rate (%)
	← 3 months or less RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
As at 31 March 2012								
Financial assets								
Cash and short term funds	2,477,089	-	-	-	1,637,871	-	4,114,960	2.27
Deposits and placements with banks and other financial institutions	831,997	2,047,725	-	38,578	-	-	2,918,300	2.68
Securities purchased under resale agreements	463,698	-	-	-	-	-	463,698	2.77
Financial assets held for trading	-	-	-	-	-	4,584,620	4,584,620	3.21
Investment securities available-for-sale	2,098,419	1,150,995	16,987	218,054	25,838	-	3,510,293	3.09
Loans, advances and financing								
- Performing	23,661,738	4,471,286	1,045,521	459,287	-	-	29,637,832	5.03
- Impaired	-	-	-	-	132,269	-	132,269	
Derivative financial assets	-	-	-	-	-	1,779,117	1,779,117	
Other balances	-	-	-	-	1,703,021	-	1,703,021	
	29,532,941	7,670,006	1,062,508	715,919	3,498,999	6,363,737	48,844,110	
Financial liabilities								
Deposits from customers	20,385,238	4,260,201	416,705	302,624	7,587,355	-	32,952,123	2.25
Deposits and placements of banks and other financial institutions	7,284,872	1,156,322	229,267	140,000	-	-	8,810,461	3.80
Derivative financial liabilities	-	-	-	-	-	1,515,151	1,515,151	
Other balances	-	-	-	-	1,989,329	-	1,989,329	
Subordinated debts	-	502,328	-	-	-	-	502,328	4.28
	27,670,110	5,918,851	645,972	442,624	9,576,684	1,515,151	45,769,392	
On-balance sheet interest sensitivity gap	1,862,831	1,751,155	416,536	273,295	(6,077,685)	4,848,586		
Off-balance sheet interest sensitivity gap	(3,535,437)	949,066	(1,291,755)	(653,952)	-	-		
Total interest sensitivity gap	(1,672,606)	2,700,221	(875,219)	(380,657)	(6,077,685)	4,848,586		

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

27. Interest rate risk (continued)

Bank As at 31 December 2011	← 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	4,006,107	-	-	-	875,172	-	4,881,279	3.01
Deposits and placements with banks and other financial institutions	148,750	526,685	-	163,579	-	-	839,014	3.32
Securities purchased under resale agreements	117,966	-	-	-	-	-	117,966	2.62
Financial assets held for trading	-	-	-	-	-	3,608,720	3,608,720	3.39
Investment securities available-for-sale	2,612,337	714,826	806,617	570,090	25,836	-	4,729,706	2.88
Loans, advances and financing								
- Performing	22,042,070	4,272,054	1,112,114	481,757	-	-	27,907,995	5.14
- Impaired	-	-	-	-	109,050	-	109,050	
Derivative financial assets	-	-	-	-	-	1,907,744	1,907,744	
Other balances	-	-	-	-	1,808,113	-	1,808,113	
	28,927,230	5,513,565	1,918,731	1,215,426	2,818,171	5,516,464	45,909,587	
Financial liabilities								
Deposits from customers	23,669,582	3,811,041	511,429	302,624	7,084,259	-	35,378,935	2.24
Deposits and placements of banks and other financial institutions	2,011,867	639,633	42,185	140,000	-	-	2,833,685	3.83
Bills and acceptances payable	-	-	-	-	-	-	-	
Recourse obligations on loans sold to Cagamas Berhad	-	-	-	-	-	-	-	
Derivative financial liabilities	-	-	-	-	-	1,784,968	1,784,968	
Other balances	-	-	-	-	2,332,241	-	2,332,241	
Subordinated debts	-	503,762	-	-	-	-	503,762	4.28
	25,681,449	4,954,436	553,614	442,624	9,416,500	1,784,968	42,833,591	
On-balance sheet interest sensitivity gap	3,245,781	559,129	1,365,117	772,802	(6,598,329)	3,731,496		
Off-balance sheet interest sensitivity gap	(7,033,571)	3,418,721	(402,670)	(871,933)	-	-		
Total interest sensitivity gap	(3,787,790)	3,977,850	962,447	(99,131)	(6,598,329)	3,731,496		

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

28. Capital adequacy

The capital adequacy ratios of the Group and the Bank as at 31 March 2012 are analysed as follows:-

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Tier 1 Capital				
Paid-up ordinary share capital	163,000	163,000	163,000	163,000
Share premium	717,000	717,000	717,000	717,000
Other reserves	2,337,073	2,344,579	2,211,455	2,233,388
Less: Deferred tax assets	(51,860)	(51,872)	(48,299)	(48,311)
Eligible Tier 1 capital	<u>3,165,213</u>	<u>3,172,707</u>	<u>3,043,156</u>	<u>3,065,077</u>
Tier 2 Capital				
Subordinated bonds	500,000	500,000	500,000	500,000
Collective impairment provisions under standardised approach	25,762	20,049	20,569	17,979
Regulatory reserves	332,001	332,001	331,457	331,457
	<u>857,763</u>	<u>852,050</u>	<u>852,026</u>	<u>849,436</u>
Less: Investment in subsidiaries	-	-	(386,022)	(386,022)
Excess of Expected Loss over Expected Provisions under IRB approach	(305,266)	(298,623)	(206,058)	(208,747)
Exclusion of collective impairment provisions on impaired loans	(41,929)	(32,460)	(30,467)	(22,536)
Eligible Tier 2 capital	<u>510,568</u>	<u>520,967</u>	<u>229,479</u>	<u>232,131</u>
Total capital base	<u>3,675,781</u>	<u>3,693,674</u>	<u>3,272,635</u>	<u>3,297,208</u>

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

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Total risk-weighted assets:-				
Credit risk	21,940,716	22,115,835	19,422,020	19,541,898
Market risk	1,593,855	1,799,498	1,593,855	1,799,498
Operational risk	2,955,087	2,829,364	2,647,397	2,540,849
Large exposure for equity holdings	621	621	621	621
Additional RWA due to capital floor	-	-	1,136,975	-
	<u>26,490,279</u>	<u>26,745,318</u>	<u>24,800,868</u>	<u>23,882,866</u>

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

28. Capital adequacy (continued)

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

	Group		Bank	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Before proposed dividend:-				
Tier 1 capital ratio	11.95%	11.86%	12.27%	12.83%
Risk-weighted capital ratio	13.88%	13.81%	13.20%	13.81%
After proposed dividend:-				
Tier 1 capital ratio	11.95%	11.13%	12.27%	12.02%
Risk-weighted capital ratio	13.88%	13.08%	13.20%	12.99%

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

	31 March 2012	31 December 2011
Tier 1 capital ratio	12.58%	12.41%
Risk-weighted capital ratio	12.58%	12.41%

29. Explanation of transition to MFRSs

As stated in Note 1, these are the Group's and the Bank's first interim financial statements prepared under the MFRS framework. The convergence to MFRS framework has resulted in several changes to accounting policies as set out below:

i) Accounting policy on Impairment of Financial Assets – Loans, advances and financing

Prior to MFRSs, the Group and the Bank applied the transitional provision as stated in the BNM guidelines on Classification and Impairment Provisions for Loans/Financing and maintained collective impairment provisions at 1.5% of total outstanding loans, net of individual impairment provision.

With the adoption of MFRS139 Financial instruments: Recognition and Measurement ("MFRS139"), the Group and the Bank first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant.

If the Group and the Bank determine that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in group of financial assets with similar credit risk characteristics and collectively assess them for impairment.

ii) Accounting policy on Financial Instrument Categories and Subsequent Measurement – Financial Liabilities

Prior to MFRSs, the Group and the Bank measured financial liabilities, subsequent to initial recognition, at amortised cost using the effective interest method in accordance with BNM guidelines on Financial Reporting for Banking Institutions.

With the adoption of MFRS139, the Group and the Bank have applied fair value option for certain financial liability instruments.

iii) Change in designation of previously recognised financial instruments

The Group and the Bank had designated certain financial assets as available-for-sale at the date of transition to MFRSs as permitted by MFRS 1. These financial assets were previously recognised as financial assets held for trading.

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

29. Explanation of transition to MFRSs (continued)

In preparing the opening MFRS statements of financial position, the Group and the Bank have adjusted amounts reported previously in financial statements prepared in accordance with the previous FRSs. An explanation of how the transition from the previous FRSs to the new MFRSs has affected the Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany these tables.

29.1 Reconciliation of financial position

Group		1 January 2011		31 December 2011			
	Note	FRSs	Effect of	MFRSs	FRSs	Effect of	MFRSs
		RM'000	transition	RM'000	RM'000	transition	RM'000
			to MFRSs			to MFRSs	
			RM'000			RM'000	RM'000
Assets							
Cash and short term funds		4,522,666	-	4,522,666	6,251,969	-	6,251,969
Deposits and placements with banks and other financial institutions		358,182	-	358,182	100,000	-	100,000
Securities purchased under resale agreements		89,854	-	89,854	117,966	-	117,966
Financial assets held for trading		3,349,777	(137,887)	3,211,890	3,630,606	(21,886)	3,608,720
Investment securities available-for-sale		6,622,786	137,887	6,760,673	4,882,341	21,886	4,904,227
Loans, advances and financing		28,107,906	356,404	28,464,310	30,528,879	375,533	30,904,412
Derivatives financial assets		2,335,191	(8,590)	2,326,601	1,922,705	(15,052)	1,907,653
Other assets		207,373	(9)	207,364	843,060	-	843,060
Tax recoverable		3,271	-	3,271	3,684	-	3,684
Statutory deposits with Bank Negara Malaysia		36,760	-	36,760	950,971	-	950,971
Investment in subsidiaries		-	-	-	-	-	-
Property, plant and equipment		55,530	-	55,530	58,998	-	58,998
Deferred tax assets		120,032	651	120,683	50,343	(3,975)	46,368
Total assets		45,809,328	348,456	46,157,784	49,341,522	356,506	49,698,028

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

29. Explanation of transition to MFRSs (continued)**29.1 Reconciliation of financial position (continued)**

Group		1 January 2011				31 December 2011	
	Note	FRSs	Effect of	MFRSs	FRSs	Effect of	MFRSs
		RM'000	transition	RM'000	RM'000	transition	RM'000
			to MFRSs			to MFRSs	
			RM'000			RM'000	RM'000
Liabilities							
Deposit from customers		34,256,728	-	34,256,728	38,323,994	-	38,323,994
Deposit and placements of banks and other financial institutions		3,621,804	(1,168)	3,620,636	2,969,643	(4,827)	2,964,816
Bills and acceptances payable		6,792	-	6,792	-	-	-
Recourse obligations on loans sold to Cagamas Berhad		72,919	-	72,919	-	-	-
Derivative financial liabilities		1,886,049	(267)	1,885,782	1,784,196	-	1,784,196
Other liabilities		2,448,903	(2,077)	2,446,826	2,454,376	(6,484)	2,447,892
Tax payable		15,940	88,481	104,421	14,736	84,435	99,171
Subordinated debts		885,652	-	885,652	503,762	-	503,762
Total liabilities		43,194,787	84,969	43,279,756	46,050,707	73,124	46,123,831
Equity							
Share capital		125,000	-	125,000	163,000	-	163,000
Reserves		2,489,541	263,487	2,753,028	3,127,815	283,382	3,411,197
Total equity attributable to equity holder of the Bank		2,614,541	263,487	2,878,028	3,290,815	283,382	3,574,197
Total liabilities and equity		45,809,328	348,456	46,157,784	49,341,522	356,506	49,698,028

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

29. Explanation of transition to MFRSs (continued)

29.1 Reconciliation of financial position (continued)

Bank		1 January 2011		31 December 2011			
	Note	FRSs RM'000	Effect of transition to MFRSs RM'000	MFRSs RM'000	FRSs RM'000	Effect of transition to MFRSs RM'000	MFRSs RM'000
Assets							
Cash and short term funds		3,667,843	-	3,667,843	4,881,279	-	4,881,279
Deposits and placements with banks and other financial institutions		2,263,730	-	2,263,730	839,014	-	839,014
Securities purchased under resale agreements		89,854	-	89,854	117,966	-	117,966
Financial assets held for trading		3,349,777	(137,887)	3,211,890	3,630,606	(21,886)	3,608,720
Investment securities available-for- sale		5,999,460	137,887	6,137,347	4,707,820	21,886	4,729,706
Loans, advances and financing		25,765,761	348,982	26,114,743	27,642,416	374,629	28,017,045
Derivatives financial assets		2,333,269	(8,590)	2,324,679	1,922,796	(15,052)	1,907,744
Other assets		284,945	(9)	284,936	949,694	-	949,694
Tax recoverable		-	-	-	-	-	-
Statutory deposits with Bank Negara Malaysia		12,000	-	12,000	858,419	-	858,419
Investment in subsidiaries		386,022	-	386,022	386,022	-	386,022
Property, plant and equipment		55,530	-	55,530	53,336	-	53,336
Deferred tax assets		112,832	651	113,483	48,305	(5,479)	42,826
Total assets		44,321,023	341,034	44,662,057	46,037,673	354,098	46,391,771

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

29. Explanation of transition to MFRSs (continued)

29.1 Reconciliation of financial position (continued)

Bank		1 January 2011				31 December 2011	
	Note	FRSs	Effect of	MFRSs	FRSs	Effect of	MFRSs
		RM'000	transition	RM'000	RM'000	transition	RM'000
			to MFRSs			to MFRSs	
			RM'000			RM'000	RM'000
Liabilities							
Deposit from customers		32,935,268	-	32,935,268	35,378,935	-	35,378,935
Deposit and placements of banks and other financial institutions		3,520,407	(1,142)	3,519,265	2,838,512	(4,827)	2,833,685
Bills and acceptances payable		6,792	-	6,792	-	-	-
Recourse obligations on loans sold to Cagamas Berhad		72,919	-	72,919	-	-	-
Derivative financial liabilities		1,885,045	(267)	1,884,778	1,784,968	-	1,784,968
Other liabilities		2,444,303	(2,034)	2,442,269	2,338,515	(6,274)	2,332,241
Tax payable		15,940	86,608	102,548	14,736	81,040	95,776
Subordinated debts		885,652	-	885,652	503,762	-	503,762
Total liabilities		41,766,326	83,165	41,849,491	42,859,428	69,939	42,929,367
Equity							
Share capital		125,000	-	125,000	163,000	-	163,000
Reserves		2,429,697	257,869	2,687,566	3,015,245	284,159	3,299,404
Total equity attributable to equity holder of the Bank		2,554,697	257,869	2,812,566	3,178,245	284,159	3,462,404
Total liabilities and equity		44,321,023	341,034	44,662,057	46,037,673	354,098	46,391,771

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

29. Explanation of transition to MFRSs (continued)**29.2 Reconciliation of statements of comprehensive income**

Group	Note	Three months ended 31 March 2011			Year ended 31 December 2011		
		FRSs RM'000	Effect of transition to MFRSs RM'000	MFRSs RM'000	FRSs RM'000	Effect of transition to MFRSs RM'000	MFRSs RM'000
Interest income		378,391	-	378,391	1,625,374	-	1,625,374
Interest expense		(169,866)	1,636	(168,230)	(761,405)	1,160	(760,245)
Net interest income		208,525	1,636	210,161	863,969	1,160	865,129
Net income from Islamic Banking operations		50,345	61	50,406	252,971	32	253,003
		258,870	1,697	260,567	1,116,940	1,192	1,118,132
Other operating income		136,893	1,949	138,842	690,261	(1,071)	689,190
Total net income		395,763	3,646	399,409	1,807,201	121	1,807,322
Other operating expenses		(190,213)	-	(190,213)	(833,950)	-	(833,950)
Operating profit		205,550	3,646	209,196	973,251	121	973,372
Provisions for loans, advances and financing		2,585	9,089	11,674	(138,218)	19,999	(118,219)
Profit before taxation		208,135	12,735	220,870	835,033	20,120	855,153
Tax expense		(54,115)	(1,489)	(55,604)	(215,822)	(493)	(216,315)
Profit for the period		154,020	11,246	165,266	619,211	19,627	638,838
Other comprehensive income, net of income tax							
Fair value reserve (investment securities available-for-sale):-							
Net changes in fair value		(915)	118	(797)	5,027	9,346	14,373
Net amount transferred to profit or loss		320	-	320	1,709	(9,077)	(7,368)
Cash flow hedges:-							
Effective portion of changes in fair value		(4,569)	-	(4,569)	10,986	-	10,986
Net amount transferred to profit or loss		3,008	-	3,008	4,341	-	4,341
Actuarial gains from defined benefit plan		-	-	-	-	-	-
Other comprehensive income for the period, net of income tax		(2,156)	118	(2,038)	22,063	269	22,332
Total comprehensive income for the period		151,864	11,364	163,228	641,274	19,896	661,170

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

29. Explanation of transition to MFRSs (continued)**29.2 Reconciliation of statements of comprehensive income**

Bank	Note	Three months ended 31 March 2011			Year ended 31 December 2011		
		FRSs RM'000	Effect of transition to MFRSs RM'000	MFRSs RM'000	FRSs RM'000	Effect of transition to MFRSs RM'000	MFRSs RM'000
Interest income		390,997	-	390,997	1,681,058	-	1,681,058
Interest expense		(169,866)	1,636	(168,230)	(761,405)	1,160	(760,245)
Net interest income		221,131	1,636	222,767	919,653	1,160	920,813
Net income from Islamic Banking operations		-	-	-	-	-	-
		221,131	1,636	222,767	919,653	1,160	920,813
Other operating income		152,643	1,949	154,592	749,343	(1,071)	748,272
Total net income		373,774	3,585	377,359	1,668,996	89	1,669,085
Other operating expenses		(183,955)	-	(183,955)	(804,281)	-	(804,281)
Operating profit		189,819	3,585	193,404	864,715	89	864,804
Provisions for loans, advances and financing		6,604	7,937	14,541	(99,679)	26,516	(73,163)
Profit before taxation		196,423	11,522	207,945	765,036	26,605	791,641
Tax expense		(51,070)	(1,380)	(52,450)	(198,547)	(583)	(199,130)
Profit for the period		145,353	10,142	155,495	566,489	26,022	592,511
Other comprehensive income, net of income tax							
Fair value reserve (investment securities available-for-sale):-							
Net changes in fair value		(772)	118	(654)	5,023	9,346	14,369
Net amount transferred to profit or loss		320	-	320	1,709	(9,077)	(7,368)
Cash flow hedges:-							
Effective portion of changes in fair value		(4,569)	-	(4,569)	10,986	-	10,986
Net amount transferred to profit or loss		3,008	-	3,008	4,341	-	4,341
Other comprehensive income for the period, net of income tax		(2,013)	118	(1,895)	22,059	269	22,328
Total comprehensive income for the period		143,340	10,260	153,600	588,548	26,291	614,839

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

29. Explanation of transition to MFRSs (continued)**29.3 Material adjustments made to the statements of cash flows**

There are no material differences between the statements of cash flows presented under MFRSs and the statement of cash flows presented under FRSs.

29.4 Comparative notes

The following comparative notes have been restated for the effects of transition to MFRSs:-

	GROUP		BANK	
	FRSs RM'000	MFRSs RM'000	FRSs RM'000	MFRSs RM'000
(a) Note 11 Financial assets held for trading				
Private debt securities	290,288	268,402	290,288	268,402
(b) Note 12 Investment securities available-for-sale				
Private debt securities	383,844	405,730	373,786	395,672
(c) Note 13 Loans, advances and financing				
Gross loans and advances	31,288,202	31,288,202	28,354,424	28,354,424
Less: Impairment provisions on loans, advances and financing				
- Individual impairment provisions	(293,192)	(249,662)	(280,534)	(247,153)
- Collective impairment provisions	(466,131)	(134,128)	(431,474)	(90,226)
Total net financing and advances	<u>30,528,879</u>	<u>30,904,412</u>	<u>27,642,416</u>	<u>28,017,045</u>
(d) Note 14 Loans, advances and financing				
Movements in impaired loans, advances and financing				
At 1 January	441,715	441,715	419,285	419,285
Classified as impaired during the financial period/ year	506,336	506,336	449,055	449,055
Reclassified as performing during the financial period/ year	(296,041)	(296,041)	(294,639)	(294,639)
Amount recovered during the financial period/ year	(62,944)	(62,944)	(54,277)	(54,277)
Amount written off	(214,353)	(214,353)	(163,221)	(163,221)
At end of reporting period/year	374,713	374,713	356,203	356,203
Individual impairment provisions	(293,192)	(249,662)	(280,534)	(247,153)
Net impaired loans, advances and financing	<u>81,521</u>	<u>125,051</u>	<u>75,669</u>	<u>109,050</u>
Ratio of net impaired loans, advances and financing to net loans, advances and financing	<u>0.26%</u>	<u>0.40%</u>	<u>0.27%</u>	<u>0.39%</u>

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

29.4 Comparative notes to the interim financial statements (continued)

	GROUP		BANK	
	FRSs RM'000	MFRSs RM'000	FRSs RM'000	MFRSs RM'000
(d) Note 14 Loans, advances and financing (continued)				
Movements in impaired loans, advances and financing (continued)				
Collective impairment provisions				
At 1 January	427,246	113,395	395,947	78,866
Impairments made during the financial period/ year	61,586	36,987	48,470	23,871
Amount written back	(22,701)	(16,254)	(12,943)	(12,511)
At end of reporting period/year	<u>466,131</u>	<u>134,128</u>	<u>431,474</u>	<u>90,226</u>
As a percentage of gross loans, advances and financing to net loans, advances and financing	<u>1.5%</u>	<u>0.4%</u>	<u>1.5%</u>	<u>0.3%</u>
Individual Impairment Provisions				
At 1 January	311,096	268,545	298,740	266,840
Provisions made during the financial period/ year	197,949	198,451	145,593	145,593
Amount written back in respect of recoveries	(76,717)	(78,198)	(75,463)	(76,944)
Amount written off	(139,136)	(139,136)	(88,336)	(88,336)
At end of reporting period/year	<u>293,192</u>	<u>249,662</u>	<u>280,534</u>	<u>247,153</u>
(e) Note 19 Other liabilities				
Interest/ Income payable	152,745	148,232	141,609	137,306
Provision for retirement benefit scheme	1,685	1,685	1,685	1,685
Amount owing to subsidiaries	-	-	22	22
Profit equalisation reserve	-	-	-	-
Other payables and accruals	2,299,946	2,297,975	2,195,199	2,193,228
	<u>2,454,376</u>	<u>2,447,892</u>	<u>2,338,515</u>	<u>2,332,241</u>
(f) Note 22 Interest expense				
Deposits and placement of banks and other financial institutions	8,425	6,789	8,425	6,789
Deposits from customers	148,854	148,854	148,854	148,854
Loans sold to Cagamas	708	708	708	708
Subordinated debts	11,879	11,879	11,879	11,879
	<u>169,866</u>	<u>168,230</u>	<u>169,866</u>	<u>168,230</u>
(g) Note 23 Net income from Islamic banking				
Income derived from investment of depositors' funds and others	22,259	22,281	-	-
Transfer from profit equalisation reserve	-	-	-	-
Total distributable income	22,259	22,281	-	-
Income attributable to depositors	(5,988)	(5,949)	-	-
Income attributable to the Group	16,271	16,332	-	-
Income derived from investment of Islamic banking capital funds and shareholder's fund's	34,074	34,074	-	-
	<u>50,345</u>	<u>50,406</u>	<u>-</u>	<u>-</u>

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

29.4 Comparative notes to the interim financial statements (continued)

	GROUP		BANK	
	FRSs RM'000	MFRSs RM'000	FRSs RM'000	MFRSs RM'000
(h) Note 24 Other operating income				
Net trading income				
Unrealised gains on revaluation of financial assets held for trading and other financial instruments	6,391	8,340	6,391	8,340
(i) Note 25 Provision for loans, advances and financing				
Provisions for loans, advances and financing:-				
Individual impairment provisions	34,648	33,209	20,318	18,381
- Made in the financial period	44,817	43,378	30,318	28,381
- Discounting of collaterals	10,444	10,444	10,444	10,444
- Written back	(20,613)	(20,613)	(20,444)	(20,444)
Collective impairment provisions				
- Made in the financial period	15,405	7,755	12,443	6,443
- Written back	(4,719)	(4,719)	(2,292)	(2,292)
Bad and doubtful debts on loans, advances and financing:-				
Written off	17,742	17,742	17,742	17,742
Recovered	(65,661)	(65,661)	(54,815)	(54,815)
	<u>(2,585)</u>	<u>(11,674)</u>	<u>(6,604)</u>	<u>(14,541)</u>
(j) Note 28 Capital adequacy				
Tier 1 Capital				
Paid-up ordinary share capital	163,000	163,000	163,000	163,000
Share premium	717,000	717,000	717,000	717,000
Other reserves	2,391,513	2,344,579	2,279,000	2,233,388
Less: Deferred tax assets	(56,408)	(51,872)	(54,351)	(48,311)
Eligible Tier 1 capital	<u>3,215,105</u>	<u>3,172,707</u>	<u>3,104,649</u>	<u>3,065,077</u>

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

29.4 Comparative notes to the interim financial statements (continued)**(j) Note 28 Capital adequacy (continued)**

	GROUP		BANK	
	FRSs	MFRSs	FRSs	MFRSs
Tier 2 Capital				
Subordinated bonds	500,000	500,000	500,000	500,000
Collective impairment provisions under standardised approach	69,853	20,049	77,564	17,979
Surplus of total eligible provisions over total expected loss under AIRB approach	26,249	-	95,627	-
Regulatory reserves	-	332,001	-	331,457
	<u>596,102</u>	<u>852,050</u>	<u>673,191</u>	<u>849,436</u>
Less: Investment in subsidiaries	-	-	(386,022)	(386,022)
Excess of Expected Loss over Expected Provisions under IRB approach	-	(298,623)	-	(208,747)
Exclusion of collective impairment provisions on impaired loans	-	(32,460)	-	(22,536)
Eligible Tier 2 capital	<u>596,102</u>	<u>520,967</u>	<u>287,169</u>	<u>232,131</u>
Total capital base	<u>3,811,207</u>	<u>3,693,674</u>	<u>3,391,818</u>	<u>3,297,208</u>

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

Total risk-weighted assets:-				
Credit risk	22,080,738	22,115,835	19,506,801	19,541,898
Market risk	1,804,955	1,799,498	1,804,955	1,799,498
Operational risk	2,829,364	2,829,364	2,540,849	2,540,849
Large exposure for equity holdings	621	621	621	621
	<u>26,715,678</u>	<u>26,745,318</u>	<u>23,853,226</u>	<u>23,882,866</u>

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

Before proposed dividend:-				
Tier 1 capital ratio	12.03%	11.86%	13.02%	12.83%
Risk-weighted capital ratio	14.27%	13.81%	14.22%	13.81%
After proposed dividend:-				
Tier 1 capital ratio	11.30%	11.13%	12.20%	12.02%
Risk-weighted capital ratio	13.54%	13.08%	13.40%	12.99%

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

	FRSs	MFRSs
Tier 1 capital ratio	12.83%	12.41%
Risk-weighted capital ratio	12.83%	12.41%