



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

**Financial statements for the three months
ended 31 March 2013**

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

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013

	Note	Group		Bank	
		31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Assets					
Cash and short term funds		4,783,984	5,306,549	2,844,990	4,139,071
Deposits and placements with banks and other financial institutions		331,864	188,206	1,234,422	2,053,652
Securities purchased under resale agreements		181,911	148,141	181,911	148,141
Financial assets held for trading	10	3,579,978	3,391,192	3,579,978	3,391,192
Investment securities available-for-sale	11	3,624,616	6,114,799	3,284,823	4,973,165
Loans, advances and financing	12	33,219,898	32,868,952	29,271,030	28,932,240
Derivative financial assets		1,484,725	1,589,143	1,484,725	1,589,144
Other assets	14	1,068,396	838,945	1,171,829	1,223,117
Statutory deposits with Bank Negara Malaysia	15	1,109,815	1,103,592	948,802	964,907
Investments in subsidiaries		-	-	411,522	411,522
Property, plant and equipment		69,769	70,229	63,192	63,872
Deferred tax assets		39,744	39,022	34,274	33,545
Total assets		49,494,700	51,658,770	44,511,498	47,923,568
Liabilities					
Deposits from customers	16	36,962,127	35,564,486	31,915,199	31,664,183
Deposits and placements of banks and other financial institutions	17	4,618,963	8,314,656	4,518,239	8,212,243
Derivative financial liabilities		1,322,262	1,385,896	1,322,262	1,386,071
Other liabilities	18	2,157,520	2,027,102	2,470,384	2,438,793
Tax payable		13,762	68,621	3,582	56,435
Subordinated debts		500,000	500,000	500,000	500,000
Total liabilities		45,574,634	47,860,761	40,729,666	44,257,725
Equity					
Share capital		163,000	163,000	163,000	163,000
Reserves		3,757,066	3,635,009	3,618,832	3,502,843
Total equity attributable to equity holder of the Bank		3,920,066	3,798,009	3,781,832	3,665,843
Total liabilities and equity		49,494,700	51,658,770	44,511,498	47,923,568
Commitments and contingencies	25	156,150,159	165,247,235	154,256,803	163,586,868

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2012.

STANDARD CHARTERED BANK MALAYSIA BERHAD
(Incorporated in Malaysia)
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER AND THREE MONTHS ENDED 31 MARCH 2013

	Note	Group			
		1st Quarter ended		Three months ended	
		31 March 2013	31 March 2012	31 March 2013	31 March 2012
		RM'000	RM'000	RM'000	RM'000
Interest income	19	452,258	420,814	452,258	420,814
Interest expense	20	(184,550)	(180,521)	(184,550)	(180,521)
Net interest income		267,708	240,293	267,708	240,293
Net income from Islamic Banking operations	21	76,165	80,750	76,165	80,750
		343,873	321,043	343,873	321,043
Other operating income	22	163,496	213,849	163,496	213,849
Total net income		507,369	534,892	507,369	534,892
Other operating expenses	23	(232,102)	(222,768)	(232,102)	(222,768)
Operating profit		275,267	312,124	275,267	312,124
Provisions for loans, advances and financing	24	(107,253)	(69,367)	(107,253)	(69,367)
Profit before taxation		168,014	242,757	168,014	242,757
Tax expense		(43,789)	(65,861)	(43,789)	(65,861)
Profit for the period		124,225	176,896	124,225	176,896
Other comprehensive income, net of income tax					
Fair value reserve (investment securities available-for-sale):-					
Net changes in fair value		1,572	(2,270)	1,572	(2,270)
Net amount transferred to profit or loss		(3,625)	601	(3,625)	601
Cash flow hedges:-					
Effective portion of changes in fair value		(164)	(3,842)	(164)	(3,842)
Net amount transferred to profit or loss		49	(159)	49	(159)
Actuarial gains from defined benefit plan		-	37	-	37
Other comprehensive expense for the period, net of income tax		(2,168)	(5,633)	(2,168)	(5,633)
Total comprehensive income for the period		122,057	171,263	122,057	171,263

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2012.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER AND THREE MONTHS ENDED 31 MARCH 2013

	Note	Bank			
		1st Quarter ended		Three months ended	
		31 March 2013	31 March 2012	31 March 2013	31 March 2012
		RM'000	RM'000	RM'000	RM'000
Interest income	19	469,220	443,309	469,220	443,309
Interest expense	20	(184,550)	(180,521)	(184,550)	(180,521)
Net interest income		284,670	262,788	284,670	262,788
Net income from Islamic Banking operations	21	-	-	-	-
		284,670	262,788	284,670	262,788
Other operating income	22	181,722	230,507	181,722	230,507
Total net income		466,392	493,295	466,392	493,295
Other operating expenses	23	(221,797)	(213,127)	(221,797)	(213,127)
Operating profit		244,595	280,168	244,595	280,168
Provisions for loans, advances and financing	24	(84,896)	(57,076)	(84,896)	(57,076)
Profit before taxation		159,699	223,092	159,699	223,092
Tax expense		(41,522)	(60,794)	(41,522)	(60,794)
Profit for the period		118,177	162,298	118,177	162,298
Other comprehensive income, net of income tax					
Fair value reserve (investment securities available-for-sale):-					
Net changes in fair value		1,552	(2,107)	1,552	(2,107)
Net amount transferred to profit or loss		(3,625)	601	(3,625)	601
Cash flow hedges:-					
Effective portion of changes in fair value		(164)	(3,842)	(164)	(3,842)
Net amount transferred to profit or loss		49	(159)	49	(159)
Actuarial gains from defined benefit plan		-	37	-	37
Other comprehensive expense for the period, net of income tax		(2,188)	(5,470)	(2,188)	(5,470)
Total comprehensive income for the period		115,989	156,828	115,989	156,828

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2012.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2013

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 2013	163,000	717,000	249,017	150,000	190	1,578	2,392	2,514,832	3,798,009
Fair value reserve (investment securities available-for-sale):-									
Net changes in fair value	-	-	-	-	-	1,572	-	-	1,572
Net amount transferred to profit or loss	-	-	-	-	-	(3,625)	-	-	(3,625)
Cash flow hedges:-									
Effective portion of changes in fair value	-	-	-	-	-	-	(164)	-	(164)
Net amount transferred to profit or loss	-	-	-	-	-	-	49	-	49
Actuarial gain from defined benefit plan	-	-	-	-	-	-	-	-	-
Total other comprehensive (expense) / income for the period	-	-	-	-	-	(2,053)	(115)	-	(2,168)
Profit for the period	-	-	-	-	-	-	-	124,225	124,225
Total comprehensive (expense) / income for the period	-	-	-	-	-	(2,053)	(115)	124,225	122,057
At 31 March 2013	163,000	717,000	249,017	150,000	190	(475)	2,277	2,639,057	3,920,066

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2012.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2013

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	163,000	717,000	222,924	150,000	190	6,466	6,726	2,212,830	3,479,136
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 gains from defined benefit plan	-	-	-	-	-	-	-	37	37
Total other comprehensive expense for the period	-	-	-	-	-	(1,669)	(4,001)	37	(5,633)
Profit for the period	-	-	-	-	-	-	-	176,896	176,896
Total comprehensive (expense) / income for the period	-	-	-	-	-	(1,669)	(4,001)	176,933	171,263
Distributions to owners of the Bank									
Dividends payable :-									
- 2011 final	-	-	-	-	-	-	-	(195,000)	(195,000)
Total transactions with owners of the Bank	-	-	-	-	-	-	-	(195,000)	(195,000)
At 31 March 2012	163,000	717,000	222,924	150,000	190	4,797	2,725	2,194,763	3,455,399

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2012.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2013

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 2013	163,000	717,000	163,000	150,000	190	1,651	2,392	2,468,610	3,665,843
Fair value reserve (investment securities available-for-sale):-									
Net changes in fair value	-	-	-	-	-	1,552	-	-	1,552
Net amount transferred to profit or loss	-	-	-	-	-	(3,625)	-	-	(3,625)
Cash flow hedges:-									
Effective portion of changes in fair value	-	-	-	-	-	-	(164)	-	(164)
Net amount transferred to profit or loss	-	-	-	-	-	-	49	-	49
Actuarial gain from defined benefit plan	-	-	-	-	-	-	-	-	-
Total other comprehensive expense for the period	-	-	-	-	-	(2,073)	(115)	-	(2,188)
Profit for the period	-	-	-	-	-	-	-	118,177	118,177
Total comprehensive (expense) / income for the period	-	-	-	-	-	(2,073)	(115)	118,177	115,989
At 31 March 2013	163,000	717,000	163,000	150,000	190	(422)	2,277	2,586,787	3,781,832

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2012.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2013

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	163,000	717,000	163,000	150,000	190	6,409	6,726	2,192,231	3,398,556
Fair value reserve (investment securities available-for-sale):-									
Net changes in fair value	-	-	-	-	-	(2,107)	-	-	(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 gains from defined benefit plan	-	-	-	-	-	-	-	37	37
Total other comprehensive expense for the period	-	-	-	-	-	(1,506)	(4,001)	37	(5,470)
Profit for the period	-	-	-	-	-	-	-	162,298	162,298
Total comprehensive (expense) / income for the period	-	-	-	-	-	(1,506)	(4,001)	162,335	156,828
Distributions to owners of the Bank									
Dividends payable :-									
- 2011 final	-	-	-	-	-	-	-	(195,000)	(195,000)
Total transactions with owners of the Bank	-	-	-	-	-	-	-	(195,000)	(195,000)
At 31 March 2012	163,000	717,000	163,000	150,000	190	4,903	2,725	2,159,566	3,360,384

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2012.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2013

	Group		Bank	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Profit before taxation	168,014	242,757	159,699	223,092
Adjustment for non-cash items	(15,631)	1,341	(17,537)	(1,828)
Operating profit before working capital changes	152,383	244,098	142,162	221,264
Changes in working capital:-				
Net changes in operating assets	(912,204)	(4,562,405)	365,734	(4,914,855)
Net changes in operating liabilities	(2,167,634)	2,488,335	(3,411,397)	2,740,831
Income taxes paid	(98,647)	(35,556)	(94,375)	(31,873)
Net cash used in operating activities	(3,026,102)	(1,865,528)	(2,997,876)	(1,984,633)
Net cash generated from investing activities	2,503,537	722,403	1,703,795	1,218,314
Net (decrease) / increase in cash and cash equivalents	(522,565)	(1,143,125)	(1,294,081)	(766,319)
Cash and cash equivalent at beginning of the period	5,306,549	6,251,969	4,139,071	4,881,279
Cash and cash equivalent at end of the period	4,783,984	5,108,844	2,844,990	4,114,960

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2012.

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

REVIEW OF PERFORMANCE

The Group recorded a profit before taxation of RM 168.01 million for the financial three months period ended 31 March 2013 while net interest income achieved 11.41% gains against corresponding period last year. Other operating income (including income from Islamic Banking operations) decreased by RM 54.94 million while other operating expenses increased by RM9.33 million. The provisions for loans, advances and financing came in higher as a result of a one-off provision made during the quarter and loan growth. The Group's Tier 1 capital ratio and risk-weighted capital ratio remained strong at 10.66% and 12.91%, respectively.

PROSPECTS

The Group continues to retain a strong platform for growth in both the Consumer and Wholesale banking segments. The Consumer Banking business will continue to focus on its strategic transformation programme which emphasizes customer focus, enhancing customer experience and building infrastructure capability. Meanwhile, the Wholesale Banking will continue to build on its competitive platform through stronger and deeper client relationships while widening its solution delivery through growing product suites.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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Notes to the financial statements for the three months ended 31 March 2013

1. Basis of preparation of the financial statements

The unaudited condensed interim financial statements for the first quarter and the three months ended 31 March 2013 have been prepared in accordance with MFRS 134, *Interim Financial Reporting in Malaysia*.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012. The explanatory notes attached in the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2012.

2. Auditor's report on preceding annual financial statements

The auditor's report on the financial statements for the financial year ended 31 December 2012 was not qualified.

3. Seasonal or cyclical factors

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

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

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank in the first quarter and three months ended 31 March 2013.

5. Changes in accounting estimates

There were no material changes in estimates of amounts reported that have a material effect on the unaudited condensed interim financial statements in the first quarter and three months ended 31 March 2013.

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 2013.

7. Dividend

The proposed final dividend of 160 sen per ordinary share, less income tax at 25% totaling RM 150,000,000 (120 sen per ordinary share) in respect of the financial year ended 31 December 2012 has not been declared/accrued as at the reporting date.

There were no dividend paid during the first quarter and the financial three months ended 31 March 2013.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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8. Carrying amount of revalued assets

The Group's and the Bank's property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The valuations of certain land and buildings of the Group and the Bank have been brought forward without amendment from the previous audited annual financial statements for the financial year ended 31 December 2012.

9. Subsequent events

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

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

10. Financial assets held for trading

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
<u>At fair value</u>				
Malaysian Government treasury bills	11,199	137,411	11,199	137,411
Malaysian Government bonds/securities	589,218	1,724,946	589,218	1,724,946
Government Islamic bonds	119,907	81,479	119,907	81,479
Bank Negara Malaysia bills	2,557,906	1,258,891	2,557,906	1,258,891
Private debt securities	301,748	188,465	301,748	188,465
	<u>3,579,978</u>	<u>3,391,192</u>	<u>3,579,978</u>	<u>3,391,192</u>

STANDARD CHARTERED BANK MALAYSIA BERHAD
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11. Investment securities available-for-sale

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
<u>At fair value</u>				
Malaysian Government bonds/ securities	721,024	1,742,333	721,024	1,742,333
Bank Negara Malaysia bills	2,099,922	2,984,992	1,800,129	1,888,359
Bankers' acceptances and Islamic acceptance bills	741,370	515,217	741,370	515,217
Negotiable instruments of deposit	40,000	499,999	-	460,007
Private debt securities	12,420	362,349	12,420	357,340
	<u>3,614,736</u>	<u>6,104,890</u>	<u>3,274,943</u>	<u>4,963,256</u>
Unquoted securities:-				
Equity shares, at cost	9,637	9,666	9,637	9,666
Private debt securities, at fair value	243	243	243	243
	<u>3,624,616</u>	<u>6,114,799</u>	<u>3,284,823</u>	<u>4,973,165</u>

Included in the Group's unquoted equity shares are 51% shareholdings held in Popular Ambience Sdn. Bhd. ("PASB") and Resolution Alliance Sdn Bhd ("RASB"), amounting to RM 51 each, which are owned by Golden Maestro Sdn Bhd ("GMSB"), a wholly owned subsidiary of the Bank. Both companies PASB and RASB 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 MFRS 10, Consolidated Financial Statements, consolidated financial statements shall include the financial statements of all investees where control exists.

The shareholders of PASB and RASB have entered into separate Master Shareholders' Agreements in which GMSB 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 neither have the ability use its powers to direct the activities that affect PASB's and RASB's returns nor have exposure or rights to variable returns. 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 as at the reporting date.

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

	Group		Bank	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
	RM'000	RM'000	RM'000	RM'000
<u>At amortised cost</u>				
Overdrafts	641,260	646,987	641,260	646,987
Term loans/financing				
- Housing loans/financing	13,086,176	13,069,756	11,900,440	11,970,351
- Syndicated term loan/financing	175,336	156,669	175,336	156,669
- Hire purchase receivables	227,846	234,809	-	-
- Lease receivables	588,042	559,044	-	-
- Other term loans/financing	11,500,757	10,970,898	9,082,452	8,479,073
Bills receivable	3,310,902	3,164,832	3,243,590	3,117,480
Trust receipts	1,334,431	1,567,772	1,223,497	1,407,164
Staff loans/financing	66,978	69,558	65,190	67,715
Loans/financing to banks and other financial institutions	341,212	365,000	341,212	365,000
Credit card receivables	2,168,002	2,276,880	2,168,002	2,276,880
Revolving credit	1,410,838	1,473,397	851,112	806,362
	<u>34,851,780</u>	<u>34,555,602</u>	<u>29,692,091</u>	<u>29,293,681</u>
Less: Unearned interest and income	(1,165,550)	(1,248,870)	(36,899)	(5,432)
Gross loans, advances and financing	<u>33,686,230</u>	<u>33,306,732</u>	<u>29,655,192</u>	<u>29,288,249</u>
Less: Impairment provisions on loans, advances and financing:-				
- Individual impairment provisions	(242,486)	(218,584)	(236,867)	(215,210)
- Collective impairment provisions	(223,846)	(219,196)	(147,295)	(140,799)
Total net loans, advances and financing	<u><u>33,219,898</u></u>	<u><u>32,868,952</u></u>	<u><u>29,271,030</u></u>	<u><u>28,932,240</u></u>

(ii) By type of customer

	Group		Bank	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
	RM'000	RM'000	RM'000	RM'000
Domestic banking institutions	26,233	56,573	26,233	56,573
Domestic non-bank financial institutions	407,172	665,964	206,564	416,203
Domestic business enterprises	13,043,161	12,227,034	11,254,884	10,492,115
<i>Small medium enterprises</i>	<u>4,240,468</u>	<u>4,147,228</u>	<u>3,675,238</u>	<u>3,654,593</u>
<i>Others</i>	<u>8,802,693</u>	<u>8,079,806</u>	<u>7,579,646</u>	<u>6,837,522</u>
Individuals	18,094,115	18,259,278	16,140,300	16,290,965
Other domestic entities	882	707	882	707
Foreign entities	2,114,667	2,097,176	2,026,329	2,031,686
	<u><u>33,686,230</u></u>	<u><u>33,306,732</u></u>	<u><u>29,655,192</u></u>	<u><u>29,288,249</u></u>

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

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Fixed rate				
Housing loans/financing	36,770	38,089	33,794	35,044
Other fixed rate loan/financing	5,379,736	5,525,553	3,613,241	3,662,071
Variable rate				
BLR plus	16,523,839	16,446,376	15,804,693	15,838,866
Cost plus	10,291,364	9,901,455	9,782,556	9,289,222
Other variable rates	1,454,521	1,395,259	420,908	463,046
	<u>33,686,230</u>	<u>33,306,732</u>	<u>29,655,192</u>	<u>29,288,249</u>

(iv) By sector

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Agriculture	733,302	387,422	589,185	234,732
Mining and quarrying	182,192	276,425	109,191	218,920
Manufacturing	4,762,784	4,464,558	4,165,389	3,952,384
Electricity, gas and water	12,090	11,392	9,912	9,167
Construction	773,414	754,693	694,079	676,490
Real estate	948,192	915,124	838,191	803,419
Wholesale & retail trade and restaurants & hotels	2,912,420	2,746,491	2,635,847	2,378,742
Transportation, storage and communication	549,124	553,763	313,069	323,008
Finance, insurance and business services	1,880,159	2,101,068	1,503,981	1,710,548
Household	19,292,425	19,440,835	17,250,272	17,407,032
Others	1,640,128	1,654,961	1,546,076	1,573,807
	<u>33,686,230</u>	<u>33,306,732</u>	<u>29,655,192</u>	<u>29,288,249</u>

(v) By purpose

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Purchase of securities	20,000	25,000	20,000	25,000
Purchase of landed property	16,145,938	16,026,164	15,082,588	15,207,807
- Residential	12,876,272	12,857,522	12,129,249	12,220,573
- Non-residential	3,269,666	3,168,642	2,953,339	2,987,234
Fixed assets excluding land & building	145,815	148,826	-	-
Personal use	2,883,349	2,974,585	1,658,427	1,610,451
Credit cards	2,167,999	2,276,880	2,167,999	2,276,880
Working capital	11,951,021	11,349,586	10,354,070	9,662,420
Others	372,108	505,691	372,108	505,691
	<u>33,686,230</u>	<u>33,306,732</u>	<u>29,655,192</u>	<u>29,288,249</u>

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

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Maturing within one year	10,668,832	11,106,800	10,087,302	10,378,473
One year to three years	3,180,212	2,811,548	2,350,687	1,960,099
Three years to five years	3,363,742	3,103,763	2,180,179	1,824,357
Over five years	16,473,444	16,284,621	15,037,024	15,125,320
	<u>33,686,230</u>	<u>33,306,732</u>	<u>29,655,192</u>	<u>29,288,249</u>

(vii) By geographical distribution

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Within Malaysia	33,279,681	32,792,024	29,248,643	28,773,541
Outside Malaysia	406,549	514,708	406,549	514,708
	<u>33,686,230</u>	<u>33,306,732</u>	<u>29,655,192</u>	<u>29,288,249</u>

(viii) Analysis of foreign currency exposure

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
USD	3,447,044	2,844,307	3,389,898	2,721,934
GBP	560,122	609,726	560,122	609,726
Other foreign currencies	137,001	68,813	137,001	68,813
	<u>3,447,044</u>	<u>2,844,307</u>	<u>3,389,898</u>	<u>2,721,934</u>

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

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
At 1 January	424,940	374,713	391,051	356,203
Classified as impaired during the financial period/year	176,016	721,433	147,588	625,963
Reclassified as performing during the financial period/year	(70,716)	(280,157)	(70,355)	(278,470)
Amount recovered during the financial period/year	(20,353)	(97,391)	(19,506)	(85,775)
Amount written off during the financial period/year	(77,913)	(293,658)	(55,011)	(226,870)
At end of reporting period/year	431,974	424,940	393,767	391,051
Individual impairment provisions	(242,486)	(218,584)	(236,867)	(215,210)
Net impaired loans, advances and financing	<u>189,488</u>	<u>206,356</u>	<u>156,900</u>	<u>175,841</u>
Ratio of net impaired loans, advances and financing to net loans, advances and financing	<u>0.57%</u>	<u>0.62%</u>	<u>0.53%</u>	<u>0.60%</u>

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

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Collective impairment provisions				
At 1 January	219,196	229,189	140,799	154,074
Impairment made during the financial period/year	11,366	46,987	9,789	31,746
Amount written back	(6,716)	(56,980)	(3,293)	(45,021)
At end of reporting period/year	<u>223,846</u>	<u>219,196</u>	<u>147,295</u>	<u>140,799</u>
As a percentage of gross loans, advances and financing less individual impairment provisions	<u>0.67%</u>	<u>0.66%</u>	<u>0.50%</u>	<u>0.48%</u>
Individual impairment provisions				
At 1 January	218,584	249,662	215,210	247,153
Impairment made during the financial period/year	89,813	227,048	64,067	156,946
Amount written back	(20,803)	(71,568)	(20,474)	(70,049)
Amount written off	(45,108)	(186,558)	(21,936)	(118,840)
At end of reporting period/year	<u>242,486</u>	<u>218,584</u>	<u>236,867</u>	<u>215,210</u>

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

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Agriculture	14,005	14,432	14,005	14,432
Mining and quarrying	5,894	-	5,894	-
Manufacturing	81,717	82,809	80,720	81,929
Construction	60,977	60,801	60,977	60,801
Real estate	-	-	-	-
Wholesale & retail trade and restaurants & hotels	38,284	35,092	38,054	34,948
Transportation, storage and communication	320	1,138	320	1,138
Finance, insurance and business services	2,312	2,755	2,312	2,755
Household	225,202	223,089	188,222	190,370
Others	3,263	4,824	3,263	4,678
	<u>431,974</u>	<u>424,940</u>	<u>393,767</u>	<u>391,051</u>

(iv) Impaired loans, advances and financing by purpose

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Purchase of landed property	122,044	147,884	118,412	143,858
- Residential	114,640	139,056	111,008	135,030
- Non-residential	7,404	8,828	7,404	8,828
Personal use	86,383	60,364	52,231	30,791
Credit cards	22,879	23,766	22,879	23,766
Working capital	200,668	192,926	200,245	192,636
	<u>431,974</u>	<u>424,940</u>	<u>393,767</u>	<u>391,051</u>

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

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Within Malaysia	431,801	424,774	393,594	390,885
Outside Malaysia	173	166	173	166
	<u>431,974</u>	<u>424,940</u>	<u>393,767</u>	<u>391,051</u>

14. Other assets

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Interest/Income receivables	24,298	50,176	29,270	56,989
Unquoted Subordinated Sukuk of a subsidiary company	-	-	100,000	-
Other receivables, deposits and prepayments	1,044,098	788,769	1,042,559	1,166,128
	<u>1,068,396</u>	<u>838,945</u>	<u>1,171,829</u>	<u>1,223,117</u>

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15. 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.

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

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Demand deposits	13,769,506	13,736,568	12,545,357	12,445,321
Savings deposits	3,566,192	3,631,190	3,492,699	3,544,920
Fixed/Investment deposits	19,133,392	17,701,923	15,503,341	15,301,418
Negotiable instruments of deposits	493,037	494,805	373,802	372,524
	<u>36,962,127</u>	<u>35,564,486</u>	<u>31,915,199</u>	<u>31,664,183</u>

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

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Due within six months	15,872,610	13,837,647	12,394,113	11,670,776
Six months to one year	3,039,334	3,706,830	2,887,120	3,467,672
One year to three years	136,551	141,195	127,104	132,464
Three years to five years	173,506	109,084	159,984	95,485
Over five years	404,428	401,972	308,822	307,545

(ii) By type of customers

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Government and statutory bodies	2,098,871	1,174,366	68,796	19,713
Business enterprises	13,328,741	13,014,394	12,647,758	12,310,741
Individuals	17,846,022	18,258,531	16,336,815	16,687,626
Others	3,688,493	3,117,195	2,861,830	2,646,103
	<u>36,962,127</u>	<u>35,564,486</u>	<u>31,915,199</u>	<u>31,664,183</u>

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17. Deposits and placements of banks and other financial institutions

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Licensed banks	1,369,436	3,898,984	1,272,326	3,833,708
Bank Negara Malaysia	97,921	45,783	97,921	45,783
Other financial institutions	3,151,606	4,369,889	3,147,992	4,332,752
	<u>4,618,963</u>	<u>8,314,656</u>	<u>4,518,239</u>	<u>8,212,243</u>

18. Other liabilities

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Interest/Income payable	194,500	186,967	172,843	171,206
Provision for retirement benefit scheme	438	438	438	438
Amount owing to subsidiaries	-	-	22	22
Other payables and accruals	1,962,582	1,839,697	2,297,081	2,267,127
	<u>2,157,520</u>	<u>2,027,102</u>	<u>2,470,384</u>	<u>2,438,793</u>

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19. Interest income

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries				
from impaired loans	372,029	346,318	372,029	346,318
- Recoveries from impaired loans	6,250	4,897	6,250	4,897
Money at call and deposit placements				
with banks and other financial institutions	11,902	13,474	11,902	13,474
Financial assets held for trading	27,148	30,620	27,148	30,620
Investment securities available-for-sale	34,929	25,505	34,929	25,505
	<u>452,258</u>	<u>420,814</u>	<u>452,258</u>	<u>420,814</u>

	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries				
from impaired loans	372,029	346,318	372,029	346,318
- Recoveries from impaired loans	6,250	4,897	6,250	4,897
Money at call and deposit placements				
with banks and other financial institutions	28,864	35,969	28,864	35,969
Financial assets held for trading	27,148	30,620	27,148	30,620
Investment securities available-for-sale	34,929	25,505	34,929	25,505
	<u>469,220</u>	<u>443,309</u>	<u>469,220</u>	<u>443,309</u>

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20. Interest expense

	Group and Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	12,607	11,447	12,607	11,447
Deposits from customers	166,075	163,713	166,075	163,713
Loans sold to Cagamas	-	-	-	-
Subordinated debts	5,868	5,361	5,868	5,361
	<u>184,550</u>	<u>180,521</u>	<u>184,550</u>	<u>180,521</u>

21. Net income from Islamic Banking operations

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others / Total distributable income	43,180	39,114	43,180	39,114
Income attributable to depositors	<u>(29,185)</u>	<u>(16,784)</u>	<u>(29,185)</u>	<u>(16,784)</u>
Income attributable to the Bank	13,995	22,330	13,995	22,330
Income derived from investment of Islamic banking capital funds and shareholder's funds	62,170	58,420	62,170	58,420
	<u>76,165</u>	<u>80,750</u>	<u>76,165</u>	<u>80,750</u>

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22. Other operating income

	Group			
	1st Quarter ended		Three months ended	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Fee and commission				
Fee and commission income:-				
Arising from financial instruments not fair valued through profit or loss	94,105	71,476	94,105	71,476
- <i>Commission income</i>	52,635	50,517	52,635	50,517
- <i>Service fees</i>	32,880	12,955	32,880	12,955
- <i>Guarantee fees</i>	8,590	8,004	8,590	8,004
Fee and commission expense:-				
Arising from financial instruments not fair valued through profit or loss	(20,315)	(13,348)	(20,315)	(13,348)
- <i>Commission charges</i>	(11,370)	(4,887)	(11,370)	(4,887)
- <i>Service charges</i>	(8,945)	(8,461)	(8,945)	(8,461)
	<u>73,790</u>	<u>58,128</u>	<u>73,790</u>	<u>58,128</u>
Net trading income				
Gains from sale of financial assets held for trading and derivative financial instruments	24,230	74,549	24,230	74,549
Unrealised gains on revaluation of financial assets held for trading and other financial instruments	16,253	3,336	16,253	3,336
Foreign exchange currency				
- Gains from dealing in foreign currency	49,070	72,807	49,070	72,807
- Unrealised (loss)/gains from foreign exchange translation	(4,662)	458	(4,662)	458
	<u>84,891</u>	<u>151,150</u>	<u>84,891</u>	<u>151,150</u>
Other income				
Gains from sale of investment securities available-for-sale	3,705	3,874	3,705	3,874
Gain on disposal of property, plant and equipment	92	22	92	22
Others	1,018	675	1,018	675
	<u>4,815</u>	<u>4,571</u>	<u>4,815</u>	<u>4,571</u>
Total other operating income	<u>163,496</u>	<u>213,849</u>	<u>163,496</u>	<u>213,849</u>

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22. Other operating income (continued)

	Bank			
	1st Quarter ended		Three months ended	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Fee and commission				
Fee and commission income:-				
Arising from financial instruments not fair valued through profit or loss	94,105	71,476	94,105	71,476
- <i>Commission income</i>	52,635	50,517	52,635	50,517
- <i>Service fees</i>	32,880	12,955	32,880	12,955
- <i>Guarantee fees</i>	8,590	8,004	8,590	8,004
Fee and commission expense:-				
Arising from financial instruments not fair valued through profit or loss	(20,315)	(13,348)	(20,315)	(13,348)
- <i>Commission charges</i>	(11,370)	(4,887)	(11,370)	(4,887)
- <i>Service charges</i>	(8,945)	(8,461)	(8,945)	(8,461)
	<u>73,790</u>	<u>58,128</u>	<u>73,790</u>	<u>58,128</u>
Net trading income				
(Loss)/gains from sale of financial assets held for trading and derivative financial instruments	24,230	74,549	24,230	74,549
Unrealised gains/(loss) on revaluation of financial assets held for trading and other financial instruments	16,253	3,336	16,253	3,336
Foreign exchange currency				
- Gains from dealing in foreign currency	49,070	72,807	49,070	72,807
- Unrealised (loss)/gains from foreign exchange translation	(4,662)	458	(4,662)	458
	<u>84,891</u>	<u>151,150</u>	<u>84,891</u>	<u>151,150</u>
Other income				
Gains from sale of investment securities available-for-sale	3,705	3,874	3,705	3,874
Gross dividends from unquoted Gain on disposal of property, plant and equipment	92	22	92	22
Others	19,244	17,333	19,244	17,333
	<u>23,041</u>	<u>21,229</u>	<u>23,041</u>	<u>21,229</u>
Total other operating income	<u>181,722</u>	<u>230,507</u>	<u>181,722</u>	<u>230,507</u>

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23. Other operating expenses

	Group			
	1st Quarter ended 31 March 2013 RM'000	31 March 2012 RM'000	Three months ended 31 March 2013 RM'000	31 March 2012 RM'000
Personnel costs				
- Salaries, bonuses, wages and allowances	77,352	68,183	77,352	68,183
- Pension fund contributions	8,147	8,375	8,147	8,375
- Other staff related cost	7,702	18,341	7,702	18,341
	<u>93,201</u>	<u>94,899</u>	<u>93,201</u>	<u>94,899</u>
Establishment costs				
- Depreciation of property, plant and equipment	6,204	7,015	6,204	7,015
- Rental	6,807	6,391	6,807	6,391
- Information technology and project expenses	24,943	19,257	24,943	19,257
- Others	12,640	10,518	12,640	10,518
	<u>50,594</u>	<u>43,181</u>	<u>50,594</u>	<u>43,181</u>
Marketing expenses				
- Advertisement and publicity	4,204	6,017	4,204	6,017
- Others	3,536	5,177	3,536	5,177
	<u>7,740</u>	<u>11,194</u>	<u>7,740</u>	<u>11,194</u>
Administration and general expenses				
- Communication expenses	3,006	3,730	3,006	3,730
- Group administration and business support expenses	28,036	27,167	28,036	27,167
- Outsourcing expenses	23,745	21,546	23,745	21,546
- Others	25,780	21,051	25,780	21,051
	<u>80,567</u>	<u>73,494</u>	<u>80,567</u>	<u>73,494</u>
Total other operating expenses	<u>232,102</u>	<u>222,768</u>	<u>232,102</u>	<u>222,768</u>

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23. Other operating expenses (continued)

	Bank			
	1st Quarter ended 31 March 2013 RM'000	31 March 2012 RM'000	Three months ended 31 March 2013 RM'000	31 March 2012 RM'000
Personnel costs				
- Salaries, bonuses, wages and allowances	74,650	66,541	74,650	66,541
- Pension fund contributions	8,147	8,375	8,147	8,375
- Other staff related cost	6,992	17,288	6,992	17,288
	<u>89,789</u>	<u>92,204</u>	<u>89,789</u>	<u>92,204</u>
Establishment costs				
- Depreciation of property, plant and equipment	5,389	6,393	5,389	6,393
- Rental	6,327	5,977	6,327	5,977
- Information technology and project expenses	24,954	19,223	24,954	19,223
- Others	12,260	9,709	12,260	9,709
	<u>48,930</u>	<u>41,302</u>	<u>48,930</u>	<u>41,302</u>
Marketing expenses				
- Advertisement and publicity	4,178	5,809	4,178	5,809
- Others	3,444	5,113	3,444	5,113
	<u>7,622</u>	<u>10,922</u>	<u>7,622</u>	<u>10,922</u>
Administration and general expenses				
- Communication expenses	2,878	3,597	2,878	3,597
- Group administration and business support expenses	26,159	25,402	26,159	25,402
- Outsourcing expenses	23,745	21,546	23,745	21,546
- Others	22,674	18,154	22,674	18,154
	<u>75,456</u>	<u>68,699</u>	<u>75,456</u>	<u>68,699</u>
Total other operating expenses	<u><u>221,797</u></u>	<u><u>213,127</u></u>	<u><u>221,797</u></u>	<u><u>213,127</u></u>

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24. Provisions for loans, advances and financing

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Provisions for loans, advances and financing:-				
Individual impairment provisions	70,130	35,075	70,130	35,075
- Made in the financial period	70,954	42,294	70,954	42,294
- Discounting of collaterals	18,859	9,342	18,859	9,342
- Written back	(19,683)	(16,561)	(19,683)	(16,561)
Collective impairment provisions				
- Made in the financial period	11,366	24,013	11,366	24,013
- Written back	(6,716)	(1,911)	(6,716)	(1,911)
Bad and doubtful debts on loans, advances and financing:-				
Written off	41,715	28,629	41,715	28,629
Recovered	(9,242)	(16,439)	(9,242)	(16,439)
	<u>107,253</u>	<u>69,367</u>	<u>107,253</u>	<u>69,367</u>

	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Provisions for loans, advances and financing:-				
Individual impairment provisions	44,713	21,373	44,713	21,373
- Made in the financial period	45,208	28,321	45,208	28,321
- Discounting of collaterals	18,859	9,342	18,859	9,342
- Written back	(19,354)	(16,290)	(19,354)	(16,290)
Collective impairment provisions				
- Made in the financial period	9,789	21,748	9,789	21,748
- Written back	(3,293)	(839)	(3,293)	(839)
Bad and doubtful debts on loans, advances and financing:-				
Written off	41,715	28,629	41,715	28,629
Recovered	(8,028)	(13,835)	(8,028)	(13,835)
	<u>84,896</u>	<u>57,076</u>	<u>84,896</u>	<u>57,076</u>

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25. 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 2013			31 December 2012		
	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Direct credit substitutes	2,043,705	2,043,571	607,795	1,699,935	1,698,521	423,905
Transaction-related contingent items	4,169,345	4,050,014	994,644	3,759,364	3,642,859	966,914
Short-term self liquidating trade-related contingencies	532,550	497,635	113,240	521,072	497,940	109,762
Sell and buy back agreements	61,792	61,792	8,562	-	-	-
Other commitments to extend credit:-						
- maturity not exceeding one year	12,890,971	4,908,987	1,566,674	13,261,669	4,594,421	1,499,749
- maturity exceeding one year	6,998,670	2,127,939	1,206,113	6,974,639	2,099,000	1,256,883
Foreign exchange related contracts:-						
- less than one year	34,214,950	681,248	164,359	42,695,582	734,554	156,436
- one year to less than five years	19,709,397	1,987,118	518,587	18,888,316	1,957,252	477,765
- five years and above	1,555,700	276,688	111,814	1,574,499	286,676	114,225
Interest rate related contracts:-						
- less than one year	20,257,272	51,783	6,375	21,996,302	84,276	9,742
- one year to less than five years	47,204,567	1,384,134	307,188	47,063,548	1,384,302	305,745
- five years and above	4,739,117	540,922	178,818	5,073,393	558,044	167,964
Miscellaneous commitments and contingencies	1,772,123	132,839	69,378	1,738,916	136,104	81,756
	<u>156,150,159</u>	<u>18,744,670</u>	<u>5,853,547</u>	<u>165,247,235</u>	<u>17,673,949</u>	<u>5,570,846</u>

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

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25. Commitments and contingencies (continued)

	31 March 2013			31 December 2012		
	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Bank						
Direct credit substitutes	2,041,780	2,041,710	607,574	1,696,370	1,696,300	423,294
Transaction-related contingent items	4,116,126	4,008,061	980,648	3,704,863	3,597,280	949,608
Short-term self liquidating trade-related contingencies	446,170	414,584	95,549	361,387	339,687	64,846
Sell and buy back agreements	61,792	61,792	8,562	-	-	-
Other commitments to extend credit:-						
- maturity not exceeding one year	11,689,148	4,451,433	1,424,032	12,434,304	4,294,769	1,398,489
- maturity exceeding one year	6,508,661	1,977,364	1,100,027	6,221,888	1,942,688	1,143,625
Foreign exchange related contracts:-						
- less than one year	34,214,950	681,249	163,012	42,695,582	734,554	155,309
- one year to less than five years	19,709,397	1,987,118	518,587	18,888,316	1,957,252	477,765
- five years and above	1,555,700	276,688	111,814	1,574,499	286,676	114,225
Interest rate related contracts:-						
- less than one year	20,257,272	51,783	6,310	22,196,302	84,476	9,681
- one year to less than five years	47,204,567	1,379,138	292,101	47,063,662	1,378,785	288,963
- five years and above	4,679,117	537,923	171,122	5,010,779	554,286	158,343
Miscellaneous commitments and contingencies	1,772,123	132,839	69,378	1,738,916	136,104	81,756
	<u>154,256,803</u>	<u>18,001,682</u>	<u>5,548,716</u>	<u>163,586,868</u>	<u>17,002,857</u>	<u>5,265,904</u>

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

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26. Interest rate risk

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

Group	← Non-trading books →					Trading books RM'000	Total RM'000	Effective interest rate (%)
	3 months or less RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
As at 31 March 2013								
Financial assets								
Cash and short term funds	3,878,537	-	-	-	905,447	-	4,783,984	2.83
Deposits and placements with banks and other financial institutions	320,000	-	11,864	-	-	-	331,864	3.06
Securities purchased under resale agreements	181,911	-	-	-	-	-	181,911	2.99
Financial assets held for trading	-	-	-	-	-	3,579,978	3,579,978	3.30
Investment securities available-for-sale	1,944,767	976,584	673,108	20,520	9,637	-	3,624,616	3.11
Loans, advances and financing								
- Performing	26,420,657	3,627,692	2,327,231	654,830	-	-	33,030,410	5.66
- Impaired	-	-	-	-	189,488	-	189,488	
Derivative financial assets	-	-	-	-	-	1,484,725	1,484,725	
Other balances	-	-	-	-	2,178,211	-	2,178,211	
	32,745,872	4,604,276	3,012,203	675,350	3,282,783	5,064,703	49,385,187	
Financial liabilities								
Deposits from customers	22,269,928	7,020,765	305,761	407,540	6,958,133	-	36,962,127	2.45
Deposits and placements of banks and other financial institutions	4,038,852	156,497	150,000	273,614	-	-	4,618,963	3.28
Derivative financial liabilities	-	-	-	-	-	1,322,262	1,322,262	
Other balances	-	-	-	-	2,157,520	-	2,157,520	
Subordinated debts	-	500,000	-	-	-	-	500,000	4.51
	26,308,780	7,677,262	455,761	681,154	9,115,653	1,322,262	45,560,872	
On-balance sheet interest sensitivity gap	6,437,092	(3,072,986)	2,556,442	(5,804)	(5,832,870)	3,742,441		
Off-balance sheet interest sensitivity gap	924,578	(2,556,873)	(1,990,133)	623,536	-	-		
Total interest sensitivity gap	7,361,670	(5,629,859)	566,309	617,732	(5,832,870)	3,742,441		

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26. Interest rate risk (continued)

Group As at 31 December 2012	← Non-trading books →				Non-interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate (%)
	3 months or less RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000				
Financial assets								
Cash and short term funds	4,404,546	-	-	-	902,003	-	5,306,549	2.47
Deposits and placements with banks and other financial institution	176,462	-	11,744	-	-	-	188,206	2.19
Securities purchased under resale agreements	118,227	29,914	-	-	-	-	148,141	2.47
Financial assets held for trading	-	-	-	-	-	3,391,192	3,391,192	3.21
Investment securities available-for-sale	2,254,245	2,088,170	1,630,359	132,116	9,909	-	6,114,799	3.01
Loans, advances and financing								
- Performing	25,044,955	4,396,793	2,577,359	643,489	-	-	32,662,596	5.73
- Impaired	-	-	-	-	206,356	-	206,356	
Derivative financial assets	-	-	-	-	-	1,589,143	1,589,143	
Other balances	-	-	-	-	1,942,537	-	1,942,537	
	31,998,435	6,514,877	4,219,462	775,605	3,060,805	4,980,335	51,549,519	
Financial liabilities								
Deposits from customers	18,750,509	6,788,012	333,885	401,952	9,290,128	-	35,564,486	3.08
Deposits and placements of banks and other financial institutions	7,754,748	242	210,051	349,615	-	-	8,314,656	2.94
Derivative financial liabilities	-	-	-	-	-	1,385,896	1,385,896	
Other balances	-	-	-	-	2,027,102	-	2,027,102	
Subordinated debts	-	500,000	-	-	-	-	500,000	4.51
	26,505,257	7,288,254	543,936	751,567	11,317,230	1,385,896	47,792,140	
On-balance sheet interest sensitivity gap	5,493,178	(773,377)	3,675,526	24,038	(8,256,425)	3,594,439		
Off-balance sheet interest sensitivity gap	(992,507)	(476,699)	(1,638,623)	479,120	-	-		
Total interest sensitivity gap	4,500,671	(1,250,076)	2,036,903	503,158	(8,256,425)	3,594,439		

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26. 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 As at 31 March 2013	Non-trading books					Trading books RM'000	Total RM'000	Effective interest rate (%)
	← 3 months or less RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	→ Non-interest sensitive RM'000			
Financial assets								
Cash and short term funds	1,954,849	-	-	-	890,141	-	2,844,990	2.73
Deposits and placements with banks and other financial institutions	772,054	425,000	11,864	25,504	-	-	1,234,422	2.91
Securities purchased under resale agreements	181,911	-	-	-	-	-	181,911	2.99
Financial assets held for trading	-	-	-	-	-	3,579,978	3,579,978	3.30
Investment securities available-for-sale	1,704,866	876,692	673,108	20,520	9,637	-	3,284,823	3.12
Loans, advances and financing								
- Performing	25,067,975	3,517,269	414,500	114,386	-	-	29,114,130	5.21
- Impaired	-	-	-	-	156,900	-	156,900	
Derivative financial assets	-	-	-	-	-	1,484,725	1,484,725	
Other balances	-	-	-	-	2,120,631	-	2,120,631	
	29,681,655	4,818,961	1,099,472	160,410	3,177,309	5,064,703	44,002,510	
Financial liabilities								
Deposits from customers	19,586,917	4,780,858	280,489	308,802	6,958,133	-	31,915,199	2.75
Deposits and placements of banks and other financial institutions	4,038,848	59,390	150,000	270,001	-	-	4,518,239	3.34
Derivative financial liabilities	-	-	-	-	-	1,322,262	1,322,262	
Other balances	-	-	-	-	2,470,384	-	2,470,384	
Subordinated debts	-	-	-	500,000	-	-	500,000	4.51
	23,625,765	4,840,248	430,489	1,078,803	9,428,517	1,322,262	40,726,084	
On-balance sheet interest sensitivity gap	6,055,890	(21,287)	668,983	(918,393)	(6,251,208)	3,742,441		
Off-balance sheet interest sensitivity gap	924,578	(2,556,873)	(1,990,133)	623,536	-	-		
Total interest sensitivity gap	6,980,468	(2,578,160)	(1,321,150)	(294,857)	(6,251,208)	3,742,441		

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26. Interest rate risk (continued)

Bank As at 31 December 2012	← Non-trading books →				Non-interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate (%)
	3 months or less RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000				
Financial assets								
Cash and short term funds	3,253,214	-	-	-	885,857	-	4,139,071	2.28
Deposits and placements with banks and other financial institutions	944,572	1,071,831	11,745	25,504	-	-	2,053,652	3.14
Securities purchased under resale agreements	118,227	29,914	-	-	-	-	148,141	2.47
Financial assets held for trading	-	-	-	-	-	3,391,192	3,391,192	3.21
Investment securities available-for-sale	1,450,176	1,750,605	1,630,359	132,116	9,909	-	4,973,165	3.00
Loans, advances and financing								
- Performing	23,809,262	4,267,231	538,595	141,311	-	-	28,756,399	5.29
- Impaired	-	-	-	-	175,841	-	175,841	
Derivative financial assets	-	-	-	-	-	1,589,144	1,589,144	
Other balances	-	-	-	-	2,188,024	-	2,188,024	
	29,575,451	7,119,581	2,180,699	298,931	3,259,631	4,980,336	47,414,629	
Financial liabilities								
Deposits from customers	16,418,597	5,342,339	305,594	307,525	9,290,128	-	31,664,183	3.12
Deposits and placements of banks and other financial institutions	7,655,949	242	210,051	346,001	-	-	8,212,243	3.02
Derivative financial liabilities	-	-	-	-	-	1,386,071	1,386,071	
Other balances	-	-	-	-	2,438,793	-	2,438,793	
Subordinated debts	-	500,000	-	-	-	-	500,000	4.51
	24,074,546	5,842,581	515,645	653,526	11,728,921	1,386,071	44,201,290	
On-balance sheet interest sensitivity gap	5,500,905	1,277,000	1,665,054	(354,595)	(8,469,290)	3,594,265		
Off-balance sheet interest sensitivity gap	(992,507)	(476,699)	(1,638,623)	479,120	-	-		
Total interest sensitivity gap	4,508,398	800,301	26,431	124,525	(8,469,290)	3,594,265		

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27. Capital adequacy

The capital adequacy ratios of the Group and the Bank as at 31 March 2013 are analysed as follows:-

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Tier 1 Capital				
Paid-up ordinary share capital	125,000	125,000	125,000	125,000
Share premium	375,000	375,000	375,000	375,000
Other reserves	2,884,760	2,760,535	2,746,473	2,628,296
Less: Deferred tax assets	(41,513)	(41,513)	(36,060)	(36,062)
Excess of Expected Loss over Expected Provisions under IRB approach	(358,280)	-	(242,867)	-
Unrealised gains and losses on 'available-for-sale' financial instruments	(476)	-	(422)	-
CET 1 capital	<u>2,984,491</u>	<u>3,219,022</u>	<u>2,967,124</u>	<u>3,092,234</u>
Musarakah Irredeemable Non-Cumulative Preference Shares	342,000	380,000	342,000	380,000
Eligible Tier 1 capital	<u>3,326,491</u>	<u>3,599,022</u>	<u>3,309,124</u>	<u>3,472,234</u>
Tier 2 Capital				
Subordinated debts	500,000	500,000	500,000	500,000
Collective impairment provisions under standardised approach	49,983	52,270	32,823	34,766
Surplus of total eligible provisions over total expected loss under AIRB approach	-	-	-	-
Regulatory reserves	150,000	150,000	150,000	150,000
	699,983	702,270	682,823	684,766
Less: Investment in subsidiaries	-	-	(511,522)	(411,522)
Excess of Expected Loss over Expected Provisions under IRB approach	-	(312,602)	-	(214,819)
Exclusion of collective impairment provisions on impaired loans	-	(47,394)	-	(30,460)
Transfer of deductions in excess of Tier 2 capital	-	-	-	-
Eligible Tier 2 capital	<u>699,983</u>	<u>342,274</u>	<u>171,301</u>	<u>27,965</u>
Total capital base	<u>4,026,474</u>	<u>3,941,296</u>	<u>3,480,425</u>	<u>3,500,199</u>

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

	Group		Bank	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Total risk-weighted assets:-				
Credit risk	26,165,298	24,843,338	22,847,184	21,806,983
Market risk	1,785,770	1,423,771	1,785,770	1,423,771
Operational risk	3,244,603	3,189,623	2,987,686	2,918,198
Large exposure for equity holdings	568	568	568	568
	<u>31,196,239</u>	<u>29,457,300</u>	<u>27,621,208</u>	<u>26,149,520</u>

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27. Capital adequacy (continued)

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

	Group		Bank	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Before proposed dividend:-				
CET 1 capital ratio	9.57%	10.93% **	10.74%	11.83% **
Tier 1 capital ratio	10.66%	12.22%	11.98%	13.28%
Risk-weighted capital ratio	12.91%	13.38%	12.60%	13.39%
After proposed dividend:-				
CET 1 capital ratio	9.09%	10.42% **	10.20%	11.25% **
Tier 1 capital ratio	10.18%	11.71%	11.44%	12.70%
Risk-weighted capital ratio	12.43%	12.87%	12.06%	12.81%

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

	31 March 2013	31 December 2012
CET 1 capital ratio	10.78%	11.48% **
Tier 1 capital ratio	10.78%	11.48%
Risk-weighted capital ratio	13.61%	11.48%

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

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