



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

**Financial statements for the three months
ended 31 March 2016**

Domiciled in Malaysia
Registered office/Principal place of business
Level 16, Menara Standard Chartered
No. 30, Jalan Sultan Ismail
50250 Kuala Lumpur

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

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	Group		Bank	
		31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Assets					
Cash and short term funds		6,564,678	6,889,236	4,879,106	5,907,593
Deposits and placements with banks and other financial institutions		405,720	16,475	5,211,515	5,697,714
Securities purchased under resale agreements		247,662	529,245	247,662	529,245
Financial assets held for trading	10	1,865,628	1,545,132	1,865,628	1,545,132
Investment securities available-for-sale	11	2,731,225	4,022,314	2,555,623	3,415,898
Loans, advances and financing	12	28,274,359	29,616,404	21,673,355	22,886,385
Derivative financial assets		3,290,638	4,686,880	3,291,976	4,687,947
Other assets	14	1,191,873	678,462	1,485,269	1,196,909
Current tax assets		107,225	129,293	93,540	113,311
Statutory deposits with Bank Negara Malaysia	15	704,540	876,100	483,550	615,014
Investments in subsidiaries		-	-	411,522	411,522
Property, plant and equipment		80,707	82,941	80,441	82,543
Deferred tax assets		46,415	44,780	42,480	42,953
Total assets		45,510,670	49,117,262	42,321,667	47,132,166
Liabilities					
Deposits from customers	16	31,771,563	32,961,050	28,387,384	29,495,746
Deposits and placements of banks and other financial institutions	17	2,678,742	4,142,685	2,587,463	4,025,867
Obligations on securities sold under repurchase agreements		-	352,549	-	352,549
Derivative financial liabilities		3,432,552	4,441,039	3,431,409	4,439,370
Other liabilities	18	2,152,792	1,895,175	2,633,770	3,680,843
Provision for credit commitments and contingencies	19	89,082	97,852	89,082	97,852
Subordinated debts		1,000,000	1,000,000	1,000,000	1,000,000
Total liabilities		41,124,731	44,890,350	38,129,108	43,092,227
Equity					
Share capital		163,000	163,000	163,000	163,000
Reserves		4,222,939	4,063,912	4,029,559	3,876,939
Total equity attributable to owner of the Bank		4,385,939	4,226,912	4,192,559	4,039,939
Total liabilities and equity		45,510,670	49,117,262	42,321,667	47,132,166
Commitments and contingencies	26	166,504,285	174,002,214	165,778,522	171,897,267

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 2015.

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 2016

	Note	Group			
		1st Quarter ended		Three months ended	
		31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Interest income	20	360,598	433,303	360,598	433,303
Interest expense	21	(161,817)	(202,966)	(161,817)	(202,966)
Net interest income		198,781	230,337	198,781	230,337
Net income from Islamic Banking operations	22	90,965	81,166	90,965	81,166
		289,746	311,503	289,746	311,503
Other operating income	23	194,662	158,479	194,662	158,479
Total net income		484,408	469,982	484,408	469,982
Other operating expenses	24	(239,988)	(256,616)	(239,988)	(256,616)
Operating profit		244,420	213,366	244,420	213,366
Provisions for loans, advances and financing	25	(33,404)	(57,132)	(33,404)	(57,132)
Profit before taxation		211,016	156,234	211,016	156,234
Tax expense		(51,706)	(39,626)	(51,706)	(39,626)
Profit for the period		159,310	116,608	159,310	116,608
Other comprehensive income/(expense), net of income tax					
Items that may be reclassified subsequently to profit or loss					
Fair value reserve (investment securities available-for-sale):-					
Net changes in fair value		4,340	17,239	4,340	17,239
Net amount transferred to profit or loss		(5,376)	(2,188)	(5,376)	(2,188)
Cash flow hedges:-					
Effective portion of changes in fair value		752	2,601	752	2,601
Net amount transferred to profit or loss		1	(86)	1	(86)
Other comprehensive (expense)/income for the period, net of income tax		(283)	17,566	(283)	17,566
Total comprehensive income for the period		159,027	134,174	159,027	134,174
Profit attributable to:					
Owner of the Bank		159,310	116,608	159,310	116,608
Total comprehensive income attributable to:					
Owner of the Bank		159,027	134,174	159,027	137,174

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 2015.

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 2016

	Note	Bank			
		1st Quarter ended		Three months ended	
		31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Interest income	20	413,692	463,816	413,692	463,816
Interest expense	21	(174,053)	(202,966)	(174,053)	(202,966)
Net interest income		239,639	260,850	239,639	260,850
Other operating income	23	214,907	182,393	214,907	182,393
Total net income		454,546	443,243	454,546	443,243
Other operating expenses	24	(225,211)	(250,320)	(225,211)	(250,320)
Operating profit		229,335	192,923	229,335	192,923
Provisions for loans, advances and financing	25	(28,548)	(56,113)	(28,548)	(56,113)
Profit before taxation		200,787	136,810	200,787	136,810
Tax expense		(49,183)	(34,758)	(49,183)	(34,758)
Profit for the period		151,604	102,052	151,604	102,052
Other comprehensive income/(expense), net of income tax					
Item that may be reclassified subsequently to profit or loss					
Fair value reserve (investment securities available-for-sale):-					
Net changes in fair value		5,639	17,194	5,639	17,194
Net amount transferred to profit or loss		(5,376)	(2,188)	(5,376)	(2,188)
Cash flow hedges:-					
Effective portion of changes in fair value		752	2,601	752	2,601
Net amount transferred to profit or loss		1	(86)	1	(86)
Other comprehensive income for the period, net of income tax		1,016	17,521	1,016	17,521
Total comprehensive income for the period		152,620	119,573	152,620	119,573

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 2015.

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 2016

GROUP	← Attributable to owner of the Bank →							Retained profits RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
	← Non-Distributable Reserves →				Distributable Reserves						
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Regulatory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000				
At 1 January 2016	163,000	717,000	265,750	260,000	190	8,828	(5,789)	2,817,933	4,226,912	-	4,226,912
Fair value reserve (investment securities available-for-sale):-											
Net changes in fair value	-	-	-	-	-	4,340	-	-	4,340	-	4,340
Net amount transferred to profit or loss	-	-	-	-	-	(5,376)	-	-	(5,376)	-	(5,376)
Cash flow hedges:-											
Effective portion of changes in fair value	-	-	-	-	-	-	752	-	752	-	752
Net amount transferred to profit or loss	-	-	-	-	-	-	1	-	1	-	1
Total other comprehensive (expense)/income for the period	-	-	-	-	-	(1,036)	753	-	(283)	-	(283)
Profit for the period	-	-	-	-	-	-	-	159,310	159,310	-	159,310
Total comprehensive (expense)/income for the period	-	-	-	-	-	(1,036)	753	159,310	159,027	-	159,027
At 31 March 2016	163,000	717,000	265,750	260,000	190	7,792	(5,036)	2,977,243	4,385,939	-	4,385,939

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 2015.

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 2016

GROUP	← Attributable to owner of the Bank →							Retained profits RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
	← Non-Distributable Reserves →				Distributable Reserves						
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Regulatory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000				
At 1 January 2015	163,000	717,000	265,750	260,000	190	(9,816)	(8,695)	2,829,188	4,216,617	2,884	4,219,501
Fair value reserve (investment securities available-for-sale):-											
Net changes in fair value	-	-	-	-	-	17,239	-	-	17,239	-	17,239
Net amount transferred to profit or loss	-	-	-	-	-	(2,188)	-	-	(2,188)	-	(2,188)
Cash flow hedges:-											
Effective portion of changes in fair value	-	-	-	-	-	-	2,601	-	2,601	-	2,601
Net amount transferred to profit or loss	-	-	-	-	-	-	(86)	-	(86)	-	(86)
Total other comprehensive income for the period	-	-	-	-	-	15,051	2,515	-	17,566	-	17,566
Profit for the period	-	-	-	-	-	-	-	116,608	116,608	-	116,608
Total comprehensive income for the period	-	-	-	-	-	15,051	2,515	116,608	134,174	-	134,174
At 31 March 2015	163,000	717,000	265,750	260,000	190	5,235	(6,180)	2,945,796	4,350,791	2,884	4,353,675

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 2015.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2016

BANK	← Attributable to owner of the Bank →							Distributable Reserves	Total equity
	← Non-Distributable Reserves →								
	Share capital	Share premium	Statutory reserves	Regulatory reserves	Capital redemption reserves	AFS reserves	Cash flow hedge reserves	Retained profits	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2016	163,000	717,000	163,000	260,000	190	6,966	(5,789)	2,735,572	4,039,939
Fair value reserve (investment securities available-for-sale):-									
Net changes in fair value	-	-	-	-	-	5,639	-	-	5,639
Net amount transferred to profit or loss	-	-	-	-	-	(5,376)	-	-	(5,376)
Cash flow hedges:-									
Effective portion of changes in fair value	-	-	-	-	-	-	752	-	752
Net amount transferred to profit or loss	-	-	-	-	-	-	1	-	1
Total other comprehensive income for the period	-	-	-	-	-	263	753	-	1,016
Profit for the period	-	-	-	-	-	-	-	151,604	151,604
Total comprehensive income for the period	-	-	-	-	-	263	753	151,604	152,620
At 31 March 2016	163,000	717,000	163,000	260,000	190	7,229	(5,036)	2,887,176	4,192,559

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 2015.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2016

BANK	← Attributable to owner of the Bank →							Distributable Reserves	Total equity RM'000
	← Non-Distributable Reserves →								
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Regulatory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000	Retained profits RM'000	
At 1 January 2015	163,000	717,000	163,000	260,000	190	(9,795)	(8,695)	2,764,005	4,048,705
Fair value reserve (investment securities available-for-sale):-									
Net changes in fair value	-	-	-	-	-	17,194	-	-	17,194
Net amount transferred to profit or loss	-	-	-	-	-	(2,188)	-	-	(2,188)
Cash flow hedges:-									
Effective portion of changes in fair value	-	-	-	-	-	-	2,601	-	2,601
Net amount transferred to profit or loss	-	-	-	-	-	-	(86)	-	(86)
Total other comprehensive income for the period	-	-	-	-	-	15,006	2,515	-	17,521
Profit for the period	-	-	-	-	-	-	-	102,052	102,052
Total comprehensive income for the period	-	-	-	-	-	15,006	2,515	102,052	119,573
At 31 March 2015	163,000	717,000	163,000	260,000	190	5,211	(6,180)	2,866,057	4,168,278

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 2015.

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 2016

	Group		Bank	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Profit before taxation	211,016	156,234	200,787	136,810
Adjustment for non-cash items	2,285	(5,443)	2,872	(5,136)
Operating profit before working capital changes	213,301	150,791	203,659	131,674
Changes in working capital:-				
Net changes in operating assets	960,792	3,339,200	1,892,434	2,686,414
Net changes in operating liabilities	(2,757,129)	(2,477,983)	(3,955,158)	(3,240,049)
Income taxes paid	(31,196)	(22,119)	(29,278)	(21,444)
Net cash (used in) / generated from operating activities	(1,614,232)	989,889	(1,888,343)	(443,405)
Net cash generated from / (used in) investing activities	1,289,674	(500,779)	859,856	(500,779)
Net (decrease) / increase in cash and cash equivalents	(324,558)	489,110	(1,028,487)	(944,184)
Cash and cash equivalent at beginning of the period	6,889,236	5,825,358	5,907,593	6,013,052
Cash and cash equivalent for asset classified as held for sale	-	(16,284)	-	-
Cash and cash equivalent at end of the period	<u>6,564,678</u>	<u>6,298,184</u>	<u>4,879,106</u>	<u>5,068,868</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 2015.

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

REVIEW OF PERFORMANCE

The Group registered profit before taxation of RM211.02 million for the first quarter of 2016, 35.06% higher as compared to the corresponding period last year, with provision for loans, advances and financing showing a 41.53% improvement year on year.

Net interest income, however, declined by 13.70% to RM198.78 million. Included in other operating income of RM194.67 million is a RM41 million Credit Value Adjustment ("CVA") release, attributable to both lower derivative credit exposures and improved market sentiments. Meanwhile, other operating expenses decreased by 6.48% to RM240.0 million.

The Group's total assets decreased by 7.34% to RM 45.51 billion as loan growth continued to moderate since last year. Meanwhile, customer deposits decreased by 3.61% to RM 31.77 billion. However, the Group remains well capitalised with Common Equity Tier 1 capital ratio and Total Capital Ratio of 13.10% and 18.41%, respectively.

PROSPECTS

In line with the Standard Chartered PLC Group's refreshed and sharpened strategy, the three restructured client business will continue to differentiate against local and international competition, and deliver greater efficiency. Our Corporate & Institutional Banking and Commercial Banking segments will focus on optimisation of capital, while continuing to deepen client relationships. Meanwhile, our Retail Banking's strategic initiatives will continue on the digital agenda to improve customer experience.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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Notes to the financial statements for the three months ended 31 March 2016

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 2016 have been prepared in accordance with Malaysian Financial Reporting Standards ("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.

The following MFRSs and Amendments to MFRSs have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective:

MFRSs and Amendments to MFRSs effective for annual periods beginning on or after 1 January 2018

- i) MFRS 9 *Financial Instruments (2014)*
- ii) MFRS 15 *Revenue from Contracts with Customers*

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

- i) Amendments to MFRS 10 *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The initial application of the abovementioned accounting standards and amendments are not expected to have any material impact to the financial statements of the Group except as mentioned below:-

MFRS 15, Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfer of Assets from Customers and IC Interpretation 131, Revenue - Barter Transactions Involving Advertising Services.

The Group and the Bank are currently assessing the financial impact that may arise from the adoption of MFRS 15.

MFRS 9, Financial Instruments

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 are 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 2015. 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 2015.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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2. Auditor's report on preceding annual financial statements

The auditor's report on the financial statements for the financial year ended 31 December 2015 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 2016.

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 2016.

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 2016.

7. Dividend

There were no dividend proposed for the first quarter and the three months ended 31 March 2016.

8. 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.

9. Changes in the composition of the Group

There were no significant changes in the composition of the Group during the three months ended 31 March 2016.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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10. Financial assets held for trading

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
	<u>At fair value</u>			
Malaysian Government treasury bills	-	1,348	-	1,348
Malaysian Government bonds/securities	1,768,708	1,201,068	1,768,708	1,201,068
Government Islamic bonds	731	172,537	731	172,537
Bank Negara Malaysia bills	-	1,576	-	1,576
Private debt securities	96,189	168,603	96,189	168,603
	<u>1,865,628</u>	<u>1,545,132</u>	<u>1,865,628</u>	<u>1,545,132</u>

11. Investment securities available-for-sale

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
	<u>At fair value</u>			
Malaysian Government treasury bills	78,805	74,542	3,810	-
Malaysian Government bonds/ securities	1,197,989	1,069,435	1,197,989	1,069,435
Bank Negara Malaysia bills	18,405	49,860	18,405	-
Bankers' acceptances and Islamic acceptance bills	-	211,395	-	211,395
Negotiable instruments of deposit	1,125,429	1,975,397	1,125,429	1,975,397
Government Islamic bonds	150,844	482,014	50,237	-
Private debt securities	150,412	150,330	150,412	150,330
	<u>2,721,884</u>	<u>4,012,973</u>	<u>2,546,282</u>	<u>3,406,557</u>
Unquoted securities:-				
Equity shares, at cost	9,098	9,098	9,098	9,098
Private debt securities, at fair value	243	243	243	243
	<u>2,731,225</u>	<u>4,022,314</u>	<u>2,555,623</u>	<u>3,415,898</u>

STANDARD CHARTERED BANK MALAYSIA BERHAD
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12. Loans, advances and financing**(i) By type**

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
<u>At amortised cost</u>				
Overdrafts	418,201	519,042	418,201	519,042
Term loans/financing				
- Housing loans/financing	13,009,093	13,277,804	9,802,300	10,041,505
- Syndicated term loan/financing	156,374	128,762	156,374	128,762
- Hire purchase receivables	146,569	154,638	-	-
- Lease receivables	212,131	234,699	-	-
- Other term loans/financing	8,211,701	8,429,728	5,728,309	5,899,840
Bills receivable	3,003,091	3,074,787	2,582,325	2,790,475
Trust receipts	966,659	1,293,058	612,641	776,980
Staff loans/financing	36,066	38,903	32,781	36,631
Loans/financing to banks and other financial institutions	53,247	188,731	53,247	188,731
Credit card receivables	2,152,331	2,249,159	2,152,331	2,249,159
Revolving credit	1,588,879	1,803,494	1,047,062	1,229,055
	<u>29,954,342</u>	<u>31,392,805</u>	<u>22,585,571</u>	<u>23,860,180</u>
Less: Unearned interest and income	(662,300)	(692,028)	(9,590)	(11,393)
Gross loans, advances and financing	<u>29,292,042</u>	<u>30,700,777</u>	<u>22,575,981</u>	<u>23,848,787</u>
Less: Impairment provisions on loans, advances and financing:-				
- Individual impairment provisions	(654,870)	(702,759)	(626,439)	(674,137)
- Collective impairment provisions	(362,813)	(381,614)	(276,187)	(288,265)
Total net loans, advances and financing	<u><u>28,274,359</u></u>	<u><u>29,616,404</u></u>	<u><u>21,673,355</u></u>	<u><u>22,886,385</u></u>

(ii) By type of customer

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Domestic banking institutions	250,454	395,793	250,454	395,793
Domestic non-bank financial institutions	342,545	345,052	141,708	144,157
Domestic business enterprises	10,898,788	11,574,613	8,036,874	8,738,891
<i>Small medium enterprises</i>	<u>3,843,249</u>	<u>3,995,283</u>	<u>2,736,331</u>	<u>2,896,906</u>
<i>Others</i>	<u>7,055,539</u>	<u>7,579,330</u>	<u>5,300,543</u>	<u>5,841,985</u>
Individuals	15,557,046	16,033,328	12,467,139	12,872,440
Other domestic entities	293	227	293	227
Foreign entities	2,242,916	2,351,764	1,679,513	1,697,279
	<u>29,292,042</u>	<u>30,700,777</u>	<u>22,575,981</u>	<u>23,848,787</u>

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

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Fixed rate				
Housing loans/financing	18,768	20,657	17,291	18,903
Other fixed rate loan/financing	4,693,867	4,898,140	3,323,356	3,310,005
Variable rate				
BLR plus/ Base rate plus	15,981,480	16,360,951	12,745,223	13,126,406
Cost plus	7,664,610	8,451,830	6,366,872	7,271,748
Other variable rates	933,317	969,199	123,239	121,725
	<u>29,292,042</u>	<u>30,700,777</u>	<u>22,575,981</u>	<u>23,848,787</u>

(iv) By sector

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Agriculture	66,374	111,073	63,193	108,257
Mining and quarrying	221,256	269,982	43,579	88,750
Manufacturing	4,257,336	4,518,644	3,378,281	3,676,446
Electricity, gas and water	38,224	40,474	35,949	38,151
Construction	532,518	658,498	365,689	502,528
Real estate	1,469,148	1,508,374	1,145,711	1,174,690
Wholesale & retail trade and restaurants & hotels	2,641,846	2,765,848	1,942,024	2,042,969
Transportation, storage and communication	335,294	368,000	240,353	267,489
Finance, insurance and business services	1,669,935	1,827,324	1,095,619	1,269,414
Household	17,640,924	18,134,039	14,035,747	14,460,336
Others	419,187	498,521	229,836	219,757
	<u>29,292,042</u>	<u>30,700,777</u>	<u>22,575,981</u>	<u>23,848,787</u>

(v) By purpose

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Purchase of landed property	16,248,851	16,583,181	12,406,448	12,713,896
- Residential	<u>12,864,002</u>	<u>13,133,873</u>	<u>9,933,416</u>	<u>10,186,013</u>
- Non-residential	<u>3,384,849</u>	<u>3,449,308</u>	<u>2,473,032</u>	<u>2,527,883</u>
Fixed assets excluding land & building	142,477	147,954	-	-
Personal use	1,377,086	1,471,987	935,905	985,537
Credit cards	2,152,331	2,249,159	2,152,331	2,249,159
Working capital	9,317,000	10,059,957	7,027,000	7,711,656
Others	54,297	188,539	54,297	188,539
	<u>29,292,042</u>	<u>30,700,777</u>	<u>22,575,981</u>	<u>23,848,787</u>

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

	Group		Bank	
	31 March 2016	2015	31 March 2016	31 December 2015
	RM'000	RM'000	RM'000	RM'000
Maturing within one year	8,521,522	9,293,539	7,347,987	8,057,483
One year to three years	1,782,633	1,947,164	1,076,520	1,383,929
Three years to five years	2,062,119	2,236,844	1,324,555	1,245,065
Over five years	16,925,768	17,223,230	12,826,919	13,162,310
	<u>29,292,042</u>	<u>30,700,777</u>	<u>22,575,981</u>	<u>23,848,787</u>

(vii) By geographical distribution

	Group		Bank	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	RM'000	RM'000	RM'000	RM'000
Within Malaysia	29,258,155	30,665,633	22,542,094	23,813,643
Outside Malaysia	33,887	35,144	33,887	35,144
	<u>29,292,042</u>	<u>30,700,777</u>	<u>22,575,981</u>	<u>23,848,787</u>

(viii) Analysis of foreign currency exposure

	Group		Bank	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	RM'000	RM'000	RM'000	RM'000
USD	3,578,353	3,864,791	2,572,996	2,785,732
GBP	26,332	24,066	26,332	24,066
Other foreign currencies	9,868	12,244	9,868	12,244
	<u>3,614,553</u>	<u>3,901,061</u>	<u>2,609,196</u>	<u>2,812,042</u>

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

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
At 1 January	1,287,013	1,124,432	1,250,196	1,086,311
Currency translation differences	(46,900)	11,280	(46,900)	11,280
Classified as impaired during the financial period/year	150,159	1,059,936	120,123	984,838
Reclassified as performing during the financial period/year	(88,569)	(187,648)	(72,798)	(174,737)
Amount recovered during the financial period/year	(9,687)	(360,356)	(8,830)	(347,291)
Amount written off during the financial period/year	(85,800)	(360,631)	(75,408)	(310,205)
At end of reporting period/year	<u>1,206,216</u>	<u>1,287,013</u>	<u>1,166,383</u>	<u>1,250,196</u>
Individual impairment provisions	<u>(654,870)</u>	<u>(702,759)</u>	<u>(626,439)</u>	<u>(674,137)</u>
Net impaired loans, advances and financing	<u>551,346</u>	<u>584,254</u>	<u>539,944</u>	<u>576,059</u>

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

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Collective impairment provisions				
At 1 January	381,614	354,529	288,265	235,492
Impairment made during the financial period/year	34,719	110,319	32,890	92,574
Amount written back	(53,520)	(83,234)	(44,968)	(39,801)
At end of reporting period/year	<u>362,813</u>	<u>381,614</u>	<u>276,187</u>	<u>288,265</u>
As a percentage of gross loans, advances and financing less individual impairment provisions	<u>1.27%</u>	<u>1.27%</u>	<u>1.26%</u>	<u>1.24%</u>
Individual impairment provisions				
At 1 January	702,759	406,631	674,137	382,841
Currency translation differences	(15,870)	11,280	(15,870)	11,280
Impairment made during the financial period/year	55,104	561,307	37,227	496,187
Amount written back	(19,473)	(75,507)	(16,275)	(65,197)
Amount written off	(67,650)	(200,952)	(52,780)	(150,974)
At end of reporting period/year	<u>654,870</u>	<u>702,759</u>	<u>626,439</u>	<u>674,137</u>

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

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Agriculture	33,003	33,741	33,003	33,741
Mining and quarrying	-	1,519	-	1,519
Manufacturing	741,662	805,653	740,766	804,065
Construction	4,578	4,437	4,552	4,373
Real estate	27,980	28,801	27,980	28,801
Wholesale & retail trade and restaurants & hotels	177,774	150,369	174,927	148,418
Transportation, storage and communication	5,460	7,053	4,934	6,428
Finance, insurance and business services	4,104	1,469	4,091	1,469
Education, health & others				
Household	210,524	252,952	175,120	220,475
Others	1,131	1,019	1,010	907
	<u>1,206,216</u>	<u>1,287,013</u>	<u>1,166,383</u>	<u>1,250,196</u>

(iv) Impaired loans, advances and financing by purpose

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Purchase of landed property	132,138	132,685	113,830	121,838
- Residential	<u>123,604</u>	<u>125,113</u>	<u>106,278</u>	<u>115,359</u>
- Non-residential	<u>8,534</u>	<u>7,572</u>	<u>7,552</u>	<u>6,479</u>
Fixed assets excluding land & building	719	859	-	-
Personal use	87,097	95,067	70,001	73,437
Credit cards	15,513	18,728	15,513	18,728
Working capital	970,749	1,039,674	967,039	1,036,193
	<u>1,206,216</u>	<u>1,287,013</u>	<u>1,166,383</u>	<u>1,250,196</u>

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

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Within Malaysia	1,205,901	1,286,748	1,166,068	1,249,931
Outside Malaysia	315	265	315	265
	<u>1,206,216</u>	<u>1,287,013</u>	<u>1,166,383</u>	<u>1,250,196</u>

14. Other assets

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Interest/Income receivables	40,998	43,383	52,283	51,685
Unquoted Subordinated Sukuk of a subsidiary company	-	-	100,000	100,000
Other receivables, deposits and prepayments	1,150,875	635,079	1,332,986	1,045,224
	<u>1,191,873</u>	<u>678,462</u>	<u>1,485,269</u>	<u>1,196,909</u>

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15. Statutory deposits with Bank Negara Malaysia

The non-interest bearing statutory deposits maintained with Bank Negara Malaysia are in compliance with Section 26(2)(c) of the Central Bank of Malaysia Act, 2009 to satisfy the Statutory Reserve Requirement ("SRR"); the amounts of which are determined at set percentages of total eligible liabilities.

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

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Demand deposits	14,915,102	15,261,344	13,168,006	13,828,705
Savings deposits	3,447,009	3,550,838	3,364,286	3,385,688
Fixed/Investment deposits	12,980,705	13,719,872	11,539,056	11,963,418
Negotiable instruments of deposits	428,747	428,996	316,036	317,935
	<u>31,771,563</u>	<u>32,961,050</u>	<u>28,387,384</u>	<u>29,495,746</u>

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

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Due within six months	10,555,179	10,982,067	9,259,622	9,647,974
Six months to one year	2,172,286	2,375,496	2,063,340	1,976,490
One year to three years	100,821	259,541	79,196	125,125
Three years to five years	581,057	531,655	452,825	531,655
Over five years	109	109	109	109
	<u>109</u>	<u>109</u>	<u>109</u>	<u>109</u>

(ii) By type of customers

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Government and statutory bodies	97,164	205,497	61,059	69,440
Business enterprises	12,621,413	13,220,656	11,713,888	12,198,045
Individuals	14,601,877	15,483,576	12,982,983	13,619,376
Others	4,451,109	4,051,321	3,629,454	3,608,885
	<u>31,771,563</u>	<u>32,961,050</u>	<u>28,387,384</u>	<u>29,495,746</u>

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17. Deposits and placements of banks and other financial institutions

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Licensed banks	666,932	1,030,085	666,932	1,030,084
Bank Negara Malaysia	11,455	144,505	11,455	144,505
Other financial institutions	2,000,355	2,968,095	1,909,076	2,851,278
	<u>2,678,742</u>	<u>4,142,685</u>	<u>2,587,463</u>	<u>4,025,867</u>

18. Other liabilities

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Interest/Income payable	179,736	187,214	189,095	183,862
Amount owing to subsidiaries	-	-	22	22
Other payables and accruals	1,973,056	1,707,961	2,444,653	3,496,959
	<u>2,152,792</u>	<u>1,895,175</u>	<u>2,633,770</u>	<u>3,680,843</u>

19. Provision for credit commitments and contingencies

	Group and Bank	
	31 March 2016 RM'000	31 December 2015 RM'000
As at 1 January	97,852	-
Currency translation difference	(8,770)	-
Provision made during the financial period/year	-	97,852
As at end of reporting period/ year	<u>89,082</u>	<u>97,852</u>

Provision for credit commitments and contingencies comprises those undrawn contractually committed facilities and contingent exposures where there is doubt as to borrowers' ability to meet their repayment obligations.

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20. Interest income

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from impaired loans	295,026	337,879	295,026	337,879
- Recoveries from impaired loans	7,951	6,126	7,951	6,126
Money at call and deposit placements with banks and other financial institutions	13,127	13,822	13,127	13,822
Financial assets held for trading	15,592	25,225	15,592	25,225
Investment securities available-for-sale	28,902	50,251	28,902	50,251
	<u>360,598</u>	<u>433,303</u>	<u>360,598</u>	<u>433,303</u>

	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from impaired loans	295,026	337,879	295,026	337,879
- Recoveries from impaired loans	7,951	6,126	7,951	6,126
Money at call and deposit placements with banks and other financial institutions	66,221	44,335	66,221	44,335
Financial assets held for trading	15,592	25,225	15,592	25,225
Investment securities available-for-sale	28,902	50,251	28,902	50,251
	<u>413,692</u>	<u>463,816</u>	<u>413,692</u>	<u>463,816</u>

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21. Interest expense

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	12,364	29,154	12,364	29,154
Deposits from customers	136,529	161,749	136,529	161,749
Subordinated debts	12,924	12,063	12,924	12,063
	<u>161,817</u>	<u>202,966</u>	<u>161,817</u>	<u>202,966</u>

	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	24,600	29,154	24,600	29,154
Deposits from customers	136,529	161,749	136,529	161,749
Subordinated debts	12,924	12,063	12,924	12,063
	<u>174,053</u>	<u>202,966</u>	<u>174,053</u>	<u>202,966</u>

22. Net income from Islamic Banking operations

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	72,631	72,061	72,631	72,061
Income attributable to depositors	<u>(11,189)</u>	<u>(26,186)</u>	<u>(11,189)</u>	<u>(26,186)</u>
Income attributable to the Bank	61,442	45,875	61,442	45,875
Income derived from investment of Islamic banking capital funds and shareholder's funds	29,523	35,291	29,523	35,291
	<u>90,965</u>	<u>81,166</u>	<u>90,965</u>	<u>81,166</u>

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23. Other operating income

	Group			
	1st Quarter ended 31 March 2016 RM'000	31 March 2015 RM'000	Three months ended 31 March 2016 RM'000	31 March 2015 RM'000
Fee and commission				
Fee and commission income:-				
Arising from financial instruments not fair valued through profit or loss	65,600	72,475	65,600	72,475
- <i>Commission income</i>	35,299	47,175	35,299	47,175
- <i>Service fees</i>	17,463	13,196	17,463	13,196
- <i>Guarantee fees</i>	12,838	12,104	12,838	12,104
Fee and commission expense:-				
Arising from financial instruments not fair valued through profit or loss	(14,471)	(13,241)	(14,471)	(13,241)
- <i>Commission charges</i>	(4,853)	(2,575)	(4,853)	(2,575)
- <i>Service charges</i>	(9,618)	(10,666)	(9,618)	(10,666)
	<u>51,129</u>	<u>59,234</u>	<u>51,129</u>	<u>59,234</u>
Net trading income				
(Losses)/gains from sale of financial assets held for trading and derivative financial instruments	(101,204)	146,598	(101,204)	146,598
Unrealised gains/(losses) on revaluation of financial assets held for trading and other financial instruments	160,505	(123,404)	160,505	(123,404)
Foreign exchange currency				
- (Losses)/gains from dealing in foreign currency	(23,479)	58,751	(23,479)	58,751
- Unrealised gains from foreign exchange translation	104,237	14,130	104,237	14,130
	<u>140,059</u>	<u>96,075</u>	<u>140,059</u>	<u>96,075</u>
Other income				
Gains from sale of investment securities available-for-sale	3,239	1,148	3,239	1,148
Gross dividends from unquoted investments	-	1,946	-	1,946
Rental income	8	8	8	8
Gain on disposal of property, plant and equipment	-	7	-	7
Others	227	61	227	61
	<u>3,474</u>	<u>3,170</u>	<u>3,474</u>	<u>3,170</u>
Total other operating income	<u><u>194,662</u></u>	<u><u>158,479</u></u>	<u><u>194,662</u></u>	<u><u>158,479</u></u>

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23. Other operating income (continued)

	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Fee and commission				
Fee and commission income:-				
Arising from financial instruments not fair valued through profit or loss	65,600	72,475	65,600	72,475
- <i>Commission income</i>	35,299	47,175	35,299	47,175
- <i>Service fees</i>	17,463	13,196	17,463	13,196
- <i>Guarantee fees</i>	12,838	12,104	12,838	12,104
Fee and commission expense:-				
Arising from financial instruments not fair valued through profit or loss	(14,471)	(13,241)	(14,471)	(13,241)
- <i>Commission charges</i>	(4,853)	(2,575)	(4,853)	(2,575)
- <i>Service charges</i>	(9,618)	(10,666)	(9,618)	(10,666)
	<u>51,129</u>	<u>59,234</u>	<u>51,129</u>	<u>59,234</u>
Net trading income				
(Losses)/gains from sale of financial assets held for trading and derivative financial instruments	(101,204)	146,598	(101,204)	146,598
Unrealised gains/(losses) on revaluation of financial assets held for trading and other financial instruments	160,505	(123,404)	160,505	(123,404)
Foreign exchange currency				
- (Losses)/gains from dealing in foreign currency	(23,479)	58,751	(23,479)	58,751
- Unrealised gains from foreign exchange translation	104,237	14,130	104,237	14,130
	<u>140,059</u>	<u>96,075</u>	<u>140,059</u>	<u>96,075</u>
Other income				
Gains from sale of investment securities available-for-sale	3,239	1,148	3,239	1,148
Gross dividends from unquoted investments	-	1,946	-	1,946
Rental income	8	8	8	8
Gain on disposal of property, plant and equipment	-	7	-	7
Others	20,472	23,975	20,472	23,975
	<u>23,719</u>	<u>27,084</u>	<u>23,719</u>	<u>27,084</u>
Total other operating income	<u>214,907</u>	<u>182,393</u>	<u>214,907</u>	<u>182,393</u>

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24. Other operating expenses

	Group			
	1st Quarter ended 31 March 2016 RM'000	31 March 2015 RM'000	Three months ended 31 March 2016 RM'000	31 March 2015 RM'000
Personnel costs				
- Salaries, bonuses, wages and allowances	84,158	88,946	84,158	88,946
- Pension fund contributions	9,279	9,717	9,279	9,717
- Other staff related cost	4,803	9,627	4,803	9,627
	<u>98,240</u>	<u>108,290</u>	<u>98,240</u>	<u>108,290</u>
Establishment costs				
- Depreciation of property, plant and equipment	6,243	7,432	6,243	7,432
- Rental	6,460	6,803	6,460	6,803
- Information technology and project expenses	36,124	28,976	36,124	28,976
- Others	13,600	14,037	13,600	14,037
	<u>62,427</u>	<u>57,248</u>	<u>62,427</u>	<u>57,248</u>
Marketing expenses				
- Advertisement and publicity	3,416	1,818	3,416	1,818
- Others	3,928	4,383	3,928	4,383
	<u>7,344</u>	<u>6,201</u>	<u>7,344</u>	<u>6,201</u>
Administration and general expenses				
- Communication expenses	2,709	2,797	2,709	2,797
- Group administration and business support expenses	29,188	35,104	29,188	35,104
- Outsourcing expenses	22,933	25,292	22,933	25,292
- Others	17,147	21,684	17,147	21,684
	<u>71,977</u>	<u>84,877</u>	<u>71,977</u>	<u>84,877</u>
Total other operating expenses	<u><u>239,988</u></u>	<u><u>256,616</u></u>	<u><u>239,988</u></u>	<u><u>256,616</u></u>

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24. Other operating expenses (continued)

	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, bonuses, wages and allowances	82,123	88,034	82,123	88,034
- Pension fund contributions	9,279	9,717	9,279	9,717
- Other staff related cost	4,536	9,193	4,536	9,193
	<u>95,938</u>	<u>106,944</u>	<u>95,938</u>	<u>106,944</u>
Establishment costs				
- Depreciation of property, plant and equipment	6,111	6,916	6,111	6,916
- Rental	6,058	6,294	6,058	6,294
- Information technology and project expenses	36,116	28,950	36,116	28,950
- Others	13,117	13,447	13,117	13,447
	<u>61,402</u>	<u>55,607</u>	<u>61,402</u>	<u>55,607</u>
Marketing expenses				
- Advertisement and publicity	3,414	1,806	3,414	1,806
- Others	3,902	4,313	3,902	4,313
	<u>7,316</u>	<u>6,119</u>	<u>7,316</u>	<u>6,119</u>
Administration and general expenses				
- Communication expenses	2,667	2,734	2,667	2,734
- Group administration and business support expenses	18,607	33,394	18,607	33,394
- Outsourcing expenses	22,933	25,292	22,933	25,292
- Others	16,348	20,230	16,348	20,230
	<u>60,555</u>	<u>81,650</u>	<u>60,555</u>	<u>81,650</u>
Total other operating expenses	<u><u>225,211</u></u>	<u><u>250,320</u></u>	<u><u>225,211</u></u>	<u><u>250,320</u></u>

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25. Provisions for loans, advances and financing

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Provisions for loans, advances and financing:-				
Individual impairment provisions	40,498	70,032	40,498	70,032
- Made in the financial period	42,521	67,797	42,521	67,797
- Discounting of expected cashflows	12,583	16,528	12,583	16,528
- Written back	(14,606)	(14,293)	(14,606)	(14,293)
Collective impairment provisions				
- Made in the financial period	34,719	4,077	34,719	4,077
- Written back	(53,520)	(21,119)	(53,520)	(21,119)
Bad and doubtful debts on loans, advances and financing:-				
Written off	33,465	35,456	33,465	35,456
Recovered	(21,758)	(31,314)	(21,758)	(31,314)
	<u>33,404</u>	<u>57,132</u>	<u>33,404</u>	<u>57,132</u>
	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Provisions for loans, advances and financing:-				
Individual impairment provisions	25,819	55,782	25,819	55,782
- Made in the financial period	24,644	51,339	24,644	51,339
- Discounting of expected cashflows	12,583	16,528	12,583	16,528
- Written back	(11,408)	(12,085)	(11,408)	(12,085)
Collective impairment provisions				
- Made in the financial period	32,890	2,702	32,890	2,702
- Written back	(44,968)	(9,676)	(44,968)	(9,676)
Bad and doubtful debts on loans, advances and financing:-				
Written off	33,465	35,456	33,465	35,456
Recovered	(18,658)	(28,151)	(18,658)	(28,151)
	<u>28,548</u>	<u>56,113</u>	<u>28,548</u>	<u>56,113</u>

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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 2016			31 December 2015		
	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	2,658,304	2,658,304	1,095,478	3,057,485	3,057,485	1,177,455
Transaction-related contingent items	3,988,513	3,988,513	997,561	4,143,266	4,143,266	1,052,663
Short-term self liquidating trade-related contingencies	166,540	166,441	41,781	257,117	256,653	69,028
Other commitments to extend credit:-						
- maturity not exceeding one year	34,121,744	3,875,792	1,584,625	36,650,829	4,284,899	1,630,547
- maturity exceeding one year	3,201,528	1,012,207	766,955	3,307,784	1,139,661	846,055
Foreign exchange related contracts:-						
- less than one year	37,007,450	1,693,112	370,795	37,895,111	1,980,582	480,918
- one year to less than five years	15,651,974	2,224,045	750,485	17,890,717	3,331,736	761,596
- five years and above	2,667,109	689,144	209,005	2,775,301	849,789	187,708
Interest rate related contracts:-						
- less than one year	16,435,281	48,131	5,732	14,047,615	36,978	7,203
- one year to less than five years	39,986,165	1,138,922	177,531	44,620,631	1,241,425	198,539
- five years and above	6,419,050	586,348	113,901	7,017,272	566,229	87,435
Miscellaneous commitments and contingencies	4,200,627	305,672	93,396	2,339,086	173,793	28,981
	<u>166,504,285</u>	<u>18,386,631</u>	<u>6,207,245</u>	<u>174,002,214</u>	<u>21,062,496</u>	<u>6,528,128</u>

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26. Commitments and contingencies (continued)

	31 March 2016			31 December 2015		
	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	2,657,059	2,657,059	1,095,215	3,056,141	3,056,141	1,177,153
Transaction-related contingent items	3,810,001	3,832,818	969,367	3,972,160	3,972,160	1,010,282
Short-term self liquidating trade-related contingencies	122,119	161,902	40,213	132,058	131,594	30,604
Other commitments to extend credit:-						
- maturity not exceeding one year	34,481,546	3,490,452	1,521,434	36,010,526	3,939,414	1,494,253
- maturity exceeding one year	2,294,619	796,898	527,706	2,598,880	880,538	647,950
Foreign exchange related contracts:-						
- less than one year	37,040,992	1,693,639	364,575	37,956,009	1,981,713	479,727
- one year to less than five years	15,651,974	2,456,545	802,945	17,890,717	3,331,736	527,351
- five years and above	2,667,109	689,144	209,005	2,775,301	849,789	187,708
Interest rate related contracts:-						
- less than one year	16,720,504	48,134	5,736	14,360,918	36,978	7,203
- one year to less than five years	39,679,349	1,155,607	195,746	43,768,589	1,215,706	196,205
- five years and above	6,419,050	586,348	113,901	7,017,272	566,229	87,435
Miscellaneous commitments and contingencies	4,234,200	308,552	94,206	2,358,696	176,856	29,880
	<u>165,778,522</u>	<u>17,877,098</u>	<u>5,940,049</u>	<u>171,897,267</u>	<u>20,138,854</u>	<u>5,875,751</u>

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

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27. Fair values of financial assets and liabilities

Fair value hierarchy

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

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

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

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

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

Fair value hierarchy (continued)

Group	Fair value of financial instruments carried at fair value			
	Level 1	Level 2	Level 3	Total
31 March 2016	RM'000	RM'000	RM'000	RM'000
Assets				
Financial assets held for trading				
Debt securities	-	1,865,628	-	1,865,628
Derivative financial instruments	8,033	3,282,605	-	3,290,638
Investment securities available-for-sale				
Malaysian Government / Bank Negara Bills	-	97,210	-	97,210
Debt securities	-	2,624,917	-	2,624,917
At 31 March 2016	8,033	7,870,360	-	7,878,393
Liabilities				
Deposits from customers	-	123,670	-	123,670
Deposits and placements of banks and other financial institutions	-	428,191	-	428,191
Derivative financial instruments	10,297	3,422,255	-	3,432,552
At 31 March 2016	10,297	3,974,116	-	3,984,413

Group	Fair value of financial instruments carried at fair value			
	Level 1	Level 2	Level 3	Total
31 December 2015	RM'000	RM'000	RM'000	RM'000
Assets				
Financial assets held for trading				
Malaysian Government / Bank Negara Bills	-	2,924	-	2,924
Debt securities	-	1,542,208	-	1,542,208
Derivative financial instruments	22,764	4,664,116	-	4,686,880
Investment securities available-for-sale				
Malaysian Government / Bank Negara Bills	-	124,402	-	124,402
Debt securities	-	3,888,814	-	3,888,814
At 31 December 2015	22,764	10,222,464	-	10,245,228
Liabilities				
Deposits from customers	-	109,651	-	109,651
Deposits and placements of banks and other financial institutions	-	477,940	-	477,940
Derivative financial instruments	4,438	4,436,601	-	4,441,039
At 31 December 2015	4,438	5,024,192	-	5,028,630

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

Fair value hierarchy (continued)

Bank	Fair value of financial instruments carried at fair value			
	Level 1	Level 2	Level 3	Total
31 March 2016	RM'000	RM'000	RM'000	RM'000
Assets				
Financial assets held for trading				
Debt securities	-	1,865,628	-	1,865,628
Derivative financial instruments	8,033	3,283,943	-	3,291,976
Investment securities available-for-sale				
Malaysian Government / Bank Negara Bills	-	22,215	-	22,215
Debt securities	-	2,524,310	-	2,524,310
At 31 March 2016	8,033	7,696,096	-	7,704,129
Liabilities				
Deposits from customers	-	106,497	-	106,497
Deposits and placements of banks and other financial institutions	-	424,593	-	424,593
Derivative financial instruments	10,297	3,421,112	-	3,431,409
At 31 March 2016	10,297	3,952,202	-	3,962,499

Bank	Fair value of financial instruments carried at fair value			
	Level 1	Level 2	Level 3	Total
31 December 2015	RM'000	RM'000	RM'000	RM'000
Assets				
Financial assets held for trading				
Malaysian Government / Bank Negara Bills	-	2,924	-	2,924
Debt securities	-	1,542,208	-	1,542,208
Derivative financial instruments	22,764	4,665,183	-	4,687,947
Investment securities available-for-sale				
Malaysian Government / Bank Negara Bills	-	-	-	-
Debt securities	-	3,406,800	-	3,406,800
At 31 December 2015	22,764	9,617,115	-	9,639,879
Liabilities				
Deposits from customers	-	91,309	-	91,309
Deposits and placements of banks and other financial institutions	-	474,335	-	474,335
Derivative financial instruments	4,438	4,434,932	-	4,439,370
At 31 December 2015	4,438	5,000,576	-	5,005,014

There were no transfers between Level 1 and Level 2 during the period ended 31 March 2016.

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28. Capital adequacy

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

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 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	3,219,495	3,065,962	3,026,678	2,880,851
Less: Deferred tax assets	(46,179)	(44,485)	(42,146)	(42,335)
Unrealised gains and losses on 'available-for-sale' financial instruments	3,507	3,973	3,253	3,135
Investment in subsidiaries deducted from CET 1 capital	-	-	(246,913)	(164,609)
CET 1 capital	<u>3,676,823</u>	<u>3,525,450</u>	<u>3,240,872</u>	<u>3,177,042</u>
Irredeemable Convertible Preference Shares	380,000	380,000	380,000	380,000
Eligible Tier 1 capital	<u>4,056,823</u>	<u>3,905,450</u>	<u>3,620,872</u>	<u>3,557,042</u>
Tier 2 Capital				
Subordinated debts	1,000,000	1,000,000	1,000,000	1,000,000
Collective impairment provisions under standardised approach	16,108	16,411	6,816	6,969
Surplus of total eligible provisions over total expected loss under AIRB approach	94,996	92,612	93,648	105,124
	<u>1,111,104</u>	<u>1,109,023</u>	<u>1,100,464</u>	<u>1,112,093</u>
Less: Investment in subsidiaries	-	-	(264,609)	(346,913)
Eligible Tier 2 capital	<u>1,111,104</u>	<u>1,109,023</u>	<u>835,855</u>	<u>765,180</u>
Total capital base	<u>5,167,927</u>	<u>5,014,473</u>	<u>4,456,727</u>	<u>4,322,222</u>

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

	Group		Bank	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Total risk-weighted assets:-				
Credit risk	23,410,609	24,770,839	20,847,162	21,834,621
Market risk	1,187,862	1,550,201	1,187,862	1,550,201
Operational risk	3,475,043	3,473,947	3,275,249	3,273,059
	<u>28,073,514</u>	<u>29,794,987</u>	<u>25,310,273</u>	<u>26,657,881</u>

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

	Group		Bank	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
CET 1 capital ratio	13.097%	11.832%	12.805%	11.918%
Tier 1 capital ratio	14.451%	13.108%	14.306%	13.343%
Total capital ratio	18.409%	16.830%	17.608%	16.214%

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28. Capital adequacy (continued)

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

	31 March 2016	31 December 2015
CET 1 capital ratio	16.231%	13.129%
Tier 1 capital ratio	16.231%	13.129%
Total capital ratio	19.336%	15.711%