
Standard Chartered Saadiq Berhad

**Pillar 3 Disclosures
30 June 2019**



Incorporated in Malaysia with registered Company No. 823437K
Registered Office and Principal Place of Businesses
Level 26, Equatorial Plaza
Jalan Sultan Ismail 50250 Kuala Lumpur

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1.0 Regulatory capital requirement

Disclosure on capital adequacy under the Standardised and Internal Ratings Based ("IRB") approach

30 June 2019 Exposure class	Gross exposures RM'000	Net exposures RM'000	Risk weighted assets RM'000	Risk weighted assets absorbed by Profit Sharing Investment Account ("PSIA") RM'000	Total risk weighted assets after effects of PSIA RM'000	Minimum Capital requirement at 8% RM'000
(a) Credit risk						
<u>Exposures under the Standardised approach</u>						
On-balance sheet exposures:						
Corporates	24,087	24,087	24,087	(24,087)	-	-
Regulatory retail	43,722	43,722	37,422	(35,324)	2,098	168
Home financing	323	323	113	(51)	62	5
Other assets	38,764	38,764	34,726	-	34,726	2,778
Defaulted exposures	24	24	36	-	36	3
Total on-balance sheet exposures	<u>106,920</u>	<u>106,920</u>	<u>96,384</u>	<u>(59,462)</u>	<u>36,922</u>	<u>2,954</u>
Off-balance sheet exposures:						
Off-balance sheet exposures other than Islamic Over-the-Counter ("OTC")						
derivative transactions and Islamic credit derivatives	3,310	428	428	-	428	34
Total off-balance sheet exposures	<u>3,310</u>	<u>428</u>	<u>428</u>	<u>-</u>	<u>428</u>	<u>34</u>
Total on and off-balance sheet exposures	<u>110,230</u>	<u>107,348</u>	<u>96,812</u>	<u>(59,462)</u>	<u>37,350</u>	<u>2,988</u>
<u>Exposures under the IRB approach</u>						
On-balance sheet exposures:						
Sovereigns/central banks	2,119,102	2,119,102	423,805	(100,462)	323,343	25,867
Banks, development financial institutions & multilateral development banks ("MDBs")	185,261	185,261	45,363	-	45,363	3,629
Corporates	1,948,004	1,948,004	1,594,935	(340,934)	1,254,001	100,320
Home financing	2,263,239	2,263,239	344,940	(130,775)	214,165	17,133
Other retail	656,471	656,471	333,237	(64,355)	268,882	21,511
Defaulted exposures	93,322	93,322	144,145	(61,207)	82,938	6,635
Total on-balance sheet exposures	<u>7,265,399</u>	<u>7,265,399</u>	<u>2,886,425</u>	<u>(697,733)</u>	<u>2,188,692</u>	<u>175,095</u>
Off-balance sheet exposures:						
Islamic OTC derivatives	158,421	158,421	60,143	(41,363)	18,780	1,502
Off-balance sheet exposures other than Islamic OTC derivative transactions and Islamic credit derivatives	516,003	516,003	307,416	(55,368)	252,048	20,164
Defaulted exposures	4,057	4,057	12,784	(15)	12,769	1,022
Total off-balance sheet exposures	<u>678,481</u>	<u>678,481</u>	<u>380,343</u>	<u>(96,746)</u>	<u>283,597</u>	<u>22,688</u>
Total on and off-balance sheet exposures	<u>7,943,880</u>	<u>7,943,880</u>	<u>3,266,768</u>	<u>(794,479)</u>	<u>2,472,289</u>	<u>197,783</u>
(b) Large exposures risk requirement	-	-	-	-	-	-
(c) Market risk	-	-	-	-	-	-
(d) Operational risk (Standardised approach)			295,970	-	295,970	23,678
Total RWA and capital requirements			<u>3,659,550</u>	<u>(853,941)</u>	<u>2,805,609</u>	<u>224,449</u>
<u>CET 1, Tier 1 and Total capital ratios</u>						
			Before effect of PSIA		After effect of PSIA	
CET 1 capital ratio			17.746%		23.148%	
Tier 1 capital ratio			17.746%		23.148%	
Total capital ratio			20.917%		27.284%	

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1.0 Regulatory capital requirement (continued)

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

31 December 2018 Exposure class	Gross exposures RM'000	Net exposures RM'000	Risk weighted assets RM'000	Risk weighted assets absorbed by PSIA RM'000	Total risk weighted assets after effects of PSIA RM'000	Minimum Capital requirement at 8% RM'000
(a) Credit risk						
<u>Exposures under the Standardised approach</u>						
On-balance sheet exposures:						
Corporates	24,460	24,460	24,460	(24,457)	3	-
Regulatory retail	45,556	45,556	37,668	(36,675)	993	79
Home financing	328	328	115	(52)	63	5
Other assets	71,736	71,736	69,002	-	69,002	5,520
Defaulted exposures	24	24	36	-	36	3
Total on-balance sheet exposures	<u>142,104</u>	<u>142,104</u>	<u>131,281</u>	<u>(61,184)</u>	<u>70,097</u>	<u>5,607</u>
Off-balance sheet exposures:						
Off-balance sheet exposures other than Islamic OTC derivative transactions and Islamic credit derivatives	6,199	3,384	3,384	-	3,384	271
Total off-balance sheet exposures	<u>6,199</u>	<u>3,384</u>	<u>3,384</u>	<u>-</u>	<u>3,384</u>	<u>271</u>
Total on and off-balance sheet exposures	<u>148,303</u>	<u>145,488</u>	<u>134,665</u>	<u>(61,184)</u>	<u>73,481</u>	<u>5,878</u>
<u>Exposures under the IRB approach</u>						
On-balance sheet exposures:						
Sovereigns/central banks	1,997,754	1,997,754	316,708	(98,688)	218,020	17,442
Banks, development financial institutions & multilateral development banks ("MDBs")	286,935	286,935	70,393	-	70,393	5,631
Corporates	2,142,315	2,142,333	1,693,578	(469,502)	1,224,076	97,926
Home financing	2,384,727	2,384,727	354,882	(163,321)	191,561	15,325
Other retail	681,329	681,311	320,039	(81,716)	238,323	19,066
Defaulted exposures	106,774	106,774	190,913	(69,446)	121,467	9,717
Total on-balance sheet exposures	<u>7,599,834</u>	<u>7,599,834</u>	<u>2,946,513</u>	<u>(882,673)</u>	<u>2,063,840</u>	<u>165,107</u>
Off-balance sheet exposures:						
Islamic OTC derivatives	289,305	289,305	170,112	(91,644)	78,468	6,277
Off-balance sheet exposures other than Islamic OTC derivative transactions and Islamic credit derivatives	456,221	456,221	295,246	(61,065)	234,181	18,734
Defaulted exposures	9	9	15	(15)	-	-
Total off-balance sheet exposures	<u>745,535</u>	<u>745,535</u>	<u>465,373</u>	<u>(152,724)</u>	<u>312,649</u>	<u>25,011</u>
Total on and off-balance sheet exposures	<u>8,345,369</u>	<u>8,345,369</u>	<u>3,411,886</u>	<u>(1,035,397)</u>	<u>2,376,489</u>	<u>190,118</u>
(b) Large exposures risk requirement			-	-	-	-
(c) Market risk			-	-	-	-
(d) Operational risk (Standardised approach)			309,136	-	309,136	24,731
Total RWA and capital requirements			<u>3,855,687</u>	<u>(1,096,581)</u>	<u>2,759,106</u>	<u>220,727</u>

CET 1, Tier 1 and Total capital ratios

	Before effect of PSIA	After effect of PSIA
CET 1 capital ratio	16.810%	23.491%
Tier 1 capital ratio	16.810%	23.491%
Total capital ratio	19.812%	27.685%

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2.0 Credit risk

2.1 Exposure values

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

2.1.1 Geographical analysis

The below tables provide the Bank's EAD analysed by the booking location of the exposure.

30 June 2019	Malaysia RM'000	Others RM'000	Total RM'000
IRB exposures			
Sovereigns/Central banks	2,119,102	-	2,119,102
Banks, development financial institutions & MDBs	225,132	92,568	317,700
Takaful companies, Syariah compliant securities firms & fund managers	8,216	-	8,216
Corporate exposures (excluding specialised financing and firm-size adjustment)	1,481,529	581,204	2,062,733
Corporate exposures (with firm-size adjustment)	350,151	-	350,151
Specialised financing	55,431	14,121	69,552
Retail exposures	3,016,426	-	3,016,426
<i>Home financing</i>	2,298,811	-	2,298,811
<i>Other retail exposures</i>	717,615	-	717,615
Total IRB exposures	7,255,987	687,893	7,943,880
Standardised exposures			
Corporates	27,398	-	27,398
Regulatory retail	43,746	-	43,746
Home financing	323	-	323
Other assets	38,763	-	38,763
Total Standardised exposures	110,230	-	110,230
Total credit risk exposures	7,366,217	687,893	8,054,110

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2.0 Credit risk (continued)

2.1 Exposure values (continued)

2.1.1 Geographical analysis (continued)

31 December 2018	Malaysia RM'000	Others RM'000	Total RM'000
IRB exposures			
Sovereigns/Central banks	1,997,754	-	1,997,754
Banks, development financial institutions & MDBs	336,724	216,403	553,127
Takaful companies, Syariah compliant securities firms & multilateral fund managers	9,509	-	9,509
Corporate exposures (excluding specialised financing and firm-size adjustment)	1,556,350	597,565	2,153,915
Corporate exposures (with firm-size adjustment)	372,746	-	372,746
Specialised financing	67,285	13,609	80,894
Retail exposures	3,177,424	-	3,177,424
<i>Home financing</i>	2,429,110	-	2,429,110
<i>Other retail exposures</i>	748,314	-	748,314
Total IRB exposures	7,517,792	827,577	8,345,369
Standardised exposures			
Corporates	30,660	-	30,660
Regulatory retail	45,580	-	45,580
Home financing	328	-	328
Other assets	71,735	-	71,735
Total Standardised exposures	148,303	-	148,303
Total credit risk exposures	7,666,095	827,577	8,493,672

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2.0 Credit risk (continued)

2.1 Exposure values (continued)

2.1.2 Sector or economic purpose analysis

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

30 June 2019	Agricultural, hunting, forestry and fishing RM'000	Mining quarrying RM'000	Manufacturing RM'000	Electricity, gas and water RM'000	Construction RM'000	Wholesale & retail trade and restaurants & hotels RM'000	Transportation, storage and communication RM'000	Finance, insurance/ takaful and services RM'000	Real estate RM'000	Household RM'000	Others RM'000	Total RM'000
IRB exposures												
Sovereigns/Central banks	-	-	-	-	-	-	-	2,119,102	-	-	-	2,119,102
Banks, development financial financial institutions & MDBs	-	-	-	-	-	-	-	317,700	-	-	-	317,700
Takaful companies, Syariah compliant securities firms & fund managers	-	-	-	-	-	-	-	8,216	-	-	-	8,216
Corporate exposures (excluding specialised financing and firm- size adjustment)	175,238	-	410,767	9,996	76,211	424,003	544,979	146,090	200,866	-	74,583	2,062,733
Corporate exposures (with firm- size adjustment)	1,966	4,048	25,003	-	19,269	58,862	12,761	52,470	92,225	-	83,547	350,151
Specialised financing	-	-	-	-	-	55,431	-	-	-	-	14,121	69,552
Retail exposures	703	480	49,658	903	60,908	116,254	23,309	65,007	99,890	2,508,058	91,256	3,016,426
Home financing	-	-	-	-	-	-	-	-	-	2,298,811	-	2,298,811
Other retail exposures	703	480	49,658	903	60,908	116,254	23,309	65,007	99,890	209,247	91,256	717,615
Total IRB exposures	177,907	4,528	485,428	10,899	156,388	654,550	581,049	2,708,585	392,981	2,508,058	263,507	7,943,880
Standardised exposures												
Corporates	-	-	-	-	3,311	-	-	-	5,680	-	18,407	27,398
Regulatory retail	-	-	-	-	-	-	-	-	-	43,746	-	43,746
Home financing	-	-	-	-	-	-	-	-	-	323	-	323
Other assets	-	-	-	-	-	-	-	-	-	-	38,763	38,763
Total Standardised exposures	-	-	-	-	3,311	-	-	-	5,680	44,069	57,170	110,230
Total credit risk exposures	177,907	4,528	485,428	10,899	159,699	654,550	581,049	2,708,585	398,661	2,552,127	320,677	8,054,110

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2.0 Credit risk (continued)

2.1 Exposure values (continued)

2.1.2 Sector or economic purpose analysis (continued)

31 December 2018	Agricultural, hunting, forestry and fishing RM'000	Mining and quarrying RM'000	Manufacturing RM'000	Electricity, gas and water RM'000	Construction RM'000	Wholesale & retail trade and restaurants & hotels RM'000	Transportation, storage and communication RM'000	Finance, insurance/ takaful and services RM'000	Real estate RM'000	Household RM'000	Others RM'000	Total RM'000
IRB exposures												
Sovereigns/Central banks	-	-	-	-	-	-	-	1,997,754	-	-	-	1,997,754
Banks, development financial financial institutions & MDBs	-	-	-	-	-	-	-	553,127	-	-	-	553,127
Takaful companies, Syariah compliant securities firms & fund managers	-	-	-	-	-	-	-	9,509	-	-	-	9,509
Corporate exposures (excluding specialised financing and firm- size adjustment)	187,455	-	596,382	-	102,429	392,515	537,641	143,279	132,781	-	61,433	2,153,915
Corporate exposures (with firm- size adjustment)	2,129	5,572	26,838	-	16,339	59,379	34,019	60,915	89,736	-	77,819	372,746
Specialised financing	-	-	-	-	-	67,285	-	-	-	-	13,609	80,894
Retail exposures	751	567	42,721	934	46,316	91,062	19,834	59,576	106,602	2,673,729	135,332	3,177,424
Home financing	-	-	-	-	-	-	-	-	-	2,429,110	-	2,429,110
Other retail exposures	751	567	42,721	934	46,316	91,062	19,834	59,576	106,602	244,619	135,332	748,314
Total IRB exposures	190,335	6,139	665,941	934	165,084	610,241	591,494	2,824,160	329,119	2,673,729	288,193	8,345,369
Standardised exposures												
Corporates	-	-	-	-	6,200	-	-	-	5,764	-	18,696	30,660
Regulatory retail	-	-	-	-	-	-	-	-	-	45,580	-	45,580
Home financing	-	-	-	-	-	-	-	-	-	328	-	328
Other assets	-	-	-	-	-	-	-	-	-	-	71,735	71,735
Total Standardised exposures	-	-	-	-	6,200	-	-	-	5,764	45,908	90,431	148,303
Total credit risk exposures	190,335	6,139	665,941	934	171,284	610,241	591,494	2,824,160	334,883	2,719,637	378,624	8,493,672

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2.0 Credit risk (continued)

2.1 Exposure values (continued)

2.1.3 Residual contractual maturity analysis

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

30 June 2019	Up to 1 year RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Total RM'000
IRB exposures				
Sovereigns/Central banks	1,577,108	541,994	-	2,119,102
Banks, development financial institutions & MDBs	251,007	66,693	-	317,700
Takaful companies, securities firms & Syariah compliant fund managers	8,085	131	-	8,216
Corporate exposures (excluding specialised financing and firm-size adjustment)	1,234,648	739,031	89,054	2,062,733
Corporate exposures (with firm-size adjustment)	36,331	62,296	251,524	350,151
Specialised financing	55,041	14,511	-	69,552
Retail exposures	34,051	211,679	2,770,696	3,016,426
Home financing	12,701	18,202	2,267,908	2,298,811
Other retail exposures	21,350	193,477	502,788	717,615
Total IRB exposures	3,196,271	1,636,335	3,111,274	7,943,880
Standardised exposures				
Corporates	1,738	1,573	24,087	27,398
Regulatory retail	46	138	43,562	43,746
Home financing	-	-	323	323
Other assets	38,763	-	-	38,763
Total Standardised exposures	40,547	1,711	67,972	110,230
Total credit risk exposures	3,236,818	1,638,046	3,179,246	8,054,110

Note: The above table shows that exposures with residual contractual maturity more than 5 years, of which 85% are collateralized.

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2.0 Credit risk (continued)

2.1 Exposure values (continued)

2.1.3 Residual contractual maturity analysis (continued)

31 December 2018	Up to 1 year RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Total RM'000
IRB exposures				
Sovereigns/Central banks	1,896,141	101,613	-	1,997,754
Banks, development financial institutions & MDBs	424,524	128,603	-	553,127
Takaful companies, Syariah compliant securities firms & fund managers	9,378	131	-	9,509
Corporate exposures (excluding specialised financing and firm-size adjustment)	1,262,918	819,871	71,126	2,153,915
Corporate exposures (with firm-size adjustment)	54,945	66,038	251,763	372,746
Specialised financing	66,895	13,999	-	80,894
Retail exposures	37,282	222,227	2,917,915	3,177,424
<i>Home financing</i>	13,235	17,225	2,398,650	2,429,110
<i>Other retail exposures</i>	24,047	205,002	519,265	748,314
Total IRB exposures	3,752,083	1,352,482	3,240,804	8,345,369
Standardised exposures				
Corporates	4,638	1,565	24,457	30,660
Regulatory retail	-	250	45,330	45,580
Home financing	-	-	328	328
Other assets	71,735	-	-	71,735
Total Standardised exposures	76,373	1,815	70,115	148,303
Total credit risk exposures	3,828,456	1,354,297	3,310,919	8,493,672

Note: The above table shows that exposures with residual contractual maturity more than 5 years, of which 87% are collateralized.

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2.0 Credit risk (continued)

2.2 Credit risk mitigation

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

	Exposures before CRM RM'000	Exposures covered by guarantees or credit derivatives RM'000	Exposures covered by eligible financial collateral RM'000	Exposures covered by other eligible collateral RM'000
30 June 2019				
On-balance sheet exposures				
Sovereigns/Central banks	2,119,102	-	-	-
Banks, development financial institutions & MDBs	185,261	-	-	-
Corporates	1,967,714	-	63,753	328,749
Regulatory retail	700,193	11	330	248,630
Home financing	2,263,562	-	-	2,257,747
Other assets	38,764	-	-	-
Specialised financing	4,377	-	-	-
Defaulted exposures	93,346	-	-	18,588
Total on-balance sheet exposures	7,372,319	11	64,083	2,853,714
Off-balance sheet exposures				
Islamic OTC derivatives	158,421	-	41,666	3,150
Off balance sheet exposures other than Islamic OTC derivatives or Islamic credit derivatives	519,313	6,234	35,050	12,770
Defaulted exposures	4,057	-	-	-
Total off-balance sheet exposures	681,791	6,234	76,716	15,920
Total on and off-balance sheet exposures	8,054,110	6,245	140,799	2,869,634

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2.0 Credit risk (continued)

2.2 Credit risk mitigation (continued)

31 December 2018	Exposures before CRM RM'000	Exposures covered by guarantees or credit derivatives RM'000	Exposures covered by eligible financial collateral RM'000	Exposures covered by other eligible collateral RM'000
On-balance sheet exposures				
Sovereigns/Central banks	1,997,754	-	-	-
Banks, development financial institutions & MDBs	286,935	-	-	-
Corporates	2,112,781	3,420	83,264	314,762
Regulatory retail	726,885	18	660	311,525
Home financing	2,385,055	-	-	2,379,013
Other assets	71,736	-	-	-
Specialised financing	53,994	-	-	-
Defaulted exposures	106,798	-	-	24,811
Total on-balance sheet exposures	7,741,938	3,438	83,924	3,030,111
Off-balance sheet exposures				
Islamic OTC derivatives	289,305	-	39,012	3,029
Off balance sheet exposures other than Islamic OTC derivatives or Islamic credit derivatives	462,420	12,590	26,175	14,924
Defaulted exposures	9	-	-	-
Total off-balance sheet exposures	751,734	12,590	65,187	17,953
Total on and off-balance sheet exposures	8,493,672	16,028	149,111	3,048,064

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2.0 Credit risk (continued)

2.3 Exposures under IRB approach

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

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

30 June 2019	0.00-0.04% RM'000	0.04-0.17% RM'000	0.17-0.59% RM'000	0.59-3.05% RM'000	3.05-12.00% RM'000	12.00-100.00% RM'000	Default or 100.00% RM'000
Non-retail exposures (EAD)							
<u>On-balance sheet exposures</u>							
Sovereign	-	2,119,102	-	-	-	-	-
Banks	-	184,196	1,065	-	-	-	-
Corporate	-	555,666	484,332	540,401	350,812	16,793	9,529
Total on-balance sheet exposures	-	2,858,964	485,397	540,401	350,812	16,793	9,529
<u>Undrawn commitments</u>							
Corporate	-	27,843	124,001	100,011	5,547	-	-
Total undrawn commitments	-	27,843	124,001	100,011	5,547	-	-
<u>Derivatives</u>							
Banks	-	41,432	-	91,007	-	-	-
Corporate	-	19,328	95	6,558	-	1	-
Total derivatives	-	60,760	95	97,565	-	1	-
<u>Contingent</u>							
Corporate	-	-	43,014	180,135	22,538	-	4,048
Total contingent	-	-	43,014	180,135	22,538	-	4,048
Exposure weighted average LGD (%)							
Sovereign	-	46.00%	-	-	-	-	-
Banks	-	46.16%	71.90%	45.53%	-	-	-
Corporate	-	51.09%	41.95%	42.91%	51.90%	28.39%	60.10%
Exposure weighted average risk weight (%)							
Sovereign	-	20.00%	-	-	-	-	-
Banks	-	24.33%	54.11%	46.00%	-	-	-
Corporate	-	28.84%	47.20%	94.79%	164.29%	116.98%	404.42%

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2.0 Credit risk (continued)

2.3 Exposures under IRB approach (continued)

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

31 December 2018	0.00-0.04% RM'000	0.04-0.17% RM'000	0.17-0.59% RM'000	0.59-3.05% RM'000	3.05-12.00% RM'000	12.00-100.00% RM'000	Default or 100.00% RM'000
Non-retail exposures (EAD)							
<u>On-balance sheet exposures</u>							
Sovereign	-	1,997,754	-	-	-	-	-
Banks	-	285,244	1,691	-	-	-	-
Corporate	-	556,561	491,766	717,277	347,856	28,855	8,694
Total on-balance sheet exposures	-	2,839,559	493,457	717,277	347,856	28,855	8,694
<u>Undrawn commitments</u>							
Corporate	-	130	153,966	108,522	19,218	1,219	-
Total undrawn commitments	-	130	153,966	108,522	19,218	1,219	-
<u>Derivatives</u>							
Banks	-	51,346	-	214,846	-	-	-
Corporate	-	21,616	124	1,372	-	1	-
Total derivatives	-	72,962	124	216,218	-	1	-
<u>Contingent</u>							
Bank	-	-	-	-	-	-	-
Corporate	-	-	47,543	92,598	13,572	6,174	-
Total contingent	-	-	47,543	92,598	13,572	6,174	-
Exposure weighted average LGD (%)							
Sovereign	-	46.00%	-	-	-	-	-
Banks	-	46.17%	71.90%	45.81%	-	-	-
Corporate	-	51.44%	39.43%	46.06%	48.93%	40.61%	77.64%
Exposure weighted average risk weight (%)							
Sovereign	-	15.85%	-	-	-	-	-
Banks	-	24.71%	54.11%	70.27%	-	-	-
Corporate	-	32.21%	41.86%	88.74%	165.51%	189.31%	907.78%

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2.0 Credit risk (continued)

2.3 Exposures under IRB approach (continued)

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

The below tables analyse the Bank's PD range for retail exposures.

30 June 2019	0.00-0.11% RM'000	0.11-0.30% RM'000	0.30-0.43% RM'000	0.43-3.05% RM'000	3.05-9.20% RM'000	9.20-100.00% RM'000	Default or 100.00% RM'000
Retail exposures (EAD)							
<u>On-balance sheet exposures</u>							
Home financing	6,932	549,260	303,588	1,180,957	140,248	82,254	23,307
Other retail	57,071	143,986	6,910	273,943	118,028	56,533	60,486
Total on-balance sheet exposures	64,003	693,246	310,498	1,454,900	258,276	138,787	83,793
<u>Undrawn commitments</u>							
Home financing	-	16	-	12,240	-	-	9
Other retail	-	-	-	-	658	-	-
Total undrawn commitments	-	16	-	12,240	658	-	9
Exposure weighted average LGD (%)							
Home financing	12.38%	12.45%	12.34%	12.32%	12.52%	12.95%	19.02%
Other retail	24.44%	24.72%	23.38%	45.59%	51.72%	44.50%	43.61%
Exposure weighted average risk weight (%)							
Home financing	3.07%	5.23%	8.09%	14.87%	42.93%	68.33%	103.61%
Other retail	4.07%	10.71%	14.43%	58.97%	83.11%	97.02%	128.73%

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2.0 Credit risk (continued)

2.3 Exposures under IRB approach (continued)

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

31 December 2018	0.00-0.11% RM'000	0.11-0.30% RM'000	0.30-0.43% RM'000	0.43-3.05% RM'000	3.05-9.20% RM'000	9.20-100.00% RM'000	Default or 100.00% RM'000
Retail exposures (EAD)							
<u>On-balance sheet exposures</u>							
Home financing	2,219	610,438	313,992	1,254,709	120,287	83,082	31,584
Other retail	64,545	184,739	10,923	254,828	111,232	55,062	66,496
Total on-balance sheet exposures	66,764	795,177	324,915	1,509,537	231,519	138,144	98,080
<u>Undrawn commitments</u>							
Home financing	-	-	16	12,774	-	-	9
Other retail	-	-	-	204	285	-	-
Total undrawn commitments	-	-	16	12,978	285	-	9
Exposure weighted average LGD (%)							
Home financing	13.39%	12.48%	12.33%	12.31%	12.44%	12.90%	18.68%
Other retail	24.42%	20.35%	18.69%	45.28%	45.12%	48.97%	45.28%
Exposure weighted average risk weight (%)							
Home financing	3.34%	5.16%	8.11%	15.12%	43.49%	67.89%	105.66%
Other retail	3.68%	8.92%	11.46%	62.43%	73.10%	108.09%	118.25%

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2.0 Credit risk (continued)

2.3 Exposures under IRB approach (continued)

2.3.3 Retail exposures under the IRB approach by expected loss range for retail exposures

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

30 June 2019	Up to 0.10% RM'000	>0.10 to 0.20% RM'000	>0.20 to 0.50% RM'000	>0.50 to 1.00% RM'000	>1.00 to 30.00% RM'000	>30.00 to <100.00% RM'000	100.00% RM'000
Retail exposures (EAD)							
<u>On-balance sheet exposures</u>							
Home financing	1,517,783	413,366	154,538	81,067	119,792	-	-
Other retail	283,397	33,820	13,416	120,859	196,970	68,495	-
Total on-balance sheet exposures	1,801,180	447,186	167,954	201,926	316,762	68,495	-
<u>Undrawn commitments</u>							
Home financing	3,287	2,714	6,255	-	9	-	-
Other retail	87	-	-	-	571	-	-
Total undrawn commitments	3,374	2,714	6,255	-	580	-	-
Exposure weighted average risk weight (%)							
Home financing	8.38%	17.24%	29.92%	44.04%	73.86%	-	-
Other retail	9.07%	31.25%	48.92%	61.87%	111.76%	106.93%	0.00%

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2.0 Credit risk (continued)

2.3 Exposures under IRB approach (continued)

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

31 December 2018	Up to 0.10% RM'000	>0.10 to 0.20% RM'000	>0.20 to 0.50% RM'000	>0.50 to 1.00% RM'000	>1.00 to 30.00% RM'000	>30.00 to <100.00% RM'000	100.00% RM'000
Retail exposures (EAD)							
<u>On-balance sheet exposures</u>							
Home financing	1,577,429	497,208	141,284	70,755	129,635	-	-
Other retail	331,156	29,996	16,955	99,804	197,627	72,239	48
Total on-balance sheet exposures	1,908,585	527,204	158,239	170,559	327,262	72,239	48
<u>Undrawn commitments</u>							
Home financing	3,307	2,698	6,785	-	9	-	-
Other retail	142	-	-	-	347	-	-
Total undrawn commitments	3,449	2,698	6,785	-	356	-	-
Exposure weighted average risk weight (%)							
Home financing	8.20%	17.58%	29.48%	44.48%	75.74%	-	-
Other retail	6.84%	31.60%	53.27%	63.92%	110.68%	103.34%	556.98%

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2.0 Credit Risk (continued)

2.4 Exposures under Standardised approach

Risk weights under the Standardised approach

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

	← Exposures After Netting and Credit Risk Mitigation →				Total exposures after netting and credit risk mitigation	Total risk weighted assets
30 June 2019	Corporates*	Regulatory retail	Home financing	Other assets	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Risk weights						
0%	-	-	-	4,038	4,038	-
35%	-	-	323	-	323	113
75%	-	25,199	-	-	25,199	18,899
100%	24,515	18,523	-	34,726	77,764	77,764
150%	-	24	-	-	24	36
Total exposures	24,515	43,746	323	38,764	107,348	96,812
Risk-weighted assets by exposures	24,515	37,458	113	34,726	96,812	
Average risk weight	100.0%	85.6%	35.0%	89.6%	90.2%	
Deduction from capital base	-	-	-	-	-	

	← Exposures After Netting and Credit Risk Mitigation →				Total exposures after netting and credit risk mitigation	Total risk weighted assets
31 December 2018	Corporates*	Regulatory retail	Home financing	Other assets	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Risk weights						
0%	-	-	-	2,734	2,734	-
35%	-	-	328	-	328	115
75%	-	31,552	-	-	31,552	23,664
100%	27,844	14,004	-	69,002	110,850	110,850
150%	-	24	-	-	24	36
Total exposures	27,844	45,580	328	71,736	145,488	134,665
Risk-weighted assets by exposures	27,844	37,704	115	69,002	134,665	
Average risk weight	100.0%	82.7%	35.1%	96.2%	92.6%	
Deduction from capital base	-	-	-	-	-	

* All corporate standardised exposures are unrated.

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2.0 Credit risk (continued)

2.5 Problem credit management and expected credit allowances

2.5.1 Expected credit allowances analysed by customers' business or industry

The following tables show the Bank's movement of allowance credit losses for financial assets by each principal category of customers' business or industry.

30 June 2019	Allowances for credit losses held as at 1 January 2019 RM'000	Net allowance credit losses charge during the financial period RM'000	Amounts written off or other movements during the financial period RM'000	Allowances for credit losses held as at 30 June 2019 RM'000
Home financing	14,167	4,201	(1,195)	17,173
Others	45,354	5,435	(10,327)	40,462
Retail Clients	59,521	9,636	(11,522)	57,635
Agriculture	228	876	-	1,104
Mining and quarrying	61	263	-	324
Manufacturing	5,457	(1,481)	-	3,976
Construction	5,171	(5,004)	-	167
Real estate	136	(135)	-	1
Wholesale & retail trade and restaurants & hotels	629	(492)	-	137
Transportation, storage and communication	2,875	(446)	(2,328)	101
Finance, insurance/takaful and business services	932	(102)	-	830
Others	25	103	-	128
Corporates, Institutional and Commercial Clients	15,514	(6,418)	(2,328)	6,768
Total allowances for credit losses	75,035	3,218	(13,850)	64,403

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2.0 Credit risk (continued)

2.5 Problem credit management and expected credit allowances (continued)

2.5.2 Impairment provisions analysed by customers' business or industry

The following tables show the Bank's movement of allowance credit losses for financial assets by each principal category of customers' business or industry.

31 December 2018	Allowances for credit losses held as at 1 January 2018 RM'000	Net allowance credit losses charge during the financial year RM'000	Amounts written off or other movements during the financial year RM'000	Allowances for credit losses held as at 31 December 2018 RM'000
Home financing	14,454	880	(1,167)	14,167
Others	74,446	(2,196)	(26,896)	45,354
Retail Clients	88,900	(1,316)	(28,063)	59,521
Agriculture	12	216	-	228
Mining and quarrying	1	60	-	61
Manufacturing	10,960	(5,503)	-	5,457
Construction	284	4,887	-	5,171
Real estate	-	136	-	136
Wholesale & retail trade and restaurants & hotels	519	71	39	629
Transportation, storage and communication	2,869	6	-	2,875
Finance, insurance/takaful and business services	430	502	-	932
Others	13	18	(6)	25
Corporates, Institutional and Commercial Clients	15,088	393	33	15,514
Total Impairment Provisions	103,988	(923)	(28,030)	75,035

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2.0 Credit risk (continued)

2.5 Problem credit management and expected credit allowances/provisioning (continued)

The following table analyses the Bank's financing and advances past due but not impaired, analysed by customers' business or industry.

	30 June 2019 RM'000	31 December 2018 RM'000
Home financing	273,593	276,717
Others	60,915	59,787
Retail Clients	<u>334,508</u>	<u>336,504</u>
Wholesale & retail trade and restaurants & hotels	15,040	-
Transport, storage and communication	-	499
Corporates, Institutional and Commercial Clients	<u>15,040</u>	<u>499</u>

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

	30 June 2019 RM'000	31 December 2018 RM'000
Malaysia	<u>349,548</u>	<u>337,003</u>

2.6 Summary analysis of financing and advances

The following tables show the Bank's impaired financing and advances and allowance for credit losses/impairment provisions by significant geographical areas.

	Within Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
30 June 2019			
Gross impaired financing and advances	53,986	-	53,986
Allowance for credit losses	33,617	-	33,617
31 December 2018			
Gross impaired financing and advances	63,010	-	63,010
Allowance for credit losses	37,666	-	37,666

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2.0 Credit risk (continued)

2.7 Off-balance sheet and counterparty credit risk

The following table analyses the Bank's off-balance sheet and counterparty credit risk.

30 June 2019	Principal amount RM'000	Positive fair value of contracts RM'000	Negative fair value of contracts RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Direct credit substitutes	31,691	-	-	31,691	43,729
Transaction related contingent items	129,961	-	-	129,961	34,144
Short term self liquidating trade related contingencies	91,480	-	-	91,480	25,004
Foreign exchange related contracts					
<i>One year or less</i>	1,910,670	43,186	44,391	76,516	49,896
<i>Over one year to five years</i>	670,824	26,159	26,159	59,700	5,397
Profit rate related contracts					
<i>Over one year to five years</i>	1,383,271	8,372	8,372	22,205	4,850
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	370,205	-	-	24,833	28,156
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	13,540	-	-	12,555	2,781
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a customer's creditworthiness	4,244,542	-	-	232,850	186,814
	<u>8,846,184</u>	<u>77,717</u>	<u>78,922</u>	<u>681,791</u>	<u>380,771</u>

31 December 2018	Principal amount RM'000	Positive fair value of contracts RM'000	Negative fair value of contracts RM'000	Credit equivalent amount RM'000	Risk weighted assets RM'000
Direct credit substitutes	24,122	-	-	24,122	10,057
Transaction related contingent items	119,615	-	-	119,615	18,101
Short term self liquidating trade related contingencies	22,492	-	-	22,492	8,363
Foreign exchange related contracts					
<i>One year or less</i>	1,847,247	115,737	120,500	147,092	109,720
<i>Over one year to five years</i>	1,188,073	61,002	61,002	120,406	54,853
Profit rate related contracts					
<i>Over one year to five years</i>	1,389,619	7,911	7,911	21,807	5,539
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	523,718	-	-	42,976	62,710
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	14,398	-	-	12,846	2,663
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a customer's creditworthiness	3,951,854	-	-	240,378	196,751
	<u>9,081,138</u>	<u>184,650</u>	<u>189,413</u>	<u>751,734</u>	<u>468,757</u>

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2.0 Credit risk (continued)

2.8 Actual losses

The table below shows allowances of credit losses for financial assets raised and write off during the financial period ended 30 June 2019 versus 30 June 2018 for IRB exposure classes. The net allowances of credit losses charge is a point in time actual charge raised in accordance with accounting standards that require the Bank to either provide for or write-off debts when certain conditions are met. Expected loss ("EL") represents model derived and/or regulatory prescribed estimated of future loss on potential defaults over a one-year time horizon.

	30 June 2019	30 June 2018	30 June 2018	30 June 2017
	Actual losses*	Expected	Actual losses *	Expected
	RM'000	losses	RM'000	losses
		RM'000		RM'000
Sovereigns/Central banks	-	410	-	204
Banks, development financial institutions & MDBs	-	246	-	531
Takaful companies, Syariah compliant securities firms & fund managers	-	16	-	12
Corporate exposures (excluding specialised financing and firm-size adjustment)	2,250	13,320	(2,895)	13,777
Corporate exposures (with firm-size adjustment)	(5,622)	1,950	(773)	2,003
Specialised financing		173		-
<i>Home financing</i>	1,040	4,752	1,676	8,342
<i>Other retail exposures</i>	5,550	42,562	(1,924)	49,762
	3,218	63,429	(3,916)	74,631

* The amount is related to allowance of credit losses charge/(release) under MFRS9, excluding recovery during the period.

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3.0 Market risk

The table below details the disclosure for rate of return risk in the Banking Book, the increase or decline in earnings and economic value for upward and downward rate shocks which are consistent with shocks applied in stress test for measuring profit rate risk, broken down by various currencies where relevant:

Type of Currency	Impact on positions as at reporting period (200 basis points) parallel shift	
	Increase/(Decline) in earnings at risk RM'000	Increase/(Decline) in economic value RM'000
30 June 2019		
MYR	(4,236)	(86,967)
USD	(2,802)	(3,190)
JPY	89	(2)
AUD	(67)	30
31 December 2018		
MYR	5,656	(39,854)
USD	(1,314)	(5,394)
AUD	(440)	181

4.0 Shariah non-compliant events and income

During the financial period, there was no (2018: one) shariah non-compliant event being detected with no shariah non-compliant income (2018: RM4,794).

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Chief Executive Officer Attestation

In accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (CAFIB) - Disclosure Requirements (Pillar 3), I hereby attest that to the best of my knowledge, the disclosures contained in Standard Chartered Saadiq Berhad's Pillar 3 Disclosures report for the financial period ended 30 June 2019 are consistent with the manner in which the Bank assesses and manages its risk, and are not misleading in any particular way.

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Mohd Suhaimi Abdul Hamid
Chief Executive Officer

Date: 27 August 2019