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# Standard Chartered Saadiq Berhad

## Pillar 3 Disclosures 30 June 2020

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Incorporated in Malaysia with Registration No. 200801022118 (823437-K)

***Registered Office and Principal Place of Businesses***

***Level 26, Equatorial Plaza***

***Jalan Sultan Ismail 50250 Kuala Lumpur***

**Standard Chartered Saadiq Berhad**  
**Pillar 3 disclosures**

**1.0 Regulatory capital requirement**

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

30 June 2020 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
<b>(a) Credit risk</b>						
<u>Exposures under the Standardised approach</u>						
On-balance sheet exposures:						
Corporates	23,125	23,125	23,125	-	23,125	1,850
Regulatory retail	39,530	39,530	32,414	(26,742)	5,672	454
Home financing	319	319	112	-	112	9
Other assets	46,749	46,749	44,902	-	44,902	3,592
Defaulted exposures	24	24	36	-	36	3
Total on-balance sheet exposures	<u>109,747</u>	<u>109,747</u>	<u>100,589</u>	<u>(26,742)</u>	<u>73,847</u>	<u>5,908</u>
Off-balance sheet exposures:						
Off-balance sheet exposures other than Islamic Over-the-Counter ("OTC") derivative transactions and Islamic credit derivatives	1,574	-	-	-	-	-
Total off-balance sheet exposures	<u>1,574</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total on and off-balance sheet exposures	<u>111,321</u>	<u>109,747</u>	<u>100,589</u>	<u>(26,742)</u>	<u>73,847</u>	<u>5,908</u>
<u>Exposures under the IRB approach</u>						
On-balance sheet exposures:						
Sovereigns/central banks	2,501,736	2,501,736	513,269	(118,350)	394,919	31,594
Banks, development financial institutions & multilateral development banks ("MDBs")	122,359	122,359	30,229	-	30,229	2,418
Corporates	1,537,816	1,537,816	1,292,786	(409,333)	883,453	70,676
Home financing	2,083,838	2,083,838	325,337	(90,789)	234,548	18,764
Other retail	664,143	664,143	333,395	(42,547)	290,848	23,268
Defaulted exposures	88,388	88,388	137,935	(24,434)	113,501	9,080
Total on-balance sheet exposures	<u>6,998,280</u>	<u>6,998,280</u>	<u>2,632,951</u>	<u>(685,453)</u>	<u>1,947,498</u>	<u>155,800</u>
Off-balance sheet exposures:						
Islamic OTC derivatives	120,059	120,059	25,295	-	25,295	2,024
Off-balance sheet exposures other than Islamic OTC derivative transactions and Islamic credit derivatives	695,215	695,215	405,777	(92,301)	313,476	25,078
Defaulted exposures	9	9	16	(16)	-	-
Total off-balance sheet exposures	<u>815,283</u>	<u>815,283</u>	<u>431,088</u>	<u>(92,317)</u>	<u>338,771</u>	<u>27,102</u>
Total on and off-balance sheet exposures	<u>7,813,563</u>	<u>7,813,563</u>	<u>3,064,039</u>	<u>(777,770)</u>	<u>2,286,269</u>	<u>182,902</u>
<b>(b) Large exposures risk requirement</b>						
	-	-	-	-	-	-
<b>(c) Market risk</b>						
	-	-	-	-	-	-
<b>(d) Operational risk (Standardised approach)</b>						
			280,393	-	280,393	22,431
<b>Total RWA and capital requirements</b>			<u>3,445,021</u>	<u>(804,512)</u>	<u>2,640,509</u>	<u>211,241</u>

**CET 1, Tier 1 and Total capital ratios**

	Before effect of PSIA	After effect of PSIA
CET 1 capital ratio	18.851%	24.595%
Tier 1 capital ratio	18.851%	24.595%
Total capital ratio	22.220%	28.990%

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**1.0 Regulatory capital requirement (continued)**

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

31 December 2019 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
<b>(a) Credit risk</b>						
<u>Exposures under the Standardised approach</u>						
On-balance sheet exposures:						
Corporates	23,587	23,587	23,587	-	23,587	1,887
Regulatory retail	40,511	40,511	33,183	(27,249)	5,934	475
Home financing	319	319	112	-	112	9
Other assets	49,456	49,456	46,643	-	46,643	3,731
Defaulted exposures	24	24	36	-	36	3
Total on-balance sheet exposures	113,897	113,897	103,561	(27,249)	76,312	6,105
Off-balance sheet exposures:						
Off-balance sheet exposures other than Islamic OTC derivative transactions and Islamic credit derivatives	3,447	564	529	-	529	42
Total off-balance sheet exposures	3,447	564	529	-	529	42
Total on and off-balance sheet exposures	117,344	114,461	104,090	(27,249)	76,841	6,147
<u>Exposures under the IRB approach</u>						
On-balance sheet exposures:						
Sovereigns/central banks	2,459,175	2,459,175	485,936	(149,404)	336,532	26,923
Banks, development financial institutions & multilateral development banks ("MDBs")	204,611	204,611	50,173	-	50,173	4,014
Corporates	1,451,037	1,451,037	1,333,102	(258,980)	1,074,122	85,930
Home financing	2,127,558	2,127,558	311,747	(88,090)	223,657	17,893
Other retail	659,907	659,907	327,688	(44,486)	283,202	22,656
Defaulted exposures	106,313	106,313	154,711	(38,407)	116,304	9,304
Total on-balance sheet exposures	7,008,601	7,008,601	2,663,357	(579,367)	2,083,990	166,720
Off-balance sheet exposures:						
Islamic OTC derivatives	156,545	156,545	62,197	-	62,197	4,976
Off-balance sheet exposures other than Islamic OTC derivative transactions and Islamic credit derivatives	597,343	597,343	514,653	(48,328)	466,325	37,306
Defaulted exposures	1,349	1,349	3,021	(15)	3,006	240
Total off-balance sheet exposures	755,237	755,237	579,871	(48,343)	531,528	42,522
Total on and off-balance sheet exposures	7,763,838	7,763,838	3,243,228	(627,710)	2,615,518	209,242
<b>(b) Large exposures risk requirement</b>						
-						
<b>(c) Market risk</b>						
-						
<b>(d) Operational risk (Standardised approach)</b>						
281,851						
<b>Total RWA and capital requirements</b>						
3,629,169 (654,959) 2,974,210 237,937						

**CET 1, Tier 1 and Total capital ratios**

	Before effect of PSIA	After effect of PSIA
CET 1 capital ratio	18.793%	22.931%
Tier 1 capital ratio	18.793%	22.931%
Total capital ratio	22.006%	26.852%

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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.

<b>30 June 2020</b>	<b>Malaysia RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>IRB exposures</b>			
Sovereigns/Central banks	2,501,736	-	2,501,736
Banks, development financial institutions & MDBs	155,634	46,140	201,774
Takaful companies, Shariah compliant securities firms & fund managers	13,378	-	13,378
Corporate exposures (excluding specialised financing and firm-size adjustment)	1,202,753	537,667	1,740,420
Corporate exposures (with firm-size adjustment)	341,243	-	341,243
Specialised financing	118,981	68,567	187,548
Retail exposures	2,827,464	-	2,827,464
<i>Home financing</i>	2,115,616	-	2,115,616
<i>Other retail exposures</i>	711,848	-	711,848
<b>Total IRB exposures</b>	<b>7,161,189</b>	<b>652,374</b>	<b>7,813,563</b>
<b>Standardised exposures</b>			
Corporates	24,698	-	24,698
Regulatory retail	39,554	-	39,554
Home financing	319	-	319
Other assets	46,750	-	46,750
<b>Total Standardised exposures</b>	<b>111,321</b>	<b>-</b>	<b>111,321</b>
<b>Total credit risk exposures</b>	<b>7,272,510</b>	<b>652,374</b>	<b>7,924,884</b>

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**2.0 Credit risk (continued)**

**2.1 Exposure values (continued)**

**2.1.1 Geographical analysis (continued)**

31 December 2019	Malaysia RM'000	Others RM'000	Total RM'000
<b>IRB exposures</b>			
Sovereigns/Central banks	2,459,175	-	2,459,175
Banks, development financial institutions & MDBs	254,629	75,344	329,973
Takaful companies, Shariah compliant securities firms & multilateral fund managers	7,259	-	7,259
Corporate exposures (excluding specialised financing and firm-size adjustment)	1,101,726	549,058	1,650,784
Corporate exposures (with firm-size adjustment)	363,196	-	363,196
Specialised financing	32,387	41,541	73,928
Retail exposures	2,879,523	-	2,879,523
<i>Home financing</i>	2,165,283	-	2,165,283
<i>Other retail exposures</i>	714,240	-	714,240
<b>Total IRB exposures</b>	<b>7,097,895</b>	<b>665,943</b>	<b>7,763,838</b>
<b>Standardised exposures</b>			
Corporates	26,898	-	26,898
Regulatory retail	40,671	-	40,671
Home financing	319	-	319
Other assets	49,456	-	49,456
<b>Total Standardised exposures</b>	<b>117,344</b>	<b>-</b>	<b>117,344</b>
<b>Total credit risk exposures</b>	<b>7,215,239</b>	<b>665,943</b>	<b>7,881,182</b>

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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.

	Agricultural, hunting, forestry and fishing	Mining quarrying	Manufacturing	Electricity, gas and water	Construction	Wholesale & retail trade and restaurants & hotels	Transportation, storage and communication	Finance, insurance/ takaful and services	Real estate	Household	Others	Total
30 June 2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>IRB exposures</b>												
Sovereigns/Central banks	-	-	-	-	-	-	-	2,501,736	-	-	-	2,501,736
Banks, development financial financial institutions & MDBs	-	-	-	-	-	-	-	201,774	-	-	-	201,774
Takaful companies, Shariah compliant securities firms & fund managers	-	-	-	-	-	-	-	13,378	-	-	-	13,378
Corporate exposures (excluding specialised financing and firm- size adjustment)	52,786	-	619,448	-	106,245	172,123	558,359	147,819	9,174	-	74,466	1,740,420
Corporate exposures (with firm- size adjustment)	1,325	920	24,970	-	27,442	67,700	16,840	47,204	89,796	-	65,046	341,243
Specialised financing	-	-	41,663	-	-	118,982	-	-	-	-	26,903	187,548
Retail exposures	1,851	1,174	52,886	1,316	68,563	107,852	24,209	76,453	90,017	2,277,123	126,020	2,827,464
<i>Home financing</i>	-	-	-	-	-	-	-	-	-	2,115,616	-	2,115,616
<i>Other retail exposures</i>	1,851	1,174	52,886	1,316	68,563	107,852	24,209	76,453	90,017	161,507	126,020	711,848
<b>Total IRB exposures</b>	<b>55,962</b>	<b>2,094</b>	<b>738,967</b>	<b>1,316</b>	<b>202,250</b>	<b>466,657</b>	<b>599,408</b>	<b>2,988,364</b>	<b>188,987</b>	<b>2,277,123</b>	<b>292,435</b>	<b>7,813,563</b>
<b>Standardised exposures</b>												
Corporates	-	-	-	-	1,573	-	-	-	5,531	-	17,594	24,698
Regulatory retail	-	-	-	-	-	-	-	-	-	39,554	-	39,554
Home financing	-	-	-	-	-	-	-	-	-	319	-	319
Other assets	-	-	-	-	-	-	-	-	-	-	46,750	46,750
<b>Total Standardised exposures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,573</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,531</b>	<b>39,873</b>	<b>64,344</b>	<b>111,321</b>
<b>Total credit risk exposures</b>	<b>55,962</b>	<b>2,094</b>	<b>738,967</b>	<b>1,316</b>	<b>203,823</b>	<b>466,657</b>	<b>599,408</b>	<b>2,988,364</b>	<b>194,518</b>	<b>2,316,996</b>	<b>356,779</b>	<b>7,924,884</b>

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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 2019	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
<b>IRB exposures</b>												
Sovereigns/Central banks	-	-	-	-	-	-	-	2,459,175	-	-	-	2,459,175
Banks, development financial institutions & MDBs	-	-	-	-	-	-	-	329,973	-	-	-	329,973
Takaful companies, Shariah compliant securities firms & fund managers	-	-	-	-	-	-	-	7,259	-	-	-	7,259
Corporate exposures (excluding specialised financing and firm- size adjustment)	96,349	-	379,782	9,890	78,701	341,488	571,056	75,355	20,437	-	77,726	1,650,784
Corporate exposures (with firm- size adjustment)	1,305	2,315	23,515	-	29,419	63,788	22,352	45,775	90,648	-	84,079	363,196
Specialised financing	-	-	19,692	-	-	32,387	-	-	-	-	21,849	73,928
Retail exposures	1,897	898	51,646	1,372	70,574	105,311	25,094	71,945	90,511	2,343,527	116,748	2,879,523
Home financing	-	-	-	-	-	-	-	-	-	2,165,283	-	2,165,283
Other retail exposures	1,897	898	51,646	1,372	70,574	105,311	25,094	71,945	90,511	178,244	116,748	714,240
<b>Total IRB exposures</b>	<b>99,551</b>	<b>3,213</b>	<b>474,635</b>	<b>11,262</b>	<b>178,694</b>	<b>542,974</b>	<b>618,502</b>	<b>2,989,482</b>	<b>201,596</b>	<b>2,343,527</b>	<b>300,402</b>	<b>7,763,838</b>
<b>Standardised exposures</b>												
Corporates	-	-	-	-	3,311	-	-	-	5,564	-	18,023	26,898
Regulatory retail	-	-	-	-	-	-	-	-	-	40,671	-	40,671
Home financing	-	-	-	-	-	-	-	-	-	319	-	319
Other assets	-	-	-	-	-	-	-	-	-	-	49,456	49,456
<b>Total Standardised exposures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,311</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,564</b>	<b>40,990</b>	<b>67,479</b>	<b>117,344</b>
<b>Total credit risk exposures</b>	<b>99,551</b>	<b>3,213</b>	<b>474,635</b>	<b>11,262</b>	<b>182,005</b>	<b>542,974</b>	<b>618,502</b>	<b>2,989,482</b>	<b>207,160</b>	<b>2,384,517</b>	<b>367,881</b>	<b>7,881,182</b>

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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 2020	Up to 1 year RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Total RM'000
<b>IRB exposures</b>				
Sovereigns/Central banks	1,595,396	906,340	-	2,501,736
Banks, development financial institutions & MDBs	186,615	15,159	-	201,774
Takaful companies, securities firms & Shariah compliant fund managers	13,248	130	-	13,378
Corporate exposures (excluding specialised financing and firm-size adjustment)	688,836	967,900	83,684	1,740,420
Corporate exposures (with firm-size adjustment)	20,600	70,970	249,673	341,243
Specialised financing	163,887	23,661	-	187,548
Retail exposures	27,497	267,466	2,532,501	2,827,464
Home financing	10,517	23,103	2,081,996	2,115,616
Other retail exposures	16,980	244,363	450,505	711,848
<b>Total IRB exposures</b>	<b>2,696,079</b>	<b>2,251,626</b>	<b>2,865,858</b>	<b>7,813,563</b>
<b>Standardised exposures</b>				
Corporates	1,573	-	23,125	24,698
Regulatory retail	12	335	39,207	39,554
Home financing	-	-	319	319
Other assets	46,750	-	-	46,750
<b>Total Standardised exposures</b>	<b>48,335</b>	<b>335</b>	<b>62,651</b>	<b>111,321</b>
<b>Total credit risk exposures</b>	<b>2,744,414</b>	<b>2,251,961</b>	<b>2,928,509</b>	<b>7,924,884</b>

*Note: The above table shows that exposures with residual contractual maturity more than 5 years, of which 86% are collateralized.*



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**2.0 Credit risk (continued)**

**2.1 Exposure values (continued)**

**2.1.3 Residual contractual maturity analysis (continued)**

<b>31 December 2019</b>	<b>Up to 1 year RM'000</b>	<b>&gt; 1 - 5 years RM'000</b>	<b>Over 5 years RM'000</b>	<b>Total RM'000</b>
<b>IRB exposures</b>				
Sovereigns/Central banks	1,784,426	674,749	-	2,459,175
Banks, development financial institutions & MDBs	311,723	18,250	-	329,973
Takaful companies, Shariah compliant securities firms & fund managers	7,129	130	-	7,259
Corporate exposures (excluding specialised financing and firm-size adjustment)	790,508	771,384	88,892	1,650,784
Corporate exposures (with firm-size adjustment)	27,527	65,688	269,981	363,196
Specialised financing	58,314	15,614	-	73,928
Retail exposures	27,676	252,022	2,599,825	2,879,523
<i>Home financing</i>	9,618	20,258	2,135,407	2,165,283
<i>Other retail exposures</i>	18,058	231,764	464,418	714,240
<b>Total IRB exposures</b>	<b>3,007,303</b>	<b>1,797,837</b>	<b>2,958,698</b>	<b>7,763,838</b>
<b>Standardised exposures</b>				
Corporates	3,311	-	23,587	26,898
Regulatory retail	39	504	40,128	40,671
Home financing	-	-	319	319
Other assets	49,456	-	-	49,456
<b>Total Standardised exposures</b>	<b>52,806</b>	<b>504</b>	<b>64,034</b>	<b>117,344</b>
<b>Total credit risk exposures</b>	<b>3,060,109</b>	<b>1,798,341</b>	<b>3,022,732</b>	<b>7,881,182</b>

*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)**

**2.2 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
<b>30 June 2020</b>				
<b>On-balance sheet exposures</b>				
Sovereigns/Central banks	2,501,736	-	-	-
Banks, development financial institutions & MDBs	122,359	-	-	-
Corporates	1,491,908	-	32,905	196,634
Regulatory retail	703,673	-	-	261,845
Home financing	2,084,157	-	-	2,079,177
Other assets	46,749	-	-	-
Specialised financing	69,033	-	-	-
Defaulted exposures	88,412	-	-	31,801
Total on-balance sheet exposures	<b>7,108,027</b>	<b>-</b>	<b>32,905</b>	<b>2,569,457</b>
<b>Off-balance sheet exposures</b>				
Islamic OTC derivatives	120,059	-	37,793	1,234
Off balance sheet exposures other than Islamic OTC derivatives or Islamic credit derivatives	696,789	-	77,730	15,194
Defaulted exposures	9	-	-	-
Total off-balance sheet exposures	<b>816,857</b>	<b>-</b>	<b>115,523</b>	<b>16,428</b>
<b>Total on and off-balance sheet exposures</b>	<b>7,924,884</b>	<b>-</b>	<b>148,428</b>	<b>2,585,885</b>

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**2.0 Credit risk (continued)**

**2.2 Credit risk mitigation (continued)**

<b>31 December 2019</b>	<b>Exposures before CRM RM'000</b>	<b>Exposures covered by guarantees or credit derivatives RM'000</b>	<b>Exposures covered by eligible financial collateral RM'000</b>	<b>Exposures covered by other eligible collateral RM'000</b>
<b>On-balance sheet exposures</b>				
Sovereigns/Central banks	2,459,175	-	-	-
Banks, development financial institutions & MDBs	204,611	-	-	-
Corporates	1,440,848	759	35,336	199,428
Regulatory retail	700,418	-	-	259,466
Home financing	2,127,877	-	-	2,122,176
Other assets	49,456	-	-	-
Specialised financing	33,776	-	-	5,526
Defaulted exposures	106,337	-	-	40,323
<b>Total on-balance sheet exposures</b>	<b>7,122,498</b>	<b>759</b>	<b>35,336</b>	<b>2,626,919</b>
<b>Off-balance sheet exposures</b>				
Islamic OTC derivatives	156,545	-	31,881	2,332
Off balance sheet exposures other than Islamic OTC derivatives or Islamic credit derivatives	600,790	-	42,304	10,138
Defaulted exposures	1,349	-	-	-
<b>Total off-balance sheet exposures</b>	<b>758,684</b>	<b>-</b>	<b>74,185</b>	<b>12,470</b>
<b>Total on and off-balance sheet exposures</b>	<b>7,881,182</b>	<b>759</b>	<b>109,521</b>	<b>2,639,389</b>

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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 2020	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
<b>Non-retail exposures (EAD)</b>							
<b><u>On-balance sheet exposures</u></b>							
Sovereign	-	2,501,736	-	-	-	-	-
Banks	-	121,221	1,138	-	-	-	-
Corporate	-	561,234	192,308	463,014	292,644	28,616	20,897
Total on-balance sheet exposures	-	<b>3,184,191</b>	<b>193,446</b>	<b>463,014</b>	<b>292,644</b>	<b>28,616</b>	<b>20,897</b>
<b><u>Undrawn commitments</u></b>							
Corporate	-	11,130	191,323	47,585	23,944	856	-
Total undrawn commitments	-	<b>11,130</b>	<b>191,323</b>	<b>47,585</b>	<b>23,944</b>	<b>856</b>	-
<b><u>Derivatives</u></b>							
Banks	-	35,786	-	43,629	-	-	-
Corporate	-	38,583	480	1,570	-	11	-
Total derivatives	-	<b>74,369</b>	<b>480</b>	<b>45,199</b>	-	<b>11</b>	-
<b><u>Contingent</u></b>							
Corporate	-	-	18,885	341,551	47,958	-	-
Total contingent	-	-	<b>18,885</b>	<b>341,551</b>	<b>47,958</b>	-	-
<b>Exposure weighted average LGD (%)</b>							
Sovereign	0.00%	46.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Banks	0.00%	44.84%	71.90%	45.00%	0.00%	0.00%	0.00%
Corporate	0.00%	51.07%	46.58%	34.64%	53.60%	26.53%	36.87%
<b>Exposure weighted average risk weight (%)</b>							
Sovereign	0.00%	20.52%	0.00%	0.00%	0.00%	0.00%	0.00%
Banks	0.00%	26.14%	54.11%	11.10%	0.00%	0.00%	0.00%
Corporate	0.00%	23.46%	67.06%	70.50%	179.80%	117.02%	242.46%

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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 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
<b>Non-retail exposures (EAD)</b>							
<b><u>On-balance sheet exposures</u></b>							
Sovereign	-	2,459,175	-	-	-	-	-
Banks	-	203,373	1,238	-	-	-	-
Corporate	759	560,834	184,594	375,199	320,296	9,355	23,660
Total on-balance sheet exposures	759	<b>3,223,382</b>	<b>185,832</b>	<b>375,199</b>	<b>320,296</b>	<b>9,355</b>	<b>23,660</b>
<b><u>Undrawn commitments</u></b>							
Corporate	-	25,589	174,396	112,646	65,175	2	-
Total undrawn commitments	-	<b>25,589</b>	<b>174,396</b>	<b>112,646</b>	<b>65,175</b>	<b>2</b>	-
<b><u>Derivatives</u></b>							
Banks	-	51,722	-	73,640	-	-	-
Corporate	-	26,453	17	4,713	-	-	-
Total derivatives	-	<b>78,175</b>	<b>17</b>	<b>78,353</b>	-	-	-
<b><u>Contingent</u></b>							
Corporate	-	-	45,070	140,523	24,546	-	1,340
Total contingent	-	-	<b>45,070</b>	<b>140,523</b>	<b>24,546</b>	-	1,340
<b>Exposure weighted average LGD (%)</b>							
Sovereign	0.00%	46.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Banks	0.00%	46.16%	71.90%	45.56%	0.00%	0.00%	0.00%
Corporate	96.54%	50.65%	45.59%	47.80%	54.92%	50.40%	33.58%
<b>Exposure weighted average risk weight (%)</b>							
Sovereign	0.00%	19.76%	0.00%	0.00%	0.00%	0.00%	0.00%
Banks	0.00%	26.58%	54.11%	48.10%	0.00%	0.00%	0.00%
Corporate	31.12%	25.99%	62.19%	100.16%	194.25%	136.78%	215.21%

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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.

<b>30 June 2020</b>	<b>0.00-0.11%</b> <b>RM'000</b>	<b>0.11-0.30%</b> <b>RM'000</b>	<b>0.30-0.43%</b> <b>RM'000</b>	<b>0.43-3.05%</b> <b>RM'000</b>	<b>3.05-9.20%</b> <b>RM'000</b>	<b>9.20-100.00%</b> <b>RM'000</b>	<b>Default or 100.00%</b> <b>RM'000</b>
<b>Retail exposures (EAD)</b>							
<b><u>On-balance sheet exposures</u></b>							
Home financing	25,592	477,169	244,486	1,129,804	110,825	95,962	20,418
Other retail	42,699	80,597	990	281,652	183,019	75,186	47,073
<b>Total on-balance sheet exposures</b>	<b>68,291</b>	<b>557,766</b>	<b>245,476</b>	<b>1,411,456</b>	<b>293,844</b>	<b>171,148</b>	<b>67,491</b>
<b><u>Undrawn commitments</u></b>							
Home financing	-	-	16	11,335	-	-	9
Other retail	-	-	-	364	268	-	-
<b>Total undrawn commitments</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>11,699</b>	<b>268</b>	<b>-</b>	<b>9</b>
<b>Exposure weighted average LGD (%)</b>							
Home financing	12.37%	12.38%	12.42%	12.33%	12.65%	13.25%	18.42%
Other retail	24.31%	23.09%	31.60%	45.61%	28.14%	38.77%	44.14%
<b>Exposure weighted average risk weight (%)</b>							
Home financing	3.09%	5.76%	8.22%	14.52%	45.64%	65.31%	105.67%
Other retail	4.73%	8.79%	18.63%	58.79%	51.62%	85.02%	139.57%

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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 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
<b>Retail exposures (EAD)</b>							
<b><u>On-balance sheet exposures</u></b>							
Home financing	13,861	515,140	285,914	1,128,478	115,378	68,787	28,704
Other retail	43,879	90,376	3,906	281,031	172,669	68,046	53,949
Total on-balance sheet exposures	<b>57,740</b>	<b>605,516</b>	<b>289,820</b>	<b>1,409,509</b>	<b>288,047</b>	<b>136,833</b>	<b>82,653</b>
<b><u>Undrawn commitments</u></b>							
Home financing	-	16	-	8,996	-	-	9
Other retail	-	-	-	77	307	-	-
Total undrawn commitments	-	16	-	<b>9,073</b>	<b>307</b>	-	<b>9</b>
<b>Exposure weighted average LGD (%)</b>							
Home financing	12.26%	12.45%	12.32%	12.34%	12.58%	12.99%	19.02%
Other retail	24.70%	22.76%	30.28%	46.39%	34.83%	37.52%	43.54%
<b>Exposure weighted average risk weight (%)</b>							
Home financing	3.04%	5.27%	8.08%	14.74%	42.78%	66.53%	104.03%
Other retail	4.20%	8.61%	18.89%	60.51%	54.30%	78.74%	137.28%

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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.

<b>30 June 2020</b>	<b>Up to 0.10% RM'000</b>	<b>&gt;0.10 to 0.20% RM'000</b>	<b>&gt;0.20 to 0.50% RM'000</b>	<b>&gt;0.50 to 1.00% RM'000</b>	<b>&gt;1.00 to 30.00% RM'000</b>	<b>&gt;30.00 to &lt;100.00% RM'000</b>	<b>100.00% RM'000</b>
<b>Retail exposures (EAD)</b>							
<b><u>On-balance sheet exposures</u></b>							
Home financing	1,441,334	363,114	105,259	46,642	147,907	-	-
Other retail	292,391	15,251	8,873	153,590	184,942	56,164	5
<b>Total on-balance sheet exposures</b>	<b>1,733,725</b>	<b>378,365</b>	<b>114,132</b>	<b>200,232</b>	<b>332,849</b>	<b>56,164</b>	<b>5</b>
<b><u>Undrawn commitments</u></b>							
Home financing	5,834	1,138	4,379	-	9	-	-
Other retail	364	-	-	-	268	-	-
<b>Total undrawn commitments</b>	<b>6,198</b>	<b>1,138</b>	<b>4,379</b>	<b>-</b>	<b>277</b>	<b>-</b>	<b>-</b>
<b>Exposure weighted average risk weight (%)</b>							
Home financing	8.88%	17.76%	29.95%	44.89%	68.89%	0.00%	0.00%
Other retail	11.43%	28.19%	49.15%	60.66%	107.46%	115.53%	3118.67%



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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 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
<b>Retail exposures (EAD)</b>							
<b><u>On-balance sheet exposures</u></b>							
Home financing	1,482,814	359,819	145,741	57,415	110,473	-	-
Other retail	293,844	14,226	8,039	132,941	207,058	57,686	62
Total on-balance sheet exposures	<b>1,776,658</b>	<b>374,045</b>	<b>153,780</b>	<b>190,356</b>	<b>317,531</b>	<b>57,686</b>	<b>62</b>
<b><u>Undrawn commitments</u></b>							
Home financing	3,287	1,138	4,587	-	9	-	-
Other retail	77	-	-	-	307	-	-
Total undrawn commitments	<b>3,364</b>	<b>1,138</b>	<b>4,587</b>	<b>-</b>	<b>316</b>	<b>-</b>	<b>-</b>
<b>Exposure weighted average risk weight (%)</b>							
Home financing	8.50%	17.45%	30.14%	44.27%	75.38%	0.00%	0.00%
Other retail	8.17%	28.72%	48.39%	61.25%	108.12%	110.19%	1316.21%

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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.

30 June 2020	← Exposures After Netting and Credit Risk Mitigation →				Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000
	Corporates* RM'000	Regulatory retail RM'000	Home financing RM'000	Other assets RM'000		
<b>Risk weights</b>						
0%	-	-	-	1,847	1,847	-
35%	-	-	319	-	319	112
75%	-	28,463	-	-	28,463	21,347
100%	23,125	11,067	-	44,902	79,094	79,094
150%	-	24	-	-	24	36
<b>Total exposures</b>	<b>23,125</b>	<b>39,554</b>	<b>319</b>	<b>46,749</b>	<b>109,747</b>	<b>100,589</b>
Risk-weighted assets by exposures	23,125	32,450	112	44,902	100,589	
Average risk weight	100.0%	82.0%	35.1%	96.0%	91.7%	
Deduction from capital base	-	-	-	-	-	

31 December 2019	← Exposures After Netting and Credit Risk Mitigation →				Total exposures after netting and credit risk mitigation RM'000	Total risk weighted assets RM'000
	Corporates* RM'000	Regulatory retail RM'000	Home financing RM'000	Other assets RM'000		
<b>Risk weights</b>						
0%	-	-	-	2,812	2,812	-
35%	-	-	319	-	319	112
75%	-	29,453	-	-	29,453	22,089
100%	24,015	11,195	-	46,643	81,853	81,853
150%	-	24	-	-	24	36
<b>Total exposures</b>	<b>24,015</b>	<b>40,672</b>	<b>319</b>	<b>49,455</b>	<b>114,461</b>	<b>104,090</b>
Risk-weighted assets by exposures	24,015	33,320	112	46,643	104,090	
Average risk weight	100.0%	81.9%	35.1%	94.3%	90.9%	
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.

	<b>Allowances for credit losses held as at 1 January 2020 RM'000</b>	<b>Net allowance credit losses charge during the financial period RM'000</b>	<b>Amounts written off or other movements during the financial period RM'000</b>	<b>Allowances for credit losses held as at 30 June 2020 RM'000</b>
<b>30 June 2020</b>				
Home financing	13,399	(5,051)	(2,252)	6,096
Others	33,836	9,428	(5,692)	37,572
<b>Retail Clients</b>	<b>47,235</b>	<b>4,377</b>	<b>(7,944)</b>	<b>43,668</b>
Agriculture	1,216	213	-	1,429
Mining and quarrying	101	(101)	-	-
Manufacturing	2,990	1,088	-	4,078
Construction	40	13	-	53
Real estate	8	2,991	-	2,999
Wholesale & retail trade and restaurants & hotels	476	1,013	-	1,489
Transportation, storage and communication	28	193	-	221
Finance, insurance/takaful and business services	401	(140)	-	261
Others	169	7	27	203
<b>Corporates, Institutional and Commercial Clients</b>	<b>5,429</b>	<b>5,277</b>	<b>27</b>	<b>10,733</b>
<b>Total allowances for credit losses</b>	<b>52,664</b>	<b>9,654</b>	<b>(7,917)</b>	<b>54,401</b>

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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 assests by each principal category of customers' business or industry.

31 December 2019	Allowances for credit losses held as at 1 January 2019 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 2019 RM'000
Home financing	14,167	3,102	(3,870)	13,399
Others	45,354	8,375	(19,893)	33,836
<b>Retail Clients</b>	<b>59,521</b>	<b>11,477</b>	<b>(23,763)</b>	<b>47,235</b>
Agriculture	228	988	-	1,216
Mining and quarrying	61	40	-	101
Manufacturing	5,457	(2,467)	-	2,990
Construction	5,171	(5,131)	-	40
Real estate	136	(128)	-	8
Wholesale & retail trade and restaurants & hotels	629	(153)	-	476
Transportation, storage and communication	2,875	(519)	(2,328)	28
Finance, insurance/takaful and business services	932	(531)	-	401
Others	25	313	(169)	169
<b>Corporates, Institutional and Commercial Clients</b>	<b>15,514</b>	<b>(7,588)</b>	<b>(2,497)</b>	<b>5,429</b>
<b>Total Impairment Provisions</b>	<b>75,035</b>	<b>3,889</b>	<b>(26,260)</b>	<b>52,664</b>

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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.

	<b>30 June 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
Home financing	229,495	242,604
Others	53,370	58,792
<b>Retail Clients</b>	<b>282,865</b>	<b>301,396</b>
Wholesale & retail trade and restaurants & hotels	-	-
Transport, storage and communication	-	-
<b>Corporates, Institutional and Commercial Clients</b>	<b>-</b>	<b>-</b>

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

	<b>30 June 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
Malaysia	282,865	301,396

**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.

	<b>Within Malaysia RM'000</b>	<b>Outside Malaysia RM'000</b>	<b>Total RM'000</b>
<b>30 June 2020</b>			
Gross impaired financing and advances	58,171	-	58,171
Allowance for credit losses	21,925	-	21,925
<b>31 December 2019</b>			
Gross impaired financing and advances	70,924	-	70,924
Allowance for credit losses	30,865	-	30,865

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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.

<b>30 June 2020</b>	<b>Principal amount RM'000</b>	<b>Positive fair value of contracts RM'000</b>	<b>Negative fair value of contracts RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted assets RM'000</b>
Direct credit substitutes	65,140	-	-	65,140	94,358
Transaction related contingent items	278,209	-	-	278,209	31,621
Short term self liquidating trade related contingencies	66,983	-	-	66,983	22,169
Foreign exchange related contracts					
<i>One year or less</i>	1,876,200	48,588	48,669	75,974	11,327
Profit rate related contracts					
<i>One year or less</i>	1,389,195	4,003	4,003	5,393	893
<i>Over one year to five years</i>	757,934	8,374	8,374	38,692	13,075
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	432,212	-	-	59,858	89,875
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	12,677	-	-	10,403	1,900
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	4,489,752	-	-	216,205	165,870
	<u>9,368,302</u>	<u>60,965</u>	<u>61,046</u>	<u>816,857</u>	<u>431,088</u>

<b>31 December 2019</b>	<b>Principal amount RM'000</b>	<b>Positive fair value of contracts RM'000</b>	<b>Negative fair value of contracts RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted assets RM'000</b>
Direct credit substitutes	66,269	-	-	66,269	70,031
Transaction related contingent items	128,863	-	-	128,863	38,851
Short term self liquidating trade related contingencies	19,737	-	-	19,737	8,278
Foreign exchange related contracts					
<i>One year or less</i>	2,238,741	69,876	70,192	113,429	46,762
Profit rate related contracts					
<i>One year or less</i>	1,419,065	5,834	5,834	9,381	1,489
<i>Over one year to five years</i>	774,234	2,766	2,766	33,735	13,946
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	623,716	-	-	69,520	108,981
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	10,450	-	-	9,271	2,021
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	4,549,724	-	-	308,479	290,041
	<u>9,830,799</u>	<u>78,476</u>	<u>78,792</u>	<u>758,684</u>	<u>580,400</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 2020 versus 30 June 2019 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.

	<b>30 June 2020</b>	<b>30 June 2019</b>	<b>30 June 2019</b>	<b>30 June 2018</b>
	<b>Actual losses *</b>	<b>Expected</b>	<b>Actual losses *</b>	<b>Expected</b>
	<b>RM'000</b>	<b>losses</b>	<b>RM'000</b>	<b>losses</b>
		<b>RM'000</b>		<b>RM'000</b>
Sovereigns/Central banks	-	475	-	410
Banks, development financial institutions & MDBs	-	140	-	246
Takaful companies, Shariah compliant securities firms & fund managers	-	11	-	16
Corporate exposures (excluding specialised financing and firm-size adjustment)	1,376	13,860	2,250	13,320
Corporate exposures (with firm-size adjustment)	4,616	2,291	(5,622)	1,950
Specialised financing		110		173
<i>Home financing</i>	(5,866)	5,362	1,040	4,752
<i>Other retail exposures</i>	9,528	32,968	5,550	42,562
	<b>9,654</b>	<b>55,217</b>	<b>3,218</b>	<b>63,429</b>

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

**Standard Chartered Saadiq Berhad**  
**Pillar 3 disclosures**

**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
<b>30 June 2020</b>		
MYR	(6,671)	(113,650)
USD	(6,535)	(717)
GBP	(245)	6
JPY	96	(9)
<hr/>		
<b>31 December 2019</b>		
MYR	(4,984)	(83,289)
USD	(3,483)	(1,921)
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**4.0 Shariah non-compliant events and income**

During the financial period, there was no (2019: nil) shariah non-compliant event being detected with no shariah non-compliant income (2019: nil).



**Standard Chartered Saadiq Berhad  
Pillar 3 disclosures**

**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 2020 are consistent with the manner in which the Bank assesses and manages its risk, and are not misleading in any particular way.

.....  
**Mohd Suhaimi Abdul Hamid**  
**Chief Executive Officer**

Date: 27 August 2020