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**Standard Chartered Saadiq Berhad**

**Pillar 3 Disclosures  
30 June 2018**

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Incorporated in Malaysia with registered Company No. 823437K

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

***Level 16, Menara Standard Chartered***

***No. 30, 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 2018 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	1,395	1,395	1,395	-	1,395	112
Regulatory retail	211	211	176	(176)	-	-
Home financing	334	334	117	(52)	65	5
Other assets	54,048	54,048	51,745	-	51,745	4,140
Defaulted exposures	24	24	36	-	36	3
Total on-balance sheet exposures	<u>56,012</u>	<u>56,012</u>	<u>53,469</u>	<u>(228)</u>	<u>53,241</u>	<u>4,260</u>
Off-balance sheet exposures:						
Off-balance sheet exposures other than Islamic Over-the-Counter ("OTC") derivative transactions and Islamic credit derivatives	6,231	3,460	3,460	-	3,460	277
Total off-balance sheet exposures	<u>6,231</u>	<u>3,460</u>	<u>3,460</u>	<u>-</u>	<u>3,460</u>	<u>277</u>
Total on and off-balance sheet exposures	<u>62,243</u>	<u>59,472</u>	<u>56,929</u>	<u>(228)</u>	<u>56,701</u>	<u>4,537</u>
<u>Exposures under the IRB approach</u>						
On-balance sheet exposures:						
Sovereigns/central banks	2,817,251	2,817,251	349,608	(132,836)	216,772	17,342
Banks, development financial institutions & multilateral development banks ("MDBs")	239,696	239,696	65,231	-	65,231	5,218
Corporates	2,095,154	2,095,179	1,705,465	(550,874)	1,154,591	92,367
Home financing	2,492,694	2,492,694	386,911	(185,113)	201,798	16,144
Other retail	773,265	773,240	339,966	(64,596)	275,370	22,030
Defaulted exposures	124,788	124,788	171,321	(50,948)	120,373	9,630
Total on-balance sheet exposures	<u>8,542,848</u>	<u>8,542,848</u>	<u>3,018,502</u>	<u>(984,367)</u>	<u>2,034,135</u>	<u>162,731</u>
Off-balance sheet exposures:						
Islamic OTC derivatives	317,445	317,445	149,693	(110,277)	39,416	3,153
Off-balance sheet exposures other than Islamic OTC derivative transactions and Islamic credit derivatives	583,149	583,149	270,428	(79,750)	190,678	15,254
Defaulted exposures	9	9	15	(15)	-	-
Total off-balance sheet exposures	<u>900,603</u>	<u>900,603</u>	<u>420,136</u>	<u>(190,042)</u>	<u>230,094</u>	<u>18,407</u>
Total on and off-balance sheet exposures	<u>9,443,451</u>	<u>9,443,451</u>	<u>3,438,638</u>	<u>(1,174,409)</u>	<u>2,264,229</u>	<u>181,138</u>
<b>(b) Large exposures risk requirement</b>	-	-	-	-	-	-
<b>(c) Market risk</b>	-	-	-	-	-	-
<b>(d) Operational risk (Standardised approach)</b>			307,262	-	307,262	24,581
<b>Total RWA and capital requirements</b>			<u>3,802,829</u>	<u>(1,174,637)</u>	<u>2,628,192</u>	<u>210,256</u>

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

	Before effect of PSIA	After effect of PSIA
CET 1 capital ratio	16.630%	24.062%
Tier 1 capital ratio	16.630%	24.062%
Total capital ratio	19.635%	28.411%

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**1.0 Regulatory capital requirement (continued)**

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

31 December 2017 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	1,604	1,604	1,604	-	1,604	128
Regulatory retail	116,702	116,702	114,966	-	114,966	9,197
Home financing	339	339	119	-	119	10
Other assets	75,869	75,869	72,786	-	72,786	5,823
Defaulted exposures	14,082	14,082	15,848	-	15,848	1,268
Total on-balance sheet exposures	<u>208,596</u>	<u>208,596</u>	<u>205,323</u>	<u>-</u>	<u>205,323</u>	<u>16,426</u>
Off-balance sheet exposures:						
Off-balance sheet exposures other than Islamic OTC derivative transactions and Islamic credit derivatives	5,319	3,897	3,881	-	3,881	310
Total off-balance sheet exposures	<u>5,319</u>	<u>3,897</u>	<u>3,881</u>	<u>-</u>	<u>3,881</u>	<u>310</u>
Total on and off-balance sheet exposures	<u>213,915</u>	<u>212,493</u>	<u>209,204</u>	<u>-</u>	<u>209,204</u>	<u>16,736</u>
<u>Exposures under the IRB approach</u>						
On-balance sheet exposures:						
Sovereigns/central banks	1,849,481	1,849,481	236,088	(125,623)	110,465	8,837
Banks, development financial institutions & multilateral development banks ("MDBs")	110,016	110,016	38,821	-	38,821	3,106
Corporates	2,101,607	2,101,639	1,695,979	(511,802)	1,184,177	94,734
Home financing	2,588,198	2,588,198	397,985	-	397,985	31,839
Other retail	683,816	683,784	198,184	-	198,184	15,855
Defaulted exposures	82,477	82,477	223,799	-	223,799	17,904
Total on-balance sheet exposures	<u>7,415,595</u>	<u>7,415,595</u>	<u>2,790,856</u>	<u>(637,425)</u>	<u>2,153,431</u>	<u>172,275</u>
Off-balance sheet exposures:						
Islamic OTC derivatives	389,444	389,444	167,098	(128,832)	38,266	3,061
Off-balance sheet exposures other than Islamic OTC derivative transactions and Islamic credit derivatives	704,263	704,263	454,366	(138,518)	315,848	25,268
Defaulted exposures	9	9	14	-	14	1
Total off-balance sheet exposures	<u>1,093,716</u>	<u>1,093,716</u>	<u>621,478</u>	<u>(267,350)</u>	<u>354,128</u>	<u>28,330</u>
Total on and off-balance sheet exposures	<u>8,509,311</u>	<u>8,509,311</u>	<u>3,412,334</u>	<u>(904,775)</u>	<u>2,507,559</u>	<u>200,605</u>
<b>(b) Large exposures risk requirement</b>	-	-	-	-	-	-
<b>(c) Market risk</b>	-	-	-	-	-	-
<b>(d) Operational risk (Standardised approach)</b>			320,217	-	320,217	25,617
<b>Total RWA and capital requirements</b>			<u>3,941,755</u>	<u>(904,775)</u>	<u>3,036,980</u>	<u>242,958</u>
<u>CET 1, Tier 1 and Total capital ratios</u>						
			Before effect of PSIA		After effect of PSIA	
CET 1 capital ratio			15.906%		20.644%	
Tier 1 capital ratio			15.906%		20.644%	
Total capital ratio			18.874%		24.497%	

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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 2018</b>	<b>Malaysia RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>IRB exposures</b>			
Sovereigns/Central banks	2,817,251	-	2,817,251
Banks, development financial institutions & MDBs	296,138	213,432	509,570
Takaful companies, Syariah compliant securities firms & fund managers	16,685	-	16,685
Corporate exposures (excluding specialised financing and firm-size adjustment)	1,641,896	616,168	2,258,064
Corporate exposures (with firm-size adjustment)	332,566	-	332,566
Specialised financing	68,708	23,567	92,275
Retail exposures	3,417,040	-	3,417,040
<i>Home financing</i>	2,547,329	-	2,547,329
<i>Other retail exposures</i>	869,711	-	869,711
<b>Total IRB exposures</b>	<b>8,590,284</b>	<b>853,167</b>	<b>9,443,451</b>
<b>Standardised exposures</b>			
Corporates	7,626	-	7,626
Regulatory retail	235	-	235
Home financing	334	-	334
Other assets	54,048	-	54,048
<b>Total Standardised exposures</b>	<b>62,243</b>	<b>-</b>	<b>62,243</b>
<b>Total credit risk exposures</b>	<b>8,652,527</b>	<b>853,167</b>	<b>9,505,694</b>

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**2.0 Credit risk (continued)**

**2.1 Exposure values (continued)**

**2.1.1 Geographical analysis (continued)**

31 December 2017	Malaysia RM'000	Others RM'000	Total RM'000
<b>IRB exposures</b>			
Sovereigns/Central banks	1,849,481	-	1,849,481
Banks, development financial institutions & MDBs	220,840	236,981	457,821
Takaful companies, Syariah compliant securities firms & multilateral fund managers	10,047	-	10,047
Corporate exposures (excluding specialised financing and firm-size adjustment)	1,518,843	606,402	2,125,245
Corporate exposures (with firm-size adjustment)	535,652	-	535,652
Specialised financing	110,602	29,900	140,502
Retail exposures	3,390,563	-	3,390,563
<i>Home financing</i>	2,633,091	-	2,633,091
<i>Other retail exposures</i>	757,472	-	757,472
Total IRB exposures	<b>7,636,028</b>	<b>873,283</b>	<b>8,509,311</b>
<b>Standardised exposures</b>			
Corporates	6,860	-	6,860
Regulatory retail	130,847	-	130,847
Home financing	339	-	339
Other assets	70,510	5,359	75,869
Total Standardised exposures	<b>208,556</b>	<b>5,359</b>	<b>213,915</b>
<b>Total credit risk exposures</b>	<b>7,844,584</b>	<b>878,642</b>	<b>8,723,226</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 2018	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	-	-	-	-	-	-	-	2,817,251	-	-	-	2,817,251
Banks, development financial financial institutions & MDBs	-	-	-	-	-	-	-	509,570	-	-	-	509,570
Takaful companies, Syariah compliant securities firms & fund managers	-	-	-	-	-	-	-	16,685	-	-	-	16,685
Corporate exposures (excluding specialised financing and firm- size adjustment)	119,886	258,062	414,453	-	176,418	240,341	615,229	165,971	223,123	-	44,581	2,258,064
Corporate exposures (with firm- size adjustment)	-	4,178	3,012	-	-	19,801	30,272	18,728	-	-	256,575	332,566
Specialised financing	-	-	-	-	-	68,708	-	-	-	-	23,567	92,275
Retail exposures	730	385	22,998	-	32,971	64,310	17,142	30,362	-	2,708,934	539,208	3,417,040
Home financing	-	-	-	-	-	-	-	-	-	2,547,329	-	2,547,329
Other retail exposures	730	385	22,998	-	32,971	64,310	17,142	30,362	-	161,605	539,208	869,711
<b>Total IRB exposures</b>	<b>120,616</b>	<b>262,625</b>	<b>440,463</b>	<b>-</b>	<b>209,389</b>	<b>393,160</b>	<b>662,643</b>	<b>3,558,567</b>	<b>223,123</b>	<b>2,708,934</b>	<b>863,931</b>	<b>9,443,451</b>
<b>Standardised exposures</b>												
Corporates	-	-	-	-	6,260	-	-	-	-	-	1,366	7,626
Regulatory retail	-	-	-	-	-	-	-	-	-	235	-	235
Home financing	-	-	-	-	-	-	-	-	-	334	-	334
Other assets	-	-	-	-	-	-	-	-	-	-	54,048	54,048
<b>Total Standardised exposures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,260</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>569</b>	<b>55,414</b>	<b>62,243</b>
<b>Total credit risk exposures</b>	<b>120,616</b>	<b>262,625</b>	<b>440,463</b>	<b>-</b>	<b>215,649</b>	<b>393,160</b>	<b>662,643</b>	<b>3,558,567</b>	<b>223,123</b>	<b>2,709,503</b>	<b>919,345</b>	<b>9,505,694</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 2017	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	-	-	-	-	-	-	-	1,849,481	-	-	-	1,849,481
Banks, development financial institutions & MDBs	-	-	-	-	-	-	-	457,821	-	-	-	457,821
Takaful companies, Syariah compliant securities firms & fund managers	-	-	-	-	-	-	-	10,047	-	-	-	10,047
Corporate exposures (excluding specialised financing and firm- size adjustment)	118,580	252,150	364,134	-	73,609	325,446	592,741	135,647	231,433	-	31,505	2,125,245
Corporate exposures (with firm- size adjustment)	932	7,531	8,848	-	152,308	20,159	28,502	56,010	-	-	261,362	535,652
Specialised financing	-	-	-	-	-	110,602	-	-	-	-	29,900	140,502
Retail exposures	922	446	21,655	593	29,933	50,851	17,203	25,591	-	2,685,972	557,397	3,390,563
<i>Home financing</i>	-	-	-	-	-	-	-	-	-	2,633,091	-	2,633,091
<i>Other retail exposures</i>	922	446	21,655	593	29,933	50,851	17,203	25,591	-	52,881	557,397	757,472
<b>Total IRB exposures</b>	<b>120,434</b>	<b>260,127</b>	<b>394,637</b>	<b>593</b>	<b>255,850</b>	<b>507,058</b>	<b>638,446</b>	<b>2,534,597</b>	<b>231,433</b>	<b>2,685,972</b>	<b>880,164</b>	<b>8,509,311</b>
<b>Standardised exposures</b>												
Corporates	-	-	-	-	5,460	-	-	-	-	-	1,400	6,860
Regulatory retail	-	-	-	-	-	-	-	-	-	130,847	-	130,847
Home financing	-	-	-	-	-	-	-	-	-	339	-	339
Other assets	-	-	-	-	-	-	-	-	-	-	75,869	75,869
<b>Total Standardised exposures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,460</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>131,186</b>	<b>77,269</b>	<b>213,915</b>
<b>Total credit risk exposures</b>	<b>120,434</b>	<b>260,127</b>	<b>394,637</b>	<b>593</b>	<b>261,310</b>	<b>507,058</b>	<b>638,446</b>	<b>2,534,597</b>	<b>231,433</b>	<b>2,817,158</b>	<b>957,433</b>	<b>8,723,226</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.

<b>30 June 2018</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	2,715,567	101,684	-	2,817,251
Banks, development financial institutions & MDBs	380,281	129,289	-	509,570
Takaful companies, securities firms & Syariah compliant fund managers	16,553	132	-	16,685
Corporate exposures (excluding specialised financing and firm-size adjustment)	1,184,068	1,007,398	66,598	2,258,064
Corporate exposures (with firm-size adjustment)	32,375	56,254	243,937	332,566
Specialised financing	68,340	23,935	-	92,275
Retail exposures	65,904	255,152	3,095,984	3,417,040
<i>Home financing</i>	23,311	14,872	2,509,146	2,547,329
<i>Other retail exposures</i>	42,593	240,280	586,838	869,711
<b>Total IRB exposures</b>	<b>4,463,088</b>	<b>1,573,844</b>	<b>3,406,519</b>	<b>9,443,451</b>
<b>Standardised exposures</b>				
Corporates	6,279	-	1,347	7,626
Regulatory retail	-	192	43	235
Home financing	-	-	334	334
Other assets	54,048	-	-	54,048
<b>Total Standardised exposures</b>	<b>60,327</b>	<b>192</b>	<b>1,724</b>	<b>62,243</b>
<b>Total credit risk exposures</b>	<b>4,523,415</b>	<b>1,574,036</b>	<b>3,408,243</b>	<b>9,505,694</b>

*Note: The above table shows that exposures with residual contractual maturity more than 5 years, of which 73% 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 2017</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	1,747,698	101,783	-	1,849,481
Banks, development financial institutions & MDBs	147,321	310,500	-	457,821
Takaful companies, Syariah compliant securities firms & fund managers	9,915	132	-	10,047
Corporate exposures (excluding specialised financing and firm-size adjustment)	1,089,677	981,772	53,796	2,125,245
Corporate exposures (with firm-size adjustment)	205,511	78,261	251,880	535,652
Specialised financing	110,212	30,290	-	140,502
Retail exposures	52,450	168,268	3,169,845	3,390,563
<i>Home financing</i>	29,862	15,592	2,587,637	2,633,091
<i>Other retail exposures</i>	22,588	152,676	582,208	757,472
<b>Total IRB exposures</b>	<b>3,362,784</b>	<b>1,671,006</b>	<b>3,475,521</b>	<b>8,509,311</b>
<b>Standardised exposures</b>				
Corporates	1,831	3,660	1,369	6,860
Regulatory retail	10,832	109,121	10,894	130,847
Home financing	-	-	339	339
Other assets	75,869	-	-	75,869
<b>Total Standardised exposures</b>	<b>88,532</b>	<b>112,781</b>	<b>12,602</b>	<b>213,915</b>
<b>Total credit risk exposures</b>	<b>3,451,316</b>	<b>1,783,787</b>	<b>3,488,123</b>	<b>8,723,226</b>

*Note: The above table shows that exposures with residual contractual maturity more than 5 years, of which 74% 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.

	<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>30 June 2018</b>				
<b>On-balance sheet exposures</b>				
Sovereigns/Central banks	2,817,251	-	-	-
Public Sector Entities				
Banks, development financial institutions & MDBs	239,696	-	-	-
Takaful companies, Syariah compliant securities firms & fund managers	-	-	-	-
Corporates	2,034,906	263	79,606	88,037
Regulatory retail	773,476	25	2,344	1,851
Home financing	2,493,028	-	-	2,486,851
Other assets	54,048	-	-	-
Specialised financing	61,643	-	-	-
Defaulted exposures	124,812	-	-	24,774
<b>Total on-balance sheet exposures</b>	<b>8,598,860</b>	<b>288</b>	<b>81,950</b>	<b>2,601,513</b>
<b>Off-balance sheet exposures</b>				
Islamic OTC derivatives	317,445	-	35,143	5,257
Off balance sheet exposures other than Islamic OTC derivatives or Islamic credit derivatives	589,380	477	27,464	24,604
Defaulted exposures	9	-	-	-
<b>Total off-balance sheet exposures</b>	<b>906,834</b>	<b>477</b>	<b>62,607</b>	<b>29,861</b>
<b>Total on and off-balance sheet exposures</b>	<b>9,505,694</b>	<b>765</b>	<b>144,557</b>	<b>2,631,374</b>

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**2.0 Credit risk (continued)**

**2.2 Credit risk mitigation (continued)**

<b>31 December 2017</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	1,849,481	-	-	-
Banks, development financial institutions & MDBs	110,016	-	-	-
Corporates	2,025,631	891	104,166	94,287
Regulatory retail	800,518	32	1,638	3,423
Home financing	2,588,537	-	-	2,580,119
Other assets	75,869	-	-	-
Specialised financing	77,580	-	-	-
Defaulted exposures	96,559	-	-	11,541
<b>Total on-balance sheet exposures</b>	<b>7,624,191</b>	<b>923</b>	<b>105,804</b>	<b>2,689,370</b>
<b>Off-balance sheet exposures</b>				
Islamic OTC derivatives	389,444	-	43,421	23,781
Off balance sheet exposures other than Islamic OTC derivatives or Islamic credit derivatives	709,582	4,281	21,259	28,963
Defaulted exposures	9	-	-	-
<b>Total off-balance sheet exposures</b>	<b>1,099,035</b>	<b>4,281</b>	<b>64,680</b>	<b>52,744</b>
<b>Total on and off-balance sheet exposures</b>	<b>8,723,226</b>	<b>5,204</b>	<b>170,484</b>	<b>2,742,114</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.

<b>30 June 2018</b>	<b>0.00-0.04% RM'000</b>	<b>0.04-0.17% RM'000</b>	<b>0.17-0.59% RM'000</b>	<b>0.59-3.05% RM'000</b>	<b>3.05-12.00% RM'000</b>	<b>12.00-100.00% RM'000</b>	<b>Default or 100.00% RM'000</b>
<b>Non-retail exposures (EAD)</b>							
<b><u>On-balance sheet exposures</u></b>							
Sovereign	-	2,817,251	-	-	-	-	-
Banks	-	223,932	1,242	14,522	-	-	-
Corporate	-	528,017	705,768	479,091	355,853	26,425	7,048
Total on-balance sheet exposures	-	<b>3,569,200</b>	<b>707,010</b>	<b>493,613</b>	<b>355,853</b>	<b>26,425</b>	<b>7,048</b>
<b><u>Undrawn commitments</u></b>							
Corporate	-	130	81,004	94,225	31	-	-
Total undrawn commitments	-	<b>130</b>	<b>81,004</b>	<b>94,225</b>	<b>31</b>	-	-
<b><u>Derivatives</u></b>							
Banks	-	72,507	36,096	161,271	-	-	-
Corporate	-	35,813	2	11,756	-	-	-
Total derivatives	-	<b>108,320</b>	<b>36,098</b>	<b>173,027</b>	-	-	-
<b><u>Contingent</u></b>							
Corporate	-	79,975	131,766	60,942	101,165	579	-
Total contingent	-	<b>79,975</b>	<b>131,766</b>	<b>60,942</b>	<b>101,165</b>	<b>579</b>	-
<b>Exposure weighted average LGD (%)</b>							
Sovereign	-	46.00%	-	-	-	-	-
Banks	-	46.20%	76.16%	73.00%	-	-	-
Corporate	-	50.44%	42.18%	48.48%	42.23%	53.37%	24.28%
<b>Exposure weighted average risk weight (%)</b>							
Sovereign	-	12.41%	-	-	-	-	-
Banks	-	25.83%	3.63%	68.57%	-	-	-
Corporate	-	31.93%	43.44%	104.70%	139.28%	247.15%	181.71%

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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 2017	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	-	1,849,481	-	-	-	-	-
Banks	-	104,091	5,925	-	-	-	-
Corporate	-	519,953	678,700	603,102	269,248	30,604	1,340
Total on-balance sheet exposures	-	<b>2,473,525</b>	<b>684,625</b>	<b>603,102</b>	<b>269,248</b>	<b>30,604</b>	<b>1,340</b>
<b><u>Undrawn commitments</u></b>							
Corporate	-	130	153,670	140,335	34,029	3,256	-
Total undrawn commitments	-	<b>130</b>	<b>153,670</b>	<b>140,335</b>	<b>34,029</b>	<b>3,256</b>	-
<b><u>Derivatives</u></b>							
Banks	-	112,381	44,346	191,078	-	-	-
Corporate	-	37,941	375	3,294	-	29	-
Total derivatives	-	<b>150,322</b>	<b>44,721</b>	<b>194,372</b>	-	<b>29</b>	-
<b><u>Contingent</u></b>							
Corporate	-	80,239	92,814	153,615	8,188	584	-
Total contingent	-	<b>80,239</b>	<b>92,814</b>	<b>153,615</b>	<b>8,188</b>	<b>584</b>	-
<b>Exposure weighted average LGD (%)</b>							
Sovereign	-	46.20%	-	-	-	-	-
Banks	-	41.09%	41.93%	41.20%	-	-	-
Corporate	-	48.99%	48.12%	46.47%	41.75%	54.41%	28.40%
<b>Exposure weighted average risk weight (%)</b>							
Sovereign	-	12.77%	-	-	-	-	-
Banks	-	31.42%	6.80%	67.39%	-	-	-
Corporate	-	34.57%	53.54%	100.40%	140.01%	262.93%	179.83%

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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 2018</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	2,650	638,554	314,254	1,281,231	169,826	86,179	31,288
Other retail	92,705	121,217	96,367	261,414	126,526	75,036	86,452
<b>Total on-balance sheet exposures</b>	<b>95,355</b>	<b>759,771</b>	<b>410,621</b>	<b>1,542,645</b>	<b>296,352</b>	<b>161,215</b>	<b>117,740</b>
<b><u>Undrawn commitments</u></b>							
Home financing	-	-	-	23,313	-	25	9
Other retail	-	-	-	9,543	451	-	-
<b>Total undrawn commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,856</b>	<b>451</b>	<b>25</b>	<b>9</b>
<b>Exposure weighted average LGD (%)</b>							
Home financing	13.21%	12.46%	12.30%	12.29%	12.46%	12.96%	18.20%
Other retail	16.46%	18.17%	18.75%	38.66%	52.65%	50.72%	44.19%
<b>Exposure weighted average risk weight (%)</b>							
Home financing	3.29%	5.16%	8.09%	15.38%	42.99%	69.26%	103.03%
Other retail	3.37%	9.60%	11.29%	47.01%	82.59%	113.66%	146.07%

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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 2017	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	2,257	660,912	325,010	1,346,050	161,274	92,695	13,987
Other retail	97,416	131,359	97,852	238,145	76,353	42,691	67,150
Total on-balance sheet exposures	<b>99,673</b>	<b>792,271</b>	<b>422,862</b>	<b>1,584,195</b>	<b>237,627</b>	<b>135,386</b>	<b>81,137</b>
<b><u>Undrawn commitments</u></b>							
Home financing	-	369	-	29,875	-	653	9
Other retail	-	-	-	6,238	268	-	-
Total undrawn commitments	<b>-</b>	<b>369</b>	<b>-</b>	<b>36,113</b>	<b>268</b>	<b>653</b>	<b>9</b>
<b>Exposure weighted average LGD (%)</b>							
Home financing	13.41%	12.45%	12.27%	12.29%	12.41%	13.03%	16.74%
Other retail	16.62%	18.15%	19.52%	34.17%	32.88%	43.67%	74.92%
<b>Exposure weighted average risk weight (%)</b>							
Home financing	3.34%	5.18%	8.06%	15.35%	43.83%	66.94%	103.57%
Other retail	3.34%	9.61%	11.71%	39.89%	50.55%	86.59%	308.13%

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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 2018</b>	<b>Up to 0.10%</b> <b>RM'000</b>	<b>&gt;0.10 to 0.20%</b> <b>RM'000</b>	<b>&gt;0.20 to 0.50%</b> <b>RM'000</b>	<b>&gt;0.50 to 1.00%</b> <b>RM'000</b>	<b>&gt;1.00 to 30.00%</b> <b>RM'000</b>	<b>&gt;30.00 to &lt;100.00%</b> <b>RM'000</b>	<b>100.00%</b> <b>RM'000</b>
<b>Retail exposures (EAD)</b>							
<b><u>On-balance sheet exposures</u></b>							
Home financing	1,635,683	442,750	207,147	101,635	136,767	-	-
Other retail	346,789	102,224	13,769	92,381	222,925	81,629	-
<b>Total on-balance sheet exposures</b>	<b>1,982,472</b>	<b>544,974</b>	<b>220,916</b>	<b>194,016</b>	<b>359,692</b>	<b>81,629</b>	<b>-</b>
<b><u>Undrawn commitments</u></b>							
Home financing	5,878	3,874	13,546	16	33	-	-
Other retail	49	115	9,379	-	451	-	-
<b>Total undrawn commitments</b>	<b>5,927</b>	<b>3,989</b>	<b>22,925</b>	<b>16</b>	<b>484</b>	<b>-</b>	<b>-</b>
<b>Exposure weighted average risk weight (%)</b>							
Home financing	8.20%	17.36%	29.30%	43.81%	75.13%	-	-
Other retail	17.40%	15.61%	30.63%	47.99%	117.13%	98.09%	-



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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 2017	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	1,691,713	483,032	203,138	91,216	133,086	-	-
Other retail	365,612	95,750	10,927	112,596	103,516	62,565	-
Total on-balance sheet exposures	<b>2,057,325</b>	<b>578,782</b>	<b>214,065</b>	<b>203,812</b>	<b>236,602</b>	<b>62,565</b>	-
<b><u>Undrawn commitments</u></b>							
Home financing	7,502	3,474	19,268	-	662	-	-
Other retail	159	-	6,079	-	268	-	-
Total undrawn commitments	<b>7,661</b>	<b>3,474</b>	<b>25,347</b>	-	<b>930</b>	-	-
<b>Exposure weighted average risk weight (%)</b>							
Home financing	8.16%	17.40%	28.83%	44.08%	68.53%	-	-
Other retail	17.05%	15.37%	36.76%	42.73%	106.66%	264.16%	-

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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 2018	← 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%	-	-	-	2,303	2,303	-
35%	-	-	334	-	334	117
75%	-	139	-	-	139	104
100%	4,854	73	-	51,745	56,672	56,672
150%	-	24	-	-	24	36
<b>Total exposures</b>	<b>4,854</b>	<b>236</b>	<b>334</b>	<b>54,048</b>	<b>59,472</b>	<b>56,929</b>
Risk-weighted assets by exposures	4,854	213	117	51,745	56,929	
Average risk weight	100.0%	90.3%	35.0%	95.7%	95.7%	
Deduction from capital base	-	-	-	-	-	

31 December 2017	← 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%	-	-	-	3,083	3,083	-
35%	-	-	339	-	339	119
50%	-	493	-	-	493	247
75%	-	7,007	-	-	7,007	5,254
100%	5,437	119,322	-	72,786	197,545	197,545
150%	-	4,026	-	-	4,026	6,039
<b>Total exposures</b>	<b>5,437</b>	<b>130,848</b>	<b>339</b>	<b>75,869</b>	<b>212,493</b>	<b>209,204</b>
Risk-weighted assets by exposures	5,437	130,862	119	72,786	209,204	
Average risk weight	100.0%	100.0%	35.1%	95.9%	98.5%	
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/provisioning**

**2.5.1 Expected credit allowances ("ECL") 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.

	Allowances for credit losses held as at 1 January 2018 * 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 provisions held as at 30 June 2018 RM'000
<b>30 June 2018</b>				
Home financing	14,454	1,678	(529)	15,603
Others	74,446	(1,915)	(15,712)	56,819
<b>Retail Clients</b>	<b>88,900</b>	<b>(237)</b>	<b>(16,241)</b>	<b>72,422</b>
Agriculture	12	11	-	23
Mining and quarrying	1	-	-	1
Manufacturing	10,960	(2,943)	(174)	7,843
Construction	284	(107)	-	177
Real estate	-	29	-	29
Wholesale & retail trade and restaurants & hotels	519	(52)	-	467
Transportation, storage and communication	2,869	(93)	(38)	2,738
Finance, insurance/takaful and business services	430	(336)	-	94
Others	7	(188)	219	38
<b>Corporates, Institutional and Commercial Clients</b>	<b>15,082</b>	<b>(3,679)</b>	<b>7</b>	<b>11,410</b>
<b>Total allowances for credit losses</b>	<b>103,982</b>	<b>(3,916)</b>	<b>(16,234)</b>	<b>83,832</b>

\* Balance as of 1 January 2018 have been applied retrospectively with MFRS 9 day 1 impact.

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**2.0 Credit risk (continued)**

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

**2.5.2 Impairment provisions analysed by customers' business or industry**

The following tables show the Bank's collective impairment provisions and movement in individual impairment provisions by each principal category of customers' business or industry.

31 December 2017	Collective impairment provisions as at 31 December 2017 RM'000	Individual impairment provisions held as at 1 January 2017 RM'000	Net individual impairment charge during the financial year RM'000	Amounts written off or other movements during the financial year RM'000	Individual impairment provisions held as at 31 December 2017 RM'000
Home financing	9,699	4,649	12,491	(7,954)	9,186
Others	31,853	20,328	42,016	(42,377)	19,967
<b>Retail Clients</b>	<b>41,552</b>	<b>24,977</b>	<b>54,507</b>	<b>(50,331)</b>	<b>29,153</b>
Agriculture	3,073	-	-	-	-
Mining and quarrying	2,128	-	-	-	-
Manufacturing	3,434	1,185	-	(956)	229
Construction	1,727	-	-	-	-
Real estate	1,257	-	-	-	-
Wholesale & retail trade and restaurants & hotels	6,006	-	-	-	-
Transportation, storage and communication	2,344	-	2,417	-	2,417
Finance, insurance/takaful and business services	2,788	-	-	-	-
Others	144	-	-	-	-
<b>Corporates, Institutional and Commercial Clients</b>	<b>22,901</b>	<b>1,185</b>	<b>2,417</b>	<b>(956)</b>	<b>2,646</b>
<b>Total Impairment Provisions</b>	<b>64,453</b>	<b>26,162</b>	<b>56,924</b>	<b>(51,287)</b>	<b>31,799</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 2018 RM'000</b>	<b>31 December 2017 RM'000</b>
Home financing	321,372	388,826
Others	63,080	35,984
<b>Retail Clients</b>	<b>384,452</b>	<b>424,810</b>
Transport, storage and communication	451	432
<b>Corporates, Institutional and Commercial Clients</b>	<b>451</b>	<b>432</b>

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

	<b>30 June 2018 RM'000</b>	<b>31 December 2017 RM'000</b>
Malaysia	384,903	425,242

**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 2018</b>			
Gross impaired financing and advances	61,594	-	61,594
12-month ECL (Stage 1)	5,486	84	5,570
Lifetime ECL not credit-impaired (Stage 2)	19,116	-	19,116
Lifetime ECL credit-impaired (Stage 3)	58,759	-	58,759
<b>31 December 2017</b>			
Gross impaired financing and advances	43,181	-	43,181
Individual impairment provisions	31,799	-	31,799
Collective impairment provisions	64,453	-	64,453

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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 2018</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	20,691	-	-	20,691	9,873
Transaction related contingent items	243,125	-	-	243,125	48,173
Short term self liquidating trade related contingencies	117,006	-	-	117,006	21,722
Foreign exchange related contracts					
<i>One year or less</i>	2,307,038	115,554	118,291	164,587	94,266
<i>Over one year to five years</i>	1,173,399	43,044	43,044	114,117	44,957
Profit rate related contracts					
<i>Over one year to five years</i>	1,401,760	10,706	10,706	38,741	10,470
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	389,765	-	-	38,404	61,692
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	33,273	-	-	32,214	7,611
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	4,015,676	-	-	137,949	124,832
	<u>9,701,733</u>	<u>169,304</u>	<u>172,041</u>	<u>906,834</u>	<u>423,596</u>

<b>31 December 2017</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	13,591	-	-	13,591	4,855
Transaction related contingent items	256,891	-	-	256,891	53,986
Short term self liquidating trade related contingencies	70,373	-	-	70,373	16,232
Foreign exchange related contracts					
<i>One year or less</i>	1,291,601	23,651	24,810	48,668	12,599
<i>Over one year to five years</i>	2,080,252	167,103	167,103	294,624	147,558
Profit rate related contracts					
<i>Over one year to five years</i>	1,487,573	16,550	17,909	46,152	6,941
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	419,623	-	-	43,398	62,810
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	36,211	-	-	35,319	8,375
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	4,093,840	-	-	290,019	312,003
	<u>9,749,955</u>	<u>207,304</u>	<u>209,822</u>	<u>1,099,035</u>	<u>625,359</u>

**Standard Chartered Saadiq Berhad**  
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**2.0 Credit risk (continued)**

**2.8 Actual losses**

The table below shows allowances of credit losses/impairment provisions for financial assets raised and write off during the financial period ended 30 June 2018 versus 30 June 2017 for IRB exposure classes. The net allowances of credit losses/impairment provisions 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 Jun 2018</b>	<b>30 Jun 2017</b>	<b>30 Jun 2017</b>	<b>30 Jun 2016</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	-	204	-	116
Banks, development financial institutions & MDBs	-	531	-	273
Takaful companies, Syariah compliant securities firms & fund managers	-	12	-	50
Corporate exposures (excluding specialised financing and firm-size adjustment)	(2,895)	13,777	-	8,354
Corporate exposures (with firm-size adjustment)	(773)	2,003	1,422	2,914
Retail exposures		-		-
<i>Home financing</i>	1,676	8,342	9,409	9,884
<i>Other retail exposures</i>	(1,924)	49,762	24,207	74,724
	<b>(3,916)</b>	<b>74,631</b>	<b>35,038</b>	<b>96,315</b>

\* The amount is related to ECL charge/(release) and under MFRS9, excluding recovery during the year.

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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
<b>30 June 2018</b>		
MYR	6,808	(49,424)
USD	1,317	(7,146)
EUR	6	(2)
AUD	(395)	193
<b>31 December 2017</b>		
MYR	5,532	4,204
USD	(2,603)	(1,978)

**4.0 Shariah non-compliant events and income**

During the financial period, there was only one (2017: six) shariah non-compliant events being detected with no shariah non-compliant income (2017:RM5,850). There was shariah non-compliant income amounting to RM4,794 from an event classified as shariah non-compliant event in year 2017 and approved as shariah non-compliant income by Bank's Shariah Committee in year 2018.



**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 2018 are consistent with the manner in which the Bank assesses and manages its risk, and are not misleading in any particular way.

.....  
**Mohammad Ali Allawala**  
**Chief Executive Officer**

Date: 28 August 2018