



Standard Chartered Bank Malaysia Berhad
(Company No. 115793P)
(Incorporated in Malaysia)
and its subsidiaries

**Financial statements for the three months
ended 31 March 2010**

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

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2010

	Note	Group		Bank	
		31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
Assets					
Cash and short term funds		8,427,818	8,870,950	7,555,081	7,586,909
Deposits and placements with banks and other financial institutions		2,163,679	950,000	3,587,384	2,213,924
Securities purchased under resale agreements		872,500	14,199	872,500	14,199
Securities held for trading	11	2,126,815	1,930,498	2,126,815	1,930,498
Securities available-for-sale	12	4,562,161	5,505,953	4,401,825	5,320,087
Loans, advances and financing	13	24,106,905	23,057,267	21,646,883	21,145,997
Other receivables	15	3,495,057	2,226,221	3,650,510	2,385,237
Tax recoverable		822	11,199	2,641	10,865
Prepaid lease payments		841	1,125	841	1,125
Statutory deposits with Bank Negara Malaysia	16	25,169	24,322	10,000	10,000
Investments in subsidiaries		-	-	300,022	300,022
Property, plant and equipment		58,365	60,570	58,365	60,570
Deferred tax assets		104,453	100,661	97,952	94,284
Total assets		45,944,585	42,752,965	44,310,819	41,073,717
Liabilities					
Deposits from customers	17	34,685,289	32,920,225	33,394,622	31,460,688
Deposits and placements of banks and other financial institutions	18	3,088,141	3,603,750	2,858,193	3,409,236
Bills and acceptances payable		6,598	11,388	6,598	11,388
Recourse obligations on loans sold to Cagamas Berhad		128,300	138,433	128,300	138,433
Other payables	19	4,746,783	2,883,402	4,664,730	2,879,650
Subordinated debts		888,200	891,208	888,200	891,208
Total liabilities		43,543,311	40,448,406	41,940,643	38,790,603
Equity					
Share capital		125,000	125,000	125,000	125,000
Reserves		2,276,274	2,179,559	2,245,176	2,158,114
Total equity attributable to equity holder of the Bank		2,401,274	2,304,559	2,370,176	2,283,114
Total liabilities and equity		45,944,585	42,752,965	44,310,819	41,073,717
Commitments and contingencies	26	159,129,183	160,201,010	158,943,074	159,608,997
CAPITAL ADEQUACY					
Core capital ratio	27	9.64%	9.61%	10.17%	9.88%
Risk-weighted capital ratio	27	14.89%	14.98%	14.25%	13.97%

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2009.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 31 MARCH 2010

	Note	Group			
		1st Quarter ended		Three months ended	
		31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Interest income	20	316,864	365,623	316,864	365,623
Interest expense	21	(147,664)	(180,696)	(147,664)	(180,696)
Net interest income		169,200	184,927	169,200	184,927
Net income from Islamic Banking operations	22	63,606	27,871	63,606	27,871
Other operating income	23	232,806	212,798	232,806	212,798
Total net income		404,864	374,504	404,864	374,504
Other operating expenses	24	(183,811)	(174,425)	(183,811)	(174,425)
Operating profit		221,053	200,079	221,053	200,079
Impairment provisions for loans, advances and financing	25	(40,249)	(34,009)	(40,249)	(34,009)
Profit before taxation		180,804	166,070	180,804	166,070
Tax expense		(47,008)	(44,036)	(47,008)	(44,036)
Profit for the period		133,796	122,034	133,796	122,034
Other comprehensive income, net of income tax					
Fair value reserve (securities available-for-sale):					
Net changes in fair value		(3,395)	1,894	(3,395)	1,894
Net amount transferred to profit or loss		(4,891)	(3,560)	(4,891)	(3,560)
Cash flow hedges:					
Effective portion of changes in fair value		(4,434)	10,206	(4,434)	10,206
Net amount transferred to profit or loss		1,343	(1,101)	1,343	(1,101)
Other comprehensive income for the period, net of income tax		(11,377)	7,439	(11,377)	7,439
Total comprehensive income for the period		122,419	129,473	122,419	129,473
Profit for the period attributable to:-					
Equity holder of the Bank		133,796	122,034	133,796	122,034
Total comprehensive income attributable to:-					
Equity holder of the Bank		122,419	129,473	122,419	129,473

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2009.

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FOR THE 1ST QUARTER ENDED 31 MARCH 2010

	Note	Bank			
		1st Quarter ended 31 March 2010 RM'000	31 March 2009 RM'000	Three months ended 31 March 2010 RM'000	31 March 2009 RM'000
Interest income	20	325,956	372,008	325,956	372,008
Interest expense	21	(147,664)	(180,696)	(147,664)	(180,696)
Net interest income		178,292	191,312	178,292	191,312
Net income from Islamic Banking operations	22	-	-	-	-
Other operating income	23	172,058	161,706	172,058	161,706
Total net income		350,350	353,018	350,350	353,018
Other operating expenses	24	(167,929)	(164,711)	(167,929)	(164,711)
Operating profit		182,421	188,307	182,421	188,307
Impairment provisions for loans, advances and financing	25	(25,077)	(24,834)	(25,077)	(24,834)
Profit before taxation		157,344	163,473	157,344	163,473
Tax expense		(40,909)	(43,363)	(40,909)	(43,363)
Profit for the period		116,435	120,110	116,435	120,110
Other comprehensive income, net of income tax					
Fair value reserve (securities available-for-sale):					
Net changes in fair value		(3,022)	749	(3,022)	749
Net amount transferred to profit or loss		(4,891)	(3,597)	(4,891)	(3,597)
Cash flow hedges:					
Effective portion of changes in fair value		(4,434)	10,206	(4,434)	10,206
Net amount transferred to profit or loss		1,343	(1,101)	1,343	(1,101)
Other comprehensive income for the period, net of income tax		(11,004)	6,257	(11,004)	6,257
Total comprehensive income for the period		105,431	126,367	105,431	126,367
Profit for the period attributable to:-					
Equity holder of the Bank		116,435	120,110	116,435	120,110
Total comprehensive income attributable to:-					
Equity holder of the Bank		105,431	126,367	105,431	126,367

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2009.

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2010

GROUP	Note	← <i>Non Distributable Reserves</i>				→	<i>Distributable Reserves</i>		Total RM'000
		Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000	Retained profits RM'000	
At 1 January 2009		125,000	375,000	126,539	190	9,465	(5,803)	1,459,917	2,090,308
Profit for the period		-	-	-	-	-	-	122,034	122,034
Other comprehensive income for the period		-	-	-	-	(1,666)	9,105	-	7,439
Total comprehensive income for the period		-	-	-	-	(1,666)	9,105	122,034	129,473
Dividends (ordinary shares):- - 2008 final		-	-	-	-	-	-	(75,000)	(75,000)
At 31 March 2009		125,000	375,000	126,539	190	7,799	3,302	1,506,951	2,144,781

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FOR THE 1ST QUARTER ENDED 31 MARCH 2010

GROUP	Note	← Non Distributable Reserves				→	Distributable Reserves	Total RM'000	
		Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000		Retained profits RM'000
At 1 January 2010, as previously stated		125,000	375,000	132,960	190	7,439	(8,669)	1,672,639	2,304,559
Effect of adoption of FRS 139, BNM/GP3 and BNM/GP8	29	-	-	-	-	-	-	(25,704)	(25,704)
At 1 January 2010, as restated		125,000	375,000	132,960	190	7,439	(8,669)	1,646,935	2,278,855
Profit for the period		-	-	-	-	-	-	133,796	133,796
Other comprehensive income for the period		-	-	-	-	(8,286)	(3,091)	-	(11,377)
Total comprehensive income for the period		-	-	-	-	(8,286)	(3,091)	133,796	122,419
At 31 March 2010		125,000	375,000	132,960	190	(847)	(11,760)	1,780,731	2,401,274

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UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2010

BANK	Note	← <i>Non Distributable Reserves</i>				→	<i>Distributable Reserves</i>		Total RM'000
		Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000	Retained profits RM'000	
At 1 January 2009		125,000	375,000	125,000	190	10,369	(5,803)	1,452,188	2,081,944
Profit for the period		-	-	-	-	-	-	120,110	120,110
Other comprehensive income for the period		-	-	-	-	(2,848)	9,105	-	6,257
Total comprehensive income for the period		-	-	-	-	(2,848)	9,105	120,110	126,367
Dividends (ordinary shares):- - 2008 final		-	-	-	-	-	-	(75,000)	(75,000)
At 31 March 2009		125,000	375,000	125,000	190	7,521	3,302	1,497,298	2,133,311

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2010

BANK	Note	← Non Distributable Reserves				→	Distributable Reserves	Total RM'000	
		Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000		Retained profits RM'000
At 1 January 2010, as previously stated		125,000	375,000	125,000	190	6,868	(8,669)	1,659,725	2,283,114
Effect of adoption of FRS 139, BNM/GP3 and BNM/GP8	29	-	-	-	-	-	-	(18,369)	(18,369)
At 1 January 2010, as restated		125,000	375,000	125,000	190	6,868	(8,669)	1,641,356	2,264,745
Profit for the period		-	-	-	-	-	-	116,435	116,435
Other comprehensive income for the period		-	-	-	-	(7,913)	(3,091)	-	(11,004)
Total comprehensive income for the period		-	-	-	-	(7,913)	(3,091)	116,435	105,431
At 31 March 2010		125,000	375,000	125,000	190	(1,045)	(11,760)	1,757,791	2,370,176

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE 1ST QUARTER ENDED 31 MARCH 2010

	Group		Bank	
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Profit before taxation	180,804	166,070	157,344	163,473
Adjustment for non-cash items	(47,471)	24,098	(41,905)	24,076
Operating profit before working capital changes	133,333	190,168	115,439	187,549
Changes in working capital:-				
Net changes in operating assets	(4,591,461)	3,425,682	(4,198,080)	2,940,012
Net changes in operating liabilities	3,093,171	1,723,447	3,150,040	1,302,490
Income taxes paid	(36,631)	(44,968)	(32,685)	(43,562)
Net cash (used in)/generated from operating activities	(1,401,588)	5,294,329	(965,286)	4,386,489
Net cash generated from investing activities	958,456	1,708,163	933,458	1,809,679
Net cash used in financing activities	-	(75,000)	-	(75,000)
Net (decrease)/increase in cash and cash equivalents	(443,132)	6,927,492	(31,828)	6,121,168
Cash and cash equivalent at beginning of the period	8,870,950	4,124,252	7,586,909	1,918,776
Cash and cash equivalent at end of the period	8,427,818	11,051,744	7,555,081	8,039,944

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2009.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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REVIEW OF PERFORMANCE

The Group's profit before taxation for the financial three months ended 31 March 2010 was RM 180.80 million, which is RM 14.73 million or 8.87% higher than the corresponding period last year. Net interest income declined by 8.50% to RM 169.20 million while other operating income (including income from Islamic Banking operations) increased by RM 46.09 million to RM 235.66 million. Impairment provisions for loans, advances and financing was higher by RM 6.24 million while overheads increased by RM 9.39 million. Total assets registered an increase of RM 3.19 billion or 7.47% to RM 45.94 billion compared to the last financial year ended 31 December 2009. The Group's core capital ratio and risk-weighted capital ratio remained strong at 9.64% and 14.89% respectively.

PROSPECTS

The Group will continue to grow its business in Malaysia in support of a focused strategic agenda to achieve Standard Chartered PLC's ambition to be the best international bank, leading the way in Asia, Africa and the Middle East. Over the past few years, the Group has built significant momentum to lead the way in product innovation, service, performance culture, corporate governance and enhancing shareholder value.

The Group's overall strategic focus is on accelerating asset growth momentum, continuing customer acquisition and customer-centric strategies, while maintaining a prudent approach to liquidity and capital, and re-shaping our cost base for future growth while continuing to invest for service delivery.

Barring unforeseen circumstances, the Group expects to improve earnings momentum and continue to record a satisfactory performance for 2010.

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Notes to the financial statements for the financial three months ended 31 March 2010

1. Basis of preparation of the financial statements

The unaudited condensed interim financial statements for the first quarter and the financial three months ended 31 March 2010 have been prepared in accordance with FRS 134, Interim Financial Reporting, issued by the Malaysian Accounting Standards Board ("MASB") and Bank Negara Malaysia ("BNM") guidelines.

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

The accounting policies and methods of computation in the unaudited condensed interim financial statements are consistent with those adopted in the last audited financial statements, except for the adoption of new/revised Financial Reporting Standards ("FRSs") issued by the MASB and revised guidelines issued by BNM which have impact on the accounting policies and financial results of the Group and the Bank for the financial period beginning on 1 January 2010:-

- (i) FRS 139, *Financial Instruments: Recognition and Measurement*
- (ii) Revised Guidelines on Classification and Impairment Provisions for Loans/Financing ("BNM/GP3")
- (iii) Revised Guidelines on Financial Reporting for Banking Institutions ("BNM/GP8")

Significant changes to the accounting policies are disclosed in Note 29 to the financial statements.

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009. The explanatory notes attached in the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2009.

2. Auditor's report on preceding annual financial statements

The auditor's report on the financial statements for the financial year ended 31 December 2009 was not qualified.

3. Seasonal or cyclical factors

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

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

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank in the first quarter and the financial three months ended 31 March 2010.

5. Changes in accounting estimates

There were no material changes in estimates of amounts reported that have a material effect on the unaudited condensed interim financial statements in the first quarter and the financial three months ended 31 March 2010.

6. Issuances, cancellations, repurchases, resale and repayments of securities portfolio

There were no issuance and repayment of debt and equity securities, share-buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares in the first quarter and the financial three months ended 31 March 2010.

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7. Dividend

There were no dividend paid during the first quarter and the financial three months ended 31 March 2010.

8. Carrying amount of revalued assets

The Group's and the Bank's property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The valuations of certain land and buildings of the Group and the Bank have been brought forward without amendment from the previous audited annual financial statements for the financial year ended 31 December 2009.

9. Subsequent events

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

10. Changes in the composition of the Group

There were no significant changes in the composition of the Group in the first quarter and the financial three months ended 31 March 2010.

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11. Securities held for trading

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
<u>At fair value through profit or loss</u>				
Malaysian Government treasury bills	11,999	41,337	11,999	41,337
Malaysian Government bonds/securities	619,042	689,034	619,042	689,034
Government Islamic bonds	20,293	-	20,293	-
Bank Negara Malaysia bills	1,014,508	724,095	1,014,508	724,095
Cagamas bonds	5,000	19,769	5,000	19,769
Private debt securities	455,973	456,263	455,973	456,263
	<u>2,126,815</u>	<u>1,930,498</u>	<u>2,126,815</u>	<u>1,930,498</u>

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12. Securities available-for-sale

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
<u>At fair value</u>				
Malaysian Government bonds/ securities *	1,617,347	2,406,919	1,617,347	2,406,919
Cagamas bonds	65,102	65,250	-	-
Bankers' acceptances and Islamic acceptance bills	448,125	486,417	448,125	486,417
Negotiable instruments of deposit	2,334,821	2,425,167	2,299,845	2,390,175
Government Islamic bonds	-	25,072	-	-
Private debt securities	60,258	60,552	-	-
	<u>4,525,653</u>	<u>5,469,377</u>	<u>4,365,317</u>	<u>5,283,511</u>
Unquoted securities:-				
Equity shares, at cost	9,665	9,733	9,665	9,733
Private debt securities, at fair value	26,843	26,843	26,843	26,843
	<u>4,562,161</u>	<u>5,505,953</u>	<u>4,401,825</u>	<u>5,320,087</u>

* Included in Malaysian Government bonds/securities are Malaysian Government Securities of the Group and the Bank amounting to RM 136 million (2009: RM 136 million) being utilised to meet Statutory Reserve Requirement as further explained in Note 16.

Included in unquoted equity shares are 51% shareholdings held in Popular Ambience Sdn. Bhd. ("PASB") and Resolution Alliance Sdn Bhd ("RASB"), amounting to RM 51 each. Both companies are incorporated in Malaysia. The remaining 49% shareholdings of PASB are held by Standard Chartered Bank (Hong Kong) Limited ("SCBHK"), while that of RASB are held by SCBHK (40%) and an unrelated third party (9%). The principal activities of PASB and RASB are that of special purpose vehicles established to undertake the purchase of non-performing loans.

In accordance with paragraphs 12 and 13 of FRS 127, Consolidated and Separate Financial Statements, consolidated financial statements shall include the financial statements of all subsidiaries of the parent where control exists.

The shareholders of PASB and RASB have signed separate Master Shareholders' Agreements in which the Bank had assigned to SCBHK its rights over all the profits or losses of PASB and RASB and the entitlement to appoint Directors of PASB and RASB. Pursuant to these Master Shareholders' Agreements, the Bank therefore ceased to have control over PASB and RASB as it does not have the ability to exercise its power to govern the financial and operating policies of PASB and RASB so as to obtain benefits from its activities. On this basis, PASB and RASB are excluded from the Group's consolidation and they are classified under securities available-for-sale.

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

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
Overdrafts	685,045	690,707	685,045	690,707
Term loans/financing				
- Housing loans/financing	11,927,379	11,387,751	11,600,933	11,108,187
- Syndicated term loan/financing	245,758	297,940	245,758	297,940
- Hire purchase receivables	53,056	36,972	-	-
- Lease receivables	231,355	218,873	-	-
- Other term loans/financing	5,645,052	5,565,070	4,253,984	4,233,927
Bills receivable	2,248,557	2,215,967	2,239,930	2,211,603
Trust receipts	1,581,184	1,117,850	1,165,184	1,077,830
Staff loans/financing	71,120	73,902	67,667	70,388
Loans/financing to banks and other financial institutions	-	10,654	-	10,654
Credit card receivables	1,309,319	1,318,027	1,309,319	1,318,027
Revolving credit	1,346,283	1,277,176	713,349	732,389
	<u>25,344,108</u>	<u>24,210,889</u>	<u>22,281,169</u>	<u>21,751,652</u>
Less: Unearned interest and income	(572,413)	(531,851)	(8,744)	(8,929)
Gross loans, advances and financing	<u>24,771,695</u>	<u>23,679,038</u>	<u>22,272,425</u>	<u>21,742,723</u>
Less: Impairment provisions on loans, advances and financing:-				
- Individual impairment provisions	(295,859)	(268,940)	(285,152)	(267,636)
- Collective impairment provisions	(368,931)	(352,831)	(340,390)	(329,090)
Total net loans, advances and financing	<u>24,106,905</u>	<u>23,057,267</u>	<u>21,646,883</u>	<u>21,145,997</u>

(ii) By type of customer

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
Domestic banking institutions	-	10,654	-	10,654
Domestic non-bank financial institutions	669,789	777,134	406,077	514,897
<i>Stockbroking companies</i>	-	-	-	-
<i>Others</i>	669,789	777,134	406,077	514,897
Domestic business enterprises	7,325,803	6,611,765	6,117,057	5,891,544
<i>Small medium enterprises</i>	2,400,057	2,273,070	2,298,068	2,165,288
<i>Others</i>	4,925,746	4,338,695	3,818,989	3,726,256
Individuals	15,428,274	14,909,023	14,417,132	13,966,948
Other domestic entities	826	425	826	425
Foreign entities	1,347,003	1,370,037	1,331,333	1,358,255
	<u>24,771,695</u>	<u>23,679,038</u>	<u>22,272,425</u>	<u>21,742,723</u>

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

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
Fixed rate				
Housing loans/financing	56,991	59,698	51,787	54,227
Other fixed rate loan/financing	3,217,684	2,695,174	1,724,305	1,729,923
Variable rate				
BLR plus	14,851,806	14,284,551	14,603,038	14,043,249
Cost plus	5,937,061	5,760,357	5,302,022	5,224,964
Other variable rates	708,153	879,258	591,273	690,360
	<u>24,771,695</u>	<u>23,679,038</u>	<u>22,272,425</u>	<u>21,742,723</u>

(iv) By sector

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
Agriculture	171,694	118,106	116,094	98,101
Mining and quarrying	24,658	20,122	22,951	18,400
Manufacturing	2,651,630	2,567,296	2,485,329	2,449,876
Electricity, gas and water	5,458	5,237	5,458	5,237
Construction	390,392	337,617	287,353	253,113
Real estate	354,788	350,934	263,846	259,106
Purchase of landed property	13,674,527	13,112,827	13,495,638	12,944,687
- Residential	11,870,033	11,354,990	11,729,410	11,227,835
- Non-residential	1,804,494	1,757,837	1,766,228	1,716,852
Wholesale & retail trade and restaurants & hotels	2,553,339	1,945,455	1,951,281	1,810,945
Transport, storage and communication	236,379	310,199	106,206	107,304
Finance, insurance and business services	1,071,272	1,211,278	767,895	907,382
Consumption credit	2,869,288	2,833,012	2,021,364	2,047,284
Others	768,270	866,955	749,010	841,288
	<u>24,771,695</u>	<u>23,679,038</u>	<u>22,272,425</u>	<u>21,742,723</u>

(v) By maturity structure

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
Maturing within one year	8,285,917	7,969,505	7,078,370	7,170,194
One year to three years	1,107,816	1,039,268	734,778	759,218
Three years to five years	1,529,046	1,464,975	894,174	876,197
Over five years	13,848,916	13,205,290	13,565,103	12,937,114
	<u>24,771,695</u>	<u>23,679,038</u>	<u>22,272,425</u>	<u>21,742,723</u>

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13. Loans, advances and financing (continued)**(vi) Analysis of foreign currency exposure**

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
USD	1,324,486	951,931	957,361	921,216
GBP	590,032	662,769	590,032	662,769
Other foreign currencies	14,963	17,695	14,963	17,695

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

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
At 1 January, as previously stated	448,150	552,325	434,162	543,071
Effect of adoption of FRS 139, BNM/GP3 and BNM/GP8 (Note 29)	5,355	-	5,197	-
At 1 January, as restated	453,505	552,325	439,359	543,071
Classified as impaired during the financial period/year	127,854	662,395	115,223	614,663
Reclassified as performing during the financial period/year	(80,384)	(471,817)	(80,090)	(470,402)
Amount recovered during the financial period/year	(13,190)	(83,096)	(11,631)	(79,758)
Amount written off during the financial period/year	(45,820)	(211,657)	(34,894)	(173,412)
At end of reporting period/year	441,965	448,150	427,967	434,162
Individual impairment provisions	(295,859)	(268,940)	(285,152)	(267,636)
Net impaired loans, advances and financing	146,106	179,210	142,815	166,526
Ratio of net impaired loans, advances and financing to net loans, advances and financing	0.60%	0.77%	0.65%	0.78%

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

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
Collective impairment provisions				
At 1 January	352,831	315,271	329,090	294,390
Impairment made in the financial period/year	16,100	37,560	11,300	34,700
At end of reporting period/year	368,931	352,831	340,390	329,090
As a percentage of gross loans, advances and financing less individual impairment provisions	1.5%	1.5%	1.5%	1.5%

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14. Impaired loans, advances and financing (continued)**(ii) Movements in impairment provisions for loans, advances and financing (continued)**

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
Individual impairment provisions				
At 1 January, as previously stated	268,940	203,747	267,636	202,898
Effect of adoption of FRS 139, BNM/GP3 and BNM/GP8 (Note 29)	39,629	-	29,691	-
At 1 January, as restated	308,569	203,747	297,327	202,898
Impairment made in the financial period/year	44,251	317,420	33,742	278,430
Amount written back	(21,939)	(108,882)	(21,802)	(108,612)
Amount written off	(35,022)	(143,345)	(24,115)	(105,080)
At end of reporting period/year	<u>295,859</u>	<u>268,940</u>	<u>285,152</u>	<u>267,636</u>

(iii) Impaired loans, advances and financing by sector

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
Agriculture	14,756	15,444	14,756	15,444
Mining and quarrying	-	514	-	514
Manufacturing	47,916	43,484	47,781	43,484
Construction	55,783	55,315	55,783	55,315
Real estate	-	-	-	-
Purchase of landed property	228,119	246,995	223,867	242,949
- Residential	210,375	227,247	206,123	223,201
- Non-residential	17,744	19,748	17,744	19,748
Wholesale & retail trade and restaurants & hotels	49,308	44,667	49,308	44,667
Transport, storage and communication	-	-	-	-
Finance, insurance and business services	4,956	6,809	4,956	6,809
Consumption credit	34,439	34,494	24,828	24,552
Others	6,688	428	6,688	428
	<u>441,965</u>	<u>448,150</u>	<u>427,967</u>	<u>434,162</u>

15. Other receivables

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
Derivatives	2,238,686	2,023,995	2,242,481	2,026,954
Interest/Income receivables	47,185	65,826	48,307	66,492
Other receivables, deposit and prepayments	1,209,186	136,400	1,359,722	291,791
	<u>3,495,057</u>	<u>2,226,221</u>	<u>3,650,510</u>	<u>2,385,237</u>

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16. Statutory deposits with Bank Negara Malaysia

The non-interest bearing statutory deposits are maintained with Bank Negara Malaysia ("BNM") in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act 1958 (revised 1994) to satisfy the Statutory Reserve Requirement ("SRR"); the amounts of which are determined as set percentages of total eligible liabilities.

In accordance with BNM's circular titled "Regulatory Treatment related to the Statutory Reserve Requirement Incentive for Principal Dealers and Islamic Principal Dealers" issued on 10 July 2009, the Bank being a principal dealer appointed by Bank Negara Malaysia, is allowed to utilise Malaysian Government Securities ("MGS") to meet the SRR. As at 31 March 2010, MGS of the Group and the Bank with nominal amount of RM 136 million (2009: RM 136 million) are utilised for SRR purposes. These securities are included in the securities available-for-sale (Note 12).

17. Deposits from customers**(i) By type of deposit**

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
Demand deposits	12,082,335	12,177,435	11,604,163	11,680,914
Savings deposits	4,816,295	5,013,170	4,729,001	4,943,920
Fixed/investment deposits	16,807,476	14,449,518	16,511,616	13,991,528
Negotiable instruments of deposits	979,183	1,280,102	549,842	844,326
	<u>34,685,289</u>	<u>32,920,225</u>	<u>33,394,622</u>	<u>31,460,688</u>

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

Due within six months	13,871,103	11,803,462	13,445,428	11,300,315
Six months to one year	2,669,110	2,633,761	2,561,898	2,433,697
One year to three years	235,336	251,301	138,723	161,762
Three years to five years	327,027	368,644	314,332	349,746
Over five years	684,083	672,452	601,077	590,334
	<u>684,083</u>	<u>672,452</u>	<u>601,077</u>	<u>590,334</u>

(ii) By type of customers

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
Government and statutory bodies	10,456	13,329	10,456	13,329
Business enterprises	15,355,271	13,227,444	14,938,721	12,677,905
Individuals	17,011,590	17,185,614	16,590,402	16,734,032
Others	2,307,972	2,493,838	1,855,043	2,035,422
	<u>34,685,289</u>	<u>32,920,225</u>	<u>33,394,622</u>	<u>31,460,688</u>

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18. Deposits and placements of banks and other financial institutions

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
Licensed banks	1,237,569	30,584	1,205,233	23,315
Bank Negara Malaysia	31,299	58,428	31,299	58,428
Other financial institutions	1,819,273	3,514,738	1,621,661	3,327,493
	<u>3,088,141</u>	<u>3,603,750</u>	<u>2,858,193</u>	<u>3,409,236</u>

19. Other payables

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
Derivatives	2,099,372	1,738,274	2,103,364	1,741,466
Interest/Profit payable	113,076	114,358	111,426	112,467
Amount owing to subsidiaries	-	-	22	22
Profit equalisation reserve	7,478	7,478	-	-
Other payables and accruals	2,526,857	1,023,292	2,449,918	1,025,695
	<u>4,746,783</u>	<u>2,883,402</u>	<u>4,664,730</u>	<u>2,879,650</u>

The movements in profit equalisation reserve are as follows:-

Profit equalisation reserve

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
At 1 January	7,478	5,744	-	-
Amount provided during the financial period/year	-	1,734	-	-
At end of reporting period/year	<u>7,478</u>	<u>7,478</u>	<u>-</u>	<u>-</u>

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20. Interest income

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from impaired loans	232,369	234,809	232,369	234,809
- Recoveries from impaired loans	6,917	16,162	6,917	16,162
Money at call and deposit placements with banks and other financial institutions	50,257	47,735	50,257	47,735
Securities held for trading	10,627	23,742	10,627	23,742
Securities available-for-sale	27,640	44,783	27,640	44,783
	<u>327,810</u>	<u>367,231</u>	<u>327,810</u>	<u>367,231</u>
Amortisation of premium less accretion of discount	1,764	4,762	1,764	4,762
Interest suspended	(12,710)	(6,370)	(12,710)	(6,370)
Total interest income	<u>316,864</u>	<u>365,623</u>	<u>316,864</u>	<u>365,623</u>

	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from impaired loans	232,369	234,809	232,369	234,809
- Recoveries from impaired loans	6,917	16,162	6,917	16,162
Money at call and deposit placements with banks and other financial institutions	59,349	54,120	59,349	54,120
Securities held for trading	10,627	23,742	10,627	23,742
Securities available-for-sale	27,640	44,783	27,640	44,783
	<u>336,902</u>	<u>373,616</u>	<u>336,902</u>	<u>373,616</u>
Amortisation of premium less accretion of discount	1,764	4,762	1,764	4,762
Interest suspended	(12,710)	(6,370)	(12,710)	(6,370)
Total interest income	<u>325,956</u>	<u>372,008</u>	<u>325,956</u>	<u>372,008</u>

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21. Interest expense

	Group and Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	23,906	15,348	23,906	15,348
Deposits from customers	110,356	151,700	110,356	151,700
Loans sold to Cagamas	1,523	1,769	1,523	1,769
Subordinated debts	11,879	11,879	11,879	11,879
	<u>147,664</u>	<u>180,696</u>	<u>147,664</u>	<u>180,696</u>

22. Net income from Islamic Banking operations

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	33,217	28,836	33,217	28,836
Transfer to profit equalisation reserves	-	(804)	-	(804)
Total distributable income	<u>33,217</u>	<u>28,032</u>	<u>33,217</u>	<u>28,032</u>
Income attributable to depositors	(3,239)	(26,328)	(3,239)	(26,328)
Income attributable to the Bank	29,978	1,704	29,978	1,704
Income derived from investment of Islamic banking capital funds and shareholder's funds	<u>33,628</u>	<u>26,167</u>	<u>33,628</u>	<u>26,167</u>
	<u>63,606</u>	<u>27,871</u>	<u>63,606</u>	<u>27,871</u>

	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	-	-	-	-
Transfer to profit equalisation reserves	-	-	-	-
Total distributable income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income attributable to depositors	-	-	-	-
Income attributable to the Bank	-	-	-	-
Income derived from investment of Islamic banking capital funds and shareholder's funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less: Income attributable to investors of subordinated debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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23. Other operating income

	Group and Bank			
	1st Quarter ended		Three months ended	
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Fee income:-				
Commission	35,848	32,444	35,848	32,444
Service charges and fees	8,409	5,543	8,409	5,543
Guarantee fees	4,973	6,782	4,973	6,782
	<u>49,230</u>	<u>44,769</u>	<u>49,230</u>	<u>44,769</u>
(Loss)/Gains from sale of securities and other financial instruments				
- Securities held for trading and other financial instruments	(139,256)	(310,232)	(139,256)	(310,232)
- Securities available-for-sale	10,396	17,952	10,396	17,952
Unrealised gain on revaluation of securities held for trading and other financial instruments	196,498	361,514	196,498	361,514
Gross dividends from unquoted investments	17,568	-	17,568	-
	<u>85,206</u>	<u>69,234</u>	<u>85,206</u>	<u>69,234</u>
Other income:-				
Foreign exchange currency				
- Gain/(loss) from dealing in foreign currency	157,698	(66,961)	157,698	(66,961)
- Unrealised (loss)/gain from foreign exchange translation	(120,852)	114,607	(120,852)	114,607
Rental income	86	33	86	33
Gain on disposal of property, plant and equipment	388	-	388	-
Others	302	24	302	24
	<u>37,622</u>	<u>47,703</u>	<u>37,622</u>	<u>47,703</u>
Total other operating income	<u>172,058</u>	<u>161,706</u>	<u>172,058</u>	<u>161,706</u>

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24. Other operating expenses

	Group			
	1st Quarter ended 31 March 2010 RM'000	31 March 2009 RM'000	Three months ended 31 March 2010 RM'000	31 March 2009 RM'000
Personnel costs				
- Salaries, bonuses, wages and allowances	57,827	54,929	57,827	54,929
- Pension fund contributions	5,978	6,616	5,978	6,616
- Other staff related cost	8,519	7,846	8,519	7,846
	<u>72,324</u>	<u>69,391</u>	<u>72,324</u>	<u>69,391</u>
Establishment costs				
- Depreciation of property, plant and equipment	6,099	5,311	6,099	5,311
- Amortisation of prepaid lease payments	6	6	6	6
- Rental	5,297	5,425	5,297	5,425
- Information technology and project expenses	22,202	24,489	22,202	24,489
- Others	7,133	7,713	7,133	7,713
	<u>40,737</u>	<u>42,944</u>	<u>40,737</u>	<u>42,944</u>
Marketing expenses				
- Advertisement and publicity	3,811	2,945	3,811	2,945
- Others	3,475	3,184	3,475	3,184
	<u>7,286</u>	<u>6,129</u>	<u>7,286</u>	<u>6,129</u>
Administration and general expenses				
- Communication expenses	3,453	4,016	3,453	4,016
- Group administration and business support expenses	29,422	25,463	29,422	25,463
- Outsourcing expenses	13,221	8,967	13,221	8,967
- Others	17,368	17,515	17,368	17,515
	<u>63,464</u>	<u>55,961</u>	<u>63,464</u>	<u>55,961</u>
Total other operating expenses	<u><u>183,811</u></u>	<u><u>174,425</u></u>	<u><u>183,811</u></u>	<u><u>174,425</u></u>

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24. Other operating expenses (continued)

	Bank			
	1st Quarter ended		Three months ended	
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Personnel costs				
- Salaries, bonuses, wages and allowances	57,298	54,717	57,298	54,717
- Pension fund contributions	5,978	6,616	5,978	6,616
- Other staff related cost	8,420	7,823	8,420	7,823
	<u>71,696</u>	<u>69,156</u>	<u>71,696</u>	<u>69,156</u>
Establishment costs				
- Depreciation of property, plant and equipment	6,099	5,311	6,099	5,311
- Amortisation of prepaid lease payments	6	6	6	6
- Rental	5,297	5,425	5,297	5,425
- Information technology and project expenses	22,196	24,489	22,196	24,489
- Others	7,122	7,677	7,122	7,677
	<u>40,720</u>	<u>42,908</u>	<u>40,720</u>	<u>42,908</u>
Marketing expenses				
- Advertisement and publicity	3,750	2,884	3,750	2,884
- Others	3,473	3,169	3,473	3,169
	<u>7,223</u>	<u>6,053</u>	<u>7,223</u>	<u>6,053</u>
Administration and general expenses				
- Communication expenses	3,442	4,000	3,442	4,000
- Group administration and business support expenses	28,293	24,885	28,293	24,885
- Outsourcing expenses	13,221	8,967	13,221	8,967
- Others	3,334	8,742	3,334	8,742
	<u>48,290</u>	<u>46,594</u>	<u>48,290</u>	<u>46,594</u>
Total other operating expenses	<u><u>167,929</u></u>	<u><u>164,711</u></u>	<u><u>167,929</u></u>	<u><u>164,711</u></u>

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25. Impairment provisions for loans, advances and financing

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Impairment provisions for loans, advances and financing:-				
Individual impairment provisions (net)	22,312	28,264	22,312	28,264
- Made in the financial period	44,251	58,068	44,251	58,068
- Written back	(21,939)	(29,804)	(21,939)	(29,804)
Collective impairment provisions				
- Made in the financial period	16,100	4,800	16,100	4,800
- Written back	-	(6,150)	-	(6,150)
Bad and doubtful debts on loans, advances and financing:-				
Written off	17,084	18,562	17,084	18,562
Recovered	(15,247)	(11,467)	(15,247)	(11,467)
	<u>40,249</u>	<u>34,009</u>	<u>40,249</u>	<u>34,009</u>

	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Impairment provisions for loans, advances and financing:-				
Individual impairment provisions (net)	11,940	20,739	11,940	20,739
- Made in the financial period	33,742	50,507	33,742	50,507
- Written back	(21,802)	(29,768)	(21,802)	(29,768)
Collective impairment provisions				
- Made in the financial period	11,300	3,000	11,300	3,000
- Written back	-	(6,000)	-	(6,000)
Bad and doubtful debts on loans, advances and financing:-				
Written off	17,084	18,562	17,084	18,562
Recovered	(15,247)	(11,467)	(15,247)	(11,467)
	<u>25,077</u>	<u>24,834</u>	<u>25,077</u>	<u>24,834</u>

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26. Commitments and contingencies

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

The commitments and contingencies are as follows:-

Group	As at 31 March 2010			As at 31 December 2009		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount * RM'000	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount * RM'000
Direct credit substitutes	1,079,537	1,079,537	948,964	1,391,319	1,391,319	1,073,254
Transaction-related contingent items	2,953,321	1,476,661	1,362,445	3,375,057	1,687,529	1,588,568
Short-term self liquidating trade-related contingencies	129,404	25,881	25,141	187,256	37,451	35,886
Irrevocable commitments to extend credit:-						
- maturity not exceeding one year	7,281,977	-	-	12,007,178	-	-
- maturity exceeding one year	2,636,570	1,318,285	911,240	4,315,234	2,157,617	1,348,447
Foreign exchange related contracts:-						
- less than one year	38,686,600	1,019,633	301,171	31,814,682	696,810	205,346
- one year to less than five years	10,199,767	995,749	273,779	9,978,585	885,488	249,265
- five years and above	4,150,493	715,137	156,481	4,853,126	712,878	164,879
Interest rate related contracts						
- less than one year	26,961,709	156,519	36,395	26,198,589	171,045	35,817
- one year to less than five years	49,135,637	1,544,694	334,708	47,997,956	1,491,016	361,692
- five years and above	8,096,011	728,138	201,519	8,228,711	791,844	213,728
Miscellaneous commitments and contingencies	7,818,157	-	-	9,853,317	-	-
	<u>159,129,183</u>	<u>9,060,234</u>	<u>4,551,843</u>	<u>160,201,010</u>	<u>10,022,997</u>	<u>5,276,882</u>

* The credit equivalent amount and the risk weighted amount are arrived at using the credit conversion factor and risk weights respectively, as per Bank Negara Malaysia guidelines.

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

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26. Commitments and contingencies (continued)

	As at 31 March 2010			As at 31 December 2009		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount * RM'000	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount * RM'000
Bank						
Direct credit substitutes	1,053,759	1,053,759	923,981	1,355,116	1,355,116	1,037,938
Transaction-related contingent items	2,934,763	1,467,382	1,354,687	3,357,216	1,678,608	1,581,064
Short-term self liquidating trade-related contingencies	122,892	24,578	23,680	133,153	26,631	24,997
Irrevocable commitments to extend credit:-						
- maturity not exceeding one year	6,907,076	-	-	11,289,837	-	-
- maturity exceeding one year	2,595,441	1,297,721	894,759	4,262,887	2,131,444	1,327,437
Foreign exchange related contracts:-						
- less than one year	39,024,399	1,024,279	300,953	32,160,314	705,814	206,926
- one year to less than five years	10,142,737	990,908	271,961	9,918,775	880,441	247,373
- five years and above	4,150,493	715,137	156,481	4,853,126	712,878	164,879
Interest rate related contracts						
- less than one year	26,961,709	156,519	36,395	26,198,589	171,045	35,817
- one year to less than five years	49,135,637	1,488,815	354,258	47,997,956	1,491,016	361,692
- five years and above	8,096,011	784,017	203,289	8,228,711	791,844	203,398
Miscellaneous commitments and contingencies	7,818,157	-	-	9,853,317	-	-
	<u>158,943,074</u>	<u>9,003,115</u>	<u>4,520,444</u>	<u>159,608,997</u>	<u>9,944,837</u>	<u>5,191,521</u>

* The credit equivalent amount and the risk weighted amount are arrived at using the credit conversion factor and risk weights respectively, as per Bank Negara Malaysia guidelines.

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

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27. Capital adequacy

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

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
Tier 1 Capital				
Paid-up ordinary share capital	125,000	125,000	125,000	125,000
Share premium	375,000	375,000	375,000	375,000
Other reserves	1,896,521	1,805,789	1,882,981	1,784,915
Less: Deferred tax assets	(100,251)	(100,559)	(93,684)	(93,993)
Total Tier 1 Capital	<u>2,296,270</u>	<u>2,205,230</u>	<u>2,289,297</u>	<u>2,190,922</u>
Tier 2 Capital				
Islamic subordinated debt	380,000	380,000	380,000	380,000
Subordinated bonds	500,000	500,000	500,000	500,000
Collective impairment provisions	368,931	352,831	340,390	329,090
Total Tier 2 Capital	<u>1,248,931</u>	<u>1,232,831</u>	<u>1,220,390</u>	<u>1,209,090</u>
Total capital	3,545,201	3,438,061	3,509,687	3,400,012
Less : Investment in subsidiaries	-	-	(300,022)	(300,022)
Total Capital Base	<u>3,545,201</u>	<u>3,438,061</u>	<u>3,209,665</u>	<u>3,099,990</u>

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

	Group			
	2010		2009	
	Principal amount RM'000	Risk weight amount RM'000	Principal amount RM'000	Risk weight amount RM'000
0%	12,783,170	-	12,549,248	-
10%	-	-	-	-
20%	10,904,291	2,180,858	9,613,527	1,922,705
50%	11,042,610	5,521,305	11,163,914	5,581,957
100%	14,409,884	14,409,884	14,191,298	14,191,298
	<u>49,139,955</u>	<u>22,112,047</u>	<u>47,517,987</u>	<u>21,695,960</u>
		2010 RM'000		2009 RM'000
Total risk-weighted assets				
- credit risk (as above)		22,112,047		21,695,960
- market risk		1,698,205		1,260,063
		<u>23,810,252</u>		<u>22,956,023</u>

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27. Capital adequacy (continued)

	Bank			
	2010		2009	
	Principal amount RM'000	Risk weight amount RM'000	Principal amount RM'000	Risk weight amount RM'000
0%	10,872,598	-	9,931,615	-
10%	-	-	-	-
20%	12,506,433	2,501,287	11,286,145	2,257,229
50%	10,833,741	5,416,871	10,969,120	5,484,560
100%	12,904,356	12,904,356	13,182,566	13,182,566
	<u>47,117,128</u>	<u>20,822,514</u>	<u>45,369,446</u>	<u>20,924,355</u>
		2010 RM'000		2009 RM'000
Total risk-weighted assets				
- credit risk (as above)		20,822,514		20,924,355
- market risk		<u>1,698,205</u>		<u>1,260,063</u>
		<u>22,520,719</u>		<u>22,184,418</u>
		Group		Bank
	2010	2009	2010	2009
Core capital ratio	9.64%	9.61%	10.17%	9.88%
Risk-weighted capital ratio	14.89%	14.98%	14.25%	13.97%

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28. Interest rate risk

Group As at 31 March 2010	← Non Trading books →								Non interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate (%)
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	Over 5 years RM'000				
Assets												
Cash and short term funds	8,244,907	-	-	-	-	-	-	-	182,911	-	8,427,818	2.07
Deposits and placements with banks and other financial institutions	-	2,082,063	81,616	-	-	-	-	-	-	-	2,163,679	2.15
Securities purchased under resale agreements	572,588	299,912	-	-	-	-	-	-	-	-	872,500	2.10
Securities held for trading	-	-	-	-	-	-	-	-	-	2,126,815	2,126,815	3.13
Securities available-for-sale	1,829,531	1,201,612	107,152	1,079,937	262,327	40,060	5,034	243	36,265	-	4,562,161	2.56
Loans, advances and financing												
- Performing	16,250,036	2,084,922	3,403,377	244,474	298,587	327,744	476,500	873,749	1,410	-	23,960,799	5.23
- Impaired	-	-	-	-	-	-	-	-	146,106	-	146,106	
Other balances	-	-	-	-	-	-	-	-	1,504,032	2,180,675	3,684,707	
Total assets	26,897,062	5,668,509	3,592,145	1,324,411	560,914	367,804	481,534	873,992	1,870,724	4,307,490	45,944,585	
Liabilities and shareholder's equity												
Deposits from customers	18,332,415	3,805,969	5,212,340	204,306	24,804	118,090	521,085	378,057	6,088,223	-	34,685,289	1.36
Deposits and placements of banks and other financial institutions	2,377,214	63,651	614,939	-	32,337	-	-	-	-	-	3,088,141	2.45
Bills and acceptances payable	6,598	-	-	-	-	-	-	-	-	-	6,598	2.59
Recourse obligations on loans sold to Cagamas	-	-	128,300	-	-	-	-	-	-	-	128,300	4.48
Subordinated debts	-	-	-	380,000	508,200	-	-	-	-	-	888,200	5.44
Other balances	-	-	-	-	-	-	-	-	2,573,620	2,173,163	4,746,783	
Total liabilities	20,716,227	3,869,620	5,955,579	584,306	565,341	118,090	521,085	378,057	8,661,843	2,173,163	43,543,311	
Shareholder's equity	-	-	-	-	-	-	-	-	2,401,274	-	2,401,274	
Total liabilities and shareholder's equity	20,716,227	3,869,620	5,955,579	584,306	565,341	118,090	521,085	378,057	11,063,117	2,173,163	45,944,585	
On-balance sheet interest sensitivity	6,180,835	1,798,889	(2,363,434)	740,105	(4,427)	249,714	(39,551)	495,935	(9,192,393)	2,134,327		
Off-balance sheet interest sensitivity	(2,097,762)	(1,779,420)	4,010,059	(746,770)	63,180	59,884	(16,612)	(647,534)	-	-		
Total interest sensitivity gap	4,083,073	19,469	1,646,625	(6,665)	58,753	309,598	(56,163)	(151,599)	(9,192,393)	2,134,327		

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28. Interest rate risk (continued)

Group As at 31 December 2009	← Non Trading books →								Non interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate (%)
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	Over 5 years RM'000				
Assets												
Cash and short term funds	8,717,467	-	-	-	-	-	-	-	153,483	-	8,870,950	2.00
Deposits and placements with banks and other financial institutions	-	950,000	-	-	-	-	-	-	-	-	950,000	2.13
Securities purchased under resale agreements	14,199	-	-	-	-	-	-	-	-	-	14,199	1.60
Securities held for trading	-	-	-	-	-	-	-	-	-	1,930,498	1,930,498	2.93
Securities available-for-sale	803,744	2,067,502	447,412	1,141,427	964,211	40,050	5,031	243	36,333	-	5,505,953	2.38
Loans, advances and financing												
- Performing	16,350,381	2,207,812	2,535,811	228,766	357,126	307,724	498,818	390,209	1,410	-	22,878,057	5.04
- Impaired	-	-	-	-	-	-	-	-	179,210	-	179,210	
Other balances	-	-	-	-	-	-	-	-	557,749	1,866,349	2,424,098	
Total assets	25,885,791	5,225,314	2,983,223	1,370,193	1,321,337	347,774	503,849	390,452	928,185	3,796,847	42,752,965	
Liabilities and shareholder's equity												
Deposits from customers	17,579,804	2,634,365	4,801,196	225,910	25,874	73,898	586,611	386,192	6,606,375	-	32,920,225	1.64
Deposits and placements of banks and other financial institutions	2,817,626	93,260	685,594	-	-	-	7,270	-	-	-	3,603,750	2.55
Bills and acceptances payable	11,388	-	-	-	-	-	-	-	-	-	11,388	2.60
Recourse obligations on loans sold to Cagamas	-	7,486	51,722	79,225	-	-	-	-	-	-	138,433	4.48
Subordinated debts	-	-	-	380,000	511,208	-	-	-	-	-	891,208	5.44
Other balances	-	-	-	-	-	-	-	-	1,164,112	1,719,290	2,883,402	
Total liabilities	20,408,818	2,735,111	5,538,512	685,135	537,082	73,898	593,881	386,192	7,770,487	1,719,290	40,448,406	
Shareholder's equity	-	-	-	-	-	-	-	-	2,304,559	-	2,304,559	
Total liabilities and shareholder's equity	20,408,818	2,735,111	5,538,512	685,135	537,082	73,898	593,881	386,192	10,075,046	1,719,290	42,752,965	
On-balance sheet interest sensitivity	5,476,973	2,490,203	(2,555,289)	685,058	784,255	273,876	(90,032)	4,260	(9,146,861)	2,077,557		
Off-balance sheet interest sensitivity	(2,097,762)	(1,779,420)	4,010,059	(746,770)	63,180	59,884	(16,612)	(647,534)	-	-		
Total interest sensitivity gap	3,379,211	710,783	1,454,770	(61,712)	847,435	333,760	(106,644)	(643,274)	(9,146,861)	2,077,557		

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28. Interest rate risk (continued)

Bank As at 31 March 2010	← Non Trading books →									Trading books RM'000	Total RM'000	Effective interest rate (%)
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000			
Assets												
Cash and short term funds	7,385,825	-	-	-	-	-	-	-	169,256	-	7,555,081	2.04
Deposits and placements with banks and other financial institutions	-	2,825,509	590,451	-	-	-	-	171,424	-	-	3,587,384	1.93
Securities purchased under resale agreements	572,588	299,912	-	-	-	-	-	-	-	-	872,500	2.10
Securities held for trading	-	-	-	-	-	-	-	-	-	2,126,815	2,126,815	3.13
Securities available-for-sale	1,794,555	1,161,549	61,998	1,074,910	232,245	40,060	-	243	36,265	-	4,401,825	2.54
Loans, advances and financing												
- Performing	16,053,379	2,081,996	2,737,530	120,063	156,335	74,467	131,395	148,903	-	-	21,504,068	4.75
- Impaired	-	-	-	-	-	-	-	-	142,815	-	142,815	
Other balances	-	-	-	-	-	-	-	-	2,025,518	2,094,813	4,120,331	
Total assets	25,806,347	6,368,966	3,389,979	1,194,973	388,580	114,527	131,395	320,570	2,373,854	4,221,628	44,310,819	
Liabilities and shareholder's equity												
Deposits from customers	17,656,868	3,707,555	4,880,750	121,288	18,407	105,395	521,085	295,051	6,088,223	-	33,394,622	1.27
Deposits and placements of banks and other financial institutions	2,179,603	63,651	614,939	-	-	-	-	-	-	-	2,858,193	2.61
Bills and acceptances payable	6,598	-	-	-	-	-	-	-	-	-	6,598	2.59
Recourse obligations on loans sold to Cagamas	-	-	128,300	-	-	-	-	-	-	-	128,300	4.48
Subordinated debts	-	-	-	380,000	508,200	-	-	-	-	-	888,200	5.44
Other balances	-	-	-	-	-	-	-	-	2,577,232	2,087,498	4,664,730	
Total liabilities	19,843,069	3,771,206	5,623,989	501,288	526,607	105,395	521,085	295,051	8,665,455	2,087,498	41,940,643	
Shareholder's equity	-	-	-	-	-	-	-	-	2,370,176	-	2,370,176	
Total liabilities and shareholder's equity	19,843,069	3,771,206	5,623,989	501,288	526,607	105,395	521,085	295,051	11,035,631	2,087,498	44,310,819	
On-balance sheet interest sensitivity gap	5,963,278	2,597,760	(2,234,010)	693,685	(138,027)	9,132	(389,690)	25,519	(8,661,777)	2,134,130		
Off-balance sheet interest sensitivity gap	(2,294,850)	(1,751,481)	3,818,587	(1,495,612)	(1,037,586)	(281,642)	295,290	301,794	-	-		
Total interest sensitivity gap	3,668,428	846,279	1,584,577	(801,927)	(1,175,613)	(272,510)	(94,400)	327,313	(8,661,777)	2,134,130		

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28. Interest rate risk (continued)

Bank As at 31 December 2009	← Non Trading books →								Non interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate (%)
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	Over 5 years RM'000				
Assets												
Cash and short term funds	7,445,243	-	-	-	-	-	-	-	141,666	-	7,586,909	2.00
Deposits and placements with banks and other financial institutions	-	1,550,000	500,000	-	-	-	-	163,924	-	-	2,213,924	2.00
Securities purchased under resale agreements	14,199	-	-	-	-	-	-	-	-	-	14,199	1.60
Securities held for trading	-	-	-	-	-	-	-	-	-	1,930,498	1,930,498	2.93
Securities available-for-sale	768,752	2,042,430	336,719	1,136,395	959,165	40,050	-	243	36,333	-	5,320,087	2.36
Loans, advances and financing												
- Performing	15,872,667	2,116,614	2,289,856	120,661	200,874	79,658	138,152	160,989	-	-	20,979,471	4.71
- Impaired	-	-	-	-	-	-	-	-	166,526	-	166,526	
Other balances	-	-	-	-	-	-	-	-	992,795	1,869,308	2,862,103	
Total assets	24,100,861	5,709,044	3,126,575	1,257,056	1,160,039	119,708	138,152	325,156	1,337,320	3,799,806	41,073,717	
Liabilities and shareholder's equity												
Deposits from customers	16,872,246	2,426,434	4,447,759	143,503	18,686	55,000	586,611	304,074	6,606,375	-	31,460,688	1.53
Deposits and placements of banks and other financial institutions	2,630,382	93,260	685,594	-	-	-	-	-	-	-	3,409,236	2.71
Bills and acceptances payable	11,388	-	-	-	-	-	-	-	-	-	11,388	2.60
Recourse obligations on loans sold to Cagamas	-	7,486	51,722	79,225	-	-	-	-	-	-	138,433	4.48
Subordinated debts	-	-	-	380,000	511,208	-	-	-	-	-	891,208	5.44
Other balances	-	-	-	-	-	-	-	-	1,157,168	1,722,482	2,879,650	
Total liabilities	19,514,016	2,527,180	5,185,075	602,728	529,894	55,000	586,611	304,074	7,763,543	1,722,482	38,790,603	
Shareholder's equity	-	-	-	-	-	-	-	-	2,283,114	-	2,283,114	
Total liabilities and shareholder's equity	19,514,016	2,527,180	5,185,075	602,728	529,894	55,000	586,611	304,074	10,046,657	1,722,482	41,073,717	
On-balance sheet interest sensitivity gap	4,586,845	3,181,864	(2,058,500)	654,328	630,145	64,708	(448,459)	21,082	(8,709,337)	2,077,324		
Off-balance sheet interest sensitivity gap	(2,097,762)	(1,779,420)	4,010,059	(746,770)	63,180	59,884	(16,612)	(647,534)	-	-		
Total interest sensitivity gap	2,489,083	1,402,444	1,951,559	(92,442)	693,325	124,592	(465,071)	(626,452)	(8,709,337)	2,077,324		

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29. Significant changes in accounting policies

The adoption of FRS 139, Financial Instruments: *Recognition and Measurement* ("FRS 139"), Revised Guidelines on Classification and Impairment Provisions for Loans/Financing ("BNM/GP3") and Revised Guidelines on Financial Reporting for Banking Institutions ("BNM/GP8"), with effect from 1 January 2010 have resulted in several changes to accounting policies relating to the recognition of interest income for impaired loans and impairment provisions.

Prior to FRS 139, BNM/GP3 and BNM/GP8, interest accrued and recognised as income prior to the date the loans are classified as impaired are reversed out of income. Impairment provisions is made on principal outstanding.

With the adoption of FRS 139, BNM/GP3 and BNM/GP8, such reversal of interest accrued are no longer required. When loans are impaired, impairment provisions is made on principal outstanding and interest/fee accrued. Upon impairment, subsequent contractual interest due will not be recognised as income as interest accrued will be suspended in the balance sheet.

	Group RM'000	Bank RM'000
Retained earnings		
At 31 December 2009, as previously stated	1,672,639	1,659,725
Change in treatment of interest accrued on impaired loans		
- Impact on impaired loans, advances and financing	5,355	5,197
- Impact on impairment provision on loans, advances and financing	(4,748)	(4,712)
Additional impairment provision on loans, advances and financing required due to loan impairment classification	(34,881)	(24,979)
	<u>1,638,365</u>	<u>1,635,231</u>
Tax effect @ 25%	8,570	6,125
At 31 December 2009, as restated	<u><u>1,646,935</u></u>	<u><u>1,641,356</u></u>