



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

**Financial statements for the nine months
ended 30 September 2010**

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

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

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2010

	Note	Group		Bank	
		30 September 2010 RM'000	31 December 2009 RM'000	30 September 2010 RM'000	31 December 2009 RM'000
Assets					
Cash and short term funds		6,173,598	8,870,950	6,101,791	7,586,909
Deposits and placements with banks and other financial institutions		1,683,276	950,000	3,227,776	2,213,924
Securities purchased under resale agreements		-	14,199	-	14,199
Financial assets held for trading	11	3,908,492	1,930,498	3,908,492	1,930,498
Investment securities available-for-sale	12	6,558,666	5,505,953	5,551,677	5,320,087
Loans, advances and financing	13	26,105,623	23,057,267	23,707,864	21,145,997
Other assets	15	3,193,687	2,226,221	3,229,386	2,385,237
Tax recoverable		-	11,199	-	10,865
Prepaid lease payments		832	1,125	832	1,125
Statutory deposits with Bank Negara Malaysia	16	30,273	24,322	10,000	10,000
Investments in subsidiaries		-	-	386,022	300,022
Property, plant and equipment		53,436	60,570	53,436	60,570
Deferred tax assets		110,312	100,661	101,322	94,284
Total assets		47,818,195	42,752,965	46,278,598	41,073,717
Liabilities					
Deposits from customers	17	34,717,016	32,920,225	33,338,801	31,460,688
Deposits and placements of banks and other financial institutions	18	5,325,883	3,603,750	5,239,029	3,409,236
Bills and acceptances payable		14,528	11,388	14,528	11,388
Recourse obligations on loans sold to Cagamas Berhad		122,955	138,433	122,955	138,433
Other liabilities	19	4,185,582	2,883,402	4,165,331	2,879,650
Tax payable		33,321	-	28,332	-
Subordinated debts		887,688	891,208	887,688	891,208
Total liabilities		45,286,973	40,448,406	43,796,664	38,790,603
Equity					
Share capital		125,000	125,000	125,000	125,000
Reserves		2,406,222	2,179,559	2,356,934	2,158,114
Total equity attributable to equity holder of the Bank		2,531,222	2,304,559	2,481,934	2,283,114
Total liabilities and equity		47,818,195	42,752,965	46,278,598	41,073,717
Commitments and contingencies	26	157,136,251	160,201,010	156,296,378	159,608,997

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 3RD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010

	Note	Group			
		3rd Quarter ended		Nine months ended	
		30 September 2010	30 September 2009	30 September 2010	30 September 2009
		RM'000	RM'000	RM'000	RM'000
Interest income	20	349,824	311,964	992,522	990,982
Interest expense	21	(166,091)	(157,120)	(459,867)	(483,643)
Net interest income		183,733	154,844	532,655	507,339
Net income from Islamic Banking operations	22	60,340	38,489	185,726	104,727
		244,073	193,333	718,381	612,066
Other operating income	23	150,399	190,074	446,791	460,298
Total net income		394,472	383,407	1,165,172	1,072,364
Other operating expenses	24	(183,649)	(158,092)	(554,845)	(515,296)
Operating profit		210,823	225,315	610,327	557,068
Impairment provisions for loans, advances and financing	25	(47,786)	(72,606)	(145,647)	(145,136)
Profit before taxation		163,037	152,709	464,680	411,932
Tax expense		(42,389)	(44,889)	(114,039)	(118,039)
Profit for the period		120,648	107,820	350,641	293,893
Other comprehensive income, net of income tax					
Fair value reserve (investment securities available-for-sale):-					
Net changes in fair value		3,830	1,254	1,621	16,324
Net amount transferred to profit or loss		1,829	234	(2,752)	(18,017)
Cash flow hedges:					
Effective portion of changes in fair value		1,049	(3,224)	631	(2,990)
Net amount transferred to profit or loss		(690)	575	1,226	(884)
Other comprehensive income for the period, net of income tax		6,018	(1,161)	726	(5,567)
Total comprehensive income for the period		126,666	106,659	351,367	288,326
Profit for the period attributable to:-					
Equity holder of the Bank		120,648	107,820	350,641	293,893
Total comprehensive income attributable to:-		126,666	106,659	351,367	288,326
Equity holder of the Bank		126,666	106,659	351,367	288,326

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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UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 3RD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010

	Note	Bank			
		3rd Quarter ended		Nine months ended	
		30 September 2010	30 September 2009	30 September 2010	30 September 2009
		RM'000	RM'000	RM'000	RM'000
Interest income	20	361,033	318,572	1,028,111	1,008,133
Interest expense	21	(166,091)	(157,120)	(459,867)	(483,643)
Net interest income		194,942	161,452	568,244	524,490
Net income from Islamic Banking operations	22	-	-	-	-
Other operating income	23	194,942	161,452	568,244	524,490
		150,399	190,074	446,791	460,298
Total net income		345,341	351,526	1,015,035	984,788
Other operating expenses	24	(163,306)	(145,878)	(499,085)	(479,540)
Operating profit		182,035	205,648	515,950	505,248
Impairment provisions for loans, advances and financing	25	(32,089)	(59,614)	(99,668)	(111,525)
Profit before taxation		149,946	146,034	416,282	393,723
Tax expense		(38,477)	(43,195)	(101,292)	(113,402)
Profit for the period		111,469	102,839	314,990	280,321
Other comprehensive income, net of income tax					
Fair value reserve (investment securities available-for-sale):-					
Net changes in fair value		3,909	1,299	2,094	14,654
Net amount transferred to profit or loss		1,828	108	(2,752)	(17,840)
Cash flow hedges:					
Effective portion of changes in fair value		1,049	(3,224)	631	(2,990)
Net amount transferred to profit or loss		(690)	575	1,226	(884)
Other comprehensive income for the period, net of income tax		6,096	(1,242)	1,199	(7,060)
Total comprehensive income for the period		117,565	101,597	316,189	273,261
Profit for the period attributable to:-					
Equity holder of the Bank		111,469	102,839	314,990	280,321
Total comprehensive income attributable to:-		117,565	101,597	316,189	273,261
Equity holder of the Bank		117,565	101,597	316,189	273,261

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 NINE MONTHS ENDED 30 SEPTEMBER 2010

GROUP	← 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 2009	125,000	375,000	126,539	190	9,465	(5,803)	1,459,917	2,090,308
Profit for the period	-	-	-	-	-	-	293,893	293,893
Other comprehensive income for the period	-	-	-	-	(1,693)	(3,874)	-	(5,567)
Total comprehensive income for the period	-	-	-	-	(1,693)	(3,874)	293,893	288,326
Dividends (ordinary shares):- - 2008 final	-	-	-	-	-	-	(75,000)	(75,000)
At 30 September 2009	125,000	375,000	126,539	190	7,772	(9,677)	1,678,810	2,303,634

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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UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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	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		-	-	-	-	-	-	350,641	350,641
Other comprehensive income for the period		-	-	-	-	(1,131)	1,857	-	726
Total comprehensive income for the period		-	-	-	-	(1,131)	1,857	350,641	351,367
Dividends (ordinary shares):-									
- 2010 interim		-	-	-	-	-	-	(99,000)	(99,000)
At 30 September 2010		125,000	375,000	132,960	190	6,308	(6,812)	1,898,576	2,531,222

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 NINE MONTHS ENDED 30 SEPTEMBER 2010

BANK	← <i>Non Distributable Reserves</i>					→	<i>Distributable Reserves</i>	
	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	Total 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	-	-	-	-	-	-	280,321	280,321
Other comprehensive income for the period	-	-	-	-	(3,186)	(3,874)	-	(7,060)
Total comprehensive income for the period	-	-	-	-	(3,186)	(3,874)	280,321	273,261
Dividends (ordinary shares):- - 2008 final	-	-	-	-	-	-	(75,000)	(75,000)
At 30 September 2009	125,000	375,000	125,000	190	7,183	(9,677)	1,657,509	2,280,205

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 NINE MONTHS ENDED 30 SEPTEMBER 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	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		-	-	-	-	-	-	314,990	314,990
Other comprehensive income for the period		-	-	-	-	(658)	1,857	-	1,199
Total comprehensive income for the period		-	-	-	-	(658)	1,857	314,990	316,189
Dividends (ordinary shares):- - 2010 interim		-	-	-	-	-	-	(99,000)	(99,000)
At 30 September 2010		125,000	375,000	125,000	190	6,210	(6,812)	1,857,346	2,481,934

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010

	Group		Bank	
	30 September 2010 RM'000	30 September 2009 RM'000	30 September 2010 RM'000	30 September 2009 RM'000
Profit before taxation	464,680	411,932	416,282	393,723
Adjustment for non-cash items	(74,845)	(11,944)	(59,268)	(11,302)
Operating profit before working capital changes	389,835	399,988	357,014	382,421
Changes in working capital:-				
Net changes in operating assets	(6,716,090)	3,509,712	(6,380,910)	3,471,750
Net changes in operating liabilities	4,805,246	(328,370)	4,977,729	1,457,647
Income taxes paid	(76,956)	(154,813)	(69,532)	(152,125)
Net cash (used in)/generated from operating activities	(1,597,965)	3,426,517	(1,115,699)	5,159,693
Net cash (used in)/generated from investing activities	(1,000,387)	1,959,386	(270,419)	1,801,779
Net cash used in financing activities	(99,000)	(75,000)	(99,000)	(75,000)
Net (decrease)/increase in cash and cash equivalents	(2,697,352)	5,310,903	(1,485,118)	6,886,472
Cash and cash equivalent at beginning of the year	8,870,950	4,124,252	7,586,909	1,918,776
Cash and cash equivalent at end of period	<u>6,173,598</u>	<u>9,435,155</u>	<u>6,101,791</u>	<u>8,805,248</u>

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

STANDARD CHARTERED BANK MALAYSIA BERHAD
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REVIEW OF PERFORMANCE

The Group's profit before taxation for the nine months ended 30 September 2010 was RM 464.68 million, which is RM 52.75 million or 12.81% higher than the corresponding period last year. Net interest income has increased by RM 25.32 million to RM 532.66 million as interest rates were on an upward trend in 2010, in line with OPR movements. Other operating income (including income from Islamic Banking operations) increased by RM 67.49 million to RM 632.52 million. Collective impairment provisions was higher by RM 31.52 million in line with strong growth in loans, advances and financing, while individual impairment provisions was lower by RM 31.01 million, resulting in net decrease of RM 0.51 million in impairment provisions. Overheads has decreased by RM 39.55 million or 7.68%. Total assets registered an increase of RM 5.07 billion or 11.85% to RM 47.82 billion compared to the last financial year ended 31 December 2009. The increase is mainly contributed by the growth in loans, advances and financing by RM 3.05 billion or 13.22%. The Group's core capital ratio and risk-weighted capital ratio remained strong at 9.57% and 13.57% 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 nine months ended 30 September 2010

1. Basis of preparation of the financial statements

The unaudited condensed interim financial statements for the third quarter and nine months ended 30 September 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 Syariah principles.

The accounting policies and methods of computation in the unaudited condensed interim financial statements are consistent with those adopted in the last audited financial statements, except for the adoption of new/revised Financial Reporting Standards ("FRSs") issued by the MASB 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 7, *Financial Instruments: Disclosures*
- (ii) FRS 101, *Presentation of Financial Statements*
- (iii) FRS 139, *Financial Instruments: Recognition and Measurement*

The adoption of the above FRSs did not have any material impact on the results of the Group and the Bank as the changes are presentation in nature except for FRS 139. The principal effect of changes to the accounting policies arising from the full adoption of FRS 139 are disclosed in Note 29 to the financial statements.

Pursuant to the adoption of FRS 101, the Group and the Bank's income statements and statements of recognised income and expense for the nine months ended 30 September 2010 has been combined and presented as statements of comprehensive income. The changes in equity which were previously presented in the capital and reserves disclosure note are now included in the statements of comprehensive income as other comprehensive income.

The adoption of FRS 7 has resulted in changes to the disclosure of financial instruments, whereby the disclosures are now made by categories of financial assets and liabilities. Since these changes only affect the presentation of disclosure items, there is no impact on the financial results of the Group and the Bank for the comparative period.

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.

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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 third quarter and nine months ended 30 September 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 third quarter and nine months ended 30 September 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 third quarter and nine months ended 30 September 2010.

7. Dividend

During the nine months ended 30 September 2010, an interim dividend (gross) of 106 sen per share, less income tax, amounting to RM 99,000,000 in respect of the financial half year ended 30 June 2010 were paid on 24 September 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 third quarter and nine months ended 30 September 2010.

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11. Financial assets held for trading

	Group		Bank	
	30 September 2010 RM'000	31 December 2009 RM'000	30 September 2010 RM'000	31 December 2009 RM'000
<u>At fair value through profit or loss</u>				
Malaysian Government treasury bills	228,912	41,337	228,912	41,337
Malaysian Government bonds/securities	817,443	689,034	817,443	689,034
Government Islamic bonds	45,319	-	45,319	-
Bank Negara Malaysia bills	2,077,091	724,095	2,077,091	724,095
Cagamas bonds	5,050	19,769	5,050	19,769
Private debt securities	734,677	456,263	734,677	456,263
	<u>3,908,492</u>	<u>1,930,498</u>	<u>3,908,492</u>	<u>1,930,498</u>

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12. Investment securities available-for-sale

	Group		Bank	
	30 September	31 December	30 September	31 December
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
<u>At fair value</u>				
Malaysian Government bonds/ securities *	1,973,407	2,406,919	1,973,407	2,406,919
Bank Negara Malaysia bills	891,841	-	-	-
Cagamas bonds	25,000	65,250	-	-
Bankers' acceptances and Islamic acceptance bills	1,270,351	486,417	1,270,351	486,417
Negotiable instruments of deposit	2,305,103	2,425,167	2,270,103	2,390,175
Government Islamic bonds	-	25,072	-	-
Private debt securities	55,148	60,552	-	-
	<u>6,520,850</u>	<u>5,469,377</u>	<u>5,513,861</u>	<u>5,283,511</u>
Unquoted securities:-				
Equity shares, at cost	9,661	9,733	9,661	9,733
Private debt securities, at fair value	28,155	26,843	28,155	26,843
	<u>6,558,666</u>	<u>5,505,953</u>	<u>5,551,677</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 180 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 investment securities available-for-sale.

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

	Group		Bank	
	30 September 2010 RM'000	31 December 2009 RM'000	30 September 2010 RM'000	31 December 2009 RM'000
<u>At amortised cost</u>				
Overdrafts	683,843	690,707	683,843	690,707
Term loans/financing				
- Housing loans/financing	12,866,394	11,387,751	12,123,998	11,108,187
- Syndicated term loan/financing	265,778	297,940	265,778	297,940
- Hire purchase receivables	93,596	36,972	-	-
- Lease receivables	325,940	218,873	-	-
- Other term loans/financing	7,374,531	5,565,070	5,909,141	4,233,927
Bills receivable	2,129,312	2,215,967	2,127,091	2,211,603
Trust receipts	1,194,890	1,117,850	1,071,673	1,077,830
Staff loans/financing	66,087	73,902	62,145	70,388
Loans/financing to banks and other financial institutions	149,842	10,654	149,842	10,654
Credit card receivables	1,404,233	1,318,027	1,404,233	1,318,027
Revolving credit	1,118,266	1,277,176	573,398	732,389
	<u>27,672,712</u>	<u>24,210,889</u>	<u>24,371,142</u>	<u>21,751,652</u>
Less: Unearned interest and income	<u>(856,724)</u>	<u>(531,851)</u>	<u>(1,623)</u>	<u>(8,929)</u>
Gross loans, advances and financing	26,815,988	23,679,038	24,369,519	21,742,723
Less: Impairment provisions on loans, advances and financing:-				
- Individual impairment provisions (2009: Specific allowance)	(308,355)	(268,940)	(296,560)	(267,636)
- Collective impairment provisions (2009: General allowance)	<u>(402,010)</u>	<u>(352,831)</u>	<u>(365,095)</u>	<u>(329,090)</u>
Total net loans, advances and financing	<u>26,105,623</u>	<u>23,057,267</u>	<u>23,707,864</u>	<u>21,145,997</u>

(ii) By type of customer

	Group		Bank	
	30 September 2010 RM'000	31 December 2009 RM'000	30 September 2010 RM'000	31 December 2009 RM'000
Domestic banking institutions	900	10,654	900	10,654
Domestic non-bank financial institutions	644,464	777,134	454,243	514,897
<i>Stockbroking companies</i>	-	-	-	-
<i>Others</i>	<u>644,464</u>	<u>777,134</u>	<u>454,243</u>	<u>514,897</u>
Domestic business enterprises	7,977,530	6,611,765	6,971,838	5,891,544
<i>Small medium enterprises</i>	<u>2,721,271</u>	<u>2,273,070</u>	<u>2,585,681</u>	<u>2,165,288</u>
<i>Others</i>	<u>5,256,259</u>	<u>4,338,695</u>	<u>4,386,157</u>	<u>3,726,256</u>
Individuals	16,501,302	14,909,023	15,278,814	13,966,948
Other domestic entities	1,034	425	1,034	425
Foreign entities	1,690,758	1,370,037	1,662,690	1,358,255
	<u>26,815,988</u>	<u>23,679,038</u>	<u>24,369,519</u>	<u>21,742,723</u>

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

	Group		Bank	
	30 September 2010 RM'000	31 December 2009 RM'000	30 September 2010 RM'000	31 December 2009 RM'000
Fixed rate				
Housing loans/financing	50,708	59,698	45,647	54,227
Other fixed rate loan/financing	3,082,780	2,695,174	1,817,228	1,729,923
Variable rate				
BLR plus	16,017,940	14,284,551	15,639,263	14,043,249
Cost plus	6,825,573	5,760,357	6,284,129	5,224,964
Other variable rates	838,987	879,258	583,252	690,360
	<u>26,815,988</u>	<u>23,679,038</u>	<u>24,369,519</u>	<u>21,742,723</u>

(iv) By sector

	Group		Bank	
	30 September 2010 RM'000	31 December 2009 RM'000	30 September 2010 RM'000	31 December 2009 RM'000
Agriculture	237,152	118,106	175,881	98,101
Mining and quarrying	156,119	20,122	153,304	18,400
Manufacturing	3,119,068	2,567,296	2,889,744	2,449,876
Electricity, gas and water	5,004	5,237	5,004	5,237
Construction	296,146	337,617	276,245	253,113
Real estate	437,545	350,934	265,185	259,106
Purchase of landed property	14,407,159	13,112,827	14,091,570	12,944,687
- Residential	<u>12,514,818</u>	<u>11,354,990</u>	<u>12,235,094</u>	<u>11,227,835</u>
- Non-residential	<u>1,892,341</u>	<u>1,757,837</u>	<u>1,856,476</u>	<u>1,716,852</u>
Wholesale & retail trade and restaurants & hotels	2,003,550	1,945,455	1,791,512	1,810,945
Transport, storage and communication	313,246	310,199	100,041	107,304
Finance, insurance and business services	1,258,870	1,211,278	1,006,745	907,382
Consumption credit	3,344,513	2,833,012	2,409,546	2,047,284
Others	1,237,616	866,955	1,204,742	841,288
	<u>26,815,988</u>	<u>23,679,038</u>	<u>24,369,519</u>	<u>21,742,723</u>

(v) By maturity structure

	Group		Bank	
	30 September 2010 RM'000	31 December 2009 RM'000	30 September 2010 RM'000	31 December 2009 RM'000
Maturing within one year	8,863,863	7,969,505	7,981,500	7,170,194
One year to three years	1,165,979	1,039,268	792,299	759,218
Three years to five years	1,938,777	1,464,975	1,199,325	876,197
Over five years	14,847,369	13,205,290	14,396,395	12,937,114
	<u>26,815,988</u>	<u>23,679,038</u>	<u>24,369,519</u>	<u>21,742,723</u>

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13. Loans, advances and financing (continued)**(vi) By geographical distribution**

	Group		Bank	
	30 September 2010 RM'000	31 December 2009 RM'000	30 September 2010 RM'000	31 December 2009 RM'000
Within Malaysia	26,620,748	23,633,360	24,174,279	21,697,045
Outside Malaysia	195,240	45,678	195,240	45,678
	<u>26,815,988</u>	<u>23,679,038</u>	<u>24,369,519</u>	<u>21,742,723</u>

(vii) Analysis of foreign currency exposure

	Group		Bank	
	30 September 2010 RM'000	31 December 2009 RM'000	30 September 2010 RM'000	31 December 2009 RM'000
USD	996,842	951,931	978,868	921,216
GBP	577,967	662,769	577,967	662,769
Other foreign currencies	17,736	17,695	17,456	17,695
	<u>1,592,545</u>	<u>1,632,405</u>	<u>1,574,291</u>	<u>1,601,680</u>

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

	Group		Bank	
	30 September 2010 RM'000	31 December 2009 RM'000	30 September 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 (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	371,321	662,395	333,362	614,663
Reclassified as performing during the financial period/year	(213,941)	(471,817)	(213,286)	(470,402)
Amount recovered during the financial period/year	(57,472)	(83,096)	(51,598)	(79,758)
Amount written off during the financial period/year	(126,715)	(211,657)	(95,058)	(173,412)
At end of reporting period/year	426,698	448,150	412,779	434,162
Individual impairment provisions (2009: Specific allowance)	(308,355)	(268,940)	(296,560)	(267,636)
Net impaired loans, advances and financing	<u>118,343</u>	<u>179,210</u>	<u>116,219</u>	<u>166,526</u>
Ratio of net impaired loans, advances and financing to net loans, advances and financing	<u>0.45%</u>	<u>0.77%</u>	<u>0.48%</u>	<u>0.78%</u>

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

	Group		Bank	
	30 September 2010 RM'000	31 December 2009 RM'000	30 September 2010 RM'000	31 December 2009 RM'000
Collective impairment provisions				
(2009: General allowance)				
At 1 January	352,831	315,271	329,090	294,390
Impairment made in the financial period/year	73,663	55,110	53,345	48,700
Amount written back	(24,484)	(17,550)	(17,340)	(14,000)
At end of reporting period/year	<u>402,010</u>	<u>352,831</u>	<u>365,095</u>	<u>329,090</u>
As a percentage of gross loans, advances and financing less individual impairment provisions	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>
Individual impairment provisions				
(2009: Specific allowance)				
At 1 January, as previously stated	268,940	203,747	267,636	202,898
Effect of adoption of FRS 139 (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	145,355	317,420	111,895	278,430
Amount written back	(54,120)	(108,882)	(53,465)	(108,612)
Amount written off	(91,449)	(143,345)	(59,197)	(105,080)
At end of reporting period/year	<u>308,355</u>	<u>268,940</u>	<u>296,560</u>	<u>267,636</u>

(iii) Impaired loans, advances and financing by sector

	Group		Bank	
	30 September 2010 RM'000	31 December 2009 RM'000	30 September 2010 RM'000	31 December 2009 RM'000
Agriculture	13,990	15,444	13,990	15,444
Mining and quarrying	2	514	2	514
Manufacturing	41,734	43,484	41,734	43,484
Construction	55,949	55,315	55,949	55,315
Purchase of landed property	217,706	246,995	214,738	242,949
- Residential	<u>198,313</u>	<u>227,247</u>	<u>195,345</u>	<u>223,201</u>
- Non-residential	<u>19,393</u>	<u>19,748</u>	<u>19,393</u>	<u>19,748</u>
Wholesale & retail trade and restaurants & hotels	56,284	44,667	56,234	44,667
Transport, storage and communication	54	-	54	-
Finance, insurance and business services	4,007	6,809	4,007	6,809
Consumption credit	35,860	34,494	24,959	24,552
Others	1,112	428	1,112	428
	<u>426,698</u>	<u>448,150</u>	<u>412,779</u>	<u>434,162</u>

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

	Group		Bank	
	30 September 2010 RM'000	31 December 2009 RM'000	30 September 2010 RM'000	31 December 2009 RM'000
Within Malaysia	<u>426,698</u>	<u>448,150</u>	<u>412,779</u>	<u>434,162</u>

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15. Other assets

	Group		Bank	
	30 September 2010 RM'000	31 December 2009 RM'000	30 September 2010 RM'000	31 December 2009 RM'000
Derivative financial instruments	2,472,317	2,023,995	2,471,003	2,026,954
Interest/Income receivables	44,917	65,826	54,255	66,492
Other receivables, deposit and prepayments	676,453	136,400	704,128	291,791
	<u>3,193,687</u>	<u>2,226,221</u>	<u>3,229,386</u>	<u>2,385,237</u>

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 30 September 2010, MGS of the Group and the Bank with nominal amount of RM 180 million (2009: RM 136 million) are utilised for SRR purposes. These securities are included in the investment securities available-for-sale (Note 12).

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

	Group		Bank	
	30 September 2010 RM'000	31 December 2009 RM'000	30 September 2010 RM'000	31 December 2009 RM'000
Demand deposits	13,046,641	12,177,435	12,537,469	11,680,914
Savings deposits	4,728,193	5,013,170	4,665,029	4,943,920
Fixed/Investment deposits	16,173,714	14,449,518	15,624,426	13,991,528
Negotiable instruments of deposits	768,468	1,280,102	511,877	844,326
	<u>34,717,016</u>	<u>32,920,225</u>	<u>33,338,801</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	13,498,816	11,803,462	12,936,904	11,300,315
Six months to one year	2,354,807	2,633,761	2,251,167	2,433,697
One year to three years	153,389	251,301	97,938	161,762
Three years to five years	465,500	368,644	465,500	349,746
Over five years	469,670	672,452	384,794	590,334

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17. Deposits from customers (continued)**(ii) By type of customers**

	Group		Bank	
	30 September 2010 RM'000	31 December 2009 RM'000	30 September 2010 RM'000	31 December 2009 RM'000
Government and statutory bodies	94,192	13,329	44,192	13,329
Business enterprises	15,034,458	13,227,444	14,489,362	12,677,905
Individuals	17,336,253	17,185,614	16,853,052	16,734,032
Others	2,252,113	2,493,838	1,952,195	2,035,422
	<u>34,717,016</u>	<u>32,920,225</u>	<u>33,338,801</u>	<u>31,460,688</u>

18. Deposits and placements of banks and other financial institutions

	Group		Bank	
	30 September 2010 RM'000	31 December 2009 RM'000	30 September 2010 RM'000	31 December 2009 RM'000
Licensed banks	240,742	30,584	224,230	23,315
Bank Negara Malaysia	1,265,334	58,428	1,265,334	58,428
Other financial institutions	3,819,807	3,514,738	3,749,465	3,327,493
	<u>5,325,883</u>	<u>3,603,750</u>	<u>5,239,029</u>	<u>3,409,236</u>

19. Other liabilities

	Group		Bank	
	30 September 2010 RM'000	31 December 2009 RM'000	30 September 2010 RM'000	31 December 2009 RM'000
Derivative financial instruments	2,112,988	1,738,274	2,112,701	1,741,466
Interest/Profit payable	119,530	114,358	117,197	112,467
Amount owing to subsidiaries	-	-	22	22
Profit equalisation reserve	7,478	7,478	-	-
Other payables and accruals	1,945,586	1,023,292	1,935,411	1,025,695
	<u>4,185,582</u>	<u>2,883,402</u>	<u>4,165,331</u>	<u>2,879,650</u>

The movements in profit equalisation reserve are as follows:-

Profit equalisation reserve

	Group		Bank	
	30 September 2010 RM'000	31 December 2009 RM'000	30 September 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			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from impaired loans	263,557	199,694	710,150	629,008
- Recoveries from impaired loans	2,239	11,177	17,639	40,865
Money at call and deposit placements with banks and other financial institutions	11,007	53,239	96,220	139,712
Financial assets held for trading	30,169	19,625	62,824	70,022
Investment securities available-for-sale	42,852	28,229	105,689	111,375
	<u>349,824</u>	<u>311,964</u>	<u>992,522</u>	<u>990,982</u>
	Bank			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from impaired loans	263,557	199,694	710,150	629,008
- Recoveries from impaired loans	2,239	11,177	17,639	40,865
Money at call and deposit placements with banks and other financial institutions	22,216	59,847	131,809	156,863
Financial assets held for trading	30,169	19,614	62,824	70,021
Investment securities available-for-sale	42,852	28,240	105,689	111,376
	<u>361,033</u>	<u>318,572</u>	<u>1,028,111</u>	<u>1,008,133</u>

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21. Interest expense

	Group and Bank			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	14,297	22,399	53,561	44,134
Deposits from customers	138,280	121,070	365,886	398,562
Loans sold to Cagamas	1,408	1,617	4,369	5,037
Subordinated debts	12,106	12,034	36,051	35,910
	<u>166,091</u>	<u>157,120</u>	<u>459,867</u>	<u>483,643</u>

22. Net income from Islamic Banking operations

	Group			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	28,246	15,230	86,800	72,621
Transfer to profit equalisation reserves	-	-	-	(804)
Total distributable income	<u>28,246</u>	<u>15,230</u>	<u>86,800</u>	<u>71,817</u>
Income attributable to depositors	<u>(7,394)</u>	<u>(6,653)</u>	<u>(13,114)</u>	<u>(52,671)</u>
Income attributable to the Bank	20,852	8,577	73,686	19,146
Income derived from investment of shareholder's funds	<u>39,488</u>	<u>29,912</u>	<u>112,040</u>	<u>85,581</u>
	<u>60,340</u>	<u>38,489</u>	<u>185,726</u>	<u>104,727</u>

	Bank			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income attributable to the Bank	-	-	-	-
Income derived from investment of Islamic banking capital funds	-	-	-	-
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			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Fee income:-				
Commission	24,844	35,847	96,146	100,562
Service charges and fees	20,293	11,221	54,753	20,902
Guarantee fees	9,091	8,298	19,990	22,283
	<u>54,228</u>	<u>55,366</u>	<u>170,889</u>	<u>143,747</u>
Gains/(Loss) from sale of securities and other financial instruments				
- Derivative financial instruments and financial assets held for trading	(11,665)	(7,736)	(128,410)	(261,623)
- Investment securities available-for-sale	205	-	10,601	26,275
Unrealised gain on revaluation of financial assets held for trading and other financial instruments	54,733	67,457	241,093	372,543
Gross dividends from unquoted investments	10,714	20,378	28,908	20,403
	<u>53,987</u>	<u>80,099</u>	<u>152,192</u>	<u>157,598</u>
Other income:-				
Foreign exchange currency				
- (Loss)/Gain from dealing in foreign currency	(31,391)	147,329	71,672	173,108
- Unrealised gain/(loss) from foreign exchange translation	73,134	(92,813)	50,515	(14,502)
Rental income	-	69	101	252
Gain on disposal of property, plant and equipment	32	24	435	71
Others	409	-	987	24
	<u>42,184</u>	<u>54,609</u>	<u>123,710</u>	<u>158,953</u>
Total other operating income	<u>150,399</u>	<u>190,074</u>	<u>446,791</u>	<u>460,298</u>

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24. Other operating expenses

	Group			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, bonuses, wages and allowances	61,149	41,032	176,658	151,750
- Pension fund contributions	7,064	5,619	20,314	17,417
- Other staff related cost	9,543	4,926	24,984	32,173
	<u>77,756</u>	<u>51,577</u>	<u>221,956</u>	<u>201,340</u>
Establishment costs				
- Depreciation of property, plant and equipment	6,209	5,336	18,180	15,899
- Amortisation of prepaid lease payments	5	6	15	18
- Rental	5,445	5,504	16,450	15,560
- Information technology and project expenses	22,197	20,339	60,798	63,254
- Others	10,168	6,364	27,055	24,458
	<u>44,024</u>	<u>37,549</u>	<u>122,498</u>	<u>119,189</u>
Marketing expenses				
- Advertisement and publicity	3,616	4,743	14,481	13,168
- Others	5,968	1,922	12,235	8,835
	<u>9,584</u>	<u>6,665</u>	<u>26,716</u>	<u>22,003</u>
Administration and general expenses				
- Communication expenses	1,827	3,365	8,400	10,477
- Group administration and business support expenses	12,234	26,282	65,907	75,236
- Outsourcing expenses	16,602	13,136	43,903	31,525
- Others	21,622	19,518	65,465	55,526
	<u>52,285</u>	<u>62,301</u>	<u>183,675</u>	<u>172,764</u>
Total other operating expenses	<u>183,649</u>	<u>158,092</u>	<u>554,845</u>	<u>515,296</u>

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24. Other operating expenses (continued)

	Bank			
	3rd Quarter ended 30 September 2010 RM'000	3rd Quarter ended 30 September 2009 RM'000	Nine months ended 30 September 2010 RM'000	Nine months ended 30 September 2009 RM'000
Personnel costs				
- Salaries, bonuses, wages and allowances	60,402	40,771	174,909	151,030
- Pension fund contributions	7,064	5,619	20,314	17,417
- Other staff related cost	9,268	4,762	24,606	31,978
	<u>76,734</u>	<u>51,152</u>	<u>219,829</u>	<u>200,425</u>
Establishment costs				
- Depreciation of property, plant and equipment	6,209	5,336	18,180	15,899
- Amortisation of prepaid lease payments	5	6	15	18
- Rental	5,445	5,504	16,450	15,560
- Information technology and project expenses	22,189	20,339	60,781	63,252
- Others	9,992	6,384	26,864	24,389
	<u>43,840</u>	<u>37,569</u>	<u>122,290</u>	<u>119,118</u>
Marketing expenses				
- Advertisement and publicity	3,137	4,504	13,549	11,935
- Others	5,948	1,919	12,212	8,786
	<u>9,085</u>	<u>6,423</u>	<u>25,761</u>	<u>20,721</u>
Administration and general expenses				
- Communication expenses	1,810	3,358	8,362	10,448
- Group administration and business support expenses	10,584	25,326	61,201	72,597
- Outsourcing expenses	16,602	13,136	43,903	31,525
- Others	4,651	8,914	17,739	24,706
	<u>33,647</u>	<u>50,734</u>	<u>131,205</u>	<u>139,276</u>
Total other operating expenses	<u>163,306</u>	<u>145,878</u>	<u>499,085</u>	<u>479,540</u>

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25. Impairment provisions for loans, advances and financing

	Group			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Impairment provisions for loans, advances and financing:-				
Individual impairment provisions (2009: Specific allowance)	30,501	46,560	91,235	116,967
- Made in the financial period	46,720	71,077	145,355	197,209
- Written back	(16,219)	(24,517)	(54,120)	(80,242)
Collective impairment provisions (2009: General allowance)				
- Made in the financial period	24,850	24,110	73,663	31,810
- Written back	(9,482)	-	(24,484)	(14,150)
Bad and doubtful debts on loans, advances and financing:-				
Written off	16,484	17,241	49,977	55,455
Recovered	(14,567)	(15,305)	(44,744)	(44,946)
	<u>47,786</u>	<u>72,606</u>	<u>145,647</u>	<u>145,136</u>
	Bank			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Impairment provisions for loans, advances and financing:-				
Individual impairment provisions (2009: Specific allowance)	18,150	35,878	58,430	89,516
- Made in the financial period	34,270	60,329	111,895	169,561
- Written back	(16,120)	(24,451)	(53,465)	(80,045)
Collective impairment provisions (2009: General allowance)				
- Made in the financial period	20,998	21,800	53,345	25,500
- Written back	(8,976)	-	(17,340)	(14,000)
Bad and doubtful debts on loans, advances and financing:-				
Written off	16,484	17,241	49,977	55,455
Recovered	(14,567)	(15,305)	(44,744)	(44,946)
	<u>32,089</u>	<u>59,614</u>	<u>99,668</u>	<u>111,525</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 30 September 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	1,099,727	1,099,727	286,458	1,391,319	1,391,319	1,073,254
Transaction-related contingent items	2,914,889	2,857,526	769,051	3,375,057	1,687,529	1,588,568
Short-term self liquidating trade-related contingencies	153,638	122,601	40,537	187,256	37,451	35,886
Sell and buy back agreements	154,233	154,233	10,073	-	-	-
Irrevocable commitments to extend credit:-						
- maturity not exceeding one year	11,320,669	3,297,849	983,308	12,007,178	-	-
- maturity exceeding one year	4,065,320	1,682,809	734,764	4,315,234	2,157,617	1,348,447
Foreign exchange related contracts:-						
- less than one year	34,316,736	1,069,021	287,249	31,814,682	696,810	205,346
- one year to less than five years	11,843,622	1,187,824	352,598	9,978,585	885,488	249,265
- five years and above	4,040,107	888,655	181,583	4,853,126	712,878	164,879
Interest rate related contracts:-						
- less than one year	24,595,868	132,590	24,772	26,198,589	171,045	35,817
- one year to less than five years	48,735,535	1,375,773	470,487	47,997,956	1,491,016	361,692
- five years and above	7,155,406	754,431	275,501	8,228,711	791,844	213,728
Miscellaneous commitments and contingencies	6,740,501	351,685	220,779	9,853,317	-	-
	<u>157,136,251</u>	<u>14,974,724</u>	<u>4,637,160</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 factors and risk weights respectively, as per Bank Negara Malaysia guidelines. With effect from 1 July 2010, the credit conversion factors and risk weights were based on Bank Negara Malaysia's Risk Weighted Capital Adequacy Framework ("RWCAF") - Basel II and Capital Adequacy Framework for Islamic Banks ("CAFIB") - Basel II.

No restatement is required for comparative figures which is computed based on Bank Negara Malaysia's RWCAF - Basel I and CAFIB - Basel I.

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26. Commitments and contingencies (continued)

	As at 30 September 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	1,076,464	1,076,464	278,368	1,355,116	1,355,116	1,037,938
Transaction-related contingent items	2,892,183	2,834,821	761,742	3,357,216	1,678,608	1,581,064
Short-term self liquidating trade-related contingencies	144,877	113,840	38,309	133,153	26,631	24,997
Sell and buy back agreements	154,233	154,233	10,073	-	-	-
Irrevocable commitments to extend credit:-						
- maturity not exceeding one year	10,785,778	3,255,163	960,633	11,289,837	-	-
- maturity exceeding one year	3,670,702	1,664,663	723,047	4,262,887	2,131,444	1,327,437
Foreign exchange related contracts:-						
- less than one year	34,316,736	1,069,021	287,136	32,160,314	705,814	206,926
- one year to less than five years	11,787,988	1,186,486	350,784	9,918,775	880,441	247,373
- five years and above	4,040,107	888,655	181,583	4,853,126	712,878	164,879
Interest rate related contracts:-						
- less than one year	24,595,868	132,590	24,772	26,198,589	171,045	35,817
- one year to less than five years	48,935,535	1,379,773	472,694	47,997,956	1,491,016	361,692
- five years and above	7,155,406	754,116	230,861	8,228,711	791,844	203,398
Miscellaneous commitments and contingencies	6,740,501	351,685	220,779	9,853,317	-	-
	<u>156,296,378</u>	<u>14,861,510</u>	<u>4,540,781</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 factors and risk weights respectively, as per Bank Negara Malaysia guidelines. With effect from 1 July 2010, the credit conversion factors and risk weights were based on Bank Negara Malaysia's RWCAF - Basel II.

No restatement is required for comparative figures which is computed based on Bank Negara Malaysia's RWCAF - Basel I.

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27. Capital adequacy

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

	Group		Bank	
	30 September 2010 RM'000	31 December 2009 RM'000	30 September 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	2,031,726	1,805,789	1,982,536	1,784,915
Less: Deferred tax assets	(110,453)	(100,559)	(101,430)	(93,993)
Eligible Tier 1 capital	<u>2,421,273</u>	<u>2,205,230</u>	<u>2,381,106</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
General allowance for bad and doubtful debts and financing	-	352,831	-	329,090
Collective impairment provisions under standardised approach	58,098	-	62,720	-
Surplus of total Eligible Provisions over total Expected Loss under Internal Rating Based ("IRB") approach	73,685	-	86,367	-
	<u>1,011,783</u>	<u>1,232,831</u>	<u>1,029,087</u>	<u>1,209,090</u>
Less: Investment in subsidiaries	-	-	(386,022)	(300,022)
Eligible Tier 2 capital	<u>1,011,783</u>	<u>1,232,831</u>	<u>643,065</u>	<u>909,068</u>
Capital Base	<u><u>3,433,056</u></u>	<u><u>3,438,061</u></u>	<u><u>3,024,171</u></u>	<u><u>3,099,990</u></u>

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

	Group		Bank	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Total risk-weighted assets:-				
Credit risk	19,826,538	21,695,960	17,353,014	20,924,355
Market risk	2,597,107	1,260,063	2,597,107	1,260,063
Operational risk	2,874,359	-	2,707,944	-
Large Exposure for Equity Holdings	621	-	621	-
	<u><u>25,298,625</u></u>	<u><u>22,956,023</u></u>	<u><u>22,658,686</u></u>	<u><u>22,184,418</u></u>

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27. Capital adequacy (continued)

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

	Group		Bank	
	2010	2009	2010	2009
Tier 1 capital ratio	9.57%	9.61%	10.51%	9.88%
Risk-weighted capital ratio	13.57%	14.98%	13.35%	13.97%

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

	2010	2009
Tier 1 capital ratio	13.63%	18.59%
Risk-weighted capital ratio	13.63%	20.00%

With effect from 1 July 2010, the capital ratios have been computed in accordance with Bank Negara Malaysia's RWCAF - Basel II and CAFIB - Basel II.

Comparative figures have been computed in accordance with Bank Negara Malaysia's RWCAF - Basel I and CAFIB - Basel I, and have not been restated for the first time adoption and disclosure of RWCAF - Basel II and CAFIB - Basel II.

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28. Interest rate risk

Group As at 30 September 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	5,745,608	-	-	-	-	-	-	-	427,990	-	6,173,598	1.65
Deposits and placements with banks and other financial institutions	-	1,510,868	172,408	-	-	-	-	-	-	-	1,683,276	2.06
Financial assets held for trading	-	-	-	-	-	-	-	-	-	3,908,492	3,908,492	3.35
Investment securities available-for-sale	975,325	3,160,332	869,169	917,910	45,377	63,333	489,404	243	37,573	-	6,558,666	2.92
Loans, advances and financing												
- Performing	17,368,858	3,777,797	2,710,538	245,945	322,676	360,225	480,481	718,669	2,091	-	25,987,280	5.35
- Impaired	-	-	-	-	-	-	-	-	118,343	-	118,343	
Other balances	-	-	-	-	-	-	-	-	1,047,883	2,340,657	3,388,540	
Total assets	24,089,791	8,448,997	3,752,115	1,163,855	368,053	423,558	969,885	718,912	1,633,880	6,249,149	47,818,195	
Liabilities and shareholder's equity												
Deposits from customers	19,667,498	3,432,728	4,005,741	67,701	85,652	73,762	478,268	381,972	6,523,694	-	34,717,016	1.46
Deposits and placements of banks and other financial institutions	4,711,004	554,981	48,799	7,478	-	-	-	3,621	-	-	5,325,883	1.93
Bills and acceptances payable	14,528	-	-	-	-	-	-	-	-	-	14,528	3.25
Recourse obligations on loans sold to Cagamas	-	48,487	74,468	-	-	-	-	-	-	-	122,955	4.48
Subordinated debts	-	-	-	380,000	507,688	-	-	-	-	-	887,688	5.44
Other balances	-	-	-	-	-	-	-	-	2,115,872	2,103,031	4,218,903	
Total liabilities	24,393,030	4,036,196	4,129,008	455,179	593,340	73,762	478,268	385,593	8,639,566	2,103,031	45,286,973	
Shareholder's equity	-	-	-	-	-	-	-	-	2,531,222	-	2,531,222	
Total liabilities and shareholder's equity	24,393,030	4,036,196	4,129,008	455,179	593,340	73,762	478,268	385,593	11,170,788	2,103,031	47,818,195	
On-balance sheet interest sensitivity	(303,239)	4,412,801	(376,893)	708,676	(225,287)	349,796	491,617	333,319	(9,536,908)	4,146,118		
Off-balance sheet interest sensitivity	(1,964,909)	(3,215,528)	4,080,213	(3,452,036)	(134,273)	(390,365)	2,012,079	(999,113)	-	-		
Total interest sensitivity gap	(2,268,148)	1,197,273	3,703,320	(2,743,360)	(359,560)	(40,569)	2,503,696	(665,794)	(9,536,908)	4,146,118		

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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
Financial assets held for trading	-	-	-	-	-	-	-	-	-	1,930,498	1,930,498	2.93
Investment 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 30 September 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	5,688,182	-	-	-	-	-	-	-	413,609	-	6,101,791	1.69
Deposits and placements with banks and other financial institutions	-	2,498,368	552,408	-	-	-	-	177,000	-	-	3,227,776	2.40
Financial assets held for trading	-	-	-	-	-	-	-	-	-	3,908,492	3,908,492	3.35
Investment securities available-for-sale	940,325	2,525,126	567,508	887,867	40,298	63,333	489,404	243	37,573	-	5,551,677	2.93
Loans, advances and financing												
- Performing	16,923,596	3,572,101	2,448,063	153,693	120,651	86,889	132,280	154,372	-	-	23,591,645	5.01
- Impaired	-	-	-	-	-	-	-	-	116,219	-	116,219	
Other balances	-	-	-	-	-	-	-	-	1,440,341	2,340,657	3,780,998	
Total assets	23,552,103	8,595,595	3,567,979	1,041,560	160,949	150,222	621,684	331,615	2,007,742	6,249,149	46,278,598	
Liabilities and shareholder's equity												
Deposits from customers	18,982,714	3,097,337	3,788,085	31,688	66,154	73,762	478,268	297,099	6,523,694	-	33,338,801	1.42
Deposits and placements of banks and other financial institutions	4,357,748	832,481	48,800	-	-	-	-	-	-	-	5,239,029	1.95
Bills and acceptances payable	14,528	-	-	-	-	-	-	-	-	-	14,528	3.25
Recourse obligations on loans sold to Cagamas	-	48,487	74,468	-	-	-	-	-	-	-	122,955	4.48
Subordinated debts	-	-	-	380,000	507,688	-	-	-	-	-	887,688	5.44
Other balances	-	-	-	-	-	-	-	-	2,090,632	2,103,031	4,193,663	
Total liabilities	23,354,990	3,978,305	3,911,353	411,688	573,842	73,762	478,268	297,099	8,614,326	2,103,031	43,796,664	
Shareholder's equity	-	-	-	-	-	-	-	-	2,481,934	-	2,481,934	
Total liabilities and shareholder's equity	23,354,990	3,978,305	3,911,353	411,688	573,842	73,762	478,268	297,099	11,096,260	2,103,031	46,278,598	
On-balance sheet interest sensitivity gap	197,113	4,617,290	(343,374)	629,872	(412,893)	76,460	143,416	34,516	(9,088,518)	4,146,118		
Off-balance sheet interest sensitivity gap	(1,964,909)	(3,215,528)	4,080,213	(3,452,036)	(134,273)	(390,365)	2,012,079	(999,113)	-	-		
Total interest sensitivity gap	(1,767,796)	1,401,762	3,736,839	(2,822,164)	(547,166)	(313,905)	2,155,495	(964,597)	(9,088,518)	4,146,118		

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28. Interest rate risk (continued)

Bank As at 31 December 2009	← 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	7,445,243	-	-	-	-	-	-	-	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
Financial assets held for trading	-	-	-	-	-	-	-	-	-	1,930,498	1,930,498	2.93
Investment 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

BNM's revised Guidelines on Financial Reporting for Licensed Institutions issued on 1 January 2005 adopted certain principles in connection with the recognition, derecognition and measurement of financial instruments, including derivative instruments, and hedge accounting that are in line with FRS 139 principles, which has already been adopted by the Group and the Bank. With effect from 1 January 2010, the full adoption of FRS 139, *Financial Instruments: Recognition and Measurement* ("FRS 139") have resulted in several changes to accounting policies relating to the recognition of interest income for impaired loans and impairment provisions.

Prior to the adoption of FRS 139, interest accrued and recognised as income prior to the date the loans are classified as impaired are reversed out of income and interest in suspense was created. Thereafter, interest on impaired loans were only recognised as income upon recovery. Impairment provisions is made on principal outstanding.

With the adoption of FRS 139, 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.

As for collective impairment provisions (previously known as general allowance), BNM's "Guidelines on Classification and Impairment Provisions for Loans/Financing" issued on 8 January 2010 prescribes that banking institutions are required to maintain collective impairment provisions of at least 1.5% of total outstanding loans, advances and financing, net of individual impairment provisions. This is similar to the previous regulatory requirement whereby banking institutions are required to maintain general allowance of at least 1.5% of total outstanding loans, advances and financing, net of specific allowance. The determination of individual impairment provisions is required to be based on reasonable and well documented estimates of the net present value of the future cash flows that the banking institutions expect to recover. Previously, BNM allowed specific allowance to be made based on number of days in arrears of the loans, advances and financing.

	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>