



**Standard Chartered Bank Malaysia Berhad**  
(Incorporated in Malaysia)  
**and its subsidiaries**

**Financial statements for the three months  
ended 31 March 2015**

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 31 MARCH 2015**

	Note	Group		Bank	
		31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
<b>Assets</b>					
Cash and short term funds		6,298,184	5,825,358	5,068,868	6,013,052
Deposits and placements with banks and other financial institutions		73,064	68,524	4,163,909	3,675,437
Securities purchased under resale agreements		320,380	551,077	320,380	551,077
Financial assets held for trading	11	1,845,575	3,534,095	1,845,575	3,534,095
Investment securities available-for-sale	12	5,892,854	5,366,299	5,793,415	5,266,339
Loans, advances and financing	13	32,276,117	33,802,679	25,387,047	26,706,380
Derivative financial assets		3,695,036	2,867,619	3,699,054	2,869,041
Other assets	15	1,108,458	703,907	1,458,599	1,083,501
Current tax assets		14,217	30,884	2,836	17,218
Statutory deposits with Bank Negara Malaysia	16	1,028,060	1,152,691	768,630	901,241
Investments in subsidiaries		-	-	411,522	411,522
Property, plant and equipment		69,633	71,302	68,271	69,425
Deferred tax assets		50,565	61,106	49,515	54,287
Assets classified as held-for-sale	29	24,892	-	-	-
<b>Total assets</b>		<b>52,697,035</b>	<b>54,035,541</b>	<b>49,037,621</b>	<b>51,152,615</b>
<b>Liabilities</b>					
Deposits from customers	17	37,237,438	36,524,580	32,752,536	33,056,211
Deposits and placements of banks and other financial institutions	18	3,634,735	7,340,284	3,467,523	7,183,376
Obligations on securities sold under repurchase agreements		493,290	497,384	493,290	497,384
Derivative financial liabilities		3,720,344	2,715,041	3,718,274	2,712,792
Other liabilities	19	2,242,274	1,736,783	3,437,720	2,654,147
Current tax liabilities		-	1,968	-	-
Subordinated debts		1,000,000	1,000,000	1,000,000	1,000,000
Liabilities classified as held-for-sale	29	15,279	-	-	-
<b>Total liabilities</b>		<b>48,343,360</b>	<b>49,816,040</b>	<b>44,869,343</b>	<b>47,103,910</b>
<b>Equity</b>					
Share capital		163,000	163,000	163,000	163,000
Reserves		4,187,791	4,053,617	4,005,278	3,885,705
<b>Total equity attributable to owner of the Bank</b>		<b>4,350,791</b>	<b>4,216,617</b>	<b>4,168,278</b>	<b>4,048,705</b>
Non-controlling interest		2,884	2,884	-	-
<b>Total liabilities and equity</b>		<b>52,697,035</b>	<b>54,035,541</b>	<b>49,037,621</b>	<b>51,152,615</b>
<b>Commitments and contingencies</b>	26	<b>181,286,405</b>	<b>176,587,251</b>	<b>180,248,003</b>	<b>176,088,705</b>

*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 2014.*

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

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE 1ST QUARTER AND THREE MONTHS ENDED 31 MARCH 2015**

	Note	Group			
		1st Quarter ended 31 March 2015 RM'000	31 March 2014 RM'000	Three months ended 31 March 2015 RM'000	31 March 2014 RM'000
Interest income	20	433,303	452,619	433,303	452,619
Interest expense	21	(202,966)	(191,908)	(202,966)	(191,908)
<b>Net interest income</b>		<b>230,337</b>	<b>260,711</b>	<b>230,337</b>	<b>260,711</b>
Net income from Islamic Banking operations	22	81,166	73,954	81,166	73,954
		311,503	334,665	311,503	334,665
Other operating income	23	158,479	139,757	158,479	139,757
Total net income		469,982	474,422	469,982	474,422
Other operating expenses	24	(256,616)	(247,403)	(256,616)	(247,403)
<b>Operating profit</b>		<b>213,366</b>	<b>227,019</b>	<b>213,366</b>	<b>227,019</b>
Provisions for loans, advances and financing	25	(57,132)	(46,856)	(57,132)	(46,856)
<b>Profit before taxation</b>		<b>156,234</b>	<b>180,163</b>	<b>156,234</b>	<b>180,163</b>
Tax expense		(39,626)	(45,254)	(39,626)	(45,254)
<b>Profit for the period</b>		<b>116,608</b>	<b>134,909</b>	<b>116,608</b>	<b>134,909</b>
<b>Other comprehensive income/(expense), net of income tax</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Fair value reserve (investment securities available-for-sale):-					
Net changes in fair value		17,239	2,443	17,239	2,443
Net amount transferred to profit or loss		(2,188)	(2,453)	(2,188)	(2,453)
Cash flow hedges:-					
Effective portion of changes in fair value		2,601	585	2,601	585
Net amount transferred to profit or loss		(86)	(83)	(86)	(83)
<b>Other comprehensive income for the period, net of income tax</b>		<b>17,566</b>	<b>492</b>	<b>17,566</b>	<b>492</b>
<b>Total comprehensive income for the period</b>		<b>134,174</b>	<b>135,401</b>	<b>134,174</b>	<b>135,401</b>
<b>Profit attributable to:</b>					
Owner of the Bank		116,608	134,419	116,608	134,419
Non-controlling interest		-	490	-	490
		<b>116,608</b>	<b>134,909</b>	<b>116,608</b>	<b>134,909</b>
<b>Total comprehensive income attributable to:</b>					
Owner of the Bank		134,174	134,911	134,174	134,911
Non-controlling interest		-	490	-	490
		<b>134,174</b>	<b>135,401</b>	<b>134,174</b>	<b>135,401</b>

*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 2014.*

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

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE 1ST QUARTER AND THREE MONTHS ENDED 31 MARCH 2015**

	Note	Bank			
		1st Quarter ended 31 March 2015		Three months ended 31 March 2014	
		RM'000	RM'000	RM'000	RM'000
Interest income	20	463,816	465,344	463,816	465,344
Interest expense	21	(202,966)	(191,908)	(202,966)	(191,908)
<b>Net interest income</b>		<b>260,850</b>	<b>273,436</b>	<b>260,850</b>	<b>273,436</b>
Net income from Islamic Banking operations	22	-	-	-	-
		260,850	273,436	260,850	273,436
Other operating income	23	182,393	163,251	182,393	163,251
Total net income		443,243	436,687	443,243	436,687
Other operating expenses	24	(250,320)	(237,311)	(250,320)	(237,311)
<b>Operating profit</b>		<b>192,923</b>	<b>199,376</b>	<b>192,923</b>	<b>199,376</b>
Provisions for loans, advances and financing	25	(56,113)	(33,956)	(56,113)	(33,956)
<b>Profit before taxation</b>		<b>136,810</b>	<b>165,420</b>	<b>136,810</b>	<b>165,420</b>
Tax expense		(34,758)	(39,470)	(34,758)	(39,470)
<b>Profit for the period</b>		<b>102,052</b>	<b>125,950</b>	<b>102,052</b>	<b>125,950</b>
<b>Other comprehensive income/(expense), net of income tax</b>					
<b>Items that may be reclassified subsequently to profit or loss</b>					
Fair value reserve (investment securities available-for-sale):-					
Net changes in fair value		17,194	2,434	17,194	2,434
Net amount transferred to profit or loss		(2,188)	(2,453)	(2,188)	(2,453)
Cash flow hedges:-					
Effective portion of changes in fair value		2,601	585	2,601	585
Net amount transferred to profit or loss		(86)	(83)	(86)	(83)
<b>Other comprehensive income for the period, net of income tax</b>		<b>17,521</b>	<b>483</b>	<b>17,521</b>	<b>483</b>
<b>Total comprehensive income for the period</b>		<b>119,573</b>	<b>126,433</b>	<b>119,573</b>	<b>126,433</b>

*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 2014.*

**STANDARD CHARTERED BANK MALAYSIA BERHAD**  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2015**

GROUP	← Attributable to owner of the Bank →							Retained profits RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
	← Non-Distributable Reserves →				Distributable Reserves						
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Regulatory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000				
<b>At 1 January 2015</b>	163,000	717,000	265,750	260,000	190	(9,816)	(8,695)	2,829,188	4,216,617	2,884	4,219,501
Fair value reserve (investment securities available-for-sale):-											
Net changes in fair value	-	-	-	-	-	17,239	-	-	17,239	-	17,239
Net amount transferred to profit or loss	-	-	-	-	-	(2,188)	-	-	(2,188)	-	(2,188)
Cash flow hedges:-											
Effective portion of changes in fair value	-	-	-	-	-	-	2,601	-	2,601	-	2,601
Net amount transferred to profit or loss	-	-	-	-	-	-	(86)	-	(86)	-	(86)
Total other comprehensive income for the period	-	-	-	-	-	15,051	2,515	-	17,566	-	17,566
Profit for the period	-	-	-	-	-	-	-	116,608	116,608	-	116,608
<b>Total comprehensive income for the period</b>	-	-	-	-	-	15,051	2,515	116,608	134,174	-	134,174
<b>At 31 March 2015</b>	<b>163,000</b>	<b>717,000</b>	<b>265,750</b>	<b>260,000</b>	<b>190</b>	<b>5,235</b>	<b>(6,180)</b>	<b>2,945,796</b>	<b>4,350,791</b>	<b>2,884</b>	<b>4,353,675</b>

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**STANDARD CHARTERED BANK MALAYSIA BERHAD**  
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**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2015**

GROUP	← Attributable to owner of the Bank →							Retained profits RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
	← Non-Distributable Reserves →				Distributable Reserves						
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Regulatory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000				
<b>At 1 January 2014</b>	163,000	717,000	265,750	219,000	190	(3,115)	(7,594)	2,577,740	3,931,971	9,252.00	3,941,223
Fair value reserve (investment securities available-for-sale):-											
Net changes in fair value	-	-	-	-	-	2,443	-	-	2,443	-	2,443
Net amount transferred to profit or loss	-	-	-	-	-	(2,453)	-	-	(2,453)	-	(2,453)
Cash flow hedges:-											
Effective portion of changes in fair value	-	-	-	-	-	-	585	-	585	-	585
Net amount transferred to profit or loss	-	-	-	-	-	-	(83)	-	(83)	-	(83)
<b>Total other comprehensive (expense) / income for the period</b>	-	-	-	-	-	(10)	502	-	492	-	492
Profit for the period	-	-	-	-	-	-	-	134,419	134,419	490	134,909
<b>Total comprehensive (expense) / income for the period</b>	-	-	-	-	-	(10)	502	134,419	134,911	490	135,401
<b>At 31 March 2014</b>	<b>163,000</b>	<b>717,000</b>	<b>265,750</b>	<b>219,000</b>	<b>190</b>	<b>(3,125)</b>	<b>(7,092)</b>	<b>2,712,159</b>	<b>4,066,882</b>	<b>9,742</b>	<b>4,076,624</b>

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

**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2015**

BANK	← Attributable to owner of the Bank →							Distributable Reserves	Total equity
	← Non-Distributable Reserves →								
	Share capital	Share premium	Statutory reserves	Regulatory reserves	Capital redemption reserves	AFS reserves	Cash flow hedge reserves	Retained profits	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2015</b>	163,000	717,000	163,000	260,000	190	(9,795)	(8,695)	2,764,005	4,048,705
Fair value reserve (investment securities available-for-sale):-									
Net changes in fair value	-	-	-	-	-	17,194	-	-	17,194
Net amount transferred to profit or loss	-	-	-	-	-	(2,188)	-	-	(2,188)
Cash flow hedges:-									
Effective portion of changes in fair value	-	-	-	-	-	-	2,601	-	2,601
Net amount transferred to profit or loss	-	-	-	-	-	-	(86)	-	(86)
Total other comprehensive income for the period	-	-	-	-	-	15,006	2,515	-	17,521
Profit for the period	-	-	-	-	-	-	-	102,052	102,052
<b>Total comprehensive income for the period</b>	-	-	-	-	-	15,006	2,515	102,052	119,573
<b>At 31 March 2015</b>	<b>163,000</b>	<b>717,000</b>	<b>163,000</b>	<b>260,000</b>	<b>190</b>	<b>5,211</b>	<b>(6,180)</b>	<b>2,866,057</b>	<b>4,168,278</b>

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 2014.

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

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 31 MARCH 2015**

BANK	← Attributable to owner of the Bank →							Distributable Reserves	Total equity RM'000
	← Non-Distributable Reserves →								
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Regulatory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000	Retained profits RM'000	
<b>At 1 January 2014</b>	163,000	717,000	163,000	219,000	190	(3,105)	(7,594)	2,527,338	3,778,829
Fair value reserve (investment securities available-for-sale):-									
Net changes in fair value	-	-	-	-	-	2,434	-	-	2,434
Net amount transferred to profit or loss	-	-	-	-	-	(2,453)	-	-	(2,453)
Cash flow hedges:-									
Effective portion of changes in fair value	-	-	-	-	-	-	585	-	585
Net amount transferred to profit or loss	-	-	-	-	-	-	(83)	-	(83)
<b>Total other comprehensive expense / income for the period</b>	-	-	-	-	-	(19)	502	-	483
Profit for the period	-	-	-	-	-	-	-	125,950	125,950
<b>Total comprehensive (expense) / income for the period</b>	-	-	-	-	-	(19)	502	125,950	126,433
<b>At 31 March 2014</b>	<b>163,000</b>	<b>717,000</b>	<b>163,000</b>	<b>219,000</b>	<b>190</b>	<b>(3,124)</b>	<b>(7,092)</b>	<b>2,653,288</b>	<b>3,905,262</b>

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 2014.



**STANDARD CHARTERED BANK MALAYSIA BERHAD**  
(Incorporated in Malaysia)  
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**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2015**

	Group		Bank	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Profit before taxation	156,234	180,163	136,810	165,420
Adjustment for non-cash items	(5,443)	12,158	(5,136)	7,109
Operating profit before working capital changes	150,791	192,321	131,674	172,529
Changes in working capital:-				
Net changes in operating assets	3,339,200	85,002	2,686,414	337,957
Net changes in operating liabilities	(2,477,983)	(562,039)	(3,240,049)	(957,095)
Income taxes paid	(22,119)	(41,800)	(21,444)	(38,250)
Net cash generated from / (used in) operating activities	989,889	(326,516)	(443,405)	(484,859)
Net cash used in investing activities	(500,779)	(375,207)	(500,779)	(425,289)
Net increase / (decrease) in cash and cash equivalents	489,110	(701,723)	(944,184)	(910,148)
Cash and cash equivalent at beginning of the period	5,825,358	8,143,220	6,013,052	6,794,448
Cash and cash equivalent for asset classified as held for sale (Note 29)	(16,284)	-	-	-
Cash and cash equivalent at end of the period	<u>6,298,184</u>	<u>7,441,497</u>	<u>5,068,868</u>	<u>5,884,300</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 2014.*

**STANDARD CHARTERED BANK MALAYSIA BERHAD**  
(Incorporated in Malaysia)  
**AND ITS SUBSIDIARY COMPANIES**

**REVIEW OF PERFORMANCE**

The Group registered a profit before taxation of RM 156.23 million, a 13.28% decline against the corresponding period last year. Net interest income declined by 11.65% to RM 230.34 million, which was partially mitigated by stronger trading and Islamic Banking income. Meanwhile, operating expenses increased slightly by 3.72% to RM 256.62 million while provision for loans, advances and financing was at RM 57.13 million, a 21.93% increase against the corresponding period last year.

The Group's total assets declined by 2.48% to RM 52.70 billion as loan growth continued to moderate since the previous year end while customer deposits grew by 1.95% to RM 37.24 billion.

The Group remains well capitalised with Common Equity Tier 1 and Risk-weighted capital ratio of 11.24% and 15.61%, respectively.

**PROSPECTS**

In line with the Standard Chartered PLC Group's refreshed and sharpened strategy, the Group will continue to focus on sustainable and profitable growth. The Group's Retail Banking business will focus on growing the high value segment while Commercial Clients segment will focus on increasing the depth of its customer relationships through introduction of more sophisticated product suites and strategic solutions. Meanwhile, the Corporate & Institutional Clients segment key priorities will include focusing on building up flow income across most product lines, while continuing to emphasise on client segment cross-selling.

**STANDARD CHARTERED BANK MALAYSIA BERHAD**  
(Incorporated in Malaysia)  
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**Notes to the financial statements for the three months ended 31 March 2015**

**1. Basis of preparation of the financial statements**

The unaudited condensed interim financial statements for the first quarter and the three months ended 31 March 2015 have been prepared in accordance with MFRS 134, *Interim Financial Reporting in Malaysia*.

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.

The following MFRSs and Amendments to MFRSs have been issued by the MASB but are not yet effective:

MFRSs and Amendments to MFRSs effective for annual periods beginning on or after 1 July 2014

- |       |                        |   |
|-------|------------------------|---|
| i)    | Amendments to MFRS 1   | <i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)</i> |
| ii)   | Amendments to MFRS 2   | <i>Share-based Payment (Annual Improvements 2010-2012 Cycle)</i>  |
| iii)  | Amendments to MFRS 3   | <i>Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)</i>                      |
| iv)   | Amendments to MFRS 8   | <i>Operating Segments (Annual Improvements 2010-2012 Cycle)</i>   |
| v)    | Amendments to MFRS 13  | <i>Fair Value Measurement (Annual Improvements 2011-2013 Cycle)</i>   |
| vi)   | Amendments to MFRS 116 | <i>Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)</i>                                  |
| vii)  | Amendments to MFRS 119 | <i>Employee Benefits – Defined Benefit Plans: Employee Contributions</i>                                    |
| viii) | Amendments to MFRS 124 | <i>Related Party Disclosures (Annual Improvements 2010-2012 Cycle)</i>                                      |
| ix)   | Amendments to MFRS 138 | <i>Intangible Assets (Annual Improvements 2010-2012 Cycle)</i>  |
| x)    | Amendments to MFRS 140 | <i>Investment Property (Annual Improvements 2011-2013 Cycle)</i>  |

MFRSs and and Amendments to MFRSs effective for annual periods beginning on or after 1 January 2016

- |       |                        |  |
|-------|------------------------|--|
| i)    | Amendments to MFRS 5   | <i>Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)</i>  |
| ii)   | Amendments to MFRS 7   | <i>Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)</i>  |
| iii)  | Amendments to MFRS 10  | <i>Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>                        |
| iv)   | Amendments to MFRS 11  | <i>Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations</i>   |
| iv)   | MFRS 14                | <i>Regulatory Deferral Accounts</i>  |
| vi)   | Amendments to MFRS 116 | <i>Property, Plant and Equipment</i>   |
| vii)  | MFRS 138               | <i>Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation</i>  |
| viii) | MFRS 141               | <i>Agriculture – Agriculture: Bearer Plants</i>  |
| ix)   | Amendments to MFRS 119 | <i>Employee Benefits (Annual Improvements 2012-2014 Cycle)</i>   |
| x)    | Amendments to MFRS 127 | <i>Separate Financial Statements – Equity Method in Separate Financial Statements</i>  |
| xi)   | Amendments to MFRS 134 | <i>Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)</i>   |
| xii)  | Amendments to MFRS 101 | <i>Presentation of Financial Statements - Disclosure Initiative</i>  |
| xiii) | Amendments to MFRS 10  | <i>Consolidated Financial Statements, MFRS 12, Disclosure of Interest in Other Entities; and MFRS 128, Investment in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception</i> |

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**1. Basis of preparation of the financial statements (continued)**

MFRSs and Amendments to MFRSs effective for annual periods beginning on or after 1 January 2017

- i) MFRS 15 *Revenue from Contracts with Customers*

MFRSs and Amendments to MFRSs effective for annual periods beginning on or after 1 January 2018

- i) MFRS 9 *Financial Instruments (2014)*

The initial application of the abovementioned accounting standards and amendments are not expected to have any material impact to the financial statements of the Bank except as mentioned below:-

MFRS 15, Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfer of Assets from Customers and IC Interpretation 131, Revenue - Barter Transactions Involving Advertising Services.

MFRS 9, Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost.

The adoption of MFRS 9 will result in a change in accounting policy. The Group and the Bank are currently assessing the financial impact of adopting MFRS 9.

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014. 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 2014.

**2. Auditor's report on preceding annual financial statements**

The auditor's report on the financial statements for the financial year ended 31 December 2014 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 three months ended 31 March 2015.

**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 three months ended 31 March 2015.

**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 three months ended 31 March 2015.

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**7. Proposed Dividend**

No dividend has been proposed for the first quarter and the three months ended 31 March 2015.

**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 2014.

**9. Subsequent events**

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

**10. Changes in composition of the Group**

There were no significant changes in the composition of the Group and the Bank in the three months period ended 31 March 2015.

**11. Financial assets held for trading**

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
<u>At fair value</u>				
Malaysian Government treasury bills	8,863	9,657	8,863	9,657
Malaysian Government bonds/securities	1,529,646	2,560,224	1,529,646	2,560,224
Government Islamic bonds	137,196	28,359	137,196	28,359
Bank Negara Malaysia bills	11,746	801,732	11,746	801,732
Private debt securities	158,124	134,123	158,124	134,123
	<u>1,845,575</u>	<u>3,534,095</u>	<u>1,845,575</u>	<u>3,534,095</u>

**12. Investment securities available-for-sale**

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
<u>At fair value</u>				
Malaysian Government bonds/ securities	2,864,546	3,018,396	2,864,546	3,018,396
Bank Negara Malaysia bills	99,439	98,556	-	-
Bankers' acceptances and Islamic acceptance bills	1,359,872	533,502	1,359,872	533,502
Negotiable instruments of deposit	1,410,281	1,555,023	1,410,281	1,555,023
Private debt securities	149,375	149,452	149,375	149,452
	<u>5,883,513</u>	<u>5,354,929</u>	<u>5,784,074</u>	<u>5,256,373</u>
Unquoted securities:-				
Equity shares, at cost	9,098	9,723	9,098	9,723
Private debt securities, at fair value	243	1,647	243	243
	<u>5,892,854</u>	<u>5,366,299</u>	<u>5,793,415</u>	<u>5,266,339</u>

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

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
<u>At amortised cost</u>				
Overdrafts	549,894	617,491	549,894	617,491
Term loans/financing				
- Housing loans/financing	13,797,443	13,916,126	10,719,287	10,929,722
- Syndicated term loan/financing	199,811	188,715	199,811	188,715
- Hire purchase receivables	222,327	237,512	-	-
- Lease receivables	312,214	337,940	-	-
- Other term loans/financing	9,339,781	10,673,176	6,242,603	7,555,481
Bills receivable	3,339,553	3,171,528	3,033,030	2,938,763
Trust receipts	1,132,512	1,181,800	871,292	897,792
Staff loans/financing	45,153	48,100	43,629	46,552
Loans/financing to banks and other financial institutions	654,791	459,298	654,791	459,298
Credit card receivables	2,226,608	2,221,093	2,226,608	2,221,093
Revolving credit	1,960,873	2,323,703	1,438,539	1,473,997
	<u>33,780,960</u>	<u>35,376,482</u>	<u>25,979,484</u>	<u>27,328,904</u>
Less: Unearned interest and income	(781,482)	(812,643)	(4,132)	(4,191)
Gross loans, advances and financing	<u>32,999,478</u>	<u>34,563,839</u>	<u>25,975,352</u>	<u>27,324,713</u>
Less: Impairment provisions on loans, advances and financing:-				
- Individual impairment provisions	(385,874)	(406,631)	(359,787)	(382,841)
- Collective impairment provisions	(337,487)	(354,529)	(228,518)	(235,492)
Total net loans, advances and financing	<u><u>32,276,117</u></u>	<u><u>33,802,679</u></u>	<u><u>25,387,047</u></u>	<u><u>26,706,380</u></u>

**(ii) By type of customer**

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Domestic banking institutions	207,462	200,985	207,462	200,985
Domestic non-bank financial institutions	952,604	1,141,563	51,701	181,828
Domestic business enterprises	12,183,415	12,906,558	9,669,914	10,175,643
<i>Small medium enterprises</i>	<u>4,318,147</u>	<u>4,544,730</u>	<u>3,246,756</u>	<u>3,458,664</u>
<i>Others</i>	<u>7,865,268</u>	<u>8,361,828</u>	<u>6,423,158</u>	<u>6,716,979</u>
Individuals	16,983,566	17,294,426	13,818,209	14,165,864
Other domestic entities	368	413	368	413
Foreign entities	2,672,063	3,019,894	2,227,698	2,599,980
	<u><u>32,999,478</u></u>	<u><u>34,563,839</u></u>	<u><u>25,975,352</u></u>	<u><u>27,324,713</u></u>

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

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Fixed rate				
Housing loans/financing	22,707	23,804	20,640	21,659
Other fixed rate loan/financing	5,125,891	5,254,517	3,053,958	3,116,970
Variable rate				
BLR plus	16,930,530	17,186,635	14,204,438	14,565,793
Cost plus	8,596,142	9,861,411	8,132,311	9,072,313
Other variable rates	2,324,208	2,237,472	564,005	547,978
	<u>32,999,478</u>	<u>34,563,839</u>	<u>25,975,352</u>	<u>27,324,713</u>

**(iv) By sector**

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Agriculture	109,603	209,338	106,669	86,553
Mining and quarrying	266,448	175,049	112,185	53,001
Manufacturing	5,366,391	5,414,204	4,560,933	4,620,471
Electricity, gas and water	127,411	120,149	126,662	119,390
Construction	413,268	477,453	291,714	353,964
Real estate	1,368,791	1,489,664	1,095,045	1,232,453
Wholesale & retail trade and restaurants & hotels	2,532,977	2,837,380	2,051,641	2,229,403
Transportation, storage and communication	407,728	384,489	288,485	270,656
Finance, insurance and business services	3,121,871	3,272,988	1,808,183	1,860,341
Household	18,955,817	19,208,176	15,346,095	15,659,700
Others	329,173	974,949	187,740	838,781
	<u>32,999,478</u>	<u>34,563,839</u>	<u>25,975,352</u>	<u>27,324,713</u>

**(v) By purpose**

	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Purchase of landed property	17,284,859	17,459,697	13,612,711	13,891,280
- Residential	<u>13,625,291</u>	<u>13,740,694</u>	<u>10,878,619</u>	<u>11,098,673</u>
- Non-residential	<u>3,659,568</u>	<u>3,719,003</u>	<u>2,734,092</u>	<u>2,792,607</u>
Fixed assets excluding land & building	185,544	195,775	-	-
Personal use	1,727,931	1,827,189	1,105,203	1,156,979
Credit cards	2,226,608	2,221,093	2,226,608	2,221,093
Working capital	10,264,202	11,751,508	8,376,039	9,599,582
Others	1,310,334	1,108,577	654,791	455,779
	<u>32,999,478</u>	<u>34,563,839</u>	<u>25,975,352</u>	<u>27,324,713</u>

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**13. Loans, advances and financing (continued)****(vi) By maturity structure**

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Maturing within one year	10,983,502	12,157,584	9,399,932	10,278,687
One year to three years	2,245,587	2,509,295	1,494,465	1,717,223
Three years to five years	1,726,120	1,731,070	1,028,140	1,041,413
Over five years	18,044,269	18,165,890	14,052,815	14,287,390
	<u>32,999,478</u>	<u>34,563,839</u>	<u>25,975,352</u>	<u>27,324,713</u>

**(vii) By geographical distribution**

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Within Malaysia	32,326,991	34,091,317	25,302,865	26,852,191
Outside Malaysia	672,487	472,522	672,487	472,522
	<u>32,999,478</u>	<u>34,563,839</u>	<u>25,975,352</u>	<u>27,324,713</u>

**(viii) Analysis of foreign currency exposure**

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
USD	3,790,921	3,676,469	3,118,852	3,019,096
GBP	683,560	1,313,029	24,681	660,228
Other foreign currencies	52,246	27,246	52,246	26,845
	<u>52,246</u>	<u>27,246</u>	<u>52,246</u>	<u>26,845</u>



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

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
At 1 January	1,124,432	1,088,877	1,086,311	1,048,268
Classified as impaired during the financial period/year	228,429	784,166	209,775	701,082
Reclassified as performing during the financial period/year	(43,618)	(176,530)	(40,012)	(168,473)
Amount recovered during the financial period/year	(57,479)	(272,318)	(54,316)	(259,104)
Amount written off during the financial period/year	(116,122)	(299,763)	(104,170)	(235,462)
At end of reporting period/year	<u>1,135,642</u>	<u>1,124,432</u>	<u>1,097,588</u>	<u>1,086,311</u>
Individual impairment provisions	<u>(385,874)</u>	<u>(406,631)</u>	<u>(359,787)</u>	<u>(382,841)</u>
Net impaired loans, advances and financing	<u><u>749,768</u></u>	<u><u>717,801</u></u>	<u><u>737,801</u></u>	<u><u>703,470</u></u>

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

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
<b>Collective impairment provisions</b>				
At 1 January	354,529	347,931	235,492	243,995
Impairment made during the financial period/year	4,077	79,076	2,702	43,454
Amount written back	(21,119)	(72,478)	(9,676)	(51,957)
At end of reporting period/year	<u>337,487</u>	<u>354,529</u>	<u>228,518</u>	<u>235,492</u>
As a percentage of gross loans, advances and financing less individual impairment provisions	<u>1.03%</u>	<u>1.04%</u>	<u>0.89%</u>	<u>0.87%</u>
<b>Individual impairment provisions</b>				
At 1 January	406,631	263,135	382,841	247,352
Impairment made during the financial period/year	84,325	351,278	67,867	272,192
Amount written back	(17,916)	(66,561)	(15,708)	(59,592)
Amount written off	(87,166)	(141,221)	(75,213)	(77,111)
At end of reporting period/year	<u>385,874</u>	<u>406,631</u>	<u>359,787</u>	<u>382,841</u>

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**14. Impaired loans, advances and financing (continued)****(iii) Impaired loans, advances and financing by sector**

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Agriculture	17,999	15,834	17,999	15,834
Mining and quarrying	1,609	-	1,609	-
Manufacturing	630,212	644,464	629,053	642,845
Construction	23,525	68,374	23,447	68,271
Real estate	36,182	35,309	36,182	35,309
Wholesale & retail trade and restaurants & hotels	161,476	104,610	160,744	104,097
Transportation, storage and communication	2,990	2,239	1,872	1,124
Finance, insurance and business services	3,618	2,061	3,540	2,061
Household	255,755	249,546	220,959	214,964
Others	2,276	1,995	2,183	1,806
	<u>1,135,642</u>	<u>1,124,432</u>	<u>1,097,588</u>	<u>1,086,311</u>

**(iv) Impaired loans, advances and financing by purpose**

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Purchase of landed property	144,583	137,328	137,554	131,917
- Residential	137,524	130,731	131,537	126,362
- Non-residential	7,059	6,597	6,017	5,555
Fixed assets excluding land & building	1,958	735	-	-
Personal use	111,421	109,511	83,654	80,340
Credit cards	21,929	22,550	21,929	22,550
Working capital	855,751	854,308	854,451	851,504
	<u>1,135,642</u>	<u>1,124,432</u>	<u>1,097,588</u>	<u>1,086,311</u>

**(v) Impaired loans, advances and financing by geographical distribution**

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Within Malaysia	1,135,149	1,123,925	1,097,095	1,085,804
Outside Malaysia	493	507	493	507
	<u>1,135,642</u>	<u>1,124,432</u>	<u>1,097,588</u>	<u>1,086,311</u>

**15. Other assets**

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Interest/Income receivables	39,612	95,991	57,792	104,747
Unquoted Subordinated Sukuk of a subsidiary company	-	-	100,000	100,000
Other receivables, deposits and prepayments	1,068,846	607,916	1,300,807	878,754
	<u>1,108,458</u>	<u>703,907</u>	<u>1,458,599</u>	<u>1,083,501</u>

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**16. Statutory deposits with Bank Negara Malaysia**

The non-interest bearing statutory deposits maintained with Bank Negara Malaysia are in compliance with Section 26(2)(c) of the Central Bank of Malaysia Act, 2009 to satisfy the Statutory Reserve Requirement ("SRR"); the amounts of which are determined at set percentages of total eligible liabilities.

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

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Demand deposits	14,835,094	13,948,840	13,501,896	12,631,138
Savings deposits	3,580,043	3,569,196	3,387,270	3,357,096
Fixed/Investment deposits	18,403,161	18,572,862	15,550,586	16,748,483
Negotiable instruments of deposits	419,140	433,682	312,784	319,494
	<u>37,237,438</u>	<u>36,524,580</u>	<u>32,752,536</u>	<u>33,056,211</u>

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

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Due within six months	12,968,764	14,450,471	10,475,434	12,877,689
Six months to one year	3,903,345	2,991,370	3,674,073	2,784,380
One year to three years	1,323,699	721,058	1,213,336	676,451
Three years to five years	568,852	787,304	442,886	673,116
Over five years	57,641	56,341	57,641	56,341
	<u>17,822,101</u>	<u>18,996,544</u>	<u>15,863,370</u>	<u>17,071,063</u>

**(ii) By type of customers**

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Government and statutory bodies	1,220,048	825,898	61,909	76,936
Business enterprises	14,770,361	14,892,893	13,686,779	14,299,627
Individuals	17,037,655	16,439,579	15,507,343	14,770,317
Others	4,209,374	4,366,210	3,496,505	3,909,331
	<u>37,237,438</u>	<u>36,524,580</u>	<u>32,752,536</u>	<u>33,056,211</u>

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**18. Deposits and placements of banks and other financial institutions**

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Licensed banks	1,113,364	3,041,055	1,013,307	2,936,823
Bank Negara Malaysia	228,448	259,333	228,448	259,333
Other financial institutions	2,292,923	4,039,896	2,225,768	3,987,220
	<u>3,634,735</u>	<u>7,340,284</u>	<u>3,467,523</u>	<u>7,183,376</u>

**19. Other liabilities**

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Interest/Income payable	203,286	213,069	190,354	202,089
Amount owing to subsidiaries	-	-	22	22
Other payables and accruals	2,038,988	1,523,714	3,247,344	2,452,036
	<u>2,242,274</u>	<u>1,736,783</u>	<u>3,437,720</u>	<u>2,654,147</u>

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**20. Interest income**

	<b>Group</b>			
	<b>1st Quarter ended</b>		<b>Three months ended</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Loans and advances				
- Interest income other than recoveries from impaired loans	337,879	350,882	337,879	350,882
- Recoveries from impaired loans	6,126	4,949	6,126	4,949
Money at call and deposit placements with banks and other financial institutions	13,822	27,600	13,822	27,600
Financial assets held for trading	25,225	19,241	25,225	19,241
Investment securities available-for-sale	50,251	49,947	50,251	49,947
	<u>433,303</u>	<u>452,619</u>	<u>433,303</u>	<u>452,619</u>

	<b>Bank</b>			
	<b>1st Quarter ended</b>		<b>Three months ended</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Loans and advances				
- Interest income other than recoveries from impaired loans	337,879	350,882	337,879	350,882
- Recoveries from impaired loans	6,126	4,949	6,126	4,949
Money at call and deposit placements with banks and other financial institutions	44,335	47,899	44,335	47,899
Financial assets held for trading	25,225	19,241	25,225	19,241
Investment securities available-for-sale	50,251	42,373	50,251	42,373
	<u>463,816</u>	<u>465,344</u>	<u>463,816</u>	<u>465,344</u>

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**21. Interest expense**

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	29,154	15,929	29,154	15,929
Deposits from customers	161,749	164,671	161,749	164,671
Subordinated debts	12,063	11,308	12,063	11,308
	<u>202,966</u>	<u>191,908</u>	<u>202,966</u>	<u>191,908</u>

	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	29,154	15,929	29,154	15,929
Deposits from customers	161,749	164,671	161,749	164,671
Subordinated debts	12,063	11,308	12,063	11,308
	<u>202,966</u>	<u>191,908</u>	<u>202,966</u>	<u>191,908</u>

**22. Net income from Islamic Banking operations**

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	72,061	54,108	72,061	54,108
Income attributable to depositors	<u>(26,186)</u>	<u>(21,825)</u>	<u>(26,186)</u>	<u>(21,825)</u>
Income attributable to the Bank	45,875	32,283	45,875	32,283
Income derived from investment of Islamic banking capital funds and shareholder's funds	35,291	41,671	35,291	41,671
	<u>81,166</u>	<u>73,954</u>	<u>81,166</u>	<u>73,954</u>

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**23. Other operating income**

	Group			
	1st Quarter ended 31 March 2015 RM'000	31 March 2014 RM'000	Three months ended 31 March 2015 RM'000	31 March 2014 RM'000
<b>Fee and commission</b>				
Fee and commission income:-				
Arising from financial instruments not fair valued through profit or loss	70,181	76,264	70,181	76,264
- <i>Commission income</i>	47,175	47,876	47,175	47,876
- <i>Service fees</i>	10,902	17,180	10,902	17,180
- <i>Guarantee fees</i>	12,104	11,208	12,104	11,208
Fee and commission expense:-				
Arising from financial instruments not fair valued through profit or loss	(13,241)	(14,595)	(13,241)	(14,595)
- <i>Commission charges</i>	(2,575)	(1,747)	(2,575)	(1,747)
- <i>Service charges</i>	(10,666)	(12,848)	(10,666)	(12,848)
	<u>56,940</u>	<u>61,669</u>	<u>56,940</u>	<u>61,669</u>
<b>Net trading income</b>				
Gains/(losses) from sale of financial assets held for trading and derivative financial instruments	146,598	(51,088)	146,598	(51,088)
Unrealised (losses)/gains on revaluation of financial assets held for trading and other financial instruments	(110,933)	66,316	(110,933)	66,316
Foreign exchange currency				
- Gains from dealing in foreign currency	58,751	57,805	58,751	57,805
- Unrealised gains from foreign exchange translation	3,953	4,785	3,953	4,785
	<u>98,369</u>	<u>77,818</u>	<u>98,369</u>	<u>77,818</u>
<b>Other income</b>				
Gains/(losses) from sale of investment securities available-for-sale	1,148	(429)	1,148	(429)
Gross dividends from unquoted investments	1,946	689	1,946	689
Rental income	8	8	8	8
Gain on disposal of property, plant and equipment	7	-	7	-
Others	61	2	61	2
	<u>3,170</u>	<u>270</u>	<u>3,170</u>	<u>270</u>
<b>Total other operating income</b>	<b><u>158,479</u></b>	<b><u>139,757</u></b>	<b><u>158,479</u></b>	<b><u>139,757</u></b>

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**23. Other operating income (continued)**

	Bank			
	1st Quarter ended 31 March 2015 RM'000	31 March 2014 RM'000	Three months ended 31 March 2015 RM'000	31 March 2014 RM'000
<b>Fee and commission</b>				
Fee and commission income:-				
Arising from financial instruments not fair valued through profit or loss	70,181	76,264	70,181	76,264
- <i>Commission income</i>	47,175	47,876	47,175	47,876
- <i>Service fees</i>	10,902	17,180	10,902	17,180
- <i>Guarantee fees</i>	12,104	11,208	12,104	11,208
Fee and commission expense:-				
Arising from financial instruments not fair valued through profit or loss	(13,241)	(11,922)	(13,241)	(11,922)
- <i>Commission charges</i>	(2,575)	(1,747)	(2,575)	(1,747)
- <i>Service charges</i>	(10,666)	(10,175)	(10,666)	(10,175)
	<u>56,940</u>	<u>64,342</u>	<u>56,940</u>	<u>64,342</u>
<b>Net trading income</b>				
Gains/(losses) from sale of financial assets held for trading and derivative financial instruments	146,598	(51,088)	146,598	(51,088)
Unrealised (losses)/gains on revaluation of financial assets held for trading and other financial instruments	(110,933)	66,316	(110,933)	66,316
Foreign exchange currency				
- Gains from dealing in foreign currency	58,751	57,805	58,751	57,805
- Unrealised gains from foreign exchange translation	3,953	4,785	3,953	4,785
	<u>98,369</u>	<u>77,818</u>	<u>98,369</u>	<u>77,818</u>
<b>Other income</b>				
Gains/(losses) from sale of investment securities available-for-sale	1,148	(429)	1,148	(429)
Gross dividends from unquoted investments	1,946	689	1,946	689
Rental income	8	8	8	8
Gain on disposal of property, plant and equipment	7	-	7	-
Others	23,975	20,823	23,975	20,823
	<u>27,084</u>	<u>21,091</u>	<u>27,084</u>	<u>21,091</u>
<b>Total other operating income</b>	<b><u>182,393</u></b>	<b><u>163,251</u></b>	<b><u>182,393</u></b>	<b><u>163,251</u></b>



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**24. Other operating expenses**

	Group			
	1st Quarter ended 31 March 2015 RM'000	31 March 2014 RM'000	Three months ended 31 March 2015 RM'000	31 March 2014 RM'000
<b>Personnel costs</b>				
- Salaries, bonuses, wages and allowances	88,946	82,918	88,946	82,918
- Pension fund contributions	9,717	8,977	9,717	8,977
- Other staff related cost	9,627	11,296	9,627	11,296
	<u>108,290</u>	<u>103,191</u>	<u>108,290</u>	<u>103,191</u>
<b>Establishment costs</b>				
- Depreciation of property, plant and equipment	7,432	8,013	7,432	8,013
- Rental	6,803	6,953	6,803	6,953
- Information technology and project expenses	28,976	28,690	28,976	28,690
- Others	14,037	10,643	14,037	10,643
	<u>57,248</u>	<u>54,299</u>	<u>57,248</u>	<u>54,299</u>
<b>Marketing expenses</b>				
- Advertisement and publicity	1,818	5,185	1,818	5,185
- Others	4,383	3,253	4,383	3,253
	<u>6,201</u>	<u>8,438</u>	<u>6,201</u>	<u>8,438</u>
<b>Administration and general expenses</b>				
- Communication expenses	2,797	2,935	2,797	2,935
- Group administration and business support expenses	35,104	27,514	35,104	27,514
- Outsourcing expenses	25,292	25,201	25,292	25,201
- Others	21,684	25,825	21,684	25,825
	<u>84,877</u>	<u>81,475</u>	<u>84,877</u>	<u>81,475</u>
<b>Total other operating expenses</b>	<u><u>256,616</u></u>	<u><u>247,403</u></u>	<u><u>256,616</u></u>	<u><u>247,403</u></u>

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**24. Other operating expenses (continued)**

	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
<b>Personnel costs</b>				
- Salaries, bonuses, wages and allowances	88,034	79,665	88,034	79,665
- Pension fund contributions	9,717	8,977	9,717	8,977
- Other staff related cost	9,193	10,893	9,193	10,893
	<u>106,944</u>	<u>99,535</u>	<u>106,944</u>	<u>99,535</u>
<b>Establishment costs</b>				
- Depreciation of property, plant and equipment	6,916	7,369	6,916	7,369
- Rental	6,294	6,392	6,294	6,392
- Information technology and project expenses	28,950	28,637	28,950	28,637
- Others	13,447	10,167	13,447	10,167
	<u>55,607</u>	<u>52,565</u>	<u>55,607</u>	<u>52,565</u>
<b>Marketing expenses</b>				
- Advertisement and publicity	1,806	5,151	1,806	5,151
- Others	4,313	3,105	4,313	3,105
	<u>6,119</u>	<u>8,256</u>	<u>6,119</u>	<u>8,256</u>
<b>Administration and general expenses</b>				
- Communication expenses	2,734	2,847	2,734	2,847
- Group administration and business support expenses	33,394	25,894	33,394	25,894
- Outsourcing expenses	25,292	25,201	25,292	25,201
- Others	20,230	23,013	20,230	23,013
	<u>81,650</u>	<u>76,955</u>	<u>81,650</u>	<u>76,955</u>
<b>Total other operating expenses</b>	<u><u>250,320</u></u>	<u><u>237,311</u></u>	<u><u>250,320</u></u>	<u><u>237,311</u></u>

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**25. Provisions for loans, advances and financing**

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Provisions for loans, advances and financing:-				
Individual impairment provisions	70,032	46,835	70,032	46,835
- Made in the financial period	67,797	47,600	67,797	47,600
- Discounting of collaterals	16,528	12,248	16,528	12,248
- Written back	(14,293)	(13,013)	(14,293)	(13,013)
Collective impairment provisions				
- Made in the financial period	4,077	2,724	4,077	2,724
- Written back	(21,119)	(26,121)	(21,119)	(26,121)
Bad and doubtful debts on loans, advances and financing:-				
Written off	35,456	41,356	35,456	41,356
Recovered	(31,314)	(17,938)	(31,314)	(17,938)
	<u>57,132</u>	<u>46,856</u>	<u>57,132</u>	<u>46,856</u>
	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Provisions for loans, advances and financing:-				
Individual impairment provisions	55,782	26,698	55,782	26,698
- Made in the financial period	51,339	26,231	51,339	26,231
- Discounting of collaterals	16,528	12,248	16,528	12,248
- Written back	(12,085)	(11,781)	(12,085)	(11,781)
Collective impairment provisions				
- Made in the financial period	2,702	1,944	2,702	1,944
- Written back	(9,676)	(20,967)	(9,676)	(20,967)
Bad and doubtful debts on loans, advances and financing:-				
Written off	35,456	41,356	35,456	41,356
Recovered	(28,151)	(15,075)	(28,151)	(15,075)
	<u>56,113</u>	<u>33,956</u>	<u>56,113</u>	<u>33,956</u>

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**26. Commitments and contingencies**

In ordinary 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	31 March 2015			31 December 2014		
	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	2,652,758	2,652,758	1,003,583	2,281,091	2,281,091	930,621
Transaction-related contingent items	4,189,910	4,189,396	940,140	4,005,690	4,003,743	900,744
Short-term self liquidating trade-related contingencies	303,764	303,764	90,700	240,583	240,583	82,806
Other commitments to extend credit:-						
- maturity not exceeding one year	34,599,715	4,824,643	1,884,126	31,555,761	3,594,190	1,631,779
- maturity exceeding one year	3,198,696	1,010,338	408,362	3,357,107	1,505,513	618,257
Foreign exchange related contracts:-						
- less than one year	41,201,612	2,003,061	439,250	37,129,354	1,509,394	333,085
- one year to less than five years	19,660,566	2,531,318	804,799	19,665,694	2,305,369	706,890
- five years and above	2,718,924	646,042	198,766	2,511,834	531,725	153,919
Interest rate related contracts:-						
- less than one year	16,166,280	38,856	8,712	18,030,555	41,402	5,295
- one year to less than five years	46,704,962	1,311,790	252,399	45,520,539	1,345,882	265,803
- five years and above	6,455,702	622,584	159,559	6,494,791	621,456	153,226
Miscellaneous commitments and contingencies	3,433,516	252,995	59,588	5,794,252	873,636	152,653
	<u>181,286,405</u>	<u>20,387,545</u>	<u>6,249,984</u>	<u>176,587,251</u>	<u>18,853,984</u>	<u>5,935,078</u>

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**26. Commitments and contingencies (continued)**

	31 March 2015			31 December 2014		
	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
<b>Bank</b>						
Direct credit substitutes	2,625,333	2,625,333	996,429	2,253,094	2,253,094	906,297
Transaction-related contingent items	4,004,002	4,003,487	895,483	3,851,546	3,849,599	842,562
Short-term self liquidating trade-related contingencies	233,009	233,009	72,714	137,547	137,547	54,985
Other commitments to extend credit:-						
- maturity not exceeding one year	34,188,280	4,124,521	1,570,966	32,175,141	3,857,311	1,587,293
- maturity exceeding one year	2,855,909	815,056	344,490	2,283,245	843,162	337,531
Foreign exchange related contracts:-						
- less than one year	41,202,358	2,009,499	441,753	37,358,841	1,515,505	333,507
- one year to less than five years	19,660,567	2,529,468	710,648	19,665,694	2,305,369	646,254
- five years and above	2,718,924	646,042	198,766	2,511,834	531,725	153,919
Interest rate related contracts:-						
- less than one year	16,166,280	38,856	8,712	18,030,555	41,402	5,295
- one year to less than five years	46,684,512	1,300,168	250,111	45,498,840	1,333,854	264,258
- five years and above	6,455,702	622,584	159,552	6,494,791	621,456	153,219
Miscellaneous commitments and contingencies	3,453,127	254,076	60,413	5,827,577	875,205	153,176
	<u>180,248,003</u>	<u>19,202,099</u>	<u>5,710,037</u>	<u>176,088,705</u>	<u>18,165,229</u>	<u>5,438,296</u>

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

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**27. Interest rate risk**

The tables below summarise the Group's and the Bank's financial instruments at carrying amounts, categorised by contractual re-pricing or maturity dates.

Group As at 31 March 2015	←		Non-trading books		→		Trading books RM'000	Total RM'000	Effective interest rate (%)
	3 months or less RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000				
<b>Financial assets</b>									
Cash and short term funds	4,960,757	-	-	-	1,337,427	-	-	6,298,184	3.05
Deposits and placements with banks and other financial institutions	58,855	-	14,209	-	-	-	-	73,064	2.70
Securities purchased under resale agreements	320,380	-	-	-	-	-	-	320,380	3.46
Financial assets held for trading	-	-	-	-	-	1,845,575	-	1,845,575	3.56
Investment securities available-for-sale	1,940,407	929,185	2,924,110	90,054	9,098	-	-	5,892,854	3.53
Loans, advances and financing									
- Performing	25,378,357	2,862,518	2,429,400	856,073	-	-	-	31,526,348	5.29
- Impaired	-	-	-	-	749,769	-	-	749,769	
Derivative financial assets	-	-	-	-	-	3,695,036	-	3,695,036	
Other balances	-	-	-	-	2,136,518	-	-	2,136,518	
	<b>32,658,756</b>	<b>3,791,703</b>	<b>5,367,719</b>	<b>946,127</b>	<b>4,232,812</b>	<b>5,540,611</b>	<b>52,537,728</b>		
<b>Financial liabilities</b>									
Deposits from customers	20,607,267	5,877,465	3,447,775	-	7,304,931	-	-	37,237,438	2.38
Deposits and placements of banks and other financial institutions	3,024,062	49,690	430,000	130,984	-	-	-	3,634,736	4.25
Obligations on securities sold under repurchase agreements	493,290	-	-	-	-	-	-	493,290	3.21
Derivative financial liabilities	-	-	-	-	-	3,720,344	-	3,720,344	
Other balances	-	-	-	-	2,242,274	-	-	2,242,274	
Subordinated debts	-	1,000,000	-	-	-	-	-	1,000,000	5.20
	<b>24,124,619</b>	<b>6,927,155</b>	<b>3,877,775</b>	<b>130,984</b>	<b>9,547,205</b>	<b>3,720,344</b>	<b>48,328,082</b>		
On-balance sheet interest sensitivity gap	8,534,137	(3,135,452)	1,489,944	815,143	(5,314,393)	1,820,267	-		
Off-balance sheet interest sensitivity gap	1,003,379	573,072	(938,620)	(140,994)	-	-	-		
<b>Total interest sensitivity gap</b>	<b>9,537,516</b>	<b>(2,562,380)</b>	<b>551,324</b>	<b>674,149</b>	<b>(5,314,393)</b>	<b>1,820,267</b>			

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**27. Interest rate risk (continued)**

Group As at 31 December 2014	← Non-trading books →					Trading books RM'000	Total RM'000	Effective interest rate (%)
	3 months or less RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
<b>Financial assets</b>								
Cash and short term funds	4,506,157	-	-	-	1,319,201	-	5,825,358	2.43
Deposits and placements with banks and other financial institution	-	55,103	13,421	-	-	-	68,524	2.30
Securities purchased under resale agreements	551,077	-	-	-	-	-	551,077	3.56
Financial assets held for trading	-	-	-	-	-	3,534,095	3,534,095	3.59
Investment securities available-for-sale	2,138,565	59,923	3,013,370	144,718	9,723	-	5,366,299	3.67
Loans, advances and financing								
- Performing	24,582,531	4,008,197	2,925,916	1,568,234	-	-	33,084,878	5.48
- Impaired	-	-	-	-	717,801	-	717,801	
Derivative financial assets	6,121	9,897	83,763	516	-	2,767,322	2,867,619	
Other balances	-	-	-	-	1,856,598	-	1,856,598	
	<b>31,784,451</b>	<b>4,133,120</b>	<b>6,036,470</b>	<b>1,713,468</b>	<b>3,903,323</b>	<b>6,301,417</b>	<b>53,872,249</b>	
<b>Financial liabilities</b>								
Deposits from customers	23,152,441	5,024,096	1,982,914	-	6,365,129	-	36,524,580	2.43
Deposits and placements of banks and other financial institutions	6,728,899	54,002	430,000	127,383	-	-	7,340,284	3.55
Obligations on securities sold under repurchase	497,384	-	-	-	-	-	497,384	3.25
Derivative financial liabilities	8,628	10,087	84,736	516	-	2,611,074	2,715,041	
Other balances	-	-	-	-	1,736,783	-	1,736,783	
Subordinated debts	-	-	-	1,000,000	-	-	1,000,000	5.27
	<b>30,387,352</b>	<b>5,088,185</b>	<b>2,497,650</b>	<b>1,127,899</b>	<b>8,101,912</b>	<b>2,611,074</b>	<b>49,814,072</b>	
On-balance sheet interest sensitivity gap	1,397,099	(955,065)	3,538,820	585,569	(4,198,589)	3,690,343		
Off-balance sheet interest sensitivity gap	(13,564,493)	1,919,653	1,267,232	13,292	-	-		
<b>Total interest sensitivity gap</b>	<b>(12,167,394)</b>	<b>964,588</b>	<b>4,806,052</b>	<b>598,861</b>	<b>(4,198,589)</b>	<b>3,690,343</b>		

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**27. Interest rate risk (continued)**

Bank As at 31 March 2015	←----- Non-trading books -----→					Trading books RM'000	Total RM'000	Effective interest rate (%)
	3 months or less RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
<b>Financial assets</b>								
Cash and short term funds	3,744,005	-	-	-	1,324,863	-	5,068,868	2.81
Deposits and placements with banks and other financial institutions	3,181,372	968,328	14,209	-	-	-	4,163,909	2.63
Securities purchased under resale agreements	320,380	-	-	-	-	-	320,380	3.46
Financial assets held for trading	-	-	-	-	-	1,845,575	1,845,575	3.56
Investment securities available-for-sale	1,840,968	929,185	2,924,110	90,054	9,098	-	5,793,415	3.54
Loans, advances and financing								
- Performing	20,854,589	2,581,002	1,018,539	195,116	-	-	24,649,246	5.35
- Impaired	-	-	-	-	737,801	-	737,801	
Derivative financial assets	-	-	-	-	-	3,699,054	3,699,054	
Other balances	-	-	-	100,000	2,127,229	-	2,227,229	4.85
	<b>29,941,314</b>	<b>4,478,515</b>	<b>3,956,858</b>	<b>385,170</b>	<b>4,198,991</b>	<b>5,544,629</b>	<b>48,505,477</b>	
<b>Financial liabilities</b>								
Deposits from customers	17,376,931	4,855,703	3,214,971	-	7,304,931	-	32,752,536	2.62
Deposits and placements of banks and other financial institutions	2,860,463	49,690	430,000	127,370	-	-	3,467,523	3.70
Obligations on securities sold under repurchase agreements	493,290	-	-	-	-	-	493,290	3.21
Derivative financial liabilities	-	-	-	-	-	3,718,274	3,718,274	
Other balances	-	-	-	-	3,437,720	-	3,437,720	
Subordinated debts	-	-	-	1,000,000	-	-	1,000,000	5.20
	<b>20,730,684</b>	<b>4,905,393</b>	<b>3,644,971</b>	<b>1,127,370</b>	<b>10,742,651</b>	<b>3,718,274</b>	<b>44,869,343</b>	
On-balance sheet interest sensitivity gap	9,210,630	(426,878)	311,887	(742,200)	(6,543,660)	1,826,355		
Off-balance sheet interest sensitivity gap	1,003,379	573,072	(938,620)	(140,994)	-	-		
<b>Total interest sensitivity gap</b>	<b>10,214,009</b>	<b>146,194</b>	<b>(626,733)</b>	<b>(883,194)</b>	<b>(6,543,660)</b>	<b>1,826,355</b>		



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**27. Interest rate risk (continued)**

Bank As at 31 December 2014	← Non-trading books →					Trading books RM'000	Total RM'000	Effective interest rate (%)
	3 months or less RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
<b>Financial assets</b>								
Cash and short term funds	4,708,372	-	-	-	1,304,680	-	6,013,052	2.34
Deposits and placements with banks and other financial institutions	1,443,456	2,218,560	13,421	-	-	-	3,675,437	2.60
Securities purchased under resale agreements	551,077	-	-	-	-	-	551,077	3.56
Financial assets held for trading	-	-	-	-	-	3,534,095	3,534,095	3.59
Investment securities available-for-sale	2,038,605	59,923	3,013,370	144,718	9,723	-	5,266,339	3.67
Loans, advances and financing								
- Performing	20,395,999	3,200,916	1,476,227	929,768	-	-	26,002,910	5.35
- Impaired	-	-	-	-	703,470	-	703,470	
Derivative financial assets	-	-	-	-	-	2,869,041	2,869,041	
Other balances	-	-	-	100,000	1,884,742	-	1,984,742	4.85
	<b>29,137,509</b>	<b>5,479,399</b>	<b>4,503,018</b>	<b>1,174,486</b>	<b>3,902,615</b>	<b>6,403,136</b>	<b>50,600,163</b>	
<b>Financial liabilities</b>								
Deposits from customers	20,653,063	4,203,743	1,834,276	-	6,365,129	-	33,056,211	2.40
Deposits and placements of banks and other financial institutions	6,575,607	54,002	430,000	123,767	-	-	7,183,376	3.26
Obligations on securities sold under repurchase agreements	497,384	-	-	-	-	-	497,384	3.25
Derivative financial liabilities	-	-	-	-	-	2,712,792	2,712,792	
Other balances	-	-	-	-	2,654,147	-	2,654,147	
Subordinated debts	-	-	-	1,000,000	-	-	1,000,000	5.27
	<b>27,726,054</b>	<b>4,257,745</b>	<b>2,264,276</b>	<b>1,123,767</b>	<b>9,019,276</b>	<b>2,712,792</b>	<b>47,103,910</b>	
On-balance sheet interest sensitivity gap	1,411,455	1,221,654	2,238,742	50,719	(5,116,661)	3,690,344		
Off-balance sheet interest sensitivity gap	(13,564,493)	1,919,653	1,267,232	13,292	-	-		
<b>Total interest sensitivity gap</b>	<b>(12,153,038)</b>	<b>3,141,307</b>	<b>3,505,974</b>	<b>64,011</b>	<b>(5,116,661)</b>	<b>3,690,344</b>		

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**28. Fair values of financial assets and liabilities**

**Fair value hierarchy**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:-

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The valuation hierarchy, and the types of instruments classified into each level within that hierarchy, is set out below:-

	Level 1	Level 2	Level 3
Fair value determined using	Unadjusted quoted prices in an active market for identical assets and liabilities	Valuation models with directly or indirectly observable market inputs	Valuation models using significant non-observable market inputs
Type of financial assets	Actively traded government and agency securities	Corporate and other government bonds and loans  Over-the-counter ("OTC") derivatives	Private debt equity investments
Type of financial liabilities	-	OTC derivatives	-

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**28. Fair values of financial assets and liabilities (continued)**

**Fair value hierarchy (continued)**

<b>Group</b>	<b>Fair value of financial instruments carried at fair value</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31 March 2015</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>				
Financial assets held for trading				
Malaysian Government / Bank Negara Bills	20,609	-	-	20,609
Debt securities	1,666,842	158,124	-	1,824,966
Derivative financial instruments	1,951	3,693,085	-	3,695,036
Investment securities available-for-sale				
Malaysian Government / Bank Negara Bills	99,439	-	-	99,439
Debt securities	2,864,546	2,919,771	-	5,784,317
At 31 March 2015	<u>4,653,387</u>	<u>6,770,980</u>	<u>-</u>	<u>11,424,367</u>
<b>Liabilities</b>				
Deposits from customers	-	113,821	-	113,821
Deposits and placements of banks and other financial institutions	-	517,780	-	517,780
Derivative financial instruments	2,339	3,718,005	-	3,720,344
At 31 March 2015	<u>2,339</u>	<u>4,349,606</u>	<u>-</u>	<u>4,351,945</u>

<b>Group</b>	<b>Fair value of financial instruments carried at fair value</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31 December 2014</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>				
Financial assets held for trading				
Malaysian Government / Bank Negara Bills	811,389	-	-	811,389
Debt securities	2,588,577	134,129	-	2,722,706
Derivative financial instruments	1,225	2,866,394	-	2,867,619
Investment securities available-for-sale				
Malaysian Government / Bank Negara Bills	98,556	-	-	98,556
Debt securities	3,018,396	2,238,220	1,404	5,258,020
At 31 December 2014	<u>6,518,143</u>	<u>5,238,743</u>	<u>1,404</u>	<u>11,758,290</u>
<b>Liabilities</b>				
Deposits from customers	-	102,812	-	102,812
Deposits and placements of banks and other financial institutions	-	509,512	-	509,512
Derivative financial instruments	1,416	2,713,625	-	2,715,041
At 31 December 2014	<u>1,416</u>	<u>3,325,949</u>	<u>-</u>	<u>3,327,365</u>

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**28. Fair values of financial assets and liabilities (continued)**

**Fair value hierarchy (continued)**

<b>Bank</b>	<b>Fair value of financial instruments carried at fair value</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31 March 2015</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>				
Financial assets held for trading				
Malaysian Government / Bank Negara Bills	20,609	-	-	20,609
Debt securities	1,666,842	158,124	-	1,824,966
Derivative financial instruments	1,951	3,697,103	-	3,699,054
Investment securities available-for-sale				
Malaysian Government / Bank Negara Bills	-	-	-	-
Debt securities	2,864,546	2,919,771	-	5,784,317
At 31 March 2015	<u>4,553,948</u>	<u>6,774,998</u>	<u>-</u>	<u>11,328,946</u>
<b>Liabilities</b>				
Deposits from customers	-	97,397	-	97,397
Deposits and placements of banks and other financial institutions	-	514,193	-	514,193
Derivative financial instruments	2,339	3,715,935	-	3,718,274
At 31 March 2015	<u>2,339</u>	<u>4,327,525</u>	<u>-</u>	<u>4,329,864</u>

<b>Bank</b>	<b>Fair value of financial instruments carried at fair value</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31 December 2014</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>				
Financial assets held for trading				
Malaysian Government / Bank Negara Bills	811,389	-	-	811,389
Debt securities	2,588,577	134,129	-	2,722,706
Derivative financial instruments	1,225	2,867,816	-	2,869,041
Investment securities available-for-sale				
Malaysian Government / Bank Negara Bills	-	-	-	-
Debt securities	3,018,397	2,238,219	-	5,256,616
At 31 December 2014	<u>6,419,588</u>	<u>5,240,164</u>	<u>-</u>	<u>11,659,752</u>
<b>Liabilities</b>				
Deposits from customers	-	84,470	-	84,470
Deposits and placements of banks and other financial institutions	-	505,907	-	505,907
Derivative financial instruments	1,416	2,711,376	-	2,712,792
At 31 December 2014	<u>1,416</u>	<u>3,301,753</u>	<u>-</u>	<u>3,303,169</u>

There were no transfers between Level 1 and Level 2 during the period ended 31 March 2015.

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**29. Disposal group held-for-sale**

A subsidiary of the Bank is presented as a disposal group held-for-sale following the commitment of the Group's management on 2 March 2015 to a planned sale of the preference shares in the subsidiary to a third party. The Group has entered into a Share Sale Agreement and the sale is expected to complete by May 2015. The assets and liabilities of the disposal group are as follows:

	<b>Group 31 March 2015 RM'000</b>
<b>Assets classified as held for sale</b>	
Cash and short term funds	16,284
Investment securities available-for-sale	1,404
Deferred tax assets	3,846
Other assets	3,358
	24,892
<b>Liabilities classified as held for sale</b>	
Other liabilities	13,311
Tax payable	1,968
	15,279

**30. Capital adequacy**

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2015 RM'000</b>	<b>31 December 2014 RM'000</b>	<b>31 March 2015 RM'000</b>	<b>31 December 2014 RM'000</b>
<b>Tier 1 Capital</b>				
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	3,190,745	3,071,192	3,013,628	2,908,631
Less: Deferred tax assets	(59,831)	(54,936)	(47,885)	(48,124)
Unrealised gains and losses on 'available-for-sale' financial instruments	2,356	(9,816)	2,345	(9,795)
Investment in subsidiaries deducted from CET 1 capital	-	-	(164,609)	(82,304)
CET 1 capital	3,633,270	3,506,440	3,303,479	3,268,408
Irredeemable Convertible Preference Shares	380,000	380,000	380,000	380,000
Non-controlling interest	1,279	1,279	-	-
Eligible Tier 1 capital	4,014,549	3,887,719	3,683,479	3,648,408
<b>Tier 2 Capital</b>				
Subordinated debts	1,000,000	1,000,000	1,000,000	1,000,000
Collective impairment provisions under standardised approach	14,311	15,377	6,706	7,842
Surplus of total eligible provisions over total expected loss under AIRB approach	16,010	12,344	27,098	26,358
Non-controlling interest	301	301	-	-
	1,030,622	1,028,022	1,033,804	1,034,200
Less: Investment in subsidiaries	-	-	(346,913)	(429,218)
Eligible Tier 2 capital	1,030,622	1,028,022	686,891	604,982
Total capital base	5,045,171	4,915,741	4,370,370	4,253,390

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**30. Capital adequacy (continued)**

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

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Total risk-weighted assets:-				
Credit risk	27,002,042	27,292,271	23,752,360	23,680,318
Market risk	1,730,252	1,386,759	1,730,252	1,386,759
Operational risk	3,584,553	3,625,249	3,345,698	3,379,532
Large exposure for equity holdings	-	626	-	626
	<u>32,316,847</u>	<u>32,304,905</u>	<u>28,828,310</u>	<u>28,447,235</u>

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

	Group		Bank	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Before proposed dividend:-				
CET 1 capital ratio	11.243%	10.854%	11.459%	11.489%
Tier 1 capital ratio	12.422%	12.034%	12.777%	12.825%
Risk-weighted capital ratio	15.612%	15.217%	15.160%	14.952%
After proposed dividend:-				
CET 1 capital ratio	11.128%	10.739%	11.330%	11.359%
Tier 1 capital ratio	12.308%	11.920%	12.649%	12.695%
Risk-weighted capital ratio	15.497%	15.102%	15.031%	14.821%

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

	31 March 2015	31 December 2014
CET 1 capital ratio	13.035%	11.441%
Tier 1 capital ratio	13.035%	11.441%
Risk-weighted capital ratio	15.592%	13.757%