

UNITED OVERSEAS BANK (MALAYSIA) BHD
(Company No. 271809K)
AND ITS SUBSIDIARY COMPANIES
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS
30 SEPTEMBER 2013

Domiciled in Malaysia
Registered Office:
Level 11, Menara UOB
Jalan Raja Laut,
50350 Kuala Lumpur

UNITED OVERSEAS BANK (MALAYSIA) BHD

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENTS OF FINANCIAL POSITION****AS AT 30 SEPTEMBER 2013**

	Notes	Group		Bank	
		30-Sep-13 RM'000	31-Dec-12 RM'000	30-Sep-13 RM'000	31-Dec-12 RM'000
ASSETS					
Cash and Short-Term funds	11	15,806,357	7,247,301	15,806,357	7,247,301
Deposits and Placements with Financial Institutions	12	3,882,734	60,990	3,882,734	60,990
Financial assets at fair value through profit or loss	13	1,628,541	3,239,208	1,628,541	3,239,208
Available-for-Sale Securities	14	3,093,721	11,580,541	3,093,721	11,580,541
Loans and Advances	15	59,473,234	54,997,275	59,664,135	55,193,389
Derivatives Financial Assets	16	317,329	154,077	317,329	154,077
Other Assets	17	804,696	545,955	808,589	550,278
Statutory Deposits with Bank Negara Malaysia		1,733,000	1,758,800	1,733,000	1,758,800
Investment in Subsidiaries		-	-	50	50
Investment in Associates		290,381	244,366	122,733	122,733
Property, Plant and Equipment		392,139	375,283	161,751	144,017
Deferred Tax Assets		235,373	232,474	242,825	239,925
Total assets		87,657,505	80,436,270	87,461,765	80,291,309
LIABILITIES AND EQUITY					
Deposits from Customers	18	67,013,616	65,587,850	67,033,498	65,607,074
Deposits and Placements of Banks and Other Financial Institutions	19	9,064,842	4,354,662	9,065,269	4,355,088
Bills and Acceptances Payable		2,581,168	2,706,726	2,581,168	2,706,726
Derivatives Financial Liabilities	16	291,730	183,980	291,730	183,980
Other Liabilities	20	1,626,103	1,461,475	1,624,748	1,460,204
Tax payable		56,991	73,469	56,995	73,460
Subordinated Bonds	21	999,522	499,258	999,522	499,258
Total liabilities		81,633,972	74,867,420	81,652,930	74,885,790
Share Capital		470,000	470,000	470,000	470,000
Reserves		5,553,533	5,098,850	5,338,835	4,935,519
Shareholders' equity		6,023,533	5,568,850	5,808,835	5,405,519
TOTAL LIABILITIES AND EQUITY		87,657,505	80,436,270	87,461,765	80,291,309
COMMITMENTS AND CONTINGENCIES	29	53,657,976	42,933,869	53,657,976	42,933,869

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**INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS****FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

Group	Notes	Third Quarter Ended		Nine months Ended	
		30-Sep-13 RM'000	30-Sep-12 RM'000	30-Sep-13 RM'000	30-Sep-12 RM'000
Operating Revenue	22	1,111,673	997,165	3,178,481	2,889,033
Interest Income	23	928,397	840,705	2,674,956	2,407,761
Interest Expense	24	(531,955)	(466,750)	(1,521,037)	(1,322,017)
Net Interest Income		396,442	373,955	1,153,919	1,085,744
Other Operating Income	25	190,327	161,042	542,676	494,668
Operating Income		586,769	534,997	1,696,595	1,580,412
Other Operating Expenses	26	(194,447)	(178,763)	(577,105)	(518,867)
Operating Profit before allowance for Impairment on Loans and Advances, Impairment loss on AFS securities and provision for Commitments and Contingencies		392,322	356,234	1,119,490	1,061,545
Allowance for impairment on Loans and Advances	27	(70,009)	(11,316)	(136,969)	(121,536)
Impairment loss on AFS securities		8	-	(21,120)	-
Net (provision) / write back for Commitments and Contingencies		(2,142)	494	(6,842)	4,960
		320,179	345,412	954,559	944,969
Share of net profit of associates		20,668	9,385	59,606	33,330
Profit before Taxation		340,847	354,797	1,014,165	978,299
Income Tax expense		(75,604)	(82,267)	(230,007)	(227,967)
Profit after Taxation		265,243	272,530	784,158	750,332
Basic earnings per share (sen)		56.4	58.0	166.8	159.6

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INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

Group	Third Quarter Ended		Nine months Ended	
	30-Sep-13 RM'000	30-Sep-12 RM'000	30-Sep-13 RM'000	30-Sep-12 RM'000
Profit for the period	265,243	272,530	784,158	750,332
Other Comprehensive Income:				
Net loss on Revaluation of Available-for-Sale Securities	(1,107)	(9,363)	(11,599)	(2,142)
Income tax relating to components of other comprehensive income	276	2,341	2,899	536
Total Comprehensive Income for the period	264,412	265,508	775,458	748,726

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INTERIM FINANCIAL STATEMENTS**UNAUDITED INCOME STATEMENTS****FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

Bank	Notes	Third Quarter Ended		Nine months Ended	
		30-Sep-13 RM'000	30-Sep-12 RM'000	30-Sep-13 RM'000	30-Sep-12 RM'000
Operating Revenue	22	1,116,809	1,001,205	3,201,899	2,897,980
Interest Income	23	930,160	842,515	2,680,244	2,413,043
Interest Expense	24	(532,026)	(466,757)	(1,521,172)	(1,322,037)
Net Interest Income		398,134	375,758	1,159,072	1,091,006
Other Operating Income	25	190,680	163,273	557,787	498,293
Operating Income		588,814	539,031	1,716,859	1,589,299
Other Operating Expenses	26	(196,819)	(181,083)	(584,755)	(525,938)
Operating Profit before allowance for Impairment on Loans and Advances, Impairment loss on AFS securities and provision for Commitments and Contingencies		391,995	357,948	1,132,104	1,063,361
Allowance for impairment on Loans and Advances	27	(70,009)	(11,316)	(136,969)	(121,536)
Impairment loss on AFS securities		8	-	(21,120)	-
Net (provision) / write back for Commitments and Contingencies		(2,142)	494	(6,842)	4,960
Profit before Taxation		319,852	347,126	967,173	946,785
Income Tax expense		(76,307)	(82,819)	(234,382)	(228,913)
Profit after Taxation		243,545	264,307	732,791	717,872
Basic earnings per share (sen)		51.8	56.2	155.9	152.7

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INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

	Third Quarter		Nine months	
	Ended	Ended	Ended	Ended
Bank	30-Sep-13	30-Sep-12	30-Sep-13	30-Sep-12
	RM'000	RM'000	RM'000	RM'000
Profit for the period	243,545	264,307	732,791	717,872
Other Comprehensive Income:				
Net loss on Revaluation of Available-for-Sale Securities	(1,107)	(9,363)	(11,599)	(2,142)
Income tax relating to components of other comprehensive income	276	2,341	2,899	536
Total Comprehensive Income for the period	242,714	257,285	724,091	716,266

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INTERIM FINANCIAL STATEMENTS

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

GROUP	← Non-distributable →				Distributable		Total
	Share Capital	Share Premium	Statutory reserves	Revaluation reserves	Net unrealised reserves on AFS securities	Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2013							
Balance as at 1 January 2013	470,000	322,555	470,000	107,494	7,292	4,191,509	5,568,850
Profit for the period	-	-	-	-	-	784,158	784,158
Other comprehensive income	-	-	-	-	(8,700)	-	(8,700)
Total comprehensive income for the period	-	-	-	-	(8,700)	784,158	775,458
Transactions with owners:							
Dividends paid:							
- final dividend for the year ended 31 December 2012	-	-	-	-	-	(320,775)	(320,775)
Balance as at 30 September 2013	470,000	322,555	470,000	107,494	(1,408)	4,654,892	6,023,533

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INTERIM FINANCIAL STATEMENTS**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013 (con'td.)**

GROUP (con'td.)	← Non-distributable →				Distributable		Total
	Share Capital	Share Premium	Statutory reserves	Revaluation reserves	Net unrealised reserves on AFS securities	Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2012							
Balance as at 1 January 2012							
As reported under FRS	470,000	322,555	470,000	73,006	308	3,326,263	4,662,132
Effects of transition to MFRS	-	-	-	-	-	202,588	202,588
As reported under MFRS	470,000	322,555	470,000	73,006	308	3,528,851	4,864,720
Profit for the period	-	-	-	-	-	750,332	750,332
Other comprehensive income	-	-	-	-	(1,606)	-	(1,606)
Total comprehensive income for the period	-	-	-	-	(1,606)	750,332	748,726
Transactions with owners:							
Dividends paid:							
- final dividend for the year ended 31 December 2011	-	-	-	-	-	(264,375)	(264,375)
Balance as at 30 September 2012	470,000	322,555	470,000	73,006	(1,298)	4,014,808	5,349,071

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INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

	← Non-distributable →				Distributable		Total
	Share Capital	Share Premium	Statutory reserves	Revaluation reserves	Net unrealised reserves on AFS securities	Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>BANK</u>							
<u>2013</u>							
Balance as at 1 January 2013	470,000	322,555	470,000	-	7,292	4,135,672	5,405,519
Profit for the period	-	-	-	-	-	732,791	732,791
Other comprehensive income	-	-	-	-	(8,700)	-	(8,700)
Total comprehensive income for the period	-	-	-	-	(8,700)	732,791	724,091
Transactions with owners:							
Dividends paid:							
- final dividend for the year ended 31 December 2012	-	-	-	-	-	(320,775)	(320,775)
Balance as at 30 September 2013	470,000	322,555	470,000	-	(1,408)	4,547,688	5,808,835

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INTERIM FINANCIAL STATEMENTS

UNAUDITED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013 (con'td.)

<u>BANK (con'td.)</u>	← Non-distributable →					Distributable	
	Share Capital RM'000	Share Premium RM'000	Statutory reserves RM'000	Revaluation reserves RM'000	Net unrealised reserves on AFS securities RM'000	Retained profits RM'000	Total RM'000
<u>2012</u>							
Balance as at 1 January 2012							
As reported under FRS	470,000	322,555	470,000	-	308	3,311,519	4,574,382
Effects of transition to MFRS	-	-	-	-	-	202,588	202,588
As reported under MFRS	470,000	322,555	470,000	-	308	3,514,107	4,776,970
Profit for the period	-	-	-	-	-	717,872	717,872
Other comprehensive income	-	-	-	-	(1,606)	-	(1,606)
Total comprehensive income for the period	-	-	-	-	(1,606)	717,872	716,266
Transactions with owners:							
Dividends paid:							
- final dividend for the year ended 31 December 2011	-	-	-	-	-	(264,375)	(264,375)
Total transactions with owners							
Balance as at 30 September 2012	470,000	322,555	470,000	-	(1,298)	3,967,604	5,228,861

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INTERIM FINANCIAL STATEMENTS**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS****FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

	Group		Bank	
	30-Sep-13 RM'000	30-Sep-12 RM'000	30-Sep-13 RM'000	30-Sep-12 RM'000
Profit before taxation	1,014,165	978,299	967,173	946,785
Adjustments for non-operating and non-cash items	(86,638)	(106,296)	(46,849)	(80,762)
Operating profit before working capital changes	927,527	872,003	920,324	866,023
Changes in working capital:				
Net changes in operating assets	(3,390,683)	(6,708,792)	(3,385,041)	(6,721,186)
Net changes in operating liabilities	6,304,917	10,872,850	6,305,492	10,878,617
Tax expense paid	(250,944)	(256,487)	(250,775)	(256,428)
Net cash generated from operating activities	3,590,817	4,779,574	3,590,000	4,767,026
Net cash generated from / (used in) investing activities	8,610,494	(7,111,831)	8,611,311	(7,099,283)
Net cash generated from / (used in) financing activities	179,489	(264,076)	179,489	(264,076)
Net changes in cash and cash equivalents	12,380,800	(2,596,333)	12,380,800	(2,596,333)
Cash and cash equivalents at beginning of the period	7,308,291	13,874,911	7,308,291	13,874,911
Cash and cash equivalents at end of the period	19,689,091	11,278,578	19,689,091	11,278,578

UNITED OVERSEAS BANK (MALAYSIA) BHD

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2013

1. BASIS OF PREPARATION

The unaudited interim financial statements for the financial period ended 30 September 2013 have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board ("MASB").

The accounting policies adopted by the Group and the Bank are consistent with those of the audited financial statements for the financial year ended 31 December 2012, except for the adoption of the following Malaysian Financial Reporting Standards ("MFRS"), Amendments to MFRSs and IC Interpretation that have been issued by the Malaysian Accounting Standards Board ("MASB"):-

i) MFRS 10	Consolidated Financial Statements
ii) MFRS 11	Joint Arrangements
iii) MFRS 12	Disclosure of Interests in Other Entities
iv) MFRS 13	Fair Value Measurement
v) MFRS 119	Employee Benefits
vi) MFRS 127	Separate Financial Statements (2011)
vii) MFRS 128	Investments in Associates and Joint Ventures (2011)
viii) IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
ix) Amendments to MFRS7	Financial Instruments: Disclosures- Offsetting Financial Assets and Financial Liabilities
x) Amendments to MFRS1	First-time Adoption of Malaysian Financial Reporting Standards - Government Loans
xi) Amendments to MFRS1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)
xii) Amendments to MFRS101	Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
xiii) Amendments to MFRS116	Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
xiv) Amendments to MFRS132	Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)
xv) Amendments to MFRS134	Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)
xvi) Amendments to MFRS10	Consolidated Financial Statements: Transition Guidance
xvii) Amendments to MFRS11	Joint Arrangements: Transition Guidance
xviii) Amendments to MFRS12	Disclosure of Interests in Other Entities: Transition Guidance

The adoption of the above MFRSs, Amendments to MFRSs and IC Interpretation do not have any material impacts on the financial statements of the Group and the Bank.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2013

1. BASIS OF PREPARATION (con'td.)

The Group and the Bank have not applied the following MFRS and Amendments to MFRS that have been issued by the MASB as they are not yet effective:-

Effective for annual periods commencing on or after 1 January 2014

- | | | |
|------|-----------------------|--|
| i) | Amendments to MFRS10 | Consolidated Financial Statements: Investment Entities |
| ii) | Amendments to MFRS12 | Disclosures of Interests in Other Entities: Investment Entities |
| iii) | Amendments to MFRS127 | Separate Financial Statements (2011): Investment Entities |
| iv) | Amendments to MFRS132 | Financial Instruments: Presentation- Offsetting Financial Assets and Financial Liabilities |

Effective for annual periods commencing on or after 1 January 2015

- | | | |
|------|---------------------|---|
| i) | MFRS9 | Financial Instruments (2009) |
| ii) | MFRS9 | Financial Instruments (2010) |
| iii) | Amendments to MFRS7 | Financial Instruments: Disclosures - Mandatory Effective Date of MFRS9 and Transition Disclosures |

Except for MFRS9, the initial application of all the above applicable MFRSs and amendments is not expected to have any material impact on the financial statements upon their first adoption.

MFRS9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets. Upon adoption of MFRS9, financial assets will be measured at either fair value or amortised cost.

The adoption of MFRS9 will result in a change in accounting policy. The Group and the Bank is currently assessing the financial impact of adopting MFRS9.

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012. 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 2012.

2. AUDITORS' REPORT

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2012 was not subject to any qualification.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2013

3. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group and the Bank for the financial period ended 30 September 2013.

4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The business operations of the Group and the Bank are not materially affected by any seasonal or cyclical fluctuations.

5. CHANGES IN ESTIMATES

There were no significant changes in estimates of amounts reported in prior financial periods that have a material effect on the financial results and position of the Group and the Bank for the financial period ended 30 September 2013.

6. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance and repayment of debt and equity securities during the financial period ended 30 September 2013 except for the following :

Subordinated Bonds

On 30 August 2013, the Bank issued RM500 million 10 years Subordinated Bonds with coupon rate of 4.55% due in 2023 callable with step-up in 2018. (Further details in Note 21).

7. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost/valuation less accumulated depreciation and accumulated impairment losses except for freehold land which is stated at cost and directors' valuation. There was no change in the valuation of property, plant and equipment that were brought forward from the previous audited financial statements for the financial period ended 30 September 2013.

8. DIVIDENDS PAID

A final single tier dividend of 68.3% in respect of the financial year ended 31 December 2012, amounting to RM320,775,000 was paid on 24 April 2013.

9. SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING DATE

There were no material events subsequent to the reporting date that require disclosure or adjustments to the unaudited interim financial statements.

10. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the financial period ended 30 September 2013.

UNITED OVERSEAS BANK (MALAYSIA) BHD

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2013****11. CASH AND SHORT-TERM FUNDS**

	Group and Bank	
	30-Sep-13	31-Dec-12
	RM'000	RM'000
Cash and balances with banks and other financial institutions	523,357	512,503
Money at call and deposit placements maturing within one month	15,283,000	6,734,798
	15,806,357	7,247,301

12. DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS

	Group and Bank	
	30-Sep-13	31-Dec-12
	RM'000	RM'000
Licensed banks	2,734	990
Bank Negara Malaysia	3,880,000	-
Other financial institutions	-	60,000
	3,882,734	60,990

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Bank	
	30-Sep-13	31-Dec-12
	RM'000	RM'000
Held-for-trading securities		
At fair value:		
Bank Negara Malaysia bills	309,892	2,277,004
Malaysian Government treasury bills	95,715	56,369
Malaysian Government securities	327,701	462,026
Bankers' acceptances and Islamic accepted bills	217,261	76,188
Total held-for-trading securities	950,569	2,871,587
Designated as fair value through profit or loss		
In Malaysia but denominated in United States Dollar		
Private debt securities	677,972	367,621
Total financial assets at fair value through profit or loss	1,628,541	3,239,208

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2013****14. AVAILABLE-FOR-SALE SECURITIES**

	Group and Bank	
	30-Sep-13	31-Dec-12
	RM'000	RM'000
At fair value		
Money market instruments:		
Bank Negara Malaysia bills	-	8,184,944
Malaysian Government treasury bills	29,892	118,806
Malaysian Government securities	2,058,049	2,452,165
Cagamas bonds	644,749	457,474
	2,732,690	11,213,389
Private Debt Securities of Companies Incorporated		
In Malaysia:		
Corporate bonds	360,762	349,756
Impairment loss on AFS securities	(30,111)	(8,991)
	330,651	340,765
Quoted securities:		
Shares of corporations outside Malaysia	15,074	10,895
Shares of corporations in Malaysia	2,758	2,944
	17,832	13,839
At cost		
Unquoted securities:		
Shares	12,272	12,272
Private debt securities	276	276
	12,548	12,548
Total available-for-sale securities	3,093,721	11,580,541

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2013****15. LOANS AND ADVANCES**

	Group		Bank	
	30-Sep-13	31-Dec-12	30-Sep-13	31-Dec-12
	RM'000	RM'000	RM'000	RM'000
Overdrafts	2,796,438	2,857,897	2,796,438	2,858,059
Term loans and revolving credits				
Housing loans	22,307,495	20,351,883	22,307,495	20,351,883
Syndicated term loans	471,911	495,269	471,911	495,269
Factoring	5,477	-	5,477	-
Other term loans	26,373,745	23,828,990	26,564,646	24,024,942
Credit cards receivable	1,968,329	1,869,576	1,968,329	1,869,576
Bills receivable	148,632	132,067	148,632	132,067
Trust receipts	1,442,906	1,205,287	1,442,906	1,205,287
Claims on customers under acceptance credits	4,886,942	5,108,232	4,886,942	5,108,232
Staff loans - Others	57,631	61,985	57,631	61,985
Others	2,673	3,421	2,673	3,421
	60,462,179	55,914,607	60,653,080	56,110,721
Unearned interest	(40,390)	(45,890)	(40,390)	(45,890)
Gross loans and advances	60,421,789	55,868,717	60,612,690	56,064,831
Allowance for losses on loans and advances				
- Individual impairment	(281,768)	(317,731)	(281,768)	(317,731)
- Collective impairment	(666,787)	(553,711)	(666,787)	(553,711)
Net loans and advances	59,473,234	54,997,275	59,664,135	55,193,389

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2013****15. LOANS AND ADVANCES (con'td.)****(i) By maturity structure:**

	Group		Bank	
	30-Sep-13 RM'000	31-Dec-12 RM'000	30-Sep-13 RM'000	31-Dec-12 RM'000
Maturing within one year	14,763,797	15,079,884	14,763,797	15,080,046
One year to three years	2,560,005	1,721,352	2,750,906	1,917,304
Three years to five years	3,657,905	3,251,262	3,657,905	3,251,262
Over five years	39,440,082	35,816,219	39,440,082	35,816,219
	60,421,789	55,868,717	60,612,690	56,064,831

(ii) By type of customer:

	Group		Bank	
	30-Sep-13 RM'000	31-Dec-12 RM'000	30-Sep-13 RM'000	31-Dec-12 RM'000
Domestic non-bank financial institutions				
- Stockbroking companies	1,536	34	1,536	34
- Others	142,000	119,017	142,000	119,017
Domestic business enterprises				
- Small medium enterprises	13,380,768	12,506,684	13,380,768	12,506,684
- Others	12,727,003	12,304,248	12,917,904	12,500,362
Individuals	29,375,003	26,584,384	29,375,003	26,584,384
Other domestic entities	16	72	16	72
Foreign entities	4,795,463	4,354,278	4,795,463	4,354,278
	60,421,789	55,868,717	60,612,690	56,064,831

(iii) By interest/profit rate sensitivity:

	Group		Bank	
	30-Sep-13 RM'000	31-Dec-12 RM'000	30-Sep-13 RM'000	31-Dec-12 RM'000
Fixed rate				
Housing loans/financing	42,336	47,046	42,336	47,046
Other fixed rate loans/financing	3,594,744	3,072,442	3,594,744	3,072,442
Variable rate				
BLR plus	54,096,045	50,108,650	54,096,045	50,108,811
Cost-plus	1,979,410	1,919,914	2,170,311	2,115,866
Other variable rates	709,254	720,665	709,254	720,666
	60,421,789	55,868,717	60,612,690	56,064,831

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
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	Group		Bank	
	30-Sep-13 RM'000	31-Dec-12 RM'000	30-Sep-13 RM'000	31-Dec-12 RM'000
Agriculture, hunting, forestry and fishing	1,214,328	1,101,105	1,214,328	1,101,105
Mining and quarrying	125,812	131,908	125,812	131,908
Manufacturing	6,258,440	6,280,758	6,258,440	6,280,758
Electricity, gas and water	25,920	27,921	25,920	27,921
Construction	5,169,162	4,609,804	5,169,162	4,609,804
Wholesale & retail trade and restaurants & hotels	7,279,808	7,442,566	7,279,808	7,442,566
Transport, storage and communication	661,178	583,656	661,178	583,656
Finance, insurance and business services	2,136,810	2,245,269	2,136,810	2,245,269
Real estate	3,692,821	2,700,043	3,883,722	2,896,157
Community, social and personal services	193,646	176,234	193,646	176,234
Households of which:	33,661,006	30,477,854	33,661,006	30,477,854
- purchase of residential properties	23,048,396	21,270,423	23,048,396	21,270,423
- purchase of non residential properties	5,968,387	4,821,014	5,968,387	4,821,014
- others	4,644,223	4,386,417	4,644,223	4,386,417
Others	2,858	91,599	2,858	91,599
	60,421,789	55,868,717	60,612,690	56,064,831

**(v) Movements in impaired loans and
advances are as follows:**

	Group		Bank	
	30-Sep-13 RM'000	31-Dec-12 RM'000	30-Sep-13 RM'000	31-Dec-12 RM'000
At 1 January	994,171	833,396	994,171	833,396
Classified as impaired during the period/year	579,223	707,381	579,223	707,381
Amount recovered	(242,111)	(265,107)	(242,111)	(265,107)
Reclassified as non-impaired	(208,653)	(181,544)	(208,653)	(181,544)
Amount written off	(97,637)	(99,955)	(97,637)	(99,955)
At 30 Sep / 31 Dec	1,024,993	994,171	1,024,993	994,171
Individual impairment	(281,768)	(317,731)	(281,768)	(317,731)
Net impaired loans and advances	743,225	676,440	743,225	676,440
Ratio of net impaired loans and advances to net loans and advances	1.2%	1.2%	1.2%	1.2%

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
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loans and advances are as follows:**

	Group and Bank	
	30-Sep-13	31-Dec-12
	RM'000	RM'000
<u>Collective Impairment</u>		
At 1 January		
As reported under FRS	553,711	721,569
Effects of transition to MFRS	-	(270,118)
As reported under MFRS	553,711	451,451
Allowance made during the period/year	113,076	102,260
At 30 Sep / 31 Dec	666,787	553,711

	Group and Bank	
	30-Sep-13	31-Dec-12
	RM'000	RM'000
<u>Individual Impairment</u>		
At 1 January	317,731	249,315
Allowance made during the period/year	199,364	307,627
Amount written back in respect of recoveries	(142,854)	(119,568)
Amount written off	(98,356)	(108,794)
Interest recognition on impaired loans	4,953	(3,658)
Transfer to debt restructuring	(1,434)	(7,191)
Other adjustment	2,364	-
At 30 Sep / 31 Dec	281,768	317,731

**(vii) Impaired loans according to
economic sectors are as follows:**

	Group and Bank	
	30-Sep-13	31-Dec-12
	RM'000	RM'000
Agriculture, hunting, forestry and fishing	179	216
Manufacturing	280,232	318,562
Construction	154,470	117,252
Wholesale & retail trade and restaurants & hotels	114,736	100,718
Transport, storage and communication	1,638	5,503
Finance, insurance and business services	17,217	19,987
Real estate	20,479	22,733
Community, social and personal services	920	1,068
Households of which:	435,122	408,132
- purchase of residential properties	329,366	314,356
- purchase of non residential properties	37,821	34,721
- others	67,935	59,055
	1,024,993	994,171

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2013****16. FINANCIAL DERIVATIVES**

Financial derivatives are instruments whose values change in response to the change in one or more “underlying”, such as foreign exchange rate, security price and credit index. They include forwards, swaps, futures, options and credit derivatives. In the normal course of business, the Group and the Bank customise derivatives to meet specific needs of their customers. The Group and the Bank also transact in these derivatives for proprietary trading purposes as well as to manage its assets/liabilities and structural positions. The fair values of the derivatives are as follows:

	Group and Bank		
	Contract or underlying principal amount RM'000	Positive fair value RM'000	Negative fair value RM'000
As at 30 September 2013			
Foreign exchange contracts			
- forwards	9,096,288	105,755	64,873
- swaps	7,928,164	87,868	59,981
- options	2,197,085	19,740	12,297
Interest rate related contracts			
- swaps	16,945,448	99,477	150,799
Equity related contracts			
- swaps	110,106	2,889	2,180
- options	590,678	1,600	1,600
	<u>16,945,448</u>	<u>317,329</u>	<u>291,730</u>
As at 31 December 2012			
Foreign exchange contracts			
- forwards	3,484,309	15,779	16,824
- swaps	3,583,731	19,204	20,862
Interest rate related contracts			
- swaps	17,574,575	113,060	138,521
Options	1,444,833	6,034	7,773
	<u>1,444,833</u>	<u>154,077</u>	<u>183,980</u>

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2013****17. OTHER ASSETS**

	Group		Bank	
	30-Sep-13 RM'000	31-Dec-12 RM'000	30-Sep-13 RM'000	31-Dec-12 RM'000
Other receivables, deposits and prepayments	296,630	128,488	300,293	132,517
Accrued interest receivable	80,880	72,970	80,880	72,970
Amount due from subsidiaries	-	-	230	294
Precious Metal accounts	427,186	344,497	427,186	344,497
	804,696	545,955	808,589	550,278

18. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30-Sep-13 RM'000	31-Dec-12 RM'000	30-Sep-13 RM'000	31-Dec-12 RM'000
Demand deposits	11,930,350	10,306,906	11,939,039	10,325,066
Savings deposits	4,210,179	3,234,645	4,210,179	3,234,645
Fixed deposits	41,137,764	35,047,213	41,148,957	35,048,277
Negotiable instruments of deposits	1,779,350	2,901,472	1,779,350	2,901,472
Structured deposits / Others	7,955,973	14,097,614	7,955,973	14,097,614
	67,013,616	65,587,850	67,033,498	65,607,074

**(i) The maturity structure of fixed
deposits and negotiable instruments
of deposits is as follows:**

Due within six months	34,539,489	27,155,471	34,550,682	27,156,535
Six months to one year	8,301,034	10,672,533	8,301,034	10,672,533
One year to three years	72,693	116,233	72,693	116,233
Three years to five years	3,898	4,448	3,898	4,448
	42,917,114	37,948,685	42,928,307	37,949,749

**(ii) The deposits are sourced from
the following customers:**

Business enterprises				
- Subsidiaries	-	-	19,882	19,224
- Others	28,907,258	29,156,395	28,907,258	29,156,395
Individuals	32,731,614	29,066,701	32,731,614	29,066,701
Others	5,374,744	7,364,754	5,374,744	7,364,754
	67,013,616	65,587,850	67,033,498	65,607,074

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
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	Group		Bank	
	30-Sep-13	31-Dec-12	30-Sep-13	31-Dec-12
	RM'000	RM'000	RM'000	RM'000
Licensed banks in Malaysia	112,100	383,905	112,100	383,905
Bank Negara Malaysia	1,793,155	1,674,061	1,793,155	1,674,061
Other financial institutions outside Malaysia	7,159,587	2,296,696	7,160,014	2,297,122
	9,064,842	4,354,662	9,065,269	4,355,088

20. OTHER LIABILITIES

	Group		Bank	
	30-Sep-13	31-Dec-12	30-Sep-13	31-Dec-12
	RM'000	RM'000	RM'000	RM'000
Provision for commitments and contingencies	4,643	165	4,643	165
Accrued interest payable	505,066	409,253	504,142	408,313
Accruals and provisions for operational expenses	100,795	134,297	100,400	133,998
Other accruals and provisions	725,152	604,582	725,116	604,550
Deferred income	290,447	313,178	290,447	313,178
	1,626,103	1,461,475	1,624,748	1,460,204

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
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21. SUBORDINATED BONDS

	Group and Bank	
	30-Sep-13	31-Dec-12
	RM'000	RM'000
RM500 million Subordinated Bonds 2010 / 2020, at par (a)	500,000	500,000
RM500 million Subordinated Bonds 2013 / 2023, at par (b)	500,000	-
Unamortised expenses relating to issue of Subordinated Bonds	(478)	(742)
	<u>999,522</u>	<u>499,258</u>

- (a) On 29 March 2010, the Bank issued RM500 million 10 years Subordinated Bonds due in 2020 callable with step-up in 2015 (the "Bonds").

The Bonds have been rated AA1 by Rating Agency Malaysia Bhd and they qualify as Tier 2 capital for the purpose of determining the Bank's capital adequacy ratio.

- (b) On 30 August 2013, the Bank issued RM500 million 10 years Subordinated Bonds due in 2023 callable with step-up in 2018 (the "Bonds").

The Bonds qualify as Tier 2 capital for the purpose of determining the Bank's capital adequacy ratio.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
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Operating revenue of the Group and the Bank comprise interest income, commission income, investment income/(loss), trustee and nominee services and other income derived from banking operation.

23. INTEREST INCOME

	Group		Bank	
	Nine Months Ended		Nine Months Ended	
	Sep-13	Sep-12	Sep-13	Sep-12
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from impaired loans	2,116,809	1,907,622	2,122,097	1,912,903
- Recoveries from impaired loans	56,509	48,646	56,509	48,646
Money at call and deposit placements with financial institutions	307,321	164,998	307,321	164,998
Financial assets at fair value through profit or loss	53,550	70,405	53,550	70,405
Available-for-sale securities	148,098	219,981	148,098	219,982
Others	-	758	-	758
	2,682,287	2,412,410	2,687,575	2,417,692
Amortisation of premium less accretion of discount on:				
- Financial assets at fair value through profit or loss	(307)	(581)	(307)	(581)
- Available-for-sale securities	(7,024)	(4,068)	(7,024)	(4,068)
	2,674,956	2,407,761	2,680,244	2,413,043

24. INTEREST EXPENSE

	Group		Bank	
	Nine Months Ended		Nine Months Ended	
	Sep-13	Sep-12	Sep-13	Sep-12
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	1,417,295	1,220,702	1,417,295	1,220,702
Deposits and placements of banks and other financial institutions	54,027	67,234	54,162	67,254
Subordinated Bonds	20,526	18,616	20,526	18,616
Others	29,189	15,465	29,189	15,465
	1,521,037	1,322,017	1,521,172	1,322,037

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2013****25. OTHER OPERATING INCOME**

	Group		Bank	
	Nine Months Ended		Nine Months Ended	
	Sep-13	Sep-12	Sep-13	Sep-12
	RM'000	RM'000	RM'000	RM'000
<u>Fee income</u>				
Commission	145,944	124,970	145,944	124,970
Guarantee fees	52,709	44,001	52,709	44,001
Service charges and fees	141,509	137,116	141,599	137,207
Commitment fees	19,298	17,844	19,305	17,851
Arrangement and participation fees	11,021	7,401	11,021	7,401
	370,481	331,332	370,578	331,430
<u>Trading and Investment Income</u>				
Gain from sale of financial assets				
at fair value through profit or loss	2,928	62	2,928	62
Gain from trading derivatives	30,992	29,984	30,992	29,984
Gain from sale of precious metal	4,441	3,503	4,441	3,503
Gain from sale/recovery of				
available-for-sale securities	14,344	14,795	14,344	14,795
Unrealised gain on financial assets				
at fair value through profit or loss	5,148	21,374	5,148	21,374
Gross dividends from :				
- Available-for-sale securities				
quoted in Malaysia	732	507	732	505
- Associate	-	-	18,122	3,890
	58,585	70,225	76,707	74,113
<u>Other income</u>				
Foreign exchange gain / (loss)				
- realised	65,100	144,574	65,100	144,574
- unrealised	28,991	(68,498)	28,991	(68,498)
Rental income from operating leases, other				
than those from investment property	145	111	56	41
Rental income from investment property	-	250	-	-
Gain / (Loss) on disposal of property, plant				
and equipment	3,098	(10)	79	(10)
Other operating income	3,530	3,277	3,530	3,277
Others	12,746	13,407	12,746	13,366
	113,610	93,111	110,502	92,750
	542,676	494,668	557,787	498,293

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2013****26. OTHER OPERATING EXPENSES**

	Group		Bank	
	Nine Months Ended		Nine Months Ended	
	Sep-13	Sep-12	Sep-13	Sep-12
	RM'000	RM'000	RM'000	RM'000
Personnel expenses	377,393	330,888	375,164	328,049
Establishment related expenses	96,727	89,592	106,583	97,836
Promotion and marketing related expenses	29,242	24,408	29,356	26,454
General administrative expenses	73,743	73,979	73,652	73,599
	577,105	518,867	584,755	525,938
<u>Personnel expenses</u>				
Wages, salaries and bonus	297,061	262,712	295,321	260,259
Employees Provident Fund Contributions (EPF)	48,134	38,300	47,853	37,950
Other employee benefits	32,198	29,876	31,990	29,840
	377,393	330,888	375,164	328,049
<u>Establishment related expenses</u>				
Depreciation of property, plant and equipment	25,168	24,003	20,454	20,098
Hire of equipment	260	42	260	41
Information technology costs	9,365	9,469	9,337	9,469
Repair and maintenance	13,206	12,701	13,244	11,895
Rental of premises	10,110	9,610	23,583	21,242
Others	38,618	33,767	39,705	35,091
	96,727	89,592	106,583	97,836
<u>Promotion and marketing related expenses</u>				
Advertisement and publicity	16,601	16,494	16,598	16,488
Others	12,641	7,914	12,758	9,966
	29,242	24,408	29,356	26,454
<u>General administrative expenses</u>				
Fees and commissions paid	33,267	35,128	33,200	34,883
Others	40,476	38,851	40,452	38,716
	73,743	73,979	73,652	73,599

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2013****27. ALLOWANCE FOR IMPAIRMENT ON LOANS AND ADVANCES**

	Group		Bank	
	Nine Months Ended		Nine Months Ended	
	Sep-13	Sep-12	Sep-13	Sep-12
	RM'000	RM'000	RM'000	RM'000
Allowance for impaired loans and advances				
(a) Individual impairment				
- Made in the financial period	199,364	209,350	199,364	209,350
- Written back in the financial period	(142,854)	(89,701)	(142,854)	(89,701)
(b) Collective impairment				
- Made in the financial period	113,076	53,323	113,076	53,323
Impaired loans and advances				
- Written off / (back)	2,306	(5,877)	2,306	(5,877)
- Recovered	(34,923)	(45,559)	(34,923)	(45,559)
	136,969	121,536	136,969	121,536

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2013****28. CAPITAL MANAGEMENT AND CAPITAL ADEQUACY**

The Group computes capital adequacy ratios in accordance with Bank Negara Malaysia's Capital Adequacy framework (Capital Components).

	Group		Bank	
	30-Sep-13	31-Dec-12	30-Sep-13	31-Dec-12
	RM'000	RM'000	RM'000	RM'000
<u>Common Equity Tier 1 (CET1) Capital</u>				
Paid-up share capital	470,000	470,000	470,000	470,000
Share premium	322,555	322,555	322,555	322,555
Retained profits - audited	3,870,734	4,191,509	3,814,897	4,135,672
Statutory reserve	470,000	470,000	470,000	470,000
Other reserves	121,138	129,837	(1,408)	7,291
Regulatory adjustments applied in the calculation of CET1 Capital	(369,653)	(365,943)	(254,719)	(251,008)
Total CET1 / Tier 1 capital	4,884,774	5,217,958	4,821,325	5,154,510
<u>Tier 2 capital</u>				
Tier II capital instruments	950,000	500,000	950,000	500,000
Loan/financing loss provision				
- Surplus eligible provisions over expected losses	177,160	80,847	181,554	84,208
- Collective impairment provisions	34,445	91,195	30,052	87,834
Regulatory adjustments applied in the calculation of Tier 2 Capital	(67,659)	(67,659)	(122,783)	(122,783)
Total Tier II capital	1,093,946	604,383	1,038,823	549,259
Total capital	5,978,720	5,822,341	5,860,148	5,703,769

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2013****28. CAPITAL MANAGEMENT AND CAPITAL ADEQUACY (con'td.)**

(a) The capital adequacy ratios of the Group and the Bank are as follows:

	Group		Bank	
	30-Sep-13	31-Dec-12	30-Sep-13	31-Dec-12
CET1/ Tier 1 ratio	12.66%	14.12%	12.57%	14.04%
Total Capital	15.49%	15.76%	15.28%	15.53%

(b) Analysis of gross risk-weighted assets in the various categories of risk-weights is as follows:

	Group		Bank	
	30-Sep-13 RM'000	31-Dec-12 RM'000	30-Sep-13 RM'000	31-Dec-12 RM'000
Total RWA for credit risk	34,120,191	32,264,452	33,884,744	32,027,944
Total RWA for market risk	666,775	797,538	666,775	797,538
Total RWA for operational risk	3,807,551	3,466,298	3,807,551	3,466,298
Large Exposure risk RWA for Equity Holdings	-	427,009	-	427,009
	38,594,517	36,955,297	38,359,070	36,718,789

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
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In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

	Group and Bank		
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000
As at 30 September 2013			
Direct credit substitutes	2,530,861	2,530,861	1,599,732
Transaction-related contingent items	3,349,173	1,655,340	1,155,452
Short-term self-liquidating trade-related contingencies	368,971	88,484	47,090
Foreign exchange related contracts			
- less than one year	13,629,941	333,064	114,144
- one year to less than five years	512,712	63,411	63,411
Interest rates related contracts			
- less than one year	2,613,253	7,855	2,375
- one year to less than five years	13,931,673	487,356	278,996
- five years and above	401,655	34,632	29,503
Equity related contracts			
- less than one year	594,356	19,731	7,643
- one year to less than five years	51,375	4,976	2,269
Others	15,674,006	2,825,172	567,578
Total	53,657,976	8,050,882	3,868,193

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS AT 30 SEPTEMBER 2013****29. COMMITMENTS AND CONTINGENCIES (con'td.)**

	Group and Bank		
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000
As at 31 December 2012			
Direct credit substitutes	1,827,459	1,827,458	1,065,306
Transaction-related contingent items	2,831,763	1,415,882	815,881
Short-term self-liquidating trade-related contingencies	308,146	61,629	37,405
Foreign exchange related contracts			
- less than one year	6,308,248	107,590	33,552
- one year to less than five years	318,141	16,730	16,106
Interest rates related contracts			
- less than one year	5,182,221	17,310	5,870
- one year to less than five years	10,949,435	366,195	202,047
- five years and above	1,398,464	114,753	88,333
Equity related contracts			
- less than one year	95,013	3,885	2,496
- one year to less than five years	75,446	1,639	447
Others	13,639,533	1,246,635	175,487
Total	42,933,869	5,179,706	2,442,930

The credit equivalent amount is arrived at using the credit conversion factor as per Bank Negara Malaysia guidelines.

Foreign exchange and interest rate related contracts for the Group and the Bank are subject to market risk and credit risk.

The Bank had implemented the Basel II Internal Ratings-Based Approach for weighted assets computation effective from June 2010.

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30. PERFORMANCE REVIEW

For the nine months ended 30 September 2013, the Group posted a pre-tax profit of RM1,014.2 million, an increase of RM35.9 million or 3.7% higher as compared to the corresponding period last year. The better performance was mainly contributed by higher total income, higher share of net profit of associates but moderated by higher operating expenses, higher allowance for impairment on loans and advances and impairment loss on AFS securities.

Net interest income increased by 6.3% or RM68.2 million to RM1,153.9 million mainly from loans growth contributed by households, real estate and construction sector. Other operating income also grew by 9.7% or RM48.0 million to RM542.7 million mainly due to higher fee income and higher foreign exchange gain, partially offset by lower trading and investment income.

Total operating expenses rose by RM58.2 million or 11.2% to RM577.1 million mainly contributed by higher staff expenses, higher establishment related expenses and higher marketing related expenses. Expense to income ratio stood at 34.0%.

Allowances for impairment on loans and advances increased by RM15.4 million or 12.7% to RM137.0 million mainly due to higher collective impairment and lower bad debt recoveries but offset by lower individual impairment. Asset quality remained healthy with the net non-performing loans ratio maintained at 1.2%.

Year to date, gross loans increased by RM4.6 billion or 8.1% to RM60.4 billion while non bank deposits grew by RM1.4 billion or 2.2% to RM67.0 billion. Net loans to deposit ratio stood at 88.7%.

31. PROSPECTS FOR 2013

The global economy continues to face downside risks, emanating from policy uncertainty surrounding the QE programme in the US and the ongoing sovereign debt concerns in the EU. While in Asia, domestic demand will continue to support the overall growth performance.

For Malaysian economy, the prolonged weakness in the global economy will affect the overall GDP growth for 2013. BNM has revised downwards its GDP forecast for this year to 4.5% – 5.0% from 5% - 6% earlier. Domestic demand is expected to remain strong and will continue to be supported by an accommodative monetary policy.

The Group will continue to seize opportunities with strong balance sheet, integrated regional network and disciplined approach to growth in the evolving banking landscape. The Group will continue to be cautiously optimistic to achieve a satisfactory result in 2013.