

**UNITED OVERSEAS BANK (MALAYSIA) BHD**  
Company No. 199301017069 (271809K)  
**AND ITS SUBSIDIARY COMPANIES**  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**31 MARCH 2021**

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

**UNITED OVERSEAS BANK (MALAYSIA) BHD**  
(Incorporated in Malaysia)

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	Note	Group		Bank	
		31-Mar-21 RM'000	31-Dec-20 RM'000	31-Mar-21 RM'000	31-Dec-20 RM'000
<b>ASSETS</b>					
Cash and short-term funds	11	<b>6,662,730</b>	6,069,508	<b>6,662,730</b>	6,069,508
Deposits and placements with financial institutions	12	-	1,149,710	-	1,149,710
Securities purchased under resale agreements		<b>37,892</b>	1,170,004	<b>37,892</b>	1,170,004
Financial assets at fair value through profit or loss ("FVTPL")	13	<b>3,794,087</b>	4,346,399	<b>3,794,087</b>	4,346,399
Debt instruments at fair value through other comprehensive income ("FVOCI")	14	<b>22,574,112</b>	25,638,935	<b>22,574,112</b>	25,638,935
Equity instruments at fair value through other comprehensive income ("FVOCI")	15	<b>156,639</b>	158,385	<b>156,639</b>	158,385
Debt Instruments at amortised cost	16	<b>504,064</b>	519,844	<b>504,064</b>	519,844
Loans, advances and financing	17	<b>85,900,533</b>	85,506,564	<b>85,992,806</b>	85,608,272
Derivative financial assets	18	<b>850,243</b>	814,118	<b>850,243</b>	814,118
Other assets	19	<b>893,944</b>	1,060,930	<b>900,424</b>	1,101,564
Statutory deposits with Bank Negara Malaysia		<b>60,226</b>	196,451	<b>60,226</b>	196,451
Investment in subsidiaries		-	-	<b>450,020</b>	400,020
Investment in an associate		<b>9,661</b>	9,637	<b>13,522</b>	13,522
Property, plant and equipment		<b>948,337</b>	919,556	<b>330,728</b>	319,484
Right-of-use assets		<b>78,389</b>	76,974	<b>143,798</b>	148,751
Deferred tax assets		<b>133,536</b>	74,577	<b>133,536</b>	74,577
<b>TOTAL ASSETS</b>		<b>122,604,393</b>	127,711,592	<b>122,604,827</b>	127,729,544
<b>LIABILITIES</b>					
Deposits from customers	20	<b>91,829,610</b>	93,590,472	<b>91,898,637</b>	93,680,388
Deposits and placements of banks and other financial institutions	21	<b>15,197,200</b>	16,948,757	<b>15,197,220</b>	16,948,777
Obligations on securities sold under repurchase agreements		<b>342,254</b>	924,777	<b>342,254</b>	924,777
Bills and acceptances payable		<b>216,857</b>	205,025	<b>216,857</b>	205,025
Derivative financial liabilities	18	<b>520,453</b>	1,082,914	<b>520,453</b>	1,082,914
Other liabilities	22	<b>1,261,984</b>	1,905,524	<b>1,276,795</b>	1,907,109
Lease liabilities		<b>80,857</b>	79,200	<b>145,877</b>	153,808
Tax payable		<b>135,940</b>	118,789	<b>135,558</b>	118,107
Subordinated bonds	23	<b>1,370,062</b>	1,377,166	<b>1,370,062</b>	1,377,166
Deferred tax liabilities		<b>18,843</b>	18,843	-	-
<b>TOTAL LIABILITIES</b>		<b>110,974,060</b>	116,251,467	<b>111,103,713</b>	116,398,071

**UNITED OVERSEAS BANK (MALAYSIA) BHD**  
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**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd.)**  
**AS AT 31 MARCH 2021**

	Notes	Group		Bank	
		31-Mar-21 RM'000	31-Dec-20 RM'000	31-Mar-21 RM'000	31-Dec-20 RM'000
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK</b>					
Share capital		792,555	792,555	792,555	792,555
Reserves		10,837,778	10,667,570	10,708,559	10,538,918
<b>TOTAL EQUITY</b>		<b>11,630,333</b>	11,460,125	<b>11,501,114</b>	11,331,473
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>122,604,393</b>	127,711,592	<b>122,604,827</b>	127,729,544
<b>COMMITMENTS AND CONTINGENCIES</b>	33	<b>141,039,495</b>	121,487,155	<b>140,817,432</b>	121,228,697

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED INCOME STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

Group	Note	First Quarter Ended		Three Month Ended	
		31-Mar-21 RM'000	31-Mar-20 RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000
Operating revenue	25	<b>1,238,877</b>	1,614,095	<b>1,238,877</b>	1,614,095
Interest income	26	<b>986,139</b>	1,250,208	<b>986,139</b>	1,250,208
Interest expense	27	<b>(392,660)</b>	(701,326)	<b>(392,660)</b>	(701,326)
Net interest income		<b>593,479</b>	548,882	<b>593,479</b>	548,882
Net income from Islamic Banking operations	36	<b>31,163</b>	18,086	<b>31,163</b>	18,086
Other operating income	28	<b>204,314</b>	305,483	<b>204,314</b>	305,483
Operating income		<b>828,956</b>	872,451	<b>828,956</b>	872,451
Other operating expenses	29	<b>(303,230)</b>	(319,971)	<b>(303,230)</b>	(319,971)
Operating profit before allowances for expected credit losses		<b>525,726</b>	552,480	<b>525,726</b>	552,480
(Allowances for)/write-back of expected credit losses on:					
Loans, advances and financing	30	<b>(48,866)</b>	(97,594)	<b>(48,866)</b>	(97,594)
Other financial assets	30	<b>(6,069)</b>	4,322	<b>(6,069)</b>	4,322
Commitments and contingencies	30	<b>(12,888)</b>	(2,473)	<b>(12,888)</b>	(2,473)
		<b>457,903</b>	456,735	<b>457,903</b>	456,735
Share of net profit of an associate		<b>24</b>	51	<b>24</b>	51
Profit before taxation		<b>457,927</b>	456,786	<b>457,927</b>	456,786
Income tax expense		<b>(111,085)</b>	(110,859)	<b>(111,085)</b>	(110,859)
Profit for the period attributable to equity holders of the Bank		<b>346,842</b>	345,927	<b>346,842</b>	345,927
Basic/diluted earnings per share (sen)		<b>73.8</b>	73.6	<b>73.8</b>	73.6

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.

**UNITED OVERSEAS BANK (MALAYSIA) BHD**  
(Incorporated in Malaysia)

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS (cont'd.)**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

Bank	Note	First Quarter Ended		Three Month Ended	
		31-Mar-21 RM'000	31-Mar-20 RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000
Operating revenue	25	<b>1,239,598</b>	1,615,281	<b>1,239,598</b>	1,615,281
Interest income	26	<b>986,791</b>	1,251,328	<b>986,791</b>	1,251,328
Interest expense	27	<b>(393,353)</b>	(701,799)	<b>(393,353)</b>	(701,799)
Net interest income		<b>593,438</b>	549,529	<b>593,438</b>	549,529
Net income from Islamic Banking operations	36	<b>31,163</b>	18,086	<b>31,163</b>	18,086
Other operating income	28	<b>204,383</b>	305,550	<b>204,383</b>	305,550
Operating income		<b>828,984</b>	873,165	<b>828,984</b>	873,165
Other operating expenses	29	<b>(304,103)</b>	(321,265)	<b>(304,103)</b>	(321,265)
Operating profit before allowances for expected credit losses		<b>524,881</b>	551,900	<b>524,881</b>	551,900
(Allowances for)/write-back of expected credit losses on:					
Loans, advances and financing	30	<b>(48,888)</b>	(97,434)	<b>(48,888)</b>	(97,434)
Other financial assets	30	<b>(6,072)</b>	4,322	<b>(6,072)</b>	4,322
Commitments and contingencies	30	<b>(12,888)</b>	(2,473)	<b>(12,888)</b>	(2,473)
Profit before taxation		<b>457,033</b>	456,315	<b>457,033</b>	456,315
Income tax expense		<b>(110,758)</b>	(110,569)	<b>(110,758)</b>	(110,569)
Profit for the period attributable to equity holders of the Bank		<b>346,275</b>	345,746	<b>346,275</b>	345,746
Basic/diluted earnings per share (sen)		<b>73.7</b>	73.6	<b>73.7</b>	73.6

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.

**UNITED OVERSEAS BANK (MALAYSIA) BHD**  
(Incorporated in Malaysia)

**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

<b>Group</b>	<b>First Quarter Ended</b>		<b>Three Month Ended</b>	
	<b>31-Mar-21 RM'000</b>	<b>31-Mar-20 RM'000</b>	<b>31-Mar-21 RM'000</b>	<b>31-Mar-20 RM'000</b>
Profit for the period	<b>346,842</b>	345,927	<b>346,842</b>	345,927
<b><i>Other comprehensive income:</i></b>				
<u>Items that will be reclassified subsequently to income statements:</u>				
Net fair value changes in debt instruments at fair value through other comprehensive income	<b>(230,863)</b>	9,662	<b>(230,863)</b>	9,662
Income tax effect	<b>55,406</b>	(2,319)	<b>55,406</b>	(2,319)
	<b>(175,457)</b>	7,343	<b>(175,457)</b>	7,343
<u>Items that will not be reclassified subsequently to income statements:</u>				
Net fair value changes in equity instruments at fair value through other comprehensive income	<b>(1,557)</b>	(578)	<b>(1,557)</b>	(578)
Gains on disposal of equity	<b>6</b>	-	<b>6</b>	-
Income tax effect	<b>374</b>	139	<b>374</b>	139
	<b>(1,177)</b>	(439)	<b>(1,177)</b>	(439)
Total other comprehensive income for the period, net of tax	<b>(176,634)</b>	6,904	<b>(176,634)</b>	6,904
Total comprehensive income for the period attributable to equity holders	<b>170,208</b>	352,831	<b>170,208</b>	352,831

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.

**UNITED OVERSEAS BANK (MALAYSIA) BHD**  
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**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME (cont'd.)**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

	First Quarter Ended		Three Month Ended	
	31-Mar-21 RM'000	31-Mar-20 RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000
<b>Bank</b>				
Profit for the period	<b>346,275</b>	345,746	<b>346,275</b>	345,746
<b><i>Other comprehensive income:</i></b>				
<u>Items that will be reclassified subsequently to income statements:</u>				
Net fair value changes in debt instruments at fair value through other comprehensive income	<b>(230,863)</b>	9,662	<b>(230,863)</b>	9,662
Income tax effect	<b>55,406</b>	(2,319)	<b>55,406</b>	(2,319)
	<b>(175,457)</b>	7,343	<b>(175,457)</b>	7,343
<u>Items that will not be reclassified subsequently to income statements:</u>				
Net fair value changes in equity instruments at fair value through other comprehensive income	<b>(1,557)</b>	(578)	<b>(1,557)</b>	(578)
Gains on disposal of equity	<b>6</b>	-	<b>6</b>	-
Income tax effect	<b>374</b>	139	<b>374</b>	139
	<b>(1,177)</b>	(439)	<b>(1,177)</b>	(439)
Total other comprehensive income for the period, net of tax	<b>(176,634)</b>	6,904	<b>(176,634)</b>	6,904
Total comprehensive income for the period attributable to equity holders	<b>169,641</b>	352,650	<b>169,641</b>	352,650

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.

Company No. 199301017069 (271809K)

**UNITED OVERSEAS BANK (MALAYSIA) BHD**  
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**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

GROUP	← Non-distributable →			Distributable	Total
	Share capital	Revaluation reserves	Fair value through other comprehensive income reserve	Retained profits	
2021	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2021	792,555	184,130	309,046	10,174,394	11,460,125
Profit for the period	-	-	-	346,842	346,842
Gain on disposal on equity	-	-	-	6	6
Other comprehensive income for the period	-	-	(176,640)	-	(176,640)
Total comprehensive income for the period	-	-	(176,640)	346,848	170,208
Balance as at 31 March 2021	792,555	184,130	132,406	10,521,242	11,630,333

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.



Company No. 199301017069 (271809K)

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

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**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (cont'd.)  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

**GROUP (cont'd.)**

	← Non-distributable →			Distributable	Total
	Share capital	Revaluation reserves	Fair value through other comprehensive income reserve	Retained profits	
<b>2020</b>	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2020	792,555	184,130	169,736	9,763,631	10,910,052
Profit for the period	-	-	-	345,927	345,927
Other comprehensive income for the period	-	-	6,904	-	6,904
Total comprehensive income for the period	-	-	6,904	345,927	352,831
Balance as at 31 March 2020	792,555	184,130	176,640	10,109,558	11,262,883

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

<b>BANK</b>	Non-distributable		Distributable	
	Share capital	Fair value through other comprehensive income reserve	Retained profits	Total
<b>2021</b>	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2021	792,555	302,144	10,236,774	11,331,473
Profit for the period	-	-	346,275	346,275
Gain on disposal on equity	-	-	6	6
Other comprehensive income for the period	-	(176,640)	-	(176,640)
Total comprehensive income for the period	-	(176,640)	346,281	169,641
Balance as at 31 March 2021	792,555	125,504	10,583,055	11,501,114

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.

Company No. 199301017069 (271809K)

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (cont'd.)  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

<b>BANK (cont'd.)</b>	Non-distributable		Distributable	
	Share capital	Fair value through other comprehensive income reserve	Retained profits	Total
<b>2020</b>	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2020	792,555	162,834	9,830,387	10,785,776
Profit for the period	-	-	345,746	345,746
Other comprehensive income for the period	-	6,904	-	6,904
Total comprehensive income for the period	-	6,904	345,746	352,650
Balance as at 31 March 2020	792,555	169,738	10,176,133	11,138,426

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.

**UNITED OVERSEAS BANK (MALAYSIA) BHD**  
(Incorporated in Malaysia)

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

	Group		Bank	
	31-Mar-21 RM'000	31-Mar-20 RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000
Profit before taxation	<b>457,927</b>	456,786	<b>457,033</b>	456,315
Adjustments for non-operating and non-cash items	<b>(20,566)</b>	(51,496)	<b>305</b>	(23,202)
Operating profit before working capital changes	<b>437,361</b>	405,290	<b>457,338</b>	433,113
Changes in working capital:				
Net changes in operating assets	<b>1,407,752</b>	1,347,576	<b>1,433,812</b>	1,326,787
Net changes in operating liabilities	<b>(5,253,295)</b>	787,214	<b>(5,270,546)</b>	800,621
Tax expense paid	<b>(97,112)</b>	(76,591)	<b>(96,484)</b>	(75,996)
Net cash (used in)/generated from operating activities	<b>(3,505,294)</b>	2,463,489	<b>(3,475,880)</b>	2,484,525
Net cash generated from investing activities	<b>2,955,910</b>	2,283,518	<b>2,926,496</b>	2,262,482
Net cash (used in)/generated from financing activities	<b>(7,104)</b>	15,488	<b>(7,104)</b>	15,488
Net (decrease)/increase in cash and cash equivalents	<b>(556,488)</b>	4,762,495	<b>(556,488)</b>	4,762,495
Cash and cash equivalents at beginning of the period	<b>7,219,218</b>	1,830,129	<b>7,219,218</b>	1,830,129
Cash and cash equivalents at end of the period	<b>6,662,730</b>	6,592,624	<b>6,662,730</b>	6,592,624
<b>Analysis of cash and cash equivalents</b>				
Cash and short-term funds	<b>6,662,730</b>	6,192,733	<b>6,662,730</b>	6,192,733
Deposits and placements with financial institutions	-	399,891	-	399,891
	<b>6,662,730</b>	6,592,624	<b>6,662,730</b>	6,592,624

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**EXPLANATORY NOTES**

**1. BASIS OF PREPARATION**

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB").

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and of the Bank for the financial year ended 31 December 2020. The explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial positions and performance of the Group and of the Bank since the financial year ended 31 December 2020.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2020, except for the adoption of the following MFRS, Amendments to MFRSs, Annual Improvements to MFRSs and IC Interpretation, which are only applicable for financial periods beginning on or after 1 January 2021:

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 Interest Rate Benchmark Reform Phase 2

**Effective for financial periods beginning on or after 1 January 2022**

Amendments to MFRS 3 Reference to the Conceptual Framework

Amendments to MFRS 116 Property, Plant and Equipment Proceeds before Intended Use

Amendments to MFRS 137 Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018-2020 Cycle

**Effective for financial periods beginning on or after 1 January 2023**

MFRS 17 Insurance Contracts

Amendments to MFRS 101 Classification of Liabilities as Current or Non-current

**Effective for financial periods to be determined by the MASB**

Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The Group and the Bank plan to adopt the above pronouncements when they become effective in the respective financial periods. The initial application of the abovementioned pronouncements is not expected to have any significant impact to the financial statements of the Group and of the Bank.

**2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2020 was not subject to any qualification.

**3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

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

**4. 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 of the Bank for the financial period ended 31 March 2021.

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

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**EXPLANATORY NOTES**

**5. CHANGES IN ESTIMATES**

There were no significant changes in estimates of amounts reported in prior financial year that have a material effect on the financial results and position of the Group and of the Bank for the financial period ended 31 March 2021.

**6. DEBT AND EQUITY SECURITIES**

There were no issuances of shares, share buy-backs and repayment of debt and equity securities by the Group and the Bank during the financial period ended 31 March 2021.

**7. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are stated at cost/valuation less accumulated depreciation and accumulated impairment losses. There was no change in the valuation of property, plant and equipment that was brought forward from the previous audited financial statements for the financial year ended 31 December 2020.

**8. DIVIDENDS**

There were no dividend paid for the financial period ended 31 March 2021.

**9. SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING DATE**

There were no material events subsequent to the end of the reporting date that require disclosure or adjustments to the unaudited condensed 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 31 March 2021.

**UNITED OVERSEAS BANK (MALAYSIA) BHD**  
(Incorporated in Malaysia)

**EXPLANATORY NOTES**

**11. CASH AND SHORT-TERM FUNDS**

	<b>Group and Bank</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and balances with banks and other financial institutions	1,290,153	1,096,170
Money at call and deposit placements maturing within one month	<u>5,433,502</u>	<u>5,030,008</u>
	<b>6,723,655</b>	<b>6,126,178</b>
Less: Allowances for ECL	<u>(60,925)</u>	<u>(56,670)</u>
	<b><u>6,662,730</u></b>	<b><u>6,069,508</u></b>

**12. DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS**

	<b>Group and Bank</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	-	1,150,000
Less: Allowances for ECL	-	(290)
	<u>-</u>	<u>1,149,710</u>

**13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")**

	<b>Group and Bank</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money market instruments</b>		
Malaysian Government treasury bills	466,355	662,524
Malaysian Government securities	218,432	677,488
Negotiable instruments of deposits	<u>1,549,966</u>	<u>900,116</u>
	<b><u>2,234,753</u></b>	<b><u>2,240,128</u></b>
<b>Unquoted securities in Malaysia</b>		
Cagamas bonds	215,020	265,363
Private debt securities	<u>1,344,314</u>	<u>1,840,908</u>
	<b><u>1,559,334</u></b>	<b><u>2,106,271</u></b>
	<b><u>3,794,087</u></b>	<b><u>4,346,399</u></b>

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**EXPLANATORY NOTES**

**14. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")**

	<b>Group and Bank</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money market instruments</b>		
Bank Negara Malaysia bills	-	1,149,308
Malaysian Government securities	<b>15,038,741</b>	16,664,179
Negotiable instruments of deposits	<b>2,149,964</b>	2,640,101
	<b>17,188,705</b>	20,453,588
<b>Unquoted securities in Malaysia</b>		
Cagamas bonds	<b>1,592,298</b>	1,537,218
Private debt securities	<b>3,793,109</b>	3,648,129
	<b>5,385,407</b>	5,185,347
<b>Total debt instruments at FVOCI</b>	<b>22,574,112</b>	25,638,935

**15. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")**

	<b>Group and Bank</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Quoted securities</b>		
Shares of corporations in Malaysia	<b>2,269</b>	2,456
<b>Unquoted securities</b>		
Shares of corporations in Malaysia	<b>154,370</b>	155,929
	<b>156,639</b>	158,385

**16. DEBT INSTRUMENTS AT AMORTISED COST ("AC")**

	<b>Group and Bank</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Private debt securities of companies incorporated In Malaysia</b>		
Unquoted corporate bonds	<b>507,550</b>	524,854
Less: Allowances for ECL	<b>(3,486)</b>	(5,010)
	<b>504,064</b>	519,844



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**EXPLANATORY NOTES****17. LOANS, ADVANCES AND FINANCING**

	Group		Bank	
	31-Mar-21 RM'000	31-Dec-20 RM'000	31-Mar-21 RM'000	31-Dec-20 RM'000
Overdrafts	2,750,262	2,712,538	2,750,262	2,712,538
Term loans/financing and revolving credits				
- Housing loans/financing	33,403,397	33,277,257	33,403,397	33,277,257
- Syndicated term loans/financing	908,803	921,066	908,803	921,066
- Other term loans/financing	38,548,120	38,757,375	38,641,664	38,860,332
Credit card receivables	2,474,689	2,617,464	2,474,689	2,617,464
Bills receivables	827,003	1,115,519	827,003	1,115,519
Trust receipts	3,494,323	3,056,688	3,494,323	3,056,688
Claims on customers under acceptance credits	5,588,359	5,145,177	5,588,359	5,145,177
Staff loans	38,290	38,575	38,290	38,575
Others	14,649	240	14,649	240
	<b>88,047,895</b>	87,641,899	<b>88,141,439</b>	87,744,856
Unearned interest/income	(164,856)	(182,752)	(164,856)	(182,752)
<b>Gross loans, advances and financing</b>	<b>87,883,039</b>	87,459,147	<b>87,976,583</b>	87,562,104
Allowances for impairment on loans advances and financing				
-Stage 1- 12 month ECL	(711,696)	(711,051)	(712,967)	(712,300)
-Stage 2- Lifetime ECL non impaired	(794,563)	(785,956)	(794,563)	(785,956)
-Stage 3- Lifetime ECL credit-impaired	(476,247)	(455,576)	(476,247)	(455,576)
<b>Net loans, advances and financing</b>	<b>85,900,533</b>	85,506,564	<b>85,992,806</b>	85,608,272

**(i) Gross loans, advances and financing by maturity structure:**

	Group		Bank	
	31-Mar-21 RM'000	31-Dec-20 RM'000	31-Mar-21 RM'000	31-Dec-20 RM'000
Maturing within one year	23,451,734	22,416,133	23,545,278	22,519,090
One year to three years	5,373,357	6,423,980	5,373,357	6,423,980
Three years to five years	7,045,950	6,604,606	7,045,950	6,604,606
Over five years	52,011,998	52,014,428	52,011,998	52,014,428
	<b>87,883,039</b>	87,459,147	<b>87,976,583</b>	87,562,104

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**EXPLANATORY NOTES**

**17. LOANS, ADVANCES AND FINANCING (cont'd.)**

**(ii) Gross loans, advances and financing by type of customers:**

	Group		Bank	
	31-Mar-21 RM'000	31-Dec-20 RM'000	31-Mar-21 RM'000	31-Dec-20 RM'000
Domestic non-banking financial institutions				
- Stockbroking companies	25,143	10,135	25,143	10,135
- Others	2,264,827	2,166,855	2,264,827	2,166,855
Domestic business enterprises				
- Small medium enterprises	20,741,090	20,491,025	20,741,090	20,491,025
- Others	15,679,673	15,088,909	15,773,217	15,191,866
Individuals	42,820,951	42,953,031	42,820,951	42,953,031
Foreign entities	6,351,355	6,749,192	6,351,355	6,749,192
	<b>87,883,039</b>	<b>87,459,147</b>	<b>87,976,583</b>	<b>87,562,104</b>

**(iii) Gross loans, advances and financing by interest/profit rate sensitivity:**

	Group		Bank	
	31-Mar-21 RM'000	31-Dec-20 RM'000	31-Mar-21 RM'000	31-Dec-20 RM'000
Fixed rate				
- Housing loans/financing	13,014	13,414	13,014	13,414
- Other fixed rate loans /financing	11,521,617	11,146,092	11,521,617	11,146,092
Variable rate				
- Base rate/base lending /financing rate-plus	54,723,964	54,799,091	54,723,964	54,799,091
- Cost-plus	20,852,177	20,775,520	20,945,721	20,878,477
- Other variable rates	772,267	725,030	772,267	725,030
	<b>87,883,039</b>	<b>87,459,147</b>	<b>87,976,583</b>	<b>87,562,104</b>

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**EXPLANATORY NOTES****17. LOANS, ADVANCES AND FINANCING (cont'd.)****(iv) Gross loans, advances and financing by economic sector:**

	<b>Group</b>		<b>Bank</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Agriculture, hunting, forestry and fishing	<b>1,766,186</b>	1,829,451	<b>1,766,186</b>	1,829,451
Mining and quarrying	<b>759,986</b>	1,072,933	<b>759,986</b>	1,072,933
Manufacturing	<b>7,562,596</b>	7,313,797	<b>7,562,596</b>	7,313,797
Electricity, gas and water	<b>393,346</b>	249,564	<b>393,346</b>	249,564
Construction	<b>7,163,117</b>	7,239,448	<b>7,163,117</b>	7,239,448
Wholesale, retail trade, restaurants and hotels	<b>12,122,278</b>	11,295,941	<b>12,122,278</b>	11,295,941
Transport, storage and communication	<b>1,922,683</b>	2,019,115	<b>1,922,683</b>	2,019,115
Finance, insurance and business services	<b>4,159,363</b>	4,153,056	<b>4,159,363</b>	4,153,056
Real estate	<b>4,020,611</b>	4,074,470	<b>4,114,155</b>	4,177,427
Community, social and personal services	<b>152,052</b>	154,290	<b>152,052</b>	154,290
Households				
- purchase of residential properties	<b>34,118,617</b>	34,001,017	<b>34,118,617</b>	34,001,017
- purchase of non residential properties	<b>8,551,704</b>	8,657,987	<b>8,551,704</b>	8,657,987
- others	<b>5,190,500</b>	5,398,078	<b>5,190,500</b>	5,398,078
	<b>87,883,039</b>	87,459,147	<b>87,976,583</b>	87,562,104

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**EXPLANATORY NOTES****17. LOANS, ADVANCES AND FINANCING (cont'd.)****(v) Movements in impaired loans, advances and financing are as follows:**

	<b>Group and Bank</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>
As at 1 January	1,678,371	1,560,810
Classified as impaired during the financial period/year	220,171	693,199
Amount recovered	(81,750)	(245,989)
Reclassified as non-impaired	(36,640)	(180,113)
Amount written off	(38,605)	(149,536)
As at 31 March/31 December	<u>1,741,547</u>	<u>1,678,371</u>
Less: Stage 3-Lifetime ECL credit-impaired	<u>(476,248)</u>	<u>(455,576)</u>
Net impaired loans, advances and financing	<u>1,265,299</u>	<u>1,222,795</u>
Ratio of net impaired loans, advances and financing to gross loans, advances and financing less allowances for ECL on credit-impaired provisions	<u>1.4%</u>	<u>1.4%</u>

**(vi) Credit-impaired loans, advances and financing analysed by economic sectors are as follows:**

	<b>Group and Bank</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>
Agriculture, hunting, forestry and fishing	1,387	559
Mining and quarrying	683	776
Manufacturing	226,118	213,580
Construction	316,571	314,203
Wholesale, retail trade, restaurants and hotels	237,719	212,724
Transport, storage and communication	95,565	92,750
Finance, insurance and business services	23,651	23,895
Real estate	174,805	181,370
Community, social and personal services	105	-
Households		
- purchase of residential properties	478,888	466,125
- purchase of non-residential properties	106,102	96,145
- others	79,953	76,244
	<u>1,741,547</u>	<u>1,678,371</u>

**(vii) Credit-impaired loans, advances and financing analysed by geographical distribution are as follows:**

	<b>Group and Bank</b>	
	<b>31-Mar-21</b>	<b>31-Dec-20</b>
	<b>RM'000</b>	<b>RM'000</b>
In Malaysia	<u>1,741,547</u>	<u>1,678,371</u>

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**EXPLANATORY NOTES****18. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)**

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. While the Group and the Bank also enter into other foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases for customers, these other contracts are not designated as hedge relationships and are measured at fair value through profit or loss.

The fair values of the derivatives are as follows:

	<b>Group and Bank</b>		
	<b>Contract or underlying principal amount RM'000</b>	<b>Positive fair value RM'000</b>	<b>Negative fair value RM'000</b>
<b>As at 31 March 2021</b>			
Foreign exchange contracts			
- forwards	12,130,733	106,901	32,959
- swaps	32,992,192	300,276	159,936
- options	1,803,689	11,132	2,688
Interest rate related contracts			
- swaps	40,851,089	363,145	309,630
- futures	-	-	-
- options	180,000	2,446	263
Equity related contracts			
- options	39,543	527	640
Commodity related contracts			
- swaps	332,999	39,705	2,407
- futures	180,139	3,731	10,390
- options	247,783	22,380	1,540
		<u>850,243</u>	<u>520,453</u>

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**EXPLANATORY NOTES****18. DERIVATIVES FINANCIAL ASSETS/(LIABILITIES) (cont'd.)**

	<b>Group and Bank</b>		
	<b>Contract or underlying principal amount RM'000</b>	<b>Positive fair value RM'000</b>	<b>Negative fair value RM'000</b>
<b>As at 31 December 2020</b>			
Foreign exchange contracts			
- forwards	9,713,638	55,637	184,919
- swaps	24,958,066	200,756	485,544
- options	791,805	2,244	1,789
Interest rate related contracts			
- swaps	33,593,528	496,446	367,052
- futures	12,851	20	-
- options	180,000	2,584	242
Equity related contracts			
- options	118,736	4,263	4,391
Commodity related contracts			
- swaps	247,483	41,350	8,785
- futures	224,233	72	29,095
- options	66,321	10,746	1,097
		<u>814,118</u>	<u>1,082,914</u>

The table above analyses the principal amounts and the positive and negative fair values of the Group's and the Bank's financial derivatives. The notional amounts of these instruments indicate the value of transactions outstanding at the reporting date for both trading and hedging instruments. They do not necessarily indicate the amount of future cash flows or the fair value of the derivatives and therefore, do not represent total amount of risk. The positive and negative fair values represent the favourable and unfavourable fair values respectively of hedging and trading derivatives as a result of fluctuations in the value of the underlying relative to their contractual terms as at reporting date.

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**EXPLANATORY NOTES****19. OTHER ASSETS**

	<b>Group</b>		<b>Bank</b>	
	<b>31-Mar-21</b>	31-Dec-20	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Other receivables, deposits and prepayments	<b>233,614</b>	435,856	<b>234,385</b>	471,336
Accrued interest/income receivable	<b>179,698</b>	237,647	<b>179,698</b>	237,647
Amount due from subsidiaries	-	-	<b>5,709</b>	5,154
Amount due from fellow subsidiary	<b>1,275</b>	1,235	<b>1,275</b>	1,235
Amount due from holding company	-	167	-	167
Amount due from ultimate holding company	<b>1,031</b>	1,178	<b>1,031</b>	1,178
Precious metal accounts	<b>484,476</b>	389,136	<b>484,476</b>	389,136
Less: Allowances for ECL	<b>(6,150)</b>	(4,289)	<b>(6,150)</b>	(4,289)
	<b>893,944</b>	1,060,930	<b>900,424</b>	1,101,564

**20. DEPOSITS FROM CUSTOMERS**

	<b>Group</b>		<b>Bank</b>	
	<b>31-Mar-21</b>	31-Dec-20	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Demand deposits	<b>28,593,534</b>	27,338,425	<b>28,661,189</b>	27,428,341
Savings deposits	<b>5,618,986</b>	5,401,159	<b>5,618,986</b>	5,401,159
Fixed deposits	<b>55,964,945</b>	58,037,500	<b>55,964,945</b>	58,037,500
Others	<b>1,652,145</b>	2,813,388	<b>1,653,517</b>	2,813,388
	<b>91,829,610</b>	93,590,472	<b>91,898,637</b>	93,680,388

(i) The maturity structure of fixed deposits is as follows:

	<b>Group</b>		<b>Bank</b>	
	<b>31-Mar-21</b>	31-Dec-20	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Due within six months	<b>41,052,852</b>	40,752,152	<b>41,052,852</b>	40,752,152
Six months to one year	<b>14,728,788</b>	17,012,237	<b>14,728,788</b>	17,012,237
One year to three years	<b>173,165</b>	262,971	<b>173,165</b>	262,971
Three years to five years	<b>10,140</b>	10,140	<b>10,140</b>	10,140
	<b>55,964,945</b>	58,037,500	<b>55,964,945</b>	58,037,500

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**EXPLANATORY NOTES****20. DEPOSITS FROM CUSTOMERS (cont'd.)**

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

	Group		Bank	
	31-Mar-21 RM'000	31-Dec-20 RM'000	31-Mar-21 RM'000	31-Dec-20 RM'000
Business enterprises				
- Subsidiaries	-	-	67,655	89,916
- Related companies	805	827	805	827
- Others	41,842,773	40,754,371	41,844,145	40,754,371
Individuals	49,008,080	50,459,732	49,008,080	50,459,732
Others	977,952	2,375,542	977,952	2,375,542
	<b>91,829,610</b>	<b>93,590,472</b>	<b>91,898,637</b>	<b>93,680,388</b>

**21. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS**

	Group		Bank	
	31-Mar-21 RM'000	31-Dec-20 RM'000	31-Mar-21 RM'000	31-Dec-20 RM'000
Licensed banks in Malaysia	2,639,737	396,613	2,639,736	396,613
Bank Negara Malaysia	1,164,875	1,153,243	1,164,875	1,153,243
Other financial institutions	11,392,588	15,398,901	11,392,609	15,398,921
	<b>15,197,200</b>	<b>16,948,757</b>	<b>15,197,220</b>	<b>16,948,777</b>

**22. OTHER LIABILITIES**

	Group		Bank	
	31-Mar-21 RM'000	31-Dec-20 RM'000	31-Mar-21 RM'000	31-Dec-20 RM'000
Allowances for ECL on commitments and contingencies	145,243	132,356	145,244	132,356
Accrued interest payable	200,061	262,411	200,061	262,411
Accruals and provisions for operational expenses	80,181	155,095	79,111	153,615
Other payables and accruals	754,073	1,267,567	769,953	1,270,632
Deferred income	82,426	88,095	82,426	88,095
	<b>1,261,984</b>	<b>1,905,524</b>	<b>1,276,795</b>	<b>1,907,109</b>



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**EXPLANATORY NOTES**

**23. SUBORDINATED BONDS**

	<b>Group and Bank</b>	
	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000
<i>At amortised cost</i>		
RM600 million subordinated bond 2018/2028, at par (Note (a))	<b>620,062</b>	627,166
RM750 million subordinated bond 2020/2030, at par (Note (b))	<b>750,000</b>	750,000
	<b><u>1,370,062</u></b>	<u>1,377,166</u>
Accumulated fair value hedge loss (Note (c))	<b><u>(20,062)</u></b>	<u>(27,166)</u>

- (a) On 25 July 2018, the Bank issued RM600 million Basel III compliant Tier 2 subordinated bonds (10 years maturity, non-callable 5 years) ("the Bond 1").

The Bond 1 bears interest at the rate of 4.80% per annum. The coupon rate herein is applicable throughout the tenure of the subordinated bonds.

The Bond 1 may be redeemed at par at the option of the Bank, in part or in whole, on 25 July 2023 or at any interest payment date thereafter.

The interest is payable semi-annually in arrears on 25 January and 25 July each year commencing 25 January 2019.

The Bond 1 has been rated AA1 by Rating Agency Malaysia Bhd and it qualifies as Tier 2 capital for the purpose of determining the Bank's capital adequacy ratio.

- (b) On 3 August 2020, the Bank issued RM750 million Basel III compliant Tier 2 subordinated bonds (10 years maturity, non-callable 5 years) ("the Bond 2").

The Bond 2 bears interest at the rate of 3.00% per annum. The coupon rate herein is applicable throughout the tenure of the subordinated bonds.

The Bond 2 may be redeemed at par at the option of the Bank, in part or in whole, on 1 August 2025 or at any interest payment date thereafter.

The interest is payable semi-annually in arrears on 3 February and 3 August each year commencing 3 February 2021.

The Bond 2 has been rated AA1 by Rating Agency Malaysia Bhd and it qualifies as Tier 2 capital for the purpose of determining the Bank's capital adequacy ratio.

- (c) Fair value hedge

The Bank uses fair value hedge to protect changes in fair value of the Bond 1. The Bank primarily uses interest rate swap as hedge of interest rate risk.

As at 31 March 2021, the Bank had an interest rate swap agreement in place with notional amount of RM600 million (31 December 2020: RM600 million) for Bond 1.

For Bond 1, the Bank receives a fixed interest rate of 3.835% per annum and pays variable interests rate of 3-month KLIBOR on the notional amount.

The swap is being used to hedge exposure to changes in fair value of fixed rate of both bonds, which have a fixed rate.

The movements in fair value of the interest rate swap of unrealised loss of RM7,104,000 (31 December 2020: RM14,946,000 unrealised loss) are recognised in trading and investment income during the period. There is no ineffectiveness recognised for this hedge.

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**EXPLANATORY NOTES**

**24 Movements in allowances for ECL**

**(a) Other financial assets:**

**Cash and short-term funds, Debt instruments at FVOCI,  
Debt instruments at AC and Other assets**

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
<b>Group and Bank</b>	<b>12-month ECL RM'000</b>	<b>Lifetime ECL non impaired RM'000</b>	<b>Lifetime ECL credit-impaired RM'000</b>	<b>Total ECL RM'000</b>
As at 1 January 2021	78,455	1,632	39,960	120,047
<u>Movements with profit or loss impact:</u>				
New/additional during the period	9,456	2,389	-	11,845
Maturity/settlement/reduction during the period	(5,587)	(189)	-	(5,776)
As at 31 March 2021	<u>82,324</u>	<u>3,832</u>	<u>39,960</u>	<u>126,116</u>
As at 1 January 2020	54,397	550	39,960	94,907
<u>Movements with profit or loss impact:</u>				
New/additional during the year	122,869	1,104	-	123,973
Maturity/settlement/reduction during the year	(98,811)	(22)	-	(98,833)
As at 31 December 2020	<u>78,455</u>	<u>1,632</u>	<u>39,960</u>	<u>120,047</u>

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**EXPLANATORY NOTES**

**24 Movements in allowances for ECL (cont'd.)**

**(b) Commitments and contingencies**

Group and Bank	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12-month ECL RM'000	Lifetime ECL non impaired RM'000	Lifetime ECL credit-impaired RM'000	
As at 1 January 2021	75,917	38,846	17,593	132,356
<u>Movements with profit or loss impact:</u>				
Transferred to Stage 1	8,378	(15,227)	-	(6,849)
Transferred to Stage 2	(3,640)	16,572	-	12,932
Transferred to Stage 3	-	-	-	-
New/additional during the period	28,456	14,286	15,621	58,363
Maturity/settlement/reduction during the period	(24,058)	(10,384)	(17,116)	(51,558)
As at 31 March 2021	<b>85,053</b>	<b>44,093</b>	<b>16,098</b>	<b>145,244</b>
As at 1 January 2020	78,450	18,299	13,983	110,732
<u>Movements with profit or loss impact:</u>				
Transferred to Stage 1	22,855	(41,888)	-	(19,033)
Transferred to Stage 2	(23,830)	64,993	-	41,163
Transferred to Stage 3	(9)	(22)	9,018	8,987
New/additional during the year	98,615	30,568	(5,408)	123,775
Maturity/settlement/reduction during the year	(100,201)	(32,993)	-	(133,194)
Exchanges differences	37	(111)	-	(74)
As at 31 December 2020	<b>75,917</b>	<b>38,846</b>	<b>17,593</b>	<b>132,356</b>

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**EXPLANATORY NOTES**

**24 Movements in allowances for ECL (cont'd.)**

**(c) Loans, advances and financing**

Group	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12-month ECL RM'000	Lifetime ECL non impaired RM'000	Lifetime ECL credit-impaired RM'000	
As at 1 January 2021	711,051	785,956	455,576	1,952,583
<u>Movements with profit or loss impact:</u>				
Transferred to Stage 1	17,656	(53,701)	(3,834)	(39,879)
Transferred to Stage 2	(11,964)	81,819	(2,887)	66,968
Transferred to Stage 3	(18)	(17,625)	45,062	27,419
New/additional during the period	113,256	97,863	26,309	237,428
Maturity/settlement/reduction during the period	(118,285)	(99,749)	(14,504)	(232,538)
<u>Movements without profit or loss impact:</u>				
Amounts written off	-	-	(26,778)	(26,778)
Other movements	-	-	(2,697)	(2,697)
As at 31 March 2021	<b>711,696</b>	<b>794,563</b>	<b>476,247</b>	<b>1,982,506</b>
As at 1 January 2020	869,349	367,276	286,132	1,522,757
<u>Movements with profit or loss impact:</u>				
Transferred to Stage 1	66,937	(167,488)	(4,439)	(104,990)
Transferred to Stage 2	(75,955)	281,661	(11,214)	194,492
Transferred to Stage 3	(566)	(48,500)	169,358	120,292
New/additional during the year	370,327	478,059	236,775	1,085,161
Maturity/settlement/reduction during the year	(520,228)	(124,189)	(74,951)	(719,368)
Exchanges differences	1,187	(863)	-	324
<u>Movements without profit or loss impact:</u>				
Amounts written off	-	-	(133,998)	(133,998)
Other movements	-	-	(12,087)	(12,087)
As at 31 December 2020	<b>711,051</b>	<b>785,956</b>	<b>455,576</b>	<b>1,952,583</b>

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**EXPLANATORY NOTES**

**24 Movements in allowances for ECL (cont'd.)**  
**(c) Loans, advances and financing (cont'd')**

<b>Bank</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total ECL</b>
	<b>12-month ECL</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	
	<b>RM'000</b>	<b>non impaired</b>	<b>credit-impaired</b>	<b>RM'000</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
As at 1 January 2021	712,300	785,956	455,576	1,953,832
<u>Movements with profit or loss impact:</u>				
Transferred to Stage 1	17,656	(53,701)	(3,834)	(39,879)
Transferred to Stage 2	(11,964)	81,819	(2,887)	66,968
Transferred to Stage 3	(18)	(17,625)	45,062	27,419
New/additional during the period	113,225	97,863	26,309	237,397
Maturity/settlement/reduction during the period	(118,232)	(99,749)	(14,504)	(232,485)
<u>Movements without profit or loss impact:</u>				
Amounts written off	-	-	(26,778)	(26,778)
Other movements	-	-	(2,697)	(2,697)
As at 31 March 2021	<b>712,967</b>	<b>794,563</b>	<b>476,247</b>	<b>1,983,777</b>
As at 1 January 2020	870,677	367,276	286,132	1,524,085
<u>Movements with profit or loss impact:</u>				
Transferred to Stage 1	66,937	(167,488)	(4,439)	(104,990)
Transferred to Stage 2	(75,955)	281,661	(11,214)	194,492
Transferred to Stage 3	(566)	(48,500)	169,358	120,292
New/additional during the year	371,575	478,059	236,775	1,086,409
Maturity/settlement/reduction during the year	(521,555)	(124,189)	(74,951)	(720,695)
Exchanges differences	1,187	(863)	-	324
<u>Movements without profit or loss impact:</u>				
Amounts written off	-	-	(133,998)	(133,998)
Other movements	-	-	(12,087)	(12,087)
As at 31 December 2020	<b>712,300</b>	<b>785,956</b>	<b>455,576</b>	<b>1,953,832</b>

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**EXPLANATORY NOTES****25. OPERATING REVENUE**

Operating revenue of the Group and the Bank comprise interest income, commission income, trading and investment income and other income derived from banking operations.

**26. INTEREST INCOME**

	First Quarter Ended		Three Month Ended	
	31-Mar-21 RM'000	31-Mar-20 RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000
<b>Group</b>				
Interest income from loans, advances and financing	<b>751,708</b>	981,309	<b>751,708</b>	981,309
Interest income from impaired loans, advances and financing	<b>14,910</b>	26,419	<b>14,910</b>	26,419
Money at call and deposit placements with financial institutions	<b>38,183</b>	49,857	<b>38,183</b>	49,857
Financial assets at FVTPL	<b>27,308</b>	29,101	<b>27,308</b>	29,101
Debt instruments at FVOCI	<b>174,863</b>	155,033	<b>174,863</b>	155,033
Debt instruments at AC	<b>4,375</b>	10,636	<b>4,375</b>	10,636
	<b>1,011,347</b>	1,252,355	<b>1,011,347</b>	1,252,355
Amortisation of premium less accretion of discount on:				
- Financial assets at FVTPL	<b>(1,079)</b>	4,321	<b>(1,079)</b>	4,321
- Debt instruments at FVOCI	<b>(24,129)</b>	(6,468)	<b>(24,129)</b>	(6,468)
	<b>986,139</b>	1,250,208	<b>986,139</b>	1,250,208
<b>Bank</b>				
Interest income from loans, advances and financing	<b>752,361</b>	981,309	<b>752,361</b>	981,309
Interest income from impaired loans, advances and financing	<b>14,910</b>	26,419	<b>14,910</b>	26,419
Money at call and deposit placements with financial institutions	<b>38,183</b>	50,977	<b>38,183</b>	50,977
Financial assets at FVTPL	<b>27,308</b>	29,101	<b>27,308</b>	29,101
Debt instruments at FVOCI	<b>174,863</b>	155,033	<b>174,863</b>	155,033
Debt instruments at AC	<b>4,375</b>	10,636	<b>4,375</b>	10,636
	<b>1,012,000</b>	1,253,475	<b>1,012,000</b>	1,253,475
Amortisation of premium less accretion of discount on:				
- Financial assets at FVTPL	<b>(1,079)</b>	4,321	<b>(1,079)</b>	4,321
- Debt instruments at FVOCI	<b>(24,130)</b>	(6,468)	<b>(24,130)</b>	(6,468)
	<b>986,791</b>	1,251,328	<b>986,791</b>	1,251,328

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**EXPLANATORY NOTES****27. INTEREST EXPENSE**

<b>Group</b>	<b>First Quarter Ended</b>		<b>Three Month Ended</b>	
	<b>31-Mar-21</b>	<b>31-Mar-20</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers	<b>360,897</b>	606,657	<b>360,897</b>	606,657
Deposits and placements of banks and other financial institutions	<b>17,695</b>	68,814	<b>17,695</b>	68,814
Subordinated bonds	<b>9,850</b>	17,248	<b>9,850</b>	17,248
Lease liabilities	<b>522</b>	163	<b>522</b>	163
Others	<b>3,696</b>	8,444	<b>3,696</b>	8,444
	<b>392,660</b>	701,326	<b>392,660</b>	701,326
<b>Bank</b>				
Deposits from customers	<b>361,160</b>	606,857	<b>361,160</b>	606,857
Deposits and placements of banks and other financial institutions	<b>17,695</b>	68,814	<b>17,695</b>	68,814
Subordinated bonds	<b>9,850</b>	17,248	<b>9,850</b>	17,248
Lease liabilities	<b>952</b>	436	<b>952</b>	436
Others	<b>3,696</b>	8,444	<b>3,696</b>	8,444
	<b>393,353</b>	701,799	<b>393,353</b>	701,799

**28. OTHER OPERATING INCOME**

<b>Group</b>	<b>First Quarter Ended</b>		<b>Three Month Ended</b>	
	<b>31-Mar-21</b>	<b>31-Mar-20</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Fee income</u>				
Commission	<b>92,948</b>	66,152	<b>92,948</b>	66,152
Guarantee fees	<b>18,433</b>	14,797	<b>18,433</b>	14,797
Service charges and fees	<b>43,040</b>	47,294	<b>43,040</b>	47,294
Less: Fee expenses	<b>(10,448)</b>	(16,697)	<b>(10,448)</b>	(16,697)
	<b>32,592</b>	30,597	<b>32,592</b>	30,597
Commitment fees	<b>7,716</b>	8,477	<b>7,716</b>	8,477
Arrangement and participation fees	<b>528</b>	2,075	<b>528</b>	2,075
	<b>152,217</b>	122,098	<b>152,217</b>	122,098

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**EXPLANATORY NOTES****28. OTHER OPERATING INCOME (cont'd.)**

<b>Group (cont'd.)</b>	<b>First Quarter Ended</b>		<b>Three Month Ended</b>	
	<b>31-Mar-21</b>	<b>31-Mar-20</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Trading and Investment income</u>				
(Loss)/gain from sale of financial assets at FVTPL	<b>(7,890)</b>	21,990	<b>(7,890)</b>	21,990
Unrealised loss on financial assets at FVTPL	<b>(1,422)</b>	(2,931)	<b>(1,422)</b>	(2,931)
Loss from trading derivatives	<b>(6,330)</b>	(4,458)	<b>(6,330)</b>	(4,458)
Unrealised gain from trading derivatives	<b>547</b>	87,574	<b>547</b>	87,574
Unrealised gain/(loss) on fair value hedge	<b>7,104</b>	(15,488)	<b>7,104</b>	(15,488)
(Loss)/gain from sale of precious metal	<b>(13,995)</b>	860	<b>(13,995)</b>	860
Unrealised gain/(loss) from sale of precious metal	<b>14,885</b>	(185)	<b>14,885</b>	(185)
Gain from sale/recovery of debt instruments at FVOCI	<b>19,505</b>	59,641	<b>19,505</b>	59,641
	<b>12,404</b>	147,003	<b>12,404</b>	147,003
<u>Other income</u>				
Foreign exchange gain, net	<b>34,158</b>	32,612	<b>34,158</b>	32,612
Rental income from operating leases	<b>15</b>	18	<b>15</b>	18
Gain on disposal of property, plant and equipment	<b>277</b>	-	<b>277</b>	-
Others	<b>5,243</b>	3,752	<b>5,243</b>	3,752
	<b>39,693</b>	36,382	<b>39,693</b>	36,382
	<b>204,314</b>	305,483	<b>204,314</b>	305,483



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**EXPLANATORY NOTES****28. OTHER OPERATING INCOME (cont'd.)**

Bank	First Quarter Ended		Three Month Ended	
	31-Mar-21 RM'000	31-Mar-20 RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000
<u>Fee income</u>				
Commission	92,948	66,152	92,948	66,152
Guarantee fees	18,433	14,797	18,433	14,797
Service charges and fees	43,124	47,379	43,124	47,379
Less: Fee expenses	(10,448)	(16,697)	(10,448)	(16,697)
	32,676	30,682	32,676	30,682
Commitment fees	7,716	8,477	7,716	8,477
Arrangement and participation fees	528	2,075	528	2,075
	152,301	122,183	152,301	122,183
<u>Trading and Investment income</u>				
(Loss)/gain from sale of financial assets at FVTPL	(7,890)	21,990	(7,890)	21,990
Unrealised loss on financial assets at FVTPL	(1,422)	(2,931)	(1,422)	(2,931)
Loss from trading derivatives	(6,330)	(4,458)	(6,330)	(4,458)
Unrealised gain from trading derivatives	547	87,574	547	87,574
Unrealised gain/(loss) on fair value hedge	7,104	(15,488)	7,104	(15,488)
(Loss)/gain from sale of precious metal	(13,995)	860	(13,995)	860
Unrealised gain/(loss) from sale of previous metal	14,885	(185)	14,885	(185)
Gain from sale/recovery of debt instruments at FVOCI	19,505	59,641	19,505	59,641
	12,404	147,003	12,404	147,003
<u>Other income</u>				
Foreign exchange gain, net	34,158	32,612	34,158	32,612
Gain on disposal of property, plant and equipment	277	-	277	-
Others	5,243	3,752	5,243	3,752
	39,678	36,364	39,678	36,364
	204,383	305,550	204,383	305,550

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**EXPLANATORY NOTES****29. OTHER OPERATING EXPENSES**

Group	First Quarter Ended		Three Month Ended	
	31-Mar-21 RM'000	31-Mar-20 RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000
Personnel expenses	<b>187,172</b>	207,068	<b>187,172</b>	207,068
Establishment related expenses	<b>91,355</b>	79,194	<b>91,355</b>	79,194
Promotion and marketing related expenses	<b>4,211</b>	9,881	<b>4,211</b>	9,881
General administrative expenses	<b>20,492</b>	23,828	<b>20,492</b>	23,828
	<b>303,230</b>	319,971	<b>303,230</b>	319,971
<u>Personnel expenses</u>				
Wages, salaries and bonus	<b>148,892</b>	164,576	<b>148,892</b>	164,576
Defined contribution plan	<b>23,359</b>	25,482	<b>23,359</b>	25,482
Other employee benefits	<b>14,921</b>	17,010	<b>14,921</b>	17,010
	<b>187,172</b>	207,068	<b>187,172</b>	207,068
<u>Establishment related expenses</u>				
Depreciation of property, plant and equipment	<b>19,976</b>	18,081	<b>19,976</b>	18,081
Depreciation of right-of-use assets	<b>4,103</b>	4,157	<b>4,103</b>	4,157
Information technology costs	<b>47,958</b>	34,699	<b>47,958</b>	34,699
Repair and maintenance	<b>10,067</b>	10,835	<b>10,067</b>	10,835
Short term lease expenses	-	27	-	27
Others	<b>9,251</b>	11,395	<b>9,251</b>	11,395
	<b>91,355</b>	79,194	<b>91,355</b>	79,194
<u>Promotion and marketing related expenses</u>				
Advertisement and publicity	<b>4,211</b>	9,881	<b>4,211</b>	9,881
<u>General administrative expenses</u>				
Fees and commissions paid	<b>3,401</b>	5,991	<b>3,401</b>	5,991
Others	<b>17,091</b>	17,837	<b>17,091</b>	17,837
	<b>20,492</b>	23,828	<b>20,492</b>	23,828

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**EXPLANATORY NOTES****29. OTHER OPERATING EXPENSES (cont'd.)**

<b>Bank</b>	<b>First Quarter Ended</b>		<b>Three Month Ended</b>	
	<b>31-Mar-21</b>	<b>31-Mar-20</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Personnel expenses	<b>186,180</b>	206,097	<b>186,180</b>	206,097
Establishment related expenses	<b>93,266</b>	81,509	<b>93,266</b>	81,509
Promotion and marketing related expenses	<b>4,208</b>	9,876	<b>4,208</b>	9,876
General administrative expenses	<b>20,449</b>	23,783	<b>20,449</b>	23,783
	<b>304,103</b>	321,265	<b>304,103</b>	321,265
<u>Personnel expenses</u>				
Wages, salaries and bonus	<b>148,066</b>	163,769	<b>148,066</b>	163,769
Defined contribution plan	<b>23,233</b>	25,364	<b>23,233</b>	25,364
Other employee benefits	<b>14,881</b>	16,964	<b>14,881</b>	16,964
	<b>186,180</b>	206,097	<b>186,180</b>	206,097
<u>Establishment related expenses</u>				
Depreciation of property, plant and equipment	<b>16,926</b>	15,126	<b>16,926</b>	15,126
Depreciation of right-of-use assets	<b>8,486</b>	9,222	<b>8,486</b>	9,222
Information technology costs	<b>47,958</b>	34,699	<b>47,958</b>	34,699
Repair and maintenance	<b>9,919</b>	10,647	<b>9,919</b>	10,647
Short term lease expenses	-	27	-	27
Others	<b>9,977</b>	11,788	<b>9,977</b>	11,788
	<b>93,266</b>	81,509	<b>93,266</b>	81,509
<u>Promotion and marketing related expenses</u>				
Advertisement and publicity	<b>4,208</b>	9,876	<b>4,208</b>	9,876
<u>General administrative expenses</u>				
Fees and commissions paid	<b>3,363</b>	5,955	<b>3,363</b>	5,955
Others	<b>17,086</b>	17,828	<b>17,086</b>	17,828
	<b>20,449</b>	23,783	<b>20,449</b>	23,783

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**EXPLANATORY NOTES****30. ALLOWANCES FOR EXPECTED CREDIT LOSSES**

Group	First Quarter Ended		Three Month Ended	
	31-Mar-21 RM'000	31-Mar-20 RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000
a Loans, advances and financing				
- Stage 1 ECL	645	27,575	645	27,575
- Stage 2 ECL	8,607	27,390	8,607	27,390
- Stage 3 ECL	50,146	57,190	50,146	57,190
	<b>59,398</b>	112,155	<b>59,398</b>	112,155
Credit-impaired loans, advances and financing				
- written off	14,255	8,614	14,255	8,614
- recovered	(24,787)	(23,175)	(24,787)	(23,175)
	<b>48,866</b>	97,594	<b>48,866</b>	97,594
b Other financial assets				
Placement with banks and other financial institutions, and other assets	5,819	(4,491)	5,819	(4,491)
Debt instruments measured at FVOCI	1,774	429	1,774	429
Debt instruments measured at AC	(1,524)	(260)	(1,524)	(260)
	<b>6,069</b>	(4,322)	<b>6,069</b>	(4,322)
c Commitments and contingencies				
- Stage 1 ECL	9,136	(6,158)	9,136	(6,158)
- Stage 2 ECL	5,247	2,070	5,247	2,070
- Stage 3 ECL	(1,495)	6,561	(1,495)	6,561
	<b>12,888</b>	2,473	<b>12,888</b>	2,473
<b>Bank</b>				
a Loans, advances and financing				
- Stage 1 ECL	667	27,415	667	27,415
- Stage 2 ECL	8,607	27,390	8,607	27,390
- Stage 3 ECL	50,146	57,190	50,146	57,190
	<b>59,420</b>	111,995	<b>59,420</b>	111,995
Credit-impaired loans, advances and financing				
- written off	14,255	8,614	14,255	8,614
- recovered	(24,787)	(23,175)	(24,787)	(23,175)
	<b>48,888</b>	97,434	<b>48,888</b>	97,434
b Other financial assets				
Placement with banks and other financial institutions, and other assets	5,822	(4,491)	5,822	(4,491)
Debt instruments measured at FVOCI	1,774	429	1,774	429
Debt instruments measured at AC	(1,524)	(260)	(1,524)	(260)
	<b>6,072</b>	(4,322)	<b>6,072</b>	(4,322)
c Commitments and contingencies				
- Stage 1 ECL	9,136	(6,157)	9,136	(6,157)
- Stage 2 ECL	5,247	2,069	5,247	2,069
- Stage 3 ECL	(1,495)	6,561	(1,495)	6,561
	<b>12,888</b>	2,473	<b>12,888</b>	2,473

## **UNITED OVERSEAS BANK (MALAYSIA) BHD**

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### **EXPLANATORY NOTES**

#### **31. SEGMENT INFORMATION**

##### **Operating Segments**

The following segment information has been prepared in accordance with MFRS 8 *Operating Segments*, which defines the requirements for the disclosure of financial information of an entity's operating segments. It is prepared on the basis of the "management approach", which requires presentation of the segments on the basis of internal reports about the components of the entity which are regularly reviewed by the chief operating decision-maker in order to allocate resources to a segment and assess its performance. The Group's businesses are organised into the following four segments based on the types of products and services that it provides.

##### **Retail**

The Retail segment covers Personal Financial Services, Business and Private Banking. Personal Financial Services serves the individual customers, offers a wide range of products and services, including deposits, loans, credit and debit cards, insurance products, and also provides an extended range of financial services, including wealth management to wealthy and affluent customers. Private Banking is an integral part of the Group, dedicated to providing high-net-worth clients with financial and portfolio planning services. We are focused on helping our clients achieve sustainable growth and legacy solutions of their wealth for future generations via bespoke wealth management and credit advisory. Business Banking serves small enterprises, offers a range of products and services, including deposits, loans, trade, foreign exchange and insurance products.

##### **Wholesale Banking ("WB")**

The WB segment encompasses Commercial Banking, Corporate Banking, Financial Institutions Group ("FIG"), Multinational Corporates (MNC), Investment Banking and Transaction Banking. Commercial Banking serves the medium and large enterprises, while Corporate Banking serves large local corporations, government-linked companies and agencies. FIG serves financial institutions as well as non-bank financial institutions. Commercial Banking, Corporate Banking, MNC and FIG provide customers with a broad range of products and services that include current accounts, deposits, lending, trade finance, structured finance, cash management and cross-border payments. Investment Banking provides services that include principal advisor, lead manager and facility agent for the arrangement of both syndicated loans and Private Debt Securities. Transaction Banking provides trade finance and cash management services.

##### **Global Markets ("GM")**

The GM segment provides a comprehensive range of treasury products and services, including foreign exchange, money market, fixed income, derivatives, commodities, gold products, as well as an array of structured products. It is a player in Malaysian Ringgit treasury instruments in the region. It also engages in proprietary investment activities and management of excess liquidity and capital funds.

##### **Others**

Other segments include corporate support functions and decisions not attributable to business segments mentioned above and property-related activities.

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**31. SEGMENT INFORMATION (cont'd.)**

**Operating segments (cont'd.)**

<b>Group</b>	<b>Retail RM'000</b>	<b>WB RM'000</b>	<b>GM RM'000</b>	<b>Others RM'000</b>	<b>Total segments RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
<b>For period ended 31 March 2021</b>							
Operating income	428,774	295,744	59,288	51,102	834,908	(5,952)	828,956
Other operating expenses	(185,647)	(68,832)	(20,313)	(33,819)	(308,611)	5,381	(303,230)
Allowances for expected credit losses	(52,124)	(15,683)	-	(39)	(67,846)	23	(67,823)
Share of net profit of an associate	-	-	-	24	24	-	24
Profit before taxation	191,003	211,229	38,975	17,268	458,475	(548)	457,927
Income tax expense							(111,085)
							<u>346,842</u>

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**UNITED OVERSEAS BANK (MALAYSIA) BHD**

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**EXPLANATORY NOTES**

**31. SEGMENT INFORMATION (cont'd.)**

**Operating segments (cont'd.)**

<b>Group (cont'd.)</b>	<b>Retail RM'000</b>	<b>WB RM'000</b>	<b>GM RM'000</b>	<b>Others RM'000</b>	<b>Total segments RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
<b>Other information</b>							
<b>For period ended 31 March 2021</b>							
Inter-segment operating income	68,997	(8,731)	(107,068)	52,754	5,952	(5,952)	-
Total depreciation	6,900	1,987	1,035	18,519	28,441	(4,363)	24,078
<b>As at 31 March 2021</b>							
Gross loans, advances and financing	54,571,602	33,135,167	-	269,814	87,976,583	(93,544)	87,883,039
Deposits from customers	63,809,803	28,083,520	-	3,942	91,897,265	(67,655)	91,829,610

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**EXPLANATORY NOTES**

**31. SEGMENT INFORMATION (cont'd.)**

**Operating segments (cont'd.)**

<b>Group (cont'd.)</b>	<b>Retail RM'000</b>	<b>WB RM'000</b>	<b>GM RM'000</b>	<b>Others RM'000</b>	<b>Total segments RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
<b>For period ended 31 March 2020</b>							
Operating income	374,885	302,227	154,884	46,552	878,548	(6,097)	872,451
Other operating expenses	(196,940)	(69,303)	(19,646)	(40,155)	(326,044)	6,073	(319,971)
Allowances for expected credit losses	(30,051)	(65,531)	-	(14)	(95,596)	(149)	(95,745)
Impairment on PPE	-	-	-	-	-	-	-
Share of net profit of an associate	-	-	-	51	51	-	51
Profit before taxation	147,894	167,393	135,238	6,434	456,959	(173)	456,786
Income tax expense							(110,859)
							<u>345,927</u>



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**EXPLANATORY NOTES**

**31. SEGMENT INFORMATION (cont'd.)**

**Operating segments (cont'd.)**

<b>Group (cont'd.)</b>	<b>Retail RM'000</b>	<b>WB RM'000</b>	<b>GM RM'000</b>	<b>Others RM'000</b>	<b>Total segments RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
<b>Other information</b>							
<b>For period ended 31 March 2020</b>							
Inter-segment operating income	117,348	(24,089)	(127,748)	40,586	6,097	(6,097)	-
Total depreciation	6,038	2,000	1,154	18,090	27,282	(5,044)	22,238
<b>As at 31 December 2020</b>							
Gross loans, advances and financing	54,792,150	32,484,471	-	285,483	87,562,104	(102,957)	87,459,147
Deposits from customers	65,032,675	28,636,988	-	10,725	93,680,388	(89,916)	93,590,472

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**EXPLANATORY NOTES****32. CAPITAL MANAGEMENT AND CAPITAL ADEQUACY**

The capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia ("BNM")'s Capital Adequacy Framework (Capital Components) issued on 2 February 2018 and Basel II – Risk-Weighted Assets ("RWA") issued on 2 February 2018 and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 3 May 2019.

	<b>Group</b>		<b>Bank</b>	
	<b>31-Mar-21</b>	31-Dec-20	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<u>Common Equity Tier 1 ("CET1")/</u>				
<u>Tier 1 Capital</u>				
Paid-up share capital	<b>792,555</b>	792,555	<b>792,555</b>	792,555
Retained profits	<b>10,174,399</b>	10,174,394	<b>10,236,779</b>	10,236,774
Other reserves	<b>316,536</b>	493,176	<b>125,505</b>	302,144
Regulatory adjustments applied in the calculation of CET1 Capital	<b>(453,983)</b>	(469,918)	<b>(738,782)</b>	(704,740)
Total CET1/Tier 1 Capital	<b>10,829,507</b>	10,990,207	<b>10,416,057</b>	10,626,733
<u>Tier 2 Capital</u>				
Tier 2 Capital instruments	<b>1,350,000</b>	1,350,000	<b>1,350,000</b>	1,350,000
Loan/financing loss provision				
- Surplus eligible provisions over expected losses	<b>295,434</b>	298,644	<b>295,875</b>	299,172
- General provisions	<b>26,166</b>	30,000	<b>15,651</b>	19,249
Regulatory adjustments applied in the calculation of Tier 2 Capital	<b>82,858</b>	82,858	-	-
Total Tier 2 Capital	<b>1,754,458</b>	1,761,502	<b>1,661,526</b>	1,668,421
Total Capital	<b>12,583,965</b>	12,751,709	<b>12,077,583</b>	12,295,154

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**EXPLANATORY NOTES**

**32. CAPITAL MANAGEMENT AND CAPITAL ADEQUACY (cont'd.)**

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

	Group		Bank	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Dec-20
CET1/Tier 1 Capital	<b>18.268%</b>	18.407%	<b>17.800%</b>	18.030%
Total Capital	<b>21.228%</b>	21.358%	<b>20.639%</b>	20.861%
CET1/Tier 1 Capital*	<b>17.413%</b>	17.558%	<b>16.933%</b>	17.170%
Total Capital*	<b>20.372%</b>	20.508%	<b>19.772%</b>	20.001%

\*net of proposed dividends

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

	Group		Bank	
	31-Mar-21 RM'000	31-Dec-20 RM'000	31-Mar-21 RM'000	31-Dec-20 RM'000
Total RWA for credit risk	<b>52,562,429</b>	52,985,316	<b>51,794,784</b>	52,213,236
Total RWA for market risk	<b>1,023,143</b>	1,066,648	<b>1,023,143</b>	1,066,648
Total RWA for operational risk	<b>5,695,717</b>	5,653,531	<b>5,700,135</b>	5,658,697
	<b>59,281,289</b>	59,705,495	<b>58,518,062</b>	58,938,581

**UNITED OVERSEAS BANK (MALAYSIA) BHD**  
(Incorporated in Malaysia)**EXPLANATORY NOTES****33. COMMITMENTS AND CONTINGENCIES**

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

<b>As at 31 March 2021</b>	<b>Principal amount RM'000</b>	<b>Group Credit equivalent amount RM'000</b>	<b>Risk weighted amount RM'000</b>
Direct credit substitutes	2,585,943	2,501,074	1,594,385
Transaction-related contingent items	5,847,947	2,902,550	1,776,728
Short-term self-liquidating trade-related contingencies	575,020	121,774	81,226
Lending of banks' securities or the posting of securities as collateral by banks	349,739	-	-
Foreign exchange related contracts			
- not more than one year	46,566,644	1,062,115	244,063
- more than one year to less than five years	359,970	28,478	13,166
Interest rate related contracts			
- not more than one year	13,093,592	204,079	106,390
- more than one year to less than five years	25,991,195	1,095,485	420,345
- five years and above	1,946,302	239,933	123,515
Equity related contracts			
- not more than one year	39,543	-	-
- more than one year to less than five years	-	-	-
Commodity related contracts			
- not more than one year	671,426	101,552	70,676
- more than one year to less than five years	89,495	4,251	2,350
Undrawn credit facility			
- not more than one year	18,751,488	935,162	161,759
- more than one year	6,413,935	4,410,626	2,793,850
- unconditionally cancellable	15,741,590	5,924,574	736,919
Other commitments	2,015,666	334,706	263,408
<b>Total</b>	<b>141,039,495</b>	<b>19,866,359</b>	<b>8,388,780</b>

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**EXPLANATORY NOTES****33. COMMITMENTS AND CONTINGENCIES (cont'd.)**

<b>As at 31 December 2020</b>	<b>Principal amount RM'000</b>	<b>Group Credit equivalent amount RM'000</b>	<b>Risk weighted amount RM'000</b>
Direct credit substitutes	2,627,192	2,549,849	1,727,545
Transaction-related contingent items	5,866,993	2,910,012	1,801,497
Short-term self-liquidating trade-related contingencies	436,465	99,150	61,223
Foreign exchange related contracts			
- not more than one year	35,267,102	670,627	182,943
- more than one year to less than five years	196,407	17,149	11,954
Interest rate related contracts			
- not more than one year	6,219,513	94,004	44,549
- more than one year to less than five years	25,759,642	1,196,853	516,581
- five years and above	1,807,224	242,603	126,779
Equity related contracts			
- not more than one year	118,736	-	-
- more than one year to less than five years	-	-	-
Commodity related contracts			
- not more than one year	518,729	78,012	56,693
- more than one year to less than five years	19,308	653	65
Undrawn credit facility			
- not more than one year	19,886,620	986,423	179,466
- more than one year	6,483,994	4,456,619	2,852,274
- unconditionally cancellable	15,729,993	5,944,293	768,911
Other commitments	549,237	312,958	312,957
<b>Total</b>	<b>121,487,155</b>	<b>19,559,205</b>	<b>8,643,437</b>

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**EXPLANATORY NOTES****33. COMMITMENTS AND CONTINGENCIES (cont'd.)**

<b>As at 31 March 2021</b>	<b>Principal amount RM'000</b>	<b>Bank Credit equivalent amount RM'000</b>	<b>Risk weighted amount RM'000</b>
Direct credit substitutes	2,585,943	2,501,074	1,594,385
Transaction-related contingent items	5,847,947	2,902,550	1,776,728
Short-term self-liquidating trade-related contingencies	575,020	121,774	81,226
Lending of banks' securities or the posting of securities as collateral by banks	349,739	-	-
Foreign exchange related contracts			
- not more than one year	46,566,644	1,062,115	244,063
- more than one year to less than five years	359,970	28,478	13,166
Interest rate related contracts			
- not more than one year	13,093,592	204,079	106,390
- more than one year to less than five years	25,991,195	1,095,485	420,345
- five years and above	1,946,302	239,933	123,515
Equity related contracts			
- not more than one year	39,543	-	-
- more than one year to less than five years	-	-	-
Commodity related contracts			
- not more than one year	671,426	101,552	70,676
- more than one year to less than five years	89,495	4,251	2,350
Undrawn credit facility			
- not more than one year	18,751,488	935,162	161,759
- more than one year	6,413,935	4,410,626	2,793,850
- unconditionally cancellable	15,741,590	5,924,574	736,919
Other commitments	1,793,603	112,643	41,345
<b>Total</b>	<b>140,817,432</b>	<b>19,644,296</b>	<b>8,166,717</b>

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**EXPLANATORY NOTES****33. COMMITMENTS AND CONTINGENCIES (cont'd.)**

<b>As at 31 December 2020</b>	<b>Principal amount RM'000</b>	<b>Bank Credit equivalent amount RM'000</b>	<b>Risk weighted amount RM'000</b>
Direct credit substitutes	2,627,192	2,549,849	1,727,545
Transaction-related contingent items	5,866,993	2,910,012	1,801,497
Short-term self-liquidating trade-related contingencies	436,465	99,150	61,223
Foreign exchange related contracts			
- not more than one year	35,267,102	670,627	182,943
- more than one year to less than five years	196,407	17,149	11,954
Interest rate related contracts			
- not more than one year	6,219,513	94,004	44,549
- more than one year to less than five years	25,759,642	1,196,853	516,581
- five years and above	1,807,224	242,603	126,779
Equity related contracts			
- not more than one year	118,736	-	-
- more than one year to less than five years	-	-	-
Commodity related contracts			
- not more than one year	518,729	78,012	56,693
- more than one year to less than five years	19,308	653	65
Undrawn credit facility			
- not more than one year	19,886,620	986,423	179,466
- more than one year	6,483,994	4,456,619	2,852,274
- unconditionally cancellable	15,729,993	5,944,293	768,911
Other commitments	290,779	54,501	54,499
<b>Total</b>	<b>121,228,697</b>	<b>19,300,748</b>	<b>8,384,979</b>

Disclosure of the principal amount and credit equivalent of the commitments and contingencies are as per BNM's Risk Weighted Capital Adequacy Framework (Basel II) - Disclosure Requirements (Pillar 3).

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**EXPLANATORY NOTES**

**34. PERFORMANCE REVIEW**

For the three months ended 31 March 2021, the Group recorded a profit before taxation of RM457.9 million, an increase of 0.2% or RM1.1 million compared to same period last year. The increase was mainly due to lower total allowances for expected credit losses, offset by lower operating profit.

Total operating income decreased by 5.0% or RM43.5 million to RM829.0 million mainly from lower other operating income, offset by higher net interest income and net income from Islamic Banking operations. Other operating income decreased 33.1% or RM101.2 million to RM204.3 million mainly due to lower trading and investment income, partly offset by higher fee income.

Expenses decreased by 5.2% or RM16.7 million to RM303.2 million driven by lower staff expenses as well as promotion and marketing related expenses, partly offset by higher investment in information technology cost.

Total allowance for expected credit losses decreased by RM27.9 million mainly due to lower expected credit loss on loans, advances and financing, partly offset by higher expected credit loss on other financial assets, commitments and contingencies.



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**EXPLANATORY NOTES**

**35. PROSPECTS FOR 2021**

Despite lingering uncertainties pertaining to the COVID-19 pandemic, the global economy is expected to return to growth in 2021 albeit mixed with growth differentiated across different economies and different sectors. On a positive note, successful vaccination programs and control of the pandemic alongside significant policy support could work to revive economies and undo some of the COVID-19 damage. On the downside, potential delays in vaccine distribution or lower effectiveness of vaccines could lead to persistence of infections and restrictions that could weaken the economic recovery. In any case, this crisis is considered different from past recessions in many ways and higher uncertainty surrounds the outlook with some countries and segments expected to experience deeper scars due to greater exposure to the pandemic shock.

A favourable financial climate thanks to the large and extraordinary global fiscal and monetary expansion has helped to support financial stability through the pandemic crisis. A consequence of the stimulus and vaccine driven outlook is that there are increasing concerns about higher inflation brought about by the expansive fiscal stimulus and ultra-accommodative monetary policies. The positive impact of these measures could be eroded by the resultant global financial tightening. Nevertheless, given that high uncertainty surrounds the global growth outlook and divergent recoveries are expected, we expect global policy support to remain accommodative until the recovery is firmly underway. Policymakers may start to tailor their policy responses differently according to the course of the pandemic, vaccine coverage, and pace of overall recovery.

We expect Malaysia's gross domestic product (GDP) to recover and expand in 2021 in line with expectations for positive global growth. Although 2021 started on a challenging note amid tighter domestic containment measures as part of wider efforts to contain the pandemic, the negative impact is moderated with more economic sectors allowed to open subject to strict operating procedures while higher adoption of digitalisation facilitated more consumption and business activities. The growth trajectory is expected to be bumpy albeit improve from second quarter onwards aided by a low base effect, further improvement in the global economy, and gradual normalisation in domestic activity. This would be further supported by the national vaccination program rollout, as well as ongoing fiscal and monetary support. Key downside risks include potential delay in vaccine plans, or another resurgence of infections.

To support the economy, preserve the people's welfare, and support businesses, the government allocated financial assistance of MYR340 billion over six fiscal packages since the start of the pandemic last year. In addition, the banking sector has committed to help households and businesses who require assistance. We expect the economy to recover once uncertainties related to COVID-19 abate. We remain optimistic that Malaysia's underlying strengths, including its strategic geographical location, significant natural resources, diversified economic structure, improved external position, favourable demographics, robust macro policies and resilient institutions will support the country's growth over the long term.

Looking ahead, we will continue to stay vigilant and remain resilient in supporting our stakeholders through these trying times.

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**36. ISLAMIC BANKING OPERATIONS**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2021**

	Note	31-Mar-21 RM'000	31-Dec-20 RM'000
<b>Assets</b>			
Cash and short-term funds	a	1,450,260	1,126,268
Debt instruments at fair value through other comprehensive income ("FVOCI")	b	1,454,729	599,582
Debt Instruments at amortised cost	c	99,733	99,721
Financing, advances and others	d	6,991,062	6,619,287
Other assets	e	5,938	2,565
Derivative financial assets	g	5,440	8,729
Plant and equipment		5,000	5,190
Deferred tax assets		11,318	9,975
<b>Total assets</b>		<b>10,023,480</b>	<b>8,471,317</b>
<b>Liabilities and Islamic Banking funds</b>			
Deposits from customers	h	4,182,045	4,432,076
Investment accounts due to designated financial institution	i	1,930,144	1,397,425
Deposits and placements of banks and other financial institutions	j	3,354,000	2,089,319
Bills and acceptances payable		3,689	1,277
Derivative financial liabilities	g	5,402	10,296
Other liabilities	k	74,169	79,771
Tax Payable		8,693	4,580
<b>Total liabilities</b>		<b>9,558,142</b>	<b>8,014,744</b>
Capital fund		450,000	450,000
Reserves		15,338	6,573
<b>Islamic Banking funds</b>	l	<b>465,338</b>	<b>456,573</b>
<b>Total liabilities and Islamic Banking funds</b>		<b>10,023,480</b>	<b>8,471,317</b>
<b>Commitments and contingencies</b>	t	<b>2,151,942</b>	<b>1,739,540</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 year ended 31 December 2020.*

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**36. ISLAMIC BANKING OPERATIONS (cont'd.)****CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2021**

	Note	First Quarter ended		Three months ended	
		31-Mar-21 RM'000	31-Mar-20 RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000
Income derived from depositors' funds	m	55,138	58,227	55,138	58,227
Income derived from investment of Islamic Banking funds	n	5,860	5,654	5,860	5,654
Income derived from investment of Investment Account funds	o	11,954	4,256	11,954	4,256
(Allowances for)/write back of expected credit losses:					
Financing, advances and others	r	(10,926)	(6,544)	(10,926)	(6,544)
Other financial assets	r	(944)	13	(944)	13
Commitment and contingencies	r	432	896	432	896
Total attributable income		61,514	62,502	61,514	62,502
Income attributable to depositors	p	(32,226)	(46,646)	(32,226)	(46,646)
Income attributable to Investment Account holder	q	(9,563)	(3,405)	(9,563)	(3,405)
Total net income		19,725	12,451	19,725	12,451
Other operating expenses	s	(7,172)	(7,249)	(7,172)	(7,249)
Profit before taxation		12,553	5,202	12,553	5,202
Income tax income		(3,015)	(1,253)	(3,015)	(1,253)
Profit after taxation		9,538	3,949	9,538	3,949

Other comprehensive income:

Other comprehensive income to be reclassified to profit or loss in subsequent periods:

Net fair value change in debt instruments at fair value through other comprehensive income		(1,017)	64	(1,017)	64
Income tax effect		244	(15)	244	(15)
Total other comprehensive income for the period, net of tax		(773)	49	(773)	49
Total comprehensive income for the period		8,765	3,998	8,765	3,998

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**36. ISLAMIC BANKING OPERATIONS (cont'd.)**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME (cont'd.)  
FOR THE PERIOD ENDED 31 MARCH 2021**

*Net income from Banking operations as reported in the income statements of the Group and Bank is derived as follows:*

	First Quarter ended		Three months ended	
	31-Mar-21 RM'000	31-Mar-20 RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000
Income derived from depositors' funds	<b>55,138</b>	58,227	<b>55,138</b>	58,227
Income derived from investment of Islamic Banking funds	<b>5,860</b>	5,654	<b>5,860</b>	5,654
Income derived from investment of Investment Account funds	<b>11,954</b>	4,256	<b>11,954</b>	4,256
Income attributable to depositors	<b>(32,226)</b>	(46,646)	<b>(32,226)</b>	(46,646)
Income attributable to Investment Account holder	<b>(9,563)</b>	(3,405)	<b>(9,563)</b>	(3,405)
Net income from Islamic Banking operations reported in the income statements of the Group and Bank	<b>31,163</b>	18,086	<b>31,163</b>	18,086

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.*

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**36. ISLAMIC BANKING OPERATIONS (cont'd.)**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CHANGES IN ISLAMIC BANKING FUNDS  
FOR THE PERIOD ENDED 31 MARCH 2021**

	<b>Capital fund RM'000</b>	<b>Fair value through other comprehensive RM'000</b>	<b>Accumulated profit RM'000</b>	<b>Total RM'000</b>
<b>2021</b>				
At 1 January 2021	450,000	262	6,311	456,573
Profit for the period	-	-	9,538	9,538
Other comprehensive income	-	(773)	-	(773)
Total comprehensive income	-	(773)	9,538	8,765
At 31 March 2021	450,000	(511)	15,849	465,338

	<b>Capital fund RM'000</b>	<b>Fair value through other comprehensive RM'000</b>	<b>Accumulated profit/ (losses) RM'000</b>	<b>Total RM'000</b>
<b>2020</b>				
At 1 January 2020	450,000	1,170	6,602	457,772
Profit for the period	-	-	3,949	3,949
Other comprehensive income	-	49	-	49
Total comprehensive income	-	49	3,949	3,998
At 31 March 2020	450,000	1,219	10,551	461,770

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.*

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**36. ISLAMIC BANKING OPERATIONS (cont'd.)**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2021**

	<b>31-Mar-21</b>	31-Mar-20
	<b>RM'000</b>	RM'000
Profit before taxation	<b>12,553</b>	5,202
Adjustments for non-operating and non-cash items	<b>11,699</b>	4,503
Operating profit before working capital changes	<b>24,252</b>	9,705
Changes in working capital:		
Net changes in operating assets	<b>(382,785)</b>	(509,208)
Net changes in operating liabilities	<b>1,539,717</b>	188,652
Net cash generated from/(used in) operating activities	<b>1,181,184</b>	(310,851)
Net cash (used in)/generated from investing activities	<b>(857,192)</b>	500,621
Net increase in cash and cash equivalents	<b>323,992</b>	189,770
Cash and cash equivalents at beginning of the period	<b>1,126,268</b>	48,626
Cash and cash equivalents at end of the period	<b>1,450,260</b>	238,396
<b>Analysis of cash and cash equivalents</b>		
Cash and short term funds	<b>1,450,260</b>	238,396

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2020.*

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**36. ISLAMIC BANKING OPERATIONS (cont'd.)**  
**EXPLANATORY NOTES**

**a. Cash and short-term funds**

	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000
Cash and balances with banks and other financial institutions	<b>447,247</b>	390,539
Money at call and deposit placements maturing within one month	<b>1,005,000</b>	737,000
Less: Allowances for ECL	<b>(1,987)</b>	(1,271)
	<b><u>1,450,260</u></b>	<u>1,126,268</u>

**b. Debt Instruments at Fair Value Through Other Comprehensive Income ("FVOCI")**

	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000
<b>Money market instruments</b>		
Government Islamic investment	<b>1,454,729</b>	599,582
	<b><u>1,454,729</u></b>	<u>599,582</u>

**c. Debt Instruments at Amortised Cost ("AC")**

	<b>31-Mar-21</b>	31-Dec-20
<b>Private debt securities of companies incorporated In Malaysia</b>		
Unquoted corporate bonds	<b>100,000</b>	100,000
Less: Allowances for ECL	<b>(267)</b>	(279)
	<b><u>99,733</u></b>	<u>99,721</u>

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**36. ISLAMIC BANKING OPERATIONS (cont'd.)**  
**EXPLANATORY NOTES**

**d. Financing, advances and others**

**(i) Financing by type of Shariah contract:**

**31 March 2021**

	Sale based contracts			Total RM'000
	<i>Tawarruq</i> RM'000	<i>Murabahah</i> RM'000	<i>Bai Al-Dayn</i> RM'000	
Term financing and revolving credits				
- Housing financing	<b>2,660,502</b>	-	-	<b>2,660,505</b>
- Others term financing	<b>4,275,805</b>	-	-	<b>4,275,805</b>
Trust receipt	-	<b>12,030</b>	-	<b>12,030</b>
Claim on customers under acceptance credit	-	<b>131,086</b>	<b>1,007</b>	<b>132,093</b>
Gross financing, advances and others	<b>6,936,307</b>	<b>143,116</b>	<b>1,007</b>	<b>7,080,433</b>
Allowances for ECL on financing, advances and others				
Stage 1 - 12 month ECL				<b>(22,055)</b>
Stage 2 - Lifetime ECL non impaired				<b>(45,508)</b>
Stage 3 - Lifetime ECL credit impaired				<b>(21,808)</b>
Net financing, advances and others				<b>6,991,062</b>



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**36. ISLAMIC BANKING OPERATIONS (cont'd.)**

**EXPLANATORY NOTES**

**d. Financing, advances and others (cont'd)**

**(i) Financing by type of Shariah contract (cont'd):**

31 December 2020

	Sale based contracts			Total RM'000
	<i>Tawarruq</i> RM'000	<i>Murabahah</i> RM'000	<i>Bai Al-Dayn</i> RM'000	
Term financing and revolving credits				
- Housing financing	2,546,577	-	-	2,546,577
- Others term financing	4,051,967	-	-	4,051,967
Trust receipt		15,541		15,541
Claim on customers under acceptance credit	-	80,351	1,242	81,593
Gross financing, advances and others	6,598,544	95,892	1,242	6,695,678
Allowances for ECL on financing, advances and others				
Stage 1 - 12 month ECL				(20,975)
Stage 2 - Lifetime ECL non impaired				(34,732)
Stage 3 - Lifetime ECL credit impaired				(20,684)
Net financing, advances and others				6,619,287

Included in financing and advances are specific business ventures funded by the Restricted Specific Investment Account ("RSIA") arrangement between Islamic Banking and Conventional Bank. The Conventional Bank, being the RSIA depositor, is exposed to the risks and rewards of the business venture and accounts for the expected credit loss ("ECL") allowances arising thereon.

As at 31 March 2021, the gross exposure and expected credit loss relating to RSIA financing amounted to RM1,545,468,136 (31 December 2020: RM1,371,993,842) and RM25,817,884 (31 December 2020: RM18,574,864) respectively.

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**36. ISLAMIC BANKING OPERATIONS (cont'd.)**  
**EXPLANATORY NOTES**

**d. Financing, advances and others (cont'd)**

**(ii) Gross financing, advances and others by maturity structure:**

	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000
Maturing within one year	<b>796,963</b>	764,442
One year to three years	<b>72,356</b>	60,529
Three years to five years	<b>1,423,476</b>	1,259,523
Over five years	<b>4,787,638</b>	4,611,184
	<b><u>7,080,433</u></b>	<u>6,695,678</u>

**(iii) Gross financing, advances and others by type of customers:**

	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000
Domestic non-banking financial institutions		
- Others	<b>1,023,792</b>	1,014,590
Domestic business enterprises		
- Small medium enterprises	<b>1,803,009</b>	1,717,267
- Others	<b>1,360,695</b>	1,188,433
Individuals	<b>2,755,652</b>	2,640,821
Foreign entities	<b>137,285</b>	134,567
	<b><u>7,080,433</u></b>	<u>6,695,678</u>

**(iv) Gross financing, advances and others by profit rate sensitivity:**

	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000
Fixed rate		
- Other fixed rate financing	<b>1,577,482</b>	1,355,749
Variable rates		
- Base rate/base financing rate-plus	<b>3,945,339</b>	3,788,362
- Cost-plus	<b>1,557,612</b>	1,551,567
	<b><u>7,080,433</u></b>	<u>6,695,678</u>

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**36. ISLAMIC BANKING OPERATIONS (cont'd.)****EXPLANATORY NOTES****d. Financing, advances and others (cont'd.)****(v) Gross financing, advances and others by economic sectors:**

	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000
Agriculture	<b>508,952</b>	509,375
Mining and quarrying	<b>95,068</b>	96,819
Manufacturing	<b>484,894</b>	464,879
Electricity, gas and water	<b>220,152</b>	56,921
Construction	<b>404,492</b>	442,653
Wholesale, retail trade, restaurants and hotels	<b>827,687</b>	719,588
Transport, storage and communication	<b>128,181</b>	120,339
Finance, insurance and business services	<b>1,189,165</b>	1,180,935
Real estate	<b>302,394</b>	302,114
Community, social and personal services	<b>26,510</b>	26,666
Households		
- purchase of residential properties	<b>2,667,354</b>	2,553,839
- purchase of non residential properties	<b>162,830</b>	160,022
- others	<b>62,754</b>	61,528
	<b><u>7,080,433</u></b>	<u>6,695,678</u>

**(vi) Movements in impaired financing, advances and others are as follows:**

	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000
As at 1 January	<b>75,903</b>	38,486
Classified as impaired during the period	<b>9,409</b>	42,179
Amount recovered	<b>(1,373)</b>	(2,072)
Reclassified as non credit impaired	<b>(1,082)</b>	(1,082)
Amount written off	<b>(248)</b>	(1,608)
As at 31 March / 31 December	<b><u>82,609</u></b>	<u>75,903</u>
Allowance for ECL on credit impaired	<b>(21,808)</b>	(20,684)
Net impaired financing, advances and others	<b><u>60,801</u></b>	<u>55,219</u>

Ratio of net impaired financing, advances and others  
to gross financing, advances and others  
less allowances for ECL on credit impaired

**0.9%**0.8%

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**36. ISLAMIC BANKING OPERATIONS (cont'd.)**  
**EXPLANATORY NOTES**

**d. Financing, advances and others (cont'd.)**

**(vii) Impaired financing, advances and others analysed by economic sectors are as follows:**

	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000
Manufacturing	<b>19,324</b>	15,485
Construction	<b>4,390</b>	4,386
Wholesale, retail trade, restaurants and hotels	<b>10,010</b>	10,006
Households		
- purchase of residential properties	<b>48,395</b>	45,488
- purchase of non-residential properties	<b>490</b>	538
	<b>82,609</b>	75,903

**(viii) Impaired financing, advances and others analysed by geographical distribution are as follows:**

	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000
In Malaysia	<b>82,609</b>	75,903

**e. Other assets**

	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000
Other receivables, deposits and prepayments	<b>3,360</b>	1,187
Profit receivables	<b>2,583</b>	1,383
Less: Allowances for ECL	<b>(5)</b>	(5)
	<b>5,938</b>	2,565

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**36. ISLAMIC BANKING OPERATIONS (cont'd.)**  
**EXPLANATORY NOTES**

**f. Movements in loss allowances for expected credit losses**

**(a) Other financial assets:**

**Cash and short-term funds, Debt instruments at FVOCI  
and Other assets**

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12 months ECL RM'000	Lifetime ECL non impaired RM'000	Lifetime ECL credit-impaired RM'000	Total ECL RM'000
As at 1 January 2021	1,614	3	-	1,617
<u>Movements with P&amp;L impact:</u>				
New/additional during the period	1,226	-	-	1,226
Maturity/settlement/reduction during the period	(282)	-	-	(282)
As at 31 March 2021	<u>2,558</u>	<u>3</u>	<u>-</u>	<u>2,561</u>
As at 1 January 2020	1,434	1	-	1,435
<u>Movements with P&amp;L impact:</u>				
New/additional during the year	897	2	-	899
Maturity/settlement/reduction during the year	(717)	-	-	(717)
As at 31 December 2020	<u>1,614</u>	<u>3</u>	<u>-</u>	<u>1,617</u>

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**36. ISLAMIC BANKING OPERATIONS (cont'd.)**  
**EXPLANATORY NOTES**

**f. Movements in loss allowances for expected credit losses (cont'd)**

**(b) Contingent liabilities and commitments**

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12-month ECL RM'000	Lifetime ECL non impaired RM'000	Lifetime ECL credit-impaired RM'000	Total ECL RM'000
As at 1 January 2021	5,148	2,865	-	8,013
<u>Movements with P&amp;L impact:</u>				
Transferred to Stage 1	45	(55)	-	(10)
Transferred to Stage 2	(28)	748	-	720
New/additional during the period	5,437	456	-	5,893
Maturity/settlement/reduction during the period	(1,718)	(779)	-	(2,497)
As at 31 March 2021	<u>8,884</u>	<u>3,235</u>	<u>-</u>	<u>12,119</u>
As at 1 January 2020	3,133	2,568	-	5,701
<u>Movements with P&amp;L impact:</u>				
Transferred to Stage 1	370	(419)	-	(49)
Transferred to Stage 2	(541)	1,760	-	1,219
New/additional during the year	9,146	584	-	9,730
Maturity/settlement/reduction during the year	(6,960)	(1,623)	-	(8,583)
Foreign translation gain	-	(5)	-	(5)
As at 31 December 2020	<u>5,148</u>	<u>2,865</u>	<u>-</u>	<u>8,013</u>

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**36. ISLAMIC BANKING OPERATIONS (cont'd.)**  
**EXPLANATORY NOTES**

**f. Movements in loss allowances for expected credit losses (cont'd)**

**(c) Financing, advances and others**

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12-month ECL RM'000	Lifetime ECL non impaired RM'000	Lifetime ECL credit-impaired RM'000	Total ECL RM'000
As at 1 January 2021	20,975	34,732	20,684	76,391
<u>Movements with P&amp;L impact:</u>				
Transferred to Stage 1	173	(1,162)	-	(989)
Transferred to Stage 2	(516)	7,763	(119)	7,128
Transferred to Stage 3	-	(651)	581	(70)
New/additional during the period	20,168	1,785	2,166	24,119
Maturity/settlement/reduction during the period	(18,745)	3,041	(878)	(16,582)
	1,080	10,776	1,750	13,606
<u>Movements without profit or loss impact:</u>				
Amounts written off	-	-	(270)	(270)
Other movements	-	-	(356)	(356)
As at 31 March 2021	<b>22,055</b>	<b>45,508</b>	<b>21,808</b>	<b>89,371</b>
As at 1 January 2020	10,763	27,330	7,115	45,208
<u>Movements with P&amp;L impact:</u>				
Transferred to Stage 1	1,217	(7,722)	-	(6,505)
Transferred to Stage 2	(2,884)	17,670	(105)	14,681
Transferred to Stage 3	(282)	(1,605)	3,263	1,376
New/additional during the year	75,965	7,591	16,337	99,893
Maturity/settlement/reduction during the year	(63,804)	(8,532)	(2,917)	(75,253)
	10,212	7,402	16,578	34,192
Amounts written off	-	-	(1,956)	(1,956)
Other movements	-	-	(1,053)	(1,053)
As at 31 December 2020	<b>20,975</b>	<b>34,732</b>	<b>20,684</b>	<b>76,391</b>

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**36. ISLAMIC BANKING OPERATIONS (cont'd.)**  
**EXPLANATORY NOTES**

**g. 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 Bank customise derivatives to meet specific needs of their customers. The Bank also transact in these derivatives for proprietary trading purposes as well as to manage its assets/liabilities and structural positions. While the Bank also enter into other foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases for customers, these other contracts are not designated as hedge relationships and are measured at fair value through profit or loss.

The fair value of the derivatives are as follows:

	<b>Contract or underlying principal amount RM'000</b>	<b>Positive fair value RM'000</b>	<b>Negative fair value RM'000</b>
<b>As at 31 March 2021</b>			
Foreign exchange contracts			
- forwards	445,384	5,440	5,402

	<b>Contract or underlying principal amount RM'000</b>	<b>Positive fair value RM'000</b>	<b>Negative fair value RM'000</b>
<b>As at 31 December 2020</b>			
Foreign exchange contracts			
- forwards	435,412	8,729	10,296



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**36. ISLAMIC BANKING OPERATIONS (cont'd.)**  
**EXPLANATORY NOTES**

**h. Deposits from customers**

**(i) By type of deposits:**

	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000
<b><u>Non-Mudharabah fund</u></b>		
Demand deposits		
- Qard	<b>395,627</b>	378,200
Savings deposits		
- Qard	<b>45,696</b>	37,970
Fixed deposits		
- Tawarruq	<b>3,694,078</b>	3,930,154
Other deposits		
- Tawarruq	<b>46,644</b>	85,752
	<b><u>4,182,045</u></b>	<u>4,432,076</u>

**(ii) The maturity structure of fixed deposits is as follows:**

	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000
Due within six months	<b>3,040,321</b>	1,708,761
Six months to one year	<b>481,323</b>	1,958,959
One year to three years	<b>162,408</b>	252,408
Three years to five years	<b>10,026</b>	10,026
	<b><u>3,694,078</u></b>	<u>3,930,154</u>

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

	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000
Business enterprises	<b>1,349,515</b>	1,331,387
Individuals	<b>2,495,747</b>	2,704,069
Others	<b>336,783</b>	396,620
	<b><u>4,182,045</u></b>	<u>4,432,076</u>

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**36. ISLAMIC BANKING OPERATIONS (cont'd.)**  
**EXPLANATORY NOTES**

**i. Investment accounts due to designated financial institutions**

	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000
<b><u>Mudharabah RSIA</u></b>		
Licensed bank	<b>1,955,962</b>	1,416,000
Amount receivable from Conventional Bank	<b>(25,818)</b>	(18,575)
	<b><u>1,930,144</u></b>	<u>1,397,425</u>

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

	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000
<b><u>Non-Mudharabah fund</u></b>		
Other financial institutions	<b><u>3,354,000</u></b>	<u>2,089,319</u>

**k. Other liabilities**

	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000
Allowance for ECL for commitment and contingencies	<b>12,119</b>	8,013
Accrued profit payable	<b>60,144</b>	55,282
Accruals and provisions for operational expenses	<b>1,906</b>	16,476
	<b><u>74,169</u></b>	<u>79,771</u>

**l. Islamic Banking funds**

	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000
Capital fund	<b>450,000</b>	450,000
Fair value through other comprehensive income reserve	<b>(511)</b>	262
Accumulated profit	<b>15,849</b>	6,311
	<b><u>465,338</u></b>	<u>456,573</u>

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**36. ISLAMIC BANKING OPERATIONS (cont'd.)**  
**EXPLANATORY NOTES**

**m. Income derived from depositors' funds**

	First Quarter ended		Three months ended	
	31-Mar-21 RM'000	31-Mar-20 RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000
<b><u>Finance income and hibah</u></b>				
Financing, advances and others	39,464	43,442	39,464	43,442
Money at call and deposit placements with financial institutions	2,630	1,489	2,630	1,489
FVOCI securities	4,407	8,846	4,407	8,846
	<b>46,501</b>	<b>53,777</b>	<b>46,501</b>	<b>53,777</b>
<b><u>Other operating income</u></b>				
Trading income	464	442	464	442
Commision income	1,714	1,421	1,714	1,421
Fee income	6,412	2,571	6,412	2,571
Others	47	16	47	16
	<b>55,138</b>	<b>58,227</b>	<b>55,138</b>	<b>58,227</b>

**n. Income derived from investment of Islamic Banking funds**

	First Quarter ended		Three months ended	
	31-Mar-21 RM'000	31-Mar-20 RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000
<b><u>Finance income and hibah</u></b>				
Financing, advances and others	4,193	4,223	4,193	4,223
Money at call and deposit placements with financial institutions	279	145	279	145
FVOCI securities	468	863	468	863
	<b>4,940</b>	<b>5,231</b>	<b>4,940</b>	<b>5,231</b>
<b><u>Other operating income</u></b>				
Trading income	49	42	49	42
Commision income	182	138	182	138
Fee income	684	241	684	241
Others	5	2	5	2
	<b>5,860</b>	<b>5,654</b>	<b>5,860</b>	<b>5,654</b>

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**EXPLANATORY NOTES**

**o. Income derived from investment of Investment Account funds**

	<b>First Quarter ended</b>		<b>Three months ended</b>	
	<b>31-Mar-21</b>	31-Mar-20	<b>31-Mar-21</b>	31-Mar-20
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Financing, advances and others	<b>11,538</b>	3,724	<b>11,538</b>	3,724
Money at call and deposit placements with financial institutions	<b>416</b>	532	<b>416</b>	532
	<b>11,954</b>	4,256	<b>11,954</b>	4,256

**p. Income attributable to depositors**

	<b>First Quarter ended</b>		<b>Three months ended</b>	
	<b>31-Mar-21</b>	31-Mar-20	<b>31-Mar-21</b>	31-Mar-20
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Income attributable to depositors from non-mudharabah fund	<b>32,226</b>	46,646	<b>32,226</b>	46,646

**q. Income attributable to Investment Account holder**

	<b>First Quarter ended</b>		<b>Three months ended</b>	
	<b>31-Mar-21</b>	31-Mar-20	<b>31-Mar-21</b>	31-Mar-20
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Income attributable to depositor from mudharabah fund	<b>9,563</b>	3,405	<b>9,563</b>	3,405

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**EXPLANATORY NOTES**

**r. Allowance for impairment on financing, advances and others and other financial assets**

	First Quarter ended		Three months ended	
	31-Mar-21 RM'000	31-Mar-20 RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000
Allowances for/ (writeback of) impairment on financing, advances and others				
Stage 1 ECL	<b>1,080</b>	1,421	<b>1,080</b>	1,421
Stage 2 ECL	<b>10,776</b>	2,308	<b>10,776</b>	2,308
Stage 3 ECL	<b>1,750</b>	2,817	<b>1,750</b>	2,817
Recovery from RSIA holder*	<b>(2,706)</b>	(2)	<b>(2,706)</b>	(2)
	<b>10,900</b>	6,544	<b>10,900</b>	6,544
Credit-impaired financing, advances and others - written off	<b>26</b>	-	<b>26</b>	-
	<b>10,926</b>	6,544	<b>10,926</b>	6,544
Other financial assets				
Stage 1 ECL	<b>630</b>	(13)	<b>630</b>	(13)
Stage 2 ECL	<b>314</b>	-	<b>314</b>	-
	<b>944</b>	(13)	<b>944</b>	(13)
Commitment and contingencies				
Stage 1 ECL	<b>3,736</b>	(569)	<b>3,736</b>	(569)
Stage 2 ECL	<b>370</b>	(327)	<b>370</b>	(327)
Recovery from RSIA holder*	<b>(4,538)</b>	-	<b>(4,538)</b>	-
	<b>(432)</b>	(896)	<b>(432)</b>	(896)
Total	<b>11,438</b>	<b>5,635</b>	<b>11,438</b>	<b>5,635</b>

\*The RSIA holder is the Conventional Banking

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**36. ISLAMIC BANKING OPERATIONS (cont'd.)**  
**EXPLANATORY NOTES**

**s. Other operating expenses**

	First Quarter ended		Three months ended	
	31-Mar-21 RM'000	31-Mar-20 RM'000	31-Mar-21 RM'000	31-Mar-20 RM'000
Personnel expenses	<b>686</b>	625	<b>686</b>	625
Establishment related expenses	<b>677</b>	627	<b>677</b>	627
Promotion and marketing related expenses	<b>1</b>	11	<b>1</b>	11
General administrative expenses	<b>5,808</b>	5,986	<b>5,808</b>	5,986
	<b>7,172</b>	7,249	<b>7,172</b>	7,249
Personnel expenses				
- Wages, salaries and bonus	<b>538</b>	505	<b>538</b>	505
- Defined contribution plan	<b>86</b>	81	<b>86</b>	81
- Other employee benefits	<b>62</b>	39	<b>62</b>	39
	<b>686</b>	625	<b>686</b>	625
Establishment related expenses				
- Depreciation of property, plant and equipment	<b>216</b>	215	<b>216</b>	215
- Repair and maintenance	<b>1</b>	-	<b>1</b>	-
- Information technology costs	<b>240</b>	194	<b>240</b>	194
- Others	<b>220</b>	218	<b>220</b>	218
	<b>677</b>	627	<b>677</b>	627
Promotion and marketing related expenses				
- Advertisement and publicity	<b>1</b>	11	<b>1</b>	11
General administrative expenses				
- Fees and commissions paid	<b>49</b>	111	<b>49</b>	111
- Management fee	<b>5,740</b>	5,809	<b>5,740</b>	5,809
- Others	<b>19</b>	66	<b>19</b>	66
	<b>5,808</b>	5,986	<b>5,808</b>	5,986

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**36. ISLAMIC BANKING OPERATIONS (cont'd.)**  
**EXPLANATORY NOTES**

**t. Commitments and contingencies**

The off-balance sheet exposures and their related counterparty credit risk are as follows:

	<b>Principal amount RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted amount RM'000</b>
<b>As at 31 March 2021</b>			
Direct credit substitutes	34,458	34,458	38,171
Transaction-related contingent items	59,295	29,917	28,136
Short-term self-liquidating trade-related contingencies	8,031	1,606	1,553
Foreign exchange related contracts			
- less than one year	445,384	13,699	5,956
Undrawn credit facility			
- less than one year	228,619	7,394	2,434
- more than one year	1,043,072	755,463	392,028
- unconditionally cancellable	333,083	-	-
<b>Total</b>	<b>2,151,942</b>	<b>842,537</b>	<b>468,278</b>
	<b>Principal amount RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted amount RM'000</b>
<b>As at 31 December 2020</b>			
Direct credit substitutes	35,164	35,164	36,981
Transaction-related contingent items	56,499	28,449	32,415
Short-term self-liquidating trade-related contingencies	4,362	872	1,436
Foreign exchange related contracts			
- less than one year	435,412	6,265	2,817
Undrawn credit facility			
- less than one year	260,048	6,594	2,651
- more than one year	720,560	518,124	160,519
- unconditionally cancellable	227,495	-	-
<b>Total</b>	<b>1,739,540</b>	<b>595,468</b>	<b>236,819</b>

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**36. ISLAMIC BANKING OPERATIONS (cont'd.)**  
**EXPLANATORY NOTES**

**u. Capital management and capital adequacy**

The capital adequacy ratios of Islamic Banking window are computed in accordance with the BNM Capital Adequacy Framework for Islamic Banking (Capital Components) and Basel II - Risk-weighted Assets Framework for Islamic Banking.

	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000
<u>Common Equity Tier 1 ("CET1")/Tier 1 Capital</u>		
Capital fund	<b>450,000</b>	450,000
Accumulated profit	<b>6,311</b>	6,311
Other reserves	<b>(511)</b>	262
Regulatory adjustments applied in the calculation of CET1 Capital	<b>(11,361)</b>	(10,130)
Total CET1/Tier 1 Capital	<b>444,439</b>	446,443
<u>Tier 2 Capital</u>		
Financing loss provision		
- Surplus eligible provisions over expected losses	<b>19,173</b>	18,173
- General provisions	<b>142</b>	107
Total Tier 2 Capital	<b>19,315</b>	18,280
Total Capital	<b>463,754</b>	464,723

**(a) The capital adequacy ratios are as follows:**

	<b>31-Mar-21</b>	<b>31-Dec-20</b>
<b>Before the effects of PSIA</b>		
CET1/Tier 1 Capital	<b>9.766%</b>	11.187%
Total Capital	<b>10.352%</b>	11.645%
<b>After the effects of PSIA</b>		
CET1/Tier 1 Capital	<b>13.384%</b>	14.042%
Total Capital	<b>13.965%</b>	14.617%

In accordance with BNM's Guidelines on the Investment Account, the credit risk and market risks weighted assets funded by the RSIA which qualify as risk absorbent are excluded from the calculation of capital adequacy ratio. As at 31 March 2021, credit risks related to RSIA assets excluded from the total capital ratio calculation amounted to RM1,230,199,000 (31 December 2020: RM811,295,000).



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**36. ISLAMIC BANKING OPERATIONS (cont'd.)  
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**(b) Analysis of gross risk-weighted assets ("RWA") in the various categories of risk-weights is as follows:**

	<b>31-Mar-21</b>	31-Dec-20
	<b>RM'000</b>	RM'000
Total RWA for credit risk	<b>3,206,793</b>	3,080,111
Total RWA for market risk	<b>6,320</b>	5,560
Total RWA for operational risk	<b>107,654</b>	93,714
	<b><u>3,320,767</u></b>	<u>3,179,385</u>