

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

PILLAR 3 DISCLOSURE
30 JUNE 2016

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

HEAD OFFICE

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**Attestation by Chief Executive Officer pursuant to BASEL II – Pillar 3 Disclosures
as at 30 June 2016**

To the best of my knowledge, I hereby attest that United Overseas Bank (Malaysia) Bhd's Pillar 3 Disclosures prepared for submission to Bank Negara Malaysia is in accordance with Bank Negara Malaysia's Risk Weighted Capital Adequacy Framework (Basel II) – Disclosure Requirements (Pillar 3) for the financial period ended 30 June 2016.



Wong Kim Choong
Chief Executive Officer



Date: 25 July 2016

UNITED OVERSEAS BANK (MALAYSIA) BHD
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1. 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) and Basel II - Risk-weighted Assets framework.

(a) Capital Structure

The following tables present the Capital Structure of the Group and the Bank:

	Group		Bank	
	30-Jun-16 RM'000	31-Dec-15 RM'000	30-Jun-16 RM'000	31-Dec-15 RM'000
<u>Common Equity Tier 1 ("CET1") Capital/</u>				
<u>Tier 1 Capital</u>				
Paid-up share capital	470,000	470,000	470,000	470,000
Share premium	322,555	322,555	322,555	322,555
Retained profits	5,931,894	6,305,544	5,994,788	6,368,438
Statutory reserve	470,000	470,000	470,000	470,000
Other reserves	271,324	223,531	104,180	56,387
Regulatory adjustments applied in the calculation of CET1 Capital	(258,335)	(238,046)	(111,562)	(90,887)
Total CET1/Tier 1 Capital	7,207,438	7,553,584	7,249,961	7,596,493
<u>Tier 2 Capital</u>				
Tier 2 capital instruments	1,500,000	1,500,000	1,500,000	1,500,000
Loan/financing loss provision				
- Surplus eligible provisions over expected losses	195,135	169,563	201,354	175,551
- Collective impairment provisions	23,149	25,697	19,463	22,073
Regulatory adjustments applied in the calculation of Tier 2 Capital	67,472	65,250	(5,425)	(8,143)
Total Tier 2 Capital	1,785,756	1,760,510	1,715,392	1,689,481
Total Capital	8,993,194	9,314,094	8,965,353	9,285,974

(b) Capital Adequacy Ratios of the Group and the Bank

	Group		Bank	
	30-Jun-16	31-Dec-15	30-Jun-16	31-Dec-15
CET1/Tier 1 ratio	12.846%	14.155%	12.989%	14.314%
Total Capital	16.029%	17.455%	16.062%	17.497%

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2. CAPITAL ADEQUACY

The aggregate breakdown of Risk-Weighted Assets ("RWA") by exposures in each category of the Bank for the current period ended 30 June 2016 are as follows:

RM'000

Item	Exposure Class	Exposures Pre Credit Risk Mitigation ("CRM")	Exposures Post Credit Risk Mitigation ("CRM")	RWA	Minimum Capital Requirement at 8%
1.0	Credit Risk				
1.1	Exempted Exposures under the Standardised Approach (SA)				
	<i>On-Balance Sheet Exposures</i>				
	Sovereigns/Central Banks	19,826,427	19,826,427	-	-
	Insurance Cos, Securities Firms and Fund Managers	12,186	171	171	14
	Corporates	607,291	604,592	604,337	48,347
	Other Assets	834,728	834,728	687,077	54,966
	Defaulted Exposures	9,658	9,658	14,469	1,157
	Total On-Balance Sheet Exposures	21,290,290	21,275,576	1,306,054	104,484
	<i>Off-Balance Sheet Exposures</i>				
	Over the Counter ("OTC") Derivatives	171,227	171,227	122,378	9,790
	Off-Balance Sheet Exposures other than OTC Derivatives or Credit Derivatives	137,529	135,951	128,623	10,290
	Total Off-Balance Sheet Exposures	308,756	307,178	251,001	20,080
	Total On and Off-Balance Sheet Exposures (SA)	21,599,046	21,582,754	1,557,055	124,564
1.2	Exposures under the Foundation IRB Approach (FIRB)				
	<i>On-Balance Sheet Exposures</i>				
	Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	3,953,754	2,981,822	583,679	46,694
	Corporates	26,799,838	23,681,963	27,013,646	2,161,092
	Equity (Simple Risk Weight)	126,046	126,046	501,267	40,101
	Defaulted Exposures	645,950	632,400	-	-
	Total On-Balance Sheet Exposures	31,525,588	27,422,231	28,098,592	2,247,887
	<i>Off-Balance Sheet Exposures</i>				
	OTC Derivatives	1,267,655	1,260,512	657,394	52,592
	Off-Balance Sheet Exposures other than OTC Derivatives or Credit Derivatives	9,400,383	8,466,874	8,535,091	682,807
	Defaulted Exposures	16,910	16,865	-	-
	Total Off-Balance Sheet Exposures	10,684,948	9,744,251	9,192,485	735,399
	Total On and Off-Balance Sheet Exposures (FIRB)	42,210,536	37,166,482	37,291,077	2,983,286
1.3	Exposures under the Advance IRB Approach (AIRB)				
	<i>On-Balance Sheet Exposures</i>				
	Corporates	26,097	26,097	11,844	948
	Residential Mortgages	28,942,636	28,942,636	3,070,663	245,653
	Qualifying Revolving Retail	2,214,711	2,214,711	904,308	72,345
	Other Retail	15,309,033	15,309,033	2,685,088	214,807
	Defaulted Exposures	623,362	623,362	768,150	61,452
	Total On-Balance Sheet Exposures	47,115,839	47,115,839	7,440,053	595,205
	<i>Off-Balance Sheet Exposures</i>				
	OTC Derivatives	4,406	4,406	4,051	324
	Off-Balance Sheet Exposures other than OTC Derivatives or Credit Derivatives	6,599,545	6,599,545	872,477	69,798
	Defaulted Exposures	125	125	187	15
	Total Off-Balance Sheet Exposures	6,604,076	6,604,076	876,715	70,137
	Total On and Off-Balance Sheet Exposures (AIRB)	53,719,915	53,719,915	8,316,768	665,342
	Total Exposures under IRB Approach	95,930,451	90,886,397	45,607,845	3,648,628
	Total (Exempted Exposures and Exposures under the IRB Approach) after scaling factor	-	-	49,901,371	3,992,110
2.0	Large Exposures Risk Requirement	-	-	-	-
3.0	Market Risk	Long position	Short position		
	Interest Rate Risk	41,881,159	33,644,270	929,623	74,370
	Foreign Currency Risk	369,521	356,199	59,495	4,760
	Commodity Risk	173,859	173,878	65,341	5,227
	Options Risk	-	-	29,694	2,375
4.0	Operational Risk (Basic Indicator Approach)			4,831,216	386,497
5.0	Total RWA and Capital Requirements			55,816,740	4,465,339

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2. CAPITAL ADEQUACY (Cont'd.)

The aggregate breakdown of Risk-Weighted Assets ("RWA") by exposures in each category of the Bank for the financial year ended 31 December 2015 are as follows:

RM'000

Item	Exposure Class	Exposures Pre CRM	Exposures Post CRM	RWA	Minimum Capital Requirement at 8%
1.0	Credit Risk				
1.1	Exempted Exposures under the Standardised Approach (SA)				
	<i>On-Balance Sheet Exposures</i>				
	Sovereigns/Central Banks	15,935,875	15,935,875	-	-
	Banks, DFIs and MDBs	100,036	100,036	20,007	1,600
	Insurance Cos, Securities Firms and Fund Managers	10,273	242	242	19
	Corporates	534,403	532,294	532,083	42,567
	Other Assets	994,158	994,158	802,583	64,207
	Defaulted Exposures	7,589	7,589	11,383	911
	Total On-Balance Sheet Exposures	17,582,334	17,570,194	1,366,298	109,304
	<i>Off-Balance Sheet Exposures</i>				
	OTC Derivatives	375,245	375,245	272,749	21,820
	Off-Balance Sheet Exposures other than OTC Derivatives or Credit Derivatives	137,645	136,171	126,794	10,143
	Total Off-Balance Sheet Exposures	512,890	511,416	399,543	31,963
	Total On and Off-Balance Sheet Exposures (SA)	18,095,224	18,081,610	1,765,841	141,267
1.2	Exposures under the Foundation IRB Approach (FIRB)				
	<i>On-Balance Sheet Exposures</i>				
	Banks, DFIs and MDBs	3,345,265	3,345,265	863,741	69,099
	Corporates	25,185,715	22,388,111	25,271,451	2,021,716
	Equity (Simple Risk Weight)	78,532	78,532	310,390	24,831
	Defaulted Exposures	642,380	629,993	-	-
	Total On-Balance Sheet Exposures	29,251,892	26,441,901	26,445,582	2,115,646
	<i>Off-Balance Sheet Exposures</i>				
	OTC Derivatives	1,569,597	1,566,501	769,035	61,523
	Off-Balance Sheet Exposures other than OTC Derivatives or Credit Derivatives	8,640,601	7,712,209	7,406,950	592,556
	Defaulted Exposures	21,174	20,859	-	-
	Total Off-Balance Sheet Exposures	10,231,372	9,299,569	8,175,985	654,079
	Total On and Off-Balance Sheet Exposures (FIRB)	39,483,264	35,741,470	34,621,567	2,769,725
1.3	Exposures under the Advance IRB Approach (AIRB)				
	<i>On-Balance Sheet Exposures</i>				
	Corporates	23,967	23,967	6,419	514
	Residential Mortgages	28,067,570	28,067,570	3,041,079	243,286
	Qualifying Revolving Retail	2,236,755	2,236,755	942,361	75,389
	Other Retail	14,941,327	14,941,327	2,630,775	210,462
	Defaulted Exposures	626,266	626,266	779,713	62,377
	Total On-Balance Sheet Exposures	45,895,885	45,895,885	7,400,347	592,028
	<i>Off-Balance Sheet Exposures</i>				
	OTC Derivatives	3,881	3,881	2,890	231
	Off-Balance Sheet Exposures other than OTC Derivatives or Credit Derivatives	6,530,388	6,530,388	866,078	69,286
	Defaulted Exposures	155	155	261	21
	Total Off-Balance Sheet Exposures	6,534,424	6,534,424	869,229	69,538
	Total On and Off-Balance Sheet Exposures (AIRB)	52,430,309	52,430,309	8,269,576	661,566
	Total Exposures under IRB Approach	91,913,573	88,171,779	42,891,143	3,431,291
	Total (Exempted Exposures and Exposures under the IRB Approach) after scaling factor	-	-	47,230,453	3,778,436
2.0	Large Exposures Risk Requirement	-	-	-	-
3.0	Market Risk	Long position	Short position		
	Interest Rate Risk	37,384,320	30,954,299	923,957	73,917
	Foreign Currency Risk	407,765	365,164	50,343	4,027
	Commodity Risk	430,565	428,670	165,404	13,232
	Options Risk	-	-	27,810	2,225
4.0	Operational Risk (Basic Indicator Approach)			4,673,789	373,903
5.0	Total RWA and Capital Requirements			53,071,756	4,245,741

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CREDIT RISK

(i) Credit Exposures by Sector

RM'000

30 June 2016 Bank	Sovereigns /Central Banks	Public Sector Entities ("PSEs")	Banks, DFIs and MDBs	Insurance Cos, Securities Firms and Fund Managers	Corporates (including Specialised Lending and SMEs)	Retail	Residential Mortgages	Equity Exposures	Other Assets	Total
Agriculture, Hunting, Forestry and Fishing	-	-	-	-	1,383,870	-	-	-	-	1,383,870
Mining and Quarrying	-	-	492,851	-	581,142	-	-	-	-	1,073,993
Manufacturing	-	-	43,575	-	5,896,777	-	-	-	-	5,940,352
Electricity, Gas and Water	-	-	-	-	97,913	-	-	-	-	97,913
Construction	-	-	-	-	12,664,811	-	-	-	-	12,664,811
Wholesale, Retail Trade, Restaurant and Hotel	-	-	18,055	-	8,439,158	-	-	-	-	8,457,213
Transport, Storage and Communication	-	-	-	-	1,223,201	-	-	-	-	1,223,201
Finance, Insurance and Business Services	-	-	4,847,613	160,282	2,123,393	-	-	-	-	7,131,288
Real Estate	-	-	-	-	4,658,982	-	-	-	-	4,658,982
Community, Social and Personal Services	-	-	-	-	38,866	-	-	-	-	38,866
Households	-	-	-	-	-	21,502,182	32,167,930	-	-	53,670,112
Others	19,826,427	34,923	-	-	335,309	-	-	126,046	-	20,322,705
Other Assets not subject to Credit Risk	-	-	-	-	-	-	-	-	866,190	866,190
Total	19,826,427	34,923	5,402,094	160,282	37,443,422	21,502,182	32,167,930	126,046	866,190	117,529,496

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CREDIT RISK (Cont'd.)

(i) Credit Exposures by Sector (cont'd.)

RM'000

31 December 2015 Bank	Sovereigns /Central Banks	Public Sector Entities ("PSEs")	Banks, DFIs and MDBs	Insurance Cos, Securities Firms and Fund Managers	Corporates (including Specialised Lending and SMEs)	Retail	Residential Mortgages	Equity Exposures	Other Assets	Total
Agriculture, Hunting, Forestry and Fishing	-	-	2,864	-	1,192,345	-	-	-	-	1,195,209
Mining and Quarrying	-	-	867,537	-	217,458	-	-	-	-	1,084,995
Manufacturing	-	-	37,596	-	6,053,272	-	-	-	-	6,090,868
Electricity, Gas and Water	-	-	-	-	92,297	-	-	-	-	92,297
Construction	-	-	29,292	-	13,026,238	-	-	-	-	13,055,530
Wholesale, Retail Trade, Restaurant and Hotel	-	-	30,084	-	7,022,074	-	-	-	-	7,052,158
Transport, Storage and Communication	-	-	-	-	945,231	-	-	-	-	945,231
Finance, Insurance and Business Services	34,464	-	3,248,806	294,930	2,085,648	-	-	-	-	5,663,848
Real Estate	-	-	-	-	3,307,320	-	-	-	-	3,307,320
Community, Social and Personal Services	-	-	-	-	24,301	-	-	-	-	24,301
Households	-	-	-	-	176	21,169,312	31,212,476	-	-	52,381,964
Others	15,915,191	75,595	932,364	-	1,086,329	-	-	78,532	-	18,088,011
Other Assets not subject to Credit Risk	-	-	-	-	-	-	-	-	1,027,066	1,027,066
Total	15,949,655	75,595	5,148,543	294,930	35,052,689	21,169,312	31,212,476	78,532	1,027,066	110,008,798

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CREDIT RISK (Cont'd.)

(ii) Credit Exposures by Remaining Contractual Maturities

RM'000

30 June 2016 Bank	Sovereigns /Central Banks	PSEs	Banks, DFIs and MDBs	Insurance Cos, Securities Firms and Fund Managers	Corporates (including Specialised Lending and SMEs)	Retail	Residential Mortgages	Equity Exposures	Other Assets	Grand Total
< 3 Months	-	17,345	2,437,180	8,435	2,512,097	195,565	-	-	57	5,170,679
3 - 6 Months	-	2,417	197,019	3,079	19,815	699	-	-	-	223,029
6 - 12 Months	-	13,648	3,718	3,827	16,793	-	-	-	-	37,986
1 - 3 Years	18,589,445	1,513	2,304,116	131,494	20,264,840	6,399,105	1,647,894	-	866,133	50,204,540
3 - 5 Years	678,047	-	422,128	13,447	7,933,648	337,043	255,180	-	-	9,639,493
> 5 Years	558,935	-	37,933	-	6,696,229	14,569,770	30,264,856	126,046	-	52,253,769
Grand Total	19,826,427	34,923	5,402,094	160,282	37,443,422	21,502,182	32,167,930	126,046	866,190	117,529,496

RM'000

31 December 2015 Bank	Sovereigns /Central Banks	PSEs	Banks, DFIs and MDBs	Insurance Cos, Securities Firms and Fund Managers	Corporates (including Specialised Lending and SMEs)	Retail	Residential Mortgages	Equity Exposures	Other Assets	Grand Total
< 3 Months	3,574,692	7,671	1,144,913	10,181	2,285,526	163,469	-	-	-	7,186,452
3 - 6 Months	-	-	96,956	1,875	18,358	461	-	-	-	117,650
6 - 12 Months	-	30,934	18,928	-	8,231	-	-	-	-	58,093
1 - 3 Years	11,930,426	36,990	3,466,868	268,000	19,100,869	6,223,005	1,612,586	-	1,027,066	43,665,810
3 - 5 Years	444,537	-	357,925	14,070	7,307,548	299,983	240,749	-	-	8,664,812
> 5 Years	-	-	62,953	804	6,332,157	14,482,394	29,359,141	78,532	-	50,315,981
Grand Total	15,949,655	75,595	5,148,543	294,930	35,052,689	21,169,312	31,212,476	78,532	1,027,066	110,008,798

UNITED OVERSEAS BANK (MALAYSIA) BHD
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CREDIT RISK (Cont'd.)

For exposures subject to the Standardised Approach, approved External Credit Assessment Institutions ("ECAIs") ratings and prescribed risk weights based on asset class are used in the computation of regulatory capital.

The ECAIs used by the Bank are Rating Agency Malaysia, Fitch Ratings, Moody's Investors Service, Malaysian Rating Corporation Berhad and Standard & Poor's. ECAIs ratings are mapped to a common credit quality grade prescribed by BNM.

(iii) The aggregate breakdown of Credit Risk Exposures by Risk Weights of the Bank are as follows:

RM'000

30 June 2016								
Risk Weights	Sovereigns /Central Banks	PSEs	Banks, DFIs and MDBs	Insurance Cos, Securities Firms and Fund Managers	Corporates	Other Assets	Total Exposures after Netting and CRM	Total RWA
0%	19,826,427	-	-	-	581	147,651	19,974,659	-
10%	-	-	-	-	-	-	-	-
20%	-	34,921	-	-	-	-	34,921	6,984
35%	-	-	-	-	-	-	-	-
50%	-	2	55,824	-	-	-	55,826	27,913
75%	-	-	-	-	-	-	-	-
90%	-	-	-	-	-	-	-	-
100%	-	-	-	148,185	641,002	718,539	1,507,726	1,507,726
110%	-	-	-	-	-	-	-	-
125%	-	-	-	-	-	-	-	-
135%	-	-	-	-	-	-	-	-
150%	-	-	-	-	9,622	-	9,622	14,432
270%	-	-	-	-	-	-	-	-
350%	-	-	-	-	-	-	-	-
400%	-	-	-	-	-	-	-	-
625%	-	-	-	-	-	-	-	-
937.5%	-	-	-	-	-	-	-	-
1250.0%	-	-	-	-	-	-	-	-
Total	19,826,427	34,923	55,824	148,185	651,205	866,190	21,582,754	1,557,055

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CREDIT RISK (Cont'd.)

(iii) The aggregate breakdown of Credit Risk Exposures by Risk Weights of the Bank are as follows (cont'd.):

RM'000

31 December 2015								
Risk Weights	Sovereigns /Central Banks	PSEs	Banks, DFIs and MDBs	Insurance Cos, Securities Firms and Fund Managers	Corporates	Other Assets	Total Exposures after Netting and CRM	Total RWA
0%	15,949,655	-	-	-	488	191,575	16,141,718	-
10%	-	-	-	-	-	-	-	-
20%	-	75,595	107,044	-	-	-	182,639	36,527
35%	-	-	-	-	-	-	-	-
50%	-	-	63,467	-	-	-	63,467	31,734
75%	-	-	-	-	-	-	-	-
90%	-	-	-	-	-	-	-	-
100%	-	-	-	284,814	565,892	835,491	1,686,197	1,686,197
110%	-	-	-	-	-	-	-	-
125%	-	-	-	-	-	-	-	-
135%	-	-	-	-	-	-	-	-
150%	-	-	-	-	7,589	-	7,589	11,383
270%	-	-	-	-	-	-	-	-
350%	-	-	-	-	-	-	-	-
400%	-	-	-	-	-	-	-	-
625%	-	-	-	-	-	-	-	-
937.5%	-	-	-	-	-	-	-	-
1250.0%	-	-	-	-	-	-	-	-
Total	15,949,655	75,595	170,511	284,814	573,969	1,027,066	18,081,610	1,765,841

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CREDIT RISK (Cont'd.)

(iv) **Rated Exposures according to ratings by ECAIs**

30 June 2016

Bank

RM'000

Ratings of Corporates by Approved ECAIs						
Exposure class	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB1 to BB3	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<u>On and off-balance sheet exposures</u>						
Credit exposures (using corporate risk weights)						
PSEs (applicable for entities risk weighted based on their external ratings as corporates)		-	-	-	-	34,923
Insurance Cos, Securities Firms and Fund Managers		2,082	-	-	-	146,103
Corporates		-	-	-	-	651,205
Total		2,082	-	-	-	832,231

RM'000

Ratings of Banking Institutions by Approved ECAIs							
Exposure class	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to B3	C1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	C+ to D	Unrated
<u>On and off-balance sheet exposures</u>							
Banks, DFIs and MDBs		18,866	12,658	300	-	-	24,000
Total		18,866	12,658	300	-	-	24,000

RM'000

Ratings of Sovereigns/Central Banks by Approved ECAIs							
Exposure class	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to B3	C1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	C+ to D	Unrated
<u>On and off-balance sheet exposures</u>							
Sovereigns/Central Banks		-	19,826,427	-	-	-	-
Total		-	19,826,427	-	-	-	-

UNITED OVERSEAS BANK (MALAYSIA) BHD
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CREDIT RISK (Cont'd.)

(iv) Rated Exposures according to ratings by ECAIs (cont'd.)

31 December 2015
Bank

RM'000

Ratings of Corporates by Approved ECAIs						
Exposure class	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB1 to BB3	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
<u>On and off-balance sheet exposures</u>						
Credit exposures (using corporate risk weights)						
PSEs (applicable for entities risk weighted based on their external ratings as corporates)		-	-	-	-	75,595
Insurance Cos, Securities Firms and Fund Managers		-	-	-	-	284,814
Corporates		-	-	-	-	573,969
Total		-	-	-	-	934,378

RM'000

Ratings of Banking Institutions by Approved ECAIs							
Exposure class	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to B3	C1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	C+ to D	Unrated
<u>On and off-balance sheet exposures</u>							
Banks, DFIs and MDBs		117,712	8	28,791	-	-	24,000
Total		117,712	8	28,791	-	-	24,000

RM'000

Ratings of Sovereigns/Central Banks by Approved ECAIs							
Exposure class	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to B3	C1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	C+ to D	Unrated
<u>On and off-balance sheet exposures</u>							
Sovereigns/Central Banks		-	15,949,655	-	-	-	-
Total		-	15,949,655	-	-	-	-

UNITED OVERSEAS BANK (MALAYSIA) BHD
PILLAR 3 DISCLOSURE

CREDIT RISK (Cont'd.)

Exposures under the IRB Approach by Risk Grade

The following tables present the breakdown of exposures by RWA and EAD for the Bank using the respective internal rating scale for the model applicable to the asset classes for the current period ended 30 June 2016:

RM'000			
CRR Band	1 - 9	10 - 16	17 - 20 (Default)
<u>Non Retail Exposures (EAD)</u>			
Large Corporate, SMEs and Specialised Lending (IPRE)	21,065,397	15,059,876	662,748
Specialised Lending (CF and PF)	-	-	-
Bank	5,270,736	75,535	-
Total Non Retail Exposures	26,336,133	15,135,411	662,748
<u>Undrawn Commitments</u>			
Large Corporate, SMEs and Specialised Lending (IPRE)	3,249,924	763,870	6,739
Specialised Lending (CF and PF)	-	-	-
Bank	-	-	-
Total Undrawn Commitments	3,249,924	763,870	6,739
<u>Exposure Weighted Average LGD (%)</u>			
Large Corporate, SMEs and Specialised Lending (IPRE)	42%	41%	45%
Specialised Lending (CF and PF)	0%	0%	0%
Bank	37%	45%	0%
<u>Exposure Weighted Average Risk Weight (%)</u>			
Large Corporate, SMEs and Specialised Lending (IPRE)	79%	127%	0%
Specialised Lending (CF and PF)	0%	0%	0%
Bank	18%	58%	0%

RM'000				
PD Range of Retail Exposures	0.00% to 1.00%	1.01% to 2.00%	2.01% to 99.99%	SD to default
<u>Retail Exposures (EAD)</u>				
Residential Mortgages	27,413,624	1,193,354	3,155,262	405,690
Qualifying Revolving Retail	1,254,100	449,553	1,070,605	47,443
Other Retail	13,886,548	2,357,563	2,265,717	170,653
Total Retail Exposures	42,554,272	4,000,470	6,491,584	623,786
<u>Undrawn Commitments</u>				
Residential Mortgages	2,256,882	414,404	133,294	-
Qualifying Revolving Retail	382,053	101,053	76,441	-
Other Retail	2,273,350	646,389	262,356	365
Total Undrawn Commitments	4,912,285	1,161,846	472,091	365
<u>Exposure Weighted Average LGD (%)</u>				
Residential Mortgages	11.61%	13.23%	11.89%	12.06%
Qualifying Revolving Retail	30.74%	47.44%	51.20%	60.61%
Other Retail	16.39%	24.63%	23.67%	25.48%
<u>Exposure Weighted Average Risk Weight (%)</u>				
Residential Mortgages	6.64%	20.60%	40.39%	75.05%
Qualifying Revolving Retail	5.99%	21.73%	75.60%	425.21%
Other Retail	12.26%	27.93%	37.40%	153.60%

UNITED OVERSEAS BANK (MALAYSIA) BHD
PILLAR 3 DISCLOSURE

CREDIT RISK (Cont'd.)

Exposures under the IRB Approach by Risk Grade (cont'd.)

The following tables showed the breakdown of exposures by RWA and EAD for the Bank using the respective internal rating scale for the model applicable to the asset classes for the financial year ended 31 December 2015:

RM'000			
CRR Band	1 - 9	10 - 16	17 - 20 (Default)
<u>Non Retail Exposures (EAD)</u>			
Large Corporate, SMEs and Specialised Lending (IPRE)	19,643,454	14,166,471	665,297
Specialised Lending (CF and PF)	-	-	-
Bank	4,871,760	106,271	-
Total Non Retail Exposures	24,515,214	14,272,742	665,297
<u>Undrawn Commitments</u>			
Large Corporate, SMEs and Specialised Lending (IPRE)	3,238,173	507,440	6,594
Specialised Lending (CF and PF)	-	-	-
Bank	-	-	-
Total Undrawn Commitments	3,238,173	507,440	6,594
<u>Exposure Weighted Average LGD (%)</u>			
Large Corporate, SMEs and Specialised Lending (IPRE)	42%	40%	45%
Specialised Lending (CF and PF)	0%	0%	0%
Bank	45%	45%	0%
<u>Exposure Weighted Average Risk Weight (%)</u>			
Large Corporate, SMEs and Specialised Lending (IPRE)	79%	123%	0%
Specialised Lending (CF and PF)	0%	0%	0%
Bank	27%	64%	0%

RM'000				
PD Range of Retail Exposures	0.00% to 1.00%	1.01% to 2.00%	2.01% to 99.99%	SD to default
<u>Retail Exposures (EAD)</u>				
Residential Mortgages	26,192,528	1,227,022	3,392,590	400,336
Qualifying Revolving Retail	1,157,944	431,790	1,153,792	47,777
Other Retail	13,093,554	2,550,822	2,556,458	177,175
Total Retail Exposures	40,444,026	4,209,634	7,102,840	625,288
<u>Undrawn Commitments</u>				
Residential Mortgages	2,077,753	512,800	154,017	-
Qualifying Revolving Retail	313,009	92,269	101,494	-
Other Retail	2,145,428	705,576	247,136	240
Total Undrawn Commitments	4,536,190	1,310,645	502,647	240
<u>Exposure Weighted Average LGD (%)</u>				
Residential Mortgages	11.64%	12.60%	11.87%	12.15%
Qualifying Revolving Retail	31.44%	47.39%	50.49%	61.83%
Other Retail	16.29%	22.89%	21.88%	23.37%
<u>Exposure Weighted Average Risk Weight (%)</u>				
Residential Mortgages	6.68%	19.83%	39.02%	74.01%
Qualifying Revolving Retail	6.12%	21.64%	74.46%	417.46%
Other Retail	12.21%	26.14%	34.16%	160.44%

UNITED OVERSEAS BANK (MALAYSIA) BHD
PILLAR 3 DISCLOSURE

CREDIT RISK (Cont'd.)

Retail Exposures under the IRB Approach by Expected Loss ("EL") Range

30 June 2016

Bank

RM'000

EL Range of Retail Exposures	0.0 to 1.0%	1.0 to 5.0%	5.0 to 10.0%	10.0 to 30.0%	30.0% to 100%
<u>Retail Exposures (EAD)</u>					
Residential Mortgages	31,047,353	919,674	74,033	126,870	-
Qualifying Revolving Retail	1,700,767	723,194	149,233	182,792	65,716
Other Retail	17,568,021	803,236	234,423	41,783	33,017
Total Retail Exposures	50,316,141	2,446,104	457,689	351,445	98,733
<u>Undrawn Commitments</u>					
Residential Mortgages	2,789,986	14,056	538	-	-
Qualifying Revolving Retail	450,395	98,771	5,917	4,093	371
Other Retail	3,112,392	59,947	5,903	3,977	240
Total Undrawn Commitments	6,352,773	172,774	12,358	8,070	611
<u>Exposure Weighted Average Risk Weight (%)</u>					
Residential Mortgages	9.69%	62.27%	83.02%	0.07%	0.00%
Qualifying Revolving Retail	8.74%	50.94%	115.31%	188.82%	227.62%
Other Retail	15.57%	49.33%	108.23%	176.82%	35.14%

31 December 2015

Bank

RM'000

EL Range of Retail Exposures	0.0 to 1.0%	1.0 to 5.0%	5.0 to 10.0%	10.0 to 30.0%	30.0% to 100%
<u>Retail Exposures (EAD)</u>					
Residential Mortgages	30,169,572	877,492	32,050	133,362	-
Qualifying Revolving Retail	1,588,598	788,993	155,500	181,077	77,135
Other Retail	17,277,327	865,707	175,128	36,152	23,695
Total Retail Exposures	49,035,497	2,532,192	362,678	350,591	100,830
<u>Undrawn Commitments</u>					
Residential Mortgages	2,736,153	7,906	511	-	-
Qualifying Revolving Retail	378,515	117,511	6,307	3,983	455
Other Retail	3,039,823	51,030	4,752	2,535	240
Total Undrawn Commitments	6,154,491	176,447	11,570	6,518	695
<u>Exposure Weighted Average Risk Weight (%)</u>					
Residential Mortgages	10.07%	62.13%	89.55%	0.09%	0.00%
Qualifying Revolving Retail	8.93%	50.61%	115.80%	181.72%	223.63%
Other Retail	15.63%	52.94%	113.47%	169.33%	21.57%

UNITED OVERSEAS BANK (MALAYSIA) BHD
PILLAR 3 DISCLOSURE

CREDIT RISK MITIGATION

The Credit Risk Mitigation of the Bank for the current period ended 30 June 2016 are as follows:

RM'000

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees / Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
<u>Credit Risk</u>				
<u>On-Balance Sheet Exposures</u>				
Sovereign/Central Banks	19,826,427	-	-	-
PSEs	-	-	-	-
Banks, DFIs and MDBs	3,953,754	-	971,932	-
Insurances Cos, Securities Firms and Fund Managers	12,186	-	12,016	-
Corporates	27,433,226	917,601	1,513,557	1,607,017
Regulatory Retail	17,538,097	-	-	-
Residential Mortgages	28,957,659	-	-	-
Higher Risk Assets	-	-	-	-
Other Assets	834,728	-	-	-
Specialised Financing/Investment	-	-	-	-
Equity Exposures	126,046	-	-	-
Securitisation Exposures	-	-	-	-
Defaulted Exposures	1,097,957	-	4	10,654
Total On-Balance Sheet Exposures	99,780,080	917,601	2,497,509	1,617,671
<u>Off-Balance Sheet Exposures</u>				
OTC Derivatives	1,106,997	1,708	7,143	-
Credit Derivatives	-	-	-	-
Off-Balance Sheet Exposures other than OTC Derivatives or Credit Derivatives	16,444,370	269,610	799,639	135,447
Defaulted Exposures	9,375	-	-	-
Total Off-Balance Sheet Exposures	17,560,742	271,318	806,782	135,447
Total On and Off-Balance Sheet Exposures	117,340,822	1,188,919	3,304,291	1,753,118

UNITED OVERSEAS BANK (MALAYSIA) BHD
PILLAR 3 DISCLOSURE

CREDIT RISK MITIGATION (Cont'd.)

The Credit Risk Mitigation of the Bank for the financial year ended 31 December 2015 are as follows:

RM'000

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees / Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
<u>Credit Risk</u>				
<u>On-Balance Sheet Exposures</u>				
Sovereign/Central Banks	15,935,875	-	-	-
PSEs	-	-	-	-
Banks, DFIs and MDBs	3,445,301	-	-	-
Insurances Cos, Securities Firms and Fund Managers	10,273	-	-	-
Corporates	25,744,086	976,742	1,520,770	1,288,976
Regulatory Retail	17,201,046	-	-	-
Residential Mortgages	28,067,999	-	-	-
Higher Risk Assets	-	-	-	-
Other Assets	994,158	-	-	-
Specialised Financing/Investment	-	-	-	-
Equity Exposures	78,532	-	-	-
Securitisation Exposures	-	-	-	-
Defaulted Exposures	1,097,773	-	1,037	9,896
Total On-Balance Sheet Exposures	92,575,043	976,742	1,521,807	1,298,872
<u>Off-Balance Sheet Exposures</u>				
OTC Derivatives	1,694,728	1,735	3,096	-
Credit Derivatives	-	-	-	-
Off-Balance Sheet Exposures other than OTC Derivatives or Credit Derivatives	15,539,235	211,409	813,569	116,297
Defaulted Exposures	9,041	-	200	70
Total Off-Balance Sheet Exposures	17,243,004	213,144	816,865	116,367
Total On and Off-Balance Sheet Exposures	109,818,047	1,189,886	2,338,672	1,415,239

UNITED OVERSEAS BANK (MALAYSIA) BHD
PILLAR 3 DISCLOSURE

OFF-BALANCE SHEET EXPOSURES AND COUNTERPARTY CREDIT RISK

Credit Exposures from Foreign Exchange and Derivatives

Pre-settlement limits for FX and derivative transactions are established using the potential future exposures ("PFE") approach. This approach takes into consideration the transaction currency and tenor to address the credit risk exposures arising from adverse market movements.

The off-balance sheet exposures and their related counterparty credit risk of the Bank for the current period ended 30 June 2016 are as follows:

RM'000

Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	RWA
Direct credit substitutes	3,038,300		3,038,300	2,348,018
Transaction related contingent items	5,108,190		2,591,965	1,668,200
Short-term self-liquidating trade related contingencies	476,518		105,544	79,743
Foreign exchange related contracts	26,883,420	251,776	523,011	214,601
One year or less	26,501,737	227,633	475,566	167,404
Over one year to five years	381,683	24,143	47,445	47,197
Over five years	-	-	-	-
Interest/Profit rate related contracts	22,601,007	202,959	813,232	509,370
One year or less	4,504,425	3,275	17,113	7,564
Over one year to five years	16,767,882	182,409	711,809	437,680
Over five years	1,328,700	17,275	84,310	64,126
Equity related contracts	632,935	4,481	34,351	18,675
One year or less	314,414	4,270	19,786	10,387
Over one year to five years	318,521	211	14,565	8,288
Over five years	-	-	-	-
Commodity contracts	550,681	13,789	72,857	41,212
One year or less	350,681	13,789	48,857	29,212
Over one year to five years	200,000	-	24,000	12,000
Over five years	-	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	12,551,912		7,335,871	5,001,121
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	12,404,757		761,388	200,110
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	9,454,321		2,306,053	254,192
Unutilised credit card lines	76,037		15,207	14,881
Off-balance sheet for securitisation exposures	-		-	-
Total	93,778,078	473,005	17,597,779	10,350,123

UNITED OVERSEAS BANK (MALAYSIA) BHD
PILLAR 3 DISCLOSURE

OFF-BALANCE SHEET EXPOSURES AND COUNTERPARTY CREDIT RISK (Cont'd.)

Credit Exposures from Foreign Exchange and Derivatives (cont'd.)

The off-balance sheet exposures and their related counterparty credit risk of the Bank for the financial year ended 31 December 2015 are as follows:

RM'000

Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	RWA
Direct credit substitutes	2,709,647		2,709,647	1,926,742
Transaction related contingent items	4,756,334		2,356,956	1,442,940
Short-term self-liquidating trade related contingencies	478,850		106,401	81,925
Foreign Exchange related contracts	22,705,594	632,037	965,068	452,158
One year or less	22,269,024	580,338	886,191	373,404
Over one year to five years	436,570	51,699	78,877	78,754
Over five years	-	-	-	-
Interest/Profit rate related contracts	22,702,771	145,234	740,766	496,438
One year or less	5,023,307	4,851	24,238	9,240
Over one year to five years	15,821,072	125,935	574,884	333,368
Over five years	1,858,392	14,448	141,644	153,830
Equity related contracts	754,267	13,450	54,439	24,726
One year or less	538,475	11,246	40,350	16,168
Over one year to five years	215,792	2,204	14,089	8,558
Over five years	-	-	-	-
Commodity contracts	1,070,028	77,446	188,449	71,353
One year or less	870,028	77,446	164,449	59,353
Over one year to five years	200,000	-	24,000	12,000
Over five years	-	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	11,541,428		7,021,964	4,400,914
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	11,788,087		856,304	283,191
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	8,402,569		2,262,136	261,420
Unutilised credit card lines	82,773		16,555	16,555
Off-balance sheet for securitisation exposures	-		-	-
Total	86,992,348	868,167	17,278,685	9,458,362

UNITED OVERSEAS BANK (MALAYSIA) BHD
PILLAR 3 DISCLOSURE

EQUITIES (Disclosures for Banking Book position)

The following table presents the equity exposures in the banking book.

These exposures are classified under available-for-sale ("AFS") which are being measured at fair value.

Type of Equities	Bank			
	30 June 2016		31 December 2015	
	Exposures	RWA	Exposures	RWA
Publicly Traded Equity Exposures * mainly acquired via loan restructuring activities	2,918	8,755	3,737	11,210
All other Equity Exposures	123,128	492,512	74,795	299,180
Total	126,046	501,267	78,532	310,390

RM'000

	Bank	
	30-Jun-16 RM'000	31-Dec-15 RM'000
Realised gains/(losses) arising from sales and liquidation	144	31,311
Unrealised gains/(losses) included in fair value reserve	2,652	3,471

UNITED OVERSEAS BANK (MALAYSIA) BHD
PILLAR 3 DISCLOSURE

DISCLOSURE FOR INTEREST RATE RISK / RATE OF RETURN RISK IN THE BANKING BOOK ("IRR / RORBB")

Interest Rate Risk In Banking Book

The table below shows the results at 100 and 200 basis points parallel interest rate shocks to Economic Value of Equity ("EVE") and Net Interest Income ("NII"). The reported figures are based on the upward and downward parallel movement of the yield curve. The repricing profile of loans and deposits that do not have maturity dates are generally based on the earliest possible repricing dates taking into account the notice period to be served to customers.

Economic Value of Equity ("EVE")

30 June 2016	Increase/(Decrease) in basis points	Sensitivity of EVE RM'million	Increase/(Decrease) in basis points	Sensitivity of EVE RM'million
Currency				
Total	+ 200/(200)	152.7/(136.7)	+ 100/(100)	74.7/(70.7)
MYR	+ 200/(200)	152.3/(136.7)	+ 100/(100)	74.5/(70.7)
USD	+ 200/(200)	0.4/0.0	+ 100/(100)	0.2/0.0
31 December 2015	Increase/(Decrease) in basis points	Sensitivity of EVE RM'million	Increase/(Decrease) in basis points	Sensitivity of EVE RM'million
Currency				
Total	+ 200/(200)	162.7/(159.0)	+ 100/(100)	80.8/(79.9)
MYR	+ 200/(200)	166.8/(160.3)	+ 100/(100)	82.8/(81.3)
USD	+ 200/(200)	(4.1)/1.4	+ 100/(100)	(2.1)/1.4

Net Interest Income ("NII")

30 June 2016	Increase/(Decrease) in basis points	Sensitivity of NII RM'million	Increase/(Decrease) in basis points	Sensitivity of NII RM'million
Currency				
Total	+ 200/(200)	391.5/(394.4)	+ 100/(100)	155.9/(155.2)
MYR	+ 200/(200)	398.7/(398.7)	+ 100/(100)	159.5/(159.5)
USD	+ 200/(200)	(7.2)/4.3	+ 100/(100)	(3.6)/4.3
31 December 2015	Increase/(Decrease) in basis points	Sensitivity of NII RM'million	Increase/(Decrease) in basis points	Sensitivity of NII RM'million
Currency				
Total	+ 200/(200)	296.8/(307.1)	+ 100/(100)	109.5/(116.5)
MYR	+ 200/(200)	303.7/(303.7)	+ 100/(100)	113.0/(113.1)
USD	+ 200/(200)	(6.9)/(3.4)	+ 100/(100)	(3.4)/(3.4)