

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

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**30 JUNE 2024**

Domiciled in Malaysia  
Registered Office:  
Level 22, UOB Plaza 1  
No. 7, Jalan Raja Laut,  
50350 Kuala Lumpur

Company No. 199301017069 (271809K)

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

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2024**

	Note	Group		Bank	
		30-Jun-24 RM'000	31-Dec-23 RM'000	30-Jun-24 RM'000	31-Dec-23 RM'000
<b>ASSETS</b>					
Cash and short-term funds	11	7,071,663	5,237,169	7,071,663	5,237,169
Deposits and placements with financial institutions	12	999,813	799,826	999,813	799,826
Securities purchased under resale agreements		300,799	459,320	300,799	459,320
Financial assets at fair value through profit or loss ("FVTPL")	13	7,601,775	5,274,798	7,601,775	5,274,798
Debt instruments at fair value through other comprehensive income ("FVOCI")	14	20,409,761	22,341,947	20,409,761	22,341,947
Equity instruments at fair value through other comprehensive income ("FVOCI")	15	174,300	218,194	174,300	218,194
Debt Instruments at amortised cost	16	9,278,376	9,851,072	9,278,376	9,851,072
Loans, advances and financing	17	104,991,711	104,624,357	105,291,214	104,927,554
Derivative financial assets	18	938,500	1,355,349	938,500	1,355,349
Other assets	19	1,896,147	1,679,473	1,915,697	1,690,570
Statutory deposits with Bank Negara Malaysia		1,590,533	1,567,533	1,590,533	1,567,533
Investment in subsidiaries		-	-	350,020	350,020
Investment in an associate		418	418	4,758	4,758
Property, plant and equipment		1,401,940	1,402,720	660,341	652,268
Right-of-use assets		68,039	77,676	483,934	508,554
Intangible assets	20	459,724	466,274	459,724	466,274
Tax recoverable		-	2,170	-	297
Deferred tax assets		362,596	379,671	351,267	368,342
<b>TOTAL ASSETS</b>		<b>157,546,095</b>	<b>155,737,967</b>	<b>157,882,475</b>	<b>156,073,845</b>
<b>LIABILITIES</b>					
Deposits from customers	21	116,628,811	116,034,201	116,666,731	116,065,349
Deposits and placements of banks and other financial institutions	22	15,371,671	14,015,165	15,371,691	14,015,185
Obligations on securities sold under repurchase agreements		3,033,515	2,916,732	3,033,515	2,916,732
Bills and acceptances payable		241,534	297,505	241,534	297,505
Derivative financial liabilities	18	834,079	1,493,000	834,079	1,493,000
Other liabilities	23	4,851,559	5,017,421	4,815,575	4,980,194
Lease liabilities		75,397	84,147	514,156	532,075
Tax payable		9,553	-	11,528	-
Subordinated bonds/sukuk	24	2,249,423	1,749,728	2,249,423	1,749,728
Deferred tax liabilities		27,828	27,828	-	-
<b>TOTAL LIABILITIES</b>		<b>143,323,370</b>	<b>141,635,727</b>	<b>143,738,232</b>	<b>142,049,768</b>

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

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION (Cont'd.)**  
**AS AT 30 JUNE 2024**

	<b>Group</b>		<b>Bank</b>	
<b>Note</b>	<b>30-Jun-24</b>	<b>31-Dec-23</b>	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>EQUITY ATTRIBUTABLE TO</b>				
<b>EQUITY HOLDERS OF</b>				
<b>THE BANK</b>				
Share capital	<b>792,555</b>	792,555	<b>792,555</b>	792,555
Reserves	<b>13,430,170</b>	13,309,685	<b>13,351,688</b>	13,231,522
<b>TOTAL EQUITY</b>	<b>14,222,725</b>	14,102,240	<b>14,144,243</b>	14,024,077
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>157,546,095</b>	155,737,967	<b>157,882,475</b>	156,073,845
<b>COMMITMENTS AND</b>				
<b>CONTINGENCIES</b>				
33	<b>255,167,738</b>	250,225,249	<b>255,167,738</b>	250,225,249

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 2023.

Company No. 199301017069 (271809K)

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

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF PROFIT OR LOSS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

Group	Note	Second Quarter Ended		Six Months Ended	
		30-Jun-24 RM'000	30-Jun-23 RM'000	30-Jun-24 RM'000	30-Jun-23 RM'000
Operating revenue	25	<b>2,253,073</b>	2,019,056	<b>4,560,519</b>	4,147,686
Interest income	26	<b>1,664,404</b>	1,616,237	<b>3,344,559</b>	3,207,973
Interest expense	27	<b>(955,987)</b>	(909,036)	<b>(1,944,830)</b>	(1,760,792)
Net interest income		<b>708,417</b>	707,201	<b>1,399,729</b>	1,447,181
Net income from Islamic					
Banking operations	37	<b>46,540</b>	46,130	<b>90,958</b>	82,818
Other operating income	28	<b>374,990</b>	390,739	<b>808,712</b>	803,882
Operating income		<b>1,129,947</b>	1,144,070	<b>2,299,399</b>	2,333,881
Other operating expenses	29	<b>(600,426)</b>	(688,867)	<b>(1,168,825)</b>	(1,293,842)
Operating profit before allowance for expected credit losses ("ECL")		<b>529,521</b>	455,203	<b>1,130,574</b>	1,040,039
Write-back of/(allowance for) ECL on:					
- Loans, advances and financing	30	<b>74,056</b>	(127,085)	<b>67,645</b>	(138,522)
- Other financial assets	30	<b>(4,547)</b>	(28,720)	<b>10,443</b>	2,517
- Commitments and contingencies	30	<b>11,556</b>	(59,162)	<b>30,627</b>	(45,514)
Profit before taxation		<b>610,586</b>	240,236	<b>1,239,289</b>	858,520
Income tax expense		<b>(162,494)</b>	(73,307)	<b>(312,864)</b>	(220,788)
Profit for the financial period attributable to equity holders of the Bank		<b>448,092</b>	166,929	<b>926,425</b>	637,732
Basic/diluted earnings per share (sen)		<b>95.3</b>	35.5	<b>197.1</b>	135.7

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 2023.

Company No. 199301017069 (271809K)

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

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF PROFIT OR LOSS (Cont'd.)**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

Bank	Note	Second Quarter Ended		Six Months Ended	
		30-Jun-24 RM'000	30-Jun-23 RM'000	30-Jun-24 RM'000	30-Jun-23 RM'000
Operating revenue	25	<b>2,256,495</b>	2,019,678	<b>4,566,885</b>	4,149,183
Interest income	26	<b>1,668,116</b>	1,617,162	<b>3,352,135</b>	3,209,831
Interest expense	27	<b>(960,585)</b>	(913,478)	<b>(1,953,289)</b>	(1,772,314)
Net interest income		<b>707,531</b>	703,684	<b>1,398,846</b>	1,437,517
Net income from Islamic					
Banking operations	37	<b>46,540</b>	46,130	<b>90,958</b>	82,818
Other operating income	28	<b>374,700</b>	390,435	<b>807,538</b>	803,520
Operating income		<b>1,128,771</b>	1,140,249	<b>2,297,342</b>	2,323,855
Other operating expenses	29	<b>(598,391)</b>	(684,373)	<b>(1,166,657)</b>	(1,285,591)
Operating profit before allowance for ECL		<b>530,380</b>	455,876	<b>1,130,685</b>	1,038,264
Write-back of/(allowance for) ECL on:					
- Loans, advances and financing	30	<b>73,857</b>	(127,163)	<b>67,049</b>	(138,495)
- Other financial assets	30	<b>(4,582)</b>	(28,833)	<b>10,381</b>	2,400
- Commitments and contingencies	30	<b>11,556</b>	(59,162)	<b>30,627</b>	(45,514)
Profit before taxation		<b>611,211</b>	240,718	<b>1,238,742</b>	856,655
Income tax expense		<b>(162,298)</b>	(74,962)	<b>(312,636)</b>	(220,743)
Profit for the financial period attributable to equity holders of the Bank		<b>448,913</b>	165,756	<b>926,106</b>	635,912
Basic/diluted earnings per share (sen)		<b>95.5</b>	35.3	<b>197.0</b>	135.3

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 2023.

Company No. 199301017069 (271809K)

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

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

<b>Group</b>	<b>Second Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>30-Jun-24</b>	30-Jun-23	<b>30-Jun-24</b>	30-Jun-23
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Profit for the financial period	<b>448,092</b>	166,929	<b>926,425</b>	637,732
<i>Other comprehensive income/(loss):</i>				
<u>Items that may be reclassified subsequently to statements of profit or loss:</u>				
Net fair value changes in debt instruments at FVOCI	<b>13,530</b>	6,984	<b>(1,157)</b>	172,670
Income tax effect	<b>(3,246)</b>	(1,632)	<b>(152)</b>	(41,441)
	<b>10,284</b>	5,352	<b>(1,309)</b>	131,229
<u>Items that will not be reclassified subsequently to statements of profit or loss:</u>				
Net fair value changes in equity instruments at FVOCI	<b>(43,901)</b>	64,380	<b>(43,895)</b>	64,410
Income tax effect	<b>10,535</b>	(15,451)	<b>10,534</b>	(15,458)
	<b>(33,366)</b>	48,929	<b>(33,361)</b>	48,952
Other comprehensive (loss)/income for the financial period, net of tax	<b>(23,082)</b>	54,281	<b>(34,670)</b>	180,181
Total comprehensive income for the financial period attributable to equity holders	<b>425,010</b>	221,210	<b>891,755</b>	817,913

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 2023.

Company No. 199301017069 (271809K)

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

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME (Cont'd.)**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	Second Quarter Ended		Six Months Ended	
	30-Jun-24 RM'000	30-Jun-23 RM'000	30-Jun-24 RM'000	30-Jun-23 RM'000
<b>Bank</b>				
Profit for the financial period	<b>448,913</b>	165,756	<b>926,106</b>	635,912
<i>Other comprehensive income/(loss):</i>				
<u>Items that may be reclassified subsequently to statements of profit or loss:</u>				
Net fair value changes in debt instruments at FVOCI	<b>13,530</b>	6,984	<b>(1,157)</b>	172,670
Income tax effect	<b>(3,246)</b>	(1,632)	<b>(152)</b>	(41,441)
	<b>10,284</b>	5,352	<b>(1,309)</b>	131,229
<u>Items that will not be reclassified subsequently to statements of profit or loss:</u>				
Net fair value changes in equity instruments at FVOCI	<b>(43,901)</b>	64,380	<b>(43,895)</b>	64,410
Income tax effect	<b>10,535</b>	(15,451)	<b>10,534</b>	(15,458)
	<b>(33,366)</b>	48,929	<b>(33,361)</b>	48,952
Other comprehensive (loss)/income for the financial period, net of tax	<b>(23,082)</b>	54,281	<b>(34,670)</b>	180,181
Total comprehensive income for the financial period attributable to equity holders	<b>425,831</b>	220,037	<b>891,436</b>	816,093

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 2023.

Company No. 199301017069 (271809K)

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

Group	← <i>Non-distributable</i> →			<i>Distributable</i>	Total RM'000
	Share capital RM'000	Revaluation reserves RM'000	FVOCI reserve RM'000	Retained profits RM'000	
At 1 January 2024	792,555	233,477	79,393	12,996,815	14,102,240
Profit for the financial period	-	-	-	926,425	926,425
Other comprehensive loss	-	-	(34,670)	-	(34,670)
Total comprehensive (loss)/income for the financial period	-	-	(34,670)	926,425	891,755
Transaction with shareholders:					
Dividend paid					
- Final dividend for the financial year ended 31 December 2023	-	-	-	(771,270)	(771,270)
At 30 June 2024	792,555	233,477	44,723	13,151,970	14,222,725

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 2023.



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**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 30 JUNE 2024**

<b>Group (cont'd.)</b>	<b>← Non-distributable →</b>			<b>Distributable</b>	<b>Total RM'000</b>
	<b>Share capital RM'000</b>	<b>Revaluation reserves RM'000</b>	<b>FVOCI reserve RM'000</b>	<b>Retained profits RM'000</b>	
At 1 January 2023	792,555	233,495	(166,561)	11,447,521	12,307,010
Profit for the financial period	-	-	-	637,732	637,732
Other comprehensive income	-	-	180,181	-	180,181
Total comprehensive income for the financial period	-	-	180,181	637,732	817,913
At 30 June 2023	792,555	233,495	13,620	12,085,253	13,124,923

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**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 30 JUNE 2024**

<b>Bank</b>	<b>Share capital RM'000</b>	<b><i>Non- distributable</i> FVOCI reserve RM'000</b>	<b><i>Distributable</i> Retained profits RM'000</b>	<b>Total RM'000</b>
At 1 January 2024	792,555	72,490	13,159,032	14,024,077
Profit for the financial period	-	-	926,106	926,106
Other comprehensive loss	-	(34,670)	-	(34,670)
Total comprehensive (loss)/income for the financial period	-	(34,670)	926,106	891,436
Transaction with shareholders:				
Dividend paid				
- Final dividend for the financial year ended 31 December 2023	-	-	(771,270)	(771,270)
At 30 June 2024	<b>792,555</b>	<b>37,820</b>	<b>13,313,868</b>	<b>14,144,243</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 2023.

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**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 30 JUNE 2024**

<b>Bank (cont'd.)</b>	<b>Share capital RM'000</b>	<b>Non- distributable FVOCI reserve RM'000</b>	<b>Distributable Retained profits RM'000</b>	<b>Total RM'000</b>
At 1 January 2023	792,555	(173,464)	11,616,857	12,235,948
Profit for the financial period	-	-	635,912	635,912
Other comprehensive income	-	180,181	-	180,181
Total comprehensive income for the financial period	-	180,181	635,912	816,093
At 30 June 2023	792,555	6,717	12,252,769	13,052,041

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 2023.

Company No. 199301017069 (271809K)

**UNITED OVERSEAS BANK (MALAYSIA) BHD**  
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**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	<b>Group</b>		<b>Bank</b>	
	<b>30-Jun-24</b>	30-Jun-23	<b>30-Jun-24</b>	30-Jun-23
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Profit before taxation	<b>1,239,289</b>	858,520	<b>1,238,742</b>	856,655
Adjustments for non-operating and non-cash items	<b>(905,867)</b>	(681,077)	<b>(892,363)</b>	(671,402)
Operating profit before working capital changes	<b>333,422</b>	177,443	<b>346,379</b>	185,253
Changes in working capital:				
Net changes in operating assets	<b>(2,306,836)</b>	1,479,800	<b>(2,312,254)</b>	1,469,323
Net changes in operating liabilities	<b>1,583,313</b>	(393,514)	<b>1,592,482</b>	(373,835)
Tax paid	<b>(273,685)</b>	(284,395)	<b>(273,354)</b>	(283,568)
Net cash (used in)/generated from operating activities	<b>(663,786)</b>	979,334	<b>(646,747)</b>	997,173
Net cash generated from/(used in) investing activities	<b>2,982,059</b>	(3,121,521)	<b>2,982,248</b>	(3,121,069)
Net cash used in financing activities	<b>(281,161)</b>	(11,533)	<b>(298,389)</b>	(29,824)
Net increase/(decrease) in cash and cash equivalents	<b>2,037,112</b>	(2,153,720)	<b>2,037,112</b>	(2,153,720)
Cash and cash equivalents at beginning of the financial period	<b>6,050,313</b>	7,696,923	<b>6,050,313</b>	7,696,923
Cash and cash equivalents at end of the financial period	<b>8,087,425</b>	5,543,203	<b>8,087,425</b>	5,543,203
<b>Analysis of cash and cash equivalents</b>				
Cash and short-term funds	<b>7,087,425</b>	5,443,203	<b>7,087,425</b>	5,443,203
Deposits and placements with financial institutions	<b>1,000,000</b>	100,000	<b>1,000,000</b>	100,000
	<b>8,087,425</b>	5,543,203	<b>8,087,425</b>	5,543,203
Less: Allowance for ECL	<b>(15,949)</b>	(11,158)	<b>(15,949)</b>	(11,158)
	<b>8,071,476</b>	<b>5,532,045</b>	<b>8,071,476</b>	<b>5,532,045</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 2023.

Company No. 199301017069 (271809K)

**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 2023. 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 2023.

The unaudited condensed interim financial statements of the Group include Islamic Banking operations. Islamic Banking operations refer generally to the acceptance of deposits, granting of financing, and dealing in Islamic securities under the Shariah Principles.

The material 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 2023, except for the adoption of the following amendments to Malaysia Financial Reporting Standards ("MFRSs").

**Effective for financial periods beginning on or after 1 January 2024**

- Non-current Liabilities with Covenants (Amendments to MFRS 101 Presentation of Financial Statements)
- Supplier Finance Arrangements (Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial instruments: Disclosures)

**Effective for financial periods beginning on or after 1 January 2025**

- Lack of Exchangeability (Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates)

**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 adoption of the above amendments to MFRSs do not have any significant financial impact to the Group's and the Bank's financial statements.

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**UNITED OVERSEAS BANK (MALAYSIA) BHD**

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**EXPLANATORY NOTES**

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

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2023 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 30 June 2024.

**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 30 June 2024.

**6. DEBT AND EQUITY SECURITIES**

On 8 February 2024, the Bank issued RM500 million Basel III compliant Tier 2 subordinated Islamic Medium Term Notes through the RM5 billion Islamic Debt programme, under the Shariah principle of Wakalah Bi Al-Istithmar.

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 30 June 2024.

**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 2023.

**8. DIVIDENDS**

A final single-tier dividend of 164.1 sen per share in respect of the financial year ended 31 December 2023 amounting to RM771,270,000 was paid in May 2024.

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

There were no material events subsequent to the end of the reporting period 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 30 June 2024.

Company No. 199301017069 (271809K)

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

**EXPLANATORY NOTES**

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

	<b>Group and Bank</b>	
	<b>30-Jun-24</b>	31-Dec-23
	<b>RM'000</b>	RM'000
Cash and balances with banks and other financial institutions	<b>1,892,425</b>	2,571,713
Money at call and deposit placements maturing within one month	<b>5,195,000</b>	2,678,600
	<b>7,087,425</b>	5,250,313
Less: Allowance for ECL	<b>(15,762)</b>	(13,144)
	<b>7,071,663</b>	5,237,169

Movements in the allowance for ECL on cash and short-term funds are as follows:

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12-month</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	<b>Total ECL</b>
	<b>ECL</b>	<b>non credit-</b>	<b>credit-</b>	
<b>Group and Bank</b>	<b>RM'000</b>	<b>impaired</b>	<b>impaired</b>	<b>RM'000</b>
<b>As at 30 June 2024</b>		<b>RM'000</b>	<b>RM'000</b>	
At 1 January 2024	<b>13,144</b>	-	-	<b>13,144</b>
Allowance made	<b>3,377</b>	-	-	<b>3,377</b>
Maturity/settlement/repayment	<b>(756)</b>	-	-	<b>(756)</b>
Exchange differences	<b>(3)</b>	-	-	<b>(3)</b>
Net total	<b>2,618</b>	-	-	<b>2,618</b>
At 30 June 2024	<b>15,762</b>	-	-	<b>15,762</b>
<b>As at 31 December 2023</b>				
At 1 January 2023	6,332	-	-	6,332
Allowance made	8,301	-	-	8,301
Maturity/settlement/repayment	(1,638)	-	-	(1,638)
Exchange differences	149	-	-	149
Net total	6,812	-	-	6,812
At 31 December 2023	13,144	-	-	13,144

Company No. 199301017069 (271809K)

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**EXPLANATORY NOTES**

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

	<b>Group and Bank</b>	
	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks in Malaysia	1,000,000	800,000
Less: Allowance for ECL	<u>(187)</u>	<u>(174)</u>
	<b>999,813</b>	<b>799,826</b>

Movements in the allowance for ECL on deposits and placements with financial institutions are as follows:

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12-month</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	
	<b>ECL</b>	<b>non credit-</b>	<b>credit-</b>	<b>Total ECL</b>
<b>Group and Bank</b>	<b>RM'000</b>	<b>impaired</b>	<b>impaired</b>	<b>RM'000</b>
<b>As at 30 June 2024</b>		<b>RM'000</b>	<b>RM'000</b>	
At 1 January 2024	174	-	-	174
Allowance made	187	-	-	187
Maturity/settlement/repayment	(174)	-	-	(174)
Net total	13	-	-	13
At 30 June 2024	<u>187</u>	<u>-</u>	<u>-</u>	<u>187</u>
<b>As at 31 December 2023</b>				
At 1 January 2023	-	-	-	-
Allowance made	174	-	-	174
At 31 December 2023	<u>174</u>	<u>-</u>	<u>-</u>	<u>174</u>

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

	<b>Group and Bank</b>	
	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money market instruments</b>		
Bank Negara Malaysia bills	2,683,718	414,214
Malaysian Government treasury bills	333,715	38,557
Negotiable instruments of deposits	<u>3,049,374</u>	<u>3,099,652</u>
	<b>6,066,807</b>	<b>3,552,423</b>
<b>Debt securities in Malaysia</b>		
Cagamas bonds	1,420,461	955,706
Unquoted private debt securities	114,507	766,669
	<u>1,534,968</u>	<u>1,722,375</u>
<b>Total financial assets at FVTPL</b>	<b>7,601,775</b>	<b>5,274,798</b>



**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**EXPLANATORY NOTES**

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

	<b>Group and Bank</b>	
	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money market instruments</b>		
Bank Negara Malaysia bills	1,840,562	99,955
Malaysian Government securities	16,190,966	19,372,540
Negotiable instruments of deposits	1,159,658	1,549,813
	<u>19,191,186</u>	<u>21,022,308</u>
<b>Debt securities in Malaysia</b>		
Cagamas bonds/sukuk	410,817	515,879
Unquoted private debt securities	807,758	803,760
	<u>1,218,575</u>	<u>1,319,639</u>
<b>Total debt instruments at FVOCI</b>	<u>20,409,761</u>	<u>22,341,947</u>

Movements in the allowance for ECL on debt instruments at FVOCI are as follows:

<b>Group and 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 non credit-impaired</b>	<b>Lifetime ECL credit-impaired</b>	
<b>As at 30 June 2024</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2024	3,841	306	39,960	44,107
Transferred to Stage 2	(171)	171	-	-
Net remeasurement of allowance	-	306	-	306
Allowance made	947	295	-	1,242
Maturity/settlement/repayment	(2,312)	(143)	-	(2,455)
Net total	(1,536)	629	-	(907)
At 30 June 2024	<u>2,305</u>	<u>935</u>	<u>39,960</u>	<u>43,200</u>
<b>As at 31 December 2023</b>				
At 1 January 2023	3,609	400	39,960	43,969
Allowance made	2,716	359	-	3,075
Maturity/settlement/repayment	(2,484)	(453)	-	(2,937)
Net total	232	(94)	-	138
At 31 December 2023	<u>3,841</u>	<u>306</u>	<u>39,960</u>	<u>44,107</u>

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

	<b>Group and Bank</b>	
	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Quoted securities</b>		
Shares of corporations in Malaysia	1,086	941
<b>Unquoted securities</b>		
Shares of corporations in Malaysia	173,214	217,253
	<u>174,300</u>	<u>218,194</u>

Company No. 199301017069 (271809K)

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**EXPLANATORY NOTES**

**16. DEBT INSTRUMENTS AT AMORTISED COST**

	<b>Group and Bank</b>	
	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money market instruments</b>		
Malaysian Government securities	7,389,900	7,918,507
Less: Allowance for ECL	(646)	(1,037)
	<u>7,389,254</u>	<u>7,917,470</u>
<b>Debt securities in Malaysia</b>		
Unquoted private debt securities/sukuk	1,898,722	1,955,054
Less: Allowance for ECL	(9,600)	(21,452)
	<u>1,889,122</u>	<u>1,933,602</u>
<b>Total debt instruments at amortised cost</b>	<u><b>9,278,376</b></u>	<u><b>9,851,072</b></u>

Movements in the allowance for ECL on debt instruments at amortised cost are as follows:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total ECL</u>
	12-month ECL RM'000	Lifetime ECL non credit- impaired RM'000	Lifetime ECL credit- impaired RM'000	
<b>Group and Bank</b>				
<b>As at 30 June 2024</b>				
At 1 January 2024	21,327	1,162	-	22,489
Transferred to Stage 2	(337)	337	-	-
Net remeasurement of allowance	-	(619)	-	(619)
Allowance made	1,135	4,616	-	5,751
Maturity/settlement/repayment	(16,846)	(529)	-	(17,375)
Net total	<u>(16,048)</u>	<u>3,805</u>	-	<u>(12,243)</u>
At 30 June 2024	<u>5,279</u>	<u>4,967</u>	-	<u>10,246</u>
<b>As at 31 December 2023</b>				
At 1 January 2023	6,644	18,271	-	24,915
Transferred to Stage 1	17,650	(17,650)	-	-
Transferred to Stage 2	(3,574)	3,574	-	-
Net remeasurement of allowance	(17,689)	(4,049)	-	(21,738)
Allowance made	21,715	1,576	-	23,291
Maturity/settlement/repayment	(3,419)	(560)	-	(3,979)
Net total	<u>14,683</u>	<u>(17,109)</u>	-	<u>(2,426)</u>
At 31 December 2023	<u>21,327</u>	<u>1,162</u>	-	<u>22,489</u>

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

**EXPLANATORY NOTES**

**17. LOANS, ADVANCES AND FINANCING**

	Group		Bank	
	30-Jun-24 RM'000	31-Dec-23 RM'000	30-Jun-24 RM'000	31-Dec-23 RM'000
<b>At amortised cost</b>				
Overdrafts	2,891,383	3,005,272	2,891,383	3,005,272
Term loans/financing:				
- Housing loans/financing	40,502,579	40,576,911	40,502,579	40,576,911
- Syndicated term loans/financing	3,253,937	2,470,981	3,253,937	2,470,981
- Other term loans/financing	32,153,168	32,683,841	32,455,369	32,989,140
Credit card receivables	8,910,471	8,758,243	8,910,471	8,758,243
Bills receivables	248,293	445,140	248,293	445,140
Trust receipts	6,526,982	6,056,073	6,526,982	6,056,073
Claims on customers under acceptance credits	6,016,082	5,807,544	6,016,082	5,807,544
Revolving Credits	6,865,385	7,416,134	6,865,385	7,416,134
Staff loans	103,748	77,747	103,748	77,747
	<b>107,472,028</b>	107,297,886	<b>107,774,229</b>	107,603,185
Unearned interest/income	(164,060)	(158,022)	(164,060)	(158,022)
<b>Gross loans, advances and financing</b>	<b>107,307,968</b>	107,139,864	<b>107,610,169</b>	107,445,163
Allowance for ECL on loans, advances and financing:				
- Stage 1 - 12 month ECL	(358,175)	(355,716)	(360,873)	(357,818)
- Stage 2 - Lifetime ECL non credit-impaired	(1,262,438)	(1,405,055)	(1,262,438)	(1,405,055)
- Stage 3 - Lifetime ECL credit-impaired	(695,644)	(754,736)	(695,644)	(754,736)
<b>Net loans, advances and financing</b>	<b>104,991,711</b>	104,624,357	<b>105,291,214</b>	104,927,554

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

	Group		Bank	
	30-Jun-24 RM'000	31-Dec-23 RM'000	30-Jun-24 RM'000	31-Dec-23 RM'000
Maturing within one year	33,392,448	32,777,500	33,694,649	33,082,799
One year to three years	7,225,375	7,926,300	7,225,375	7,926,300
Three years to five years	7,864,702	7,156,662	7,864,702	7,156,662
Over five years	58,825,443	59,279,402	58,825,443	59,279,402
	<b>107,307,968</b>	107,139,864	<b>107,610,169</b>	107,445,163

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**EXPLANATORY NOTES**

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

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

	<b>Group</b>		<b>Bank</b>	
	<b>30-Jun-24</b>	31-Dec-23	<b>30-Jun-24</b>	31-Dec-23
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Domestic non-banking financial institutions:				
- Stockbroking companies	<b>191,391</b>	60,933	<b>191,391</b>	60,933
- Others	<b>2,285,291</b>	2,414,720	<b>2,285,291</b>	2,414,720
Domestic business enterprises:				
- Small and medium enterprises	<b>22,932,108</b>	22,867,827	<b>22,932,108</b>	22,867,827
- Others	<b>20,995,911</b>	20,395,273	<b>21,298,112</b>	20,700,572
Individuals	<b>55,736,242</b>	55,793,451	<b>55,736,242</b>	55,793,451
Foreign entities	<b>5,167,025</b>	5,607,660	<b>5,167,025</b>	5,607,660
	<b>107,307,968</b>	107,139,864	<b>107,610,169</b>	107,445,163

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

	<b>Group</b>		<b>Bank</b>	
	<b>30-Jun-24</b>	31-Dec-23	<b>30-Jun-24</b>	31-Dec-23
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Fixed rate:				
- Housing loans/financing	<b>79,463</b>	98,205	<b>79,463</b>	98,205
- Other fixed rate loans/financing	<b>16,528,127</b>	16,634,675	<b>16,528,127</b>	16,634,675
Variable rate:				
- Base rate/base lending/financing rate-plus	<b>61,121,575</b>	61,458,530	<b>61,121,575</b>	61,458,530
- Cost-plus	<b>29,113,103</b>	28,468,767	<b>29,415,304</b>	28,774,066
- Other variable rates	<b>465,700</b>	479,687	<b>465,700</b>	479,687
	<b>107,307,968</b>	107,139,864	<b>107,610,169</b>	107,445,163

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**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>30-Jun-24</b>	<b>31-Dec-23</b>	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Agriculture, hunting, forestry and fishing	<b>1,011,567</b>	1,335,990	<b>1,011,567</b>	1,335,990
Mining and quarrying	<b>318,379</b>	406,515	<b>318,379</b>	406,515
Manufacturing	<b>9,819,150</b>	9,602,567	<b>9,819,150</b>	9,602,567
Electricity, gas and water	<b>1,432,300</b>	1,360,121	<b>1,432,300</b>	1,360,121
Construction	<b>7,534,475</b>	7,569,748	<b>7,534,475</b>	7,569,748
Wholesale, retail trade, restaurants and hotels	<b>14,305,590</b>	14,454,181	<b>14,305,590</b>	14,454,181
Transport, storage and communication	<b>3,856,527</b>	3,576,063	<b>3,856,527</b>	3,576,063
Finance, insurance and business services	<b>3,820,377</b>	3,812,994	<b>3,820,377</b>	3,812,994
Real estate	<b>4,463,300</b>	4,116,900	<b>4,765,501</b>	4,422,199
Community, social and personal services	<b>204,934</b>	210,961	<b>204,934</b>	210,961
Households:				
- Purchase of residential properties	<b>41,083,222</b>	41,174,921	<b>41,083,222</b>	41,174,921
- Purchase of non-residential properties	<b>7,579,258</b>	7,656,018	<b>7,579,258</b>	7,656,018
- Others	<b>11,878,889</b>	11,862,885	<b>11,878,889</b>	11,862,885
	<b>107,307,968</b>	107,139,864	<b>107,610,169</b>	107,445,163

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

	<b>Group</b>		<b>Bank</b>	
	<b>30-Jun-24</b>	<b>31-Dec-23</b>	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
In Malaysia	<b>102,140,943</b>	101,532,204	<b>102,443,144</b>	101,837,503
Outside Malaysia	<b>5,167,025</b>	5,607,660	<b>5,167,025</b>	5,607,660
	<b>107,307,968</b>	107,139,864	<b>107,610,169</b>	107,445,163

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**EXPLANATORY NOTES**

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

(vi) Movements in credit-impaired loans, advances and financing are as follows:

	<b>Group and Bank</b>	
	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	2,831,791	2,833,180
Classified as credit-impaired	580,817	1,417,827
Amount recovered	(179,918)	(473,051)
Reclassified as non credit-impaired	(206,488)	(354,291)
Amount written-off	(238,121)	(591,874)
Gross credit-impaired loans, advances and financing	<u>2,788,081</u>	<u>2,831,791</u>
Less: Stage 3 - Lifetime ECL credit-impaired	<u>(695,644)</u>	<u>(754,736)</u>
Net credit-impaired loans, advances and financing	<u>2,092,437</u>	<u>2,077,055</u>
Ratio of net credit-impaired loans, advances and financing to gross loans, advances and financing less allowance for ECL on credit-impaired provisions	<u>2.0%</u>	<u>1.9%</u>

(vii) Movements in the allowance for ECL on loans, advances and financing are as follows:

<b>Group</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 non credit-impaired</b>	<b>Lifetime ECL credit-impaired</b>	
<b>As at 30 June 2024</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2024	355,716	1,405,055	754,736	2,515,507
Transferred to Stage 1	85,475	(81,821)	(3,654)	-
Transferred to Stage 2	(9,597)	34,398	(24,801)	-
Transferred to Stage 3	(935)	(27,838)	28,773	-
Net remeasurement of allowance	(63,919)	75,283	111,866	123,230
Allowance made	128,375	126,007	72,493	326,875
Maturity/settlement/repayment	(136,106)	(269,109)	(62,018)	(467,233)
Exchange differences	(834)	463	-	(371)
Net total	2,459	(142,617)	122,659	(17,499)
Amount written-off	-	-	(181,797)	(181,797)
Other movements	-	-	46	46
At 30 June 2024	<u>358,175</u>	<u>1,262,438</u>	<u>695,644</u>	<u>2,316,257</u>

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**EXPLANATORY NOTES**

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

(vii) Movements in the allowance for ECL on loans, advances and financing are as follows (cont'd.):

<b>Group (cont'd.)</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 non credit-impaired</b>	<b>Lifetime ECL credit-impaired</b>	
<b>As at 31 December 2023</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2023	551,907	1,173,643	843,204	2,568,754
Transferred to Stage 1	94,797	(63,348)	(31,449)	-
Transferred to Stage 2	(15,771)	69,922	(54,151)	-
Transferred to Stage 3	(1,079)	(27,227)	28,306	-
Net remeasurement of allowance	(82,273)	52,417	412,825	382,969
Allowance made	154,136	292,929	149,237	596,302
Maturity/settlement/repayment	(345,440)	(93,488)	(109,631)	(548,559)
Exchange differences	(561)	207	-	(354)
Net total	(196,191)	231,412	395,137	430,358
Amount written-off	-	-	(483,748)	(483,748)
Other movements	-	-	143	143
At 31 December 2023	355,716	1,405,055	754,736	2,515,507
<b>Bank</b>				
<b>As at 30 June 2024</b>				
At 1 January 2024	357,818	1,405,055	754,736	2,517,609
Transferred to Stage 1	85,475	(81,821)	(3,654)	-
Transferred to Stage 2	(9,597)	34,398	(24,801)	-
Transferred to Stage 3	(935)	(27,838)	28,773	-
Net remeasurement of allowance	(63,919)	75,283	111,866	123,230
Allowance made	128,971	126,007	72,493	327,471
Maturity/settlement/repayment	(136,106)	(269,109)	(62,018)	(467,233)
Exchange differences	(834)	463	-	(371)
Net total	3,055	(142,617)	122,659	(16,903)
Amount written-off	-	-	(181,797)	(181,797)
Other movements	-	-	46	46
At 30 June 2024	360,873	1,262,438	695,644	2,318,955

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**EXPLANATORY NOTES**

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

(vii) Movements in the allowance for ECL on loans, advances and financing are as follows (cont'd.):

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12-month ECL RM'000	Lifetime ECL non credit- impaired RM'000	Lifetime ECL credit- impaired RM'000	
<b>Bank (cont'd.)</b>				
<b>As at 31 December 2023</b>				
At 1 January 2023	553,562	1,173,643	843,204	2,570,409
Transferred to Stage 1	94,797	(63,348)	(31,449)	-
Transferred to Stage 2	(15,771)	69,922	(54,151)	-
Transferred to Stage 3	(1,079)	(27,227)	28,306	-
Net remeasurement of allowance	(82,273)	52,417	412,825	382,969
Allowance made	154,136	292,929	149,237	596,302
Maturity/settlement/repayment	(344,993)	(93,488)	(109,631)	(548,112)
Exchange differences	(561)	207	-	(354)
Net total	(195,744)	231,412	395,137	430,805
Amount written-off	-	-	(483,748)	(483,748)
Other movements	-	-	143	143
At 31 December 2023	357,818	1,405,055	754,736	2,517,609

(viii) Credit-impaired loans, advances and financing by economic sectors:

	Group and Bank	
	30-Jun-24 RM'000	31-Dec-23 RM'000
Mining and quarrying	568	568
Manufacturing	114,762	120,231
Electricity, gas and water	27	38
Construction	697,090	696,605
Wholesale, retail trade, restaurants and hotels	346,829	326,426
Transport, storage and communication	34,613	42,475
Finance, insurance and business services	38,281	32,998
Real estate	232,877	224,104
Community, social and personal services	3,914	6,478
Households:		
- Purchase of residential properties	983,471	1,023,314
- Purchase of non-residential properties	156,571	163,853
- Others	179,078	194,701
	2,788,081	2,831,791

(ix) Credit-impaired loans, advances and financing by geographical distribution:

	Group and Bank	
	30-Jun-24 RM'000	31-Dec-23 RM'000
In Malaysia	2,683,314	2,721,477
Outside Malaysia	104,767	110,314
	2,788,081	2,831,791



**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**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 their 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 financial derivatives are as follows:

<b>Group and Bank As at 30 June 2024</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><u>Trading derivatives</u></b>			
Foreign exchange related contracts:			
- Forwards	20,144,860	80,244	75,771
- Swaps	51,713,059	280,207	126,994
- Options	1,357,821	4,640	1,706
Interest/profit rate related contracts:			
- Swaps	90,776,623	552,797	609,134
- Futures	1,085,305	66	-
- Options	26,932	-	54
Equity-related contracts:			
- Swaps	26,656	10	1,042
- Options	95,811	3,904	1,874
Commodity related contracts:			
- Swaps	363,003	11,052	11,656
- Futures	19,391	571	20
- Options	286,238	4,885	4,885
Credit derivative contracts:			
- Swaps	6,178	124	366
<b><u>Hedging derivatives</u></b>			
Interest rate related contracts:			
- Swaps	750,000	-	577
		<b>938,500</b>	<b>834,079</b>

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

**EXPLANATORY NOTES**

**18. DERIVATIVES FINANCIAL ASSETS/(LIABILITIES) (Cont'd.)**

The fair values of the financial derivatives are as follows (cont'd.):

<b>Group and Bank (cont'd.) As at 31 December 2023</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><u>Trading derivatives</u></b>			
Foreign exchange related contracts:			
- Forwards	16,996,190	132,797	170,184
- Swaps	72,521,173	641,353	683,383
- Options	722,176	7,385	964
Interest/profit rate related contracts:			
- Swaps	73,482,618	562,080	623,014
- Futures	114,084	-	228
- Options	21,851	-	78
Equity-related related contracts:			
- Options	83,057	980	4,377
Commodity related contracts:			
- Swaps	346,689	10,139	9,617
- Futures	41,875	615	697
Credit derivative contracts:			
- Swaps	6,010	-	186
<b><u>Hedging derivatives</u></b>			
Interest rate related contracts:			
- Swaps	750,000	-	272
		<b>1,355,349</b>	<b>1,493,000</b>

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.

Company No. 199301017069 (271809K)

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**EXPLANATORY NOTES**

**19. OTHER ASSETS**

	<b>Group</b>		<b>Bank</b>	
	<b>30-Jun-24</b>	<b>31-Dec-23</b>	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other receivables, deposits and prepayments	<b>1,171,402</b>	1,171,851	<b>1,171,282</b>	1,171,640
Interest/income receivable	<b>352,710</b>	381,878	<b>352,710</b>	381,878
Amounts due from subsidiaries	-	-	<b>19,734</b>	11,311
Amounts due from fellow subsidiaries	<b>35</b>	95	<b>35</b>	94
Amounts due from holding company	<b>43</b>	24	<b>43</b>	24
Amounts due from ultimate holding company	<b>871</b>	2,307	<b>871</b>	2,307
Precious metal accounts	<b>376,676</b>	128,832	<b>376,676</b>	128,832
Less: Allowance for ECL	<b>(5,590)</b>	(5,514)	<b>(5,654)</b>	(5,516)
	<b>1,896,147</b>	1,679,473	<b>1,915,697</b>	1,690,570

Movements in the allowance for ECL on other assets are as follows:

<b>Group</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 non credit-impaired</b>	<b>Lifetime ECL credit-impaired</b>	
<b>As at 30 June 2024</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2024	<b>2,998</b>	<b>2,516</b>	-	<b>5,514</b>
Allowance made	<b>268</b>	<b>506</b>	-	<b>774</b>
Maturity/settlement/repayment	<b>(524)</b>	<b>(200)</b>	-	<b>(724)</b>
Exchange differences	<b>14</b>	<b>12</b>	-	<b>26</b>
Net total	<b>(242)</b>	<b>318</b>	-	<b>76</b>
At 30 June 2024	<b>2,756</b>	<b>2,834</b>	-	<b>5,590</b>
<b>As at 31 December 2023</b>				
At 1 January 2023	5,193	7,569	-	12,762
Allowance made	1,665	2,772	-	4,437
Maturity/settlement/repayment	(3,990)	(7,889)	-	(11,879)
Exchange differences	130	64	-	194
Net total	(2,195)	(5,053)	-	(7,248)
At 31 December 2023	2,998	2,516	-	5,514

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

**EXPLANATORY NOTES**

**19. OTHER ASSETS (Cont'd.)**

Movements in the allowance for ECL on other assets are as follows (cont'd.):

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12-month ECL RM'000	Lifetime ECL non credit- impaired RM'000	Lifetime ECL credit- impaired RM'000	
<b>Bank</b>				
<b>As at 30 June 2024</b>				
At 1 January 2024	2,999	2,517	-	5,516
Allowance made	299	537	-	836
Maturity/settlement/repayment	(524)	(200)	-	(724)
Exchange differences	14	12	-	26
Net total	(211)	349	-	138
At 30 June 2024	<b>2,788</b>	<b>2,866</b>	<b>-</b>	<b>5,654</b>
<b>As at 31 December 2023</b>				
At 1 January 2023	4,449	8,312	-	12,761
Allowance made	2,409	2,029	-	4,438
Maturity/settlement/repayment	(3,989)	(7,888)	-	(11,877)
Exchange differences	130	64	-	194
Net total	(1,450)	(5,795)	-	(7,245)
At 31 December 2023	<b>2,999</b>	<b>2,517</b>	<b>-</b>	<b>5,516</b>

**20. INTANGIBLE ASSETS**

Group and Bank 2024	Goodwill RM'000	Other intangible assets* RM'000	Total RM'000
<b>Cost</b>			
At 1 January	350,557	131,000	481,557
<b>Accumulated amortisation</b>			
At 1 January	-	(15,283)	(15,283)
Amortisation charged for the financial period	-	(6,550)	(6,550)
At 30 June	-	(21,833)	(21,833)
<b>Net carrying amount</b>			
At 30 June	<b>350,557</b>	<b>109,167</b>	<b>459,724</b>

Company No. 199301017069 (271809K)

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

**EXPLANATORY NOTES**

**20. INTANGIBLE ASSETS (Cont'd.)**

<b>Group and Bank (cont'd.) 2023</b>	<b>Goodwill RM'000</b>	<b>Other intangible assets* RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>			
At 1 January	363,140	119,000	482,140
Finalisation of business acquisition:			
- Adjustment for the financial year	(583)	-	(583)
- Transferred between categories	(12,000)	12,000	-
At 31 December	<u>350,557</u>	<u>131,000</u>	<u>481,557</u>
<b>Accumulated amortisation</b>			
At 1 January	-	(1,983)	(1,983)
Amortisation charged for the financial year	-	(13,300)	(13,300)
At 31 December	<u>-</u>	<u>(15,283)</u>	<u>(15,283)</u>
<b>Net carrying amount</b>			
At 31 December	<u>350,557</u>	<u>115,717</u>	<u>466,274</u>

\* Comprising Core Deposit Intangibles and Customer Relationship

**21. DEPOSITS FROM CUSTOMERS**

	<b>Group</b>		<b>Bank</b>	
	<b>30-Jun-24 RM'000</b>	<b>31-Dec-23 RM'000</b>	<b>30-Jun-24 RM'000</b>	<b>31-Dec-23 RM'000</b>
Demand deposits	<b>36,995,147</b>	36,069,211	<b>37,032,210</b>	36,099,516
Savings deposits	<b>9,311,508</b>	7,369,404	<b>9,311,508</b>	7,369,404
Fixed deposits	<b>68,790,004</b>	68,984,194	<b>68,790,004</b>	68,984,194
Money market deposits	<b>1,178,218</b>	3,272,928	<b>1,178,218</b>	3,272,928
Others	<b>353,934</b>	338,464	<b>354,791</b>	339,307
	<u><b>116,628,811</b></u>	<u>116,034,201</u>	<u><b>116,666,731</b></u>	<u>116,065,349</u>

(i) The remaining maturity of fixed deposits and money market deposits are as follows:

	<b>Group</b>		<b>Bank</b>	
	<b>30-Jun-24 RM'000</b>	<b>31-Dec-23 RM'000</b>	<b>30-Jun-24 RM'000</b>	<b>31-Dec-23 RM'000</b>
Due within six months	<b>45,490,855</b>	48,319,386	<b>45,490,855</b>	48,319,386
Six months to one year	<b>24,433,406</b>	23,523,417	<b>24,433,406</b>	23,523,417
One year to three years	<b>43,434</b>	16,188	<b>43,434</b>	16,188
Three years to five years	<b>527</b>	398,131	<b>527</b>	398,131
	<u><b>69,968,222</b></u>	<u>72,257,122</u>	<u><b>69,968,222</b></u>	<u>72,257,122</u>

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

**EXPLANATORY NOTES**

**21. DEPOSITS FROM CUSTOMERS (Cont'd.)**

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

	Group		Bank	
	30-Jun-24 RM'000	31-Dec-23 RM'000	30-Jun-24 RM'000	31-Dec-23 RM'000
Business enterprises:				
- Subsidiaries	-	-	38,170	31,411
- Related companies	1,249	1,016	1,016	1,016
- Others	52,974,016	51,690,331	52,973,999	51,690,068
Individuals	62,871,167	61,573,994	62,871,167	61,573,994
Others	782,379	2,768,860	782,379	2,768,860
	<b>116,628,811</b>	<b>116,034,201</b>	<b>116,666,731</b>	<b>116,065,349</b>

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

	Group		Bank	
	30-Jun-24 RM'000	31-Dec-23 RM'000	30-Jun-24 RM'000	31-Dec-23 RM'000
Licensed banks in Malaysia	1,557,879	4,001	1,557,879	4,001
Bank Negara Malaysia	1,689,476	938,050	1,689,476	938,050
Other financial institutions	12,124,316	13,073,114	12,124,336	13,073,134
	<b>15,371,671</b>	<b>14,015,165</b>	<b>15,371,691</b>	<b>14,015,185</b>

**23. OTHER LIABILITIES**

	Group		Bank	
	30-Jun-24 RM'000	31-Dec-23 RM'000	30-Jun-24 RM'000	31-Dec-23 RM'000
Allowance for ECL on commitments and contingencies	175,070	205,265	175,070	205,265
Interest/profit payable	455,918	541,918	455,918	541,918
Accruals and provisions for operational expenses	660,196	702,074	657,514	699,582
Other payables and accruals	3,540,231	3,545,525	3,506,929	3,510,790
Deferred income	20,144	22,639	20,144	22,639
	<b>4,851,559</b>	<b>5,017,421</b>	<b>4,815,575</b>	<b>4,980,194</b>

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

**EXPLANATORY NOTES**

**23. OTHER LIABILITIES (Cont'd.)**

Movements in the allowance for ECL on irrevocable commitments and contingencies are as follows:

<b>Group and 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 non credit-impaired</b>	<b>Lifetime ECL credit-impaired</b>	
<b>As at 30 June 2024</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2024	83,399	92,569	29,297	205,265
Transferred to Stage 1	59,576	(59,576)	-	-
Transferred to Stage 2	(2,360)	2,360	-	-
Transferred to Stage 3	-	(21)	21	-
Net remeasurement of allowance	(47,838)	26,250	1,224	(20,364)
Allowance made	29,308	12,832	-	42,140
Maturity/settlement/repayment	(34,604)	(17,852)	(43)	(52,499)
Exchange differences	79	17	-	96
Net total	4,161	(35,990)	1,202	(30,627)
Other movements	-	-	432	432
At 30 June 2024	87,560	56,579	30,931	175,070
<b>As at 31 December 2023</b>				
At 1 January 2023	64,764	37,458	60,253	162,475
Transferred to Stage 1	14,530	(14,530)	-	-
Transferred to Stage 2	(2,026)	2,026	-	-
Transferred to Stage 3	(1)	-	1	-
Net remeasurement of allowance	(11,270)	17,707	42	6,479
Allowance made	69,434	62,887	-	132,321
Maturity/settlement/repayment	(52,114)	(12,985)	(32,051)	(97,150)
Exchange differences	82	6	-	88
Net total	18,635	55,111	(32,008)	41,738
Other movements	-	-	1,052	1,052
At 31 December 2023	83,399	92,569	29,297	205,265

**24. SUBORDINATED BONDS/SUKUK**

<b>At amortised cost</b>	<b>Group and Bank</b>	
	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
RM750 million subordinated bond 2020/2030, at par (Note (a))	749,423	749,728
RM1 billion subordinated bond 2022/2032, at par (Note (b))	1,000,000	1,000,000
RM500 million subordinated sukuk 2024/2034, at par (Note (c))	500,000	-
	<b>2,249,423</b>	<b>1,749,728</b>
Accumulated fair value adjustment (gain) for subordinated bonds	<b>(577)</b>	<b>(272)</b>

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**EXPLANATORY NOTES**

**24. SUBORDINATED BONDS/SUKUK (Cont'd.)**

- (a) 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 1”).

The Bond 1 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 1 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 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 27 October 2022, the Bank issued RM1.0 billion 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 4.91% 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 27 October 2027 or at any interest payment date thereafter.

The interest is payable semi-annually in arrears on 27 April and 27 October each year commencing 27 April 2023.

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) On 8 February 2024, the Bank issued RM500 million Basel III compliant Tier 2 subordinated Islamic Medium Term Notes (10 years maturity, non-callable 5 years) (“the Sukuk”).

The Sukuk bears profit at the rate of 4.01% per annum. The coupon rate herein is applicable throughout the tenure of the subordinated sukuk.

The Sukuk may be redeemed at par at the option of the Bank, in part or in whole, on 8 February 2029 or at any profit payment date thereafter.

The profit is payable semi-annually in arrears on 8 August and 8 February each year commencing 8 August 2024.

The Sukuk 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.

- (d) Fair value hedge

The Bank primarily uses interest rate swap to hedge the interest rate risk of the bonds.

As at 30 June 2024, the Group and the Bank had interest rate swap agreements in place with notional amount totalling RM750 million (31 December 2023: RM750 million).

The movements in fair value of the interest rate swaps of unrealised loss of RM305,000 (31 December 2023: unrealised gain of RM3,001,000) were recognised in trading and investment income during the period (Note 28).



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

**EXPLANATORY NOTES**

**25. OPERATING REVENUE**

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

**26. INTEREST INCOME**

	Second Quarter Ended		Six Months Ended	
	30-Jun-24 RM'000	30-Jun-23 RM'000	30-Jun-24 RM'000	30-Jun-23 RM'000
<b>Group</b>				
Loans, advances and financing	<b>1,255,787</b>	1,208,863	<b>2,523,758</b>	2,382,062
Credit-impaired loans, advances and financing	<b>17,485</b>	23,888	<b>38,222</b>	43,394
Money at call and deposit placements with financial institutions	<b>93,073</b>	78,493	<b>191,277</b>	161,188
Financial assets at FVTPL	<b>51,176</b>	48,498	<b>102,423</b>	104,003
Debt instruments at FVOCI	<b>174,562</b>	186,823	<b>347,350</b>	381,306
Debt instruments at amortised cost	<b>92,634</b>	85,354	<b>185,926</b>	167,528
	<b>1,684,717</b>	1,631,919	<b>3,388,956</b>	3,239,481
Amortisation of premium less accretion of discount on:				
- Financial assets at FVTPL	<b>844</b>	7,991	<b>1,072</b>	17,950
- Debt instruments at FVOCI	<b>(22,696)</b>	(24,677)	<b>(48,501)</b>	(51,290)
- Debt instruments at amortised cost	<b>1,539</b>	1,004	<b>3,032</b>	1,832
	<b>1,664,404</b>	1,616,237	<b>3,344,559</b>	3,207,973
<b>Bank</b>				
Loans, advances and financing	<b>1,259,499</b>	1,209,790	<b>2,531,334</b>	2,383,920
Credit-impaired loans, advances advances and financing	<b>17,485</b>	23,888	<b>38,222</b>	43,394
Money at call and deposit placements with financial institutions	<b>93,073</b>	78,491	<b>191,277</b>	161,188
Financial assets at FVTPL	<b>51,176</b>	48,498	<b>102,423</b>	104,003
Debt instruments at FVOCI	<b>174,562</b>	186,823	<b>347,350</b>	381,306
Debt instruments at amortised cost	<b>92,634</b>	85,354	<b>185,926</b>	167,528
	<b>1,688,429</b>	1,632,844	<b>3,396,532</b>	3,241,339
Amortisation of premium less accretion of discount on:				
- Financial assets at FVTPL	<b>844</b>	7,991	<b>1,072</b>	17,950
- Debt instruments at FVOCI	<b>(22,696)</b>	(24,677)	<b>(48,501)</b>	(51,290)
- Debt instruments at amortised cost	<b>1,539</b>	1,004	<b>3,032</b>	1,832
	<b>1,668,116</b>	1,617,162	<b>3,352,135</b>	3,209,831

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**EXPLANATORY NOTES**

**27. INTEREST EXPENSE**

Group	Second Quarter Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	761,860	686,447	1,533,618	1,271,017
Deposits and placements of banks and other financial institutions	161,772	185,112	345,410	415,119
Subordinated bonds	17,951	24,697	35,930	48,942
Lease liabilities	648	810	1,335	1,603
Others	13,756	11,970	28,537	24,111
	<b>955,987</b>	<b>909,036</b>	<b>1,944,830</b>	<b>1,760,792</b>
<b>Bank</b>				
Deposits from customers	762,017	686,550	1,533,910	1,271,210
Deposits and placements of banks and other financial institutions	161,772	185,112	345,410	415,119
Subordinated bonds	17,951	24,697	35,930	48,942
Lease liabilities	5,067	5,149	9,465	12,932
Others	13,778	11,970	28,574	24,111
	<b>960,585</b>	<b>913,478</b>	<b>1,953,289</b>	<b>1,772,314</b>

**28. OTHER OPERATING INCOME**

Group	Second Quarter Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
<u>Fee income</u>				
Commission	71,313	56,019	144,449	121,470
Guarantee fees	24,349	20,698	45,689	46,668
Service charges and fees	143,410	138,114	290,524	268,347
Less: Fee expenses	(68,066)	(50,722)	(118,388)	(98,736)
	75,344	87,392	172,136	169,611
Commitment fees	6,826	7,233	14,132	14,146
Arrangement and participation fees	18,176	1,822	24,795	4,083
	<b>196,008</b>	<b>173,164</b>	<b>401,201</b>	<b>355,978</b>

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

**EXPLANATORY NOTES**

**28. OTHER OPERATING INCOME (Cont'd.)**

<b>Group (cont'd.)</b>	<b>Second Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>30-Jun-24</b>	<b>30-Jun-23</b>	<b>30-Jun-24</b>	<b>30-Jun-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Trading and Investment income</u>				
Gain/(loss) from sale of financial assets at FVTPL	<b>8,202</b>	(30,830)	<b>13,799</b>	(16,899)
Unrealised (loss)/gain on financial assets at FVTPL	<b>(9,113)</b>	43,910	<b>748</b>	50,734
(Loss)/gain from trading derivatives	<b>(78,574)</b>	18,842	<b>(161,297)</b>	46,902
Unrealised gain/(loss) from trading derivatives	<b>66,203</b>	(16,613)	<b>128,337</b>	(58,995)
Unrealised (loss)/gain on fair value adjustment for subordinated bonds	<b>(292)</b>	383	<b>305</b>	(1,433)
Gain from sale of precious metals	<b>818</b>	601	<b>1,472</b>	1,237
Unrealised (loss)/gain from revaluation of precious metals	<b>(19)</b>	(14)	<b>100</b>	(24)
Gain from sale/recovery of debt instruments at FVOCI	<b>4,320</b>	28,179	<b>46,572</b>	81,519
Gross dividends from equity instruments at FVOCI	<b>499</b>	499	<b>499</b>	1,759
	<b>(7,956)</b>	44,957	<b>30,535</b>	104,800
<u>Other income</u>				
Foreign exchange gain, net	<b>182,601</b>	167,007	<b>366,736</b>	330,367
Rental income from operating leases	<b>417</b>	409	<b>851</b>	594
Gain on disposal of property, plant and equipment	-	-	-	42
Others	<b>3,920</b>	5,202	<b>9,389</b>	12,101
	<b>186,938</b>	172,618	<b>376,976</b>	343,104
	<b>374,990</b>	390,739	<b>808,712</b>	803,882

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

**EXPLANATORY NOTES**

**28. OTHER OPERATING INCOME (Cont'd.)**

	Second Quarter Ended		Six Months Ended	
	30-Jun-24 RM'000	30-Jun-23 RM'000	30-Jun-24 RM'000	30-Jun-23 RM'000
<b>Bank</b>				
<u>Fee income</u>				
Commission	71,313	56,019	144,449	121,470
Guarantee fees	24,349	20,697	45,689	46,694
Service charges and fees	143,410	138,213	289,912	268,546
Less: Fee expenses	(68,066)	(50,722)	(118,388)	(98,736)
	75,344	87,491	171,524	169,810
Commitment fees	6,954	7,239	14,385	14,152
Arrangement and participation fees	18,176	1,822	24,795	4,083
	196,136	173,268	400,842	356,209
<u>Trading and Investment income</u>				
Gain/(loss) from sale of financial assets at FVTPL	8,202	(30,830)	13,799	(16,899)
Unrealised (loss)/gain on financial assets at FVTPL	(9,113)	43,910	748	50,734
(Loss)/gain from trading derivatives	(78,574)	18,842	(161,297)	46,902
Unrealised gain/(loss) from trading derivatives	66,203	(16,613)	128,337	(58,995)
Unrealised (loss)/gain on fair value adjustment for subordinated bonds	(292)	383	305	(1,433)
Gain from sale of precious metals	818	601	1,472	1,237
Unrealised (loss)/gain from revaluation of precious metals	(19)	(14)	100	(24)
Gain from sale/recovery of debt instruments at FVOCI	4,320	28,179	46,572	81,519
Gross dividends from equity instruments at FVOCI	499	500	499	1,760
	(7,956)	44,958	30,535	104,801
<u>Other income</u>				
Foreign exchange gain, net	182,601	167,007	366,736	330,367
Gain on disposal of property, plant and equipment	-	-	-	42
Others	3,919	5,202	9,425	12,101
	186,520	172,209	376,161	342,510
	374,700	390,435	807,538	803,520

Company No. 199301017069 (271809K)

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**EXPLANATORY NOTES**

**29. OTHER OPERATING EXPENSES**

Group	Second Quarter Ended		Six Months Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Personnel expenses	<b>322,189</b>	314,403	<b>648,166</b>	614,319
Establishment expenses	<b>194,367</b>	171,880	<b>376,005</b>	328,579
Marketing expenses	<b>32,709</b>	29,487	<b>51,466</b>	53,213
General administrative expenses	<b>51,161</b>	173,097	<b>93,188</b>	297,731
	<b>600,426</b>	688,867	<b>1,168,825</b>	1,293,842
<u>Personnel expenses</u>				
Wages, salaries and bonus	<b>245,451</b>	246,594	<b>504,508</b>	484,242
Defined contribution plan	<b>37,644</b>	36,194	<b>74,713</b>	71,476
Other employee benefits	<b>39,094</b>	31,615	<b>68,945</b>	58,601
	<b>322,189</b>	314,403	<b>648,166</b>	614,319
<u>Establishment expenses</u>				
Depreciation of property, plant and equipment	<b>36,711</b>	36,031	<b>70,474</b>	70,551
Depreciation of right-of-use assets	<b>5,540</b>	4,171	<b>10,639</b>	9,870
Amortisation of intangible assets	<b>3,275</b>	3,109	<b>6,550</b>	6,084
Information technology costs	<b>106,803</b>	80,308	<b>209,135</b>	153,287
Repair and maintenance	<b>21,287</b>	16,301	<b>39,202</b>	37,201
Short-term lease expenses	<b>246</b>	863	<b>665</b>	1,064
Others	<b>20,505</b>	31,097	<b>39,340</b>	50,522
	<b>194,367</b>	171,880	<b>376,005</b>	328,579
<u>Marketing expenses</u>				
Advertisement and publicity	<b>32,709</b>	29,487	<b>51,466</b>	53,213
<u>General administrative expenses</u>				
Fees and commissions paid	<b>22,581</b>	80,947	<b>33,609</b>	98,852
Others	<b>28,580</b>	92,150	<b>59,579</b>	198,879
	<b>51,161</b>	173,097	<b>93,188</b>	297,731

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**EXPLANATORY NOTES**

**29. OTHER OPERATING EXPENSES (Cont'd.)**

<b>Bank</b>	<b>Second Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>30-Jun-24</b>	<b>30-Jun-23</b>	<b>30-Jun-24</b>	<b>30-Jun-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Personnel expenses	<b>320,772</b>	312,931	<b>645,287</b>	611,475
Establishment expenses	<b>194,341</b>	170,561	<b>377,609</b>	325,084
Marketing expenses	<b>32,620</b>	29,477	<b>51,370</b>	53,184
General administrative expenses	<b>50,658</b>	171,404	<b>92,391</b>	295,848
	<b>598,391</b>	684,373	<b>1,166,657</b>	1,285,591
<u>Personnel expenses</u>				
Wages, salaries and bonus	<b>244,259</b>	245,335	<b>502,099</b>	481,884
Defined contribution plan	<b>37,445</b>	36,000	<b>74,333</b>	71,111
Other employee benefits	<b>39,068</b>	31,596	<b>68,855</b>	58,480
	<b>320,772</b>	312,931	<b>645,287</b>	611,475
<u>Establishment expenses</u>				
Depreciation of property, plant and equipment	<b>32,191</b>	28,237	<b>61,432</b>	54,961
Depreciation of right-of-use assets	<b>12,527</b>	11,135	<b>24,397</b>	23,718
Amortisation of intangible assets	<b>3,275</b>	3,108	<b>6,550</b>	6,083
Information technology costs	<b>106,803</b>	80,308	<b>209,135</b>	153,287
Repair and maintenance	<b>20,877</b>	15,903	<b>38,775</b>	36,537
Short-term lease expenses	<b>1,029</b>	1,438	<b>2,220</b>	2,228
Others	<b>17,639</b>	30,432	<b>35,100</b>	48,270
	<b>194,341</b>	170,561	<b>377,609</b>	325,084
<u>Marketing expenses</u>				
Advertisement and publicity	<b>32,620</b>	29,477	<b>51,370</b>	53,184
<u>General administrative expenses</u>				
Fees and commissions paid	<b>22,549</b>	80,907	<b>33,542</b>	98,633
Others	<b>28,109</b>	90,497	<b>58,849</b>	197,215
	<b>50,658</b>	171,404	<b>92,391</b>	295,848

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**EXPLANATORY NOTES**

**30. (WRITE-BACK OF)/ALLOWANCE FOR EXPECTED CREDIT LOSSES ("ECL")**

Group	Second Quarter		Six Months	
	Ended		Ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing:				
- Stage 1 - 12-month ECL	<b>37,999</b>	(33,030)	<b>2,459</b>	(77,297)
- Stage 2 - Lifetime ECL non credit-impaired	<b>(163,776)</b>	47,772	<b>(142,617)</b>	50,459
- Stage 3 - Lifetime ECL credit-impaired	<b>77,869</b>	137,334	<b>122,659</b>	213,174
	<b>(47,908)</b>	152,076	<b>(17,499)</b>	186,336
Credit-impaired loans, advances and financing:				
- Written-off	<b>28,574</b>	35,249	<b>61,156</b>	62,852
- Recovered	<b>(54,722)</b>	(60,240)	<b>(111,302)</b>	(110,666)
	<b>(74,056)</b>	127,085	<b>(67,645)</b>	138,522
Other financial assets:				
- Stage 1 - 12-month ECL	<b>188</b>	23,076	<b>(15,195)</b>	(1,725)
- Stage 2 - Lifetime ECL non credit-impaired	<b>4,359</b>	5,644	<b>4,752</b>	(792)
	<b>4,547</b>	28,720	<b>(10,443)</b>	(2,517)
Commitments and contingencies:				
- Stage 1 - 12-month ECL	<b>13,809</b>	46,391	<b>4,161</b>	36,939
- Stage 2 - Lifetime ECL non credit-impaired	<b>(26,610)</b>	26,110	<b>(35,990)</b>	22,452
- Stage 3 - Lifetime ECL credit-impaired	<b>1,245</b>	(13,339)	<b>1,202</b>	(13,877)
	<b>(11,556)</b>	59,162	<b>(30,627)</b>	45,514
Total	<b>(81,065)</b>	214,967	<b>(108,715)</b>	181,519

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**EXPLANATORY NOTES**

**30. (WRITE-BACK OF)/ALLOWANCE FOR EXPECTED CREDIT LOSSES ("ECL") (Cont'd.)**

<b>Bank</b>	<b>Second Quarter Ended</b>		<b>Six Months Ended</b>	
	<b>30-Jun-24</b>	<b>30-Jun-23</b>	<b>30-Jun-24</b>	<b>30-Jun-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Loans, advances and financing:				
- Stage 1 - 12-month ECL	<b>38,198</b>	(32,952)	<b>3,055</b>	(77,324)
- Stage 2 - Lifetime ECL non credit-impaired	<b>(163,776)</b>	47,772	<b>(142,617)</b>	50,459
- Stage 3 - Lifetime ECL credit-impaired	<b>77,869</b>	137,334	<b>122,659</b>	213,174
	<b>(47,709)</b>	152,154	<b>(16,903)</b>	186,309
Credit-impaired loans, advances and financing:				
- Written-off	<b>28,574</b>	35,249	<b>61,156</b>	62,852
- Recovered	<b>(54,722)</b>	(60,240)	<b>(111,302)</b>	(110,666)
	<b>(73,857)</b>	127,163	<b>(67,049)</b>	138,495
Other financial assets:				
- Stage 1 - 12-month ECL	<b>203</b>	23,875	<b>(15,164)</b>	(917)
- Stage 2 - Lifetime ECL non credit-impaired	<b>4,379</b>	4,958	<b>4,783</b>	(1,483)
	<b>4,582</b>	28,833	<b>(10,381)</b>	(2,400)
Commitments and contingencies:				
- Stage 1 - 12-month ECL	<b>13,809</b>	46,391	<b>4,161</b>	36,939
- Stage 2 - Lifetime ECL non credit-impaired	<b>(26,610)</b>	26,110	<b>(35,990)</b>	22,452
- Stage 3 - Lifetime ECL credit-impaired	<b>1,245</b>	(13,339)	<b>1,202</b>	(13,877)
	<b>(11,556)</b>	59,162	<b>(30,627)</b>	45,514
<b>Total</b>	<b>(80,831)</b>	215,158	<b>(108,057)</b>	181,609



Company No. 199301017069 (271809K)

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

(Incorporated in Malaysia)

### **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 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 Personal Financial Services, 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.

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

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

##### **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.

Company No. 199301017069 (271809K)

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**EXPLANATORY NOTES**

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

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

Group	Retail	WB	GM	Others	Total segments	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>For period ended 30 June 2024</b>							
Operating income	956,905	1,083,047	156,934	130,276	2,327,162	(27,763)	2,299,399
Other operating expenses	(653,724)	(322,615)	(54,301)	(173,265)	(1,203,905)	35,080	(1,168,825)
Write-back of/(allowance for) ECL	29,494	79,015	-	(455)	108,054	661	108,715
Profit before taxation	332,675	839,447	102,633	(43,444)	1,231,311	7,978	1,239,289
Income tax expense							(312,864)
Profit after taxation							926,425

**Other information**

**For period ended 30 June 2024**

Inter-segment operating income/(loss)	208,736	20,083	(377,666)	176,610	27,763	(27,763)	-
Depreciation of property, plant and equipment and right-of-use assets	23,226	15,316	1,979	54,716	95,237	(14,124)	81,113

**As at 30 June 2024**

Gross loans, advances and financing	60,486,986	46,450,652	-	672,531	107,610,169	(302,201)	107,307,968
Deposits from customers	69,860,111	46,800,248	-	6,622	116,666,981	(38,170)	116,628,811

Company No. 199301017069 (271809K)

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**EXPLANATORY NOTES**

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

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

Group (cont'd.)	Retail	WB	GM	Others	Total segments	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>For period ended 30 June 2023</b>							
Operating income	887,583	1,039,645	210,692	220,463	2,358,383	(24,502)	2,333,881
Other operating expenses	(598,432)	(300,923)	(54,916)	(371,492)	(1,325,763)	31,921	(1,293,842)
(Allowance for)/write-back of ECL	(127,324)	(54,396)	-	201	(181,519)	-	(181,519)
Profit before taxation	161,827	684,326	155,776	(150,828)	851,101	7,419	858,520
Income tax expense							(220,788)
Profit after taxation							637,732

**Other information**

**For period ended 30 June 2023**

Inter-segment operating income/(loss)	59,019	39,207	(311,327)	237,603	24,502	(24,502)	-
Depreciation of property, plant and equipment and right-of-use assets	21,606	11,886	2,131	59,468	95,091	(14,670)	80,421

**As at 30 June 2023**

Gross loans, advances and financing	60,747,758	44,736,721	-	436,431	105,920,910	(86,615)	105,834,295
Deposits from customers	67,969,497	46,700,904	-	3,872	114,674,273	(30,352)	114,643,921

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

**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 15 December 2023 and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 18 December 2023.

	<b>Group</b>		<b>Bank</b>	
	<b>30-Jun-24</b>	<b>31-Dec-23</b>	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<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>13,151,970</b>	12,996,815	<b>13,313,868</b>	13,159,032
Other reserves	<b>278,200</b>	312,870	<b>37,820</b>	72,490
Regulatory adjustments applied in the calculation of CET1 Capital	<b>(1,128,995)</b>	(1,194,967)	<b>(1,262,582)</b>	(1,328,553)
Total CET1/Tier 1 Capital	<b>13,093,730</b>	12,907,273	<b>12,881,661</b>	12,695,524
<u>Tier 2 Capital</u>				
Tier 2 Capital instruments	<b>2,250,000</b>	1,750,000	<b>2,250,000</b>	1,750,000
Loan/financing loss provision:				
- Surplus eligible provisions over expected losses	<b>335,510</b>	339,176	<b>337,337</b>	340,901
- General provisions	<b>166,998</b>	169,764	<b>157,677</b>	160,304
Regulatory adjustments applied in the calculation of Tier 2 Capital	<b>105,065</b>	105,065	-	-
Total Tier 2 Capital	<b>2,857,573</b>	2,364,005	<b>2,745,014</b>	2,251,205
Total Capital	<b>15,951,303</b>	15,271,278	<b>15,626,675</b>	14,946,729

Company No. 199301017069 (271809K)

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

**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	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
CET1/Tier 1 Capital	<b>16.158%</b>	15.945% *	<b>15.985%</b>	15.777% *
Total Capital	<b>19.684%</b>	18.865% *	<b>19.392%</b>	18.574% *

\* The CET1/Tier 1 Capital and Total Capital ratios were before payment of dividend. The CET1/Tier 1 Capital would be 14.992 % and 17.913% for the Group and 14.818% and 17.616% for the Bank, net of proposed dividend.

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

	Group		Bank	
	30-Jun-24 RM'000	31-Dec-23 RM'000	30-Jun-24 RM'000	31-Dec-23 RM'000
Total RWA for credit risk	<b>71,552,970</b>	72,636,110	<b>71,111,849</b>	72,166,831
Total RWA for market risk	<b>1,833,130</b>	1,050,045	<b>1,833,130</b>	1,050,045
Total RWA for operational risk	<b>7,650,082</b>	7,262,705	<b>7,639,427</b>	7,253,444
	<b>81,036,182</b>	80,948,860	<b>80,584,406</b>	80,470,320

**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>Group and Bank As at 30 June 2024</b>	<b>Principal amount RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted amount RM'000</b>
Direct credit substitutes	4,919,751	4,801,356	2,968,691
Transaction-related contingent items	7,459,589	3,701,717	2,134,491
Short-term self-liquidating trade-related contingencies	777,730	167,641	108,601
Lending of banks' securities or the posting of securities as collateral by banks	3,117,732	84,217	1,283
Foreign exchange related contracts:			
- Less than one year	72,095,426	1,365,454	231,590
- One year to less than five years	964,596	101,308	73,051
- Five years and above	155,718	15,780	14,697
Interest/profit rate related contracts:			
- Less than one year	36,739,794	337,098	45,365
- One year to less than five years	53,683,355	1,903,008	528,948
- Five years and above	2,215,711	221,707	94,297
Equity related contracts:			
- Less than one year	111,929	4,818	236
- One year to less than five years	10,538	1,926	161
Commodity related contracts:			
- Less than one year	378,982	48,463	12,409
- One year to less than five years	289,650	27,189	7,719
Credit derivative contracts:			
- Less than one year	6,178	742	84
Undrawn credit facility:			
- Less than one year	25,602,771	1,303,242	294,836
- More than one year	7,352,892	5,057,061	2,832,218
- Unconditionally cancellable	37,928,103	9,152,402	3,580,069
Other commitments	1,357,293	59,949	-
<b>Total</b>	<b>255,167,738</b>	<b>28,355,078</b>	<b>12,928,746</b>

Company No. 199301017069 (271809K)

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

**EXPLANATORY NOTES**

**33. COMMITMENTS AND CONTINGENCIES (Cont'd.)**

<b>Group and Bank (cont'd.) As at 31 December 2023</b>	<b>Principal amount RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted amount RM'000</b>
Direct credit substitutes	4,447,896	4,333,183	2,819,021
Transaction-related contingent items	7,254,064	3,607,797	2,068,013
Short-term self-liquidating trade-related contingencies	647,859	136,698	80,596
Lending of banks' securities or the posting of securities as collateral by banks	2,966,026	49,557	2,894
Foreign exchange related contracts:			
- Less than one year	88,836,700	1,936,509	279,242
- One year to less than five years	1,269,706	109,026	73,156
- Five years and above	133,133	15,108	14,072
Interest/profit rate related contracts:			
- Less than one year	26,089,235	360,616	54,090
- One year to less than five years	46,447,817	1,698,207	465,553
- Five years and above	1,831,501	179,315	83,115
Equity related contracts:			
- Less than one year	68,614	2,207	155
- One year to less than five years	14,443	1,708	171
Commodity related contracts:			
- Less than one year	388,564	40,004	10,343
Credit derivative contracts:			
- Less than one year	6,010	601	81
Undrawn credit facility:			
- Less than one year	24,657,936	1,159,930	250,736
- More than one year	7,212,540	5,006,151	3,065,064
- Unconditionally cancellable	37,437,734	8,969,020	3,715,309
Other commitments	515,471	-	-
<b>Total</b>	<b>250,225,249</b>	<b>27,605,637</b>	<b>12,981,611</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).

Company No. 199301017069 (271809K)

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

**EXPLANATORY NOTES**

**34. CREDIT EXPOSURE ARISING FROM CREDIT TRANSACTIONS WITH CONNECTED PARTIES**

	<b>Group and Bank</b>	
	<b>30-Jun-24</b>	<b>31-Dec-23</b>
Outstanding credit exposures with connected parties (RM'000)	<b><u>2,369,688</u></b>	<b><u>2,993,368</u></b>
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	<b><u>2.202%</u></b>	<b><u>2.786%</u></b>
Percentage of outstanding credit exposures to connected parties which is impaired or in default	<b><u>0.0000%</u></b>	<b><u>0.0001%</u></b>

The credit exposures above are derived based on Bank Negara Malaysia's revised guidelines on Credit Transaction and Exposure with Connected Parties issued on 16 July 2014.



Company No. 199301017069 (271809K)

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**EXPLANATORY NOTES**

**35. PERFORMANCE REVIEW**

For the six months ended 30 June 2024, the Group posted an operating profit of RM1,130.6 million, 8.7% or RM90.5 million higher than same period last year; coupled with writeback of ECL ("Expected Credit Loss") of RM108.7 million as compared to a provision of RM181.5 million same period last year. This resulted in a profit before tax of RM1,239.3 million for the six months ended 30 June 2024, which was 44.4% or RM380.8 million higher than the same period last year.

Total operating income decreased by 1.5% or RM34.5 million to RM2,299.4 million. Net interest income dropped by 3.3% or RM47.5 million to RM1,399.7 million mainly due to timing differences on deposits repricing. Other operating income increased by 0.6% or RM4.8 million to RM808.7 million mainly contributed by higher fee and commission from capital market fees and higher unit trust income. The increase was also due to higher foreign exchange gain of RM36.4 million, partly mitigated by lower trading and investment income of RM74.3 million.

Expenses dropped to RM1,168.8 million mainly due to one-off expenses incurred for the integration of the retail business acquisition in same period last year, partly offset by higher staff-related expenses as we continued to invest in our people.

The writeback of ECL provision for current period was mainly due to credit improvement for some corporate borrowers; coupled with release of the pre-emptive provisions.

**36. PROSPECTS FOR 2024**

We anticipate global growth to remain moderate in 2024 amid slower growth in advanced economies. China continues to face a patchy and uneven recovery with challenges in the property sector, albeit factoring in the fiscal support measures, we have raised our outlook for China's economy. A key theme for 2024 is the global easing of monetary policy, including the expected lowering of interest rates by the US Federal Reserve albeit the timing remains uncertain. With a less restrictive global policy stance, Southeast Asia's economic growth is expected to stabilise, supported by improving external trade, tourism recovery and resilient domestic demand. Meanwhile geopolitical risks and outcome of US elections later this year will be closely watched.

We maintain a positive outlook on the region's fundamentals and medium- to long-term prospects. Key risks include potential acceleration of inflation, geopolitical tensions, tightening financial market conditions and underestimated climate-related risks such as floods, droughts and extreme weather.

We expect annual growth in Malaysia to improve in 2024, supported by favourable labour market conditions stronger tourism activity, a stronger technology cycle, ongoing investment projects and national master plans. Budget 2024 measures will boost economic activity, but businesses may face challenges from elevated costs and cautious demand. Despite these challenges, Malaysia's diversified economic structure provides strength and ongoing policy support is expected to sustain economic growth.

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

**37. ISLAMIC BANKING OPERATIONS**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2024**

	Note	30-Jun-24 RM'000	31-Dec-23 RM'000
<b>Assets</b>			
Cash and short-term funds	a	2,867,910	2,890,491
Securities purchased under resale agreements		300,799	296,484
Debt instruments at FVOCI	b	1,822,200	1,402,981
Debt instruments at amortised cost	c	500,637	1,052,481
Other assets	e	33,440	30,418
Derivative financial assets	f	15,513	34,266
Financing, advances and others	d	9,039,833	8,980,260
Statutory deposits with BNM		46,000	55,000
Plant and equipment		9,124	10,074
Deferred tax assets		14,431	11,960
<b>Total assets</b>		<b>14,649,887</b>	<b>14,764,415</b>
<b>Liabilities and Islamic Banking funds</b>			
Deposits from customers	g	6,090,173	5,150,665
Investment accounts due to a designated financial institution	h	4,484,327	4,372,180
Deposits and placements of other financial institutions	i	2,790,452	4,501,649
Bills and acceptances payable		3,927	5,674
Other liabilities	j	64,764	62,224
Derivative financial liabilities	f	15,192	33,205
Tax payable		44,042	27,068
Subordinated sukuk	k	500,000	-
<b>Total liabilities</b>		<b>13,992,877</b>	<b>14,152,665</b>
Capital fund		450,000	450,000
Reserves		207,010	161,750
<b>Islamic Banking funds</b>	l	<b>657,010</b>	<b>611,750</b>
<b>Total liabilities and Islamic Banking funds</b>		<b>14,649,887</b>	<b>14,764,415</b>
<b>Commitments and contingencies</b>	t	<b>10,649,446</b>	<b>8,001,391</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 2023.

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

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)**

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	Note	Second Quarter ended		Six Months ended	
		30-Jun-24 RM'000	30-Jun-23 RM'000	30-Jun-24 RM'000	30-Jun-23 RM'000
Income derived from investment of depositors' funds	m	<b>94,802</b>	87,130	<b>187,834</b>	164,432
Income derived from investment of Islamic Banking funds	n	<b>10,025</b>	8,973	<b>20,255</b>	16,682
Income derived from investment of investment account funds	o	<b>44,735</b>	39,215	<b>90,224</b>	77,951
(Allowance for)/write-back of ECL on:					
- Financing, advances and others	r	<b>(16,466)</b>	(20,201)	<b>(6,588)</b>	(24,829)
- Other financial assets	r	<b>1,116</b>	1,953	<b>50</b>	1,479
- Commitments and contingencies	r	<b>(1,634)</b>	3,624	<b>(630)</b>	353
Total distributable income		<b>132,578</b>	120,694	<b>291,145</b>	236,068
Profit distributed to depositors and others	p	<b>(67,623)</b>	(58,173)	<b>(135,955)</b>	(114,667)
Profit distributed to investment account holders	q	<b>(35,399)</b>	(31,015)	<b>(71,400)</b>	(61,580)
Total net income		<b>29,556</b>	31,506	<b>83,790</b>	59,821
Other operating expenses	s	<b>(10,750)</b>	(11,201)	<b>(22,616)</b>	(22,166)
Profit before taxation		<b>18,806</b>	20,305	<b>61,174</b>	37,655
Income tax expense		<b>(4,590)</b>	(5,036)	<b>(14,842)</b>	(9,173)
Profit after taxation		<b>14,216</b>	15,269	<b>46,332</b>	28,482
<i>Other comprehensive (loss)/income:</i>					
<u>Items that may be reclassified subsequently to statement of profit or loss:</u>					
Net fair value changes in debt instruments at FVOCI		<b>(183)</b>	(478)	<b>(1,411)</b>	3,974
Income tax effect		<b>44</b>	115	<b>339</b>	(954)
Other comprehensive (loss)/income for the financial period, net of tax		<b>(139)</b>	(363)	<b>(1,072)</b>	3,020
Total comprehensive income for the financial period		<b>14,077</b>	14,906	<b>45,260</b>	31,502

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 2023.

Company No. 199301017069 (271809K)

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

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)**

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Cont'd.)**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

Net income from Islamic Banking operations as reported in the statement of profit or loss of the Group and the Bank is derived as follows:

	Second Quarter ended		Six Months ended	
	30-Jun-24 RM'000	30-Jun-23 RM'000	30-Jun-24 RM'000	30-Jun-23 RM'000
Income derived from investment of depositors' funds	<b>94,802</b>	87,130	<b>187,834</b>	164,432
Income derived from investment of Islamic Banking funds	<b>10,025</b>	8,973	<b>20,255</b>	16,682
Income derived from investment of investment account funds	<b>44,735</b>	39,215	<b>90,224</b>	77,951
Profit distributed to depositors	<b>(67,623)</b>	(58,173)	<b>(135,955)</b>	(114,667)
Profit distributed to investment account holders	<b>(35,399)</b>	(31,015)	<b>(71,400)</b>	(61,580)
Net income from Islamic Banking operations reported in the statement of profit or loss of the Group and the Bank	<b>46,540</b>	46,130	<b>90,958</b>	82,818

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 2023.

Company No. 199301017069 (271809K)

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

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENT OF CHANGES IN ISLAMIC BANKING FUNDS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	<b>Capital fund RM'000</b>	<b><i>Non- distributable</i> FVOCI reserve RM'000</b>	<b><i>Distributable</i> Retained profits RM'000</b>	<b>Total RM'000</b>
At 1 January 2024	<b>450,000</b>	<b>1,316</b>	<b>160,434</b>	<b>611,750</b>
Profit for the financial period	-	-	<b>46,332</b>	<b>46,332</b>
Other comprehensive loss	-	<b>(1,072)</b>	-	<b>(1,072)</b>
Total comprehensive (loss)/income for the financial period	-	<b>(1,072)</b>	<b>46,332</b>	<b>45,260</b>
At 30 June 2024	<b>450,000</b>	<b>244</b>	<b>206,766</b>	<b>657,010</b>
At 1 January 2023	450,000	(3,318)	86,744	533,426
Profit for the financial period	-	-	28,482	28,482
Other comprehensive income	-	3,020	-	3,020
Total comprehensive income for the financial period	-	3,020	28,482	31,502
At 30 June 2023	450,000	(298)	115,226	564,928

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 2023.

Company No. 199301017069 (271809K)

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

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	<b>30-Jun-24</b>	<b>30-Jun-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before taxation	61,174	37,655
Adjustments for non-operating and non-cash items	<u>(76,841)</u>	<u>(7,119)</u>
Operating (loss)/profit before working capital changes	<b>(15,667)</b>	30,536
Changes in working capital:		
Net changes in operating assets	<b>(42,979)</b>	(246,371)
Net changes in operating liabilities	<u><b>(677,392)</b></u>	<u>611,136</u>
Net cash (used in)/generated from operating activities	<b>(736,038)</b>	395,301
Net cash generated from/(used in) investing activities	<b>213,464</b>	(375,286)
Net cash generated from financing activities	<u><b>500,000</b></u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	<b>(22,574)</b>	20,015
Cash and cash equivalents at beginning of the financial period	<b>2,890,913</b>	3,414,660
Cash and cash equivalents at end of the financial period	<u><b>2,868,339</b></u>	<u>3,434,675</u>
<b>Analysis of cash and cash equivalents</b>		
Cash and short-term funds	<b>2,868,339</b>	3,434,675
Less: Allowance for ECL	<u><b>(429)</b></u>	<u>(533)</u>
	<u><b>2,867,910</b></u>	<u>3,434,142</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2023.

Company No. 199301017069 (271809K)

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

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)**  
**EXPLANATORY NOTES**

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

	<b>30-Jun-24</b>	31-Dec-23
	<b>RM'000</b>	RM'000
Cash and balances with banks and other financial institutions	<b>2,378,339</b>	2,600,913
Money at call and deposit placements maturing within one month	<b>490,000</b>	290,000
	<b>2,868,339</b>	2,890,913
Less: Allowance for ECL	<b>(429)</b>	(422)
	<b>2,867,910</b>	2,890,491

Movements in the allowance for ECL on cash and short-term funds are as follows:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12-months ECL	Lifetime ECL non credit- impaired	Lifetime ECL credit- impaired	Total ECL
	RM'000	RM'000	RM'000	RM'000
<b>As at 30 June 2024</b>				
At 1 January 2024	422	-	-	422
Allowance made	68	-	-	68
Maturity/settlement/repayment	(64)	-	-	(64)
Exchange differences	3	-	-	3
Net total	7	-	-	7
At 30 June 2024	429	-	-	429
<b>As at 31 December 2023</b>				
At 1 January 2023	506	-	-	506
Allowance made	307	-	-	307
Maturity/settlement/repayment	(394)	-	-	(394)
Exchange differences	3	-	-	3
Net total	(84)	-	-	(84)
At 31 December 2023	422	-	-	422

Company No. 199301017069 (271809K)

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

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)**  
**EXPLANATORY NOTES**

**b. Debt instruments at fair value through other comprehensive income ("FVOCI")**

	30-Jun-24 RM'000	31-Dec-23 RM'000
<b>Money market instruments</b>		
Bank Negara Malaysia bills	-	99,955
Government Islamic investments	<b>1,792,186</b>	1,303,026
	<b>1,792,186</b>	1,402,981
<b>Private debt securities of companies incorporated in Malaysia</b>		
Cagamas sukuk	<b>30,014</b>	-
<b>Total debt instruments at FVOCI</b>	<b>1,822,200</b>	1,402,981

Movements in the allowance for ECL on debt instruments at FVOCI are as follows:

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12-months ECL</b>	<b>Lifetime ECL non credit- impaired</b>	<b>Lifetime ECL credit- impaired</b>	<b>Total ECL</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 30 June 2024</b>				
At 1 January 2024	185	-	-	185
Allowance made	72	17	-	89
Maturity/settlement/repayment	(100)	-	-	(100)
Net total	(28)	17	-	(11)
At 30 June 2024	157	17	-	174
<b>As at 31 December 2023</b>				
At 1 January 2023	93	-	-	93
Allowance made	150	-	-	150
Maturity/settlement/repayment	(58)	-	-	(58)
Net total	92	-	-	92
At 31 December 2023	185	-	-	185



Company No. 199301017069 (271809K)

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

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)**  
**EXPLANATORY NOTES**

**c. Debt instruments at amortised cost**

	30-Jun-24 RM'000	31-Dec-23 RM'000
<b>Money market instruments</b>		
Government Islamic investment	432,621	963,704
Less: Allowance for ECL	(38)	(126)
	<u>432,583</u>	<u>963,578</u>
<b>Private debt securities of companies incorporated in Malaysia</b>		
Unquoted corporate sukuk	68,100	88,922
Less: Allowance for ECL	(46)	(19)
	<u>68,054</u>	<u>88,903</u>
<b>Total debt instruments at amortised cost</b>	<u>500,637</u>	<u>1,052,481</u>

Movements in the allowance for ECL on debt instruments at amortised cost are as follows:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12-months ECL RM'000	Lifetime ECL non credit- impaired RM'000	Lifetime ECL credit- impaired RM'000	Total ECL RM'000
<b>As at 30 June 2024</b>				
At 1 January 2024	145	-	-	145
Allowance made	29	-	-	29
Maturity/settlement/repayment	(90)	-	-	(90)
Net total	(61)	-	-	(61)
At 30 June 2024	<u>84</u>	<u>-</u>	<u>-</u>	<u>84</u>
<b>As at 31 December 2023</b>				
At 1 January 2023	149	-	-	149
Allowance made	23	-	-	23
Maturity/settlement/repayment	(27)	-	-	(27)
Net total	(4)	-	-	(4)
At 31 December 2023	<u>145</u>	<u>-</u>	<u>-</u>	<u>145</u>

Company No. 199301017069 (271809K)

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)  
EXPLANATORY NOTES**

**d. Financing, advances and others**

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

As at 30 June 2024	Sale based contracts			Total RM'000
	Tawarruq RM'000	Murabahah RM'000	Bai Al-Dayn RM'000	
Term financing:				
- Housing financing	3,827,582	-	-	3,827,582
- Syndicated term financing	32,858	-	-	32,858
- Other term financing	4,232,820	-	-	4,232,820
Trust receipts	355,830	-	-	355,830
Claims on customers under acceptance credits	-	161,679	3,858	165,537
Revolving credits	552,646	-	-	552,646
Gross financing, advances and others	<u>9,001,736</u>	<u>161,679</u>	<u>3,858</u>	<u>9,167,273</u>
Allowance for ECL on financing, advances and others:				
- Stage 1 - 12-month ECL				(20,006)
- Stage 2 - Lifetime ECL non credit-impaired				(71,329)
- Stage 3 - Lifetime ECL credit-impaired				(36,105)
Net financing, advances and others				<u>9,039,833</u>

Company No. 199301017069 (271809K)

**UNITED OVERSEAS BANK (MALAYSIA) BHD**

(Incorporated in Malaysia)

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)**

**EXPLANATORY NOTES**

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

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

As at 31 December 2023	Sale based contracts			Total RM'000
	Tawarruq RM'000	Murabahah RM'000	Bai Al-Dayn RM'000	
Term financing:				
- Housing financing	3,725,520	-	-	3,725,520
- Syndicated term financing	25,723	-	-	25,723
- Other term financing	4,241,936	-	-	4,241,936
Trust receipts	318,188	-	-	318,188
Claims on customers under acceptance credits	-	166,641	1,810	168,451
Revolving credits	622,966	-	-	622,966
Gross financing, advances and others	<u>8,934,333</u>	<u>166,641</u>	<u>1,810</u>	<u>9,102,784</u>
Allowance for ECL on financing, advances and others:				
- Stage 1 - 12-month ECL				(17,656)
- Stage 2 - Lifetime ECL non credit-impaired				(52,737)
- Stage 3 - Lifetime ECL credit-impaired				(52,131)
Net financing, advances and others				<u>8,980,260</u>

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

As at 30 June 2024, the gross exposure and ECL relating to RSIA financing amounted to RM2,307,986,068 (31 December 2023: RM2,412,861,026) and RM43,369,062 (31 December 2023: RM40,134,901), respectively.

Company No. 199301017069 (271809K)

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

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)**  
**EXPLANATORY NOTES**

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

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

	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Maturing within one year	<b>1,069,626</b>	1,109,244
One year to three years	<b>1,727,679</b>	1,615,575
Three years to five years	<b>209,914</b>	317,040
Over five years	<b>6,160,054</b>	6,060,925
	<b><u>9,167,273</u></b>	<b><u>9,102,784</u></b>

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

	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic non-banking financial institutions:		
- Others	<b>790,973</b>	885,540
Domestic business enterprises:		
- Small and medium enterprises	<b>2,031,483</b>	2,024,980
- Others	<b>2,237,700</b>	2,187,981
Individuals	<b>3,959,200</b>	3,857,355
Foreign entities	<b>147,917</b>	146,928
	<b><u>9,167,273</u></b>	<b><u>9,102,784</u></b>

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

	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate:		
- Other fixed rate financing	<b>165,680</b>	294,391
Variable rate:		
- Base rate/base financing rate-plus	<b>5,307,598</b>	5,227,580
- Cost-plus	<b>3,693,995</b>	3,580,813
	<b><u>9,167,273</u></b>	<b><u>9,102,784</u></b>

Company No. 199301017069 (271809K)

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

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)**  
**EXPLANATORY NOTES**

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

**(v) Gross financing, advances and others by economic sectors:**

	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Agriculture, hunting, forestry and fishing	<b>306,611</b>	322,389
Mining and quarrying	<b>39,005</b>	19,388
Manufacturing	<b>1,098,559</b>	1,005,253
Electricity, gas and water	<b>527,560</b>	499,988
Construction	<b>336,653</b>	331,579
Wholesale, retail trade, restaurants and hotels	<b>1,098,974</b>	1,145,559
Transport, storage and communication	<b>172,209</b>	125,856
Finance, takaful and business services	<b>995,897</b>	1,168,755
Real estate	<b>407,353</b>	395,818
Community, social and personal services	<b>77,335</b>	83,916
Households:		
- Purchase of residential properties	<b>3,835,497</b>	3,733,537
- Purchase of non-residential properties	<b>203,001</b>	202,685
- Others	<b>68,619</b>	68,061
	<b>9,167,273</b>	<b>9,102,784</b>

**(vi) Gross financing, advances and others by geographical distribution:**

	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
In Malaysia	<b>9,019,356</b>	8,955,856
Outside Malaysia	<b>147,917</b>	146,928
	<b>9,167,273</b>	<b>9,102,784</b>

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

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)**  
**EXPLANATORY NOTES**

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

(vii) **Movements in the allowance for ECL on financing, advances and others are as follows:**

	Stage 1	Stage 2	Stage 3	Total ECL
	12-months ECL	Lifetime ECL non credit- impaired	Lifetime ECL credit- impaired	
<b>As at 30 June 2024</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2024	17,656	52,737	52,131	122,524
Transferred to Stage 1	3,182	(2,922)	(260)	-
Transferred to Stage 2	(720)	3,485	(2,765)	-
Transferred to Stage 3	(36)	(2,462)	2,498	-
Net remeasurement of allowance	(3,206)	8,971	2,727	8,492
Allowance made	10,083	30,203	6,620	46,906
Maturity/settlement/repayment	(6,965)	(18,683)	(18,899)	(44,547)
Exchange differences	12	-	-	12
Net total	2,350	18,592	(10,079)	10,863
Amount written-off	-	-	(5,947)	(5,947)
At 30 June 2024	<b>20,006</b>	<b>71,329</b>	<b>36,105</b>	<b>127,440</b>
<b>As at 31 December 2023</b>				
At 1 January 2023	17,786	22,752	132,706	173,244
Transferred to Stage 1	8,177	(6,835)	(1,342)	-
Transferred to Stage 2	(614)	1,983	(1,369)	-
Transferred to Stage 3	(88)	(3,873)	3,961	-
Net remeasurement of allowance	(7,045)	(6,608)	13,290	(363)
Allowance made	10,129	46,998	7,798	64,925
Maturity/settlement/repayment	(10,689)	(1,680)	(4,380)	(16,749)
Net total	(130)	29,985	17,958	47,813
Amount written-off	-	-	(98,533)	(98,533)
At 31 December 2023	<b>17,656</b>	<b>52,737</b>	<b>52,131</b>	<b>122,524</b>

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

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)**  
**EXPLANATORY NOTES**

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

**(viii) Movements in credit-impaired financing, advances and others:**

	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	215,411	251,343
Classified as credit-impaired	43,987	100,347
Amount recovered	(22,024)	(21,636)
Reclassified as non credit-impaired	(21,338)	(14,579)
Amount written-off	(5,966)	(100,064)
Gross credit-impaired financing, advances and others	<u>210,070</u>	215,411
Less: Stage 3 - Lifetime ECL credit-impaired	<u>(36,105)</u>	(52,131)
Net credit-impaired financing, advances and others	<u>173,965</u>	<u>163,280</u>
Ratio of net credit-impaired financing, advances and others to gross financing, advances and others less allowance for ECL on credit-impaired provisions	<u>1.9%</u>	<u>1.8%</u>

**(ix) Credit-impaired financing, advances and others by economic sectors:**

	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Manufacturing	6,748	6,659
Construction	27,682	28,788
Wholesale, retail trade, restaurants and hotels	19,142	16,842
Transport, storage and communication	2,034	5,558
Finance, takaful and business services	3,443	2,544
Community, social and personal services	1,986	4,067
Households:		
- Purchase of residential properties	139,750	142,734
- Purchase of non-residential properties	7,250	6,820
- Others	2,035	1,399
	<u>210,070</u>	<u>215,411</u>

**(x) Credit-impaired financing, advances and others by geographical distribution:**

	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
In Malaysia	204,409	210,845
Outside Malaysia	5,661	4,566
	<u>210,070</u>	<u>215,411</u>

Company No. 199301017069 (271809K)

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

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)**  
**EXPLANATORY NOTES**

**e. Other assets**

	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Other receivables, deposits and prepayments	<b>5,242</b>	4,975
Income receivable	<b>28,222</b>	25,452
Less: Allowance for ECL	<b>(24)</b>	(9)
	<b><u>33,440</u></b>	<b><u>30,418</u></b>

Movements in the allowance for ECL on other assets are as follows:

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12-months</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	<b>Total ECL</b>
	<b>ECL</b>	<b>non credit-</b>	<b>credit-</b>	
	<b>RM'000</b>	<b>impaired</b>	<b>impaired</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 30 June 2024</b>				
At 1 January 2024	5	4	-	9
Allowance made	8	9	-	17
Maturity/settlement/repayment	(1)	(1)	-	(2)
Net total	7	8	-	15
At 30 June 2024	<b>12</b>	<b>12</b>	<b>-</b>	<b>24</b>
<b>As at 31 December 2023</b>				
At 1 January 2023	1,131	552	-	1,683
Allowance made	4	4	-	8
Maturity/settlement/repayment	(1,172)	(572)	-	(1,744)
Exchange differences	42	20	-	62
Net total	(1,126)	(548)	-	(1,674)
At 31 December 2023	<b>5</b>	<b>4</b>	<b>-</b>	<b>9</b>



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

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)**  
**EXPLANATORY NOTES**

**f. 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 Bank customises derivatives to meet specific needs of its customers. The Bank also transacts in these derivatives for proprietary trading purposes as well as to manage its assets/liabilities and structural positions. While the Bank also enters 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 financial 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 30 June 2024</b>			
Foreign exchange related contracts:			
- Forwards	3,160,625	8,458	6,613
- Swaps	3,017,855	6,453	8,013
Profit rate related contracts:			
- Swaps	700,000	603	566
		<u>15,513</u>	<u>15,192</u>
<b>As at 31 December 2023</b>			
Foreign exchange related contracts:			
- Forwards	1,508,337	5,702	18,538
- Swaps	2,488,312	27,552	13,683
Profit rate related contracts:			
- Swaps	800,000	1,012	984
		<u>34,266</u>	<u>33,205</u>

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

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)**  
**EXPLANATORY NOTES**

**g. Deposits from customers**

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

	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Non-mudarabah fund</u>		
Demand deposits:		
- Qard	856,499	889,704
Savings deposits:		
- Qard	134,342	130,158
Fixed deposits:		
- Tawarruq	4,957,095	3,898,493
Other deposits:		
- Tawarruq	142,237	232,310
	<u>6,090,173</u>	<u>5,150,665</u>

**(ii) The remaining maturity of fixed deposits are as follows:**

	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Due within six months	3,328,917	1,384,749
Six months to one year	1,628,177	2,513,672
One year to three years	1	72
	<u>4,957,095</u>	<u>3,898,493</u>

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

	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Business enterprises	2,176,065	2,162,432
Individuals	3,758,155	2,791,201
Others	155,953	197,032
	<u>6,090,173</u>	<u>5,150,665</u>

**h. Investment accounts due to a designated financial institution**

	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Mudarabah RSIA</u>		
Conventional Banking	4,527,696	4,412,315
Amount receivable from Conventional Banking	(43,369)	(40,135)
	<u>4,484,327</u>	<u>4,372,180</u>

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

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)**  
**EXPLANATORY NOTES**

**i. Deposits and placements of other financial institutions**

	30-Jun-24 RM'000	31-Dec-23 RM'000
<u>Non-mudarabah fund</u>		
Other financial institutions	<u>2,790,452</u>	<u>4,501,649</u>

**j. Other liabilities**

	30-Jun-24 RM'000	31-Dec-23 RM'000
Allowance for ECL on commitments and contingencies	10,600	11,275
Profit payable	46,162	33,908
Accruals and provisions for operational expenses	443	1,098
Other payables and accruals	2,694	10,185
Deferred income	4,865	5,758
	<u>64,764</u>	<u>62,224</u>

Movements in the allowance for ECL on commitments and contingencies are as follows:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12-months ECL	Lifetime ECL non credit- impaired	Lifetime ECL credit- impaired	Total ECL
	RM'000	RM'000	RM'000	RM'000
<b>As at 30 June 2024</b>				
At 1 January 2024	10,608	667	-	11,275
Transferred to Stage 1	54	(54)	-	-
Transferred to Stage 2	(150)	150	-	-
Net remeasurement of allowance	(28)	131	-	103
Allowance made	2,471	293	-	2,764
Maturity/settlement/repayment	(3,314)	(233)	-	(3,547)
Exchange differences	3	2	-	5
Net total	(964)	289	-	(675)
At 30 June 2024	<u>9,644</u>	<u>956</u>	<u>-</u>	<u>10,600</u>
<b>As at 31 December 2023</b>				
At 1 January 2023	9,742	1,003	-	10,745
Transferred to Stage 1	60	(60)	-	-
Transferred to Stage 2	(64)	64	-	-
Net remeasurement of allowance	(36)	91	-	55
Allowance made	8,152	128	-	8,280
Maturity/settlement/repayment	(7,248)	(559)	-	(7,807)
Exchange differences	2	-	-	2
Net total	866	(336)	-	530
At 31 December 2023	<u>10,608</u>	<u>667</u>	<u>-</u>	<u>11,275</u>

Company No. 199301017069 (271809K)

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

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)**  
**EXPLANATORY NOTES**

**k. Subordinated sukuk**

	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
RM500 million Islamic subordinated Sukuk 2024/2034	<b>500,000</b>	<b>-</b>

On 8 February 2024, the Bank issued RM500 million Basel III compliant Tier 2 subordinated Islamic Medium Term Notes (10 years maturity, non-callable 5 years) (“the Sukuk”).

The Sukuk bears profit at the rate of 4.01% per annum. The coupon rate herein is applicable throughout the tenure of the subordinated sukuk.

The Sukuk may be redeemed at par at the option of the Bank, in part or in whole, on 8 February 2029 or at any profit payment date thereafter.

The profit is payable semi-annually in arrears on 8 August and 8 February each year commencing 8 August 2024.

The Sukuk 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.

**l. Islamic Banking funds**

	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Capital fund	<b>450,000</b>	450,000
FVOCI reserve	<b>244</b>	1,316
Retained profits	<b>206,766</b>	160,434
	<b>657,010</b>	<b>611,750</b>

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

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)**  
**EXPLANATORY NOTES**

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

	Second Quarter ended		Six Months ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and hibah</u>				
Financing, advances and others	66,315	60,323	132,684	115,333
Credit-impaired financing, advances and others	2,662	995	3,380	3,088
Money at call and deposit placements with financial institutions	3,501	1,779	10,545	3,835
Finance assets at FVTPL	1,302	-	1,624	-
Debt instruments at FVOCI	7,474	6,085	11,783	12,077
Debt instruments at amortised cost	7,597	10,065	17,529	20,106
	<b>88,851</b>	<b>79,247</b>	<b>177,545</b>	<b>154,439</b>
Amortisation of premiums, net	(1,778)	(2,658)	(4,119)	(5,595)
<b>Total finance income and hibah</b>	<b>87,073</b>	<b>76,589</b>	<b>173,426</b>	<b>148,844</b>
<u>Other operating income</u>				
Trading income	501	851	2,514	1,668
Commission income	1,945	1,625	6,118	3,496
Fee income	5,254	8,042	5,717	10,377
Others	29	23	59	47
<b>Total other operating income</b>	<b>7,729</b>	<b>10,541</b>	<b>14,408</b>	<b>15,588</b>
<b>Total</b>	<b>94,802</b>	<b>87,130</b>	<b>187,834</b>	<b>164,432</b>

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

	Second Quarter ended		Six Months ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and hibah</u>				
Financing, advances and others	7,011	6,203	14,317	11,689
Credit-impaired financing, advances and others	282	102	361	310
Money at call and deposit placements with financial institutions	371	186	1,134	390
Finance assets at FVTPL	138	-	184	-
Debt instruments at FVOCI	791	626	1,257	1,224
Debt instruments at amortised cost	802	1,035	1,894	2,036
	<b>9,395</b>	<b>8,152</b>	<b>19,147</b>	<b>15,649</b>
Amortisation of premiums, net	(188)	(273)	(446)	(566)
<b>Total finance income and hibah</b>	<b>9,207</b>	<b>7,879</b>	<b>18,701</b>	<b>15,083</b>

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

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)**  
**EXPLANATORY NOTES**

**n. Income derived from investment of Islamic Banking funds (cont'd.)**

	Second Quarter ended		Six Months ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
<u>Other operating income</u>				
Trading income	53	88	267	170
Commission income	206	167	670	353
Fee income	557	838	611	1,071
Others	2	1	6	5
<b>Total other operating income</b>	<b>818</b>	<b>1,094</b>	<b>1,554</b>	<b>1,599</b>
<b>Total</b>	<b>10,025</b>	<b>8,973</b>	<b>20,255</b>	<b>16,682</b>

**o. Income derived from investment of investment account funds**

	Second Quarter ended		Six Months ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and hibah</u>				
Financing, advances and others	33,707	31,704	67,966	62,036
Money at call and deposit placements with financial institutions	10,540	7,065	21,283	14,640
	<b>44,247</b>	<b>38,769</b>	<b>89,249</b>	<b>76,676</b>
<u>Other operating income</u>				
Fee income	488	446	975	1,275
<b>Total</b>	<b>44,735</b>	<b>39,215</b>	<b>90,224</b>	<b>77,951</b>

**p. Profit distributed to depositors and others**

	Second Quarter ended		Six Months ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Profit distributed to depositors from non-mudarabah fund	62,624	58,173	128,045	114,667
Subordinated sukuk	4,999	-	7,910	-
	<b>67,623</b>	<b>58,173</b>	<b>135,955</b>	<b>114,667</b>

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

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)**  
**EXPLANATORY NOTES**

**q. Profit distributed to investment account holders**

	Second Quarter ended		Six Months ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Profit distributed to investment account holders from mudarabah fund	<b>35,399</b>	31,015	<b>71,400</b>	61,580

**r. Allowance for/(write-back of) ECL**

	Second Quarter ended		Six Months ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Financing, advances and others:				
- Stage 1 - 12-month ECL	<b>3,074</b>	5,639	<b>2,350</b>	7,281
- Stage 2 - Lifetime ECL non credit-impaired	<b>18,551</b>	44,379	<b>18,592</b>	71,040
- Stage 3 - Lifetime ECL credit-impaired	<b>(884)</b>	2,215	<b>(10,079)</b>	10,339
Movement in ECL for RSIA holder*	<b>(4,370)</b>	(31,948)	<b>(4,539)</b>	(63,105)
	<b>16,371</b>	20,285	<b>6,324</b>	25,555
Credit-impaired financing, advances and others:				
- Written-off	<b>103</b>	190	<b>279</b>	348
- Recovered	<b>(8)</b>	(274)	<b>(15)</b>	(1,074)
	<b>16,466</b>	20,201	<b>6,588</b>	24,829
Other financial assets:				
- Stage 1 - 12-month ECL	<b>(628)</b>	(1,335)	<b>(75)</b>	(958)
- Stage 2 - Lifetime ECL non credit-impaired	<b>(488)</b>	(618)	<b>25</b>	(521)
	<b>(1,116)</b>	(1,953)	<b>(50)</b>	(1,479)
Commitments and contingencies:				
- Stage 1 - 12-month ECL	<b>534</b>	1,825	<b>(964)</b>	(1,612)
- Stage 2 - Lifetime ECL non credit-impaired	<b>70</b>	1,062	<b>289</b>	1,192
Movement in ECL for RSIA holder*	<b>1,030</b>	(6,511)	<b>1,305</b>	67
	<b>1,634</b>	(3,624)	<b>630</b>	(353)
Total	<b>16,984</b>	14,624	<b>7,168</b>	22,997

\* The RSIA holder is the Conventional Banking (Note d(i))

Company No. 199301017069 (271809K)

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

**37. ISLAMIC BANKING OPERATIONS (Cont'd.)**  
**EXPLANATORY NOTES**

**s. Other operating expenses**

	Second Quarter ended		Six Months ended	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Personnel expenses	<b>989</b>	1,620	<b>1,984</b>	2,622
Establishment expenses	<b>1,220</b>	1,915	<b>2,590</b>	3,605
Marketing expenses	<b>88</b>	158	<b>98</b>	180
General administrative expenses	<b>8,453</b>	7,508	<b>17,944</b>	15,759
	<b>10,750</b>	11,201	<b>22,616</b>	22,166
<u>Personnel expenses</u>				
Wages, salaries and bonus	<b>809</b>	1,323	<b>1,641</b>	2,159
Defined contribution plan	<b>127</b>	211	<b>257</b>	344
Other employee benefits	<b>53</b>	86	<b>86</b>	119
	<b>989</b>	1,620	<b>1,984</b>	2,622
<u>Establishment expenses</u>				
Depreciation of plant and equipment	<b>476</b>	480	<b>951</b>	951
Information technology costs	<b>401</b>	423	<b>808</b>	830
Repair and maintenance	<b>25</b>	1	<b>35</b>	36
Short-term lease expenses	<b>27</b>	27	<b>44</b>	53
Others	<b>291</b>	984	<b>752</b>	1,735
	<b>1,220</b>	1,915	<b>2,590</b>	3,605
<u>Marketing expenses</u>				
Advertisement and publicity	<b>88</b>	158	<b>98</b>	180
<u>General administrative expenses</u>				
Fees and commissions paid	<b>165</b>	138	<b>956</b>	301
Management fee	<b>8,147</b>	7,243	<b>16,837</b>	14,963
Others	<b>141</b>	127	<b>151</b>	495
	<b>8,453</b>	7,508	<b>17,944</b>	15,759



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

**37. 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 30 June 2024</b>			
Direct credit substitutes	149,672	149,672	148,451
Transaction-related contingent items	218,494	109,252	114,153
Short-term self-liquidating trade-related contingencies	12,057	2,828	1,632
Foreign exchange related contracts:			
- Less than one year	6,155,492	53,093	14,136
- More than one year	22,988	694	99
Profit rate related contracts:			
- Less than one year	600,000	905	209
- More than one year to less than five years	100,000	1,947	1,252
Undrawn credit facility:			
- Less than one year	1,356,436	12,166	3,849
- More than one year	765,671	559,450	350,024
- Unconditionally cancellable	1,268,636	-	-
<b>Total</b>	<b>10,649,446</b>	<b>890,007</b>	<b>633,805</b>
<b>As at 31 December 2023</b>			
Direct credit substitutes	152,922	152,922	154,006
Transaction-related contingent items	220,324	110,162	116,737
Short-term self-liquidating trade-related contingencies	4,321	864	746
Foreign exchange related contracts:			
- Less than one year	3,996,649	31,594	11,778
Profit rate related contracts:			
- Less than one year	200,000	100	23
- One year to less than five years	600,000	3,346	823
Undrawn credit facility:			
- Less than one year	758,313	14,145	4,642
- More than one year	925,188	669,076	456,951
- Unconditionally cancellable	1,143,674	-	-
<b>Total</b>	<b>8,001,391</b>	<b>982,209</b>	<b>745,706</b>

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

**37. 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) issued on 15 December 2023 and Basel II - Risk-weighted Assets Framework for Islamic Banking issued on 18 December 2023.

	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Common Equity Tier 1 ("CET1")/Tier 1 Capital</u>		
Capital fund	<b>450,000</b>	450,000
Retained profits	<b>206,766</b>	160,434
Other reserves	<b>244</b>	1,316
Regulatory adjustments applied in the calculation of CET1 Capital	<b>(14,838)</b>	<b>(13,220)</b>
Total CET1/Tier 1 Capital	<b>642,172</b>	<b>598,530</b>
<u>Tier 2 Capital</u>		
Tier 2 Capital instruments	<b>500,000</b>	-
Financing loss provision:		
- Surplus eligible provisions over expected losses	<b>16,172</b>	935
- General provisions	<b>766</b>	680
Total Tier 2 Capital	<b>516,938</b>	<b>1,615</b>
Total Capital	<b>1,159,110</b>	<b>600,145</b>

Company No. 199301017069 (271809K)

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

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

**u. Capital management and capital adequacy (cont'd.)**

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

	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Before the effects of RSIA</b>		
CET1/Tier 1 Capital	<b>10.402%</b>	9.498%
Total Capital	<b>18.786%</b>	9.532%
<b>After the effects of RSIA</b>		
CET1/Tier 1 Capital	<b>16.470%</b>	15.850%
Total Capital	<b>29.729%</b>	15.893%

In accordance with BNM's Guidelines on the Investment Account, the credit risk and market risk weighted assets funded by the RSIA which qualify as risk absorbent are excluded from the calculation of capital adequacy ratio. As at 30 June 2024, credit risk related to RSIA assets excluded from the total capital ratio calculation amounted to RM2,274,809,668 (31 December 2023: RM2,525,612,204).

**(b) Analysis of gross risk-weighted assets ("RWA") in the various categories of risk-weights are as follows:**

	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Total RWA for credit risk	<b>3,594,454</b>	3,484,315
Total RWA for market risk	<b>6,092</b>	4,976
Total RWA for operational risk	<b>298,390</b>	286,865
	<b>3,898,936</b>	3,776,156