

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

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

	Note	Group		Bank	
		30-Sep-24 RM'000	31-Dec-23 RM'000	30-Sep-24 RM'000	31-Dec-23 RM'000
<b>ASSETS</b>					
Cash and short-term funds	11	6,911,035	5,237,169	6,911,035	5,237,169
Deposits and placements with financial institutions	12	849,852	799,826	849,852	799,826
Securities purchased under resale agreements		758,541	459,320	758,541	459,320
Financial assets at fair value through profit or loss ("FVTPL")	13	8,214,866	5,274,798	8,214,866	5,274,798
Debt instruments at fair value through other comprehensive income ("FVOCI")	14	16,700,500	22,341,947	16,700,500	22,341,947
Equity instruments at fair value through other comprehensive income ("FVOCI")	15	174,182	218,194	174,182	218,194
Debt Instruments at amortised cost	16	9,327,411	9,851,072	9,327,411	9,851,072
Loans, advances and financing	17	105,340,104	104,624,357	105,640,142	104,927,554
Derivative financial assets	18	3,012,071	1,355,349	3,012,071	1,355,349
Other assets	19	3,744,501	1,679,473	3,768,233	1,690,570
Statutory deposits with Bank Negara Malaysia		1,561,033	1,567,533	1,561,033	1,567,533
Investment in subsidiaries		-	-	350,020	350,020
Investment in an associate		418	418	4,758	4,758
Property, plant and equipment		1,403,926	1,402,720	665,902	652,268
Right-of-use assets		64,161	77,676	472,936	508,554
Intangible assets	20	456,449	466,274	456,449	466,274
Tax recoverable		8,171	2,170	6,734	297
Deferred tax assets		317,552	379,671	306,222	368,342
<b>TOTAL ASSETS</b>		<b>158,844,773</b>	<b>155,737,967</b>	<b>159,180,887</b>	<b>156,073,845</b>
<b>LIABILITIES</b>					
Deposits from customers	21	114,801,647	116,034,201	114,851,754	116,065,349
Deposits and placements of banks and other financial institutions	22	12,855,736	14,015,165	12,855,756	14,015,185
Obligations on securities sold under repurchase agreements		3,300,009	2,916,732	3,300,009	2,916,732
Bills and acceptances payable		292,666	297,505	292,666	297,505
Derivative financial liabilities	18	4,731,296	1,493,000	4,731,296	1,493,000
Other liabilities	23	5,737,830	5,017,421	5,702,346	4,980,194
Lease liabilities		71,430	84,147	498,120	532,075
Subordinated bonds/sukuk	24	2,249,686	1,749,728	2,249,686	1,749,728
Deferred tax liabilities		27,828	27,828	-	-
<b>TOTAL LIABILITIES</b>		<b>144,068,128</b>	<b>141,635,727</b>	<b>144,481,633</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 SEPTEMBER 2024**

	<b>Group</b>		<b>Bank</b>	
<b>Note</b>	<b>30-Sep-24</b>	<b>31-Dec-23</b>	<b>30-Sep-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 EQUITY HOLDERS OF THE BANK</b>				
Share capital	<b>792,555</b>	792,555	<b>792,555</b>	792,555
Reserves	<b>13,984,090</b>	13,309,685	<b>13,906,699</b>	13,231,522
<b>TOTAL EQUITY</b>	<b><u>14,776,645</u></b>	<u>14,102,240</u>	<b><u>14,699,254</u></b>	<u>14,024,077</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>158,844,773</u></b>	<u>155,737,967</u>	<b><u>159,180,887</u></b>	<u>156,073,845</u>
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>33 <u>270,203,068</u></b>	<u>250,225,249</u>	<b><u>270,203,068</u></b>	<u>250,225,249</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)

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

Group	Note	Third Quarter Ended		Nine Months Ended	
		30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000
Operating revenue	25	<b>2,378,018</b>	2,036,110	<b>6,938,537</b>	6,183,796
Interest income	26	<b>1,701,859</b>	1,671,702	<b>5,046,418</b>	4,879,675
Interest expense	27	<b>(970,436)</b>	(961,730)	<b>(2,915,266)</b>	(2,722,522)
Net interest income		<b>731,423</b>	709,972	<b>2,131,152</b>	2,157,153
Net income from Islamic					
Banking operations	36	<b>52,387</b>	38,430	<b>143,345</b>	121,248
Other operating income	28	<b>461,986</b>	359,531	<b>1,270,698</b>	1,163,413
Operating income		<b>1,245,796</b>	1,107,933	<b>3,545,195</b>	3,441,814
Other operating expenses	29	<b>(584,739)</b>	(710,588)	<b>(1,753,564)</b>	(2,004,430)
Operating profit before allowance for expected credit losses ("ECL")		<b>661,057</b>	397,345	<b>1,791,631</b>	1,437,384
Write-back of/(allowance for) ECL on:					
- Loans, advances and financing	30	<b>20,292</b>	141,075	<b>87,937</b>	2,553
- Other financial assets	30	<b>(33,170)</b>	7,713	<b>(22,727)</b>	10,230
- Commitments and contingencies	30	<b>(20,903)</b>	(69,008)	<b>9,724</b>	(114,522)
Profit before taxation		<b>627,276</b>	477,125	<b>1,866,565</b>	1,335,645
Income tax expense		<b>(140,110)</b>	(83,450)	<b>(452,974)</b>	(304,238)
Profit for the financial period attributable to equity holders of the Bank		<b>487,166</b>	393,675	<b>1,413,591</b>	1,031,407
Basic/diluted earnings per share (sen)		<b>103.7</b>	83.8	<b>300.8</b>	219.4

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 SEPTEMBER 2024**

Bank	Note	Third Quarter Ended		Nine Months Ended	
		30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000
Operating revenue	25	<b>2,381,786</b>	2,035,287	<b>6,948,671</b>	6,184,470
Interest income	26	<b>1,705,624</b>	1,672,761	<b>5,057,759</b>	4,882,592
Interest expense	27	<b>(975,020)</b>	(966,019)	<b>(2,928,309)</b>	(2,738,333)
Net interest income		<b>730,604</b>	706,742	<b>2,129,450</b>	2,144,259
Net income from Islamic					
Banking operations	36	<b>52,387</b>	38,430	<b>143,345</b>	121,248
Other operating income	28	<b>462,026</b>	357,650	<b>1,269,564</b>	1,161,170
Operating income		<b>1,245,017</b>	1,102,822	<b>3,542,359</b>	3,426,677
Other operating expenses	29	<b>(582,406)</b>	(705,620)	<b>(1,749,063)</b>	(1,991,211)
Operating profit before allowance for ECL		<b>662,611</b>	397,202	<b>1,793,296</b>	1,435,466
Write-back of/(allowance for) ECL on:					
- Loans, advances and financing	30	<b>20,287</b>	140,190	<b>87,336</b>	1,695
- Other financial assets	30	<b>(33,201)</b>	7,817	<b>(22,820)</b>	10,217
- Commitments and contingencies	30	<b>(20,903)</b>	(69,008)	<b>9,724</b>	(114,522)
Profit before taxation		<b>628,794</b>	476,201	<b>1,867,536</b>	1,332,856
Income tax expense		<b>(140,537)</b>	(83,633)	<b>(453,173)</b>	(304,376)
Profit for the financial period attributable to equity holders of the Bank		<b>488,257</b>	392,568	<b>1,414,363</b>	1,028,480
Basic/diluted earnings per share (sen)		<b>103.9</b>	83.5	<b>300.9</b>	218.8

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 COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

<b>Group</b>	<b>Third Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	30-Sep-23	<b>30-Sep-24</b>	30-Sep-23
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Profit for the financial period	<b>487,166</b>	393,675	<b>1,413,591</b>	1,031,407
<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>87,949</b>	(90,436)	<b>86,792</b>	82,234
Income tax effect	<b>(21,108)</b>	21,705	<b>(21,260)</b>	(19,736)
	<b>66,841</b>	(68,731)	<b>65,532</b>	62,498
<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>(116)</b>	94	<b>(44,011)</b>	64,504
Income tax effect	<b>29</b>	(23)	<b>10,563</b>	(15,481)
	<b>(87)</b>	71	<b>(33,448)</b>	49,023
Other comprehensive income/(loss) for the financial period, net of tax	<b>66,754</b>	(68,660)	<b>32,084</b>	111,521
Total comprehensive income for the financial period attributable to equity holders	<b>553,920</b>	325,015	<b>1,445,675</b>	1,142,928

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

	Third Quarter Ended		Nine Months Ended	
	30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000
<b>Bank</b>				
Profit for the financial period	<b>488,257</b>	392,568	<b>1,414,363</b>	1,028,480
<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>87,949</b>	(90,436)	<b>86,792</b>	82,234
Income tax effect	<b>(21,108)</b>	21,705	<b>(21,260)</b>	(19,736)
	<b>66,841</b>	(68,731)	<b>65,532</b>	62,498
<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>(116)</b>	94	<b>(44,011)</b>	64,504
Income tax effect	<b>29</b>	(23)	<b>10,563</b>	(15,481)
	<b>(87)</b>	71	<b>(33,448)</b>	49,023
Other comprehensive income/(loss) for the financial period, net of tax	<b>66,754</b>	(68,660)	<b>32,084</b>	111,521
Total comprehensive income for the financial period attributable to equity holders	<b>555,011</b>	323,908	<b>1,446,447</b>	1,140,001

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 SEPTEMBER 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	-	-	-	1,413,591	1,413,591
Other comprehensive income	-	-	32,084	-	32,084
Total comprehensive income for the financial period	-	-	32,084	1,413,591	1,445,675
Transaction with shareholders:					
Dividend paid					
- Final dividend for the financial year ended 31 December 2023	-	-	-	(771,270)	(771,270)
At 30 September 2024	792,555	233,477	111,477	13,639,136	14,776,645

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 SEPTEMBER 2024**

Group (cont'd.)	← <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 2023	792,555	233,495	(166,561)	11,447,521	12,307,010
Profit for the financial period	-	-	-	1,031,407	1,031,407
Other comprehensive income	-	-	111,521	-	111,521
Total comprehensive income for the financial period	-	-	111,521	1,031,407	1,142,928
At 30 September 2023	792,555	233,495	(55,040)	12,478,928	13,449,938

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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 SEPTEMBER 2024**

<b>Bank</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 2024	792,555	72,490	13,159,032	14,024,077
Profit for the financial period	-	-	1,414,363	1,414,363
Other comprehensive income	-	32,084	-	32,084
Total comprehensive income for the financial period	-	32,084	1,414,363	1,446,447
Transaction with shareholders:				
Dividend paid				
- Final dividend for the financial year ended 31 December 2023	-	-	(771,270)	(771,270)
At 30 September 2024	<b>792,555</b>	<b>104,574</b>	<b>13,802,125</b>	<b>14,699,254</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)

**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (Cont'd.)  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	-	-	1,028,480	1,028,480
Other comprehensive income	-	111,521	-	111,521
Total comprehensive income for the financial period	-	111,521	1,028,480	1,140,001
At 30 September 2023	792,555	(61,943)	12,645,337	13,375,949

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 CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

	Group		Bank	
	30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000
Profit before taxation	1,866,565	1,335,645	1,867,536	1,332,856
Adjustments for non-operating and non-cash items	<b>(1,349,128)</b>	(1,230,701)	<b>(1,328,753)</b>	(1,218,158)
Operating profit before working capital changes	517,437	104,944	538,783	114,698
Changes in working capital:				
Net changes in operating assets	<b>(7,659,696)</b>	240,945	<b>(7,669,867)</b>	23,695
Net changes in operating liabilities	2,595,512	4,175,198	2,616,933	4,195,421
Tax paid	<b>(407,553)</b>	(473,042)	<b>(408,187)</b>	(472,182)
Net cash (used in)/generated from operating activities	<b>(4,954,300)</b>	4,048,045	<b>(4,922,338)</b>	3,861,632
Net cash generated from/(used in) investing activities	6,971,050	(4,437,423)	6,972,186	(4,216,242)
Net cash used in financing activities	<b>(287,576)</b>	(616,952)	<b>(320,674)</b>	(651,720)
Net increase/(decrease) in cash and cash equivalents	1,729,174	(1,006,330)	1,729,174	(1,006,330)
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 before allowance for ECL	<b>7,779,487</b>	6,690,593	<b>7,779,487</b>	6,690,593
<b>Analysis of cash and cash equivalents</b>				
Cash and short-term funds	6,929,487	6,690,593	6,929,487	6,690,593
Deposits and placements with financial institutions	850,000	-	850,000	-
	<b>7,779,487</b>	6,690,593	<b>7,779,487</b>	6,690,593
Less: Allowance for ECL	<b>(18,600)</b>	(11,134)	<b>(18,600)</b>	(11,134)
	<b>7,760,887</b>	6,679,459	<b>7,760,887</b>	6,679,459

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 material financial impact to the Group's and the Bank's financial statements.

Company No. 199301017069 (271809K)

**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 September 2024.

**5. CHANGES IN ESTIMATES**

There were no material 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 September 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 September 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. 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 September 2024.

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**EXPLANATORY NOTES**

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

	<b>Group and Bank</b>	
	<b>30-Sep-24</b>	31-Dec-23
	<b>RM'000</b>	RM'000
Cash and balances with banks and other financial institutions	<b>1,839,649</b>	2,571,713
Money at call and deposit placements maturing within one month	<b>5,089,838</b>	2,678,600
	<b>6,929,487</b>	5,250,313
Less: Allowance for ECL	<b>(18,452)</b>	(13,144)
	<b>6,911,035</b>	5,237,169

Movements in the allowance for ECL on cash and short-term funds 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 September 2024</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2024	13,144	-	-	13,144
Allowance made	7,148	-	-	7,148
Maturity/settlement/repayment	(722)	-	-	(722)
Exchange differences	(1,118)	-	-	(1,118)
Net total	5,308	-	-	5,308
At 30 September 2024	18,452	-	-	18,452
<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

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

	<b>Group and Bank</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks in Malaysia	<b>850,000</b>	800,000
Less: Allowance for ECL	<b>(148)</b>	(174)
	<b>849,852</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>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>Group and Bank</b>				
<b>As at 30 September 2024</b>				
At 1 January 2024	174	-	-	174
Allowance made	148	-	-	148
Maturity/settlement/repayment	(174)	-	-	(174)
Net total	(26)	-	-	(26)
At 30 September 2024	148	-	-	148
<b>As at 31 December 2023</b>				
At 1 January 2023	-	-	-	-
Allowance made	174	-	-	174
At 31 December 2023	174	-	-	174

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

	<b>Group and Bank</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money market instruments</b>		
Bank Negara Malaysia bills	<b>1,006,319</b>	414,214
Malaysian Government treasury bills	<b>959,173</b>	38,557
Negotiable instruments of deposits	<b>4,520,004</b>	3,099,652
	<b>6,485,496</b>	<b>3,552,423</b>
<b>Debt securities in Malaysia</b>		
Cagamas bonds	<b>1,575,236</b>	955,706
Unquoted private debt securities	<b>154,134</b>	766,669
	<b>1,729,370</b>	<b>1,722,375</b>
<b>Total financial assets at FVTPL</b>	<b>8,214,866</b>	<b>5,274,798</b>



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**EXPLANATORY NOTES**

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

	<b>Group and Bank</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money market instruments</b>		
Bank Negara Malaysia bills	-	99,955
Malaysian Government securities	<b>14,288,503</b>	19,372,540
Negotiable instruments of deposits	<b>1,444,658</b>	1,549,813
	<b>15,733,161</b>	21,022,308
<b>Debt securities in Malaysia</b>		
Cagamas bonds/sukuk	<b>280,074</b>	515,879
Unquoted private debt securities	<b>687,265</b>	803,760
	<b>967,339</b>	1,319,639
<b>Total debt instruments at FVOCI</b>	<b>16,700,500</b>	22,341,947

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 September 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
Allowance made	1,158	114	-	1,272
Maturity/settlement/repayment	(2,871)	(225)	-	(3,096)
Net total	(1,713)	(111)	-	(1,824)
At 30 September 2024	<b>2,128</b>	<b>195</b>	<b>39,960</b>	<b>42,283</b>
<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	<b>3,841</b>	<b>306</b>	<b>39,960</b>	<b>44,107</b>

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

	<b>Group and Bank</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Quoted securities</b>		
Shares of corporations in Malaysia	<b>968</b>	941
<b>Unquoted securities</b>		
Shares of corporations in Malaysia	<b>173,214</b>	217,253
	<b>174,182</b>	218,194

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**16. DEBT INSTRUMENTS AT AMORTISED COST**

	<b>Group and Bank</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Money market instruments</b>		
Malaysian Government securities	7,291,094	7,918,507
Less: Allowance for ECL	(638)	(1,037)
	<u>7,290,456</u>	<u>7,917,470</u>
<b>Debt securities in Malaysia</b>		
Unquoted private debt securities/sukuk	2,064,133	1,955,054
Less: Allowance for ECL	(27,178)	(21,452)
	<u>2,036,955</u>	<u>1,933,602</u>
<b>Total debt instruments at amortised cost</b>	<u><b>9,327,411</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 September 2024</b>				
At 1 January 2024	21,327	1,162	-	22,489
Transferred to Stage 2	(337)	337	-	-
Net remeasurement of allowance	-	10,228	-	10,228
Allowance made	1,761	9,733	-	11,494
Maturity/settlement/repayment	(16,278)	(117)	-	(16,395)
Net total	<u>(14,854)</u>	<u>20,181</u>	<u>-</u>	<u>5,327</u>
At 30 September 2024	<u>6,473</u>	<u>21,343</u>	<u>-</u>	<u>27,816</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>-</u>	<u>(2,426)</u>
At 31 December 2023	<u>21,327</u>	<u>1,162</u>	<u>-</u>	<u>22,489</u>

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**EXPLANATORY NOTES**

**17. LOANS, ADVANCES AND FINANCING**

	Group		Bank	
	30-Sep-24 RM'000	31-Dec-23 RM'000	30-Sep-24 RM'000	31-Dec-23 RM'000
<b>At amortised cost</b>				
Overdrafts	2,848,656	3,005,272	2,848,656	3,005,272
Term loans/financing:				
- Housing loans/financing	40,593,026	40,576,911	40,593,026	40,576,911
- Syndicated term loans/financing	3,252,892	2,470,981	3,252,892	2,470,981
- Other term loans/financing	31,184,228	32,683,841	31,486,969	32,989,140
Credit card receivables	9,147,005	8,758,243	9,147,005	8,758,243
Bills receivables	219,505	445,140	219,505	445,140
Trust receipts	7,476,009	6,056,073	7,476,009	6,056,073
Claims on customers under acceptance credits	6,191,597	5,807,544	6,191,597	5,807,544
Revolving Credits	6,733,879	7,416,134	6,733,879	7,416,134
Staff loans	114,537	77,747	114,537	77,747
	<b>107,761,334</b>	107,297,886	<b>108,064,075</b>	107,603,185
Unearned interest/income	(170,063)	(158,022)	(170,063)	(158,022)
<b>Gross loans, advances and financing</b>	<b>107,591,271</b>	107,139,864	<b>107,894,012</b>	107,445,163
Allowance for ECL on loans, advances and financing:				
- Stage 1 - 12 month ECL	(348,652)	(355,716)	(351,355)	(357,818)
- Stage 2 - Lifetime ECL non credit-impaired	(1,230,252)	(1,405,055)	(1,230,252)	(1,405,055)
- Stage 3 - Lifetime ECL credit-impaired	(672,263)	(754,736)	(672,263)	(754,736)
<b>Net loans, advances and financing</b>	<b>105,340,104</b>	104,624,357	<b>105,640,142</b>	104,927,554

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

	Group		Bank	
	30-Sep-24 RM'000	31-Dec-23 RM'000	30-Sep-24 RM'000	31-Dec-23 RM'000
Maturing within one year	34,504,491	32,777,500	34,807,232	33,082,799
One year to three years	6,571,445	7,926,300	6,571,445	7,926,300
Three years to five years	7,708,758	7,156,662	7,708,758	7,156,662
Over five years	58,806,577	59,279,402	58,806,577	59,279,402
	<b>107,591,271</b>	107,139,864	<b>107,894,012</b>	107,445,163

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**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-Sep-24</b>	31-Dec-23	<b>30-Sep-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>178,532</b>	60,933	<b>178,532</b>	60,933
- Others	<b>2,213,671</b>	2,414,720	<b>2,213,671</b>	2,414,720
Domestic business enterprises:				
- Small and medium enterprises	<b>23,562,530</b>	22,867,827	<b>23,562,530</b>	22,867,827
- Others	<b>20,510,408</b>	20,395,273	<b>20,813,149</b>	20,700,572
Individuals	<b>55,986,537</b>	55,793,451	<b>55,986,537</b>	55,793,451
Foreign entities	<b>5,139,593</b>	5,607,660	<b>5,139,593</b>	5,607,660
	<b>107,591,271</b>	107,139,864	<b>107,894,012</b>	107,445,163

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

	<b>Group</b>		<b>Bank</b>	
	<b>30-Sep-24</b>	31-Dec-23	<b>30-Sep-24</b>	31-Dec-23
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Fixed rate:				
- Housing loans/financing	<b>88,086</b>	98,205	<b>88,086</b>	98,205
- Other fixed rate loans/financing	<b>16,932,093</b>	16,634,675	<b>16,932,093</b>	16,634,675
Variable rate:				
- Base rate/base lending/financing rate-plus	<b>61,187,177</b>	61,458,530	<b>61,187,177</b>	61,458,530
- Cost-plus	<b>28,946,308</b>	28,468,767	<b>29,249,049</b>	28,774,066
- Other variable rates	<b>437,607</b>	479,687	<b>437,607</b>	479,687
	<b>107,591,271</b>	107,139,864	<b>107,894,012</b>	107,445,163

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

**(iv) Gross loans, advances and financing by economic sector:**

	<b>Group</b>		<b>Bank</b>	
	<b>30-Sep-24</b>	31-Dec-23	<b>30-Sep-24</b>	31-Dec-23
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Agriculture, hunting, forestry and fishing	<b>946,804</b>	1,335,990	<b>946,804</b>	1,335,990
Mining and quarrying	<b>346,313</b>	406,515	<b>346,313</b>	406,515
Manufacturing	<b>9,963,194</b>	9,602,567	<b>9,963,194</b>	9,602,567
Electricity, gas and water	<b>1,442,931</b>	1,360,121	<b>1,442,931</b>	1,360,121
Construction	<b>7,637,149</b>	7,569,748	<b>7,637,149</b>	7,569,748
Wholesale, retail trade, restaurants and hotels	<b>14,421,644</b>	14,454,181	<b>14,421,644</b>	14,454,181
Transport, storage and communication	<b>3,783,454</b>	3,576,063	<b>3,783,454</b>	3,576,063
Finance, insurance and business services	<b>3,764,738</b>	3,812,994	<b>3,764,738</b>	3,812,994
Real estate	<b>4,333,260</b>	4,116,900	<b>4,636,001</b>	4,422,199
Community, social and personal services	<b>207,286</b>	210,961	<b>207,286</b>	210,961
Households:				
- Purchase of residential properties	<b>41,166,119</b>	41,174,921	<b>41,166,119</b>	41,174,921
- Purchase of non-residential properties	<b>7,517,258</b>	7,656,018	<b>7,517,258</b>	7,656,018
- Others	<b>12,061,121</b>	11,862,885	<b>12,061,121</b>	11,862,885
	<b>107,591,271</b>	107,139,864	<b>107,894,012</b>	107,445,163

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

	<b>Group</b>		<b>Bank</b>	
	<b>30-Sep-24</b>	31-Dec-23	<b>30-Sep-24</b>	31-Dec-23
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
In Malaysia	<b>102,451,678</b>	101,532,204	<b>102,754,419</b>	101,837,503
Outside Malaysia	<b>5,139,593</b>	5,607,660	<b>5,139,593</b>	5,607,660
	<b>107,591,271</b>	107,139,864	<b>107,894,012</b>	107,445,163

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**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-Sep-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	775,330	1,417,827
Amount recovered	(268,552)	(473,051)
Reclassified as non credit-impaired	(303,034)	(354,291)
Amount written-off	(338,174)	(591,874)
Gross credit-impaired loans, advances and financing	<u>2,697,361</u>	<u>2,831,791</u>
Less: Stage 3 - Lifetime ECL credit-impaired	<u>(672,263)</u>	<u>(754,736)</u>
Net credit-impaired loans, advances and financing	<u>2,025,098</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>1.9%</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 September 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	105,060	(87,559)	(17,501)	-
Transferred to Stage 2	(11,086)	35,972	(24,886)	-
Transferred to Stage 3	(1,284)	(28,152)	29,436	-
Net remeasurement of allowance	(82,288)	79,294	171,693	168,699
Allowance made	144,442	128,472	93,974	366,888
Maturity/settlement/repayment	(159,327)	(300,998)	(75,563)	(535,888)
Exchange differences	(2,581)	(1,832)	-	(4,413)
Net total	(7,064)	(174,803)	177,153	(4,714)
Amount written-off	-	-	(259,404)	(259,404)
Other movements	-	-	(222)	(222)
At 30 September 2024	<u>348,652</u>	<u>1,230,252</u>	<u>672,263</u>	<u>2,251,167</u>

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**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 September 2024</b>				
At 1 January 2024	357,818	1,405,055	754,736	2,517,609
Transferred to Stage 1	105,060	(87,559)	(17,501)	-
Transferred to Stage 2	(11,086)	35,972	(24,886)	-
Transferred to Stage 3	(1,284)	(28,152)	29,436	-
Net remeasurement of allowance	(82,288)	79,294	171,693	168,699
Allowance made	145,043	128,472	93,974	367,489
Maturity/settlement/repayment	(159,327)	(300,998)	(75,563)	(535,888)
Exchange differences	(2,581)	(1,832)	-	(4,413)
Net total	(6,463)	(174,803)	177,153	(4,113)
Amount written-off	-	-	(259,404)	(259,404)
Other movements	-	-	(222)	(222)
At 30 September 2024	351,355	1,230,252	672,263	2,253,870

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**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 sector:

	Group and Bank	
	30-Sep-24 RM'000	31-Dec-23 RM'000
Mining and quarrying	568	568
Manufacturing	121,370	120,231
Electricity, gas and water	23	38
Construction	662,712	696,605
Wholesale, retail trade, restaurants and hotels	344,914	326,426
Transport, storage and communication	34,866	42,475
Finance, insurance and business services	36,952	32,998
Real estate	234,827	224,104
Community, social and personal services	3,916	6,478
Households:		
- Purchase of residential properties	937,638	1,023,314
- Purchase of non-residential properties	148,954	163,853
- Others	170,621	194,701
	2,697,361	2,831,791

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

	Group and Bank	
	30-Sep-24 RM'000	31-Dec-23 RM'000
In Malaysia	2,605,613	2,721,477
Outside Malaysia	91,748	110,314
	2,697,361	2,831,791



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**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 September 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	21,952,649	358,556	1,432,189
- Swaps	54,658,024	1,709,141	2,848,661
- Options	2,016,044	18,616	30,835
Interest/profit rate related contracts:			
- Swaps	98,385,468	908,680	406,063
- Futures	1,503,854	330	120
- Options	26,089	-	39
Equity-related contracts:			
- Swaps	52,600	74	1,070
- Options	91,121	4,654	1,633
Commodity related contracts:			
- Swaps	370,365	8,940	8,450
- Futures	41,698	826	207
- Options	132,529	1,714	1,715
Credit derivative contracts:			
- Swaps	5,395	540	-
<b><u>Hedging derivatives</u></b>			
Interest rate related contracts:			
- Swaps	750,000	-	314
		<b>3,012,071</b>	<b>4,731,296</b>

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**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
		1,355,349	1,493,000

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

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**19. OTHER ASSETS**

	<b>Group</b>		<b>Bank</b>	
	<b>30-Sep-24</b>	<b>31-Dec-23</b>	<b>30-Sep-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>2,953,419</b>	1,171,851	<b>2,953,104</b>	1,171,640
Interest/income receivable	<b>403,600</b>	381,878	<b>403,600</b>	381,878
Amounts due from subsidiaries	-	-	<b>24,142</b>	11,311
Amounts due from fellow subsidiaries	<b>177</b>	95	<b>177</b>	94
Amounts due from holding company	<b>62</b>	24	<b>62</b>	24
Amounts due from ultimate holding company	<b>723</b>	2,307	<b>723</b>	2,307
Precious metal accounts	<b>405,976</b>	128,832	<b>405,976</b>	128,832
Less: Allowance for ECL	<b>(19,456)</b>	(5,514)	<b>(19,551)</b>	(5,516)
	<b>3,744,501</b>	1,679,473	<b>3,768,233</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 September 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>7,825</b>	<b>6,680</b>	-	<b>14,505</b>
Maturity/settlement/repayment	<b>(300)</b>	<b>(169)</b>	-	<b>(469)</b>
Exchange differences	<b>(51)</b>	<b>(43)</b>	-	<b>(94)</b>
Net total	<b>7,474</b>	<b>6,468</b>	-	<b>13,942</b>
At 30 September 2024	<b>10,472</b>	<b>8,984</b>	-	<b>19,456</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

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**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 September 2024</b>				
At 1 January 2024	2,999	2,517	-	5,516
Allowance made	7,875	6,723	-	14,598
Maturity/settlement/repayment	(300)	(169)	-	(469)
Exchange differences	(51)	(43)	-	(94)
Net total	7,524	6,511	-	14,035
At 30 September 2024	<b>10,523</b>	<b>9,028</b>	<b>-</b>	<b>19,551</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/30 September	350,557	131,000	481,557
<b>Accumulated amortisation</b>			
At 1 January	-	(15,283)	(15,283)
Amortisation charged for the financial period	-	(9,825)	(9,825)
At 30 September	-	(25,108)	(25,108)
<b>Net carrying amount</b>			
At 30 September	<b>350,557</b>	<b>105,892</b>	<b>456,449</b>

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**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-Sep-24 RM'000</b>	<b>31-Dec-23 RM'000</b>	<b>30-Sep-24 RM'000</b>	<b>31-Dec-23 RM'000</b>
Demand deposits	<b>37,353,169</b>	36,069,211	<b>37,402,420</b>	36,099,516
Savings deposits	<b>10,195,541</b>	7,369,404	<b>10,195,541</b>	7,369,404
Fixed deposits	<b>65,495,763</b>	68,984,194	<b>65,495,763</b>	68,984,194
Money market deposits	<b>1,396,422</b>	3,272,928	<b>1,396,422</b>	3,272,928
Others	<b>360,752</b>	338,464	<b>361,608</b>	339,307
	<u><b>114,801,647</b></u>	<u>116,034,201</u>	<u><b>114,851,754</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-Sep-24 RM'000</b>	<b>31-Dec-23 RM'000</b>	<b>30-Sep-24 RM'000</b>	<b>31-Dec-23 RM'000</b>
Due within six months	<b>50,916,528</b>	48,319,386	<b>50,916,528</b>	48,319,386
Six months to one year	<b>15,934,160</b>	23,523,417	<b>15,934,160</b>	23,523,417
One year to three years	<b>41,099</b>	16,188	<b>41,099</b>	16,188
Three years to five years	<b>398</b>	398,131	<b>398</b>	398,131
	<u><b>66,892,185</b></u>	<u>72,257,122</u>	<u><b>66,892,185</b></u>	<u>72,257,122</u>

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

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

	Group		Bank	
	30-Sep-24 RM'000	31-Dec-23 RM'000	30-Sep-24 RM'000	31-Dec-23 RM'000
Business enterprises	35,638,006	36,140,397	35,688,113	36,171,545
Individuals	61,794,272	61,484,431	61,794,272	61,484,431
Foreign entities	8,556,957	8,277,694	8,556,957	8,277,694
Others	8,812,412	10,131,679	8,812,412	10,131,679
	<b>114,801,647</b>	<b>116,034,201</b>	<b>114,851,754</b>	<b>116,065,349</b>

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

	Group		Bank	
	30-Sep-24 RM'000	31-Dec-23 RM'000	30-Sep-24 RM'000	31-Dec-23 RM'000
Licensed banks in Malaysia	1,034,709	4,001	1,034,709	4,001
Bank Negara Malaysia	972,293	938,050	972,293	938,050
Other financial institutions	10,848,734	13,073,114	10,848,754	13,073,134
	<b>12,855,736</b>	<b>14,015,165</b>	<b>12,855,756</b>	<b>14,015,185</b>

**23. OTHER LIABILITIES**

	Group		Bank	
	30-Sep-24 RM'000	31-Dec-23 RM'000	30-Sep-24 RM'000	31-Dec-23 RM'000
Allowance for ECL on commitments and contingencies	193,955	205,265	193,955	205,265
Interest/profit payable	474,112	541,918	474,112	541,918
Accruals and provisions for operational expenses	457,248	702,074	454,746	699,582
Other payables and accruals	4,591,610	3,545,525	4,558,628	3,510,790
Deferred income	20,905	22,639	20,905	22,639
	<b>5,737,830</b>	<b>5,017,421</b>	<b>5,702,346</b>	<b>4,980,194</b>

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

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

Group and Bank As at 30 September 2024	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	
At 1 January 2024	83,399	92,569	29,297	205,265
Transferred to Stage 1	58,768	(58,768)	-	-
Transferred to Stage 2	(2,600)	2,600	-	-
Net remeasurement of allowance	(44,618)	24,015	-	(20,603)
Allowance made	46,824	23,354	1,654	71,832
Maturity/settlement/repayment	(38,660)	(21,541)	(43)	(60,244)
Exchange differences	(643)	(66)	-	(709)
Net total	19,071	(30,406)	1,611	(9,724)
Other movements	-	-	(1,586)	(1,586)
At 30 September 2024	102,470	62,163	29,322	193,955

**As at 31 December 2023**

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**

At amortised cost	Group and Bank	
	30-Sep-24 RM'000	31-Dec-23 RM'000
RM750 million subordinated bond 2020/2030, at par (Note (a))	749,686	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>2,249,686</b>	<b>1,749,728</b>
Accumulated fair value adjustment (gain) for subordinated bonds	<b>(314)</b>	<b>(272)</b>

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**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 September 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 RM42,000 (31 December 2023: unrealised gain of RM3,001,000) were recognised in trading and investment income during the period (Note 28).



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**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**

	Third Quarter Ended		Nine Months Ended	
	30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000
<b>Group</b>				
Loans, advances and financing	<b>1,263,189</b>	1,258,702	<b>3,786,947</b>	3,640,764
Credit-impaired loans, advances and financing	<b>13,633</b>	16,846	<b>51,855</b>	60,240
Money at call and deposit placements with financial institutions	<b>85,099</b>	68,683	<b>276,376</b>	229,871
Financial assets at FVTPL	<b>87,014</b>	46,487	<b>189,437</b>	150,490
Debt instruments at FVOCI	<b>171,188</b>	209,926	<b>518,538</b>	591,232
Debt instruments at amortised cost	<b>94,133</b>	92,921	<b>280,059</b>	260,449
	<b>1,714,256</b>	1,693,565	<b>5,103,212</b>	4,933,046
Amortisation of premium less accretion of discount on:				
- Financial assets at FVTPL	<b>(1,030)</b>	3,546	<b>42</b>	21,496
- Debt instruments at FVOCI	<b>(13,028)</b>	(27,449)	<b>(61,529)</b>	(78,739)
- Debt instruments at amortised cost	<b>1,661</b>	2,040	<b>4,693</b>	3,872
	<b>1,701,859</b>	1,671,702	<b>5,046,418</b>	4,879,675
<b>Bank</b>				
Loans, advances and financing	<b>1,266,954</b>	1,259,760	<b>3,798,288</b>	3,643,680
Credit-impaired loans, advances and financing	<b>13,633</b>	16,846	<b>51,855</b>	60,240
Money at call and deposit placements with financial institutions	<b>85,099</b>	68,684	<b>276,376</b>	229,872
Financial assets at FVTPL	<b>87,014</b>	46,487	<b>189,437</b>	150,490
Debt instruments at FVOCI	<b>171,188</b>	209,926	<b>518,538</b>	591,232
Debt instruments at amortised cost	<b>94,133</b>	92,921	<b>280,059</b>	260,449
	<b>1,718,021</b>	1,694,624	<b>5,114,553</b>	4,935,963
Amortisation of premium less accretion of discount on:				
- Financial assets at FVTPL	<b>(1,030)</b>	3,546	<b>42</b>	21,496
- Debt instruments at FVOCI	<b>(13,028)</b>	(27,449)	<b>(61,529)</b>	(78,739)
- Debt instruments at amortised cost	<b>1,661</b>	2,040	<b>4,693</b>	3,872
	<b>1,705,624</b>	1,672,761	<b>5,057,759</b>	4,882,592

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**27. INTEREST EXPENSE**

<b>Group</b>	<b>Third Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers	<b>747,794</b>	740,147	<b>2,281,412</b>	2,011,164
Deposits and placements of banks and other financial institutions	<b>191,430</b>	187,776	<b>536,840</b>	602,895
Subordinated bonds	<b>18,145</b>	19,772	<b>54,075</b>	68,714
Lease liabilities	<b>626</b>	689	<b>1,961</b>	2,292
Others	<b>12,441</b>	13,346	<b>40,978</b>	37,457
	<b>970,436</b>	961,730	<b>2,915,266</b>	2,722,522
<b>Bank</b>				
Deposits from customers	<b>747,985</b>	740,274	<b>2,281,895</b>	2,011,484
Deposits and placements of banks and other financial institutions	<b>191,430</b>	187,776	<b>536,840</b>	602,895
Subordinated bonds	<b>18,145</b>	19,772	<b>54,075</b>	68,714
Lease liabilities	<b>4,998</b>	4,851	<b>14,463</b>	17,783
Others	<b>12,462</b>	13,346	<b>41,036</b>	37,457
	<b>975,020</b>	966,019	<b>2,928,309</b>	2,738,333

**28. OTHER OPERATING INCOME**

<b>Group</b>	<b>Third Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Fee income</u>				
Commission	<b>67,616</b>	54,700	<b>212,065</b>	176,170
Guarantee fees	<b>27,691</b>	25,500	<b>73,380</b>	72,168
Service charges and fees	<b>148,008</b>	126,774	<b>438,532</b>	395,121
Less: Fee expenses	<b>(64,010)</b>	(47,811)	<b>(182,398)</b>	(146,547)
	<b>83,998</b>	78,963	<b>256,134</b>	248,574
Commitment fees	<b>6,936</b>	6,889	<b>21,068</b>	21,035
Arrangement and participation fees	<b>183</b>	16,705	<b>24,978</b>	20,788
	<b>186,424</b>	182,757	<b>587,625</b>	538,735

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

Group (cont'd.)	Third Quarter Ended		Nine Months Ended	
	30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000
<u>Trading and Investment income</u>				
Gain/(loss) from sale of financial assets at FVTPL	13,765	35	27,564	(16,864)
Unrealised (loss)/gain on financial assets at FVTPL	(23,600)	3,078	(22,852)	53,764
Loss from trading derivatives	(16,592)	(48,811)	(177,889)	(1,861)
Unrealised (loss)/gain from trading derivatives	(20,894)	(4,780)	107,443	(63,775)
Unrealised (loss)/gain on fair value adjustment for subordinated bonds	(263)	856	42	(577)
Gain from sale of precious metals	763	228	2,235	1,465
Unrealised (loss)/gain from revaluation of precious metals	(50)	44	50	20
Gain from sale/recovery of debt instruments at FVOCI	41,829	7,160	88,401	88,679
Gross dividends from equity instruments at FVOCI	482	482	981	2,241
	<b>(4,560)</b>	<b>(41,708)</b>	<b>25,975</b>	<b>63,092</b>
<u>Other income</u>				
Foreign exchange gain, net	274,658	211,122	641,394	541,489
Rental income from operating leases	456	452	1,307	1,046
Gain on disposal of property, plant and equipment	-	-	-	42
Others	5,008	6,908	14,397	19,009
	<b>280,122</b>	<b>218,482</b>	<b>657,098</b>	<b>561,586</b>
	<b>461,986</b>	<b>359,531</b>	<b>1,270,698</b>	<b>1,163,413</b>

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

	Third Quarter Ended		Nine Months Ended	
	30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000
<b>Bank</b>				
<u>Fee income</u>				
Commission	67,616	54,700	212,065	176,170
Guarantee fees	27,699	25,500	73,388	72,194
Service charges and fees	148,339	126,874	438,251	395,420
Less: Fee expenses	(64,010)	(47,811)	(182,398)	(146,547)
	84,329	79,063	255,853	248,873
Commitment fees	7,062	7,293	21,447	21,445
Arrangement and participation fees	183	16,705	24,978	20,788
	186,889	183,261	587,731	539,470
<u>Trading and Investment income</u>				
Gain/(loss) from sale of financial assets at FVTPL	13,765	35	27,564	(16,864)
Unrealised (loss)/gain on financial assets at FVTPL	(23,600)	3,078	(22,852)	53,764
Loss from trading derivatives	(16,592)	(48,811)	(177,889)	(1,861)
Unrealised (loss)/gain from trading derivatives	(20,894)	(4,780)	107,443	(63,775)
Unrealised (loss)/gain on fair value adjustment for subordinated bonds	(263)	856	42	(577)
Gain from sale of precious metals	763	228	2,235	1,465
Unrealised (loss)/gain from revaluation of precious metals	(50)	44	50	20
Gain from sale/recovery of debt instruments at FVOCI	41,829	7,160	88,401	88,679
Gross dividends from equity instruments at FVOCI	482	481	981	2,241
	(4,560)	(41,709)	25,975	63,092
<u>Other income</u>				
Foreign exchange gain, net	274,652	211,122	641,388	541,489
Gain on disposal of property, plant and equipment	-	-	-	42
Others	5,045	4,976	14,470	17,077
	279,697	216,098	655,858	558,608
	462,026	357,650	1,269,564	1,161,170

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**29. OTHER OPERATING EXPENSES**

Group	Third Quarter Ended		Nine Months Ended	
	30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000
Personnel expenses	<b>328,624</b>	302,079	<b>976,790</b>	916,398
Establishment expenses	<b>184,606</b>	182,041	<b>560,611</b>	510,620
Marketing expenses	<b>18,499</b>	27,251	<b>69,965</b>	80,464
General administrative expenses	<b>53,010</b>	199,217	<b>146,198</b>	496,948
	<b>584,739</b>	710,588	<b>1,753,564</b>	2,004,430
<u>Personnel expenses</u>				
Wages, salaries and bonus	<b>252,056</b>	237,645	<b>756,564</b>	721,887
Defined contribution plan	<b>41,179</b>	36,438	<b>115,892</b>	107,914
Other employee benefits	<b>35,389</b>	27,996	<b>104,334</b>	86,597
	<b>328,624</b>	302,079	<b>976,790</b>	916,398
<u>Establishment expenses</u>				
Depreciation of property, plant and equipment	<b>36,811</b>	37,812	<b>107,285</b>	108,363
Depreciation of right-of-use assets	<b>5,269</b>	5,326	<b>15,908</b>	15,196
Amortisation of intangible assets	<b>3,275</b>	3,941	<b>9,825</b>	10,025
Information technology costs	<b>96,084</b>	95,900	<b>305,219</b>	249,187
Repair and maintenance	<b>22,797</b>	17,588	<b>61,999</b>	54,789
Short-term lease expenses	<b>104</b>	538	<b>769</b>	1,602
Others	<b>20,266</b>	20,936	<b>59,606</b>	71,458
	<b>184,606</b>	182,041	<b>560,611</b>	510,620
<u>Marketing expenses</u>				
Advertisement and publicity	<b>18,499</b>	27,251	<b>69,965</b>	80,464
<u>General administrative expenses</u>				
Fees and commissions paid	<b>20,468</b>	118,424	<b>54,077</b>	217,276
Others	<b>32,542</b>	80,793	<b>92,121</b>	279,672
	<b>53,010</b>	199,217	<b>146,198</b>	496,948

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**EXPLANATORY NOTES**

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

<b>Bank</b>	<b>Third Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Personnel expenses	<b>327,146</b>	300,693	<b>972,433</b>	912,168
Establishment expenses	<b>184,288</b>	178,635	<b>561,897</b>	503,719
Marketing expenses	<b>18,499</b>	27,251	<b>69,869</b>	80,435
General administrative expenses	<b>52,473</b>	199,041	<b>144,864</b>	494,889
	<b>582,406</b>	705,620	<b>1,749,063</b>	1,991,211
<u>Personnel expenses</u>				
Wages, salaries and bonus	<b>250,836</b>	236,456	<b>752,935</b>	718,340
Defined contribution plan	<b>40,951</b>	36,255	<b>115,284</b>	107,366
Other employee benefits	<b>35,359</b>	27,982	<b>104,214</b>	86,462
	<b>327,146</b>	300,693	<b>972,433</b>	912,168
<u>Establishment expenses</u>				
Depreciation of property, plant and equipment	<b>32,288</b>	29,091	<b>93,720</b>	84,052
Depreciation of right-of-use assets	<b>12,247</b>	11,970	<b>36,644</b>	35,688
Amortisation of intangible assets	<b>3,275</b>	3,942	<b>9,825</b>	10,025
Information technology costs	<b>96,084</b>	95,900	<b>305,219</b>	249,187
Repair and maintenance	<b>22,043</b>	18,669	<b>60,818</b>	55,206
Short-term lease expenses	<b>666</b>	1,303	<b>2,886</b>	3,531
Others	<b>17,685</b>	17,760	<b>52,785</b>	66,030
	<b>184,288</b>	178,635	<b>561,897</b>	503,719
<u>Marketing expenses</u>				
Advertisement and publicity	<b>18,499</b>	27,251	<b>69,869</b>	80,435
<u>General administrative expenses</u>				
Fees and commissions paid	<b>20,320</b>	118,260	<b>53,862</b>	216,893
Others	<b>32,153</b>	80,781	<b>91,002</b>	277,996
	<b>52,473</b>	199,041	<b>144,864</b>	494,889

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**EXPLANATORY NOTES**

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

Group	Third Quarter Ended		Nine Months Ended	
	30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000
Loans, advances and financing:				
- Stage 1 - 12-month ECL	<b>(9,523)</b>	(106,157)	<b>(7,064)</b>	(183,454)
- Stage 2 - Lifetime ECL non credit-impaired	<b>(32,186)</b>	(30,355)	<b>(174,803)</b>	20,104
- Stage 3 - Lifetime ECL credit-impaired	<b>54,494</b>	60,756	<b>177,153</b>	273,930
	<b>12,785</b>	(75,756)	<b>(4,714)</b>	110,580
Credit-impaired loans, advances and financing:				
- Written-off	<b>24,593</b>	24,444	<b>85,749</b>	87,296
- Recovered	<b>(57,670)</b>	(89,763)	<b>(168,972)</b>	(200,429)
	<b>(20,292)</b>	(141,075)	<b>(87,937)</b>	(2,553)
Other financial assets:				
- Stage 1 - 12-month ECL	<b>11,384</b>	(5,172)	<b>(3,811)</b>	(6,897)
- Stage 2 - Lifetime ECL non credit-impaired	<b>21,786</b>	(2,541)	<b>26,538</b>	(3,333)
	<b>33,170</b>	(7,713)	<b>22,727</b>	(10,230)
Commitments and contingencies:				
- Stage 1 - 12-month ECL	<b>14,910</b>	14,291	<b>19,071</b>	51,230
- Stage 2 - Lifetime ECL non credit-impaired	<b>5,584</b>	62,751	<b>(30,406)</b>	85,203
- Stage 3 - Lifetime ECL credit-impaired	<b>409</b>	(8,034)	<b>1,611</b>	(21,911)
	<b>20,903</b>	69,008	<b>(9,724)</b>	114,522
Total	<b>33,781</b>	(79,780)	<b>(74,934)</b>	101,739

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**EXPLANATORY NOTES**

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

<b>Bank</b>	<b>Third Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30-Sep-24</b>	<b>30-Sep-23</b>	<b>30-Sep-24</b>	<b>30-Sep-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>(9,518)</b>	(105,272)	<b>(6,463)</b>	(182,596)
- Stage 2 - Lifetime ECL non credit-impaired	<b>(32,186)</b>	(30,355)	<b>(174,803)</b>	20,104
- Stage 3 - Lifetime ECL credit-impaired	<b>54,494</b>	60,756	<b>177,153</b>	273,930
	<b>12,790</b>	(74,871)	<b>(4,113)</b>	111,438
Credit-impaired loans, advances and financing:				
- Written-off	<b>24,593</b>	24,444	<b>85,749</b>	87,296
- Recovered	<b>(57,670)</b>	(89,763)	<b>(168,972)</b>	(200,429)
	<b>(20,287)</b>	(140,190)	<b>(87,336)</b>	(1,695)
Other financial assets:				
- Stage 1 - 12-month ECL	<b>11,403</b>	(5,229)	<b>(3,761)</b>	(6,146)
- Stage 2 - Lifetime ECL non credit-impaired	<b>21,798</b>	(2,588)	<b>26,581</b>	(4,071)
	<b>33,201</b>	(7,817)	<b>22,820</b>	(10,217)
Commitments and contingencies:				
- Stage 1 - 12-month ECL	<b>14,910</b>	14,291	<b>19,071</b>	51,230
- Stage 2 - Lifetime ECL non credit-impaired	<b>5,584</b>	62,751	<b>(30,406)</b>	85,203
- Stage 3 - Lifetime ECL credit-impaired	<b>409</b>	(8,034)	<b>1,611</b>	(21,911)
	<b>20,903</b>	69,008	<b>(9,724)</b>	114,522
<b>Total</b>	<b>33,817</b>	(78,999)	<b>(74,240)</b>	102,610



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**EXPLANATORY NOTES**

**31. SEGMENT INFORMATION**

**Operating Segments**

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

**Retail**

The Retail segment covers Personal Financial Services 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 divisions not attributable to business segments mentioned above and property-related activities.

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

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

Group	Retail	WB	GM	Others	Total	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	segments		
<b>For period ended 30 September 2024</b>							
Operating income	1,443,374	1,628,671	305,963	209,200	3,587,208	(42,013)	3,545,195
Other operating expenses	(989,201)	(490,081)	(80,826)	(246,236)	(1,806,344)	52,780	(1,753,564)
Write-back of/(allowance for) ECL	49,548	25,640	-	(957)	74,231	703	74,934
Profit before taxation	503,721	1,164,230	225,137	(37,993)	1,855,095	11,470	1,866,565
Income tax expense							(452,974)
Profit after taxation							1,413,591

**Other information**

**For period ended 30 September 2024**

Inter-segment operating income/(loss)	309,394	15,346	(561,398)	278,671	42,013	(42,013)	-
Depreciation of property, plant and equipment and right-of-use assets	35,604	23,287	2,963	82,625	144,479	(21,286)	123,193

**As at 30 September 2024**

Gross loans, advances and financing	60,684,121	46,543,057	-	664,131	107,891,309	(300,038)	107,591,271
Deposits from customers	68,764,504	46,076,423	-	22,037	114,862,964	(61,317)	114,801,647

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**EXPLANATORY NOTES**

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

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

<b>Group (cont'd.)</b>	<b>Retail RM'000</b>	<b>WB RM'000</b>	<b>GM RM'000</b>	<b>Others RM'000</b>	<b>Total segments RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
<b>For period ended 30 September 2023</b>							
Operating income	1,344,924	1,592,421	266,254	274,607	3,478,206	(36,392)	3,441,814
Other operating expenses	(911,087)	(448,891)	(82,547)	(608,801)	(2,051,326)	46,896	(2,004,430)
(Allowance for)/write-back of ECL	(106,361)	3,708	-	914	(101,739)	-	(101,739)
Profit before taxation	327,476	1,147,238	183,707	(333,280)	1,325,141	10,504	1,335,645
Income tax expense							(304,238)
Profit after taxation							1,031,407

**Other information**

**For period ended 30 September 2023**

Inter-segment operating income/(loss)	145,654	66,404	(523,666)	348,000	36,392	(36,392)	-
Depreciation of property, plant and equipment and right-of-use assets	32,973	17,870	2,824	91,619	145,286	(21,727)	123,559

**As at 30 September 2023**

Gross loans, advances and financing	60,527,936	46,008,398	-	668,468	107,204,802	(304,228)	106,900,574
Deposits from customers	67,374,781	47,352,809	-	15,814	114,743,404	(31,508)	114,711,896

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**EXPLANATORY NOTES**

**32. CAPITAL MANAGEMENT AND CAPITAL ADEQUACY**

The capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia ("BNM")'s Capital Adequacy Framework (Capital Components) issued on 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-Sep-24</b> <b>RM'000</b>	31-Dec-23 RM'000	<b>30-Sep-24</b> <b>RM'000</b>	31-Dec-23 RM'000
<u>Common Equity Tier 1 ("CET1")/ 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>344,954</b>	312,870	<b>104,574</b>	72,490
Regulatory adjustments applied in the calculation of CET1 Capital	<b>(1,102,824)</b>	(1,194,967)	<b>(1,236,410)</b>	(1,328,553)
<b>Total CET1/Tier 1 Capital</b>	<b><u>13,186,655</u></b>	<u>12,907,273</u>	<b><u>12,974,587</u></b>	<u>12,695,524</u>
<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>346,478</b>	339,176	<b>348,308</b>	340,901
- General provisions	<b>163,820</b>	169,764	<b>154,460</b>	160,304
Regulatory adjustments applied in the calculation of Tier 2 Capital	<b>105,065</b>	105,065	-	-
<b>Total Tier 2 Capital</b>	<b><u>2,865,363</u></b>	<u>2,364,005</u>	<b><u>2,752,768</u></b>	<u>2,251,205</u>
<b>Total Capital</b>	<b><u>16,052,018</u></b>	<u>15,271,278</u>	<b><u>15,727,355</u></b>	<u>14,946,729</u>

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**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-Sep-24	31-Dec-23	30-Sep-24	31-Dec-23
CET1/Tier 1 Capital	15.891%	15.945% *	15.722%	15.777% *
Total Capital	<u>19.345%</u>	<u>18.865% *</u>	<u>19.058%</u>	<u>18.574% *</u>

\* 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-Sep-24 RM'000	31-Dec-23 RM'000	30-Sep-24 RM'000	31-Dec-23 RM'000
Total RWA for credit risk	72,923,979	72,636,110	72,480,219	72,166,831
Total RWA for market risk	2,173,497	1,050,045	2,173,497	1,050,045
Total RWA for operational risk	7,881,944	7,262,705	7,870,651	7,253,444
	<u>82,979,420</u>	<u>80,948,860</u>	<u>82,524,367</u>	<u>80,470,320</u>

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**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 September 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	4,733,478	4,611,022	2,896,024
Transaction-related contingent items	7,493,994	3,712,181	2,223,031
Short-term self-liquidating trade-related contingencies	743,108	162,436	90,060
Lending of banks' securities or the posting of securities as collateral by banks	3,359,959	59,950	3,093
Foreign exchange related contracts:			
- Less than one year	77,616,521	3,110,741	429,098
- One year to less than five years	890,689	69,723	54,144
- Five years and above	119,507	11,951	11,968
Interest/profit rate related contracts:			
- Less than one year	38,874,254	550,978	71,297
- One year to less than five years	60,082,036	2,233,647	625,019
- Five years and above	1,709,121	168,925	76,679
Equity related contracts:			
- Less than one year	141,241	5,867	290
- One year to less than five years	2,480	-	-
Commodity related contracts:			
- Less than one year	534,421	58,422	19,954
- One year to less than five years	10,171	-	-
Credit derivative contracts:			
- Less than one year	5,395	698	71
Undrawn credit facility:			
- Less than one year	26,032,893	1,462,668	432,624
- More than one year	7,467,323	5,105,868	2,923,193
- Unconditionally cancellable	38,996,397	9,500,596	3,738,908
Other commitments	1,390,080	-	-
<b>Total</b>	<b>270,203,068</b>	<b>30,825,673</b>	<b>13,595,453</b>

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**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).

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**34. PERFORMANCE REVIEW**

For the nine months ended 30 September 2024, the Group posted an operating profit of RM1,791.6 million, 24.6% or RM354.2 million higher than same period last year; coupled with writeback of Expected Credit Loss ("ECL") of RM74.9 million as compared to a provision of RM101.7 million same period last year. This resulted in a profit before tax of RM1,866.6 million for the nine months ended 30 September 2024, which was 39.8% or RM530.9 million higher than the same period last year.

Total operating income increased by RM103.4 million to RM3,545.2 million. Other operating income increased by RM107.3 million mainly driven by higher foreign exchange gain of RM99.9 million and higher fee and commission income of RM48.9 million mainly from wealth and credit card. This was partly offset by lower trading and investment income by RM31.1 million. Meanwhile, net interest income eased by 1.2% or RM26.0 million.

Other operating expenses declined by 12.5% or RM250.9 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 and release of provisions.

**35. PROSPECTS FOR 2024**

We anticipate global growth to remain moderate but stable in 2024 as economic activities across advanced economies converge. Robust activities in Asia continued despite sluggish growth in China. Southeast Asia's economies remained resilient supported by higher consumption and investments as well as improvement in net exports. One of the key themes for 2024 is the start of global monetary easing including the lowering of interest rates by the US Federal Reserve ("Fed") in the third quarter. The pace of the ongoing Fed easing cycle is dependent on incoming data. A less restrictive global policy stance offers a supportive platform for sustainable global growth augmented by improving trade, advanced technology investments and green growth. Meanwhile geopolitical risks and the outcome of US election later this year will be closely watched. Key risks include potential acceleration of inflation, higher geopolitical tensions, milder interest rate easing cycle and under estimated climate-related risks.

We maintain a positive outlook on the region's fundamentals and medium- to long-term prospects. Opportunities have arisen from global supply chain diversification, production shifts and expansion of networks into Southeast Asia. We upgraded projections for Malaysia's annual growth in 2024 given the strong performance in first half of the year. We continue to expect a strong and resilient domestic economy for the rest of the year supported by favorable labour market conditions, stronger tourism activity, rebound in external trade, implementation of ongoing investment projects and national master plans. Malaysia's diversified economic structure provides strength and ongoing policy support is expected to sustain economic growth.



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**36. ISLAMIC BANKING OPERATIONS**

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

	Note	30-Sep-24 RM'000	31-Dec-23 RM'000
<b>Assets</b>			
Cash and short-term funds	a	2,493,278	2,890,491
Securities purchased under resale agreements		657,885	296,484
Debt instruments at FVOCI	b	1,616,396	1,402,981
Debt instruments at amortised cost	c	504,466	1,052,481
Other assets	e	43,069	30,418
Derivative financial assets	f	419,798	34,266
Financing, advances and others	d	9,114,010	8,980,260
Statutory deposits with BNM		54,500	55,000
Plant and equipment		8,649	10,074
Deferred tax assets		11,557	11,960
<b>Total assets</b>		<b>14,923,608</b>	<b>14,764,415</b>
<b>Liabilities and Islamic Banking funds</b>			
Deposits from customers	g	5,569,103	5,150,665
Investment accounts due to a designated financial institution	h	3,817,069	4,372,180
Deposits and placements of other financial institutions	i	3,841,695	4,501,649
Bills and acceptances payable		7,620	5,674
Other liabilities	j	52,810	62,224
Derivative financial liabilities	f	418,803	33,205
Tax payable		25,025	27,068
Subordinated sukuk	k	500,000	-
<b>Total liabilities</b>		<b>14,232,125</b>	<b>14,152,665</b>
Capital fund		450,000	450,000
Reserves		241,483	161,750
<b>Islamic Banking funds</b>	l	<b>691,483</b>	<b>611,750</b>
<b>Total liabilities and Islamic Banking funds</b>		<b>14,923,608</b>	<b>14,764,415</b>
<b>Commitments and contingencies</b>	t	<b>14,109,401</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.

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**36. 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 SEPTEMBER 2024**

	Note	Third Quarter ended		Nine Months ended	
		30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000
Income derived from investment of depositors' funds	m	<b>105,029</b>	93,336	<b>292,863</b>	257,768
Income derived from investment of Islamic Banking funds	n	<b>11,458</b>	9,420	<b>31,713</b>	26,102
Income derived from investment of investment account funds	o	<b>38,731</b>	39,806	<b>128,955</b>	117,757
(Allowance for)/write-back of ECL on:					
- Financing, advances and others	r	<b>(1,796)</b>	(17,392)	<b>(8,384)</b>	(42,221)
- Other financial assets	r	<b>20</b>	210	<b>70</b>	1,689
- Commitments and contingencies	r	<b>745</b>	2,336	<b>115</b>	2,689
Total distributable income		<b>154,187</b>	127,716	<b>445,332</b>	363,784
Profit distributed to depositors and others	p	<b>(71,954)</b>	(72,644)	<b>(207,909)</b>	(187,311)
Profit distributed to investment account holders	q	<b>(30,877)</b>	(31,488)	<b>(102,277)</b>	(93,068)
Total net income		<b>51,356</b>	23,584	<b>135,146</b>	83,405
Other operating expenses	s	<b>(11,398)</b>	(10,862)	<b>(34,014)</b>	(33,028)
Profit before taxation		<b>39,958</b>	12,722	<b>101,132</b>	50,377
Income tax expense		<b>(9,619)</b>	(2,963)	<b>(24,461)</b>	(12,136)
Profit after taxation		<b>30,339</b>	9,759	<b>76,671</b>	38,241
<i>Other comprehensive income/(loss):</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>5,440</b>	(5,421)	<b>4,029</b>	(1,447)
Income tax effect		<b>(1,306)</b>	1,301	<b>(967)</b>	347
Other comprehensive income/(loss) for the financial period, net of tax		<b>4,134</b>	(4,120)	<b>3,062</b>	(1,100)
Total comprehensive income for the financial period		<b>34,473</b>	5,639	<b>79,733</b>	37,141

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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**36. 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 SEPTEMBER 2024**

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

	Third Quarter ended		Nine Months ended	
	30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000
Income derived from investment of depositors' funds	<b>105,029</b>	93,336	<b>292,863</b>	257,768
Income derived from investment of Islamic Banking funds	<b>11,458</b>	9,420	<b>31,713</b>	26,102
Income derived from investment of investment account funds	<b>38,731</b>	39,806	<b>128,955</b>	117,757
Profit distributed to depositors	<b>(71,954)</b>	(72,644)	<b>(207,909)</b>	(187,311)
Profit distributed to investment account holders	<b>(30,877)</b>	(31,488)	<b>(102,277)</b>	(93,068)
Net income from Islamic Banking operations reported in the statements of profit or loss of the Group and the Bank	<b>52,387</b>	38,430	<b>143,345</b>	121,248

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

**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED STATEMENT OF CHANGES IN ISLAMIC BANKING FUNDS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	450,000	1,316	160,434	611,750
Profit for the financial period	-	-	76,671	76,671
Other comprehensive income	-	3,062	-	3,062
Total comprehensive income for the financial period	-	3,062	76,671	79,733
At 30 September 2024	450,000	4,378	237,105	691,483
At 1 January 2023	450,000	(3,318)	86,744	533,426
Profit for the financial period	-	-	38,241	38,241
Other comprehensive loss	-	(1,100)	-	(1,100)
Total comprehensive (loss)/income for the financial period	-	(1,100)	38,241	37,141
At 30 September 2023	450,000	(4,418)	124,985	570,567

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

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

	<b>30-Sep-24</b>	<b>30-Sep-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit before taxation	101,132	50,377
Adjustments for non-operating and non-cash items	<b>(66,412)</b>	<b>(20,847)</b>
Operating profit before working capital changes	<b>34,720</b>	29,530
Changes in working capital:		
Net changes in operating assets	<b>(889,138)</b>	(714,564)
Net changes in operating liabilities	<b>(418,382)</b>	336,454
Tax expense	<b>(27,068)</b>	(24,990)
Net cash used in operating activities	<b>(1,299,868)</b>	(373,570)
Net cash generated from/(used in) investing activities	<b>402,640</b>	(819,788)
Net cash generated from financing activities	<b>500,000</b>	-
Net decrease in cash and cash equivalents	<b>(397,228)</b>	(1,193,358)
Cash and cash equivalents at beginning of the financial period	<b>2,890,913</b>	3,414,659
Cash and cash equivalents at end of the financial period before allowance for ECL	<b>2,493,685</b>	2,221,301
<b>Analysis of cash and cash equivalents</b>		
Cash and short-term funds	<b>2,493,685</b>	2,221,301
Less: Allowance for ECL	<b>(407)</b>	(282)
	<b>2,493,278</b>	2,221,019

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

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

	<b>30-Sep-24</b>	31-Dec-23
	<b>RM'000</b>	RM'000
Cash and balances with banks and other financial institutions	<b>1,938,685</b>	2,600,913
Money at call and deposit placements maturing within one month	<b>555,000</b>	290,000
	<b>2,493,685</b>	2,890,913
Less: Allowance for ECL	<b>(407)</b>	(422)
	<b>2,493,278</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 September 2024</b>				
At 1 January 2024	422	-	-	422
Allowance made	79	-	-	79
Maturity/settlement/repayment	(59)	-	-	(59)
Exchange differences	(35)	-	-	(35)
Net total	(15)	-	-	(15)
At 30 September 2024	407	-	-	407
<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

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

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

	<b>30-Sep-24</b>	31-Dec-23
	<b>RM'000</b>	<b>RM'000</b>
<b>Money market instruments</b>		
Bank Negara Malaysia bills	-	99,955
Government Islamic investments	<b>1,388,360</b>	1,303,026
Negotiable instruments of deposits	<b>198,031</b>	-
	<b>1,586,391</b>	1,402,981
<b>Private debt securities of companies incorporated in Malaysia</b>		
Cagamas sukuk	<b>30,005</b>	-
<b>Total debt instruments at FVOCI</b>	<b>1,616,396</b>	1,402,981

Movements in the allowance for ECL on debt instruments at FVOCI 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 September 2024</b>				
At 1 January 2024	185	-	-	185
Allowance made	167	-	-	167
Maturity/settlement/repayment	(177)	-	-	(177)
Net total	(10)	-	-	(10)
At 30 September 2024	175	-	-	175
<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

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

**c. Debt instruments at amortised cost**

	<b>30-Sep-24</b>	31-Dec-23
	<b>RM'000</b>	<b>RM'000</b>
<b>Money market instruments</b>		
Government Islamic investment	<b>432,151</b>	963,704
Less: Allowance for ECL	<b>(38)</b>	(126)
	<b>432,113</b>	963,578
<b>Private debt securities of companies incorporated in Malaysia</b>		
Unquoted corporate sukuk	<b>72,396</b>	88,922
Less: Allowance for ECL	<b>(43)</b>	(19)
	<b>72,353</b>	88,903
<b>Total debt instruments at amortised cost</b>	<b>504,466</b>	1,052,481

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	Lifetime ECL non credit- impaired	Lifetime ECL credit- impaired	Total ECL
	RM'000	RM'000	RM'000	RM'000
<b>As at 30 September 2024</b>				
At 1 January 2024	145	-	-	145
Allowance made	27	-	-	27
Maturity/settlement/repayment	(91)	-	-	(91)
Net total	(64)	-	-	(64)
At 30 September 2024	81	-	-	81
<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	145	-	-	145



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

**d. Financing, advances and others**

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

As at 30 September 2024	Sale based contracts				Total RM'000
	Tawarruq RM'000	Murabahah RM'000	Bai Al-Dayn RM'000	Others RM'000	
Term financing:					
- Housing financing	3,867,516	-	-	7,529	3,875,045
- Syndicated term financing	42,865	-	-	-	42,865
- Other term financing	3,570,269	-	-	-	3,570,269
Trust receipts	689,391	-	-	-	689,391
Claims on customers under acceptance credits	-	237,901	2,566	-	240,467
Revolving credits	811,501	-	-	-	811,501
Gross financing, advances and others	<b>8,981,542</b>	<b>237,901</b>	<b>2,566</b>	<b>7,529</b>	<b>9,229,538</b>
Allowance for ECL on financing, advances and others:					
- Stage 1 - 12-month ECL					(24,134)
- Stage 2 - Lifetime ECL non credit-impaired					(56,250)
- Stage 3 - Lifetime ECL credit-impaired					(35,144)
Net financing, advances and others					<b>9,114,010</b>

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

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

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

As at 31 December 2023	Sale based contracts				Total RM'000
	Tawarruq RM'000	Murabahah RM'000	Bai Al-Dayn RM'000	Others RM'000	
Term financing:					
- Housing financing	3,717,082	-	-	8,438	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>8,925,895</u>	<u>166,641</u>	<u>1,810</u>	<u>8,438</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 ventures and accounts for the ECL allowance arising thereon.

As at 30 September 2024, the gross exposure and ECL relating to RSIA financing amounted to RM2,165,074,123 (31 December 2023: RM2,412,861,026) and RM33,504,181 (31 December 2023: RM40,134,901), respectively.

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

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

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

	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Maturing within one year	2,171,954	1,109,244
One year to three years	647,126	1,615,575
Three years to five years	296,700	317,040
Over five years	<b>6,113,758</b>	<b>6,060,925</b>
	<b><u>9,229,538</u></b>	<b><u>9,102,784</u></b>

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

	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic non-banking financial institutions:		
- Others	985,058	885,540
Domestic business enterprises:		
- Small and medium enterprises	2,069,599	2,024,980
- Others	2,022,190	2,187,981
Individuals	4,005,806	3,857,355
Foreign entities	<b>146,885</b>	<b>146,928</b>
	<b><u>9,229,538</u></b>	<b><u>9,102,784</u></b>

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

	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate:		
- Other fixed rate financing	240,848	294,391
Variable rate:		
- Base rate/base financing rate-plus	5,339,100	5,227,580
- Cost-plus	<b>3,649,590</b>	<b>3,580,813</b>
	<b><u>9,229,538</u></b>	<b><u>9,102,784</u></b>

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

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

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

	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Agriculture, hunting, forestry and fishing	295,191	322,389
Mining and quarrying	42,155	19,388
Manufacturing	853,309	1,005,253
Electricity, gas and water	545,089	499,988
Construction	354,596	331,579
Wholesale, retail trade, restaurants and hotels	1,131,700	1,145,559
Transport, storage and communication	186,869	125,856
Finance, takaful and business services	1,167,157	1,168,755
Real estate	422,461	395,818
Community, social and personal services	77,841	83,916
Households:		
- Purchase of residential properties	3,883,621	3,733,537
- Purchase of non-residential properties	202,526	202,685
- Others	67,023	68,061
	<b>9,229,538</b>	<b>9,102,784</b>

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

	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
In Malaysia	9,082,653	8,955,856
Outside Malaysia	146,885	146,928
	<b>9,229,538</b>	<b>9,102,784</b>

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**36. 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 September 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	5,914	(3,627)	(2,287)	-
Transferred to Stage 2	(833)	4,215	(3,382)	-
Transferred to Stage 3	(82)	(3,295)	3,377	-
Net remeasurement of allowance	(6,292)	9,618	5,849	9,175
Allowance made	12,869	27,068	7,640	47,577
Maturity/settlement/repayment	(5,054)	(30,466)	(19,216)	(54,736)
Exchange differences	(44)	-	-	(44)
Net total	6,478	3,513	(8,019)	1,972
Amount written-off	-	-	(8,968)	(8,968)
At 30 September 2024	<b>24,134</b>	<b>56,250</b>	<b>35,144</b>	<b>115,528</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>

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**36. 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-Sep-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	67,238	100,347
Amount recovered	(29,919)	(21,636)
Reclassified as non credit-impaired	(33,640)	(14,579)
Amount written-off	(8,981)	(100,064)
Gross credit-impaired financing, advances and others	<u>210,109</u>	<u>215,411</u>
Less: Stage 3 - Lifetime ECL credit-impaired	<u>(35,144)</u>	<u>(52,131)</u>
Net credit-impaired financing, advances and others	<u>174,965</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 sector:**

	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Manufacturing	8,957	6,659
Construction	27,704	28,788
Wholesale, retail trade, restaurants and hotels	18,891	16,842
Transport, storage and communication	2,035	5,558
Finance, takaful and business services	3,271	2,544
Community, social and personal services	1,986	4,067
Households:		
- Purchase of residential properties	141,140	142,734
- Purchase of non-residential properties	4,252	6,820
- Others	1,873	1,399
	<u>210,109</u>	<u>215,411</u>

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

	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
In Malaysia	205,257	210,845
Outside Malaysia	4,852	4,566
	<u>210,109</u>	<u>215,411</u>

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

**e. Other assets**

	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Other receivables, deposits and prepayments	<b>7,101</b>	4,975
Income receivable	<b>35,996</b>	25,452
Less: Allowance for ECL	<b>(28)</b>	(9)
	<b><u>43,069</u></b>	<u>30,418</u>

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>As at 30 September 2024</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2024	5	4	-	9
Allowance made	12	11	-	23
Maturity/settlement/repayment	(2)	(2)	-	(4)
Net total	10	9	-	19
At 30 September 2024	<b>15</b>	<b>13</b>	-	<b>28</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>9</b>

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**36. 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 September 2024</b>			
Foreign exchange related contracts:			
- Forwards	4,025,687	12,036	377,725
- Swaps	6,252,602	407,588	40,911
Profit rate related contracts:			
- Swaps	990,000	175	167
	<u>990,000</u>	<u>419,798</u>	<u>418,803</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>800,000</u>	<u>34,266</u>	<u>33,205</u>



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

**g. Deposits from customers**

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

	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Non-mudarabah fund</u>		
Demand deposits:		
- Tawarruq	<b>280,761</b>	188,909
- Qard	<b>898,371</b>	700,795
Savings deposits:		
- Tawarruq	<b>112,506</b>	111,699
- Qard	<b>17,557</b>	18,459
Fixed deposits:		
- Tawarruq	<b>4,123,477</b>	3,898,493
Other deposits:		
- Tawarruq	<b>136,431</b>	232,310
	<b><u>5,569,103</u></b>	<b><u>5,150,665</u></b>

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

	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Due within six months	<b>3,391,066</b>	1,384,749
Six months to one year	<b>732,411</b>	2,513,672
One year to three years	<b>-</b>	72
	<b><u>4,123,477</u></b>	<b><u>3,898,493</u></b>

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

	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Business enterprises	<b>1,391,363</b>	1,437,124
Individuals	<b>3,181,003</b>	2,785,756
Foreign entities	<b>385,323</b>	364,853
Others	<b>611,414</b>	562,932
	<b><u>5,569,103</u></b>	<b><u>5,150,665</u></b>

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

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

	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Mudarabah RSIA</u>		
Conventional Banking	<b>3,850,573</b>	4,412,315
Amount receivable from Conventional Banking	<b>(33,504)</b>	(40,135)
	<b><u>3,817,069</u></b>	<b><u>4,372,180</u></b>

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

	<b>30-Sep-24</b>	<b>31-Dec-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Non-mudarabah fund</u>		
Bank Negara Malaysia	<b>17,119</b>	-
Other financial institutions	<b>3,824,576</b>	4,501,649
	<b><u>3,841,695</u></b>	<b><u>4,501,649</u></b>

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

**j. Other liabilities**

	30-Sep-24 RM'000	31-Dec-23 RM'000
Allowance for ECL on commitments and contingencies	10,264	11,275
Profit payable	35,880	33,908
Accruals and provisions for operational expenses	354	1,098
Other payables and accruals	1,894	10,185
Deferred income	4,418	5,758
	<b>52,810</b>	<b>62,224</b>

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

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12-months ECL RM'000	Lifetime ECL non credit- impaired RM'000	Lifetime ECL credit- impaired RM'000	
<b>As at 30 September 2024</b>				
At 1 January 2024	10,608	667	-	11,275
Transferred to Stage 1	62	(62)	-	-
Transferred to Stage 2	(13)	13	-	-
Net remeasurement of allowance	(23)	148	-	125
Allowance made	2,660	234	-	2,894
Maturity/settlement/repayment	(3,647)	(360)	-	(4,007)
Exchange differences	(10)	(13)	-	(23)
Net total	(971)	(40)	-	(1,011)
At 30 September 2024	<b>9,637</b>	<b>627</b>	<b>-</b>	<b>10,264</b>
<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	<b>10,608</b>	<b>667</b>	<b>-</b>	<b>11,275</b>

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

**k. Subordinated sukuk**

	<b>30-Sep-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-Sep-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>4,378</b>	1,316
Retained profits	<b>237,105</b>	160,434
	<b>691,483</b>	<b>611,750</b>

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

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

	Third Quarter ended		Nine Months ended	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and hibah</u>				
Financing, advances and others	<b>70,809</b>	64,417	<b>203,493</b>	179,750
Credit-impaired financing, advances and others	<b>1,254</b>	591	<b>4,634</b>	3,679
Money at call and deposit placements with financial institutions	<b>3,436</b>	5,943	<b>3,436</b>	9,778
Financial assets at FVTPL	<b>2,521</b>	-	<b>4,145</b>	-
Debt instruments at FVOCI	<b>13,228</b>	10,209	<b>35,556</b>	22,286
Debt instruments at amortised cost	<b>4,622</b>	10,126	<b>22,151</b>	30,232
	<b>95,870</b>	91,286	<b>273,415</b>	245,725
Amortisation of premiums, net	<b>(929)</b>	(1,973)	<b>(5,048)</b>	(7,568)
<b>Total finance income and hibah</b>	<b>94,941</b>	89,313	<b>268,367</b>	238,157
<u>Other operating income</u>				
Trading income	<b>4,252</b>	464	<b>6,766</b>	2,132
Commission income	<b>3,832</b>	2,855	<b>9,950</b>	6,351
Fee income	<b>1,963</b>	678	<b>7,680</b>	11,055
Others	<b>41</b>	26	<b>100</b>	73
<b>Total other operating income</b>	<b>10,088</b>	4,023	<b>24,496</b>	19,611
<b>Total</b>	<b>105,029</b>	93,336	<b>292,863</b>	257,768

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

	Third Quarter ended		Nine Months ended	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and hibah</u>				
Financing, advances and others	<b>7,726</b>	6,496	<b>22,043</b>	18,185
Credit-impaired financing, advances and others	<b>137</b>	60	<b>498</b>	370
Money at call and deposit placements with financial institutions	<b>376</b>	609	<b>376</b>	999
Financial assets at FVTPL	<b>275</b>	-	<b>459</b>	-
Debt instruments at FVOCI	<b>1,442</b>	1,030	<b>3,833</b>	2,254
Debt instruments at amortised cost	<b>504</b>	1,021	<b>2,398</b>	3,057
	<b>10,460</b>	9,216	<b>29,607</b>	24,865
Amortisation of premiums, net	<b>(100)</b>	(202)	<b>(546)</b>	(768)
<b>Total finance income and hibah</b>	<b>10,360</b>	9,014	<b>29,061</b>	24,097

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

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

	Third Quarter ended		Nine Months ended	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	RM'000	RM'000	RM'000	RM'000
<u>Other operating income</u>				
Trading income	462	47	729	217
Commission income	419	289	1,089	642
Fee income	212	68	823	1,139
Others	5	2	11	7
<b>Total other operating income</b>	<b>1,098</b>	<b>406</b>	<b>2,652</b>	<b>2,005</b>
<b>Total</b>	<b>11,458</b>	<b>9,420</b>	<b>31,713</b>	<b>26,102</b>

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

	Third Quarter ended		Nine Months ended	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and hibah</u>				
Financing, advances and others	27,288	31,922	95,254	93,958
Money at call and deposit placements with financial institutions	10,806	7,437	32,089	22,077
	<b>38,094</b>	<b>39,359</b>	<b>127,343</b>	<b>116,035</b>
<u>Other operating income</u>				
Fee income	637	447	1,612	1,722
<b>Total</b>	<b>38,731</b>	<b>39,806</b>	<b>128,955</b>	<b>117,757</b>

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

	Third Quarter ended		Nine Months ended	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	RM'000	RM'000	RM'000	RM'000
Profit distributed to depositors from non-mudarabah fund	66,900	72,644	194,945	187,311
Subordinated sukuk	5,054	-	12,964	-
	<b>71,954</b>	<b>72,644</b>	<b>207,909</b>	<b>187,311</b>

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

	Third Quarter ended		Nine Months ended	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	RM'000	RM'000	RM'000	RM'000
Profit distributed to investment account holders from mudarabah fund	<b>30,877</b>	31,488	<b>102,277</b>	93,068

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

	Third Quarter ended		Nine Months ended	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	RM'000	RM'000	RM'000	RM'000
Financing, advances and others:				
- Stage 1 - 12-month ECL	<b>4,128</b>	(988)	<b>6,478</b>	6,293
- Stage 2 - Lifetime ECL non credit-impaired	<b>(15,079)</b>	(5,354)	<b>3,513</b>	65,686
- Stage 3 - Lifetime ECL credit-impaired	<b>2,060</b>	6,122	<b>(8,019)</b>	16,461
Movement in ECL for RSIA holder*	<b>10,274</b>	17,569	<b>5,735</b>	(45,536)
	<b>1,383</b>	17,349	<b>7,707</b>	42,904
Credit-impaired financing, advances and others:				
- Written-off	<b>420</b>	49	<b>699</b>	397
- Recovered	<b>(7)</b>	(6)	<b>(22)</b>	(1,080)
	<b>1,796</b>	17,392	<b>8,384</b>	42,221
Other financial assets:				
- Stage 1 - 12-month ECL	<b>(4)</b>	(183)	<b>(79)</b>	(1,141)
- Stage 2 - Lifetime ECL non credit-impaired	<b>(16)</b>	(27)	<b>9</b>	(548)
	<b>(20)</b>	(210)	<b>(70)</b>	(1,689)
Commitments and contingencies:				
- Stage 1 - 12-month ECL	<b>(7)</b>	376	<b>(971)</b>	(1,236)
- Stage 2 - Lifetime ECL non credit-impaired	<b>(329)</b>	(187)	<b>(40)</b>	1,005
Movement in ECL for RSIA holder*	<b>(409)</b>	(2,525)	<b>896</b>	(2,458)
	<b>(745)</b>	(2,336)	<b>(115)</b>	(2,689)
Total	<b>1,031</b>	14,846	<b>8,199</b>	37,843

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

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**s. Other operating expenses**

	Third Quarter ended		Nine Months ended	
	30-Sep-24 RM'000	30-Sep-23 RM'000	30-Sep-24 RM'000	30-Sep-23 RM'000
Personnel expenses	1,184	752	3,168	3,374
Establishment expenses	1,278	1,750	3,868	5,355
Marketing expenses	26	58	124	238
General administrative expenses	8,910	8,302	26,854	24,061
	<b>11,398</b>	<b>10,862</b>	<b>34,014</b>	<b>33,028</b>
<u>Personnel expenses</u>				
Wages, salaries and bonus	798	549	2,439	2,708
Defined contribution plan	174	87	431	431
Other employee benefits	212	116	298	235
	<b>1,184</b>	<b>752</b>	<b>3,168</b>	<b>3,374</b>
<u>Establishment expenses</u>				
Depreciation of plant and equipment	475	476	1,426	1,427
Information technology costs	388	489	1,196	1,319
Repair and maintenance	4	2	39	38
Short-term lease expenses	26	8	70	61
Others	385	775	1,137	2,510
	<b>1,278</b>	<b>1,750</b>	<b>3,868</b>	<b>5,355</b>
<u>Marketing expenses</u>				
Advertisement and publicity	26	58	124	238
<u>General administrative expenses</u>				
Fees and commissions paid	250	124	1,206	425
Management fee	8,562	8,031	25,399	22,994
Others	98	147	249	642
	<b>8,910</b>	<b>8,302</b>	<b>26,854</b>	<b>24,061</b>



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

**t. Commitments and contingencies**

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

	<b>Principal amount RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted amount RM'000</b>
<b>As at 30 September 2024</b>			
Direct credit substitutes	165,342	165,342	145,241
Transaction-related contingent items	220,844	110,427	112,687
Short-term self-liquidating trade-related contingencies	17,658	3,532	1,603
Foreign exchange related contracts:			
- Less than one year	10,257,626	92,125	24,121
- More than one year	20,663	512	66
Profit rate related contracts:			
- Less than one year	890,000	784	113
- More than one year to less than five years	100,000	1,004	489
Undrawn credit facility:			
- Less than one year	658,643	13,385	4,333
- More than one year	742,105	540,639	345,203
- Unconditionally cancellable	1,036,520	-	-
<b>Total</b>	<b>14,109,401</b>	<b>927,750</b>	<b>633,856</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>

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

**u. Capital management and capital adequacy**

The capital adequacy ratios of Islamic Banking window are computed in accordance with the BNM Capital Adequacy Framework for Islamic Banking (Capital Components) issued on 15 December 2023 and Basel II - Risk-weighted Assets Framework for Islamic Banking issued on 18 December 2023.

	<b>30-Sep-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>4,378</b>	1,316
Regulatory adjustments applied in the calculation of CET1 Capital	<b>(14,634)</b>	<b>(13,220)</b>
Total CET1/Tier 1 Capital	<b>646,510</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>8,037</b>	935
- General provisions	<b>786</b>	680
Total Tier 2 Capital	<b>508,823</b>	<b>1,615</b>
Total Capital	<b>1,155,333</b>	<b>600,145</b>

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**36. 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-Sep-24</b> <b>RM'000</b>	<b>31-Dec-23</b> <b>RM'000</b>
<b>Before the effects of RSIA</b>		
CET1/Tier 1 Capital	<b>10.438%</b>	9.498%
Total Capital	<b>18.661%</b>	9.532%
<b>After the effects of RSIA</b>		
CET1/Tier 1 Capital	<b>15.685%</b>	15.850%
Total Capital	<b>28.029%</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 September 2024, credit risk related to RSIA assets excluded from the total capital ratio calculation amounted to RM2,071,986,786 (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-Sep-24</b> <b>RM'000</b>	<b>31-Dec-23</b> <b>RM'000</b>
Total RWA for credit risk	<b>3,812,109</b>	3,484,315
Total RWA for market risk	<b>6,074</b>	4,976
Total RWA for operational risk	<b>303,695</b>	286,865
	<b>4,121,878</b>	3,776,156