

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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
31 MARCH 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 31 MARCH 2024

	Note	Group		Bank	
		31-Mar-24 RM'000	31-Dec-23 RM'000	31-Mar-24 RM'000	31-Dec-23 RM'000
ASSETS					
Cash and short-term funds	11	9,115,502	5,237,169	9,115,502	5,237,169
Deposits and placements with financial institutions	12	2,199,508	799,826	2,199,508	799,826
Securities purchased under resale agreements		299,518	459,320	299,518	459,320
Financial assets at fair value through profit or loss ("FVTPL")	13	5,085,099	5,274,798	5,085,099	5,274,798
Debt instruments at fair value through other comprehensive income ("FVOCI")	14	18,022,306	22,341,947	18,022,306	22,341,947
Equity instruments at fair value through other comprehensive income ("FVOCI")	15	218,200	218,194	218,200	218,194
Debt Instruments at amortised cost	16	9,851,668	9,851,072	9,851,668	9,851,072
Loans, advances and financing	17	104,455,640	104,624,357	104,755,339	104,927,554
Derivative financial assets	18	1,196,713	1,355,349	1,196,713	1,355,349
Other assets	19	1,877,527	1,679,473	1,893,563	1,690,570
Statutory deposits with Bank Negara Malaysia		1,530,533	1,567,533	1,530,533	1,567,533
Investment in subsidiaries		-	-	350,020	350,020
Investment in an associate		418	418	4,759	4,758
Property, plant and equipment		1,406,072	1,402,720	659,953	652,268
Right-of-use assets		71,056	77,676	477,179	508,554
Intangible assets	20	462,999	466,274	462,999	466,274
Tax recoverable		70,516	2,170	68,536	297
Deferred tax assets		317,386	379,671	306,057	368,342
TOTAL ASSETS		156,180,661	155,737,967	156,497,452	156,073,845
LIABILITIES					
Deposits from customers	21	116,838,097	116,034,201	116,880,413	116,065,349
Deposits and placements of banks and other financial institutions	22	13,481,462	14,015,165	13,481,482	14,015,185
Obligations on securities sold under repurchase agreements		2,922,814	2,916,732	2,922,814	2,916,732
Bills and acceptances payable		311,704	297,505	311,704	297,505
Derivative financial liabilities	18	1,152,084	1,493,000	1,152,084	1,493,000
Other liabilities	23	4,550,468	5,017,421	4,514,479	4,980,194
Lease liabilities		78,088	84,147	495,663	532,075
Subordinated bonds/sukuk	24	2,249,131	1,749,728	2,249,131	1,749,728
Deferred tax liabilities		27,828	27,828	-	-
TOTAL LIABILITIES		141,611,676	141,635,727	142,007,770	142,049,768

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION (Cont'd.)
AS AT 31 MARCH 2024

	Group		Bank	
Note	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
EQUITY ATTRIBUTABLE TO				
EQUITY HOLDERS OF				
THE BANK				
Share capital	792,555	792,555	792,555	792,555
Reserves	13,776,430	13,309,685	13,697,127	13,231,522
TOTAL EQUITY	14,568,985	14,102,240	14,489,682	14,024,077
TOTAL LIABILITIES AND EQUITY	156,180,661	155,737,967	156,497,452	156,073,845
COMMITMENTS AND				
CONTINGENCIES				
33	264,720,564	250,225,249	264,720,564	250,225,249

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

Company No. 199301017069 (271809K)

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

Group	Note	First Quarter Ended		Three Months Ended	
		31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
Operating revenue	25	2,307,446	2,169,293	2,307,446	2,169,293
Interest income	26	1,680,155	1,591,736	1,680,155	1,591,736
Interest expense	27	(988,843)	(851,756)	(988,843)	(851,756)
Net interest income		691,312	739,980	691,312	739,980
Net income from Islamic					
Banking operations	36	44,418	36,688	44,418	36,688
Other operating income	28	433,722	413,143	433,722	413,143
Operating income		1,169,452	1,189,811	1,169,452	1,189,811
Other operating expenses	29	(568,399)	(604,975)	(568,399)	(604,975)
Operating profit before allowance for expected credit losses ("ECL") (Allowance for)/write-back of ECL on:		601,053	584,836	601,053	584,836
- Loans, advances and financing	30	(6,411)	(11,437)	(6,411)	(11,437)
- Other financial assets	30	14,990	31,237	14,990	31,237
- Commitments and contingencies	30	19,071	13,648	19,071	13,648
Profit before taxation		628,703	618,284	628,703	618,284
Income tax expense		(150,370)	(147,481)	(150,370)	(147,481)
Profit for the period attributable to equity holders of the Bank		478,333	470,803	478,333	470,803
Basic/diluted earnings per share (sen)		101.8	100.2	101.8	100.2

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 PROFIT OR LOSS (Cont'd.)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

Bank	Note	First Quarter Ended		Three Months Ended	
		31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
Operating revenue	25	2,310,390	2,170,168	2,310,390	2,170,168
Interest income	26	1,684,019	1,592,669	1,684,019	1,592,669
Interest expense	27	(992,704)	(858,836)	(992,704)	(858,836)
Net interest income		691,315	733,833	691,315	733,833
Net income from Islamic					
Banking operations	36	44,418	36,688	44,418	36,688
Other operating income	28	432,838	413,085	432,838	413,085
Operating income		1,168,571	1,183,606	1,168,571	1,183,606
Other operating expenses	29	(568,266)	(601,218)	(568,266)	(601,218)
Operating profit before allowance for ECL		600,305	582,388	600,305	582,388
(Allowance for)/write-back of ECL on:					
- Loans, advances and financing	30	(6,808)	(11,332)	(6,808)	(11,332)
- Other financial assets	30	14,963	31,233	14,963	31,233
- Commitments and contingencies	30	19,071	13,648	19,071	13,648
Profit before taxation		627,531	615,937	627,531	615,937
Income tax expense		(150,338)	(145,781)	(150,338)	(145,781)
Profit for the period attributable to equity holders of the Bank		477,193	470,156	477,193	470,156
Basic/diluted earnings per share (sen)		101.5	100.0	101.5	100.0

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 COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

Group	First Quarter Ended		Three Months Ended	
	31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
Profit for the period	478,333	470,803	478,333	470,803
<i>Other comprehensive income/(loss):</i>				
<u>Items that will be reclassified</u>				
<u>subsequently to profit or loss:</u>				
Net fair value changes in debt instruments at FVOCI	(14,687)	165,686	(14,687)	165,686
Income tax effect	3,094	(39,809)	3,094	(39,809)
	(11,593)	125,877	(11,593)	125,877
<u>Items that will not be reclassified</u>				
<u>subsequently to profit or loss:</u>				
Net fair value changes in equity instruments at FVOCI	6	30	6	30
Income tax effect	(1)	(7)	(1)	(7)
	5	23	5	23
Total other comprehensive (loss)/income for the financial period, net of tax	(11,588)	125,900	(11,588)	125,900
Total comprehensive income for the financial period attributable to equity holders	466,745	596,703	466,745	596,703

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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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME (Cont'd.)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

	First Quarter Ended		Three Months Ended	
	31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
Bank				
Profit for the period	477,193	470,156	477,193	470,156
<i>Other comprehensive income/(loss):</i>				
<u>Items that will be reclassified</u>				
<u>subsequently to profit or loss:</u>				
Net fair value changes in debt instruments at FVOCI	(14,687)	165,686	(14,687)	165,686
Income tax effect	3,094	(39,809)	3,094	(39,809)
	(11,593)	125,877	(11,593)	125,877
<u>Items that will not be reclassified</u>				
<u>subsequently to profit or loss:</u>				
Net fair value changes in equity instruments at FVOCI	6	30	6	30
Income tax effect	(1)	(7)	(1)	(7)
	5	23	5	23
Total other comprehensive (loss)/income for the financial period, net of tax	(11,588)	125,900	(11,588)	125,900
Total comprehensive income for the financial period attributable to equity holders	465,605	596,056	465,605	596,056

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
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

Group	← Non-distributable →			Distributable	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	-	-	-	478,333	478,333
Other comprehensive loss	-	-	(11,588)	-	(11,588)
Total comprehensive (loss)/income for the financial period	-	-	(11,588)	478,333	466,745
At 31 March 2024	792,555	233,477	67,805	13,475,148	14,568,985
At 1 January 2023	792,555	233,495	(166,561)	11,447,521	12,307,010
Profit for the financial period	-	-	-	470,803	470,803
Other comprehensive income	-	-	125,900	-	125,900
Total comprehensive income for the financial period	-	-	125,900	470,803	596,703
At 31 March 2023	792,555	233,495	(40,661)	11,918,324	12,903,713

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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**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (Cont'd.)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

	Non-distributable		Distributable	Total RM'000
	Share capital RM'000	FVOCI reserve RM'000	Retained profits RM'000	
Bank				
At 1 January 2024	792,555	72,490	13,159,032	14,024,077
Profit for the financial period	-	-	477,193	477,193
Other comprehensive loss	-	(11,588)	-	(11,588)
Total comprehensive (loss)/income for the financial period	-	(11,588)	477,193	465,605
At 31 March 2024	792,555	60,902	13,636,225	14,489,682
At 1 January 2023	792,555	(173,464)	11,616,857	12,235,948
Profit for the financial period	-	-	470,156	470,156
Other comprehensive income	-	125,900	-	125,900
Total comprehensive income for the financial period	-	125,900	470,156	596,056
At 31 March 2023	792,555	(47,564)	12,087,013	12,832,004

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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**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

	Group		Bank	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	628,703	618,284	627,531	615,937
Adjustments for non-operating and non-cash items	(448,396)	(472,447)	(442,012)	(467,522)
Operating profit before working capital changes	180,307	145,837	185,519	148,415
Changes in working capital:				
Net changes in operating assets	504,456	2,555,128	502,590	2,551,714
Net changes in operating liabilities	(315,891)	(1,297,899)	(302,876)	(1,278,902)
Tax paid	(153,338)	(186,396)	(153,199)	(185,065)
Net cash generated from operating activities	215,534	1,216,670	232,034	1,236,162
Net cash generated from/(used in) investing activities	4,569,218	(3,422,026)	4,569,406	(3,421,915)
Net cash generated from/(used in) financing activities	495,424	(5,924)	478,736	(24,527)
Net increase/(decrease) in cash and cash equivalents	5,280,176	(2,211,280)	5,280,176	(2,210,280)
Cash and cash equivalents at beginning of the financial period	6,050,313	7,696,923	6,050,313	7,696,923
Cash and cash equivalents at end of the financial period	11,330,489	5,485,643	11,330,489	5,485,643
Analysis of cash and cash equivalents				
Cash and short-term funds	9,130,489	5,485,643	9,130,489	5,485,643
Deposits and placements with financial institutions	2,200,000	-	2,200,000	-
	11,330,489	5,485,643	11,330,489	5,485,643
Less: Allowance for ECL	(15,479)	(6,087)	(15,479)	(6,087)
	11,315,010	5,479,556	11,315,010	5,479,556

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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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 significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2023, except for the adoption of the following 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)

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

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

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UNITED OVERSEAS BANK (MALAYSIA) BHD

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EXPLANATORY NOTES

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2023 was not subject to any qualification.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

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

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

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group and of the Bank for the financial period ended 31 March 2024.

5. CHANGES IN ESTIMATES

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

There was no proposed dividend for the financial period ended 31 March 2024.

9. SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING DATE

There were no material events subsequent to the end of the reporting period that require disclosure or adjustments to the unaudited condensed interim financial statements.

10. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the financial period ended 31 March 2024.

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EXPLANATORY NOTES

11. CASH AND SHORT-TERM FUNDS

	Group and Bank	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Cash and balances with banks and other financial institutions	3,765,009	2,571,713
Money at call and deposit placements maturing within one month	5,365,480	2,678,600
	9,130,489	5,250,313
Less: Allowance for ECL	(14,987)	(13,144)
	9,115,502	5,237,169

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

Group and Bank	Stage 1	Stage 2	Stage 3	Total ECL
	12-month ECL	Lifetime ECL non credit-impaired	Lifetime ECL credit-impaired	
At 31 March 2024	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	13,144	-	-	13,144
Allowance made	2,442	-	-	2,442
Maturity/settlement/repayment	(690)	-	-	(690)
Exchange differences	91	-	-	91
Net total	1,843	-	-	1,843
At 31 March 2024	14,987	-	-	14,987
As at 31 December 2023				
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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EXPLANATORY NOTES

12. DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS

	Group and Bank	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Licensed banks in Malaysia	2,200,000	800,000
Less: Allowance for ECL	<u>(492)</u>	<u>(174)</u>
	<u>2,199,508</u>	<u>799,826</u>

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

	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime ECL	Lifetime ECL	Total ECL
	ECL	non credit-	credit-	
	RM'000	impaired	impaired	RM'000
	RM'000	RM'000	RM'000	RM'000
Group and Bank				
At 31 March 2024				
At 1 January 2024	174	-	-	174
Allowance made	492	-	-	492
Maturity/settlement/repayment	(174)	-	-	(174)
Net total	318	-	-	318
At 31 March 2024	<u>492</u>	<u>-</u>	<u>-</u>	<u>492</u>
As at 31 December 2023				
At 1 January 2023	-	-	-	-
Allowance made	174	-	-	174
At 31 December 2023	<u>174</u>	<u>-</u>	<u>-</u>	<u>174</u>

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

	Group and Bank	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Money market instruments		
Bank Negara Malaysia bills	-	414,214
Malaysian Government treasury bills	522,606	38,557
Negotiable instruments of deposits	2,898,380	3,099,652
	<u>3,420,986</u>	<u>3,552,423</u>
Unquoted securities in Malaysia		
Cagamas bonds	965,683	955,706
Private debt securities	698,430	766,669
	<u>1,664,113</u>	<u>1,722,375</u>
Total financial assets at FVTPL	<u>5,085,099</u>	<u>5,274,798</u>

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EXPLANATORY NOTES

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

	Group and Bank	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Money market instruments		
Bank Negara Malaysia bills	116,719	99,955
Malaysian Government securities	14,922,293	19,372,540
Negotiable instruments of deposits	2,197,771	1,549,813
	<u>17,236,783</u>	<u>21,022,308</u>
Unquoted securities in Malaysia		
Cagamas bonds/sukuk	435,305	515,879
Private debt securities	350,218	803,760
	<u>785,523</u>	<u>1,319,639</u>
Total debt instruments at FVOCI	<u>18,022,306</u>	<u>22,341,947</u>

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>	Total ECL
	12-month ECL	Lifetime ECL non credit-impaired	Lifetime ECL credit-impaired	
Group and Bank	RM'000	RM'000	RM'000	RM'000
At 31 March 2024				
At 1 January 2024	3,841	306	39,960	44,107
Allowance made	710	11	-	721
Maturity/settlement/repayment	(2,086)	(44)	-	(2,130)
Net total	(1,376)	(33)	-	(1,409)
At 31 March 2024	<u>2,465</u>	<u>273</u>	<u>39,960</u>	<u>42,698</u>
As at 31 December 2023				
At 1 January 2023	3,609	400	39,960	43,969
Allowance made	2,716	359	-	3,075
Maturity/settlement/repayment	(2,484)	(453)	-	(2,937)
Net total	232	(94)	-	138
At 31 December 2023	<u>3,841</u>	<u>306</u>	<u>39,960</u>	<u>44,107</u>

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

	Group and Bank	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Quoted securities		
Shares of corporations in Malaysia	947	941
Unquoted securities		
Shares of corporations in Malaysia	217,253	217,253
	<u>218,200</u>	<u>218,194</u>

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16. DEBT INSTRUMENTS AT AMORTISED COST

	Group and Bank	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
Money market instruments		
Malaysian Government securities	7,917,889	7,918,507
Less: Allowance for ECL	(695)	(1,037)
	<u>7,917,194</u>	<u>7,917,470</u>
Unquoted securities in Malaysia		
Private debt securities/sukuk	1,939,722	1,955,054
Less: Allowance for ECL	(5,248)	(21,452)
	<u>1,934,474</u>	<u>1,933,602</u>
Total debt instruments at amortised cost	<u>9,851,668</u>	<u>9,851,072</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	
Group and Bank				
At 31 March 2024				
At 1 January 2024	21,327	1,162	-	22,489
Allowance made	-	170	-	170
Maturity/settlement/repayment	(16,716)	-	-	(16,716)
Net total	(16,716)	170	-	(16,546)
At 31 March 2024	<u>4,611</u>	<u>1,332</u>	<u>-</u>	<u>5,943</u>
As at 31 December 2023				
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	14,683	(17,109)	-	(2,426)
At 31 December 2023	<u>21,327</u>	<u>1,162</u>	<u>-</u>	<u>22,489</u>

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17. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	31-Mar-24 RM'000	31-Dec-23 RM'000	31-Mar-24 RM'000	31-Dec-23 RM'000
At amortised cost				
Overdrafts	2,898,783	3,005,272	2,898,783	3,005,272
Term loans/financing and revolving credits:				
- Housing loans/financing	40,597,599	40,576,911	40,597,599	40,576,911
- Syndicated term loans/financing	2,803,311	2,470,981	2,803,311	2,470,981
- Other term loans/financing	39,646,137	40,099,975	39,948,335	40,405,274
Credit card receivables	8,764,158	8,758,243	8,764,158	8,758,243
Bills receivables	261,726	445,140	261,726	445,140
Trust receipts	6,166,439	6,056,073	6,166,439	6,056,073
Claims on customers under acceptance credits	5,846,573	5,807,544	5,846,573	5,807,544
Staff loans	91,039	77,747	91,039	77,747
	107,075,765	107,297,886	107,377,963	107,603,185
Unearned interest/income	(162,831)	(158,022)	(162,831)	(158,022)
Gross loans, advances and financing	106,912,934	107,139,864	107,215,132	107,445,163
Allowance for ECL on loans, advances and financing:				
- Stage 1 - 12 month ECL	(320,176)	(355,716)	(322,675)	(357,818)
- Stage 2 - Lifetime ECL non credit-impaired	(1,426,214)	(1,405,055)	(1,426,214)	(1,405,055)
- Stage 3 - Lifetime ECL credit-impaired	(710,904)	(754,736)	(710,904)	(754,736)
Net loans, advances and financing	104,455,640	104,624,357	104,755,339	104,927,554

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

	Group		Bank	
	31-Mar-24 RM'000	31-Dec-23 RM'000	31-Mar-24 RM'000	31-Dec-23 RM'000
Maturing within one year	32,700,243	32,777,500	33,002,441	33,082,799
One year to three years	7,662,093	7,926,300	7,662,093	7,926,300
Three years to five years	7,326,146	7,156,662	7,326,146	7,156,662
Over five years	59,224,452	59,279,402	59,224,452	59,279,402
	106,912,934	107,139,864	107,215,132	107,445,163

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

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

	Group		Bank	
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Domestic non-banking financial institutions:				
- Stockbroking companies	10,933	60,933	10,933	60,933
- Others	2,347,039	2,414,720	2,347,039	2,414,720
Domestic business enterprises:				
- Small and medium enterprises	22,946,816	22,867,827	22,946,816	22,867,827
- Others	20,589,241	20,395,273	20,891,439	20,700,572
Individuals	55,767,203	55,793,451	55,767,203	55,793,451
Foreign entities	5,251,702	5,607,660	5,251,702	5,607,660
	106,912,934	107,139,864	107,215,132	107,445,163

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

	Group		Bank	
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Fixed rate:				
- Housing loans/financing	98,187	98,205	98,187	98,205
- Other fixed rate loans/financing	16,591,984	16,634,675	16,591,984	16,634,675
Variable rate:				
- Base rate/base lending/financing rate-plus	61,457,912	61,458,530	61,457,912	61,458,530
- Cost-plus	28,282,084	28,468,767	28,584,282	28,774,066
- Other variable rates	482,767	479,687	482,767	479,687
	106,912,934	107,139,864	107,215,132	107,445,163

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EXPLANATORY NOTES

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

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

	Group		Bank	
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Agriculture, hunting, forestry and fishing	1,022,929	1,335,990	1,022,929	1,335,990
Mining and quarrying	313,454	406,515	313,454	406,515
Manufacturing	9,717,587	9,602,567	9,717,587	9,602,567
Electricity, gas and water	1,389,658	1,360,121	1,389,658	1,360,121
Construction	7,549,607	7,569,748	7,549,607	7,569,748
Wholesale, retail trade, restaurants and hotels	14,372,873	14,454,181	14,372,873	14,454,181
Transport, storage and communication	3,504,064	3,576,063	3,504,064	3,576,063
Finance, insurance and business services	3,764,975	3,812,994	3,764,975	3,812,994
Real estate	4,450,358	4,116,900	4,752,556	4,422,199
Community, social and personal services	201,740	210,961	201,740	210,961
Households:				
- Purchase of residential properties	41,181,321	41,174,921	41,181,321	41,174,921
- Purchase of non-residential properties	7,625,118	7,656,018	7,625,118	7,656,018
- Others	11,819,250	11,862,885	11,819,250	11,862,885
	106,912,934	107,139,864	107,215,132	107,445,163

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

	Group		Bank	
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
In Malaysia	101,661,232	101,532,204	101,963,430	101,837,503
Outside Malaysia	5,251,702	5,607,660	5,251,702	5,607,660
	106,912,934	107,139,864	107,215,132	107,445,163

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

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

	Group and Bank	
	31-Mar-24	31-Dec-23
	RM'000	RM'000
At 1 January	2,831,791	2,833,180
Classified as credit-impaired	329,915	1,417,827
Amounts recovered	(97,900)	(473,051)
Reclassified as non credit-impaired	(72,468)	(354,291)
Amounts written-off	(118,481)	(591,874)
Gross credit-impaired loans, advances and financing	<u>2,872,857</u>	<u>2,831,791</u>
Less: Stage 3 - Lifetime ECL credit-impaired	(710,904)	(754,736)
Net credit-impaired loans, advances and financing	<u>2,161,953</u>	<u>2,077,055</u>
Ratio of net credit-impaired loans, advances and financing to gross loans, advances and financing less allowance for ECL on credit-impaired provisions	<u>2.0%</u>	<u>1.9%</u>

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

Group	Stage 1	Stage 2	Stage 3	Total ECL
	12-month ECL	Lifetime ECL non credit-impaired	Lifetime ECL credit-impaired	
At 31 March 2024	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	355,716	1,405,055	754,736	2,515,507
Transferred to Stage 1	58,817	(56,917)	(1,900)	-
Transferred to Stage 2	(7,117)	15,618	(8,501)	-
Transferred to Stage 3	(295)	(31,134)	31,429	-
Net remeasurement of allowance	(43,848)	58,804	41,869	56,825
Allowance made	54,481	103,906	30,262	188,649
Maturity/settlement/repayment	(97,455)	(69,617)	(48,369)	(215,441)
Exchange differences	(123)	499	-	376
Net total	(35,540)	21,159	44,790	30,409
Amounts written-off	-	-	(88,675)	(88,675)
Other movements	-	-	53	53
At 31 March 2024	<u>320,176</u>	<u>1,426,214</u>	<u>710,904</u>	<u>2,457,294</u>

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

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

Group (cont'd.)	Stage 1	Stage 2	Stage 3	Total ECL
	12-month ECL	Lifetime ECL non credit-impaired	Lifetime ECL credit-impaired	
As at 31 December 2023	RM'000	RM'000	RM'000	RM'000
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
Amounts written-off	-	-	(483,748)	(483,748)
Other movements	-	-	143	143
At 31 December 2023	355,716	1,405,055	754,736	2,515,507
Bank				
At 31 March 2024				
At 1 January 2024	357,818	1,405,055	754,736	2,517,609
Transferred to Stage 1	58,817	(56,917)	(1,900)	-
Transferred to Stage 2	(7,117)	15,618	(8,501)	-
Transferred to Stage 3	(295)	(31,134)	31,429	-
Net remeasurement of allowance	(43,848)	58,804	41,869	56,825
Allowance made	54,878	103,906	30,262	189,046
Maturity/settlement/repayment	(97,455)	(69,617)	(48,369)	(215,441)
Exchange differences	(123)	499	-	376
Net total	(35,143)	21,159	44,790	30,806
Amounts written-off	-	-	(88,675)	(88,675)
Other movements	-	-	53	53
At 31 March 2024	322,675	1,426,214	710,904	2,459,793

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EXPLANATORY NOTES

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

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

Bank (cont'd.) As at 31 December 2023	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 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
Amounts 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) Gross credit-impaired loans, advances and financing analysed by economic sectors:

	Group and Bank	
	31-Mar-24 RM'000	31-Dec-23 RM'000
Mining and quarrying	568	568
Manufacturing	112,154	120,231
Electricity, gas and water	33	38
Construction	690,936	696,605
Wholesale, retail trade, restaurants and hotels	328,133	326,426
Transport, storage and communication	40,802	42,475
Finance, insurance and business services	36,286	32,998
Real estate	227,954	224,104
Community, social and personal services	6,356	6,478
Households:		
- Purchase of residential properties	1,079,443	1,023,314
- Purchase of non-residential properties	173,092	163,853
- Others	177,100	194,701
	2,872,857	2,831,791

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

	Group and Bank	
	31-Mar-24 RM'000	31-Dec-23 RM'000
In Malaysia	2,756,899	2,721,477
Outside Malaysia	115,958	110,314
	2,872,857	2,831,791

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EXPLANATORY NOTES

18. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

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

Group and Bank At 31 March 2024	Contract or underlying principal amount RM'000	Positive fair value RM'000	Negative fair value RM'000
<u>Trading derivatives</u>			
Foreign exchange related contracts:			
- Forwards	20,640,650	156,627	98,687
- Swaps	70,023,162	484,108	370,573
- Options	1,815,043	7,429	3,571
Interest/profit rate related contracts:			
- Swaps	83,094,647	533,846	661,866
- Options	26,083	-	80
Equity-related contracts:			
- Swaps	7,820	-	339
- Options	71,776	1,393	1,852
Commodity related contracts:			
- Swaps	273,082	12,534	13,726
- Futures	24,965	776	104
Credit derivative contracts:			
- Swaps	6,185	-	417
<u>Hedging derivatives</u>			
Interest rate related contracts:			
- Swaps	750,000	-	869
		1,196,713	1,152,084

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

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

Group and Bank (cont'd.) As at 31 December 2023	Contract or underlying principal amount RM'000	Positive fair value RM'000	Negative fair value RM'000
<u>Trading derivatives</u>			
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
<u>Hedging derivatives</u>			
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

	Group		Bank	
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
	RM'000	RM'000	RM'000	RM'000
Other receivables, deposits and prepayments	1,284,959	1,171,851	1,284,569	1,171,640
Accrued interest/income receivables	441,305	381,878	441,305	381,878
Amounts due from subsidiaries	-	-	16,455	11,311
Amounts due from a fellow subsidiaries	89	95	89	94
Amounts due from holding company	43	24	43	24
Amounts due from ultimate holding company	3,102	2,307	3,102	2,307
Precious metal accounts	154,347	128,832	154,347	128,832
Less: Allowance for ECL	(6,318)	(5,514)	(6,347)	(5,516)
	1,877,527	1,679,473	1,893,563	1,690,570

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

Group	Stage 1	Stage 2	Stage 3	Total ECL
	12-month ECL	Lifetime ECL non credit-impaired	Lifetime ECL credit-impaired	
At 31 March 2024	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	2,998	2,516	-	5,514
Allowance made	943	805	-	1,748
Maturity/settlement/repayment	(410)	(561)	-	(971)
Exchange differences	15	12	-	27
Net total	548	256	-	804
At 31 March 2024	3,546	2,772	-	6,318
As at 31 December 2023				
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	
Bank				
At 31 March 2024				
At 1 January 2024	2,999	2,517	-	5,516
Allowance made	959	816	-	1,775
Maturity/settlement/repayment	(410)	(561)	-	(971)
Exchange differences	15	12	-	27
Net total	564	267	-	831
At 31 March 2024	3,563	2,784	-	6,347

As at 31 December 2023

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	2,999	2,517	-	5,516

20. INTANGIBLE ASSETS

Group and Bank 2024	Goodwill RM'000	Other intangible assets* RM'000	Total RM'000
Cost			
At 1 January/31 March	350,557	131,000	481,557
Accumulated amortisation			
At 1 January	-	(15,283)	(15,283)
Amortisation charged for the financial period	-	(3,275)	(3,275)
At 31 March	-	(18,558)	(18,558)
Net carrying amount			
At 31 March	350,557	112,442	462,999

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20. INTANGIBLE ASSETS (Cont'd.)

Group and Bank (cont'd.) 2023	Goodwill RM'000	Other intangible assets* RM'000	Total RM'000
Cost			
At 1 January	363,140	119,000	482,140
Finalisation of Acquisition of Citibank:			
- 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>
Accumulated amortisation			
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>
Net carrying amount			
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

	Group		Bank	
	31-Mar-24 RM'000	31-Dec-23 RM'000	31-Mar-24 RM'000	31-Dec-23 RM'000
Demand deposits	35,820,290	36,069,211	35,861,752	36,099,516
Savings deposits	8,076,415	7,369,404	8,076,415	7,369,404
Fixed deposits	70,202,967	68,984,194	70,202,967	68,984,194
Money market deposits	2,400,613	3,272,928	2,400,613	3,272,928
Others	337,812	338,464	338,666	339,307
	<u>116,838,097</u>	<u>116,034,201</u>	<u>116,880,413</u>	<u>116,065,349</u>

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

	Group		Bank	
	31-Mar-24 RM'000	31-Dec-23 RM'000	31-Mar-24 RM'000	31-Dec-23 RM'000
Due within six months	43,874,605	48,319,386	43,874,605	48,319,386
Six months to one year	28,713,012	23,523,417	28,713,012	23,523,417
One year to three years	15,436	16,188	15,436	16,188
Three years to five years	527	398,131	527	398,131
	<u>72,603,580</u>	<u>72,257,122</u>	<u>72,603,580</u>	<u>72,257,122</u>

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21. DEPOSITS FROM CUSTOMERS (Cont'd.)

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

	Group		Bank	
	31-Mar-24 RM'000	31-Dec-23 RM'000	31-Mar-24 RM'000	31-Dec-23 RM'000
Business enterprises:				
- Subsidiaries	-	-	42,567	31,411
- Related companies	1,249	1,016	1,016	1,016
- Others	52,147,617	51,690,331	52,147,599	51,690,068
Individuals	62,732,599	61,573,994	62,732,599	61,573,994
Others	1,956,632	2,768,860	1,956,632	2,768,860
	116,838,097	116,034,201	116,880,413	116,065,349

22. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	31-Mar-24 RM'000	31-Dec-23 RM'000	31-Mar-24 RM'000	31-Dec-23 RM'000
Licensed banks in Malaysia	595,638	4,001	595,638	4,001
Bank Negara Malaysia	2,087,964	938,050	2,087,964	938,050
Other financial institutions	10,797,860	13,073,114	10,797,880	13,073,134
	13,481,462	14,015,165	13,481,482	14,015,185

23. OTHER LIABILITIES

	Group		Bank	
	31-Mar-24 RM'000	31-Dec-23 RM'000	31-Mar-24 RM'000	31-Dec-23 RM'000
Allowance for ECL on commitments and contingencies	186,646	205,265	186,646	205,265
Accrued interest/profit payables	476,442	541,918	476,442	541,918
Accruals and provisions for operational expenses	598,726	702,074	597,441	699,582
Other payables and accruals	3,268,769	3,545,525	3,234,065	3,510,790
Deferred income	19,885	22,639	19,885	22,639
	4,550,468	5,017,421	4,514,479	4,980,194

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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 At 31 March 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	54,617	(54,617)	-	-
Transferred to Stage 2	(1,941)	1,941	-	-
Net remeasurement of allowance	(48,733)	47,987	-	(746)
Allowance made	16,021	8,604	-	24,625
Maturity/settlement/repayment	(29,717)	(13,312)	(43)	(43,072)
Exchange differences	105	17	-	122
Net total	(9,648)	(9,380)	(43)	(19,071)
Other movements	-	-	452	452
At 31 March 2024	73,751	83,189	29,706	186,646

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	
	31-Mar-24 RM'000	31-Dec-23 RM'000
RM750 million subordinated bond 2020/2030, at par (Note (a))	749,131	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	-
	2,249,131	1,749,728
Accumulated fair value adjustment (gain) for subordinated bonds	(869)	(272)

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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 31 March 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 RM597,000 (31 December 2023: unrealised gain of RM3,001,000) are 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

	First Quarter Ended		Three Months Ended	
	31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
Group				
Loans, advances and financing	1,267,971	1,175,500	1,267,971	1,175,500
Credit-impaired loans, advances and financing	20,737	17,205	20,737	17,205
Money at call and deposit placements with financial institutions	98,204	82,695	98,204	82,695
Financial assets at FVTPL	51,247	55,505	51,247	55,505
Debt instruments at FVOCI	172,788	194,483	172,788	194,483
Debt instruments at amortised cost	93,292	82,174	93,292	82,174
	1,704,239	1,607,562	1,704,239	1,607,562
Amortisation of premium less accretion of discount on:				
- Financial assets at FVTPL	228	9,959	228	9,959
- Debt instruments at FVOCI	(25,805)	(26,869)	(25,805)	(26,869)
- Debt instruments at amortised cost	1,493	1,084	1,493	1,084
	1,680,155	1,591,736	1,680,155	1,591,736
Bank				
Loans, advances and financing	1,271,835	1,176,431	1,271,835	1,176,431
Credit-impaired loans, advances and financing	20,737	17,205	20,737	17,205
Money at call and deposit placements with financial institutions	98,204	82,697	98,204	82,697
Financial assets at FVTPL	51,247	55,505	51,247	55,505
Debt instruments at FVOCI	172,788	194,483	172,788	194,483
Debt instruments at amortised cost	93,292	82,174	93,292	82,174
	1,708,103	1,608,495	1,708,103	1,608,495
Amortisation of premium less accretion of discount on:				
- Financial assets at FVTPL	228	9,959	228	9,959
- Debt instruments at FVOCI	(25,805)	(26,869)	(25,805)	(26,869)
- Debt instruments at amortised cost	1,493	1,084	1,493	1,084
	1,684,019	1,592,669	1,684,019	1,592,669

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27. INTEREST EXPENSE

Group	First Quarter Ended		Three Months Ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	771,758	584,570	771,758	584,570
Deposits and placements of banks and other financial institutions	183,638	230,007	183,638	230,007
Subordinated bonds	17,979	24,245	17,979	24,245
Lease liabilities	687	830	687	830
Others	14,781	12,104	14,781	12,104
	988,843	851,756	988,843	851,756
Bank				
Deposits from customers	771,893	584,660	771,893	584,660
Deposits and placements of banks and other financial institutions	183,638	230,007	183,638	230,007
Subordinated bonds	17,979	24,245	17,979	24,245
Lease liabilities	4,398	7,783	4,398	7,783
Others	14,796	12,141	14,796	12,141
	992,704	858,836	992,704	858,836

28. OTHER OPERATING INCOME

Group	First Quarter Ended		Three Months Ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM'000	RM'000	RM'000	RM'000
<u>Fee income</u>				
Commission	73,136	65,451	73,136	65,451
Guarantee fees	21,340	25,970	21,340	25,970
Service charges and fees	147,114	130,234	147,114	130,234
Less: Fee expenses	(50,322)	(48,014)	(50,322)	(48,014)
	96,792	82,220	96,792	82,220
Commitment fees	7,306	6,913	7,306	6,913
Arrangement and participation fees	6,619	2,261	6,619	2,261
	205,193	182,815	205,193	182,815

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28. OTHER OPERATING INCOME (Cont'd.)

Group (cont'd.)	First Quarter Ended		Three Months Ended	
	31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
<u>Trading and Investment income</u>				
Gain from sale of financial assets at FVTPL	5,597	13,931	5,597	13,931
Unrealised gain on financial assets at FVTPL	9,861	6,824	9,861	6,824
(Loss)/gain from trading derivatives	(82,723)	29,699	(82,723)	29,699
Unrealised gain/(loss) from trading derivatives	62,134	(44,021)	62,134	(44,021)
Unrealised gain/(loss) on fair value adjustment for subordinated bonds	597	(1,816)	597	(1,816)
Gain from sale of precious metals	654	636	654	636
Unrealised gain/(loss) from revaluation of precious metals	119	(10)	119	(10)
Gain from sale/recovery of debt instruments at FVOCI	42,252	53,340	42,252	53,340
Gross dividends from equity instruments at FVOCI	-	1,260	-	1,260
	38,491	59,843	38,491	59,843
<u>Other income</u>				
Foreign exchange gain, net	184,135	163,359	184,135	163,359
Rental income from operating leases	434	185	434	185
Gain on disposal of property, plant and equipment	-	42	-	42
Others	5,469	6,899	5,469	6,899
	190,038	170,485	190,038	170,485
	433,722	413,143	433,722	413,143

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28. OTHER OPERATING INCOME (Cont'd.)

	First Quarter Ended		Three Months Ended	
	31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
Bank				
<u>Fee income</u>				
Commission	73,136	65,451	73,136	65,451
Guarantee fees	21,340	25,997	21,340	25,997
Service charges and fees	146,502	130,334	146,502	130,334
Less: Fee expenses	(50,322)	(48,014)	(50,322)	(48,014)
	96,180	82,320	96,180	82,320
Commitment fees	7,431	6,913	7,431	6,913
Arrangement and participation fees	6,619	2,261	6,619	2,261
	204,706	182,942	204,706	182,942
<u>Trading and Investment income</u>				
Gain from sale of financial assets at FVTPL	5,597	13,931	5,597	13,931
Unrealised gain on financial assets at FVTPL	9,861	6,824	9,861	6,824
(Loss)/gain from trading derivatives	(82,723)	29,699	(82,723)	29,699
Unrealised gain/(loss) from trading derivatives	62,134	(44,021)	62,134	(44,021)
Unrealised gain/(loss) on fair value adjustment for subordinated bonds	597	(1,816)	597	(1,816)
Gain from sale of precious metals	654	636	654	636
Unrealised gain/(loss) from revaluation of precious metals	119	(10)	119	(10)
Gain from sale/recovery of debt instruments at FVOCI	42,252	53,340	42,252	53,340
Gross dividends from equity instruments at FVOCI	-	1,260	-	1,260
	38,491	59,843	38,491	59,843
<u>Other income</u>				
Foreign exchange gain, net	184,135	163,359	184,135	163,359
Gain on disposal of property, plant and equipment	-	42	-	42
Others	5,506	6,899	5,506	6,899
	189,641	170,300	189,641	170,300
	432,838	413,085	432,838	413,085

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29. OTHER OPERATING EXPENSES

Group	First Quarter Ended		Three Months Ended	
	31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
Personnel expenses	325,977	299,916	325,977	299,916
Establishment related expenses	181,638	156,699	181,638	156,699
Promotion and marketing related expenses	18,757	23,726	18,757	23,726
General administrative expenses	42,027	124,634	42,027	124,634
	568,399	604,975	568,399	604,975
<u>Personnel expenses</u>				
Wages, salaries and bonus	259,057	237,648	259,057	237,648
Defined contribution plan	37,069	35,282	37,069	35,282
Other employee benefits	29,851	26,986	29,851	26,986
	325,977	299,916	325,977	299,916
<u>Establishment related expenses</u>				
Depreciation of property, plant and equipment	33,763	34,520	33,763	34,520
Depreciation of right-of-use assets	5,099	5,699	5,099	5,699
Amortisation of intangible assets	3,275	2,975	3,275	2,975
Information technology costs	102,332	72,979	102,332	72,979
Repair and maintenance	17,915	20,900	17,915	20,900
Short-term lease expenses	419	201	419	201
Others	18,835	19,425	18,835	19,425
	181,638	156,699	181,638	156,699
<u>Promotion and marketing related expenses</u>				
Advertisement and publicity	18,757	23,726	18,757	23,726
<u>General administrative expenses</u>				
Fees and commissions paid	11,028	17,905	11,028	17,905
Others	30,999	106,729	30,999	106,729
	42,027	124,634	42,027	124,634

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29. OTHER OPERATING EXPENSES (Cont'd.)

Bank	First Quarter Ended		Three Months Ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM'000	RM'000	RM'000	RM'000
Personnel expenses	324,515	298,544	324,515	298,544
Establishment related expenses	183,268	154,523	183,268	154,523
Promotion and marketing related expenses	18,750	23,707	18,750	23,707
General administrative expenses	41,733	124,444	41,733	124,444
	568,266	601,218	568,266	601,218
<u>Personnel expenses</u>				
Wages, salaries and bonus	257,840	236,549	257,840	236,549
Defined contribution plan	36,888	35,111	36,888	35,111
Other employee benefits	29,787	26,884	29,787	26,884
	324,515	298,544	324,515	298,544
<u>Establishment related expenses</u>				
Depreciation of property, plant and equipment	29,241	26,724	29,241	26,724
Depreciation of right-of-use assets	11,870	12,557	11,870	12,557
Amortisation of intangible assets	3,275	2,975	3,275	2,975
Information technology costs	102,332	72,979	102,332	72,979
Repair and maintenance	17,898	21,131	17,898	21,131
Short-term lease expenses	1,191	816	1,191	816
Others	17,461	17,341	17,461	17,341
	183,268	154,523	183,268	154,523
<u>Promotion and marketing related expenses</u>				
Advertisement and publicity	18,750	23,707	18,750	23,707
<u>General administrative expenses</u>				
Fees and commissions paid	10,993	17,726	10,993	17,726
Others	30,740	106,718	30,740	106,718
	41,733	124,444	41,733	124,444

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

Group	First Quarter Ended		Three Months Ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing:				
- Stage 1 ECL	(35,540)	(44,267)	(35,540)	(44,267)
- Stage 2 ECL	21,159	2,687	21,159	2,687
- Stage 3 ECL	44,790	75,840	44,790	75,840
	30,409	34,260	30,409	34,260
Credit-impaired loans, advances and financing:				
- Written-off	32,582	27,603	32,582	27,603
- Recovered	(56,580)	(50,426)	(56,580)	(50,426)
	6,411	11,437	6,411	11,437
Other financial assets:				
- Stage 1 ECL	(15,383)	(24,801)	(15,383)	(24,801)
- Stage 2 ECL	393	(6,436)	393	(6,436)
	(14,990)	(31,237)	(14,990)	(31,237)
Commitments and contingencies:				
- Stage 1 ECL	(9,648)	(9,452)	(9,648)	(9,452)
- Stage 2 ECL	(9,380)	(3,658)	(9,380)	(3,658)
- Stage 3 ECL	(43)	(538)	(43)	(538)
	(19,071)	(13,648)	(19,071)	(13,648)
Total	(27,650)	(33,448)	(27,650)	(33,448)

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

Bank	First Quarter Ended		Three Months Ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing:				
- Stage 1 ECL	(35,143)	(44,372)	(35,143)	(44,372)
- Stage 2 ECL	21,159	2,687	21,159	2,687
- Stage 3 ECL	44,790	75,840	44,790	75,840
	30,806	34,155	30,806	34,155
Credit-impaired loans, advances and financing:				
- Written-off	32,582	27,603	32,582	27,603
- Recovered	(56,580)	(50,426)	(56,580)	(50,426)
	6,808	11,332	6,808	11,332
Other financial assets:				
- Stage 1 ECL	(15,367)	(24,792)	(15,367)	(24,792)
- Stage 2 ECL	404	(6,441)	404	(6,441)
	(14,963)	(31,233)	(14,963)	(31,233)
Commitments and contingencies:				
- Stage 1 ECL	(9,648)	(9,452)	(9,648)	(9,452)
- Stage 2 ECL	(9,380)	(3,658)	(9,380)	(3,658)
- Stage 3 ECL	(43)	(538)	(43)	(538)
	(19,071)	(13,648)	(19,071)	(13,648)
Total	(27,226)	(33,549)	(27,226)	(33,549)

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31. SEGMENT INFORMATION

Operating Segments

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

Retail

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

Wholesale Banking ("WB")

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

Global Markets ("GM")

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

Others

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

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31. SEGMENT INFORMATION (Cont'd.)

Operating segments (cont'd.)

Group	Retail	WB	GM	Others	Total segments	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
For period ended 31 March 2024							
Operating income	485,674	539,397	107,022	51,085	1,183,178	(13,726)	1,169,452
Other operating expenses	(311,179)	(159,633)	(27,954)	(87,246)	(586,012)	17,613	(568,399)
Allowance for/(write-back of) ECL	(7,312)	34,532	-	-	27,220	430	27,650
Profit before taxation	167,183	414,296	79,068	(36,161)	624,386	4,317	628,703
Income tax expense							(150,370)
Profit after taxation							478,333

Other information

For period ended 31 March 2024

Inter-segment operating income/(loss)	102,414	16,323	(178,206)	73,195	13,726	(13,726)	-
Depreciation of property, plant and equipment and right-of-use assets	11,488	6,768	995	26,565	45,816	(6,954)	38,862

At 31 March 2024

Gross loans, advances and financing	60,562,624	45,974,686	-	677,822	107,215,132	(302,198)	106,912,934
Deposits from customers	69,568,921	47,307,683	-	4,060	116,880,664	(42,567)	116,838,097

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31. SEGMENT INFORMATION (Cont'd.)

Operating segments (cont'd.)

Group (cont'd.)	Retail RM'000	WB RM'000	GM RM'000	Others RM'000	Total segments RM'000	Eliminations RM'000	Total RM'000
For period ended 31 March 2023							
Operating income	441,334	518,499	118,147	125,268	1,203,248	(13,437)	1,189,811
Other operating expenses	(285,765)	(140,039)	(26,076)	(170,157)	(622,037)	17,062	(604,975)
(Write-back of)/allowance for ECL	(63,125)	96,666	-	-	33,541	(93)	33,448
Profit before taxation	92,444	475,126	92,071	(44,889)	614,752	3,532	618,284
Income tax expense							(147,481)
Profit after taxation							470,803

Other information

For period ended 31 March 2023

Inter-segment operating income/(loss)	3,036	13,565	(140,274)	137,110	13,437	(13,437)	-
Depreciation of property, plant and equipment and right-of-use assets	10,712	5,617	871	30,291	47,491	(7,272)	40,219

As at 31 March 2023

Gross loans, advances and financing	61,063,245	43,958,059	-	413,836	105,435,140	(84,640)	105,350,500
Deposits from customers	67,243,616	44,339,553	-	5,498	111,588,667	(29,063)	111,559,604

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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 9 December 2020 and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 3 May 2019.

	Group		Bank	
	31-Mar-24 RM'000	31-Dec-23 RM'000	31-Mar-24 RM'000	31-Dec-23 RM'000
<u>Common Equity Tier 1 ("CET1")/</u>				
<u>Tier 1 Capital</u>				
Paid-up share capital	792,555	792,555	792,555	792,555
Retained profits	12,996,815	12,996,815	13,159,032	13,159,032
Other reserves	301,282	312,870	60,902	72,490
Regulatory adjustments applied in the calculation of CET1 Capital	(1,109,812)	(1,194,967)	(1,243,399)	(1,328,553)
Total CET1/Tier 1 Capital	12,980,840	12,907,273	12,769,090	12,695,524
<u>Tier 2 Capital</u>				
Tier 2 Capital instruments	2,250,000	1,750,000	2,250,000	1,750,000
Loan/financing loss provision:				
- Surplus eligible provisions over expected losses	334,725	339,176	336,554	340,901
- General provisions	165,946	169,764	156,600	160,304
Regulatory adjustments applied in the calculation of Tier 2 Capital	105,065	105,065	-	-
Total Tier 2 Capital	2,855,736	2,364,005	2,743,154	2,251,205
Total Capital	15,836,576	15,271,278	15,512,244	14,946,729

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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	
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
CET1/Tier 1 Capital	16.110%	15.945%	15.937%	15.777%
Total Capital	19.655%	18.865%	19.361%	18.574%
CET1/Tier 1 Capital (net of proposed dividends)	15.153%	14.992%	14.975%	14.818%
Total capital (net of proposed dividends)	18.697%	17.913%	18.398%	17.616%

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

	Group		Bank	
	31-Mar-24 RM'000	31-Dec-23 RM'000	31-Mar-24 RM'000	31-Dec-23 RM'000
Total RWA for credit risk	71,306,160	72,636,110	70,863,000	72,166,831
Total RWA for market risk	1,807,401	1,050,045	1,807,401	1,050,045
Total RWA for operational risk	7,460,363	7,262,705	7,450,534	7,253,444
	80,573,924	80,948,860	80,120,935	80,470,320

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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.

Group and Bank At 31 March 2024	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Direct credit substitutes	4,775,521	4,658,148	2,841,585
Transaction-related contingent items	7,233,079	3,594,341	2,025,144
Short-term self-liquidating trade-related contingencies	716,397	152,999	86,157
Lending of banks' securities or the posting of securities as collateral by banks	2,948,278	24,081	1,362
Foreign exchange related contracts:			
- Not more than one year	90,899,702	1,718,737	300,178
- More than one year to less than five years	1,394,894	130,567	87,358
- Five years and above	184,259	20,080	18,702
Interest/profit rate related contracts:			
- Not more than one year	31,491,344	328,281	46,813
- More than one year to less than five years	50,194,178	1,798,615	483,964
- Five years and above	2,185,208	219,935	94,710
Equity related contracts:			
- Not more than one year	67,518	2,803	167
- More than one year to less than five years	12,078	1,530	144
Commodity related contracts:			
- Not more than one year	298,047	43,234	9,850
Credit derivative contracts:			
- Not more than one year	6,185	619	77
Undrawn credit facility:			
- Not more than one year	25,259,474	1,203,606	263,655
- More than one year	7,212,529	4,964,514	2,854,021
- Unconditionally cancellable	37,800,122	9,063,294	3,662,605
Other commitments	2,041,751	-	-
Total	264,720,564	27,925,384	12,776,492

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33. COMMITMENTS AND CONTINGENCIES (Cont'd.)

Group and Bank (cont'd.) As at 31 December 2023	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
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:			
- Not more than one year	88,836,700	1,936,509	279,242
- More than 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:			
- Not more than one year	26,089,235	360,616	54,090
- More than 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:			
- Not more than one year	68,614	2,207	155
- More than one year to less than five years	14,443	1,708	171
Commodity related contracts:			
- Not more than one year	388,564	40,004	10,343
Credit derivative contracts:			
- Not more than one year	6,010	601	81
Undrawn credit facility:			
- Not more 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	-	-
Total	250,225,249	27,605,637	12,981,611

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 three months ended 31 March 2024, the Group posted an operating profit of RM601.1 million, 2.8% or RM16.2 million higher than same period last year; partly offset by lower ECL ("Expected Credit Loss") writeback of RM5.8 million. This resulted in a profit before tax of RM628.7 million for the three months ended 31 March 2024, which was 1.7% or RM10.4 million higher than the same period of last year.

Total operating income decreased by 1.7% or RM20.4 million to RM1,169.5 million. Net interest income dropped by 6.6% or RM48.7 million to RM691.3 million mainly due to timing differences on deposits repricing. Other operating income increased by 5.0% or RM20.6 million to RM433.7 million mainly contributed by higher fee and commission from credit cards and wealth business.

Expenses dropped to RM568.4 million mainly due to one-offs expenses incurred for the integration of the retail business of Citibank in same period last year, partly offset by higher staff-related expenses as we continued to invest in our people.

Total writeback for ECL allowances was lower by RM5.8 million mainly from non-impaired assets, partly offset by lower ECL made for impaired assets.

35. PROSPECTS FOR 2024

We anticipate global growth to remain moderate in 2024 amid slower growth in advanced economies. China faces challenges as we expect soft growth due to ongoing weaknesses in its property sector, deflationary risks and weak employment. A key theme for 2024 is the global easing of monetary policy, including the expected lowering of interest rates by the US Federal Reserve albeit the timing remains uncertain. China is anticipated to increase monetary and fiscal support to manage growth risks. With a less restrictive global policy stance, Southeast Asia's economic growth is expected to stabilise, supported by improving external trade, tourism recovery and resilient domestic demand.

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

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

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36. ISLAMIC BANKING OPERATIONS

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

	Note	31-Mar-24 RM'000	31-Dec-23 RM'000
Assets			
Cash and short-term funds	a	2,925,050	2,890,491
Securities purchased under resale agreements		299,518	296,484
Debt instruments at FVOCI	b	1,763,919	1,402,981
Debt instruments at amortised cost	c	1,041,715	1,052,481
Other assets	e	45,596	30,418
Derivative financial assets	f	15,234	34,266
Financing, advances and others	d	8,934,589	8,980,260
Statutory deposits with BNM		41,000	55,000
Plant and equipment		9,599	10,074
Deferred tax assets		10,460	11,960
Total assets		15,086,680	14,764,415
Liabilities and Islamic Banking funds			
Deposits from customers	g	6,206,746	5,150,665
Investment accounts due to designated financial institutions	h	4,530,572	4,372,180
Deposits and placements of banks and other financial institutions	i	3,091,621	4,501,649
Bills and acceptances payable		4,886	5,674
Other liabilities	j	58,050	62,224
Derivative financial liabilities	f	16,347	33,205
Tax payable		35,525	27,068
Subordinated sukuk	k	500,000	-
Total liabilities		14,443,747	14,152,665
Capital fund		450,000	450,000
Reserves		192,933	161,750
Islamic Banking funds	l	642,933	611,750
Total liabilities and Islamic Banking funds		15,086,680	14,764,415
Commitments and contingencies	t	7,673,846	8,001,391

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 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

	Note	First Quarter ended		Three Months ended	
		31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
Income derived from depositors' funds	m	91,968	77,302	91,968	77,302
Income derived from investment of Islamic Banking funds	n	11,294	7,709	11,294	7,709
Income derived from investment of investment account funds	o	45,489	38,736	45,489	38,736
Write-back of/(allowance for) ECL on:					
- Financing, advances and others	r	9,878	(4,628)	9,878	(4,628)
- Other financial assets	r	(1,066)	(474)	(1,066)	(474)
- Commitments and contingencies	r	1,004	(3,271)	1,004	(3,271)
Total distributable income		158,567	115,374	158,567	115,374
Income attributable to depositors	p	(68,332)	(56,494)	(68,332)	(56,494)
Income attributable to investment account holders	q	(36,001)	(30,565)	(36,001)	(30,565)
Total net income		54,234	28,315	54,234	28,315
Other operating expenses	s	(11,866)	(10,965)	(11,866)	(10,965)
Profit before taxation		42,368	17,350	42,368	17,350
Income tax expense		(10,252)	(4,137)	(10,252)	(4,137)
Profit after taxation		32,116	13,213	32,116	13,213
Other comprehensive (loss)/income:					
<u>Items that will be reclassified subsequently to profit or loss:</u>					
Net fair value changes in debt instruments at FVOCI		(1,228)	4,452	(1,228)	4,452
Income tax effect		295	(1,069)	295	(1,069)
Total other comprehensive (loss)/income for the financial period, net of tax		(933)	3,383	(933)	3,383
Total other comprehensive income for the financial period		31,183	16,596	31,183	16,596

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36. ISLAMIC BANKING OPERATIONS (Cont'd.)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Cont'd.)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

	First Quarter ended		Three Months ended	
	31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
Income derived from depositors' funds	91,968	77,302	91,968	77,302
Income derived from investment of Islamic Banking funds	11,294	7,709	11,294	7,709
Income derived from investment of investment account funds	45,489	38,736	45,489	38,736
Income attributable to depositors	(68,332)	(56,494)	(68,332)	(56,494)
Income attributable to investment account holders	(36,001)	(30,565)	(36,001)	(30,565)
Net income from Islamic Banking operations reported in the profit or loss of the Group and Bank	44,418	36,688	44,418	36,688

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 STATEMENTS OF CHANGES IN ISLAMIC BANKING FUNDS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

	Capital fund RM'000	FVOCI reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2024	450,000	1,316	160,434	611,750
Profit for the financial period	-	-	32,116	32,116
Other comprehensive loss	-	(933)	-	(933)
Total comprehensive (loss)/income for the financial period	-	(933)	32,116	31,183
At 31 March 2024	450,000	383	192,550	642,933
At 1 January 2023	450,000	(3,318)	86,744	533,426
Profit for the financial period	-	-	13,213	13,213
Other comprehensive income	-	3,383	-	3,383
Total comprehensive income for the financial period	-	3,383	13,213	16,596
At 31 March 2023	450,000	65	99,957	550,022

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 STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

	31-Mar-24	31-Mar-23
	RM'000	RM'000
Profit before taxation	42,368	17,350
Adjustments for non-operating and non-cash items	<u>(93,747)</u>	<u>(6,431)</u>
Operating (loss)/profit before working capital changes	(51,379)	10,919
Changes in working capital:		
Net changes in operating assets	71,427	(391,252)
Net changes in operating liabilities	<u>(216,371)</u>	<u>(947,360)</u>
Net cash used in operating activities	(196,323)	(1,327,693)
Net cash used in investing activities	(269,170)	(13,884)
Net cash generated from financing activities	<u>500,000</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	34,507	(1,341,577)
Cash and cash equivalents at beginning of the financial period	<u>2,890,913</u>	<u>3,414,659</u>
Cash and cash equivalents at end of the financial period	<u>2,925,420</u>	<u>2,073,082</u>
Analysis of cash and cash equivalents		
Cash and short-term funds	2,925,420	2,073,082
Less: Allowance for ECL	<u>(370)</u>	<u>(215)</u>
	<u>2,925,050</u>	<u>2,072,867</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.

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

a. Cash and short-term funds

	31-Mar-24	31-Dec-23
	RM'000	RM'000
Cash and balances with banks and other financial institutions	2,925,420	2,600,913
Money at call and deposit placements maturing within one month	-	290,000
	2,925,420	2,890,913
Less: Allowance for ECL	(370)	(422)
	2,925,050	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	Lifetime ECL	Lifetime ECL	Total ECL
	ECL	non credit-	credit-	
	RM'000	impaired	impaired	RM'000
	RM'000	RM'000	RM'000	RM'000
At 31 March 2024				
At 1 January 2024	422	-	-	422
Allowance made	11	-	-	11
Maturity/settlement/repayment	(68)	-	-	(68)
Exchange differences	5	-	-	5
Net total	(52)	-	-	(52)
At 31 March 2024	370	-	-	370
As at 31 December 2023				
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")

	31-Mar-24 RM'000	31-Dec-23 RM'000
Money market instruments		
Bank Negara Malaysia bills	-	99,955
Government Islamic investments	1,634,714	1,303,026
Negotiable instruments of deposits	99,221	-
	<u>1,733,935</u>	<u>1,402,981</u>
Unquoted securities in Malaysia		
Cagamas sukuk	29,984	-
Private debt securities	-	-
	<u>1,763,919</u>	<u>1,402,981</u>

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
At 31 March 2024				
At 1 January 2024	185	-	-	185
Allowance made	80	-	-	80
Maturity/settlement/repayment	(89)	-	-	(89)
Net total	(9)	-	-	(9)
At 31 March 2024	<u>176</u>	<u>-</u>	<u>-</u>	<u>176</u>
As at 31 December 2023				
At 1 January 2023	93	-	-	93
Allowance made	150	-	-	150
Maturity/settlement/repayment	(58)	-	-	(58)
Net total	92	-	-	92
At 31 December 2023	<u>185</u>	<u>-</u>	<u>-</u>	<u>185</u>

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

c. Debt instruments at amortised cost

	31-Mar-24 RM'000	31-Dec-23 RM'000
Money market instruments		
Government Islamic investment	961,833	963,704
Less: Allowance for ECL	(84)	(126)
	<u>961,749</u>	<u>963,578</u>
Unquoted securities in Malaysia		
Private debt sukuk	79,985	88,922
Less: Allowance for ECL	(19)	(19)
	<u>79,966</u>	<u>88,903</u>
Total debt instruments at amortised cost	<u>1,041,715</u>	<u>1,052,481</u>

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

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12-months ECL	Lifetime ECL non credit- impaired	Lifetime ECL credit- impaired	Total ECL
	RM'000	RM'000	RM'000	RM'000
At 31 March 2024				
At 1 January 2024	145	-	-	145
Maturity/settlement/repayment	(42)	-	-	(42)
At 31 March 2024	<u>103</u>	<u>-</u>	<u>-</u>	<u>103</u>
As at 31 December 2023				
At 1 January 2023	149	-	-	149
Allowance made	23	-	-	23
Maturity/settlement/repayment	(27)	-	-	(27)
Net total	(4)	-	-	(4)
At 31 December 2023	<u>145</u>	<u>-</u>	<u>-</u>	<u>145</u>

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

d. Financing, advances and others

(i) Financing by type of Shariah contract:

	<u>Sale based contracts</u>			Total RM'000
	Tawarruq RM'000	Murabahah RM'000	Bai Al-Dayn RM'000	
At 31 March 2024				
Term financing and revolving credits:				
- Housing financing	3,783,409	-	-	3,783,409
- Syndicated term financing	28,524	-	-	28,524
- Other term financing and revolving credits	4,781,591	-	-	4,781,591
Trust receipts	276,315	-	-	276,315
Claim on customers under acceptance credits	-	171,494	1,568	173,062
Gross financing, advances and others	8,869,839	171,494	1,568	9,042,901
Allowance for ECL on financing, advances and others:				
- Stage 1 - 12-month ECL				(16,932)
- Stage 2 - Lifetime ECL non credit-impaired				(52,778)
- Stage 3 - Lifetime ECL credit-impaired				(38,602)
Net financing, advances and others				8,934,589

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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	
Term financing and revolving credits:				
- Housing financing	3,725,520	-	-	3,725,520
- Syndicated term financing	25,723	-	-	25,723
- Other term financing	4,864,902	-	-	4,864,902
Trust receipts	318,188	-	-	318,188
Claim on customers under acceptance credits	-	166,641	1,810	168,451
Gross financing, advances and others	8,934,333	166,641	1,810	9,102,784
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				8,980,260

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

As at 31 March 2024, the gross exposure and ECL relating to RSIA financing amounted to RM2,343,634,303 (31 December 2023: RM2,412,861,026) and RM40,029,227 (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:

	31-Mar-24	31-Dec-23
	RM'000	RM'000
Maturing within one year	984,122	1,109,244
One year to three years	1,709,676	1,615,575
Three years to five years	218,143	317,040
Over five years	6,130,960	6,060,925
	<u>9,042,901</u>	<u>9,102,784</u>

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

	31-Mar-24	31-Dec-23
	RM'000	RM'000
Domestic non-banking financial institutions:		
- Others	800,417	885,540
Domestic business enterprises:		
- Small and medium enterprises	2,036,316	2,024,980
- Others	2,142,463	2,187,981
Individuals	3,913,727	3,857,355
Foreign entities	149,978	146,928
	<u>9,042,901</u>	<u>9,102,784</u>

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

	31-Mar-24	31-Dec-23
	RM'000	RM'000
Fixed rate:		
- Fixed rate financing	290,660	294,391
Variable rates:		
- Base rate/base financing rate-plus	5,271,369	5,227,580
- Cost-plus	3,480,872	3,580,813
	<u>9,042,901</u>	<u>9,102,784</u>

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36. ISLAMIC BANKING OPERATIONS (Cont'd.)

EXPLANATORY NOTES

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

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

	31-Mar-24	31-Dec-23
	RM'000	RM'000
Agriculture, hunting, forestry and fishing	316,542	322,389
Mining and quarrying	30,589	19,388
Manufacturing	994,890	1,005,253
Electricity, gas and water	507,186	499,988
Construction	344,737	331,579
Wholesale, retail trade, restaurants and hotels	1,036,999	1,145,559
Transport, storage and communication	144,672	125,856
Finance, takaful and business services	1,118,195	1,168,755
Real estate	404,822	395,818
Community, social and personal services	80,564	83,916
Households:		
- Purchase of residential properties	3,791,482	3,733,537
- Purchase of non-residential properties	203,663	202,685
- Others	68,560	68,061
	9,042,901	9,102,784

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

	31-Mar-24	31-Dec-23
	RM'000	RM'000
In Malaysia	8,892,923	8,955,856
Outside Malaysia	149,978	146,928
	9,042,901	9,102,784

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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:

	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	
At 31 March 2024				
At 1 January 2024	17,656	52,737	52,131	122,524
Transferred to Stage 1	2,151	(2,054)	(97)	-
Transferred to Stage 2	(422)	1,013	(591)	-
Transferred to Stage 3	(10)	(1,735)	1,745	-
Net remeasurement of allowance	(1,860)	3,066	1,892	3,098
Allowance made	1,978	16,418	3,490	21,886
Maturity/settlement/repayment	(2,573)	(16,667)	(15,634)	(34,874)
Exchange differences	12	-	-	12
Net total	(724)	41	(9,195)	(9,878)
Amounts written-off	-	-	(4,334)	(4,334)
At 31 March 2024	16,932	52,778	38,602	108,312
As at 31 December 2023				
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
Amounts written-off	-	-	(98,533)	(98,533)
At 31 December 2023	17,656	52,737	52,131	122,524

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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:

	31-Mar-24	31-Dec-23
	RM'000	RM'000
At 1 January	215,411	251,343
Classified as credit-impaired	27,151	100,347
Amounts recovered	(9,993)	(21,636)
Reclassified as non credit-impaired	(5,867)	(14,579)
Amounts written-off	(4,348)	(100,064)
Gross credit-impaired financing, advances and others	<u>222,354</u>	215,411
Less: Stage 3 - Lifetime ECL credit-impaired	<u>(38,602)</u>	(52,131)
Net credit-impaired financing, advances and others	<u>183,752</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>2.0%</u>	<u>1.8%</u>

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

	31-Mar-24	31-Dec-23
	RM'000	RM'000
Manufacturing	6,720	6,659
Construction	28,841	28,788
Wholesale, retail trade, restaurants and hotels	14,411	16,842
Transport, storage and communication	5,173	5,558
Finance, insurance and business services	3,396	2,544
Community, social and personal services	4,067	4,067
Households:		
- Purchase of residential properties	149,990	142,734
- Purchase of non-residential properties	7,835	6,820
- Others	1,921	1,399
	<u>222,354</u>	<u>215,411</u>

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

	31-Mar-24	31-Dec-23
	RM'000	RM'000
In Malaysia	216,680	210,845
Outside Malaysia	5,674	4,566
	<u>222,354</u>	<u>215,411</u>

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36. ISLAMIC BANKING OPERATIONS (Cont'd.)

EXPLANATORY NOTES

e. Other assets

	31-Mar-24	31-Dec-23
	RM'000	RM'000
Other receivables, deposits and prepayments	6,263	4,975
Profit receivables	40,511	25,452
Less: Allowance for ECL	(1,178)	(9)
	<u>45,596</u>	<u>30,418</u>

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

	Stage 1	Stage 2	Stage 3	
	12-months	Lifetime ECL	Lifetime ECL	Total ECL
	ECL	non credit-	credit-	
	RM'000	impaired	impaired	RM'000
	RM'000	RM'000	RM'000	RM'000
At 31 March 2024				
At 1 January 2024	5	4	-	9
Allowance made	657	514	-	1,171
Maturity/settlement/repayment	(1)	(1)	-	(2)
Net total	656	513	-	1,169
At 31 March 2024	661	517	-	1,178
As at 31 December 2023				
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	5	4	-	9

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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 derivatives are as follows:

	Contract or underlying principal amount RM'000	Positive fair value RM'000	Negative fair value RM'000
At 31 March 2024			
Foreign exchange related contracts:			
- Forwards	1,827,992	10,290	5,847
- Swaps	1,545,575	4,481	10,057
Profit rate related contracts:			
- Swaps	800,000	463	443
	<u>800,000</u>	<u>15,234</u>	<u>16,347</u>
As at 31 December 2023			
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:

	31-Mar-24	31-Dec-23
	RM'000	RM'000
Non-Mudarabah fund		
Demand deposits:		
- Qard	814,422	889,704
Savings deposits:		
- Qard	130,107	130,158
Fixed deposits:		
- Tawarruq	5,113,636	3,898,493
Other deposits:		
- Tawarruq	148,581	232,310
	<u>6,206,746</u>	<u>5,150,665</u>

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

	31-Mar-24	31-Dec-23
	RM'000	RM'000
Due within six months	2,699,103	1,384,749
Six months to one year	2,414,531	2,513,672
One year to three years	2	72
	<u>5,113,636</u>	<u>3,898,493</u>

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

	31-Mar-24	31-Dec-23
	RM'000	RM'000
Business enterprises	2,243,795	2,162,432
Individuals	3,839,428	2,791,201
Others	123,523	197,032
	<u>6,206,746</u>	<u>5,150,665</u>

h. Investment accounts due to designated financial institutions

	31-Mar-24	31-Dec-23
	RM'000	RM'000
Mudarabah RSIA		
Conventional Banking	4,570,601	4,412,315
Amount receivable from Conventional Banking	(40,029)	(40,135)
	<u>4,530,572</u>	<u>4,372,180</u>

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36. ISLAMIC BANKING OPERATIONS (Cont'd.)

EXPLANATORY NOTES

i. Deposits and placements of banks and other financial institutions

	31-Mar-24 RM'000	31-Dec-23 RM'000
Non-Mudarabah fund		
Other financial institutions	3,091,621	4,501,649

j. Other liabilities

	31-Mar-24 RM'000	31-Dec-23 RM'000
Allowance for ECL on commitments and contingencies	9,996	11,275
Accrued profit payables	39,496	33,908
Accruals and provisions for operational expenses	614	1,098
Other payables and accruals	2,633	10,185
Deferred income	5,311	5,758
	58,050	62,224

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

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12-months ECL	Lifetime ECL non credit- impaired	Lifetime ECL credit- impaired	Total ECL
	RM'000	RM'000	RM'000	RM'000
At 31 March 2024				
At 1 January 2024	10,608	667	-	11,275
Transferred to Stage 1	48	(48)	-	-
Transferred to Stage 2	(165)	165	-	-
Net remeasurement of allowance	(29)	99	-	70
Allowance made	430	81	-	511
Maturity/settlement/repayment	(1,785)	(81)	-	(1,866)
Exchange differences	3	3	-	6
Net total	(1,498)	219	-	(1,279)
At 31 March 2024	9,110	886	-	9,996
As at 31 December 2023				
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	10,608	667	-	11,275

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36. ISLAMIC BANKING OPERATIONS (Cont'd.)

EXPLANATORY NOTES

k. Subordinated sukuk

	31-Mar-24	31-Dec-23
	RM'000	RM'000
RM500 million Islamic subordinated sukuk 2024/2034	500,000	-

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

	31-Mar-24	31-Dec-23
	RM'000	RM'000
Capital fund	450,000	450,000
FVOCI reserve	383	1,316
Retained profits	192,550	160,434
	642,933	611,750

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

m. Income derived from depositors' funds

	First Quarter ended		Three Months ended	
	31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
<u>Finance income and hibah</u>				
Financing, advances and others	66,369	55,010	66,369	55,010
Credit-impaired financing, advances and others	718	2,092	718	2,092
Money at call and deposit placements with financial institutions	7,044	2,056	7,044	2,056
Finance assets at FVTPL	322	-	322	-
Debt instruments at FVOCI	3,245	5,992	3,245	5,992
Debt instruments at amortised cost	9,932	10,041	9,932	10,041
	87,630	75,191	87,630	75,191
Amortisation of premiums, net	(2,341)	(2,937)	(2,341)	(2,937)
Total finance income and hibah	85,289	72,254	85,289	72,254
<u>Other operating income</u>				
Trading income	2,013	817	2,013	817
Commision income	4,173	1,871	4,173	1,871
Fee income	463	2,336	463	2,336
Others	30	24	30	24
Total other operating income	6,679	5,048	6,679	5,048
Total	91,968	77,302	91,968	77,302

n. Income derived from investment of Islamic Banking funds

	First Quarter ended		Three Months ended	
	31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
<u>Finance income and hibah</u>				
Financing, advances and others	7,306	5,486	7,306	5,486
Credit-impaired financing, advances and others	79	208	79	208
Money at call and deposit placements with financial institutions	763	204	763	204
Finance assets at FVTPL	46	-	46	-
Debt instruments at FVOCI	1,530	598	1,530	598
Debt instruments at amortised cost	1,092	1,001	1,092	1,001
	10,816	7,497	10,816	7,497
Amortisation of premiums, net	(258)	(293)	(258)	(293)
Total finance income and hibah	10,558	7,204	10,558	7,204

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

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

	First Quarter ended		Three Months ended	
	31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
<u>Other operating income</u>				
Trading income	214	82	214	82
Commision income	464	186	464	186
Fee income	54	235	54	235
Others	4	2	4	2
Total other operating income	736	505	736	505
Total	11,294	7,709	11,294	7,709

o. Income derived from investment of investment account funds

	First Quarter ended		Three Months ended	
	31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
<u>Finance income and hibah</u>				
Financing, advances and others	34,259	30,332	34,259	30,332
Money at call and deposit placements with financial institutions	10,743	7,575	10,743	7,575
	45,002	37,907	45,002	37,907
<u>Other operating income</u>				
Fee income	487	829	487	829
Total	45,489	38,736	45,489	38,736

p. Income attributable to depositors

	First Quarter ended		Three Months ended	
	31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
Income attributable to depositors from non-mudarabah fund	65,421	56,494	65,421	56,494
Subordinated sukuk	2,911	-	2,911	-
	68,332	56,494	68,332	56,494

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

q. Income attributable to investment account holders

	First Quarter ended		Three Months ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM'000	RM'000	RM'000	RM'000
Income attributable to investment account holders from mudarabah fund	36,001	30,565	36,001	30,565

r. (Write-back of)/allowance for ECL

	First Quarter ended		Three Months ended	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	RM'000	RM'000	RM'000	RM'000
Financing, advances and others:				
- Stage 1 ECL	(724)	1,642	(724)	1,642
- Stage 2 ECL	41	26,661	41	26,661
- Stage 3 ECL	(9,195)	8,124	(9,195)	8,124
Movement in ECL for RSIA holder*	(169)	(31,157)	(169)	(31,157)
	(10,047)	5,270	(10,047)	5,270
Credit-impaired financing, advances and others:				
- Written-off	176	158	176	158
- Recovered	(7)	(800)	(7)	(800)
	(9,878)	4,628	(9,878)	4,628
Other financial assets:				
- Stage 1 ECL	553	377	553	377
- Stage 2 ECL	513	97	513	97
	1,066	474	1,066	474
Commitments and contingencies:				
- Stage 1 ECL	(1,498)	(3,437)	(1,498)	(3,437)
- Stage 2 ECL	219	130	219	130
Movement in ECL for RSIA holder*	275	6,578	275	6,578
	(1,004)	3,271	(1,004)	3,271
Total	(9,816)	8,373	(9,816)	8,373

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

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

s. Other operating expenses

	First Quarter ended		Three Months ended	
	31-Mar-24 RM'000	31-Mar-23 RM'000	31-Mar-24 RM'000	31-Mar-23 RM'000
Personnel expenses	995	1,002	995	1,002
Establishment related expenses	1,370	1,690	1,370	1,690
Promotion and marketing related expenses	10	22	10	22
General administrative expenses	9,491	8,251	9,491	8,251
	11,866	10,965	11,866	10,965
<u>Personnel expenses</u>				
Wages, salaries and bonus	832	836	832	836
Defined contribution plan	130	133	130	133
Other employee benefits	33	33	33	33
	995	1,002	995	1,002
<u>Establishment related expenses</u>				
Depreciation of plant and equipment	475	471	475	471
Information technology costs	407	407	407	407
Repair and maintenance	10	35	10	35
Short-term lease expenses	17	26	17	26
Others	461	751	461	751
	1,370	1,690	1,370	1,690
<u>Promotion and marketing related expenses</u>				
Advertisement and publicity	10	22	10	22
<u>General administrative expenses</u>				
Fees and commissions paid	791	163	791	163
Management fee	8,690	7,720	8,690	7,720
Others	10	368	10	368
	9,491	8,251	9,491	8,251

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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:

	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
At 31 March 2024			
Direct credit substitutes	147,693	147,693	147,249
Transaction-related contingent items	187,732	93,866	96,886
Short-term self-liquidating trade-related contingencies	4,155	1,684	558
Foreign exchange related contracts:			
- Less than one year	3,373,567	34,441	11,382
Profit rate related contracts:			
- Less than one year	800,000	1,034	238
Undrawn credit facility:			
- Less than one year	1,096,793	15,291	4,827
- More than one year	830,774	606,763	383,658
- Unconditionally cancellable	1,233,132	-	-
Total	7,673,846	900,772	644,798
As at 31 December 2023			
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
- More than 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	-	-
Total	8,001,391	982,209	745,706

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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 9 December 2020 and Basel II - Risk-weighted Assets Framework for Islamic Banking issued on 3 May 2019.

	31-Mar-24	31-Dec-23
	RM'000	RM'000
<u>Common Equity Tier 1 ("CET1")/Tier 1 Capital</u>		
Capital fund	450,000	450,000
Retained profits	160,434	160,434
Other reserves	383	1,316
Regulatory adjustments applied in the calculation of CET1 Capital	(12,836)	(13,220)
Total CET1/Tier 1 Capital	597,981	598,530
<u>Tier 2 Capital</u>		
Tier 2 Capital instruments	500,000	-
Financing loss provision:		
- Surplus eligible provisions over expected losses	-	935
- General provisions	705	680
Total Tier 2 Capital	500,705	1,615
Total Capital	1,098,686	600,145

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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:

	31-Mar-24	31-Dec-23
	RM'000	RM'000
Before the effects of RSIA		
CET1/Tier 1 Capital	9.935%	9.498%
Total Capital	18.246%	9.532%
	<hr/>	<hr/>
After the effects of RSIA		
CET1/Tier 1 Capital	15.813%	15.850%
Total Capital	29.053%	15.893%
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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 31 March 2024, credit risk related to RSIA assets excluded from the total capital ratio calculation amounted to RM2,242,765,604 (31 December 2023: RM2,525,612,204).

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

	31-Mar-24	31-Dec-23
	RM'000	RM'000
Total RWA for credit risk	3,481,169	3,484,315
Total RWA for market risk	6,431	4,976
Total RWA for operational risk	294,043	286,865
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	3,781,643	3,776,156