

Pillar 3 Disclosure Report

30 June 2018

Contents

1	INTRODUCTION	3
2	KEY METRICS	4
3	COMPOSITION OF CAPITAL	5
4	LEVERAGE RATIO	12
5	GEOGRAPHICAL DISTRIBUTION OF CREDIT EXPOSURES USED IN THE COUNTERCYCLICAL CAPITAL BUFFER	14
6	OVERVIEW OF RWA	15
7	CREDIT QUALITY OF ASSETS	16
8	CHANGES IN STOCK OF DEFAULTED LOANS AND DEBT SECURITIES	16
9	OVERVIEW OF CRM TECHNIQUES	17
10	SA(CR) AND SA(EQ) – CREDIT RISK EXPOSURE AND CRM EFFECTS	17
11	SA(CR) AND SA(EQ) – EXPOSURES BY ASSET CLASSES AND RISK WEIGHTS	18
12	IRBA – CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE	19
13	IRBA – EFFECT ON RWA OF CREDIT DERIVATIVES USED AS CRM	24
14	IRBA – RWA FLOW STATEMENT FOR CREDIT RISK EXPOSURES	24
15	IRBA – SPECIALISED LENDING	25
16	ANALYSIS OF COUNTERPARTY CREDIT RISK EXPOSURE BY APPROACH	25
17	CVA RISK CAPITAL REQUIREMENTS	26
18	STANDARDISED APPROACH – CCR EXPOSURES BY PORTFOLIO AND RISK WEIGHTS	26
19	IRBA – CCR EXPOSURES BY PORTFOLIO AND PD RANGE	27
20	COMPOSITION OF COLLATERAL FOR CCR EXPOSURES	28
21	CREDIT DERIVATIVE EXPOSURES	29
22	SECURITISATION EXPOSURES IN THE BANKING BOOK	29
23	SECURITISATION EXPOSURES IN THE BANKING BOOK AND ASSOCIATED REGULATORY CAPITAL REQUIREMENTS – UOB ACTING AS INVESTOR	30
24	MARKET RISK UNDER STANDARDISED APPROACH	31
25	COMPARISON OF VAR ESTIMATES WITH GAINS OR LOSSES	31
26	INTEREST RATE RISK IN THE BANKING BOOK	33
27	SUMMARY OF DISCLOSURE EXCLUDED	34
28	ABBREVIATIONS	35

Notes:

- 1 The pillar 3 disclosure report is presented in Singapore dollars.
- 2 Certain figures in this report may not add up to the respective totals due to rounding.
- 3 Amounts less than \$500,000 in absolute term are shown as "0".

1 INTRODUCTION

UOB Group's Pillar 3 Disclosure Report ("The Report") is prepared in accordance with the Monetary Authority of Singapore ("MAS") Notice to Banks No. 637 "Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore".

The Report is governed by the Group Pillar 3 Disclosure Policy which specifies the Group's Pillar 3 disclosure requirements, frequency of disclosure, medium of disclosure, and the roles and responsibilities of various parties involved in the disclosure reporting. The Policy is reviewed at least annually and approved by the Board.

The Report facilitates an assessment of the Group's capital adequacy and provides an overview of the Group's risk profile. For capital adequacy ratios of the Group's major bank subsidiaries, please refer to the Group Financial Report, available on UOB website www.UOBGroup.com/investor/financial/overview.html.

2 KEY METRICS

The table below provides an overview of the Group's key prudential metrics related to regulatory capital, leverage ratio and liquidity standards.

Components as at 30 Jun 2018

\$m		30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017	30 Jun 2017
Available capital (amounts)¹						
1	CET1 capital	29,921	30,206	30,134	29,392	28,821
2	Tier 1 capital	32,897	33,182	32,220	30,616	30,026
3	Total capital	37,803	37,986	37,348	36,636	37,292
Risk weighted assets (amounts)¹						
4	Total RWA	205,704	202,286	199,481	206,169	209,276
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	14.5	14.9	15.1	14.3	13.8
6	Tier 1 ratio (%)	16.0	16.4	16.2	14.9	14.3
7	Total capital ratio (%)	18.4	18.8	18.7	17.8	17.8
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	1.875	1.875	1.25	1.25	1.25
9	Countercyclical buffer requirement (%)	0.2	0.2	0.1	0.1	0.1
10	Bank G-SIB and/or D-SIB additional requirement (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.1	2.0	1.4	1.3	1.3
12	CET1 available after meeting the Reporting Bank's minimum capital requirements (%)	8.0	8.4	8.2	6.8	6.3
Leverage Ratio¹						
13	Total Leverage Ratio exposure measure	428,845	406,608	400,803	396,451	385,816
14	Leverage Ratio (%) (row 2/ row 13)	7.7	8.2	8.0	7.7	7.8
Liquidity Coverage Ratio						
15	Total High Quality Liquid Assets	44,722	42,773	39,255	39,471	40,809
16	Total net cash outflow	31,627	33,524	29,253	27,909	26,199
17	Liquidity Coverage Ratio ¹ (%)	142	128	135	142	157
Net Stable Funding Ratio²						
18	Total available stable funding	224,709	218,198	-	-	-
19	Total required stable funding	205,090	197,079	-	-	-
20	Net Stable Funding Ratio ¹ (%)	110	111	-	-	-

¹ For Capital Adequacy, Leverage Ratios, Liquidity Coverage Ratio and Net Stable Funding commentaries, please refer to the Group Financial Report and Liquidity Coverage Ratio Disclosure available on UOB website at www.UOBGroup.com/investor/financial/overview.html

² Net Stable Funding Ratio requirement is effective January 2018

3 COMPOSITION OF CAPITAL

Table 1 and Table 2 are mandatory disclosures prescribed in MAS Notice 637 requirements.

Table 1 shows the reconciliation between the Group's published consolidated balance sheet and the regulatory capital components. Details of the regulatory capital components are set out in Table 2, as referenced.

The scope of consolidation for accounting and regulatory purposes is similar, except that subsidiaries which carry out insurance business are not consolidated for regulatory purpose. The list of the Group's major insurance subsidiaries can be found in the Group's Annual Report. As at 30 June 2018, both the total assets and the total equities of each of these subsidiaries were less than \$1 billion.

Compared with 31 December 2017, key movements in the items under the column "Under regulatory scope of consolidation" were mainly from earnings in the first half of 2018, FY2017 final dividend payout and shares issued pursuant to the scrip dividend scheme.

Table 1 - Reconciliation of Balance Sheet to Regulatory Capital as at 30 Jun 2018

\$m	Balance Sheet per Published Financial Statements	Under regulatory scope of consolidation	Reference in Table 2
Equity			
Share capital and other capital	7,967		
<i>of which paid-up ordinary shares</i>		4,993	A
<i>of which AT1 capital instruments</i>		2,974	B
Retained earnings	20,681	20,555	C
<i>of which unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk</i>		20	D1
Other reserves	9,011	8,963	E
<i>of which unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk</i>		101	D2
Equity attributable to equity holders of the Bank	37,660		
Non-controlling interests	190		
<i>of which NCI that meets criteria for inclusion in</i>			
- CET1 capital		12	F1
- AT1 capital		2	F2
- T2 capital		2	F3
Total equity	37,850		
Liabilities			
Deposits and balances of banks	17,161		
Deposits and balances of customers	287,515		
Bills and drafts payable	873		
Other liabilities	13,108		
Debts issued	27,756		
<i>of which T2 capital instruments</i>		4,150	G
Total liabilities	346,413		
Assets			
Cash, balances and placements with central banks	29,450		
Singapore Government treasury bills and securities	5,864		
Other government treasury bills and securities	11,066		
Trading securities	2,174		
Placements and balances with banks	57,929		
Loans to customers	246,392		
<i>of which provisions eligible for inclusion in T2 capital</i>		753	H
Investment securities ³	11,784		
<i>of which investments in PE/VC held beyond the relevant holding period</i>		68	I
Other assets	11,053		
<i>of which amount related to deferred tax assets (net of deferred tax liabilities, where permissible)</i>		262	J
Investment in associates and joint ventures ³	1,252		
<i>of which amount related to goodwill</i>		13	K1
Investment properties	1,046		
Fixed assets	2,114		
Intangible assets	4,138		
<i>of which amount related to goodwill</i>		4,138	K2
Total Assets	384,263		

³ Note: This includes the Bank's major stake investments in financial institutions.

3 COMPOSITION OF CAPITAL (cont'd)

Table 2 lists the regulatory capital components and the corresponding regulatory adjustments.

(a) 'Amount' refers to components of capital calculated in accordance with MAS Notice 637.

(b) 'Reference in Table 1' links the respective line item to Table 1.

Regulatory adjustments that are deducted against capital are reflected as positive numbers.

Table 2 - Capital Components as at 30 Jun 2018

\$m		Amount	Reference in Table 1
Common Equity Tier 1 capital: instruments and reserves			
1	Paid-up ordinary shares and share premium (if applicable)	4,993	A
2	Retained earnings	20,555	C
3 [#]	Accumulated other comprehensive income and other disclosed reserves	8,963	E
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	
5	Minority interest that meets criteria for inclusion	12	F1
6	Common Equity Tier 1 capital before regulatory adjustments	34,523	
Common Equity Tier 1 capital: regulatory adjustments			
7	Valuation adjustment pursuant to Part VIII of MAS Notice 637	-	
8	Goodwill, net of associated deferred tax liability	4,151	K1+K2
9 [#]	Intangible assets, net of associated deferred tax liability	-	
10 [#]	Deferred tax assets that rely on future profitability	262	J
11	Cash flow hedge reserve	-	
12	Shortfall of TEP relative to EL under IRBA	-	
13	Increase in equity capital resulting from securitisation transactions	-	
14	Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk	121	D1+ D2
15	Defined benefit pension fund assets, net of associated deferred tax liability	-	
16	Investments in own shares	-	
17	Reciprocal cross-holdings in ordinary shares of financial institutions	-	
18	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-	
19	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries) (amount above 10% threshold)	-	
20 [#]	Mortgage servicing rights (amount above 10% threshold)	-	
21 [#]	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of associated deferred tax liability)	-	
22	Amount exceeding the 15% threshold	-	
23	<i>of which investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)</i>	-	
24 [#]	<i>of which mortgage servicing rights</i>	-	
25 [#]	<i>of which deferred tax assets arising from temporary differences</i>	-	
26	National specific regulatory adjustments	68	
26A	PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630	68	I
26B	Capital deficits in subsidiaries and associates that are regulated financial institutions	-	
26C	Any other items which the Authority may specify	-	
27	Regulatory adjustments applied in calculation of CET1 Capital due to insufficient AT1 Capital to satisfy required deductions	-	
28	Total regulatory adjustments to CET1 Capital	4,602	
29	Common Equity Tier 1 capital (CET1)	29,921	
	Additional Tier 1 capital: instruments		

3 COMPOSITION OF CAPITAL (cont'd)

Table 2 - Capital Components as at 30 Jun 2018

\$m		Amount	Reference in Table 1
30	AT1 capital instruments and share premium (if applicable)	2,974	B
31	<i>of which classified as equity under the Accounting Standards</i>	2,974	
32	<i>of which classified as liabilities under the Accounting Standards</i>	-	
33	Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)	-	
34	AT1 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	2	F2
35	<i>of which instruments issued by subsidiaries subject to phase out</i>	-	
36	Additional Tier 1 capital before regulatory adjustments	2,976	
	Additional Tier 1 capital: regulatory adjustments		
37	Investments in own AT1 capital instruments	-	
38	Reciprocal cross-holdings in AT1 capital instruments of financial institutions	-	
39	Investments in AT1 capital instruments of unconsolidated financial institutions in which Reporting Bank does not hold a major stake	-	
40	Investments in AT1 capital instruments of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-	
41	National specific regulatory adjustments which the Authority may specify	-	
42	Regulatory adjustments applied in calculation of AT1 Capital due to insufficient Tier 2 Capital to satisfy required deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	2,976	
45	Tier 1 capital (T1 = CET1 + AT1)	32,897	
	Tier 2 capital: instruments and provisions		
46	Tier 2 capital instruments and share premium (if applicable)	4,150	G
47	Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)	-	
48	Tier 2 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	2	F3
49	<i>of which instruments issued by subsidiaries subject to phase out</i>	-	
50	Provisions	753	H
51	Tier 2 capital before regulatory adjustments	4,905	
	Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 capital instruments of financial institutions	-	
54	Investments in Tier 2 capital instruments of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-	
55	Investments in Tier 2 capital instruments of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-	
56	National specific regulatory adjustments which the Authority may specify	-	
57	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 capital (T2)	4,905	
59	Total capital (TC = T1 + T2)	37,803	
60	Floor-adjusted total risk weighted assets	205,704	
	Capital ratios (as a percentage of floor-adjusted risk weighted assets)		
61	Common Equity Tier 1 CAR	14.5%	
62	Tier 1 CAR	16.0%	
63	Total CAR	18.4%	

3 COMPOSITION OF CAPITAL (cont'd)

Table 2 - Capital Components as at 30 Jun 2018

\$m		Amount	Reference in Table 1
64	Bank-specific buffer requirement	8.6%	
65	<i>of which: capital conservation buffer requirement</i>	1.875%	
66	<i>of which: bank specific countercyclical buffer requirement</i>	0.2%	
67	<i>of which: G-SIB and/or D-SIB buffer requirement (if applicable)</i>	-	
68	Common Equity Tier 1 available after meeting the Reporting Bank's minimum capital requirements	8.0%	
	National minima		
69	Minimum CET1 CAR	6.5%	
70	Minimum Tier 1 CAR	8.0%	
71	Minimum Total CAR	10.0%	
	Amounts below the thresholds for deduction (before risk weighting)		
72	Investments in ordinary shares, AT1 capital and Tier 2 capital of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	316	
73	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	2,305	
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
	Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	278	row 50
77	Cap on inclusion of provisions in Tier 2 under standardised approach	315	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	475	row 50
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	846	
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	860	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	2,085	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

These elements are subject to a more conservative definition relative to those set out under the Basel III capital standards.

3 COMPOSITION OF CAPITAL (cont'd)

Key Features of Capital Instruments as at 30 Jun 2018

	United Overseas Bank Limited	United Overseas Bank Limited	United Overseas Bank Limited	United Overseas Bank Limited
1 Issuer	United Overseas Bank Limited	United Overseas Bank Limited	United Overseas Bank Limited	United Overseas Bank Limited
2 Unique Identifier (ISIN code)	SG1M31001969	XS1699845068	SG72C9000002	SG5817998534
3 Governing law(s) of the instrument	Singapore	Singapore	Singapore	Singapore
Regulatory treatment				
4 Transitional Basel III rules	Core Equity	Additional Tier 1	Additional Tier 1	Additional Tier 1
5 Post-transitional Basel III rules	Core Equity	Additional Tier 1	Additional Tier 1	Additional Tier 1
6 Eligible at solo/group/group&solo	Group & Solo	Group & Solo	Group & Solo	Group & Solo
7 Instrument type	Ordinary Share	Perpetual Capital Security	Perpetual Capital Security	Perpetual Capital Security
8 Amount recognised in regulatory capital (<i>in millions</i>)	S\$4,993 million	S\$879 million	S\$748 million	S\$499 million
9 Principal amount (<i>in millions</i>)	n.a.	US\$650 million	S\$750 million	S\$500 million
10 Accounting classification	Equity	Equity	Equity	Equity
11 Original date of issuance	20 July 1970	19 October 2017	18 May 2016	19 November 2013
12 Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual
13 Original maturity date	No maturity	No maturity	No maturity	No maturity
14 Issuer call subject to prior supervisory approval	n.a.	Yes	Yes	Yes
15 Optional call date	n.a.	19 October 2023	18 May 2021	19 November 2019
Tax/ regulatory event call	n.a.	Yes	Yes	Yes
Redemption price	n.a.	Par	Par	Par
16 Subsequent call dates, if applicable	n.a.	Each distribution payment date thereafter	Each distribution payment date thereafter	Each distribution payment date thereafter
Coupons / dividends				
17 Fixed or floating ⁽¹⁾	Discretionary dividend amount	Fixed	Fixed	Fixed
18 Coupon rate and any related index	n.a.	3.875% paid semi-annually on 19 April and 19 October	4.00% paid semi-annually on 18 May and 18 November	4.75% paid semi-annually on 19 May and 19 November
19 Existence of a dividend stopper	n.a.	Yes	Yes	Yes
20 Fully discretionary, discretionally or mandatory	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary
21 Existence of step up or incentive to redeem	n.a.	No	No	No
22 Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23 Convertible or non-convertible	n.a.	Non-convertible	Non-convertible	Non-convertible
24 If convertible, conversion trigger	n.a.	n.a.	n.a.	n.a.
25 If convertible, fully or partially	n.a.	n.a.	n.a.	n.a.
26 If convertible, conversion rate	n.a.	n.a.	n.a.	n.a.
27 If convertible, mandatory or optional conversion	n.a.	n.a.	n.a.	n.a.
28 If convertible, specify instrument type convertible into	n.a.	n.a.	n.a.	n.a.
29 If convertible, specify issuer of instrument it converts into	n.a.	n.a.	n.a.	n.a.
30 Write-down feature	n.a.	Yes	Yes	Yes
31 If write-down, write-down triggers(s)	n.a.	Point of non-viability at the discretion of the Regulator	Point of non-viability at the discretion of the Regulator	Point of non-viability at the discretion of the Regulator
32 If write-down, full or partial	n.a.	Partial	Partial	Partial
33 If write-down, permanent or temporary	n.a.	Permanent	Permanent	Permanent
34 If temporary write-down, description of write-up mechanism	n.a.	n.a.	n.a.	n.a.
35 Position in subordination hierarchy in liquidation (<i>instrument type immediately senior to instrument</i>)	Additional Tier 1 instruments	Tier 2 instruments	Tier 2 instruments	Tier 2 instruments
36 Non compliant transitioned features	No	No	No	No
37 If yes, specify non compliant features	n.a.	n.a.	n.a.	n.a.

(1) Details on re-fixing of the dividend/interest rate on the first call date are available in the UOB website.

3 COMPOSITION OF CAPITAL (cont'd)

Key Features of Capital Instruments as at 30 Jun 2018

	United Overseas Bank Limited	United Overseas Bank Limited	United Overseas Bank Limited	United Overseas Bank Limited
1 Issuer	United Overseas Bank Limited	United Overseas Bank Limited	United Overseas Bank Limited	United Overseas Bank Limited
2 Unique Identifier (ISIN code)	SG57A1994579	SG79A8000002	XS1485603408	XS1480822516
3 Governing law(s) of the instrument	Singapore	Singapore	Singapore	Singapore
Regulatory treatment				
4 Transitional Basel III rules	Additional Tier 1	Tier 2	Tier 2	Tier 2
5 Post-transitional Basel III rules	Additional Tier 1	Tier 2	Tier 2	Tier 2
6 Eligible at solo/group/group&solo	Group & Solo	Group & Solo	Group & Solo	Group & Solo
7 Instrument type	Perpetual Capital Security	Subordinated Debt	Subordinated Debt	Subordinated Debt
8 Amount recognised in regulatory capital (<i>in millions</i>)	S\$847 million	S\$744 million	S\$793 million	S\$113 million
9 Principal amount (<i>in millions</i>)	S\$850 million	S\$750 million	US\$600 million	HK\$700 million
10 Accounting classification	Equity	Liability	Liability	Liability
11 Original date of issuance	23 July 2013	27 February 2017	8 September 2016	26 August 2016
12 Perpetual or dated	Perpetual	Dated	Dated	Dated
13 Original maturity date	No maturity	27 February 2029	8 March 2027	26 August 2028
14 Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15 Optional call date	23 July 2018	27 February 2024	8 March 2022	26 August 2023
Tax/ regulatory event call	Yes	Yes	Yes	Yes
Redemption price	Par	Par	Par	Par
16 Subsequent call dates, if applicable	Each distribution payment date thereafter	Not applicable. One time call only.	Not applicable. One time call only.	Not applicable. One time call only.
Coupons / dividends				
17 Fixed or floating ⁽¹⁾	Fixed	Fixed	Fixed	Fixed
18 Coupon rate and any related index	4.90% paid semi-annually on 23 January and 23 July	3.50% paid semi-annually on 27 February and 27 August	2.88% paid semi-annually on 8 March and 8 September	3.19% paid quarterly on 26 August, 26 November, 26 February and 26 May
19 Existence of a dividend stopper	Yes	No	No	No
20 Fully discretionary, discretionally or mandatory	Fully discretionary	Mandatory	Mandatory	Mandatory
21 Existence of step up or incentive to redeem	No	No	No	No
22 Non-cumulative or cumulative	Non-cumulative	Cumulative	Cumulative	Cumulative
23 Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24 If convertible, conversion trigger	n.a.	n.a.	n.a.	n.a.
25 If convertible, fully or partially	n.a.	n.a.	n.a.	n.a.
26 If convertible, conversion rate	n.a.	n.a.	n.a.	n.a.
27 If convertible, mandatory or optional conversion	n.a.	n.a.	n.a.	n.a.
28 If convertible, specify instrument type convertible into	n.a.	n.a.	n.a.	n.a.
29 If convertible, specify issuer of instrument it converts into	n.a.	n.a.	n.a.	n.a.
30 Write-down feature	Yes	Yes	Yes	Yes
31 If write-down, write-down triggers(s)	Point of non-viability at the discretion of the Regulator	Point of non-viability at the discretion of the Regulator	Point of non-viability at the discretion of the Regulator	Point of non-viability at the discretion of the Regulator
32 If write-down, full or partial	Partial	Partial	Partial	Partial
33 If write-down, permanent or temporary	Permanent	Permanent	Permanent	Permanent
34 If temporary write-down, description of write-up mechanism	n.a.	n.a.	n.a.	n.a.
35 Position in subordination hierarchy in liquidation (<i>instrument type immediately senior to instrument</i>)	Tier 2 instruments	Unsubordinated and unsecured obligations	Unsubordinated and unsecured obligations	Unsubordinated and unsecured obligations
36 Non compliant transitioned features	No	No	No	No
37 If yes, specify non compliant features	n.a.	n.a.	n.a.	n.a.

3 COMPOSITION OF CAPITAL (cont'd)

Key Features of Capital Instruments as at 30 Jun 2018

	United Overseas Bank Limited	United Overseas Bank Limited	United Overseas Bank Limited
1 Issuer	United Overseas Bank Limited	United Overseas Bank Limited	United Overseas Bank Limited
2 Unique Identifier (ISIN code)	XS1379133058	SG6QD3000002	XS1045409965
3 Governing law(s) of the instrument	Singapore	Singapore	Singapore
Regulatory treatment			
4 Transitional Basel III rules	Tier 2	Tier 2	Tier 2
5 Post-transitional Basel III rules	Tier 2	Tier 2	Tier 2
6 Eligible at solo/group/group&solo	Group & Solo	Group & Solo	Group & Solo
7 Instrument type	Subordinated Debt	Subordinated Debt	Subordinated Debt
8 Amount recognised in regulatory capital (in millions)	S\$920 million	S\$498 million	S\$1,082 million
9 Principal amount (in millions)	US\$700 million ⁽²⁾	S\$500 million	US\$800 million
10 Accounting classification	Liability	Liability	Liability
11 Original date of issuance	16 & 24 March 2016	22 May 2014	19 March 2014
12 Perpetual or dated	Dated	Dated	Dated
13 Original maturity date	16 September 2026	22 May 2026	19 September 2024
14 Issuer call subject to prior supervisory approval	Yes	Yes	Yes
15 Optional call date	16 September 2021	22 May 2020	19 September 2019
Tax/ regulatory event call	Yes	Yes	Yes
Redemption price	Par	Par	Par
16 Subsequent call dates, if applicable	Not applicable. One time call only.	Not applicable. One time call only.	Not applicable. One time call only.
Coupons / dividends			
17 Fixed or floating ⁽¹⁾	Fixed	Fixed	Fixed
18 Coupon rate and any related index	3.5% paid semi-annually on 16 March and 16 September	3.5% paid semi-annually on 22 May and 22 November	3.75% paid semi-annually on 19 March and 19 September
19 Existence of a dividend stopper	No	No	No
20 Fully discretionary, discretionally or mandatory	Mandatory	Mandatory	Mandatory
21 Existence of step up or incentive to redeem	No	No	No
22 Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative
23 Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24 If convertible, conversion trigger	n.a.	n.a.	n.a.
25 If convertible, fully or partially	n.a.	n.a.	n.a.
26 If convertible, conversion rate	n.a.	n.a.	n.a.
27 If convertible, mandatory or optional conversion	n.a.	n.a.	n.a.
28 If convertible, specify instrument type convertible into	n.a.	n.a.	n.a.
29 If convertible, specify issuer of instrument it converts into	n.a.	n.a.	n.a.
30 Write-down feature	Yes	Yes	Yes
31 If write-down, write-down triggers(s)	Point of non-viability at the discretion of the Regulator	Point of non-viability at the discretion of the Regulator	Point of non-viability at the discretion of the Regulator
32 If write-down, full or partial	Partial	Partial	Partial
33 If write-down, permanent or temporary	Permanent	Permanent	Permanent
34 If temporary write-down, description of write-up mechanism	n.a.	n.a.	n.a.
35 Position in subordination hierarchy in liquidation (instrument type immediately senior to instrument)	Unsubordinated and unsecured obligations	Unsubordinated and unsecured obligations	Unsubordinated and unsecured obligations
36 Non compliant transitioned features	No	No	No
37 If yes, specify non compliant features	n.a.	n.a.	n.a.

(2) US\$500m 3.5% subordinated notes were first issued on 16 March 2016. This was followed by a re-tap for US\$200m on 24 March 2016, which was consolidated and formed a single series with the US\$500m tranche issued on 16 March 2016.

4 LEVERAGE RATIO

The Basel III framework introduced Leverage Ratio as a non-risk-based backstop limit to supplement the risk-based capital requirements. It aims to constrain the build-up of excess leverage in the banking sector, with additional safeguards against model risk and measurement errors. Leverage ratio is expressed as Tier 1 Capital against Exposure Measure, which comprises on- and off-balance sheet items. Other than the difference in scope for consolidation and aggregation under SFRS and MAS Notice 637, there are no material differences between total balance sheet assets (net of on-balance sheet derivative and SFT assets) as reported in the financial statements and Exposure Measure of on-balance sheet items.

As at 30 June 2018, the Group's leverage ratio was 7.7%, down 0.5% quarter-on-quarter, primarily from asset growth.

\$m	30 Jun 2018	31 Mar 2018	31 Dec 2017	30 Sep 2017
Tier 1 capital	32,897	33,182	32,220	30,616
Exposure measure	428,845	406,608	400,803	396,451
Leverage ratio	7.7%	8.2%	8.0%	7.7%

The following disclosure is presented in prescribed templates under MAS Notice 637 Annex 11F and 11G.

Reconciliation of Balance Sheet Assets to Exposure Measure

\$m		30 Jun 2018
1	Total consolidated assets as per published financial statements	384,263
2	Adjustment for investments in entities that are consolidated for accounting purposes but are outside the regulatory scope of consolidation	(599)
3	Adjustment for fiduciary assets recognised on the balance sheet in accordance with the Accounting Standards but excluded from the calculation of the exposure measure	-
4	Adjustment for derivative transactions	4,152
5	Adjustment for SFTs	324
6	Adjustment for off-balance sheet items	45,307
7	Other adjustments	(4,602)
8	Exposure measure	428,845

4 LEVERAGE RATIO (cont'd)

Exposure Measure Components

\$m		30 Jun 2018	31 Mar 2018
Exposure measures of on-balance sheet items			
1	On-balance sheet items (excluding derivative transactions and SFTs, but including on-balance sheet collateral for derivative transactions or SFTs)	359,395	343,073
2	Asset amounts deducted in determining Tier 1 capital	(4,602)	(4,532)
3	Total exposure measures of on-balance sheet items (excluding derivative transactions and SFTs)	354,793	338,541
Derivative exposure measures			
4	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	5,303	5,634
5	Potential future exposure associated with all derivative transactions	5,773	6,013
6	Gross-up for derivative collaterals provided where deducted from the balance sheet assets in accordance with the Accounting Standards	-	-
7	Deductions of receivables for the cash portion of variation margins provided in derivative transactions	-	-
8	CCP leg of trade exposures excluded	-	-
9	Adjusted effective notional amount of written credit derivatives	235	225
10	Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	-	-
11	Total derivative exposure measures	11,310	11,872
SFT exposure measures			
12	Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	17,111	13,963
13	Eligible netting of cash payables and cash receivables	-	-
14	SFT counterparty exposures	324	396
15	SFT exposure measures where a Reporting Bank acts as an agent in the SFTs	-	-
16	Total SFT exposure measures	17,435	14,359
Exposure measures of off-balance sheet items			
17	Off-balance sheet items at notional amount	197,368	185,003
18	Adjustments for calculation of exposure measures of off-balance sheet items	(152,062)	(143,167)
19	Total exposure measures of off-balance sheet items	45,307	41,836
Capital and Total exposures			
20	Tier 1 capital	32,897	33,182
21	Total exposures	428,845	406,608
Leverage ratio			
22	Leverage ratio	7.7%	8.2%

5 GEOGRAPHICAL DISTRIBUTION OF CREDIT EXPOSURES USED IN THE COUNTERCYCLICAL CAPITAL BUFFER

To achieve the broader macroprudential goal of protecting the banking sector from periods of excess aggregate credit growth, the Basel III standards introduced the Countercyclical Capital Buffer (CCyB) framework. The CCyB is applied on a discretionary basis by banking supervisors in the respective jurisdictions. Parallel with the Capital Conservation Buffer, a CCyB of up to 2.5%, is to be maintained in the form of CET1 capital and phased in from 1 January 2016, capped at 0.625% per year, till 1 January 2019.

The Group's countercyclical buffer is computed as the weighted average of effective CCyB in jurisdictions where the Group has private sector credit exposures and the geographical distribution of the private sector credit exposures is based on where the ultimate risk of the exposure resides. Following mandatory disclosure under MAS Notice 637 provides an overview of the Group's private sector credit exposures by geographical breakdown.

\$m	(a)	(b)	(c)	(d)
Geographical breakdown	Country-specific countercyclical buffer requirement	RWA for private sector credit exposures used in the computation of the countercyclical buffer	Bank-specific countercyclical buffer requirement	Countercyclical buffer amount
Hong Kong	1.875%	16,497		
Sweden	1.875%	2		
United Kingdom	0.500%	2,258		
Sum		18,757		
Total		163,703	0.2%	403

6 OVERVIEW OF RWA

The table below lists the Group's RWA by risk type and approach, as prescribed under MAS Notice 637. The minimum capital requirement is stated at 10.0% of RWA.

The Group's RWA comprises credit RWA (88.4%), operational RWA (7.0%) and market RWA (4.6%). Total RWA at 30 June 2018 was \$205.7 billion, or \$3.4 billion higher quarter-on-quarter mainly due to asset growth.

\$m		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 30 June 2018	As at 31 Mar 2018	As at 30 June 2018
1	Credit risk (excluding CCR)	169,012	160,089	16,901
2	<i>of which SA(CR) and SA(EQ)</i>	22,005	18,689	2,201
3	<i>of which IRBA and IRBA(EQ) for equity exposures under the PD/LGD method</i>	147,007	141,399	14,701
4	CCR	4,373	5,033	437
5	<i>of which Current Exposure Method</i>	2,209	2,470	221
6	<i>of which CCR Internal Models Method</i>	-	-	-
7	IRBA(EQ) for equity exposures under the simple risk weight method or the IMM	-	4,604	-
8	Equity investments in funds – look through approach	169	94	17
9	Equity investments in funds – mandate-based approach	2,331	2,755	233
10	Equity investments in funds – fall back approach	0	0	0
10a	Equity investment in funds – partial use of an approach	-	-	-
11	Unsettled transactions	-	-	-
12	Securitisation exposures in the banking book	163	206	16
13	<i>of which SEC-IRBA</i>	-	-	-
14	<i>of which SEC-ERBA Including IAA</i>	69	70	7
15	<i>of which SEC-SA</i>	-	-	-
16	Market risk	9,550	9,171	955
17	<i>of which SA(MR)</i>	9,550	9,171	955
18	<i>of which IMA</i>	-	-	-
19	Operational risk	14,344	14,087	1,434
20	<i>of which BIA</i>	-	-	-
21	<i>of which SA(OR)</i>	14,344	14,087	1,434
22	<i>of which AMA</i>	-	-	-
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	5,761	6,247	576
24	Floor adjustment	-	-	-
25	Total	205,704	202,286	20,570

7 CREDIT QUALITY OF ASSETS

The table below provides an overview of the credit quality of the Group's on- and off-balance sheet assets.

A default on the obligor is considered to have occurred when either or both of the followings have taken place:

- The obligor is unlikely to pay its credit obligations to the Group in full, without recourse by the bank to actions such as realising security (if held).
- The obligor is past due more than 90 days on any credit obligation to the Group. Overdrafts will be considered as being past due once the outstanding has breached an advised limit.

\$m		(a)	(b)	(c)	(d)
		Gross carrying amount of		Total impairment allowances	Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		
1	Loans	4,208	245,531	3,347	246,392
2	Debt securities	44	24,131	108	24,067
3	Off-balance sheet exposures	124	66,051	107	66,068
4	Total	4,376	335,713	3,562	336,527

8 CHANGES IN STOCK OF DEFAULTED LOANS AND DEBT SECURITIES

The table below provides the change in defaulted exposures, the flows between non-defaulted and defaulted exposure categories and reductions in the defaulted exposures due to write-offs.

\$m		(a)
1	Defaulted loans and debt securities at end of the previous semi-annual reporting period	4,266
2	Loans and debt securities that have defaulted since the previous semi-annual reporting period	744
3	Returned to non-defaulted status	(107)
4	Amounts written-off	(247)
5	Other changes	(404)
6	Defaulted loans and debt securities at end of the semi-annual reporting period (1+2+3+4+/-5)	4,252

The decrease in defaulted loans and debt securities in the first half of 2018 was due to the higher outflow of defaulted loans from recoveries, write-off and returned to non-defaulted status relative to the inflow of new defaulted loans.

9 OVERVIEW OF CRM TECHNIQUES

The following table provides information on the extent of usage of CRM techniques.

		(a)	(b)	(c)	(d)	(e)
		Exposures Unsecured	Exposures Secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
\$m						
1	Loans	117,002	129,390	111,736	13,187	-
2	Debt Securities	23,968	99	-	98	-
3	Total	140,970	129,489	111,736	13,285	-
4	Of which defaulted	1,641	1,653	1,479	0	-

10 SA(CR) AND SA(EQ) – CREDIT RISK EXPOSURE AND CRM EFFECTS

The following table illustrates the effects of CRM on the calculation of Group's capital requirements for credit exposures under SA(CR) and SA(EQ).

Compared with 31 December 2017, RWA was higher mainly due to inclusion of SA(EQ) for Equity portfolio following approval from MAS.

		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
Asset classes and others		On-balance sheet amount \$m	Off-balance sheet amount \$m	On-balance sheet amount \$m	Off-balance sheet amount \$m	RWA \$m	RWA density %
1	Cash items	1,490	-	1,490	-	19	1
2	Central government and central	1,473	-	1,473	-	123	8
3	PSE	1,063	832	1,063	-	93	9
4	MDB	115	0	322	-	57	18
5	Bank	795	393	886	9	445	50
6	Corporate	7,971	12,458	6,574	2,059	8,143	94
7	Regulatory retail	1,790	1,531	1,471	23	1,120	75
8	Residential mortgage	1,953	9	1,953	-	809	41
9	CRE	1,930	1,310	1,855	100	1,955	100
10	Equity - SA(EQ)	1,232	53	1,232	53	2,174	169
11	Past due exposures	304	29	304	0	422	139
12	Higher-risk categories	-	-	-	-	-	-
13	Other exposures	8,593	1,419	6,305	340	6,645	100
14	Total	28,709	18,036	24,929	2,584	22,005	80

11 SA(CR) AND SA(EQ) – EXPOSURES BY ASSET CLASSES AND RISK WEIGHTS

The following table provides a breakdown of Group's credit risk exposures under SA(CR) and SA(EQ) by asset class and risk weight.

\$m		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
	Risk weight Asset classes and others	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposure amount (post-CCF and post-CRM)
		1	Cash items	1,394	-	96	-	-	-	-	-
2	Central government and central bank	1,227	-	-	-	246	-	-	-	-	1,473
3	PSE	912	-	-	-	116	-	36	-	-	1,063
4	MDB	208	-	-	-	115	-	-	-	-	322
5	Bank	-	-	226	-	539	-	130	-	-	895
6	Corporate	-	-	595	-	29	-	8,009	-	-	8,633
7	Regulatory retail	-	-	-	-	-	1,494	-	-	-	1,494
8	Residential mortgage	-	-	-	1,753	-	19	181	-	-	1,953
9	CRE	-	-	-	-	-	-	1,955	-	-	1,955
10	Equity - SA(EQ)	-	-	-	-	-	-	-	-	1,286	1,286
11	Past due exposures	-	-	-	-	-	-	68	236	-	304
12	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13	Other exposures	-	-	-	-	-	-	6,645	-	-	6,645
14	Total	3,741	-	917	1,753	1,044	1,513	17,024	236	1,286	27,513

12 IRBA – CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE

The following table provides the main parameters used for the calculation of capital requirements for credit exposures under IRBA.

Compared with 31 December 2017, RWA increased mainly due to higher exposures to Corporate and Specialised lending - IPRE asset class. This is in line with asset growth.

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
PD range %	Original on-balance sheet gross exposures \$m	Off-balance sheet exposures pre-CCF \$m	Average CCF %	EAD post-CRM and post-CCF \$m	Average PD %	Number of Obligors	Average LGD %	Average Maturity Years	RWA \$m	RWA density %	EL \$m	TEP \$m
Sovereign asset sub-class												
0.00 to < 0.15	36,978	1,820	16	37,482	0.0	23	45	1.2	1,533	4	2	
0.15 to <0.25	220	-	-	220	0.2	2	45	2.8	113	52	0	
0.25 to <0.50	65	-	-	65	0.3	2	45	0.9	29	44	0	
0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
0.75 to < 2.50	226	-	-	226	1.5	2	45	0.0	178	79	2	
2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	
10.00 to <100.00	63	-	-	63	18.5	1	45	0.0	140	221	5	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	37,553	1,820	16	38,057	0.1	30	45	1.2	1,994	5	10	22
Bank asset sub-class												
0.00 to < 0.15	34,424	5,245	53	37,431	0.1	161	45	0.4	4,185	11	10	
0.15 to <0.25	3,670	215	85	3,853	0.2	23	45	0.7	1,413	37	4	
0.25 to <0.50	3,554	407	75	3,860	0.3	14	45	0.7	2,044	53	6	
0.50 to <0.75	540	78	35	568	0.6	16	45	0.3	321	56	1	
0.75 to < 2.50	525	246	31	601	1.3	13	45	0.2	456	76	4	
2.50 to < 10.00	355	2	20	200	4.3	15	44	0.2	240	120	4	
10.00 to <100.00	107	12	12	57	18.9	18	44	0.3	125	220	5	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	43,175	6,205	55	46,570	0.2	260	45	0.4	8,784	19	33	97

12 IRBA – CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE (cont'd)

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
PD range %	Original on-balance sheet gross exposures \$m	Off-balance sheet exposures pre-CCF \$m	Average CCF %	EAD post-CRM and post-CCF \$m	Average PD %	Number of Obligors	Average LGD %	Average Maturity Years	RWA \$m	RWA density %	EL \$m	TEP \$m
Corporate asset sub-class												
0.00 to < 0.15	3,099	2,899	25	4,722	0.1	51	45	2.0	952	20	1	
0.15 to <0.25	8,172	13,205	17	10,726	0.2	116	43	1.5	3,912	36	9	
0.25 to <0.50	11,885	22,521	22	19,375	0.4	500	44	2.0	11,573	60	33	
0.50 to <0.75	7,108	14,577	15	10,626	0.5	490	40	1.8	6,365	60	22	
0.75 to < 2.50	23,489	32,036	12	29,045	1.1	1,762	43	1.3	23,515	81	141	
2.50 to < 10.00	9,037	8,064	28	5,696	5.1	633	39	1.2	6,970	122	114	
10.00 to <100.00	2,787	2,971	22	1,672	18.4	369	31	1.8	2,762	165	99	
100.00 (Default)	1,137	198	33	1,202	100.0	131	43	1.5	-	-	518	
Sub-total	66,713	96,472	17	83,065	2.8	4,051	43	1.6	56,048	67	937	1,430
Corporate small business asset sub-class												
0.00 to < 0.15	-	12	2	0	0.1	2	45	1.0	0	12	0	
0.15 to <0.25	112	1,044	12	251	0.2	182	38	1.9	78	31	0	
0.25 to <0.50	774	2,918	9	1,191	0.4	546	36	1.9	486	41	2	
0.50 to <0.75	714	1,691	12	1,148	0.5	542	38	2.0	579	50	2	
0.75 to < 2.50	6,597	7,246	12	7,760	1.4	2,855	38	2.0	5,799	75	41	
2.50 to < 10.00	5,385	4,156	13	5,444	5.1	2,158	37	1.8	5,722	105	102	
10.00 to <100.00	956	514	14	856	17.4	507	37	1.6	1,396	163	54	
100.00 (Default)	699	130	6	706	100.0	181	41	1.7	-	-	290	
Sub-total	15,237	17,711	11	17,357	7.2	6,973	38	1.9	14,059	81	491	386

12 IRBA – CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE (cont'd)

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
PD range %	Original on-balance sheet gross exposures \$m	Off-balance sheet exposures pre-CCF \$m	Average CCF %	EAD post-CRM and post-CCF \$m	Average PD %	Number of Obligors	Average LGD %	Average Maturity Years	RWA \$m	RWA density %	EL \$m	TEP \$m
Specialised lending asset sub-class - IPRE												
0.00 to < 0.15	-	45	50	22	0.1	1	45	1.0	3	14	0	
0.15 to <0.25	8,949	3,614	68	11,402	0.2	158	45	1.8	4,372	38	10	
0.25 to <0.50	18,232	3,509	58	20,258	0.4	353	45	2.2	12,395	61	35	
0.50 to <0.75	4,911	958	55	5,442	0.5	133	45	2.2	3,877	71	13	
0.75 to < 2.50	17,027	3,116	46	18,456	1.2	967	45	2.2	18,245	99	100	
2.50 to < 10.00	3,321	607	31	3,507	3.9	512	45	2.7	5,162	147	61	
10.00 to <100.00	173	6	72	177	20.6	13	45	1.5	419	236	16	
100.00 (Default)	367	15	65	376	100.0	40	45	2.3	-	-	169	
Sub-total	52,979	11,871	56	59,642	1.5	2,177	45	2.2	44,473	75	404	495
Total (FIRB portfolios)	215,657	134,079	22	244,690	1.9	13,491	44	1.5	125,358	51	1,874	2,430
Residential mortgage asset sub-class												
0.00 to < 0.15	571	275	104	857	0.1	15,724	20	-	33	4	0	
0.15 to <0.25	17,075	562	100	17,638	0.2	43,651	14	-	934	5	4	
0.25 to <0.50	27,165	2,757	66	28,972	0.3	85,041	11	-	1,724	6	9	
0.50 to <0.75	16,316	849	98	17,152	0.7	41,174	13	-	2,209	13	14	
0.75 to < 2.50	7,417	464	37	7,591	1.3	43,018	12	-	1,486	20	12	
2.50 to < 10.00	1,576	112	39	1,620	3.9	16,816	23	-	1,127	70	14	
10.00 to <100.00	1,634	48	47	1,656	28.6	7,417	16	-	1,437	87	72	
100.00 (Default)	768	2	-	768	100.0	3,633	23	-	782	102	134	
Sub-total	72,523	5,068	74	76,253	2.1	235,668	13	-	9,732	13	261	242

12 IRBA – CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE (cont'd)

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
PD range %	Original on-balance sheet gross exposures \$m	Off-balance sheet exposures pre-CCF \$m	Average CCF %	EAD post-CRM and post-CCF \$m	Average PD %	Number of Obligors	Average LGD %	Average Maturity Years	RWA \$m	RWA density %	EL \$m	TEP \$m
QRRE asset sub-class												
0.00 to < 0.15	722	4,569	30	2,094	0.1	465,696	51	-	73	3	1	
0.15 to <0.25	291	1,565	34	827	0.2	153,264	46	-	45	5	1	
0.25 to <0.50	285	4,638	69	3,469	0.3	743,251	51	-	266	8	5	
0.50 to <0.75	694	1,484	57	1,537	0.6	316,728	54	-	238	15	5	
0.75 to < 2.50	823	2,158	78	2,507	1.3	343,726	39	-	528	21	15	
2.50 to < 10.00	575	458	66	875	5.6	211,145	58	-	688	79	28	
10.00 to <100.00	432	96	72	501	23.7	121,837	68	-	843	168	78	
100.00 (Default)	46	-	-	46	100.0	10,949	69	-	78	170	26	
Sub-total	3,869	14,968	53	11,857	2.3	2,018,920	50	-	2,759	23	159	57
Other retail exposures asset sub-class (excluding exposures to small business)												
0.00 to < 0.15	67	228	41	162	0.1	2,963	35	-	14	9	0	
0.15 to <0.25	1,225	84	43	1,261	0.2	28,288	13	-	62	5	0	
0.25 to <0.50	20	121	58	90	0.3	946	17	-	8	9	0	
0.50 to <0.75	5,457	737	46	5,798	0.6	25,615	10	-	490	8	4	
0.75 to < 2.50	3,121	724	73	3,651	1.7	21,832	6	-	294	8	4	
2.50 to < 10.00	605	149	85	732	5.2	56,566	44	-	512	70	18	
10.00 to <100.00	451	62	26	467	22.0	66,232	47	-	454	97	40	
100.00 (Default)	95	0	100	95	100.0	5,337	45	-	362	380	19	
Sub-total	11,041	2,105	58	12,255	2.8	204,352	13	-	2,196	18	84	42

12 IRBA – CREDIT RISK EXPOSURES BY PORTFOLIO AND PD RANGE (cont'd)

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
PD range %	Original on-balance sheet gross exposures \$m	Off-balance sheet exposures pre-CCF \$m	Average CCF %	EAD post-CRM and post-CCF \$m	Average PD %	Number of Obligors	Average LGD %	Average Maturity Years	RWA \$m	RWA density %	EL \$m	TEP \$m
Other retail small business exposures asset sub-class												
0.00 to < 0.15	14	54	70	52	0.1	324	7	-	1	1	0	
0.15 to <0.25	451	641	64	860	0.2	3,478	20	-	72	8	0	
0.25 to <0.50	2,148	1,009	58	2,735	0.4	10,064	24	-	421	15	2	
0.50 to <0.75	925	359	53	1,115	0.5	4,929	26	-	223	20	1	
0.75 to < 2.50	3,187	978	46	3,634	1.3	14,791	28	-	1,175	32	13	
2.50 to < 10.00	1,138	213	46	1,235	4.7	5,587	29	-	543	44	16	
10.00 to <100.00	260	22	38	268	21.1	1,182	26	-	166	62	15	
100.00 (Default)	191	13	5	192	100.0	732	38	-	384	200	52	
Sub-total	8,314	3,289	54	10,090	3.7	41,086	26	-	2,985	30	100	84
Total (Retail Asset Class)	95,747	25,430	58	110,455	2.4	2,270,422	18	-	17,673	16	605	425

13 IRBA – EFFECT ON RWA OF CREDIT DERIVATIVES USED AS CRM

As at 30 June 2018, the Group does not use credit derivatives as credit risk mitigant for exposures under IRBA.

\$m		(a)	(b)
		Pre-credit derivatives RWA	Actual RWA
1	Sovereign – F-IRBA	1,994	1,994
2	Sovereign – A-IRBA	-	-
3	Banks – F-IRBA	8,784	8,784
4	Banks – A-IRBA	-	-
5	Corporate – F-IRBA	56,048	56,048
6	Corporate – A-IRBA	-	-
7	Corporate small business – F-IRBA	14,059	14,059
8	Corporate small business – A-IRBA	-	-
9	Specialised lending – F-IRBA	44,473	44,473
10	Specialised lending – A-IRBA	-	-
11	High Volatility Commercial Real Estate – F-IRBA	-	-
12	High Volatility Commercial Real Estate – A-IRBA	-	-
13	Retail – QRRE	2,759	2,759
14	Retail – residential mortgage	9,732	9,732
15	Retail – small business	2,985	2,985
16	Other retail exposures	2,196	2,196
17	Equity – F-IRBA	-	-
18	Equity – A-IRBA	-	-
19	Purchased receivables – F-IRBA	-	-
20	Purchased receivables – A-IRBA	-	-
21	Total	143,030	143,030

14 IRBA – RWA FLOW STATEMENT FOR CREDIT RISK EXPOSURES

The following table presents changes in RWA corresponding to credit risk only (excluding CCR) over the quarterly reporting period for each of the key drivers.

The Group's RWA increased by \$5.6 billion quarter-on-quarter mainly driven by asset growth.

\$m		(a)
		RWA amounts
1	RWA as at end of previous quarter	141,399
2	Asset size	5,501
3	Asset quality	(1,337)
4	Model updates	(64)
5	Methodology and policy	(42)
6	Acquisitions and disposals	-
7	Foreign exchange movements	1,549
8	Other	-
9	RWA as at end of quarter	147,007

15 IRBA – SPECIALISED LENDING

The following table provides the exposure amount and RWA of the Group's specialised lending portfolio under Supervisory Slotting Criteria.

\$m

Specialised lending											
Other than HVCRE											
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount					RWA	EL
					PF	OF	CF	IPRE	Total		
Strong	< 2.5 years	570	13,868	50%	186	-	1,208	39	1,432	759	-
	≥ 2.5 years	938	538	70%	1,208	-	65	68	1,341	995	5
Good	< 2.5 years	347	2,509	70%	89	41	240	205	576	427	2
	≥ 2.5 years	859	191	90%	429	223	-	348	1,000	954	8
Satisfactory		364	105	115%	56	104	3	244	407	497	11
Weak		130	1	250%	93	34	(0)	4	130	345	10
Default		488	14	-	-	487	-	12	498	-	249
Total		3,696	17,226		2,060	889	1,515	920	5,385	3,977	287

16 ANALYSIS OF COUNTERPARTY CREDIT RISK EXPOSURE BY APPROACH

The following table provides the EAD, RWA and parameters used to calculate the Group's CCR regulatory requirements.

Compared with 31 December 2017, the increase in CCR's EAD and RWA were mainly driven by higher repo exposures.

		(a)	(b)	(c)	(d)	(e)	(f)
		Replacement cost	Potential future exposure	Effective EPE	α used for computing regulatory EAD	EAD (post-CRM)	RWA
\$m							
1	Current Exposure Method (for derivatives)	2,743	3,679			6,076	2,209
2	CCR internal models method (for derivatives and SFTs)			-	-	-	-
3	FC(SA) (for SFTs)					-	-
4	FC(CA) (for SFTs)					21,136	794
5	VaR for SFTs					-	-
6	Total						3,003

17 CVA RISK CAPITAL REQUIREMENTS

The following table provides the Group's CVA risk capital requirements calculated under Standardised Approach.

		(a)	(b)
		EAD (post-CRM)	RWA
\$m			
	Total portfolios subject to the Advanced CVA capital requirement	-	-
1	(i) VaR component (including the three-times multiplier)		-
2	(ii) Stressed VaR component (including the three-times multiplier)		-
3	All portfolios subject to the Standardised CVA capital requirement	5,209	1,127
4	Total portfolios subject to the CVA risk capital requirement	5,209	1,127

18 STANDARDISED APPROACH – CCR EXPOSURES BY PORTFOLIO AND RISK WEIGHTS

The following table provides a breakdown of the Group's CCR exposures under SA(CR) by asset class and risk weight.

\$m	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Risk weight									
Asset classes	0%	10%	20%	50%	75%	100%	150%	Others	Total Credit Exposure
Central government and central bank	-	-	-	1	-	-	-	-	1
PSE	-	-	66	-	-	12	-	-	79
MDB	22	-	-	-	-	-	-	-	22
Bank	-	-	33	39	-	7	-	-	79
Corporate	-	-	1	0	-	428	-	-	430
Regulatory retail	-	-	-	-	5	-	-	-	5
Other exposures	-	-	-	-	-	6	-	-	6
Total	22	-	101	40	5	453	-	-	621

19 IRBA – CCR EXPOSURES BY PORTFOLIO AND PD RANGE

The following table sets out the relevant parameters used for the calculations of CCR capital requirements for IRBA models.

Compared with 31 December 2017, the increase in CCR's EAD and RWA were mainly due to higher repo exposures.

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
PD range %	EAD post-CRM \$m	Average PD %	Number of obligors	Average LGD %	Average maturity Years	RWA \$m	RWA density %
Sovereign asset sub-class							
0.00 to < 0.15	3,347	0.0	5	5	0.1	2	0
0.15 to <0.25	10	0.2	1	45	0.0	2	24
0.25 to <0.50	6	0.3	1	45	0.0	2	34
0.50 to <0.75	-	-	-	-	-	-	-
0.75 to < 2.50	-	-	-	-	-	-	-
2.50 to < 10.00	-	-	-	-	-	-	-
10.00 to <100.00	0	27.9	1	-	1.4	-	-
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	3,363	0.0	8	5	0.1	7	0
Bank asset sub-class							
0.00 to < 0.15	12,899	0.1	133	16	0.4	712	6
0.15 to <0.25	1,356	0.2	13	15	0.1	133	10
0.25 to <0.50	1,129	0.4	12	3	0.2	30	3
0.50 to <0.75	26	0.6	4	45	1.0	19	72
0.75 to < 2.50	1	1.4	3	45	0.1	1	77
2.50 to < 10.00	2	4.3	1	43	1.0	3	126
10.00 to <100.00	0	27.9	1	45	0.0	0	268
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	15,413	0.1	167	15	0.3	897	6
Corporate asset sub-class							
0.00 to < 0.15	535	0.0	26	31	1.1	73	14
0.15 to <0.25	1,583	0.2	39	20	0.8	306	19
0.25 to <0.50	1,965	0.4	120	16	0.2	373	19
0.50 to <0.75	1,374	0.5	90	3	0.1	63	5
0.75 to < 2.50	1,947	1.4	335	12	0.5	443	23
2.50 to < 10.00	65	3.5	71	50	1.5	94	145
10.00 to <100.00	84	26.9	41	6	1.1	25	30
100.00 (Default)	6	100.0	2	42	1.4	-	-
Sub-total	7,559	1.0	724	15	0.5	1,377	18

19 IRBA – CCR EXPOSURES BY PORTFOLIO AND PD RANGE (cont'd)

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
PD range %	EAD post-CRM \$m	Average PD %	Number of obligors	Average LGD %	Average maturity Years	RWA \$m	RWA density %
Corporate small business asset sub-class							
0.00 to < 0.15	-	-	-	-	-	-	-
0.15 to <0.25	3	0.2	48	45	0.2	1	21
0.25 to <0.50	6	0.4	66	44	0.8	2	41
0.50 to <0.75	2	0.5	56	41	0.4	1	38
0.75 to < 2.50	25	1.3	277	43	1.3	18	73
2.50 to < 10.00	39	3.2	169	45	0.5	42	108
10.00 to <100.00	0	15.6	31	24	0.3	0	95
100.00 (Default)	0	100.0	2	45	0.0	-	-
Sub-total	74	2.2	649	44	0.8	64	86
Specialised lending asset sub-class - IPRE							
0.00 to < 0.15	-	-	-	-	-	-	-
0.15 to <0.25	11	0.2	11	45	2.2	5	42
0.25 to <0.50	47	0.4	39	45	2.3	30	63
0.50 to <0.75	14	0.5	7	45	2.3	11	73
0.75 to < 2.50	14	1.1	22	45	1.6	12	89
2.50 to < 10.00	29	6.2	4	45	3.5	54	184
10.00 to <100.00	0	20.5	1	45	1.6	0	244
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	117	2.0	84	45	2.5	112	96
Total (sum of portfolios)	26,526	0.4	1,632	14	0.4	2,456	9

20 COMPOSITION OF COLLATERAL FOR CCR EXPOSURES

The following table provides the breakdown of all types of collateral posted or received by the Group to support or reduce the CCR exposures related to derivative transactions or to SFTs.

\$m	(a)	(b)	(c)	(d)	(e)	(f)
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of collateral posted		Fair value of collateral received	Fair value of collateral posted
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - domestic currency	-	1,261	-	644	421	2,295
Cash - other currencies	-	807	-	1,177	2,737	15,757
Domestic sovereign debt	-	24	-	7	2,160	586
Other sovereign debt	-	-	-	8	6,340	1,311
Government agency debt	-	-	-	-	148	-
Corporate bonds	-	-	-	108	9,085	1,592
Total	-	2,091	-	1,943	20,893	21,541

21 CREDIT DERIVATIVE EXPOSURES

The following table shows the breakdown of Group's exposures to credit derivative transactions by protection bought or sold.

		(a)	(b)
		Protection bought	Protection sold
\$m	Notionals		
1	Single-name credit default swaps	245	235
2	Index credit default swaps	55	-
3	Total return swaps	1,460	-
4	Total notionals	1,760	235
	Fair values		
5	Positive fair value (asset)	105	1
6	Negative fair value (liability)	2	-

22 SECURITISATION EXPOSURES IN THE BANKING BOOK

The following table shows the Group's securitisation exposures in the Banking Book.

		(a)	(b)	(c)
		UOB acts as investor		
		Traditional	Synthetic	Sub-total
\$m	1 Total retail	141	-	141
2	of which: residential mortgage	48	-	48
3	of which: credit card	92	-	92
4	Total wholesale	32	-	32
5	of which: commercial mortgage	32	-	32

Note: The group does not have any securitisation exposures where it acts as sponsor or originator.

23 SECURITISATION EXPOSURES IN THE BANKING BOOK AND ASSOCIATED REGULATORY CAPITAL REQUIREMENTS – UOB ACTING AS INVESTOR

The following table shows the exposure amounts, RWA and capital requirements of the Group's securitisation exposures in the Banking Book where the Group acts as an investor.

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
	Exposure values (by risk weight bands)					Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap			
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA	SA(SA)	1250%	SEC-IRBA	SEC-ERBA	SA(SA)	1250%	SEC-IRBA	SEC-ERBA	SA(SA)	1250%
\$m																	
1 Total exposures	48	32	85	-	8	-	165	-	8	-	69	-	94	-	7	-	9
2 Traditional securitisation	48	32	85	-	8	-	165	-	8	-	69	-	94	-	7	-	9
3 of which: securitisation	48	32	85	-	8	-	165	-	8	-	69	-	94	-	7	-	9
4 of which: retail underlying	48	-	85	-	8	-	133	-	8	-	56	-	94	-	6	-	9
5 of which: wholesale	-	32	-	-	-	-	32	-	-	-	13	-	-	-	1	-	-
6 of which: resecuritisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 of which: senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 of which: non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 of which: securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 of which: retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 of which: wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 of which resecuritisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 of which: senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 of which: non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

24 MARKET RISK UNDER STANDARDISED APPROACH

The table below shows the components of the capital requirement under the standardised approach for market risk.

Compared with 31 December 2017, the increase in RWA was mainly due to higher interest rate risk.

\$m		(a)
		RWA
	Products excluding options	
1	Interest rate risk (general and specific)	2,166
2	Equity risk (general and specific)	103
3	Foreign exchange risk	5,663
4	Commodity risk	730
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	887
8	Securitisation	-
9	Total	9,550

25 COMPARISON OF VAR ESTIMATES WITH GAINS OR LOSSES

Standardised Approach

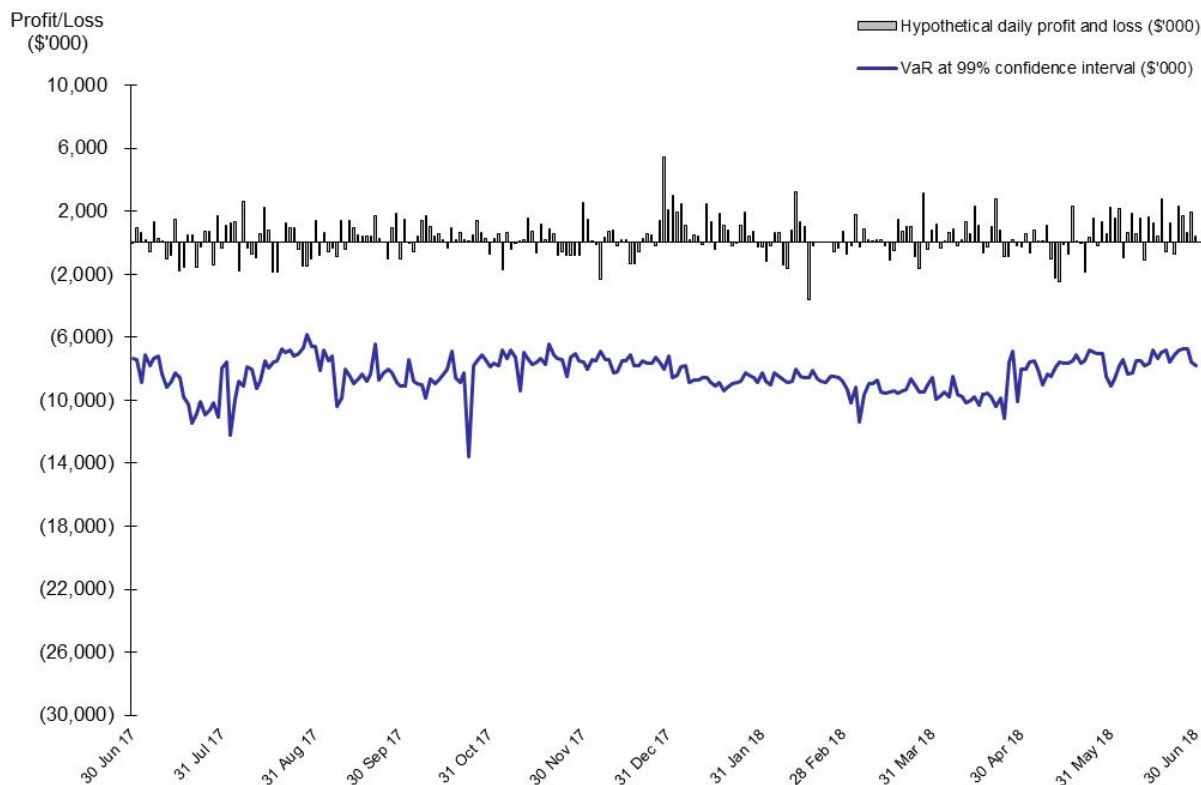
The Group currently adopts the SA for the calculation of regulatory market risk capital but uses the Internal Models Approach to measure and to control trading market risks. The financial products which are warehoused, measured and controlled with internal models include FX and FX options, plain vanilla interest rate contracts and interest rate options, government and corporate bonds, equities and equity options, commodities contracts and commodity options.

Internal Model Approach

The Group estimates a daily Value-at-Risk (VaR) within a 99 per cent confidence interval, using the historical simulation method, as a control for market risk. The method assumes that possible future changes in market rates may be implied by observed historical market movements.

Group Trading Backtesting Chart

(Hypothetical daily profit and loss versus VaR at 99% confidence interval)

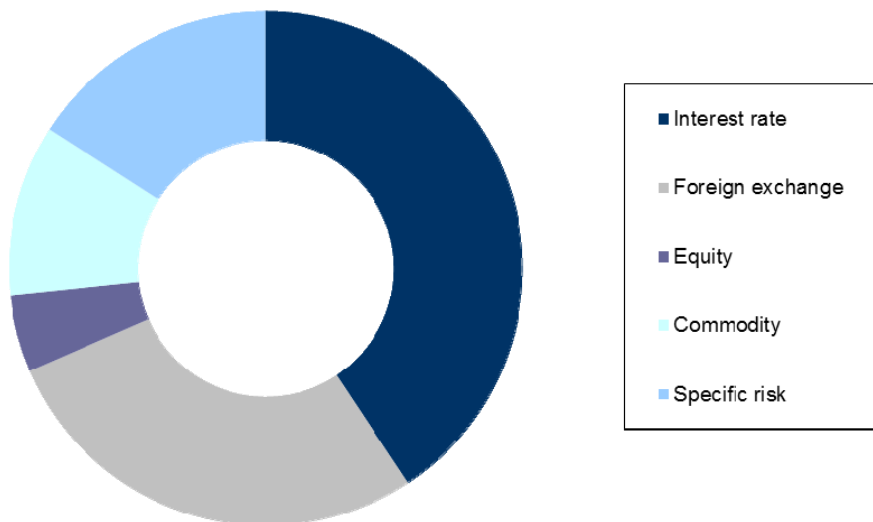


As VaR is the statistical measure for potential losses, the VaR measures are backtested against profit and loss of the trading book to validate the robustness of the methodology. The backtesting process analyses whether the exceptions are due to model deficiencies or market volatility. All backtesting exceptions are tabled at the ALCO with recommended actions and resolutions.

To complement the VaR measure, we perform stress and scenario tests to identify the Group’s vulnerability to event risk. These tests serve to provide early warnings of plausible extreme losses for which proactive management of market risk is taken.

The Group’s daily VaR on 30 June 2018 was \$7.76 million.

Group Trading VaR for Market Risk by Risk Class



26 INTEREST RATE RISK IN THE BANKING BOOK

Interest rate risk is the impact to earnings and economic value of the Group due to fluctuations in interest rates. Interest rate exposure arises from differences in the maturity and repricing dates of assets, liabilities and off-balance sheet items. These mismatches are actively monitored and managed as part of the overall interest rate risk management process which is conducted in accordance with the Group’s policies as approved by the ALCO.

The economic value of equity (“EVE”) sensitivity at 100 and 200 basis points parallel interest rate shocks were negative \$259 million and \$497 million respectively, computed based on the worst case of upward and downward parallel shifts of each yield curve. EVE is the present value of assets less present value of liabilities of the Group. The repricing profile of loans is generally based on the earliest possible repricing dates, taking into account the notice period to be served to the customers. Loan prepayment is estimated based on past statistics and trends where possible and material. Behavioural assumptions based on historical trends are applied where appropriate, for deposits that do not have maturity dates. There may be some differences in the assumptions across geographical locations due to variation in local conditions.

27 SUMMARY OF DISCLOSURE EXCLUDED

<u>Disclosures Description</u>	<u>Rationale</u>
RWA flow statements of under CCR internal models method	UOB not using CCR Internal Models Method
Securitisation exposures in the Trading book	Currently, UOB has no such exposures in the Trading book.
Securitisation exposures in the Banking book and associated regulatory capital requirements - A reporting bank acting as originator or as sponsor	Currently, UOB has no such exposures.
RWA flow statements of market risk exposures under IMA	UOB not using IMA for market risk
IMA values for trading portfolios	UOB not using IMA for market risk

28 ABBREVIATIONS

The following abbreviated terms are used throughout this document.

A		G	
A-IRBA	Advanced Internal Ratings-Based Approach	G-SIB	Global Systemically Important Bank
ALCO	Asset and Liability Committee	H	
AMA	Advanced Measurement Approach	HVCRE	High-Volatility Commercial Real Estate
AT1 capital	Additional Tier 1 capital	I	
B		IAA	Internal Assessment Approach
BIA	Basic Indicator Approach	IAM	Internal Assessment Method
C		IMA	Internal Models Approach
CAR	Capital Adequacy Ratio	IMM	Internal Models Method
CCF	Credit Conversion Factor	IPRE	Income-Producing Real Estate
CCP	Central Counterparty	IRBA	Internal Ratings-Based Approach
CCR	Counterparty Credit Risk	IRBA (EQ)	Internal Ratings-Based Approach for Equity Exposures
CCyB	Countercyclical Buffer	L	
CET1	Common Equity Tier 1	LGD	Loss Given Default
CF	Commodities Finance	M	
CR	Credit Risk	MDB	Multilateral Development Bank
CRE	Commercial Real Estate	MR	Market Risk
CRM	Credit Risk Mitigation	N	
CVA	Credit Valuation Adjustment	NBFI	Non Bank Financial Institutions
E		NCI	Non-Controlling Interests
EAD	Exposure at Default	O	
EL	Expected Loss	OF	Object Finance
EPE	Expected Positive Exposure	OR	Operational Risk
EQ	Equity Exposures	P	
EVE	Economic Value of Equity	PD	Probability of Default
F		PE/VC	Private Equity/Venture Capital
FC(SA)	Financial Collateral Simple Approach	PF	Project Finance
FC(CA)	Financial Collateral Comprehensive Approach	PSE	Public Sector Entity
F-IRBA	Foundation Internal Ratings-Based Approach		

Q

QRRE	Qualifying Revolving Retail Exposures
------	---------------------------------------

R

RBM	Ratings-Based Method
-----	----------------------

RW	Risk Weight
----	-------------

RWA	Risk-Weighted Assets
-----	----------------------

S

SA	Standardised Approach
----	-----------------------

SA(CR)	Standardised Approach to Credit Risk
--------	--------------------------------------

SA(EQ)	Standardised Approach for Equity Exposures
--------	--

SA(SE)	Standardised Approach for Securitisation Exposures
--------	--

SA(MR)	Standardised Approach to Market Risk
--------	--------------------------------------

SA(OR)	Standardised Approach to Operational Risk
--------	---

SE	Securitisation Exposures
----	--------------------------

SEC-IRBA	Securitisation Internal Ratings-Based Approach
----------	--

SEC-ERBA	Securitisation External Ratings-Based Approach
----------	--

SEC-SA	Securitisation Standardised Approach
--------	--------------------------------------

SF	Supervisory Formula
----	---------------------

SFRS	Singapore Financial Reporting Standards
------	---

SFTs	Securities Financing Transactions
------	-----------------------------------

SME	Small-and Medium-sized Enterprises
-----	------------------------------------

T

T1 capital	Tier 1 capital
------------	----------------

T2 capital	Tier 2 capital
------------	----------------

TEP	Total Eligible Provisions
-----	---------------------------

V

VaR	Value at Risk
-----	---------------