

Pillar 3 Disclosure Report

30 June 2022

United Overseas Bank Limited
Incorporated in the Republic of Singapore

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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 "#".

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.

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 June 2022

\$m	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sep 2021	30 Jun 2021	
Available capital (amounts)¹						
1	CET1 capital	34,460	35,080	34,935	34,144	34,323
2	Tier 1 capital	36,840	37,460	37,314	36,524	36,702
3	Total capital	42,964	42,232	43,075	42,589	43,613
Risk weighted assets (amounts)¹						
4	Total RWA	262,695	267,550	259,067	252,810	241,090
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	13.1	13.1	13.5	13.5	14.2
6	Tier 1 ratio (%)	14.0	14.0	14.4	14.4	15.2
7	Total capital ratio (%)	16.4	15.8	16.6	16.8	18.1
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5	2.5	2.5	2.5	2.5
9	Countercyclical buffer requirement (%)	0.1	0.1	0.1	0.1	0.1
10	G-SIB and/or D-SIB additional requirement (%)	-	-	-	-	-
11	Total of CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.6	2.6	2.6	2.6	2.6
12	CET1 available after meeting the Reporting Bank's minimum capital requirements (%)	6.0	5.8	6.4	6.4	7.2
Leverage Ratio¹						
13	Total Leverage Ratio exposure measure	558,189	539,273	517,243	512,305	498,595
14	Leverage Ratio (%) (row 2/ row 13)	6.6	6.9	7.2	7.1	7.4
Liquidity Coverage Ratio						
15	Total High Quality Liquid Assets	88,024	78,967	79,629	77,039	78,514
16	Total net cash outflow	62,688	61,097	59,911	55,952	59,801
17	Liquidity Coverage Ratio (%)	141	129	133	138	131
Net Stable Funding Ratio						
18	Total available stable funding	293,662	294,532	288,115	290,972	281,497
19	Total required stable funding	265,477	261,223	247,977	232,609	228,861
20	Net Stable Funding Ratio (%)	111	113	116	125	123

¹ Commentaries to explain the significant changes, if any, during the quarter for the above metrics have been included in specific sections of this report.

3 Composition of Capital

3.1 Reconciliation of Regulatory Capital to Balance Sheet

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 2022, both the total assets and the total equities of each of these subsidiaries were less than \$1 billion.

Compared with 31 December 2021, key movements in the items under the column "Under regulatory scope of consolidation" were mainly from retained earnings, lower other reserves, Tier 2 capital instruments and eligible provisions.

Table 1 - Reconciliation of Balance Sheet to Regulatory Capital as at 30 June 2022

\$m	Balance Sheet per Published Financial Statements	Under regulatory scope of consolidation	Reference in Table 2
Equity			
Share capital and other capital	7,455		
<i>of which paid-up ordinary shares</i>		5,077	A
<i>of which AT1 capital instruments</i>		2,377	B
Retained earnings	27,419	27,257	C
<i>of which unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk</i>		40	D1
Other reserves	7,383	6,967	E
<i>of which unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk</i>		25	D2
Equity attributable to equity holders of the Bank	42,257		
Non-controlling interests	228		
<i>of which NCI that meets criteria for inclusion in</i>			
- CET1 capital		17	F1
- AT1 capital		3	F2
- T2 capital		3	F3
Total equity	42,485		
Liabilities			
Deposits and balances of banks	31,463		
Deposits and balances of customers	358,051		
Bills and drafts payable	942		
Derivative financial liabilities	12,436		
Other liabilities	7,048		
Tax payable	703		
Deferred tax liabilities	400		
Debts issued	39,760		
<i>of which T2 capital instruments</i>		4,874	G
Total liabilities	450,803		

3.1 Reconciliation of Regulatory Capital to Balance Sheet (cont'd)

Table 1 - Reconciliation of Balance Sheet to Regulatory Capital as at 30 June 2022

\$m	Balance Sheet per Published Financial Statements	Under regulatory scope of consolidation	Reference in Table 2
Assets			
Cash, balances and placements with central banks	47,806		
Singapore Government treasury bills and securities	9,979		
Other government treasury bills and securities	20,473		
Trading securities	4,567		
Placements and balances with banks	32,885		
Loans to customers	317,529		
<i>of which provisions eligible for inclusion in T2 capital</i>		1,247	H
Derivative financial assets	11,658		
Investment securities ²	33,180		
<i>of which investments in PE/VC held beyond the relevant holding period</i>		2	I1
Other assets	5,182		
<i>of which investments in PE/VC held beyond the relevant holding period</i>		-	I2
Deferred tax assets	596		
<i>of which amount related to deferred tax assets (net of deferred tax liabilities, where permissible)</i>		596	J
Investment in associates and joint ventures	1,276		
<i>of which amount related to goodwill</i>		10	K1
<i>of which investments in PE/VC held beyond the relevant holding period</i>		26	I3
Investment properties	797		
Fixed assets	3,218		
Intangible assets	4,142		
<i>of which amount related to goodwill</i>		4,142	K2
Total Assets	493,288		

² This includes the Bank's major stake investments in financial institutions.

3.1 Reconciliation of Regulatory Capital to Balance Sheet (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, and include both on- and off-balance sheet items.

(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 June 2022

\$m		Amount	Reference in Table 1
Common Equity Tier 1 capital: instruments and reserves			
1	Paid-up ordinary shares and share premium (if applicable)	5,077	A
2	Retained earnings	27,257	C
3*	Accumulated other comprehensive income and other disclosed reserves	6,967	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	17	F1
6	Common Equity Tier 1 capital before regulatory adjustments	39,318	
Common Equity Tier 1 capital: regulatory adjustments			
7	Valuation adjustment pursuant to Part VIII of MAS Notice 637 ³	-	
8	Goodwill, net of associated deferred tax liability	4,152	K1+K2
9*	Intangible assets, net of associated deferred tax liability	-	
10*	Deferred tax assets that rely on future profitability	596	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	65	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	of which: investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-	
24*	of which: mortgage servicing rights	-	
25*	of which: deferred tax assets arising from temporary differences	-	
26	National specific regulatory adjustments	45	
26A	PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630	45	I1 + I2 + I3
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	4,858	
29	Common Equity Tier 1 capital (CET1)	34,460	
Additional Tier 1 capital: instruments			

³ All prudent valuation adjustments have been made for financial reporting purpose.

3.1 Reconciliation of Regulatory Capital to Balance Sheet (cont'd)

Table 2 - Capital Components as at 30 June 2022

\$m		Amount	Reference in Table 1
30	AT1 capital instruments and share premium (if applicable)	2,377	B
31	of which: classified as equity under the Accounting Standards	2,377	
32	of which: classified as liabilities under the Accounting Standards	-	
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	3	F2
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	Additional Tier 1 capital before regulatory adjustments	2,380	
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)	2,380	
45	Tier 1 capital (T1 = CET1 + AT1)	36,840	
Tier 2 capital: instruments and provisions			
46	Tier 2 capital instruments and share premium (if applicable)	4,874	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	3	F3
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Provisions	1,247	H
51	Tier 2 capital before regulatory adjustments	6,124	
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 and other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-	
54a*	Investments in other TLAC liabilities of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake: amount previously designated for the 5% threshold but that no longer meets the conditions	-	
55	Investments in Tier 2 capital instruments and other TLAC liabilities 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)	6,124	
59	Total capital (TC = T1 + T2)	42,964	
60	Floor-adjusted total risk weighted assets	262,695	
Capital ratios (as a percentage of floor-adjusted risk weighted assets)			
61	Common Equity Tier 1 CAR	13.1%	
62	Tier 1 CAR	14.0%	
63	Total CAR	16.4%	

3.1 Reconciliation of Regulatory Capital to Balance Sheet (cont'd)

Table 2 - Capital Components as at 30 June 2022

\$m		Amount	Reference in Table 1
64	Bank-specific buffer requirement	9.1%	
65	of which: capital conservation buffer requirement	2.5%	
66	of which: bank specific countercyclical buffer requirement	0.1%	
67	of which: G-SIB and/or D-SIB buffer requirement (if applicable)	-	
68	Common Equity Tier 1 available after meeting the Reporting Bank's minimum capital requirements	6.0%	
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, Tier 2 capital and other TLAC liabilities of unconsolidated financial institutions in which the bank does not hold a major stake	773	
73	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	1,671	
74	Mortgage servicing rights (net of associated deferred tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of associated deferred 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)	569	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	502	row 50
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	745	row 50
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	1,070	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)			
80	<i>Current cap on CET1 instruments subject to phase out arrangements</i>	-	
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	-	
82	<i>Current cap on AT1 instruments subject to phase out arrangements</i>	-	
83	<i>Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)</i>	-	
84	<i>Current cap on T2 instruments subject to phase out arrangements</i>	-	
85	<i>Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>	-	

³ All prudent valuation adjustments have been made for financial reporting purpose.

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

3.2 Main Features of Regulatory Instruments

The following disclosure is based on the prescribed template as set out in MAS Notice 637. This disclosure shall be updated on a semi-annual basis and to be read in conjunction with the notes at <https://www.UOBgroup.com/investor-relations/capital-and-funding-information/group-securities.html>.

The salient features for non-public offerings have been included below, though further details are not published on the UOB website as they are not meaningful nor relevant.

Key Features of Regulatory Capital Instruments as at 30 June 2022

1 Issuer	United Overseas Bank Limited	United Overseas Bank Limited
2 Unique Identifier (ISIN code)	SG1M31001969	SGXF73188736
3 Governing law(s) of the instrument	Singapore	Singapore
Regulatory treatment		
4 Transitional Basel III rules	Core Equity	Additional Tier 1
5 Post-transitional Basel III rules	Core Equity	Additional Tier 1
6 Eligible at solo/group/group&solo	Group & Solo	Group & Solo
7 Instrument type	Ordinary Share	Perpetual Capital Security
8 Amount recognised in regulatory capital (<i>in millions</i>)	S\$5,077 million	S\$599 million
9 Principal amount (<i>in millions</i>)	n.a.	S\$600 million
10 Accounting classification	Equity	Equity
11 Original date of issuance	20 July 1970	22 June 2021
12 Perpetual or dated	Perpetual	Perpetual
13 Original maturity date	No maturity	No maturity
14 Issuer call subject to prior supervisory approval	n.a.	Yes
15 Optional call date	n.a.	22 June 2028
Tax/ regulatory event call	n.a.	Yes
Redemption price	n.a.	Par
16 Subsequent call dates, if applicable	n.a.	Each distribution payment date thereafter
Coupons / dividends		
17 Fixed or floating ⁽¹⁾	Discretionary dividend amount	Fixed
18 Coupon rate and any related index	n.a.	2.55% paid semi-annually on 22 June and 22 December
19 Existence of a dividend stopper	n.a.	Yes
20 Fully discretionary, discretionally or mandatory	Fully discretionary	Fully discretionary
21 Existence of step up or incentive to redeem	n.a.	No
22 Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23 Convertible or non-convertible	n.a.	Non-convertible
24 If convertible, conversion trigger	n.a.	n.a.
25 If convertible, fully or partially	n.a.	n.a.
26 If convertible, conversion rate	n.a.	n.a.
27 If convertible, mandatory or optional conversion	n.a.	n.a.
28 If convertible, specify instrument type convertible into	n.a.	n.a.
29 If convertible, specify issuer of instrument it converts into	n.a.	n.a.
30 Write-down feature	n.a.	Yes
31 If write-down, write-down triggers(s)	n.a.	Point of non-viability at the discretion of the Regulator
32 If write-down, full or partial	n.a.	Partial
33 If write-down, permanent or temporary	n.a.	Permanent
34 If temporary write-down, description of write-up mechanism	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
36 Non compliant transitioned features	No	No
37 If yes, specify non compliant features	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.

3.2 Main Features of Regulatory Instruments (cont'd)

Key Features of Regulatory Capital Instruments as at 30 June 2022

1 Issuer	United Overseas Bank Limited	United Overseas Bank Limited
2 Unique Identifier (ISIN code)	SGXF91929004	SGXF48097749
3 Governing law(s) of the instrument	Singapore	Singapore
Regulatory treatment		
4 Transitional Basel III rules	Additional Tier 1	Additional Tier 1
5 Post-transitional Basel III rules	Additional Tier 1	Additional Tier 1
6 Eligible at solo/group/group&solo	Group & Solo	Group & Solo
7 Instrument type	Perpetual Capital Security	Perpetual Capital Security
8 Amount recognised in regulatory capital (<i>in millions</i>)	S\$150 million	S\$749 million
9 Principal amount (<i>in millions</i>)	S\$150 million	S\$750 million
10 Accounting classification	Equity	Equity
11 Original date of issuance	15 January 2021	17 July 2019
12 Perpetual or dated	Perpetual	Perpetual
13 Original maturity date	No maturity	No maturity
14 Issuer call subject to prior supervisory approval	Yes	Yes
15 Optional call date	15 January 2026	17 July 2026
Tax/ regulatory event call	Yes	Yes
Redemption price	Par	Par
16 Subsequent call dates, if applicable	Each distribution payment date thereafter	Each distribution payment date thereafter
Coupons / dividends		
17 Fixed or floating ⁽¹⁾	Fixed	Fixed
18 Coupon rate and any related index	2.25% paid semi-annually on 15 January and 15 July	3.58% paid semi-annually on 17 January and 17 July
19 Existence of a dividend stopper	Yes	Yes
20 Fully discretionary, discretionally or mandatory	Fully discretionary	Fully discretionary
21 Existence of step up or incentive to redeem	No	No
22 Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23 Convertible or non-convertible	Non-convertible	Non-convertible
24 If convertible, conversion trigger	n.a.	n.a.
25 If convertible, fully or partially	n.a.	n.a.
26 If convertible, conversion rate	n.a.	n.a.
27 If convertible, mandatory or optional conversion	n.a.	n.a.
28 If convertible, specify instrument type convertible into	n.a.	n.a.
29 If convertible, specify issuer of instrument it converts into	n.a.	n.a.
30 Write-down feature	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
32 If write-down, full or partial	Partial	Partial
33 If write-down, permanent or temporary	Permanent	Permanent
34 If temporary write-down, description of write-up mechanism	n.a.	n.a.
35 Position in subordination hierarchy in liquidation (<i>instrument type immediately senior to instrument</i>)	Tier 2 instruments	Tier 2 instruments
36 Non compliant transitioned features	No	No
37 If yes, specify non compliant features	n.a.	n.a.

3.2 Main Features of Regulatory Instruments (cont'd)

Key Features of Regulatory Capital Instruments as at 30 June 2022

1 Issuer	United Overseas Bank Limited	United Overseas Bank Limited
2 Unique Identifier (ISIN code)	XS1699845068	US91127LAH33 / US91127KAH59
3 Governing law(s) of the instrument	Singapore	Singapore
Regulatory treatment		
4 Transitional Basel III rules	Additional Tier 1	Tier 2
5 Post-transitional Basel III rules	Additional Tier 1	Tier 2
6 Eligible at solo/group/group&solo	Group & Solo	Group & Solo
7 Instrument type	Perpetual Capital Security	Subordinated Debt
8 Amount recognised in regulatory capital (<i>in millions</i>)	S\$879 million	S\$1,341 million
9 Principal amount (<i>in millions</i>)	US\$650 million	US\$1,000 million
10 Accounting classification	Equity	Liability
11 Original date of issuance	19 October 2017	7 April 2022
12 Perpetual or dated	Perpetual	Dated
13 Original maturity date	No maturity	7 October 2032
14 Issuer call subject to prior supervisory approval	Yes	Yes
15 Optional call date	19 October 2023	7 October 2027
Tax/ regulatory event call	Yes	Yes
Redemption price	Par	Par
16 Subsequent call dates, if applicable	Each distribution payment date thereafter	Not applicable. One time call only.
Coupons / dividends		
17 Fixed or floating ⁽¹⁾	Fixed	Fixed
18 Coupon rate and any related index	3.875% paid semi-annually on 19 April and 19 October	3.863% paid semi-annually on 7 April and 7 October
19 Existence of a dividend stopper	Yes	No
20 Fully discretionary, discretionally or mandatory	Fully discretionary	Mandatory
21 Existence of step up or incentive to redeem	No	No
22 Non-cumulative or cumulative	Non-cumulative	Cumulative
23 Convertible or non-convertible	Non-convertible	Non-convertible
24 If convertible, conversion trigger	n.a.	n.a.
25 If convertible, fully or partially	n.a.	n.a.
26 If convertible, conversion rate	n.a.	n.a.
27 If convertible, mandatory or optional conversion	n.a.	n.a.
28 If convertible, specify instrument type convertible into	n.a.	n.a.
29 If convertible, specify issuer of instrument it converts into	n.a.	n.a.
30 Write-down feature	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
32 If write-down, full or partial	Partial	Partial
33 If write-down, permanent or temporary	Permanent	Permanent
34 If temporary write-down, description of write-up mechanism	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
36 Non compliant transitioned features	No	No
37 If yes, specify non compliant features	n.a.	n.a.

3.2 Main Features of Regulatory Instruments (cont'd)

Key Features of Regulatory Capital Instruments as at 30 June 2022

1 Issuer	United Overseas Bank Limited	United Overseas Bank Limited
2 Unique Identifier (ISIN code)	XS2463967369	US91127LAE02 / US91127KAE29
3 Governing law(s) of the instrument	Singapore	Singapore
Regulatory treatment		
4 Transitional Basel III rules	Tier 2	Tier 2
5 Post-transitional Basel III rules	Tier 2	Tier 2
6 Eligible at solo/group/group&solo	Group & Solo	Group & Solo
7 Instrument type	Subordinated Debt	Subordinated Debt
8 Amount recognised in regulatory capital (in millions)	S\$135 million	S\$946 million
9 Principal amount (in millions)	CNH 650 million	US\$750 million
10 Accounting classification	Liability	Liability
11 Original date of issuance	6 April 2022	14 April 2021
12 Perpetual or dated	Dated	Dated
13 Original maturity date	6 April 2032	14 October 2031
14 Issuer call subject to prior supervisory approval	Yes	Yes
15 Optional call date	6 April 2027	14 October 2026
Tax/ regulatory event call	Yes	Yes
Redemption price	Par	Par
16 Subsequent call dates, if applicable	Not applicable. One time call only.	Not applicable. One time call only.
Coupons / dividends		
17 Fixed or floating ⁽¹⁾	Fixed	Fixed
18 Coupon rate and any related index	4.50% paid semi-annually on 6 April and 6 October	2.00% paid semi-annually on 14 April and 14 October
19 Existence of a dividend stopper	No	No
20 Fully discretionary, discretionally or mandatory	Mandatory	Mandatory
21 Existence of step up or incentive to redeem	No	No
22 Non-cumulative or cumulative	Cumulative	Cumulative
23 Convertible or non-convertible	Non-convertible	Non-convertible
24 If convertible, conversion trigger	n.a.	n.a.
25 If convertible, fully or partially	n.a.	n.a.
26 If convertible, conversion rate	n.a.	n.a.
27 If convertible, mandatory or optional conversion	n.a.	n.a.
28 If convertible, specify instrument type convertible into	n.a.	n.a.
29 If convertible, specify issuer of instrument it converts into	n.a.	n.a.
30 Write-down feature	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
32 If write-down, full or partial	Partial	Partial
33 If write-down, permanent or temporary	Permanent	Permanent
34 If temporary write-down, description of write-up mechanism	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
36 Non compliant transitioned features	No	No
37 If yes, specify non compliant features	n.a.	n.a.

3.2 Main Features of Regulatory Instruments (cont'd)

Key Features of Regulatory Capital Instruments as at 30 June 2022

1 Issuer	United Overseas Bank Limited	United Overseas Bank Limited
2 Unique Identifier (ISIN code)	XS2230275633	US91127LAC46 / US91127KAC62
3 Governing law(s) of the instrument	Singapore	Singapore
Regulatory treatment		
4 Transitional Basel III rules	Tier 2	Tier 2
5 Post-transitional Basel III rules	Tier 2	Tier 2
6 Eligible at solo/group/group&solo	Group & Solo	Group & Solo
7 Instrument type	Subordinated Debt	Subordinated Debt
8 Amount recognised in regulatory capital (in millions)	S\$767 million	S\$819 million
9 Principal amount (in millions)	US\$600 million	US\$600 million
10 Accounting classification	Liability	Liability
11 Original date of issuance	16 September 2020	15 April 2019
12 Perpetual or dated	Dated	Dated
13 Original maturity date	16 March 2031	15 April 2029
14 Issuer call subject to prior supervisory approval	Yes	Yes
15 Optional call date	16 March 2026	15 April 2024
Tax/ regulatory event call	Yes	Yes
Redemption price	Par	Par
16 Subsequent call dates, if applicable	Not applicable. One time call only.	Not applicable. One time call only.
Coupons / dividends		
17 Fixed or floating ⁽¹⁾	Fixed	Fixed
18 Coupon rate and any related index	1.75% paid semi-annually on 16 March and 16 September	3.75% paid semi-annually on 15 April and 15 October
19 Existence of a dividend stopper	No	No
20 Fully discretionary, discretionally or mandatory	Mandatory	Mandatory
21 Existence of step up or incentive to redeem	No	No
22 Non-cumulative or cumulative	Cumulative	Cumulative
23 Convertible or non-convertible	Non-convertible	Non-convertible
24 If convertible, conversion trigger	n.a.	n.a.
25 If convertible, fully or partially	n.a.	n.a.
26 If convertible, conversion rate	n.a.	n.a.
27 If convertible, mandatory or optional conversion	n.a.	n.a.
28 If convertible, specify instrument type convertible into	n.a.	n.a.
29 If convertible, specify issuer of instrument it converts into	n.a.	n.a.
30 Write-down feature	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
32 If write-down, full or partial	Partial	Partial
33 If write-down, permanent or temporary	Permanent	Permanent
34 If temporary write-down, description of write-up mechanism	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
36 Non compliant transitioned features	No	No
37 If yes, specify non compliant features	n.a.	n.a.

3.2 Main Features of Regulatory Instruments (cont'd)

Key Features of Regulatory Capital Instruments as at 30 June 2022

1 Issuer	United Overseas Bank Limited	United Overseas Bank Limited
2 Unique Identifier (ISIN code)	SG79A8000002	XS1480822516
3 Governing law(s) of the instrument	Singapore	Singapore
Regulatory treatment		
4 Transitional Basel III rules	Tier 2	Tier 2
5 Post-transitional Basel III rules	Tier 2	Tier 2
6 Eligible at solo/group/group&solo	Group & Solo	Group & Solo
7 Instrument type	Subordinated Debt	Subordinated Debt
8 Amount recognised in regulatory capital (in millions)	S\$744 million	S\$122 million
9 Principal amount (in millions)	S\$750 million	HK\$700 million
10 Accounting classification	Liability	Liability
11 Original date of issuance	27 February 2017	26 August 2016
12 Perpetual or dated	Dated	Dated
13 Original maturity date	27 February 2029	26 August 2028
14 Issuer call subject to prior supervisory approval	Yes	Yes
15 Optional call date	27 February 2024	26 August 2023
Tax/ regulatory event call	Yes	Yes
Redemption price	Par	Par
16 Subsequent call dates, if applicable	Not applicable. One time call only.	Not applicable. One time call only.
Coupons / dividends		
17 Fixed or floating ⁽¹⁾	Fixed	Fixed
18 Coupon rate and any related index	3.50% paid semi-annually on 27 February and 27 August	3.19% paid quarterly on 26 August, 26 November, 26 February and 26 May
19 Existence of a dividend stopper	No	No
20 Fully discretionary, discretionally or mandatory	Mandatory	Mandatory
21 Existence of step up or incentive to redeem	No	No
22 Non-cumulative or cumulative	Cumulative	Cumulative
23 Convertible or non-convertible	Non-convertible	Non-convertible
24 If convertible, conversion trigger	n.a.	n.a.
25 If convertible, fully or partially	n.a.	n.a.
26 If convertible, conversion rate	n.a.	n.a.
27 If convertible, mandatory or optional conversion	n.a.	n.a.
28 If convertible, specify instrument type convertible into	n.a.	n.a.
29 If convertible, specify issuer of instrument it converts into	n.a.	n.a.
30 Write-down feature	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
32 If write-down, full or partial	Partial	Partial
33 If write-down, permanent or temporary	Permanent	Permanent
34 If temporary write-down, description of write-up mechanism	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
36 Non compliant transitioned features	No	No
37 If yes, specify non compliant features	n.a.	n.a.

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.

4.1 Leverage Ratio Summary Comparison Table

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

Reconciliation of Balance Sheet Assets to Exposure Measure⁴

\$m		30 Jun 2022
1	Total consolidated assets as per published financial statements	493,288
2	Adjustment for investments in entities that are consolidated for accounting purposes but are outside the regulatory scope of consolidation	(579)
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	5,646
5	Adjustment for SFTs	937
6	Adjustment for off-balance sheet items	63,690
7	Other adjustments	(4,793)
8	Exposure measure	558,189

⁴Computed using quarter-end balances

4.2 Leverage Ratio Common Disclosure Template

Exposure Measure Components⁴

\$m		30 Jun 2022	31 Mar 2022
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)	469,337	452,934
2	Asset amounts deducted in determining Tier 1 capital	(4,793)	(4,800)
3	Total exposure measures of on-balance sheet items (excluding derivative transactions and SFTs)	464,544	448,134
Derivative exposure measures			
4	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	9,528	6,552
5	Potential future exposure associated with all derivative transactions	7,614	7,190
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	83	81
10	Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	-	-
11	Total derivative exposure measures	17,225	13,823
SFT exposure measures			
12	Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	11,793	14,474
13	Eligible netting of cash payables and cash receivables	-	-
14	SFT counterparty exposures	937	833
15	SFT exposure measures where a Reporting Bank acts as an agent in the SFTs	-	-
16	Total SFT exposure measures	12,730	15,307
Exposure measures of off-balance sheet items			
17	Off-balance sheet items at notional amount	256,281	245,760
18	Adjustments for calculation of exposure measures of off-balance sheet items	(192,591)	(183,751)
19	Total exposure measures of off-balance sheet items	63,690	62,009
Capital and Total exposures			
20	Tier 1 capital	36,840	37,460
21	Total exposures	558,189	539,273
Leverage ratio			
22	Leverage ratio	6.6%	6.9%

⁴ Computed using quarter-end balances

The Group's leverage ratio decreased 0.3% point quarter-on-quarter to 6.6% as at 30 June 2022 mainly driven by asset growth.

5 Macprudential Supervisory Measures

5.1 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.

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.

Countercyclical Capital Buffer as at 30 June 2022

\$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	1.00%	15,579		
Luxembourg	0.50%	751		
Sum		16,330		
Total		213,787	0.1%	196

Countercyclical Capital Buffer as at 31 December 2021

\$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	1.00%	16,166		
Luxembourg	0.50%	803		
Sum		16,969		
Total		213,761	0.1%	201

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.

Total RWA was \$4.9 billion lower quarter-on-quarter mainly due to improvement in credit quality of corporate exposures.

\$m		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 30 Jun 2022	As at 31 Mar 2022	As at 30 Jun 2022
1	Credit risk (excluding CCR)	219,527	222,456	21,952
2	<i>of which: Standardised Approach</i>	35,326	34,847	3,532
3	<i>of which: F-IRBA</i>	161,704	165,319	16,170
4	<i>of which: supervisory slotting approach</i>	5,330	5,105	533
5	<i>of which: A-IRBA</i>	17,167	17,185	1,717
6	CCR	5,988	5,835	599
7	<i>of which: SA-CCR</i>	4,725	4,592	473
8	<i>of which: CCR internal models method</i>	-	-	-
9	<i>of which: other CCR</i>	719	839	72
9a	<i>of which: CCP</i>	544	404	54
10	CVA	2,225	2,366	222
11	Equity exposures under the simple risk weight method	-	-	-
11a	Equity exposures under the IMM	-	-	-
12	Equity investments in funds – look through approach	8	9	1
13	Equity investments in funds – mandate-based approach	3,757	3,847	376
14	Equity investments in funds – fall back approach	#	#	#
14a	Equity investment in funds – partial use of an approach	-	-	-
15	Unsettled transactions	-	-	-
16	Securitisation exposures in the banking book	432	425	43
17	<i>of which: SEC-IRBA</i>	-	-	-
18	<i>of which: SEC-ERBA, including IAA</i>	334	361	33
19	<i>of which: SEC-SA</i>	98	64	10
20	Market risk	10,066	11,663	1,007
21	<i>of which: SA(MR)</i>	10,066	11,663	1,007
22	<i>of which: IMA</i>	-	-	-
23	Operational risk	16,514	16,545	1,651
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	4,178	4,404	418
25	Floor adjustment	-	-	-
26	Total	262,695	267,550	26,269

7 Credit Risk

7.1 Credit Quality of Assets

Please refer to UOB Annual Report 2021, Risk Management section – Credit Risk and summary of significant accounting policies under the notes to financial statements.

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.

As at 30 June 2022

		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amount of		Allowances and impairments	of which: allowances for standardised approach exposures		of which: allowances for IRBA exposures	Net values (a+b-c)
\$m		Defaulted exposures	Non-defaulted exposures		of which: specific allowances	of which: general allowances		
1	Loans	5,374	316,303	4,148	153	393	3,602	317,529
2	Debt securities	16	58,536	74	-	35	39	58,478
3	Off-balance sheet exposures	21	98,420	292	7	48	237	98,149
4	Total	5,411	473,259	4,514	160	476	3,878	474,156

As at 31 December 2021

		(a)	(b)	(c)	(d)	(e)	(f)	(g)
		Gross carrying amount of		Allowances and impairments	of which: allowances for standardised approach exposures		of which: allowances for IRBA exposures	Net values (a+b-c)
\$m		Defaulted exposures	Non-defaulted exposures		of which: specific allowances	of which: general allowances		
1	Loans	5,030	305,775	4,092	144	409	3,539	306,713
2	Debt securities	16	45,958	69	-	26	43	45,905
3	Off-balance sheet exposures	20	76,654	293	5	43	245	76,381
4	Total	5,066	428,387	4,454	149	478	3,827	428,999

7.2 Changes in Stock of Defaulted Loans and Debt Securities

The table 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.

7.2 Changes in Stock of Defaulted Loans and Debt Securities (cont'd)

As at 30 June 2022

\$m		(a)
1	Defaulted loans and debt securities at end of the previous semi-annual reporting period	5,046
2	Loans and debt securities that have defaulted since the previous semi-annual reporting period	1,384
3	Returned to non-defaulted status	(157)
4	Amounts written-off	(220)
5	Other changes	(663)
6	Defaulted loans and debt securities at end of the semi-annual reporting period (1+2+3+4+/-5)	5,390

The increase in defaulted loans and debt securities in the first half of 2022 was mainly due to higher inflow of new defaulted loans relative to the outflow of defaulted loans from recoveries, write-off and returned to non-defaulted status. Other changes mainly comprise of recoveries and foreign exchange.

7.3 Overview of CRM Techniques

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

Compared with 31 December 2021, the increase in loans and debt securities exposure balances were in line with overall balance sheet growth.

As at 30 June 2022

\$m		(a)	(b)	(c)	(d)	(e)
		Exposures Unsecured	Exposures Secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	173,020	144,509	116,487	21,147	-
2	Debt Securities	56,143	2,335	47	2,270	-
3	Total	229,163	146,844	116,534	23,417	-
4	Of which: defaulted	1,911	1,653	1,551	-	-

As at 31 December 2021

\$m		(a)	(b)	(c)	(d)	(e)
		Exposures Unsecured	Exposures Secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans	161,370	145,343	116,929	21,598	-
2	Debt Securities	44,680	1,225	55	1,165	-
3	Total	206,050	146,568	116,984	22,763	-
4	Of which: defaulted	1,475	1,706	1,601	-	-

7.4 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 2021, the increase in RWA was mainly due to higher exposures in Corporate and Bank asset classes.

As at 30 June 2022

	Asset classes and others	(a)	(b)	(c)	(d)	(e)	(f)
		Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		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	1,964	-	1,964	-	10	1
2	Central government and central bank	2,752	39	2,752	39	182	7
3	PSE	6,852	2,541	7,847	611	1,450	17
4	MDB	30	30	72	-	#	#
5	Bank	1,057	88	1,180	14	565	47
6	Corporate	16,807	16,848	14,722	3,121	17,263	97
7	Regulatory retail	1,946	1,714	1,580	15	1,197	75
8	Residential mortgage	1,787	#	1,787	-	777	43
9	CRE	1,750	1,046	1,730	51	1,781	100
10	Equity - SA(EQ)	3,393	173	1,722	173	3,267	172
11	Past due exposures	267	21	267	1	345	129
12	Higher-risk categories	-	-	-	-	-	-
13	Other exposures	9,422	2,605	7,929	559	8,489	100
14	Total	48,027	25,105	43,552	4,584	35,326	73

As at 31 December 2021

	Asset classes and others	(a)	(b)	(c)	(d)	(e)	(f)
		Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		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	2,189	-	2,189	-	8	0
2	Central government and central bank	1,873	13	1,873	13	226	12
3	PSE	6,074	2,685	6,552	927	1,287	17
4	MDB	7	4	36	2	#	#
5	Bank	747	453	858	9	376	43
6	Corporate	15,446	16,856	13,459	2,786	16,014	99
7	Regulatory retail	1,940	1,702	1,585	17	1,202	75
8	Residential mortgage	1,861	2	1,861	-	805	43
9	CRE	1,787	1,017	1,709	56	1,765	100
10	Equity - SA(EQ)	3,657	169	1,915	169	3,538	170
11	Past due exposures	276	11	276	1	360	130
12	Higher-risk categories	-	-	-	-	-	-
13	Other exposures	9,713	2,251	8,007	346	8,353	100
14	Total	45,569	25,163	40,320	4,326	33,934	76

7.5 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.

Compared with 31 December 2021, the increase in exposures were mainly from Central government and central bank, PSE and Corporate asset classes.

As at 30 June 2022

\$m		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Asset classes and others	Risk weight	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposure amount (post-CCF and post-CRM)
		1	Cash items	1,912	-	52	-	-	-	-	-
2	Central government and central bank	2,427	-	-	-	364	-	-	-	-	2,791
3	PSE	3,507	-	3,418	-	1,533	-	-	-	-	8,458
4	MDB	72	-	-	-	#	-	-	-	-	72
5	Bank	-	-	294	-	789	-	111	-	-	1,194
6	Corporate	-	-	663	-	176	-	16,932	72	-	17,843
7	Regulatory retail	-	-	-	-	-	1,595	-	-	-	1,595
8	Residential mortgage	-	-	-	1,514	-	103	170	-	-	1,787
9	CRE	-	-	-	-	-	-	1,781	-	-	1,781
10	Equity - SA(EQ)	-	-	-	-	-	-	-	-	1,894	1,894
11	Past due exposures	-	-	-	-	-	-	113	155	-	268
12	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13	Other exposures	-	-	-	-	-	-	8,489	-	-	8,489
14	Total	7,918	-	4,427	1,514	2,862	1,698	27,596	227	1,894	48,136

As at 31 December 2021

\$m		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Asset classes and others	Risk weight	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposure amount (post-CCF and post-CRM)
		1	Cash items	2,147	-	41	-	-	-	-	-
2	Central government and central bank	1,434	-	-	-	452	-	-	-	-	1,887
3	PSE	3,016	-	3,147	-	1,315	-	-	-	-	7,479
4	MDB	38	-	-	-	#	-	-	-	-	38
5	Bank	-	-	224	-	624	-	19	-	-	867
6	Corporate	-	-	236	-	147	-	15,800	61	-	16,245
7	Regulatory retail	-	-	-	-	-	1,602	-	-	-	1,602
8	Residential mortgage	-	-	-	1,588	-	98	176	-	-	1,861
9	CRE	-	-	-	-	-	-	1,765	-	-	1,765
10	Equity - SA(EQ)	-	-	-	-	-	-	-	-	2,084	2,084
11	Past due exposures	-	-	-	-	-	-	111	166	-	277
12	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13	Other exposures	-	-	-	-	-	-	8,353	-	-	8,353
14	Total	6,635	-	3,649	1,588	2,539	1,700	26,225	227	2,084	44,647

7.6 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.

(A) Main parameters used for calculations of capital requirements for credit exposures under FIRB

As at 30 June 2022

PD range %	(a) Original on-balance sheet gross exposures \$m	(b) Off-balance sheet exposures pre-CCF \$m	(c) Average CCF %	(d) EAD post-CRM and post-CCF \$m	(e) Average PD %	(f) Number of Obligors	(g) Average LGD %	(h) Average Maturity Years	(i) RWA \$m	(j) RWA density %	(k) EL \$m	(l) TEP \$m
Sovereign												
0.00 to < 0.15	71,992	1,804	18	75,893	0.0	30	45	1.8	3,397	4	5	
0.15 to <0.25	329	103	100	432	0.2	1	45	3.9	272	63	#	
0.25 to <0.50	18	-	-	18	0.3	1	45	0.8	7	42	#	
0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	
0.75 to < 2.50	250	-	-	250	0.9	4	45	2.5	239	95	1	
2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	
10.00 to <100.00	28	-	-	21	18.5	1	45	0.0	47	221	2	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	72,617	1,907	22	76,614	0.0	37	45	1.8	3,962	5	8	56
Bank												
0.00 to < 0.15	26,018	1,598	52	27,155	0.0	171	45	1.4	4,398	16	6	
0.15 to <0.25	2,482	119	30	2,527	0.2	24	45	0.4	898	36	3	
0.25 to <0.50	354	518	4	374	0.4	15	45	0.3	174	47	1	
0.50 to <0.75	-	20	-	-	-	-	-	-	-	-	-	
0.75 to < 2.50	1,842	153	47	1,907	1.0	17	45	0.6	1,363	71	8	
2.50 to < 10.00	720	51	99	735	4.3	9	45	0.4	933	127	14	
10.00 to <100.00	4	5	95	9	22.5	11	20	0.6	9	102	#	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	31,420	2,464	41	32,707	0.2	247	45	1.2	7,775	24	32	110
Corporate												
0.00 to < 0.15	11,723	23,453	18	18,109	0.1	265	44	1.7	3,423	19	6	
0.15 to <0.25	7,136	18,093	16	10,229	0.2	344	45	1.6	4,056	40	9	
0.25 to <0.50	20,490	30,821	21	30,951	0.4	733	44	1.8	17,580	57	52	
0.50 to <0.75	13,541	12,104	21	15,951	0.5	334	44	1.6	10,258	64	37	
0.75 to < 2.50	26,805	36,625	16	35,995	1.2	1,527	41	1.5	29,756	83	181	
2.50 to < 10.00	12,584	13,099	17	8,990	5.2	663	35	1.2	9,717	108	154	
10.00 to <100.00	2,411	3,927	14	1,048	17.1	268	32	1.7	1,770	169	62	
100.00 (Default)	2,013	562	3	2,028	100.0	113	44	1.9	-	-	883	
Sub-total	96,703	138,684	18	123,301	2.7	4,247	43	1.6	76,560	62	1,384	1,705
Corporate small business												
0.00 to < 0.15	187	179	1	17	0.1	8	45	1.8	3	19	#	
0.15 to <0.25	127	1,073	10	320	0.2	223	36	1.7	91	28	#	
0.25 to <0.50	1,188	2,756	17	1,898	0.4	585	39	1.7	828	44	3	
0.50 to <0.75	648	1,621	12	1,108	0.5	442	39	1.9	564	51	2	
0.75 to < 2.50	8,704	8,193	9	9,734	1.4	2,978	39	2.0	7,349	76	53	
2.50 to < 10.00	7,230	4,799	13	6,764	5.2	2,574	37	1.7	6,908	102	127	
10.00 to <100.00	1,465	988	13	1,232	19.7	639	37	2.0	2,219	180	91	
100.00 (Default)	905	209	13	932	100.0	221	42	1.9	-	-	395	
Sub-total	20,454	19,818	12	22,005	7.6	7,670	38	1.9	17,962	82	671	604
Specialised lending - IPRE												
0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	
0.15 to <0.25	12,771	4,355	65	15,490	0.2	180	45	1.8	6,017	39	13	
0.25 to <0.50	31,888	6,208	65	35,813	0.4	466	45	2.0	21,106	59	61	
0.50 to <0.75	7,000	959	50	7,126	0.5	151	45	2.5	5,331	75	17	
0.75 to < 2.50	19,564	2,357	40	18,080	1.2	655	45	2.0	17,105	95	96	
2.50 to < 10.00	3,676	801	18	3,414	4.2	313	45	2.1	4,887	143	64	
10.00 to <100.00	445	99	7	396	24.1	34	45	2.1	999	252	43	
100.00 (Default)	450	12	1	450	100.0	43	45	1.3	-	-	202	
Sub-total	75,594	14,791	57	80,769	1.4	1,842	45	2.0	55,445	69	496	882
Total (sum of portfolios)	296,988	177,664	21	335,396	1.9	14,043	44	1.7	161,704	48	2,591	3,357

7.6 IRBA – Credit Risk Exposures by Portfolio and PD Range (cont'd)
As at 31 December 2021

PD range %	(a) Original on-balance sheet gross exposures \$m	(b) Off-balance sheet exposures pre-CCF \$m	(c) Average CCF %	(d) EAD post-CRM and post-CCF \$m	(e) Average PD %	(f) Number of Obligors	(g) Average LGD %	(h) Average Maturity Years	(i) RWA \$m	(j) RWA density %	(k) EL \$m	(l) TEP \$m
Sovereign												
0.00 to < 0.15	52,656	1,913	24	56,856	0.0	29	45	1.6	3,092	5	5	
0.15 to <0.25	379	-	-	379	0.2	1	45	3.4	220	58	#	
0.25 to <0.50	42	-	-	42	0.4	1	45	0.9	19	44	#	
0.50 to <0.75	77	-	-	77	0.6	2	45	0.8	44	57	#	
0.75 to < 2.50	141	-	-	141	0.9	2	45	3.9	160	114	1	
2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	
10.00 to <100.00	14	135	-	14	18.5	1	45	0.0	31	221	1	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	53,308	2,048	22	57,509	0.0	36	45	1.6	3,566	6	7	52
Bank												
0.00 to < 0.15	24,129	2,165	60	25,592	0.0	158	45	1.0	3,557	14	6	
0.15 to <0.25	3,557	83	7	3,573	0.2	22	45	0.4	1,269	36	4	
0.25 to <0.50	683	504	4	706	0.4	17	45	0.4	333	47	1	
0.50 to <0.75	13	102	63	77	0.6	5	45	0.7	56	73	#	
0.75 to < 2.50	1,572	63	0	1,572	1.1	8	45	0.6	1,251	80	8	
2.50 to < 10.00	895	9	90	874	4.3	10	45	0.5	1,129	129	17	
10.00 to <100.00	3	2	69	5	19.0	12	31	0.3	7	156	#	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	30,852	2,930	48	32,399	0.2	232	45	0.9	7,603	23	35	110
Corporate												
0.00 to < 0.15	8,692	24,868	19	15,419	0.1	256	44	2.1	3,290	21	5	
0.15 to <0.25	4,641	11,149	17	8,326	0.2	278	44	1.8	3,381	41	7	
0.25 to <0.50	17,212	28,006	25	26,608	0.4	656	42	1.6	14,007	53	43	
0.50 to <0.75	11,868	12,774	20	14,812	0.5	326	44	2.0	10,127	68	34	
0.75 to < 2.50	29,462	38,006	18	39,075	1.2	1,533	41	1.8	33,496	86	198	
2.50 to < 10.00	12,617	13,643	16	8,863	5.5	721	40	1.3	11,601	131	191	
10.00 to <100.00	2,344	3,292	17	1,163	17.3	283	30	1.7	1,790	154	60	
100.00 (Default)	1,297	176	10	1,314	100.0	110	43	1.3	-	-	561	
Sub-total	88,132	131,914	20	115,581	2.3	4,163	42	1.8	77,692	67	1,099	1,718
Corporate small business												
0.00 to < 0.15	15	46	4	33	0.1	8	45	2.1	7	20	#	
0.15 to <0.25	127	1,193	11	347	0.2	223	35	1.6	95	27	#	
0.25 to <0.50	1,111	2,695	16	1,787	0.4	573	38	1.9	794	44	3	
0.50 to <0.75	716	1,251	10	995	0.5	424	37	2.1	555	56	2	
0.75 to < 2.50	8,453	8,493	10	9,970	1.4	3,000	39	2.0	7,900	79	53	
2.50 to < 10.00	7,546	5,046	11	6,719	5.0	2,614	37	1.9	7,201	107	123	
10.00 to <100.00	1,571	1,428	9	1,268	19.9	626	38	2.0	2,333	184	97	
100.00 (Default)	894	208	12	918	100.0	218	42	2.0	-	-	387	
Sub-total	20,433	20,360	11	22,037	7.5	7,686	38	2.0	18,883	86	665	621
Specialised lending - IPRE												
0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	
0.15 to <0.25	11,187	3,527	65	13,470	0.2	144	45	2.0	5,484	41	12	
0.25 to <0.50	30,780	6,382	59	34,214	0.4	453	45	2.1	20,580	60	58	
0.50 to <0.75	7,818	786	57	8,237	0.5	128	45	2.3	6,018	73	19	
0.75 to < 2.50	19,763	2,393	43	18,312	1.2	694	45	2.0	17,799	97	103	
2.50 to < 10.00	3,214	476	28	2,764	4.5	326	45	2.4	4,155	150	55	
10.00 to <100.00	443	80	10	396	23.4	30	45	2.3	995	251	42	
100.00 (Default)	665	21	6	666	100.0	44	45	1.2	-	-	300	
Sub-total	73,870	13,663	56	78,058	1.7	1,819	45	2.1	55,030	70	589	897
Total (sum of portfolios)	266,596	170,915	22	305,583	1.9	13,936	43	1.7	162,774	53	2,396	3,398

7.6 IRBA – Credit Risk Exposures by Portfolio and PD Range (cont'd)

(B) Main parameters used for calculations of capital requirements for credit exposures under AIRB

As at 30 June 2022

PD range %	(a) Original on-balance sheet gross exposures \$m	(b) Off-balance sheet exposures pre-CCF \$m	(c) Average CCF %	(d) EAD post-CRM and post-CCF \$m	(e) Average PD %	(f) Number of Obligors	(g) Average LGD %	(h) Average Maturity Years	(i) RWA \$m	(j) RWA density %	(k) EL \$m	(l) TEP \$m
Residential mortgage												
0.00 to < 0.15	117	245	104	372	0.1	5,235	17		15	4	#	
0.15 to <0.25	24,901	1,200	100	26,102	0.2	51,436	13		1,304	5	6	
0.25 to <0.50	22,292	2,243	66	23,761	0.3	97,397	13		1,735	7	9	
0.50 to <0.75	15,961	1,169	100	17,124	0.7	33,924	11		1,840	11	12	
0.75 to < 2.50	10,573	575	37	10,787	1.3	63,440	15		2,494	23	21	
2.50 to < 10.00	1,355	85	57	1,404	3.6	14,983	22		912	65	12	
10.00 to <100.00	1,138	25	31	1,145	20.9	6,905	21		1,316	115	52	
100.00 (Default)	877	0	100	877	100.0	4,689	23		551	63	188	
Sub-total	77,214	5,542	79	81,572	1.9	266,626	13		10,167	12	300	331
QRRE												
0.00 to < 0.15	847	4,988	25	2,114	0.1	392,246	49		65	3	1	
0.15 to <0.25	539	4,405	54	2,911	0.2	613,487	58		187	6	3	
0.25 to <0.50	267	3,678	47	2,014	0.3	596,637	46		143	7	3	
0.50 to <0.75	434	1,089	50	977	0.6	158,228	50		132	14	3	
0.75 to < 2.50	890	1,903	62	2,079	1.4	337,851	48		515	25	14	
2.50 to < 10.00	588	462	65	886	5.6	185,769	62		738	83	31	
10.00 to <100.00	239	167	56	333	30.9	85,917	60		483	145	56	
100.00 (Default)	42	-	-	42	100.0	9,594	68		51	120	26	
Sub-total	3,845	16,692	45	11,356	2.1	2,028,305	52		2,314	20	137	59
Other retail exposures (excluding exposures to small business)												
0.00 to < 0.15	42	266	35	136	0.1	2,306	36		13	9	#	
0.15 to <0.25	857	110	42	903	0.2	23,705	12		43	5	#	
0.25 to <0.50	13	90	53	60	0.3	1,021	17		5	9	#	
0.50 to <0.75	4,177	469	51	4,416	0.6	23,847	10		371	8	3	
0.75 to < 2.50	4,324	729	75	4,870	1.8	24,391	6		360	7	5	
2.50 to < 10.00	358	120	77	451	4.9	45,461	44		312	69	11	
10.00 to <100.00	227	45	79	262	24.2	50,223	51		293	112	31	
100.00 (Default)	124	1	0	124	100.0	7,638	29		130	105	28	
Sub-total	10,122	1,830	60	11,222	2.9	175,821	11		1,527	14	78	51
Other retail small business exposures												
0.00 to < 0.15	14	56	68	52	0.1	259	9		1	2	#	
0.15 to <0.25	688	529	67	1,045	0.2	3,780	20		88	8	#	
0.25 to <0.50	3,353	877	61	3,884	0.4	12,749	22		542	14	3	
0.50 to <0.75	1,190	311	57	1,367	0.5	5,383	24		254	19	2	
0.75 to < 2.50	3,421	974	49	3,897	1.3	14,707	28		1,257	32	14	
2.50 to < 10.00	1,129	239	43	1,232	4.8	5,214	30		565	46	17	
10.00 to <100.00	243	22	39	252	21.5	1,050	28		165	65	15	
100.00 (Default)	200	17	4	200	100.0	827	31		287	143	51	
Sub-total	10,238	3,025	56	11,929	3.2	43,969	25		3,159	26	102	95
Total (sum of portfolios)	101,419	27,089	54	116,079	2.1	2,307,449	18		17,167	15	617	537

As at 30 June 2022, the Group did not use credit derivatives as credit risk mitigant for exposures in its Banking book.

7.6 IRBA – Credit Risk Exposures by Portfolio and PD Range (cont'd)

As at 31 December 2021

PD range %	(a) Original on-balance sheet gross exposures \$m	(b) Off-balance sheet exposures pre-CCF \$m	(c) Average CCF %	(d) EAD post-CRM and post-CCF \$m	(e) Average PD %	(f) Number of Obligors	(g) Average LGD %	(h) Average Maturity Years	(i) RWA \$m	(j) RWA density %	(k) EL \$m	(l) TEP \$m
Residential mortgage												
0.00 to < 0.15	664	268	104	942	0.1	8,478	27		46	5	#	
0.15 to <0.25	22,853	1,003	100	23,857	0.2	45,609	12		1,140	5	5	
0.25 to <0.50	22,759	2,187	65	24,177	0.3	97,544	13		1,764	7	9	
0.50 to <0.75	15,776	1,187	99	16,956	0.7	33,440	11		1,817	11	12	
0.75 to < 2.50	10,535	524	35	10,720	1.3	62,853	15		2,498	23	21	
2.50 to < 10.00	1,312	75	63	1,360	3.8	14,739	23		958	70	12	
10.00 to <100.00	972	17	40	979	21.7	6,312	21		1,112	114	47	
100.00 (Default)	902	5	0	902	100.0	4,719	24		491	54	209	
Sub-total	75,774	5,266	78	79,893	1.9	261,385	13		9,827	12	316	351
QRRE												
0.00 to < 0.15	781	4,706	25	1,955	0.1	380,354	49		60	3	1	
0.15 to <0.25	527	4,420	54	2,896	0.2	613,763	58		185	6	3	
0.25 to <0.50	275	3,723	49	2,086	0.3	594,178	46		147	7	3	
0.50 to <0.75	428	1,071	50	964	0.6	158,747	50		129	13	3	
0.75 to < 2.50	926	1,839	63	2,083	1.4	341,104	48		518	25	14	
2.50 to < 10.00	611	444	61	883	5.6	183,853	62		739	84	30	
10.00 to <100.00	263	189	56	370	30.4	90,910	59		538	145	63	
100.00 (Default)	42	-	-	42	100.0	9,747	70		34	82	28	
Sub-total	3,853	16,393	45	11,279	2.2	2,021,646	52		2,351	21	146	62
Other retail exposures (excluding exposures to small business)												
0.00 to < 0.15	34	268	35	129	0.1	2,177	33		11	9	#	
0.15 to <0.25	1,003	111	42	1,049	0.2	26,427	12		49	5	#	
0.25 to <0.50	15	86	52	60	0.3	955	19		6	10	#	
0.50 to <0.75	4,380	503	50	4,629	0.6	23,090	10		387	8	3	
0.75 to < 2.50	3,916	733	77	4,479	1.8	25,417	6		345	8	4	
2.50 to < 10.00	374	112	79	462	4.9	47,981	45		328	71	11	
10.00 to <100.00	244	43	69	273	22.9	53,258	53		314	115	32	
100.00 (Default)	132	1	0	132	100.0	12,304	31		148	112	32	
Sub-total	10,097	1,858	60	11,214	2.9	188,513	12		1,589	14	82	55
Other retail small business exposures												
0.00 to < 0.15	16	64	66	58	0.1	262	8		1	2	#	
0.15 to <0.25	713	563	67	1,091	0.2	3,859	20		92	8	#	
0.25 to <0.50	3,237	893	60	3,775	0.4	12,447	22		523	14	3	
0.50 to <0.75	1,204	334	57	1,396	0.5	5,348	23		255	18	2	
0.75 to < 2.50	3,421	962	48	3,879	1.3	14,433	27		1,232	32	14	
2.50 to < 10.00	1,158	216	44	1,252	4.7	5,172	29		563	45	17	
10.00 to <100.00	271	31	41	284	21.8	1,169	28		192	68	18	
100.00 (Default)	224	17	4	224	100.0	859	32		312	139	59	
Sub-total	10,243	3,081	56	11,959	3.5	43,549	25		3,170	27	113	105
Total (sum of portfolios)	99,967	26,598	54	114,344	2.2	2,303,159	18		16,936	15	656	573

As at 31 December 2021, the Group did not use credit derivatives as credit risk mitigant for exposures in its Banking book.

7.7 IRBA – Effect on RWA of Credit Derivatives used as CRM

The Group currently does not recognise credit derivatives as credit risk mitigant for exposures under IRBA.

7.8 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.

Compared to March 2022, the decrease in Group's RWA was mainly due to improvement in asset quality of corporate exposures.

As at 30 June 2022

		(a)
		RWA amounts
\$m		
1	RWA as at end of previous quarter	187,609
2	Asset size	3,161
3	Asset quality	(6,328)
4	Model updates	-
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	(241)
8	Other	-
9	RWA as at end of quarter	184,201

7.9 IRBA – Specialised Lending

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

As at 30 June 2022

\$m

Specialised lending											
Other than HVCRE											
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount					RWA	Expected Losses
					PF	OF	CF	IPRE	Total		
Strong	< 2.5 years	812	13,558	50%	207	-	1,276	386	1,869	990	-
	≥ 2.5 years	2,251	890	70%	2,668	-	38	191	2,898	2,150	12
Good	< 2.5 years	828	1,209	70%	588	-	14	415	1,016	754	4
	≥ 2.5 years	810	277	90%	580	-	-	422	1,002	956	8
Satisfactory		215	183	115%	-	-	-	263	263	321	7
Weak		55	9	250%	1	-	-	59	60	159	5
Default		54	20	-	-	-	15	38	54	-	27
Total		5,025	16,146		4,044	-	1,343	1,774	7,162	5,330	63

As at 31 December 2021

\$m

Specialised lending											
Other than HVCRE											
Regulatory categories	Remaining maturity	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount					RWA	Expected Losses
					PF	OF	CF	IPRE	Total		
Strong	< 2.5 years	1,129	12,547	50%	374	-	1,210	237	1,822	966	-
	≥ 2.5 years	2,028	718	70%	2,377	-	40	129	2,546	1,889	10
Good	< 2.5 years	654	1,035	70%	424	-	19	437	880	653	4
	≥ 2.5 years	631	250	90%	434	-	-	374	808	771	6
Satisfactory		299	80	115%	-	-	-	345	345	421	10
Weak		56	22	250%	1	-	-	61	62	163	5
Default		121	7	-	53	-	33	40	125	-	63
Total		4,918	14,659		3,664	-	1,302	1,623	6,589	4,863	97

8 Counterparty Credit Risk (CCR)

8.1 Analysis of CCR 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 2021, there was a change in approach for the computation of CCR RWA for derivatives from Current Exposure Method to SA-CCR.

As at 30 June 2022

		(a)	(b)	(c)	(d)	(e)	(f)
		Replacement cost	Potential future exposure	Effective EPE	Fixed Beta factor, β used for computing regulatory EAD	EAD (post-CRM)	RWA
		\$m					
1	SA-CCR (for derivatives)	2,858	5,303		1.4	11,425	4,725
2	CCR internal models method (for derivatives and SFTs)			-	-	-	-
3	FC(SA) (for SFTs)					-	-
4	FC(CA) (for SFTs)					24,141	719
5	VaR for SFTs					-	-
6	Total						5,444

As at 31 December 2021

		(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)	2,406	4,111			6,514	2,486
2	CCR internal models method (for derivatives and SFTs)			-	-	-	-
3	FC(SA) (for SFTs)					-	-
4	FC(CA) (for SFTs)					21,955	985
5	VaR for SFTs					-	-
6	Total						3,471

8.2 CVA Risk Capital Requirements

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

Compared to 31 December 2021, the increase in EAD and RWA mainly arose from foreign exchange derivatives.

As at 30 June 2022

		(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	11,105	2,225
4	Total portfolios subject to the CVA risk capital requirement	11,105	2,225

As at 31 December 2021

		(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	5,769	1,739
4	Total portfolios subject to the CVA risk capital requirement	5,769	1,739

8.3 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.

Compared with 31 December 2021, there was a change in approach for the computation of CCR RWA for derivatives from Current Exposure Method to SA-CCR.

As at 30 June 2022

\$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	479	-	-	16	-	-	-	-	495
PSE	9	-	3	56	-	-	-	-	68
MDB	54	-	-	35	-	-	-	-	89
Bank	-	-	14	183	-	1	-	-	198
Corporate	-	-	1	1	-	394	-	-	396
Regulatory retail	-	-	-	-	1	-	-	-	1
Other exposures	-	-	-	-	-	69	-	-	69
Total	542	-	18	291	1	464	-	-	1,316

As at 31 December 2021

\$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	823	-	-	#	-	-	-	-	823
PSE	42	-	1	20	-	-	-	-	64
MDB	104	-	-	17	-	-	-	-	121
Bank	-	-	7	53	-	#	-	-	60
Corporate	-	-	6	#	-	189	#	-	195
Regulatory retail	-	-	-	-	#	-	-	-	#
Other exposures	-	-	-	-	-	17	-	-	17
Total	969	-	13	91	#	206	#	-	1,279

8.4 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 2021, there was a change in approach for the computation of CCR RWA for derivatives from Current Exposure Method to SA-CCR.

8.4 IRBA – CCR Exposures by Portfolio and PD Range (cont'd)

(A) Main parameters used for calculations of CCR capital requirements for FIRB models

As at 30 June 2022

PD range %	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	EAD post- CRM \$m	Average PD %	Number of obligors	Average LGD %	Average maturity Years	RWA \$m	RWA density %
Sovereign							
0.00 to < 0.15	6,031	0.0	5	8	0.8	5	0
0.15 to <0.25	-	-	-	-	-	-	-
0.25 to <0.50	3	0.3	1	45	0.0	1	34
0.50 to <0.75	-	-	-	-	-	-	-
0.75 to < 2.50	-	-	-	-	-	-	-
2.50 to < 10.00	-	-	-	-	-	-	-
10.00 to <100.00	-	-	-	-	-	-	-
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	6,034	0.0	6	8	0.8	6	0
Bank							
0.00 to < 0.15	16,310	0.1	131	21	0.4	1,209	7
0.15 to <0.25	1,550	0.2	21	28	0.2	266	17
0.25 to <0.50	372	0.3	8	14	0.3	58	16
0.50 to <0.75	26	0.6	1	1	0.0	#	1
0.75 to < 2.50	34	0.9	9	13	0.4	8	23
2.50 to < 10.00	3	4.3	3	45	0.6	4	127
10.00 to <100.00	#	27.9	1	45	0.0	#	240
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	18,295	0.1	174	22	0.4	1,545	8
Corporate							
0.00 to < 0.15	1,839	0.1	77	36	1.0	310	17
0.15 to <0.25	2,580	0.2	67	7	0.3	190	7
0.25 to <0.50	1,993	0.4	167	20	0.8	578	29
0.50 to <0.75	947	0.5	90	14	0.6	188	20
0.75 to < 2.50	1,366	1.2	291	25	0.5	659	48
2.50 to < 10.00	847	4.9	102	45	0.6	1,114	132
10.00 to <100.00	14	23.1	22	28	0.6	21	146
100.00 (Default)	13	100.0	1	45	4.4	-	-
Sub-total	9,599	1.0	817	22	0.6	3,060	32
Corporate small business							
0.00 to < 0.15	#	0.1	1	45	0.0	#	15
0.15 to <0.25	9	0.2	44	44	0.4	2	21
0.25 to <0.50	16	0.4	75	43	2.0	8	48
0.50 to <0.75	1	0.5	32	44	0.3	#	40
0.75 to < 2.50	16	1.4	229	41	0.6	10	63
2.50 to < 10.00	10	4.6	197	39	0.5	10	94
10.00 to <100.00	1	20.5	37	41	0.1	1	203
100.00 (Default)	#	100.0	3	44	0.3	-	-
Sub-total	53	1.8	618	42	1.0	31	59
Specialised lending - IPRE							
0.00 to < 0.15	-	-	-	-	-	-	-
0.15 to <0.25	4	0.2	13	45	1.5	1	35
0.25 to <0.50	118	0.4	66	45	1.7	66	56
0.50 to <0.75	11	0.5	10	45	3.4	10	86
0.75 to < 2.50	89	0.9	20	45	2.3	81	91
2.50 to < 10.00	#	8.9	2	45	0.9	#	176
10.00 to <100.00	#	16.6	2	45	2.5	#	239
100.00 (Default)	#	100.0	1	45	2.5	-	-
Sub-total	222	0.7	114	45	2.0	158	71
Total (sum of portfolios)	34,203	0.3	1,729	20	0.5	4,800	14

8.4 IRBA – CCR Exposures by Portfolio and PD Range (cont'd)

(A) Main parameters used for calculations of CCR capital requirements for FIRB models

As at 31 December 2021

PD range %	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	EAD post- CRM \$m	Average PD %	Number of obligors	Average LGD %	Average maturity Years	RWA \$m	RWA density %
Sovereign							
0.00 to < 0.15	6,005	0.0	7	9	1.1	3	0
0.15 to <0.25	-	-	-	-	-	-	-
0.25 to <0.50	3	0.4	1	45	0.0	1	34
0.50 to <0.75	22	0.6	1	45	0.0	10	47
0.75 to < 2.50	-	-	-	-	-	-	-
2.50 to < 10.00	-	-	-	-	-	-	-
10.00 to <100.00	-	-	-	-	-	-	-
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	6,030	0.0	9	9	1.1	14	0
Bank							
0.00 to < 0.15	12,122	0.1	131	19	0.4	823	7
0.15 to <0.25	1,721	0.2	19	38	0.1	444	26
0.25 to <0.50	549	0.4	11	4	0.4	26	5
0.50 to <0.75	51	0.6	1	2	0.4	1	3
0.75 to < 2.50	4	1.0	7	45	0.8	3	74
2.50 to < 10.00	2	4.3	2	45	0.3	2	135
10.00 to <100.00	-	-	-	-	-	-	-
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	14,449	0.1	171	21	0.4	1,300	9
Corporate							
0.00 to < 0.15	1,124	0.1	66	23	1.3	130	12
0.15 to <0.25	1,053	0.2	53	13	0.5	127	12
0.25 to <0.50	1,194	0.4	128	16	0.7	274	23
0.50 to <0.75	971	0.5	76	9	0.7	135	14
0.75 to < 2.50	1,522	1.1	266	14	0.5	426	28
2.50 to < 10.00	372	4.4	105	45	0.9	483	130
10.00 to <100.00	19	20.3	13	17	1.8	18	93
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	6,255	0.8	707	17	0.8	1,593	25
Corporate small business							
0.00 to < 0.15	#	0.1	1	45	0.0	#	15
0.15 to <0.25	2	0.2	41	45	0.4	#	20
0.25 to <0.50	19	0.3	63	44	2.0	9	47
0.50 to <0.75	#	0.5	26	34	0.6	#	37
0.75 to < 2.50	45	1.0	224	44	0.7	30	67
2.50 to < 10.00	5	4.8	177	42	1.4	5	114
10.00 to <100.00	#	21.1	22	41	0.4	#	202
100.00 (Default)	#	100.0	1	45	0.4	-	-
Sub-total	72	1.1	555	44	1.1	45	63
Specialised lending - IPRE							
0.00 to < 0.15	-	-	-	-	-	-	-
0.15 to <0.25	18	0.2	13	45	1.7	7	38
0.25 to <0.50	161	0.4	68	45	1.5	87	54
0.50 to <0.75	25	0.5	9	45	2.2	18	71
0.75 to < 2.50	80	1.0	30	45	2.4	75	94
2.50 to < 10.00	11	3.5	4	45	1.0	14	122
10.00 to <100.00	-	-	-	-	-	-	-
100.00 (Default)	#	100.0	1	45	3.0	-	-
Sub-total	295	0.7	125	45	1.8	201	68
Total (sum of portfolios)	27,101	0.2	1,567	18	0.6	3,153	12

8.4 IRBA – CCR Exposures by Portfolio and PD Range (cont'd)

(B) Main parameters used for calculations of CCR capital requirements for AIRB models

As at 30 June 2022

PD range %	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	EAD post- CRM \$m	Average PD %	Number of obligors	Average LGD %	Average maturity Years	RWA \$m	RWA density %
Other retail small business exposures							
0.00 to < 0.15	#	0.1	4	73		#	13
0.15 to <0.25	#	0.2	29	59		#	24
0.25 to <0.50	1	0.4	77	49		#	33
0.50 to <0.75	#	0.5	38	65		#	51
0.75 to < 2.50	1	1.2	146	67		1	77
2.50 to < 10.00	1	3.3	181	77		1	114
10.00 to <100.00	#	17.4	2	81		#	176
100.00 (Default)	-	-	-	-		-	-
Sub-total	3	1.6	477	66		2	74
Total (sum of portfolios)	3	1.6	477	66		2	74

As at 31 December 2021

PD range %	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	EAD post- CRM \$m	Average PD %	Number of obligors	Average LGD %	Average maturity Years	RWA \$m	RWA density %
Other retail small business exposures							
0.00 to < 0.15	#	0.1	2	81		#	15
0.15 to <0.25	#	0.2	32	46		#	19
0.25 to <0.50	#	0.4	51	52		#	36
0.50 to <0.75	#	0.5	26	61		#	47
0.75 to < 2.50	#	1.4	116	63		#	77
2.50 to < 10.00	1	3.3	156	83		1	123
10.00 to <100.00	#	27.9	2	81		#	216
100.00 (Default)	-	-	-	-		-	-
Sub-total	1	2.1	385	71		1	90
Total (sum of portfolios)	1	2.1	385	71		1	90

8.5 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.

There was additional collateral posted and received compared to 31 December 2021, which was in line with the increase in derivative and securities financing transactions.

As at 30 June 2022

	(a)	(b)	(c)	(d)	(e)	(f)
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
\$m	Segregated	Unsegregated	Segregated	Unsegregated		
Cash domestic currencies	-	7	-	-	1,237	1,244
Cash other currencies	-	680	-	1,775	10,373	10,857
Domestic sovereign debt	-	83	-	73	1,160	2,726
Other sovereign debt	-	185	-	406	6,365	4,817
Government agency debt	-	-	-	-	22	20
Corporate bonds	-	75	-	27	3,911	5,070
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	173	-
Total	-	1,030	-	2,281	23,241	24,734

As at 31 December 2021

	(a)	(b)	(c)	(d)	(e)	(f)
	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
\$m	Segregated	Unsegregated	Segregated	Unsegregated		
Cash domestic currencies	-	4	-	12	920	1,982
Cash other currencies	-	336	-	1,395	3,655	15,243
Domestic sovereign debt	-	49	-	585	1,938	1,430
Other sovereign debt	-	110	-	-	8,633	847
Government agency debt	-	-	-	-	72	-
Corporate bonds	-	98	-	30	6,050	3,286
Equity securities	-	305	-	-	-	-
Other collateral	-	-	-	-	199	-
Total	-	902	-	2,022	21,467	22,788

8.6 Credit Derivative Exposures

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

Compared with 31 December 2021, the increase in credit protection bought was mainly from total return swaps.

As at 30 June 2022

		(a)	(b)
		Protection bought	Protection sold
\$m	Notionals		
1	Single-name credit default swaps	113	71
2	Index credit default swaps	69	-
3	Total return swaps	908	12
4	Total notionals	1,090	83
	Fair values		
5	Positive fair value (asset)	59	1
6	Negative fair value (liability)	6	1

As at 31 December 2021

		(a)	(b)
		Protection bought	Protection sold
\$m	Notionals		
1	Single-name credit default swaps	55	1
2	Index credit default swaps	108	-
3	Total return swaps	595	13
4	Total notionals	758	14
	Fair values		
5	Positive fair value (asset)	4	#
6	Negative fair value (liability)	5	-

8.7 RWA flow statements under CCR internal models method

UOB does not use CCR Internal Models Method.

8.8 Exposures to Central Counterparties

The table below provides an overview of the Group's exposures to CCPs, including all types of exposures due to operations, margins, contributions to default funds and related capital requirements. This is the first disclosure on exposures to CCPs by the Group.

All derivative exposures to CCPs are currently treated under the SA-CCR method.

As at 30 June 2022

\$m		(a)	(b)
		EAD (post-CRM)	RWA
1	Total exposures to qualifying CCPs		544
2	Exposures to qualifying CCPs (excluding collateral and default fund contributions)	13,532	484
3	arising from: OTC derivative transactions;	12,940	472
4	arising from: Exchange-traded derivative transactions;	592	12
5	arising from: SFTs; and	-	-
6	arising from: Netting sets where cross-product netting has been approved	-	-
7	Segregated collateral	-	
8	Non-segregated collateral	1,588	58
9	Pre-funded default fund contributions	7	2
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)		-
12	Exposures to non-qualifying CCPs (excluding collateral and default fund contributions)	-	-
13	arising from: OTC derivative transactions;	-	-
14	arising from: Exchange-traded derivative transactions;	-	-
15	arising from: SFTs; and	-	-
16	arising from: Netting sets where cross-product netting has been approved	-	-
17	Segregated collateral	-	
18	Non-segregated collateral	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

9 Securitisation

9.1 Securitisation Exposures in the Banking Book

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

Compared with 31 December 2021, the increase in securitisation exposures mainly arose from residential mortgage-backed securities.

		As at	As at
		30 Jun 2022	31 Dec 2021
		(a)	
		UOB acts as investor	
		Traditional	
\$m			
1	Total retail	3,141	2,960
2	of which: residential mortgage	3,041	2,863
3	of which: credit card	100	97
4	Total wholesale	66	32
5	of which: commercial mortgage	66	32

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

9.2 Securitisation Exposures in the Trading Book

The Group currently has no securitisation exposures in the Trading book.

9.3 Securitisation Exposures in the Banking Book and associated Regulatory Capital Requirements – UOB acting as Originator or as Sponsor

The Group currently has no securitisation exposures in the Banking Book where the Group acts as sponsor.

9.4 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.

Compared with 31 December 2021, the increase in securitisation exposures mainly arose from residential mortgage-backed securities.

As at 30 June 2022

	(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	SEC-SA	1250%	SEC-IRBA	SEC-ERBA	SEC-SA	1250%	SEC-IRBA	SEC-ERBA	SEC-SA	1250%
\$m																	
1 Total exposures	3,041	-	166	-	-	-	2,607	600	-	-	334	98	-	-	33	10	-
2 Traditional securitisation	3,041	-	166	-	-	-	2,607	600	-	-	334	98	-	-	33	10	-
3 of which: securitisation	3,041	-	166	-	-	-	2,607	600	-	-	334	98	-	-	33	10	-
4 of which: retail underlying	3,041	-	100	-	-	-	2,579	562	-	-	316	60	-	-	31	6	-
5 of which: wholesale	-	-	66	-	-	-	28	38	-	-	18	38	-	-	2	4	-
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

As at 31 December 2021

	(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	SEC-SA	1250%	SEC-IRBA	SEC-ERBA	SEC-SA	1250%	SEC-IRBA	SEC-ERBA	SEC-SA	1250%
\$m																	
1 Total exposures	2,863	-	129	-	-	-	2,453	539	-	-	311	57	-	-	31	6	-
2 Traditional securitisation	2,863	-	129	-	-	-	2,453	539	-	-	311	57	-	-	31	6	-
3 of which: securitisation	2,863	-	129	-	-	-	2,453	539	-	-	311	57	-	-	31	6	-
4 of which: retail underlying	2,863	-	97	-	-	-	2,421	539	-	-	291	57	-	-	29	6	-
5 of which: wholesale	-	-	32	-	-	-	32	-	-	-	20	-	-	-	2	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

10 Market Risk

10.1 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 2021, the decrease in RWA was mainly due to lower interest rate and commodity, offset by increase in foreign exchange risk.

As at 30 June 2022

\$m		(a)
		RWA
	Products excluding Options	
1	Interest Rate Risk (General and Specific)	3,267
2	Equity Risk (General and Specific)	23
3	Foreign Exchange Risk	5,205
4	Commodity Risk	418
	Options	
5	Simplified Approach	
6	Delta-Plus Method	
7	Scenario Approach	1,153
8	Securitisation	
9	Total	10,066

As at 31 December 2021

\$m		(a)
		RWA
	Products excluding Options	
1	Interest Rate Risk (General and Specific)	3,565
2	Equity Risk (General and Specific)	25
3	Foreign Exchange Risk	4,880
4	Commodity Risk	505
	Options	
5	Simplified Approach	
6	Delta-Plus Method	
7	Scenario Approach	1,157
8	Securitisation	
9	Total	10,133

10.2 RWA Flow Statements of Market Risk Exposures under IMA and IMA Values for Trading Portfolios

These disclosures are not applicable as the Group has not adopted IMA for market risk regulatory capital requirements.

10.3 Comparison of VaR Estimates with Gains or Losses

The Group currently adopts the SA for the calculation of regulatory market risk capital.

The Internal Models Approach is used to measure and to control trading market risks. The financial products which are warehoused, measured and controlled with internal models include:

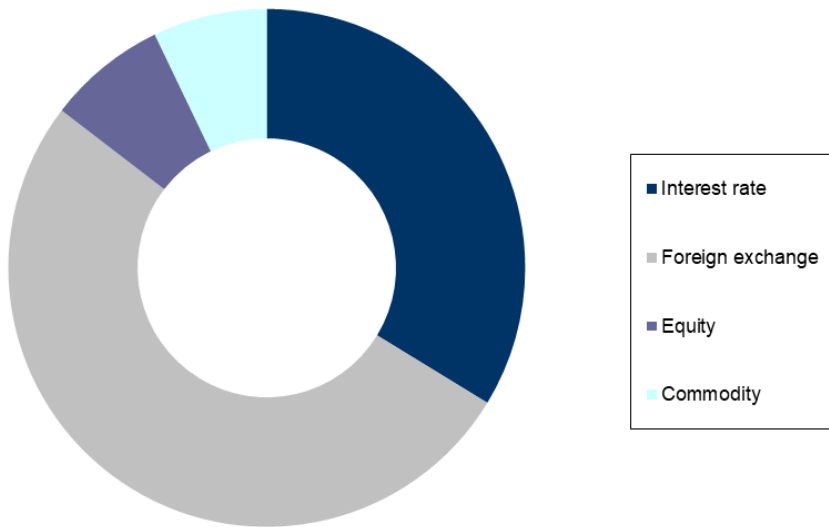
- FX and FX options;
- plain vanilla interest rate contracts and interest rate options;
- government and corporate bonds;
- equities and equity options; and
- commodity contracts and commodity options.

The Group estimates a daily Expected Shortfall (ES) within a 97.5 per cent confidence interval over a one-day holding period, using the historical VaR simulation method, as a control for market risk. This method assumes observed historical market movements can be used to imply possible future changes in market rates. ES is the average of the worst losses in the distribution, assuming that the losses exceed the specified percentile.

To complement the ES 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.

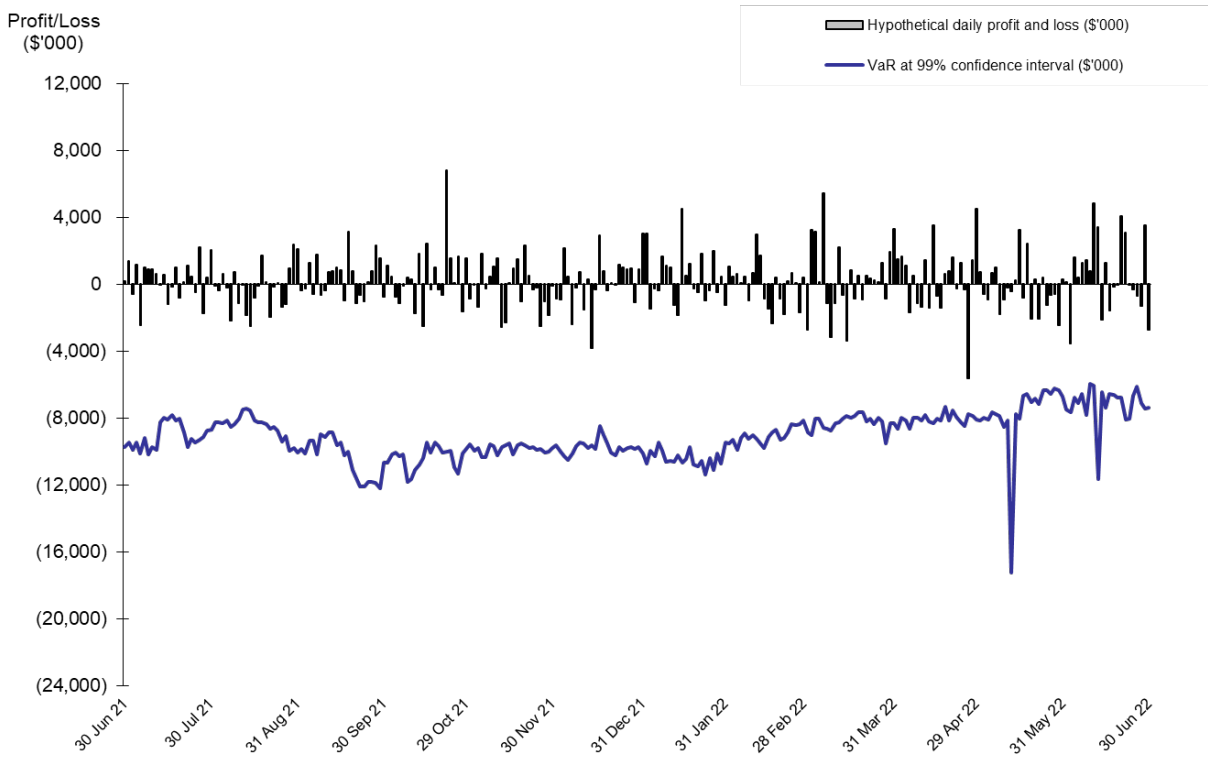
The Group's daily ES on 30 June 2022 was \$8.30 million.

Group Trading ES for Market Risk by Risk Class



Group Trading Backtesting Chart

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



For backtesting purposes, the Group uses daily VaR within a 99 per cent confidence interval over a one-day holding period. VaR uses the same loss distribution as ES. The backtesting process analyses whether the exceptions are due to model deficiencies or market volatility. All backtesting exceptions are tabled to ALCO with recommended actions and resolutions. No backtesting exception was noted for Group Trading in the year under review.

11 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 Group's interest rate risk sensitivity is measured as changes in economic value of equity ("EVE") or net interest income ("NII") based on Basel IRRBB requirements. At 100 and 200 basis points parallel interest rate shocks, worst case results were negative \$933 million and \$1,933 million⁵ (FY2021: negative \$1,051 million and \$2,008 million) respectively, driven mainly by the Group's SGD and USD positions.

EVE is the present value of assets less present value of liabilities of the Group. NII is the simulated change in the Group's net interest income. 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. Interest rate flooring effects are taken into consideration. Loan prepayment and time deposit early withdrawal rates are estimated based on past statistics and trends where possible and material. Behavioural assumptions based on historical trends are applied where appropriate. The average repricing maturity of core non-maturity deposits is determined through empirical models taking into account asset duration. Risk-free zero coupon curves are used for EVE discounting. Currencies are aggregated by scenarios. There may be some differences in the assumptions across geographical locations due to variation in local conditions.

Please refer to UOB Annual Report 2021, Risk Management section – Interest Rate Risk in the Banking Book for more information.

⁵ Interest rate flooring based on contractual terms was applied for Jun 2022.

12 Liquidity Coverage Ratio Disclosures

12.1 Liquidity Coverage Ratio

The Liquidity Coverage Ratio (“LCR”) ensures that a Bank has sufficient unencumbered high quality liquid assets (“HQLA”) to survive a significant stress scenario for the next 30 days. The Group’s LCR disclosure is as per MAS Notice 651 “Liquidity Coverage Ratio Disclosure”.

Quarterly average All Currency LCR and Singapore Dollar LCR of 141% and 270% respectively were comfortably above the regulatory requirements of 100%. Compared to 1Q2022, increase in All Currency LCR was mainly due to higher HQLA. Decrease in SGD Currency LCR was mainly due to decrease in other cash inflows within 30 days; partially offset by increase in HQLA. The main drivers of LCR are the net cumulative outflow driven mainly by deposit profile and the portfolio of high-quality liquid asset which would cause some volatility on a day-to-day basis.

The Group’s HQLA composition comprised largely Level 1 HQLA which include balances with central bank and sovereign bonds etc and the remaining in Level 2A and 2B HQLA. Deposit strategies are regularly discussed in Group ALCO with monitoring on deposit concentration and currency mismatch etc. The Group’s exposures to derivatives and potential collateral calls were incorporated into the LCR outflows.

Daily liquidity management is centrally managed under Global Markets-Portfolio & Liquidity Management with regular discussion with Central Treasury and relevant Business Units. Liquidity limits and triggers were established to limit the Group’s liquidity exposure. Balance Sheet Risk Management oversees the liquidity risk management in the Group. Contingency funding plans are in place to identify potential liquidity crisis using a series of early warning indicators as well as crisis escalation process and related funding strategies.

Please refer to:

- UOB Annual Report 2021, Risk Management section – Liquidity Risk for governance of liquidity risk management, funding strategy and liquidity risk mitigation techniques.
- UOB Annual Report 2021, Note 45 Financial Risk Management section for Balance sheet and off-balance sheet items broken down into maturity buckets and resultant liquidity gaps.

12.2 Average Group All Currency LCR

For the quarter ended 30 June 2022

91 calendar days' data points were used in calculating the average figures.

\$m		Total Unweighted Value Average	Total Weighted Value Average
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		88,024
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	147,731	12,697
3	Stable deposits	37,749	1,887
4	Less stable deposits	109,982	10,810
5	Unsecured wholesale funding, of which:	141,890	70,414
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	34,131	8,234
7	Non-operational deposits (all counterparties)	103,556	57,976
8	Unsecured debt	4,204	4,204
9	Secured wholesale funding		376
10	Additional requirements, of which:	48,360	12,171
11	Outflows related to derivative exposures and other collateral requirements	5,964	5,464
12	Outflows related to loss of funding on debt products	3	3
13	Credit and liquidity facilities	42,393	6,704
14	Other contractual funding obligations	5,089	5,089
15	Other contingent funding obligations	13,875	882
16	TOTAL CASH OUTFLOWS		101,629
CASH INFLOWS			
17	Secured lending (eg reverse repos)	8,994	2,413
18	Inflows from fully performing exposures	48,594	29,487
19	Other cash inflows	7,500	7,040
20	TOTAL CASH INFLOWS	65,089	38,940
		Total Adjusted Value	
21	TOTAL HQLA		88,024
22	TOTAL NET CASH OUTFLOWS		62,688
23	LIQUIDITY COVERAGE RATIO (%)		141

12.3 Average Group SGD Currency LCR

For the quarter ended 30 June 2022

91 calendar days' data points were used in calculating the average figures.

\$m		Total Unweighted Value Average	Total Weighted Value Average
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		38,300
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	104,381	8,705
3	Stable deposits	34,665	1,733
4	Less stable deposits	69,716	6,972
5	Unsecured wholesale funding, of which:	37,739	15,528
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	12,586	2,951
7	Non-operational deposits (all counterparties)	25,056	12,480
8	Unsecured debt	97	97
9	Secured wholesale funding		-
10	Additional requirements, of which:	22,809	9,157
11	Outflows related to derivative exposures and other collateral requirements	7,794	7,491
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	15,016	1,666
14	Other contractual funding obligations	1,509	1,509
15	Other contingent funding obligations	143	85
16	TOTAL CASH OUTFLOWS		34,984
CASH INFLOWS			
17	Secured lending (eg reverse repos)	674	3
18	Inflows from fully performing exposures	12,782	6,801
19	Other cash inflows	13,735	13,534
20	TOTAL CASH INFLOWS	27,192	20,338
		Total Adjusted Value	
21	TOTAL HQLA		38,300
22	TOTAL NET CASH OUTFLOWS		14,673
23	LIQUIDITY COVERAGE RATIO (%)		270

13 Net Stable Funding Ratio Disclosures

The Net Stable Funding Ratio (“NSFR”) measures the amount of available stable funding relative to the amount of required stable funding in a bank and promotes resilience over a longer time horizon. The bank is required to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities.

The Group is subjected to NSFR standards effective January 2018. NSFR disclosure is as per MAS Notice 653 “Net Stable Funding Ratio Disclosure”. NSFR for 31 March 2022 and 30 June 2022 were 113% and 111% respectively, above the regulatory requirement of 100%. Decrease in NSFR in the 1st quarter was largely due to tapering of MAS relief from RSF 35% to RSF 45% partially offset by increase in retail and wholesale funding. Decrease in NSFR in the 2nd quarter was largely due to the expiry of MAS relief. The main drivers of NSFR are the composition and profile of deposits and capital in relation to loans. Interdependent asset and liabilities reported include government funded loans in accordance with criteria stated in MAS Notice 652.

As at 30 June 2022

\$m		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
ASF Item						
1	Capital:	40,544	-	-	8,814	49,358
2	Regulatory capital	40,544	-	-	7,278	47,822
3	Other capital instruments	-	-	-	1,536	1,536
4	Retail deposits and deposits from small business customers:	110,263	47,049	6,566	663	150,265
5	Stable deposits	30,214	11,805	159	76	40,145
6	Less stable deposits	80,049	35,244	6,408	587	110,120
7	Wholesale funding:	92,388	136,213	11,236	17,628	93,418
8	Operational deposits	33,722	-	-	-	16,861
9	Other wholesale funding	58,665	136,213	11,236	17,628	76,557
10	Liabilities with matching interdependent assets	-	138	134	716	-
11	Other liabilities:	8,015		10,059		620
12	NSFR derivative liabilities			9,665		
13	All other liabilities and equity not included in the above categories	8,015	-	13	381	620
14	Total ASF					293,662
RSF Item						
15	Total NSFR high-quality liquid assets (HQLA)					5,598
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	12,698	161,658	24,633	196,948	236,642
18	Performing loans to financial institutions secured by Level 1 HQLA	-	4,860	75	1	525
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	3,415	24,891	2,475	6,746	12,422
20	Performing loans to non-financial corporates, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities (PSEs), of which:	7,723	122,089	17,536	108,001	152,607
21	With a risk weight of less than or equal to 35% under paragraphs 7.3.13 to 7.3.20 and 7.3.24 to 7.3.26 of MAS Notice 637	-	277	166	4,686	3,279
22	Performing residential mortgages, of which:	-	1,627	1,615	68,173	51,887
23	With a risk weight of less than or equal to 35% under paragraph 7.3.29 of MAS Notice 637	-	1,443	1,435	56,784	42,017
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	1,560	8,191	2,934	14,027	19,202
25	Assets with matching interdependent liabilities	-	138	134	716	-
26	Other assets:	20,254		21,562		21,055
27	Physical traded commodities, including gold	4,233				3,598
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs			382		325
29	NSFR derivative assets			10,229		564
30	NSFR derivative liabilities before deduction of variation margin posted			10,951		548
31	All other assets not included in the above categories	16,021	-	-	-	16,021
32	Off-balance sheet items			210,565		2,181
33	Total RSF					265,477
34	Net Stable Funding Ratio (%)					111

As at 31 March 2022

\$m	ASF Item	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
1	Capital:	41,205	-	-	6,909	48,114
2	Regulatory capital	41,205	-	-	5,889	47,094
3	Other capital instruments	-	-	-	1,020	1,020
4	Retail deposits and deposits from small business customers:	112,566	44,440	7,799	427	150,879
5	Stable deposits	30,081	12,216	232	72	40,475
6	Less stable deposits	82,484	32,224	7,567	355	110,404
7	Wholesale funding:	96,094	119,175	13,057	16,730	94,912
8	Operational deposits	32,202	-	-	-	16,101
9	Other wholesale funding	63,893	119,175	13,057	16,730	78,811
10	Liabilities with matching interdependent assets	-	108	110	617	-
11	Other liabilities:	7,660		6,997		628
12	NSFR derivative liabilities			6,539		
13	All other liabilities and equity not included in the above categories	7,660	65	-	394	628
14	Total ASF					294,532
RSF Item						
15	Total NSFR high-quality liquid assets (HQLA)					5,020
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	13,097	147,343	29,485	197,373	233,459
18	Performing loans to financial institutions secured by Level 1 HQLA	-	5,730	452	10	809
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	2,881	24,805	4,096	7,014	13,378
20	Performing loans to non-financial corporates, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities (PSEs), of which:	7,505	107,603	20,159	109,219	148,025
21	With a risk weight of less than or equal to 35% under paragraphs 7.3.13 to 7.3.20 and 7.3.24 to 7.3.26 of MAS Notice 637	-	278	174	4,772	3,318
22	Performing residential mortgages, of which:	-	1,640	1,628	67,929	51,918
23	With a risk weight of less than or equal to 35% under paragraph 7.3.29 of MAS Notice 637	-	1,445	1,442	55,926	41,526
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	2,711	7,566	3,149	13,200	19,328
25	Assets with matching interdependent liabilities	-	108	110	617	-
26	Other assets:	19,742		15,369		20,560
27	Physical traded commodities, including gold	4,372				3,716
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs			1,090		927
29	NSFR derivative assets			6,709		169
30	NSFR derivative liabilities before deduction of variation margin posted			7,570		378
31	All other assets not included in the above categories	15,370	-	-	-	15,370
32	Off-balance sheet items			201,930		2,184
33	Total RSF					261,223
34	Net Stable Funding Ratio (%)					113

14 Abbreviations

The following abbreviated terms are used throughout this document.

A		E	
A-IRBA	Advanced Internal Ratings-Based Approach	EAD	Exposure at Default
ALCO	Asset and Liability Committee	EL	Expected Loss
AMA	Advanced Measurement Approach	EPE	Expected Positive Exposure
AT1	Additional Tier 1	EQ	Equity Exposures
ASF	Available Stable Funding	ES	Expected Shortfall
B		F	
BIA	Basic Indicator Approach	FC(SA)	Financial Collateral Simple Approach
C		FC(CA)	Financial Collateral Comprehensive Approach
CAR	Capital Adequacy Ratio	F-IRBA	Foundation Internal Ratings-Based Approach
CCF	Credit Conversion Factor	G	
CCP	Central Counterparty	G-SIB	Global Systemically Important Bank
CCR	Counterparty Credit Risk	H	
CCyB	Countercyclical Capital Buffer	HVCRE	High-Volatility Commercial Real Estate
CET1	Common Equity Tier 1	I	
CF	Commodities Finance	IAA	Internal Assessment Approach
CR	Credit Risk	IAM	Internal Assessment Method
CRE	Commercial Real Estate	IMA	Internal Models Approach
CRM	Credit Risk Mitigation	IMM	Internal Models Method
CVA	Credit Valuation Adjustment	IPRE	Income-Producing Real Estate
D		IRBA	Internal Ratings-Based Approach
D-SIB	Domestic Systemically Important Bank		

19 ABBREVIATIONS (cont'd)

L		S	
LGD	Loss Given Default	S&P	Standard & Poor's
M		SA	Standardised Approach
MDB	Multilateral Development Bank	SA(CCR)	Standardised Approach for Counterparty Credit Risk
MR	Market Risk	SA(CR)	Standardised Approach to Credit Risk
N		SA(EQ)	Standardised Approach for Equity Exposures
NBFI	Non Bank Financial Institutions	SA(MR)	Standardised Approach to Market Risk
NCI	Non-Controlling Interests	SA(OR)	Standardised Approach to Operational Risk
O		SEC-IRBA	Securitisation Internal Ratings-Based Approach
OF	Object Finance	SEC-ERBA	Securitisation External Ratings-Based Approach
P		SEC-SA	Securitisation Standardised Approach
PD	Probability of Default	SF	Supervisory Formula
PE/VC	Private Equity/Venture Capital	SFRS	Singapore Financial Reporting Standards
PF	Project Finance	SFTs	Securities Financing Transactions
PSE	Public Sector Entity	SME	Small-and Medium-sized Enterprises
Q		T	
QRRE	Qualifying Revolving Retail Exposures	T1	Tier 1
R		T2	Tier 2
RBM	Ratings-Based Method	TEP	Total Eligible Provisions
RSF	Required Stable Funding	TLAC	Total Loss-Absorbing Capacity
RW	Risk Weight	V	
RWA	Risk-Weighted Assets	VaR	Value-at-Risk