

# Pillar 3 Disclosure Report

31 March 2024

Contents

<b>1</b>	<b>Introduction.....</b>	<b>3</b>
<b>2</b>	<b>Key Metrics.....</b>	<b>4</b>
<b>3</b>	<b>Leverage Ratio.....</b>	<b>5</b>
3.1	Leverage Ratio Summary Comparison Table.....	5
3.2	Leverage Ratio Common Disclosure Template .....	6
<b>4</b>	<b>Overview of RWA.....</b>	<b>7</b>
<b>5</b>	<b>Credit Risk.....</b>	<b>8</b>
5.1	IRBA - RWA Flow Statement for Credit Risk Exposures .....	8
<b>6</b>	<b>Counterparty Credit Risk (CCR) .....</b>	<b>8</b>
6.1	RWA flow statements under CCR internal models method .....	8
<b>7</b>	<b>Market Risk.....</b>	<b>8</b>
7.1	RWA Flow Statements of Market Risk Exposures under IMA.....	8
<b>8</b>	<b>Liquidity Coverage Ratio Disclosures .....</b>	<b>9</b>
8.1	Liquidity Coverage Ratio .....	9
8.2	Average Group All Currency LCR .....	10
8.3	Average Group SGD Currency LCR.....	11
<b>9</b>	<b>Abbreviations.....</b>	<b>12</b>

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 "#".
- 4 Copy of the UOB Annual Report can be found at:  
<https://www.uobgroup.com/investor-relations/financial/group-annual-reports.html>

### 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.

## Pillar 3 Disclosure Report

### 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 31 March 2024

\$m	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023	
<b>Available capital (amounts)<sup>1</sup></b>						
1	CET1 capital	38,308	37,076	35,345	35,842	36,101
2	Tier 1 capital	41,059	39,827	38,974	39,472	39,731
3	Total capital	46,230	45,667	45,005	45,643	45,818
<b>Risk weighted assets (amounts)<sup>1</sup></b>						
4	Total RWA	276,367	275,930	271,558	263,399	258,138
<b>Risk-based capital ratios as a percentage of RWA</b>						
5	CET1 ratio (%)	13.9	13.4	13.0	13.6	14.0
6	Tier 1 ratio (%)	14.9	14.4	14.4	15.0	15.4
7	Total capital ratio (%)	16.7	16.6	16.6	17.3	17.7
<b>Additional CET1 buffer requirements as a percentage of RWA</b>						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5	2.5	2.5	2.5	2.5
9	Countercyclical buffer requirement (%)	0.2	0.2	0.2	0.1	0.1
10	G-SIB and/or D-SIB additional requirement (%) <sup>2</sup>	-	-	-	-	-
11	Total of CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.7	2.7	2.7	2.6	2.6
12	CET1 available after meeting the Reporting Bank's minimum capital requirements (%)	6.7	6.4	6.4	7.0	7.4
<b>Leverage Ratio<sup>3</sup></b>						
13	Total Leverage Ratio exposure measure	585,790	581,130	576,838	563,133	564,331
14	Leverage Ratio (%) (row 2/ row 13)	7.0	6.9	6.8	7.0	7.0
<b>Liquidity Coverage Ratio</b>						
15	Total High Quality Liquid Assets	103,388	105,661	106,133	106,110	99,494
16	Total net cash outflow	64,718	67,408	69,231	63,661	64,872
17	Liquidity Coverage Ratio (%)	160	157	153	167	154
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding	329,486	326,784	324,126	320,131	319,742
19	Total required stable funding	273,370	271,758	268,515	265,384	263,679
20	Net Stable Funding Ratio (%)	121	120	121	121	121

<sup>1</sup> The Group's CET1, Tier 1 and Total CAR as at 31 March 2024 remained well above the regulatory minimum requirements. Compared with last quarter, total capital increased mainly from earnings accretion, partially offset by redemption of Tier 2 subordinated notes, while RWA was marginally higher. The higher total capital compared against the same quarter last year was largely contributed by earnings, partially offset by redemption of capital instruments. RWA increased year on year mainly due to higher asset base.

<sup>2</sup> Even though the Group is not a G-SIB, it is required under MAS Notice 637 to disclose the G-SIB indicators.

Please refer to [www.UOBgroup.com/investor-relations/financial/index.html](http://www.UOBgroup.com/investor-relations/financial/index.html) for the Group's G-SIB indicator disclosure.

<sup>3</sup> As at 31 March 2024, the Group's leverage ratio was 7.0%, comfortably above the regulatory minimum requirement of 3%.

### 3 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.

#### 3.1 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 Measure<sup>4</sup>

\$m		31 Mar 2024
1	Total consolidated assets as per published financial statements	515,340
2	Adjustment for investments in entities that are consolidated for accounting purposes but are outside the regulatory scope of consolidation	(519)
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	5,834
5	Adjustment for SFTs	290
6	Adjustment for off-balance sheet items	70,651
7	Other adjustments	(5,806)
<b>8</b>	<b>Exposure measure</b>	<b>585,790</b>

<sup>4</sup> Computed using quarter-end balances

## 3.2 Leverage Ratio Common Disclosure Template

Exposure Measure Components<sup>4</sup>

Exposure Measure Components <sup>4</sup>		31 Mar 2024	31 Dec 2023
(\$m)			
<b>Exposure measures of on-balance sheet items</b>			
1	On-balance sheet items (excluding derivative transactions and SFTs, but including on-balance sheet collateral for derivative transactions or SFTs)	489,221	497,386
2	Asset amounts deducted in determining Tier 1 capital	(5,806)	(5,831)
3	<b>Total exposure measures of on-balance sheet items</b> (excluding derivative transactions and SFTs)	<b>483,415</b>	<b>491,555</b>
<b>Derivative exposure measures</b>			
4	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	8,167	7,414
5	Potential future exposure associated with all derivative transactions	7,818	6,871
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	80	79
10	Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	-	-
11	<b>Total derivative exposure measures</b>	<b>16,065</b>	<b>14,364</b>
<b>SFT exposure measures</b>			
12	Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	15,369	15,963
13	Eligible netting of cash payables and cash receivables	-	-
14	SFT counterparty exposures	290	991
15	SFT exposure measures where a Reporting Bank acts as an agent in the SFTs	-	-
16	<b>Total SFT exposure measures</b>	<b>15,659</b>	<b>16,954</b>
<b>Exposure measures of off-balance sheet items</b>			
17	Off-balance sheet items at notional amount	295,689	280,601
18	Adjustments for calculation of exposure measures of off-balance sheet items	(225,038)	(222,344)
19	<b>Total exposure measures of off-balance sheet items</b>	<b>70,651</b>	<b>58,257</b>
<b>Capital and Total exposures</b>			
20	<b>Tier 1 capital</b>	<b>41,059</b>	<b>39,827</b>
21	<b>Total exposures</b>	<b>585,790</b>	<b>581,130</b>
<b>Leverage ratio</b>			
22	<b>Leverage ratio</b>	<b>7.0%</b>	<b>6.9%</b>

<sup>4</sup>Computed using quarter-end balances

The Group's leverage ratio increased 0.1% point quarter-on-quarter to 7.0% as at 31 March 2024, mainly driven by higher Tier 1 capital.

## Pillar 3 Disclosure Report

### 4 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 higher quarter-on-quarter mainly driven by higher market RWA.

\$m		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 31 Mar 2024	As at 31 Dec 2023	As at 31 Mar 2024
1	<b>Credit risk (excluding CCR)</b>	<b>229,274</b>	<b>230,070</b>	<b>22,927</b>
2	<i>of which: Standardised Approach</i>	35,399	35,542	3,540
3	<i>of which: F-IRBA</i>	170,692	171,482	17,069
4	<i>of which: supervisory slotting approach</i>	5,731	5,280	573
5	<i>of which: A-IRBA</i>	17,452	17,766	1,745
6	<b>CCR</b>	<b>5,525</b>	<b>4,950</b>	<b>552</b>
7	<i>of which: SA-CCR</i>	4,854	4,134	485
8	<i>of which: CCR internal models method</i>	-	-	-
9	<i>of which: other CCR</i>	234	353	23
9a	<i>of which: CCP</i>	437	463	44
10	<b>CVA</b>	<b>2,684</b>	<b>2,701</b>	<b>268</b>
11	<b>Equity exposures under the simple risk weight method</b>	-	-	-
11a	<b>Equity exposures under the IMM</b>	-	-	-
12	<b>Equity investments in funds - look through approach</b>	<b>8</b>	<b>8</b>	<b>1</b>
13	<b>Equity investments in funds - mandate-based approach</b>	<b>1,617</b>	<b>2,883</b>	<b>162</b>
14	<b>Equity investments in funds - fall back approach</b>	<b>#</b>	<b>#</b>	<b>#</b>
14a	<b>Equity investment in funds - partial use of an approach</b>	-	-	-
15	<b>Unsettled transactions</b>	-	-	-
16	<b>Securitisation exposures in the banking book</b>	<b>460</b>	<b>453</b>	<b>46</b>
17	<i>of which: SEC-IRBA</i>	-	-	-
18	<i>of which: SEC-ERBA, including IAA</i>	331	289	33
19	<i>of which: SEC-SA</i>	129	164	13
20	<b>Market risk</b>	<b>11,627</b>	<b>10,406</b>	<b>1,163</b>
21	<i>of which: SA(MR)</i>	11,627	10,406	1,163
22	<i>of which: IMA</i>	-	-	-
23	<b>Operational risk</b>	<b>21,339</b>	<b>20,779</b>	<b>2,134</b>
24	<b>Amounts below the thresholds for deduction (subject to 250% risk weight)</b>	<b>3,833</b>	<b>3,680</b>	<b>383</b>
25	<b>Floor adjustment</b>	-	-	-
26	<b>Total</b>	<b>276,367</b>	<b>275,930</b>	<b>27,637</b>

## 5 Credit Risk

### 5.1 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 December 2023, the decrease in Group's RWA was mainly due to changes to asset quality, partially offset by growth in Corporate loans.

As at 31 March 2024

		(a)
		RWA amounts
\$m		
1	<b>RWA as at end of previous quarter</b>	<b>194,528</b>
2	Asset size	2,162
3	Asset quality	(3,268)
4	Model updates	(4)
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	457
8	Other	-
9	<b>RWA as at end of quarter</b>	<b>193,875</b>

## 6 Counterparty Credit Risk (CCR)

### 6.1 RWA flow statements under CCR internal models method

UOB does not use CCR Internal Models Method.

## 7 Market Risk

### 7.1 RWA Flow Statements of Market Risk Exposures under IMA

This disclosure is not applicable as the Group has not adopted IMA for market risk regulatory capital requirements.



## 8 Liquidity Coverage Ratio Disclosures

### 8.1 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 160% and 471% respectively were comfortably above the regulatory requirements of 100%. Compared to 4Q2023, increase in All Currency LCR was mainly due to decrease in retail and unsecured wholesale funding within 30 days, decrease in outflows related to derivatives and other collateral requirements, and increase in inflows from secured lending partially offset by decrease in HQLA. Decrease in SGD Currency LCR was mainly due to decrease 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 includes balances with central banks and sovereign bonds etc and the remaining in Level 2A and 2B HQLA. Deposit strategies are regularly discussed in Group ALCO with monitoring of deposit concentration and currency mismatch etc. The Group’s exposures to derivatives and potential collateral calls are incorporated into the LCR outflows.

Daily liquidity management is centrally managed by Global Markets-Portfolio & Liquidity Management with regular discussions with Central Treasury and relevant Business Units. Liquidity limits and triggers are 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 2023, Risk Management section - Liquidity Risk for governance of liquidity risk management, funding strategy and liquidity risk mitigation techniques.
- UOB Annual Report 2023, Note 45 Financial Risk Management section for Balance sheet and off-balance sheet items broken down into maturity buckets and resultant liquidity gaps.

## Pillar 3 Disclosure Report

### 8.2 Average Group All Currency LCR

For the quarter ended 31 March 2024

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

\$m		Total Unweighted Value Average	Total Weighted Value Average
<b>HIGH-QUALITY LIQUID ASSETS</b>			
1	Total high-quality liquid assets (HQLA)		103,388
<b>CASH OUTFLOWS</b>			
2	Retail deposits and deposits from small business customers, of which:	171,102	14,048
3	Stable deposits	55,349	2,767
4	Less stable deposits	115,753	11,280
5	Unsecured wholesale funding, of which:	138,791	68,348
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	37,634	9,089
7	Non-operational deposits (all counterparties)	95,310	53,411
8	Unsecured debt	5,848	5,848
9	Secured wholesale funding		817
10	Additional requirements, of which:	46,100	15,100
11	Outflows related to derivative exposures and other collateral requirements	9,804	9,256
12	Outflows related to loss of funding on debt products	11	11
13	Credit and liquidity facilities	36,286	5,834
14	Other contractual funding obligations	5,048	5,048
15	Other contingent funding obligations	12,470	797
16	<b>TOTAL CASH OUTFLOWS</b>		<b>104,159</b>
<b>CASH INFLOWS</b>			
17	Secured lending (eg reverse repos)	9,088	3,494
18	Inflows from fully performing exposures	43,917	27,207
19	Other cash inflows	9,046	8,739
20	<b>TOTAL CASH INFLOWS</b>	<b>62,051</b>	<b>39,441</b>
		Total Adjusted Value	
21	<b>TOTAL HQLA</b>		<b>103,388</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>		<b>64,718</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>160</b>

8.3 Average Group SGD Currency LCR

For the quarter ended 31 March 2024

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

\$m		Total Unweighted Value Average	Total Weighted Value Average
<b>HIGH-QUALITY LIQUID ASSETS</b>			
1	Total high-quality liquid assets (HQLA)		55,443
<b>CASH OUTFLOWS</b>			
2	Retail deposits and deposits from small business customers, of which:	124,888	9,893
3	Stable deposits	51,910	2,596
4	Less stable deposits	72,977	7,298
5	Unsecured wholesale funding, of which:	39,046	15,380
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	13,858	3,261
7	Non-operational deposits (all counterparties)	24,793	11,725
8	Unsecured debt	395	395
9	Secured wholesale funding		0
10	Additional requirements, of which:	19,763	8,482
11	Outflows related to derivative exposures and other collateral requirements	7,125	6,939
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	12,638	1,543
14	Other contractual funding obligations	1,735	1,735
15	Other contingent funding obligations	142	97
16	<b>TOTAL CASH OUTFLOWS</b>		<b>35,588</b>
<b>CASH INFLOWS</b>			
17	Secured lending (eg reverse repos)	745	19
18	Inflows from fully performing exposures	12,420	6,702
19	Other cash inflows	17,354	17,127
20	<b>TOTAL CASH INFLOWS</b>	<b>30,519</b>	<b>23,848</b>
			<b>Total Adjusted Value</b>
21	<b>TOTAL HQLA</b>		<b>55,443</b>
22	<b>TOTAL NET CASH OUTFLOWS</b>		<b>12,134</b>
23	<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>471</b>

**9 Abbreviations**

The following abbreviated terms are used throughout this document.

<b>A</b>		<b>R</b>	
A-IRBA	Advanced Internal Ratings-Based Approach	RWA	Risk-Weighted Assets
ALCO	Asset and Liability Committee	<b>S</b>	
<b>C</b>		SA(MR)	Standardised Approach to Market Risk
CAR	Capital Adequacy Ratio	SEC-IRBA	Securitisation Internal Ratings-Based Approach
CCP	Central Counterparty	SEC-ERBA	Securitisation External Ratings-Based Approach
CCR	Counterparty Credit Risk	SEC-SA	Securitisation Standardised Approach
CET1	Common Equity Tier 1	SFRS	Singapore Financial Reporting Standards
CVA	Credit Valuation Adjustment	SFTs	Securities Financing Transactions
<b>D</b>			
D-SIB	Domestic Systemically Important Bank		
<b>F</b>			
F-IRBA	Foundation Internal Ratings-Based Approach		
<b>G</b>			
G-SIB	Global Systemically Important Bank		
<b>I</b>			
IAA	Internal Assessment Approach		
IMA	Internal Models Approach		
IMM	Internal Models Method		
IRBA	Internal Ratings-Based Approach		