

Pillar 3 Disclosure Report

30 September 2024

Contents

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

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.

\$m		30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023
	Available capital (amounts)¹					
1	CET1 capital	39,068	38,144	38,308	37,076	35,345
2	Tier 1 capital	41,819	40,894	41,059	39,827	38,974
3	Total capital	46,342	45,048	46,230	45,667	45,005
	Risk weighted assets (amounts)¹					
4	Total RWA	252,220	284,097	276,367	275,930	271,558
4a	Total RWA (pre-floor)	252,220				
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	15.5	13.4	13.9	13.4	13.0
5a	CET1 ratio (%) (pre-floor ratio)	15.5				
6	Tier 1 ratio (%)	16.6	14.4	14.9	14.4	14.4
6a	Tier 1 ratio (%) (pre-floor ratio)	16.6				
7	Total capital ratio (%)	18.4	15.9	16.7	16.6	16.6
7a	Total capital ratio (%) (pre-floor ratio)	18.4				
	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 (%)	0.2	0.2	0.2	0.2	0.2
10	G-SIB and/or D-SIB additional requirement (%) ²	-	-	-	-	-
11	Total of CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.7	2.7	2.7	2.7	2.7
12	CET1 available after meeting the Reporting Bank's minimum capital requirements (%)	8.4	5.9	6.7	6.4	6.4
	Leverage Ratio³					
13	Total Leverage Ratio exposure measure	613,561	577,124	585,790	581,130	576,838
14	Leverage Ratio (%) (row 2/ row 13)	6.8	7.1	7.0	6.9	6.8
14a	Leverage Ratio (%) incorporating mean values for SFT assets	6.8				
	Liquidity Coverage Ratio					
15	Total High Quality Liquid Assets	96,185	95,890	103,388	105,661	106,133
16	Total net cash outflow	68,313	64,460	64,718	67,408	69,231
17	Liquidity Coverage Ratio (%)	141	149	160	157	153
	Net Stable Funding Ratio					
18	Total available stable funding	339,122	329,774	329,486	326,784	324,126
19	Total required stable funding	292,113	279,818	273,370	271,758	268,515
20	Net Stable Funding Ratio (%)	116	118	121	120	121

¹ The Group's CET1, Tier 1 and Total CAR as at 30 September 2024 remained well above the regulatory minimum requirements. Compared with last quarter, total capital increased mainly from higher earnings and reserves, partially offset by interim dividend payment. The higher total capital compared against the same quarter last year was largely contributed by earnings, partially offset by redemption of capital instruments. RWA decreased quarter on quarter and year on year mainly due to adoption of Basel III Final Reforms.

² 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 for the Group's G-SIB indicator disclosure.

³ As at 30 September 2024, the Group's leverage ratio was 6.8%, 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 11D and 11E.

Reconciliation of Balance Sheet Assets to Exposure Measure⁴

\$m		30 Sep 2024
1	Total consolidated assets as per published financial statements	541,885
2	Adjustment for investments in entities that are consolidated for accounting purposes but are outside the regulatory scope of consolidation	(536)
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
4	Adjustment for fiduciary assets recognised on the balance sheet in accordance with the Accounting Standards but excluded from the calculation of the exposure measure	-
5	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-
6	Adjustments for eligible cash pooling arrangements	-
7	Adjustment for derivative transactions	20,516
8	Adjustment for SFTs	264
9	Adjustment for off-balance sheet items	57,584
10	Adjustments for prudent valuation adjustments and specific and general allowances which have reduced Tier 1 Capital	-
11	Other adjustments	(6,152)
12	Exposure measure	613,561

⁴ Computed using quarter-end balances

3.2 Leverage Ratio Common Disclosure Template

Exposure Measure Components⁴

\$m		30 Sep 2024	30 Jun 2024
	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)	517,583	492,629
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets in accordance with the Accounting Standards	-	
3	Deductions of receivable assets for cash variation margin provided in derivatives transactions	-	
4	Adjustment for collateral received under securities financing transactions that are recognised as assets	-	
5	Specific and general allowances associated with on-balance sheet exposures that are deducted from Tier 1 Capital	-	
6	Asset amounts deducted in determining Tier 1 capital	(6,152)	(5,830)
7	Total exposure measures of on-balance sheet items (excluding derivative transactions and SFTs)	511,431	486,799
	Derivative exposure measures		
8	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins and net of bilateral netting)	12,583	8,249
9	Potential future exposure associated with all derivative transactions	19,798	8,272
10	CCP leg of trade exposures excluded	-	-
11	Adjusted effective notional amount of written credit derivatives	87	77
12	Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	-	-
13	Total derivative exposure measures	32,468	16,598
	SFT exposure measures		
14	Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	11,814	13,396
15	Eligible netting of cash payables and cash receivables	-	-
16	SFT counterparty exposures	264	165
17	SFT exposure measures where a Reporting Bank acts as an agent in the SFTs	-	-
18	Total SFT exposure measures	12,078	13,561
	Exposure measures of off-balance sheet items		
19	Off-balance sheet items at notional amount	249,136	286,250
20	Adjustments for calculation of exposure measures of off-balance sheet items	(191,552)	(226,084)
21	Specific and general allowances associated with off-balance sheet exposures deducted in determining Tier 1 Capital	-	
22	Total exposure measures of off-balance sheet items	57,584	60,166
	Capital and Total exposures		
23	Tier 1 capital	41,819	40,894
24	Total exposures	613,561	577,124
	Leverage ratio		
25	Leverage ratio	6.8%	7.1%
26	National minimum leverage ratio requirement	3.0%	
27	Applicable leverage buffers	-	
	Disclosures of mean values		
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	12,067	
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	11,814	
30	Total exposures incorporating values from row 28	613,814	
31	Leverage ratio incorporating values from row 28	6.8%	

⁴ Computed using quarter-end balances

The Group's leverage ratio decreased by 0.3% point quarter-on-quarter to 6.8% as at 30 September 2024, mainly driven by higher asset base.

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 lower quarter-on-quarter mainly due to adoption of Basel III Final Reforms.

\$m		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 30 Sep 2024	As at 30 Jun 2024	As at 30 Sep 2024
1	Credit risk (excluding CCR)	212,778	236,137	21,278
2	<i>of which: Standardised Approach</i>	37,266	35,473	3,727
3	<i>of which: F-IRBA</i>	152,329	176,833	15,233
4	<i>of which: supervisory slotting approach</i>	5,083	5,717	508
5	<i>of which: A-IRBA</i>	18,100	18,114	1,810
6	CCR	5,714	5,729	571
7	<i>of which: SA-CCR</i>	5,068	4,999	507
8	<i>of which: CCR internal models method</i>	-	-	-
9	<i>of which: other CCR</i>	262	346	26
10	<i>of which: CCP</i>	384	384	38
11	CVA	3,431	2,940	343
12	Equity investments in funds - look through approach	14	8	1
13	Equity investments in funds - mandate-based approach	1,348	1,439	135
14	Equity investments in funds - fall back approach	#	#	#
15	Equity investment in funds - partial use of an approach	-	-	-
16	Unsettled transactions	#	-	#
17	Securitisation exposures in the banking book	454	505	45
18	<i>of which: SEC-IRBA</i>	-	-	-
19	<i>of which: SEC-ERBA</i>	333	343	33
20	<i>Of which: SEC-IAA</i>	-	-	-
21	<i>of which: SEC-SA</i>	121	162	12
22	Market risk (excluding CVA and capital charge for switch between trading book and banking book)	9,961	11,728	996
23	<i>of which: SA(MR)</i>	9,961	11,728	996
24	<i>Of which: SSA(MR)</i>	-	-	-
25	<i>of which: IMA</i>	-	-	-
26	Capital charge for switch between trading book and banking book	-	-	-
27	Operational risk	14,571	21,772	1,457
28	Amounts below the thresholds for deduction (subject to 250% risk weight)	3,949	3,839	395
29	Output floor calibration	50%	-	-
30	Floor adjustment	-	-	-
31	Total	252,220	284,097	25,222

5 Comparison of Modelled and Standardised RWA at Risk Level

The difference in RWA calculated using nominated approaches and the RWA calculated using only standardised approaches is largely from Corporate exposures.

As at 30 September 2024

		a	b	c	d
		RWA			
		RWA for portfolios where the Reporting Bank uses modelled approaches	RWA for portfolios where the Reporting Bank uses standardised approaches	Total RWA (a + b)	Total RWA calculated using only standardised approaches
\$m					
1	Credit risk (excluding counterparty credit risk)	175,512	37,266	212,778	311,977
2	Counterparty credit risk	4,641	1,073	5,714	9,582
3	Credit valuation adjustment	-	3,431	3,431	3,431
4	Securitisation exposures in the banking book	-	454	454	454
5	Market risk	-	9,961	9,961	9,961
6	Operational risk		14,571	14,571	14,571
7	Residual RWA		5,311	5,311	5,322
8	Total	180,153	72,067	252,220	355,298

6 Credit Risk

6.1 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 June 2024, the decrease in Group's RWA was mainly due to adoption of Basel III Final Reforms.

As at 30 September 2024

		(a)
		RWA amounts
\$m		
1	RWA as at end of previous quarter	200,664
2	Asset size	7,955
3	Asset quality	2,382
4	Model updates	-
5	Methodology and policy	(34,386)
6	Acquisitions and disposals	-
7	Foreign exchange movements	(1,103)
8	Other	-
9	RWA as at end of quarter	175,512

7 Counterparty Credit Risk (CCR)

7.1 RWA flow statements under CCR internal models method

UOB does not use CCR Internal Models Method.

8 Market Risk

8.1 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.

9 Liquidity Coverage Ratio Disclosures

9.1 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 458% respectively were comfortably above the regulatory requirements of 100%. Compared to 2Q2024, decrease in All Currency LCR was mainly due to increase in unsecured wholesale funding within 30days partially offset by increase in HQLA. Decrease in SGD Currency LCR was mainly due to decrease in Other Cash Inflows and 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 were 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 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 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.

9.2 Average Group All Currency LCR

For the quarter ended 30 September 2024

92 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 assests (HQLA)		96,185
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	176,040	14,476
3	Stable deposits	56,973	2,849
4	Less stable deposits	119,067	11,627
5	Unsecured wholesale funding, of which:	146,654	71,804
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	38,925	9,406
7	Non-operational deposits (all counterparties)	102,188	56,857
8	Unsecured debt	5,541	5,541
9	Secured wholesale funding		778
10	Additional requirements, of which:	47,527	15,440
11	Outflows related to derivative exposures and other collateral requirements	11,248	9,892
12	Outflows related to loss of funding on debt products	7	7
13	Credit and liquidity facilities	36,272	5,541
14	Other contractual funding obligations	6,942	5,420
15	Other contingent funding obligations	12,745	1,214
16	TOTAL CASH OUTFLOWS		109,133
CASH INFLOWS			
17	Secured lending (eg reverse repos)	6,362	3,442
18	Inflows from fully performing exposures	47,184	28,556
19	Other cash inflows	9,027	8,821
20	TOTAL CASH INFLOWS	62,573	40,820
			Total Adjusted Value
21	TOTAL HQLA		96,185
22	TOTAL NET CASH OUTFLOWS		68,313
23	LIQUIDITY COVERAGE RATIO (%)		141

9.3 Average Group SGD Currency LCR

For the quarter ended 30 September 2024

92 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 assests (HQLA)		47,638
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	128,984	10,224
3	Stable deposits	53,481	2,674
4	Less stable deposits	75,504	7,550
5	Unsecured wholesale funding, of which:	38,755	15,268
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	14,487	3,417
7	Non-operational deposits (all counterparties)	24,191	11,773
8	Unsecured debt	78	78
9	Secured wholesale funding		-
10	Additional requirements, of which:	20,079	8,373
11	Outflows related to derivative exposures and other collateral requirements	6,763	6,678
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	13,316	1,694
14	Other contractual funding obligations	2,084	1,611
15	Other contingent funding obligations	320	289
16	TOTAL CASH OUTFLOWS		35,766
CASH INFLOWS			
17	Secured lending (eg reverse repos)	353	34
18	Inflows from fully performing exposures	12,927	6,929
19	Other cash inflows	18,844	18,784
20	TOTAL CASH INFLOWS	32,124	25,747
			Total Adjusted Value
21	TOTAL HQLA		47,638
22	TOTAL NET CASH OUTFLOWS		10,852
23	LIQUIDITY COVERAGE RATIO (%)		458

10 Abbreviations

The following abbreviated terms are used throughout this document.

A		R	
A-IRBA	Advanced Internal Ratings-Based Approach	RWA	Risk-Weighted Assets
ALCO	Asset and Liability Committee	S	
C		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
D			
D-SIB	Domestic Systemically Important Bank		
F			
F-IRBA	Foundation Internal Ratings-Based Approach		
G			
G-SIB	Global Systemically Important Bank		
I			
IAA	Internal Assessment Approach		
IMA	Internal Models Approach		
IMM	Internal Models Method		
IRBA	Internal Ratings-Based Approach		