

Pillar 3 Disclosure

In compliance with the requirements under Basel Pillar 111 and the Monetary Authority of Singapore (MAS) Notice 637 Public Disclosure, various additional quantitative and qualitative disclosures have been included in the Annual Report under the sections on Capital Management, Risk Management, Remuneration, Pillar 3 Disclosure, Management Discussion and Analysis and Notes to the Financial Statements. The disclosures are to facilitate the understanding of the UOB Group's risk profile and assessment of its capital adequacy.

Scope of Application

In accordance with the accounting standards for financial reporting, all subsidiaries in the Group are fully consolidated from the date the Group obtains control until the date such control ceases. The Group's investments in associates are accounted for using the equity method from the date the Group obtains significant influence over the associates until the date such significant influence ceases.

However, for the purpose of computing capital adequacy requirements at the Group level, investments in a subsidiary that carries out insurance business as an insurer are excluded from the consolidated financial statements of the Group. In compliance with the MAS Notice 637 on capital adequacy, such investments are deducted from regulatory capital.

The transfer of funds or regulatory capital within the Group is generally subject to regulatory approval.

An overview of the locations of our risk disclosures is provided below. Please refer to UOB's website at www.UOBgroup.com/investor-relations/financial/index.html for the Pillar 3 Disclosure Report as at 31 December 2018.

Report Description	Location
Overview of Key Prudential Metrics, Risk Management and Risk-Weighted Assets (RWA)	
Key metrics	Pillar 3 Disclosure Report Section 3
Risk management approach	UOB Annual Report 2018, Risk Management section – Maintaining a Sound Risk Culture
Overview of RWA	Pillar 3 Disclosure Report Section 7
Linkages Between Financial Statements and Regulatory Exposures	
Differences between accounting and regulatory scopes of consolidation and mapping of financial statements categories with regulatory risk categories	Pillar 3 Disclosure Report Section 8
Main sources of differences between regulatory exposure amounts and carrying amounts in financial statements	Pillar 3 Disclosure Report Section 9
Qualitative disclosure of differences between carrying amounts in financial statements and regulatory exposure amounts	Pillar 3 Disclosure Report Section 9
Prudent valuation adjustments	Pillar 3 Disclosure Report Section 10
Credit Risk	
General disclosures related to credit risk	UOB Annual Report 2018, Risk Management section – Credit Risk
Credit quality of assets	Pillar 3 Disclosure Report Section 11
Changes in stock of defaulted loans and debt securities	Pillar 3 Disclosure Report Section 12

Pillar 3 Disclosure

Report Description	Location
Additional disclosures related to the credit quality of assets	UOB Annual Report 2018, Risk Management section – Credit Risk Pillar 3 Disclosure Report Section 13
Qualitative disclosure related to Credit Risk Mitigation (CRM) techniques	UOB Annual Report 2018, Risk Management section – Credit Risk
Overview of CRM techniques	Pillar 3 Disclosure Report Section 14
Qualitative disclosure on the use of external credit ratings under the Standardised Approach (SA) (Credit Risk) (CR)	UOB Annual Report 2018, Risk Management section – Credit Risk
SA(CR) and SA(Equity Exposures) (EQ) – Credit risk exposure and CRM effects	Pillar 3 Disclosure Report Section 15
SA(CR) and SA(EQ) – Exposures by asset classes and risk weights	Pillar 3 Disclosure Report Section 16
Qualitative disclosure for Internal Ratings-Based Approach (IRBA) models	UOB Annual Report 2018, Risk Management section – Credit Risk
IRBA – Credit risk exposures by portfolio and Probability of Default (PD) range	Pillar 3 Disclosure Report Section 17
IRBA – Effect on RWA of credit derivatives used as CRM	Pillar 3 Disclosure Report Section 18
IRBA – RWA flow statement for credit risk exposures	Pillar 3 Disclosure Report Section 19
IRBA – Backtesting of PD per portfolio	Pillar 3 Disclosure Report Section 20
IRBA – Specialised Lending	Pillar 3 Disclosure Report Section 21
Counterparty Credit Risk (CCR)	
Qualitative disclosures related to CCR	UOB Annual Report 2018, Risk Management section – Credit Risk
Analysis of CCR exposure by approach	Pillar 3 Disclosure Report Section 22
Credit Valuation Adjustment risk capital requirements	Pillar 3 Disclosure Report Section 23
SA – CCR exposures by portfolio and risk weights	Pillar 3 Disclosure Report Section 24
IRBA – CCR exposures by portfolio and PD range	Pillar 3 Disclosure Report Section 25
Composition of collateral for CCR exposure	Pillar 3 Disclosure Report Section 26
Credit derivative exposures	Pillar 3 Disclosure Report Section 27
RWA flow statements under CCR internal models method	Pillar 3 Disclosure Report Section 33
Securitisation	
Qualitative disclosures related to securitisation exposures	UOB Annual Report 2018, Risk Management section – Credit Risk
Securitisation exposures in the Banking Book	Pillar 3 Disclosure Report Section 28
Securitisation exposures in the Trading Book	Pillar 3 Disclosure Report Section 33
Securitisation exposures in the Banking Book and associated regulatory capital requirements – UOB acting as originator or as sponsor	Pillar 3 Disclosure Report Section 33
Securitisation exposures in the Banking Book and associated regulatory capital requirements – UOB acting as investor	Pillar 3 Disclosure Report Section 29

Report Description	Location
Market Risk	
Qualitative disclosures related to market risk	UOB Annual Report 2018, Risk Management section – Market Risk
Qualitative disclosure related to Internal Model Approach (IMA)	Pillar 3 Disclosure Report Section 33
Market risk under SA	Pillar 3 Disclosure Report Section 30
RWA flow statements of market risk exposures under IMA	Pillar 3 Disclosure Report Section 33
IMA values for trading portfolios	Pillar 3 Disclosure Report Section 33
Comparison of VaR estimates with gains or losses	Pillar 3 Disclosure Report Section 31
Operational Risk	
Operational risk	UOB Annual Report 2018, Risk Management section – Operational Risk
Balance Sheet Risk	
Interest rate risk in the Banking Book	UOB Annual Report 2018, Risk Management section – Interest Rate Risk in the Banking Book Pillar 3 Disclosure Report Section 32
Remuneration	
Remuneration Policy	UOB Annual Report 2018, Remuneration section
Remuneration awarded during the financial year	UOB Annual Report 2018, Remuneration section
Special payments	UOB Annual Report 2018, Remuneration section
Deferred remuneration	UOB Annual Report 2018, Remuneration section
Composition of Capital	
Composition of regulatory capital	Pillar 3 Disclosure Report Section 4
Reconciliation of regulatory capital to balance sheet	Pillar 3 Disclosure Report Section 4
Main features of regulatory capital instruments	Pillar 3 Disclosure Report Section 4
Leverage Ratio	
Leverage ratio summary comparison table	Pillar 3 Disclosure Report Section 5
Leverage ratio common disclosure template	Pillar 3 Disclosure Report Section 5
Macroprudential Supervisory Measures	
Geographical distribution of credit exposures used in countercyclical capital buffer	Pillar 3 Disclosure Report Section 6
Public disclosure and submission requirements for assessing Global Systemically Important Banks (G-SIBs)	
Indicators used for assessing systemic importance of G-SIBs	UOB's website, Investor Relations section*

* Will only be published in April 2019.

