

United Overseas Bank Limited
Brunei Branch

Pillar 3 Disclosure Report
30 June 2026

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Notes:

1. The Pillar 3 disclosure report is presented in Brunei Dollars (B\$'000)
2. Certain figures in this report may not add up to the respective total due to rounding

1. Certification

We, the undersigned, being the Country Manager and the Finance Manager of United Overseas Bank Limited (Brunei Darussalam Branch) do hereby state that, in our opinion, Pillar 3 Public Disclosure notes are prepared in accordance with the requirements of Brunei Darussalam Central Bank so as to give correct and complete public disclosure.

Tang Wan Ing
Country Manager
Date: 31 August 2026

Hajah Norsinah Haji Kamis
Finance Manager
Date: 31 August 2026

2. Introduction

Pillar 3 Disclosure Report ("The Report") is prepared in accordance with the Brunei Darussalam Central Bank ("BDCB") Notice to Banks No. BU/N-1/2021/68 on Pillar 3 – Public Disclosure Requirements issued on 02/04/2021.

This above Notice complements the minimum risk-based capital requirements and other quantitative requirements (Pillar 1) as per the Notice No BU/N-3/2017/38 – Maintenance of Capital Adequacy Ratio and the Supervisory Review of Evaluation Process (Pillar 2) as per Notice No BU/N-9/2018/59 – Amendment No 1 – Supervisory Review of Evaluation Process (SREP). It aims to facilitate and promote market discipline by requiring disclosures of meaningful regulatory information on a consistent and comparable basis.

In accordance with the Notice, the medium of disclosure is a standalone document ("standalone Pillar 3 report").

The format of the Pillar 3 disclosure is presented based on the template and tables set out in the Annex 1 – Pillar 3 Disclosure Requirements dated 1 April 2021

3. C1: Overview of Key Prudential metrics and RWA

3.1 KM1: Key Metrics

Purpose: To provide an overview of a bank's prudential regulatory metrics.
Content: Key prudential metrics related to regulatory capital and other regulatory requirements.
Frequency: Quarterly.
Format: Fixed.
Accompanying narrative: In 2Q 2026, the Tier 1 Capital Ratio and Total Capital Ratio increased primarily due to a reduction in Total Risk-Weighted Assets (RWA) , driven by the following factors: 1. Credit Risk - Lower off-balance sheet exposures resulting from a decline in the issuance of Banker's Guarantees, which led to a reduction in credit risk-weighted assets. 2. Market Risk - Reduced foreign exchange-related transactions associated with the issuance of Banker's Guarantees, resulting in lower market risk-weighted assets. As a result, the decrease in total RWA contributed to the improvement in both the Tier 1 Capital Ratio and Total Capital Ratio during the quarter.

		(a)	(b)	(c)	(d)	(e)
		Jun 26	Mar 26	Dec 25	Sep 25	Jun 25
	Available capital (amounts)					
1	Tier 1	108,806	107,950	107,277	106,510	105,807
2	Total capital	109,169	108,304	107,742	107,008	106,290
	Risk-weighted assets (amounts)					
3	Total risk-weighted assets (RWA)	188,251	194,217	195,611	191,573	207,253
	Risk-based capital ratios as a percentage of RWA					
4	Tier 1 ratio (%)	57.80	55.58	54.84	55.60	51.05
5	Total capital ratio (%)	57.99	55.76	55.08	55.86	51.28

3.2 OV1: Overview of Risk Weighted Assets (RWA)

Purpose: To provide an overview of total RWA and further breakdowns of RWA
Content: RWA and capital requirements under Pillar 1 only. Pillar 2 requirements are excluded
Frequency: Quarterly.
Format: Fixed.
Accompanying narrative: The decrease in Total RWA in 2Q 2026 was driven mainly by lower Credit Risk and Market Risk exposures following a reduction in the issuance of Banker's Guarantees in foreign currency.

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		Jun 2026	Mar 2026	Jun 2026
1	Credit risk (Standardised)	132,120	135,241	13,212
2	Market risk (Standardised)	39,231	42,077	3,923
3	Operational risk (Basic Indicator Approach)	16,899	16,899	1,690
4	Total (Row 1 + 2 + 3)	188,251	194,217	18,825

4 C2: Composition of Capital

4.1 CC1: Composition of regulatory capital

Purpose: Provide a breakdown of the constituent elements of a bank's capital
Content: Breakdown of regulatory capital according to the scope of regulatory consolidation
Frequency: Semi-Annual.
Format: Fixed.
Accompanying narrative: No significant changes over the reporting period.

		(a)
		Amounts
	Tier 1 capital: instruments and reserves	108,806
1	Paid-up Ordinary Shares/Assigned Capital (after deduction of holdings of own capital)	30,000
2	Non-Cumulative , Non-Redeemable Preference Shares	-
3	Share Premium	-
4	Statutory Reserve Fund	41,960
5	Published Retained Profits/(Accumulated Losses)	36,846
6	General Reserves	-
7	Fair Value Reserves	-
8	Tier 1 capital before regulatory adjustments	
	Tier 1 capital: regulatory adjustments	
9	Reciprocal cross-holdings of ordinary shares (as required by BDCB)	
10	Goodwill	
11	Other intangible assets	
12	Advances/financing granted to employees of the bank for the purchase of shares of the bank under a share ownership plan	
13	Minority Interests held by 3rd parties in Financial Subsidiary	
14	Total Regulatory adjustments to Tier 1 Capital	
15	Tier 1 capital	
	Tier 2 capital: instruments and provisions	363
16	General Credit Loss Reserves (Capped at 125% of Credit Risk)	363
17	Hybrid (debt/equity) Capital Instruments	
18	Approved Subordinated Term Debt (Capped at 50% of Core Capital Element)	
19	Tier 2 capital before regulatory adjustments	
	Tier 2 capital: regulatory adjustments	363
20	Reciprocal Crossholdings of Tier 2 Capital Instruments	
21	Minority Interests Arising From Holdings of Tier 2 Instruments in Financial Subsidiaries by Third Parties	
22	Total regulatory adjustments to Tier 2 capital	363
23	Tier 2 capital (T2)	363
24	Allowable Supplementary Capital (Tier 2 Capital)	
25	Sub-Total of Tier 1 and Tier 2 Capital	109,169
26	Deductions/Adjustments 3 to total Amount of Tier 1 and Tier 2 capital	
27	Significant Investments in Banking, Securities and Other Financial Entities	
28	Significant Investments in Insurance Entities & Subsidiary	
29	Significant Investments in Commercial Entities	
30	Securitisation Exposures (Rated B+ or Below and Unrated)	
31	Resecuritisation Exposures (Rated B+ or Below and Unrated)	
32	Total regulatory capital (TC = T1 + T2)	109,169
33	Total risk-weighted assets	188,251
	Capital ratios	
34	Tier 1 (as a percentage of risk-weighted assets)	57.80
35	Total capital (as a percentage of risk-weighted assets)	57.99

5 C6 Credit Risks

5.1 CR1: Credit quality of assets

Purpose: Provide a comprehensive picture of the credit quality of a bank's (on- and off-balance sheet) assets.

Content: Carrying values (corresponding to the accounting values reported in financial statements but according to the scope of regulatory consolidation).

Frequency: Semi-Annual

Format: Fixed

Accompanying narrative:

Definition of Defaults/Delinquent accounts

- The principal and/or interest or both are past due for more than 90 days
- Inability of the borrower to meet contractual repayment terms of the credit facility

We adopt holistic approach towards assessing credit risk and ensure that managing credit risk is part of an integrated approach to enterprise risk management. Integral to the management of credit risk is a framework that clearly defines policies and processes relating to the identification, measurement and management of credit risk. We continually monitor the operating environment to identify emerging risks and to formulate appropriate mitigating actions

Delinquency Monitoring

We monitor closely the delinquency of borrowing accounts, a key indicator of credit quality. An account is considered delinquent when payment has not been received by the payment due date. All delinquent accounts, including revolving credit facilities (such as an overdraft) with limit excesses, are closely monitored and managed through a disciplined process by officers from business units and the risk management function. Where appropriate, such accounts are also subject to more frequent credit reviews.

		(a)	(b)	(c)	(d)	(e)	(f)
		Gross carrying values of		Allowances/ impairments	Of which: ECL accounting provisions for credit losses on SA exposures		Net values (a+b-c)
		Defaulted exposures	Non- defaulted exposures		Of which: specific allowances	Of which: general allowances	
1	Loans	1,871	94,866	623	186	437	96,114
2	Debt securities	-	-	-	-	-	-
3	Off- balance sheet exposures	-	119,400	-	-	-	119,400
4	TOTAL	1,871	214,266	623	186	437	215,514

5.2 CR2: Changes in Stock of Defaulted Loans and Debt Securities

Purpose: Identify the changes in a bank's stock of defaulted exposures, the flows between non-defaulted and defaulted exposure categories and reductions in the stock of defaulted exposures due to write-offs.
Content: Carrying values
Frequency: Semi-Annual
Format: Fixed
Accompanying narrative: The increase in total NPA in 2Q 2026 was attributable to a newly classified Non-Performing Account during the quarter, which resulted in a higher overall NPA balance.

		(a)
1	Defaulted loans and debt securities at end of the previous reporting period	1,691
2	Loans and debt securities that have defaulted since the last reporting period	407
3	Returned to non-defaulted status	-
4	Amounts written off	-
5	Other changes	(227)
6	Defaulted loans and debt securities at end of the reporting period (1 + 2 - 3 - 4 ± 5)	1,871

5.3 CR3: Overview of credit risk mitigation (CRM) techniques

Purpose: Disclose the extent of use of CRM techniques.
Content: Carrying values. Banks must include all CRM techniques used to reduce capital requirements and disclose all secured exposures.
Frequency: Semi-Annual
Format: Fixed.
Accompanying narrative: Potential credit losses are mitigated using a variety of instruments such as collateral and guarantees. As a fundamental credit principle, the Branch generally does not grant credit facilities solely based on the collateral provided. All credit facilities are granted based on the credit standing of the borrower, source of repayment and debt servicing ability. Collateral is taken whenever possible to mitigate the credit risk assumed and the value of the collateral is monitored periodically. The frequency of valuation depends on the type, liquidity and volatility of the collateral value. The main types of collateral taken by the Branch are cash, marketable securities, real estate, equipment, inventory and receivables. Collateral taken by the bank must fulfil certain eligibility criteria (such as legal certainty across relevant jurisdictions) in order to be Internal Ratings-Based (IRB) purposes

		(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	37,889	58,848	58,848	-	-
2	Debt securities	-	-	-	-	-
3	Total	37,889	58,848	58,848	-	-
4	Of which defaulted	-	1,871	1,871	-	-

5.4 CR4: Standardised approach for Credit risk exposure and credit risk mitigation (CRM) effects

Purpose: Illustrate the effect of CRM on standardised approach capital requirements' calculations. The RWA density provides a synthetic metric on riskiness of each portfolio.
Content: Regulatory exposure amounts.
Frequency: Semi-Annual.
Format: Fixed.
Accompanying narrative: There are no significant changes over the reporting period

	Asset classes	(a)	(b)	(c)	(d)	(e)	(f)
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	12,975	-	-	-	-	0%
2	Non-central government public sector entities						-
3	Multilateral development banks						-
4	Banks	132,454	-	26,491	-	26,491	100%
5	Securities firms						-
6	Corporates	62,356	35,167	38,602	33,048	71,650	100%
7	Regulatory retail portfolios						-
8	Secured by residential property	4,285	-	2,187	-	2,187	100%
9	Secured by commercial real estate	28,087	-	28,087	-	28,087	100%
10	Equity						-
11	Past-due loans	1,871	-	2,258	-	2,258	100%
12	Higher-risk categories						-
13	Other assets	1,447	-	1,447	-	1,447	100%
14	Total	243,475	35,167	99,072	33,048	132,120	100%

5.5 CR5: Standardised approach for Exposures by asset classes and risk weights

Purpose: Present the breakdown of credit risk exposures under the standardised approach by asset class and risk weight (corresponding to the level of risks attributed to the exposure).
Content: Regulatory exposure amounts.
Frequency: Semi-Annual.
Format: Fixed.
Accompanying narrative: There are no significant changes over the reporting period.

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
	Risk Weight*	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
Asset classes											
1	Sovereigns and their central banks										
2	Non-central government public sector entities (PSEs)										
3	Multilateral development banks (MDBs)										
4	Banks			26,491							26,491
5	Securities firms										
6	Corporates							38,602		33,048	71,650
7	Regulatory retail portfolios										
8	Secured by residential property				898		1,289				2,187
9	Secured by commercial real estate							28,087			28,087
10	Equity										
11	Past-due loans							1,096	1,162		2,258
12	Higher-risk categories										
13	Other assets							1,447			1,447
14	Total			26,491	898		1,289	69,232	1,162	33,048	132,120

6 MR1: Market risk under standardised approach

Purpose: To provide the components of the capital charge under the <i>Standardised Approach</i> for market risk.
Content: RWA
Frequency: Semi-Annual.
Format: Fixed.

		(a)
		RWA
1	interest/ Profit rate risk (general and specific)	-
2	Equity risk (general and specific)	-
3	Foreign exchange risk	39,231
4	Commodity risk	-
5	Total	39,231