

Pillar 3 Disclosure Report

30 June 2021

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.

\$m		30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020	30 Jun 2020
Available capital (amounts)¹						
1	CET1 capital	34,323	33,860	33,231	32,308	32,481
2	Tier 1 capital	36,702	36,389	35,610	34,688	34,860
3	Total capital	43,613	42,349	41,390	40,548	39,592
Risk weighted assets (amounts)¹						
4	Total RWA	241,090	236,008	225,441	230,595	232,037
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	14.2	14.3	14.7	14.0	14.0
6	Tier 1 ratio (%)	15.2	15.4	15.8	15.0	15.0
7	Total capital ratio (%)	18.1	17.9	18.4	17.6	17.1
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 (%)	7.2	7.4	7.8	7.0	7.0
Leverage Ratio¹						
13	Total Leverage Ratio exposure measure	498,595	488,377	478,233	469,563	477,488
14	Leverage Ratio (%) (row 2/ row 13)	7.4	7.5	7.4	7.4	7.3
Liquidity Coverage Ratio						
15	Total High Quality Liquid Assets	78,514	77,519	71,722	69,495	73,323
16	Total net cash outflow	59,801	55,846	51,554	54,578	54,061
17	Liquidity Coverage Ratio (%)	131	139	139	127	136
Net Stable Funding Ratio						
18	Total available stable funding	280,489	270,883	271,103	262,477	258,317
19	Total required stable funding	228,861	223,764	217,444	215,915	217,477
20	Net Stable Funding Ratio (%)	123	121	125	122	119

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 2021, both the total assets and the total equities of each of these subsidiaries were less than \$1 billion.

Compared with 31 December 2020, key movements in the items under the column "Under regulatory scope of consolidation" were mainly from retained earnings, higher Tier 2 capital instruments and higher eligible provisions.

Table 1 - Reconciliation of Balance Sheet to Regulatory Capital as at 30 June 2021

\$m	Balance Sheet per Published Financial Statements	Under regulatory scope of consolidation	Reference in Table 2
Equity			
Share capital and other capital	7,521		
<i>of which paid-up ordinary shares</i>		5,143	A
<i>of which AT1 capital instruments</i>		2,377	B
Retained earnings	25,432	25,272	C
<i>of which unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk</i>		21	D1
Other reserves	9,078	8,645	E
<i>of which unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk</i>		6	D2
Equity attributable to equity holders of the Bank	42,031		
Non-controlling interests	219		
<i>of which NCI that meets criteria for inclusion in</i>			
- CET1 capital		15	F1
- AT1 capital		2	F2
- T2 capital		4	F3
Total equity	42,250		
Liabilities			
Deposits and balances of banks	18,948		
Deposits and balances of customers	338,894		
Bills and drafts payable	1,105		
Derivative financial liabilities	6,444		
Other liabilities	7,137		
Tax payable	458		
Deferred tax liabilities	423		
Debts issued	30,847		
<i>of which T2 capital instruments</i>		5,298	G
Total liabilities	404,256		

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

Table 1 - Reconciliation of Balance Sheet to Regulatory Capital as at 30 June 2021

\$m	Balance Sheet per Published Financial Statements	Under regulatory scope of consolidation	Reference in Table 2
Assets			
Cash, balances and placements with central banks	37,355		
Singapore Government treasury bills and securities	7,617		
Other government treasury bills and securities	15,090		
Trading securities	4,889		
Placements and balances with banks	38,103		
Loans to customers	294,392		
<i>of which provisions eligible for inclusion in T2 capital</i>		1,609	H
Derivative financial assets	7,092		
Investment securities ²	27,413		
<i>of which investments in PE/VC held beyond the relevant holding period</i>		6	I1
Other assets	4,784		
<i>of which investments in PE/VC held beyond the relevant holding period</i>		#	I2
Deferred tax assets	446		
<i>of which amount related to deferred tax assets (net of deferred tax liabilities, where permissible)</i>		527	J
Investment in associates and joint ventures ²	1,230		
<i>of which amount related to goodwill</i>		11	K1
<i>of which investments in PE/VC held beyond the relevant holding period</i>		26	I3
Investment properties	827		
Fixed assets	3,124		
Intangible assets	4,144		
<i>of which amount related to goodwill</i>		4,144	K2
Total Assets	446,506		

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 2021

\$m		Amount	Reference in Table 1
Common Equity Tier 1 capital: instruments and reserves			
1	Paid-up ordinary shares and share premium (if applicable)	5,143	A
2	Retained earnings	25,272	C
3*	Accumulated other comprehensive income and other disclosed reserves	8,645	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	15	F1
6	Common Equity Tier 1 capital before regulatory adjustments	39,075	
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	4,155	K1+K2
9*	Intangible assets, net of associated deferred tax liability	-	
10*	Deferred tax assets that rely on future profitability	527	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	27	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	43	
26A	PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630	43	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	4,752	
29	Common Equity Tier 1 capital (CET1)	34,323	
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 2021

\$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	2	F2
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	Additional Tier 1 capital before regulatory adjustments	2,379	
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)	2,379	
45	Tier 1 capital (T1 = CET1 + AT1)	36,702	
Tier 2 capital: instruments and provisions			
46	Tier 2 capital instruments and share premium (if applicable)	5,298	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	4	F3
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Provisions	1,609	H
51	Tier 2 capital before regulatory adjustments	6,911	
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)	6,911	
59	Total capital (TC = T1 + T2)	43,613	
60	Floor-adjusted total risk weighted assets	241,090	
Capital ratios (as a percentage of floor-adjusted risk weighted assets)			
61	Common Equity Tier 1 CAR	14.2%	
62	Tier 1 CAR	15.2%	
63	Total CAR	18.1%	

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

Table 2 - Capital Components as at 30 June 2021

\$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	7.2%	
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	455	
73	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	1,683	
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)	544	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	478	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)	1,131	row 50
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	1,300	
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 2021

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\$5,143 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 2021

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 2021

1 Issuer	United Overseas Bank Limited	United Overseas Bank Limited
2 Unique Identifier (ISIN code)	XS1699845068	US91127LAE02 / US91127KAE29
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\$1,002 million
9 Principal amount (<i>in millions</i>)	US\$650 million	US\$750 million
10 Accounting classification	Equity	Liability
11 Original date of issuance	19 October 2017	14 April 2021
12 Perpetual or dated	Perpetual	Dated
13 Original maturity date	No maturity	14 October 2031
14 Issuer call subject to prior supervisory approval	Yes	Yes
15 Optional call date	19 October 2023	14 October 2026
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	2.00% paid semi-annually on 14 April and 14 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 2021

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 (<i>in millions</i>)	S\$798 million	S\$834 million
9 Principal amount (<i>in millions</i>)	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 (<i>instrument type immediately senior to instrument</i>)	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 2021

1 Issuer	United Overseas Bank Limited	United Overseas Bank Limited
2 Unique Identifier (ISIN code)	SG79A8000002	XS1485603408
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 (<i>in millions</i>)	S\$782 million	S\$816 million
9 Principal amount (<i>in millions</i>)	S\$750 million	US\$600 million
10 Accounting classification	Liability	Liability
11 Original date of issuance	27 February 2017	8 September 2016
12 Perpetual or dated	Dated	Dated
13 Original maturity date	27 February 2029	8 March 2027
14 Issuer call subject to prior supervisory approval	Yes	Yes
15 Optional call date	27 February 2024	8 March 2022
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	2.88% paid semi-annually on 8 March and 8 September
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 (<i>instrument type immediately senior to instrument</i>)	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 2021

1 Issuer	United Overseas Bank Limited	United Overseas Bank Limited
2 Unique Identifier (ISIN code)	XS1480822516	XS1379133058
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 (<i>in millions</i>)	S\$123 million	S\$944 million
9 Principal amount (<i>in millions</i>)	HK\$700 million	US\$700 million ⁽²⁾
10 Accounting classification	Liability	Liability
11 Original date of issuance	26 August 2016	16 & 24 March 2016
12 Perpetual or dated	Dated	Dated
13 Original maturity date	26 August 2028	16 September 2026
14 Issuer call subject to prior supervisory approval	Yes	Yes
15 Optional call date	26 August 2023	16 September 2021
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	3.19% paid quarterly on 26 August, 26 November, 26 February and 26 May	3.5% paid semi-annually on 16 March and 16 September
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 (<i>instrument type immediately senior to instrument</i>)	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.

(2) US\$500m 3.5% subordinated notes were first issued on 16 March 2016. This was followed by a re-tap for US\$200m on 24 March 2016, which was consolidated and formed a single series with the US\$500m tranche issued on 16 March 2016.

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 2021
1	Total consolidated assets as per published financial statements	446,506
2	Adjustment for investments in entities that are consolidated for accounting purposes but are outside the regulatory scope of consolidation	(619)
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	4,986
5	Adjustment for SFTs	901
6	Adjustment for off-balance sheet items	51,546
7	Other adjustments	(4,725)
8	Exposure measure	498,595

⁴ Computed using quarter-end balances

4.2 Leverage Ratio Common Disclosure Template

Exposure Measure Components⁴

\$m		30 Jun 2021	31 Mar 2021
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)	423,712	417,833
2	Asset amounts deducted in determining Tier 1 capital	(4,725)	(4,703)
3	Total exposure measures of on-balance sheet items (excluding derivative transactions and SFTs)	418,987	413,130
Derivative exposure measures			
4	Replacement cost associated with all derivative transactions (net of the eligible cash portion of variation margins)	6,106	7,057
5	Potential future exposure associated with all derivative transactions	5,902	5,797
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	4	-
10	Further adjustments in effective notional amounts and deductions from potential future exposures of written credit derivatives	-	-
11	Total derivative exposure measures	12,012	12,854
SFT exposure measures			
12	Gross SFT assets (with no recognition of accounting netting), after adjusting for sales accounting	15,149	14,032
13	Eligible netting of cash payables and cash receivables	-	-
14	SFT counterparty exposures	901	339
15	SFT exposure measures where a Reporting Bank acts as an agent in the SFTs	-	-
16	Total SFT exposure measures	16,050	14,371
Exposure measures of off-balance sheet items			
17	Off-balance sheet items at notional amount	223,430	215,717
18	Adjustments for calculation of exposure measures of off-balance sheet items	(171,884)	(167,695)
19	Total exposure measures of off-balance sheet items	51,546	48,022
Capital and Total exposures			
20	Tier 1 capital	36,702	36,389
21	Total exposures	498,595	488,377
Leverage ratio			
22	Leverage ratio	7.4%	7.5%

⁴Computed using quarter-end balances

As at 30 June 2021 the Group's leverage ratio was 7.4%, a 0.1% decrease quarter-on-quarter mainly driven by higher exposures.

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 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%	15,149		
Luxembourg	0.50%	619		
Sum		15,768		
Total		195,503	0.1%	191

Countercyclical Capital Buffer as at 31 December 2020

\$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%	20,277		
Luxembourg	0.25%	542		
Sum		20,819		
Total		181,472	0.1%	254

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 \$5.1 billion higher quarter-on-quarter mainly driven by higher credit RWA arising from corporate loan growth.

\$m		(a)	(b)	(c)	
		RWA			Minimum capital requirements
		As at 30 Jun 2021	As at 31 Mar 2021	As at 30 Jun 2021	
1	Credit risk (excluding CCR)	199,226	192,565	19,923	
2	<i>of which: Standardised Approach</i>	29,131	27,436	2,913	
3	<i>of which: F-IRBA</i>	147,822	142,318	14,782	
4	<i>of which: supervisory slotting approach</i>	4,827	5,021	483	
5	<i>of which: A-IRBA</i>	17,446	17,790	1,745	
6	CCR	3,879	3,999	388	
7	<i>of which: Current Exposure Method</i>	2,866	3,086	287	
8	<i>of which: CCR internal models method</i>	-	-	-	
9	<i>of which: other CCR</i>	840	660	84	
9a	<i>of which: CCP</i>	173	253	17	
10	CVA	2,076	2,022	208	
11	Equity exposures under the simple risk weight method	-	-	-	
11a	Equity exposures under the IMM	-	-	-	
12	Equity investments in funds – look through approach	52	52	5	
13	Equity investments in funds – mandate-based approach	3,472	3,371	347	
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	398	387	40	
17	<i>of which: SEC-IRBA</i>	-	-	-	
18	<i>of which: SEC-ERBA, including IAA</i>	340	302	34	
19	<i>of which: SEC-SA</i>	58	85	6	
20	Market risk	11,439	10,616	1,144	
21	<i>of which: SA(MR)</i>	11,439	10,616	1,144	
22	<i>of which: IMA</i>	-	-	-	
23	Operational risk	16,342	16,276	1,634	
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	4,206	4,191	421	
25	Floor adjustment	-	2,529	-	
26	Total	241,090	236,008	24,109	

7 Credit Risk

7.1 Credit Quality of Assets

Please refer to UOB Annual Report 2020, 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 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	4,507	294,091	4,206	205	414	3,587	294,392
2	Debt securities	16	43,973	80	-	32	48	43,909
3	Off-balance sheet exposures	12	74,372	284	-	52	232	74,100
4	Total	4,535	412,436	4,570	205	498	3,867	412,401

As at 31 December 2020

	(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	4,520	276,866	4,185	126	419	3,640	277,201
2	Debt securities	16	42,576	60	-	30	30	42,532
3	Off-balance sheet exposures	60	65,573	265	-	47	218	65,368
4	Total	4,596	385,015	4,510	126	496	3,888	385,101

7.2 Changes in Stock of Defaulted Loans and Debt Securities

The table below 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.

As at 30 June 2021

\$m		(a)
1	Defaulted loans and debt securities at end of the previous semi-annual reporting period	4,536
2	Loans and debt securities that have defaulted since the previous semi-annual reporting period	848
3	Returned to non-defaulted status	(95)
4	Amounts written-off	(309)
5	Other changes	(457)
6	Defaulted loans and debt securities at end of the semi-annual reporting period (1+2+3+4+5)	4,523

The decrease in defaulted loans and debt securities in the first half of 2021 was mainly due to higher outflow of defaulted loans from write-off, returned to non-defaulted status and other changes relative to the inflow of new defaulted loans. 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 2020, the increase in secured exposures was from higher collateral and financial guarantees received.

As at 30 June 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	150,142	144,250	117,075	21,478	-
2	Debt Securities	42,576	1,333	34	1,299	-
3	Total	192,718	145,583	117,109	22,777	-
4	Of which: defaulted	1,240	1,719	1,617	-	-

As at 31 December 2020

\$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	140,836	136,365	114,497	16,696	-
2	Debt Securities	41,381	1,151	37	1,114	-
3	Total	182,217	137,516	114,534	17,810	-
4	Of which: defaulted	1,346	1,640	1,542	-	-

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 2020, the increase in RWA was mainly due to higher exposures in Corporate and Equity - SA(EQ) asset classes.

As at 30 June 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	2,363	-	2,363	-	9	0
2	Central government and central bank	2,550	74	2,549	74	420	16
3	PSE	3,378	2,258	3,954	461	781	18
4	MDB	6	14	49	3	-	-
5	Bank	745	194	858	21	388	44
6	Corporate	11,723	16,131	9,931	2,315	12,102	99
7	Regulatory retail	1,945	1,657	1,590	17	1,206	75
8	Residential mortgage	1,895	3	1,895	#	816	43
9	CRE	1,813	989	1,737	50	1,787	100
10	Equity - SA(EQ)	3,408	170	1,726	170	3,228	170
11	Past due exposures	263	2	263	#	327	124
12	Higher-risk categories	-	-	-	-	-	-
13	Other exposures	9,314	2,284	7,729	339	8,067	100
14	Total	39,403	23,776	34,645	3,449	29,131	76

As at 31 December 2020

	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	2,077	-	2,077	-	9	0
2	Central government and central bank	2,308	55	2,308	55	444	19
3	PSE	3,360	1,525	3,666	351	641	16
4	MDB	373	18	373	3	-	-
5	Bank	688	168	806	15	346	42
6	Corporate	10,328	13,802	8,645	1,807	10,312	99
7	Regulatory retail	1,994	1,700	1,628	19	1,235	75
8	Residential mortgage	1,972	11	1,972	6	850	43
9	CRE	1,733	979	1,661	43	1,703	100
10	Equity - SA(EQ)	1,426	169	1,426	169	2,739	172
11	Past due exposures	203	2	202	#	257	127
12	Higher-risk categories	-	-	-	-	-	-
13	Other exposures	8,960	2,614	7,309	423	7,731	100
14	Total	35,422	21,043	32,073	2,892	26,268	75

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.

As at 30 June 2021

\$m		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
	Risk weight Asset classes and others	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposure amount (post-CCF and post-CRM)
		1	Cash items	2,317	-	46	-	-	-	-	-
2	Central government and central bank	1,784	-	-	-	839	-	-	-	-	2,623
3	PSE	2,638	-	357	-	1,419	-	-	-	-	4,415
4	MDB	51	-	-	-	-	-	-	-	-	51
5	Bank	-	-	187	-	683	-	9	-	-	879
6	Corporate	-	-	84	-	155	-	12,008	-	-	12,246
7	Regulatory retail	-	-	-	-	-	1,607	-	-	-	1,607
8	Residential mortgage	-	-	-	1,627	-	89	180	-	-	1,895
9	CRE	-	-	-	-	-	-	1,787	-	-	1,787
10	Equity - SA(EQ)	-	-	-	-	-	-	-	-	1,896	1,896
11	Past due exposures	-	-	-	-	-	-	135	128	-	263
12	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13	Other exposures	-	-	-	-	-	-	8,067	-	-	8,067
14	Total	6,791	-	674	1,627	3,096	1,696	22,187	128	1,896	38,094

As at 31 December 2020

\$m		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
	Risk weight Asset classes and others	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposure amount (post-CCF and post-CRM)
		1	Cash items	2,034	-	43	-	-	-	-	-
2	Central government and central bank	1,475	-	-	-	888	-	-	-	-	2,363
3	PSE	2,514	-	367	-	1,136	-	-	-	-	4,017
4	MDB	377	-	-	-	-	-	-	-	-	377
5	Bank	-	-	226	-	589	-	6	-	-	822
6	Corporate	-	-	123	-	83	-	10,246	-	-	10,452
7	Regulatory retail	-	-	-	-	-	1,647	-	-	-	1,647
8	Residential mortgage	-	-	-	1,706	-	82	191	-	-	1,979
9	CRE	-	-	-	-	-	-	1,703	-	-	1,703
10	Equity - SA(EQ)	-	-	-	-	-	-	-	-	1,595	1,595
11	Past due exposures	-	-	-	-	-	-	92	110	-	202
12	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13	Other exposures	-	-	-	-	-	-	7,731	-	-	7,731
14	Total	6,400	-	759	1,706	2,697	1,729	19,970	110	1,595	34,965

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 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	54,858	2,164	35	59,417	0.0	28	45	1.5	2,610	4	4	
0.15 to <0.25	157	-	-	157	0.2	1	45	1.4	59	38	#	
0.25 to <0.50	36	-	-	36	0.4	1	45	0.9	16	44	#	
0.50 to <0.75	50	9	100	59	0.6	2	45	1.0	35	59	#	
0.75 to < 2.50	113	-	-	113	0.9	2	45	4.1	132	116	#	
2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	
10.00 to <100.00	47	-	-	47	18.5	2	45	0.0	104	221	4	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	55,262	2,173	36	59,830	0.0	36	45	1.5	2,955	5	9	48
Bank												
0.00 to < 0.15	25,223	1,681	57	26,348	0.0	151	45	0.8	3,476	13	6	
0.15 to <0.25	2,620	202	54	2,729	0.2	24	45	0.6	1,044	38	3	
0.25 to <0.50	1,008	544	4	1,034	0.4	19	45	0.5	503	49	2	
0.50 to <0.75	5	88	57	56	0.6	6	45	0.9	42	76	#	
0.75 to < 2.50	1,047	72	12	1,056	0.9	12	45	0.3	843	80	5	
2.50 to < 10.00	658	45	48	636	4.3	8	45	0.3	818	129	12	
10.00 to <100.00	3	4	84	6	19.1	11	35	0.3	10	172	#	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	30,564	2,636	45	31,866	0.2	231	45	0.8	6,736	21	27	110
Corporate												
0.00 to < 0.15	14,788	18,191	28	21,862	0.1	245	46	1.6	4,397	20	7	
0.15 to <0.25	5,359	9,156	20	8,474	0.2	224	44	1.6	3,217	38	8	
0.25 to <0.50	18,348	27,141	24	28,433	0.4	564	42	1.7	15,263	54	46	
0.50 to <0.75	6,517	12,838	12	10,010	0.5	329	44	1.8	6,601	66	23	
0.75 to < 2.50	25,646	32,447	16	32,914	1.2	1,613	42	1.8	28,354	86	169	
2.50 to < 10.00	12,584	15,224	17	7,908	5.2	695	41	1.5	10,639	135	170	
10.00 to <100.00	3,423	3,037	13	1,741	16.7	358	26	1.4	2,331	134	81	
100.00 (Default)	1,370	210	10	1,391	100.0	114	43	1.3	-	-	592	
Sub-total	88,035	118,244	20	112,732	2.4	4,141	43	1.7	70,801	63	1,096	1,770
Corporate small business												
0.00 to < 0.15	17	33	4	55	0.1	5	43	2.7	24	44	#	
0.15 to <0.25	103	1,005	12	250	0.2	189	30	1.7	53	21	#	
0.25 to <0.50	739	2,143	9	1,219	0.4	506	38	1.8	502	41	2	
0.50 to <0.75	1,060	1,907	14	1,432	0.5	435	41	1.8	772	54	3	
0.75 to < 2.50	7,988	8,055	10	8,914	1.4	3,092	39	1.9	6,583	74	46	
2.50 to < 10.00	7,708	5,098	10	6,631	5.0	2,506	37	1.9	7,015	106	124	
10.00 to <100.00	1,654	1,205	6	1,233	20.2	628	38	2.0	2,267	184	95	
100.00 (Default)	824	151	4	831	100.0	227	42	1.9	-	-	345	
Sub-total	20,093	19,599	10	20,566	7.5	7,586	38	1.9	17,215	84	616	575
Specialised lending - IPRE												
0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	
0.15 to <0.25	9,965	2,704	64	11,679	0.2	138	45	2.2	4,918	42	10	
0.25 to <0.50	29,275	5,861	57	32,198	0.4	436	45	2.0	19,056	59	55	
0.50 to <0.75	6,844	955	52	7,122	0.5	111	45	2.4	5,298	74	17	
0.75 to < 2.50	17,412	2,054	40	16,856	1.3	696	45	1.8	16,046	95	96	
2.50 to < 10.00	3,386	302	37	2,661	4.1	316	45	2.3	3,855	145	50	
10.00 to <100.00	392	77	22	377	24.5	28	45	1.8	941	249	42	
100.00 (Default)	567	17	9	568	100.0	47	45	1.4	-	-	256	
Sub-total	67,841	11,971	55	71,462	1.6	1,772	45	2.1	50,115	70	524	897
Total (sum of portfolios)	261,794	154,622	22	296,455	1.9	13,766	44	1.7	147,822	50	2,272	3,400

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

As at 31 December 2020

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
PD range %	Original on-balance sheet gross exposures \$m	Off-balance sheet exposures pre-CCF \$m	Average CCF %	EAD post-CRM and post-CCF \$m	Average PD %	Number of Obligors	Average LGD %	Average Maturity Years	RWA \$m	RWA density %	EL \$m	TEP \$m
Sovereign												
0.00 to < 0.15	54,562	2,729	18	58,736	0.0	24	45	1.5	2,693	5	4	
0.15 to <0.25	398	-	-	398	0.2	2	45	1.7	163	41	#	
0.25 to <0.50	-	-	-	-	-	-	-	-	-	-	-	
0.50 to <0.75	104	-	-	104	0.6	2	45	0.9	61	58	#	
0.75 to < 2.50	149	-	-	149	0.9	2	45	4.0	171	115	1	
2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	
10.00 to <100.00	15	-	-	15	18.5	1	45	0.0	32	221	1	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	55,228	2,729	18	59,402	0.0	31	45	1.5	3,121	5	7	52
Bank												
0.00 to < 0.15	25,453	1,579	73	26,764	0.0	164	45	0.7	2,976	11	5	
0.15 to <0.25	3,309	150	2	3,312	0.2	24	45	0.6	1,170	35	3	
0.25 to <0.50	1,366	594	14	1,449	0.3	14	45	0.4	708	49	2	
0.50 to <0.75	87	87	57	137	0.6	6	45	1.9	126	92	#	
0.75 to < 2.50	553	77	17	566	1.0	13	45	0.5	456	81	2	
2.50 to < 10.00	442	26	20	447	4.3	7	45	0.3	573	128	9	
10.00 to <100.00	17	5	76	21	18.6	11	42	0.2	44	209	2	
100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	31,226	2,518	52	32,697	0.2	239	45	0.7	6,053	19	24	101
Corporate												
0.00 to < 0.15	9,503	23,503	18	14,751	0.1	232	45	2.1	3,436	23	5	
0.15 to <0.25	4,642	6,828	19	7,538	0.2	189	44	1.6	2,933	39	7	
0.25 to <0.50	16,414	23,200	17	24,245	0.4	539	44	1.9	13,823	57	41	
0.50 to <0.75	7,043	15,557	19	10,899	0.5	339	41	2.0	6,942	64	23	
0.75 to < 2.50	22,592	33,104	15	27,139	1.2	1,599	39	1.6	21,627	80	132	
2.50 to < 10.00	10,618	13,687	14	7,244	4.9	716	42	1.3	9,452	130	148	
10.00 to <100.00	2,808	3,732	18	1,266	19.3	355	31	1.3	2,069	163	78	
100.00 (Default)	1,560	263	36	1,653	100.0	120	43	1.6	-	-	712	
Sub-total	75,180	119,874	17	94,735	2.9	4,089	42	1.8	60,281	64	1,145	1,780
Corporate small business												
0.00 to < 0.15	16	20	3	56	0.1	5	44	2.9	25	45	#	
0.15 to <0.25	78	925	10	191	0.2	198	31	1.7	41	22	#	
0.25 to <0.50	899	2,138	7	1,117	0.4	468	36	1.6	424	38	2	
0.50 to <0.75	679	1,918	9	896	0.5	478	38	1.9	453	51	2	
0.75 to < 2.50	8,187	8,419	10	8,479	1.4	3,078	38	2.0	6,219	73	45	
2.50 to < 10.00	7,061	4,673	10	6,006	5.2	2,498	37	1.8	6,084	101	116	
10.00 to <100.00	1,384	897	9	1,075	20.1	561	37	1.8	1,870	174	80	
100.00 (Default)	868	133	9	879	100.0	222	41	2.0	-	-	364	
Sub-total	19,172	19,124	9	18,699	8.2	7,508	38	1.9	15,116	81	608	555
Specialised lending - IPRE												
0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	
0.15 to <0.25	7,986	2,781	66	9,817	0.2	134	45	2.3	4,248	43	8	
0.25 to <0.50	28,130	5,378	55	31,099	0.4	383	45	2.1	18,476	59	53	
0.50 to <0.75	6,909	1,312	54	7,616	0.5	132	45	2.3	5,521	72	18	
0.75 to < 2.50	17,250	2,022	46	18,184	1.2	727	45	1.9	17,197	95	99	
2.50 to < 10.00	3,763	393	40	3,920	4.0	403	45	2.2	5,612	143	71	
10.00 to <100.00	277	4	64	279	24.3	21	45	2.0	699	250	31	
100.00 (Default)	528	13	5	529	100.0	45	45	1.5	-	-	238	
Sub-total	64,843	11,904	55	71,445	1.6	1,845	45	2.1	51,753	72	518	898
Total (sum of portfolios)	245,649	156,149	19	276,977	2.0	13,712	43	1.7	136,324	49	2,302	3,387

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 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	592	273	104	875	0.1	8,078	26		42	5	#	
0.15 to <0.25	22,896	859	100	23,755	0.2	43,972	12		1,119	5	5	
0.25 to <0.50	22,391	2,142	65	23,782	0.3	94,915	12		1,715	7	9	
0.50 to <0.75	14,323	1,015	99	15,332	0.7	31,242	11		1,648	11	11	
0.75 to < 2.50	10,081	461	36	10,247	1.3	60,506	15		2,450	24	20	
2.50 to < 10.00	1,601	114	55	1,663	3.8	16,042	22		1,085	65	14	
10.00 to <100.00	1,402	29	35	1,413	21.9	8,098	21		1,628	115	71	
100.00 (Default)	860	5	0	860	100.0	4,345	25		461	54	205	
Sub-total	74,145	4,897	77	77,928	2.0	255,225	13		10,148	13	336	368
QRRE												
0.00 to < 0.15	646	4,752	24	1,805	0.1	380,821	48		54	3	1	
0.15 to <0.25	448	4,552	54	2,897	0.2	611,748	58		184	6	3	
0.25 to <0.50	234	3,909	48	2,129	0.3	605,976	45		147	7	3	
0.50 to <0.75	417	1,102	52	986	0.6	159,393	49		132	13	3	
0.75 to < 2.50	933	1,844	67	2,165	1.3	345,466	48		538	25	15	
2.50 to < 10.00	618	389	60	853	5.6	187,212	64		733	86	30	
10.00 to <100.00	242	194	70	378	26.8	92,861	57		531	140	56	
100.00 (Default)	46	-	-	46	100.0	10,092	71		63	137	28	
Sub-total	3,585	16,742	46	11,260	2.2	2,036,222	52		2,382	21	139	67
Other retail exposures (excluding exposures to small business)												
0.00 to < 0.15	33	291	34	132	0.1	2,471	32		11	8	#	
0.15 to <0.25	1,035	121	42	1,085	0.2	27,005	12		51	5	#	
0.25 to <0.50	29	86	51	73	0.3	912	23		10	13	#	
0.50 to <0.75	4,517	492	53	4,777	0.6	23,467	10		404	8	3	
0.75 to < 2.50	3,629	716	76	4,171	1.7	25,414	6		341	8	4	
2.50 to < 10.00	465	122	80	563	4.7	53,396	42		373	66	12	
10.00 to <100.00	341	61	54	374	22.8	57,601	46		372	100	39	
100.00 (Default)	114	#	0	114	100.0	13,331	36		179	158	31	
Sub-total	10,162	1,890	60	11,289	2.9	200,486	12		1,740	15	89	61
Other retail small business exposures												
0.00 to < 0.15	11	46	70	43	0.1	244	8		1	2	#	
0.15 to <0.25	705	606	67	1,110	0.2	3,829	20		93	8	#	
0.25 to <0.50	3,164	967	60	3,749	0.4	12,332	22		516	14	3	
0.50 to <0.75	1,215	346	58	1,415	0.5	5,437	23		255	18	2	
0.75 to < 2.50	3,357	1,020	50	3,864	1.3	14,253	27		1,220	32	14	
2.50 to < 10.00	1,117	226	42	1,213	5.0	5,107	29		552	46	18	
10.00 to <100.00	292	23	35	300	21.9	1,169	28		199	67	18	
100.00 (Default)	219	17	5	220	100.0	839	35		340	154	61	
Sub-total	10,080	3,251	56	11,915	3.5	43,209	25		3,176	27	116	112
Total (sum of portfolios)	97,972	26,780	54	112,391	2.3	2,316,450	18		17,446	16	680	609

As at 30 June 2021, 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 2020

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	506	270	104	787	0.1	7,902	25		37	5	#	
0.15 to <0.25	22,244	751	100	22,996	0.2	42,077	12		1,087	5	5	
0.25 to <0.50	22,206	2,148	64	23,591	0.3	93,189	12		1,682	7	9	
0.50 to <0.75	15,046	778	99	15,816	0.7	31,597	11		1,694	11	11	
0.75 to < 2.50	10,039	426	37	10,197	1.3	59,433	16		2,451	24	20	
2.50 to < 10.00	1,753	115	54	1,815	3.8	17,252	23		1,254	69	16	
10.00 to <100.00	1,541	33	39	1,554	25.1	8,469	21		1,696	109	92	
100.00 (Default)	829	#	0	829	100.0	3,992	24		427	51	203	
Sub-total	74,164	4,521	76	77,585	2.1	251,067	13		10,330	13	356	372
QRRE												
0.00 to < 0.15	615	4,290	24	1,657	0.1	359,484	48		50	3	1	
0.15 to <0.25	492	4,604	54	2,969	0.2	596,970	58		190	6	3	
0.25 to <0.50	272	3,768	48	2,071	0.3	575,545	46		145	7	3	
0.50 to <0.75	457	1,287	51	1,113	0.6	193,628	49		149	13	3	
0.75 to < 2.50	1,036	1,990	67	2,366	1.3	371,004	48		583	25	16	
2.50 to < 10.00	718	487	58	998	5.6	207,831	63		851	85	35	
10.00 to <100.00	301	243	61	450	26.4	109,436	59		661	147	70	
100.00 (Default)	55	#	95	55	100.0	10,954	73		75	136	35	
Sub-total	3,946	16,668	46	11,680	2.4	2,060,265	52		2,704	23	166	80
Other retail exposures (excluding exposures to small business)												
0.00 to < 0.15	39	262	37	135	0.1	2,452	31		11	8	#	
0.15 to <0.25	1,045	126	42	1,098	0.2	27,737	13		53	5	#	
0.25 to <0.50	29	98	53	81	0.3	983	23		10	13	#	
0.50 to <0.75	4,771	516	53	5,046	0.6	23,776	10		423	8	3	
0.75 to < 2.50	3,299	682	76	3,815	1.7	26,066	7		330	9	4	
2.50 to < 10.00	545	140	74	649	4.7	59,639	44		450	69	14	
10.00 to <100.00	387	67	53	422	24.8	62,311	47		419	99	48	
100.00 (Default)	105	#	0	105	100.0	11,969	42		223	213	31	
Sub-total	10,219	1,891	60	11,351	3.0	211,570	13		1,919	17	100	67
Other retail small business exposures												
0.00 to < 0.15	11	51	67	45	0.1	268	8		1	1	#	
0.15 to <0.25	646	640	67	1,075	0.2	3,766	21		94	9	#	
0.25 to <0.50	2,836	984	61	3,434	0.4	11,447	23		497	14	3	
0.50 to <0.75	1,155	363	56	1,360	0.5	5,254	23		245	18	2	
0.75 to < 2.50	3,427	1,103	52	4,000	1.3	14,606	27		1,282	32	15	
2.50 to < 10.00	1,233	250	43	1,340	4.9	5,395	29		602	45	19	
10.00 to <100.00	342	23	37	351	22.8	1,371	28		236	67	22	
100.00 (Default)	183	12	6	184	100.0	750	36		249	136	57	
Sub-total	9,835	3,425	57	11,789	3.4	42,856	25		3,207	27	118	110
Total (sum of portfolios)	98,164	26,505	54	112,405	2.4	2,337,049	18		18,160	16	740	629

As at 31 December 2020, 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

As at 30 June 2021, the Group did not use 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 2021, the Group's RWA increased mainly due to loan growth.

As at 30 June 2021

		(a)
		RWA amounts
\$m		
1	RWA as at end of previous quarter	165,129
2	Asset size	4,092
3	Asset quality	1,101
4	Model updates	65
5	Methodology and policy	-
6	Acquisitions and disposals	-
7	Foreign exchange movements	(292)
8	Other	-
9	RWA as at end of quarter	170,095

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.

Compared with 31 December 2020, the increase in exposures was mainly from Commodities Finance and Project Finance asset classes offset by a decrease in exposures to Object Finance and Income-Producing Real Estate asset classes.

As at 30 June 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	1,370	11,884	50%	571	-	1,498	283	2,352	1,246	-
	≥ 2.5 years	1,857	375	70%	1,976	-	41	118	2,135	1,584	9
Good	< 2.5 years	585	1,013	70%	289	-	61	402	753	558	3
	≥ 2.5 years	782	349	90%	554	-	-	479	1,033	985	8
Satisfactory		235	68	115%	55	-	-	222	276	337	8
Weak		44	14	250%	-	#	-	44	44	116	3
Default		72	1	-	-	-	33	39	72	-	36
Total		4,944	13,705		3,444	#	1,632	1,587	6,664	4,827	67

As at 31 December 2020

\$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	1,117	11,218	50%	479	-	1,188	229	1,897	1,005	-
	≥ 2.5 years	1,938	363	70%	1,972	-	43	193	2,207	1,638	9
Good	< 2.5 years	653	1,029	70%	346	5	52	418	821	609	3
	≥ 2.5 years	776	194	90%	413	4	-	497	914	872	7
Satisfactory		266	63	115%	58	2	-	246	306	373	9
Weak		85	#	250%	72	-	-	13	86	227	7
Default		163	2	-	-	90	32	41	163	-	82
Total		4,999	12,869		3,341	99	1,315	1,639	6,394	4,724	116

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 2020, the marginal increase in RWA was mainly from SFTs offset by a decrease in RWA from derivatives.

As at 30 June 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)	3,226	4,083			7,301	2,866
2	CCR internal models method (for derivatives and SFTs)			-	-	-	-
3	FC(SA) (for SFTs)					-	-
4	FC(CA) (for SFTs)					21,094	840
5	VaR for SFTs					-	-
6	Total						3,706

As at 31 December 2020

		(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)	4,032	3,092			7,111	3,181
2	CCR internal models method (for derivatives and SFTs)			-	-	-	-
3	FC(SA) (for SFTs)					-	-
4	FC(CA) (for SFTs)					21,673	511
5	VaR for SFTs					-	-
6	Total						3,693

8.2 CVA Risk Capital Requirements

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

As at 30 June 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	6,239	2,076
4	Total portfolios subject to the CVA risk capital requirement	6,239	2,076

As at 31 December 2020

		(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	6,212	2,491
4	Total portfolios subject to the CVA risk capital requirement	6,212	2,491

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.

As at 30 June 2021

\$m	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Risk weight									Total Credit Exposure
Asset classes	0%	10%	20%	50%	75%	100%	150%	Others	
Central government and central bank	595	-	-	2	-	-	-	-	597
PSE	25	-	1	24	-	-	-	-	50
MDB	101	-	-	13	-	-	-	-	114
Bank	-	-	5	58	-	1	-	-	63
Corporate	-	-	#	#	-	242	-	-	243
Regulatory retail	-	-	-	-	#	-	-	-	#
Other exposures	-	-	-	-	-	19	-	-	19
Total	722	-	5	96	#	262	-	-	1,086

As at 31 December 2020

\$m	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Risk weight									Total Credit Exposure
Asset classes	0%	10%	20%	50%	75%	100%	150%	Others	
Central government and central bank	143	-	-	2	-	-	-	-	145
PSE	28	-	3	37	-	-	-	-	67
MDB	106	-	-	14	-	-	-	-	120
Bank	-	-	2	76	-	-	-	-	78
Corporate	-	-	1	1	-	273	-	-	274
Regulatory retail	-	-	-	-	1	-	-	-	1
Other exposures	-	-	-	-	-	12	-	-	12
Total	277	-	6	130	1	285	-	-	698

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 2020, the decrease in EAD was mainly due a decrease in repurchase transactions and foreign exchange derivatives under the Sovereign asset class.

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 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	4,808	0.0	9	9	1.7	2	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	74	0.6	1	45	0.0	35	47
0.75 to < 2.50	#	0.9	1	45	0.0	#	62
2.50 to < 10.00	-	-	-	-	-	-	-
10.00 to <100.00	-	-	-	-	-	-	-
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	4,886	0.0	12	9	1.7	38	1
Bank							
0.00 to < 0.15	12,270	0.1	134	19	0.5	880	7
0.15 to <0.25	1,487	0.2	21	28	0.1	286	19
0.25 to <0.50	457	0.4	13	4	0.3	21	5
0.50 to <0.75	1	0.6	1	45	0.1	1	62
0.75 to < 2.50	2	0.9	5	45	1.3	2	89
2.50 to < 10.00	2	4.3	2	45	0.4	3	149
10.00 to <100.00	#	27.9	1	45	0.0	#	268
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	14,218	0.1	177	20	0.4	1,191	8
Corporate							
0.00 to < 0.15	1,170	0.1	58	18	1.2	124	11
0.15 to <0.25	1,393	0.2	44	13	0.5	169	12
0.25 to <0.50	1,476	0.4	137	15	0.7	337	23
0.50 to <0.75	1,075	0.5	72	12	0.6	184	17
0.75 to < 2.50	2,158	1.0	302	12	0.4	493	23
2.50 to < 10.00	366	4.8	129	39	1.1	440	120
10.00 to <100.00	10	19.0	26	44	2.4	23	238
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	7,649	0.7	768	15	0.7	1,769	23
Corporate small business							
0.00 to < 0.15	#	0.1	3	45	0.1	#	17
0.15 to <0.25	4	0.2	30	45	0.1	1	18
0.25 to <0.50	7	0.4	53	44	1.7	3	48
0.50 to <0.75	1	0.5	40	40	0.3	#	38
0.75 to < 2.50	14	1.3	229	42	1.7	11	78
2.50 to < 10.00	10	5.0	185	43	1.6	12	127
10.00 to <100.00	1	23.2	30	42	3.1	2	242
100.00 (Default)	#	100.0	3	45	0.2	-	-
Sub-total	36	2.6	573	43	1.5	29	82
Specialised lending - IPRE							
0.00 to < 0.15	-	-	-	-	-	-	-
0.15 to <0.25	35	0.2	16	45	2.3	15	43
0.25 to <0.50	197	0.4	72	45	1.8	112	57
0.50 to <0.75	48	0.5	7	45	2.2	35	72
0.75 to < 2.50	115	1.3	50	45	1.8	112	98
2.50 to < 10.00	13	3.5	2	45	1.0	16	122
10.00 to <100.00	#	27.9	1	45	0.0	#	240
100.00 (Default)	#	100.0	1	45	3.5	-	-
Sub-total	407	0.8	149	45	1.9	290	71
Total (sum of portfolios)	27,196	0.3	1,679	17	0.8	3,317	12

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 2020

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	5,541	0.0	7	9	0.2	6	0
0.15 to <0.25	9	0.2	1	45	0.0	2	24
0.25 to <0.50	-	-	-	-	-	-	-
0.50 to <0.75	165	0.6	1	45	0.0	77	47
0.75 to < 2.50	-	-	-	-	-	-	-
2.50 to < 10.00	-	-	-	-	-	-	-
10.00 to <100.00	-	-	-	-	-	-	-
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	5,716	0.0	9	10	0.2	85	1
Bank							
0.00 to < 0.15	12,298	0.1	136	14	0.3	590	5
0.15 to <0.25	1,240	0.2	24	11	0.1	86	7
0.25 to <0.50	467	0.4	12	13	0.1	63	13
0.50 to <0.75	5	0.6	3	45	0.3	3	63
0.75 to < 2.50	10	1.1	8	35	0.9	6	61
2.50 to < 10.00	4	4.3	4	45	0.5	6	142
10.00 to <100.00	3	18.5	1	30	1.0	5	177
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	14,027	0.1	188	14	0.3	759	5
Corporate							
0.00 to < 0.15	1,092	0.1	54	17	1.4	119	11
0.15 to <0.25	1,154	0.2	39	9	0.5	118	10
0.25 to <0.50	2,102	0.4	145	18	0.8	522	25
0.50 to <0.75	915	0.5	69	23	0.7	261	29
0.75 to < 2.50	1,986	1.3	313	13	0.6	520	26
2.50 to < 10.00	276	5.0	108	37	1.4	331	120
10.00 to <100.00	14	18.7	15	45	0.6	32	220
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	7,540	0.8	743	16	0.8	1,904	25
Corporate small business							
0.00 to < 0.15	19	0.1	5	44	0.2	2	13
0.15 to <0.25	2	0.2	24	44	0.1	#	17
0.25 to <0.50	2	0.4	44	41	1.2	1	41
0.50 to <0.75	3	0.5	43	43	3.2	2	75
0.75 to < 2.50	13	1.2	231	42	1.1	8	65
2.50 to < 10.00	14	5.4	172	43	2.0	18	126
10.00 to <100.00	#	21.6	35	37	0.3	1	171
100.00 (Default)	#	100.0	3	19	0.1	-	-
Sub-total	54	2.1	557	43	1.1	33	61
Specialised lending - IPRE							
0.00 to < 0.15	-	-	-	-	-	-	-
0.15 to <0.25	51	0.2	15	45	3.4	27	54
0.25 to <0.50	252	0.4	68	45	1.9	146	58
0.50 to <0.75	66	0.5	12	45	2.8	52	78
0.75 to < 2.50	180	1.2	51	45	2.0	173	96
2.50 to < 10.00	31	3.4	8	45	1.2	38	123
10.00 to <100.00	#	20.5	1	45	1.0	#	238
100.00 (Default)	-	-	-	-	-	-	-
Sub-total	580	0.8	155	45	2.1	437	75
Total (sum of portfolios)	27,917	0.3	1,652	14	0.5	3,217	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 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	1	81		#	15
0.15 to <0.25	#	0.2	23	47		#	19
0.25 to <0.50	#	0.4	57	57		#	39
0.50 to <0.75	#	0.5	21	42		#	32
0.75 to < 2.50	#	1.4	111	68		#	83
2.50 to < 10.00	#	3.4	168	82		1	122
10.00 to <100.00	#	27.9	2	66		#	175
100.00 (Default)	#	100.0	1	81		-	-
Sub-total	1	1.9	384	69		1	83
Total (sum of portfolios)	1	1.9	384	69		1	83

As at 31 December 2020

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	1	81		#	15
0.15 to <0.25	#	0.2	37	52		#	22
0.25 to <0.50	#	0.4	52	66		#	45
0.50 to <0.75	#	0.5	23	66		#	51
0.75 to < 2.50	1	1.4	139	75		1	91
2.50 to < 10.00	#	3.0	142	83		1	122
10.00 to <100.00	#	24.3	7	73		#	182
100.00 (Default)	-	-	-	-		-	-
Sub-total	2	2.6	401	73		2	88
Total (sum of portfolios)	2	2.6	401	73		2	88

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.

Compared with 31 December 2020, there was a drop in posted collateral value due to lesser derivative transactions.

As at 30 June 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	-	1	-	138	890	1,599
Cash other currencies	-	711	-	1,254	3,564	14,387
Domestic sovereign debt	-	50	-	13	1,537	1,454
Other sovereign debt	-	36	-	34	7,156	894
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	5	-	94	6,717	3,034
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	803	-	1,533	19,864	21,368

As at 31 December 2020

	(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	-	#	-	309	1,409	1,460
Cash other currencies	-	493	-	2,095	3,432	15,480
Domestic sovereign debt	-	1	-	-	1,437	2,589
Other sovereign debt	-	60	-	317	8,399	497
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	9	-	94	6,828	2,560
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	563	-	2,815	21,505	22,586

8.6 Credit Derivative Exposures

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

As at 30 June 2021

		(a)	(b)
		Protection bought	Protection sold
\$m			
	Notionals		
1	Single-name credit default swaps	29	-
2	Index credit default swaps	161	-
3	Total return swaps	603	4
4	Total notionals	793	4
	Fair values		
5	Positive fair value (asset)	#	#
6	Negative fair value (liability)	57	-

As at 31 December 2020

		(a)	(b)
		Protection bought	Protection sold
\$m			
	Notionals		
1	Single-name credit default swaps	13	-
2	Index credit default swaps	106	-
3	Total return swaps	677	-
4	Total notionals	796	-
	Fair values		
5	Positive fair value (asset)	#	-
6	Negative fair value (liability)	44	-

8.7 RWA flow statements under CCR internal models method

UOB does not use CCR Internal Models Method.

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 2020, the increase in securitisation exposures mainly arose from residential mortgage-backed securities.

		As at 30 Jun 2021	As at 31 Dec 2020
		(a)	
		UOB acts as investor	
		Traditional	
\$m			
1	Total retail	3,265	2,878
2	of which: residential mortgage	3,168	2,800
3	of which: credit card	97	78
4	Total wholesale	31	29
5	of which: commercial mortgage	31	29

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 2020, the increase in securitisation exposures mainly arose from residential mortgage-backed securities.

As at 30 June 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	3,168	-	128	-	-	-	2,740	556	-	-	340	58	-	-	34	6	-
2 Traditional securitisation	3,168	-	128	-	-	-	2,740	556	-	-	340	58	-	-	34	6	-
3 of which: securitisation	3,168	-	128	-	-	-	2,740	556	-	-	340	58	-	-	34	6	-
4 of which: retail underlying	3,168	-	97	-	-	-	2,709	556	-	-	320	58	-	-	32	6	-
5 of which: wholesale	-	-	31	-	-	-	31	-	-	-	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

9.4 Securitisation Exposures in the Banking book and associated Regulatory Capital Requirements – UOB acting as Investor (cont'd)

As at 31 December 2020

	(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	2,800	-	107	-	-	-	2,289	617	-	-	284	73	-	-	28	7	-
2 Traditional securitisation	2,800	-	107	-	-	-	2,289	617	-	-	284	73	-	-	28	7	-
3 of which: securitisation	2,800	-	107	-	-	-	2,289	617	-	-	284	73	-	-	28	7	-
4 of which: retail underlying	2,800	-	78	-	-	-	2,260	617	-	-	265	73	-	-	26	7	-
5 of which: wholesale	-	-	29	-	-	-	29	-	-	-	19	-	-	-	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 2020, the increase in RWA was mainly due to higher interest rate, foreign exchange and options risk, offset by decrease in equity risk.

As at 30 June 2021

\$m		(a)
		RWA
	Products excluding Options	
1	Interest Rate Risk (General and Specific)	4,232
2	Equity Risk (General and Specific)	18
3	Foreign Exchange Risk	4,839
4	Commodity Risk	681
	Options	
5	Simplified Approach	
6	Delta-Plus Method	
7	Scenario Approach	1,668
8	Securitisation	
9	Total	11,439

As at 31 December 2020

\$m		(a)
		RWA
	Products excluding Options	
1	Interest Rate Risk (General and Specific)	2,753
2	Equity Risk (General and Specific)	25
3	Foreign Exchange Risk	4,722
4	Commodity Risk	621
	Options	
5	Simplified Approach	
6	Delta-Plus Method	
7	Scenario Approach	1,306
8	Securitisation	
9	Total	9,426

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:

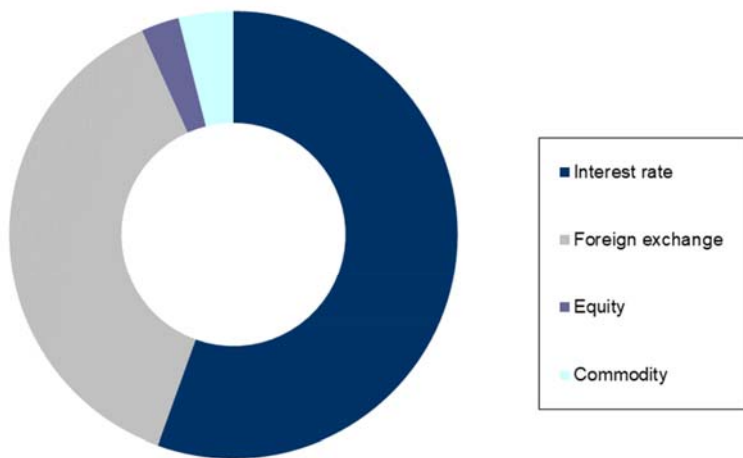
- FX and FX options;
- plain vanilla interest rate contracts and interest rate options;
- government and corporate bonds;
- equities and equity options; and
- commodities contracts and commodity options.

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 2021 was \$9.67 million.

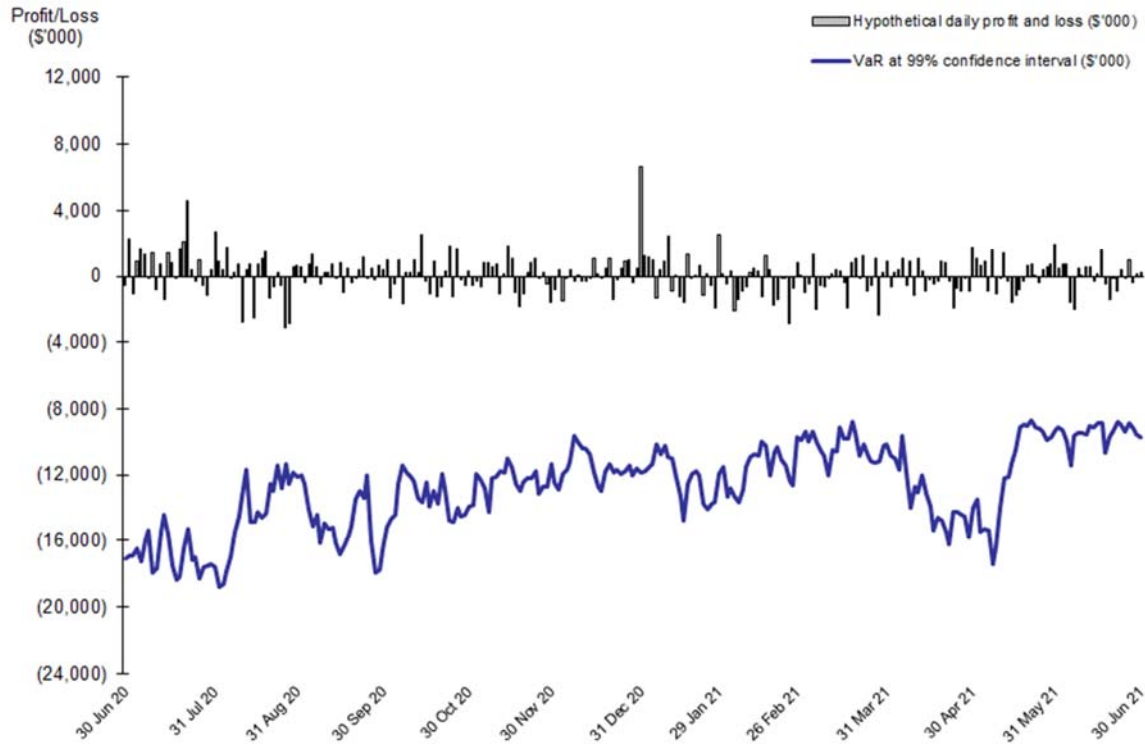
Group Trading ES for Market Risk by Risk Class



10.3 Comparison of VaR Estimates with Gains or Losses (cont'd)

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 \$975 million and \$1,917 million (FY2020: negative \$903 million and \$1,779 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 2020, Risk Management section – Interest Rate Risk in the Banking Book for more information.

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 131% and 281% respectively were comfortably above the regulatory requirements of 100%. Compared to 1Q2021, decrease in All Currency LCR was mainly due to increase in outflows from unsecured wholesale funding within 30days partially offset by increase in HQLA. Increase in SGD Currency LCR was mainly due to 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 93%⁵ Level 1 HQLA 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 2020, Risk Management section – Liquidity Risk for governance of liquidity risk management, funding strategy and liquidity risk mitigation techniques.
- UOB Annual Report 2020, Note 44 Financial Risk Management section for Balance sheet and off-balance sheet items broken down into maturity buckets and resultant liquidity gaps.

⁵ after LCR weighting

12.2 Average Group All Currency LCR

For the quarter ended 30 June 2021

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)		78,514
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	139,246	11,930
3	Stable deposits	35,857	1,793
4	Less stable deposits	103,388	10,137
5	Unsecured wholesale funding, of which:	127,538	66,032
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	23,793	5,671
7	Non-operational deposits (all counterparties)	98,315	54,931
8	Unsecured debt	5,430	5,430
9	Secured wholesale funding		177
10	Additional requirements, of which:	39,276	8,688
11	Outflows related to derivative exposures and other collateral requirements	4,010	3,255
12	Outflows related to loss of funding on debt products	0	0
13	Credit and liquidity facilities	35,265	5,432
14	Other contractual funding obligations	5,647	5,647
15	Other contingent funding obligations	11,600	771
16	TOTAL CASH OUTFLOWS		93,244
CASH INFLOWS			
17	Secured lending (eg reverse repos)	8,323	2,249
18	Inflows from fully performing exposures	44,297	27,307
19	Other cash inflows	5,000	3,887
20	TOTAL CASH INFLOWS	57,620	33,443
			Total Adjusted Value
21	TOTAL HQLA		78,514
22	TOTAL NET CASH OUTFLOWS		59,801
23	LIQUIDITY COVERAGE RATIO (%)		131

12.3 Average Group SGD Currency LCR

For the quarter ended 30 June 2021

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)		36,801
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	97,785	8,146
3	Stable deposits	32,650	1,632
4	Less stable deposits	65,135	6,514
5	Unsecured wholesale funding, of which:	33,133	14,400
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	9,811	2,268
7	Non-operational deposits (all counterparties)	23,008	11,818
8	Unsecured debt	314	314
9	Secured wholesale funding		-
10	Additional requirements, of which:	16,815	5,730
11	Outflows related to derivative exposures and other collateral requirements	4,723	4,538
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	12,092	1,192
14	Other contractual funding obligations	1,139	1,139
15	Other contingent funding obligations	161	76
16	TOTAL CASH OUTFLOWS		29,491
CASH INFLOWS			
17	Secured lending (eg reverse repos)	623	1
18	Inflows from fully performing exposures	11,352	6,236
19	Other cash inflows	10,081	9,915
20	TOTAL CASH INFLOWS	22,057	16,151
		Total Adjusted Value	
21	TOTAL HQLA		36,801
22	TOTAL NET CASH OUTFLOWS		13,340
23	LIQUIDITY COVERAGE RATIO (%)		281

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 2021 and 30 June 2021 were 121% and 123% respectively, above the regulatory requirement of 100%. Decrease in NSFR in the 1st quarter was largely due to increase in performing loans. Increase in NSFR in the 2nd quarter was largely due to rollover and increase of debt issuance partially offset by increase in performing loans and securities. 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 and gold savings accounts backed by gold in accordance with criteria stated in MAS Notice 652.

As at 30 June 2021

\$m	ASF Item	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
1	Capital:	40,752	941	806	6,888	48,043
2	Regulatory capital	40,752	941	806	5,866	47,021
3	Other capital instruments	-	-	-	1,022	1,022
4	Retail deposits and deposits from small business customers:	103,646	45,897	5,587	760	142,400
5	Stable deposits	28,326	11,921	177	169	38,572
6	Less stable deposits	75,321	33,976	5,410	591	103,828
7	Wholesale funding:	80,808	111,397	16,033	16,918	89,338
8	Operational deposits	27,223	-	-	-	13,612
9	Other wholesale funding	53,584	111,397	16,033	16,918	75,726
10	Liabilities with matching interdependent assets	-	273	44	397	-
11	Other liabilities:	7,775		6,469		708
12	NSFR derivative liabilities			6,276		
13	All other liabilities and equity not included in the above categories	7,775	-	-	193	708
14	Total ASF					280,489
RSF Item						
15	Total NSFR high-quality liquid assets (HQLA)					4,117
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	14,828	142,115	27,790	183,320	203,823
18	Performing loans to financial institutions secured by Level 1 HQLA	-	5,082	745	112	992
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	4,631	27,359	3,933	7,717	16,332
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:	6,928	100,807	16,984	99,504	119,530
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	-	283	167	4,842	3,270
22	Performing residential mortgages, of which:	-	1,565	1,547	65,585	48,973
23	With a risk weight of less than or equal to 35% under paragraph 7.3.29 of MAS Notice 637	-	1,365	1,356	53,218	38,308
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	3,268	7,302	4,582	10,402	17,995
25	Assets with matching interdependent liabilities	-	273	44	397	-
26	Other assets:	16,944		15,272		18,980
27	Physical traded commodities, including gold	1,315				1,117
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs			408		347
29	NSFR derivative assets			7,811		1,535
30	NSFR derivative liabilities before deduction of variation margin posted			7,053		353
31	All other assets not included in the above categories	15,629	-	-	-	15,629
32	Off-balance sheet items			185,235		1,942
33	Total RSF					228,861
34	Net Stable Funding Ratio (%)					123

As at 31 March 2021

\$m ASF Item		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
1	Capital:	40,325	1,692	807	5,286	46,765
2	Regulatory capital	40,325	1,692	807	4,261	45,740
3	Other capital instruments	-	-	-	1,025	1,025
4	Retail deposits and deposits from small business customers:	102,132	47,974	4,843	835	142,321
5	Stable deposits	27,780	12,653	170	187	38,761
6	Less stable deposits	74,351	35,321	4,674	648	103,560
7	Wholesale funding:	83,382	114,776	8,863	12,972	81,307
8	Operational deposits	21,857	-	-	-	10,928
9	Other wholesale funding	61,526	114,776	8,863	12,972	70,379
10	Liabilities with matching interdependent assets	-	256	37	461	-
11	Other liabilities:	7,945		5,571		490
12	NSFR derivative liabilities			5,538		
13	All other liabilities and equity not included in the above categories	7,945	32	-	-	490
14	Total ASF					270,883
RSF Item						
15	Total NSFR high-quality liquid assets (HQLA)					3,946
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	15,797	138,713	26,581	182,316	198,973
18	Performing loans to financial institutions secured by Level 1 HQLA	-	5,538	153	29	659
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	5,497	25,683	4,393	7,476	15,739
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:	7,099	100,091	15,909	100,266	118,402
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	-	281	168	4,899	3,306
22	Performing residential mortgages, of which:	-	1,542	1,539	65,534	48,432
23	With a risk weight of less than or equal to 35% under paragraph 7.3.29 of MAS Notice 637	-	1,345	1,346	53,178	37,775
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	3,200	5,859	4,588	9,011	15,740
25	Assets with matching interdependent liabilities	-	256	37	461	-
26	Other assets:	16,970		14,177		19,129
27	Physical traded commodities, including gold	1,625				1,382
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs			420		357
29	NSFR derivative assets			7,259		1,720
30	NSFR derivative liabilities before deduction of variation margin posted			6,499		325
31	All other assets not included in the above categories	15,345	-	-	-	15,345
32	Off-balance sheet items			178,295		1,717
33	Total RSF					223,764
34	Net Stable Funding Ratio (%)					121

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		

14 ABBREVIATIONS (cont'd)

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