

Pillar 3 Disclosure

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

Scope of Application

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

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

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

An overview of the locations of our risk disclosures is provided below.

Please refer to UOB's website at www.UOBgroup.com/investor/financial/overview.html for the Pillar 3 Disclosure Report as at 31 December 2017.

Report Description	Location
Overview of Risk Management and RWA	
Risk management approach	UOB Annual Report 2017, Risk Management section – Our Approach
Overview of RWA	Pillar 3 Disclosure Report Section 6
Credit Risk	
General disclosures related to credit risk	UOB Annual Report 2017, Risk Management section – Credit Risk
Credit quality of assets	Pillar 3 Disclosure Report Section 7
Changes in stock of defaulted loans and debt securities	Pillar 3 Disclosure Report Section 8
Additional disclosures related to the credit quality of assets	UOB Annual Report 2017, Risk Management section – Credit Risk Pillar 3 Disclosure Report Section 9
Qualitative disclosure related to credit risk mitigation techniques	UOB Annual Report 2017, Risk Management section – Credit Risk
Qualitative disclosure on the use of external credit ratings under the Standardised Approach (SA) (Credit Risk) (CR)	UOB Annual Report 2017, Risk Management section – Credit Risk
SA(CR) and SA(Equity Exposures) (EQ) – Credit risk exposure and Credit Risk Mitigation (CRM) effects	Pillar 3 Disclosure Report Section 10

Report Description	Location
Credit Risk	
SA(CR) and SA(EQ) – Exposures by asset classes and risk weights	Pillar 3 Disclosure Report Section 11
Qualitative disclosure for Internal Ratings-Based Approach (IRBA) models	UOB Annual Report 2017, Risk Management section – Credit Risk
IRBA – Credit risk exposures by portfolio and PD range	Pillar 3 Disclosure Report Section 12
IRBA – Effect on RWA of credit derivatives used as CRM	Pillar 3 Disclosure Report Section 13
IRBA – Backtesting of PD per portfolio	Pillar 3 Disclosure Report Section 14
IRBA – Specialised Lending and Equities under the Simple Risk Weight Method	Pillar 3 Disclosure Report Section 15
Counterparty Credit Risk (CCR)	
Qualitative disclosures related to CCR	UOB Annual Report 2017, Risk Management section – Credit Risk
Analysis of CCR exposure by approach	Pillar 3 Disclosure Report Section 16
Credit Valuation Adjustment (CVA) risk capital requirements	Pillar 3 Disclosure Report Section 17
SA – CCR exposures by portfolio and risk weights	Pillar 3 Disclosure Report Section 18
IRBA – CCR exposures by portfolio and PD range	Pillar 3 Disclosure Report Section 19
Credit derivative exposures	Pillar 3 Disclosure Report Section 20
RWA flow statements of under CCR internal models method	Pillar 3 Disclosure Report Section 26
Securitisation	
Qualitative disclosures related to securitisation exposures	UOB Annual Report 2017, Risk Management section – Credit Risk
Securitisation exposures in the Banking Book	Pillar 3 Disclosure Report Section 21
Securitisation exposures in the Trading Book	Pillar 3 Disclosure Report Section 26
Securitisation exposures in the Banking Book and associated regulatory capital requirements – A reporting bank acting as originator or as sponsor	Pillar 3 Disclosure Report Section 26
Securitisation exposures in the Banking Book and associated regulatory capital requirements – A reporting bank acting as investor	Pillar 3 Disclosure Report Section 22

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Report Description	Location
Market Risk	
Qualitative disclosures related to market risk	UOB Annual Report 2017, Risk Management section – Market Risk
Qualitative disclosure related to Internal Model Approach (IMA)	Pillar 3 Disclosure Report Section 26
Market risk under SA	Pillar 3 Disclosure Report Section 23
RWA flow statements of market risk exposures under IMA	Pillar 3 Disclosure Report Section 26
IMA values for trading portfolios	Pillar 3 Disclosure Report Section 26
Comparison of VaR estimates with gains or losses	Pillar 3 Disclosure Report Section 24
Operational Risk	
Operational risk	UOB Annual Report 2017, Risk Management section – Operational Risk
Balance Sheet Risk	
Interest rate risk in the Banking Book	UOB Annual Report 2017, Risk Management section – Interest Rate Risk in the Banking Book Pillar 3 Disclosure Report Section 25
Remuneration	
Remuneration	UOB Annual Report 2017, Remuneration section
Capital	
Composition of capital	Pillar 3 Disclosure Report Section 3
Leverage ratio	Pillar 3 Disclosure Report Section 4
Geographical distribution of credit exposures used in the countercyclical capital buffer	Pillar 3 Disclosure Report Section 5
Public disclosure and submission requirements for assessing Global Systemically Important Banks (G-SIBs)	UOB's website, Investor Relations section*

* Will only be published in April 2018.