



**UNITED OVERSEAS BANK LIMITED,
BRUNEI BRANCH**

PILLAR 3 DISCLOSURES

September 2022

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CERTIFICATION

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



Howard Low Boon Keng
Country Manager
Date: 12 December 2022



Hajah Norsinah Haji Kamis
Head of Finance & Administration
Date: 12 December 2022

Notes:

1 The pillar 3 disclosure report is presented in Brunei Dollars (B\$'000).

2 Certain figures in this report may not add up to the respective totals due to rounding.

1. INTRODUCTION

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

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

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

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

2. KEY PRUDENTIAL METRICS, RISK MANAGEMENT AND RWA

2.1 Template KMI: Key Metrics

Purpose: To provide an overview of a bank's prudential regulatory metrics.
Content: Key prudential metrics related to regulatory capital and other regulatory requirements.
Frequency: Quarterly.
Format: Fixed.
Accompanying narrative: The decrease in both Tier 1 and Total Capital Ratio as compared to Q3 2022 and 4Q2021 due to high utilization of Loans & Advances and Contingent Liabilities and increase in Inter-Branch placement in YTD2022.

		(a)	(b)	(c)	(d)	(e)
		Sep 22	Jun 22	Mar 22	Dec 21	Sep 21
	Available capital (amounts)					
1	Tier 1	102,032	100,912	100,359	99,830	98,737
2	Total capital	102,707	101,501	100,987	100,403	99,701
	Risk-weighted assets (amounts)					
3	Total risk-weighted assets (RWA)	167,274	162,871	156,644	151,057	150,955
	Risk-based capital ratios as a percentage of RWA					
4	Tier 1 ratio (%)	61.00	61.96	64.07	66.09	65.41
5	Total capital ratio (%)	61.40	62.32	64.47	66.47	66.05

2.2 Template OVI: Overview of Risk Weighted Assets (RWA)

Purpose: To provide an overview of total RWA and further breakdowns of RWA
Content: RWA and capital requirements under Pillar 1 only. Pillar 2 requirements are excluded
Frequency: Quarterly.
Format: Fixed.
Accompanying narrative: Q3 2022 shows increase in Market Risk and Credit Risk. Slight increase in the foreign currency transaction and increase in Credit Risk from high utilization of loans & advance and contingent liabilities and increased in inter-branch placement.

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		Sep 2022	Jun 2022	Sep 2022
1	Credit risk (Standardised)	153,197	148,885	15,320
2	Market risk (Standardised)	749	658	75
3	Operational risk (Basic Indicator Approach)	13,328	13,328	1,333
4	Total (Row 1 + 2 + 3)	167,274	162,871	16,727