

Company No. 818444-T



OCBC Al-Amin Bank Berhad
(Incorporated in Malaysia)

Basel II Pillar 3 Market Disclosure 30 June 2025

*The disclosure in this section refers to OCBC Al-Amin Bank Berhad position.
OCBC Al-Amin Bank Berhad is a subsidiary of OCBC Bank (Malaysia) Berhad.*

Basel II Pillar 3 Market Disclosure

(OCBC Al-Amin Bank Berhad – Position as at 30 June 2025)

The purpose of this disclosure is to provide the information in accordance with BNM Capital Adequacy Framework for Islamic Bank (CAFIB) – Disclosure Requirements (Pillar 3) Guideline. This supplements the related information in the Notes to the Financial Statements.

Exposures and Risk Weighted Assets (RWA) by Portfolio

	EAD ¹ RM million	RWA RM million
Credit Risk		
Standardised (STD) Approach		
Corporate	24	24
Sovereign & Central Bank	3,568	-
Public Sector Entity	756	86
Others	27	7
Total Standardised	4,375	117
Amount Absorbed by PSIA ² (STD Approach)	349	-
Internal Ratings-Based (IRB) Approach		
Foundation IRB		
Corporate	13,739	10,228
Bank	2,802	455
Advanced IRB		
Residential Mortgage	2,593	498
Other Retail - Small Business	2,429	949
Specialised Financing under Supervisory Slotting Criteria	118	143
Total IRB	21,681	12,273
Amount Absorbed by PSIA ² (IRB Approach)	8,049	4,315
Total Credit Risk After Effects of PSIA ²	17,658	8,075
Market Risk		
Standardised Approach		19
Amount Absorbed by PSIA ²		-
Total Market Risk After Effects of PSIA ²		19
Operational Risk		
Basic Indicator Approach		773
Total Operational Risk		773
Total RWA		8,867

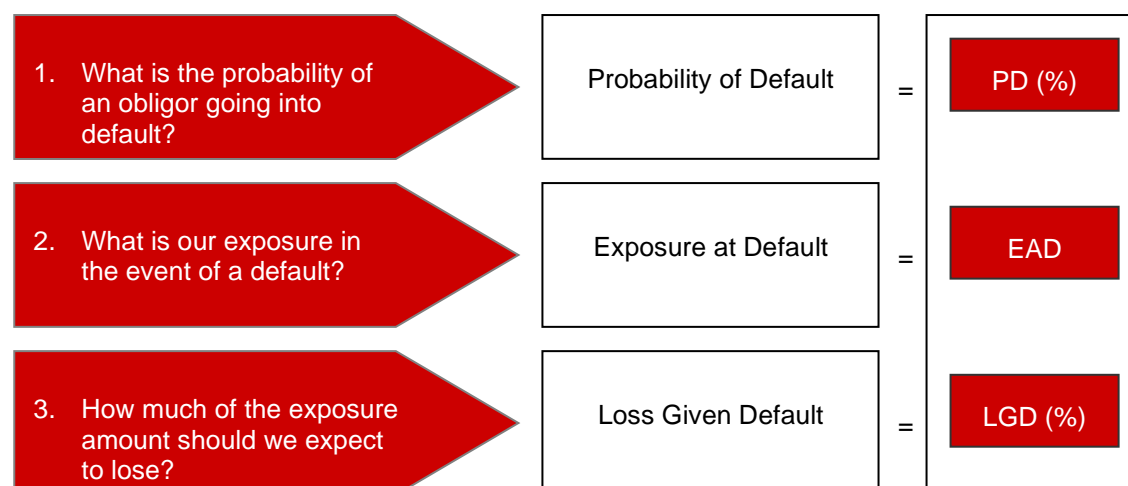
Note:

¹ EAD refers to exposure at default after credit risk mitigation

² Refers to Profit Sharing Investment Account

CREDIT RISK

With Basel II implementation, OCBC Al-Amin Bank Berhad has adopted the Internal Ratings-Based (IRB) Approach for major credit portfolios, where 3 key parameters – Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) are used to quantify credit risk.



Credit Exposures under Standardised Approach

Credit exposures under standardised approach are mainly exposures to sovereign, debt securities, personal financing to individuals and other assets. Rated exposures relate to sovereign and debt securities while unrated exposures relate mainly to personal financing and other assets.

Risk Weight	EAD RM million
0%	3,909
20% - 35%	-
50% - 75%	#
100%	117
>100%	#
Total	4,026
Rated exposures	3,889
Unrated exposures	137

"#" represents amount less than RM0.5 million

Credit Exposures under Foundation Internal Ratings-Based Approach (F-IRBA)

Corporate exposures are mainly exposures to corporate and institutional customers, major non-bank financial institutions, as well as financing of income-producing real estate. Bank exposures are mainly exposures to commercial banks.

Corporate Exposures

PD Range	EAD RM million	Average Risk Weight
up to 0.05%	4	3%
> 0.05 to 0.5%	2,069	43%
> 0.5 to 2.5%	3,795	97%
> 2.5 to 9%	913	152%
> 9%	204	166%
Default	158	NA
Total	7,143	88%

Note: Corporate EAD excludes amount absorbed by PSIA of RM6,714 million.

Bank Exposures

PD Range	EAD RM million	Average Risk Weight
up to 0.05%	768	11%
> 0.05 to 0.5%	698	18%
> 0.5 to 2.5%	-	-
> 2.5 to 9%	-	-
> 9%	-	-
Default	-	NA
Total	1,466	14%

Note: Bank EAD excludes amount absorbed by PSIA of RM1,336 million.

Credit Exposures under Advanced Internal Ratings-Based Approach (A-IRBA)

Residential Mortgages are financing to individuals secured by residential properties. Other Retail – Small Business exposures include financing to small businesses and commercial property financings to individuals.

Residential Mortgages

	EAD	Undrawn Commitment	<u>EAD Weighted Average</u>	
PD Range	RM million	RM million	LGD	Risk Weight
up to 0.5%	1,379	229	12%	9%
> 0.5 to 3%	962	111	15%	23%
> 3 to 10%	58	9	16%	60%
> 10%	113	2	13%	71%
100%	81	1	18%	43%
Total	2,593	352	13%	19%

Other Retail - Small Business Exposures

	EAD	Undrawn Commitment	<u>EAD Weighted Average</u>	
PD Range	RM million	RM million	LGD	Risk Weight
up to 0.5%	1,460	432	36%	20%
> 0.5 to 3%	659	73	41%	51%
> 3 to 10%	67	3	36%	58%
> 10%	183	6	39%	91%
100%	60	1	54%	201%
Total	2,429	515	38%	39%

Exposures Covered by Credit Risk Mitigation

	Eligible Financial Collateral RM million	Other Eligible Collateral RM million	Amount by which credit exposures have been reduced by eligible credit protection RM million
Standardised Approach			
Corporate	-	-	-
Sovereign & Central Bank	-	-	-
Public Sector Entity	-	-	670
Retail	-	-	-
Others	-	-	-
Total	-	-	670
Foundation IRB Approach			
Corporate	144	1,508	12
Bank	150	-	-
Total	294	1,508	12

Note:

1. Not all forms of collateral or credit risk mitigation are included for regulatory capital calculations.
2. Does not include collateral for exposures under Advanced IRB Approach and Specialised Financing.

Counterparty Credit Risk Exposure

	RM million
Replacement Cost	47
Potential Future Exposure	98
Less: Effects of Netting	-
EAD under Current Exposure Method	145
Analysed by type:	
Foreign Exchange Contracts	145
Benchmark Rate Contracts	-
Equity Contracts	-
Gold and Precious Metals Contracts	-
Other Commodities Contracts	-
Credit Derivative Contracts	-
Less: Eligible Financial Collateral	-
Net Derivatives Credit Exposure	145

Note: Not all forms of collateral or credit risk mitigation are included for regulatory capital calculations.

MARKET RISK

Exposure, Risk Weighted Assets and Capital Requirement by Market Risk Type under Standardised Approach

	<u>Gross Exposure</u>		Risk Weighted Assets RM million	Min. Capital Requirement RM million
	Long Position RM million	Short Position RM million		
Benchmark Rate Risk	#	1	11	1
Foreign Currency Risk	8	8	8	1
Equity Risk	-	-	-	-
Commodity Risk	-	-	-	-
Inventory Risk	-	-	-	-
Options Risk	-	-	-	-
Total	8	9	19	2

"#" represents amount less than RM0.5 million

Benchmark Rate Risk in Banking Book

Based on a 100 basis point parallel rise in yield curves on the Bank's exposure to major currency i.e. Malaysian Ringgit and US Dollar, net profit income is estimated to increase by MYR35.5 million, or approximately +13.4% of reported net profit income. The corresponding impact from a 100 basis point decrease is an estimated reduction of MYR47.8 million in net profit income, or approximately -18.1% of reported net profit income.

Liquidity Coverage Ratio

OCBC Al-Amin Bank Berhad (OABB) is subjected to Liquidity Coverage Ratio ("LCR") requirements under the BNM Liquidity Coverage Ratio policy. As at 1 January 2019, OABB is required to maintain all-currency and Ringgit Malaysia ("MYR") LCR of at least 100% on an ongoing basis.

LCR aims to ensure that a Bank maintains an adequate level of unencumbered High Quality Liquid Assets ('HQLA') that can be quickly and easily converted into cash to meet any liquidity needs for a 30-calendar day liquidity stress scenario.

The following semi-annual disclosures are made pursuant to the BNM Liquidity Risk Policy Paragraph 18.5, issued on 15 October 2024. Effective 1 January 2025, OABB is required to publicly disclose its Liquidity Coverage Ratio as a simple average of either daily or monthly observations.

For 1H 2025, the daily average all-currency LCR for OABB was 188%. Compared with 2024, the daily average all-currency LCR for OABB increased by 37 percentage points largely driven by a decrease in Net Cash Outflows ("NCO"), partially offset by a decrease in HQLA from securities and BNM placement. Decrease in NCO was mainly due to lower outflows from wholesale deposits.

OABB continues to focus on acquiring stable deposits and on maintaining a mix of HQLA comprising mainly of Level 1 BNM placements and liquid sovereign sukuk. The Asset & Liability Management Desk in Global Markets manages the day-to-day liquidity needs of OABB and is subject to liquidity limits and triggers that serve as risk control on OABB's liquidity exposure.

SHARIAH GOVERNANCE

Shariah Non-Compliance (SNC) arises from the potential failure to adhere to Shariah rules and principles as established by Bank Negara Malaysia's Shariah Advisory Council, the Securities Commission's Shariah Advisory Council, and our Bank's Shariah Committee.

It is essential to recognize that the responsibility for ensuring compliance with Shariah principles extends beyond the Board and Management; fostering a culture of compliance with all relevant regulations is integral to our organizational ethos. Consequently, every business division and its personnel share accountability for any breaches of laws, guidelines, and regulations pertaining to Islamic banking and finance.

In line with this commitment, our Bank is dedicated to cultivating a robust Shariah compliance risk culture. Throughout the lifecycle of our products and services, adherence to Shariah requirements is paramount, as any failure to comply may result in the income generated being deemed non-recognizable and subsequently donated to charitable causes. This approach not only underscores our dedication to upholding the integrity of our Islamic financial practices but also reinforces our commitment to ethical banking principles that align with Shariah guidelines.

During the financial period from January 2025 to June 2025, no SNC event was reported.

Shariah Governance Disclosures

	Amount in RM million
Shariah non-compliance income	-

	Number of incidents
Shariah non-compliance events	-

Note: There is no Shariah non-compliance income realised from sources or by means prohibited by Shariah that has been channelled to charity.