

Company No. 818444-T



OCBC Al-Amin Bank Berhad
(Incorporated in Malaysia)

Basel II Pillar 3 Market Disclosure 31 December 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.*

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BASEL II PILLAR 3 MARKET DISCLOSURES – 31 DECEMBER 2025

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OCBC Al-Amin Bank Berhad
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**ATTESTATION BY CHIEF EXECUTIVE OFFICER PURSUANT TO CAPITAL ADEQUACY
FRAMEWORK FOR ISLAMIC BANKS (CAFIB) – DISCLOSURE REQUIREMENTS (PILLAR 3)**

The risk disclosures set out in the Risk Management Chapter and Basel II Pillar 3 Market Disclosure are generally in conformance with Bank Negara Malaysia Capital Adequacy Framework for Islamic Banks (CAFIB) – Disclosure Requirements (Pillar 3) for the Group as at 31 December 2025.

SYED ABDULL AZIZ JAILANI BIN SYED KECHIK
CHIEF EXECUTIVE OFFICER

Kuala Lumpur

OCBC Al-Amin Bank Berhad
(Incorporated in Malaysia)

Risk Management

Please refer to the Risk Management chapter of OCBC (M) Group.

Basel II Pillar 3 Market Disclosure

(OCBC Al-Amin Bank Berhad – Position as at 31 December 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	21	21
Sovereign & Central Bank	4,038	-
Public Sector Entity	674	70
Others	24	8
Total Standardised	4,757	99
Amount Absorbed by PSIA ² (STD Approach)	77	-
Internal Ratings-Based (IRB) Approach		
Foundation IRB		
Corporate	14,970	11,473
Bank	1,572	276
Advanced IRB		
Residential Mortgage	3,117	607
Other Retail - Small Business	2,873	1,075
Specialised Financing under Supervisory Slotting Criteria	113	138
Total IRB	22,645	13,569
Amount Absorbed by PSIA ² (IRB Approach)	6,554	4,079
Total Credit Risk After Effects of PSIA²	20,771	9,589
Market Risk		
Standardised Approach		68
Total Market Risk After Effects of PSIA²		68
Operational Risk		
Revised Standardised Approach ³		812
Total Operational Risk		812
Total RWA		10,469

Note:

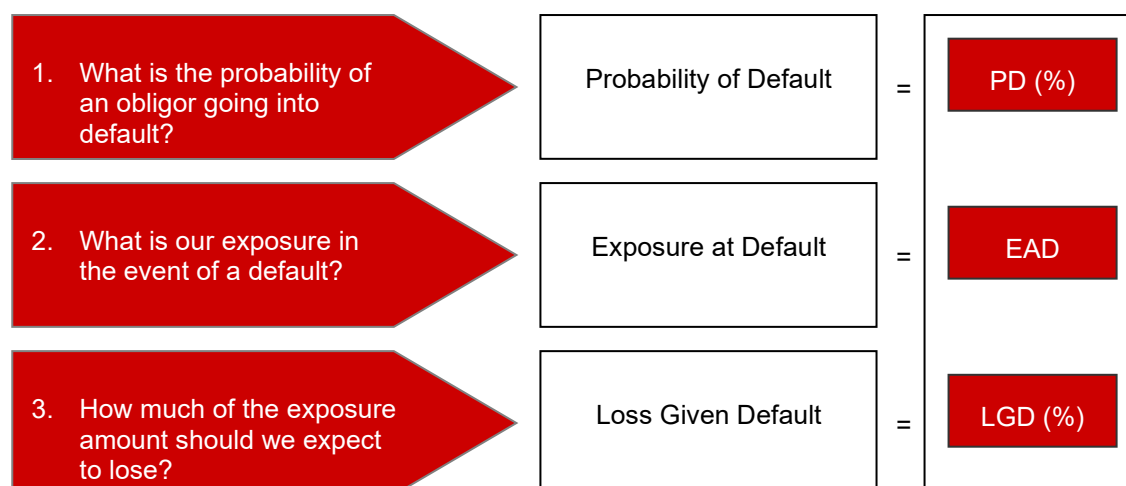
¹ EAD refers to exposure at default after credit risk mitigation

² Refers to Profit Sharing Investment Account

³ OCBC Al-Amin Bank Berhad has adopted the Revised Standardised Approach with the implementation of Basel 3.

CREDIT RISK

With Basel II implementation, OCBC AI-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%	4,581
20% - 35%	-
50% - 75%	#
100%	99
>100%	-
Total	4,680
Rated exposures	4,564
Unrated exposures	116

"#" 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%	6	2%
> 0.05 to 0.5%	2,781	41%
> 0.5 to 2.5%	4,700	100%
> 2.5 to 9%	1,074	137%
> 9%	154	191%
Default	110	NA
Total	8,825	86%

Note: Corporate EAD excludes amount absorbed by PSIA of RM6,258 million.

Bank Exposures

PD Range	EAD RM million	Average Risk Weight
up to 0.05%	278	11%
> 0.05 to 0.5%	998	19%
> 0.5 to 2.5%	-	-
> 2.5 to 9%	-	-
> 9%	-	-
Default	-	NA
Total	1,276	17%

Note: Bank EAD excludes amount absorbed by PSIA of RM296 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

PD Range	EAD	Undrawn Commitment	EAD Weighted Average	
	RM million	RM million	LGD	Risk Weight
up to 0.5%	1,767	308	13%	10%
> 0.5 to 3%	1,099	149	16%	25%
> 3 to 10%	76	20	17%	65%
> 10%	112	3	13%	73%
100%	63	2	17%	49%
Total	3,117	482	14%	19%

Other Retail - Small Business Exposures

PD Range	EAD	Undrawn Commitment	EAD Weighted Average	
	RM million	RM million	LGD	Risk Weight
up to 0.5%	1,742	493	38%	21%
> 0.5 to 3%	756	83	42%	52%
> 3 to 10%	107	4	41%	65%
> 10%	208	18	41%	90%
100%	60	1	53%	101%
Total	2,873	599	40%	37%

Actual Loss and Expected Loss for Exposures under Foundation and Advanced IRB Approaches

Actual loss refers to net impairment loss allowance and direct write-off to the statement of profit or loss during the year. Expected loss ("EL") represents model derived and / or regulatory prescribed estimates of future loss on potential defaults over a one-year time horizon. Comparison of the two measures has limitations because they are calculated using different methods. EL computations are based on LGD and EAD estimates that reflect downturn economic conditions and regulatory minimums, and PD estimates that reflect long run through-the-cycle approximation of default rates. Actual loss is based on accounting standards and represents the point-in-time impairment experience for the financial year.

	Actual Loss for the 12 months ended 31 December 2025 RM million	Regulatory Expected Loss (Non-defaulted) as at 31 December 2024 RM million
Corporate	(76)	50
Bank	-	1
Other Retail - Small Business	5	25
Retail	8	5
Total	(63)	82

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	-	-	603
Retail	-	-	-
Others	-	-	-
Total	-	-	603
Foundation IRB Approach			
Corporate	136	1,781	11
Bank	150	-	-
Total	286	1,781	11

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

Counterparty Credit Risk Exposures

	RM million
Replacement Cost	61
Potential Future Exposure	76
Less: Effects of Netting	-
EAD under Current Exposure Method	137
Analysed by type:	
Foreign Exchange Contracts	137
Benchmark Rate Contracts	-
Equity Contracts	-
Gold and Precious Metals Contracts	-
Other Commodities Contracts	-
Credit Derivative Contracts	-
Less: Eligible Financial Collateral	-
Net Derivatives Credit Exposure	137

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	2	3	58	5
Foreign Currency Risk	10	3	10	1
Equity Risk	-	-	-	-
Commodity Risk	-	-	-	-
Inventory Risk	-	-	-	-
Options Risk	-	-	-	-
Total	12	6	68	6

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 MYR33.8 million, or approximately +6.3% of reported net profit income. The corresponding impact from a 100 basis point decrease is an estimated reduction of MYR51.3 million in net profit income, or approximately -9.5% of reported net profit income.

Liquidity Coverage Ratio

OCBC Al-Amin Bank Berhad ("OABB") is subjected to the Liquidity Coverage Ratio ("LCR") requirements under the BNM Liquidity Coverage Ratio policy. Starting from 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 OABB 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 annual disclosures are made pursuant to the BNM Liquidity Risk Policy Para 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 the year 2025, the daily average all-currency LCR for OABB was 172%. Compared to year 2024, the all-currency LCR for OABB increased by 22 percentage points largely driven by a decrease in Net Cash Outflows ("NCO"), partially offset by a decrease in HQLA from BNM placement and securities. 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 central bank reserves 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 July 2025 to December 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.