

Company No. 818444-T



OCBC Al-Amin Bank Berhad
(Incorporated in Malaysia)

Basel II Pillar 3 Market Disclosure 30 June 2026

*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 2026)

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	15	15
Sovereign & Central Bank	4,860	-
Public Sector Entity	698	65
Others	24	10
Total Standardised	5,597	90
Amount Absorbed by PSIA ² (STD Approach)	476	-
Internal Ratings-Based (IRB) Approach		
Foundation IRB		
Corporate	15,221	11,534
Bank	788	118
Advanced IRB		
Residential Mortgage	3,369	631
Other Retail - Small Business	3,203	1,195
Specialised Financing under Supervisory Slotting Criteria	135	165
Total IRB	22,716	13,643
Amount Absorbed by PSIA ² (IRB Approach)	6,687	3,960
Total Credit Risk After Effects of PSIA ²	21,150	9,773
Market Risk		
Standardised Approach		100
Amount Absorbed by PSIA ²		-
Total Market Risk After Effects of PSIA ²		100
Operational Risk		
Basic Indicator Approach		847
Total Operational Risk		847
Total RWA		10,720

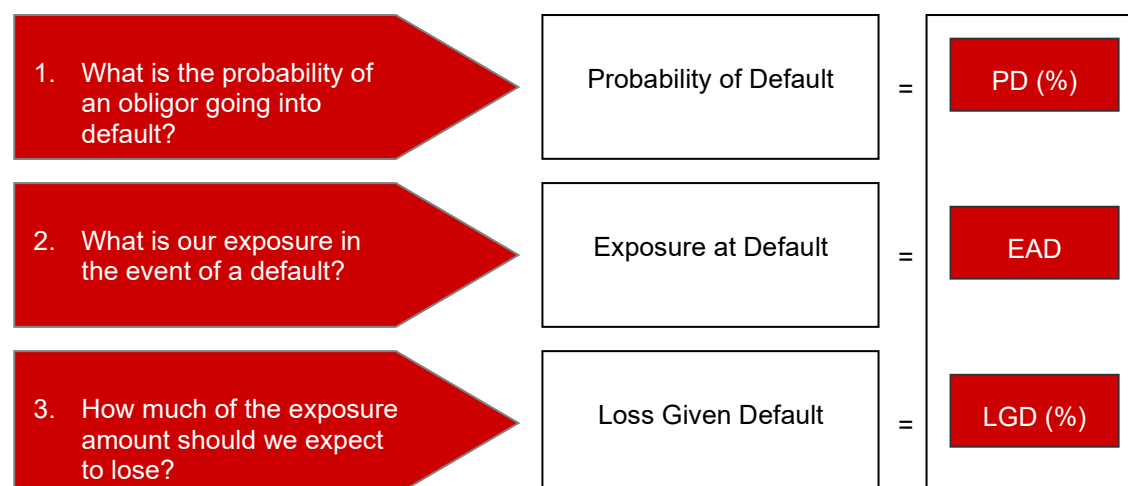
Note:

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%	5,031
20% - 35%	-
50% - 75%	-
100%	90
>100%	-
Total	5,121
Rated exposures	5,016
Unrated exposures	105

the amount above does not include PSIA

Specialised Lending Exposures under Supervisory Slotting Criteria

	EAD RM million	Average Risk Weight
Strong	-	-
Good	-	-
Satisfactory	27	122%
Weak	-	-
Default	-	-
Total	27	122%

Note: Specialised Lending EAD excludes amount absorbed by PSIA of RM108 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%	30	8%
> 0.05 to 0.5%	3,502	49%
> 0.5 to 2.5%	4,257	99%
> 2.5 to 9%	781	142%
> 9%	342	221%
Default	125	NA
Total	9,037	86%

Note: Corporate EAD excludes amount absorbed by PSIA of RM6,184 million.

Bank Exposures

PD Range	EAD RM million	Average Risk Weight
up to 0.05%	392	8%
> 0.05 to 0.5%	#	22%
> 0.5 to 2.5%	-	-
> 2.5 to 9%	-	-
> 9%	-	-
Default	-	NA
Total	392	8%

represents amount less than RM0.5 million

Note: Bank EAD excludes amount absorbed by PSIA of RM395 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%	1,996	334	13%	9%
> 0.5 to 3%	1,115	124	15%	24%
> 3 to 10%	92	32	18%	69%
> 10%	108	1	13%	72%
100%	59	1	16%	57%
Total	3,369	492	14%	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%	1,985	603	37%	21%
> 0.5 to 3%	747	75	43%	53%
> 3 to 10%	128	7	42%	68%
> 10%	279	13	41%	90%
100%	64	1	52%	90%
Total	3,203	699	40%	37%

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	-	-	632
Retail	-	-	-
Others	-	-	-
Total	-	-	632
Foundation IRB Approach			
Corporate	127	1,588	11
Bank	-	-	-
Total	127	1,588	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

	RM million
Replacement Cost	92
Potential Future Exposure	83
Less: Effects of Netting	-
EAD under Current Exposure Method	175
Analysed by type:	
Foreign Exchange Contracts	175
Benchmark Rate Contracts	-
Equity Contracts	-
Gold and Precious Metals Contracts	-
Other Commodities Contracts	-
Credit Derivative Contracts	-
Less: Eligible Financial Collateral	-
Net Derivatives Credit Exposure	175

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	Min. Capital
	Long Position	Short Position	Assets	Requirement
	RM million	RM million	RM million	RM million
Benchmark Rate Risk	3	4	89	7
Foreign Currency Risk	11	3	11	1
Equity Risk	-	-	-	-
Commodity Risk	-	-	-	-
Inventory Risk	-	-	-	-
Options Risk	-	-	-	-
Total	14	8	100	8

Benchmark Rate Risk in Banking Book

Based on a 100 bps parallel rise in yield curves, OABB's net profit income is estimated to increase by MYR36.7m, or approximately +13.7% of reported net profit income. The corresponding impact from a 100 bps decrease in yield curves is estimated a reduction of MYR55.5m in net profit income, or approximately -20.7% of reported net profit income.

Liquidity Coverage Ratio

Liquidity Coverage Ratio

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

The LCR aims to ensure that OABB maintains an adequate level of unencumbered High Quality Liquid Assets ("HQLA") that can be readily 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 paragraph 18.5 of BNM's Liquidity Risk Policy, issued on 15 October 2024, which set out the LCR public disclosure requirements effective 1 January 2025.

For 1H 2026, the daily average all-currency LCR for OABB was 148%. Compared with 2025, the OABB's all-currency LCR decreased by 25 percentage points, largely driven by an increase in net cash outflows ("NCO"), partially offset by higher HQLA holdings, mainly from securities. The increase in NCO was primarily attributed to higher outflows from wholesale deposits, interbank funding and debt instruments.

OABB continues to focus on acquiring stable deposits and maintaining a mix of HQLA comprising mainly of Level 1 central bank reserves and liquid sovereign sukuk. The Asset & Liability Management Desk within Global Markets manages the day-to-day liquidity needs of the OABB and is subject to liquidity limits and triggers that serve as risk controls for 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 2026 to June 2026, one SNC event was reported, affecting deposit accounts. The Shariah Committee reviewed and deliberated the matter and endorsed the rectification plan, including strengthening internal processes and controls to mitigate SNC risk and prevent recurrence of similar incidents.

Shariah Governance Disclosures

Shariah Governance Disclosures

	Amount in RM million
Shariah non-compliance income	-

	Number of incidents
Shariah non-compliance events	1

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