Company No. 295400-W

OCBC Bank (Malaysia) Berhad
(Incorporated in Malaysia)

Basel II Pillar 3 Market Disclosure
30 June 2025

The disclosure in this section refers to OCBC Bank (M) Berhad Group position. OCBC Bank (M) Berhad Group consists of OCBC Bank (Malaysia) Berhad and OCBC Al-Amin Bank Berhad which are members of the Overseas-Chinese Banking Corporation Group in Singapore.

Basel II Pillar 3 Market Disclosure

(OCBC Bank (M) Berhad Group – Position as at 30 June 2025)

The purpose of this disclosure is to provide the information in accordance with BNM Risk Weighted Capital Adequacy Framework (Basel II) – Disclosure Requirements (Pillar 3) and Capital Adequacy Framework for Islamic Bank (CAFIB - Basel II) – Disclosure Requirements (Pillar 3) Guidelines.

Exposures and Risk Weighted Assets (RWA) by Portfolio

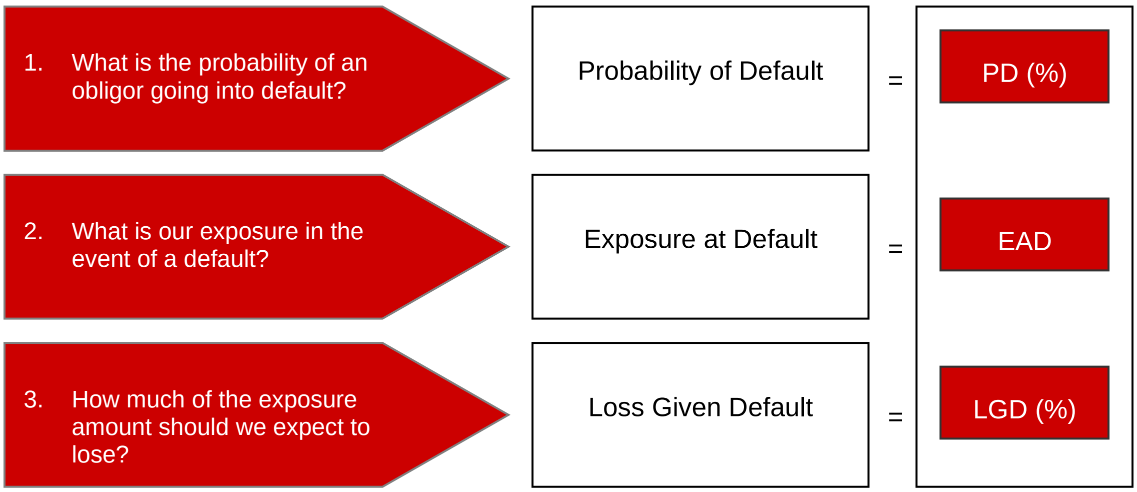
	EAD[1] RM million	RWA RM million
Credit Risk		
Standardised Approach		
Corporate	848	559
Sovereign & Central Bank	17,867	231
Public Sector Entities	2,685	679
Retail	52	46
Equity	114	114
Securitisation	-	-
Others	529	392
Total Standardised	**22,095**	**2,021**
Internal Ratings-Based (IRB) Approach		
Foundation IRB		
Corporate	49,342	42,294
Bank	10,911	1,788
Advanced IRB		
Residential Mortgage	19,821	2,897
Qualifying Revolving Retail	1,872	434
Other Retail - Small Business	8,514	2,941
Specialised Lending under Supervisory Slotting Criteria	304	369
Total IRB	**90,764**	**50,723**
Total Credit Risk	**112,859**	**52,744**
Central Counterparties Risk[2]		**2**
Market Risk		
Standardised Approach		1,155
Amount Absorbed by PSIA		-
Total Market Risk		**1,155**
Operational Risk		
Standardised Approach[3]		6,186
Total Operational Risk		**6,186**
Total RWA		**60,087**

Note:

[1] EAD refers to exposure at default after credit risk mitigation.
[2] Central Counterparties Risk refers to the risk that a counterparty to a transaction could default before the final settlement of the transaction's cash flows.
[3] OCBC Bank (M) Berhad Group and OCBC Bank (M) Berhad have adopted the Standardised Approach, while OCBC Al-Amin Bank Berhad is on the Basic Indicator Approach.

CREDIT RISK

With Basel II implementation, OCBC Bank (M) Berhad Group 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 and central bank. Rated exposures relate mainly to sovereign and central bank while unrated exposures relate mainly to Islamic personal financing and other assets.

Risk Weight	**EAD RM million**
0%	19,132
20% - 35%	837
50% - 90%	560
100%	1,452
>100%	#
Total	**21,981**
Rated exposures	20,709
Unrated exposures	1,272

“#” represents amount less than RM0.5 million

Note: Excludes Equity

Equity Exposures under Standardised Approach

Equity exposures for regulatory capital computation are risk weighted in accordance with BNM Risk-Weighted Capital Adequacy Framework (Basel II – Risk-Weighted Assets Computation) under the standardised approach.

Equity Exposures under Standardised Approach

Risk Weight	EAD RM million
100%	114
200%	-
Total	**114**

Securitisation Exposures

There was no securitisation and re-securitisation exposure in the banking and trading books as at 30 June 2025.

Specialised Lending Exposures under Supervisory Slotting Criteria

Specialised lending exposures include project and object financing.

	EAD RM million	Average Risk Weight
Strong	-	-
Good	-	-
Satisfactory	304	122%
Weak	-	-
Default	-	NA
Total	**304**	**122%**

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%	517	22%
> 0.05 to 0.5%	17,729	47%
> 0.5 to 2.5%	23,482	100%
> 2.5 to 9%	5,924	142%
> 9%	971	197%
Default	719	NA
Total	**49,342**	**86%**

Bank Exposures

PD Range	EAD RM million	Average Risk Weight
up to 0.05%	5,503	12%
> 0.05 to 0.5%	5,381	20%
> 0.5 to 2.5%	27	66%
> 2.5 to 9%	-	-
> 9%	#	227%
Default	-	NA
Total	**10,911**	**16%**

"#" represents amount less than RM0.5 million

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

Residential Mortgages are loans to individuals secured by residential properties. Qualifying Revolving Retail exposures are credit card facilities to individuals. Other Retail – Small Business exposures include lending to small businesses and commercial property loans to individuals.

Residential Mortgages

	EAD	Undrawn Commitment	EAD Weighted Average	
PD Range	**RM million**	**RM million**	**LGD**	**Risk Weight**
up to 0.5%	11,469	1,479	9%	6%
> 0.5 to 3%	6,389	281	12%	17%
> 3 to 10%	341	15	12%	45%
> 10%	1,061	11	12%	68%
100%	561	16	16%	43%
Total	**19,821**	**1,802**	**10%**	**15%**

Qualifying Revolving Retail Exposures

	EAD	Undrawn Commitment	EAD Weighted Average	
PD Range	**RM million**	**RM million**	**LGD**	**Risk Weight**
up to 0.5%	1,435	2,055	75%	10%
> 0.5 to 3%	312	201	60%	37%
> 3 to 10%	93	22	75%	128%
> 10%	29	8	76%	213%
100%	3	-	75%	0%
Total	**1,872**	**2,286**	**73%**	**23%**

Other Retail - Small Business Exposures

	EAD	Undrawn Commitment	EAD Weighted Average	
PD Range	**RM million**	**RM million**	**LGD**	**Risk Weight**
up to 0.5%	5,100	1,472	31%	17%
> 0.5 to 3%	2,209	146	38%	46%
> 3 to 10%	329	8	34%	55%
> 10%	670	40	37%	79%
100%	206	4	47%	180%
Total	**8,514**	**1,670**	**34%**	**35%**

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	218	-	-
Sovereign & Central Bank	1,284	-	-
Public Sector Entities	-	-	1,588
Retail	4	-	-
Others	151	-	-
Total	**1,657**	**-**	**1,588**
Foundation IRB Approach			
Corporate	926	8,529	309
Bank	455	-	-
Total	**1,381**	**8,529**	**309**

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 Lending.

Counterparty Credit Risk Exposures

Counterparty Credit Risk Exposures

	RM million
Replacement Cost	956
Potential Future Exposure	2,190
Less: Effects of Netting	1,542
EAD under Current Exposure Method	**1,604**
Analysed by type:	
Foreign Exchange Contracts	1,095
Interest Rate Contracts	440
Equity Contracts	69
Gold and Precious Metals Contracts	-
Other Commodities Contracts	-
Credit Derivative Contracts	#
Less: Eligible Financial Collateral	179
Net Derivatives Credit Exposure	**1,425**

"#" represents amount less than RM0.5 million

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

Credit Derivatives

	Notional Amount RM million	
	Bought	Sold
Credit Derivatives Swap		
for own credit portfolio	-	-
for intermediation activities	795	795
Total	**795**	**795**

Note: Credit derivatives for own credit portfolio include trading portfolio and hedges, if any.

MARKET RISK

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

	Gross Exposure		Risk Weighted	Min. Capital
	Long Position	Position	Assets	Requirement
	RM million	RM million	RM million	RM million
Interest Rate Risk	201	191	884	71
Foreign Currency Risk	216	195	216	17
Equity Risk	#	10	19	1
Commodity Risk	-	-	-	-
Inventory Risk	-	-	-	-
Options Risk	-	-	37	3
Total	**417**	**396**	**1,156**	**92**

“#” represents amount less than RM0.5 million

EQUITY EXPOSURES

Equity exposures comprised investments in quoted and unquoted equity instruments.

Disclosures on accounting policy and fair value measurement of equity securities are the same with the audited financial statements for the financial year ended 30 June 2025.

Carrying Value of Equity Exposures

	RM million
Quoted equity exposure - Fair value through profit or loss ("FVTPL")	12
Unquoted equity exposure - Fair value through other comprehensive income ("FVOCI")	114
Quoted equity exposure - Associates	-
Unquoted equity exposure - Associates	-
Total	**126**

Realised and Unrealised Gains and Losses

	RM million
Gains/(losses) from disposal of equities	-
Unrealised gains/(losses) included in fair value reserve	101
Total	**101**

Interest Rate Risk in Banking Book

Based on a 100 bps parallel rise in yield curves on the OCBCM's exposure to major currency i.e. Malaysian Ringgit and US Dollar, net interest income is estimated to increase by MYR203.3million, or approximately +21.7% of reported net interest income. The corresponding impact from a 100 bps decrease is an estimated reduction of MYR282.1 million in net interest income, or approximately -30.1% of reported net interest income.

Liquidity Coverage Ratio

OCBC Bank (M) Berhad Group is subjected to Liquidity Coverage Ratio ("LCR") requirements under the BNM Liquidity Coverage Ratio policy. As of 1 January 2019, the Group 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, the Group 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 LCRs for the Group and Conventional entity were 153% and 149% respectively. Compared with year 2024, the daily average all-currency LCR for Group increased by 9 percentage points driven by a decrease in Net Cash Outflows ("NCO"), partially offset by a decrease in HQLA mainly from BNM placements. Decrease in NCO was mainly due to lower outflows from wholesale deposits, partially offset by higher outflows from interbank borrowings. The daily average all-currency LCR for Conventional entity increased by 5 percentage points mainly driven by an increase in HQLA from securities, partially offset by marginal increase in NCO.

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