



OCBC Bank (Malaysia) Berhad
(Incorporated in Malaysia)

Basel II Pillar 3 Market Disclosure 30 June 2026

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 2026)

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	1,059	578
Bank	78	-
Sovereign & Central Bank	17,848	202
Public Sector Entities	4,228	1,032
Retail	37	32
Equity	115	115
Securitisation	176	35
Others	693	712
Total Standardised	24,234	2,706
Internal Ratings-Based (IRB) Approach		
Foundation IRB		
Corporate	55,141	46,726
Bank	10,789	1,781
Advanced IRB		
Residential Mortgage	19,849	2,849
Qualifying Revolving Retail	1,977	467
Other Retail - Small Business	9,004	3,213
Specialised Lending under Supervisory Slotting Criteria	179	218
Total IRB	96,939	55,254
Total Credit Risk	121,173	57,960
Central Counterparties Risk²		1
Market Risk		
Standardised Approach		3,892
Total Market Risk		3,892
Operational Risk		
Revised Standardised Approach ³		6,564
Total Operational Risk		6,564
Total RWA		68,417

Note:

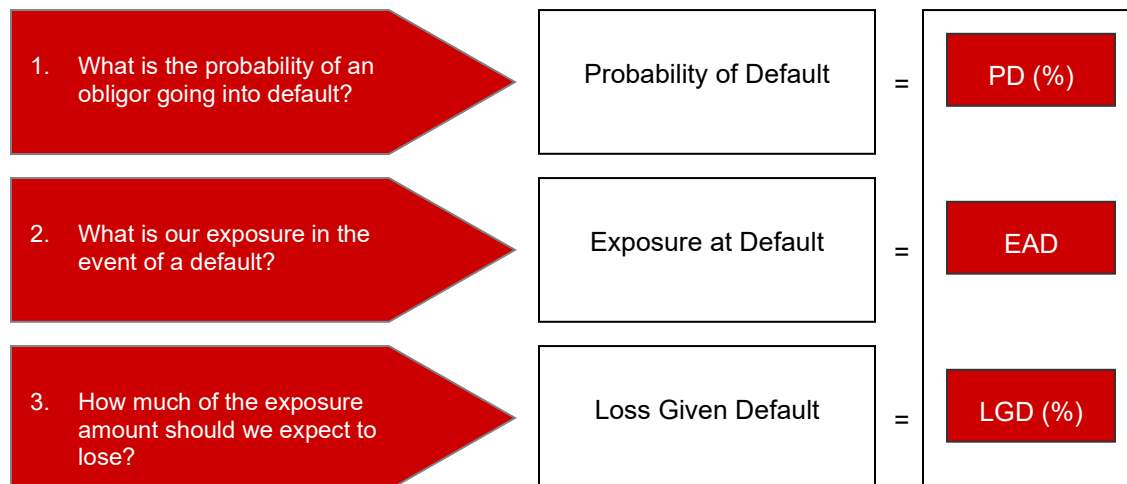
¹ EAD refers to exposure at default after credit risk mitigation.

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%	19,967
20% - 35%	1,838
50% - 90%	473
100%	1,828
>100%	13
Total	24,119

Rated exposures	22,251
Unrated exposures	1,868

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%	115
200%	-
Total	115

Securitisation Exposures

OCBC Bank (M) Berhad Group may invest in securitisation transactions arranged by third parties. The risks relating to securitisation transactions adhere to our risk management policies and procedures. All investment decisions undergo an independent risk assessment and approval process, and approved investments are recorded in the banking book. We review credit limits regularly to ensure prudent risk management. We continuously monitor the size and risk profile of these exposures and enhance our risk measurement processes as needed.

As at 30 June 2026, securitisation exposures in the banking book are risk weighted based on relevant approaches as prescribed in BNM Risk Weighted Capital Adequacy Framework (Basel II) - Disclosure Requirements (Pillar 3).

Securitisation exposures in the Banking Book

The table below presents OCBC Bank (M) Berhad Group exposure to securitisation exposures in the banking book. The Group does not have any securitisation exposures in the banking book where it acted as an originator or a sponsor.

The Group currently has no securitisation exposures in the Trading book.

Risk Weight	EAD RM million	RWA RM million
up to 20%	176	35
> 20% to 50%	-	-
> 50% to 100%	-	-
> 100% to 500%	-	-
> 500%	-	-
Deductions from Tier 1 and Tier 2 Capital	-	-
Total	176	35

Specialised Lending Exposures under Supervisory Slotting Criteria

Specialised lending exposures include project and object financing.

	EAD RM million	Average Risk Weight
Strong	-	0%
Good	-	0%
Satisfactory	179	122%
Weak	-	0%
Default	-	NA
Total	179	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%	623	18%
> 0.05 to 0.5%	18,502	47%
> 0.5 to 2.5%	27,436	96%
> 2.5 to 9%	6,987	140%
> 9%	975	195%
Default	618	NA
Total	55,141	85%

Bank Exposures

PD Range	EAD RM million	Average Risk Weight
up to 0.05%	6,668	12%
> 0.05 to 0.5%	4,030	24%
> 0.5 to 2.5%	91	64%
> 2.5 to 9%	-	NA
> 9%	#	217%
Default	-	NA
Total	10,789	17%

"#" 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%	11,985	1,574	9%	6%
> 0.5 to 3%	5,988	310	12%	18%
> 3 to 10%	372	47	13%	51%
> 10%	1,049	9	11%	63%
100%	455	12	15%	46%
Total	19,849	1,952	10%	14%

Qualifying Revolving Retail Exposures

	EAD	Undrawn Commitment	EAD Weighted Average	
PD Range	RM million	RM million	LGD	Risk Weight
up to 0.5%	1,487	2,124	76%	10%
> 0.5 to 3%	367	247	65%	38%
> 3 to 10%	87	23	75%	128%
> 10%	33	12	78%	216%
100%	3	-	75%	0%
Total	1,977	2,406	74%	24%

Other Retail - Small Business Exposures

	EAD	Undrawn Commitment	EAD Weighted Average	
PD Range	RM million	RM million	LGD	Risk Weight
up to 0.5%	5,337	1,597	34%	18%
> 0.5 to 3%	2,299	159	40%	49%
> 3 to 10%	345	11	41%	66%
> 10%	803	41	40%	86%
100%	220	4	49%	89%
Total	9,004	1,812	36%	36%

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	328	-	-
Sovereign & Central Bank	298	-	-
Public Sector Entities	-	-	2,345
Retail	2	-	-
Others	595	-	-
Total	1,223	-	2,345
Foundation IRB Approach			
Corporate	941	9,029	364
Bank	716	-	-
Total	1,657	9,029	364

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

	RM million
Replacement Cost	1,075
Potential Future Exposure	2,662
Less: Effects of Netting	1,310
EAD under Current Exposure Method	2,427
Analysed by type:	
Foreign Exchange Contracts	1,602
Interest Rate Contracts	640
Equity Contracts	186
Gold and Precious Metals Contracts	-
Other Commodities Contracts	-
Credit Derivative Contracts	-
Less: Eligible Financial Collateral	223
Net Derivatives Credit Exposure	2,205

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	676	676
Total	676	676

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

	<u>Gross Exposure</u>		Risk Weighted	Min. Capital
	Long Position	Short Position	Assets	Requirement
	RM million	RM million	RM million	RM million
Interest Rate Risk	320	174	3,092	247
Foreign Currency Risk	269	457	457	37
Equity Risk	1	31	128	10
Commodity Risk	-	-	-	-
Inventory Risk	-	-	-	-
Options Risk	-	-	215	17
Total	590	662	3,892	311

EQUITY EXPOSURES

Equity exposures comprised investments in quoted and unquoted equity instruments. The Group's holding of unquoted equity instruments was mainly held for social-economic purpose.

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 2026.

Carrying Value of Equity Exposures

	RM million
Quoted equity exposure - Fair value through profit or loss ("FVTPL")	-
Unquoted equity exposure - Fair value through other comprehensive income ("FVOCI")	115
Quoted equity exposure - Associates	-
Unquoted equity exposure - Associates	-
Total	115

Realised and Unrealised Gains and Losses

	RM million
Gains/(losses) from disposal of equities	-
Unrealised gains/(losses) included in fair value reserve	102
Total	102

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 MYR146.1million, or approximately +14.8% of reported net interest income. The corresponding impact from a 100 bps decrease is an estimated reduction of MYR270.6 million in net interest income, or approximately -27.5% of reported net interest income.

Liquidity Coverage Ratio

OCBC Bank (M) Berhad Group is subject to the Liquidity Coverage Ratio (“LCR”) requirements under BNM Liquidity Coverage Ratio policy. Starting from 1 January 2019, the Group 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 the Group 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 LCRs for the Group and Conventional entity were 144% and 143%, respectively. Compared with 2025, the Group’s all-currency LCR decreased by 10 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 interbank borrowings and wholesale deposits. The Conventional entity’s all-currency LCR decreased by 8 percentage points, mainly due to the same drivers as those for the Group.

The Group continues to focus on acquiring stable deposits and maintaining a mix of HQLA comprising mainly Level 1 central bank reserves and liquid sovereign bonds. The Asset & Liability Management Desk within Global Markets manages the day-to-day liquidity needs of the Group and its entities and is subject to liquidity limits and triggers that serve as risk controls for the Group’s liquidity exposure.

Net Stable Funding Ratio

OCBC Bank (M) Berhad Group is subjected to Net Stable Funding Ratio (“NSFR”) requirements under the BNM Net Stable Funding Ratio policy. Starting from 1 July 2020, the Group is required to maintain all-currency NSFR of at least 100% on an ongoing basis.

NSFR ensures that the Group maintains a stable funding profile in relation to the composition of its assets and off-balance sheet activities. It aims to promote resilience over a longer time horizon by funding its activities with stable sources of funding on an ongoing basis.

The following semi-annual disclosures are made pursuant to the BNM Liquidity Risk Policy issued on 15 October 2024.

As at 30 Jun 2026, the all-currency NSFR for the Group was 113%. Compared to 31 Dec 2025, the all-currency NSFR for Group decreased by 2 percentage points due to an increase in required stable funding (“RSF”) from customer loans, partially offset by an increase in available stable funding (“ASF”) from customer deposits and a decrease in RSF from debt instruments.

The Group continues to maintain a stable funding structure to support its asset growth. Funding strategies have been put in place to provide effective diversification and stability in funding sources across tenors, products and geographies. Liquidity limits and triggers serve as risk controls on the Group’s funding and liquidity exposure.