Deutsche Bank (Malaysia) Berhad

Company Registration No. 199401026871 (312552-W)
(Incorporated in Malaysia)

and its subsidiaries

Unaudited Condensed Interim Financial Statements for the Financial Period ended 30 June 2026

Domiciled in Malaysia
Registered office:
Level 19, Menara IMC No. 8 Jalan Sultan Ismail 50250 Kuala Lumpur

Consolidated Statements of Financial Position
As at 30 June 2026 - Unaudited

	Note	Group		Bank	
		30 June 2026 RM'000	31 December 2025 RM'000	30 June 2026 RM'000	31 December 2025 RM'000
Assets					
Cash and short-term funds	12.1	2,773,636	1,984,452	2,773,636	1,984,452
Deposits and placements with banks and other financial institutions	12.2	-	244,995	-	244,995
Reverse repurchase agreements		181,146	287,043	181,146	287,043
Financial securities measured at FVTPL	13	2,370,019	2,648,395	2,370,019	2,648,395
Financial securities measured at FVOCI	14	2,332,731	2,249,083	2,332,731	2,249,083
Loans, advances and financing	15	1,928,830	1,509,055	1,928,830	1,509,055
Derivative assets		1,310,912	1,068,005	1,310,912	1,068,005
Other assets	16	860,085	667,141	860,085	667,141
Statutory deposit with Bank Negara Malaysia		10,000	10,000	10,000	10,000
Investments in subsidiary companies		-	-	20	20
Property and equipment		2,993	4,340	2,993	4,340
Right-of-use assets		1,202	1,894	1,202	1,894
Deferred tax asset		5,128	-	5,128	-
Total assets		11,776,682	10,674,403	11,776,702	10,674,423
Liabilities and equity					
Deposits from customers	17	6,342,516	4,968,987	6,342,536	4,969,007
Deposits and placements of banks and other financial institutions	18	1,285,315	1,270,911	1,285,315	1,270,911
Repurchase agreement		-	301,977	-	301,977
Derivative liabilities		960,084	1,013,058	960,084	1,013,058
Other liabilities	19	1,169,701	1,210,115	1,169,701	1,210,115
Dividend Payable		180,738	-	180,738	-
Tax payable		19,774	8,049	19,774	8,049
Lease liabilities		1,251	1,952	1,251	1,952
Deferred tax liabilities		-	177	-	177
Total liabilities		9,959,379	8,775,226	9,959,399	8,775,246
Equity					
Share capital		531,362	531,362	531,362	531,362
Reserves		1,285,941	1,367,815	1,285,941	1,367,815
Total equity attributable to owner of the Bank		1,817,303	1,899,177	1,817,303	1,899,177
Total liabilities and equity		11,776,682	10,674,403	11,776,702	10,674,423
Commitments and contingencies	27	194,843,200	159,984,129	194,843,200	159,984,129

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2025.

Consolidated Statements of Profit or Loss and Other Comprehensive Income
For The Financial Period Ended 30 June 2026 - Unaudited

		Group and Bank			
		Half-year ended		Three months ended	
	Note	30 June 2026 RM'000	30 June 2025 RM'000	30 June 2026 RM'000	30 June 2025 RM'000
Interest income	20	158,518	169,475	81,658	84,752
Interest expense	21	(53,669)	(54,853)	(27,421)	(29,384)
Net interest income		104,849	114,622	54,237	55,368
Net income from Islamic Banking Operations	29	2,651	2,634	1,397	1,416
Non-interest income	22	118,420	153,833	50,429	96,472
Operating income		225,920	271,089	106,063	153,256
Other operating expenses	23	(82,972)	(91,366)	(39,436)	(47,668)
Operating profit		142,948	179,723	66,627	105,588
Write-back of expected credit losses	24	370	2,203	150	1,261
Profit before tax		143,318	181,926	66,777	106,849
Tax expense		(35,897)	(44,013)	(16,986)	(25,683)
Net profit for the period		107,421	137,913	49,791	81,166
Other comprehensive income/(loss):					
Items that are or may be reclassified subsequently to profit or loss					
Net change in fair value on debt securities measured at FVOCI		(11,278)	19,338	766	16,278
Net changes in ECL reserves		19	(567)	12	(554)
Income tax effect		2,702	(4,505)	(186)	(3,774)
Total other comprehensive (loss)/income for the period		(8,557)	14,266	592	11,950
Total comprehensive income for the period		98,864	152,179	50,383	93,116
Earnings per share (sen)		61.9 sen	79.4 sen	28.7 sen	46.8 sen

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2025.

Consolidated Statements Of Changes In Equity
For The Financial Period Ended 30 June 2026

	← Attributable to owner of the Bank					→
		Non-distributable		Distributable		
Group and Bank	Share capital	Other reserves	ECL reserves	Retained earnings	Total reserves	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2026	531,362	71,941	197	1,295,677	1,367,815	1,899,177
Total comprehensive (loss)/income for the period	-	(8,571)	14	107,421	98,864	98,864
Dividend declared	-	-	-	(180,738)	(180,738)	(180,738)
At 30 June 2026	531,362	63,370	211	1,222,360	1,285,941	1,817,303
At 1 January 2025	531,362	59,249	632	1,340,014	1,399,895	1,931,257
Total comprehensive income/(loss) for the period	-	14,697	(431)	137,913	152,179	152,179
Dividend declared	-	-	-	(225,075)	(225,075)	(225,075)
At 30 June 2025	531,362	73,946	201	1,252,852	1,326,999	1,858,361

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2025.

Condensed Consolidated Statements Of Cash Flows
For The Financial Period Ended 30 June 2026

	Group and Bank	
	30 June 2026 RM'000	30 June 2025 RM'000
Profit before tax	143,318	181,926
Adjustments for non-operating and non-cash items	(277,874)	182,559
Operating (loss)/profit before working capital changes	(134,556)	364,485
Changes in working capital:		
Net changes in operating assets	(2,942,916)	(3,361,033)
Net changes in operating liabilities	3,649,198	3,418,759
Income tax paid	(26,775)	(30,771)
Net cash generated from operations	544,951	391,440
Cash flows from investing activities:		
Dividend received	45	45
Purchase of property and equipment	(79)	-
Net cash (used in)/generated from investing activities	(34)	45
Cash flows from financing activities:		
Payment of lease liabilities	(732)	(732)
Net cash used in financing activities	(732)	(732)
Net increase in cash and cash equivalents	544,185	390,753
Cash and cash equivalents at beginning of the period	2,229,469	3,056,660
Cash and cash equivalents at end of the period	2,773,654	3,447,413
Analysis of cash and cash equivalents:		
Cash and short-term funds	2,773,654	3,447,413
Cash and cash equivalents at the end of the period	2,773,654	3,447,413

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2025.

Explanatory Notes to the Interim Financial Statements
for the Financial Period Ended 30 June 2026

1. Basis of preparation

The unaudited interim financial statements for the financial period ended 30 June 2026 have been prepared under the historical cost convention except for reverse repurchase agreements, financial securities and derivative financial instruments which are stated at fair values.

The unaudited interim financial statements have been prepared in accordance with MFRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"). The unaudited interim financial statements should be read in conjunction with the audited annual financial statements for the Group and the Bank for the financial year ended 31 December 2025. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the year ended 31 December 2025.

The unaudited interim financial statements incorporated those activities relating to the Islamic banking business. Islamic banking business refers generally to the acceptance of deposits under the principles of Shariah.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2025, except for the adoption of the following MFRS Accounting Standards ("MFRS"), Amendments to MFRSs and IC Interpretation that have been issued by the MASB:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements — Volume 11:
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 10, *Consolidated Financial Statements*
  - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

The following are financial reporting standards, amendments and interpretations that have been issued by the MASB but have not been adopted by the Group and the Bank:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- Amendments to MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effect of Changes in Foreign Exchange Rates - Translation to a Hyperinflationary Presentation Currency*

1. Basis of preparation (continued)

MFRS Accounting Standards, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Bank plan to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

– from the annual period beginning on 1 January 2027 for the amendments, that is effective for annual periods beginning on or after 1 January 2027.

The initial application of the accounting standards, amendments and interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Bank.

2. Audit Report

The audit report on the audited annual financial statements of the Group and the Bank for the financial year ended 31 December 2025 was not subject to any qualification.

3. Seasonality or Cyclicality of Operations

The business operations of the Group and the Bank are not subject to material seasonal or cyclical fluctuations.

4. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group and of the Bank for the financial period ended 30 June 2026.

5. Changes in Estimates

There were no significant changes in estimates of amounts reported in prior financial years that have a material effect on the financial results and position of the Group and the Bank for the financial period ended 30 June 2026.

6. Issuance and Repayment of Debt and Equity Securities

There were no issuance and repayment of debt and equity securities during the financial period ended 30 June 2026.

7. Dividend Paid

No dividend was paid during the financial period ended 30 June 2026. The final dividend recommended by the Directors in respect of the financial year ended 31 December 2025 is 104.1 sen per ordinary share totalling RM180,738,000.

8. Material Events

There were no material events subsequent to the reporting date that require adjustments to the unaudited condensed interim financial statements.

9. Changes in the composition of the Group

There were no changes in the composition of the Group for the financial period ended 30 June 2026.

10. Review of Performance

The Bank recorded profit before tax for the financial period ended 30 June 2026 of RM143.3 million compared to RM181.9 million for the previous corresponding period. Operating income decreased by RM45.2 million (-16.7%) from RM271.1 million to RM225.9 million, mainly attributed to lower non-interest income by RM35.4 million (-23.0%) to RM118.4 million against RM153.8 million in the previous corresponding period. Net interest income decreased by RM9.8 million (-8.5%) from RM114.6 million to RM104.8 million.

Total assets registered an increase of RM1.1 billion (+10.3%) from RM10.7 billion as at 31 December 2025 to RM11.8 billion as at 30 June 2026. The Bank's total common equity tier 1 ratio and total capital ratio remained strong at 15.845% and 16.289%, respectively.

11. Prospects

Looking ahead to the remainder of FY2026, the global economic environment is expected to remain resilient despite ongoing geopolitical and policy uncertainties. Economic activity continues to be supported by investment in digitalisation, artificial intelligence and technology-related infrastructure, while fiscal spending remains supportive across major economies. Although market volatility may persist amid inflation and monetary policy uncertainty, global growth expectations have stabilised following stronger-than-expected economic performance in the first half of the year.

In the United States, growth is expected to remain supported by resilient domestic demand, fiscal stimulus and continued investment in artificial intelligence and related technologies. While inflation remains above long-term targets, labour market conditions remain broadly stable. Interest rate developments, trade policies and geopolitical events continue to be key factors shaping the economic outlook.

In the Eurozone, growth conditions remain comparatively subdued, reflecting weaker external demand and the effects of higher energy costs. Nevertheless, fiscal measures, infrastructure investment and a gradual recovery in activity are expected to provide support over the medium term, although the region remains vulnerable to external shocks and geopolitical developments.

Malaysia's economic outlook remains favourable, supported by stronger-than-expected first-half performance, resilient domestic demand, sustained foreign direct investment inflows and continued expansion in technology and semiconductor-related sectors. Growth is expected to be supported by private consumption, investment activity, tourism recovery and regional supply-chain diversification, while ongoing digitalisation and institutional reforms should strengthen medium-term prospects. Nevertheless, risks remain from global financial market volatility, policy uncertainty and weaker external demand. Overall, Malaysia remains well-positioned to sustain growth momentum through the second half of FY2026.

12. Cash and cash equivalents

12.1 Cash and short-term funds

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Cash and balances with banks and other financial institutions	370,794	390,023
Money at call and deposit placements maturing within one month	2,402,860	1,594,446
	2,773,654	1,984,469
Expected credit losses on cash and cash equivalents		
• Stage 1 – 12-month ECL	(18)	(17)
	2,773,636	1,984,452

12.2 Deposits and placements with banks and other financial institutions

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Other financial institutions - cash and cash equivalents	-	245,000
Expected credit losses on cash and cash equivalents		
• Stage 1 – 12-month ECL	-	(5)
	-	244,995

12. Cash and cash equivalents (continued)

The following table shows reconciliations from the opening to the closing balance of the expected credit losses for cash and cash equivalents.

Group and Bank	2026 12-month ECL RM'000	2026 Lifetime ECL not credit - impaired RM'000	2026 Lifetime ECL credit - impaired RM'000	2026 Total RM'000	2025 12-month ECL RM'000	2025 Lifetime ECL not credit - impaired RM'000	2025 Lifetime ECL credit - impaired RM'000	2025 Total RM'000
Cash and cash equivalents								
Balance at 1 January	22	-	-	22	24	-	-	24
Net remeasurement of expected credit losses	-	-	-	-	-	-	-	-
New financial assets originated or purchased	1	-	-	1	7	-	-	7
Financial assets that have been derecognised	(5)	-	-	(5)	(9)	-	-	(9)
Balance at 30 June / 31 December	18	-	-	18	22	-	-	22

13. Financial securities measured at FVTPL

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Debt securities at FVTPL		
Malaysian Government Securities	855,133	1,503,500
Malaysian Islamic Treasury Bills	292,488	9,975
Malaysian Investment Issue	759,545	874,871
Cagamas bonds	259,826	260,049
Bank Negara Malaysia Bills	203,027	-
	2,370,019	2,648,395

14. Financial securities measured at FVOCI

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Debt securities at FVOCI		
Malaysian Government Securities	1,060,946	969,610
Malaysian Investment Issue	1,256,692	1,264,380
	2,317,638	2,233,990
Equity investments at FVOCI		
Unquoted shares in Malaysia	15,093	15,093
	2,332,731	2,249,083

14. Financial securities measured at FVOCI (continued)

The following table shows reconciliations from the opening to the closing balance of the expected credit losses for debt securities at FVOCI.

	2026				2025			
Group and Bank	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000
Debt securities at FVOCI								
Balance at 1 January	259	-	-	259	832	-	-	832
Net remeasurement of expected credit losses	19	-	-	19	(631)	-	-	(631)
New financial assets originated or purchased	-	-	-	-	86	-	-	86
Financial assets that have been derecognised	-	-	-	-	(28)	-	-	(28)
Balance at 30 June / 31 December	278	-	-	278	259	-	-	259

15. Loans, advances and financing

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
At amortised cost		
Overdrafts	131,099	87,429
Term loans - Housing loans	1,739	1,997
- Other term loans	1,342,052	1,052,378
Trust receipts	3,394	14,741
Claims on customers under acceptance credits	451,811	354,160
Gross loans, advances and financing	1,930,095	1,510,705
Expected credit losses	(1,265)	(1,650)
Net loans, advances and financing	1,928,830	1,509,055

15. Loans, advances and financing (continued)

The following table shows reconciliations from the opening to the closing balance of the expected credit losses for loans, advances and financing.

Group and Bank	2026				2025			
	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000	12-month ECL RM'000	Lifetime ECL not credit - impaired RM'000	Lifetime ECL credit - impaired RM'000	Total RM'000
Loans, advances and financing at amortised cost								
Balance at 1 January	708	434	508	1,650	1,018	1,542	733	3,293
Transfer to 12-month ECL	421	(413)	(8)	-	43	(21)	(22)	-
Transfer to lifetime ECL not credit- impaired	-	-	-	-	(2)	2	-	-
Transfer to lifetime ECL credit-impaired	-	-	-	-	(24)	-	24	-
Net remeasurement of loss allowance	(295)	(3)	(137)	(435)	(65)	3	(227)	(289)
New financial assets originated or purchased	174	39	-	213	181	421	-	602
Financial assets that have been derecognised	(154)	(9)	-	(163)	(443)	(1,513)	-	(1,956)
Balance at 30 June /31 December*	854	48	363	1,265	708	434	508	1,650

* The loss allowance in this table includes ECL on loan commitments and financial guarantees of RM600,000 (31 December 2025: RM745,000) as at the reporting date.

15. Loans, advances and financing (continued)

The maturity structure of gross loans, advances and financing are as follows:

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Maturing within one year	1,658,468	1,241,242
More than one year and three years	271,014	268,779
More than three years to five years	139	186
Over five years	474	498
	1,930,095	1,510,705

Gross loans, advances and financing analysed by type of customers are as follows:

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Domestic non-bank financial institutions	621,487	290,877
Domestic business enterprises	1,182,444	1,126,138
Government and statutory bodies	124,425	91,693
Individuals	1,739	1,997
	1,930,095	1,510,705

Gross loans, advances and financing analysed by interest/profit rate sensitivity are as follows:

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Fixed rate		
- Other fixed rate loan/financing	106,255	106,271
Variable rate		
- Base lending rate plus	63,587	73,294
- Cost plus	1,756,607	1,316,027
- Other variable rates	3,646	15,113
	1,930,095	1,510,705

15. Loans, advances and financing (continued)

Gross loans, advances and financing analysed by geographical distribution are as follows:

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Malaysia	1,930,095	1,510,705

Gross loans, advances and financing analysed by economic sector are as follows:

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Primary agriculture	101,239	101,254
Manufacturing	462,704	494,932
Construction	44,912	47,717
Wholesale & retail trade and restaurants & hotels	473,028	353,544
Transport, storage and communication	55,544	33,208
Finance, insurance and business services	666,504	386,360
Education, health and others	124,425	91,693
Household	1,739	1,997
	1,930,095	1,510,705

Movements in impaired loans, advances and financing are as follows:

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Balance at 1 January	1,351	1,576
Classified as impaired during the period/year	30,114	134
Reclassified as non-impaired during the period/year	(59)	(170)
Amounts recovered	(95)	(189)
At 30 June 2026/31 December 2025	31,311	1,351
Gross impaired loans as a percentage of gross loans, advances and financing	1.62%	0.09%

Impaired loans, advances and financing analysed by economic sector and geographical distribution are as follows:

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Household (Malaysia)	1,239	1,351
Manufacturing (Malaysia)	30,072	-
	31,311	1,351

16. Other assets

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Interest/Income receivable	46,648	54,406
Margin placed with futures exchange	36,471	35,135
Securities receivable	320,333	107,052
Collateral deposits placed with counterparty financial institutions	189,178	350,467
Amount due from intercompanies	29,864	28,365
Other debtors, deposits and prepayments	237,591	91,716
	860,085	667,141

17. Deposits from customers

	Group		Bank	
	30 June 2026 RM'000	31 December 2025 RM'000	30 June 2026 RM'000	31 December 2025 RM'000
Demand deposits	5,293,428	4,218,551	5,293,448	4,218,571
Fixed deposits	894,088	646,436	894,088	646,436
Other deposits	155,000	104,000	155,000	104,000
	6,342,516	4,968,987	6,342,536	4,969,007

The maturity structure of fixed deposits and other deposits are as follows:

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Due within six months	1,044,558	749,736
More than six months to one year	4,530	700
	1,049,088	750,436

The deposits are sourced from the following types of customers:

	Group		Bank	
	30 June 2026 RM'000	31 December 2025 RM'000	30 June 2026 RM'000	31 December 2025 RM'000
Business enterprises	5,392,256	4,309,941	5,392,276	4,309,961
Foreign customers	169,096	70,282	169,096	70,282
Domestic non-bank financial institutions	781,164	588,764	781,164	588,764
	6,342,516	4,968,987	6,342,536	4,969,007

18. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Other financial institutions	1,285,315	1,270,911

19. Other liabilities

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Interest payable	4,434	3,987
Bills payable	1,330	1,063
Employee benefits	20,825	26,484
Collateral deposits received from counterparties	433,123	664,207
Regulated short-selling activities	179,582	208,778
Securities payable	394,640	144,835
Amount due to intercompanies	45,332	36,657
Other liabilities	90,435	124,104
	1,169,701	1,210,115

20. Interest income

	Group and Bank			
	Half-year ended		Three months ended	
	30 June 2026 RM'000	30 June 2025 RM'000	30 June 2026 RM'000	30 June 2025 RM'000
Loans, advances and financing	44,745	41,919	23,476	22,571
Money at call and deposit placements with financial institutions	23,508	38,321	11,195	19,318
Reverse repurchase agreements	3,855	2,766	1,741	784
Financial securities				
- measured at FVTPL	45,006	49,346	24,199	23,198
- measured at FVOCI	40,669	36,504	20,658	18,476
Other interest income	735	619	389	405
	158,518	169,475	81,658	84,752
Interest on credit-impaired assets included in interest income of loans, advances and financing	84	18	78	2

21. Interest expense

	Group and Bank			
	Half-year ended		Three months ended	
	30 June 2026 RM'000	30 June 2025 RM'000	30 June 2026 RM'000	30 June 2025 RM'000
Deposits and placements of banks and other financial institutions	14,895	17,620	7,718	9,774
Deposits from customers	36,682	36,403	18,594	19,346
Repurchase agreements	2,040	710	1,111	175
Interest expense on lease liabilities	31	58	14	27
Other interest expense	21	62	(16)	62
	53,669	54,853	27,421	29,384

22. Non-interest income

	Group and Bank			
	Half-year ended		Three months ended	
	30 June 2026 RM'000	30 June 2025 RM'000	30 June 2026 RM'000	30 June 2025 RM'000
Fee income:				
Commissions	3,696	3,529	2,182	2,834
Service charges and fees	10,345	7,522	6,010	3,013
Guarantee fees	2,535	2,358	1,308	1,403
	16,576	13,409	9,500	7,250
Fee expense:				
Commissions	(2,371)	(2,291)	(1,236)	(1,046)
Service charges and fees	(2,136)	(1,892)	(1,074)	(959)
	(4,507)	(4,183)	(2,310)	(2,005)
Net fee income	12,069	9,226	7,190	5,245
Net gains/(losses) from financial instruments:				
Net (loss)/gain arising on financial securities:				
Realised (loss)/gain	(34)	14,188	(120)	13,377
Unrealised (loss)/gain	(7,756)	11,622	(1,168)	11,161
Net (loss)/gain arising on trading derivatives:				
Realised (loss)/gain	(38,931)	80,732	6,750	71,289
Unrealised gain/(loss)	287,363	(195,129)	332,920	(250,332)
Foreign exchange (loss)/gain	(135,845)	227,050	(292,887)	241,097
Gross dividend income	45	45	45	45
Other income:				
Other operating income/(loss), net				
Intercompany income	1,603	6,236	(2,207)	4,565
Plant and equipment written off	(85)	-	(85)	-
Others	(9)	(137)	(9)	25
	106,351	144,607	43,239	91,227
	118,420	153,833	50,429	96,472

23. Other operating expenses

	Group and Bank			
	Half-year ended		Three months ended	
	30 June 2026 RM'000	30 June 2025 RM'000	30 June 2026 RM'000	30 June 2025 RM'000
Personnel costs:				
Salaries, allowances and bonuses	32,847	27,508	14,690	13,933
Others	9,009	7,269	5,719	4,253
Establishment costs:				
Rental	267	223	133	112
Depreciation - property and equipment	1,341	551	720	(248)
Depreciation - right-of-use assets	692	692	346	346
Others	2,765	5,103	1,156	2,832
Marketing expenses	1,161	856	269	325
Administration and general expenses:				
Intercompany charges	31,111	45,117	14,119	23,983
Communication	268	217	170	(46)
Others	3,511	3,830	2,114	2,178
	82,972	91,366	39,436	47,668

The number of employees of the Group and the Bank at the end of the period was 222 (June 2025: 218).

24. Write-back of expected credit losses

	Group and Bank			
	Half-year ended		Three months ended	
	30 June 2026 RM'000	30 June 2025 RM'000	30 June 2026 RM'000	30 June 2025 RM'000
Write-back of/(Allowance for) expected credit losses				
- loans, advances and financing	385	1,632	153	701
- cash and cash equivalents	4	4	9	6
- debt securities at FVOCI	(19)	567	(12)	554
	370	2,203	150	1,261

25. Credit transactions and exposures with connected parties

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Outstanding credit exposures with connected parties	257,746	147,318
Of which:		
Total credit exposures which is non-performing	-	-
Total credit exposures	11,661,075	9,741,724
Percentage of outstanding credit exposures to connected parties		
- as a proportion of total credit exposures	2.21%	1.51%
- as a proportion of capital base	15.20%	7.81%
- which is non-performing	0%	0%

26. Capital adequacy

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Components of Tier 1 and Tier 2 capital are as follows:		
Tier 1 capital		
Paid-up share capital	531,362	531,362
Other disclosed reserves	18,370	26,941
Retained earnings	1,114,939	1,295,677
Less: Deferred tax assets	(5,128)	-
Less: Cumulative gains of FVOCI	(10,103)	(14,818)
Total common equity tier 1/Total tier 1 capital	1,649,440	1,839,162
Tier 2 capital		
Expected credit losses ("ECL")*	1,198	1,423
Regulatory reserve	45,000	45,000
Total capital base	1,695,638	1,885,585
Common equity tier 1/Tier 1 capital ratio	15.845%	21.116%
Total capital ratio	16.289%	21.649%

* Refers to ECL for Stage 1 and Stage 2.

26. Capital adequacy (continued)

The capital adequacy ratios of the Group and of the Bank are computed in accordance with Bank Negara Malaysia's Policy Document on Capital Adequacy Framework (Capital Components) and (Basel II – Risk-Weighted Assets) reissued on 14 June 2024 and 18 December 2023, respectively. The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy ratios before including capital conservation buffer and countercyclical capital buffer (CCyB) are 4.5% for CET1 Capital Ratio, 6.0% for Tier 1 Capital Ratio and 8.0% for Total Capital Ratio.

The capital conservation buffer required to be maintained in the form of CET1 Capital above the minimum regulatory capital adequacy ratios requirement is at 2.5%.

The CCyB which is in a range of between 0% and 2.5%, and not a requirement for exposure in Malaysia yet but may be applied by regulators in the future.

The breakdown of risk-weighted assets ("RWA") by each major risk category is as follows:

Risk Type	Risk-Weighted Assets	
	30 June 2026 RM'000	31 December 2025 RM'000
1. Credit risk	5,236,492	4,211,345
2. Market risk	2,864,653	2,450,382
3. Operational risk	2,308,766	2,048,241
Total	10,409,911	8,709,968

27. Commitments and contingencies

The off-balance sheet exposures and their related counterparty credit risk of the Group and of the Bank are as follows:

Group and Bank 30 June 2026	Principal Amount	Credit Equivalent Amount	Risk-Weighted Assets
	RM'000	RM'000	RM'000
Contingent liabilities			
Direct credit substitutes	-	-	-
Transaction related contingent items	775,843	387,922	346,199
Short-term self liquidating trade related contingencies	286,681	57,336	52,715
Commitments			
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	826,421	413,211	413,165
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	3,554,081	710,816	704,416
Any commitments that are unconditionally cancelled at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	-	-	-
Derivative financial instruments			
Foreign exchange related contracts			
One year or less	20,982,939	588,830	306,373
Over one year to five years	1,394,883	112,331	104,196
Over five years	-	-	-
Interest/profit rate related contracts			
One year or less	55,000	91	91
Over one year to five years	213,663	4,463	2,258
Over five years	-	-	-
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements			
- Foreign exchange related contracts	79,701,509	1,152,746	290,415
- Interest/profit rate related contracts	86,052,180	737,718	241,634
- Credit derivative contracts	-	-	-
Total	193,843,200	4,165,464	2,461,462

27. Commitments and contingencies (continued)

The off-balance sheet exposures and their related counterparty credit risk of the Group and of the Bank are as follows (continued):

Group and Bank 31 December 2025	Principal Amount	Credit Equivalent Amount	Risk-Weighted Assets
	RM'000	RM'000	RM'000
Contingent liabilities			
Direct credit substitutes	-	-	-
Transaction related contingent items	736,726	368,363	341,102
Short-term self liquidating trade related contingencies	10,858	2,172	1,148
Commitments			
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	745,002	372,501	372,456
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	3,827,231	765,446	751,046
Any commitments that are unconditionally cancelled at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	-	-	-
Derivative financial instruments			
Foreign exchange related contracts			
One year or less	17,430,948	388,318	270,906
Over one year to five years	501,346	33,678	33,678
Over five years	246,900	28,641	28,641
Interest/profit rate related contracts			
One year or less	195,000	713	713
Over one year to five years	148,663	2,879	1,874
Over five years	-	-	-
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements			
- Foreign exchange related contracts	60,849,198	1,015,518	190,703
- Interest/profit rate related contracts	75,292,257	713,922	210,395
Total	159,984,129	3,692,151	2,202,662

28. Significant Events

Material Litigation

<u>1Malaysia Development Berhad and Deutsche Bank (Malaysia) Berhad</u>

On 7.5.2021, 1Malaysia Development Berhad ("1MDB") commenced proceedings by way of writ of summons and statement of claim for the payment of the sum of USD1,110,000,000 or such other sum the Court may order. 1MDB is also seeking interest on the sums that may be ordered by the Court.

1MDB alleges that between 30.9.2009 to 27.5.2011, DBMB had performed 3 foreign exchange transactions totalling USD1,110,000,000 ("Transactions") in breach of contract and/or negligence and/or under a dishonest assistance in favour of various individuals not acting in the interest of 1MDB. At a hearing on 11.7.2025, the Court declined DBMB's application for summary dismissal on time-bar grounds, ruling that the issue requires a full trial which is currently scheduled for December 2026.

DBMB is of the view that DBMB has a good legal position to defend against 1MDB's claims and has filed its Defence on 8.9.2021.

The proceedings by 1MDB will not have any impact on the operation of DBMB.

29. The operations of Islamic Banking

Statement of Financial Position
As at 30 June 2026 – Unaudited

	Note	Group and Bank 30 June 2026 RM'000	Group and Bank 31 December 2025 RM'000
Assets			
Cash and short-term funds	(a)	247,672	190,812
Advances and financing	(b)	15,308	-
Other assets		18	14
Total assets		262,998	190,826
Liabilities and Islamic Banking funds			
Deposits from customers	(c)	223,577	152,755
Other liabilities	(d)	14	14
Dividend payable		3,755	-
Bills payable to residents		6	-
Tax payable		607	1,186
Total liabilities		227,959	153,955
Capital funds		25,000	25,000
Reserves		10,039	11,871
Islamic Banking funds		35,039	36,871
Total liabilities and Islamic Banking funds		262,998	190,826
Commitments and contingencies		-	-

29. The operations of Islamic Banking (continued)

Statement Of Profit or Loss and Other Comprehensive Income
For The Financial Period Ended 30 June 2026 - Unaudited

		Group and Bank			
		Half-year ended		Three months ended	
	Note	30 June 2026 RM'000	30 June 2025 RM'000	30 June 2026 RM'000	30 June 2025 RM'000
Income derived from investment of Islamic funds	(e)	2,651	2,634	1,397	1,416
Total net income		2,651	2,634	1,397	1,416
Other operating expenses		(121)	(120)	(64)	(60)
Operating profit		2,530	2,514	1,333	1,356
Write-back of expected credit losses		-	1	-	1
Profit before tax		2,530	2,515	1,333	1,357
Tax expense		(607)	(604)	(320)	(326)
Profit for the period		1,923	1,911	1,013	1,031
Other comprehensive income:					
Movement in fair value reserve (debt securities):					
Net change in fair value		-	-	-	-
Net amount transferred to profit or loss		-	-	-	-
Income tax effect relating to component of other comprehensive income		-	-	-	-
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		1,923	1,911	1,013	1,031

29. The operations of Islamic Banking (continued)

Statement Of Changes In Islamic Banking Funds
For The Financial Period Ended 30 June 2026

Group and Bank	Capital funds	Other reserve	Retained earnings	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2026	25,000	-	11,871	36,871
Total comprehensive income for the period	-	-	1,923	1,923
Dividend declared	-	-	(3,755)	(3,755)
At 30 June 2026	25,000	-	10,039	35,039
At 1 January 2025	25,000	-	11,750	36,750
Total comprehensive income for the period	-	-	1,911	1,911
Dividend declared	-	-	(3,634)	(3,634)
At 30 June 2025	25,000	-	10,027	35,027

29. The operations of Islamic Banking (continued)

Statement Of Cash Flows
For The Financial Period Ended 30 June 2026

	Group and Bank	
	30 June 2026 RM'000	30 June 2025 RM'000
Cash flows from operating activities		
Profit before taxation	2,530	2,515
Adjustments for non-operating and non-cash items	-	(1)
Operating profit before working capital changes	2,530	2,514
Changes in working capital:		
Net changes in operating assets	(15,312)	7
Net changes in operating liabilities	70,828	(71,027)
Income taxes paid	(1,186)	(1,148)
Net cash generated from/(used in) from operations	56,860	(69,654)
Net increase/(decrease) in cash and cash equivalents	56,860	(69,654)
Cash and cash equivalents at beginning of period	190,812	344,630
Cash and cash equivalents at end of period	247,672	274,976
Analysis of cash and cash equivalents:		
Cash and short-term funds	247,672	274,976

29. The operations of Islamic Banking (continued)

Shariah Committee

The Shariah Committee was established under BNM's "Policy Document on the Governance of Shariah Committee for the Islamic Financial Institutions" (BNM/GPS1) to advise the Board of Directors on Shariah matters in its Islamic business operations and to provide technical assistance in ensuring the Islamic banking products and services offered by the Bank and the relevant documentation are in compliance with Shariah principles.

The Shariah Committee comprises of Dr Uzaimah binti Ibrahim, Puan Zarinah binti Mohd Yusoff and Encik Ahamad Firdaus bin Kadir.

Basis of measurement

The financial statements of the Islamic banking business have been prepared on the basis consistent with that of the Group and of the Bank as disclosed in Note 1 to the financial statements of the Group and of the Bank.

(a) Cash and short-term funds

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Cash and balances with banks and other financial institutions	247,672	190,812

(b) Advances and financing

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
At amortised cost		
Others	15,308	-

The maturity structure of gross financing and advances are as follows:

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Maturing within one year	15,308	-

29. The operations of Islamic Banking (continued)

(b) Advances and financing (continued)

Gross financing and advances analysed by type of customers are as follows:

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Domestic non-bank financial institutions	15,308	-

Gross financing and advances analysed by profit rate sensitivity are as follows:

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Variable rate		
- Cost plus	15,308	-

Gross financing and advances analysed by geographical distribution are as follows:

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Malaysia	15,308	-

Gross financing and advances analysed by economic sector are as follows:

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Finance, insurance and business services	15,308	-

(c) Deposits from customers

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Demand deposits	223,577	152,755

29. The operations of Islamic Banking (continued)

(d) Other liabilities

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Other liabilities	14	14

(e) Income derived from investment of Islamic banking funds

	Group and Bank			
	Half-year ended		Three months ended	
	30 June 2026 RM'000	30 June 2025 RM'000	30 June 2026 RM'000	30 June 2025 RM'000
Deposits or placement with BNM	3,157	3,267	1,638	1,730
Hibah on Qard Islamic Current Account	(530)	(654)	(253)	(324)
Other income	24	21	12	10
	2,651	2,634	1,397	1,416

29. The operations of Islamic Banking (continued)

(f) Capital adequacy

The capital adequacy ratios of the Islamic banking business of the Group and the Bank are computed in accordance with the Capital Adequacy Framework for Islamic Banks (CAFIB). The Bank's Islamic banking business has adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk.

Components of Tier I and Tier II Capital:

	Group and Bank	
	30 June 2026 RM'000	31 December 2025 RM'000
Components of Tier 1 and Tier 2 capital are as follows:		
Tier 1 capital		
Capital funds	25,000	25,000
Retained earnings	8,116	11,871
Total common equity tier 1/Total tier 1 capital	33,116	36,871
Total Tier 2 capital	-	-
Total capital base	33,116	36,871
Common equity tier 1/Tier 1 capital ratio	144.303%	488.616%
Total capital ratio	144.303%	488.616%

The breakdown of risk-weighted assets ("RWA") by each major risk category is as follows:

Risk Type	Risk-Weighted Assets	
	30 June 2026 RM'000	31 December 2025 RM'000
1. Credit risk	15,308	-
2. Market risk	-	-
3. Operational risk	7,641	7,546
Total	22,949	7,546