Deutsche Bank (Malaysia) Berhad
Company Registration No. 199401026871 (312552-W)
(Incorporated in Malaysia)
and its subsidiaries

Financial statements for the year ended 31 December 2024

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Statement of Corporate Governance 2024

Chief Executive Officer's ("CEO") Statement

Global financial conditions in 2024 were marked by moderated growth as central banks globally shifted toward gradual monetary easing in response to receding inflation. While supply chain disruptions had largely stabilised, persistent geopolitical risks, including prolonged conflicts in Europe and the Middle East and intensified trade restrictions between the U.S. and China, continued to strain investor confidence. The U.S. Federal Reserve reduced its benchmark interest rate by a total of 75 basis points between the second and fourth quarters of 2024, signaling cautious optimism that inflation was approaching its target despite stubbornly high service sector and wage inflation. Parallel easing measures were adopted by the European Central Bank and Bank of England to stimulate slowing economies and address recessionary concerns.

In Malaysia, the Monetary Policy Committee maintained the Overnight Policy Rate at 3.00% throughout 2024, prioritising economic stability amid mixed inflationary and growth trends. Inflation remained elevated in the first half of the year due to ongoing subsidy adjustments and currency fluctuations influenced by a strong United States dollar. However, easing global commodity prices in the latter half of 2024 provided relief, allowing policymakers to sustain accommodative conditions for growth. The economy exhibited steady resilience, supported by strong domestic consumption, recovering tourism, and resilient manufacturing exports. Nevertheless, external challenges, such as weakened demand from China and tighter global liquidity conditions, persisted as risks to Malaysia's economic outlook.

Despite challenging domestic and external environment, Deutsche Bank (Malaysia) Berhad ("the Bank") remained resilient and recorded income before taxes of RM298.1 million and net profit of RM225.1 million for the financial year ended 31 December 2024. This translates to earnings per share of 129.7 sen in 2024.

The Bank reported return on equity of 11.7% whilst liquidity profile continues to be strong with total deposits at RM6.7 billion. The Bank's Internal Capital Adequacy Assessment ("ICAAP") and the capitalisation level remains healthy and robust with total capital ratio and Tier 1 capital ratio reported at 24.35% and 23.74%, respectively, as at 31 December 2024.

CEO's Statement (continued)

Notable deals and Awards

Below are the awards won by the Bank in the year 2024:

- The Asset's Triple A Sustainable Investing Awards
  – Best Domestic Custodian
  – Best Subcustodian
  – Best Fund Administrator, Retail Funds
  – Best Subcustodian Mandate of the Year

- The Asset Corporate Cash Management and Trade Finance Awards
  – Client Solution Awards: Best Payments and Collections Solution

Bank Ratings

In July 2024, RAM Rating Services Berhad ("RAM") has upgraded the Bank's financial institution rating to AAA/P1 from AA1/P1, with outlook revised from positive to stable.

Business plan and strategy

Our objectives remain as a client focused organisation and building a global network of balanced businesses underpinned by strong capital and liquidity. We target to focus our business around core strengths, especially in foreign exchange, fixed income, interest rate derivatives, credit derivatives, structured transactions, money markets, repo, capital market instruments, cash management, securities services, trade finance and Islamic banking. We are committed to support our clients through highly challenging conditions, demonstrating our resilience with strong risk discipline and sound capital management.

The Bank stands firmly committed to Corporate Responsibility ("CR"). Over the course of the year, we continued to work with the Deutsche Bank Asia Foundation ("DBAF") to support local projects relating to education, corporate volunteering, sustainability and community development. We regard these CR initiatives as sustainable growth and investments in our own future.

CEO's Statement (continued)

Outlook

The global economy is positioned for moderate yet resilient growth in 2025 as inflationary pressures diminish and interest rates stabilise. Regional disparities are expected to continue where the United States may transition toward steadier post-pandemic growth, Europe could rebound from stagnation through strengthening consumer sentiment and industrial activity. Geopolitical risks remain significant in 2025, with changing trade policy, trade tensions between the United States and China, and instability in the Middle East posing threats to supply chains and commodity markets.

For Malaysia, while domestic subsidy rationalisation and structural reforms may continue to pose short-term inflationary pressures, these measures are expected to enhance fiscal resilience over time. The economy's upside potential remains anchored by robust employment trends underpinning consumer confidence, and global traction for Artificial Intelligence infrastructure and green technology. Inflation is projected to stabilise at manageable levels, with monetary policy likely maintaining a cautious stance to balance growth and price stability.

The Bank remains competitive with the solid frameworks around capital and liquidity management, risk controls and enhanced internal processes. We strive to deliver innovative and positive impacts towards the communities, including clients, investors, employees and society.

Dato' Yusof Annuar bin Yaacob
Chief Executive Officer

Board of Directors

Composition of the Board

As at 31 December 2024, the Board of the Bank comprised six Directors of which four were Independent Non-Executive Directors. The Board members were as follows:

Tunku Kecil Muda Tunku Mahmood Fawzy bin Tunku Muhiyiddin
(Resigned on 31 January 2025)
Chairman - Independent Non-Executive Director

Dato' Yusof Annuar bin Yaacob
Chief Executive Officer ("CEO") - Non-Independent Executive Director

Madam Koid Swee Lian
Independent Non-Executive Director

Mr. Chong Kin Leong
Independent Non-Executive Director

Mr. Seamus Toal
Non-Independent Executive Director

Datin Wan Daneena Liza binti Wan Abdullah Rahman
(Appointed on 20 November 2024)
Independent Non-Executive Director

Board of Directors (continued)

Key information and background of Directors

Tunku Kecil Muda Tunku Mahmood Fawzy bin Tunku Muhiyiddin

Tunku Kecil Muda Tunku Mahmood Fawzy bin Tunku Muhiyiddin was appointed to the Board of the Bank on 28 April 2016 and succeeded the role as non-executive Chairman of the Bank on 1 January 2017. He is also the Tunku Kecil Muda of Negeri Sembilan.

Tunku Kecil Muda Tunku Mahmood Fawzy received the Bachelor of Arts (Honours) Business Studies from the Polytechnic of Central London (now known as Westminster University), Masters in Business Administration from the University of Warwick, and the Diploma in Marketing from the Chartered Institute of Marketing. He is a chartered management accountant and a Chartered Institute of Management Accountants Fellow ("FCMA"). In addition, he is also a Fellow of the Institute of Corporate Directors Malaysia, Member of the Institute of Public Accountants (MIPA) and Life Member of the Malaysian Institute of Corporate Governance.

Tunku Kecil Muda Tunku Mahmood Fawzy currently serves as the chairman of EdgePoint Malaysia Holdings Sdn Bhd, in addition to serving as a board member of AIA General Berhad and Hong Leong Asset Management Berhad.

Tunku Kecil Muda Tunku Mahmood Fawzy was previously the chairman of Air Asia X Bhd, a board member of Hong Leong Assurance Berhad and Hong Leong MSIG Takaful Berhad, chairman of the Financial Services Professional Board, Senior Independent Director of Telekom Malaysia Berhad, a member of the board of Malaysia Airports Holdings Berhad, Hong Leong Islamic Bank Berhad, Pos Malaysia Berhad, SapuraKencana Petroleum Berhad / Kencana Petroleum Berhad, Ethos Capital One Sdn Berhad, Federation of Investment Managers Malaysia, Energy Africa Limited, and Engen Limited in South Africa.

Tunku Kecil Muda Tunku Mahmood Fawzy was formally an executive director (Investments) with Khazanah Nasional Berhad and chief executive officer / managing director of Engen Petroleum Limited in South Africa, in between the two previous roles he was CEO of MMM Bhd for a very short period. Prior to that, an executive director at PricewaterhouseCoopers ("PwC") and held a variety of senior, middle and junior executive positions at Tajo Bhd, Shell Malaysia Trading Sdn Bhd (with a cross posting to Shell New Zealand Limited).

Tunku Kecil Muda Tunku Mahmood Fawzy draws on a wealth of experience around strategy, governance, risk management, and cross border activity in banking and financial services, telecommunications, investment management and private equity activity, oil and gas, marine and aviation logistics, corporate advisory, across several international locations including the United Kingdom, New Zealand, South Africa and Malaysia.

Board of Directors (continued)

Key information and background of Directors (continued)

Dato' Yusof Annuar bin Yaacob

Dato' Yusof Annuar bin Yaacob ("Dato' Yusof") was appointed as Executive Director and Chief Executive Officer of the Bank on 20 February 2014. Dato' Yusof qualified from the Chartered Institute of Management Accountants.

Dato' Yusof has distinguished experience in the telecommunication industry and over 18 years of experiences in investment banking, financial management, accounting and corporate management of international firms.

Prior to joining the Bank, Dato' Yusof was the Managing Director and Chairman of the Investment Banking Division, Goldman Sachs Malaysia Sdn Bhd. Dato' Yusof held positions as Executive Director/Chief Financial Officer of Axiata Group Berhad and served as a Board Member of several public listed companies, both local and international.

Madam Koid Swee Lian

Madam Koid Swee Lian was appointed to the Board of the Bank on 7 December 2016. Madam Koid was a scholar of Bank Negara Malaysia ("BNM") to read law in the Law Faculty of the University of Malaya. She graduated with a Bachelor of Laws Degree in 1981 and was admitted to the Malaysia Bar in 1983. Madam Koid has been with BNM for more than 32.5 years until her retirement and she has served in various capacities including as Board member and CEO of BNM's Credit Counselling and Debt Exposure Management Agency ("AKPK"). She was previously a board member of Hong Leong Capital Berhad.

Madam Koid was appointed by the Securities Commission Malaysia as a Public Interest Director on the Board of The Federation of Investment Managers Malaysia and chaired one of its Board Committees until 5 August 2023. Her directorships in other companies include HLA Holdings Sdn Bhd, Genting Berhad and Hong Leong Assurance Berhad.

She was appointed as an advisor for the Consumer Financial Education Initiative of the Financial Planning Association of Malaysia from 1 August 2015 to 30 June 2019. She entered into a Service Agreement with the ICLIF Leadership and Governance Centre ("ICLIF") as a coach and facilitator for ICLIF's Programmes from 27 October 2017 to 31 December 2019.

Board of Directors (continued)

Key information and background of Directors (continued)

Mr. Chong Kin Leong

Mr. Chong Kin Leong was appointed to the Board of the Bank on 22 November 2021. Mr. Chong graduated with a Bachelor of Accounting (Hons) from University of Malaya, he is also a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants.

Mr. Chong has more than 40 years of experience in all aspects of financial and business management in the corporate sector, financial institutions and auditing. He started work with Peat Marwick Mitchell & Co. (now known as KPMG) in 1981. He joined Sime Darby Berhad in 1985 where he held various roles in the corporate head office and subsidiaries involved in manufacturing and marketing and plantations. Thereafter, he joined Rashid Hussain Berhad in 1993 and was promoted to Finance Director in 1995. In May 2003, he joined Genting Berhad as Executive Vice President - Finance/Chief Financial Officer until his retirement in December 2018.

Mr Chong currently sits on the board of AIA Public Takaful Bhd, AIA General Berhad, Press Metal Aluminium Holdings Berhad, Cagamas Holdings Berhad and The Community Chest.

Mr. Seamus Toal

Mr. Seamus Toal was appointed to the Board of the Bank on 27 July 2017. Mr. Toal is a graduate of the Columbia Senior Executive Program, a Fellow of the Institute of Bankers and Finance Singapore and a Fellow of the Association of Corporate Treasurers.

Mr. Toal started his career with National Westminster Bank in 1986 and moved on to various senior positions in Deutsche Bank Aktiengesellschaft, together with all its subsidiaries (hereafter collectively referred to as "Deutsche Bank Group") across various regions. Mr. Toal has more than 30 years of experience in the banking industry. He is currently the Managing Director/ Chief Risk Officer Asia Pacific of Deutsche Bank Group with oversight across all risk categories, credit, market, liquidity, operational and information and resilience and is responsible for implementation of risk strategies, vision, policies and direction.

Board of Directors (continued)

Key information and background of Directors (continued)

Datin Wan Daneena Liza binti Wan Abdullah Rahman

Datin Wan Daneena Liza Binti Wan Abdul Rahman ("Datin Wan Daneena") was appointed to the Board of the Bank on 20 November 2024. Datin Wan Daneena holds a Bachelor of Science in Economics and Accounting (1st Class Honours) from the University of Bristol, United Kingdom and is a Member of the Institute of Chartered Accountants in England and Wales ("ICAEW"), and a Member of the Malaysian Institute of Accountants ("MIA"). She was a senior partner in the Financial Services Assurance practice of Ernst & Young, Malaysia until September 2022. After completing her undergraduate degree, she began her career as an auditor at KPMG London in September 1996, serving the Information, Communication and Entertainment industry ("ICE Group"). She qualified as a professional chartered accountant with ICAEW in December 1999 and returned to Malaysia in August 2002 as an Audit Manager in the Financial Services Assurance Group of Ernst & Young Kuala Lumpur. She became a partner of Ernst &Young in July 2008.

Datin Wan Daneena has more than 25 years of experience in providing various types of assurance and business advisory services to corporations including financial institutions and conglomerates, listed and private entities which include commercial, Islamic and investment banks, development financial institutions, asset management and stock broking companies, sovereign wealth funds, venture capital and private equity funds, unit and property trusts, investment holding companies, credit rating agency, government-linked investment companies ("GLICs"), statutory bodies and foundations. Datin Wan Daneena also sits on the Board of PLUS Malaysia Berhad, S P Setia Berhad and Wasco Berhad.

Board of Directors (continued)

Key information and background of Directors (continued)

Role and Responsibilities of the Board

The Board's role is to effectively supervise the affairs of the Bank, to deliberate and approve significant policies and strategies that are proposed by management and to ensure its compliance with all regulatory and statutory obligations.

The Board reviews the Bank's business plans, strategies and financial performance periodically to ensure that it achieves its objectives and provides regular oversight of the Bank's business operations and performance. The Board also reviews and approves proposals to hire new key Senior Management officers, to ensure that the affairs of the Bank are administered by qualified and competent officers.

The roles of the Chairman and CEO are separate and distinct to ensure an appropriate balance of role, responsibility, authority and accountability. These two positions are held by different individuals and the division in the roles of the Chairman and the CEO is clearly defined in the terms of reference. The Independent Non-Executive Chairman assumes an important role in encouraging a healthy debate on critical issues and brings to the Board the required level of independence and professional skepticism.

Board Training

To keep abreast of current market developments, the Board is encouraged to attend public programmes, seminars, training or talks on areas related to their roles and responsibilities. Training programmes on specific subjects or areas can be requested and arranged internally.

Directors received training by attending external seminars, training sessions, talks and through reading materials. They had also attended talks, dialogue sessions and focus group sessions organised by FIDE Forum, an initiative of the alumni members of the Financial Institutions Directors' Education Programme, set out to enhance corporate governance practices in the boards of financial institutions and to develop world class Directors who are advocates of best practices and excellence in corporate governance.

During the year, the Directors had attended the following training programmes, seminars and workshops:

Board of Directors (continued)

Key information and background of Directors (continued)

Board Training (continued)

Training Programmes/ Seminars/ Workshops
J P Morgan: Navigating the Macroeconomic Terrain in 2024
AIA: Cloud Risk Master Class
FIDE Forum: Leveraging AI in the Fight Against Financial Crime
Press Metal / KPMG: ESG & Internal Audit - Strengthening the Third Line of Defence
University of Cambridge Judge Business School / Asia Banking School: Summer Programme
AIA: Integrated Health Strategy
AIA: E-invoicing Briefing
AIA: Shariah Concepts of Hajah and Darurah and their Application in Islamic Financial Institutions
AIA: Information Technology (“IT”) Security / Automation and Digital Transformation
AIA: Anti-Money Laundering (AML), Financial Action Task Force (“FATF”) and the Emerging Risk Landscape
AIA: Future of Audit with Artificial Intelligence (“AI”)
FIDE Forum: Economic Outlook & Post-Budget 2025 Forum
Press Metal / Firmus: Cyber Attack Trends and What Can You Do About It?
Capturing Carbon: Understanding decarbonisation technologies: carbon capture and storage (“CCS”) and carbon capture, utilisation and storage (“CCUS”)
Sustainable Sustainability – Why ESG Is Not Enough
Decoding Hydrogen to Support the Energy Transition: ➢ An overview of hydrogen technology: Definition and aspects ➢ Technical processes and systems ➢ Challenges and opportunities of hydrogen technology ➢ Financing hydrogen technology
Introduction to Environmental, Social & Governance (“ESG”) and Sustainable Finance
Transition Strategy for ASEAN Corporates Webinar and Launch of the Transition Strategy Toolkit for ASEAN Corporates on underlying principles and elements to incorporate when developing climate transition plans
Risk-based Capital Framework/Capital Adequacy and Real World Scenario Testing for Individual Target Capital Level/Financial Condition Report
Directors’ Masterclass in Climate Governance 2024: Boardroom Dynamics in Climate Talks

Board of Directors (continued)

Key information and background of Directors (continued)

Board Training (continued)

Training Programmes/ Seminars/ Workshops
Mandatory Accreditation Programme Part II: Leading for Impact ("LIP"): ➢ Setting the Context Right: Board Oversight of Sustainability; the Management and Governance of Sustainability; Introducing the Rio Tinto Sustainability Governance Case Study ➢ Environmental Considerations ➢ Essentials of ESG - Social & Governance considerations (Labour Practices, Anti-Corruption, Data Privacy) ➢ Essentials of ESG - Social & Governance considerations (Supply Chain & Diversity) ➢ Essentials of ESG - Social & Governance Considerations (Health and Safety & Community/Society)
FIDE FORUM – CGM Masterclass: What Directors must know: Recent Developments in Climate Science
Briefing on the Latest Global Trends: ➢ MNC attitude to China ➢ US China geopolitics ➢ New global world order ➢ Inflation ➢ Interest rates ➢ Rise of India ➢ Day zero for industries especially automotive ➢ Artificial intelligence ➢ New ways in which tech will create equity value ➢ Gov is the most important counter party in the world ➢ Everything as a service ➢ Large social changes
In-house training on Conflict of Interest/Potential Conflict of Interest
Engagement Session on BNM Annual Report 2023, Economic and Monetary Review 2023 and Financial Stability Review 2H 2023
Kuala Lumpur International Sustainability Conference: Synergising Climate Action: Fostering Collaboration Across Regulators, Corporations and Academia
Empowerment through awareness: Shining the light on human rights in Malaysia
Data Innovation to Drive Financial Inclusion: Pushing New Frontiers Fire Side Chat
Leveraging AI in the Fight Against Financial Crime
Director's Liabilities within Their Respective Institution's AML Frameworks
FIDE FORUM – CGM Masterclass: Latest Developments in Climate-Aligned Executive Compensation 2024
Financial Services Organisation Insurance Forum
Preventing Fraud: The Board's Roles and Responsibilities

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Board of Directors (continued)

Key information and background of Directors (continued)

Board Training (continued)

Training Programmes/ Seminars/ Workshops
International Conference on Financial Crime and Terrorism Financing ("IFCTF") Masterclass 2024
Distinguished Board Leadership Series 2024: Digital Transformation of the World's Best Bank
Cybersecurity Oversight: Board Responsibilities in light of the Cybersecurity Bill 2024
Masterclass I – Boardroom Climate Essentials
Masterclass IV – Taking Effective Climate Action Now
National Resolution Symposium 2024
Economic Outlook & Post-Budget 2025 Forum
2025 Budget Seminar
In-house Training: Deutsche Bank Connect2 Learn ➢ Anti-Financial Crime - Anti-Money Laundering and Counter Terrorist and Proliferation Financing ➢ Anti-Financial Crime - Preventing the Facilitation of Tax Evasion - V1 ➢ Anti-Financial Crime - Anti-Fraud, Bribery and Corruption ➢ Compliance - Your Supervisory Duties as a Manager ➢ Crisis Management Fundamentals Training - 2024 ➢ FCR - DB US Affiliate Risk Management Training Fundamentals ➢ Risk - Risk Awareness ➢ Crisis Management Event Book 2024 ➢ Legal - The Essentials of Data Protection & Privacy and Records Management ➢ Compliance - The Essentials of Market Participation and Banking Rules ➢ Crisis Management Fundamentals Curriculum - 2024 ➢ Compliance - The Essentials of Market Abuse and Antitrust ➢ Anti-Financial Crime - Sanctions Targeted ➢ Chief Sustainability Office - Greenwashing Awareness Training ➢ Chief Security Office – Global Information Security Awareness (GISA) 2024 ➢ Anti-Financial Crime: Group AML Office - Information Sharing Forum ➢ FCR - DB Non-US Affiliate Risk Management Program : Accountability Briefing Sessions ➢ FCR: O&A KYC Refresher ➢ How to prevent a counterparty trading breach ➢ Anti-Financial Crime - Accountable Client Owner ➢ Anti-Financial Crime: US ARM Training 2024 ➢ Anti-Fraud, Bribery & Corruption ("AFBC") - Training for O&A Employees ➢ FCR: Global Russia and Iran Sanctions Awareness Sessions for ACOs ➢ Unusual Activity Report Training ➢ The Art of Giving and Receiving Feedback - Learning Espresso

Board of Directors (continued)

Key information and background of Directors (continued)

Frequency and Conduct of Board Meetings

The Board meets on a regular basis to review the Bank's financial performance, risk positions and minutes of meetings of the Bank's various internal governance committees. Special Board meetings are convened for purposes such as to assess business proposals or address issues that require the immediate decision of the Board.

The agenda and board papers are furnished to Directors for their perusal in advance prior to the Board meeting to enable them to have sufficient time to review the agenda papers and provide informed views and comments during the deliberations at Board meetings. The relevant management staff are invited to the Board meetings to provide additional input and clarification to the issues or business proposals.

The attendance of each director at the Board meetings during the financial year is set out below:

Name of Directors	Attendance at Meetings
Tunku Kecil Muda Tunku Mahmood Fawzy bin Tunku Muhiyiddin *(Resigned on 31 January 2025)*	7/7 (100%)
Dato' Yusof Annuar bin Yaacob	7/7 (100%)
Madam Koid Swee Lian	7/7 (100%)
Mr. Seamus Toal	7/7 (100%)
Mr. Chong Kin Leong	7/7 (100%)

Directors' Independence

To ensure transparency in corporate governance as well as to promote independent oversight by the Board, the Bank has put in place its internal guidelines that the maximum tenure of a new Independent Director who is appointed from January 2017 onwards, shall be capped at 9 years, subject to the approval by the Board and BNM for such tenure to extend beyond 9 years whilst existing Independent Directors may continue to serve on the Board until the expiry of their terms as approved by BNM.

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Board of Directors (continued)

Key information and background of Directors (continued)

Directors' remuneration

	RM'000
Non-Executive Directors	
Tunku Kecil Muda Tunku Mahmood Fawzy bin Tunku Muhiyiddin	324
Madam Koid Swee Lian	197
Mr. Chong Kin Leong	191
Executive Director	
Mr. Seamus Toal	-

Executive Director (CEO)

	Fixed remuneration			Variable remuneration		
	Fixed Pay	Other	Benefits-in-kind	Non deferred	Deferred	
				Cash	Cash	Shares
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Dato' Yusof Annuar bin Yaacob	1,962	486	26	602	293	803

Board Committees

The following Board Committees assist the Board in the discharge of its role and responsibilities. The terms of reference and the composition of these Committees are set out below. In line with the requirements of BNM's Corporate Governance policy document, the Board Committees comprise four independent non-executive directors and is chaired by an independent director. The Directors have the necessary skills, knowledge and experience relevant to the responsibilities of the Board Committee.

(a) Nominating and Remuneration Committee

Membership and Composition

The Nominating and Remuneration Committee ("NRC") comprises the following independent non-executive directors of the Board:

Madam Koid Swee Lian - Chairperson
Mr. Chong Kin Leong - Vice Chairman
Tunku Kecil Muda Tunku Mahmood Fawzy bin Tunku Muhiyiddin – Member
(Resigned from the Board and vacated his position as a NRC member on 31 January 2025)
Datin Wan Daneena Liza binti Wan Abdullah Rahman – Member
(Appointed as NRC member on 7 January 2025)

In 2024, the NRC comprises three independent non-executive directors. There were 5 meetings held by the NRC during the financial year.

Terms of Reference

Its responsibilities are as follows:

- To establish minimum requirements for the Board, i.e. required mix of skills, experience, qualification and other core competencies required of a director. The committee is also responsible for establishing minimum requirements for the CEO's post. The requirements and criteria must be approved by the full Board.
- To assess and recommend to the Board the nominees for directorship, Board committee membership as well as nominees for the CEO's post and Shariah Committee membership. This includes assessing directors, Shariah Committee members and CEO for appointment and re-appointment, before an application for approval is submitted to BNM. In considering the appointment of a CEO or nominees for directorship and Shariah Committee membership, the Board shall take into consideration the requirements of the regulator and the recommendation of the representatives of the Shareholder, whether at a regional or global level.

Board Committees (continued)

(a) Nominating and Remuneration Committee (continued)

Terms of Reference (continued)

- To oversee the overall composition of the Board, in terms of the appropriate size and skills and the balance between executive directors, non-executive directors and independent directors through annual review. Such composition of the Board shall always include two representatives of the Group's Regional Management.
- To recommend to the Board the removal of a director/CEO from the Board/ Management team if the director/CEO is found to be ineffective, errant and negligent in discharging their responsibilities.
- To establish a mechanism for the formal assessment on the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board, the contribution of the Board's various committees, determine whether a director is independent and the performance of the CEO and other key Senior Management officers.
- To recommend the remuneration of the Shariah Committee members for the full Board's approval and that the remuneration shall commensurate and reflect the roles and responsibilities of the Shariah Committee.
- To ensure that all directors receive an appropriate continuous training programme in order to keep abreast with latest developments in the industry.
- To oversee the appointment, Management Succession Planning and performance evaluation of key Senior Management officers and Shariah Committee members.
- To recommend to the Board the removal of key Senior Management officers if they are ineffective, errant and negligent in discharging their responsibilities.
- To assess on an annual basis, that the directors and key Senior Management officers continue to be "Fit and Proper" persons and are not disqualified under Sections 59 & 60 of the Financial Services Act 2013 ("FSA") and Sections 69 & 70 of the Islamic Financial Services Act 2013 ("IFSA").

Board Committees (continued)

(a) Nominating and Remuneration Committee (continued)

Terms of Reference (continued)

- To recommend a framework of remuneration for Directors, Shariah Committee members, CEO and Senior Management officers for the full Board's approval. The remuneration framework should support the Bank's risk culture, objectives and strategy and should reflect the responsibility and commitment, which goes with Board membership and responsibilities of the CEO and Senior Management officers. There should be a balance in determining the remuneration package, which should be sufficient to attract and retain directors of calibre, and yet not excessive to the extent the Bank's funds are used to subsidise the excessive remuneration packages. The framework should cover all aspects of remuneration including director's fees, salaries, allowances, bonuses, options and benefits-in-kind.
- To review and recommend the preliminary performance of the Bank and provide feedback/ recommendations on the compensation level of the Bank to the Deutsche Bank Group's APAC Regional Office to ensure rewards are aligned with the Bank's performance and local industry benchmarks.
- To recommend specific remuneration packages for executive Directors and the CEO. The remuneration package should be structured such that it is competitive and consistent with the Bank's culture, objectives and strategy. Salary scales drawn up should be within the scope of the general business policy and not be dependent on short term performance to avoid incentives for excessive risk raking. As for non-executive Directors and independent Directors, the level of remuneration should be linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board. In addition, the remuneration of each board member may differ based on their level of expertise, knowledge and experience.
- To recommend the appointment, remuneration and termination of the Head of Compliance for the full Board's approval.
- Periodically review the remuneration of Directors on the Board, particularly on whether remuneration remains appropriate to each director's contribution, taking into account the level of expertise, commitment and responsibilities undertaken.

Board Committees (continued)

(a) Nominating and Remuneration Committee (continued)

Frequency and Conduct of Meetings

Meeting shall be held at least once a year with a view to discussing the above issues or such other times as the NRC deems appropriate. The attendance of each director at NRC meetings during the financial year is set out below:

Name of Directors	Attendance at Meetings
Madam Koid Swee Lian - Chairperson	5/5 (100%)
Mr. Chong Kin Leong - Vice Chairman	5/5(100%)
Tunku Kecil Muda Tunku Mahmood Fawzy bin Tunku Muhiyiddin – Member *(Resigned on 31 January 2025)*	5/5 (100%)

(b) Audit and Examination Committee

Membership and Composition

The Audit and Examination Committee ("AEC") comprises the following Independent Non-Executive Directors of the Board:

Mr. Chong Kin Leong - Chairman
Madam Koid Swee Lian - Vice Chairperson
Tunku Kecil Muda Tunku Mahmood Fawzy bin Tunku Muhiyiddin – Member *(Resigned on 31 January 2025)*
Datin Wan Daneena Liza binti Wan Abdullah Rahman – Member
(Appointed as AEC member on 7 January 2025)

Terms of Reference

Its responsibilities are as follows:

- To support the Board in ensuring there is a reliable and transparent financial reporting process.
- To oversee the effectiveness of the internal audit function.
- To foster a quality audit by exercising oversight over the external auditor, in accordance with the expectations set out in the policy document on External Auditor.
- Review and update the Board on all related party transactions.

Board Committees (continued)

(b) Audit and Examination Committee (continued)

Terms of Reference (continued)

- Review the accuracy and adequacy of the Chairman's statement in the directors' report, corporate governance disclosures, interim financial reports and preliminary announcements in relation to the preparation of financial statements.
- Monitor compliance with the Board's conflicts of interest policy.
- Review third-party opinions on the design and effectiveness of the Bank's internal control framework (where available).

Frequency and Conduct of Meetings

The AEC shall hold regular meeting, at least once every quarter and should report regularly to the Board. The attendance of each Director at AEC meetings during the financial year is set out below:

Name of Directors	Attendance at Meetings
Mr. Chong Kin Leong - Chairman	4/4(100%)
Madam Koid Swee Lian - Vice Chairperson	4/4 (100%)
Tunku Kecil Muda Tunku Mahmood Fawzy bin Tunku Muhiyiddin – Member *(Resigned on 31 January 2025*)	4/4 (100%)

(c) Board Risk Management Committee

Membership and Composition

The Board Risk Management Committee ("BRMC") comprises the following Independent Non-Executive Directors of the Board:

Madam Koid Swee Lian - Chairperson
Mr. Chong Kin Leong - Vice Chairman
Tunku Kecil Muda Tunku Mahmood Fawzy bin Tunku Muhiyiddin – Member *(Resigned on 31 January 2025)*
Datin Wan Daneena Liza binti Wan Abdullah Rahman – Member
(Appointed as BRMC member on 7 January 2025)

Board Committees (continued)

(c) Board Risk Management Committee (continued)

Terms of Reference

Its responsibilities are as follows:

- To review and recommend the overall risk management strategies, policies and risk appetite framework for Board's approval.
- To review and assess adequacy of risk management policies and frameworks including but not limited to technology-related matters, in identifying, measuring, monitoring and controlling risk and the extent to which these policies are operating effectively.
- To ensure infrastructure, resources and systems are in place for risk management i.e. ensuring that the staff responsible for implementing risk management systems perform those duties independently of the licensed institution's risk-taking activities.
- To review management's periodic reports on market risk exposure, specific risk portfolio composition and risk management activities is supported by overall adequacy of capital and liquidity buffers of the Bank.
- To review minutes of Malaysia Management Country Oversight Meeting ("MANCO"), Operations Council ("OPCO") and Asset and Liability Committee ("ALCO") meetings to be made aware of the business activities of the Bank and that the organisation units are operating within the parameters of the Bank's risk appetite framework for specific types of risks.
- To review Malaysia Risk Country Oversight ("RISCO") minutes and credit and new product/product variation recommendations including compliance with legal and regulatory requirements.
- Review minutes of Shariah Committee meetings to be made aware of the Islamic Banking business operations and provide oversight on the overall compliance with Shariah.
- To ensure Senior Management monitors and control the Bank's risk and is consistent with approved strategies and policies as approved by the Board.
- To provide oversight and advice to the Board on the current market risk exposures of the Bank and future risk strategy.
- To review information on the key exposures and the associated risk tolerance of the Bank and provide high level information on the scope and outcome of any stress-testing programme to the Board.
- In assisting the implementation of a sound remuneration system, examine whether incentives provided by the remuneration system take into consideration risks, capital, liquidity and the likelihood and timing of earnings, without prejudice to the tasks of the NRC.

Board Committees (continued)

(c) Board Risk Management Committee (continued)

Frequency and Conduct of Meetings

The BRMC shall hold regular meeting, at least once every quarter and should report regularly to the Board. The attendance of each director at BRMC meetings during the financial year is set out below:

Name of Directors	Attendance at Meetings
Madam Koid Swee Lian - Chairperson	4/4 (100%)
Mr. Chong Kin Leong - Vice Chairman	4/4 (100%)
Tunku Kecil Muda Tunku Mahmood Fawzy bin Tunku Muhiyiddin – Member *(Resigned on 31 January 2025)*	4/4 (100%)

Shariah Committee (“SC”)

Key information and background of SC members

Dr Uzaimah binti Ibrahim

Dr Uzaimah binti Ibrahim (“Dr Uzaimah”) obtained her Bachelor of Law with Honours in 1993 and Bachelor of Law (Shariah) with Honours in 1994. She obtained Master in Comparative Laws in 1996 from International Islamic University Malaysia (“IIUM”) and Ph.D from University of Wales, Lampeter, United Kingdom in 2001. At present, Dr Uzaimah is the Head of Islamic Law Department and Assistant Professor in IIUM. Prior to her current position, Dr Uzaimah served as the SC member at Bank Islam Malaysia Berhad, Hong Leong MSIG Takaful Berhad, Hong Leong Bank Berhad (Islamic Window) and Hong Leong Islamic Bank Berhad.

Dr Uzaimah’s area of expertise is in the field of Islamic banking law, Islamic commercial law, Islamic capital market, takaful and Islamic Jurisprudence. Dr Uzaimah is a Certified Shariah Advisor (“CSA”) holder and qualified Syar´ie Lawyer of Shariah High Court in Kuala Lumpur. Until now, Dr Uzaimah has authored thirty-two (32) research, writing and paperwork since 2001.

Shariah Committee ("SC") (continued)

Key information and background of SC members (continued)

Encik Ahmad Firdaus bin Kadir

Encik Ahmad Firdaus bin Kadir ("Encik Ahmad Firdaus") obtained his Bachelor of Fiqh wa Usuluhu in 2012 from Yarmouk University, Jordan. At present, Encik Ahmad Firdaus is in charge of Shariah advisory services at Guidance Investment Sdn Bhd. Encik Ahmad Firdaus accumulated vast experiences in local banks and research institutions.

Encik Ahmad Firdaus's area of expertise is in the field of Islamic banking, Shariah research, zakat, treasury, waqaf and capital market. Encik Ahmad Firdaus has co-authored two (2) conference paperworks and two (2) academic publication related to Islamic finance.

Puan Zarinah binti Mohd Yusoff

Puan Zarinah binti Mohd Yusoff ("Puan Zarinah") obtained her Bachelor of Accounting with Honours in 1992 from Universiti Utara Malaysia and MBA (Islamic Banking and Finance) in 2005 from IIUM. At present, Puan Zarinah is an Academic Fellow at IIUM Institute of Islamic Banking and Finance ("IIiBF"). Puan Zarinah also currently serves as SC member at Hong Leong MSIG Takaful Berhad. She is the consultant of Islamic Wealth Management at Islamic Banking and Finance Institute Malaysia ("IBFIM") since December 2023.

Puan Zarinah holds multiple professional qualifications such as Certified Qualification in Islamic Finance (Wealth Management), Shariah Registered Financial Planner ("Sh RFP"), Certified Financial Planner ("CFP") and Islamic Financial Planner ("IFP"). Puan Zarinah has been actively involved as speaker at conferences, workshops and television programmes since 2008.

Puan Zarinah is currently pursuing her PhD in Islamic Finance.

Shariah Committee ("SC") (continued)

The Bank's SC was established to ensure that the Bank's Islamic banking objectives and operations, business, affairs and activities are in compliance with Shariah rules and principles. The roles and responsibilities of the Bank's SC are as prescribed in the Shariah Governance Policy Document issued by BNM.

Terms of Reference

Its responsibilities are as follows:

- To advise the Bank on Shariah matters in its Islamic business operations.
- To ensure the Bank complies with BNM's Policy Document on Shariah Governance.
- To review and endorse new and existing Islamic products and services offered by the Bank for Shariah compliant requirements. This will include endorsing the following:
  - a) The terms and conditions contained in the proposal form, contact, agreement or other legal documentation used in executing the transactions; and
  - b) The product manual, marketing advertisements, sales illustrations and brochures used to describe the products or services.
- To prepare written Shariah opinions where the Bank submits applications to BNM for new product approval in accordance with the guidelines on product approval issued by BNM or where the Bank makes reference to the Shariah Advisory Council ("SAC") for advice.
- To review, endorse and adopt Shariah policies and procedures relating to the various business processes of the Bank such as funding, financing, investment, treasury and relevant processes that require Shariah compliance.
- To review and endorse the Shariah Compliance and Audit Manual of the Bank from time to time.
- To convene and submit regular reports to the AEC for review, assessment and appraisal of Shariah compliant activities and where necessary, to recommend to the Board such changes to the processes and procedures as may be required to ensure Shariah compliance.
- To advise related parties to the Bank such as its professional advisers on Shariah matters to ensure compliance with Shariah principles upon request.
- To advise the Bank to consult the SAC of BNM on any Shariah matters which have not been resolved or endorsed by the SAC and assist the SAC on such matters referred to them by the Bank. When required by the SAC, it must explain the Shariah issues involved; prepare written Shariah opinions and its recommendations for a decision. This must be supported by relevant Shariah jurisprudential literature from established sources. Upon obtaining any advice of the SAC, the SC shall ensure that all SAC's decisions are properly implemented by the Bank.

Shariah Committee ("SC") (continued)

Frequency and Conduct of Meetings

During the financial year ended 31 December 2024, a total of 3 meetings were held. The Shariah Committee comprises the following members and the details of attendance of each member was as follows:

Members	Attendance at Shariah Meetings
Dr Uzaimah binti Ibrahim	3/3 (100%)
En Ahmad Firdaus bin Kadir	3/3 (100%)
Pn Zarinah binti Mohd Yusoff	3/3 (100%)

Internal Audit and Internal Control Activities

The Bank has a local Group Audit function led by the Chief Internal Auditor – Malaysia. The local audit team in the Bank represents Group Audit in Malaysia and is also supported by resources from the Group Audit Asia Pacific regional team in Singapore.

Chief Internal Auditor – Malaysia has a functional reporting line to the Bank's AEC and the Group Audit Country Head Malaysia, Thailand, Indonesia, Vietnam, Sri Lanka. Group Audit provides updates on the Audit plan to the AEC on a quarterly basis. Audits are primarily coordinated by the Chief Internal Auditor – Malaysia with oversight from the Group Audit Country Head Malaysia, Thailand, Indonesia, Vietnam, Sri Lanka. Additional 'subject matter expertise' is also provided by Principal Audit Managers mainly based in Singapore.

Group Audit provides a risk-based approach to examine, evaluate and report objectively on the adequacy of both the design and operating effectiveness of the systems of internal control and the effectiveness of risk management and governance processes. The AEC reviews the Bank audit plan, progress and reports issued.

Remuneration

Deutsche Bank Group is a truly global organisation with compensation principles and policies established at a global level. Compensation plays an integral role in the successful delivery of our strategic objectives. Attracting, developing and retaining talent on a global basis is central to our compensation strategy. The cornerstone of this is the concept of pay for performance, within a sound risk management and governance framework, and with due consideration of market factors and societal values.

It is the full intention of the Bank to ensure that the Compensation Policy is applicable on a global basis in order to foster a fair and transparent approach to compensation across all jurisdictions. Notwithstanding this, the Bank is mindful that the specific nature of local operations should be considered and respected when making decisions and the input of local management sought to ensure this. In view of this and in accordance with Bank Negara Malaysia's Policy Document on Corporate Governance, the Bank's NRC is in place to ensure corporate governance and oversight by the Board.

Compensation of the Employees

The content of the 2024 Employee Compensation Report is based on the qualitative and quantitative remuneration disclosure requirements outlined in Article 450 No. 1 (a) to (j) Capital Requirements Regulation ("CRR") in conjunction with Section 16 of the Remuneration Ordinance for Institutions (Institutsvergütungsverordnung – "InstVV").

This Compensation Report takes a group-wide view and covers all consolidated entities of the Deutsche Bank Group Group. In accordance with regulatory requirements, equivalent reports for 2024 are prepared for BHW Bausparkasse AG classified as Significant Institution in the meaning of the German Banking Act as well as for other subsidiaries within Deutsche Bank Group Group in accordance with local regulatory requirements.

Remuneration (continued)

Regulatory Environment

Ensuring compliance with regulatory requirements is an overarching consideration in the Bank's Group Compensation Strategy. The Bank strives to be at the forefront of implementing regulatory requirements with respect to compensation and will continue to maintain a close exchange with its prudential supervisor, the European Central Bank (ECB), to be in compliance with all existing and new requirements.

As an EU-headquartered institution, Deutsche Bank Group is subject to the Capital Requirements Regulation/Directive ("CRR"/"CRD") globally, as transposed into German national law in the German Banking Act and InstVV. These rules are applied to all of Deutsche Bank Group subsidiaries and branches world-wide to the extent required in accordance with Section 27 InstVV. As a Significant Institution within the meaning of the German Banking Act, Deutsche Bank Group identifies all employees whose work is deemed to have a material impact on the overall risk profile (Material Risk Takers or MRTs) in accordance with the criteria stipulated in the German Banking Act and in the Commission Delegated Regulation 2021/923. MRT identification is performed for Deutsche Bank Group Group as well as for institutions in the EU at institutional level.

Taking into account more specific sectorial legislation and in accordance with InstVV, some of Deutsche Bank Group's subsidiaries (in particular within the DWS Group) fall under sector specific remuneration rules, such as the Alternative Investments Fund Managers Directive ("AIFMD"), the Undertakings for Collective Investments in Transferable Securities Directive ("UCITS") and the Investment Firm Directive ("IFD") including the applicable local transpositions. MRTs are also identified in these subsidiaries. Identified employees are subject to the remuneration provisions outlined in the applicable Guidelines on sound remuneration policies published by the European Securities and Markets Authority ("ESMA") and the European Banking Authority ("EBA").

Deutsche Bank Group takes into account the regulations targeted at employees who engage directly or indirectly with the Bank's clients, for instance as per the local transpositions of the Markets in Financial Instruments Directive II – MiFID II. Accordingly, specific provisions for employees deemed to be Relevant Persons are implemented with a view to ensuring that they act in the best interest of the Bank's clients.

Where applicable, Deutsche Bank Group is also subject to specific rules and regulations implemented by local regulators. Many of these requirements are aligned with the InstVV. However, where variations are apparent, proactive and open discussions with regulators have enabled the Bank to follow the local regulations whilst ensuring that any impacted employees or locations remain within the Bank's overall Group Compensation Framework. This includes, amongst others, the compensation structures applied to Covered Employees in the United States under the requirements of the Federal Reserve Board as well as the requirements related to compensation recovery for executive officers in the event of an accounting restatement as required by the U.S. Securities and Exchange Commission. In any case, the InstVV requirements are applied as minimum standards globally.

Company Registration No. 199401026871 (312552-W)

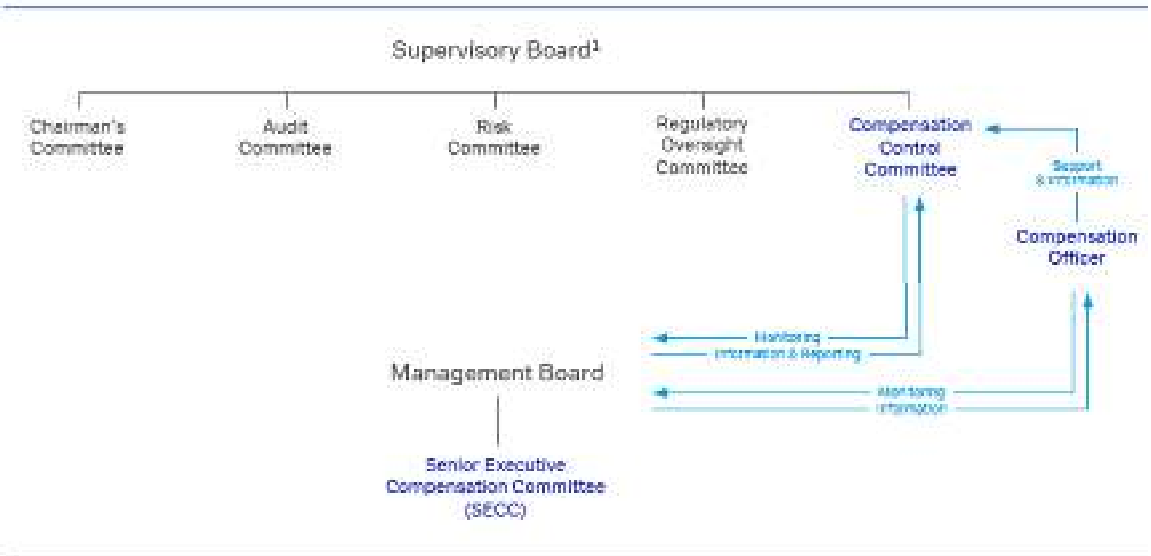
Remuneration (continued)

Compensation Governance

Deutsche Bank Group has a robust governance structure enabling it to operate within the clear parameters of its Compensation Strategy and Policy. In accordance with the German two-tier board structure, the Supervisory Board governs the compensation of the Management Board members while the Management Board oversees compensation matters for all other employees in the Group. Both the Supervisory Board and the Management Board are supported by specific committees and functions, in particular the Compensation Control Committee ("CCC"), the Compensation Officer, and the Senior Executive Compensation Committee ("SECC").

In line with their responsibilities, the Bank's control functions as per InstVV are involved in the design and application of the Bank's remuneration systems, in the identification of MRTs and in determining the total amount of Variable Compensation. This includes assessing the impact of employees' behavior and the business-related risks, performance criteria, granting of remuneration and severances as well as ex-post risk adjustments.

Reward Governance structure



[1] Does not comprise a complete list of Supervisory Board Committees.

Remuneration (continued)

Compensation Governance (continued)

Compensation Control Committee ("CCC")

The Supervisory Board has set up the CCC to support in establishing and monitoring the structure of the compensation system for the Management Board Members of Deutsche Bank Group AG. Furthermore, the CCC monitors the appropriateness of the compensation systems for the employees of Deutsche Bank Group Group, as established by the Management Board and the SECC. The CCC reviews whether the total amount of variable compensation is affordable and set in accordance with the risk, capital and liquidity situation as well as in alignment with the business and risk strategies. Furthermore, the CCC supports the Supervisory Board in monitoring the Bank's MRT identification process.

Further details, including the composition and the number of meetings held, can be found in the Report of the Supervisory Board within this Annual Report.

Compensation Officer

The Management Board, in cooperation with the CCC, has appointed a Group Compensation Officer to support the Supervisory Boards of Deutsche Bank Group AG and of the Bank's Significant Institutions in Germany in performing their compensation related duties. The Compensation Officer is involved in the conceptual review, development, monitoring and application of the employees' compensation systems, the MRT identification and remuneration disclosures on an ongoing basis. The Compensation Officer performs all relevant monitoring obligations independently, provides an assessment on the appropriateness of the design and strategy of the compensation systems for employees at least annually and regularly supports and advises the CCC.

Remuneration (continued)

Compensation Governance (continued)

Senior Executive Compensation Committee ("SECC")

The SECC is a delegated committee established by the Management Board which has the mandate to develop sustainable compensation principles, to prepare recommendations on Total Compensation levels and to ensure appropriate compensation governance and oversight. The SECC establishes the Compensation and Benefits Strategy, Policy and corresponding guiding principles. Moreover, using quantitative and qualitative factors, the SECC assesses Group and divisional performance as a basis for compensation decisions and makes recommendations to the Management Board regarding the total amount of annual variable compensation and its allocation across business divisions and infrastructure functions.

In order to maintain its independence, only representatives from infrastructure and control functions who are not aligned to any of the business divisions are members of the SECC. In 2024, the SECC's membership comprised of the Deutsche Bank Group Management Board member responsible for Human Resources and the Chief Financial Officer as Co-Chairpersons, the Head of Compliance, the Head of Human Resources and the Head of Performance & Reward as well as an additional representative from both Finance and Risk as voting members. The Compensation Officer and an additional representative from Finance participated as non-voting members. The SECC generally meets on a monthly basis but with more frequent meetings during the compensation determination process. It held 19 meetings in total with regard to the compensation process for the performance year 2024.

Remuneration (continued)

Compensation and Benefits Strategy

Deutsche Bank Group recognises that its compensation framework plays a vital role in supporting its strategic objectives. It enables the Bank to attract and retain the individuals required to achieve the Bank's objectives. The Compensation and Benefits Strategy is built on three core pillars (Principles, Performance and Processes as outlined below) that support the Bank's global, client-centric business and risk strategy, reinforced by safe and sound compensation practices that operate within the Bank's profitability, solvency and liquidity position.

Principles	Performance	Processes
– Support the delivery of our sustainable growth **strategy as a Global Hausbank** – Align with **clients' and shareholder interests** and manage costs effectively – **Prevent inappropriate risk taking** and taking into account various risk types including **(ESG) risk** – **Attract** and **retain best talent** by having market-aligned and competitive frameworks and processes – Support our **culture aspirations**, incl. promotion of a **strong risk and "speak up" culture**	– Create an environment for **motivated, engaged** and **committed** employees – Strong link between performance and pay outcomes to foster a **sustainable performance culture** – Apply and promote the bank's **expected behaviours** as defined in the Code of Conduct and the **Code of Conduct** more broadly and apply **appropriate consequences for failing to meet required standards**	Processes designed to: – Foster a gender-neutral approach, be **simple and transparent** and ensure **equity and fairness** – Ensure compliance with legal and **regulatory** requirements – Prevent inappropriate risk-taking by incorporating **risk management** measures

Remuneration (continued)

Group Compensation Framework

The compensation framework, generally applicable globally across all regions and business lines, emphasises an appropriate balance between Fixed Pay (“FP”) and Variable Compensation (“VC”) – together forming Total Compensation (“TC”). It aligns incentives for sustainable performance at all levels of Deutsche Bank Group whilst ensuring the transparency of compensation decisions and their impact on shareholders and employees. The underlying principles of Deutsche Bank Group’s Compensation Framework are applied to all employees equally and are supported by the key principle ‘equal pay for equal work or work of equal value’ and the necessity for equal opportunities, irrespective of differences in, e.g., tenure, gender or ethnicity.

Pursuant to CRD and the requirements subsequently adopted in the German Banking Act, Deutsche Bank Group is subject to a maximum ratio of 1:1 with regard to fixed-to-variable remuneration components, which was increased to 1:2 for a limited population with shareholder approval on 22 May 2014 with an approval rate of 95.27%, based on valid votes by 27.68% of the share capital represented at the Annual General Meeting. Control Functions as defined by InstVV, comprising Risk, Compliance and Anti-Financial Crime, Group Audit and the Group Compensation Officer and his Deputy, are subject to a maximum ratio of 2:1. Employees in certain infrastructure functions should continue to be subject to a maximum ratio of 1:1.

With effect from 2024 the Bank amended and simplified its compensation framework by ensuring all employees are eligible for individual VC, by incorporating the former Group VC Component into the overall VC pool determination, and by removing both Reference Total Compensation and Recognition Awards. To maintain an appropriate balance between FP and VC, the Bank implemented a more standardised VC orientation concept with orientation values based on division, profession and seniority that indicate the average expected VC as a percentage value of FP.

Remuneration (continued)

Group Compensation Framework (continued)

Fixed Pay is the key and primary compensation element for most employees globally. It is a fixed regular payment based on transparent and predetermined conditions. It is delivered either in the form of base salary and where applicable local specific fixed pay allowances. Fixed Pay reflects the value of the individual role and function within the organisation, regional and divisional specifics and rewards the factors an employee brings to the organisation such as qualification, skills and experience required for the role in line with remuneration levels in the specific geographic location and level of responsibility.

Variable Compensation is a discretionary compensation component that reflects Group, Divisional risk-adjusted financial and non-financial performance as well as individual contributions. It acknowledges that employees contribute towards the success of their Division and the Group as a whole. At the same time, VC allows the Bank to differentiate individual contributions and to drive behavior and conduct through an incentive system that can positively influence culture and the achievement of the Bank's strategic objectives and to apply consequences for falling below the standards of delivery, behavior and conduct by reducing the VC.

In the context of InstVV, severance payments are considered variable compensation. The Bank's severance framework ensures full alignment with the respective InstVV requirements.

Employee benefits are considered FP from a regulatory perspective, as they have no direct link to performance or discretion. They are granted in accordance with applicable local market practices and requirements. Pension expenses represent the main element of the Bank's benefits portfolio globally.

Total Compensation ("TC") is made up of defined Fixed Pay, Variable Compensation and is supplemented by benefits.

Remuneration (continued)

Determination of performance-based variable compensation

The Bank puts a strong focus on its governance related to compensation decision-making processes. A robust set of rule-based principles for compensation decisions with close links to the performance of both businesses and individuals were applied.

The total amount of VC for any given performance year is derived from an assessment of the Bank's profitability, solvency, and liquidity position (affordability assessment), Group performance and the performance of divisions and infrastructure functions in support of achieving the Bank's strategic objectives.

In a first step, Deutsche Bank Group assesses the Bank's affordability as well as other limitations (such as cost constraints) to determine what the Bank "can" award in line with regulatory and internal requirements. In the next step, the Bank assesses divisional risk-adjusted performance, i.e. what the Bank "should" award in order to provide an appropriate compensation for contributions to the Bank's success. The proportion of the VC pools related to Group performance, which has a weighting of 25%, is determined based on the performance of a selected number of Group's Key Performance Indicators (KPIs), including Common Equity Tier 1 ("CET 1") Capital Ratio, Cost/Income Ratio ("CIR"), Post-Tax Return on Tangible Equity ("RoTE"), ESG: Environmental - Sustainable Financing and ESG Investments, Social - Gender Diversity and Governance - Audit Control Risk Management Grade.

When assessing divisional performance, a range of considerations are referenced. Performance is assessed in the context of financial and – based on Balanced Scorecards – non-financial targets. The financial targets for front-office divisions are subject to appropriate risk-adjustment, in particular by referencing the degree of future potential risks to which Deutsche Bank Group may be exposed, and the amount of capital required to absorb severe unexpected losses arising from these risks. For the infrastructure functions, the financial performance assessment is mainly based on the achievement of cost targets. While the allocation of VC to infrastructure functions, and in particular to control functions, depends on both Deutsche Bank Group's overall and their own performance, it is not dependent on the performance of the division(s) that these functions oversee.

Remuneration (continued)

Determination of performance-based variable compensation (continued)

At the level of the individual employee, the VC Guiding Principles are established, which detail the factors and metrics that managers need to take into account when making VC decisions. In doing so, they must fully appreciate the risk-taking activities of individuals to ensure that VC allocations are balanced and risk-taking is not inappropriately incentivised. The factors and metrics to be considered include, but are not limited to, (i) business delivery ("What"), i.e. quantitative and qualitative financial, risk-adjusted and non-financial performance metrics, and (ii) behavior ("How"), i.e. culture, conduct and control considerations such as qualitative inputs from control functions or disciplinary sanctions. VC setting recommendations help managers to translate individual performance ("What" and "How") into appropriate pay outcomes. Generally, performance is assessed based on a one-year period. However, for Management Board members of all Significant Institutions, a performance period of three years is taken into account.

Variable Compensation Structure

The compensation structures are designed to provide a mechanism that promotes and supports long-term performance of employees and the Bank. Whilst a portion of VC is paid upfront, these structures require that an appropriate portion is deferred to ensure alignment to the sustainable performance of the Group. For both parts of VC, Deutsche Bank Group shares are used as instruments and as an effective way to align compensation with Deutsche Bank Group's sustainable performance and the interests of shareholders.

The Bank continues to go beyond regulatory requirements with the scope as well as the amount of VC that is deferred and the minimum deferral periods for certain employee groups. The deferral rate and period are determined based on the risk categorisation of the employee as well as the business unit. Where applicable, the Bank starts to defer parts of variable compensation for MRTs where VC is set at or above € 50,000 or where VC exceeds 1/3 of TC. For non-MRTs, deferrals start at higher levels of VC. MRTs are on average subject to deferral rates in excess of the minimum 40% (60% for Senior Management) as required by InstVV. For MRTs in Material Business Units (MBU) the Bank applies a deferral rate of at least 50%. The VC threshold for MRTs requiring at least 60% deferral is set at € 500,000. Moreover, for all employees whose FP exceeds the amount of € 500,000, the full amount of the VC is deferred.

Remuneration (continued)

Variable Compensation Structure (continued)

As detailed in the table below, deferral periods range from three to five years, dependent on employee groups.

Overview on 2024 Award Types (excluding DWS Group)

Award Type	Description	Beneficiaries	Deferral Period	Retention Period	Portion
Upfront: Cash VC	Upfront cash	All eligible employees	N/A	N/A	100% of VC, except employees with deferred awards
Upfront: Equity Upfront Award (EUA)	Upfront equity (linked to Deutsche Bank Group's share price over the retention period)	MRTs with VC ≥ € 50,000 or where VC exceeds 1/3 of TC Non-MRTs with deferred awards where 2024 TC > € 500,000	N/A	12 months	50% of upfront VC
Deferred: Restricted Incentive Award (RIA)	Deferred cash	All employees with deferred VC	Equal tranche vesting: MRTs: 4 years Senior Mgmt.[1]: 5 years Non-MRTs: 3 years	N/A	50% of deferred VC
Deferred: Restricted Equity Award (REA)	Deferred equity (linked to Deutsche Bank Group's share price over the vesting and retention period)	All employees with deferred VC	Equal tranche vesting: MRTs: 4 years Senior Mgmt.[1]: 5 years Non-MRTs: 3 years	12 months for MRTs	50% of deferred VC

N/A – Not applicable

[1] For the purpose of Performance Year 2024 annual awards, Senior Management is defined DB AG MB-1 positions; incumbents of MB-2 positions in IB and CB reporting to Head of CB and Co-Heads of IB; further individuals with significant business responsibilities; MB members of Significant Institutions in the meaning of the German Banking Act; respective MB-1 positions with managerial responsibility; for the specific deferral rules for the Management Board of Deutsche Bank Group AG refer to the Compensation Report for the Management Board

Employees are not allowed to sell, pledge, transfer or assign a deferred award or any rights in respect to the award. They may not enter into any transaction having an economic effect of hedging any variable compensation, for example offsetting the risk of price movement with respect to the equity-based award. The Human Resources and Compliance functions, overseen by the Compensation Officer, work together to monitor employee trading activity and to ensure that all employees comply with this requirement.

Remuneration (continued)

Ex-post Risk Adjustment of Variable Compensation

In line with regulatory requirements relating to ex-post risk adjustment of variable compensation, the Bank believes that a long-term view on conduct and performance of its employees is a key element of deferred VC. As a result, under the Management Board's oversight, all deferred awards are subject to performance conditions and forfeiture provisions as detailed below.

Overview on Deutsche Bank Group Group performance conditions and forfeiture provisions of variable compensation granted for Performance Year 2024

Provision	Description	Forfeiture
Solvency and Liquidity	– If at the quarter end preceding vesting and release, any one of the following falls below a defined Risk Appetite threshold: CET1 Capital Ratio; Leverage Ratio; Economic Capital Adequacy Ratio; Liquidity Coverage Ratio; High Quality Liquid Assets (HQLA)	– Between 10% and 100% of the next tranche of deferred award due for delivery / of the Equity Upfront Award, depending on the Risk Appetite threshold and the extent the Group / Divisional PBT condition(s) is/ are met
Group PBT	– If for the financial year end preceding the vesting date adjusted Group PBT is negative[1]	– Between 10% and 100% of the next tranche of deferred award due for delivery, depending on the extent Solvency and Liquidity condition is met and whether Divisional PBT condition is met (if applicable)
Divisional PBT[2]	– If for the financial year end preceding the vesting date adjusted Divisional PBT is negative[1]	– Between 10% and 100% of the next tranche of deferred award due for delivery, depending on the extent Solvency and Liquidity condition is met and whether Group PBT condition is met
Forfeiture Provisions[3]	– In the event of an internal policy or procedure breach, breach of any applicable laws or regulations, or a Control Failure – If any award was based on performance measures or assumptions that are later deemed to be materially inaccurate – Where a Significant Adverse Event occurs, and the Participant is considered sufficiently proximate – If forfeiture is required to comply with prevailing regulatory requirements	– Up to 100% of undelivered awards
Clawback	– In the event an InstVV MRT participated in conduct that resulted in significant loss or regulatory sanction/supervisory measures; or failed to comply with relevant external or internal rules regarding appropriate standards of conduct – If clawback is required to comply with a competent regulatory authority or other legal requirements	– 100% of award which has been delivered, before the second anniversary of the last vesting date for the award

[1] Considering clearly defined and governed adjustments for relevant Profit and Loss items (e.g., business restructurings; impairments of goodwill or intangibles)
[2] Only applicable to InstVV MRTs in front office divisions
[3] Other provisions may apply as outlined in the respective plan rules

Remuneration (continued)

Senior Managements & Material Risk Takers' Remuneration for 2024

			Senior Management**		Material Risk Takers[1]		Total
			RM'000	No	RM'000	No	RM'000
Fixed Remuneration							
Cash			3,163	7	3,512	3	6,675
Other			-	-	-	-	-
Variable							
-	Non Deferred	Cash	849	6	1,373	3	2,222
-	Deferred	Cash	-	-	823	1	823
Guaranteed bonus			-	-	-	-	-
Sign On bonus			-	-	-	-	-
Severance Payments			-	-	-	-	-
Others			682	7	970	3	1,652
			4,694		6,678		11,372
Variable							
-	Deferred	Shares	1	1	1,423	1	1,424
			4,695		8,101		12,796
Outstanding deferred remuneration							
-	Non Deferred	Cash	-	-	-	-	-
-	Deferred	Cash	-	-	2,055	1	2,055
		Shares	-	-	4,729	1	4,729
Exposure to implicit & explicit adjustments			-	-	-	-	-
-	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and implicit adjustments		-	-	-	-	-
-	Total amount of reductions during the financial year due to ex-post explicit adjustments		-	-	-	-	-
-	Total amount of reductions during the financial year due to ex-post implicit adjustment		-	-	-	-	-

1 Refers to locally identified risk takers who can materially commit or control significant amounts of the Bank's resources or whose actions are likely to have a significant impact on the bank's risk profile.

** Excluding CEO

Management Report

Board meetings are structured around a pre-set agenda and regular reports from the management on risk management, key operating, financial, legal, compliance and regulatory matters and minutes of committee meetings are circulated to keep Directors abreast with the performance of the Bank.

Corporate Social Responsibility

We're not just a part of communities – we play an active role in helping to shape them. Wherever we are in the world, we create a culture of giving. And whether it's through education or environmental conservation, by delivering basic needs or finding long-term solutions, we are passionate about making a difference.

Our corporate social responsibility agenda focuses on two impact areas: education and environment. Our global reach allows us to implement these priorities across regions, resulting in a tangible and meaningful impact.

We are dedicated to helping people reach their full potential. Our education initiatives aim to provide the knowledge and skills to navigate the rapidly changing world and achieve personal growth. Since 2013 we have reached over six million people in more than 30 countries.

Protection of the natural environment is essential for the wellbeing of people as well as the planet. Our projects and partnerships target the most urgent local priorities in every region, from the preservation of forests, farmland, and urban green spaces to the health of oceans and coastlines, rivers, and wetlands.

We are always ready to help when and where it matters most. Our work with community partners helps the most disadvantaged in society. As well as meeting immediate needs, we look for long-term solutions to systemic issues. At times of natural disasters or humanitarian crises, we assist relief and reconstruction efforts through targeted programmes, donations and grants.

For decades, our deep dedication to inclusion has inspired forward thinking on issues that affect life opportunities, such as economic and educational inequality and the lack of sustained support. We work with other thought leaders and listen closely to organisations who know what is happening on the ground, to understand where the need for new ideas is greatest. Our goal is to find solutions that achieve real progress by using head, heart and hand in equal measure.

Corporate Social Responsibility (continued)

Our people are the backbone of our commitment. They give their time, skills and expertise as volunteers. They are donors and fundraisers too. We are proud of their commitment: one in four employees worldwide volunteered in 2023, collectively investing more than 212,000 hours of their time.

Where dedication leads, possibilities follow. Together with our people and our partners, we are a community deeply dedicated to empowering change – for the society of today and generations of tomorrow.

Key topics and impact in 2024

In Malaysia, the Bank supports various organisations and initiatives aligned to its global CSR strategy, focusing on two key impact areas: education and environment.

Under the School Adoption Programme, Nan Kai Chinese Primary School was adopted by the Bank to promote financial literacy in young children. More than 100 students participated in financial literacy workshops where they were able to learn important money concepts that would help them build essential life skills in future.

Since 2013, the Bank has donated to the Badan Amal Nur Zaharah Welfare Home at Bukit Janda Baik, which provides underprivileged children with shelter, hope, education, and a better standard of living. In 2024, the home supported 38 children.

The Bank also contributed to the Financial Industry Collective Outreach ("FINCO"), the largest collaborative initiative pioneered by all financial institutions in Malaysia supported by Bank Negara Malaysia. Since 2017, over 490,000 children have benefitted from the FINCO initiative which provided underprivileged children and youth with the necessary guidance and educational tools to achieve their goals in life.

In partnership with Global Peace Foundation Malaysia, a non-profit organisation that aims to empower Orang Asli families, the Bank funded a project that helped 15 families tackle food insecurity through farming. The project equipped farmers with skills and capacities on regenerative farming, provided necessary tools and seedlings that kickstarted the farming process, and continuously mentored farmers and provided marketing support to the community. We have continued funding this for 2025, expanding the support to 30 families.

Corporate Social Responsibility (continued)

Governance and impact tracking

The Communications & CSR team reports directly to the CEO. The "Donations, Memberships & Sponsorships ("DMS") Policy – Deutsche Bank Group", and other applicable policies and procedures define the mandatory operating framework for the Bank and external partners acting on its behalf. Our CSR initiatives are implemented by our regional teams and endowed foundations. In Asia Pacific, depending on the amount of the investment, proposals for new initiatives require the approval of the regional CSR team, regional CSR approval groups, and/or Board members of Deutsche Bank Group. To ensure that resources are deployed efficiently and that projects are fully aligned with our CSR strategic objectives, we use the Global Impact Tracking ("GIT") tool to monitor our investments' direct impact and systematically gather feedback from our community partners on an annual basis. The insights from these analyses have enabled us to improve our CSR strategy and portfolio over time.

Deutsche Bank (Malaysia) Berhad

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

and its subsidiaries

Directors' report for the year ended 31 December 2024

The Directors have pleasure in presenting their report and the audited financial statements of the Group and the Bank for the financial year ended 31 December 2024.

Principal activities

The principal activities of the Bank are banking and related financial services that also include Islamic Banking business. The principal activities of the subsidiaries are disclosed in Note 9 to the financial statements. There has been no significant change in the nature of the activities of the Bank and its subsidiaries during the financial year.

Results

	Group and Bank RM'000
Profit before tax	298,131
Tax expense	(73,056)
Profit for the year attributable to owner of the Bank	225,075

Dividends

Since the end of the previous financial year, the amount of dividends paid by the Bank was as follows:-

In respect of the financial year ended 31 December 2023 as reported in the Director's Report of that year, a final ordinary dividend of 110.1 sen per ordinary share totalling RM191,195,000 was paid in tranches in July 2024.

The proposed final dividend recommended by the Directors in respect of the financial year ended 31 December 2024 is 129.7 sen per ordinary share totalling RM225,075,000.

The financial statements for the current financial year do not reflect this proposed final dividend in respect of the financial year ended 31 December 2024. Upon declaration, this dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2025.

Reserves, provisions and allowances

There were no material transfers to or from reserves, allowances or provisions during the financial year other than those disclosed in the financial statements.

Directors of the Bank

The Directors of the Bank who served on the board since the beginning of the current financial year to the date of this report are:

Tunku Kecil Muda Tunku Mahmood Fawzy bin Tunku Muhiyiddin
(Resigned on 31 January 2025)
Dato' Yusof Annuar bin Yaacob
Madam Koid Swee Lian
Mr Seamus Toal
Mr Chong Kin Leong
Datin Wan Daneena Liza binti Wan Abdullah Rahman
(Appointed on 20 November 2024)

Directors of the subsidiaries

Pursuant to Section 253 of the Companies Act 2016, the Directors of the subsidiaries in office since the beginning of the current financial year to the date of this report are:

Richard Lim Hock Seng
Liew Yeh Yin

Bad and doubtful debts and financing

Before the financial statements of the Group and of the Bank were made out, the Directors took reasonable steps to ascertain that actions had been taken in relation to the writing off of bad debts and financing and the making of allowances for doubtful debts and financing, and satisfied themselves that all known bad debts and financing had been written off and adequate allowances had been made for doubtful debts and financing.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off for bad debts and financing, or the amount of the allowance for doubtful debts and financing, in the financial statements of the Group and of the Bank inadequate to any substantial extent.

Current assets

Before the financial statements of the Group and of the Bank were made out, the Directors took reasonable steps to ascertain that any current assets, other than debts and financing, which were unlikely to be realised in the ordinary course of business at their values as shown in the accounting records of the Group and of the Bank, have been written down to an amount which they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Bank misleading.

Valuation methods

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the financial statements of the Group and of the Bank misleading or inappropriate.

Contingent and other liabilities

At the date of this report, there does not exist:

(a) any charge on the assets of the Group or of the Bank which has arisen since the end of the financial year and which secures the liabilities of any other person, or

(b) any contingent liability in respect of the Group or of the Bank that has arisen since the end of the financial year other than those incurred in the ordinary course of business.

No contingent or other liability of the Group and of the Bank has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Bank to meet their obligations as and when they fall due.

Change of circumstances

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Bank, which would render any amount stated in the financial statements misleading.

Items of an unusual nature

The results of the operations of the Group and of the Bank for the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Bank for the current financial year in which this report is made.

Compliance with BNM's expectations on financial reporting

In the preparation of the financial statements, the Directors have taken reasonable steps to ensure that BNM's expectations on financial reporting have been complied with, including those set out in the Policy Document on Financial Reporting.

Directors' interests in shares

According to the Register of Directors' Shareholdings maintained by the Bank in accordance with the Companies Act 2016, the Directors holding office at year end who have beneficial interests in the shares of the Bank and its related corporations are as follows:

	Number of ordinary shares			
	Balance at 1.1.2024	Bought	Sold	Balance at 31.12.2024
Holding company				
Deutsche Bank Aktiengesellschaft				
Dato' Yusof Annuar bin Yaacob	36,980	12,384	(3,717)	45,647
Seamus Toal	93,111	10,100	(30,006)	73,205

	Number of DB Restricted Equity Units Plan			
	Balance at 1.1.2024	Awarded/ Granted	Exercised/ Vested	Balance at 31.12.2024
Holding company				
Deutsche Bank Aktiengesellschaft				
- DB Restricted Equity Units Plan				
Dato' Yusof Annuar bin Yaacob	23,318	15,675	(12,384)	26,609
Seamus Toal	29,663	8,298	(10,100)	27,861

None of the other Directors held or dealt in the shares of the Bank or its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Bank has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as below) by reason of a contract made by the Bank or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Directors' benefits (continued)

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2024 are as follows:

	Bank RM'000
Directors of the Bank:	
Salary and other remuneration	2,580
Fee	580
Bonuses	1,698
Benefits-in-kind	26
	4,884

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangements to which the Bank is a party whereby Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate other than the share and options compensation plans operated by Deutsche Bank Aktiengesellschaft as disclosed in Note 36.

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Bank during the financial year.

There were no debentures issued during the year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Bank during the year.

Rating by external rating agencies

In July 2024, RAM Rating Services Berhad ("RAM") has upgraded the Bank's financial institution rating to AAA/P1 from AA1/P1, with outlook revised from positive to stable.

Indemnity and insurance costs

During the financial year, the total amount of insurance cost incurred for the Directors of the Bank net of Directors' contribution is RM1,650.

There were no indemnity and insurance cost effected for auditors of the Bank during the financial year.

Ultimate holding company

The Directors regard Deutsche Bank AG, a bank incorporated in Germany, as the immediate and ultimate holding company of the Bank during the financial year and until the date of this report.

Subsidiaries

The details of the Bank's subsidiaries are disclosed in Note 9 to the financial statements.

Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Bank for the year amounted to RM232,000. The auditors' remuneration are disclosed in Note 22 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors:

……………………………………………………………………………………

Koid Swee Lian
Director

……………………………………………………………………………………

Dato' Yusof Annuar bin Yaacob
Director

Kuala Lumpur, Malaysia

Date: 19 May 2025

Deutsche Bank (Malaysia) Berhad
Company Registration No. 199401026871 (312552-W)
(Incorporated in Malaysia)
and its subsidiaries

Statement by Directors pursuant to Section 251(2) of the Companies Act 2016

We, Koid Swee Lian and Dato' Yusof Annuar bin Yaacob, being two of the Directors of Deutsche Bank (Malaysia) Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 55 to 165 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Bank as of 31 December 2024 and of their financial performance and of their cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors:

……………………………………………………………………………………

Koid Swee Lian
Director

…………………………………………………………………………

Dato' Yusof Annuar bin Yaacob
Director

Kuala Lumpur, Malaysia

Date: 19 May 2025

Deutsche Bank (Malaysia) Berhad
Company Registration No. 199401026871 (312552-W)
(Incorporated in Malaysia)
and its subsidiaries

Statutory declaration
Pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Liew Yeh Yin**, being the Officer primarily responsible for the financial management of Deutsche Bank (Malaysia) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 55 to 165 are, in my opnion correct, and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named Liew Yeh Yin , MIA CA 8677 , at Kuala Lumpur in Federal Territory on 19 May 2025.

……………………………………………
Liew Yeh Yin

Before me:

Shariah Committee's Report

In the Name of Allah, The Most Compassionate, The Most Merciful,

In compliance with the letter of appointment, we are required to submit the following report:

We have reviewed the principles and the contracts relating to the transactions and applications introduced by the Bank's Islamic Banking Division ("Division") during the year ended 31 December 2024. We have also conducted our review to form an opinion as to whether the Division has complied with the Shariah principles and with the Shariah rulings issued by the Shariah Advisory Council of Bank Negara Malaysia, as well as Shariah decisions made by us.

The management of the Division is responsible for ensuring that the Division conducts its business in accordance with the Shariah principles. It is our responsibility to form an independent opinion, based on our review of the operations of the Division, and to report to you.

We have assessed the Shariah review work carried out by the Shariah Compliance Officer and Shariah audit work carried out by internal Shariah audit. Based on the risk-based Shariah Audit coverage cycle of 3 years of the Division, a Shariah Audit was carried out during 2023.

We planned and performed our review so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Islamic Banking division has not violated the Shariah principles.

In our opinion:

The contracts, transactions and dealings entered into by the Division during the year ended 31 December 2024 that we have reviewed are in compliance with the Shariah principles.

Nothing has come to our attention that causes us to believe that the operations, business affairs and activities of the the Division involve any material Shariah non-compliances.

The Division did not pay zakat for the financial year ended 31 December 2024.

We, the members of the Shariah Committee of the Division, do hereby confirm, to the best of our knowledge and belief, that the operations of the Division for the year ended 31 December 2024 have been conducted in conformity with the Shariah principles.

On behalf of the Shariah Committee:

…………………………………………………

Dr Uzaimah binti Ibrahim
(Chairperson of Shariah Committee)

…………………………………………………

En Ahmad Firdaus bin Kadir
(Member)

Kuala Lumpur, Malaysia

Date: 19 May 2025

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
SST ID: W10-2002-32000062
Chartered Accountants
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Company Registration No. 199401026871 (312552-W)

**Independent auditors' report to the members of
Deutsche Bank (Malaysia) Berhad
(Incorporated in Malaysia)**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Deutsche Bank (Malaysia) Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Bank, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Bank for the year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 55 to 165.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Bank in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Company Registration No. 199401026871 (312552-W)

Independent auditors' report to the members of
Deutsche Bank (Malaysia) Berhad (cont'd.)

Information other than the financial statements and auditors' report thereon

The directors of the Bank are responsible for the other information. The other information comprises the directors' Report, but does not include the financial statements of the Group and of the Bank and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Bank does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Bank, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Bank or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Bank are responsible for the preparation of financial statements of the Group and of the Bank that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Bank that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Bank, the directors are responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Bank or to cease operations, or have no realistic alternative but to do so.

Company Registration No. 199401026871 (312552-W)

Independent auditors' report to the members of
Deutsche Bank (Malaysia) Berhad (cont'd.)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Bank as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Bank, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Bank or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Bank to cease to continue as a going concern.

Company Registration No. 199401026871 (312552-W)

Independent auditors' report to the members of Deutsche Bank (Malaysia) Berhad (cont'd.)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Bank, including the disclosures, and whether the financial statements of the Group and of the Bank represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matters

This report is made solely to the members of the Bank, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Yeo Beng Yean
No. 03013/10/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
[Date]

Deutsche Bank (Malaysia) Berhad

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

and its subsidiaries

Statements of financial position as at 31 December 2024

		Group		Bank	
	Note	31.12.2024 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	31.12.2023 RM'000
Assets					
Cash and short-term funds	3.1	2,826,640	3,333,275	2,826,640	3,333,275
Deposits and placements with banks and other financial institutions	3.2	229,996	-	229,996	-
Reverse repurchase agreements		111,450	320,131	111,450	320,131
Financial securities at fair value through profit and loss	4	1,934,302	2,399,445	1,934,302	2,399,445
Financial securities at fair value through other comprehensive income	5	2,104,191	1,586,931	2,104,191	1,586,931
Loans, advances and financing	6	1,622,711	2,026,863	1,622,711	2,026,863
Derivative assets	35.3	1,262,824	2,930,813	1,262,824	2,930,813
Other assets	7	508,070	408,221	508,070	408,221
Statutory deposit with Bank Negara Malaysia	8	-	10,000	-	10,000
Investments in subsidiary companies	9	-	-	20	20
Property and equipment	10	6,329	8,193	6,329	8,193
Right-of-use assets	11	3,277	3,950	3,277	3,950
Deferred tax assets	12	7,486	5,388	7,486	5,388
Total assets		10,617,276	13,033,210	10,617,296	13,033,230

Statements of financial position as at 31 December 2024 (continued)

	Note	Group 31.12.2024 RM'000	Group 31.12.2023 RM'000	Bank 31.12.2024 RM'000	Bank 31.12.2023 RM'000
Liabilities and equity					
Deposits from customers	13	5,188,338	6,121,494	5,188,358	6,121,514
Deposits and placements of banks and other financial institutions	14	1,465,378	1,261,534	1,465,378	1,261,534
Lease liabilities	15	3,312	4,497	3,312	4,497
Derivative liabilities	35.3	1,183,297	2,878,227	1,183,297	2,878,227
Other liabilities	16	836,923	857,444	836,923	857,444
Tax payable		8,771	14,386	8,771	14,386
Total liabilities		8,686,019	11,137,582	8,686,039	11,137,602
Equity					
Share capital	17	531,362	531,362	531,362	531,362
Reserves	18	1,399,895	1,364,266	1,399,895	1,364,266
Total equity attributable to owner of the Bank		1,931,257	1,895,628	1,931,257	1,895,628
Total liabilities and Equity		10,617,276	13,033,210	10,617,296	13,033,230

	Note	Group and Bank 31.12.2024 RM'000	Group and Bank 31.12.2023 RM'000
Commitments and contingencies	32	185,294,551	132,893,883

Deutsche Bank (Malaysia) Berhad

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

and its subsidiaries

Statements of profit or loss and other comprehensive income for the year ended 31 December 2024

	Note	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Interest income	19	350,342	323,348
Interest expense	20	(136,290)	(106,524)
Net interest income		214,052	216,824
Net income from Islamic Banking Operations	37	5,023	4,875
Non-interest income	21	254,690	235,050
Operating income		473,765	456,749
Other operating expenses	22	(175,282)	(178,497)
Operating profit		298,483	278,252
(Allowance for)/Write-back of expected credit losses	23	(352)	1,028
Profit before tax		298,131	279,280
Tax expense	28	(73,056)	(88,085)
Profit for the year		225,075	191,195
Other comprehensive income/(loss):			
Items that are or may be reclassified subsequently to profit or loss			
Net changes in ECL reserves		267	(138)
Net change in fair value and amount transferred to income statement on disposal of debt securities at FVOCI		5,534	16,635
Income tax effect	12/28	(1,392)	(3,959)
Items that will not be reclassified subsequently to profit or loss			
Net change in fair value of equity investments at FVOCI		(3,500)	6,591
Income tax effect	12/28	840	(1,582)
Total other comprehensive income for the year		1,749	17,547
Total comprehensive income for the year		226,824	208,742
Earnings per share (sen)	29	129.7	110.1

The notes on pages 62 to 165 are an integral part of these financial statements.

Deutsche Bank (Malaysia) Berhad

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

and its subsidiaries

Statements of changes in equity for the year ended 31 December 2024

		Attributable to owner of the Bank					
			Non-distributable		Distributable		
Group and Bank	Note	Share capital RM'000	Other reserves RM'000	ECL Reserve RM'000	Retained earnings RM'000	Total reserves RM'000	Total RM'000
At 1 January 2023		531,362	40,051	534	1,328,780	1,369,365	1,900,727
Total comprehensive income/(loss) for the year		-	17,652	(105)	191,195	208,742	208,742
Dividends paid	30	-	-	-	(213,841)	(213,841)	(213,841)
At 31 December 2023		531,362	57,703	429	1,306,134	1,364,266	1,895,628
		Note 17	Note 18	Note 18	Note 18		

Company Registration No. 199401026871 (312552-W)

Statements of changes in equity for the year ended 31 December 2024 (continued)

Group and Bank	Note	Share capital RM'000	Other reserves RM'000	ECL Reserve RM'000	Retained earnings RM'000	Total reserves RM'000	Total RM'000
		← Attributable to owner of the Bank →					
			Non-distributable		Distributable		
At 1 January 2024		531,362	57,703	429	1,306,134	1,364,266	1,895,628
Total comprehensive income for the year			1,546	203	225,075	226,824	226,824
Dividends paid	30	-	-	-	(191,195)	(191,195)	(191,195)
At 31 December 2024		531,362	59,249	632	1,340,014	1,399,895	1,931,257
		Note 17	Note 18	Note 18	Note 18		

The notes on pages 62 to 165 are an integral part of these financial statements.

Deutsche Bank (Malaysia) Berhad

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

and its subsidiaries

Statements of cash flows for the year ended 31 December 2024

	Group and Bank	
	2024	2023
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	298,131	279,280
Adjustments for:		
Dividend income from equity instruments	(60)	(60)
Depreciation of property and equipment (Note 10)	3,368	3,352
Depreciation of right-of-use assets (Note 11)	1,132	1,181
Lease liabilities (Note 15)		
- Interest expense	78	201
- Adjustment, net of right-of-use assets	(487)	-
Property and equipment written off	5	-
Allowance for/(Write-back of) expected credit losses (Note 23)	352	(1,028)
Net unrealised (gain)/loss on revaluation of financial securities and trading derivatives (Note 21)	(8,668)	9,619
Operating profit before changes in operating assets and liabilities	293,851	292,545
(Increase)/Decrease in operating assets:		
Reverse repurchase agreements	208,681	(208,368)
Financial securities at fair value through profit and loss	451,241	(731,754)
Financial securities at fair value through other comprehensive income	(515,226)	(250,057)
Loans, advances and financing	404,067	115,906
Derivative financial assets	(1,755,556)	1,684,840
Other assets	(99,849)	4,043
Statutory deposit with Bank Negara Malaysia	10,000	10,000
(Decrease)/Increase in operating liabilities:		
Deposits from customers	(933,156)	996,224
Deposits and placements of banks and other financial institutions	203,844	1,024,476
Derivative financial liabilities	1,751,185	(1,685,017)
Other liabilities	(20,521)	(53,387)
Cash (used in)/generated from operations	(1,439)	1,199,451
Income taxes paid	(81,321)	(67,944)
Tax refunds received	-	20,360
Net cash (used in)/generated from in operating activities	(82,760)	1,151,867

Company Registration No. 199401026871 (312552-W)

Statements of cash flows for the year ended 31 December 2024 (continued)

	Note	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Cash flows from investing activities			
Dividend income received		60	60
Purchase of property and equipment (Note 10)		(1,509)	(84)
Net cash used in investing activities		(1,449)	(24)
Cash flows from financing activities			
Payment of lease liabilities (Note 15)		(1,235)	(1,356)
Dividends paid (Note 30)		(191,195)	(213,841)
Net cash used in financing activities		(192,430)	(215,197)
Net (decrease)/increase in cash and cash equivalents		(276,639)	936,646
Cash and cash equivalents at 1 January		3,333,299	2,396,653
Cash and cash equivalents at 31 December	(i)	3,056,660	3,333,299

(i) Cash and cash equivalents comprise:

	Note	2024	2023
Cash and short-term funds	3.1	2,826,660	3,333,299
Deposits and placements with banks and other financial institutions	3.2	230,000	-
		3,056,660	3,333,299

Notes to the financial statements

Deutsche Bank (Malaysia) Berhad ("the Bank") is a public limited liability company incorporated and domiciled in Malaysia. The address of both its registered office and principal place of business is located at Level 19, Menara IMC, 8, Jalan Sultan Ismail, 50250 Kuala Lumpur. The consolidated financial statements of the Bank as at and for the year ended 31 December 2024 comprise the Bank and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

The Bank is principally engaged in banking and related financial services that also include Islamic Banking business, whilst the principal activities of the subsidiaries are stated in Note 9.

The immediate and ultimate holding company of the Bank is Deutsche Bank Aktiengesellschaft ("Deutsche Bank AG"), a bank incorporated in Germany.

The financial statements were approved and authorised for issue by the Board of Directors on 19 May 2025.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Bank have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

Pursuant to paragraph 10.5 of the Policy Document on Financial Reporting issued by Bank Negara Malaysia, a banking institution is required to maintain in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserves of no less than 1.0% of the total credit exposures, net of loss allowance for credit-impaired exposures. The Bank has complied with this minimum requirement as at the reporting date.

The accounting policies adopted by the Group and the Bank are consistent with those adopted in the most recent annual financial statements for the year ended 31 December 2023, except for the adoption of the following MFRS and Amendments to MFRSs which are effective beginning on or after 1 January 2024, during the current financial period:

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16 *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

The adoption of the abovementioned accounting standards and amendments did not have any material impact on the financial statements of the Group and the Bank.

The following are acounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("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 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

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*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

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*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

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 2025 for the amendments that is effective for annual periods beginning on or after 1 January 2025;
- from the annual period beginning on 1 January 2026 for the amendments that is effective for annual periods beginning on or after 1 January 2026; and
- 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, except for MFRS 18, *Presentation and Disclosure in Financial Statements*. The Group and the Bank are currently in the process of assessing the potential impact of MFRS 18, if any, when it becomes applicable.

(b) Basis of measurement

The financial statements of the Group and the Bank have been prepared on a historical cost basis unless otherwise indicated in the financial statements.

The financial statements incorporate all activities relating to the Islamic Banking business which have been undertaken by the Group and the Bank. Islamic Banking business refers generally to the acceptance of deposits and granting of financing under the principles of Shariah.

(c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia (“RM”) which is also the functional currency of the Bank. All values are rounded to the nearest thousand (“RM’000”) except when otherwise indicated.

1. Basis of preparation (continued)

(d) Use of estimates and judgements

The preparation of the financial statements in accordance with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses, the accompanying disclosures and the disclosure of contingent liabilities. Actual results may differ from these estimates.

Judgments, estimates and assumptions are continually evaluated and are based on past experience, reasonable expectations of future events and other factors. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 2(c)(vi) and 35.2 – Fair value of financial instruments
- Note 2(d)(i), Note 3, Note 5 and Note 6 – Impairment of financial assets
- Note 2(h), Note 12 and Note 28 – Deferred tax assets and Income taxes

2. Accounting policy information

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by the Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Bank. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

2. Accounting policy information (continued)

(a) Basis of consolidation (continued)

(i) Subsidiaries (continued)

The Bank controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Bank also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Bank's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Loss of control

Upon the loss of control of a subsidiary, the Bank derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Bank retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2. Accounting policy information (continued)

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash and balances with banks and other financial institutions, and short-term deposits maturing within three months.

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group or the Bank becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(ii) Financial instrument categories and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt securities; FVOCI – equity investments; or fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

2. Accounting policy information (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

A debt security is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

On initial recognition of an equity investment that is not held for trading, the Group and the Bank may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative assets. On initial recognition, the Group and the Bank may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

2. Accounting policy information (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt securities at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

2. Accounting policy information (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Bank may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or

(c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

2. Accounting policy information (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities (continued)

(a) Fair value through profit or loss (continued)

Financial liabilities categorised as FVTPL are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Bank recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) Amortised cost

Other financial liabilities not categorised as FVTPL are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in profit or loss.

2. Accounting policy information (continued)

(c) Financial instruments (continued)

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

2. Accounting policy information (continued)

(c) Financial instruments (continued)

(v) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the profit or loss.

(vi) Determination of fair value

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or, in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2. Accounting policy information (continued)

(c) Financial instruments (continued)

(vi) Determination of fair value (continued)

When measuring the fair value of an asset or a liability, the Group and the Bank use observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

The Group and the Bank recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

For financial instruments measured at fair value, where available, quoted and observable market prices in an active market or dealer price quotations are used to measure fair value. These include listed equity securities and broker quotes on Bloomberg and Reuters.

Where such quoted and observable market prices are not available, fair values are determined using appropriate valuation techniques, which include the use of mathematical models, such as discounted cash flow models and option pricing models, comparison to similar instruments for which market observable prices exist and other valuation techniques. Valuation techniques used incorporate assumptions regarding discount rates, interest/profit rate yield curves, estimates of future cash flows and other factors, as applicable. The Group and the Bank generally use widely recognised valuation techniques with market observable inputs, if available, for the determination of fair value.

2. Accounting policy information (continued)

(c) Financial instruments (continued)

(vi) Determination of fair value (continued)

If prices and parameter inputs or assumptions are not observable, the appropriateness of fair value is subject to additional procedures to assess its reasonableness. Such procedures include performing revaluations using independently generated models, assessing the valuations against appropriate proxy instruments, performing sensitivity analysis and extrapolation techniques, and considering other benchmarks. Assessment is made as to whether the valuation techniques yield fair value estimates that are reflective of the way the market operates by calibrating the results of the valuation models. These procedures require the application of management judgement.

(vii) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and to settle the liability simultaneously. This is not generally the case with master netting agreements and therefore, the related assets and liabilities are presented on a gross basis in the statements of financial position.

2. Accounting policy information (continued)

(d) Impairment

(i) Financial assets

The ‘expected credit loss’ model applies to all financial assets measured at amortised cost and debt instruments at FVOCI, and to off-balance sheet credit exposures such as loan commitments and financial guarantees (hereafter collectively referred to as “financial assets”).

Staged Approach to the Determination of Expected Credit Losses (“ECL”)

The Group and the Bank follow a three stage approach to impairment for financial assets at the date of origination or purchase. This approach is summarised as follows:

– Stage 1: The Group and the Bank recognise a loss allowance at an amount equal to 12-month ECL. This represents the portion of lifetime ECL from default events that are expected within 12 months of the reporting date, assuming that credit risk has not increased significantly after initial recognition.

– Stage 2: The Group and the Bank recognise a loss allowance at an amount equal to lifetime ECL for those financial assets which are considered to have experienced a significant increase in credit risk since initial recognition. This requires the computation of ECL based on lifetime probability of default (“LTPD”) that represents the probability of default occurring over the remaining lifetime of the financial asset. Allowance for credit losses are higher in this stage because of an increase in credit risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.

– Stage 3: The Group and the Bank recognise a loss allowance at an amount equal to lifetime ECL, reflecting a Probability of Default (“PD”) of 100%, via the recoverable cash flows for the asset, for those financial assets that are credit-impaired. The Group’s definition of default is aligned with the regulatory definition.

Financial assets that are credit-impaired upon initial recognition, if any, are categorised within Stage 3 with a carrying value already reflecting the lifetime ECL.

2. Accounting policy information (continued)

(d) Impairment (continued)

(i) Financial assets (continued)

Significant increase in credit risk

When determining whether the credit risk (i.e., risk of default) of a financial asset has increased significantly since initial recognition, the Group and the Bank consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information based on historical experience, credit risk assessment and forward-looking information (including macro-economic factors). The assessment of significant credit deterioration is key in determining when to move from measuring an allowance based on 12-month ECLs to one that is based on lifetime ECLs.

Credit-impaired financial assets

The determination of whether a financial asset is credit-impaired focusses exclusively on default risk, without taking into consideration the effects of credit risk mitigants such as collateral or guarantees. Specifically, a financial asset is credit-impaired and in Stage 3 when:

- The Group and the Bank consider the obligor is unlikely to pay its credit obligations to the Bank. Determination may include forbearance actions, where a concession has been granted to the borrower or economic or legal reasons that are qualitative indicators of credit impairment; or

- Contractual payments of either principal or interest by the obligor are past due by more than 90 days.

For financial assets considered to be credit-impaired, the ECL allowance covers the amount of loss the Group and the Bank is expected to suffer. Forecasts of future economic conditions when calculating ECLs are considered. The lifetime expected losses are estimated based on the probability-weighted present value of the difference between 1) the contractual cash flows that are due to the Group and the Bank under the contract; and 2) the cash flows that the Group and the Bank expect to receive.

2. Accounting policy information (continued)

(d) Impairment (continued)

(ii) Other assets

The carrying amounts of other assets (except for deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of the assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2. Accounting policy information (continued)

(e) Repurchase agreements

Reverse repurchase agreements are securities which the Group and the Bank commit to resell at future dates and are reflected as an asset.

Repurchase agreements are obligations which the Group and the Bank commit to repurchase at future dates and are reflected as a liability.

(f) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within "other operating income" and "other operating expenses" respectively in profit or loss.

2. Accounting policy information (continued)

(f) Property and equipment (continued)

(ii) Subsequent costs

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group or the Bank, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised to profit or loss. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group or the Bank will obtain ownership by the end of the lease term. The estimated useful lives for the current and comparative periods are as follows:

Renovations	5 – 10 years
Office equipment	4 – 10 years
Computer equipment and software	3 – 5 years
Furniture and fittings	5 – 10 years
Motor vehicles	4 – 5 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the reporting period.

2. Accounting policy information (continued)

(g) Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Bank assess whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group and the Bank allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group and the Bank is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

2. Accounting policy information (continued)

(g) Leases (continued)

(i) Recognition and initial measurement

The Group and the Bank recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measure at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's and the Bank's incremental borrowing rate. Generally, the Group and the Bank use the incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise of the following:

- fixed payments, including in-substance fixed payments less any incentives receivables;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group and the Bank is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group and the Bank is reasonable certain not to terminate early.

2. Accounting policy information (continued)

(g) Leases (continued)

(i) Recognition and initial measurement (continued)

The Group and the Bank exclude variable lease payments that are linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group and the Bank have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Bank recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) Subsequent measurement

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's and the Bank's estimate of the amount expected to be payable under a residual value guarantee, or if the Group and the Bank change its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2. Accounting policy information (continued)

(h) Income tax and deferred tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. Accounting policy information (continued)

(i) Recognition of interest and financing income and expense

Interest and financing income and expense for all interest-bearing financial instruments are recognised in the statements of profit or loss and other comprehensive income using the effective interest rates of the financial assets or financial liabilities to which they relate.

The effective interest rate or effective profit rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability, or where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate or effective profit rate, the Group and the Bank estimate cash flows considering all contractual terms of the financial instrument but not future credit losses. The calculation includes all amounts paid or received by the Bank that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

(j) Recognition of fees and other income

Loan arrangement fees and commissions are recognised as income when all conditions precedent are fulfilled.

Commitment fees and guarantee fees are recognised as income based on time apportionment over the contractual period.

Dividends from securities are recognised when the right to receive payment is established.

2. Accounting policy information (continued)

(k) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group and the Bank at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

(l) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Bank. Short-term accumulating compensated absences such as paid annual leaves are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees' Provident Fund ("EPF"). Such contributions are recognised as expense in profit or loss as incurred.

2. Accounting policy information (continued)

(l) Employee benefits (continued)

(iii) Share-based compensation

The Group and the Bank participate in equity-settled and cash-settled share based compensation plan for the employees that is offered by the ultimate holding company, Deutsche Bank Aktiengesellschaft, a bank incorporated in Germany. The fair value of the services received in exchange for the grant of the options is recognised as an expense in the profit of loss over the vesting periods of the grant.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting date, the Group and the Bank revise its estimates of the number of options that are expected to vest. The Group and the Bank recognise the impact of the revision of original estimates, if any, in the profit or loss.

(m) Earnings per ordinary share

The Group and the Bank present basic earnings per share ("EPS") data for their ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholder of the Bank by the weighted average number of ordinary shares outstanding during the year.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group or the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3. Cash and cash equivalents

3.1 Cash and short-term funds

	Group and Bank	
	2024 RM'000	2023 RM'000
Cash and balances with banks and other financial institutions	213,089	228,309
Money at call and deposit placements maturing within one month	2,613,571	3,104,990
Cash and cash equivalents	2,826,660	3,333,299
Expected credit losses on cash and short-term funds		
• Stage 1 – 12-month ECL	(20)	(24)
	2,826,640	3,333,275

3.2 Deposits and placements with banks and other financial institutions

	Group and Bank	
	2024 RM'000	2023 RM'000
Other financial institutions - cash and cash equivalents	230,000	-
Impairment allowances on cash and cash equivalents		
• Stage 1 – 12-month ECL	(4)	-
	229,996	-

The original maturity of deposits and placements with banks and other financial institutions are more than one month but less than three months.

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3. Cash and cash equivalents (continued)

The following table shows reconciliations from the opening to the closing balance of the loss allowance for cash and cash equivalents.

Group and Bank	2024 12-month ECL RM'000	2024 Lifetime ECL not credit-impaired RM'000	2024 Lifetime ECL credit-impaired RM'000	2024 Total RM'000	2023 12-month ECL RM'000	2023 Lifetime ECL not credit-impaired RM'000	2023 Lifetime ECL credit-impaired RM'000	2023 Total RM'000
Cash and cash equivalents								
Balance at 1 January	24	-	-	24	41	-	-	41
Net remeasurement of loss allowance	(2)	-	-	(2)	(14)	-	-	(14)
New financial assets originated or purchased	8	-	-	8	6	-	-	6
Financial assets that have been derecognised	(6)	-	-	(6)	(9)	-	-	(9)
Balance at 31 December	24	-	-	24	24	-	-	24

4. Financial securities at fair value through profit and loss ("FVTPL")

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Debt securities at FVTPL		
Malaysian Government Securities	1,387,203	1,297,613
Malaysian Islamic Treasury Bills	216,860	-
Malaysian Investment Issue	165,236	231,057
Bank Negara Malaysia Bills	-	600,617
Cagamas bonds	165,003	270,158
	1,934,302	2,399,445

5. Financial securities at fair value through other comprehensive Income ("FVOCI")

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Debt securities at FVOCI		
Malaysian Government Securities	909,804	872,726
Malaysian Investment Issue	1,178,282	694,601
	2,088,086	1,567,327
Equity investments at FVOCI		
Unquoted shares in Malaysia	16,105	19,604
	2,104,191	1,586,931

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5. Financial securities at fair value through other comprehensive income ("FVOCI") (continued)

The following table show reconciliations from the opening to the closing balance of the loss allowance for debt securities at FVOCI.

Group and Bank	2024 12-month ECL RM'000	2024 Lifetime ECL not credit-impaired RM'000	2024 Lifetime ECL credit-impaired RM'000	2024 Total RM'000	2023 12-month ECL RM'000	2023 Lifetime ECL not credit-impaired RM'000	2023 Lifetime ECL credit-impaired RM'000	2023 Total RM'000
Debt securities at FVOCI								
Balance at 1 January	565	-	-	565	703	-	-	703
Net remeasurement of loss allowance	25	-	-	25	(159)	-	-	(159)
New financial assets originated or purchased	304	-	-	304	26	-	-	26
Financial assets that have been derecognised	(62)	-	-	(62)	(5)	-	-	(5)
Balance at 31 December	832	-	-	832	565	-	-	565

6. Loans, advances and financing

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
At amortised cost		
Overdrafts	62,172	110,422
Term loans - housing loans	2,644	3,553
- other term loans	982,326	1,026,155
Bills receivable	2,314	8,091
Trust receipts	62,991	134,718
Claims on customers under acceptance credits	513,557	747,132
Gross loans, advances and financing	1,626,004	2,030,071
- Expected credit losses	(3,293)	(3,208)
Net loans, advances and financing	1,622,711	2,026,863

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6. Loans, advances and financing (continued)

The following table shows reconciliations from the opening to the closing balance of the loss allowance for loans, advances and financing.

Group and Bank	2024 12-month ECL RM'000	2024 Lifetime ECL not credit-impaired RM'000	2024 Lifetime ECL credit-impaired RM'000	2024 Total RM'000	2023 12-month ECL RM'000	2023 Lifetime ECL not credit-impaired RM'000	2023 Lifetime ECL credit-impaired RM'000	2023 Total RM'000
Loans, advances and financing at amortised cost								
Balance at 1 January	1,822	192	1,194	3,208	2,450	110	1,521	4,081
Transfer to 12-month ECL	103	(25)	(78)	-	116	(27)	(89)	-
Transfer to lifetime ECL not credit-impaired	(2)	2	-	-	(124)	124	-	-
Transfer to lifetime ECL credit-impaired	(74)	-	74	-	(75)	-	75	-
Net remeasurement of loss allowance	(378)	(3)	(457)	(838)	(95)	(23)	(313)	(431)
New financial assets originated or purchased	254	1,535	-	1,789	517	81	-	598
Financial assets that have been derecognised	(707)	(159)	-	(866)	(967)	(73)	-	(1,040)
Balance at 31 December*	1,018	1,542	733	3,293	1,822	192	1,194	3,208

* The loss allowance in this table includes ECL on loan commitments and financial guarantees of RM1,086,000 (2023: RM1,912,000) as at the reporting date.

6. Loans, advances and financing (continued)

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

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Maturing within one year	1,566,404	1,946,737
More than one year to three years	58,508	43,481
More than three years to five years	448	38,921
Over five years	644	932
	1,626,004	2,030,071

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

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Domestic banking institutions	-	5,239
Domestic non-bank financial institutions	282,205	361,192
Domestic business enterprises	1,047,453	1,441,133
Individuals	2,644	3,553
Government and statutory bodies	291,388	216,102
Foreign entities	2,314	2,852
	1,626,004	2,030,071

6. Loans, advances and financing (continued)

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

	Group and Bank	
	2024 RM'000	2023 RM'000
Fixed rate		
- Other fixed rate loans/financing	17,146	98,548
Variable rate		
- Base lending rate plus	18,086	26,353
- Cost plus	1,527,384	1,744,004
- Other variable rates	63,388	161,166
	1,626,004	2,030,071

6.4 Gross loans, advances and financing analysed by their economic sectors are as follows:

	Group and Bank	
	2024 RM'000	2023 RM'000
Mining and quarrying	-	152,237
Manufacturing	415,787	564,053
Construction	57,348	148,674
Wholesale & retail trade and restaurants & hotels	428,911	370,097
Transport, storage and communication	105,228	162,670
Finance, insurance and business services	284,616	412,685
Education, health and others	291,388	216,102
Household	2,644	3,553
Primary agriculture	40,082	-
	1,626,004	2,030,071

6. Loans, advances and financing (continued)

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

	Group and Bank	
	2024	2023
	RM'000	RM'000
Malaysia	1,623,690	2,027,219
Bangladesh	2,314	-
India	-	2,852
	1,626,004	2,030,071

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

	Group and Bank	
	2024	2023
	RM'000	RM'000
At 1 January	1,979	2,519
Classified as impaired during the year	196	390
Reclassified as non credit -impaired during the year	(291)	(487)
Amounts recovered	(308)	(443)
At 31 December	1,576	1,979
Gross impaired loans as a percentage of gross loans, advances and financing	0.10%	0.10%

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

	Group and Bank	
	2024	2023
	RM'000	RM'000
Household (Malaysia)	1,576	1,979

7. Other assets

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Interest/Income receivable	42,440	34,579
Margin placed with futures exchange	37,351	33,043
Collateral deposits placed with counterparty financial institutions	141,749	130,146
Securities receivable	115,808	128,459
Amount due from intercompanies	34,602	23,637
Other debtors, deposits and prepayments	136,120	58,357
	508,070	408,221

8. Statutory deposit with Bank Negara Malaysia

The non-interest bearing statutory deposit is maintained with Bank Negara Malaysia in compliance with Section 26(2)(c) and Section 26(3) of the Central Bank of Malaysia Act, 2009, the amount of which is determined as a set percentage of total eligible liabilities.

9. Investments in subsidiary companies

	Bank 2024 RM'000	Bank 2023 RM'000
Unquoted shares, at cost	20	20

Details of the subsidiary companies which are incorporated in Malaysia are as follows:

Name	Principal activities	Effective ownership interest 2024	Effective ownership interest 2023
DB (Malaysia) Nominee (Tempatan) Sendirian Berhad	Nominee services	100%	100%
DB (Malaysia) Nominee (Asing) Sdn. Bhd.	Nominee services	100%	100%

All income and expenditure in respect of the subsidiary companies operations are taken up by the Bank.

The subsidiary companies are audited by Ernst & Young PLT.

10. Property and equipment

Group and Bank	Renovations RM'000	Office equipment RM'000	Computer equipment and software RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
Cost						
At 1 January 2023	18,766	6,745	20,888	4,780	547	51,726
Additions	-	75	9	-	-	84
At 31 December 2023/ 1 January 2024	18,766	6,820	20,897	4,780	547	51,810
Additions	-	148	1,361	-	-	1,509
Write-offs	(11,223)	(4,585)	(15,264)	(3,642)	-	(34,714)
At 31 December 2024	7,543	2,383	6,994	1,138	547	18,605
Accumulated depreciation						
At 1 January 2023	12,345	5,550	18,001	3,822	547	40,265
Charge for the year (Note 22)	1,485	258	1,384	225	-	3,352
At 31 December 2023/ 1 January 2024	13,830	5,808	19,385	4,047	547	43,617
Charge for the year (Note 22)	1,485	271	1,394	218	-	3,368
Write-offs	(11,223)	(4,584)	(15,262)	(3,640)	-	(34,709)
At 31 December 2024	4,092	1,495	5,517	625	547	12,276
Carrying amounts						
At 1 January 2023	6,421	1,195	2,887	958	-	11,461
At 31 December 2023/ 1 January 2024	4,936	1,012	1,512	733	-	8,193
At 31 December 2024	3,451	888	1,477	513	-	6,329

11. Right-of-use assets

Group and Bank	Buildings 2024 RM'000	Buildings 2023 RM'000
At 1 January	3,950	4,868
Adjustment	459	-
Addition	-	263
Depreciation (Note 22)	(1,132)	(1,181)
At 31 December	3,277	3,950

The Group and the Bank lease its building and store on a 3-year tenancy contract.

Lease of the office building contains extension options exercisable by the Group and the Bank up to three years before the end of the non-cancellable contract period. Where practicable, the Group and the Bank seek to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and the Bank and not by the lessors. The Group and the Bank have assessed and concluded that it is reasonably certain to exercise the extension options.

Significant judgements and assumptions in relation to leases

The Group and the Bank assess at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group and the Bank consider all facts and circumstances including its past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help it determine the lease term.

The Group and the Bank also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group and the Bank first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

12. Deferred tax assets

	Group and Bank	
	2024 RM'000	2023 RM'000
At 1 January	5,388	23,986
Recognised in profit or loss (Note 28)	2,650	(13,057)
Recognised in other comprehensive income (Note 28)	(552)	(5,541)
At 31 December	7,486	5,388

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and they relate to income taxes levied by the same fiscal tax authority on the same taxable entity.

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group and Bank					
	Assets		Liabilities		Net tax assets/(liabilities)	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
ECL reserve		-	(200)	(136)	(200)	(136)
Fair value reserve		-	(4,499)	(4,011)	(4,499)	(4,011)
Property and equipment		-	(288)	(252)	(288)	(252)
Right-of-use assets, net of lease liabilities	795	1,079	(787)	(948)	8	131
Other temporary differences	12,464	9,656	-	-	12,465	9,656
Deferred tax assets/ (liabilities)	13,259	10,735	(5,774)	(5,347)	7,486	5,388
Net off	(5,774)	(5,347)	5,774	5,347	-	-
Net deferred tax assets	7,486	5,388	-	-	7,486	5,388

12. Deferred tax assets (continued)

Movement in temporary differences during the year:

	Group and Bank						
	At 1 January 2023 RM'000	Recognised in profit or loss (Note 28) RM'000	Recognised in other comprehensive income (Note 18/28) RM'000	At 31 December 2023/ 1 January 2024 RM'000	Recognised in profit or loss (Note 28) RM'000	Recognised in other comprehensive income (Note 18/28) RM'000	At 31 December 2024 RM'000
ECL reserve	(169)	-	33	(136)	-	(64)	(200)
Fair value reserve	1,563	-	(5,574)	(4,011)	-	(488)	(4,499)
Property and equipment	(465)	213	-	(252)	(36)	-	(288)
Right-of-use assets, net of lease liabilities	125	6	-	131	(123)	-	8
Other temporary differences	22,932	(13,276)	-	9,656	2,809	-	12,465
	23,986	(13,057)	(5,541)	5,388	2,650	(552)	7,486

13. Deposits from customers

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Demand deposits	4,590,625	4,716,787	4,590,645	4,716,807
Fixed deposits	352,681	685,111	352,681	685,111
Other deposits	245,032	719,596	245,032	719,596
	5,188,338	6,121,494	5,188,358	6,121,514

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

	Group and Bank	
	2024 RM'000	2023 RM'000
Due within six months	372,681	1,196,807
More than six months to one year	225,032	-
More than one year to three years	-	207,900
	597,713	1,404,707

13.2 The deposits are sourced from the following types of customers:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Business enterprises	4,450,858	5,302,063	4,450,878	5,302,083
Foreign customers	79,871	58,853	79,871	58,853
Domestic non-bank financial institutions	657,609	760,578	657,609	760,578
	5,188,338	6,121,494	5,188,358	6,121,514

14. Deposits and placements of banks and other financial institutions

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Licensed banks	179,460	-
Other financial institutions	1,285,918	1,261,534
	1,465,378	1,261,534

15. Lease liabilities

Lease liabilities are payable as follows:

Leases as lessee	Group and Bank Future minimum lease payment RM'000	Interest RM'000	Present Value of minimum lease payment RM'000
2024			
Less than 1 year	1,463	(103)	1,360
1 – 2 years	1,432	(47)	1,385
2 – 5 years	571	(4)	567
	3,466	(154)	3,312
2023			
Less than 1 year	1,350	(160)	1,190
1 – 2 years	1,463	(106)	1,357
2 – 5 years	2,003	(53)	1,950
	4,816	(319)	4,497

Reconciliation of movements in lease liabilities to cash flows arising from financing activities:

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
At 1 January	4,497	5,389
Addition	-	263
Adjustment	(28)	-
Interest expense on lease liabilities (Note 20)	78	201
Lease payment	(1,235)	(1,356)
At 31 December	3,312	4,497

16. Other liabilities

	Group and Bank 2024 RM'000	2023 RM'000
Interest payable	3,597	5,155
Bills payable	2,372	6,147
Employee benefits	29,483	23,595
Collateral deposits received from counterparties	476,961	614,569
Regulated short-selling activities	24,399	25,670
Securities payable	149,717	79,459
Amount due to intercompanies	40,354	57,784
Other liabilities	110,040	45,065
	836,923	857,444

17. Share capital

	Group and Bank			
	Number of shares 2024 '000	Amount 2024 RM'000	Number of shares 2023 '000	Amount 2023 RM'000
Ordinary shares:				
Issued and fully paid	173,599	531,362	173,599	531,362

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder's meetings of the Bank.

18. Reserves

	Group and Bank	
	2024	2023
	RM'000	RM'000
Non-distributable:		
Regulatory reserve	45,000	45,000
Fair value reserve	14,249	12,703
ECL reserve	632	429
	59,881	58,132
Distributable:		
Retained earnings	1,340,014	1,306,134
	1,399,895	1,364,266

The regulatory reserve is maintained to comply with Bank Negara Malaysia's Policy Document on Financial Reporting which requires the Bank to maintain in aggregate, loss allowance for non-credit impaired exposures and regulatory reserve of no less than 1.0% of all the credit exposures, net of loss allowance for credit impaired exposures. The current regulatory reserve is maintained in excess of BNM's requirement of 1% for year ended 31 December 2024 and 31 December 2023.

Fair value reserve comprises fair value of both debt and equity financial investments at FVOCI. The cumulative fair value adjustments for debt instruments at FVOCI will be reversed to profit or loss upon disposal or derecognition of the financial instruments. The cumulative fair value adjustments for equity instruments at FVOCI will be reversed from this reserve to retained earnings upon disposal or derecognition of the financial instruments.

ECL reserve comprises ECL allowance for financial investments at FVOCI. The ECL allowance will be reversed to profit or loss upon disposal or derecognition of the financial instruments.

18. Reserves (continued)

Movements in reserves as per table below:

Group and Bank	2024 Before tax RM'000	2024 Deferred tax (expense)/ income (Note 12) RM'000	2024 After tax RM'000	2023 Before tax RM'000	2023 Deferred tax (expense)/ income (Note 12) RM'000	2023 After tax RM'000
Items that are or may be reclassified subsequently to profit or loss						
Net changes in ECL reserves	267	(64)	203	(138)	33	(105)
Net change in fair value of debt securities at FVOCI	5,534	(1,328)	4,206	16,635	(3,992)	12,643
Items that will not be reclassified subsequently to profit or loss						
Net change in fair value of equity investments at FVOCI	(3,500)	840	(2,660)	6,591	(1,582)	5,009
Balance at 31 December	2,301	(552)	1,749	23,088	(5,541)	17,547

19. Interest income

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Loans, advances and financing	112,766	119,436
Money at call and deposit placements with financial institutions	70,604	75,196
Reverse repurchase agreements	13,222	16,190
Financial securities		
- measured at FVTPL	82,504	60,843
- measured at FVOCI	70,216	50,801
Other interest income	1,030	882
	350,342	323,348

Included in interest income of loans, advances and financing was interest on credit-impaired assets of RM51,000 (2023: RM76,000) for the Group and the Bank.

20. Interest expense

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Deposits and placements of banks and other financial institutions	40,395	38,842
Deposits from customers	95,797	67,423
Repurchase agreement	16	52
Interest expense on lease liabilities (Note 15)	78	201
Other interest expense	4	6
	136,290	106,524

21. Non-interest income

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Fee income:		
Commissions	7,219	6,814
Service charges and fees	15,559	14,446
Guarantee fees	5,876	5,778
	28,654	27,038
Fee expense:		
Commissions	(4,154)	(3,734)
Service charges and fees	(4,263)	(3,896)
	(8,417)	(7,630)
Net fee income	20,237	19,408
Net gains/(losses) from financial instruments:		
Net (loss)/gain arising on financial securities:		
Realised (loss)/gain	(6,039)	13,082
Unrealised loss	(13,902)	(3,902)
Net gain/(loss) arising on trading derivatives:		
Realised gain	66,674	29,215
Unrealised gain/(loss)	22,570	(5,717)
Foreign exchange gain	150,840	170,512
Gross dividend income from equity instruments	60	60
Other operating income, net		
Intercompany income	13,557	12,392
Others	693	-
	234,453	215,642
	254,690	235,050

22. Other operating expenses

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Personnel costs		
- Salaries, allowances and bonuses	51,638	49,271
- Contributions to Employees' Provident Fund	8,607	9,598
- Others	3,461	(402)
Establishment costs		
- Rental	547	345
- Depreciation of property and equipment (Note 10)	3,368	3,352
- Right-of-use assets		
Depreciation (Note 11)	1,132	1,181
Adjustment	(487)	-
- Others	8,620	7,628
Marketing expenses	1,363	1,393
Administration and general expenses		
- Intercompany charges (Note 26)	89,282	96,665
- Communication	504	513
- Auditors' remuneration		
Statutory audit fee	217	190
Agreed-upon procedures	15	15
- Professional fees		
Current year professional fees	2,010	2,351
- Property and equipment written off	5	-
- Others	5,000	6,397
	175,282	178,497

The number of employees of the Group and the Bank at the end of the year was 202 (2023: 192).

23. (Allowance for)/Write-back of expected credit losses

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Write-back of/(Allowance for) expected credit losses:		
- Loans, advances and financing (Note 6)		
Stage 1 – 12-month ECL, net	804	628
Stage 2 – Lifetime ECL not credit-impaired, net	(1,350)	(82)
Stage 3 – Lifetime ECL credit-impaired, net	461	327
	(85)	873
- Cash and cash equivalents (Note 3)		
Stage 1 – 12-month ECL, net	-	17
- Debt securities at FVOCI (Note 5)		
Stage 1 – 12-month ECL, net	(267)	138
	(352)	1,028

24. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Bank if the Group or the Bank has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Bank and the party are subject to common control. Related parties may be individuals or other entities.

The Group and the Bank also have related party relationships with its holding company, other related companies, Directors and key management personnel. Related companies refer to entities within the Deutsche Bank Aktiengesellschaft Group.

Transactions with key management personnel

Key management personnel compensation

Key management personnel compensation is disclosed in Note 27.

24. Related parties (continued)

Other significant related party transactions and balances of the Group and the Bank are as follows:

2024	With holding company RM'000	With subsidiary companies RM'000	With other related companies RM'000
Income			
Interest on advances and deposits	1,812	-	82
Fee income	4,892	-	706
Other operating income	4,348	-	9,209
	11,052	-	9,997
Expenditure			
Interest on deposits	35,521	-	-
Fee expenses	3,580	-	-
Other operating expenses			
- Personnel costs	22	-	-
- Administration and general expenses	80,002	-	9,280
	119,125	-	9,280
Amount due from			
Cash and short-term funds	74,091	-	72
Derivatives	321,298	-	-
Other assets			
- Interest income receivable	14	-	-
- Margin placed with futures exchange	-	-	37,351
- Collateral deposits placed with counterparty financial institutions	18,339	-	-
- Securities receivable	14,820	-	-
- Amount due from intercompanies	25,935	-	8,667
	454,497	-	46,090
Amount due to			
Deposits from customers	-	20	23,287
Deposits and placements of banks and other financial institutions	794,773	-	127
Derivatives	447,993	-	-
Other liabilities			
- Interest payable	237	-	4
- Employee benefits	-	-	7,541
- Regulated short-selling activities	24,399	-	-
- Securities payable	107,807	-	-
- Amount due to intercompanies	37,708	-	2,646
	1,412,917	20	33,605

24. Related parties (continued)

2023	With holding company RM'000	With subsidiary companies RM'000	With other related companies RM'000
Income			
Interest on advances and deposits	6,138	-	26
Fee income	1,120	-	546
Other operating income	6,678	-	5,714
	13,936	-	6,286
Expenditure			
Interest on deposits	27,921	-	-
Fee expenses	3,107	-	-
Other operating expenses	91,164	-	5,501
	122,192	-	5,501
Amount due from			
Cash and short-term funds	182,291	-	74
Derivatives	2,175,825	-	6
Other assets			
- Interest income receivable	22	-	-
- Margin placed with futures exchange	-	-	33,043
- Securities receivable	128,459	-	-
- Amount due from intercompanies	15,051	-	8,586
	2,501,648	-	41,709
Amount due to			
Deposits from customers	-	20	19,684
Deposits and placements of banks and other financial institutions	1,141,560	-	139
Derivatives	2,086,224	-	18
Other liabilities			
- Interest payable	1,239	-	4
- Employee benefits	-	-	3,064
- Collateral deposits received from counterparties	169,334	-	-
- Regulated short-selling activities	25,670	-	-
- Securities payable	79,459	-	-
- Amount due to intercompanies	55,296	-	2,488
	3,558,782	20	25,397

25. Credit transactions and exposures with connected parties

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Outstanding credit exposures with connected parties	354,251	167,684
Of which:		
Total credit exposures which is non-performing	-	-
Total credit exposures	10,758,031	10,439,251
Percentage of outstanding credit exposures to connected parties		
- as a proportion of total credit exposures	3.29%	1.61%
- as a proportion of capital base	18.46%	8.90%
- which is non-performing	0%	0%

The above disclosure is presented in accordance with the requirements of Paragraph 9.1 of Bank Negara Malaysia's Revised Guidelines on Credit Transactions and Exposures with Connected Parties.

Credit transactions and exposures to connected parties as disclosed above includes the extension of credit facilities and/or off-balance sheet credit exposures such as guarantees, trade-related facilities and loan commitments. It also includes holdings of equities and corporate bonds issued by the connected parties.

The credit transactions with connected parties above are all transacted on an arm's length basis and on terms and conditions no more favourable than those entered into with other counterparties with similar circumstances and credit worthiness. Due care has been taken to ensure that the credit worthiness of the connected party is not less than that normally required of other persons.

26. Intercompany charges

The following disclosure on intercompany charges is presented in accordance with the requirements of Paragraph 11.4(q) of Bank Negara Malaysia's Guidelines on Financial Reporting.

26.1 Intercompany charges analysed by type of services received are as follows:

	Group and Bank	
	2024 RM'000	2023 RM'000
Asia Pacific Head Office (Singapore) Charges	18,528	23,207
Driver-based Cost Management	9,307	7,159
Global Corporate Bank	9,536	7,894
Group Technology & Operations Charges	44,861	47,459
Global Overheads	7,050	9,717
Others	-	1,229
	89,282	96,665

26.2 Intercompany charges analysed by geographical distribution are as follows:

	Group and Bank	
	2024 RM'000	2023 RM'000
Singapore	32,203	44,023
Germany	22,800	26,051
United Kingdom	20,411	16,367
United States of America	5,751	5,113
Philippines	1,389	2,647
Others	6,728	2,464
	89,282	96,665

27. Key management personnel compensation

The key management personnel compensation are as follows:

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Executive Director		
Dato' Yusof Annuar bin Yaacob (Chief Executive Officer)		
- Salary and other remuneration	2,448	2,422
- Bonuses	1,698	1,417
- Benefits-in-kind	26	26
Non-Executive Directors		
Fees		
- Tunku Kecil Muda Tunku Mahmood Fawzy bin Tunku Muhiyiddin	280	280
- Madam Koid Swee Lian	150	150
- Mr Chong Kin Leong	150	150
Other remuneration		
- Tunku Kecil Muda Tunku Mahmood Fawzy bin Tunku Muhiyiddin	44	51
- Madam Koid Swee Lian	47	52
- Mr Chong Kin Leong	41	50
	4,884	4,598

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Other key management personnel		
- Short-term employee benefits	11,372	11,688
- Share-based payments	1,424	1,357
	12,796	13,045

Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

28. Tax expense

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Recognised in profit or loss		
Current tax expense		
Current year	75,500	70,000
Under provision in prior years	206	5,028
	75,706	75,028
Deferred tax expense (Note 12)		
Origination and reversal of temporary differences	(3,221)	(1,050)
Under provision in prior years	571	14,107
	(2,650)	13,057
	73,056	88,085
Recognised in other comprehensive income		
Deferred tax expense/(income) (Note 12)		
ECL reserve	64	(33)
Fair value reserve	488	5,574
	552	5,541
Reconciliation of tax expense		
Profit before tax	298,131	279,280
Tax at Malaysian tax rate of 24%	71,551	67,027
Dividend income not subject to tax	(14)	(14)
Non-deductible expenses	742	1,937
Under provision in prior years, net	777	19,135
	73,056	88,085

Income tax is calculated at the Malaysian statutory rate of 24% of the estimated chargeable profit for the financial year.

29. Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the year was based on the profit attributable to ordinary shareholder and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group and Bank	
	2024 RM'000	2023 RM'000
Profits attributable to ordinary shareholder	225,075	191,195
Weighted average number of ordinary shares - Issued ordinary shares during the year	173,599	173,599

	Group and Bank	
	2024 (sen)	2023 (sen)
Basic earnings per share	129.7	110.1

Diluted earnings per share

The Group and the Bank have no dilution in their earnings per ordinary share in the current financial year as the Group and the Bank do not have dilutive instruments.

30. Dividends

Dividends recognised by the Bank:

		Group and Bank	
2024	Sen per share	Total amount RM'000	Date of Payment
Final 2023 ordinary			
First tranche		63,000	22 July 2024
Second tranche		63,000	25 July 2024
Third tranche		65,195	31 July 2024
	110.1	191,195	
2023			
Final 2022 ordinary	123.2	213,841	31 July 2023

After the end of the reporting period, the Directors recommended a proposed final dividend of 129.7 sen per ordinary share totalling RM225,075,000 in respect of the financial year ended 31 December 2024. This dividend will be recognised in the subsequent financial year upon approval by the shareholder of the Bank.

31. Capital adequacy

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Components of Tier 1 and Tier 2 capital are as follows:		
Tier 1 capital		
Paid-up share capital	531,362	531,362
Fair value reserves	14,249	12,703
Retained earnings #	1,340,014	1,306,134
Less: Deferred tax assets	(7,486)	(5,388)
Less: Cumulative gains of FVOCI	(7,837)	(6,987)
Total common equity tier 1/Total Tier 1 capital	1,870,302	1,837,824
Tier 2 capital		
Expected credit losses ("ECL")*	3,416	2,014
Regulatory reserve	45,000	45,000
Total capital base	1,918,718	1,884,838
Common equity tier 1/Tier 1 capital ratio	23.737%	22.210%
Total capital ratio	24.351%	22.778%

Retained profits before the final dividend declared.
* Refers to ECL for Stage 1 and Stage 2

31. 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% is 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	
		2024 RM'000	2023 RM'000
	Group and Bank		
1	Credit risk	4,708,991	5,095,297
2	Market risk	2,329,060	2,455,189
3	Operational risk	841,326	724,398
Total		7,879,377	8,274,884

32. Commitments and contingencies

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

2024 Group and Bank	Principal Amount	Credit Equivalent Amount	Risk-Weighted Assets
	RM'000	RM'000	RM'000
Contingent liabilities			
Direct credit substitutes	-	-	-
Transaction related contingent items	824,595	412,298	349,843
Short-term self liquidating trade related contingencies	23,233	4,647	4,093
Commitments			
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	735,750	367,875	367,875
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	4,190,141	838,028	838,028
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	20,924,041	558,033	365,211
Over one year to five years	583,219	38,544	38,544
Over five years	-	-	-
Interest/Profit rate related contracts			
One year or less	60,000	190	190
Over one year to five years	323,663	5,472	4,976
Over five years	-	-	-
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements			
- Foreign exchange related contracts	67,744,131	1,003,422	253,275
- Interest/profit rate related contracts	89,885,778	672,103	217,737
Total	185,294,551	3,900,612	2,439,772

32. 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):

2023 Group and Bank	Principal Amount	Credit Equivalent Amount	Risk-Weighted Assets
	RM'000	RM'000	RM'000
Contingent liabilities			
Direct credit substitutes	-	-	-
Transaction related contingent items	801,214	400,607	337,970
Short-term self liquidating trade related contingencies	55,702	11,140	10,724
Commitments			
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	826,911	413,455	413,455
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	4,186,370	837,274	837,274
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	21,716,466	456,914	410,917
Over one year to five years	613,871	33,891	26,129
Over five years	-	-	-
Interest/Profit rate related contracts			
One year or less	50,000	90	58
Over one year to five years	363,663	9,269	8,042
Over five years	-	-	-
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements			
- Foreign exchange related contracts	47,892,318	659,920	146,721
- Interest/profit rate related contracts	56,387,368	821,356	228,722
Total	132,893,883	3,643,916	2,420,012

33. Capital management

The wide variety of the Group's businesses requires the Group to identify, measure, aggregate and allocate capital among the businesses appropriately. The Group manages capital through a framework of principles, organisational structures as well as measurement and monitoring processes that are closely aligned with the activities of group divisions. While the Group capital management continuously evolves and improves, there can be no assurance that all market developments, in particular those of extreme nature, can be fully anticipated at all times.

The Group manages capital in a coordinated manner at all relevant levels within the organisation. This also holds true for complex products which the Group typically manages within the framework established for trading exposures. The structure of capital function is closely aligned with the structure of group divisions.

The Bank's regulatory capital is determined under Bank Negara Malaysia's Policy Document on Capital Adequacy Framework. The Bank's capital ratios complied with the minimum requirements set under this guideline. Information on the Group's and the Bank's capital adequacy ratios, regulatory minimum capital requirements and the components of capital base are disclosed in Note 31.

34. Risk management

Deutsche Bank Group has devoted significant resources to develop its risk management policies, procedures and methods. The identification, monitoring and management of all risks within Deutsche Bank Group are integrated into the Deutsche Bank Group-wide risk management processes in order to optimise the risk mitigating effort. Risk management policies and procedures are the responsibility of the Deutsche Bank Group Risk Committee and encompass all types of risk which includes market risk, credit risk and liquidity risk, as well as non-financial risks (including operational risk and reputational risk). These risk types are actively managed by dedicated functions such as the Market & Valuation Risk Management function, Credit Risk Management function, Liquidity Risk Management function and Non-Financial Risk Management function.

34. Risk management (continued)

Treasury is responsible for overall liquidity management of the Bank including managing day-to-day liquidity risk positions and ensuring they remain in line with the tolerance/risk appetite applied by Liquidity Risk Management Division. The Board regularly reviews reports from the respective divisions and is made aware of the risk exposure of the Bank and its ongoing management at each board meeting.

Risk management

The Group and the Bank have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk
- Climate risk
- Recovery planning

Credit risk

Credit risk is the risk of any transactions giving rise to actual, contingent or potential claims against any counterparty, obligor or borrower, where the Group and the Bank bear the risk of loss if the counterparty, obligor or borrower defaults.

Risk management objectives, policies and processes for managing the risk

Policies for managing credit risk are determined by the Deutsche Bank Group Risk Committee, which also delegates credit authorities to independent Risk Officers. Divisional credit portfolio guidelines, credit strategies for the major industries, and product specific policies are the principal instruments to determine the Bank's risk appetite, as well as the framework for the measurement and management of credit risk. Approval of credit limits and management of exposure takes place within the framework of portfolio guidelines and credit strategies.

34. Risk management (continued)

Credit risk (continued)

Exposure to credit risk, credit quality and collateral

Principal exposures to credit risk in this regard are primarily represented by the carrying amounts of financial instruments and loans, advances and financing portfolios in the statements of financial position. The credit exposures arising from off-balance sheet activities have been disclosed in Note 32.

(a) Credit quality of gross loans, advances and financing

	Group and Bank	
	2024	2023
	RM'000	RM'000
Stage 1 : 12-month ECL	1,308,393	1,929,092
Stage 2 : Lifetime ECL not credit-impaired	316,035	99,000
Stage 3 : Lifetime ECL credit-impaired	1,576	1,979
Total	1,626,004	2,030,071

ECL Stage determination

(i) Stage 2: Lifetime ECL not credit-impaired

At initial recognition, loans which are not purchase or originated credit impaired ("POCI") are reflected in Stage 1. If there is a significant increase in credit risk the loans are transferred to Stage 2. Significant increase in credit risk is determined by using rating related and process related indicators as discussed below:

Rating-related indicators:

Based on dynamic change in counterparty probability of default ("PD") that is linked to all transactions with the counterparty, the lifetime PD at reporting date are compared to the expectations at the date of initial recognition. The loans would be considered as significantly deteriorated if for the remaining lifetime of the PD of a transaction given current expectations exceeds the PD of the relevant threshold rating.

34. Risk management (continued)

Credit risk (continued)

Exposure to credit risk, credit quality and collateral (continued)

(a) Credit quality of gross loans, advances and financing (continued)

ECL Stage determination (continued)

(i) Stage 2: Lifetime ECL not credit-impaired (continued)

Process-related indicators are derived using existing risk management indicators, which allow the Group and the Bank to identify whether the credit risk of the loans has significantly increased. Such indicators are:

a) Obligors being added to a credit watch list;
b) Obligors being transferred to workout status;
c) Payments being 30 days or more overdue; or
d) In forbearance

On an ongoing basis, as long as the condition for one or more of the indicators is fulfilled and the loan is not recognised as defaulted, the loan will remain in Stage 2. If none of the indicator conditions is any longer fulfilled and the loan is not defaulted, the loan is transferred back to Stage 1. In case of default, the loan is allocated to Stage 3.

(ii) Stage 3: Lifetime ECL credit-impaired

Deemed credit-impaired and in Stage 3 when:

- The Group and the Bank consider the obligor is unlikely to pay its credit obligations to the Group and the Bank. Determination may include forbearance actions, where a concession has been granted to the borrower for economic or legal reasons that are qualitative indicators of credit impairment; or
- Contractual payments of either principal or interest by the obligor are past due by more than 90 days.

34. Risk management (continued)

Credit risk (continued)

Exposure to credit risk, credit quality and collateral (continued)

(b) Fair value of collateral held against loans, advances and financing to customers and banks

The Group and the Bank hold collateral against loans, advances and financing to customers in the form of mortgage interests over property and guarantees.

Fair value of housing loans collaterals are assessed on yearly basis based on independent valuation.

The fair value of property collateral held against outstanding loans, advances and financing to customers is as per below.

	Group and Bank	
	2024 RM'000	2023 RM'000
Against non credit-impaired loans, advances and financing	15,894	19,006
Against past due but not credit-impaired loans, advances and financing	7,045	9,711
Against credit-impaired loans, advances and financing	19,549	24,197
	42,488	52,914

34. Risk management (continued)

Credit risk (continued)

(c) Credit quality of financial instruments

Set out below is the credit quality of assets analysed by external rating of the counterparties.

Moodys S&P Fitch R&I RAM MARC	Aaa to Aa3 AAA to AA- AAA to AA- AAA to AA- AAA to AA3 AAA to AA-	A1 to A3 A+ to A- A+ to A- A+ to A- A1 to A3 A+ to A-	Unrated Unrated Unrated Unrated Unrated Unrated	Total
Group and Bank	RM'000	RM'000	RM'000	RM'000
2024				
Debt securities at FVTPL	-	1,934,302	-	1,934,302
Debt securities at FVOCI	-	2,088,086	-	2,088,086
Equity investments at FVOCI	4,351	11,751	3	16,105
2023				
Debt securities at FVTPL	-	1,567,327	-	1,567,327
Debt securities at FVOCI	270,158	2,129,287	-	2,399,445
Equity investments at FVOCI	19,601	-	3	19,604

(d) Fair value of collateral held against derivative assets

The Group and the Bank hold collateral against derivative assets to banks and financial institutions counterparties in the form of cash of RM475,953,000 (2023: RM614,412,000) as at the reporting date.

Market risk

Market risk arises from the uncertainty concerning changes in market prices and rates (including interest rates, foreign exchange rates and equity prices, commodity rates and other market risks), the correlations among them and their levels of volatility.

34. Risk management (continued)

Market risk (continued)

Risk management objectives, policies and processes for managing the risk

Deutsche Bank Group, including the Group and the Bank, use a combination of risk sensitivities, Value-at-Risk ("VaR"), sensitivities and stress testing metrics to manage market risks and establish limits. Steered by the Deutsche Bank Group Risk Committee, the Market & Valuation Risk Management team ("MVRM"), which is part of the Deutsche Bank Group's independent risk management function, is responsible for managing the market risk of the Bank. Limits, set commensurate with the risk appetite in terms of VaR, are communicated to the appropriate personnel along with the limit structure for each business division. The majority of the interest rate risk arising from non-trading asset and liability positions is transferred through internal hedges to Treasury and is thus managed on the basis of Banking Book Value-at-Risk.

A summary of the VaR position of the Bank's portfolios is as follows:

	Group and Bank			
	At 31 December RM'000	Average RM'000	Maximum RM'000	Minimum RM'000
2024				
Interest Rate Risk	2,650	4,236	7,472	2,140
Credit Risk	2,376	2,207	6,596	594
Foreign Exchange Risk	350	1,633	5,249	77
Commodity Risk	-	-	2	-
Equity Risk	123	457	2,916	-
Residual Risk	41	60	223	29
Total VaR	2,994	5,298	8,287	2,994
2023				
Interest Rate Risk	5,589	5,152	10,518	2,788
Credit Risk	4,575	4,335	8,690	474
Foreign Exchange Risk	2,059	1,843	4,646	95
Commodity Risk	-	-	1	-
Equity Risk	203	2	206	-
Residual Risk	93	168	377	53
Total VaR	4,083	6,907	12,121	3,702

34. Risk management (continued)

Market risk (continued)

Value-at-Risk ("VaR")

VaR is a quantitative measure of the potential loss due to market movements, that will not be exceeded in a defined period of time, and with a defined confidence level. The Bank adopts the Deutsche Bank Group's internal VaR model, which is based on Historical Simulation technique. VaR is calculated using a 99% confidence level and a one day holding period. One year of historical market data is used as input to calculate VaR. Risks not in value-at-risk are monitored and assessed on a regular basis through our Risk Not In VaR ("RNIV") framework.

Stressed Value-at-Risk ("SVaR") calculates a VaR based on a historical one year period of significant market stress.

Deutsche Bank Group's internal VaR model:

	VaR	SVaR
Methodology	Historical Simulation	Historical Simulation
Holding Period	1-day	10-day
Confidence Level	99%	99%
Trade Window	Most recent one year period	One year period of significant market stress (high levels of volatility in the top value-at-risk contributors)

Deutsche Bank Group regularly reviews and validates its VaR model.

The main limitations of the VaR framework are as follows:

(a) Not all risks can be incorporated into the main VaR model. This limitation is remediated by the RNIV framework.
(b) Where idiosyncratic and general market risk components of risk factors are modelled separately, the revaluation for the idiosyncratic component is always Sensitivity – based, but the general component may be either Sensitivity or Full reval – based.
(c) Aggregation of general and (modelled) specific risk is based on VaR aggregation.
(d) Risk-P&Ls are based on sensitivities for some books and Full revaluation for others depending on Full revaluation onboarding status.
(e) Historical simulation VaR is based on 1 year of daily P&L estimates. The VaR 99% quantile does not correspond directly to a P&L observation but has to be interpolated.
(f) In case historical data does not exist, proxies may be used.

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34. Risk management (continued)

Market risk (continued)

Foreign currency risk

The Bank's exposure to foreign currencies (a currency which is other than the functional currency of the Bank), based on carrying amount as at the end of the financial year was:

	Denominated in						
Group and Bank 2024	United States Dollar RM'000	Euro RM'000	Great Britain Pound RM'000	Australian Dollar RM'000	Singapore Dollar RM'000	Hong Kong Dollar RM'000	Others RM'000
Financial assets							
Cash and short-term funds	579,271	466	299	10,241	12,559	23,120	31,447
Loans, advances and financing	103,741	31,844	-	-	-	-	-
Other assets (excluding prepayments)	207,437	35,411	-	-	22	2	-
	890,449	67,721	299	10,241	12,581	23,122	31,447
Financial liabilities							
Deposits from customers	1,075,416	222,946	40,198	56,483	70,073	95,601	109,535
Deposits and placements of banks and other financial institutions	534,210	273,584	-	-	9,873	-	-
Other liabilities (excluding provisions and accruals)	393,299	47,695	10	3,977	-	-	-
	2,002,925	544,225	40,208	60,460	79,946	95,601	109,535
Net financial liabilities exposure	(1,112,476)	(476,504)	(39,909)	(50,219)	(67,365)	(72,479)	(78,088)

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34. Risk management (continued)

Market risk (continued)

Foreign currency risk (continued)

The Bank's exposure to foreign currencies (a currency which is other than the functional currency of the Bank), based on carrying amount as at the end of the financial year was:

Group and Bank 2023	United States Dollar RM'000	Euro RM'000	Great Britain Pound RM'000	Australian Dollar RM'000	Singapore Dollar RM'000	Hong Kong Dollar RM'000	Others RM'000
	Denominated in						
Financial assets							
Cash and short-term funds	287,171	3,642	41,672	41,214	36,469	6,322	48,797
Loans, advances and financing	380,589	34,740	-	-	-	-	-
Other assets (excluding prepayments)	272,846	29,016	10	-	5,420	410	88
	940,606	67,398	41,682	41,214	41,889	6,732	48,885
Financial liabilities							
Deposits from customers	1,741,088	718,307	-	5,646	-	-	15,326
Deposits and placements of banks and other financial institutions	356,076	171,548	42,266	48,397	245,482	134,858	118,018
Other liabilities (excluding provisions and accruals)	516,684	59,112	-	17,581	96	230	-
	2,613,848	948,967	42,266	71,624	245,578	135,088	133,344
Net financial liabilities exposure	(1,673,242)	(881,568)	(584)	(30,410)	(203,689)	(128,356)	(84,459)

34. Risk management (continued)

Liquidity risk

Liquidity risk is the risk to a bank's earnings and capital arising from the inability to timely meet obligations when they come due without incurring unacceptable losses.

Risk management objectives, policies and processes for managing the risk

The objective of the Liquidity Management ("LM") function is to ensure that the Bank can fulfil its payment obligations at all times at reasonable cost, without affecting daily operations of the Bank. All relevant and significant drivers of liquidity risk, on-balance sheet as well as off-balance sheet, are taken into account. Prices of all asset and liability types reflect their liquidity risk characteristics and the Bank's cost of funding. Liquidity Risk Management ("LRM") is a governance function which does not report to any business division and which jointly with Treasury ensure adherences to the rules and regulations issued by BNM, in addition to the Basel Committee on Banking Supervision Principles for Sound Liquidity Risk Management and Supervision, the German Minimum Requirements for Risk Management ("MaRisk") as well as the regulatory requirements on liquidity risk under Basel III and Capital Requirements Regulation ("CRR").

Liquidity risk is managed through the Asset and Liability Committee ("ALCO"). This committee, chaired by the Treasurer, is responsible for both statutory and prudential liquidity management of the Bank including the approval of liquidity risk limits and thresholds which are in line with the tolerance/risk appetite applied by LRM. Decisions made by the ALCO for the Bank are submitted to the Board Risk Management Committee and Board of Directors for notification and for approval where necessary.

Liquidity risk is monitored through local liquidity regulations issued by Bank Negara Malaysia, such as Liquidity Coverage Ratio, Net Stable Funding Ratio, and an array of internal liquidity risk limits including Stressed Net Liquidity Position, Customer Concentration Ratio, Funding Matrix, etc. The Bank's stress testing process is established to reflect the Bank's business-specific and market systemic liquidity risk, of which the stress assumptions are prudently formulated and embedded in the daily risk reporting. Stress testing result is monitored on a daily basis, reported to the ALCO via weekly liquidity dashboard and at its regular meetings.

34. Risk management (continued)

Liquidity risk (continued)

(a) Maturity analysis of total assets and liabilities based on remaining contractual maturity

The following tables present the maturity analysis for total assets and liabilities in accordance with the requirements of Bank Negara Malaysia's Policy document on Financial Reporting issued by BNM:

Group 2024	Up to 30 days RM'000	> 30 days – 6 Months RM'000	> 6-12 Months RM'000	> 1 Year RM'000	No specific maturity RM'000	Total RM'000
Assets						
Cash and short-term funds	2,613,562	-	-	-	213,078	2,826,640
Deposits and placements with banks and other financial institutions	229,996	-	-	-	-	229,996
Reverse repurchase agreements	111,450	-	-	-	-	111,450
Financial securities at fair value through profit and loss	140,003	377,562	253,330	1,163,407	-	1,934,302
Financial securities at fair value through other comprehensive income	-	-	100,459	1,987,627	16,105	2,104,191
Loans, advances and financing	796,976	470,878	248,883	43,802	62,172	1,622,711
Derivative assets	372,157	361,308	96,477	432,882	-	1,262,824
Other assets	464,119	-	-	-	43,951	508,070
Property and equipment	-	-	-	-	6,329	6,329
Right-of-use assets	-	-	-	-	3,277	3,277
Deferred tax assets	-	-	-	-	7,486	7,486
Total assets	4,728,263	1,209,748	699,149	3,627,718	352,398	10,617,276

34. Risk management (continued)

Liquidity risk (continued)

(a) Maturity analysis of total assets and liabilities based on remaining contractual maturity (continued)

Group 2024	Up to 30 days RM'000	> 30 days – 6 Months RM'000	> 6-12 Months RM'000	> 1 Year RM'000	No specific maturity RM'000	Total RM'000
Liabilities						
Deposits from customers	235,384	137,297	225,032	-	4,590,625	5,188,338
Deposits and placements of banks and other financial institutions	651,521	232,831	-	-	581,026	1,465,378
Lease liabilities	111	562	687	1,952	-	3,312
Derivative liabilities	314,631	300,253	274,933	293,480	-	1,183,297
Other liabilities	792,972	-	-	-	43,951	836,923
Tax payable	8,771	-	-	-	-	8,771
Total liabilities	2,003,390	670,943	500,652	295,432	5,215,602	8,686,019
Net liquidity gap	2,724,873	538,805	198,497	3,332,286	(4,863,204)	1,931,257

34. Risk management (continued)

Liquidity risk (continued)

(a) Maturity analysis of financial assets and financial liabilities based on remaining contractual maturity (continued)

Group 2023	Up to 30 days RM'000	> 30 days – 6 Months RM'000	> 6-12 Months RM'000	> 1 Year RM'000	No specific maturity RM'000	Total RM'000
Assets						
Cash and short-term funds	3,104,984	-	-	-	228,291	3,333,275
Reverse repurchase agreements	72,733	-	100,377	147,021	-	320,131
Financial securities at fair value through profit and loss	650,620	441,579	555,204	752,042	-	2,399,445
Financial securities at fair value through other comprehensive income	-	-	226,330	1,340,997	19,604	1,586,931
Loans, advances and financing	627,067	1,033,899	173,148	82,327	110,422	2,026,863
Derivative assets	407,400	1,667,106	292,944	563,363	-	2,930,813
Other assets	291,635	-	-	-	116,586	408,221
Statutory deposit with Bank Negara Malaysia	-	-	-	-	10,000	10,000
Property and equipment	-	-	-	-	8,193	8,193
Right-of-use assets	-	-	-	-	3,950	3,950
Deferred tax assets	-	-	-	-	5,388	5,388
Total assets	5,154,439	3,142,584	1,348,003	2,885,750	502,434	13,033,210

34. Risk management (continued)

Liquidity risk (continued)

(a) Maturity analysis of financial assets and financial liabilities based on remaining contractual maturity (continued)

Group 2023	Up to 30 days RM'000	> 30 days – 6 Months RM'000	> 6-12 Months RM'000	> 1 Year RM'000	No specific maturity RM'000	Total RM'000
Liabilities						
Deposits from customers	1,042,029	154,758	-	207,900	4,716,807	6,121,494
Deposits and placements of banks and other financial institutions	868,169	330,203	-	-	63,162	1,261,534
Lease liabilities	106	425	659	3,307	-	4,497
Derivative liabilities	387,658	1,700,180	269,953	520,436	-	2,878,227
Other liabilities	700,174	-	-	-	157,270	857,444
Tax payable	9,386	-	5,000	-	-	14,386
Total liabilities	3,007,522	2,185,566	275,611	731,643	4,937,239	11,137,582
Net liquidity gap	2,146,917	957,018	1,072,391	2,154,107	(4,434,805)	1,895,628

The above disclosure also applies for the Bank level except that included in the deposits from customers is RM20,000 (2023: RM20,000) cash consolidated from the subsidiaries with remaining contractual maturity of up to 30 days.

34. Risk management (continued)

Liquidity risk (continued)

(b) Maturity analysis of financial liabilities on an undiscounted basis

The following tables show the contractual undiscounted cash flows payable for financial liabilities by remaining contractual maturity. The financial liabilities in the tables below will not agree to the carrying amounts reported in the statements of financial position as the tables incorporate all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments.

Group 2024	Up to 30 days RM'000	> 30 days - 6 Months RM'000	> 6-12 Months RM'000	> 1 Year RM'000	Total RM'000
Non-derivative financial liabilities					
Deposits from customers	4,826,431	138,115	230,405	-	5,194,951
Deposits and placements of banks and other financial institutions	1,232,708	233,844	-	-	1,466,552
Other financial liabilities (excluding provisions and accruals)	836,923	-	-	-	836,923
	6,896,062	371,959	230,405	-	7,498,426
Derivative financial liabilities (gross settled)					
Outflow	13,885,041	17,679,828	6,289,695	4,546,038	42,400,602
Inflow	(13,614,963)	(17,306,268)	(5,937,617)	(4,327,914)	(41,186,762)
	270,078	373,560	352,078	218,124	1,213,840
Total liabilities	7,166,140	745,519	582,483	218,124	8,712,266

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34. Risk management (continued)

Liquidity risk (continued)

(b) Maturity analysis of financial liabilities on an undiscounted basis (continued)

Group 2024	Up to 30 days RM'000	> 30 days - 6 Months RM'000	> 6-12 Months RM'000	> 1 Year RM'000	Total RM'000
Commitments and contingencies					
Transaction related contingent items	58,497	306,897	280,209	178,992	824,595
Short-term self liquidating trade related contingencies	5,942	16,703	587	-	23,232
Total commitments and contingencies	64,439	323,600	280,796	178,992	847,827
2023					
Non-derivative liabilities					
Deposits from customers	5,760,421	92,023	29,689	255,566	6,137,699
Deposits and placements of banks and other financial institutions	932,690	333,559	-	-	1,266,249
Other liabilities (excluding provisions and accruals)	763,113	-	-	-	763,113
	7,456,224	425,582	29,689	255,566	8,167,061

34. Risk management (continued)

Liquidity risk (continued)

(b) Maturity analysis of financial liabilities on an undiscounted basis (continued)

Group 2023	Up to 30 days RM'000	> 30 days - 6 Months RM'000	> 6-12 Months RM'000	> 1 Year RM'000	Total RM'000
Derivative financial liabilities (gross settled)					
Outflow	9,699,693	37,252,912	6,322,546	14,666,915	67,942,066
Inflow	(9,242,045)	(35,456,995)	(5,996,432)	(14,240,153)	(64,935,625)
	457,648	1,795,917	326,114	426,762	3,006,441
Total liabilities	7,913,872	2,221,499	355,803	682,328	11,173,502
Commitments and contingencies					
Transaction related contingent items	39,074	258,011	118,972	385,157	801,214
Short-term self liquidating trade related contingencies	52,614	3,088	-	-	55,702
Total commitments and contingencies	91,688	261,099	118,972	385,157	856,916

The above disclosure also applies for the Bank level except that included in the deposits from customers is RM20,000 (2023: RM20,000) of cash consolidated from the subsidiaries with remaining contractual maturity of up to 30 days.

Other commitments of RM4,925,891,000 (2023: RM5,013,281,000) consist of formal standby facilities and credit lines granted to customers by the Group and the Bank which remain undrawn as at the end of the reporting period, and are subject to drawdown on demand by customers.

34. Risk management (continued)

Operational Risk

Operational risk management framework

Operational Risk is the risk of losses stemming from inadequate or failed internal processes, people and systems or from external events. Operational risk includes legal risks, but excludes business and reputational risk and is embedded in all banking products and activities. Operational risk forms a subset of the Bank's non-financial risks ("NFR").

The Bank's operational risk appetite sets out the amount of operational risk we are willing to accept as a consequence of doing business. We take on operational risks consciously, both strategically as well as in day-to-day business. While the Bank may have no appetite for certain types of operational risk events (such as serious violations of laws or regulations and misconduct), in other cases a certain amount of operational risk must be accepted if the Bank is to achieve its business objectives. In case a residual risk is assessed to be outside our risk appetite, risk reducing actions must be undertaken, including remediating the risks, insuring risks or ceasing business.

The Operational risk management framework ("ORMF") is a set of interrelated tools and processes that are used to identify, assess, measure, monitor and mitigate the Bank's operational risks. Its components have been designed to operate together to provide a comprehensive risk-based approach to managing the Bank's operational risks. ORMF components include Deutsche Bank Group's approach to setting and adhering to operational risk appetite, the operational risk type and control taxonomies, the policies and procedures for operational risk management processes including the respective tools, and the Bank's operational risk capital model.

The governance of operational risk follows DB Group's three Lines of Defence (3LoD) model in order to protect the bank, its customers and shareholders against risk of losses and resulting reputational damages. This model ensures that all risks are managed in the best and long term interest of the bank. The 3LoD model is structured around the Group Risk Type Taxonomy (GRTT) to clarify and delineate roles and responsibilities.

34. Risk management (continued)

Operational Risk (continued)

Operational risk management framework (continued)

In the 3LoD model, the 1st LoD refers to functions in the bank whose activities generate risks, whether they are financial or non-financial. For non-financial risks, this can include Risk Causing and Risk Bearing Units. The 1st LoD owns and is accountable for the risk it generates or is exposed to in connection with the management of the Unit. Whilst the 1st LoD is, in the main, synonymous with the Corporate Divisions, Chief Transformation Office (CTO), Technology, Data & Innovation (TDI) and Treasury, it must be understood that the Infrastructure Functions and Group Audit generate or are exposed to certain non-financial risks. Accordingly, these functions are also viewed as the 1st LoD for relevant non-financial risks. Where Infrastructure Functions act as an independent risk control function, they are the 2nd LoD for a Risk Type and set, inter alia, the Risk Appetite, the Risk Management Framework and minimum control standards and provide independent challenge. There should be a frequent exchange of information between the 1st and 2nd LoD. The 3rd LoD, Group Audit, provides independent and objective assurance on the adequacy of the design, operating effectiveness and efficiency of the risk management system and the systems of internal control.

This set-up ensures that all risks are identified and managed, and that risk management accountabilities are clearly assigned.

Climate Risk

Managing emerging transition and physical climate risks to the Bank's balance sheet and operations is a key component of the Group's sustainability strategy. The Bank continues to embed climate risks into its business-as-usual risk management frameworks, processes and appetite – prioritising areas with the highest potential impact based on comprehensive materiality assessment and integration into the risk identification process.

Deutsche Bank Group utilises a range of metrics to measure net zero alignment and the broader climate footprint of its portfolios. On DB Group level quantitative risk appetite is currently set for seven key carbon intensive sectors and for overall scope 1 and 2 financed emissions of corporate loan commitments. Sector appetite includes two absolute financed emission-based metrics (Oil & Gas, Coal), four physical intensity based metrics (Power Generation, Automotive, Steel, Cement) and Poseidon Principles (PP) portfolio alignment score for Shipping. These metrics are in place to enforce portfolio decarbonisation and reduce transition risk.

34. Risk management (continued)

Climate Risk (continued)

Deutsche Bank's targets are science-based and use the Net Zero Emissions (NZE) by 2050 scenario of the International Energy Agency (IEA) as a basis (with the exception of the target for shipping where the Poseidon Principles methodology uses the Initial and Revised International Maritime Organisation (IMO) Strategies). The NZE by 2050 scenario is consistent with limiting global warming to no more than 1.5ºC above pre-industrial levels by 2100 and of complying with the target setting guidelines of the Net-Zero Banking Alliance.

The Bank's decarbonisation targets are fully integrated into Deutsche Bank's risk appetite and broader risk management framework. Deutsche Bank (Malaysia) Berhad leverages on Deutsche Bank Group's climate risk management framework and implementation, with local oversight by the Board. The Bank is focused on implementing climate risk related regulations and requirements as published by Bank Negara Malaysia.

Recovery planning

Deutsche Bank Group believes that effective recovery and resolution planning can only be conducted at Deutsche Bank Group level and thus maintains a centralised approach to recovery planning through the Group recovery plan. However, Deutsche Bank Group has also developed an approach to address recovery planning requirements by local regulators outside of EU through the preparation of specific document supplementary to the Group recovery plan, including one specific for the Bank ("the Supplement").

The Supplement aims at providing all recovery planning information relevant from a local entity and regulation perspective and is prepared on the basis of the Group recovery plan, which is in line with Section 8.4 of Bank Negara Malaysia's Policy Document on Recovery Planning where the Deutsche Bank Group's recovery plan developed by its parent entity is taken into account to ensure coherence and alignment of recovery plans across jurisdictions.

35. Financial assets and liabilities

35.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Fair value through profit or loss ("FVTPL");
(b) Amortised cost ("AC"); and
(c) Fair value through other comprehensive income ("FVOCI")
- Debt securities
- Equity investments

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35. Financial assets and liabilities (continued)

35.1 Categories of financial instruments (continued)

Group 2024	Carrying amount RM'000	AC RM'000	FVTPL RM'000	FVOCI-Debt securities RM'000	FVOCI-Equity investments RM'000
Financial assets					
Cash and short-term funds	2,826,640	2,826,640	-	-	-
Deposits and placements with banks and other financial institutions	229,996	229,996	-	-	-
Reverse repurchase agreements	111,450	-	111,450	-	-
Financial securities at fair value through profit and loss	1,934,302	-	1,934,302	-	-
Financial securities at fair value through other comprehensive income	2,104,191	-	-	2,088,086	16,105
Loans, advances and financing	1,622,711	1,622,711	-	-	-
Derivative assets	1,262,824	-	1,262,824	-	-
Other assets (excluding prepayments)	371,950	371,950	-	-	-
	10,464,064	5,051,297	3,308,576	2,088,086	16,105
Financial liabilities					
Deposits from customers	5,188,338	5,188,338	-	-	-
Deposits and placements of banks and other financial institutions	1,465,378	1,465,378	-	-	-
Derivative liabilities	1,183,297	-	1,183,297	-	-
Other liabilities (excluding provisions and accruals)	697,400	697,400	-	-	-
	8,534,413	7,351,116	1,183,297	-	-

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35. Financial assets and liabilities (continued)

35.1 Categories of financial instruments (continued)

Group 2023	Carrying amount RM'000	AC RM'000	FVTPL RM'000	FVOCI-Debt securities RM'000	FVOCI-Equity investments RM'000
Financial assets					
Cash and short-term funds	3,333,275	3,333,275	-	-	-
Reverse repurchase agreements	320,131	-	320,131	-	-
Financial securities at fair value through profit and loss	2,399,445	-	2,399,445	-	-
Financial securities at fair value through other comprehensive income	1,586,931	-	-	1,567,327	19,604
Loans, advances and financing	2,026,863	2,026,863	-	-	-
Derivative assets	2,930,813	-	2,930,813	-	-
Statutory deposit with Bank Negara Malaysia	10,000	10,000	-	-	-
Other assets (excluding prepayments)	343,183	343,183	-	-	-
	12,950,641	5,713,321	5,650,389	1,567,327	19,604
Financial liabilities					
Deposits from customers	6,121,494	6,121,494	-	-	-
Deposits and placements of banks and other financial institutions	1,261,534	1,261,534	-	-	-
Derivative liabilities	2,878,227	-	2,878,227	-	-
Other liabilities (excluding provisions and accruals)	758,617	758,617	-	-	-
	11,019,872	8,141,645	2,878,227	-	-

The above disclosure is also applicable for the Bank level except that included in the deposits from customers is RM20,000 (2023: RM20,000) cash consolidated from the subsidiaries.

35. Financial assets and liabilities (continued)

35.2 Determination of fair value and the fair value hierarchy

MFRS 13 *Fair Value Measurement* requires each class of assets and liabilities measured at fair value in the statements of financial position after initial recognition to be categorised according to hierarchy that reflects the significance of inputs used in making the measurements, in particular, whether the inputs used are observable or unobservable as discussed in Note 2(c)(vi).

35.2.1 Financial instruments carried at fair value

The following table shows the Group's and the Bank's financial instruments which are measured at fair value at the reporting date analysed by the various level within the fair value hierarchy:

Group and Bank	Level 2 RM'000	Level 3 RM'000
2024		
Financial assets		
Reverse repurchase agreements	111,450	-
Financial securities at fair value through profit and loss	1,934,302	-
Financial securities at fair value through other comprehensive income	2,088,086	16,105
Derivative assets	1,122,740	140,084
	5,256,578	156,189
Financial liabilities		
Derivative liabilities	(1,175,847)	(7,450)
2023		
Financial assets		
Reverse repurchase agreements	320,131	-
Financial securities at fair value through profit and loss	2,399,445	-
Financial securities at fair value through other comprehensive income	1,567,327	19,604
Derivative assets	2,793,893	136,920
	7,080,796	156,524
Financial liabilities		
Derivative liabilities	(2,868,675)	(9,552)

35. Financial assets and liabilities (continued)

35.2 Determination of fair value and the fair value hierarchy (continued)

35.2.1 Financial instruments carried at fair value (continued)

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	Group and Bank	
	2024 RM'000	2023 RM'000
Financial assets		
Balance at 1 January	156,524	174,903
Total gain recognised in profit or loss:		
- *Settlements*	(10,525)	(3,261)
- *Attributable to gains/(losses) recognised relating to financial assets that have not been realised*	10,190	(15,118)
Balance at 31 December	156,189	156,524
Financial liabilities		
Balance at 1 January	(9,552)	(36,311)
Total gain recognised in profit or loss:		
- *Settlements*	8,685	5,151
- *Attributable to (losses)/gains recognised relating to financial liabilities that have not been realised*	(6,583)	21,608
Balance at 31 December	(7,450)	(9,552)

The unrealised gains/(losses) have been recognised net within non-interest income in profit or loss as shown in Note 21.

35. Financial assets and liabilities (continued)

35.2 Determination of fair value and the fair value hierarchy (continued)

35.2.1 Financial instruments carried at fair value (continued)

Where the value of financial instruments is dependent on unobservable parameter inputs, the precise level for these parameters as at reporting date might be drawn from a range of reasonably possible alternatives.

The level of the fair value hierarchy are valued based on one or more significant unobservable parameters. The unobservable parameters may include certain correlations, certain longer-term volatilities, certain prepayment rates, credit spreads and other transaction-specific parameters.

Level 3 derivatives include certain options where the volatility is unobservable; certain basket options in which the correlations between the referenced underlying assets are unobservable; longer-term interest rate option derivatives; multi-currency foreign exchange derivatives; and certain credit default swaps for which the credit spread is not observable.

Changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets and financial liabilities in Level 3 of the fair value hierarchy.

35. Financial assets and liabilities (continued)

35.2 Determination of fair value and the fair value hierarchy (continued)

35.2.2 Financial instruments not carried at fair value

In respect of cash and short-term funds, deposits and placements with banks and other financial institutions, statutory deposit with Bank Negara Malaysia, other assets, deposit with banks and other financial institutions, deposits and placements of banks and other financial institutions, and other liabilities, the carrying amounts in the statements of financial position approximate their fair values due to the relatively short-term/on demand nature of these financial instruments.

The fair values of other financial assets/liabilities not carried at fair value, together with the carrying amounts shown in the statements of financial position, are as follows:

Group	Carrying value RM'000	Fair value RM'000
2024		
Financial assets		
Loans, advances and financing	1,622,711	1,622,747
Financial liabilities		
Deposits from customers	5,188,338	5,188,121
2023		
Financial assets		
Loans, advances and financing	2,026,863	2,026,142
Financial liabilities		
Deposits from customers	6,121,494	6,124,771

35. Financial assets and liabilities (continued)

35.2 Determination of fair value and the fair value hierarchy (continued)

35.2.2 Financial instruments not carried at fair value (continued)

The disclosure also applies for the Bank except that included in the deposits from customers is RM20,000 (2023: RM20,000) of cash consolidated from the subsidiaries.

(a) Loans, advances and financing

The fair values of fixed rate loans with remaining maturity of less than one year and variable rate loans are estimated to approximate their carrying values. For fixed rate loans with maturities of more than one year, the fair values are estimated based on expected future cash flows of contractual instalment payments and discounted at prevailing rates at reporting date offered for similar loans. In respect of impaired loans, the fair values are deemed to approximate the carrying values, net of individual assessment allowance for impaired debts and financing.

(b) Deposits from customers

The fair values for deposit liabilities payable on demand (demand and savings deposits) or with remaining maturities of less than one year are estimated to approximate their carrying values at reporting date. The fair values of fixed deposits with remaining maturities of more than one year are estimated based on discounted cash flows using rates currently offered for deposits of similar remaining maturities.

The fair value of loans, advances and financing and deposits from customers shown above are considered to be Level 3 within the fair value hierarchy disclosure in accordance to MFRS 13.

35. Financial assets and liabilities (continued)

35.3 Derivative financial instruments

The following table shows the notional and market values of the derivatives financial instruments:

		Group and Bank	
	Notional RM'000	Positive market value RM'000	Negative market value RM'000
2024			
Foreign exchange related contracts			
Forward exchange trades	82,074,989	737,157	(658,822)
Cross currency swaps	7,176,402	229,532	(339,073)
Interest/Profit rate related contracts			
Swaptions	2,604,587	14,275	(401)
Interest rate swaps	87,664,854	281,860	(185,001)
	179,520,832	1,262,824	(1,183,297)
2023			
Foreign exchange related contracts			
Forward exchange trades	63,122,759	425,596	(514,991)
Cross currency swaps	7,090,328	411,429	(369,772)
Foreign exchange options	9,567	-	(23)
Interest/Profit rate related contracts			
Swaptions	2,318,586	21,992	(745)
Interest rate swaps	54,482,446	2,071,796	(1,992,696)
	127,023,686	2,930,813	(2,878,227)

35. Financial assets and liabilities (continued)

35.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements are as follows:

Group and Bank 2024	Gross amount recognised in the statements of financial position RM'000	Gross amount offset in the statements of financial position RM'000	Amount presented in the statements of financial position RM'000	Amount not offset in the statements of financial position: Value of financial instruments subject to netting arrangement RM'000	Amount not offset in the statements of financial position: Collateral received/ pledged* RM'000	Net amount RM'000
Financial assets						
Derivative financial assets						
- Foreign exchange related contracts	966,689	-	966,689	(662,646)	(345,110)	(41,067)
- Interest/Profit rate related contracts	296,135	-	296,135	(69,792)	(131,607)	94,736
	1,262,824	-	1,262,824	(732,438)	(476,717)	53,669
Reverse repurchase agreements	111,450	-	111,450	-	(115,256)	(3,806)
	1,374,274	-	1,374,274	(732,438)	(591,973)	49,863
Financial liabilities						
Derivative financial liabilities						
- Foreign exchange related contracts	997,895	-	997,895	(662,646)	(121,635)	213,614
- Interest/Profit rate related contracts	185,402	-	185,402	(69,792)	(1,775)	113,835
	1,183,297	-	1,183,297	(732,438)	(123,410)	327,449

*Include securities accepted as collateral

35. Financial assets and liabilities (continued)

35.4 Offsetting of financial assets and financial liabilities (continued)

Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements are as follows:

Group and Bank 2023	Gross amount recognised in the statements of financial position RM'000	Gross amount offset in the statements of financial position RM'000	Amount presented in the statements of financial position RM'000	Amount not offset in the statements of financial position: Value of financial instruments subject to netting arrangement RM'000	Amount not offset in the statements of financial position: Collateral received/ pledged* RM'000	Net amount RM'000
Financial assets						
Derivative financial assets						
- Foreign exchange related contracts	837,025	-	837,025	(412,671)	(402,189)	22,165
- Interest/Profit rate related contracts	2,093,788	-	2,093,788	(1,913,472)	(197,676)	(17,360)
	2,930,813	-	2,930,813	(2,326,143)	(599,865)	4,805
Reverse repurchase agreements	320,131	-	320,131	-	(326,713)	(6,582)
	3,250,944	-	3,250,944	(2,326,143)	(926,578)	(1,777)
Financial liabilities						
Derivative financial liabilities						
- Foreign exchange related contracts	884,786	-	884,786	(412,671)	(95,957)	376,158
- Interest/Profit rate related contracts	1,993,441	-	1,993,441	(1,913,472)	635	80,604
	2,878,227	-	2,878,227	(2,326,143)	(95,322)	456,762

*Include securities accepted as collateral

35. Financial assets and liabilities (continued)

35.4 Offsetting of financial assets and financial liabilities (continued)

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Derivatives and reverse repurchase agreements included in the amount not set-off in the statements of financial position relate to transactions where:

(i) the counterparty has an offsetting exposure with the Group and the Bank and a master netting or similar arrangements is in place with a right to set-off only in the event of default, insolvency or bankruptcy; and

(ii) cash and securities are received or cash pledged in respect of the transaction described above.

36. Share-based compensation plans

The Group made grants of share-based compensation under the Deutsche Bank Equity Plan. This plan represents a contingent right to receive Deutsche Bank common shares after a specified period of time. The award recipient is not entitled to receive dividends during the vesting period of the award.

The share awards granted under the terms and conditions of the Deutsche Bank Equity Plan may be forfeited fully or partly if the recipient voluntarily terminates employment before the end of the relevant vesting period (or release period for Upfront Awards). Vesting usually continues after termination of employment in cases such as redundancy or retirement. Deferred share awards are subject to forfeiture provisions and performance conditions until release.

In countries where legal or other restrictions hinder the delivery of shares, a cash plan variant of the Deutsche Bank Equity Plan was used for granting awards, and for employees of certain legal entities, deferred equity is replaced with restricted shares due to local regulatory requirements.

Please note that this table does not cover awards granted to the Management Board. For awards granted under the DWS Equity Plan, please refer to the DWS Share-Based Compensation Plans section.

36. Share-based compensation plans (continued)

The following table sets forth the basic terms of these share plans:

The following table sets forth the basic terms of these share plans:

Grant year(s)	Deutsche Bank Equity Plan	Vesting schedule	Eligibility
2022-2024[4]	Annual Award	1/4: 12 months[1] 1/4: 24 months[1] 1/4: 36 months[1] 1/4: 48 months[1]	Select employees as annual performance-based compensation (CB/IB/CRU and InstVV MRTs)[2]
	Annual Award	1/3: 12 months[1] 1/3: 24 months[1] 1/3: 36 months[1]	Select employees as annual performance-based compensation (non-CB/IB/CRU)[2]
	Annual Award	1/5: 12 months[1] 1/5: 24 months[1] 1/5: 36 months[1] 1/5: 48 months[1] 1/5: 60 months[1]	Select employees as annual performance-based compensation (Senior Management)
	Retention/New Hire	Individual specification	Select employees to attract and retain the best talent
	Severance	Individual specification	Regulatory requirement for certain employees to defer severance payments
	Annual Award – Upfront	Vesting immediately at grant[3]	Selected employees
2019-2021[4]	Annual Award	1/4: 12 months[1] 1/4: 24 months[1] 1/4: 36 months[1] 1/4: 48 months[1]	Select employees as annual performance-based compensation (CB/IB/CRU and InstVV MRTs in an Material Business Unit)[2]
	Annual Award	1/3: 12 months[1] 1/3: 24 months[1] 1/3: 36 months[1]	Select employees as annual performance-based compensation (non-CB/IB/CRU)[2]
	Annual Award	1/5: 12 months[1] 1/5: 24 months[1] 1/5: 36 months[1] 1/5: 48 months[1] 1/5: 60 months[1]	Select employees as annual performance-based compensation (Senior Management)
	Retention/New Hire/Off-Cycle [5]	Individual specification	Select employees to attract and retain the best talent
	Severance	Individual specification	Regulatory requirement for certain employees to defer severance payments
	Annual Award – Upfront	Vesting immediately at grant[3]	Regulated employees
2017-2018[4]	Annual Award	1/4: 12 months[1] 1/4: 24 months[1] 1/4: 36 months[1] 1/4: 48 months[1] Or cliff vesting after 54 months[1]	Select employees as annual performance-based compensation Members of Senior Leadership Cadre
	Severance	Individual specification	Regulatory requirement for certain employees to defer severance payments
	Retention/New Hire/Off-Cycle	Individual specification	Select employees to attract and retain the best talent

[1] For InstVV-regulated employees (and Senior Management) a further retention period of twelve months applies (six months for awards granted from 2017-2018)
[2] For grant year 2019 divisions were called CIB, for grant years 2020 and 2021 CIB is split into CB/IB/CRU
[3] Share delivery takes place after a further retention period of twelve months
[4] Annual and Retention/New Hire awards include grants made under the Restricted Share Plan from 2018-2024
[5] Off-Cycle awards granted up to 2020.

36. Share-based compensation plans (continued)

Furthermore, the Group offers a broad-based employee share ownership plan entitled Global Share Purchase Plan. The Global Share Purchase Plan offers employees in specific countries the opportunity to purchase Deutsche Bank shares in monthly installments over one year. At the end of the purchase cycle, the Group matches the acquired stock in a ratio of one to one up to a maximum of ten free shares, provided that the employee remains at Deutsche Bank Group for another year. In total, 12 staff enrolled in the cycle that began in November 2024.

The Group has other local share-based compensation plans, none of which, individually or in the aggregate, are material to the consolidated financial statements.

The following table sets out the movements in share award units, including grants under the cash plan variant of the Deutsche Bank Equity Plan.

Share units (in thousands)	2024	2023
Balance outstanding as of January 01	**92**	93
Granted	40	42
Released	(39)	(43)
Forfeited	(0)	(0)
Other movements	(0)	(0)
Balance outstanding as of December 31	**92**	92

The following table sets out key information regarding awards granted, released and remaining in the year.

	2024			2023		
	Weighted average fair value per award granted in year	Weighted average share price at release in year	Weighted average remaining contractual life in years	Weighted average fair value per award granted in the year	Weighted average share price at release in year	Weighted average remaining contractual life in years
DB Equity Plan	€ 10.28	€12.66	1	€ 9.97	€11.62	1

The grant volume of outstanding share awards was approximately RM3.84 million and RM3.97 million as of 31 December 2024 and 31 December 2023, respectively. Thereof, approximately RM2.95 million and RM3.04 million had been recognised as compensation expense in the reporting year or prior to that. Hence, compensation expense for deferred share-based compensation not yet recognised amounted to approximately RM0.89 million and RM0.93 million as of 31 December 2024 and 31 December 2023, respectively.

36. Share-based compensation plans (continued)

The following table presents a breakdown of specific expenses according to the requirements of IAS 19/MFRS119 and IFRS 2/MFRS 2.

in RM m.	2024	2023
Expenses for share-based payments:	2.0	3.5
Expenses for share-based payments, equity settled[1]	0.0	0.0
Expenses for share-based payments, cash settled[1]	1.4	(0.4)
Expenses for cash retention plans[1]		

[1] Including expenses for new hire awards and the acceleration of expenses not yet amortised due to the discontinuation of employment including those amounts which are recognised as part of the Group's restructuring expenses.

Compensation expense for awards classified as equity instruments is measured at the grant date based on the fair value of the share-based award. For share awards, the fair value is the quoted market price of the share reduced by the present value of the expected dividends that will not be received by the employee and adjusted for the effect, if any, of restrictions beyond the vesting date. In case an award is modified such that its fair value immediately after modification exceeds its fair value immediately prior to modification, a remeasurement takes place and the resulting increase in fair value is recognised as additional compensation expense.

The Deutsche Bank Group records the offsetting amount to the recognised compensation expense in additional paid-in capital ("APIC"). Compensation expense is recorded on a straight-line basis over the period in which employees perform services to which the awards relate or over the period of the tranches for those awards delivered in tranches. Estimates of expected forfeitures are periodically adjusted in the event of actual forfeitures or for changes in expectations. The timing of expense recognition relating to grants which, due to early retirement provisions, include a nominal but non-substantive service period are accelerated by shortening the amortisation period of the expense from the grant date to the date when the employee meets the eligibility criteria for the award, and not the vesting date. For awards that are delivered in tranches, each tranche is considered a separate award and amortised separately.

Compensation expense for share-based awards payable in cash is remeasured to fair value at each balance sheet date and recognised over the vesting period in which the related employee services are rendered. The related obligations are included in other liabilities until paid.

37. The operations of Islamic Banking

Statement of financial position as at 31 December 2024

Assets	Note	2024 RM'000	2023 RM'000
Cash and short-term funds	(a)	344,630	216,147
Other assets		28	48
Total assets		344,658	216,195
Liabilities and Islamic Banking funds			
Deposits from customers	(b)	306,515	178,421
Other liabilities	(c)	245	32
Tax payable		1,148	1,110
Total liabilities		307,908	179,563
Capital funds		25,000	25,000
Reserves		11,750	11,632
Islamic Banking funds		36,750	36,632
Total liabilities and Islamic Banking funds		344,658	216,195
Commitments and contingencies		-	-

The notes on pages 163 to 165 are an integral part of these financial statements.

37. The operations of Islamic Banking (continued)

Statement of profit or loss and other comprehensive income for the year ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
Income derived from investment of Islamic funds	(d)	5,023	4,875
Total net income		5,023	4,875
Other operating expenses		(241)	(253)
Operating profit		4,782	4,622
Allowance written back for impairment		-	4
Profit before tax		4,782	4,626
Tax expense		(1,148)	(1,110)
Profit for the year		3,634	3,516
Other comprehensive (loss)/income:			
Items that are or may be reclassified subsequently to profit or loss			
Movement in fair value reserve (debt securities):			
Net change in fair value		-	(9)
Income tax effect relating to component of other comprehensive income		-	2
Other comprehensive loss for the year		-	(7)
Total comprehensive income for the year		3,634	3,509

37. The operations of Islamic Banking (continued)

Statement of changes in Islamic Banking funds for the year ended 31 December 2024

	Capital funds RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2023	25,000	7	10,327	35,334
Total comprehensive (loss)/income for the year	-	(7)	3,516	3,509
Repayment of Islamic Banking funds	-	-	(2,211)	(2,211)
At 31 December 2023/1 January 2024	25,000	-	11,632	36,632
Total comprehensive income for the year	-	-	3,634	3,634
Repayment of Islamic Banking funds	-	-	(3,516)	(3,516)
At 31 December 2024	25,000	-	11,750	36,750

The Bank transferred RM25,000,000 paid-up capital funds to the Islamic Banking window on 20 April 2009.

37. The operations of Islamic Banking (continued)

Statement of cash flows in Islamic Banking funds for the year ended 31 December 2024

	2024 RM'000	2023 RM'000
Cash flows from operating activities		
Profit before tax	4,782	4,626
Allowance written back for impairment	-	(4)
Operating profit before working capital changes	4,782	4,622
Decrease in operating assets	20	20,063
Increase in operating liabilities	128,307	15,272
Cash generated from operations	133,109	39,957
Income taxes paid	(1,110)	(698)
Net cash generated from operations	131,999	39,259
Cash flows from financing activity		
Repayment of Islamic Banking funds	(3,516)	(2,211)
Net cash used in financing activity	(3,516)	(2,211)
Net increase in cash and cash equivalents	128,483	37,048
Cash and cash equivalents at 1 January	216,147	179,099
Cash and cash equivalents at 31 December (Note 37(a))	344,630	216,147

The notes on pages 163 to 165 are an integral part of these financial statements.

37. The operations of Islamic Banking (continued)

BNM had given its approval on 22 August 2007 for the Bank to conduct Islamic Banking business under Section 124 of the Banking and Financial Institutions Act, 1989 (Now repealed and replaced by the Financial Services Act, 2013).

The Board of Directors oversee the Shariah governance implementation and the Islamic business operations' overall compliance with Shariah principles.

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.

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 Notes 1 and 2 to the financial statements of the Group and of the Bank and have been prepared on the historical cost basis, except as mentioned in the respective accounting policy notes.

(a) Cash and short-term funds

	2024 RM'000	2023 RM'000
Cash and balances with banks and other financial institutions	344,630	216,147

37. The operations of Islamic Banking (continued)

(b) Deposits from customers

	2024 RM'000	2023 RM'000
Demand deposits		
Qard	306,515	178,421

(c) Other liabilities

	2024 RM'000	2023 RM'000
Bills payable	231	32
Other liabilities	14	-
	245	32

(d) Income/(Loss) derived from investment of Islamic banking funds

	2024 RM'000	2023 RM'000
Deposits or placement with BNM	6,615	6,027
Financial securities (Sukuk)	-	234
Hibah on Qard Islamic Current Account	(1,667)	(1,465)
Other income	75	79
	5,023	4,875

(e) Shariah Committee's Remuneration

Members

	2024 RM'000	2023 RM'000
Dr Uzaimah binti Ibrahim	87	92
En Ahmad Firdaus bin Kadir	62	66
Pn Zarinah binti Mohd Yusoff	62	66
	211	224

37. 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 Group'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:

	2024 RM'000	2023 RM'000
Tier 1 capital		
Capital funds	25,000	25,000
Retained earnings	11,750	11,632
Total common equity tier 1/Total Tier 1 capital	36,750	36,632
Total Tier 2 capital	-	-
Capital base	36,750	36,632
Common equity tier 1/Tier 1 capital ratio	453.480%	592.272%
Total capital ratio	453.480%	592.272%

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

Risk Type		Risk-Weighted Assets	
		2024 RM'000	2023 RM'000
1	Credit risk	-	-
2	Market risk	-	-
3	Operational risk	8,104	6,185
Total		8,104	6,185