

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
 AS AT 31 MARCH 2024**

		<b>31 March</b>	<b>31 December</b>
		<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>			
Cash and short-term funds	9	1,034,155	450,958
Placement with a bank	10	-	49,984
Other assets	11	31,277	23,799
Statutory deposits with Bank Negara Malaysia	12	1,000	1,000
Plant and equipment		3,586	4,183
Intangible assets		97	108
Tax recoverable		342	300
<b>Total Assets</b>		<b>1,070,457</b>	<b>530,332</b>
<b>Liabilities</b>			
Deposits from customers	13	782,789	195,370
Other liabilities	14	62,017	64,707
<b>Total Liabilities</b>		<b>844,806</b>	<b>260,077</b>
<b>Net Assets</b>		<b>225,651</b>	<b>270,255</b>
<b>Equity</b>			
Share Capital		495,100	495,100
Reserves		33,598	33,598
Accumulated losses		(303,047)	(258,443)
<b>Total equity attributable to owners of the Bank</b>		<b>225,651</b>	<b>270,255</b>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2023

**UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE MONTHS ENDED 31 MARCH 2024**

	Note	1st Quarter Ended		Three Months Ended	
		31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Interest income		5,425	1,226	5,425	1,226
Interest expense		(3,215)	-	(3,215)	-
<b>Net Interest Income</b>	15	<b>2,210</b>	<b>1,226</b>	<b>2,210</b>	<b>1,226</b>
Fee and commission expense	16	(200)	-	(200)	-
Other income	17	250	-	250	-
<b>Non-Interest income</b>		<b>50</b>	<b>-</b>	<b>50</b>	<b>-</b>
<b>Total operating income</b>		<b>2,260</b>	<b>1,226</b>	<b>2,260</b>	<b>1,226</b>
<b>Expenses</b>					
- Staff costs	18	(18,270)	(11,668)	(18,270)	(11,668)
- Depreciation of plant and equipment		(445)	-	(445)	-
- Amortisation of intangible assets		(11)	-	(11)	-
- Other operating expenses	19	(28,133)	(11,987)	(28,133)	(11,987)
<b>Total operating expenses</b>		<b>(46,859)</b>	<b>(23,655)</b>	<b>(46,859)</b>	<b>(23,655)</b>
Loss before allowances		(44,599)	(22,429)	(44,599)	(22,429)
Allowances for credit and other losses		(5)	(55)	(5)	(55)
<b>Loss before tax</b>		<b>(44,604)</b>	<b>(22,484)</b>	<b>(44,604)</b>	<b>(22,484)</b>
Income tax expense		-	-	-	-
<b>Loss and total comprehensive loss for the financial period</b>		<b>(44,604)</b>	<b>(22,484)</b>	<b>(44,604)</b>	<b>(22,484)</b>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2023

**UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2024**

	<b>Share Capital RM'000</b>	<b>Capital Contribution Reserves RM'000</b>	<b>Accumulated Losses RM'000</b>	<b>Total Equity RM'000</b>
<b>2024</b>				
At 1 January	495,100	33,598	(258,443)	270,255
Loss and total comprehensive loss for the financial period	-	-	(44,604)	(44,604)
<b>At 31 March</b>	<b>495,100</b>	<b>33,598</b>	<b>(303,047)</b>	<b>225,651</b>
<b>2023</b>				
At 1 January	220,038	-	(65,437)	154,601
Loss and total comprehensive loss for the financial period	-	-	(22,484)	(22,484)
<b>At 31 March</b>	<b>220,038</b>	<b>-</b>	<b>(87,921)</b>	<b>132,117</b>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2023

**UNAUDITED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH 2024**

	<b>31 March 2024 RM'000</b>	<b>31 March 2023 RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(44,604)	(22,484)
Adjustments for:		
Depreciation	445	-
Amortisation	11	-
Interest expense on lease liability	19	-
Allowances for credit and other losses	205	-
Writeoff of plant and equipment	154	-
Unrealised foreign exchange losses	(125)	171
Unwinding of discount on provision for reinstatement cost	4	-
Operating loss before working capital changes	<u>(43,891)</u>	<u>(22,313)</u>
<b>Changes in working capital:</b>		
Other assets	(7,280)	367
Deposits from customers	587,419	-
Other liabilities	(2,435)	(4,137)
<b>Cash generated from/(used in) operating activities</b>	<u>533,813</u>	<u>(26,083)</u>
Income tax paid	(42)	-
<b>Net cash generated from/(used in) operating activities</b>	<u>533,771</u>	<u>(26,083)</u>
<b>Cash flows from investing activities</b>		
Additions to plant and equipment	(2)	(434)
<b>Net cash used in investing activities</b>	<u>(2)</u>	<u>(434)</u>
<b>Cash flows from financing activities</b>		
Payment of lease liability	(351)	-
<b>Net cash generated from financing activities</b>	<u>(351)</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	533,418	(26,517)
Cash and cash equivalents at beginning of the period	500,942	182,679
<b>Cash and cash equivalents at end of the period</b>	<u>1,034,360</u>	<u>156,162</u>
<b>Cash and cash equivalents comprise:</b>		
Cash and short-term funds	<u>1,034,360</u>	<u>156,162</u>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2023

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Basis Of Preparation

The interim financial statements are unaudited and have been prepared in compliance with Malaysian Financial Reporting Standard ('MFRS') 134, 'Interim Financial Reporting' issued by Malaysian Accounting Standards Board ('MASB') and should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2023.

The accounting policies and presentation adopted by the Bank for the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2023, except for the adoption of the following accounting standards, annual improvements and amendments to MFRS during the current financial period:

#### ***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024***

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendment 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*

#### ***MFRSs, 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*

#### ***MFRSs, 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 Bank plans to apply the above mentioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.
- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

The initial application of the accounting standards, interpretations or amendments is not expected to have any material financial impacts to the interim financial statements of the Bank.

### 2. Auditors' Report

The auditors' report for the financial year ended 31 December 2023 was not subject to any qualification.

### 3. Seasonal Or Cyclical Factors

The business operations of the Bank have not been affected by any material seasonal or cyclical factors.

### 4. Exceptional Or Unusual Items

There were no exceptional or unusual items for the three months ended 31 March 2024.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 5. Changes In Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect for the three months ended 31 March 2024.

### 6. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the current financial period ended 31 March 2024.

### 7. Dividend Paid

No interim dividend was declared nor paid during the financial period ended 31 March 2024.

### 8. Significant and Subsequent Events

There were no material events subsequent to the date of statement of financial positions that require disclosures to the unaudited condensed interim financial statements.

### 9. Cash and short-term funds

		<b>31 March</b>	<b>31 December</b>
		<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and balances with banks and other financial institutions		124,360	166,142
Money at call and interbank placements maturing within one month		910,000	285,000
		<u>1,034,360</u>	<u>451,142</u>
Less: Allowance for credit loss	20	(205)	(184)
		<u>1,034,155</u>	<u>450,958</u>

### 10. Placement with a bank

		<b>31 March</b>	<b>31 December</b>
		<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
Money at call and interbank placement maturing after one month		-	50,000
Less: Allowance for credit loss	20	-	(16)
		<u>-</u>	<u>49,984</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**11. Other assets**

	<b>31 March 2024</b>	<b>31 December 2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest receivables	1,046	237
Deposits and prepayments	19,843	18,226
Other receivables	10,388	1,615
Deferred expenses	-	3,721
	<u>31,277</u>	<u>23,799</u>

**12. Statutory deposits with Bank Negara Malaysia**

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

**13. Deposits from customers**

All customer deposits as at 31 March 2024 are non-term deposits from retail customers payable on demand.

	<b>31 March 2024</b>	<b>31 December 2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Individuals saving deposits	<u>782,789</u>	<u>195,370</u>

**14. Other liabilities**

	<b>31 March 2024</b>	<b>31 December 2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Accruals	38,952	36,014
Lease liabilities	1,230	1,562
Amounts due to related companies	9,436	5,209
Provision for reinstatement cost	275	271
Other payables	12,124	21,651
	<u>62,017</u>	<u>64,707</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**15. Net interest income**

	1st Quarter Ended		Three Months Ended	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
<b>Interest income</b>				
Balance and placements with banks	5,372	1,226	5,372	1,226
Other interest earning assets	53	-	53	-
Total interest income	<u>5,425</u>	<u>1,226</u>	<u>5,425</u>	<u>1,226</u>
<b>Interest expense</b>				
Deposits from customers	(3,196)	-	(3,196)	-
Lease liability	(19)	-	(19)	-
Total interest expense	<u>(3,215)</u>	<u>-</u>	<u>(3,215)</u>	<u>-</u>
<b>Net interest income</b>	<u><b>2,210</b></u>	<u><b>1,226</b></u>	<u><b>2,210</b></u>	<u><b>1,226</b></u>

**16. Fee and commission expense**

	1st Quarter Ended		Three Months Ended	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Fee and commission expense	<u>200</u>	<u>-</u>	<u>200</u>	<u>-</u>

**17. Other income**

	1st Quarter Ended		Three Months Ended	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Other income	<u>250</u>	<u>-</u>	<u>250</u>	<u>-</u>



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**18. Staff costs**

	1st Quarter Ended		Three Months Ended	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Salaries, bonuses & other costs	16,904	10,668	16,904	10,668
Contributions to State Funds	1,366	1,000	1,366	1,000
	<u>18,270</u>	<u>11,668</u>	<u>18,270</u>	<u>11,668</u>

**19. Other operating expenses**

	1st Quarter Ended		Three Months Ended	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Information technology expenses	14,900	6,554	14,900	6,554
Professional and consultancy expenses	1,747	4,638	1,747	4,638
Marketing expenses	4,950	77	4,950	77
Auditors' remuneration	75	20	75	20
Others	6,461	698	6,461	698
	<u>28,133</u>	<u>11,987</u>	<u>28,133</u>	<u>11,987</u>

**20. Allowances for credit and other losses**

	Opening balance RM'000	Allowance during the year RM'000	Ending balance RM'000
<b>Stage 1: 12-month ECL</b>			
Cash and short-term funds	184	21	205
Placement with a bank	16	(16)	-
<b>As at 31 March 2024</b>	<u>200</u>	<u>5</u>	<u>205</u>
Cash and short-term funds	-	184	184
Placement with a bank	-	16	16
<b>As at 31 December 2023</b>	<u>-</u>	<u>200</u>	<u>200</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**21. Capital adequacy**

	<b>31 March 2024</b>	<b>31 December 2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Tier 1 capital</b>		
Paid-up ordinary share capital	495,100	495,100
Accumulated losses	(303,047)	(258,443)
Other reserves	33,598	33,598
	<u>225,651</u>	<u>270,255</u>
Less: Regulatory deductions	(97)	(108)
	<u>225,554</u>	<u>270,147</u>
<b>Tier 2 capital</b>		
Expected credit losses	-	-
Regulatory reserve	-	-
Total Tier 2 capital	<u>-</u>	<u>-</u>
<b>Total capital base</b>	<u><b>225,554</b></u>	<u><b>270,147</b></u>
<b>Capital ratios</b>		
CET 1 Capital Ratio	163.515%	324.054%
Tier 1 Capital Ratio	163.515%	324.054%
Total Capital Ratio	163.515%	324.054%

Breakdown of risk-weighted assets for each risk component are as follows:

	<b>31 March 2024</b>	<b>31 December 2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Credit risk	125,282	75,055
Market risk	6,589	3,726
Operational risk	6,070	4,584
Total risk-weighted assets	<u>137,941</u>	<u>83,365</u>
Credit risk-weighted assets breakdown:		
- subject to 20% risk weight	91,123	47,010
- subject to 100% risk weight	34,159	28,045

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 22. FINANCIAL PERFORMANCE

GX Bank received the licence to commence operations from Bank Negara Malaysia (“BNM”) in September 2023, being the first digital bank to commence operations in Malaysia. The Bank launched its debit card product to the general public in Malaysia in February 2024. For the financial period ended 31 March 2024, the Bank achieved customer deposit balances of RM782.8 million.

#### Total Assets

Total assets as at the financial period ended 31 March 2024 came in at RM1,070.4 million compared to RM530.3 million as at 31 December 2023. The increase of RM540.1 million is attributed towards RM383.2 million from cash and short-term funds and RM150.0 million from placement with a bank.

#### Total Liabilities

Total liabilities as at the financial period ended 31 March 2024 came in at RM844.8 million which is mainly on account of customer deposits of RM782.8 million owing to the continued momentum since the successful launch of banking operations with a retail deposit and debit card products.

#### Total Equity

Total equity amounted to RM225.7 million as at 31 March 2024, which comprised of:

- Share Capital of RM495.1 million
- Accumulated losses of RM303.0 million
- Reserves of RM33.6 million relating to capital contribution from the immediate holding company in the form of equity incentive plans

#### Loss before tax

The Bank registered a Loss before tax of RM44.6 million for the financial period ended 31 March 2024, compared to a Loss before tax of RM22.4 million in the previous financial period ended 31 March 2023.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 23 PROSPECTS FOR THE FINANCIAL YEAR 2024

#### Outlook for full year 2024

The IMF has projected Global gross domestic product (GDP) growth of 3% in 2024 compared to expected GDP growth of 3% in 2023 and actual GDP growth of 3.5% in 2022. The GDP growth in developed markets is slowing down which was expected as central banks increased benchmark interest rates to record high levels to control the high rate of inflation which came in since 2022 post covid. The GDP growth in Asia, especially ASEAN and India, is expected to improve, while China's growth would likely remain modest given continued weakness in the property market. Core inflation in many countries has started to drop since the last few months which is expected to lead to monetary easing in the second half of the year. The above growth outlook remains subject to downside risks mainly arising from escalation of geopolitical tensions, higher than expected inflation and volatility in the global financial markets.

Malaysia's economy expanded by 3.7% in 2023. The GDP growth for 2024 is expected to increase further in the range of 4% - 5% driven by the recovery in exports and resilient domestic expenditure. The inflation rate is expected to be moderate in the range of 2.1% to 3.6%. In line with the global trend, to control the inflation BNM also steadily increased the overnight policy rate (OPR) since May 2022 from 1.75% to 3% to counter the inflationary pressure. With moderating domestic inflation rate and depending upon the global economic scenario, BNM may consider dropping the OPR in the second half of 2024. Despite the recent drop in the Ringgit Malaysia (RM), the currency may have some support from here on the back of the expectations of the US Federal Reserve and other central banks starting to cut the benchmark rates and with improving domestic economic conditions led by higher growth in exports & domestic consumption and easing of inflationary pressure.

*(Source: Economy Outlook 2024, Ministry of Finance Malaysia)*

Post receiving the licence to commence operations in September 2023, GX Bank continues to work towards its ambition to be on a path to profitability, delivery of its strategic agenda and graduation from foundation phase between 3rd and 5th year from commencement of operations.

Fresh capital infusion is planned in the full year of 2024 to further strengthen the capital base in order to support the investment in the priority areas. In the full year 2024 we expect further growth in the Bank's customer base and the balance sheet which will lead to material growth in the bank's full year revenues. However, as the Bank continues to be in the investment phase in 2024, the Bank is expected to record a loss for the full financial year 2024 which is per the expected plan.