

GX BANK BERHAD

(Registration No. 202101014409 (1414709-A))
(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL
STATEMENTS FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2025**

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025**

		31 March 2025 RM'000	31 December 2024 RM'000
	Note		
Assets			
Cash and short-term funds	9	544,627	410,852
Placement with banks	10	534,711	439,841
Financial investments at fair value through other comprehensive income ("FVOCI")	11	462,095	702,414
Loans and advances	12	50,775	4,730
Other assets	13	77,607	90,496
Statutory deposits with Bank Negara Malaysia	14	11,850	9,100
Plant and equipment		3,851	4,673
Tax recoverable		470	470
Intangible assets		12,750	13,929
Total Assets		1,698,736	1,676,505
Liabilities			
Deposits from customers	15	1,351,912	1,319,216
Other liabilities	16	119,876	77,680
Total Liabilities		1,471,788	1,396,896
Net Assets		226,948	279,609
Equity			
Share Capital		720,000	720,000
Reserves		55,615	52,086
Accumulated losses		(548,667)	(492,477)
Total equity attributable to owners of the Bank		226,948	279,609
Commitments		119,993	44,311

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 2024

**UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025**

	Note	Individual Quarter		Cumulative Quarter	
		31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
Interest income		13,926	5,425	13,926	5,425
Interest expense		(6,383)	(3,196)	(6,383)	(3,196)
Net Interest Income	17	7,543	2,229	7,543	2,229
Fee and commission	18	(907)	(200)	(907)	(200)
Other income	19	330	250	330	250
Non-Interest income		(577)	50	(577)	50
Total operating income		6,966	2,279	6,966	2,279
Expenses					
- Staff costs	20	(23,865)	(18,270)	(23,865)	(18,270)
- Depreciation of plant and equipment		(605)	(445)	(605)	(445)
- Amortisation of intangible assets		(1,179)	(11)	(1,179)	(11)
- Other operating expenses	21	(30,949)	(28,152)	(30,949)	(28,152)
Total operating expenses		(56,598)	(46,878)	(56,598)	(46,878)
Loss before allowances		(49,632)	(44,599)	(49,632)	(44,599)
Allowances for credit and other losses	22	(6,557)	(5)	(6,557)	(5)
Loss before tax		(56,189)	(44,604)	(56,189)	(44,604)
Income tax		-	-	-	-
Loss for the financial period		(56,189)	(44,604)	(56,189)	(44,604)
Other comprehensive income for the period, net of income tax					
Item that may be reclassified subsequently to statement of profit and loss					
Financial investments at FVOCI					
- net gain on change of fair value		371	-	371	-
Total other comprehensive income		371	-	371	-
Total comprehensive loss for the financial period		(55,818)	(44,604)	(55,818)	(44,604)

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 2024

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

	Share Capital RM'000	Fair value Reserves RM'000	Capital Contribution Reserves RM'000	Accumulated Losses RM'000	Total Equity RM'000
At 1 January 2025	720,000	131	51,955	(492,477)	279,609
Loss for the financial period	-	-	-	(56,189)	(56,189)
Other comprehensive gain	-	371	-	-	371
Total comprehensive gain/(loss) for the financial period	-	371	-	(56,189)	(55,818)
Transaction with owners, recorded directly in equity					
Issuance of ordinary shares	-	-	-	-	-
Shared-based payments	-	-	3,157	-	3,157
Total contributions by and distributions to owners	-	-	3,157	-	3,157
At 31 March 2025	720,000	502	55,112	(548,666)	226,948
At 1 January 2024	495,100	-	33,598	(258,443)	270,255
Loss for the financial period	-	-	-	(44,604)	(44,604)
Transaction with owners, recorded directly in equity					
Issuance of ordinary shares	-	-	-	-	-
Share-based payments	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-
At 31 March 2024	495,100	-	33,598	(303,047)	225,651

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 2024

UNAUDITED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2025

	31 March 2025 RM'000	31 March 2024 RM'000
Cash flows from operating activities		
Loss before tax	(56,189)	(44,604)
Adjustments for:		
Amortisation of premium for financial investment at FVOCI	757	-
Depreciation of plant and equipment	605	445
Amortisation of intangible assets	1,179	11
Finance cost on lease liabilities	41	19
Allowances for credit and other losses	7,519	5
Share-based payments	3,158	-
Plant and equipment written off	-	154
Unrealised foreign exchange losses/(gains)	431	(125)
Interest income	(13,926)	(5,425)
Interest expense	6,383	3,196
Net gain on disposal of financial asset at FVOCI	(169)	-
Finance cost on provision for reinstatement cost	10	4
Operating loss before working capital changes	(50,201)	(46,320)
Changes in working capital:		
Statutory deposits with Bank Negara Malaysia	(2,750)	-
Loans and advances	(49,733)	-
Other assets	8,475	(6,471)
Deposits from customers	32,696	587,419
Other liabilities	38,744	(2,435)
Cash (used in)/generated from operating activities	(22,769)	532,193
Interest received	14,387	4,616
Interest paid	(6,383)	(3,196)
Income tax paid	-	(42)
Net cash (used in)/generated from operating activities	(14,765)	533,571
Cash flows from investing activities		
Additions to plant and equipment	-	(2)
Transfer to other related party	217	-
Net disposal of financial investments at FVOCI	243,643	-
Net cash (used in)/generated from investing activities	243,860	(2)
Cash flows from financing activities		
Payment of lease liabilities	(337)	(351)
Net cash generated from financing activities	(337)	(351)
Net increase in cash and cash equivalents	228,758	533,218
Cash and cash equivalents at beginning of the period	850,910	501,142
Cash and cash equivalents at end of the period	1,079,668	1,034,360
Cash and cash equivalents comprise:		
Cash and short-term funds	544,668	1,034,360
Placement with banks	535,000	-
	1,079,668	1,034,360

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 2024

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 2024.

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 2024, except for the adoption of the following accounting standards, annual improvements and amendments to MFRS during the current financial period:

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*

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 Bank plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 January 2027 for the accounting standards that are effective for annual periods beginning on or after 1 January 2027, except for MFRS 19 which is not applicable to the Bank.

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 2024 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. EXCEPTIONAL OR UNUSUAL ITEMS

There were no exceptional or unusual items for the financial quarter and period ended 31 March 2025.

5. CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in prior financial years that have a material effect on the current financial quarter and period.

6. DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the current financial quarter and period ended 31 March 2025.

7. DIVIDEND PAID

No dividend was paid and declared during the financial period and the Directors do not recommend any dividend to be paid for the financial period.

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

	31 March 2025 RM'000	31 December 2024 RM'000
Cash and balances with banks and other financial institutions	147,668	135,910
Money at call and interbank placements maturing within one month	397,000	275,000
	<u>544,668</u>	<u>410,910</u>
Less: Allowance for expected credit loss ("ECL")	(41)	(58)
	<u>544,627</u>	<u>410,852</u>

Movement in allowances for ECL are as follows:

	31 March 2025 RM'000	31 December 2024 RM'000
Stage 1 - 12 month ECL		
Balance at beginning of the financial year	58	184
New financial assets originated	-	1,484
Financial assets derecognised	(178)	(1,958)
Transfer from deposits and placements with banks and other financial institutions	178	393
Net remeasurement of allowances	(17)	(45)
Net writeback of allowance	(17)	(126)
Balance at end of the financial period/year	<u>41</u>	<u>58</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. PLACEMENT WITH BANKS

	31 March 2025 RM'000	31 December 2024 RM'000
Money at call and interbank placement maturing after one month	535,000	440,000
Less: Allowance for ECL	(289)	(159)
	<u>534,711</u>	<u>439,841</u>

Movement in allowances for ECL are as follows:

	31 March 2025 RM'000	31 December 2024 RM'000
Stage 1 - 12 month ECL		
Balance at beginning of the financial year	159	16
New financial assets originated	307	529
Transfer to cash and short-term funds	(178)	(393)
Net remeasurement of allowances	1	7
Net allowance for ECL	130	143
Balance at end of the financial period/year	<u>289</u>	<u>159</u>

11. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	31 March 2025 RM'000	31 December 2024 RM'000
<u>At Fair Value</u>		
Malaysian Government Securities	421,980	702,414
Malaysian Government Investment Issues	40,115	-
	<u>462,095</u>	<u>702,414</u>

12. LOANS AND ADVANCES

		31 March 2025 RM'000	31 December 2024 RM'000
<u>At amortised cost</u>	Note		
Unsecured loan		54,669	4,937
Gross loans and advances		<u>54,669</u>	<u>4,937</u>
Less: Allowance for ECL:	12(i)		
- Stage 1 - 12 months ECL		(3,860)	(207)
- Stage 2 - Lifetime ECL not credit impaired		(9)	-
- Stage 3 - Lifetime ECL credit impaired		(25)	-
Net loans and advances		<u>50,775</u>	<u>4,730</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. LOANS AND ADVANCES (CONTINUED)

(a) Gross loans and advances analysed by type of customer is as follows:

	31 March 2025 RM'000	31 December 2024 RM'000
Individuals	54,665	4,937
Micro, Small and Medium Enterprises ("MSME")	4	-
	<u>54,669</u>	<u>4,937</u>

(b) Gross loans and advances analysed by geographical distribution is as follows:

	31 March 2025 RM'000	31 December 2024 RM'000
In Malaysia	54,669	4,937
	<u>54,669</u>	<u>4,937</u>

(c) Gross loans and advances analysed by interest rate sensitivity is as follows:

	31 March 2025 RM'000	31 December 2024 RM'000
Fixed rate	54,669	4,937
	<u>54,669</u>	<u>4,937</u>

(d) Gross loans and advances analysed by sector is as follows:

	31 March 2025 RM'000	31 December 2024 RM'000
Wholesale and restaurants	4	-
Household	54,665	4,937
	<u>54,669</u>	<u>4,937</u>

(e) Gross loans and advances analysed by residual contractual maturity is as follows:

	31 March 2025 RM'000	31 December 2024 RM'000
Maturing within one year	24,182	2,043
Over one year to three years	20,536	1,761
Over three years to five years	9,899	1,133
Over five years	52	-
	<u>54,669</u>	<u>4,937</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. LOANS AND ADVANCES (CONTINUED)

(f) Movements in impaired loans and advances are as follows:

	31 March 2025 RM'000	31 December 2024 RM'000
Balance at beginning of the financial year	-	-
Impaired during the financial period	28	-
Balance at end of the financial period/year	28	-
Gross impaired loans and advances as % of gross loans and advances	0.05%	-

(g) Impaired loans and advances analysed by geographical distribution are as follows:

	31 March 2025 RM'000	31 December 2024 RM'000
In Malaysia	28	-
	28	-

(h) Impaired loans and advances analysed by sector is as follows:

	31 March 2025 RM'000	31 December 2024 RM'000
Household	28	-
	28	-

(i) Movements in allowances for ECL are as follows:

	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
2025				
Balance at beginning of the financial year	207	-	-	207
Transfer to stage 2	(1)	2	-	1
New financial asset originated	3,539	7	25	3,571
Net remeasurement of allowance	115	-	-	115
Net allowance for ECL	3,653	9	25	3,687
Balance at end of the financial period/year	3,860	9	25	3,894
2024				
Balance at beginning of the financial year	-	-	-	-
New financial asset originated	207	-	-	207
Balance at end of the financial year	207	-	-	207

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. OTHER ASSETS

	31 March 2025 RM'000	31 December 2024 RM'000
Interest receivables	4,490	8,491
Deposits and prepayments	47,869	45,989
Other receivables	22,844	34,715
Amount due from related company	2,432	1,329
	<u>77,635</u>	<u>90,524</u>
Less: Allowance for ECL	(28)	(28)
	<u>77,607</u>	<u>90,496</u>

14. 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.

15. DEPOSITS FROM CUSTOMERS

(a) By type of deposit

	31 March 2025 RM'000	31 December 2024 RM'000
Current accounts	21	-
Savings deposits	1,351,891	1,319,216
	<u>1,351,912</u>	<u>1,319,216</u>

(b) By type of customers

	31 March 2025 RM'000	31 December 2024 RM'000
Business enterprises	21	-
Individuals	1,351,891	1,319,216
	<u>1,351,912</u>	<u>1,319,216</u>

16. OTHER LIABILITIES

	Note	31 March 2025 RM'000	31 December 2024 RM'000
Accruals		39,299	41,622
Lease liabilities		2,117	2,413
Amounts due to related companies		16,200	15,967
Provision for reinstatement cost		646	636
Other payables		55,581	13,505
Allowance for ECL on loan commitment	(a)	3,690	933
Deferred revenue		2,343	2,604
		<u>119,876</u>	<u>77,680</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. OTHER LIABILITIES (CONTINUED)

(a) Movements in allowance for ECL on loan commitments which reflect the ECL model on impairment is as follows:

	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
2025				
Balance at beginning of the financial year	933	-	-	933
Transfer to stage 2	-	1	-	1
Transfer to stage 3	(1)	-	1	-
New exposure originated	2,781	2	-	2,783
Net remeasurement of allowance	8	-	(1)	7
Financial assets derecognised	(34)	-	-	(34)
Net allowance for ECL	2,754	3	-	2,757
Balance at end of the financial period/year	3,687	3	-	3,690
2024				
Balance at beginning of the financial year	-	-	-	-
New exposure originated	933	-	-	933
Balance at end of the financial year	933	-	-	933

17. NET INTEREST INCOME

	Individual Quarter		Cumulative Quarter	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
Interest income				
Placement with banks	6,906	5,372	6,906	5,372
Financial investments at FVOCI	5,463	-	5,463	-
Loans and advances	1,321	-	1,321	-
Other interest earning assets	236	53	236	53
Total interest income	13,926	5,425	13,926	5,425
Interest expense				
Deposits from customers	(6,383)	(3,196)	(6,383)	(3,196)
Total interest expense	(6,383)	(3,196)	(6,383)	(3,196)
Net interest income	7,543	2,229	7,543	2,229

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. FEE AND COMMISSION

	Individual Quarter		Cumulative Quarter	
	31 March	31 March	31 March	31 March
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Net fee expense	(948)	(200)	(948)	(200)
Bancassurance commission	41	-	41	-
	(907)	(200)	(907)	(200)

19. OTHER INCOME

	Individual Quarter		Cumulative Quarter	
	31 March	31 March	31 March	31 March
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Investment income	170	-	170	-
Other income	160	250	160	250
	330	250	330	250

20. STAFF COSTS

	Individual Quarter		Cumulative Quarter	
	31 March	31 March	31 March	31 March
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Salaries, bonuses & other costs	19,094	16,904	19,094	16,904
Contributions to State Funds	1,613	1,366	1,613	1,366
Share-based payments	3,158	-	3,158	-
	23,865	18,270	23,865	18,270

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. OTHER OPERATING EXPENSES

	Individual Quarter		Cumulative Quarter	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
Information technology expenses	22,799	15,189	22,799	15,189
Professional and consultancy expenses	681	1,755	681	1,755
Marketing expenses	911	4,950	911	4,950
Auditors' remuneration	61	75	61	75
Others	6,497	6,183	6,497	6,183
	30,949	28,152	30,949	28,152

22. ALLOWANCES FOR CREDIT AND OTHER LOSSES

	Individual Quarter		Cumulative Quarter	
	31 March 2025 RM'000	31 March 2024 RM'000	31 March 2025 RM'000	31 March 2024 RM'000
Cash and short-term funds	(17)	21	(17)	21
Placement with banks	130	(16)	130	(16)
Loans and advances	3,687	-	3,687	-
Commitments	2,757	-	2,757	-
Other assets	-	-	-	-
	6,557	5	6,557	5

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. FAIR VALUE OF ASSETS AND LIABILITIES

Determination of fair value

Financial investments measured at FVOCI are generally valued based on quoted prices or observable market prices at the reporting date. When such prices are unavailable, valuation techniques, such as pricing models or discounted cash flow analysis, are employed. If discounted cash flow techniques are used, the estimated future cash flows are discounted using the prevailing market rates for similar instruments at the reporting date.

The fair value of loans and advances is estimated based on expected future cash flows from contractual installment payments, discounted at prevailing interest rates as of the reporting date, which are offered for similar loans to new borrowers with similar credit profiles. For impaired loans, the fair value is considered to be close to the carrying amount, as this amount already reflects any impairment allowances.

Fair value hierarchy

Fair value of financial assets and liabilities are determined according to the following hierarchy:

- Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and/or
- Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 March 2025				
Financial assets measured at fair value				
Financial investments at FVOCI				
- Money market securities	-	462,095	-	462,095
Financial assets for which fair values are disclosed				
Loans and advances	-	-	39,424	39,424
31 December 2024				
Financial assets measured at fair value				
Financial investments at FVOCI				
- Money market securities	-	702,414	-	702,414
Financial assets for which fair values are disclosed				
Loans and advances	-	-	4,815	4,815

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

The carrying amounts of financial assets and financial liabilities reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

23.1 Classification of financial instruments

	Carrying Amount RM'000	Amortised Cost RM'000	FVOCI RM'000
31 March 2025			
Financial assets			
Cash and short-term funds	544,627	544,627	-
Placement with banks	534,711	534,711	-
Financial investments at FVOCI	462,095	-	462,095
Loans and advances	50,775	50,775	-
Other assets*	59,846	59,846	-
Statutory deposits with Bank Negara Malaysia	11,850	11,850	-
	1,663,904	1,201,809	462,095
Financial liabilities			
Deposits from customers	1,351,912	1,351,912	-
Other liabilities*	113,843	113,843	-
	1,465,755	1,465,755	-
31 December 2024			
Financial assets			
Cash and short-term funds	410,852	410,852	-
Placement with banks	439,841	439,841	-
Financial investments at FVOCI	702,414	-	702,414
Loans and advances	4,730	4,730	-
Other assets*	74,706	74,706	-
Statutory deposits with Bank Negara Malaysia	9,100	9,100	-
	1,641,643	939,229	702,414
Financial liabilities			
Deposits from customers	1,319,216	1,319,216	-
Other liabilities*	74,143	74,143	-
	1,393,359	1,393,359	-

* Excludes non-financial assets such as prepayments and non-liabilities such as deferred revenue and provision.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

23.2 Net gains and losses arising from financial instruments

	31 March 2025 RM'000	31 December 2024 RM'000
Net gains/(losses) on:		
Financial assets measured at FVOCI	5,632	11,506
Financial assets measured at amortised cost	7,848	40,916
Financial liabilities measured at amortised cost	(6,205)	(41,976)

23.3 Fair value measurement

	Carrying amount		Fair value	
	31 March 2025 RM'000	31 December 2024 RM'000	31 March 2025 RM'000	31 December 2024 RM'000
Financial assets				
Cash and short-term funds	544,627	410,852	544,627	410,852
Placement with banks	534,711	439,841	534,711	439,841
Financial investments at FVOCI	462,095	702,414	462,095	702,414
Loans and advances	50,775	4,730	39,424	4,815
Other assets*	59,846	74,706	59,846	74,706
Statutory deposits with Bank Negara Malaysia	11,850	9,100	11,850	9,100
	<u>1,663,904</u>	<u>1,641,643</u>	<u>1,652,553</u>	<u>1,641,728</u>
Financial liabilities				
Deposits from customers	1,351,912	1,319,216	1,351,912	1,319,216
Other liabilities*	113,843	74,143	113,843	74,143
	<u>1,465,755</u>	<u>1,393,359</u>	<u>1,465,755</u>	<u>1,393,359</u>

* Excludes non-financial assets such as prepayments and non-liabilities such as deferred revenue and provision.

24. COMMITMENTS

Commitments comprise of agreements to provide credit facilities to customer are as follows:

	31 March 2025 RM'000	31 December 2024 RM'000
Undrawn credit commitments	119,993	44,311
	<u>119,993</u>	<u>44,311</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. CAPITAL ADEQUACY

The Bank is required to comply with the requirements as set out in BNM's Capital Adequacy Framework, except for certain areas of simplification or exemption as specified in BNM's Licensing Framework for Digital Banks ("BNM's Licensing Framework"). In accordance with BNM's Licensing Framework, only Common Equity Tier 1 Capital shall be recognised as eligible regulatory capital and the Bank shall maintain a minimum Total Capital Ratio of 8% (2024: 8%).

The table below shows the composition of the Bank's regulatory capital and capital adequacy ratios which were determined in accordance with BNM's Capital Adequacy Framework (Capital Components), Capital Adequacy Framework (Basel II - Risk-Weighted Assets) and BNM's Licensing Framework:

	31 March 2025 RM'000	31 December 2024 RM'000
Tier 1 capital		
Paid-up ordinary share capital	720,000	720,000
Accumulated losses	(548,666)	(492,477)
Other reserves	55,615	52,086
	<u>226,949</u>	<u>279,609</u>
Less: Regulatory deductions	(13,027)	(14,001)
	<u>213,922</u>	<u>265,608</u>
Tier 2 capital		
Expected credit losses	-	-
Regulatory reserve	-	-
Total Tier 2 capital	<u>-</u>	<u>-</u>
Total capital base	213,922	265,608
Capital ratios		
CET 1 Capital Ratio	71.273%	103.571%
Tier 1 Capital Ratio	71.273%	103.571%
Total Capital Ratio	71.273%	103.571%

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

	31 March 2025 RM'000	31 December 2024 RM'000
Credit risk	247,578	209,422
Market risk	40,784	39,600
Operational risk	11,783	7,429
Total risk-weighted assets	<u>300,145</u>	<u>256,451</u>
Credit risk-weighted assets breakdown:		
- subject to 20% risk weight	128,938	118,529
- subject to 75% risk weight	40,983	3,703
- subject to 100% risk weight	77,657	87,190