

GX BANK BERHAD

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

**UNAUDITED CONDENSED INTERIM FINANCIAL
STATEMENTS FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2026**

**UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026**

	Note	31 March 2026 RM'000	31 December 2025 RM'000
Assets			
Cash and short-term funds	9	191,695	399,946
Placement with banks	10	411,936	150,240
Financial investments at fair value through other comprehensive income ("FVOCI")	11	754,676	632,747
Financial investments at amortised cost	12	13,690	7,653
Loans and advances	13	835,873	634,965
Other assets	14	70,872	64,155
Statutory deposits with Bank Negara Malaysia	15	15,900	9,900
Right-of-use assets		3,076	1,345
Plant and equipment		659	977
Tax recoverable		170	455
Intangible assets		14,705	15,470
Total Assets		2,313,252	1,917,853
Liabilities			
Deposits from customers	16	2,053,880	1,601,773
Other liabilities	17	80,096	84,138
Lease liabilities		3,043	1,200
Total Liabilities		2,137,019	1,687,111
Net Assets		176,233	230,742
Equity			
Share Capital		902,900	902,900
Reserves		55,353	57,481
Accumulated losses		(782,020)	(729,639)
Total equity attributable to owners of the Bank		176,233	230,742
Commitments	24	619,025	555,712

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 2025

**UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

	Note	Individual Quarter		Cumulative Quarter	
		31 March 2026 RM'000	31 March 2025 RM'000	31 March 2026 RM'000	31 March 2025 RM'000
Interest income		38,232	13,926	38,232	13,926
Interest expense		(12,631)	(6,383)	(12,631)	(6,383)
Net Interest Income	18	25,601	7,543	25,601	7,543
Fee and commission	19	10	(907)	10	(907)
Other income	20	793	330	793	330
Non-Interest income		803	(577)	803	(577)
Total operating income		26,404	6,966	26,404	6,966
Expenses					
- Personnel costs	21	(24,762)	(23,865)	(24,762)	(23,865)
- Establishment costs	22	(27,374)	(28,754)	(27,374)	(28,754)
- Marketing expenses	22	(3,072)	(911)	(3,072)	(911)
- Administration and general expenses	22	(2,700)	(3,068)	(2,700)	(3,068)
Total operating expenses		(57,908)	(56,598)	(57,908)	(56,598)
Loss before allowances		(31,504)	(49,632)	(31,504)	(49,632)
Allowances for credit and other losses	23	(20,877)	(6,557)	(20,877)	(6,557)
Loss before tax		(52,381)	(56,189)	(52,381)	(56,189)
Income tax		-	-	-	-
Loss for the financial period		(52,381)	(56,189)	(52,381)	(56,189)
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 (loss)/gain on change of fair value		(3,232)	371	(3,232)	371
Total other comprehensive income		(3,232)	371	(3,232)	371
Total comprehensive loss for the financial period		(55,613)	(55,818)	(55,613)	(55,818)

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 2025

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026

	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 2026	902,900	2,186	55,295	(729,639)	230,742
Loss for the financial period	-	-	-	(52,381)	(52,381)
Other comprehensive loss	-	(3,232)	-	-	(3,232)
Total comprehensive loss for the financial period	-	(3,232)	-	(52,381)	(55,613)
Transaction with owners, recorded directly in equity					
Issuance of ordinary shares	-	-	-	-	-
Share-based payments	-	-	1,104	-	1,104
Total contributions by and distributions to owners	-	-	1,104	-	1,104
At 31 March 2026	902,900	(1,046)	56,399	(782,020)	176,233
At 1 January 2025	720,000	131	51,955	(492,477)	279,609
Loss for the financial period	-	-	-	(56,189)	(56,189)
Other comprehensive income	-	371	-	-	371
Total comprehensive income/(loss) for the financial period	-	371	-	(56,189)	(55,818)
Transaction with owners, recorded directly in equity					
Issuance of ordinary shares	-	-	-	-	-
Share-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

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 2025

UNAUDITED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026

	31 March 2026 RM'000	31 March 2025 RM'000
Cash flows from operating activities		
Loss before tax	(52,381)	(56,189)
Adjustments for:		
Amortisation of premium for financial investments at FVOCI	524	757
Depreciation of right-of-use assets	363	348
Depreciation of plant and equipment	318	257
Amortisation of intangible assets	765	1,179
Finance on lease liabilities	99	41
Allowances for credit and other losses	13,166	7,519
Bad debt written off	(3,859)	-
Share-based payments	1,104	3,158
Transfer of plant and equipment	-	217
Unrealised foreign exchange losses	71	431
Interest income	(38,232)	(13,926)
Interest expense	12,631	6,383
Net loss/(gain) on disposal of financial assets at FVOCI	179	(169)
Remeasurement of provision of reinstatement cost	(45)	-
Finance cost on provision for reinstatement cost	9	10
Operating loss before working capital changes	<u>(65,288)</u>	<u>(49,984)</u>
Changes in working capital:		
Statutory deposits with Bank Negara Malaysia	(6,000)	(2,750)
Loans and advances	(207,907)	(49,733)
Other assets	(6,530)	8,475
Deposits from customers	452,107	32,696
Other liabilities	(5,004)	38,744
Cash generated/(used in) from operating activities	<u>161,378</u>	<u>(22,552)</u>
Interest received	33,663	14,387
Interest paid	(11,607)	(6,383)
Income tax refunded	285	-
Net cash generated/(used in) from operating activities	<u>183,719</u>	<u>(14,548)</u>
Cash flows from investing activities		
(Acquisition)/redemption of financial investments at FVOCI	(125,374)	243,643
Investment in financial investments at amortised cost	(6,012)	-
Net cash (used in)/generated from investing activities	<u>(131,386)</u>	<u>243,643</u>
Cash flows from financing activities		
Payment of lease liabilities	(350)	(337)
Net cash generated from financing activities	<u>(350)</u>	<u>(337)</u>
Net increase in cash and cash equivalents	51,983	228,758
Cash and cash equivalents at beginning of the period	499,869	850,910
Placement with bank, with original maturity more than three months	50,000	-
Effect of exchange rate changes	(131)	-
Cash and cash equivalents at end of the period	<u>601,721</u>	<u>1,079,668</u>
Cash and cash equivalents comprise:		
Cash and short-term funds	191,721	544,668
Placement with banks	410,000	535,000
	<u>601,721</u>	<u>1,079,668</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 2025

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 2025.

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 2025, 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*
 - 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*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

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.

The Bank is currently evaluating the impact of MFRS 18, which is expected to significantly change the presentation of the Statement of Profit or Loss by introducing new defined subtotals (Operating, Investing, and Financing) and requiring disclosures for Management-defined Performance Measures (MPMs).

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 2025 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 2026.

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 2026.

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 2026 RM'000	31 December 2025 RM'000
Cash and balances with banks and other financial institutions	191,771	40,929
Money at call and interbank placements maturing within one month	11	359,026
	<u>191,782</u>	<u>399,955</u>
Less: Allowance for expected credit loss ("ECL")	(87)	(9)
	<u>191,695</u>	<u>399,946</u>

Movement in allowances for ECL are as follows:

Stage 1 - 12-month ECL	Note	31 March 2026 RM'000	31 December 2025 RM'000
Balance at beginning of the financial year		9	58
New financial assets originated		-	18
Transfer from placement with banks	10	113	781
Financial assets derecognised		(36)	(777)
Net remeasurement of allowances		1	(71)
Net allowance for ECL		<u>78</u>	<u>(49)</u>
Balance at end of the financial period/year		<u>87</u>	<u>9</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. PLACEMENT WITH BANKS

	31 March 2026 RM'000	31 December 2025 RM'000
Money at call and interbank placement maturing after one month	412,019	150,299
Less: Allowance for ECL	(83)	(59)
	<u>411,936</u>	<u>150,240</u>
Placement with original maturity of:		
Three months or less	361,583	100,263
More than three months	50,436	50,036
	<u>412,019</u>	<u>150,299</u>

Movement in allowances for ECL are as follows:

Stage 1 - 12-month ECL	Note	31 March 2026 RM'000	31 December 2025 RM'000
Balance at beginning of the financial year		59	159
New financial assets originated		137	694
Transfer to cash and short-term funds	9	(113)	(781)
Net remeasurement of allowances		-	(13)
Net allowance for ECL		24	(100)
Balance at end of the financial period/year		<u>83</u>	<u>59</u>

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

<u>At Fair Value</u>	31 March 2026 RM'000	31 December 2025 RM'000
Malaysian Government Securities	581,805	509,330
Malaysian Government Investment Issues	172,871	123,417
	<u>754,676</u>	<u>632,747</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. FINANCIAL INVESTMENTS AT AMORTISED COST

	31 March 2026 RM'000	31 December 2025 RM'000
Investment Notes	14,542	8,137
Less: Allowance for ECL	(852)	(484)
	<u>13,690</u>	<u>7,653</u>

(a) Movements in impaired financial investments at amortised cost are as follows:

	31 March 2026 RM'000	31 December 2025 RM'000
Balance at beginning of the financial year	83	-
Impaired during the year	89	83
Recoveries	(83)	-
Balance at end of the financial period/year	<u>89</u>	<u>83</u>
Gross impaired financial investments at amortised cost as % of gross financial investments at amortised cost	<u>0.61%</u>	<u>1.02%</u>

(b) Impaired financial investments at amortised cost analysed by geographical distribution are as follows:

	31 March 2026 RM'000	31 December 2025 RM'000
In Malaysia	<u>89</u>	<u>83</u>
	<u>89</u>	<u>83</u>

(c) Impaired financial investments at amortised cost by sector is as follows:

	31 March 2026 RM'000	31 December 2025 RM'000
Wholesale and retail trade	<u>89</u>	<u>83</u>
	<u>89</u>	<u>83</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. FINANCIAL INVESTMENTS AT AMORTISED COST (CONTINUED)

(d) 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
2026				
Balance at beginning of the financial year	367	72	45	484
Transfer to stage 1	42	(42)	-	-
Transfer to stage 2	(78)	78	-	-
Transfer to stage 3	-	(22)	22	-
New financial assets originated	381	-	-	381
Financial assets derecognised	(15)	(11)	(45)	(71)
Net remeasurement of allowance	4	28	26	58
Net allowance for ECL	334	31	3	368
Balance at end of the financial period	701	103	48	852
2025				
Balance at beginning of the financial year	-	-	-	-
New financial assets originated	367	72	45	484
Balance at end of the financial year	367	72	45	484

13. LOANS AND ADVANCES

<u>At amortised cost</u>	Note	31 March 2026 RM'000	31 December 2025 RM'000
Term loans		199,950	149,879
Unsecured loan		682,075	518,544
Gross loans and advances		882,025	668,423
Less: Allowance for ECL:	13(i)		
- Stage 1 - 12 months ECL		(32,423)	(26,238)
- Stage 2 - Lifetime ECL not credit impaired		(2,238)	(1,082)
- Stage 3 - Lifetime ECL credit impaired		(11,491)	(6,138)
		(46,152)	(33,458)
Net loans and advances		835,873	634,965

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

	31 March 2026 RM'000	31 December 2025 RM'000
Individuals	656,846	502,594
Non-bank Financial Institutions	149,995	99,786
Other domestic entities	57,631	50,092
Micro, Small and Medium Enterprises ("MSME")	17,553	15,951
	882,025	668,423

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. LOANS AND ADVANCES (CONTINUED)

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

	31 March 2026 RM'000	31 December 2025 RM'000
In Malaysia	882,025	668,423
	<u>882,025</u>	<u>668,423</u>

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

	31 March 2026 RM'000	31 December 2025 RM'000
Fixed rate	882,025	668,423
	<u>882,025</u>	<u>668,423</u>

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

	31 March 2026 RM'000	31 December 2025 RM'000
Household	656,846	502,594
Agriculture and fishing	92	90
Manufacturing	2,811	1,699
Electricity, gas and water supply	90	4
Construction	466	132
Transport and storage	368	115
Wholesale and retail trade	68,944	62,951
Finance and Insurance	149,995	99,840
Real estate	43	29
Mining and quarrying	47	-
Others	2,323	969
	<u>882,025</u>	<u>668,423</u>

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

	31 March 2026 RM'000	31 December 2025 RM'000
Maturing within one year	271,971	204,236
Over one year to three years	238,277	186,151
Over three years to five years	356,591	278,036
More than five years	15,186	-
	<u>882,025</u>	<u>668,423</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. LOANS AND ADVANCES (CONTINUED)

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

	31 March 2026 RM'000	31 December 2025 RM'000
Balance at beginning of the financial year	6,897	-
Impaired during the year	10,801	23,293
Reclassified as performing	(90)	(2,497)
Recoveries	(336)	(4,670)
Amount written off	(4,361)	(9,229)
Balance at end of the financial period/year	<u>12,911</u>	<u>6,897</u>
Gross impaired loans and advances as % of gross loans and advances	<u>1.46%</u>	<u>1.03%</u>

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

	31 March 2026 RM'000	31 December 2025 RM'000
In Malaysia	<u>12,911</u>	<u>6,897</u>
	12,911	6,897

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

	31 March 2026 RM'000	31 December 2025 RM'000
Household	12,418	6,846
Wholesale and retail trade	438	51
Manufacturing	45	-
Finance and insurance	5	-
Others	5	-
	<u>12,911</u>	<u>6,897</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. LOANS AND ADVANCES (CONTINUED)

(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
2026				
At 1 January	26,238	1,082	6,138	33,458
Transfer to stage 1	668	(588)	(80)	-
Transfer to stage 2	(1,434)	1,434	-	-
Transfer to stage 3	(12)	(1,324)	1,336	-
New financial assets originated	4,941	-	8	4,949
Financial assets derecognised	(131)	(2)	(41)	(174)
Net remeasurement of allowance	2,153	1,636	8,012	11,801
Net allowance for ECL	6,185	1,156	9,235	16,576
Amount written off	-	-	(3,882)	(3,882)
At 31 March	<u>32,423</u>	<u>2,238</u>	<u>11,491</u>	<u>46,152</u>
2025				
At 1 January	207	-	-	207
Transfer to stage 1	592	(442)	(150)	-
Transfer to stage 2	(1,137)	1,178	(41)	-
Transfer to stage 3	(127)	(859)	986	-
New financial assets originated	16,148	-	12,228	28,376
Financial assets derecognised	(179)	(7)	(1,957)	(2,143)
Net remeasurement of allowance	10,739	1,214	3,285	15,238
Net allowance for ECL	26,036	1,084	14,351	41,471
Amount written off	(5)	(2)	(8,213)	(8,220)
At 31 December	<u>26,238</u>	<u>1,082</u>	<u>6,138</u>	<u>33,458</u>

14. OTHER ASSETS

	Note	31 March 2026 RM'000	31 December 2025 RM'000
Deposits	(a)	28,347	28,217
Prepayments		14,218	10,304
Other receivables		24,778	20,990
Deferred expenses		-	1,867
Amount due from related companies	(b)	3,542	2,789
		<u>70,885</u>	<u>64,167</u>
Less: Allowance for ECL		(13)	(12)
		<u>70,872</u>	<u>64,155</u>

(a) Included in deposits is the cash collateral placed with an external payment services provider amounting to USD6,861,029 (2025: USD6,821,412), equivalent to RM27,785,798 (2025: RM27,694,934).

(b) The amount due from related companies is non-trade in nature, unsecured, interest free and repayable on demand.

15. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. DEPOSITS FROM CUSTOMERS

(a) By type of deposit

	Note	31 March 2026 RM'000	31 December 2025 RM'000
Current accounts	(i)	217,353	162,734
Savings deposits		1,836,527	1,439,039
		<u>2,053,880</u>	<u>1,601,773</u>

(i) Included in current accounts are deposits amounting to RM210.2 million (2025: RM157.5 million) that was placed by a related company as cash collateral that are restricted from withdrawal until the credit facilities are discharged.

(b) By type of customers

		31 March 2026 RM'000	31 December 2025 RM'000
Business enterprises		217,353	162,734
Individuals		1,836,527	1,439,039
		<u>2,053,880</u>	<u>1,601,773</u>

17. OTHER LIABILITIES

	Note	31 March 2026 RM'000	31 December 2025 RM'000
Accruals		41,831	47,058
Amounts due to related companies		7,428	8,233
Provision for reinstatement cost		614	650
Other payables		10,503	11,717
Allowance for ECL on loan commitment	(a)	16,916	13,353
Deferred revenue		2,804	3,127
		<u>80,096</u>	<u>84,138</u>

(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
2026				
At 1 January	12,989	364	-	13,353
Transfer to stage 1	214	(214)	-	-
Transfer to stage 2	(211)	211	-	-
Transfer to stage 3	(3)	(422)	425	-
New exposure originated	4,088	-	-	4,088
Net remeasurement of allowance	(587)	733	(425)	(279)
Financial exposure derecognised	(245)	(1)	-	(246)
Net allowance for ECL	<u>3,256</u>	<u>307</u>	<u>-</u>	<u>3,563</u>
At 31 March	<u>16,245</u>	<u>671</u>	<u>-</u>	<u>16,916</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. OTHER LIABILITIES (CONTINUED)

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

	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				
At 1 January	933	-	-	933
Transfer to stage 1	152	(152)	-	-
Transfer to stage 2	(164)	164	-	-
Transfer to stage 3	(29)	(257)	286	-
New exposure originated	13,869	-	-	13,869
Net remeasurement of allowance	(1,168)	611	(286)	(843)
Financial exposure derecognised	(604)	(2)	-	(606)
Net allowance for ECL	12,056	364	-	12,420
At 31 December	12,989	364	-	13,353

18. NET INTEREST INCOME

	Individual Quarter		Cumulative Quarter	
	31 March 2026 RM'000	31 March 2025 RM'000	31 March 2026 RM'000	31 March 2025 RM'000
Interest income				
Placement with banks	4,348	6,906	4,348	6,906
Financial investments at FVOCI	5,458	5,463	5,458	5,463
Financial investments at amortised cost	668	-	668	-
Loans and advances	27,601	1,321	27,601	1,321
Other interest earning assets	157	236	157	236
Total interest income	38,232	13,926	38,232	13,926
Interest expense				
Deposits from customers	(12,631)	(6,383)	(12,631)	(6,383)
Total interest expense	(12,631)	(6,383)	(12,631)	(6,383)
Net interest income	25,601	7,543	25,601	7,543

19. FEE AND COMMISSION

	Individual Quarter		Cumulative Quarter	
	31 March 2026 RM'000	31 March 2025 RM'000	31 March 2026 RM'000	31 March 2025 RM'000
Bancassurance commission	88	41	88	41
Net fee expense	(78)	(948)	(78)	(948)
	10	(907)	10	(907)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. OTHER INCOME

	Individual Quarter		Cumulative Quarter	
	31 March 2026 RM'000	31 March 2025 RM'000	31 March 2026 RM'000	31 March 2025 RM'000
Investment income	179	170	179	170
Other income	614	160	614	160
	<u>793</u>	<u>330</u>	<u>793</u>	<u>330</u>

21. PERSONNEL COSTS

	Individual Quarter		Cumulative Quarter	
	31 March 2026 RM'000	31 March 2025 RM'000	31 March 2026 RM'000	31 March 2025 RM'000
Salaries, bonuses & other costs	21,907	19,094	21,907	19,094
Contributions to State Funds	1,751	1,613	1,751	1,613
Share-based payments	1,104	3,158	1,104	3,158
	<u>24,762</u>	<u>23,865</u>	<u>24,762</u>	<u>23,865</u>

22. OTHER OPERATING EXPENSES

	Individual Quarter		Cumulative Quarter	
	31 March 2026 RM'000	31 March 2025 RM'000	31 March 2026 RM'000	31 March 2025 RM'000
<u>Establishment costs</u>				
Depreciation of right-of-use assets	363	347	363	347
Depreciation of plant and equipment	318	257	318	257
Amortisation of intangible assets	765	1,180	765	1,180
Information technology expenses	21,042	22,799	21,042	22,799
Finance cost on lease liability	99	41	99	41
Remeasurement of provision of reinstatement cost	(45)	-	(45)	-
Finance cost on provision for reinstatement cost	9	10	9	10
Others	4,823	4,120	4,823	4,120
	<u>27,374</u>	<u>28,754</u>	<u>27,374</u>	<u>28,754</u>
<u>Marketing expenses</u>				
Advertising and publicity	2,948	809	2,948	809
Others	124	102	124	102
	<u>3,072</u>	<u>911</u>	<u>3,072</u>	<u>911</u>
<u>Administration and general expenses</u>				
Auditors' remuneration	95	61	95	61
Director related expenses	225	288	225	288
Legal and professional fees	777	689	777	689
Travel and entertainment expenses	171	234	171	234
Office maintenance	750	783	750	783
Others	682	1,013	682	1,013
	<u>2,700</u>	<u>3,068</u>	<u>2,700</u>	<u>3,068</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. ALLOWANCES FOR CREDIT AND OTHER LOSSES

	Individual Quarter		Cumulative Quarter	
	31 March 2026 RM'000	31 March 2025 RM'000	31 March 2026 RM'000	31 March 2025 RM'000
Loans and advances				
- Net charge	16,576	3,687	16,576	3,687
- Bad debt written off	355	-	355	-
- Bad debt recovered	(87)	-	(87)	-
	16,844	3,687	16,844	3,687
Cash and short-term funds	78	(17)	78	(17)
Placement with banks	24	130	24	130
Financial investments at amortised cost	368	-	368	-
Commitments	3,563	2,757	3,563	2,757
Other assets	-	-	-	-
	20,877	6,557	20,877	6,557

24. COMMITMENTS

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

	31 March 2026 RM'000	31 December 2025 RM'000
Undrawn credit commitments	619,025	555,712
	619,025	555,712

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. 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.

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 Fair Value RM'000	Carrying Amount RM'000
31 March 2026					
Financial assets measured at fair value					
Financial investments at FVOCI	-	754,676	-	754,676	754,676
Financial assets for which fair values are disclosed					
Loans and advances	-	-	874,561	874,561	835,873
Financial investments at amortised cost	-	-	17,377	17,377	13,690
31 December 2025					
Financial assets measured at fair value					
Financial investments at FVOCI	-	632,747	-	632,747	632,747
Financial assets for which fair values are disclosed					
Loans and advances	-	-	662,976	662,976	634,965
Financial investments at amortised cost	-	-	9,942	9,942	7,653

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. 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.

25.1 Classification of financial instruments

	Carrying Amount RM'000	Amortised Cost RM'000	FVOCI RM'000
31 March 2026			
Financial assets			
Cash and short-term funds	191,695	191,695	-
Placement with banks	411,936	411,936	-
Financial investments at FVOCI	754,676	-	754,676
Financial investments at amortised cost	13,690	13,690	-
Loans and advances	835,873	835,873	-
Other assets*	56,604	56,604	-
Statutory deposits with Bank Negara Malaysia	15,900	15,900	-
	2,280,374	1,525,698	754,676
Financial liabilities			
Deposits from customers	2,053,880	2,053,880	-
Other liabilities*	60,376	60,376	-
Lease liabilities	3,043	3,043	-
	2,117,299	2,117,299	-
31 December 2025			
Financial assets			
Cash and short-term funds	399,946	399,946	-
Placement with banks	150,240	150,240	-
Financial investments at FVOCI	632,747	-	632,747
Financial investments at amortised cost	7,653	7,653	-
Loans and advances	634,965	634,965	-
Other assets*	51,984	51,984	-
Statutory deposits with Bank Negara Malaysia	9,900	9,900	-
	1,887,435	1,254,688	632,747
Financial liabilities			
Deposits from customers	1,601,773	1,601,773	-
Other liabilities*	67,658	67,658	-
Lease liabilities	1,200	1,200	-
	1,670,631	1,670,631	-

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

25.2 Net gains and losses arising from financial instruments

	31 March 2026 RM'000	31 December 2025 RM'000
Net gains/(losses) on:		
Financial assets measured at FVOCI	(5,637)	18,206
Financial assets measured at amortised cost	(30,540)	56,652
Financial liabilities measured at amortised cost	11,409	(25,762)
	<u>(24,768)</u>	<u>49,096</u>

25.3 Fair value measurement

	Carrying amount		Fair value	
	31 March 2026 RM'000	31 December 2025 RM'000	31 March 2026 RM'000	31 December 2025 RM'000
Financial assets				
Cash and short-term funds	191,695	399,946	191,695	399,946
Placement with banks	411,936	150,240	411,936	150,240
Financial investments at FVOCI	754,676	632,747	754,676	632,747
Financial investments at amortised cost	13,690	7,653	17,377	9,942
Loans and advances	835,873	634,965	874,561	662,976
Other assets*	56,604	51,984	56,604	51,984
Statutory deposits with Bank Negara Malaysia	15,900	9,900	15,900	9,900
	<u>2,280,374</u>	<u>1,887,435</u>	<u>2,322,749</u>	<u>1,917,735</u>
Financial liabilities				
Deposits from customers	2,053,880	1,601,773	2,053,880	1,601,773
Other liabilities*	60,376	67,658	60,376	67,658
Lease liabilities	3,043	1,200	3,043	1,200
	<u>2,117,299</u>	<u>1,670,631</u>	<u>2,117,299</u>	<u>1,670,631</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. 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% (2025: 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 2026 RM'000	31 December 2025 RM'000
Tier 1 capital		
Paid-up ordinary share capital	902,900	902,900
Accumulated losses	(782,020)	(729,639)
Other reserves	55,353	57,481
	<u>176,233</u>	<u>230,742</u>
Less: Regulatory deductions	(15,752)	(16,672)
	<u>160,481</u>	<u>214,070</u>
Tier 2 capital		
Expected credit losses	-	-
Regulatory reserve	-	-
Total Tier 2 capital	<u>-</u>	<u>-</u>
Total capital base	<u>160,481</u>	<u>214,070</u>
Capital ratios		
CET 1 Capital Ratio	20.766%	37.578%
Tier 1 Capital Ratio	20.766%	37.578%
Total Capital Ratio	20.766%	37.578%

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

	31 March 2026 RM'000	31 December 2025 RM'000
Credit risk	672,469	490,105
Market risk	43,720	38,693
Operational risk	56,618	40,878
Total risk-weighted assets	<u>772,807</u>	<u>569,676</u>
Credit risk-weighted assets breakdown:		
- subject to 20% risk weight	89,172	35,834
- subject to 75% risk weight	508,507	387,326
- subject to 100% risk weight	74,790	66,945