

**GX BANK BERHAD**

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

**UNAUDITED CONDENSED INTERIM FINANCIAL  
STATEMENTS FOR THE FINANCIAL PERIOD ENDED  
30 JUNE 2025**

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2025**

		<b>30 June 2025 RM'000</b>	<b>31 December 2024 RM'000</b>
	<b>Note</b>		
<b>Assets</b>			
Cash and short-term funds	9	506,341	410,852
Placement with banks	10	349,816	439,841
Financial investments at fair value through other comprehensive income ("FVOCI")	11	457,048	702,414
Loans and advances	12	159,073	4,730
Other assets	13	85,450	90,496
Statutory deposits with Bank Negara Malaysia	14	7,200	9,100
Plant and equipment		3,665	4,673
Tax recoverable		470	470
Intangible assets		11,681	13,929
<b>Total Assets</b>		<b>1,580,744</b>	<b>1,676,505</b>
<b>Liabilities</b>			
Deposits from customers	15	1,255,076	1,319,216
Other liabilities	16	65,973	77,680
<b>Total Liabilities</b>		<b>1,321,049</b>	<b>1,396,896</b>
<b>Net Assets</b>		<b>259,695</b>	<b>279,609</b>
<b>Equity</b>			
Share capital		811,450	720,000
Reserves		60,633	52,086
Accumulated losses		(612,388)	(492,477)
<b>Total equity attributable to owners of the Bank</b>		<b>259,695</b>	<b>279,609</b>
<b>Commitments</b>		<b>217,871</b>	<b>44,311</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 2024

**UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	Note	Individual Quarter		Cumulative Quarter	
		30 June 2025 RM'000	30 June 2024 RM'000	30 June 2025 RM'000	30 June 2024 RM'000
Interest income		17,129	14,268	31,055	19,693
Interest expense		(6,380)	(14,665)	(12,763)	(17,861)
<b>Net Interest Income</b>	17	<b>10,749</b>	<b>(397)</b>	<b>18,292</b>	<b>1,832</b>
Fee and commission	18	(850)	238	(1,757)	38
Other income	19	502	-	832	250
<b>Non-Interest income</b>		<b>(348)</b>	<b>238</b>	<b>(925)</b>	<b>288</b>
<b>Total operating income</b>		<b>10,401</b>	<b>(159)</b>	<b>17,367</b>	<b>2,120</b>
<b>Expenses</b>					
- Staff costs	20	(28,169)	(31,051)	(52,034)	(49,321)
- Depreciation of plant and equipment		(658)	(442)	(1,263)	(887)
- Amortisation of intangible assets		(1,153)	(10)	(2,332)	(21)
- Other operating expenses	21	(32,131)	(34,156)	(63,080)	(62,308)
<b>Total operating expenses</b>		<b>(62,111)</b>	<b>(65,659)</b>	<b>(118,709)</b>	<b>(112,537)</b>
<b>Loss before allowances</b>		<b>(51,710)</b>	<b>(65,818)</b>	<b>(101,342)</b>	<b>(110,417)</b>
Allowances for credit and other losses	22	(12,012)	(17)	(18,569)	(22)
<b>Loss before tax</b>		<b>(63,722)</b>	<b>(65,835)</b>	<b>(119,911)</b>	<b>(110,439)</b>
Income tax		-	-	-	-
<b>Loss for the financial period</b>		<b>(63,722)</b>	<b>(65,835)</b>	<b>(119,911)</b>	<b>(110,439)</b>

**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		1,588	3	1,959	3
Total other comprehensive income		1,588	3	1,959	3
<b>Total comprehensive loss for the financial period</b>		<b>(62,134)</b>	<b>(65,832)</b>	<b>(117,952)</b>	<b>(110,436)</b>

**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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	-	-	-	(119,911)	(119,911)
Other comprehensive gain	-	1,959	-	-	1,959
Total comprehensive gain/(loss) for the financial period	-	1,959	-	(119,911)	(117,952)

**Transaction with owners, recorded  
directly in equity**

Issuance of ordinary shares (Note 6)	91,450	-	-	-	91,450
Shared-based payments	-	-	6,588	-	6,588

**Total contributions by and  
distributions to owners**

	91,450	-	6,588	-	98,038
<b>At 30 June 2025</b>	<b>811,450</b>	<b>2,090</b>	<b>58,543</b>	<b>(612,388)</b>	<b>259,695</b>

At 1 January 2024	495,100	-	33,598	(258,443)	270,255
Loss for the financial period	-	-	-	(110,439)	(110,439)
Other comprehensive gain	-	3	-	-	3
Total comprehensive gain/(loss) for the financial period	-	3	-	(110,439)	(110,436)

**Transaction with owners, recorded  
directly in equity**

Issuance of ordinary shares (Note 6)	112,450	-	-	-	112,450
Share-based payments	-	-	13,783	-	13,783

**Total contributions by and  
distributions to owners**

	112,450	-	13,783	-	126,233
<b>At 30 June 2024</b>	<b>607,550</b>	<b>3</b>	<b>47,381</b>	<b>(368,882)</b>	<b>286,052</b>

**UNAUDITED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	<b>30 June 2025 RM'000</b>	<b>30 June 2024 RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(119,911)	(110,439)
Adjustments for:		
Amortisation of premium for financial investment at FVOCI	1,073	3
Depreciation of plant and equipment	1,263	887
Amortisation of intangible assets	2,332	21
Finance cost on lease liabilities	78	36
Allowances for credit and other losses	18,569	22
Share-based payments	6,589	13,815
Plant and equipment written off	-	154
Unrealised foreign exchange losses/(gains)	2,215	(168)
Interest income	(31,055)	(19,693)
Interest expense	12,763	17,861
Net gain on disposal of financial asset at FVOCI	(591)	-
Finance cost on provision for reinstatement cost	20	7
Operating loss before working capital changes	<u>(106,655)</u>	<u>(97,494)</u>
<b>Changes in working capital:</b>		
Statutory deposits with Bank Negara Malaysia	1,900	(1,000)
Loans and advances	(169,246)	-
Other assets	1,941	(12,290)
Deposits from customers	(64,140)	1,728,804
Other liabilities	(14,695)	119,432
<b>Cash (used in)/generated from operating activities</b>	<u>(350,895)</u>	<u>1,737,452</u>
Interest received	28,373	19,994
Interest paid	(12,763)	(17,861)
Income tax paid	-	(106)
<b>Net cash (used in)/generated from operating activities</b>	<u>(335,285)</u>	<u>1,739,479</u>
<b>Cash flows from investing activities</b>		
Additions to plant and equipment	(472)	(2)
Addition of intangibles	(84)	-
Recharge to other related party	217	-
Net disposal/(acquisition) of financial investments at FVOCI	250,739	(151,308)
<b>Net cash generated from/(used in) investing activities</b>	<u>250,400</u>	<u>(151,310)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares	91,450	112,450
Payment of lease liabilities	(674)	(527)
<b>Net cash generated from financing activities</b>	<u>90,776</u>	<u>111,923</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 2024

**UNAUDITED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTINUED)**

	<b>30 June 2025 RM'000</b>	<b>30 June 2024 RM'000</b>
<b>Net increase in cash and cash equivalents</b>	5,891	1,700,092
Cash and cash equivalents at beginning of the period	850,910	501,142
Effect of exchange rate changes	(431)	-
<b>Cash and cash equivalents at end of the period</b>	<b>856,370</b>	<b>2,201,234</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and short-term funds	506,370	2,101,234
Placement with banks	350,000	100,000
	<b>856,370</b>	<b>2,201,234</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 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 30 June 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

During the financial quarter, the Bank issued 91,450,000 (30 June 2024: 112,450,000) ordinary shares at RM1.00 per share for cash totalling RM91,450,000 (30 June 2024: RM112,450,000).

Other than above, there were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the current financial quarter and period ended 30 June 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

	30 June 2025 RM'000	31 December 2024 RM'000
Cash and balances with banks and other financial institutions	456,370	135,910
Money at call and interbank placements maturing within one month	50,000	275,000
	<u>506,370</u>	<u>410,910</u>
Less: Allowance for expected credit loss ("ECL")	(29)	(58)
	<u>506,341</u>	<u>410,852</u>

Movement in allowances for ECL are as follows:

	30 June 2025 RM'000	31 December 2024 RM'000
<b>Stage 1 - 12 month ECL</b>		
Balance at beginning of the financial year	58	184
New financial assets originated	18	1,484
Financial assets derecognised	(539)	(1,958)
Transfer from deposits and placements with banks and other financial institutions	521	393
Net remeasurement of allowances	(29)	(45)
Net writeback of allowance	(29)	(126)
Balance at end of the financial period/year	<u>29</u>	<u>58</u>



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 10. PLACEMENT WITH BANKS

	30 June 2025 RM'000	31 December 2024 RM'000
Money at call and interbank placement maturing after one month	350,000	440,000
Less: Allowance for ECL	(184)	(159)
	<u>349,816</u>	<u>439,841</u>

Movement in allowances for ECL are as follows:

	30 June 2025 RM'000	31 December 2024 RM'000
<b>Stage 1 - 12 month ECL</b>		
Balance at beginning of the financial year	159	16
New financial assets originated	543	529
Transfer to cash and short-term funds	(521)	(393)
Net remeasurement of allowances	3	7
Net allowance for ECL	<u>25</u>	<u>143</u>
Balance at end of the financial period/year	<u>184</u>	<u>159</u>

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

	30 June 2025 RM'000	31 December 2024 RM'000
<b><u>At Fair Value</u></b>		
Malaysian Government Securities	386,160	702,414
Malaysian Government Investment Issues	70,888	-
	<u>457,048</u>	<u>702,414</u>

### 12. LOANS AND ADVANCES

		30 June 2025 RM'000	31 December 2024 RM'000
<b><u>At amortised cost</u></b>	<b>Note</b>		
Unsecured loan		174,183	4,937
Gross loans and advances		<u>174,183</u>	<u>4,937</u>
Less: Allowance for ECL:	<b>12(i)</b>		
- Stage 1 - 12 months ECL		(6,902)	(207)
- Stage 2 - Lifetime ECL not credit impaired		(158)	-
- Stage 3 - Lifetime ECL credit impaired		(8,050)	-
Net loans and advances		<u>159,073</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:

	30 June 2025 RM'000	31 December 2024 RM'000
Individuals	170,628	4,937
Micro, Small and Medium Enterprises ("MSME")	3,555	-
	<u>174,183</u>	<u>4,937</u>

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

	30 June 2025 RM'000	31 December 2024 RM'000
In Malaysia	174,183	4,937
	<u>174,183</u>	<u>4,937</u>

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

	30 June 2025 RM'000	31 December 2024 RM'000
Fixed rate	174,183	4,937
	<u>174,183</u>	<u>4,937</u>

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

	30 June 2025 RM'000	31 December 2024 RM'000
Agriculture and Fishing	3.00	-
Manufacturing	508.00	-
Construction	60.00	-
Wholesale, Retail Trade	1,050.00	-
Accommodation and Food Services Activities	1,883.00	-
Others	51.00	-
Household	170,628	4,937
	<u>174,183</u>	<u>4,937</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 12. LOANS AND ADVANCES (CONTINUED)

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

	30 June 2025 RM'000	31 December 2024 RM'000
Maturing within one year	64,261	2,043
Over one year to three years	68,206	1,761
Over three years to five years	41,568	1,133
Over five years	148	-
	<u>174,183</u>	<u>4,937</u>

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

	30 June 2025 RM'000	31 December 2024 RM'000
Balance at beginning of the financial year	-	-
Impaired during the financial period	9,012	-
Balance at end of the financial period/year	<u>9,012</u>	<u>-</u>
Gross impaired loans and advances as % of gross loans and advances	<u>5.17%</u>	<u>-</u>

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

	30 June 2025 RM'000	31 December 2024 RM'000
In Malaysia	9,012	-
	<u>9,012</u>	<u>-</u>

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

	30 June 2025 RM'000	31 December 2024 RM'000
Household	9,012	-
	<u>9,012</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 12. 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
<b>2025</b>				
Balance at beginning of the financial year	207	-	-	207
Transfer to stage 2	(2)	2	-	-
Transfer to stage 3	(1)	-	1	-
New financial asset originated	6,660	151	8,040	14,851
Financial assets derecognised	(2)	-	-	(2)
Net remeasurement of allowance	40	5	9	54
Net allowance for ECL	6,695	158	8,050	14,903
Balance at end of the financial period/year	6,902	158	8,050	15,110
<b>2024</b>				
Balance at beginning of the financial year	-	-	-	-
New financial asset originated	207	-	-	207
Balance at end of the financial year	207	-	-	207

### 13. OTHER ASSETS

	30 June 2025 RM'000	31 December 2024 RM'000
Interest receivables	7,278	8,491
Deposits and prepayments	46,776	45,989
Other receivables	28,279	34,715
Amount due from related company	3,145	1,329
	85,478	90,524
Less: Allowance for ECL	(28)	(28)
	85,450	90,496

### 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.

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

**15. DEPOSITS FROM CUSTOMERS**

(a) By type of deposit

	<b>30 June 2025 RM'000</b>	<b>31 December 2024 RM'000</b>
Current accounts	805	-
Savings deposits	1,254,271	1,319,216
	<u>1,255,076</u>	<u>1,319,216</u>

(b) By type of customers

	<b>30 June 2025 RM'000</b>	<b>31 December 2024 RM'000</b>
Business enterprises	805	-
Individuals	1,254,271	1,319,216
	<u>1,255,076</u>	<u>1,319,216</u>

**16. OTHER LIABILITIES**

	<b>Note</b>	<b>30 June 2025 RM'000</b>	<b>31 December 2024 RM'000</b>
Accruals		35,918	41,622
Lease liabilities		1,817	2,413
Amounts due to related companies		7,243	15,967
Provision for reinstatement cost		628	636
Other payables		13,422	13,505
Allowance for ECL on loan commitment	(a)	4,603	933
Deferred revenue		2,342	2,604
		<u>65,973</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
<b>2025</b>				
Balance at beginning of the financial year	933	-	-	933
Transfer to stage 2	(2)	2	-	-
Transfer to stage 3	(3)	-	3	-
New exposure originated	4,055	44	-	4,099
Net remeasurement of allowance	(358)	1	(3)	(360)
Financial exposure derecognised	(69)	-	-	(69)
Net allowance for ECL	3,623	47	-	3,670
Balance at end of the financial period/year	4,556	47	-	4,603
<b>2024</b>				
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	
	30 June 2025 RM'000	30 June 2024 RM'000	30 June 2025 RM'000	30 June 2024 RM'000
<b>Interest income</b>				
Placement with banks	8,299	14,193	15,205	19,565
Financial investments at FVOCI	3,031	20	8,494	20
Loans and advances	5,588	-	6,909	-
Other interest earning assets	211	55	447	108
Total interest income	17,129	14,268	31,055	19,693
<b>Interest expense</b>				
Deposits from customers	(6,380)	(14,665)	(12,763)	(17,861)
Total interest expense	(6,380)	(14,665)	(12,763)	(17,861)
<b>Net interest income</b>	<b>10,749</b>	<b>(397)</b>	<b>18,292</b>	<b>1,832</b>

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

**18. FEE AND COMMISSION**

	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Net fee expense	(935)	238	(1,883)	38
Bancassurance commission	85	-	126	-
	(850)	238	(1,757)	38

**19. OTHER INCOME**

	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Investment income	421	-	591	-
Other income	81	-	241	250
	502	-	832	250

**20. STAFF COSTS**

	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Salaries, bonuses & other costs	22,950	15,757	42,044	32,661
Contributions to State Funds	1,788	1,479	3,401	2,845
Share-based payments	3,431	13,815	6,589	13,815
	28,169	31,051	52,034	49,321

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

**21. OTHER OPERATING EXPENSES**

	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Information technology expenses	21,478	24,549	44,277	39,738
Professional and consultancy expenses	721	433	1,402	2,188
Marketing expenses	1,786	2,935	2,697	7,885
Auditors' remuneration	60	75	121	150
Others	8,086	6,164	14,583	12,347
	<b>32,131</b>	<b>34,156</b>	<b>63,080</b>	<b>62,308</b>

**22. ALLOWANCES FOR CREDIT AND OTHER LOSSES**

	Individual Quarter		Cumulative Quarter	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	(12)	(18)	(29)	3
Placement with banks	(105)	35	25	19
Loans and advances	11,216	-	14,903	-
Commitments	913	-	3,670	-
	<b>12,012</b>	<b>17</b>	<b>18,569</b>	<b>22</b>



## 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
<b>30 June 2025</b>				
<b>Financial assets measured at fair value</b>				
Financial investments at FVOCI				
- Money market securities	-	457,048	-	457,048
<b>Financial assets for which fair values are disclosed</b>				
Loans and advances	-	-	163,135	163,135
<b>31 December 2024</b>				
<b>Financial assets measured at fair value</b>				
Financial investments at FVOCI				
- Money market securities	-	702,414	-	702,414
<b>Financial assets for which fair values are disclosed</b>				
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
<b>30 June 2025</b>			
<b>Financial assets</b>			
Cash and short-term funds	506,341	506,341	-
Placement with banks	349,816	349,816	-
Financial investments at FVOCI	457,048	-	457,048
Loans and advances	159,073	159,073	-
Other assets*	67,493	67,493	-
Statutory deposits with Bank Negara Malaysia	7,200	7,200	-
	<b>1,546,971</b>	<b>1,089,923</b>	<b>457,048</b>
<b>Financial liabilities</b>			
Deposits from customers	1,255,076	1,255,076	-
Other liabilities*	51,621	51,621	-
	<b>1,306,697</b>	<b>1,306,697</b>	<b>-</b>
<b>31 December 2024</b>			
<b>Financial assets</b>			
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	-
	<b>1,641,643</b>	<b>939,229</b>	<b>702,414</b>
<b>Financial liabilities</b>			
Deposits from customers	1,319,216	1,319,216	-
Other liabilities*	74,143	74,143	-
	<b>1,393,359</b>	<b>1,393,359</b>	<b>-</b>

\* 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

	30 June 2025 RM'000	31 December 2024 RM'000
Net gains/(losses) on:		
Financial assets measured at FVOCI	9,085	11,506
Financial assets measured at amortised cost	19,454	40,916
Financial liabilities measured at amortised cost	(12,614)	(41,976)

#### 23.3 Fair value measurement

	Carrying amount		Fair value	
	30 June 2025 RM'000	31 December 2024 RM'000	30 June 2025 RM'000	31 December 2024 RM'000
<b>Financial assets</b>				
Cash and short-term funds	506,341	410,852	506,341	410,852
Placement with banks	349,816	439,841	349,816	439,841
Financial investments at FVOCI	457,048	702,414	457,048	702,414
Loans and advances	159,073	4,730	163,135	4,815
Other assets*	67,493	74,706	67,493	74,706
Statutory deposits with Bank Negara Malaysia	7,200	9,100	7,200	9,100
	<u>1,546,971</u>	<u>1,641,643</u>	<u>1,551,033</u>	<u>1,641,728</u>
<b>Financial liabilities</b>				
Deposits from customers	1,255,076	1,319,216	1,255,076	1,319,216
Other liabilities*	51,621	74,143	51,621	74,143
	<u>1,306,697</u>	<u>1,393,359</u>	<u>1,306,697</u>	<u>1,393,359</u>

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

### 24. COMMITMENTS

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

	30 June 2025 RM'000	31 December 2024 RM'000
Undrawn credit commitments	217,871	44,311
	<u>217,871</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:

	30 June 2025 RM'000	31 December 2024 RM'000
<b>Tier 1 capital</b>		
Paid-up ordinary share capital	811,450	720,000
Accumulated losses	(612,388)	(492,477)
Other reserves	60,633	52,086
	<u>259,695</u>	<u>279,609</u>
Less: Regulatory deductions	(12,830)	(14,001)
	<u>246,865</u>	<u>265,608</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>246,865</u>	<u>265,608</u>
<b>Capital ratios</b>		
CET 1 Capital Ratio	72.347%	103.571%
Tier 1 Capital Ratio	72.347%	103.571%
Total Capital Ratio	72.347%	103.571%

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

	30 June 2025 RM'000	31 December 2024 RM'000
Credit risk	294,568	209,422
Market risk	28,372	39,600
Operational risk	18,283	7,429
Total risk-weighted assets	<u>341,223</u>	<u>256,451</u>
Credit risk-weighted assets breakdown:		
- subject to 20% risk weight	86,924	118,529
- subject to 75% risk weight	124,600	3,703
- subject to 100% risk weight	83,044	87,190