

**GX BANK BERHAD**

(Registration No. 202101014409 (1414709-A))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL  
STATEMENTS FOR THE FINANCIAL PERIOD ENDED  
30 SEPTEMBER 2024**

**UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2024**

		<b>30 September 2024</b>	<b>31 December 2023</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>			
Cash and short-term funds	9	1,513,494	450,958
Placement with banks	10	249,912	49,984
Financial investments at fair value through other comprehensive income ("FVOCI")	11	571,974	-
Other assets	12	76,213	23,799
Statutory deposits with Bank Negara Malaysia	13	17,000	1,000
Property and equipment		3,132	4,183
Intangible assets		76	108
Tax recoverable		470	300
<b>Total Assets</b>		<b><u>2,432,271</u></b>	<b><u>530,332</u></b>
<b>Liabilities</b>			
Deposits from customers	14	2,154,958	195,370
Other liabilities	15	64,450	64,707
<b>Total Liabilities</b>		<b><u>2,219,408</u></b>	<b><u>260,077</u></b>
<b>Net Assets</b>		<b><u>212,863</u></b>	<b><u>270,255</u></b>
<b>Equity</b>			
Share Capital		607,550	495,100
Reserves		52,482	33,598
Accumulated losses		(447,169)	(258,443)
<b>Total equity attributable to owners of the Bank</b>		<b><u>212,863</u></b>	<b><u>270,255</u></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 FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

	Note	Individual Quarter		Cumulative Quarter	
		30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Interest income		18,986	2,009	38,679	4,679
Interest expense		(16,320)	-	(34,181)	-
<b>Net Interest Income</b>	16	<b>2,666</b>	<b>2,009</b>	<b>4,498</b>	<b>4,679</b>
Fee and commission	17	(10,754)	-	(10,716)	-
Other income	18	-	11	250	11
<b>Non-Interest income</b>		<b>(10,754)</b>	<b>11</b>	<b>(10,466)</b>	<b>11</b>
<b>Total operating income/(loss)</b>		<b>(8,088)</b>	<b>2,020</b>	<b>(5,968)</b>	<b>4,690</b>
<b>Expenses</b>					
- Staff costs	19	(28,272)	(25,945)	(77,593)	(50,529)
- Depreciation of property and equipment		(447)	(160)	(1,334)	(214)
- Amortisation of intangible assets		(11)	(8)	(32)	(11)
- Other operating expenses	20	(41,327)	(18,415)	(103,635)	(41,492)
<b>Total operating expenses</b>		<b>(70,057)</b>	<b>(44,528)</b>	<b>(182,594)</b>	<b>(92,246)</b>
Loss before allowances		(78,145)	(42,508)	(188,562)	(87,556)
Allowances for credit losses	21	(142)	(135)	(164)	(179)
<b>Loss before tax</b>		<b>(78,287)</b>	<b>(42,643)</b>	<b>(188,726)</b>	<b>(87,735)</b>
Income tax expense		-	1,348	-	1,348
<b>Loss for the financial period</b>		<b>(78,287)</b>	<b>(41,295)</b>	<b>(188,726)</b>	<b>(86,387)</b>
<b>Other comprehensive gain:</b>					
<b>Item that may be reclassified subsequently to statement of profit and loss</b>					
Financial investments at fair value through other comprehensive income ("FVOCI")					
- net gain on change of fair value		729	-	729	-
Total other comprehensive gain		729	-	729	-
<b>Total comprehensive loss for the financial period</b>		<b>(77,558)</b>	<b>(41,295)</b>	<b>(187,997)</b>	<b>(86,387)</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 FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

	<b>Share Capital RM'000</b>	<b>Fair value Reserves 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 for the financial period	-	-	-	(188,726)	(188,726)
Other comprehensive gain	-	729	-	-	729
Total comprehensive gain/(loss) for the financial period	-	729	-	(188,726)	(187,997)
<b>Transaction with owners, recorded directly in equity</b>					
Issuance of ordinary shares (Note 6)	112,450	-	-	-	112,450
Shared-based payments	-	-	18,155	-	18,155
<b>Total contributions by and distributions to owners</b>	112,450	-	18,155	-	130,605
<b>At 30 September</b>	<b>607,550</b>	<b>729</b>	<b>51,753</b>	<b>(447,169)</b>	<b>212,863</b>
<b>2023</b>					
At 1 January	220,038	-	-	(65,437)	154,601
Loss and total comprehensive loss for the financial period	-	-	-	(86,387)	(86,387)
<b>Transaction with owners, recorded directly in equity</b>					
Issuance of ordinary shares	275,062	-	-	-	275,062
<b>Total contributions by and distributions to owners</b>	275,062	-	-	-	275,062
<b>At 30 September</b>	<b>495,100</b>	<b>-</b>	<b>-</b>	<b>(151,824)</b>	<b>343,276</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 FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024**

	<b>30 September 2024 RM'000</b>	<b>30 September 2023 RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before tax	(188,726)	(87,735)
Adjustments for:		
Depreciation of property and equipment	1,334	214
Amortisation of intangible assets	32	11
Interest expense on lease liability	50	-
Allowances for credit and other losses	157	179
Share based payments	18,246	6,538
Write-off of property and equipment	154	-
Unrealised foreign exchange losses	2,719	240
Unwinding of discount on provision for reinstatement cost	11	-
Operating loss before working capital changes	<u>(166,023)</u>	<u>(80,553)</u>
<b>Changes in working capital:</b>		
Statutory deposits with Bank Negara Malaysia	(16,000)	(1,000)
Other assets	(49,143)	(11,709)
Deposits from customers	1,959,588	-
Other liabilities	(4,967)	(5,761)
<b>Cash generated from/(used in) operating activities</b>	<u>1,723,455</u>	<u>(99,023)</u>
Income tax paid	(170)	(428)
<b>Net cash generated from/(used in) operating activities</b>	<u>1,723,285</u>	<u>(99,451)</u>
<b>Cash flows from investing activities</b>		
Additions to property and equipment	(437)	(2,078)
Additions to intangible assets	-	(86)
Net purchase of financial investments at FVOCI	(571,974)	-
<b>Net cash used in investing activities</b>	<u>(572,411)</u>	<u>(2,164)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares	112,450	275,062
Payment of lease liability	(703)	-
<b>Net cash generated from financing activities</b>	<u>111,747</u>	<u>275,062</u>
<b>Net increase in cash and cash equivalents</b>	1,262,621	173,447
Cash and cash equivalents at beginning of the period	501,142	182,679
<b>Cash and cash equivalents at end of the period</b>	<u>1,763,763</u>	<u>356,126</u>
<b>Cash and cash equivalents comprise:</b>		
Cash and short-term funds	1,513,763	246,126
Placement with banks	250,000	110,000
	<u>1,763,763</u>	<u>356,126</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 financial quarter and period ended 30 September 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 on the current financial quarter and period.

**6. DEBT AND EQUITY SECURITIES**

On June 2024, the Bank issued 112,450,000 ordinary shares at RM1.00 per share for cash totalling 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 September 2024.

**7. DIVIDEND PAID**

No interim dividend was declared nor paid during the financial quarter and period ended 30 September 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>30 September 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
Cash and balances with banks and other financial institutions	1,073,763	166,142
Money at call and interbank placements maturing within one month	440,000	285,000
	<u>1,513,763</u>	<u>451,142</u>
Less: Allowance for expected credit loss ("ECL")	(269)	(184)
	<u>1,513,494</u>	<u>450,958</u>

Movement in allowances for ECL are as follows:

	<b>Note</b>	<b>30 September 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
Balance at beginning of the financial year		184	-
Net allowance for ECL	21	85	184
New financial assets originated		1,194	250
Financial assets derecognised		(1,341)	(142)
Transfer from deposits and placements with banks and other financial institutions		287	76
Net remeasurement of allowances		(55)	-
Balance at end of the financial period/year		<u>269</u>	<u>184</u>

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

**10. PLACEMENT WITH BANKS**

	<b>30 September 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
Money at call and interbank placement maturing after one month	250,000	50,000
Less: Allowance for ECL	(88)	(16)
	<u>249,912</u>	<u>49,984</u>

Movement in allowances for ECL are as follows:

	<b>Note</b>	<b>30 September 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
Balance at beginning of the financial year		16	-
Net allowance for ECL	21	72	16
New financial assets originated		352	152
Transfer to cash and short-term funds		(287)	(76)
Net remeasurement of allowances		7	(60)
Balance at end of the financial period/year		<u>88</u>	<u>16</u>

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

	<b>30 September 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
<b>Money Market Instrument:</b>		
Malaysia Government Securities	341,930	-
Malaysia Government Investment Issues	230,044	-
	<u>571,974</u>	<u>-</u>

**12. OTHER ASSETS**

	<b>30 September 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
Interest receivables	7,945	237
Deposits and prepayments	40,509	18,226
Other receivables	22,062	1,615
Deferred expenses	-	3,721
Amount due from related company	5,704	-
	<u>76,220</u>	<u>23,799</u>
Less: Allowance for ECL	(7)	-
	<u>76,213</u>	<u>23,799</u>

**13. 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)**

**14. DEPOSITS FROM CUSTOMERS**

All customer deposits as at 30 September 2024 are non-term deposits from retail customers payable on demand.

	<b>30 September 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
Individuals saving deposits	2,154,958	195,370

**15. OTHER LIABILITIES**

	<b>30 September 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
Accruals	41,243	36,014
Lease liabilities	909	1,562
Amounts due to related companies	11,201	5,209
Provision for reinstatement cost	282	271
Other payables	7,868	21,651
Deferred revenue	2,947	-
	<u>64,450</u>	<u>64,707</u>

**16. NET INTEREST INCOME**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>30 September 2024 RM'000</b>	<b>30 September 2023 RM'000</b>	<b>30 September 2024 RM'000</b>	<b>30 September 2023 RM'000</b>
<b>Interest income</b>				
Balance and placements with banks	12,407	2,009	31,972	4,679
Financial investment at FVOCI	6,453	-	6,473	
Other interest earning assets	126	-	234	-
Total interest income	<u>18,986</u>	<u>2,009</u>	<u>38,679</u>	<u>4,679</u>
<b>Interest expense</b>				
Deposits from customers	(16,320)	-	(34,181)	-
Total interest expense	<u>(16,320)</u>	<u>-</u>	<u>(34,181)</u>	<u>-</u>
<b>Net interest income</b>	<u><b>2,666</b></u>	<u><b>2,009</b></u>	<u><b>4,498</b></u>	<u><b>4,679</b></u>

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

**17. FEE AND COMMISSION**

	Individual Quarter		Cumulative Quarter	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Net fee expense	(10,760)	-	(10,722)	-
Net commission income	6	-	6	-
	<u>(10,754)</u>	<u>-</u>	<u>(10,716)</u>	<u>-</u>

**18. OTHER INCOME**

	Individual Quarter		Cumulative Quarter	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Other income	-	11	250	11
	<u>-</u>	<u>11</u>	<u>250</u>	<u>11</u>

**19. STAFF COSTS**

	Individual Quarter		Cumulative Quarter	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Salaries, bonuses & other costs	22,248	18,168	54,909	40,937
Contributions to State Funds	1,593	1,122	4,438	3,054
Share based payments	4,431	6,655	18,246	6,538
	<u>28,272</u>	<u>25,945</u>	<u>77,593</u>	<u>50,529</u>

**20. OTHER OPERATING EXPENSES**

	Individual Quarter		Cumulative Quarter	
	30 September	30 September	30 September	30 September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Information technology expenses	25,906	9,228	65,644	23,181
Professional and consultancy expenses	2,184	7,762	4,372	15,121
Marketing expenses	2,498	25	10,383	117
Auditors' remuneration	83	37	233	112
Others	10,656	1,363	23,003	2,961
	<u>41,327</u>	<u>18,415</u>	<u>103,635</u>	<u>41,492</u>

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

**21. ALLOWANCES FOR CREDIT LOSSES**

	Individual Quarter		Cumulative Quarter	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	RM'000	RM'000	RM'000	RM'000
<b>Stage 1: 12-month ECL</b>				
Cash and short-term funds	82	129	85	138
Placement with banks	53	6	72	41
Other assets	7	-	7	-
	<b>142</b>	<b>135</b>	<b>164</b>	<b>179</b>

**22. CAPITAL ADEQUACY**

	30 September 2024	31 December 2023
	RM'000	RM'000
<b>Tier 1 capital</b>		
Paid-up ordinary share capital	607,550	495,100
Accumulated losses	(447,169)	(258,443)
Other reserves	52,482	33,598
	212,863	270,255
Less: Regulatory deductions	(76)	(108)
Total Common Equity Tier 1 (CET 1) and Tier 1 Capital	212,787	270,147
<b>Tier 2 capital</b>		
Expected credit losses	-	-
Regulatory reserve	-	-
Total Tier 2 capital	-	-
<b>Total capital base</b>	<b>212,787</b>	<b>270,147</b>
<b>Capital ratios</b>		
CET 1 Capital Ratio	82.646%	324.054%
Tier 1 Capital Ratio	82.646%	324.054%
Total Capital Ratio	82.646%	324.054%

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

	30 September 2024	31 December 2023
	RM'000	RM'000
Credit risk	226,100	75,055
Market risk	26,359	3,726
Operational risk	5,008	4,584
Total risk-weighted assets	257,467	83,365
Credit risk-weighted assets breakdown:		
- subject to 20% risk weight	154,222	47,010
- subject to 100% risk weight	71,878	28,045