

GX BANK BERHAD

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

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

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

		30 September 2025	31 December 2024
	Note	RM'000	RM'000
Assets			
Cash and short-term funds	9	364,831	410,852
Placement with banks	10	149,947	439,841
Financial investments at fair value through other comprehensive income ("FVOCI")	11	547,530	702,414
Loans and advances	12	313,076	4,730
Financial investments at amortised cost	13	1,571	-
Other assets	14	71,182	90,496
Statutory deposits with Bank Negara Malaysia	15	7,100	9,100
Plant and equipment		3,007	4,673
Tax recoverable		455	470
Intangible assets		10,536	13,929
Total Assets		1,469,235	1,676,505
Liabilities			
Deposits from customers	16	1,097,278	1,319,216
Other liabilities	17	74,827	77,680
Total Liabilities		1,172,105	1,396,896
Net Assets		297,130	279,609
Equity			
Share capital		902,900	720,000
Reserves		62,633	52,086
Accumulated losses		(668,403)	(492,477)
Total equity attributable to owners of the Bank		297,130	279,609
Commitments	25	353,099	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 30 SEPTEMBER 2025**

	Note	Individual Quarter		Cumulative Quarter	
		30 September 2025 RM'000	30 September 2024 RM'000	30 September 2025 RM'000	30 September 2024 RM'000
Interest income		20,591	18,986	51,646	38,679
Interest expense		(5,998)	(16,320)	(18,761)	(34,181)
Net Interest Income	18	14,593	2,666	32,885	4,498
Fee and commission	19	188	(10,754)	(1,569)	(10,716)
Other income	20	90	-	922	250
Non-Interest income		278	(10,754)	(647)	(10,466)
Total operating income		14,871	(8,088)	32,238	(5,968)
Expenses					
- Staff costs	21	(26,160)	(28,272)	(78,194)	(77,593)
- Depreciation of plant and equipment		(730)	(447)	(1,993)	(1,334)
- Amortisation of intangible assets		(1,145)	(11)	(3,477)	(32)
- Other operating expenses	22	(30,682)	(41,327)	(93,762)	(103,635)
Total operating expenses		(58,717)	(70,057)	(177,426)	(182,594)
Loss before allowances		(43,846)	(78,145)	(145,188)	(188,562)
Allowances for credit and other losses	23	(12,169)	(142)	(30,738)	(164)
Loss before tax		(56,015)	(78,287)	(175,926)	(188,726)
Income tax		-	-	-	-
Loss for the financial period		(56,015)	(78,287)	(175,926)	(188,726)

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 changes in fair value		(141)	726	1,818	729
Total other comprehensive (loss)/income		(141)	726	1,818	729
Total comprehensive loss for the financial period		(56,156)	(77,561)	(174,108)	(187,997)

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 30 SEPTEMBER 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	-	-	-	(175,926)	(175,926)
Other comprehensive gain	-	1,818	-	-	1,818
Total comprehensive gain/(loss) for the financial period	-	1,818	-	(175,926)	(174,108)

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

Issuance of ordinary shares (Note 6)	182,900	-	-	-	182,900
Shared-based payments	-	-	8,729	-	8,729

**Total contributions by and
distributions to owners**

182,900	-	8,729	-	191,629
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At 30 September 2025

902,900	1,949	60,684	(668,403)	297,130
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At 1 January 2024	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)

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

Issuance of ordinary shares (Note 6)	112,450	-	-	-	112,450
Share-based payments	-	-	18,155	-	18,155

**Total contributions by and
distributions to owners**

112,450	-	18,155	-	130,605
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At 30 September 2024

607,550	729	51,753	(447,169)	212,863
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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 SEPTEMBER 2025**

	30 September 2025 RM'000	30 September 2024 RM'000
Cash flows from operating activities		
Loss before tax	(175,926)	(188,726)
Adjustments for:		
Amortisation of premium for financial investment at FVOCI	1,527	1,119
Depreciation of plant and equipment	1,993	1,334
Amortisation of intangible assets	3,477	32
Finance cost on lease liabilities	109	50
Allowances for credit and other losses	30,559	157
Share-based payments	8,763	17,517
Plant and equipment written off	-	154
Unrealised foreign exchange losses	2,126	2,719
Interest income	(51,646)	(38,679)
Interest expense	18,761	34,181
Net gain on disposal of financial asset at FVOCI	(593)	-
Finance cost on provision for reinstatement cost	31	11
Operating loss before working capital changes	(160,819)	(170,131)
Changes in working capital:		
Statutory deposits with Bank Negara Malaysia	2,000	(16,000)
Loans and advances	(331,677)	-
Other assets	17,087	(48,334)
Deposits from customers	(221,938)	1,959,588
Other liabilities	(9,164)	(4,967)
Cash (used in)/generated from operating activities	(704,511)	1,720,156
Interest received	49,056	42,909
Interest paid	(18,761)	(34,181)
Income tax (paid)/refund	15	(170)
Net cash (used in)/generated from operating activities	(674,201)	1,728,714
Cash flows from investing activities		
Additions to plant and equipment	(544)	(437)
Addition of intangibles	(84)	-
Recharge to other related party	217	-
Investment in financial investments at amortised cost	(1,654)	-
Net disposal/(acquisiton) of financial investments at FVOCI	158,776	(577,403)
Net cash generated from/(used in) investing activities	156,711	(577,840)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	182,900	112,450
Payment of lease liabilities	(1,011)	(703)
Net cash generated from financing activities	181,889	111,747

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 SEPTEMBER 2025 (CONTINUED)

	30 September 2025 RM'000	30 September 2024 RM'000
Net increase in cash and cash equivalents	(335,601)	1,262,621
Cash and cash equivalents at beginning of the period	850,910	501,142
Effect of exchange rate changes	(432)	-
Cash and cash equivalents at end of the period	514,877	1,763,763
Cash and cash equivalents comprise:		
Cash and short-term funds	364,877	1,262,621
Placement with banks	150,000	501,142
	514,877	1,763,763

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 September 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 period, the Bank issued 182,900,000 (30 September 2024: 112,450,000) ordinary shares at RM1.00 per share for cash totalling RM182,900,000 (30 September 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 September 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 September 2025 RM'000	31 December 2024 RM'000
Cash and balances with banks and other financial institutions	259,877	135,910
Money at call and interbank placements maturing within one month	105,000	275,000
	<u>364,877</u>	<u>410,910</u>
Less: Allowance for expected credit loss ("ECL")	(46)	(58)
	<u>364,831</u>	<u>410,852</u>

Movement in allowances for ECL are as follows:

	30 September 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	18	1,484
Financial assets derecognised	(722)	(1,958)
Transfer from deposits and placements with banks and other financial institutions	727	393
Net remeasurement of allowances	(35)	(45)
Net writeback for ECL	(12)	(126)
Balance at end of the financial period/year	<u>46</u>	<u>58</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. PLACEMENT WITH BANKS

	30 September 2025 RM'000	31 December 2024 RM'000
Money at call and interbank placement maturing after one month	150,000	440,000
Less: Allowance for ECL	(53)	(159)
	149,947	439,841

Movement in allowances for ECL are as follows:

	30 September 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	636	529
Transfer to cash and short-term funds	(727)	(393)
Net remeasurement of allowances	(15)	7
Net (writeback)/allowance for ECL	(106)	143
Balance at end of the financial period/year	53	159

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

	30 September 2025 RM'000	31 December 2024 RM'000
<u>At Fair Value</u>		
Malaysian Government Securities	425,844	702,414
Malaysian Government Investment Issues	121,686	-
	547,530	702,414

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. LOANS AND ADVANCES

<u>At amortised cost</u>	Note	30 September 2025 RM'000	31 December 2024 RM'000
Unsecured loan		336,614	4,937
Gross loans and advances		<u>336,614</u>	<u>4,937</u>
Less: Allowance for ECL:	12(i)		
- Stage 1 - 12 months ECL		(13,738)	(207)
- Stage 2 - Lifetime ECL not credit impaired		(488)	-
- Stage 3 - Lifetime ECL credit impaired		(9,312)	-
Net loans and advances		<u>313,076</u>	<u>4,730</u>

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

	30 September 2025 RM'000	31 December 2024 RM'000
Individuals	329,698	4,937
Micro, Small and Medium Enterprises ("MSME")	6,916	-
	<u>336,614</u>	<u>4,937</u>

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

	30 September 2025 RM'000	31 December 2024 RM'000
In Malaysia	336,614	4,937
	<u>336,614</u>	<u>4,937</u>

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

	30 September 2025 RM'000	31 December 2024 RM'000
Fixed rate	336,614	4,937
	<u>336,614</u>	<u>4,937</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. LOANS AND ADVANCES (CONTINUED)

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

	30 September 2025 RM'000	31 December 2024 RM'000
Agriculture and fishing	3	-
Manufacturing	802	-
Electricity, gas and water	4	-
Construction	54	-
Wholesale and retail trade	1,951	-
Accommodation and food services activities	3,952	-
Others	150	-
Household	329,698	4,937
	<u>336,614</u>	<u>4,937</u>

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

	30 September 2025 RM'000	31 December 2024 RM'000
Maturing within one year	33,480	2,043
Over one year to three years	119,836	1,761
Over three years to five years	164,539	1,133
Over five years	18,759	-
	<u>336,614</u>	<u>4,937</u>

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

	30 September 2025 RM'000	31 December 2024 RM'000
Balance at beginning of the financial year	-	-
Impaired during the financial period	10,292	-
Balance at end of the financial period/year	<u>10,292</u>	<u>-</u>
Gross impaired loans and advances as % of gross loans and advances	<u>3.06%</u>	<u>-</u>

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

	30 September 2025 RM'000	31 December 2024 RM'000
In Malaysia	10,292	-
	<u>10,292</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. LOANS AND ADVANCES (CONTINUED)

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

	30 September 2025 RM'000	31 December 2024 RM'000
Household	10,289	-
Others	3	-
	<u>10,292</u>	<u>-</u>

(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 1	203	(132)	(71)	-
Transfer to stage 2	(451)	470	(19)	-
Transfer to stage 3	(84)	(255)	339	-
New financial asset originated	11,286	-	12,209	23,495
Financial assets derecognised	(112)	(3)	(1,879)	(1,994)
Net remeasurement of allowance	2,689	408	(1,136)	1,961
Net allowance for ECL	13,531	488	9,443	23,462
Amount written-off	-	-	(131)	(131)
Balance at end of the financial period/year	<u>13,738</u>	<u>488</u>	<u>9,312</u>	<u>23,538</u>
2024				
Balance at beginning of the financial year	-	-	-	-
New financial asset originated	207	-	-	207
Balance at end of the financial year	<u>207</u>	<u>-</u>	<u>-</u>	<u>207</u>

13. FINANCIAL INVESTMENTS AT AMORTISED COST

	30 September 2025 RM'000	31 December 2024 RM'000
Investment Notes	1,654	-
Less: Allowance for ECL	(83)	-
	<u>1,571</u>	<u>-</u>

Movement in allowances for ECL are as follows:

	30 September 2025 RM'000	31 December 2024 RM'000
Stage 1 - 12 month ECL		
Balance at beginning of the financial year	-	-
New financial assets originated	(83)	-
Balance at end of the financial period/year	<u>(83)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. OTHER ASSETS

	30 September 2025 RM'000	31 December 2024 RM'000
Interest receivables	8,073	8,491
Deposits and prepayments	45,016	45,989
Other receivables	16,383	34,715
Amount due from related company	1,738	1,329
	<u>71,210</u>	<u>90,524</u>
Less: Allowance for ECL	(28)	(28)
	<u>71,182</u>	<u>90,496</u>

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.

16. DEPOSITS FROM CUSTOMERS

(a) By type of deposit

	30 September 2025 RM'000	31 December 2024 RM'000
Current accounts	1,553	-
Savings deposits	1,095,725	1,319,216
	<u>1,097,278</u>	<u>1,319,216</u>

(b) By type of customers

	30 September 2025 RM'000	31 December 2024 RM'000
Business enterprises	1,553	-
Individuals	1,095,725	1,319,216
	<u>1,097,278</u>	<u>1,319,216</u>

17. OTHER LIABILITIES

	Note	30 September 2025 RM'000	31 December 2024 RM'000
Accruals		37,626	41,622
Lease liabilities		1,511	2,413
Amounts due to related companies		9,939	15,967
Provision for reinstatement cost		639	636
Other payables		13,360	13,505
Allowance for ECL on loan commitment	17(a)	8,196	933
Deferred revenue		3,556	2,604
		<u>74,827</u>	<u>77,680</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:

	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 1	43	(43)	-	-
Transfer to stage 2	(64)	64	-	-
Transfer to stage 3	(20)	(73)	93	-
New exposure originated	9,796	-	-	9,796
Net remeasurement of allowance	(2,233)	211	(93)	(2,115)
Financial exposure derecognised	(417)	(1)	-	(418)
Net allowance for ECL	7,105	158	-	7,263
Balance at end of the financial period/year	8,038	158	-	8,196
2024				
Balance at beginning of the financial year	-	-	-	-
New exposure originated	933	-	-	933
Balance at end of the financial year	933	-	-	933

18. NET INTEREST INCOME

	Individual Quarter		Cumulative Quarter	
	30 September 2025 RM'000	30 September 2024 RM'000	30 September 2025 RM'000	30 September 2024 RM'000
Interest income				
Placement with banks	5,179	12,407	20,384	31,972
Financial investments at FVOCI	4,207	6,453	12,701	6,473
Loans and advances	10,968	-	17,877	-
Financial investments at amortised cost	20	-	20	-
Other interest earning assets	217	126	664	234
Total interest income	20,591	18,986	51,646	38,679
Interest expense				
Deposits from customers	(5,998)	(16,320)	(18,761)	(34,181)
Total interest expense	(5,998)	(16,320)	(18,761)	(34,181)
Net interest income	14,593	2,666	32,885	4,498

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. FEE AND COMMISSION

	Individual Quarter		Cumulative Quarter	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	RM'000	RM'000	RM'000	RM'000
Net fee income/(expense)	106	(10,760)	(1,777)	(10,722)
Bancassurance commission	82	6	208	6
	188	(10,754)	(1,569)	(10,716)

20. OTHER INCOME

	Individual Quarter		Cumulative Quarter	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	RM'000	RM'000	RM'000	RM'000
Investment income	2	-	593	-
Other income	88	-	329	250
	90	-	922	250

21. STAFF COSTS

	Individual Quarter		Cumulative Quarter	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	RM'000	RM'000	RM'000	RM'000
Salaries, bonuses & other costs	22,270	22,248	64,314	54,909
Contributions to State Funds	1,716	1,593	5,117	4,438
Share-based payments	2,174	4,431	8,763	18,246
	26,160	28,272	78,194	77,593

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. OTHER OPERATING EXPENSES

	Individual Quarter		Cumulative Quarter	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	RM'000	RM'000	RM'000	RM'000
Information technology expenses	22,470	25,906	66,747	65,644
Professional and consultancy expenses	99	2,184	1,501	4,372
Marketing expenses	2,834	2,498	5,531	10,383
Auditors' remuneration	87	83	208	233
Others	5,192	10,656	19,775	23,003
	30,682	41,327	93,762	103,635

23. ALLOWANCES FOR CREDIT AND OTHER LOSSES

	Individual Quarter		Cumulative Quarter	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Net charge	8,428	-	23,331	-
- Bad debts written off	179	-	179	-
	8,607	-	23,510	-
Cash and short-term funds	17	82	(12)	85
Placement with banks	(131)	53	(106)	72
Financial investments at amortised cost	83	-	83	-
Other assets	-	7	-	7
Commitments	3,593	-	7,263	-
	12,169	142	30,738	164

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. 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
30 September 2025				
Financial assets measured at fair value				
Financial investments at FVOCI				
- Money market securities	-	547,530	-	547,530
Financial assets for which fair values are disclosed				
Loans and advances	-	-	334,671	334,671
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)

24. 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.

24.1 Classification of financial instruments

	Carrying Amount RM'000	Amortised Cost RM'000	FVOCI RM'000
30 September 2025			
Financial assets			
Cash and short-term funds	364,831	364,831	-
Placement with banks	149,947	149,947	-
Financial investments at FVOCI	547,530	-	547,530
Loans and advances	313,076	313,076	-
Financial investments at amortised cost	1,571	1,571	-
Other assets*	55,185	55,185	-
Statutory deposits with Bank Negara Malaysia	7,100	7,100	-
	1,439,240	891,710	547,530
Financial liabilities			
Deposits from customers	1,097,278	1,097,278	-
Other liabilities*	57,852	57,852	-
	1,155,130	1,155,130	-
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)

24. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

24.2 Net gains and losses arising from financial instruments

	30 September 2025 RM'000	31 December 2024 RM'000
Net gains/(losses) on:		
Financial assets measured at FVOCI	13,295	11,506
Financial assets measured at amortised cost	35,911	40,916
Financial liabilities measured at amortised cost	(18,598)	(41,976)

24.3 Fair value measurement

	Carrying amount		Fair value	
	30 September 2025 RM'000	31 December 2024 RM'000	30 September 2025 RM'000	31 December 2024 RM'000
Financial assets				
Cash and short-term funds	364,831	410,852	364,831	410,852
Placement with banks	149,947	439,841	149,947	439,841
Financial investments at FVOCI	547,530	702,414	547,530	702,414
Loans and advances	313,076	4,730	334,671	4,815
Financial investments at amortised cost	1,571	-	1,571	-
Other assets*	55,185	74,706	55,185	74,706
Statutory deposits with Bank Negara Malaysia	7,100	9,100	7,100	9,100
	<u>1,439,240</u>	<u>1,641,643</u>	<u>1,460,835</u>	<u>1,641,728</u>
Financial liabilities				
Deposits from customers	1,097,278	1,319,216	1,097,278	1,319,216
Other liabilities*	57,852	74,143	57,852	74,143
	<u>1,155,130</u>	<u>1,393,359</u>	<u>1,155,130</u>	<u>1,393,359</u>

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

25. COMMITMENTS

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

	30 September 2025 RM'000	31 December 2024 RM'000
Undrawn credit commitments	353,099	44,311
	<u>353,099</u>	<u>44,311</u>

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% (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 September 2025 RM'000	31 December 2024 RM'000
Tier 1 capital		
Paid-up ordinary share capital	902,900	720,000
Accumulated losses	(668,436)	(492,477)
Other reserves	62,666	52,086
	<u>297,130</u>	<u>279,609</u>
Less: Regulatory deductions	(11,608)	(14,001)
	<u>285,522</u>	<u>265,608</u>
Tier 2 capital		
Expected credit losses	-	-
Regulatory reserve	-	-
Total Tier 2 capital	<u>-</u>	<u>-</u>
Total capital base	<u>285,522</u>	<u>265,608</u>
Capital ratios		
CET 1 Capital Ratio	63.786%	103.571%
Tier 1 Capital Ratio	63.786%	103.571%
Total Capital Ratio	63.786%	103.571%

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

	30 September 2025 RM'000	31 December 2024 RM'000
Credit risk	369,473	209,422
Market risk	33,087	39,600
Operational risk	45,068	7,429
Total risk-weighted assets	<u>447,628</u>	<u>256,451</u>
Credit risk-weighted assets breakdown:		
- subject to 20% risk weight	54,599	118,529
- subject to 75% risk weight	246,718	3,703
- subject to 100% risk weight	68,156	87,190