

BOOST BANK BERHAD (formerly known as Boost Berhad)
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024

| | As at 30 September 2024 | As at 31 December 2023 |
|---|-------------------------------|------------------------------|
| Note | RM'000 | RM'000 |
| ASSETS | | |
| Cash and short-term funds | 213,379 | 120,407 |
| Financial investments at amortised cost | 8 120,846 | - |
| Other assets | 9 28,620 | 24,020 |
| Statutory deposits | 1,500 | - |
| Tax recoverable | 524 | - |
| Right-of-use assets | 879 | 1,185 |
| Plant and equipment | 1,190 | 557 |
| Intangible assets | 32,185 | 21,142 |
| TOTAL ASSETS | 399,123 | 167,311 |
| LIABILITIES AND EQUITY | | |
| Deposits from customers | 10 204,468 | - |
| Other liabilities | 11 26,436 | 45,404 |
| Tax liabilities | - | 403 |
| Lease liabilities | 968 | 1,138 |
| TOTAL LIABILITIES | 231,872 | 46,945 |
| Share capital | 6 277,000 | 185,000 |
| Reserves | (109,749) | (64,634) |
| TOTAL EQUITY | 167,251 | 120,366 |
| TOTAL LIABILITIES AND EQUITY | 399,123 | 167,311 |

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial period ended 31 December 2023.

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024

| | Note | 3rd Quarter Ended | | Nine Months Ended | |
|---|------|----------------------|----------------------|----------------------|----------------------|
| | | 30 September 2024 | 30 September 2023 | 30 September 2024 | 30 September 2023 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Interest income | 12 | 1,579 | 551 | 3,613 | 1,125 |
| Interest expense | 13 | (860) | - | (938) | - |
| Net interest income | | 719 | 551 | 2,675 | 1,125 |
| Fee and commission expense | 14 | (51) | - | (52) | - |
| Other operating income | 15 | 104 | - | 126 | - |
| | | 772 | 551 | 2,749 | 1,125 |
| Other operating expenses | 16 | | | | |
| Personnel costs | | (5,270) | (14,175) | (14,753) | (14,175) |
| Establishment costs | | (9,584) | (5,296) | (22,429) | (7,998) |
| Marketing expenses | | (1,604) | (1) | (3,051) | (1) |
| Administration and general expenses | | (2,851) | (17,485) | (8,093) | (26,465) |
| Loss before taxation | | (18,537) | (36,406) | (45,577) | (47,514) |
| Taxation | 17 | 462 | - | 462 | - |
| Loss and total comprehensive loss for the financial period | | (18,075) | (36,406) | (45,115) | (47,514) |

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INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024

| | Note | Share capital RM'000 | Non-Distributable Regulatory reserves RM'000 | Accumulated losses RM'000 | Total RM'000 |
|---|------|----------------------------|---|---------------------------------|-----------------|
| Balance as at 1 January 2024 | | 185,000 | - | (64,634) | 120,366 |
| Total comprehensive loss for the financial period | | - | - | (45,115) | (45,115) |
| Issuance of ordinary shares | 6 | 92,000 | - | - | 92,000 |
| Transfer to regulatory reserves | | - | 2 | (2) | - |
| Balance as at 30 September 2024 | | 277,000 | 2 | (109,751) | 167,251 |
| At 1 March 2023 (date of incorporation) | (a) | - | - | - | - |
| Total comprehensive loss for the financial period | | - | - | (47,514) | (47,514) |
| Issuance of ordinary shares | 6 | 100,000 | - | - | 100,000 |
| Balance as at 30 September 2023 | | 100,000 | - | (47,514) | 52,486 |

(a) Share capital at date of incorporation amounted to RM100.

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial period ended 31 December 2023.

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024

| | Note | Nine Months Ended | |
|--|------|----------------------|----------------------|
| | | 30 September 2024 | 30 September 2023 |
| | | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Loss before taxation | | (45,577) | (47,514) |
| Adjustments for non-operating and non-cash items: | | | |
| Amortisation of financial investment at amortised cost | | 128 | - |
| Amortisation of other intangible assets | | 2,982 | - |
| Depreciation of plant and equipment | | 74 | 2 |
| Depreciation of right-of-use assets | | 272 | - |
| Lease interest | | 23 | - |
| Unrealised gain on foreign exchange | | (9) | - |
| Operating loss before working capital changes | | (42,107) | (47,512) |
| Changes in working capital: | | | |
| Net changes in operating assets | | (6,100) | (9,334) |
| Net changes in operating liabilities | | 185,543 | 28,492 |
| Cash generated from/(used in) operations | | 137,336 | (28,354) |
| Lease interest paid | | (25) | - |
| Net tax paid | | (465) | - |
| Net cash generated from/(used in) operating activities | | 136,846 | (28,354) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of plant and equipment | | (707) | (23) |
| Purchase of other intangible assets | | (14,025) | (13,530) |
| Purchase of financial investment at amortised cost | | (120,974) | - |
| Net cash used in investing activities | | (135,706) | (13,553) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from issuance of ordinary shares | 6 | 92,000 | 100,000 |
| Principal lease payments | | (168) | - |
| Net cash from financing activities | | 91,832 | 100,000 |
| Net increase in cash and cash equivalents | | 92,972 | 58,093 |
| Cash and cash equivalents: | | | |
| - At the beginning of the financial period | | 120,407 | - |
| - At the end of the financial period | | 213,379 | 58,093 |
| Cash and cash equivalents comprise the following: | | | |
| - Cash and short term funds | | 213,379 | 58,093 |

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial period ended 31 December 2023.

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024**

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 Boost Bank Berhad ('Bank') for the financial period 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 period ended 31 December 2023.

The Bank will apply these published standards and amendments to published standards from:-

- (a) Financial year beginning on/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 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- (b) Financial year beginning on/after 1 January 2027
 - MFRS 18, *Presentation and Disclosure in Financial Statements*

The above adoption is not expected to give rise to material financial impact to the Bank.

2 Auditors' Report

The auditors' report for the financial period 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 nine months ended 30 September 2024, other than as disclosed below:

Bank Negara Malaysia ("BNM") had vide its letter dated 8 January 2024 notified RHB Bank Berhad ("RHB") and Boost Holdings Sdn Bhd ("BHSB") that BNM is satisfied with the outcome of the operational readiness review of the Bank and the Ministry of Finance ("MOF") has agreed to the issuance of the physical digital banking licence to the Bank and for the said licence to take effect on 15 January 2024. The Bank has since received the physical digital bank licence which is effective on 15 January 2024. With the receipt of the license, the Bank was officially launched on 6 June 2024.

5 Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial period that have a material effect for the nine months ended 30 September 2024.

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024**

6 Changes in Debt and Equity Securities

There were no issuances, repurchases and repayments of debt and equity securities for the nine months ended 30 September 2024, other than as disclosed below:

- (a) On 16 February 2024, the Bank increased its issued and paid up share capital from RM185,000,185 to RM206,500,185 via the issuance of 21,500,000 new ordinary shares at RM1.00 per share arising from the rights issue of RM1.00 per share;
- (b) On 15 March 2024, the Bank increased its issued and paid up share capital from RM206,500,185 to RM215,000,185 via the issuance of 8,500,000 new ordinary shares at RM1.00 per share arising from the rights issue of RM1.00 per share;
- (c) On 15 April 2024, the Bank increased its issued and paid up share capital from RM215,000,185 to RM224,500,185 via the issuance of 9,500,000 new ordinary shares at RM1.00 per share arising from the rights issue of RM1.00 per share;
- (d) On 17 May 2024, the Bank increased its issued and paid up share capital from RM224,500,185 to RM234,000,185 via the issuance of 9,500,000 new ordinary shares at RM1.00 per share arising from the rights issue of RM1.00 per share; and
- (e) On 14 June 2024, the Bank increased its issued and paid up share capital from RM234,000,185 to RM245,000,000 via the issuance of 10,999,815 new ordinary shares at RM1.00 per share arising from the rights issue of RM1.00 per share.
- (f) On 30 September 2024, the Bank increased its issued and paid up share capital from RM245,000,000 to RM277,000,000 via the issuance of 32,000,000 new ordinary shares at RM1.00 per share arising from the rights issue of RM1.00 per share.

7 Dividend Paid and Proposed Dividend

No dividend was declared or paid by the Bank during the nine months ended 30 September 2024.

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024**

8 Financial Investments at Amortised Cost

| | As at 30 September 2024 RM'000 | As at 31 December 2023 RM'000 |
|---|---|--|
| At amortised cost | | |
| <u>Money market instruments:</u> | | |
| Malaysian Government Securities | 120,846 | - |

9 Other Assets

| | As at 30 September 2024 RM'000 | As at 31 December 2023 RM'000 |
|-------------------|---|--|
| Other receivables | 2,478 | 42 |
| Deposits | 214 | 209 |
| Prepayments | 25,928 | 23,769 |
| | 28,620 | 24,020 |

10 Deposits from Customers

| | As at 30 September 2024 RM'000 | As at 31 December 2023 RM'000 |
|---------------------------------|---|--|
| (a) By type of deposits | | |
| Savings deposits | 204,468 | - |
| (b) By type of customers | | |
| Individuals | 204,468 | - |

11 Other Liabilities

| | As at 30 September 2024 RM'000 | As at 31 December 2023 RM'000 |
|--------------------------------------|---|--|
| Other creditors and accruals | 25,631 | 36,023 |
| Amount due to holding company (a) | 228 | - |
| Amounts due to related companies (b) | 577 | 9,381 |
| | 26,436 | 45,404 |

(a) Amount due to immediate holding company is unsecured, interest free and repayable on demand.

(b) Amounts due to related companies are unsecured, interest free and repayable on demand.

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024**

| | 3rd Quarter Ended | | Nine Months Ended | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 30 September 2024 | 30 September 2023 | 30 September 2024 | 30 September 2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| 12 Interest Income | | | | |
| Deposit placements with banks and other financial institutions | 1,072 | 353 | 2,700 | 903 |
| Financial investments at amortised costs | 441 | - | 589 | - |
| Others | 66 | 198 | 324 | 222 |
| | <u>1,579</u> | <u>551</u> | <u>3,613</u> | <u>1,125</u> |

| | 3rd Quarter Ended | | Nine Months Ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 30 September 2024 | 30 September 2023 | 30 September 2024 | 30 September 2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |

13 Interest Expense

| | | | | |
|-------------------------|------------|----------|------------|----------|
| Deposits from customers | 852 | - | 915 | - |
| Lease interest | 8 | - | 23 | - |
| | <u>860</u> | <u>-</u> | <u>938</u> | <u>-</u> |

| | 3rd Quarter Ended | | Nine Months Ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 30 September 2024 | 30 September 2023 | 30 September 2024 | 30 September 2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |

14 Fee and Commission Expense

| | | | | |
|-------------|-----------|----------|-----------|----------|
| Fee expense | 51 | - | 52 | - |
| | <u>51</u> | <u>-</u> | <u>52</u> | <u>-</u> |

| | 3rd Quarter Ended | | Nine Months Ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 30 September 2024 | 30 September 2023 | 30 September 2024 | 30 September 2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |

15 Other Operating Income

| | | | | |
|-----------------------------|------------|----------|------------|----------|
| Other income | 104 | - | 126 | - |
| - net foreign exchange gain | | | | |
| | <u>104</u> | <u>-</u> | <u>126</u> | <u>-</u> |

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024**

18 Capital Adequacy Ratio

Bank Negara Malaysia ('BNM') guidelines on capital adequacy requires the Bank to maintain an adequate level of capital to withstand any losses which may result from credit and other risks associated with financing operations. The capital adequacy ratio is computed based on the eligible capital in relation to the total risk-weighted assets as determined by BNM.

The capital adequacy ratios of the Bank are as follows:

| | As at 30 September 2024 |
|--|--|
| | RM'000 |
| <u>Common Equity Tier I ('CET I') / Tier I Capital</u> | |
| Share capital | 277,000 |
| Accumulated losses | (109,751) |
| | <u>167,249</u> |
| Less: Intangible assets | (32,185) |
| Total CET I Capital, Total Tier I Capital and Total Capital | <u>135,064</u> |
| <u>Capital ratios</u> | |
| Before/After proposed dividends: | |
| CET I Capital Ratio | 171.045% |
| Tier I Capital Ratio | 171.045% |
| Total Capital Ratio | <u>171.045%</u> |

As the Bank is required to comply with the BNM's capital adequacy requirements upon the effective date of its license on 15 January 2024, no comparative figures are presented.

The breakdown of risk-weighted assets in the various categories of risk-weights are as follows:

| | As at 30 September 2024 |
|-----------------------------------|--|
| | RM'000 |
| Credit risk | 73,810 |
| Market risk | - |
| Operational risk | 5,154 |
| Total risk-weighted assets | <u>78,964</u> |

The total risk-weighted assets of the Bank are computed based on BNM's Licensing Framework for Digital Banks and BNM's Capital Adequacy Framework (Basel II - Risk Weighted Assets).

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024**

19 Capital Commitments

| | As at 30 September 2024 | As at 31 December 2023 |
|--------------------------------|--|---------------------------------------|
| | RM'000 | RM'000 |
| Authorised and contracted for: | | |
| - Plant and equipment | - | 538 |
| - Intangible assets | 6,631 | 4,164 |
| | 6,631 | 4,702 |

20 Significant Related Party Disclosures

(a) Related parties and relationships

The related parties of, and their relationship with the Company are as follows:

| Related parties | Relationships |
|--|---|
| Boost Holdings Sdn. Bhd. ("BHSB") | Immediate holding company |
| Axiata Digital Capital Sdn. Bhd. ("ADC") | Related company |
| Axiata Digital eCode Sdn. Bhd. ("ADE") | Related company |
| Axiata Digital Labs Sdn. Bhd. ("ADL") | Related company |
| RHB Bank Berhad ("RHB") | Entity with significant influence |
| Key management personnel | The key management personnel of the Company represents <ul style="list-style-type: none"> - all Directors of the Company; and - Members of the Executive Committee ('EXCO') |
| Related parties of key management personnel (deemed as related to the Company) | (i) Close family members and dependents of key management personnel; and <ul style="list-style-type: none"> (ii) Entities that are controlled, jointly controlled or significantly influenced, by or for which significant voting power in such entity resides with, directly or indirectly by key management personnel or its close family members. |

**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024**

20 Significant Related Party Disclosures (Continued)

(b) Significant related party balances and transactions

In addition to related party disclosures mentioned elsewhere in the interim financial statements, set out below are other significant related party transactions and balances.

All related party transactions are entered into in the normal course of business at agreed terms between the related parties.

| | Immediate holding company RM'000 | Related companies RM'000 | Entity with significant influence RM'000 | Key management personnel RM'000 |
|---|---|--------------------------------|---|--|
| <u>01.01.2024 to 30.09.2024</u> | | | | |
| <u>Income</u> | | | | |
| Interest income | - | - | 412 | - |
| <u>Expenses</u> | | | | |
| Interest expense | - | - | - | 6 |
| Secondment arrangement | - | - | 1,405 | - |
| Contracts entered on behalf prior to incorporation, charged under the Shareholders Agreement | (33) | 13 | - | - |
| Outsourced services | 5,818 | - | - | - |
| Resource augmentation | - | 226 | - | - |
| Engagement of services | - | 2,002 | - | - |
| | 5,785 | 2,241 | 1,405 | 6 |
| <u>01.03.2023 (date of incorporation) to 30.09.2023</u> | | | | |
| <u>Income</u> | | | | |
| Interest income | - | - | 1,125 | - |
| <u>Expenses</u> | | | | |
| Contracts entered on behalf prior to incorporation, charged under the Shareholders Agreement | 12,090 | 7,526 | - | - |
| Outsourced services | 3,419 | - | - | - |
| <u>As at 30 September 2024</u> | | | | |
| <u>Amounts due from</u> | | | | |
| Cash and short-term funds | - | - | 72,353 | - |
| <u>Amounts due to</u> | | | | |
| Deposits from customers | - | - | - | 1,352 |
| Other liabilities | 6,127 | 2,749 | 2,614 | - |
| | 6,127 | 2,749 | 2,614 | 1,352 |
| <u>As at 31 December 2023</u> | | | | |
| <u>Amounts due from</u> | | | | |
| Cash and short-term funds | - | - | 85,293 | - |
| <u>Amounts due to</u> | | | | |
| Other liabilities | 5,361 | 9,825 | 1,812 | - |

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024**

20 Significant Related Party Disclosures (Continued)

(c) Key management personnel

The remuneration of Directors and other members of key management are as follows:

| | Nine Months Ended | |
|---------------------------------|------------------------------|------------------------------|
| | 30 September 2024 | 30 September 2023 |
| | RM'000 | RM'000 |
| Short term employee benefits: | | |
| - Fees | 532 | - |
| - Salary and other remuneration | 5,022 | - |
| - Contribution to EPF | 345 | - |
| - Benefits-in-kind | 271 | - |
| | 6,170 | - |

21 Events Subsequent to Balance Sheet Date

There were no significant events subsequent to the balance sheet date that have not been reflected in the financial statements.