BOOST BANK BERHAD

(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

CONTENTS	**PAGES**
CORPORATE GOVERNANCE	3 - 15
DIRECTORS' REPORT	16 - 25
STATEMENT OF FINANCIAL POSITION	26
STATEMENT OF COMPREHENSIVE INCOME	27
STATEMENT OF CHANGES IN EQUITY	28
STATEMENT OF CASH FLOWS	29 - 31
SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS	32 - 50
NOTES TO FINANCIAL STATEMENTS	51 - 115
STATEMENT BY DIRECTORS	116
STATUTORY DECLARATION	117
INDEPENDENT AUDITORS' REPORT	118 - 120

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CORPORATE GOVERNANCE

COMPOSITION OF THE BOARD

As at 31 December 2024, the Board of the Bank comprised 8 Directors of which 5 were Independent Non-Executive Directors ("INED") and 1 was Non-Independent Non-Executive Director ("NINED"). The Board Members were as follows:

David Lau Nai Pek	Chairman - INED
Anthony Sheyantha Abeykoon	Executive Director
Ungku Norliza Syazwan Binti Ungku Halmie	Executive Director
Rohan A/L Krishnalingam	NINED
Lee Tuck Heng	INED
Wan Hanisah Binti Wan Ibrahim	INED
Varun Sabhlok	INED
Gabriele Vigo	INED

DIRECTORS PROFILE

David Lau Nai Pek

David Lau Nai Pek was appointed to the Board of Boost Bank Berhad on 15 January 2024. David holds a Bachelor of Commerce from University of Canterbury, New Zealand and is a member of the Malaysian Institute of Accountants.

David has over 30 years of professional experience, mainly in the area of finance, leading and transforming finance organisations in multi-locations globally. David retired from Shell Malaysia in August 2011 after serving the Shell Group for about 30 years. His major assignments include the Finance Director for Shell Malaysia, Finance Director for Shell China, Global Controller for the Exploration & Production Division of Royal Dutch Shell, and Vice-President Finance for Shell International Exploration and Production B.V., in the Netherlands.

Prior to retirement from Shell, David was appointed to be an independent Non-Executive Director of Axiata Group Berhad, where he stayed for 12 years to July 2020, the last 2 years as the Senior Independent Non-Executive Director. In Axiata, other than being the Chairman of the Board Audit Committee, Mr David was involved in Strategy Development, M&A activities, and transforming Axiata from a traditional telco to a Regional Digital Champion.

From June 2009 to October 2020, David was an Investment Panel member of the Employees Provident Fund (EPF), overseeing Investment strategies, allocation of investment funds to match the EPF Risk's profile, and overseeing major investments and performance of the Fund.

CORPORATE GOVERNANCE (CONTINUED)

DIRECTORS PROFILE (CONTINUED)

David Lau Nai Pek (continued)

David was also with the Malaysia Airlines Group for 12 years up to June 2023, as an Independent and Non-Executive Director, Chairman of the Board Audit Committee and Board Risk Committee. He was involved in steering the airlines through several restructurings to today's state of profitability.

Currently, David is a Board member of Heineken Malaysia Berhad, KKB Engineering Berhad, and Chairman of the Board for Dialog Axiata PLC, a major digital telco in Sri Lanka.

Anthony Sheyantha Abeykoon

Sheyantha is the Group Chief Executive Officer of Boost Holdings, the fintech holding company under the Axiata Group. Sheyantha first joined Axiata in 2013 and served as the Senior General Manager, Finance and Strategy for Dialog Digital Services. Subsequently, he assumed the role of Chief Executive Officer of WOW.lk, the ecommerce subsidiary of Dialog Axiata PLC leading the company to market leadership status. In 2017, he was appointed as the Chief Financial Officer (CFO) of Axiata Digital Services (ADS). He played a pivotal role in overseeing the expansion of Digital Financial Services in Axiata, spearheading the growth of the micro-financing business in Malaysia and Indonesia as well structuring the consortium and incubating the project that led to the launch of Boost Bank.

As CEO of Boost, he has operational oversight over all areas of the different business under the Boost umbrella. Prior to Axiata, Sheyantha spent over 14 years holding various senior management positions in the financial services industry in investment banking, financial advisory and Investment management. He also holds a Masters in Business Administration from the Wharton School, University of Pennsylvania, a BSc in Information Systems and Management from the University of London as well as being a Chartered Management Accountant and a CFA Charter holder. Sheyantha is currently a Board member of a number of digital portfolio companies under the Axiata and Boost Group.

Ungku Norliza Syazwan Binti Ungku Halmie

Ungku Norliza was appointed to the Board of Boost Bank Berhad on 1 March 2023. Ungku Norliza graduated with a Bachelor of Accounting from University Tenaga Nasional. She holds a Business in Finance certification from INSEAD and is currently a member of Harvard Business Schools for Executives Alumni.

CORPORATE GOVERNANCE (CONTINUED)

DIRECTORS PROFILE (CONTINUED)

Ungku Norliza Syazwan Binti Ungku Halmie (continued)

Ungku Norliza is currently the CEO of Boost Life, Axiata Digital eCode Sdn Bhd, leading the Malaysian e-wallet business. Her all-rounded experience built across Finance, Marketing, Product & Operations enabled her to scale a hyper-growth businesses with technology and commercial growth along with the team of 311 other Boosties, serving more than 11 million customers with more than 600,000 touch points. She is responsible for the transformation of the e-wallet business into becoming a full suite of financial services from introducing digital payment in 2017 and now bringing micro insurance and micro lending into the Boost App. Her passion and relentless dedication for innovation and continuous fintech development weaving the digital disruption in the industry experienced across the nation and globally.

Prior to leading Boost, Ungku Norliza co-founded Axiata Digital Services (ADS), a start-up operations carved out from within the Axiata Group. She was part of the integral team building up more than 30 Digital Portfolios for the Group since the beginning. Her experience and knowledge in integrating and streamlining the corporates and start-up businesses and mindsets have been key elements which drives the success and sustainability of Boost today.

Before dedicating her life to fintech, she has 10 years of finance experience in Audit & Advisory stemming from her early years at Arthur Anderson (Ernst & Young) and IBM World Trade Corporation. She held Regional roles of Financial Accounting & Reporting, re-structuring and re-engineering initiatives for costs optimization improving Key Operational Metrics across Asia Pacific region. She also spent 4 years in Axiata Group Berhad specializing in Strategy & Business Planning across 5 markets in Malaysia, Indonesia, Sri Lanka, Bangladesh & Cambodia where she was able to channel her passion for people, culture and inclusivity that encourages globalization and cross geographical collaborations.

In the industry, she is the Deputy President of the AEMI (Association of Electronic Money of Malaysia), a body that consolidates and pushes all Non-Banks industry's agenda in Malaysia. Her continuous drive to challenge traditional mindset, vocal in advocating new ideas and determination in charting the future of fintech for the country had seized her the 1st Female Leader of Year Award in 2023 by the Fintech Frontier Award Malaysia, inspiring the way for new generation women leaders.

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CORPORATE GOVERNANCE (CONTINUED)

DIRECTORS PROFILE (CONTINUED)

Rohan A/L Krishnalingam

Rohan Krishnalingam was appointed to the Board of Boost Bank Berhad on 1st March 2023. Rohan holds a Bachelor of Electrical & Electronics Engineering (Hons) from University of New South Wales, Sydney, Australia. He is also a qualified Chartered Banker (AICB).

He has close to 30 years of broad Financial Services experience in IT and Digital Transformation, RMIT, Cybersecurity, Fintech, large scale project transformations and Post Merger Integration. Previously Rohan was the Group Chief Operations Officer (2014 - 2019) and Group Chief Digital and Technology Officer (2019 – 2022) of RHB Banking Group and a member of the Group Management Committee. In his various roles at RHB, he leads the digitalization and IT modernization efforts for RHB Banking Group from IGNITE 2017 through to FIT22 (RHB's Long term strategic plans) and pioneered AGILE adoption at RHB as part of the Group's strategic focus to create a winning operating model.

Prior to RHB, Rohan was a Managing Director (Senior Partner) at Accenture, leading the Financial Services Technology services practise for ASEAN. He spent over 20 years at Accenture focused on the Financial Services Industry with clients across Malaysia, Singapore, Hong Kong, Indonesia and Thailand and has strong and deep relationship with many senior executives (CXO level) in the Financial Services Industry and his excellent client relationship skills and is often sought after again by his clients when there are complex projects to be executed.

Lee Tuck Heng

Lee Tuck Heng was appointed to the Board of Boost Bank Berhad on 15 January 2024. Mr Lee is a member of the Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA).

He retired from PricewaterhouseCoopers (PwC) Malaysia in 2021 after 41 years of service, out of which 25 years as a Partner. He has extensive auditing and assurance experience working with a wide range of clients in various industries, both local and international including but not limited to Gaming & Hospitality, Banking, Consumer & Industrial Products, Property Development, Aviation and Global Shared Service Centres. He also has experience in advising clients on implementing effective internal controls and risk management strategies, corporate restructuring, mergers and acquisitions and initial public offerings.

CORPORATE GOVERNANCE (CONTINUED)

DIRECTORS PROFILE (CONTINUED)

Lee Tuck Heng (continued)

Mr Lee had assumed various strategic leadership positions and roles at the country and global levels within PwC including being a member of the Country Leadership Team, Co-Assurance Leader and the Risk and Quality Leader.

Mr Lee has developed a deep understanding of the regulatory and compliance landscape and established strong relationships with auditors, regulators and other stakeholders. He served as a Council Member of MICPA from 2008 to 2022. He was also the Chairman of MIA Auditing and Assurance Standards Board (AASB) from 2009 to 2021 and the Chairman of MICPA Accounting and Auditing Technical Committee from 2018 to 2022.

Currently, Mr Lee is on the Board of Genting Berhad as an INED.

Wan Hanisah Binti Wan Ibrahim

Wan Hanisah Binti Wan Ibrahim was appointed to the Board of Boost Bank Berhad on 15 January 2024. She graduated with a Bachelor's degree in Analytical Economics (Honours) and Masters in Economics from University of Malaya.

Wan Hanisah has over 30 years of experience at Bank Negara Malaysia ("BNM"), where she retired as a Director in BNM's LINK and Regional Offices Department. Through her tenure with BNM, Wan Hanisah held positions as Chief Representative for BNM's London Representative Office, Director of International Department, Director of Treasury Department and Director of Foreign Exchange Administrations Department at BNM.

Wan Hanisah most recent role at BNM afforded her the opportunity to serve as a Director at BNM's LINK and Regional Offices Department, she was instrumental in spearheading Malaysia's Northern and Southern region focusing on new economic corridors (NCER, Iskandar Development, ECER, SCORE) and other new areas of economic growth for Malaysia, including the execution of BNM's strategy on promoting e-payments. She played a pivotal role in promoting financial inclusion through unconventional channels, reaching out to the sub-urban community, in collaboration with the Financial Institutions, government agencies and other relevant bodies.

CORPORATE GOVERNANCE (CONTINUED)

DIRECTORS PROFILE (CONTINUED)

Wan Hanisah Binti Wan Ibrahim (continued)

Wan Hanisah had been the Director of Treasury Department, BNM and responsible to formulate and operationalise the appropriate Ringgit exchange rate and interest rate levels. She had represented BNM in the Governments cashflow committee at the Ministry of Finance Malaysia, participated in Monetary Policy Committee meeting of BNM, managed the International Reserves of BNM and embarked on the diversification of international reserves currency, including the early adoption of Euro as part of the international reserves when the Euro was introduced in 1999. She was also in charge of the origination of the foreign currency borrowing by the Government of Malaysia.

As a Director of Foreign Exchange Administrations Department, her main role was to manage the capital flows to safeguard the value of the Ringgit as well as a well-functioning domestic financial market. Wan Hanisah led the liberalisation of foreign exchange rules to create a more liberalised, conducive and competitive operating environment in Malaysia for both domestic and foreign investors. She promoted the use of Chinese Renminbi for settlement of international trades in goods and services between Malaysia and China. She has in-depth knowledge of the banking industry and international trades, attracting foreign MNCs as well as local MNCs to have their Shared Services and Outsourcing operations in Malaysia. She has served in various capacities including the formulation of ASEAN Economic Community roadmap and the establishment of BURSA SUQ Al SILA at Bursa Malaysia, an initiative by BNM.

Currently, Wan Hanisah is an Independent Board member of Cagamas Holdings Berhad and an Independent Board member of Franklin Templeton GSC Asset Management Sdn. Bhd.

Varun Sabhlok

Varun Sabhlok was appointed to the Board of Boost Bank Berhad on 15 January 2024. Varun holds a BA in Economics from Elphinestone College, University of Bombay, B.Sc. (Econ), Economics – Industry and Trade from London School of Economics, and is a Fellow of The Institute of Chartered Accountants in England and Wales.

Varun worked in London for 7 years before moving to Singapore in 1984. After 11 years with Citibank in the Global Consumer Banking Division in Southeast Asia, he set up an independent regional Retail Banking Consulting & Advisory practice, AVS Asia Ventures. Besides advisory work, he also ventured into fund management for hospitality related real estate projects.

CORPORATE GOVERNANCE (CONTINUED)

DIRECTORS PROFILE (CONTINUED)

Varun Sabhlok (continued)

Varun completed a year-long assignment advising PayPal Inc (a subsidiary of eBay Inc. then) on assessing, formulating & implementing online consumer finance credit strategies for e-commerce for PayPal in the Asia Pacific region. Before assisting PayPal, Varun spent almost 3 years working with the senior management team of Bank Danamon, Indonesia (part of the Fullerton / Temasek Group). He oversaw the credit risk management, credit policy and portfolio management for the bank's Retail, Credit Cards, Consumer Finance, Auto & Motor-cycle Finance, and Micro-Finance (Mass Market) portfolios and contributed to significant improvements of the bank's asset strategies and overall portfolio quality and profitability.

Prior to these assignments, Varun gained extensive experience throughout the Asia Pacific region with many organisations as a senior and board level consultant and advisor. He transformed consumer banks in the areas of strategic business management, credit & operational risk assessment, asset strategy, credit risk management, wealth management strategy, relationship management, process rationalization and financial restructuring covering cards, consumer banking and consumer finance businesses.

During his years with Citibank, Varun was the Southeast Asia / India Regional Audit Director (covering all operations, finance, technology, business risk and credit reviews), Country Credit Director in Thailand, Business Banking Head in Thailand and the Chief Financial Officer of the Singapore business. His responsibilities covered customer relationships, business strategies and development, product & market strategies, credit & risk management, financial control/treasury, business risk & quality assurance.

Varun was appointed as an Independent Director of Fincare Small Finance Bank, a microfinance and retail bank in India for 5 years from September 2017 to August 2022, and had served as the Chairman of its IT Strategy Committee and a Member of its Risk, Audit & CSR committees.

Gabriele Vigo

Gabriele Vigo was appointed to the Board of Boost Bank Berhad on 15 January 2024. Gabriele holds a Master of Business Administration from the Kellogg School of Management and a degree in Industrial Engineering from the Polytechnic Institute of Turin.

CORPORATE GOVERNANCE (CONTINUED)

DIRECTORS PROFILE (CONTINUED)

Gabriele Vigo (continued)

Gabriele was a senior partner in consulting with 27 years of experience in strategic consulting, he served renowned Financial Institutions in Europe and Asia, across strategy development, digital transformation, risk management and mergers and acquisitions. Gabriele is passionate about having an entrepreneurial mindset with strong impact orientation and consolidated people leadership skills.

Gabriele began his career across 1996 to 1999 as a Senior Consultant with Andersen Consulting. At Andersen, he provided strategic leadership with clients in the automotive and construction industries towards achieving operational and financial turnarounds through functional outsourcing modelling.

Since Anderson Consulting, Gabriele joined McKinsey & Company in January 2000 where he served as a Senior Partner until December 2022, helping large clients across the Banking and Insurance industries achieve their strategic objectives that is largely premised in digital strategy, innovation and transformation. Some of these portfolios include launching an innovative digital bank and transformation of a e-wallet that involved the introduction of new innovative financial services. He had been the Global Head of Credit Risk and APAC leader of McKinsey's risk practice.

Throughout his career with McKinsey, he also drove transformational change across risk management using advanced analytics and innovative measures to support multiple acquisitions, advance capital management and helped his clients design leading-edge risk appetite frameworks. He has worked with clients on a range of areas, including strategy development, risk management, mergers and acquisitions, and digital transformation. Whilst in McKinsey, Gabriele leads the development of an advanced analytics Centre of Excellence to develop innovative risk models using Machine Learning and Artificial Intelligence technologies.

ROLES AND RESPONSIBILITIES OF THE BOARD

The Board is charged with leading and controlling the Bank in an effective and responsible manner. Each Director has a legal duty to act in the best interest of the Bank. The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders for the manner in which the affairs of the Bank are managed. The Board sets the Bank's values and standards and ensures that its obligations to its shareholders and stakeholders are understood and met. The Board's principal responsibilities are as follows:-

CORPORATE GOVERNANCE (CONTINUED)

ROLES AND RESPONSIBILITIES OF THE BOARD (CONTINUED)

I. Strategy Setting, Implementation and Supervisory

(i) Review, challenge and approve strategic or business plans, financial objectives, major capital and operating budget and matters of policy proposed by Management.

(ii) Bring objectivity and breadth of judgement to the strategic planning process and monitor Management's performance in implementing the adopted strategies and provide relevant direction and advice where necessary to Management, to ensure the achievement of the Bank's objectives.

II. Performance Management

(i) Oversee the performance of Management, ensuring that the Bank is properly managed.

(ii) Review and approve performance objectives for Management team and monitor Management's performance on a regular basis to ensure high performance.

III. Succession Planning and Human Capital Development

(i) Appoint the CEO and the Management team to manage the Bank, and ensure management of the highest calibre in the process of selection and assessment.

(ii) Ensure there is in place a succession planning strategy in replacing Management, when necessary.

IV. Risk Management

(i) Identify, assess and monitor principal risks and ensure the implementation of appropriate systems to effectively monitor and manage these risks with a view to the long-term viability of the Bank. This includes reviewing and approving the policies and procedures to identify business risks, to determine risk appetite acceptable to the Bank and ensuring that systems and controls are in place to manage them.

(ii) Ensure that the Bank is adequately capitalised to support the risks undertaken and to meet regulatory requirements.

CORPORATE GOVERNANCE (CONTINUED)

ROLES AND RESPONSIBILITIES OF THE BOARD (CONTINUED)

V. Integrity of Internal Control

(i) Review the adequacy and integrity of the Bank's internal control system on a regular basis.

(ii) Ensure that there is an effective and sound framework for reporting internal financial controls and regulatory compliance so that the Board and Management will receive relevant and reliable information on a timely basis avoiding any exposure to unmanaged financial and operational risks. This includes the establishment of a Board Audit Committee and Internal Audit department.

THE ROLES OF THE CHAIRMAN AND CEO AT BOARD MEETINGS

The roles of the Chairman and CEO are separate and distinct to ensure an appropriate balance of role, responsibility, accountability, cooperation and overall integrity of the Bank. These two positions are held by different individuals and the roles of the Chairman and the CEO is clearly defined in the Board Charter. The Independent Non-Executive Chairman provides leadership to the Board in matters relating to the effective execution of all Board responsibilities. The CEO leads Management and bears primary responsibility over the day-to-day management of the Bank.

BOARD COMMITTEES

The Board may from time to time establish Board Committees to assist it in carrying out its responsibilities and shall adopt Term of References ("TOR") setting out matters relevant to the composition, responsibilities and administration of such committees, and other matters that the Board may consider appropriate.

The Board has delegated some of its powers and functions to each of the following Board Committees to assist it in carrying out its responsibilities, to share detailed work and consider certain issues and functions with greater focus:

(a) Board Audit Committee ("BAC")
(b) Board Nomination and Remuneration Committee ("BNRC")
(c) Board Risk and Compliance Committee ("BRCC")

The above Board Committee do not have Executive Director(s) on its membership.

BOOST BANK BERHAD
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CORPORATE GOVERNANCE (CONTINUED)

BOARD COMMITTEES (CONTINUED)

Board Audit Committee ("BAC").

The overall mandate of the BAC includes:

(i) Provide independent oversight of the Bank's financial reporting and internal control system, ensuring checks and balances for different business functions within the Bank.

(ii) Review the quality of the audits conducted by internal and external auditors.

(iii) Provide a line of communication between the Board and external auditors.

(iv) Reinforce the independence of the external auditors and assure that external auditors will have full autonomy in the audit process.

(v) Oversee the internal audit function, ensuring the objectivity and independence of internal auditors and provide a forum for discussion that is independent from management.

(vi) Assuring relevant stakeholders including shareholders, regulators, and creditors the credibility and objectivity of financial reports.

The BAC shall meet at least 4 times in a year and as when required. During the financial year, the attendance of each Director at the BAC meeting is as below:

Director	**Attendance**
Lee Tuck Heng - Chairman	7/7
Varun Sabhlok - Member	7/7
Gabriele Vigo - Member	7/7

CORPORATE GOVERNANCE (CONTINUED)

BOARD COMMITTEES (CONTINUED)

Board Nomination and Remuneration Committee ("BNRC")

The overall mandate of the BNRC includes:

(i) Function Review and assess the appointment or re-appointments, removal, performance evaluation and fit and proper assessment of directors, Board Committee members, the Management and company secretary for recommendation to the BOD.

(ii) Advise the Board on its optimal size, composition, and its mix of skills.

(iii) Provide oversight and direction for the Human Resource function, and to recommend to the Board for approval of remuneration and human resource strategies.

(iv) Recommend Directors' remuneration.

The BNRC shall meet at least 4 times in a year and as when required. During the financial year, the attendance of each Director at the BNRC meeting is as below:

Director	Attendance
Gabriele Vigo - Chairman	8/8
David Lau Nai Pek - Member	8/8
Rohan A/L Krishnalingam - Member	8/8

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

CORPORATE GOVERNANCE (CONTINUED)

BOARD COMMITTEES (CONTINUED)

Board Risk and Compliance Committee ("BRCC")

The overall mandate of the BRCC includes:

(i) Provide oversight and governance for risk and compliance functions of the Bank.

(ii) Oversee management's activities risk management and ensuring that the risk management controls of each business function within the Bank is in place and functioning.

(iii) Promote the sound risk management of the Bank's risks in accordance to the Enterprise Risk Management Framework.

(iv) Support and provide guidance to management in driving initiatives to promote risk management and compliance within the Bank.

The BRCC shall meet at least 4 times in a year and as when required. During the financial year, the attendance of each Director at the BRCC meeting is as below:

Director	Attendance
Varun Sabhlok - Chairman	11/11
Lee Tuck Heng - Member	11/11
Wan Hanisah Binti Wan Ibrahim - Member	11/11

DIRECTORS' REMUNERATIONS

Directors' remunerations are disclosed in Note 22 to the financial statements.

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of Boost Bank Berhad ("the Bank") for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Bank are digital banking and the provision of related services.

Bank Negara Malaysia ("BNM"), via its letter dated 8 January 2024, notified RHB Bank Berhad ("RHB") and Boost Holdings Sdn Bhd ("BHSB") that it was satisfied with the outcome of the Bank's operational readiness review and the Ministry of Finance ("MOF") approved the issuance of the physical digital banking licence to the Bank.

The Bank received the physical digital banking licence, which became effective on 15 January 2024. With the receipt of this licence, the Bank was officially launched its banking services on 6 June 2024.

There were no other changes to the principal activities during the financial year.

FINANCIAL RESULTS

	RM'000
Loss before taxation	(69,703)
Taxation	462
Net loss after taxation	(69,241)

DIVIDENDS

The Directors do not propose any final dividend for the financial year ended 31 December 2024.

No dividend has been paid or declared by the Bank since the financial period ended 31 December 2023.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

DIRECTORS' REPORT (CONTINUED)

ISSUE OF SHARES

During the financial year, the Bank increased its issued and paid-up ordinary share capital from RM185,000,185 to RM277,000,000 by issuing 91,999,815 new ordinary shares with no par value through rights issues at RM1.00 per share on the issuance dates listed below.

Issuance date	Number of shares	Amount (RM)
16 February 2024	21,500,000	21,500,000
15 March 2024	8,500,000	8,500,000
15 April 2024	9,500,000	9,500,000
17 May 2024	9,500,000	9,500,000
14 June 2024	10,999,815	10,999,815
30 September 2024	32,000,000	32,000,000
	91,999,815	91,999,815

The new ordinary shares issued ranked pari passu in all aspects with the existing ordinary shares of the Bank.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Bank during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Bank were made out, the Directors took reasonable steps to ascertain that proper actions have been taken in relation to the writing off of bad debts and the making of allowance for impaired debts, and satisfied themselves that all known bad debts have been written off and that adequate allowance had been made for impaired debts.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for impaired debts and financing in the financial statements of the Bank inadequate to any substantial extent.

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

DIRECTORS' REPORT (CONTINUED)

CURRENT ASSETS

Before the financial statements of the Bank were made out, the Directors took reasonable steps to ensure that any current assets, other than debts and financing, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Bank, had been written down to an amount which they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Bank misleading.

VALUATION METHOD

At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Bank misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

(a) any charge on the assets of the Bank which has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Bank which has arisen since the end of the financial year other than those arising from the ordinary course of business.

No contingent or other liability of the Bank has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Bank to meet its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Bank which would render any amount stated in the financial statements misleading or inappropriate.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Bank for the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Bank for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 8 January 2024, BNM notified RHB and BHSB that it was satisfied with the outcome of the Bank's operational readiness review. The Bank received the physical digital banking licence, which became effective on 15 January 2024. With the receipt of this licence, the Bank officially launched its banking services on 6 June 2024.

On 22 November 2024, the Bank has entered into an Asset Transfer Agreement ("ATA") with Axiata Digital Capital Sdn Bhd ("ADC") relating to the transfer of loan technology platform and commercial loans from ADC to the Bank. As of 31 December 2024, the transfer of the loan technology platform and commercial loans has yet to be completed, and the consideration amount is disclosed as part of capital commitments in Note 27 to the financial statements.

On 23 December 2024, the Bank has entered into an Asset Transfer Implementation Agreement ("ATIA") with ADC and made an advance payment of RM26,000,000 to ADC relating to phase I transfer of commercial loans from ADC to the Bank as disclosed in Note 6(a) to the financial statements.

SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR

On 27 March 2025, the Bank increased its issued and paid-up ordinary share capital from RM277,000,000 to RM352,000,000 via the issuance of 75,000,000 new ordinary shares at RM1.00 per share arising from the rights issue of RM1.00 per share.

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

DIRECTORS' REPORT (CONTINUED)

DIRECTORS

The Directors of the Bank in office during the financial year and during the period from the end of the financial year to the date of this report are:

Lau Nai Pek	(Appointed on 15 January 2024)
Anthony Sheyantha Abeykoon	
Rohan A/L Krishnalingam	
Ungku Norliza Syazwan Binti Ungku Halmie	
Gabriele Vigo	(Appointed on 15 January 2024)
Lee Tuck Heng	(Appointed on 15 January 2024)
Varun Sabhlok	(Appointed on 15 January 2024)
Wan Hanisah Binti Wan Ibrahim	(Appointed on 15 January 2024)

DIRECTORS' INTERESTS IN SECURITIES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors in office at the end of the financial year held any securities of the Bank and its related corporations during the financial year except as follows:

	Number of ordinary shares			
Axiata Group Berhad ("Axiata")	**As at 01.01.2024**	**Bought**	**Sold**	**As at 31.12.2024**
Anthony Sheyantha Abeykoon	77,100	-	-	77,100
Ungku Norliza Syazwan Binti Ungku Halmie	25,900	-	-	25,900

	Number of Employee Shares Option Scheme			
Boost Holdings Sdn Bhd ("BHSB")	**As at 01.01.2024**	**Granted**	**Lapsed/ Forfeited**	**As at 31.12.2024**
Anthony Sheyantha Abeykoon	-	1,428,000	-	1,428,000
Ungku Norliza Syazwan Binti Ungku Halmie	-	554,000	-	554,000

Other than the above, none of the other Directors holding office at the end of the financial year had any interest in the securities of the Bank or its related corporations during the financial year.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' BENEFITS

Total Directors' remuneration for the Bank for the financial year ended 31 December 2024 are RM967,500.

Since the end of the previous financial period, no Director of the Bank has received or become entitled to receive any benefit (other than Directors' fee, remuneration and benefits-in-kind as disclosed in Note 22 to the financial statements) by reason of a contract made by the Bank or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except that certain Directors received remuneration from the Bank's holding company, Boost Holdings Sdn Bhd ("BHSB") and/or related companies.

During and at the end of the financial year, no arrangements subsisted to which the Bank is a party, being arrangements with the object or objects of enabling the Directors of the Bank to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Bank maintains a corporate liability insurance for the Directors and Officers. The gross amount of insurance premium paid by the Bank for the Directors and Officers for the current financial year was RM127,458.

IMMEDIATE, INTERMEDIATE AND ULTIMATE HOLDING COMPANIES

The Directors regard Axiata, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), as the Bank's ultimate holding company. The immediate and intermediate holding companies are BHSB and Axiata Digital Services Sdn. Bhd. respectively, which are companies incorporated in Malaysia.

DIRECTORS' REPORT (CONTINUED)

BUSINESS REVIEW FOR CURRENT FINANCIAL YEAR AND OUTLOOK FOR NEXT FINANCIAL YEAR

Overview

The financial year 2024 marked a significant milestone for Boost Bank Berhad, as we successfully launched our digital banking operations on 6 June 2024, following the receipt of our digital banking license from Bank Negara Malaysia (BNM) on 15 January 2024.

This pivotal achievement underscores our commitment to redefining financial services through technology-driven, customer-centric solutions that cater to the needs of digital-first consumers. By leveraging innovation and data-driven insights, we aim to broaden financial inclusion, empower underserved communities, and enhance accessibility to seamless and secure banking solutions.

1) Financial Performance Overview

The Bank demonstrated strong growth in its first six months of operation post-launch, significantly expanding its financial position throughout the year. As at 31 December 2024, the Bank's total assets surged to RM839.5 million, a remarkable increase from RM167.3 million at the end of 2023.

This growth was primarily fueled by a robust customer deposit base, which reached RM676.0 million, underscoring a strong market response to the Bank's attractive deposit product offerings. The funds raised through customer deposits were strategically allocated across a diversified investment portfolio, including:

- Cash and short-term funds
- Deposit placements with banks and other financial institutions
- Investments in government securities

A strong deposit base also laid a solid foundation for the expansion of the Bank's financing business, reinforcing its ability to serve a growing customer base.

2) Capital and Shareholder Support

Total equity grew from RM120.4 million as at 31 December 2023 to RM143.1 million as at 31 December 2024, reflecting continued shareholder confidence and support. During the financial year, the Bank successfully raised RM92.0 million in new capital, increasing total paid-up capital to RM277.0 million. The increase in accumulated losses aligns with the net loss recorded for 2024, which was expected as part of the Bank's ongoing investment in growth and expansion.

BUSINESS REVIEW FOR CURRENT FINANCIAL YEAR AND OUTLOOK FOR NEXT FINANCIAL YEAR (CONTINUED)

3) Financial Performance and Profitability

The Bank recorded a net loss of RM69.2 million in 2024, compared to RM64.6 million in 2023. This was primarily due to significant investments in technology, infrastructure, and operational expansion, essential for building a strong and scalable digital banking ecosystem.

Despite the ongoing investment phase, the Bank experienced substantial revenue growth:

- Interest income increased to RM8.7 million (2023: RM1.9 million), primarily driven by higher deposit placements with financial institutions and returns from financial investments.
- The launch of the Small and Medium Enterprise (SME) financing product further contributed to the rise in interest income.
- Interest expense increased to RM7.0 million, reflecting the growth in customer deposits. As a result, the Bank's net interest income stood at RM1.7 million.

4) Strategic Investments for Growth

As part of the Bank's ongoing expansion and digital transformation, strategic investments were made to enhance operational capabilities, technology infrastructure, and brand positioning. These investments are essential for driving scalability, customer experience improvements, and long-term profitability.

At the same time, cost optimization efforts resulted in a notable reduction in administration and general expenses, particularly as professional fees incurred during the Bank's setup phase in 2023 normalized in 2024. This reflects a shift towards sustainable operational efficiency as the Bank continues to grow.

5) Outlook and Future Plans

As we look ahead to 2025, the Bank remains committed to its strategic vision of driving financial inclusion, enhancing customer satisfaction, and achieving sustainable growth. Building on the strong foundation established in the past year, we are focused on scaling our operations and progressing towards profitability, ultimately graduating from our foundation phase.

BUSINESS REVIEW FOR CURRENT FINANCIAL YEAR AND OUTLOOK FOR NEXT FINANCIAL YEAR (CONTINUED)

5) Outlook and Future Plans (continued)

Our key priorities for 2025 include:

- Scaling our digital lending to provide customers with accessible and tailored financial solutions.
- Expanding partnerships with fintech and ecosystem players to enhance service offerings and drive greater financial inclusion.
- Optimizing operational efficiencies and strengthening customer acquisition strategies to accelerate revenue growth and market penetration.
- Enhancing our regulatory compliance and risk management frameworks to reinforce trust, resilience, and long-term stability.

Customer satisfaction remains at the heart of our growth strategy. We are dedicated to continuously improving the customer journey by leveraging data-driven insights, enhancing user experience across digital touchpoints, and ensuring seamless service delivery. Through innovation and a customer-centric approach, we aim to build deeper relationships, increase engagement, and drive higher retention rates.

Additionally, financial inclusion continues to be a cornerstone of our mission. By leveraging technology and strategic partnerships, we are expanding access to banking services for underserved and unbanked communities, ensuring that more individuals and businesses can participate in the financial ecosystem.

While short-term losses remain a natural part of our scaling phase, we are confident that our digital-first approach, innovative financial solutions, and strong shareholder support will pave the way for long-term success. As we advance into 2025, we remain steadfast in our commitment to delivering sustainable value for our stakeholders, strengthening our market position, and accelerating our journey towards profitability.

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

DIRECTORS' REPORT (CONTINUED)

AUDITORS' REMUNERATION

The auditors' remuneration for the financial year ended 31 December 2024 was as follows:

	RM'000
Auditors' remuneration	
Statutory audit	210

This report was approved by the Board of Directors on 28 March 2025.

Signed on behalf of the Board of Directors

LAU NAI PEK
CHAIRMAN

ANTHONY SHEYANTHA ABEYKOON
DIRECTOR

Kuala Lumpur
28 March 2025

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	2024	2023
		RM'000	RM'000
ASSETS			
Cash and short-term funds	2	497,000	120,407
Deposits and placements with banks and other financial institutions	3	40,092	-
Financial investments at amortised cost	4	203,027	-
Loans, advances and financing	5	651	-
Other assets	6	54,838	24,020
Statutory deposits	7	8,000	-
Tax recoverable		524	-
Right-of-use assets	8	788	1,185
Plant and equipment	9	1,122	557
Intangible assets	10	33,412	21,142
TOTAL ASSETS		839,454	167,311
LIABILITIES AND EQUITY			
Deposits from customers	11	676,024	-
Other liabilities	12	19,436	45,404
Tax liabilities		-	403
Lease liabilities	13	869	1,138
TOTAL LIABILITIES		696,329	46,945
Share capital	14	277,000	185,000
Reserves	15	303	-
Accumulated losses		(134,178)	(64,634)
TOTAL EQUITY		143,125	120,366
TOTAL LIABILITIES AND EQUITY		839,454	167,311

The accompanying accounting policies and notes form an integral part of these financial statements.

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	01.01.2024 to 31.12.2024 RM'000	01.03.2023 to 31.12.2023 RM'000
Interest income	**16**	**8,710**	1,924
Interest expense	**17**	**(7,029)**	(3)
Net interest income		**1,681**	1,921
Fee and commission income	**18**	**46**	-
Fee and commission expense	**19**	**(510)**	-
Other operating income	**20**	**96**	-
		1,313	1,921
Other operating expenses			
Personnel costs	**21**	**(22,571)**	(10,192)
Establishment costs	**21**	**(33,130)**	(13,092)
Marketing expenses	**21**	**(4,675)**	-
Administration and general expenses	**21**	**(10,631)**	(42,809)
Operating loss		**(69,694)**	(64,172)
Allowance for expected credit loss	**23**	**(9)**	-
Loss before taxation		**(69,703)**	(64,172)
Taxation	**24**	**462**	(462)
Loss and total comprehensive loss for the financial year/period		**(69,241)**	(64,634)

The accompanying accounting policies and notes form an integral part of these financial statements.

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Share capital	Non-Distributable Regulatory reserves	Accumulated losses	Total
		RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2024		**185,000**	**-**	**(64,634)**	**120,366**
Total comprehensive loss for the financial year		**-**	**-**	**(69,241)**	**(69,241)**
Issuance of ordinary shares	**14**	**92,000**	**-**	**-**	**92,000**
Transfer to regulatory reserves	**15**	**-**	**303**	**(303)**	**-**
Balance as at 31 December 2024		**277,000**	**303**	**(134,178)**	**143,125**
At 1 March 2023 (date of incorporation)	**(a)**	-	-	-	-
Total comprehensive loss for the financial period		-	-	(64,634)	(64,634)
Issuance of ordinary shares	**14**	185,000	-	-	185,000
Balance as at 31 December 2023		185,000	-	(64,634)	120,366

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

The accompanying accounting policies and notes form an integral part of these financial statements.

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	01.01.2024 to 31.12.2024 RM'000	01.03.2023 to 31.12.2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		**(69,703)**	(64,172)
Adjustments for non-operating and non-cash items:			
Allowance for expected credit loss	23	**9**	-
Amortisation of financial investment at amortised cost		**438**	-
Depreciation of plant and equipment	21	**141**	4
Amortisation of intangible assets	21	**4,341**	44
Depreciation of right-of-use assets	21	**363**	31
Lease interest expense	17	**30**	3
Unrealised gain on foreign exchange		**(1)**	-
Operating loss before working capital changes		**(64,382)**	(64,090)
Increase in operating assets			
Deposits and placements with banks and other financial institutions		**(40,092)**	-
Loans, advances and financing		**(660)**	-
Other assets		**(30,818)**	(24,020)
Statutory deposits with Bank Negara Malaysia ("BNM")		**(8,000)**	-
		(79,570)	(24,020)
Increase/(Decrease) in operating liabilities			
Deposits from customers		**676,024**	-
Other liabilities		**(25,968)**	45,358
		650,056	45,358
Cash generated from/(used in) operations		**506,104**	(42,752)
Lease interest paid		**(33)**	-
Net tax paid		**(464)**	(59)
Net cash generated from/(used in) operating activities		**505,607**	(42,811)

The accompanying accounting policies and notes form an integral part of these financial statements.

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(CONTINUED)

	Note	01.01.2024 to 31.12.2024 RM'000	01.03.2023 to 31.12.2023 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		**(706)**	(561)
Purchase of intangible assets		**(16,611)**	(21,186)
Net purchase of financial investment at amortised cost		**(203,465)**	-
Net cash used in investing activities		**(220,782)**	(21,747)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of ordinary shares	14	**92,000**	185,000
Principal lease payments		**(232)**	(35)
Net cash generated from financing activities		**91,768**	184,965
Net increase in cash and cash equivalents		**376,593**	120,407
Cash and cash equivalents:			
- At the beginning of the financial year/period		**120,407**	-
- At the end of the financial year/period		**497,000**	120,407
Cash and cash equivalents comprise the following:			
- Cash and short-term funds		**497,000**	120,407

The accompanying accounting policies and notes form an integral part of these financial statements.

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(CONTINUED)

		Cash Changes		Non-Cash Changes			
	Balance at the beginning of the financial year/period	Net cash used in operating activities	Net cash used in financing activities	Net additions to lease liabilities	Lease remeasurement	Interest accrued	Balance at the end of the financial year/period
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
01.01.2024 to 31.12.2024							
Lease liabilities	**1,138**	**(33)**	**(232)**	**-**	**(34)**	**30**	**869**
01.03.2023 to 31.12.2023							
Lease liabilities	-	-	(35)	1,170	-	3	1,138

The accompanying accounting policies and notes form an integral part of these financial statements.

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(A) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The following accounting policies have been adopted by the Bank during the financial year and used consistently in dealing with items which are considered material in relation to the financial statements. These accounting policies have been consistently applied to the financial year presented, unless otherwise stated.

1) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Bank have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the MASB but have not been adopted by the Bank:

MFRS Accounting Standards, 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*

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*

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*

(A) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

1) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

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 year beginning on 1 January 2025 for the amendments that are effective for annual years beginning on or after 1 January 2025.
- from the annual year beginning on 1 January 2026 for the amendments that are effective for annual years beginning on or after 1 January 2026.
- from the annual year beginning on 1 January 2027 for the accounting standards that are effective for annual years beginning on or after 1 January 2027.

The initial application of the accounting standards, interpretations or amendments are not expected to have any material financial impacts to the current year and prior period financial statements of the Bank.

2) FINANCIAL ASSETS

(a) Classification

The Bank classifies the financial assets into the following measurement categories:

- those to be measured subsequently at fair value either through other comprehensive income ("OCI") or
- those to be measured at amortised cost.

The classification depends on the Bank's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

(A) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2) FINANCIAL ASSETS (CONTINUED)

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Bank commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Bank has transferred substantially all the risks and rewards of ownership of the assets.

(c) Measurement

At initial recognition, the Bank measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed off in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Bank's business model for managing the asset and the cash flow characteristics of the asset. There is one measurement category into which the Bank classify the debt instruments:

Financial investments at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in the income statement using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss, and presented under "Other Operating Income". Impairment losses are presented as a separate line in statement of comprehensive income.

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

(A) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2) FINANCIAL ASSETS (CONTINUED)

(d) Impairment

Expected credit loss ('ECL') is recognised for all financial assets, except for financial assets classified or designated as FVTPL and equity securities classified under fair value through other comprehensive income ("FVOCI"), which are not subject to impairment assessment.

There are two approaches adopted by the Bank:

(1) General approach

ECL will be assessed using an approach which classifies financial assets into three stages which reflects the change in credit quality of the financial assets since initial recognition:

(i) Stage 1:12-months ECL - not credit impaired

For credit exposures where there has not been a significant increase in credit risk since initial recognition or which has low credit risk at reporting date and that are not credit impaired upon origination, the ECL associated with the probability of default events occurring within the next 12 months will be recognised.

(ii) Stage 2: Lifetime ECL - not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit Impaired, the ECL associated with the probability of default events occurring within the lifetime ECL will be recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when 30 days past due.

SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

(A) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2) FINANCIAL ASSETS (CONTINUED)

(d) Impairment (continued)

(1) General approach (continued)

(iii) Stage 3: Lifetime ECL - credit impaired

Financial assets are assessed as credit impaired when one or more objective evidence of defaults that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL will be recognised.

Generally, all financial assets that are 90 days past due or more are classified under Stage 3. The Bank considers the following as constituting an event of default:

(i) Quantitative criteria
- The borrower is past due more than 90 days.

(ii) Qualitative criteria
- External credit rating downgraded to D.

(2) Simplified approach

The Bank applies the MFRS 9 simplified approach to measure ECL which uses a lifetime expected loss allowance for other receivable.

3) OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount is presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

(A) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment ("PPE") are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the purchase price and any costs that are directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.

(a) Cost

The cost of other property, plant and equipment comprises their purchase cost and any incidental cost of acquisition. These costs include the costs of dismantling, removal and restoration, the obligation which was incurred as a consequence of installing the asset.

Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefit associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying value of the replaced part is derecognised.

All other repairs and maintenance are recognised as expenses in profit or loss during the year in which they are incurred.

(b) Depreciation and residual value

PPE are depreciated on the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives in years, summarised as follows:

• Renovations	5 years
• Computer equipment	3 years
• Furniture and fittings	5 years
• Electric appliances and fittings	5 years
• Air conditioners	5 years
• Fire fighting equipment	5 years

Depreciation on assets under construction or capital work-in-progress commence when the assets are ready for their intended use. Depreciation on PPE ceases at the earlier of derecognition or classification as held-for-sale.

(A) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

4) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION (CONTINUED)

(b) Depreciation and residual value (continued)

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting year.

(c) Impairment

At the end of the reporting year, the Bank assesses whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying value of the asset is fully recoverable. A write down is made if the carrying value exceeds the recoverable amount. The accounting policy on impairment of non-financial assets is discussed in Section A(14).

(d) Repairs and maintenance

Repairs and maintenance are charged to the profit or loss during the year in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Bank. This cost is depreciated over the remaining useful life of the related asset.

5) INTANGIBLE ASSETS

(a) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

(A) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

5) INTANGIBLE ASSETS (CONTINUED)

(a) Computer software (continued)

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Bank are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in subsequent year.

Software under development is capitalised only after technical and commercial feasibility of the asset has been completed and able to generate future economic benefits.

Computer software development costs recognised as assets are amortised from the point at which the asset is ready for use over their estimated useful lives, which does not exceed five (5) years.

5) INTANGIBLE ASSETS (CONTINUED)

(b) Membership fee

Membership fee is initially recognised when they are separable or arose from contractual or other legal rights, and when the cost can be measured reliably and, where it is probable that future economic benefits attributable to the assets will flow from their use.

Memberships that have an indefinite useful life are tested for impairment annually. This impairment test may be performed at any time during the year, provided it is performed at the same time every year. An intangible asset recognised during the current period is tested before the end of the current financial year.

Memberships that have a finite useful life are stated at cost less accumulated amortisation and accumulated impairment losses, and are amortised over their estimated useful lives.

(c) Website

Website development costs recognised as assets are amortised from the point at which the asset is ready for use over their estimated useful lives, which does not exceed five (5) years.

6) FINANCIAL LIABILITIES

(a) Classification, recognition and measurement

The Bank classifies financial liabilities in the following categories: financial liabilities carried at FVTPL and other financial liabilities. Management determines the classification of financial liabilities at initial recognition.

The Bank does not hold any financial liabilities carried at FVTPL nor derivatives.

Other financial liabilities are initially recognised at fair value net of transaction costs and subsequently carried at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

(A) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

6) FINANCIAL LIABILITIES (CONTINUED)

(b) Derecognition

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from, the same lender on substantially different terms, or the terms of existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability, and the difference in the respective carrying amounts is recognised in profit or loss.

7) LEASES - WHERE THE COMPANY IS A LESSEE

Leases are recognised as right-of-use assets and a corresponding liability at the date on which the leased asset is available for use by the Bank (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Bank allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

(a) Right-of-use assets

Right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

Right-of-use assets are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Bank is reasonably certain to exercise a purchase option, the right-of-use assets are depreciated over the underlying asset's useful life. In addition, the right-of-use assets are adjusted for certain remeasurement of the lease liabilities.

(A) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

7) LEASES - WHERE THE COMPANY IS A LESSEE (CONTINUED)

(b) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- the exercise price of a purchase and extension options if the Bank are reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Bank exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Bank, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principals and finance costs. The finance cost is charged to profit or loss over the lease year so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

The Bank presents the lease liabilities as a separate line item in the statement of financial position. Interest expenses on lease liabilities are presented within "Interest Expense" in profit or loss.

(A) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

7) LEASES - WHERE THE COMPANY IS A LESSEE (CONTINUED)

(b) Lease liabilities (continued)

Lease liabilities shall be remeasured when:

- there is a change in future lease payments arising from changes in an index or rate.

  The Bank is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the right-of-use assets.

- there is a change in the Bank's assessment of whether it will exercise an extension option.

  In determining the lease term, the Bank considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or years after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

- there are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases are leases with a lease term of twelve (12) months or less. Payments associated with short-term leases of equipment and vehicles and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

(A) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

8) PROVISIONS

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Bank expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in a settlement, is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as "Other Operating Expenses" in profit or loss.

Provision for asset retirement refers to provisions for dismantling, removal or restoration of identified sites recorded as property, plant and equipment or right-of-use assets. Provisions are reviewed at the end of the reporting year and adjusted to property, plant and equipment or right-of-use assets or profit or loss to reflect the current best estimation. Where the time value of money is material, the amount of a provision is the present value of the future year expenditure expected to be required to settle the obligation.

9) CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Bank does not recognise a contingent liability but disclose its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Bank or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

(A) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

9) CONTINGENT LIABILITIES AND CONTINGENT ASSETS (CONTINUED)

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by one or more uncertain future events beyond the control of the Bank. The Bank does not recognise a contingent asset but disclose its existence where inflow of economic benefit is probable, but not virtually certain.

Subsequent to the initial recognition, the Bank measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provisions of MFRS 137 and the amount initially recognized less, when appropriate, cumulative amortisation recognised in accordance with MFRS 15.

10) SHARE CAPITAL

(a) Classification

Ordinary shares are classified as equity.

(b) Distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Bank, on or before the end of the reporting year but not distributed at the end of the reporting year.

Distributions to holders of an equity instrument are recognised directly in equity.

11) CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investments or other purposes. Cash and cash equivalents comprise cash on hand, deposits held with financial institutions, other short-term highly liquid investments with original maturities of three (3) months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

(A) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

12) REVENUE RECOGNITION

Interest Income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial assets after deduction of the loss allowance, if any.

13) EMPLOYEE BENEFITS

(a) Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within twelve (12) months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented within "Other Liabilities" in the statement of financial position.

(b) Defined contribution plans

The Bank's contributions to defined contribution plans are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Bank has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

(A) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

14) IMPAIRMENT OF NON-FINANCIAL ASSETS (EXCLUDING GOODWILL)

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually, and as and when events or circumstances occur indicating that an impairment may exist.

Assets with definite useful life are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell ("FVLCS") and value-in-use ("VIU"). For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Assets that suffered an impairment are reviewed for possible reversal at the end of the reporting year.

The impairment loss is charged to profit or loss. Any subsequent increase in recoverable amount is recognised in profit or loss.

15) CURRENT AND DEFERRED INCOME TAXES

Tax expense for the year comprises current and deferred income tax. The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated based on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the Bank operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

(A) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

15) CURRENT AND DEFERRED INCOME TAXES (CONTINUED)

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

16) CURRENCY CONVERSION AND TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Bank's functional and presentation currency.

SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

(A) SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

16) CURRENCY CONVERSION AND TRANSLATION (CONTINUED)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in OCI when they arose from qualifying cash flow or qualifying net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

Foreign exchange gains and losses are presented in profit or loss on a net basis within "Foreign exchange gains/(losses)".

(B) CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets within the next financial year are outlined below.

(a) Provision of income tax

Significant judgement is required in estimating the provision for income tax. There are many transactions and interpretations of tax law for which the final outcome will not be established until a later date. Liabilities for taxation are recognised based on estimates of whether additional taxes will be payable. The estimation process includes seeking advice on the tax treatment where appropriate. Where the final liability for taxation is different from the amounts that were initially recorded, the differences will affect the income tax in the year in which the estimate is revised or the final liability is established.

SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

(B) CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (CONTINUED)

(b) Recognition of deferred tax assets

Recognition of deferred tax assets required management's judgement and estimates of future taxable profits. Judgement is also required on the application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, therefore there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statement of financial position.

Deferred tax assets have not been recognised for all deductible temporary differences as the Bank has just commenced its operation in June 2024 and are still undergoing developmental stage. As such, there are uncertainty as to when the sufficient future taxable profits will be available against which the deductible temporary differences can be utilised.

(c) Impairment losses on loans, advances and financing

The measurement of impairment losses on loans, advances and financing requires judgement. In particular, the estimation of the amount and timing of future cash flows, the assessment of a significant increase in credit risk and incorporation of forward-looking information in the measurement of impairment losses. These estimates are driven by a number of factors, changes in which can result in different levels of impairment losses.

(d) Measurement of leases

The measurement of leases requires management to make certain judgements and estimations. Critical judgements required include establishing whether or not it is reasonably certain that an extension option will be exercised or termination option will not be exercised and calculating the appropriate discount rate to use.

(C) BASIS OF MEASUREMENT

The financial statements have been prepared under the historical cost basis.

1 GENERAL INFORMATION

The Bank is a limited liability bank, incorporated and domiciled in Malaysia.

The principal activities of the Bank are digital banking and the provision of related services. During the financial year, the Bank received the physical digital banking licence, which became effective on 15 January 2024. With the receipt of the licence, the Bank was officially launched on 6 June 2024.

The address of the registered office and principal place of business of the Bank is at Level 26, Axiata Tower, 9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

The ultimate holding company of the Bank is Axiata Group Berhad ("Axiata"), a company incorporated and listed on the Main Market of Bursa Securities. The immediate holding company of the Bank is Boost Holdings Sdn. Bhd. ("BHSB"), which is incorporated in Malaysia.

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 28 March 2025.

2 CASH AND SHORT-TERM FUNDS

	2024	**2023**
	RM'000	**RM'000**
Balances with other financial institutions	**136,718**	85,293
Short-term deposits and placements with banks and other financial institutions	**360,282**	35,114
	497,000	120,407

3 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	2024	**2023**
	RM'000	**RM'000**
Deposits and placements with banks	**40,092**	-

4 FINANCIAL INVESTMENTS AT AMORTISED COST

	2024	2023
	RM'000	RM'000
At amortised cost		
Money market instruments:		
Malaysian Government Securities	203,027	-

Included in financial investments at amortised cost above are financial assets amounting to RM1,000,000 (2023: Nil) pledged as Deferred Net Settlement ("DNS") collateral assets with Payment Network Malaysia ("PayNet").

5 LOANS, ADVANCES AND FINANCING

(i) By type

	2024	2023
	RM'000	RM'000
At amortised cost		
Term Loans	660	-
Less: Allowances for expected credit loss ("ECL")	(9)	-
Net loans, advances and financing	651	-

(ii) By type of customer

	2024	2023
	RM'000	RM'000
Domestic business enterprises:		
- Small and medium enterprises	660	-

(iii) By geographical distribution

	2024	2023
	RM'000	RM'000
Within Malaysia	660	-

5 LOANS, ADVANCES AND FINANCING (CONTINUED)

(iv) By interest/profit rate sensitivity

	2024 RM'000	2023 RM'000
Fixed rate		
Other fixed rate loans/financing	**660**	-

(v) By purpose

	2024 RM'000	2023 RM'000
Working capital	**660**	-

(vi) By economic sector

	2024 RM'000	2023 RM'000
Construction	**126**	-
Wholesale and retail trade and restaurant and hotel	**534**	-
	660	-

(vii) By remaining contractual maturities

	2024 RM'000	2023 RM'000
Maturing within one year	**89**	-
One year to three years	**571**	-
	660	-

5 LOANS, ADVANCES AND FINANCING (CONTINUED)

(viii) By stages

	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
2024				
Balance as at the beginning of the financial year	-	-	-	-
Addition and origination	**660**	-	-	**660**
Balance as at the end of the financial year	**660**	-	-	**660**
2023				
Balance as at 1 March 2023 (date of incorporation)	-	-	-	-
Addition and origination	-	-	-	-
Balance as at the end of the financial period	-	-	-	-

6 OTHER ASSETS

	Note	2024	2023
		RM'000	RM'000
Deposits		**214**	209
Prepayments		**25,158**	23,769
Other receivables		**3,352**	42
Amount due from related company	(a)	**26,114**	-
		54,838	24,020

6 OTHER ASSETS (CONTINUED)

(a) During the financial year, the Bank has entered into an ATIA with ADC relating to phase I transfer of commercial loans from ADC to the Bank. Included in the amount due from related company is an advance payment of RM26,000,000 to ADC and the related interest income accrual of RM113,200 and a reimbursement of operating expenses of RM1,226 which is unsecured, interest-free and repayable on demand.

Under the agreement, the loans will be transferred from ADC to the Bank on a staggered basis and all interest received or receivable from those loans between the date of advance payment and date of transfer will be paid to the Bank on a monthly basis, by the end of each month.

7 STATUTORY DEPOSITS

	2024	2023
	RM'000	RM'000
Statutory deposits with BNM	8,000	-

The non-interest bearing statutory deposits are maintained with BNM in compliance with Section 26(2)(c) of the Central Bank of Malaysia Act 2009 to satisfy the Statutory Reserve Requirement ("SRR"). The amount to be maintained is determined at the set percentage of total eligible liabilities.

8 RIGHT-OF-USE ASSETS

	Note	Property
		RM'000
2024		
Balance as at the beginning of the financial year		1,185
Remeasurement		(34)
Depreciation charge for the financial year	21	(363)
Balance as at the end of the financial year		788

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

8 RIGHT-OF-USE ASSETS (CONTINUED)

	Note	Property
		RM'000
2023		
Balance as at 1 March 2023 (date of incorporation)		-
Additions		1,216
Depreciation charge for the financial period	**21**	(31)
Balance as at the end of the financial period		1,185

The Bank leases an office floor that runs for a period of 39 months.

Extension options

The lease contract contains extension options exercisable by the Bank up to 3 years before the end of the non-cancellable contract year. The Bank assesses at lease commencement whether it is reasonably certain to exercise the options. The Bank reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

9 PLANT AND EQUIPMENT

	Note	Renovation in progress	Renovations	Computer equipment	Furniture & fittings	Electric appliances & fittings	Air conditioners	Fire fighting equipment	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024									
Cost									
Balance as at the beginning of the financial year		538	-	23	-	-	-	-	561
Additions		607	-	99	-	-	-	-	706
Reclassification		(1,145)	608	-	344	153	27	13	-
Balance as at the end of the financial year		-	608	122	344	153	27	13	1,267
Less: Accumulated depreciation									
Balance as at the beginning of the financial year		-	-	4	-	-	-	-	4
Charge for the financial year	21	-	61	27	34	15	3	1	141
Balance as at the end of the financial year		-	61	31	34	15	3	1	145
Carrying amount as at the end of the financial year		-	547	91	310	138	24	12	1,122

9 PLANT AND EQUIPMENT (CONTINUED)

	Note	Renovation in progress	Renovations	Computer equipment	Furniture & fittings	Electric appliances & fittings	Air conditioners	Fire fighting equipment	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023									
Cost									
At 1 March 2023 (date of incorporation)		-	-	-	-	-	-	-	-
Additions		538	-	23	-	-	-	-	561
Balance as at the end of the financial period		538	-	23	-	-	-	-	561
Less: Accumulated depreciation									
At 1 March 2023 (date of incorporation)		-	-	-	-	-	-	-	-
Charge for the financial period	**21**	-	-	4	-	-	-	-	4
Balance as at the end of the financial period		-	-	4	-	-	-	-	4
Carrying amount as at the end of the financial period		538	-	19	-	-	-	-	557

10 INTANGIBLE ASSETS

	Note	Computer software in development	Computer software	Website	Membership fees[1]	Total
		RM'000	RM'000	RM'000	RM'000	RM'000
2024						
Cost						
Balance as at the beginning of the financial year		19,862	1,324	-	-	21,186
Additions		5,170	7,191	-	4,250	16,611
Reclassification		(19,075)	18,935	140	-	-
Balance as at the end of the financial year		5,957	27,450	140	4,250	37,797
Less: Accumulated amortisation						
Balance as at the beginning of the financial year		-	44	-	-	44
Charge for the financial year	21	-	4,321	20	-	4,341
Balance as at the end of the financial year		-	4,365	20	-	4,385
Carrying amount as at the end of the financial year		5,957	23,085	120	4,250	33,412

[1] Membership fees have an indefinite useful life and subject to annual impairment test.

10 INTANGIBLE ASSETS (CONTINUED)

	Note	Computer software in development	Computer software	Website	Membership fees[1]	Total
		RM'000	RM'000	RM'000	RM'000	RM'000
2023						
Cost						
At 1 March 2023 (date of incorporation)		-	-	-	-	-
Additions		19,862	1,324	-	-	21,186
Balance as at the end of the financial period		19,862	1,324	-	-	21,186
Less: Accumulated amortisation						
At 1 March 2023 (date of incorporation)		-	-	-	-	-
Charge for the financial period	21	-	44	-	-	44
Balance as at the end of the financial period		-	44	-	-	44
Carrying amount as at the end of the financial period		19,862	1,280	-	-	21,142

[1] Membership fees have an indefinite useful life and subject to annual impairment test.

11 DEPOSITS FROM CUSTOMERS

	2024	2023
	RM'000	**RM'000**
(i) By type of deposits		
Savings deposits	**676,024**	-
(ii) By type of customers		
Individuals	**676,024**	-

All deposits from customers as at 31 December 2024 are non-term deposits and payable on demand.

12 OTHER LIABILITIES

	2024	2023
	RM'000	**RM'000**
Other creditors and accruals	**18,369**	36,023
Amount due to immediate holding company	**317**	-
Amounts due to related companies	**750**	9,381
	19,436	45,404

Amounts due to immediate holding company and related companies are unsecured, interest-free and repayable on demand.

13 LEASE LIABILITIES

	2024	2023
	RM'000	RM'000
Lease liabilities	**869**	1,138
Scheduled repayments of lease liabilities:		
- Within one year	**402**	250
- One year to three years	**467**	817
- More than three years	**-**	71
	869	1,138

14 SHARE CAPITAL

	2024		2023	
	Number of shares	Amount	Number of shares	Amount
	'000	RM'000	'000	RM'000
Issued and fully paid, no par value:				
Balance as at the beginning of the financial year /date of incorporation	**185,000**	**185,000**	-	-
Issue of shares during the financial year/ period	**92,000**	**92,000**	185,000	185,000
Balance as at the end of the financial year/ period	**277,000**	**277,000**	185,000	185,000

14 SHARE CAPITAL (CONTINUED)

During the financial year, the Bank increased its issued and paid-up ordinary share capital from:

(i) 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 on 16 February 2024;
(ii) 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 on 15 March 2024;
(iii) 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 on 15 April 2024;
(iv) 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 on 17 May 2024;
(v) 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 on 14 June 2024; and
(vi) 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 on 30 September 2024.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing shares of the Bank.

15 RESERVES

Regulatory reserve of RM303,317 (2023: Nil) is maintained in compliance with BNM's Financial Reporting Policy document, which requires banking institutions to maintain in aggregate, loss allowance for non-credit impaired exposures and regulatory reserve of no less than 1% of total credit exposures, net of loss allowance for credit-impaired exposures.

16 INTEREST INCOME

	01.01.2024 to 31.12.2024	01.03.2023 to 31.12.2023
	RM'000	RM'000
Deposits and placements with banks and other financial institutions	**6,203**	1,183
Financial investments at amortised cost	**1,920**	-
Loans, advances and financing	**5**	-
Others	**582**	741
	8,710	1,924

Interest income of the financial instruments above are calculated using the effective interest rate method.

17 INTEREST EXPENSE

	01.01.2024 to 31.12.2024	01.03.2023 to 31.12.2023
	RM'000	RM'000
Deposits from customers	**6,999**	-
Lease liabilities	**30**	3
	7,029	3

Interest expense of deposits from customers are calculated using the effective interest rate method.

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

18 FEE AND COMMISSION INCOME

	01.01.2024 to 31.12.2024	01.03.2023 to 31.12.2023
	RM'000	RM'000
Fee income		
- Service charges and fees	46	-

19 FEE AND COMMISSION EXPENSE

	01.01.2024 to 31.12.2024	01.03.2023 to 31.12.2023
	RM'000	RM'000
Fee expense		
- Service charges and fees	163	-
- Card related fees	347	-
	510	-

20 OTHER OPERATING INCOME

	01.01.2024 to 31.12.2024	01.03.2023 to 31.12.2023
	RM'000	RM'000
Foreign exchange gain	96	-

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

21 OTHER OPERATING EXPENSES

	Note	01.01.2024 to 31.12.2024	01.03.2023 to 31.12.2023
		RM'000	RM'000
Personnel costs			
- Salaries, bonus, wages and allowances		19,852	7,139
- Defined contribution plan		1,654	497
- Other staff related costs		1,065	2,556
		22,571	10,192
Establishment costs			
- Depreciation of right-of-use assets	8	363	31
- Depreciation of plant and equipment	9	141	4
- Amortisation of intangible assets	10	4,341	44
- Information technology expenses		26,024	13,013
- Others		2,261	-
		33,130	13,092
Marketing expenses			
- Advertisement and publicity		2,609	-
- Travelling and transportation		24	-
- Entertainment expenses		3	-
- Others		2,039	-
		4,675	-
Administration and general expenses			
- Management fees		7,072	5,165
- Communication expenses		14	-
- Auditor's remuneration	(a)	210	65
- Legal and professional fees		809	37,084
- Director related expenses		968	-
- Others		1,558	495
		10,631	42,809
Total other operating expenses		71,007	66,093

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

21 OTHER OPERATING EXPENSES (CONTINUED)

(a) Auditors' remuneration

	01.01.2024 to 31.12.2024	01.03.2023 to 31.12.2023
	RM'000	RM'000
Statutory audit	**210**	65

22 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND KEY MANAGEMENT PERSONNEL

(i) Chief Executive Officer's remuneration

	Note	Salary and other remuneration
		RM'000
01.01.2024 to 31.12.2024		
Chief Executive Officer		
Fozia Amanulla	(b)	**1,117**
01.03.2023 to 31.12.2023		
Chief Executive Officer		
Fozia Amanulla	(b)	954

22 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND KEY MANAGEMENT PERSONNEL (CONTINUED)

(ii) Directors' and key management personnel remuneration

	Note	Fees	Salary and other remuneration	Total
		RM'000	RM'000	RM'000
01.01.2024 to 31.12.2024				
Non-Executive Directors				
Lau Nai Pek		138	46	184
Rohan A/L Krishnalingam		120	37	157
Gabriele Vigo		115	41	156
Lee Tuck Heng		115	44	159
Varun Sabhlok		115	43	158
Wan Hanisah Binti Wan Ibrahim		115	39	154
Executive Directors				
Anthony Sheyantha Abeykoon		-	-	-
Ungku Norliza Syazwan Binti Ungku Halmie		-	-	-
Other key management personnel [1]	(a), (b)	-	5,692	5,692
		718	5,942	6,660

22 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND KEY MANAGEMENT PERSONNEL (CONTINUED)

(ii) Directors' and key management personnel remuneration (continued)

	Note	Fees	Salary and other remuneration	Total
		RM'000	RM'000	RM'000
01.03.2023 to 31.12.2023				
Non-Executive Directors				
Rohan A/L Krishnalingam		-	-	-
Executive Directors				
Anthony Sheyantha Abeykoon		-	-	-
Ungku Norliza Syazwan Binti Ungku Halmie		-	-	-
Other key management personnel [1]	**(a), (b)**	-	-	-
		-	-	-

[1] Other key management personnel refers to members of the Executive Committee ("EXCO") of the Bank with the headcount of 10 (2023: Nil). There is no other material risk takers identified other than the key management personnel.
There is no other key management personnel for 2023 other than directors.

22 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND KEY MANAGEMENT PERSONNEL (CONTINUED)

(a) Phantom share-based compensation plan ("Phantom LTIP")

In August 2018, the Bank's former intermediate holding company, Axiata Digital Services Sdn Bhd Board Nomination & Remuneration Committee ("ADS BNRC") and Board of Axiata Group had approved the Phantom LTIP and it was implemented in March 2019. The Phantom LTIP is granted as phantom units to eligible employees prior to their transfer to the Bank from other BHSB Group of Companies. The transfer of employees has no effect on the vesting conditions of the Phantom LTIP. This will be cash settled scheme which is settled by the original granting entity.

No provision is made for the Phantom LTIP during the financial year due to the vesting process that has not been concluded.

The total number of Phantom LTIP phantom units granted, percentage of units to be vested and the vesting period are as follows:

	Entitlement over the units				
	Grant date	**Vesting date**	**% of shares to be vested[1]**	**Number of units granted**	**Base price[2]**
Grant 1	29 Mar 2019	30 Mar 2020	25	-	**1.00**
		30 Mar 2021	25		
		30 Mar 2022	50		
Grant 2	12 Oct 2020	30 Mar 2021	25	-	**1.38**
		30 Mar 2022	25		
		30 Mar 2023	50		
Grant 3	12 Oct 2020	30 Mar 2022	25	150,000	**0.80**
		30 Mar 2023	25		
		30 Mar 2024	50		
Grant 4	28 Dec 2022	30 Mar 2023	25	-	**1.82**
		30 Mar 2024	25		
		30 Mar 2025	50		

22 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND KEY MANAGEMENT PERSONNEL (CONTINUED)

(a) Phantom share-based compensation plan ("Phantom LTIP") (continued)

[1] Eligible employees may only vest the Phantom LTIP Phantom Units over a period of four (4) years from the date of the phantom unit grant - 25% on 2nd anniversary ("First Tranche"), another 25% on 3rd anniversary ("Second Tranche") and the balance 50% on 4th anniversary ("Third Tranche"). Exception applies to Grant 1 where the phantom units has a shortened vesting period of three (3) years. The Phantom LTIP granted shall become exercisable only upon an increment in the Participating Subsidiary's share value of at least 10% per annum (on a compounded annual growth rate) for each respective tranche, based on the value of such Participating Subsidiary's shares at the date of the phantom unit grant.

[2] Refers to the base price of the Phantom LTIP determined in accordance with the terms of the phantom unit grant and the By-Laws governing the Phantom LTIP for the purpose of granting the amount of cash awards to the eligible employees.

The salient terms and conditions of Phantom LTIP are as follows:

(1) Maximum number of units available under Phantom LTIP

The maximum number of phantom units which may be granted to eligible employees of any participating subsidiary under Phantom LTIP shall not be more than seven percent (7%) of the equivalent value of the total issued and paid-up ordinary share capital of that participating subsidiary at any point of time during the duration of this plan.

In the event the amount of phantom units offered exceeds the seven percent (7%) limit as a result of the participating subsidiaries purchasing its own shares in accordance with the provisions of the Act and/or reducing its issued and paid-up ordinary share capital, all phantom units granted prior to the said variation of the issued and paid-up ordinary share capital of the participating subsidiaries shall remain valid and exercisable and may vest in accordance with the provisions of this plan as if that purchase and/or reduction had not occurred.

22 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND KEY MANAGEMENT PERSONNEL (CONTINUED)

(a) Phantom share-based compensation plan ("Phantom LTIP") (continued)

(2) Eligibility

No employee of BHSB and participating subsidiaries shall be selected to be an eligible employee to participate in the Phantom LTIP unless that person, as at the dates of the respective offers:

(i) has attained the age of eighteen (18) years;
(ii) has entered into a full-time of fixed-term contract of employment with, and is on the payroll of, BHSB or any participating subsidiary and whose service has been confirmed;
(iii) is not a non-executive or independent Director of BHSB or any participating subsidiary;
(iv) is part of the senior management of the BHSB or any participating subsidiary; and
(v) has fulfilled any other eligibility criteria determined by the BHSB Board at its absolute discretion.

Eligibility under the Phantom LTIP does not confer on any eligible employee any claim, right to participate in, or any other right whatsoever under the Phantom LTIP, and an eligible employee does not acquire or have any right over, or in connection with, any phantom unit under this Phantom LTIP unless a phantom unit grant has been made by the BHSB Board to that eligible employee and that eligible employee has accepted the phantom unit grant in accordance with the terms of the phantom unit grant and the By-Laws governing the Phantom LTIP.

(3) Phantom LTIP Phantom Unit exercise price

Each phantom unit issued by the BHSB may be issued at a base value to be determined on the following:

(i) Each phantom unit issued at the first grant date and until the forthcoming 31 December of the first grant date is based on the value of Ringgit Malaysia One (RM1.00) only; and
(ii) Each phantom units issued subsequently shall be based on the consolidated valuation of the BHSB Group companies as at 31 December of the year preceding the date of the Phantom Unit Grant.

22 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND KEY MANAGEMENT PERSONNEL (CONTINUED)

(a) Phantom share-based compensation plan ("Phantom LTIP") (continued)

(4) Duration of the Phantom LTIP

The Phantom LTIP shall be in force for a period of nine (9) years from 31st March 2019 to 30th March 2028. Thereafter, the phantom units will have no value and cannot be exercised, unless determined otherwise by the BHSB Board in its sole discretion and in accordance with the By-Laws governing the Phantom LTIP.

The movement during the financial year in the number of units under Phantom LTIP, in which the eligible employees of the Bank are entitled to, is as follows:

	At 1 January 2024	Granted	Vested	Lapsed/ Forfeited	Transfer in/(out) from BHSB Group	At 31 December 2024	Weighted average fair value at grant date
Grant 1	-	-	-	-	-	-	1.00
Grant 2	47,100	-	-	-	(47,100)	-	1.38
Grant 3	312,500	-	-	-	(162,500)	150,000	0.80
Grant 4	71,400	-	-	-	(71,400)	-	1.82
	431,000	-	-	-	(281,000)	150,000	

	At 1 March 2023	Granted	Vested	Lapsed/ Forfeited	Transfer in/(out) from BHSB Group	At 31 December 2023	Weighted average fair value at grant date
Grant 1	-	-	-	-	-	-	1.00
Grant 2	-	-	-	-	47,100	47,100	1.38
Grant 3	-	-	-	-	312,500	312,500	0.80
Grant 4	-	-	-	-	71,400	71,400	1.82
	-	-	-	-	431,000	431,000	

The fair value of the Phantom LTIP phantom units granted in which MFRS 2 applies, were assessed by using independent valuation report. The significant inputs based on the valuation report are the valuation of the BHSB Group companies.

22 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND KEY MANAGEMENT PERSONNEL (CONTINUED)

(b) New Long Term Incentive Plan ("LTIP")

A new LTIP has been implemented in 2022 that will take effect from 15 December 2022 and will be in force for up to 10 years. Grants to eligible employees shall be at the recommendation of the BHSB LTIP Committee ("LTIP Commitee") after taking into account the performance targets during performance review. The vesting of the share options granted may be subject to fulfilment of performance conditions recommended by the LTIP Committee and approved by the BHSB Board of Directors. The LTIP is granted to eligible employees prior to their transfer to the Bank from other BHSB Group of Companies. The transfer of employees has no effect on the vesting conditions of the LTIP. This will be equity settled scheme which is settled by the original granting entity.

No provision is made for the LTIP during the financial year due to the vesting process has yet to be concluded.

The salient terms and conditions of the LTIP are as follows:

(1) Maximum number of shares available under the LTIP

The total number of shares which may be available under the LTIP shall not exceed in aggregate 7% of the issued and paid-up share capital of BHSB on a fully diluted basis ("Share Capital") at any point of time during the Share Plan Period (as defined below) ("Maximum Shares").

In the event the Maximum Shares exceed the 7% limit as a result of BHSB reducing its own shares in accordance with the provisions of the Companies Act 2016 ("Act"), all Share Options granted prior to the said variation of the total number of shares shall remain valid and exercisable and may vest in accordance with the provisions of the LTIP as if that reduction had not occurred. If, after such reduction, the Maximum Shares as at the date of reduction of the shares exceeds the 7% limit, no further Share Option Offers shall be made by the company until such aggregate number of shares in respect of the Share Option Offers falls below the 7% limit (or such other lower percentage as may be determined by the LTIP Committee at its sole and absolute discretion).

22 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND KEY MANAGEMENT PERSONNEL (CONTINUED)

(b) New Long Term Incentive Plan ("LTIP") (continued)

(2) Basis of allocation and maximum allowable allocation

The aggregate number of shares comprised in the LTIP to be granted to any one (1) of the eligible employees at any time shall be at the recommendation of the LTIP Committee after taking into account the Performance Targets during the Performance Period (as defined below) and/or such other criteria as the LTIP Committee may decide in its discretion (subject always to the By-Laws and any applicable law).

However, the allocation to any one Share Option Holder who, either solely or collectively through persons connected (as defined under the relevant applicable law) with the Share Option Holder, holds 20% or more of the Share Capital, does not exceed 10 of the total number of the shares to be issued under the LTIP or any other share issuance schemes to be implemented by BHSB.

The LTIP Committee shall have sole and absolute discretion in determining whether the Share Options under the LTIP is to be offered to the eligible employees via a single grant at a time determined by the LTIP Committee or several grants where the grant of the Share Options will be staggered or made in tranches at such times determined by the LTIP Committee.

The executive directors and senior management of the BHSB Group shall not be allowed to participate in the deliberation or discussion of their respective allocation of Share Options and/or allocations of Share Options to persons connected (as defined under the relevant applicable law) with them under the LTIP.

22 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND KEY MANAGEMENT PERSONNEL (CONTINUED)

(b) New Long Term Incentive Plan ("LTIP") (continued)

(3) Eligibility

Subject to the determination of the LTIP Committee, any eligible employee who meets the following criteria as at the date of the Share Option Offer ("Share Option Offer Date") shall be eligible for consideration and selection as a Share Option Holder by the LTIP Committee if the eligible employee:

(i) is a Malaysian citizen or a foreigner employed by the BHSB Group of Companies;

(ii) is at least 18 years of age;

(iii) is neither an undischarged bankrupt nor subject to any bankruptcy proceedings;

(iv) has been employed on a full time basis or is serving in a specific designation under any employment contract with, and is on the payroll of, any company within the BHSB Group of Companies;

(v) is a confirmed in service;

(vi) remains an executive director or employee of BHSB Group of Companies and has not given any notice of resignation or received a notice of termination or has otherwise ceased or had his/her employment terminated;

(vii) is also required to be an executive director or an employee of any BHSB Group Company holding a senior position or such position as may be designated by the Board. For the avoidance of doubt, non-executive directors will not be eligible;

(viii) in the case of the executive director or employee of a corporation which is acquired by the BHSB Group during the Share Plan Period and such corporation becomes a subsidiary of BHSB upon completion of such acquisition, the executive director or employee must have completed a continuous period of employment of at least one year in the BHSB Group from the date of confirmation of employment (which for the avoidance of doubt shall exclude any probation period), following the date that such corporation becomes or is deemed to be a subsidiary of BHSB;

22 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND KEY MANAGEMENT PERSONNEL (CONTINUED)

(b) New Long Term Incentive Plan ("LTIP") (continued)

(3) Eligibility (continued)

(ix) in respect of all foreign executive directors and/or employees (i.e persons who are not Malaysian citizens) where in the opinion of the LTIP Committee the contribution of such executive director and/or employee is vital to BHSB Group, such executive director and/or employee shall be eligible to participate in the LTIP, subject to the provisions of the By-Laws, if the required approvals (if any) from the relevant authorities have been obtained by BHSB or such executive director or employee (as the case may be), and such executive director and/or employee is, on the Share Option Offer Date, under a subsisting employment contract and has served for at least a period of one year from the date of confirmation of employment (which for the avoidance of doubt shall exclude any probation period) prior to the Share Option Offer Date; and

(x) falls within any other eligibility criteria as may be determined by the LTIP Committee.

The selectión of any eligible employee as a Share Option Holder shall be made by the LTIP Committee, whose decision shall be final, binding and conclusive. The LTIP Committee may determine any other eligibility criterion or waive any eligibility criterion, for the purposes of selecting an Eligible Employee at any time and from time to time.

Eligibility under the LTIP does not confer on any eligible employee any claim, right to participate in, or any other right whatsoever under the LTIP.

(4) Duration and termination of the LTIP

The LTIP will take effect from 15 December 2022 ("Effective Date") and shall continue to be in force for a maximum period of 10 years commencing from the Effective Date ("Share Plan Period"). The LTIP may be extended for a further period from the expiry of the first 10 years at the discretion of the Board upon the recommendation of the LTIP Committee.

22 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND KEY MANAGEMENT PERSONNEL (CONTINUED)

(b) New Long Term Incentive Plan ("LTIP") (continued)

(4) Duration and termination of the LTIP (continued)

BHSB may terminate the LTIP at any time during the Share Plan Period as the company deems appropriate.

On expiry of the LTIP, any unvested Share Options which have yet to be vested (fully or partially) or vested but remained unexercised or partially exercised, shall be deemed to have been cancelled and be null and void and of no further force and effect.

(5) Vesting

The vesting of the Share Options may be subject to the fulfilment by the BHSB Group of Companies and/or the Share Option Holder (as the case may be) of the performance conditions recommended by the LTIP Committee and approved by the Board and such other conditions as may be determined by the LTIP Committee at its sole and absolute discretion ("Performance Targets") during the period in which the Performance Targets are required to be achieved ("Performance Period") and/or such other conditions, as may be determined by the LTIP Committee. Such Performance Targets and/or other conditions will be stipulated in the Share Option Offers to the selected eligible employees.

The LTIP Committee may, by giving notice in writing to the Share Option Holders, vary or waive the terms of any Performance Targets, Performance Period or other conditions or include additional conditions, as will be used to determine the number of Share Options to be vested on such Share Option Holders on any date in which the Share Options shall be vested in favour of the Share Option Holder ("Share Option Vesting Date").

Details of the Share Options granted are as below:

Grant date	Exercise price	At 1 January 2024	Granted	Lapsed/ Forfeited	Transfer in/(out) from BHSB Group	At 31 December 2024
1 Jun 2023 [(1)]	8.13	-	709,000	-	-	709,000

[(1)] The grant award process was completed during the financial year ended 31 December 2024.

23 ALLOWANCE FOR EXPECTED CREDIT LOSS

	Stage 1: 12-month ECL					
	01.01.2024 to 31.12.2024			01.03.2023 to 31.12.2023		
	Opening balance	Allowance during the year	Ending Balance	Opening balance	Allowance during the period	Ending Balance
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	-	9	9	-	-	-
	-	9	9	-	-	-

24 TAXATION

	01.01.2024 to 31.12.2024	01.03.2023 to 31.12.2023
	RM'000	RM'000
Current taxation:		
- Financial year	-	462
- Overprovision in prior period	**(462)**	-
	(462)	462

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

24 TAXATION (CONTINUED)

The numerical reconciliation between the tax expense and the product of accounting loss multiplied by the Malaysian tax rate is as follows:

	01.01.2024 to 31.12.2024 RM'000	**01.03.2023 to 31.12.2023 RM'000**
Loss before taxation	**(69,703)**	(64,172)
Tax calculated at the Malaysian tax rate of 24%	**(16,729)**	(15,401)
Tax effects in respect of:		
- Deductible temporary differences not recognised	**16,157**	5,487*
- Expenses not deductible for tax purposes	**572**	10,376*
- Overprovision of current taxation in prior period	**(462)**	-
Taxation	**(462)**	462

* The Ministry of Finance ("MOF"), in its letter dated 30 May 2024, confirmed that the effective date for the commencement of digital banking business was 8 April 2022, the date on which BNM granted approval to all successful applicants for the digital bank licenses.

As a result, the pre-operational business expenditure incurred during the financial period of 2023 became deductible for tax purposes and resulted in temporary differences. Consequently, the comparative figures have been restated to reflect the revised temporary differences of the Bank.

24 TAXATION (CONTINUED)

Deferred tax assets and liabilities are attributable to the following:

	Tax assets		Tax liabilities		Net	
	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Plant and equipment and intangible assets	-	-	**(12,164)**	(356)	**(12,164)**	(356)
Other temporary differences	**5,428**	1,635	-	-	**5,428**	1,635
Unutilised tax losses	**80,173**	21,046	-	-	**80,173**	21,046
Unabsorbed capital allowances	**16,749**	539	-	-	**16,749**	539
Tax assets /(liabilities)	**102,350**	23,220	**(12,164)**	(356)	**90,186**	22,864
Offsetting	**(12,164)**	(356)	**12,164**	356	-	-
Net tax assets	**90,186**	22,864	-	-	**90,186**	22,864

Deferred tax assets have not been recognised as the Bank has just commenced its operation in June 2024 and are still undergoing developmental stage. As such, there are uncertainty as to when the sufficient future taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are offset above as there is legally enforceable right to set off current tax assets against current tax liabilities and when deferred taxes relates to the same tax authority.

The tax losses are available for set off against future taxable profit of the Bank with the remaining period up to the tax expiry as below:

	2024	2023
	RM'000	RM'000
Expiring in the financial year ending:		
- 2033	**21,046**	21,046
- 2034	**59,127**	-
	80,173	21,046

The unabsorbed capital allowances do not expire under current tax legislation.

25 SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Related parties and relationships

The related parties of, and their relationship with the Bank 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 Group of Companies ("RHB")	Entities with significant influence
Key management personnel	The key management personnel of the Bank represents - all Directors of the Bank; and - Members of the Executive Committee ('EXCO')
Related parties of key management personnel (deemed as related to the Bank)	(i) Close family members and dependents of key management personnel; and (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.

(b) Significant related party balances and transactions

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

25 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(b) Significant related party balances and transactions (continued)

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

	Immediate holding company	Related companies	Entities with significant influence	Key management personnel
	RM'000	RM'000	RM'000	RM'000
01.01.2024 to 31.12.2024				
Income				
Interest income	**-**	**113**	**1,088**	**-**
Expenses				
Interest expense	-	-	-	**14**
Secondment arrangement	-	-	**1,855**	-
Contracts entered on behalf prior to incorporation, charged under the Shareholders Agreement	**(33)**	**13**	-	-
Outsourced services	**7,072**	-	-	-
Resource augmentation	-	**243**	-	-
Engagement of services	-	**1,898**	**678**	-
Marketing collaboration	-	**200**	-	-
	7,039	**2,354**	**2,533**	**14**
01.03.2023 to 31.12.2023				
Income				
Interest income	-	-	1,779	-
	-	-	1,779	-

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

25 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(b) Significant related party balances and transactions (continued)

	Immediate holding company	Related companies	Entities with significant influence	Key management personnel
01.03.2023 to 31.12.2023 (continued)	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Expenses				
Secondment arrangement	-	-	1,812	-
Contracts entered on behalf prior to incorporation, charged under the Shareholders Agreement	14,211	17,241	-	-
Outsourced services	5,165	-	-	-
Resource augmentation	-	444	-	-
	19,376	17,685	1,812	-

All intercompany charges are transactions made with related parties in Malaysia only.

	Immediate holding company	Related companies	Entities with significant influence	Key management personnel
	RM'000	**RM'000**	**RM'000**	**RM'000**
2024				
Amounts due from				
Cash and short-term funds	**-**	**-**	**93,396**	**-**
Other assets	**-**	**26,114**	**-**	**-**
	-	**26,114**	**93,396**	**-**
Amounts due to				
Deposits from customers	**-**	**-**	**-**	**1,784**
Other liabilities	**317**	**2,677**	**3,064**	**-**
	317	**2,677**	**3,064**	**1,784**

25 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(b) Significant related party balances and transactions (continued)

	Immediate holding company	Related companies	Entities with significant influence	Key management personnel
	RM'000	RM'000	RM'000	RM'000
2023				
Amounts due from				
Cash and short-term funds	-	-	85,293	-
Amounts due to				
Other liabilities	5,361	9,825	1,812	-

All intercompany transactions are made with related parties in Malaysia only.

26 CREDIT EXPOSURE ARISING FROM TRANSACTIONS WITH CONNECTED PARTIES

The credit exposures of the Bank to connected parties, as defined by BNM's Guidelines on Credit Transactions and Exposures with Connected Parties, are as follows:

	2024	2023
	RM'000	RM'000
Outstanding credit exposures with connected parties	26,114	-
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	3.25%	-

There is currently no exposures to connected parties which are classified as impaired.

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

27 CAPITAL COMMITMENTS

		2024	**2023**
		RM'000	**RM'000**
Authorised and contracted for:			
- Plant and equipment		**-**	538
- Intangible assets and others	**(a)**	**51,048**	4,164
		51,048	4,702

(a) Included in intangible assets and others is an amount of RM45,000,000 representing total consideration for the ATA entered between the Bank and ADC in relation to the transfer of the loan technology platform and commercial loans from ADC to the Bank. As of 31 December 2024, the transfer has yet to be completed as disclosed in Note 30 to the financial statements.

28 FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Objectives and Policies

The Bank is inherently exposed to a range of risk types such as credit, operational, market, liquidity, legal, reputational, strategy, technology and cyber within its day to day operation as well as other forms of risk inherent to its strategy, product range (including technology products) and customer segments. These risks are managed through a process of on-going identification, measurement and monitoring, subject to limits and other controls.

Effective risk management forms a key foundational pillar for the Bank to drive sustainable growth and shareholders' value, while maintaining competitive advantage.

To manage the risks identified above, the Bank has developed and implemented our own Enterprise Risk Management Framework.

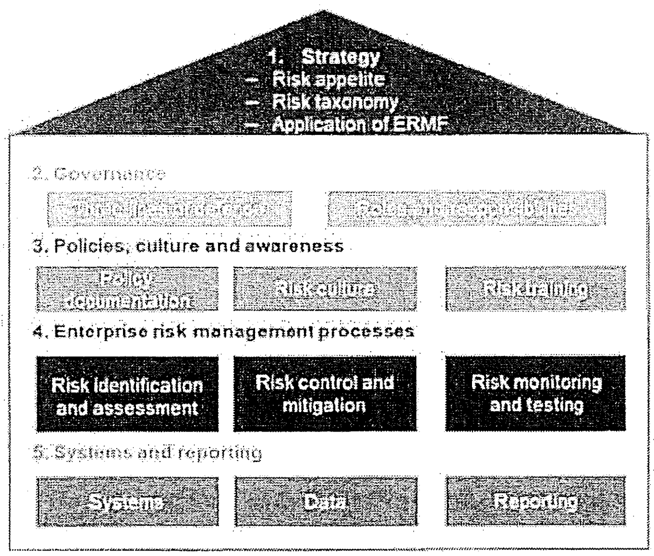
28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

The Bank's Enterprise Risk Management Framework governs the management of risks in the Bank, as follows:

1. It defines the guiding risk principles that are essential to the Bank's philosophy, culture, and values with respect to risk management.
2. It describes the governance structure established at the Bank to provide Board and management oversight of the Bank's risk profile and risk management function.
3. It develops risk categories and definitions to establish a common language for risk management discussions.
4. It establishes an integrated risk assessment methodology to assist the Bank in identifying, assessing, quantifying, reporting, and treating the key risks.

The high-level Bank's Enterprise Risk Management Framework is represented in the following diagram:



28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

Key features of the framework are:

Risk strategy
a) Risk strategy is aimed at driving changes at all risk management functions, and coordinating the alignment of associated elements (e.g., risk appetite, taxonomy, culture) across the Bank.
b) The strategy enables the achievements of the Bank's business plans and other strategic objectives whilst maintaining strong controls and sound business practices across the Bank.

Risk governance
a) The Bank's risk management structure has been designed to enable the implementation of the Bank's risk mandate and to ensure accountability regarding risk management. This will be undertaken through the articulation of clear risk management responsibilities.
b) Risk management initiatives in the Bank shall be driven by the Risk function. Management Risk & Compliance Committee (MRCC) at Management level and Board Level provides review and oversight for the overall risk management of the Bank.

Policies, culture and awareness
a) Risk culture is to be present through the Bank's overall governance process, including all aspects of accountabilities of the business operations via strong risk management, i.e. risk ownership and desired risk management behaviours. Setting the right tone and enabling a strong risk culture requires a top-down involvement from Board level to the front liners.
b) Enabling strong bank-wide risk management relies on underlying policies and rules that ensure compliance with risk requirements and proper coverage of all possible risk types. Robust training programs are also a key component within consideration to identify key competencies and training needs to enable employees to fulfil their risk management responsibilities.

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

Risk management process
The management of risk across the Bank encompasses risk identification, risk assessment, risk control and mitigation, as well as risk monitoring and testing. This process is embedded through various risk policies and frameworks, and strongly supports the Bank's risk appetite framework.

System and reporting
The Bank has organised its resources and talents into specific functions, and invested in the technology, including data management to support the Bank's risk management activities.

Major Areas of Risk

1) Credit risk

Credit risk is the risk arising from the uncertainty of an obligor's ability to repay its contractual obligations in accordance to the agreed terms. It stems primarily from the Bank's lending, placement and investment activities from both on-and-off balance sheet transactions.

Credit risk may be caused by systemic or idiosyncratic events. A movement in the market may directly or indirectly cause a change in the credit risk profile of the Bank. For example, an increase in the interest rate may cause a heightened credit risk as it impacts the cost of borrowing to the Bank's existing and new customers. Further, specific scenarios such as a pandemic, akin to COVID-19 may also cause a systemic or industry specific impact to the Bank's credit risk profile.

2) Market risk

Market risk is the risk of losses arising from adverse movements in market drivers, such as interest rates, equity prices, currency exchange rates and commodity prices. The Bank is exposed to market risk from its investment activities. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return on risk.

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

<u>Major Areas of Risk (continued)</u>

2) Market risk (continued)

Interest rate risk in the Banking Book (IRRBB) consists of exposure to interest rate risk of non-traded portfolios i.e. the risk of the Bank's earnings and economic value of equity due to the adverse movements in interest rate. The risk may arise from the mismatches in the timing of the re-pricing of assets and liabilities in the Banking book, changes in slope and shape of the yield curve, basis risk and optionality risk.

Earnings-at-Risk ("EaR") and Economic Value of Equity ("EVE") are used to assess the IRRBB, computed based on the re-pricing gap profile of the Banking book in accordance to BNM reporting requirement. Assets and liabilities are bucketed based on their remaining maturity or next re-price dates.

EVE measures the impact of interest rate changes on the value of net cash flows over the total capital of the Bank. Monthly EaR and EVE are measured, controlled and monitored against risk limits set.

3) Liquidity risk

Liquidity risk is the risk of being unable to maintain sufficient liquid assets to meet its financial commitments and obligations when they fall due and transact at a reasonable cost. Liquidity risk also arises from the inability to manage unplanned decreases or changes in funding sources.

The Bank monitors its liquidity risk using cash flow forecasting. Management monitors daily cash runway forecasts of the Bank's liquidity requirements to make sure it has sufficient cash to meet operational needs. The Bank's objective is to maintain a balance between continuity of funding and flexibility through the use of external funding sources. The Bank's approach to managing liquidity risk is to ensure, that it always has enough liquid resources to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's position. The Bank applies internal liquidity metrics to ensure the Bank maintains prudent levels of liquid resources at all times to meet both regulatory requirements and the internal liquidity risk appetite.

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

Major Areas of Risk (continued)

4) Operational risk

The risk of loss resulting from inadequate or failed internal processes, people, systems and/or external events, which also includes IT, legal and compliance risk but excludes strategic and reputational risk.

5) Technology and cyber risk

As a Digital Bank, the Bank is inherently exposed to technology and cyber risk as technology platform serves as the main channel for the Bank to service customers. Technology risk refers to the risk associated with the use, ownership, operation, involvement, influence and adoption of Information Technology ("IT") within an enterprise while cyber risk refers to threats or vulnerabilities emanating from the connectivity of internal infrastructure to external networks such as the Internet.

6) Concentration risk

Concentration risk is monitored and managed by observing strict internal Single Counterparty Exposure Limit ("SCEL") and other internal limits. Monitoring on concentration for industry type, geographical location, demographics and company type are also applied to ensure a balanced portfolio with sufficient mitigated level of risks.

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

To mitigate the various business risks of the Bank, the following has been put in place:

Credit risk

- The Bank has developed and implemented a Board approved credit policy which supports the development of a strong credit risk management. The policy serves as a guidance to inculcate the right culture and mindset in building a healthy portfolio with well considered credit risk and mitigated risk exposures.

- The approved policy has taken into consideration best industry practices and relevant regulatory requirements whilst calibrated to fit the nature of the Bank's business operations.

- Credit Management Committee ("CMC") is the main committee responsible for ensuring adherence to the Board approved credit risk appetite as well as the effectiveness of credit risk management. CMC is the senior management committee empowered to approve or reject and recommend all relevant lending up to the defined threshold limits. Any Connected Party or lending that breaches the threshold limit shall be approved by the Board or the Board relevant committees.

- The Bank also ensures that the implementation of internal credit processes and underwriting standards are appropriately executed prior to approving any loans. Any lending exposures are to be evaluated by the business units prior to further independent assessment by Credit Operations team and subsequent escalation for approval. Loans that are beyond the authority limits of the Single approvers will be escalated to the relevant committees for approval.

- The Bank practices a credit portfolio management process where accounts are reviewed on periodical basis at different level of depths, depending on the level of riskiness. Any early warning signal will be picked up and escalated to Collection team for further actions.

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

Market risk

- The Asset and Liability Committee ("ALCO") plays a fundamental role in the asset and liability management of the Bank, and establishes strategies to assist in controlling and reducing any potential exposures to market risk.

- The market risk management process involves establishing market risk monitoring metrics and regular monitoring against market risk limits. These processes are subject to regular reviews to ensure that they remain relevant in the context of prevailing market conditions.

- Observed changes in monetary policy and their impact on market dynamics.

- Developed Strategies i.e. Business, Product and Treasury Investment Portfolio to ensure its objectives are aligned to the Bank's risk appetite.

Liquidity risk

- The Asset and Liability Committee ("ALCO") plays a fundamental role in the asset and liability management of the Bank, and establishes strategies to assist in controlling and reducing any potential exposures to liquidity risk.

- The liquidity risk management process involves establishing liquidity risk monitoring metrics, regular monitoring against liquidity risk limits, regular funding projections applying various stress factors, and establishing contingency funding plans. These processes are subject to regular reviews to ensure that they remain relevant in the context of prevailing market conditions.

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

Liquidity risk (continued)

- Minimum liquid assets buffer, capping on large depositor concentration and sufficient long term funding are available to meet obligations and to ensure adequate cover for withdrawals arising from unexpected levels of demand.

- Observed liquidity risk exposures against predefined risk limits, including Liquidity Crisis Triggers ("LCTs"), Management Action Triggers ("MAT") and Risk Appetite ("RA") thresholds.

- The Bank have established Contingency Funding Plan Policy and performed periodic liquidity crisis simulation exercise to assess awareness and alertness of relevant units who are responsible to monitor and escalate liquidity issues.

Operational risk

- The Operational Risk Management function is responsible for the development of group-wide operational risk policies, framework and methodologies, and providing guidance and information to the business units on operational risk matters. The respective business units are primarily responsible for managing operational risk on a day-to-day basis. Some of the operational risk tools used include Risk and Control Self-Assessment, Key Risk Indicators, Key Control Testing, Incident Management and Loss Data Collection and Operational Risk Scenario Analysis.

- The Bank have Business Continuity Management ('BCM') programme for the major critical business operations and activities at the Head Office. The BCM programme is subject to regular testing to validate adequacy and preparedness of all resources to support critical and essential services in the event of disruption. There are ongoing continuous improvement initiatives to build operational resilience to ensure sustainability of critical services.

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

Operational risk (continued)

- There is continuous refinement of existing policies, procedures and internal control measures; and regular internal review, compliance monitoring, and audits are performed to prevent and/or minimise unexpected losses.

- The Bank outsourced certain functions cost and operational efficiency. Policy and guidelines are put in place to ensure that the risks arising from outsourcing activities are adequately identified, assessed and managed prior to entering into any new arrangements and on an on-going basis.

- Regular operational risk reporting is made to senior management, relevant committees and Board to facilitate the identification of adverse operational lapses, taking of prompt corrective actions, and ensuring appropriate risk mitigations are implemented.

- Management Risk and Compliance Committee ("MRCC") is the main committee to monitor, review and manage risk exposures, risk mitigation plans and controls for all identified risks for the Bank encompassing financial and non-financial risks including operational, compliance, legal, regulatory, reputational, information technology, cybersecurity and anti-money laundering and counter financing of terrorism ("AML/CFT") risks. MRCC also provide oversight in the setting of the risk appetite/tolerance for the Bank.

Technology and cyber risk

- The Technology Risk Management function is responsible for the establishment of technology risk management framework, policy and guideline as well as, providing guidance and consultation to the business and functional units on technology and cyber risk areas.

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

Technology and cyber risk (continued)

- There is continuous enhancement of existing policies, procedures and internal control measures in line with regulatory requirements; with regular independent assessment on areas pertaining to technology and cyber risks to prevent and/or minimise unexpected losses.

- Development of policies and mitigating controls are made reference to industry standards such as ISO/IEC: 27001:2013, COBIT 5 and the NIST Cyber Security Framework.

- Regular technology and cyber risk reporting is made to senior management, relevant senior management and board committees to facilitate a risk informed decision by proactively identifying emerging technology and cyber threats, assessment on the effectiveness of the controls implemented and the recommendation of new appropriate controls.

- Subscription to threat intelligence service providers for the latest cyber threats incidence, threat actors, exploit techniques and modus operandi in compromising an organisation.

- Continuous education and awareness on technology and cyber risks to Board, business and functional units, new recruits and third party service providers via Computer Based Training, classroom training and regular email broadcast communication.

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Financial instruments by category

	At amortised cost
	RM'000
2024	
Financial assets	
Cash and short-term funds	**497,000**
Deposits and placements with banks and other financial institutions	**40,092**
Financial investments at amortised cost	**203,027**
Loans, advances and financing	**651**
Statutory deposits	**8,000**
Other financial assets	**29,680**
	778,450
Financial liabilities	
Deposits from customers	**676,024**
Other liabilities	**19,436**
	695,460
2023	
Financial assets	
Cash and short-term funds	120,407
Other financial assets	251
	120,658
Financial liabilities	
Other liabilities	45,404

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Net gains and losses arising from financial instruments

	01.01.2024 to 31.12.2024 RM'000	01.03.2023 to 31.12.2023 RM'000
Net gain/(loss) arising on:		
Financial assets at amortised costs		
Deposits and placements with banks and other financial institutions	**6,203**	1,183
Financial investments at amortised cost	**1,920**	-
Loans, advances and financing	**5**	-
Other financial assets	**582**	741
	8,710	1,924
Financial liabilities at amortised costs		
Deposits from customers	**(6,999)**	-
	1,711	1,924

(d) Credit risk

The Bank measures Expected Credit Losses ("ECL") by considering past, current and forecast information as per required by Malaysian Financial Reporting Standard 9 ("MFRS9"). However, due to data limitations, proxy data has been leveraged on for the purpose of estimating the ECL. The Bank has considered the proxy data as a base empirical information and subsequently exercised expert judgement to derive a final estimate. Further, forward looking adjustments is applied by considering macroeconomic factors overlay based on statistical methodologies.

Key macroeconomic variables incorporated within the ECL estimate includes Gross Domestic Product ("GDP"), USD MYR rate and Inflation rate. Methodology and assumptions including forecasts of macroeconomic factors are monitored and reviewed regularly.

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (continued)

The following table presents the Bank's credit risk exposure and the corresponding ECL allowances.

	2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and short-term funds				
Gross amount	497,000	-	-	497,000
Allowance for ECL	-	-	-	-
Carrying amount	497,000	-	-	497,000
Deposits and placements with banks and other financial institutions				
Gross amount	40,092	-	-	40,092
Allowance for ECL	-	-	-	-
Carrying amount	40,092	-	-	40,092
Financial investments at amortised cost				
Gross amount	203,027	-	-	203,027
Allowance for ECL	-	-	-	-
Carrying amount	203,027	-	-	203,027
Loans, advances and financing				
Gross amount	660	-	-	660
Allowance for ECL	(9)	-	-	(9)
Carrying amount	651	-	-	651

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (continued)

	2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Other financial assets				
Gross amount	**29,680**	-	-	**29,680**
Allowance for ECL	-	-	-	-
Carrying amount	**29,680**	-	-	**29,680**
Statutory deposits with BNM				
Gross amount	**8,000**	-	-	**8,000**
Allowance for ECL	-	-	-	-
Carrying amount	**8,000**	-	-	**8,000**

	2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and short-term funds				
Gross amount	120,407	-	-	120,407
Allowance for ECL	-	-	-	-
Carrying amount	120,407	-	-	120,407
Deposits and placements with banks and other financial institutions				
Gross amount	-	-	-	-
Allowance for ECL	-	-	-	-
Carrying amount	-	-	-	-
Financial investments at amortised cost				
Gross amount	-	-	-	-
Allowance for ECL	-	-	-	-
Carrying amount	-	-	-	-

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (continued)

	2023			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Loans, advances and financing				
Gross amount	-	-	-	-
Allowance for ECL	-	-	-	-
Carrying amount	-	-	-	-
Other financial assets				
Gross amount	251	-	-	251
Allowance for ECL	-	-	-	-
Carrying amount	251	-	-	251
Statutory deposits with BNM				
Gross amount	-	-	-	-
Allowance for ECL	-	-	-	-
Carrying amount	-	-	-	-

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Liquidity risk

Liquidity risk is the risk that the Bank will not be able to meet its financial obligations as they fall due. In the management of liquidity risk, the Bank monitors and maintains a level of current assets deemed adequate by the management to finance the Bank's operations and where required, mitigate the effects of fluctuation in cash flows.

The table below analyses the carrying amount of assets and liabilities (includes non-financial instruments) based on the remaining contractual maturity:

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Liquidity risk (continued)

2024	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
ASSETS								
Cash and short-term funds	210,062	85,087	65,133	-	-	-	136,718	497,000
Deposits and placements with banks and other financial institutions	-	-	-	40,092	-	-	-	40,092
Financial investments at amortised cost	-	-	91,163	-	111,864	-	-	203,027
Loans, advances and financing	-	-	-	-	87	564	-	651
Other assets	-	-	26,113	-	-	-	28,725	54,838
Statutory deposits	-	-	-	-	-	-	8,000	8,000
Tax recoverable	-	-	-	-	-	-	524	524
Right-of-use assets	-	-	-	-	-	-	788	788
Plant and equipment	-	-	-	-	-	-	1,122	1,122
Intangible assets	-	-	-	-	-	-	33,412	33,412
TOTAL ASSETS	210,062	85,087	182,409	40,092	111,951	564	209,289	839,454

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Liquidity risk (continued)

	Up to 1 week	1 week to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	No specific maturity	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
LIABILITIES								
Deposits from customers	-	-	-	-	-	-	676,024	676,024
Other liabilities	-	1,442	-	-	-	-	17,994	19,436
Tax liabilities	-	-	-	-	-	-	-	-
Lease liabilities	-	-	100	100	202	467	-	869
TOTAL LIABILITIES	-	1,442	100	100	202	467	694,018	696,329
Total equity	-	-	-	-	-	-	143,125	143,125
TOTAL LIABILITIES AND EQUITY	-	1,442	100	100	202	467	837,143	839,454

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Liquidity risk (continued)

2023	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
ASSETS								
Cash and short-term funds	-	-	35,114	-	-	-	85,293	120,407
Other assets	-	-	-	-	-	-	24,020	24,020
Right-of-use assets	-	-	-	-	-	-	1,185	1,185
Plant and equipment	-	-	-	-	-	-	557	557
Intangible assets	-	-	-	-	-	-	21,142	21,142
TOTAL ASSETS	-	-	35,114	-	-	-	132,197	167,311

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Liquidity risk (continued)

2023	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
LIABILITIES								
Other liabilities	-	4,915	-	-	-	-	40,489	45,404
Tax liabilities	-	58	117	117	111	-	-	403
Lease liabilities	-	-	-	54	196	888	-	1,138
TOTAL LIABILITIES	-	4,973	117	171	307	888	40,489	46,945
Total equity	-	-	-	-	-	-	120,366	120,366
TOTAL LIABILITIES AND EQUITY	-	4,973	117	171	307	888	160,855	167,311

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Liquidity risk (continued)

The following table presents the cash outflows for the Bank's financial liabilities by remaining contractual maturities on an undiscounted basis. The balances in the table below will not agree to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments:

2024	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
LIABILITIES								
Deposits from customers	-	-	-	-	-	-	676,024	676,024
Other financial liabilities	-	1,442	-	-	-	-	17,994	19,436
Lease liabilities	-	-	105	106	211	475	-	897
TOTAL FINANCIAL LIABILITIES	-	1,442	105	106	211	475	694,018	696,357

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Liquidity risk (continued)

	Up to 1 week	1 week to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	Over 1 year	No specific maturity	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023								
LIABILITIES								
Other financial liabilities	-	4,915	-	-	-	-	40,489	45,404
Lease liabilities	-	-	35	52	211	898	-	1,196
TOTAL FINANCIAL LIABILITIES	-	4,915	35	52	211	898	40,489	46,600

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Market Risk

Interest rate risk is the risk that the value of the Bank's financial assets and financial liabilities changes because of changes in interest rates. Interest rate risk will arise when these assets and liabilities mature or reprice at different times or in differing amounts, or when market conditions dictate the extent of repricing possible. Considering that the Bank does not have external borrowings and the other financial assets and liabilities are those with fixed interest rates predominantly to be settled within a period of 3 months, interest rate risk is considered to be insignificant.

The following table indicates the effective interest rate at the reporting dates and periods in which the financial instruments reprice or mature, whichever is earlier.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Market Risk (continued)

2024	Up to 1 month RM'000	1 to 3 months RM'000	3 to 12 months RM'000	1 to 5 years RM'000	No specific maturity RM'000	Non-interest sensitive RM'000	Total RM'000	Effective interest rate %
ASSETS								
Cash and short-term funds	295,149	65,133	-	-	3,359	133,359	497,000	3.24%
Deposits and placements with banks and other financial institutions	-	-	40,092	-	-	-	40,092	3.90%
Financial investments at amortised cost	-	91,163	111,864	-	-	-	203,027	3.18%
Loans, advances and financing	-	-	87	564	-	-	651	37.28%
Other assets#	-	26,113	-	-	-	3,567	29,680	5.22%
Statutory deposits	-	-	-	-	-	8,000	8,000	-
TOTAL FINANCIAL ASSETS	295,149	182,409	152,043	564	3,359	144,926	778,450	

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Market Risk (continued)

	Up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	No specific maturity	Non-interest sensitive	Total	Effective interest rate
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
LIABILITIES								
Deposits from customers	-	-	-	-	676,024	-	676,024	3.39%
Other liabilities	-	-	-	-	-	19,436	19,436	-
Lease liabilities	-	100	302	467	-	-	869	2.89%
TOTAL FINANCIAL LIABILITIES	-	100	302	467	676,024	19,436	696,329	

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Market Risk (continued)

2023	Up to 1 month RM'000	1 to 3 months RM'000	3 to 12 months RM'000	1 to 5 years RM'000	No specific maturity RM'000	Non-interest sensitive RM'000	Total RM'000	Effective interest rate %
ASSETS								
Cash and short-term funds	-	35,114	-	-	85,293	-	120,407	3.78%
Other assets#	-	-	-	-	-	251	251	-
TOTAL FINANCIAL ASSETS	-	35,114	-	-	85,293	251	120,658	
LIABILITIES								
Other liabilities	-	-	-	-	-	45,404	45,404	-
Lease liabilities	-	-	250	888	-	-	1,138	2.89%
TOTAL FINANCIAL LIABILITIES	-	-	250	888	-	45,404	46,542	

Excluded prepayments

28 FINANCIAL RISK MANAGEMENT (CONTINUED)

(g) Fair value estimation

The fair value of financial instruments approximates their carrying value due to the relatively short-term nature of the financial instruments.

29 CAPITAL ADEQUACY RATIO

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:

	2024
	RM'000
Common Equity Tier I ('CET I') / Tier I Capital	
Share capital	**277,000**
Accumulated losses	**(134,178)**
	142,822
Less: Intangible assets	**(33,412)**
Total CET I Capital and Total Tier I Capital	**109,410**
Capital ratios	
Before/After proposed dividends:	
CET I Capital Ratio	**68.200%**
Tier I Capital Ratio	**68.200%**
Total Capital Ratio	**68.200%**

29 CAPITAL ADEQUACY RATIO (CONTINUED)

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

	2024
	RM'000
Credit risk	**157,964**
Market risk	**-**
Operational risk	**2,462**
Total risk-weighted assets	**160,426**

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).

	2024
	RM'000
Credit risk-weighted assets breakdown:	
- Subject to 20% risk weight	**67,750**
- Subject to 50% risk weight	**32,569**
- Subject to 75% risk weight	**373**
- Subject to 100% risk weight	**57,272**
	157,964

There are no comparatives for the financial year ended 31 December 2024 as the Bank only commenced operations as a digital bank in June 2024.

30 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 8 January 2024, BNM notified RHB and BHSB that it was satisfied with the outcome of the Bank's operational readiness review. The Bank received the physical digital banking licence, which became effective on 15 January 2024. With the receipt of this licence, the Bank officially launched its banking services on 6 June 2024.

On 22 November 2024, the Bank has entered into an ATA with ADC relating to the transfer of loan technology platform and commercial loans from ADC to the Bank. As of 31 December 2024, the transfer of the loan technology platform and commercial loans has yet to be completed, and the consideration to be paid is disclosed as part of capital commitments in Note 27 to the financial statements.

On 23 December 2024, the Bank has entered into an ATIA with ADC and made an advance payment of RM26,000,000 to ADC relating to phase I transfer of commercial loans from ADC to the Bank. Details are disclosed in Note 6(a) to the financial statements.

31 SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

On 27 March 2025, the Bank increased its issued and paid-up ordinary share capital from RM277,000,000 to RM352,000,000 via the issuance of 75,000,000 new ordinary shares at RM1.00 per share arising from the rights issue of RM1.00 per share.

32 COMPARATIVES

The comparatives are for the financial period from 1 March 2023 (date of incorporation) to 31 December 2023 and are not comparable to the current financial year ended 31 December 2024.

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251 (2) OF THE COMPANIES ACT 2016

We, LAU NAI PEK and ANTHONY SHEYANTHA ABEYKOON, being two of the Directors of Boost Bank Berhad state that, in the opinion of the Directors, the accompanying financial statements set out on pages 26 to 115 are drawn up so as to give a true and fair view of the financial position of the Bank as at 31 December 2024 and financial performance of the Bank for the financial year ended 31 December 2024 in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 28 March 2025.

LAU NAI PEK
CHAIRMAN

ANTHONY SHEYANTHA ABEYKOON
DIRECTOR

Kuala Lumpur
28 March 2025

BOOST BANK BERHAD
(Incorporated in Malaysia)
Registration No. 202301007223 (1501144-T)

STATUTORY DECLARATION
PURSUANT TO SECTION 251 (1) OF THE COMPANIES ACT 2016

I, LIM SWEE AUN, the Officer primarily responsible for the financial management of Boost Bank Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 26 to 115 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

LIM SWEE AUN
(MIA Membership No: 28050)

Subscribed and solemnly declared by the above named LIM SWEE AUN at Kuala Lumpur in Wilayah Persekutuan on 28 March 2025.

COMMISSIONER FOR OATH
Kuala Lumpur
28 March 2025

PESURUHJAYA SUMPAH
W857
BALWANT SINGH
Tempoh Lantikan
1 Jan 2024 - 24 Dis 2025
MALAYSIA

No. 5A, Jalan 53,
Desa Jaya, Kepong
52100 Kuala Lumpur.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
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47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOOST BANK BERHAD

(Registration No. 202301007223 (1501144-T))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Boost Bank Berhad, which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 26 to 115.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Bank in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Bank are responsible for the other information. The other information comprises the information included in the Corporate Governance and Directors' Report, but does not include the financial statements of the Bank and our auditors' report thereon.

Our opinion on the financial statements of the Bank does not cover the Corporate Governance and the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Bank, our responsibility is to read the Corporate Governance and the Directors' Report and, in doing so, consider whether the Corporate Governance and the Directors' Report are materially inconsistent with the financial statements of the Bank or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Corporate Governance or the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Bank are responsible for the preparation of financial statements of the Bank that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Bank that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Bank, the Directors are responsible for assessing the ability of the Bank to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Bank as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Bank whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Bank.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Bank to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Bank or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Bank, including the disclosures, and whether the financial statements of the Bank represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

This report is made solely to the members of the Bank, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor

Date: 28 March 2025

Chan Kah Mun
Approval Number: 03350/01/2026 J
Chartered Accountant