BOOST BANK BERHAD

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

STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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CORPORATE GOVERNANCE

COMPOSITION OF THE BOARD

As at 31 December 2025, the Board of the Bank comprised 8 Directors of which 5 were Independent Non-Executive Directors ("INED") and 2 were Non-Independent Non-Executive Directors ("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
Subbaraman Vaidyanathan#	NINED
Rohan A/L Krishnalingam	NINED
Lee Tuck Heng	INED
Wan Hanisah Binti Wan Ibrahim	INED
Varun Sabhlok	INED
Gabriele Vigo	INED

*Resigned on 18 June 2025
#Appointed on 15 August 2025

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.

CORPORATE GOVERNANCE (CONTINUED)

DIRECTORS PROFILE (CONTINUED)

David Lau Nai Pek (continued)

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.

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.

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.

Subbaraman Vaidyanathan

Subbaraman Vaidyanathan (Subba) was appointed to the Board of Boost Bank Berhad on 15 August 2025. He holds a Bachelor of Technology in Mechanical Engineering from Indian Institute of Technology, Madras, India and Post Graduate Diploma in Management from India Institute of Management, Bangalore, India.

Subba has spent 25 years in banking and 7 years in Fintech. During his banking days, he has worked extensively on various areas of Retail Banking including Payments, Lending, and Deposits, for Consumers, Merchants and SMEs. While he has held country roles in India, Qatar, Malaysia, Indonesia, and Singapore, during his regional roles, he has been responsible for South Asia (India, Bangladesh, Sri Lanka, Nepal) and South East Asia (Singapore, Malaysia, Indonesia, Vietnam, Philippines, and Thailand).

CORPORATE GOVERNANCE (CONTINUED)

DIRECTORS PROFILE (CONTINUED)

Subbaraman Vaidyanathan (continued)

Since the time he left banking in 2017, he has been advising Boost Group in various capacities. In particular, he has guided their Business Strategy, Product Commercialisation, Lending Risk policy, and Operations.

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.

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.

CORPORATE GOVERNANCE (CONTINUED)

DIRECTORS PROFILE (CONTINUED)

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.

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 AI SILA at Bursa Malaysia, an initiative by BNM.

CORPORATE GOVERNANCE (CONTINUED)

DIRECTORS PROFILE (CONTINUED)

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.

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.

CORPORATE GOVERNANCE (CONTINUED)

DIRECTORS PROFILE (CONTINUED)

Varun Sabhlok (continued)

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.

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.

CORPORATE GOVERNANCE (CONTINUED)

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:-

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) Review and approve performance assessment results, remuneration, compensation and benefits of the CEO annually.

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.

CORPORATE GOVERNANCE (CONTINUED)

ROLES AND RESPONSIBILITIES OF THE BOARD (CONTINUED)

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.

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.

Board Meetings shall be held 6 times annually and as when required. During the financial year, the attendance of each Director at the Board meeting is as below:

Director	Attendance
David Lau Nai Pek	9/9
Anthony Sheyantha Abeykoon	8/9
Ungku Norliza Syazwan Binti Ungku Halmie*	4/4
Subbaraman Vaidyanathan#	3/3
Rohan A/L Krishnalingam	9/9
Lee Tuck Heng	9/9
Wan Hanisah Binti Wan Ibrahim	9/9
Varun Sabhlok	8/9
Gabriele Vigo	9/9

CORPORATE GOVERNANCE (CONTINUED)

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.

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	5/5
Varun Sabhlok - Member	5/5
Gabriele Vigo - Member	5/5

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	6/6
David Lau Nai Pek - Member	6/6
Rohan A/L Krishnalingam - Member	6/6

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 on 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	8/8
Lee Tuck Heng - Member	8/8
Wan Hanisah Binti Wan Ibrahim - Member	8/8

DIRECTORS' REMUNERATIONS

Directors' remunerations are disclosed in Note 25 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 2025.

PRINCIPAL ACTIVITIES

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

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

FINANCIAL RESULTS

	RM'000
Loss before taxation	(76,480)
Taxation	8,000
Net loss after taxation	(68,480)

DIVIDENDS

The Directors do not propose any final dividend for the financial year ended 31 December 2025.

No dividend has been paid or declared by the Bank since the financial year ended 31 December 2024.

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT (CONTINUED)

ISSUE OF SHARES

During the financial year, the Bank increased its issued and paid-up ordinary share capital from RM277,000,000 to RM362,000,000 by issuing 85,000,000 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)
27 March 2025	75,000,000	75,000,000
31 October 2025	10,000,000	10,000,000
	85,000,000	85,000,000

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 financing and the making of allowance for impaired debts and financing, and satisfied themselves that all known bad debts and financing have been written off and that adequate allowance had been made for impaired debts and financing.

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

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.

DIRECTORS' REPORT (CONTINUED)

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.

SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR

On 27 February 2026, the Bank increased its issued and paid-up ordinary share capital from RM362,000,000 to RM382,000,000 by issuing 20,000,000 new ordinary shares with no par value through rights issues at RM1.00 per share.

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	
Anthony Sheyantha Abeykoon	
Rohan A/L Krishnalingam	
Ungku Norliza Syazwan Binti Ungku Halmie	(Resigned on 18 June 2025)
Gabriele Vigo	
Lee Tuck Heng	
Varun Sabhlok	
Wan Hanisah Binti Wan Ibrahim	
Subbaraman Vaidyanathan	(Appointed on 15 August 2025)

DIRECTORS' REPORT (CONTINUED)

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 01.01.2025**	**Bought**	**Disposed**	**As at 31.12.2025**
Anthony Sheyantha Abeykoon	77,100	-	(77,100)	-

	Number of Employee Shares Option Scheme			
Boost Holdings Sdn Bhd ("BHSB")	**As at 01.01.2025**	**Granted**	**Disposed/ Exercised/ Lapsed**	**As at 31.12.2025**
Anthony Sheyantha Abeykoon	1,428,000	112,500	(1,119,950)	420,550

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' BENEFITS

Total Directors' remuneration for the Bank for the financial year ended 31 December 2025 are RM983,000.

Since the end of the previous financial year, 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 25 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 RM218,387.

IMMEDIATE, INTERMEDIATE AND ULTIMATE HOLDING COMPANIES

The Directors regard Axiata Group Berhad ("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 holding company of the Bank is Boost Holdings Sdn. Bhd. ("BHSB"), which is incorporated in Malaysia.

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

Overview

Financial year 2025 marked a defining phase in Boost Bank Berhad's journey, as the Bank transitioned from initial market entry to active balance sheet deployment and revenue generation.

Following the successful launch of operations in June 2024, our focus in FY2025 was on building a sustainable and scalable digital banking franchise. This included expanding our financing portfolio, strengthening deposits and income generation, and continuing to invest in technology, governance, and operational capabilities to support long-term growth.

As a newly established digital bank, our priority has been to build strong foundations, balancing growth with prudence, innovation with discipline, and scale with resilience.

FY2025 represents a critical inflection point, demonstrating the successful activation of our core banking model and validating the structural foundations required for long-term growth.

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

Balance Sheet Growth and Financial Position

Boost Bank ended FY2025 with total assets of RM879.1 million (2024: RM839.5 million), reflecting continued balance sheet expansion and disciplined capital deployment.

A key milestone during the year was the successful scaling of the financing portfolio to RM309.5 million (2024: RM0.7 million), marking the transition from liquidity accumulation to active deployment into income-generating assets. This growth reflects increasing market acceptance of the Bank's financing solutions and demonstrates the operational readiness of our credit, risk, and servicing infrastructure.

Customer deposits remained stable at RM634.5 million (2024: RM676.0 million), providing a strong and diversified funding base. The Bank also diversified its funding profile through placements from financial institutions totaling RM70.3 million, enhancing funding flexibility and liquidity management.

Our asset allocation remains prudent, maintaining a balanced mix between liquidity, investments, and financing assets, ensuring continued compliance with regulatory liquidity requirements while supporting sustainable financing growth.

Capital Strength and Shareholder Support

Boost Bank continues to benefit from strong shareholder support, with total equity increasing to RM161.1 million (2024: RM143.1 million), and paid-up capital rising to RM362.0 million (2024: RM277.0 million).

This capital strength provides sufficient capacity to support continued balance sheet expansion, absorb expected start-up phase losses, and maintain regulatory capital adequacy as the Bank scales.

Our shareholders' continued commitment reflects confidence in the Bank's strategy, governance, and long-term growth trajectory.

DIRECTORS' REPORT (CONTINUED)

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

Income Growth and Operating Performance

FY2025 saw significant progress in revenue generation, driven primarily by the expansion of the financing portfolio.

Interest income increased substantially to RM46.1 million (2024: RM8.7 million), reflecting successful deployment of the Bank's balance sheet into higher-yielding financing assets. Net interest income increased to RM27.9 million (2024: RM1.7 million), demonstrating improving balance sheet productivity and strengthening core income generation.

Fee and other operating income also increased in line with growing customer activity and product utilisation.

Operating expenses increased as expected, reflecting deliberate investments in technology, infrastructure, talent, and operational capabilities required to build a scalable and resilient digital banking platform.

These investments are necessary to establish the structural foundations required to support future operating leverage and sustainable profitability.

Asset Quality and Risk Management

Despite the rapid expansion of the financing portfolio, Boost Bank maintained a disciplined and prudent risk profile.

Allowance for credit losses remained proportionate to the size and risk profile of the financing portfolio, reflecting conservative underwriting standards and robust risk governance frameworks.

As a newly originated portfolio, early performance indicators remain within expectations, demonstrating the effectiveness of the Bank's credit risk management approach.

Maintaining strong asset quality and disciplined credit standards remains a core priority as the Bank continues to scale.

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

Strategic Progress and Positioning

FY2025 marked meaningful progress in establishing Boost Bank as a functioning and scalable digital banking franchise.

A core pillar of Boost Bank's strategy is advancing financial inclusion by extending access to financing for underserved individuals and small businesses. Through our fully digital onboarding processes, simplified customer journeys, and data-driven risk assessment capabilities, the Bank is able to responsibly serve segments that have historically faced barriers to accessing formal financial services. This supports broader economic participation while building a diversified and scalable financing portfolio.

Boost Bank's operating model is fundamentally enabled by its digital infrastructure and growing use of data and artificial intelligence. These capabilities enhance credit decisioning, strengthen risk monitoring, improve operational efficiency, and enable scalable growth without reliance on physical branch infrastructure. Our technology platform allows us to continuously refine credit models, and deliver faster, more seamless customer experiences.

A key structural differentiator for Boost Bank is our embedded banking model. By integrating financial services directly within digital ecosystems and partner platforms, the Bank is able to deliver financing at the point of need, improving accessibility, customer engagement, and acquisition efficiency. This ecosystem-driven approach also enhances risk assessment through richer transactional insights and enables more targeted and responsible credit deployment.

These structural capabilities, financial inclusion focus, digital infrastructure, and embedded ecosystem integration, position Boost Bank uniquely to scale sustainably while maintaining disciplined risk and cost management.

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

Strategic Progress and Positioning (continued)

Key strategic achievements during FY2025 include:

- Successful activation and scaling of the financing portfolio
- Strengthening of core income generation capabilities
- Continued capital support and balance sheet resilience
- Maintenance of strong liquidity and funding stability
- Continued investment in technology, governance, and operational infrastructure
- Advancement of financial inclusion through responsible digital financing
- Expansion of embedded banking capabilities within ecosystem platforms

These achievements position the Bank on a clear path toward operating leverage and sustainable profitability.

Outlook for Financial Year 2026

As Boost Bank enters its third year of operations, our focus will shift toward accelerating revenue growth while maintaining disciplined risk and cost management.

Key priorities for FY2026 include:

- Continued scaling of the financing portfolio with strong credit discipline
- Deepening customer relationships and improving balance sheet productivity
- Enhancing operational efficiency and progressing toward operating leverage
- Strengthening governance, compliance, and risk management capabilities
- Expanding embedded banking partnerships and ecosystem integration

While losses remain expected during this growth phase, FY2025 demonstrates meaningful progress in validating the Bank's business model and strengthening its operational foundations.

Boost Bank is now positioned to transition from initial build-out toward sustained growth and long-term value creation.

We remain confident in our strategy, our team, and our ability to build a resilient, scalable, and impactful digital banking franchise.

DIRECTORS' REPORT (CONTINUED)

AUDITORS' REMUNERATION

The auditors' remuneration for the financial year ended 31 December 2025 was as follows:

	RM'000
Auditors' remuneration	
Statutory audit	170
Non-audit fees	13
	183

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors

LAU NAI PEK
CHAIRMAN

ANTHONY SHEYANTHA ABEYKOON
DIRECTOR

Kuala Lumpur
19 March 2026

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	2025	2024
		RM'000	RM'000
ASSETS			
Cash and short-term funds	2	**215,933**	497,000
Deposits and placements with banks and other financial institutions	3	**22,573**	40,092
Financial investments at amortised cost	4	**193,557**	203,027
Loans, advances and financing	5	**309,470**	651
Other assets	6	**44,808**	54,838
Statutory deposits	7	**5,000**	8,000
Tax recoverable		**506**	524
Deferred tax assets	8	**8,000**	-
Right-of-use assets	9	**424**	788
Plant and equipment	10	**870**	1,122
Intangible assets	11	**77,945**	33,412
TOTAL ASSETS		**879,086**	839,454
LIABILITIES AND EQUITY			
Deposits from customers	12	**634,487**	676,024
Deposits and placements from other financial institutions	13	**70,328**	-
Other liabilities	14	**12,678**	19,436
Lease liabilities	15	**467**	869
TOTAL LIABILITIES		**717,960**	696,329
Share capital	16	**362,000**	277,000
Reserves	17	**4,584**	303
Accumulated losses		**(205,458)**	(134,178)
TOTAL EQUITY		**161,126**	143,125
TOTAL LIABILITIES AND EQUITY		**879,086**	839,454
COMMITMENTS AND CONTINGENCIES	18	**24,608**	-

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 2025

	Note	2025	2024
		RM'000	RM'000
Interest income	19	**46,141**	8,710
Interest expense	20	**(18,193)**	(7,029)
Net interest income		**27,948**	1,681
Fee and commission income	21	**2,089**	46
Fee and commission expense	22	**(5,070)**	(510)
Other operating income	23	**2,303**	96
		27,270	1,313
Other operating expenses			
Personnel costs	24	**(28,299)**	(22,571)
Establishment costs	24	**(45,910)**	(33,130)
Marketing expenses	24	**(3,656)**	(4,675)
Administration and general expenses	24	**(19,391)**	(10,631)
Operating loss		**(69,986)**	(69,694)
Allowance for credit losses on financial assets	26	**(6,494)**	(9)
Loss before taxation		**(76,480)**	(69,703)
Taxation	27	**8,000**	462
Loss and total comprehensive loss for the financial year		**(68,480)**	(69,241)

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 2025

			Non-Distributable			
	Note	Share capital	Regulatory reserves	Other reserves	Accumulated losses	Total
		RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2025		**277,000**	**303**	**-**	**(134,178)**	**143,125**
Total comprehensive loss for the financial year		**-**	**-**	**-**	**(68,480)**	**(68,480)**
Issuance of ordinary shares	**16**	**85,000**	**-**	**-**	**-**	**85,000**
Transfer to regulatory reserves	**17**	**-**	**2,800**	**-**	**(2,800)**	**-**
Share-based payment	**25**	**-**	**-**	**1,481**	**-**	**1,481**
Balance as at 31 December 2025		**362,000**	**3,103**	**1,481**	**(205,458)**	**161,126**
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		92,000	-	-	-	92,000
Transfer to regulatory reserves		-	303	-	(303)	-
Balance as at 31 December 2024		277,000	303	-	(134,178)	143,125

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 2025

	Note	2025	2024
		RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		**(76,480)**	(69,703)
Adjustments for non-operating and non-cash items:			
Allowance for expected credit losses	**26**	**6,494**	9
Amortisation of transaction cost		**2,830**	-
Amortisation of financial investments at amortised cost		**1,501**	438
Interest income from financial investments at amortised cost		**(7,062)**	(2,358)
Depreciation of plant and equipment	**24**	**269**	141
Amortisation of intangible assets	**24**	**6,064**	4,341
Depreciation of right-of-use assets	**24**	**364**	363
Lease interest expense	**20**	**20**	30
Unrealised gain on foreign exchange		**(61)**	(1)
Employee share option scheme		**1,481**	-
Operating loss before working capital changes		**(64,580)**	(66,740)
(Increase)/Decrease in operating assets			
Deposits and placements with banks and other financial institutions with original maturity of more than three months		**32,445**	(65,137)
Loans, advances and financing		**(318,143)**	(660)
Other assets		**10,030**	(30,818)
Statutory deposits with Bank Negara Malaysia ("BNM")		**3,000**	(8,000)
		(272,668)	(104,615)
Increase/(Decrease) in operating liabilities			
Deposits from customers		**(41,537)**	676,024
Deposits and placements from other financial institutions		**70,328**	-
Other liabilities		**(6,697)**	(25,968)
		22,094	650,056
Cash (used in)/generated from operations		**(315,154)**	478,701
Lease interest paid		**(20)**	(33)
Net tax recovered/(paid)		**18**	(464)
Net cash (used in)/generated from operating activities		**(315,156)**	478,204

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 2025
(CONTINUED)

	Note	2025	2024
		RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		**(17)**	(706)
Purchase of intangible assets		**(50,597)**	(16,611)
Net receipt/(purchase) of financial investments at amortised cost		**7,734**	(201,137)
Interest received from financial investments at amortised cost		**7,297**	30
Net cash used in investing activities		**(35,583)**	(218,424)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of ordinary shares	**16**	**85,000**	92,000
Principal lease payments		**(402)**	(232)
Net cash generated from financing activities		**84,598**	91,768
Net (decrease)/increase in cash and cash equivalents		**(266,141)**	351,548
Cash and cash equivalents:			
- At the beginning of the financial year		**471,955**	120,407
- At the end of the financial year		**205,814**	471,955
Cash and cash equivalents comprise the following:			
- Cash and short-term funds		**215,933**	497,000
- Deposits and placements with banks and other financial institutions		**22,573**	40,092
		238,506	537,092
Less:			
Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than three months		**(32,692)**	(65,137)
		205,814	471,955

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025
(CONTINUED)

		Cash Changes		Non-Cash Changes		
	Balance at the beginning of the financial year	Net cash used in operating activities	Net cash used in financing activities	Lease remeasurement	Interest accrued	Balance at the end of the financial year
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2025						
Lease liabilities	**869**	**(20)**	**(402)**	**-**	**20**	**467**
2024						
Lease liabilities	1,138	(33)	(232)	(34)	30	869

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 POLICIES INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

(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 years presented, unless otherwise stated.

1) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

(a) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Bank and are effective

The relevant new accounting standards, annual improvements and amendments to published standards and interpretations to existing accounting standards that are effective for the Bank's financial year beginning on or after 1 January 2025 are as follows:

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Bank but not yet effective

MFRS Accounting Standards, interpretations and amendments effective for 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 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 107, *Statement of Cash Flows*

SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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

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

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Bank but not yet effective (continued)

MFRS Accounting Standards, interpretations and amendments effective for beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*

The Bank plans to apply the abovementioned accounting standards, interpretations and amendments:

- 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 year 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 comprehensive income ("OCI") or through profit or loss; 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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

(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

Financial 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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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 POLICIES INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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 POLICIES INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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

SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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

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

(b) Depreciation and residual value (continued)

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.

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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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

5) INTANGIBLE ASSETS

(a) Computer software

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

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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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

5) INTANGIBLE ASSETS (CONTINUED)

(a) Computer software (continued)

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. During the financial year, the Bank has revised estimated useful lives from not exceed five (5) years to not exceed ten (10) years. Please refer to (B)(c) under critical accounting estimates and assumptions for further details.

Costs incurred for cloud-based software arrangements, including Software-as-a-Service (SaaS) subscriptions, are recognised as an expense in profit or loss as the services are received.

(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 with indefinite lives are not amortised but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, change in useful life from indifinite to finite is made on prospective basis.

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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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

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 measured at amortised cost. 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.

(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 BANK 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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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

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

(a) Lease term

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).

The Bank reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Bank and affects whether the Bank is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities (refer to (d) below).

(b) 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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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

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

(c) 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 period 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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

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

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

(d) Reassessment of lease liabilities

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.

(e) Short term leases and leases of low-value assets

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 POLICIES INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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 POLICIES INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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.

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 POLICIES INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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 POLICIES INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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.

SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

(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 POLICIES INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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) 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.

The Bank has recognised deferred tax assets on carried forward losses, unabsorbed capital allowances in the current year to the extent of estimated future profits and timing against which tax deductions represented by the deferred tax assets can be offset.

SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONTINUED)

(B) CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (CONTINUED)

(b) 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.

Please refer to Note 5 for the details of impairment losses recognised on loans, advances and financing.

(c) Estimated useful lives of Intangible assets

During the financial year, the Bank has revised the estimated useful life of its intangible assets, specifically the computer software, from not exceeding five (5) years to not exceeding ten (10) years. This change reflects management's reassessment based on updated expectations regarding the period over which the computer software will generate economic benefits.

As a result of this change, the amortisation of intangible assets charges for the current financial year is lower by RM3,024,228.

The change in the estimated useful lives is accounted for prospectively in accordance with MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors".

(C) BASIS OF MEASUREMENT

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

1 GENERAL INFORMATION

Boost Bank Berhad 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. There have been no significant changes in these principal activities during the financial year.

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 19 March 2026.

2 CASH AND SHORT-TERM FUNDS

	2025	2024
	RM'000	RM'000
Balances with other financial institutions	**68,157**	136,718
Short-term deposits and placements with banks and other financial institutions	**147,776**	360,282
	215,933	497,000

3 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	2025	2024
	RM'000	RM'000
Deposits and placements with banks	**22,573**	40,092

4 FINANCIAL INVESTMENTS AT AMORTISED COST

	2025	2024
	RM'000	RM'000
At amortised cost		
Money market instruments:		
Malaysian Government Securities	**193,557**	203,027

Included in financial investments at amortised cost above are financial assets amounting to RM Nil (2024: RM1,000,000) pledged as Deferred Net Settlement ("DNS") collateral assets with Payment Network Malaysia ("PayNet").

5 LOANS, ADVANCES AND FINANCING

(a) By type

	2025	2024
	RM'000	RM'000
At amortised cost		
Term loans		
- Hire purchase receivables/financing	**4,670**	-
- Other term loans	**231,393**	660
Revolving credits	**78,030**	-
Gross loans, advances and financing	**314,093**	660
Less: Allowances for expected credit loss ("ECL")	**(4,623)**	(9)
Net loans, advances and financing	**309,470**	651

Included in loans, advances and financing is a term loan granted to a related company amounting to RM17,517,274 (2024: RM Nil). The term loan was made in the ordinary course of business and on normal commercial terms and conditions.

5 LOANS, ADVANCES AND FINANCING (CONTINUED)

(b) By type of customer

	2025	2024
	RM'000	**RM'000**
Domestic business enterprises:		
- Small and medium enterprises	**246,432**	660
- Others	**62,991**	-
Individuals	**4,670**	-
	314,093	660

(c) By geographical distribution

	2025	2024
	RM'000	**RM'000**
Within Malaysia	**314,093**	660

(d) By interest rate sensitivity

	2025	2024
	RM'000	**RM'000**
Fixed rate		
- Hire purchase receivables/financing	**4,670**	-
- Other fixed rate loans/financing	**239,330**	660
Variable rate		
- Other variable rates	**70,093**	-
	314,093	660

(e) By purpose

	2025	2024
	RM'000	**RM'000**
Purchase of transport vehicles	**4,670**	-
Working capital	**309,423**	660
	314,093	660

5 LOANS, ADVANCES AND FINANCING (CONTINUED)

(f) By economic sector

	2025	2024
	RM'000	**RM'000**
Agriculture, hunting, forestry and fishing	**1,477**	-
Mining and quarrying	**1,419**	-
Manufacturing	**37,986**	-
Electricity, gas and water	**4,116**	-
Construction	**41,357**	126
Wholesale and retail trade and restaurant and hotel	**84,941**	534
Transport, storage and communication	**16,814**	-
Finance, insurance, real estate and business services	**84,526**	-
Education, health and others	**21,076**	-
Others	**20,381**	-
	314,093	660

(g) By remaining contractual maturities

	2025	2024
	RM'000	**RM'000**
Maturing within one year	**90,673**	89
One year to three years	**104,283**	571
Three years to five years	**58,573**	-
Over five years	**60,564**	-
	314,093	660

5 LOANS, ADVANCES AND FINANCING (CONTINUED)

(h) 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
2025				
Balance as at the beginning of the financial year	**660**	-	-	**660**
Changes due to financial assets recognised in the opening balance that have been:				
- Transfer to 12-month ECL (Stage 1)	-	-	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	-	-	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	**(195)**	-	**195**	-
	(195)	-	**195**	-
Additions	**298,601**	**10,175**	**6,820**	**315,596**
Derecognition	**(278)**	-	**(4)**	**(282)**
Amount written off	-	-	**(1,881)**	**(1,881)**
Balance as at the end of the financial year	**298,788**	**10,175**	**5,130**	**314,093**
2024				
Balance as at the beginning of the financial year	-	-	-	-
Additions	660	-	-	660
Balance as at the end of the financial year	660	-	-	660

5 LOANS, ADVANCES AND FINANCING (CONTINUED)

(i) Impaired loans, advances and financing

(i) By geographical distribution

	2025	2024
	RM'000	RM'000
Within Malaysia	**5,130**	**-**

(ii) By purpose

	2025	2024
	RM'000	RM'000
Working capital	**5,130**	**-**

(iii) By economic sector

	2025	2024
	RM'000	RM'000
Manufacturing	**768**	**-**
Construction	**1,454**	**-**
Wholesale and retail trade and restaurant and hotel	**1,504**	**-**
Transport, storage and communication	**741**	**-**
Finance, insurance, real estate and business services	**565**	**-**
Others	**98**	**-**
	5,130	**-**

5 LOANS, ADVANCES AND FINANCING (CONTINUED)

(i) Impaired loans, advances and financing (Continued)

(iv) Movement in allowance for credit losses

	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
2025				
Balance as at the beginning of the financial year	**9**	-	-	**9**
Changes due to financial assets recognised in the opening balance that have been:				
- Transfer to 12-month ECL (Stage 1)	-	-	-	-
- Transfer to lifetime ECL not credit impaired (Stage 2)	-	-	-	-
- Transfer to lifetime ECL credit impaired (Stage 3)	**(3)**	-	**3**	-
	(3)	-	**3**	-
Derecognition	**(1)**	-	-	**(1)**
Changes in credit risk	**(3)**	-	**13**	**10**
Additions	**1,852**	**713**	**2,040**	**4,605**
Bad debts written off	-	-	-	-
Balance as at the end of the financial year	**1,854**	**713**	**2,056**	**4,623**
2024				
Balance as at the beginning of the financial year	-	-	-	-
Additions	9	-	-	9
Balance as at the end of the financial year	9	-	-	9

6 OTHER ASSETS

	Note	2025	2024
		RM'000	RM'000
Other receivables		**494**	3,352
Deposits		**299**	214
Prepayments		**44,015**	25,158
Amount due from related company	**(a)**	**-**	26,114
		44,808	54,838

(a) In 2024, the amount due from related company represents an advance payment made and related interest income accrued for loans to be transferred from ADC to the Bank. The loans will be transferred 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 end of each month. As at 31 December 2025, all the loans and related interest income were transferred to the Bank.

7 STATUTORY DEPOSITS

	2025	2024
	RM'000	RM'000
Statutory deposits with BNM	**5,000**	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 DEFERRED TAX ASSETS

	2025	2024
	RM'000	RM'000
Deferred tax assets	**8,000**	-

The movements in deferred tax assets during the financial year comprise the following:

	Note	Plant and equipment and Intangible assets
		RM'000
2025		
Balance as at the beginning of the financial year		-
Transfer from income statements	**27**	**8,000**
Balance as at the end of the financial year		**8,000**
2024		
Balance as at the beginning/end of the financial year		-

Deferred tax assets have been recognised to the extent that it is probable that future taxable profits will be available against which the capital allowances recognised can be utilised. The estimation of future taxable profits involved significant assumptions in respect of the expected timing of utilisation of capital allowances, profit projections and the growth rates.

8 DEFERRED TAX ASSETS (CONTINUED)

Deferred tax assets have not been recognised on the following amounts as it is not probable that the Bank will generate sufficient future taxable profits available against which the deductible temporary differences can be utilised:

	Note	2025	2024
		RM'000	**RM'000**
Plant and equipment and intangible assets		**(39,869)**	(11,823)
Expected credit losses		**4,614**	9
Other temporary differences	**27**	**1,731**	6,563
Unabsorbed capital allowances carried forward		**17,546**	16,665
Unabsorbed tax losses carried forward		**148,425**	80,320
		132,447	91,734

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

	2025	2024
	RM'000	**RM'000**
Expiring in the financial year ending:		
- 2033	**21,046**	21,046
- 2034	**59,274**	59,274
- 2035	**68,105**	-
	148,425	80,320

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

9 RIGHT-OF-USE ASSETS

	Note	Property
		RM'000
2025		
Balance as at the beginning of the financial year		**788**
Depreciation charge for the financial year	**24**	**(364)**
Balance as at the end of the financial year		**424**
2024		
Balance as at the beginning of the financial year		1,185
Remeasurement		(34)
Depreciation charge for the financial year	**24**	(363)
Balance as at the end of the financial year		788

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.

10 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
2025									
Cost									
Balance as at the beginning of the financial year		-	608	122	344	153	27	13	1,267
Additions		-	-	17	-	-	-	-	17
Balance as at the end of the financial year		-	608	139	344	153	27	13	1,284
Less: Accumulated depreciation									
Balance as at the beginning of the financial year		-	61	31	34	15	3	1	145
Charge for the financial year	24	-	121	41	69	30	5	3	269
Balance as at the end of the financial year		-	182	72	103	45	8	4	414
Carrying amount as at the end of the financial year		-	426	67	241	108	19	9	870

10 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
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	**24**	-	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

11 INTANGIBLE ASSETS

	Note	Computer software in development	Computer software	Website	Membership fees[1]	Total
		RM'000	RM'000	RM'000	RM'000	RM'000
2025						
Cost						
Balance as at the beginning of the financial year		**5,957**	**27,450**	**140**	**4,250**	**37,797**
Additions		**44,879**	**5,718**	**-**	**-**	**50,597**
Reclassification		**(42,040)**	**42,040**	**-**	**-**	**-**
Balance as at the end of the financial year		**8,796**	**75,208**	**140**	**4,250**	**88,394**
Less: Accumulated amortisation						
Balance as at the beginning of the financial year		**-**	**4,365**	**20**	**-**	**4,385**
Charge for the financial year	**24**	**-**	**6,034**	**30**	**-**	**6,064**
Balance as at the end of the financial year		**-**	**10,399**	**50**	**-**	**10,449**
Carrying amount as at the end of the financial year		**8,796**	**64,809**	**90**	**4,250**	**77,945**

During the financial year, the Bank has revised estimated useful lives from not exceed five (5) years to not exceed ten (10) years. Please refer to (B)(c) under critical accounting estimates and assumptions for further details.

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

11 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
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	**24**	-	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.

12 DEPOSITS FROM CUSTOMERS

	2025	2024
	RM'000	**RM'000**
(a) By type of deposits		
Savings deposits	**609,644**	676,024
Short term deposits	**24,843**	-
	634,487	676,024
(b) By type of customers		
Business enterprises	**24,843**	-
Individuals	**609,644**	676,024
	634,487	676,024
(c) By maturity structure of the short term deposits		
Due within six months	**8,186**	-
Six months to one year	**16,657**	-
	24,843	-

13 DEPOSITS AND PLACEMENTS FROM OTHER FINANCIAL INSTITUTIONS

	2025	2024
	RM'000	**RM'000**
Other financial institutions	**70,328**	-

14 OTHER LIABILITIES

	2025	2024
	RM'000	**RM'000**
Other creditors and accruals	**9,699**	18,369
Amount due to immediate holding company	**2,021**	317
Amounts due to related companies	**958**	750
	12,678	19,436

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

15 LEASE LIABILITIES

	2025	2024
	RM'000	**RM'000**
Lease liabilities	**467**	869
Scheduled repayments of lease liabilities:		
- Within one year	**414**	402
- One year to three years	**53**	467
	467	869

16 SHARE CAPITAL

	2025		2024	
	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	**277,000**	**277,000**	185,000	185,000
Issue of shares	**85,000**	**85,000**	92,000	92,000
Balance as at the end of the financial year	**362,000**	**362,000**	277,000	277,000

16 SHARE CAPITAL (CONTINUED)

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

(i) 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 on 27 March 2025.
(ii) from RM352,000,000 to RM362,000,000 via the issuance of 10,000,000 new ordinary shares at RM1.00 per share arising from the rights issue of RM1.00 per share on 31 October 2025.

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

17 RESERVES

	Note	2025	2024
		RM'000	RM'000
Regulatory reserve	(a)	**3,103**	303
Other reserves	(b)	**1,481**	-
		4,584	303

(a) Regulatory reserve 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.

(b) Other reserves arose from equity incentive plans granted by the immediate holding company to eligible employees of the Bank pursuant to the relevant schemes disclosed in Note 25.

18 COMMITMENTS AND CONTINGENCIES

	2025	2024
	RM'000	**RM'000**
Commitments		
Any commitments that are unconditionally cancellable at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	**24,608**	-

19 INTEREST INCOME

	2025	2024
	RM'000	**RM'000**
Deposits and placements with banks and other financial institutions	**7,688**	6,203
Financial investments at amortised cost	**5,561**	1,920
Loans, advances and financing	**30,244**	5
Others	**2,648**	582
	46,141	8,710

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

20 INTEREST EXPENSE

	2025	2024
	RM'000	**RM'000**
Deposits from customers	**17,845**	6,999
Deposits and placements of banks and other financial institutions	**328**	-
Lease liabilities	**20**	30
	18,193	7,029

21 FEE AND COMMISSION INCOME

	2025	2024
	RM'000	RM'000
Fee income		
- Service charges and fees	**388**	46
- Commission	**1**	-
- Other fee income	**1,700**	-
	2,089	46

22 FEE AND COMMISSION EXPENSE

	2025	2024
	RM'000	RM'000
Fee expense		
- Service charges and fees	**1,101**	163
- Card related fees	**1,810**	347
- Other fee expense	**2,159**	-
	5,070	510

23 OTHER OPERATING INCOME

	2025	2024
	RM'000	RM'000
Other income:		
- net foreign exchange gain	**-**	96
- other operating income	**2,303**	-
	2,303	96

24 OTHER OPERATING EXPENSES

	Note	2025	2024
		RM'000	RM'000
Personnel costs			
- Salaries, bonus, wages and allowances		**23,359**	19,852
- Defined contribution plan		**2,581**	1,654
- Employee share option scheme	**25(a)**	**1,481**	-
- Other staff related costs		**878**	1,065
		28,299	22,571
Establishment costs			
- Depreciation of right-of-use assets	**9**	**364**	363
- Depreciation of plant and equipment	**10**	**269**	141
- Amortisation of intangible assets	**11**	**6,064**	4,341
- Information technology expenses		**36,145**	26,024
- Others		**3,068**	2,261
		45,910	33,130
Marketing expenses			
- Advertisement and publicity		**2,346**	2,609
- Sales commission		**14**	-
- Others		**1,296**	2,066
		3,656	4,675
Administration and general expenses			
- Management fees		**13,689**	7,072
- Communication expenses		**32**	14
- Auditor's remuneration	**(a)**	**183**	210
- Legal and professional fees		**462**	809
- Director related expenses		**983**	968
- Others		**4,042**	1,558
		19,391	10,631
Total other operating expenses		**97,256**	71,007

24 OTHER OPERATING EXPENSES (CONTINUED)

(a) Auditors' remuneration

	2025 RM'000	2024 RM'000
Audit		
- Statutory audit	**170**	210
Non-audit		
- Tax related services	**13**	-
	183	210

Included in personnel costs are the remuneration of the Chief Executive Officer and other key management personnel of the Bank as disclosed in Note 25.

Included in administration and general expenses of the Bank are directors' remuneration as disclosed in Note 25.

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

(i) Chief Executive Officer's remuneration

	Note	Salary and other remuneration RM'000
2025		
Chief Executive Officer		
Fozia Amanulla	**(a)**	**2,234**
2024		
Chief Executive Officer		
Fozia Amanulla	**(a)**	1,117

25 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
2025				
Non-Executive Directors				
Lau Nai Pek		**144**	**38**	**182**
Rohan A/L Krishnalingam		**120**	**29**	**149**
Gabriele Vigo		**120**	**33**	**153**
Lee Tuck Heng		**120**	**36**	**156**
Varun Sabhlok		**120**	**32**	**152**
Wan Hanisah Binti Wan Ibrahim		**120**	**30**	**150**
Subbaraman Vaidyanathan		**35**	**6**	**41**
Executive Directors				
Anthony Sheyantha Abeykoon		**-**	**-**	**-**
		779	**204**	**983**
Other key management personnel [1]	**(a)**	**-**	**6,704**	**6,704**
		779	**6,908**	**7,687**

25 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
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		-	-	-
		718	250	968
Other key management personnel [1]	(a)	-	5,692	5,692
		718	5,942	6,660

[1] Other key management personnel refers to members of the Executive Committee ("EXCO") of the Bank with the headcount of 11 (2024: 10). There is no other material risk takers identified other than the key management personnel.

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

(a) Employee share option scheme ("ESOS")

The ESOS was implemented by BHSB in 2022 that took 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 Committee") 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 ESOS 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 ESOS. This will be equity settled scheme which is settled by the original granting entity.

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

(1) Maximum number of shares available under the ESOS

The total number of shares which may be available under the ESOS 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 ESOS 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).

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

(a) Employee share option scheme ("ESOS") (Continued)

(2) Basis of allocation and maximum allowable allocation

The aggregate number of shares comprised in the ESOS 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 ESOS 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 ESOS 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 ESOS.

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

(a) Employee share option scheme ("ESOS") (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;

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

(a) Employee share option scheme ("ESOS") (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 ESOS, 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

The selection 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 ESOS does not confer on any eligible employee any claim, right to participate in, or any other right whatsoever under the ESOS.

(4) Duration and termination of the ESOS

The ESOS took 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 ESOS 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.

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

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

(a) Employee share option scheme ("ESOS") (Continued)

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

On expiry of the ESOS, 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 2025	Granted	Lapsed/ Forfeited	Transfer in/(out) from BHSB Group	At 31 December 2025	Weighted average fair value at grant date
1 Jun 2023	RM8.13	709,000	-	(38,750)	99,750	770,000	RM1.73

Grant date	Exercise price	At 1 January 2024	Granted	Lapsed/ Forfeited	Transfer in/(out) from BHSB Group	At 31 December 2024	Weighted average fair value at grant date
1 Jun 2023	RM8.13	-	709,000	-	-	709,000	RM1.73

26 ALLOWANCE FOR CREDIT LOSSES ON FINANCIAL ASSETS

	2025	2024
	RM'000	RM'000
Loans, advances and financing :		
- Net charge	**4,614**	9
- Bad debts written off	**1,880**	-
	6,494	9

27 TAXATION

	2025	2024
	RM'000	RM'000
Income tax based on profit for the financial year		
- Income tax	**-**	-
- Deferred tax	**(8,000)**	-
	(8,000)	-
Over provision in respect of prior financial years		
- Income tax	**-**	(462)
- Deferred tax	**-**	-
	-	(462)
Taxation	**(8,000)**	(462)

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

	Note	2025	2024
		RM'000	RM'000
Loss before taxation		**(76,480)**	(69,703)
Tax calculated at the Malaysian tax rate of 24%		**(18,355)**	(16,729)
Tax effects in respect of:			
- Deductible temporary differences not recognised	**8**	**9,771**	16,157
- Expenses not deductible for tax purposes		**584**	572
- Overprovision of current taxation in prior year		**-**	(462)
Taxation		**(8,000)**	(462)

28 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
Boost Connect Sdn. Bhd. ("BC")	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.

28 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(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.

	Immediate holding company	Related companies	Entities with significant influence	Key management personnel
	RM'000	RM'000	RM'000	RM'000
2025				
Income				
Interest income	-	2,998	1,548	-
Fee income	-	122	-	-
	-	3,120	1,548	-
Expenses				
Interest expense	-	-	328	20
Secondment arrangement	-	-	2,819	-
Outsourced services	13,689	-	-	-
Engagement of services	-	321	565	-
Marketing collaboration	-	11	-	-
	13,689	332	3,712	20
Assets				
Purchase of intangible assets	-	35,081	-	-
Premium on acquisition of commercial loans	-	12,900	-	-
	-	47,981	-	-

28 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
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

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

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

28 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
2025				
Amounts due from				
Cash and short-term funds	-	-	**24,972**	-
Loans, advances and financing	-	**17,517**	-	-
Other assets	-	-	-	-
	-	**17,517**	**24,972**	-
Amounts due to				
Deposits from customers	-	**3,000**	-	**740**
Deposits and placements from other financial institutions	-	-	**70,328**	-
Other liabilities	**2,021**	**1,950**	**590**	-
	2,021	**4,950**	**70,918**	**740**
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

29 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:

	2025	2024
	RM'000	RM'000
Outstanding credit exposures with connected parties	17,517	26,114
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	2.21%	3.25%

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

30 CAPITAL COMMITMENTS

		2025	2024
		RM'000	RM'000
Authorised and contracted for:			
- Intangible assets and others	**(a)**	**3,188**	51,048

(a) In 2024, 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.

31 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.

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.

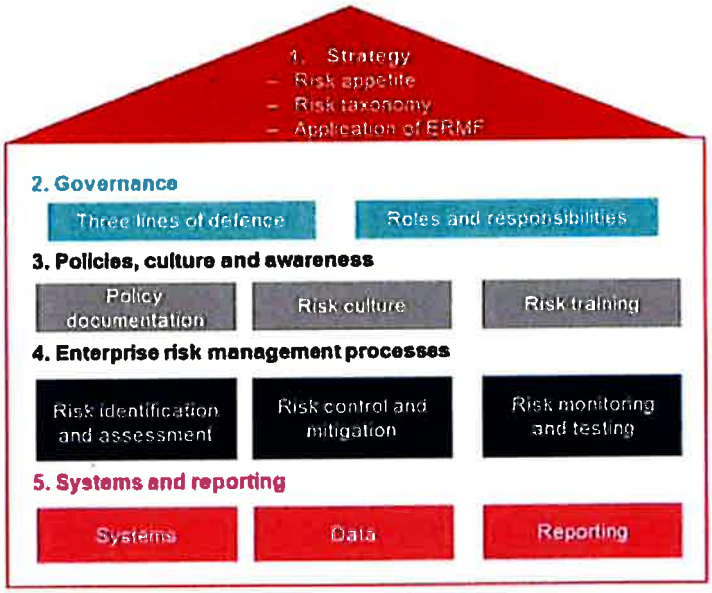
3. It develops risk categories and definitions to establish a common language for risk management discussions.

4. It establishes an integrated risk assessment methodology to assist the Bank in identifying, assessing, quantifying, reporting, and treating the key risks.

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

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



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.

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

Risk appetite

a) The setting of the risk appetite is a key exercise across the Bank, which is supported through the Risk Appetite Framework on qualitative and quantitative parameters.

b) Some key risk pillars for the Bank include but are not limited to: capital adequacy, liquidity risk, interest rate risk, market risk, credit risk, operational risk, compliance risk, technology risk and other non-financial risks.

c) The Bank must introduce risk control parameters such as the risk appetite limits and Management Action Triggers to inform its monitoring, risk mitigation and breach response.

d) The Bank's enterprise risk appetite must be embedded in all levels of Bank's activities as a key management are referenced in the Bank's Risk Appetite Framework.

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 Risk & Compliance Committee ("BRCC") at Board level provides review and oversight for the overall risk management of the Bank.

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

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.

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.

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

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.

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.

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

Major Areas of Risk (continued)

2) Market risk (continued)

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.

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.

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

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

Major Areas of Risk (continued)

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 is recognised as the risk to organisational IT operations, organisational technology assets, individuals, third parties due to the potential for unauthorised access, disruption, modification, or destruction of information and/or information systems. Cyber risk refers to the possibility that cyber threats exploit vulnerabilities in information systems, networks, or data, leading to adverse impacts on confidentiality, integrity, availability, financial performance, regulatory compliance, or organizational reputation.

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.

31 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.

31 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.

31 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.

31 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 Information Security Office 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.

31 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.

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Financial instruments by category

	At amortised cost	
	2025	**2024**
	RM'000	**RM'000**
Financial assets		
Cash and short-term funds	**215,933**	497,000
Deposits and placements with banks and other financial institutions	**22,573**	40,092
Financial investments at amortised cost	**193,557**	203,027
Loans, advances and financing	**309,470**	651
Other financial assets	**793**	29,680
	742,326	770,450
Financial liabilities		
Deposits from customers	**634,487**	676,024
Deposits and placements from other financial institutions	**70,328**	-
Other liabilities	**12,678**	19,436
Lease liabilities	**467**	869
	717,960	696,329

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Net gains and losses arising from financial instruments

	2025	2024
	RM'000	RM'000
Net gain/(loss) arising on:		
Financial assets at amortised costs		
Deposits and placements with banks and other financial institutions	**7,688**	6,203
Financial investments at amortised cost	**5,561**	1,920
Loans, advances and financing	**30,244**	5
Other financial assets	**2,648**	582
	46,141	8,710
Financial liabilities at amortised costs		
Deposits from customers	**(17,845)**	(6,999)
Deposits and placements from other financial institutions	**(328)**	-
Lease liabilities	**(20)**	(30)
	(18,193)	(7,029)
	27,948	1,681

(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.

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (continued)

(i) Maximum exposure to credit risk

The maximum exposure to credit risk at the statements of financial position is the amounts on the statements of financial position as well as off-balance sheet financial instruments, without taking into account of any collateral held or other credit enhancements. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

The table below shows the credit exposure of the Bank that are subject to impairment:

	2025	2024
	RM'000	**RM'000**
Credit risk exposure relating to on-balance sheet assets:		
Cash and short-term funds (excluded cash with BNM)	**157,838**	363,641
Deposits and placements with banks and other financial institutions	**22,573**	40,092
Financial investments at amortised cost	**193,557**	203,027
Loans, advances and financing	**314,093**	660
Other assets (excluded prepayment)	**793**	29,680
	688,854	637,100
Credit risk exposure relating to off-balance sheet items:		
Commitments and contingencies	**24,608**	-
Total maximum credit risk exposure that are subject to impairment	**713,462**	637,100

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (continued)

(ii) Credit exposure by stage

The following table shows an analysis of the credit exposure by stages, together with the ECL allowance provision:

	2025		2024	
	Gross carrying amount	**Provision for credit loss**	**Gross carrying amount**	**Provision for credit loss**
	RM'000	**RM'000**	**RM'000**	**RM'000**
General Approach				
Loans, advances and financing	**314,093**	**(4,623)**	660	(9)
Stage 1	**298,788**	**(1,854)**	660	(9)
Stage 2	**10,175**	**(713)**	-	-
Stage 3	**5,130**	**(2,056)**	-	-
Simplified Approach				
Cash and short-term funds (excluded cash with BNM)	**157,838**	-	363,641	-
Deposits and placements with banks and other financial institutions	**22,573**	-	40,092	-
Financial investments at amortised cost	**193,557**	-	203,027	-
Other assets (excluded prepayment)	**793**	-	29,680	-
	688,854	**(4,623)**	637,100	(9)

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (continued)

(iii) Collaterals

The tangible securities acceptable by the Bank; such as short term deposits and motor vehicles.

The Bank also accept non-tangible securities as credit support, such as guarantees from individuals, corporates and institutions and letter of comfort/support which are subject to internal guidelines on eligibility.

The financial effect of collateral (quantification to the extent to which collateral and other credit enhancements mitigate credit risk) held for loans, advances and financing for the Bank is as follows:

	2025	2024
	%	%
Loans, advances and financing	13	-

The financial effect of collateral held for the remaining on-balance sheet assets are insignificant.

The following table shows the loans, advances and financing that are credit-impaired and related collateral held:

	Gross impaired outstanding	Credit losses	Net carrying amount	Collateral value over gross outstanding
	RM'000	RM'000	RM'000	%
2025				
Loans, advances and financing	5,130	(2,056)	3,074	35
2024				
Loans, advances and financing	-	-	-	-

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Market risk

Market risk sensitivity assessment is based on the changes in key variables, such as interest rates and foreign currency rates,while all other variables remain unchanged. The sensitivity factors used are assumptions based on parallel shifts in the key variables to project the impact on the assets and liabilities position of the Bank.

The scenarios used are based on the assumption that all key variables for all maturities move at the same time and by the same magnitude and do not incorporate actions that would be otherwise taken by the business units and risk management to mitigate the effect of this movement in key variables. The Bank seek to ensure that the interest rate risk profile is managed to minimise losses and optimise net revenues.

(i) Interest rate sensitivity analysis

The interest rate sensitivity results below shows the impact on profit/(loss) after tax and equity of financial assets and financial liabilities bearing floating interest rates and fixed rate financial assets and financial liabilities:

	Impact on profit/(loss) after tax	Impact on equity
	RM'000	RM'000
Increase/(Decrease)		
2025		
+100 bps	92	92
-100 bps	(92)	(92)
2024		
+100 bps	31	31
-100 bps	(31)	(31)

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Market risk

(i) Interest rate sensitivity analysis (continued)

The results above represent financial assets and liabilities that have been prepared on the following basis:

Impact on the profit after tax is the sum of earnings movement for all short-term interest rate sensitive assets and liabilities (with maturity or re-pricing tenure of up to one year) that is not held in the trading portfolio. Earnings movement for the short-term interest rate sensitive assets and liabilities uses a set of risk weights with its respective time band to simulate the 100 bps (2024: 100 bps) interest rate change impact. For assets and liabilities with non-fixed maturity e.g. current and savings accounts, certain assumptions are made to reflect the actual sensitivity behaviour of these interest bearing assets and liabilities.

(ii) Foreign currency sensitivity analysis

The foreign currency sensitivity represents the effect of the appreciation or depreciation of the foreign currency rates on the consolidated currency position, while other variables remain constant.

	Change in currency rates	
	+10%	-10%
	RM'000	RM'000
Impact on profit/(loss) after tax		
2025		
United States Dollar	(302)	302
2024		
United States Dollar	-	-

Impact on the profit/(loss) after tax is estimated on the assumption that foreign exchange moves by the same amount and all other variables are held constant and are based on a constant reporting date position.

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Market risk (continued)

Interest rate risk

The table below summarises the Bank's exposure to interest rate risk. The carrying amount of financial assets and financial liabilities are categorised by the earlier of contractual re-pricing or maturity dates:

2025	Up 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	Non-interest sensitive RM'000	Total RM'000
FINANCIAL ASSETS							
Cash and short-term funds	**10,062**	-	-	-	-	**205,871**	**215,933**
Deposits and placements with banks and other financial institutions	-	-	-	-	-	**22,573**	**22,573**
Financial investments at amortised cost	-	-	-	-	-	**193,557**	**193,557**
Loans, advances and financing	-	-	-	-	**69,946**	**239,524**	**309,470**
Other assets (exclude prepayment)	-	-	-	-	-	**793**	**793**
TOTAL FINANCIAL ASSETS	**10,062**	-	-	-	**69,946**	**662,318**	**742,326**

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Market risk (continued)

Interest rate risk (continued)

The table below summarises the Bank's exposure to interest rate risk. The carrying amount of financial assets and financial liabilities are categorised by the earlier of contractual re-pricing or maturity dates (continued):

2025	Up 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	Non-interest sensitive RM'000	Total RM'000
FINANCIAL LIABILITIES							
Deposits from customers	-	-	-	-	-	**634,487**	**634,487**
Deposits and placements from other financial institutions	-	-	-	-	-	**70,328**	**70,328**
Other liabilities	-	-	-	-	-	**12,678**	**12,678**
Lease liabilities	-	-	-	-	-	**467**	**467**
TOTAL FINANCIAL LIABILITIES	-	-	-	-	-	**717,960**	**717,960**
On-balance sheet interest sensitivity gap	**10,062**	-	-	-	**69,946**		
Off-balance sheet interest sensitivity gap	-	-	-	-	-		
TOTAL INTEREST SENSITIVITY GAP	**10,062**	-	-	-	**69,946**		

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Market risk (continued)

Interest rate risk (continued)

The table below summarises the Bank's exposure to interest rate risk. The carrying amount of financial assets and financial liabilities are categorised by the earlier of contractual re-pricing or maturity dates (continued):

2024	Up 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	Non-interest sensitive RM'000	Total RM'000
FINANCIAL ASSETS							
Cash and short-term funds	3,359	-	-	-	-	493,641	497,000
Deposits and placements with banks and other financial institutions	-	-	-	-	-	40,092	40,092
Financial investments at amortised cost	-	-	-	-	-	203,027	203,027
Loans, advances and financing	-	-	-	-	-	651	651
Other assets (exclude prepayment)	-	-	-	-	-	29,680	29,680
TOTAL FINANCIAL ASSETS	3,359	-	-	-	-	767,091	770,450

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Market risk (continued)

Interest rate risk (continued)

The table below summarises the Bank's exposure to interest rate risk. The carrying amount of financial assets and financial liabilities are categorised by the earlier of contractual re-pricing or maturity dates (continued):

2024	Up 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	Non-interest sensitive RM'000	Total RM'000
FINANCIAL LIABILITIES							
Deposits from customers	-	-	-	-	-	676,024	676,024
Other liabilities	-	-	-	-	-	19,436	19,436
Lease liabilities	-	-	-	-	-	869	869
TOTAL FINANCIAL LIABILITIES	-	-	-	-	-	696,329	696,329
On-balance sheet interest sensitivity gap	3,359	-	-	-	-		
Off-balance sheet interest sensitivity gap	-	-	-	-	-		
TOTAL INTEREST SENSITIVITY GAP	3,359	-	-	-	-		

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) 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.

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Liquidity risk (continued)

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

2025	Up 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	**117,705**	**30,071**	-	-	-	**68,157**	**215,933**
Deposits and placements with banks and other financial institutions	-	-	**22,573**	-	-	-	**22,573**
Financial investments at amortised cost	-	-	-	**193,557**	-	-	**193,557**
Loans, advances and financing	**40,823**	**36,327**	**1,074**	**10,714**	**220,532**	-	**309,470**
Other assets	**408**	**1**	-	-	-	**44,399**	**44,808**
Statutory deposits	-	-	-	-	-	**5,000**	**5,000**
Tax recoverable	-	-	-	-	-	**506**	**506**
Deferred tax assets	-	-	-	-	-	**8,000**	**8,000**
Right-of-use assets	-	-	-	-	-	**424**	**424**
Plant and equipment	-	-	-	-	-	**870**	**870**
Intangible assets	-	-	-	-	-	**77,945**	**77,945**
TOTAL ASSETS	**158,936**	**66,399**	**23,647**	**204,271**	**220,532**	**205,301**	**879,086**

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Liquidity risk (continued)

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

2025	Up 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	**7,182**	**-**	**1,004**	**16,657**	**-**	**609,644**	**634,487**
Deposits and placements from other financial institutions	**15,187**	**30,041**	**20,029**	**5,071**	**-**	**-**	**70,328**
Other liabilities	**4,309**	**-**	**-**	**-**	**-**	**8,369**	**12,678**
Lease liabilities	**34**	**68**	**103**	**209**	**53**	**-**	**467**
TOTAL LIABILITIES	**26,712**	**30,109**	**21,136**	**21,937**	**53**	**618,013**	**717,960**
Total equity	**-**	**-**	**-**	**-**	**-**	**161,126**	**161,126**
TOTAL LIABILITIES AND EQUITY	**26,712**	**30,109**	**21,136**	**21,937**	**53**	**779,139**	**879,086**

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Liquidity risk (continued)

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

2024	Up 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	295,149	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	295,149	182,409	40,092	111,951	564	209,289	839,454

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Liquidity risk (continued)

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

2024	Up 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 liabilities	1,442	-	-	-	-	17,994	19,436
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

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) 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:

2025	Up 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
FINANCIAL LIABILITIES							
Deposits from customers	**7,185**	**-**	**1,017**	**17,019**	**-**	**609,644**	**634,865**
Deposits and placements from other financial institutions	**15,205**	**30,266**	**20,375**	**5,165**	**-**	**-**	**71,011**
Other liabilities	**4,309**	**-**	**-**	**-**	**-**	**8,369**	**12,678**
Lease liabilities	**35**	**70**	**106**	**211**	**53**	**-**	**475**
TOTAL FINANCIAL LIABILITIES	**26,734**	**30,336**	**21,498**	**22,395**	**53**	**618,013**	**719,029**
Any commitments that are unconditionally cancellable at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	**-**	**-**	**-**	**-**	**24,608**	**-**	**24,608**
TOTAL COMMITMENTS AND CONTINGENCIES	**-**	**-**	**-**	**-**	**24,608**	**-**	**24,608**

31 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) 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 (continued):

	Up 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
2024							
FINANCIAL LIABILITIES							
Deposits from customers	-	-	-	-	-	676,024	676,024
Other liabilities	1,442	-	-	-	-	17,994	19,436
Lease liabilities	33	67	100	202	467	-	869
TOTAL FINANCIAL LIABILITIES	1,475	67	100	202	467	694,018	696,329

31 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.

32 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:

	2025	2024
	RM'000	RM'000
Common Equity Tier I ('CET I') / Tier I Capital		
Share capital	**362,000**	277,000
Regulatory reserves	**3,103**	-
Other reserves	**1,481**	-
Accumulated losses	**(205,458)**	(134,178)
	161,126	142,822
Less:		
Regulatory reserves	**(3,103)**	-
Intangible assets	**(77,945)**	(33,412)
Deferred tax assets	**(8,000)**	-
Total CET I Capital, Total Tier I Capital and Total Capital	**72,078**	109,410
Capital ratios		
Before/After proposed dividends:		
CET I Capital Ratio	**20.452%**	68.200%
Tier I Capital Ratio	**20.452%**	68.200%
Total Capital Ratio	**20.452%**	68.200%

32 CAPITAL ADEQUACY RATIO (CONTINUED)

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

	2025	2024
	RM'000	**RM'000**
Credit risk	**325,630**	157,964
Market risk	**-**	-
Operational risk	**26,796**	2,462
Total risk-weighted assets	**352,426**	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).

	2025	2024
	RM'000	**RM'000**
Credit risk-weighted assets breakdown:		
- Subject to 20% risk weight	**34,963**	67,750
- Subject to 50% risk weight	**16,346**	32,569
- Subject to 75% risk weight	**163,792**	373
- Subject to 100% risk weight	**110,449**	57,272
- Subject to 150% risk weight	**80**	-
	325,630	157,964

33 SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

On 27 February 2026, the Bank increased its issued and paid-up ordinary share capital from RM362,000,000 to RM382,000,000 by issuing 20,000,000 new ordinary shares with no par value through rights issues at RM1.00 per share.

34 COMPARATIVE FIGURES

The comparative figures have been audited by a firm of the Chartered Accountants other than Messrs. PricewaterhouseCoopers PLT.

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 25 to 117 are drawn up so as to give a true and fair view of the financial position of the Bank as at 31 December 2025 and financial performance of the Bank for the financial year ended 31 December 2025 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 19 March 2026.

LAU NAI PEK
CHAIRMAN

ANTHONY SHEYANTHA ABEYKOON
DIRECTOR

Kuala Lumpur
19 March 2026

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 25 to 117 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 19 March 2026.

COMMISSIONER FOR OATH
Kuala Lumpur
19 March 2026

PESURUHJAYA SUMPAH
W 761
HADINUR MOHD SYARIF
01.01.2025 - 31.12.2027
MALAYSIA

CHAMBERS TWENTY - FIVE
NO 25, JALAN TUNKU, BUKIT TUNKU
50480 KUALA LUMPUR

pwc

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOOST BANK BERHAD

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Boost Bank Berhad ("the Bank") give a true and fair view of the financial position of the Bank as at 31 December 2025, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Bank, which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 25 to 119.

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 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"), as applicable to audits of financial statements of public interest entities 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 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 other information and we do not express any form of assurance conclusion thereon.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146),
Chartered Accountants, Level 10, Menara TH 1 Sentral,
Jalan Rakyat, Kuala Lumpur Sentral, P O Box 10192,
50706 Kuala Lumpur, Malaysia.
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288

www.pwc.com

In connection with our audit of the financial statements of the Bank, our responsibility is to read the other information and, in doing so, consider whether the other information is 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 this other information, 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 the financial statements of the Bank that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 Bank's ability 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:

(a) 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.

(b) 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 Bank's internal control.

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

(d) 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 Bank's ability 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.

(e) 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 achieves fair presentation.

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.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

MOHAMED ZHARIF BIN MD AGIL
03795/10/2027 J
Chartered Accountant

Kuala Lumpur
19 March 2026