

**YTL Digital Bank Berhad**  
(Registration No. 202201037182 (1482879-P))  
(Incorporated in Malaysia)

**Financial statements for the year  
ended 31 December 2025**

Registration No. 202201037182 (1482879-P)

## YTL Digital Bank Berhad

(Registration No. 202201037182 (1482879-P))  
(Incorporated in Malaysia)

<b>Contents</b>	<b>Page</b>
Directors' report	1 - 16
Statement of financial position	17
Statement of profit or loss and other comprehensive income	18
Statement of changes in equity	19
Statement of cash flows	20 - 23
Notes to the financial statements	24 - 65
Statement by Directors	66
Statutory declaration	67
Independent auditors' report	68 - 70

## **YTL Digital Bank Berhad**

(Registration No. 202201037182 (1482879-P))  
(Incorporated in Malaysia)

### **Directors' report**

The Directors hereby submit their report and the audited financial statements of YTL Digital Bank Berhad ("the Bank") for the financial year ended 31 December 2025.

### **Principal activities**

The Bank was licensed as a Digital Bank on 20 December 2024 by the Ministry of Finance ("MOF") and Bank Negara Malaysia ("BNM"). The Bank uses 'Ryt Bank' as the branding name for its banking business.

The Bank's principal activities involve providing financial services, excluding insurance/takaful and pension funding, including but not limited to online digital financial services and other relevant services. There has been no significant change in the nature of these activities during the financial year.

### **Financial results**

	<b>RM'000</b>
Loss for the year	<u>108,819</u>

### **Reserves and provisions**

There were no material transfers to or from reserves and provisions during the financial year under review.

### **Dividend**

No dividend was paid during the financial year, and the Directors do not recommend any dividend to be paid for the financial year under review.

### **Directors of the Bank**

Directors who served during the financial year until the date of this report are:

Dato' Seri Ahmad Johan bin Mohammad Raslan  
Dato' Seri Yeoh Seok Hong  
Gopala Krishnan A/L K. Sundaram  
Jade Lee Gaik Suan  
Ng Lian Heng, Andrew (Huang Lianxing) (appointed on 25 November 2025)  
Siau Ming Kiat (resigned on 25 November 2025)

## Directors' interests in shares

None of the Directors holding office on 31 December 2025 had any interest in the shares of the Bank and of its related corporations during the financial year.

## Directors' benefits

Since the end of the previous financial year, no Director of the Bank has received nor become entitled to receive any benefit (other than those shown below) 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.

The benefits paid to or receivable by Directors in respect of financial year ended 31 December 2025 are as follows:

	RM'000
Directors of the Bank	
Directors' fee	<u>1,090</u>

There were no arrangements during and at the end of the financial year which had the object of enabling 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.

## Issue of shares and debentures

During the financial year, the Bank issued 220,000,000 new ordinary shares for a total cash consideration of RM220,000,000 for working capital purposes.

There were no debentures issued during the financial year.

## Options granted over unissued shares

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

## Indemnity and insurance costs

The Bank maintains a directors' and officers' liability insurance with coverage up to an aggregate limit of RM50,000,000 against any legal liability incurred by the Directors and officers in the discharge of their duties while holding office for the Bank. The Directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them. The amount of insurance premium paid for the Directors and officers for the current financial year was RM116,820. No insurance is effected for auditors of the Bank in accordance with Section 289 of the Companies Act 2016.

## Other statutory information

Before the financial statements of the Bank were made out, the Directors took reasonable steps to ascertain that:

- i) there are no bad debts to be written off and adequate provision has been made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render it necessary to write off any bad debts or the amount of the provision for any doubtful debts in the Bank inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Bank misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Bank misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Bank misleading.

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

- i) any charge on the assets of the Bank that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Bank that has arisen since the end of the financial year.

No contingent liability or other liability of the Bank has become enforceable or is likely to become enforceable within the year 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.

In the opinion of the Directors, the financial performance of the Bank for the financial year ended 31 December 2025 has not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

## Statement of Corporate Governance

### Board of Directors

The Board of Directors (the "Board") has five (5) members, comprising three (3) independent Directors and two (2) non-independent Directors.

### Profile of Directors

**Dato' Seri Ahmad Johan bin Mohammad Raslan**  
**Chairman, Independent Non-Executive Director**  
**Male, Malaysian**

Dato' Seri Ahmad Johan bin Mohammad Raslan, holds a Bachelor of Economics (Hons) in Economics and Accountancy, United Kingdom. He is a Fellow of The Institute of Chartered Accountants in England and Wales, a Member of The Malaysian Institute of Certified Public Accountants as well as a Member of The Malaysian Institute of Accountants. He was appointed as an Independent Non-Executive Director of the Bank on 16 January 2024. He is the Chairman of the Bank's Board and a member of the Board Risk Management Committee, Board Audit Committee and Board Nomination and Remuneration Committee of the Bank.

Dato' Seri Johan is a past Executive Chairman of PricewaterhouseCoopers Malaysia.

Dato' Seri Johan has contributed to the development of various iterations of the Malaysian Code of Corporate Governance, as well as the establishment of the Audit Oversight Board. He was a member of Bank Negara Malaysia's Financial Stability Executive Committee.

He is an advocate for the role of boards in dealing with climate change and is involved with the CEO Action Network and Climate Governance Malaysia.

Dato' Seri Johan currently serves as an Independent Non-Executive Director of Sime Darby Property Berhad. He is a member of the board of the Institute of Corporate Directors Malaysia and is non-executive Chairman of the Securities Commission's Audit Oversight Board.

**Dato' Seri Yeoh Seok Hong**  
**Non-Independent Non-Executive Director**  
**Male, Malaysian**

Dato' Seri Yeoh Seok Hong, obtained his Bachelor of Engineering (Hons) Civil & Structural Engineering Degree from the University of Bradford, United Kingdom in 1982. He is a member of the Faculty of Building, United Kingdom and a Fellow of the Chartered Institute of Building ("CIOB"), United Kingdom. In 2010, he was conferred an Honorary Doctor of Science degree by Aston University in the United Kingdom. He was appointed as a Non- Independent Non-Executive Director of the Bank on 19 April 2023.

Dato' Seri Yeoh Seok Hong has vast experience in the construction industry and serves as the Managing Director of Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd, the YTL Group's flagship construction arm. He is responsible for developing the power and utility businesses of the YTL Power International Berhad Group which include the development of a new data centre campus powered by a solar power generation facility. He also serves as the Managing Director of YTL Communications Sdn Bhd where he was responsible for the building of the fourth generation ("4G") network and which, in 2021, became the first telco in Malaysia to offer 5G services.

## Statement of Corporate Governance (continued)

### Profile of Directors (continued)

**Dato' Seri Yeoh Seok Hong (continued)**  
**Non-Independent Non-Executive Director**  
**Male, Malaysian**

Dato' Seri Yeoh Seok Hong sits on the boards of other public companies such as YTL Corporation Berhad, YTL Power International Berhad, Malayan Cement Berhad, YTL Cement Berhad, YTL Land & Development Berhad, YTL Industries Berhad and Digital Nasional Berhad and private utilities corporations, Wessex Water Limited and Wessex Water Services Limited in England and Wales and YTL PowerSeraya Pte Limited in Singapore. He also sits on the board of trustees of YTL Foundation, the philanthropic arm of the YTL Group.

**Ng Lian Heng, Andrew (Huang Lianxing)**  
**Non-Independent Non-Executive Director**  
**Male, Singaporean**

Mr Andrew Ng is an experienced corporate development and strategy leader with broad international exposure across digital banking, financial services, technology, and management consulting. He brings over 15 years of expertise driving organisational growth, transformation, and operational excellence across Asia-Pacific. He was appointed as a Non-Independent Non-Executive Director of the Bank on 25 November 2025.

Mr Ng is currently Director of Corporate Development at Monee (Sea Group), where he leads key strategic initiatives across Sea Group's financial services portfolio. His responsibilities include driving regulatory applications, inorganic growth, and new-market entry strategies. He played a central role in Sea's application for a virtual banking licence in Thailand as part of a consortium, and was instrumental in establishing the MariBank Group through the acquisition of SeaBank Philippines. Prior to this, he served as Project Director & Head of Business for Ryt Bank in Singapore and Malaysia, where he oversaw the build-out of the digital bank's core teams, product delivery pods, and the development of business, operational, and capital plans for regulatory submissions.

Before joining Sea Group, Mr Ng was a management consultant with McKinsey & Company, where he worked across multiple geographies including Singapore, Australia, New Zealand, Japan, the UK, and the USA. He advised governments, financial institutions, technology investors, and organisations undergoing digital and operational transformation. His work included leading a sector-wide digital transformation programme for the public healthcare system and supporting value-creation initiatives for a global technology investment fund.

Mr Ng's earlier career includes roles in investment banking at Citigroup, strategy leadership at Brightwater Care Group, and consulting at PwC in Australia. His experience spans corporate strategy, M&A, operational improvement, digital transformation, and portfolio value enhancement. He began his career with the Singapore Armed Forces, where he served as Assistant Chief Clerk and was recognised for outstanding performance.

Mr Ng holds an MBA (Distinction) from the University of Oxford's Saïd Business School, where he was awarded the SBS Foundation Merit Scholarship, and a Bachelor of Commerce (Honours) degree in Finance and Accounting from the University of Western Australia. He is also a CFA charter holder.

## Statement of Corporate Governance (continued)

### Profile of Directors (continued)

**Jade Lee Gaik Suan**  
**Independent Non-Executive Director**  
**Female, Malaysian**

Ms Jade Lee Gaik Suan holds a Bachelor of Science (Honours) degree from University of Malaya, Malaysia. She was appointed as an Independent Non-Executive Director of the Bank on 16 January 2024. She is the Chairman of the Bank's Board Risk Management Committee and a member of the Board Audit Committee and Board Nomination and Remuneration Committee of the Bank.

Ms Jade is a veteran banker with more than 30 years of working experience in the banking and insurance industries. She joined American Express (Malaysia) Sdn Bhd under the Consumer Cards Group for 10 years with the last held position as a Director. She was in-charge of the distribution of direct, telesales, anti-attribution and direct marketing, product development and management. She then left American Express (Malaysia) Sdn Bhd and joined Standard Chartered Bank Malaysia Berhad and handled end-to-end business management under the Unsecured Lending division for 6 years before leaving the company as General Manager.

Subsequently, Ms Jade joined RHB Bank Berhad under the Credit Cards Division for 3 years as General Manager. She joined Prudential Services Asia Sdn Bhd as a Chief Operating Officer for 3 years where she contributed to the set up of the Shared Services Hub, cross border project management and served 3 businesses including Malaysia and Singapore.

Thereafter, she joined CIMB Bank Berhad as the Regional Head for the Wealth Management & Segment for 8 years where she led the SEA region including Malaysia, Singapore, Indonesia, Thailand and Cambodia serving Priority Banking, CIMB @ Work, Wealth Management including investments, Bancassurance and Universal Life, Product management including Western Union, SpeedSend and MEPS.

Ms Jade moved on to AMMB Holdings Berhad as a Managing Director Retail Bank for 3 years managing business strategy and performance management which comprised channel management, product management, retail credit management, customer experience & service quality and employee engagement.

In 2019, Ms Jade retired from the banking industry. In December 2019, she co-founded Artisan Digital Mall Sdn Bhd and holds the position of Chief Executive Officer currently. She is also an Independent Non-Executive Director of and iFAST Capital Sdn Bhd and iFAST Pay Malaysia Sdn Bhd, respectively.

## Statement of Corporate Governance (continued)

### Profile of Directors (continued)

**Gopala Krishnan A/L K. Sundaram**  
**Independent Non-Executive Director**  
**Male, Malaysian**

Mr Gopala Krishnan A/L K. Sundaram, graduated from the University of Malaya, Kuala Lumpur, under a Bank Negara Malaysia (“BNM”) scholarship with a Bachelors in Law LL.B. (Hons). He was appointed as an Independent Non-Executive Director of the Bank on 16 January 2024. He is the Chairman of the Bank’s Board Audit Committee and Board Nomination and Remuneration Committee and a member of the Board Risk Management Committee of the Bank.

Mr Gopal Sundaram began his highly distinguished career in BNM in 1982. During his 30 years’ stint at BNM, he held various senior positions including, amongst others, General Counsel for BNM and, subsequently, as an Assistant Governor from 2006 to 2011. Following his retirement from BNM in 2011, he was re-appointed as Project Adviser to BNM, serving as the advisor and lead draftsman for the Financial Services Act 2013 and Islamic Financial Services Act 2013, which came into force effective 30 June 2013.

Mr Gopal Sundaram possesses extensive knowledge, experience and expertise in banking and operations, governance on the aspect of policies, shariah compliance, legal and regulatory requirements of BNM and applicable laws.

He is the only member of the International Monetary Law Committee of the International Law Association (MOCOMILA) from Malaysia. He is a member of the Panel of Experts of P.R.I.M.E. Finance, Peace Palace, The Hague.

Mr Gopal Sundaram has served as an Independent Non-Executive Director of the Board of Kuwait Finance House (Malaysia) Berhad from 2012 to 2016. In 2017 to 2018, he was an Independent International Consultant for the World Bank. He also served as a Consultant for the Asian Development Bank from 2018 to 2021.

Mr Gopal Sundaram is currently a Partner at Abdullah Chan & Co. Advocates & Solicitors, a role he has held since 2012. His areas of expertise amongst others includes banking, Islamic banking, insurance and reinsurance regulatory compliance and matters relating to money services businesses in particular remittance business, licences and platforms, electronic wallets licenses and compliance, foreign exchange administration, corporate law matters, corporate governance, central banking law and legislative drafting.

Mr Gopal Sundaram is an Independent Non-Executive Director of Tenaga Nasional Berhad since 2018, and he also chairs the Board Long-Term Incentive Plan Committee and serves as a member of various Board Committees of Tenaga Nasional Berhad. He is also an Independent Non-Executive Director of MCIS Insurance Berhad.

## **Statement of Corporate Governance (continued)**

### **Roles and Responsibilities**

The Board has overall responsibility for the long-term success of the Bank and its value creation.

The key roles of the Board are as follows:

- provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Bank to meet its objectives.
- establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Bank's assets.
- review Senior Management ("Management") performance.
- identify the key stakeholder groups and recognise that their perceptions affect the Bank's reputation.
- set the Bank's values and standards (including ethical standards) and ensure that obligations to shareholders and other stakeholders are understood and met.
- consider sustainability issues as part of its strategic formulation.

The role of the Board is also to establish and approve the risk appetite, capital and operating plans of the Bank, as presented by management for the achievement of the strategic objectives it has set. Implementation of the strategy established and approved by the Board is delegated to Management which is led by the Chief Executive Officer. The Board should have a sound understanding of the business strategy, nature of the business activities of the Bank and their associated risks, and should work with Management for the long-term success of the Bank.

The Board shall meet regularly (at least quarterly) and at such times as it may determine. During the financial year, the Board held a total of seven (7) meetings.

## Statement of Corporate Governance (continued)

### Tenure of Independent Directors

The tenure limits for Independent Directors should generally not exceed nine (9) years, except under exceptional circumstances or as part of transitional arrangements towards full implementation of the succession plans of the Bank.

### Directors' Trainings

The Board acknowledges the importance of continuous professional development and training for its Directors to ensure each Director possesses the knowledge and skills necessary to fulfil their responsibilities.

During the financial year, the Directors have attended various training programmes on issues relevant to their duties and responsibilities to further enhance their knowledge and to keep abreast with the latest developments in the industry and changes to the new statutory and regulatory requirements as follows:

No	Training Programmes	Attended by
1	Board Risk Management Training – Cybersecurity Trends	Dato' Seri Ahmad Johan bin Mohammad Raslan Dato' Seri Yeoh Seok Hong Gopala Krishnan A/L K. Sundaram Jade Lee Gaik Suan Siau Ming Kiat

### Board and Board Committee Meetings

The Bank's Directors are carrying out their duties and responsibilities effectively from time to time. The Board and the Board Committees met to review, deliberate and discuss numerous business agendas during the year under review. In accordance with BNM's corporate governance requirement, at least 75% attendance is required for Board's meetings.

The Board delegates certain of its governance responsibilities to Board Committees, which operate within a defined Terms of Reference, mainly to assist the Board in carrying out of its duties and responsibilities. The following are the Board Committees' and the terms of references as set out in pages 10 to 12.

- Board Audit Committee ("BAC")
- Board Risk Management Committee ("BRMC")
- Board Nominations and Remuneration Committee ("BNRC")

These Board Committees would enable a more effective consideration of complex or specialised matters within the Terms of Reference to each of the Board Committees. The Board remains fully accountable and responsible for the actions and decisions carried out by the Board Committees.

## Statement of Corporate Governance (continued)

### Board and Board Committee Meetings (continued)

During the financial year, the meeting attendance record for all Directors is as follows:

No	Name of Director	Designation	Board	BAC	BRMC	BNRC
1	Dato' Seri Ahmad Johan bin Mohammad Raslan (Chairman)	Chairman, Independent Non-Executive Director	7/7	7/7	4/4	6/6
2	Dato' Seri Yeoh Seok Hong	Non-Independent Non-Executive Director	7/7	Not applicable	Not applicable	Not applicable
3	Gopala Krishnan A/L K. Sundaram (Chairman of BAC & BNRC)	Independent Non-Executive Director	7/7	7/7	4/4	6/6
4	Jade Lee Gaik Suan (Chairman of BRMC)	Independent Non-Executive Director	7/7	7/7	4/4	6/6
5	Ng Lian Heng, Andrew (Huang Lianxing) (appointed on 25 November 2025)	Non-Independent Non-Executive Director	1/1	Not applicable	Not applicable	Not applicable
6	Siau Ming Kiat (resigned on 25 November 2025)	Non-Independent Non-Executive Director	6/6	Not applicable	Not applicable	Not applicable

### Board Audit Committee

Board Audit Committee ("BAC") is appointed by the Board to assist the Board in discharging its oversight responsibilities. BAC is responsible for the adequacy of the external and internal audit functions of the Bank, including reviewing the scope and results of audits carried out in respect of the operations of the Bank, and the independence and objectivity of the Bank's external auditors. BAC also will oversee the financial reporting process to ensure the balance, transparency and integrity of published financial information. BAC is required to discharge its duties objectively.

The BAC will also review the following:

- the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Bank and any announcements relating to the Bank's financial performance.
- the adequacy and effectiveness of the Bank's risk management and internal control systems, at least annually.
- the assurance from the CEO and the CFO on the financial records and financial statements.
- the adequacy, effectiveness, independence, scope and results of the external audit and the Bank's internal audit function.

## **Statement of Corporate Governance (continued)**

### **Board Audit Committee (continued)**

- the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on the independent audit process, including recommending the appointment, removal, remuneration, terms of engagement and assessing the performance of the external auditors.
- the Bank's process for monitoring compliance with laws, regulations, internal standards (including the code of business conduct), policies and expectations of key stakeholders, including customers, employees and society as a whole.

The BAC is scheduled to meet four (4) times a year, aligning with the Bank's financial reporting cycle, and additionally as needed. During the financial year, the BAC held a total of seven (7) meetings.

### **Board Risk Management Committee**

The Board Risk Management Committee ("BRMC") is appointed by the Board to assist the Board in discharging its oversight responsibilities, and to ensure that Senior Management of the Bank ("Management") maintains a sound system of risk management and internal controls, to safeguard the interests of the Bank and its shareholders. The BRMC will oversee effectiveness of the enterprise-wide risk management framework and policies.

The BRMC will also review and oversee the following:

- risk management framework and policy (including Risk Management Governance Structure, Risk Appetite, Risk Policies, Risk Monitoring Processes and Systems, and Compliance with Regulatory Requirements);
- key material risks facing the Bank;
- adequacy and effectiveness of risk management and system of internal controls to ensure key material risks are managed within acceptable levels (taking into account financial reporting and other financial-related risks and controls that are covered by the BAC);
- ensure integration and alignment of enterprise risk management to the Bank's strategy planning;
- technology, data and cyber risk management;
- outsourcing risk management;
- credit risk management;
- market risk management;
- liquidity risk management;
- business continuity management;

## **Statement of Corporate Governance (continued)**

### **Board Risk Management Committee (continued)**

- anti-money laundering and countering the financing of terrorism risk management;
- fraud risk management;
- reputational risk management;
- operational risk management;
- crisis management.

The BRMC is scheduled to meet at least four (4) times a year or as and when required. During the financial year, the BRMC held a total of four (4) meetings.

### **Board Nominations and Remuneration Committee**

The Board Nominations and Remuneration Committee ("BNRC") is appointed by the Board to assist the Board with, and provide recommendations to the Board for their endorsement, the following:

- review of structure, size and composition of the Board and the Board committees
- review of succession plans for Directors and Management, in particular, the appointment and/or replacement of the Chairman, the Chief Executive Officer ("CEO") and key management personnel
- development and review of training and professional development programs for the Board and its Directors
- a formal and transparent process and criteria for appointment and re-appointment of Directors (including alternate directors, if any) taking into account the need for progressive renewal of the Board, Board committee members, CEO, Deputy CEO, Chief Financial Officer (CFO) and Chief Risk Officer (CRO)
- review and evaluate independence of all Directors
- development of a framework to identify the skills that the Board collectively needs
- review of nominations, and reasons for resignations, of key appointment holders
- a formal and transparent process and criteria for performance evaluation of Board, Board committees and its Directors, including assessing whether Directors are able to commit enough time to discharge their responsibilities
- the remuneration framework and policies for the Board, executive officers and material risk takers
- the specific remuneration packages for each Director as well as for the executive officers
- the talent management framework for the Bank, including staff development and succession planning

The BNRC is scheduled to meet at least two (2) times or as and when required. During the financial year, the BNRC held a total of six (6) meetings.

## Statement of Corporate Governance (continued)

### Internal Controls

The Board acknowledges the importance of maintaining a sound system of internal control to safeguard shareholders' investments and the Bank's assets. The Board is also responsible for the Bank's system of internal controls and its effectiveness. It includes reviewing the adequacy and integrity of controls relating to financial, operational, risk management and compliance with applicable laws and regulations on a regular basis.

### Risk Management Structure

The Bank has established within its Enterprise Risk Management Framework a holistic risk management governance structure for risk management which balances risks and returns, as well as integrated risk management processes for credit risk, market risk, liquidity risk, technology risk and operational risk. The risk management governance structure provides clear accountabilities and responsibilities for risk management processes throughout the organisation at the Board / BRMC level, at the Senior Management level and across the 3 Lines of Defence model as follows:

- The first line of defence: Functional Units and Management are responsible for identifying and managing the risks inherent in the products, activities, processes and systems for which it is accountable.
- The second line of defence: Risk Management Department, Technology & Cyber Risk Management Department, and Compliance Department are responsible for further identifying, monitoring and reporting risks, as well as challenging the first line on the way it manages risks.
- The third line of defence: Internal Audit provides independent assurance to the Board that the overall governance framework is effective, and policies are being properly applied.

The Bank's risk management strategies include risk avoidance, risk reduction, risk transfer and risk acceptance.

Roles and responsibilities in risk management of the following committees have been established as per their corresponding Terms of Reference:

- Management Committee
- Risk Management Committee
- Data, Technology and Cyber Risk Management Committee
- Asset & Liability Management Committee
- Anti-Money Laundering Committee

### Risk Appetite Statement

This Risk Appetite Framework sets out the Risk Appetite Statement to be adopted by the Bank and provides a comprehensive summary of the Material Risks, Risk Appetite Statements and Risk Control Types in guiding the operations of the Bank.

## Statement of Corporate Governance (continued)

### Technology Risk and Cyber Resilience Management

As financial institutions leverage more on technology to provide its services and the growing sophistication of cyber threats, there is a greater need for the Bank to strengthen its technology risk and resilience management. The Bank has in-line with regulatory requirements established Technology Risk Management Policy and Cyber Resilience Policy to ensure continuous availability of its financial services to customers and protection of customers data at all times.

### **Remuneration and Reward Policy**

The Bank's Remuneration and Reward Policy, which has been endorsed by the Bank's BNRC and approved by the Board, applies across the Bank and acts as a guiding principle in relation to the remuneration for the Board, CEO, senior officers and other material risk takers of the Bank.

The Policy also defines and describes the total reward strategy that the Bank adopts to, which includes four (4) components, namely, remuneration, wellbeing, recognition and development. This aims to foster employee satisfaction and engagement within the Bank. Whereas the remuneration consists of base salary, short term incentive (variable remuneration) and other benefits and programs.

<b>Remuneration</b>	<b>Purpose and link to strategy</b>	<b>Description</b>
Base salary (Fixed remuneration component)	The base salary is a fundamental component of an employee's compensation, recognising their daily contributions and maintaining a well-rounded remuneration package. It serves to attract and retain qualified individuals who are capable of effectively fulfilling their job responsibilities. The base salary is determined by considering the employee's experience, the scope of their duties, and the level of responsibility associated with their role.	The fixed base salary consists of a fixed annual cash salary. The base salary of all employees is normally reviewed annually via an annual increment exercise performed by the People & Culture team by taking into consideration a variety of factors, including the following: <ul style="list-style-type: none"> <li>- skills, experience and performance of the employee</li> <li>- performance of the Bank</li> <li>- relevant market conditions</li> <li>- remuneration at peer group</li> <li>- changes in individual responsibilities</li> </ul>

## Statement of Corporate Governance (continued)

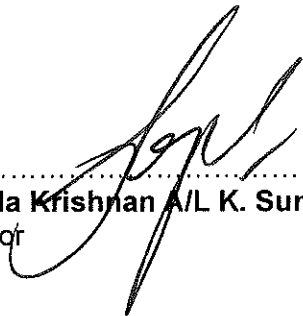
Remuneration	Purpose and link to strategy	Description
Short-term incentive (STI) (Variable remuneration component)	The purpose of the STI is to incentivise and reward performance against delivery of the Company's annual business plan, including annual financial, operational and strategic goals.	Annual bonus arrangements encourage and reward the delivery of short-term business objectives. Annual bonus payments are conditional upon meeting in full or in part the specific conditions and targets. The annual bonus may be based on a mix of financial, operational, strategic, and individual performance measures. The exact metrics are determined each year depending on the key goals for the forthcoming year and the annual bonus is normally paid in cash.
Other benefits and programs (Other financial benefits/ fixed remuneration components)	The purpose is to provide a market-competitive level of benefits to assist the employees in the performance of their role and to support recruitment and retention.	<p>The Bank's benefits program is designed to provide competitive and comprehensive benefits to its employees. Benefits offered are reviewed regularly to ensure they remain competitive with market standards and industry practices.</p> <p><b>Monetary Benefits:</b></p> <ul style="list-style-type: none"> <li>• Fixed cash allowances</li> <li>• Flexible allowances by reimbursement</li> </ul> <p><b>Non-Monetary Benefits:</b></p> <ul style="list-style-type: none"> <li>• Risk benefits (e.g., life and disability insurance)</li> <li>• Medical insurances and medical coverage</li> <li>• Use of company phone with eSim</li> </ul>

## Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Bank during the year is RM230,000.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:



.....  
**Gopala Krishnan A/L K. Sundaram**  
Director



.....  
**Jade Lee Gaik Suan**  
Director

Kuala Lumpur

Date: 6 March 2026

## YTL Digital Bank Berhad

(Registration No. 202201037182 (1482879-P))

(Incorporated in Malaysia)

### Statement of Financial Position As at 31 December 2025

	Note	2025 RM'000	2024 RM'000
<b>Assets</b>			
Cash and short-term funds	3	483,300	63,710
Deposits with licensed financial institutions	4	682,932	50,438
Financial investments at fair value through profit or loss ("FVTPL")	5	-	6,906
Financial investments at fair value through other comprehensive income ("FVOCI")	6	798,817	-
Financial investments at amortised cost ("AC")	7	20,564	-
Loans and advances	8	21,826	-
Other assets	9	25,997	4,804
Statutory deposits with Bank Negara Malaysia	10	6,379	-
Current tax assets		362	380
Right-of-use assets	11	5,870	7,686
Plant and equipment	12	2,554	2,874
Intangible assets	13	68,195	51,352
<b>Total assets</b>		<b>2,116,796</b>	<b>188,150</b>
<b>Liabilities and equity</b>			
Deposits from customers	14	1,606,499	-
Obligations on securities sold under repurchase agreements	15	197,508	-
Other liabilities	16	39,402	24,357
Lease liabilities	17	6,328	7,775
<b>Total liabilities</b>		<b>1,849,737</b>	<b>32,132</b>
Share capital	18	480,000	260,000
Capital contribution reserve	19	-	-
Other reserves	20	(140)	-
Accumulated losses		(212,801)	(103,982)
<b>Total equity</b>		<b>267,059</b>	<b>156,018</b>
<b>Total liabilities and equity</b>		<b>2,116,796</b>	<b>188,150</b>
<b>Commitments</b>	27	<b>39,960</b>	<b>-</b>

The notes on pages 24 to 65 are an integral part of these financial statements.

## YTL Digital Bank Berhad

(Registration No. 202201037182 (1482879-P))

(Incorporated in Malaysia)

### Statement of Profit or Loss and Other Comprehensive Income For the year ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
Interest income		19,023	3,140
Interest expense		(16,046)	-
<b>Net interest income</b>	21	<u>2,977</u>	<u>3,140</u>
Fee and commission	22	(1,530)	-
Other operating income	23	849	382
<b>Non-interest income</b>		<u>(681)</u>	<u>382</u>
<b>Total operating income</b>		<u>2,296</u>	<u>3,522</u>
Operating expenses			
Personnel expenses		(51,108)	(46,716)
Other overhead expenses		(53,181)	(23,144)
<b>Total operating expenses</b>	24	<u>(104,289)</u>	<u>(69,860)</u>
<b>Loss before allowances</b>		(101,993)	(66,338)
Allowances for expected credit losses ("ECL")	25	(6,826)	(2)
<b>Loss before taxation</b>		(108,819)	(66,340)
Taxation	26	-	497
<b>Loss for the year</b>		<u>(108,819)</u>	<u>(65,843)</u>
<b>Other comprehensive loss, net of income tax</b>			
<b>Item that may be reclassified subsequently to statement of profit or loss</b>			
Movement in the financial investments at fair value through other comprehensive income ("FVOCI")			
- Net loss on change of fair value		(171)	-
- Changes in ECL		31	-
<b>Other comprehensive loss for the year</b>		<u>(140)</u>	<u>-</u>
<b>Total comprehensive loss for the year</b>		<u>(108,959)</u>	<u>(65,843)</u>

The notes on pages 24 to 65 are an integral part of these financial statements.

## YTL Digital Bank Berhad

(Registration No. 202201037182 (1482879-P))

(Incorporated in Malaysia)

### Statement of Changes in Equity For the year ended 31 December 2025

	Share capital RM'000	Non-distributable Capital contribution reserve RM'000	Other reserves RM'000	Accumulated losses RM'000	Total RM'000
<b>2025</b>					
At 1 January	260,000	-	-	(103,982)	156,018
Issue of ordinary shares	220,000	-	-	-	220,000
Loss and total comprehensive loss for the year	-	-	(140)	(108,819)	(108,959)
At 31 December	<u>480,000</u>	<u>-</u>	<u>(140)</u>	<u>(212,801)</u>	<u>267,059</u>
<b>2024</b>					
At 1 January	100,000	30,000	-	(38,139)	91,861
Issue of ordinary shares	160,000	(30,000)	-	-	130,000
Loss and total comprehensive loss for the year	-	-	-	(65,843)	(65,843)
At 31 December	<u>260,000</u>	<u>-</u>	<u>-</u>	<u>(103,982)</u>	<u>156,018</u>
	Note 18	Note 19	Note 20		

The notes on pages 24 to 65 are an integral part of these financial statements.

## YTL Digital Bank Berhad

(Registration No. 202201037182 (1482879-P))

(Incorporated in Malaysia)

### Statement of Cash Flows For the year ended 31 December 2025

	2025 RM'000	2024 RM'000
<b>Cash flows from operating activities</b>		
Loss before taxation	(108,819)	(66,340)
<i>Adjustments for:</i>		
Amortisation of intangible assets	5,309	386
Depreciation of plant and equipment	1,916	1,302
Depreciation of right-of-use assets	1,859	1,275
Unrealised loss on financial investments at FVTPL	124	-
Unrealised gain on financial investments at FVTPL	-	(124)
Unrealised foreign exchange (gain)/loss	(128)	24
Net gain on disposal of financial asset at FVOCI	(2)	-
Interest expense on lease liabilities	316	74
Allowance for impairment losses on loans and advances	6,774	-
Allowance for impairment losses on financial investments	31	-
Allowance for impairment losses on other financial assets	21	2
Interest expense	16,046	-
Interest income	(19,023)	(3,140)
<b>Operating loss before changes in working capital</b>	(95,576)	(66,541)
Change in other assets	(11,226)	(4,021)
Change in other liabilities	15,372	(6,313)
Change in financial investments at FVTPL	6,782	(6,782)
Change in financial investments at amortised cost	(20,591)	-
Change in loans and advances	(27,979)	-
Change in statutory deposits with Bank Negara Malaysia	(6,379)	-
Change in deposits from customer	1,591,062	-
Change in obligations on securities sold under repurchase agreements	196,899	-
Interest received	18,049	3,344
<b>Cash generated from/(used in) operations</b>	1,666,413	(80,313)
Tax refunded	19	-
Tax paid	-	(308)
<b>Net cash generated from/(used in) operating activities</b>	<b>1,666,432</b>	<b>(80,621)</b>

## Statement of Cash Flows

### For the year ended 31 December 2025 (continued)

	2025 RM'000	2024 RM'000
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(1,792)	(4,562)
Additions of intangible assets	(27,272)	(37,440)
Changes in deposits with licensed financial institutions with original maturity of more than three months	(329,973)	39,973
Net acquisition of financial investments at FVOCI	(803,470)	-
Increase in pledged deposits	(2,547)	-
<b>Net cash used in investing activities</b>	<b>(1,165,054)</b>	<b>(2,029)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of ordinary shares	220,000	130,000
Lease payments	(1,793)	(1,331)
<b>Net cash generated from financing activities</b>	<b>218,207</b>	<b>128,669</b>
<b>Net increase in cash and cash equivalents</b>	<b>719,585</b>	<b>46,019</b>
Cash and cash equivalents:		
At 1 January	63,724	17,705
At 31 December	<b>783,309</b>	<b>63,724</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and short-term funds	483,309	63,711
Deposits with licensed financial institutions	682,946	50,439
	1,166,255	114,150
Less: Deposits with original maturity of more than three months	(380,000)	(50,027)
Less: Pledged deposits	(2,946)	(399)
	<b>783,309</b>	<b>63,724</b>

## Statement of Cash Flows

### For the year ended 31 December 2025 (continued)

Note:

#### (i) Acquisition of plant and equipment

During the financial year, the Bank acquired plant and equipment with an aggregate cost of RM1,596,000 (2024: RM1,625,000) of which includes the amount due to related parties, accruals and other payables which have yet to be settled at the end of the reporting period as follows:

	Note	2025 RM'000	2024 RM'000
Amount due to related parties	16.1	26	25
Other payables and accrued expenses	16.2	10	207
		<u>36</u>	<u>232</u>

#### (ii) Additions to intangible assets

During the financial year, the Bank has new additions of intangible assets with an aggregate cost of RM22,152,000 (2024: RM28,725,000) of which includes the amount due to related parties, other payables and accruals which have yet to be settled at the end of the reporting period as follows:

	Note	2025 RM'000	2024 RM'000
Amount due to related parties	16.1	1,186	2,728
Other payables and accrued expenses	16.2	480	4,058
		<u>1,666</u>	<u>6,786</u>

#### (iii) Cash flows for leases as a lessee

	2025 RM'000	2024 RM'000
Included in net cash from financing activities:		
Interest paid in relation to lease liabilities	(316)	(74)
Payment of lease liabilities	(1,477)	(1,257)
Included in net cash used in operating activities:		
Expenses related to short-term leases	<u>(182)</u>	<u>(171)</u>
Total cash outflows for leases	<u>(1,975)</u>	<u>(1,502)</u>

#### Material accounting policy information

The statement of cash flows is prepared using the indirect method, whereby profit before tax is adjusted for the effects of non-cash transactions and changes in working capital to derive net cash generated from operating activities.

**Statement of Cash Flows  
For the year ended 31 December 2025 (continued)**

An analysis of changes in liability from financing activities below:

	At 1 January RM'000	Acquisition of new lease RM'000	Remeasurement of lease RM'000	Cash changes Net cash flows from financing activities RM'000	Non-cash changes Accrued interest RM'000	Lease payable RM'000	At 31 December RM'000
<b>2025</b>							
Lease liabilities	7,775	43	-	(1,793)	316	(13)	6,328
<b>2024</b>							
Lease liabilities	2,186	2,201	4,645	(1,331)	74	-	7,775

The notes on pages 24 to 65 are an integral part of these financial statements.

## YTL Digital Bank Berhad

(Registration No. 202201037182 (1482879-P))  
(Incorporated in Malaysia)

### Notes to the financial statements

YTL Digital Bank Berhad is a public limited liability company, incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Bank are as follows:

#### Principal place of business

Level 37, Menara Southpoint, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

#### Registered office

Level 13, Menara 1 Sentrum, 201, Jalan Tun Sambanthan, Brickfields, 50470 Kuala Lumpur.

The Bank was licensed as a digital bank on 20 December 2024 by the Ministry of Finance ("MOF") and Bank Negara Malaysia ("BNM").

The Bank uses 'Ryt Bank' as the branding name for its banking business.

The Bank's principal activities involve providing financial services, excluding insurance/takaful and pension funding, including but not limited to online digital financial services and other relevant services.

The financial statements were authorised for issue by the Board of Directors on 6 March 2026.

## 1. Basis of preparation

### (a) Statement of compliance

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

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

#### ***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026***

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
  - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - Amendments to MFRS 9, *Financial Instruments*
  - Amendments to MFRS 10, *Consolidated Financial Statements*
  - Amendments to MFRS 107, *Statement of Cash Flows*

## 1. Basis of preparation (continued)

### (a) Statement of compliance (continued)

#### ***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026 (continued)***

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

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

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

#### ***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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

- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026; and
- from the annual period beginning on 1 January 2027 for the accounting standards and amendments that are effective for annual periods beginning on or after 1 January 2027.

The initial application of the abovementioned accounting standards, amendments and interpretations is not expected to have any material financial impact to the current period and prior year financial statements of the Bank, except for MFRS 18 where the Bank is currently assessing the impact.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the financial investments at FVTPL and FVOCI which are measured at fair value.

### (c) Functional and presentation currencies

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Bank's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

## 2. Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than the estimation of the Bank's expected credit losses ("ECL"), which is based on complex models with several underlying key assumptions. Key judgements in determining the ECL including the Bank's criteria for significant increase in credit risk, as well as the determination of Probability of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD"), disclosed in Note 29.

## 3. Cash and short-term funds

	2025 RM'000	2024 RM'000
Cash and bank balances	13,309	90
Deposits with licensed financial institutions maturing within a month	470,000	63,621
	<u>483,309</u>	<u>63,711</u>
Less: Allowance for expected credit losses ("ECL") - Stage 1: 12-month ECL	(9)	(1)
	<u>483,300</u>	<u>63,710</u>

### Movement in allowances for ECL:

	2025 RM'000	2024 RM'000
<b>Stage 1: 12-month ECL</b>		
At 1 January	1	-
New financial assets originated	9	1
Financial assets derecognised	(1)	-
At 31 December	<u>9</u>	<u>1</u>

## 4. Deposits with licensed financial institutions

	2025 RM'000	2024 RM'000
Deposits with licensed financial institutions maturing more than one month	682,946	50,439
Less: Allowance for expected credit losses ("ECL") - Stage 1: 12-month ECL	(14)	(1)
	<u>682,932</u>	<u>50,438</u>

#### 4. Deposits with licensed financial institutions (continued)

Movement in allowances for ECL:

	2025 RM'000	2024 RM'000
<b>Stage 1: 12-month ECL</b>		
At 1 January	1	-
New financial assets originated	14	1
Financial assets derecognised	(1)	-
At 31 December	<u>14</u>	<u>1</u>

Deposits with licensed financial institutions include restricted cash amounts which have been pledged to a bank as security for a bank guarantee and a standby letter of credit of RM433,000 (2024: RM399,000) and RM2,513,000 (2024: Nil) respectively. As such, these amounts are not available for general use.

#### 5. Financial investments at fair value through profit or loss ("FVTPL")

	2025 RM'000	2024 RM'000
<b>Unquoted securities:</b>		
<i><u>In Malaysia</u></i>		
Unit trusts	<u>-</u>	<u>6,906</u>

Financial assets at fair value through profit or loss ("FVTPL") were those held for trading or those that have been either designated by the Bank at initial recognition or are required to be measured at fair value under MFRS 9. The financial investments are derecognised when the rights to the cash flow expire. Any gain or loss on derecognition is recorded in profit or loss.

#### 6. Financial investments at fair value through other comprehensive income ("FVOCI")

	2025 RM'000	2024 RM'000
<b>Money Market Instruments:</b>		
Malaysia Government Securities	60,732	-
Malaysia Government Investment Issues	485,143	-
Total money market instruments	<u>545,875</u>	<u>-</u>
<b>Non-Money Market Instruments:</b>		
Corporate bonds in Malaysia		
- Quoted securities	15,152	-
- Unquoted securities	237,790	-
Total non-money market instruments	<u>252,942</u>	<u>-</u>
Total financial investments at FVOCI	<u>798,817</u>	<u>-</u>

## 6. Financial investments at fair value through other comprehensive income (“FVOCI”) (continued)

Included in financial investments at fair value through other comprehensive income are Malaysia Government Investment Issues, which are pledged as collateral for obligations on securities sold under repurchase agreements amounting to RM206,961,000.

Financial asset at fair value through other comprehensive income are those that are held to collect contractual cash flows (where the cash flows represent solely payment of principal and interest) and for sale. The financial investments are derecognised when the rights to the cash flows expire. Upon derecognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss and recognised in net other operating income.

Movement in allowances for ECL:

	2025 RM'000	2024 RM'000
<b>Stage 1: 12-month ECL</b>		
At 1 January	-	-
New financial assets originated	31	-
At 31 December	<u>31</u>	<u>-</u>

## 7. Financial investments at amortised cost (“AC”)

	2025 RM'000	2024 RM'000
<b>Money Market Instruments:</b>		
Malaysia Government Investment Issues	<u>20,564</u>	<u>-</u>

Financial investments at amortised cost are those that are held to collect contractual cash flows and whose cash flows represent solely payment of principal and interest. These financial assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

No expected credit loss was recognised for financial investments at amortised cost as the Bank’s exposure comprises solely Malaysian Government Investment Issues, which are assessed to have low credit risk.

## 8. Loans and advances

	2025 RM'000	2024 RM'000
<b>At amortised cost</b>		
<i>Revolving credit</i>		
- Retail loans	28,600	-
Less: Allowance for expected credit losses (“ECL”)		
- Stage 1: 12-month ECL	(4,039)	-
- Stage 2: Lifetime ECL not credit impaired	(1,982)	-
- Stage 3: Lifetime ECL credit impaired	(753)	-
	<u>21,826</u>	<u>-</u>

## 8. Loans and advances (continued)

(a) Gross loans and advances analysed by type of customer

	2025 RM'000	2024 RM'000
Individuals	<u>28,600</u>	<u>-</u>

(b) Gross loans and advances analysed by geographical distribution

	2025 RM'000	2024 RM'000
In Malaysia	<u>28,600</u>	<u>-</u>

(c) Gross loans and advances analysed by interest rate sensitivity

	2025 RM'000	2024 RM'000
Fixed rate	<u>28,600</u>	<u>-</u>

(d) Gross loans and advances analysed by sector

	2025 RM'000	2024 RM'000
Household	<u>28,600</u>	<u>-</u>

(e) Gross loans and advances analysed by residual contractual maturity

	2025 RM'000	2024 RM'000
Maturity within one year	<u>28,600</u>	<u>-</u>

(f) Movements in impaired loans and advances

	2025 RM'000	2024 RM'000
<b>Stage 3: Lifetime ECL credit impaired</b>		
At 1 January	-	-
Impaired during the financial year	753	-
At 31 December	<u>753</u>	<u>-</u>
Gross impaired loan and advances as % of gross loan and advances	<u>2.63%</u>	<u>-</u>

(g) Impaired loans and advances analysed by geographical distribution

	2025 RM'000	2024 RM'000
In Malaysia	<u>753</u>	<u>-</u>

## 8. Loans and advances (continued)

(h) Impaired loans and advances analysed by sector

	2025 RM'000	2024 RM'000
Household	<u>753</u>	<u>-</u>

(i) Movement in allowance for ECL on loans and advances are as follows:

	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
At 1 January 2024/ 31 December 2024/ 1 January 2025	-	-	-	-
New loans and advances originated*	<u>4,039</u>	<u>1,982</u>	<u>753</u>	<u>6,774</u>
At 31 December 2025	<u>4,039</u>	<u>1,982</u>	<u>753</u>	<u>6,774</u>

\* New loans and advances originated during the year which were not credit-impaired at origination but subsequently the credit risk had deteriorated.

(j) Movements in gross carrying amount of loans and advances are as follows:

	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
At 1 January 2024/ 31 December 2024/ 1 January 2025	-	-	-	-
New loans and advances originated*	<u>25,802</u>	<u>2,045</u>	<u>753</u>	<u>28,600</u>
At 31 December 2025	<u>25,802</u>	<u>2,045</u>	<u>753</u>	<u>28,600</u>

\* New loans and advances originated during the year which were not credit-impaired at origination but subsequently the credit risk had deteriorated.

Included in the loans and advances are amounts due from related parties of the Bank of RM4,000 (2024: Nil).

## 9. Other assets

	2025 RM'000	2024 RM'000
Deposits	740	681
Interest receivables	10,505	536
Other receivables	5,571	-
Prepayments	9,181	3,587
	<u>25,997</u>	<u>4,804</u>

Included in deposits are deposits held with a related company amounting to RM142,000 (2024: RM142,000) for lease of office premises.

## 10. Statutory deposits with Bank Negara Malaysia

The non-interest-bearing statutory deposits are maintained with Bank Negara Malaysia ("BNM") in compliance with Section 26(2)(c) and 26(3) of the Central Bank of Malaysia Act 2009, the amounts of which are determined as a set percentage of total eligible liabilities.

## 11. Right-of-use assets

	2025 RM'000	2024 RM'000
At 1 January	7,686	2,115
Addition	43	2,201
Remeasurement	-	4,645
Depreciation	<u>(1,859)</u>	<u>(1,275)</u>
At 31 December	<u>5,870</u>	<u>7,686</u>

The Bank leases its office premises. The leases run for a period ranging from 1 to 3 years with the options to renew after that date for another 1 to 3 years. The extension options are currently included in the lease term as the Bank has assessed that it is reasonably certain to exercise the extension options.

### 11.1 Material accounting policy information

#### (a) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Bank allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Bank is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

#### (b) Recognition exemption

The Bank has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Bank recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## 12. Plant and equipment

	Computer equipment RM'000	Office equipment RM'000	Furniture and fittings RM'000	Renovations RM'000	Capital work-in progress RM'000	Total RM'000
<b>2025</b>						
<b>Cost</b>						
At 1 January	1,596	15	605	2,499	147	4,862
Additions	1,033	225	183	124	31	1,596
Reclassification	2	34	49	72	(157)	-
At 31 December	<u>2,631</u>	<u>274</u>	<u>837</u>	<u>2,695</u>	<u>21</u>	<u>6,458</u>
<b>Accumulated depreciation</b>						
At 1 January	499	1	260	1,228	-	1,988
Charge for the financial year	734	54	247	881	-	1,916
At 31 December	<u>1,233</u>	<u>55</u>	<u>507</u>	<u>2,109</u>	<u>-</u>	<u>3,904</u>
<b>Net carrying amounts</b>	<u>1,398</u>	<u>219</u>	<u>330</u>	<u>586</u>	<u>21</u>	<u>2,554</u>
<b>2024</b>						
<b>Cost</b>						
At 1 January	557	-	416	2,264	-	3,237
Additions	1,039	15	155	175	241	1,625
Reclassification	-	-	34	60	(94)	-
At 31 December	<u>1,596</u>	<u>15</u>	<u>605</u>	<u>2,499</u>	<u>147</u>	<u>4,862</u>
<b>Accumulated depreciation</b>						
At 1 January	174	-	92	420	-	686
Charge for the financial year	325	1	168	808	-	1,302
At 31 December	<u>499</u>	<u>1</u>	<u>260</u>	<u>1,228</u>	<u>-</u>	<u>1,988</u>
<b>Net carrying amounts</b>	<u>1,097</u>	<u>14</u>	<u>345</u>	<u>1,271</u>	<u>147</u>	<u>2,874</u>

## 12. Plant and equipment (continued)

### 12.1 Material accounting policy information

#### (a) Recognition and measurement

Items of plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

#### (b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment from the date that they are available for use. Capital work-in-progress are not depreciated until the assets are ready for their intended use. The estimated useful lives for the current and comparative periods are as follows:

Computer equipment	3 years
Office equipment	3 years
Furniture and fittings	3 years
Renovations	3 years

## 13. Intangible assets

	Computer software-core function systems RM'000	Computer software-others RM'000	Mobile banking application RM'000	Core banking system RM'000	Software development work-in-progress RM'000	Total RM'000
<b>2025</b>						
<b>Cost</b>						
At 1 January	3,191	930	-	-	47,617	51,738
Additions	205	228	14,843	910	5,966	22,152
Reclassification	3,473	1,906	33,657	9,027	(48,063)	-
At 31 December	<u>6,869</u>	<u>3,064</u>	<u>48,500</u>	<u>9,937</u>	<u>5,520</u>	<u>73,890</u>
<b>Accumulated amortisation</b>						
At 1 January	255	131	-	-	-	386
Charge for the financial year	586	841	3,198	684	-	5,309
At 31 December	<u>841</u>	<u>972</u>	<u>3,198</u>	<u>684</u>	<u>-</u>	<u>5,695</u>
<b>Net carrying amounts</b>	<u>6,028</u>	<u>2,092</u>	<u>45,302</u>	<u>9,253</u>	<u>5,520</u>	<u>68,195</u>

### 13. Intangible assets (continued)

	Computer software-core function systems RM'000	Computer software-others RM'000	Mobile banking application RM'000	Core banking system RM'000	Software development work-in-progress RM'000	Total RM'000
<b>2024</b>						
<b>Cost</b>						
At 1 January	-	-	-	-	23,013	23,013
Additions	172	862	-	-	27,691	28,725
Reclassification	3,019	68	-	-	(3,087)	-
At 31 December	<u>3,191</u>	<u>930</u>	<u>-</u>	<u>-</u>	<u>47,617</u>	<u>51,738</u>
<b>Accumulated amortisation</b>						
At 1 January	-	-	-	-	-	-
Charge for the financial year	255	131	-	-	-	386
At 31 December	<u>255</u>	<u>131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>386</u>
<b>Net carrying amounts</b>	<u>2,936</u>	<u>799</u>	<u>-</u>	<u>-</u>	<u>47,617</u>	<u>51,352</u>

#### 13.1 Material accounting policy information

##### (a) Recognition and measurement

Intangible assets that are acquired by the Bank, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

##### (b) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of intangible asset from the date that they are available for use. Software development work-in-progress are not amortised until the assets are ready for their intended use. The estimated useful lives for the current and comparative periods are as follows:

Computer software - core function systems	10 years
Computer software - others	3 years
Mobile banking application	3 years
Core banking system	10 years

## 14. Deposits from customers

The deposits are sourced from the following:

	2025 RM'000	2024 RM'000
<b>Saving accounts</b>		
Individuals	<u>1,606,499</u>	<u>-</u>

All customer deposits as at 31 December 2025 are non-term deposits and payable on demand.

Included in the deposits from customers are amounts due to related parties of the Bank of RM4,586,000 (2024: Nil).

## 15. Obligations on securities sold under repurchase agreements

	2025 RM'000	2024 RM'000
<b>At amortised cost</b>		
Financial investments at:		
- fair value through other comprehensive income	<u>197,508</u>	<u>-</u>

The Bank holds obligation of financial investments at FVOCI sold under repurchase agreements at fixed interest rate of 3.09% per annum maturing within 1 year from the reporting date.

## 16. Other liabilities

	Note	2025 RM'000	2024 RM'000
Amount due to related parties	16.1	2,725	4,777
Other payables and accrued expenses	16.2	28,295	8,517
Provisions		8,382	11,063
		<u>39,402</u>	<u>24,357</u>

### 16.1 Amount due to related parties

Included in the amount due to related parties are payments made on behalf of the Bank of RM26,000 (2024: RM25,000) for acquisition of plant and equipment and RM1,186,000 (2024: RM2,728,000) for addition of intangible assets such as outsourcing of developers cost and payment on behalf for acquisition of software. The remaining amount due to related parties are expenses paid on behalf such as salaries, rental and other operating expenses. The amount due to related parties is unsecured, interest-free and repayable on demand.

### 16.2 Other payables and accrued expenses

Included in other payables and accrued expenses are accruals of RM480,000 (2024: RM4,058,000) and RM10,000 (2024: RM207,000) made for purchases of intangible assets and plant and equipment, respectively.

**17. Lease liabilities**

	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Lease liabilities	<u>6,328</u>	<u>7,775</u>
Scheduled repayments of lease liabilities:		
• Within one year	1,918	1,469
• More than one year	<u>4,410</u>	<u>6,306</u>
	<u>6,328</u>	<u>7,775</u>

**18. Share capital**

	<b>Number of shares</b>	<b>Amount RM'000</b>
<b>Issued and fully paid shares with no par value classified as equity instruments:</b>		
<b>Ordinary shares</b>		
<b>2025</b>		
At 1 January	260,000,000	260,000
Issued during the year	<u>220,000,000</u>	<u>220,000</u>
At 31 December	<u>480,000,000</u>	<u>480,000</u>
<b>2024</b>		
At 1 January	100,000,000	100,000
Issued during the year	<u>160,000,000</u>	<u>160,000</u>
At 31 December	<u>260,000,000</u>	<u>260,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Bank.

During the financial year, the Bank increased its issued and paid-up share capital through issuance of ordinary shares for working capital purposes.

**19. Capital contribution reserve**

	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	-	30,000
Issue of ordinary shares	<u>-</u>	<u>(30,000)</u>
At 31 December	<u>-</u>	<u>-</u>

Capital contribution amounting to RM30,000,000 was received in 2023 by the Bank from one of its shareholders, YTL Digital Capital Sdn. Bhd., for working capital purposes and was converted to ordinary shares during the previous financial year.

## 20. Other reserves

	Fair value reserve RM'000	ECL reserve RM'000	Total RM'000
At 1 January 2024/31 December 2024/ 1 January 2025	-	-	-
Net loss from change in fair value	(171)	-	(171)
Changes in ECL on financial investments at FVOCI	-	31	31
At 31 December 2025	<u>(171)</u>	<u>31</u>	<u>(140)</u>

Fair value reserve comprises the cumulative net change in the fair value of debt securities classified at FVOCI until the assets are derecognised.

ECL reserve comprises ECL allowance for financial investments at FVOCI. The ECL allowance will be reversed to profit or loss upon disposal or derecognition of the financial investments.

## 21. Net interest income

	2025 RM'000	2024 RM'000
<b>Interest income</b>		
Deposits with licensed financial institutions	10,387	3,140
Financial investments at fair value through other comprehensive income	7,811	-
Financial investments at amortised cost	204	-
Loans and advances	621	-
Total interest income	<u>19,023</u>	<u>3,140</u>
<b>Interest expense</b>		
Deposits from customers	(15,437)	-
Obligations on securities sold under repurchase agreements	(609)	-
Total interest expense	<u>(16,046)</u>	<u>-</u>
Net interest income	<u>2,977</u>	<u>3,140</u>

Interest income and interest expense of all the financial instruments above are recognised using the effective interest method.

## 22. Fee and commission

	2025 RM'000	2024 RM'000
Net fee expense	<u>(1,530)</u>	<u>-</u>

**23. Other operating income**

	<b>2025</b> <b>RM'000</b>	<b>2024</b> <b>RM'000</b>
Realised gain arising from financial investments at fair value through profit or loss	157	247
Unrealised (loss)/gain arising from financial investments at fair value through profit or loss	(124)	124
Distribution income from financial investments at fair value through profit or loss	-	11
Realised gain arising from financial investments at fair value through other comprehensive income	2	-
Other income	814	-
	<u>849</u>	<u>382</u>

**24. Operating expenses**

	<b>2025</b> <b>RM'000</b>	<b>2024</b> <b>RM'000</b>
<b>Personnel expenses</b>		
Salaries, bonus, wages and allowances	34,810	36,888
Defined contribution plan	4,498	4,368
Other staff related costs	11,800	5,460
	<u>51,108</u>	<u>46,716</u>
<b>Other overhead expenses</b>		
<b>Marketing costs</b>	<u>11,965</u>	<u>1,970</u>
<b>Establishment expenses</b>		
Information technology expenses	24,430	10,943
Occupancy expenses	445	333
Interest expenses on lease liabilities	316	74
Amortisation of intangible assets	5,309	386
Depreciation of plant and equipment	1,916	1,302
Depreciation of right-of-use assets	1,859	1,275
	<u>34,275</u>	<u>14,313</u>
<b>Administration and general expenses</b>		
Legal and professional fees	1,474	4,123
Auditors' remuneration	230	90
Directors' fee	1,090	1,090
Realised foreign exchange loss/(gain)	27	(38)
Unrealised foreign exchange (gain)/loss	(128)	24
Expenses related to short-term leases	182	171
Others	4,066	1,401
	<u>6,941</u>	<u>6,861</u>
Total other overhead expenses	<u>53,181</u>	<u>23,144</u>
Total operating expenses	<u>104,289</u>	<u>69,860</u>

## 25. Allowances for expected credit losses (“ECL”)

	2025 RM'000	2024 RM'000
<b>Stage 1: 12-month ECL</b>		
Cash and short-term funds	8	1
Deposits with licensed financial institutions	13	1
Financial investments at fair value through other comprehensive income	31	-
Loans and advances	4,039	-
	<u>4,091</u>	<u>2</u>
<b>Stage 2: Lifetime ECL not credit impaired</b>		
Loans and advances	1,982	-
<b>Stage 3: Lifetime ECL credit impaired</b>		
Loans and advances	753	-
	<u>753</u>	<u>-</u>
<b>Total</b>	<u>6,826</u>	<u>2</u>

## 26. Taxation

	2025 RM'000	2024 RM'000
<b>Current tax expense</b>		
Over provision in prior year	<u>-</u>	<u>(497)</u>
<b>Reconciliation of tax expense</b>		
Loss before taxation	<u>(108,819)</u>	<u>(66,340)</u>
Income tax calculated using Malaysian tax rate of 24%	(26,117)	(15,922)
Non-deductible expenses	1,506	404
Effect of deferred tax assets not recognised	24,611	15,518
Over provision in prior year	<u>-</u>	<u>(497)</u>
	<u>-</u>	<u>(497)</u>

## 26. Taxation (continued)

### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	2025 RM'000	2024 RM'000
Tax assets	16,302	15,698
Unutilised tax losses	161,118	81,934
Unutilised capital allowances	26,610	3,854
	<u>204,030</u>	<u>101,486</u>

The deferred tax assets have not been recognised for both financial periods as the Bank is in its developmental stage and there is uncertainty as to when future taxable profits will be available against which the Bank can utilise the benefits therefrom.

The following table presents the tax losses available for utilisation against the Bank's future taxable profits, together with their respective statutory expiry periods:

	2025 RM'000	2024 RM'000
Expiry in the financial year ending:		
2034	14,124	14,124
2035	67,810	67,810
2036	79,184	-
	<u>161,118</u>	<u>81,934</u>

The unutilised capital allowances do not expire under the current tax legislation.

## 27. Commitments

Commitments comprising agreements to provide credit facilities to customers are as follows:

	2025 RM'000	2024 RM'000
Undrawn credit commitments	<u>39,960</u>	<u>-</u>

Included in commitments are undrawn credit commitments offered to related parties from the Bank of RM12,000 (2024: Nil).

## 28. Financial instruments

### Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

	Carrying amount RM'000	AC RM'000	FVOCI RM'000	FVTPL RM'000
<b>2025</b>				
<b>Financial assets</b>				
Cash and short-term funds	483,300	483,300	-	-
Deposits with licensed financial institutions	682,932	682,932	-	-
Financial investments at fair value through other comprehensive income	798,817	-	798,817	-
Financial investment at amortised cost	20,564	20,564	-	-
Loans and advances	21,826	21,826	-	-
Other assets*	16,816	16,816	-	-
Statutory deposits with Bank Negara Malaysia	6,379	6,379	-	-
	<u>2,030,634</u>	<u>1,231,817</u>	<u>798,817</u>	<u>-</u>
<b>Financial liabilities</b>				
Deposits from customers	(1,606,499)	(1,606,499)	-	-
Obligations on securities sold under repurchase agreements	(197,508)	(197,508)	-	-
Other liabilities*	(31,020)	(31,020)	-	-
	<u>(1,835,027)</u>	<u>(1,835,027)</u>	<u>-</u>	<u>-</u>
<b>2024</b>				
<b>Financial assets</b>				
Cash and short-term funds	63,710	63,710	-	-
Deposits with licensed financial institutions	50,438	50,438	-	-
Financial investments at fair value through profit or loss	6,906	-	-	6,906
Other assets*	1,217	1,217	-	-
	<u>122,271</u>	<u>115,365</u>	<u>-</u>	<u>6,906</u>
<b>Financial liabilities</b>				
Other liabilities*	<u>(13,294)</u>	<u>(13,294)</u>	<u>-</u>	<u>-</u>

\* Other assets exclude prepayments and other liabilities exclude provisions.

## 28. Financial instruments (continued)

### Net gains and losses arising from financial instruments

	2025 RM'000	2024 RM'000
Net gains/(losses) arising on:		
Financial assets measured at amortised cost	4,417	3,138
Financial investments at fair value through profit or loss	33	382
Financial investments at fair value through other comprehensive income	7,782	-
Financial liabilities measured at amortised cost	(15,945)	14
	<u>(3,713)</u>	<u>3,534</u>

### Fair value information

#### Fair value hierarchy

Fair value of financial assets and liabilities are determined according to the following hierarchy:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and/or

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The table below analyses financial instruments measured at fair value by level within the fair value hierarchy.

	Carrying amount RM'000	Total fair value RM'000	Level 2 RM'000
<b>2025</b>			
<b>Financial assets</b>			
Financial investments at fair value through other comprehensive income	<u>798,817</u>	<u>798,817</u>	<u>798,817</u>
<b>2024</b>			
<b>Financial assets</b>			
Financial investments at fair value through profit or loss	<u>6,906</u>	<u>6,906</u>	<u>6,906</u>

The fair values of financial investments at other comprehensive income are determined by references to prices quoted by independent data providers and independent broker quotations. The fair value of financial investments at fair value through profit or loss are determined by reference to the Net Asset Value reported by the fund management company.

## 28. Financial instruments (continued)

### Fair value information (continued)

The carrying amounts of cash and short-term funds, deposits with licensed financial institution, loans and advances, statutory deposits with BNM, obligations on securities sold under repurchase agreements, short-term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The table below analyses other financial instruments not at fair value for which fair value is disclosed.

	Carrying amount RM'000	Total fair value RM'000	Level 2 RM'000
<b>2025</b>			
<b>Financial assets</b>			
Financial investments at amortised cost	<u>20,564</u>	<u>20,678</u>	<u>20,678</u>

The fair values of financial investments at amortised cost are determined by references to prices quoted by independent data providers and independent broker quotations.

## 29. Financial risk management

The Bank has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk
- Technology and Cybersecurity Risk

The risks are identified through ongoing monitoring, internal assessments and analysis of the Bank's financial assets and liabilities, taking into account factors such as the counterparty creditworthiness, timing of cash flows and market conditions.

The Bank's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Bank's financial performance. The Bank mitigates these risks through a combination of policies and controls, including establishing credit limits and collateral requirements, maintaining adequate cash and banking facilities and implementing appropriate risk management procedures. Management regularly reviews and updates risk management practices to ensure timely identification and effective mitigation of potential financial losses.

The Bank's financial risk management is underpinned by the Bank's risk appetite and is subject to the Board of Director's oversight, through the Board Risk Management Committee ("BRMC"), which oversees the establishment of the Bank's risk management policies and processes. The BRMC is assisted by the specific risk oversight committees such as the Risk Management Committee ("RMC"), Credit Committee ("CC"), Asset & Liability Management Committee ("ALCO"), and Anti-Money Laundering Committee ("AMLC").

## **29. Financial risk management (continued)**

### **Credit risk**

Credit risk is the risk of a financial loss if a customer or counterparty fails to meet its contractual obligations to a financial instrument. The Bank's exposure to credit risk arises principally from financing activities such as loans, financial investments and other assets. Investment of surplus funds into deposit placements also exposes the Bank to credit risk.

The Bank's lending and financing activities are governed by the Credit Risk Management Policy. The Bank's approach to credit risk management is to maintain a sound credit portfolio while providing financial services to the public.

### **Credit Risk Governance**

Credit risk management is subject to the Bank's Board of Directors oversight through the BRMC. The BRMC is supported by the RMC and CC at management level, and the Risk Management team. The supporting committees and teams are responsible for ensuring adherence to the Board's approved risk appetite and risk posture, reviewing the Bank's credit risk policies and credit profile, implementing the credit risk strategy, maintaining credit risk appetite levels, and ensuring adherence to regulatory and internal policy requirements.

### **Management of Credit Risk**

The risk is managed through a combination of policies, procedures and internal control that covers all stages of credit exposure, including origination, approval, monitoring, and recovery.

The Bank has adopted a policy of only dealing with creditworthy counterparties. Management maintains a credit policy to control credit risk, including transacting with counterparties and banks that have good credit ratings.

Exposures are monitored on an ongoing basis, with action taken for long outstanding debts, and reports on credit quality and significant developments are provided to senior management.

At each reporting date, the Bank assesses whether any receivables are credit impaired. The gross carrying amount of credit impaired receivables is written off, either partially or in full, when there is no realistic prospect of recovery. Receivables that are written off may still be subject to enforcement activities.

### **Credit Concentration Risk**

The Bank manages concentration risk by establishing limits for exposures to individual counterparties. Exposure limits are monitored on an ongoing basis, and mitigating actions are taken where necessary to maintain portfolio diversification.

## 29. Financial risk management (continued)

### Credit risk (continued)

#### (i) Credit risk exposure and concentration

The following table shows the maximum exposure to credit risk from financial instruments by industry.

	Financial Services RM'000	Government and Central Bank RM'000	Household RM'000	Real Estate RM'000	Electricity, Gas and Water Supply RM'000	Mining and Quarrying RM'000	Construction RM'000	Others RM'000	Allowance For ECL RM'000	Total RM'000
2025										
Cash and short-term funds	410,351	72,958	-	-	-	-	-	-	(9)	483,300
Deposits with licensed financial institutions	682,946	-	-	-	-	-	-	-	(14)	682,932
Loans and advances	-	-	28,600	-	-	-	-	-	(6,774)	21,826
Financial investments at FVOCI	106,718	545,875	-	20,002	75,465	20,029	10,386	20,342	-	798,817
Financial investments at amortised cost	-	20,564	-	-	-	-	-	-	-	20,564
Statutory deposits with Bank Negara Malaysia	-	6,379	-	-	-	-	-	-	-	6,379
Other financial asset*	8,725	6,142	-	962	611	188	144	44	-	16,816
Total financial asset	1,208,740	651,918	28,600	20,964	76,076	20,217	10,530	20,386	(6,797)	2,030,634
Commitments	-	-	39,960	-	-	-	-	-	-	39,960

\* Other financial assets exclude prepayments.

## 29. Financial risk management (continued)

### Credit risk (continued)

#### (i) Credit risk exposure and concentration (continued)

The following table shows the maximum exposure to credit risk from financial instruments by industry. (continued)

	Financial Services RM'000	Real Estate RM'000	Allowance For ECL RM'000	Total RM'000
<b>2024</b>				
Cash and short-term funds	63,711	-	(1)	63,710
Deposits with licensed financial institutions	50,439	-	(1)	50,438
Financial investments at FVTPL	6,906	-	-	6,906
Other financial assets*	536	681	-	1,217
Total financial assets	<u>121,592</u>	<u>681</u>	<u>(2)</u>	<u>122,271</u>
Commitments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

\* Other financial assets exclude prepayments.

The Bank's credit risk exposures arising from financial instruments stated are primarily concentrated in Malaysia. As at the reporting date, all credit risk exposures are derived from counterparties located in Malaysia.

#### (ii) Recognition of Expected Credit Loss

In accordance with the requirements of MFRS 9, the Bank's cash and short-term funds, deposits and balances with financial institutions, financial investments, loans and advances that are measured at amortised cost are subject to credit loss provisioning. Credit loss is provisioned for by recognising an Expected Credit Loss ("ECL"), which is an unbiased and probability-weighted, forward-looking estimate of the Bank's credit loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Bank expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The Bank does not hold any collateral as at the reporting period.

ECLs are recognised in two stages. A 12-month ECL is recognised if the credit risk on a financial asset has not increased significantly since initial recognition. Conversely, a lifetime ECL is recognised if the credit risk on a financial asset has increased significantly since initial recognition.

## 29. Financial risk management (continued)

### Credit risk (continued)

#### (ii) Recognition of Expected Credit Loss (continued)

At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the remaining expected life between reporting date and the date of initial recognition. When determining if the credit risk of a financial asset has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available. This includes both quantitative and qualitative assessment and including forward-looking information.

Below shows the credit exposure by stage:

Stage	Description
Stage 1	<u>12 months ECL- not credit impaired</u> For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the ECL associated with the probability of default events occurring within next 12 months will be recognised.
Stage 2	<u>Lifetime ECL- not credit impaired</u> For exposures where there has been a significant increase in credit risk since initial recognition but that are not credit-impaired, a lifetime ECL will be recognised.
Stage 3	<u>Lifetime ECL- credit impaired</u> For exposures that are credit-impaired, a lifetime ECL will be recognised.

#### Measurement of ECL

The ECL is determined by evaluating a range of possible outcomes, taking into consideration information about past events, current conditions and forecasts of future economic conditions.

ECL is measured based on three key components: Exposure at Default ("EAD"), Probability of Default ("PD"), and Loss Given Default ("LGD"). These parameters are derived from internally developed statistical models and adjusted to reflect forward-looking information.

EAD represent the expected exposure at default, considering the repayment of principal and interest with any expected drawdown of a facility. PD represents the likelihood that a borrower or counterparty will default on its financial obligation over a specific period. LGD represents the estimated proportion of a financial exposure that the Bank expects to lose if counterparty defaults.

## 29. Financial risk management (continued)

### Credit risk (continued)

#### (ii) Recognition of Expected Credit Loss (continued)

##### Credit quality analysis

The Bank performs credit reviews and assigns Credit Grades to all credit facilities. Credit facilities are assigned as classification based on their Credit Grade.

Credit Grade	Day Past Due	Treasury Grade (as per RAM*)	Classification
Good	Current	AAA to AA	Performing
Satisfactory	1-29	A+ to BBB	
Substandard	30-59	BB to CCC	
Doubtful	60-89		
Credit Impaired	90-179	D	Non-performing

\*RAM pertains to RAM Rating Service Berhad, a credit rating agency which provides independent credit ratings.

There is no direct correlation between the days past due and treasury grade at a granular level, except that each falls within a single credit grade.

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

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<b>2025</b>				
<b>Cash and short-term funds</b>				
Gross amount	483,309	-	-	483,309
(-) ECL allowance	(9)	-	-	(9)
Carrying amount	<u>483,300</u>	<u>-</u>	<u>-</u>	<u>483,300</u>
<b>Deposits with licensed financial institutions</b>				
Gross amount	682,946	-	-	682,946
(-) ECL allowance	(14)	-	-	(14)
Carrying amount	<u>682,932</u>	<u>-</u>	<u>-</u>	<u>682,932</u>
<b>Loans and Advances</b>				
Gross amount	25,802	2,045	753	28,600
(-) ECL allowance	(4,039)	(1,982)	(753)	(6,774)
Carrying amount	<u>21,763</u>	<u>63</u>	<u>-</u>	<u>21,826</u>
<b>Financial investments at amortised cost</b>				
Gross amount	20,564	-	-	20,564
(-) ECL allowance	-	-	-	-
Carrying amount	<u>20,564</u>	<u>-</u>	<u>-</u>	<u>20,564</u>

## 29. Financial risk management (continued)

### Credit risk (continued)

#### (ii) Recognition of Expected Credit Loss (continued)

##### Credit quality analysis (continued)

The following table presents the Bank's credit risk exposure and the corresponding ECL allowances: (continued)

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<b>2024</b>				
<b>Cash and short-term funds</b>				
Gross amount	63,711	-	-	63,711
ECL allowance	(1)	-	-	(1)
Carrying amount	<u>63,710</u>	<u>-</u>	<u>-</u>	<u>63,710</u>
<b>Deposits with licensed financial institutions</b>				
Gross amount	50,439	-	-	50,439
ECL allowance	(1)	-	-	(1)
Carrying amount	<u>50,438</u>	<u>-</u>	<u>-</u>	<u>50,438</u>

##### Other assets

Credit risks on other assets are mainly arising from deposits paid for office premises rented and other receivables. The deposits will be received at the end of each lease term. The Bank manages the credit risk together with the leasing arrangement.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Bank is of the view that the loss allowance is not material and hence, it is not provided for.

#### (iii) Aging analysis

##### Past Due but Not Credit-impaired

Past due but not credit-impaired loans and advances is where customers fail to make a principal or interest payment when contractually due, includes loans which are due one (1) or more days after the contractual due date but less than ninety (90) days.

	2025 RM'000	2024 RM'000
1 to 30 Days	25,802	-
31 to 59 Days	1,428	-
60 to 89 Days	617	-
	<u>27,847</u>	<u>-</u>

## **29. Financial risk management (continued)**

### **Liquidity risk**

Liquidity risk is the risk that the Bank will not be able to meet its financial obligations as they fall due. The Bank's exposure to liquidity risk arises principally from its deposits from customers, obligation on securities sold under repurchase agreements, other payables, amount owing to related parties and lease liabilities.

The Bank maintains a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

## 29. Financial risk management (continued)

### Liquidity risk (continued)

The following table analyses the carrying amount of assets and liabilities of the Bank in the relevant maturity time bands based on the remaining term to contractual maturity as at the reporting date.

2025	Up to 1 week RM'000	>1 week to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
<b>Assets</b>								
Cash and short-term funds	153,309	330,000	-	-	-	-	(9)	483,300
Deposits with licensed financial institutions	-	-	680,000	-	-	2,946	(14)	682,932
Loans and advances	27,356	92	964	188	-	-	(6,774)	21,826
Financial investments at FVOCI	-	-	30,032	20,177	5,018	743,590	-	798,817
Financial investments at amortised cost	-	-	-	-	-	20,564	-	20,564
Other assets	3,547	567	856	1,247	33	7,648	12,099	25,997
Statutory deposits with Bank Negara Malaysia	6,379	-	-	-	-	-	-	6,379
Current tax assets	-	-	-	-	-	-	362	362
Right-of-use assets	-	-	-	-	-	-	5,870	5,870
Plant and equipment	-	-	-	-	-	-	2,554	2,554
Intangible assets	-	-	-	-	-	-	68,195	68,195
<b>Total assets</b>	<b>190,591</b>	<b>330,659</b>	<b>711,852</b>	<b>21,612</b>	<b>5,051</b>	<b>774,748</b>	<b>82,283</b>	<b>2,116,796</b>

## 29. Financial risk management (continued)

### Liquidity risk (continued)

	Up to 1 week RM'000	>1 week to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
<b>2025</b>								
<b>Liabilities</b>								
Deposits from customers	1,606,499	-	-	-	-	-	-	1,606,499
Obligations on securities sold under repurchase agreements	-	-	197,508	-	-	-	-	197,508
Other liabilities	13,922	2,021	23,397	62	-	-	-	39,402
Lease liabilities	-	156	315	477	970	4,410	-	6,328
<b>Total liabilities</b>	<b>1,620,421</b>	<b>2,177</b>	<b>221,220</b>	<b>539</b>	<b>970</b>	<b>4,410</b>	<b>-</b>	<b>1,849,737</b>
<b>Net liquidity gap</b>	<b>(1,429,830)</b>	<b>328,482</b>	<b>490,632</b>	<b>21,073</b>	<b>4,081</b>	<b>770,338</b>	<b>82,283</b>	<b>267,059</b>

## 29. Financial risk management (continued)

### Liquidity risk (continued)

2024	Up to 1 week RM'000	>1 week to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
<b>Assets</b>								
Cash and short-term funds	21,448	42,262	-	-	-	-	-	63,710
Deposits with licensed financial institutions	-	-	50,438	-	-	-	-	50,438
Financial investments at fair value through profit or loss	6,906	-	-	-	-	-	-	6,906
Other assets	149	899	1,177	1,313	573	12	681	4,804
Current tax assets	-	-	-	-	-	-	380	380
Right-of-use assets	-	-	-	-	-	-	7,686	7,686
Plant and equipment	-	-	-	-	-	-	2,874	2,874
Intangible assets	-	-	-	-	-	-	51,352	51,352
<b>Total assets</b>	<b>28,503</b>	<b>43,161</b>	<b>51,615</b>	<b>1,313</b>	<b>573</b>	<b>12</b>	<b>62,973</b>	<b>188,150</b>
<b>Liabilities</b>								
Other liabilities	-	8,517	15,840	-	-	-	-	24,357
Lease liabilities	-	140	281	425	623	6,306	-	7,775
<b>Total liabilities</b>	<b>-</b>	<b>8,657</b>	<b>16,121</b>	<b>425</b>	<b>623</b>	<b>6,306</b>	<b>-</b>	<b>32,132</b>
<b>Net liquidity gap</b>	<b>28,503</b>	<b>34,504</b>	<b>35,494</b>	<b>888</b>	<b>(50)</b>	<b>(6,294)</b>	<b>62,973</b>	<b>156,018</b>

## 29. Financial risk management (continued)

### Liquidity risk (continued)

#### Maturity analysis

The table below summarises the maturity profile of the Bank's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

	Carrying amount RM'000	Contractual interest rate/ Discount rate	Contractual cash flows RM'000	Under 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	Over 5 years RM'000
<b>2025</b>							
<i>Non-derivative financial liabilities</i>							
Deposits from customers	1,606,499	-	1,606,499	1,606,499	-	-	-
Obligations on securities sold under repurchase agreements	197,508	3.09%	198,627	198,627	-	-	-
Lease liabilities	6,328	4.55%	6,815	2,158	2,135	2,522	-
Other liabilities*	39,402	-	39,402	39,402	-	-	-
	<u>1,849,737</u>		<u>1,851,343</u>	<u>1,846,686</u>	<u>2,135</u>	<u>2,522</u>	<u>-</u>
Commitments	<u>39,960</u>		<u>39,960</u>	<u>39,960</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>2024</b>							
<i>Non-derivative financial liabilities</i>							
Lease liabilities	7,775	4.55%	8,576	1,784	2,135	4,268	389
Other liabilities*	13,294	-	13,294	13,294	-	-	-
	<u>21,069</u>		<u>21,870</u>	<u>15,078</u>	<u>2,135</u>	<u>4,268</u>	<u>389</u>

\* Other liabilities exclude provisions.

## 29. Financial risk management (continued)

### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Bank's financial position or cash flows.

### Currency risk

The Bank is exposed to foreign currency risk on purchases that are denominated in a currency other than Ringgit Malaysia, which is the functional currency of the Bank. The currencies giving rise to this risk are primarily United States Dollar.

#### *Risk management objectives, policies and processes for managing the risk*

The Bank does not hedge its foreign currency exposures. Foreign currency exposure is kept under acceptable level.

#### *Exposure to foreign currency risk*

The Bank's exposure to foreign currency (a currency which is other than the functional currency of the Bank) risk, based on carrying amounts as at the end of the reporting period are as follows:

	<b>Denominated in United States Dollar RM'000</b>
<b>2025</b>	
<b>Balances recognised in the statement of financial position</b>	
Other assets	<u>812</u>
Other liabilities	<u>(615)</u>
<b>2024</b>	
<b>Balances recognised in the statement of financial position</b>	
Other liabilities	<u>(3,113)</u>

#### *Currency risk sensitivity analysis*

It is estimated that a 10% strengthening of the United States Dollar against Ringgit Malaysia at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Bank considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant.

## 29. Financial risk management (continued)

### Market risk (continued)

#### Currency risk (continued)

##### *Currency risk sensitivity analysis (continued)*

	<b>Profit or loss and equity</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
United States Dollar	15	(237)

A 10% weakening of United States Dollar against the Ringgit Malaysia at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

#### **Interest rate risk**

The Bank's investments in fixed rate deposits with licensed financial institutions, financial investments and its fixed rate borrowings are exposed to a risk of change in its fair value due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

##### *Risk management objectives, policies and processes for managing the risk*

The Bank is exposed to various risk associated with the effects of fluctuations in the prevailing level of market interest rate on the financial position and cash flows. Interest rate risk exposure is identified, measured, monitored and controlled through limits and procedures set by the Bank to protect total net interest income from changes in market interest rates.

## 29. Financial risk management (continued)

### Market risk (continued)

#### Interest rate risk (continued)

##### Exposure to interest rate risk

The interest rate profile of the Bank's financial instruments, based on carrying amounts as at the end of the year is as follows:

2025	Non-Interest Sensitive					Total RM'000
	Up to 1 week RM'000	>1 to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	
<b>Assets</b>						
Cash and short-term funds	140,000	330,000	-	-	-	483,300
Deposits with licensed financial institutions	-	-	680,000	-	-	682,932
Loans and advances	27,356	92	964	188	-	21,826
Financial investments at FVOCI	-	-	30,032	20,177	5,018	798,817
Financial investments at amortised cost	-	-	-	-	-	20,564
Other financial assets	154	567	856	1,247	33	16,816
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	6,311
<b>Total financial assets</b>	<b>167,510</b>	<b>330,659</b>	<b>711,852</b>	<b>21,612</b>	<b>5,051</b>	<b>2,030,634</b>
<b>Liabilities</b>						
Deposits from customers	1,606,499	-	-	-	-	1,606,499
Obligations on securities sold under repurchase agreements	-	-	197,508	-	-	197,508
Other financial liabilities	-	-	-	-	-	31,020
<b>Total financial liabilities</b>	<b>1,606,499</b>	<b>-</b>	<b>197,508</b>	<b>-</b>	<b>-</b>	<b>1,835,027</b>
<b>Net interest sensitivity gap</b>	<b>(1,438,989)</b>	<b>330,659</b>	<b>514,344</b>	<b>21,612</b>	<b>5,051</b>	<b>195,607</b>

## 29. Financial risk management (continued)

### Market risk (continued)

#### Interest rate risk (continued)

	Up to 1 week RM'000	>1 week to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	Over 1 year RM'000	Non- Interest Sensitive RM'000	Total RM'000
<b>2024</b>								
<b>Assets</b>								
Cash and short-term funds	21,359	42,262	-	-	-	-	89	63,710
Deposits with licensed financial institutions	-	-	50,439	-	-	-	(1)	50,438
Financial investments at fair value through profit or loss	6,906	-	-	-	-	-	-	6,906
Other financial assets	149	194	193	-	-	-	681	1,217
<b>Total financial assets</b>	<b>28,414</b>	<b>42,456</b>	<b>50,632</b>	-	-	-	<b>769</b>	<b>122,271</b>
<b>Liabilities</b>								
Other financial liabilities	-	-	-	-	-	-	13,294	13,294
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,294</b>	<b>13,294</b>
<b>Net interest sensitivity gap</b>	<b>28,414</b>	<b>42,456</b>	<b>50,632</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,525)</b>	<b>108,977</b>

## 29. Financial risk management (continued)

### Market risk (continued)

#### Interest rate risk (continued)

##### *Interest rate risk sensitivity analysis*

##### *Fair value sensitivity analysis for fixed rate instruments*

The Bank does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

### Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. It covers various non-financial risks including third-party risk, new product risk, legal and reputational risk and fraud risk.

The Operational Risk Policy sets out the approach to manage and control the operational risks arising from the Bank's business activities and operations. This includes approaches to identify, measure, monitor and report operational risks.

The key components in managing operational risks include New Product Approval, Third-Party Risk Management, Outsourcing Management, Business Continuity Management, Incident and Crisis Response, Fraud and Anti-Money Laundering (AML) Risk.

The Bank utilises control mechanisms such as the Risk Control Self-Assessment, Governance, Risk and Compliance Consultation, Key Risk Indicator monitoring, Outsourcing planning, Business Impact Assessment, and comprehensive Business continuity and disaster recovery testing. The Bank also has in place insurance programs to cover key operational risks. These include professional indemnity and cyber insurance.

Operational risk exposures are reported through monthly operational risk management reports which are reported to the RMC, and the BRMC for oversight and deliberations.

Comprehensive training and awareness are provided to bank-wide employees on each operational risk assessment exercise, with periodic risk programs to enhance risk culture and awareness of the employees.

### Technology Risk & Cyber Resilience

#### *Technology Risk Management and Cyber Resilience*

The Technology Risk Management function is responsible for the establishment and compliance of the Technology Risk Management (TRM) and Cyber Resilience (CR) policies, as well as providing guidance and consultation to the Board and senior management on technology and cyber risk matters.

## 29. Financial risk management (continued)

### Technology Risk & Cyber Resilience (continued)

#### *Cloud Infrastructure and Digital Agility*

As a digital bank, the Bank's critical infrastructure relies heavily on cloud technology to ensure agility, scalability, and operational resilience. The Bank acknowledges that technology and cyber risks inherent to the cloud environment are critical and must be identified and managed to as low as reasonably possible. The Bank operates on a 'Cloud First' architecture, governed by a rigorous Cloud Risk Management Policy. This policy establishes the framework in governing the use of cloud services, ensuring that while the infrastructure is virtual, clear accountability are defined between the various stakeholders and aligned with regulatory expectations.

#### *Risk Frameworks and Governance*

The Technology Risk Management policy is designed to identify, measure, mitigate, monitor, and report technology and cyber risks to ensure visibility and effective controls across all technology domains. A Cyber Resilience policy has also been established to provide guidance on ensuring resilience against sophisticated cyber threats. These frameworks are formulated based on the Risk Management in Technology (RMIT) policy document issued by Bank Negara Malaysia.

The outcome of risk management initiatives and material risk events are reported to the Board of Directors and Senior Management periodically. Detailed updates, including key risk indicators and emerging threat landscapes, are presented to the BRMC for oversight on a regular basis.

#### *Risk Culture and Resilience*

The Bank has a low tolerance for technology and cyber risks that could adversely affect its reputation, operations, or customer trust. Consequently, significant focus is placed on fostering a culture of risk awareness and diligence.

- **Business Continuity:** The Bank maintains a comprehensive Business Continuity Plan (BCP) and Disaster Recovery (DR) strategy, rigorously tested to ensure the Bank can recover critical services within regulatory Recovery Time Objectives (RTO).
- **Training and Awareness:** Regular simulation exercises and mandatory training are provided to ensure the Bank's staff are adequately skilled to manage risks, including social engineering and cloud-specific vulnerabilities.

The Bank's commitment to data privacy is governed through a comprehensive Data Privacy Policy, supported by detailed Data Privacy Guidelines and Information Classification and Handling Policy. These internal frameworks are designed to translate the legal requirements of the Personal Data Protection Act 2010 (PDPA), including any amendments made to the PDPA, in particular, the Personal Data Protection (Amendment) Act 2024 into daily operational procedures. A designated Data Protection Office (DPO) independently monitors adherence to these policies, serving as the internal authority to ensure that customer rights and regulatory obligations are consistently upheld.

The use of Artificial Intelligence and Machine Learning models are subjected to model risk validation to ensure accuracy and fairness as well as periodic monitoring.

### 30. Related parties

#### Related parties and relationships

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

<b>Related parties</b>	<b>Relationship</b>
YTL Digital Capital Sdn. Bhd.	Shareholder
SeaMoney Holding My Limited	Shareholder
Other subsidiaries and related parties of the Shareholders	Related Company
Key Management Personnel	The Key Management Personnel of the Bank consists of: <ul style="list-style-type: none"> <li>• all Directors of the Bank;</li> <li>• Chief Executive Officer (“CEO”);</li> <li>• Senior Management; and</li> <li>• Other Material Risk Takers</li> </ul>
Related parties of Key Management Personnel (deemed as related to Bank)	(i) Close family members and dependents of Key Management Personnel; and  (ii) Entities that are controlled, jointly controlled or significant 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.

### 30. Related parties (continued)

#### Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms.

The significant related party transactions of the Bank are shown below. The balances related to the below transactions are shown in Notes 8, 9, 14, 16 and 27, as well as lease liability balance with a related company amounting to RM1,876,000 (2024: RM2,209,000).

	2025 RM'000	2024 RM'000
<b>Related companies</b>		
Acquisition of plant and equipment	134	121
Payment for security deposits	10	192
Personnel expenses	2,560	4,517
Legal and professional fees	49	-
Rental payments	445	-
Other overhead expenses	2,774	1,615
Interest expense on deposits from customers	63	-
	<u>220,000</u>	<u>130,000</u>
<b>Shareholders</b>		
Share capital	<u>220,000</u>	<u>130,000</u>

Breakdown of intercompany charges by type of service received and geographical distribution:

	2025			2024		
	Malaysia RM'000	Singapore RM'000	Total RM'000	Malaysia RM'000	Singapore RM'000	Total RM'000
<b>Related companies</b>						
Personnel costs	2,560	-	2,560	4,464	53	4,517
Technology expenses	1,548	-	1,548	1,348	-	1,348
Legal and professional fees	49	-	49	-	-	-
Marketing expenses	1,044	-	1,044	-	-	-
General and administration cost	182	-	182	267	-	267
	<u>5,383</u>	<u>-</u>	<u>5,383</u>	<u>6,079</u>	<u>53</u>	<u>6,132</u>

### 30. Related parties (continued)

#### Key Management Personnel

#### The remuneration of CEO, Senior Management & Other Material Risk Taker

	Salaries and bonuses RM'000	Other employee benefits RM'000	Post employment benefits RM'000	Total RM'000
<b>2025</b>				
<b>Key Management Personnel</b>				
<b>CEO</b>				
Ooi Hong Woei	1,193	42	148	1,383
Senior Management	3,818	203	481	4,502
Other Material Risk Takers	1,076	42	64	1,182
<b>2024</b>				
<b>Key Management Personnel</b>				
<b>CEO</b>				
Ooi Hong Woei	1,218	33	150	1,401
Senior Management	4,782	203	599	5,584
Other Material Risk Takers	848	26	35	909

#### Directors' Fees

	2025 RM'000	2024 RM'000
<b>Non-Executive Directors</b>		
Dato' Seri Ahmad Johan Raslan bin Mohammad Raslan	390	390
Gopala Krishnan A/L K. Sundaram	350	350
Jade Lee Gaik Suan	350	350
	1,090	1,090

### 31. Credit exposure arising from credit transaction with connected parties

The credit exposures disclosed below are based on the requirement of Paragraph 9.1 of Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties.

Based on these guidelines, a connected party refers to the following:

- i. Directors of the Bank and their close relatives;
- ii. Controlling shareholder of the Bank and his close relatives;
- iii. Influential shareholder of the Bank and his close relatives;
- iv. Executive officer, being a member of management having authority and responsibility for planning, directing and/or controlling activities of the Bank and his close relatives;
- v. Officers who are responsible for or have the authority to appraise and/or approve credit transactions or review the status of existing credit transactions, either as a member of a committee or individually and their close relatives;
- vi. Firms, partnerships, companies or any legal entities which control, or are controlled by any person listed in (i) to (v) above, or in which they have an interest, as a Director, partner, executive officer, agent or guarantor, and their subsidiaries or entities controlled by them;
- vii. Any person for whom the persons listed in (i) to (v) above is a guarantor; and
- viii. Subsidiary of or an entity controlled by the Bank and its connected parties.

Credit exposures with connected parties as per BNM's revised Guidelines on Credit Transactions and Exposures with Connected Parties are as follows:

	2025 RM'000	2024 RM'000
Outstanding credit exposures with connected parties	21	-
Percentage of outstanding credit exposures with connected parties as proportion of total credit exposures	0.001%	-
Percentage of outstanding credit exposures with connected parties which is impaired or in default (%)	*	-

The credit exposures above are derived based on BNM's revised Guidelines on Credit Transactions and Exposures with Connected Parties, which are effective on 1 January 2008.

\* No outstanding credit exposure with connected parties which is impaired or in default for the financial year ended.

## 32. Capital adequacy

The capital adequacy ratios of the Bank are analysed as follows:

	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Tier 1 capital		
Paid-up ordinary share capital	480,000	260,000
Accumulated losses	(212,801)	(103,982)
Other reserves	(140)	-
	<u>267,059</u>	<u>156,018</u>
Less: Regulatory deductions	(68,716)	(51,352)
Total Common Equity Tier 1 ("CET 1") and Tier 1 Capital	<u>198,343</u>	<u>104,666</u>
Tier 2 capital		
Expected credit losses	-	-
Regulatory reserves	-	-
Total Tier 2 capital	<u>-</u>	<u>-</u>
Total capital base	<u>198,343</u>	<u>104,666</u>
Capital ratios:		
CET 1 capital ratio	31.404%	151.001%
Tier 1 capital ratio	31.404%	151.001%
Total capital ratio	31.404%	151.001%

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

	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Credit risk	626,005	60,267
Market risk	197	3,113
Operational risk	5,392	5,935
Total risk-weighted assets	<u>631,594</u>	<u>69,315</u>
Credit risk-weighted assets breakdown:		
- subject to 20% risk weighted	122,249	12,804
- subject to 50% risk weighted	259,950	25,315
- subject to 75% risk weighted	21,450	-
- subject to 100% risk weighted	<u>222,356</u>	<u>22,148</u>

## 33. Capital management

The Bank's capital is represented by its total equity in the statement of financial position. The Bank's objective when managing capital is to maintain a strong capital base and safeguard the Bank's ability to continue as a going concern and to sustain future development of the business.

There were no changes in the Bank's approach to capital management during the year. The Bank's regulatory capital is determined under BNM's Capital Adequacy Framework and Licensing Framework for Digital Banks, and has complied with minimum requirements set under these guidelines.

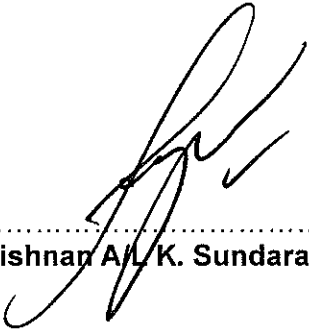
**YTL Digital Bank Berhad**

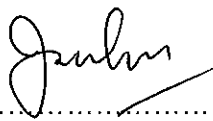
(Registration No. 202201037182 (1482879-P))  
(Incorporated in Malaysia)

**Statement by Directors pursuant to  
Section 251(2) of the Companies Act 2016**

In the opinion of the Directors, the financial statements set out on pages 17 to 65 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Bank as at 31 December 2025 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

  
.....  
**Gopala Krishnan A/L K. Sundaram**  
Director

  
.....  
**Jade Lee Gaik Suan**  
Director

Kuala Lumpur  
Date: 6 March 2026

Registration No. 202201037182 (1482879-P)

**YTL Digital Bank Berhad**  
(Registration No. 202201037182 (1482879-P))  
(Incorporated in Malaysia)

**Statutory declaration pursuant to  
Section 251(1)(b) of the Companies Act 2016**



I, **Wilson Soon Poh Beng**, the Officer primarily responsible for the financial management of YTL Digital Bank Berhad, do solemnly and sincerely declare that the financial statements set out on pages 17 to 65, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Wilson Soon Poh Beng, 790125-07-5129, MIA CA43905 at Kuala Lumpur in the Federal Territory on 6 March 2026.



.....  
**Wilson Soon Poh Beng**

Before me:

**SO-33-3A, Strata Office  
Menara 1, KL Eco City, Jalan Bangsar  
59200 Kuala Lumpur, Malaysia**



**KPMG PLT**  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants  
Level 10, KPMG Tower  
8, First Avenue, Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388  
Fax +60 (3) 7721 3399  
Website [www.kpmg.com.my](http://www.kpmg.com.my)

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YTL DIGITAL BANK BERHAD**

(Registration No. 202201037182 (1482879-P))  
(Incorporated in Malaysia)

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of YTL Digital Bank Berhad, which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 17 to 65.

In our opinion, the accompanying financial statements 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 year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

#### **Basis for Opinion**

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

#### *Independence and Other Ethical Responsibilities*

We are independent of the Bank in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), 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 information included in 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 Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Bank, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report 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 the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Statements**

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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



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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Bank.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Bank to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Bank, including the disclosures, and whether the financial statements of the Bank represent the underlying transactions and events in a manner that gives a true and fair view.

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

### Other Matters

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

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

Petaling Jaya, Selangor

Date: 6 March 2026

**Foo Siak Chung**  
Approval Number: 03184/02/2028 J  
Chartered Accountant