

BANK OF AMERICA MALAYSIA BERHAD

(Incorporated in Malaysia)

Registration No. 199401025304 (310983-V)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)

TABLE OF CONTENTS	PAGE(S)
STATEMENT OF FINANCIAL POSITION	1
STATEMENT OF COMPREHENSIVE INCOME	2
STATEMENT OF CHANGES IN EQUITY	3
STATEMENT OF CASH FLOWS	4
NOTES TO THE FINANCIAL STATEMENTS	5 - 21
STATEMENT OF DECLARATION	22

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note	30 September 2022 RM'000	31 December 2021 RM'000
ASSETS			
Cash and short term funds	7	6,193,823	4,799,517
Financial assets at fair value through profit or loss (FVTPL)	8	1,909,386	435,945
Financial assets at fair value through other comprehensive income (FVOCI)	9	1,189,495	551,943
Loans and advances	10	515,528	288,037
Other assets	11	165,383	63,495
Derivative assets		531,660	97,225
Tax recoverable		—	11,589
Deferred tax assets		2,608	2,143
Statutory deposits with Bank Negara Malaysia		60,001	60,001
Property and equipment	13	6,880	4,153
TOTAL ASSETS		10,574,764	6,314,048
LIABILITIES AND SHAREHOLDERS' FUNDS			
Deposits from customers	16	7,889,821	5,251,585
Deposits and placements of banks and other financial institutions	17	1,083,619	30,513
Bills and acceptances payable		16,365	7,207
Other liabilities	18	207,081	57,173
Derivative liabilities		448,069	118,290
Tax payable		5,947	—
TOTAL LIABILITIES		9,650,902	5,464,768
Share capital		135,800	135,800
Reserves		788,062	713,480
Shareholders' funds		923,862	849,280
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		10,574,764	6,314,048
COMMITMENTS AND CONTINGENCIES	31	54,453,443	36,701,369

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD 30 SEPTEMBER 2022

	Note	Quarter Ended		Period Ended	
		30 September	30 September	30 September	30 September
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Interest income	19	38,695	12,746	83,464	34,724
Interest expense	20	(9,313)	(1,564)	(16,282)	(5,315)
Net interest income		29,382	11,182	67,182	29,409
Net trading income	21	48,989	16,719	76,839	46,201
Other operating income	22	8,548	8,169	26,921	25,056
Net non-interest income		57,537	24,888	103,760	71,257
Net income		86,919	36,070	170,942	100,666
Other operating expenses	23	(25,307)	(22,198)	(72,651)	(69,135)
Profit before impairment		61,612	13,872	98,291	31,531
Impairment for credit losses	24	(30)	2,765	(424)	4,154
Net Profit before tax		61,582	16,637	97,867	35,685
Taxation		(14,793)	1,321	(23,523)	(7,313)
Profit for the financial year		46,789	17,958	74,344	28,372
Other comprehensive income:					
<u>Items that may not be subsequently reclassified to profit or loss</u>					
Change in value of equity investments at fair value through					
other comprehensive income (FVOCI)		239	(54)	238	(48)
Income tax effect		—	—	—	—
Other comprehensive income, net of tax		239	(54)	238	(48)
Total comprehensive income for the financial year		47,028	17,904	74,582	28,324
Earnings per share (sen)					
Basic/diluted		34.45	13.22	54.75	20.89

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD 30 SEPTEMBER 2022

	Non distributable			Distributable	Total
	Share capital	FVOCI reserves	Regulatory reserves	Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000
2022					
Balance at 1 January	135,800	1,032	1,704	710,744	849,280
Profit for the financial period	—	—	—	74,344	74,344
Other comprehensive income, net of income tax					
Change in value of FVOCI	—	238	—	—	238
Total other comprehensive income	—	238	—	—	238
Total comprehensive income for the financial period	135,800	1,270	1,704	785,088	923,862
Net change in regulatory reserves	—	—	(1,704)	1,704	—
Balance at 30 September 2022	135,800	1,270	—	786,792	923,862
2021					
Balance at 1 January	135,800	1,059	693	679,763	817,315
Profit for the financial period	—	—	—	28,372	28,372
Other comprehensive income, net of income tax					
Change in value of FVOCI	—	(48)	—	—	(48)
Total other comprehensive income	—	(48)	—	—	(48)
Total comprehensive income for the financial period	135,800	1,011	693	708,135	845,639
Net change in regulatory reserves	—	—	878	(878)	—
Balance at 30 September 2021	135,800	1,011	1,571	707,257	845,639

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD 30 SEPTEMBER 2022

	30 September 2022 RM'000	30 September 2021 RM'000
Cash flows from operating activities		
Profit before taxation	97,867	35,685
Adjustments for:		
- Depreciation of property and equipment	937	963
- Amortisation of right-of use assets	423	526
- Impairment (charge)/write back for credit losses	424	(4,154)
- Net unrealised loss on fair value changes in derivatives	(104,655)	(239,799)
- Net unrealised gain on revaluation of financial assets at FVTPL	8,706	2,956
	3,702	(203,823)
Changes in working capital:		
(Increase)/decrease in operating assets:		
Financial assets FVTPL	(1,482,147)	(554,934)
Financial assets FVOCI	(637,314)	(750,849)
Loans and advances	(227,915)	70,338
Other assets	(101,888)	45,436
Derivative assets	(329,780)	294,802
Statutory deposit with Bank Negara Malaysia	—	(47,000)
Increase/(decrease) in operating liabilities:		
Deposits from customers	2,638,236	614,123
Deposits and placements of banks and other financial institutions	1,053,106	490,684
Bills and acceptances payable	9,158	1,397
Other liabilities	150,335	(11,395)
Derivative liabilities	329,779	(184,788)
Cash flows generated from operating activities	1,405,272	(236,009)
Taxation paid	(6,452)	(13,810)
Net cash generated from by operating activities	1,398,820	(249,819)
Cash flows from investing activities		
Purchase of property and equipment	(4,065)	(1,032)
Net cash used in investing activities	(4,065)	(1,032)
Cash flows from financing activities		
Repayment of lease rentals	(449)	(539)
Net cash used in financing activities	(449)	(539)
Net increase in cash and cash equivalents	1,394,306	(251,390)
Cash and cash equivalents as at 1 January	4,799,517	2,973,616
Cash and cash equivalents as at 30 September	6,193,823	2,722,226

**BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)**

NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2022

1 BASIS OF PREPARATION

The unaudited condensed interim financial statements of the Bank have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB").

The unaudited condensed interim financial statements should be read in conjunction with the Bank's audited financial statements for the financial year ended 31 December 2021. The explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Bank since the financial year ended 31 December 2021.

The unaudited condensed interim financial statements have been prepared under the historical cost convention. The accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited financial statements for the year ended 31 December 2021, except as follows:

NEW AND AMENDED STANDARDS ADOPTED BY THE BANK

Effective for annual periods beginning on 1 January 2021.

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - Interest rate Benchmark Reform - Phase 2

The Phase 1 amendments, which was effective on 1 January 2020, provided temporary reliefs from applying specific hedge accounting requirements to relationships affected by uncertainties arising as a result of IBOR reform. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one.

The Phase 2 amendments provide practical expedient allowing entities to update the effective interest rate (for instruments measured at amortised cost, lessees and insurers applying the temporary exemption from MFRS 9) to account for any required changes in contractual cash flows that is a direct consequence of IBOR reform. This results in no immediate gain or loss recognised in profit or loss.

The Phase 2 amendments require entities to update the hedge documentation to reflect the changes required by the IBOR replacement. These amendments also provide reliefs that enable and require entities to continue hedge accounting in circumstances when changes in hedged items and hedging instruments are solely due to IBOR reform.

The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Amendments to MFRS 16 'COVID-19-Related Rent Concessions

In 2020, MFRS 16 "Leases was amended to provide an optional practical expedient to the lessees on accounting for COVID-19 related rent concessions, such as rent holidays and temporary rent reductions for which payments are originally due on or before 30 June 2021.

The adoption of this standard is not expected to have any significant impact to the Bank.

**BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)**

NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2022

STANDARDS AND AMENDMENTS TO EXISTING STANDARDS BUT NOT YET EFFECTIVE

Amendments to MFRS 9 Financial Instruments: Fees in the '10%' Test for Derecognition of Financial Liabilities (effective 1 January 2022)

When entities restructure their loans with the existing lenders, MFRS 9 requires management to quantitatively assess the significance of the difference between cash flows of the existing and new loans (commonly known as the '10% test').

This amendment to MFRS 9 clarifies that only fees paid or received between the borrower and the lender are included in the 10% test. Any fees paid to third parties should be excluded. This amendment will impact the result of the 10% test and accordingly affect the amount of gain or loss recognised in the income statements.

An entity shall apply the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The adoption of this standard is not expected to have any significant impact to the Bank.

Amendments to MFRS 3 'Reference to Conceptual Framework' (effective 1 January 2022)

This standard replaces the reference to Framework for Preparation and Presentation of Financial Statements with 2018 Conceptual Framework. The amendments did not change the current accounting for business combinations on acquisition date.

The amendments provide an exception for the recognition of liabilities and contingent liabilities should be in accordance with the principles of MFRS 137 'Provisions, contingent liabilities and contingent assets' and IC Interpretation 21 'Levies' when falls within their scope. It also clarifies that contingent assets should not be recognised at the acquisition date.

The amendments shall be applied prospectively.

The adoption of this standard is not expected to have any significant impact to the Bank.

Amendments to MFRS 116 'Proceeds before intended use' (effective 1 January 2022)

This standard prohibits an entity from deducting from the cost of a property, plant and equipment the proceeds received from selling items produced by the property, plant and equipment before it is ready for its intended use. The sales proceeds should instead be recognised in profit or loss.

The amendments also clarify that testing whether an asset is functioning properly refers to assessing the technical and physical performance of the property, plant and equipment.

The amendments shall be applied retrospectively. The adoption of this standard is not expected to have any significant impact to the Bank.

Annual Improvements to Illustrative Example accompanying MFRS 16 'Leases: Lease Incentives' (effective 1 January 2022)

The amendments removed the illustration on the reimbursement relating to leasehold improvements by the lessor to avoid potential confusion as the example had not explained clearly enough the conclusion as to whether the reimbursement would meet the definition of a lease incentive in MFRS 16.

The adoption of this standard is not expected to have any significant impact to the Bank.

**BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)**

NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2022

Amendments to MFRS 137 ‘onerous contracts—cost of fulfilling a contract’ (effective 1 January 2022)

This standard clarifies that direct costs of fulfilling a contract include both the incremental cost of fulfilling the contract as well as an allocation of other costs directly related to fulfilling contracts. The amendments also clarify that before recognising a separate provision for an onerous contract, impairment loss that has occurred on assets used in fulfilling the contract should be recognised.

The amendments shall be applied to contracts for which the entity has yet to fulfil all its obligations at the beginning of annual reporting period in which the amendments are first applied.

Comparative information is not restated.

The adoption of this standard is not expected to have any significant impact to the Bank.

Amendments to MFRS 101 ‘Classification of liabilities as current or noncurrent’ (effective 1 January 2023)

This standard clarify that a liability is classified as noncurrent if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. If the right to defer settlement of a liability is subject to the entity complying with specified conditions (for example, debt covenants), the right exists at the end of the reporting period only if the entity complies with those conditions at that date. The amendments further clarify that the entity must comply with the conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The assessment of whether an entity has the right to defer settlement of a liability at the reporting date is not affected by expectations of the entity or events after the reporting date.

The amendments shall be applied retrospectively. The adoption of this standard is not expected to have any significant impact to the Bank.

Amendments to MFRS 112 ‘Deferred Tax related to Assets and Liabilities arising from a Single Transaction’ (effective 1 January 2023)

This standard clarify that the initial exemption rule does not apply to transactions where both an asset and a liability are recognised at the same time such as leases and decommissioning obligations. Accordingly, the Bank is required to recognise both deferred tax assets and liabilities for all deductible and taxable temporary differences arising from such transactions.

The adoption of this standard is not expected to have any significant impact to the Bank.

Amendments to MFRS 101, MFRS Practice Statement 2 and MFRS 108 on disclosure of accounting policies and definition of accounting estimates (effective 1 January 2023)

Amendments on disclosure of accounting policies.

The amendments to MFRS 101 require companies to disclose material accounting policies rather than significant accounting policies. Entities are expected to make disclosure of accounting policies specific to the entity and not generic disclosures on MFRS applications. The amendment explains an accounting policy is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Also, accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements.

Accordingly, immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. MFRS Practice Statement 2 was amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

**BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)**

NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2022

Amendments on definition of accounting estimates

The amendments to MFRS 108, redefined accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. To distinguish from changes in accounting policies, the amendments clarify that effects of a change in an input or measurement technique used to develop an accounting estimate is a change in accounting estimate, if they do not arise from prior period errors. Examples of accounting estimates include expected credit losses; net realisable value of inventory; fair value of an asset or liability; depreciation for property, plant and equipment; and provision for warranty obligations.

The adoption of this standard is not expected to have any significant impact to the Bank.

2 AUDITOR’S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditor’s report on the financial statements for the preceding financial year ended 31 December 2021 was not subject to any qualification.

3 SEASONAL OR CYCLICALITY FACTORS

The business operations of the Bank have not been affected by any material seasonal or cyclical factors.

4 UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Bank during the financial period ended 30 September 2022.

5 CHANGES IN ESTIMATES

There were no significant changes in estimates arising from prior financial period/year that have a material effect on the financial results and position for the financial period ended 30 September 2022.

6 ISSUANCE AND REPAYMENTS OF DEBTS AND EQUITY SECURITIES

There were no cancellations, repurchase, resale or repayments of debt and equity securities during the current financial period under review.

7 CASH AND SHORT TERM FUNDS

	30 September 2022 RM’000	31 December 2021 RM’000
Cash and balances with banks and other financial institutions	118,698	73,112
Money at call and deposit placements maturing within one month	5,703,800	4,726,405
Money at call and deposit placements maturing more than one month	371,325	—
	<u>6,193,823</u>	<u>4,799,517</u>

Money at call and interbank placements are within Stage 1 allocation (12-months ECL) with RM Nil impairment allowance as at 30 September 2022 (31 December 2021: RM Nil).

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)**NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2022****8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)**

	30 September 2022 RM'000	31 December 2021 RM'000
Malaysian Government Securities	570,844	208,353
Malaysian Government Investment Issues	635,596	227,592
Malaysian Government Treasury Bills	702,946	—
	<u>1,909,386</u>	<u>435,945</u>

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

	September 2022 RM'000	December 2021 RM'000
Quoted securities in Malaysia:		
Bank Negara Bills	1,186,526	548,974
Unquoted securities in Malaysia:		
Shares	2,969	2,969
	<u>1,189,495</u>	<u>551,943</u>

FVOCI is within Stage 1 allocation (12-months ECL) with RM Nil impairment allowances as at 30 September 2022 (31 December 2021: RM Nil).

10 LOANS AND ADVANCES

	30 September 2022 RM'000	31 December 2021 RM'000
(a) Loans and advances analysed by type:		
At amortised cost:		
Overdrafts	17,738	16,651
Factoring receivables	—	4,418
Staff loans	409	447
Revolving advances	359,956	262,452
Term loans	156,940	23,732
Mortgage loans	10	40
Gross loans and advances	<u>535,053</u>	<u>307,740</u>
Expected Credit Losses ("ECL")		
Stage 1: 12 Months - On Balance Sheet	(5,668)	(1,703)
Stage 2: Lifetime ECL not credit impaired	—	—
Stage 3: Lifetime ECL credit-impaired	(13,857)	(18,000)
Total net loans and advances	<u>515,528</u>	<u>288,037</u>

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)
NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2022
10 LOANS AND ADVANCES (CONTINUED)

	30 September 2022 RM'000	31 December 2021 RM'000
(b) By geographical distribution:		
Malaysia	<u>535,053</u>	<u>307,740</u>
(c) By type of customer		
Domestic business enterprises	445,342	153,455
Domestic non-banking financial institutions	89,292	153,798
Individuals	419	487
	<u>535,053</u>	<u>307,740</u>
(d) By interest rate sensitivity		
Fixed rate:		
Housing loans	387	422
Other fixed rate loans	21	4,443
Variable rate:		
Base rate	10	40
Cost plus	144,347	121,691
Other floating rate loans	390,288	181,144
	<u>535,053</u>	<u>307,740</u>
(e) By sector		
Mining & quarrying	16,105	23,732
Manufacturing	238,916	99,032
Wholesale & Retail trade, Restaurant & Hotels	49,001	29,690
Transport, storage, communication	140,835	1,001
Finance, insurance and business services	89,777	153,798
Household	419	487
	<u>535,053</u>	<u>307,740</u>
(f) By economic purpose		
Purchase of transport vehicles	16	25
Purchase of landed property (residential)	398	462
Personal use	5	—
Working capital	534,634	307,253
	<u>535,053</u>	<u>307,740</u>

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2022

10 LOANS AND ADVANCES (CONTINUED)

	30 September 2022 RM'000	31 December 2021 RM'000
(g) By residual contractual maturity		
Within one year	534,650	307,293
One year to three years	16	25
Three years to five years	—	—
Over five years	387	422
	<u>535,053</u>	<u>307,740</u>
(h) Gross loans and advances by staging		
Stage 1: 12 Month ECL	518,937	282,995
Stage 2: Lifetime ECL Not Credit Impaired	—	—
Stage 3: Credit Impaired	16,116	24,745
	<u>535,053</u>	<u>307,740</u>
(i) Movements in impaired loans and advances are as follows:		
At 1 January	24,745	36,516
Impaired during the year	—	—
Reclassified as non-impaired	—	—
Amount recovered	(9,837)	(12,078)
Exchange Rate difference	1,208	307
At 30 September/31 December	<u>16,116</u>	<u>24,745</u>
Stage 3: Lifetime ECL credit impaired	<u>(13,857)</u>	<u>(18,000)</u>
Net impaired loans and advances	<u>2,259</u>	<u>6,745</u>
Gross impaired loans as a % of gross loans and advances	<u>3.01 %</u>	<u>8.04 %</u>

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)
NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2022
10 LOANS AND ADVANCES (CONTINUED)

(j) Movements in Expected Credit Losses ("ECL") on loans and advances are as follows:

	12-Month ECL (Stage 1) RM'000	Lifetime ECL Not Credit- Impaired (Stage 2) RM'000	Credit Impaired (Stage 3) RM'000	Total RM'000
At 1 January 2022	1,703	—	18,000	19,703
Changes due to loans and advances recognised				
- Transfer to Stage 1: 12-Month ECL	—	—	—	—
- Transfer to Stage 2: Lifetime ECL not credit-impaired	—	—	—	—
- Transfer to Stage 3: Lifetime ECL credit-impaired	—	—	—	—
Loans and advances derecognised (other than write off)	(521)	—	(18)	(539)
New loans and advances originated	3,648	—	—	3,648
Net remeasurement due to changes in credit risk	838	—	(4,125)	(3,287)
At 30 September 2022	<u>5,668</u>	<u>—</u>	<u>13,857</u>	<u>19,525</u>
	12-Month ECL (Stage 1) RM'000	Lifetime ECL Not Credit- Impaired (Stage 2) RM'000	Credit Impaired (Stage 3) RM'000	Total RM'000
At 1 January 2021	2,291	—	21,052	23,343
Changes due to loans and advances recognised				
- Transfer to Stage 1: 12-Month ECL	(13)	13	—	—
- Transfer to Stage 2: Lifetime ECL not credit-impaired	7	(7)	—	—
- Transfer to Stage 3: Lifetime ECL credit-impaired	—	—	—	—
Loans and advances derecognised (other than write off)	(256)	—	(13)	(269)
New loans and advances originated	101	—	—	101
Net remeasurement due to changes in credit risk	(427)	(6)	(3,039)	(3,472)
At 31 December 2021	<u>1,703</u>	<u>—</u>	<u>18,000</u>	<u>19,703</u>

**BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)****NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2022****10 LOANS AND ADVANCES (CONTINUED)**

	30 September 2022	31 December 2021
	RM'000	RM'000
(k) Impaired loans and advances analysed by geographical distribution:		
Malaysia	<u>16,116</u>	<u>24,745</u>
(l) Impaired loans and advances analysed by economic purpose:		
Purchase of landed property (residential)	11	12
Working capital	<u>16,105</u>	<u>24,733</u>
	<u>16,116</u>	<u>24,745</u>

11 OTHER ASSETS

	30 September 2022	31 December 2021
	RM'000	RM'000
Collateral receivables	152,426	31,697
Intercompany receivables	1,072	8,487
Deposits	36	36
Prepayments	1,668	4,171
Other receivables	<u>10,181</u>	<u>19,104</u>
	<u>165,383</u>	<u>63,495</u>

Other assets is within Stage 1 allocation (12-months ECL) with RM Nil impairment allowance as at 30 September 2022 (31 December 2021: RM Nil).

12 PRE-ACQUISITION PROFITS

There were no pre-acquisition profits reported for the financial period under review.

13 PROPERTY, PLANT AND EQUIPMENT

The valuations of property, plant and equipment have been brought forward, without amendment from the previous annual financial statements.

14 PROFITS ON SALE OF INVESTMENTS/PROPERTIES

There were no material gains or loss on disposal of investments (other than in the ordinary course of business) and/or properties for the financial period under review.

15 PURCHASE AND DISPOSAL OF QUOTED SECURITIES

There were no purchases or disposal of quoted securities for the financial period under review other than those purchased or disposed in the ordinary course of business.

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)
NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2022
16 DEPOSITS FROM CUSTOMERS

	30 September 2022 RM'000	31 December 2021 RM'000
Demand deposits	7,746,178	5,176,124
Savings deposits	7	7
Fixed deposits	143,636	75,454
	<u>7,889,821</u>	<u>5,251,585</u>

(a) Maturity structure of fixed deposits is as follows:

Due within six months	142,586	73,354
Six months to one year	—	1,050
One year to five years	1,050	—
More than five years	—	1,050
	<u>143,636</u>	<u>75,454</u>

(b) The deposits are sourced from the following types of customers:

Business enterprise	7,889,775	5,251,539
Individuals	46	46
	<u>7,889,821</u>	<u>5,251,585</u>

17 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 September 2022 RM'000	31 December 2021 RM'000
Licensed banks	1,082,587	29,485
Other financial institutions	1,032	1,028
	<u>1,083,619</u>	<u>30,513</u>

18 OTHER LIABILITIES

	30 September 2022 RM'000	31 December 2021 RM'000
Collateral payables	152,583	25,548
Intercompany payables	6,737	6,807
Deferred income on loans, advances and financing	992	—
Accruals	6,274	7,967
Share-based recharge payables	742	1,503
ECL for guarantees and commitments	1,734	1,131
Lease Liabilities	1,070	1,498
Other payables	36,949	12,719
	<u>207,081</u>	<u>57,173</u>

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)
NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2022
19 INTEREST INCOME

	Quarter Ended		Period Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Loans and advances	4,651	1,386	8,025	4,597
Money at call and deposit placements with banks and other financial institutions	29,971	7,450	65,411	21,546
Financial assets at FVOCI	4,073	3,910	10,028	8,577
Others	—	—	—	4
	<u>38,695</u>	<u>12,746</u>	<u>83,464</u>	<u>34,724</u>

20 INTEREST EXPENSE

	Quarter Ended		Period Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Deposits and placements of banks and other financial institutions	6,488	171	9,524	422
Deposits from customers	2,825	1,393	6,758	4,893
	<u>9,313</u>	<u>1,564</u>	<u>16,282</u>	<u>5,315</u>

21 NET TRADING INCOME

	Quarter Ended		Period Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Fair value gain/(loss) on instruments held for trading				
Debt instruments at FVTPL				
Net (loss)/gain from sale of financial assets at FVTPL	4,842	(5,130)	(12,987)	(32,197)
Unrealised revaluation (loss)/gain on financial assets at FVTPL	(5,800)	(813)	(8,706)	(2,956)
Derivatives financial instruments				
Realised gain/(loss) on derivatives	2,845	1,743	7,546	9,319
Unrealised gain/(loss) on foreign exchange forwards	48,007	(20,740)	107,501	242,089
Unrealised gain/(loss) on interest rate and cross currency swaps	(3,518)	(3,891)	(2,846)	(2,290)
Interest income from financial assets at FVTPL	13,870	11,425	30,277	36,166
Realised foreign exchange (loss)/gain	(11,214)	34,126	(43,895)	(203,925)
Others	(43)	(1)	(51)	(5)
	<u>48,989</u>	<u>16,719</u>	<u>76,839</u>	<u>46,201</u>

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)
NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2022
22 OTHER OPERATING INCOME

	Quarter Ended		Period Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Fee income				
Commission	98	123	341	351
Service charges and fees	2,535	1,768	7,327	5,592
Guarantee fees	878	276	2,014	1,041
Management fee income	1,073	629	3,272	2,942
Other fee income	3,964	5,373	13,967	15,130
Total fee income	8,548	8,169	26,921	25,056

23 OTHER OPERATING EXPENSES

	Quarter Ended		Period Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Personnel costs				
Salaries, allowances and bonuses	7,478	7,800	22,606	23,887
Share-based payment	1,112	544	2,266	2,064
Defined contribution plans	1,163	1,316	5,119	5,880
Other personnel costs	1,048	219	2,882	536
	10,801	9,879	32,873	32,367
Establishment costs				
Depreciation of property and equipment	345	325	937	963
Amortisation of right-of-use-assets	134	167	402	499
Lease finance cost	6	7	21	27
Rental of premises	142	151	417	440
Rental of equipment	63	7	129	68
Repair and maintenance	540	406	1,285	1,171
Others	1,438	416	2,742	1,021
	2,668	1,479	5,933	4,189
Marketing expenses				
Others	28	30	45	30
	28	30	45	30
Administration and general expenses				
Communication expenses	409	502	1,375	1,388
Legal and professional fees	(3)	145	181	377
Stationery and postages	79	74	310	303
Shared administrative support expenses	9,636	8,309	27,304	25,295
Others	1,689	1,780	4,630	5,186
	11,810	10,810	33,800	32,549
	25,307	22,198	72,651	69,135

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)**NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2022****24 IMPAIRMENT (WRIEBACK)/CHARGE FOR CREDIT LOSSES**

	Quarter Ended		Period Ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Allowance for impairment				
- Loans and advances	161	2,237	179	3,818
- Guarantees and commitments	(191)	493	(603)	300
Impaired loans and advances recovered	—	35	—	36
	<u>(30)</u>	<u>2,765</u>	<u>(424)</u>	<u>4,154</u>

25 SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Financial markets and commodities markets have been impacted by the Russia/Ukraine conflict, including the implementation of various economic sanctions by multiple jurisdictions on select Russian government and military leaders, financial institutions, business leaders and the Central Bank of Russia. While the Bank has no direct exposure to Russia, the potential impact of the conflict and sanctions regime on global markets and institutions remains uncertain, and episodes of economic and market volatility may continue to occur.

26 SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

There were no significant events subsequent to the balance sheet date which have not been disclosed in these condensed interim financial statements.

27 CHANGES IN COMPOSITION OF THE BANK

There were no significant changes in the composition of the Bank for the financial period ended 30 September 2022.

28 SEGMENTAL REPORTING ON REVENUE, PROFIT AND ASSETS

Segmental reporting has not been prepared as there are no other segments other than the commercial banking segment.

29 TAXATION

There are no material changes in the profit before taxation for the financial period reported as compared with the preceding financial period, which have not been disclosed in these condensed interim financial statement.

30 DIVIDENDS

There were no dividends paid or declared for the financial period ended 30 September 2022 .

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2022

31 COMMITMENTS AND CONTINGENCIES

The commitments and contingencies constitute the followings:

Description	30 September 2022			31 December 2021		
	Principal amount	Credit equivalent amount	Risk weighted amount	Principal amount	Credit equivalent amount	Risk weighted amount
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	111,321	111,321	108,369	135,846	134,991	131,391
Transaction related contingent items	132,092	66,046	65,086	69,048	34,274	33,035
Short term self liquidating trade related contingencies	9,362	1,872	1,872	18,470	3,671	3,671
Foreign exchange related contracts:						
- One year or less	25,651,286	531,539	277,917	13,275,858	148,340	93,393
- Over one year to five years	28,578	2,205	2,205	—	—	—
Interest/Profit rate related contracts:						
- One year or less	9,709,274	37,745	16,867	11,319,000	16,542	6,503
- Over one year to five years	17,676,100	507,841	224,662	10,932,500	202,289	86,147
- Over five years	214,000	12,500	6,250	250,050	11,483	9,053
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	—	—	—	—	—	—
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	—	—	—	1,349	671	335
Any commitments that are unconditionally cancelled at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	921,430	—	—	699,248	—	—
Total	54,453,443	1,271,069	703,228	36,701,369	552,261	363,528

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2022

32 CAPITAL ADEQUACY

The table below summaries the composition of regulatory capital and ratio of the Bank:

	September 2022 RM'000	December 2021 RM'000
Common Equity ("CET1") Capital and Tier 1 Capital		
Share capital	135,800	135,800
Retained profits	712,449	712,449
Other disclosed reserves		
Unrealised gains and losses on FVOCI financial instruments	<u>1,270</u>	<u>1,032</u>
	849,519	849,281
Less: regulatory adjustments		
- Deferred tax assets	(2,608)	(2,143)
- 55% of cumulative gains of FVOCI financial instruments	(699)	(568)
- Regulatory reserve	—	(1,704)
Total CET I and Tier I capital	<u>846,212</u>	<u>844,866</u>
Tier-II Capital		
Loss allowance for non-credit impaired exposures/ collective assessment allowance*	7,402	2,834
Regulatory reserve	—	1,704
Total Tier II capital	<u>7,402</u>	<u>4,538</u>
Total capital	<u>853,614</u>	<u>849,404</u>
*Excludes Lifetime ECL Credit Impaired (Stage 3) loans/collective assessment allowance on impaired loans restricted from Tier-II Capital of BAMB of RM13,857,178 (31 December 2021: RM18,000,435).		
Total risk-weighted assets:-		
Credit risk	1,294,422	703,432
Market risk	741,761	786,586
Operational risk	338,191	306,833
Total RWA	<u>2,374,374</u>	<u>1,796,851</u>
Capital ratios		
CET I capital ratio	35.639%	47.019%
Tier I capital ratio	35.639%	47.019%
Total capital ratio	<u>35.951%</u>	<u>47.272%</u>

Total capital and capital adequacy ratios of the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components) guidelines issued on 9 December 2020. The Bank has adopted the Standardised Approach ("SA") for Credit Risk and Market Risk and Basic Indicator Approach ("BIA") for Operational Risk.

**BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)**

NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2022

33 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets, financial liabilities and off-balance sheet financial instruments. Fair value is the amount at which a financial asset could be exchanged or a financial liability settled, between knowledgeable and willing parties in an arm's length transaction. The information presented herein represents the estimates of fair values as at the balance sheet date.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the uncertainties and assumptions could materially affect these estimates and the resulting fair value estimates.

A range of methodologies and assumptions had been used in deriving the fair values of the Bank's financial instruments at balance sheet date.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, as derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Bank's financial assets and liabilities that are measured at fair value.

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)
NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2022
34 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30 September 2022				
Financial assets at fair value through profit or loss				
Financial assets at fair value through profit or loss (FVTPL)				
- Malaysian Government Securities	570,844	—	—	570,844
- Malaysian Government Investment Issues	635,596	—	—	635,596
- Malaysian Government Treasury Bills	702,946	—	—	702,946
Derivative assets				
- Foreign exchange forwards and swaps	—	318,631	—	318,631
- Interest rate and cross currency swaps	—	213,029	—	213,029
Financial assets at fair value through other comprehensive income				
Unquoted shares	—	—	2,969	2,969
Bank Negara Bills	1,186,526	—	—	1,186,526
Total assets	3,095,912	531,660	2,969	3,630,541
Financial liabilities at fair value through profit or loss				
Derivative liabilities				
- Foreign exchange forwards and swaps	—	236,231	—	236,231
- Interest rate and cross currency swaps	—	211,838	—	211,838
Total liabilities	—	448,069	—	448,069
	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
31 December 2021				
Financial assets at fair value through profit or loss				
Financial assets at fair value through profit or loss (FVTPL)				
- Malaysian Government Securities	208,353	—	—	208,353
- Malaysian Government Investment Issues	227,592	—	—	227,592
- Malaysian Government Treasury Bills	—	—	—	—
Derivative assets				
- Foreign exchange forwards and swaps	—	43,416	—	43,416
- Interest rate and cross currency swaps	—	53,809	—	53,809
Financial assets at fair value through other comprehensive income				
Unquoted shares	—	—	2,969	2,969
Bank Negara Bills	548,974	—	—	548,974
Total assets	984,919	97,225	2,969	1,085,113
Financial liabilities at fair value through profit or loss				
Derivative liabilities				
- Foreign exchange forwards and swaps	—	68,518	—	68,518
- Interest rate and cross currency swaps	—	49,772	—	49,772
Total liabilities	—	118,290	—	118,290

There were no transfers between levels 1 and 2 during the period (31 December 2021: There were no transfers between Levels 1 and 2)

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENT OF DECLARATION

To the best of our knowledge, the accompanying Statement of Financial Position of Bank of America Malaysia Berhad as at 30 September 2022, and the related Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and explanatory notes for the period ended on that date had been prepared from the Bank's accounting and other records and nothing has come to our attention that causes us to believe that the condensed interim financial statements are not presented fairly in all material aspects in accordance with the Malaysian Accounting Standards Board ("MASB") approved accounting standards in Malaysia for entities other than private entities and Bank Negara Malaysia Guidelines.

For and on behalf of,
Bank of America Malaysia Berhad

Chief Financial Officer
Wong Poh Leng
21 October 2022