

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 2023

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)

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BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	Note	30 September 2023 RM'000	31 December 2022 RM'000
ASSETS			
Cash and short term funds	7	3,594,405	8,424,353
Deposits and placements with banks and other financial institutions	8	—	617,799
Financial assets at fair value through profit or loss (FVTPL)	9	454,026	212,125
Financial assets at fair value through other comprehensive income (FVOCI)	10	1,342,417	740,856
Loans and advances	11	621,216	533,223
Other assets	12	182,805	204,093
Derivative assets		318,983	499,641
Statutory deposits with Bank Negara Malaysia		80,001	80,001
Property and equipment	14	6,818	6,822
Tax recoverable		777	—
Deferred tax assets		3,789	3,844
TOTAL ASSETS		6,605,237	11,322,757
LIABILITIES AND SHAREHOLDERS' FUNDS			
Deposits from customers	17	4,592,952	8,501,143
Deposits and placements of banks and other financial institutions	18	267,939	1,034,881
Bills and acceptances payable		11,891	9,815
Other liabilities	19	274,737	230,717
Derivative liabilities		343,443	572,345
Provision for taxation		—	9,617
TOTAL LIABILITIES		5,490,962	10,358,518
Share capital		135,800	135,800
Reserves		978,475	828,439
Shareholders' funds		1,114,275	964,239
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		6,605,237	11,322,757
COMMITMENTS AND CONTINGENCIES	32	62,401,325	65,929,179

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD 30 SEPTEMBER 2023

	Note	Quarter Ended		Period Ended	
		30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Interest income	20	57,637	38,695	200,669	83,464
Interest expense	21	(12,458)	(9,313)	(44,132)	(16,282)
Net interest income		45,179	29,382	156,537	67,182
Net trading income	22	25,663	48,989	90,820	76,839
Other operating income	23	10,156	8,548	23,529	26,921
Net non-interest income		35,819	57,537	114,349	103,760
Net income		80,998	86,919	270,886	170,942
Other operating expenses	24	(26,310)	(25,307)	(78,892)	(72,651)
Profit before impairment		54,688	61,612	191,994	98,291
Impairment writeback/(charge) for credit losses	25	2,334	(30)	5,420	(424)
Net Profit before tax		57,022	61,582	197,414	97,867
Taxation		(13,685)	(14,793)	(47,379)	(23,523)
Profit for the financial year		43,337	46,789	150,035	74,344
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)		(84)	239	1	238
Income tax effect		—	—	—	—
Other comprehensive income, net of tax		(84)	239	1	238
Total comprehensive income for the financial year		43,253	47,028	150,036	74,582
Earnings per share (sen)					
Basic/diluted		31.91	34.45	110.48	54.75

BANK OF AMERICA MALAYSIA BERHAD
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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD 30 SEPTEMBER 2023

	Non distributable			Distributable	Total
	Share capital	FVOCI reserves	Regulatory reserves	Retained profits	
	RM'000	RM'000	RM'000	RM'000	
2023					
Balance at 1 January	135,800	987	466	826,986	964,239
Profit for the financial period	—	—	—	150,035	150,035
Other comprehensive income, net of income tax					
Change in value of FVOCI	—	1	—	—	1
Total other comprehensive income	—	1	—	—	1
Total comprehensive income for the financial period	135,800	988	466	977,021	1,114,275
Net change in regulatory reserves	—	—	87	(87)	—
Balance at 30 September 2023	135,800	988	553	976,934	1,114,275
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

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD 30 SEPTEMBER 2023

	30 September 2023 RM'000	30 September 2022 RM'000
Cash flows from operating activities		
Profit before taxation	197,414	97,867
Adjustments for:		
- Depreciation of property and equipment	1,316	937
- Depreciation of right-of use assets	585	402
- Interest expense on lease liability	12	21
- Finance cost on provision for reinstatement costs	68	—
- Impairment (charge)/write back for credit losses	(5,420)	424
- Net unrealised (loss)/gain on fair value changes in derivatives	(48,244)	(104,655)
- Net unrealised (loss)/gain on revaluation of financial assets at FVTPL	1,270	8,706
	147,001	3,702
Changes in working capital:		
(Increase)/decrease in operating assets:		
Deposits and placements with banks	617,799	—
Financial assets FVTPL	(243,171)	(1,482,147)
Financial assets FVOCI	(601,560)	(637,314)
Loans and advances	(82,573)	(227,915)
Other assets	21,288	(101,888)
Derivative assets	228,902	(329,780)
Increase/(decrease) in operating liabilities:		
Deposits from customers	(3,908,191)	2,638,236
Deposits and placements of banks and other financial institutions	(766,942)	1,053,106
Bills and acceptances payable	2,076	9,158
Other liabilities	43,602	150,335
Derivative liabilities	(228,902)	329,779
Cash flows generated from operating activities	(4,770,671)	1,405,272
Taxation paid	(57,718)	(6,452)
Net cash generated from by operating activities	(4,828,389)	1,398,820
Cash flows from investing activities		
Purchase of property and equipment	(1,093)	(4,065)
Net cash used in investing activities	(1,093)	(4,065)
Cash flows from financing activities		
Repayment of lease rentals	(466)	(449)
Net cash used in financing activities	(466)	(449)
Net increase in cash and cash equivalents	(4,829,948)	1,394,306
Cash and cash equivalents as at 1 January	8,424,353	4,799,517
Cash and cash equivalents as at 30 Sept	3,594,405	6,193,823

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

NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2023

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 2022. 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 2022.

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 2022, except as follows:

NEW AND AMENDED STANDARDS ADOPTED BY THE BANK

Effective for annual periods beginning on 1 January 2022.

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 does not 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 does not have any significant impact to the Bank.

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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 does not 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 does not have any significant impact to the Bank.

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 does not have any significant impact to the Bank.

STANDARDS AND AMENDMENTS TO EXITING STANDARDS BUT NOT YET EFFECTIVE

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2023

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.

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.

Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback' (effective 1 January 2024)

The amendments specify the measurement of the lease liability arises in a sale and leaseback transaction that satisfies the requirements in MFRS 15 'Revenue from Contracts with Customers' to be accounted for as a sale. In accordance with the amendments, the seller-lessee shall determine the "lease payments" or "revised lease payments" in a way that it does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use it retains.

The amendments shall be applied retrospectively to sale and leaseback transactions entered into after the date when the seller-lessee initially applied MFRS 16.

Amendments to MFRS 101 'Classification of liabilities as current or noncurrent' (effective 1 January 2024)

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.

**BANK OF AMERICA MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2023

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 2022 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 2023.

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 2023.

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 2023 RM'000	31 December 2022 RM'000
Cash and balances with banks and other financial institutions	66,420	55,785
Money at call and deposit placements maturing within one month	<u>3,527,985</u>	<u>8,368,568</u>
	<u><u>3,594,405</u></u>	<u><u>8,424,353</u></u>

Money at call and interbank placements are within Stage 1 allocation (12-months ECL) with RM Nil impairment allowance as at 30 September 2023 (31 December 2022: RM Nil).

8 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 September 2023 RM'000	31 December 2022 RM'000
Central bank	<u>—</u>	<u>617,799</u>
	<u><u>—</u></u>	<u><u>617,799</u></u>

Central bank are within Stage 1 allocation (12-months ECL) with RM Nil impairment allowance as at 30 September 2023 (31 December 2022: RM Nil).

BANK OF AMERICA MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2023

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	30 September 2023 RM'000	31 December 2022 RM'000
Malaysian Government Securities	331,013	135,659
Malaysian Government Investment Issues	93,245	76,466
Malaysian Government Treasury Bills	29,768	—
	<u>454,026</u>	<u>212,125</u>

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

	30 September 2023 RM'000	31 December 2022 RM'000
Quoted securities in Malaysia:		
Malaysian Government Securities	52,389	—
Bank Negara Bills	1,287,059	737,887
Unquoted securities in Malaysia:		
Shares	2,969	2,969
	<u>1,342,417</u>	<u>740,856</u>

FVOCI is within Stage 1 allocation (12-months ECL) with RM Nil impairment allowances as at 30 September 2023 (31 December 2022: RM Nil).

11 LOANS AND ADVANCES

	30 September 2023 RM'000	31 December 2022 RM'000
(a) Loans and advances analysed by type:		
At amortised cost:		
Overdrafts	40,371	61
Factoring receivables	10,830	—
Staff loans	345	389
Revolving advances	445,612	407,921
Term loans	133,830	141,113
Mortgage loans	8	10
Gross loans and advances	<u>630,996</u>	<u>549,494</u>
Expected Credit Losses ("ECL")		
Stage 1: 12 Months - On Balance Sheet	(5,916)	(5,332)
Stage 2: Lifetime ECL not credit impaired	—	(192)
Stage 3: Lifetime ECL credit-impaired	(3,864)	(10,747)
Total net loans and advances	<u>621,216</u>	<u>533,223</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2023

11 LOANS AND ADVANCES (CONTINUED)

	30 September 2023 RM'000	31 December 2022 RM'000
(b) By geographical distribution:		
Malaysia	<u>630,996</u>	<u>549,494</u>
(c) By type of customer		
Domestic business enterprises	490,927	415,696
Domestic non-banking financial institutions	139,716	133,399
Individuals	353	399
	<u>630,996</u>	<u>549,494</u>
(d) By interest rate sensitivity		
Fixed rate:		
Housing loans	340	376
Other fixed rate loans	10,835	13
Variable rate:		
Base rate	8	10
Cost plus	203,261	140,272
Other floating rate loans	416,552	408,823
	<u>630,996</u>	<u>549,494</u>
(e) By sector		
Mining & quarrying	3,856	10,867
Manufacturing	278,389	241,787
Electricity, gas and water	7,654	—
Wholesale & Retail trade, Restaurant & Hotels	30,695	32,796
Transport, storage, communication	129,974	130,247
Finance, insurance and business services	180,075	133,398
Household	353	399
	<u>630,996</u>	<u>549,494</u>
(f) By economic purpose		
Purchase of transport vehicles	3	13
Purchase of landed property (residential)	348	386
Personal use	2	—
Working capital	630,643	549,095
	<u>630,996</u>	<u>549,494</u>

BANK OF AMERICA MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2023

11 LOANS AND ADVANCES (CONTINUED)

	30 September 2023 RM'000	31 December 2022 RM'000
(g) By residual contractual maturity		
Within one year	434,704	549,118
One year to three years	63,976	—
Three years to five years	131,976	—
Over five years	340	376
	<u>630,996</u>	<u>549,494</u>
(h) Gross loans and advances by staging		
Stage 1: 12 Month ECL	627,132	484,458
Stage 2: Lifetime ECL Not Credit Impaired	—	54,159
Stage 3: Credit Impaired	3,864	10,877
	<u>630,996</u>	<u>549,494</u>
(i) Movements in impaired loans and advances are as follows:		
At 1 January	10,877	24,745
Amount recovered	(7,022)	(14,183)
Exchange Rate difference	9	315
At 30 Sept/31 December	<u>3,864</u>	<u>10,877</u>
Stage 3: Lifetime ECL credit impaired	<u>(3,864)</u>	<u>(10,747)</u>
Net impaired loans and advances	<u>—</u>	<u>130</u>
Gross impaired loans as a % of gross loans and advances	<u>0.61 %</u>	<u>1.98 %</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2023

11 LOANS AND ADVANCES (CONTINUED)

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

	12-Month ECL (Stage 1)	Lifetime ECL Not Credit- Impaired (Stage 2)	Credit Impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	5,332	192	10,747	16,271
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)	—	(192)	—	(192)
New loans and advances originated	96	—	—	96
Net remeasurement due to changes in credit risk	488	—	(6,883)	(6,395)
At 30 September 2023	<u>5,916</u>	<u>—</u>	<u>3,864</u>	<u>9,780</u>
	12-Month ECL (Stage 1)	Lifetime ECL Not Credit- Impaired (Stage 2)	Credit Impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	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)	(63)	—	(7,253)	(7,316)
New loans and advances originated	3,347	192	—	3,539
Net remeasurement due to changes in credit risk	345	—	—	345
At 31 December 2022	<u>5,332</u>	<u>192</u>	<u>10,747</u>	<u>16,271</u>

**BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)****NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2023****11 LOANS AND ADVANCES (CONTINUED)**

	30 September 2023 RM'000	31 December 2022 RM'000
(k) Impaired loans and advances analysed by geographical		
Malaysia	<u>3,864</u>	<u>10,877</u>
(l) Impaired loans and advances analysed by economic purpose:		
Purchase of landed property (residential)	8	10
Working capital	<u>3,856</u>	<u>10,867</u>
	<u>3,864</u>	<u>10,877</u>

12 OTHER ASSETS

	30 September 2023 RM'000	31 December 2022 RM'000
Collateral receivables	103,909	157,326
Intercompany receivables	1,349	4,687
Deposits	36	36
Prepayments	—	—
Other receivables	<u>77,511</u>	<u>42,044</u>
	<u>182,805</u>	<u>204,093</u>

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

13 PRE-ACQUISITION PROFITS

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

14 PROPERTY, PLANT AND EQUIPMENT

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

15 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.

16 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2023

17 DEPOSITS FROM CUSTOMERS

	30 September 2023 RM'000	31 December 2022 RM'000
Demand deposits	4,419,907	8,383,179
Savings deposits	—	7
Fixed deposits	173,045	117,957
	<u>4,592,952</u>	<u>8,501,143</u>

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

Due within six months	171,995	116,907
Six months to one year	—	—
One year to five years	1,050	1,050
	<u>173,045</u>	<u>117,957</u>

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

Business enterprise	4,592,952	8,501,097
Individuals	—	46
	<u>4,592,952</u>	<u>8,501,143</u>

18 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 September 2023 RM'000	31 December 2022 RM'000
Licensed banks	267,939	1,033,846
Other financial institutions	—	1,035
	<u>267,939</u>	<u>1,034,881</u>

19 OTHER LIABILITIES

	30 September 2023 RM'000	31 December 2022 RM'000
Collateral payables	232,693	157,876
Intercompany payables	7,981	8,917
Deferred income on loans, advances and financing	741	892
Accruals	5,779	8,656
Share-based recharge payables	1,133	325
ECL for guarantees and commitments	2,299	1,227
Lease Liabilities	467	921
Provision for reinstatement cost	4,290	4,222
Other payables	19,354	47,681
	<u>274,737</u>	<u>230,717</u>

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)
NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2023
20 INTEREST INCOME

	Quarter Ended		Period Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Loans and advances	9,239	4,651	25,078	8,025
Money at call and deposit placements with banks and other financial institutions	37,361	29,971	149,371	65,411
Financial assets at FVOCI	11,037	4,073	26,220	10,028
	<u>57,637</u>	<u>38,695</u>	<u>200,669</u>	<u>83,464</u>

21 INTEREST EXPENSE

	Quarter Ended		Period Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Deposits and placements of banks and other financial institutions	2,837	6,488	12,286	9,524
Deposits from customers	9,621	2,825	31,846	6,758
	<u>12,458</u>	<u>9,313</u>	<u>44,132</u>	<u>16,282</u>

22 NET TRADING INCOME

	Quarter Ended		Period Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 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	1,409	4,842	2,492	(12,987)
Unrealised revaluation gain/(loss) on financial assets at FVTPL	(2,327)	(5,800)	(1,270)	(8,706)
Derivatives financial instruments				
Realised (loss)/gain on derivatives	(4,390)	2,845	19,033	7,546
Unrealised gain/(loss) on foreign exchange forwards	(1,249)	48,007	68,420	107,501
Unrealised gain/(loss) on interest rate and cross currency swaps	69	(3,518)	(20,176)	(2,846)
Interest income from financial assets at FVTPL	3,909	13,870	19,597	30,277
Realised foreign exchange gain/(loss)	30,157	(11,214)	5,752	(43,895)
Others	(1,915)	(43)	(3,028)	(51)
	<u>25,663</u>	<u>48,989</u>	<u>90,820</u>	<u>76,839</u>

BANK OF AMERICA MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2023
23 OTHER OPERATING INCOME

	Quarter Ended		Period Ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	RM'000	RM'000	RM'000	RM'000
Fee income				
Commission	116	98	298	341
Service charges and fees	5,113	2,535	9,970	7,327
Guarantee fees	592	878	2,239	2,014
Management fee income	1,322	1,073	3,667	3,272
Other fee income	3,013	3,964	7,355	13,967
Total fee income	10,156	8,548	23,529	26,921

24 OTHER OPERATING EXPENSES

	Quarter Ended		Period Ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
Salaries, allowances and bonuses	7,488	7,478	22,912	22,606
Share-based payment	1,490	1,112	1,909	2,266
Defined contribution plans	1,062	1,163	4,797	5,119
Other personnel costs	159	1,048	1,703	2,882
	10,199	10,801	31,321	32,873
Establishment costs				
Depreciation of property and equipment	448	345	1,316	937
Depreciation of right-of-use-assets	195	134	585	402
Interest expense on lease liabilities	3	6	12	21
Finance cost on provision for reinstatement costs	23	—	68	—
Rental of premises	169	142	463	417
Rental of equipment	35	63	80	129
Repair and maintenance	(138)	540	469	1,285
Others	1,330	1,438	2,991	2,742
	2,065	2,668	5,984	5,933
Marketing expenses				
Others	72	28	282	45
	72	28	282	45
Administration and general expenses				
Communication expenses	641	409	1,623	1,375
Legal and professional fees	211	(3)	675	181
Stationery and postages	162	79	472	310
Shared administrative support expenses	10,716	9,636	33,004	27,304
Others	2,244	1,689	5,531	4,630
	13,974	11,810	41,305	33,800
	26,310	25,307	78,892	72,651

**BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)****NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2023****25 IMPAIRMENT (WRITEBACK)/CHARGE FOR CREDIT LOSSES**

	Quarter Ended		Period Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Allowance for impairment				
- Loans and advances	2,053	161	6,492	179
- Guarantees and commitments	281	(191)	(1,072)	(603)
Impaired loans and advances recovered	—	—	—	—
	<u>2,334</u>	<u>(30)</u>	<u>5,420</u>	<u>(424)</u>

26 SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

There were no significant events during the financial quarter that have not been disclosed in these condensed interim financial statements.

27 SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

On 10th October 2023, the Bank received RM12,033,456 (USD2,544,878) for the full settlement on a Stage 3 corporate loan. This amount will be recognised as writeback of impairment for credit losses in the Statement of Comprehensive Income for the financial year ending 31 December 2023.

28 CHANGES IN COMPOSITION OF THE BANK

There were no significant changes in the composition of the Bank for the financial period ended 30 September 2023.

29 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.

30 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.

31 DIVIDENDS

There were no dividends paid or declared for the financial period ended 30 September 2023 .

BANK OF AMERICA MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2023

32 COMMITMENTS AND CONTINGENCIES

The commitments and contingencies constitute the followings:

Description	30 September 2023			31 December 2022		
	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	113,314	113,314	110,401	102,454	102,454	99,246
Transaction related contingent items	268,556	134,278	132,943	158,142	79,071	78,150
Short term self liquidating trade related contingencies	6,919	1,384	1,384	10,547	2,110	2,109
Foreign exchange related contracts:						
- One year or less	5,519,963	154,328	154,165	20,950,854	198,645	109,131
- Over one year to five years	—	—	—	—	—	—
Interest/Profit rate related contracts:						
- One year or less	—	—	—	5,961,000	24,778	11,909
- Over one year to five years	—	—	—	13,603,590	293,143	117,659
- Over five years	—	—	—	107,000	3,577	1,789
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	55,600,269	564,870	214,052	24,278,001	275,483	66,888
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	2,309	1,154	1,154	—	—	—
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	889,995	—	—	757,591	—	—
Total	62,401,325	969,328	614,099	65,929,179	979,261	486,881

BANK OF AMERICA MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2023

33 CAPITAL ADEQUACY

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

	September 2023 RM'000	31 December 2022 RM'000
Common Equity ("CET1") Capital and Tier 1 Capital		
Share capital	135,800	135,800
Retained profits	827,452	827,452
Other disclosed reserves		
Unrealised gains and losses on FVOCI financial instruments	988	987
	<u>964,240</u>	<u>964,239</u>
Less: regulatory adjustments		
- Deferred tax assets	(3,790)	(3,844)
- 55% of cumulative gains of FVOCI financial instruments	(543)	(543)
- Regulatory reserve	(553)	(466)
Total CET I and Tier I capital	<u>959,354</u>	<u>959,386</u>
Tier-II Capital		
Loss allowance for non-credit impaired exposures/ collective assessment allowance*	8,215	6,751
Regulatory reserve	553	466
Total Tier II capital	<u>8,768</u>	<u>7,217</u>
Total capital	<u>968,122</u>	<u>966,603</u>
*Excludes Lifetime ECL Credit Impaired (Stage 3) loans/collective assessment allowance on impaired loans restricted from Tier-II Capital of BAMB of RM3,863,976 (31 December 2022: RM10,747,315).		
Total risk-weighted assets:-		
Credit risk	1,653,967	2,652,410
Market risk	1,220,853	830,028
Operational risk	445,686	376,309
Total RWA	<u>3,320,506</u>	<u>3,858,747</u>
Capital ratios		
CET I capital ratio	28.892%	24.863%
Tier I capital ratio	28.892%	24.863%
Total capital ratio	<u>29.156%</u>	<u>25.050%</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
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NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2023

34 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
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NOTES TO THE FINANCIAL STATEMENTS FOR 30 SEPTEMBER 2023
34 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30 September 2023				
Financial assets at fair value through profit or loss				
Financial assets at fair value through profit or loss (FVTPL)				
- Malaysian Government Securities	331,013	—	—	331,013
- Malaysian Government Investment Issues	93,245	—	—	93,245
- Malaysian Government Treasury Bills	29,768	—	—	29,768
Derivative assets				
- Foreign exchange forwards and swaps	—	172,475	—	172,475
- Interest rate and cross currency swaps	—	146,508	—	146,508
Financial assets at fair value through other comprehensive income				
Malaysian Government Securities	52,389	—	—	52,389
Bank Negara Bills	1,287,059	—	—	1,287,059
Unquoted shares	—	—	2,969	2,969
Total assets	<u>1,793,474</u>	<u>318,983</u>	<u>2,969</u>	<u>2,115,426</u>
Financial liabilities at fair value through profit or loss				
Derivative liabilities				
- Foreign exchange forwards and swaps	—	173,180	—	173,180
- Interest rate and cross currency swaps	—	170,263	—	170,263
Total liabilities	<u>—</u>	<u>343,443</u>	<u>—</u>	<u>343,443</u>
31 December 2022				
Financial assets at fair value through profit or loss				
Financial assets at fair value through profit or loss (FVTPL)				
- Malaysian Government Securities	135,659	—	—	135,659
- Malaysian Government Investment Issues	76,466	—	—	76,466
- Malaysian Government Treasury Bills	—	—	—	—
Derivative assets				
- Foreign exchange forwards and swaps	—	331,385	—	331,385
- Interest rate and cross currency swaps	—	168,256	—	168,256
Financial assets at fair value through other comprehensive income				
Unquoted shares	—	—	2,969	2,969
Bank Negara Bills	737,887	—	—	737,887
Total assets	<u>950,012</u>	<u>499,641</u>	<u>2,969</u>	<u>1,452,622</u>
Financial liabilities at fair value through profit or loss				
Derivative liabilities				
- Foreign exchange forwards and swaps	—	400,510	—	400,510
- Interest rate and cross currency swaps	—	171,835	—	171,835
Total liabilities	<u>—</u>	<u>572,345</u>	<u>—</u>	<u>572,345</u>

There were no transfers between levels 1 and 2 during the period (31 December 2022: There were no transfers between Levels 1 and 2)

BANK OF AMERICA MALAYSIA BERHAD
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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 2023, 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
26 October 2023