

BANK OF AMERICA MALAYSIA BERHAD

(Incorporated in Malaysia)

Registration No. 199401025304 (310983-V)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

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 31 MARCH 2022

	Note	31 March 2022 RM'000	31 December 2021 RM'000
ASSETS			
Cash and short term funds	7	6,942,930	4,799,517
Financial assets at fair value through profit or loss (FVTPL)	8	1,017,101	435,945
Financial assets at fair value through other comprehensive income (FVOCI)	9	850,657	551,943
Loans and advances	10	235,516	288,037
Other assets	11	62,208	63,495
Derivative assets		121,720	97,225
Tax recoverable		13,682	11,589
Deferred tax assets		2,276	2,143
Statutory deposits with Bank Negara Malaysia		60,001	60,001
Property and equipment	13	3,950	4,153
TOTAL ASSETS		9,310,041	6,314,048
LIABILITIES AND SHAREHOLDERS' FUNDS			
Deposits from customers	16	7,043,411	5,251,585
Deposits and placements of banks and other financial institutions	17	1,205,518	30,513
Bills and acceptances payable		12,076	7,207
Other liabilities	18	84,917	57,173
Derivative liabilities		111,765	118,290
TOTAL LIABILITIES		8,457,687	5,464,768
Share capital		135,800	135,800
Reserves		716,554	713,480
Shareholders' funds		852,354	849,280
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		9,310,041	6,314,048
COMMITMENTS AND CONTINGENCIES	31	38,406,154	36,701,369

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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD 31 MARCH 2022

	Note	31 March 2022 RM'000	31 March 2021 RM'000
Interest income	19	19,540	11,621
Interest expense	20	(1,884)	(2,084)
Net interest income		17,656	9,537
Net trading income	21	(2,226)	13,062
Other operating income	22	9,402	7,790
Net non-interest income		7,176	20,852
Net income		24,832	30,389
Other operating expenses	23	(23,529)	(22,647)
Profit before impairment		1,303	7,742
Impairment (charge)/write back for credit losses	24	2,762	14
Net Profit before tax		4,065	7,756
Taxation		(976)	(1,978)
Profit for the financial year		3,089	5,778
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)		(15)	(6)
Income tax effect		—	—
Other comprehensive income, net of tax		(15)	(6)
Total comprehensive income for the financial year		3,074	5,772
Earnings per share (sen)			
Basic/diluted		2.27	4.25

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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD 31 MARCH 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	—	—	—	3,089	3,089
Other comprehensive income, net of income tax					
Change in value of FVOCI	—	(15)	—	—	(15)
Total other comprehensive income	—	(15)	—	—	(15)
Total comprehensive income for the financial period	—	(15)	—	3,089	3,074
Net change in regulatory reserves	—	—	(1,402)	1,402	—
Balance at 31 March	135,800	1,017	302	715,235	852,354
2021					
Balance at 1 January	135,800	1,059	693	679,763	817,315
Profit for the financial period	—	—	—	5,778	5,778
Other comprehensive income, net of income tax					
Change in value of FVOCI	—	(6)	—	—	(6)
Total other comprehensive income	—	(6)	—	—	(6)
Total comprehensive income for the financial period	—	(6)	—	5,778	5,772
Net change in regulatory reserves	—	—	(326)	326	—
Balance at 31 March	135,800	1,053	367	685,867	823,087

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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD 31 MARCH 2022

	31 March 2022 RM'000	31 March 2021 RM'000
Cash flows from operating activities		
Profit before taxation	4,065	7,756
Adjustments for:		
- Depreciation of property and equipment	308	310
- Amortisation of right-of use assets	134	166
- Impairment for credit losses	(2,762)	(14)
- Net unrealised gain/(loss) on fair value changes in derivatives	34,977	(244,218)
- Net unrealised loss/(gain) on revaluation of financial assets at FVTPL	2,863	2,410
	39,585	(233,590)
Changes in working capital:		
(Increase)/decrease in operating assets:		
Financial assets FVTPL	(584,019)	(1,016,727)
Financial assets FVOCI	(298,729)	(118,847)
Loans and advances	55,283	(961)
Other assets	1,287	49,741
Derivative assets	(59,472)	274,619
Statutory deposit with Bank Negara Malaysia	—	(47,000)
Increase/(decrease) in operating liabilities:		
Deposits from customers	1,791,826	65,298
Deposits and placements of banks and other financial institutions	1,175,005	922,201
Bills and acceptances payable	4,869	4,046
Other liabilities	27,887	18,445
Derivative liabilities	(6,525)	(164,605)
Cash flows generated from operating activities	2,146,997	(247,380)
Taxation paid	(3,202)	(5,736)
Net cash generated from by operating activities	2,143,795	(253,116)
Cash flows from investing activities		
Purchase of property and equipment	(243)	(625)
Net cash used in investing activities	(243)	(625)
Cash flows from financing activities		
Repayment of lease rentals	(139)	(180)
Net cash used in financing activities	(139)	(180)
Net increase in cash and cash equivalents	2,143,413	(253,921)
Cash and cash equivalents as at 1 January	4,799,517	2,973,616
Cash and cash equivalents as at 31 March	6,942,930	2,719,695

BANK OF AMERICA MALAYSIA BERHAD
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD 31 MARCH 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 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.

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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.

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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 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 31 March 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 31 March 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

	31 March 2022 RM’000	31 December 2021 RM’000
Cash and balances with banks and other financial institutions	102,131	73,112
Money at call and deposit placements maturing within one month	6,840,799	4,726,405
	<u>6,942,930</u>	<u>4,799,517</u>

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

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)**NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2022****8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)**

	31 March 2022 RM'000	31 December 2021 RM'000
Malaysian Government Securities	224,381	208,353
Malaysian Government Investment Issues	388,274	227,592
Malaysian Government Treasury Bills	404,446	—
	<u>1,017,101</u>	<u>435,945</u>

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

	31 March 2022 RM'000	31 December 2021 RM'000
Quoted securities in Malaysia:		
Bank Negara Bills	847,688	548,974
Unquoted securities in Malaysia:		
Shares	2,969	2,969
	<u>850,657</u>	<u>551,943</u>

FVOCI is within Stage 1 allocation (12-months ECL) with RM Nil (31 December 2021: RM Nil) impairment allowance.

10 LOANS AND ADVANCES

	31 March 2022 RM'000	31 December 2021 RM'000
(a) Loans and advances analysed by type:		
At amortised cost:		
Overdrafts	21,860	16,651
Factoring receivables	2,021	4,418
Staff loans	433	447
Revolving advances	208,595	262,452
Term loans	19,602	23,732
Mortgage loans	25	40
Gross loans and advances	<u>252,536</u>	<u>307,740</u>
Expected Credit Losses ("ECL")		
Stage 1: 12 Months - On Balance Sheet	(2,394)	(1,703)
Stage 2: Lifetime ECL not credit impaired	—	—
Stage 3: Lifetime ECL credit-impaired	(14,626)	(18,000)
Total net loans and advances	<u>235,516</u>	<u>288,037</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2022

10

LOANS AND ADVANCES (CONTINUED)

	31 March 2022	31 December 2021
	RM'000	RM'000
(b) By geographical distribution:		
Malaysia	<u>252,536</u>	<u>307,740</u>
(c) By type of customer		
Domestic business enterprises	169,972	153,455
Domestic non-banking financial institutions	82,106	153,798
Individuals	458	487
	<u>252,536</u>	<u>307,740</u>
(d) By interest rate sensitivity		
Fixed rate:		
Housing loans	410	422
Other fixed rate loans	2,043	4,443
Variable rate:		
Base rate	26	40
Cost plus	142,292	121,691
Other floating rate loans	107,765	181,144
	<u>252,536</u>	<u>307,740</u>
(e) By sector		
Mining & quarrying	19,602	23,732
Manufacturing	114,452	99,032
Wholesale & Retail trade, Restaurant & Hotels	34,917	29,690
Transport, storage, communication	1,001	1,001
Finance, insurance and business services	82,106	153,798
Household	458	487
	<u>252,536</u>	<u>307,740</u>
(f) By economic purpose		
Purchase of transport vehicles	22	25
Purchase of landed property (residential)	436	462
Working capital	252,078	307,253
	<u>252,536</u>	<u>307,740</u>
(g) By residual contractual maturity		
Within one year	252,104	307,293
One year to three years	22	25
Three years to five years	—	—
Over five years	410	422
	<u>252,536</u>	<u>307,740</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2022

10

LOANS AND ADVANCES (CONTINUED)

	31 March 2022 RM'000	31 December 2021 RM'000
(h) Gross loans and advances by staging		
Stage 1: 12 Month ECL	231,922	282,995
Stage 2: Lifetime ECL not credit-impaired	—	—
Stage 3: Lifetime ECL credit-impaired	20,614	24,745
	<u>252,536</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	—	—
Amount recovered	(4,121)	(12,078)
Exchange Rate difference	(10)	307
At 31 March/31 December	20,614	24,745
Stage 3: Lifetime ECL credit-impaired	(14,626)	(18,000)
Net impaired loans and advances	<u>5,988</u>	<u>6,745</u>
Gross impaired loans as a % of gross loans and advances	<u>8.16 %</u>	<u>8.04 %</u>

(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)	(428)	—	—	(428)
New loans and advances originated	—	—	—	—
Net remeasurement due to changes in credit risk	1,119	—	(3,374)	(2,255)
At 31 March 2022	<u>2,394</u>	<u>—</u>	<u>14,626</u>	<u>17,020</u>

BANK OF AMERICA MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2022
10 LOANS AND ADVANCES (CONTINUED)

	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 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>

	31 March 2022 RM'000	31 December 2021 RM'000
(k) Impaired loans and advances analysed by geographical distribution:		
Malaysia	<u>20,614</u>	<u>24,745</u>
(l) Impaired loans and advances analysed by economic purpose:		
Purchase of landed property (residential)	11	12
Working capital	<u>20,603</u>	<u>24,733</u>
	<u>20,614</u>	<u>24,745</u>
(m) Exposures to COVID-19 impacted sectors (Net of impairment)		
Baseline:		
Aviation	<u>—</u>	<u>—</u>

11 OTHER ASSETS

	31 March 2022 RM'000	31 December 2021 RM'000
Collateral receivables	49,822	31,697
Intercompany receivables	1,714	8,487
Deposits	36	36
Prepayments	3,338	4,171
Other receivables	<u>7,298</u>	<u>19,104</u>
	<u>62,208</u>	<u>63,495</u>

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

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)**NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2022****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.

16 DEPOSITS FROM CUSTOMERS

	31 March 2022 RM'000	31 December 2021 RM'000
Demand deposits	6,966,060	5,176,124
Savings deposits	7	7
Fixed deposits	77,344	75,454
	<u>7,043,411</u>	<u>5,251,585</u>

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

Due within six months	76,244	73,354
Six months to one year	50	1,050
One year to five years	—	—
More than five years	1,050	1,050
	<u>77,344</u>	<u>75,454</u>

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

Business enterprise	7,043,365	5,251,539
Individuals	46	46
	<u>7,043,411</u>	<u>5,251,585</u>

17 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	31 March 2022 RM'000	31 December 2021 RM'000
Licensed banks	1,204,489	29,485
Other financial institutions	1,029	1,028
	<u>1,205,518</u>	<u>30,513</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2022

18 OTHER LIABILITIES

	31 March 2022 RM'000	31 December 2021 RM'000
Collateral payables	64,172	25,548
Intercompany payables	4,656	6,807
Deferred income on loans, advances and financing	994	—
Accruals	3,046	7,967
Share-based recharge payables	55	1,503
ECL for guarantees and commitments	1,053	1,131
Lease Liabilities	1,367	1,498
Other payables	9,574	12,719
	<u>84,917</u>	<u>57,173</u>

19 INTEREST INCOME

	31 March 2022 RM'000	31 March 2021 RM'000
Loans and advances	1,335	1,664
Money at call and deposit placements with banks and other financial institutions	15,693	7,927
Financial assets at FVOCI	2,512	2,030
	<u>19,540</u>	<u>11,621</u>

20 INTEREST EXPENSE

	31 March 2022 RM'000	31 March 2021 RM'000
Deposits and placements of banks and other financial institutions	220	160
Deposits from customers	1,664	1,924
	<u>1,884</u>	<u>2,084</u>

BANK OF AMERICA MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2022

21 NET TRADING INCOME

	31 March 2022 RM'000	31 March 2021 RM'000
Fair value gain/(loss) on instruments held for trading		
Debt instruments at FVTPL		
Net loss from sale of financial assets at FVTPL	(10,276)	(24,333)
Unrealised revaluation loss on financial assets at FVTPL	(2,863)	(2,410)
Derivatives financial instruments		
Realised gain on derivatives	1,264	7,092
Unrealised (loss)/gain on foreign exchange forwards	(32,999)	124,894
Unrealised (loss)/gain on interest rate and cross currency swaps	(1,978)	5,456
Interest income from financial assets at FVTPL	8,418	13,468
Realised foreign exchange gain/(loss)	36,211	(111,105)
Others	(3)	—
	<u>(2,226)</u>	<u>13,062</u>

22 OTHER OPERATING INCOME

	31 March 2022 RM'000	31 March 2021 RM'000
Fee income		
Commission	105	99
Service charges and fees	2,441	1,906
Guarantee fees	766	493
Management fee income	1,345	1,002
Other fee income	4,745	4,290
Total fee income	<u>9,402</u>	<u>7,790</u>

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)**NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2022****23 OTHER OPERATING EXPENSES**

	31 March 2022 RM'000	31 March 2021 RM'000
Personnel costs		
Salaries, allowances and bonuses	7,746	7,375
Share-based payment	1,012	1,879
Defined contribution plans	2,832	2,446
Other personnel costs	589	(77)
	<u>12,179</u>	<u>11,623</u>
Establishment costs		
Depreciation of property and equipment	308	310
Amortisation of right-of-use-assets	134	166
Lease finance cost	8	11
Rental of premises	150	117
Rental of equipment	40	56
Repair and maintenance	447	377
Others	463	322
	<u>1,550</u>	<u>1,359</u>
Marketing expenses		
Business promotion and advertisement	—	—
Others	—	—
	<u>—</u>	<u>—</u>
Communication expenses	404	386
Legal and professional fees	126	137
Stationery and postages	114	110
Shared administrative support expenses	7,915	7,576
Others	1,241	1,456
	<u>9,800</u>	<u>9,665</u>
	<u>23,529</u>	<u>22,647</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2022

24 IMPAIRMENT (CHARGE)/WRITE BACK FOR CREDIT LOSSES

	31 March 2022 RM'000	31 March 2021 RM'000
Allowance for impairment		
- Loans and advances	2,683	227
- Guarantees and commitments	79	(214)
Impaired loans and advances recovered	—	1
	<u>2,762</u>	<u>14</u>

25 SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

The Bank continues to take actions to mitigate the impact due to the coronavirus outbreak on the Bank. In arriving at the ECL for the current financial period, the Bank has appropriately considered reasonable and supportable information that was relevant and available without undue cost or effort. Refer to Note 10 and Note 24 for the results of the ECL.

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 31 March 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 31 March 2022 .

BANK OF AMERICA MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2022

31 COMMITMENTS AND CONTINGENCIES

The commitments and contingencies constitute the followings:

Description	31 March 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	109,570	109,570	106,258	135,846	134,991	131,391
Transaction related contingent items	68,785	34,393	33,151	69,048	34,274	33,035
Short term self liquidating trade related contingencies	13,006	2,601	2,601	18,470	3,671	3,671
Foreign exchange related contracts:						
- One year or less	16,913,563	164,950	95,367	13,275,858	148,340	93,393
- Over one year to five years	15,099	755	755	—	—	—
Interest/Profit rate related contracts:						
- One year or less	8,866,500	10,809	4,445	11,319,000	16,542	6,503
- Over one year to five years	11,542,500	236,864	103,450	10,932,500	202,289	86,147
- Over five years	252,300	17,278	11,793	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	624,831	—	—	699,248	—	—
Total	38,406,154	577,220	357,820	36,701,369	552,261	363,528

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)**NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2022****32 CAPITAL ADEQUACY**

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

	31 March 2022 RM'000	31 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	1,017	1,032
	<u>849,266</u>	<u>849,281</u>
Less: regulatory adjustments		
- Deferred tax assets	(2,276)	(2,143)
- 55% of cumulative gains of FVOCI financial instruments	(560)	(568)
- Regulatory reserve	(302)	(1,704)
Total CET I and Tier I capital	<u>846,128</u>	<u>844,866</u>
Tier-II Capital		
Loss allowance for non-credit impaired exposures/ collective assessment allowance*	3,446	2,834
Regulatory reserve	302	1,704
Total Tier II capital	<u>3,748</u>	<u>4,538</u>
Total capital	<u>849,876</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 RM14,625,873 (31 December 2021: RM18,000,435).		
Total risk-weighted assets:-		
Credit risk	637,558	703,432
Market risk	637,767	786,586
Operational risk	294,877	306,833
Total RWA	<u>1,570,202</u>	<u>1,796,851</u>
Capital ratios		
CET I capital ratio	53.887%	47.019%
Tier I capital ratio	53.887%	47.019%
Total capital ratio	<u>54.125%</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
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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 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
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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2022
33 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
31 March 2022				
Financial assets at fair value through profit or loss				
Financial assets at fair value through profit or loss (FVTPL)				
- Malaysian Government Securities	224,381	—	—	224,381
- Malaysian Government Investment Issues	388,274	—	—	388,274
- Malaysian Government Treasury Bills	404,446	—	—	404,446
Derivative assets				
- Foreign exchange forwards and swaps	—	38,702	—	38,702
- Interest rate and cross currency swaps	—	83,018	—	83,018
Financial assets at fair value through other comprehensive income				
Unquoted shares	—	—	2,969	2,969
Bank Negara Bills	847,688	—	—	847,688
Total assets	<u>1,864,789</u>	<u>121,720</u>	<u>2,969</u>	<u>1,989,478</u>
Financial liabilities at fair value through profit or loss				
Derivative liabilities				
- Foreign exchange forwards and swaps	—	30,806	—	30,806
- Interest rate and cross currency swaps	—	80,959	—	80,959
Total liabilities	<u>—</u>	<u>111,765</u>	<u>—</u>	<u>111,765</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
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	<u>984,919</u>	<u>97,225</u>	<u>2,969</u>	<u>1,085,113</u>
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	<u>—</u>	<u>118,290</u>	<u>—</u>	<u>118,290</u>

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
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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 31 March 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
26 April 2022