BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)
Registration No. 199401025304 (310983-V)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)

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(Incorporated in Malaysia)

UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	30 June 2023 RM'000	31 December 2022 RM'000
ASSETS			
Cash and short term funds	7	3,104,266	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	589,272	212,125
Financial assets at fair value through other comprehensive income (FVOCI)	10	1,366,155	740,856
Loans and advances	11	613,560	533,223
Other assets	12	143,241	204,093
Derivative assets		371,466	499,641
Statutory deposits with Bank Negara Malaysia		80,001	80,001
Property and equipment	14	6,627	6,822
Deferred tax assets		3,697	3,844
TOTAL ASSETS		**6,278,285**	**11,322,757**
LIABILITIES AND SHAREHOLDERS' FUNDS			
Deposits from customers	17	4,182,931	8,501,143
Deposits and placements of banks and other financial institutions	18	295,865	1,034,881
Bills and acceptances payable		12,948	9,815
Other liabilities	19	303,782	230,717
Derivative liabilities		394,747	572,345
Provision for taxation		16,990	9,617
TOTAL LIABILITIES		**5,207,263**	**10,358,518**
Share capital		135,800	135,800
Reserves		935,222	828,439
Shareholders' funds		1,071,022	964,239
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		**6,278,285**	**11,322,757**
COMMITMENTS AND CONTINGENCIES	33	**46,578,276**	**65,929,179**

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD 30 JUNE 2023

		Quarter Ended		Period Ended	
	Note	**30 June 2023**	**30 June 2022**	**30 June 2023**	**30 June 2022**
		RM’000	**RM’000**	**RM’000**	**RM’000**
Interest income	20	68,240	25,229	143,032	44,769
Interest expense	21	(17,742)	(5,085)	(31,674)	(6,969)
Net interest income		**50,498**	**20,144**	**111,358**	**37,800**
Net trading income	22	35,007	30,076	65,157	27,850
Other operating income	23	7,271	8,971	13,373	18,373
Net non-interest income		**42,278**	**39,047**	**78,530**	**46,223**
Net income		**92,776**	**59,191**	**189,888**	**84,023**
Other operating expenses	24	(26,009)	(23,815)	(52,582)	(47,344)
Profit before impairment		**66,767**	**35,376**	**137,306**	**36,679**
Impairment writeback/(charge) for credit losses	25	3,161	(3,156)	3,086	(394)
Net Profit before tax		**69,928**	**32,220**	**140,392**	**36,285**
Taxation		(16,783)	(7,754)	(33,694)	(8,730)
Profit for the financial year		**53,145**	**24,466**	**106,698**	**27,555**
Other comprehensive income:					
Items that may not be subsequently reclassified to profit or loss					
Change in value of equity investments at fair value through other comprehensive income (FVOCI)		(170)	14	85	(1)
Income tax effect		—	—	—	—
Other comprehensive income, net of tax		(170)	14	85	(1)
Total comprehensive income for the financial year		**52,975**	**24,480**	**106,783**	**27,554**
Earnings per share (sen)					
Basic/diluted		39.13	18.02	78.57	20.29

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD 30 JUNE 2023

	Non distributable			Distributable	
	Share capital	**FVOCI reserves**	**Regulatory reserves**	**Retained profits**	**Total**
	RM'000	**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	—	—	—	106,698	106,698
Other comprehensive income, net of income tax					
Change in value of FVOCI	—	85	—	—	85
Total other comprehensive income	—	85	—	—	85
Total comprehensive income for the financial period	135,800	1,072	466	933,684	1,071,022
Net change in regulatory reserves	—	—	(466)	466	—
Balance at 30 June 2023	**135,800**	**1,072**	**—**	**934,150**	**1,071,022**
2022					
Balance at 1 January	135,800	1,032	1,704	710,744	849,280
Profit for the financial period	—	—	—	27,555	27,555
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	1,031	1,704	738,299	876,834
Net change in regulatory reserves	—	—	(1,704)	1,704	—
Balance at 30 June 2022	**135,800**	**1,031**	**—**	**740,003**	**876,834**

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD 30 JUNE 2023

	30 June 2023	30 June 2022
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	140,392	36,285
Adjustments for:		
- Depreciation of property and equipment	868	592
- Depreciation of right-of use assets	390	268
- Interest expense on lease liability	9	15
- Finance cost on provision for reinstatement costs	45	—
- Impairment (charge)/write back for credit losses	(3,086)	394
- Net unrealised (loss)/gain on fair value changes in derivatives	(49,424)	58,822
- Net unrealised (loss)/gain on revaluation of financial assets at FVTPL	(1,057)	2,906
	88,137	**99,282**
Changes in working capital:		
(Increase)/decrease in operating assets:		
Deposits and placements with banks	617,799	—
Financial assets FVTPL	(376,090)	(1,166,090)
Financial assets FVOCI	(625,214)	(76,904)
Loans and advances	(77,251)	(136,354)
Other assets	60,852	(155,103)
Derivative assets	177,599	(249,264)
Increase/(decrease) in operating liabilities:		
Deposits from customers	(4,318,212)	1,526,093
Deposits and placements of banks and other financial institutions	(739,016)	1,508,780
Bills and acceptances payable	3,133	(595)
Other liabilities	72,517	53,816
Derivative liabilities	(177,598)	130,275
Cash flows generated from operating activities	**(5,293,344)**	**1,533,936**
Taxation paid	(26,174)	(6,452)
Net cash generated from by operating activities	**(5,319,518)**	**1,527,484**
Cash flows from investing activities		
Purchase of property and equipment	(259)	(1,874)
Net cash used in investing activities	**(259)**	**(1,874)**
Cash flows from financing activities		
Repayment of lease rentals	(310)	(294)
Net cash used in financing activities	**(310)**	**(294)**
Net increase in cash and cash equivalents	(5,320,087)	1,525,316
Cash and cash equivalents as at 1 January	8,424,353	4,799,517
Cash and cash equivalents as at 30 June	**3,104,266**	**6,324,833**

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

<u>Effective for annual periods beginning on 1 January 2022.</u>

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.

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.

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.

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 June 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 June 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 June 2023 RM'000	**31 December 2022 RM'000**
Cash and balances with banks and other financial institutions	73,180	55,785
Money at call and deposit placements maturing within one month	3,031,086	8,368,568
	3,104,266	8,424,353

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

8 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2023 RM'000	**31 December 2022 RM'000**
Central bank	—	617,799
	—	617,799

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

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

	30 June 2023 RM'000	31 December 2022 RM'000
Malaysian Government Securities	232,365	135,659
Malaysian Government Investment Issues	256,958	76,466
Malaysian Government Treasury Bills	99,949	—
	589,272	212,125

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

	30 June 2023 RM'000	December 2022 RM'000
Quoted securities in Malaysia:		
Malaysian Government Securities	51,964	—
Bank Negara Bills	1,311,222	737,887
Unquoted securities in Malaysia:		
Shares	2,969	2,969
	1,366,155	740,856

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

11 LOANS AND ADVANCES

	30 June 2023 RM'000	31 December 2022 RM'000
(a) **Loans and advances analysed by type:**		
At amortised cost:		
Overdrafts	20,072	61
Factoring receivables	10,667	—
Staff loans	365	389
Revolving advances	456,856	407,921
Term loans	137,423	141,113
Mortgage loans	9	10
Gross loans and advances	625,392	549,494
Expected Credit Losses ("ECL")		
Stage 1: 12 Months - On Balance Sheet	(6,829)	(5,332)
Stage 2: Lifetime ECL not credit impaired	—	(192)
Stage 3: Lifetime ECL credit-impaired	(5,003)	(10,747)
Total net loans and advances	613,560	533,223

11 LOANS AND ADVANCES (CONTINUED)

		30 June 2023 RM'000	31 December 2022 RM'000
(b)	**By geographical distribution:**		
	Malaysia	625,392	549,494
(c)	**By type of customer**		
	Domestic business enterprises	484,625	415,696
	Domestic non-banking financial institutions	140,393	133,399
	Individuals	374	399
		625,392	549,494
(d)	**By interest rate sensitivity**		
	Fixed rate:		
	Housing loans	353	376
	Other fixed rate loans	10,679	13
	Variable rate:		
	Base rate	9	10
	Cost plus	196,456	140,272
	Other floating rate loans	417,895	408,823
		625,392	549,494
(e)	**By sector**		
	Mining & quarrying	4,994	10,867
	Manufacturing	285,886	241,787
	Electricity, gas and water	7,534	—
	Wholesale & Retail trade, Restaurant & Hotels	33,721	32,796
	Transport, storage, communication	132,428	130,247
	Finance, insurance and business services	160,455	133,398
	Household	374	399
		625,392	549,494
(f)	**By economic purpose**		
	Purchase of transport vehicles	7	13
	Purchase of landed property (residential)	362	386
	Personal use	5	—
	Working capital	625,018	549,095
		625,392	549,494

11 LOANS AND ADVANCES (CONTINUED)

	30 June 2023 RM'000	31 December 2022 RM'000
(g) By residual contractual maturity		
Within one year	614,373	549,118
One year to three years	8,023	—
Three years to five years	2,644	—
Over five years	352	376
	625,392	549,494
(h) Gross loans and advances by staging		
Stage 1: 12 Month ECL	620,389	484,458
Stage 2: Lifetime ECL Not Credit Impaired	—	54,159
Stage 3: Credit Impaired	5,003	10,877
	625,392	549,494
(i) Movements in impaired loans and advances are as follows:		
At 1 January	10,877	24,745
Impaired during the year	—	—
Reclassified as non-impaired	—	—
Amount recovered	(5,958)	(14,183)
Exchange Rate difference	84	315
At 30 June/31 December	5,003	10,877
Stage 3: Lifetime ECL credit impaired	(5,003)	(10,747)
Net impaired loans and advances	—	130
Gross impaired loans as a % of gross loans and advances	0.80 %	1.98 %

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	42	—	—	42
Net remeasurement due to changes in credit risk	1,455	—	(5,744)	(4,289)
At 30 June 2023	6,829	—	5,003	11,832

	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	5,332	192	10,747	16,271

11 LOANS AND ADVANCES (CONTINUED)

	30 June 2023 RM'000	31 December 2022 RM'000
(k) Impaired loans and advances analysed by geographical distribution:		
Malaysia	5,003	10,877

	30 June 2023 RM'000	31 December 2022 RM'000
(l) Impaired loans and advances analysed by economic purpose:		
Purchase of landed property (residential)	9	10
Working capital	4,994	10,867
	5,003	10,877

12 OTHER ASSETS

	30 June 2023 RM'000	31 December 2022 RM'000
Collateral receivables	135,276	157,326
Intercompany receivables	2,107	4,687
Deposits	36	36
Prepayments	265	—
Other receivables	5,557	42,044
	143,241	204,093

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.

17 DEPOSITS FROM CUSTOMERS

	30 June 2023 RM'000	31 December 2022 RM'000
Demand deposits	4,069,276	8,383,179
Savings deposits	6	7
Fixed deposits	113,649	117,957
	4,182,931	8,501,143

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

	30 June 2023 RM'000	31 December 2022 RM'000
Due within six months	112,549	116,907
Six months to one year	50	—
One year to five years	1,050	1,050
	113,649	117,957

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

	30 June 2023 RM'000	31 December 2022 RM'000
Business enterprise	4,182,925	8,501,097
Individuals	6	46
	4,182,931	8,501,143

18 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2023 RM'000	31 December 2022 RM'000
Licensed banks	294,825	1,033,846
Other financial institutions	1,040	1,035
	295,865	1,034,881

19 OTHER LIABILITIES

	30 June 2023 RM'000	31 December 2022 RM'000
Collateral payables	260,566	157,876
Intercompany payables	9,200	8,917
Deferred income on loans, advances and financing	806	892
Accruals	4,401	8,656
Share-based recharge payables	1,177	325
ECL for guarantees and commitments	2,580	1,227
Lease Liabilities	619	921
Provision for reinstatement cost	4,267	4,222
Other payables	20,166	47,681
	303,782	230,717

20 INTEREST INCOME

	Quarter Ended		Period Ended	
	30 June 2023 RM'000	**30 June 2022 RM'000**	**30 June 2023 RM'000**	**30 June 2022 RM'000**
Loans and advances	8,635	2,039	15,839	3,374
Money at call and deposit placements with banks and other financial institutions	50,957	19,747	112,010	35,440
Financial assets at FVOCI	8,648	3,443	15,183	5,955
	68,240	25,229	143,032	44,769

21 INTEREST EXPENSE

	Quarter Ended		Period Ended	
	30 June 2023 RM'000	**30 June 2022 RM'000**	**30 June 2023 RM'000**	**30 June 2022 RM'000**
Deposits and placements of banks and other financial institutions	5,059	2,816	9,449	3,036
Deposits from customers	12,683	2,269	22,225	3,933
	17,742	5,085	31,674	6,969

22 NET TRADING INCOME

	Quarter Ended		Period Ended	
	30 June 2023 RM'000	**30 June 2022 RM'000**	**30 June 2023 RM'000**	**30 June 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	(640)	(7,553)	1,083	(17,829)
Unrealised revaluation gain/(loss) on financial assets at FVTPL	1,319	(43)	1,057	(2,906)
Derivatives financial instruments				
Realised gain on derivatives	7,007	3,437	23,423	4,701
Unrealised gain/(loss) on foreign exchange forwards	(2,929)	(26,495)	69,669	59,494
Unrealised gain/(loss) on interest rate and cross currency swaps	(7,107)	2,650	(20,245)	672
Interest income from financial assets at FVTPL	7,104	7,989	15,688	16,407
Realised foreign exchange gain/(loss)	31,312	50,096	(24,405)	(32,681)
Others	(1,059)	(5)	(1,113)	(8)
	35,007	30,076	65,157	27,850

23 OTHER OPERATING INCOME

	Quarter Ended		Period Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Fee income				
Commission	101	138	182	243
Service charges and fees	2,407	2,351	4,857	4,792
Guarantee fees	755	370	1,647	1,136
Management fee income	1,144	854	2,345	2,199
Other fee income	2,864	5,258	4,342	10,003
Total fee income	7,271	8,971	13,373	18,373

24 OTHER OPERATING EXPENSES

	Quarter Ended		Period Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Personnel costs				
Salaries, allowances and bonuses	7,248	7,382	15,424	15,128
Share-based payment	981	142	419	1,154
Defined contribution plans	1,120	1,124	3,735	3,956
Other personnel costs	786	1,245	1,544	1,834
	10,135	9,893	21,122	22,072
Establishment costs				
Depreciation of property and equipment	442	284	868	592
Depreciation of right-of-use-assets	196	134	390	268
Lease finance cost	4	7	9	15
Finance cost on provision for reinstatement costs	22	—	45	—
Rental of premises	147	125	294	275
Rental of equipment	22	26	45	66
Repair and maintenance	425	298	607	745
Others	361	841	1,661	1,304
	1,619	1,715	3,919	3,265
Marketing expenses				
Others	94	17	210	17
	94	17	210	17
Administration and general expenses				
Communication expenses	572	562	982	966
Legal and professional fees	44	58	464	184
Stationery and postages	162	117	310	231
Shared administrative support expenses	11,978	9,753	22,288	17,668
Others	1,405	1,700	3,287	2,941
	14,161	12,190	27,331	21,990
	26,009	23,815	52,582	47,344

25 IMPAIRMENT (WRIEBACK)/CHARGE FOR CREDIT LOSSES

	Quarter Ended		Period Ended	
	30 June 2023	**30 June 2022**	**30 June 2023**	**30 June 2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Allowance for impairment				
- Loans and advances	4,002	(2,665)	4,439	18
- Guarantees and commitments	(841)	(491)	(1,353)	(412)
Impaired loans and advances recovered	—	—	—	—
	3,161	(3,156)	3,086	(394)

26 CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

	30 June 2023 RM'000	**31 December 2022 RM'000**
Outstanding total exposure with connected parties	140,055	52,710
Total credit exposures	140,055	52,710
Total exposure to connected parties as % of total capital	14.45%	5.45%
Total exposure to connected parties as % of total outstanding credit exposures	2.27%	0.45%

27 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.

28 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.

29 CHANGES IN COMPOSITION OF THE BANK

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

30 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.

31 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.

32 DIVIDENDS

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

33 COMMITMENTS AND CONTINGENCIES

The commitments and contingencies constitute the followings:

	30 June 2023			31 December 2022		
Description	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Direct credit substitutes	116,543	116,543	113,555	102,454	102,454	99,246
Transaction related contingent items	265,550	132,775	131,523	158,142	79,071	78,150
Short term self liquidating trade related contingencies	13,069	2,614	2,614	10,547	2,110	2,109
Foreign exchange related contracts:						
- One year or less	4,585,285	167,269	167,192	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	40,856,996	467,144	164,307	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	738,524	—	—	757,591	—	—
Total	46,578,276	887,499	580,345	65,929,179	979,261	486,881

34 CAPITAL ADEQUACY

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

	30 June 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	1,072	987
	964,324	964,239
Less: regulatory adjustments		
- Deferred tax assets	(3,697)	(3,844)
- 55% of cumulative gains of FVOCI financial instruments	(590)	(543)
- Regulatory reserve	—	(466)
Total CET I and Tier I capital	960,037	959,386
Tier-II Capital		
Loss allowance for non-credit impaired exposures/ collective assessment allowance*	9,410	6,751
Regulatory reserve	—	466
Total Tier II capital	9,410	7,217
Total capital	969,447	966,603

*Excludes Lifetime ECL Credit Impaired (Stage 3) loans/collective assessment allowance on impaired loans restricted from Tier-II Capital of BAMB of RM5,003,447 (31 December 2022: RM10,747,315).

Total risk-weighted assets:-		
Credit risk	1,433,032	2,652,410
Market risk	1,000,844	830,028
Operational risk	417,240	376,309
Total RWA	2,851,116	3,858,747
Capital ratios		
CET I capital ratio	33.672%	24.863%
Tier I capital ratio	33.672%	24.863%
Total capital ratio	34.002%	25.050%

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.

35 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.

35 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

30 June 2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets at fair value through profit or loss				
Financial assets at fair value through profit or loss (FVTPL)				
- Malaysian Government Securities	232,365	—	—	232,365
- Malaysian Government Investment Issues	256,958	—	—	256,958
- Malaysian Government Treasury Bills	99,949	—	—	99,949
Derivative assets				
- Foreign exchange forwards and swaps	—	232,441	—	232,441
- Interest rate and cross currency swaps	—	139,025	—	139,025
Financial assets at fair value through other comprehensive income				
Malaysian Government Securities	51,964	—	—	51,964
Bank Negara Bills	1,311,222	—	—	1,311,222
Unquoted shares	—	—	2,969	2,969
Total assets	1,952,458	371,466	2,969	2,326,893
Financial liabilities at fair value through profit or loss				
Derivative liabilities				
- Foreign exchange forwards and swaps	—	231,898	—	231,898
- Interest rate and cross currency swaps	—	162,849	—	162,849
Total liabilities	—	394,747	—	394,747

31 December 2022	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
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	950,012	499,641	2,969	1,452,622
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	—	572,345	—	572,345

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
(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 June 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
27 July 2023