

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 2024

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 2024

	Note	31 March 2024 RM'000	31 December 2023 RM'000
ASSETS			
Cash and short term funds	7	3,519,432	3,978,021
Financial assets at fair value through profit or loss (FVTPL)	8	555,830	322,130
Financial assets at fair value through other comprehensive income (FVOCI)	9	1,555,457	1,664,698
Loans and advances	10	606,295	490,324
Other assets	11	161,508	105,634
Derivative assets		371,279	528,788
Statutory deposits with Bank Negara Malaysia		60,000	60,000
Property and equipment	13	6,019	6,620
Deferred tax assets		3,298	4,032
TOTAL ASSETS		6,839,118	7,160,247
LIABILITIES AND SHAREHOLDERS' FUNDS			
Deposits from customers	16	4,285,980	4,857,059
Deposits and placements of banks and other financial institutions	17	510,946	156,728
Bills and acceptances payable		14,737	12,742
Other liabilities	18	403,523	389,452
Derivative liabilities		396,656	574,262
Provision for taxation		3,556	526
TOTAL LIABILITIES		5,615,398	5,990,769
Share capital		135,800	135,800
Reserves		1,087,920	1,033,678
Shareholders' funds		1,223,720	1,169,478
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		6,839,118	7,160,247
COMMITMENTS AND CONTINGENCIES	31	92,717,000	81,511,545

BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD 31 MARCH 2024

	Note	31 March 2024 RM'000	31 March 2023 RM'000
Interest income	19	65,125	74,792
Interest expense	20	(15,236)	(13,937)
Net interest income		49,889	60,855
Net trading income	21	41,590	30,150
Other operating income	22	8,026	6,102
Net non-interest income		49,616	36,252
Net income		99,505	97,107
Other operating expenses	23	(27,851)	(26,568)
Profit before impairment		71,654	70,539
Impairment write back/(charge) for credit losses	24	23	(75)
Net Profit before tax		71,677	70,464
Taxation		(17,364)	(16,911)
Profit for the financial year		54,313	53,553
Other comprehensive income:			
<u>Items that may not be subsequently reclassified to profit or loss</u>			
Change in value of investments at fair value through other comprehensive income (FVOCI)		(71)	255
Income tax effect		—	—
Other comprehensive income, net of tax		(71)	255
Total comprehensive income for the financial year		54,242	53,808
Earnings per share (sen)			
Basic/diluted		39.99	39.44

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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD 31 MARCH 2024

	Non distributable			Distributable	Total
	Share capital	FVOCI reserves	Regulatory reserves	Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000
2024					
Balance at 1 January	135,800	836	834	1,032,008	1,169,478
Profit for the financial period	—	—	—	54,313	54,313
Other comprehensive income, net of income tax					
Change in value of FVOCI	—	(71)	—	—	(71)
Total other comprehensive income	—	(71)	—	—	(71)
Total comprehensive income for the financial period	135,800	765	834	1,086,321	1,223,720
Net change in regulatory reserves	—	—	1,552	(1,552)	—
Balance at 31 March 2024	135,800	765	2,386	1,084,769	1,223,720
2023					
Balance at 1 January	135,800	987	466	826,986	964,239
Profit for the financial period	—	—	—	53,553	53,553
Other comprehensive income, net of income tax					
Change in value of FVOCI	—	255	—	—	255
Total other comprehensive income	—	255	—	—	255
Total comprehensive income for the financial period	135,800	1,242	466	880,539	1,018,047
Net change in regulatory reserves	—	—	373	(373)	—
Balance at 31 March 2023	135,800	1,242	839	880,166	1,018,047

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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD 31 MARCH 2024

	31 March 2024 RM'000	31 March 2023 RM'000
Cash flows from operating activities		
Profit before taxation	71,677	70,464
Adjustments for:		
- Depreciation of property and equipment	498	426
- Depreciation of right-of use assets	102	194
- Interest expense on lease liability	1	5
- Finance cost on provision for reinstatement costs	23	23
- Impairment (writeback)/charge for credit losses	(23)	75
- Net unrealised (gain) on fair value changes in derivatives	(20,098)	(59,460)
- Net unrealised (gain)/loss on revaluation of financial assets at FVTPL	(205)	262
	51,975	11,989
Changes in working capital:		
(Increase)/decrease in operating assets:		
Deposits and placements with banks	—	617,799
Financial assets FVTPL	(233,495)	(137,775)
Financial assets FVOCI	109,170	(172,411)
Loans and advances	(115,948)	(44,784)
Other assets	(55,874)	(160,191)
Derivative assets	177,607	358,564
Increase/(decrease) in operating liabilities:		
Deposits from customers	(571,079)	(2,874,069)
Deposits and placements of banks and other financial institutions	354,218	(588,788)
Bills and acceptances payable	1,995	(1,365)
Other liabilities	14,203	120,104
Derivative liabilities	(177,606)	(358,563)
Cash flows generated from operating activities	(444,834)	(3,229,490)
Net taxation paid	(13,600)	(19,955)
Net cash generated from by operating activities	(458,434)	(3,249,445)
Cash flows from investing activities		
Purchase of property and equipment	—	(48)
Net cash used in investing activities	—	(48)
Cash flows from financing activities		
Repayment of lease rentals	(155)	(155)
Net cash used in financing activities	(155)	(155)
Net increase in cash and cash equivalents	(458,589)	(3,249,648)
Cash and cash equivalents as at 1 January	3,978,021	8,424,353
Cash and cash equivalents as at 31 March	3,519,432	5,174,705

**BANK OF AMERICA MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2024

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 2023. 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 2023.

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 2023, except as follows:

NEW AND AMENDED STANDARDS ADOPTED BY THE BANK

Effective for annual periods beginning on 1 January 2023.

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

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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2024

MFRS 17 Insurance Contracts

MFRS 17 introduces consistent accounting for all insurance contracts based on a current measurement model. Under MFRS 17, the general model requires entities to recognise and measure a group of insurance contracts at: (i) a risk-adjusted present value of future cash flows that incorporates information that is consistent with observable market information; plus (ii) an amount representing the unearned profit in the group of contracts.

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

Amendments to MFRS 17 Insurance Contracts

The amendments are designed to minimise the risk of disruption to implementation already underway and do not change the fundamental principles of the standard or reduce the usefulness of information for investors. In addition, the amendments also defer the effective date of MFRS 17 by two years to annual reporting periods beginning on or after 1 January 2023.

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

Extension of the Temporary Exemption from Applying MFRS 9 (Amendments to MFRS 4 Insurance Contracts)

The amendments extend the expiry date for the temporary exemption from applying MFRS 9 Financial Instruments by two years to annual periods beginning on or after 1 January 2023, to be aligned with the effective date of MFRS 17, which replaces MFRS 4.

In order to avoid the temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of MFRS 17 and MFRS 9, the amendment provides an option for the presentation of comparative information about financial assets as if the classification and measurement requirements of MFRS 9 had been applied to that financial asset.

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

International Tax Reform - Pillar Two Model Rules (Amendments to MFRS 112 Income Taxes)

In December 2021, the Organisation for Economic Co-operation and Development (OECD) issued model rules for a new global minimum tax framework, also known as the 'Pillar Two' rules. On 23 May 2023, the IASB published International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12. The standard introduced a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules, which was effective immediately. The Bank has adopted the mandatory temporary exception.

Pillar Two legislation has been enacted in Malaysia and is effective 1 January 2025.

The Bank is in the process of assessing the full impact of this rule.

STANDARDS AND AMENDMENTS TO EXITING STANDARDS BUT NOT YET EFFECTIVE

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.

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

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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2024

Amendments to MFRS 101 'Classification of liabilities as current or noncurrent' with Covenants (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.

Supplier Finance Arrangements (Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures) (effective 1 January 2024)

The amendments require entities to disclose information that would enable users of financial statements to assess the effects of supplier finance arrangements on an entity's liability, cash flows and exposures to liquidity risk.

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

Lack of Exchangeability (Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates) (effective 1 January 2025)

The amendments provide guidance on the spot exchange rate to use when a currency is not exchangeable into another currency and the disclosures entities need to provide to enable users of financial statements to understand the impact of a currency not being exchangeable.

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

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - (effective date has been deferred, pending further announcement)

The amendments clarify that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not), as defined in MFRS 3 Business Combinations. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

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 2024

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 2023 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 2024.

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 2024.

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 2024 RM'000	31 December 2023 RM'000
Cash and balances with banks and other financial institutions	69,330	62,733
Money at call and deposit placements maturing within one month	<u>3,450,102</u>	<u>3,915,288</u>
	<u><u>3,519,432</u></u>	<u><u>3,978,021</u></u>

Money at call and interbank placements are within Stage 1 allocation (12-months ECL) with RM Nil impairment allowance as at 31 March 2024 (31 December 2023: RM Nil).

BANK OF AMERICA MALAYSIA BERHAD
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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2024
8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	31 March 2024 RM'000	31 December 2023 RM'000
Malaysian Government Securities	299,962	190,760
Malaysian Government Investment Issues	255,868	131,370
	<u>555,830</u>	<u>322,130</u>

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

	31 March 2024 RM'000	31 December 2023 RM'000
Quoted securities in Malaysia:		
Malaysian Government Securities	50,329	50,876
Bank Negara Bills	1,502,159	1,610,853
Unquoted securities in Malaysia:		
Shares	2,969	2,969
	<u>1,555,457</u>	<u>1,664,698</u>

FVOCI is within Stage 1 allocation (12-months ECL) with RM Nil impairment allowances as at 31 March 2024 (31 December 2023: RM Nil).

10 LOANS AND ADVANCES

	31 March 2024 RM'000	31 December 2023 RM'000
(a) Loans and advances analysed by type:		
At amortised cost:		
Overdrafts	41,653	40,698
Factoring receivables	6,215	10,754
Staff loans	316	328
Revolving advances	345,437	319,380
Term loans	217,497	123,845
Mortgage loans	7	7
Gross loans and advances	<u>611,125</u>	<u>495,012</u>
Expected Credit Losses ("ECL")		
Stage 1: 12 Months - On Balance Sheet	(4,823)	(4,681)
Stage 2: Lifetime ECL not credit impaired	—	—
Stage 3: Lifetime ECL credit-impaired	(7)	(7)
Total net loans and advances	<u>606,295</u>	<u>490,324</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2024

10 LOANS AND ADVANCES (CONTINUED)

	31 March 2024 RM'000	31 December 2023 RM'000
(b) By geographical distribution:		
Malaysia	<u>611,125</u>	<u>495,012</u>
(c) By type of customer		
Domestic business enterprises	554,960	437,892
Domestic non-banking financial institutions	55,842	56,785
Individuals	323	335
	<u>611,125</u>	<u>495,012</u>
(d) By interest rate sensitivity		
Fixed rate:		
Housing loans	316	328
Other fixed rate loans	6,215	10,754
Variable rate:		
Base rate	7	7
Cost plus	275,418	161,396
Other floating rate loans	329,169	322,527
	<u>611,125</u>	<u>495,012</u>
(e) By sector		
Manufacturing	287,357	252,000
Electricity, gas and water	3,446	7,774
Wholesale & Retail trade, Restaurant & Hotels	5,026	13,575
Transport, storage, communication	124,595	123,845
Finance, insurance and business services	189,715	97,483
Education, health and others	663	—
Household	323	335
	<u>611,125</u>	<u>495,012</u>
(f) By economic purpose		
Purchase of landed property (residential)	323	335
Working capital	610,802	494,677
	<u>611,125</u>	<u>495,012</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2024

10 LOANS AND ADVANCES (CONTINUED)

	31 March 2024 RM'000	31 December 2023 RM'000
(g) By residual contractual maturity		
Within one year	390,544	360,085
One year to three years	95,671	9,793
Three years to five years	124,667	124,806
Over five years	243	328
	<u>611,125</u>	<u>495,012</u>
(h) Gross loans and advances by staging		
Stage 1: 12 Month ECL	611,118	495,005
Stage 2: Lifetime ECL Not Credit Impaired	—	—
Stage 3: Credit Impaired	7	7
	<u>611,125</u>	<u>495,012</u>
(i) Movements in impaired loans and advances are as follows:		
At 1 January	7	10,877
Amount recovered	—	(10,979)
Exchange Rate difference	—	109
At 31 March/31 December	<u>7</u>	<u>7</u>
Stage 3: Lifetime ECL credit impaired	<u>(7)</u>	<u>(7)</u>
Net impaired loans and advances	<u>—</u>	<u>—</u>
Gross impaired loans as a % of gross loans and advances	<u>— %</u>	<u>— %</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2024
10 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 2024	4,681	—	7	4,688
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)	(47)	—	—	(47)
New loans and advances originated	742	—	—	742
Net remeasurement due to changes in credit risk	(553)	—	—	(553)
At 31 March 2024	<u>4,823</u>	<u>—</u>	<u>7</u>	<u>4,830</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 2023	5,332	192	10,747	16,271
Changes due to loans and advances recognised				
- Transfer to Stage 1: 12-Month ECL	192	(192)	—	—
- 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)	(853)	—	(10,740)	(11,593)
New loans and advances originated	273	—	—	273
Net remeasurement due to changes in credit risk	(263)	—	—	(263)
At 31 December 2023	<u>4,681</u>	<u>—</u>	<u>7</u>	<u>4,688</u>

**BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)****NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2024****10 LOANS AND ADVANCES (CONTINUED)**

	31 March 2024 RM'000	31 December 2023 RM'000
(k) Impaired loans and advances analysed by geographical		
Malaysia	<u>7</u>	<u>7</u>
(l) Impaired loans and advances analysed by economic purpose:		
Purchase of landed property (residential)	<u>7</u>	<u>7</u>
	<u>7</u>	<u>7</u>

11 OTHER ASSETS

	31 March 2024 RM'000	31 December 2023 RM'000
Collateral receivables	157,153	101,355
Intercompany receivables	743	3,291
Deposits	36	36
Prepayments	162	162
Other receivables	3,414	790
	<u>161,508</u>	<u>105,634</u>

Other assets is within Stage 1 allocation (12-months ECL) with RM Nil (31 December 2023: RM Nil) impairment allowance.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2024

16 DEPOSITS FROM CUSTOMERS

	31 March 2024 RM'000	31 December 2023 RM'000
Demand deposits	4,149,318	4,736,393
Savings deposits	—	—
Fixed deposits	136,662	120,666
	<u>4,285,980</u>	<u>4,857,059</u>

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

Due within six months	135,562	119,616
Six months to one year	50	—
One year to five years	1,050	1,050
	<u>136,662</u>	<u>120,666</u>

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

Business enterprise	4,285,980	4,857,059
	<u>4,285,980</u>	<u>4,857,059</u>

17 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	31 March 2024 RM'000	31 December 2023 RM'000
Licensed banks	510,946	156,728
	<u>510,946</u>	<u>156,728</u>

18 OTHER LIABILITIES

	31 March 2024 RM'000	31 December 2023 RM'000
Collateral payables	353,442	347,965
Intercompany payables	4,933	6,638
Deferred income on loans, advances and financing	615	658
Accruals	2,709	5,852
Share-based recharge payables	1,370	1,408
ECL for guarantees and commitments	2,947	3,111
Lease Liabilities	262	314
Provision for reinstatement cost	4,336	4,313
Other payables	32,909	19,193
	<u>403,523</u>	<u>389,452</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2024

19 INTEREST INCOME

	31 March 2024 RM'000	31 March 2023 RM'000
Loans and advances	8,807	7,204
Money at call and deposit placements with banks and other financial institutions	43,103	61,053
Financial assets at FVOCI	13,215	6,535
	<u>65,125</u>	<u>74,792</u>

20 INTEREST EXPENSE

	31 March 2024 RM'000	31 March 2023 RM'000
Deposits and placements of banks and other financial institutions	3,693	4,390
Deposits from customers	11,542	9,542
Others	1	5
	<u>15,236</u>	<u>13,937</u>

21 NET TRADING INCOME

	31 March 2024 RM'000	31 March 2023 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	401	1,723
Unrealised revaluation gain/(loss) on financial assets at FVTPL	205	(262)
Derivatives financial instruments		
Realised (loss)/gain on derivatives	(8,717)	16,416
Unrealised gain/(loss) on foreign exchange forwards	13,244	72,598
Unrealised gain/(loss) on interest rate and cross currency swaps	6,854	(13,138)
Interest income from financial assets at FVTPL	4,983	8,584
Realised foreign exchange gain/(loss)	27,442	(55,717)
Others	(2,822)	(54)
	<u>41,590</u>	<u>30,150</u>

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22 OTHER OPERATING INCOME

	31 March 2024 RM'000	31 March 2023 RM'000
Fee income		
Commission	75	81
Service charges and fees	4,991	2,450
Guarantee fees	1,037	892
Management fee income	686	1,201
Fee income from related parties	897	130
Other income	340	1,348
Total fee income	<u>8,026</u>	<u>6,102</u>

23 OTHER OPERATING EXPENSES

	31 March 2024 RM'000	31 March 2023 RM'000
Personnel costs		
Salaries, allowances and bonuses	7,648	8,176
Share-based payment	1,061	(562)
Defined contribution plans	1,566	2,615
Other personnel costs	264	758
	<u>10,539</u>	<u>10,987</u>
Establishment costs		
Depreciation of property and equipment	498	426
Depreciation of right-of-use-assets	102	194
Finance cost on provision for reinstatement costs	23	23
Rental of premises	165	147
Rental of equipment	23	23
Repair and maintenance	89	182
Others	742	1,300
	<u>1,642</u>	<u>2,295</u>
Marketing expenses		
Others	85	116
	<u>85</u>	<u>116</u>
Administration and general expenses		
Communication expenses	504	410
Legal and professional fees	141	420
Stationery and postages	86	148
Shared administrative support expenses	12,480	10,310
Others	2,374	1,882
	<u>15,585</u>	<u>13,170</u>
	<u>27,851</u>	<u>26,568</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2024

24 IMPAIRMENT WRITEBACK/(CHARGE) FOR CREDIT LOSSES

	31 March 2024 RM'000	31 March 2023 RM'000
Allowance for impairment		
- Loans and advances	(141)	437
- Guarantees and commitments	164	(512)
Impaired loans and advances recovered	—	—
	<u>23</u>	<u>(75)</u>

25 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.

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 2024.

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 2024 .

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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2024

31 COMMITMENTS AND CONTINGENCIES

The commitments and contingencies constitute the followings:

Description	31 March 2024			31 December 2023		
	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	135,108	135,108	132,562	111,694	111,694	109,002
Transaction related contingent items	254,142	127,071	124,973	244,409	122,205	120,856
Short term self liquidating trade related contingencies	15,301	3,060	3,060	11,571	2,314	2,314
Foreign exchange related contracts:						
- One year or less	6,699,666	122,876	122,463	6,189,575	90,240	85,846
- Over one year to five years	118,063	5,903	5,903	—	—	—
Interest/Profit rate related contracts:						
- One year or less	—	—	—	—	—	—
- Over one year to five years	—	—	—	—	—	—
- Over five years	—	—	—	—	—	—
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	84,365,925	863,236	261,980	73,866,749	852,443	256,674
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	1,128,795	—	—	1,085,238	—	—
Total	92,717,000	1,257,254	650,941	81,511,545	1,180,050	575,846

**BANK OF AMERICA MALAYSIA BERHAD
(Incorporated in Malaysia)****NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2024****32 CAPITAL ADEQUACY**

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

	31 March 2024 RM'000	31 December 2023 RM'000
Common Equity ("CET1") Capital and Tier 1 Capital		
Share capital	135,800	135,800
Retained profits	1,032,842	1,032,842
Other disclosed reserves		
Unrealised gains and losses on FVOCI financial instruments	765	836
	<u>1,169,407</u>	<u>1,169,478</u>
Less: regulatory adjustments		
- Deferred tax assets	(3,298)	(4,032)
- 55% of cumulative gains of FVOCI financial instruments	(421)	(460)
- Regulatory reserve	(2,386)	(834)
Total CET I and Tier I capital	<u>1,163,302</u>	<u>1,164,152</u>
Tier-II Capital		
Loss allowance for non-credit impaired exposures/ collective assessment allowance*	7,770	7,793
Regulatory reserve	2,386	834
Total Tier II capital	<u>10,156</u>	<u>8,627</u>
Total capital	<u>1,173,458</u>	<u>1,172,779</u>
*Excludes Lifetime ECL Credit Impaired (Stage 3) loans/collective assessment allowance on impaired loans restricted from Tier-II Capital of BAMB of RM6,821 (31 December 2023: RM7,274).		
Total risk-weighted assets:-		
Credit risk	1,473,387	1,393,523
Market risk	1,955,535	947,705
Operational risk	521,935	478,728
Total RWA	<u>3,950,857</u>	<u>2,819,956</u>
Capital ratios		
CET I capital ratio	29.444%	41.283%
Tier I capital ratio	29.444%	41.283%
Total capital ratio	<u>29.701%</u>	<u>41.589%</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.

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NOTES TO THE FINANCIAL STATEMENTS FOR 31 MARCH 2024

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.

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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 2024				
Financial assets at fair value through profit or loss				
Financial assets at fair value through profit or loss (FVTPL)				
- Malaysian Government Securities	299,962	—	—	299,962
- Malaysian Government Investment Issues	255,868	—	—	255,868
- Malaysian Government Treasury Bills	—	—	—	—
Derivative assets				
- Foreign exchange forwards and swaps	—	241,439	—	241,439
- Interest rate and cross currency swaps	—	129,840	—	129,840
Financial assets at fair value through other comprehensive income				
Malaysian Government Securities	50,329	—	—	50,329
Bank Negara Bills	1,502,159	—	—	1,502,159
Unquoted shares	—	—	2,969	2,969
Total assets	<u>2,108,318</u>	<u>371,279</u>	<u>2,969</u>	<u>2,482,566</u>
Financial liabilities at fair value through profit or loss				
Derivative liabilities				
- Foreign exchange forwards and swaps	—	226,856	—	226,856
- Interest rate and cross currency swaps	—	169,800	—	169,800
Total liabilities	<u>—</u>	<u>396,656</u>	<u>—</u>	<u>396,656</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 2023				
Financial assets at fair value through profit or loss				
Financial assets at fair value through profit or loss (FVTPL)				
- Malaysian Government Securities	190,760	—	—	190,760
- Malaysian Government Investment Issues	131,370	—	—	131,370
- Malaysian Government Treasury Bills	—	—	—	—
Derivative assets				
- Foreign exchange forwards and swaps	—	396,932	—	396,932
- Interest rate and cross currency swaps	—	131,856	—	131,856
Financial assets at fair value through other comprehensive income				
Unquoted shares	—	—	2,969	2,969
Malaysian Government Securities	50,876	—	—	50,876
Bank Negara Bills	1,610,853	—	—	1,610,853
Total assets	<u>1,983,859</u>	<u>528,788</u>	<u>2,969</u>	<u>2,515,616</u>
Financial liabilities at fair value through profit or loss				
Derivative liabilities				
- Foreign exchange forwards and swaps	—	395,593	—	395,593
- Interest rate and cross currency swaps	—	178,669	—	178,669
Total liabilities	<u>—</u>	<u>574,262</u>	<u>—</u>	<u>574,262</u>

There were no transfers between levels 1 and 2 during the period (31 December 2023: There were no transfers between Levels 1 and 2)

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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 2024, 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
25 April 2024