

**The Bank of Nova Scotia Berhad**

(Company No. 199401022356 (308035 U))

(Incorporated in Malaysia)

**and its subsidiaries**

**Unaudited Condensed Interim Financial Statements**

**31 July 2021**

Domiciled in Malaysia  
Registered office  
Level 10, Menara Hap Seng 2  
Plaza Hap Seng  
No. 1, Jalan P. Ramlee  
50250 Kuala Lumpur

# THE BANK OF NOVA SCOTIA BERHAD

(Company No. 199401022356 (308035 U))

(Incorporated in Malaysia)

## AND ITS SUBSIDIARIES

### UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2021

	Note	Group		Bank	
		31 July 2021 RM'000	31 October 2020 RM'000	31 July 2021 RM'000	31 October 2020 RM'000
<b>ASSETS</b>					
Cash and short-term funds	11	638,286	570,799	638,266	570,779
Financial assets at fair value through profit or loss	12	2,546	2,564	2,546	2,564
Financial investments at fair value through other comprehensive income	13	213,217	267,780	213,217	267,780
Financial investments at amortised cost	14	-	59,996	-	59,996
Loans and advances	15	405,362	599,213	405,362	599,213
Derivative financial assets	32	5,185	10,623	5,185	10,623
Other assets	17	5,946	7,584	5,946	7,584
Statutory deposits with Bank Negara Malaysia		553	553	553	553
Investment in subsidiaries		-	-	30	30
Property and equipment including right-of-use assets		4,026	9,355	4,026	9,355
Deferred tax assets		-	-	-	-
Tax recoverable		6,493	5,615	6,493	5,615
<b>TOTAL ASSETS</b>		<b>1,281,614</b>	<b>1,534,082</b>	<b>1,281,624</b>	<b>1,534,092</b>
<b>LIABILITIES</b>					
Deposits from customers	18	9,267	87,699	9,277	87,709
Deposits and placements of banks and other financial institutions	19	41,127	294,905	41,127	294,905
Derivative financial liabilities	32	5,179	7,542	5,179	7,542
Other liabilities	20	31,071	12,770	31,071	12,770
Amounts owing to holding company		208,174	93,079	208,174	93,079
Deferred tax liabilities		-	1,246	-	1,246
<b>TOTAL LIABILITIES</b>		<b>294,818</b>	<b>497,241</b>	<b>294,828</b>	<b>497,251</b>

**THE BANK OF NOVA SCOTIA BERHAD**

(Company No. 199401022356 (308035 U))

(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES**

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 31 JULY 2021 (CONTD.)**

	Note	Group		Bank	
		31 July 2021 RM'000	31 October 2020 RM'000	31 July 2021 RM'000	31 October 2020 RM'000
<b>EQUITY</b>					
Share capital		165,000	165,000	165,000	165,000
Reserves		821,796	871,841	821,796	871,841
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE BANK</b>		<u>986,796</u>	<u>1,036,841</u>	<u>986,796</u>	<u>1,036,841</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>1,281,614</u>	<u>1,534,082</u>	<u>1,281,624</u>	<u>1,534,092</u>
<b>COMMITMENTS AND CONTINGENCIES</b>	33	<u>795,695</u>	<u>1,484,986</u>	<u>795,695</u>	<u>1,484,986</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and Bank for the year ended 31 October 2020.

## THE BANK OF NOVA SCOTIA BERHAD

(Company No. 199401022356 (308035 U))

(Incorporated in Malaysia)

### AND ITS SUBSIDIARIES

#### UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 JULY 2021

	Note	Group and Bank 3rd Quarter Ended		Group and Bank Nine Months Ended	
		31 July 2021 RM'000	31 July 2020 RM'000	31 July 2021 RM'000	31 July 2020 RM'000
Interest income	22	10,654	16,255	33,715	55,345
Interest expense	23	(472)	(2,196)	(1,933)	(9,554)
Net interest income		10,182	14,059	31,782	45,791
Net fee and commission income	24	209	295	955	891
Net trading income	25	60	135	482	1,099
Other operating income	26	94	49	94	49
Net income		10,545	14,538	33,313	47,830
Other operating expenses	27	(6,134)	(6,427)	(18,522)	(20,023)
Operating profit		4,411	8,111	14,791	27,807
Allowance for credit losses	29	(22,551)	(8,342)	(36,011)	(20,656)
Wind down expenses	30	(26,260)	-	(26,260)	-
(Loss)/Profit before taxation		(44,400)	(231)	(47,480)	7,151
Taxation		(781)	44	(31)	(1,841)
<b>(Loss)/Profit for the period</b>		<b>(45,181)</b>	<b>(187)</b>	<b>(47,511)</b>	<b>5,310</b>
<b>Other comprehensive (loss)/income, net of tax</b>					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Net (loss)/gain on financial investments at fair value through other comprehensive income		(431)	1,462	(2,534)	3,978
<b>Total comprehensive (loss)/income for the period attributable to owners of the Bank</b>		<b>(45,612)</b>	<b>1,275</b>	<b>(50,045)</b>	<b>9,288</b>
Basic (loss)/earnings per share (sen)		<b>(36.92)</b>	<b>(0.15)</b>	<b>(38.82)</b>	<b>4.34</b>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and Bank for the year ended 31 October 2020.

**THE BANK OF NOVA SCOTIA BERHAD**

(Company No. 199401022356 (308035 U))

(Incorporated in Malaysia)

**AND ITS SUBSIDIARIES**

**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 JULY 2021**

	Share capital RM'000	← Non-distributable Regulatory reserves RM'000	Other reserves RM'000	Distributable Retained earnings RM'000	Total RM'000
<b>Group and Bank</b>					
<b>At 1 November 2019</b>	165,000	11,429	428	851,326	1,028,183
Net profit for the period	-	-	-	5,310	5,310
Other comprehensive income, net of tax					
- Financial investments at fair value through other comprehensive income	-	-	3,978	-	3,978
<b>Total comprehensive income for the period</b>	-	-	3,978	5,310	9,288
Transfer from regulatory reserves to retained earnings	-	(11,429)	-	11,429	-
<b>As at 31 July 2020</b>	165,000	-	4,406	868,065	1,037,471
<b>As at 1 November 2020</b>	165,000	-	4,285	867,556	1,036,841
Net loss for the period	-	-	-	(47,511)	(47,511)
Other comprehensive loss, net of tax					
- Financial investments at fair value through other comprehensive income	-	-	(2,534)	-	(2,534)
<b>Total comprehensive loss for the period</b>	-	-	(2,534)	(47,511)	(50,045)
Transfer to regulatory reserves from retained earnings	-	1,598	-	(1,598)	-
<b>As at 31 July 2021</b>	165,000	1,598	1,751	818,447	986,796

Note 21

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and Bank for the year ended 31 October 2020.

# THE BANK OF NOVA SCOTIA BERHAD

(Company No. 199401022356 (308035 U))

(Incorporated in Malaysia)

## AND ITS SUBSIDIARIES

### UNAUDITED CONDENSED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 JULY 2021

	Group		Bank	
	31 July 2021 RM'000	31 July 2020 RM'000	31 July 2021 RM'000	31 July 2020 RM'000
<b>Cash flows from operating activities</b>				
(Loss)/Profit before taxation	(47,480)	7,151	(47,480)	7,151
Adjustments for non-cash item	44,051	20,283	44,051	20,283
Operating (loss)/profit before working capital changes	(3,429)	27,434	(3,429)	27,434
Changes in working capital:				
Net changes in operating assets	164,308	503,636	164,308	503,636
Net changes in operating liabilities	(202,096)	(373,576)	(202,096)	(373,576)
Income taxes paid	(1,358)	(3,836)	(1,358)	(3,836)
<b>Net cash (used in)/generated from operating activities</b>	(42,575)	153,658	(42,575)	153,658
<b>Net cash generated from/(used in) investing activities</b>	110,706	(161,867)	110,706	(161,867)
<b>Net cash used in financing activities</b>	(652)	(636)	(652)	(636)
<b>Net increase/(decrease) in cash and cash equivalents</b>	67,479	(8,845)	67,479	(8,845)
<b>Cash and cash equivalents at beginning of the financial period</b>	570,808	399,273	570,788	399,253
<b>Cash and cash equivalents at end of the financial period</b>	638,287	390,428	638,267	390,408
<b>Cash and cash equivalents comprise:</b>				
Cash and short term funds	638,287	390,428	638,267	390,408
Less: Expected credit loss allowance	(1)	(12)	(1)	(12)
	638,286	390,416	638,266	390,396

# **THE BANK OF NOVA SCOTIA BERHAD**

(Company No. 199401022356 (308035 U))

(Incorporated in Malaysia)

## **AND ITS SUBSIDIARIES**

### **REVIEW OF PERFORMANCE**

#### **Current Quarter vs. Previous Year Corresponding Quarter**

Operating profits for the current financial quarter ended 31 July 2021 for the Group and the Bank had reduced by RM3.99 million to RM10.55 million compared to the previous corresponding quarter. The reduction in net income was driven by lower interest rates and business volumes.

The holding company has decided to wind down its operations in Malaysia and in July 2021, the Board of Directors has approved the Bank's wind down plan. Arising from this, the Bank has recognised RM26.26 million of wind down cost.

The wind down cost together with higher allowance for credit losses of RM14.21 million resulted in the Bank recording loss before tax of the RM44.40 million, RM44.17 million lower than prior previous corresponding quarter.

#### **Current Period-to-Date vs. Previous Corresponding Period-to-Date**

Operating profits/loss for the financial period ended 31 July 2021 has similarly decreased by RM13.02 million to RM14.79 million compared to the corresponding period in the previous financial year, due to factors described above.

Wind down cost and higher allowance for credit losses of RM26.26 million and RM 15.36 million has impacted the bottom line and resulted in the Bank recording a loss before tax of RM47.48 million for the financial period ended 31 July 2021, RM 54.63 million lower compared against the previous corresponding period.

Total assets of the Group and the Bank had declined to RM1.28 billion, as compared to financial year ended 2020 of RM1.53 billion. This was contributed by a decrease in loans and advances and investments in debt securities of RM193.85 million and RM54.56 million respectively.

Total liabilities, comprising mainly of deposits from customers, intercompany and interbank borrowing, had correspondingly decreased by RM202.42 million to RM294.82 million due to the lower funding requirement.

Despite lower capital level due to net loss for the period, total capital ratio has improved from 134.203% as at 31 October 2020 to 189.543% as at current quarter end, driven by decrease in risk-weighted assets in line with the smaller balance sheet size and lower gross income levels.

# THE BANK OF NOVA SCOTIA BERHAD

(Company No. 199401022356 (308035 U))

(Incorporated in Malaysia)

## AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2021

#### 1. Basis of preparation of the financial statements

In July 2021, the Board of Directors has approved the Bank's wind down plan. The unaudited interim financial statements of the Group and the Bank for the financial period ended 31 July 2021 have been prepared on a basis other than that of a going concern in view of the Bank's intention to wind down its operations. This basis of preparation includes, where appropriate, writing down the Bank's assets to net realisable value based on best estimates. There has been no material adjustments arising as a result of ceasing to apply the going concern basis except for wind down expenses as disclosed in Note 30.

The unaudited interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and the Policy Document on Financial Reporting issued by Bank Negara Malaysia ("BNM").

The unaudited interim financial statements should be read in conjunction with the audited annual financial statements for the Group and the Bank for the financial year ended 31 October 2020. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group and the Bank since the year ended 31 October 2020.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the last audited annual financial statements for the year ended 31 October 2020, except for the adoption of the following Amendments to MFRSs which are effective for annual periods beginning on or after 1 November 2020:

- Amendments to MFRS 3, *Business Combinations - Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, Amendments to MFRS 139, *Financial Instruments: Recognition and Measurement* and Amendments to MFRS 7, *Financial Instruments: Disclosures - Interest Rate Benchmark Reform*
- Amendments to MFRS 16, *Leases - Covid-19-Related Rent Concessions*

The adoption of these amendments does not have any material effect on the financial statements of the Group and the Bank.

(Company No. 199401022356 (308035 U))

## 1. Basis of preparation of the financial statements (contd.)

The following are accounting standards and amendments that have been issued by MASB but have not been adopted by the Group and the Bank:

### Amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, *Financial Instruments*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

### Amendments effective for annual periods beginning on or after 1 April 2021

- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

### Amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Cost of Fulfilling a Contract*
- Amendments to MFRS 9, *Financial Instruments – Annual Improvements to MFRS Standards 2018 – 2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018-2020)*

### MFRS and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* and *Disclosure of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

### Amendments effective for annual periods beginning on or after a date yet to be confirmed

- 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*

(Company No. 199401022356 (308035 U))

## 1. Basis of preparation of the financial statements (contd.)

The Group and the Bank plan to apply the abovementioned accounting standards and amendments, where applicable:

- from the annual period beginning on 1 November 2021 for those amendments that are effective for annual periods beginning on or after 1 January 2021 and 1 April 2021;
- from the annual period beginning on 1 November 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022; and
- from the annual period beginning on 1 November 2023 for those amendments that are effective for annual periods beginning on or after 1 January 2023.

The Group and the Bank do not plan to apply MFRS 141, *Agriculture (Annual Improvements to Standards 2018-2020)* that is effective for annual periods beginning on or after 1 January 2022, and MFRS 17, *Insurance Contracts* and Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* that are effective for annual periods beginning on or after 1 January 2023, as they are not applicable to the Group and the Bank.

The initial application of the accounting standards and amendments are not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Bank.

### Use of estimates and judgements

The preparation of financial statements, in conformity with MFRS, requires management to make estimates, apply judgments and make assumptions that affect the reported amount of assets and liabilities at the date of the condensed interim consolidated financial statements, and income and expenses during the reporting period. Estimates made by management are based on historical experience and other assumptions that are believed to be reasonable. Key areas where management has made difficult, complex or subjective judgments, often as a result of matters that are inherently uncertain, include those relating to the allowance for credit losses and the fair value of financial instruments.

The allowance for credit losses, using an expected credit loss approach as required under MFRS 9, is estimated using complex models and incorporates inputs, assumptions and techniques that require a high degree of judgement. These include assessment of significant increase in credit risk, the forecast of macroeconomic variables for multiple scenarios and probability weightings of the scenarios. In the current economic environment resulting from COVID-19, the models in isolation may not capture all the uncertainty as well as the impact of the relief measures by the governments and central banks. Therefore, management has applied significant expert credit judgment in the determination of the allowance for credit losses.

(Company No. 199401022356 (308035 U))

**1. Basis of preparation of the financial statements (contd.)**

The fair value of financial instruments (including derivatives) is a market-based measurement that considers assumptions that market participants would use, reflecting market conditions at the measurement date. For a more accurate representation of fair value, certain adjustments for credit spreads, funding levels, market volatility, bid-offer spreads, unobservable parameters, prices in inactive or illiquid markets and when applicable funding costs are required. The Bank has considered current market conditions due to COVID-19 and assessed the impact of any unobservable inputs and has applied significant judgement in the selection of those inputs to determine the fair value of financial instruments.

While management makes its best estimates and assumptions, actual results could differ from these estimates and assumptions.

**2. Auditor's report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 31 October 2020 was not subjected to any qualifications.

**3. Seasonal or cyclical factors**

The business operations of the Group and 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 Group and the Bank for the financial period ended 31 July 2021 except as disclosed in Note 30.

**5. Changes in accounting estimates**

There were no material changes in estimates of amounts reported that have a material effect on the unaudited condensed interim financial statements for the financial period ended 31 July 2021 other than those disclosed under basis of preparation.

**6. Debt and Equity Securities**

There were no issuances, cancellations, repurchase, resale and repayments of debt and equity securities during the financial period ended 31 July 2021.

**7. Dividend**

No dividend was paid during the financial period ended 31 July 2021.

**8. Changes in the composition of the Group**

There were no changes in the composition of the Group for the financial period ended 31 July 2021.

(Company No. 199401022356 (308035 U))

## 9. Subsequent events

There were no material events subsequent to the reporting date that requires disclosure or adjustments to the unaudited condensed interim financial statements.

## 10. Fair value of financial instruments

The Group and the Bank measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

### Level

- 1: Quoted market price (unadjusted) in an active market for an identical asset or liability.
- 2: Valuation techniques based on observable inputs, either directly (as prices) or indirectly (derived from prices). This category includes instruments valued using: quoted prices for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly observable from market data.
- 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category also includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that are traded infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Valuation techniques used to calculate fair values include comparisons with similar financial instruments for which market observable prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used in the market. The objective of valuation techniques is to arrive at a fair value that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

(Company No. 199401022356 (308035 U))

**10. Fair value of financial instruments (contd.)**

The table below analyses financial instruments measured at fair value at the end of the respective reporting periods, by the level in the fair value hierarchy into which the fair value measurement is categorised.

	<b>Group and Bank</b>			<b>Total RM'000</b>
	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	
<b>31 July 2021</b>				
Financial assets at fair value				
through profit or loss	-	-	2,546	2,546
Financial investments at fair value				
through other comprehensive income	-	213,217	-	213,217
Derivative financial assets	-	5,185	-	5,185
	-	218,402	2,546	220,948
Derivative financial liabilities	-	5,179	-	5,179
<b>31 October 2020</b>				
Financial assets at fair value				
through profit or loss	-	-	2,564	2,564
Financial investments at fair value				
through other comprehensive income	-	267,780	-	267,780
Derivative financial assets	-	10,623	-	10,623
	-	278,403	2,564	280,967
Derivative financial liabilities	-	7,542	-	7,542

**Reconciliation of movements in Level 3 financial instruments**

The following table summarises the changes in Level 3 instruments carried at fair value during the financial period.

	<b>Group and Bank</b>	
	<b>31 July 2021 RM'000</b>	<b>31 October 2020 RM'000</b>
<b>Financial assets at fair value</b>		
At 1 November	2,564	2,338
Sold	(61)	-
Recognised in profit or loss		
- Realised gain	43	-
- Unrealised gain	-	226
At end of financial period/year	2,546	2,564

(Company No. 199401022356 (308035 U))

#### 10. Fair value of financial instruments (contd.)

Financial assets in Level 3 category comprises of unquoted shares. Valuation for these shares are assessed by reference to adjusted net tangible assets of the investee. As the exposures are insignificant, changing one or more of the inputs to reasonably possible alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

##### Significant transfers

Significant transfers can occur between fair value hierarchy levels when additional or new information regarding valuation inputs and their refinement and observability become available. The Group and the Bank recognises transfers between levels of the fair value hierarchy as of the end of the financial period during which the change occurred. There has been no transfer between hierarchies during the current financial period.

#### 11. Cash and short-term funds

	Group		Bank	
	31 July 2021 RM'000	31 October 2020 RM'000	31 July 2021 RM'000	31 October 2020 RM'000
Cash and balances with banks and other financial institutions	3,461	6,446	3,441	6,426
Money at call and deposit placements maturing within one month	634,826	564,362	634,826	564,362
	638,287	570,808	638,267	570,788
Less: Expected credit loss ("ECL") allowance	(1)	(9)	(1)	(9)
	638,286	570,799	638,266	570,779

Movements in ECL allowance on cash and short-term funds are as follow:

	Group and Bank	
	31 July 2021 RM'000	31 October 2020 RM'000
<b>12-Month ECL Stage 1</b>		
At 1 November	9	5
Allowance (written back)/made during the financial period/year	(8)	4
At end of the financial period/year	1	9

(Company No. 199401022356 (308035 U))

**12. Financial assets at fair value through profit or loss ("FVTPL")**

	<b>Group and Bank</b>	
	<b>31 July</b>	<b>31 October</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares in Malaysia	2,546	2,564

**13. Financial investments at fair value through other comprehensive income ("FVOCI")**

	<b>Group and Bank</b>	
	<b>31 July</b>	<b>31 October</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Quoted money market instruments</u>		
Malaysian Government Securities	213,217	267,780

Expected Credit Loss ("ECL") for financial investments at FVOCI is recognised in reserves.  
Movements in the ECL allowance on financial investments at FVOCI are as follow:

	<b>Group and Bank</b>	
	<b>31 July</b>	<b>31 October</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>12-Month ECL Stage 1</b>		
At 1 November	9	5
Allowance (written back)/made during the financial period/year	(7)	4
At end of the financial period/year	2	9

**14. Financial investments at amortised cost**

	<b>Group and Bank</b>	
	<b>31 July</b>	<b>31 October</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Negotiable instruments of deposits	-	60,000
Less: ECL allowance	-	(4)
	-	59,996

(Company No. 199401022356 (308035 U))

**14. Financial investments at amortised cost (contd.)**

Movements in ECL allowance on financial investments at amortised cost are as follows:

	<b>Group and Bank</b>	
	<b>31 July</b>	<b>31 October</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>12-Month ECL Stage 1</b>		
At 1 November	4	-
Allowance (written back)/made during the financial period/year	(4)	4
At end of the financial period/year	<u>-</u>	<u>4</u>

**15. Loans and advances**

	<b>Group and Bank</b>	
	<b>31 July</b>	<b>31 October</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(i) By type</b>		
Term loans		
- housing loans	70,697	77,114
- other term loans	39,039	40,233
Bills receivable	147,793	164,563
Revolving credit	282,444	416,791
Staff loans	613	888
	<u>540,586</u>	<u>699,589</u>
Less: Unearned interest	(370)	(694)
Gross loans and advances	540,216	698,895
Less: ECL allowance (Note 16 (ii))	(134,854)	(99,682)
Net loans and advances	<u>405,362</u>	<u>599,213</u>
<b>(ii) By type of customer</b>		
Domestic non-bank financial institutions	166,263	159,844
Domestic business enterprises	248,604	398,631
Government and statutory bodies	15,000	20,000
Individuals	65,371	73,195
Foreign entities	44,978	47,225
Gross loans and advances	<u>540,216</u>	<u>698,895</u>

(Company No. 199401022356 (308035 U))

**15. Loans and advances (contd.)**

	<b>Group and Bank</b>	
	<b>31 July 2021 RM'000</b>	<b>31 October 2020 RM'000</b>
<b>(iii) By geographical distribution</b>		
Northern region	67,350	75,607
Southern region	55,984	191,937
Central region	388,756	400,860
Eastern region	157	182
Outside Malaysia	27,969	30,309
	<u>540,216</u>	<u>698,895</u>

The Northern region consists of the states of Perlis, Kedah, Penang, Perak, Kelantan and Terengganu.

The Southern region consists of the states of Johor, Melaka and Pahang.

The Central region consists of the states of Selangor, Negeri Sembilan and the Federal Territory of Kuala Lumpur.

The Eastern region consists of the states of Sabah, Sarawak and the Federal Territory of Labuan.

	<b>Group and Bank</b>	
	<b>31 July 2021 RM'000</b>	<b>31 October 2020 RM'000</b>
<b>(iv) By interest rate sensitivity</b>		
Fixed rate:		
- Housing loans	613	881
- Other fixed rate loans	54,810	77,038
Variable rate:		
- Base Lending Rate plus	202,349	204,185
- Cost plus	282,444	416,791
Gross loans and advances	<u>540,216</u>	<u>698,895</u>

(Company No. 199401022356 (308035 U))

**15. Loans and advances (contd.)**

	<b>Group and Bank</b>	
	<b>31 July</b>	<b>31 October</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(v) By sector</b>		
Manufacturing	198,604	348,630
Construction	50,000	50,000
Purchase of landed property:		
- Residential	71,310	77,995
- Non-residential	36,031	36,471
Finance, insurance and business services	166,263	162,030
Purchase of transport vehicles	-	7
Consumption credit	3,008	3,762
Others	15,000	20,000
Gross loans and advances	<u>540,216</u>	<u>698,895</u>
<b>(vi) By residual contractual maturity</b>		
Within one year	434,096	584,369
One year to five years	16,362	17,518
Over five years	89,758	97,008
	<u>540,216</u>	<u>698,895</u>

**16. Impaired loans and advances**

	<b>Group and Bank</b>	
	<b>31 July</b>	<b>31 October</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(i) Movements in impaired loans and advances</b>		
At beginning of financial period/year	131,385	138,538
Classified as impaired during the financial period/year	12,620	16,868
Reclassified as performing during the financial period/year	(2,593)	(4,707)
Amount recovered	(1,039)	(4,469)
Amount written off	(80)	(14,845)
At end of financial period/year	140,293	131,385
Lifetime credit impaired ECL allowance	(132,283)	(97,955)
Net impaired loans and advances	<u>8,010</u>	<u>33,430</u>
Ratio of net impaired loans and advances to net loans and advances (less lifetime credit impaired ECL allowance)	<u>1.96%</u>	<u>5.56%</u>

(Company No. 199401022356 (308035 U))

**16. Impaired loans and advances (contd.)****(ii) Movements in ECL allowances for loans and advances**

	<b>12 months ECL (Stage 1) RM'000</b>	<b>Lifetime not Credit Impaired ECL (Stage 2) RM'000</b>	<b>Lifetime Credit Impaired ECL (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>Group and Bank</b>				
At 1 November 2020	315	1,412	97,955	99,682
<u>Transfer between stages:</u>				
Due to changes in credit risk:				
- Transfer to Stage 1	2,325	(1,946)	(379)	-
- Transfer to Stage 2	(61)	130	(69)	-
- Transfer to Stage 3	(1)	(531)	532	-
	2,263	(2,347)	84	-
Loans de-recognised during the period (other than write-offs)	(42)	(34)	(113)	(189)
Changes due to change in credit risk	(1,959)	2,963	35,214	36,218
Net ECL allowance (written back)/made	(2,001)	2,929	35,101	36,029
Amount written off	-	-	(80)	(80)
<u>Other adjustment:</u>				
Unwinding of discount	-	-	(777)	(777)
<b>At 31 July 2021</b>	<b>577</b>	<b>1,994</b>	<b>132,283</b>	<b>134,854</b>

(Company No. 199401022356 (308035 U))

**16. Impaired loans and advances (contd.)****(ii) Movements in ECL allowances for loans and advances (contd.)**

	<b>12 months ECL (Stage 1) RM'000</b>	<b>Lifetime not Credit Impaired ECL (Stage 2) RM'000</b>	<b>Lifetime Credit Impaired ECL (Stage 3) RM'000</b>	<b>Total RM'000</b>
<b>Group and Bank</b>				
At 1 November 2019	427	1,134	86,815	88,376
<u>Transfer between stages:</u>				
Due to changes in credit risk:				
- Transfer to Stage 1	1,910	(1,563)	(347)	-
- Transfer to Stage 2	(37)	47	(10)	-
- Transfer to Stage 3	-	(404)	404	-
	1,873	(1,920)	47	-
Loans de-recognised during the year (other than write-offs)	(226)	(67)	(497)	(790)
New loans originated	11	-	-	11
Changes due to change in credit risk	(1,770)	2,265	28,579	29,074
Net ECL allowance (written back)/made	(1,985)	2,198	28,082	28,295
Amount written off	-	-	(14,845)	(14,845)
<u>Other adjustment:</u>				
Unwinding of discount	-	-	(2,144)	(2,144)
<b>At 31 October 2020</b>	<b>315</b>	<b>1,412</b>	<b>97,955</b>	<b>99,682</b>

	<b>Group and Bank</b>	
	<b>31 July 2021 RM'000</b>	<b>31 October 2020 RM'000</b>
<b>(iii) By geographical distribution</b>		
Northern region	6	6
Southern region	11,684	11,143
Central region	109,431	102,703
Outside Malaysia	19,172	17,533
	<b>140,293</b>	<b>131,385</b>

(Company No. 199401022356 (308035 U))

**16. Impaired loans and advances (contd.)**

	<b>Group and Bank</b>	
	<b>31 July</b>	<b>31 October</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(iv) By sector</b>		
Manufacturing	101,970	95,786
Purchase of landed property:		
- Residential	14,063	13,869
- Non-residential	23,888	21,318
Consumption credit	372	412
	<u>140,293</u>	<u>131,385</u>

**17. Other assets**

	<b>Group and Bank</b>	
	<b>31 July</b>	<b>31 October</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest receivable	4,263	4,142
Other receivables, deposits and prepayments	1,685	3,443
	<u>5,948</u>	<u>7,585</u>
Less: ECL allowance	(2)	(1)
	<u>5,946</u>	<u>7,584</u>

Movements in ECL allowance on other receivables are as follow:

**12-Month ECL Stage 1**

At 1 November	1	1
Allowance made during the financial period	1	-
At end of the financial period / year	<u>2</u>	<u>1</u>

**18. Deposits from customers**

	<b>Group</b>		<b>Bank</b>	
	<b>31 July</b>	<b>31 October</b>	<b>31 July</b>	<b>31 October</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>(i) By type of deposit</b>				
Demand deposits	6,061	10,434	6,071	10,444
Savings deposits	331	471	331	471
Fixed/Investment deposits	2,875	34,613	2,875	34,613
Others	-	42,181	-	42,181
	<u>9,267</u>	<u>87,699</u>	<u>9,277</u>	<u>87,709</u>

(Company No. 199401022356 (308035 U))

**18. Deposits from customers (contd.)**

	<b>Group and Bank</b>			
	<b>31 July</b>		<b>31 October</b>	
	<b>2021</b>		<b>2020</b>	
	<b>RM'000</b>		<b>RM'000</b>	
<b>(ii) Maturity structure of fixed/investment deposits</b>				
Due within six months			2,429	31,029
Six months to one year			446	3,291
More than one year			-	293
			<u>2,875</u>	<u>34,613</u>
	<b>Group</b>		<b>Bank</b>	
	<b>31 July</b>	<b>31 October</b>	<b>31 July</b>	<b>31 October</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>(iii) By type of customer</b>				
Business enterprises	6,433	75,119	6,443	75,129
Individuals	2,834	12,569	2,834	12,569
Others	-	11	-	11
	<u>9,267</u>	<u>87,699</u>	<u>9,277</u>	<u>87,709</u>

**19. Deposits and placements of banks and other financial institutions**

	<b>Group and Bank</b>	
	<b>31 July</b>	<b>31 October</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	-	174,678
Other financial institutions	41,127	120,227
	<u>41,127</u>	<u>294,905</u>

**20. Other liabilities**

	<b>Group and Bank</b>	
	<b>31 July</b>	<b>31 October</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest payable	709	276
Provision for wind down expenses	23,660	-
Other payables and accruals	5,183	8,821
Lease liabilities	1,516	3,672
ECL allowance on off-balance sheet exposures	3	1
	<u>31,071</u>	<u>12,770</u>

(Company No. 199401022356 (308035 U))

## 20. Other liabilities (contd.)

Movements in ECL allowance on off-balance sheet exposures are as follow:

	Group and Bank	
	31 July 2021 RM'000	31 October 2020 RM'000
<b>12-Month ECL Stage 1</b>		
At 1 November	1	1
Allowance made during the financial period/year	2	-
At 1 November/end of the financial period/year	3	1

21. BNM requires the Bank to maintain, in aggregate, loss allowance for non-credit impaired exposures and regulatory reserves of no less than 1.00% of total credit exposures, net of loss allowance for credit-impaired exposures.

On 25 March 2020, BNM announced several regulatory relief measures to support banking institutions in provision of assistance to individuals and corporations to manage the impact of the novel coronavirus (“COVID-19”) global pandemic. Consequently, the Bank is allowed to reduce the balance of regulatory reserves held against expected losses from 1.00% to 0.00% and to gradually rebuild the reserves after 31 December 2020, to the minimum requirement by 30 September 2021.

As at 31 Jul 2021, the allowance for non-credit impaired exposures and regulatory reserve stands at 1.00% (31 October 2020: 0.27%).

## 22. Interest income

	Group and Bank 3rd Quarter Ended		Group and Bank Nine Months Ended	
	31 July 2021 RM'000	31 July 2020 RM'000	31 July 2021 RM'000	31 July 2020 RM'000
Loans and advances:				
- Interest income other than on impaired loans	2,917	7,794	9,947	27,291
- Interest income on impaired loans	2,848	3,073	8,842	10,577
Money at call and deposit placements with financial institutions	2,776	2,878	8,054	10,606
Financial investments at amortised cost	18	350	529	450
Financial investments at FVOCI	2,095	2,157	6,342	6,406
Others	-	3	1	15
Total interest income	10,654	16,255	33,715	55,345

(Company No. 199401022356 (308035 U))

**23. Interest expense**

	<b>Group and Bank</b>		<b>Group and Bank</b>	
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 July</b>	<b>31 July</b>	<b>31 July</b>	<b>31 July</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits and placements of banks and other financial institutions	69	1,364	288	4,018
Deposits from customers	378	785	1,556	5,394
Lease liabilities	24	37	88	116
Others	1	10	1	26
	<u>472</u>	<u>2,196</u>	<u>1,933</u>	<u>9,554</u>

**24. Net fee and commission income**

	<b>Group and Bank</b>		<b>Group and Bank</b>	
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 July</b>	<b>31 July</b>	<b>31 July</b>	<b>31 July</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other fees relating to loans	23	52	172	159
Commitment fees	-	61	41	133
Guarantee fees	-	2	31	36
Acceptance commissions	88	103	464	329
Others	98	77	247	234
	<u>209</u>	<u>295</u>	<u>955</u>	<u>891</u>

**25. Net trading income**

	<b>Group and Bank</b>		<b>Group and Bank</b>	
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 July</b>	<b>31 July</b>	<b>31 July</b>	<b>31 July</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Gains/(Losses) arising from dealing in foreign currency	11	(5,940)	3,508	(1,183)
Unrealised revaluation gains/(losses) in foreign exchange	49	6,075	(3,069)	2,282
Realised gain on disposal of financial assets at FVTPL	-	-	43	-
	<u>60</u>	<u>135</u>	<u>482</u>	<u>1,099</u>

(Company No. 199401022356 (308035 U))

**26. Other operating income**

	<b>Group and Bank</b>		<b>Group and Bank</b>	
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 July</b>	<b>31 July</b>	<b>31 July</b>	<b>31 July</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Dividend income:				
- Financial investments held at FVOCI	49	49	49	49
Gains on lease modification	45	-	45	-
	<u>94</u>	<u>49</u>	<u>94</u>	<u>49</u>

**27. Other operating expenses**

	<b>Group and Bank</b>		<b>Group and Bank</b>	
	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>31 July</b>	<b>31 July</b>	<b>31 July</b>	<b>31 July</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Personnel costs:				
- Salaries and bonuses	2,709	2,741	8,180	8,222
- Pension fund contributions	453	468	1,365	1,382
- Other staff costs	417	300	1,282	1,685
Marketing expenses:				
- Advertising and promotion	14	18	20	25
- Others	15	14	41	49
Establishment costs:				
- Depreciation of property and equipment including ROU assets	456	358	1,312	1,128
- Rental	25	2	54	35
- Others	551	826	1,786	2,734
Administrative expenses:				
- Fees	1,165	1,336	3,416	3,759
- Others	329	364	1,066	1,004
	<u>6,134</u>	<u>6,427</u>	<u>18,522</u>	<u>20,023</u>

(Company No. 199401022356 (308035 U))

**28. Significant related party transactions**

	Group and Bank		Group and Bank	
	3rd Quarter Ended		Nine Months Ended	
	31 July	31 July	31 July	31 July
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b>Expenditure:</b>				
<i>Holding company</i>				
<b>(i) By type of services</b>				
Support fees	298	440	816	1,001
Technical and support fees	313	494	940	1,928
Interest and other fees	272	1,541	806	3,866
<b>(ii) By country</b>				
Singapore	272	1,541	806	3,866
Canada	359	496	967	1,163
Hong Kong, SAR China	249	431	777	1,751
India	3	7	12	15
<b>Income:</b>				
<i>Holding company</i>				
Technical fees	97	42	203	146

**29. Allowance for credit losses**

	Group and Bank		Group and Bank	
	3rd Quarter Ended		Nine Months Ended	
	31 July	31 July	31 July	31 July
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
ECL allowance made/(written back) on:				
- Loans and advances	22,552	8,373	36,029	20,652
- Deposits and short term funds	(2)	(10)	(8)	7
- Financial investments at FVOCI	-	(20)	(7)	7
- Financial investments at amortised cost	(1)	4	(4)	6
- Other financial assets	1	-	1	-
- Off-balance sheet exposures	2	(5)	2	1
Impaired loans and advances:				
- recovered	(1)	-	(2)	(17)
	22,551	8,342	36,011	20,656

(Company No. 199401022356 (308035 U))

**30. Wind down expenses**

	<b>Group and Bank 3rd Quarter Ended</b>		<b>Group and Bank Nine Months Ended</b>	
	<b>31 July 2021 RM'000</b>	<b>31 July 2020 RM'000</b>	<b>31 July 2021 RM'000</b>	<b>31 July 2020 RM'000</b>
Provision for severance payments	21,045	-	21,045	-
Impairment of property and equipment	2,600	-	2,600	-
Other provisions	2,615	-	2,615	-
	<u>26,260</u>	<u>-</u>	<u>26,260</u>	<u>-</u>

**31. Capital adequacy**

The capital adequacy ratios of the Group and of the Bank are analysed as follows:

	<b>Group and Bank</b>	
	<b>31 July 2021 RM'000</b>	<b>31 October 2020 RM'000</b>
<b>Common Equity Tier 1 ("CET1") / Tier 1 capital</b>		
Paid-up share capital	165,000	165,000
Retained profit	818,447	867,556
Other reserves	3,347	4,276
	<u>986,794</u>	<u>1,036,832</u>
Less regulatory adjustments:		
- 55% of cumulative gains of financial instruments at FVOCI	(1,276)	(3,105)
- Regulatory reserve	(1,598)	-
Total CET1 / Tier 1 capital	<u>983,920</u>	<u>1,033,727</u>
<b>Tier 2 capital</b>		
Regulatory Reserve *	1,518	-
12-months and lifetime non-credit impaired ECL allowances	2,579	1,751
	<u>988,017</u>	<u>1,035,478</u>
Less regulatory adjustments:		
- Investment in subsidiaries	(30)	(30)
Total capital	<u>987,987</u>	<u>1,035,448</u>
CET 1 / Tier 1 capital ratio	188.763%	133.980%
Total capital ratio	<u>189.543%</u>	<u>134.203%</u>

\* Excludes regulatory reserve maintained for credit impaired exposures which is restricted from Tier 2 Capital.

(Company No. 199401022356 (308035 U))

### 31. Capital adequacy (contd.)

Breakdown of gross risk-weighted assets in the various categories of risk-weights are as follows:

	31 July 2021		31 October 2020	
	Principal RM'000	Risk- weighted RM'000	Principal RM'000	Risk- weighted RM'000
Credit risk	1,295,423	411,720	1,559,298	642,911
Market risk	-	3,175	-	8,704
Operational risk	-	106,352	-	119,939
	<u>1,295,423</u>	<u>521,247</u>	<u>1,559,298</u>	<u>771,554</u>

The total capital and capital adequacy ratios of the Group are computed in accordance with BNM's Capital Adequacy Framework (Capital Components and Basel II Risk Weighted Assets) Guidelines. The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk.

### 32. Derivative financial instruments

	Nominal value RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
At 31 July 2021			
<i>Derivatives held-for-trading</i>			
Foreign exchange contracts	<u>576,849</u>	<u>5,185</u>	<u>5,179</u>
At 31 October 2020			
<i>Derivatives held-for-trading</i>			
Foreign exchange contracts	<u>1,094,887</u>	<u>10,623</u>	<u>7,542</u>

(Company No. 199401022356 (308035 U))

### 33. Commitments and contingencies

<b>Group and Bank 31 July 2021</b>	<b>Principal amount RM'000</b>	<b>Positive fair value of derivative contracts RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted assets RM'000</b>
<u>Credit-related exposures</u>				
Transaction-related contingent items	6,086		3,043	1,606
Other commitments, such as formal standby facilities and credit lines, with an original maturity of: - exceeding one year	52		26	26
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	212,708		-	-
	<u>218,846</u>		<u>3,069</u>	<u>1,632</u>
<u>Derivative financial contracts</u>				
Foreign exchange related contracts: - less than one year	576,849	5,185	13,213	6,813
<b>Total</b>	<u><u>795,695</u></u>	<u><u>5,185</u></u>	<u><u>16,282</u></u>	<u><u>8,445</u></u>

(Company No. 199401022356 (308035 U))

**33. Commitments and contingencies (contd.)**

<b>Group and Bank 31 October 2020</b>	<b>Principal amount RM'000</b>	<b>Positive fair value of derivative contracts RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted assets RM'000</b>
<u>Credit-related exposures</u>				
Transaction-related contingent items	6,919		3,460	1,815
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
- exceeding one year	46		23	23
- not exceeding one year	25,750		5,150	5,150
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	357,384		-	-
	<u>390,099</u>		<u>8,633</u>	<u>6,988</u>
<u>Derivative financial contracts</u>				
Foreign exchange related contracts:				
- less than one year	1,094,887	10,623	24,961	18,793
<b>Total</b>	<u><u>1,484,986</u></u>	<u><u>10,623</u></u>	<u><u>33,594</u></u>	<u><u>25,781</u></u>

(Company No. 199401022356 (308035 U))

### 34. Liquidity risk

Liquidity refers to the ability to meet financial obligations and to fund the growth of assets. Liquidity risk is the risk of not being able to obtain funds at a reasonable price within a reasonable time period to meet obligations as and when they fall due. The Group's liquidity risk management policies and approach are set out in Note 34(b) to the financial statements for the year ended 31 October 2020.

The following tables summarise financial liabilities in relevant maturity groupings based on the remaining contractual maturities as at the financial period/year end, on an undiscounted basis.

		<b>Due within 3</b>	<b>Due between</b>	<b>Due between</b>
	<b>On demand</b>	<b>months</b>	<b>3 to 12</b>	<b>1 to 5 years</b>
<b>31 July 2021</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>				
Deposits from customers	6,393	2,313	604	-
Deposits and placements of banks and other financial institutions	196	-	41,936	-
Amount owing to holding company	85	123,235	84,960	-
Loans and other credit-related commitments	-	-	-	52
Financial guarantees and simiar contracts	6,086	-	-	-
	<u>6,086</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Bank</b>				
Deposits from customers	6,403	2,313	604	-
Deposits and placements of banks and other financial institutions	196	-	41,936	-
Amount owing to holding company	85	123,235	84,960	-
Loans and other credit-related commitments	-	-	-	52
Financial guarantees and simiar contracts	6,086	-	-	-
	<u>6,086</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Company No. 199401022356 (308035 U))

**34. Liquidity risk (contd.)**

	<b>On demand</b>	<b>Due within 3</b>	<b>Due between</b>	<b>Due between</b>
<b>31 October 2020</b>	<b>RM'000</b>	<b>months</b>	<b>3 to 12</b>	<b>1 to 5 years</b>
<b>Group</b>	<b>RM'000</b>	<b>RM'000</b>	<b>months</b>	<b>RM'000</b>
Deposits from customers	10,904	71,451	5,302	299
Deposits and placements of banks and other financial institutions	207	253,787	-	41,936
Amount owing to holding company	478	93,220	-	-
Loans and other credit-related commitments	25,750	-	-	46
Financial guarantees and simiar contracts	6,919	-	-	-
	<u>6,919</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Bank</b>				
Deposits from customers	10,914	71,451	5,302	299
Deposits and placements of banks and other financial institutions	207	253,787	-	41,936
Amount owing to holding company	478	93,220	-	-
Loans and other credit-related commitments	25,750	-	-	46
Financial guarantees and simiar contracts	6,919	-	-	-
	<u>6,919</u>	<u>-</u>	<u>-</u>	<u>-</u>