

KUWAIT FINANCE HOUSE (MALAYSIA) BERHAD

(200401033666)

(Incorporated in Malaysia)

Interim Report for the Period Ended 31 March 2024

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KUWAIT FINANCE HOUSE (MALAYSIA) BERHAD

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INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION

	Note	Group		Bank	
		31 Mar 2024 RM'000	31 Dec 2023 RM'000	31 Mar 2024 RM'000	31 Dec 2023 RM'000
ASSETS					
Cash and short-term funds	A3	165,264	180,692	165,264	180,692
Deposits and placements with banks and other financial institutions	A4	2,707	2,471	2,707	2,471
Gold depository		134,117	122,694	134,117	122,694
Debt instruments at FVOCI	A5	3,341,093	3,828,608	3,341,093	3,828,608
Financing, advances and other receivables	A6	3,155,433	3,306,309	3,155,433	3,306,309
Other assets	A7	88,003	81,315	88,003	81,315
Hedging financial instruments	A8	3,815	6,835	3,815	6,835
Statutory deposits with Bank Negara Malaysia		102,147	104,497	102,147	104,497
Right of use of assets	A9	4,006	6,883	4,006	6,883
Property and equipment		12,876	12,053	12,876	12,053
Intangible assets		12,925	12,151	12,925	12,151
Deferred tax assets		-	-	-	-
		7,022,386	7,664,508	7,022,386	7,664,508
LIABILITIES					
Deposits from customers	A10	3,260,563	3,373,577	3,260,567	3,373,581
Investment accounts of customers	A12	2,734	2,493	2,734	2,493
Deposits and placements of banks and other financial institutions	A11	1,878,769	2,429,145	1,878,769	2,429,145
Hedging financial instruments	A8	1,746	691	1,746	691
Lease Liabilities	A9	5,694	8,638	5,694	8,638
Other liabilities	A13	82,744	81,148	82,737	81,141
		5,232,250	5,895,692	5,232,247	5,895,689
SHAREHOLDER'S EQUITY					
Share capital	A14	1,425,272	1,425,272	1,425,272	1,425,272
Reserves		364,864	343,544	364,867	343,547
		1,790,136	1,768,816	1,790,139	1,768,819
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		7,022,386	7,664,508	7,022,386	7,664,508
COMMITMENTS AND CONTINGENCIES					
	A20	623,516	786,928	623,516	786,928
CAPITAL ADEQUACY					
Common Equity Tier I / Tier I Capital Ratio	A22	49.733%	47.454%	49.734%	47.454%
Total Capital Ratio	A22	50.837%	48.560%	50.838%	48.560%
NET ASSETS PER SHARE (RM)		1.26	1.24	1.26	1.24

These condensed consolidated statements of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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INTERIM CONDENSED CONSOLIDATED INCOME STATEMENTS

		Three-months ended	
		31-Mar	
<u>Group and Bank</u>	Note	2024 RM'000	2023 RM'000
<u>Continuing Operations</u>			
Operating revenue		96,097	86,733
Income derived from investment of depositors' funds and others	A15	71,178	63,959
Income derived from investment of investment account funds	A19	19	25
Income derived from investment of shareholder's equity	A16	24,900	22,749
Total gross income		96,097	86,733
Credit loss (charge)/writeback on financial assets	A17	8,692	(289)
Total distributable income		104,789	86,444
Income attributable to the depositors	A18	(47,963)	(40,069)
Profit distributed to investment account holders	A19	(11)	(15)
Total net income		56,815	46,360
Personnel expenses		(14,721)	(14,199)
Other overheads and expenditures		(21,081)	(16,000)
Finance cost		(388)	(307)
Profit before zakat and taxation		20,625	15,854
Taxation		167	(547)
Net profit for the period		20,792	15,307
Attributable to:			
Equity holders of the Bank		20,792	15,307
Earnings per share attributable to equity holders of the Bank			
- Basic/Diluted (sen)		1.46	1.07

These condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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INTERIM CONDENSED CONSOLIDATED INCOME STATEMENTS

	Three-months ended	
	31-Mar	
Group and Bank	2024	2023
	RM'000	RM'000
Net profit for the period	20,792	15,307
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss:		
Debt securities at FVOCI:		
- Net unrealised gain / (loss)	7,221	40,770
- Net realised gain / (loss) reclassified to the income statement	(6,527)	(902)
- Changes in allowance for expected credit losses	-	801
Income tax relating to components of other comprehensive income/(loss)	(166)	(9,568)
Other comprehensive income/(loss) for the period, net of tax	528	31,101
Total comprehensive income/(loss) for the period	21,320	46,408
Total comprehensive income/(loss) for the period attributable to equity holders of the Bank	21,320	46,408

These condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Non-distributable		Distributable	Total Equity RM'000	
	Share Capital RM'000	Statutory Reserve RM'000	FVOCI Reserve RM'000		Retained Earnings RM'000
Group					
At 1 January 2024	1,425,272	260,486	35,327	47,731	1,768,816
Profit for the financial year	-	-	-	20,792	20,792
Other comprehensive income	-	-	528	-	528
Transfer to statutory reserve	-	-	-	-	-
At 31 Mar 2024	1,425,272	260,486	35,855	68,523	1,790,136
At 1 January 2023	1,425,272	247,491	(22,974)	34,737	1,684,526
Profit for the financial year	-	-	-	25,989	25,989
Total comprehensive income	-	-	58,301	-	58,301
Transfer to statutory reserve	-	12,995	-	(12,995)	-
At 31 December 2023	1,425,272	260,486	35,327	47,731	1,768,816
Bank					
At 1 January 2024	1,425,272	260,486	35,327	47,734	1,768,819
Profit for the financial year	-	-	-	20,792	20,792
Other comprehensive income	-	-	528	-	528
Transfer to statutory reserve	-	-	-	-	-
At 31 Mar 2024	1,425,272	260,486	35,855	68,526	1,790,139
At 1 January 2023	1,425,272	247,491	(22,974)	34,740	1,684,529
Profit for the financial year	-	-	-	25,989	25,989
Other comprehensive income	-	-	58,301	-	58,301
Transfer to statutory reserve	-	12,995	-	(12,995)	-
At 31 December 2023	1,425,272	260,486	35,327	47,734	1,768,819

These condensed consolidated statements of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

KUWAIT FINANCE HOUSE (MALAYSIA) BERHAD

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INTERIM CONDENSED STATEMENTS OF CASH FLOWS

	Group and Bank	
	31-Mar 2024 RM'000	31-Mar 2023 RM'000
Profit before zakat and taxation	20,625	15,854
Adjustments for non-cash items	6,693	5,710
Operating profit before changes in working capital	27,318	21,564
<u>Changes in the working capital</u>		
Net changes in operating assets	140,756	66,206
Net changes in operating liabilities	(668,532)	(87,358)
Net cash generated/(used in) from operating activities	(527,776)	(21,152)
Net cash generated/(used in) from financing activities	(3,009)	(3,742)
Net cash generated/(used in) from investing activities	488,253	8,991
Net change in cash and cash equivalents	(15,214)	5,660
Cash and cash equivalents at beginning of the period	183,184	148,807
Cash and cash equivalents at end of the period	167,971	154,467

These condensed consolidated statements of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

KUWAIT FINANCE HOUSE (MALAYSIA) BERHAD
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**Part A - Explanatory Notes Pursuant to Guidelines on Financial Reporting for
Licensed Islamic Bank (BNM/GP8-i) Issued by Bank Negara Malaysia**

A1 Performance Review

The Group and the Bank recorded net profit of RM20.8 million for the period ended 31 March 2024.

A2 OUTLOOK FOR 2024

Despite the challenging operating environment, Malaysia's economy remains resilient. The Malaysian economy is projected to grow by 4% to 5% in 2024 supported by resilient domestic demand. Meanwhile, the recovery in exports will be underpinned by stronger global trade, technology upcycle and further improvement in tourism activity.

Household spending remains the anchor of overall growth, and is projected to expand at a faster pace of 5.7%. Investment activities will be lifted by new and ongoing multi-year projects by both the private and public sectors, as well as implementation of projects related to the national master plans. Manufacturing sector is expected to grow at a stronger pace. This will be driven by expansion in the E&E cluster amid the global tech cycle rebound.

The growth outlook remains subject to downside risks include weaker-than-expected global growth, further escalation of geopolitical conflicts, and more severe shocks on commodity production due to extreme weather events. There are also upside risks stemming mainly from greater spillovers from the global technology upcycle and more robust tourism activity. Additional upside could also arise from faster implementation of existing and new investment projects by both the public and private sectors.

A3 Cash and short term funds

Cash and balance with banks and other financial institutions
Money at call and interbank placement with remaining
maturity less than one month

Less : ECL allowance

Group and Bank	
31 Mar 2024	31 Dec 2023
RM'000	RM'000
39,596	63,022
127,362	119,273
166,958	182,295
(1,694)	(1,603)
165,264	180,692

Included in money at call and interbank placements is a balance of RM119.1million in a correspondent account maintained with an international bank in the United States of America that is restricted (no withdrawal allowed) following an ongoing litigation.

A3.1 Impairment allowance for cash and short term funds

The table below shows the credit quality based on the Bank's internal credit rating system and stage classification. The amounts presented are gross of impairment allowances.

Group and Bank

Internal rating grade :
Neither past due nor impaired
Past due but not impaired
Individually impaired
Total

31-Mar-24			
Stage 1	Stage 2	Stage 3	Total
RM'000	RM'000	RM'000	RM'000
166,958	-	-	166,958
-	-	-	-
-	-	-	-
166,958	-	-	166,958

Group and Bank

Internal rating grade :
Neither past due nor impaired
Past due but not impaired
Individually impaired
Total

31-Dec-23			
Stage 1	Stage 2	Stage 3	Total
RM'000	RM'000	RM'000	RM'000
182,295	-	-	182,295
-	-	-	-
-	-	-	-
182,295	-	-	182,295

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Part A - Explanatory Notes Pursuant to Guidelines on Financial Reporting for Licensed Islamic Bank (BNM/GP8-i) Issued by Bank Negara Malaysia

A3.1 Impairment allowance for cash and short term funds (Cont'd.)

An analysis of changes in the ECL allowances as follows:

31 March 2024	Stage 1	Stage 2	Stage 3	Total
Group and Bank	RM'000	RM'000	RM'000	RM'000
ECL allowance as at 1 January 2024	1,603	-	-	1,603
Allowance made during the year	91	-	-	91
ECL allowance as at 31 March 2024	1,694	-	-	1,694

31 December 2023	Stage 1	Stage 2	Stage 3	Total
Group and Bank	RM'000	RM'000	RM'000	RM'000
ECL allowance as at 1 January 2023	1,499	-	-	1,499
Allowance made during the year	104	-	-	104
ECL allowance as at 31 December 2023	1,603	-	-	1,603

A4 Deposits and placements with banks and other financial institutions

	Group and Bank	
	31 Mar 2024	31 Dec 2023
	RM'000	RM'000
Bank Negara Malaysia ^	2,734	2,493
Other financial institutions	-	-
Less : ECL Allowance	(28)	(22)
	2,707	2,471

^ The placement with Bank Negara Malaysia are funded by investment accounts of customers as disclosed in Note A12.

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Part A - Explanatory Notes Pursuant to Guidelines on Financial Reporting for Licensed Islamic Bank (BNM/GP8-i) Issued by Bank Negara Malaysia

A4.1 Impairment allowance for deposits and placements

The table below shows the credit quality based on the Bank's internal credit rating system and stage classification. The amounts presented are gross of impairment allowances.

Group and Bank	31-Mar-24			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Internal rating grade :				
Neither past due nor impaired	2,734	-	-	2,734
Past due but not impaired	-	-	-	-
Individually impaired	-	-	-	-
Total	2,734	-	-	2,734

Group and Bank	31-Dec-23			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Internal rating grade :				
Neither past due nor impaired	2,493	-	-	2,493
Past due but not impaired	-	-	-	-
Individually impaired	-	-	-	-
Total	2,493	-	-	2,493

An analysis of changes in the ECL allowances as follows:

31 March 2024 Group and bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowance as at 1 January 2024	22	-	-	22
Allowance made during the year	6	-	-	6
ECL allowance as at 31 March 2024	28	-	-	28

31 December 2023 Group and Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowance as at 1 January 2023	38	-	-	38
Allowance writeback during the year	(16)	-	-	(16)
ECL allowance as at 31 December 2023	22	-	-	22

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A5 Debt instruments measured at FVOCI

The table below shows the fair value of the Bank's debt instruments measured at FVOCI by credit risk, based on the Bank's internal credit rating system and stage classification.

Group and Bank

Government Sukuk
Corporate Sukuk

	31 Mar 2024 RM'000	31 Dec 2023 RM'000
Government Sukuk	2,483,029	2,751,731
Corporate Sukuk	858,064	1,076,877
Total	3,341,093	3,828,608

Group and Bank

Internal rating grade :
Performing
Total

31-Mar-24			
Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
3,341,093	-	-	3,341,093
3,341,093	-	-	3,341,093

Group and Bank

Internal rating grade :
Performing
Total

31-Dec-23			
Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
3,828,608	-	-	3,828,608
3,828,608	-	-	3,828,608

Group and Bank

ECL allowance as at 1 January 2024
Allowance writeback during the year

ECL allowance as at 31 March 2024 *

31 Mar 2024			
Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
5,629	-	-	5,629
-	-	-	-
5,629	-	-	5,629

Group and Bank

ECL allowance as at 1 January 2023
Allowance made during the year

ECL allowance as at 31 December 2023 *

31 Dec 2023			
Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
9,357	-	-	9,357
(3,728)	-	-	(3,728)
5,629	-	-	5,629

* The ECL allowance for financial instruments measured at FVOCI is grouped together with FVOCI reserves under equity.

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Part A - Explanatory Notes Pursuant to Guidelines on Financial Reporting for Licensed Islamic Bank (BNM/GP8-i) Issued by Bank Negara Malaysia

A6 Financing, Advances and Other Receivables

i) At amortised cost

Term financing	
- House financing	
- Personal financing	
- Cashline financing	
- Syndicated financing	
- Hire purchase receivables	
- Other term financing	
Staff financing	
Less: Impairment allowances	
- Stage 1 Financing	
- Stage 2 Financing	
- Stage 3 Financing	
Net financing and advances to customers	

Less: Impairment allowances	
- Stage 1 Undrawn	
- Stage 1 Letter of Credit and Performance Guarantee	
- Stage 1 Financial Guarantee	

Net financing, advances and other receivables

Group and Bank	
31 Mar 2024	31 Dec 2023
RM'000	RM'000
1,126,684	1,132,858
921,574	941,254
1,677	1,784
183,412	185,554
506,060	520,784
712,310	820,871
16,989	17,890
3,468,706	3,620,995
(132,487)	(147,063)
(83,565)	(69,328)
(96,617)	(98,021)
3,156,037	3,306,583
(478)	(31)
(125)	(241)
(1)	(2)
3,155,433	3,306,309

ii) By contract

Ijarah Muntahia Bittamlik (lease ended with ownership)	
Murabahah (cost-plus)	
Mudharabah (profit sharing)	
Qard (benevolent financing)	
Musarakah (profit and loss sharing)	
Istisna'	

Group and Bank	
31 Mar 2024	31 Dec 2023
RM'000	RM'000
1,734,864	1,763,949
1,682,295	1,805,606
43,705	43,705
1,192	892
5,913	6,091
737	752
3,468,706	3,620,995

iii) By type of customer

Business enterprises	
- Small medium enterprises	
- Others	
Individuals	

Group and Bank	
31 Mar 2024	31 Dec 2023
RM'000	RM'000
174,907	184,924
694,723	793,790
2,599,076	2,642,281
3,468,706	3,620,995

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Part A - Explanatory Notes Pursuant to Guidelines on Financial Reporting for Licensed Islamic Bank (BNM/GP8-i) Issued by Bank Negara Malaysia

A6 Financing, Advances and Other Receivables (Cont'd.)

(iv) By residual contractual maturity

Maturity within one year
More than one year to three years
More than three years to five years
More than five years

Group and Bank	
31 Mar 2024 RM'000	31 Dec 2023 RM'000
799,893	905,698
121,721	109,572
253,850	276,324
2,293,242	2,329,401
3,468,706	3,620,995

(v) By geographical distribution

Malaysia
Middle East
Other countries

Group and Bank	
31 Mar 2024 RM'000	31 Dec 2023 RM'000
3,466,438	3,618,681
1,129	1,160
1,139	1,154
3,468,706	3,620,995

vi) By profit rate sensitivity

Fixed rate

- House financing
- Hire purchase receivables
- Syndicated financing
- Term financing

Variable rate

- House financing
- Term financing

Group and Bank	
31 Mar 2024 RM'000	31 Dec 2023 RM'000
1,858	1,895
506,060	520,784
183,412	185,554
781,924	799,540
1,124,827	1,130,963
870,625	982,259
3,468,706	3,620,995

vii) By sector

Construction
Electricity, gas and water
Finance, insurance and business services
Household
Manufacturing
Real Estate
Transports, storage and communication
Wholesale & retail trade and restaurants & hotels
Others

Group and Bank	
31 Mar 2024 RM'000	31 Dec 2023 RM'000
300,707	303,133
13,387	14,497
11,056	12,632
2,599,075	2,642,281
94,220	101,470
173,956	222,492
54,459	57,470
192,122	237,695
29,724	29,325
3,468,706	3,620,995

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**Part A - Explanatory Notes Pursuant to Guidelines on Financial Reporting for
Licensed Islamic Bank (BNM/GP8-i) Issued by Bank Negara Malaysia**

A6 Financing, Advances and Other Receivables (Cont'd.)

viii) By economic purpose

Purchase of transport vehicles
Purchase of landed properties
- residential
- non-residential
Working capital
Construction
Personal use
Other purposes

Group and Bank	
31 Mar 2024 RM'000	31 Dec 2023 RM'000
506,060	520,784
1,126,684	1,132,858
88,352	155,285
464,682	560,272
191,854	192,984
921,574	941,254
169,500	117,558
3,468,706	3,620,995

(ix) Financing by types and Shariah contract

	Ijarah Muntahia Bittamlik/ Al-Ijarah Thumma Al-Bai' (lease ended with ownership)	Murabahah (cost- plus)	Mudharabah (profit sharing)	Musyarakah (profit and loss sharing)	Qard (benevolent financing)	Istisna'	Total
<u>31 March 2024</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
House financing	1,120,058	62	-	5,827	-	737	1,126,684
Personal financing	-	920,808	-	-	766	-	921,574
Syndicated financing	-	183,412	-	-	-	-	183,412
Cashline financing	-	1,677	-	-	-	-	1,677
Hire purchase receivables	506,060	-	-	-	-	-	506,060
Other term financing	93,749	574,856	43,705	-	-	-	712,310
Staff financing	14,997	1,480	-	86	426	-	16,989
Total	1,734,864	1,682,295	43,705	5,913	1,192	737	3,468,706

		Group and Bank					
	Ijarah Muntahia Bittamlik/ Al-Ijarah Thumma Al-Bai' (lease ended with ownership)	Murabahah (cost- plus)	Mudharabah (profit sharing)	Musyarakah (profit and loss sharing)	Qard (benevolent financing)	Istisna'	Total
<u>31 December 2023</u>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
House financing	1,126,040	63	-	6,003	-	752	1,132,858
Personal financing	-	940,478	-	-	776	-	941,254
Syndicated financing	-	185,554	-	-	-	-	185,554
Cashline financing	-	1,784	-	-	-	-	1,784
Hire purchase receivables	520,784	-	-	-	-	-	520,784
Other term financing	101,038	676,128	43,705	-	-	-	820,871
Staff financing	16,087	1,599	-	88	116	-	17,890
Total	1,763,949	1,805,606	43,705	6,091	892	752	3,620,995

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Part A - Explanatory Notes Pursuant to Guidelines on Financial Reporting for Licensed Islamic Bank (BNM/GP8-i) Issued by Bank Negara Malaysia

A6 Financing, Advances and Other Receivables (Cont'd.)

xii) Movements in ECL on financing, advances and other receivables (cont'd.)

Stage 3 ECL

At 1 January

Movement of net allowance during the year

- Allowance charged during the year

- Allowance written-back during the year

Amount written off

Reinstatement of previously written down accounts

At closing balance

Group and Bank	
31 Mar 2024 RM'000	31 Dec 2023 RM'000
98,021	121,971
(1,557)	26,454
4,702	51,296
(6,259)	(24,842)
-	(50,511)
153	107
96,617	98,021

xiii) Impaired financing by sector

Household

Manufacturing

Real Estate

Wholesale & retail trade and restaurants & hotels

Group and Bank	
31 Mar 2024 RM'000	31 Dec 2023 RM'000
52,192	50,400
23,958	27,458
140,752	140,722
5,278	6,898
222,180	225,478

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A6 Financing, Advances and Other Receivables (Cont'd.)

xiii) Impairment allowance for financing and advances to customers

The table below shows the credit quality based on the Bank's internal credit rating system and stage classification. The amounts presented are gross impairment allowances.

<u>Group and Bank</u>	31-Mar-24			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Internal rating grade :				
Neither past due nor impact	3,074,104	41,456	-	3,115,560
Past due but not impaired	-	130,966	-	130,966
Individually impaired	-	-	222,180	222,180
Total	3,074,104	172,422	222,180	3,468,706

<u>Group and Bank</u>	31-Dec-23			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Internal rating grade :				
Neither past due nor impact	3,190,950	45,840	-	3,236,790
Past due but not impaired	-	158,727	-	158,727
Individually impaired	-	-	225,478	225,478
Total	3,190,950	204,567	225,478	3,620,995

An analysis of changes in the ECL allowances in relation to financing and advances to customers is, as follows :

<u>Group and Bank</u>	31-Mar-24			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowance as at 1 January 2024	147,337	69,328	98,021	314,686
Transfer to 12-month ECL	8,181	(7,322)	(859)	-
Transfer to lifetime ECL not credit impaired	(666)	1,438	(772)	-
Transfer to lifetime ECL credit impaired	(61)	(1,866)	1,927	-
Allowance (writeback)/charge during the year	(21,700)	21,987	(1,853)	(1,566)
ECL allowance as at 31 March 2024	133,091	83,565	96,617	313,273

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A6 Financing, Advances and Other Receivables (Cont'd.)

xiii) Impairment allowance for financing and advances to customers (Cont'd.)

An analysis of changes in the ECL allowances in relation to financing and advances to customers is, as follows :

Group and Bank	31-Dec-23			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowance as at 1 January 2023	148,856	111,310	121,971	382,137
Transfer to 12-month ECL	12,373	(11,511)	(862)	-
Transfer to lifetime ECL not credit impaired	(4,852)	7,628	(2,776)	-
Transfer to lifetime ECL credit impaired	(853)	(4,731)	5,584	-
Allowance (writeback)/charge during the year	(8,187)	(33,368)	24,508	(17,047)
Write-offs	-	-	(50,511)	(50,511)
Reinstatement of previously written down accounts	-	-	107	107
ECL allowance as at 31 December 2023	147,337	69,328	98,021	314,686

A7 Other Assets

Deposits and prepayments
Amount due from other related parties (at Fair Value) *
Sundry debtors

	Group and Bank	
	31 Mar 2024 RM'000	31 Dec 2023 RM'000
Deposits and prepayments	12,337	7,112
Amount due from other related parties (at Fair Value) *	74,006	74,006
Sundry debtors	1,660	197
	88,003	81,315

* The amount due from related party is unsecured, profit free and repayable an demand.

A8 Hedging Financial Instruments

Group and Bank

At 31 Mar 2024

Forward foreign exchange related contracts
- in connection with fair value hedges
- other derivatives without hedge accounting
Total

Notional Amount RM'000	Fair Value	
	Assets RM'000	Liabilities RM'000
342,646	3,815	1,746
-	-	-
342,646	3,815	1,746

Group and Bank

At 31 Dec 2023

Forward foreign exchange related contracts
- in connection with fair value hedges
- other derivatives without hedge accounting
Total

Notional Amount RM'000	Fair Value	
	Assets RM'000	Liabilities RM'000
495,210	6,397	263
82,871	438	428
578,081	6,835	691

The Group's and the Bank's derivatives designated for fair value hedges consists of forward foreign exchange related contracts that are used to protect against exposures to variability in foreign currency exchange rates. This hedging strategy is applied towards interbank borrowings and corporate customer deposits. The changes in the fair value of the forward foreign exchange contract and interbank borrowings or corporate customer deposits are recognised in the income statements. The measurement of the hedged item results in a net gain of RM4,073,801 as at 31 March 2024 (31 December 2023: Net loss of RM1,184,081).

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A9 Right of Use of Assets and Lease Liabilities

Group and Bank				
	Buildings	Office Equipments	Motor Vehicles	Total
	RM'000	RM'000	RM'000	RM'000
Cost				
As at 1 January 2024	6,649	84	150	6,883
Additions	-	-	-	-
Depreciation charge (Note 31)	(2,842)	(14)	(21)	(2,877)
Adjustment/remeasurement	-	-	-	-
As at 31 Mar 2024	3,807	70	129	4,006
Group and Bank				
	Buildings	Office Equipments	Motor Vehicles	Total
	RM'000	RM'000	RM'000	RM'000
Cost				
As at 1 January 2023	53,649	142	82	53,873
Additions	3,674	-	165	3,839
Disposals	(11,409)	(58)	(97)	(11,564)
Adjustment/remeasurement	(39,265)	-	-	(39,265)
As at 31 December 2023	6,649	84	150	6,883

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Group and Bank				
	Buildings	Office Equipments	Motor Vehicles	Total
	RM'000	RM'000	RM'000	RM'000
As at 1 January 2024	8,403	83	152	8,638
Addition	-	-	-	-
Accretion of profit	64	-	2	66
Payment	(2,973)	(14)	(22)	(3,009)
Adjustment/remeasurement	-	-	-	-
As at 31 Mar 2024	5,494	69	132	5,694

Group and Bank				
	Buildings	Office Equipments	Motor Vehicles	Total
	RM'000	RM'000	RM'000	RM'000
As at 1 January 2023	57,952	141	91	58,184
Addition	3,674	-	165	3,839
Accretion of profit	903	3	2	908
Payment	(14,123)	(61)	(106)	(14,289)
Adjustment/remeasurement	(40,003)	-	-	(40,003)
As at 31 December 2023	8,403	83	152	8,638

The undiscounted maturity analysis of lease liabilities are as follows:

	Group and Bank RM'000	Group and Bank RM'000
	31 Mar 2024	31 Dec 2023
Less than one year	1,752	7,576
Between one and five years	839	1,203
	2,591	8,779

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A10 Deposits from Customers

(i) By type of deposit

	Group		Bank	
	31 Mar 2024 RM'000	31 Dec 2023 RM'000	31 Mar 2024 RM'000	31 Dec 2023 RM'000
Qard				
- Demand deposits	265,634	302,750	265,638	302,754
- Gold deposits	132,593	120,701	132,593	120,701
Murabahah				
- Term placement	2,726,998	2,813,816	2,726,998	2,813,816
- Savings deposits	135,338	136,310	135,338	136,310
	3,260,563	3,373,577	3,260,567	3,373,581

(ii) By type of customer

	Group		Bank	
	31 Mar 2024 RM'000	31 Dec 2023 RM'000	31 Mar 2024 RM'000	31 Dec 2023 RM'000
Business enterprises	1,693,529	1,599,338	1,693,529	1,599,338
Individuals	357,220	308,929	357,220	308,929
Subsidiaries	-	-	4	4
Government and statutory bodies	1,079,210	1,363,376	1,079,210	1,363,376
Other enterprises	130,604	101,934	130,604	101,934
	3,260,563	3,373,577	3,260,567	3,373,581

(iii) By contractual maturity

	Group		Bank	
	31 Mar 2024 RM'000	31 Dec 2023 RM'000	31 Mar 2024 RM'000	31 Dec 2023 RM'000
Due within six months	2,930,259	3,044,778	2,930,263	3,044,782
More than six months to one year	330,095	328,789	330,095	328,789
More than one year to three years	209	10	209	10
	3,260,563	3,373,577	3,260,567	3,373,581

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A11 Deposits and Placements of Banks and Other Financial Institutions

Murabahah

Licensed Islamic banks
Other financial institutions

Group and Bank	
31 Mar 2024 RM'000	31 Dec 2023 RM'000
186,000	300,000
1,692,769	2,129,145
1,878,769	2,429,145

A12 Investment Accounts

As at 1 January
Net placement during the year
Income from investment
Profit distributed to mudarib
As at Closing date

Group and Bank	
31 Mar 2024 RM'000	31 Dec 2023 RM'000
2,493	3,734
215	(1,295)
19	91
8	(37)
2,734	2,493
2,734	2,493

Investment asset:
Wadiah placement with BNM

Profit Sharing Ratio, Rate of Return and Performance Incentive Fee

Unrestricted investment accounts:
Less than 3 months

Investment account holder	
Average profit sharing ratio	Average rate of return
(%)	(%)
60.00	1.80

Business enterprises
Individuals
Other enterprises

Group and Bank	
31 Mar 2024 RM'000	31 Dec 2023 RM'000
1,570	1,096
1,144	1,374
20	23
2,734	2,493

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A13 Other Liabilities

	Group		Bank	
	31 Mar 2024 RM'000	31 Dec 2023 RM'000	31 Mar 2024 RM'000	31 Dec 2023 RM'000
Sundry creditors (i)	45,117	38,743	45,110	38,736
Accrued restoration cost	7,141	7,141	7,141	7,141
Other provisions and accruals	28,993	33,842	28,993	33,842
Undistributed charity funds (ii)	1,493	1,422	1,493	1,422
	82,744	81,148	82,737	81,141

(i) Included in sundry creditors is an amount payable to holding company of RM5.0million (2022:RM5.1million) arising from revenue streams of Specific Profit Sharing Investment Accounts ("SPSIA").

(ii) Sources and uses of charity funds:

Sources of charity funds:

Undistributed charity funds as at 1 January
Penalty (reversal)/charges on late payment
Total sources of funds during the year

Uses of charity funds:

Payment for recovery cost and other expenses
Contribution to non profit organisations
Aid to needy family
Total uses of funds during the year

Closing balance

Group and Bank	
31 Mar 2024 RM'000	31 Dec 2023 RM'000
1,422	1,502
1,592	312
3,014	1,814
(1,521)	(36)
-	(310)
-	(46)
(1,521)	(392)
1,493	1,422

A14 Share Capital

	Number of ordinary shares at RM1.00 each		Amount	
	31 Mar 2024 Units'000	31 Dec 2023 Units'000	31 Mar 2024 RM'000	31 Dec 2023 RM'000
Issued and fully paid:				
At 1 January/ At 31 December	1,425,272	1,425,272	1,425,272	1,425,272

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A15 Income derived from investment of depositors' funds and others

	Three-months ended 31-Mar	
	2024 RM'000	2023 RM'000
Group and Bank		
Finance income from financing, advances and other receivables	36,855	37,849
Finance income from impaired financing	244	421
Finance income from financial assets at FVOCI	29,817	24,050
Money at call and deposits with financial institutions	25	38
	66,941	62,358
Amortisation of premium less accretion of discounts	(1,010)	(587)
Total finance income and hibah	65,931	61,771
Gain/(loss) arising from sale of securities		
- Financial assets at FVOCI	4,855	674
Foreign exchange (loss)/gain		
- Realised	392	1,514
	71,178	63,959

A16 Income derived from Investment of Shareholder's Equity

	Three-months ended 31-Mar	
	2024 RM'000	2023 RM'000
Group and Bank		
Finance income from financing, advances and other receivables	12,253	12,838
Finance income from impaired financing	81	143
Finance income from financial assets at FVOCI	9,903	8,157
Money at call and deposits with financial institutions	8	13
	22,245	21,151
Amortisation of premium less accretion of discounts	(335)	(199)
Total finance income and hibah	21,910	20,952
Fee income		
- Commission	158	397
- Other fee income	386	593
Gain/(loss) arising from sale of securities		
- Financial assets at FVOCI	1,672	228
Foreign exchange (loss)/gain		
- Realised	8,637	2,525
- Unrealised	(7,868)	(1,946)
Gain on disposal of property, plant and equipment	5	-
	24,900	22,749

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A17 Credit Loss Expenses

The table below shows the ECL (charges)/writeback (net bad debt recovered) on financial instruments for the year recorded in the income statement:

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
31 March 2024				
Group and Bank				
Cash and short-term funds	(91)	-	-	(91)
Deposit and placements with banks and other financial institutions	(6)	-	-	(6)
Financing and advances to customers	14,247	(14,237)	1,557	1,567
Bad debt recovered	-	-	7,222	7,222
Debt instruments measured at FVOCI	-	-	-	-
Total Impairment loss (charges)/writeback	14,150	(14,237)	8,779	8,692

31 March 2023

Group and Bank

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Cash and short-term funds	8	-	-	8
Deposits and placements with banks and other financial institutions	(8)	-	-	(8)
Financing and advances to customers	861	11,717	(14,173)	(1,595)
Bad debt recovered	-	-	2,107	2,107
Debt instruments measured at FVOCI	(801)	-	-	(801)
Total Impairment loss (charges)/writeback	60	11,717	(12,066)	(289)

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Cash and short-term funds	8	-	-	8
Deposits and placements with banks and other financial institutions	(8)	-	-	(8)
Financing and advances to customers	861	11,717	(14,173)	(1,595)
Bad debt recovered	-	-	2,107	2,107
Debt instruments measured at FVOCI	(801)	-	-	(801)
Total Impairment loss (charges)/writeback	60	11,717	(12,066)	(289)

A18 Income Attributable to the Depositors

Group and Bank

Deposits from customers
- Murabahah

Deposits and placements of banks and other financial institutions
- Murabahah and Wakalah
- Others

Three-months ended 31-Mar	
2024 RM'000	2023 RM'000
26,800	25,096
21,142	14,928
21	45
47,963	40,069

A19 Profit Distributed to Investment Account Holders

Group and Bank

Income derived from investment of investment account funds
Profit distributed to mudarib

Three-months ended 31-Mar	
2024 RM'000	2023 RM'000
19	25
(8)	(10)
11	15

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A20 Commitments and Contingencies

- (a) In the normal course of business, the Bank and its subsidiaries make various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

	As at 31 Mar 2024			As at 31 Dec 2023		
	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
Group and Bank						
Direct credit substitutes	893	1,064	-	895	895	-
Transaction related contingencies	95,527	47,678	36,885	93,294	46,647	35,769
Irrevocable commitments to extend credit						
- maturity less than one year	158,426	31,685	31,521	83,426	16,685	16,684
- maturity more than one year	26,024	13,012	8,831	31,232	15,616	10,852
Foreign exchange related contracts *						
- less than one year	192,481	5,092	1,214	408,304	11,886	2,688
- one year to five years	150,165	5,356	1,071	169,777	5,836	1,686
	623,516	103,888	79,523	786,928	97,565	67,680

* The foreign exchange related contracts are subject to market risk and credit risk.

To meet the financial needs of customers, the Bank enters into various irrevocable commitments and contingent liabilities. These consist of financial guarantees, letters of credit and other commitments to lend. Even though these obligations may not be recognised on the statement of financial position, they contain credit risk and, therefore, form part of the overall risk of the Bank.

Letters of credit and guarantees (including standby letters of credit) commit the Bank to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Guarantees and standby letters of credit carry a similar credit risk to financing. The nominal values of such commitments are listed below:

	Group and Bank	
	Mar 2024 RM'000	Dec 2023 RM'000
Financial guarantees	893	895
Letters of credit	95,527	93,294
Other undrawn commitments	184,450	114,658
Total commitment	280,870	208,847
Less : ECL (charge)/writeback	(605)	(274)
	280,265	208,573

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A20 Commitments and Contingencies (Cont'd.)

(b) Impairment losses on guarantees and other commitments

An analysis of changes in the gross carrying amount and the corresponding allowance for impairment losses in relation to guarantees and other commitments is, as follows:

Financial guarantees

The table below shows the credit quality based on the Bank's internal credit rating system and stage classification.

Group and Bank	31-Mar-24			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Internal rating grade :				
Neither past due not impaired	893	-	-	893
Past due but not impaired	-	-	-	-
Individually impaired	-	-	-	-
Total	893	-	-	893

Group and Bank	31-Dec-23			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Internal rating grade :				
Neither past due not impaired	895	-	-	895
Past due but not impaired	-	-	-	-
Individually impaired	-	-	-	-
Total	895	-	-	895

An analysis of changes in the ECLs are, as follows:

Group and Bank	31-Mar-24			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowance as at 1 January 2024	2	-	-	2
Net remeasurement of loss allowance	(1)	-	-	(1)
New financial assets originated or purchased	-	-	-	-
Financial assets that have matured	-	-	-	-
ECL allowance as at 31 March 2024	1	-	-	1

Group and Bank	31-Dec-23			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowance as at 1 January 2023	265	-	-	265
Net remeasurement of loss allowance	2	-	-	2
New financial assets originated or purchased	-	-	-	-
Financial assets that have matured	(265)	-	-	(265)
ECL allowance as at 31 December 2023	2	-	-	2

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A20 Commitments and Contingencies (Cont'd.)

(b) Impairment losses on guarantees and other commitments (Cont'd.)

Letters of credit and Performance Guarantee

The table below shows the credit quality based on the Bank's internal credit rating system and stage classification.

Group and Bank	31-Mar-24			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Internal rating grade :				
Neither past due not impaired	95,527	-	-	95,527
Past due but not impaired	-	-	-	-
Total	95,527	-	-	95,527

Group and Bank	31-Dec-23			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Internal rating grade :				
Neither past due not impaired	93,294	-	-	93,294
Past due but not impaired	-	-	-	-
Total	138,585	-	-	93,294

An analysis of changes in the ECLs are, as follows:

Group and Bank	31-Mar-24			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowance as at 1 January 2024	241	-	-	241
Net remeasurement of loss allowance	(116)	-	-	(116)
ECL allowance as at 31 March 2024	125	-	-	125

Group and Bank	31-Dec-23			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowance as at 1 January 2023	531	-	-	531
Net remeasurement of loss allowance	(290)	-	-	(290)
ECL allowance as at 31 December 2023	241	-	-	241

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A20 Commitments and Contingencies (Cont'd.)

(b) Impairment losses on guarantees and other commitments (Cont'd.)

Other undrawn commitments

The table below shows the credit quality based on the Bank's internal credit rating system and stage classification.

31-Mar-24				
Group and Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Internal rating grade :				
Neither past due not impaired	184,414	-	-	184,414
Past due but not impaired	-	36	-	36
Individually impaired	-	-	-	-
Total	184,414	36	-	184,450

31-Dec-23				
Group and Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Internal rating grade :				
Neither past due not impaired	112,936	-	-	112,936
Past due but not impaired	-	1,722	-	1,722
Individually impaired	-	-	-	-
Total	112,936	1,722	-	114,658

An analysis of changes in the ECLs in relation to other undrawn commitments is, as follows:

31-Mar-24				
Group and Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowance as at 1 January 2024	31	-	-	31
Net remeasurement of loss allowance	149	-	-	149
New financial assets originated or purchased	299	-	-	299
Financial assets that have matured	(1)	-	-	(1)
ECL allowance as at 31 March 2024	478	-	-	478

31-Dec-23				
Group and Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
ECL allowance as at 1 January 2023	95	-	-	95
Net remeasurement of loss allowance	(35)	-	-	(35)
New financial assets originated or purchased	1	-	-	1
Financial assets that have matured	(30)	-	-	(30)
ECL allowance as at 31 December 2023	31	-	-	31

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A21 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Financial instrument measured at fair value

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable market data, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Level 2	Level 3	Total
	RM'000	RM'000	RM'000
Group and Bank			
31 Mar 2024			
Financial assets			
Debt instruments measured at FVOCI	3,341,093	-	3,341,093
Hedging financial instruments	3,815	-	3,815
Total	3,344,908	-	3,344,908
Financial liability			
Hedging financial instruments	1,746	-	1,746
	1,746	-	1,746
Bank			
31 Dec 2023			
Financial assets			
Debt instruments measured at FVOCI	3,828,608	-	3,828,608
Hedging financial instruments	6,835	-	6,835
Total	3,835,443	-	3,835,443
Financial liability			
Hedging financial instruments	691	-	691

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A21 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Cont'd.)

Financial instrument not measured at fair value

Financial instruments comprise financial assets and financial liabilities. The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale. The information presented herein represents best estimates of fair values of financial instruments at the reporting date.

The on-balance sheet financial assets and financial liabilities of the Group and of the Bank whose fair values are required to be disclosed in accordance with MFRS 132 comprise all the Group and of the Bank assets and liabilities with the exception of investments in subsidiaries, interest in associates and joint ventures, property, plant and equipment and provision for current and deferred taxation.

The estimated fair values of those on-balance sheets financial assets and financial liabilities as at the reporting date approximate their carrying amounts as shown in the statement of financial position, except for the following assets and liabilities.

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with carrying amount shown in the statement of financial position:

Group	Level 2	Level 3	Total Fair Value	Carrying Value
31 Mar 2024	RM'000	RM'000	RM'000	RM'000
Financial Assets				
Financing, advances and other receivables	-	3,154,878	3,154,878	3,155,433
Financial Liabilities				
Deposits from customers	3,236,386	-	3,236,386	3,260,563
Group				
31 Dec 2023				
Financial Assets				
Financing, advances and other receivables	-	3,395,148	3,395,148	3,306,309
Financial Liabilities				
Deposits from customers	3,373,576	-	3,373,576	3,373,577
Bank				
31 Mar 2024				
Financial Assets				
Financing, advances and other receivables	-	3,154,878	3,154,878	3,155,433
Financial Liabilities				
Deposits from customers	3,236,390	-	3,236,390	3,260,567
Bank				
31 Dec 2023				
Financial Assets				
Financing, advances and other receivables	-	3,395,148	3,395,148	3,306,309
Financial Liabilities				
Deposits from customers	3,373,580	-	3,373,580	3,373,581

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A21 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Cont'd.)

Determination of fair value and fair value hierarchy (Cont'd.)

The following methods and assumptions used to estimate the fair values of the following classes of financial instruments:

(a) Cash and short-term funds

The carrying amount approximates fair value due to the relatively short maturity of the financial instruments.

(b) Deposits and placements with banks and other financial institutions

The fair values of those financial instruments with remaining maturities of less than one year approximate their carrying values due to their relatively short maturities. For those financial instruments with maturities of more than one year, the fair values are estimated based on discounted cash flows using applicable prevailing market rates of similar remaining maturities at the reporting date. As at the reporting date, all deposits and placements with banks and other financial institutions have maturity less than one year.

(c) Hedging financial instruments

Derivatives products valued using a valuation technique with market observable inputs are mainly ijarah rental swaps and promissory foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and profit rate curves.

(d) Financing, advances and other receivables

The fair values of variable rate financing are estimated to approximate their carrying values. For fixed rate financing, the fair values are estimated based on expected future cash flows of contractual instalment payments, discounted at applicable and prevailing rates at reporting date offered for similar facilities to new customers with similar credit profiles. In respect of impaired financing, the fair values are deemed to approximate the carrying values which are net of impairment allowances.

Description of significant unobservable inputs to valuation:

	Valuation technique	Significant Unobservable inputs	Range (weighted average)
Financing, advances and other receivables	Discounted cash flow method	Profit rate	5.6% - 6.0%

(e) Deposits from customers, deposits and placement of banks and other financial institutions

The fair values of deposits payable on demand and deposits and placements with maturities of less than one year approximate their carrying values due to the relatively short maturity of these instruments. The fair values of fixed deposits and placements with remaining maturities of more than one year are estimated based on discounted cash flows using applicable rates currently offered for deposits and placements with similar remaining maturities. As at the reporting date, all deposits and placements of banks and other financial institutions have maturity less than one year.

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A22 Capital Adequacy

The Group has adopted Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks ("CAFIB") guidelines to further improve capital adequacy assessment; enhance risk management processes, measurements and management capabilities; as well as to promote thorough and transparent reporting.

For the purpose of the computation of capital adequacy ratios, the Group has adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The definition and classification of the counterparty, exposure and asset types applied for the purpose of Capital Adequacy's reports are as per the Bank Negara Malaysia's CAFIB.

In addition, the Bank has also provided detailed Capital Adequacy disclosures as per the requirements stipulated in Bank Negara Malaysia CAFIB - Disclosures Requirements (Pillar 3) guidelines.

(a) The capital adequacy ratios of the Group and the Bank are as follows:

	Group		Bank	
	31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
CET I / Tier I Capital Ratio	49.733%	47.454%	49.734%	47.454%
Total Capital Ratio	50.837%	48.560%	50.838%	48.560%

(b) The Tier I and Tier II capital of the Group and the Bank are as follows:

	Group		Bank	
	31 Mar 2024 RM'000	31 Dec 2023 RM'000	31 Mar 2024 RM'000	31 Dec 2023 RM'000
CET I / Tier I capital				
Paid-up share capital	1,425,272	1,425,272	1,425,272	1,425,272
Statutory reserve	260,486	260,486	260,486	260,486
Other reserves	83,586	83,058	83,589	83,061
CET 1 capital before regulatory adjustment	1,769,344	1,768,816	1,769,347	1,768,819
Less :Regulatory adjustment on CET1 capital	(37,208)	(37,718)	(37,208)	(37,718)
Deferred tax assets (net)	-	-	-	-
Other Regulatory adjustment	(37,208)	(37,718)	(37,208)	(37,718)
Total CET I / Tier I capital	1,732,136	1,731,098	1,732,139	1,731,101
Tier II capital				
Collective impairment on financing *	38,455	40,340	38,455	40,340
Total Tier II capital	38,455	40,340	38,455	40,340
Capital Base	1,770,591	1,771,438	1,770,594	1,771,441

* Refer to loss allowances measured at an amount to 12-month and lifetime expected credit losses and regulatory reserve, to the extent they are ascribed to non-credit impaired exposures, determined under Standardised Approach for credit risk subject to a maximum of 1.25% of total Risk-Weighted Assets.

(c) The Risk-Weighted Assets of the Group and the Bank are as follows:

	Group		Bank	
	31 Mar 2024 RM'000	31 Dec 2023 RM'000	31 Mar 2024 RM'000	31 Dec 2023 RM'000
Computation of Total Risk-Weighted Assets (RWA)				
Total Credit RWA	3,076,373	3,227,208	3,076,373	3,227,208
Total Market RWA	12,953	13,922	12,953	13,922
Total Operational RWA	393,546	406,833	393,501	406,835
Total Risk-Weighted Assets	3,482,872	3,647,963	3,482,827	3,647,965

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A23 FINANCIAL RISK MANAGEMENT

(a) MARKET RISK

Market risk is the risk that movements in market variables, including rates of return, foreign exchange rates, credit spreads, commodity prices and equity prices, will reduce the earnings or

i. Traded Market Risk

Traded Market Risk arising from financial instruments held either with trading intent or to hedge other elements of the Trading Book. Positions held with trading intent are those held intentionally for short-term resale and/or with the intent of benefiting from actual or expected short-term price movements or to lock in arbitrage profits. These positions attract market risk capital charge. For example, proprietary positions, positions arising from client servicing and market making.

ii. Non-Traded Market Risk

Rate of Return in the Banking Book

Rate of return risk in the banking book refers to the risk of the Bank's earnings and economic value of equity due to the adverse movements in benchmark rate. The risk may arise from the mismatches in the timing of repricing of assets and liabilities from both on and off-balance sheet positions in the banking book, changes in slope and shape of the yield curve, basis risk and optionality risk.

The following tables indicate the effective rate of return at the reporting date and the Group's and the Bank's sensitivity to the rate of return by time band based on the earlier of contractual repricing date and maturity date. Actual repricing dates may differ from contractual repricing dates due to prepayment of financing and advances.

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A23 FINANCIAL RISK MANAGEMENT (Cont'd.)

(a) MARKET RISK (Cont'd.)

ii. Non-Traded Market Risk (Cont'd.)

Rate of Return in the Banking Book (Cont'd.)

Group	Non-trading book						Trading book	Total	Effective profit rate
	Up to 1 month	>1 - 3 months	>3 - 12 months	>1 - 5 years	Over 5 years	Non-profit sensitive			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
31 Dec 2023									%
ASSETS									
Cash and short-term funds	3,462	-	-	-	-	177,230	-	180,692	
Deposits and placements with banks and other financial institutions	2,471	-	-	-	-	-	-	2,471	3.03
Securities FVOCI	-	212,651	192,312	891,055	2,532,590	-	-	3,828,608	4.38
Financing, advances and receivables	1,371,472	368,105	33,619	307,453	1,098,203	127,457	-	3,306,309	5.62
Hedging financial instrument assets	-	4,151	2,684	-	-	-	-	6,835	
Other assets	-	-	-	-	-	339,594	-	339,594	
TOTAL ASSETS	1,377,405	584,907	228,615	1,198,508	3,630,792	644,281	-	7,664,508	
LIABILITIES AND SHAREHOLDER'S EQUITY									
Deposits from customers	1,059,218	1,048,850	850,628	294,180	-	120,701	-	3,373,577	3.28
Deposits and placements of banks and other financial institutions	1,070,490	1,007,607	351,049	-	-	-	-	2,429,145	3.82
Investment accounts of customers	2,493	-	-	-	-	-	-	2,493	
Hedging financial instrument liabilities	-	481	210	-	-	-	-	691	
Other liabilities	-	-	-	-	-	89,786	-	89,786	
Total Liabilities	2,132,200	2,056,938	1,201,887	294,180	-	210,487	-	5,895,692	
Shareholder's equity	-	-	-	-	-	1,768,816	-	1,768,816	
Total Liabilities and Shareholder's equity	2,132,200	2,056,938	1,201,887	294,180	-	1,979,303	-	7,664,508	
On-balance sheet profit sensitivity gap	(754,795)	(1,472,031)	(973,271)	904,327	3,630,792	(1,335,022)	-	-	
Off-balance sheet profit sensitivity gap	-	-	-	-	-	-	-	-	-
Total profit sensitivity gap	(754,795)	(1,472,031)	(973,271)	904,327	3,630,792	(1,335,022)	-	-	

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A23 FINANCIAL RISK MANAGEMENT (Cont'd.)

(a) MARKET RISK (Cont'd.)

ii. Non-Traded Market Risk (Cont'd.)

Rate of Return in the Banking Book (Cont'd.)

	Non-trading book						Trading book RM'000	Total RM'000	Effective profit rate %
	Up to 1 month	>1 - 3 months	>3 - 12 months	>1 - 5 years	Over 5 years	Non-profit sensitive			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
Bank									
31 Mar 2024									
ASSETS									
Cash and short-term funds	8,167	-	-	-	-	157,097	165,264		
Deposits and placements with banks and other financial institutions	2,707	-	-	-	-	-	2,707	3.04	
Securities FVOCI	-	-	351,067	918,885	2,071,141	-	3,341,093	4.40	
Financing, advances and receivables	1,234,860	423,491	11,186	298,026	1,062,308	125,562	3,155,433	5.51	
Hedging financial instrument assets	118	1,954	1,743	-	-	-	3,815		
Other assets	-	-	-	-	-	354,074	354,074		
TOTAL ASSETS	1,245,852	425,445	363,996	1,216,911	3,133,449	636,733	7,022,386		

	Non-trading book						Trading book RM'000	Total RM'000	Effective profit rate %
	Up to 1 month	>1 - 3 months	>3 - 12 months	>1 - 5 years	Over 5 years	Non-profit sensitive			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
LIABILITIES AND SHAREHOLDER'S EQUITY									
Deposits from customers	1,234,093	802,771	822,248	268,862	-	132,593	3,260,567	3.19	
Deposits and placements of banks and other financial institutions	846,087	617,800	414,882	-	-	-	1,878,769	3.69	
Investment accounts of customers	2,734	-	-	-	-	-	2,734		
Hedging financial instrument liabilities	-	989	757	-	-	-	1,746		
Other liabilities	-	-	-	-	-	88,431	88,431		
Total Liabilities	2,082,914	1,421,560	1,237,887	268,862	-	221,024	5,232,247		
Shareholder's equity	-	-	-	-	-	1,790,139	1,790,139	-	
Total Liabilities and Shareholder's equity	2,082,914	1,421,560	1,237,887	268,862	-	2,011,163	7,022,386		
On-balance sheet profit sensitivity gap	(837,062)	(996,115)	(873,891)	948,049	3,133,449	(1,374,430)	-	-	
Off-balance sheet profit sensitivity gap	-	-	-	-	-	-	-	-	
Total profit sensitivity gap	(837,062)	(996,115)	(873,891)	948,049	3,133,449	(1,374,430)	-	-	

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A23 FINANCIAL RISK MANAGEMENT (Cont'd.)

(a) MARKET RISK (Cont'd.)

ii. Non-Traded Market Risk (Cont'd.)

Rate of Return in the Banking Book (Cont'd.)

	Non-trading book						Trading book RM'000	Total RM'000	Effective profit rate %
	Up to 1 month	>1 - 3 months	>3 - 12 months	>1 - 5 years	Over 5 years	Non-profit sensitive			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
Bank									
31 Dec 2023									
ASSETS									
Cash and short-term funds	3,462	-	-	-	-	177,230	-	180,692	
Deposits and placements with banks and other financial institutions	2,471	-	-	-	-	-	-	2,471	
Securities FVOCI	-	212,651	192,312	891,055	2,532,590	-	-	3,828,608	
Financing, advances and receivables	1,371,472	368,105	33,619	307,453	1,098,203	127,457	-	3,306,309	
Hedging financial instrument assets	-	4,151	2,684	-	-	-	-	6,835	
Other assets	-	-	-	-	-	339,593	-	339,593	
TOTAL ASSETS	1,377,405	584,907	228,615	1,198,508	3,630,793	644,280	-	7,664,508	

	Non-trading book						Trading book RM'000	Total RM'000	Effective profit rate %
	Up to 1 month	>1 - 3 months	>3 - 12 months	>1 - 5 years	Over 5 years	Non-profit sensitive			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
LIABILITIES AND SHAREHOLDER'S EQUITY									
Deposits from customers	1,059,219	1,048,850	850,628	294,183	-	120,701	-	3,373,581	
Deposits and placements of banks and other financial institutions	1,070,489	1,007,607	351,049	-	-	-	-	2,429,145	
Investment accounts of customers	2,493	-	-	-	-	-	-	2,493	
Hedging financial instrument liabilities	-	481	210	-	-	-	-	691	
Other liabilities	-	-	-	-	-	89,778	-	89,779	
Total Liabilities	2,132,201	2,056,938	1,201,887	294,183	-	210,480	-	5,895,689	
Shareholder's equity	-	-	-	-	-	1,768,819	-	1,768,819	
Total Liabilities and Shareholder's equity	2,132,201	2,056,938	1,201,887	294,183	-	1,979,299	-	7,664,508	
On-balance sheet profit sensitivity gap	(754,796)	(1,472,031)	(973,272)	904,325	3,630,793	(1,335,019)	-	-	
Off-balance sheet profit sensitivity gap	-	-	-	-	-	-	-	-	
Total profit sensitivity gap	(754,796)	(1,472,031)	(973,272)	904,325	3,630,793	(1,335,019)	-	-	

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Part B - Explanatory Notes Pursuant to Financial Reporting Standard ("MFRS 134") Issued by Malaysian Accounting Standards Board

B1 Basis of Preparation of the Financial Statements

The unaudited condensed interim financial statements for the three months ended 31 March 2024 of the Group and the Bank have been prepared in accordance with MFRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB"), Bank Negara Malaysia's Guidelines on Financial Reporting for Islamic Banking Institutions and Shariah principles. At the beginning of the current financial year, the Group and the Bank adopted new and revised MFRSs which are mandatory for financial periods beginning on or after 1 January 2024.

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 the financial position and performance of the Group and the Bank since the year ended 31 December 2023. The basis used to measure bank's assets and liabilities are consistent with the basis used for audited financial statement 31 December 2023.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except where otherwise indicated.

B2 Significant Accounting Policies

The interim financial statements of the Group and the Bank for the period ended 31 March 2024 were prepared in accordance with MFRS. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2023.

B2.1 Standards issued but are not yet effective

The following FRSs and IC Interpretations have been issued by the MASB but are not yet effective, and have yet to be adopted by the Group and the Bank:

FRSs, Amendments to FRSs and Interpretations	Effective for financial period beginning on or after
Lack of exchangeability (Amendment to MFRS 121)	1 January 2025
Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 and MFRS 7)	1 January 2026
Presentation and Disclosure in Financial Statements	1 January 2027
Subsidiaries without Public Accountability: Disclosures	1 January 2027
International Tax Reform - Pillar Two Model Rules (Amendment to MFRS 112)	Deferred
Sale of Contribution of Assets between an Investors and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred

B2.2 Significant Accounting Estimates and Judgements

(a) Significant Accounting Estimates

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying Group and Bank's accounting policies.

(i) Impairment losses on financing, advances and other receivables

The Group and the Bank review their individually significant financing, advances and other receivables at each reporting date to assess whether an impairment loss should be recorded in the income statements. In particular, management's judgement is required in the estimation of the amount and timing of future cash flows when determining the impairment losses. In estimating these cash flows, the Group and the Bank make judgements about the customer's financial situation and make estimates on the net realisable value of collateral. These estimates are based on assumptions on a number of factors and actual results may differ, resulting in future changes to the allowances.

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B2 Significant Accounting Policies (Cont'd.)

B2.2 Significant Accounting Estimates and Judgements (Cont'd.)

(a) Significant Accounting Estimates (Cont'd.)

(i) Impairment losses on financing, advances and other receivables (cont'd.)

The Group's and the Bank's ECL calculations under MFRS 9 are outputs of complex ECL models with a number of underlying assumptions regarding the choices of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- (i) Criteria for assessing possible significant increase in credit risk and qualitative information to determine if allowances should be measured using lifetime ECL basis;
- (ii) The segmentation of financial assets when their ECL is assessed on a collective basis;
- (iii) Development of ECL models, including the various formulas and the choice of inputs; and
- (iv) Selection of forward-looking macroeconomic scenarios and their probability weightings to derive the economic inputs into the ECL models.

As the current ECL models may not generate levels of ECL with sufficient reliability yet in view of emerging risks from the current economic environment, overlays and post-model adjustments have been applied to determine a sufficient overall level of ECL as of the financial year end.

The overlays and post-model adjustments involved significant level of judgements and estimates which reflect management's views of uncertainties in the forward-looking assessment for ECL estimation. The drivers of the management judgemental adjustments and estimates continue to evolve with the economic environment.

(ii) Incremental Borrowing Rate

The Group and the Bank cannot readily determine the profit rate implicit in the lease, therefore, the Group and the Bank uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the profit rate that the Group and the Bank would have to pay to finance over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the Right-of-Use Asset in similar economic environment. The IBR therefore reflect what the Group and the Bank would have to pay, which requires estimation when no observable rates are available or when the rates need to be adjusted to reflect the terms and conditions of the lease. The Group and the Bank estimates the IBR using observable input (such as market profit rate) when available and is required to make entity-specific estimates (such as the Group and the Bank's credit rating and underlying collateral).

(iii) Fair value estimation of securities and profit rate related contracts

Where the quoted and observable market prices of certain securities are not available, fair value is estimated using pricing models or discounted cash flow techniques. The usage of these models and techniques require the Group to make certain estimates and assumptions, including but not limited to estimated future cash flows and discount rates.

(iv) Deferred tax and income taxes

Deferred tax assets are measured and recognised based on the tax rates that are expected to apply in the period when the asset is realised. Estimates are made as to the amount of taxable profits in these periods which will enable the deferred tax assets to be realised.

(b) Significant Accounting Judgments

This note provides an overview of the areas that involve a higher degree of judgement or complexity that may have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

(i) Significant judgements on litigation

Impairment provision, if any, arising from legal proceedings require a high degree of judgement. When matters are at an early stage, accounting judgement can be difficult because of the high degree on uncertainty associated with determining whether a present obligation exists, and estimating the probability and amount of any outflows that may arise. As matters progress, management and legal advisers evaluate on an ongoing basis whether any impairment provision is required against the restricted cash. Professional advice is taken on the assessment of litigation to determine whether a present obligation exists.

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B2 Significant Accounting Policies (Cont'd.)

B2.2 Significant Accounting Estimates and Judgements (Cont'd.)

(b) Significant Accounting Judgments (Cont'd.)

(ii) Determination of lease term of contracts with renewal and termination options

The Bank determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Bank exercises judgement in determining whether it is reasonably certain that the lease contracts will be renewed or terminated.

(iii) Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and debt instruments at FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

(iv) Deferred tax and income taxes

Significant judgment is required in estimating the provision for income taxes. There are many transactions and interpretations of tax law for which the final outcome will not be established until some time later. Liabilities for taxation are recognised based on estimates of whether additional taxes will be payable. The estimation process includes seeking advice on tax treatments where appropriate. Where the final liability for taxation is different from the amounts that were initially recorded, the differences will affect the income tax and deferred tax provisions in the period in which the estimate is revised or the final liability is established.

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profits will be available against which the losses can be utilised. Judgement is applied to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

B3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 31 December 2023 was not qualified.

B4 Seasonal or Cyclical Factors Affecting Operations

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical factors in the three months ended 31 March 2024.

B5 Unusual Items Due to their Nature, Size or Incidence

There were no unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank during the three months ended 31 March 2024.

B6 Changes in Estimates and Judgements

There were no changes in the estimates of amounts reported in prior financial years that have a material effect to the three months ended 31 March 2024.

B7 Debt and Equity Securities

There were no issuances of debt and equity securities during the three months ended 31 March 2024.

B8 Dividends Paid

There were no dividends paid during the three months ended 31 March 2024.

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Part B - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS 134") Issued by Malaysian Accounting Standards Board

B9 Segment Information on Operating Revenue, Profit Before Zakat & Taxation and Total Assets

(i) Primary Segment - By Business Segment

Group	Treasury & Capital Markets	Corporate Banking	Retail Banking	Elimination	Total
31 Mar 2024	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	46,133	13,026	36,938	-	96,097
Revenue from other segments	38,441	708	19,443	(58,592)	-
Total Revenue	84,574	13,734	56,381	(58,592)	96,097
Segment results	14,853	14,099	16,090	-	45,042
Unallocated expenses					(24,415)
Profit from operations					20,625
Taxation					167
Net profit for the year					20,792
Other information					
Segment assets	3,509,282	691,367	2,762,738	(4)	6,963,383
Unallocated corporate assets					59,003
Total assets					7,022,386
Segment liabilities	8,930,999	528,442	8,760,212	(4)	18,219,649
Unallocated corporate liabilities					(12,987,399)
Total liabilities					5,232,250
Other segment items					
Purchase of property and equipment			1,754		1,754
Purchase of intangible assets			2,350		2,350
Depreciation of property and equipment			915		915
Amortisation of intangible assets			1,576		1,576
Other non-cash expense other than depreciation	-	10,211	(1,520)	-	8,692

(ii) By Geographical Locations

Group	Operating Revenue RM'000	Profit Before Zakat and Taxation RM'000	Total Assets RM'000
31 Mar 2024			
Malaysia	95,694	20,222	7,021,580
Outside Malaysia	403	403	806
	96,097	20,625	7,022,386

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B9 Segment Information on Operating Revenue, Profit Before Zakat & Taxation and Total Assets (cont'd.)

(i) Primary Segment - By Business Segment

Group	Treasury & Capital Markets	Corporate & Investment Banking	Commercial Banking	Others	Elimination	Total
31 Mar 2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	34,512	13,930	1,909	36,382		86,733
Revenue from other segments	28,056	111	492	14,941	(43,600)	-
Total Revenue	62,568	14,041	2,401	51,323	(43,600)	86,733
Segment results	9,654	5,466	1,442	18,703	-	35,265
Unallocated expenses						(19,411)
Loss from operations						15,854
Zakat						
Taxation						(547)
Net loss for the year						15,307
Other information						
Segment assets	3,218,969	857,547	74,126	2,776,341	(4)	6,926,979
Unallocated corporate assets						132,224
Total assets						7,059,203
Segment liabilities	8,052,974	189,865	384,713	7,807,163	(4)	16,434,711
Unallocated corporate liabilities						(11,106,442)
Total liabilities						5,328,269
Other segment items						
Purchase of property and equipment				1,879		1,879
Purchase of intangible assets				327		327
Depreciation of property and equipment				605		605
Amortisation of intangible assets				1,540		1,540
Other non-cash expense other than depreciation	-	1,748	482	(2,519)	-	(289)

(ii) By Geographical Locations

Group	Operating Revenue RM'000	Profit Before Zakat and Taxation RM'000	Total Assets RM'000
31 Mar 2023			
Malaysia	86,580	15,854	7,059,050
Outside Malaysia	153	-	153
	86,733	15,854	7,059,203

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B10 Valuation of Property and Equipment

There was no change in the valuation of property and equipment that were brought forward from the previous audited financial statements for the year ended 31 December 2023.

B11 Subsequent Events

There were no material events subsequent to the end of the current interim period that requires disclosure or adjustments to the unaudited condensed interim financial statements except for the updates stated in audited financial statements for the year ended 31 December 2023.

B12 Changes In Composition Of The Group

There were no significant changes in the composition of the Group since the last audited financial statements as at 31 December 2023.

B13 Changes In Contingent Liabilities and Contingent Assets

There were no significant changes in the contingent liabilities and contingent assets since the last annual statements of financial position as at 31 December 2023 other than those as disclosed in note A20.

B14 Capital Commitments

	Group and Bank RM'000
<u>Capital expenditure</u>	
Authorised and contracted for:	
- renovation	56
- purchase of equipment	3
- purchase of IT hardware	3,279
- purchase of IT software	2,852
	<u>6,190</u>
Authorised and not contracted for:	
- purchase of IT hardware & software	<u>9,110</u>

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Certification of Financial Statements

I, Roslinawati Binti Zainal, being the officer primarily responsible for the financial management of Kuwait Finance House (Malaysia) Berhad, hereby certify that the financial statements are to the best of my knowledge and belief, correct and prepared in accordance to the Bank's accounting and other records and are in conformity with the approved accounting standards in Malaysia.



Roslinawati Binti Zainal
Head of Finance

I, Mohd Hazran Abd Hadi, being the Chief Executive Officer of Kuwait Finance House (Malaysia) Berhad, hereby certify that the financial statements are to the best of my knowledge and belief, correct and prepared in accordance to requirements stipulated in Bank Negara Malaysia Capital Adequacy Framework for Islamic Bank (CAFIB) - Disclosures Requirements (Pillar 3) guidelines.



Mohd Hazran Abd Hadi
Chief Executive Officer