

MUFG Bank, Ltd.

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For Immediate Release

MUFG Malaysia Closes Inaugural Islamic Green Trade Finance Facility with Sime Darby Motors Malaysia

Malaysia, 16 August 2023 – MUFG Bank (Malaysia) Berhad, a subsidiary of Mitsubishi UFJ Financial Group, Inc. (MUFG), announced the completion of the first Islamic Green Trade Finance Facility for Sime Darby Motors Sdn Bhd (SDM). This Islamic green transaction is part of a USD50 million Islamic facility consisting of two tranches of USD25 million each.

This transaction marks the first sustainable finance issuance for SDM, headquartered in Malaysia and one of the region’s leading automotive companies. Notably, this transaction showcases MUFG’s first Islamic green trade finance facility, underscoring the bank’s ability to develop breakthrough banking solutions that are fully aligned with Shariah financing principles and tailored to clients’ sustainability strategies.

MUFG’s Islamic green trade facility comprises Shariah-compliant working capital and trade products that are aligned with the “Eligible Green Projects” set out in the Green Loan Principles¹ and in accordance with Bank Negara Malaysia’s guidelines². In line with SDM’s long-term strategy of enhancing its green vehicle portfolio, the proceeds of this transaction will be utilised for working capital needs related to electric vehicles and parts as well as other green related requirements.

A steadfast partner to SDM, MUFG has provided unwavering support to the broader Sime Darby Group across all major operating regions, including East Asia, Oceania, and South-east Asia over the last two decades.

Mr. Andrew Basham, Managing Director of Sime Darby Motors, said the transaction is a significant milestone as it is the first-ever short-term trade facility transaction that is both Islamic and green for both MUFG and SDM.

“We are excited to have secured this green financing with MUFG. This is a reflection of our commitment to engaging in sustainable partnerships, in driving sustainable innovation and technology. It supports our sustainability goals and essentially helps us to better deliver sustainable futures,” said Mr. Basham.

Mr. Colin Chen, MUFG’s Head of ESG Finance for Asia Pacific, said: “MUFG is unwavering in its focus on developing innovative sustainable finance solutions across different sectors to effect a just and equitable transition across Asia, and our partnership with SDM on this facility reinforces this commitment. This transaction’s unique structure further aligns SDM’s financing program with their goal of greening their vehicle portfolio.”

¹ [Green Loan Principles - LSTA](#)

² [Value-based Intermediation Financing and Investment Impact Assessment Framework - Guidance Document - Bank Negara Malaysia \(bnm.gov.my\)](#)

Mr. Goh Kiat Seng, Head of Global Corporate Banking for MUFG in Malaysia said: "We are honoured for the opportunity to demonstrate our long-term banking commitment and partnership with the Sime Darby Group, especially SDM, which has embarked on a fast-growing green vehicle journey for Malaysia. We look forward to leveraging our deep expertise and track record in providing integrated and tailored solutions to support SDM as it embarks on the next stage of their growth journey."

MUFG's dedication to sustainability is evident through its public commitment to investing a cumulative total of JPY35 trillion into sustainability related financing globally by 2030, of which just over 70% of this target, or JPY24.6 trillion, has already been achieved (FY2019 to FY2022)³. MUFG also announced its commitment to achieve net-zero emissions in its finance portfolio by 2050 and its own operations by 2030. The Bank also spearheads the transition finance taskforce within the Net Zero Banking Alliance (NZBA), convened by the United Nations to rally global financial institutions towards supporting net zero carbon emissions.

Recognising the growing significance of Islamic finance in international markets, MUFG established an Islamic banking arm in Malaysia in 2008, making it the first Japanese bank to offer Islamic banking products and services. Leveraging on the Shariah-financing capabilities of its branch in the Dubai International Financial Centre (DIFC) as well as those of its strategic partner PT Bank Danamon Indonesia, MUFG continues to be at the forefront of international Islamic financial markets through key regional hubs of Malaysia, Indonesia and the UAE.

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³ MUFG Climate Change Initiatives May 2023
https://www.mufg.jp/dam/ir/presentation/2023/pdf/slides230525_en.pdf

About MUFG

Mitsubishi UFJ Financial Group, Inc. (MUFG) is one of the world's leading financial groups. Headquartered in Tokyo and with over 360 years of history, MUFG has a global network with approximately 2,000 locations in more than 50 markets. The Group has about 160,000 employees and offers services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing.

The Group aims to "be the world's most trusted financial group" through close collaboration among our operating companies and flexibly respond to all of the financial needs of our customers, serving society, and fostering shared and sustainable growth for a better world. MUFG's shares trade on the Tokyo, Nagoya, and New York stock exchanges.

MUFG Bank, Ltd. is Japan's premier bank, with a global network spanning more than 50 markets. Outside of Japan, the bank offers an extensive scope of commercial and investment banking products and services to businesses, governments and individuals worldwide.

In Asia, MUFG has a presence across 19 markets – Australia, Bangladesh, Cambodia, China, Hong Kong, Indonesia, India, South Korea, Laos, Malaysia, Myanmar, New Zealand, Pakistan, Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam.

It has also formed strategic partnerships with some of the most prominent banks in Southeast Asia, further augmenting its unrivalled network across the region – VietinBank in Vietnam, Krungsri in Thailand, Security Bank in the Philippines and Bank Danamon in Indonesia.

For more information about our Asia Pacific network, click [here](#).

About Sime Darby Motors

Sime Darby Motors is one of the leading automotive groups in Asia Pacific, representing luxury brands such as BMW, Rolls-Royce, Jaguar, Land Rover, and Porsche to broad appeal market brands including Ford, Hyundai and BYD, as well as commercial vehicles. Sime Darby Motors is actively involved in all facets of the automotive business – from importation and assembly, to distribution, retail, and rental. Its retail operations feature some of the best and latest state-of-the-art facilities in the region. In Malaysia, Sime Darby Motors Retail and Distribution represents 10 brands, 4 distributorships with over 89 dealers nationwide and 26 wholly owned franchise retail outlets.

News Release

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