

MUFG Bank (Malaysia) Berhad
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For Immediate Release

MUFG Malaysia Issues Third Tranche of MYR Sukuk Wakalah under its Multi-Currency Sukuk Wakalah Programme

Kuala Lumpur, 26 March 2021 – Mitsubishi UFJ Financial Group, Inc.’s banking subsidiary in Malaysia, MUFG Bank (Malaysia) Berhad (MUFG), announced that it had successfully issued the third tranche of Malaysian Ringgit-denominated Sukuk of RM250 million as part of its 10-year, USD500 million, Sukuk Programme under the Shariah principle of Wakalah Bi Al-Istithmar.

The two-year issuance marks the first Ringgit-denominated Sukuk for a Japanese bank issued out of Malaysia. The issuance complements MUFG’s ongoing efforts at achieving funding diversification within its Sukuk Wakalah Programme that made its debut in 2014 with Yen and USD-denominated tranches issued. The Sukuk was successfully placed with selected top-tier institutional investors comprising pension funds and bank-backed asset management companies, and was upsized to RM250 million from the initial target of RM200 million due to strong demand.

MUFG’s issuance of the third tranche is timely given its growing presence in the local Islamic finance landscape and expanding corporate financing business. MUFG’s Islamic finance portfolio have also diversified in tandem with the bank’s ongoing focus on aligning its business with its environmental, social and governance considerations. The bank has also been introducing sustainability-linked Islamic financing facilities to support clients such as Ajinomoto (Malaysia) Berhad and Axiata. Such a focus on achieving sustainability by integrating Islamic financing principles has opened up new opportunities for MUFG to explore innovative Islamic funding options, particularly via Sukuk issuance.

MUFG Bank (Malaysia) CEO/President, Fumio Takamatsu said “MUFG Malaysia continues to position itself as a leading authority on Islamic finance within the MUFG Group through our continuous collaboration with our affiliates. We are committed to further expand our presence in the Islamic finance sector in Malaysia, and this issuance is the latest demonstration of our commitment to promote the growth of Islamic finance within the country as well as across global Islamic capital markets in particular.”

About MUFG Bank (Malaysia) Berhad

Mitsubishi UFJ Financial Group's banking subsidiary, MUFG Bank (Malaysia) Berhad (MUFG), has been providing services to Malaysian and Japanese corporations since 1957.

Over the past 64 years, MUFG has strengthened its presence in Malaysia through establishing long-term client relationships with a large number of local corporates and Japanese Investors.

In recognition of the growing significance of Islamic finance in the global market, MUFG established an Islamic banking arm in Malaysia in 2008, making it the first Japanese bank to offer Islamic banking products and services.

In 2014, MUFG launched a USD500 million multi-currency Sukuk programme and set a landmark by issuing the world's first Yen-denominated Sukuk. In 2015, MUFG established Islamic banking capabilities in its branch in the Dubai International Financial Centre (DIFC) to better serve customers in the EMEA region. In 2019, MUFG made a strategic investment in PT Bank Danamon Indonesia, making it a consolidated subsidiary of the MUFG Group. MUFG has since worked with Bank Danamon's Islamic banking entity to provide integrated and innovative solutions in support of clients in Indonesia and across the region.

The strong growth of MUFG's Islamic business via the key Shariah-banking regional hub in Malaysia has enhanced the bank's visibility and capabilities in supporting its clients. MUFG currently provides a comprehensive suite of Shariah-compliant banking products and services including financing, deposits, derivatives, and securitisation as well as advisory services to clients in the Asia Pacific as well as across global markets at large.

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