

**Company No : 199401016638 (302316-U)**

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED  
30 JUNE 2024**

**MUFG BANK (MALAYSIA) BERHAD**  
**(Incorporated in Malaysia)**

**Company No : 199401016638 (302316-U)**

**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE QUARTER ENDED**  
**30 JUNE 2024**

<b>Contents</b>	<b>Page</b>
Unaudited Statement of Financial Position	1
Unaudited Statement of Comprehensive Income	2
Unaudited Statement of Changes in Equity	3
Unaudited Statement of Cash Flows	4 - 5
Notes to the Unaudited Interim Financial Report	6 - 31

**MUFG BANK (MALAYSIA) BERHAD**  
**Company No : 199401016638 (302316-U)**  
**(Incorporated in Malaysia)**

**UNAUDITED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024**

	<b>Note</b>	<b>2024 June RM'000</b>	<b>2024 March RM'000</b>
<b>ASSETS</b>			
Cash and short-term funds	11	5,280,083	5,295,755
Reverse repurchase agreements	12	-	20,090
Deposits and placements with financial institutions	13	1,822,370	2,037,602
Financial assets at fair value through profit or loss	14	1,172,866	2,023,157
Financial investments at fair value through other comprehensive income	15	1,486,725	1,323,662
Loans, advances and financing	16	9,722,075	9,771,146
Embedded loans measured at fair value through profit or loss	17	11,827,434	12,275,974
Purchased receivables	18	632,302	917,520
Collateral deposits placed	19	-	120
Derivative financial assets	20	504,352	537,405
Statutory deposits with Bank Negara Malaysia		48,406	352
Other assets		35,554	58,660
Property, plant and equipment		26,055	27,262
Intangible assets		35,752	41,787
Rights-of-use assets		15,868	16,564
Deferred tax assets		10,215	10,215
<b>TOTAL ASSETS</b>		<b>32,620,057</b>	<b>34,357,271</b>
<b>LIABILITIES AND SHAREHOLDER'S FUNDS</b>			
Deposits from customers	21	11,782,181	12,276,124
Deposits and placements of banks and other financial institutions	22	1,348,905	1,014,218
Collateral deposits received	19	14,171,943	15,649,452
Derivative financial liabilities	20	530,189	572,688
Other liabilities	23	169,710	288,505
Lease liabilities		14,117	14,569
Current tax liabilities		3,348	12,223
<b>TOTAL LIABILITIES</b>		<b>28,020,393</b>	<b>29,827,779</b>
<b>SHARE CAPITAL</b>		<b>200,000</b>	<b>200,000</b>
<b>RESERVES</b>		<b>4,399,664</b>	<b>4,329,492</b>
<b>SHAREHOLDER'S FUNDS</b>		<b>4,599,664</b>	<b>4,529,492</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS</b>		<b>32,620,057</b>	<b>34,357,271</b>
<b>COMMITMENTS AND CONTINGENCIES</b>			
	24	<b>86,500,440</b>	<b>84,239,059</b>

**MUFG BANK (MALAYSIA) BERHAD**  
**Company No : 199401016638 (302316-U)**  
**(Incorporated in Malaysia)**

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 30 JUNE 2024**

	Note	1st Quarter Ended		Three Months Ended	
		2024 June RM'000	2023 June RM'000	2024 June RM'000	2023 June RM'000
Operating revenue		206,847	146,951	206,847	146,951
Interest income	25	221,960	188,427	221,960	188,427
Interest expense	26	(114,803)	(115,046)	(114,803)	(115,046)
Net interest income		107,157	73,381	107,157	73,381
Net income from embedded loans measured at FVTPL	27	22,864	4,179	22,864	4,179
Net income from Islamic Banking operations	32	5,350	5,850	5,350	5,850
Other operating income	28	71,476	63,541	71,476	63,541
Operating income		206,847	146,951	206,847	146,951
Other operating expenses	29	(65,277)	(61,410)	(65,277)	(61,410)
Operating profit before allowance for impairment		141,570	85,541	141,570	85,541
Allowance for impairment on financial instruments	30	(21,786)	(10,688)	(21,786)	(10,688)
Profit before tax		119,784	74,853	119,784	74,853
Tax expense		(51,725)	(36,574)	(51,725)	(36,574)
Profit after tax for the period		68,059	38,279	68,059	38,279
<b>Other comprehensive income net of tax</b>					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Change in fair value reserve:					
- Debt instruments at FVOCI		2,113	(2,309)	2,113	(2,309)
Other comprehensive income/(loss) for the period, net of tax		2,113	(2,309)	2,113	(2,309)
Total comprehensive income for the period		70,172	35,970	70,172	35,970
Profit attributable to :					
Owner of the Bank		68,059	38,279	68,059	38,279
Total comprehensive income attributable to :					
Owner of the Bank		70,172	35,970	70,172	35,970
Basic earnings per share (sen)		34.0	19.1	34.0	19.1



**MUFG BANK (MALAYSIA) BERHAD**  
Company No : 199401016638 (302316-U)  
(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 JUNE 2024**

	Attributable to Shareholder of the Bank					Distributable	
	Non-distributable						
	Share capital	Regulatory reserve	Defined benefit reserve	ECL reserve	Fair value reserve	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>2024 June</b>							
At beginning of the period	200,000	96,383	(211)	-	25,301	4,208,019	4,529,492
Profit for the period	-	-	-	-	-	68,059	68,059
Other comprehensive gain	-	-	-	-	2,113	-	2,113
Total comprehensive income	-	-	-	-	2,113	68,059	70,172
At end of the period	200,000	96,383	(211)	-	27,414	4,276,078	4,599,664
<b>2023 June</b>							
At beginning of the period	200,000	112,975	(4,254)	-	27,580	3,819,899	4,156,200
Profit for the period	-	-	-	-	-	38,279	38,279
Other comprehensive loss	-	-	-	-	(2,309)	-	(2,309)
Total comprehensive (loss)/income	-	-	-	-	(2,309)	38,279	35,970
At end of the period	200,000	112,975	(4,254)	-	25,271	3,858,178	4,192,170

**MUFG BANK (MALAYSIA) BERHAD**  
**Company No : 199401016638 (302316-U)**  
**(Incorporated in Malaysia)**

**UNAUDITED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 30 JUNE 2024**

	<b>2024 June RM'000</b>	<b>2023 June RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before tax	119,784	74,853
Adjustments for:		
Depreciation of property, plant and equipment	1,390	1,123
Amortisation of intangible assets	6,289	6,250
Gain on lease modification	(1)	(3,023)
Gain on disposal of property, plant and equipment	(2)	-
Depreciation of right-of-use assets	1,264	844
Allowance for impairment on financial instruments	21,786	10,688
Defined benefit plan	725	829
Dividend income	(111)	(111)
Interest income from financial investments at fair value through other comprehensive income	(14,247)	(6,152)
Finance cost on lease liabilities	125	26
Unrealised gain on changes in trading securities	(2,015)	(294)
Unrealised gain on changes in fair value of derivative financial instruments	(6,100)	(210,591)
Unrealised (gain)/loss on changes in fair value of loans designated at fair value	(1,478)	8,176
Unrealised loss/(gain) on changes in fair value of embedded loans measured at fair value through profit or loss	14,330	(19,801)
Operating profit before working capital changes	<u>141,739</u>	<u>(137,183)</u>
Decrease/(Increase) in operating assets:		
Deposits and placements with financial institutions	215,232	90,903
Reverse repurchase agreements	20,090	(9,944)
Financial assets at fair value through profit or loss	852,306	(683,499)
Financial investments at fair value through other comprehensive income	(201,254)	(150,338)
Loans, advances and financing	33,945	1,664,812
Embedded loans measured at fair value through profit or loss	436,478	996,281
Collateral deposits placed	120	(330)
Purchased receivables	285,324	192,040
Derivative financial assets	222,139	96,957
Statutory deposits with Bank Negara Malaysia	(48,054)	(4,824)
Other assets	22,539	(27,460)
(Decrease)/Increase in operating liabilities:		
Deposits from customers	(493,943)	(1,545)
Deposits and placements of banks and other financial institutions	334,687	917,943
Derivative financial liabilities	(227,753)	3,211
Collateral deposits received	(1,477,509)	(2,825,466)
Other liabilities	(124,240)	35,975
<b>Cash (used in)/generated from operations</b>	<u>(8,154)</u>	<u>157,533</u>
Income tax paid	(60,600)	(59,957)
Payment of staff benefits	-	(278)
<b>Net cash (used in)/generated from operating activities</b>	<u>(68,754)</u>	<u>97,298</u>

**MUFG BANK (MALAYSIA) BERHAD****Company No : 199401016638 (302316-U)****(Incorporated in Malaysia)****UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)**

	<b>2024 June RM'000</b>	<b>2023 June RM'000</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(188)	-
Purchase of intangible assets	(254)	-
Proceeds from disposals of property, plant and equipment	7	-
Proceeds from sale of financial assets at fair value through other comprehensive income	190,000	154,516
Purchase of financial assets at fair value through other comprehensive income	(150,000)	(130,000)
Dividend received	111	111
Interest received from financial assets at fair value through other comprehensive income	14,551	4,285
<b>Net cash generated from activities</b>	<b>54,227</b>	<b>28,912</b>
<b>Cash Flows From Financing Activities</b>		
Payment of lease liabilities	(1,020)	(867)
Interest paid in relation to lease liabilities	(125)	(26)
<b>Net cash used in financing activities</b>	<b>(1,145)</b>	<b>(893)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(15,672)</b>	<b>125,317</b>
<b>Cash and cash equivalents at beginning of quarter</b>	<b>5,295,755</b>	<b>7,033,252</b>
<b>Cash and cash equivalents at end of quarter</b>	<b>5,280,083</b>	<b>7,158,569</b>

## MUFG BANK (MALAYSIA) BERHAD

Company No : 199401016638 (302316-U)

(Incorporated in Malaysia)

### NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2024

#### 1 BASIS OF PREPARATION

The unaudited condensed interim financial report for the quarter ended 30 June 2024 have been prepared under the historical cost convention except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, embedded loans measured at fair value through profit or loss and derivative financial instruments which are stated at fair value.

The unaudited condensed interim financial report have been prepared in accordance with MFRS 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standard Board ("MASB") and Bank Negara Malaysia's Guidelines on Financial Reporting. The unaudited interim financial report should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 March 2024. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Bank since the financial year ended 31 March 2024.

#### *Changes in Accounting Policies*

As at the date of issuance of the financial statements, amendments of MFRS which are relevant to the operations of the Bank are as follows:

Amendments to:

MFRS 101	Disclosure of Accounting Policies
MFRS 108	Definition of Accounting Estimates
MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction International Tax Reform - Pillar Two Model Rules

#### Amendments to MFRS 101

The Bank has adopted Amendments to MFRS 101 effective from 1 April 2023. The Amendments require the disclosure of 'material' rather than 'significant' accounting policies. The Amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Although the Amendments did not result in any changes to the accounting policies of the Bank, it impacted the accounting policy information disclosed in the financial statements.

#### Amendments to MFRS 112

The scope of MFRS 112 was amended to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development, including tax laws that implements Qualified Domestic Minimum Top-up Tax aligned with Pillar Two Model Rules as described in those rules. The management is currently in the process of assessing the Bank's exposure to the Pillar Two income taxes. Accordingly, the Bank's exposure to Pillar Two income taxes is currently not known or reasonably estimable.

The adoption of the above amendments does not have any material effect to the Bank.

#### *Amendments Issued But Not Yet Effective*

The Bank has not adopted the following relevant amendments that have been issued but not yet effective:

Accounting standard:

MFRS 18	Presentation and Disclosure in Financial Statements <sup>^</sup>
---------	--

Amendments to:

MFRS 16	Lease Liability in a Sale and Leaseback *
MFRS 7 and MFRS 107	Supplier Finance Arrangements *
MFRS 101	Classification of Liabilities as Current or Non-current *
	Non-current Liabilities with Covenants *
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate of Joint Venture #

<sup>^</sup> Effective for annual periods beginning on or after 1 January 2027

\* Effective for annual periods beginning on or after 1 January 2024

# Effective date deferred to a date to be announced by Malaysian Accounting Standards Board

**MUFG BANK (MALAYSIA) BERHAD**

Company No : 199401016638 (302316-U)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)**

**1 BASIS OF PREPARATION (CONTD)**

The Bank will adopt the above amendments when they become effective. The adoption will not result in any significant financial impact on the financial statements of the Bank.

**2 AUDIT REPORT**

The audit report on the audited financial statements for the financial year ended 31 March 2024 was not subject to any qualification.

**3 SEASONAL OR CYCLICAL FACTORS**

The business operations of the Bank have not been affected by any material seasonal cyclical factors.

**4 EXCEPTIONAL OR EXTRAORDINARY ITEMS**

There were no exceptional or extraordinary items for the financial period ended 30 June 2024.

**5 CHANGES IN ESTIMATES**

There were no significant changes in estimates of amounts reported in prior financial years that have a material effects on the financial results and position of the Bank for the financial period ended 30 June 2024.

**6 CHANGES IN DEBT AND EQUITY SECURITIES**

There were no issuance and repayment of debt and equity securities during the financial period ended 30 June 2024.

**7 DIVIDEND PAID**

No dividend was paid during the financial period ended 30 June 2024.

**8 SUBSEQUENT EVENTS**

There were no material events subsequent to the balance sheet date that require disclosure or adjustments to the unaudited condensed interim financial report.

**9 REVIEW OF PERFORMANCE**

The Bank's profit before taxation for the financial period ended 30 June 2024 was RM119.8 million, increase of 60.03% or RM44.9 million compared to the corresponding period last year. Operating income increased by RM59.9 million from RM147.0 million to RM206.8 million whilst operating expenses increases by RM3.9 million mainly attributed to higher administrative and other expenses during the financial period.

Total assets decreased from RM34.4 billion as at 31 March 2024 to RM32.6 billion as at 30 June 2024. The Bank's CET 1/Tier 1 capital ratio and total capital ratio remained strong at 30.747% and 31.784% respectively.

## **MUFG BANK (MALAYSIA) BERHAD**

**Company No : 199401016638 (302316-U)**

**(Incorporated in Malaysia)**

### **NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)**

#### **10 PROSPECTS**

Global economy is expected to continue to experience considerable challenges in 2024, impacted by persistent divergence in global growth and monetary policy expectations, coupled with escalating geopolitical risks that will result in high volatility in global financial markets. The interplay between the on-going sticky inflation, potential credit crunch, the reassessment of monetary policy expectations and the timing of the easing cycle will be key determinants of the pace of global economic activities. While the US headline economic data continue to point to a solid economy, under the surface we believe there are some underlying concerns in particular; in commercial real estate segment and lower-income household. Markets now expect one or two US rate cuts this year, with September is still plausible in our view. Meanwhile, the regional economic growth is projected to accelerate to around 4.5% this year supported by better business sentiment and improved investment interest.

The Bank foresees the current high volatility in the global financial markets to persist in the near term as market players continue to reevaluate the timing of monetary policy easing in the US and in the region and its impact on the underlying economy. Commodities prices generally remain elevated. Brent crude oil prices is currently consolidating around USD88 per barrel amid signs of a tightening physical market while traders continue to assess lingering geopolitical risks. We continue to hold conviction that effective OPEC+ market management will ensure Brent crude remains in a USD80 to USD100 per barrel range in 2024, the largest upside risk to oil prices would be geopolitical impediments to the willingness of OPEC+ to deploy its ample spare capacity.

Malaysian economic growth is projected to remain on a steady growth trajectory this year, backed by firm domestic demand, primarily through continued expansion in private sector spending. The expected acceleration of infrastructure projects with high multiplier effects, robust growth in private investment and sustained external demand particularly among major trading partners will further support the economy. We maintain our view that the Malaysian economy to accelerate to 4% to 4.5% in 2024 from 3.7% in 2023. However, risks to growth remain tilted to the downside given ongoing external challenges.

Headline and core inflation have stayed below-trend averages in recent months. With the economic growth picking up and inflation is expected to remain moderate to average between 2.0% to 3.5% in 2024, even with the implementation of fuel subsidy rationalisation, BNM is unlikely to rush into a rate cut. We look for the BNM to keep the policy rate at 3.0% through this year.

Malaysia's trade balance will remain in surplus, helping to contain MYR weakness. The trade surplus will be underpinned by higher prices of brent and palm oil, as well as a nascent pickup in global trade. BNM has also coordinated with the government to encourage government linked corporates to convert their foreign earnings into MYR. Additionally, BNM reiterated its view that MYR is undervalued and it is committed to keep MYR moves orderly. China has made a good start to the year, with GDP growing at 5.3% year-on-year in Q1 2024 but China's outlook remains challenging. A high degree of positive historical co-relation between MYR and CNY suggests a stronger CNY due to a gradual recovery in Chinese economy and more stable real estate sector could have positive spillover on the MYR.

The Bank forecasts USD/MYR to close the year lower at 4.50 from current level of around 4.77 in anticipation of a lower Fed funds rate resulted from a dollar weakness trend while the ringgit remains supported by stable interest rates, foreign portfolio inflows and a current account surplus.

**MUFG BANK (MALAYSIA) BERHAD**

Company No : 199401016638 (302316-U)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)****11 CASH AND SHORT-TERM FUNDS**

	<b>2024 June RM'000</b>	<b>2024 March RM'000</b>
<i>Amortised cost</i>		
Cash and balances with banks and other financial institutions	563,716	1,409,060
Money at call and deposit placements maturing within three months	4,716,367	3,886,695
	<u>5,280,083</u>	<u>5,295,755</u>

**12 REVERSE REPURCHASE AGREEMENTS**

	<b>2024 June RM'000</b>	<b>2024 March RM'000</b>
<i>Amortised cost</i>		
Reverse repurchase agreement	<u>-</u>	<u>20,090</u>

**13 DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS**

	<b>2024 June RM'000</b>	<b>2024 March RM'000</b>
<i>Amortised cost</i>		
Licensed banks		
• Malaysia	1,705,098	1,912,782
• Other countries	117,272	124,820
	<u>1,822,370</u>	<u>2,037,602</u>

**14 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")**

	<b>2024 June RM'000</b>	<b>2024 March RM'000</b>
<b>Money market instruments:</b>		
Malaysian Government Securities	1,172,866	1,852,708
Government Investment Issues	<u>-</u>	<u>170,449</u>
	<u>1,172,866</u>	<u>2,023,157</u>

**15 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")**

	<b>2024 June RM'000</b>	<b>2024 March RM'000</b>
<b>Money market instruments</b>		
Malaysian Government Securities	573,306	843,898
Government Investment Issues	232,336	201,686
Japanese Government Bonds	234,460	249,755
Sukuk	418,300	-
	<u>1,458,402</u>	<u>1,295,339</u>
<b>Non-money market instruments:</b>		
Unquoted shares	28,323	28,323
	<u>28,323</u>	<u>28,323</u>
<b>Total</b>	<u>1,486,725</u>	<u>1,323,662</u>

**MUG BANK (MALAYSIA) BERHAD**  
**Company No : 199401016638 (302316-U)**  
**(Incorporated in Malaysia)**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)**

**16 LOANS, ADVANCES AND FINANCING**

	<b>2024 June RM'000</b>	<b>2024 March RM'000</b>
<b>(a) By type:</b>		
<i>At amortised cost</i>		
Term loans		
• Housing loans	7,506	7,795
• Other term loans	3,850,273	2,987,715
Revolving credits	5,522,651	6,401,702
Overdrafts	4,604	2,321
Bills receivable	-	7,545
Claims on customers under acceptance credits	48,058	66,279
Staff loans	5,563	5,786
Gross loans, advances and financing at amortised cost	<u>9,438,655</u>	<u>9,479,143</u>
Impairment allowances on loans, advances and financing		
• Stage 1 - 12-month ECL	(10,405)	(9,070)
• Stage 2 - lifetime ECL not credit-impaired	(30,374)	(15,123)
• Stage 3 - lifetime ECL credit-impaired	(207)	(265)
Net loans, advances and financing at amortised cost	<u>9,397,669</u>	<u>9,454,685</u>
<i>At fair value</i>		
Other term loans	324,406	316,461
Net loans, advances and financing	<u>9,722,075</u>	<u>9,771,146</u>
<b>Gross loans, advances and financing</b>		
<i>At amortised cost</i>	9,438,655	9,479,143
<i>At fair value</i>	324,406	316,461
	<u>9,763,061</u>	<u>9,795,604</u>
<b>(b) By maturity structure:</b>		
Maturing within one year	5,901,621	6,812,908
More than one year to three years	1,588,264	1,221,563
More than three years to five years	1,581,433	923,172
More than five years	691,743	837,961
	<u>9,763,061</u>	<u>9,795,604</u>
<b>(c) By type of customer:</b>		
Domestic non-bank financial institutions	333,394	1,560,236
Domestic business enterprises		
• Small medium enterprises	177,262	153,169
• Others	4,433,276	4,084,877
Individuals	13,069	13,581
Foreign entities	4,806,060	3,983,741
	<u>9,763,061</u>	<u>9,795,604</u>
<b>(d) By interest/profit rate sensitivity:</b>		
Variable rates	9,760,916	9,793,220
Fixed rate		
• Staff loans	2,145	2,384
	<u>9,763,061</u>	<u>9,795,604</u>



**MUFG BANK (MALAYSIA) BERHAD**

Company No : 199401016638 (302316-U)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)****16 LOANS, ADVANCES AND FINANCING (CONTD)**

	2024 June RM'000	2024 March RM'000
<b>(e) By economic sector:</b>		
Agricultural, hunting, forestry and fishing	200,371	-
Mining and quarrying	364,451	357,423
Manufacturing	2,134,833	1,668,400
Electricity, gas and water	219,395	224,311
Construction	384,947	409,660
Wholesale, retail trade, restaurants and hotels	373,764	807,471
Transport, storage and communication	1,056,209	1,065,700
Finance, insurance, real estate and business services	4,446,070	4,678,293
Households	13,069	13,581
Others	569,952	570,765
	<u>9,763,061</u>	<u>9,795,604</u>
<b>(f) By geographical location:</b>		
Malaysia	8,028,199	8,413,428
Other countries	1,734,862	1,382,176
	<u>9,763,061</u>	<u>9,795,604</u>
<b>(g) Credit-impaired gross loans by economic sector are as follows:</b>		
Household	<u>726</u>	<u>801</u>
<b>(h) Credit-impaired gross loans by geographical location are as follows:</b>		
Malaysia	<u>726</u>	<u>801</u>
<b>(i) Movements in credit-impaired gross loans, advances and financing are as follows:</b>		
At beginning of the period	801	1,521
Classified as credit-impaired during the period	47	99
Amount recovered	(122)	(180)
Reclassified as performing	-	(639)
At end of the period	<u>726</u>	<u>801</u>

**MUFG BANK (MALAYSIA) BERHAD**

Company No : 199401016638 (302316-U)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)****16 LOANS, ADVANCES AND FINANCING (CONTD)****(j) Movements in impairment allowances on loans, advances and financing:**

	Lifetime ECL			Total RM'000
	12-month ECL Stage 1 RM'000	Not credit- impaired Stage 2 RM'000	Credit-impaired Stage 3 RM'000	
<b>At 1 April 2024</b>	9,070	15,123	265	24,458
Transfer to lifetime ECL not credit-impaired (Stage 2)	(1,616)	1,616	-	-
Transfer to lifetime ECL credit-impaired (Stage 3)	-	(4)	4	-
New financial assets originated	7,845	15,840	-	23,685
Financial assets derecognised (other than write-off)	(4,939)	(9,086)	-	(14,025)
Net remeasurement due to changes in credit risk	45	6,885	(62)	6,868
<b>At 30 June 2024</b>	<b>10,405</b>	<b>30,374</b>	<b>207</b>	<b>40,986</b>
<b>At 1 April 2023</b>	8,936	12,632	273	21,841
Transfer to 12-Month ECL (Stage 1)	1	-	-	1
Transfer to lifetime ECL not credit-impaired (Stage 2)	(51)	103	-	52
Transfer to lifetime ECL credit-impaired (Stage 3)	(9)	-	-	(9)
New financial assets originated	8,784	9,130	-	17,914
Financial assets derecognised (other than write-off)	(8,404)	(7,108)	-	(15,512)
Net remeasurement due to changes in credit risk	(187)	366	(8)	171
<b>At 31 March 2024</b>	<b>9,070</b>	<b>15,123</b>	<b>265</b>	<b>24,458</b>

**(k) Movements in gross loans, advances and financing:**

	Lifetime ECL			Total RM'000
	12-month ECL Stage 1 RM'000	Not credit- impaired Stage 2 RM'000	Credit-impaired Stage 3 RM'000	
<b>At 1 April 2024</b>	9,192,560	285,782	801	9,479,143
Transfer to 12-Month ECL (Stage 1)	7	(7)	-	-
Transfer to lifetime ECL not credit-impaired (Stage 2)	(580,965)	580,965	-	-
Transfer to lifetime ECL credit-impaired (Stage 3)	-	(41)	41	-
New financial assets originated	5,907,585	671,681	6	6,579,272
Financial assets derecognised (other than write-off)	(6,387,056)	(232,582)	(122)	(6,619,760)
<b>At 30 June 2024</b>	<b>8,132,131</b>	<b>1,305,798</b>	<b>726</b>	<b>9,438,655</b>
<b>At 1 April 2023</b>	6,486,685	1,756,376	1,521	8,244,582
Transfer to 12-Month ECL (Stage 1)	332	(106)	(321)	(95)
Transfer to lifetime ECL not credit-impaired (Stage 2)	(1,078)	1,364	(318)	(32)
Transfer to lifetime ECL credit-impaired (Stage 3)	(97)	(4)	99	(2)
New financial assets originated	7,660,387	217,644	-	7,878,031
Financial assets derecognised (other than write-off)	(4,953,669)	(1,689,492)	(180)	(6,643,341)
<b>At 31 March 2024</b>	<b>9,192,560</b>	<b>285,782</b>	<b>801</b>	<b>9,479,143</b>

**MUFG BANK (MALAYSIA) BERHAD**

Company No : 199401016638 (302316-U)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)****17 EMBEDDED LOANS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")**

	2024 June RM'000	2024 March RM'000
<i>At fair value</i>		
Embedded loans with term loans nature	10,373,168	11,262,396
Embedded loans with revolving credits nature	1,454,266	1,013,578
	<u>11,827,434</u>	<u>12,275,974</u>

Loans measured at FVTPL included RM11,384,173,000 (2024 March: RM11,850,531,000) of outstanding balance for loans, advances and financing, and net fair value for derivative financial assets and liabilities of RM232,653,000 (2024 March: RM201,820,000).

Included in embedded loans are net fair value from derivative financial assets and derivative financial liabilities transacted with the holding company and related companies amounting to RM7,000 (2024 March: RM178,000) and RM631,000 (2024 March: RM707,000) respectively.

	2024 June RM'000	2024 March RM'000
<b>(a) By maturity structure:</b>		
Maturing within one year	3,636,605	3,898,403
More than one year to three years	4,000,679	4,060,249
More than three years to five years	3,525,713	3,650,390
More than five years	664,437	666,932
	<u>11,827,434</u>	<u>12,275,974</u>
<b>(b) By type of customer:</b>		
Domestic non-bank financial institutions	9,259,538	9,426,072
Domestic business enterprises		
• Others	1,823,418	2,032,403
	<u>11,082,956</u>	<u>11,458,475</u>
Domestic financial institutions *	745,102	817,499
Foreign entities *	(624)	-
	<u>11,827,434</u>	<u>12,275,974</u>
<b>(c) By interest rate sensitivity:</b>		
Variable rates	<u>11,827,434</u>	<u>12,275,974</u>
<b>(d) By economic sector:</b>		
Mining and quarrying	-	58,593
Manufacturing	55,277	172,317
Construction	664,791	668,345
Wholesale, retail trade, restaurants and hotels	90,463	98,989
Transport, storage and communication	259,292	283,835
Finance, insurance, real estate and business services	10,756,856	10,992,762
Others	755	1,133
	<u>11,827,434</u>	<u>12,275,974</u>
<b>(e) By geographical location:</b>		
Malaysia	11,773,984	12,221,963
Other countries *	53,450	54,011
	<u>11,827,434</u>	<u>12,275,974</u>

\* The credit balances are exposure after netting off with the identified cover deals.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)

17 EMBEDDED LOANS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")(CONTD)

(f) By notional amount of derivative financial assets and liabilities:

	2024 June			2024 March		
	Contract/ Notional Amount RM'000	Fair Value		Contract/ Notional Amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
<i>At fair value</i>						
Embedded loans with term loans nature:						
Foreign currency swaps	7,501,936	31,011	552,633	8,324,421	21,375	651,426
Interest rate swaps	1,881,288	10,001	2,224	2,161,212	11,121	2,895
	<u>9,383,224</u>	<u>41,012</u>	<u>554,857</u>	<u>10,485,633</u>	<u>32,496</u>	<u>654,321</u>
Embedded loans with revolving credits nature:						
Foreign currency swaps	1,447,800	3,121	1,101	1,010,775	7,149	1,003
	<u>1,447,800</u>	<u>3,121</u>	<u>1,101</u>	<u>1,010,775</u>	<u>7,149</u>	<u>1,003</u>
Cover deals:						
Foreign currency swaps	8,028,172	716,689	15,399	8,101,530	775,128	14,179
Interest rate swaps	8,629,086	55,059	11,871	8,648,470	66,590	10,040
	<u>16,657,258</u>	<u>771,748</u>	<u>27,270</u>	<u>16,750,000</u>	<u>841,718</u>	<u>24,219</u>
	<u>27,488,282</u>	<u>815,881</u>	<u>583,228</u>	<u>28,246,408</u>	<u>881,363</u>	<u>679,543</u>
Set off		(583,228)	(583,228)		(679,543)	(679,543)
Net assets		<u>232,653</u>	<u>-</u>		<u>201,820</u>	<u>-</u>

18 PURCHASED RECEIVABLES

	2024 June RM'000	2024 March RM'000
<i>At amortised cost</i>		
Purchased receivables	632,519	917,843
Impairment allowances on purchased receivables		
Stage 1 - 12 month ECL	(216)	(323)
Stage 2 - lifetime ECL not credit-impaired	(1)	-
	<u>632,302</u>	<u>917,520</u>

Purchased receivables relate to receivables acquired by the Bank under the account receivables purchasing and vendors financing product. These amounts owing from obligors have a tenure of within three months. Included in purchased receivables are non-recourse bills receivable amounting to RM452,856,000 (2024 March: RM797,942,000).

**MUFG BANK (MALAYSIA) BERHAD**

Company No : 199401016638 (302316-U)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)****18 PURCHASED RECEIVABLES (CONTD)**

- (a) Movements in impairment allowances on purchased receivables which reflect the ECL model on impairment during the financial period are as follows:

	Lifetime ECL			Total RM'000
	12-month ECL	Not credit- impaired	Credit-impaired	
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
<b>At 1 April 2024</b>	323	-	-	323
New financial assets originated	186	1	-	187
Financial assets derecognised (other than write-off)	(240)	-	-	(240)
Net remeasurement due to changes in credit risk	(53)	-	-	(53)
<b>At 30 June 2024</b>	<u>216</u>	<u>1</u>	<u>-</u>	<u>217</u>
<b>At 1 April 2023</b>	433	196	-	629
New financial assets originated	304	-	-	304
Financial assets derecognised (other than write-off)	(394)	(196)	-	(590)
Net remeasurement due to changes in credit risk	(20)	-	-	(20)
<b>At 31 March 2024</b>	<u>323</u>	<u>-</u>	<u>-</u>	<u>323</u>

**19 COLLATERAL DEPOSITS**

	2024 June RM'000	2024 March RM'000
<i>At amortised cost</i>		
Cash collaterals placed	<u>-</u>	<u>120</u>

The cash collaterals placed are recognised at amortised cost. These deposits are placed in respect of derivative balances pursuant to agreements in accordance with International Swaps and Derivatives Association ("ISDA") and Credit Support Annex ("CSA") entered into with respective counterparties and related companies.

<i>At amortised cost</i>		
Cash collaterals received	<u>14,171,943</u>	<u>15,649,452</u>

The cash collaterals received are recognised at amortised cost. These are received in respect of derivative balances pursuant to agreements in accordance with ISDA and CSA entered into with respective counterparties and related companies, and Cash Collateral Scheme entered into with a branch of the holding company and related companies amounting to RM13,167,007,000 (2024 March: RM14,502,179,000). Included in CSA balance are Nil (2024 March: Nil) transacted with a related company. The remaining balances are placed with licensed banks.

**MUFG BANK (MALAYSIA) BERHAD**

Company No : 199401016638 (302316-U)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)****20 DERIVATIVE FINANCIAL ASSETS / LIABILITIES**

The table below shows the Bank's derivative financial instruments measured at their fair value together with their corresponding contract/notional amounts as at the reporting date. The notional amounts of these derivative financial instruments refer to the underlying contract values on which changes in the fair value of the derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the end of the financial period but are not indicative of either the market risk or credit risk inherent in the derivative contracts.

	2024 June			2024 March		
	Contract/ Notional Amount RM'000	Fair Value		Contract/ Notional Amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
<i>At fair value</i>						
<b>Trading Derivatives*</b>						
Foreign exchange related contracts						
• Forwards	21,040,071	96,672	80,125	21,038,496	144,113	120,404
• Swaps	5,015,995	354,055	277,530	5,077,882	339,145	264,946
Interest rate related contracts						
• Swaps	16,035,439	52,798	172,218	14,929,411	53,496	186,757
Other derivatives						
• Currency options	319,667	827	316	288,815	651	581
	<u>42,411,172</u>	<u>504,352</u>	<u>530,189</u>	<u>41,334,604</u>	<u>537,405</u>	<u>572,688</u>

Included in trading derivatives are derivative financial assets and derivative financial liabilities transacted with the holding company and related companies amounting to RM64,564,000 (2024 March: RM69,432,000) and RM301,766,000 (2024 March: RM318,292,000) respectively.

**21 DEPOSITS FROM CUSTOMERS**

	2024 June RM'000	2024 March RM'000
<i>At amortised cost</i>		
Demand deposits	5,852,594	5,035,693
Money market deposits	1,291,172	1,434,546
Savings deposits	55	51
Fixed deposits	4,638,360	5,805,834
	<u>11,782,181</u>	<u>12,276,124</u>

**(a) The maturity structure of fixed deposits are as follows:**

Due within six months	4,570,941	5,736,901
More than six months to one year	67,419	68,933
	<u>4,638,360</u>	<u>5,805,834</u>

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

Domestic non-bank financial institutions	392,986	339,560
Business enterprises	10,942,864	11,582,727
Individuals	1,274	1,264
Foreign entities/individuals	389,308	298,111
Others	55,749	54,462
	<u>11,782,181</u>	<u>12,276,124</u>

**22 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS**

	2024 June RM'000	2024 March RM'000
<i>At amortised cost</i>		
Licensed banks	1,348,905	1,014,218

**MUFG BANK (MALAYSIA) BERHAD**  
**Company No : 199401016638 (302316-U)**  
**(Incorporated in Malaysia)**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)**

**23 OTHER LIABILITIES**

	2024 June RM'000	2024 March RM'000
Provision for retirement benefits	24,209	23,484
Impairment allowances on commitment and contingencies (a)		
• Stage 1 - 12-month ECL	4,955	6,416
• Stage 2 - lifetime ECL not credit-impaired	23,560	6,989
Accrued interest payable	19,653	25,541
Bills payable	21,346	23,133
Other payables and accruals	75,987	202,942
	<u>169,710</u>	<u>288,505</u>

(a) **Movements in impairment allowances on commitments and contingencies which reflect the ECL model on impairment are as follows:**

	12-month ECL Stage 1 RM'000	Lifetime ECL Not credit- impaired Stage 2 RM'000	Credit-impaired Stage 3 RM'000	Total RM'000
<b>At 1 April 2024</b>	6,343	16,884	-	23,227
Transfer to 12-month ECL (Stage 1)	-	-	-	-
Transfer to Lifetime ECL not credit-impaired (Stage 2)	(25)	17	-	(8)
New financial assets originated	4,736	23,246	-	27,982
Financial assets derecognised (other than write-off)	(5,983)	(16,660)	-	(22,643)
Net remeasurement due to changes in credit risk	(116)	73	-	(43)
<b>At 30 June 2024</b>	<u>4,955</u>	<u>23,560</u>	<u>-</u>	<u>28,515</u>
<b>At 1 April 2023</b>	3,398	5,570	-	8,968
Transfer to Lifetime ECL not credit-impaired (Stage 2)	(3)	38	-	35
New financial assets originated	6,283	16,844	-	23,127
Financial assets derecognised (other than write-off)	(3,306)	(5,568)	-	(8,874)
Net remeasurement due to changes in credit risk	(29)	-	-	(29)
<b>At 31 March 2024</b>	<u>6,343</u>	<u>16,884</u>	<u>-</u>	<u>23,227</u>

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)**

**24 COMMITMENTS AND CONTINGENCIES**

The commitments and contingencies exposures and their related counterparty credit risk of the Bank are as follows:

	2024 June				2024 March			
	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
<b>Credit-related Exposures</b>								
Direct credit substitutes	642,299		642,299	630,649	337,424		337,424	326,975
Transaction-related contingent items	676,646		338,323	323,832	633,660		316,830	301,653
Short-term self-liquidating trade-related contingencies	238,983		47,797	48,394	85,062		17,013	19,304
Other commitments, such as formal standby facilities and credit lines, with an original maturity of :								
- not exceeding one year	24,531		4,906	4,906	24,835		4,967	4,967
- exceeding one year	140,483		70,241	70,206	105,332		52,666	52,625
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	15,037,878		-	-	13,601,143		-	-
Securitisation exposures	-		-	-	15,000		3,000	2,250
	16,760,820		1,103,566	1,077,987	14,802,456		731,900	707,774
<b>Embedded loans</b>								
Foreign exchange related contracts								
- one year or less	4,292,230	178,771	144,508	70,141	4,657,107	214,599	130,128	66,345
- over one year to five years	11,961,388	563,421	670,502	384,116	12,055,329	580,468	671,540	386,891
- over five years	724,290	8,629	7,270	3,635	724,290	8,585	6,585	3,292
Interest rate related contracts								
- one year or less	3,305,103	6,578	6,908	3,115	3,452,672	8,226	7,896	3,127
- over one year to five years	7,205,270	58,482	122,521	51,138	7,357,010	69,485	111,289	49,102
	27,488,281	815,881	951,709	512,145	28,246,408	881,363	927,438	508,757
<b>Derivative Financial Instruments:</b>								
Foreign exchange related contracts								
- one year or less	22,332,008	151,669	405,984	294,312	22,159,864	185,187	427,215	321,998
- over one year to five years	3,133,813	247,336	305,528	222,808	3,366,268	245,398	292,376	212,700
- over five years	590,245	51,722	115,517	85,366	590,245	52,673	111,827	83,521
Interest rate related contracts								
- one year or less	5,732,218	6,735	8,943	3,324	4,920,313	6,952	6,274	2,383
- over one year to five years	9,175,264	30,312	129,792	62,639	8,813,980	31,460	106,846	52,252
- over five years	1,127,957	15,750	63,098	33,931	1,195,118	15,084	55,724	31,060
Currency options *								
- one year or less	159,834	827	3,225	3,225	144,407	651	2,817	2,817
	42,251,339	504,351	1,032,087	705,605	41,190,195	537,405	1,003,079	706,731
Total	86,500,440	1,320,232	3,087,362	2,295,737	84,239,059	1,418,768	2,662,417	1,923,262

\* Only buy legs are taken into account for counterparty credit risk purposes.



**MUFG BANK (MALAYSIA) BERHAD**

Company No : 199401016638 (302316-U)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>2024 June</b>	<b>2023 June</b>	<b>2024 June</b>	<b>2023 June</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>25 INTEREST INCOME</b>				
Loans, advances and financing measured at amortised cost	133,838	116,065	133,838	116,065
Loans, advances and financing designated at fair value	6,788	7,028	6,788	7,028
Money at call and deposit placements with financial institutions	46,079	58,174	46,079	58,174
Financial assets at FVTPL	21,008	1,008	21,008	1,008
Financial investments at FVOCI	14,247	6,152	14,247	6,152
	<u>221,960</u>	<u>188,427</u>	<u>221,960</u>	<u>188,427</u>
<b>26 INTEREST EXPENSE</b>				
Deposits and placements of banks and other financial institutions	92,801	103,066	92,801	103,066
Deposits from other customers	22,002	11,980	22,002	11,980
	<u>114,803</u>	<u>115,046</u>	<u>114,803</u>	<u>115,046</u>
<b>27 NET INCOME FROM EMBEDDED LOANS MEASURED AT FVTPL</b>				
Interest income	181,481	199,786	181,481	199,786
Interest expense	(149,645)	(178,059)	(149,645)	(178,059)
Unrealised gain in fair value of embedded loans	(14,330)	19,801	(14,330)	19,801
Realised gain/(loss) in fair value of embedded loans	5,358	(37,349)	5,358	(37,349)
	<u>22,864</u>	<u>4,179</u>	<u>22,864</u>	<u>4,179</u>
<b>28 OTHER OPERATING INCOME</b>				
<b>Fee income</b>				
Commission	995	536	995	536
Guarantee fees	1,022	878	1,022	878
Service charges and fees	617	601	617	601
Commitment fees	307	255	307	255
Other fee income	6,506	6,525	6,506	6,525
	<u>9,447</u>	<u>8,795</u>	<u>9,447</u>	<u>8,795</u>
<b>Net investment income</b>				
Gross dividends	111	111	111	111
Realised (loss) in fair value of derivative financial instruments	(18,151)	(10,793)	(18,151)	(10,793)
Realised (loss)/gain in fair value of financial assets at FVTPL	(2,111)	1,415	(2,111)	1,415
Unrealised gain in fair value of derivative financial instruments	6,100	210,591	6,100	210,591
Unrealised gain in fair value of financial assets at FVTPL	2,015	294	2,015	294
Unrealised gain/(loss) in fair value of loans designated at fair value	1,478	(8,176)	1,478	(8,176)
Foreign exchange gain/(loss)	73,706	(141,337)	73,706	(141,337)
Net (premium) paid for options	(24)	(7)	(24)	(7)
	<u>63,124</u>	<u>52,098</u>	<u>63,124</u>	<u>52,098</u>
<b>Other income</b>				
Other operating income	(1,095)	2,648	(1,095)	2,648
	<u>71,476</u>	<u>63,541</u>	<u>71,476</u>	<u>63,541</u>

**MUFG BANK (MALAYSIA) BERHAD**

Company No : 199401016638 (302316-U)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>2024 June</b>	<b>2023 June</b>	<b>2024 June</b>	<b>2023 June</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>29 OTHER OPERATING EXPENSES</b>				
Personnel expenses	27,766	27,541	27,766	27,541
Establishment related expenses	9,797	9,052	9,797	9,052
Promotion and marketing related expenses	570	545	570	545
Administrative and other expenses	27,144	24,272	27,144	24,272
	<u>65,277</u>	<u>61,410</u>	<u>65,277</u>	<u>61,410</u>
<b>Personnel expenses</b>				
- Wages, salaries and bonus	22,076	21,747	22,076	21,747
- Defined benefit plan	726	829	726	829
- Defined contribution plan	2,748	2,657	2,748	2,657
- Other employee benefits	2,216	2,308	2,216	2,308
	<u>27,766</u>	<u>27,541</u>	<u>27,766</u>	<u>27,541</u>
<b>Establishment related expenses</b>				
- Depreciation of property, plant and equipment	1,390	1,123	1,390	1,123
- Amortisation of intangible assets	6,289	6,250	6,289	6,250
- Depreciation of right-of-use assets	1,264	844	1,264	844
- Repair and maintenance	63	39	63	39
- Expenses relating to short-term leases and leases of low-value assets	488	565	488	565
- Interest expenses on lease liabilities	125	26	125	26
- Others	178	205	178	205
	<u>9,797</u>	<u>9,052</u>	<u>9,797</u>	<u>9,052</u>
<b>Promotion and marketing related expenses</b>				
- Others	570	545	570	545
	<u>570</u>	<u>545</u>	<u>570</u>	<u>545</u>
<b>Administrative and other expenses</b>				
- Cash collateral fees on CSA	13,421	9,583	13,421	9,583
- Communication expenses	177	199	177	199
- Legal and professional fees	84	-	84	-
- Others	13,462	14,490	13,462	14,490
	<u>27,144</u>	<u>24,272</u>	<u>27,144</u>	<u>24,272</u>

**MUFG BANK (MALAYSIA) BERHAD**

Company No : 199401016638 (302316-U)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)****30 ALLOWANCE FOR IMPAIRMENT ON FINANCIAL INSTRUMENTS**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>2024 June</b>	<b>2023 June</b>	<b>2024 June</b>	<b>2023 June</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Stage 1 and 2 expected credit losses made during the year	60,491	26,545	60,491	26,545
Stage 1 and 2 expected credit losses written back	(38,723)	(15,713)	(38,723)	(15,713)
Stage 3 expected credit losses made during the year	-	20	-	20
Stage 3 expected credit losses written back	(58)	-	(58)	-
Other movements	76	(164)	76	(164)
	<u>21,786</u>	<u>10,688</u>	<u>21,786</u>	<u>10,688</u>
<b>(a) Allowance for impairment on loans, advances and financing</b>				
Stage 1 and 2 expected credit losses made during the year	32,231	14,599	32,231	14,599
Stage 1 and 2 expected credit losses written back	(15,645)	(12,867)	(15,645)	(12,867)
Stage 3 expected credit losses made during the year	-	20	-	20
Stage 3 expected credit losses written back	(58)	-	(58)	-
Other movements	76	(164)	76	(164)
	<u>16,604</u>	<u>1,588</u>	<u>16,604</u>	<u>1,588</u>
<b>(b) (Reversal of) impairment on purchased receivables</b>				
Stage 1 and 2 expected credit losses made during the year	187	370	187	370
Stage 1 and 2 expected credit losses written back	(293)	(498)	(293)	(498)
	<u>(106)</u>	<u>(128)</u>	<u>(106)</u>	<u>(128)</u>
<b>(c) Allowance for impairment on off-balance sheet exposures</b>				
Stage 1 and 2 expected credit losses made during the year	28,073	11,576	28,073	11,576
Stage 1 and 2 expected credit losses written back	(22,785)	(2,348)	(22,785)	(2,348)
	<u>5,288</u>	<u>9,228</u>	<u>5,288</u>	<u>9,228</u>

**MUFG BANK (MALAYSIA) BERHAD**

Company No : 199401016638 (302316-U)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)****31 CAPITAL ADEQUACY**

- (a) The capital adequacy ratios consist of total capital and risk-weighted assets derived from balances of the Bank and are computed in accordance with BNM's Guidelines on Capital Adequacy Framework (Capital Components and Basel II - Risk Weighted Assets) ("CAF"). The Bank adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk.

- (b) The capital adequacy ratios of the Bank are as follows:

	2024 June	2024 March
Common equity Tier 1 ("CET 1") capital ratio	30.747%	33.569%
Tier 1 capital ratio	30.747%	33.569%
Total capital ratio	<u>31.784%</u>	<u>34.587%</u>

- (c) The components of CET 1, Tier 1 and total capital of the Bank are as follows:

	2024 June RM'000	2024 March RM'000
<u>CET 1 and Tier 1 capital</u>		
• Paid-up share capital	200,000	200,000
• Retained profits	4,208,019	4,208,019
• Other reserves	<u>123,586</u>	<u>121,473</u>
	4,531,605	4,529,492
<u>Less</u>		
• Deferred tax assets	(10,215)	(10,215)
• Intangible assets	(35,752)	(41,787)
• 55% of fair value reserve	(15,078)	(13,916)
• Unrealised gain in fair value of loans designated at fair value	(1,478)	-
• Regulatory reserve	<u>(96,383)</u>	<u>(96,383)</u>
	4,372,699	4,367,191
<u>Tier 2 capital</u>		
• Stage 1 and 2 ECL and regulatory reserve	147,419	132,477
Total Capital	<u>4,520,118</u>	<u>4,499,668</u>

**MUFG BANK (MALAYSIA) BERHAD**

Company No : 199401016638 (302316-U)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)****31 CAPITAL ADEQUACY (CONT'D)**

(d) The components of risk-weighted assets of the Bank are as follows:

**2024 June**

<b>Exposure Class</b>	<b>Gross Exposures RM'000</b>	<b>Net Exposures RM'000</b>	<b>Weighted Assets RM'000</b>	<b>Minimum Capital Requirements at 8% RM'000</b>
<b>(i) Credit Risk</b>				
On-Balance Sheet Exposures :				
Sovereigns/Central Banks	6,526,762	6,526,762	382,447	30,596
Banks, Development Financial Institutions & MDBs	3,304,054	2,916,361	763,402	61,072
Corporates	21,325,132	7,937,670	7,774,303	621,944
Regulatory Retail	550	550	550	44
Residential Mortgages	10,621	10,621	4,472	358
Equity Exposures	28,324	28,324	28,324	2,266
Other Assets	738,198	738,198	542,632	43,411
Defaulted Exposures	1,638	1,638	1,638	131
Total On-Balance Sheet Exposures	31,935,279	18,160,124	9,497,768	759,822
Off-Balance Sheet Exposures :				
Credit-related exposures	1,103,566	1,103,566	1,077,987	86,239
Derivatives financial instruments	1,983,796	1,983,796	1,217,750	97,420
Total Off-Balance Sheet Exposures	3,087,362	3,087,362	2,295,737	183,659
Total On and Off-Balance Sheet Exposures	35,022,641	21,247,486	11,793,505	943,481
<b>(ii) Market Risk</b>				
	<b>Long Position RM'000</b>	<b>Short Position RM'000</b>		
Interest Rate Risk	71,800,024	(70,421,213)	1,101,925	88,154
Foreign Exchange Risk	30,353	(247)	30,354	2,428
	71,830,377	(70,421,460)	1,132,279	90,582
<b>(iii) Operational Risk</b>			1,295,758	103,661
<b>Total RWA and Capital Requirements</b>	35,022,641	21,247,486	14,221,542	1,137,724

**MUFG BANK (MALAYSIA) BERHAD**

Company No : 199401016638 (302316-U)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)****31 CAPITAL ADEQUACY (CONTD)**

(d) The components of risk-weighted assets of the Bank are as follows:

**2024 March**

<b>Exposure Class</b>	<b>Gross Exposures RM'000</b>	<b>Net Exposures RM'000</b>	<b>Risk-Weighted Assets RM'000</b>	<b>Minimum Capital Requirements at 8% RM'000</b>
<b>(i) Credit Risk</b>				
On-Balance Sheet Exposures:				
Sovereigns/Central Banks	6,891,452	6,891,452	395,200	31,616
Banks, Development Financial Institutions & MDBs	4,597,095	3,875,477	1,039,393	83,151
Corporates	21,765,285	7,266,810	7,067,235	565,379
Regulatory Retail	744	744	744	60
Residential Mortgages	10,762	10,762	4,689	375
Equity Exposures	28,323	28,323	28,323	2,266
Other Assets	360,122	360,122	137,532	11,003
Defaulted Exposures	1,754	1,754	1,754	140
Total On-Balance Sheet Exposures	<u>33,655,537</u>	<u>18,435,444</u>	<u>8,674,870</u>	<u>693,990</u>
Off-Balance Sheet Exposures :				
Credit-related exposures	728,900	728,900	705,524	56,442
Securitisation exposures	3,000	3,000	2,250	180
Derivatives financial instruments	1,930,517	1,930,517	1,215,488	97,239
Total Off-Balance Sheet Exposures	<u>2,662,417</u>	<u>2,662,417</u>	<u>1,923,262</u>	<u>153,861</u>
Total On and Off-Balance Sheet Exposures	<u>36,317,954</u>	<u>21,097,861</u>	<u>10,598,132</u>	<u>847,851</u>
<b>(ii) Market Risk</b>				
	<b>Long Position RM'000</b>	<b>Short Position RM'000</b>		
Interest Rate Risk	72,414,767	(70,200,988)	1,183,425	94,674
Foreign Exchange Risk	4,509	(34,786)	34,788	2,783
	<u>72,419,276</u>	<u>(70,235,774)</u>	<u>1,218,213</u>	<u>97,457</u>
<b>(iii) Operational Risk</b>			<u>1,193,216</u>	<u>95,457</u>
<b>Total RWA and Capital Requirements</b>	<u>36,317,954</u>	<u>21,097,861</u>	<u>13,009,561</u>	<u>1,040,765</u>

**MUFG BANK (MALAYSIA) BERHAD**

Company No : 199401016638 (302316-U)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)****32 THE OPERATIONS OF ISLAMIC BANKING****UNAUDITED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024**

		<b>2024 June RM'000</b>	<b>2024 March RM'000</b>
<b>ASSETS</b>			
Cash and short-term funds	(a)	283,000	186,000
Deposits and placements with financial institutions	(b)	8,386	1,909
Other assets		70	46
<b>TOTAL ASSETS</b>		<b>291,456</b>	<b>187,955</b>
<b>LIABILITIES AND ISLAMIC BANKING FUNDS</b>			
Deposits from customers	(c)	171,609	73,459
Other liabilities	(d)	14,272	14,176
<b>TOTAL LIABILITIES</b>		<b>185,881</b>	<b>87,635</b>
<b>CAPITAL FUNDS</b>		<b>25,000</b>	<b>25,000</b>
<b>RESERVE</b>		<b>80,575</b>	<b>75,320</b>
<b>ISLAMIC BANKING FUNDS</b>		<b>105,575</b>	<b>100,320</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS</b>		<b>291,456</b>	<b>187,955</b>

Islamic financing based on Commodity Murabahah (Tawarruq) of RM2,931,586,000 (2024 March: RM2,807,047,000) and Ijarah of RM105,996,000 (2024 March: RM110,896,000) were financed under an internal Wakalah scheme and is reported at the entity level.

Tawarruq structure for the Bank's Islamic financing product consists of three (3) sales and purchases transactions. The first involves the purchase of commodity by the Bank from Commodity Trader 1, on cash and spot basis. Secondly, the Bank will sell the commodity using Murabahah contract, to the customer on deferred basis. Subsequently, the customer will sell the commodity to Commodity Trader 2, on cash and spot basis. Finally, the customer will get cash to finance the customer's needs.

**MUFG BANK (MALAYSIA) BERHAD**  
Company No : 199401016638 (302316-U)  
(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)**

**32 THE OPERATIONS OF ISLAMIC BANKING (CONTD)**

**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2024**

		1st Quarter Ended		Three Months Ended	
		2024 June RM'000	2023 June RM'000	2024 June RM'000	2023 June RM'000
Income derived from investment of Islamic Banking Capital funds	(e)	1,479	891	1,479	891
Expenses derived from financing	(f)	(1)	(1)	(1)	(1)
Other operating income	(g)	3,872	4,960	3,872	4,960
Total net income		5,350	5,850	5,350	5,850
Other operating expenses	(h)	(95)	(84)	(95)	(84)
Profit for the period		5,255	5,766	5,255	5,766

**UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2024**

	Capital Fund RM'000	Regulatory Reserve RM'000	Retained Profits RM'000	Total RM'000
<b>2024 June</b>				
At beginning of the period	25,000	118	75,202	100,320
Profit for the period	-	-	5,255	5,255
At end of the period	25,000	118	80,457	105,575
<b>2023 June</b>				
At beginning of the period	25,000	118	53,634	78,752
Profit for the period	-	-	5,766	5,766
At end of the period	25,000	118	59,400	84,518

**UNAUDITED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 JUNE 2024**

	2024 June RM'000	2023 June RM'000
Cash flows from operating activities		
Profit before tax	5,255	5,766
(Decrease)/Increase in operating assets:		
Deposits and placement with financial institutions	(6,477)	(1,158)
Other assets	(24)	(8)
	(1,246)	4,600
Increase/(Decrease) in operating liabilities:		
Deposits from customers	98,150	83,978
Other liabilities	96	(4,578)
Net cash generated from operating activities	97,000	84,000
<b>Net increase in cash and cash equivalents</b>	97,000	84,000
<b>Cash and cash equivalents at beginning of period</b>	186,000	116,000
<b>Cash and cash equivalents at end of period</b>	283,000	200,000



**MUFG BANK (MALAYSIA) BERHAD**

Company No : 199401016638 (302316-U)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)****32 THE OPERATIONS OF ISLAMIC BANKING (CONTD)****Shariah Committee**

The Shariah Committee was established under BNM's "Shariah Governance Policy Document" ("the SGP") to advise the Board of Directors on Shariah matters in its Islamic Banking business operations and to provide technical assistance in ensuring the Islamic Banking products and services offered by the Bank and the relevant documentation are in compliance with Shariah principles.

As of March 2024, the committee comprises: Assoc. Prof. Dr. Said Bouheraoua, Y.Bhg. Prof. Emeritus Dato' Dr. Mohd Azmi bin Omar and Assoc. Prof. Dr. Mohamad Zaharuddin bin Zakaria.

**Basis of Preparation**

The financial statements of the Islamic Banking business have been prepared on the basis consistent with that of the Bank as disclosed in Note 1 to the audited financial statements of the Bank for financial year ended 31 March 2024.

**(a) Cash and short-term funds**

	2024 June RM'000	2024 March RM'000
Cash and balances with banks and other financial institutions	283,000	186,000

**(b) Deposits and placements with financial institutions**

	2024 June RM'000	2024 March RM'000
<i>At amortised cost</i>		
Licensed bank		
• Malaysia	8,386	1,909

**(c) Deposits from customers**

	2024 June RM'000	2024 March RM'000
<b>(i) By type of deposits:</b>		
<i>At amortised cost</i>		
Current accounts - Qard	171,436	73,286
Fixed deposits - Tawarruq	173	173
	171,609	73,459
<b>(ii) The maturity structure of fixed deposits are as follows:</b>		
Due within six months	173	173
	173	173
<b>(iii) By type of customer:</b>		
Domestic business enterprises	18,748	13,804
Foreign entities	152,688	59,482
Domestic other entities	173	173
	171,609	73,459

Qard is a contract of lending a fungible asset to a borrower who is bound to return an equivalent replacement. No profit expense from deposits shall be paid from the transactions.

**(d) Other liabilities**

	2024 June RM'000	2024 March RM'000
Accruals and provisions for operational expenses	14,272	14,176

**MUFG BANK (MALAYSIA) BERHAD**

Company No : 199401016638 (302316-U)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)****32 THE OPERATIONS OF ISLAMIC BANKING (CONTD)****(e) Income derived from investment of Islamic Banking Capital Funds**

	1st Quarter Ended		Three Months Ended	
	2024 June	2023 June	2024 June	2023 June
	RM'000	RM'000	RM'000	RM'000
Money at call and placements with financial institutions	1,479	891	1,479	891

**(f) Expenses derived from financing**

	1st Quarter Ended		Three Months Ended	
	2024 June	2023 June	2024 June	2023 June
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	1	1	1	1

**(g) Other operating income**

	1st Quarter Ended		Three Months Ended	
	2024 June	2023 June	2024 June	2023 June
	RM'000	RM'000	RM'000	RM'000
Other fee income	3,872	4,960	3,872	4,960

**(h) Other operating expenses**

	1st Quarter Ended		Three Months Ended	
	2024 June	2023 June	2024 June	2023 June
	RM'000	RM'000	RM'000	RM'000
Personnel expenses	59	53	59	53
Other expenses	36	31	36	31
	95	84	95	84

**MUFG BANK (MALAYSIA) BERHAD**

Company No : 199401016638 (302316-U)

(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)****32 THE OPERATIONS OF ISLAMIC BANKING (CONTD)****(i) Capital Adequacy**

The capital adequacy ratios of the Islamic Banking business of the Bank are computed in accordance with the Capital Adequacy Framework for Islamic Banks ("CAFIB"). The Bank's Islamic Banking business has adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk.

The capital adequacy ratios of the Bank's Islamic Banking business are as follows:

	<b>2024 June</b>	<b>2024 March</b>
Common equity tier 1 ("CET 1") capital ratio	270.254%	264.336%
Tier 1 capital ratio	270.254%	264.336%
Total capital ratio	<u>270.254%</u>	<u>264.336%</u>

The components of CET 1, Tier 1 and total capital of the Bank's Islamic Banking business are as follows:

	<b>2024 June RM'000</b>	<b>2024 March RM'000</b>
<u>CET 1 and Tier 1 capital</u>		
• Capital funds	25,000	25,000
• Retained profits	75,202	75,202
• Other reserves	118	118
	<u>100,320</u>	<u>100,320</u>
<u>Less</u>		
• Regulatory reserve	(118)	(118)
Total capital	<u>100,202</u>	<u>100,202</u>

The breakdown of the risk-weighted assets by each major risk category is as follows:

	<b>2024 June RM'000</b>	<b>2024 March RM'000</b>
Operational risk	<u>37,077</u>	<u>37,907</u>

**MUFG BANK (MALAYSIA) BERHAD**  
**Company No : 199401016638 (302316-U)**  
**(Incorporated in Malaysia)**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)**

**32 THE OPERATIONS OF ISLAMIC BANKING (CONTD)**

**(j) Capital Adequacy (Contd)**

The components of risk-weighted assets of the Bank's Islamic Banking business are as follows:

	<b>Gross Exposures RM'000</b>	<b>Net Exposures RM'000</b>	<b>Risk- Weighted Assets RM'000</b>	<b>Capital Requirements at 8% RM'000</b>
<b>2024 June Exposure Class</b>				
<b>(i) Credit Risk</b>				
On-Balance Sheet Exposures:				
Other Assets	291,456	291,456	-	-
Total On-Balance Sheet Exposures	<u>291,456</u>	<u>291,456</u>	<u>-</u>	<u>-</u>
<b>(ii) Operational Risk</b>			<u>37,077</u>	<u>2,966</u>
<b>Total RWA and Capital Requirements</b>	<u>291,456</u>	<u>291,456</u>	<u>37,077</u>	<u>2,966</u>
<b>2024 March Exposure Class</b>				
<b>(i) Credit Risk</b>				
On-Balance Sheet Exposures:				
Other Assets	187,955	187,955	-	-
Total On-Balance Sheet Exposures	<u>187,955</u>	<u>187,955</u>	<u>-</u>	<u>-</u>
<b>(ii) Operational Risk</b>			<u>37,907</u>	<u>3,033</u>
<b>Total RWA and Capital Requirements</b>	<u>187,955</u>	<u>187,955</u>	<u>37,907</u>	<u>3,033</u>

**MUFG BANK (MALAYSIA) BERHAD**  
**Company No : 199401016638 (302316-U)**  
**(Incorporated in Malaysia)**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE QUARTER ENDED 30 JUNE 2024 (CONTD)**

**33 THE OPERATIONS OF INTERNATIONAL CURRENCY BUSINESS UNIT**

The Bank has obtained approval from BNM to set up an International Currency Business Unit ("ICBU") to promote Islamic Banking business. The ICBU is permitted to conduct a wide range of Islamic banking business in international currencies other than Malaysian Ringgit and the currency of Israel as per the Guidelines on the Establishment of International Currency Business Unit issued by BNM.

The following breakdown shows the Bank's financing and advances and deposits from customers which are conducted through ICBU.

**(a) Financing and advances**

**(i) By type:**

	<b>2024 June RM'000</b>	<b>2024 March RM'000</b>
<i>At amortised cost</i>		
Term financing		
• Syndicated Islamic financing	899,933	560,731
• Islamic term financing loan	28,968	28,993
Revolving credits	3,071,197	4,330,246
Gross financing and advances at amortised cost	4,000,098	4,919,970
Impairment allowances financing and advances		
• Stage 1 - 12-month ECL	(183)	(369)
• Stage 2 - lifetime ECL not credit-impaired	(4,951)	-
Net financing and advances at amortised cost	3,994,964	4,919,601
<i>At fair value</i>		
Syndicated Islamic financing	324,406	344,816
Net financing and advances	4,319,370	5,264,417
<b>Gross financing and advances</b>		
<i>At amortised cost</i>	4,000,098	4,919,970
<i>At fair value</i>	324,406	344,816
	<u>4,324,504</u>	<u>5,264,786</u>
<b>(ii) By contract:</b>		
Murabahah Financing-i	3,865,179	4,770,521
Ijarah Financing-i	105,951	120,456
Istina Financing-i	28,968	28,993
Wakalah Financing-i	324,406	344,816
	<u>4,324,504</u>	<u>5,264,786</u>

<b>(b) Deposits from customers</b>	<b>2024 June RM'000</b>	<b>2024 March RM'000</b>
<b>(i) By type and contract:</b>		
<i>At amortised cost</i>		
Demand deposits - Qard	242,297	239,338