

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

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED  
30 JUNE 2025**

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

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

**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE QUARTER ENDED**  
**30 JUNE 2025**

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

**UNAUDITED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2025**

	<b>Note</b>	<b>2025 June RM'000</b>	<b>2025 March RM'000</b>
<b>ASSETS</b>			
Cash and short-term funds	11	4,500,785	6,425,755
Reverse repurchase agreements	12	121,938	-
Deposits and placements with financial institutions	13	587,435	569,089
Financial assets at fair value through profit or loss	14	286,495	292,508
Financial investments at fair value through other comprehensive income ("FVOCI")	15	2,032,979	1,741,768
Loans, advances and financing	16	10,032,918	7,491,482
Embedded loans measured at fair value through profit or loss ("FVTPL")	17	13,441,450	13,963,724
Purchased receivables	18	686,439	811,540
Collateral deposits placed	19	346,616	35,809
Derivative financial assets	20	503,054	362,271
Statutory deposits with Bank Negara Malaysia		11,068	9,017
Other assets		153,072	43,781
Property, plant and equipment		23,507	23,458
Intangible assets		20,103	22,364
Rights-of-use assets		12,747	13,525
Current tax assets		8,428	8,428
Deferred tax assets		19,404	19,404
<b>TOTAL ASSETS</b>		<b>32,788,438</b>	<b>31,833,923</b>
<b>LIABILITIES AND SHAREHOLDER'S FUNDS</b>			
Deposits from customers	21	10,944,520	11,508,897
Deposits and placements of banks and other financial institutions	22	2,141,722	3,039,508
Financial liabilities at fair value through profit or loss	23	90,953	-
Collateral deposits received	19	13,813,973	11,808,046
Derivative financial liabilities	20	452,601	308,190
Other liabilities	24	337,663	208,295
Lease liabilities		11,915	12,466
<b>TOTAL LIABILITIES</b>		<b>27,793,347</b>	<b>26,885,402</b>
<b>SHARE CAPITAL</b>		<b>200,000</b>	<b>200,000</b>
<b>RESERVES</b>		<b>4,795,091</b>	<b>4,748,521</b>
<b>SHAREHOLDER'S FUNDS</b>		<b>4,995,091</b>	<b>4,948,521</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS</b>		<b>32,788,438</b>	<b>31,833,923</b>
<b>COMMITMENTS AND CONTINGENCIES</b>			
	25	97,324,606	98,161,347

**MUFG BANK (MALAYSIA) BERHAD**

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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 JUNE 2025**

	Note	1st Quarter Ended		Three Months Ended	
		2025 June RM'000	2024 June RM'000	2025 June RM'000	2024 June RM'000
Operating revenue		153,182	206,847	153,182	206,847
Interest income	26	170,837	221,960	170,837	221,960
Interest expense	27	(76,622)	(114,803)	(76,622)	(114,803)
Net interest income		94,215	107,157	94,215	107,157
Net income from embedded loans measured at FVTPL	28	(353,663)	22,864	(353,663)	22,864
Net income from Islamic Banking operations	33	4,493	5,350	4,493	5,350
Other operating income	29	408,137	71,476	408,137	71,476
Operating income		153,182	206,847	153,182	206,847
Other operating expenses	30	(47,823)	(65,280)	(47,826)	(65,280)
Operating profit before allowance for impairment		105,359	141,567	105,356	141,567
Allowance for impairment on financial instruments	31	(18,391)	(21,786)	(18,391)	(21,786)
Profit before tax		86,968	119,781	86,965	119,781
Tax expense		(51,725)	(51,725)	(51,725)	(51,725)
Profit after tax for the period		35,243	68,056	35,240	68,056
<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 measured at FVOCI		8,640	2,113	8,640	2,113
Change in expected credit loss reserve		2,690	-	2,690	-
Other comprehensive income for the period, net of tax		11,330	2,113	11,330	2,113
Total comprehensive income for the period		46,573	70,169	46,570	70,169
Profit attributable to :					
Owner of the Bank		35,243	68,056	35,240	68,056
Total comprehensive income attributable to :					
Owner of the Bank		46,573	70,169	46,570	70,169
Basic earnings per share (sen)		17.6	34.0	17.6	34.0

**MUFG BANK (MALAYSIA) BERHAD**

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**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 JUNE 2025**

	<----- Attributable to Shareholder of the Bank ----->						
	<----- Non-distributable ----->				Distributable		
	Share capital RM'000	Regulatory reserve RM'000	Defined benefit reserve RM'000	ECL reserve RM'000	Fair value reserve RM'000	Retained profits RM'000	Total RM'000
<b>2025 June</b>							
At beginning of the period	200,000	96,383	(211)	1,728	28,139	4,622,482	4,948,521
Profit for the period	-	-	-	-	-	35,240	35,240
Other comprehensive gain	-	-	-	2,690	8,640	-	11,330
Total comprehensive income	-	-	-	2,690	8,640	35,240	46,570
At end of the period	200,000	96,383	(211)	4,418	36,779	4,657,722	4,995,091
<b>2024 June</b>							
At beginning of the period	200,000	112,975	(211)	-	25,301	4,208,019	4,546,084
Profit for the period	-	-	-	-	-	68,056	68,056
Other comprehensive gain	-	-	-	-	2,113	-	2,113
Total comprehensive income	-	-	-	-	2,113	68,056	70,169
At end of the period	200,000	112,975	(211)	-	27,414	4,276,075	4,616,253

**MUFG BANK (MALAYSIA) BERHAD**  
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**UNAUDITED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 30 JUNE 2025**

	<b>2025 June</b> <b>RM'000</b>	<b>2024 June</b> <b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before tax	86,965	119,781
Adjustments for:		
Depreciation of property, plant and equipment	1,073	1,390
Amortisation of intangible assets	2,300	6,289
Gain on lease derecognition	-	(1)
Gain on disposal of property, plant and equipment	-	(2)
Depreciation of right-of-use assets	990	1,264
Allowance for impairment on financial instruments	18,391	21,786
Defined benefit plan	555	725
Dividend income	(111)	(111)
Interest income from financial investments at fair value through other comprehensive income	(22,182)	(13,407)
Net amortisation of premium/(accretion of discount) on financial investments at fair value through other comprehensive income	886	(840)
Net loss from sale and redemption of financial investments at fair value through other comprehensive income	442	17,062
Finance cost on lease liabilities	91	125
Accretion expense on asset retirement obligation	3	3
Net (gain)/loss from sale of financial assets at fair value through profit or loss	(2,304)	2,111
Unrealised gain on changes in financial assets at fair value through profit or loss	(196)	(2,015)
Unrealised loss on changes in fair value of embedded loans measured at fair value through profit or loss	381,526	14,330
Unrealised gain on changes in fair value of derivative financial instruments	(36,178)	(6,100)
Unrealised loss/(gain) on changes in fair value of loans designated at fair value	363	(1,478)
Operating profit before working capital changes	432,614	160,912
(Increase)/Decrease in operating assets:		
Reverse repurchase agreements	(121,938)	20,090
Financial assets at fair value through profit or loss	8,513	850,195
Loans, advances and financing	(2,554,207)	33,945
Embedded loans measured at fair value through profit or loss	140,748	434,210
Collateral deposits placed	(310,807)	120
Purchased receivables	125,065	285,324
Derivative financial instruments	39,806	(3,346)
Statutory deposits with Bank Negara Malaysia	(2,051)	(48,054)
Other assets	(109,719)	22,805
(Decrease)/Increase in operating liabilities:		
Deposits from customers	(564,377)	(493,943)
Deposits and placements of banks and other financial institutions	(897,786)	334,687
Financial liabilities at fair value through profit or loss	90,953	-
Collateral deposits received	2,005,927	(1,477,509)
Other liabilities	127,019	(124,808)
<b>Cash used in operations</b>	<b>(1,590,240)</b>	<b>(5,372)</b>
Income tax paid	(51,725)	(60,600)
Payment of staff benefits	(1,466)	-
<b>Net cash used in operating activities</b>	<b>(1,643,431)</b>	<b>(65,972)</b>

**MUFG BANK (MALAYSIA) BERHAD****Company No : 199401016638 (302316-U)****(Incorporated in Malaysia)****UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED 30 JUNE 2025 (CONTD)**

	<b>2025 June</b>	<b>2024 June</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(1,122)	(188)
Purchase of intangible assets	(39)	(254)
Proceeds from disposals of property, plant and equipment	-	7
Proceeds from redemption and sales of financial assets at fair value through other comprehensive income	64,900	390,098
Purchase of financial assets at fair value through other comprehensive income	(348,799)	(567,270)
Interest received from financial assets at fair value through other comprehensive income	22,610	13,711
Dividend received	111	111
<b>Net cash used in investing activities</b>	<u>(262,339)</u>	<u>(163,785)</u>
<b>Cash Flows From Financing Activities</b>		
Payment of lease liabilities	(763)	(1,022)
Interest paid in relation to lease liabilities	(91)	(125)
<b>Net cash used in financing activities</b>	<u>(854)</u>	<u>(1,147)</u>
<b>Net decrease in cash and cash equivalents</b>	(1,906,624)	(230,904)
<b>Cash and cash equivalents at beginning of quarter</b>	6,994,844	7,333,357
<b>Cash and cash equivalents at end of quarter</b>	11 <u>5,088,220</u>	<u>7,102,453</u>
<b>Cash and cash equivalents comprise of:</b>		
Cash and short-term funds	11 4,500,785	5,280,083
Deposits and placements with financial institutions	13 <u>587,435</u>	<u>1,822,370</u>
	<u>5,088,220</u>	<u>7,102,453</u>

# MUFG BANK (MALAYSIA) BERHAD

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(Incorporated in Malaysia)

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2025

### 1 BASIS OF PREPARATION

The unaudited condensed interim financial report for the quarter ended 30 June 2025 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 2025. 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 2025.

#### *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 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

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>
MFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>^</sup>

Amendments to:

MFRS 121	Lack of Exchangeability *
MFRS 9 and MFRS 7	Classification and Measurement of Financial Instruments **
	Contracts Referencing Nature-dependent Electricity **
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 2026

\* Effective for annual periods beginning on or after 1 January 2025

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

The Bank will adopt the above accounting standard and amendments when they become effective. The adoption of these standards and amendments is not expected to result in any significant financial impact on the financial statements of the Bank.



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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2025 (CONTD)**

**2 AUDIT REPORT**

The audit report on the audited financial statements for the financial year ended 31 March 2025 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 2025.

**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 2025.

**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 2025.

**7 DIVIDEND PAID**

No dividend was paid during the financial period ended 30 June 2025.

**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 2025 was RM87.0 million, decrease of 27.40% or RM32.8 million compared to the corresponding period last year. Operating income decreased by RM53.7 million from RM206.8 million to RM153.2 million whilst operating expenses decreases by RM17.5 million mainly attributed to lower administrative and other expenses during the financial period.

Total assets increased from RM31.8 billion as at 31 March 2025 to RM32.8 billion as at 30 June 2025. The Bank's CET 1/Tier 1 capital ratio and total capital ratio remained strong at 28.047% and 29.060% respectively.

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

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### **NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2025 (CONTD)**

#### **10 BUSINESS STRATEGY AND OUTLOOK**

MUFG Malaysia's ("the Bank") business strategy is deeply aligned with the broader vision of Japan–Malaysia collaboration, focusing on three key pillars of sustainable growth: green transition, digital transformation, and supply chain resilience especially in areas of semiconductor, healthcare and energy infrastructure etc.

Japan and Malaysia have already deepened bilateral collaboration through a Comprehensive Strategic Partnership agreed in 2023, focusing on key sectors that align with shared priorities as above. This enhanced partnership is built on decades of trust, investment and technology exchange, and now evolving to address global challenges such as climate change, energy transition, stable supply chain and economic security.

Additionally, the Bank will continue to support the growth and expansion of Government-linked companies, both domestically and abroad, including large conglomerates. The Bank also seeks to play a pivotal role in providing innovative financial solutions-including Shariah-compliant options -to support complex and capital-intensive projects in priority sectors. The Bank envisages to support Malaysian corporates in deepening joint ventures and capital market linkages with Japanese partners to access funding, technology, expertise and global network.

Leveraging on MUFG's global network and strong Japanese corporate base, the Bank aims to facilitate investment and innovation in green infrastructure and renewable energy, support digitalisation initiatives and enhance cross-border supply chain connectivity across key ASEAN corridors.

Through strategic financing, financial advisory services & solution and ecosystem building, the Bank is committed to playing a catalytic role in advancing bilateral economic ties and supporting Malaysia's transition into a high-tech, sustainable economy.

This includes strengthening our capabilities in both conventional and Islamic finance to ensure financing inclusivity and alignment with diverse market needs.

Going forward, the Bank is poised to become a key enabler of Japan–Malaysia collaboration in driving sustainable economic transformation.

Over the next 3–5 years, the Bank anticipates:

Accelerating green finance growth, as regulatory support and ESG-focused capital drive expansion in renewables, energy-efficiency projects and climate-resilient infrastructure, and expand our balance sheet growth in sustainable manner.

The Bank also aims to further develop its Islamic finance capabilities to meet the growing demand for Shariah-compliant financing, particularly for large-scale green transformation (GX) projects and other capital-intensive initiatives by leveraging on Malaysia's global leadership in Islamic finance.

Strengthening supply chain ecosystems through tailored financing and integration platforms that connect Japanese manufacturers with Malaysia's growing green-tech and digital manufacturing clusters.

Malaysia's economic growth in 2025 is forecasted to expand by between 4.5% and 5.5%. While domestic demand and government initiatives are expected to drive this growth, global uncertainties and market volatilities continue to be a potential risk. The Bank will remain vigilant of the evolving global developments, particularly on implications of trade tariffs on Malaysia's economy and the banks's business.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2025 (CONTD)****11 CASH AND SHORT-TERM FUNDS**

	<b>2025 June RM'000</b>	<b>2025 March RM'000</b>
<i>Amortised cost</i>		
Cash and balances with banks and other financial institutions	493,717	500,685
Money at call and deposit placements maturing within three months	4,007,068	5,925,070
	<u>4,500,785</u>	<u>6,425,755</u>

**12 REVERSE REPURCHASE AGREEMENTS**

	<b>2025 June RM'000</b>	<b>2025 March RM'000</b>
<i>Amortised cost</i>		
Reverse repurchase agreement	<u>121,938</u>	<u>-</u>

**13 DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS**

	<b>2025 June RM'000</b>	<b>2025 March RM'000</b>
<i>Amortised cost</i>		
Licensed banks		
• Malaysia	470,463	451,237
• Other countries	116,972	117,852
	<u>587,435</u>	<u>569,089</u>

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

	<b>2025 June RM'000</b>	<b>2025 March RM'000</b>
<b>Money market instruments:</b>		
Malaysian Government Securities	254,598	-
Government Investment Issues	31,897	292,508
	<u>286,495</u>	<u>292,508</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2025 (CONTD)****15 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")**

	<b>2025 June RM'000</b>	<b>2025 March RM'000</b>
<b>Money market instruments</b>		
Malaysian Government Securities	638,221	513,513
Government Investment Issues	424,379	261,751
Japanese Government Bonds	58,442	58,821
Corporate Bond	302,524	300,275
Sukuk	580,971	578,966
	<u>2,004,537</u>	<u>1,713,326</u>
<b>Non-money market instruments:</b>		
Unquoted shares	<u>28,442</u>	<u>28,442</u>
<b>Total</b>	<u>2,032,979</u>	<u>1,741,768</u>

Movements in allowances for impairment which reflect the expected credit loss ("ECL") computed by impairment model and recognised in ECL reserve are as follows:

	<b>12-month ECL Stage 1 RM'000</b>	<b>Life-time ECL Stage 2 RM'000</b>	<b>Total RM'000</b>
<b>At 1 April</b>	1,728	-	1,728
Transfer to lifetime ECL not credit-impaired (Stage 2)	(1,728)	1,728	-
New financial assets originated	-	327	327
Allowance made due to changes in credit risk	-	2,529	2,529
Financial assets derecognised (other than write-off)	-	(166)	(166)
<b>At 30 June 2025</b>	<u>-</u>	<u>4,418</u>	<u>4,418</u>
<b>At 1 April</b>	-	-	-
New financial assets originated	1,728	-	1,728
<b>At 31 March 2025</b>	<u>1,728</u>	<u>-</u>	<u>1,728</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2025 (CONTD)****16 LOANS, ADVANCES AND FINANCING**

	2025 June RM'000	2025 March RM'000
<b>(a) By type:</b>		
<i>At amortised cost</i>		
Term loans		
• Housing loans	6,678	6,823
• Other term loans	5,671,354	4,195,422
Revolving credits	4,145,286	3,038,723
Overdrafts	2,619	2,265
Claims on customers under acceptance credits	-	21,732
Staff loans	7,026	6,773
Gross loans, advances and financing at amortised cost	9,832,963	7,271,738
Impairment allowances on loans, advances and financing		
• Stage 1 - 12-month ECL	(19,802)	(14,858)
• Stage 2 - lifetime ECL not credit-impaired	(25,316)	(18,920)
• Stage 3 - lifetime ECL credit-impaired	(182)	(175)
Net loans, advances and financing at amortised cost	9,787,663	7,237,785
<i>At fair value</i>		
Other term loans	245,255	253,697
Net loans, advances and financing	10,032,918	7,491,482
<b>Gross loans, advances and financing</b>		
<i>At amortised cost</i>	9,832,963	7,271,738
<i>At fair value</i>	245,255	253,697
	10,078,218	7,525,435
<b>(b) By maturity structure:</b>		
Maturing within one year	4,619,174	3,555,683
More than one year to three years	1,681,616	1,833,409
More than three years to five years	2,107,399	1,066,144
More than five years	1,670,029	1,070,199
	10,078,218	7,525,435
<b>(c) By type of customer:</b>		
Domestic non-bank financial institutions	192,213	258,198
Domestic business enterprises		
• Small medium enterprises	70,052	73,995
• Others	3,225,415	3,075,203
Individuals	13,704	13,596
Foreign entities	6,576,834	4,104,443
	10,078,218	7,525,435

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
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	2025 June RM'000	2025 March RM'000
<b>(d) By interest/profit rate sensitivity:</b>		
Variable rates	10,076,011	7,523,049
Fixed rate		
• Staff loans	2,207	2,386
	<u>10,078,218</u>	<u>7,525,435</u>
<b>(e) By economic sector:</b>		
Agricultural, hunting, forestry and fishing	200,229	-
Mining and quarrying	245,255	303,720
Manufacturing	1,293,360	1,420,999
Electricity, gas and water	223,007	202,699
Construction	231,286	258,772
Wholesale, retail trade, restaurants and hotels	350,227	423,859
Transport, storage and communication	992,497	837,654
Finance, insurance, real estate and business services	6,528,653	4,064,136
Households	13,704	13,596
	<u>10,078,218</u>	<u>7,525,435</u>
<b>(f) By geographical location:</b>		
Malaysia	5,820,077	4,773,319
Other countries	4,258,141	2,752,116
	<u>10,078,218</u>	<u>7,525,435</u>
<b>(g) Credit-impaired gross loans by economic sector are as follows:</b>		
Household	<u>831</u>	<u>720</u>
<b>(h) Credit-impaired gross loans by geographical location are as follows:</b>		
Malaysia	<u>831</u>	<u>720</u>
<b>(i) Movements in credit-impaired gross loans, advances and financing are as follows:</b>		
At beginning of the period	720	801
Classified as credit-impaired during the period	221	371
Amount recovered	(1)	(224)
Reclassified as performing	(109)	(228)
At end of the period	<u>831</u>	<u>720</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
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	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 2025</b>	14,858	18,920	175	33,953
Transfer to 12-Month ECL (Stage 1)	1,436	(1,436)	-	-
Transfer to lifetime ECL not credit-impaired (Stage 2)	(752)	752	-	-
Transfer to lifetime ECL credit-impaired (Stage 3)	(1)	(16)	17	-
New financial assets originated	9,671	6,786	-	16,457
Financial assets derecognised (other than write-off)	(6,311)	(3,323)	-	(9,634)
Net remeasurement due to changes in credit risk	901	3,633	(10)	4,524
<b>At 30 June 2025</b>	<b>19,802</b>	<b>25,316</b>	<b>182</b>	<b>45,300</b>
<b>At 1 April 2024</b>	9,070	15,123	265	24,458
Transfer to lifetime ECL not credit-impaired (Stage 2)	(82)	82	-	-
Transfer to lifetime ECL credit-impaired (Stage 3)	(1)	(20)	21	-
New financial assets originated	14,340	18,391	-	32,731
Financial assets derecognised (other than write-off)	(8,262)	(15,019)	(1)	(23,282)
Net remeasurement due to changes in credit risk	(207)	363	(110)	46
<b>At 31 March 2025</b>	<b>14,858</b>	<b>18,920</b>	<b>175</b>	<b>33,953</b>

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

	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 2025</b>	6,178,007	1,093,011	720	7,271,738
Transfer to 12-Month ECL (Stage 1)	160,460	(160,460)	-	-
Transfer to lifetime ECL not credit-impaired (Stage 2)	(1,005,676)	1,005,785	(109)	-
Transfer to lifetime ECL credit-impaired (Stage 3)	(38)	(176)	214	-
New financial assets originated	4,217,547	1,543,885	7	5,761,439
Financial assets derecognised (other than write-off)	(2,978,747)	(221,466)	(1)	(3,200,214)
<b>At 30 June 2025</b>	<b>6,571,553</b>	<b>3,260,579</b>	<b>831</b>	<b>9,832,963</b>
<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)	(115,199)	115,427	(228)	-
Transfer to lifetime ECL credit-impaired (Stage 3)	(87)	(263)	350	-
New financial assets originated	5,427,234	982,631	21	6,409,886
Financial assets derecognised (other than write-off)	(8,326,508)	(290,559)	(224)	(8,617,291)
<b>At 31 March 2025</b>	<b>6,178,007</b>	<b>1,093,011</b>	<b>720</b>	<b>7,271,738</b>

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	2025 June RM'000	2025 March RM'000
<i>At fair value</i>		
Embedded loans with term loans nature	9,025,627	9,467,759
Embedded loans with revolving credits nature	4,415,823	4,495,965
	<u>13,441,450</u>	<u>13,963,724</u>

Loans measured at FVTPL included RM13,174,209,000 (2025 March: RM13,583,582,000) of outstanding balance for loans, advances and financing, and net fair value for derivative financial assets and liabilities of RM181,210,000 (2025 March: RM238,681,000).

Included in embedded loans are net fair value from derivative financial assets and derivative financial liabilities transacted with the immediate holding company and related companies amounting to RM8,765,000 (2025 March: RM4,871,000) and RM118,000 (2025 March: RM199,000) respectively.

	2025 June RM'000	2025 March RM'000
<b>(a) By maturity structure:</b>		
Maturing within one year	5,823,879	6,362,008
More than one year to three years	4,962,303	5,174,514
More than three years to five years	2,655,268	2,427,202
	<u>13,441,450</u>	<u>13,963,724</u>
<b>(b) By type of customer:</b>		
Domestic non-bank financial institutions	10,473,215	10,532,888
Domestic business enterprises		
• Others	3,376,000	3,225,163
	<u>13,849,215</u>	<u>13,758,051</u>
Domestic financial institutions *	(416,412)	201,002
Foreign entities	8,647	4,671
	<u>13,441,450</u>	<u>13,963,724</u>
<b>(c) By interest rate sensitivity:</b>		
Variable rates	13,441,450	13,963,724
<b>(d) By economic sector:</b>		
Mining and quarrying	4,630	60,675
Manufacturing	21,139	26,304
Electricity, gas and water	1,519,817	1,521,512
Construction	693,826	701,405
Transport, storage and communication	1,061,452	843,666
Finance, insurance, real estate and business services	10,140,586	10,810,162
	<u>13,441,450</u>	<u>13,963,724</u>
<b>(e) By geographical location:</b>		
Malaysia	13,432,803	13,959,053
Other countries *	8,647	4,671
	<u>13,441,450</u>	<u>13,963,724</u>

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



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

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

	2025 June			2025 March		
	Contract/ Notional Amount RM'000	Fair Value Assets RM'000	Liabilities RM'000	Contract/ Notional Amount RM'000	Fair Value Assets RM'000	Liabilities RM'000
<i>At fair value</i>						
Embedded loans with term loans nature:						
Foreign currency swaps	7,943,518	453,310	48,191	7,884,571	203,429	201,122
Interest rate swaps	1,301,259	15,050	69	1,168,189	7,949	597
	<u>9,244,777</u>	<u>468,360</u>	<u>48,260</u>	<u>9,052,760</u>	<u>211,378</u>	<u>201,719</u>
Embedded loans with revolving credits nature:						
Foreign currency swaps	4,393,750	168,875	-	4,471,250	69,944	46,594
	<u>4,393,750</u>	<u>168,875</u>	<u>-</u>	<u>4,471,250</u>	<u>69,944</u>	<u>46,594</u>
Cover deals:						
Foreign currency forwards	4,231,469	2,465	144,441	4,987,950	89,286	10,598
Foreign currency swaps	7,621,042	67,561	307,429	7,240,596	234,494	126,777
Interest rate swaps	12,171,519	22,998	48,919	12,049,745	35,910	16,643
	<u>24,024,030</u>	<u>93,024</u>	<u>500,789</u>	<u>24,278,291</u>	<u>359,690</u>	<u>154,018</u>
	<u>37,662,557</u>	<u>730,259</u>	<u>549,049</u>	<u>37,802,301</u>	<u>641,012</u>	<u>402,331</u>
Set off		(549,049)	(549,049)		(402,331)	(402,331)
Net assets		<u>181,210</u>	<u>-</u>		<u>238,681</u>	<u>-</u>

18 PURCHASED RECEIVABLES

	2025 June RM'000	2025 March RM'000
<i>At amortised cost</i>		
Purchased receivables	686,822	811,887
Impairment allowances on purchased receivables		
Stage 1 - 12 month ECL	(383)	(347)
	<u>686,439</u>	<u>811,540</u>

Purchased receivables relate to receivables acquired by the Bank under the account receivables purchasing and vendors financing product. Included in purchased receivables are non-recourse bills receivables amounting to RM608,253,000 (2025 March: RM690,597,000).

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- (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 2025</b>	347	-	-	347
New financial assets originated	245	-	-	245
Financial assets derecognised (other than write-off)	(209)	-	-	(209)
<b>At 30 June 2025</b>	<u>383</u>	<u>-</u>	<u>-</u>	<u>383</u>
 <b>At 1 April 2024</b>	 323	 -	 -	 323
New financial assets originated	347	-	-	347
Financial assets derecognised (other than write-off)	(323)	-	-	(323)
<b>At 31 March 2025</b>	<u>347</u>	<u>-</u>	<u>-</u>	<u>347</u>

**19 COLLATERAL DEPOSITS**

	2025 June RM'000	2025 March RM'000
<i>At amortised cost</i>		
Cash collaterals placed	<u>346,616</u>	<u>35,809</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.

<i>At amortised cost</i>		
Cash collaterals received	<u>13,813,973</u>	<u>11,808,046</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 amounting to RM13,761,784,000 (2025 March: RM11,456,483,000). The remaining balances are placed with licensed banks.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
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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.

	2025 June			2025 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	22,304,625	226,519	265,934	22,593,412	136,699	96,010
• Swaps	4,424,851	197,724	63,238	4,157,778	177,832	98,939
Interest rate related contracts						
• Swaps	16,363,800	77,767	122,475	15,162,815	46,449	112,498
Other derivatives						
• Currency options	286,131	1,044	954	340,696	1,291	743
	<u>43,379,407</u>	<u>503,054</u>	<u>452,601</u>	<u>42,254,701</u>	<u>362,271</u>	<u>308,190</u>

Included in trading derivatives are derivative financial assets and derivative financial liabilities transacted with the immediate holding company and related companies amounting to RM126,097,000 (2025 March: RM42,335,000) and RM154,076,000 (2025 March: RM154,076,000) respectively.

**21 DEPOSITS FROM CUSTOMERS**

	2025 June RM'000	2025 March RM'000
<i>At amortised cost</i>		
Demand deposits	5,076,352	4,766,870
Money market deposits	1,097,657	1,142,114
Savings deposits	10	59
Fixed deposits	4,770,501	5,599,854
	<u>10,944,520</u>	<u>11,508,897</u>

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

Due within six months	4,699,950	4,208,453
More than six months to one year	70,551	1,391,401
	<u>4,770,501</u>	<u>5,599,854</u>

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

Domestic non-bank financial institutions	119,619	100,307
Business enterprises	10,251,285	10,966,956
Individuals	1,084	1,278
Foreign entities/individuals	516,370	384,038
Others	56,162	56,318
	<u>10,944,520</u>	<u>11,508,897</u>

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

	2025 June RM'000	2025 March RM'000
<i>At amortised cost</i>		
Licensed banks	<u>2,141,722</u>	<u>3,039,508</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
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**23 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")**

	2025 June RM'000	2025 March RM'000
<b>Money market instruments:</b>		
Malaysian Government Securities	90,953	-

**24 OTHER LIABILITIES**

	2025 June RM'000	2025 March RM'000
Provision for retirement benefits	24,173	25,084
Impairment allowances on commitment and contingencies (a)		
• Stage 1 - 12-month ECL	7,439	11,504
• Stage 2 - lifetime ECL not credit-impaired	19,500	12,178
Accrued interest payable	58,324	52,006
Other payables and accruals	228,227	107,523
	<u>337,663</u>	<u>208,295</u>

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

	12-month ECL	Lifetime ECL		
	Stage 1 RM'000	Not credit- impaired Stage 2 RM'000	Credit- impaired Stage 3 RM'000	Total RM'000
<b>At 1 April 2025</b>	11,504	12,178	-	23,682
Transfer to 12-month ECL (Stage 1)	394	(394)	-	-
Transfer to Lifetime ECL not credit-impaired (Stage 2)	(776)	776	-	-
New financial assets originated	596	4,718	-	5,314
Financial assets derecognised (other than write-off)	(2,720)	(30)	-	(2,750)
Net remeasurement due to changes in credit risk	(1,559)	2,252	-	693
<b>At 30 June 2025</b>	<u>7,439</u>	<u>19,500</u>	<u>-</u>	<u>26,939</u>
<b>At 1 April 2024</b>	6,344	16,883	-	23,227
Transfer to Lifetime ECL not credit-impaired (Stage 2)	(1)	1	-	-
New financial assets originated	11,217	12,090	-	23,307
Financial assets derecognised (other than write-off)	(6,126)	(16,769)	-	(22,895)
Net remeasurement due to changes in credit risk	70	(27)	-	43
<b>At 31 March 2025</b>	<u>11,504</u>	<u>12,178</u>	<u>-</u>	<u>23,682</u>

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**25 COMMITMENTS AND CONTINGENCIES**

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

	2025 June				2025 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
<u>Credit-related Exposures</u>								
Direct credit substitutes	696,219		696,219	683,547	649,111		649,111	642,279
Transaction-related contingent items	1,050,576		525,288	479,255	954,098		477,049	432,077
Short-term self-liquidating trade-related contingencies	94,781		18,956	21,077	117,482		23,496	23,496
Other commitments, such as formal standby facilities and credit lines, with an original maturity of :								
- not exceeding one year	127,750		25,550	25,550	94,169		18,834	18,834
- exceeding one year	46,051		23,026	23,014	48,425		24,213	24,199
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	14,410,331		-	-	16,411,408		-	-
	<u>16,425,708</u>		<u>1,289,039</u>	<u>1,232,443</u>	<u>18,274,693</u>		<u>1,192,703</u>	<u>1,140,885</u>
<u>Embedded loans</u>								
Foreign exchange related contracts								
- one year or less	12,533,824	242,738	376,068	227,275	12,843,312	232,021	356,959	132,126
- over one year to five years	11,655,955	449,474	973,735	602,314	11,741,055	365,132	734,109	458,530
Interest rate related contracts								
- one year or less	5,837,257	16,252	10,614	3,863	6,336,554	15,418	16,390	6,711
- over one year to five years	<u>7,635,521</u>	<u>21,795</u>	<u>150,063</u>	<u>62,856</u>	<u>6,881,380</u>	<u>28,441</u>	<u>96,295</u>	<u>39,135</u>
	<u>37,662,557</u>	<u>730,259</u>	<u>1,510,480</u>	<u>896,308</u>	<u>37,802,301</u>	<u>641,012</u>	<u>1,203,753</u>	<u>636,502</u>
<u>Derivative Financial Instruments:</u>								
Foreign exchange related contracts								
- one year or less	24,416,976	278,733	595,440	399,601	24,577,606	167,706	509,611	367,102
- over one year to five years	1,744,026	112,141	186,068	147,547	1,583,339	110,526	141,568	98,717
- over five years	568,475	33,369	106,638	87,673	590,245	36,299	110,477	79,598
Interest rate related contracts								
- one year or less	4,401,310	5,590	7,389	2,707	5,030,565	5,301	6,888	3,004
- over one year to five years	11,026,377	60,519	266,727	112,532	9,212,542	28,426	181,222	76,549
- over five years	936,112	11,658	59,491	36,902	919,708	12,722	39,347	24,078
Currency options *								
- one year or less	143,065	1,044	3,190	3,190	170,348	1,291	3,846	3,846
	<u>43,236,341</u>	<u>503,054</u>	<u>1,224,943</u>	<u>790,152</u>	<u>42,084,353</u>	<u>362,271</u>	<u>992,959</u>	<u>652,894</u>
Total	<u>97,324,606</u>	<u>1,233,313</u>	<u>4,024,462</u>	<u>2,918,903</u>	<u>98,161,347</u>	<u>1,003,283</u>	<u>3,389,415</u>	<u>2,430,281</u>

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

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	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>2025 June</b>	<b>2024 June</b>	<b>2025 June</b>	<b>2024 June</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>26 INTEREST INCOME</b>				
Loans, advances and financing measured at amortised cost	103,416	133,838	103,416	133,838
Loans, advances and financing designated at fair value	4,608	6,788	4,608	6,788
Money at call and deposit placements with financial institutions	39,516	46,079	39,516	46,079
Financial assets at FVTPL	2,001	21,008	2,001	21,008
Financial investments at FVOCI				
- Interest income	22,182	13,407	22,182	13,407
- Net (amortisation of premium)/accretion of discount	(886)	840	(886)	840
	<u>170,837</u>	<u>221,960</u>	<u>170,837</u>	<u>221,960</u>
<b>27 INTEREST EXPENSE</b>				
Deposits and placements of banks and other financial institutions	46,576	92,801	46,576	92,801
Deposits from other customers	30,046	22,002	30,046	22,002
	<u>76,622</u>	<u>114,803</u>	<u>76,622</u>	<u>114,803</u>
<b>28 NET INCOME FROM EMBEDDED LOANS MEASURED AT FVTPL</b>				
Interest income	172,133	181,481	172,133	181,481
Interest expense	(147,309)	(149,645)	(147,309)	(149,645)
Unrealised loss in fair value of embedded loans	(381,526)	(14,330)	(381,526)	(14,330)
Realised gain in fair value of embedded loans	3,039	5,358	3,039	5,358
	<u>(353,663)</u>	<u>22,864</u>	<u>(353,663)</u>	<u>22,864</u>
<b>29 OTHER OPERATING INCOME</b>				
<b>Fee income</b>				
Commission	1,284	995	1,284	995
Guarantee fees	1,610	1,022	1,610	1,022
Service charges and fees	568	617	568	617
Commitment fees	473	307	473	307
Other fee income	10,629	6,506	10,629	6,506
	<u>14,564</u>	<u>9,447</u>	<u>14,564</u>	<u>9,447</u>
<b>Net investment income</b>				
Gross dividends	111	111	111	111
Realised loss in fair value of derivative financial instruments	(15,785)	(18,151)	(15,785)	(18,151)
Realised gain/(loss) in fair value of financial assets at FVTPL	2,304	(2,111)	2,304	(2,111)
Unrealised gain in fair value of derivative financial instruments	36,178	6,100	36,178	6,100
Unrealised gain in fair value of financial assets at FVTPL	196	2,015	196	2,015
Unrealised (loss)/gain in fair value of loans designated at fair value	(363)	1,478	(363)	1,478
Foreign exchange gain	369,467	73,706	369,467	73,706
Net premium paid for options	-	(24)	-	(24)
	<u>392,108</u>	<u>63,124</u>	<u>392,108</u>	<u>63,124</u>
<b>Other income</b>				
Other operating income	1,465	(1,095)	1,465	(1,095)
	<u>408,137</u>	<u>71,476</u>	<u>408,137</u>	<u>71,476</u>

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	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>2025 June</b>	<b>2024 June</b>	<b>2025 June</b>	<b>2024 June</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30 OTHER OPERATING EXPENSES</b>				
Personnel expenses	28,445	27,766	28,445	27,766
Establishment related expenses	5,095	9,800	5,098	9,800
Promotion and marketing related expenses	509	570	509	570
Administrative and other expenses	13,774	27,144	13,774	27,144
	<u>47,823</u>	<u>65,280</u>	<u>47,826</u>	<u>65,280</u>
<b>Personnel expenses</b>				
- Wages, salaries and bonus	22,369	22,076	22,369	22,076
- Defined benefit plan	555	726	555	726
- Defined contribution plan	2,770	2,748	2,770	2,748
- Other employee benefits	2,751	2,216	2,751	2,216
	<u>28,445</u>	<u>27,766</u>	<u>28,445</u>	<u>27,766</u>
<b>Establishment related expenses</b>				
- Depreciation of property, plant and equipment	1,073	1,390	1,073	1,390
- Amortisation of intangible assets	2,300	6,289	2,300	6,289
- Depreciation of right-of-use assets	990	1,264	990	1,264
- Repair and maintenance	88	63	88	63
- Expenses relating to short-term leases and leases of low-value assets	369	488	369	488
- Interest expenses on lease liabilities	91	125	91	125
- Accretion expense on asset retirement obligation		3	3	3
- Others	184	178	184	178
	<u>5,095</u>	<u>9,800</u>	<u>5,098</u>	<u>9,800</u>
<b>Promotion and marketing related expenses</b>				
- Advertising and publicity	3	-	3	-
- Others	506	570	506	570
	<u>509</u>	<u>570</u>	<u>509</u>	<u>570</u>
<b>Administrative and other expenses</b>				
- Cash collateral fees on CSA	1,701	13,421	1,701	13,421
- Communication expenses	183	177	183	177
- Legal and professional fees	121	84	121	84
- Others	11,769	13,462	11,769	13,462
	<u>13,774</u>	<u>27,144</u>	<u>13,774</u>	<u>27,144</u>

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	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>2025 June</b>	<b>2024 June</b>	<b>2025 June</b>	<b>2024 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	33,580	60,491	33,580	60,491
Stage 1 and 2 expected credit losses written back	(16,257)	(38,723)	(16,257)	(38,723)
Stage 3 expected credit losses made during the year	17	-	17	-
Stage 3 expected credit losses written back	(10)	(58)	(10)	(58)
Other movements	1,061	76	1,061	76
	<u>18,391</u>	<u>21,786</u>	<u>18,391</u>	<u>21,786</u>
<b>(a) Allowance for impairment on loans, advances and financing</b>				
Stage 1 and 2 expected credit losses made during the year	21,743	32,231	21,743	32,231
Stage 1 and 2 expected credit losses written back	(10,403)	(15,645)	(10,403)	(15,645)
Stage 3 expected credit losses made during the year	17	-	17	-
Stage 3 expected credit losses written back	(10)	(58)	(10)	(58)
Other movements	1,061	76	1,061	76
	<u>12,408</u>	<u>16,604</u>	<u>12,408</u>	<u>16,604</u>
<b>(b) Allowance for/(Reversal of) impairment on purchased receivables</b>				
Stage 1 and 2 expected credit losses made during the year	245	187	245	187
Stage 1 and 2 expected credit losses written back	(209)	(293)	(209)	(293)
	<u>36</u>	<u>(106)</u>	<u>36</u>	<u>(106)</u>
<b>(c) Allowance for impairment on off-balance sheet exposures</b>				
Stage 1 and 2 expected credit losses made during the year	8,736	28,073	8,736	28,073
Stage 1 and 2 expected credit losses written back	(5,479)	(22,785)	(5,479)	(22,785)
	<u>3,257</u>	<u>5,288</u>	<u>3,257</u>	<u>5,288</u>
<b>(d) Allowance for impairment on financial investments at FVOCI</b>				
Stage 1 and 2 expected credit losses made during the year	2,856	-	2,856	-
Stage 1 and 2 expected credit losses written back	(166)	-	(166)	-
	<u>2,690</u>	<u>-</u>	<u>2,690</u>	<u>-</u>



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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
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- (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 Business Indicator Approach for Operational Risk.

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

	2025 June	2025 March
Common equity Tier 1 ("CET 1") capital ratio	28.047%	29.116%
Tier 1 capital ratio	28.047%	29.116%
Total capital ratio	<u>29.060%</u>	<u>30.063%</u>

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

	2025 June RM'000	2025 March RM'000
<u>CET 1 and Tier 1 capital</u>		
• Paid-up share capital	200,000	200,000
• Retained profits	4,622,482	4,622,482
• Other reserves	132,951	124,311
	<u>4,955,433</u>	<u>4,946,793</u>
<u>Less</u>		
• Deferred tax assets	(19,404)	(19,404)
• Intangible assets	(20,103)	(22,364)
• 55% of fair value reserve	(20,228)	(15,476)
• Regulatory reserve	<u>(96,383)</u>	<u>(96,383)</u>
	4,799,315	4,793,166
<u>Tier 2 capital</u>		
• Stage 1 and 2 ECL and regulatory reserve	173,241	155,918
Total Capital	<u>4,972,556</u>	<u>4,949,084</u>

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

**2025 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	4,575,856	4,575,856	93,576	7,486
Banks, Development Financial Institutions & MDBs	4,745,540	4,745,540	1,094,069	87,526
Insurance Cos, Securities Firms & Fund Managers	1	1	1	-
Corporates	21,725,710	21,725,710	9,016,641	721,331
Regulatory Retail	774	774	774	62
Residential Mortgages	12,099	12,099	5,117	409
Equity Exposures	28,442	28,442	28,442	2,275
Other Assets	1,107,466	1,107,466	967,259	77,381
Defaulted Exposures	614	614	614	49
<b>Total On-Balance Sheet Exposures</b>	<b>32,196,502</b>	<b>32,196,502</b>	<b>11,206,493</b>	<b>896,519</b>
Off-Balance Sheet Exposures :				
Credit-related exposures	1,289,039	1,289,039	1,232,443	98,595
Derivatives financial instruments	2,735,423	2,735,423	1,686,460	134,917
<b>Total Off-Balance Sheet Exposures</b>	<b>4,024,462</b>	<b>4,024,462</b>	<b>2,918,903</b>	<b>233,512</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>36,220,964</b>	<b>36,220,964</b>	<b>14,125,396</b>	<b>1,130,031</b>
<b>(ii) Market Risk</b>				
	<b>Long Position RM'000</b>	<b>Short Position RM'000</b>		
Interest Rate Risk	80,573,517	(80,023,730)	1,122,093	89,767
Foreign Exchange Risk	4,455	(157,650)	157,651	12,612
	<b>80,577,972</b>	<b>(80,181,380)</b>	<b>1,279,744</b>	<b>102,379</b>
<b>(iii) Operational Risk</b>			<b>1,706,379</b>	<b>136,510</b>
<b>Total RWA and Capital Requirements</b>	<b>36,220,964</b>	<b>36,220,964</b>	<b>17,111,519</b>	<b>1,368,920</b>

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**32 CAPITAL ADEQUACY (CONTD)**

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

**2025 March**

Exposure Class	Gross Exposures RM'000	Net Exposures RM'000	Risk-Weighted Assets RM'000	Minimum Capital Requirements at 8% RM'000
<b>(i) Credit Risk</b>				
On-Balance Sheet Exposures:				
Sovereigns/Central Banks	6,020,882	6,020,882	100,157	8,013
Banks, Development Financial Institutions & MDBs	3,516,102	3,516,102	1,026,719	82,138
Insurance Cos, Securities Firms & Fund Managers	1	1	1	-
Corporates	20,561,601	20,561,601	9,096,850	727,748
Regulatory Retail	1,110	1,110	1,110	89
Residential Mortgages	10,344	10,344	4,695	376
Equity Exposures	28,442	28,442	28,442	2,275
Other Assets	1,143,195	1,143,195	982,941	78,635
Defaulted Exposures	1,938	1,938	1,938	155
Total On-Balance Sheet Exposures	31,283,615	31,283,615	11,242,853	899,429
Off-Balance Sheet Exposures :				
Credit-related exposures	1,192,703	1,192,703	1,140,885	91,271
Derivatives financial instruments	2,196,712	2,196,712	1,289,396	103,151
Total Off-Balance Sheet Exposures	3,389,415	3,389,415	2,430,281	194,422
Total On and Off-Balance Sheet Exposures	34,673,030	34,673,030	13,673,134	1,093,851
<b>(ii) Market Risk</b>				
	<b>Long Position RM'000</b>	<b>Short Position RM'000</b>		
Interest Rate Risk	80,560,660	(79,974,564)	1,152,608	92,209
Foreign Exchange Risk	181,601	(3,498)	181,600	14,528
	80,742,261	(79,978,062)	1,334,208	106,737
<b>(iii) Operational Risk</b>			1,455,118	116,409
<b>Total RWA and Capital Requirements</b>	<b>34,673,030</b>	<b>34,673,030</b>	<b>16,462,460</b>	<b>1,316,997</b>

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		<b>2025 June RM'000</b>	<b>2025 March RM'000</b>
<b>ASSETS</b>			
Cash and short-term funds	(a)	138,000	120,000
Deposits and placements with financial institutions	(b)	30,226	2,148
Other assets		10,259	7,777
<b>TOTAL ASSETS</b>		<b>178,485</b>	<b>129,925</b>
<b>LIABILITIES AND ISLAMIC BANKING FUNDS</b>			
Deposits from customers	(c)	55,741	11,649
Other liabilities	(d)	72	6
<b>TOTAL LIABILITIES</b>		<b>55,813</b>	<b>11,655</b>
<b>CAPITAL FUNDS</b>		<b>25,000</b>	<b>25,000</b>
<b>RESERVE</b>		<b>97,672</b>	<b>93,270</b>
<b>ISLAMIC BANKING FUNDS</b>		<b>122,672</b>	<b>118,270</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS</b>		<b>178,485</b>	<b>129,925</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		<b>-</b>	<b>-</b>

Islamic financing based on Commodity Murabahah (Tawarruq) of RM3,911,293,000 (2025 March: RM3,959,341,000) and Ijarah of RM98,639,000 (2025 March: RM103,336,000) 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.

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

**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2025**

		<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
		<b>2025 June</b>	<b>2024 June</b>	<b>2025 June</b>	<b>2024 June</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of Islamic Banking Capital funds	(e)	1,019	1,479	1,019	1,479
Expenses derived from financing	(f)	(74)	(1)	(74)	(1)
Other operating income	(g)	3,548	3,872	3,548	3,872
Total net income		4,493	5,350	4,493	5,350
Other operating expenses	(h)	(91)	(95)	(91)	(95)
Profit for the period		4,402	5,255	4,402	5,255

**UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30 JUNE 2025**

	<b>Capital Fund</b>	<b>Regulatory Reserve</b>	<b>Retained Profits</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>2025 June</b>				
At beginning of the period	25,000	118	93,152	118,270
Profit for the period	-	-	4,402	4,402
At end of the period	25,000	118	97,554	122,672
<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

**UNAUDITED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 JUNE 2025**

	<b>2025 June</b>	<b>2024 June</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash flows from operating activities		
Profit before tax	4,402	5,255
Increase in operating assets:		
Other assets	(2,482)	(24)
	1,920	5,231
Increase in operating liabilities:		
Deposits from customers	44,092	98,150
Other liabilities	66	96
Net cash generated from operating activities	46,078	103,477
<b>Net increase in cash and cash equivalents</b>	<b>46,078</b>	<b>103,477</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>122,148</b>	<b>187,909</b>
<b>Cash and cash equivalents at end of period</b>	<b>168,226</b>	<b>291,386</b>
<b>Cash and cash equivalents comprise of:</b>		
Cash and short-term funds	138,000	283,000
Deposits and placements with financial institutions	30,226	8,386
	168,226	291,386

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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 2025, the committee comprises: 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 2025.

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

	2025 June RM'000	2025 March RM'000
Cash and balances with banks and other financial institutions	138,000	120,000

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

	2025 June RM'000	2025 March RM'000
<i>At amortised cost</i>		
Licensed bank		
• Malaysia	30,226	2,148

**(c) Deposits from customers**

	2025 June RM'000	2025 March RM'000
<b>(i) By type of deposits:</b>		
<i>At amortised cost</i>		
Current accounts - Qard	11,130	10,139
Fixed deposits - Tawarruq	44,611	1,510
	55,741	11,649
<b>(ii) The maturity structure of fixed deposits are as follows:</b>		
Due within six months	44,611	1,510
	44,611	1,510
<b>(iii) By type of customer:</b>		
Domestic business enterprises	23,564	11,356
Foreign entities	32,177	293
	55,741	11,649

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**

	2025 June RM'000	2025 March RM'000
Accruals and provisions for operational expenses	72	6

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	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>2025 June</b>	<b>2024 June</b>	<b>2025 June</b>	<b>2024 June</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Money at call and placements with financial institutions	<u>1,019</u>	<u>1,479</u>	<u>1,019</u>	<u>1,479</u>

**(f) Expenses derived from financing**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>2025 June</b>	<b>2024 June</b>	<b>2025 June</b>	<b>2024 June</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers	<u>74</u>	<u>1</u>	<u>74</u>	<u>1</u>

**(g) Other operating income**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>2025 June</b>	<b>2024 June</b>	<b>2025 June</b>	<b>2024 June</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other fee income	<u>3,548</u>	<u>3,872</u>	<u>3,548</u>	<u>3,872</u>

**(h) Other operating expenses**

	<b>1st Quarter Ended</b>		<b>Three Months Ended</b>	
	<b>2025 June</b>	<b>2024 June</b>	<b>2025 June</b>	<b>2024 June</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Personnel expenses	64	59	64	59
Other expenses	<u>27</u>	<u>36</u>	<u>27</u>	<u>36</u>
	<u>91</u>	<u>95</u>	<u>91</u>	<u>95</u>

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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 Business Indicator Approach for Operational Risk.

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

	2025 June	2025 March
Common equity tier 1 ("CET 1") capital ratio	369.560%	367.091%
Tier 1 capital ratio	369.560%	367.091%
Total capital ratio	<u>369.560%</u>	<u>367.091%</u>

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

	2025 June RM'000	2025 March RM'000
<u>CET 1 and Tier 1 capital</u>		
• Capital funds	25,000	25,000
• Retained profits	93,152	93,152
• Other reserves	118	118
	<u>118,270</u>	<u>118,270</u>
<u>Less</u>		
• Regulatory reserve	(118)	(118)
Total capital	<u>118,152</u>	<u>118,152</u>

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

	2025 June RM'000	2025 March RM'000
Operational risk	<u>31,971</u>	<u>32,186</u>



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**33 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>2025 June Exposure Class</b>				
<b>(i) Credit Risk</b>				
On-Balance Sheet Exposures:				
Other Assets	178,486	178,486	-	-
Total On-Balance Sheet Exposures	<u>178,486</u>	<u>178,486</u>	<u>-</u>	<u>-</u>
<b>(ii) Operational Risk</b>			<u>31,971</u>	<u>2,558</u>
<b>Total RWA and Capital Requirements</b>	<u>178,486</u>	<u>178,486</u>	<u>31,971</u>	<u>2,558</u>
<b>2025 March Exposure Class</b>				
<b>(i) Credit Risk</b>				
On-Balance Sheet Exposures:				
Other Assets	129,925	129,925	-	-
Total On-Balance Sheet Exposures	<u>129,925</u>	<u>129,925</u>	<u>-</u>	<u>-</u>
<b>(ii) Operational Risk</b>			<u>32,186</u>	<u>2,575</u>
<b>Total RWA and Capital Requirements</b>	<u>129,925</u>	<u>129,925</u>	<u>32,186</u>	<u>2,575</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 2025 (CONTD)**

**34 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>2025 June RM'000</b>	<b>2025 March RM'000</b>
<i>At amortised cost</i>		
Term financing		
• Syndicated Islamic financing	3,532,973	2,023,681
• Islamic term financing	8,603	9,045
Revolving credits	2,318,692	1,372,360
Gross financing and advances at amortised cost	5,860,268	3,405,086
Impairment allowances financing and advances		
• Stage 1 - 12-month ECL	(8,377)	(5,340)
• Stage 2 - lifetime ECL not credit-impaired	(9,097)	(9,459)
Net financing and advances at amortised cost	5,842,794	3,390,287
<i>At fair value</i>		
Syndicated Islamic financing	245,255	253,697
Net financing and advances	6,088,049	3,643,984
<b>Gross financing and advances</b>		
<i>At amortised cost</i>	5,860,268	3,405,086
<i>At fair value</i>	245,255	253,697
	<u>6,105,524</u>	<u>3,658,783</u>

**(ii) By contract:**

Murabahah Financing-i	5,794,987	3,330,254
Ijarah Financing-i	56,678	65,787
Istina Financing-i	8,603	9,045
Wakalah Financing-i	245,255	253,697
	<u>6,105,524</u>	<u>3,658,783</u>

**(b) Deposits from customers**

**(i) By type and contract:**

<i>At amortised cost</i>		
Fixed deposits - Tawarruq	<u>1,658,995</u>	<u>1,737,486</u>