

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

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED  
31 DECEMBER 2025**

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

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

**UNAUDITED INTERIM FINANCIAL REPORT**  
**FOR THE QUARTER ENDED**  
**31 DECEMBER 2025**

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**MUFG BANK (MALAYSIA) BERHAD**

Company No : 199401016638 (302316-U)

(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2025**

	Note	2025 December RM'000	2025 March RM'000
<b>ASSETS</b>			
Cash and short-term funds	11	5,298,348	6,425,755
Reverse repurchase agreements	12	163,620	-
Deposits and placements with financial institutions	13	822,746	569,089
Financial assets at fair value through profit or loss	14	452,728	292,508
Financial investments at fair value through other comprehensive income ("FVOCI")	15	1,926,983	1,741,768
Loans, advances and financing	16	7,678,724	7,491,482
Embedded loans measured at fair value through profit or loss ("FVTPL")	17	10,890,009	13,963,724
Purchased receivables	18	308,420	811,540
Collateral deposits placed	19	483,424	35,809
Derivative financial assets	20	602,613	362,271
Statutory deposits with Bank Negara Malaysia		9,737	9,017
Other assets		54,400	43,781
Property, plant and equipment		21,383	23,458
Intangible assets		16,023	22,364
Rights-of-use assets		11,320	13,525
Current tax assets		7,588	8,428
Deferred tax assets		19,404	19,404
<b>TOTAL ASSETS</b>		<b>28,767,470</b>	<b>31,833,923</b>
<b>LIABILITIES AND SHAREHOLDER'S FUNDS</b>			
Deposits from customers	21	10,661,313	11,508,897
Deposits and placements of banks and other financial institutions	22	1,786,076	3,039,508
Financial liabilities at fair value through profit or loss	23	134,075	-
Collateral deposits received	19	10,172,722	11,808,046
Derivative financial liabilities	20	550,284	308,190
Other liabilities	24	198,321	208,295
Lease liabilities		10,925	12,466
<b>TOTAL LIABILITIES</b>		<b>23,513,716</b>	<b>26,885,402</b>
<b>SHARE CAPITAL</b>		<b>200,000</b>	<b>200,000</b>
<b>RESERVES</b>		<b>5,053,754</b>	<b>4,748,521</b>
<b>SHAREHOLDER'S FUNDS</b>		<b>5,253,754</b>	<b>4,948,521</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS</b>		<b>28,767,470</b>	<b>31,833,923</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	25	<b>113,904,276</b>	<b>98,161,347</b>

**MUFG BANK (MALAYSIA) BERHAD**

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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 DECEMBER 2025**

	Note	3rd Quarter Ended		Nine Months Ended	
		2025 December RM'000	2024 December RM'000	2025 December RM'000	2024 December RM'000
Operating revenue		229,374	205,842	593,434	669,790
Interest income	26	166,722	191,681	527,024	625,091
Interest expense	27	(79,137)	(74,127)	(254,722)	(304,293)
Net interest income		87,585	117,554	272,302	320,798
Net income/(loss) from embedded loans measured at FVTPL	28	99,523	205,231	(97,550)	220,089
Net income from Islamic Banking operations	33	3,836	3,660	13,742	13,804
Other operating income/(loss)	29	38,430	(120,603)	404,940	115,099
Operating income		229,374	205,842	593,434	669,790
Other operating expenses	30	(43,298)	(47,890)	(136,040)	(166,002)
Operating profit before allowance for impairment		186,076	157,952	457,394	503,788
Reversal of/(Allowance for) impairment on financial instruments	31	10,759	14,845	(1,103)	(12,964)
Profit before tax		196,835	172,797	456,291	490,824
Tax expense		(51,725)	(51,725)	(155,175)	(155,175)
Profit after tax for the period		145,110	121,072	301,116	335,649
<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		(1,117)	(438)	1,427	4,116
Change in expected credit loss reserve		-	-	2,690	-
Other comprehensive income for the period, net of tax		(1,117)	(438)	4,117	4,116
Total comprehensive income for the period		143,993	120,634	305,233	339,765
Profit attributable to :					
Owner of the Bank		145,110	121,072	301,116	335,649
Total comprehensive income attributable to :					
Owner of the Bank		143,993	120,634	305,233	339,765
Basic earnings per share (sen)		72.6	60.5	150.6	167.8

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**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 DECEMBER 2025**

	<----- Attributable to Shareholder of the Bank ----->				
	<----- Non-distributable ----->			Distributable	
	Share capital RM'000	Regulatory reserve RM'000	Defined benefit reserve RM'000	Fair value reserve RM'000	Retained profits RM'000
					Total RM'000
<b>2025 December</b>					
At beginning of the period	200,000	96,383	(211)	29,867	4,622,482
Profit for the period	-	-	-	-	301,116
Net movement	-	-	-	4,117	-
Total comprehensive income	-	-	-	4,117	301,116
Transfer of retained profits to regulatory reserve	-	75,848	-	-	(75,848)
At end of the period	200,000	172,231	(211)	33,984	4,847,750
<b>2024 December</b>					
At beginning of the period	200,000	96,383	(211)	25,301	4,208,019
Profit for the period	-	-	-	-	335,649
Net movement	-	-	-	4,116	-
Total comprehensive income	-	-	-	4,116	335,649
At end of the period	200,000	96,383	(211)	29,417	4,543,668

**MUFG BANK (MALAYSIA) BERHAD**

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**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED 31 DECEMBER 2025**

	2025 December RM'000	2024 December RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before tax	456,291	490,824
Adjustments for:		
Depreciation of property, plant and equipment	3,266	4,180
Amortisation of intangible assets	6,851	18,771
Gain on lease derecognition	-	(3)
(Gain)/Loss on disposal of property, plant and equipment	(23)	19
Depreciation of right-of-use assets	3,044	3,402
Allowance for impairment on financial instruments	1,103	12,964
Defined benefit plan	1,665	2,038
Dividend income	(148)	(148)
Interest income from financial investments at fair value through other comprehensive income	(66,629)	(39,927)
Net accretion of discount on financial investments at fair value through other comprehensive income	-	(2,991)
Net loss/(gain) from sale and redemption of financial investments at fair value through other comprehensive income	4,670	(53,484)
Finance cost on lease liabilities	266	346
Accretion expense on asset retirement obligation	8	8
Net gain from sale of financial assets at fair value through profit or loss	(1,956)	(509)
Unrealised loss/(gain) on changes in financial assets at fair value through profit or loss	851	(1,998)
Unrealised loss/(gain) on changes in fair value of embedded loans measured at fair value through profit or loss	197,553	(123,260)
Unrealised loss on changes in fair value of derivative financial instruments	117,049	192,566
Unrealised gain on changes in fair value of loans designated at fair value	(4,631)	(357)
Operating profit before working capital changes	719,230	502,441
(Increase)/Decrease in operating assets:		
Reverse repurchase agreements	(163,620)	20,090
Financial assets at fair value through profit or loss	(25,040)	1,349,234
Loans, advances and financing	(180,890)	2,553,876
Embedded loans measured at fair value through profit or loss	3,046,636	(1,011,036)
Collateral deposits placed	(447,615)	(15,090)
Purchased receivables	503,291	126,525
Derivative financial instruments	(285,771)	17,127
Statutory deposits with Bank Negara Malaysia	(720)	352
Other assets	(8,343)	3,698
(Decrease)/Increase in operating liabilities:		
Deposits from customers	(847,584)	(183,656)
Deposits and placements of banks and other financial institutions	(1,253,432)	(61,609)
Collateral deposits received	(1,635,324)	(3,115,101)
Other liabilities	(10,323)	(61,925)
<b>Cash (used in)/generated from operations</b>	<b>(589,505)</b>	<b>124,926</b>
Income tax paid	(154,335)	(181,292)
Payment of staff benefits	(1,629)	(255)
<b>Net cash used in operating activities</b>	<b>(745,469)</b>	<b>(56,621)</b>

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**UNAUDITED STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED 31 DECEMBER 2025 (CONTD)**

		<b>2025 December RM'000</b>	<b>2024 December RM'000</b>
<b>Cash Flows From Investing Activities</b>			
Purchase of property, plant and equipment		(1,191)	(454)
Purchase of intangible assets		(510)	(2,672)
Proceeds from disposals of property, plant and equipment		23	10
Proceeds from redemption and sales of financial assets at fair value through other comprehensive income		221,798	911,894
Purchase of financial assets at fair value through other comprehensive income		(410,256)	(738,145)
Interest received from financial assets at fair value through other comprehensive income		64,354	42,842
Dividend received		148	148
<b>Net cash (used in)/generated from investing activities</b>		<u>(125,634)</u>	<u>213,623</u>
<b>Cash Flows From Financing Activities</b>			
Payment of lease liabilities		(2,381)	(2,694)
Interest paid in relation to lease liabilities		(266)	(346)
<b>Net cash used in financing activities</b>		<u>(2,647)</u>	<u>(3,040)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(873,750)	153,962
<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>6,121,094</u>	<u>7,487,319</u>
<b>Cash and cash equivalents comprise of:</b>			
Cash and short-term funds	11	5,298,348	6,975,203
Deposits and placements with financial institutions	13	822,746	512,116
		<u>6,121,094</u>	<u>7,487,319</u>

# MUFG BANK (MALAYSIA) BERHAD

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## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2025

### 1 BASIS OF PREPARATION

The unaudited condensed interim financial report for the quarter ended 31 December 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 is as follows:

Amendment to:	
MFRS 121	Lack of Exchangeability

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 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 #
MFRS 121	Translation to a Hyperinflationary Presentation Currency <sup>^</sup>

<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 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  
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**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 31 December 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 31 December 2025.

**6 CHANGES IN DEBT AND EQUITY SECURITIES**

There were no issuance and repayment of debt and equity securities during the financial period ended 31 December 2025.

**7 DIVIDEND PAID**

No dividend was paid during the financial period ended 31 December 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 31 December 2025 was RM456.3 million, decrease of 7.04% or RM34.5 million compared to the corresponding period last year. Operating income decreased by RM76.4 million from RM669.8 million to RM593.4 million whilst operating expenses decreases by RM30.0 million mainly attributed to lower administrative and other expenses during the financial period.

Total assets decreased from RM31.8 billion as at 31 March 2025 to RM28.8 billion as at 31 December 2025. The Bank's CET 1/Tier 1 capital ratio and total capital ratio remained strong at 28.865% and 29.859% respectively.

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

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### **NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 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 31 DECEMBER 2025 (CONTD)****11 CASH AND SHORT-TERM FUNDS**

	<b>2025 December RM'000</b>	<b>2025 March RM'000</b>
<i>Amortised cost</i>		
Cash and balances with banks and other financial institutions	588,279	500,685
Money at call and deposit placements maturing within three months	4,710,069	5,925,070
	<u>5,298,348</u>	<u>6,425,755</u>

**12 REVERSE REPURCHASE AGREEMENTS**

	<b>2025 December RM'000</b>	<b>2025 March RM'000</b>
<i>Amortised cost</i>		
Reverse repurchase agreement	<u>163,620</u>	<u>-</u>

**13 DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS**

	<b>2025 December RM'000</b>	<b>2025 March RM'000</b>
<i>Amortised cost</i>		
Licensed banks		
• Malaysia	693,131	451,237
• Other countries	129,615	117,852
	<u>822,746</u>	<u>569,089</u>

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

	<b>2025 December RM'000</b>	<b>2025 March RM'000</b>
Malaysian Government Securities	208,236	-
Government Investment Issues	244,492	292,508
	<u>452,728</u>	<u>292,508</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2025 (CONTD)****15 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")**

	<b>2025 December RM'000</b>	<b>2025 March RM'000</b>
<b>Money market instruments</b>		
Malaysian Government Securities	648,748	513,513
Government Investment Issues	373,630	261,751
Japanese Government Bonds	-	58,821
Corporate Bond	298,390	300,275
Sukuk	577,773	578,966
	<u>1,898,541</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>1,926,983</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 2025</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 31 December 2025</b>	<u>-</u>	<u>4,418</u>	<u>4,418</u>
<b>At 1 April 2024</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 31 DECEMBER 2025 (CONTD)****16 LOANS, ADVANCES AND FINANCING**

	2025 December RM'000	2025 March RM'000
<b>(a) By type:</b>		
<i>At amortised cost</i>		
Term loans		
• Housing loans	6,377	6,823
• Other term loans	5,241,393	4,195,422
Revolving credits	2,231,369	3,038,723
Overdrafts	4,421	2,265
Claims on customers under acceptance credits	-	21,732
Staff loans	7,026	6,773
Gross loans, advances and financing at amortised cost	7,490,586	7,271,738
Impairment allowances on loans, advances and financing		
• Stage 1 - 12-month ECL	(16,766)	(14,858)
• Stage 2 - lifetime ECL not credit-impaired	(14,214)	(18,920)
• Stage 3 - lifetime ECL credit-impaired	(190)	(175)
Net loans, advances and financing at amortised cost	7,459,416	7,237,785
<i>At fair value</i>		
Other term loans	219,308	253,697
Net loans, advances and financing	7,678,724	7,491,482
<b>Gross loans, advances and financing</b>		
<i>At amortised cost</i>	7,490,586	7,271,738
<i>At fair value</i>	219,308	253,697
	7,709,894	7,525,435
<b>(b) By maturity structure:</b>		
Maturing within one year	2,504,588	3,555,683
More than one year to three years	1,997,483	1,833,409
More than three years to five years	1,597,848	1,066,144
More than five years	1,609,975	1,070,199
	7,709,894	7,525,435
<b>(c) By type of customer:</b>		
Domestic non-bank financial institutions	298,547	258,198
Domestic business enterprises		
• Small medium enterprises	67,410	73,995
• Other enterprises	2,221,270	3,075,203
Individuals	13,402	13,596
Foreign entities	5,109,265	4,104,443
	7,709,894	7,525,435

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	2025 December RM'000	2025 March RM'000
<b>(d) By interest/profit rate sensitivity:</b>		
Variable rates	7,707,830	7,523,049
Fixed rate		
• Staff loans	2,064	2,386
	<u>7,709,894</u>	<u>7,525,435</u>
<b>(e) By economic sector:</b>		
Agricultural, hunting, forestry and fishing	12,048	-
Mining and quarrying	219,308	303,720
Manufacturing	1,237,661	1,420,999
Electricity, gas and water	226,678	202,699
Construction	122,002	258,772
Wholesale, retail trade, restaurants and hotels	208,685	423,859
Transport, storage and communication	806,589	837,654
Finance, insurance, real estate and business services	4,863,521	4,064,136
Households	13,402	13,596
	<u>7,709,894</u>	<u>7,525,435</u>
<b>(f) By geographical location:</b>		
Malaysia	3,615,736	4,773,319
Other countries	4,094,158	2,752,116
	<u>7,709,894</u>	<u>7,525,435</u>
<b>(g) Credit-impaired gross loans by economic sector are as follows:</b>		
Household	<u>512</u>	<u>720</u>
<b>(h) Credit-impaired gross loans by geographical location are as follows:</b>		
Malaysia	<u>512</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	139	371
Amount recovered	(39)	(224)
Reclassified as performing	(308)	(228)
At end of the period	<u>512</u>	<u>720</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
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	Lifetime ECL			
	12-month ECL	Not credit- impaired	Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	RM'000	RM'000	RM'000	RM'000
<b>At 1 April 2025</b>	14,858	18,920	175	33,953
Transfer to 12-Month ECL (Stage 1)	9,459	(9,459)	-	-
Transfer to lifetime ECL credit-impaired (Stage 3)	(1)	(7)	8	-
New financial assets originated	11,249	8,846	-	20,095
Financial assets derecognised (other than write-off)	(8,586)	(3,738)	-	(12,324)
Net remeasurement during the period	(10,213)	(348)	7	(10,554)
<b>At 31 December 2025</b>	<b>16,766</b>	<b>14,214</b>	<b>190</b>	<b>31,170</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 during the period	(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:**

	Lifetime ECL			
	12-month ECL	Not credit- impaired	Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	
	RM'000	RM'000	RM'000	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)	764,682	(764,682)	-	-
Transfer to lifetime ECL not credit-impaired (Stage 2)	-	308	(308)	-
Transfer to lifetime ECL credit-impaired (Stage 3)	(38)	(82)	120	-
New financial assets originated	4,247,520	1,139,191	19	5,386,730
Financial assets derecognised (other than write-off)	(4,954,128)	(213,715)	(39)	(5,167,882)
<b>At 31 December 2025</b>	<b>6,236,043</b>	<b>1,254,031</b>	<b>512</b>	<b>7,490,586</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 December RM'000	2025 March RM'000
<i>At fair value</i>		
Embedded loans with term loans nature	8,941,268	9,467,759
Embedded loans with revolving credits nature	1,948,741	4,495,965
	<u>10,890,009</u>	<u>13,963,724</u>

Loans measured at FVTPL included RM10,657,488,000 (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 RM121,775,000 (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 RM3,078,000 (2025 March: RM4,871,000) and RM18,000 (2025 March: RM199,000) respectively.

	2025 December RM'000	2025 March RM'000
<b>(a) By maturity structure:</b>		
Maturing within one year	3,717,657	6,362,008
More than one year to three years	4,993,201	5,174,514
More than three years to five years	2,050,738	2,427,202
More than five years	128,413	-
	<u>10,890,009</u>	<u>13,963,724</u>
<b>(b) By type of customer:</b>		
Domestic non-bank financial institutions	9,569,083	10,532,888
Domestic business enterprises		
• Others	1,871,546	3,225,163
	<u>11,440,629</u>	<u>13,758,051</u>
Domestic financial institutions *	(553,679)	201,002
Foreign entities	3,059	4,671
	<u>10,890,009</u>	<u>13,963,724</u>
<b>(c) By interest rate sensitivity:</b>		
Variable rates	<u>10,890,009</u>	<u>13,963,724</u>
<b>(d) By economic sector:</b>		
Mining and quarrying	11,318	60,675
Manufacturing	48,760	26,304
Electricity, gas and water	-	1,521,512
Construction	717,891	701,405
Transport, storage and communication	1,008,404	843,666
Finance, insurance, real estate and business services	9,103,636	10,810,162
	<u>10,890,009</u>	<u>13,963,724</u>
<b>(e) By geographical location:</b>		
Malaysia	10,886,950	13,959,053
Other countries *	3,059	4,671
	<u>10,890,009</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 December			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>						
Embedded loans with term loans nature:						
Foreign currency swaps	7,853,152	579,785	6,845	7,884,571	203,429	201,122
Interest rate swaps	1,462,216	12,225	12	1,168,189	7,949	597
	<u>9,315,368</u>	<u>592,010</u>	<u>6,857</u>	<u>9,052,760</u>	<u>211,378</u>	<u>201,719</u>
Embedded loans with revolving credits nature:						
Foreign currency swaps	1,945,180	87,242	-	4,471,250	69,944	46,594
	<u>1,945,180</u>	<u>87,242</u>	<u>-</u>	<u>4,471,250</u>	<u>69,944</u>	<u>46,594</u>
Cover deals:						
Foreign currency forwards	1,749,099	-	70,284	4,987,950	89,286	10,598
Foreign currency swaps	8,697,078	6,884	472,814	7,240,596	234,494	126,777
Interest rate swaps	11,213,136	14,853	29,259	12,049,745	35,910	16,643
	<u>21,659,313</u>	<u>21,737</u>	<u>572,357</u>	<u>24,278,291</u>	<u>359,690</u>	<u>154,018</u>
	<u>32,919,861</u>	<u>700,989</u>	<u>579,214</u>	<u>37,802,301</u>	<u>641,012</u>	<u>402,331</u>
Set off		(579,214)	(579,214)		(402,331)	(402,331)
Net assets		<u>121,775</u>	<u>-</u>		<u>238,681</u>	<u>-</u>

18 PURCHASED RECEIVABLES

	2025 December RM'000	2025 March RM'000
<i>At amortised cost</i>		
Purchased receivables	308,596	811,887
Impairment allowances on purchased receivables		
Stage 1 - 12 month ECL	(176)	(347)
	<u>308,420</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 RM275,261,000 (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	88	-	-	88
Financial assets derecognised (other than write-off)	(220)	-	-	(220)
Net remeasurement due to changes in credit risk	(39)	-	-	(39)
<b>At 31 December 2025</b>	<u>176</u>	<u>-</u>	<u>-</u>	<u>176</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 December RM'000	2025 March RM'000
<i>At amortised cost</i>		
Cash collaterals placed	<u>483,424</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>10,172,722</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 and related company amounting to RM10,119,497,000 (2025 March: RM11,456,483,000). Included in CSA balance are RM892,980 (2025 March: Nil) transacted with a related company. The remaining balances are placed with licensed banks.

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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 December			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	26,170,534	281,184	365,178	22,593,412	136,699	96,010
• Swaps	7,605,752	258,995	98,561	4,157,778	177,832	98,939
Interest rate related contracts						
• Swaps	24,065,005	61,718	85,530	15,162,815	46,449	112,498
Other derivatives						
• Currency options	365,580	716	1,015	340,696	1,291	743
	<u>58,206,871</u>	<u>602,613</u>	<u>550,284</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 RM120,195,000 (2025 March: RM42,335,000) and RM138,279,000 (2025 March: RM154,076,000) respectively.

**21 DEPOSITS FROM CUSTOMERS**

	2025 December RM'000	2025 March RM'000
<i>At amortised cost</i>		
Demand deposits	5,071,180	4,766,870
Money market deposits	976,021	1,142,114
Savings deposits	13	59
Fixed deposits	4,614,099	5,599,854
	<u>10,661,313</u>	<u>11,508,897</u>

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

Due within six months	4,137,397	4,208,453
More than six months to one year	476,702	1,391,401
	<u>4,614,099</u>	<u>5,599,854</u>

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

Domestic non-bank financial institutions	311,338	100,307
Business enterprises	9,892,103	10,966,956
Individuals	1,090	1,278
Foreign entities/individuals	399,836	384,038
Others	56,946	56,318
	<u>10,661,313</u>	<u>11,508,897</u>

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

	2025 December RM'000	2025 March RM'000
<i>At amortised cost</i>		
Licensed banks	1,786,076	3,039,508

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	2025 December RM'000	2025 March RM'000
Malaysian Government Securities	134,075	-

**24 OTHER LIABILITIES**

	2025 December RM'000	2025 March RM'000
Provision for retirement benefits	25,120	25,084
Impairment allowances on commitment and contingencies (a)		
• Stage 1 - 12-month ECL	9,831	11,504
• Stage 2 - lifetime ECL not credit-impaired	14,156	12,178
Accrued interest payable	22,040	52,006
Other payables and accruals	127,174	107,523
	<u>198,321</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)	191	(191)	-	-
Transfer to Lifetime ECL not credit-impaired (Stage 2)	(23)	23	-	-
New financial assets originated	9,693	10,345	-	20,038
Financial assets derecognised (other than write-off)	(9,762)	(4,711)	-	(14,473)
Net remeasurement due to changes in credit risk	(1,772)	(3,488)	-	(5,260)
<b>At 31 December 2025</b>	<u>9,831</u>	<u>14,156</u>	<u>-</u>	<u>23,987</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 December				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	543,165		543,165	534,493	649,111		649,111	642,279
Transaction-related contingent items	1,753,966		876,983	531,653	954,098		477,049	432,077
Short-term self-liquidating trade-related contingencies	168,830		33,766	41,534	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	281,775		56,355	56,355	94,169		18,834	18,834
- exceeding one year	22,189		11,094	11,051	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	20,190,409		-	-	16,411,408		-	-
	<u>22,960,334</u>		<u>1,521,363</u>	<u>1,175,086</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	6,803,911	174,192	251,348	143,379	12,843,312	232,021	356,959	132,126
- over one year to five years	13,440,598	499,719	1,081,836	605,423	11,741,055	365,132	734,109	458,530
Interest rate related contracts								
- one year or less	4,838,161	6,440	8,459	2,953	6,336,554	15,418	16,390	6,711
- over one year to five years	7,711,191	19,097	147,209	64,002	6,881,380	28,441	96,295	39,135
- over five years	126,000	1,541	6,440	6,440	-	-	-	-
	<u>32,919,861</u>	<u>700,989</u>	<u>1,495,292</u>	<u>822,197</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	29,049,003	356,173	697,479	449,336	24,577,606	167,706	509,611	367,102
- over one year to five years	4,443,103	176,519	488,873	342,988	1,583,339	110,526	141,568	98,717
- over five years	284,180	7,486	38,663	19,332	590,245	36,299	110,477	79,598
Interest rate related contracts								
- one year or less	10,724,498	6,581	18,996	6,790	5,030,565	5,301	6,888	3,004
- over one year to five years	12,405,398	45,016	289,236	107,017	9,212,542	28,426	181,222	76,549
- over five years	935,109	10,122	56,575	35,750	919,708	12,722	39,347	24,078
Currency options *								
- one year or less	182,790	716	3,458	3,458	170,348	1,291	3,846	3,846
	<u>58,024,081</u>	<u>602,613</u>	<u>1,593,280</u>	<u>964,671</u>	<u>42,084,353</u>	<u>362,271</u>	<u>992,959</u>	<u>652,894</u>
Total	<u>113,904,276</u>	<u>1,303,602</u>	<u>4,609,935</u>	<u>2,961,954</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>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>2025 December</b>	<b>2024 December</b>	<b>2025 December</b>	<b>2024 December</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	101,813	115,846	330,640	389,388
Loans, advances and financing designated at fair value	3,940	5,269	13,172	18,353
Money at call and deposit placements with financial institutions	33,795	50,489	100,017	141,021
Financial assets at FVTPL	6,042	7,368	16,566	33,411
Financial investments at FVOCI				
- Interest income	21,966	12,806	66,629	39,927
- Net (amortisation of premium)/accretion of discount	(834)	(97)	-	2,991
	<u>166,722</u>	<u>191,681</u>	<u>527,024</u>	<u>625,091</u>
<b>27 INTEREST EXPENSE</b>				
Deposits and placements of banks and other financial institutions	50,581	41,474	168,318	225,544
Deposits from other customers	28,556	32,653	86,404	78,749
	<u>79,137</u>	<u>74,127</u>	<u>254,722</u>	<u>304,293</u>
<b>28 NET INCOME/(LOSS) FROM EMBEDDED LOANS MEASURED AT FVTPL</b>				
Interest income	140,487	155,045	487,310	504,952
Interest expense	(116,589)	(160,800)	(411,046)	(442,490)
Unrealised gain/(loss) in fair value of embedded loans	60,286	194,737	(197,553)	123,260
Realised gain in fair value of embedded loans	15,339	16,249	23,739	34,367
	<u>99,523</u>	<u>205,231</u>	<u>(97,550)</u>	<u>220,089</u>
<b>29 OTHER OPERATING INCOME/(LOSS)</b>				
<b>Fee income</b>				
Commission	1,311	3,742	3,872	6,758
Guarantee fees	1,593	1,157	5,097	3,214
Service charges and fees	532	584	1,731	1,778
Commitment fees	640	214	1,611	763
Other fee income	10,063	3,140	27,035	17,672
	<u>14,139</u>	<u>8,837</u>	<u>39,346</u>	<u>30,185</u>
<b>Net investment income/(loss)</b>				
Gross dividends	-	-	148	148
Realised loss in fair value of derivative financial instruments	(5,706)	(11,556)	(17,048)	(22,576)
Realised (loss)/gain in fair value of financial assets at FVTPL	(2,040)	(349)	1,956	509
Unrealised (loss)/gain in fair value of derivative financial instruments	(39,245)	135,752	(117,049)	(192,566)
Unrealised gain/(loss) in fair value of financial assets at FVTPL	1,695	(735)	(851)	1,998
Unrealised gain/(loss) in fair value of loans designated at fair value	1,775	(1,628)	4,631	357
Foreign exchange gain/(loss)	67,366	(255,034)	491,105	282,826
Net premium paid for options	121	-	-	(54)
	<u>23,966</u>	<u>(133,550)</u>	<u>362,892</u>	<u>70,642</u>
<b>Other income</b>				
Other operating income	325	4,110	2,702	14,272
	<u>38,430</u>	<u>(120,603)</u>	<u>404,940</u>	<u>115,099</u>

**MUFG BANK (MALAYSIA) BERHAD**

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(Incorporated in Malaysia)

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2025 (CONTD)**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>2025 December</b>	<b>2024 December</b>	<b>2025 December</b>	<b>2024 December</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	27,379	26,583	79,921	76,556
Establishment related expenses	4,783	9,295	14,879	28,370
Promotion and marketing related expenses	789	493	1,834	1,399
Administrative and other expenses	10,347	11,519	39,406	59,677
	<u>43,298</u>	<u>47,890</u>	<u>136,040</u>	<u>166,002</u>
<b>Personnel expenses</b>				
- Wages, salaries and bonus	21,548	21,182	63,124	61,689
- Defined benefit plan	555	780	1,665	2,038
- Defined contribution plan	2,810	2,676	8,295	7,948
- Other employee benefits	2,466	1,945	6,837	4,881
	<u>27,379</u>	<u>26,583</u>	<u>79,921</u>	<u>76,556</u>
<b>Establishment related expenses</b>				
- Depreciation of property, plant and equipment	1,076	1,381	3,266	4,180
- Amortisation of intangible assets	2,242	6,211	6,851	18,771
- Depreciation of right-of-use assets	1,027	1,108	3,044	3,402
- Repair and maintenance	83	74	232	199
- Expenses relating to short-term leases and leases of low-value assets	212	347	925	1,170
- Interest expenses on lease liabilities	85	107	266	346
- Accretion expense on asset retirement obligation	3	3	8	8
- Others	55	64	287	294
	<u>4,783</u>	<u>9,295</u>	<u>14,879</u>	<u>28,370</u>
<b>Promotion and marketing related expenses</b>				
- Advertising and publicity	36	111	41	111
- Others	753	382	1,793	1,288
	<u>789</u>	<u>493</u>	<u>1,834</u>	<u>1,399</u>
<b>Administrative and other expenses</b>				
- Cash collateral fees on CSA	493	3,385	2,775	22,954
- Communication expenses	248	279	681	705
- Legal and professional fees	213	163	412	407
- Others	9,393	7,692	35,538	35,611
	<u>10,347</u>	<u>11,519</u>	<u>39,406</u>	<u>59,677</u>

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FOR THE QUARTER ENDED 31 DECEMBER 2025 (CONTD)****31 (REVERSAL OF)/ALLOWANCE FOR IMPAIRMENT ON FINANCIAL INSTRUMENTS**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>2025 December</b>	<b>2024 December</b>	<b>2025 December</b>	<b>2024 December</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	8,179	(8,683)	43,291	58,614
Stage 1 and 2 expected credit losses written back	(18,943)	(6,164)	(43,265)	(46,887)
Stage 3 expected credit losses made during the year	4	-	15	-
Stage 3 expected credit losses written back	-	3	-	(94)
Other movements	1	(1)	1,062	1,331
	<u>(10,759)</u>	<u>(14,845)</u>	<u>1,103</u>	<u>12,964</u>
<b>(a) (Reversal of)/Allowance for impairment on loans, advances and financing</b>				
Stage 1 and 2 expected credit losses made during the year	(3,976)	(5,603)	20,095	32,426
Stage 1 and 2 expected credit losses written back	(8,551)	(6,012)	(22,893)	(23,485)
Stage 3 expected credit losses made during the year	4	-	15	-
Stage 3 expected credit losses written back	-	3	-	(94)
Other movements	1	(1)	1,062	1,331
	<u>(12,522)</u>	<u>(11,613)</u>	<u>(1,721)</u>	<u>10,178</u>
<b>(b) Allowance for/(Reversal of) impairment on purchased receivables</b>				
Stage 1 and 2 expected credit losses made during the year	15	76	88	395
Stage 1 and 2 expected credit losses written back	(1)	(5)	(259)	(322)
	<u>14</u>	<u>71</u>	<u>(171)</u>	<u>73</u>
<b>(c) Allowance for/(Reversal of) impairment on off-balance sheet exposures</b>				
Stage 1 and 2 expected credit losses made during the year	12,140	(3,156)	20,252	25,793
Stage 1 and 2 expected credit losses written back	(10,391)	(147)	(19,947)	(23,080)
	<u>1,749</u>	<u>(3,303)</u>	<u>305</u>	<u>2,713</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	-
Stage 1 and 2 expected credit losses written back	-	-	(166)	-
	<u>-</u>	<u>-</u>	<u>2,690</u>	<u>-</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2025 (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 Business Indicator Approach for Operational Risk.

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

	2025 December	2025 March
Common equity Tier 1 ("CET 1") capital ratio	28.865%	29.116%
Tier 1 capital ratio	28.865%	29.116%
Total capital ratio	29.859%	30.063%

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

	2025 December 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	201,586	124,311
	5,024,068	4,946,793
<u>Less</u>		
• Deferred tax assets	(19,404)	(19,404)
• Intangible assets	(16,023)	(22,364)
• 55% of fair value reserve	(16,261)	(15,476)
• Regulatory reserve	(172,231)	(96,383)
	4,800,149	4,793,166
<u>Tier 2 capital</u>		
• Stage 1 and 2 ECL and regulatory reserve	165,378	155,918
Total Capital	4,965,527	4,949,084

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**32 CAPITAL ADEQUACY (CONT'D)**

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

**2025 December**

<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	4,221,208	4,221,208	129,418	10,353
Public Sector Entities	7,589	7,589	1,518	121
Banks, Development Financial Institutions & MDBs	5,884,600	5,884,600	1,475,078	118,006
Insurance Cos, Securities Firms & Fund Managers	1	1	1	-
Corporates	16,849,247	16,849,247	7,672,790	613,823
Regulatory Retail	702	702	702	56
Residential Mortgages	12,188	12,188	4,782	383
Equity Exposures	28,442	28,442	28,442	2,275
Other Assets	1,094,855	1,094,855	955,289	76,423
Defaulted Exposures	293	293	293	23
Total On-Balance Sheet Exposures	28,099,125	28,099,125	10,268,313	821,463
Off-Balance Sheet Exposures :				
Credit-related exposures	1,521,363	1,521,363	1,175,086	94,007
Derivatives financial instruments	3,088,572	3,088,572	1,786,868	142,949
Total Off-Balance Sheet Exposures	4,609,935	4,609,935	2,961,954	236,956
Total On and Off-Balance Sheet Exposures	32,709,060	32,709,060	13,230,267	1,058,419
<b>(ii) Market Risk</b>				
	<b>Long Position RM'000</b>	<b>Short Position RM'000</b>		
Interest Rate Risk	90,361,313	(89,706,504)	1,315,220	105,218
Foreign Exchange Risk	3,516	(403,073)	403,074	32,246
	90,364,829	(90,109,577)	1,718,294	137,464
<b>(iii) Operational Risk</b>			1,681,214	134,497
<b>Total RWA and Capital Requirements</b>	32,709,060	32,709,060	16,629,775	1,330,380

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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>	34,673,030	34,673,030	16,462,460	1,316,997

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FOR THE QUARTER ENDED 31 DECEMBER 2025 (CONTD)****33 THE OPERATIONS OF ISLAMIC BANKING****UNAUDITED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2025**

		<b>2025 December RM'000</b>	<b>2025 March RM'000</b>
<b>ASSETS</b>			
Cash and short-term funds	<b>(a)</b>	359,000	120,000
Deposits and placements with financial institutions	<b>(b)</b>	1,308	2,148
Other assets		14,361	7,777
<b>TOTAL ASSETS</b>		<u>374,669</u>	<u>129,925</u>
<b>LIABILITIES AND ISLAMIC BANKING FUNDS</b>			
Deposits from customers	<b>(c)</b>	242,841	11,649
Other liabilities	<b>(d)</b>	66	6
<b>TOTAL LIABILITIES</b>		<u>242,907</u>	<u>11,655</u>
<b>CAPITAL FUNDS</b>		25,000	25,000
<b>RESERVE</b>		106,762	93,270
<b>ISLAMIC BANKING FUNDS</b>		<u>131,762</u>	<u>118,270</u>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS</b>		<u>374,669</u>	<u>129,925</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		<u>-</u>	<u>-</u>

Islamic financing based on Commodity Murabahah (Tawarruq) of RM1,395,072,000 (2025 March: RM3,959,341,000) and Ijarah of RM95,068,000 (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 31 DECEMBER 2025**

		<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
		<b>2025 December</b>	<b>2024 December</b>	<b>2025 December</b>	<b>2024 December</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)	1,078	914	3,146	3,904
Expenses derived from financing	(f)	(86)	(22)	(251)	(24)
Other operating income	(g)	2,844	2,768	10,847	9,924
Total net income		3,836	3,660	13,742	13,804
Other operating expenses	(h)	(86)	(72)	(250)	(228)
Profit for the period		3,750	3,588	13,492	13,576

**UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 DECEMBER 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 December</b>				
At beginning of the period	25,000	118	93,152	118,270
Profit for the period	-	-	13,492	13,492
At end of the period	25,000	118	106,644	131,762
<b>2024 December</b>				
At beginning of the period	25,000	118	75,202	100,320
Profit for the period	-	-	13,576	13,576
At end of the period	25,000	118	88,778	113,896

**UNAUDITED STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 31 DECEMBER 2025**

	<b>2025 December</b>	<b>2024 December</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash flows from operating activities		
Profit before tax	13,492	13,576
Increase in operating assets:		
Other assets	(6,584)	(7,806)
	6,908	5,770
Increase in operating liabilities:		
Deposits from customers	231,192	60,212
Other liabilities	60	(14,149)
Net cash generated from operating activities	238,160	51,833
<b>Net increase in cash and cash equivalents</b>	<b>238,160</b>	<b>51,833</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>360,308</b>	<b>239,742</b>
<b>Cash and cash equivalents comprise of:</b>		
Cash and short-term funds	359,000	237,000
Deposits and placements with financial institutions	1,308	2,742
	360,308	239,742

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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 December RM'000	2025 March RM'000
Cash and balances with banks and other financial institutions	359,000	120,000

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

	2025 December RM'000	2025 March RM'000
<i>At amortised cost</i>		
Licensed bank		
• Malaysia	1,308	2,148

**(c) Deposits from customers**

	2025 December RM'000	2025 March RM'000
<b>(i) By type of deposits:</b>		
<i>At amortised cost</i>		
Current accounts - Qard	229,142	10,139
Fixed deposits - Tawarruq	13,699	1,510
	242,841	11,649

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

Due within six months	13,699	1,510
	13,699	1,510

**(iii) By type of customer:**

Domestic business enterprises	25,032	11,356
Foreign entities	217,809	293
	242,841	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 December RM'000	2025 March RM'000
Accruals and provisions for operational expenses	66	6

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	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>2025 December</b>	<b>2024 December</b>	<b>2025 December</b>	<b>2024 December</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>1,078</u>	<u>914</u>	<u>3,146</u>	<u>3,904</u>

**(f) Expenses derived from financing**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>2025 December</b>	<b>2024 December</b>	<b>2025 December</b>	<b>2024 December</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits from customers	<u>86</u>	<u>22</u>	<u>251</u>	<u>24</u>

**(g) Other operating income**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>2025 December</b>	<b>2024 December</b>	<b>2025 December</b>	<b>2024 December</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other fee income	<u>2,844</u>	<u>2,768</u>	<u>10,847</u>	<u>9,924</u>

**(h) Other operating expenses**

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>2025 December</b>	<b>2024 December</b>	<b>2025 December</b>	<b>2024 December</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Personnel expenses	64	53	187	158
Other expenses	<u>22</u>	<u>19</u>	<u>63</u>	<u>70</u>
	<u>86</u>	<u>72</u>	<u>250</u>	<u>228</u>

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**33 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 Business Indicator Approach for Operational Risk.

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

	<b>2025 December</b>	<b>2025 March</b>
Common equity tier 1 ("CET 1") capital ratio	403.208%	367.091%
Tier 1 capital ratio	403.208%	367.091%
Total capital ratio	<u>403.208%</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:

	<b>2025 December RM'000</b>	<b>2025 March RM'000</b>
<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:

	<b>2025 December RM'000</b>	<b>2025 March RM'000</b>
Operational risk	<u>29,303</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 December Exposure Class</b>				
<b>(i) Credit Risk</b>				
On-Balance Sheet Exposures:				
Other Assets	374,669	374,669	-	-
Total On-Balance Sheet Exposures	<u>374,669</u>	<u>374,669</u>	<u>-</u>	<u>-</u>
<b>(ii) Operational Risk</b>			<u>29,303</u>	<u>2,344</u>
<b>Total RWA and Capital Requirements</b>	<u>374,669</u>	<u>374,669</u>	<u>29,303</u>	<u>2,344</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 31 DECEMBER 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 December RM'000</b>	<b>2025 March RM'000</b>
<i>At amortised cost</i>		
Term financing		
• Syndicated Islamic financing	3,395,307	2,023,681
• Islamic term financing	-	9,045
Revolving credits	1,015,108	1,372,360
Gross financing and advances at amortised cost	4,410,415	3,405,086
Impairment allowances financing and advances		
• Stage 1 - 12-month ECL	(8,722)	(5,340)
• Stage 2 - lifetime ECL not credit-impaired	-	(9,459)
Net financing and advances at amortised cost	4,401,693	3,390,287
<i>At fair value</i>		
Syndicated Islamic financing	219,308	253,697
Net financing and advances	4,621,001	3,643,984
<b>Gross financing and advances</b>		
<i>At amortised cost</i>	4,410,415	3,405,086
<i>At fair value</i>	219,308	253,697
	<u>4,629,723</u>	<u>3,658,783</u>

**(ii) By contract:**

Murabahah Financing-i	4,367,422	3,330,254
Ijarah Financing-i	42,993	65,787
Istina Financing-i	-	9,045
Wakalah Financing-i	219,308	253,697
	<u>4,629,723</u>	<u>3,658,783</u>

**(b) Deposits from customers**

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

<i>At amortised cost</i>		
Fixed deposits - Tawarruq	207,139	1,737,486