

**Mitsubishi UFJ Financial Group, Inc. (MUFG)**  
**MUFG Bank, Ltd.**

## **Krungsri and Danamon to Build P2P Settlement Network and Offer New Remittance Service**

**Tokyo, April 27, 2022** -- MUFG's core banking subsidiary MUFG Bank today announced that Bank of Ayudhya Public Company Limited (Krungsri) and PT Bank Danamon Indonesia, Tbk (Danamon), consolidated subsidiaries of MUFG and MUFG Bank, have entered into a Real-Time Cross Border Funds Transfer Agreement to jointly establish a peer-to-peer (P2P) settlement network (the Network) that enables the execution of overseas remittances instantly, anytime and at a lower cost, and to develop a new overseas remittance service (the Service)<sup>[1]</sup>. By offering the Service, the two banks will provide even greater convenience and flexibility to corporate and retail customers needing to transfer funds between Thailand and Indonesia.

### **1. Purpose and background**

As part of our business strategy for the ASEAN region, MUFG and MUFG Bank made Krungsri and Danamon consolidated subsidiaries in December 2013 and April 2019, respectively. Since becoming consolidated subsidiaries, the two banks have focused on promoting knowledge sharing and formulating collaborative initiatives. The Service marks the first joint business between the two banks.

In recent years, competition in the field of overseas remittances has intensified due to the entry of new service providers making offering more added value vital in encouraging customers to choose our services. The establishment of the Network, which utilizes leading edge API<sup>[2]</sup> technology, will enable customers to make remittances 24/7 at a cost lower than with conventional services. Through this effort, we will aim to provide competitive services in overseas remittances between Thailand and Indonesia in this new digital era.

### **2. Outline of the Service**

The Service connects the two banks using leading edge API technology in compliance with the laws and regulations of Thailand and Indonesia, and is intended for USD denominated overseas remittances between the two countries. Currently, only fund transfers from Danamon to Krungsri are available, but further development is under way to enhance capabilities with the aim of enabling two-way remittances as soon as possible. At present, the main users are envisioned as being local companies and individuals needing to transfer funds between the two countries. However, with 5,856 Japanese companies operating in Thailand and 1,959 in Indonesia<sup>[3]</sup>, we will consider expanding functionality in the future to cater to a wider range of customers<sup>[4]</sup>.

Starting with the establishment of the Network between the two banks and the provision of the Service, after assessing customer needs and usage situations, we will aim to

expand the Network with connecting MUFG Bank and other banks MUFG Bank has invested in to the Network in mind.

MUFG has identified our Asia business as one growth field in our current medium-term business plan, and we aim to develop strategies and initiatives that address the high-growth ASEAN region from a broad perspective. The Service is one example of these efforts. We will continue leveraging the functions of our partner banks, including Krungsri and Danamon, to provide new value and to continue to strive to achieve our purpose of being "Committed to empowering a brighter future."

<sup>[1]</sup> At present, the maximum amount is set at USD 100,000 and non-trade transactions are an eligible remittance purpose.

<sup>[2]</sup> API refers to connection specifications and rules for connecting applications. API connections are used as a means to improve convenience, enhance added value, and reduce cost for various online services.

<sup>[3]</sup> Source: the Ministry of Foreign Affairs of Japan, survey on the number of overseas Japanese company sites (as of October 1, 2020).

<sup>[4]</sup> With the launch of the Service, we aim to provide greater convenience for trade between the two countries, which is estimated to be worth approximately USD 16.988 billion annually (per the Bank of Thailand).

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## **About MUFG**

Mitsubishi UFJ Financial Group, Inc. (MUFG) is one of the world's leading financial groups. Headquartered in Tokyo and with over 360 years of history, MUFG has a global network with approximately 2,500 locations in more than 50 countries. The Group has about 170,000 employees and offers services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing. The Group aims to "be the world's most trusted financial group" through close collaboration among our operating companies and flexibly respond to all of the financial needs of our customers, serving society, and fostering shared and sustainable growth for a better world. MUFG's shares trade on the Tokyo, Nagoya, and New York stock exchanges. For more information, visit <https://www.mufg.jp/english>.

## **About Krungsri**

Krungsri (Bank of Ayudhya PCL and its group companies) is the fifth largest financial group in Thailand in terms of assets, loans, and deposits, and one of Thailand's six Domestic Systemically Important Banks (D-SIBs) with 77 years of history in the country. Krungsri is a strategic member of the Mitsubishi UFJ Financial Group (MUFG), Japan's largest financial group and one of the world's largest financial organizations. Krungsri provides a comprehensive range of banking, consumer finance, investment, asset management, and other financial products and services to individual consumers, SMEs, and large corporations through 641 domestic branches (602 Banking Branches and 39 Auto Business Branches) and over 32,527 service outlets nationwide. The Krungsri Group is the largest card issuer in Thailand with 9.6 million credit cards, sales finance, and personal loan accounts in its portfolio; a major automobile financing service provider

(Krungsri Auto); one of the fastest growing asset management companies (Krungsri Asset Management); and a pioneer in microfinance (Ngern Tid Lor).

Krungsri is strongly committed to the highest level of integrity in conducting its business. All Krungsri Group companies have been awarded accreditation from the Private Sector Collective Action Coalition Against Corruption (CAC) in collaboration with industry peers and stakeholders on a zero tolerance approach to corruption.

### **About Danamon**

PT Bank Danamon Indonesia, Tbk is the sixth largest commercial bank in Indonesia in terms of net operating profit with over 65 years of history in the country. Bank Danamon provides comprehensive financial services to a wide range of customers including individual consumers, SMEs, and large corporations through approximately 800 branches throughout Indonesia.