



## **Krungsri-IBM Unveil Success of Related Party Transactions Pilot Project Using Blockchain Technology**

**Bangkok (2 November 2017) -- Krungsri** (Bank of Ayudhya PCL) and **IBM** (NYSE: IBM) announced the successful development of the blockchain-based pilot project to streamline the Bank's contract management process across its offerings. The blockchain-based digitized paperwork process has made information secured, transaction transparent, with increased operation efficiency and reduction of operation duration.

As Thailand's fifth largest universal bank in terms of assets, loans and deposits today, Krungsri provides broad financial services including wealth management, credit cards, non-life insurance, asset management, securities trading, auto hire purchase, equipment leasing, factoring, micro-finance and installment loans. With thousands of agreements exchanged daily between the Banks and its subsidiaries, Krungsri decides to improve Related Party Transaction (RPT) process efficiency between the transacting parties by automating contract management processes using blockchain technology.

**Mrs. Voranuch Dejakaisaya, Krungsri Chief Information and Operations Officer**, said that "the contract management pilot project is a trial to leverage the power of blockchain technology in the internal process and back office system, with an aim to increase the efficiency of internal operations, as well as customer convenience. We started conducting test runs of the pilot project last year and the results have been satisfactory. The goal is to digitize the paperwork process, store document contents with authentication and approval information in the blockchain-based database, and expand this service platform across the Bank and our subsidiaries."

Working with the IBM Cloud Garage team, the Bank could turn the initial concepts into reality within three months using the Hyperledger Fabric and blockchain services on IBM Cloud. Hyperledger Composer was also used as the development toolset and framework to accelerate the development of the blockchain application.



During the pilot project, the blockchain-based contract management process allows Krungsri to reduce the operation process and duration. The innovation helps make information exchanges more efficient, while decreasing the number of questions incurred during the process and reducing the vulnerabilities of paper supporting documents including misplacement or incomplete information.

The smart contract and consensus mechanism integrates into the blockchain ensures that transactions are completed after contracts are satisfied and a consensus is reached. The immutability and encryption built into the blockchain ensures that important information remains secure while allowing the quick sharing of necessary information by transaction participants. Furthermore, blockchain technology helps auditing and supervising parties quickly gain information, intervene and exercise control, thus improving transparency.

“We expect the project to upgrade our back-office efficiency, while converting physical documents to electronic files. With the decentralized solutions, the process run on blockchain brings transparency, less errors and more security. Also the Bank can efficiently reduce operating cost and better deliver customer service,” Mrs. Voranuch added.

“IBM has invested billions of dollars on the research of emerging technologies to bring transformative potential to our clients. Blockchain is one of these promising technologies, which we believe that it will do for trusted transactions what the internet did for information, and allow business across industries to revolutionize the way they operate,” said **Mrs. Parnsiree Amatayakul, Managing Director, IBM Thailand Co., Ltd.**

“The success of Krungsri’s blockchain-based contract management pilot project demonstrates the high impact the technology can have on the financial industry. IBM is honored to collaborate with Krungsri to bring efficiency and transparency to contract management process, and to together reach this new milestone of financial innovation in Thailand,” added Mrs. Parnsiree.

-End-



## About Krungsri

**Krungsri** (Bank of Ayudhya PCL and its business units) is the fifth largest financial group in Thailand in terms of assets, loans, and deposits with 72 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 697 branches (660 Banking Branches and 37 Auto Business Branches) and over 33,000 service outlets nationwide. The Krungsri Group is the largest card issuer in Thailand with 8.2 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 MUFG (Mitsubishi UFJ Financial Group, Inc.)

Mitsubishi UFJ Financial Group, Inc. (MUFG) is one of the world's leading financial groups. Headquartered in Tokyo with approximately 350 years of history, MUFG is a global network with over 2,000 offices in more than 50 countries. The Group has over 140,000 employees, offering services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing. The Group's operating companies include Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust and Banking Corporation (Japan's leading trust bank), and Mitsubishi UFJ Securities Holdings Co., Ltd., one of Japan's largest securities firms. Through close partnerships among our operating companies, the Group aims to "be the world's most trusted financial group", flexibly responding 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 (NYSE: MTU) stock exchanges.

## For further information, please contact:

Public and Investor Relations Department

Bank of Ayudhya PCL

Tel: 02 296 2443, 02 296 2971, 02 296 4026

Email: [Krungsri.PR@krungsri.com](mailto:Krungsri.PR@krungsri.com)