

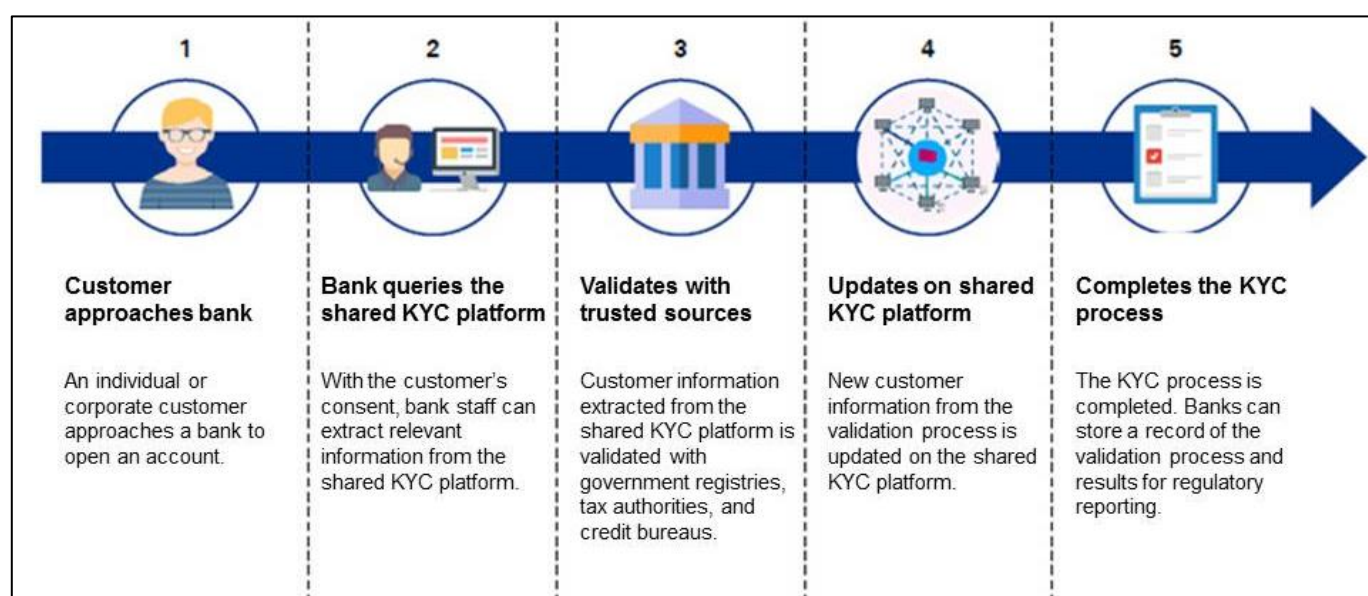
OCBC BANK, HSBC AND MUFG, TOGETHER WITH THE INFOCOMM MEDIA DEVELOPMENT AUTHORITY, COMPLETE PROOF-OF-CONCEPT ON ASEAN'S FIRST INDUSTRY KNOW YOUR CUSTOMER BLOCKCHAIN

If adopted, the Know Your Customer (KYC) blockchain can improve the experience of onboarding customers and reduce inefficiencies and costs associated with KYC and compliance

Singapore, 3 October 2017 – OCBC Bank, HSBC and Mitsubishi UFJ Financial Group (MUFG), together with the Infocomm Media Development Authority (IMDA), has become the first consortium in South East Asia to successfully complete a proof-of-concept for a Know Your Customer (KYC) blockchain. This development raises the possibility of using blockchain technology to make one of the most complex and highly-regulated of financial processes more efficient and secured, thereby combating anti-money laundering (AML) and the financing of terrorism (CFT).

The existing KYC process consists of submitting a set of identification documents each time an individual or corporate customer starts a new relationship with a bank. New relationships include opening an account, applying for a credit facility or buying an insurance policy.

Currently, KYC is conducted individually by banks, requiring customers to provide the same information to different institutions. It is a manual and paper-based process that can take weeks, as resources are spent validating multiple physical documents to ascertain the identity of the customer. This is laborious and inefficient for both the bank and the customer. The manual process also gives rise to inconsistent information being collected by banks, and customer information not being promptly updated.



The KYC blockchain – running on a Distributed Ledger Technology (DLT) platform which enables structured information to be recorded, accessed and shared across a distributed network using advanced cryptography – allows banks to collect, validate and share customer information – with the customer’s consent – accurately, efficiently and in a secured manner. This vastly reduces the duplication of information and manual checks for both banks and customers, while enhancing the quality of the customer information that is stored.

Customers’ information encrypted on the shared ledger can be easily validated by referring to government registries, tax authorities and credit bureaus. Banks can also store secured digital records of the validation process on the shared KYC platform to streamline auditing and regulatory reporting.

The prototype’s performance was tested between February and May 2017 for its functionality, scalability and security. It remained stable even with a high volume of information flow, was resistant to tampering by third parties and maintained confidentiality by permitting access to the ledger’s information only with legitimate authentication.

Mr Pranav Seth, Head of E-Business, Business Transformation and Fintech and Innovation Group, OCBC Bank

“This partnership fans the spirit of cooperation among competitors as well as regulatory and government bodies, and we hope this will help foster and inspire more of such collaborative innovation initiatives. Our pioneering efforts have resulted in a KYC process that will not only enhance customer convenience, but will improve the industry’s operating efficiencies while reducing financial fraud and crime.”

Mr Beaver Chua, Head of Financial Crime Compliance, HSBC Singapore

“Financial crime has in the past had connotations of being ‘low impact’ but this belies the devastating effect it has on people and societies: it threatens livelihoods, ruins companies and bankrupts individuals. In the fight against financial crime, banks play a key role and sharing information is vital.”

“The MAS has spoken about the importance for Singapore to “work smarter” in how it fights financial crime in areas like banks’ approach to their “Know Your Customer” due diligence and through its use of technology. The launch of this KYC platform is an accumulation of all of these aims: collaboration, innovation and crime prevention, and HSBC is delighted to have been able to partner in this initiative.”

Mr Michael Truter, Deputy General Manager, Asian Systems Office, MUFG’s banking entity, The Bank of Tokyo-Mitsubishi UFJ, Ltd.

“MUFG has a well-established global innovation network focused on harnessing the group’s expertise in innovation to transform the way our clients do business. In Singapore, we are proud to participate in various Fintech initiatives such as this redesign of existing KYC processes using DLT, and we look forward to successfully developing a platform that enhances transparency, trust and reliability amongst banks and their customers.”

Mr Tan Kiat How, Chief Executive, Infocomm Media Development Authority

“IMDA supports the ambitious use of technologies to transform businesses and create value to citizens. This willingness to experiment is crucial in achieving our vision of a dynamic Digital Economy for a Smart Nation. Revamping the KYC process using blockchain technology is one such example. We are heartened that financial institutions are developing innovative Fintech solutions to improve productivity and deliver a better experience to their customers.”

About OCBC Bank

OCBC Bank is the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is now the second largest financial services group in Southeast Asia by assets and one of the world’s most highly-rated banks, with an Aa1 rating from Moody’s. Recognised for its financial strength and stability, OCBC Bank has been ranked Asean’s strongest bank and among the world’s five strongest banks by Bloomberg Markets for five consecutive years since the ranking’s inception in 2011.

OCBC Bank and its subsidiaries offer a broad array of commercial banking, specialist financial and wealth management services, ranging from consumer, corporate, investment, private and transaction banking to treasury, insurance, asset management and stockbroking services.

OCBC Bank’s key markets are Singapore, Malaysia, Indonesia and Greater China. It has over 620 branches and representative offices in 18 countries and regions. These include the more than 330 branches and offices in Indonesia under subsidiary Bank OCBC NISP, and more than 90 branches and offices in Hong Kong, China and Macau under OCBC Wing Hang.

OCBC Bank’s private banking services are provided by its wholly-owned subsidiary Bank of Singapore, which has received increasing industry recognition as Asia’s Global Private Bank, and was voted “Outstanding Private Bank in Southeast Asia in 2014” by Private Banker International.

OCBC Bank’s insurance subsidiary, Great Eastern Holdings, is the oldest and most established life insurance group in Singapore and Malaysia. Its asset management subsidiary, Lion Global Investors, is one of the largest private sector asset management companies in Southeast Asia.

For more information, please visit www.ocbc.com.

About the Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves around 38 million customers through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and

Markets, and Global Private Banking. The Group serves customers worldwide from around 3,900 offices in 67 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,492bn at 30 June 2017, HSBC is one of the world's largest banking and financial services organisations.

About Mitsubishi UFJ Financial Group, Inc.

Mitsubishi UFJ Financial Group, Inc. (MUFG) is one of the world's leading financial groups, with total assets of approximately US\$2.6 trillion as of 31 March 2017.

Headquartered in Tokyo and with approximately 350 years of history, MUFG has a global network with over 2,000 offices across more than 50 countries. The Group has about 150,000 employees and about 300 entities, offering services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing. The Group's operating companies include The Bank of Tokyo-Mitsubishi UFJ Ltd., 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.

The Bank of Tokyo-Mitsubishi UFJ, Ltd., is Japan's premier bank, with a global network spanning over 50 countries. Outside of Japan, the bank offers an extensive scope of commercial and investment banking products and services to businesses, governments and individuals worldwide. MUFG shares are traded on the Tokyo, Nagoya, and New York (NYSE: MTU) stock exchanges. For more information, visit www.mufig.jp/english.

About Infocomm Media Development Authority (IMDA)

The Infocomm Media Development Authority (IMDA) will develop a vibrant, world-class infocomm media sector that drives the economy, connects people, bonds communities and powers Singapore's Smart Nation vision. IMDA does this by developing talent, strengthening business capabilities, and enhancing Singapore's ICT and media infrastructure. IMDA also regulates the telecommunications and media sectors to safeguard consumer interests while fostering a pro-business environment. IMDA also enhances Singapore's data protection regime through the Personal Data Protection Commission.

For more news and information, visit www.imda.gov.sg or follow IMDA on Facebook [IMDASg](#) and Twitter [@IMDASg](#).