



MUFG Bank partners with M1xchange to digitise corporate trade finance

India, November 3, 2022: MUFG Bank has partnered with M1xchange to facilitate digital invoice financing for the bank's clients. Under M1xchange's TReDS (Trade Receivables Discounting System), MSME Suppliers get early funding for their receivables under a bidding mechanism, and this is funded by MUFG Bank, which takes on the credit risk of the corporate buyers. This collaboration allows MUFG Bank to leverage the digital ecosystem established by M1xchange, thereby enhancing the efficiency of its client services.

Mr. Rohit Narayanan, Director and Head of Transaction Banking, MUFG India, said "We are delighted to leverage TReDS to further support our corporate clients in India. The collaboration with M1xchange demonstrates MUFG's commitment to meet the growing trade finance needs of the industry. With this partnership we are able to offer digital trade solutions to our clients while adding value to MSME enterprises who are the end users of this supply chain."

"The collaboration between MUFG Bank and M1xchange is another noteworthy step forward in the provision of financing to MSME and micro-category businesses. Shorter turnaround time and lower administrative costs would enable MUFG Bank to expand digital invoice finance offering in India", added Mr. Sundeep Mohindru, Managing Director & CEO of M1xchange.

MUFG Bank is also supporting technology startups not only via its \$300-million Ganesha Fund^[1] but is also helping them to leverage the bank's network across geographies to grow. As MUFG Bank scales up its innovation efforts, it will continue to collaborate with partners in India to embrace new digital technologies in support of its clients' ambitions for a brighter future.

^[1] For details on the MUFG Ganesha Fund, please refer to the following press release:
https://www.mufg.jp/dam/pressrelease/2022/pdf/news-20220310-001_en.pdf

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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 2,400 locations in more than 50 markets. 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.

MUFG Bank, Ltd. is Japan's premier bank, with a global network spanning more than 50 markets. Outside of Japan, the bank offers an extensive scope of commercial and investment banking products and services to businesses, governments and individuals worldwide.

In Asia, MUFG has a presence across 20 markets – Australia, Bangladesh, Cambodia, China, Hong Kong, Indonesia, India, South Korea, Laos, Malaysia, Mongolia, Myanmar, New Zealand, Pakistan, Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam.

It has also formed strategic partnerships with some of the most prominent banks in Southeast Asia, further augmenting its unrivalled network across the region – VietinBank in Vietnam, Krungsri in Thailand, Security Bank in the Philippines and Bank Danamon in Indonesia.

About M1xchange

M1xchange by Mynd Solutions Private Limited is a TReDS (Trade Receivables Discounting) exchange that started in April 2017. M1xchange facilitates the financing of trade receivables of MSMEs from corporate buyers through 'factoring' or 'invoice discounting' by financiers (Banks and NBFC). In a relatively short span of time, M1xchange has onboarded 47 Banks, 1000+ corporates, and 12000 + MSMEs and has facilitated discounting of invoices in excess of Rs 33000 Crores. Transactions on the TReDS platform happen digitally and start when the MSME Supplier of Goods & Services raises the invoice, and the Buyer validates the same. This permits the financiers (Banks/ NBFCs) to bid against the verified and approved invoice. Once the supplier accepts the bid, the payment is processed in 24 hrs. and credited to the MSMEs bank account. Through this platform, M1xchange promises MSMEs greater access to finance" at competitive rates and without providing any collateral. Further, the financing is without recourse. MSMEs pass on the risk of receivables to the financiers (NBFCs/Banks) by selling their receivables.

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