



Press Release

For business editors
6 February 2023

Commerzbank and T-Systems to deliver automated supply-chain financial services

- **Partnership connects physical and financial supply chains**
- **The aim is to create end-to-end automated supply chains with integrated financial solutions based on IoT sensors and other data systems**
- **Nagel-Group first pilot customer, market launch planned for end of year**

T-Systems and Commerzbank have signed a cooperation agreement for collaboration in the industrial sector. Together, the two companies are developing a solution for fully automated supply chains with integrated financial services. The Telekom subsidiary and the Frankfurt-based bank are employing technologies such as 5G campus networks, cloud, artificial intelligence, the Internet of Things (IoT), sensor technology, and blockchain/distributed ledger technologies (DLT). The joint solution uses event-based automation of payment flows to significantly reduce manual billing processes. This forms the basis for further networked financial services (e.g. supply chain finance). The solution will initially be applied at the logistics company Nagel-Group as a pilot customer and is scheduled to be launched on the market by the end of 2023.

The automated finance solution supports manufacturers, suppliers and logistics companies in the settlement and financing of their flows of goods. T-Systems' IoT sensors and integration platform trigger orders and payments, which Commerzbank then executes fully automatically. The elimination of manual processes in logistics and billing should significantly reduce errors and thus lead to considerable savings for customers.

The cooperation agreement follows the letter of intent signed by both companies in July 2022. In the following six months, an extended proof of value took place at the Werner-von-Siemens Centre in Berlin, where T-Systems operates a research and development center for industry solutions.

In this phase, several application scenarios were considered and tested end-to-end. This provided valuable insights into how to improve efficiency and speed through automated financial transactions. For example, flows of goods in warehouse logistics were tracked with IoT sensor technology and payments were initiated automatically based on trigger events such as the digital delivery note.

Strengthening supply chain resilience

The years since the coronavirus pandemic outbreak have shown that processes along supply chains are inefficient. The manufacturing industry in particular is prone to errors due to insufficient



connectivity between physical supply chain processes and accompanied finance flows. The automated finance solution digitalizes processes such as managing inventory, purchase orders and invoices, leading to more efficient and resilient supply chains. This is made possible by capturing data points along flows of goods, through the use of sensors and other source systems.

Technology standards and reference architectures guarantee the secure and efficient exchange of data between all parties involved via the T-Systems data management platform. Financial transactions are processed on the basis of blockchain/DLT technology. So-called “smart contracts” regulate which financial transactions are triggered with which predefined conditions – so-called triggers.

“We are very pleased with the successful conclusion of our proof-of-value phase,” explains Urs M. Krämer, Chief Commercial Officer at T-Systems. “We quickly learned how 5G, IoT, and the cloud can be orchestrated to make supply chains more efficient and resilient for our customers. We have an exciting partnership with Commerzbank that brings together the worlds of technology and finance.”

“Supply chains are changing rapidly due to digital connectivity and integrated financial solutions,” says Dr Jörg Oliveri del Castillo-Schulz, Chief Operating Officer of Commerzbank. “As part of our cooperation with T-Systems, we are developing scalable solutions so that our customers can make their complex supply chains more efficient, resilient and productive.”

In the development of IoT-based financial services, Commerzbank is supported by DLT experts from the scientific community as part of its cooperation with the Fraunhofer Institute for Material Flow and Logistics IML. The core of this cooperation is based on the linking of physical and financial flows within international value chains and the digitalization and automation of cost-intensive financial processes.

The cooperation with T-Systems deliberately relies on an open ecosystem to facilitate integration into open-source infrastructures such as the IML’s Silicon Economy, the International Data Spaces Association and the European projects Gaia-X and Catena-X.

Press contact Commerzbank

Myra Schmitt, +49 69 136-49357, myra.schmitt@commerzbank.com

Press contact Deutsche Telekom AG

+49 228 181-49494, medien@telekom.de

Issued by:

Commerzbank Aktiengesellschaft
Group Communications
60261 Frankfurt/Main

Phone +49 69 136-25565
newsroom@commerzbank.com
www.commerzbank.com



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Commerzbank Aktiengesellschaft
Group Communications
60261 Frankfurt/Main

Phone +49 69 136-25565
newsroom@commerzbank.com
www.commerzbank.com



Page 4



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