



First pilot client transactions successfully executed on Batavia global trade finance platform

- **Trade agreements between Supplier and Buyer on blockchain platform completed**
- **Smart payments automatically triggered by pre-defined events on the IBM Blockchain Platform**
- **Full transparency among all involved parties, helping to avoid errors**

19th April 2018 – Batavia, the blockchain-based global trade finance platform that has been jointly developed by a consortium consisting of Bank of Montreal (BMO), CaixaBank, Commerzbank, Erste Group, IBM and UBS has successfully completed its first live pilot transactions with corporate clients. Initial transactions included the trading of:

- Cars from Germany to Spain
- Textile raw materials for furniture production from Austria to Spain

These transactions mark an important step in establishing Batavia as an open ecosystem that is built on the IBM Blockchain Platform. It has the potential to revolutionize the client experience by providing a digital and automated way of arranging, securing and financing international trade transactions. The pilot transactions were conducted with a variety of transportation modes, geographies and trading parties of various sizes, highlighting Batavia's ability to scale and manage diverse transaction types.

In covering the end-to-end process of a trade, Batavia encompasses both the closing of trade agreements and the execution of smart payments, which can be automatically triggered by specified events in the supply chain and recorded in the blockchain. The platform is able to integrate track and trace and risk management tools, which can be tied to key events in the supply chains and signals from IoT devices, agreed upon between buyer and seller. These and many other Batavia features help to establish the trade finance platform as a solid foundation for a future trade finance ecosystem.

Alexander Dietlmeier, Head of Group Treasury at AUDI AG: "Blockchain is an important future technology for Audi. In cooperation with Commerzbank, we have processed a worldwide, blockchain-based commercial transaction through the Batavia platform for the first time – efficiently, safely and transparently. This achievement has demonstrated to us once again the great potential this innovative application holds. We have gained important experience that will enable us to continuously develop our capabilities in this field, and we will be testing this technology for other use cases in our distribution process."



“It is very important to involve our corporate clients as early as possible in our research and development activities regarding the digitalisation of trade finance. I am very grateful to Audi for their cooperation and their support for our project. Our joint successful live transaction gives an idea of the potential of our platform. The trade data and the smart payment automatically triggered by shipment data build an important basis for risk management and financing tools adding value to every supply chain”, said Niko Giesbert, Divisional Board Member, Fixed Income, Currencies & Commodities and Trade Finance & Cash Management, Commerzbank AG.

Building on the successful development of a minimum viable product and the first pilot transactions with clients, the Batavia project is looking to enter a new phase focused on the building out of a production-ready solution. This may include joining forces with fintechs, financial institutions or other innovation leaders in the market.

About Audi

The Audi Group, with its brands Audi, Ducati and Lamborghini, is one of the most successful manufacturers of automobiles and motorcycles in the premium segment. It is present in more than 100 markets worldwide and produces at 16 locations in twelve countries. 100 percent subsidiaries of AUDI AG include Audi Sport GmbH (Neckarsulm), Automobili Lamborghini S.p.A. (Sant'Agata Bolognese, Italy) and Ducati Motor Holding S.p.A. (Bologna, Italy).

In 2017, the Audi Group delivered to customers about 1.878 million automobiles of the Audi brand, 3,815 sports cars of the Lamborghini brand and 55,900 motorcycles of the Ducati brand. In the 2017 fiscal year, AUDI AG achieved total revenue of €60.1 billion and an operating profit of €5.1 billion. At present, approximately 90,000 people work for the company all over the world, more than 60,000 of them in Germany. Audi focuses on sustainable products and technologies for the future of mobility.

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About BMO Financial Group

Serving customers for 200 years and counting, BMO is a highly diversified financial services provider – the 8th largest bank, by assets, in North America. With total assets of \$728 billion as of January 31, 2018, and a team of diverse and highly engaged employees, BMO provides a broad range of personal and commercial banking, wealth management and investment banking products and services to more than 12 million customers and conducts business through three operating groups: Personal and Commercial Banking, BMO Wealth Management and BMO Capital Markets.

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About CaixaBank

CaixaBank is leader in retail banking in Spain, with a 26.7% share among individual customers who make it their main bank. The bank, headed by chairman Jordi Gual, and led by CEO, Gonzalo Gortázar, has around 16 million customers in Spain and Portugal, with 5,379 branches, the largest commercial network in the Iberian peninsula. CaixaBank has been named "Best Bank in Spain 2017" by the UK magazine Euromoney and New York magazine Global Finance also recognised the entity as the "Best Bank in Spain 2017". In 2018, Euromoney named CaixaBank, the "Best Private Bank in Spain" for the fourth time in a row.

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About Commerzbank

Commerzbank is a leading international commercial bank with branches and offices in almost 50 countries. In the two business segments Private and Small Business Customers, as well as Corporate Clients, the Bank offers a comprehensive portfolio of financial services which is precisely aligned to the clients' needs. Commerzbank finances approximately 30% of Germany's foreign trade and is leading in financing for corporate clients in Germany. Due to its in-depth sector know-how in the German economy, the Bank is a leading provider of capital market products. Its subsidiaries Comdirect in Germany and mBank in Poland are two of the world's most innovative online banks. With approximately 1,000 branches, Commerzbank has one of the densest branch networks among German private banks. In total, Commerzbank serves more than 18 million private and small business customers, as well as more than 60,000 corporate clients, multinationals, financial service providers, and institutional clients. The Bank, which was founded in 1870, is represented at all the world's major stock exchanges. In 2017, it generated gross revenues of €9.2 billion with approximately 49,300 employees.

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About Erste Group

Erste Group is the leading financial services provider in the eastern part of the EU and the preferred partner of corporates in the region. Around 47,000 Erste Group employees serve over 16 million customers in 2,600 branches in seven countries: Austria, the Czech Republic, Slovakia, Romania, Hungary, Croatia, and Serbia. As per YE2017, Erste Group had EUR 220.7 billion in total assets, a net profit of EUR 1.31 billion, and a tier-1 capital ratio of 13.4% (CET-1, Basel III, phased in).

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About IBM

Batavia is built on the IBM Blockchain Platform, powered by The Linux Foundation's Hyperledger Fabric. IBM is the leader in open-source blockchain solutions built for the enterprise. As an early member of Hyperledger, an open source collaborative effort created to advance cross-industry blockchain technologies, IBM is dedicated to supporting the development of openly-governed blockchains. IBM's blockchain platform is enabling hundreds of clients and thousands of developers to build and scale active networks across complex use cases, including cross border payments, supply chains, and digital identification. For more information about IBM Blockchain, visit www.ibm.com/blockchain.

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About UBS

UBS provides financial advice and solutions to wealthy, institutional and corporate clients worldwide, as well as private clients in Switzerland. UBS' strategy is centered on our leading global wealth management business and our premier universal bank in Switzerland, enhanced by Asset Management and the Investment Bank. The bank focuses on businesses that have a strong competitive position in their targeted markets, are capital efficient, and have an attractive long-term structural growth or profitability outlook.

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