

First Turkish-German trade finance transaction on Marco Polo blockchain network with İşbank and Commerzbank

- **In cooperation with Commerzbank, İşbank is first bank in Turkey to use blockchain technology on trade finance transaction**
- **Automatic matching of trade data-based on DLT provides irrevocable payment commitment, which not only serves as risk mitigation instrument, but also provides financing**

İşbank and Commerzbank have jointly run an international trade finance transaction based on distributed ledger technology (DLT). Payments were secured by digitally processing the related data transfer via Corda blockchain technology on the Marco Polo trade finance network.

İşbank is the first bank in Turkey to perform a trade finance transaction using blockchain technology. The transaction took place on 27 May 2020 between İşbank, Şişecam, Kuraray Europe GmbH, and Commerzbank AG and supported the trade of laminated glass interlayers from Germany to Turkey.

“Increasing security, speed, and operational efficiency in international trade, this technology is a paradigm change for foreign trade supply chains”, İşbank’s Deputy Chief Executive Şahismail Şimşek is convinced: “As İşbank, we offer innovative solutions to our customers’ financing needs with our firsts in technology. Now, with this pilot transaction using blockchain technology, we are starting a reliable and easier period based on matching data in foreign trade. We aim to offer new experiences to our customers by taking part in new technological developments in the world and developing foreign trade products over blockchain technology.”

Marco Polo is a collaboration network focussed on securing payments and financing of trade transactions. Its DLT allows foreign trade transactions to be financed securely and in a very efficient manner. Transactions are safe and transparent and can be processed in a trusted environment.

Thanks to R3’s Corda technology underpinning Marco Polo, the trade transaction data was only distributed to the parties along the workflow of the trade, making the settlement processes much quicker and more efficient. It is also possible to integrate third parties into the data flows where required by banks and trade partners. All parties involved were able to communicate and view trading data simultaneously.

“After having processed various Marco Polo Payment Commitment pilot transactions last year, we are now very happy to have piloted with İşbank an advanced pre-live version of the platform. We ensured the technical performance and validated the workflow with our corporates to pave the way to production,” underlines Enno-Burghard Weitzel, Head of Trade Product Management at Commerzbank.

“We were very excited and honored to take part in the Marco Polo project, as the technology of Marco Polo offers three big advantages. Firstly, it supports a trustful relationship between business partners and helps to offer unique services for our customers. Secondly, the platform supports our efforts to further digitalise business processes. Thirdly, Marco Polo Blockchain solution perfectly fits to one key part of Kuraray’s mission to use pioneering technologies”, remarks Juliane Löbig, Director Finance & Accounting, Kuraray Europe GmbH.

Şişecam's Chief Financial Officer, Görkem Elverici, adds: "Şişecam Group is one of the most established businesses in Turkey and is a global player in all key areas of the glass industry, as well as soda and chromium chemicals. With a global footprint in over 150 markets, it conducts a significant volume of international trades on a weekly basis. Şişecam is excited to announce that it has undertaken the first blockchain transaction in Turkey through the use of the Marco Polo's blockchain-based payment platform, and the Group continues to innovate and use all the digitally available solutions to provide the best service and experience to its overall ecosystem including its customers and suppliers."

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About Commerzbank

Commerzbank is a leading international commercial bank with branches and offices in nearly 50 countries. The Bank's two business segments – Private and Small-Business Customers and Corporate Clients – offer a comprehensive portfolio of financial services precisely tailored to their customers' needs. Commerzbank transacts approximately 30% of Germany's foreign trade and is the market leader in German corporate banking. The Bank offers its sector expertise to its corporate clients in Germany and abroad and is a leading provider of capital market products. Its subsidiaries, Comdirect in Germany and mBank in Poland, are two innovative online banks. With approximately 800 branches going forward, Commerzbank has one of the densest branch networks in Germany. The Bank serves more than 11 million private and small-business customers nationwide and over 70,000 corporate clients, multinationals, financial service providers, and institutional clients worldwide. Its Polish subsidiary mBank S.A. has around 5.7 million private and corporate customers, predominantly in Poland, but also in the Czech Republic and Slovakia. In 2019, Commerzbank generated gross revenues of €8.6 billion with approximately 48,500 employees.

About İşbank

İşbank was established in 1924 at the initiative of Mustafa Kemal Atatürk, founder of the Turkish Republic, as the first national bank of Turkey, with a founding mission defined as "contributing to the foundation and development of the country". İşbank serves retail, SMEs, and large corporate customers and provides all kind of banking services with an extensive network and around 24,000 employees through a strategy of achieving sustainable and profitable growth based on being "the bank closest to customers". The bank has the most extensive private distribution network in the country with 1,243 domestic branches and 6,530 ATMs. The share of non-branch channels in total transactions has increased significantly in recent years and reached over 94% by March 2020. The number of the bank's digital (mobile and internet banking) customers, which is continuously increasing, exceeded 8.4 million. İşbank also operates abroad through its 22 foreign branches. As a highly trusted financial institution, İşbank also maintains its pioneering position in foreign trade through its extensive correspondent network of banks based in around

120 countries. Today, creating value for the Turkish economy for almost 100 years, İşbank moves confidently towards the future not only with its numbers and initiatives in technology but also with extensive and social responsibility initiatives and sustainability activities.

About Kuraray Europe GmbH

Kuraray Europe GmbH was founded in 1991. It is headquartered in Hattersheim near Frankfurt/Main and generated an annual turnover of €804 million in 2019. More than 700 employees work for Kuraray nationwide at the locations Hattersheim, Frankfurt, and Troisdorf. Kuraray is a global specialty chemicals company and is one of the largest suppliers of polymers and synthetic microfibers for many branches of industry, such as KURARAY POVAL™, Mowital®, Trosifol®, or CLEARFIL™. In addition, the company has a further 200 employees at six European sites, who also develop and apply innovative high-performance materials for numerous industries such as the automotive, paper, glass, and packaging industries as well as for architects and dentists.

About Şişecam Group

One of the most established enterprises in Turkey, Şişecam Group is a global actor in business fields including all main areas of glass industry, i.e. flat glass, glassware, glass packaging, and glass fiber, as well as soda and chromium chemicals. Today, Şişecam, the world's leading supplier of chromium compounds and the 7th-largest synthetic soda ash producer in the world, is the 3rd-largest glassware and the 5th-largest glass packaging and flat glass manufacturer globally.

The Group, which has 43 production facilities in total, operates in Turkey, Germany, Italy, Bulgaria, Romania, Slovakia, Hungary, Bosnia-Herzegovina, the Russian Federation, Georgia, Ukraine, Egypt, India, and the USA. With its more than 80 years of experience, 22,000 employees, production in 14 countries, and sales in 150 countries, Şişecam is a group at international scale and continues on its journey to become one of top three global producers in its all-main business fields.