



## **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, 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.

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.



## Initial transactions in Spain

CaixaBank has already partnered with business clients on two such transactions: the purchase of Audi vehicles for the business conglomerate Domingo Alonso Group, based in Las Palmas de Gran Canaria, and the acquisition of raw materials for furniture manufacturing by the firm Fluvitex, based in Sant Joan les Fonts, in the region of La Garrotxa (Girona). These were the first foreign trade transactions completed in Spain between different financial institutions using blockchain technology.

“We at Fluvitex consider it a real accomplishment to be involved in launching a new technology that has considerable potential to enhance and drive international trade. Our group is firmly established as a global operator, with production facilities and customers around the world. Any technology that renders foreign trade transactions faster and more transparent will always be a real draw for us”, said Lluís Masias, CEO of Fluvitex.

“Domingo Alonso Group is committed to investment in technology to underpin its digital transformation and international expansion strategy. Therefore, we are very keen to be involved in pioneering projects such as Batavia, in partnership with CaixaBank. Adapting to change is key in the current climate, particularly for companies such as ours, with operations across more than 20 countries. We are very much open to any innovation that might take our internationalisation further”, said Julio Antoranz, CFO of Domingo Alonso Group.

Meanwhile, sources of CaixaBank, stated that “innovation is currently a must throughout the financial services value chain. In the case of foreign trade and business banking, we believe blockchain technology has real potential to further improve the services provided to customers, while enhancing information transparency, traceability and risk management. All of which we aimed to demonstrate via the Batavia project. Our partnership with Fluvitex and Domingo Alonso Group, two companies that stand as models for how an innovative business vision can expand a firm’s global reach, has been instrumental to fully understanding the value of these initial transactions using blockchain”.

### About BMO Financial Group

Serving customers for 200 years and counting, BMO is a highly diversified financial services provider – the 8<sup>th</sup> 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**

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 has worked with more than 400 clients across financial services, supply chains, IoT, risk management, digital rights management and healthcare to implement blockchain applications. For more information about IBM Blockchain, visit [www.ibm.com/blockchain](http://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. The operational structure of the Group is comprised of our Corporate Center and five business divisions: Wealth Management, Wealth Management Americas, Personal & Corporate Banking, Asset Management and the Investment Bank. UBS's strategy builds on the strengths of all of its businesses and focuses its efforts on areas in which it excels, while seeking to capitalize on the compelling growth prospects in the businesses and regions in which it operates, in order to generate attractive and sustainable returns for its shareholders. All of its businesses are capital-efficient and benefit from a strong competitive position in their targeted markets.

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