Building Solutions for Trade Finance

BFC Workshop
London, 1st April 2019

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Why blockchain for Trade Finance
The Challenge
Highly fragmented ecosystem

The Opportunity
Evolution of foreign trade (exports) from 1978 onwards *

- Fast growing area of activity of economy and of banking activity
- Growth to continue, although at a smoother pace
- Open account taking 80% of volume. Doc trade flat / in decrease
- Doc trade generates proportionally more revenue for the banking industry (higher financing penetration), although with very high operational work
- Reduced transparency and control in open account: SCF solutions / platforms

Source: Standard definition for techniques of Supply Chain Finance (Global Supply Chain Finance Forum) - 2016
Issues in international trade
A Catch 22 – The risk of advanced payment and shipment

• More than 95% of intra EU trade transactions are based on open account
• Trust is a challenge – ensuring payment received for goods dispatched
• Trade Finance solutions (e.g. Letters of Credit) not suitable for European trade

Take risk?
Buy risk cover?
Pay for goods before shipping?
Turn down the business?
From PoC to Production: Governance and interbank collaboration
About us

• First blockchain-based digital trade finance platform in production worldwide
• Established Joint Venture company based in Dublin
• 12 top European banks as shareholders
• Created a common Rule Book
• Built with IBM on Hyperledger Fabric
• Developed a managed solution with easy deployment for more banks to join
• Platform live in beta on June 2018
• As of Oct 2018, we.trade network has grown to 14 banks and geographic coverage in 14 countries
we.trade Journey
From Proof of Concept to Production

2016
Hubert Benoot, KBC, had an idea following a chat with a potato farmer reluctant to export due to the risk of unknown trade partners. The Digital Trade Chain (DTC) project began.

Jun 2017
IBM selected as technology partner

Feb 2018
DTC rebranded as we.trade
we.trade becomes a legal entity and establishes offices in Dublin

Sep 2018
Ex-Batavia Consortium Banks, Caxia, Erste, UBS join as shareholders. Eurobank joins as a licensee bank

Mar 2019
we.trade and Hong Kong based eTrade Connect complete successful PoC to connect platforms

2017
Jan 2017
Seven European banks (Deutsche Bank, HSBC, KBC, Natixis, Rabobank, Société Générale and UniCredit) join the project

Dec 2017
Nordea and Santander join we.trade as Shareholders

Jun 2018
we.trade platform goes live in beta

Nov 2018
V1.1 of platform launched

Q3 2019
Ongoing product development and optimizing following customer feedback

2018
Q2 2019
V2.0 Release with additional features and functionalities

2019 and Beyond
Q4 2019
Explore connections with potential partners (e.g. insurance and shipping companies, port authorities)

2019
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Q4 2019
Explore connections with potential partners (e.g. insurance and shipping companies, port authorities)
Secure and finance all your transactions

Simple, seamless, trustful trade

1. SIMPLE
   Improve your transaction management
   • Validation of the PO
   • Status on delivery
   • 3-clicks to accept a trade proposal

2. SEAMLESS
   Keep visibility on your operations
   • Trade Lifecycle Dashboard
   • Notifications and automatic reminders
     • Real-time view

3. TRUSTFUL
   Reduce your risks
   • Reduce IBAN Fraud
   • Eliminate payment delays
   • Avoid Buyer non-payment
How it works

How we ensure trust in trade

1. Buyer initiates purchase order and sets payment terms
2. Buyer may request bank to provide Bank Payment Undertaking (BPU)
3. Seller ships order and sends invoice through the platform
4. Buyer confirms the receipt of goods
5. Seller may request bank to provide financing arrangement
6. Buyer’s bank debits buyer’s account and initiates payment of invoice on due date
Customer Dashboard

Dashboard

Trades you are in as a buyer

1. Open
   Number of initiated trade transactions
   1.44k CHF

0. In progress
   Number of agreed trade transactions in progress

0. Delivery
   Number of trade transactions in delivery

0. Awaiting Payment
   Number of trade transactions waiting for payment

0. Paid
   Number of trade transactions paid in the last 30 days

1. Overdue
   Number of overdue trade transactions
   1.95k EUR

Alerts

Trade PO5432: The payment will be debited today:
04-12-2018 | 01:45

Notifications

PO123
Action
Congratulations. You have been made a new business offer. Please review.
10-10-2018 | 10:43
Seller Creates a New Order

Create Order - Seller

Transaction details

Purchase Order No.

Currency

Total amount

Amount tolerance

My bank account

Inco term

Named place

Expiry date

Documents (optional)

Counterparty

Mobile Future Inc.

Leuven seesteen 614, 1930 London, UK

2017_trade_prop... 69%
Order Details

[Image of an order management interface]

PO#22399 is waiting to be shipped

- **Total amount:** €107,980.82
- **Buyer:** Medi Distribution Ltd.
- **Incoterm:** EXW - Amsterdam
- **Bank services:** Request financing
- **Last shipment date:** 27/08/2017
- **Expiration date:** 28/08/2017

### Invoice Information

- **Invoice number:**
- **Invoice date:** DD/MM/YYYY
- **Upload invoice (optional):**
  - Choose file: No file chosen
  - Create invoice

### Order Details

<table>
<thead>
<tr>
<th>Goods</th>
<th>Countparty</th>
<th>Payment &amp; bank services</th>
<th>Transport</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product Type</strong></td>
<td><strong>Product Name</strong></td>
<td><strong>Unit Price</strong></td>
<td><strong>Quantity</strong></td>
</tr>
<tr>
<td>4802.20.190</td>
<td>Mobile XYZ</td>
<td>€ 20</td>
<td>10</td>
</tr>
<tr>
<td>4802.20.189</td>
<td>Mobile ABC</td>
<td>€ 20</td>
<td>10</td>
</tr>
</tbody>
</table>

**Country of origin:** Netherlands

**Product description:**

Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor…
Customer Testimonial
Meet our Customers

• https://vimeo.com/320009653
Future of international trade: moving towards the network of networks
You can offer we.trade to your clients
Creating a global network of buyers and sellers
Our Vision: Network of networks
A marketplace where companies can trade with more trust

GLOBAL TRADE
- Authority's records
- Land transport records
- Airline's records
- Port's records
- Ocean carrier's records

TRADE
- Regulatory / compliance
- Package Process
- Manufacturing

FINANCE
- Consumer
- Wholesale
- Retail

INDUSTRIAL TRADE
- Provider
- Consumer
- Provider
Let’s shape the future together!

Contact our Business Development Manager at daniele@we-trade.com

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