

Compelling results for Blockchain oil-trade test ING and Societe Generale Corporate & Investment Banking

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ING and Societe Generale Corporate & Investment Banking present blockchain prototype testing results coinciding with IP Week in London together with trading house Mercuria

- The “Easy Trading Connect” platform is the first comprehensive and realistic use of blockchain technology focusing on commodity trade and finance
- Technology has the potential to transform the industry
- Testing indicates dramatic improvements are feasible in terms of costs, speed and risk

ING and Societe Generale Corporate & Investment Banking presented the results of the Easy Trading Connect blockchain prototype coinciding with IP Week in London, after successfully using the new technology to carry out a live oil trade between parties with Mercuria, the global commodity trading group. The test proved that there were significant speed, cost and risk benefits to be achieved.

The platform, called “Easy Trading Connect”, is designed for paperless trading and aims to digitalise and standardise commodity transactions in order to increase speed and efficiencies in the trade process. The prototype was used in a real trade to validate expectations. The experiment involved an oil cargo shipment containing African crude which was sold three times on its way to China, and included traders, banks as well as an agent and an inspector, all performing their role in the transaction directly on the platform.

The challenge at the core of this project is the need for technological advancements in commodity trading and finance, an age-old sector that is still very much based on the exchange of physical paper documents travelling around the world. This is a source of high cost, delays, and risks, making it a market with high inefficiencies, ripe for transformation. The results of the experiment demonstrated that the platform can greatly improve the efficiency of certain processes, bringing the average total time for a bank to complete their role in the transaction down from approximately three hours to 25 minutes.

Easy Trading Connect is the first comprehensive platform prototype to be developed which can be expanded and scaled across the commodity and finance domain and uses blockchain technology to overcome some of the industry’s biggest challenges. Applying distributed ledger technology to the commodity trade financing chain can prevent issues such as documentary fraud and allows for the digitalisation of assets. The platform also boosts operational efficiency and quality by introducing auto-checking of documents.

Patrick Arnaud, Managing Director for Trade & Commodity Finance, ING, commented: “The commodity finance industry is hampered by nature by inefficiencies and outdated procedures. By applying blockchain technology, we expect that we can eliminate a lot of these, making the overall process faster and more cost effective and the tests we have been able to carry out have proved this. The Easy Trading Connect platform helped to digitalise and standardise the transaction process from start to finish.”

Federico Turegano, Global Head of Natural Resources and Infrastructure, Societe Generale Corporate & Investment Banking added: “The Easy Trading Connect platform allowed real-time access to information for all parties, eliminating the need for an acknowledgment process. It also keeps a full data record, which is useful for auditing and as well as having an intuitive navigation system and a well thought through design.”

Alistair Cross, Global Head of Operations, Mercuria, stated: “We are very pleased with the success of this initial test. The blockchain technology allows for access to real-time data and key details of the transaction all in one ecosystem, creating an improved and more flexible user experience.

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ING Group shares are listed on the exchanges of Amsterdam (INGA AS, ING.AS), Brussels and on the New York Stock Exchange (ADRs: ING US, ING.N).

Sustainability forms an integral part of ING's strategy, which is evidenced by the number one position among 395 banks ranked by Sustainalytics. ING Group shares are being included in the FTSE4Good index and in the Dow Jones Sustainability Index (Europe and World) where ING is among the leaders in the Banks industry group.

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- **International retail banking, insurance and financial services to corporates** with a presence in developing economies and leading specialised businesses;
- **Corporate and investment banking, private banking, asset management and securities services**, with recognised expertise, top international rankings and integrated solutions.

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About Mercuria

Founded in 2004, Mercuria is one of the world's largest independent energy and commodities trading group. Mercuria supplies products from areas of surplus to areas of need, and optimizes the commodity supply chain for its counterparts.

The Company's operations span five continents and engage more than fifty countries with principal commercial hubs in Geneva, Beijing, Shanghai, Singapore, London and Houston. More than 1,000 people operate from offices worldwide to sustain the group's extensive business reach with their market knowledge, diversity, and experience.

The group, primarily focused on energy, is present all along the commodity value chain with activities forming a balanced combination of commodity flows and strategic assets. Mercuria is a leader in the trading of physical energy products ranging from crude oil, refined petroleum products, petrochemicals, natural gas, LPG, power, emissions, and coal. Mercuria is also active in iron ore and metals/ concentrates. Worldwide, their activities range from sourcing, supplying, trading, and financing to investment, logistics storage and blending.

www.Mercuria.com

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