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KBC and Cegeka trial ground-breaking blockchain application for SMEs

KBC together with IT specialist Cegeka and various companies are first in the market to successfully test Digital Trade Chain (DTC), a blockchain solution that facilitates secure international trade between SMEs. Many Belgian SMEs depend on import and export to grow their businesses. At least 77%¹ of Belgian exports are destined for the European market and primarily its neighbouring countries. Large companies use documentary credit as a way of reducing the risks involved in doing business, but this solution is not always suitable for SMEs.

KBC and Cegeka are continuing to develop DTC and are negotiating with additional parties to make the platform more widely available and easier to access.

KBC's new Digital Trade Chain application is a digital platform for managing, tracking and protecting domestic and international trade transactions between SMEs and simplifying trade finance. DTC links parties, i.e. buyer, seller, KBC and the counterparty's bank. The app registers the entire trade process from order to payment, displaying it in an at-a-glance flowchart and guaranteeing payment when all contractual agreements have been met. The platform is fully automated and available 24/7, so the order-to-payment process is much quicker than the traditional exchange of documents. It also requires far less back-office administration.

Luc Gijssens, KBC Group International Markets CEO, explains: *'SMEs are having to run their businesses differently in an increasingly digital age. KBC aims to give them innovative solutions to gear up to an increasingly digital environment. This successful DTC trial shows that blockchain technology offers a number of opportunities that we want to continue testing and developing.'*

KBC chose Cegeka for the IT company's expertise in blockchain technology. KBC and a number of banks in Belgium's neighbouring countries and its core Central European markets are currently exploring how this app can help to facilitate and boost international trade between SMEs.

Successfully tested

The solution was first assessed by 17 SMEs in different sectors and then tested by Bru Textiles² and Aristide,³ two textile companies in Kontich. Importers and exporters were enthusiastic about the user-friendliness and the clear transaction process. DTC is easily accessible on a PC, tablet or smartphone.

Testing and customer surveys provided a lot of useful feedback on further improving the application, the feasibility of which is currently being assessed by KBC and Cegeka. If further tests confirm the success of the initial trials, KBC will launch the application on the market.

¹ Foreign Trade Statistics 01-03/2016

² Learn more about Bru Textiles: www.brutex.com

³ Learn more about Aristide: www.aristide.be

Note for editors:

1. Watch our short [demo](#) (1'15) or larger [demo](#) (3'15) to see how DTC works in practice.
2. Blockchain technology works based on a shared ledger system updated by its users. Whenever a transaction is made it is validated by all users. It can also include data. When a transaction is validated by the network, the shared ledger system is updated. Ledgers are encrypted to ensure they cannot be tampered with. Since KBC's DTC app is based on a '*permissioned*' blockchain with *smart contracts*, the legal liability of all parties involved is clear and the authenticity of conclusions provided by the system are guaranteed.

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