

*JOINT PRESS RELEASE*

Frankfurt am Main, 23 October 2019

**Commerzbank, Deutsche Börse and MEAG to reach further step in post-trade services using distributed ledger technology**

- Settlement via securities and cash tokens and further use as collateral at Eurex Clearing as Central Counterparty – within a binding legal framework
- Joint use cases confirm a potential founding stone for multiple comprehensive distributed ledger services

Commerzbank, Deutsche Börse and MEAG, the Asset Manager of Munich Re and ERGO, have reached a further step in examining the scope of distributed ledger technology in post-trade services. The partners successfully completed the settlement of a legally binding secondary market securities transaction via tokens; Commerzbank further used the tokenized cash as collateral at Eurex Clearing as Central Counterparty. The prototype scenario reflected a delivery-versus-payment transaction and the transfer of tokenized cash, aiming on exploring the potential of various comprehensive services leveraging distributed ledger technology.

For this transaction, digital tokens were generated using both commercial bank money (cash tokens) and securities (securities tokens). The simultaneous swap of the tokens as final and binding settlement was enabled by using distributed ledger technology. As a further use case for cash tokens, Commerzbank provided the tokenized cash credits for coverage of margin requirements at Eurex Clearing as Central Counterparty as part of their operative risk management.

Eurex Clearing acted as tokenizer of cash, MEAG as the buyer of securities and Commerzbank as the seller and the custodian of the securities tokens. Main incubator, Commerzbank's research and development unit, provided the blockchain platform.

The underlying technology and the legal concept were jointly developed by Commerzbank and Deutsche Börse. As a first step of their collaboration on DLT, Commerzbank and Deutsche Börse already completed a legally binding repo transaction earlier this year.

“This is an important joint effort in further exploring the potential of distributed ledger technology for the financial services industry. By combining multiple use cases within these transactions, we have broadened the scope of applications where the market can benefit from possible standards in this new technology. Our goal is to foster our role as financial infrastructure provider of choice.”, stated Jens Hachmeister, Head of New Markets at Deutsche Börse Group.

“After our first collaboration with Deutsche Börse in March 2019, we are pleased to jointly reach a further milestone in using DLT for post-trade-services in capital markets. We will continue to work on these topics to

provide our clients with market-ready solutions”, said Benjamin Duve, Head of Custody & Direct Market Access, Commerzbank AG.

Dr. Frank Wellhöfer, member of the board of management at MEAG:

“For us as investor, distributed ledger technology has a significant potential to increase efficiency of operations. By reducing the need for intermediaries, the transaction process of securities is going to accelerate furthermore. The involvement of tokens representing securities and money will facilitate network efficiencies and build a foundation for the creation of standards. This is important for the buy side as standards lead to broader market acceptance and thus create liquidity on DLT platforms in general.”

The concept of this test transaction has been shared with regulatory and oversight authorities. Further productive introduction remains subject to their approval and the compliance with regulatory requirements and applicable policies. The partners aim to further develop financial markets infrastructure and services for the future, first steps to establish a respective framework have recently been initiated by the German Federal Government.

#### **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 and Corporate Clients, the Bank offers a comprehensive portfolio of financial services which is precisely aligned to its clients’ needs. Commerzbank finances approximately 30% of Germany’s foreign trade and is the leading finance provider 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 70,000 corporate clients, multinationals, financial service providers, and institutional clients worldwide.

#### **About Deutsche Börse**

Deutsche Börse Group is one of the largest exchanges worldwide. It operates markets characterised by integrity, transparency and security for investors wishing to invest capital and for companies wishing to raise capital. On these markets, professional traders buy and sell shares, derivatives and other financial instruments in accordance with clear rules and under strict supervision. Deutsche Börse Group’s services and systems ensure that these markets can operate and all participants have equal opportunities – worldwide.

#### **About MEAG**

MEAG is the asset management company of Munich Re and ERGO. MEAG has locations in Europe, Asia, and North America, offering its vast expertise to institutional investors and private customers. MEAG manages total investments currently valued at approximately EUR 270 bn.

#### **Press contacts:**

*Commerzbank*

Josefin Altrichter, Tel.: +49 69 136 80209, e-mail: [JosefinMarie.Altrichter@commerzbank.com](mailto:JosefinMarie.Altrichter@commerzbank.com)

*Deutsche Börse Group*

**COMMERZBANK**



**DEUTSCHE BÖRSE  
GROUP**

**MEAG**

Leticia Adam, Tel.: +49 69 211 12 766, e-mail: [leticia.adam@deutsche-boerse.com](mailto:leticia.adam@deutsche-boerse.com)

*MEAG*

Dr. Josef Wild, Tel.: +49 89 2489 2072, e-mail: [jwild@meag.com](mailto:jwild@meag.com)