



Media Release

Standard Chartered Bank Pioneers Bangladesh's First-Ever Blockchain Letter of Credit



CONTOUR



Standard Chartered Bank has successfully executed the country's first blockchain transaction by issuing a Letter of Credit (LC) for Viyellatex Ltd over the Contour blockchain network.

Viyellatex Ltd, one of the country's leading ready-made garments exporters, imported textile items from Viyellatex Spinning. Standard Chartered Bank acted as the Issuing Bank for the applicant, as well as the Advising Bank for the Beneficiary of the LC. The entire transaction was paperless and completed digitally through Contour's network.

Contour provides a distributed trade network enabling an enhanced degree of collaboration across the main elements of trade with all participants leveraging the network to create and renew trade data in real-time. Built on R3's Corda blockchain, Contour improves data transparency, removes administration costs and reduces friction in global trade: all of this leading to an overall increase in efficiency and reduction in costs for all parties.

As one of the founding members of Contour, Standard Chartered benefitted from Contour's network which simplifies the LC process, delivering shorter settlement times, instant discrepancy resolution and simplified sanctions screening.

Mr Naser Ezaz Bijoy, CEO of Standard Chartered Bank, Bangladesh said: "We are extremely proud to introduce Blockchain technology in Bangladesh for trade transactions. It has been a privilege to partner with Viyellatex Group to initiate the first Blockchain enabled Letter of Credit in the country. We are very excited to offer our clients improved speed and reduced risks of settlement offered by platforms such as Contours. We recognize that our clients are increasingly looking for new solutions to address the need for greater efficiency, and that this milestone represents the first of many such transactions that will follow."

Mr K.M. Rezaul Hasanat, Chairman and CEO of Viyellatex Group said: "At Viyellatex Group, we always strive to provide quality products and services on time. We recognize that innovation and digitization is key to remain competitive in today's ever-changing global trade scenario. Blockchain technology will certainly increase trading efficiency and reduce turnaround time of the LC process. Hence, we are very happy and proud to collaborate with Standard Chartered Bank and become a part of the first trade transaction in Bangladesh using the revolutionary blockchain technology."

Mr Carl Wegner, CEO of Contour said: "Global trade lacks a solution that drives out inefficiencies, improves data transparency and enables interoperability between all trade participants. The long-established elements of trade finance don't have sufficient integration, ultimately causing friction and unnecessary administration. These inevitably cause significant barriers for global trade growth, adding complexity, increasing cost and delaying the process for both banks and corporates. The Contour network can overcome these issues, providing a consistent and reliable infrastructure for global trade to flourish especially in countries like Bangladesh that counts on LCs for a significant part of their trade volumes. The recent transaction with Viyellatex Ltd serves to prove that a



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solution is out there and readily available for adoption. It's also hugely positive to have Standard Chartered introducing this revolutionary technology for trade in Bangladesh and we're proud to be a part of the first transaction in the country."

The Ready-made Garments industry is the main export sector of Bangladesh. Most raw materials of this industry are sourced locally, through inland letters of credits. These inland LCs involve a lot of tedious paperwork. If these transactions can be moved into paperless Blockchain, major efficiencies can be achieved in local trade across this industry. There is a huge scope to scale up transactions over Blockchain if all parties of the RMG supply chain can be added onto this network.

Standard Chartered Bank is the largest international bank in Bangladesh, with a presence of more than 115 years in the country. The blockchain transaction is the latest among many other "firsts" that the Bank has introduced, including ATM and credit cards. Standard Chartered was the first bank to issue a Letter of Credit from Bangladesh and has since retained its position as one of the top trade banks in the country.

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Standard Chartered

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Standard Chartered PLC is listed on the London and Hong Kong Stock Exchanges as well as the Bombay and National Stock Exchanges in India.

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