



Blockchain & Banking

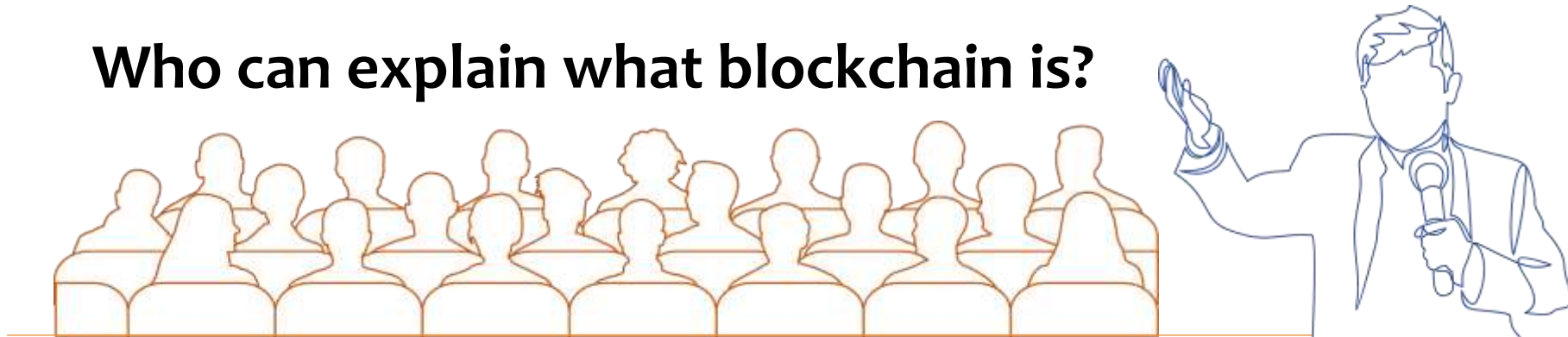
Ahmed A. Mansour

MBA, PMP, ITIL, TOGAF, FL23, Blockchain Expert

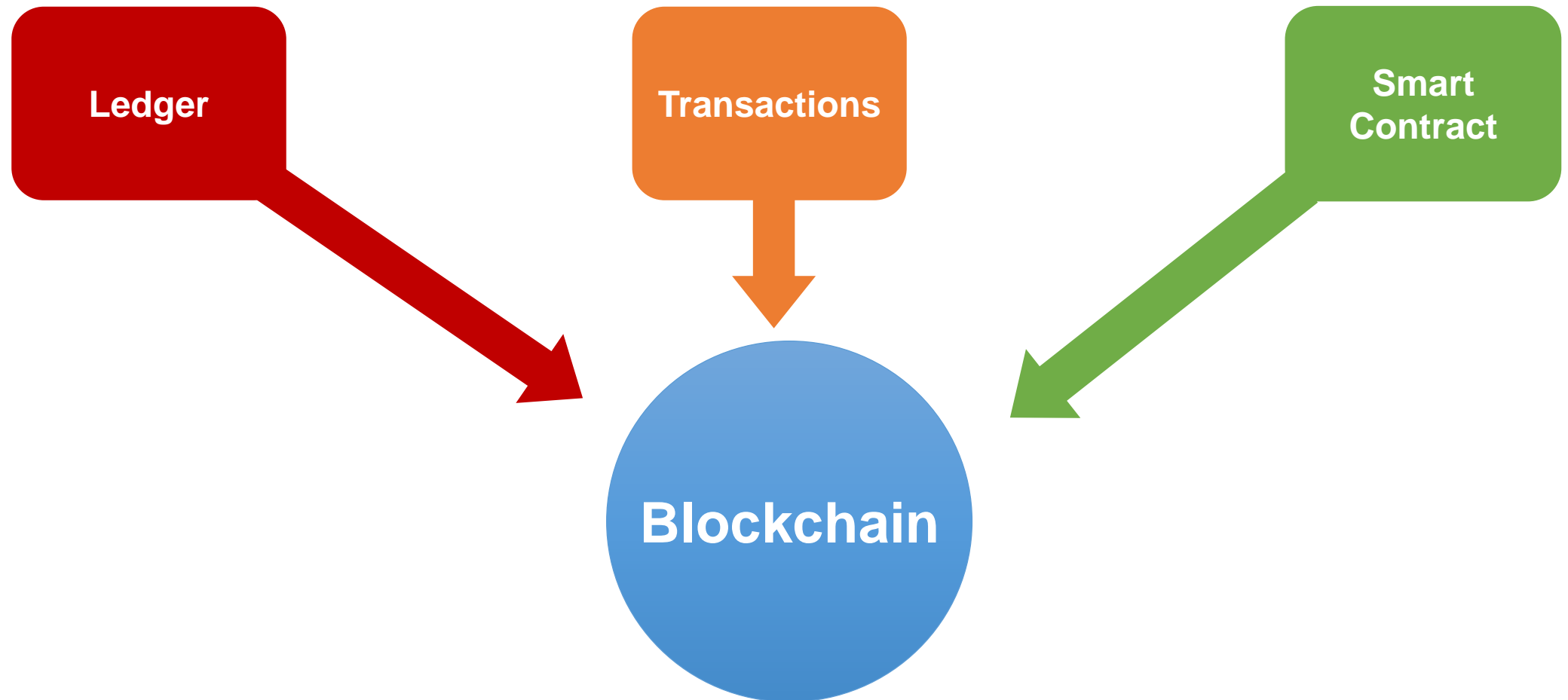
Who thinks blockchain is the future of banking?



Who can explain what blockchain is?



Blockchain Key Elements



Blockchain for business

Shared ledger

An account book of final entry in which business transactions are recorded



SmartContract

Business terms embedded in transaction DB & executed with transactions



Privacy

Ensuring appropriate visibility; transactions are secure, authenticated & verifiable



Consensus

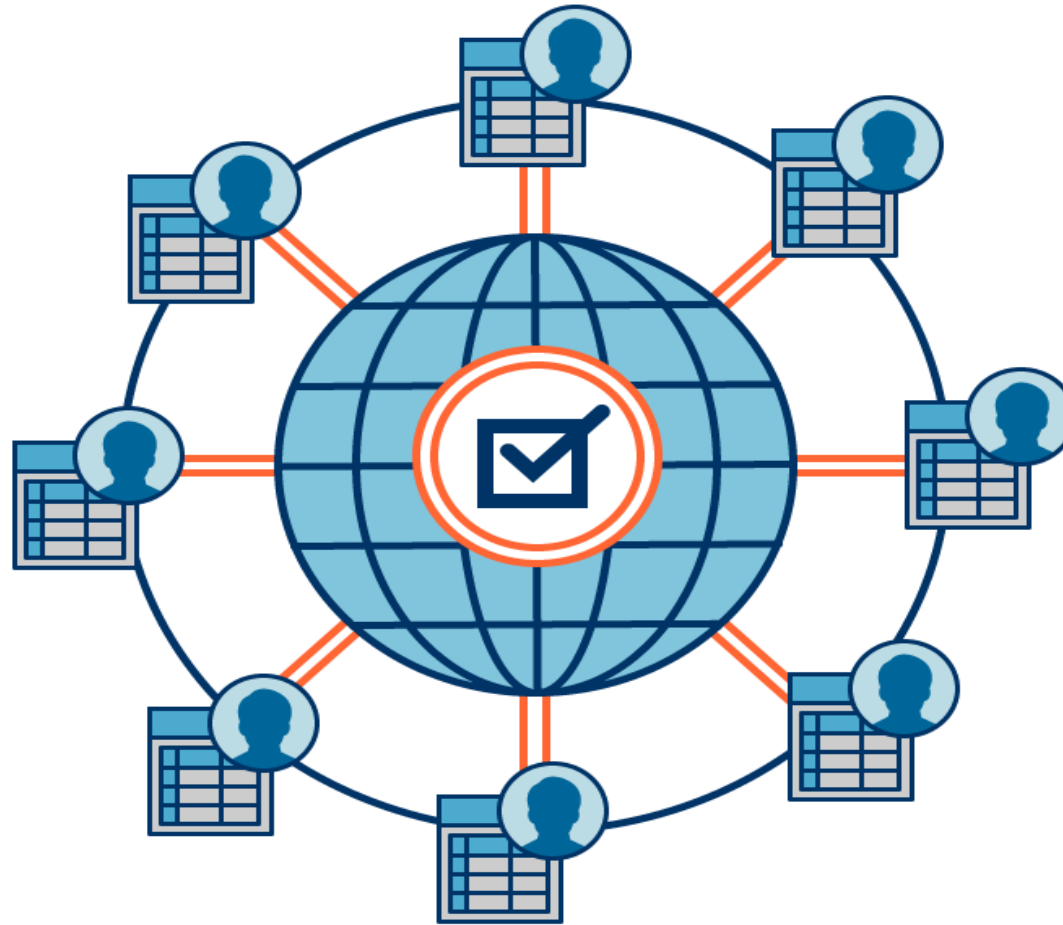
All parties agree to network verified transaction



Broader participation, lower cost, increased efficiency

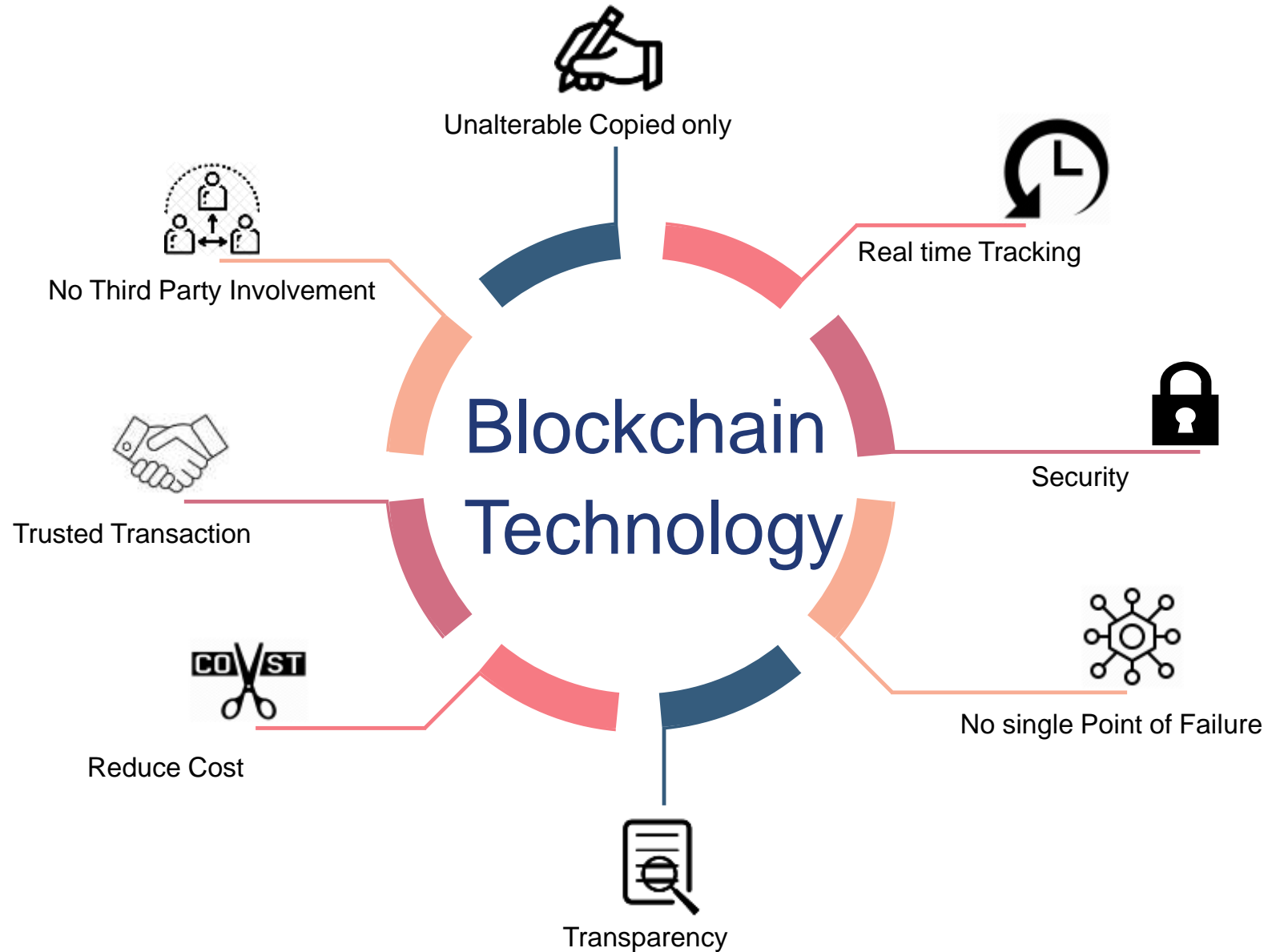
A Shared, Replicated, Permissioned Distributed Ledger ...

... with consensus, provenance, immutability and finality



Blockchain

Why Blockchain Technology



Distributed ledger technology such as **Blockchain** could boost trade by more than **\$1 trillion** in the next **10 years**.
That's the assessment of World
Economic Forum

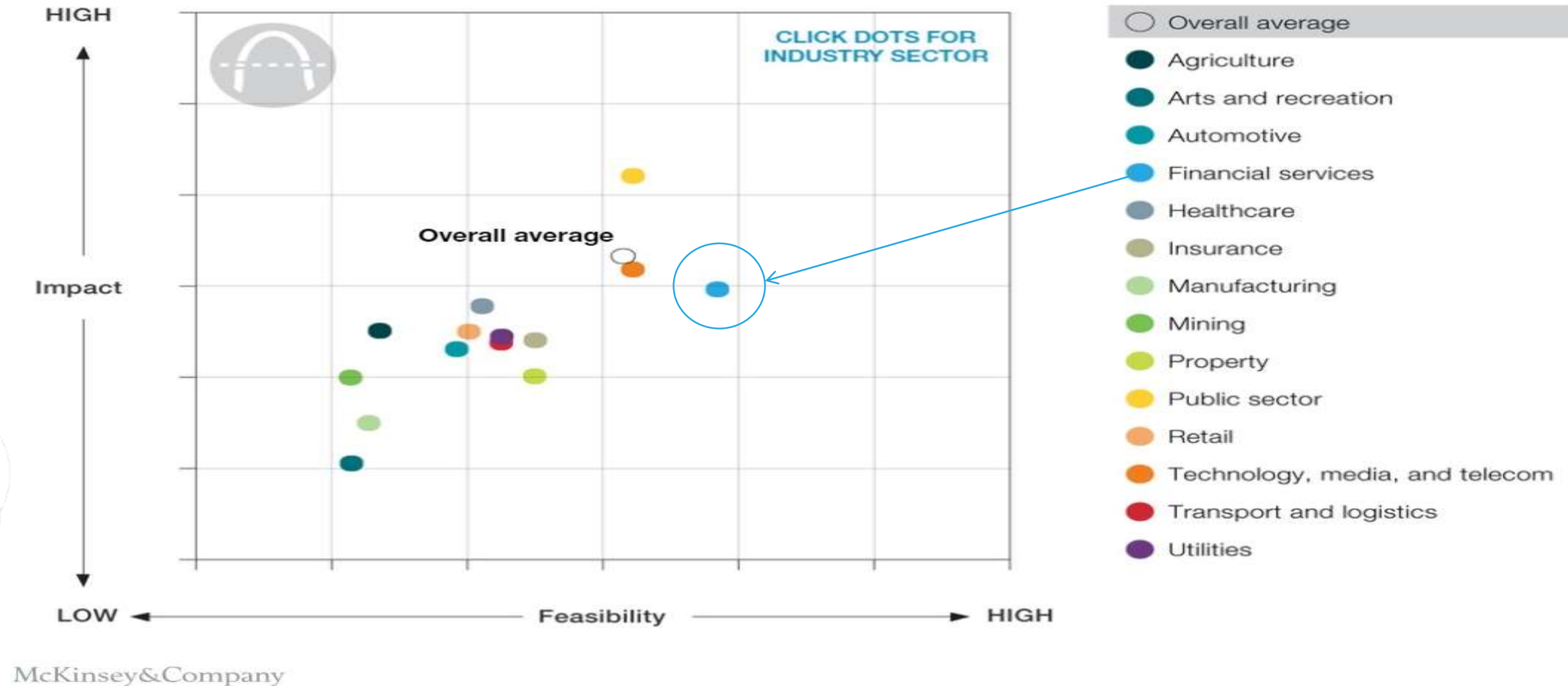
World Economic Forum report predicts that **10%** of global **GDP** will be stored on **Blockchain** by **2027**



Blockchain beyond the hype: What is the strategic business value?

Granular assessments at the use case level are necessary to determine which blockchain opportunities to pursue

Blockchain opportunities by industrial sector



What's holding blockchain back?

Percentage of respondents ranking top three barriers to blockchain adoption

Note: Base: 600.

Q: Which of the following will be the biggest barriers to blockchain adoption in your industry in the next three to five years?

Source: PwC Global Blockchain survey, 2018

Blockchain Technology Risks



**Closer
Look At
RISKS**

- **Technology Immaturity**
- **Availability and sustainability of skills**
- **Network Effects**
- **Security**
- **Assumption risks**

Development timeline – where are we now ?

2015

Exploration & Investment

- Initial capability & use case assessments
- Early adoption likely for internal reconciliation

2016-2017

Early Adoption

- Leading-edge banks see the value of blockchain and begin deployments for asset classes that are bilaterally traded and/or have no central clearing authority
- Regulatory certainty drives adoption for external uses
- Regulatory authorities realize the benefits of blockchain for auditing and compliance, and rule-making begins

2018-2024

Growth

- Banks begin to see the benefits accorded to early adopters and – combined with regulatory guidance and certainty – the network effect takes hold
- New service providers and models emerge
- Deployments go viral across numerous asset classes
- New products and services are created; incumbent processes and services are discarded

2025

Maturity

- Blockchain adoption is considered mainstream and integral to the capital markets ecosystem

Source: Accenture Research

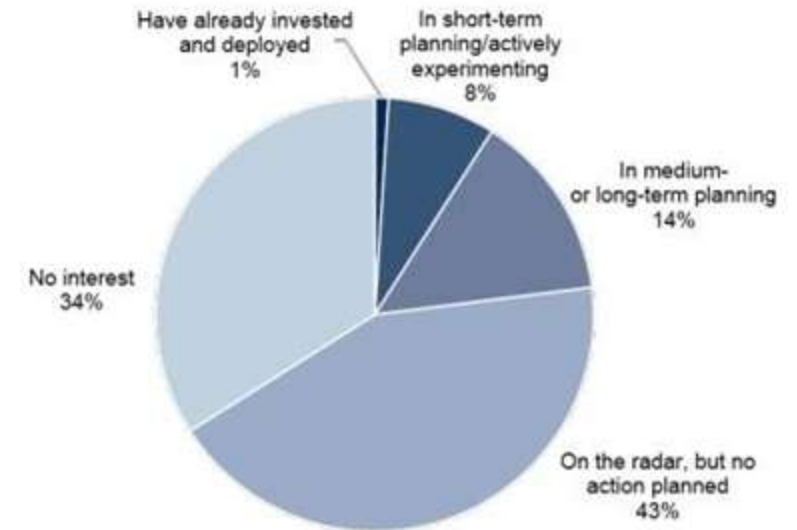
Blockchain Plans : Adopted or Adopting the Blockchain?

In the **Gartner 2019 CIO** survey:

- **5% of CIOs** rated blockchain as a game changer for their organizations, far below artificial intelligence, cloud, and data and analytics. Across all categories of CIO respondents (top, typical and trailing performers),
- **11%** have deployed or will deploy blockchain in the next twelve months.

Figure 2. Enterprises Are in the Very Early Stages of Blockchain Use

Enterprises Are in the Very Early Stages of Blockchain Use



Q: What are the organization's plans in terms of blockchain?
Base: Total answering, excludes "Don't Know," n = 3,138
ID: 374378

© 2018 Gartner, Inc.

Source: Gartner (December 2018)

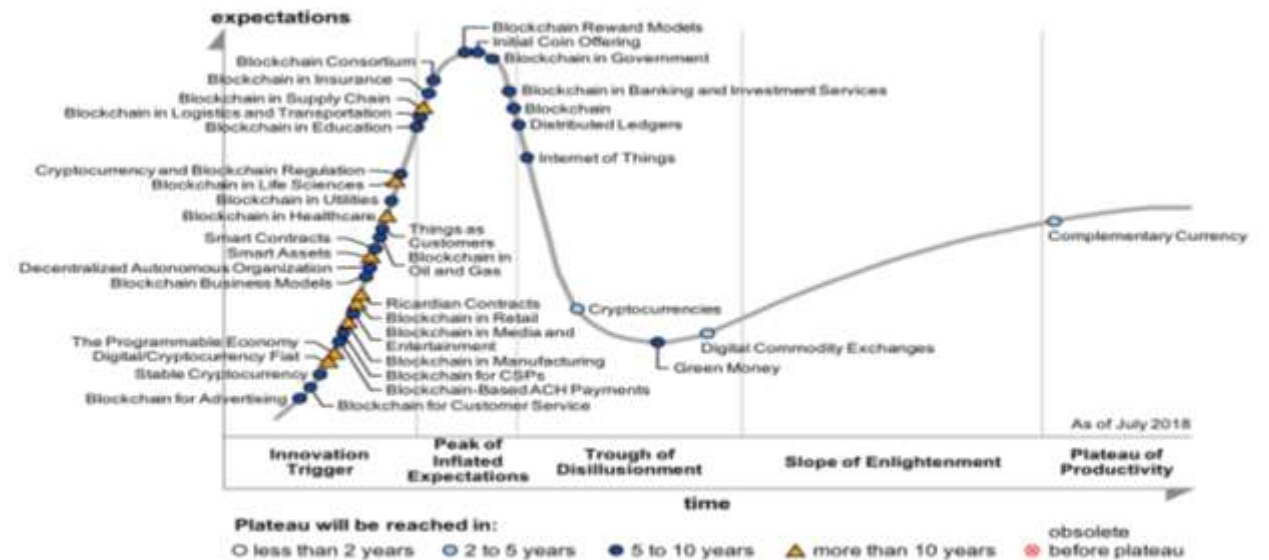
Blockchain Maturity

According to [IBM](#), the rate banks are adopting blockchain is 'far faster' than originally thought.

It found that **15 %** of the 200 global banks surveyed intended to roll out, full-scale, commercial blockchain products in 2017.

It found that medium to large institutions, with more than 100,000 employees, were leading the charge. A further **65 %** are expected to have blockchain projects in production within the **next three years**.

Hype Cycle for Blockchain Business, 2018



gartner.com/SmarterWithGartner

© 2018 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. or its affiliates.

Gartner.

Banks Using Blockchain



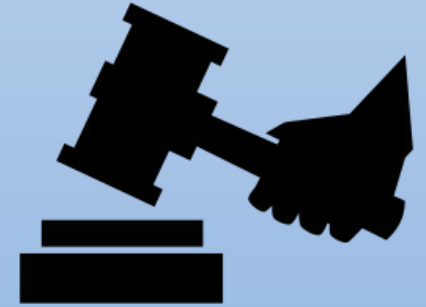
Blockchain for Banking



Trade Finance



KYC & AML



Regulatory Compliance



Syndicated Lending



Payment Settlement



Nostro Reconciliation

75 major banks join blockchain payments network

While many in the banking sector have railed against blockchain, news has broken that 75 of the world's biggest banks are adopting blockchain.

The FT reports state that 75 banks, including Santander and Société Générale, are joining the Interbank Information Network (IIN), which JPMorgan, ANZ, and the Royal Bank of Canada have been trialling since September 25, 2018



39 firms complete global trial of KYC on Corda blockchain platform

JUNE 28, 2018

Press Release

June 28, 2018 (New York/London/Singapore) – Enterprise blockchain software firm, R3, today announced that its partners have completed over 300 transactions on a Know Your Customer (KYC) application built on the Corda blockchain platform during a four-day collaborative trial.

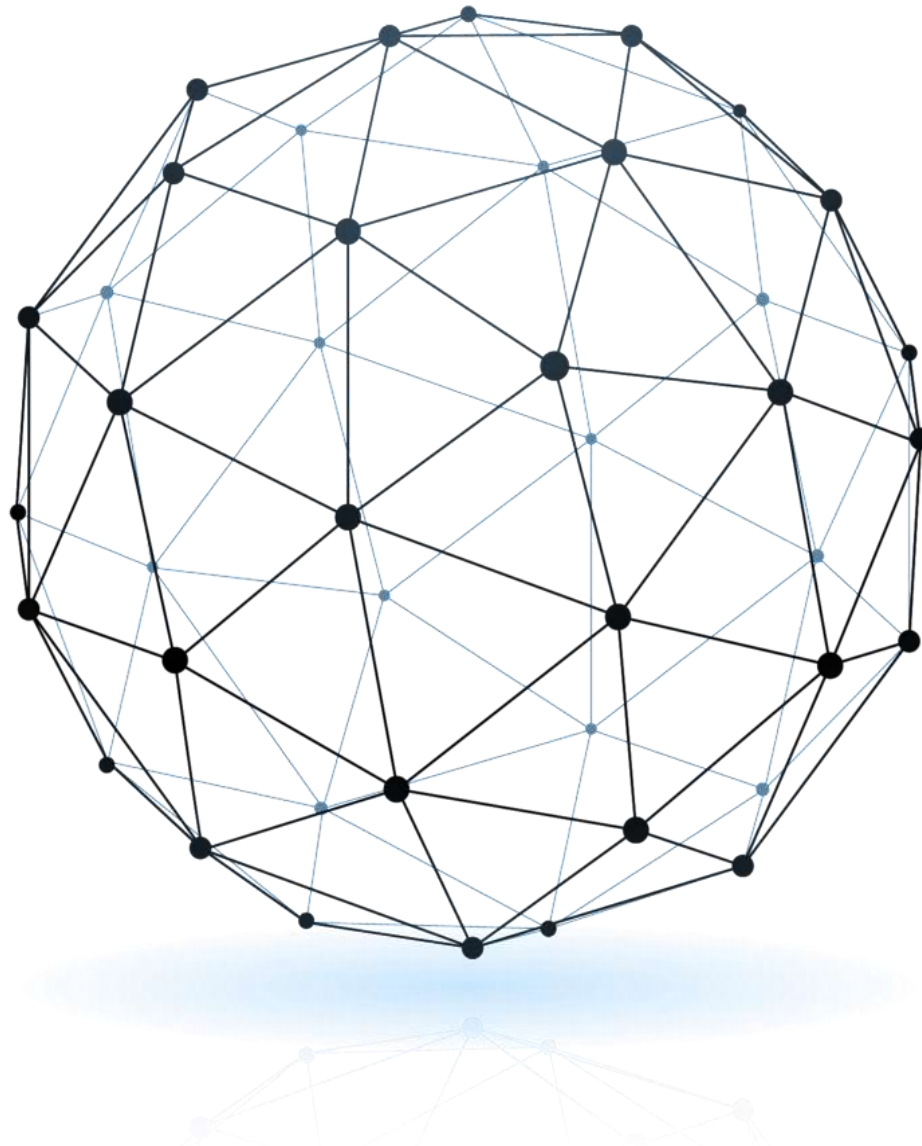
A total of 39 firms participated in the project, including ABN AMRO, ALD Automotive, Alfa bank, Bank ABC, Bank of Cyprus, BCI, BNP Paribas, China Merchants Bank, **Commercial International Bank – Egypt**, CTBC Holding, Deutsche Bank, DNB, Hana Bank, ING, KB Kookmin Bank, Banca Mediolanum, Natixis, **National Bank of Egypt**, NH Nonghyup Bank, Qiwi, Raiffeisen Bank International, RCI Bank and Services – the financial services provider for Groupe Renault, SBI Bank LLC, Shinhan Bank, Societe

Bank of England To Test Blockchain Features For New Payment System



SWIFT's Blockchain Pilot For Bank-To-Bank Transfers Went 'Extremely Well'





Thank You

