

The Blockchain

#HypetoReality

23rd May 2017



What is the beginning?



*"The future belongs to those who can
imagine it, design it, and execute it...
It isn't something you await, but rather create"*

**H. H. Sheikh Mohammed Bin Rashid Al Maktoum
Vice-President and Prime Minister of the UAE
and Ruler of Dubai**





100% of Government documents to be on the Blockchain by 2020



Hamdan bin Mohammed ✓

@HamdanMohammed

Under the directives of @HSHkMohd, Dubai will become the first government in the world to execute all its transactions on Blockchain by 2020



Hamdan bin Mohammed ✓

@HamdanMohammed

The Dubai Blockchain Strategy also aims to unlock 25 million hours of economic productivity annually in saved document processing time

Emirates NBD – Branch of the future



Reality
What has been
achieved ?

Two use case were chosen
for Pilot With ICICI Bank

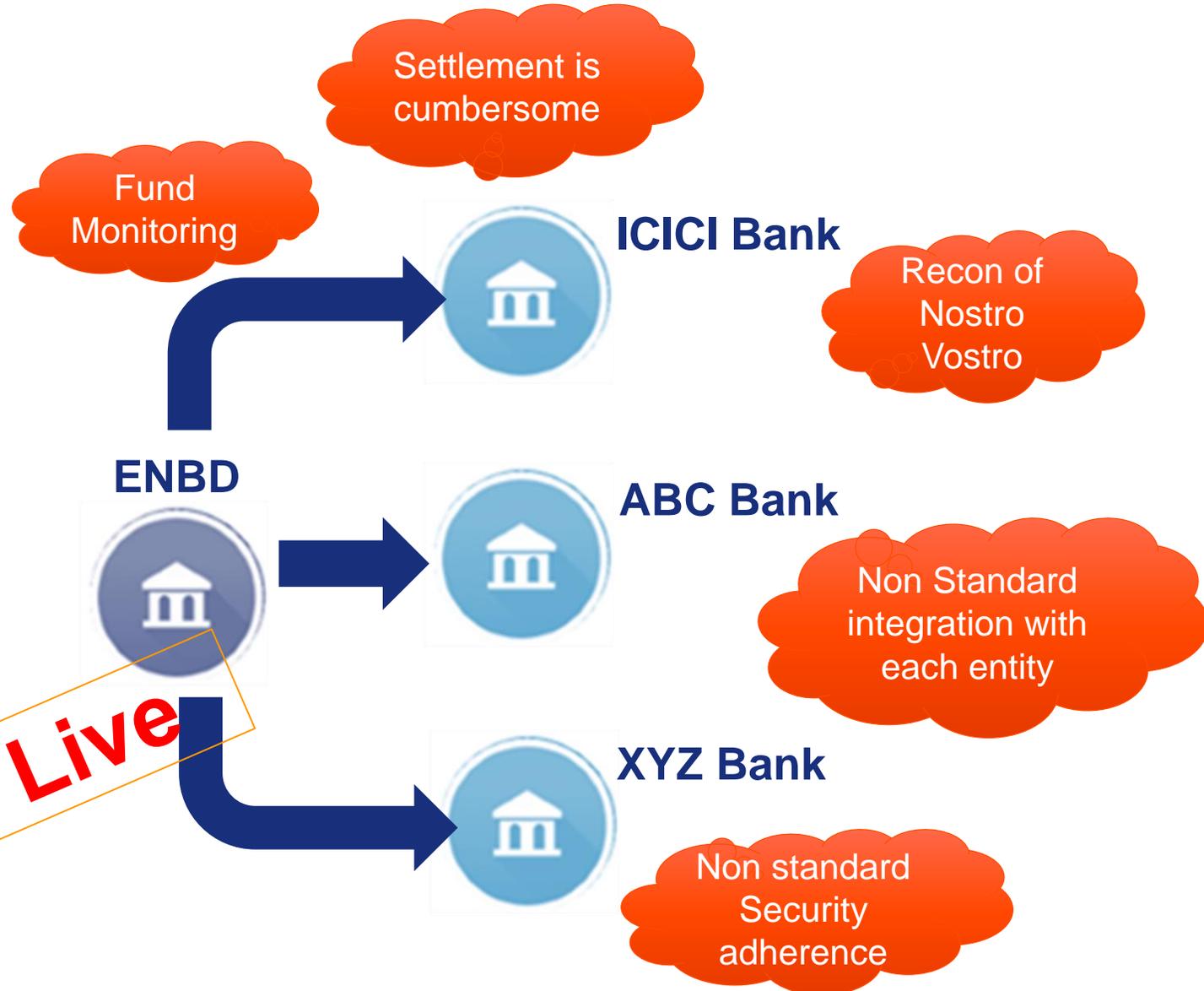
1. Cross Border Remittances
2. Trade Finance Open Account Process

ENBD powered by the Infosys Finacle Blockchain Framework for remittances

Key benefits seen by Emirates NBD with blockchain

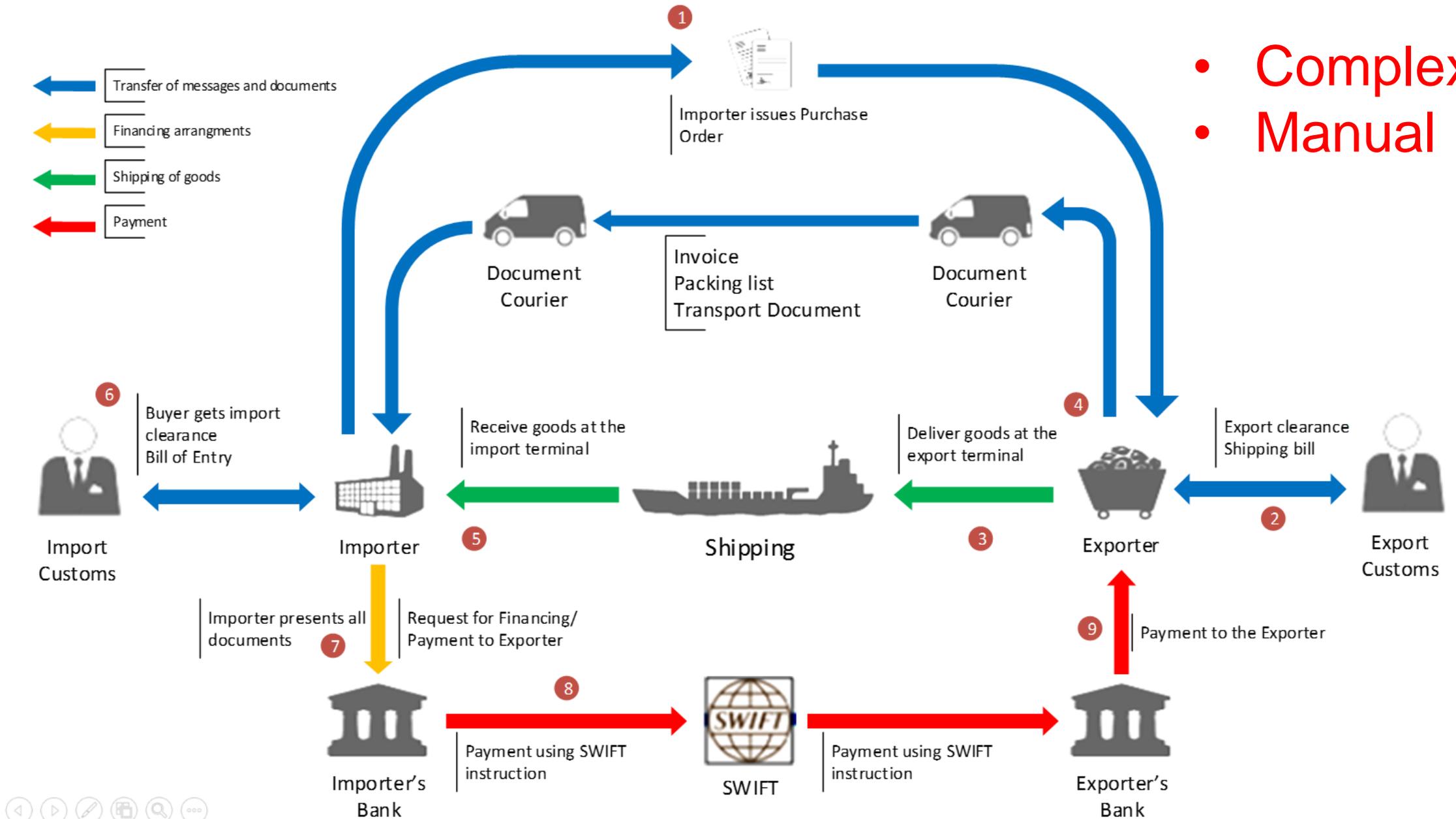
1. Settlement is simplified with Net settlement option
2. Reconciliation process is streamlined
3. Automatic fund monitoring with smart contracts
4. Ability to securely send documents with payments
5. Scalable integration

Gone Live ✓



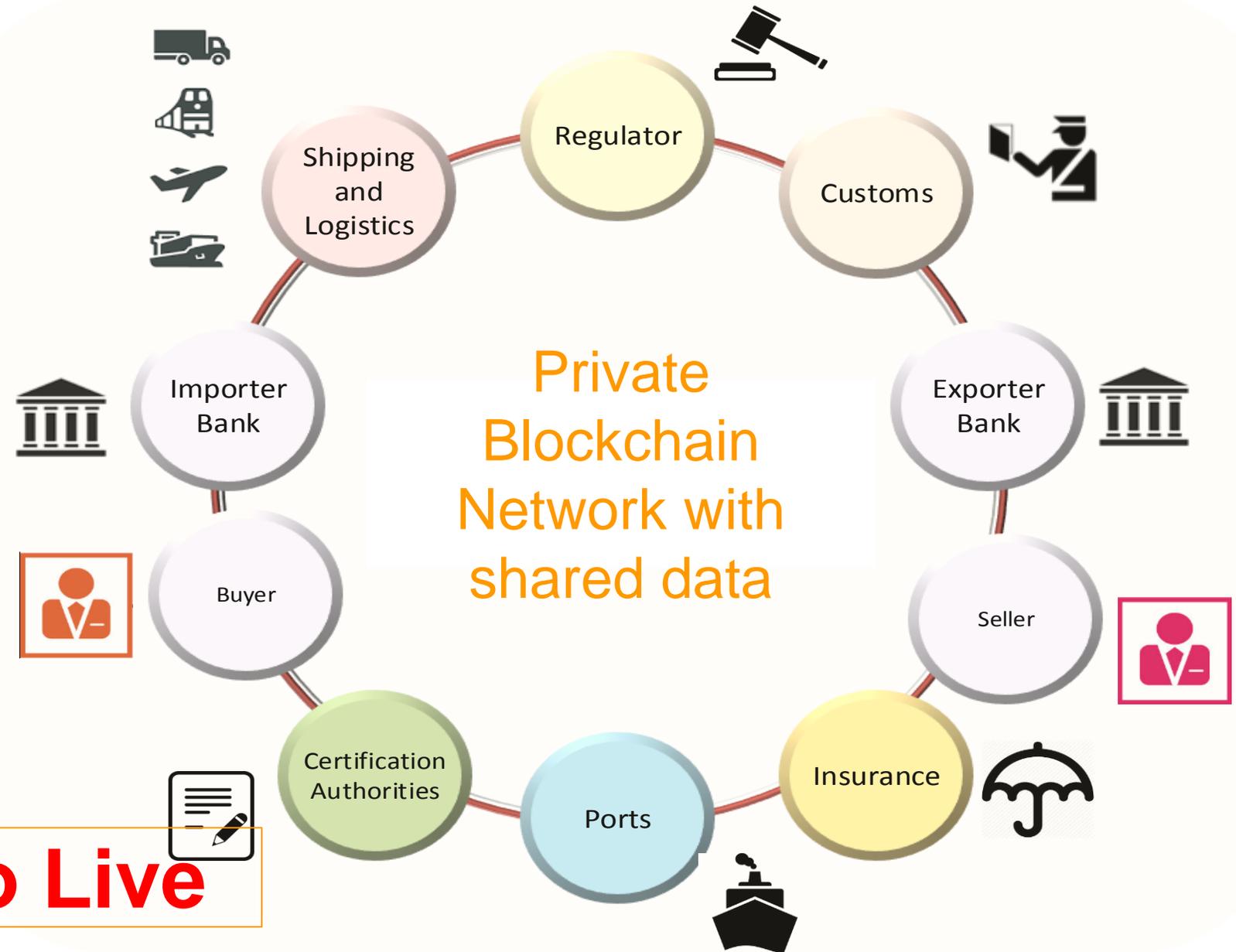
Today's Trade Finance process

- Complex
- Manual



What if everyone used 'One' system?

- Will simplify the trade process to be more efficient
- Though information is shared, only the concerned party can access the data that is required
- It can reduce/ eliminate frauds



 **Ready for Go Live**

The background is a high-angle, night-time photograph of a city skyline, likely Dubai, featuring numerous illuminated skyscrapers and a central body of water. A large, teal-colored hexagon with a white outline is centered over the image. Inside the hexagon, the word "BLOCKCHAIN" is written in a large, white, sans-serif font. Below it, the phrase "—The Road Ahead—" is written in a smaller, white, sans-serif font, flanked by horizontal lines.

BLOCKCHAIN

—The Road Ahead—

For next 12 months, exploring, experimentation and POC's is the key for our readiness.....

"Discovery and experimentation is critically important. POCs help improve cross-enterprise collaboration and uncover the art of the possible" .Undertake measured R&D efforts with primary objective if identifying realistic use cases and learning the adoption of this technology...

Gartner Insight, 2017

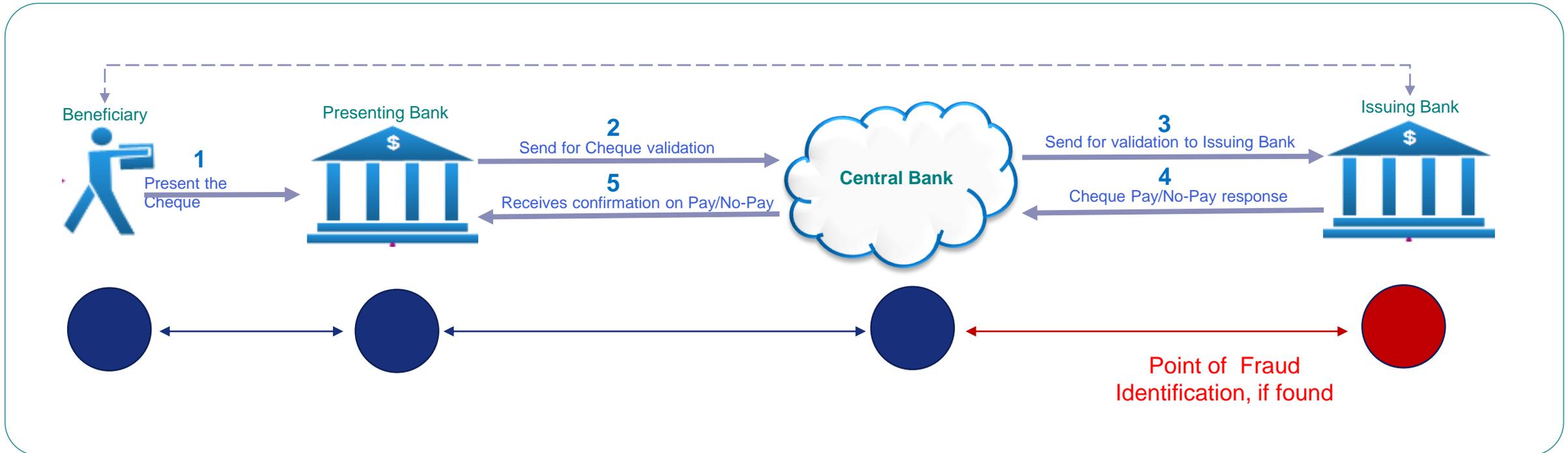
Our Journey....



>> AED 25,000,000

Financial loss due to Cheque Frauds in the UAE
(Intelligent Guess)

Current Cheque Process





AL MAKTOUM BRANCH DUBAI



بنك الإمارات دبي الوطني

Date

التاريخ

Pay against
this cheque
or bearer
Dhams

أدفعوا بموجب
هذا الشيك

Suederi Hani

five thousand dishams only

أو بعامته
دھم

AED 5000/-

M.A. SECURITY PRESS 04-2854110

KOPPERUNKO SHANMUGAM
A/C NO. 101 41242797 01

Signature(s)

Kopperunko

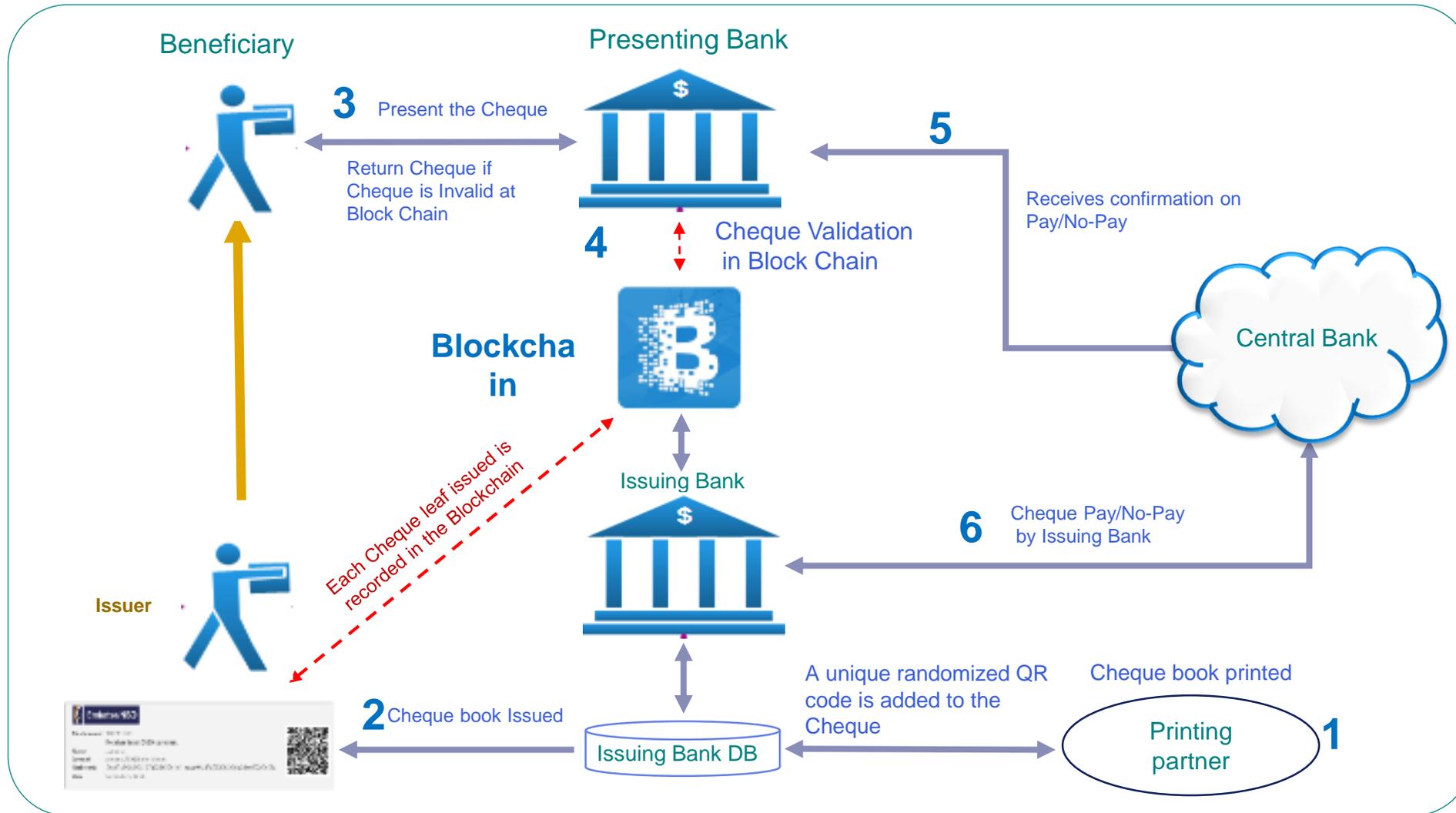
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التوقيع

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Blockchain Enabled Cheque Security



KYC/AML

**Capital
Markets**

**Government
Entities**

**Blockchain
as a
service**

**Land
Registries**

**Collateral
Management**

reality

Keep glamour and hype of Blockchain aside and let's discuss the challenges we face and what should we do as a community to make progress.

Do everyone agree ?

Are we all
COLLABORATING
or
COMPETING?





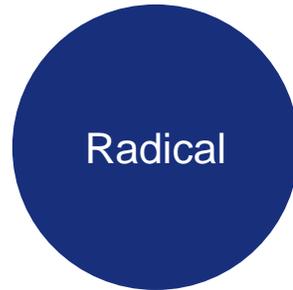
Observations

- Blockchain POC's in silos is not fruitful
- The essence of a distributed ledger is lost
- Focus is more on PR and hype

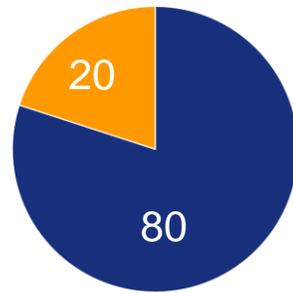


Recommendations

- Form smaller cross-industry groups
- Form a governance board like the Blockchain council e
- Share outcomes of use cases (focus on real production use cases pilot)



It places trust and authority in a technology driven De-Centralised network rather than in a central institution.



Blockchain is about 80 percent business process change and 20 per cent technology implementation.



This means that a more imaginative approach is needed to understand opportunities and also how things will change.

There are Key Challenges to be aware off...

Like any great idea or new technology, distributed ledgers and Blockchains are not perfect.

Permissioning

- Finding a way to meet auditability and regulatory reporting needs while maintaining the confidentiality of trading activity data is difficult.

Scalability

- Distributed ledger and Blockchain applications have been known to scale poorly and suffer from extreme latency.

Implementation

- No standard tools or administration interfaces are available yet.

Governance & Regulatory frameworks

- It is unclear what will be the “new normal” threat matrix for shared ledgers among large banks, which need to connect within the corporate environment and conform to very rigid standards.

In Conclusion

Focus

Implement for value

Collaborate to share and learn

Build skills

Thank you



Emirates NBD

