

# The Blockchain

#HypetoReality

23<sup>rd</sup> May 2017

# What is the beginning?



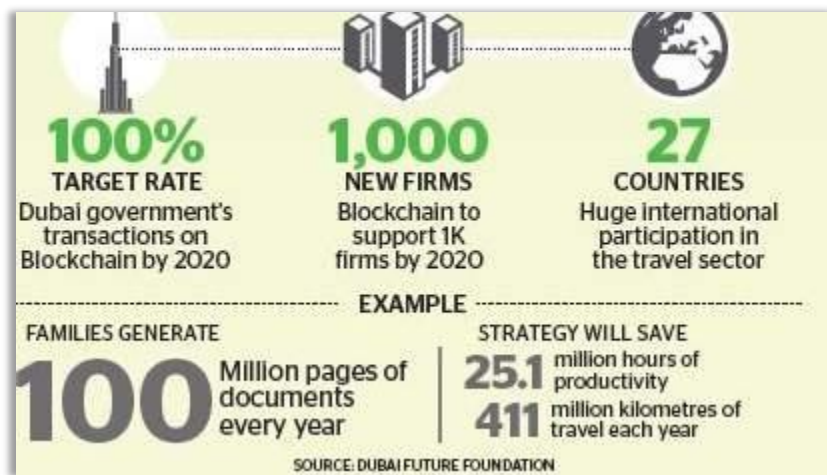
Emirates NBD



*"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 @HHShkMohd, 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

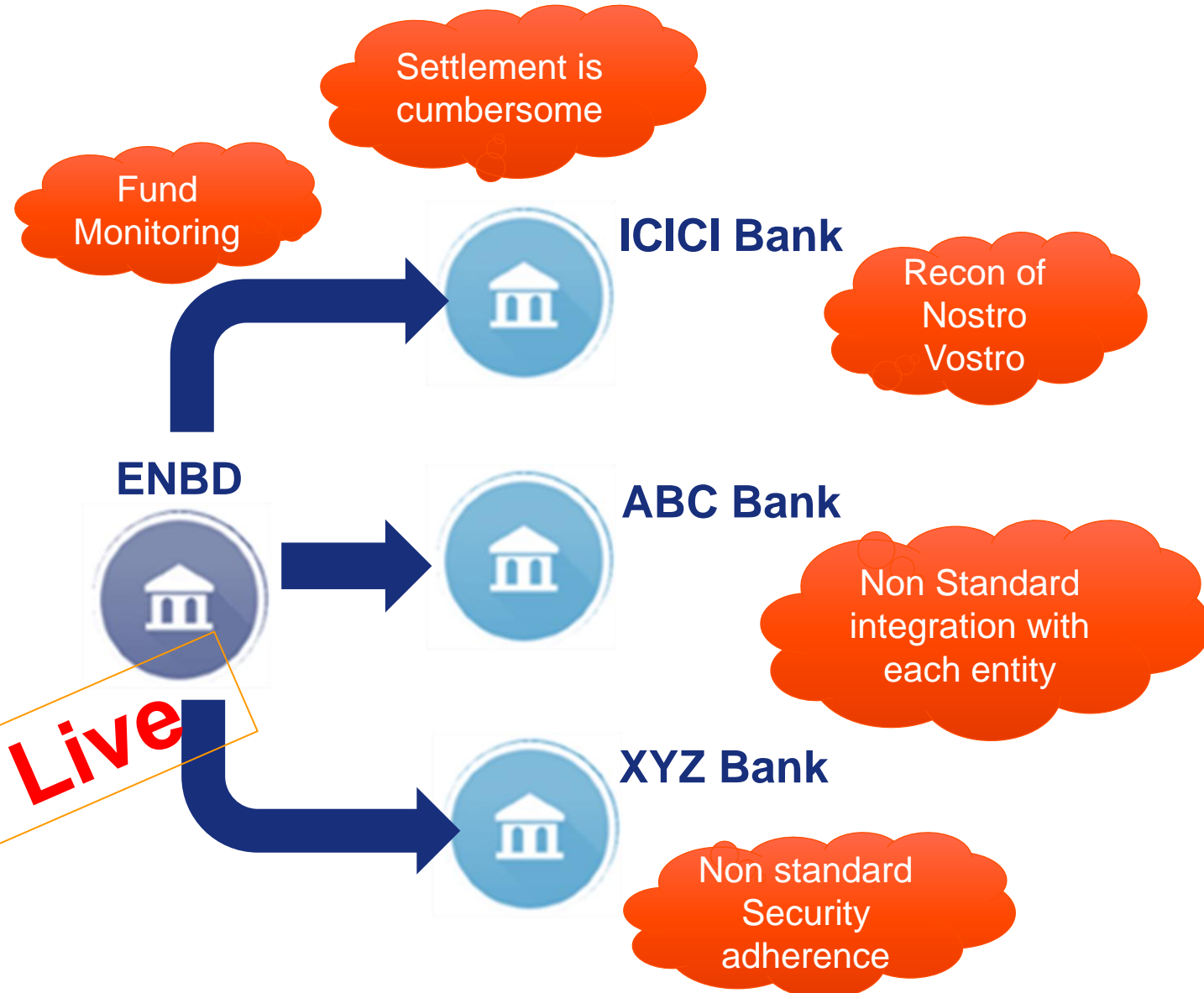
1. Cross Border Remittances
2. Trade Finance Open Account Process

## ENBD powered by the Infosys Finacle Blockchain Framework for remittances

### Key benefits seen by Emirates NBD with blockchain

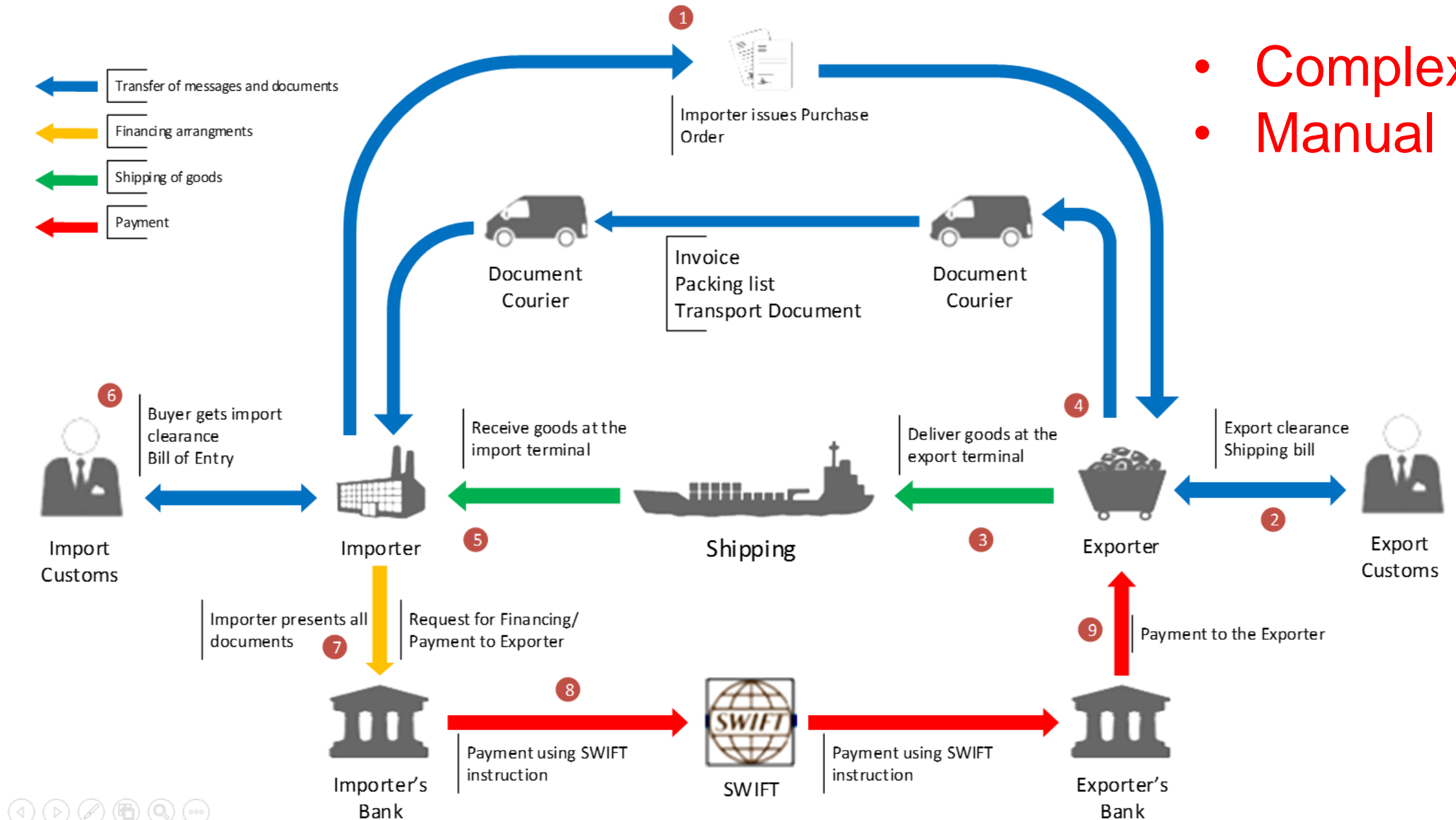
1. Settlement is simplified with Net settlement option
2. Reconciliation process is streamlined
3. Automatic fund monitoring with smart contracts
4. Ability to securely send documents with payments
5. Scalable integration

**Gone Live**



# Today's Trade Finance process

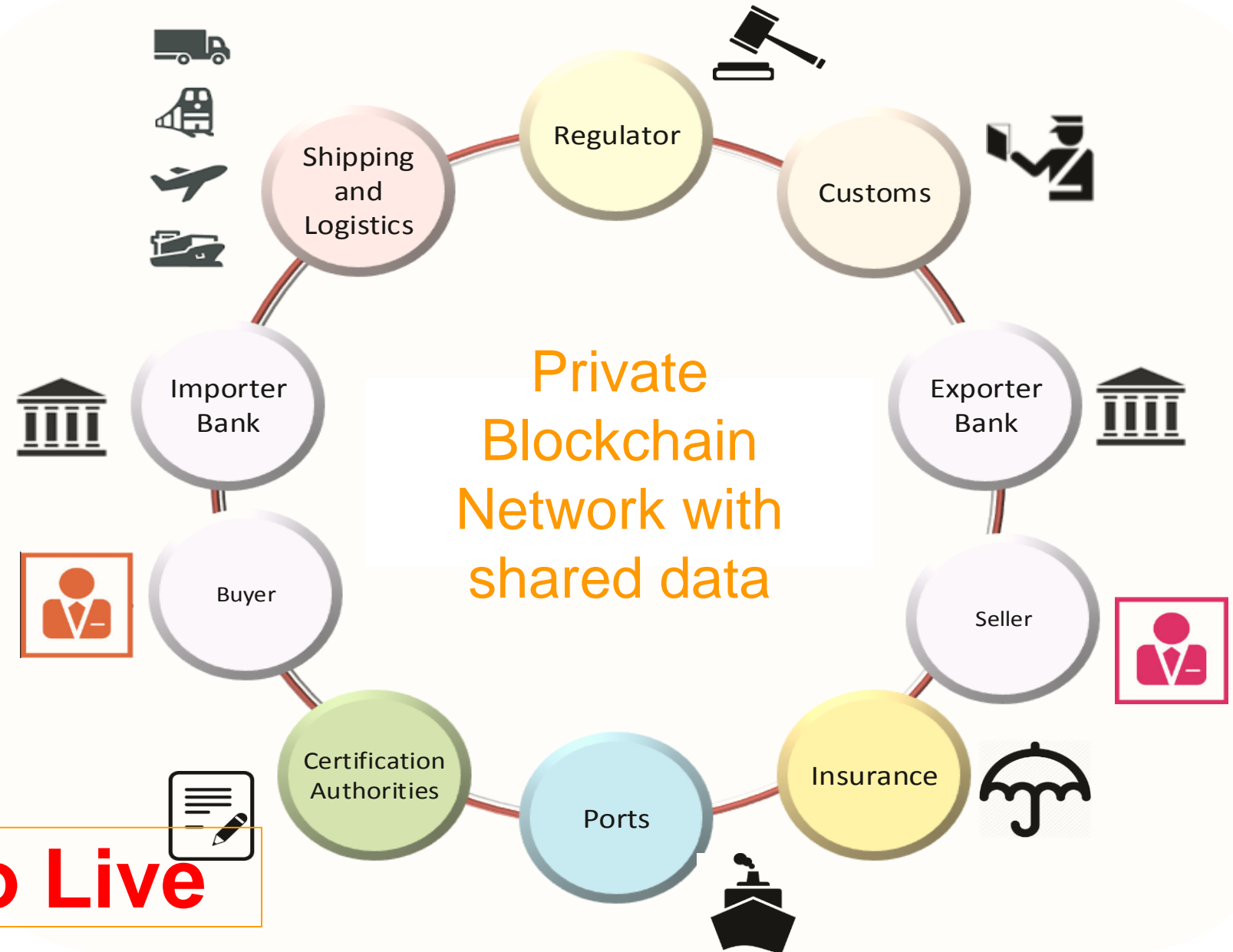
- Complex
- Manual





## 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**

An aerial photograph of a city skyline, likely Dubai, featuring numerous skyscrapers and a large body of water in the foreground. A large, semi-transparent teal hexagon is centered over the image, containing the title text. The overall color palette is dominated by blues and teals, with the city lights providing a subtle glow.

# BLOCKCHAIN

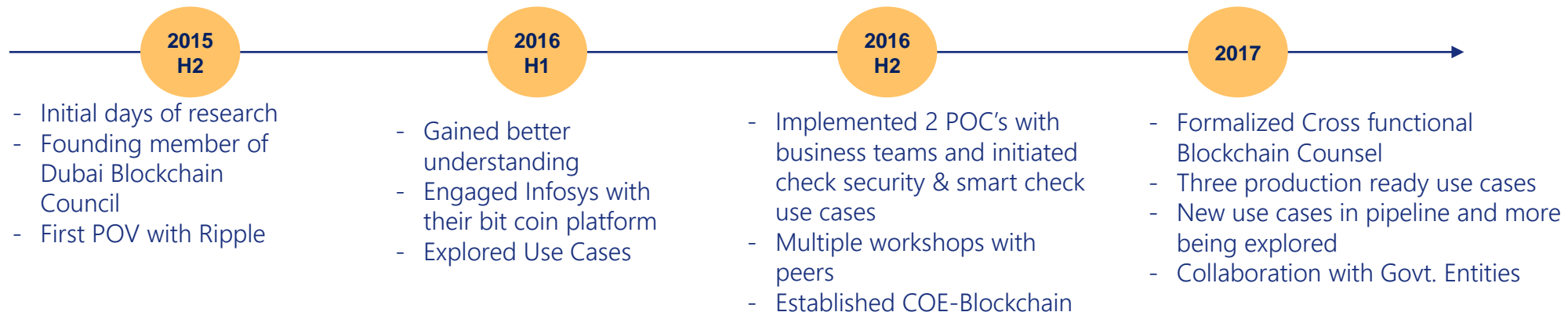
—The Road Ahead—

# 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 of identifying realistic use cases and learning the adoption of this technology...*

*Gartner Insight, 2017*

## Our Journey....

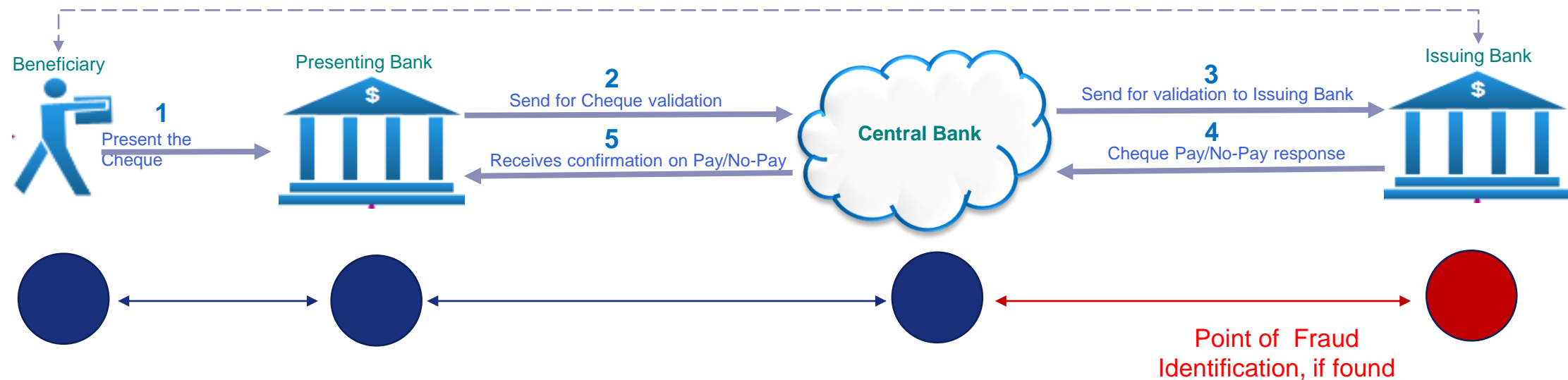


>>AED 25,000,000

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  
درهم

AED 5000/-

M.A. SECURITY PRESS 04-2854110

**KOPPERUNKO SHANMUGAM**  
A/C NO. 101 41242797 01

Signature(s)

Please do not write below this line

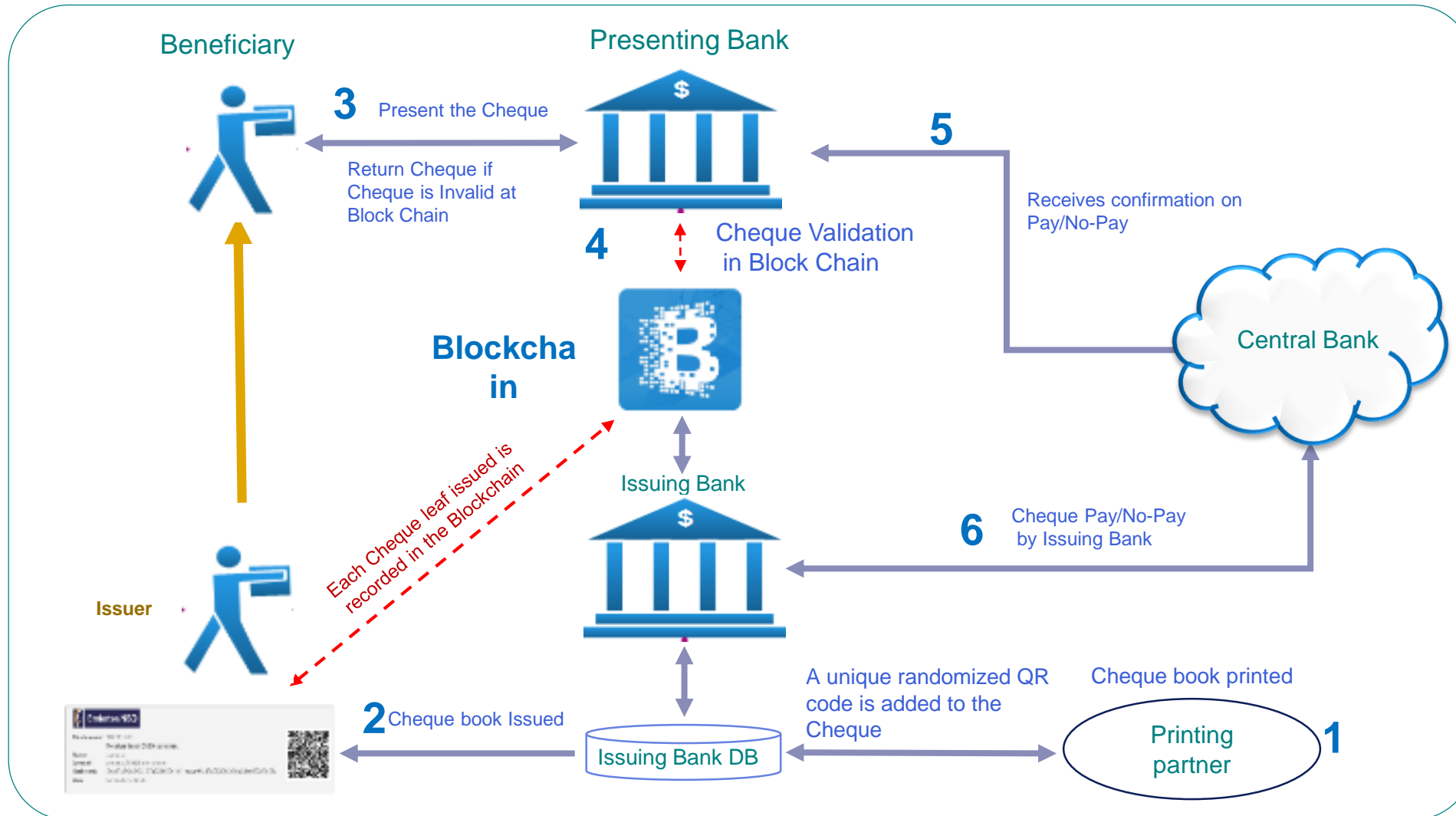
*Kopperunko*

التوقيع

يرجى عدم الكتابة تحت هذا الخط

⑈000004⑈30 26 20 13 3⑈30 26 20 13 3⑈

# 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?**





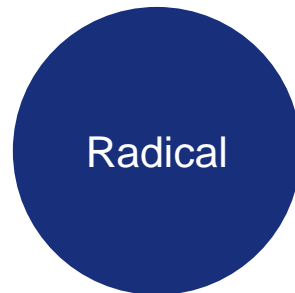
## Observations

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

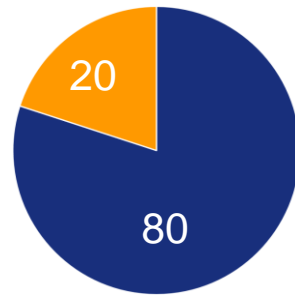


## Recommendations

- 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

