

Blockchain in Banking – Revolutionizing the KYC Process

norbloc

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The logo for norbloc, featuring the word "norbloc" in a lowercase, white, sans-serif font. A red horizontal line is positioned under the letter "n".

norbloc provides platforms that deal with the collection, management and sharing of regulated data

The backbone of regulated data networks

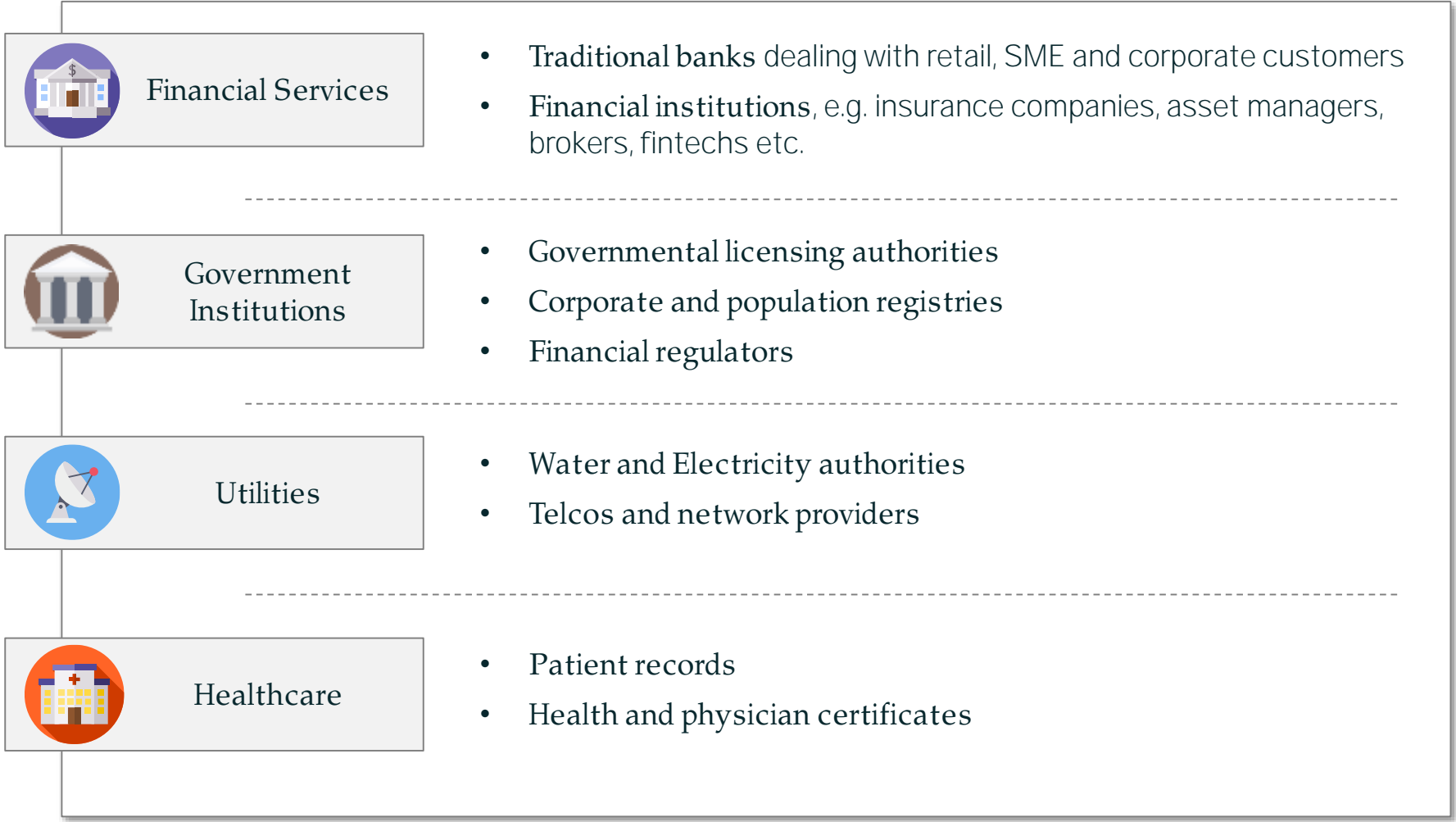
First company to build a KYC production ecosystem in the world *currently with +8 banks and governmental institutions and already holding >250,000 customer files*



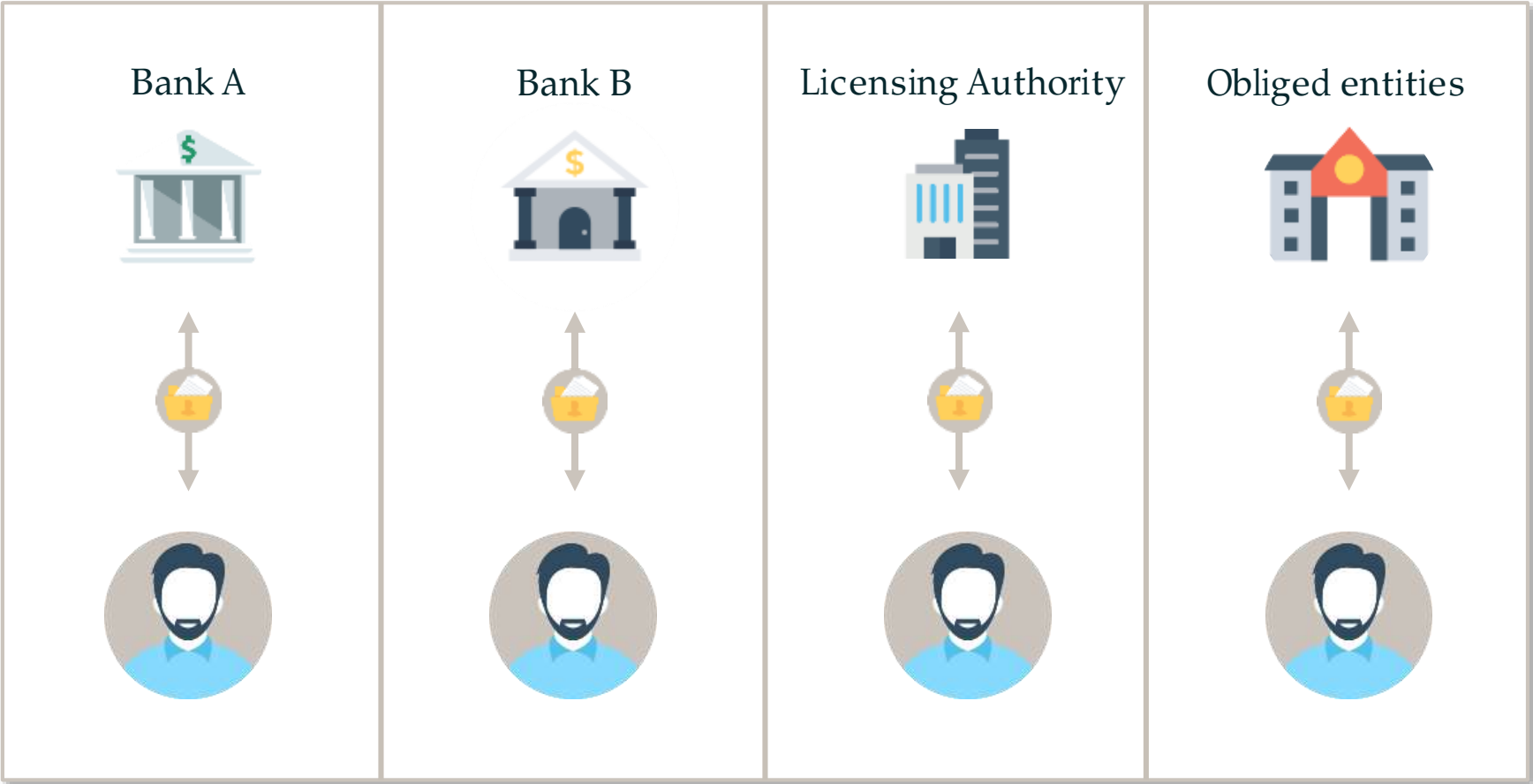
*Our platforms have been praised by CEOs of our clients and were even singled out by **Moody's as credit positive for the banking sector in a report in February 2020***

MOODY'S

What is regulated data and where does it exist in the market?



Status quo: regulated data is managed via manual, paper-based processes and exists in siloes across markets



The regulated data silos need to be broken to succeed in the digital age



Customer Experience & Compliance

- Customer expectations have **shifted significantly around user experience**
- **Increasing regulatory requirements**, mean onboarding is now taking longer using manual processes that not only make customers unhappy, but are increasingly expensive



Customers in control of their data

- Due to GDPR, bank compliance departments will have to make sure their onboarding processes function differently with regards to **transparency, information, record keeping**, as well as **security** of storage and **access**
- **Customers must be in charge of granting and revoking access** to their own data, as well as **editing and deleting** it
- **Data must be portable**, meaning that customers can easily transport information from one organization to another

FIDES blockchain platform offers one version of customer data across institutions within an ecosystem



Customers **use the banks' digital portal and connectivity to corporate registry** to create their KYC/customer file based on information requests from participating subsidiaries



Institution Officers review the KYC file; once validated by the bank, the **KYC file is placed on a shared blockchain-based ecosystem**

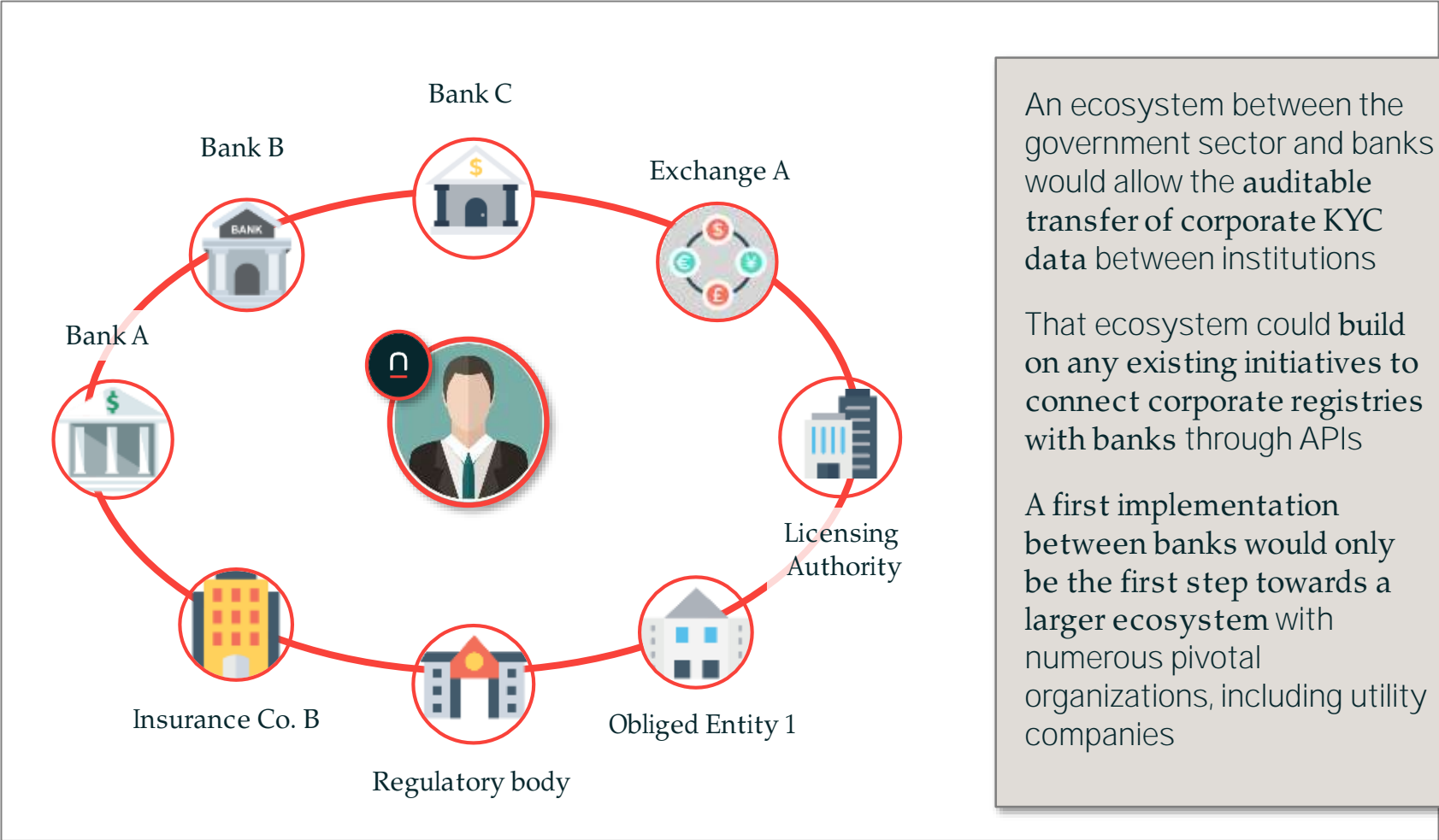


The customer file, at customer's request, is available to any ecosystem entity and any changes made by the customer are propagated to all accredited parties once validated



Entities accessing an existing KYC file **have view of one version of truth across all participants**; Compliance teams have **full audit trail of customer files**

How a FIDES implementation works in practice

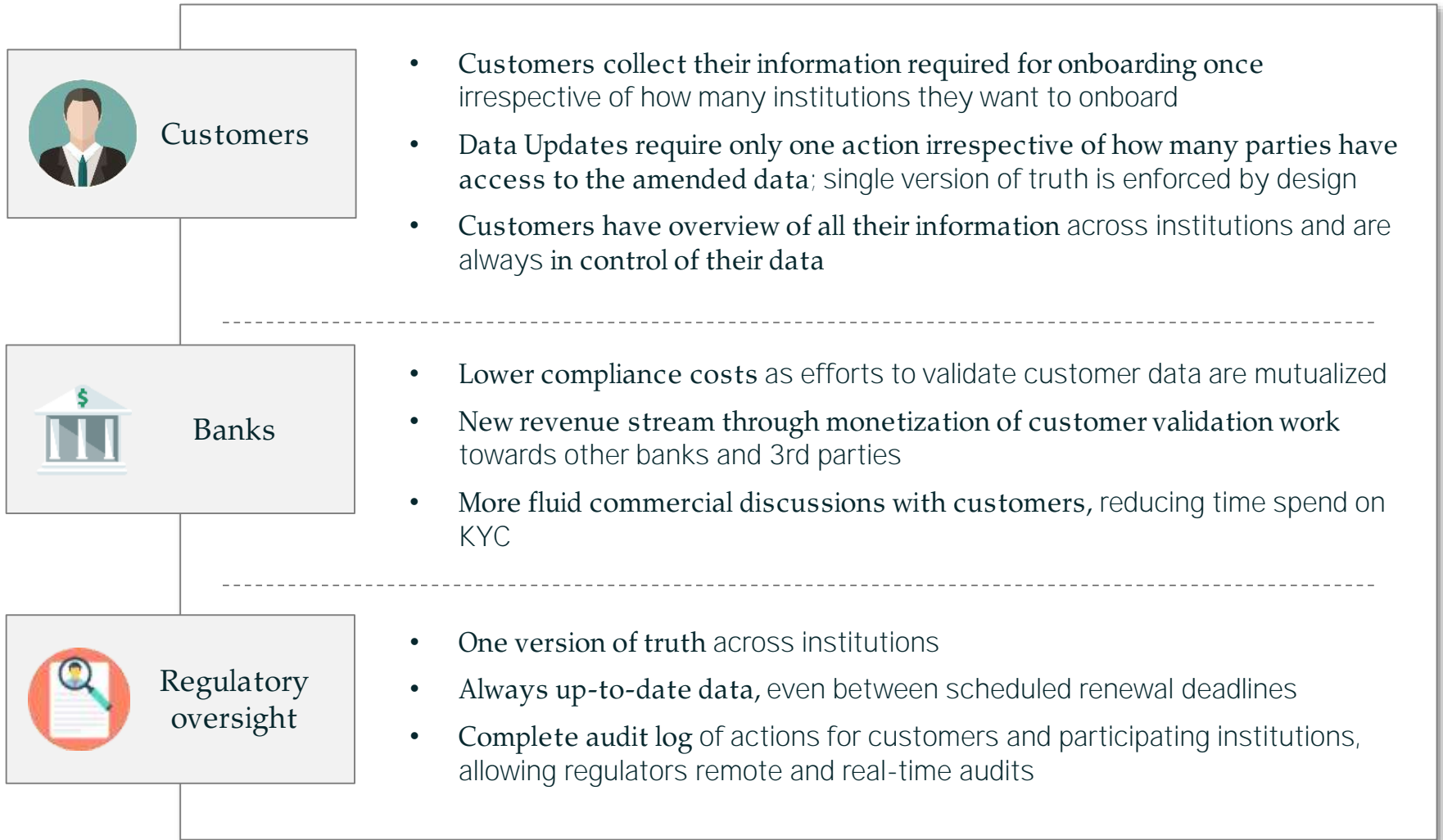


An ecosystem between the government sector and banks would allow the **auditable transfer of corporate KYC data** between institutions

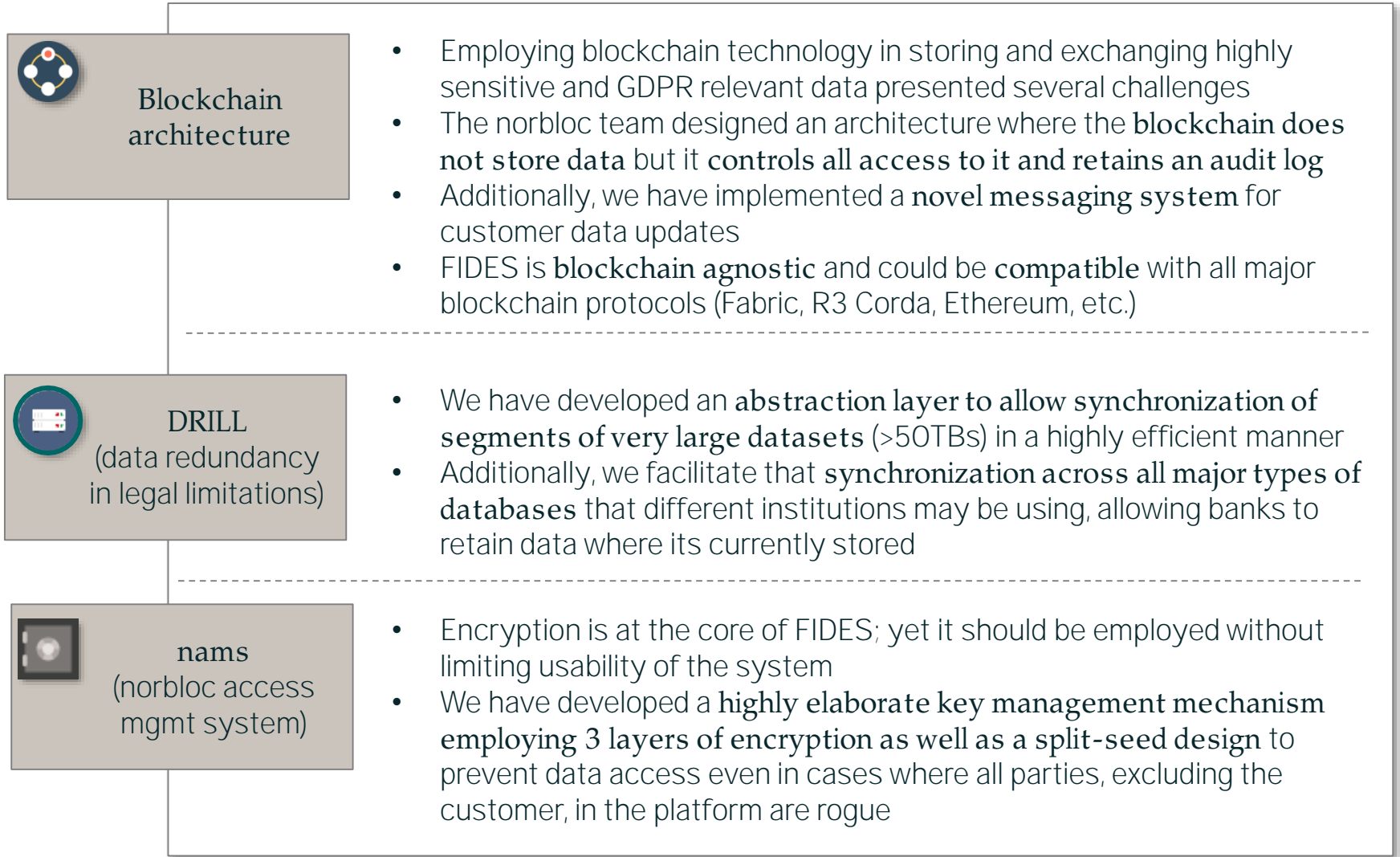
That ecosystem could **build on any existing initiatives to connect corporate registries with banks through APIs**

A **first implementation between banks** would only be the first step towards a larger ecosystem with numerous pivotal organizations, including utility companies

A FIDES ecosystem greatly simplifies the end-to-end KYC process for customers, banks & regulators



FIDES utilizes extensive revolutionary proprietary IP



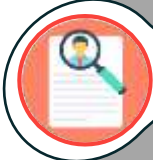
Case study: UAE KYC Blockchain Platform, working with banks and government to build a nation-wide ecosystem for data sharing



Customers struggle with **time-consuming** and **paper-based registration**, while siloed KYC processes do not permit transmission of validated information between licensing authorities and banks



DED has significantly digitized the registration process, but newly registered companies are still unable to seamlessly open bank accounts using DED-validated data



Various versions of truth exist across banks and governmental entities as there is no automated way to ensure customer data coherence across institutions



Regulatory oversight by CBUAE is challenging given the volume of paper-based data stored separately across banks and governmental bodies with no immutable audit log

The first government to offer seamless registration and bank account opening **significantly improving business facilitation and service**

A collaborative ecosystem that revolutionizes ease of doing business, remote onboarding and compliance

The UAE Blockchain KYC Platform



The UAE Blockchain KYC Platform allows seamless registration and onboarding as well as better compliance, enforcing a **Single Version of Truth** across the ecosystem

The first institutions on the platform are DED, DIFC, ENBD, Emirates Islamic, HSBC, ADCB, CBD, Mashreq Bank and RAKBANK. Joining of second wave of banks is underway.

The ecosystem will be **governed** by a **Consortium** of members. CBUAE and Smart Dubai will oversee network formation and architecture as well as ecosystem governance and compliance standards

Key learnings from global efforts in building a KYC utility

There is value in pursuing a KYC utility

- All global efforts, successful or not, have indicated that creating a collaborative environment between institutions alleviates significant costs and creates more robust regulatory oversight

Do not centralize

- Migration costs from status quo to a centralized entity are enormous given the need for systems and people migration as well as workflow redesign across organizations
- Ownership status of the central utility also poses a problem, particularly in an environment where institutions may want to join at a latter stage or leave the ecosystem

Keep KYC-data interface close to business interface

- Day-to-day business interactions between banks and their customers leads to collection of valuable information also from a regulatory perspective. Decoupling the KYC data collection leads to stale KYC customer files

Start with a small determined and influential group

- Some of the biggest challenges are political and multiparty alignment. Better to deliver a concrete solution for a smaller group to initiate an ecosystem than try to include all from day 1

Whatever you build has to be scalable

- Allow banks to keep using their internal technological and workflow standards
- Governance of the platform should be light and succinct, allowing easy new member inclusion

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