

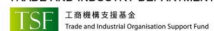


Delivering digital trust and
accelerating direct collaboration

ORGANIZER



FUNDED BY TRADE AND INDUSTRIAL
ORGANISATION SUPPORT FUND,
TRADE AND INDUSTRY DEPARTMENT



BLOCKCHAIN WORKSHOP

HYBRID

REGISTER NOW ▶
 APPLICATION ON OR BEFORE
3RD SEPT

A follow-up bootcamp on 23rd Sept will be provided, participants will be presented with a free access to the Corda certification exam after the bootcamp.

INFORMATION

DATE 10 SEPTEMBER 2021

TIME 16:00 – 19:00

VENUE COME KNOW
(RM 701, TRUST CENTRE,
912 CHEUNG SHA WAN
ROAD, LAI CHI KOK, KLN)

THE ONLINE LINK WILL BE
PROVIDED LATER

MODERATOR JAY LAW
STRATEGIC ACCOUNT DIRECTOR,
NORTH ASIA, R3

SPEAKER PETER LI
SENIOR DEVELOPER / EVANGELIST
R3 DEVELOPER RELATIONS
Workshop Part I
Topic: Blockchain and Corda basics

SPEAKER WILLY LIM
CAPITAL MARKETS AND PAYMENTS SME
R3 GLOBAL ADVISORY TEAM
Workshop Part II
Topic: Blockchain for Capital Markets

SPEAKER MATHIAS BERTHELENOT
STRATEGY & OPERATIONS ANALYST R3
Workshop Part III
Topic: Blockchain for Trade and Supply Chain

SPEAKER VICTOR BOARDMAN
HEAD OF INSURANCE R3
Workshop Part IV
Topic: Blockchain for Insurance

* LANGUAGE: ENGLISH * PLEASE BRING ALONG WITH A NOTEBOOK

HKSIA Blockchain Workshop 10-Sep-2021

Room 701, Trust Centre, 912 Cheung Sha Wan Road, Lai Chi Kok.

Time	Agenda
16:00	Introduction
16:10	Workshop I – Blockchain and Corda Basics
16:40	Workshop II – Capital Markets
17:10	Workshop III – Supply Chain
17:40	Workshop IV – Insurance
18:10	Workshop V – Q&A

CO-ORGANIZER



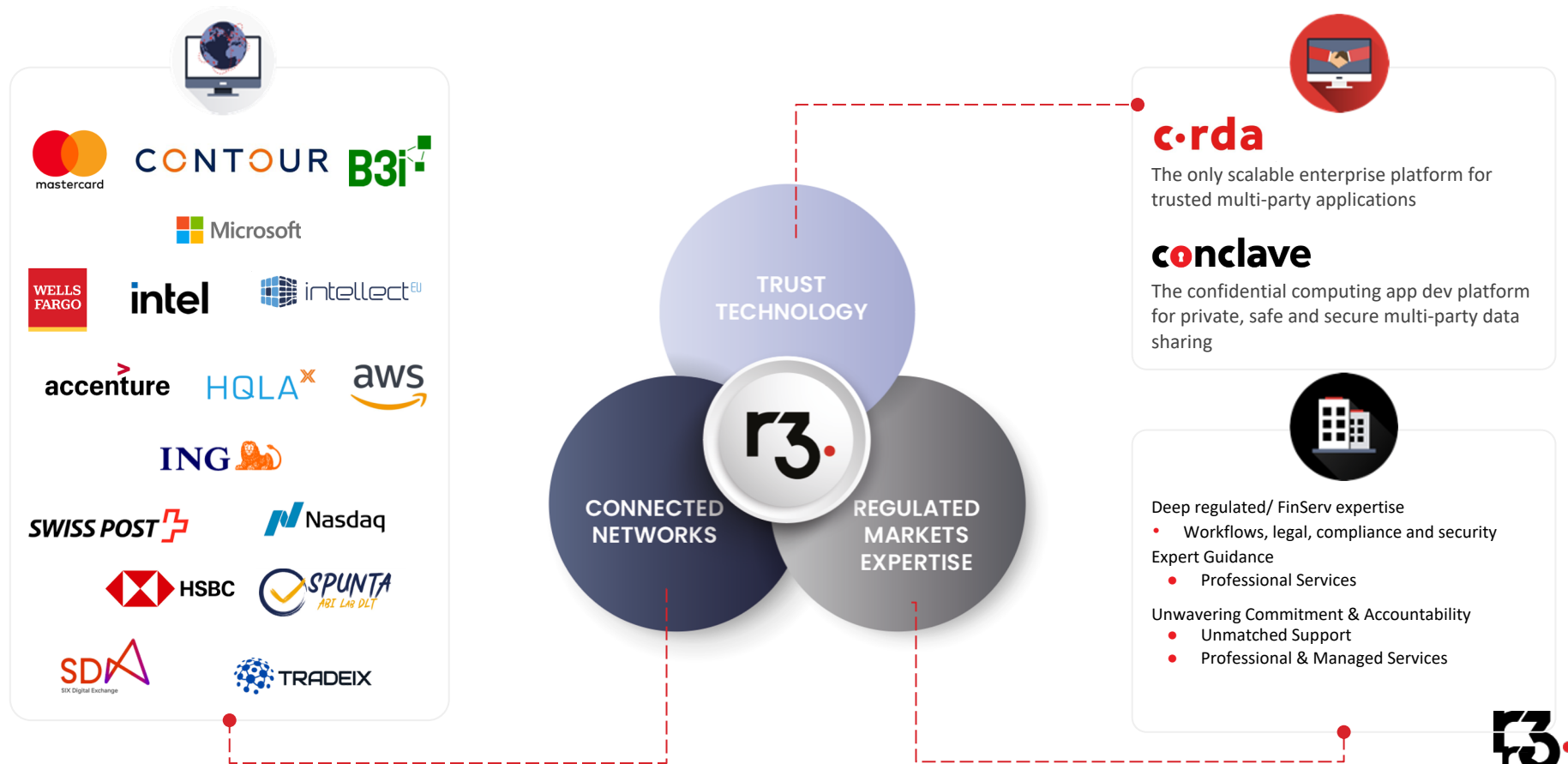
SUPPORTING



*ANY OPINIONS, FINDINGS, CONCLUSIONS OR RECOMMENDATIONS EXPRESSED IN THIS MATERIAL EVENT FOR BY MEMBERS OF THE PROJECT TEAM DO NOT REFLECT THE VIEWS OF THE GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION OR THE TRADING AND INDUSTRIAL ORGANISATION SUPPORT FUND.



Delivering the power of 3 for trusted digital collaboration





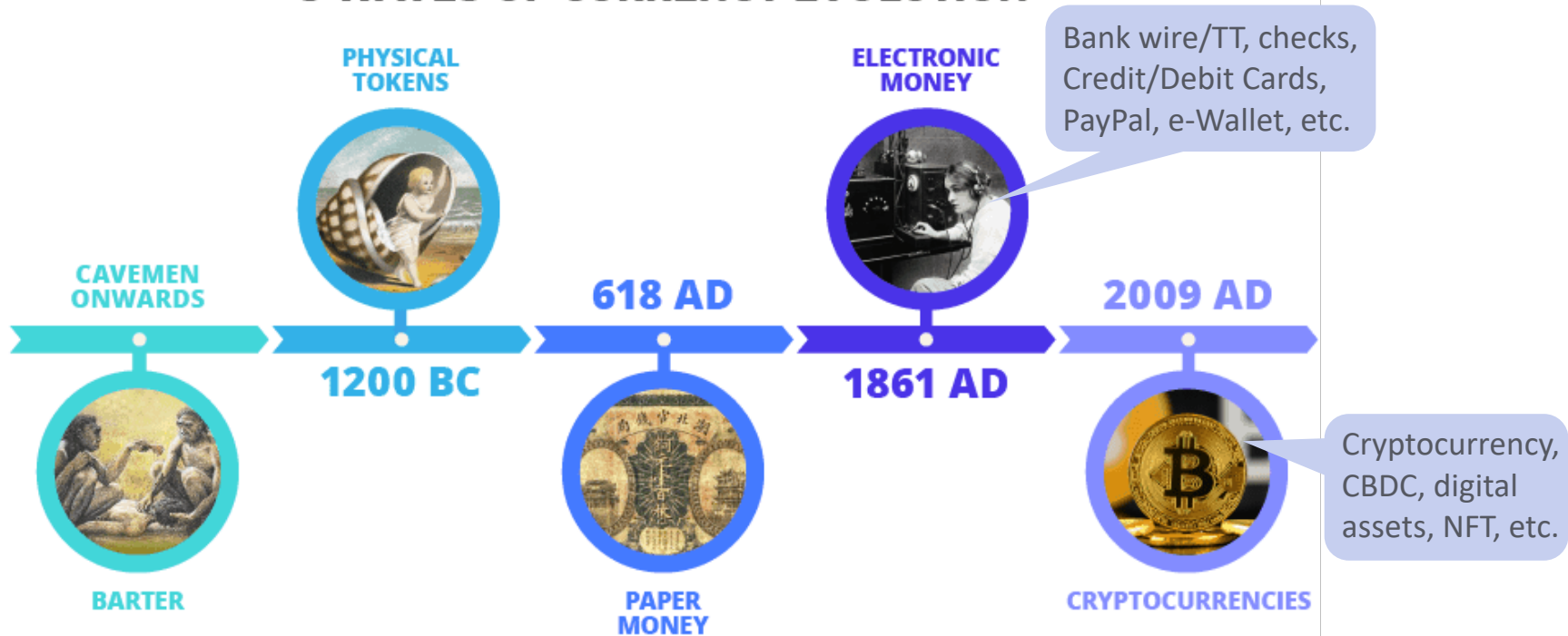
We are now at a turning point with the development of a “crypto-economy” where assets, both physical (e.g. real gold) and financial (e.g. stocks), are digitized and ownership in them is bought, swapped or traded without a centrally governed exchange.

Such a development creates profound business opportunities for those organizations ready to embrace the challenge.



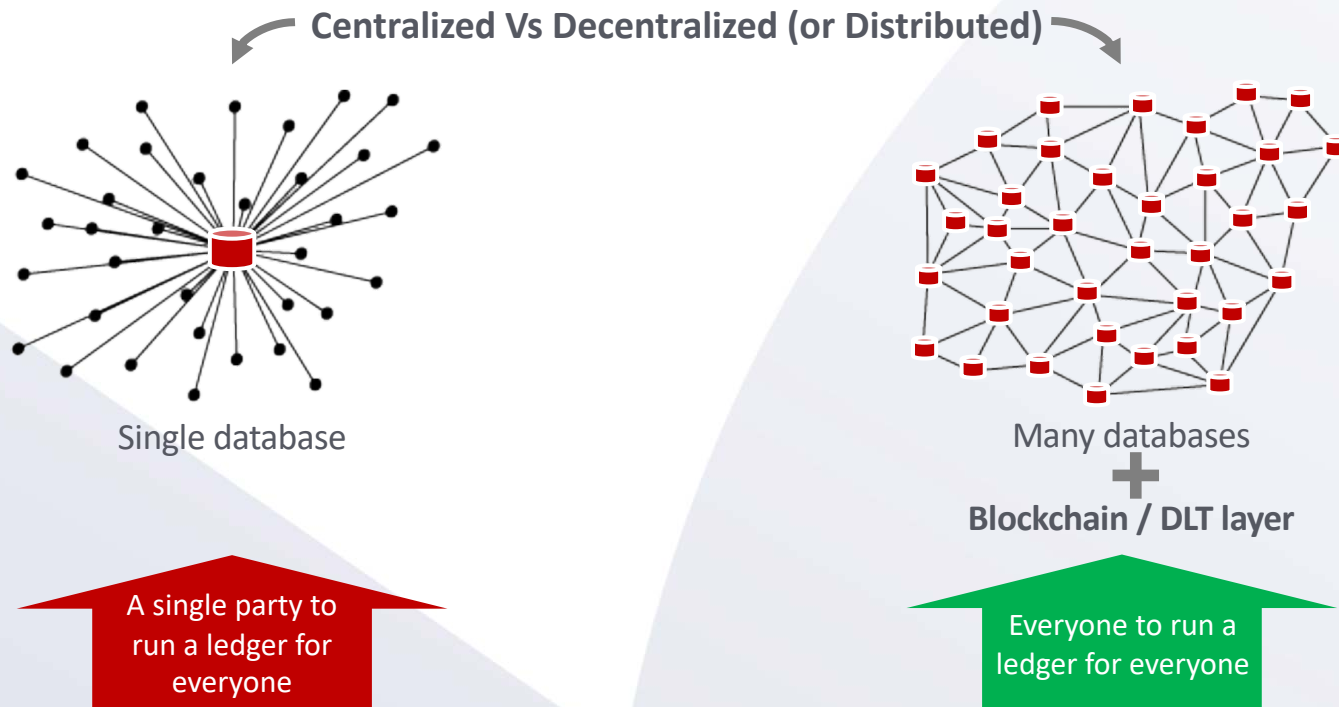
Evolution of Money

5 WAVES OF CURRENCY EVOLUTION



Decentralized Applications – dApps

Decentralized applications (dApps) are digital applications or programs that exist and run on a blockchain or P2P network of computers instead of a single computer and are outside the purview and control of a single authority.





Capital Markets



Back to basics...

Tool for...

Capital raising

Investment



Generates...

Income

Wealth



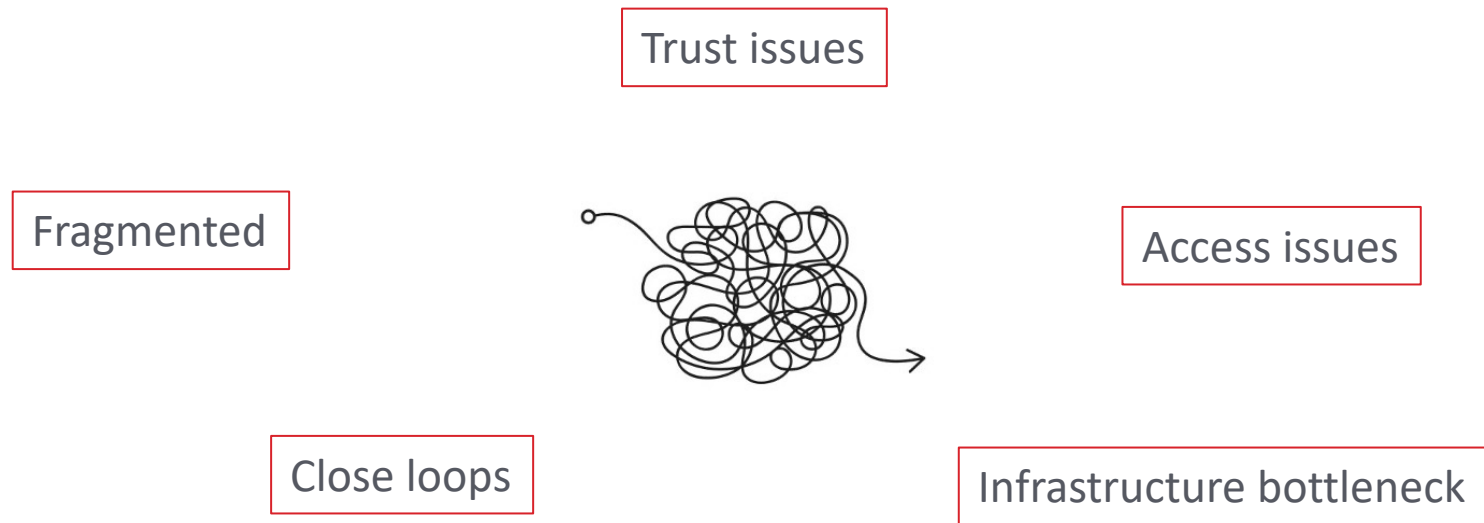
Governed by...

Agreements

Trust



The current picture of capital markets...

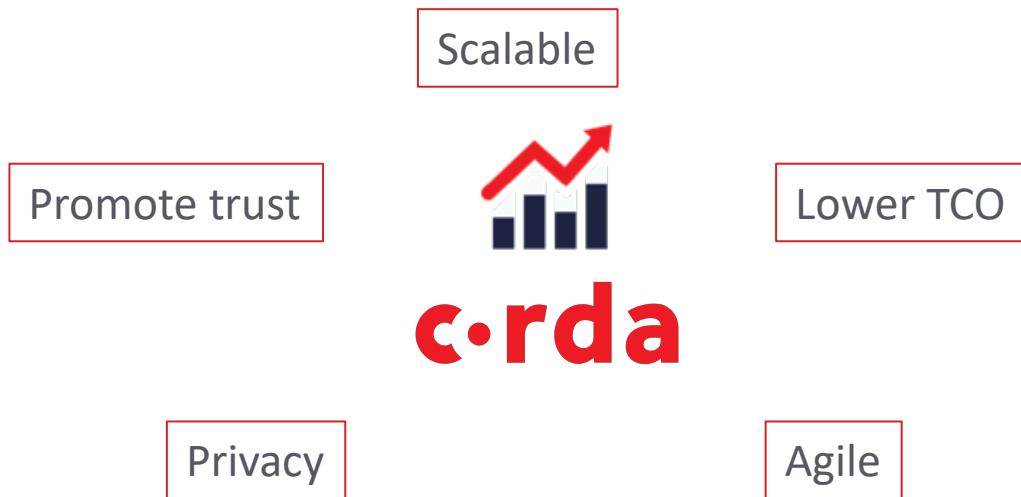


Untapped, complex and expensive !

Why Blockchain / DLT?

Design principles

Promotes trust



Enables movement of value

New formation of capital markets

Corda allowed us to re-imagine capital markets

Simplification

Convergence

Bridge for ecosystems



Lower down barrier

Hyperpersonalized products

New business models

New ecosystems

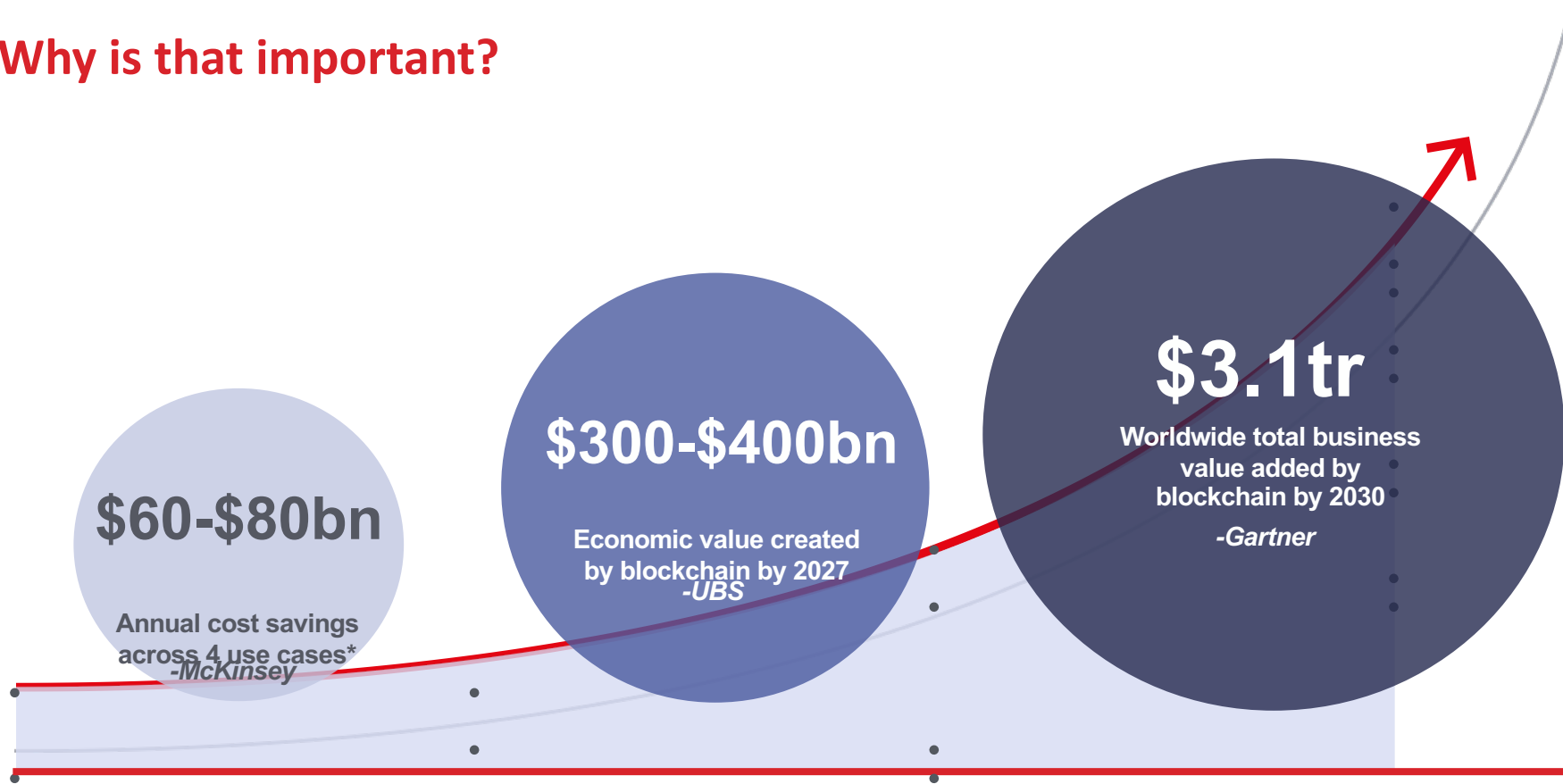
Why do DA & DLT matter to Capital Markets?

Representing a broad range of assets in a Digital form combined with the use of DLT allows for **dematerialization**, and where applicable the **fractionalisation** of assets liberating them such that they can move freely across a broader audience, yet maintain **regulatory compliance**, governance and oversight expected of institutional grade capital market activity.

This facilitates a number of very compelling use cases;

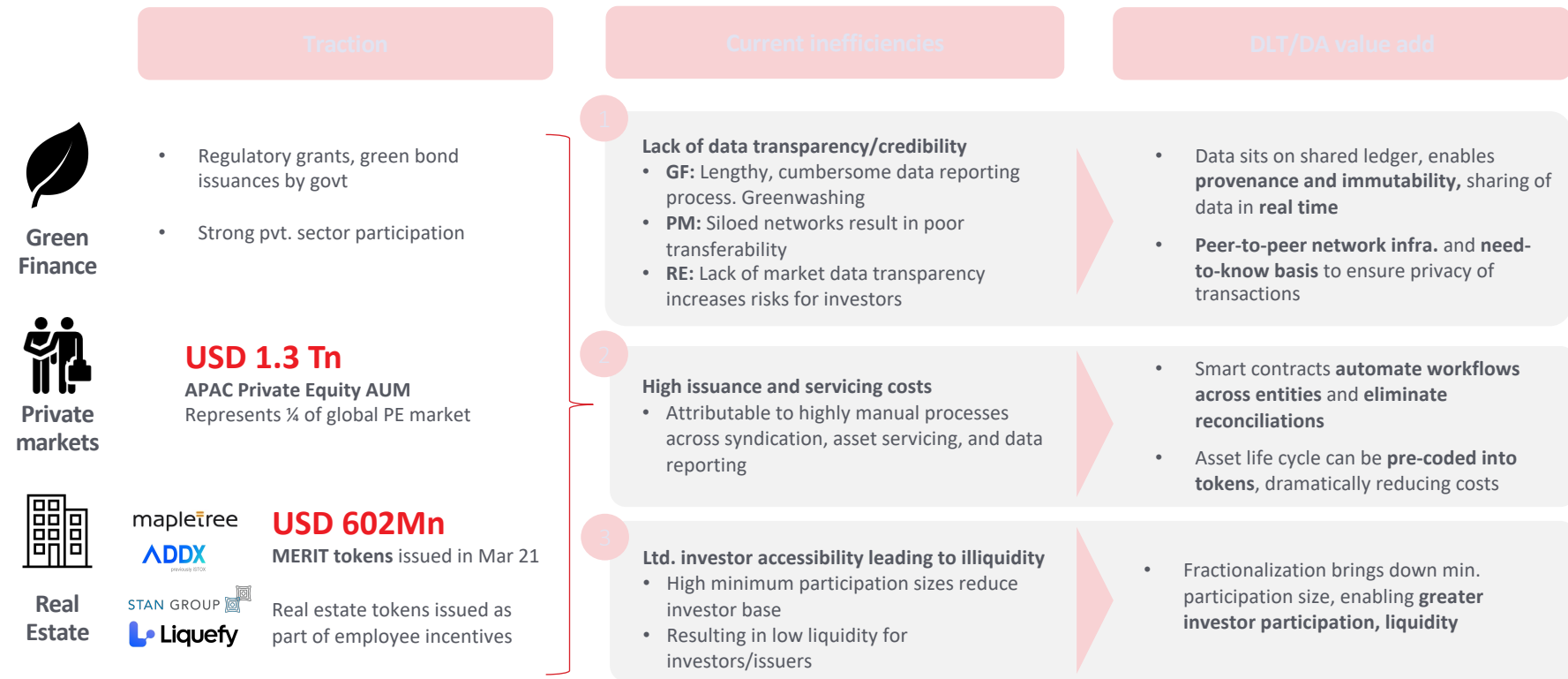
- ✓ Enhanced **Asset Lifecycle Management**
- ✓ Increased **Liquidity & Access**
- ✓ New means to **Capital Formation**

Why is that important?



*Including B2B cross border payments, KYC/AML management, Repo transactions and OTC Derivatives

Industry trends: We see opportunities in Green Finance, Private Markets, and Real Estate



Select use cases



- Lifecycle Management & Provenance
- Post Trade Process & Automation
- Cash / Collateral Management
- Liquidity Discovery & Optimisation
- Data Distribution & Management
- Settlement & Payments
- Digital Custody or Wallet



VALK

Learn more [here](#)

CHALLENGE

- Investment, trading and management of unlisted assets such as real estate, infrastructure, private companies and funds remain predominantly a manual process
- These processes involve countless file exchanges via emails and document storage on local servers, creating additional workload to investors
- Reducing time and resources dedicated to executing transactions and increasing risks and costs to asset owners

SOLUTION

- VALK is an end-to-end digital transaction solution that makes investment, trading and management of unlisted assets seamless, delivering transparency and liquidity
- Built as a white labelled platform, VALK automates the KYC/AML, investment management and trading processes while integrating into existing legacy systems
- VALK chose Corda Enterprise as it was built to the security, privacy and reliability standards that highly regulated industries require

RESULTS

80% Reduction in end-to-end time

50% Reduction in associated costs

\$1b Assets on platform

450+ Financial institutions to connect with

Company:

VALK

Application Builder:

VALK

Platform:

c.rda
enterprise

r3.

Fragmos Chain

Learn more [here](#)

CHALLENGE

- Uncleared over the counter (OTC) derivatives are handled manually in the post-trade environment leading to frequent errors and data inconsistencies
- Commonly when a cash flow is calculated there are mismatched calculations between banks representing different prices for the same contract
- Institutions still settle post trade without a shared version of the truth and common communication standards, leading to expensive reconciliation costs taking hours or days to settle

SOLUTION

- Fragmos Chain is a management solution for the lifecycle of OTC derivatives contracts
- The solution automates the lifecycle of the contract, securely sharing information peer-to-peer to create a common version of the truth
- Fragmos Chain chose Corda Enterprise because of its privacy built to meet the requirements of highly regulated industries

RESULTS



Eliminates the need for expensive reconciliation processes



Contract risk can be assessed with the most up to date information



Increase in accuracy of bank exposure reports for regulators



Built to the Common Domain Model standards of ISDA

Company:



Application Builder:



Platform:



Deon Digital – Smart Financial Instrument System

Learn more [here](#)

CHALLENGE

- Most participants of FMI marketplace have multiple variant of “golden record”
- Each silo systems contains inconsistent attributes of a security static data and corporate action events
- This leads to high costs associated in maintaining data scrubbing, reconciliation and delays

SOLUTION

- Deon creates Smart Financial Instrument System that allows the portability of security data exchange
- **DATA & LOGIC** of financial instrument are fully captured in the **Smart Financial Contract(SFI)**.
- Standardized meta data published by issuer (including amendments and new events).
- Pluggable to participants core back end systems

RESULTS



Reduce costs associated with data reconciliation by 60%



Eliminates reconciliations and improves data sharing



Corda Flow framework enables automation of bonds

The Corda platform allows us to develop and implement a more efficient exchange of security universe data and logic in secured and efficient manner that is scalable and pluggable to any core back end system

Company:



Application Builder:



Platform:



Dr Florian Herzborg

Cofounder and CTO

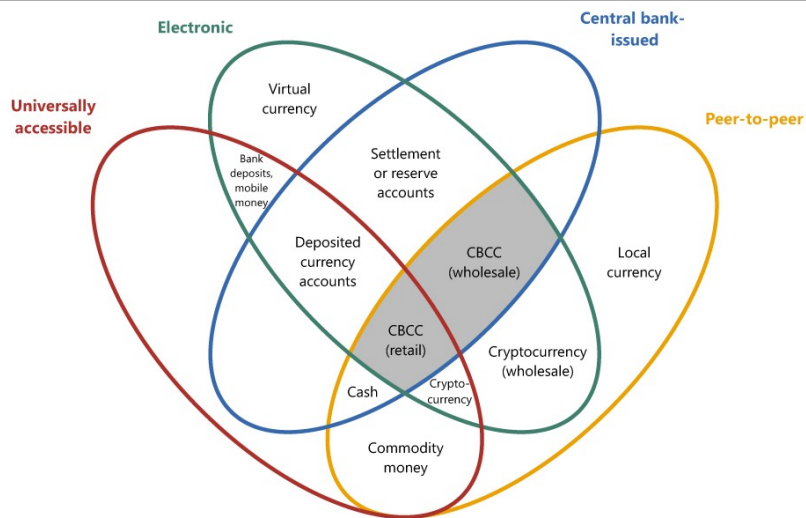


Digital currencies : The new evolution of capital markets

Basics of CBDC – closing the gaps of digital economy

The money flower: a taxonomy of money

Graph 3



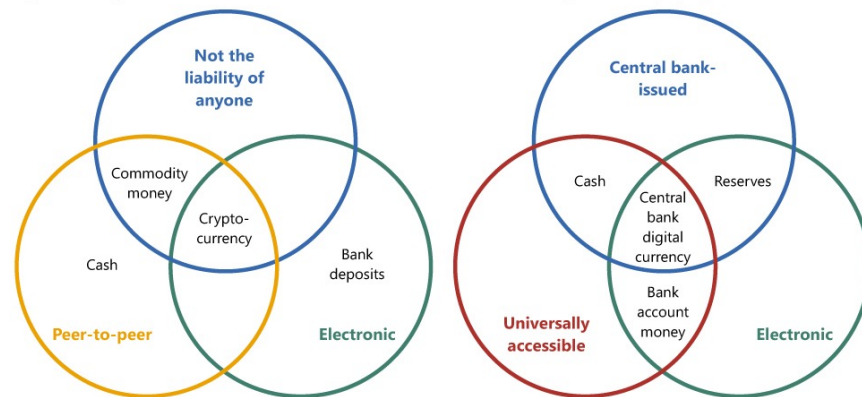
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Two taxonomies of new forms of currency

Graph 2

Cryptocurrency, CPI (2015)

Central bank digital currency, Bjerg (2017)



© Bank for International Settlements

https://www.bis.org/publ/qtrpdf/r_qt1709f.htm

The characteristics of CBDC : Innovation at the core

CBDC

Risk-free digital payment instrument – 24 x7

Balance sheet of central bank and stakeholders

Legal tender issued by central bank or monetary authority

Instant settlement – eliminates clearing

Societal utility

Programmability

What is programmable money ?

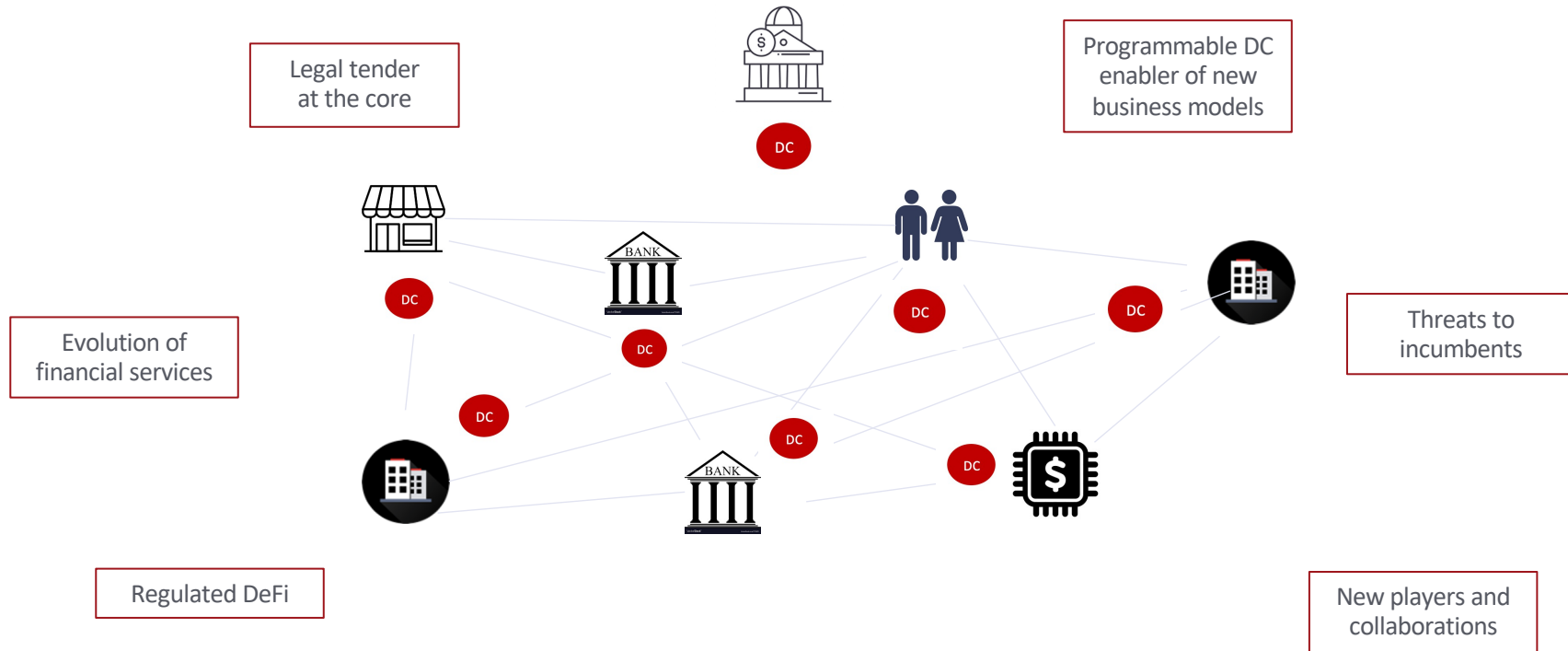


- Digital form of money – Money on its current form widely viewed as abstract
- Money can take on diverse characteristics and parameter values.
- Overlay policy, business rules and workflow as money circulates
- Ability to design what money can be used
- Ability to design how money can be allocated and used
- Ability to wrap money as investment product and payment instrument

Not just automated money

Open finance network

Central banks are taking advantage of innovating at the core



Digital currency is creating dynamic and vibrant digital economy



Trade & Supply chain



Industry challenges

Even with digital initiatives, challenges remain around trust & privacy, efficiency, and siloed data

Trust & Privacy



Lack of trust between transacting parties



Limited privacy



Limited transparency



Lack of standards & interoperability

Process Inefficiency



High reconciliation time, effort, and cost



Market friction due to inefficiencies



Reliance on manual and tedious tasks



Errors and omissions with risk of fraud and compliance problems

Legacy Tech / Digital Islands



Aging technology



Pools of inaccessible trade assets

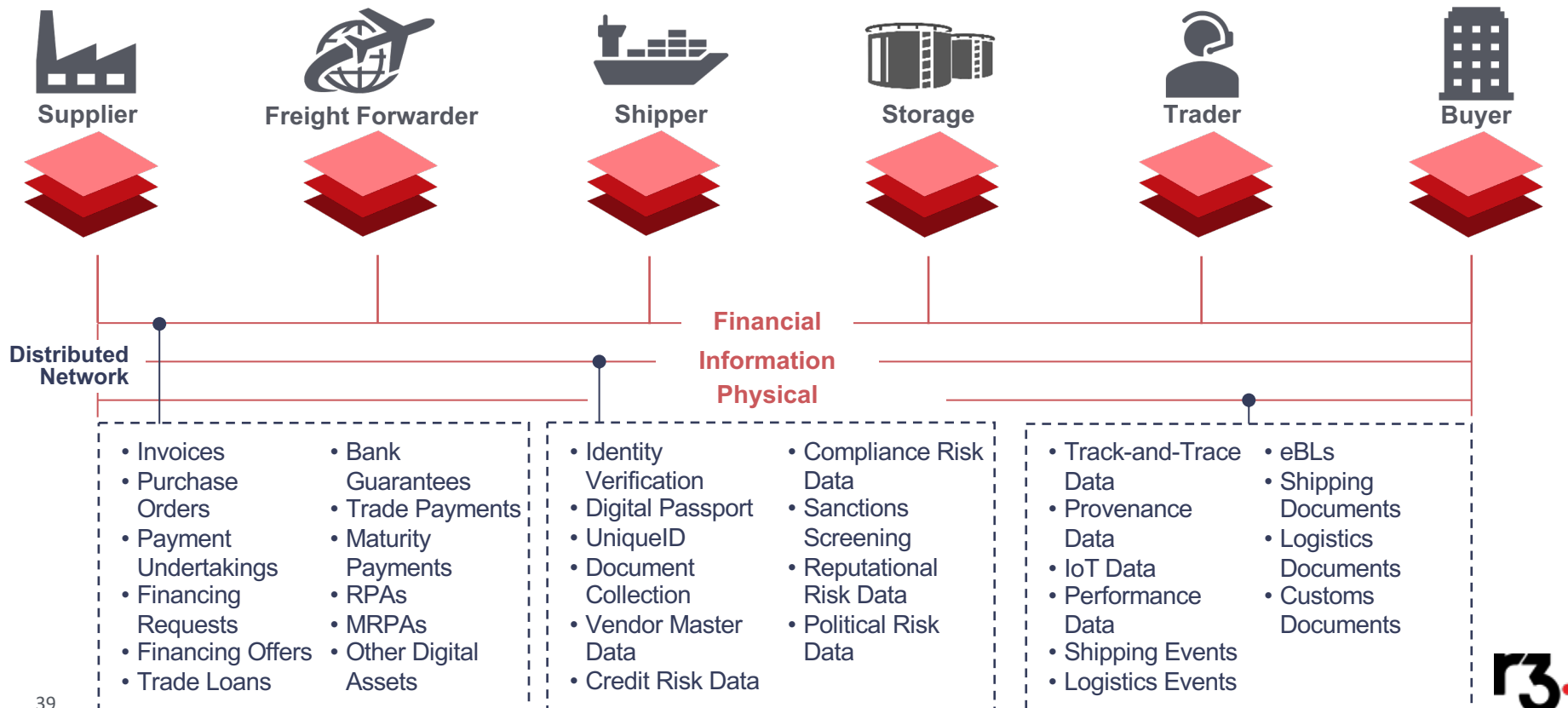


Valuable trade data is trapped



Lack of transaction finality

Convergence of siloed data with Corda



Industry pain points addressed with Corda

Efficiency



- Transactions are completed directly between the relevant parties with no intermediary and with digitized information
- Ability to operate 'smart contracts' which automatically trigger commercial actions based on defined criteria



- Dramatically streamlined processes
- Remove time and cost from transacting

Auditability



- Each transaction is recorded sequentially, immutably and indefinitely
- Provides an indelible audit trail for the life of an asset between parties



- Better verification of assets authenticity
- Reduction of fraud and compliance costs

Traceability



- Tracking goods and asset and where they are currently residing.
- Related asset information can then relayed to or from the new owner for possible action.



- Allows new financing opportunity
- Improve perfection of interest on trade assets

Transparency



- Lack of commercial transparency can sometimes lead to delays in commerce and a breakdown in relations.
- Increase details of transactions against the commercial agreements to improve further trust



- Allow to reduce risk and offer increase trade finance facilities
- Allow risk mitigation

Security

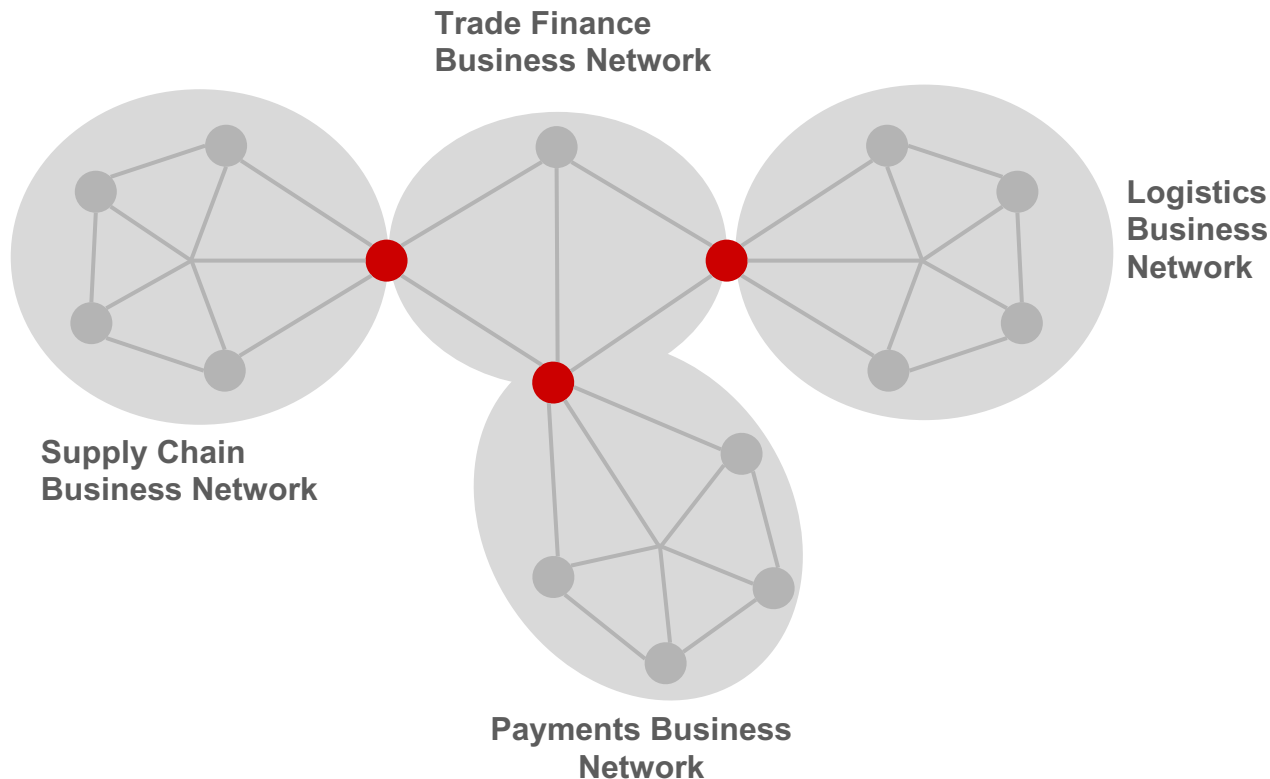


- Each transaction is verified within the network using independently verified complex cryptography
- Authenticity of the information can be assured



- Permissionable, secured share trade related data between buyers, suppliers & financial institutions

The future of digital trade will be a network of networks



Why Corda

- Common identity, communication and data standards
- Structured trade data can be trusted & verified
- Data remains private and shared on a need-to-know basis. Remain in control of your data
- A single node can participate in multiple business network, Flexible deployment options (on-prem, cloud)

Corda is the blockchain for trade finance

Corda has >70% market share in the trade finance ecosystem

c.rda

**HYPERLEDGER
FABRIC**


ethereum

Others

 **Finacle**

CONTOUR

 **TRADEIX**

 **DIGITAL
VENTURES**

 **CryptoBLK**

 **Digiledge**
Trust and intelligence

 **CTIA**

 **dlt
ledgers**

 **S-Labs**

 **VESL**

 **SATOSHI
SYSTEMS**

 **BirthVenue**

 **ENVOY**

 **skuchain**

 **KRATOS**
INNOVATION LABS

 **Interswitch**

 **tradesun**

 **Blockchain
Partner**

MonetaGo

 **expriVIA**

 **AMGroup**

ThoughtWorks®

 **BSOS**

 **QuantumCrowd**

 **WandX**

 **ROOTANT**

**BCI – Thailand
(eLG)**

 **we.trade**

 **TRADEASSETS**
POWERED BY BLOCKCHAIN

 **avanza**
SOLUTIONS

 **eTrade
Connect**

NTT DATA

**Lygon – Australia
(e-Guarantees)**

 **K**

 **LCLITE**

 **INCOMLEND**

 **HEVEA
CONNECT**

 **DIMUTO**

**Bay Area Trade
Finance Platform**

Jed

(using Fabric variant)

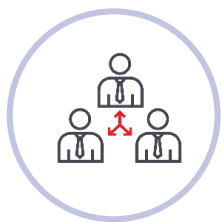
ICC TradeFlow
(using Perlin)

 **Linklogis**

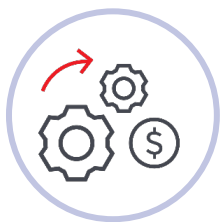
r3.

What use cases are best suited for Corda?

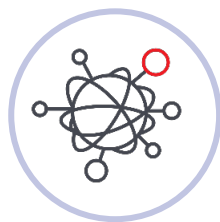
Criteria for shortlisting blockchain use cases for digital trade



Data Sharing
Across Parties



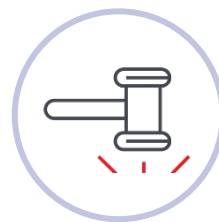
Privacy Sensitive
Environments



Complex
Deployment
Environments



Performance
Sensitive
Transactions



Regulated
Business
Environments

Corda use cases and case studies for digital trade

Peer-to-Peer Transactions

Wholesale Commodities Trading

Document Digitization & Management

Tokenized Commodities Trading
Derivatives Markets, Exchanges

Custody Transfer

Provenance & Traceability

Asset Track & Trace (+IOT)

Supply Chain Orchestration

Provenance & Certificates of Origin

• Fleet Management

Other possible use cases

Smart Contracts

Asset Lifecycle Management

Royalties Mgmt. Contracts,
claims, calculation, & settlement

- Commodities Rights Management
- Joint Venture Billing & Land Ownership Tracking
- Approval for Expenditure (AFE)

Other possible use cases

Supply Chain / Trade Finance

Trade Finance

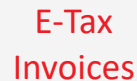
Open Account, Letters of Credit, Deep Tier Finance

Procurement

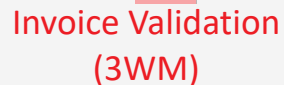
Invoice Financing, AR/AP Reconciliation

Post-Trade & Treasury Settlements

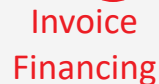
Electronic Bills of Lading
eBL for Cargo Booking, Customs Clearance, Trade Finance



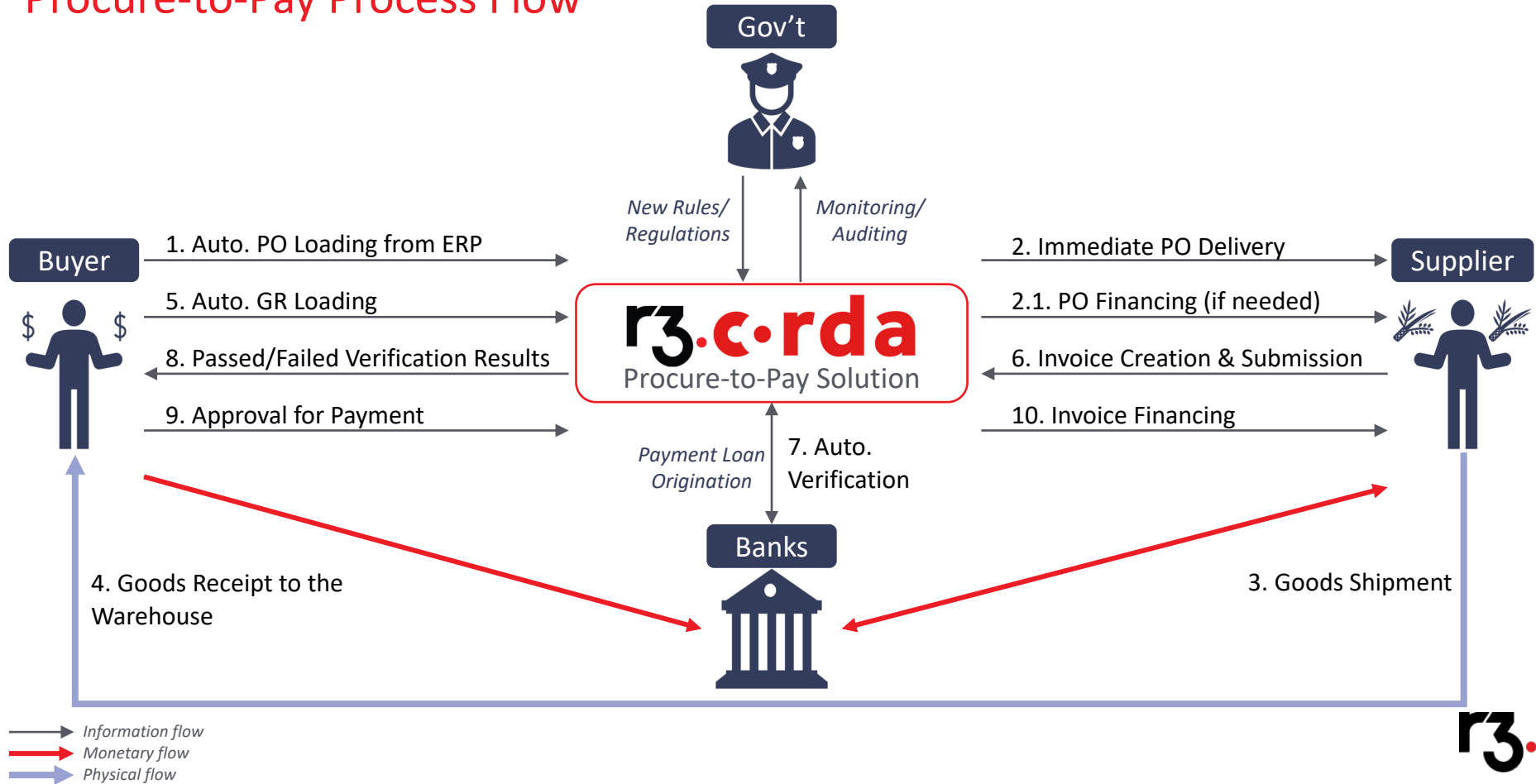
Automation



Features



Procure-to-Pay Process Flow





Use Case: Procure-to-Pay with Invoice Financing

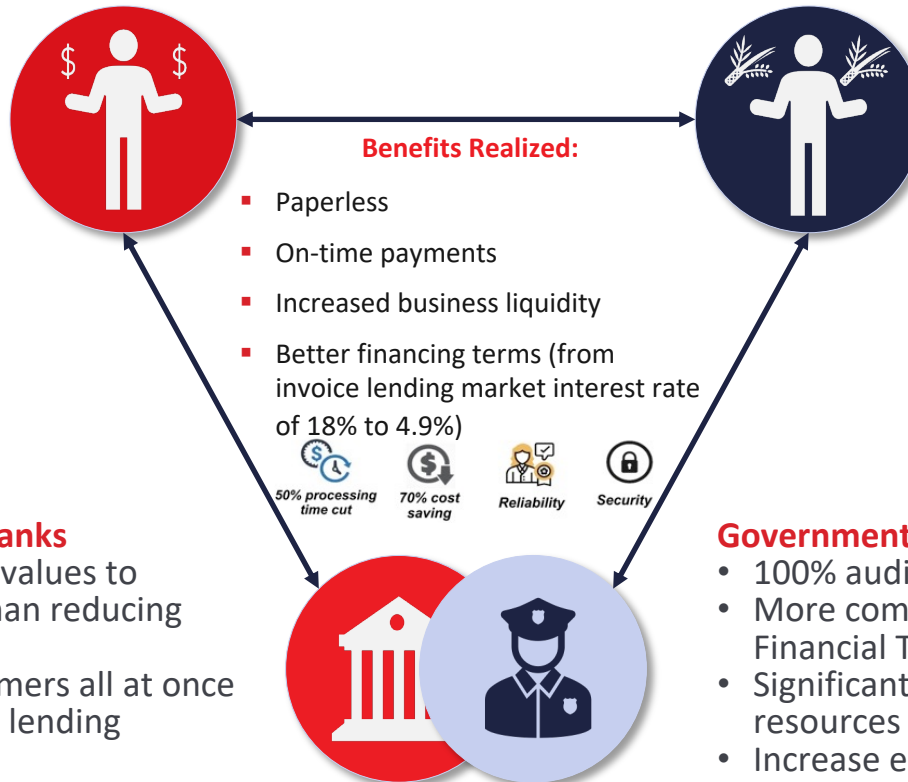
DLT enables complex problem solving that is not achievable with traditional technologies

Buyers

- Get all documents in electronic forms without complex integration
- Automate the complex document verification process
- Keep all electronic records in a better organized manner
- Eliminate errors, fraud, and leakages

Payment/Financing Banks

- Compete on added values to customers rather than reducing fees
- Acquire mass customers all at once
- Offer differentiated lending services
- Eliminate collection risk



Suppliers

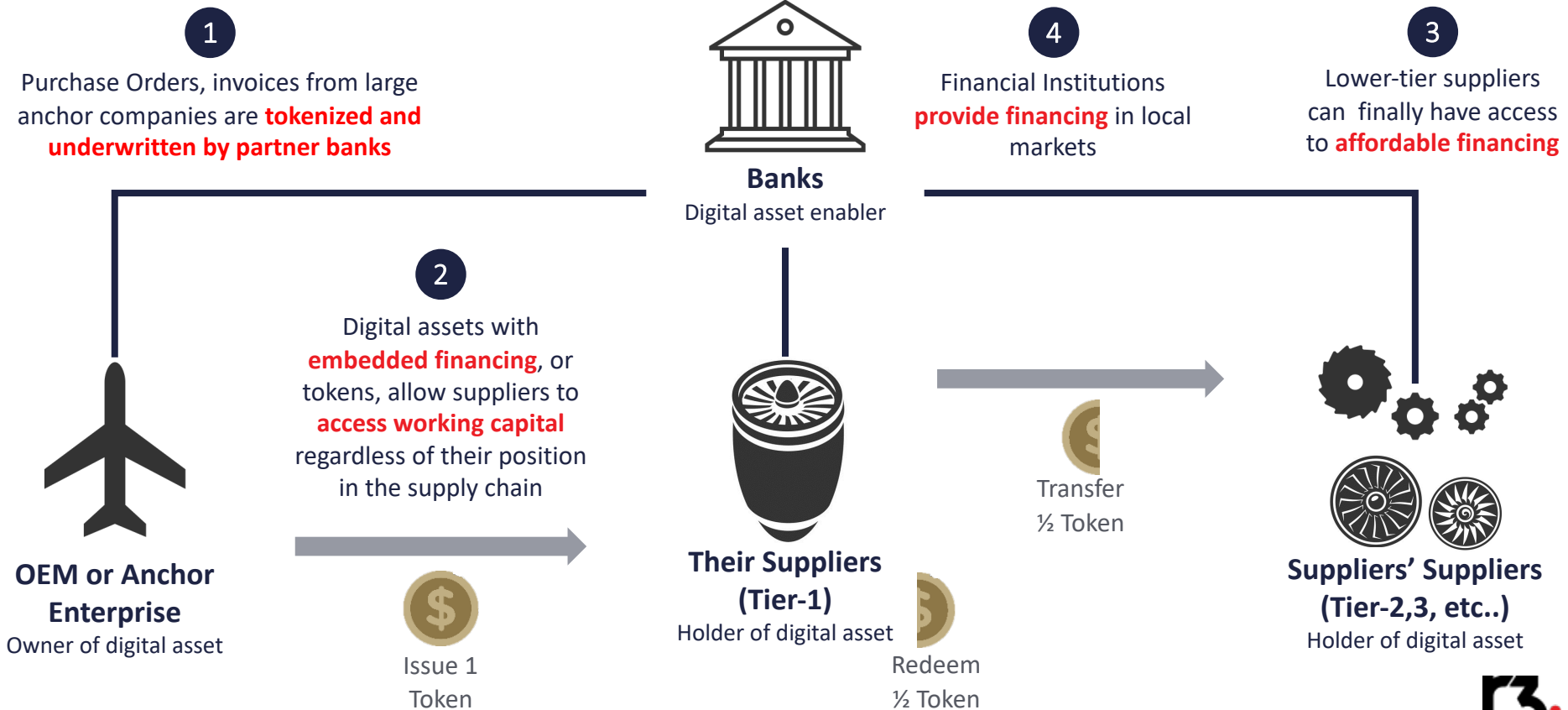
- Same day invoice approval
- DIY for approval & payment status
- Instant access to invoice financing
- Lower borrowing rate

Government

- 100% auditability
- More complete audit with Financial Transactional Data
- Significant reduction of time & resources
- Increase ease of doing business

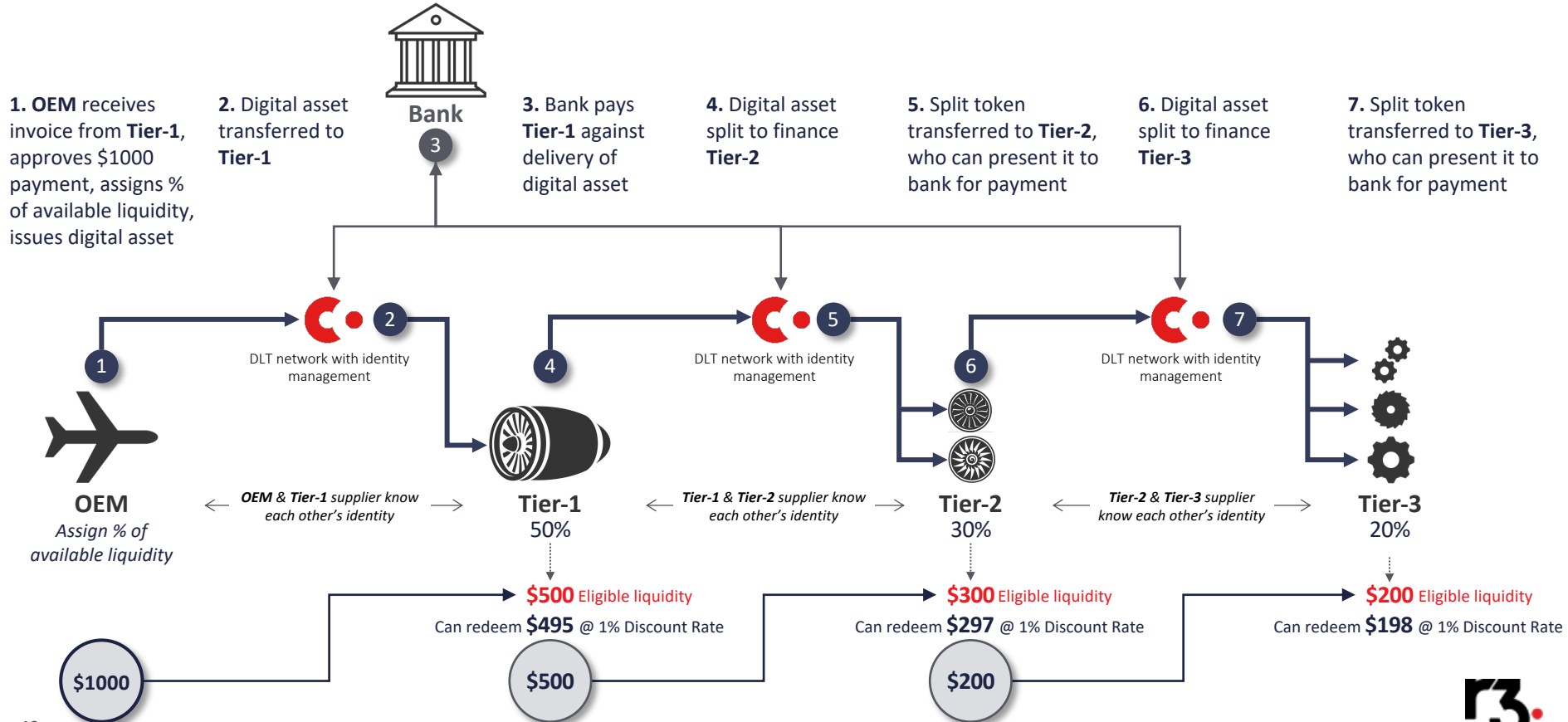


Use Case: Deep Tier Financing

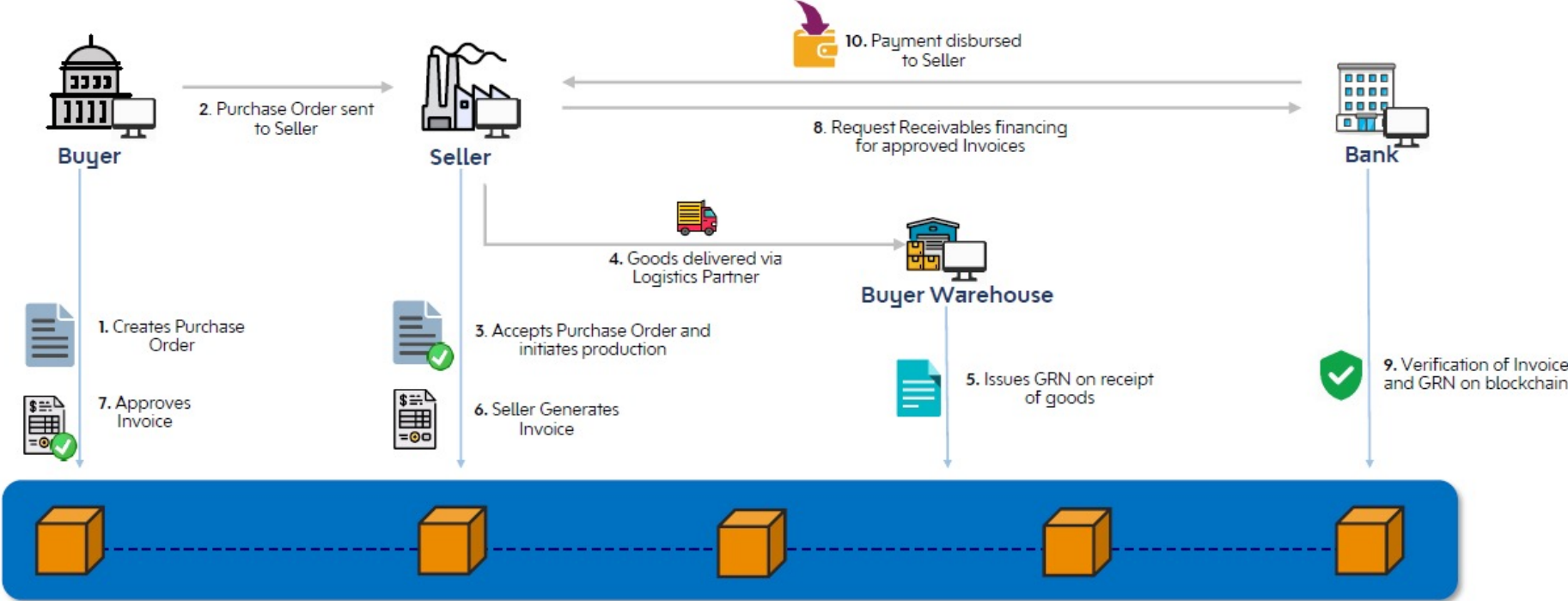




Use Case: Deep Tier Financing



Use Case: Receivables Financing

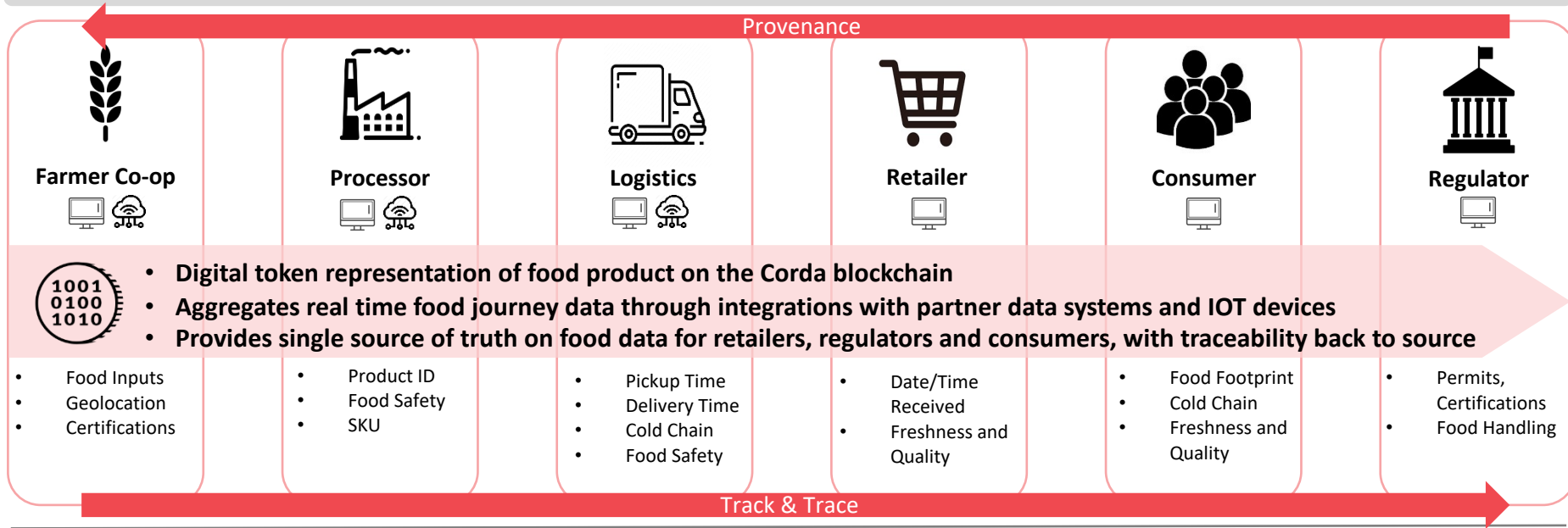




Use Case: Provenance and Track & Trace

Corda can ensure real-time traceability and data immutability across the entire Supply-Chain

Blockchain + IOT: Agri-Food Example



Legend



Blockchain

Blockchain provides an immutable data trail for food traceability back to source



Internet of Things (IOT)

IOT devices and sensors monitor variables through each step of the supply chain journey, accessible via an Oracle



Use Case: Corda eBL for Cargo Booking

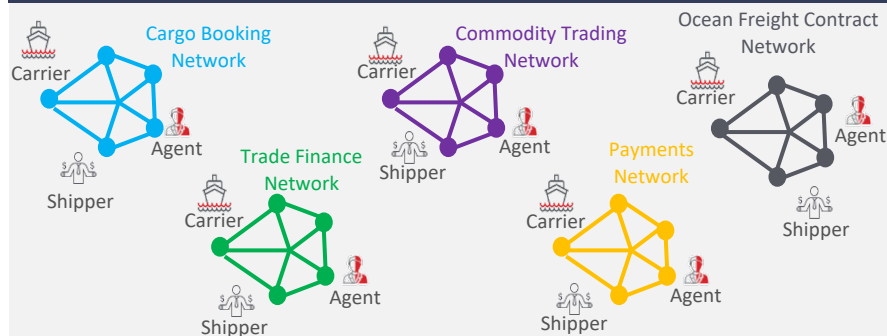
Drivers for Change

- Need to offer **innovative value added cargo booking service** in a highly competitive industry to attract and keep customers
- Corda eBL can **augment existing features** of online BL draft visualization & approval
- **Digitization is essential** to reduce cost given the high volume and low margin business

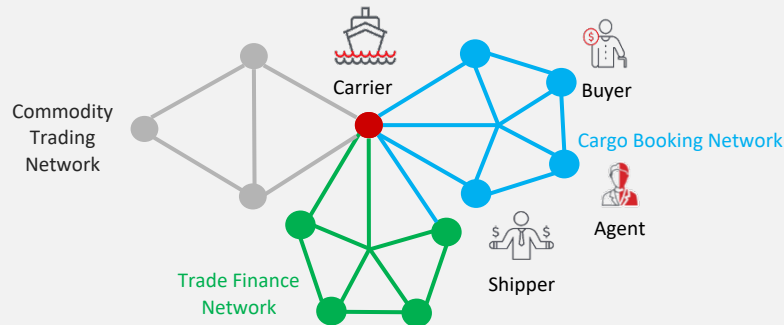
Solution Benefits

- Shippers that utilize cargo booking platforms can use Corda eBL to instantly book cargo space and obtain their eBL and enable the **peer to peer transfer of title document**
- **Interoperability across business networks** makes it easier for carriers/FFs/NVOCCs to offer other value added services within their portal in future

Current-State Diagram



Future-State Diagram



Use Case: Corda eBL for Trade Compliance & Customs Clearance

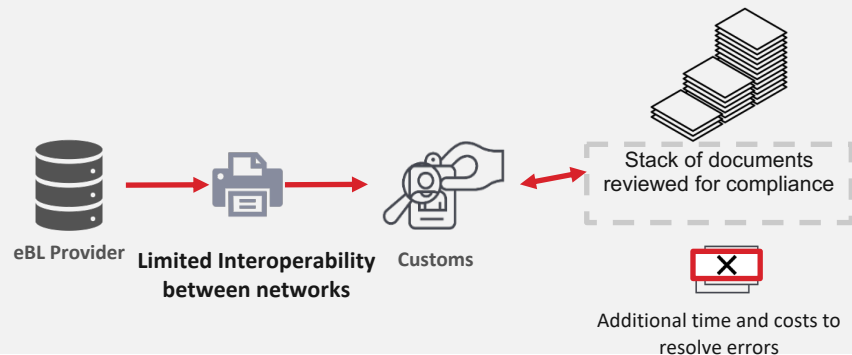
Drivers for Change

- **Increased regulation** and trade compliance requirements due to rising trade fraud scandals are accelerating need for an end-to-end digital compliance solution
- **COVID 19** and business continuity efforts driving all parties to push for a fully digital, **paper-less solution**
- **Enhance trade compliance solutions** like Single Windows, e-clearing

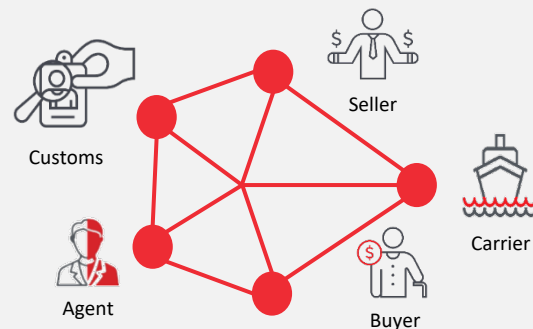
Solution Benefits

- **Expedite clearance process** / accelerate the velocity of trade
- Digitization of key critical document to **streamline operational efficiency**
- **Increased profit margins** through lower operational costs
- **Offer innovating trade compliance solutions** to your clients

Current-State Diagram



Future-State Diagram



Use Case: Corda eBL for Trade Finance

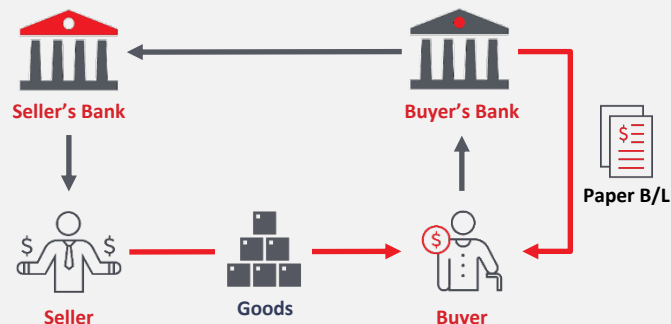
Drivers for Change

- **Fully digitize trade** by enabling direct transfer of title document between corporates and banks to unlock financing
- **Reduce cost** (couriers, paper, people) and **risk** (lost, damaged, fraudulent) eBLs)
- Need for product and **offering differentiation** in trade finance solutions to get an edge in the market

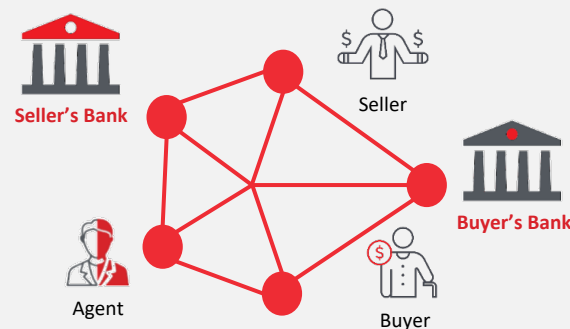
Solution Benefits

- Buyers can collect goods from the port faster and **avoid potential demurrage costs**
- Sellers can avoid the use of LOIs and **get paid faster**
- No costly or **time-consuming integration** with competitive third-party platforms

Current-State Diagram



Future-State Diagram



Use Case: Corda eBL for Delivery vs Payment

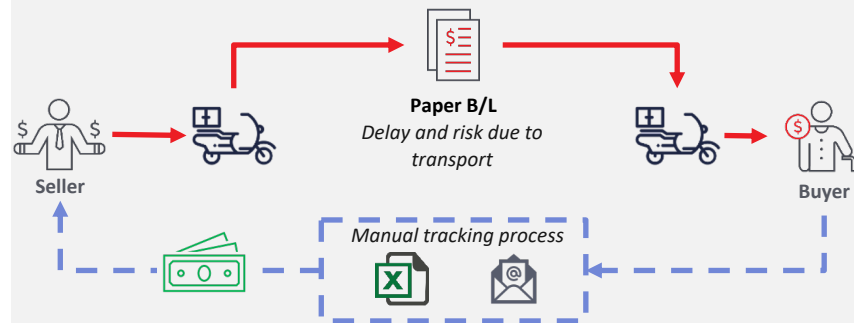
Drivers for Change

- **Fully digitize trade** in a single platform by enabling direct transfer of title document between trading partners
- **Reduce cost** (couriers, paper, people) and **operational risk** (lost, damaged, fraudulent BLs)
- Need for product and offering differentiation in **procurement solutions** and **commodity trading**

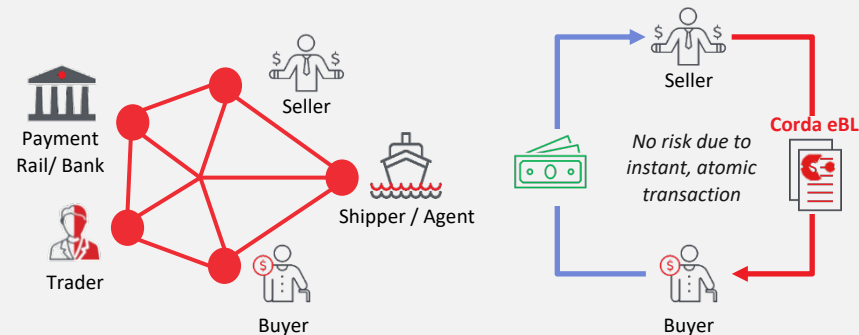
Solution Benefits

- **Safe and instant** release of the eBL against payment
- Sellers **get paid** faster, buyers get their goods **on-time**
- **Removes costly reconciliation**, payment follow-ups, data input, need for tracking via spreadsheets and emails
- eBLs can be transferred to commodity trading, procurement, payment, networks **without bespoke integration**

Current-State Diagram



Future-State Diagram





Use Case: Custody Transfer

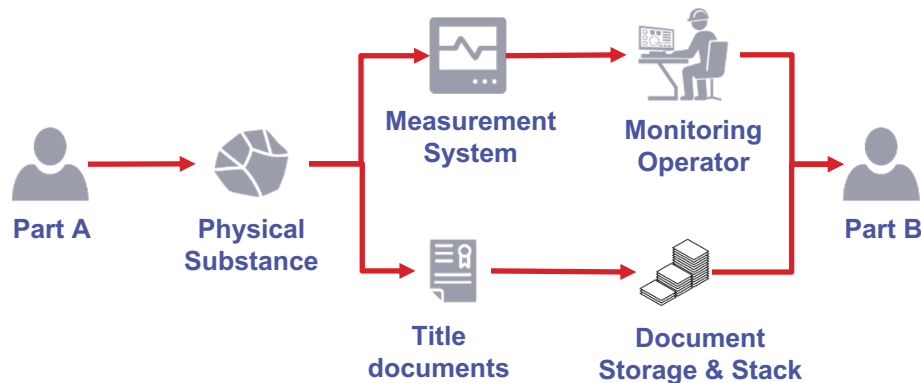
Background

- Custody transfer refers to the transactions involving transporting physical substance's possession from one party to another, including transfer of title
- The process involves multiple standards, contractual agreements, regulations and taxation
- The process also involves various tools such as precision measurement systems, quality systems, calibration devices, and automation
- Loss and/or unaccounted for transfers, which matters more when commodity prices are low

Business Drivers for Change

- Improve accuracy of reporting
- Integrate different parties, solutions, contracts
- Enhance online monitoring and observation systems
- Log calibration time and link to transaction
- Log of spare parts and maintenance schedule

Current Solution Overview



Solution Benefits

- Improve measuring and related systems planning and end of life process
- Tamper proof custody transfer historical trail
- Integrate different parties, solutions, contracts
- Automate checking and transactions related to standards, contractual agreements, regulations and taxation



Use Case: Contract management

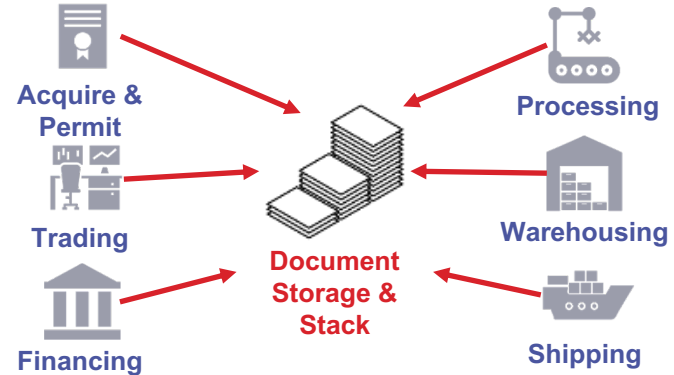
Background

- Paperwork and contracts are abundant throughout the mining lifecycle from exploration to closure, creating multiple challenges to different teams within each party/company
- Such contracts and agreements impact revenues, accounting reporting, obligations and traceability. Hence, any solution needs to address operational, accounting, financial and legal concerns
- Contracts are complex and not standardized due to wide range of products and services

Business Drivers For Change

- Minimising errors and unnecessary delays
- Reduce amount of paper in processes
- Increase compliance with standards and regulations
- Reduce contract cycle times
- Improve in revenue and revenue reporting
- Improve transparency across processes

Current Solution Overview

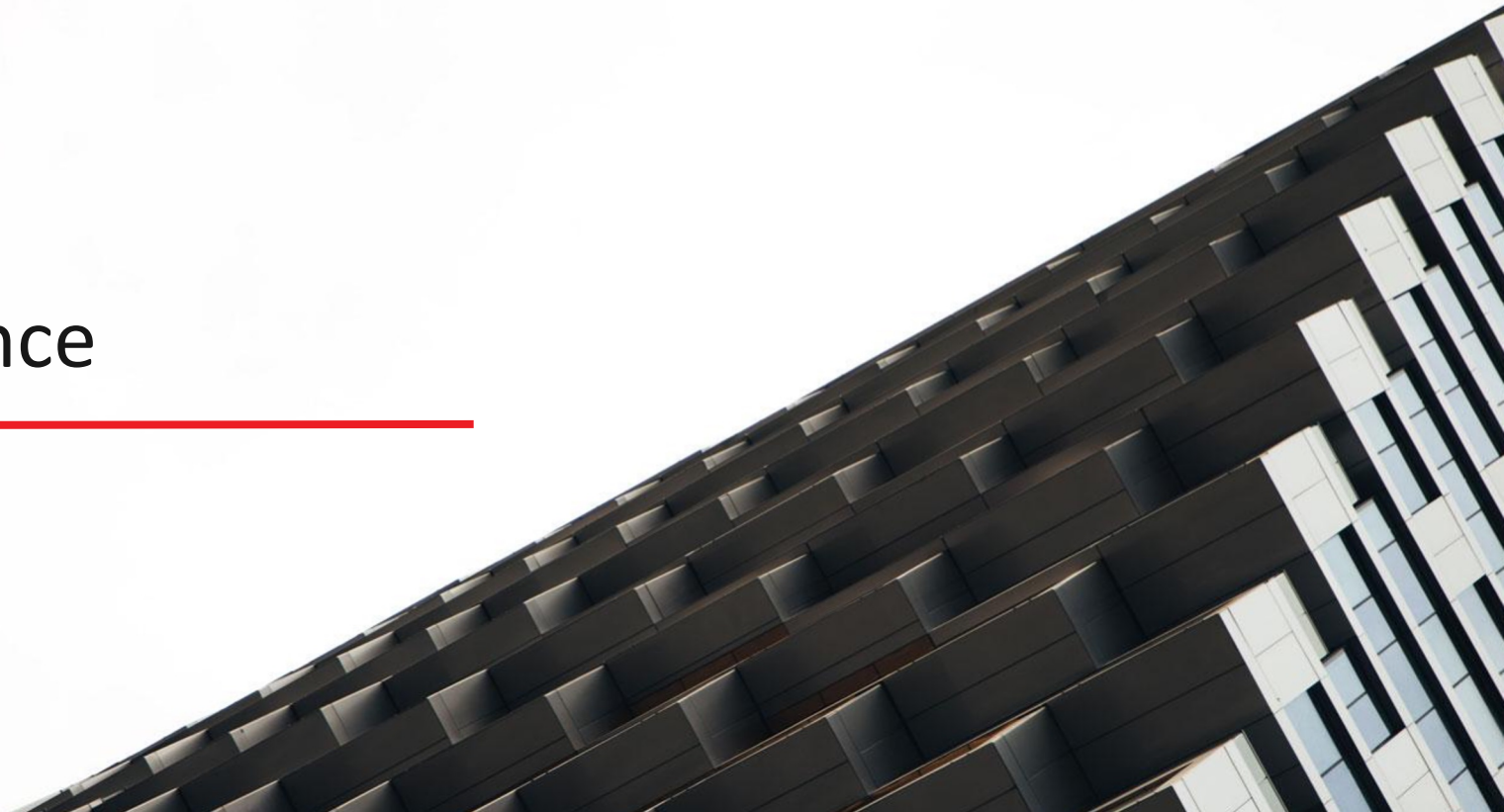


Solution Benefits

- Automate obligations and variable considerations in contracts
- Link transaction and revenue to the performance obligation throughout contract lifecycle
- Combine and/or append contracts



Insurance



Corda DLT components that solve insurance industry challenges

Identity:

Trust who you are doing business with

- Personal identity
- Corporate identity
- Counterparty due diligence
- Verifiable credentials



- Verifiable and shareable governance and compliance checks e.g. KYC /AML
- Verifiable proof of insurance & coverage

Data exchange:

Single source of the truth

- Shared truth
- Shared business logic
- Shared data
- Shared network



- Auditable information exchange: Risks, policies, claims, accounting, contract status, payment status

Automation:

Smart Contracts

- Automatically execute business processes
- IOT / Sensors



- No touch, or low touch, claims automation
- Automated endorsement/ mid-term adjustments

Payments:

Execute on, or off-chain value transfer

- Traditional banking rails
- On ledger value payments
- Tokenization
- CBDC



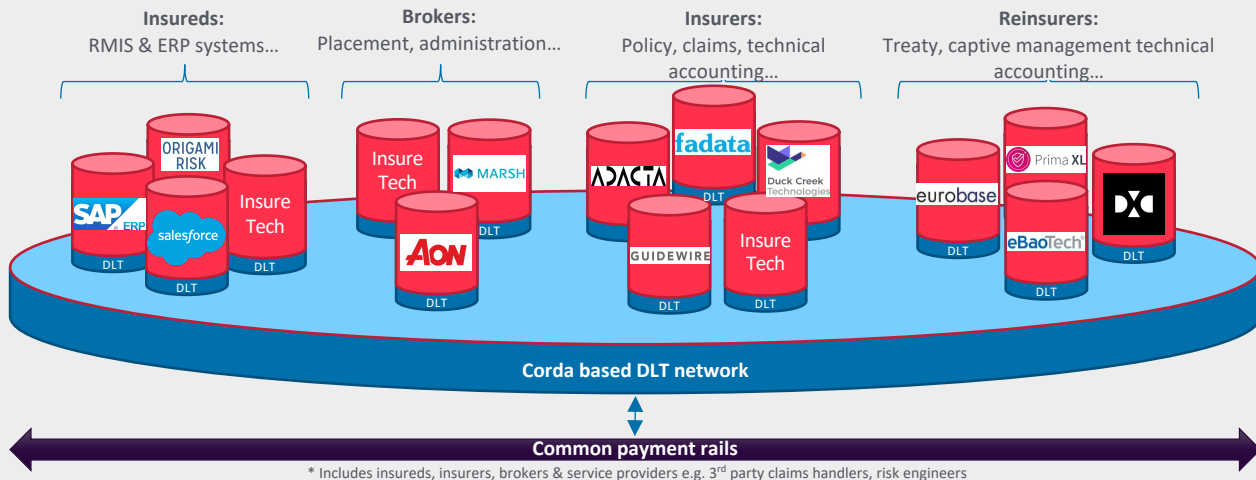
- Simplified & reconciled premium collection & claims payments

Intercompany Workflow | Strict Privacy | Immutable | Connected | Scalability

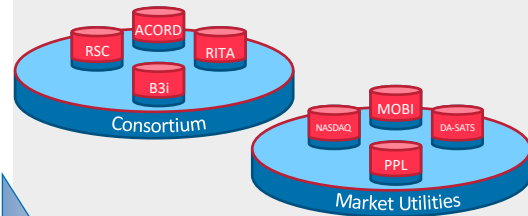
Vision: Connected eco-system breaking down industry silos and more

Need: Vast amounts of data shared, bi-directionally, right across the insurance value chain causing tremendous frictional costs and negatively impacting customer experience. Additionally, the future of risk management requires closer proximity of carriers & customers e.g. Usage based insurance, IoT, parametric

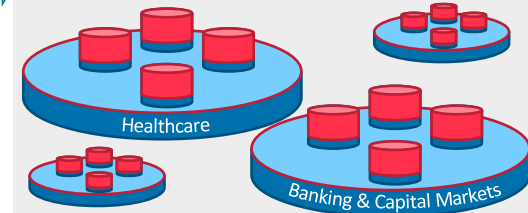
Insurance eco-system*



Extending insurance eco-systems



Adjacent eco-systems



Improve customer experience

Reduce frictional costs

Closing the protection gap

Speed

Efficiency

Trust & Certainty

Privacy

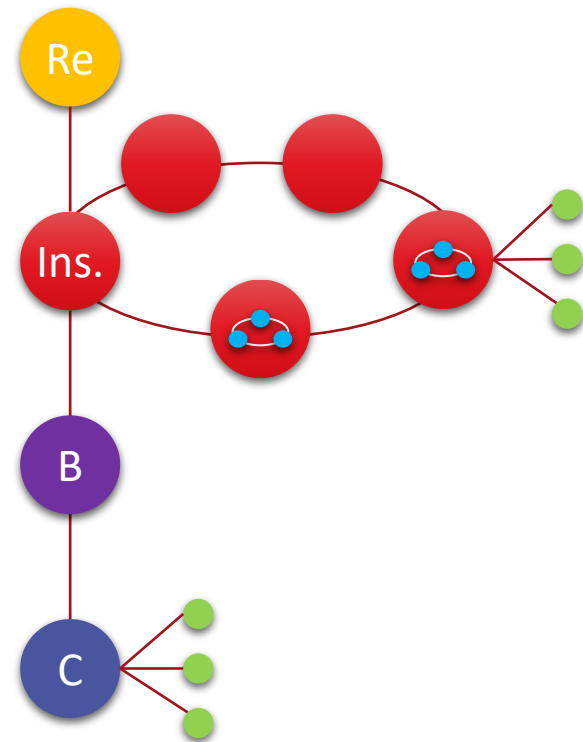
Oversight

Partner eco-systems (selection)

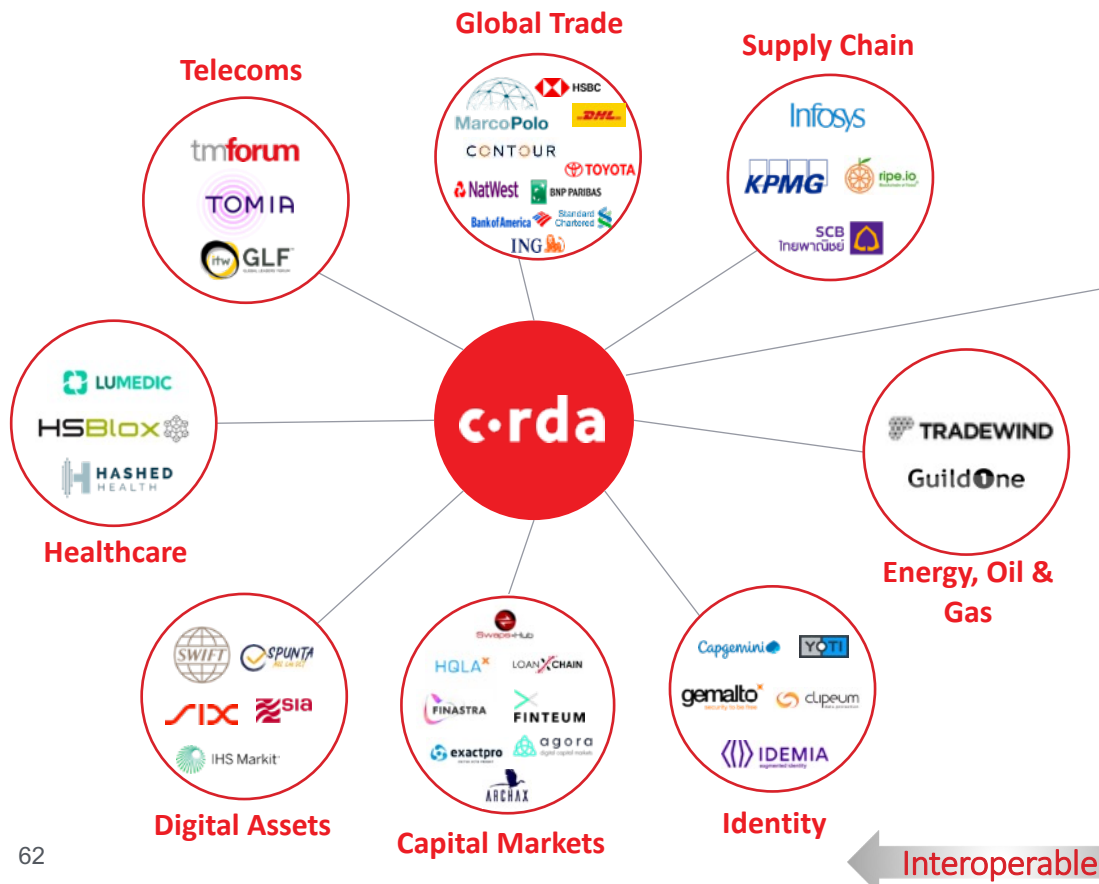


Dimensions of friction in insurance

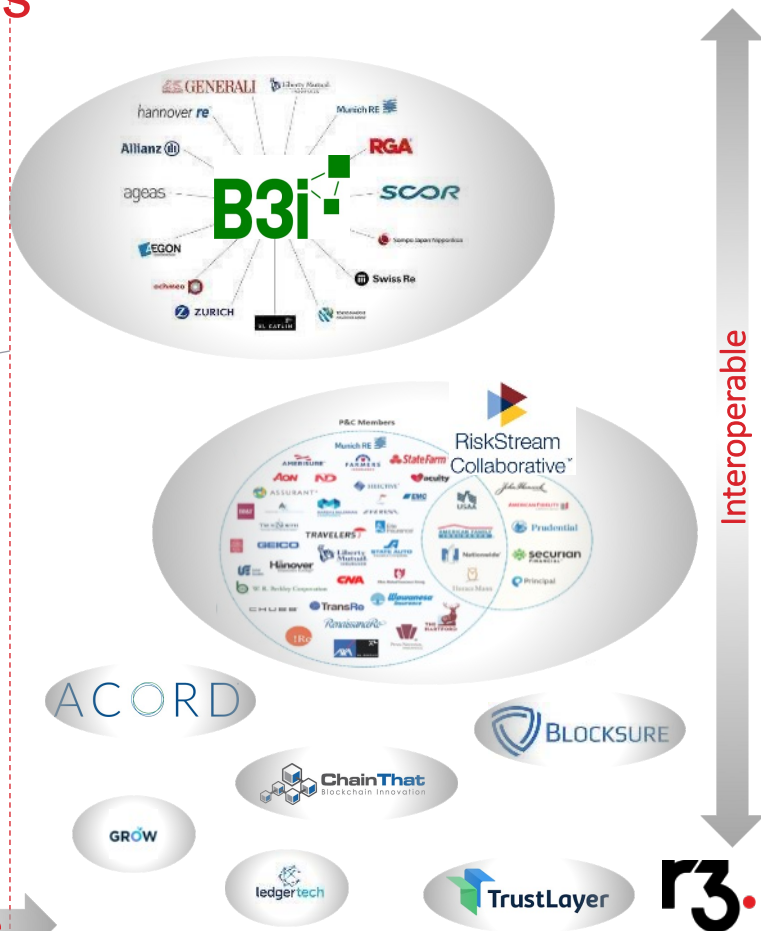
- **Customer interaction:** Connect the end customer, with broker, insurers, reinsurers (vertical integration)
- **Inter-company:** Data alignment across industry (horizontal integration)
- **Intra-company:** Reducing friction within a company (internal integration)
- **Inter-industry:** Connecting with non-insurance networks



Solutions already transforming industries



Insurance



Multi-national Insurance: Top 3 P&C Insurer in NorAm – Production

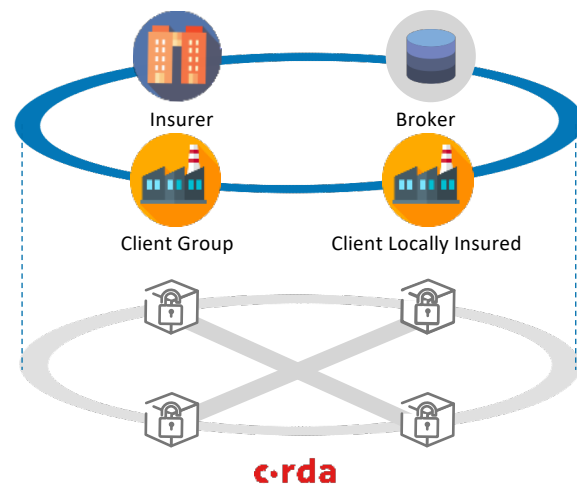
The Problem

Multinational insurance is complex and requires huge amounts of data to be shared across many participants. Coordinating and reconciling this takes time and is a significant cost, one which is passed on to the customer. 10,000s data points.

- Collection of Schedule of Values (SoV)
- KYC – 100's of counterparties
- Policy issuance – 150+ policies
- Policy endorsements – 100's
- Premium & claims – 100s payments
- Co-insurance administration

Goals:

- Improved customer service: Delivery improved customer outcomes by streamlining communication between all parties
- Contract certainty: Complete clarity on coverage in place and premium payments made
- Reduce frictional costs: Eliminate reconciliations and unnecessary processing
- Cashflow: Speed up payments, increase in working capital, and reduce credit risk



Improved **customer outcomes**, **satisfaction** and **stickiness**.

Efficient, **trusted data exchange** with the client



Up to **90% reduction** in processing & **\$10m p.a. savings**.

Elimination of reconciliations & re-work

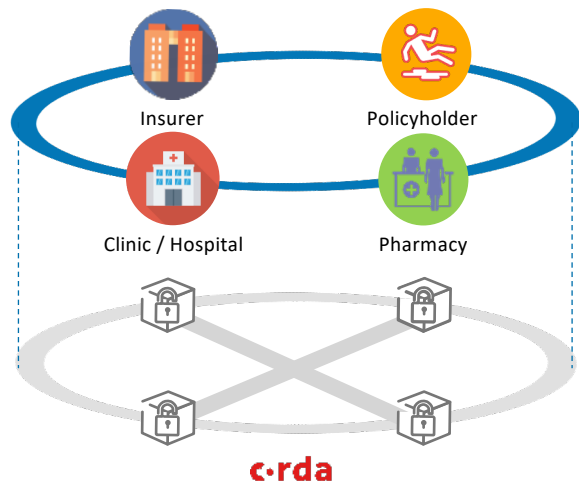


Full **trust and transparency** across all stakeholders.

Immutable end-to-end and **tamper-proof audit-trail**

Corda applications can be designed to unlock value by enabling trusted data exchange between business partners in the network

Healthcare Insurance: US Healthcare Insurer 600k patients – Production



The Problem

Medical care provision and insurance coverage are challenged by unconnected systems, manual process and paper, leading to slow processing, reconciliations and errors. These result in poor customer experience and high expense costs, no to mention fraud potential.

- Sharing of medical records difficult & slow
- Challenging to secure personal data
- Challenges to verify insurance coverage
- Lack of visibility into treatment, medication provenance and care delivery
- Claims & deductible payments

Goals:

- Secure consent: Patient records secured and exchanged with patient consent
- Access: Seamless portability and interoperability of health data from multiple sources and platforms
- Verified care: Care providers and suppliers qualifications verified in real-time
- Supply provenance: Transparency on medication production & supply
- Automatic payments: Immutably linked to the patient, policy and care provision

Corda solution secures patient records, provides transparency on coverage and speeds up payments



Secure patient data shared with relevant parties in real-time



Care coverage and medication provision **verifiable and transparent**



Payments **automatically executed**

Motor Insurance Claims: Ledgertech & Bharti AXA India - Production

The Problem

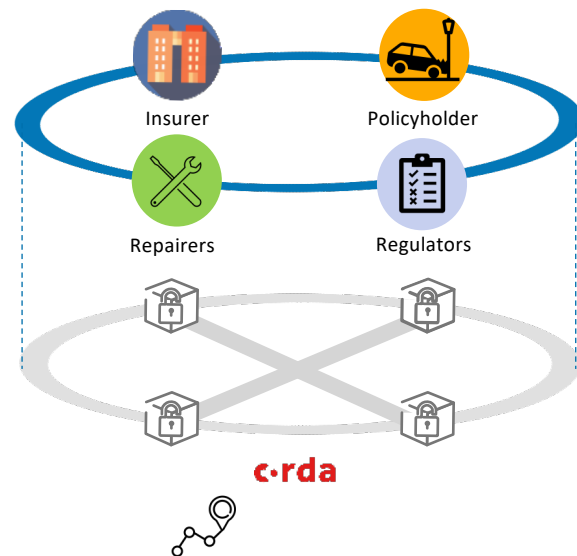
The motor insurance claims process in India is fragmented, complex and dominated by manual processes and handovers. Bharti AXA handles hundreds of thousands of claims every year:

- Heavily manual and time-consuming
- Lots of paperwork, phone calls and emails
- High costs, low margins
- Poor customer experience

Solution:

The Ledgertech application used by Bharti AXA integrates and streamlines the motor claims process end-to-end.

- Online real-time damage reporting, with digital “proof of loss” photo evidence
- Online recommendation is made to the customer of approved repairers
- Authenticated, tamper-proof data sharing is enabled on blockchain with regulators and other insurers in respect of the customer’s no-claims credits



Improved **customer outcomes**, **satisfaction** and **stickiness**.

Efficient, **trusted data exchange** between parties



Complete damage assessments in **minutes, rather than days**

Double digit percentage reduction in operating costs

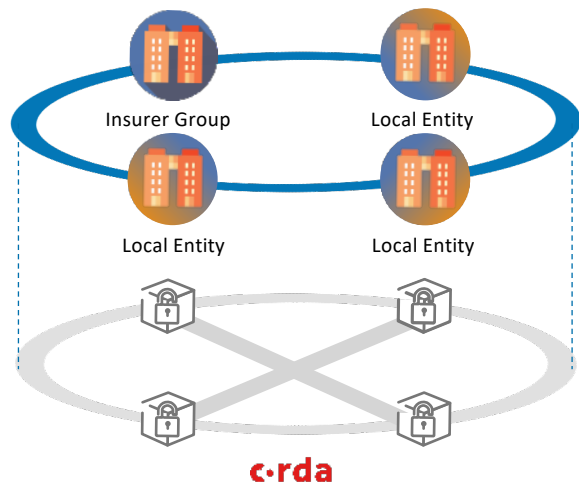


Reduction in fraud

Immutable end-to-end and **tamper-proof audit-trail**

Corda applications can be designed to unlock value by enabling trusted data exchange between business partners in the network

Intra-company Reconciliation: Top global insurer Germany – Deployment



The Problem

Group entities of large enterprises transact with each other on a daily basis for funding, risk transfer, lending, premium ceding & claims payments. In addition, shared management, facilities and services costs, tax allocations, and dividends are reconciled weeks if not months after the actual transaction:

- Limited transparency: What risks are written
- Time lag: Periodically closings (quarterly)
- Reconciliations: Manual efforts intensive
- Credit risk and capital tide up: Counter party credit risks & capital tied up

Goals:

- Transparency: On risks written in each BU, & assets and liabilities
- Cost saving: Reduction in manual work to close ledgers at period end
- Reconciliation: Reduce the reconciliation work & write-offs between ledgers
- Communication: Streamline the communication between multiple parties involved and cash-flow
- Cash flow: Faster settlements reducing credit risks

Corda solution delivers transparency, efficiency and speed across multiple business units



Transparent, efficient and trusted data exchange between business units



Reduction in reconciliations & re-work



Efficient cash flow and counterparty credit risk

Captive Management: Top 3 P&C Insurer in NorAm - Production

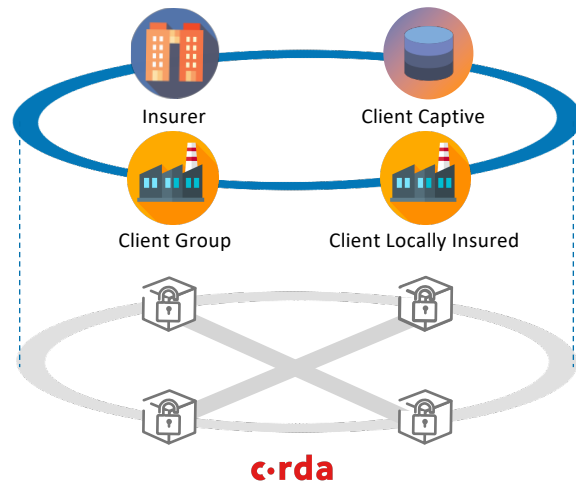
The Problem

Management of captives requires agreement on premium allocation split, distribution of invoices, cash flow management, and reconciliations:

- Cash flow payments are delayed
- Accounting & reconciliations are complicated
- Average time to process payments across 40 offices = ~40 days:
 - The fastest execution ~7 days
 - The longest takes over 90 days to complete

Goals:

- Timing of Payments: Accelerate the captive reinsurance payments from insurer to clients captive
- Reconciliation: Reduce the internal effort to reconcile invoicing, direct premium payment, and the assumed premium activity their captive
- Communication: Streamline the communication between multiple parties involved in the multinational program, and improve the visibility in the cash-flow



Corda solution reduces costs, enables improved customer service and provides market differentiation



Premium allocation **agreed by consensus**



Premium invoices **automatically distributed**



Premium & claims **payments automatically instructed**

30+ apps moving(ed) from Ethereum & Hyperledger to Corda



What our ecosystem is saying about Corda in Insurance



As we move closer to production, Corda Enterprise provides the participants on our insurance network ecosystem with the robust features needed to run securely in corporate IT environments.

Markus Tradt,
Chief Technology Officer, B3i



For a business transaction only the people who are involved in that transaction get to say it's right or it's wrong. Corda really abstracts the validation of business logic away from the idea that it's committed into the blockchain. That's the separation of the contract versus the notary and that model is what we needed to solve the privacy requirement.

Jamie Steiner
Business Development, Guardtime

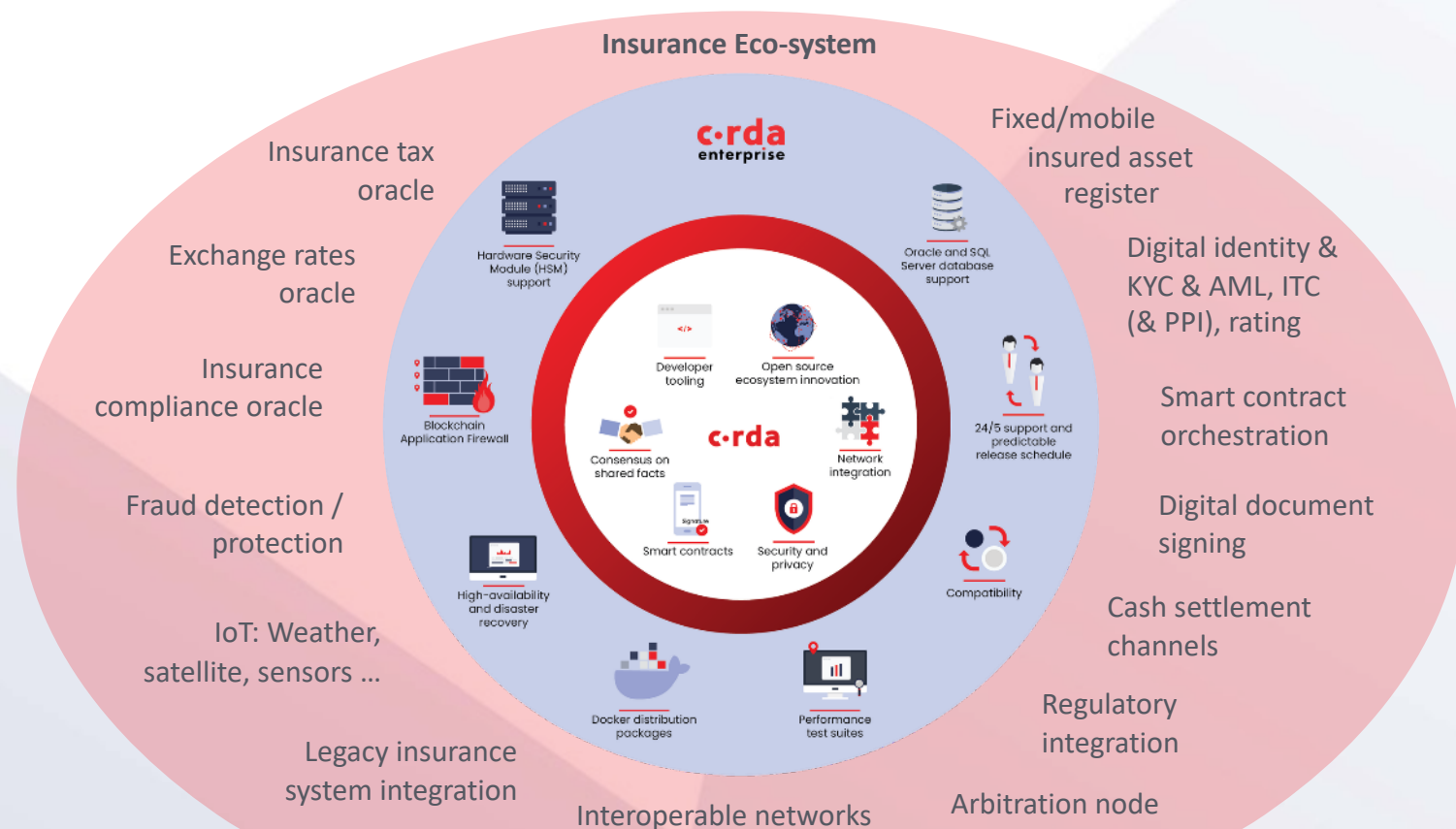


There are very few what we consider true enterprise blockchain platforms in the market and Corda is the prominent one for the insurance industry.

Chris McDaniel
President,
The Institutes RiskStream Alliance



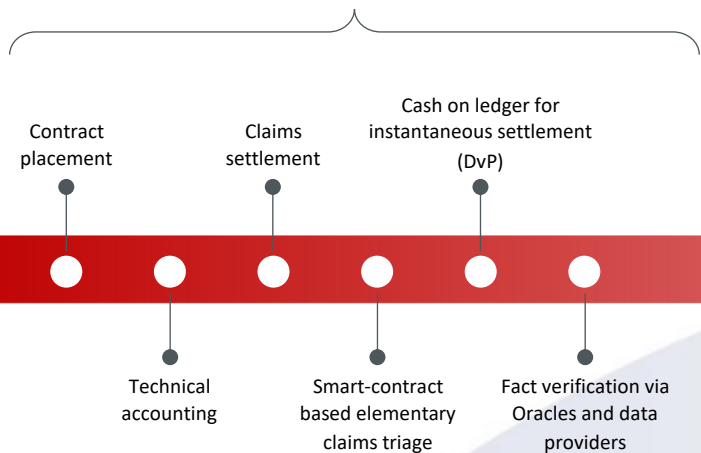
With the most valuable insurance eco-system in the market.....



...there's much, much more that can be done with Corda.

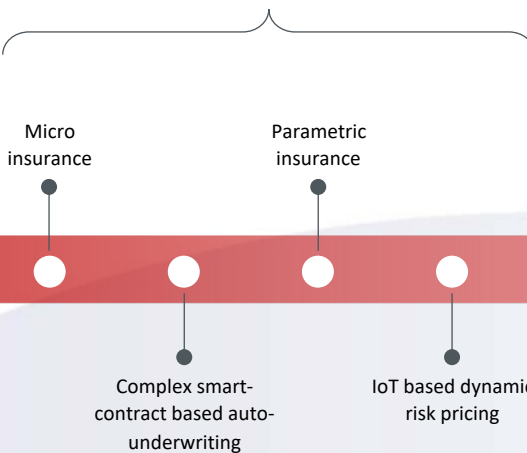
Near Term (1-3 years)

Theme: Replicating existing business processes & integrating with legacy systems



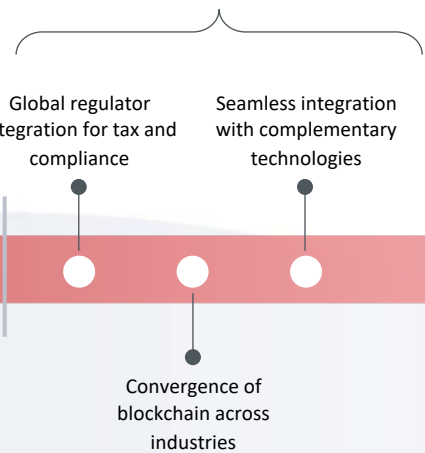
Medium Term (3-5 years)

Theme: Transforming business processes and deploying new products. Legacy systems being marginalised



Long Term (>5 years)

Theme: Blockchain is "normalised" & seamless interaction across industries





Thank you

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