

Finance

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# Deloitte to build Ethereum-based 'digital bank' with New York City's ConsenSys

*By Ian Allison at Consensus, New York*

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Consultancy giant Deloitte has announced plans to create a blockchain-based digital bank with the help of Ethereum-based financial services disruptor, ConsenSys Enterprise.

In addition Deloitte announced a slew of big ticket blockchain partnerships with BlockCypher, Bloq, Loyyal (formerly known as Ribbit.me) and the Stellar Development Foundation.

The project ConsenSys project will be using tools like the uPort identity system, and triple entry accounting system, Balanc3 to offer a digital suit of financial products to fundamentally transform banking, said a statement.

Deloitte, which works with each of the top 30 banks across its member firms globally, and ConsenSys Enterprise, the largest Ethereum-centric blockchain company in the world, uses its blockchain subject matter expertise to accelerate banks looking to transform their processes.

The firms' collaboration will focus on helping clients reimagine the core banking environment and consulting on how blockchain technologies can improve their traditional financial products and services, including in the lending and savings areas.

By using blockchain technology, the new digital banking framework will allow systems to be developed that can interact more reliably and securely, said the firms. Other areas of focus by the two firms will include creating innovations in the asset management and collateral management

space, linking blockchain and Internet of Things to provide real time data and insights on physical assets, as well as extending efforts around digital identity to form the foundation of a new core-banking digital products and financial transactions.

Kishore Atreya, head of consulting and digital banking at ConsenSys Enterprise, said: "We look forward to this collaboration with Deloitte. This provides an opportunity to bring together our ongoing blockchain efforts in digital identity (uPort), triple entry accounting (Balanc3), financial products (E.g. lending, bond market, escrow) and deliver customer centric exponential solutions in financial services."

Thomas Jankovich, Innovation Leader for Financial Services at Deloitte Consulting LLP, added: "Deloitte is treating digital transformation and innovation in financial services as a global priority and distributed systems technology is proving its potential for us and our clients.

"Having previously designed and built digital banking propositions entirely around customers, we understand the importance of service architectures and organisational capabilities needing to be strong, flexible and nimble and blockchain checks all the boxes.

Deloitte said in a statement that it is developing 20 blockchain-related prototypes that cover a multitude of uses such as digital identity, digital banking, cross-border payments, and loyalty and rewards, as well as in the investment management and insurance sectors.

"Blockchain is proving to be a major disruptive force in financial services," said Joe Guastella, a principal with Deloitte Consulting LLP, and U.S. and global leader of the financial services practice. "The industry prototypes and pilots have shown this, and we continue to focus on helping our clients to make blockchain a reality for their businesses."

"These five blockchain companies are collaborating with Deloitte's teams not just in the US, but across key geographies as well. Each complements our deep industry experience and, together, we are harvesting the benefits of blockchain technologies - developing new revenue models, improving

cost efficiencies and creating innovative solutions across the globe," said Guastella.

Deloitte's approach involves collaborating with its clients from idea stage through to the end commercialisation, serving as the consultancy version of an incubator. As part of that process, Deloitte works with clients to rapidly build and test ideas, leveraging the latest solutions from its fintech ecosystem and integrating them into complex client environments, said the consultancy.

Each blockchain company can contribute a distinct capability or technology to Deloitte's clients:

BlockCypher is a cloud blockchain provider. It enables developers and enterprises to easily build reliable blockchain applications. BlockCypher's platform runs Ethereum, Bitcoin and custom private chains at-scale.

Boq provides enterprise grade blockchain solutions to leading companies worldwide. Deloitte and Boq are working together to deliver blockchain-enabled technology designed to improve integrity and security, and reduce costs in the \$1.1 trillion insurance industry.

ConsenSys is a production studio building decentralized applications and various developer and end-user tools for blockchain ecosystems, focusing primarily on Ethereum. Deloitte and ConsenSys have joined forces with the common purpose of fundamentally transforming banking into true digital enterprises.

Loyyal is a universal loyalty and rewards platform using blockchain and smart contract technology. It introduces interoperability to the currently fragmented industry, multi-branded coalitions, program liability management and dynamic issuance/redemption options customised for each unique relationship.

Stellar.org connects financial institutions, payments systems, and people so that anyone can send money to anyone else quickly and reliably. The Stellar network is designed to reduce friction and

