



BanQU

Dignity Through Identity™

April 2017 – ID4Africa Presentation

Agenda

- Defining the problem
- Solution
- Distributed Ledger Technology (DLT) aka Blockchain
- Market Validation
- Economic Identity on Blockchain (DLT)
- Current State vs. Future State
- Sample Pilots

Problem Trifecta

Extreme Poverty – A Design Flaw in the Global Economic Ecosystem

Refugee Crisis / Migration – A Design Flaw in the Migrant Population Assistance and Diaspora Remittance

Emerging Markets Failed Promise – A Design Flaw in the Supply Chain of Products and Services Delivery

Over 2.7 Billion people lack an
Economic Identity

Over 65 Million refugees lack a portable, trust-
verified, diaspora-connected
Economic Identity

Conservatively, over \$2 Billion is lost or
misused, annually, in the developing world
due to lack of a verifiable “first-mile”
Economic Identity



Definition: ec·o·nom·ic i·den·ti·ty

- Digital or electronic credentials defining a person, persons, or organization and their history of transactions: financial, education, life events, and/or other interactions in the world economy
- Collection of individual assets and/or other collateral to gain access to finance and economic empowerment
- Supply chain elements (medicine, food aid, education etc.) that intersect with daily life identity events

Solution: Linking directly with the UN SDGs

Reinvent - Global Financial, Supply Chain, and Identity Systems

Enable – Demand-driven Data, Information, and Insight for the UN SDG 2030 Agenda

Leverage – Distributed Ledger Solution in Coordination with Existing Systems and Orgs



A blockchain-based **Economic Identity** that is owned, secured, and managed by the individual and connected via a trust-network of supply and demand

Leveraging centuries-old practices when trade was based on social and trust relationships (shared village knowledge, village funerals, village commerce)



Trust-Network Enablement Information:

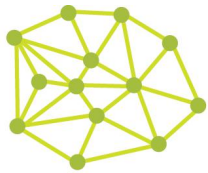
- Family and trusted relationships
- Diaspora relationships
- INGOs, UN, Government relationships

Information Baseline:

- Demographic
- Property and assets
- Credit and transactional history
- Health records
- Education records
- Energy consumption

What is DLT and blockchain technology?

The blockchain is a database or ledger that maintains a continuously growing list of records or transactions. **But... blockchains have special qualities that make them better than traditional databases**



DISTRIBUTED

A group of servers, or nodes, maintain the entries (known as blocks) so no central authority is required to approve transactions.



PERMISSIONED

In a permissioned blockchain, only appointed nodes are given the authority to validate blocks of transactions and only participants in the network can create smart contracts or transact on the network.



SECURE

The database is an immutable and irreversible record. Posts to the ledger cannot be revised or tampered with — not even by the operators of the database.



TRUSTED

Distributed nature of the network requires computer servers to reach a consensus, which allows for transactions to occur between unknown parties.



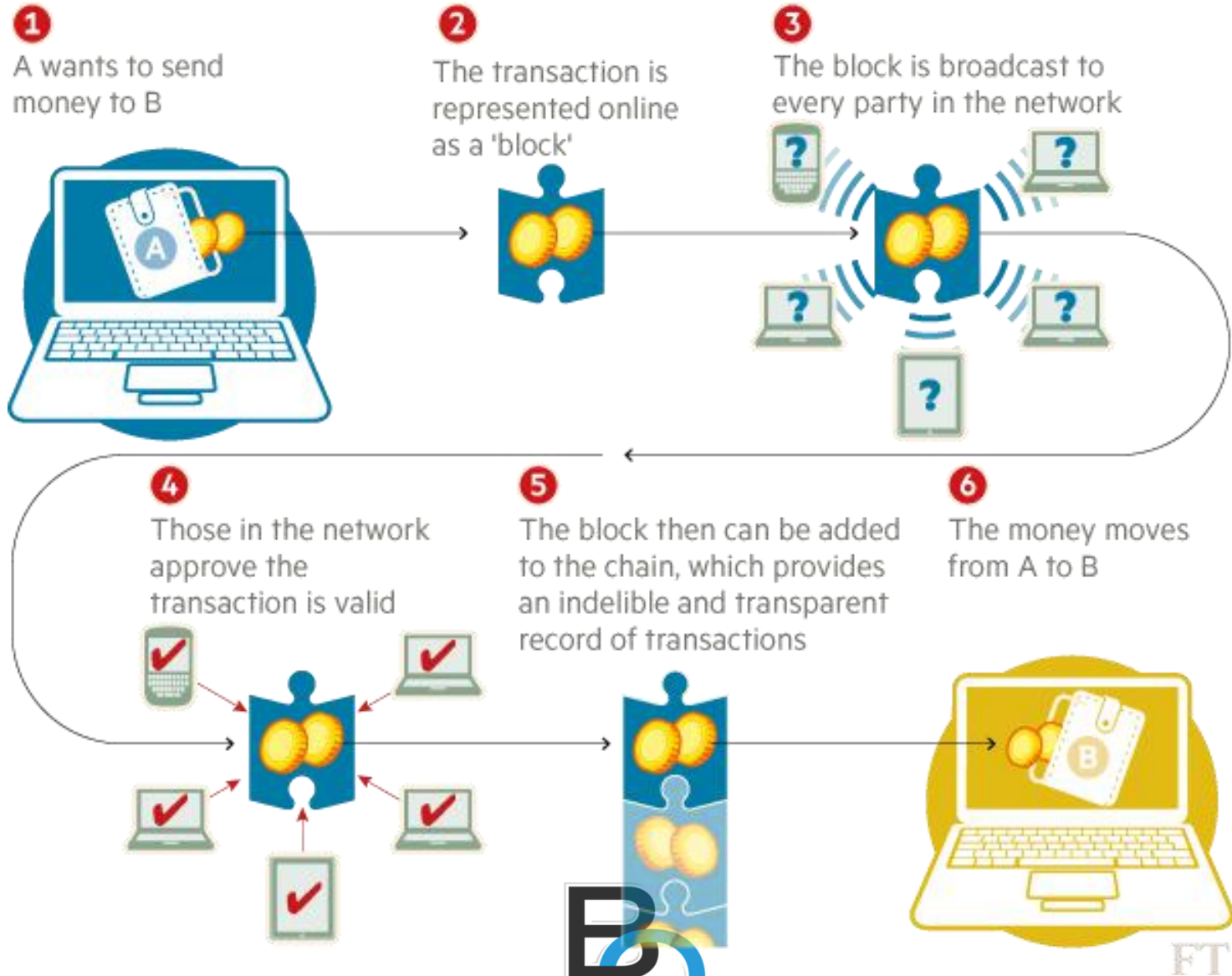
AUTOMATED

The software is written so that conflicting or double transactions do not become written in the data set and transactions occur automatically.

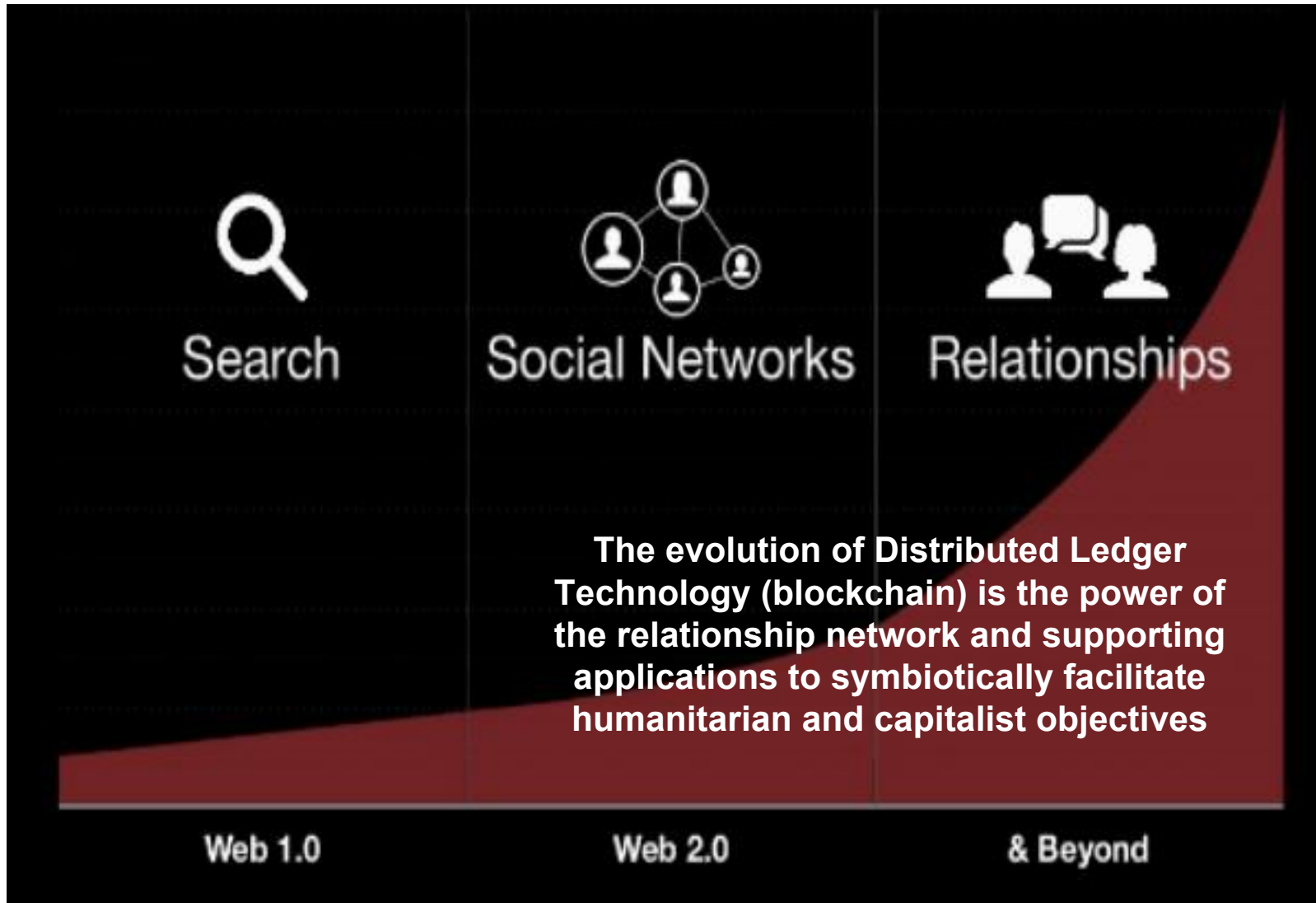
Though initially intended for financial transactions, blockchain technology can be used to record, track, and verify trades of virtually any asset. From land titles to commodities to voting, companies and governments across the globe are exploring ways to use the blockchain.



How a blockchain works



The Evolution / Environment



Macroeconomic Environment

- Individual economic hardship is increasing the poverty populations
- Enterprise economics require efficiencies to continue serving constituents

Legislative Environment

- Banking reform
- Refugee populations

Prerequisites Fulfilled

- Enabling technologies (distributed ledger technology, mobile device proliferation, internet access)

BanQu – Dignity Through Identity™

- **We unlock access to capital and open new economic opportunities for the poorest**
- Harnessing the benefits of a distributed ledger (permissioned Ethereum blockchain) across a trust network for the BanQu platform augments identity with critical life events and transactions

***Land Rights
Property Records
Harvest History
Crop Insurance
Asset Tracking***

***Micro Finance
Diaspora Remittances
Collateral Assets
Daily Purchases***

***Birth Registration
Immunization History
Health History
Education
Job Skills***



BanQu: An Economic Identity Solution for Know Your Customer

A unique, blockchain based Economic ID solution linked to financial transactions, liens, government and banking records, property, and other important assets

- IDs are a visual selfie, (could include biometric verification) portable, immutable and secured through a private, permissioned distributed ledger.
- Ability to do third party verification through integration with existing systems.
- For individual consumers, SMEs and financial services providers a digital ID solution linked to financial and non-financial transaction history.



Trust-Network Enablement Information:

- family and trusted relationships
- business, govt., diaspora relationships

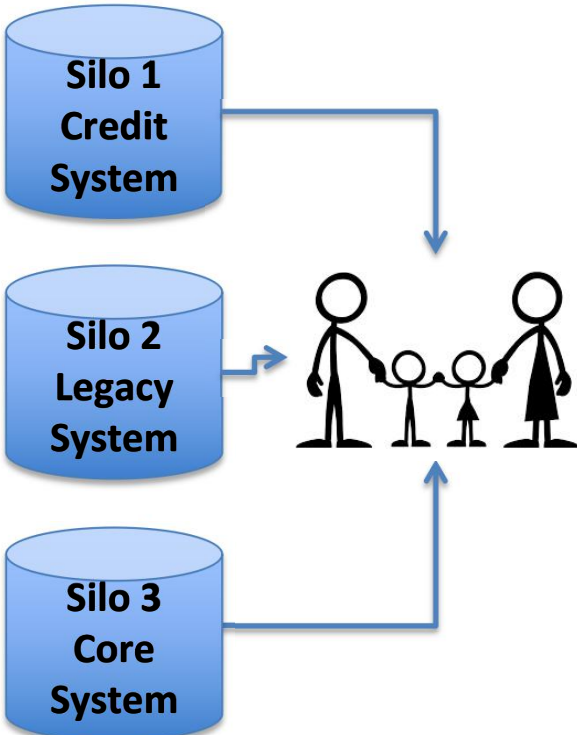
Personal Information Baseline:

- demographic
- property and assets
- credit and transactional history
- health records



Current State vs. Future State

Many banks have multiple, non-interoperable systems



Compliance Costs and Challenges



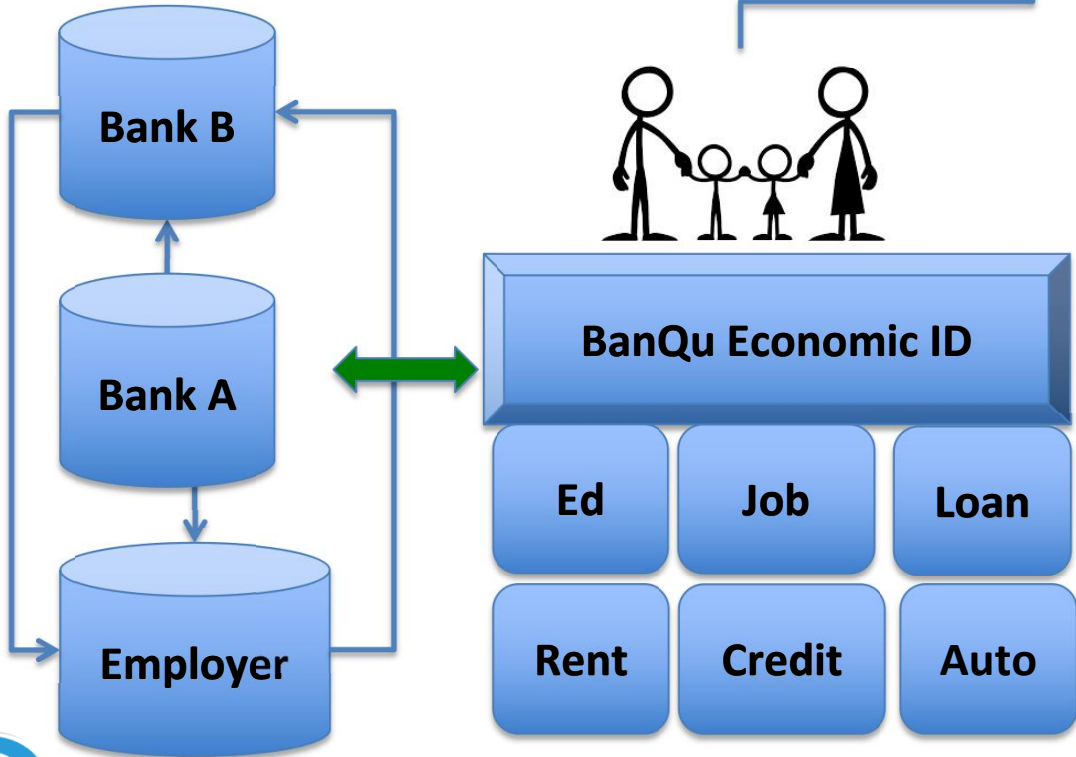
Potential for Fraud, Inefficiency



Restart with new INGO every time



Path to stronger KYC/AML Compliance



Economic Identity Platform Solution / Value Propositions

Dignity Through Identity™

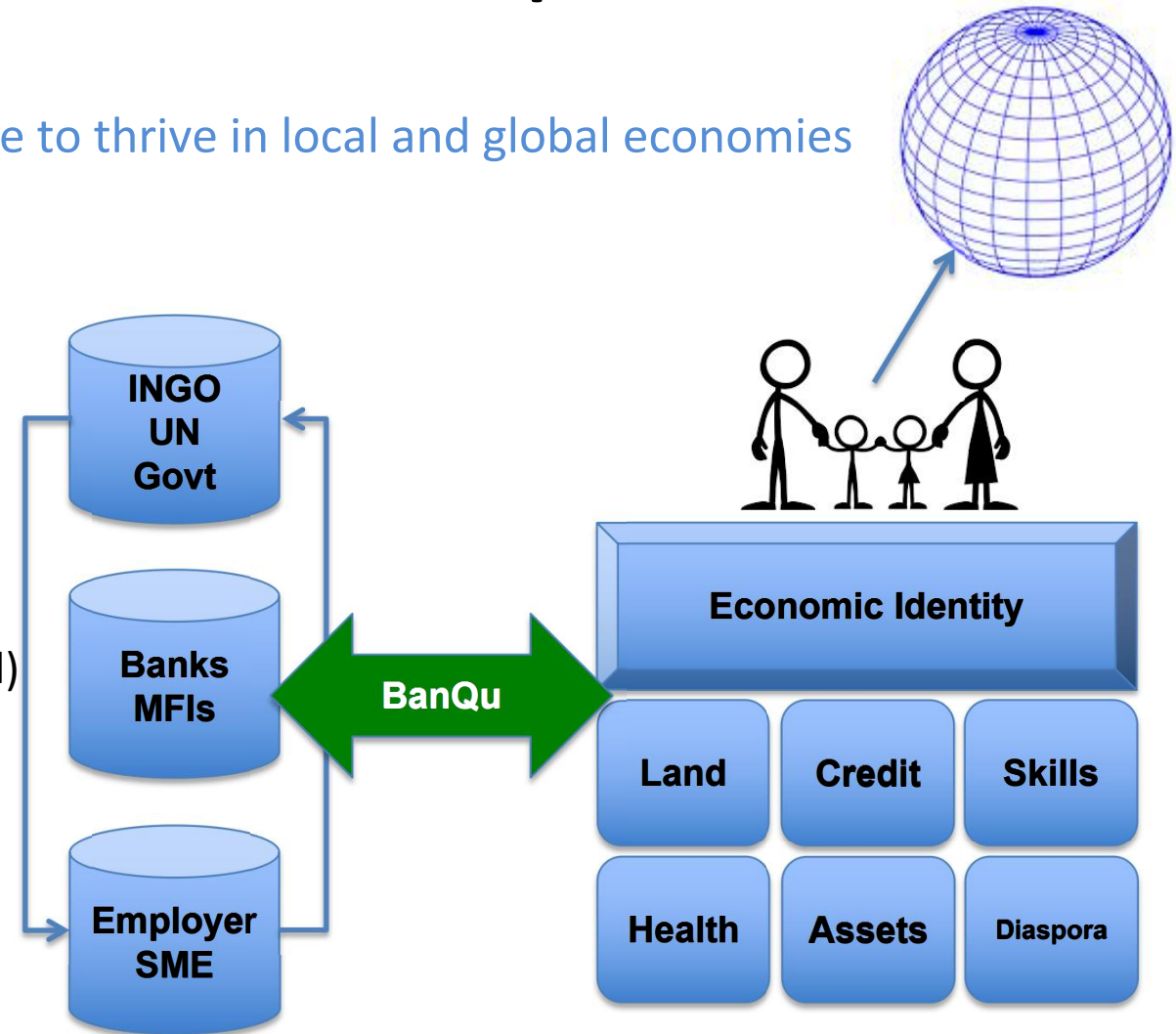
Capturing meaningful life events the poor can leverage to thrive in local and global economies

Individuals

- Identity Portability, Transparency and Ownership
- Immutable Historical Transactions and Life Events
- Network Effect
- Lower Cost Access to Finance

Organizations

- Lower cost of customer acquisition (bottom of pyramid)
- Greater Data and Transaction Transparency
- Operational Efficiencies
 - ✓ Decreased resources, centralized infrastructure
 - ✓ Data security
 - ✓ Real-time data, reporting
 - ✓ “Know Your Customer”



Sample Pilots

- **Supply Chain Transparency** for small plot farmers in South East Asia for global cocoa / coffee buyer
- **Banking The Unbanked** via Level 1 & 2 KYC in West Africa
- **Moveable Asset Registry** and related to Access to Finance in East Africa & Middle East
- **Shared KYC** for mobile money and micro-finance in Latin America
- **Life-Saving Medications Supply Chain Optimization** for multi-billion dollar global corporation
- **Economic Identity for Refugees** in Middle East and East Africa
- **Vehicle Registration** to enable lower cost financing for low-income groups in North America

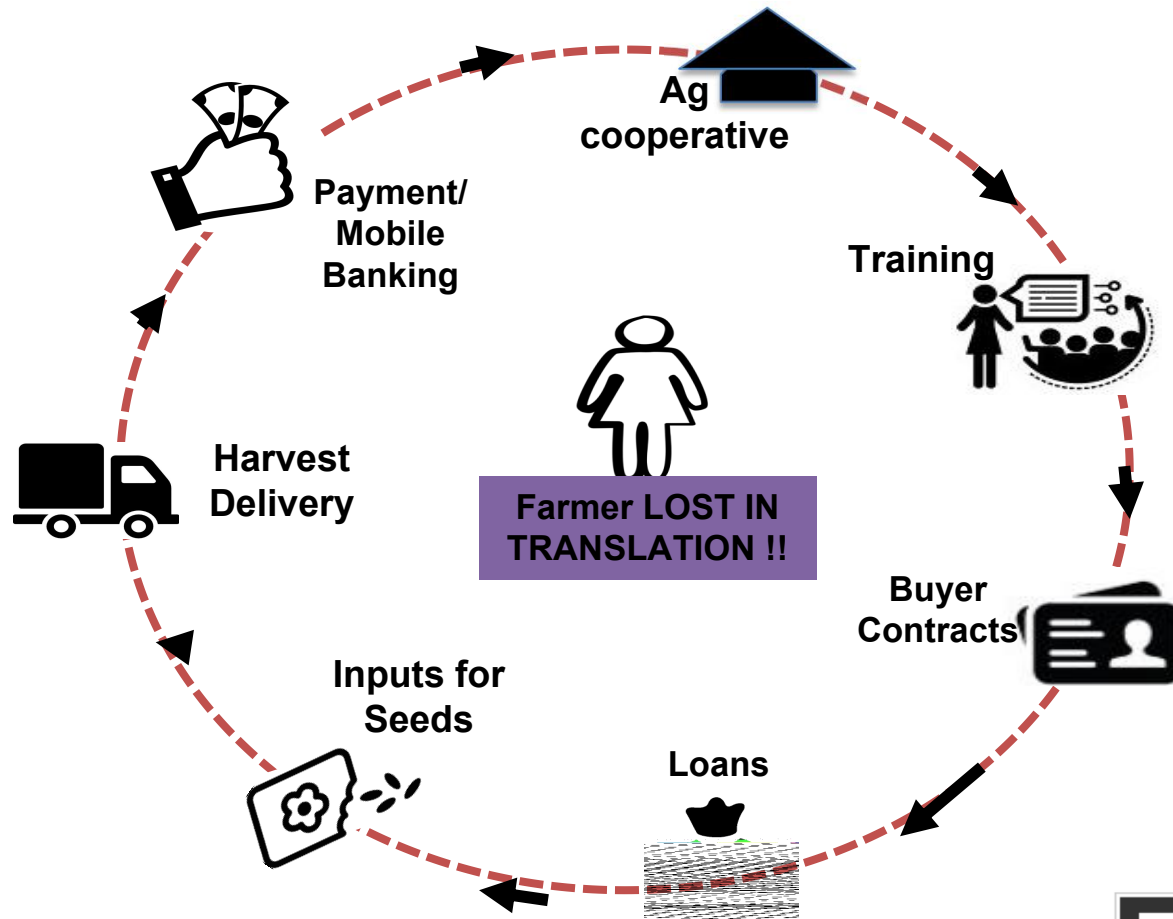


Real World Use Case – Problem – Unbanked Farmers, No KYC

Fragmented and supply driven supply chain with little to no focus on the demand side ->The Farmer! (Last Mile)

Unbanked = no or little access to credit / finance

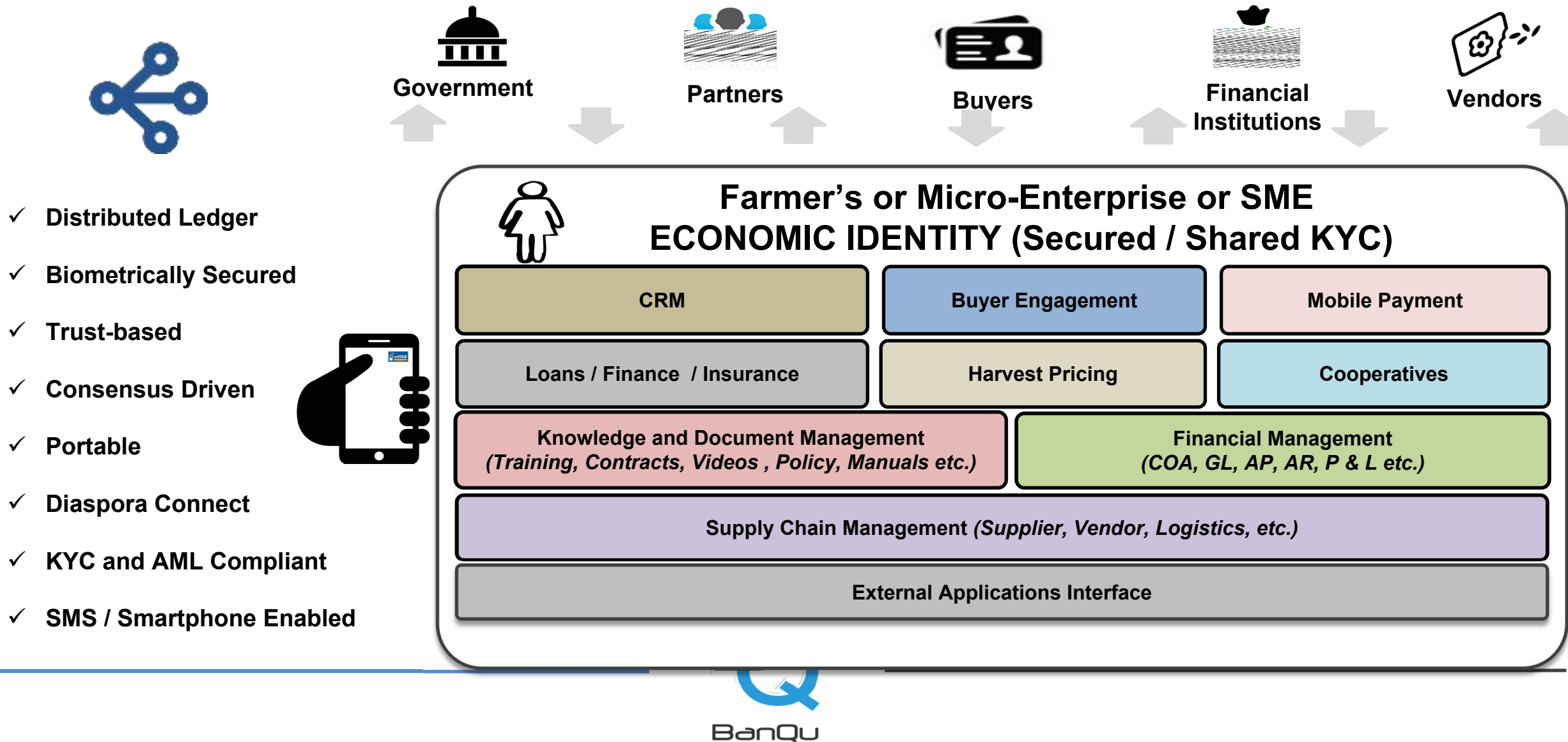
Locked in silos



- Farmer doesn't own his / her data on land, harvest or credit.
- Often times co-ops, MFIs, INGOs have all the farmer data and are able to control the value chain hence also control the price points on seed inputs, harvest and cost of capital.
- Land rights are either absent or paper-trail filled with bureaucracy.
- All data collected by various stakeholders is fragmented and in silos.
- Multiple levels of "middlemen" will add costs that are ultimately passed on to the farmer in the form of high cost of finance / capital.
- No meaningful access to crop insurance.
- UNBANKED!!
- NOT PORTABLE!!
- DISCONNECTED FROM DIASPORA!!

Real World Solution (Shared KYC, Cross-border, Last-mile Banking)

End-user owned economic identity that puts him / her in the driver's seat to establish a long-term economic path

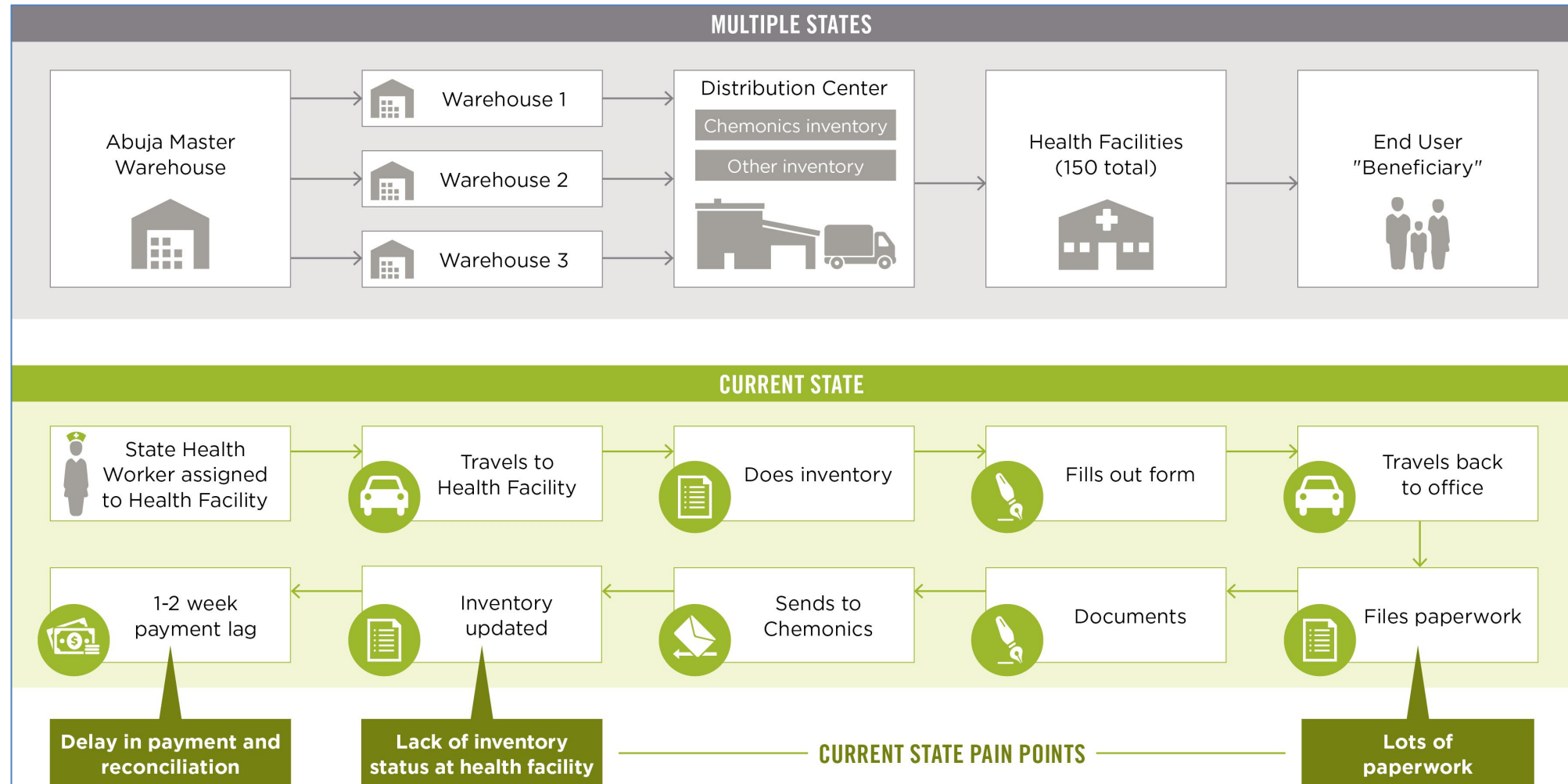


Real World Use Case – Problem – Lack of Transparency in Supply Chains

Leakage in life-saving drugs supply chain for large corporations and aid organizations

High degree of inefficiency

No sustainable or responsible sourcing mechanisms (ex: conflict minerals, fake medications etc.)



Real World Solution (Supply Chain Transparency, Chain of Custody etc.)

End to end visibility and proof of delivery

Asset / purchase-order financing to reduce overall cost

Increase in customer acquisition and linking the unbanked to the global supply chain

