Blockchain In Banking: 15 Possible Use Cases

Swipe right to find out what blockchain for banking is all about
1. Interbank Transactions

Real-time interbank fund verification would unify banks and reduce fees. That would mean quicker wire transfers at a lower cost. Cash flow oversight is a task fit for automation, and the blockchain is a suitable candidate for the job. R3 (Corda), Billon Group and China Construction Bank are working on this.
2. Cross-Border Transactions & Remittance

Blockchain-powered payment services charge less than one percent in fees on cross-border payments. They take only a few hours to process, and account for billions of dollars in international transfers completed.
3. Smart Contract Enforcement

Smart contracts hold both parties to an agreement, enforcing that contract with a self-executing algorithm. Money stays in escrow only to be released when the conditions of the agreement are fulfilled. Smart contracts substantially reduce the element of trust.
4. Cryptocurrency Banking Services

Some banks have started offering crypto-centric financial management services.

Banks who comply with regulators to pair their strong reputations with cryptocurrency offerings could have significant competitive advantage.
5. Record Sharing and Storage

Banks hold massive stores of records because they have so many customers. Those records are very valuable to bad actors. Blockchain also stores records in a decentralized fashion, providing top-flight security and easy accessibility. This system also eliminates the risk of complete record loss.
6. Clearing and Settlement

This is the vision that some hold for blockchain in the clearing and settlement process. Employing blockchain technology as an alternative to central counterparty clearing houses could make the vision come true.
7. Loan Syndication

The primary issue with syndicated loans is a lack of transparency from underwriters. Unified records systems could create clarity to drive efficiency. The blockchain allows remote access by credentialed parties without sacrificing security. It could be the solution to inefficiency in loan syndication.
8. RegTech for Cryptoassets

A Vietnamese company called Modern Tech launched an initial coin offerings (ICO) for Pincoin earlier this year, raising a whopping $660 million from 32,000 people.

Using blockchain-powered algorithms to monitor potential criminality in crypto markets could save innocent people from themselves.
Know Your Customer (KYC)

The industry needs an automatically updating database for KYC-related customer information. The blockchain could be the anchor for automation in KYC practices. As a shareable but secure financial ledger, the blockchain may help store and share KYC-related data.
10. Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF)

Investigations would become far quicker and cheaper with blockchain. Because data logged on the blockchain is distributed across hundreds or even thousands of nodes, altering the entire decentralized record is effectively impossible.
Blockchains can store verified, immutable data, so they're perfect for sharing files between regulators and compliance departments. This self-executing technology will likely cause compliance departments to downsize. That's a bummer for employees, but automation could replace this costly error-prone reporting framework.
12. Trade Finance

Blockchain technology could help decrease recordkeeping costs and eliminate some intermediaries while simultaneously weaning trade financiers off of paper-based systems that cost time and money.
13. Data security

The blockchain’s decentralized security detects backdoor hacks more easily than its alternatives. Blockchain tech secures and privatizes data through encryption and cryptographically protected passkeys. This is ideally suited to the banking industry, where both security and privacy are critical.
14. Increasing Transparency

The blockchain allows unparalleled data aggregation, fund tracking, and transparency. This will expose and reduce risky practices while rewarding responsible bankers.
15. Serving the Unbanked

Blockchain-powered banking platforms provide inherent security and the ability to create a decentralized lending network. Blockchain and cryptocurrency-based solutions could completely replace predatory businesses like check cashing and payday advances with fairer, transparent systems.
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