

Banking & Capital Markets

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Blockchain or DLT for Banking and Capital Markets:



This is **not** Bitcoin for Banking

Blockchain is Distributed Ledger Technology (DLT)

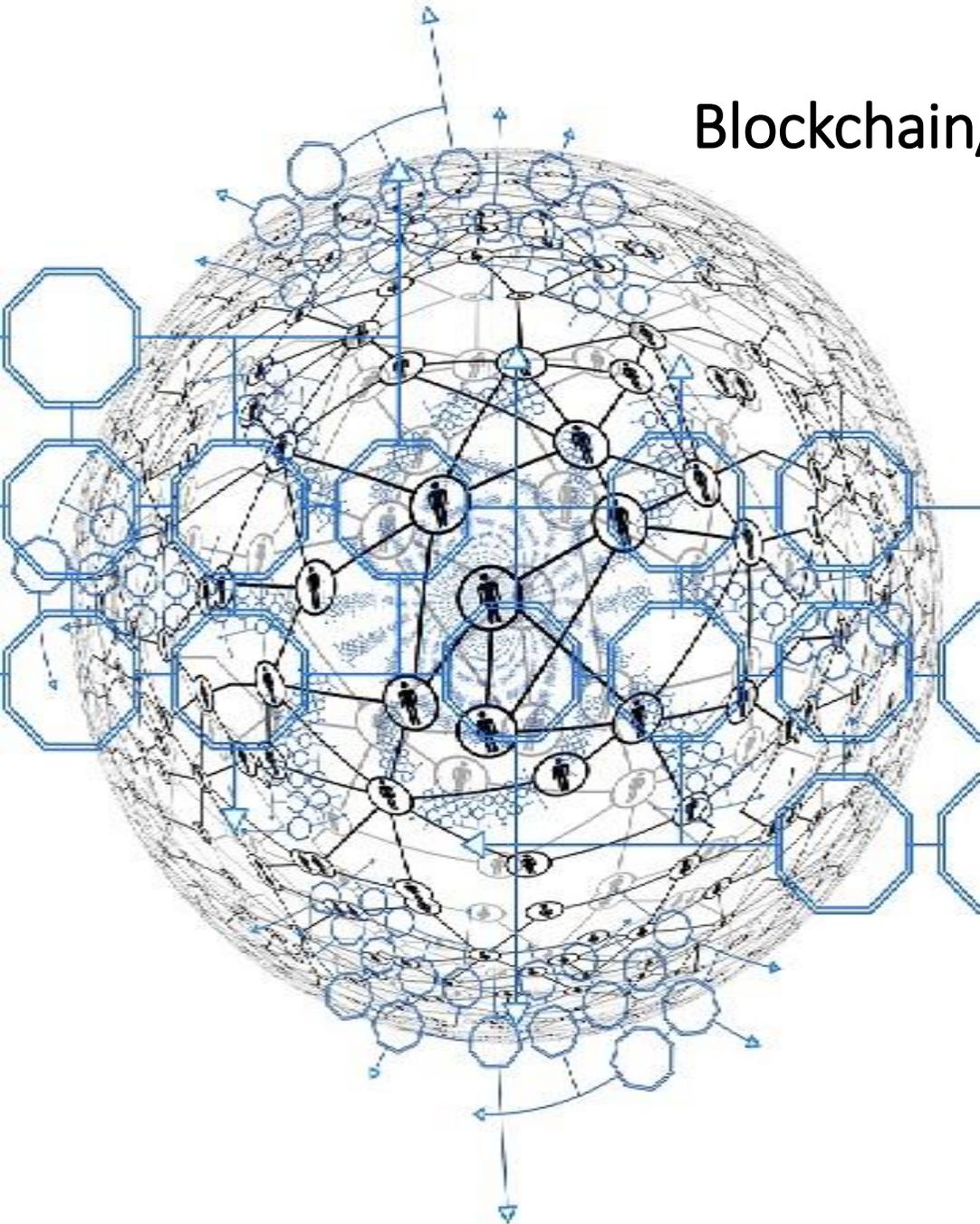
As the *internet protocol* was for
decentralized communication
for many *different formats*.

Blockchain/DLT protocols should be
for *decentralized transactions* of all
digital or digitized *assets* in the
financial services.

Blockchain/DLT for Banking and Capital Markets:

Blockchain Potential

- Security
- Quality
- Performance
- Accessibility
- Affordability
- Low cost of entry





Financial Services Infrastructure - Current State:

- Inefficient
- Reactive
- Risky ⁽¹⁾
- Old Tech
- Competitor prohibitive
- Month/Qtrly reporting

These are the holistic challenges that Advanced Blockchain or Distributed Ledger Technology (DLT) solutions will address.

*Not unique to
the financial services*

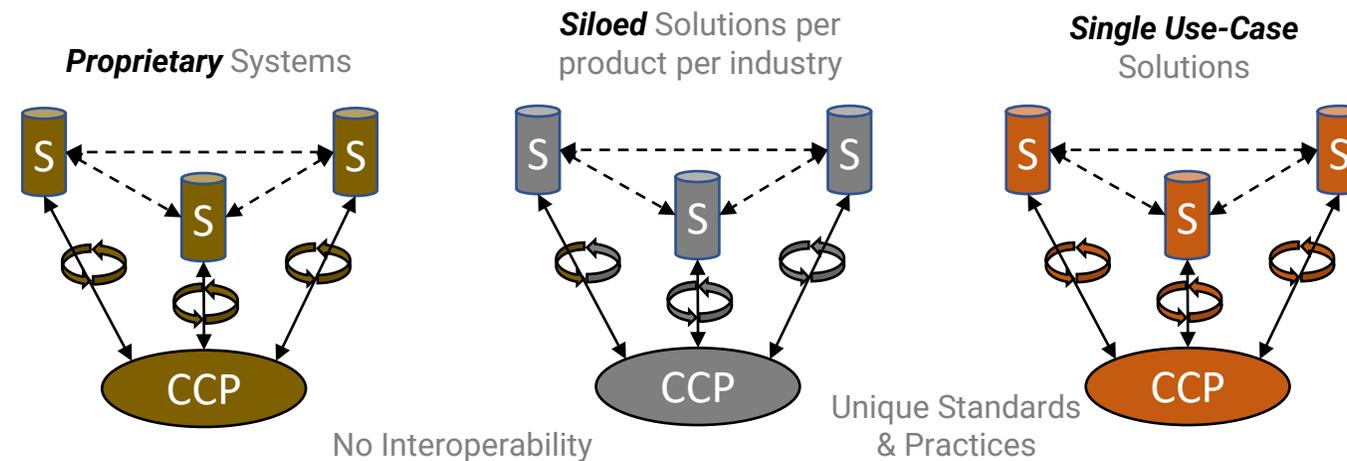
⁽¹⁾~\$8Bn/day counterparty risk collateral posted for US Equities market per Greenwich Associates Steampunk Settlement Report

Financial Services Infrastructure - Current State:

Consistent with Pre-internet – siloed solutions with centralized controls

Current State:

Independent, inefficient, product-specific, solutions reliant on near-obsolete infrastructure.

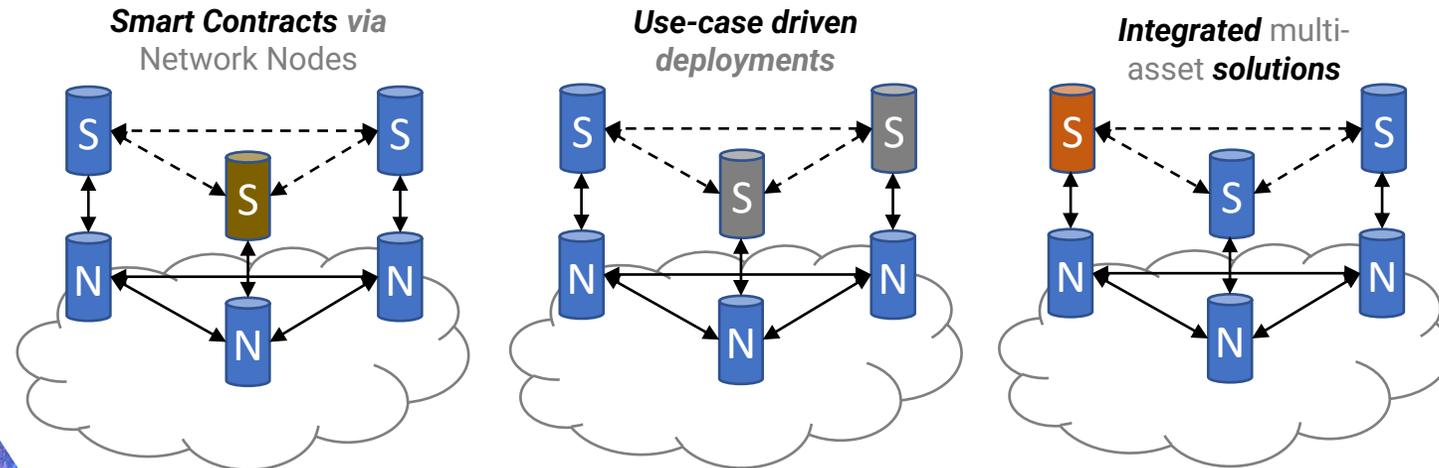


Blockchain/DLT for Banking and Capital Markets:

Like the Post-internet Decentralized Party-to-Party Transactions

Blockchain/DLT as a Solution:

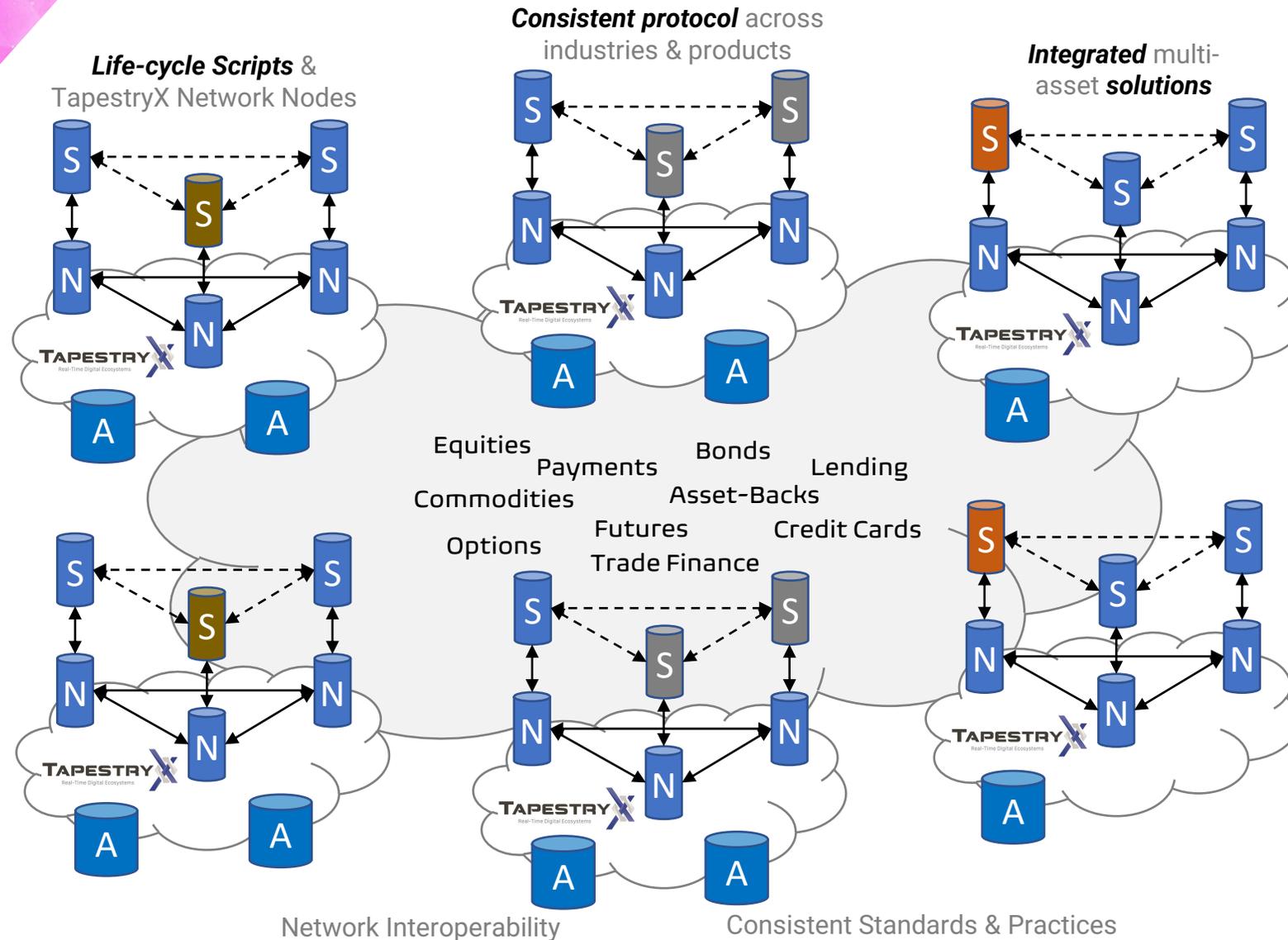
Future State: *A solution for regulated, permissioned networks.*



TAPESTRY X as an example Solution:

Real-Time Digital Ecosystems

A universal protocol for digital ecosystems.



Standard Building Blocks (*TapestryX™* Nodes and Airlocks) regardless of the use case.

Real-time settlement, reconciliation and accounting

Legacy infrastructure interoperability via Airlocks

Zero Counterparty Risk

Reduced or eliminated financing & collateral costs

Automated network (*SaaS/PaaS*) configuration and set-up

TapestryX DLT Solution – Capabilities vs Results:

Capabilities:

- Simple scripts
- Self-synchronizing⁽¹⁾
- Real-time
- Working market scale
- High Frequency Capacity
- Dual-entry accounting⁽²⁾
- Interoperability

Potential Realized

- **Security**
- **Quality**
- **Performance**
- **Accessibility**
- **Affordability**
- **Low cost of entry**

⁽¹⁾ Network consistency & completeness without mining, consensus or central control.

⁽²⁾ Archived transaction periods and future-dated payables & receivables.



Blockchain/DLT Realities

- Trust Banks have been formed to hold digital/crypto assets
- Multiple digital exchanges are registered with regulators
- Legacy banks are partnering with FinTech's to allow customers to trade and custody crypto assets
- Global banks are creating blockchain internal transfers
- Multiple banks/brokers have POC's with stock exchanges
- Depositories have POC's for digital clearance & settlement
- Fiat-Coin-Fiat bank to bank transfers have been established
- At least 40+ Central Banks around the world are in the process of developing CBDC's

...how will the future unfold?

Blockchain/DLT for the Financial Services – The Future

