PROVENANCE

BLOCKCHAIN FOR THE FINANCIAL SERVICES INDUSTRY.

Mike Cagney, CEO
WHAT IS IT?

- Proof of Work versus Proof of Stake
- Public versus Private
- Smart Contracts
Trustless Data
Data is authenticated by source, processed by smart contracts. A will always equal B, and you don’t need to trust A.

Immutable History
Information can never change, only be appended. Chain of custody on blockchain.

Distributed Information
Blockchain and smart contracts are held by multiple parties. Redundancy and certainty.
**WHY DOES IT MATTER?**

- Ledger provides auditable trail of all activity
- Registry provides ownership, encumbrance and chain of custody
- Exchange provides a way to move assets without friction
$3 TRILLION

US ANNUAL

SECURITIZATION

LIQUIDITY COSTS

ONGOING ADMIN COSTS

RATINGS

SECURITIZATION COSTS

COMMUNICATION COSTS

ORIGINATION COSTS

ASSET SALE FRICION

AGGREGATION COSTS
ADDING A MEMBER

Smart Contract
Bank Account

Node

Member

Omnibus Bank

Administrator
ORIGINATING A LOAN

1. Member

2. Borrower

3. Omnibus Bank

4. Loan

5. Borrower

6. Node
RECEIVING PAYMENTS

Node → Loan → Omnibus Bank

1. Borrower
2. Omnibus Bank
3. Member

Node → Loan → Omnibus Bank

4. Loan

Node → Loan → Omnibus Bank

5. Node
TRADING LOANS

Node → Node → Node

Member 1 → Member 2

Omnibus Bank

Member 1 → Member 2

Smart Contract
FINANCING LOANS

Node

Member 1

Member 2

Omnibus Bank

Member 1

Member 2

Node

Node

Node

Smart Contract
SECURITIZING LOANS

- **Loans of member 1**
- **Security Token to Member 2**
- **Security Token to Member 3**
- **Omnibus Bank**
- **Member 1**
- **Member 2**
- **Member 3**

Nodes and smart contracts are involved in the process, ensuring secure and transparent transactions.
VALUE PROPOSITION

150 – 200+ bps on $3 Trillion USD Annual = $45 - $60+ Billion TAM

<table>
<thead>
<tr>
<th>Feature</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower Origination and Aggregation Costs</td>
<td>25-50 BPS</td>
</tr>
<tr>
<td>Lower Deal Costs</td>
<td>25-50 BPS</td>
</tr>
<tr>
<td>Improved and More Efficient Ratings</td>
<td>?</td>
</tr>
<tr>
<td>Improved Liquidity</td>
<td>100+ BPS</td>
</tr>
</tbody>
</table>
# Larger Opportunity

<table>
<thead>
<tr>
<th>Market</th>
<th>Outstanding ($Tn)</th>
<th>Provenance Benefit ($Bn)</th>
<th>Provenance Opportunity ($Bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securitized Loans</td>
<td>$13</td>
<td>$75</td>
<td>$25</td>
</tr>
<tr>
<td>Non Securitized Loans</td>
<td>63</td>
<td>100</td>
<td>33</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>94</td>
<td>100</td>
<td>33</td>
</tr>
<tr>
<td>Public Debt</td>
<td>63</td>
<td>15</td>
<td>6</td>
</tr>
<tr>
<td>Public Equity</td>
<td>71</td>
<td>18</td>
<td>6</td>
</tr>
<tr>
<td>Private Equity</td>
<td>1</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>$305</td>
<td>$311</td>
<td>$104</td>
</tr>
</tbody>
</table>
WHAT ABOUT TOKENS?

We aren’t fans of tokenizing this...
WHAT ABOUT TOKENS?

But we do like Hash (and other security) tokens...