

# Staying ahead of the digital disruption curve

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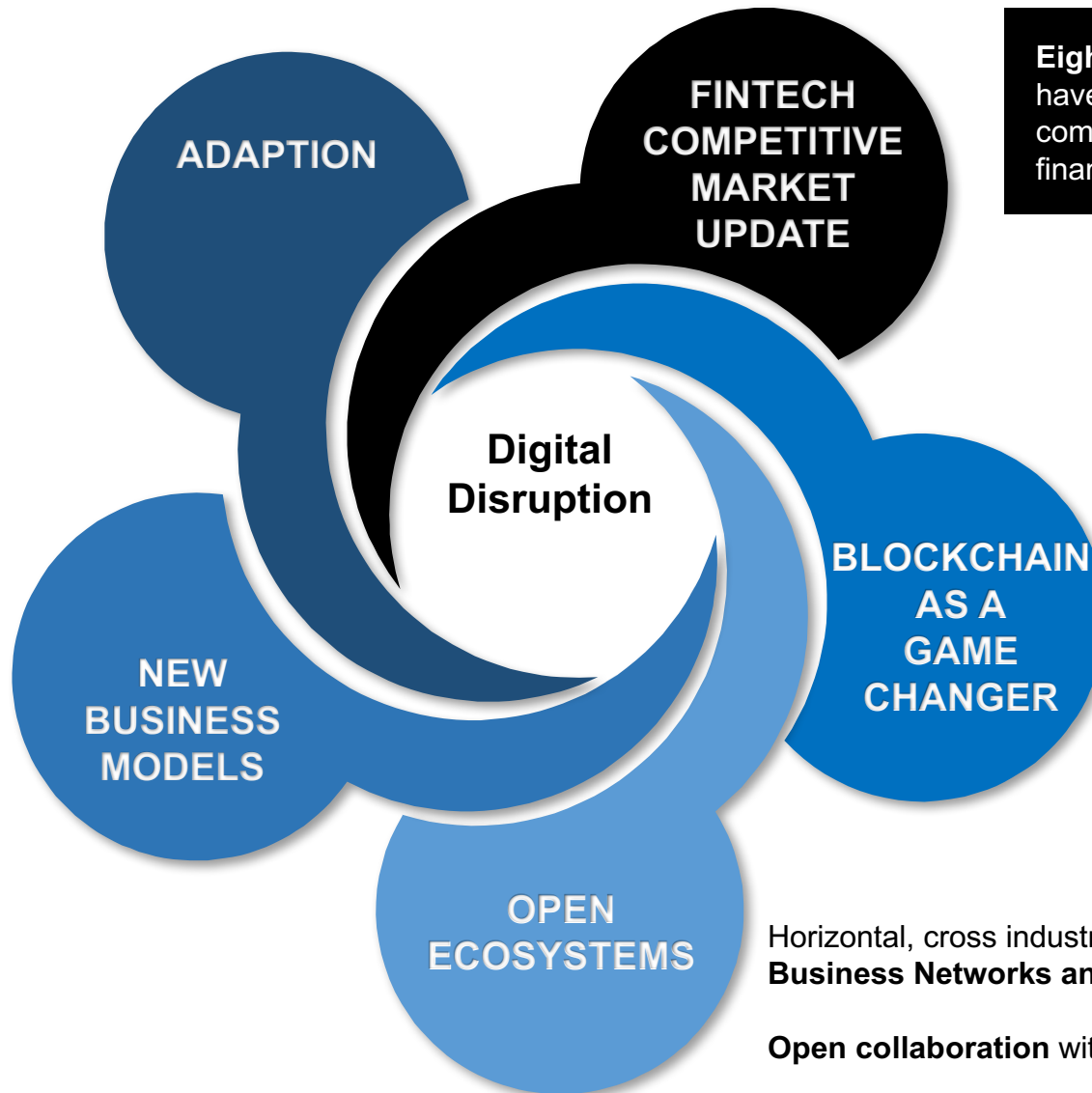


# Staying ahead of the digital disruption curve

## Key Messages

Business innovation driven **adaption**

Shift to **open platform** based and **decentralized Business Models**



**Eight disruptive forces** that have the potential to shift the competitive landscape of the financial ecosystem

First movers are focusing on **selective use cases into production**

**Convergence** of emerging technologies blur the lines of industries

Horizontal, cross industry collaboration in **Business Networks and Consortia**

**Open collaboration** within the Ecosystem

# Eight disruptive forces that have the potential to shift the competitive landscape of the financial ecosystem

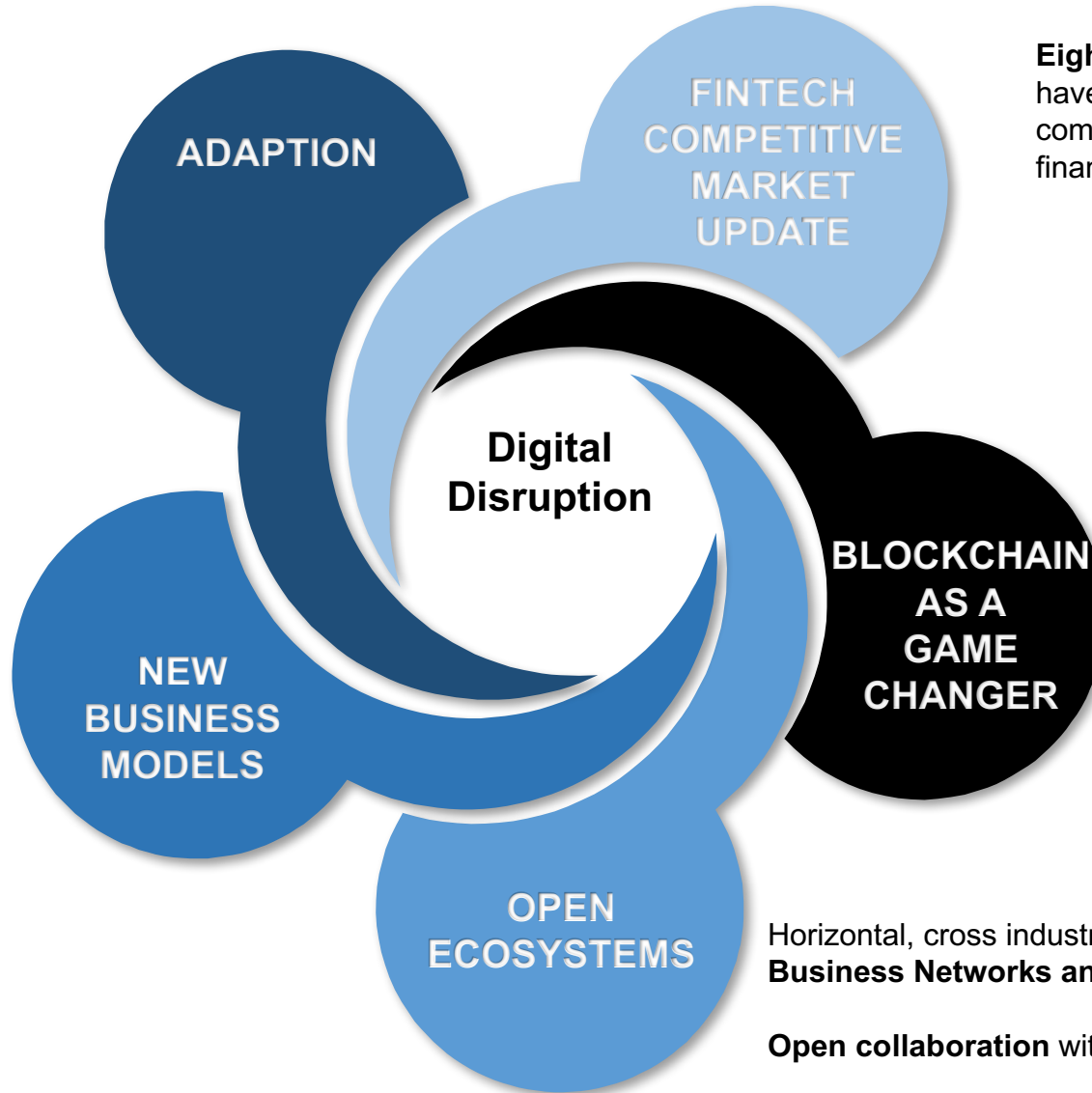
1	<b>Cost Commoditization</b>	Financial Institutions will accelerate the commoditization of their cost bases
2	<b>Profit Redistribution</b>	Technology and new partnerships will enable organizations to bypass traditional value chains and create new ecosystems
3	<b>Experience Ownership</b>	Power will transfer to the owner of the customer experience
4	<b>Platform Rising</b>	Will become the dominant model for the delivery of financial services
5	<b>Data Monetization</b>	Data sets will be enriched by flows of data from multiple sources combined and used in real time
6	<b>Bionic Workforce</b>	Major shift in workforces with AI as the definition of "talent" evolves
7	<b>Systemically Important Techs</b>	Dependency on large tech firms to acquire critical infrastructure
8	<b>Blockchain as a Game Changer</b>	Blockchain distributes assets across an open network with highest security and no need of intermediaries

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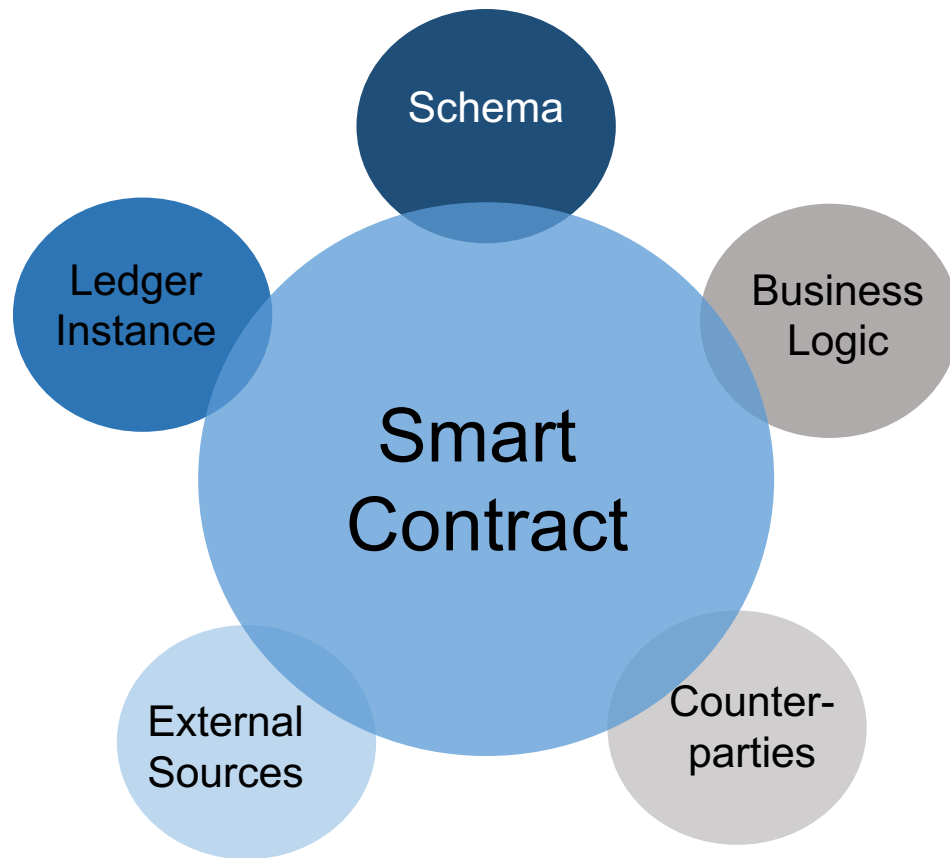
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# The central business logic is replaced by distributed smart contracts







## Significant Changes

- Shift of the **business logic** from the application layer to **smart contracts**
- Move of the **process/contract related data** from the centralized databases into **smart contract layer which in distributed ledger**
- **Access** for all involved counterparties
- Integration of **external sources**

# First Blockchain movers are focusing on **selective & existing cases into production** with the highest benefit impact

Example: Financial Services Industry

## Examples of drivers and benefits

Use case	Value driver	Benefits
Trade finance	 <b>Operational simplification</b>	<ul style="list-style-type: none"> <li>• Real-time multi-party tracking &amp; management of letters of credit, faster automated settlement</li> <li>• Efficiency potential: <b>\$14-\$17 billion</b></li> </ul>
Automated compliance	 <b>Regulatory efficiency improvement</b>	<ul style="list-style-type: none"> <li>• Faster &amp; more accurate reporting</li> <li>• Efficiency potential: <b>\$3-\$5 billion</b></li> </ul>
Global payments	 <b>Settlement time reduction</b>	<ul style="list-style-type: none"> <li>• Near real-time point-to-point transfer of funds</li> <li>• Efficiency potential: <b>\$50-\$60 billion</b></li> </ul>
Post trade procession	 <b>Operational simplification Risk reduction</b>	<ul style="list-style-type: none"> <li>• Reduce settlement time, lower operational risks</li> <li>• Efficiency potential: <b>\$15-\$20 billion</b></li> </ul>

Source: World Economic Forum: The future of financial infrastructure (August 2016) / McKinsey analysis (January 2017)

# Example Global Payments: Change from Correspondent Banking to Direct Settlement based on **Ripple's Settlement Network** with >100 Banks



**ACCESS**

Direct bank to bank settlement



**SPEED**

Instant settlement



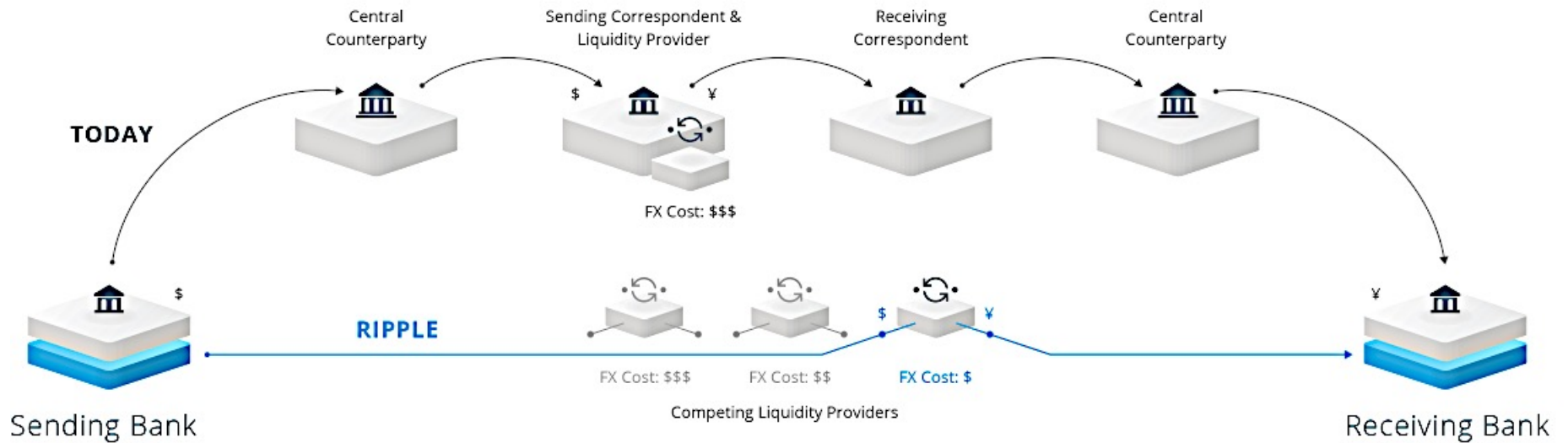
**CERTAINTY**

Real-time traceability of funds



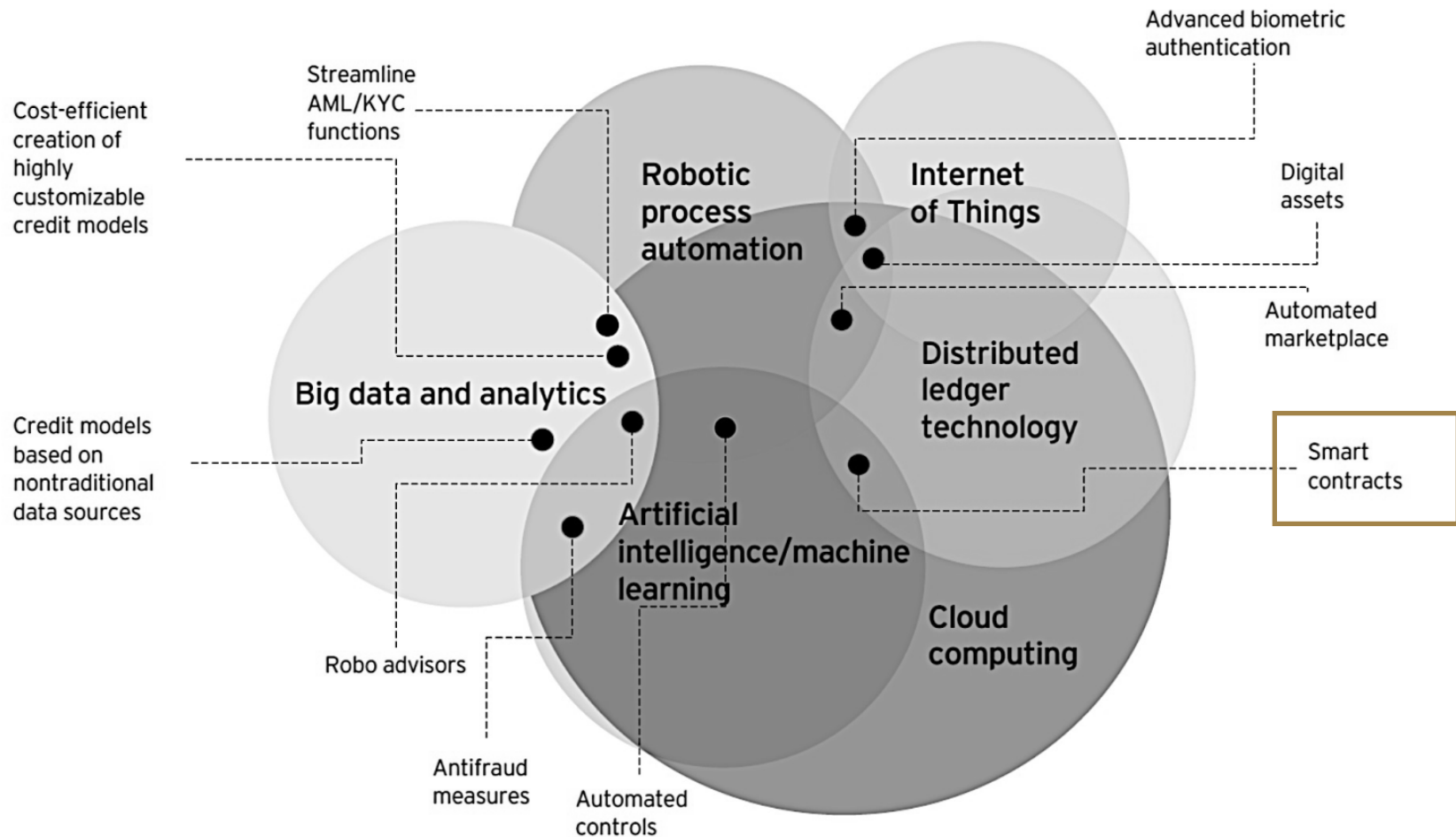
**COST**

Lowest total cost of settlement



**Use cases:** Retail Customer | Transaction Banking | International Corporate Payments | Cross-border / Intra Bank Currency Transfers

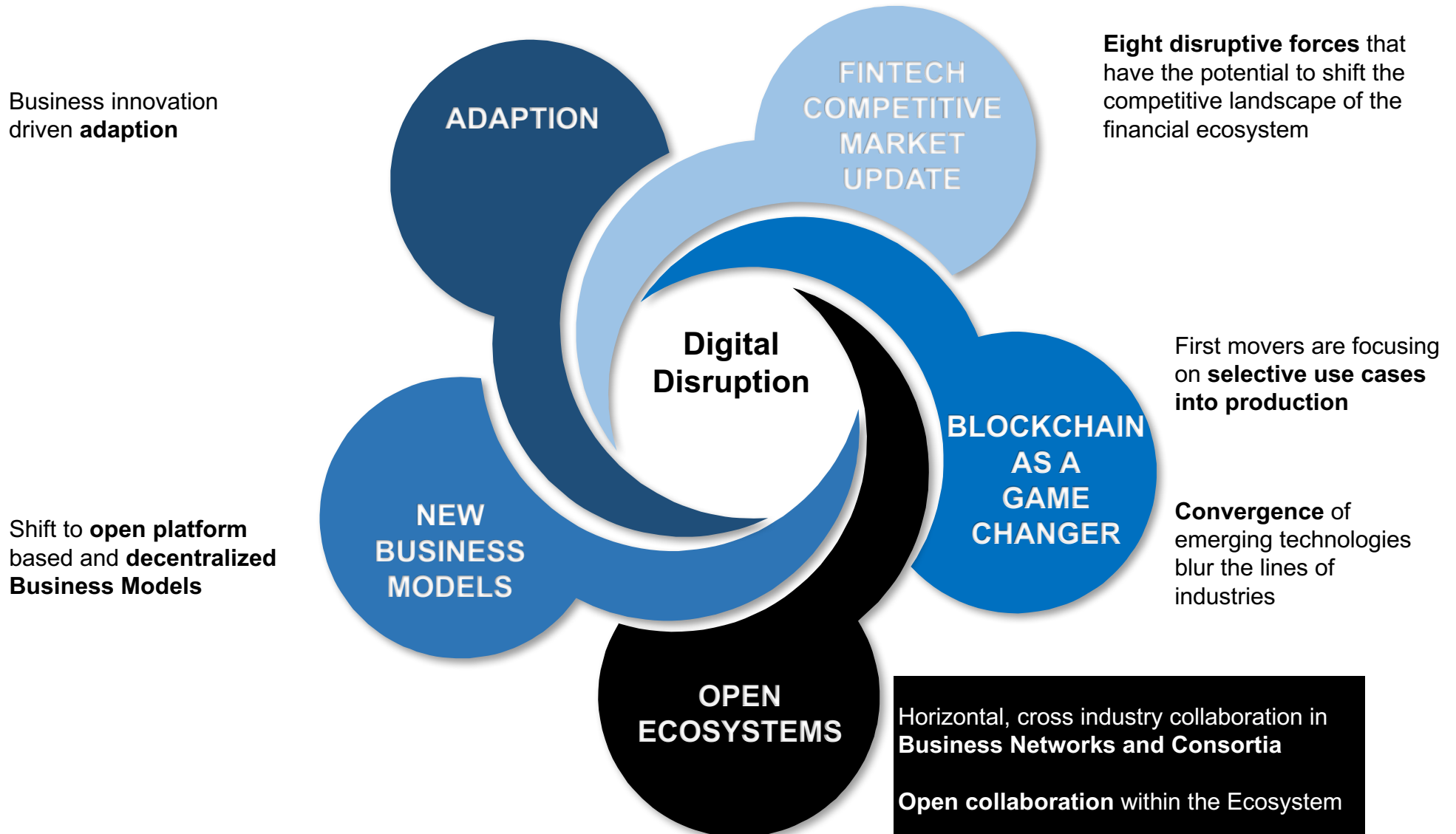
# Convergence of emerging technologies will change market infrastructures and **blur the lines of industries** in a highly connected real-time world





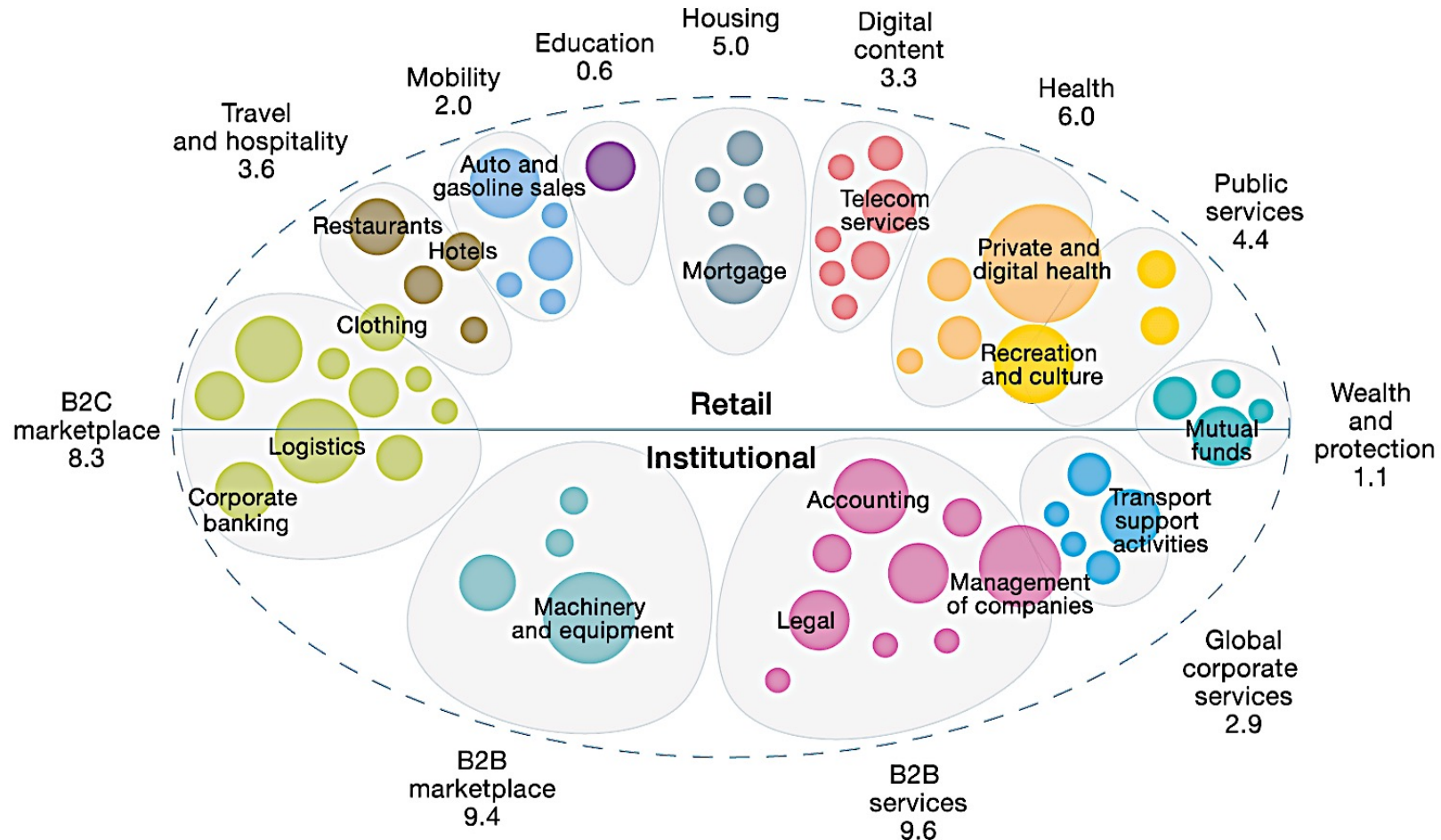
# Staying ahead of the digital disruption curve

## Key Messages



# New ecosystems are likely to emerge in place of many traditional industries by 2025

Ecosystem illustration, estimated total sales in 2025 in USD trillion

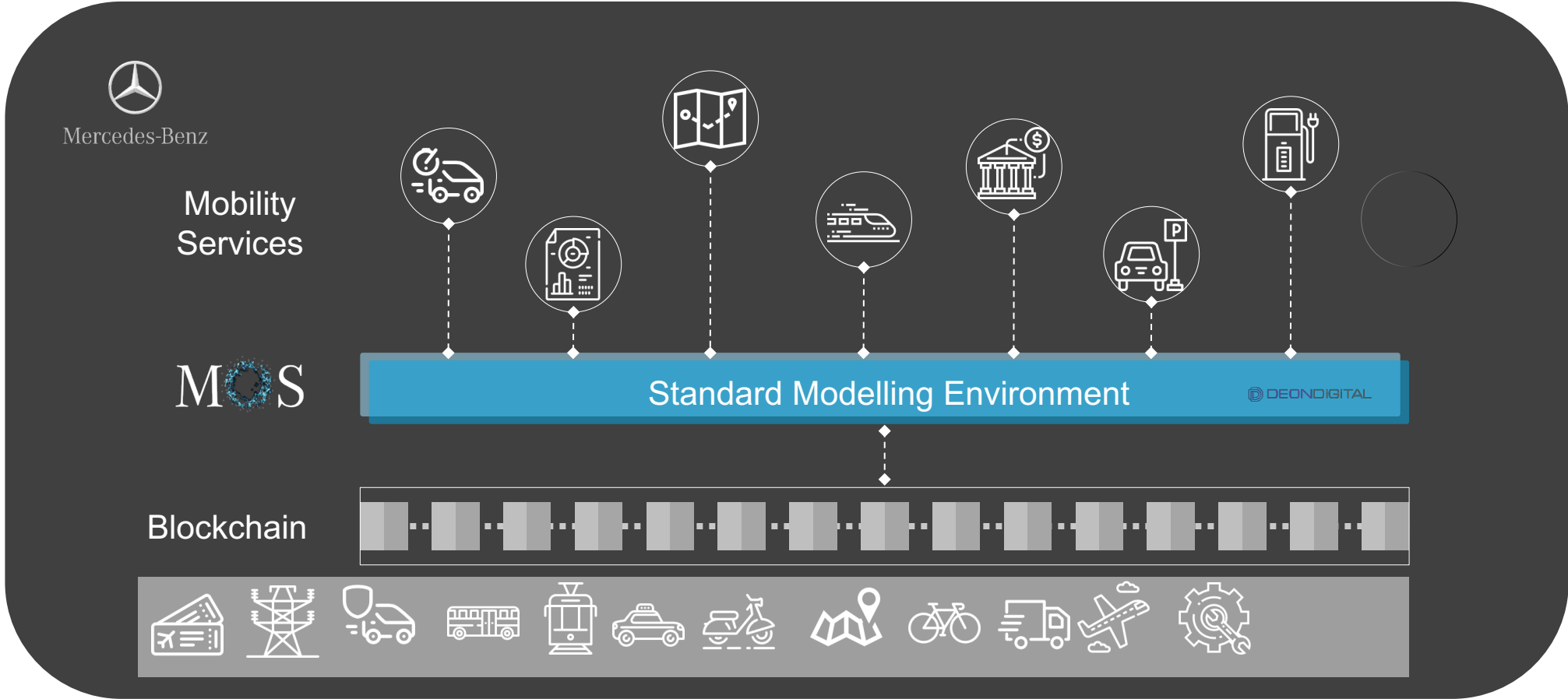


# Leading Swiss Crypto/Blockchain Startup Ecosystem: >50 Startups with Labs, Incubators, Accelerators



# Mobility: Mercedes-Benz Mobility Operating System (MOS)

Open, collaborative, standardized enabler layer of the mobility domain connected through blockchain technology



Source: Mobility Operating System | Mercedes | KI group | Deon Digital AG |

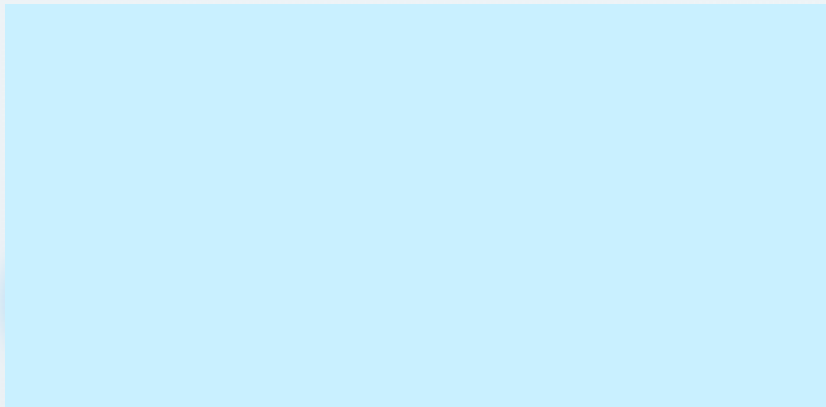


# Internet of Things (IoT): IOTA IoT Data Market Place

Now every IoT sensor and device can be monetized and has a true incentive to share its datastream



IOTA makes it possible to securely store, sell, and access data streams.



The image displays three IoT sensor data dashboards overlaid on a blue abstract background. Each dashboard includes a sensor icon, name, ID, and a small map showing the sensor's location.

- Soil Sensor ID-66110**: Shows Moisture at 20% and pH levels at 5.0 ph.
- Air Quality Sensor ID-45881**: Shows CO2 at 345 PPM, Ozone at 4 PPB, and pm2.5 at 10 µh/M³.
- Weather Sensor ID-23110**: Shows Temperature at 68°F, Humidity at 11%, and Wind direction at NNE.

# B2B: Food Supply Chain 2.0 – Ambrosus

Shift from Analytical Measurement to Internet of Things (IoT) & Digitalization



**Sensors Systems**



**Secure Date Storage**



**Blockchain Protocol**



**Amber Token**





# B2B Smart Containers – in the pharma distribution space

**SkyCell:** fully autonomous tracked assets & payments through smart contracts



**Centralized  
Database  
Monitoring**



**Traditional  
Invoicing**

SKY  CELL

Pharma Containers. Worldwide.



**Autonomous  
tracking of  
Containers**



**Blockchain  
Ecosystem –  
Smart Contracts**

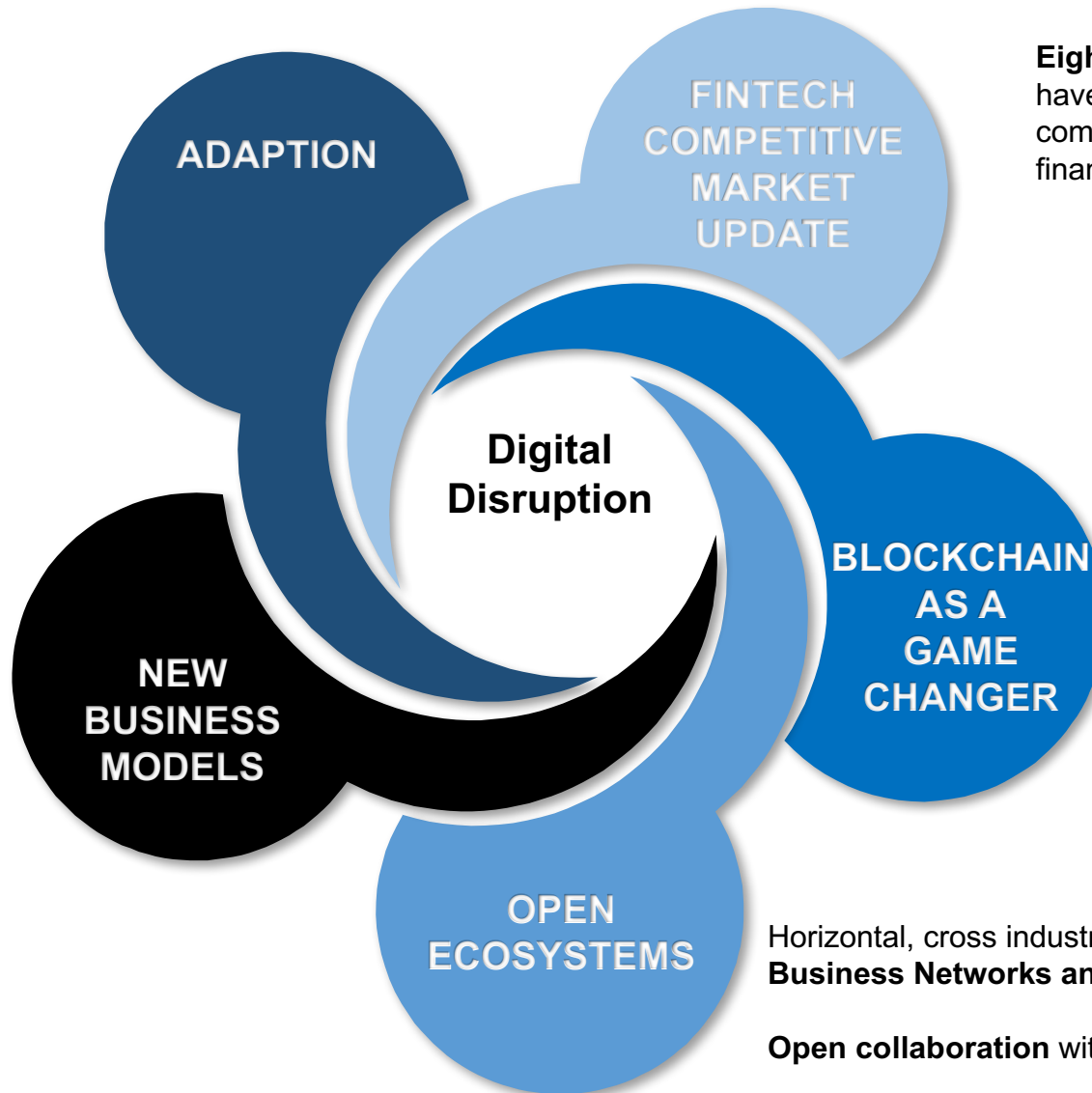
**Foundation to manage more than 1 Million containers & 100 Million uses per year**



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# Understanding the ICO Value Chain as disruption to the Venture Capital Business



# B2C: A new investment world for unique assets powered by blockchain - TEND



- 1 An Investment:** Co-ownership in precious, unique assets, lowering access barrier
- 2 An Experience:** Unprecedented real-life experience attached
- 3 A Digital Platform:** Fully serviced offering
- 4 Tokenization of Assets:** Tamper-free ledger of the tokenized assets
- 5 Marketplace:** Out-of-the-box marketplace function via smart contracts
- 6 Ecosystem:** Blockchain ecosystem for integrating partners



# Asset Management 2.0 – Melonport

Premier investment management infrastructure for crypto assets  
Decentralized & permission-less



MELONPORT

## Traditional Asset Management



Custodian



Fund  
Administrator



Trading Desk



Auditor



Operations  
Team



Transfer  
Agent

## Melon Protocol



- Set up, manage and invest in digital asset management strategies
- Higher security, efficiency and dramatically reduced costs



# Blockchain will foster automated decentralized business models in **Financial Services**

Exampe: Lykke Wallet & Exchange



- 1 Global notary service = Blockchain**  
All transactions and ownerships can be logged in this universally accessible distributed ledger
- 2 Asset digitalization = Colored Coins**  
Every financial instrument can be a listed security in the form of a digital token for recording in the blockchain
- 3 Digital Signatures/Encryption = Wallet**  
Every owner of a colored coin has direct ownership protected through a private key in his digital safe on the blockchain



0% COMMISSION



LOW SPREADS



GUARANTEED EXECUTION



IMMEDIATE SETTLEMENT



DIRECT OWNERSHIP



100% SECURITY

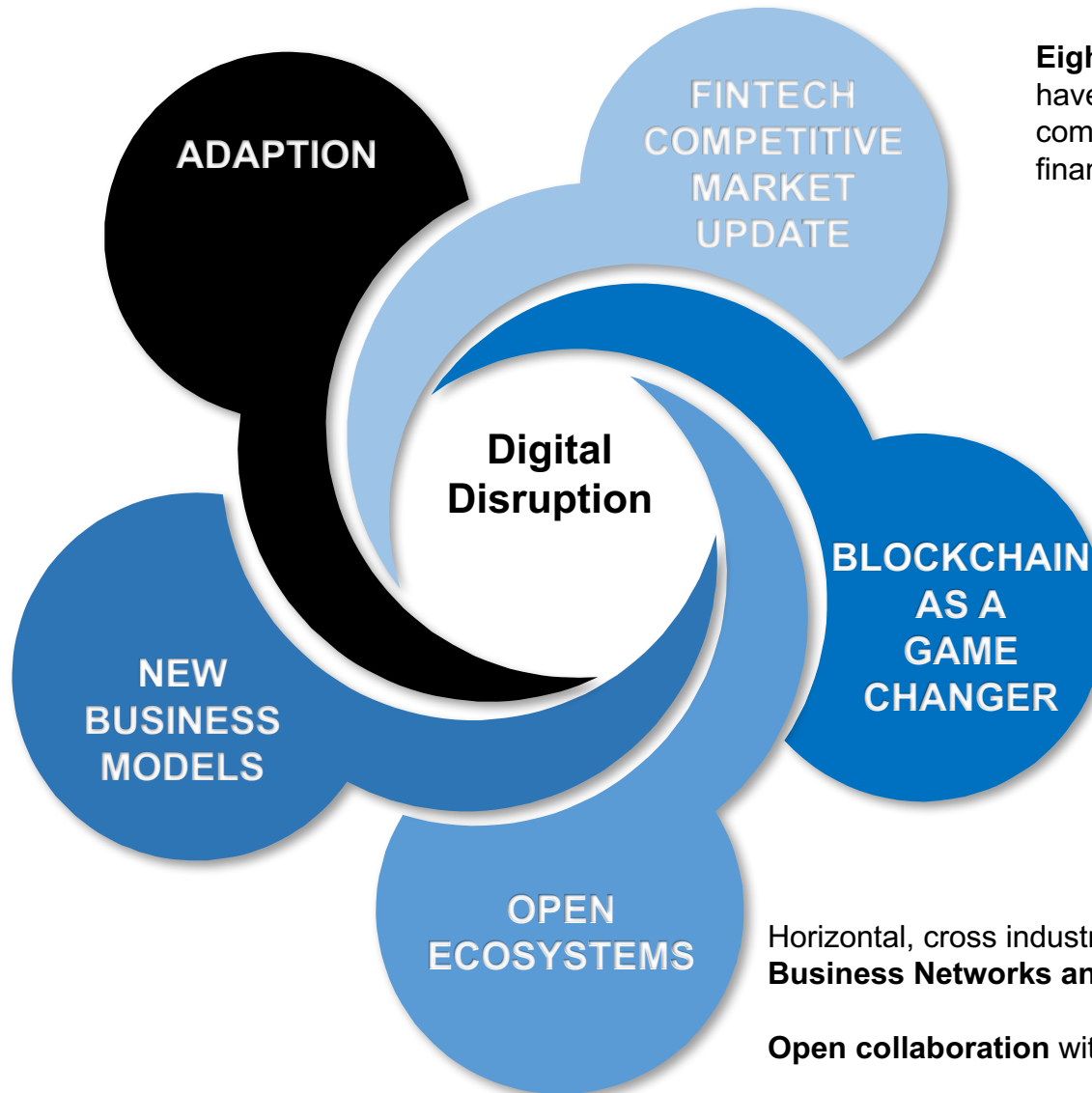


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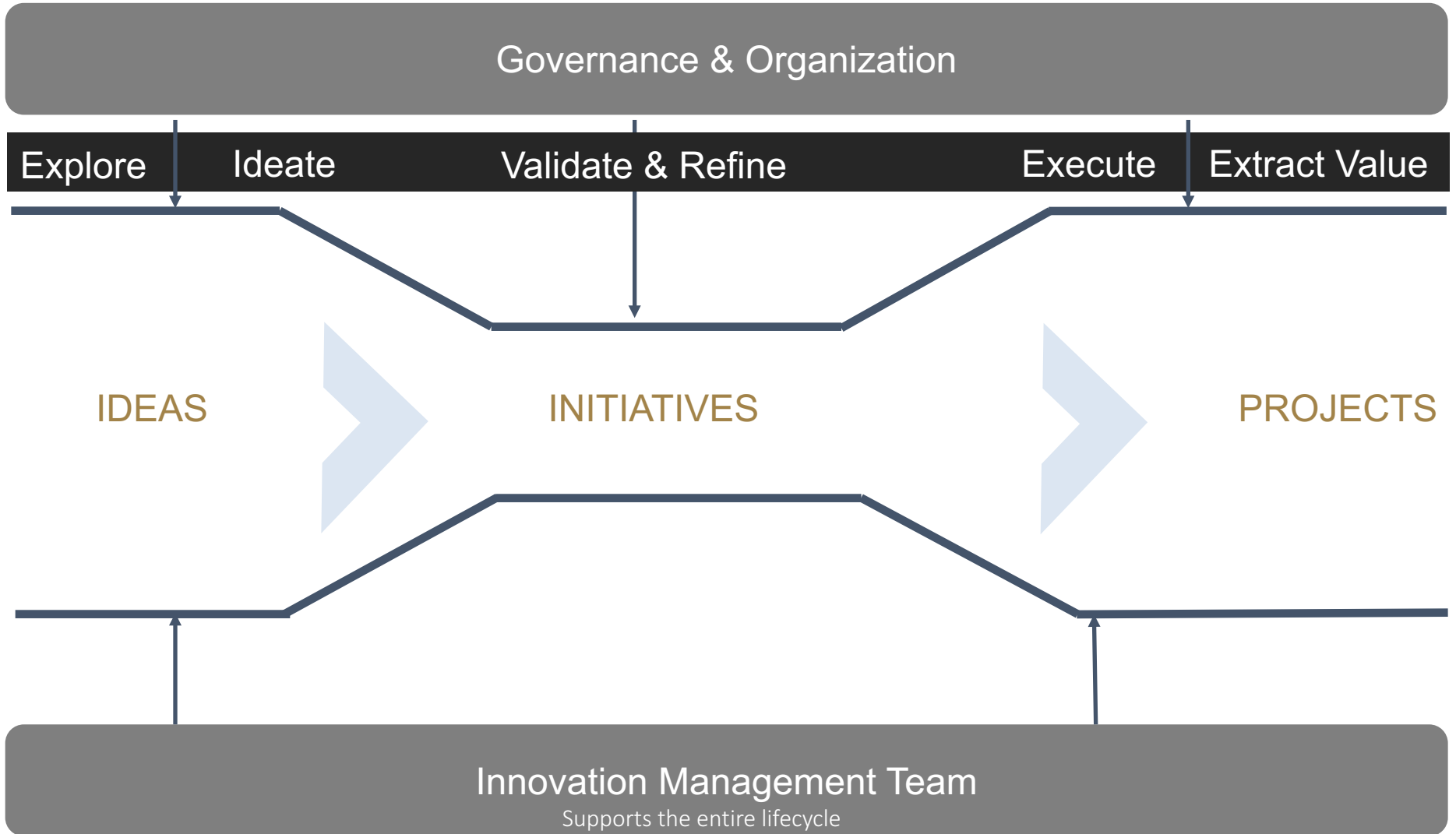
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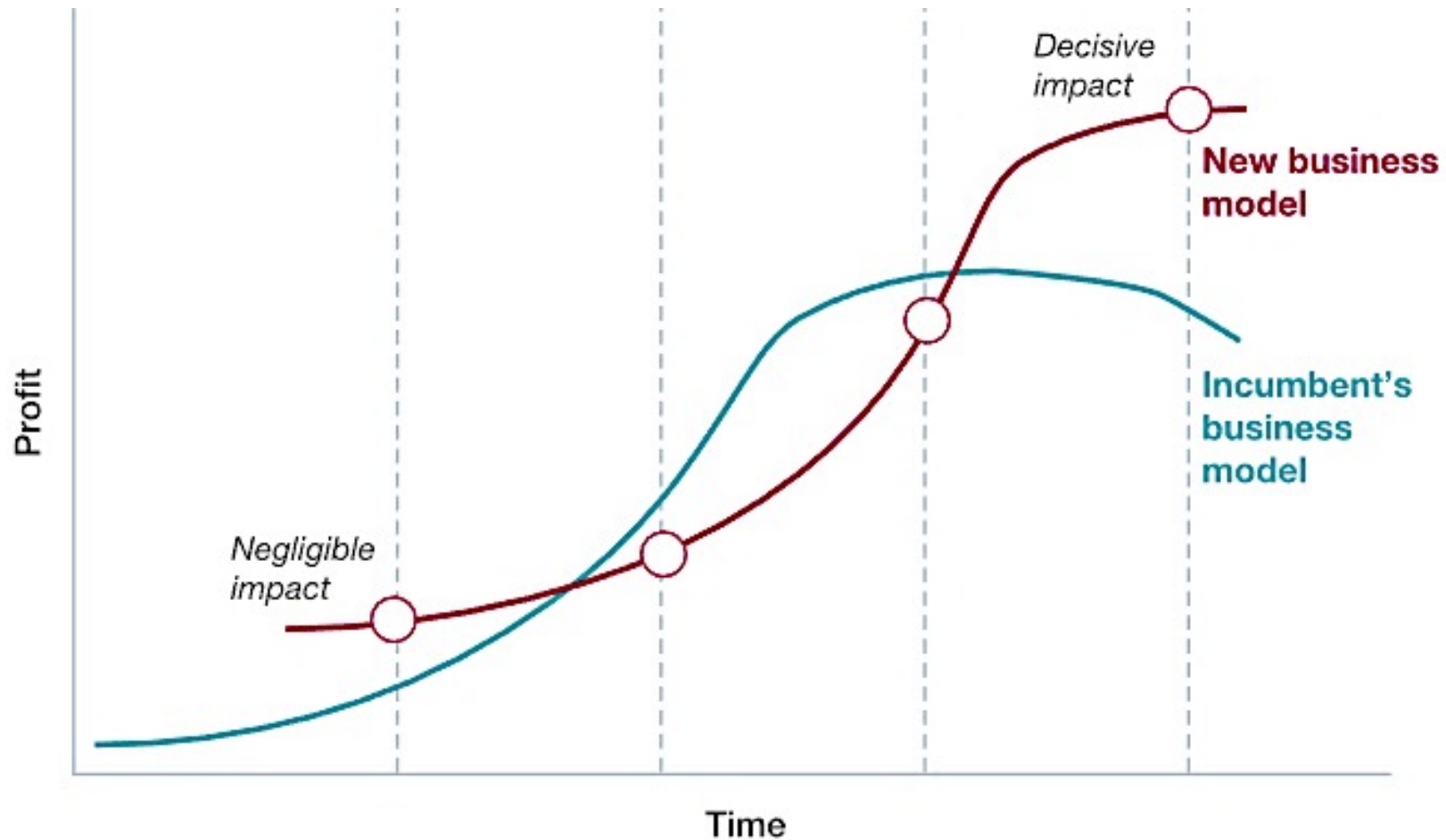
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# End-to-End Innovation & Business driven Framework as part of the Strategic Business Development



# Technology Adaption: Time to act is now

Managing the “S” Curve with a tipping point ~13-15% market share



Thank You!

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