

Tokenization

A technology to disrupt the financial industry?



Max Kops



- 2013: Bitcoin-Mining
- 2014: Editor at BTC-ECHO
- 2017: ICO Analyst (Initial Coin Offerings)
- 2018: Fundraising through the Blockchain
- 2019: Publishing „Assets on Blockchain“
(Amazon #1 Bestseller in *Corporate Finance*)



The role of banks



- Providing people the possibility to exchange value and money
- Providing *trust* between people
- Providing security and safety

What if we could do all of that
without a bank?

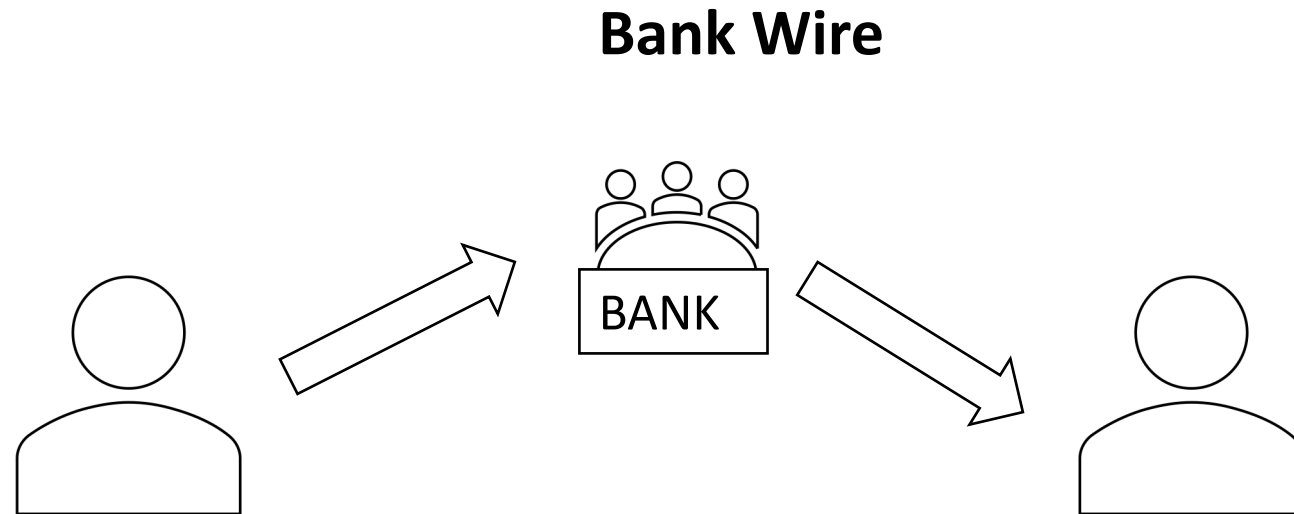
Yes, there is a technology capable of doing that.

The Blockchain.



A Blockchain is a trust layer

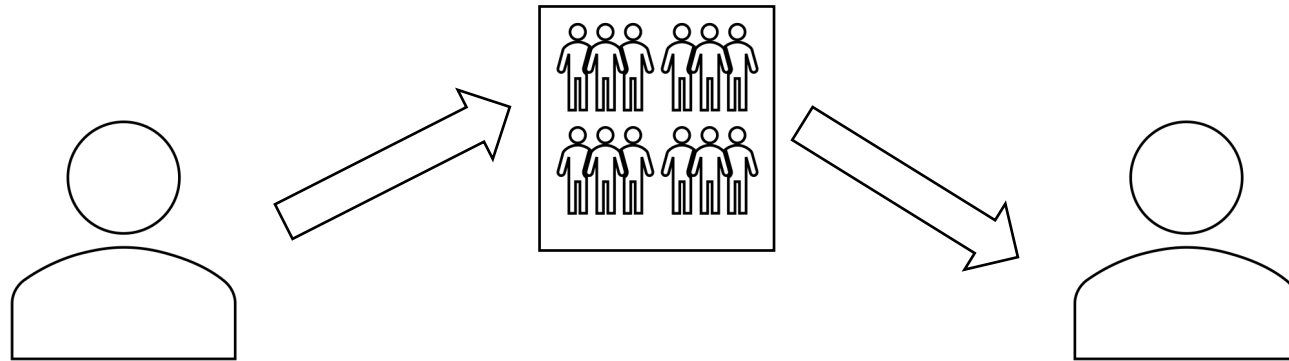
How money transfers work



The transaction is performed through a **bank** as an *Intermediary*.

How money transfers work

A Bitcoin Transaction



A transaction is performed through a **decentralized network**.

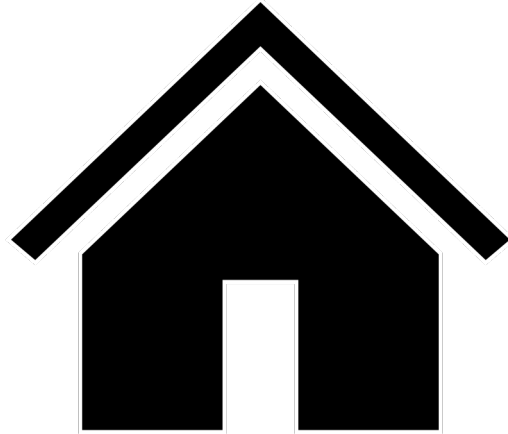
Disintermediation

→ The bank is removed as an intermediary

People can securely send value over a trusted, but decentralized, network.

Web 3.0

The first time in history, people can transfer money from person to person (P2P) over the internet (without an intermediary like a bank).



Tokenization

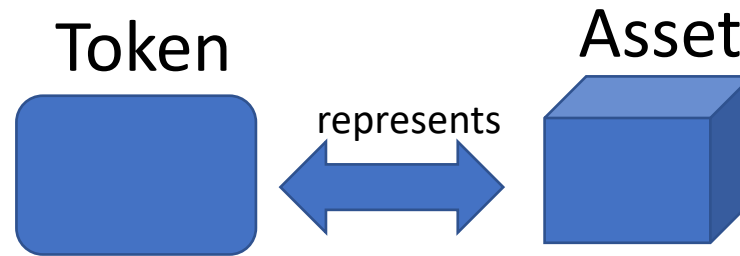
Digitizing any (financial) asset

Tokens

- Tokens are a digital unit that is stored on a Blockchain



Tokenizing assets

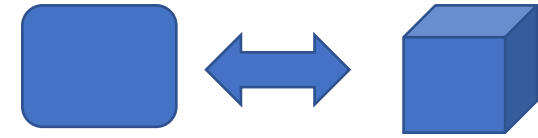


Creating a token as a digital representation of ownership of a specific asset.



These assets can be transferred on a Blockchain without another intermediary.

Implications of tokenizing an asset



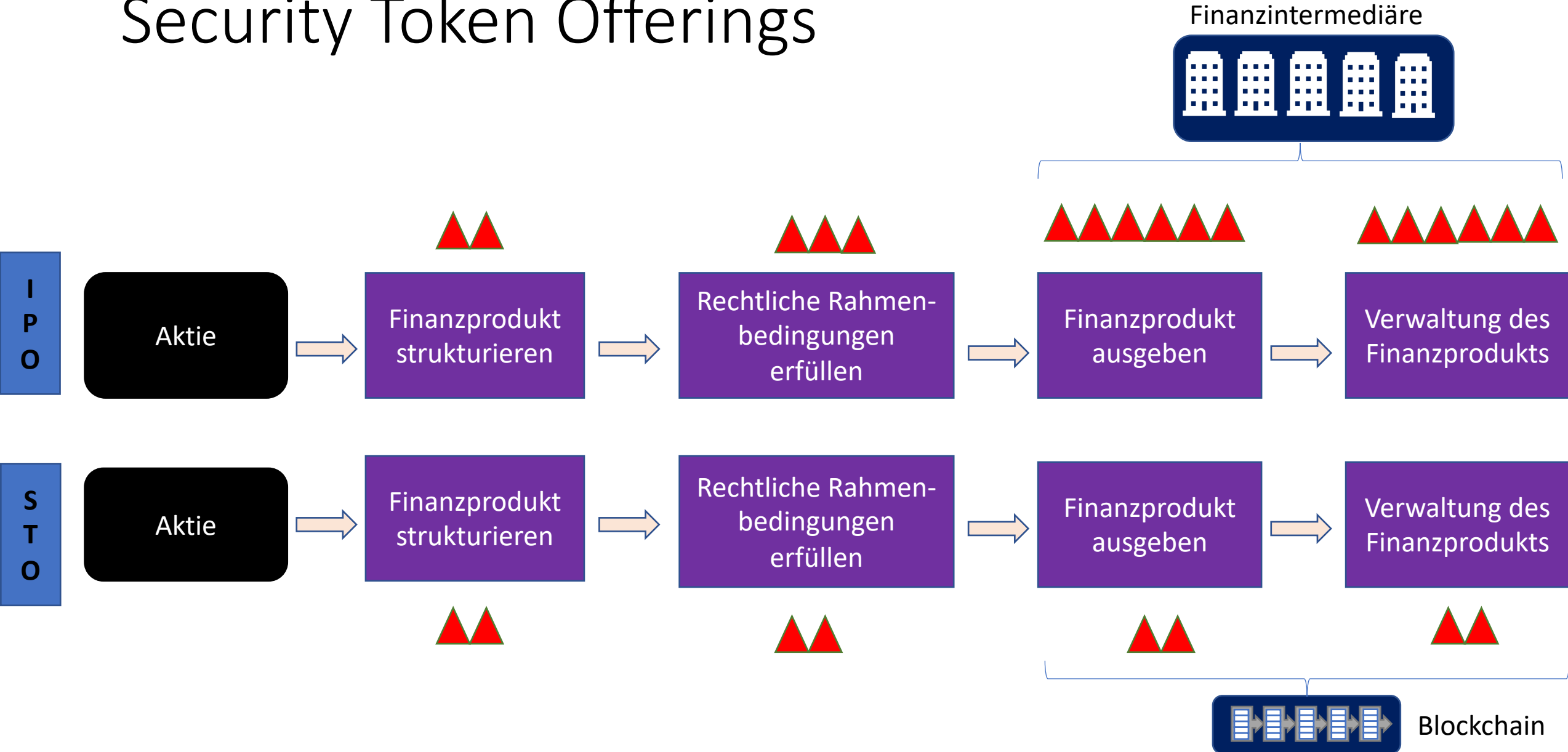
- ➔ These assets can be transferred on a Blockchain without another intermediary.
- ➔ Technically, there is no need for Central securities depositories (CSD) since the tokens are stored on a Blockchain*.
- ➔ The issuance of financial products can be automatized and the intermediation is focused on the software (e.g. an issuance platform)

* Legal requirements might still make it necessary



Security Token Offerings as an alternative to Initial Public Offerings


Security Token Offerings



IPO vs. STO: Facts and Figures

| | IPO | STO |
|----------------|---|---|
| Costs | 6-12% | 5-10% |
| Time | Europe: 3-4 months US: 6-9 months | 6-12 months |
| Infrastructure | Mature and established ecosystem Stock exchanges existing since centuries | Technology in it's early days Secondary markets just evolving |
| Efficiency | Less uncertainty, infrastructure already setup. But: Many stakeholders and hence expensive process | Innovative technology, more dynamic. But: higher automation and hence: lower costs |

Benefits of Security Token Offerings and Tokenization



Cheaper
"IPO"

Fractional
Ownership

Tokenizing
illiquid
assets

Liberating
the capital
markets

Interationa-
lization

Wie relevant ist die Tokenisierung?

EINE VIERTELMILLIARDE EURO

Bafin genehmigt Security Token für Immobilien-Portfolio

Börse Stuttgart und Axel Springer Verlag planen Handelsplatz für Kryptogeld

Mit dem Axel Springer Verlag will die Börse Stuttgart einen Kryptogeld-Handelsplatz gründen – und darüber auch Tokens aus Initial Coin Offerings handeln.

1) <https://www.dasinvestment.com/eine-viertelmilliarde-euro-bafin-genehmigt-security-token-fuer-immobilien-portfolio/> (26.07.2019)

2) <https://www.heise.de/newsticker/meldung/Boerse-Stuttgart-und-Axel-Springer-Verlag-planen-Handelsplatz-fuer-Kryptogeld-4353822.html> (28.03.2019)

What if we could do all of that without a bank?

“Banking is necessary. Banks are not.”

- Bill Gates



Thank you!

maxkops.com

Helping the financial industry to reinvent itself.