



Global banks form partnership to apply distributed/shared ledger technology to financial markets

Financial innovation firm R3 to spearhead crypto technology solutions for the multi-trillion dollar financial services sector

September 15, 2015 (New York/San Francisco/London) – Nine of the world's leading banks today announced the formation of a partnership to design and deliver advanced distributed/shared ledger technologies to global financial markets. The project – in addition to developing commercial applications – will seek to establish consistent standards and protocols for this emerging technology across the financial industry in order to facilitate broader adoption and gain a network effect.

Led by financial innovation company R3, the partnership is comprised of a group of banks including Barclays, BBVA, Commonwealth Bank of Australia, Credit Suisse, J.P. Morgan, State Street, Royal Bank of Scotland and UBS. R3 CEO and former ICAP Electronic Broking CEO David Rutter will lead the project, and more banks are expected to pledge their support in the coming weeks.

"This partnership signals a significant commitment by the banks to collaboratively evaluate and apply this emerging technology to the global financial system," said Rutter. "Our bank partners recognize the promise of distributed ledger technologies and their potential to transform financial market technology platforms where standards must be secure, scalable and adaptable."

The group will collaborate on research, experimentation, design, and engineering to help advance state-of-the-art enterprise-scale shared ledger solutions to meet banking requirements for security, reliability, performance, scalability, and audit. R3 and its bank partners will establish collaborative joint working groups to lead these efforts, which will leverage the R3 team as well as experts within the partner banks. The group will work within a collaborative lab environment or "sandbox" to test and validate distributed ledger prototypes and protocols.

"The collaborative model we've established with R3 and the other banks is a very effective way to deliver robust shared ledger solutions to the financial services sector," said Kevin Hanley, Director of Design at Royal Bank of Scotland. "Right now you're seeing significant money and time being spent on exploration of these technologies in a fractured way that lacks the strategic, coordinated vision so critical to timely success. The R3 model is changing the game."

These new technologies present an opportunity for the world's financial institutions to safely and securely store and share data in a consistent, effective ledger outside the firm's firewalls where it can be analyzed and matched against other counterparties.

A number of global regulators have asked banks how technologies such as cryptography and distributed ledgers can improve the way financial markets operate.¹ The approach taken by R3 and its bank partners reflects the high level of attention market participants, global regulators and standards bodies are now giving to these innovative technologies.

"These new technologies could transform how financial transactions are recorded, reconciled and reported – all with additional security, lower error rates and significant cost reductions," said Hu Liang, Senior Vice President and head of Emerging Technologies at State Street. "R3 has the people and approach to drive this effort and increase the likelihood of successfully advancing the new technology in the financial industry."

¹ Bank of England Financial Markets Directorate: Innovations in payment technologies and the emergence of digital currencies
<http://www.bankofengland.co.uk/publications/Documents/quarterlybulletin/2014/qb14q3digitalcurrenciesbitcoin1.pdf>

PRESS RELEASE



About R3

The R3 team is made up of financial industry veterans, technologists, and new tech entrepreneurs, bringing together expertise from electronic financial markets, cryptography and digital currencies.

R3 operates in New York, London and San Francisco and with its partners to define, design and deliver the next generation of financial technology.

###ENDS###

Press contact

Nick Murray-Leslie
Chatsworth Communications
+44 (0)207 440 9780
nick@chatsworthcommunications.com

Charley Cooper
R3
+1 917 855 8529
charley@r3cev.com