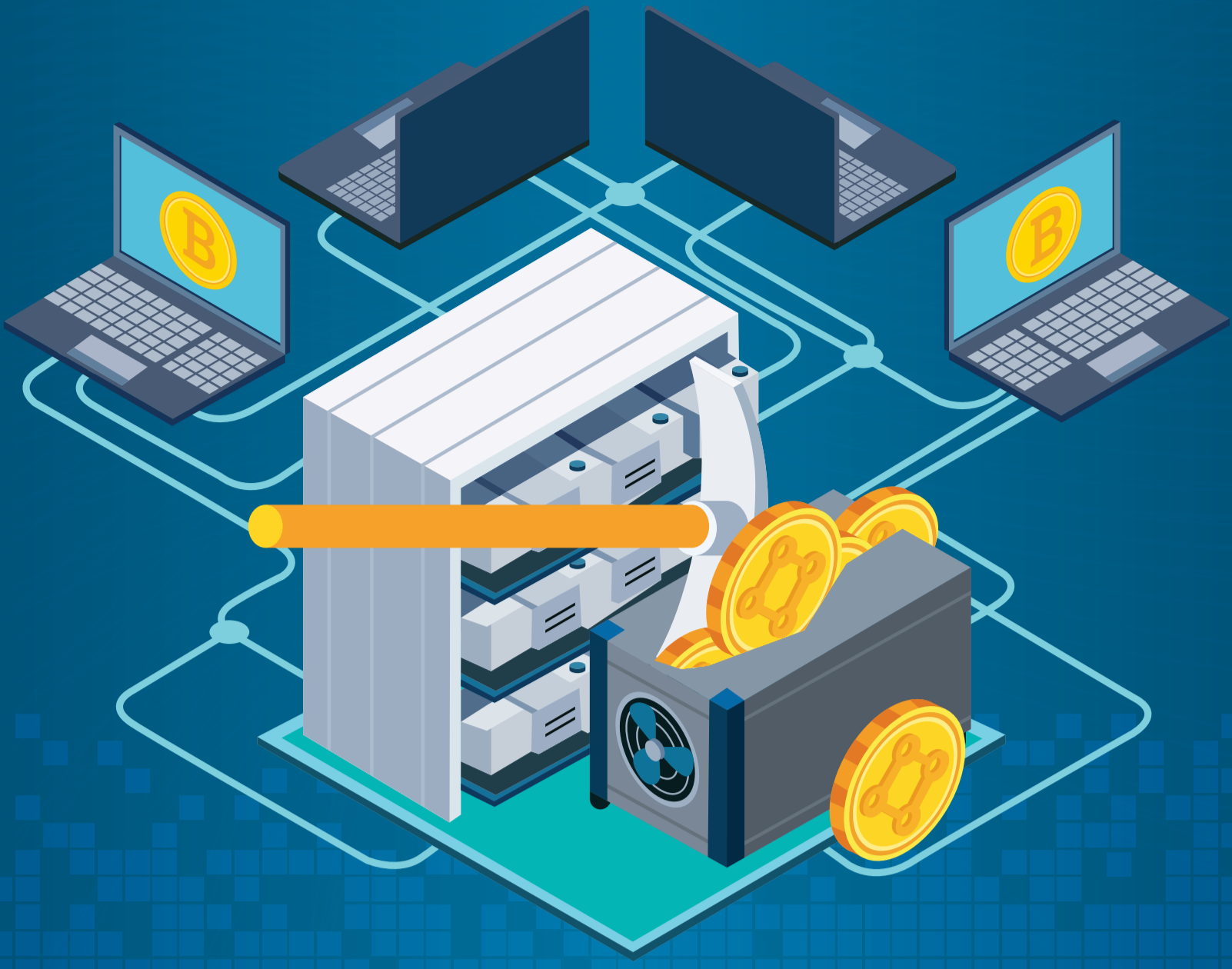


DISTRIBUTED LEDGER DEFINITION



WHAT IS A DISTRIBUTED LEDGER?

A distributed ledger is a database unanimously shared and synchronized throughout an entire network.

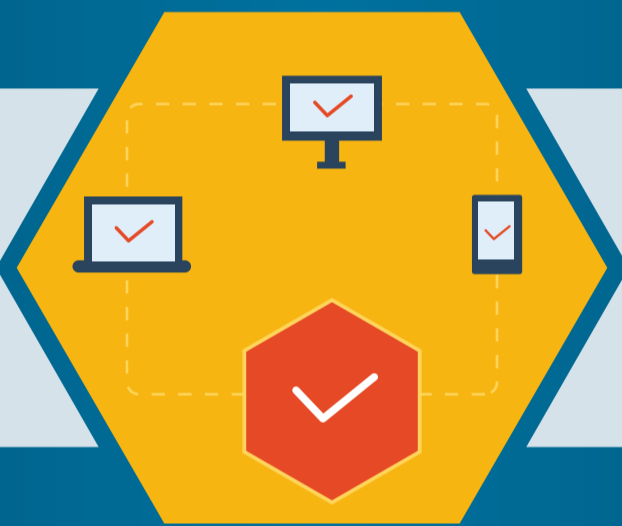
By nature, distributed ledgers are decentralized and can therefore be accessed by anyone from anywhere, regardless of geography.

Distributed ledgers can store a wide variety of data, including transactions and contracts.

Each network participant can audit the ledger, and any changes or additions that are made are automatically implemented and copied to all participants.



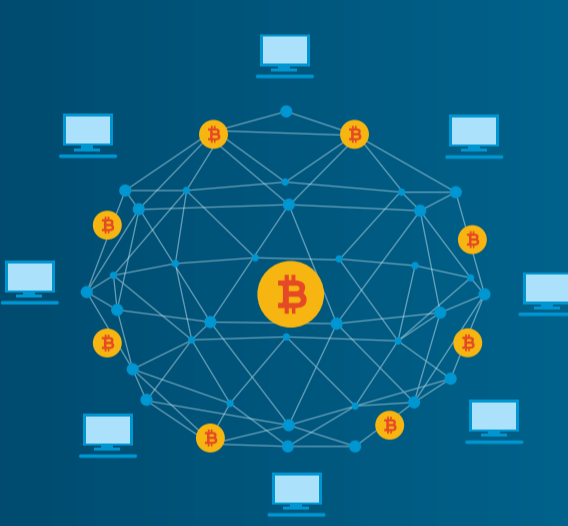
Additionally, the ledger is upheld independently by each node. Records are not relayed through a central entity, but are independently created and upheld by each node.



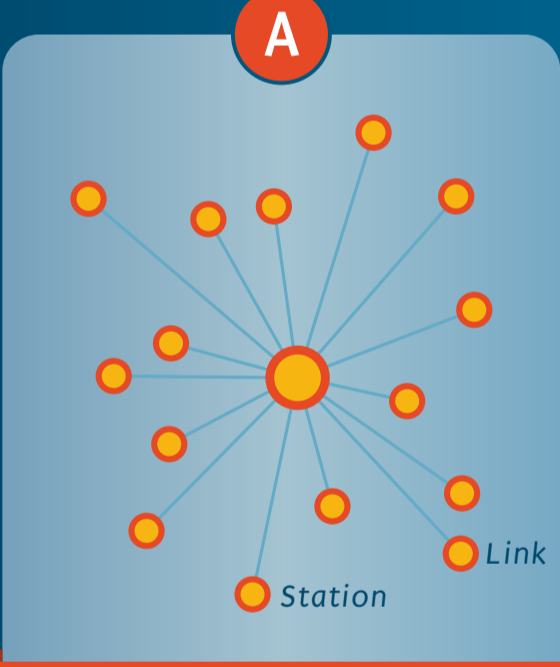
Distributed ledgers operate on different consensus methods which ensure that the majority of nodes agree with the conclusions of a transaction.

The public auditability of distributed ledgers adds a level of security and transparency that isn't present with other databases. The public nature of distributed ledgers also means that transactions are immutable and irreversible.

What's more, there is no need for a central authority who maintains and controls the ledger. The direct interaction between nodes saves on transaction times and costs, in addition to providing greater network security.

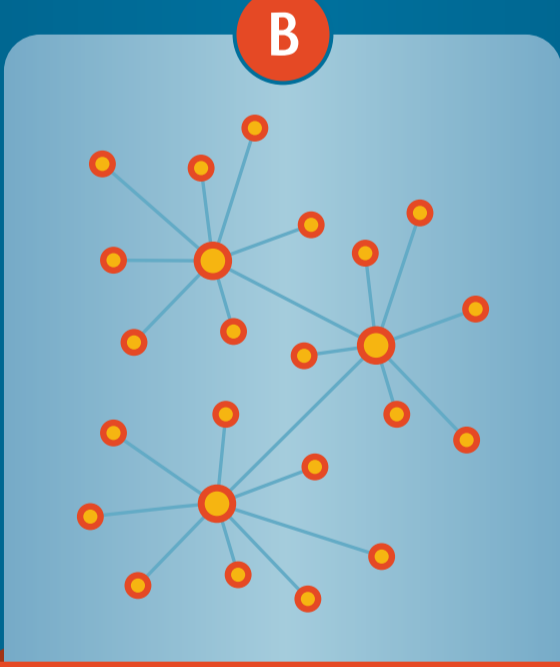


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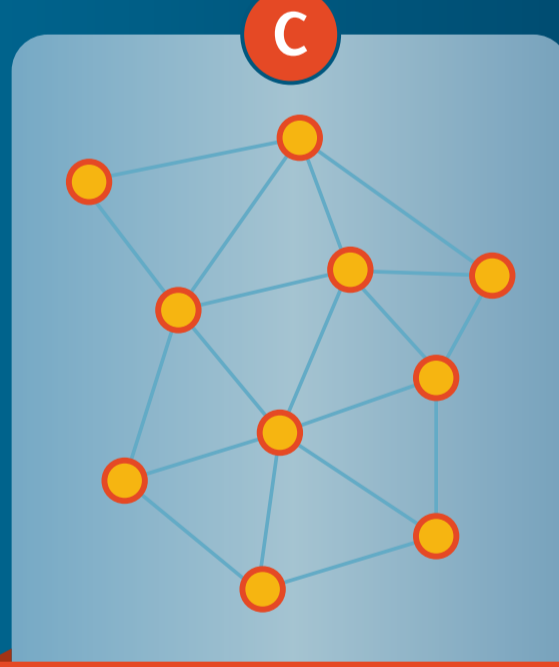
CENTRALIZED

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C



DISTRIBUTED

WHY ARE DISTRIBUTED LEDGERS USED?



Distributed ledgers provide greater security than centralized databases because cyber attackers must attack all distributed nodes at once to be successful.



The chances of launching a successful attack is much higher if only one target must be taken down.



Because each participant has a copy of the ledger, it is also impossible for a single party to make any changes to the network's record or operations.

The changes would be proposed, then immediately rejected by ledger consensus.

Distributed ledgers greatly cut down on transaction time and costs, especially for cross-border or global transactions.

The ability to send assets from anywhere in the world to anywhere in the world in a quick and efficient manner is a huge advantage.

