



R3 secures largest ever investment for distributed ledger technology with USD 107 million from over 40 institutions

- *Top investors include SBI Group, Bank of America Merrill Lynch, HSBC, Intel & Temasek*
- *Additional major investors and deal leads include ING, Banco Bradesco¹, Itaú Unibanco S.A., Natixis, Barclays, UBS, & Wells Fargo*
- *Final tranche of fundraising will be opened to R3 members and non-R3 institutional investors later this year*

May 23, 2017 (New York/London/Singapore) – Financial technology innovator R3 has completed the first two of three tranches in its Series A fundraising round, securing USD 107 million in the world’s largest distributed ledger technology (DLT) investment to date. R3 is the largest consortium of global financial institutions collaborating to develop a platform and commercial applications for DLT.

R3’s globally diverse group of investors represents an equal geographical split across Europe, Asia-Pacific and the Americas, counting over 40 participants from over 15 countries. Investors include:

Banco Bradesco ¹	Itaú Unibanco S.A.
Bangkok Bank	Mitsubishi UFJ Financial Group (MUFG)
Bank of America Merrill Lynch	Mizuho
Bank of Montreal	Natixis
Bank of New York Mellon	Nomura
Barclays	Nordea Bank
BBVA	Northern Trust
BNP Paribas	OP Cooperative
B3 (BM&FBOVESPA and Cetip)	Ping An
Canadian Imperial Bank of Commerce	Royal Bank of Canada
Citi	SBI Group
Commerzbank	SEB
Commonwealth Bank of Australia	Societe Generale
Credit Suisse	Sumitomo Mitsui Banking Corporation
CTBC Financial Holding	TD Bank Group
Daiwa Securities Group	Temasek
Danske Bank	The Bank of Nova Scotia
Deutsche Bank	The Royal Bank of Scotland
HSBC	U.S. Bank
ING	UBS AG
Intel Capital	Wells Fargo
Intesa Sanpaolo ²	Westpac

The first two tranches of the Series A round were made available only to R3 members, while the third and final tranche – which opens later this year – will be accessible to R3 members and non-R3 institutional investors.

R3 will use the funds to accelerate technology development and expand strategic partnerships for product deployment. The company’s efforts will be focused on Corda, R3’s DLT platform for regulated financial institutions, and its infrastructure network, which will support a vast range of partner-built financial applications that interoperate seamlessly with each other, existing systems and networks.

¹ Investment made indirectly through an investment fund, FIP InovaBra I, of which Banco Bradesco BBI S.A., a controlled subsidiary of Banco Bradesco S.A., is a quotaholder.

² Intesa Sanpaolo will invest through its affiliate Neva Finventures, the Corporate Venture Capital of the Group



Since the launch of its DLT initiative in September 2015, R3 has grown from a staff of eight finance and technology veterans with nine bank members to a global team of over 110 professionals serving over 80 global financial institutions and regulators on six continents. The company's work is further supported by over 2,000 technology, financial, and legal experts drawn from its global member base. That base includes banks, clearing houses, exchanges, market infrastructure providers, asset managers, central banks, conduct regulators, trade associations, professional services firms and technology companies.

David E. Rutter, CEO of R3, comments: "This investment is unprecedented. Many of the world's largest financial firms have come together not just with capital support, but with a robust commitment to work with R3 in developing industry solutions that will be the building blocks of the new financial services infrastructure. We've got unparalleled momentum.

"R3 has proven the collaborative model can successfully drive innovation in financial services to a degree never before seen," continues Rutter. "In the space of less than two years, we have built a network of over 80 members, launched an open-source distributed ledger platform specifically for wholesale financial markets, conducted over 60 detailed use cases across a variety of asset classes, led the way in regulatory engagement on behalf of the broader DLT community and are ahead of schedule for initial commercial deployments this year. We are on our way to becoming a new operating system for financial services."

About R3

R3 is leading a consortium with over 80 banks, clearing houses, exchanges, market infrastructure providers, asset managers, central banks, conduct regulators, trade associations, professional services firms and technology companies to develop groundbreaking commercial applications of distributed ledger technology for the financial services industry.

Operating in nine countries from all regions of the world, 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.

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Investor quotes:

Mauricio Minas, Vice President at Banco Bradesco: "Bradesco has been studying blockchain and distributed ledger technologies for some time. Today, it is clear to us that these technologies can, in fact, produce benefits to the Brazilian economy, such as cost reduction and process efficiency improvements. We have decided to invest in R3 because it is one of the companies that best translates the needs of the financial services industry with its distributed ledger technological platform – Corda. R3 has been successful in aggregating large banks across the world into collaborative work, which we believe is an important factor when considering these technologies."

Ather Williams, Head of Global Transaction Services at Bank of America Merrill Lynch: "We are pleased to continue working with R3 on the development of the Corda effort. The investment reflects our commitment to innovating and collaborating on the next generation of financial services. We are excited about Corda's potential to advance interoperability and common standards, which will bring greater efficiency to the financial community and ultimately benefit our clients."

Andrew Challis, Managing Director of Strategic Investments at Barclays: "Innovation in digital technologies is reshaping the banking industry, and this investment is reflective of our belief that distributed ledger technology and smart contracts have the potential to significantly enhance capital markets infrastructure. R3's collaborative approach is key to the progress of this technology."



Kaushalya Somasundaram, Head of Fintech Strategy and Partnerships at HSBC: “Our strength has always been our global reach, helping people do business within and across borders all over the world. As such, we’re keen to explore ways to make financial markets, and payment and trade networks more connected, more accessible and more secure. Distributed ledger technology clearly has huge potential in these areas, and through our work with R3, we continue to see that a collaborative approach to technological advance is one that can have transformative results.”

Mark Buitenhek, Head of Transaction Services at ING: “ING is committed to making it easy for customers to do business with us: both through small and continuous improvements and radical changes. Our recent investment in R3 stands for the latter. We believe blockchain can become a true game-changer.”

Rick Echevarria, Vice President, Software and Services Group and General Manager, Platform Security Division at Intel Corporation: “Our investment in R3 demonstrates Intel’s commitment to the exploration and advancement of distributed ledger technology. R3’s Corda platform utilizes Intel technology to improve blockchain scalability, security, and privacy.”

Thiago Charnet, Technology Director at Itaú Unibanco: “At Itaú Unibanco, we believe that distributed ledger technology’s adoption might result great benefits, which may vary according to the eagerness of institutions in building large decentralised networks. Our desire to make it happen is high. We have been studying the technology since 2015, being the first Latin American company to associate with R3. This partnership has allowed us to go into greater depth and test the technology in conjunction with other important players in the market. This new investment represents a further step towards this development, since it stems from the engagement of companies and the desire, not only in the case of the financial sector, to overcome the challenges of implementing this technology”.

Frederic Dalibard, Head of Digital for Corporate and Investment Banking at Natixis: “Natixis is continuously exploring new technologies and how we can utilise them to better serve our customers. Distributed ledger technology holds enormous promise and R3 has already established itself as a pioneer in its development for financial services. We are proud to be part of this leading group at such an exciting time for the industry.”

Yoshitaka Kitao, Group CEO at SBI Group: “R3 has built an industry standard distributed ledger platform for financial markets. This investment further strengthens SBI Group’s relationship with R3 as we work together to continue developing the Corda platform and address some of the industry’s biggest challenges.”

Hyder Jaffrey, Head of Strategic Investment and Fintech Innovation at UBS Investment Bank: “Having been an active part of the R3 journey from the very start, it is rewarding to see the initiative and the technology taking shape. From the outset, market-wide engagement has always been a key factor to realise the benefits of this technology for both our markets and clients. R3 is now uniquely positioned to deliver on this promise.”

C Thomas Richardson, Managing Director, Head of Market Structure & Electronic Trading Services at Wells Fargo Securities: “Our investment in R3 demonstrates our commitment to explore, create and adopt new technologies that will enable us to better serve our customers. While still in its infancy stages, the emergence of distributed ledger technology comes at a time when the financial services industry is poised to further embrace technological change and efficiencies. Collaborating with our peers and R3 will allow us to maintain our position at the forefront of technological innovation and market infrastructure evolution.”

Press contact

R3:

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

PRESS RELEASE



Charley Cooper
R3
+1 929 329 1550
charley@r3cev.com