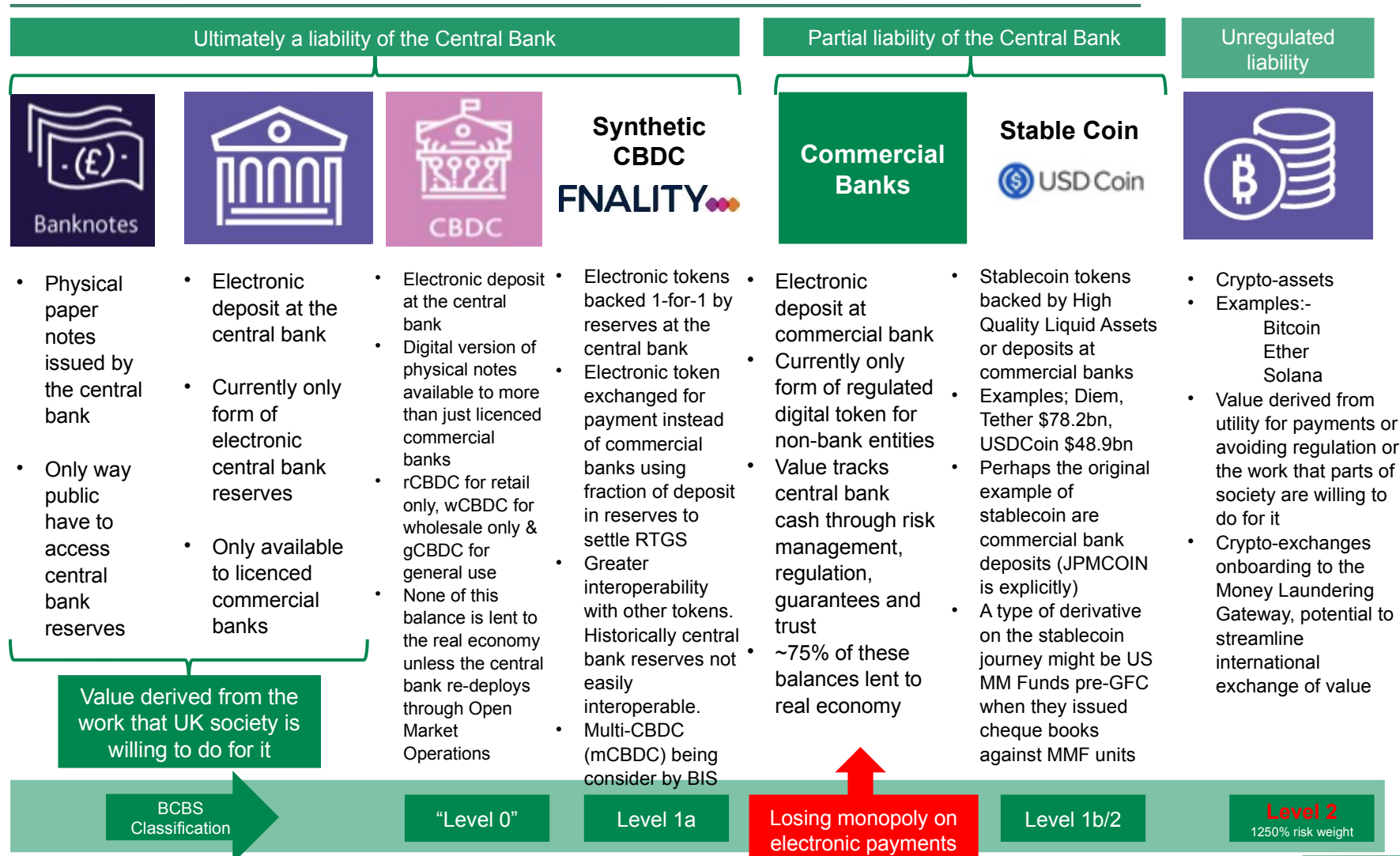


WHAT IS MONEY & TAXONOMY OF DIGITAL-ASSETS

STABLE STORE OF VALUE AND UNIT OF EXCHANGE



Sources – coinmarketcap.com

Tether holds \$30.6bn US CP & CD according to Sep 21 Tether Assurance Consolidated Report

NEW FORMS OF DIGITAL MONEY

TREASURER IMPACTS



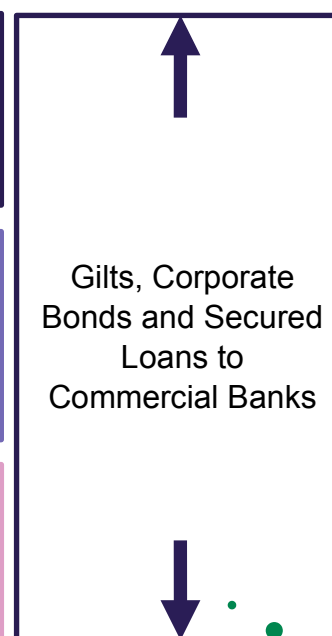
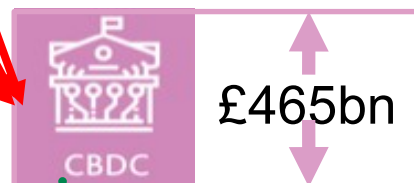
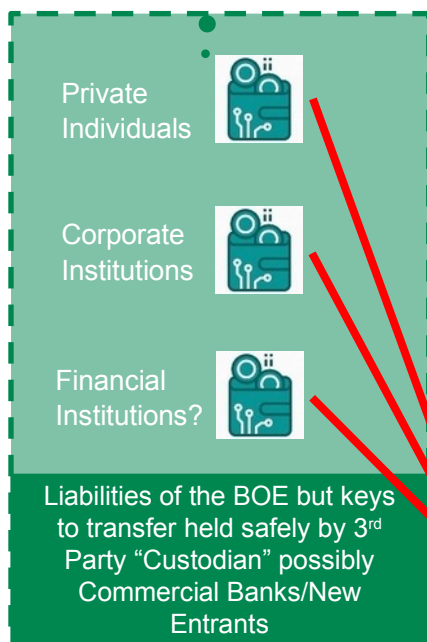
BANK OF ENGLAND

Can "Wallet" balances be borrowed like other assets?

Higher asset encumbrance
Higher risk for unsecured investors

Deposits/Liabilities

Loans/Assets



Level C Indexed Long-Term Repo, assets encumbered, no increase in RSF <6m and no increase in ASF <6m
95% ASF retail balances replaced with 0% ASF central bank funding

New Term Funding Schemes ~4 years
Available Stable Funding 95% to 100%
Required Stable Funding 65% to 100%
NSFR Deteriorates

Continued large Asset Purchase Facility – Expand Beyond Gilts develop securitisation platforms

CBDC creation is not matched by Commercial Bank Reserve reduction
Outflow factor in Commercial Banks ~10% - **every £10bn that migrates to CBDC leaves a £9bn funding gap**

Deposit outflow factor increase from new stress outflow destination ~10% rises?

Instead of depositing with Commercial Banks Households deposit with the BOE

Sticky deposits funding wholesale assets
What other assets might achieve a better outcome – how can the Treasurer facilitate?