IBM
Investor
Briefing
2016
IBM Research innovation creates new commercial opportunities

- Green Horizons
- 7nm chips
- Workforce optimization
- Blue Gene
- Medical Sieve
- Personality analytics
- DRAM
- Speech recognition
- Relational database
- Analytics on mainframe
- Docker container cloud
- Data-centric computing
- Secure CPU technology
- Genomic medicine
- POWER architecture
Blockchain has evolved to become a trusted distributed ledger

Genesis of Blockchain

- Cloud
- Distributed Systems
- Advanced Cryptography

Enterprise Blockchain

- Permissioned
- Immutable
- Transparent
- Distributed
Blockchain to optimize complex enterprise transactions

**Logistics**
- Reduced cost
- Improved efficiency
- Real-time visibility

**Property Records**
- Lower transfer fees
- Less fraud
- Fewer disputes

**Capital Markets**
- Faster settlement times
- Increased credit availability
- No reconciliation cost

Up to **$300B** in costs associated with each of these areas
IBM is building a Blockchain for the enterprise

**Performance and Scalability**
- Support billions of transactions
- Ledger lives and grows forever

**Immutability**
- Committed transactions cannot be changed even by malicious parties

**Smart Contract Language**
- Simplified abstraction for developing Blockchain apps
- Enhanced security by generating safe code

**Enterprise-grade Security**
- User privacy
- Contract confidentiality
- Auditability

**Easy On-ramp for Developers**
- DevOps in the cloud

**Seamless Enterprise Integration**
- WebSphere and z Systems connectors

IBM technology makes Blockchain real for business
Our Commercial Financing business provides working capital to IT suppliers, distributors and partners through financing of inventory and accounts receivables.

- >4000 Suppliers and partners worldwide
- $44B Financed / Year
- 2.9M Invoices / Year
- 25,000+ Disputes every year

Blockchain Solution for IBM Global Financing
Blockchain Solution for IBM Global Financing

- Reduction in dispute resolution from 40+ days to under 10

- Up to 40% capital efficiency in disputes
Emerging interest from a range of industries

Japan Exchange Group

• Trading platform for low liquidity transactions
• Reduce operating costs and settlement time
• Remove intermediate systems and processing

Singapore

• Open Blockchain fabric
• Seamless integration with existing systems
• Global scope
IBM intends to offer a complete enterprise Blockchain platform

Capabilities
• Complete DevOps lifecycle via Bluemix
• Smart contract language and API standards
• Enterprise-grade identity, security and privacy
• Seamless integration with legacy systems
• Market leading performance and scalability

IBM Leadership
• Deep cryptography: Skills, assets, IP from Research
• Integration: WebSphere gateway and connectors
• Crypto acceleration and z Application Containers
• Industry and domain expertise manifest in IBM solutions
• Future: Analytics and cognitive leadership on Blockchain
IBM is open for business with Blockchain

Build a solution in an IBM garage

Run a network on an IBM cloud

Hyperledger (Linux Foundation Open Source)

Making Blockchain Ready for Business!

New collaborative effort to advance the blockchain technology standard

Connect enterprise apps to Blockchain
These charts and the associated remarks and comments are integrally related, and they are intended to be presented and understood together.

In an effort to provide additional and useful information regarding the company’s financial results and other financial information as determined by generally accepted accounting principles (GAAP), certain materials presented during this event include non-GAAP information. The rationale for management’s use of this non-GAAP information, the reconciliation of that information to GAAP, and other related information is included in supplemental materials entitled “Non-GAAP Supplemental Materials” that are linked to the company’s investor relations web site at http://www.ibm.com/investor/events/investor0216.html. The Non-GAAP Supplemental Materials are also included as Attachment II to the company’s Forms 8-K dated January 19, 2016 and Attachment I to the company’s Form 8-K dated February 25, 2016.