

Using Blockchain to Transform Banking

An Interview with Kevin Greene, Chairman and Chief Executive Officer, Tassat Group Inc.

EDITORS' NOTE *Kevin Greene is the Chairman and Chief Executive Officer of Tassat® Group Inc., the leading provider of blockchain-based real-time business-to-business payments and banking services solutions to banks. He joined the firm in 2017 as a senior Member of the Board and was named Chairman in 2019. In addition to his roles at Tassat, Greene serves as a Managing Partner of James Alpha Management, LLC. Previously, he served as Chairman and CEO of Capital Resource Holdings, LLC, the holding company parent of CRA Roger Casey, one of the nations' leading pension consulting firms advising more than \$500 billion in pension fund, foundation, endowment and high-net-worth assets. Earlier, Greene founded Bryant Park Capital, a privately held investment bank specializing in private equity financing and mergers and acquisitions for both private and public companies in the U.S. and Europe. Prior to founding Bryant Park in 1991, he was a senior consultant with McKinsey & Company focused on corporate finance, corporate strategy, and mergers and acquisitions. Greene earned a BA degree in economics with distinction from Georgetown University, a master's degree in public policy (Kennedy Scholar) from Harvard University and an MBA in finance from New York University.*



Kevin Greene

Will you highlight the history of Tassat and how the business has evolved?

Tassat Group was founded in 2017 to bring the power of blockchain technology to the banking industry. Our goal has always been to empower banks to compete and win in an increasingly digital global economy. Tassat is currently playing a leading role in the technological modernization and transformation of the banking industry in the United States.

In sharp contrast to other financial technology firms, Tassat is modernizing the banking industry in cooperation with banks and entirely within existing U.S. banking regulations. The U.S. banking industry provides a safe, secure, trustworthy environment for businesses and consumers to conduct payments, lending, and other financial services. It is the bedrock of the U.S. economy and the U.S.' global economic leadership. However, the existing banking technology infrastructure is also relatively antiquated and needs to be upgraded to blockchain

technology which is transforming every industry throughout the world. This technology upgrade, in our view, can and should occur within the current regulatory framework, not outside of it. The U.S. cannot afford to tear down what has worked well for over 150 years, and continues to work well, in the hope that we can somehow rebuild it all later.

Our initial target market has been the \$50 trillion B2B payments market. If one includes high volume public exchange activity, the B2B payments market is a multiple of that figure. The B2B payments market is nearly ten times the size of the business-to-consumer (B2C) market. Surprisingly, more than 60 percent of all B2B payments still use paper checks. Tassat is the only independent, blockchain-based platform empowering banks to provide real-time payments and financial services capabilities to their business customers. Tassat enables banks to modernize both how their customers do business and how they serve their customers.

Our flagship product, TassatPay® has become the most trusted blockchain-based platform for the banking industry and its B2B customers. Since its launch in 2019, TassatPay has processed over \$500

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COMPANY BRIEF *Tassat Group Inc. (tassat.com) is a New York-based technology company that is the leading provider of blockchain-based business-to-business (B2B) payments and financial solutions for banks including TassatPay®, which enables banks to provide their customers with instantaneous, secure, real-time payments 24 hours a day, 7 days a week, 365 days a year. TassatPay has become the most trusted blockchain-based platform for the banking industry and its B2B customers with over \$500 billion in secure, real-time transactions to date. Tassat has added Smart Contracts and Fedwire functionality to make TassatPay a one-stop-shop for B2B Payments. In 2021, Tassat won a Google Cloud Customer Award for Innovation in Financial Services.*

billion in transactions. Based upon our current trajectory, we will easily surpass \$500 billion in transaction volume this year alone and well over \$1 trillion next year. In 2021, we processed \$247 billion in transactions while Venmo executed \$230 billion and Zelle \$480 billion. Despite our large volumes, our business is still in its infancy.

Tassat began its journey focused on delivering highly secure, real-time payments 24 hours a day, 7 days a week and 365 days a year to business customers of the same bank. In addition to advances in our core payments product, we have since added the ability to execute the same secure, real-time payments across banks 24/7/365 on The Digital Interbank Network™ as well as Smart Contracts which empower banks and their corporate customers to design and implement their own payment solutions as well as other financial services which banks can provide more securely, efficiently, and effectively on the blockchain.

How do you define Tassat's mission and purpose?

We believe that private permissioned blockchain technology is the future of banking, and that financial products and services can be provided more securely, efficiently, and cost-effectively on private permissioned blockchain than through existing legacy systems. We created the TassatPay platform to deliver on blockchain's promise for the banking community.

We see ourselves not only as innovators, delivering products and services that improve the competitiveness and efficiency of U.S. banks and their business customers, but also as responsible participants in a financial system that is critical to the nation's technological and economic leadership. That is why all Tassat products are built on private permissioned blockchain, providing the highest levels of privacy and security as well as employing the power and benefits of blockchain technology, thereby increasing confidence, efficiency, and effectiveness in the U.S. banking system.

Tassat is a company that seeks to serve our clients well, create innovative products that generate real progress, and do so entirely within the existing regulatory framework. There are no shortcuts to success.

Will you provide an overview of Tassat's services and solutions?

Our first product offering was TassatPay, a one-stop shop for banks to facilitate real-time transactions between its business customers. It allows a bank's business customers to transfer money to any other business customer of the same bank instantaneously and securely, 24/7/365, with no limits on transaction size or volume.

We have now added Smart Contract Solutions to TassatPay, which enables banks to give their business customers the ability to automate routine payments and interact with their customers more efficiently and effectively. Our Smart Contracts enable a bank to empower their customers to streamline, simplify, and automate their business processes while also giving corporations greater control over their payments, receivables, working capital and financing. With

Smart Contracts, a bank's customers can offer discounts, premiums, pre-scheduled payments, financing terms and a multitude of other financial solutions supported and facilitated by the bank. Both banks and their corporate customers become big winners in the process.

We introduced The Digital Interbank Network, which we call "The Network," in December 2021. This utility enables secure, real-time payments 24 hours a day, 7 days a week and 365 days a year across banks. Both Tassat and the banks we work with believe that The Network will transform how B2B financial services are delivered in the U.S., benefiting both banks and their corporate customers.

Because of the flexibility of our platform, banks and their corporate customers are becoming our partners in the innovation process, driving new solutions which Tassat facilitates and supports. The creativity and excitement we have seen bank leaders express when they are exposed to Tassat's technology has been truly breathtaking.

How do you define the Tassat difference and what sets Tassat apart in the industry?

We have three major differentiators. First, the TassatPay platform operates using private permissioned blockchain. Unlike public blockchains that are visible to anyone, anywhere, at any time, private permissioned blockchain provides complete privacy and security for banks and their customers while also allowing banks and regulators to have the transparency, control, and efficiency they need. Tassat's platform can accommodate public blockchain solutions, if we were to choose to do so, but our clients believe the security, transparency, and efficiency of private permissioned blockchain is best for both the banks and their clients.

Second, Tassat is a technology company that works entirely within U.S. regulated banks,

enabling banks and their corporate customers to transact safely, securely and verifiably. Tassat seeks to empower banks, not disintermediate or replace them.

Third, and most important, we empower banks to become innovators in serving their customers. We give banks the tools to create their own solutions for their customers, not outsource that innovation or any customer relationships to third parties. The banks we serve believe our tools provide an important key to their continued and growing success.

How did Tassat adapt its business to address the challenges caused by the pandemic?

Employee safety is always a top priority for Tassat. Like most other technology companies, Tassat enables its employees to work remotely most of the time. Many of our employees do so at least part of the time, and all did so during the lockdown period of the pandemic. As a result, we were able to continue developing our platform, serving clients well, and growing our business throughout the pandemic. The pandemic brought operational complexities to millions in the U.S. and around the world. We were proud to be able to operate and thrive uninterrupted throughout the pandemic, helping to minimize the impact on our clients and their clients who depend on them.

How critical is it for Tassat to build a diverse and inclusive workforce to bring diverse perspectives and experiences to the table when making business decisions?

At Tassat, diversity and inclusiveness in our workforce are priorities as both an employer and as a member of the communities we serve. Inclusiveness also diversifies and broadens our talent pool and the perspectives and insights available to us. As a result, we are committed to ensuring equality and opportunity within our organization, and eliminating barriers, whether

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they are structural or the result of individual personal biases.

We seek to ensure that our employees are treated with respect and freedom from discrimination, and that they can make the most of the skills, abilities, hard work, and commitment they bring to our team.

What do you see as Tassat’s responsibility to the communities it serves and to being a force for good in society?

Everyone at Tassat understands and embraces our mission to bring the power of private permissioned blockchain technology to the U.S. banking system so that banks and their business customers can benefit from the speed, efficiency, effectiveness, and security of this technology as well as compete effectively in an increasingly digital economy. Blockchain is the future of the global economy and we want to do everything we can to make sure that U.S. banks and U.S. companies are not left behind.

We must never forget that medium-sized and small businesses are the engines of innovation and growth in the U.S. economy. Community banks provide those businesses with the banking services they need. Tassat is dedicated to empowering those banks and their business customers to participate, prosper, grow, and innovate in a modern global economy.

Tassat offers banks the ability to serve their clients better, deepen client relationships, increase deposits, and enhance their ability to attract new customers. In an age in which many banks are growing through mergers and acquisitions, Tassat enables community banks, including smaller institutions and those with regional footprints, to remain competitive, stay independent, adopt the latest technologies, and thrive. This is important because these banks are closest to the communities they serve. The continued success of community banks is

important for local businesses if they are to have access to the payment, credit and other functions banks provide. If this access disappears, it will diminish the opportunities for these local businesses to succeed, with consequent harm for their customers, employees, and communities. By strengthening the ability of community banks to remain competitive, Tassat helps to ensure that they can continue to serve their customers well.

We also pursue our commitment to community responsibility in other ways such as our commitment to diversity and inclusion.

Another example is our use of private permissioned blockchain which consumes very little energy. Because we use Google Cloud, which has a zero-carbon footprint, the small amount of energy we do consume generates zero carbon emissions. This low energy consumption provides Tassat and its customers with another reason to use private permissioned blockchain as opposed to the public blockchains which have come under scrutiny for their huge energy consumption and significant contributions to climate change.

What do you see as the keys to effective leadership and how do you describe your management style?

Effective leadership has three components. Attract people with outstanding talent, energy, and integrity. Ensure the team’s strategy and goals are as clear as possible. Empower everyone to succeed.

Success is always and everywhere a team effort, so the most important leadership role is to attract people with high talent, energy, and integrity, and make sure they perform well together. My role in this effort is to serve and lead others. This effort includes leading the development of Tassat’s corporate strategy with input from our clients and everyone in the company, from our Board Directors to senior

leadership to both current and new employees. Our clients always come first, and their views must be the driving force, but everyone at Tassat sees a piece of the puzzle, and everyone can, should, and must contribute to our strategy development.

My role is to listen as carefully as possible to everyone, to articulate our strategy and goals as cohesively as possible, and to help the Tassat team identify the key steps required to execute our strategy effectively and achieve our goals. This ability for everyone at Tassat to listen carefully to our clients and to each other and to act with focus and purpose is particularly important in a rapidly changing industry like ours. As a team, we embrace this environment. We challenge ourselves to innovate and improve every day in everything that we do.

Having a strong, highly motivated, committed, and accountable leadership team is, of course, key to our success. Our senior leaders demonstrate Tassat’s commitment to working with focus, purpose, and integrity through their actions every moment of every day. They communicate our mission and values very effectively to their team through their actions as well as their words.

Tassat is very fortunate to have a clear, attractive, and important mission: playing a leading role in the modernization and transformation of the U.S. banking industry.

My leadership style is to be the best listener I can be, encourage others to do the same, attract truly great talent, and empower those talented individuals to succeed. The result is a fun and rewarding process for all of us.

What are your priorities for Tassat as you look to the future?

Our primary goals for Tassat are to increase the number of banks using our platform and continue to deliver innovative products that serve our clients well. We made excellent progress in 2021 and believe we will soon reach the point where our business grows exponentially, far exceeding our very high expectations.

Both TassatPay and The Network are important gateways to a fully digital banking system which the U.S. urgently needs to remain economically competitive. Smart Contracts operating on TassatPay and The Network have been extremely well received by banks and will also be transformational for the banking industry and its clients.

Tassat’s products today are based on private permissioned blockchain technology available here and now. However, we will continue to adapt this technology, including future advances, to help our bank clients serve their business customers more efficiently and effectively, bring tremendous benefits to businesses of all sizes, and inspire private sector innovation more broadly. Innovation has been the basis of all U.S. progress and prosperity since inception. Making fuller use of blockchain’s potential will ensure that U.S. banks remain in the forefront of technology and innovation. There really is no alternative if the U.S. banking system and the U.S. economy expects to continue to lead the world in the future. ●