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# Argentas

## // Introduction to the Argentas Project

Argentas is about decentralizing global banking. As a robust second generation blockchain project, Argentas helps build new open global financial system that is accessible, inclusive and has no barriers to entry. The Argentas ecosystem will be formed around its core HydraNet blockchain, network interfaces and bridge entities, and an eventual decentralized application platform focusing on global financial applications. Argentas has the potential to become the blockchain for global decentralized banking of the new era, disrupting the outdated banking business model by recreating the banking and other financial services functions on a modern decentralized distributed ledger i.e. blockchain platform for maximum ease, convenience, speed, security and savings in cost and effort.

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### Preamble

Traditionally, banking services have been offered in a centralized closed ledger context that is risky and prone to attacks. Banks have created money through fractional reserve banking. Interbank payments have taken place through outdated, slow and expensive infrastructure (Swift etc.). In many parts of the world, excessive regulation and not always very smart public policies have made banking industry weaker, unable to fulfill its economic function of financing economy, unable to generate sufficient returns and unattractive in general, in addition to old-fashioned business models and infrastructure that was never updated or upgraded to meet the needs of the Internet era. Being crushed by both over-regulation and new technologies enabling new ways to offer banking products and services, the current banking operating model is dead. It is time to change this.

### The opportunity

Global finance will 'go crypto', and there is no way back:

- **Bank accounts and banks as we know them will disappear** and morph into blockchain network interfaces – blockchain will record transactions and hold 'account balances'
- **Bank services will become dapps**, decentralized applications that "live" in decentralized blockchain networks
- Enabled by the distributed ledger technologies (DLT), first time ever, **truly global, instant and virtually free payments are possible**
- DLTs have first time ever made **possible to create a truly global open financial architecture and system – without any central authority or control**

There are many good, innovative projects with some smart ideas and substantial ambition. However, no one has so far created a 'perfect' solution to make this all happen: **This is the perfect opportunity ahead, with open blue oceans for essentially limitless growth.**

### What will Argentas do?

The figure below answers to this question by illustrating the key functions of Argentas in migrating and recreating products and services that were traditionally operated within a centralized ledger bank structure to a the new, open, decentralized, distributed ledger setting. In brief, the money created by the banks through fractional reserve banking, or money created by central banks, goes



to native cryptocurrency functioning as the digital reserve currency of the blockchain. The blockchain takes over the role of the old-fashioned correspondent banking wire transfers, payment messaging and cumbersome clearing and settlement functions of ancient structures such as Swift, and the native network wallets operate as interfaces on the blockchain holding account balances and transactions, launching transfers of money and any item of value on the blockchain that becomes the universal value transfer network. Traditional banking products and services such as deposits, loans, investments and so on migrate into decentralized applications living on the blockchain. This kind of migration of old and generation of entirely new activity gives birth to new kinds of crypto financial ecosystems that form the new open global financial architecture taking over from past structures that were designed half a century ago, representing technologies that have long been surpassed by new innovations and advances in technological development. Blockchain-based global financial architecture offers unsurpassed resilience, stability and safety.

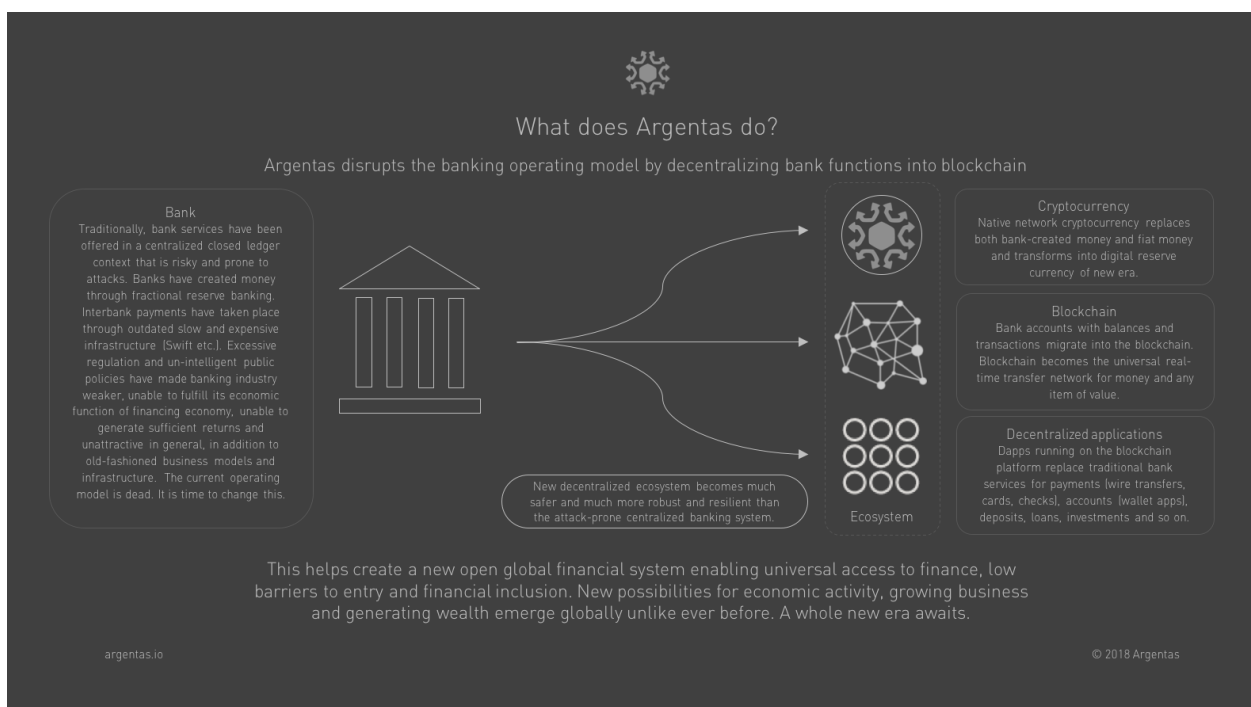


Figure 1: What Argentas does

## The spaces we are in

The current incumbents of global finance underpinning an old-world technological infrastructure are very vulnerable to significant disruption in the space. Distributed ledger technologies and cryptocurrencies as their key applications are very powerful tools to effect this inevitable change and make the space unlike ever before. **The space of global banking and finance we are in is enormous, potentially covering the business of traditional banks, payment firms, payment card schemes (Visa, MC, Amex etc.), financial messaging networks (Swift) and other financial services providers.**

The total global market cap of banks (largest ones ca. USD 400 billion) is into tens of trillions of dollars, leading card schemes more than a trillion, and e.g. SWIFT processes trillions of dollars worth payments every day. These amounts tell something about the value of **this space of tens of trillions of dollars we are disrupting, and migrating and growing the activity into new crypto ecosystems with enormous value-added.**

Most future financial transactions will be digital and decentralized, and **Argentas is well positioned to capture this vast creation of new value.**



## How we do it?

We did a comprehensive study and analysis of the technological characteristics and features that we see as requirement for a successful second generation blockchain platform, whether they exist in some form, need to be invented/created or improved upon existing solutions – some of the key requirements we saw to be the following:

- **Speed (low latency):** Fast transaction confirmation times of 2-5 seconds (base case), w/objective **instant (sub-second)**
- Transaction throughput (**scalability**): Targeting at least 50-60 thousand transactions per second (e.g. the global volume of Visa), but research on “**lightning network**” (no viable commercial application exists yet) as secondary payment channel and/or powerful primary layer solutions to enable **up to millions of transactions per second**
- **No mining:** Consensus-based transaction validation (based on a variation of ‘**Byzantine Generals’ Agreement**), no proof-of-work (PoW) / proof-of-stake (PoS), **consumes much less computing power, much more environmentally friendly**
- **Low transaction cost:** Lack of mining consumes much less computing power, causing **much less network congestion and capacity problems, which enables much lower costs**
- **Decentralized control, transparency and flexible trust:** Anyone free to access and participate the network and choose who to trust – anyone equal, enabling complete financial inclusion
- **Safety and security:** The security should not only rest on “normal” **digital signatures and hash families** (base case) but **eventually be quantum resistant** (for which more research is needed).
- **Smart sharding:** Research on the possibility not to replicate the whole ledger entirely (as in base case) but portion it across the network through “**smart sharding**”, **lowering network load & increasing overall capacity**
- **Easy, convenient, intuitive user interfaces:** User interfaces – e.g. the native the wallet, are simple and easy to use, intuitively facilitating buy, sell, store and transfer of value and use of any available app.

The study that was the basis of the plan for our next generation blockchain platform and the ecosystem that we see inevitably forming around it, for it to be able to fully leverage its potential. We named this new architecture as ‘The Architecture of Money’ for the simple reason that it very strongly relates to the transition of monetary affairs in the context of global banking and finance from the old-world structures to the new crypto financial era, transforming money and the key infrastructure developed to deal with money matters.

This Architecture of Money, or ‘AoM’, is visualized in a simplified manner in the figure below, explaining some of the key characteristics of this blockchain platform and its core components: the blockchain, its native cryptocurrency and the dapp-driven financial ecosystem evolving around it.

Indeed, our thinking has been that in order to be successful, we do **not only need core blockchain protocol, but an entire new synergistic crypto financial and business ecosystem** that facilitates the migration of true economic activity between the traditional economy and the crypto economy, and the creation of entirely new kind of economic activity in the crypto sphere.

The Argentas Ecosystem (“AE”) will have three principal dimensions that will create **automatic internal synergies, reinforcing it and increasing its value-added through every additional piece of economic activity or transaction:**

1. **HydraNet** – the Argentas-developed protocol and blockchain (including its all is components)
2. **HydraNet interfaces / bridge entities** such as native wallets, exchanges, banks and other actors interfacing with HydraNet
3. **HydraNet dApps** – further decentralized applications (dapps) that leverage the power of HydraNet for economic activity

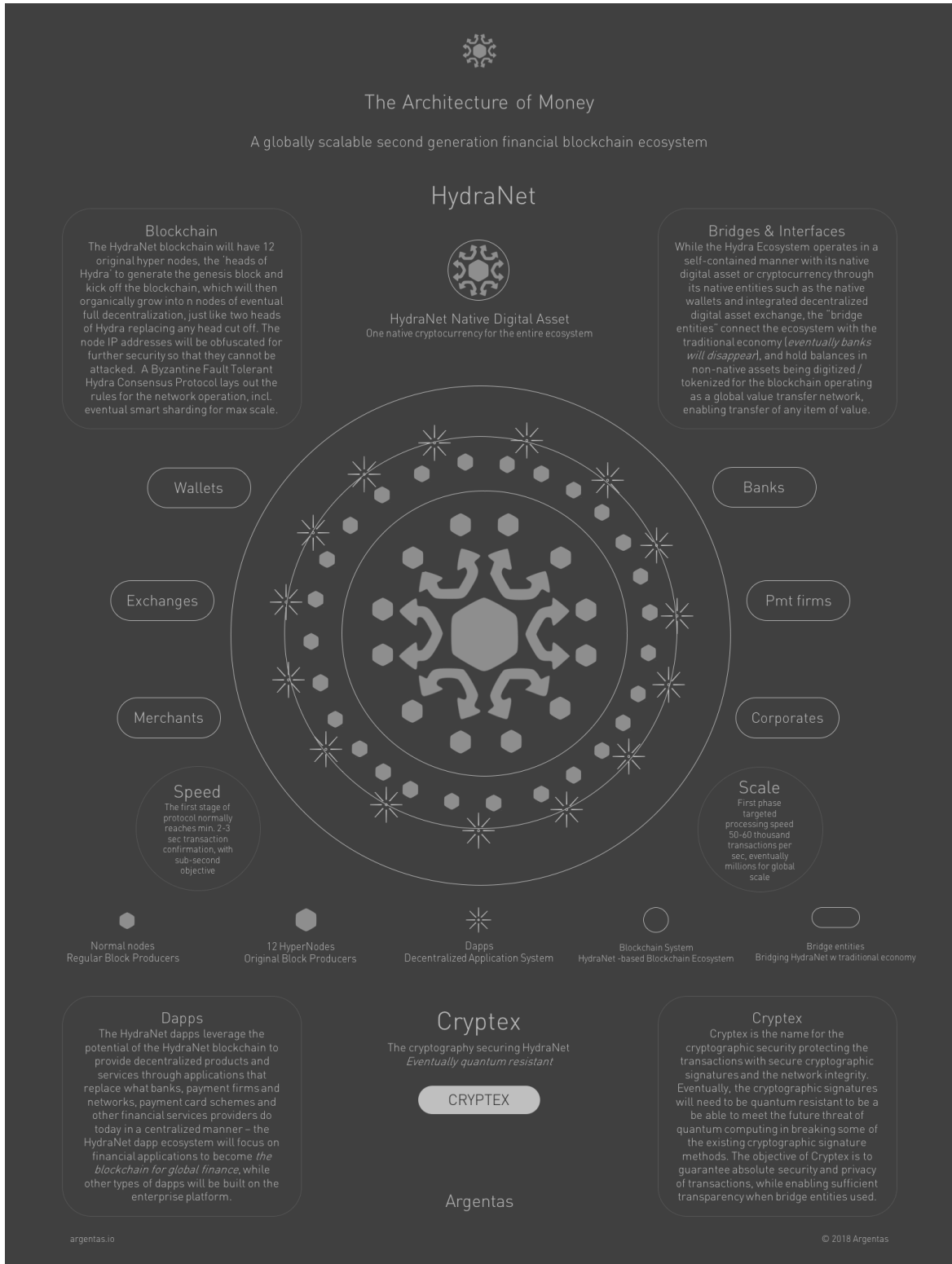


Figure 2: The Architecture of Money



Given the fast-evolving nature of the cryptocurrency sphere and the underlying technologies, the structure and components of the AE are likely to evolve accordingly.

The AE has been conceived so that every dimension will support and strengthen the network and the ecosystem itself, so the growth of any dimension – the number of network nodes, the volume of transactions (in its native assets or otherwise), the number and type of network bridges and interfaces, and the number and type of other dapps (e.g. wallets are also dapps) – will boost the position and value of the network, **all components being mutually synergistic to benefit the ecosystem as a whole**, potentially creating the **leading blockchain ecosystem for global finance**. We believe that such distributed, decentralized setting represents the future of global banking and finance by making the structure resistant to attacks, and resilient, robust, stable and safe.

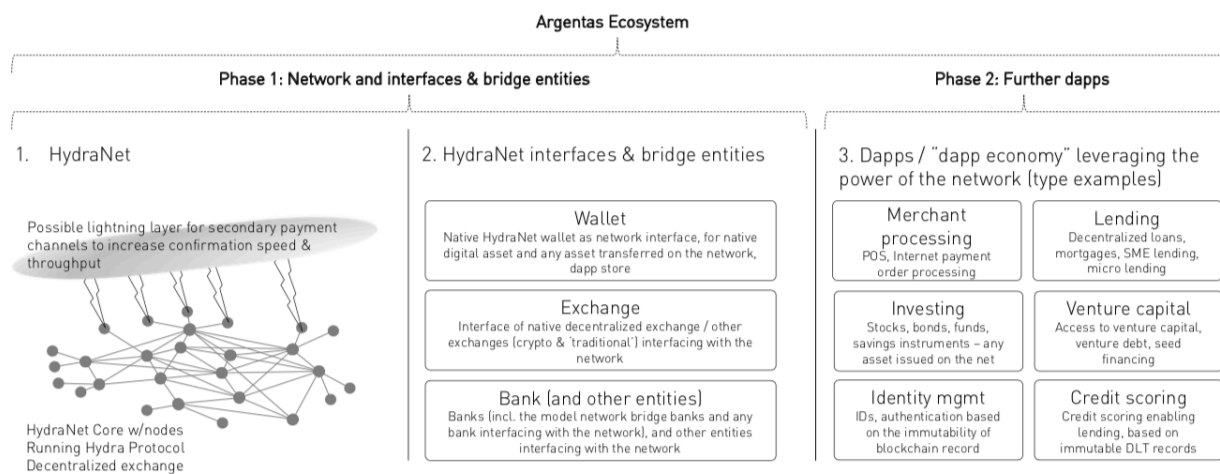


Figure 3: The Argentas Ecosystem and its main phases of development

## Strategic plan

The development of the ecosystem is divided in two key phases:

**Phase 1: Development and implementation of (i) the HydraNet protocol and blockchain, and (ii) its key interfaces & bridges** i.e. wallet (native), exchange (native) and banks (non-native connecting through APIs) or similar, because the network use, when interfaced with the "rest of the world" will significantly increase through the bridge entities compared to the singular use of its **native digital asset / cryptocurrency** for transactions, when not interfaced. In order to facilitate the transition between the 'old' and 'new' systems towards the 'post-banking' era in the new global financial system, Argentas may or may not partner with, invest in, hold, acquire, set up or dispose various network bridge entities such banking units, while the fulfilment of its strategic objectives is independent of such "traditional" units.

**Phase 2: Development of further dapps** – the further decentralized applications, which may also interface with the other network key user interfaces such as wallets, exchanges and banks, will focus on financial activities such as products and services traditionally offered in the closed ledger banking environment that boost general economic activity, crypto and traditional, and provide value-adding services that could be ones like decentralized lending that will be inherently supported by HydraNet structure.

Dapp development and interfacing will be open to all, and it will be the intention of Argentas to support the development and integration of interfaces, bridge entities and dapps in the AE through venture funding or similar initiatives, depending on the resources available.

## The role of bridge banks

Why a bank entity adds value for a network that will ultimately render banks useless? Today, we are not yet in a pure crypto economy



but far from there, and such “bridges” between the traditional and crypto economies, when they are with the right pro-crypto attitude, help the crypto economy grow and accelerate this transition between old and new. Nothing grows in vacuum, but partial “hybrid” structures are needed to realistically accelerate the real crypto growth.

- Even if banks and bank accounts will eventually disappear, as of today, they can interface with and act as important **bridges between the crypto economy and the traditional economy, holding balances of fiat money and other non-crypto assets** that are issued as network credit
- Recent bad treatment of crypto users by traditional banks, blocking access to their payment, card and other services, makes it **urgent to have crypto friendly banks available**
- A bank entity can act as a laboratory for the transition from closed-ledger “centralized” banks to the DLT “decentralized” crypto banking, and **dapps replacing banking services** on the network, eventually making the network the bank
- Such model bank(s) would run an **entirely digital online platform leveraging machine learning / artificial intelligence and minimize human intervention**

## Mission

Argentas as a project was formed to fulfill its mission of **making global financial services faster, cheaper, easier, more convenient and secure, and offer them with style and substance.**

## Vision & objectives

The objective of Argentas is to fulfill its vision by growing into **the leading next generation blockchain ecosystem for global banking and finance.**

## Why us?

Why would we be the right team to make this long-term vision and mission for transforming global financial services happen? Because we have both the technological and financial expertise what it takes to get there, we have created robust, most advanced enterprise grade Fintech platforms in real financial institution and banking environment, understanding both sides of the equation, the substance matter and technology, intertwining them together, and having seen this stuff over several cycles so that we have the perspective and foresight enabling us to take a realistic long-term view and really know, what it takes to get there.

- Backed by strong **financial services and technology (Fintech) experience and expertise in building and launching real life business grade Fintech platforms and operating businesses**, the Argentas team has a **realistic project that creates a powerful second generation blockchain platform to transition global payments and ‘centralized’ banking into the decentralized world of blockchain, decentralizing global banking**
- The project is not **only to create the right kind of blockchain platform and native cryptocurrency, but an ecosystem also covering the interfaces, bridge entities and dapps** to facilitate smooth movement and transition between traditional and crypto economies, **migrating and creating real business activity, boosting the growth of the crypto economy**
- The project is not “proof-of-concept” but focuses on helping to **build sustainable real value-adding economic activities, and growing the new decentralized economy**
- The network will effectively become the **‘de-central bank of crypto’**, which will generate immense value to its users in terms of money, time and effort saved and new activity created, increasing financial inclusion and access worldwide, lowering barriers to entry and enabling whole new kind of economic activity, growth and wealth creation.

*« In the past, we had built enterprise grade Fintech platforms successfully from scratch, but they were about closed ledger online*



*banking. We had to experience the exact worries and concerns of Satoshi Nakamoto, when he created the distributed ledger structure of the bitcoin blockchain to make it resistant to any attacks of and abuse of power by central authorities, which are a risk to traditional banks but not to a decentralized blockchain network. So our starting point was a decentralized, closed ledger environment, but we have come through the full cycle to the decentralized, distributed ledger environment. » Said the project founder, Mr. Heikki Niemelä. « Only distributed, decentralized model can make banking and financial services entirely safe and resistant to attacks. Our robust experience and expertise in both the banking and finance substance matter and Fintech gives us advantage in knowing what exactly to disrupt, how to disrupt and how to create real value-added of it to the stakeholders. The project is not about a proof-of-concept but real second generation blockchain platform absorbing the functions of the outdated traditional banking business model – decentralizing global banking – and helping to create a new open global financial system that is accessible, inclusive and has no barriers to entry. The world will be soon ready for that, and there are vast blue oceans of growth ahead indeed. »*

## Token distribution

From early on, Argentas offers its community – the early believers, fans and supporters – an early opportunity to currently participate, in preferred terms, in the community pre-distribution of the Stellar XLM compatible **AXU (Argentas Exchange Unit) Token through its website [argentas.io](https://argentas.io)**. While most projects start out on the most well-known platform Ethereum, we did our study, came up with different conclusions and chose Stellar as our token distribution platform that is safe, faster, cheaper and in terms of language less risk-prone than Ethereum. We explained our choice in a Medium article: <https://medium.com/argentas/why-did-we-choose-stellar-xlm-for-token-distribution-eea2f2ae7ddc>.

Due to Stellar's incorporated decentralized exchange structure that differs from the Ethereum network, **AXU Tokens have been issued and are also listed and verified on the Stellarport decentralized exchange**, and can be conveniently acquired through the exchange. A public token distribution (ICO) at higher rates is expected to take place later during the second half of the year.

## More information

Please follow our website [argentas.io](https://argentas.io) and our social media channels like

Facebook [facebook.com/argentas.io](https://facebook.com/argentas.io)

Instagram [instagram.com/argentas.io](https://instagram.com/argentas.io)

Twitter [twitter.com/argentasio](https://twitter.com/argentasio)

Youtube [youtube.com/channel/UCTXWWAuLmMqMhKAMWUWoNhw](https://youtube.com/channel/UCTXWWAuLmMqMhKAMWUWoNhw)

Medium [medium.com/argentas](https://medium.com/argentas)

Github [github.com/argentasio](https://github.com/argentasio)

## Contacts

Email [info@argentas.io](mailto:info@argentas.io)

Chat <https://argentas.io/chat> (Telegram: @argentasio)