

CryptoCurious

Welcome!

We will begin shortly

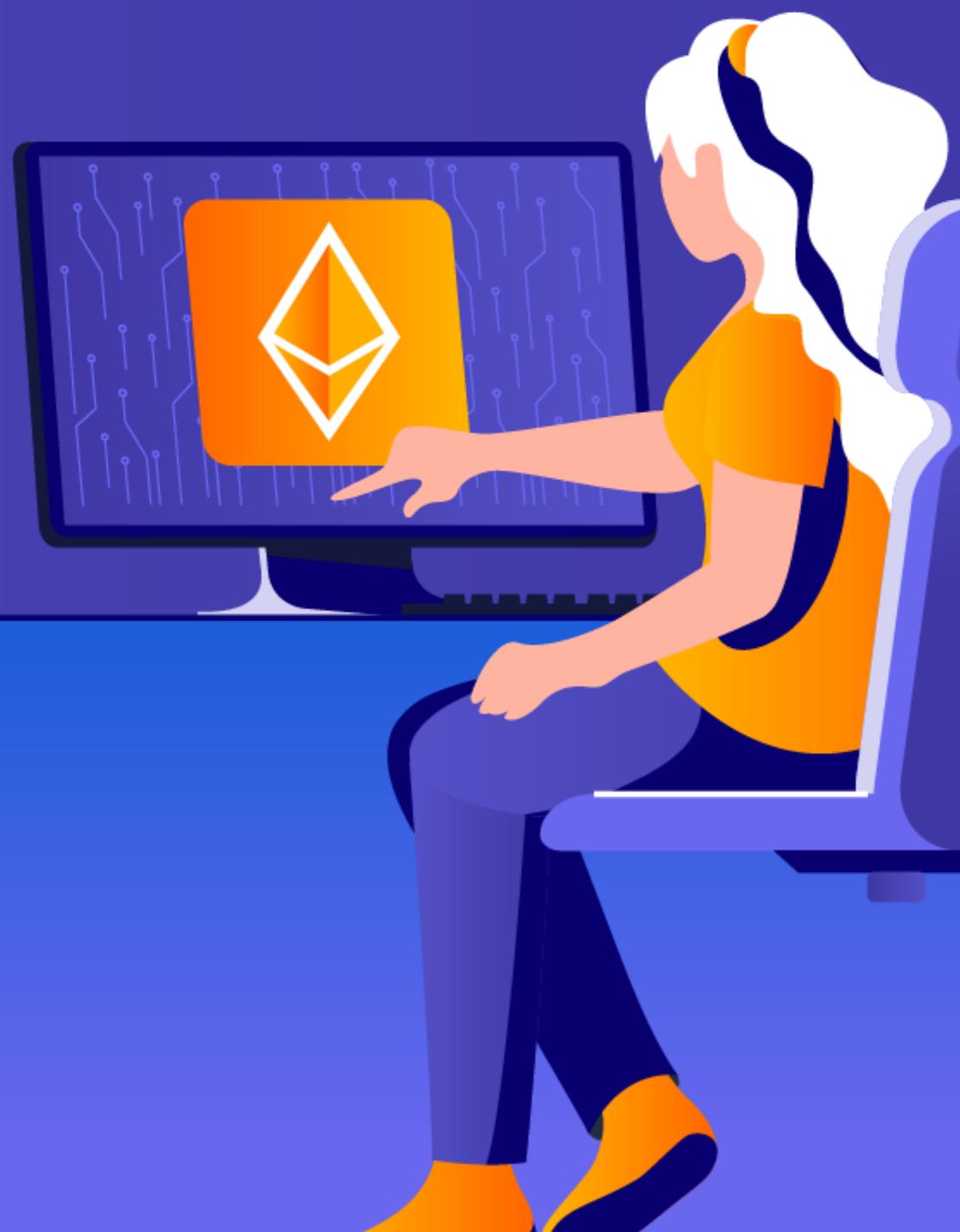


Presented by:

Shirley McPhaul Castro

Director of Crypto Curious

Sponsored by:



CryptoCurious

Bitcoin: The Beginning



PRBTA

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Crypto 101

- Introduction to blockchain and crypto
- Bitcoin: the Beginning
- Ethereum and Smart Contracts
- What are NFTs?



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Today's Objective:

- Demystify Bitcoin
 - Make sense of what it is, what it isn't and why it matters.
- Learn about its origins
- Think about the possibilities



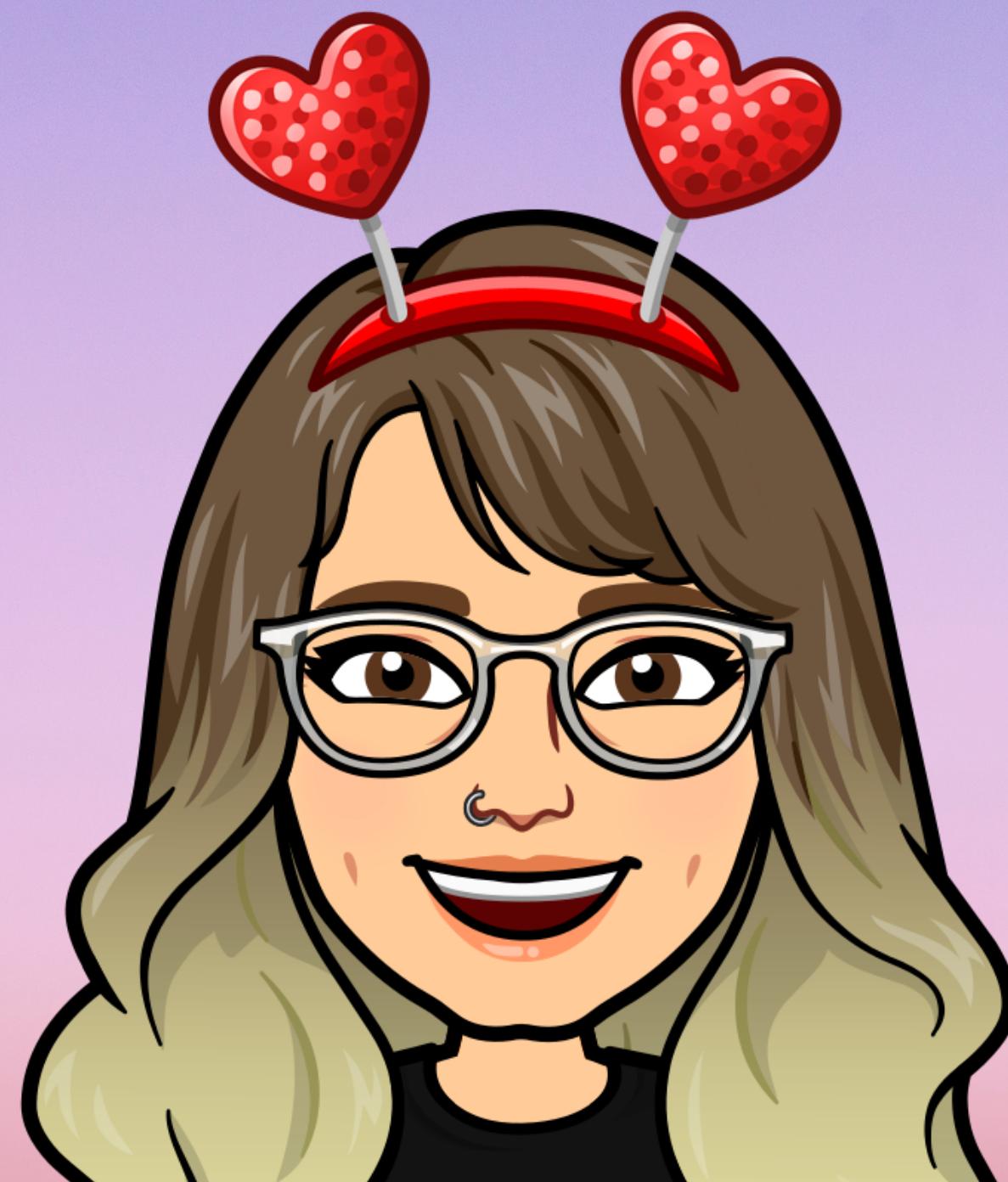
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Today's Agenda:

- What is Bitcoin?
- What is enables
- The Origin of Bitcoin
- How it works

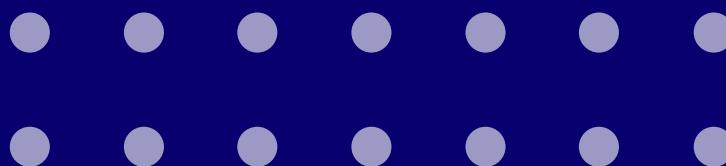


Hi! I'm Shirley



This is CryptoCurious

- "CryptoCurious" is the **Puerto Rico Blockchain Trade Association's** (PRBTA) **education initiative** created specifically to serve Puerto Ricans
- The main objective of "Crypto Curious" is to facilitate Puerto Ricans the access to the tools and knowledge they need in order to navigate and participate of the new crypto economy and the creation of Web 3.O.
- The **PRBTA** was established in 2021 to build an inclusive crypto-community and propel Puerto Rico to the forefront of blockchain innovation.



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What is Bitcoin?

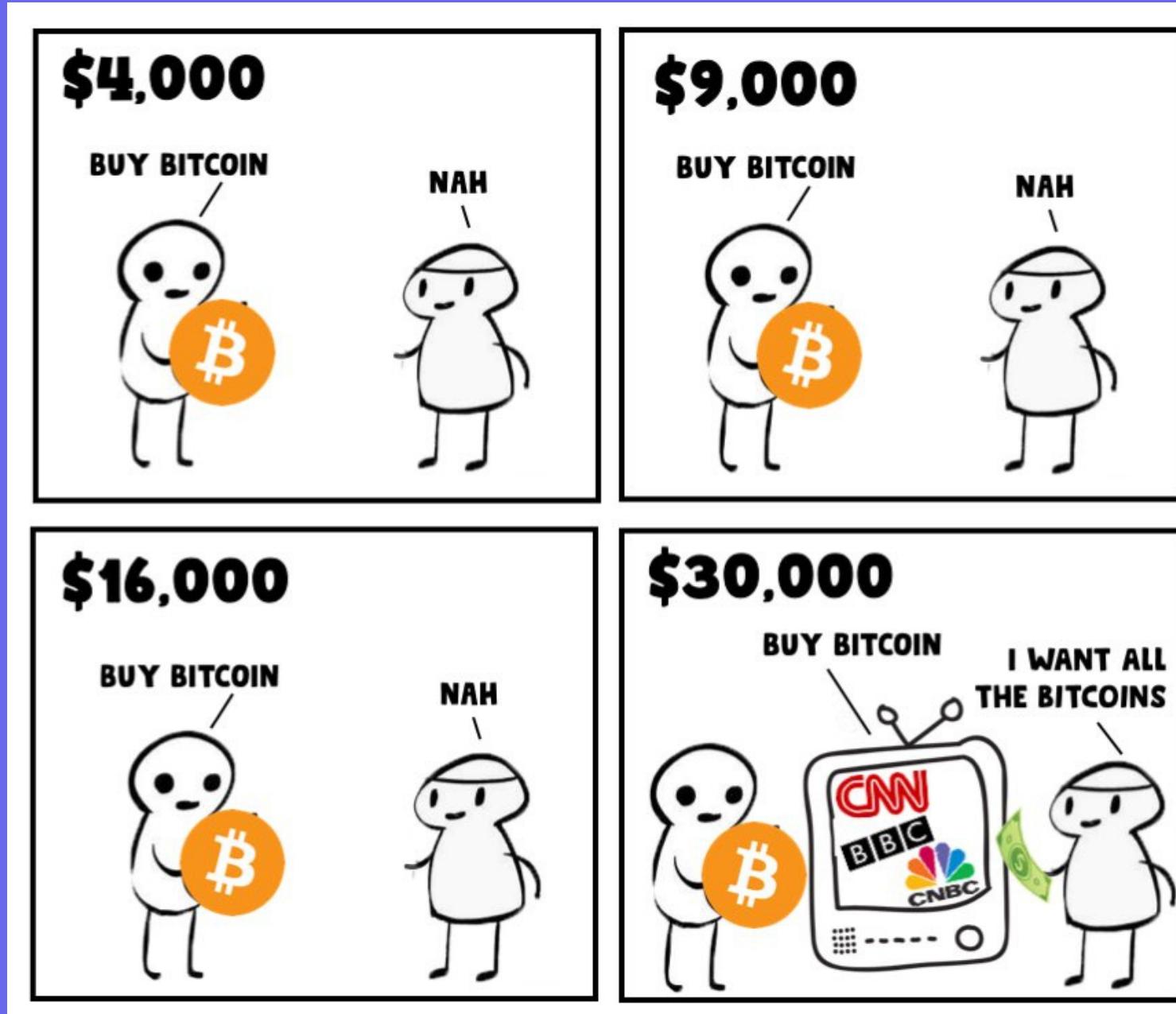


What is Bitcoin?



bitcoin

What is Bitcoin?



The 2 most expensive pizza's in history.

Re: Pizza for bitcoins?

May 22, 2010, 07:17:26 PM

I just want to report that I successfully traded 10,000 bitcoins for pizza.

Pictures: <http://heliacal.net/~solar/bitcoin/pizza/>

Thanks jercos!



ifunny.co

What is Bitcoin?

- **A database:**
 - Specifically, a blockchain database
- **A cryptographic currency (cryptocurrency)**
 - The currency required to validate and pay for transactions (\$BTC)



What is Bitcoin?

Bitcoin is "a purely peer-to-peer version of electronic cash (that) would allow online payments to be sent directly from one party to another without going through a financial institution" (bitcoin whitepaper)



Bitcoin is an automatic ledger network that enables trustless transactions between strangers and requires no intervention from a third party.



What is Bitcoin?

So what?

- Why do we "need" Bitcoin if we already have Banks and money-transfer services like Venmo or Paypal?

What is Bitcoin?

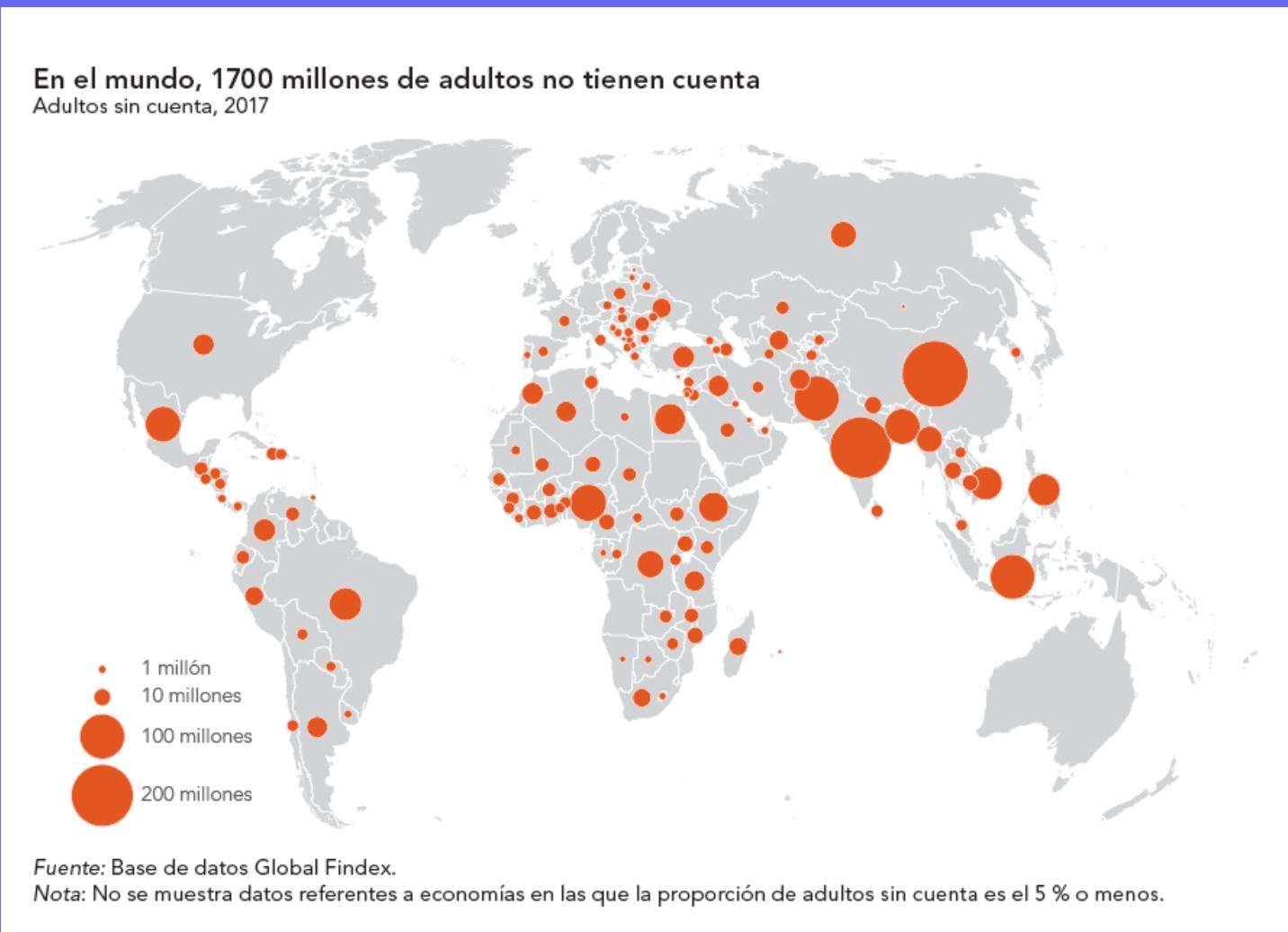
So what?

- Why do we "need" Bitcoin if we already have Banks and money-transfer services like Venmo or Paypal?

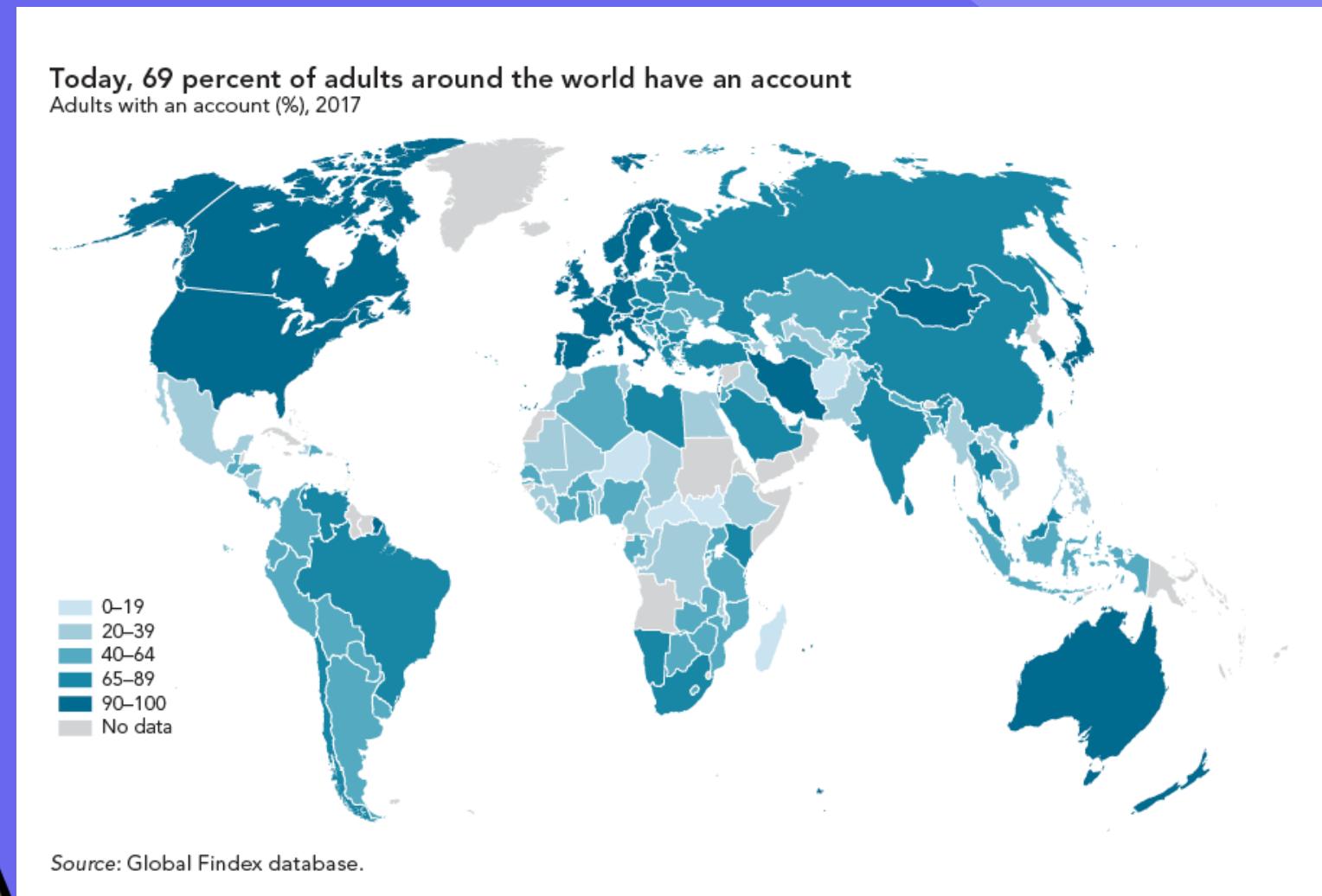
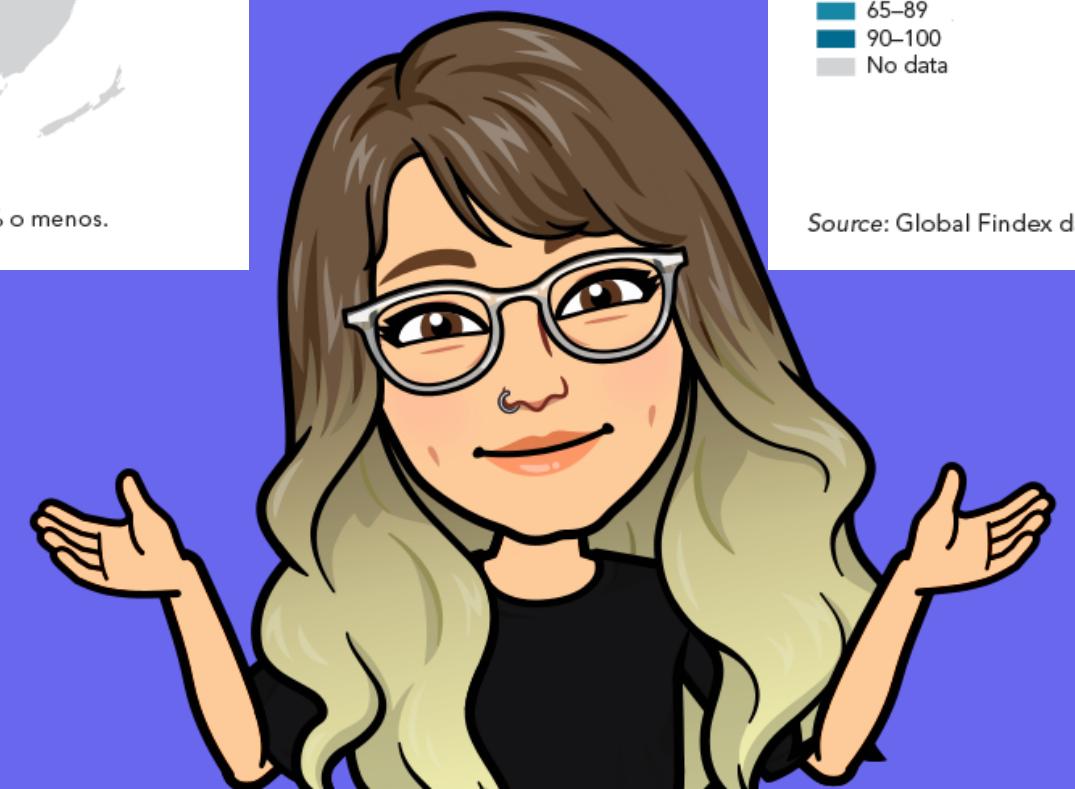
We don't NEED Bitcoin



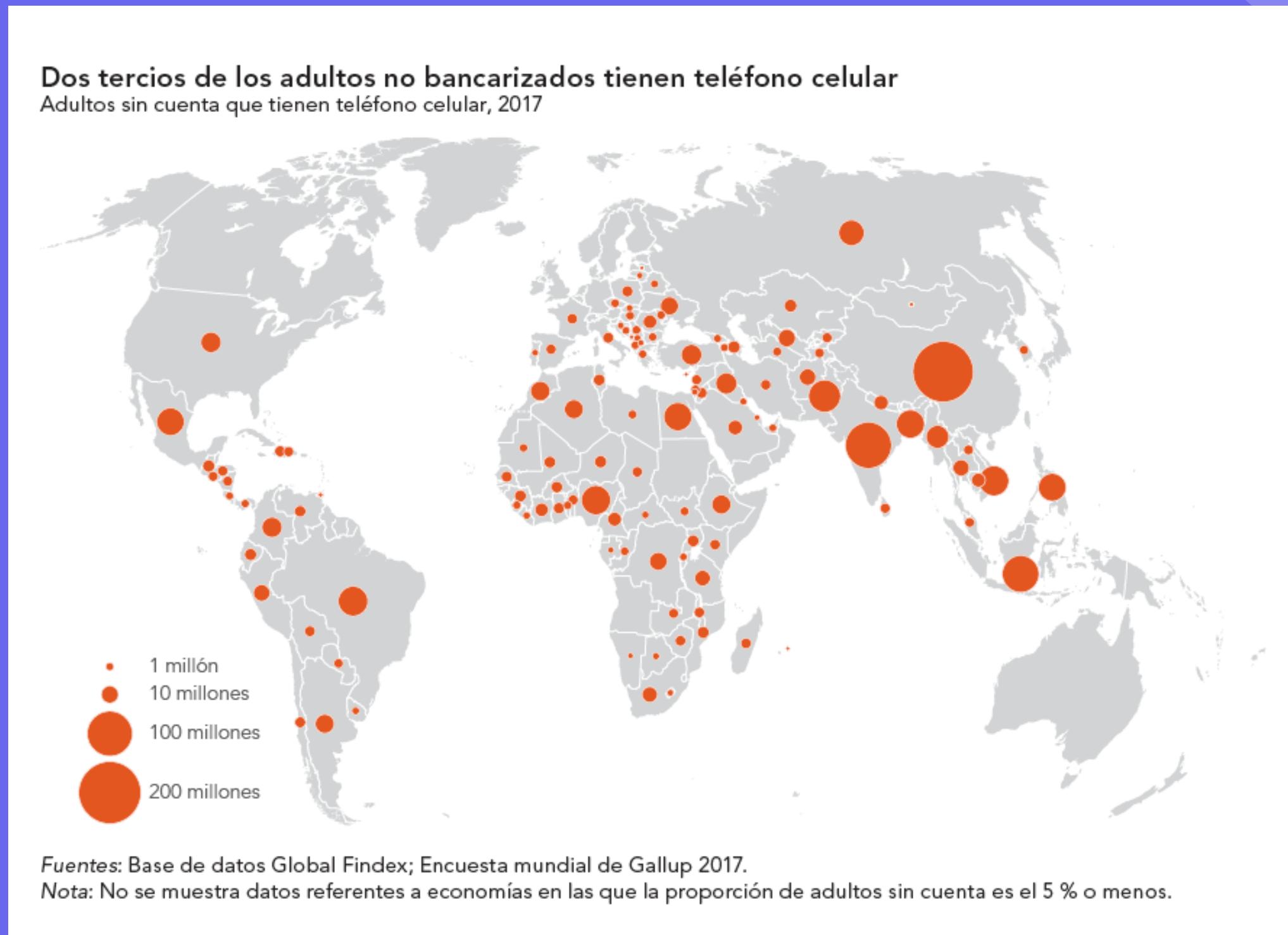
What is Bitcoin?



They do.



What is Bitcoin?



What is Bitcoin?

How is Bitcoin (aka "electronic cash") different than what we already have?

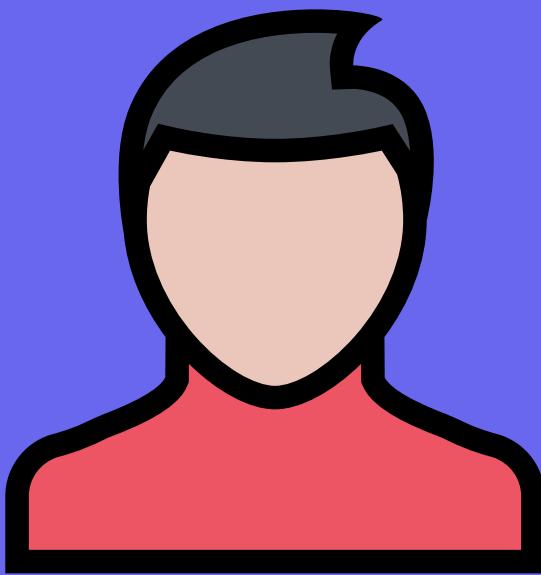
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What Bitcoin Enables

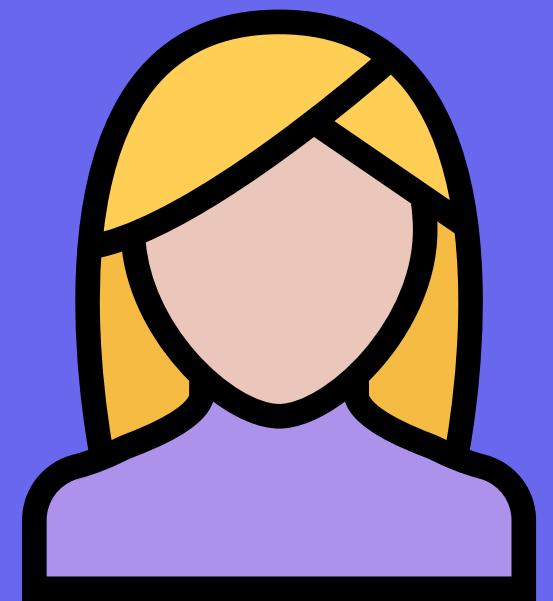


How is Bitcoin different?

First, lets see how traditional transactions work:

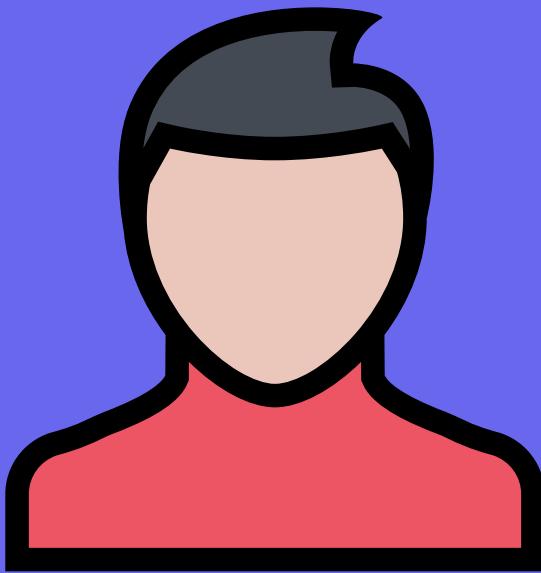


Person1 wants to send Person2 \$100

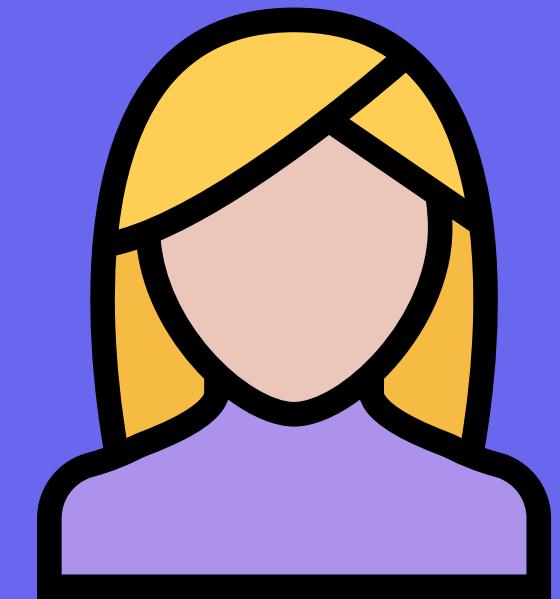


How is Bitcoin different?

First, lets see how traditional transactions work:



Options:
Send a check
Meet-up and give them cash
Use a money transfer service



How is Bitcoin different?

First, lets see how traditional transactions work:



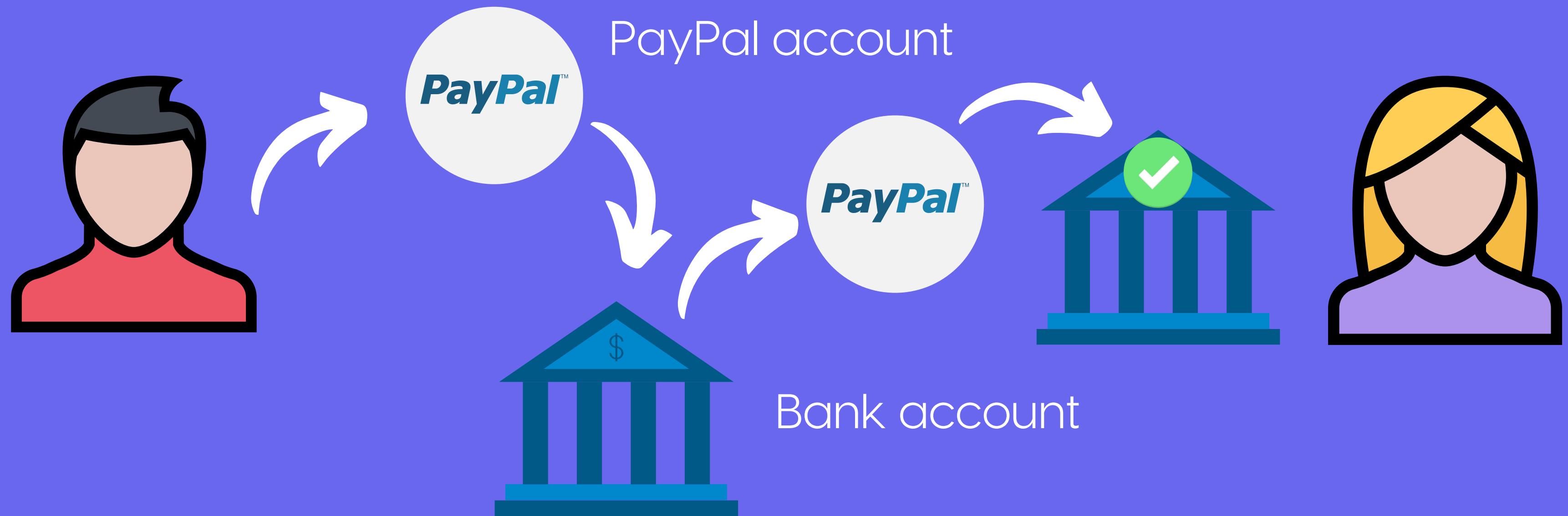
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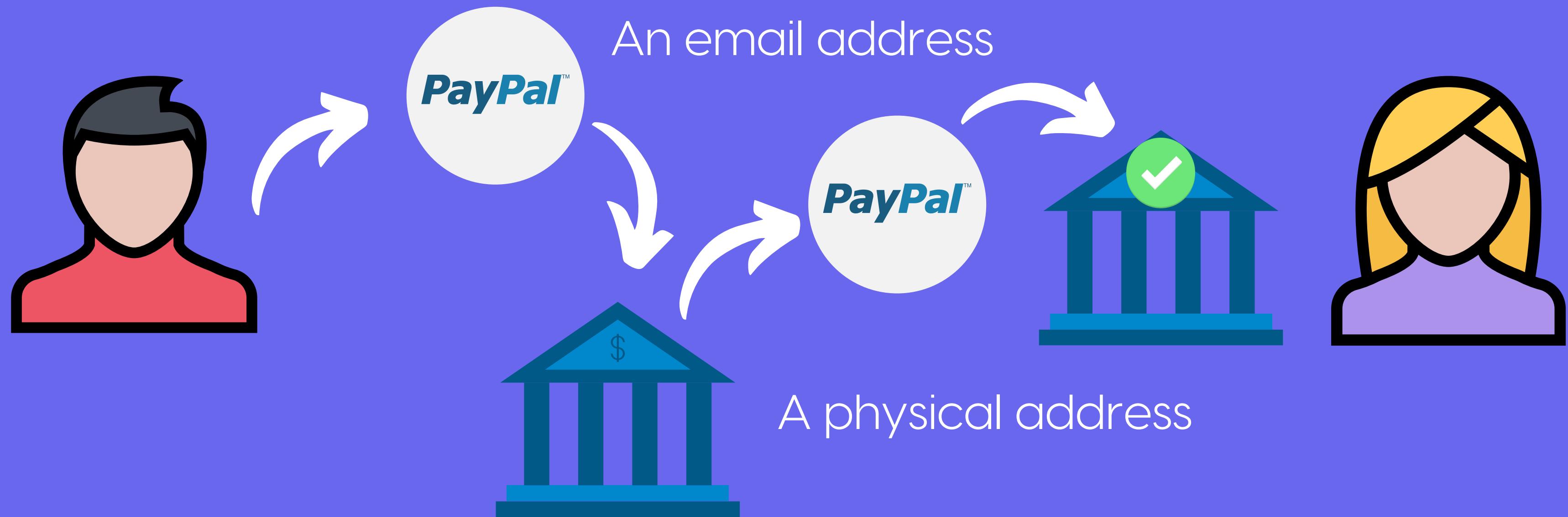
How is Bitcoin different?

This scenario requires that both Person1 and Person2 have:



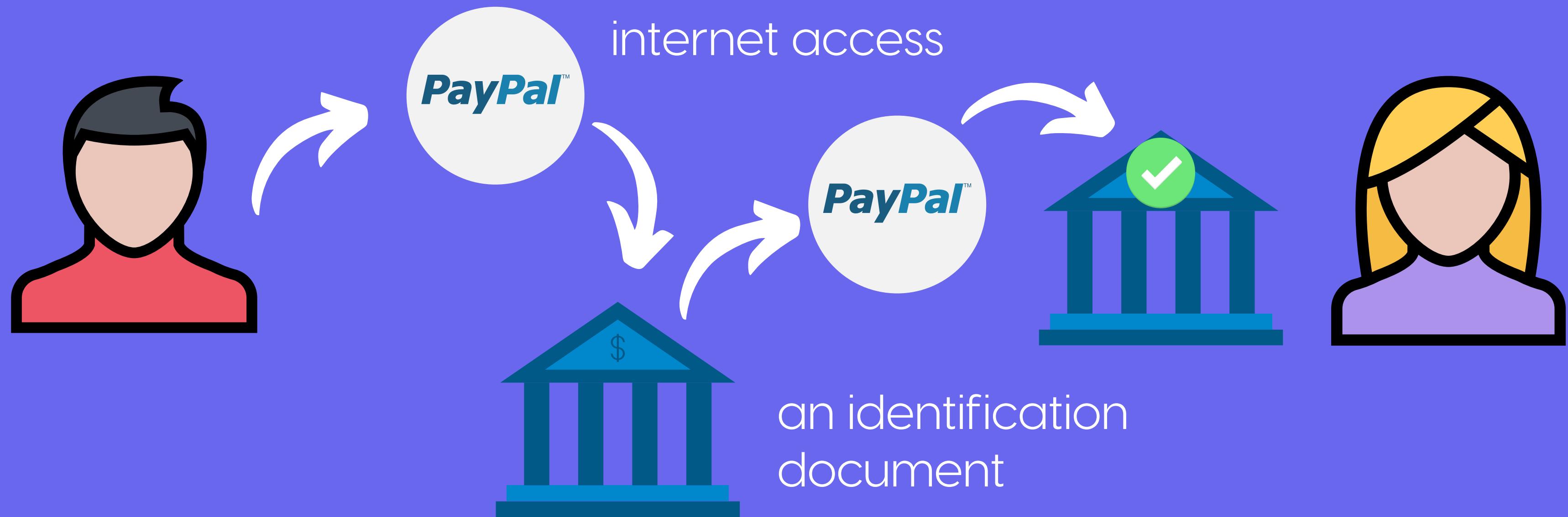
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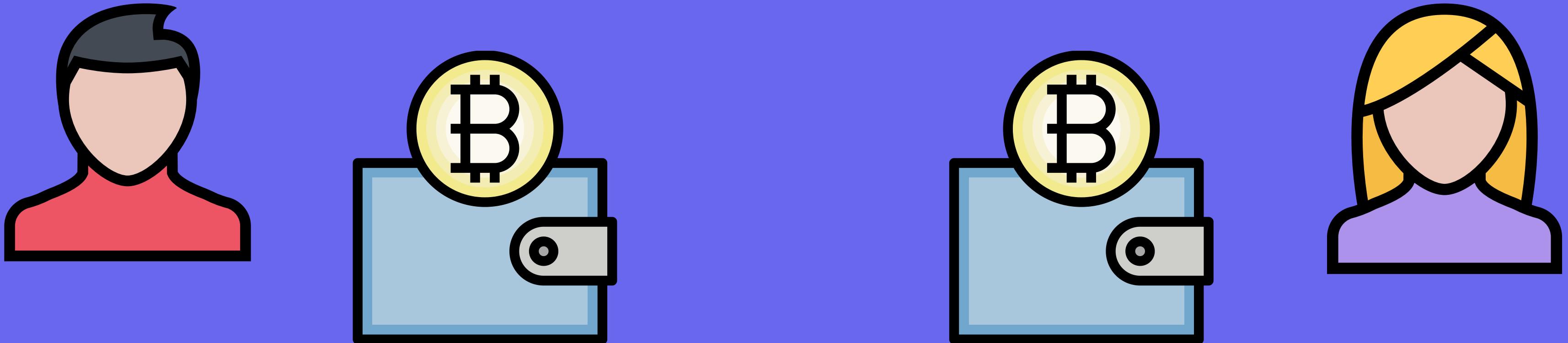
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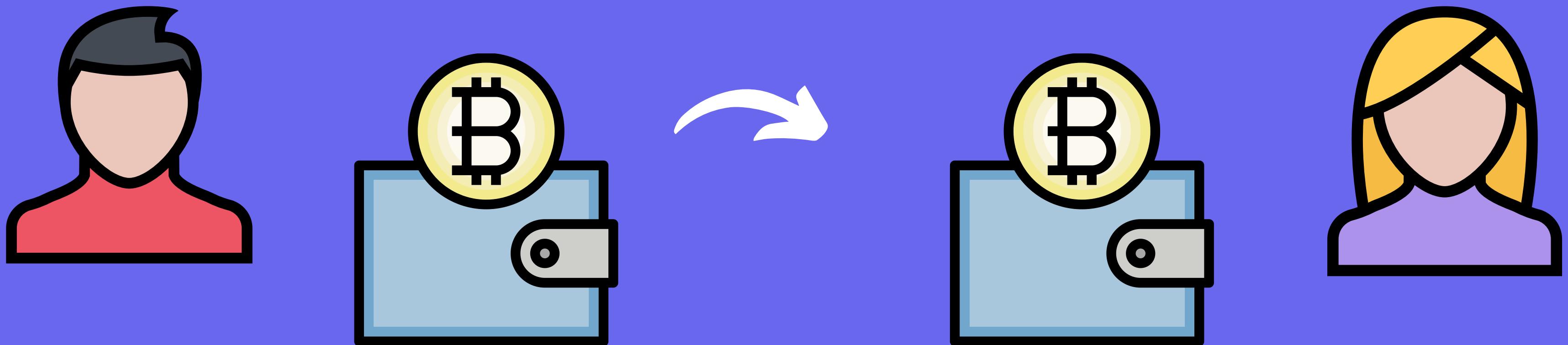
How is Bitcoin different?

How does sending \$100 in Bitcoin work?



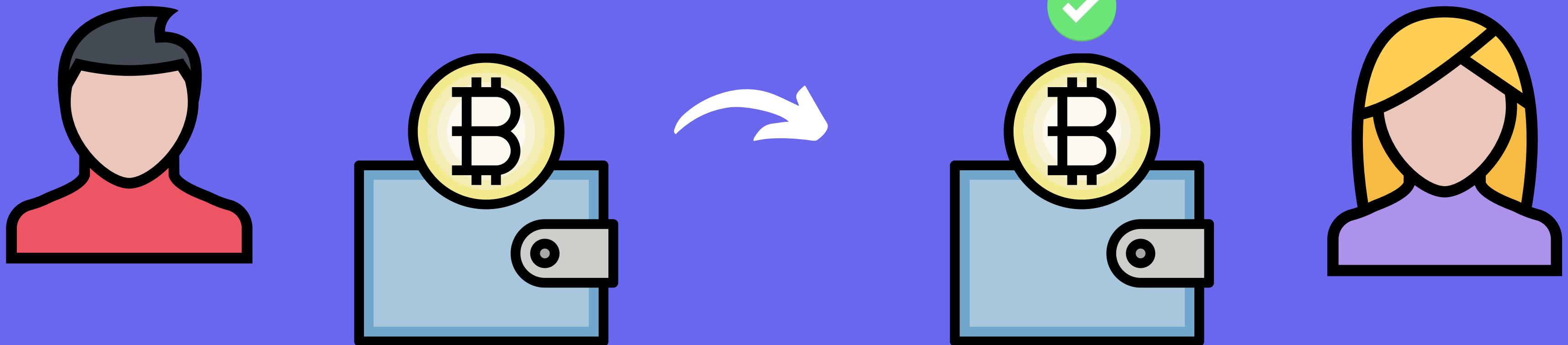
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How does sending \$100 in Bitcoin work?



How is Bitcoin different?

How does sending \$100 in Bitcoin work?



How is Bitcoin different?

How does sending \$100 in Bitcoin work?

What you DON'T need:

How is Bitcoin different?

How does sending \$100 in Bitcoin work?

What you DON'T need:

- Bank Account
- KYC paperwork (know your customer)
- An Identification Document
- An addresss

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What you need:

How is Bitcoin different?

How does sending \$100 in Bitcoin work?

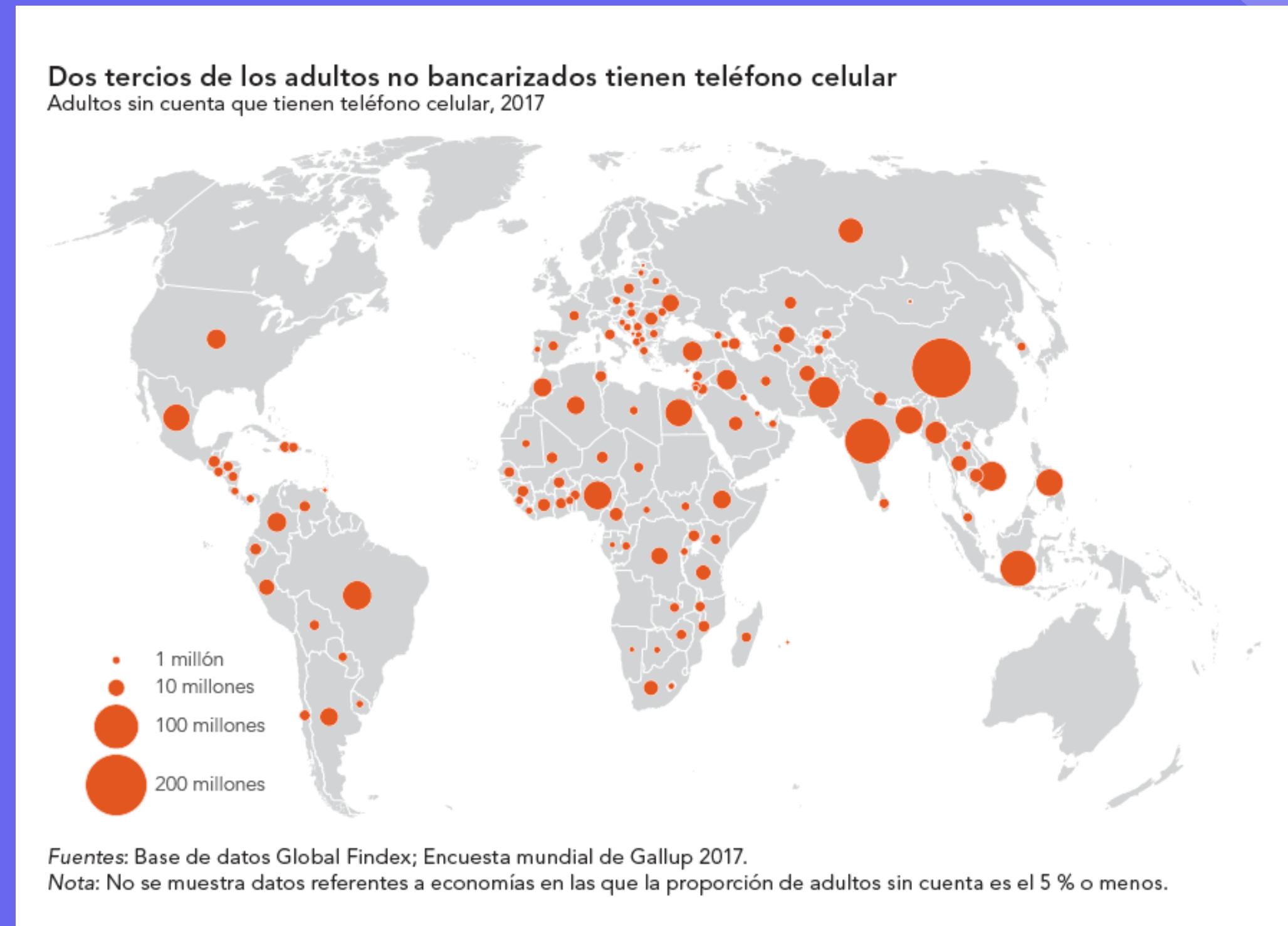
What you DON'T need:

- Bank Account
- KYC paperwork (know your customer)
- An Identification Document
- An addresss

What you need:

- An internet able device
- An internet connection

How is Bitcoin different?



And now, you must be
wondering...

But Shirley...

- Doesn't than mean that Bitcoin is an exelent way for bad actors to conduct illicit activities?

And now, you must be
wondering...

But Shirley...

- Doesn't than mean that Bitcoin is an excelent way for bad actors to conduct illicit activities?

Yes.

And now, you must be
wondering...

But Shirley...

- Doesn't than mean that Bitcoin is an excelent way for bad actors to conduct illicit activities?

But it is a lot easier with cash

And now, you must be wondering...

But Shirley...

- Doesn't than mean that Bitcoin is an excelent way for bad actors to conduct illicit activities?

**But it is a lot easier with cash
AND lets not forget that Bitcoin is a blockchain
database, which means that...**

What is Bitcoin?

In virtue of it being a blockchain, Bitcoin is..

- Decentralized (can't be censored)
- Immutable (information can't be erased)
- Automatic (ran by code with little to no human intervention required)

What is Bitcoin?

Case in point:

Record-high seizure of \$4bn in stolen Bitcoin

5 days ago



A hacker allegedly made off with nearly 120,000 Bitcoin - now valued at about \$5bn - in 2016 after breaching the Bitfinex cryptocurrency exchange

Stolen Bitcoin worth more than \$4bn (£2.9bn) has been seized by the US

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Who invented
Bitcoin?



Who invented Bitcoin?

- Bitcoin is the first implementation of a "cryptocurrency"
 - First described in 1998 by Wei Dai
 - A new form of money that uses cryptography, rather than a central authority.
- The Bitcoin "white paper" was published in 2009 in a cryptography mailing list by **Satoshi Nakamoto**.
 - Satoshi left the project in late 2010
- It's speculated that Satoshi may be a group of people, rather than one person.
- The Bitcoin protocol and software are open source and "belong" to no one and everyone.

Who invented Bitcoin?

- In the Bitcoin White Paper, Satoshi proposes a solution to the "double spending" problem that had made the idea of a functioning blockchain difficult to materialize.

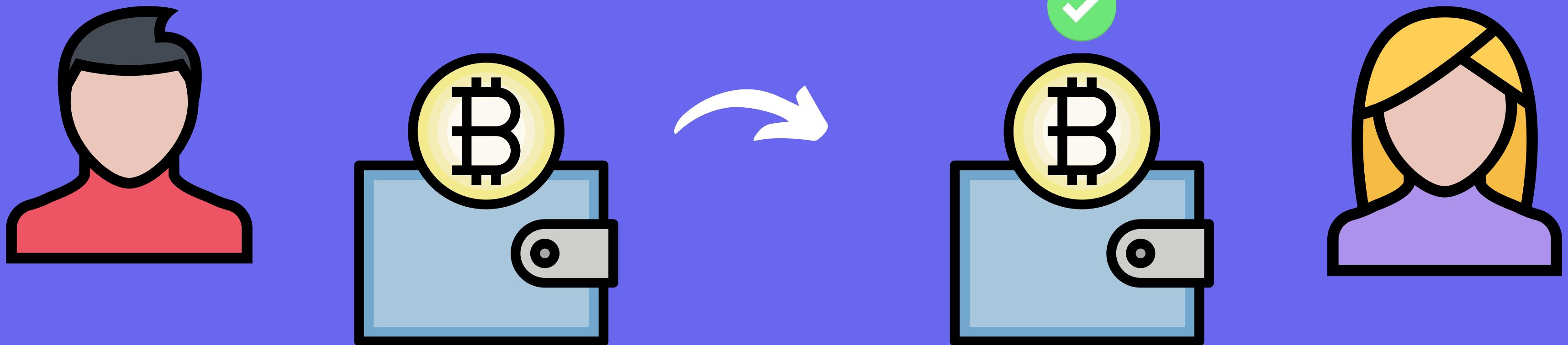
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How Bitcoin
ACTUALLY works



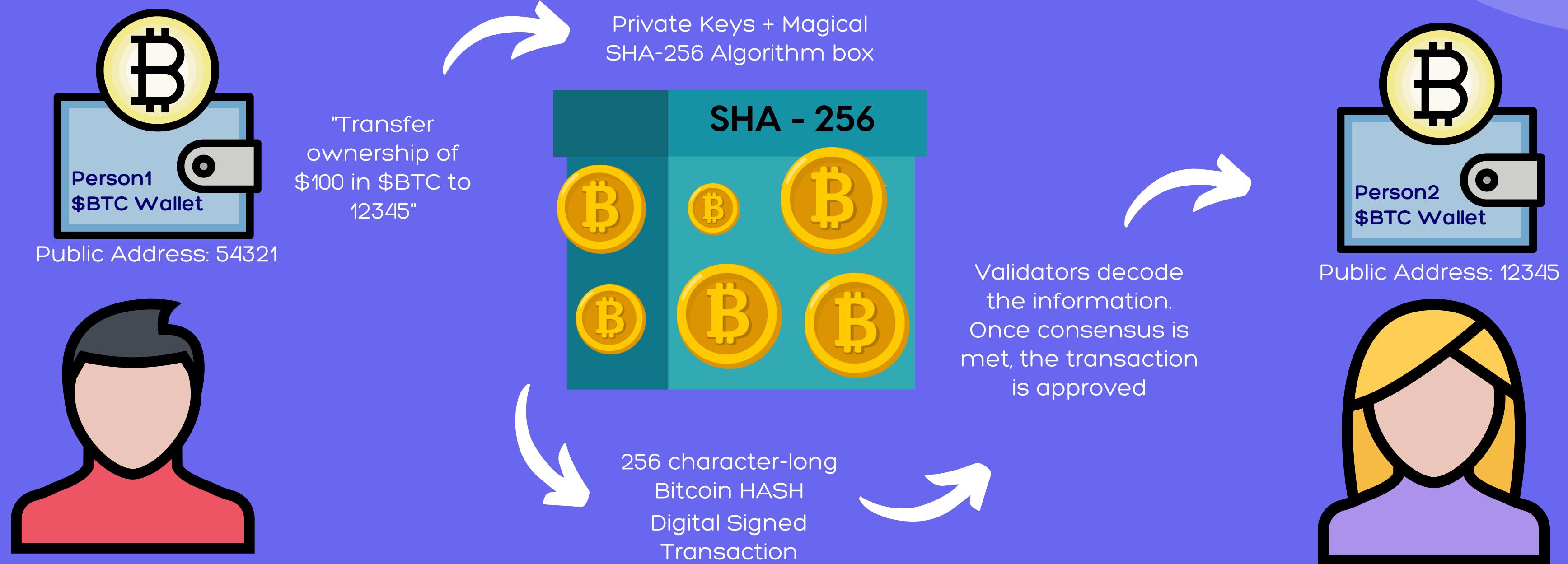
How does Bitcoin Work??

How does sending \$100 in Bitcoin work?



How does Bitcoin Work??

Cryptography and consensus validators



How does Bitcoin Work??

Proof-of-Work

- Makes the blockchain secure
- Prevents "double spending"
- Uses "mining" algorithms (cryptographic hash)
 - SHA-256 (Secure Hashing Algorithm)
- The "miners" have to guess how to decrypt the hash until they do
 - This requires time, electricity and hardware
 - Once deciphered, it's easy for the entire network to verify the data is correct.
- Requires validators to do actual work, rewarded with \$BTC
 - 6.25 \$BTC per block
 - This number halves every 4 years

How does Bitcoin Work??

Bitcoin "tokenomics" don't just make for a useful and interesting piece of software, but it also makes for a fascinating social experiment on what we as a society consider "valuable".

Thanks to Bitcoin (specifically blockchain technology) now we have digital objects that behave like "real-life" objects.

- Artificial scarcity

A store of value?

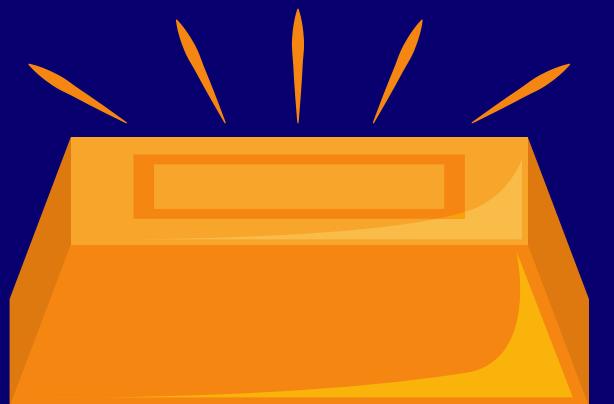
What is "value"?

- Utility
 - Subjective
 - Contextual

A store of value?

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A store of value?

What is "value"?

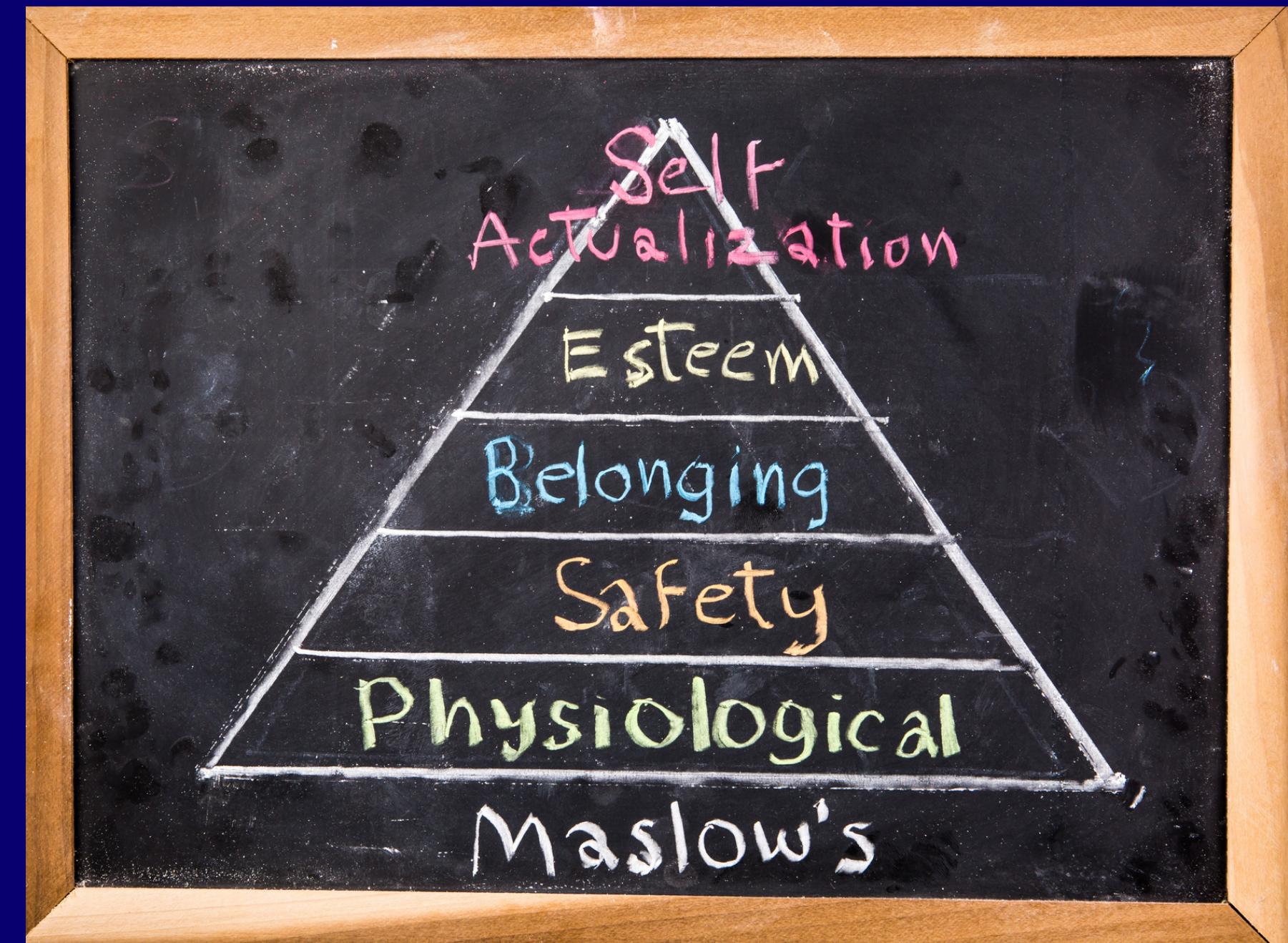
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A store of value?

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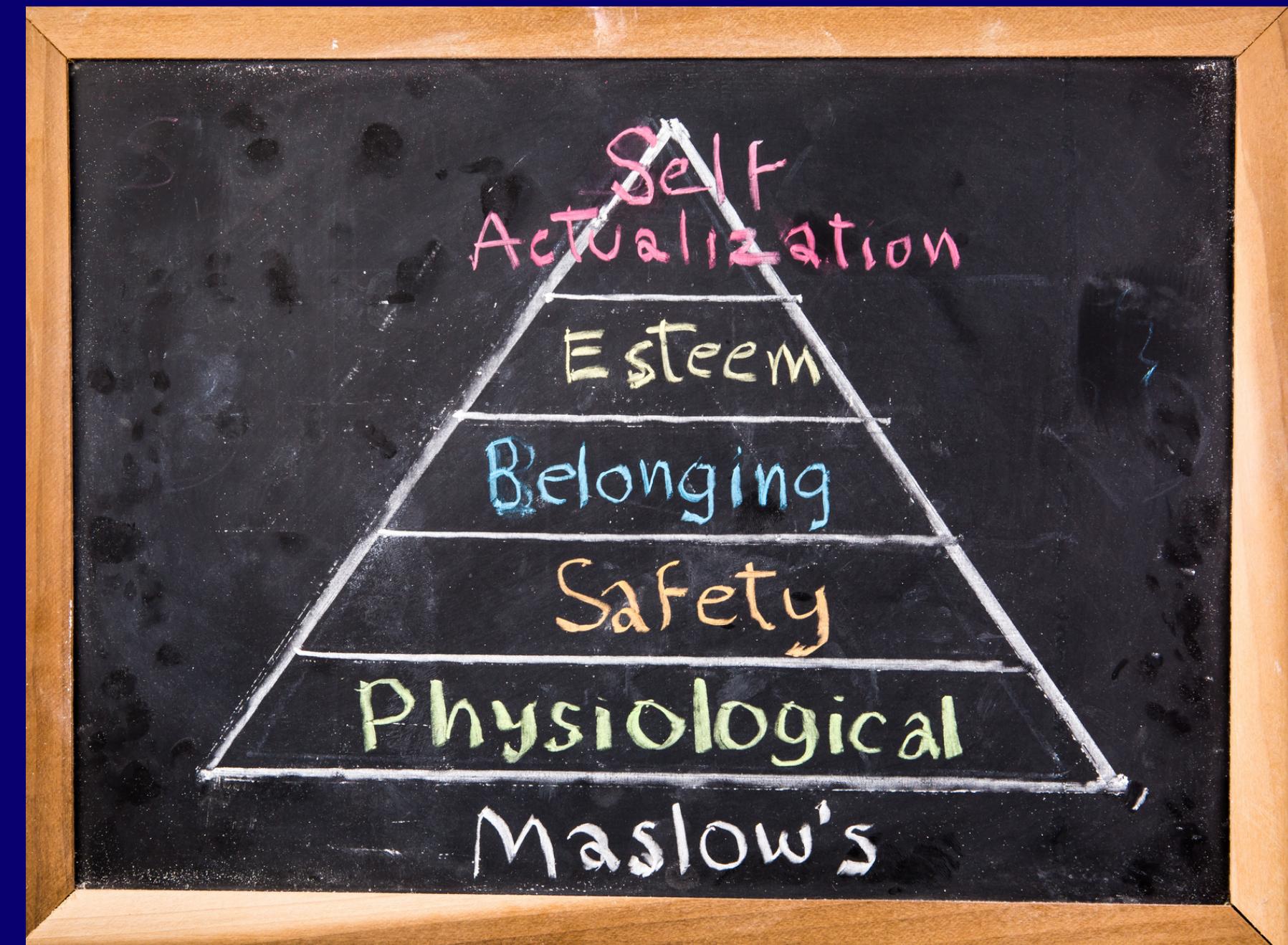
- Human needs
 - physical safety
 - belonging
 - be seen and understood
 - human connection
 - many others



A store of value?

What is "value"?

- Human needs
 - physical safety
 - belonging
 - recognition
 - human connection
 - many others



A store of value?

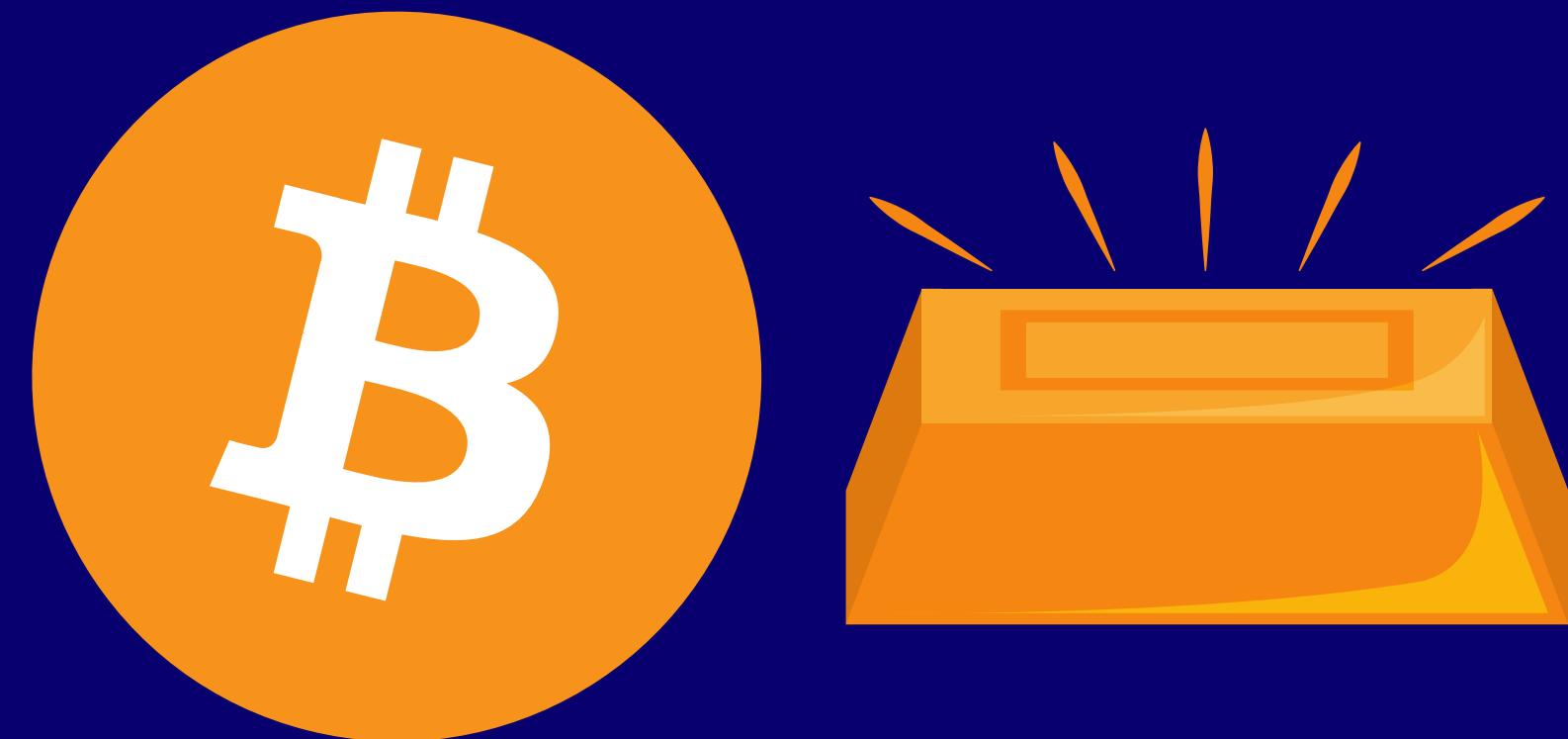
What is "value"?

- Perceived value
 - scarce
 - others want it



A store of value?

- A hedge against inflation
- • SBTC price is expected to go up



A store of value?

Bitcoin is called "digital gold"

Scarce

No "cashflow"

Utility

Requires lots of work

Great meme material

We think it's worth something

Bitcoin

21,000,000 will ever exist



Use for payments



Gold

Natural Resource



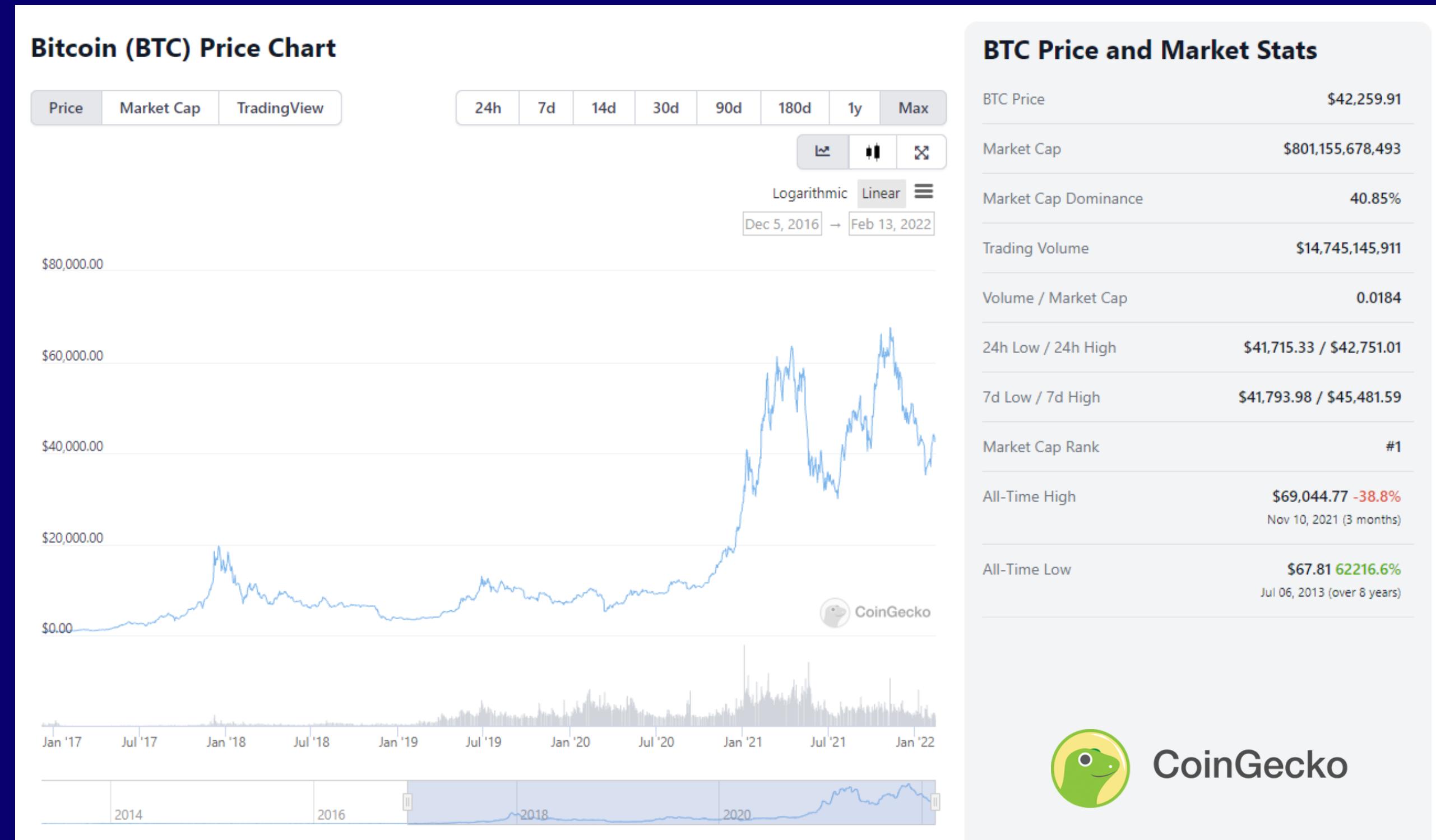
Make jewelry and stuff



Why is BTC valuable?

- Bitcoin has the characteristics of money
 - durability
 - portability
 - fungibility
 - scarcity
 - divisibility
 - recognizability
- Bitcoin relies on the **properties of mathematics** rather than on physical properties (like gold and silver) or trust in central authorities (like fiat currencies).
- With these attributes, all that is required for a form of money to hold value is trust and adoption.
 - growing base of users, merchants, and startups.
- Ultimately, Bitcoin's value comes only and directly from people willing to accept them as payment.

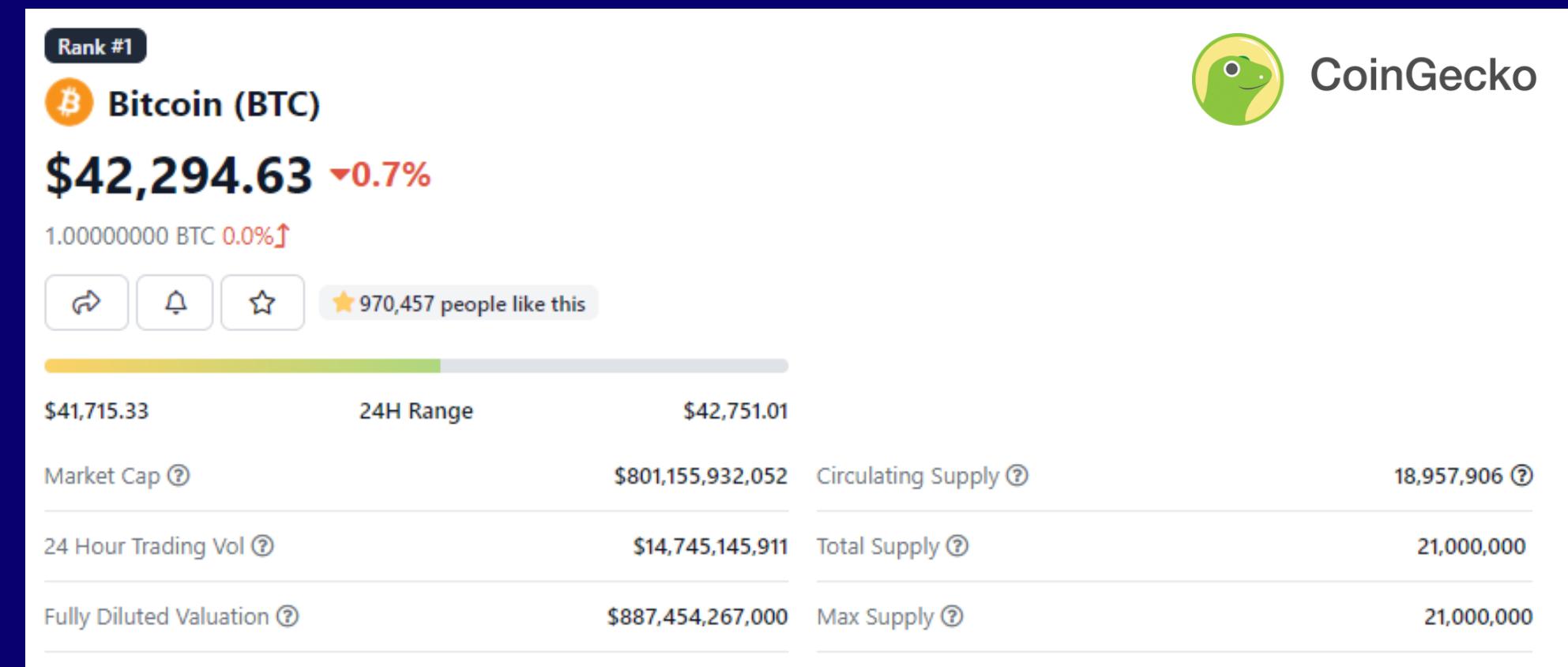
Why so expensive?



Why so expensive?

Fixed supply

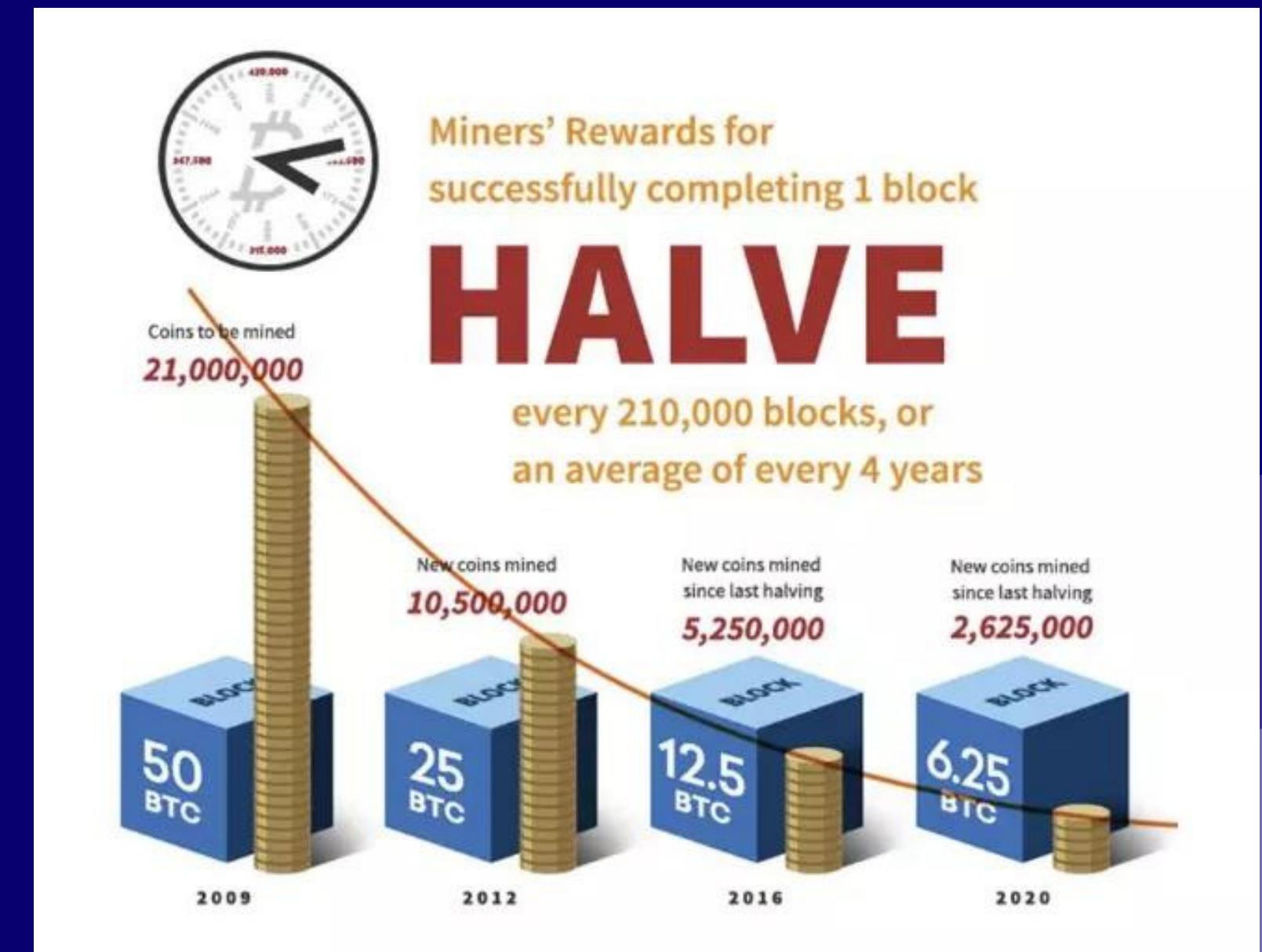
- 21,000,000 total
- 18 million (ish) in circulation



Why so expensive?

Mining rewards

- SBTC earned by miners for running the network
 - Each block yields X SBTC
 - One block = 10min
 - 144 blocks per day (aprox)
 - The rewards halves every four years
 - Next halving is in 2024



To WrapUp

Bitcoin is an automatic ledger network that enables trustless transactions between strangers and requires no intervention from a third party.

It represents an opportunity for the "unbanked" to participate in the global economy

Bitcoin, like blockchain technology, is nothing more than a new tool to help us do what we already do, but better.

Like all tools, Bitcoin is as good (or bad) as the people who use it.

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Thank you!



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