



# CAMBRIDGE CRYPTOGRAPHIC

*Laying the foundations for cryptocurrencies of the future*



# Proof-of-Deposit

Paying Block Rewards as “Risk-Free” Yield on Stablecoins

A simple but profound idea...



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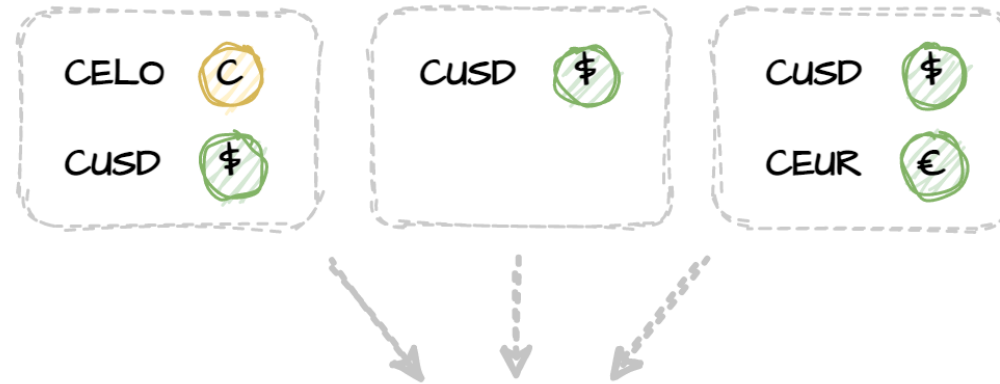
LockedTokens, users can vote with CELO and/or Stablecoins



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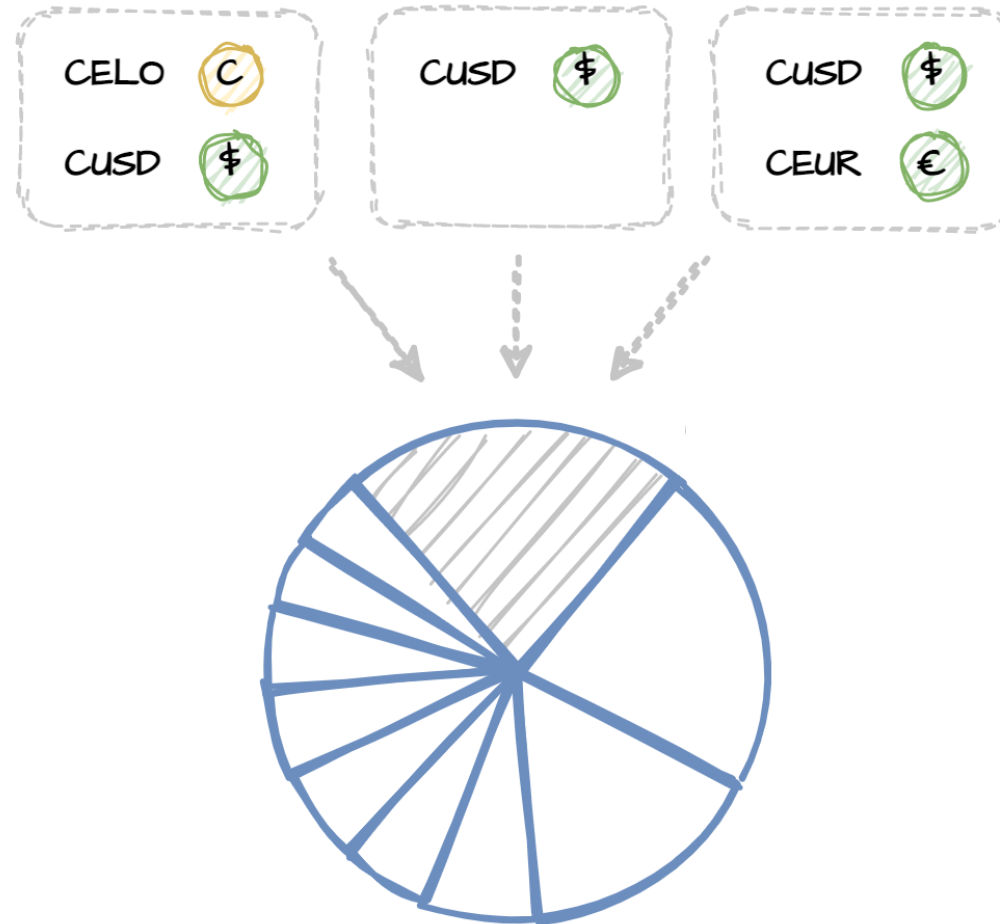
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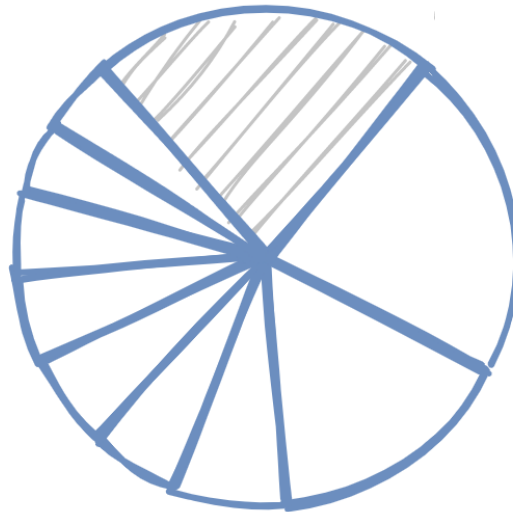


Influence of Validator Groups  
(Voting Power)

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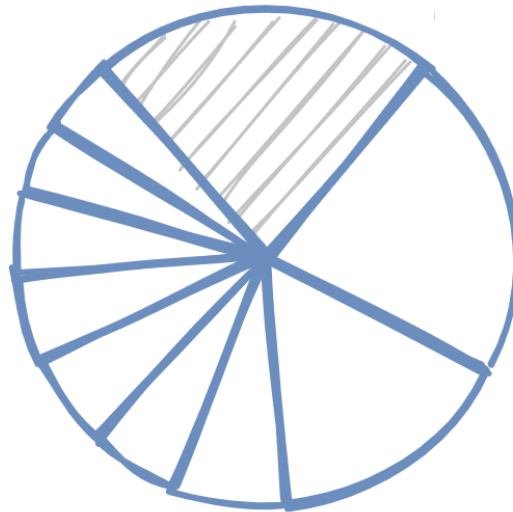


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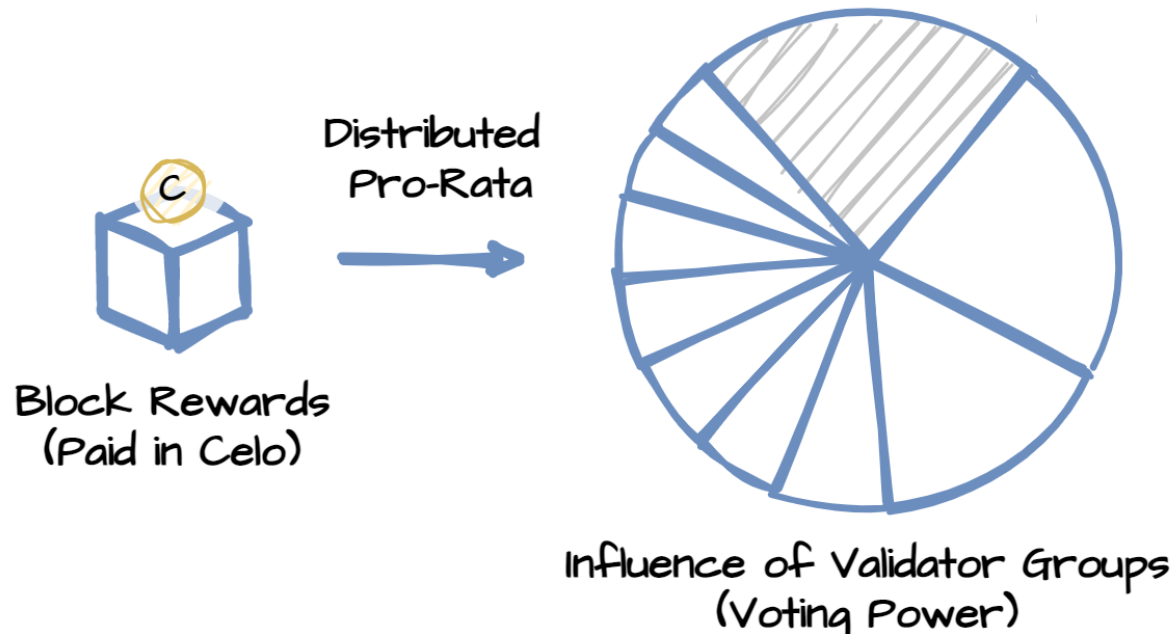
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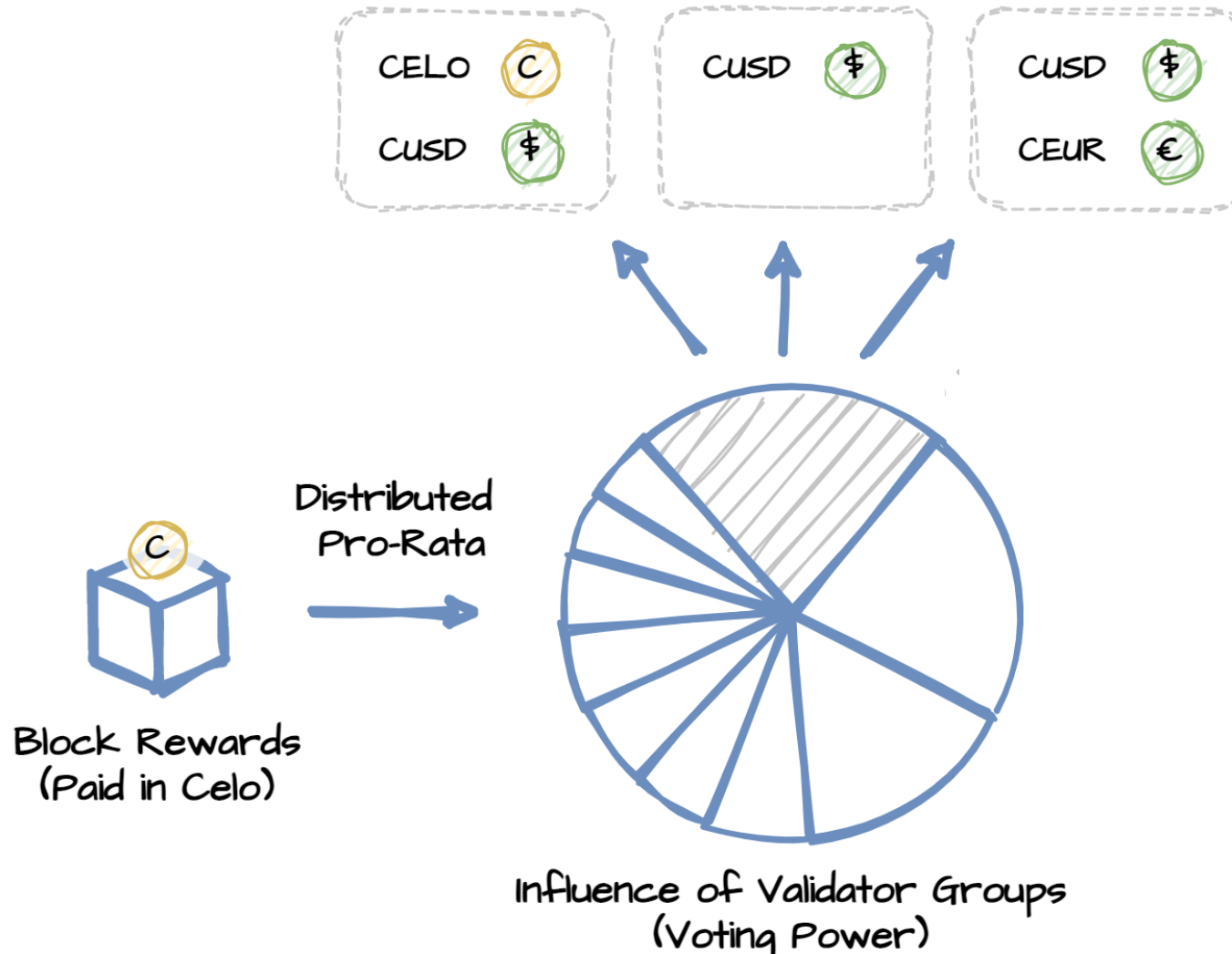
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# What are the benefits?

## **1. Taps into the risk-averse userbase**

- Those that cannot or do not want take risk with their money
- Regulated custodians/banks
- Non-speculative everyday people
- Increased liquidity = increased stability! Buffer against sell-offs by speculators



# What are the benefits?

## **2. Not like other DeFi: amplifies demand for CELO and stablecoins**

- Yield is "risk-free". No risk of loss of principal
- Yield is paid from minted CELO and fees from the entire on-chain economy
- Positive feedback loop
  - i. demand for stablecoins (for APY) → demand for CELO (collateral for stablecoin)
  - ii. demand for CELO (collateral for stablecoin) → raises price of CELO (increased APY)



# What are the benefits?

## **3. A novel tool for Central Banks**

- Validators can be incentivised to set a “risk-free” rate that supports counter-cyclical monetary policy
- Can raise credibility of CBs of smaller nations! Reduces risk of hyperinflation in the eyes of the international sovereign bond market



# Demonstration Time!

<http://hackathon.cambridgecryptographic.com/>

*We implemented the following:*

- Modified *LockedGold* → *LockedToken* (compatible with any ERC20)
  - Modified *Election* → Compatible with multiple *LockedToken*