



# Ripple: Enabling the Internet of Value

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June 2018



# 235

Team members

$\frac{2}{3}$  engineering talent

## Our Experience

### Financial Services

J.P. Morgan  
Citi  
SWIFT  
HSBC  
Visa  
Accenture  
Paypal  
Prosper

### Technology

Google  
Apple  
Yahoo  
Bloomberg  
NASA

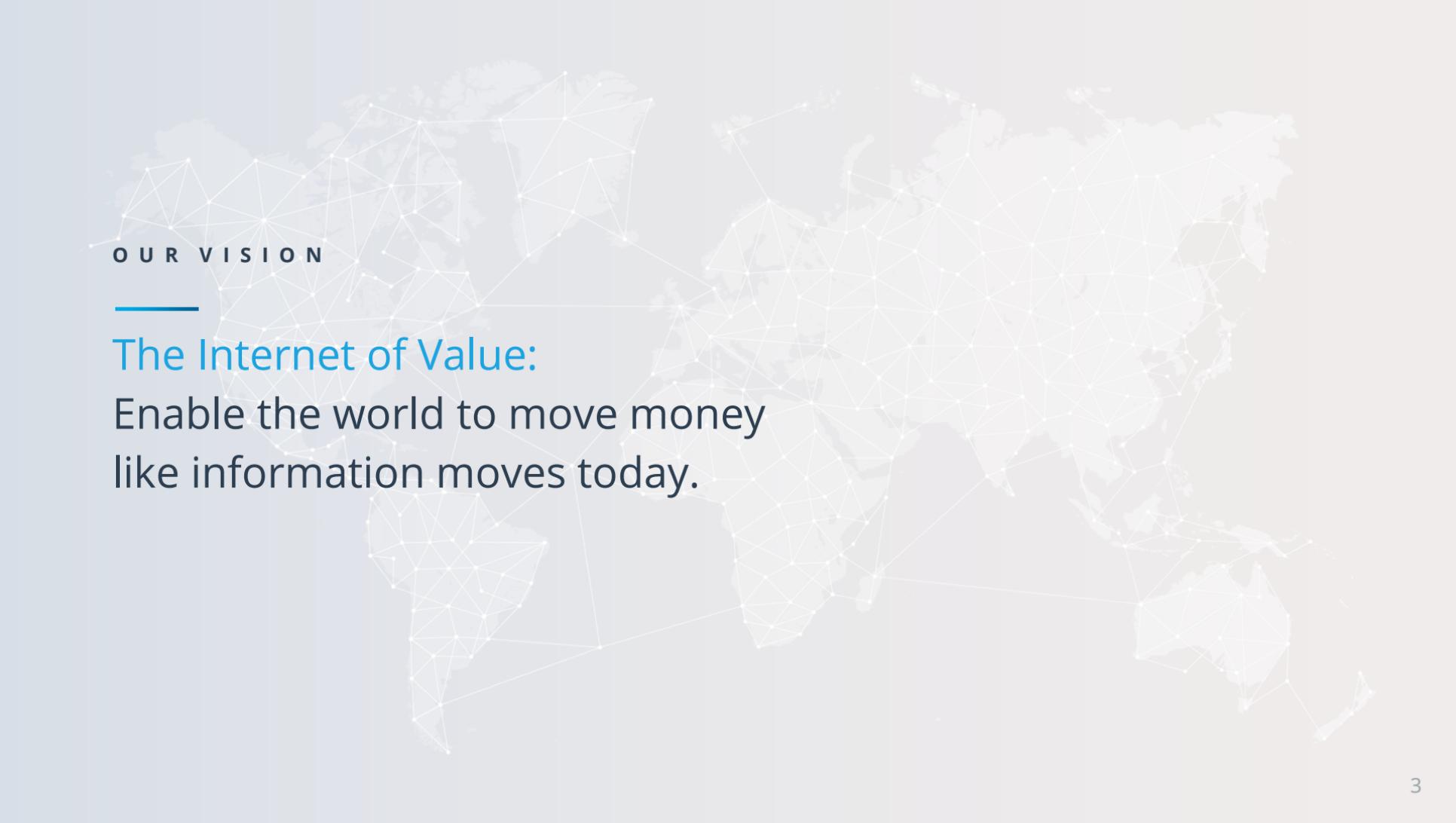
### Regulation

Federal Reserve  
SEC  
NSA



San Francisco | NYC | London | Luxembourg | Mumbai | Tokyo | Singapore | Sydney





OUR VISION

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## The Internet of Value:

Enable the world to move money  
like information moves today.

# Company Overview

## Our Investors



Google Ventures



## Total Funding

# \$94M



FOUNDED 2012



## Connectivity **LIVE TODAY**

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Coordinates transactions across ledgers

Bi-directional messaging + real-time settlement



## Liquidity **IN PILOT**

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Leverage a digital asset for reach to new corridors

Enables global reach without pre-funding overseas



## Connectivity Solution **LIVE TODAY**

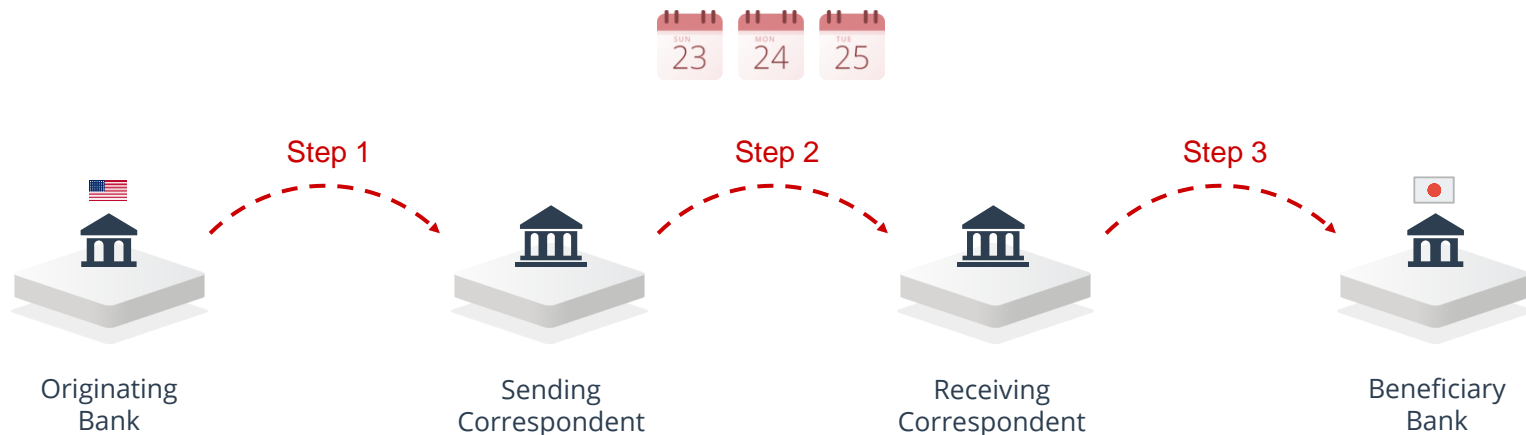
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Coordinates transactions across ledgers

Bi-directional messaging + real-time settlement

Payments completed in seconds versus 2-4 days

# Legacy Connectivity: Sequential Process Creates Problems



One-Way Messaging, Unlinked From Settlement Instructions

**Delays** Relay process can cause 2-4 day delays

**Uncertainty** Fees and total cost unknown to the sender

**Risk** No payment tracking or status information available

# Ripple: Coordinated Process Enables New Benefits



## Bi-Directional Messaging With Settlement Instructions

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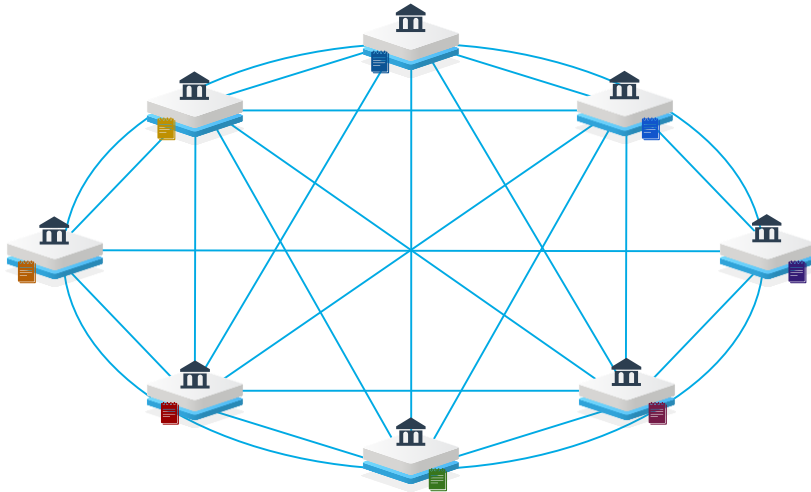
**Speed** Payments settle real-time, instead of 2-4 days

**Transparency** End-to-end tracking for the life of the payment

**Certainty** Total cost and message details confirmed *before* initiation

# Ripple: Specialized for Interbank Payments

## RippleNet



- Permissioned network of financial institutions
- Underpinned by **Interledger** - connects & coordinates ledgers
- Banks maintain their own ledgers, enabling scalability and data privacy
- Governed by a rulebook, maintained by advisory board of banks

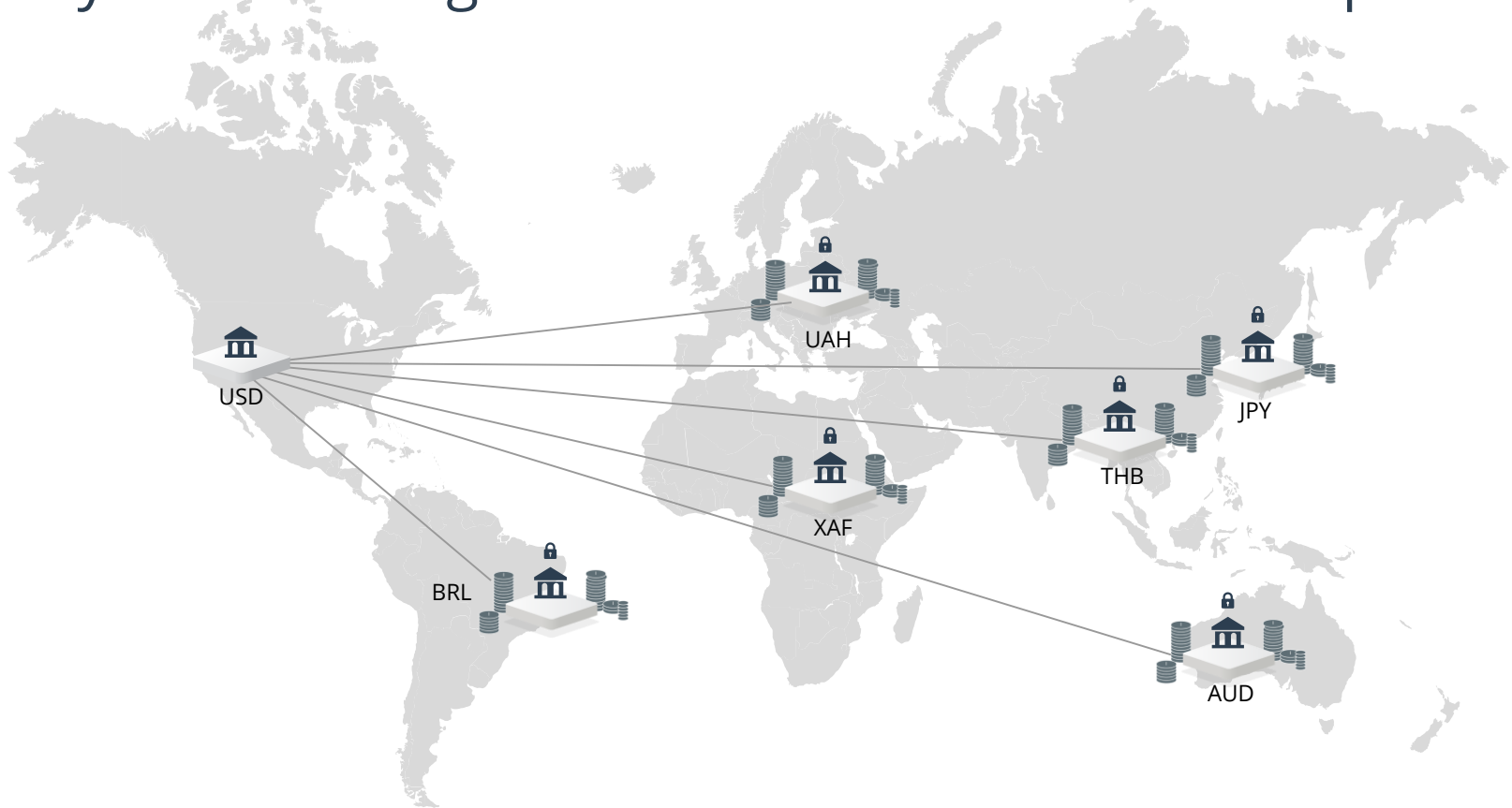


## Liquidity Solution **IN PILOT**

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Leverage a digital asset, XRP, for reach to new corridors  
Enables global reach without pre-funding overseas

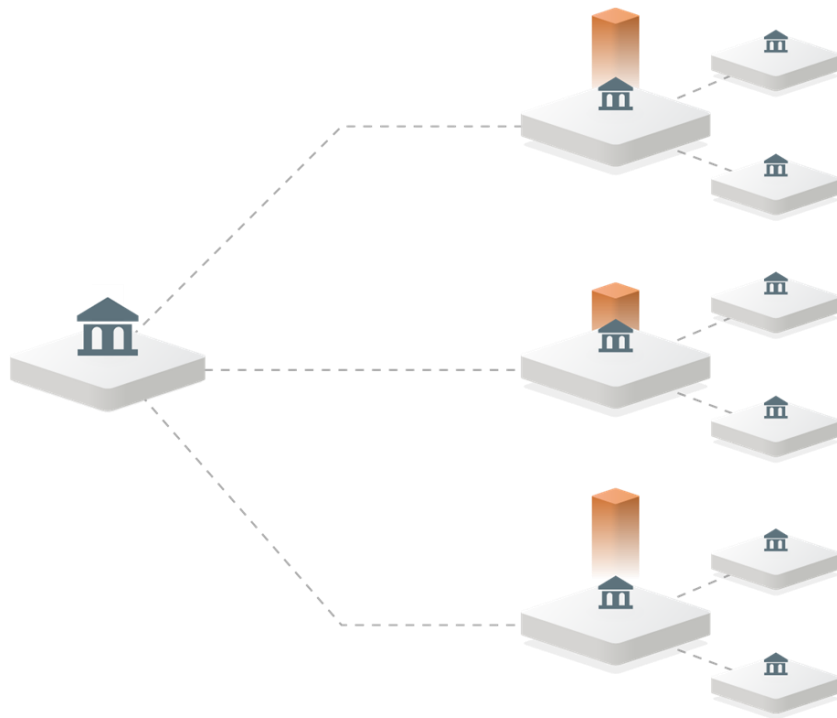
# Today: Pre-Funding in Destination Currencies Is Expensive



# Problem: Delayed Settlement Results In Trapped Cash

## \$5 Trillion

Float sitting in transaction accounts globally



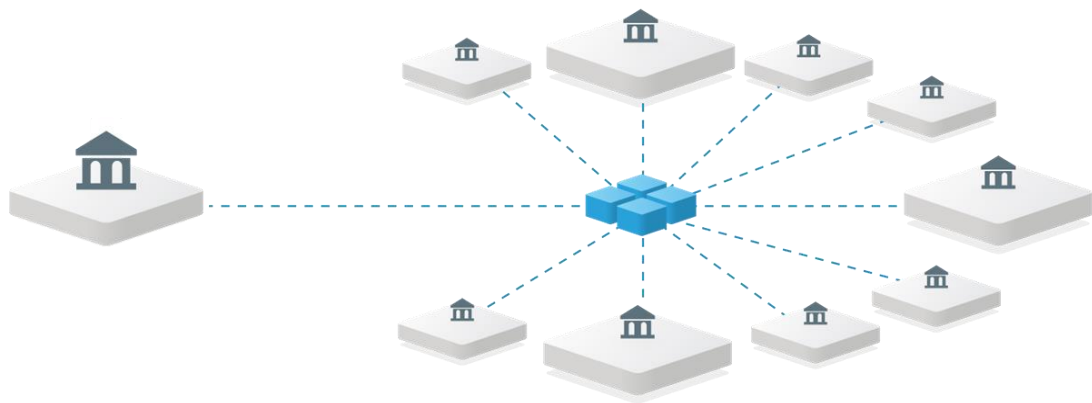
# xRapid Eliminates Pre-Funding in Destination Currencies



# xRapid Reduces the Opportunity Cost of Capital

## No Float

Liquidity on demand



# Path to Production

## **2016 Proof of Concept with 12 banks**

- Test payments where banks held small amount of XRP and provided FX conversion
- Pros: Enabled reach without foreign pre-funding cost
- Cons: Subject to price volatility

## **2017 Evolved the Model and Built a Product**

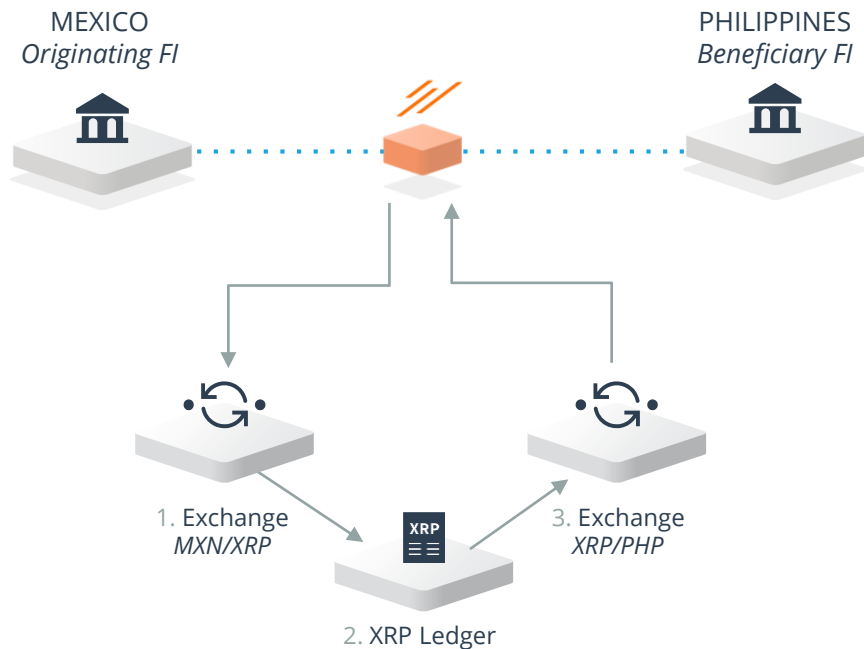
- Product preserves the benefits without FI having to hold XRP
- Leverage local exchanges for FX conversion

## **2018 Commercialization**

- Announced our first pilots, underway now



# Exchange Model: Benefits of XRP Without Holding It



1

## **FI EXCHANGES FIAT FOR XRP**

Via a local exchange.  
FI does not have to hold XRP.

2

## **XRP TRANSFERRED**

Between digital asset exchanges.

3

## **XRP EXCHANGED FOR LOCAL FIAT**

Distributed directly to the FI's  
account or disbursed over local rail.

# xRapid Solution

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xRapid provides **on-demand access to liquidity** through digital asset exchanges



## FAST

Transactions are instant  
(3-5 secs) across  
exchanges, and vary  
depending on local rails



## TRANSPARENT

Real time APIs provide  
to the second status of  
their payments via APIs

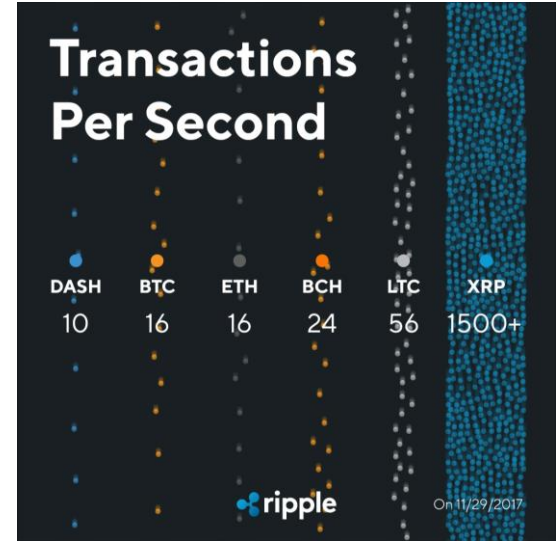
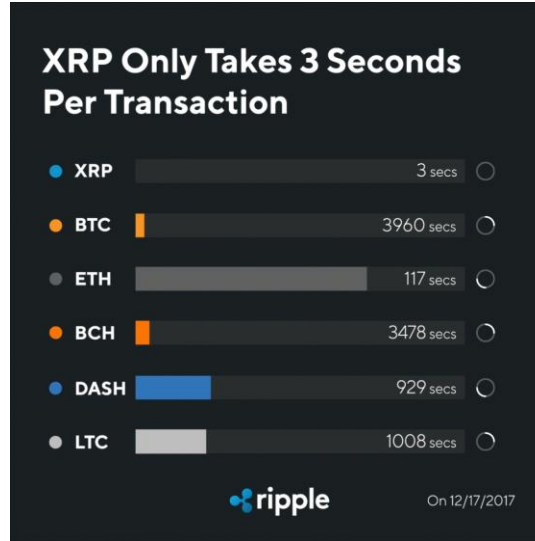
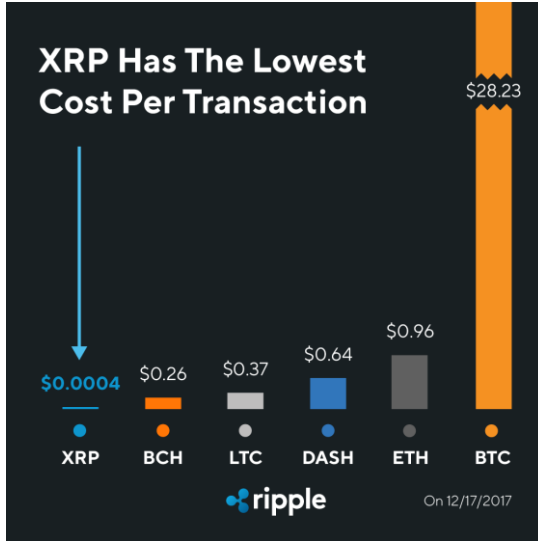


## LOW COST

Reduce costs  
significantly with  
lowered transfer fees,  
and FX rates that beat  
or match spot FX



# XRP: Digital Asset for Payments



# Global Virtual Currency Regulatory Landscape

- Japan FSA has led from the front in setting the global agenda for virtual currency regulations. Many Asian jurisdictions following suit
- KYC AML still remain key areas of concern but focus shifting on other areas such as technology governance, price volatility, custody etc.
- Ripple Policy Recommendation: Address risks through a global licensing framework for exchanges
- Regulatory clarity will lead to institutional participation, reduced volatility and emergence of enterprise use cases of digital assets





## UK Financial Conduct Authority

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*We see firms using cryptocurrency for international money remittance, lowering the cost and time of sending money overseas. So there are legitimate and economically significant use cases.*



IMF

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*“Understanding the risks that crypto-assets may pose to financial stability is vital if we are to distinguish between real threats and needless fears. That is why we need an even-handed regulatory agenda, one that protects against risks without discouraging innovation.”*



Sagar Sarbhai, Head of Regulatory Relations, APAC & Middle East  
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