



Ripple: Enabling the Internet of Value

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

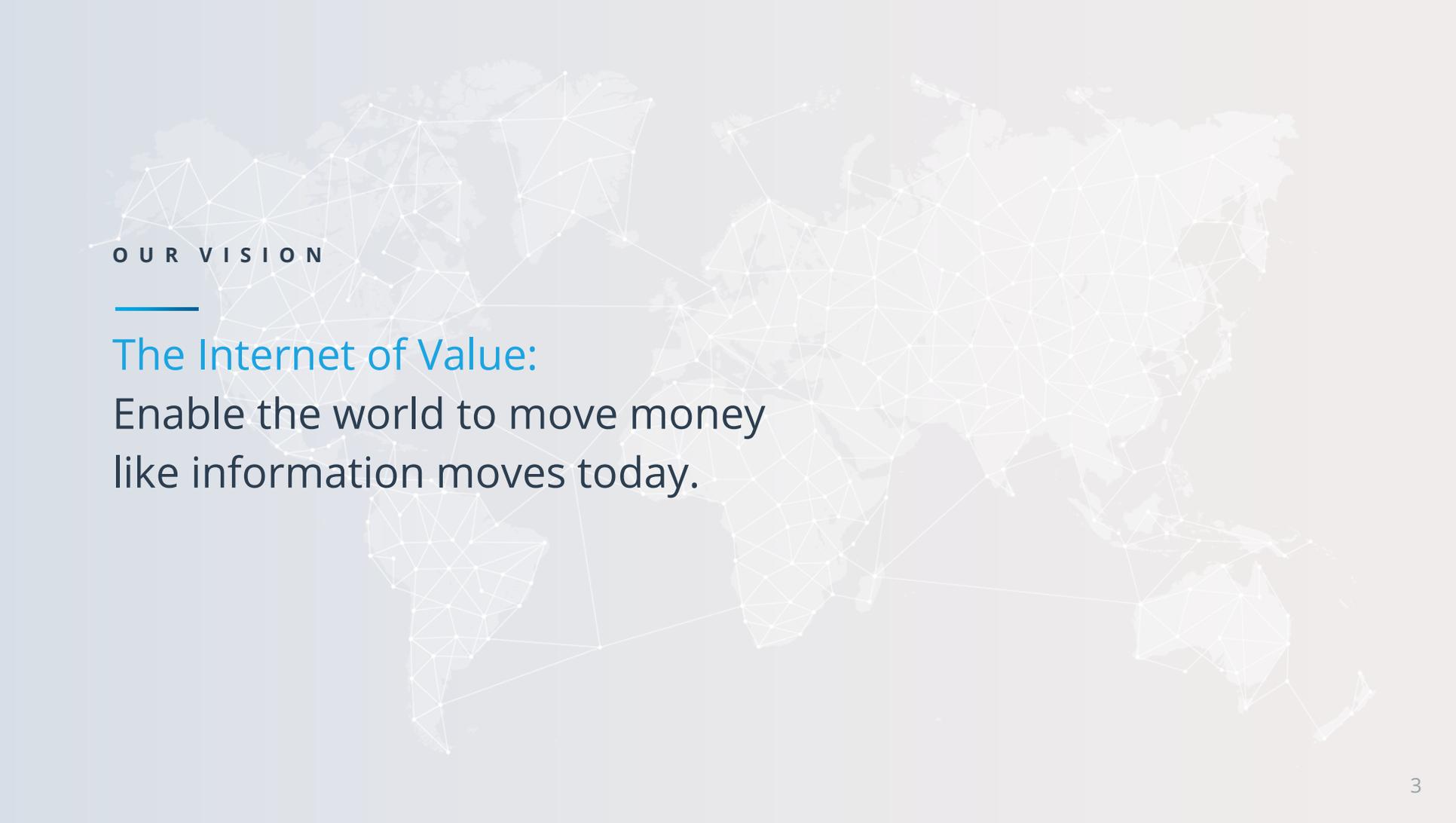
Regulation

Federal Reserve
SEC
NSA



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





OUR VISION

The Internet of Value:

Enable the world to move money
like information moves today.

Company Overview



FOUNDED 2012

Our Investors



Google Ventures



Total Funding

\$94M



Connectivity **LIVE TODAY**

Coordinates transactions across ledgers

Bi-directional messaging + real-time settlement



Liquidity **IN PILOT**

Leverage a digital asset for reach to new corridors

Enables global reach without pre-funding overseas





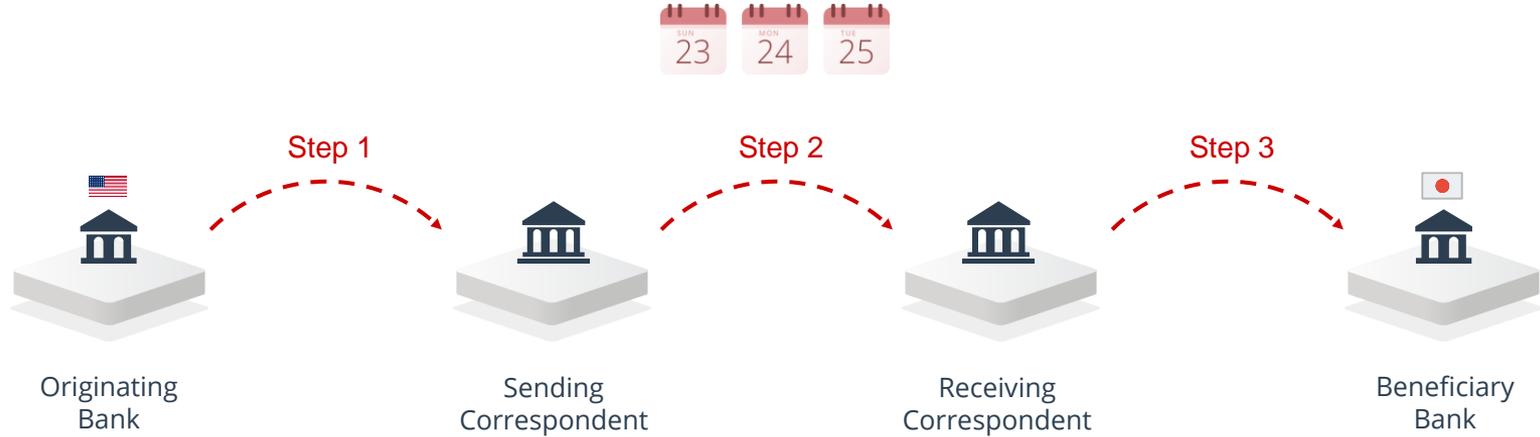
Connectivity Solution **LIVE TODAY**

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

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

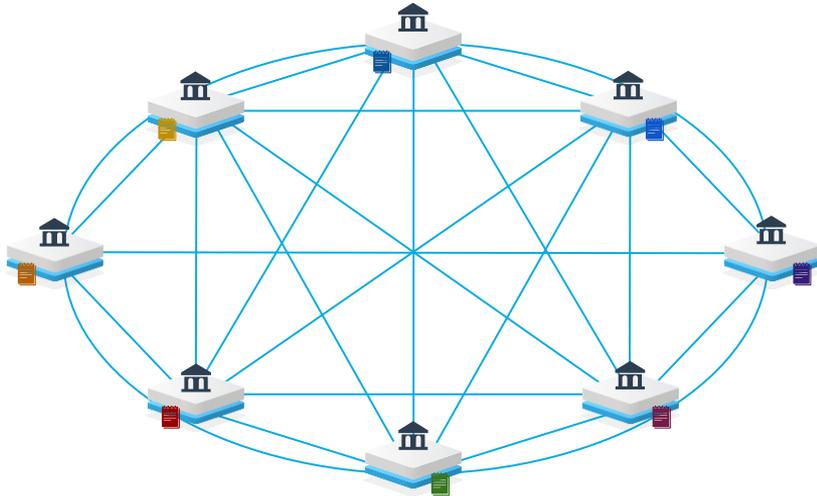
Transparency End-to-end tracking for the life of the payment

Certainty Total cost and message details confirmed *before* initiation



Ripple: Specialized for Interbank Payments

RippleNet



- Permitted 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**

Leverage a digital asset, XRP, for reach to new corridors

Enables global reach without pre-funding overseas



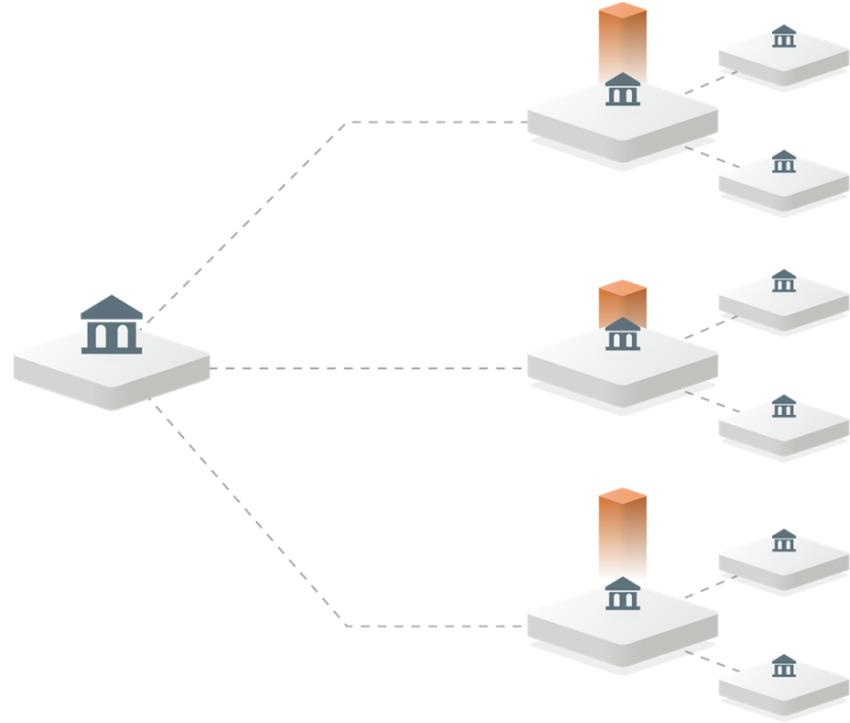
Today: Pre-Funding in Destination Currencies Is Expensive



Problem: Delayed Settlement Results In Trapped Cash

\$5 Trillion

Float sitting in transaction accounts globally



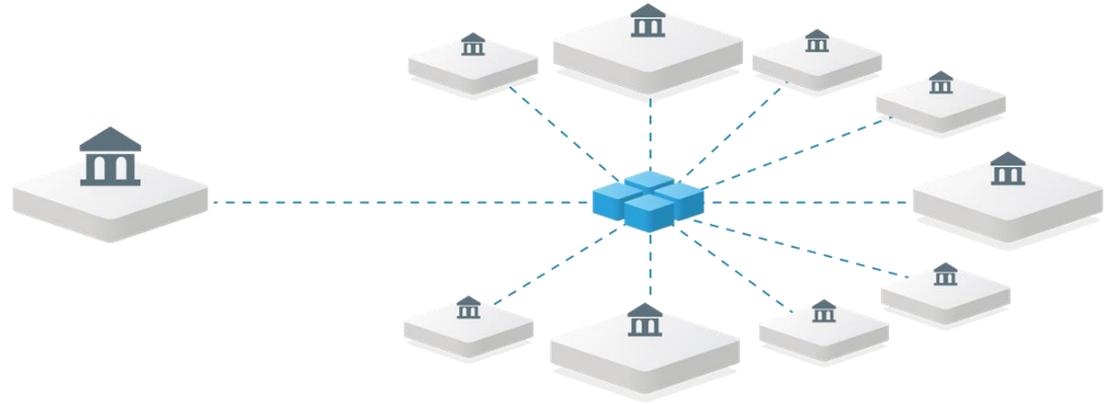
xRapid Eliminates Pre-Funding in Destination Currencies



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

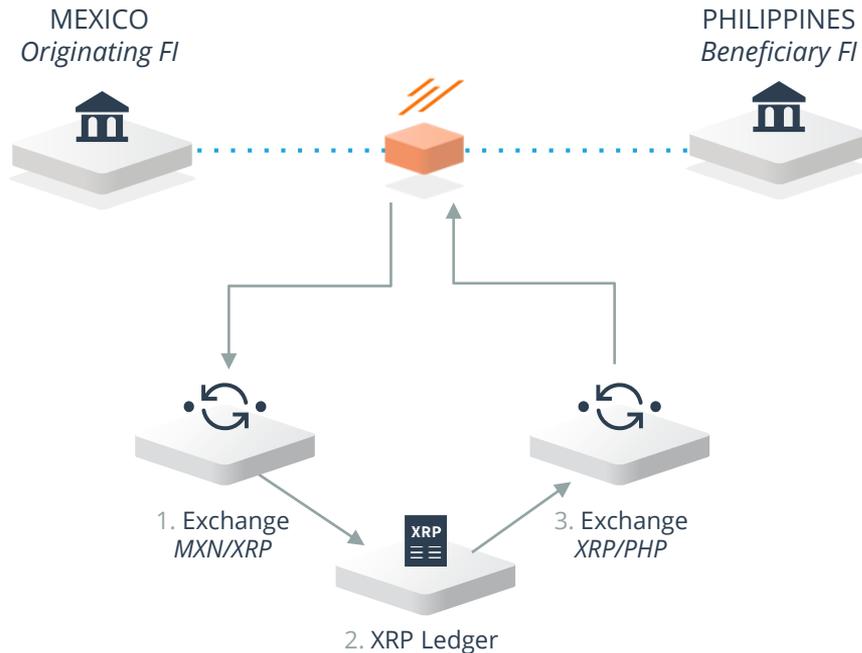
- Product preserves the benefits without FI having to hold XRP
- Leverage local exchanges for FX conversion

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

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

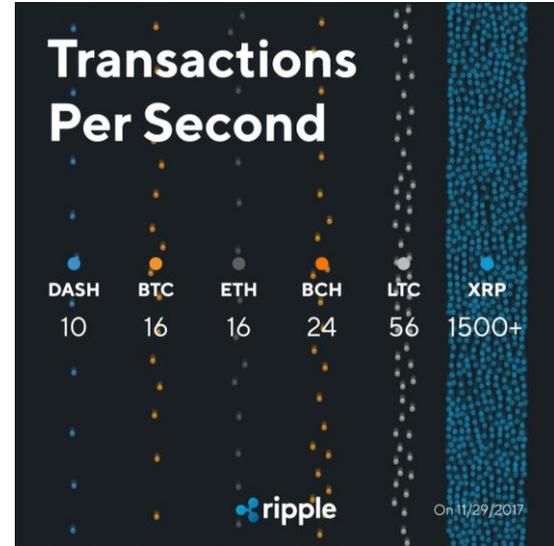
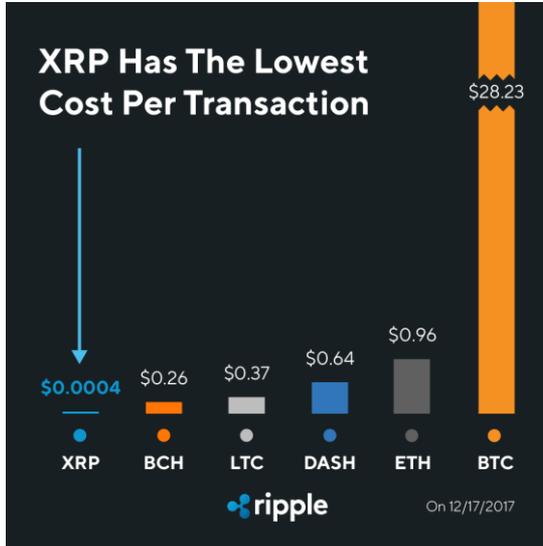


LOW COST

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

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



“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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