

Challenge Speaker

Chris Larsen, CEO, Ripple Labs



Ripple Labs

Global leader in distributed
financial technology and standards

Finextra

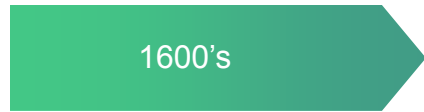


EURO BANKING ASSOCIATION

Agenda

- Evolution of Payment Networks
- Ripple: A Modern Tool for Banks
- The Future: Internet of Value

Evolution of Payment Networks



Inter-city networks

A few banks





Inter-city networks

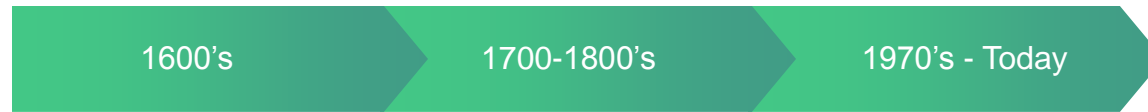
A few banks



Clearing Houses

Banks across multiple cities





Inter-city networks

A few banks



Clearing Houses

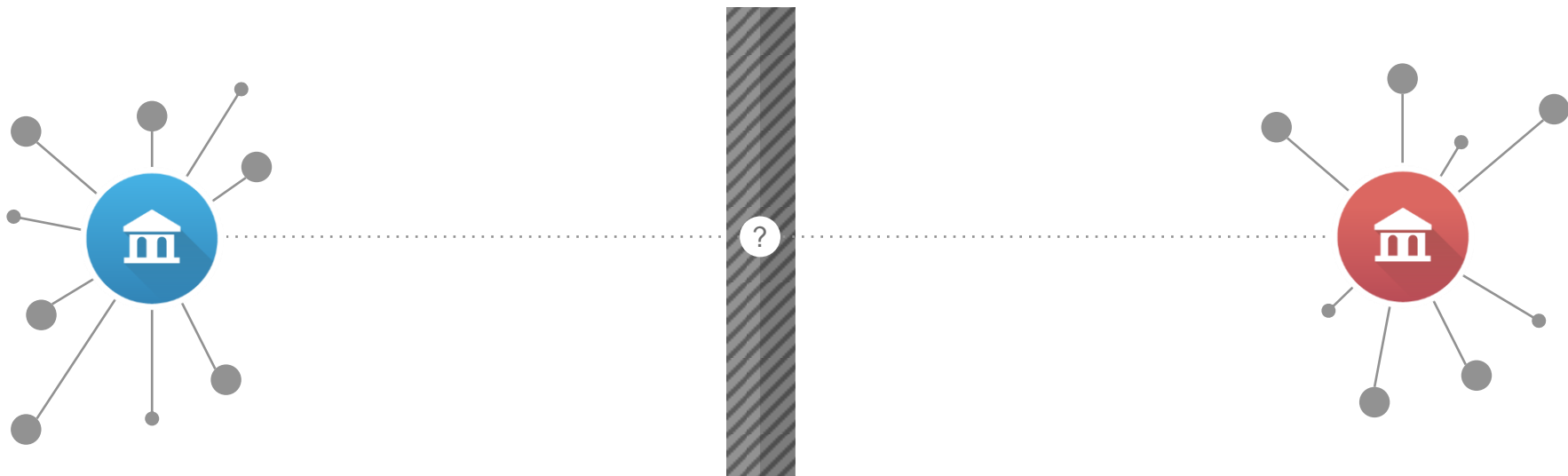
Banks across multiple cities



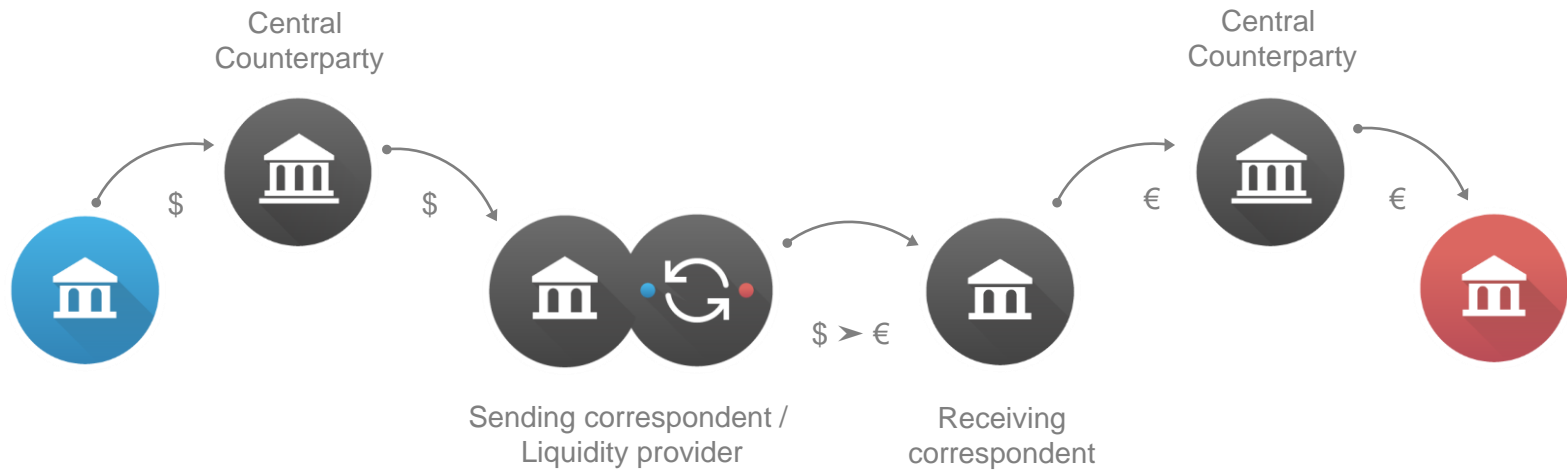
Electronic funds transfers

Banks within a country or currency





Networks evolved as silos (not interoperable)



Today: Correspondent banking
Side effects: delays, costs, counterparty risk

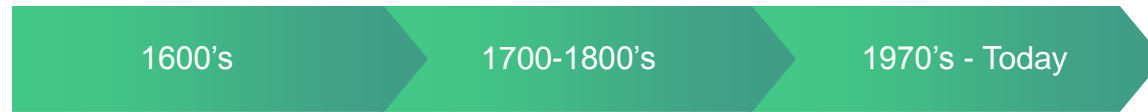
Today: need for modern infrastructure

Market demands

- Increased speed
- Interoperability
- Lower costs and risks
- Broader payment reach

Regulatory initiatives

- European Commission's PSD2
- UK's Payment Systems Regulator
- Federal Reserve: Faster Payments



Inter-city networks

A few banks



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Cross-Currency & Real-Time

Banks across borders; instant payments



“...Apple, Facebook, Amazon and Google are genuine threats to banks...”

Ana Patricia Botin Chairwoman of Santander





A Modern Tool for Banks

What is Ripple?

Standard for settling transactions and exchanging funds

Distributed ledger



Real-time, continuous payments

Funds exchange



Competitive liquidity market

Our solution for domestic and cross-border payments



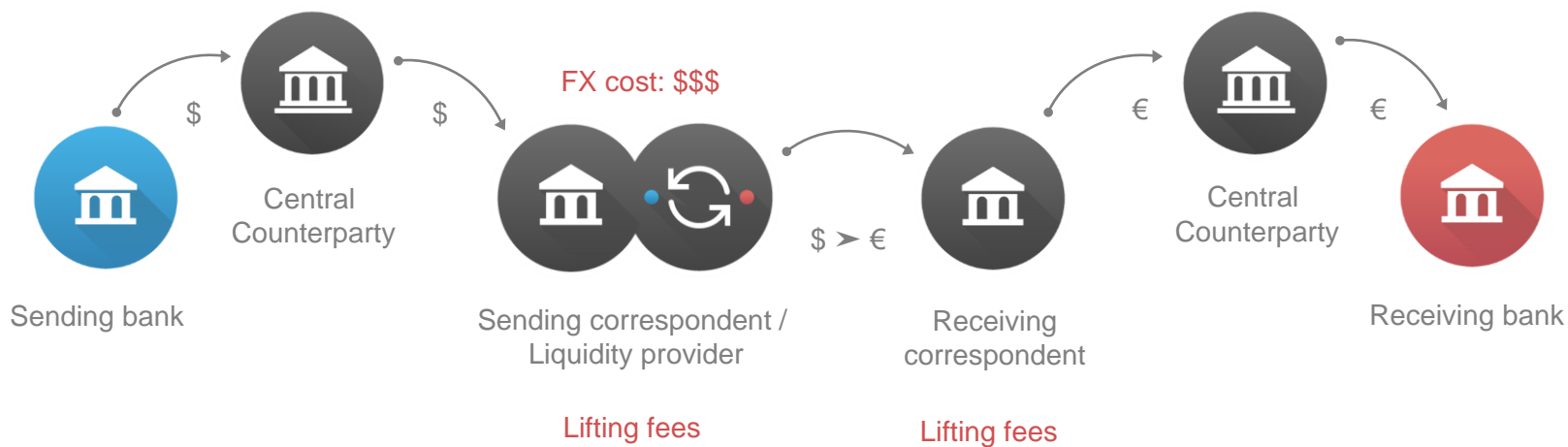
Cross-border payments to other financial institutions in real-time



Domestic clearing and netting with other institutions in real-time

Use Case: Cross-border payments

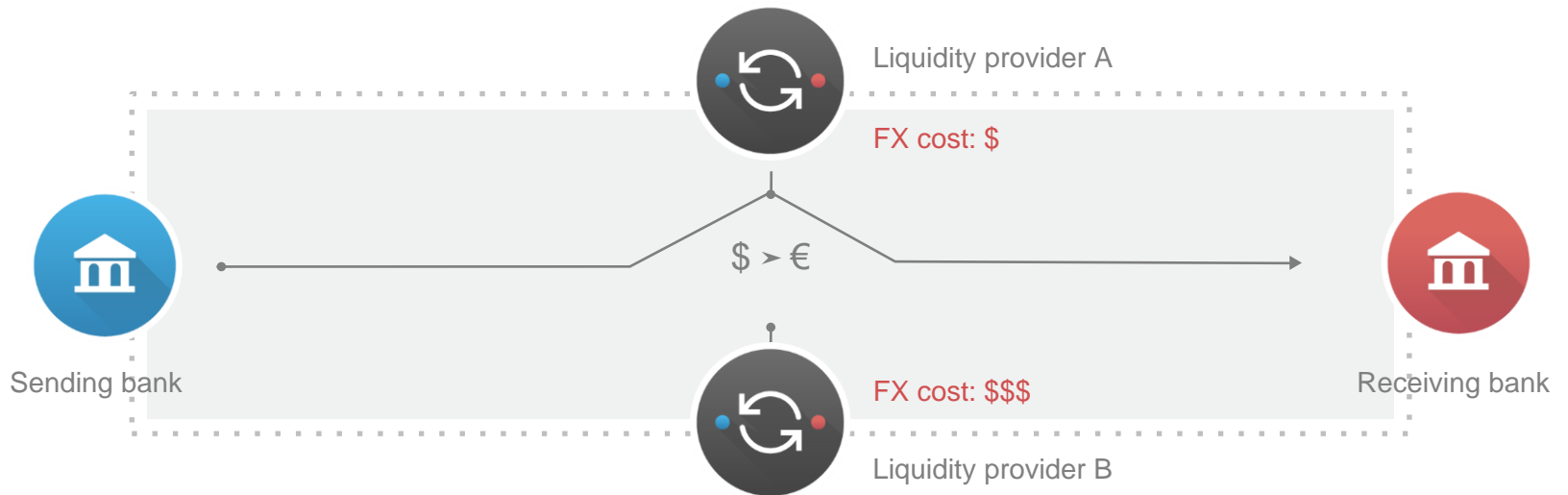
Today: Correspondent banking
Side effects: delays, costs, counterparty risk



Duration: 2 – 4 days

Ripple: A viable correspondent banking alternative

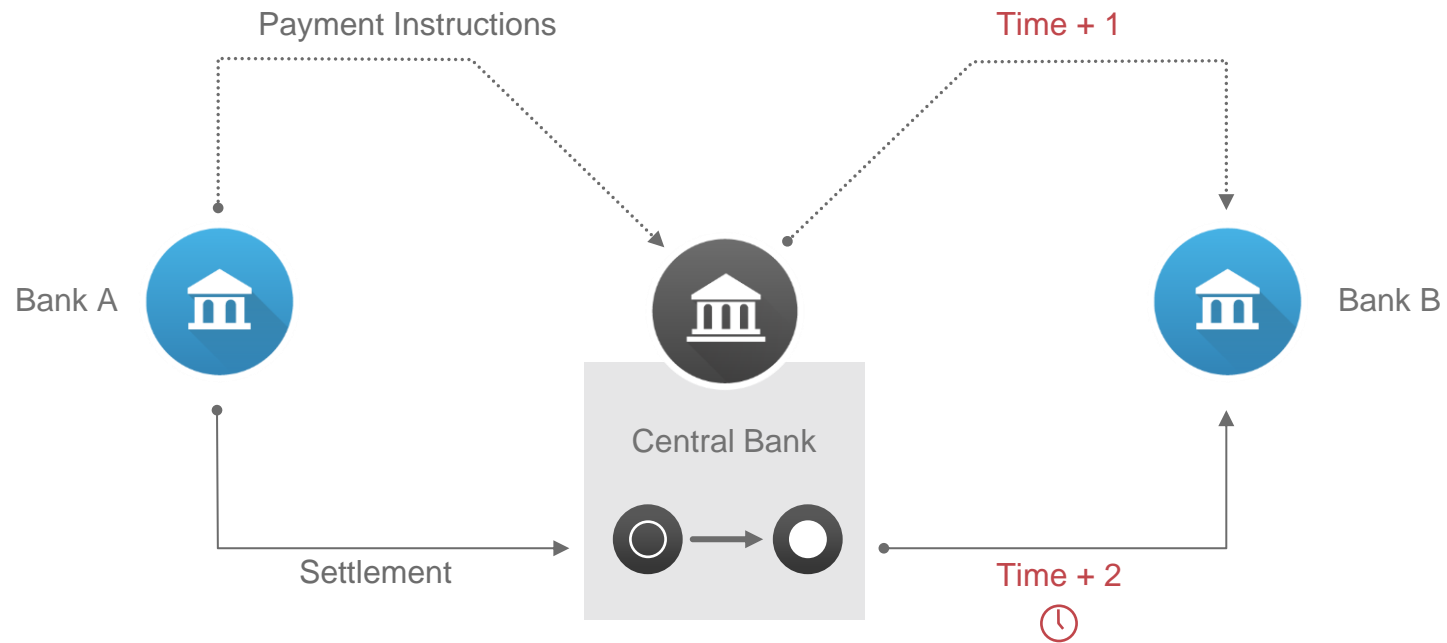
Instant, bilateral, straight-through process



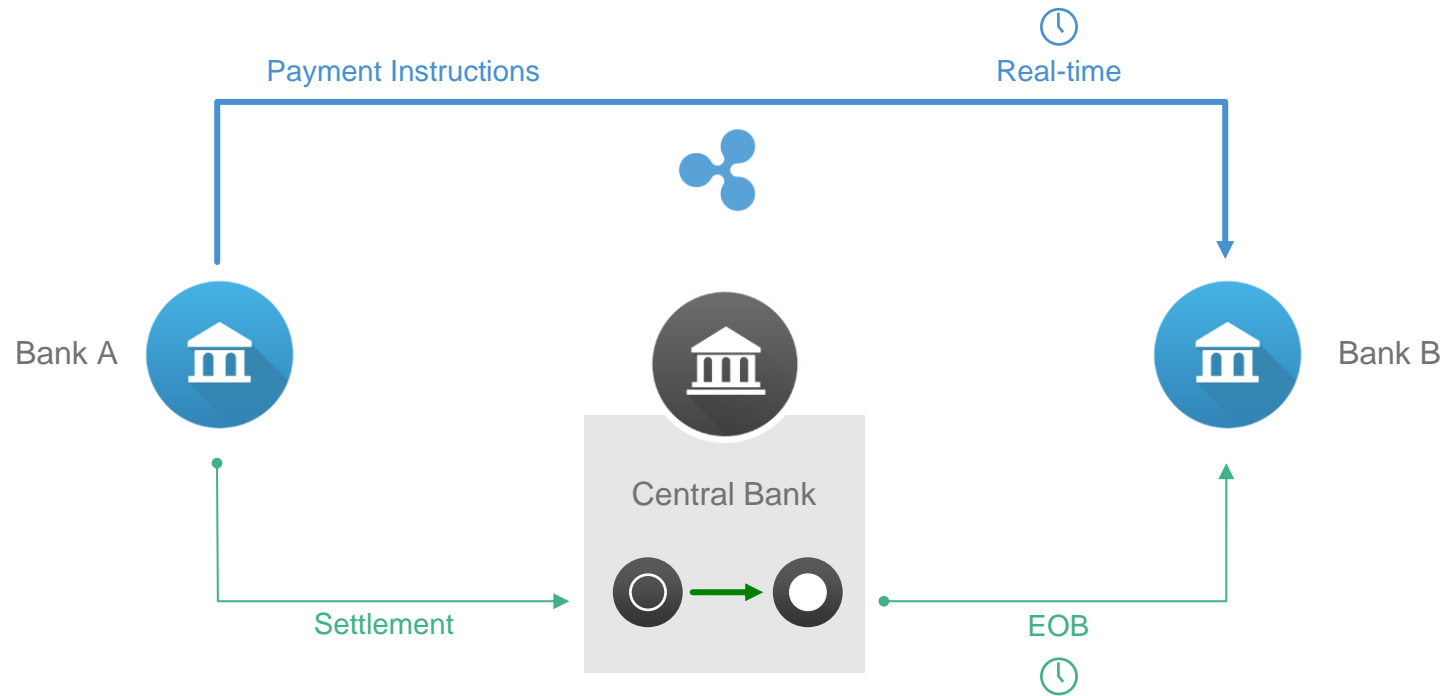
Duration: 3 – 6 seconds

Use Case: Domestic Clearing

Today: Central banks settle in net batches



With Ripple: Clearing in real-time



	Payment via Ripple	Typical payment
Funding	Provided by 3 rd party	Provided by bank
Compliance costs	Full visibility = lower costs	Limited visibility = high costs
Reconciliation	Automatic	Manual
Speed	5 seconds to settle	2+ days to settle
Risk	Straight-through processing	Multiple failure points
FX	Competitive marketplace	One FX provider

The Future: Internet of Value

Internet of Value

- A system built on our existing banking infrastructure
- World wide access to the banking network for everyone
- Instant payments of any size

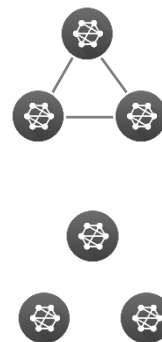
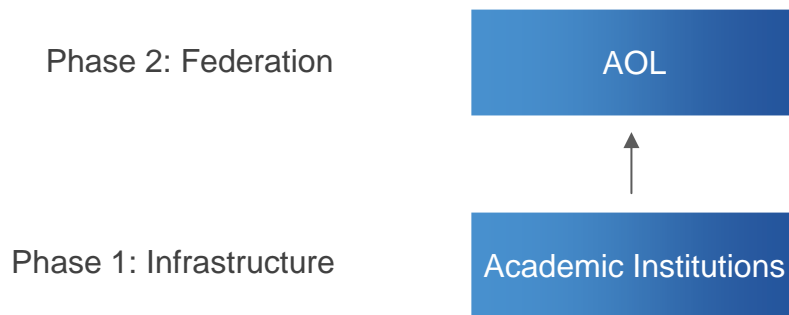
Internet of Knowledge

Phase 1: Infrastructure

Academic Institutions



Internet of Knowledge



Internet of Knowledge

Internet of Knowledge (IoK)

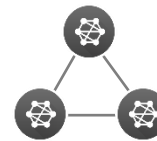
Phase 3: Global Market

Google



Phase 2: Federation

AOL

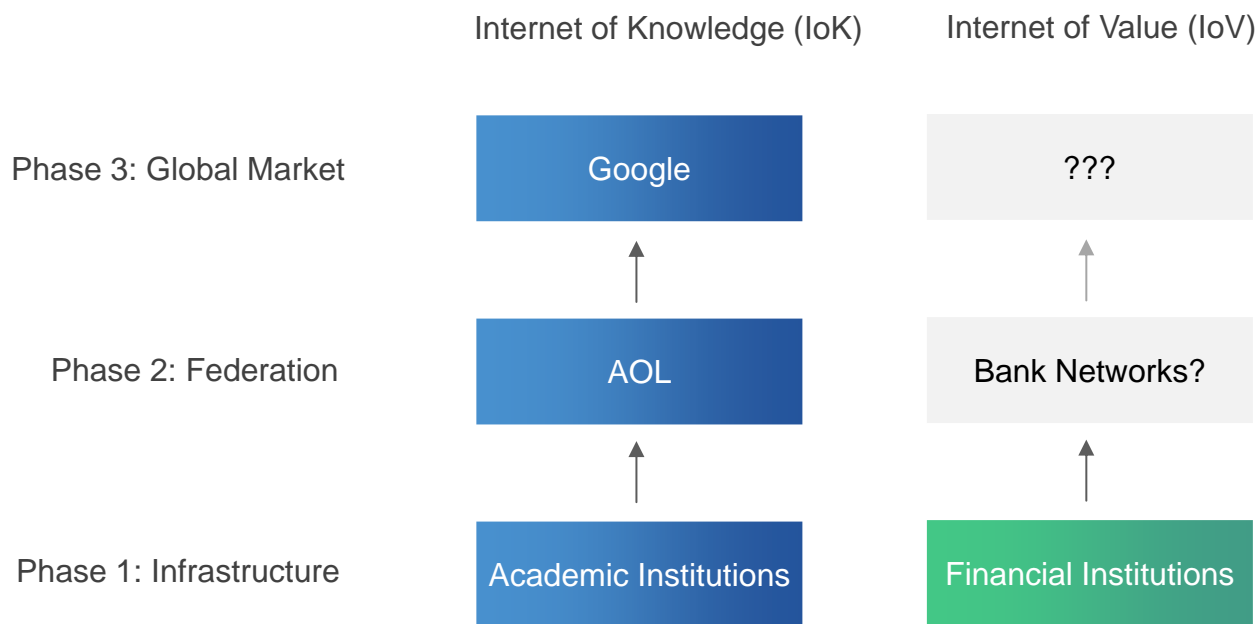


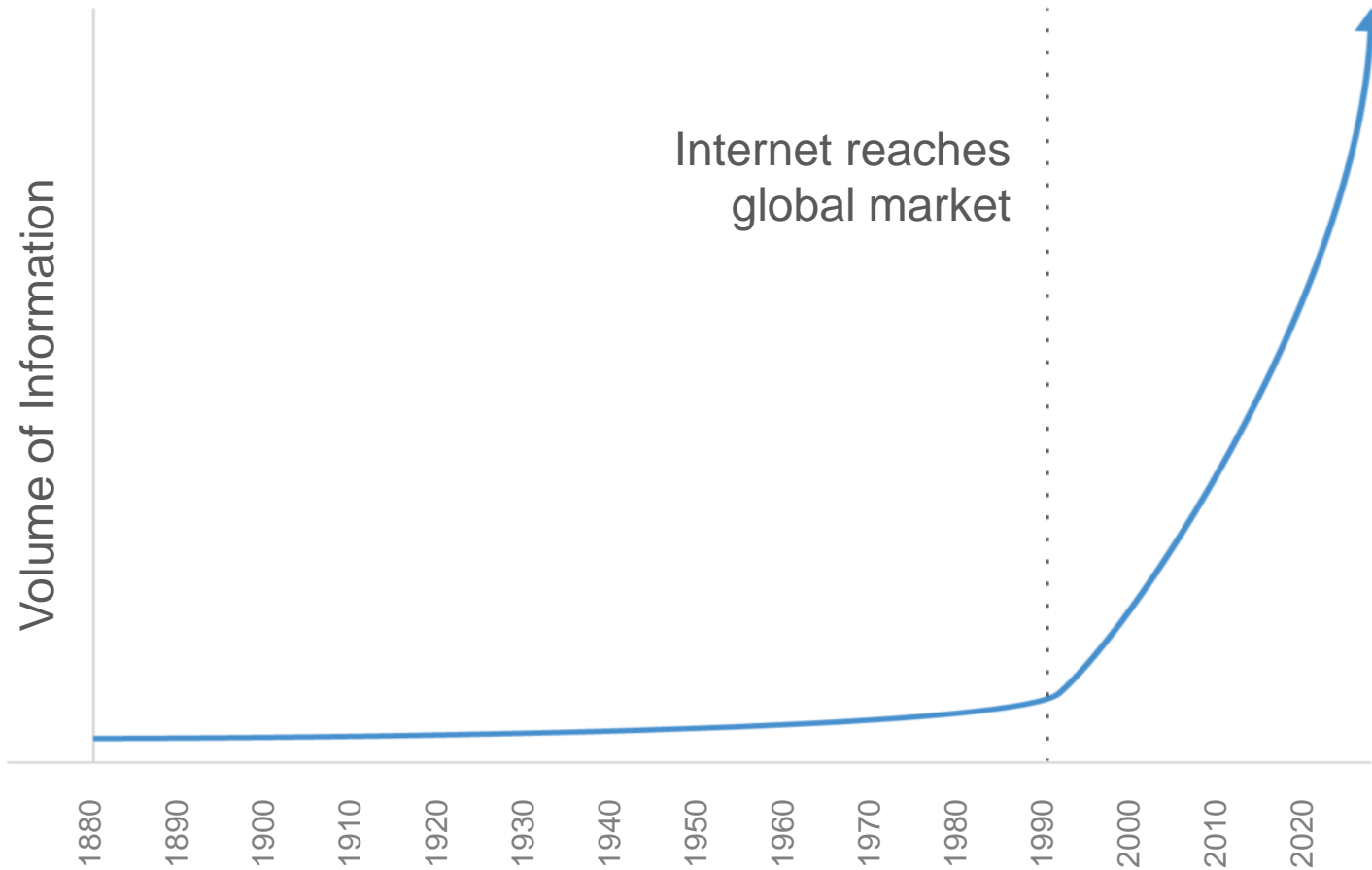
Phase 1: Infrastructure

Academic Institutions



The Internet of Value grows in three phases





Key domains of the Internet of Value



Finance

New York
London
Hong Kong



Regulation

Washington D.C.
Frankfurt
Beijing



Technology

Silicon Valley
Berlin
Seoul

Now's the time...



Thank you to speaker

Chris Larsen, CEO, Ripple Labs