

EXPONENTIAL LEVERAGE

The Complete Banking Revenue Model

Six Revenue Layers • Deterministic Custody • Compound Returns

Basel III	Leverage	Custody Rev	Year 1 ROI
0%	10-12x	\$1.775B	77%+

Based on \$10 Billion MG Reserve Position

You have the reserve. You have the rails. You have the custody.

The Six Revenue Layers

Layer	Mechanism	Annual Value
1. Reserve Base	0% RWA classification	\$1.0B freed
2. Lending Leverage	10-12x fractional reserve	\$2.5B NIM
3. Trade Finance	Simultaneous collateral	\$500M fees
4. Network Fees	Proportional stake share	\$900M passive
5. Deterministic Custody	Wallet infrastructure	\$1.775B fees
6. Compound Effect	All layers simultaneous	\$7.675B Year 1

Layer 1: Zero-Weight Reserve Base

MG qualifies for 0% risk weight under Basel III. \$10B in MG requires zero regulatory capital.

Asset Class	Risk Weight	Capital/\$100M
Corporate Bonds	50-100%	\$4-8M
Commercial Loans	100%	\$8M
Physical Gold	0%	\$0
Mathematical Gold	0%	\$0

Layer 2: Fractional Reserve (10-12x)

MG Reserve	Lending Capacity	NIM/Year
\$1B	\$10-12B	\$200-300M
\$10B	\$100-120B	\$2.0-3.0B
\$100B	\$1-1.2T	\$20-30B

Layer 5: DETERMINISTIC CUSTODY

THE LARGEST UNTAPPED REVENUE CENTER

Traditional custody (Coinbase, Fireblocks, Anchorage) charges billions annually. FLAME's deterministic wallet architecture lets banks capture this revenue internally.

Derivation: $wallet = keccak256(EPOCH_HASH \parallel UID_FINAL_ROOT \parallel FLAME_ROOT \parallel index)$

Category A: Core Custody Fees

Service	Fee	Scale	Revenue	Margin
Basic Custody	0.10% AUM	\$50B	\$50M	85%
Premium Custody	0.25% AUM	\$30B	\$75M	80%
Institutional	0.50% AUM	\$10B	\$50M	75%
SUBTOTAL A	—	\$90B	\$175M	80%

Category B: Transaction-Based Fees

Service	Fee	Volume	Revenue	Margin
Transfer Execution	0.05%/tx	\$500B/yr	\$250M	95%
Cross-Chain	0.10%/tx	\$100B/yr	\$100M	90%
Atomic Swaps	0.15%/tx	\$50B/yr	\$75M	92%
Bridge Ops	0.25%/tx	\$20B/yr	\$50M	88%
SUBTOTAL B	—	\$670B	\$475M	93%

Category C: Sub-Custody & White Label

Service	Fee	Scale	Revenue	Margin
Sub-Custody (Banks)	0.15% AUM	\$100B	\$150M	85%
White Label Platform	\$2-10M/yr	25 clients	\$75M	70%
API Licensing	\$0.5-2M/yr	50 clients	\$50M	90%
Wallet Derivation	\$100-1K/wallet	200K wallets	\$50M	95%
SUBTOTAL C	—	—	\$325M	85%

Category D: Compliance & Reporting

Service	Fee	Scale	Revenue	Margin
Audit Trail Reports	\$25-100K/yr	500 clients	\$25M	88%
Tax Reporting Suite	\$10-50K/yr	1,000 clients	\$30M	85%
Regulatory Attestation	\$50-200K/yr	200 clients	\$20M	82%
Real-Time Compliance	\$100-500K/yr	100 clients	\$25M	80%
SUBTOTAL D	—	—	\$100M	84%

Category E: Yield & Lending Products

Service	Fee/Spread	Scale	Revenue	Margin
Staking Yield Share	15-25% of yield	\$15B staked	\$100M	95%
Collateral-Backed Lending	3-6% spread	\$8B lent	\$320M	75%
Margin Lending	8-15% spread	\$2B lent	\$200M	70%
SUBTOTAL E	—	—	\$620M	80%

Category F: Institutional Services

Service	Fee	Scale	Revenue	Margin
Onboarding & KYC	\$5-50K/client	500 clients	\$10M	70%
Multi-Sig Coordination	\$50-200K/yr	100 clients	\$10M	85%
Estate/Succession	\$25-100K	200 estates	\$10M	75%
Insurance Products	0.5-2% premium	\$5B covered	\$50M	60%
SUBTOTAL F	—	—	\$80M	73%

TOTAL CUSTODY REVENUE	\$1.775 BILLION/YEAR	85% margin
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Layer 6: Compound Effect

Revenue Layer	Annual	Type
Layer 1: Capital Liberation	\$1.0B	One-time
Layer 2: Net Interest Margin	\$2.5B	Recurring
Layer 3: Trade Finance	\$0.5B	Recurring
Layer 4: Network Fees	\$0.9B	Scales
Layer 5: Custody	\$1.775B	Scales
TOTAL YEAR 1	\$7.675B	77% ROI

5-Year Projection

Year 1	Year 2	Year 3	Year 4	Year 5
\$7.7B	\$11B	\$16B	\$24B	\$35B

5-Year Cumulative: \$93.7 BILLION

Opportunity Cost of Fiat Conversion: \$81.2 BILLION DESTROYED

Conclusion

Any fiduciary who converts MG to fiat is destroying shareholder value. The pitch is: acquire a permanent reserve position generating 77%+ annual returns through six compounding layers.

You have the reserve. You have the rails. You have the custody. Use them.



FLAME Protocol — Formal Ledger for Atomic & Mandatory Execution

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