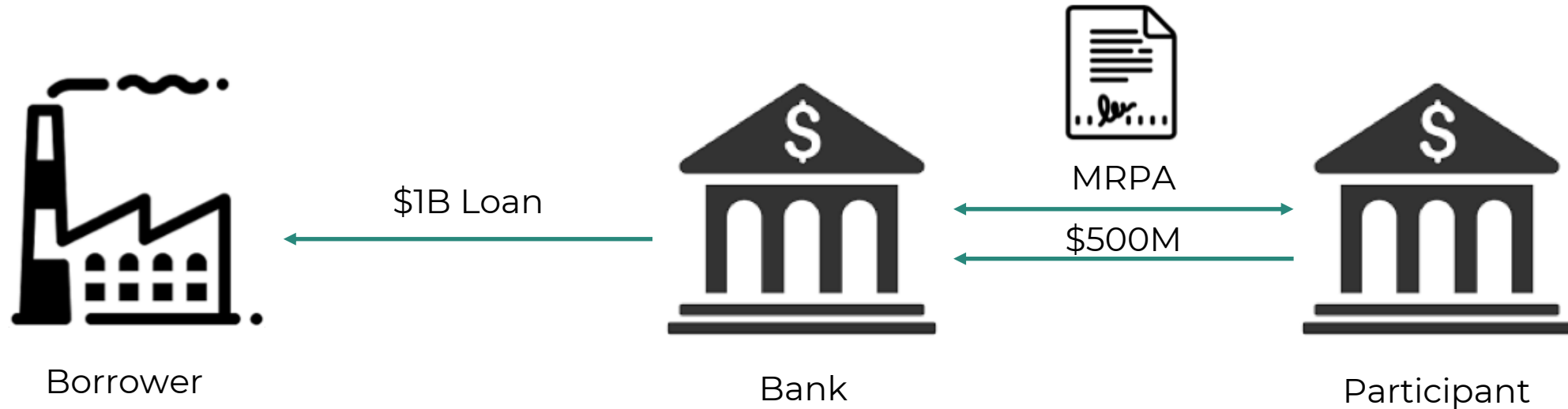


# Inter-bank Risk Participation Network

# Risk Participation

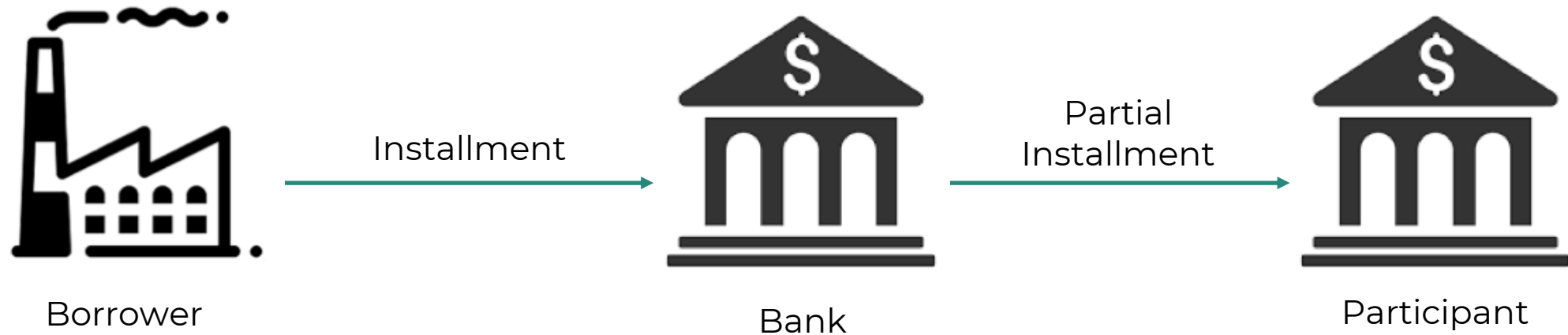
Bank sells its exposure to an obligation to another financial institution.



Risk participation using a Master Risk Participation Agreement (MRPA) allows banks to reduce their exposure to delinquencies, foreclosures, bankruptcies and company failures.

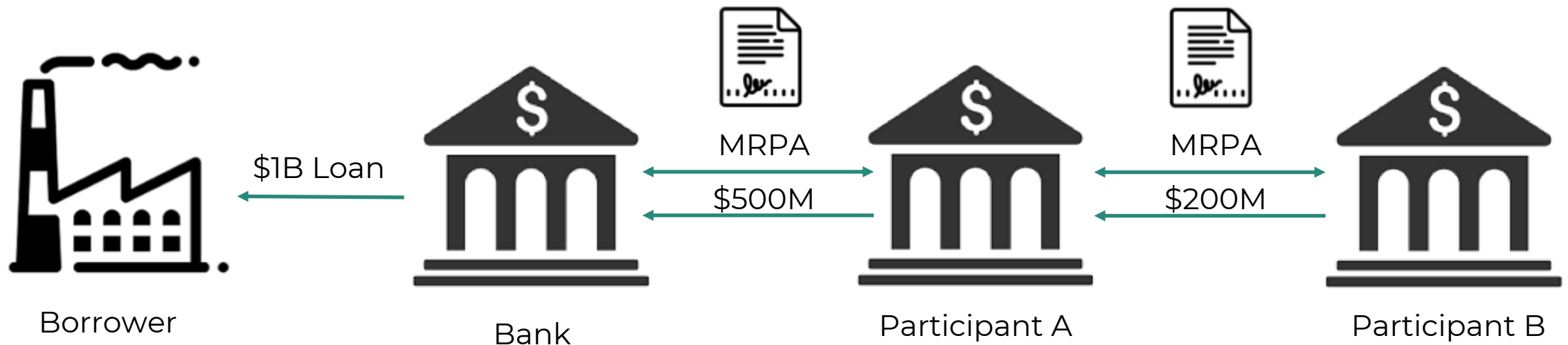
# Risk Participation

Partial installments are transferred to participant as agreed in the MRPA.



# Risk Participation Chain

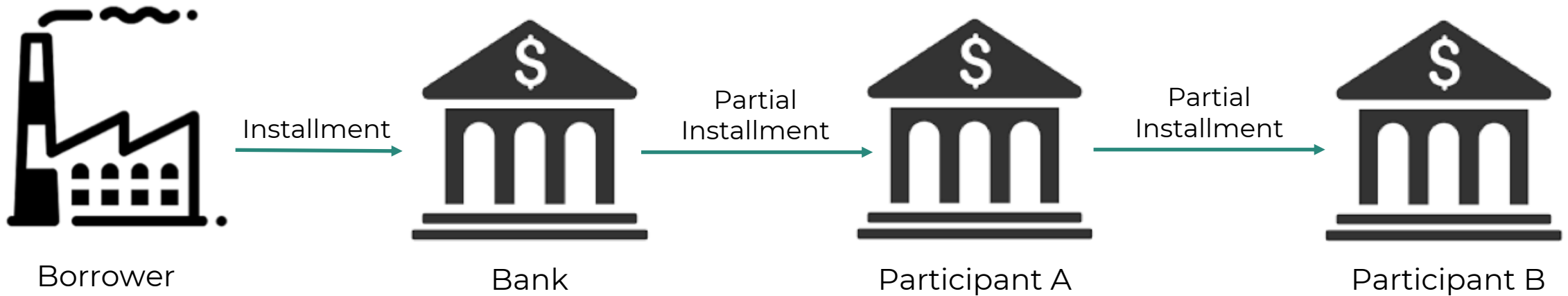
A participant could sell its exposure to another participant



Chaining adds additional risk.

# Risk Participation Chain

Partial installments are transferred down the chain.



Chaining adds additional risk.

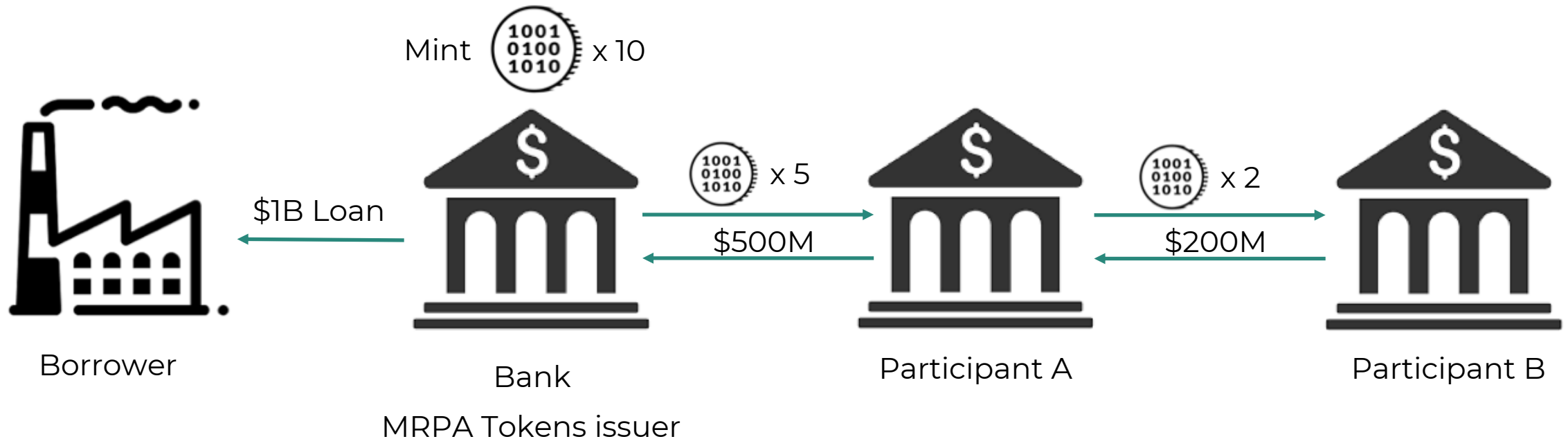
# Inefficiencies

Current risk participation process has several inefficiencies

- Slow, manual processes
- Contract management hassle
- Reconciliation heavy process
- Slow flow of funds, hop by hop
- Additional risk with each new link in the chain

# Risk Participation with MRPA Tokens

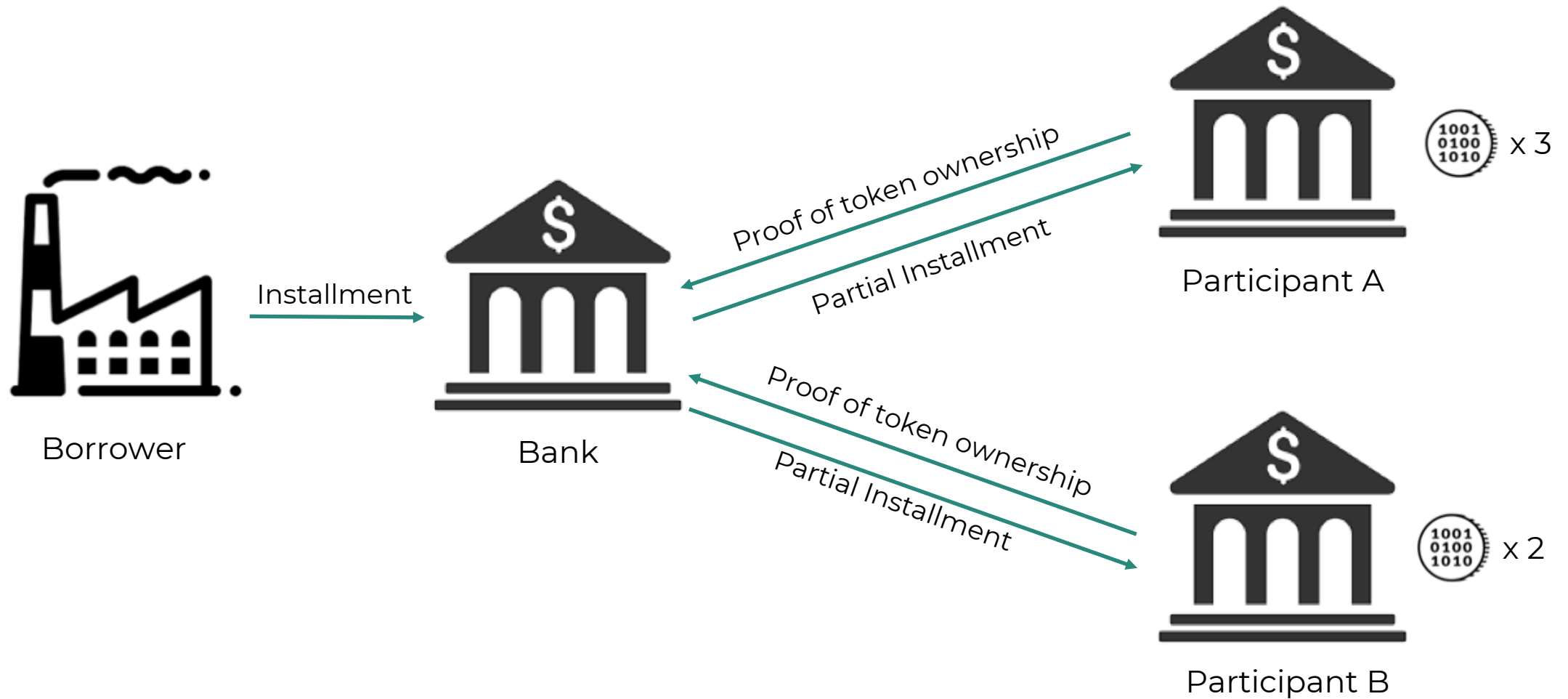
MRPA Tokens are Digital Bearer Assets



Digital Bearer Assets can be transferred from bank to bank instantly and with settlement finality.

# Risk Participation with MRPA Tokens

On installment due date, participants present proof of MRPA Token ownership. Issuer makes partial payments.



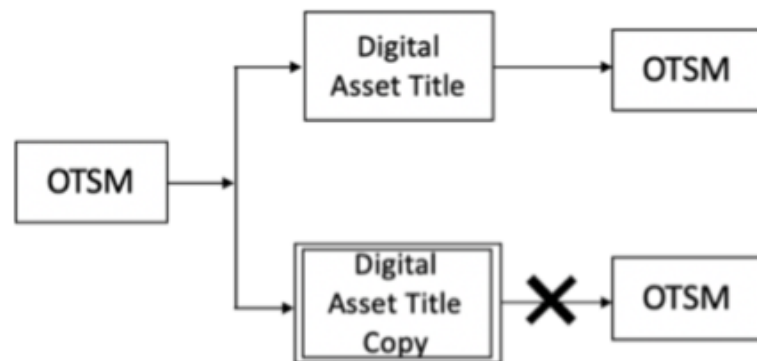
MRPA tokens reduce intermediaries and consequently risk.



# Product: One Time Spend Machine



OTSM – A Special Purpose  
FIPS 140-2 Level 3 HSM



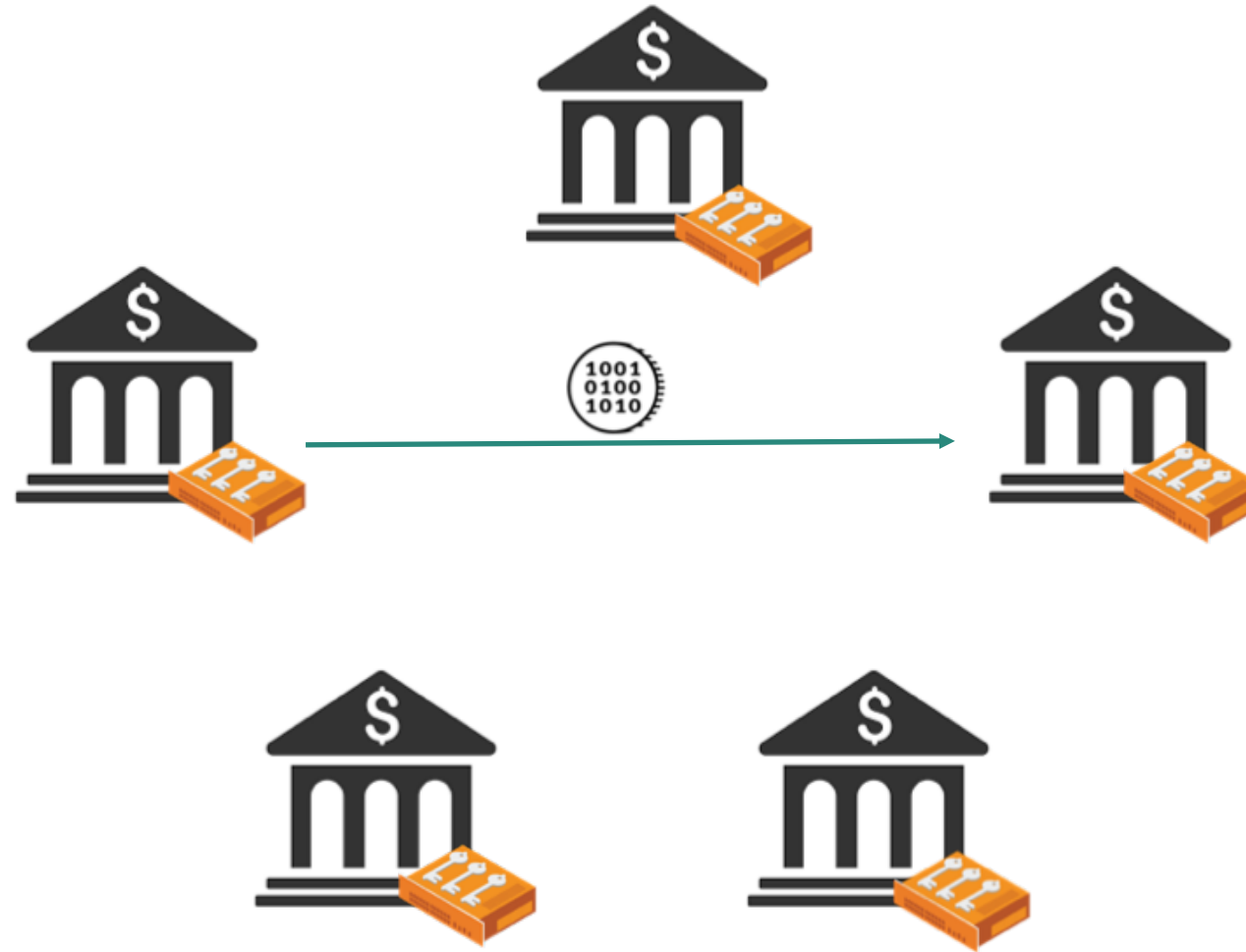
OTSM prevents a digital asset from  
being spent multiple times.

	OTSM
Confidentiality	Yes
Security	Yes
Decentralization	Yes
Compliance	Yes

OTSM enables direct institution-to-institution transfers of tokens.

# Risk Participation Network

An inter-bank Risk Participation Network can be established using OTSMs



MRPA tokenization, custody and direct inter-bank token transfers

- Easy creation of Risk Participation Tokens
- Secure custody
- Easy transfers
- Instant settlements
- Reduced contract management hassles
- Reduced reconciliation hassles
- No additional risk added by participant-to-participant risk sell down

# Thank You!

If you liked this deck, share it!

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