



RIPPLE

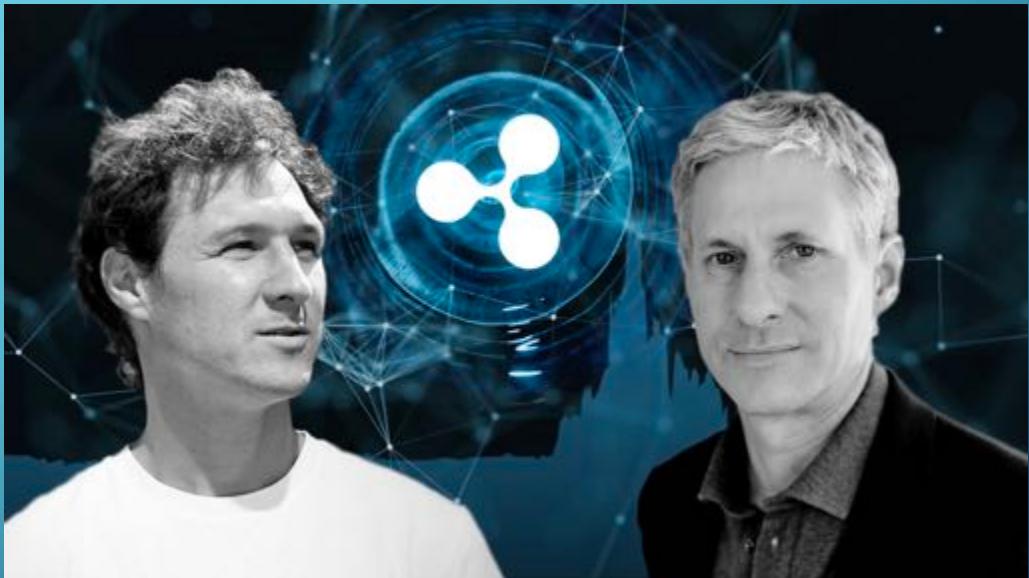
FINTECH CASE STUDY



OVERVIEW AND ORIGIN

OVERVIEW AND ORIGIN

- Precursor in RipplePay, created by Ryan Fugger in 2004
- Peer-to-peer trust network that would replace banks
- Jed McCaleb (right), early Bitcoin pioneer, joined in 2011
- Fugger handed over RipplePay to McCaleb
- Hired Chris Larsen (left) in 2012



OVERVIEW AND ORIGIN

- Changed name from RipplePay to OpenCoin
- Due to popularity, Bitcoin was used as the base currency on RippleNet, the Ripple network
- Introduced gateway structure: large businesses that are trusted to run transactions
- Jesse Powell invested \$200K
- Created XRP token in 2013
- Had another round of venture funding
- Received \$1.5M in funding from Google Ventures, Andreesen Horowitz, and others
- Jed McCaleb leaves June 2013
- Changes name to Ripple Labs in September 2013

OVERVIEW AND ORIGIN

- In 2015, changes name to Ripple
- In September 2016, receives \$55M in a funding round, led by Japanese SBI Holdings
- Begin joint venture, SBI Ripple Asia
- Between 2012-2016, Ripple raised \$93.6M from VC firms
- Forbes' FinTech 50 for 2019





BUSINESS ACTIVITIES

BUSINESS ACTIVITIES

- Ripple is attempting to become the go-to solution for inter-bank transactions
- Provides three services: xCurrent, xRapid, and xVia
- Technology that makes it all function: RippleNet and XRP



BUSINESS ACTIVITIES

- RippleNet

- Ripple's usage of blockchain technology
- Proposing to change current system of inter-bank exchange, namely SWIFT
- Eliminates friction, speeds up transaction and settlement times, and reduces cost
- Made of businesses, corporate treasury, financial institutions, and consumers
- Benefits of: access, speed, certainty, and cost
- Replaces need of nostro accounts

BUSINESS ACTIVITIES

- XRP
 - Cryptocurrency relying on cryptographic signatures
 - Used to pay transaction fees on RippleNet
 - Ceased and destroyed when paid
 - Exactly 100 billion XRP created
 - No counterparty risk
 - Clears in about 4 seconds
 - Bridge currency to any other currency
 - Uses consensus protocol

BUSINESS ACTIVITIES

- xCurrent
 - Allows banks to transact across borders instantly
 - Main draw is speed, especially when compared to SWIFT



Bank



Bank

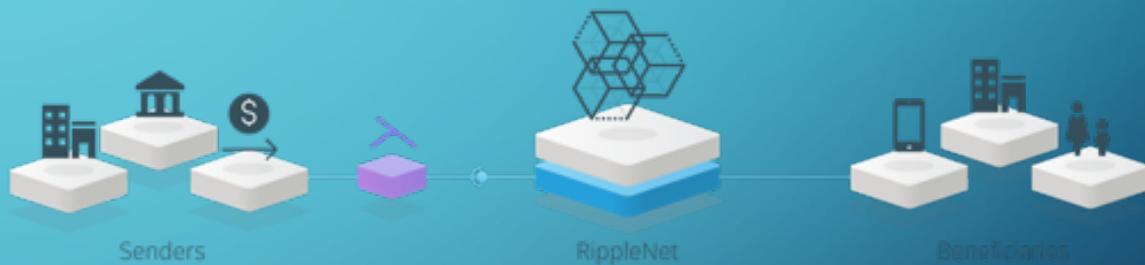
BUSINESS ACTIVITIES

- **xRapid**
 - Settles transactions across RippleNet using XRP
 - Lowers capital requirements for liquidity
 - Frees up funds that would sit idle in nostro accounts



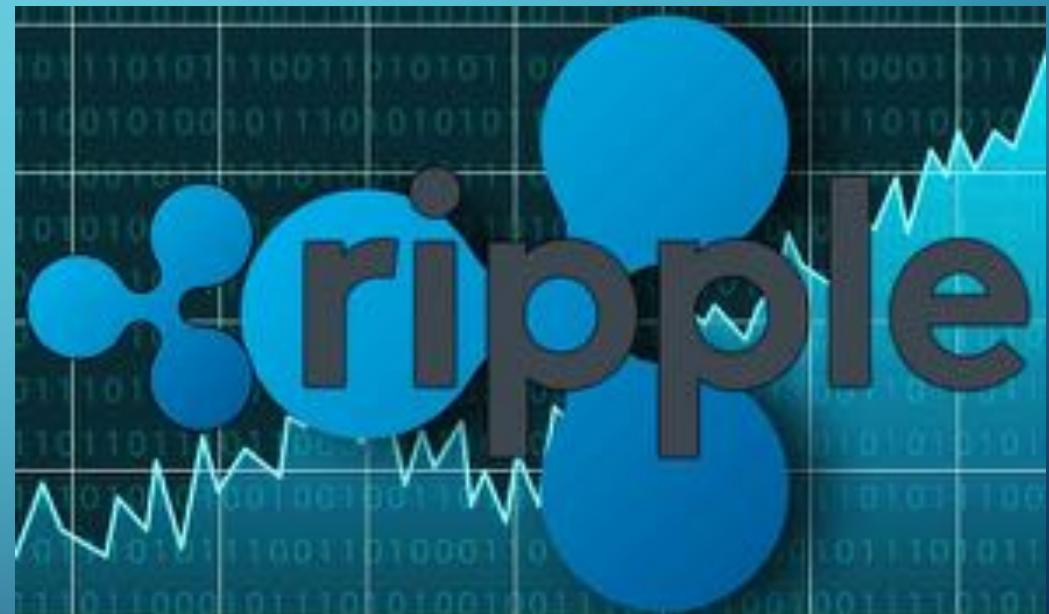
BUSINESS ACTIVITIES

- xVia
 - Allows entities to transact on RippleNet with a standard API



BUSINESS ACTIVITIES

- Overall, could remove the need for nostro accounts
- Completely circumvent SWIFT





LANDSCAPE

LANDSCAPE

- A blockchain company within the growing fintech industry
- In company with others such as Coinbase, Circle, Bitfury, and Gemini
- Blockchain company with their own blockchain, RippleNet
- Competing with JPM coin



RESULTS

RESULTS

- Success not measured by XRP market cap
- Has partnered with 100+ financial institutions
- Attempting to over take SWIFT
- Partnered with MoneyGram





RECOMMENDATIONS

RECOMMENDATIONS

- Marketing to everyday consumers as a peer-to-peer transfer of value
- Would capture more of market with services for institutions and consumers
- Allow consumers to transact directly with their banks using XRP

