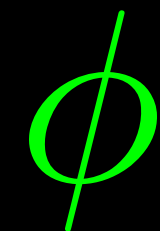




Decentralized commercial banking and stable currency \_



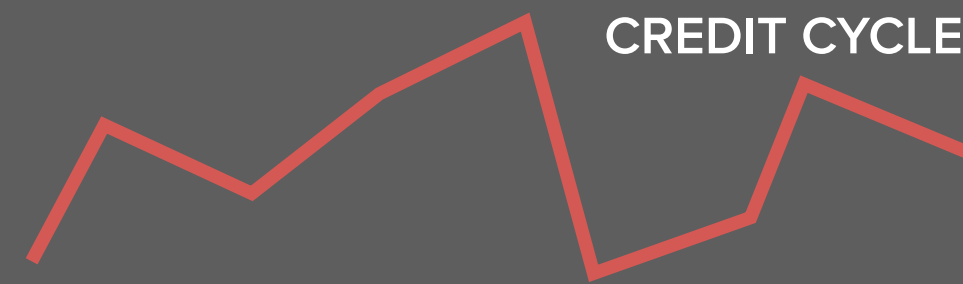
# Problems With Commercial Banks

Massive infrastructure, HR  
& compliance costs



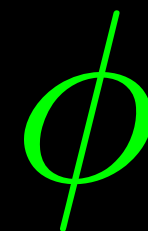
7% GDP consumed by  
financial services

Chronic bad judgement  
making loans



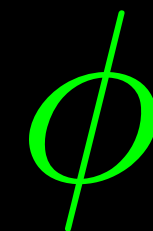
Digitization of money creates  
civil liberties danger

We are closing your bank account.  
You were involved in crypto.  
No appeals process !!!

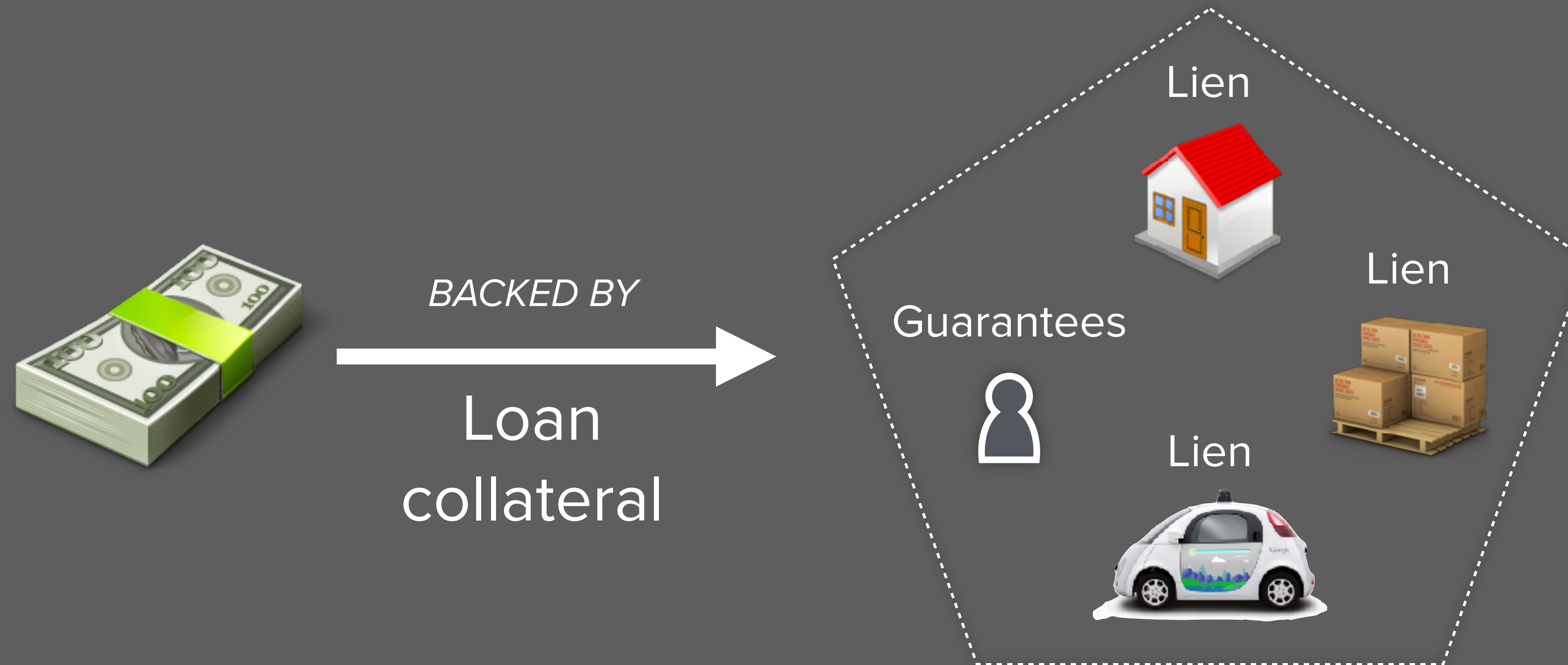


# Fiat Money

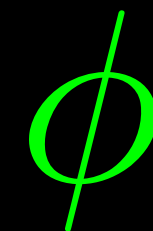
FACT 98% of money is created by commercial banks



# Fiat Money

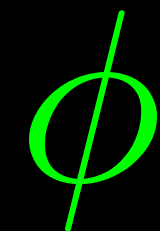


Fiat money is a kind of aggregate IOU backed by legal claims on assets and cash flows



Ahhhhhhhhhhhhh... make a World Computer...

Give out loans algorithmically  
& create stable currency backed by loan collateral



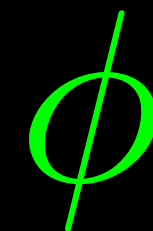
# PHI is Currently In The Works

for Ethereum/EVM family networks

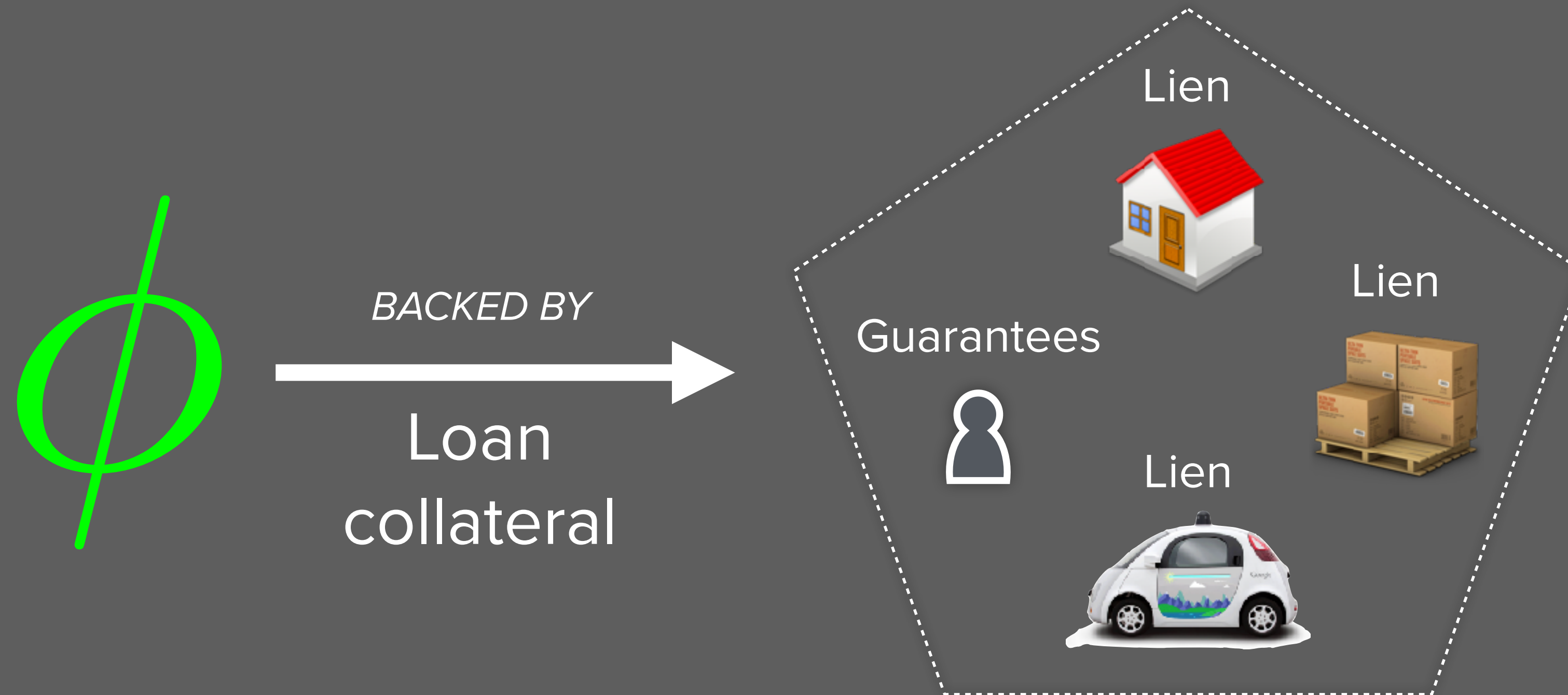


The Code is Law & smart contracts

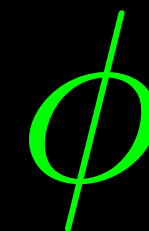
Decentralized Cloud, AI governance, performance...



# PHI Money



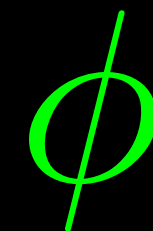
Phi money is also an aggregate IOU backed indirectly by legal claims on assets and cash flows





# PHI Localization

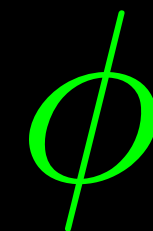
PHI currency works together with the local currency



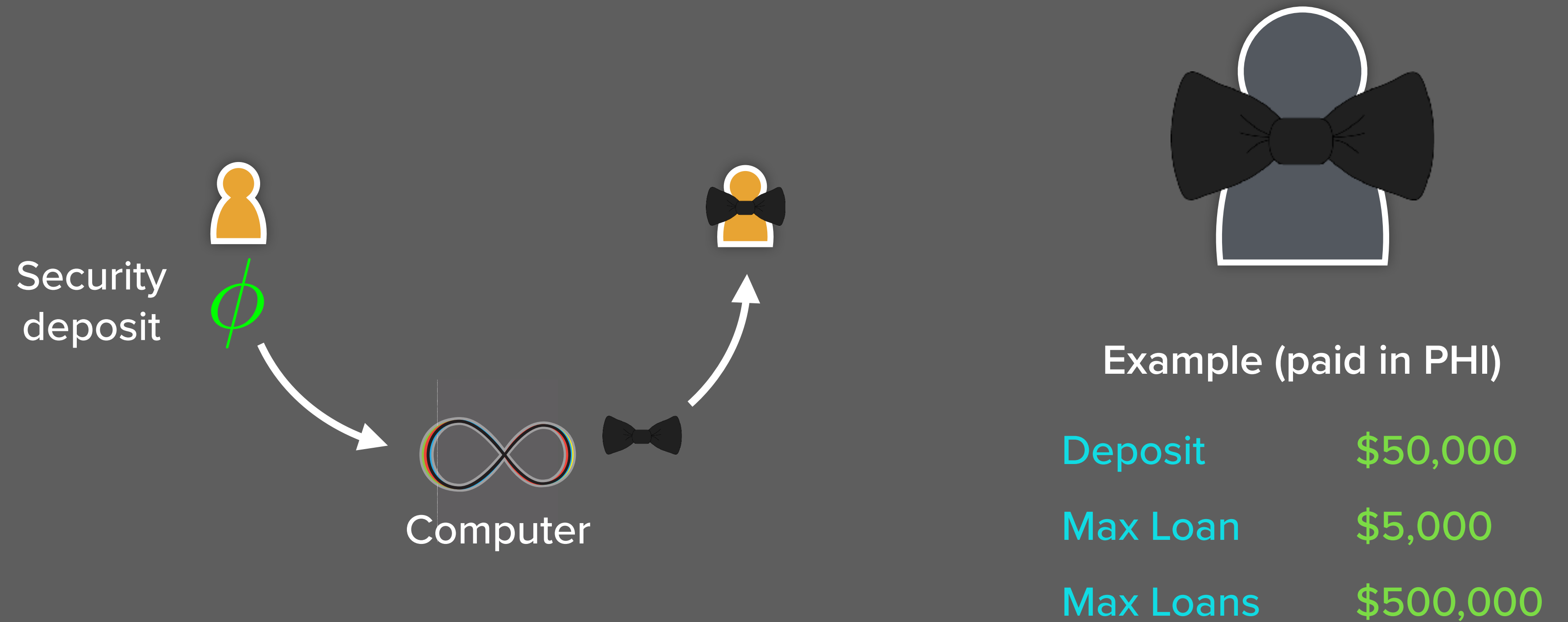
# PHI Localization

Our candidate countries for initial PHI networks are small and crypto friendly

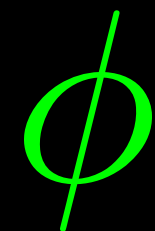
Regulators and other governmental organizations interested in improving lending to businesses and consumers are invited to make contact: more judicious, more accessible, less expensive lending



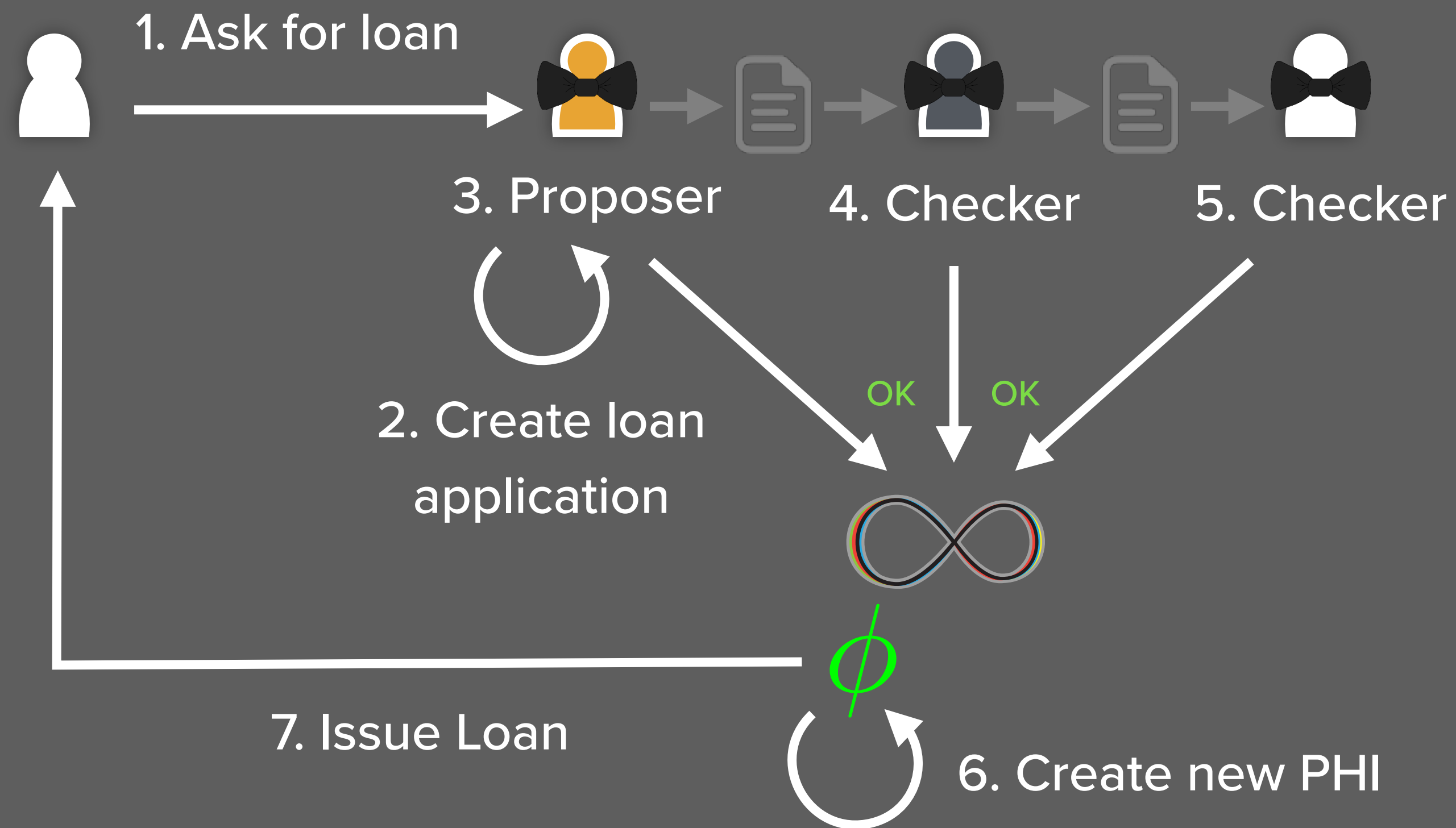
# Anyone Can Be A PHI Validator



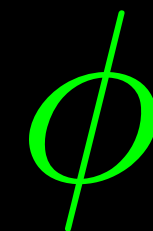
Anyone can become a PHI Validator by making a security deposit to the computer. If a loan you approve becomes delinquent the computer takes compensation from your deposit.



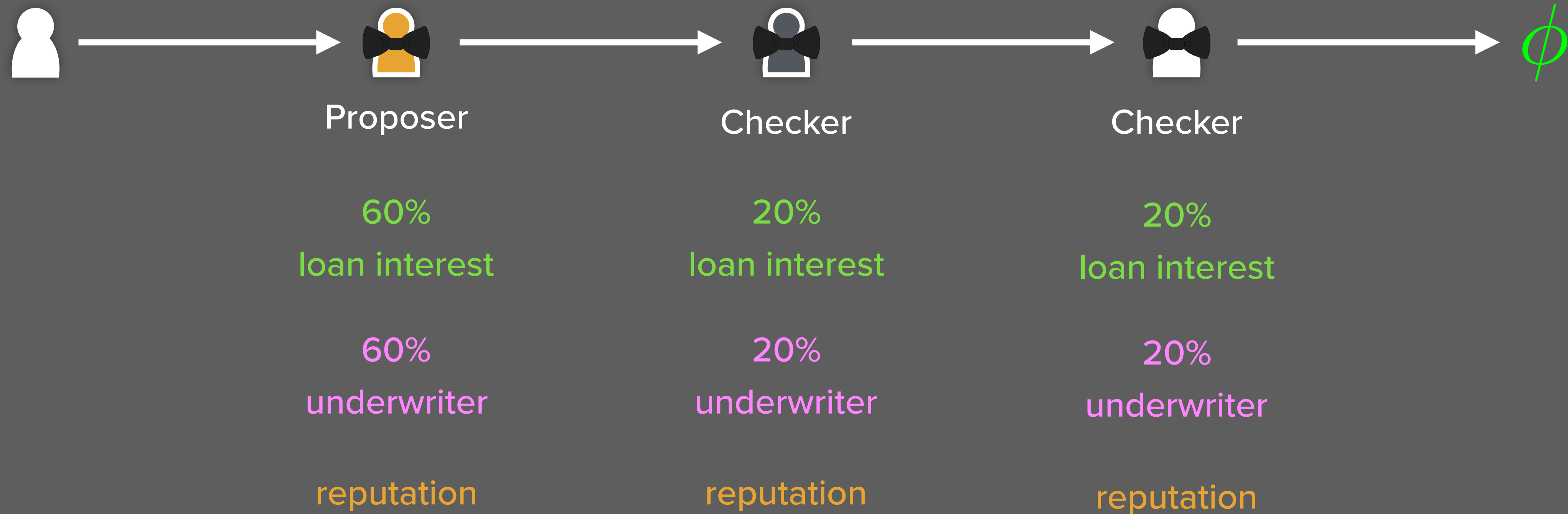
# How Computer Issues Loans



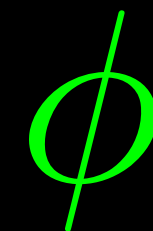
- ▶ Random sequence validators
  - Who's next is unknowable
  - Length sequence is unknowable
- ▶ Choice validators
  - Size of their deposit
  - Reputation
- ▶ Loan application
  - Format is open standard



# Validator Incentives



EXAMPLE



# Validator Reputation



Loans  
performing

Deposit size  
maintained

Incompetence &  
game playing are  
losing strategies

The lower your  
reputation falls the  
longer the validation  
chains and the harder  
it is to make returns  
from your security  
deposit, which can  
get “frozen”

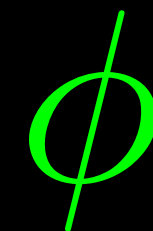


Loans have  
delinquent payments

Deposit size  
decreasing

Other validators  
reject loans

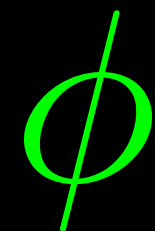
*If validation decision rejected by others, can appeal and computer decides using new random sequence*





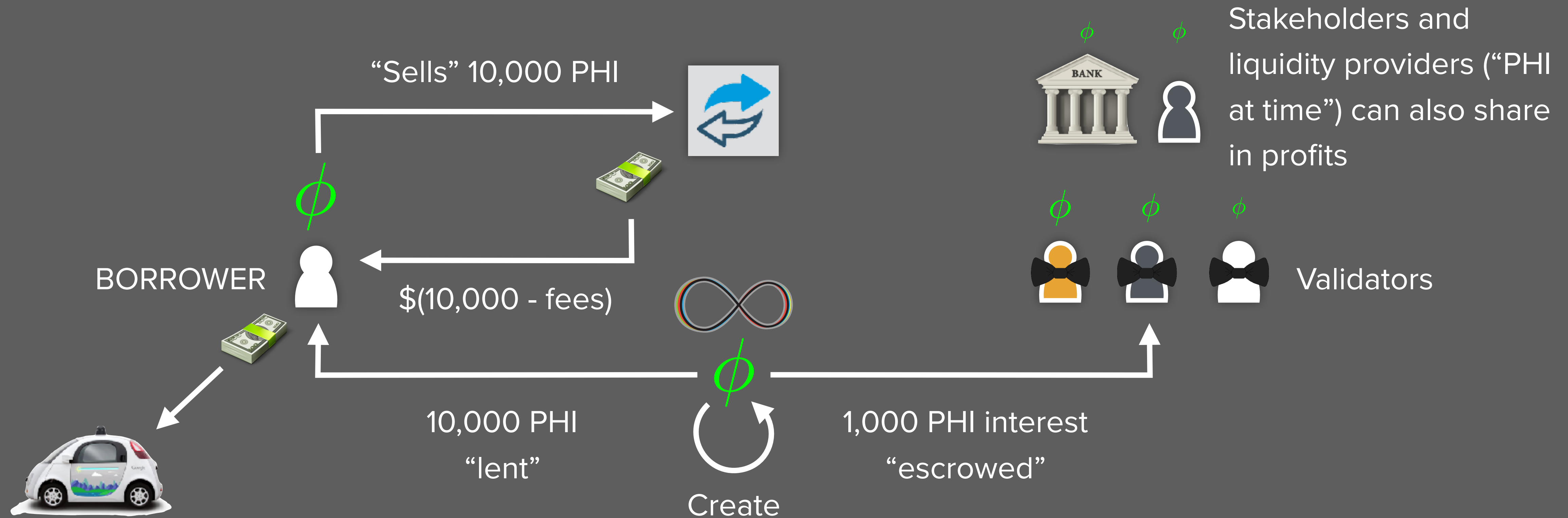
So the computer gives out loans algorithmically using “randomness”.  
Can DFINITY’s Threshold Relay technology power this ?

Absolutely ! The randomness it creates is perfect

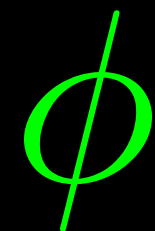




# PHI Loan Flows

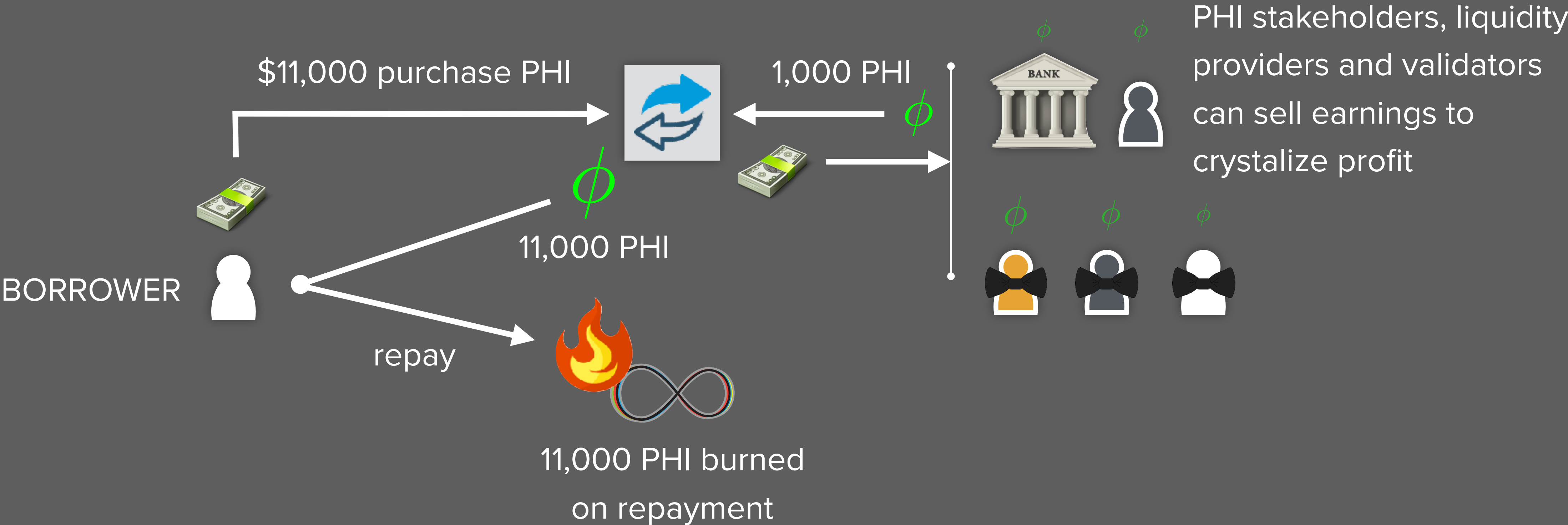


Total PHI created (loan + interest) = borrower's obligations in \$ = 11,000 PHI-USD

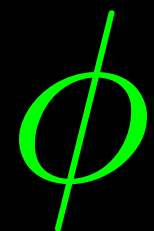




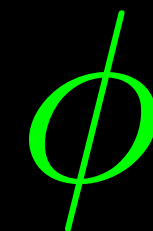
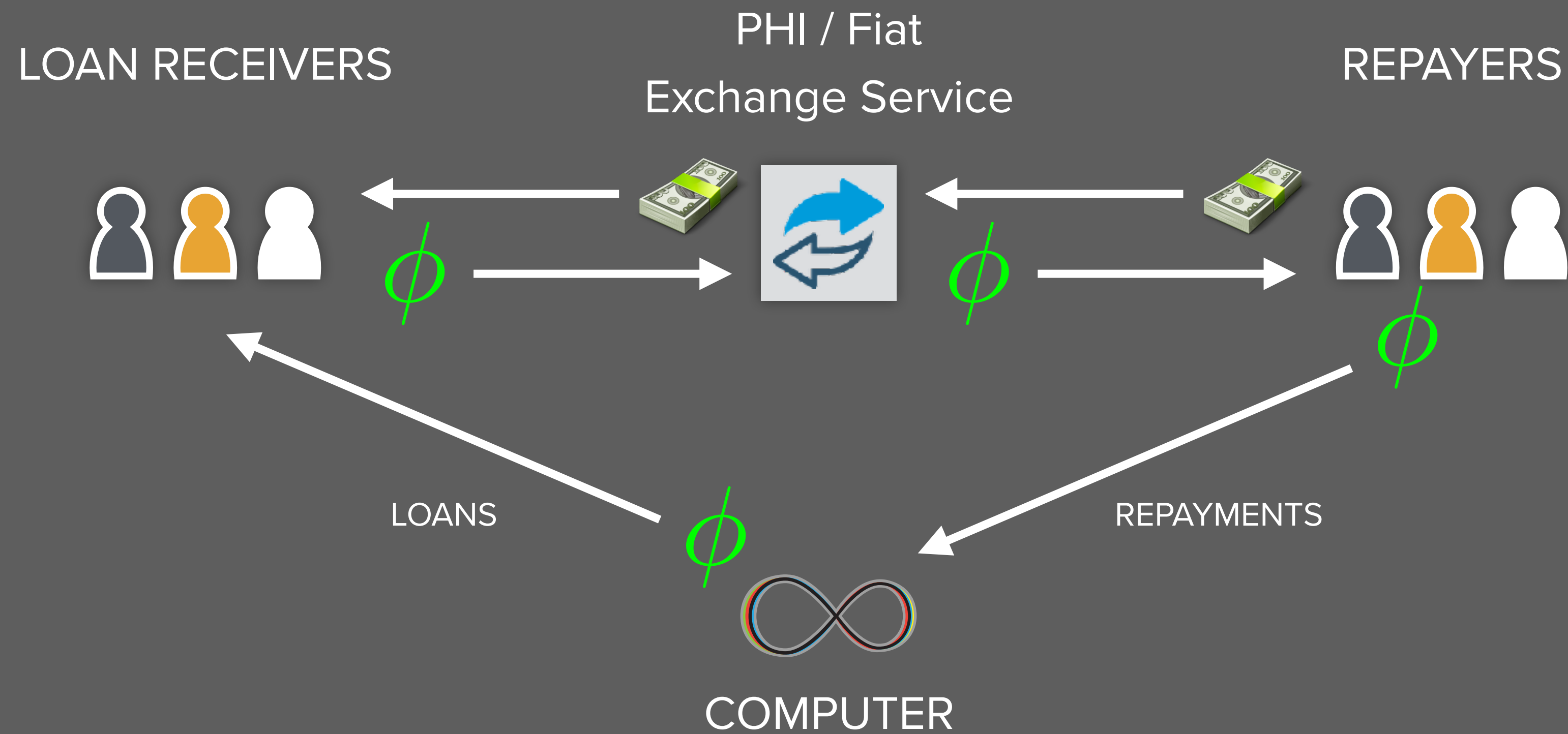
# PHI Repayment Flows



Borrower buys PHI to pay back the principle and interest. All PHI burned on repayment

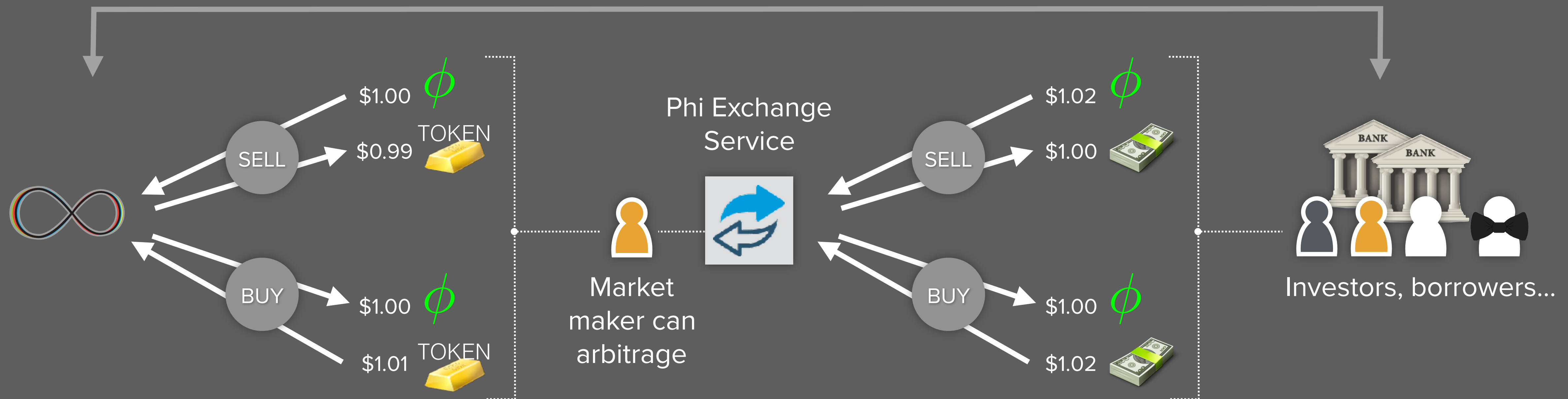


# PHI Balance

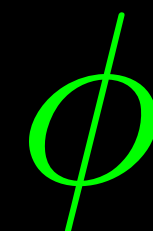


# PHI Market Making

Those not happy with exchange service fees or prices can go directly to World Computer resident systems



The Computer maintains outer spread by buy/selling PHI. The simple version involves value tokens from reliable providers



# Legal Force **No Banks**



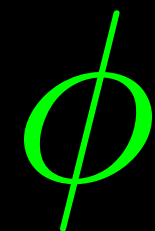
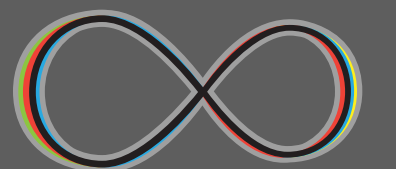
DELINQUENT  
REPAYER

You did not repay the computer !!!  
The computer took repayment  
from my deposit. Our original  
contract now activates, and you  
owe ME the money !!!



ANGRY  
VALIDATOR

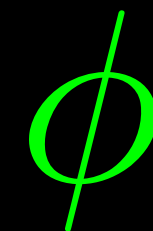
Centuries-old public debt recovery infrastructure already exists



# PHI Modern Banking UX



The “bank branch” of the future is virtual not physical. Consumers do not need to touch PHI currency





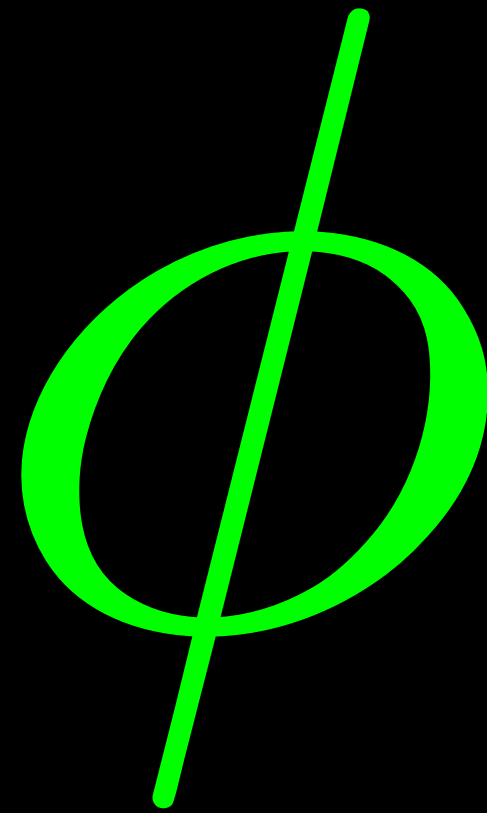


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President/CTO String Labs

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Decentralized  
Commercial Banking



string