



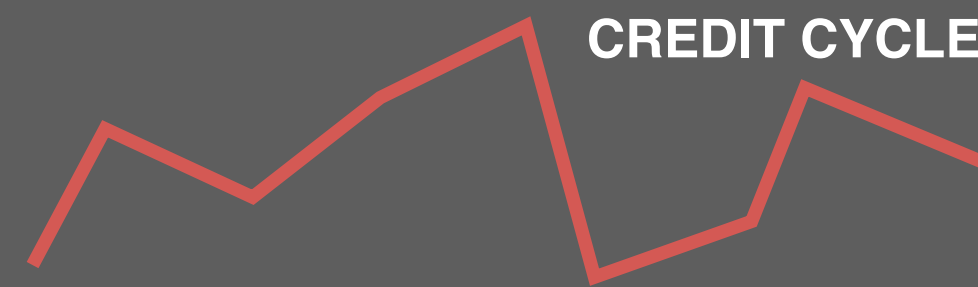
Problems With Commercial Banks

Massive infrastructure, HR
& compliance costs



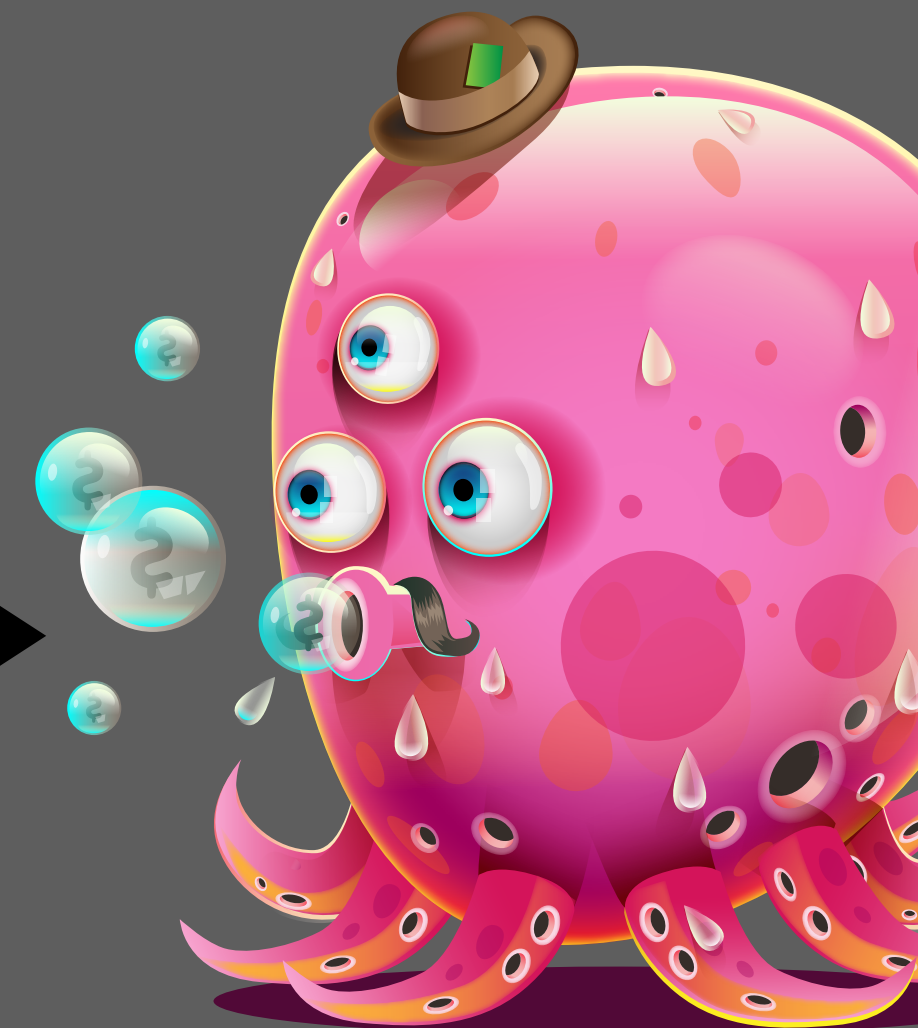
7% GDP consumed by
financial services

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 !!!

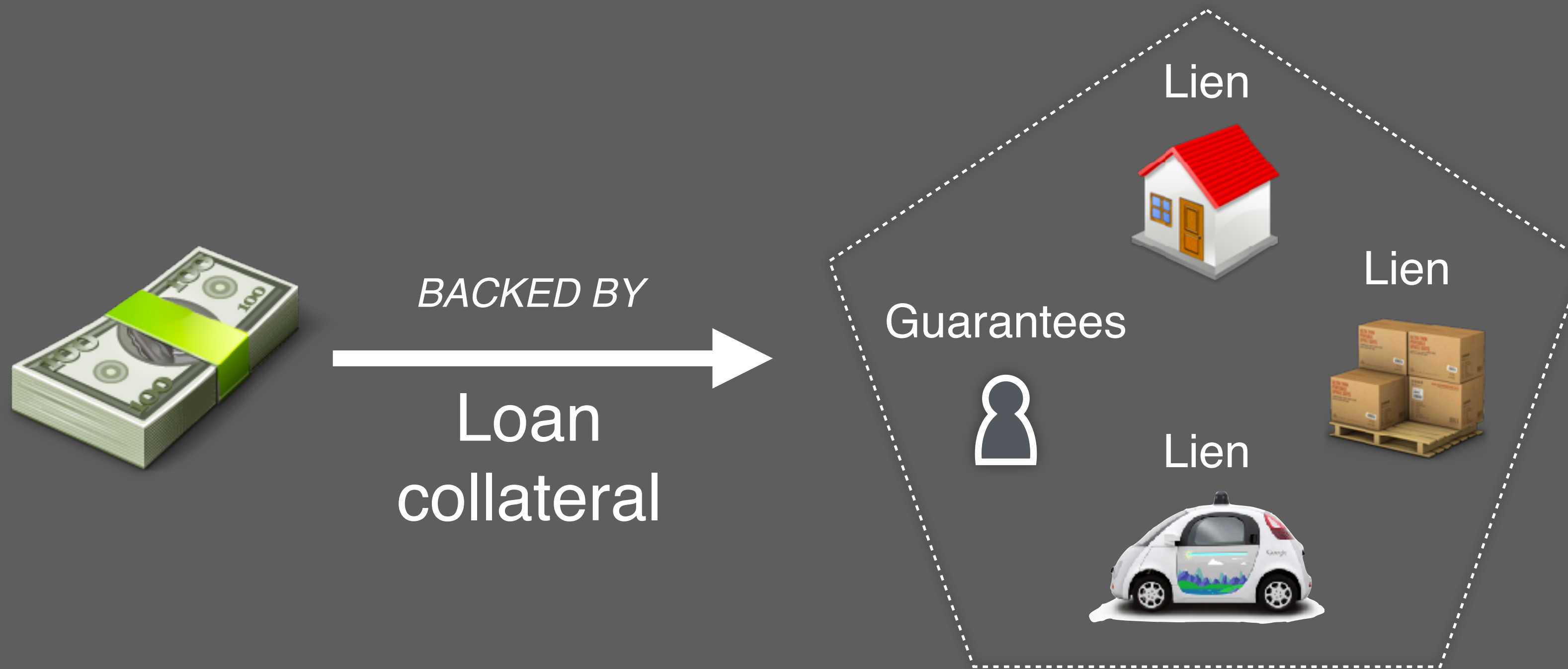


Fiat Money

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

Ahhhhhhhhhhhhhh... make a World Computer...

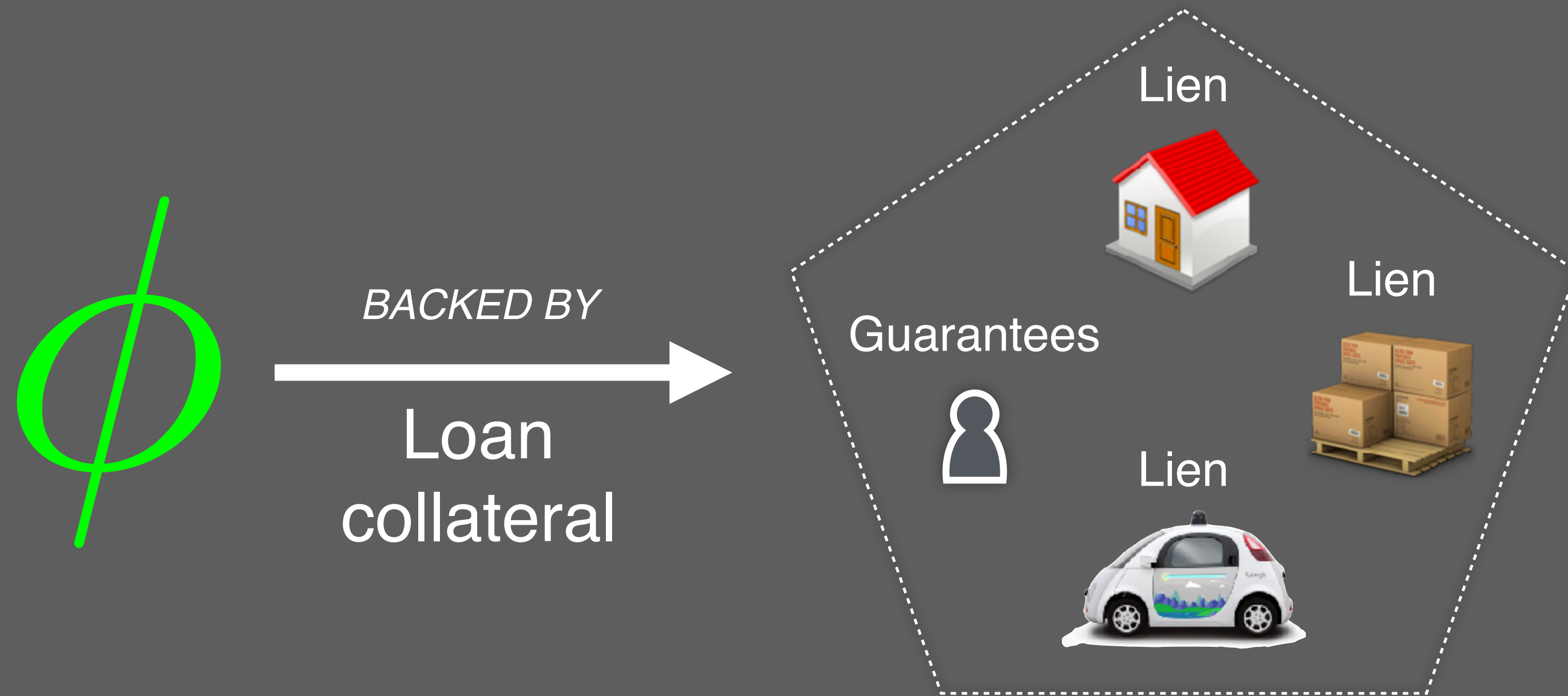
Give out loans algorithmically
& create stable currency backed by loan collateral

PHI is Currently In The Works



Systems planned for DFINITY computer shall also export PHI to  `ethereum`

PHI Money



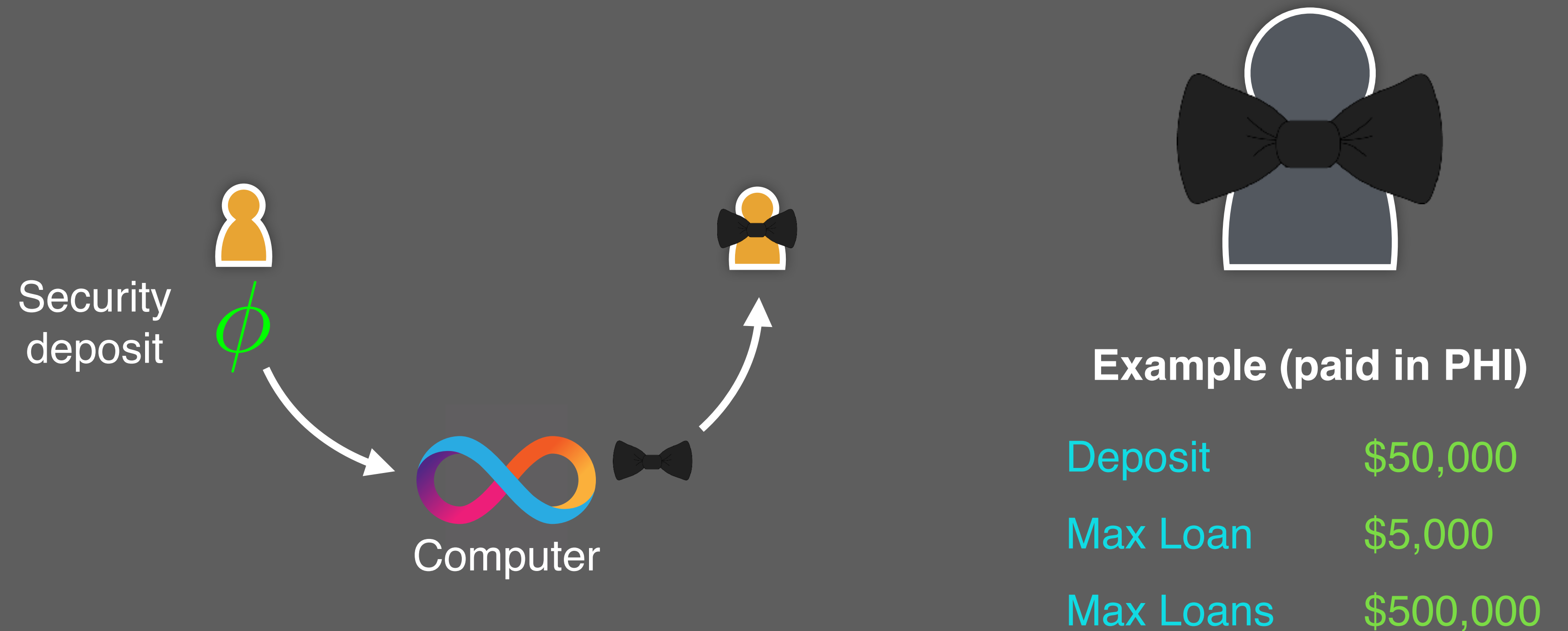
Phi money is also an aggregate IOU backed indirectly by legal claims on assets and cash flows

PHI Localization

PHI currency works together with the local currency

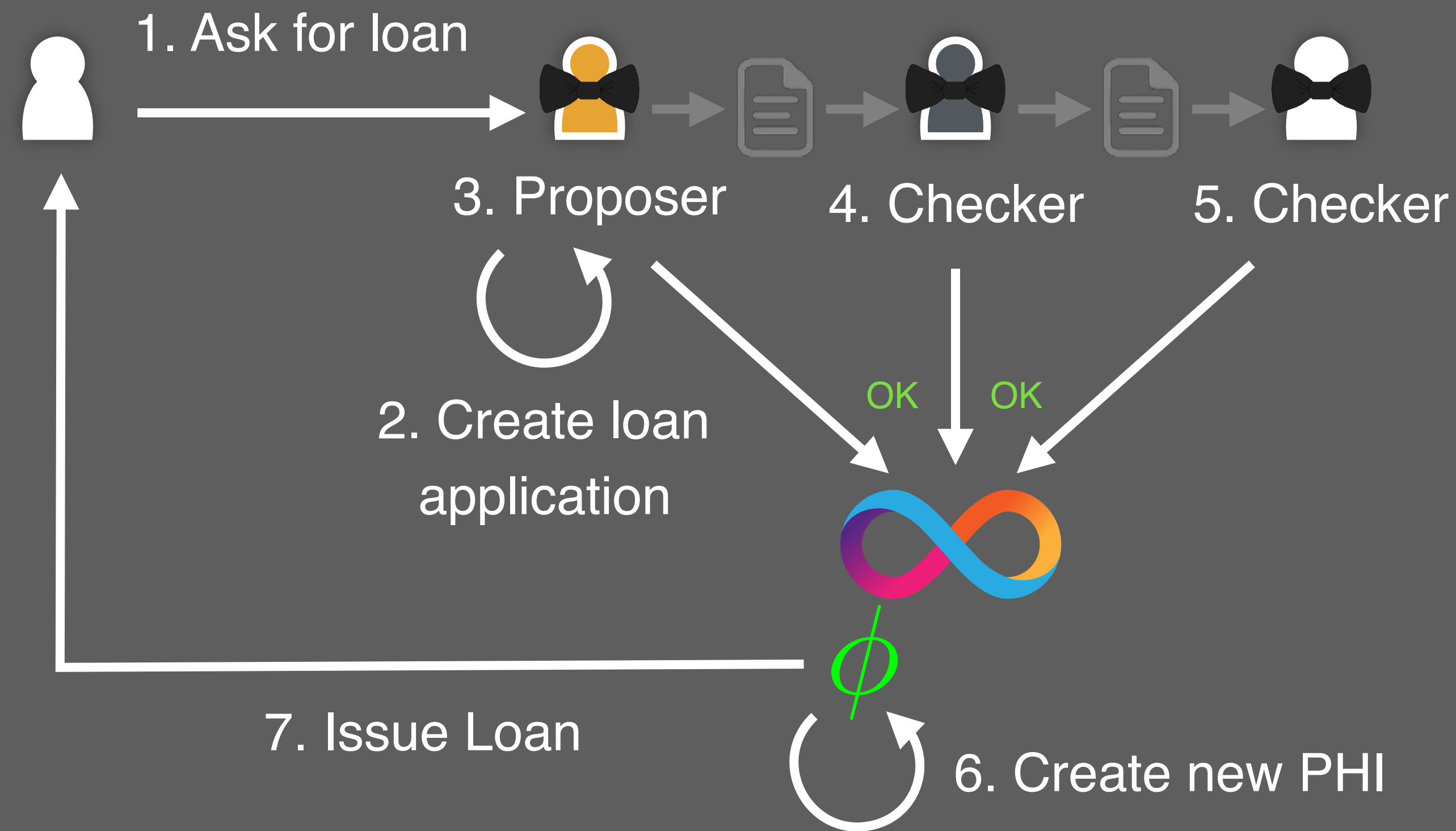


Anyone Can Be A PHI Validator



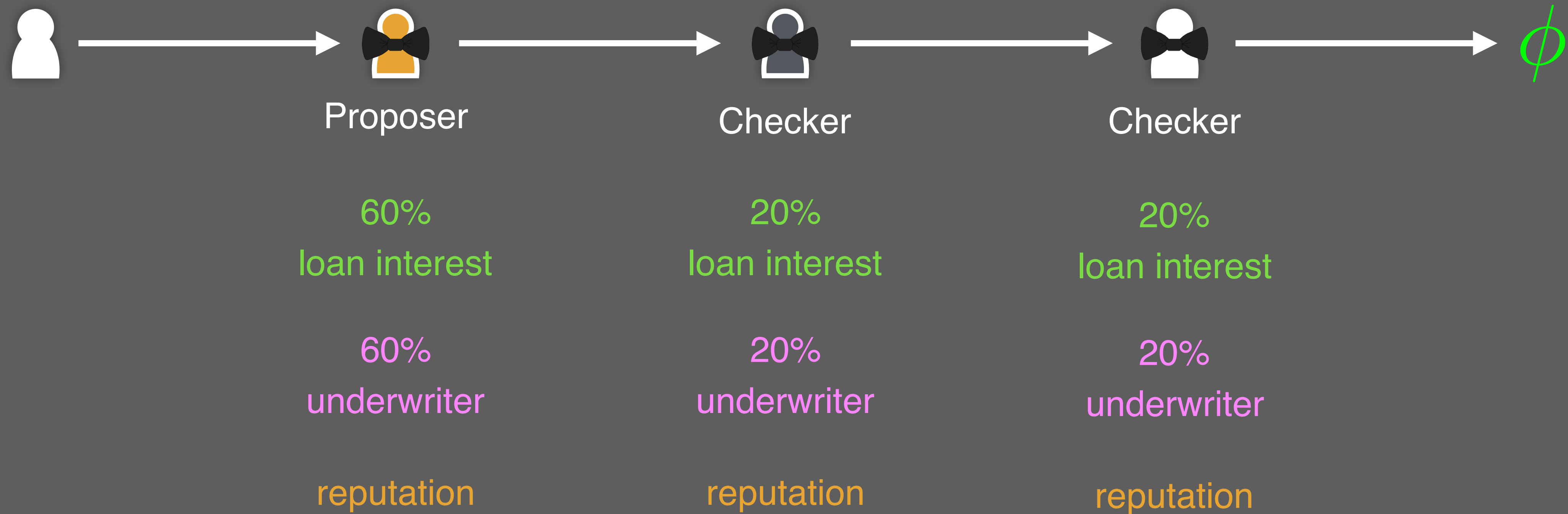
Anyone can become a PHI Validator by making a security deposit to the computer. If a loan you approve becomes delinquent the computer takes compensation from your deposit.

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



NUMBERS FOR EXAMPLE ONLY

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

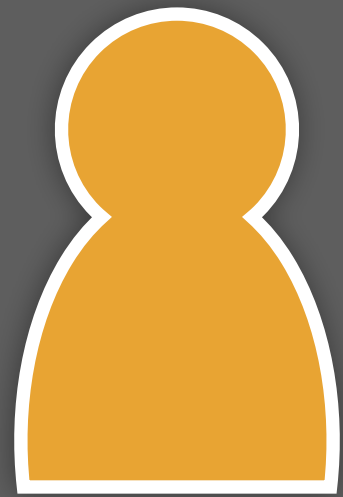


Loans have
delinquent payments

Deposit size
decreasing

Other validators
reject loans

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

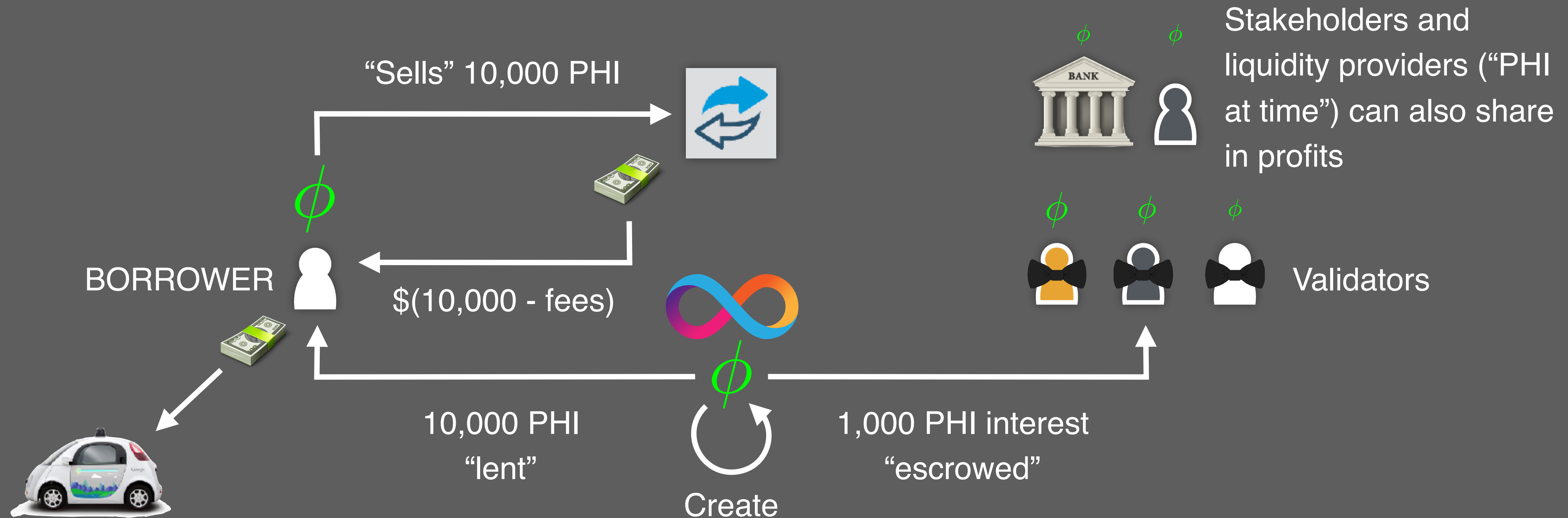


So the computer gives out loans algorithmically using “randomness”.
Can DFINITY’s Threshold Relay technology power this ?

Absolutely ! The randomness it creates is perfect

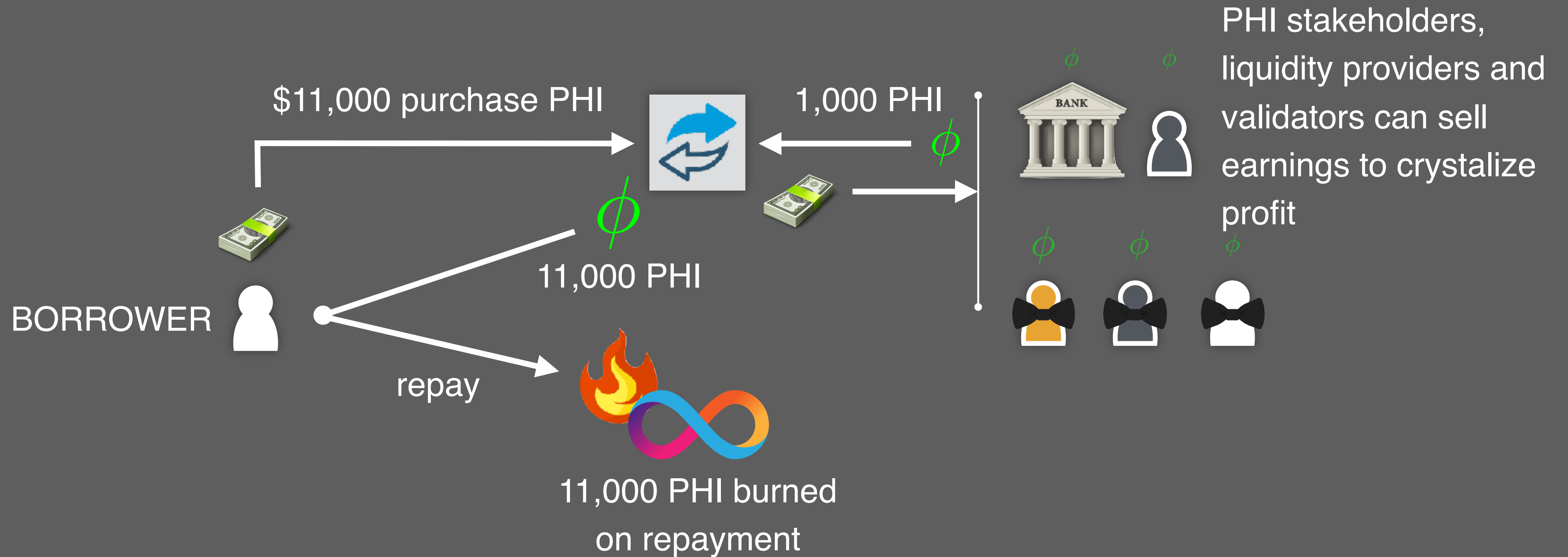


PHI Loan Flows



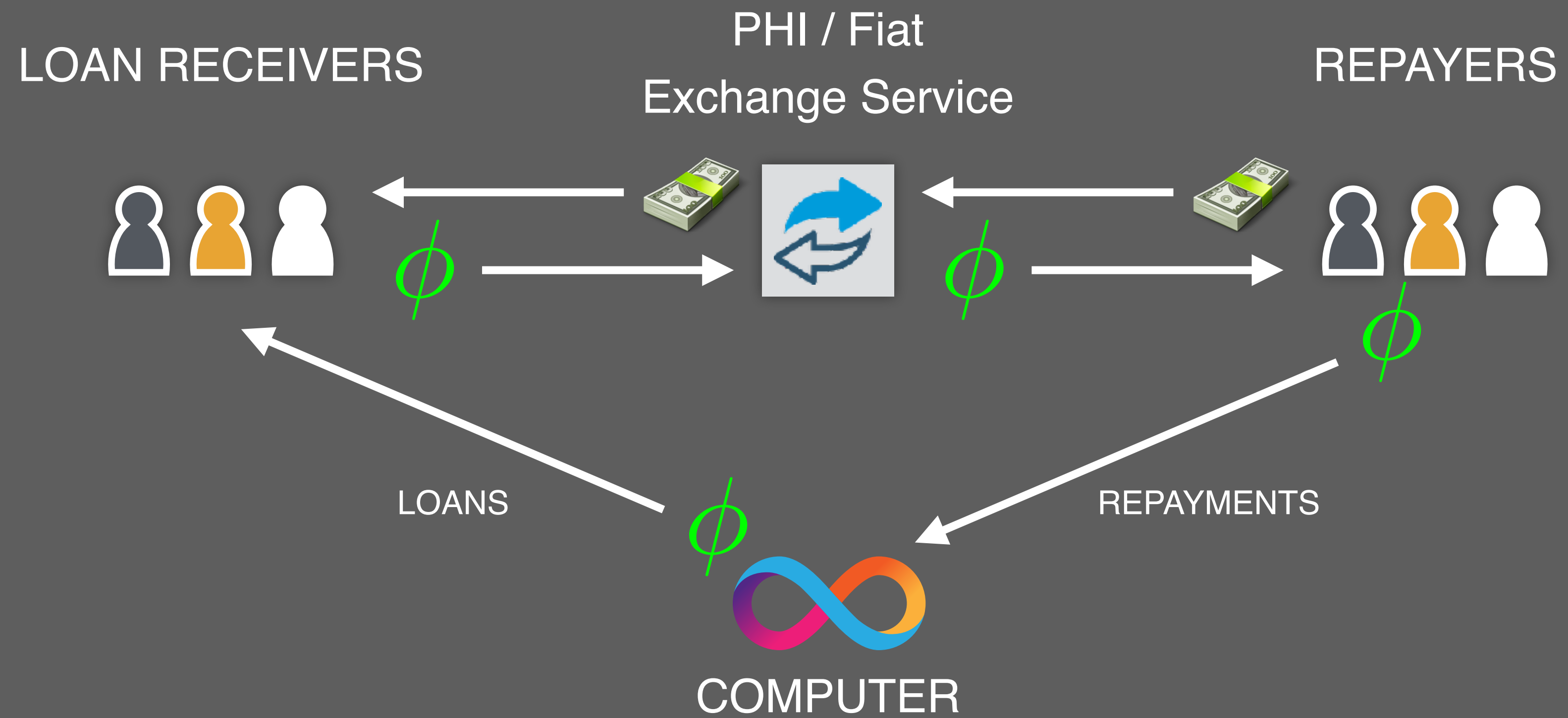
Total PHI created (loan + interest) = borrower's obligations in \$ = 11,000 PHI-USD

PHI Repayment Flows

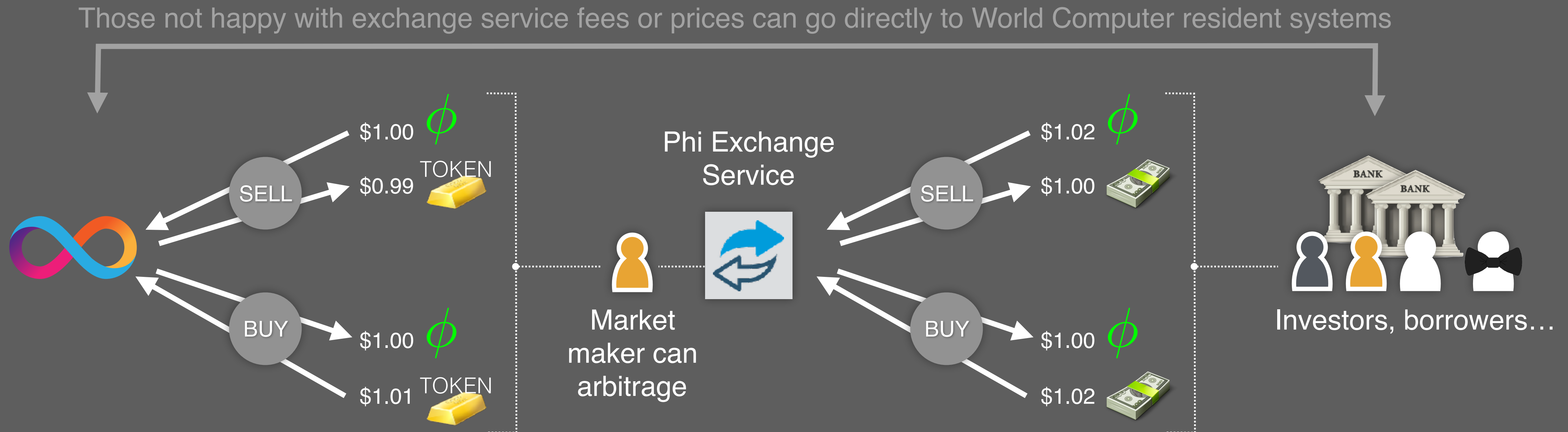


Borrower buys PHI to pay back the principle and interest. All PHI burned on repayment

PHI Balance



PHI Market Making



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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