

Secure Financing

MonetaGo






The future of financial workflows

October 27th, 2021

Fraud and Finance Gap in Trade Finance

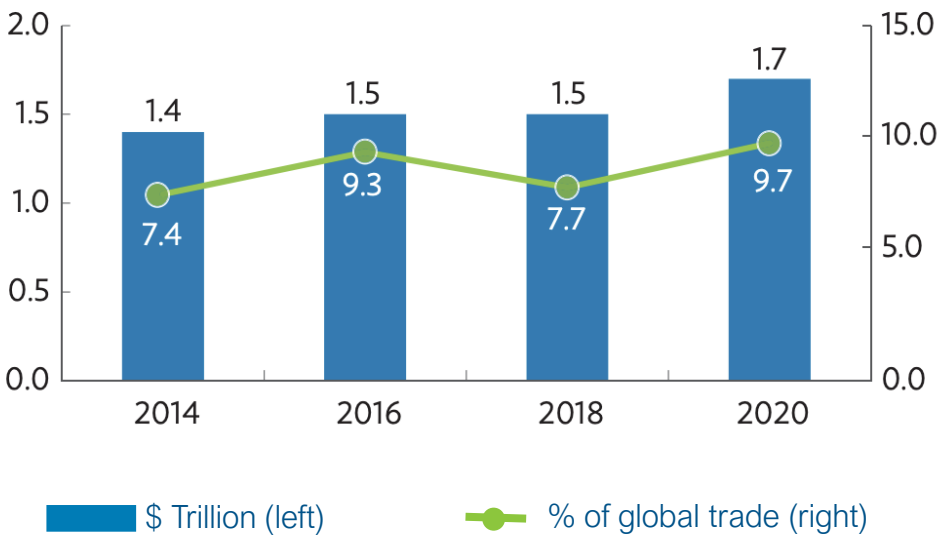
Large-scale trade finance frauds have led to banks scaling back trade finance, exacerbating the trade finance gap that disproportionately affect SMEs, an important driver of economies.

Selected High Profile of Trade Finance Fraud Examples

Actors	When	Amounts Involved	Fraud Types		
			Fraudulent Document	Duplicate Financing	Collateral Fraud
DeZheng Resources	May 2014	USD 4.0 billion	✓	✓	✓
 ACCESS WORLD	Dec 2015	USD 300 million	✓		
 HIN LEONG	Mar 2020	USD 3.5 billion	✓	✓	
 鴻貿國際私人有限公司 AGRITRADE INTERNATIONAL PTE. LTD.	Mar 2020	USD 1.5 billion		✓	
 ZuoRock	May 2020	USD 611 million	✓	✓	✓
 COASTAL	Jun 2020	USD 354 million	✓		
Hontop Energy (Singapore) Pte Ltd	Jul 2020	USD 633 million		✓	

Source: Global Trade Review, Treasury & Risk, Bloomberg, Reuters

The Global Trade Finance Gap: An All-time High of \$1.7 Trillion in 2020



Solutions that can detect and mitigate trade financing fraud risks are needed to restore confidence in financiers to lend again and to reduce the trade finance gap

Source: ADB. 2021 Trade Finance Gaps, Growth, and Jobs Survey— Banks; and World Trade Organization. WTO Data. <https://data.wto.org/en> (accessed Oct. 26, 2021).

MonetaGo Solutions

MonetaGo disrupts fraud in Trade Finance.

The MonetaGo Secure Financing solution combines document fingerprinting and document data authentication to mitigate against trade finance fraud.

Document Fingerprinting

Create unique fingerprint for each document to identify identical or similar documents in global trade, in order to prevent duplicate financing in real-time, before financing decisions are made by financiers



Document Data Authentication

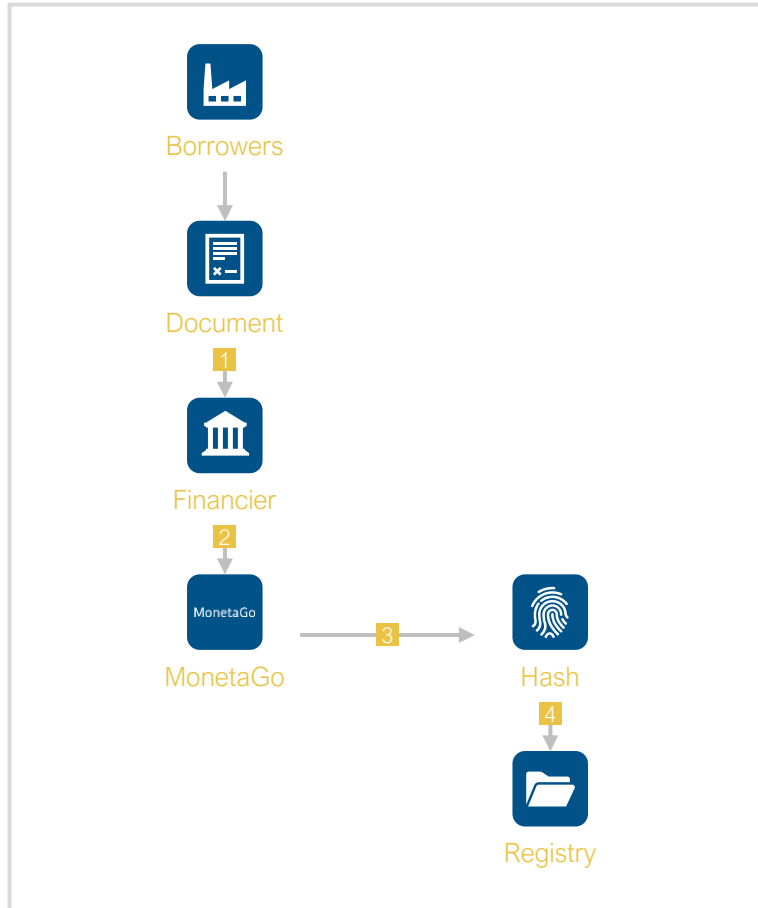
Evaluate documents against reliable data sources to identify fake / tampered documents, in order to authenticate genuineness of the data in documents, to flag potential fraud attempts

Secure Financing Platform

The Secure Financing Platform solution combines both fingerprinting and authentication services to optimise the mitigation of trade finance fraud

Document Fingerprinting

The Secure Financing solution hashes relevant information from documents to create a unique fingerprint for each document that is used for financing. A comparison of the document fingerprints against those in a registry identifies if the same document has been used in a prior financing.



1 The Borrower presents documents required for its financing application to Financier

2 The Financier registers a transaction by submitting relevant data from the document(s) to the Secure Financing Platform

3 The document data is hashed, creating a unique fingerprint for each document

4 The document's fingerprint is recorded on a registry, against which applications can be checked / reviewed for duplicates

Process Features



Consistent

The same information always creates the same fingerprint, ensuring an accurate and consistent database of document fingerprints to match against



Real-Time

Algorithm is fast and serializable, ensuring only one financing is possible even if multiple applications are processed concurrently



Private

Document information is hashed, providing complete privacy and eliminating the risk of information leakage

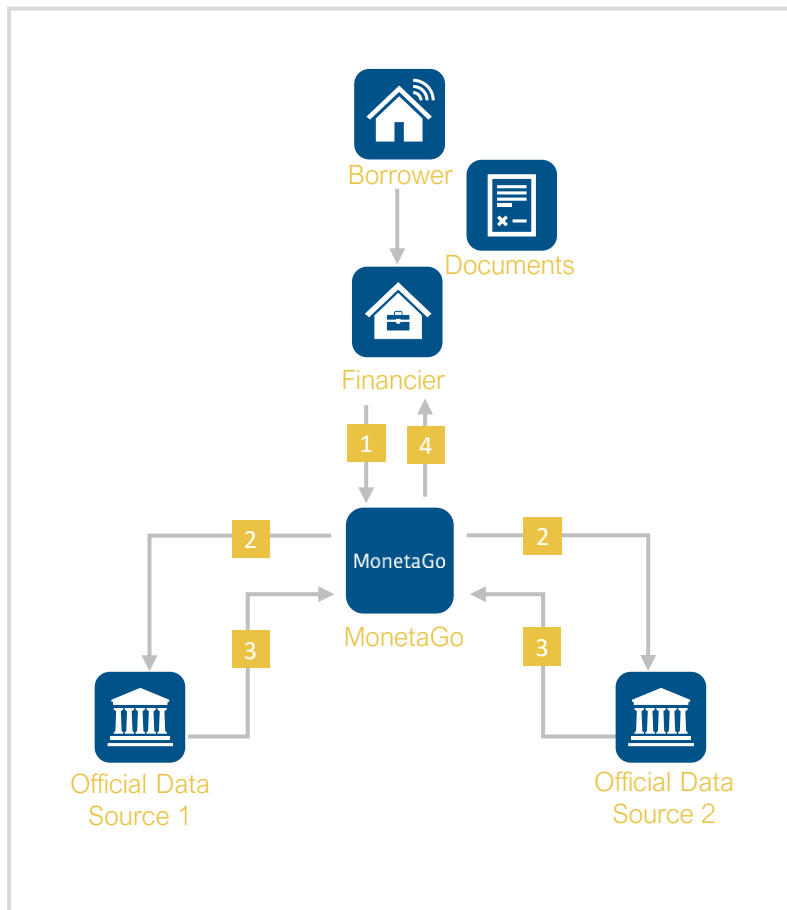


Secure

Data is securely encrypted with AES and SSL, and the information security mgmt. system is ISO 27001-certified

Document Data Authentication

In addition to document fingerprinting, MonetaGo's document data authentication service is provided in markets / regions where trusted sources of data exist, to provide financiers visibility into the genuineness of transaction data submitted by borrowers for trade finance.



1

DOCUMENT RECEIPT

Secure Financing Platform receives request from Financier for authentication of document data

2

DOCUMENT DATA RETRIEVAL

Secure Financing Platform accesses relevant trusted source of data for the document

3

OFFICIAL DATA ACCESS

Secure Financing Platform compares document data against trusted source.

4

DOCUMENT AUTHENTICATION

Secure Financing Platform returns results of data matching to Financier, revealing any anomalies¹

Selected Examples

Categories

SHIPPING INFORMATION



Access to maritime database to verify maritime data on bills of lading

WAREHOUSE INFORMATION



Access to warehouse operators to verify data on warehouse receipts

CUSTOMS INFORMATION



Access to Customs data to verify transaction data e.g. against import/export permits and declarations

TAX FILINGS



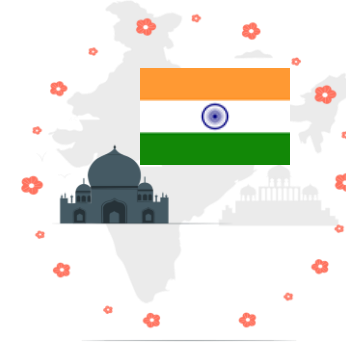
Access to GST / VAT systems to verify data on invoices and transactions

MonetaGo will select data sources based on the availability and coverage of relevant data in each market

¹ Financiers can adjust the tolerance level for document authentication, based on their own risk appetite / targets

MonetaGo Secure Financing Solution – Genesis in India

- Live in production since October 2018, the Secure Financing solution prevents duplicate financing of invoices by the TReDS exchanges, NBFCs and commercial banks in India.
 - Originally built on Hyperledger Fabric, MonetaGo's Secure Financing solution represented the world's first day-to-day use of blockchain in trade finance.
 - The Secure Financing solution was migrated from Hyperledger Fabric to Corda in 2021, making MonetaGo one of the first operators of an in-production system to successfully switch across blockchains.
- MonetaGo is set to deploy the Secure Financing solution worldwide via a global partnership with SWIFT, which will deploy a Trade Finance Validation Service (powered by MonetaGo's Secure Financing solution) accessible via the SWIFT Global API Gateway.

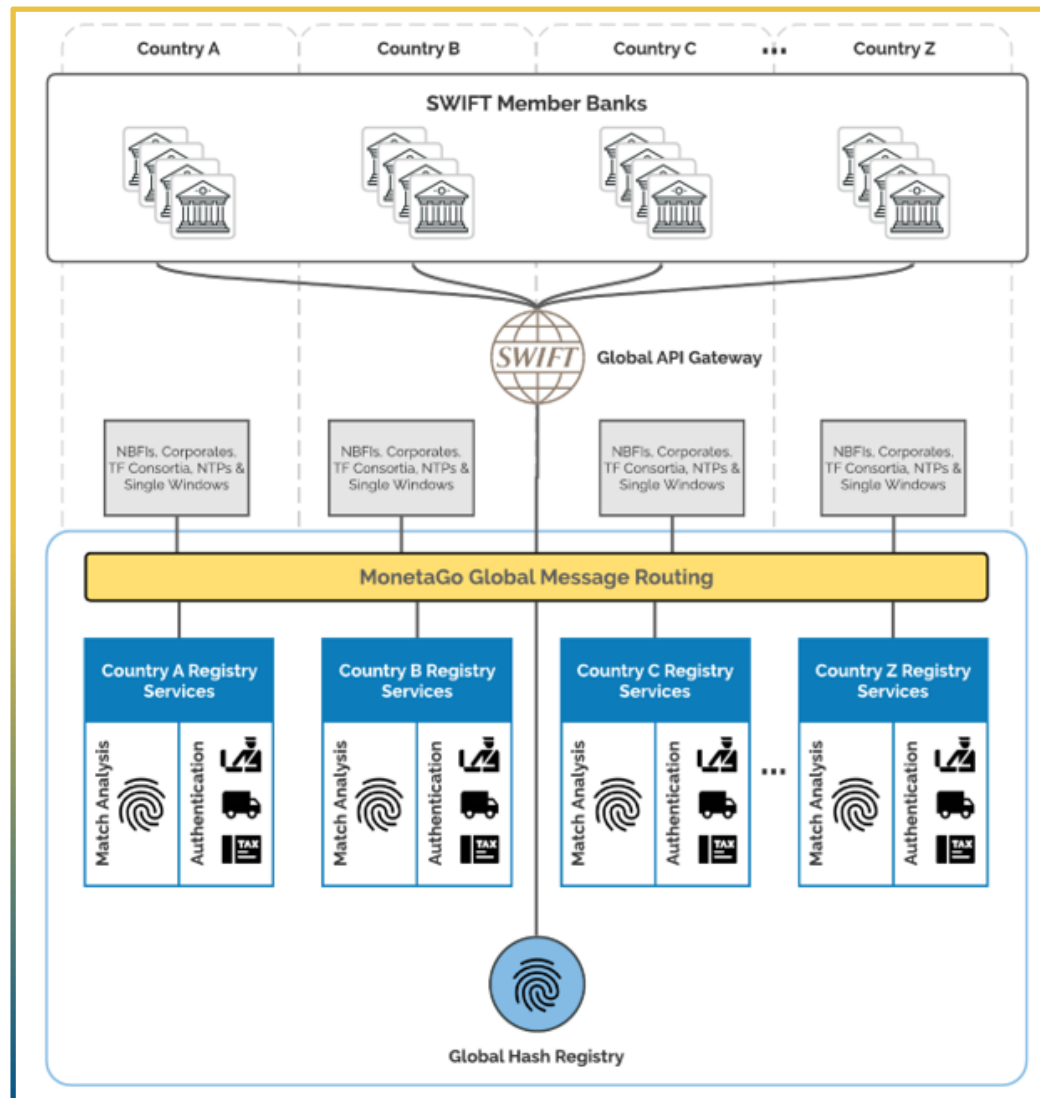


- Project Live for 3+ years
- Already processed over 2 million invoices with thousands of duplicate financing prevented
- Enterprise-grade resiliency and security – 99.999% uptime since the launch

Global Standardized Approach to Deduplication

MonetaGo has launched a global deduplication service in partnership with SWIFT, to provide easy access to the service to SWIFT's 9000+ member banks worldwide.

- A siloed approach results in fragmentation which is a barrier to effective deduplication.
- For this reason, MonetaGo works with incumbent industry actors in collaborative partnerships to create a global standardized solution.



Thru the adoption of standards, the MonetaGo Secure Financing solution is architected to be inter-operable across markets and with other platforms.

- MonetaGo uses data structures and definitions that comply with ISO 20022 standards.
- MonetaGo uses the OpenAPI 3 standard

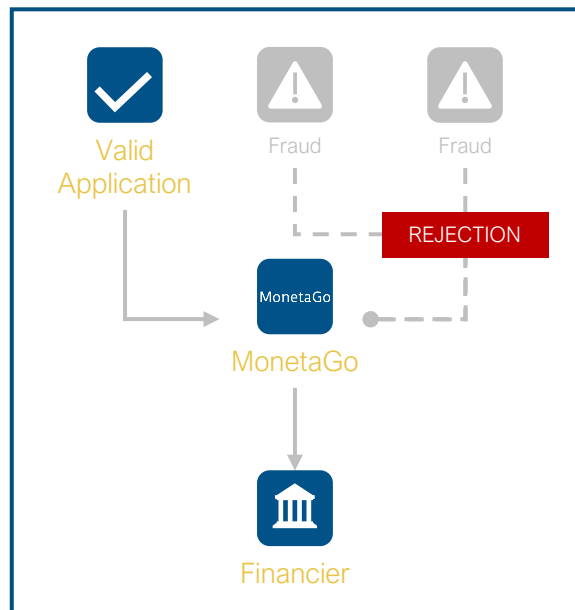
The scale of a standardized global solution results in better economics, allowing MonetaGo to offer the service at the lowest possible fee.

Benefits of MonetaGo's Fraud Risk Solutions

MonetaGo's Secure Financing solution helps to reduce fraud rates, financing costs and the trade finance gap, thus supporting the provision of trade finance which is essential to growth in global trade.

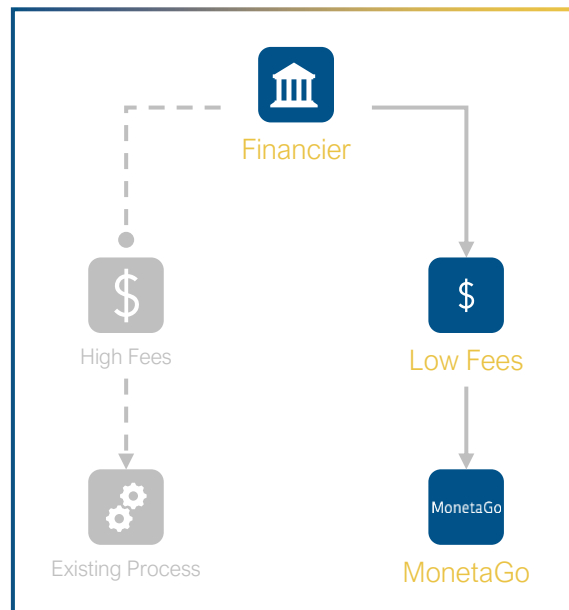
← For Financiers → ← For Borrowers → ← For Economies →

Lower Fraud Rate



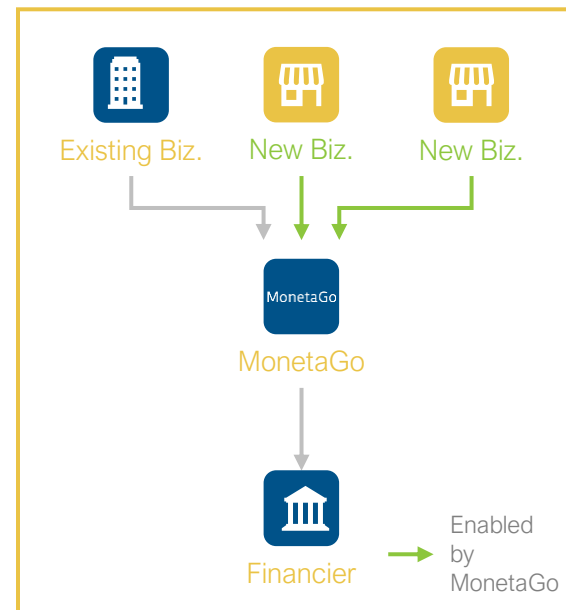
The Secure Financing Platform detects and mitigates against fraud in trade finance, lowering fraud risk for financiers

Lower Financing Cost



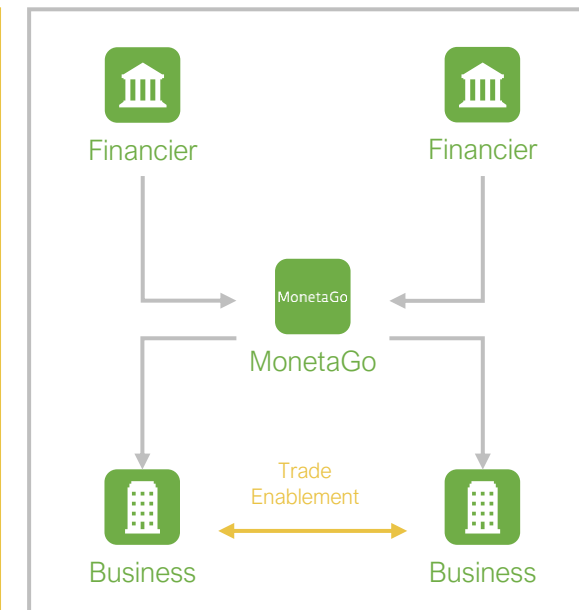
Lower cost of risk improves profitability for financiers and allows more competitive pricing for borrowers

Address Financing Gap



With fraud prevent capabilities, financiers can grow their trade finance business and reduce the trade finance gap

Drive Global Trade



MonetaGo's solutions support appetite for trade finance, vital for trade and growth in global trade

MonetaGo Quick Facts



Headquartered in NY, USA
Founded in 2014



Offices in Singapore & Mumbai
Asia expansion in 2021



Global implementation & support team
Years of experience in preventing real frauds



Extensive experience in
Supply Chain Financing
Treasury
Corporate Banking
Capital Markets
Payments and Settlements



Live Invoice Fingerprint network since Q1 2018
More than *2 million invoices* processed



Named in the 2020 CB Insights Blockchain 50
The recognition of the Most Promising Blockchain Companies



World's only in-production duplicate financing solution provider



Experience in plugging into multiple data sources:
Financial Registries
Government Tax and Customs data
Government Transport/Logistics data
Fintech Solutions
Trade Finance platforms