

COMPARISON OF THE TWO MOST POPULAR CROSS-BORDER PAYMENT NETWORKS

* Global B2B Money Transfer Market (McKinsey's Global Payments Report 2018)

RippleNet

Ripple is the company that created the Interledger Protocol which underpins their global payments network, RippleNet, which includes banks, payment providers and other financial institutions.

SWIFT gpi

SWIFT - Society for Worldwide Interbank Financial Telecommunications. SWIFT introduced its gpi (Global Payments Innovation) initiative as a way of enhancing cross-border payments processing.

ID CARD

COMPANY

FOUNDED

HEADQUARTERS

CEO

EMPLOYEES

NO. OF CLIENTS

MAJOR CLIENTS

2012
7 years ago

San Francisco
California, US

Brad Garlinghouse

350+
= 10

250+
banks and FIs on RippleNet
= 100

1973
46 years ago

La Hulpe
Belgium, Europe

Javier Pérez-Tasso

2000+

3500+
banks and FIs using GPI system
= 100

MAJOR CLIENTS

TECH

RIPPLENET

PROCESS PAYMENTS
xCurrent

SOURCE LIQUIDITY
xRapid

SEND PAYMENTS
xVia

⚠️ RIPPLE "CONVERGED" ALL THREE PRODUCTS IN SEPTEMBER 2018. NOW, RIPPLENET CLIENTS CAN USE ALL THREE PRODUCTS AT ANY TIME.

GLOBAL PAYMENTS INNOVATION
(improvements over the old SWIFT system)

same-day transfer of funds

transparent fees

end-to-end payments tracking

INSTANT PAYMENT

INSTANT SETTLEMENT*

LIQUIDITY SOURCING

TRANSFER SPEED

FX RATES

DATA

TECHNOLOGY

ARCHITECTURE

SETTLEMENT PROCESS

CURRENCY

YES

YES

YES

YES

REAL-TIME SETTLEMENT
(3-5 sec)

4 sec

determined by bank

Bidirectional

BLOCKCHAIN
(RippleNet + ILP)

Decentralized

Consensus

Fiat and cryptocurrencies

YES

NO

NO

NO

INTRA-DAY PAYMENTS
(5 min - 24 h)

5 min - **24 h**

determined by bank

Unidirectional

SWIFT
messaging service

Centralized

Batch clearing and settlement

Fiat only

*SETTLEMENT MEANS THAT A CORE LEDGER IS BEING UPDATED, IN REAL-TIME. PAYMENTS ARE JUST BEING SENT BUT HAVE TO BE SETTLED ON THE BANKS LEDGER INDIVIDUALLY.

⚠️ FINANCIAL INSTITUTIONS MUST PRE-FUND NOSTRO ACCOUNTS ON EACH SIDE OF A TRANSACTION IN THAT COUNTRY'S NATIVE CURRENCY TYING UP CAPITAL THAT COULD BE USED IN MORE PRODUCTIVE WAYS (AROUND \$20 TRILLION DOLLARS GLOBALLY). DIGITAL ASSET XRP CAN BE USED TO LOWER THE COST AND IMPROVE THE SPEED OF LIQUIDITY FOR THESE CROSS-BORDER TRANSACTIONS. RIPPLE'S XRAPID SOLUTION UNIQUELY USES XRP TO OFFER ON-DEMAND LIQUIDITY.

KEY FEATURES

ADVANTAGES

- ✓ Moving actual value (money) in 4 seconds
- ✓ Settlement + on-demand liquidity sourcing (savings upto 60%)
- ✓ Eliminates the need for nostro/vostro accounts (freeing trillions of dollars)
- ✓ Payment processing cost is significantly reduced by eliminating SWIFT fees and other inefficiencies in the system such as liquidity costs, counterparty risks and compliance costs

DISADVANTAGES

- ✗ 60% XRP owns by Ripple company
- ✗ Volatility of the native asset XRP
- ✗ Slow adoption of the DLT by banks and FIs due to regulatory compliance policies (KYC and AML) and new blockchain technology

ADVANTAGES

- ✓ Large network (10,000+ banks)
- ✓ Generally consistent process standards
- ✓ 220 international payment corridors
- ✓ 100 billion in gpi payments per day
- ✓ Hundreds of thousands of payments, which is nearly 10% of SWIFT's cross-border payments traffic

DISADVANTAGES

- ✗ Consistently targeted by hacking fraud
- ✗ Unable to pre-validate transactions
- ✗ Centralized
- ✗ 4% failure-rate

DATA AS OF OCTOBER 2019

CONCLUSION

Thanks to the **Ripple's** innovative and advanced distributed ledger technology (DLT) and its capabilities to address **interoperability** and **scalability** issues – SWIFT is being forced to improve payment processing standards and **correspondent banking** – a decades-old and inefficient system. At the end of the day this will benefit both users and financial institutions in the future.

Nevertheless, Ripple offers **better, faster and cheaper technology** services to its clients and customers worldwide.

SOURCES:

- Ripple, www.ripple.com
- SWIFT, www.swift.com
- McKinsey, www.mckinsey.com
- Pymnts, www.pymnts.com
- Accenture, www.accenture.com
- Infographics (Ripple, XRP), www.stedas.hr/ripple

DESIGN BY:

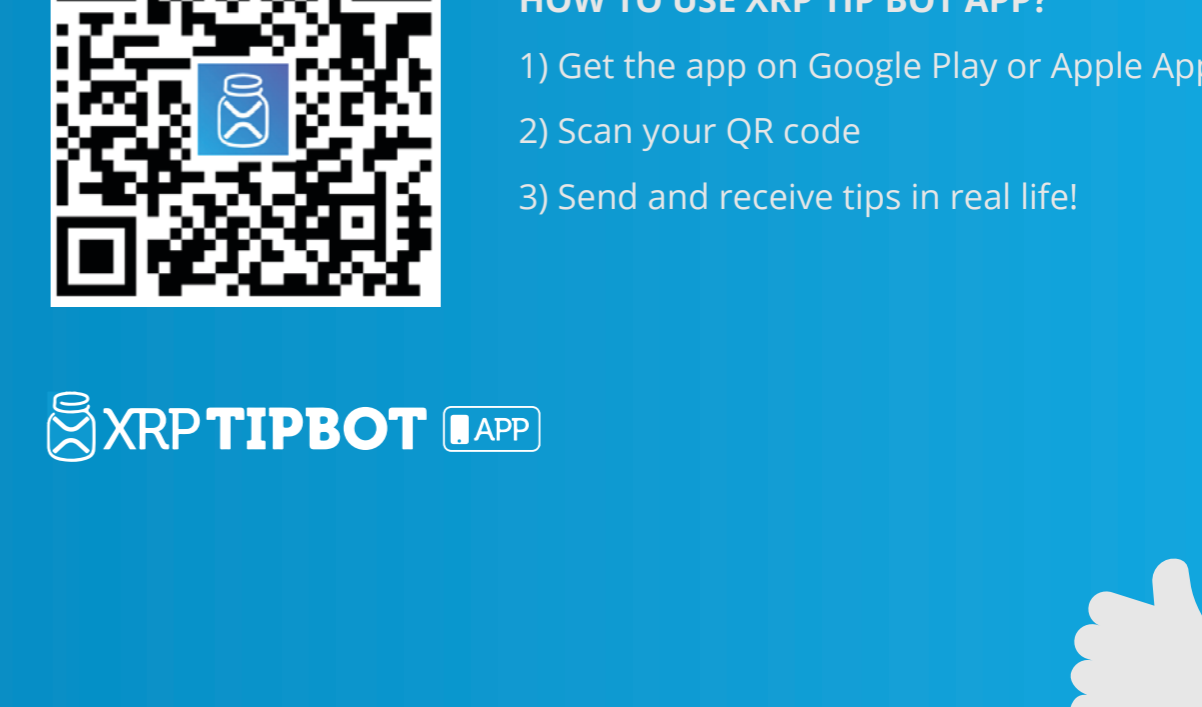
Dario Šuveljak
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YOUR TIP IS APPRECIATED.

BTC: 192FZKTxCMxfj1q3bCggBfhv5vZzW4wZt
 ETH: 0xc8fB85C03D4Dd1d45E181645273103E0541785b8
 XRP: rXieaAC3nevTKgVu2SYoShJTCS2Tfczqx
 XRP Destination Tag: 153214622

* Note: Depositing Ripple (XRP) requires both a deposit address and a Destination Tag.

OR, SEND A TIP VIA XRP TIP BOT APP
Just scan this QR code (<https://twitter.com/stedas>)



- HOW TO USE XRP TIP BOT APP?**
- 1) Get the app on Google Play or Apple App
 - 2) Scan your QR code
 - 3) Send and receive tips in real life!

