

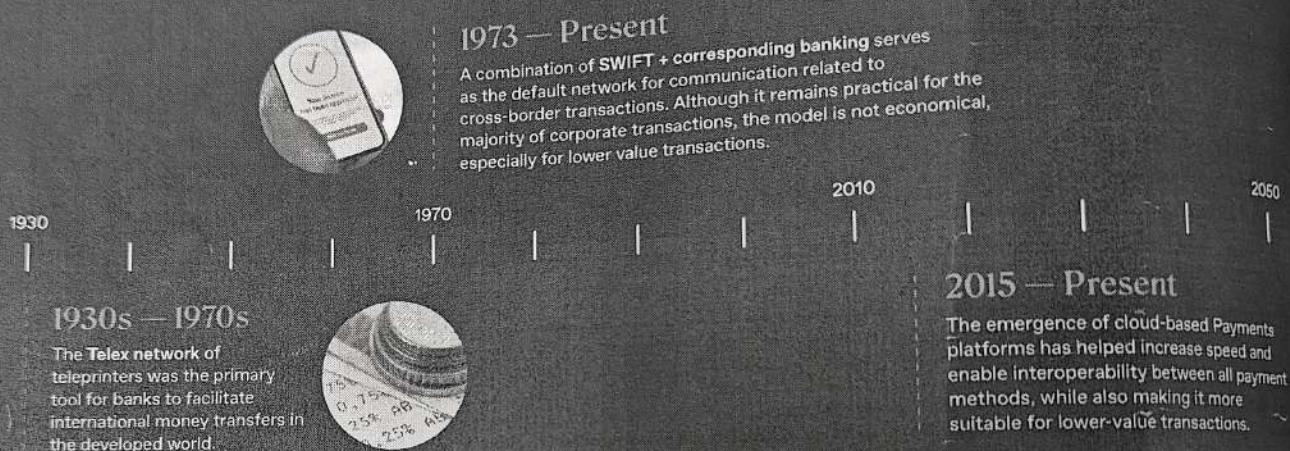
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What are cross-border payments?

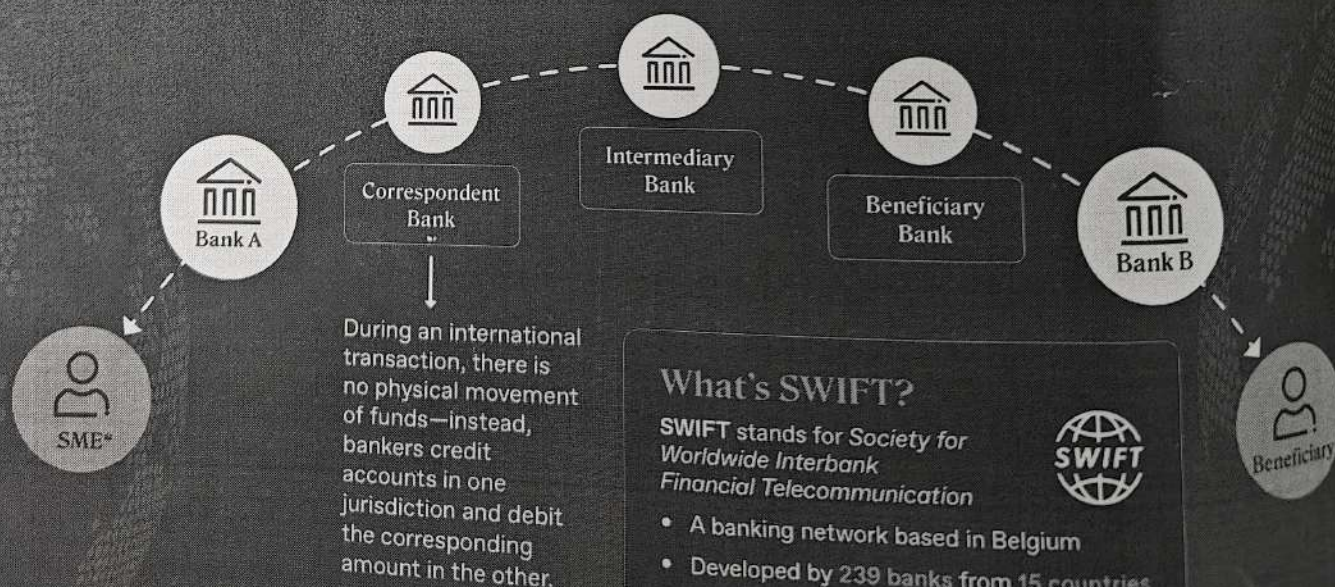
Cross-border (or international) payments are transactions where the sender and the recipient of funds are based in separate countries and usually with different currencies in play.

A short history of cross-border payments



Traditional ways of making cross-border payments

The less common the currency pair, more correspondent banks will be involved in the transaction process, incurring costs and delays at each stage.



What's SWIFT?

SWIFT stands for Society for Worldwide Interbank Financial Telecommunication



- A banking network based in Belgium
- Developed by 239 banks from 15 countries
- Used by 11,000+ financial institutions across 200+ countries and territories

*Small and medium-sized enterprises

What are the different types of cross-border payments?

Facilitating the flow of money across borders has reached new heights with greater connectivity and fintech solutions—allowing consumers and businesses to enjoy faster, cheaper and more reliable methods for their payment needs.



C2C

(Consumer to Consumer)

- Remittances and payments to family members



C2B

(Consumer to Business)

- Ecommerce purchases
- Mortgage for overseas property
- Bill payments (education, healthcare)



B2C

(Business to Consumer)

- Salary payments
- Marketplace disbursements
- Government payouts
- Refunds



B2B

(Business to Business)

- International trade
- Corporate investments
- Treasury flows

Market size in 2018 by use case segment:

	C2C	C2B	B2C	B2B
Flow —	\$0.7tn	\$1.5tn	\$1.2tn	\$133.0tn
Revenue —	\$37bn ↗	\$37bn ↗	\$18bn ↗	\$149bn ↗
Average pricing* —	5.4%	2.5%	1.5%	0.1%

Note: * as % of transaction value (includes transaction fees and spread on FX)

Different cross-border payment methods:

Traditional payment methods

- Bank account transfers
- Card payments
- Carried physical cash across borders
- Used informal trust-based broker networks (such as hawala)

Alternative payment methods (APMs)

- E-wallets or mobile wallets
- Direct debit
- Buy-now-pay-later (BNPL)
- Prepaid vouchers