Digital currencies are increasing access to financial services and stablecoins are looking to provide more stability relative to the rest of crypto.

**Digital Currency Applications**

- Increases accessibility to financial services independent of traditional banks
- Expedites and simplifies how settlements and transactions are processed; ultimately increasing access to funds when needed
- Available 24/7 by design; even during “off business hours”

**Crypto vs Stablecoin**

- Laid foundation for digital currency growth
- High volatility determined by the market
- Transactions are still complicated and expensive
- Relative stability in the world of digital currency
- Interoperability between fiat and digital currency
- Proven use cases for cross-border remittances
- Erosion of trust in recent weeks

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Icons sourced from Flaticon.com.
While stablecoins offer relative steadiness compared to cryptocurrency, not all stablecoins are the same.

**Cryptocurrency**
- Transactions are verified and records maintained by a decentralized system
- Value determined by market
- Independent of any traditional fiat currency (not pegged to any existing currency)

**Stablecoins**
- Designed to be pegged to the prices of real-world assets, like gold reserves or the US dollar (even a barrel of oil!)
- Achieve price stability via
  1. Fiat Collateralization
  2. Non-Fiat Collateralization

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**Fiat Collateralized**

- Value maintained by holding fiat currency (or currencies) in reserve as collateral

**Non-Fiat Collateralized**

- Value is maintained by
  - Controlling supply via an algorithm (may not hold collateral)
  - Holding another crypto as the reserve asset

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Our recent partnership with Stellar to offer a cash-to-digital-currency bridge further highlights the opportunity for interoperability via stablecoins.

MoneyGram’s Cross-Border Experience

**Crypto to Facilitate Foreign Exchange Trading**

USD $\rightarrow$ Crypto $\rightarrow$ Target Currency

- ✔ Speed
- ✗ Two steps to reach target currency
- ✗ Added volatility with crypto
- ✗ Required market makers to enable the transaction

**Fiat and Digital Currency via Stablecoin**

USD $\rightarrow$ USDC

- ✔ Speed
- ✔ Single step for cash to digital currency
- ✗ Limited by digital currency adoption

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