BANKING CIRCLE

Stablecoins in the Real World:

Lessons from the Front Line of Digital Currency

NEXT GENERATION BANK, POWERED BY THE LATEST TECHNOLOGY

What are Stablecoins?

A type of cryptocurrency designed to maintain a stable value by being pegged to a real-world asset e.g. fiat currencies, commodity, or financial instrument.

UNDER MiCA THERE ARE 2 TYPES OF STABLECOINS

1

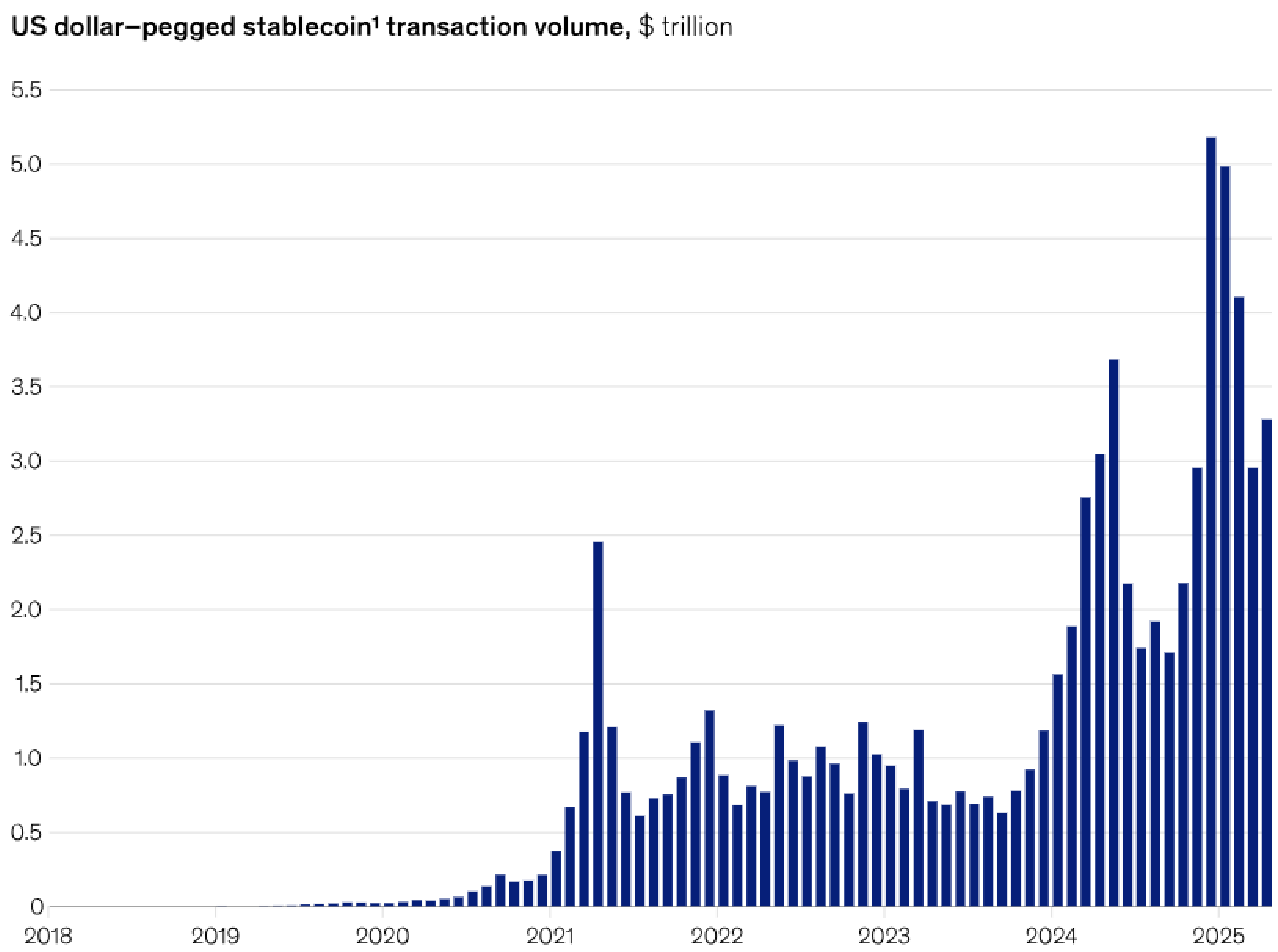
E-Money Token (EMT):
Pegged against traditional currencies 1:1

2

Asset reference token:
Pegged against a combination of assets and/or currencies

Why BC decided to issue a stablecoin?

Stablecoin transaction volume has risen sharply over the past two years, exceeding $27 trillion per year.



GROWING PAYMENTS USE CASE

There is growing demand for stablecoins as a medium of transfer from customers

REGULATORY CLARITY

MiCA was launched in 2024, that provides clear regulations over the issuance of stablecoins

[1]Includes the following stablecoins: USDT, USDC, DAI, PYUSD, FDUSD, USDe, and USDtb.
Source: Artemis; "Stablecoin surge: Here's why reserve-backed cryptocurrencies are on the rise," World Economic Forum, March 26, 2025

McKinsey & Company

Milestones for our Stablecoin Eurite (EURI)

2022

2023

2024

2025

- **June 2022:** Ideation of a EUR stablecoin
- **April 2023:** The European Parliament formally adopted Markets in Crypto Assets Regulations ("**MiCAR**")
- **June 2024:** MiCAR officially kicked in and becomes enforceable requiring businesses to be in full compliance
- **Aug 2024:** Launch of EURI and listed on centralised exchange
- **June 2025:** Circulation exceeded USD 50m, listed on more venues. Expansion to other use cases

Bank-issued vs EMI issued Stablecoins

	TRUST & REGULATION	FIAT INTEGRATION	CAPITAL EFFICIENCY	SPEED
BANK	High (banking oversight)	Seamless (own rails)	Lower (higher reserves)	Moderate
EMI	Medium-High (EMI-specific rules)	Dependent on partners	Higher (focused operations)	Faster

Stablecoins in Banking: Value, Trade-offs & New Risks

POSSIBLE BENEFITS	OTHER CONSIDERATIONS AND RISKS
○ Real-time instant settlement ○ Cost effective ○ 24x7 availability for clients	○ User or issuer? ○ How does it compare against tokenised deposits? ○ Cannibalisation? ○ What's the ceiling of stablecoin? ○ Unknown unknowns; new risks and knowledge acquisition required

Looking forward

24x7 for all asset exchange

Stablecoins will be an essential part to achieve 24x7 asset exchange.

Coexistence

With additional regulatory clarity stablecoins and fiat will continue coexist with fiat.

Continued Innovation

Banks need to re-examine their Web3 strategy to explore usage and stay competitive.