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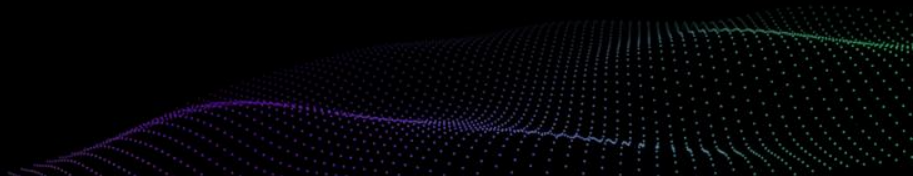
Stablecoins For Credit Unions

Everything You Need To Know



What is a stablecoin?

- A digital representation of money on blockchain networks
- Designed to hold its value by being backed 1:1 with a stable asset (usually U.S. dollars)
- Unlike cryptocurrencies such as Bitcoin or Ethereum, stablecoins are not volatile
- Functions like a bridge between traditional banking and digital innovation



How stablecoins work

- **Deposit:** A user deposits \$100 with an issuer
- **Minting:** The issuer creates 100 digital tokens pegged to USD
- **Redeeming:** The user can trade tokens back for \$100 at any time
- **Tracking:** Transactions are recorded instantly and immutably on the blockchain



What problems are they solving?

- **Speed:** Money movement is instant, 24/7 (no waiting for ACH or wires)
- **Cost:** Eliminates intermediaries, reduces fees for transfers and settlement
- **Access:** Enables participation in global financial ecosystems
- **Innovation:** Unlocks programmable money for new services like micro-loans or automated payments

Real world use cases

- **Peer-to-Peer Payments:** Instant transfers between individuals
 - **Business Payments:** Faster B2B settlement, cross-border trade without delays
 - **On and Off-Ramps:** Moving funds between crypto exchanges and banks
 - **Digital Wallets:** PayPal USD and others enabling everyday spending
 - **Treasury Management:** Corporates using stablecoins to hold digital cash equivalents
 - **Crypto Access:** Members can buy BTC, ETH, and other crypto directly within the credit union using their CU-issued stablecoin
 - **Credit Union Opportunity:** Keeping funds in-network with a CU-issued stablecoin
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Who is issuing stablecoins today?

- **USDC (Circle)** – \$24 billion in circulation
- **USDT (Tether)** – \$110 billion in circulation (global)
- **PYUSD (PayPal)** – New retail payments focus
- **JPMD (JP Morgan)** – Used by corporate clients for internal settlements



Backing & Reserves: What's behind a stablecoin?

- **Fully reserved:** Each digital coin represents a real-world dollar held in reserve
- **Reserves held in:**
 - Cash
 - U.S. Treasuries
 - Bank accounts with custodians
- **Transparency:** Leading issuers publish monthly audits or attestations
- **Example:** USDC reserves held in cash and short-term U.S. government bonds

What could a CU stablecoin look like?

- Branded digital dollar (e.g., “CUSD”)
- Used in mobile apps for:
 - Member-to-member transfers
 - Paying local merchants
 - Loyalty and rewards programs
 - Buying crypto (BTC, ETH, etc.) directly in-app using Metal Pay API
 - Fully backed reserves held at participating credit unions
- Supports inter-CU operations and settlements for faster, cost-effective transactions



Regulatory Landscape: US & Beyond

- **GENIUS Act (2025)**
 - Sets clear rules for reserve requirements, auditing, and licensing
- **Federal Reserve exploration of CBDCs**
 - Central Bank Digital Currencies may co-exist
- **Importance of Compliance**
 - For credit unions, aligning with regulations is critical to member trust

Why should credit unions pay attention?

- **Member Retention:** Keep deposits from flowing to fintechs and crypto exchanges
- **Modern Payments:** Enable real-time P2P and A2A inside your ecosystem
- **Competitive Edge:** Stand out from larger banks and fintech platforms
- **Loyalty and Rewards:** Programmed directly into stablecoin transactions
- **Deposit Growth:** Every crypto purchase keeps funds circulating within your credit union network
- **Integral Product Offering:** Meet member demand for crypto access without losing them to outside platforms

Thank You

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