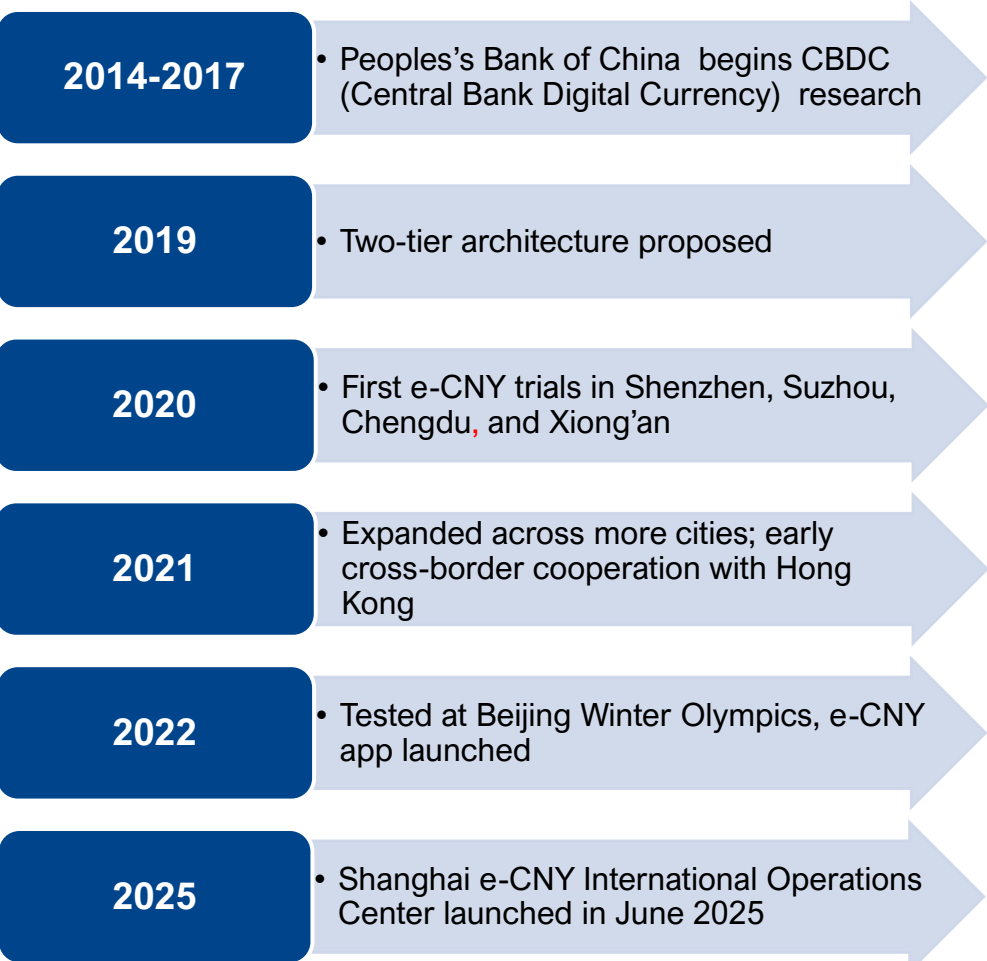


Digital RMB & Yuan Stablecoins: A New Era for Global Payments



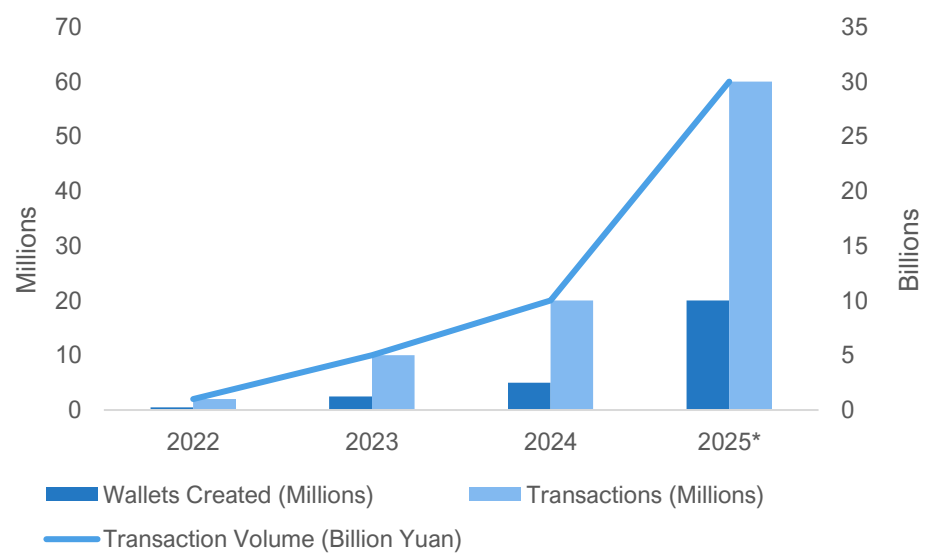
Digital RMB Development Milestones & Transactions Growth

Digital RMB Development Milestones



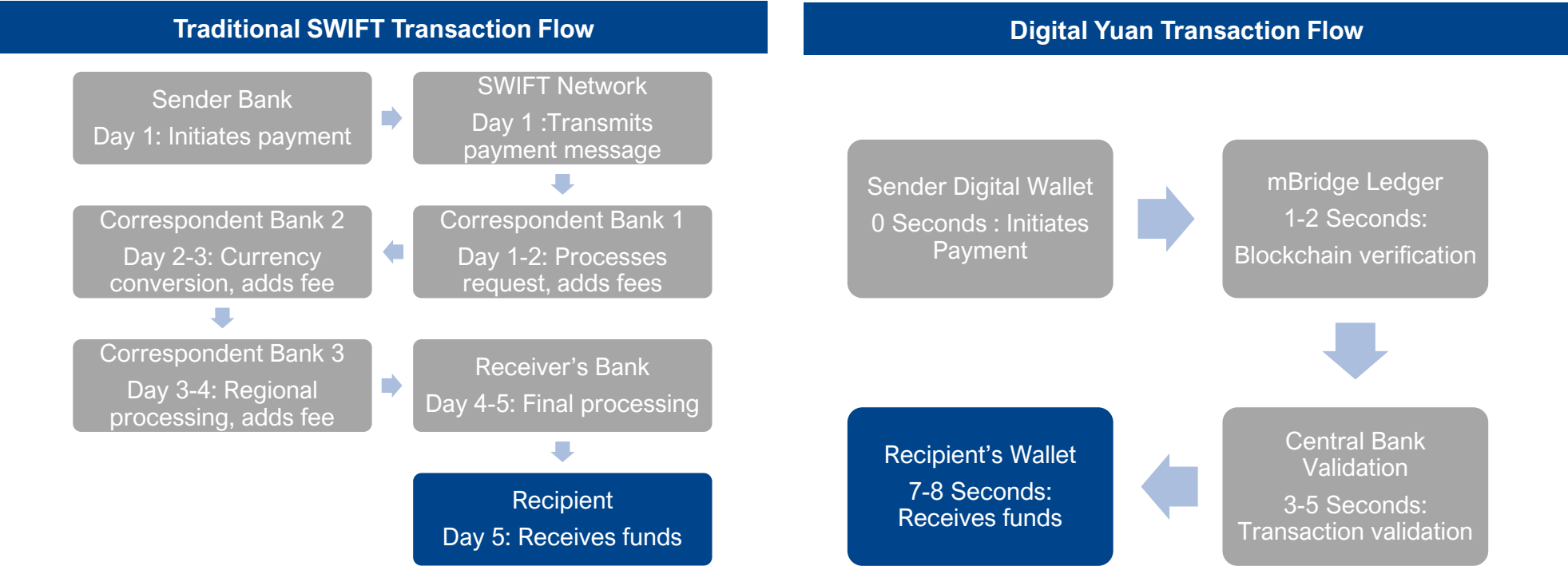
Digital RMB Transactions Volume

Year	Pilot Cities	Wallets Created (M)	Transaction Volume (B Yuan)	Transactions (M)
2022	Shenzhen	5	10	20
2023	Shanghai	25	50	100
2024	Suzhou	50	100	200
2025*	National Rollout	200	300	600



Source : Navigating the Future: The Adoption and Global Implications of China's Digital RMB and Fintech Innovations – Orient Silk Road Consulting, *Projected

Digital RMB cross-border transaction flow much faster than traditional SWIFT System



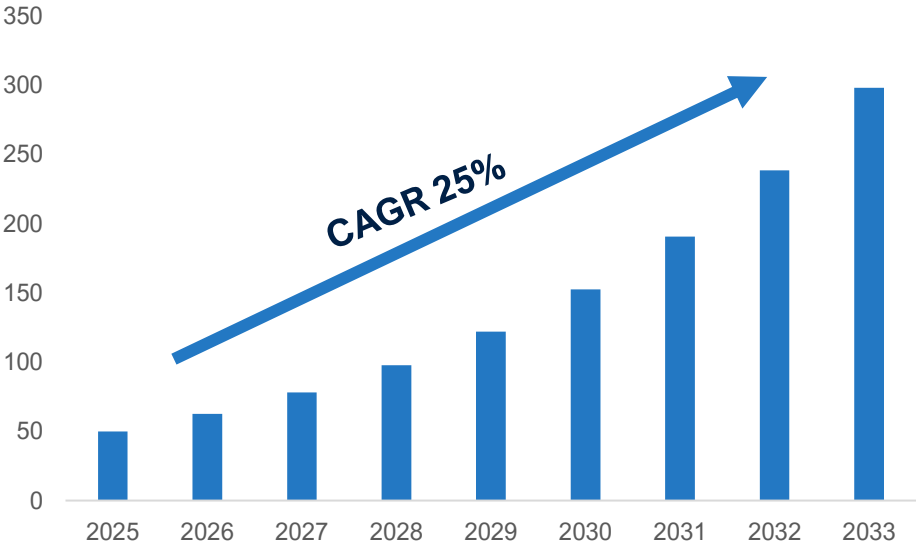
Metric	Traditional SWIFT	Digital Yuan
🕒 Settlement Speed	2–5 business days	Near real-time (~7 sec)
💰 Transaction Costs	High (2–5%)	Low (80–98% cheaper)
🔍 Liquidity	No built-in liquidity backstop	Supported by 38+ bilateral swap lines
🌐 Time-Zone Dependence	Restricted to banking hours	24/7 RTGS, independent of time zones

Source : Chinese Digital Yuan vs SWIFT: 7-Second Disruption

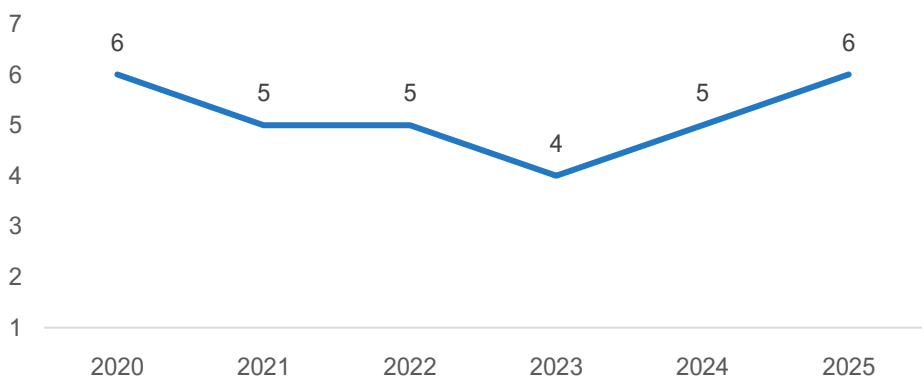
Digital RMB: Market size expected to achieve ~25% CAGR through 2033, implying growing adoption vs USD settlements

- As of June 2025, China had processed over \$7.3 trillion in cumulative transactions, with operations in over 29 cities in the country.
- The trade volume within ASEAN (Association of Southeast Nations), expressed in RMB, had hit 5.8 trillion yuan as of June 2025, which accounts for approximately 47% of trade volume in RMB accounts.
- In August 2025, the RMB remained in the same position as the sixth most active currency for global payments by value, with a share of 2.93%.
- According to People’s Bank of China, this central bank digital currency (CBDC) had, as of June 2025, connected China to around 16 countries across Southeast Asia and the Middle East, potentially allowing approximately 38% of global trade to bypass the old and established SWIFT networks and, US dollar settlements.
- According to IMF, USD’s share of global forex reserves fell from 71% in 2000 to 58% in 2024, with RMB gradually rising.

Digital RMB Market Size Projections (USD Billions)



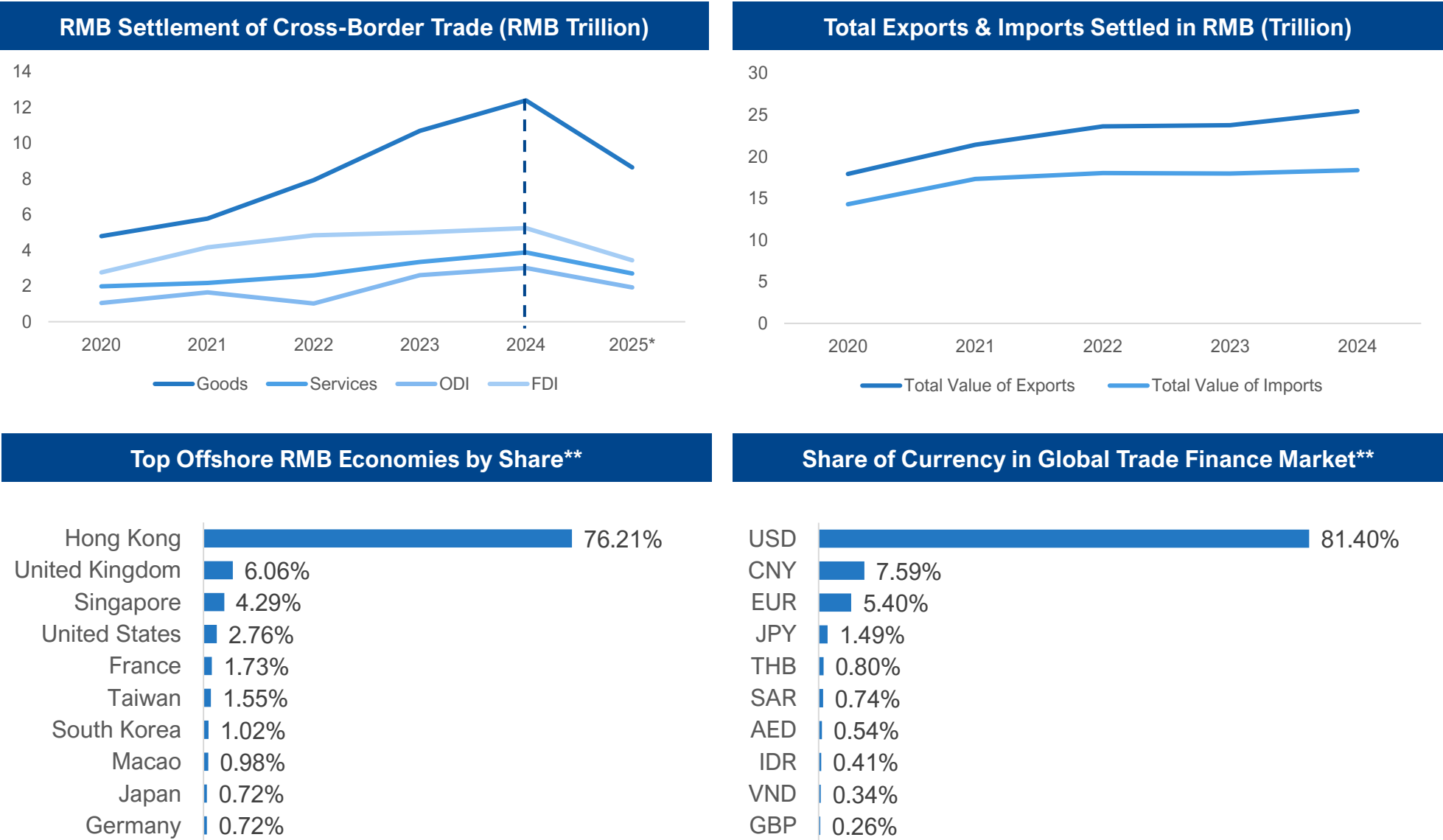
Digital RMB Global Payments Annual Average Rankings



Ranking reflects RMB’s share of global transactions volume. A lower number indicates higher adoption.

Source : Unlocking the Future of Digital RMB: Growth and Trends 2025-2033, SWIFT RMB Tracker

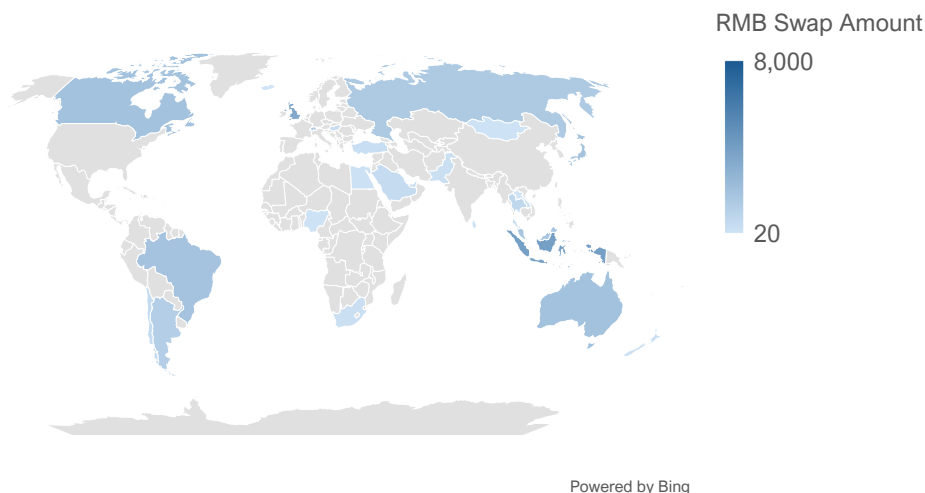
RMB Internationalization: Trade Settlement & Offshore Hubs



Source : SWIFT RMB Tracker August 2025, People's Bank of China, ** As of August 2025

RMB Liquidity Support via Global Swap Agreements

Bilateral Local Currency Swap Agreements Signed by PBoC as of May 2025



- The PBoC has signed over 40 bilateral currency swap agreements with global central banks since 2009, making RMB liquidity more accessible worldwide.
- The largest swap lines are with Hong Kong (RMB 8T), Korea (RMB 4T), Indonesia (RMB 4T), and the European Central Bank (RMB 3.5T), reflecting both trade intensity and financial market integration.
- The network has expanded to Europe, Latin America, Africa, and Asia, positioning the RMB as a credible alternative to USD in certain regions.
- Recent renewals (ECB, Switzerland, Turkey, Brazil, New Zealand) signal continued demand for RMB swap lines, with future expansion likely among BRICS+ and Belt & Road partners.

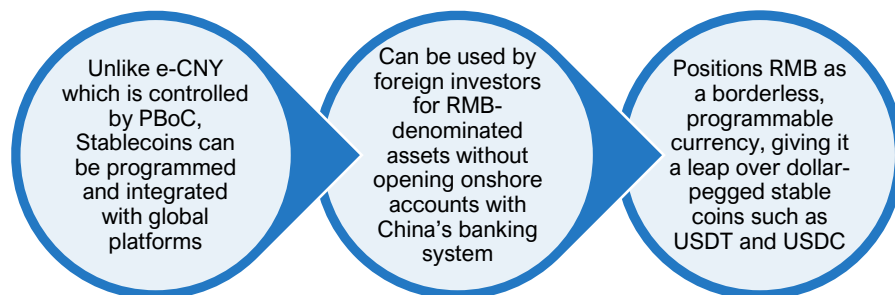
Source : People's Bank of China

Country/Region	RMB Swap Amount
Hong Kong, China	8,000
Korea	4,000
Indonesia	4,000
European Central Bank	3,500
United Kingdom	3,500
Singapore	3,000
Canada	2,000
Australia	2,000
Japan	2,000
Brazil	1,900
Malaysia	1,800
Switzerland	1,500
Russia	1,500
Argentina	1,300
Thailand	700
Chile	500
Saudi Arabia	500
Hungary	400
Qatar	350
Turkey	350
United Arab Emirates	350
Macao, China	300
South Africa	300
Pakistan	300
New Zealand	250
Egypt	180
Mongolia	150
Nigeria	150
Sri Lanka	100
Laos	60
Iceland	35
Mauritius	20

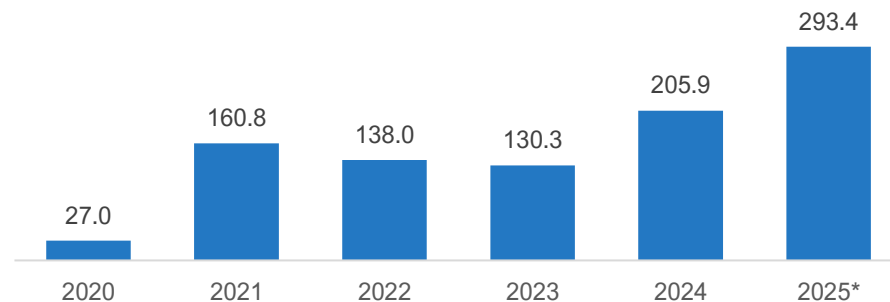
The Game Changer : Yuan Backed Stablecoins

- China is now considering permitting yuan-backed stablecoins, a notable pivot after its strict stance against cryptocurrencies since 2021.
- Stablecoins are blockchain-based tokens pegged 1:1 to RMB, usable globally without requiring users to be part of China's domestic banking system.
- Hong Kong and Shanghai are expected to be the initial pilot zones / testing grounds for implementation of yuan-backed stablecoins.
- Yuan-backed stablecoins could reshape global trade by promoting RMB settlement, reducing dollar dependence, and minimizing exchange-rate risks in cross-border transactions.
- The stablecoin market is overwhelmingly USD-dominated (over 90% of issuance), but yuan-backed stablecoins present an emerging alternative that could gradually diversify currency representation in digital finance and global trade settlements.
- The total market capitalization of stablecoins reached \$293 billion as of September 2025. Standard Chartered Bank has projected the market to grow to \$2 trillion by 2028 and \$5 trillion by 2030.

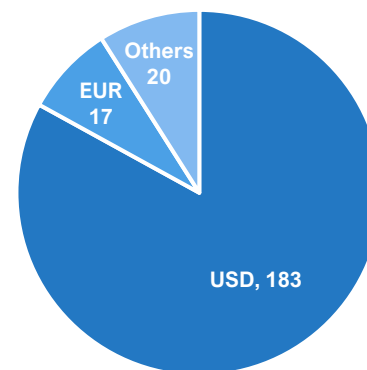
Strategic Importance of Yuan Backed Stablecoins



World Stablecoin Market Capitalization (USD Billion)**



Quantity of Fiat-Pegged Stablecoins by Currency Type



Market Cap Stablecoins

\$293 Billion
as of
September
2025

Projected
to grow to
\$2 Trillion
by 2028

Projected
to grow to
\$5 Trillion
by 2030

Source : Reuters, Macromicro, TBACCharge2Q22025.pdf , ** As of 25th September 2025

Digital RMB & Yuan-Backed Stablecoins - Geopolitical & Investment Implications

Geopolitical Realignment in Global Finance

- With cumulative transactions reaching \$7.3 trillion (PBoC, June 2025) and linkages to 16 countries across Southeast Asia and the Middle East, Digital RMB is now embedded in global trade corridors.
- By enabling 38% of global trade to bypass SWIFT and USD settlement, China is leveraging payments infrastructure to dilute US dollar dominance.

Belt & Road Initiative as a catalyst for RMB Internationalization

- Large scale projects such as Pakistan Economic Corridor and Jakarta Bandung High-Speed Rail are increasingly being settled in RMB (Ministry of Commerce, China, 2023).
- China has strategically entered in bilateral agreements with 38+ countries, creating liquidity and creating a parallel RMB-led financial system.

Impact on Dollar & Other Major Economies

- RMB's growing role in trade settlements and swap agreements signals a gradual erosion of USD's dominance, reducing the US's leverage in global sanctions and capital markets.
- Emerging markets increasingly integrated into RMB-dominated trade and payment systems, are reducing dependence on western clearing networks and US dollar liquidity, enhancing the monetary sovereignty and aligning more closely with China's expanding economic and financial architecture.

Relevance to Global Asset Managers

- Rising RMB adoption is creating new investable asset classes such as RMB denominated bonds and swaps to potential yuan-backed stablecoins.
- The accelerating shift towards multipolar currency reserve system underscores the need to reassess long term allocation strategies beyond traditional US-centric exposures.



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