BIS

Pushing the monetary frontier: stablecoins and tokenised deposits

Pablo Hernández de Cos, General Manager, Bank for International Settlements

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Money is an institutional achievement

- Common unit of account
- Singleness of money
- Elasticity of liquidity at the system level
- Interoperability across instruments and platforms
- Financial integrity

Trust ensures acceptance

Stablecoins vs tokenised deposits

- Monetary properties

Stablecoins	Tokenised deposits
Bearer-like	Account-based
Varying secondary market prices	Singleness grounded in settlement in central bank money
Fragmented public blockchains	Interoperable on permissioned platforms through settlement in central bank reserves
Self-custodied wallets raise financial integrity challenges	KYC compliance at the user interface

Balance sheet impact of stablecoins under different reserve scenarios

Bank deposit reserve scenario

Stablecoin issuer		Banks		NBFIs (ex SC issuers)	
Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
+$100 deposits	+$100 stablecoins		–$100 HH deposits		
			+$100 SC deposits		

Government bill reserve scenario

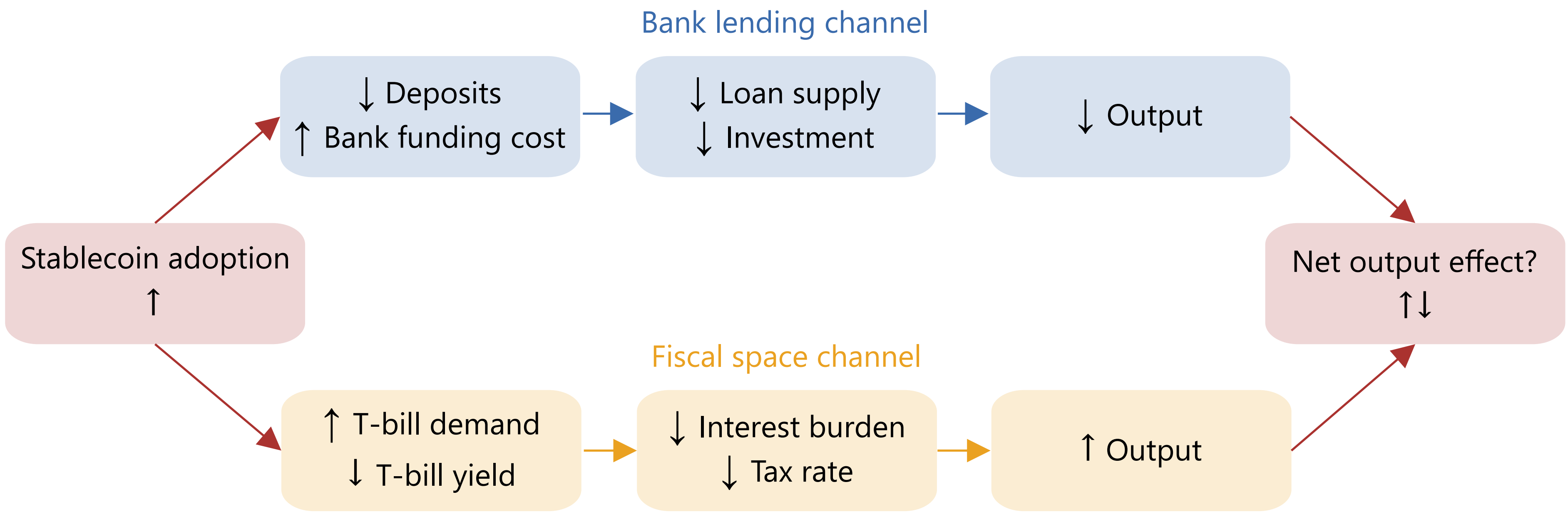
Stablecoin issuer		Banks		NBFIs (ex SC issuers)	
Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
+$100 T-bills	+$100 stablecoins	**–$25 T-bills**	–$100 HH deposits	**–$75 T-bills**	
			+$75 NBFI deposits	+$75 deposits	

Central bank reserve scenario

Stablecoin issuer		Banks		NBFIs (ex SC issuers)	
Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
+$100 CB reserves	+$100 stablecoins	**–$100 CB reserves**	–$100 HH deposits		

Source: BIS, Annual Economic Report, Chapter III, 2026.

Bank lending and fiscal space channels of stablecoin adoption



Source: BIS, Annual Economic Report, Chapter III, 2026.

Strengthening safeguards around current stablecoin arrangements

- Three sets of questions

Par redeemability and elasticity?	Interoperability and finality?	Integrity and accountability?

Bringing tokenisation into the two-tier system

- More direct path to harness tokenisation while preserving the monetary system's foundations

- Market reality
  - No interoperable multi-bank/cross-border system
  - Pilots mostly permissioned or bank-stablecoin-like

- Challenges
  - Interoperability, competition and inclusion
  - Governance, legal clarity and operational resilience
  - Ensuring coexistence with and migration from legacy systems