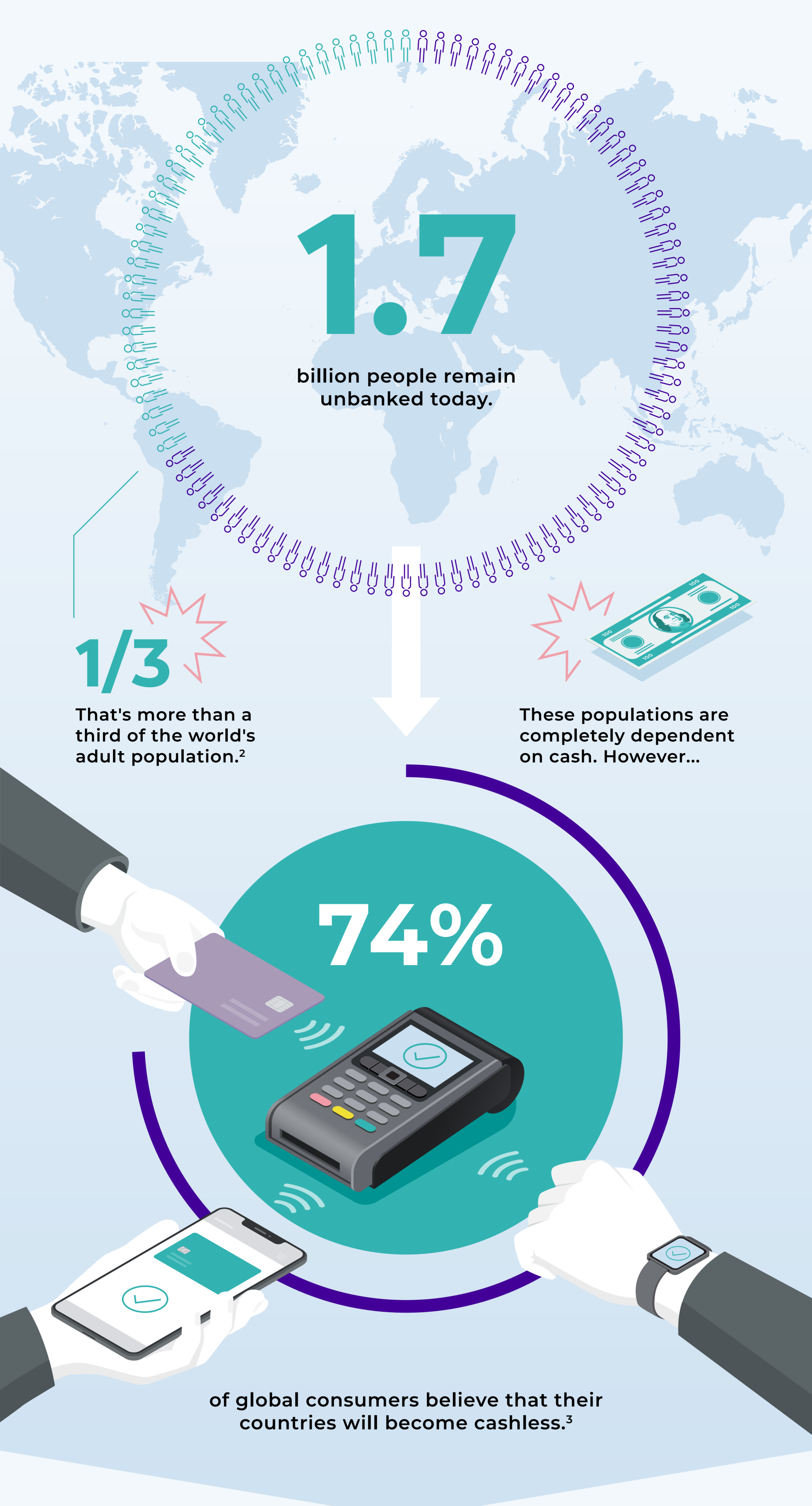


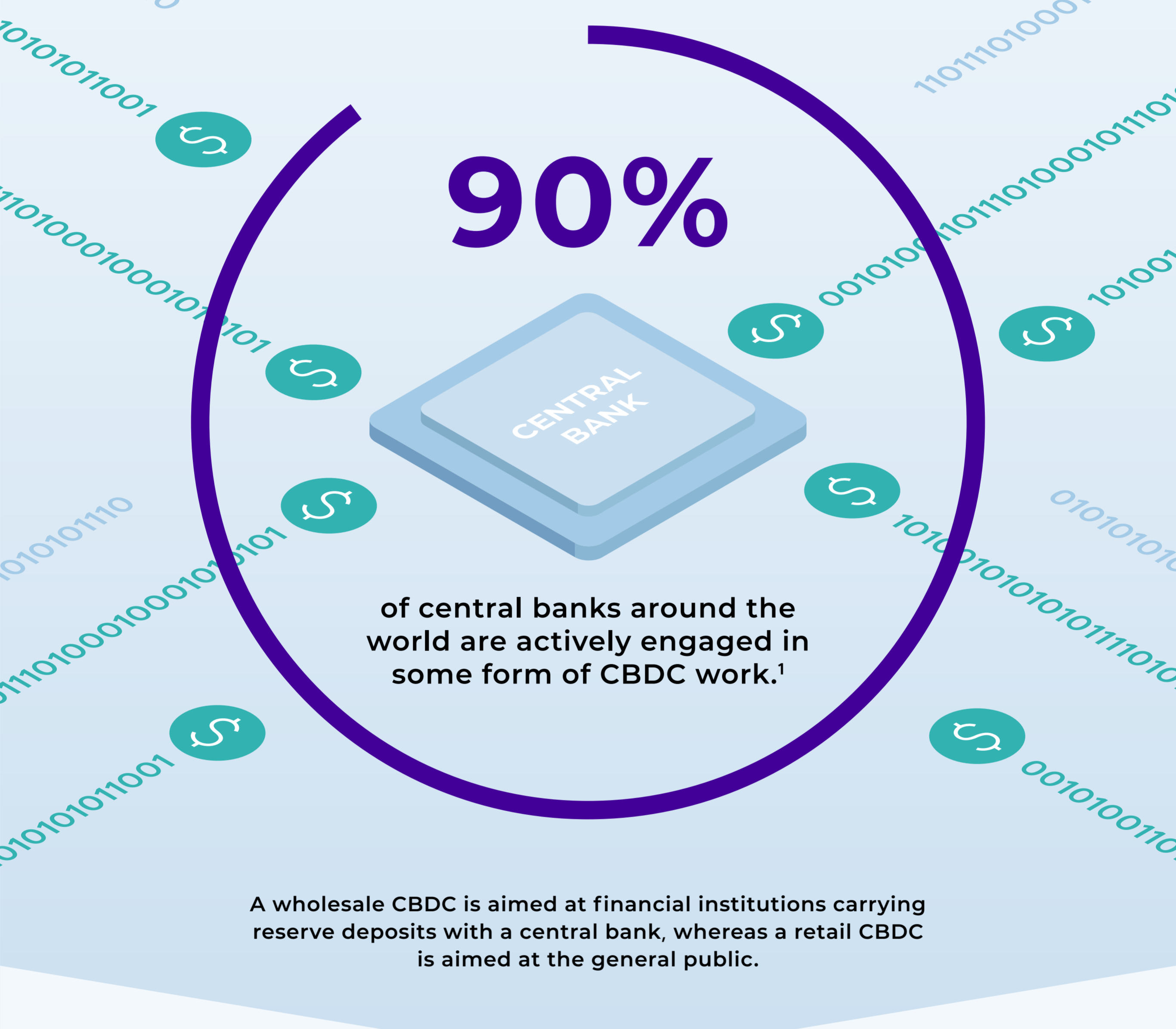
CBDC DEMYSTIFIED

CBDCs, Central Bank Digital Currencies, are redefining the very fundamentals of the payments eco-system. But why are more than two thirds of central banks considering implementing a retail CBDC solution? And what is the difference between CBDCs, stablecoins and cryptocurrencies? This infographics demystifies CBDC by explaining its underlying principles.



IN A FUTURE WHERE CASH IS LESS PREVALENT, UNBANKED POPULATIONS WILL BE EVEN MORE EXCLUDED FROM THE ECONOMY

However, if citizens could access and use electronic cash (e-cash) without a bank account (in the same way that physical cash is accessed and used without a bank account today), these populations could continue to participate in the economy without physical cash. Which explains why...



MOTIVATIONS FOR ISSUING A RETAIL CBDC



Emerging market and developing economies

Advanced economies

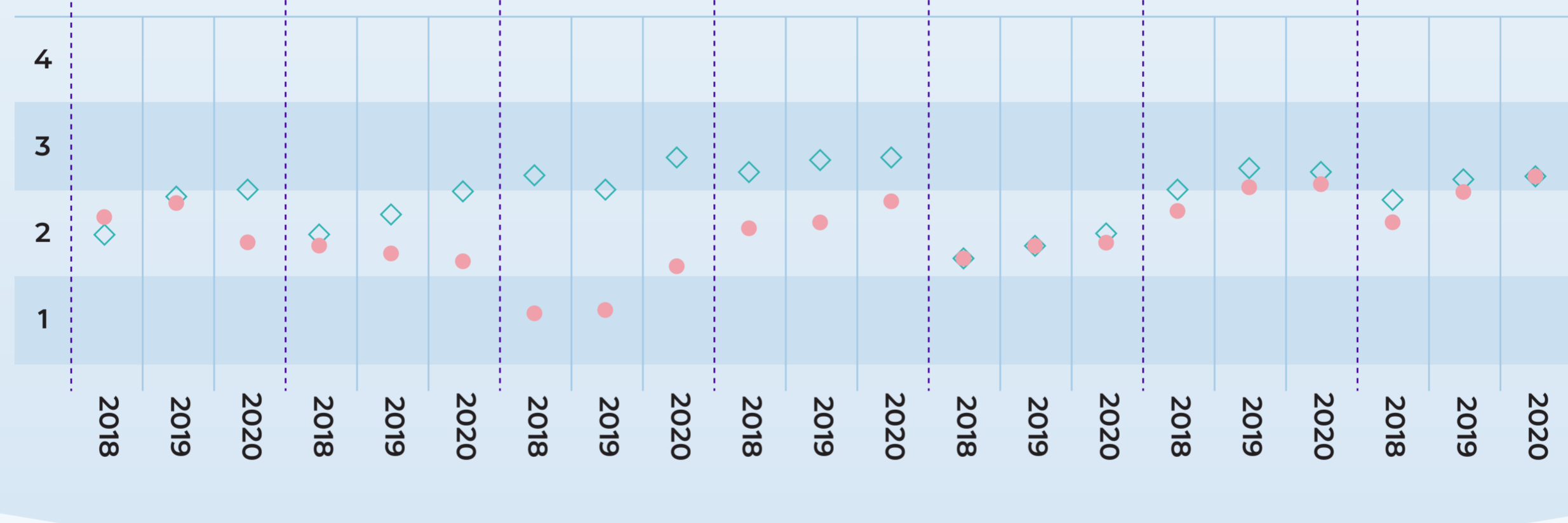
(1) = "Not so important"

(2) = "Somewhat important"

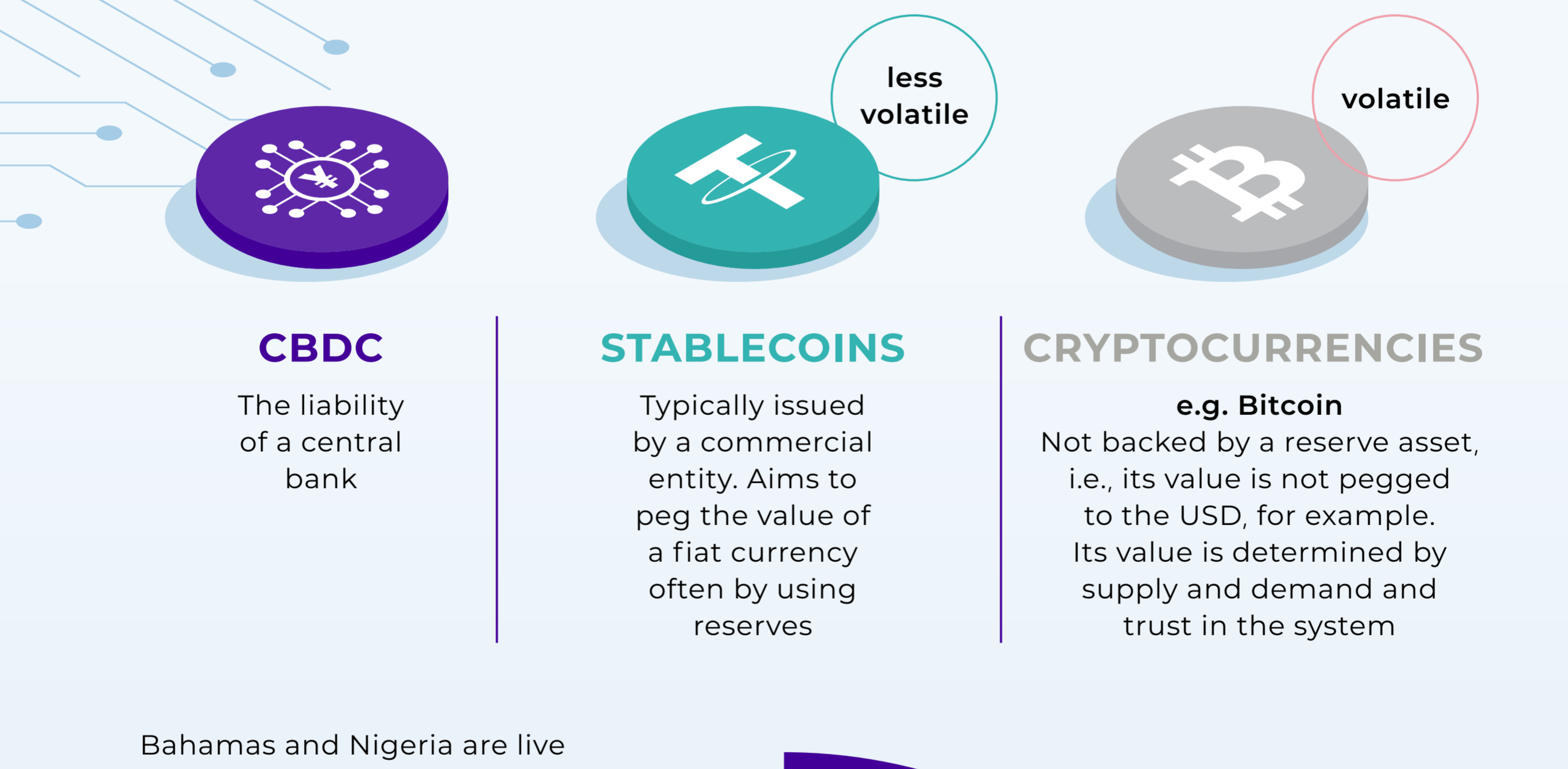
(3) = "Important"

(4) = "Very important"

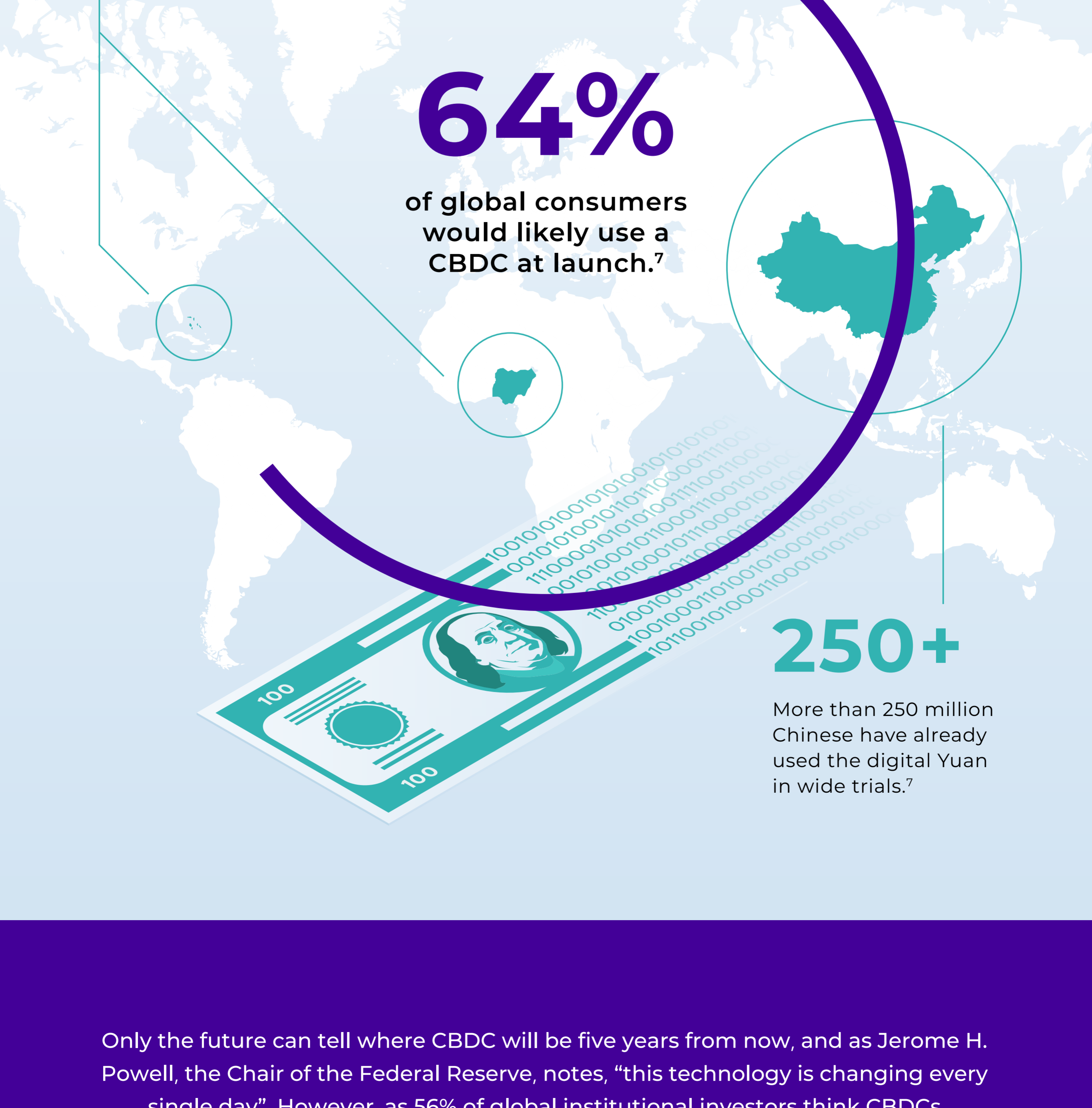
Average importance⁴



WHAT'S THE DIFFERENCE BETWEEN CBDCs, STABLECOINS AND CRYPTOCURRENCIES?



Bahamas and Nigeria are live with CBDCs (as of March 2022).⁵



Only the future can tell where CBDC will be five years from now, and as Jerome H. Powell, the Chair of the Federal Reserve, notes, "this technology is changing every single day". However, as 56% of global institutional investors think CBDCs are likely to replace fiat/physical currencies in their country,³ it seems fair to assume that CBDC will have a profound impact on the banking and payments eco-system when central banks around the world get on board. Or as Chairman Powell puts it: "I don't want to become a dinosaur".⁹

SOURCES:

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2) Brink, Technology's Role in Financial Inclusion: Hype or Hope?

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4) BIS paper 114, Ready, steady, go?

5) <https://www.investopedia.com/countries-developing-central-bank-digital-currency-cbdc-5221005>

6) <https://www.hoover.org/research/digital-currencies-us-china-and-world-crossroads>

7) https://m.guardtime.com/files/CBDC_research.pdf

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