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SNAPSHOT FOR INSTITUTIONS TO REDUCE RISK

# Stablecoin safety matrix

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## Summary

The Stablecoin Safety Matrix is a comparative reference tool developed by Anchorage Digital to bring clarity to the regulatory and reserve structures underpinning fiat-backed stablecoins. It highlights key differences across issuers to help institutions better understand how oversight and reserve design can impact operational resilience.

**The matrix focuses on two dimensions:**

- Regulatory Oversight: Whether and how the stablecoin issuer is subject to financial supervision, including the nature of its regulatory regime and its track record.
- Reserve Asset and Liability Management: The composition of reserves backing the stablecoin, including asset quality, use of bank partners, presence of equity buffers, and mechanisms to mitigate credit risk.

The Matrix draws exclusively from public disclosures and third-party documentation, and reflects a point-in-time look at the stablecoin landscape as of July 2025.*

**Overview of observed patterns:**

Some stablecoins operate under formal prudential oversight frameworks (e.g., NYDFS or MAS), while others are unregulated or licensed in jurisdictions with limited supervisory depth.

Reserve structures vary significantly. A number of stablecoins hold predominantly high-quality liquid assets (HQLAs) with clear risk mitigants such as insurance or equity buffers. Others include material exposure to uninsured bank deposits or lack sufficient capital buffers to absorb potential losses.

Public transparency also differs. While some issuers provide granular reserve breakdowns and regulatory status, others publish limited or non-standardized information.

This matrix is not intended to serve as a recommendation. It is a factual summary of observable regulatory and structural characteristics that may influence how institutions assess risk, compliance readiness, and operational fit.

*Anchorage Digital maintains financial relationships with the issuers of USDG and PYUSD, which are included in the Matrix.

Holding cryptocurrencies and other digital assets is speculative and involve a substantial degree of risk, including the risk of complete loss. There can be no assurance that any cryptocurrency, token, coin, or other crypto asset will be viable, liquid, or solvent. No Anchorage Digital communication is intended to imply that any digital asset services are low-risk or risk-free. Digital assets held in custody are not guaranteed by Anchorage Digital Bank National Association and are not FDIC-insured.

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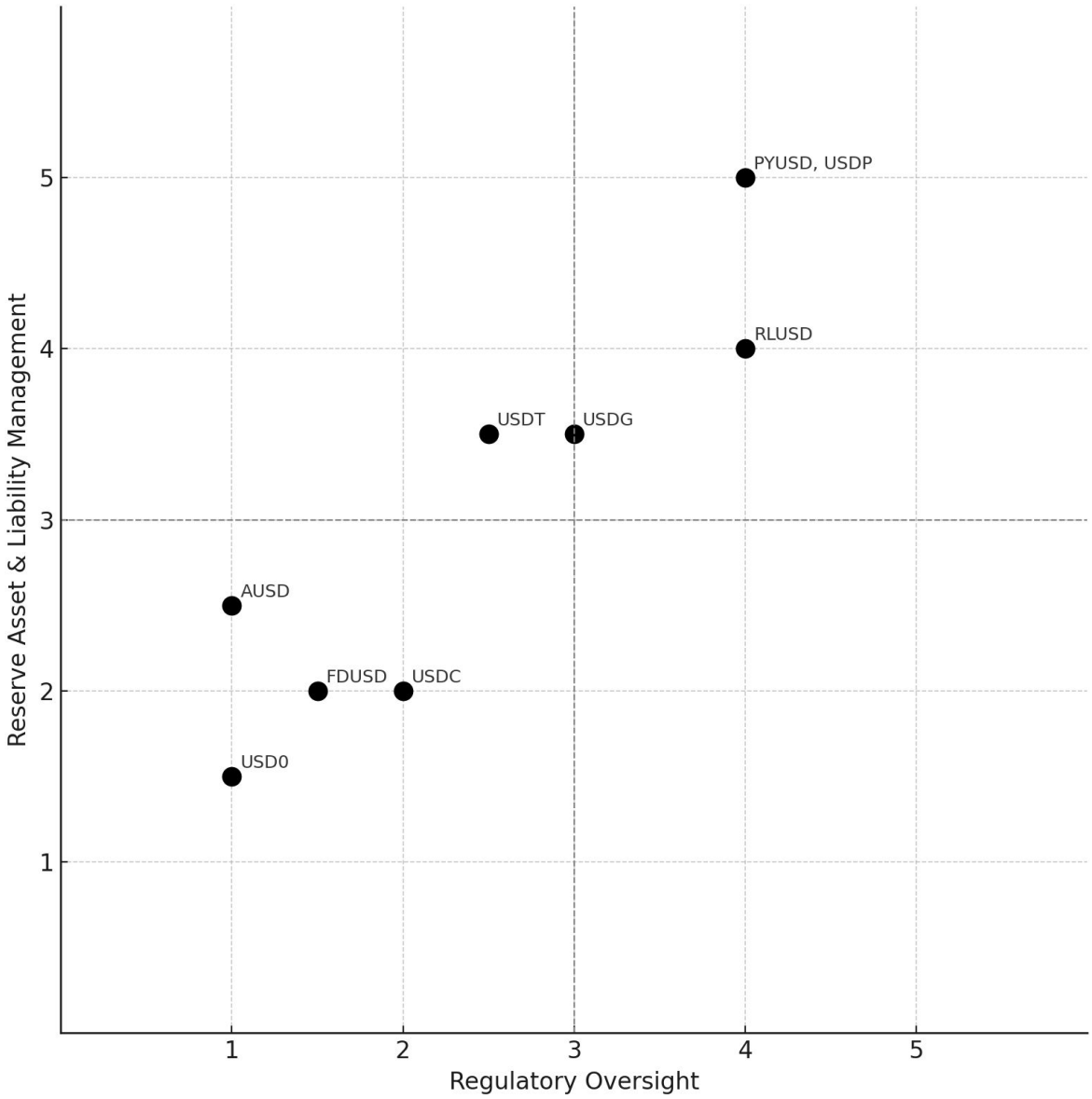
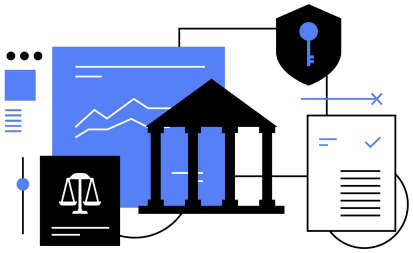



Regulatory oversight

**1** = No regulator
**2** = Licensed, but with no prudential oversight
**3** = US state or other prudential regulator, limited record
**4** = US state or other prudential regulator, strong record
**5** = Federal US prudential regulator

Reserve management

**1** = Substantial portion of non-HQLAs and/or low/no equity buffer
**2** = Mix of HQLAs and non-HQLAs, equity buffer not sized to absorb losses
**3** = Mix of HQLAs and non-HQLAs, equity buffer sized to absorb losses
**4** = Mainly HQLAs, bank credit risk attenuated by GSIBs or significant equity buffers
**5** = HQLAs, bank credit risk mitigated with insurance or equity buffer to cover full losses



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| Stablecoin | Regulatory oversight | Issuer detail | Reserve management | Reserve asset and liability management detail |
|---|---|---|---|---|
| **AUSD** | 1 | Issuance under BVI entity with no regulator. The company's legal analysis claims it does not fall under any regulatory oversight requirement. | 2.5 | Reserve composed primarily of HQLAs, reportedly held at GSIBs according to company's social media. Reserve also includes approximately 5.5% in commercial bank deposits and other stablecoins. Company website does not provide a detailed breakdown of securities or specific financial partners. Overcollateralization of 40bps is insufficient to cover potential losses, and this is complemented by company expectation to cover losses in the event of bank failure or stablecoin de-pegs. |
| **FDUSD** | 1.5 | Unregulated, with reserve custody under regulated First Digital Trust ltd. FD has expressed intent to comply with the newly passed HKMA stablecoin bill. | 2 | Reserve composed of a mix of HQLAs and non-HQLAs, with 15% in banks, and an equity buffer of 30bps that is insufficiently sized to absorb potential portfolio losses. Although reserves are provided on the company website, the specific financial vendors, particularly the banks used, are not disclosed. |
| **PYUSD** | 4 | Issuance is regulated by the New York Department of Financial Services. | 5 | Reserve composed primarily of HQLAs. Commercial bank credit risk is mitigated with private insurance. |
| **RLUSD** | 4 | Issuance is regulated by the New York Department of Financial Services. | 4 | Reserve composed primarily of HQLAs. Bank credit risk is attenuated by use of an equity buffer. No public information on private deposit insurance or banks. |
| **USD0** | 1 | Unregulated. | 1.5 | Reserve composed of a substantial portion of non-HQLAs and a low equity buffer to absorb losses (70bps). However, as a decentralized stablecoin, USD0 has other potential benefits not captured in this matrix. |

*Continued on next page*

*Last Updated: July 11, 2025*

Note: This Stablecoin Safety Matrix is compiled using publicly available data, accessible to all stablecoin holders. Should you identify any discrepancies or inaccuracies, or require corrections, please contact getintouch@anchorage.com with the relevant publicly available sources from the issuers to request an update to the matrix.

Sources:

AUSD
https://developer.agora.finance/attestations
https://governance.aave.com/t/arfc-onboard-ausd-to-aave-v3-on-avalanche/19689/4

FDUSD
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PYUSD
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RLUSD
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USD0
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| Stablecoin | Regulatory oversight | Issuer detail | Reserve management | Reserve asset and liability management detail |
|---|---|---|---|---|
| **USDC** | 2 | Operates mainly out of the US with state-level MTLs, lacking direct prudential oversight. While Circle holds a BitLicense, USDC issuance is not conducted under NYDFS prudential supervision. Although the MICA license offers higher prudential oversight, there is currently no public data on the integration of EU and US offerings; it remains unclear if the primary issuance has shifted to the EU. | 2 | USDC reserves keep a de minimis overcollateralization (~10bps) and a substantial portion of reserves (~15%) in banks, including non-GSIB banks. A breakdown of reserves held by each financial institution, including commercial banks, is not provided. This risk materialized in 2023 with SVB, when reserves were maintained by regulators covering non-FDIC insured deposits, a measure which cannot be counted upon on a go-forward basis. |
| **USDG** | 3 | Issuance is regulated by MAS under upcoming stablecoin regulation. USDG is also issued by Paxos Issuance Europe under the supervision of FIN FSA and in compliance with MiCA. Relationship between MAS and MICA issuance is not disclosed in detail. | 3.5 | Reserve composed primarily of HQLAs. Bank credit risk is attenuated by use of GSIBs, although the full entities used for reserves are not disclosed on the website. |
| **USDP** | 4 | Issuance is regulated by the New York Department of Financial Services. | 5 | Reserve composed primarily of HQLAs. Bank credit risk is mitigated with private insurance. |
| **USDT** | 2.5 | Issuance is nationally regulated by El Salvador, though its prudential regulation track record is limited. | 3.5 | Reserve composed of a mix of HQLAs and non-HQLAs, with an equity buffer sized to absorb potential portfolio losses, demonstrated by 3.5% overcollateralization. While the portfolio composition is broken down, it does not extend to the individual securities level. Although financial institutions like Cantor are publicly mentioned, the exact holdings per institution are not detailed. |

*Last Updated: July 11, 2025*

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Sources:

USDC
https://www.circle.com/transparency
https://www.fdic.gov/news/press-releases/2023/pr23019.html

USDG
https://www.paxos.com/usdg-transparency
https://docs.paxos.com/stablecoin/usdg

USDP
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USDT
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https://cnad.gob.sv/stablecoins-eligible-for-trading/

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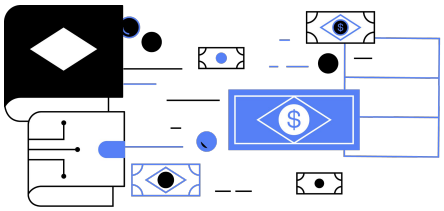
## Conclusion

The Stablecoin Safety Matrix highlights clear differences in the regulatory oversight and reserve practices across leading fiat-backed stablecoins. Stablecoins such as USDP, PYUSD, RLUSD, and USDG reflect stronger institutional alignment—each operating under formal regulatory regimes and backed by reserves composed primarily of high-quality liquid assets, with mechanisms like insurance or equity buffers to absorb losses. In contrast, AUSD, FDUSD, USDC, and USD0 exhibit greater structural risk. These include limited or no regulatory oversight, material exposure to uninsured bank deposits, or reserve structures that lack sufficient buffers to mitigate credit or liquidity shocks.

As the stablecoin landscape evolves, institutions must stay informed and agile to effectively manage risk. Regulatory clarity is beginning to solidify—through frameworks like the GENIUS Act—and with it, compliance expectations are likely to increase. Institutions that proactively evaluate the structure and oversight of the stablecoins they use will be best prepared to meet these rising standards and operate with confidence in a more regulated environment.

Ultimately, building the institutional foundations stablecoins need to thrive is a critical objective. Anchorage Digital is helping define what good looks like—for institutions seeking operational certainty, for issuers aiming to meet higher standards, and for the broader digital asset ecosystem as it moves toward maturity and regulatory alignment.

Learn more about institutional use of stablecoins
→ **getintouch@anchorage.com**



### About Anchorage Digital

Anchorage Digital is a global crypto platform that enables institutions to participate in digital assets through custody, staking, trading, governance, settlement, and the industry's leading security infrastructure. Home to Anchorage Digital Bank N.A., the only federally chartered crypto bank in the U.S., Anchorage Digital also serves institutions through Anchorage Digital Singapore, which is licensed by the Monetary Authority of Singapore; Anchorage Digital New York, which holds a BitLicense from the New York Department of Financial Services; and self-custody wallet Porto by Anchorage Digital. The company is funded by leading institutions including Andreessen Horowitz, GIC, Goldman Sachs, KKR, and Visa, with its Series D valuation over $3 billion. Founded in 2017 in San Francisco, California, Anchorage Digital has offices in New York, New York; Porto, Portugal; Singapore; and Sioux Falls, South Dakota. Learn more at anchorage.com, on X @Anchorage, and on LinkedIn.

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