

UAE heavyweights launch ‘institutional’ stablecoin

New coin from First Abu Dhabi Bank and sovereign wealth fund targets high-value settlement and trade flows

by John Everington



The DDSC

coin represents the UAE’s boldest digital asset initiative to date for institutional and regulated entities © Christopher Pike/Bloomberg

The United Arab Emirates’ largest bank by assets has launched a local currency stablecoin for “institutional and government-led use cases”, in the country’s boldest digital assets initiative to date.

First Abu Dhabi Bank has received approval from the Central Bank of the UAE to go live with its dirham-backed stablecoin, DDSC,

launched in collaboration with Abu Dhabi-based sovereign wealth fund IHC, and the latter's subsidiary Sirius International Holding.

DDSC is the second stablecoin to be approved by the UAE's central bank this month after the dollar-denominated [USDU](#). AE Coin, a dirham-denominated coin backed by digital lender Al Maryah Community Bank, was launched in late 2024. Fellow digital lender Zand Bank announced the licensing of its own dirham-denominated stablecoin, Zand AE, in November.

The new coin's sponsors are indicative of the key role UAE authorities envisage for digital assets in the country's financial landscape. First Abu Dhabi Bank was created 10 years ago as a champion lender via a government-mandated merger of two major banks in the UAE's capital. The bank is the country's largest by assets, and second only to Qatar National Bank in the Middle East.

IHC meanwhile is the dominant conglomerate across Abu Dhabi's corporate landscape, with assets of over \$125bn and around 1,500 subsidiaries.

Significantly, DDSC is targeted squarely at institutional and government use, targeting applications such as payments and collections, high-value settlement and treasury operations, trade and supply-chain flows, and programmable financial services for regulated entities.

“This milestone underscores that stablecoins can be integrated responsibly into the financial system when built to meet rigorous regulatory and risk requirements,” said Futoon Hamdan Al Mazrouei, group head of personal, business, wealth and privileged client banking group at First Abu Dhabi Bank.



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The ambition for the coin is of significantly greater scale than that of its competitors. AE Coin has been trialled for retail and small business payments; the UAE federal government announced earlier this month it would accept the coin for government service fee payments for individuals and small businesses.

USDU meanwhile aims to benefit from rising local interest in real-world asset tokenisation projects, its founder told The Banker.

Beyond stablecoins, the UAE also last year launched its central bank digital currency, the digital dirham. Central bank board chair Sheikh Mansour bin Zayed Al Nahyan in November executed the country's first cross-border CBDC payment between the UAE and China.

The transaction made use of China's cross-border [mBridge](#) CBDC platform, seen by many as an attempt to build a fledgling alternative to existing dollar-based international financial architecture. Initially pioneered by the [Bank for International Settlements](#) before its departure two years ago, the system connects central banks from mainland China, Hong Kong, Thailand, the UAE and Saudi Arabia.