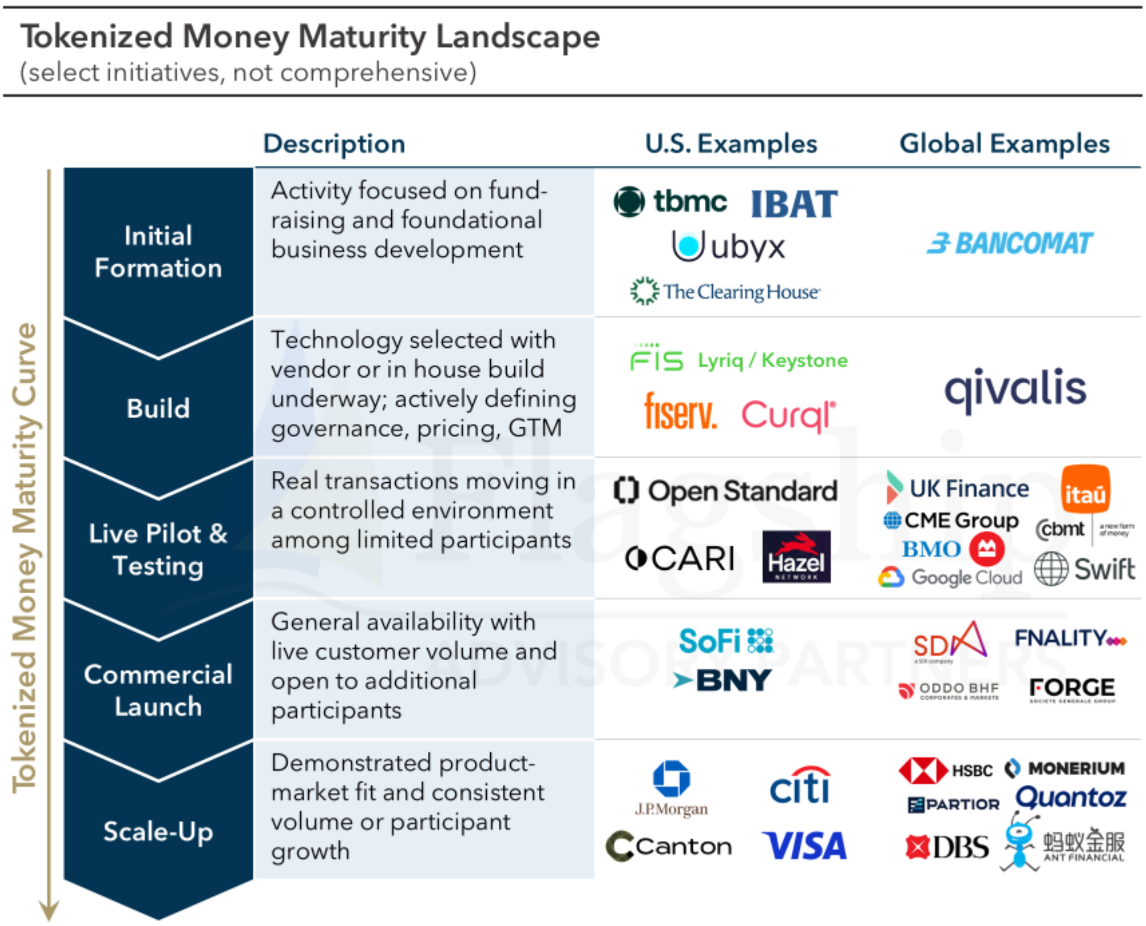
by Ben Brown, Will Hay, Alessandro Mighetto, 17 Aug 2026

Tokenized Deposits: Everyone Is Building, Almost No One Is Connecting

Tokenized deposits are having their moment. Following the surge of stablecoins, banks and financial institutions worldwide are announcing coalitions, forming consortia, or already running live solutions to bring deposits, securities, and payments on-chain.



Source: Flagship Advisory Partners market research and observations
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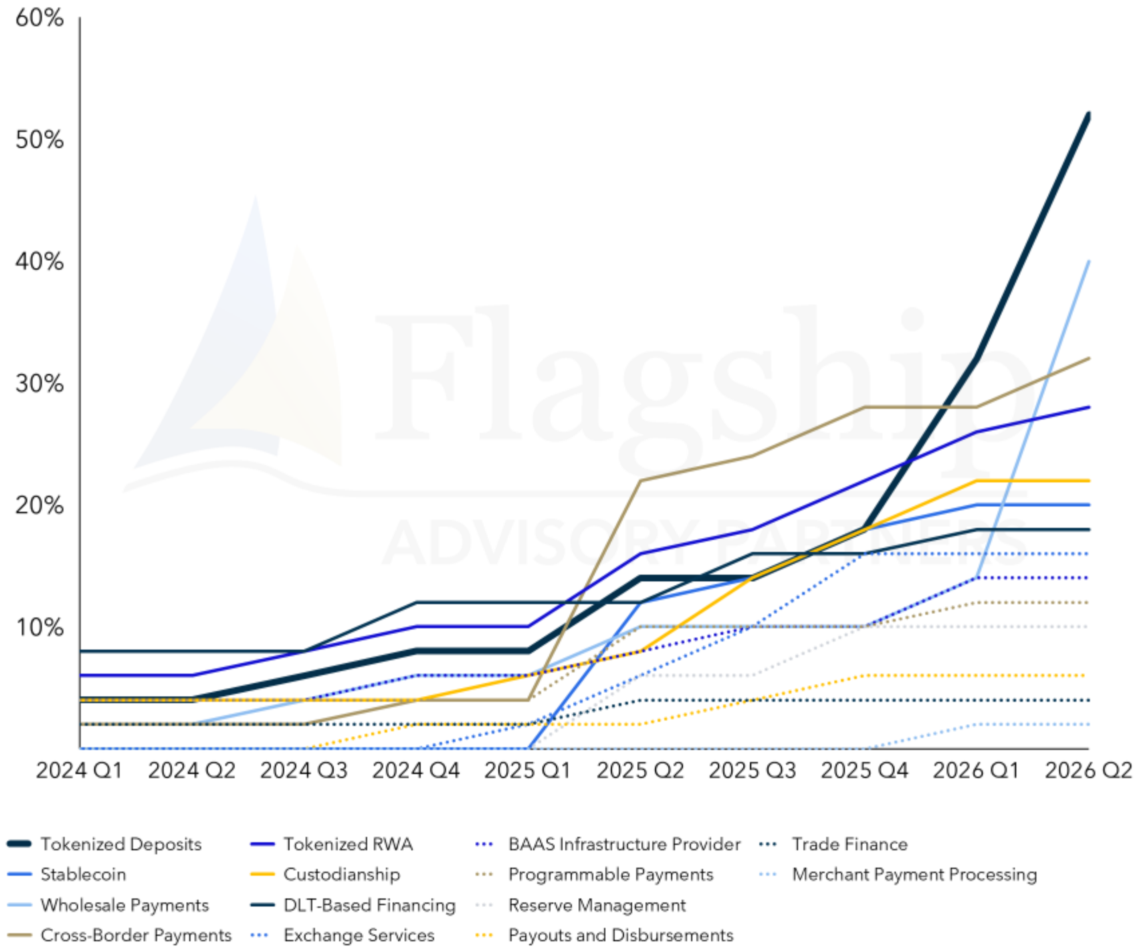
More than half (52%) of the top-50 U.S. banks are now evaluating or implementing tokenized deposits, based on our analysis of each bank's public statements and filings, a steep increase from just 18% at the end of 2025. Wholesale payments (interbank settlement) are the top DLT use case for these banks, with cross-border payments and tokenized real-world assets following behind. Major U.S. banks are not unique; interest in tokenized money spans both sides of the Atlantic and every size of institution.

Tokenized Money Capability Exploration
(% of top-50 U.S. banks by assets mentioning the DLT-related use case publicly)



Source: Flagship Advisory Partners analysis of bank earnings call transcripts, 10-Qs, press releases

There are seven recurring strategic drivers across initiatives. Deposit defense against stablecoin issuers ranks highest, followed by efficient cross-border settlement (Partior, HSBC, Project Agora) and the ambition to build interoperable, shared infrastructure that pools costs, governance, and technology scale across members (Canton Network, Cari, Ubyx). For Europeans, there is also a clear motivation to build a domestic payment capability that preserves monetary sovereignty.

Strategic Drivers and Themes for Bank Initiatives to Tokenize Money

(non-exhaustive)

Strategic Drivers	Description
1 Defend **deposits**	Give customers the benefits of stablecoin speed, efficiency and programmability while keeping deposits on bank balance sheets.
2 Fix **cross-border payments**	Bring faster and cheaper settlement to interbank cross-border payments, addressing the challenges of correspondent banking and recent volume flight to fintechs.
3 Pool **infrastructure**	Let smaller banks share the tech, governance, and compliance they cannot build on their own.
4 Grow **revenue**	Earn fees, grow deposits, and reach new customers with a bank-run digital money product.
5 Cut **settlement risk**	Use smart contracts to trigger atomic settlement of payment against delivery of tokenized goods, so neither party is exposed if the other fails.
6 Shape **the rules**	Get in early to help write the rules and win better regulatory treatment.
7 Protect **payments sovereignty**	Build local, bank-led digital money so US dollar stablecoins do not dominate.

Source: Flagship Advisory Partners market research and observations

The pace of announcements is building. In February, five U.S. regional banks announced they'd collaborate on a tokenized deposit consortium named the Cari Network. In April, FIS and six U.S. banks announced they'd collaborate on something similar. The next month, in May, SoFi became first national US bank to launch its own stablecoin. Two big announcements followed in June: first, The Clearing House and 17 large banks went public with their plans to build a clearing and settlement solution for on-chain commercial bank money; then several weeks later, over 160 companies led by Visa and Stripe launched Open Standard, a consortium that will issue Open USD, a US dollar stablecoin with shared governance and reserves. In Europe, Qivalis, an association of roughly 40 major banks, plans to launch a MiCAR-compliant stablecoin by the end of 2026.

Notable Tokenized Money Initiatives For US Banks
(non-exhaustive)

Initiatives	Backer / type	What it solves for	Status
The Clearing House	24 largest US commercial banks, including JPMC, Citi, BofA, Wells Fargo	Shared clearing and settlement of tokenized deposits between banks, linked to **RTP and CHIPS**	Announced June 2026, H1 2027 target, no vendor picked yet
CARI	Privately-owned (founded by Gene Ludwig (ex-OCC)) but bank-governed	Lets **mid-size and regional banks** issue and move tokenized deposits on shared rails	Pilot in Q3 2026, production later in 2026
FIS Lyriq / Keystone	Six US regional banks, with technology from FIS	Bank-run network with **all-or-nothing settlement** to cut failed and unreconciled payments	Announced April 2026, signing founding members
Hazel Network	JV of Vantage Bank and Custodia Bank, endorsed by Texas Bankers Association	Persistent ERC 20 token that is classified as a deposit token when held by member banks and a stablecoin otherwise, **fixing the walled garden**	Live on Ethereum since March 2026, member access Q4 2026
ubyx	Privately-owned, founded by Tony McLaughlin (ex-Citi)	Facilitates clearing of issuers' stablecoins and tokens **at par** into bank accounts	Live since Q4 2025, Barclays invested Jan 2026
Swift	Swift with initial participation by 17 global banks	Coordinates banks' exchange of tokenized deposits for **24/7 cross-border** payments	Live pilot from July 2026

Source: Flagship Advisory Partners market research and observations

Not every story is a success. USDF, the first bank-minted token consortium, went live in 2022 but moved before regulators and bank demand were ready, and the network stalled. The regulatory environment has changed dramatically under the Trump Administration, so conditions are different today, but financial institutions are also acutely aware that another election is coming in 2028 and policies could change again. We see a broad sprint to advance tokenized money now so that it's a demonstrable good before regulations can change. The risk with that approach is that the industry could end up with a solution searching for a problem.

Tokenized Money Case Studies
(select initiatives)

The Clearing House

Description

Shared tokenized deposit network operated by The Clearing House and co-owned by the largest US banks, including JPMorgan, Citi, Bank of America, and Wells Fargo. Combines on-chain clearing and settlement between banks with a connectivity layer to RTP, CHIPS, and EPN fiat rails.

Status

Announced June 5, 2026, targeting a first-half 2027 launch. A blockchain vendor has not yet been selected.

Open Standard

Description

Independent consortium of 140+ companies issuing Open USD (OUSD), a dollar stablecoin for global commerce with zero-fee minting and redemption. A partner board governs the network and reserve earnings are shared among partners. Visa and Stripe were the principal architects.

Status

Announced June 30, 2026. Expected live later in 2026, launching on Solana and Tempo before expanding to Base, Ethereum, Polygon, and Stellar.

qivalis

Description

Amsterdam joint venture of 37 banks across 15 countries, including BBVA, BNP Paribas, ING, and UniCredit, issuing a MiCAR-compliant euro stablecoin. Backed 1 to 1 by bank deposits and short-term euro area sovereign bonds, issued on public chains with Fireblocks providing tokenization, wallets, and custody.

Status

Pre-launch. Targeting H2 2026, pending Dutch central bank approval.

USDF CONSORTIUM

Description

Membership association of FDIC-insured banks minting USDF, a tokenized deposit that settles bank to bank 24/7/365 on the Provenance blockchain. Launched in January 2022 with five founding community banks and moved to a private, permissioned chain in 2023.

Status

Shut down in 2025. Technically live since 2022, but FDIC 'pause letters' in 2022-2023 blocked membership from scaling properly.

Source: Flagship Advisory Partners market research and observations

The market is active worldwide, but paths to adoption, infrastructure choices, technology capabilities, go-to-market, and governance vary widely, and no clear winner has emerged. Dozens of schemes are being built in parallel, and almost none of them talk to each other. In some ways, we are re-creating the problems of our current financial system with new technology. Interoperability, through shared standards, clearing and settlement layers, and cross-network DLT infrastructure, is where the next wave of value in tokenized deposits will be achieved.

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