

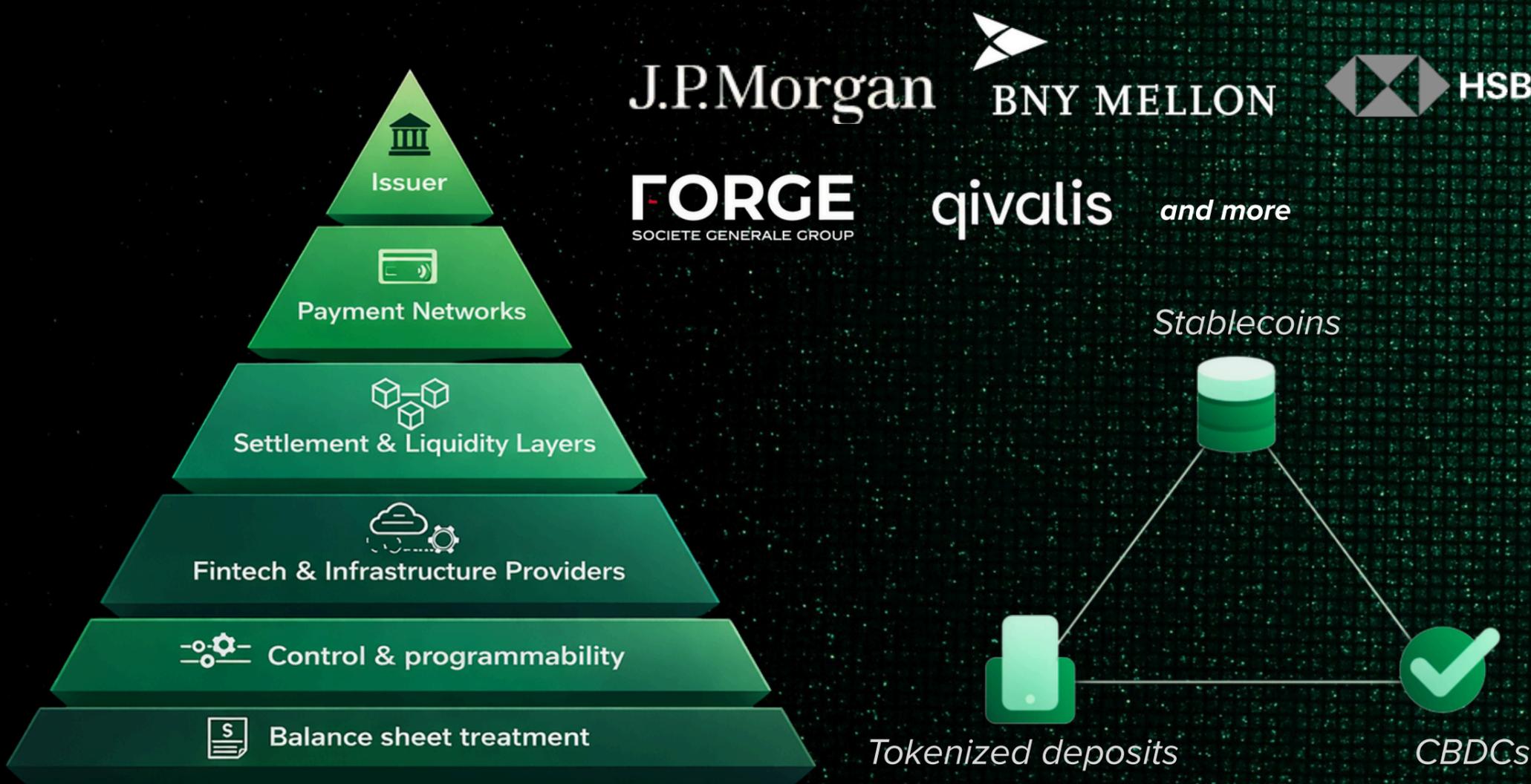


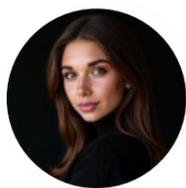
Chiara  
Munaretto

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# How Banks Move Tokenized Money

*Stablecoins, CBDCs, Tokenized Deposits  
and major use cases so far*





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**Digital banking** has transformed how financial transactions are executed.

Over the past year, global banks have experimented with **stablecoins, CBDCs, and tokenized deposits.**

In this guide:

- The three digital money models banks tested
- What moved beyond pilots
- Implications for settlement finality, liquidity fragmentation, and intraday funding
- Case studies across stablecoins, CBDCs, and tokenized deposits
- and more...

*Enjoy the reading.*

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# Bank Adoption of Digital Money

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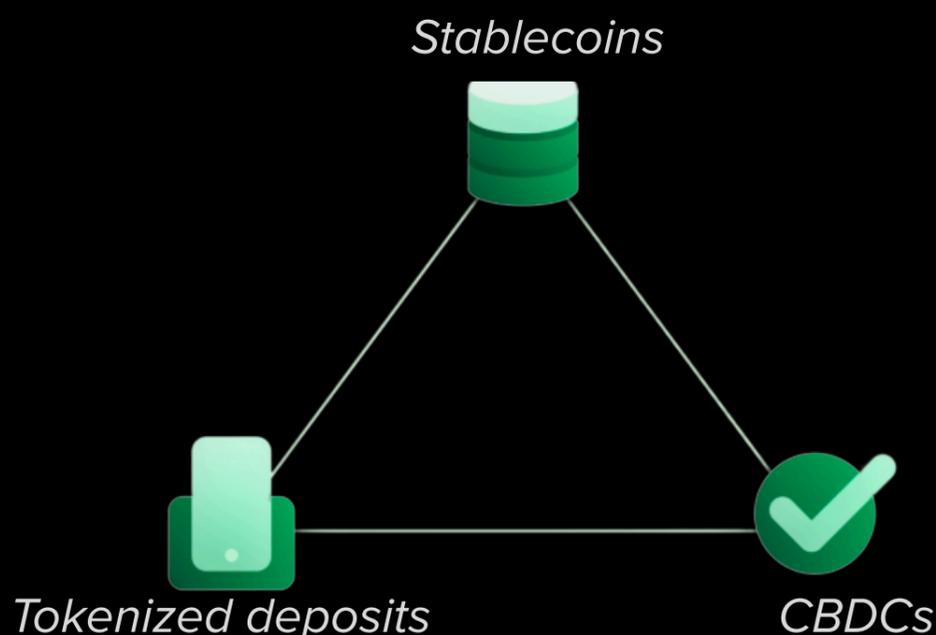
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## Bank adoption of Digital Money

Over the last year, banks haven't adopted crypto in a single way. Instead, they explored 3 distinct models of digital money, each with different implications for control, risk, and scalability:

- **Stablecoins**
- **Central Bank Digital Currencies (CBDCs)**
- **Tokenised deposits**

*Understanding bank activity requires separating these models clearly.*



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# Core Layers of the Digital Banking Stack

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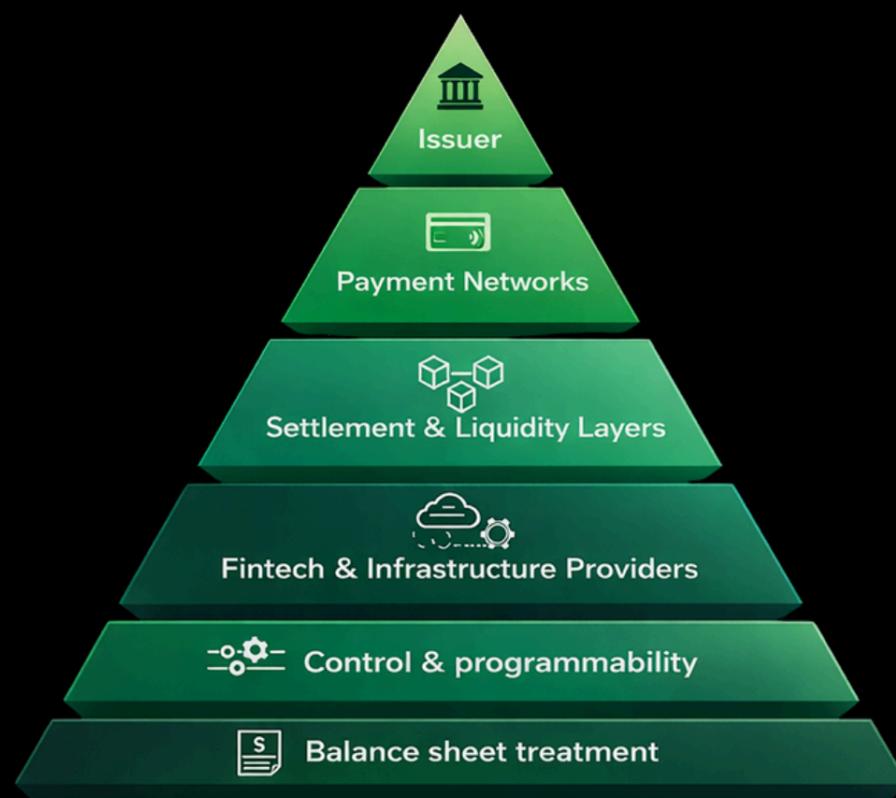
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## Core Layers of the Digital Banking Stack

**Issuer** = Who creates the money (banks, central banks, or regulated entities)

**Payment Networks** = Authorization, routing, and global acceptance (e.g. Visa)

**Settlement & Liquidity Layers** = Where value actually settles (stablecoins, tokenized deposits, RTGS, on-chain rails)



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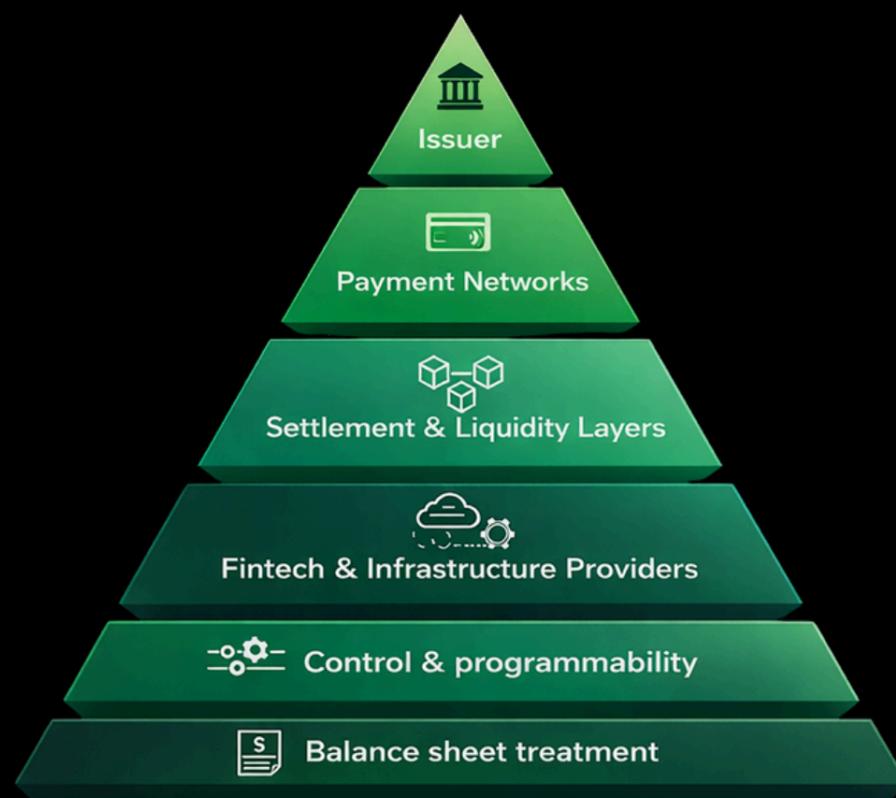
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## Core Layers of the Digital Banking Stack

**Fintech & Infrastructure Providers** = Wallets, custody, APIs, orchestration, compliance tooling

**Control & programmability** = Who governs rules, access, upgrades, and enforcement

**Balance sheet treatment** = Liability of a bank, central bank, or issuer



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# Banks Engaging With Stablecoins

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**Stablecoins** are privately issued digital currencies, typically pegged to fiat, and already widely used in crypto markets.

**Banks** primarily interacted with **stablecoins** by:

- 1. Supporting settlement*
- 2. Providing custody*
- 3. Enabling issuance or distribution*
- 4. Integrating stablecoins into payment rails*



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## Major bank developments (Stablecoins)

### **Société Générale (SG-Forge)**

Issued EUR- and USD-denominated stablecoins on public blockchains



### **Qivalis**

Explored stablecoin settlement infrastructure and regulated euro stablecoins



### **BNY Mellon**

Expanded custody services for stablecoin issuers



BNY MELLON

*Worth knowing: Banks see stablecoins as useful infrastructure, but are cautious about relying on externally issued money at scale.*



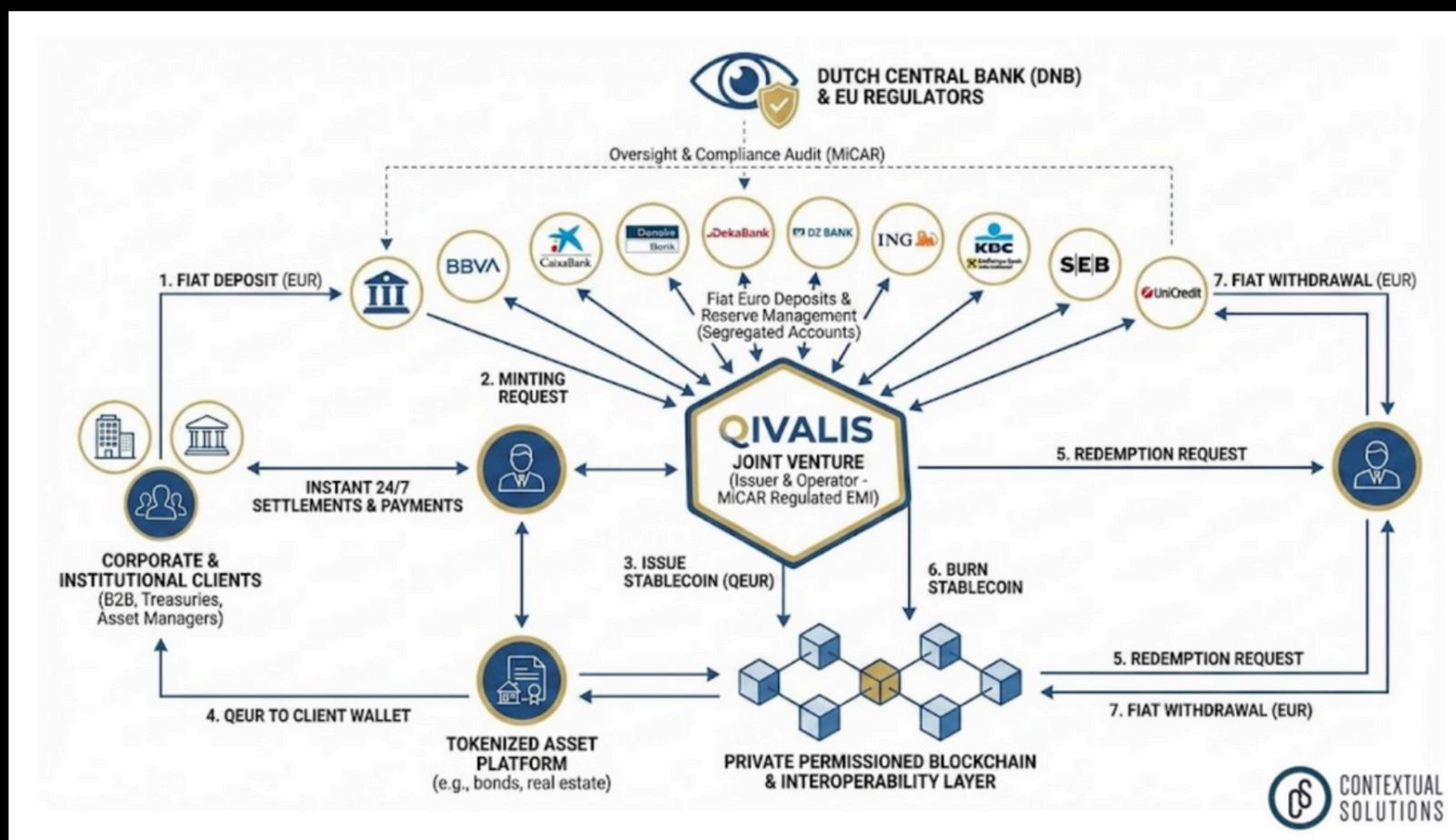


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### Case Study: QIVALIS

A consortium-sponsored company based in Amsterdam created by 12 major European banks to issue a fully regulated euro-pegged stablecoin.

- The goal is to reduce reliance on US dollar-denominated stablecoins and strengthen European financial sovereignty in digital payments.
- Targeting a second half of 2026 launch, contingent on EMI licensing and MiCAR compliance.



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## **Case Study: Société Générale (Stablecoins)**

Société Générale launched EURCV through its regulated subsidiary SG-Forge, issuing it on public blockchains such as Ethereum.

**Issuer = SG-Forge** (regulated bank subsidiary)

### **Settlement layer**

Public blockchains (Ethereum, others)

### **Control & programmability**

Issuer-controlled, but operating on public rails

### **Balance sheet treatment**

Stablecoin liability of issuer, backed by reserves

*Why it matters: SG showed banks can issue public stablecoins, but this model separates money from core deposits.*



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# Banks engaging with CBDCs

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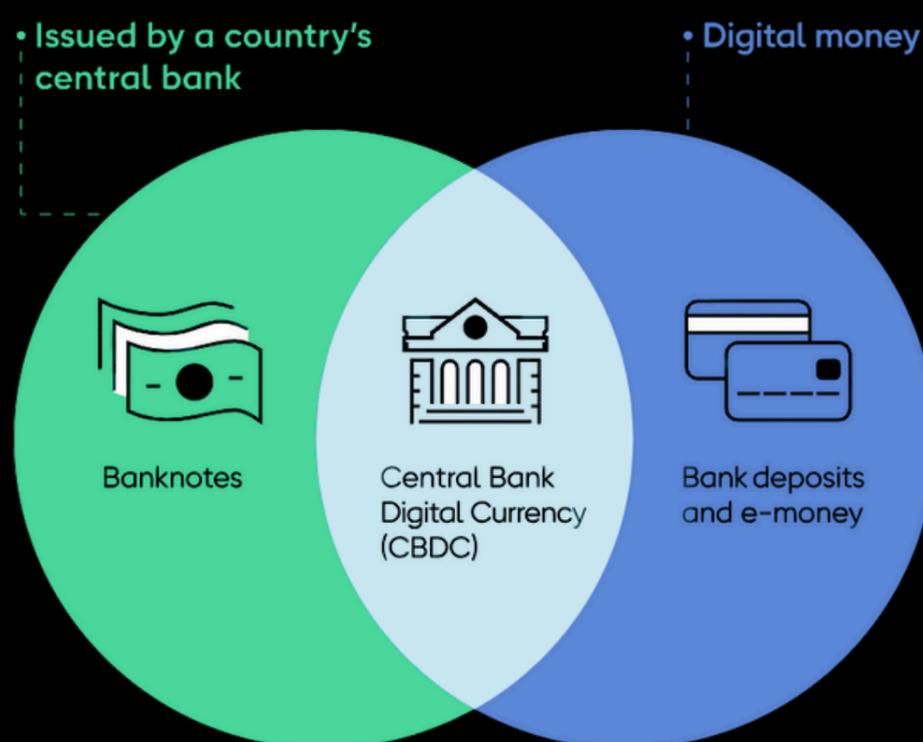
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**Central Bank Digital Currency (CBDC)** is a type of blockchain-based money, issued and regulated by a central bank.

Unlike cryptocurrencies like Bitcoin, CBDCs are centralized, government-backed, and designed for stability.

*Over the last year, most progress occurred in:*

- *Wholesale CBDCs*
- *Interbank settlement pilots*
- *Cross-border experiments*



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# Latest Updates:

☆ Digital currency	Country / Region	Central Bank(s)	Announcement Year	Status
☆ WAMU CBDC	Western African Monetary Union (WAMU)	The Banque Centrale des Etats de L'Afrique de L'Ouest (BCEA)	2025	Research
☆ Digital Dinar	Serbia	National Bank of Serbia	2025	Research
☆ Myanmar CBDC	Myanmar	The Central Bank of Myanmar (CBM)	2025	Research
☆ eCentavos	Timor-Leste	Banco Central de Timor-Leste	2025	Research
☆ Chile WCBDC	Chile	Central Bank of Chile	2025	Research
☆ Digital Boliviano	Bolivia	Central Bank of Bolivia	2025	Research
☆ Trigger Solution	Germany	Deutsche Bundesbank	2024	Pilot
☆ TIPS Hash-Link	Italy	Banca D'Italia	2024	Pilot
☆ Qatar Wholesale CBDC	Qatar	Qatar Central Bank	2024	Proof of concept
☆ Digital Florin	Aruba	Central Bank van Aruba	2024	Research

<https://cbdctracker.org>

 CBDC Tracker

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**China's digital yuan (e-CNY) is the most advanced and largest live CBDC program globally.**

- Broad domestic pilots (100Ms of wallets, T in transactions)
- Active cross-border push via the mBridge platform.
- The system uses a 2-tier operating model (central bank issue + commercial bank distribution / wallet onboarding)
- Commercial banks act as key intermediaries for retail wallets and distribution.

*China is restricting private stablecoin initiatives and steering digital currency activity under state control, foreign and domestic private stablecoin projects have been paused or constrained.*



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# Banks Tokenizing Their Own Money

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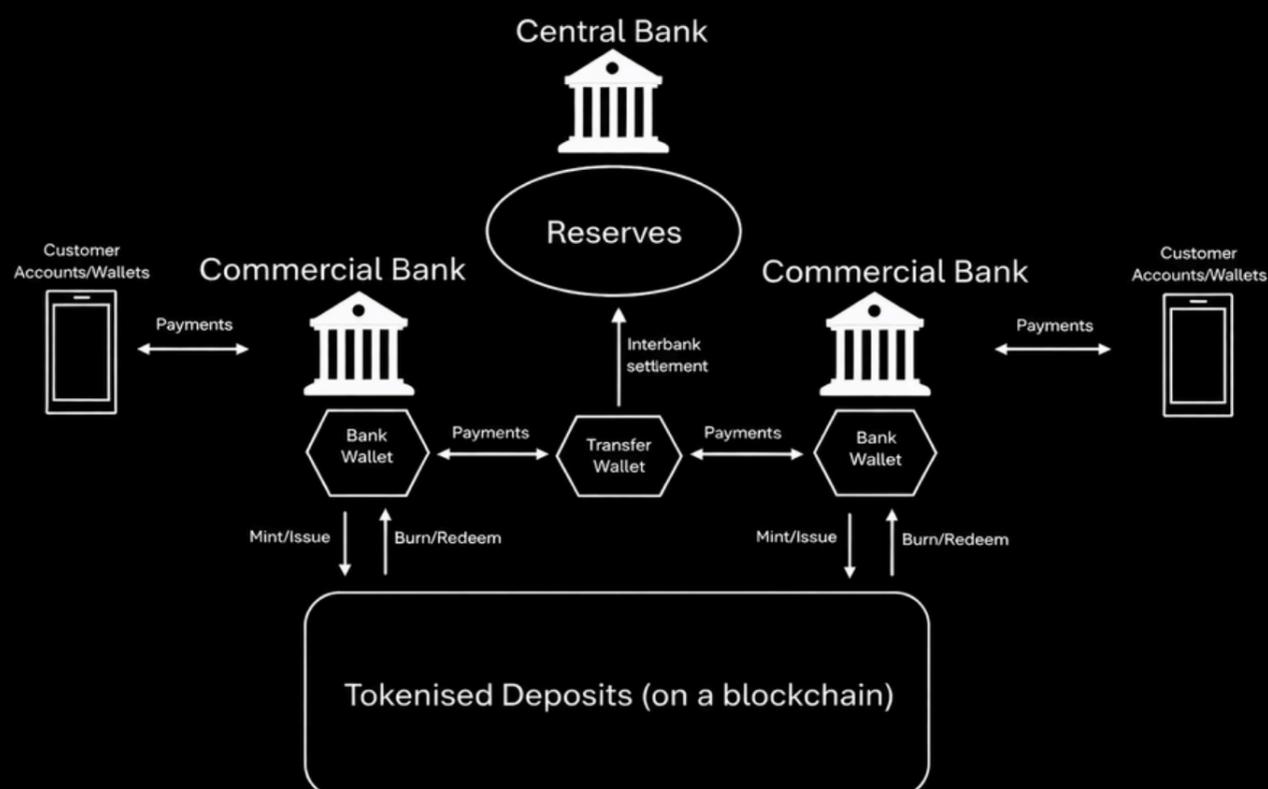
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**Tokenized deposits** are bank deposits tokenized on a blockchain infrastructure.

They remain:

- A direct claim on a commercial bank
- Fully regulated
- Integrated with existing balance sheets

Tokenized deposits are regulatorily advantaged in theory, but not yet standardized in law.



<https://jeremylight.substack.com/p/payments-for-a-future-generation>

Author: Jeremy Light

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# HSBC Proposition on Tokenized Deposits

*HSBC has launched a Tokenised Deposit Service and ran pilots enabling on-chain wallet-to-wallet corporate liquidity.*



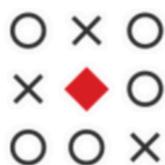
Instant cross-border payment and settlement

Move money 24/7, 365 days a year, without cut-off times.



Real-time visibility of your transactions

API powered, live balances recorded in real-time.



Seamless connectivity

Trigger payment requests from your enterprise system.

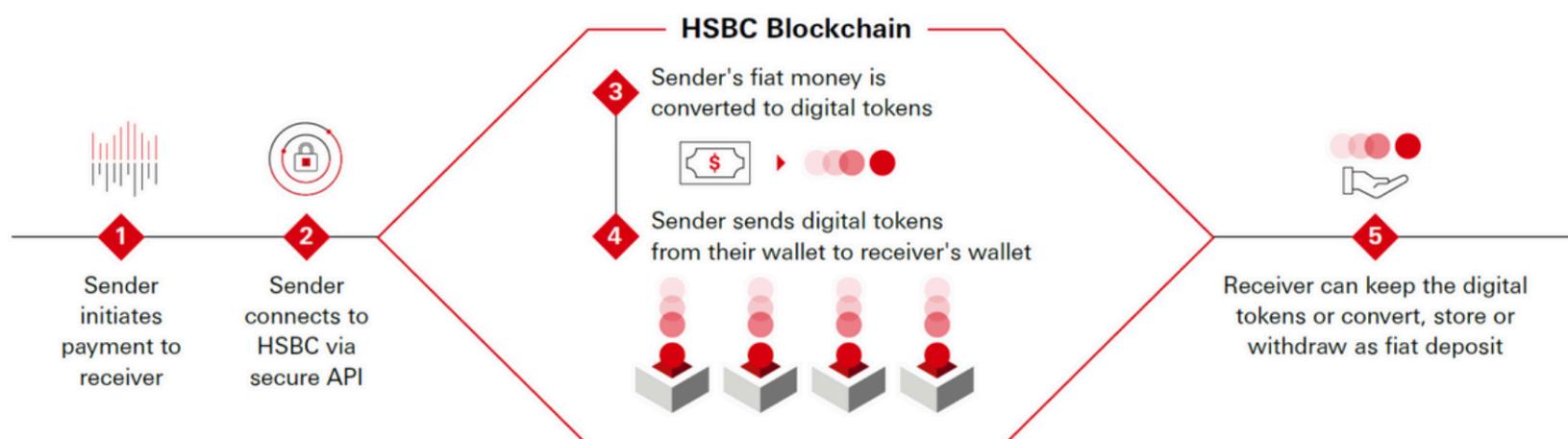


Equal deposit value

Whether in token form or fiat, your deposits retain their value.



## How Tokenised Deposits work





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### Why tokenized deposits gained momentum:

- No new money form for customers to trust
- Clear regulatory treatment
- Seamless integration with bank operations
- On-chain settlement benefits without losing control



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## Case Study: JPMorgan (Tokenized Deposits)

To enable programmable settlement without issuing a stablecoin, JPMorgan tokenized existing bank deposits on a permissioned blockchain.

**Issuer = JPMorgan**

**Settlement layer**

Permissioned blockchain (Kinexys / Onyx)

**Control & programmability**

- Fully governed by JPMorgan
- Rules, access, and upgrades controlled internally

**Balance sheet treatment**

Deposit liability of JPMorgan



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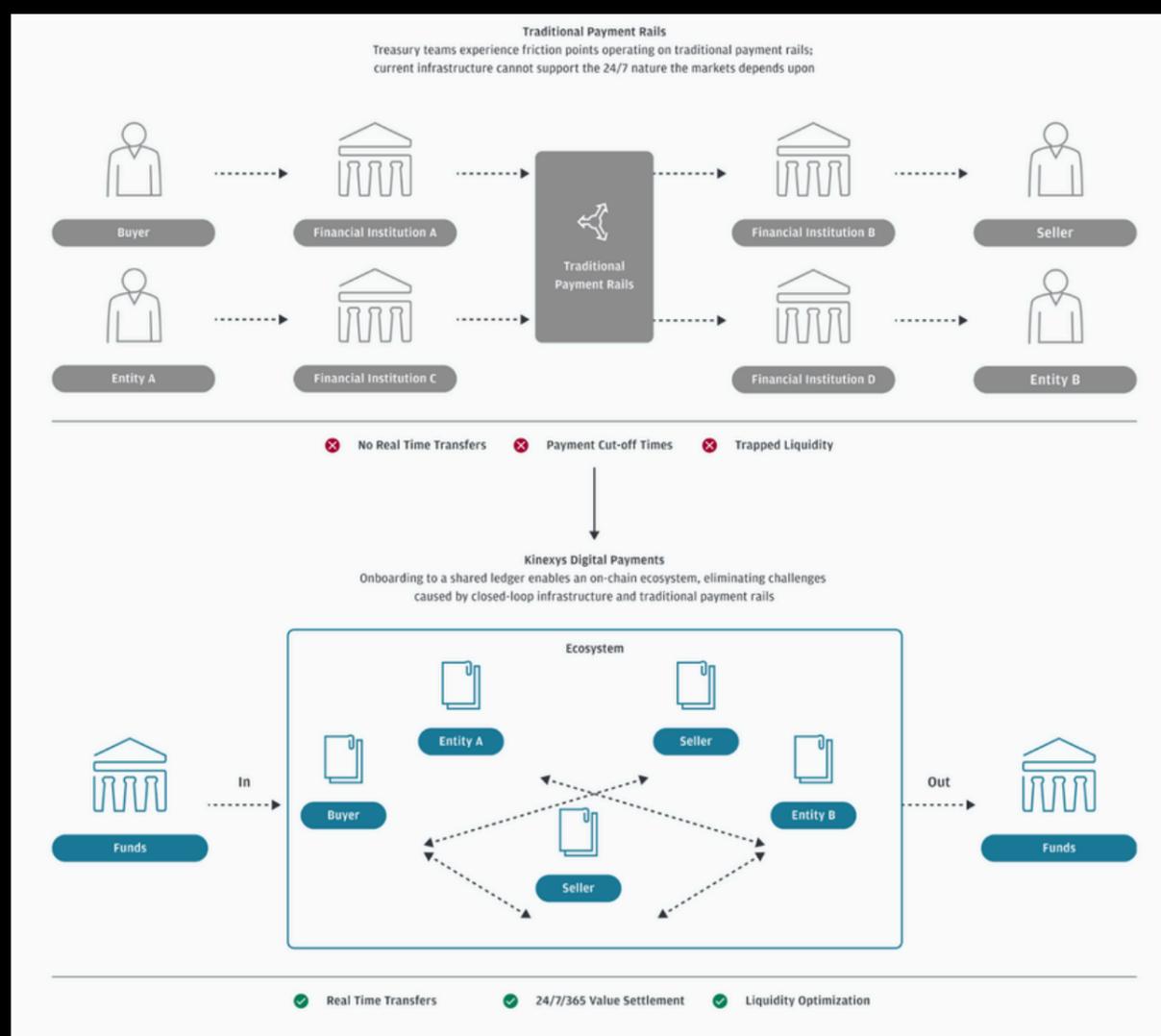
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**JPM Coin** is a tokenized commercial bank deposit issued by JPMorgan Chase and deployed on **Base**, while remaining institutionally permissioned with private **Kinexys** stack.

It represents a direct deposit *liability* of JPMorgan and is fully integrated with the bank's existing payments, treasury, and compliance infrastructure.

Primary use cases include *native on-chain settlement* for tokenized assets, **24/7/365 cross-border payments**, and on-chain collateralization.



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# Comparing the **Three** **Models**

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**Stablecoins →**

Fast, global, already liquid, privately issued

**CBDCs →**

Tokenized central bank money, slow to deploy and limited in scope (*depending on national distribution decisions*)

**Tokenized deposits →**

Bank-native, programmable, and scalable emerging as the default path (*unless bank issues its own native stablecoin then new deposits are automatically tokenized*)





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## Comparing Digital Money Models

<b><i>Dimension</i></b>	<b><i>Stablecoins</i></b>	<b><i>CBDCs</i></b>	<b><i>Tokenized Deposits</i></b>
Issuer	Private issuer / bank subsidiary	Central bank	Commercial bank
Settlement layer	Public blockchains	Permissioned / DLT	Permissioned / bank-led
Governance	Issuer-governed	Central bank	Bank-governed
Programmability	High	Medium	High
Balance sheet	Issuer liability	Central bank liability	Bank deposit liability

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# Good knowledge is built together.

Feel free to send me feedback, ideas, topics you would like to read more, or directly collaborate with me on the next post.



**Share if you find this valuable.**

Chiara Munaretto