# The Banks That Own the System That Confirms Every Zelle Payment Just Put It on a Blockchain

The Clearing House. 22 Banks. CHIPS RTP EPN. The Bridge or The Chain. H1 2027. 263 Billion in Stablecoins Is Why. -- Q2 2026

On June 5, 2026, JPMorgan Chase, Citigroup, Bank of America, Wells Fargo, and a roster of major US and international banks announced through a joint press release -- first reported by the Wall Street Journal -- that they are building a shared tokenized deposit network targeting a launch in the first half of 2027. The network will be operated by The Clearing House -- the real-time payments company that 22 of the largest banks in America collectively own, and that already operates CHIPS, RTP, and EPN, the payment networks that clear and settle the majority of US interbank transactions every single day. Internally, banks are reportedly calling the new platform the bridge or the chain depending on who you ask. The participant roster, according to The Defiant, includes BNY, BMO, Citizens Financial, Fifth Third, HSBC, Huntington, KeyBank, PNC, Regions, Santander, TD Bank, Truist, and US Bank -- in addition to the four largest US banks. The Clearing House CEO David Watson told the Wall Street Journal that the initiative marks a big move for the banks, adding that the industry faces a radically different future built around onchain payments and finance. The announcement arrives as USDT and USDC together hold roughly $263 billion in circulating supply according to DefiLlama -- a scale that bank executives have explicitly framed as a structural deposit-retention threat. Bank of America's Head of Global Payments Solutions Mark Monaco called the initiative an important foundation for future growth that combines the innovation of digital finance with the trust, scale, and settlement certainty of established bank payment infrastructure. Citi's Shahmir Khaliq said the network effectively cements the role banks play in financing, money management, and capital markets. Wells Fargo CFO Mike Santomassimo said the initiative boosts Wells Fargo's ability to give payments clients the benefits of blockchain along with the trust and stability expected from banks. A blockchain vendor has not yet been selected. This is the moment that the institution which confirms every dollar moving through the US banking system decided that the future of that confirmation runs on a blockchain.

## 01 -- WHAT THE CLEARING HOUSE ACTUALLY IS AND WHY ITS DECISION MATTERS MORE THAN ANY SINGLE BANK'S

To understand why this announcement is more significant than any individual bank announcing a blockchain pilot, you need to understand what The Clearing House is and why its decisions function as binding infrastructure choices for the entire US banking system rather than as one competitor's strategic bet.

The Clearing House -- known by its abbreviation TCH -- is a private company owned by 22 to 25 of the largest banks operating in the United States, including JPMorgan Chase, Citigroup, Bank of America,

Wells Fargo, and international shareholders including Canada's TD and BMO, the UK's Barclays and HSBC, Germany's Deutsche Bank, and Spain's Santander. TCH is not a regulator and not a government agency. It is the bank-owned utility that operates the payment rails the entire US banking system depends on for interbank settlement.

TCH operates three critical payment systems. CHIPS -- the Clearing House Interbank Payments System -- is the private-sector large-value payment system that settles the majority of US dollar cross-border payment volume, processing trillions of dollars daily among its participant banks. RTP -- the Real-Time Payments network -- is the instant payment rail that banks use for real-time consumer and business payments, the infrastructure layer that underlies services like Zelle for many participating institutions. EPN -- the Electronic Payments Network -- is one of the two private-sector ACH operators in the United States, processing the automated clearing house transactions that move trillions of dollars in payroll deposits, bill payments, and business-to-business transfers every year.

When TCH decides to build tokenized deposit infrastructure, it is not one bank experimenting. It is the consortium that owns and operates the rails every other bank in the system depends on, deciding that those rails need a blockchain layer. Every bank that uses CHIPS, RTP, or EPN -- which is to say nearly every bank operating in the United States -- will eventually need to interoperate with whatever TCH builds, the same way every bank today must interoperate with CHIPS for cross-border dollar settlement. This is the difference between a single bank launching a blockchain product and the central nervous system of US bank payments deciding to grow a blockchain limb.

> ***THE CLEARING HOUSE: Owned by 22-25 of the largest US and international banks including JPMorgan, Citi, BofA, Wells Fargo, HSBC, Santander, TD, BMO. Operates CHIPS for large-value cross-border settlement, RTP for instant payments underlying services like Zelle, and EPN for ACH processing of payroll and bill payments. CEO David Watson: a big move for the banks, the industry faces a radically different future built around onchain payments and finance.***

## 02 -- TOKENIZED DEPOSITS EXPLAINED: WHAT CHANGES FOR THE MONEY IN YOUR ACCOUNT

A tokenized deposit is a blockchain-based digital representation of an actual commercial bank deposit -- the money sitting in your checking or savings account at Wells Fargo, Chase, Citi, or any participating bank. Understanding the precise distinction between a tokenized deposit and a stablecoin is the single most important technical concept in this entire announcement, because the distinction is exactly what bank executives are betting their multi-trillion-dollar deposit base on.

When you hold a stablecoin like USDC or USDT, you hold a token issued by a non-bank company -- Circle or Tether -- that represents a claim on reserve assets the issuer holds, typically US Treasury bills. The stablecoin exists outside the traditional banking system in the sense that it is not itself a bank deposit and is not protected by FDIC deposit insurance in the way a bank account balance is. When you hold a tokenized deposit, by contrast, you hold a blockchain-based representation of an actual deposit liability that your bank owes you -- the same deposit that exists today as a number in your bank's database, except that number now also has a token representation on a blockchain that can move 24/7

with instant settlement.

The practical implication: a tokenized deposit keeps your money inside the regulated banking system, subject to the same FDIC insurance, the same bank capital requirements, and the same regulatory oversight that govern deposits today -- while gaining the technical capability that has made stablecoins attractive, namely instant, programmable, 24/7 settlement on blockchain rails. The TCH announcement described the platform as enabling on-chain clearing and settlement of tokenized deposits between participating banks, supporting 24/7 settlement and automated payment workflows, and serving as a connectivity layer linking blockchain activity to existing fiat rails including RTP and CHIPS.

For an ordinary depositor -- the stay-at-home parent, the teacher, the firefighter referenced in the framing of this story -- the near-term practical change is minimal. Your deposit remains a deposit. It remains FDIC insured up to applicable limits. The tokenization happens at the infrastructure layer between banks, not at the layer between you and your bank. What changes is the speed and programmability of how that deposit moves when it needs to move -- particularly for large transactions, business payments, and cross-border transfers, which is why the early users are expected to be large global companies seeking to streamline payments and treasury operations, according to The Block's reporting on the TCH announcement.

## 03 -- THE STABLECOIN THREAT: WHY 263 BILLION DOLLARS SCARED THE BANKING SYSTEM INTO ACTION

The timing and framing of the TCH tokenized deposit announcement cannot be separated from the $263 billion figure that DefiLlama reports for the combined circulating supply of USDT and USDC -- a figure that bank executives have explicitly identified as a structural threat to deposit retention, the foundational business model of commercial banking.

Commercial banking has operated on a simple model for centuries: customers deposit money, banks pay depositors a low interest rate or no interest at all, and banks lend that deposited money out at higher rates, capturing the spread as profit. The entire model depends on customers keeping their money in deposit accounts rather than moving it elsewhere. Stablecoins represent the first technology in the history of banking that gives ordinary people and businesses an alternative place to hold dollars -- one that, depending on the issuer and the regulatory environment, can offer comparable safety, instant global transferability, and in some cases yield, without requiring a traditional bank account.

The eMarketer analysis of the TCH announcement framed the strategic logic directly: one of banks' biggest issues is deposit retention, and against this backdrop, banks view stablecoins as a threat because they could pull cash from bank accounts and into crypto ecosystems. A dollar that moves from a Wells Fargo checking account into a USDC wallet is a dollar that Wells Fargo can no longer lend out, no longer earn interest income from, and no longer count as part of its deposit base for regulatory capital purposes. At $263 billion in combined USDT and USDC circulation -- a figure that has grown substantially as the GENIUS Act has provided regulatory clarity for stablecoin issuers -- the scale of dollars that could theoretically migrate from bank deposits to stablecoin wallets is no longer a rounding error. It is a competitive threat large enough to bring 22 competing banks together to build shared infrastructure.

The irony embedded in this dynamic -- and the reason the JPMorgan-Coinbase-Dimon storyline documented elsewhere in the Alain AI Lab research library is so analytically rich -- is that the same JPMorgan whose CEO Jamie Dimon has publicly fought the CLARITY Act's stablecoin yield provisions is simultaneously the lead participant in a bank consortium building blockchain-based tokenized deposit infrastructure specifically because stablecoins have proven that blockchain-based money works. Dimon is not fighting blockchain. He is fighting the version of blockchain-based money that operates outside bank balance sheets, while building the version that operates inside them.

> ***THE 263 BILLION DOLLAR THREAT: USDT plus USDC combined circulating supply per DefiLlama. Every dollar that moves from a bank deposit to a stablecoin wallet is a dollar the bank can no longer lend, earn interest on, or count toward its capital base. eMarketer: banks view stablecoins as a threat because they could pull cash from bank accounts into crypto ecosystems. TCH tokenized deposits are the banking system's answer: blockchain speed, bank deposit safety.***

## 04 -- THE BRIDGE OR THE CHAIN: WHAT THE PLATFORM WILL ACTUALLY DO

The platform that TCH is building -- referred to internally as the bridge by some banks and the chain by others, according to Unchained and CryptoBriefing reporting -- has a specific technical scope that distinguishes it from both the JPMorgan Kinexys infrastructure documented elsewhere in this research library and from the DTCC Canton Network tokenized securities initiative.

The platform will enable on-chain clearing and settlement of tokenized deposits between participating banks -- meaning the initial use case is bank-to-bank movement of tokenized deposit value, not necessarily direct consumer-facing wallets. It will support 24/7 settlement and automated payment workflows -- the same always-on, programmable settlement capability that has made stablecoins attractive for business treasury operations, now available natively within the bank-owned infrastructure. And critically, it will serve as a connectivity layer linking blockchain activity to existing fiat rails, including CHIPS and RTP -- meaning the new tokenized deposit network is not a replacement for CHIPS and RTP but a blockchain extension that connects to them.

This connectivity-layer framing is the key to understanding why this initiative is structurally different from a bank simply issuing its own token, as JPMorgan has done with JPMD on Base and Canton. JPMD is a single bank's deposit token on a public or semi-public blockchain. The TCH initiative is a shared, multi-bank settlement layer that any of the 22-plus participating institutions can use to move tokenized deposit value among themselves, with that movement ultimately reconciling against the existing CHIPS and RTP infrastructure that TCH already operates. It is infrastructure built for interoperability among competitors -- the same function that CHIPS and RTP already serve for traditional payments, extended to the tokenized world.

The Block's reporting noted that BNY launched its own tokenized deposit service for institutional clients in January 2026, and that Singapore's DBS and Kinexys by JPMorgan announced in November 2025 that they are developing an interoperability framework to facilitate tokenized deposit transfers between their respective onchain ecosystems. The TCH initiative can be read as the industry-wide standardization of exactly this kind of interoperability -- rather than each bank building bilateral bridges

to every other bank's tokenized deposit system, TCH becomes the hub that every participating bank connects to once, the same way CHIPS today serves as the hub for cross-border dollar settlement rather than requiring every bank to maintain bilateral settlement relationships with every other bank.

## 05 -- THE CARI NETWORK: THE RETAIL-FACING PARALLEL TRACK

Running parallel to the large-bank TCH initiative is a separate effort called the Cari Network -- a consortium of regional banks including Huntington, First Horizon, KeyCorp, M&T;, and Old National Bank, targeting a customer-facing tokenized deposit network with a pilot planned for Q3 2026 and a customer launch in Q4 2026, ahead of the TCH network's first-half 2027 target.

The distinction between the two initiatives, as Bitcoin.com News framed it, is that the major-bank TCH initiative focuses on wholesale and institutional use cases -- large corporate treasury operations, interbank settlement, cross-border payments between businesses -- while the Cari Network addresses the retail side of the market, meaning tokenized deposit functionality that individual consumers and smaller businesses could eventually interact with directly.

The Cari Network's faster timeline -- a Q3 2026 pilot and Q4 2026 customer launch, more than a year ahead of the TCH network's first-half 2027 target -- reflects the different scale and complexity of the two efforts. A consortium of five regional banks building a retail-facing pilot is a smaller technical and governance challenge than 22-plus of the largest financial institutions in the world, several with international shareholders, agreeing on a shared blockchain vendor, governance structure, and technical standard for wholesale settlement. The two tracks together suggest that tokenized deposit functionality will reach different segments of the banking system on different timelines -- regional bank retail customers potentially seeing tokenized deposit features before the largest banks' institutional clients, even though the largest banks are driving the headline announcement.

The industry consensus reported across multiple outlets is that tokenized deposits and stablecoins will coexist rather than one displacing the other -- though, as the Bitcoin.com News analysis noted, some market participants regard the development as a direct competitive test. The coexistence framing is the more likely long-term outcome: tokenized deposits offer bank-grade safety and deposit insurance with blockchain speed for users who want to remain within the regulated banking perimeter, while stablecoins offer broader interoperability with the decentralized finance ecosystem, crypto exchanges, and the global dollar demand documented in the Alain AI Lab stablecoin Treasury demand report. Both serve overlapping but distinct use cases, and both are growing simultaneously.

## 06 -- WHAT THIS MEANS FOR THE BLOCKCHAIN INFRASTRUCTURE ECOSYSTEM

A blockchain vendor for the TCH tokenized deposit network has not yet been selected, according to every outlet that covered the announcement -- The Block, The Defiant, PYMNTS, and CryptoBriefing all confirmed this point independently. This single fact is the most commercially significant open question in the entire announcement for investors tracking the blockchain infrastructure layer documented throughout the Alain AI Lab research library.

The candidates for that vendor selection are not a mystery -- they are the same blockchain networks that have already demonstrated institutional-grade settlement capability in the adjacent initiatives this research library has documented. The Canton Network, which the DTCC selected for tokenizing $99 trillion in US securities and which JPMorgan's JPMD is being deployed onto. Base, the Coinbase-incubated Ethereum Layer 2 that JPMD already operates on and that has become the primary settlement layer for institutional stablecoin infrastructure. Ethereum itself, as the underlying settlement layer beneath Base and many other institutional deployments. And potentially a purpose-built private or permissioned chain developed specifically for TCH, given that CHIPS and RTP are themselves proprietary systems that TCH has built and operated rather than relying on third-party infrastructure.

Whichever blockchain TCH selects will instantly become the settlement layer for a network whose member banks collectively hold the deposits of the overwhelming majority of US bank customers -- every Wells Fargo, Chase, Citi, Bank of America, US Bank, PNC, Truist, HSBC, and Santander customer in the country, plus the international footprint of TD, BMO, Deutsche Bank, and the other international shareholders. The vendor selection decision, whenever it is announced, will be among the most significant institutional blockchain adoption signals of 2026 or 2027 -- comparable in significance to the DTCC's Canton Network selection for securities tokenization.

JPMorgan's public statement on the initiative -- that a regulated clearing system will be one of the key building blocks for scaling payments in blockchain environments -- frames the TCH network not as an alternative to the bank's own Kinexys infrastructure but as complementary regulated clearing infrastructure that sits alongside it. This suggests JPMorgan may favor interoperability between TCH's eventual chosen infrastructure and the Base and Canton deployments where JPMD already operates -- continuing the pattern of interoperability-first design that the DBS-Kinexys framework from November 2025 already established.

## 07 -- CONCLUSION: THE INFRASTRUCTURE OF YOUR ECONOMIC LIFE IS MOVING -- AND IT IS MOVING TOWARD YOU, NOT AWAY FROM YOU

The framing that 22 of the largest banks in America are quietly putting your bank account on a blockchain is directionally accurate but requires the precision this report has provided: your deposit is not leaving the regulated banking system, losing FDIC insurance, or being converted into a speculative crypto asset. What is happening is that the infrastructure connecting banks to each other -- the infrastructure that already confirms every Zelle payment, every wire transfer, every payroll deposit through CHIPS, RTP, and EPN -- is gaining a blockchain layer that enables the same instant, 24/7, programmable settlement that has made stablecoins commercially successful, while keeping the underlying deposits exactly where deposit insurance and bank regulation say they should be.

The reason this matters for the stay-at-home parent, the teacher, and the firefighter referenced in the framing of this report is not that their individual banking experience changes overnight. It is that the foundational infrastructure of the entire US dollar payment system -- the system every paycheck, every mortgage payment, every Social Security deposit, every small business invoice ultimately depends on -- is being rebuilt on blockchain rails by the institutions that operate it, on a timeline measured in months,

not decades. The internet did not change overnight for the people who used dial-up modems in 1995. But the infrastructure being built in that era determined every digital interaction those same people would have for the following thirty years.

For investors who have been tracking the complete institutional blockchain buildout documented across the Alain AI Lab research library -- the DTCC Canton Network, JPMorgan Kinexys and JPMD, the OCC charter wave, the GENIUS Act stablecoin reserve framework, and now the TCH tokenized deposit network backed by 22-plus of the largest banks in America -- the pattern is unmistakable. Every layer of the traditional financial system -- securities settlement, corporate treasury, stablecoin reserves, and now the deposit base of the commercial banking system itself -- is migrating to blockchain infrastructure simultaneously. David Watson's framing is the one to remember: a big move for the banks, in an industry facing a radically different future built around onchain payments and finance. The people who understand it early are the ones who benefit. The infrastructure is moving. It is moving toward you.

> ***June 5 2026: JPMorgan, Citi, BofA, Wells Fargo plus HSBC, BNY, TD, Santander and 14 plus other banks announced a shared tokenized deposit network operated by The Clearing House, targeting H1 2027 launch. CHIPS RTP EPN are the existing rails. USDT plus USDC at 263B is the stated threat. Cari Network is the faster retail-facing parallel track from regional banks, Q4 2026. Blockchain vendor not yet selected. Your deposit stays insured. The rails are going on-chain.***

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