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Harnessing Your On-Chain Opportunity

SEPTEMBER 2026



Session Description

Stablecoins have rapidly evolved from an emerging Distributed Ledger Technology (“DLT”) innovation to a strategic priority, accelerated by the July 2025 passage of the GENIUS Act. This session explores the opportunities they create for financial institutions, current client use cases, and key steps to prepare for adoption in a safe and compliant way.



On-Chain & On-Strategy:

Identifying and understanding where stablecoin impacts your current strategic plan



Use Cases:

Both now and in the future



Stablecoin vs. Tokenized Deposits:

Identifying any key differences and which approach is right for you



Action:

Building the right foundation, processes, and systems internally to unlock your opportunity



Presenter



OVERVIEW

Mike is a Principal in Wolf's Advisory Services group where he is responsible for leading the delivery of client engagements within the firm's financial institution, fintech, and digital asset service teams.

His recent engagements include enterprise risk management (ERM), climate risk, vCISO, virtual CRO, operational resilience, and board training, among others. With 25+ years in banking and technology, Mike has extensive knowledge in strategic planning, corporate governance, technology strategy, and third-party risk management issues.

Mike is an avid extreme adventurer, enjoying snowboarding, rock climbing, and recently visiting Mt. Everest Basecamp. His passion for adventure is so well known that he has even convinced his children that their mother is ice-climbing on the family vacation.

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Education

- BS in Accounting, Syracuse University
- MBA, cum laude, Babson College
- Certificate in Strategy & Innovation, Massachusetts Institute of Technology



**The world is changing at the slowest rate
for the rest of your life**

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What Just Happened

LAST SUMMER

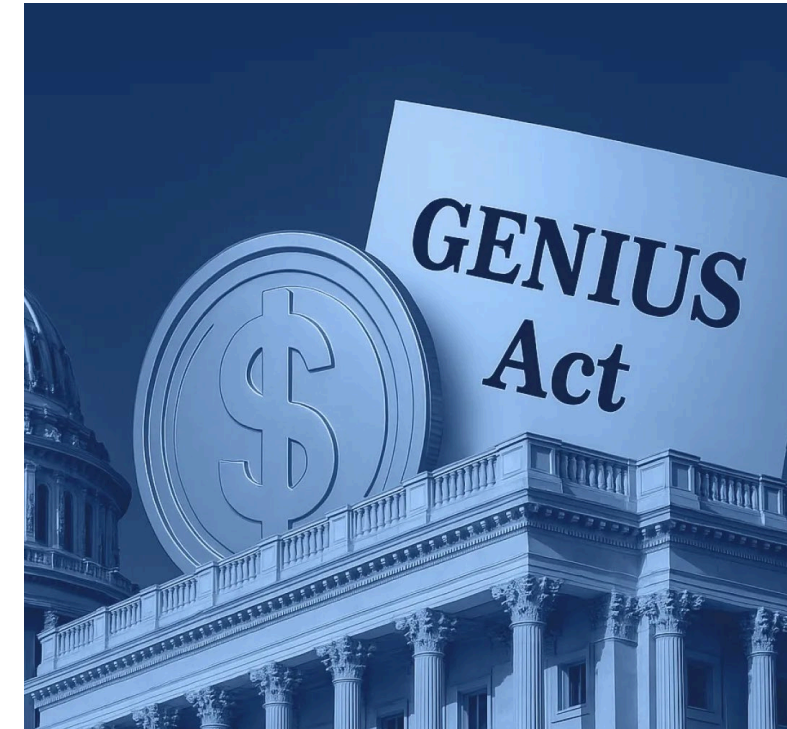
A Regulatory Framework for Payment Stablecoins is Law

Who can be a payment stablecoin issuer?

- Bank and Credit Union subsidiaries
- National Trusts
- Nonbanks

Who will regulate payment stablecoin issuers?

- Federal banking regulators
- State banking regulators



GENIUS Act Rules for Stablecoin Issuers



Key Obligations

- Maintain 1:1 reserves with monthly disclosure
- CEO/CFO certification of reserve accuracy
- Comply with Act requirements (capital, liquidity, BSA, sanctions, risk management, etc.)
- Technology for lawful seizure capabilities
- Audited financial is >\$50B outstanding
- Disclosure redemption policy and fees
- Limit activities to issuing, redeeming, managing reserves, custody and related services



Key Prohibitions

- No rehypothecation or pledging of reserves
- No interest of yield paid to holder of payment stablecoins
- No bundled services requirements
- No misrepresentation of government backing
- No leadership with felony financial crime convictions

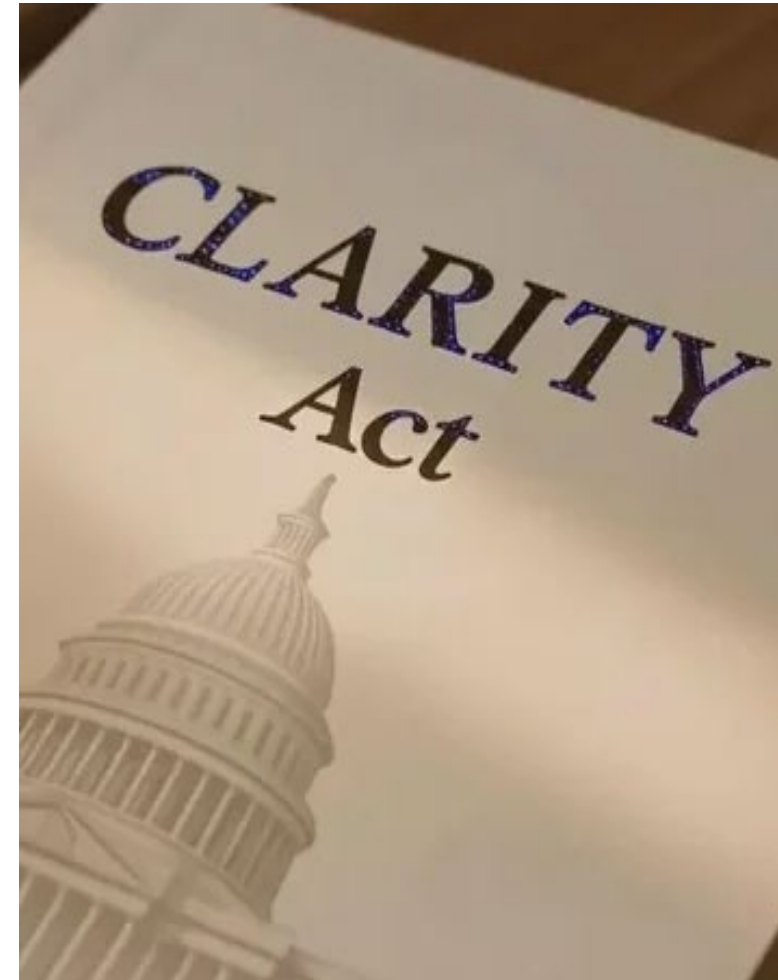
August 2026: The CLARITY Act is Stalled

What is Happening Now?

- Passed the House and Senate Banking Committee
- Senate has not completed a final floor vote before the August recess
 - Next opportunity is September
- Several unresolved issues prevent bipartisan support

Who is Objecting?

- **Ethics Provisions:** Senate Democrats want conflict-of-interest rules for government officials added
- **Criminal Investigates:** Law enforcement organizations want strict criminal investigation limitations removed
UPDATE: National Sheriffs' Association officially withdraws its opposition. 9/7/26
- **Stablecoin Yield Restrictions:** Banking industry wants yield restrictions strengthened
UPDATE: ABA + 80 banking associations send 100 Senators sample CLARITY Act language



OCC National Trust Bank Charters & Applications

Overview of corporate and digital asset firms utilizing the federal framework (as of September 2026)

Company Name	Application Status	Business Strategy	Target Customer
1. First National Digital Currency Bank (Circle)	Final Approval	Operates a compliant, federally supervised foundation to scale stablecoin settlement .	Global fintechs, enterprises, and payment ecosystems .
2. Ripple National Trust Bank	Conditional Approval	Provides standardized institutional crypto-custody and cross-border remittance rails .	Multinational corporations and commercial banks.
3. BitGo Bank & Trust	Conditional Approval	Scales regulated, institutional-grade multi-signature custody and prime brokerage .	Institutional investors and digital asset funds.
4. Fidelity Digital Assets	Conditional Approval	Offers enterprise-grade secure crypto custody natively integrated for asset managers.	Asset managers, pension funds, and family offices.
5. Paxos Trust Company	Conditional Approval	Tokenizes real-world assets , scales custody, and expands white-label stablecoins.	Enterprise fintechs and global banking platforms .
6. Laser Digital NTB (Nomura)	Conditional Approval	Provides institutional digital asset trading, management, and venture services.	Sovereign wealth funds and hedge funds .
7. Agora National Trust Bank	Conditional Approval	Bridges digital networks with global capital via stablecoin-related frameworks.	Tier-1 financial institutions and web3 networks .
8. Catena Trust Bank	Conditional Approval	Provides robust federal custody frameworks for institutional asset portfolios.	High-net-worth individuals and corporate treasuries.
9. Bastion Platforms Trust Co.	Conditional Approval	Delivers white-label stablecoin and web3 payment infrastructure.	Large consumer enterprises and web3 brands.
10. Bridge National Trust Bank	Pending Application	Seeks de novo charter to establish federally regulated digital banking pipelines.	B2B payment companies and global merchants.
11. Morgan Stanley Digital Trust	Pending Application	Plans to offer high-net-worth and institutional clients crypto custody.	Private wealth clients and institutional investors.
12. Block (Builders Bank & Trust)	Pending Application	Embeds specialized fintech lending and cash compliance within its ecosystem.	Micro-merchants and small-to-medium businesses .

A Fad or the Future: Attention Grabbing Headlines

PaymentsJournal

Commercial Credit Debit Digital Assets & Crypto Digital Banking Emerging Payments

Visa's Stablecoin Advisory Practice Aims to Open Up the Market



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Finance

Wells Fargo joins JPMorgan and Citi in the race to tokenize Wall Street's settlement rails

Payments will run on the bank's proprietary blockchain and be routed automatically through its existing client interface.

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VERSABANK COMMENCES
FOREIGN EXCHANGE
FUNCTIONALITY AND OTHER
ENHANCEMENTS TO SUPPORT
COMMERCIALIZATION OF REAL
BANK TOKENIZED DEPOSITS™



Subs

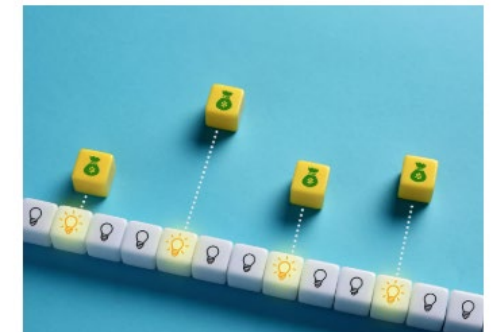
Where's the VC money going? - Key fintech funding trends in 2026

We chat with a range of VC experts to explore the key fintech investment trends to keep an eye on over the year.



Francis Bignell, Reporter, FinTech Futures
March 9, 2026

🕒 5 Min Read



1971

Have We Been Here Before

Dimension	Money Market Funds (MMFs)	Stablecoins
1. Core Purpose	• Cash-equivalent investment vehicles • Designed to preserve principal • Offering market-based yield from short-term assets	• Digital dollar instruments • Designed for payments, settlement, and on-chain liquidity • Prioritize speed and usability
2. Balance Sheet & Backing	• Redeemable shares • Backed by diversified pools of short-term, high-quality instruments (Treasuries, repos, commercial paper)	• Redeemable tokens • Backed by 1:1 reserves such as cash, Treasuries, and overnight repos
3. Regulation & Oversight	• Long-established securities regulation (e.g., SEC Rule 2a-7) governing liquidity, maturity, diversification, and disclosure	• Historically fragmented oversight • Now converging toward MMF-like reserve and redemption standards under stablecoin laws
4. Behavior in Stress	• Vulnerable to runs • Protected by liquidity buffers, sponsor support, and crisis-era public backstops	• Subject to rapid, real-time redemptions and flight-to-quality dynamics • Reserved 1:1
5. Direction of Convergence	• Becoming more digital through tokenized funds and blockchain-based settlement	• Becoming more regulated • Treasury-heavy • Increasingly resembling traditional cash vehicles

Nonbank Money Market Funds total asset value Aug. 2026 = \$7.98T

Economic Indicators & Crypto Currency Market

2026 U.S. GDP (forecast)
~\$32.2 Trillion
Estimated Annual
World's Largest Economy

U.S. M2 Money Supply
\$23.2 Trillion
August 2026

Bitcoin Market Cap
~\$1.28 Trillion
58% of Total Crypto Market of \$2.2 Trillion
August 2026
Crypto is <10% of M2



USD Stable Coin
~\$300 Billion
14% of Total Crypto Market



Tether USD Stable
Coin (61%)
~\$183 Billion



Circle USD Stable
Coin (24%)
~\$73 Billion

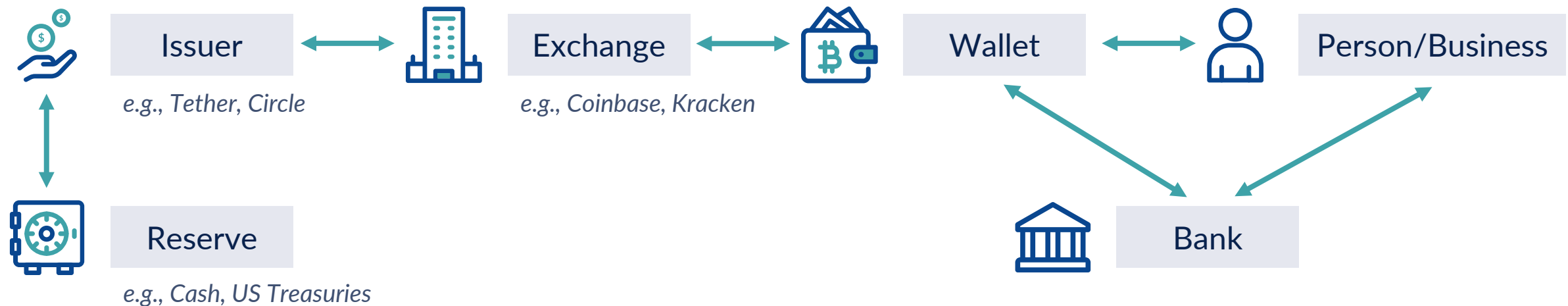


Other USD Stable
Coin (15%)
~\$44 Billion

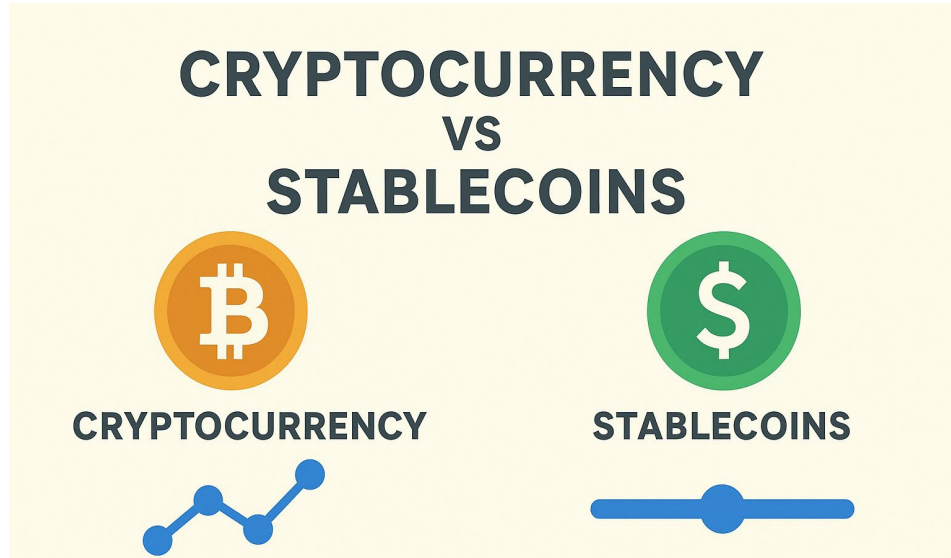
Stablecoin Environment

An Individual Stablecoin:

- Type of digital asset
- Designed to maintain a stable value, typically pegged to a reserve asset like the US Dollar
- Issues by holding reserves such as Cash and US Treasuries on a 1-to-1 basis (i.e., 100% reserved vs. \$US fiat that is fractionally reserved)
- Used to store, lend, or transfer value within digital and distributed ledger technology ecosystems



Cryptocurrency vs. Stablecoin



Cryptocurrencies are designed for investment and speculation with high volatility.

Stablecoins prioritize stability and utility for everyday transactions.

Key Feature	Cryptocurrency	Stablecoin
Volatility	High (10-50% Daily)	Low (0.1%)
Primary Use	Investment/Store of Value	Payments/Transactions
Price Mechanism	Market Driven	Pegged to Fiat (e.g., \$U.S.)
Risk Level	High	Low
Adoption Drivers	Speculation/Technology	Utility/Stability

Tokenized Deposits



August 2026

Stablecoins	Tokenized Deposits
Blockchain-based digital currencies pegged to a reference asset	Digital representations of traditional bank deposits on blockchain infrastructure
Payment stablecoins are fully-reserved tokens resembling money market mutual funds	Tokenized deposits are bank deposits eligible for FDIC insurance
Payment stablecoin issuers operate like asset managers or narrow banks earning revenue from interest on reserves . Today, issuers are not earning revenue related to payments or transaction interchange fees.	Banks that hold these liabilities use them as a source of funding for lending activities and intraday settlement , earning revenue from the net interest spread.

How Money Moves: Tokenized Deposits

The Bank Is Present at every single step. Not adjacent or at the edges like stablecoins.

Value (of Tokenized Deposit) Never Leaves the Bank; stays inside the regulated banking system the entire time.

Step 1. Deposit & Mint

Customer deposits \$US at Bank A, which mints a USD token on a blockchain network representing the deposit liability

Step 2. Permissioned Network

USD Token moves bank-to-bank across a closed, blockchain, permissioned financial network

Step 3. Credit & Settle

Bank B \$US credits its customer.
USD settlement happens bank-to-bank often nearly instantly

Network Choices

Proprietary Platforms

- JPMorgan Kinexys
- Citi Integrated Digital Assets Platform
- Closed-loop, single-institution ecosystems.

Shared Platforms

TCH Network, Cari, FIS Project Keystone, Vantage Bank's Hazel

- Multiple banks share one programmable platform
- BankChain Alliance (FBA) and IBAT DTX Consortium for community banks

Tokenized \$USD Networks

Consortium	Members / Backers	Governance	Technology	Status
USDF Consortium	NYCB, NBH Bank, FirstBank, Webster, Synovus, Amerant, Atlantic Union, ConnectOne, Primis (backed by Figure/JAM FINTOP)	Bank-led, oldest (formed Jan 2022)	Private, permissioned Provenance blockchain	Working through regulatory approval Pilot stage Sept. 2026
Cari Network	Gene Ludwig (former OCC Comptroller), Huntington, First Horizon, M&T, KeyBank, Old National; Raised \$32.5M from banks (Sept 2026)	Bank-governed, regional coalition	Permissioned Layer-2 on ZKsync's "Prividium," anchored to Ethereum	MVP live March 2026; Pilot Q3 2026; Commercial deployment targeted Dec 2026
BankChain Alliance	40 state bankers associations (~3,283 community banks / \$21.8T assets)	Industry-owned / governed, Modeled on FHLB system (equal voice regardless of size)	RFP in Process	Announced Aug 25, 2026; Raising capital, No tech partner / members confirmed; Targeting 2027
TCH On-Chain Money Initiative	17 major banks: JPMorgan, BofA, Citi, Wells Fargo, HSBC, PNC, Truist, U.S. Bank, TD, BNY, BMO, Citizens, Fifth Third, KeyBank, Regions, Santander, Huntington	Operated by The Clearing House	Vendor TBD; connects to CHIPS/RTP rails	Announced June 5, 2026; Targeting H1 2027
DTX Consortium	50+ banks via Independent Bankers Assoc. of Texas	Trade-association-led, community bank focus	Not specified	50+ members by June 2026; Pilot in prep

Tokenized \$USD Networks (cont.)

Consortium	Target Participants
USDF Consortium	The member institutions are strictly FDIC-insured, regional commercial banks looking to mint regulated digital deposit tokens. The announced target users are their corporate, commercial, and institutional clients looking for secure, on-chain cash management and programmable payment rails.
Cari Network	The founding network members consist of U.S. regional financial institutions. The target end users are the commercial and corporate clients of these participating banks who require real-time, programmable interbank transaction settlements.
BankChain Alliance	The primary target users are small-to-midsize businesses and everyday community bank customers who want access to smart payment tools without relying on Wall Street megabanks.
TCH On-Chain Money Initiative	This initiative is operated by <u>The Clearing House (TCH)</u>, whose members include 25 of the largest commercial financial institutions in the United States. The network's target users will be institutional participants, large multinational corporates, and banks of all sizes seeking seamless cross-border payments, digital asset settlement, and automated corporate treasury management.
DTX Consortium	The consortium's core members are community banks nationwide, spearheaded by the <u>Independent Bankers Association of Texas (IBAT)</u> with more than 60 community banking entities enrolled. The target end users are community-level merchant clients, local businesses, and regional customers who require tokenized deposits and stablecoin payment options.

Observations:

- Each consortium will require a DLT/private block chain
- Each end user will require a digital wallet ("the last mile")
- Multiple consortium participation will require multiple wallets

Announced Use Cases and Counts

- Cross-border Payment and Settlement (3)
- Programmable Corporate Treasury Operations (3)
- Real-time Interbank Liquidity Management (3)
- Digital Asset and Security Settlement (3)
- Invoice and Supply Chain Financing (2)
- B2b / Peer-to-Peer Real Time Rails (2)
- Capital Call Financing (VC/PE) (1)
- On-chain Commercial Lending & Securitization (1)
- Community Merchants payment Tools(1)
- Independent / Local Banking Network Inclusion (1)

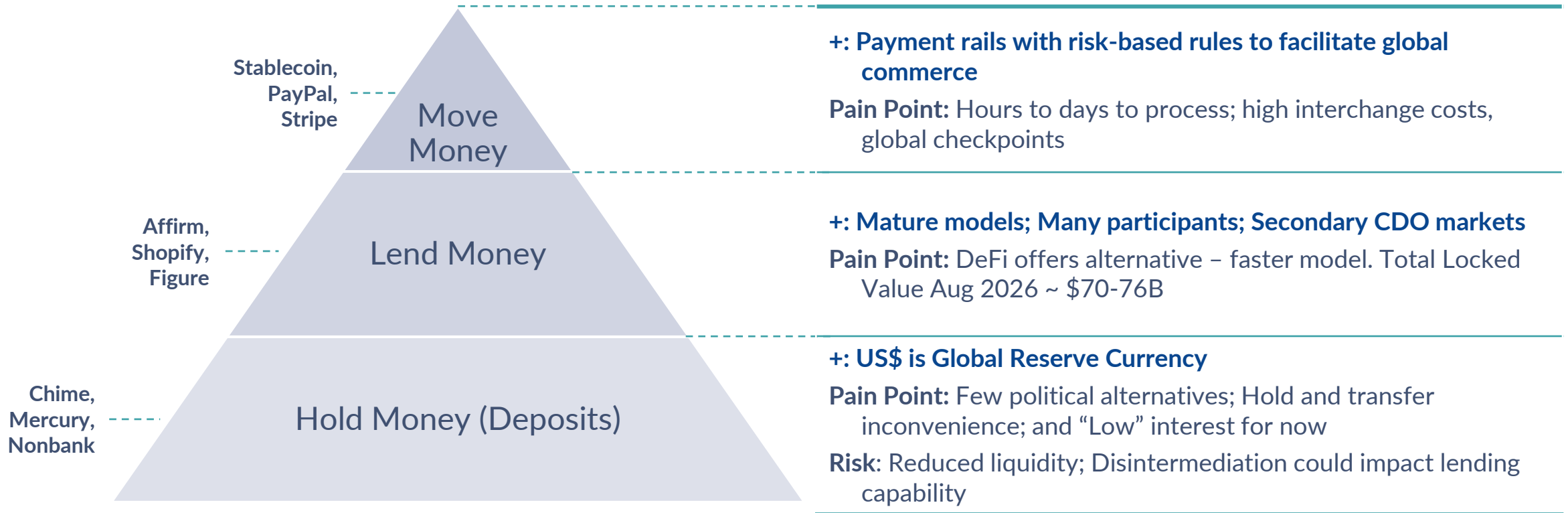
NOTE: Green Text = Community Bank Use Cases

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The Business of Money

SETTING THE TABLE

The Business of Money

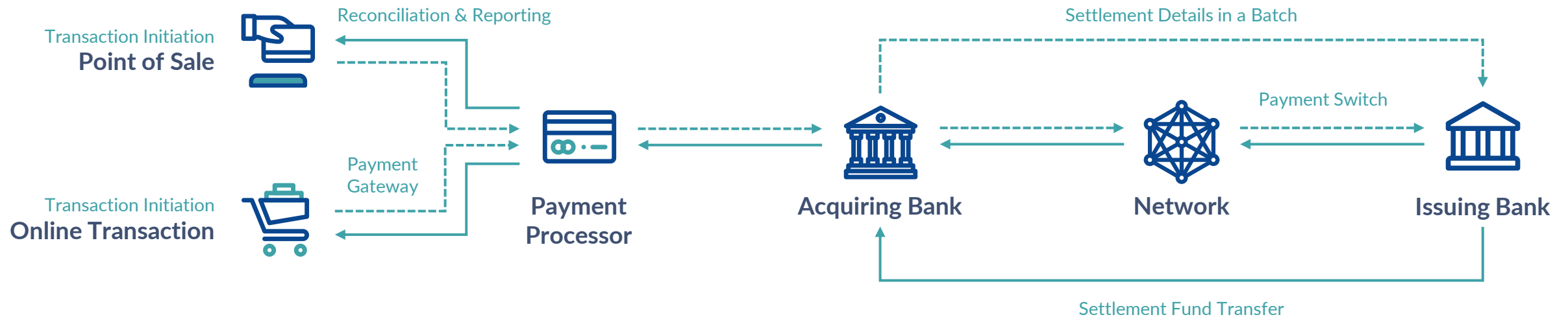


Supporters of the Model: Tout stability, mature markets, and strong consumer protection

Supporter of Disintermediation: Tout speed, excessive profits, unnecessary protections, freedom of choice

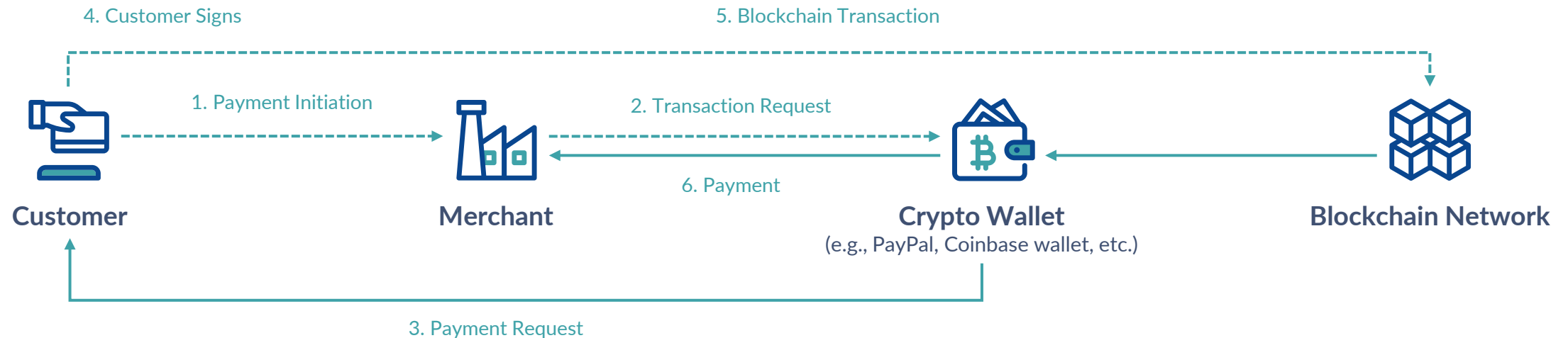
How Fiat Payment Process Works

- 8–10 Steps depending on how you count the activities
- U.S. Retail interchange fee 1.5%–3.5% of transaction amount
- Cross Border Fees:
 - SWIFT Fees \$10–\$50, or more, per transaction
 - Western Union: Varies by country and by payment method, +Exchange Markup (i.e., 14-20%)



How Stablecoin Payment Process Works

- **Simplicity** – 6 Steps (not 8-10 with Fiat currency)
- **Cost** – Interchange not determined yet (consider \$0.20-\$0.50, not 3.5% of Fiat transaction)
- **Cross Border** not determined yet (consider \$0.00 not \$10-\$50 per Fiat transaction)
- **Speed** - Settlement immediate (not days)



Payment Orchestration / API Hub Vendors

Vendor & Platform	Core Architectural Differences	Target Customer Type
Finzly (Payment Galaxy)	Single multi-rail API connection unifying FedNow, RTP, ACH, and wires into an independent operating layer that <u>bypasses siloed legacy core modules</u> .	Community banks, regional institutions, and top-tier banks seeking a single operational dashboard.
Alacriti (Cosmo Payments)	API-centric orchestration layer focused heavily on digital user experiences, seamlessly <u>plugging into community core providers</u> to surface modern payment rails.	Community banks, credit unions, and regional retail financial institutions.
Form3 (Payment Hub)	Fully managed, cloud-native API-first platform providing direct, outsourced cloud pipelines to real-time clearing rails without a physical software footprint.	Neo-banks, digital-first fintechs, and tier 1/2 banks scaling instant settlement footprints.
ACI Worldwide (ACI Connetic)	<u>Cloud-native</u> , highly scalable infrastructure utilizing containerized orchestration to concurrently process high-volume, multi-network global transactions.	Large regional institutions, global banks, and high-volume merchant acquirers.
Temenos (Payments Hub)	SaaS-driven, rail-agnostic hub <u>running independently of the core</u> , utilizing configuration-driven business rules for intelligent routing and instant fraud scoring.	Mid-to-large-sized banks already on modern tech stacks or looking to isolate their payment rails from core systems.
Volante Technologies	Low-code, microservices-based platform engineered for rapid <u>cloud deployment</u> with an isolated orchestration layer that preserves existing core accounting systems.	Tier 1 global institutions down to mid-sized regional banks requiring heavy network configuration.

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**Financial Institution
Service Innovation**

Use Cases – Customer Services

Low Effort/
Low Control

High Effort/
High Control

Light Account Integration

- Internet banking and mobile app unified customer experience for fiat account balances with Stablecoin account balances
- Provide cross platform transfers

Outsourced Custody Only

- Bank branded service for retail and small business commercial
- Customer receives regulated storage and safekeeping service
- Service does not include payments or transfers
- Commercial deposit service for Stablecoin issuer's reserves

Embedded Wallet

- Full end-to-end Stablecoin account balances, transfers, and payments
- Full access to high-performance digital ledger
- 24/7 transaction authorization
- No modification to legacy cores
- Perform full BSA/KYC/AML oversight

FI-Issued Stablecoin

- All Embedded Wallet services
- Available to only the largest financial institutions who can manage the minting, brining, compliance, and interoperability

Banking Transactions and Fees

Light Account Integration

- Small, <\$10 per month subscription fee (or waived)
- Per transaction fees for account owner for Fiat and Stablecoin on/off ramp cross platform transfers

Outsourced Custody Only

- Light Integration service fees, plus:
- Account owner custody fee
- 0.10%-0.50% fee to hold the Cash/US Treasury Reserve backing the Stablecoins
- Commercial deposit account fees and loans to Stablecoin issuers

Embedded Wallet

- Outsourced Custody Only fees, plus:
- Per transaction fee for P2P Transaction Settlement for Fiat on/off ramp interbank settlement/transactions
- Different fee structures based on “Preferred Crypto wallet” or “House wallet”
- Cross border payment disintermediation

FI-Issued Stablecoin

- Embedded Wallet fees, plus:
- Treasury services for Stablecoin industry Cash/U.S. Treasury reserve management in the range of 1.00%-1.5% annually

Client Case Study #1 – Strategic Planning



Executive Summary

- Evaluation of digital asset service readiness
- Conducted Core-based Known Attributes analysis to measure customer deposit outflows to major crypto exchanges
- Developing strategic options for digital asset adoption



Key Challenges

- Legacy risk and compliance frameworks inadequate for digital assets
- Missing governance for emerging technologies
- Unprepared for evolving reporting obligations (Escheatment, 1099-DA)



Comprehensive Solution

Deposit Outflow Quantification:

Measured deposit to crypto exchanges by analyzing Known Attributes tied to Coinbase, Kraken, Binance, and other major platforms

Building a financial case for entering digital assets

Compliance Upgrade:

AML/Compliance program uplift plus escheatment process review and 1099-DA data-flow requirements

Strategic Partnership:

Developed Digital Asset Governance Framework and scorecard measuring operational, technological, and regulatory readiness

Client Case Study #2 – Loan Repayment



Executive Summary

- Successfully enabled digital assets services for 2,500+ monthly cross-border transfer Loan Repayments with enhanced risk management framework
- Deployed digital assets collateral solutions



Key Challenges

- Missing governance for emerging technologies
- Legacy risk management frameworks inadequate for digital assets
- Compliance gaps in AML/KYC processes



Comprehensive Solution

Third-party Risk Enhancement:

Enhanced vendor due diligence with digital asset-specific KPIs and monitoring procedures

Technology Analysis:

Comprehensive technology assessment using Model Risk Management principles

Compliance Upgrade:

AML/Compliance gap assessment with CMS enhancements

Strategic Partnership:

Digital Asset Governance framework with success metrics and risk mitigation strategies

Stablecoin Maturity and Target Offers

Maturity Level	Strategy	Governance	Enablement	Risk & Compliance Management
1. Early: Institution is exploring and not yet organized	- Executive Workshop Facilitation - Strategy and Roadmap Development	- Strategy and Risk Appetite Enhancement - Policy & Usage Guideline Development	- Proof of Concept Pilot (Non-Production) - Third-party Service Provider Identification	Appropriate for scope and scale of Proof-of-Concept Pilot
2. Experimenting: Institution wants to try things out	- Strategy and Roadmap Development - Internal Rate of Return Measurement - Go-to-Market Assessment - Customers (current and new) - Products - Geography (current and new)	- Steering Committee & Operating Model Design - Governance Framework Assessment	- Proof of Concept Pilot (Non-production) - Third-party Service Provider Selection	- Enhanced Risk Assessment Construction and Completion - Third-party Due Diligence Enhancement and Completion (IS, VM, BCP)
3. Controlling & Calibrating: Institution is actively assessing risk & implementing compliance controls	- Go-to-Market Assessment - Risk/Threat Universe Development	- Policy & Usage Guidelines - Risk Appetite Acceptance	- Customer Acceptance - Data Readiness - Third-party Service Provider Risk and Compliance Due Diligence	- Vendor Monitoring Program Enhancement and Completion - Model Risk Assessment and Validation - Operational Resilience Enhancement incl. BCP/IRP
4. Building/Scaling: Institution has production use cases but faces challenges	Review and ensure the consistency and achievability of all items above	- Lifecycle (Future Proof) Governance Framework - Updated Risk Acceptance - KRI Monitoring Acceptance	Third-party Service Provider Risk and Compliance Monitoring	Assurance Testing (IT, Internal Audit, Compliance)

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**What This Means
for Your Bank Today**

Genius Act Rules and (Almost) Here



Assumptions

- **Strategy:** Developed a clear view on where Stablecoins fit in your payment stack
- **Risk:** Begun risk analysis for doing business with Stablecoin issuer and reserve custodian
- **Compliance:** Documented initial compliance risk of de-peg losses, redemption delays, fraud, unauthorized transfers, and gaps in current consumer protection and disclosure frameworks



Four Strategic Moves (Skip Being and Issuer)

1. **Tokenize Deposit:** Participate in an emerging network for 24/7 on chain intrabank and commercial settlement
2. **Issue wallets:** partner with a fintech to obtain bank-controlled wallet to keep customer relationships
3. **Hold reserves for issuers**
4. **Implement Fiat on/off ramps to generate fee income**

Traditional Finance vs Stablecoin Across Payments

	Traditional Finance	Stablecoin
 Currency Issuance The entities that create money with fiat or tokenized equivalents.	   Bank of England	 tether  CIRCLE  PAXOS  STASIS
 Banking and Network Infrastructure Institutions and networks that provide the foundational rails for holding, moving, and settling money.	     	BVNK  copper  Fireblocks
 Payment Orchestration and Processing Companies that enable merchants and business to accept, route, and settle payments across networks.	  stripe  Square adyen	BVNK  Bridge a stripe company coinbase  kraken
 Fraud and Compliance Security, risk management, and regulatory compliance infrastructure ensuring transactions are safe and legal.	 LexisNexis  COMPLY ADVANTAGE  onfido	 Chainalysis ELLIPTIC
 Card and Wallet The consumer-facing layer, wallets, cards, and supporting infrastructure that make money usable day-to-day.	 PayPal  Apple Pay Monavate.  venmo	BVNK  MetaMask BAANX

| Final Thought

“Amateurs Built the Ark;
Professionals Built the Titanic”

Unknown

Bottom Line:

Let's not be afraid in trying something new.
We can't fix anything unless we are moving
(forward).



Thank You

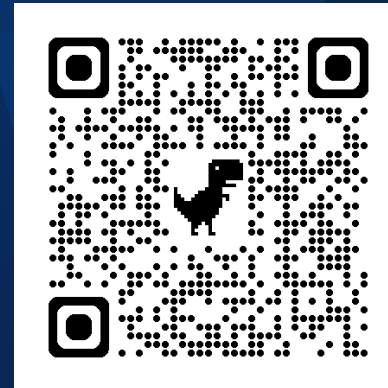
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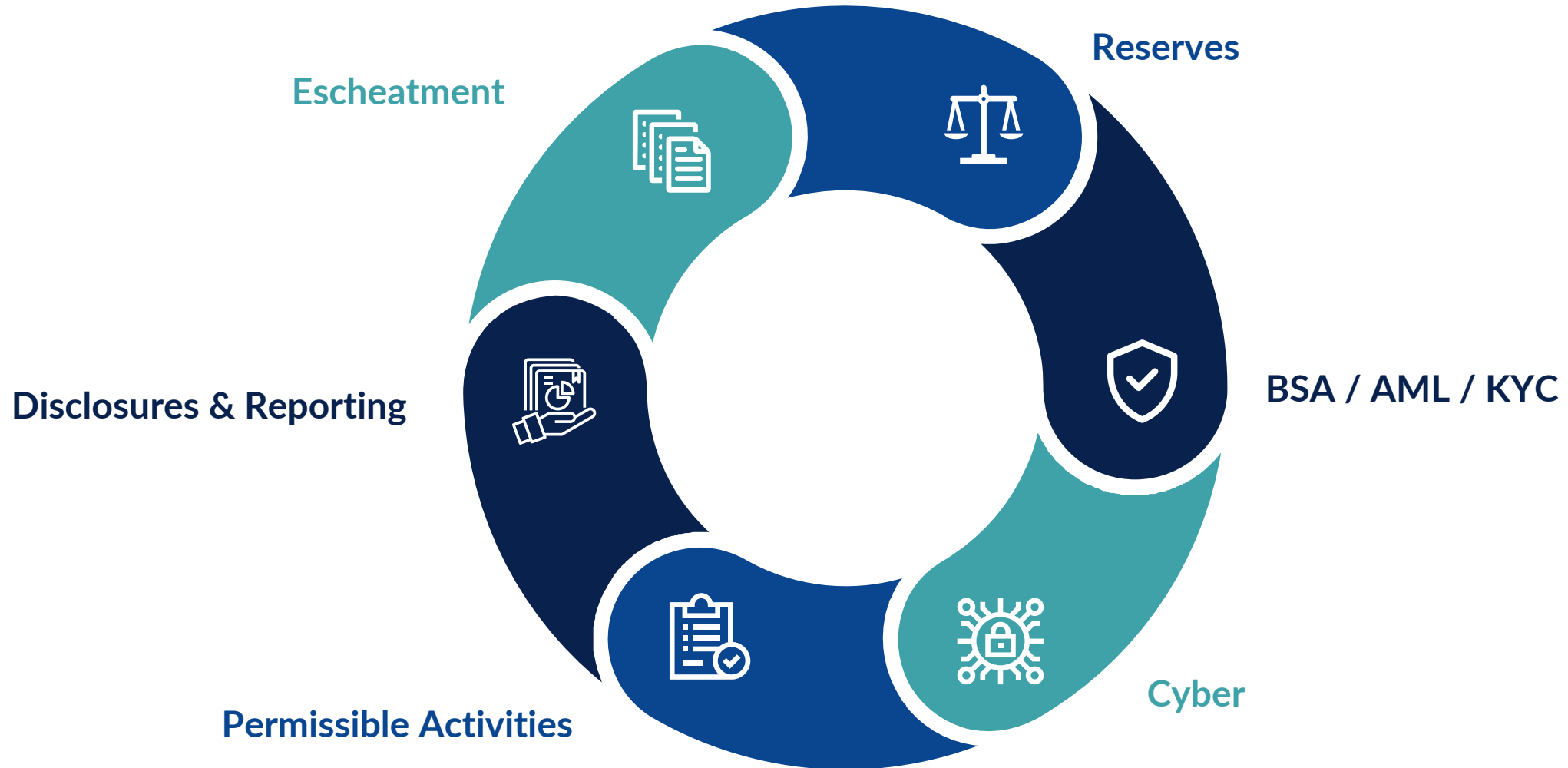
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Appendix

Core & Emerging Compliance Requirements



Compliance & Risk Management

Development

- Involving Compliance/Risk in the process as early as possible
- Committee or Task Force to consider all necessary risk and controls over the service
- Assessing capabilities of systems utilized
- When partnering with a third-party vendor, ensuring appropriate due diligence is performed

Implementation

- Written policies and procedures
- Staffin training to:
 - Understand compliance requirements
 - Be able to explain to customers and resolve problems
- Disclosures and Agreements
- Monitoring:
 - BSA/AML monitoring
 - Cyber
 - Escheatment

Post Execution

- Post implementation review
- Assess any customer complaints
- Report to Board
- Enhance monitoring program incorporate into audit plan