The Cari Network

WHITE PAPER

VISION AND ROADMAP

NOVEMBER 12, 2025

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ABSTRACT

Global payment infrastructure remains constrained by legacy systems that were never designed for a 24/7/365 digital economy. Despite measurable advancements, most payments still settle in batches or during business hours. Businesses and institutions lose time and liquidity in the process—trapped between slow, fragmented rails on one side and unregulated digital alternatives on the other. Fiat-backed stablecoins have demonstrated the demand for instant, programmable settlement, yet they operate largely outside prudential oversight, exposing users and the banking system to new forms of risk.

The Cari Network provides the regulated alternative. It enables banks to issue and move tokenized deposits—digital representations of deposits that settle instantly, operate continuously, and remain fully compliant with existing regulatory frameworks. Built on a permissioned Layer-2 blockchain anchored to Ethereum, the Cari Network connects chartered banks, digital asset market participants, and their commercial clients through a shared ledger that synchronizes on-chain transactions with off-chain deposit records. The result is a trusted, interoperable payment rail that combines the speed and programmability of blockchain with the safety, transparency, and scale of the banking system.

This White Paper outlines the vision and architecture of the Cari Network, the market forces driving its development, and the roadmap for its implementation. It details how tokenized deposits, supported by robust governance, compliance, and technology frameworks, can modernize the movement of money while strengthening the foundation of the regulated banking system. While this paper focuses on the Network's initial launch amongst U.S.-domiciled institutions and their customers, the long-term goal is to expand the Network to support multi-currency, multi-asset, interoperable money movement.

I. INTRODUCTION

The global financial system stands at its next structural inflection point. An increasingly digitally-native economy demands instant cash settlement. Yet payment infrastructure remains fragmented across legacy rails built for a different era and emerging digital solutions that lack institutional safeguards.

Consider the evolution of money movement: from paper checks taking days to clear, to ACH batch processing, to same-day settlement through real-time payment networks. Each advancement incrementally reduced friction and unlocked economic value. Now, as blockchain technology matures and regulatory frameworks governing this ecosystem crystallize, the next transformation is here: programmable, always-on finance that operates at the speed of the internet while maintaining the trust of the banking system.

This shift is not merely technological. It's existential for banking institutions. Stablecoin transaction value reached $5.7 trillion in 2024.[1] Yet until recently, these instruments existed largely outside of prudential oversight—and they continue to pose material risk of deposit flight from banks, particularly regional- and community-focused institutions.

Meanwhile, enterprises of all sizes struggle with trapped liquidity and the inability to move value when markets are open but banks are closed. The inefficiencies are measurable. Cross-border payments cost 1.6% to 6.4% on average, and business-to-business payments can take up to 10 days to settle.[2] Businesses wait an average of 40 days for invoice payments—with some industries as high as 90 days—and often pay 1–5% in factoring fees for faster access to their own funds.[3]

Tokenized deposits represent the convergence point between traditional banking and blockchain technology, combining the safety and transparency of regulated deposits with the speed and programmability of digital assets. Unlike stablecoins issued by private, non-bank entities, tokenized deposits are bank liabilities integrated within existing regulatory frameworks. They transform conventional deposit account balances into programmable instruments that are capable of embedding business logic, automating compliance, and settling instantly.

The Cari Network is the first institutional-scale implementation of this vision: a permissioned blockchain platform purpose-built to bring bank deposits on-chain and unite traditional and decentralized finance. The Cari Network enables programmable payments between verified

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[1] Visa, *Transaction Volume, Adjusted*, Allium, data for 2024. Figure represents adjusted stablecoin volume, which removes inorganic activity from bots and other artificially inflationary practices.

[2] McKinsey & Company, *The Stable Door Opens: How Tokenized Cash Enables Next-Gen Payments,* published July 21, 2025; Deloitte, *Fasten Your Seat Belts: Real-time, Business-to-Business Payments are Preparing for Takeoff,* published July 27, 2023.

[3] Intuit, *Days Payable Outstanding (DPO): A Guide to Improving Your Cash Flow,* published February 6, 2025, with supporting data from APQC; Wall Street Journal, *Invoice Factoring: What It Is and How to Qualify,* published October 15, 2025.

counterparties through Cari—digital tokens that represent customer deposits, denominated in U.S. dollars, at a bank participating in the "Network" and are insured by the Federal Deposit Insurance Corporation ("FDIC") insurance up to applicable limits.[4]

[4] The deposits underlying Cari—once the Participating Bank, an FDIC-insured depository institution, has accepted the related funds for deposit—are expected to be insured by the FDIC in the same manner and to the same extent as other deposits in the Participating Bank. Please note that, while Cari are intended to evidence deposits held by a Participating Bank, the Cari Network Operator is not a bank and has not consulted with the FDIC concerning the treatment of funds deposited in a Participating Bank and represented by Cari tokens. In general, deposits held by a depositor in the same right and capacity at a single insured depository institution are insured by the FDIC up to the standard maximum deposit insurance amount of $250,000. Deposits represented by Cari and traditional deposits held by a person in the same right and capacity at a single bank will be aggregated for purposes of applying this limit.

II. THE VISION

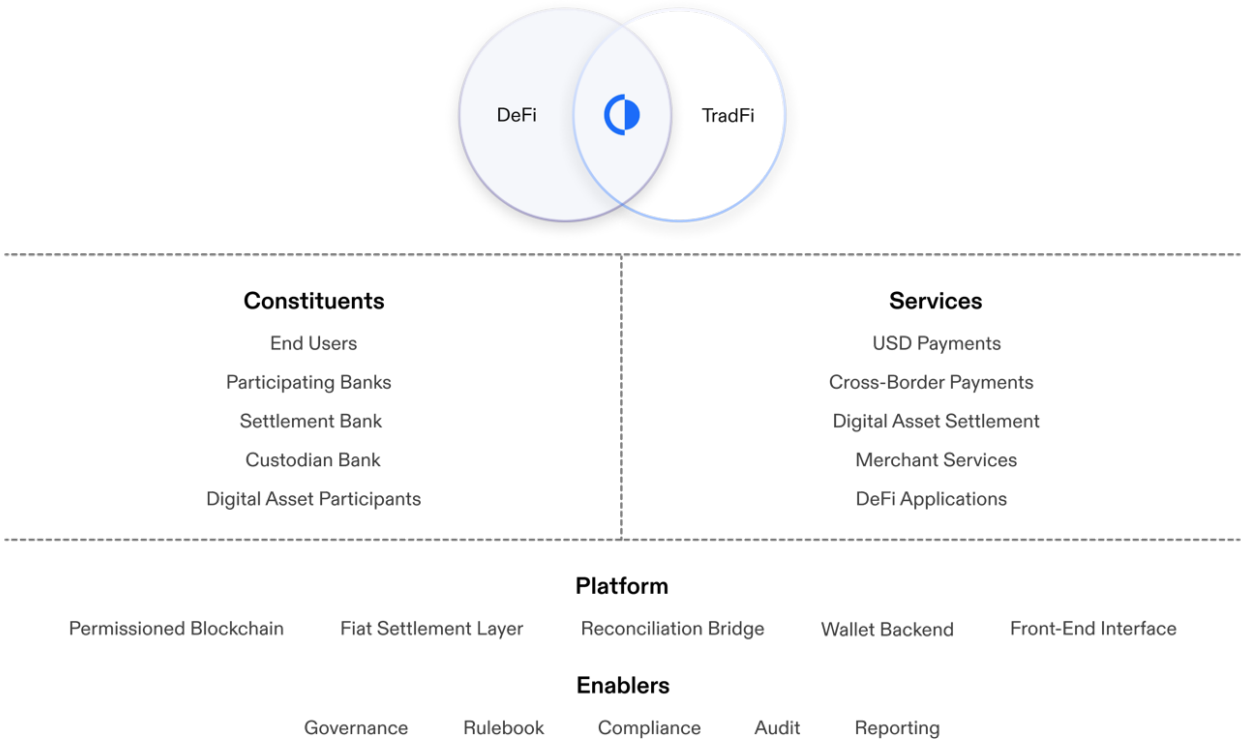
The future of finance should be shaped by those who have long defined its foundation. Banks remain the cornerstone of trust in the global economy—but today, they have not only the opportunity but the obligation to lead its technological evolution.

The Cari Network envisions a financial ecosystem where traditional and decentralized finance operate in harmony, combining the resilience of regulated banking with the efficiency, programmability, and immutability of blockchain technology. This is not a vision of disruption but of evolution.

By bridging these two worlds, the Cari Network provides the infrastructure for banks to deliver instant, programmable, and compliant payments. In doing so, it keeps banks at the center of money movement in the digital age—leading innovation from within their institutions while collaborating with regulated participants in crypto-native ecosystems.

The vision begins with domestic, U.S. dollar-backed payments over a permissioned blockchain ledger purpose-built for bank-grade use cases. As the Cari Network expands, it will support multi-currency, multi-asset, interoperable money movement across a broader set of traditional and decentralized finance applications.

Figure 1: Cari Network Vision: A Trusted Network Bridging Banks and Blockchain Technology



III. MARKET OPPORTUNITY

A. The Enduring Role of Banks

Today, banks continue to play three essential roles in the U.S. financial system, all of which remain indispensable even through cycles of technological advancements.

(1) Safeguarding Deposits—Banks safeguard the nation's deposits, which collectively total over $18.5 trillion as of October 2025.[5] Rather than "keeping cash in a mattress," individuals and businesses place their money with banks, where deposits are securely held and made available on demand. This trust, reinforced by deposit insurance and prudential oversight, allows the banking system to function as a public service as well as a private enterprise.

(2) Transforming Value—Banks transform short-term deposits into long-term assets. They intermediate between savers and borrowers, channeling deposits into loans that fund homes, businesses, and capital markets. This maturity transformation is an essential engine for economic growth, particularly for small and midsized businesses, but relies on deposit stability and confidence in the system's soundness.

(3) Moving Capital—Banks continue to serve as the key operating layer of the payment system. Whether an individual is paying for groceries, a corporation is settling supplier invoices, or a trader is funding a large position, nearly all U.S. payments originate in, move through, and terminate within bank accounts. In short, banks are both the custodians of value and the conduits of its movement.

Yet while banks remain central to how money is stored and moved, the rails beneath them have not kept pace with the digital economy's demands. The infrastructure that once defined efficiency now constrains it. The next evolution of banking should not replace these core roles—it should enhance them.

B. The Problem: Fragmented Infrastructure and Unmet Needs

The current payment landscape resembles a patchwork of incompatible systems, each solving for specific use cases but none delivering comprehensive solutions. The inefficiencies compound at every layer:

Inefficiencies in existing fiat payment methods: Offered directly through a bank environment, incumbent payment methods offer trust and stability but fall short in other ways.

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[5] Federal Reserve Bank of St. Louis (FRED®), *Deposits, All Commercial Banks*, Board of Governors of the Federal Reserve System (U.S.), data updated as of October 17, 2025.

- ACH processed $86.2 trillion in 2024 but still operates on batch schedules designed in the 1970s.[6]
- Wires move faster but cost $13–44 per transaction and same-day-funds cutoff is usually 4pm ET on business days.[7]
- Cross-border payments routed through the Society for Worldwide Interbank Financial Telecommunication ("SWIFT") average 1–5 days with multiple intermediaries taking fees at each hop.[8]

In the last decade, efforts were made to deliver instant settlement through the Federal Reserve's FedNow® Service and The Clearing House's RTP® network, but adoption has been modest. Roughly 85% of U.S. banks and credit unions have yet to connect to the new FedNow® payment rails. And among those who have, many are only partially active, able to receive funds but not send or request them.[9] Higher transaction limits suitable for commercial payments were only introduced in June 2025.[10]

For businesses operating domestically and globally, these friction points tie up much-needed working capital while frustrating users' pain points with the status quo.

Market fragmentation through FinTech providers: Specialized platforms have attempted to solve these challenges in direct competition to banks, with some success. According to a 2023 survey, 55% of commercial payment clients already use FinTech or other technology-focused providers for at least some services, particularly in areas such as cross-border payments, trade finance, and liquidity management.[11]

Yet most FinTech providers deliver single-layer, point solutions: one provider focuses on accounts payable, another on merchant processing, and yet another on international transfers. Each operates in isolation, forcing businesses to reconcile across multiple platforms and manage funds separately from their bank accounts. This operational and financial complexity grows with a company's scale and reach.

Instability and limited interoperability with stablecoins: Stablecoins promised to solve these problems, growing from a market capitalization of $5 billion five years ago to over $300 billion (as of October 2025).[12] Yet they introduce new risks. Reserves remain opaque. Pegs can be

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[6] Nacha, *ACH Network Volume Statistics*, 2025 reporting period.

[7] Bankrate, *How Much Are Wire Transfer Fees?,* published September 13, 2025; Fidelity, *How to Choose Between an EFT or a Bank Wire.*

[8] McKinsey & Company, *The Stable Door Opens: How Tokenized Cash Enables Next-Gen Payments,* published July 21, 2025.

[9] BAI, *Instant Payments Are a 2025 Priority for Financial Institutions,* published January 6, 2025.

[10] American Bankers Association (ABA), *Evaluating FedNow: Banks Are Still Warming Up to Instant Payments,* published March 21, 2024; ABA, *FedNow Adds Risk Mitigation Feature,Boosts Transaction Limit,* published June 25, 2025.

[11] Accenture, *Reinventing Commercial Payments for Profitable Growth,* published September 13, 2023.

[12] Chris Harmse, *Blockchain in Cross-Border Payments: A Complete 2025 Guide*, BVNK, October 17, 2025; CoinMarketCap, *Top Stablecoin Tokens by Market Capitalization, Total Market Cap,* data as of October 25, 2025.

broken. None are FDIC insurance eligible or integrate directly with bank systems. They exist in a parallel financial universe, typically forcing customers to choose between speed and safety. And stablecoin issuers, many of whom are applying for bank charters, present a huge deposit flight risk for the banks that underpin the U.S. financial system.

Without a meaningful competitive solution emerging from the banking system, stablecoins—and potentially other crypto innovations promoted by newly- or to-be chartered FinTechs—could capture a significant share of the financial system, to the detriment not only of banks but of the country as a whole.

C. The Solution: Tokenized Deposit Network

The fragmentation of today's payment ecosystem reveals a widening gap between where financial activity happens and where it is recorded. While stablecoins present opportunities to upgrade how value is transferred, they have not modernized the core: the way banks themselves issue, move, and reconcile money.

This is where tokenized deposits and the Cari Network converge.

Tokenized deposits represent the synthesis of what has worked in both systems, while eliminating their respective weaknesses: the protections of commercial bank money and the technological advantages of blockchain-based infrastructure.

Unlike stablecoins that represent claims on reserves held by private issuers, the Federal government or both, tokenized deposits are direct obligations of regulated banks, making them legally and functionally equivalent to traditional deposits. The distinction matters profoundly. When a customer holds a Cari token, they own actual deposits at a regulated financial institution, not IOUs from a technology company that may or may not be backed by reliable collateral. The U.S. dollar deposits evidenced by Cari tokens qualify for FDIC insurance up to applicable limits, can earn yield, and receive cash-equivalent accounting treatment under Generally Accepted Accounting Principles ("GAAP"). Importantly, Cari also inherits the safety and soundness protections of the underlying deposits.

But the transformation extends beyond the deposit itself. The Cari Network provides the infrastructure that allows Cari tokens to move safely, instantly, and compliantly between banks and across digital asset ecosystems. The Network's permissioned, shared ledger on the blockchain forms the connective tissue between the regulated banking system and decentralized finance. It's an evolution of value storage and transfer built from within the regulatory perimeter.

Figure 2: The Cari Network's Key Benefits for End Users

Feature	Stablecoin	Cari Deposit Token
Instant Settlement: Clear transactions in seconds, not days.	✓	✓
24/7/365 Operations: Move money when business happens, not when banks are open.	✓	✓
Programmable Logic: Payments can be conditional, scheduled, or triggered by external events.	✓	✓
Seamless Conversion: Facilitate on-demand conversion between tokens and fiat through direct bank connections.		✓
Regulated Protections: Eligible for FDIC deposit insurance up to statutory limits and subject to prudential oversight.		✓
Transparent Reconciliation: Every transaction is cryptographically verified on-chain, while underlying deposits remain securely recorded on the bank's ledger in the token holder's name.		✓
Embedded Controls: Execute risk, compliance, and fraud checks automatically at the protocol level.	(depends)	✓

D. Partnership as Path to Progress

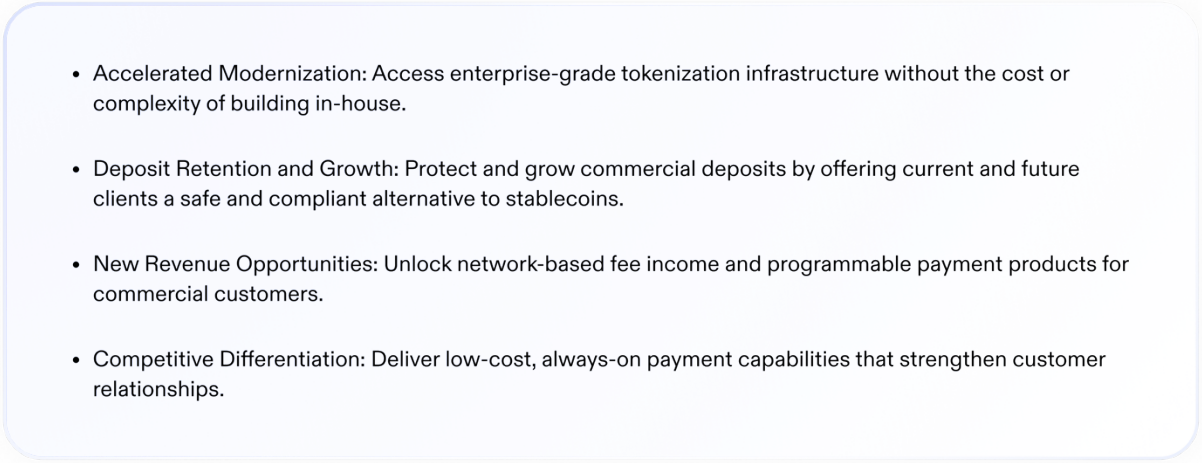
The Cari Network's success depends on partnership between regulated institutions that safeguard deposits and innovators advancing new forms of digital value exchange. Its initial focus is on two foundational segments of the financial ecosystem: U.S. mid-market banks and regulated digital-asset intermediaries, together representing the intersection of trust and innovation at the heart of the Network's model.

U.S. Regional and Community Banks

Super-regionals through upper-segment community banks collectively hold $8.3 trillion in total assets and continue to thrive on systems that, for decades, have worked well enough.[13] But the comfort of familiarity is giving way to new realities: These institutions are facing intensifying pressure, squeezed between the scale advantages of the largest banks and the technological agility of non-bank actors. Without the multi-million-dollar budgets to build proprietary blockchain infrastructure, they face growing pressure to adapt or risk being left behind by the next generation of digital money.

The Cari Network enables these banks to evolve from within the regulatory perimeter while preserving their deposit base and meeting their clients' demands for modern payment capabilities.

Figure 3: The Cari Network's Key Benefits for Mid-Market Banks



Regulated Digital Asset Market Participants

Centralized exchanges ("CEXs") and other regulated digital-asset platforms serve as critical gateways connecting investors to cryptocurrency markets. As regulatory and market tailwinds drive growth, these platforms require more reliable, diversified banking relationships. At the same time, they are under emerging competitive pressure from traditional brokerages who are increasingly offering digital asset trading to their broad, entrenched client bases. Their users, meanwhile, would benefit from alternatives to incumbent stablecoins that preserve the functionality while adding benefits like FDIC insurance eligibility, cash equivalent accounting treatment, and on-demand conversion into fiat.

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[13] Board of Governors of the Federal Reserve System (U.S.), *Insured U.S.-Chartered Commercial Banks That Have Consolidated Assets of $300 Million or More, Ranked by Consolidated Assets*, Federal Deposit Insurance Corporation (FDIC), data as of June 30, 2025.

The Cari Network offers these digital asset platforms a bank-grade settlement medium and direct connectivity to U.S. financial institutions, bridging crypto liquidity with the safety and stability of regulated deposits.

Figure 4: The Cari Network's Key Benefits for Digital Asset Market Participants

- User Benefits: Offer a stablecoin alternative that is fully backed by bank deposits, FDIC-eligible, and cash-equivalent under GAAP, with the ability to move seamlessly between tokenized deposits and fiat on demand, 24/7.
- Commercial Growth: Unlock opportunities to access a new customer base seeking digital asset trading, custody, and related services.
- Expanded Banking Access: Establish diversified, compliant relationships with banks participating in the Cari Network.

IV. KEY STAKEHOLDERS

The Cari Network's success depends on coordinated participation from multiple stakeholders, each playing essential roles in the ecosystem as described below.

A. Centralized Functions

(A1) Cari Network Operator

The “Cari Network Operator” (or “Operator”) develops, operates, and maintains the Cari Network. It also solely controls supply of Cari tokens on behalf of the Network.

Key activities that the Operator performs include but are not limited to:

- Designing, updating, and maintaining the Cari Network’s blockchain stack and supporting off-chain architecture.
- Maintaining the Cari Network Rulebook that sets out the legal and operational requirements to which all Network participants must adhere.
- Managing token supply to support Cari transactions across the Network.
- Synchronizing ownership of Cari (as set out on the blockchain ledger) with balances and ownership of the deposits underlying Cari (as set out on each bank’s deposit ledger).
- Supporting the due diligence, onboarding, and continued integration of Network participants, and monitoring participants’ adherence to the Cari Network Rulebook.
- Selecting and overseeing critical providers to the Network, including but not limited to the Settlement Bank (A2), Custodian Bank (A3), and other technology and service providers.
- Expanding the Network, both by identifying new participants and expanding distribution channels and use cases.

(A2) Settlement Bank

The “Settlement Bank” is a U.S.-regulated financial institution that facilitates settlement of interbank fiat obligations across the Cari Network in accordance with the instructions provided by the Operator.

(A3) Custodian Bank

The “Custodian Bank” is a U.S.-regulated financial institution that custodies the cryptographic keys for Cari wallets on behalf of the Cari Network.

B. Network Participants

(B1) Participating Bank

Forming the backbone of the Cari Network, a “Participating Bank” is a U.S.-regulated financial institution that joins the Network following due diligence conducted by the Operator and transacts in Cari over the Network on behalf of its customers. While initially focusing on U.S. federal- or state-chartered banks, the Network will expand to include banks domiciled in other jurisdictions in alignment with the product roadmap (see Section VII. Use Cases).

Key activities that a Participating Bank performs with respect to the Cari Network include but are not limited to:

- Continuing to own the relationship with customers who transact in Cari.
- Continuing to implement its own compliance and risk management programs, including but not limited to gathering and retaining Customer Identification Program (“CIP”) and Know-Your-Customer (“KYC”) information and conducting ongoing transaction monitoring, sanctions screening, and fraud monitoring activities.
- Integrating front- and back-end systems with the Cari Network’s technology stack.
- Opening, maintaining, and reconciling Cari Deposit Accounts (“CDAs”) to track deposits backing Cari held by its customers, in accordance with instructions from the Operator.
- Monitoring Cari transactions propagated by its customers through its own systems.
- Participating in the regular fiat settlement cycle administered through the Settlement Bank.
- Adhering to requirements and obligations defined in the Cari Network Rulebook.

(B2) Digital Asset Market Participant

A “Digital Asset Market Participant” (or “Non-Bank Participant”) is a qualified non-bank entity participating in the Cari Network. Non-Bank Participants join the Cari Network following due diligence conducted by the Operator and approval by the Network’s Board of Directors. Upon joining the Network, Non-Bank Participants establish a banking relationship with one or more Participating Banks and open deposit accounts on behalf of their customers and themselves.

Non-Bank Participants serve as distribution partners, extending the Network's reach into digital asset ecosystems by offering Cari for trading on their respective platforms. In addition to meeting their respective regulatory obligations, these participants also must satisfy the Network's compliance and operational resilience standards, maintain an effective control environment to support ongoing participation in the Network, and adhere to the Cari Network Rulebook's requirements.

(B3) End User

An "End User" is any individual or legal entity that deposits U.S. dollars with a Participating Bank and receives Cari representing those deposits in return. End Users can be customers of Participating Banks directly or indirectly through their relationship with a Non-Bank Participant.

C. Other Key Stakeholders

(C1) Regulators

"Regulators" are the supervisory agencies that oversee the Participating Banks. While their direct jurisdiction lies with Participating Banks themselves, Regulators may also examine the Operator as a critical service provider, evaluating its operations, controls, and risk management practices.

(C2) Critical Network Providers

"Critical Network Providers" include third-party subcontractors that deliver critical activities to the Cari Network, including but not limited to those that (i) have access to or could have the ability to process or store any sensitive information assets, such as depositor information, confidential information, employee information, or personally identifying information; or (ii) could cause significant downtime for the Cari Network in the event of a provided services outage.

Critical Network Providers are subject to enhanced due diligence, selection, and ongoing monitoring requirements pursuant to the Cari Network's Third-Party Risk Management Framework and in alignment with regulatory expectations.

V. PLATFORM

Transactions within the Cari Network are orchestrated through a suite of technology components and enabling services.

A. Core Design & Components

The Cari Network is a permissioned digital payments system built on a dual-rail architecture that connects traditional bank deposit ledgers with a blockchain transaction and settlement layer. Participating Banks directly integrate with the Cari Network under a consortium-based model. End Users transfer funds represented as deposit tokens called "Cari" across the Network in real time, with each Cari transparently backed by deposits held securely in an End User's respective bank account. A proprietary messaging and routing protocol supports the reconciliation between the Network's blockchain ledger and Participating Banks' respective deposit ledgers—a mechanism detailed in later sections.

These three components comprise the foundation of the Cari Network's payments system. Each has been designed to scalably support the Network's growth into incremental currencies, use cases, and participating institutions.

(A1) The Cari Token and Underlying Deposits

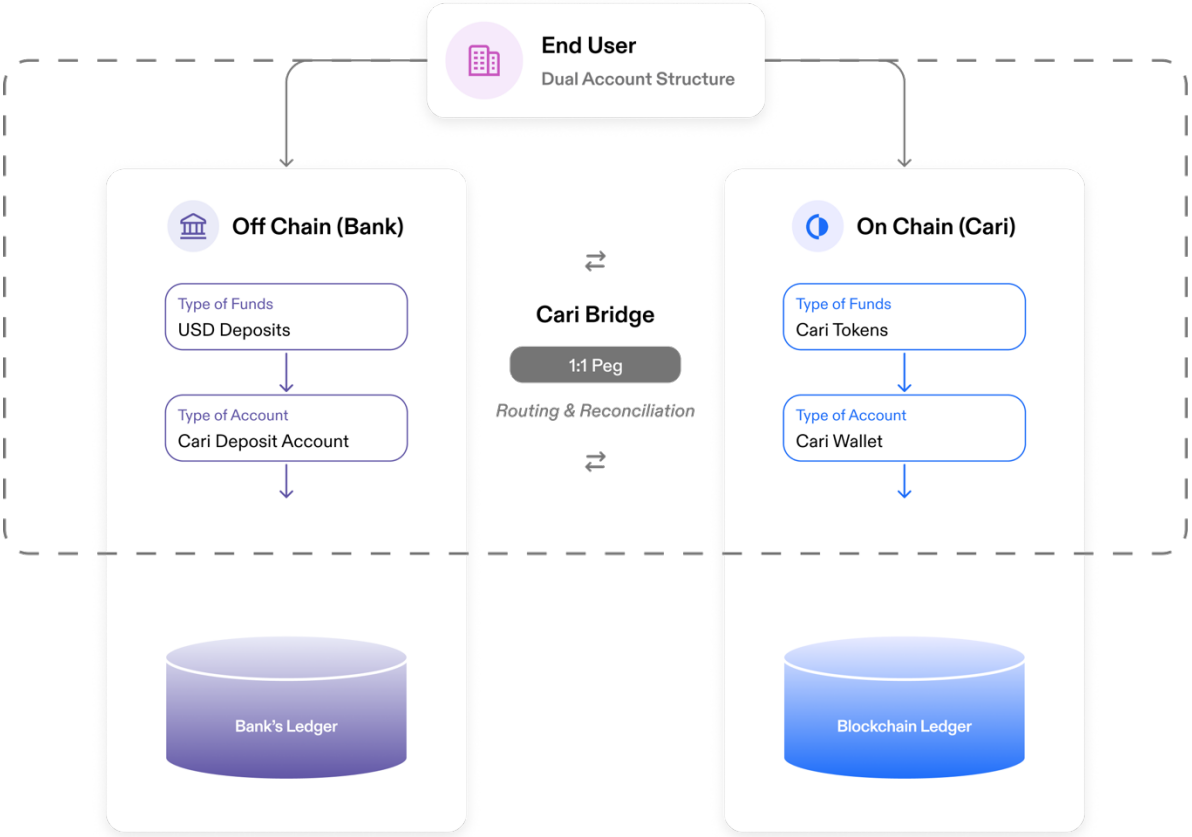
At the heart of the system lies Cari, the sole digital asset operating on the Cari Network.

Cari are undifferentiated deposit tokens whose supply is governed exclusively by the Operator (in accordance with transactions propagated by End Users). They are freely transferable among verified End Users in the Network over a permissioned blockchain ledger, enabling seamless, real-time value transfers.[14] Subject to any restrictions that may be imposed by applicable law, each Cari is redeemable on demand for U.S. dollars through an End User's Participating Bank and therefore able to be used for other financial services during the ordinary course of business. Importantly, unlike payment stablecoins regulated under the GENIUS Act, these deposits are eligible for yield.

Every Cari token on the blockchain is backed by a corresponding dollar credited to a deposit account at a Participating Bank. This structure is facilitated through the CDA, an account that is designated to exclusively hold funds underlying Cari tokens on a 1:1 basis at all times. To access Cari-powered payments, an End User is provisioned a CDA, serving as the fiat-side record that mirrors the customer's on-chain token balance. A demand deposit account ("DDA") or other similar type of account held at the same Participating Bank is typically authorized to fund each End User's CDA.

[14] Subject to any existing laws restricting such transfers, including, for example, sanctions restrictions.

Figure 5: End User's Dual Account Structure



As a result, unlike stablecoins that merely reference value through an external anchor (i.e., reserve assets), Cari evidence a direct deposit liability of an FDIC-insured bank, simultaneously recorded on both synchronized rails in the Network's infrastructure: the blockchain ledger (token) and the bank's deposit ledger (CDA). This duality delivers unprecedented capabilities. Cari tokens retain all protections of the underlying bank deposits—FDIC insurance eligibility (up to applicable limits), stable store of value, and recordkeeping requirements—while unlocking the programmability and instant settlement that only blockchain systems can provide.

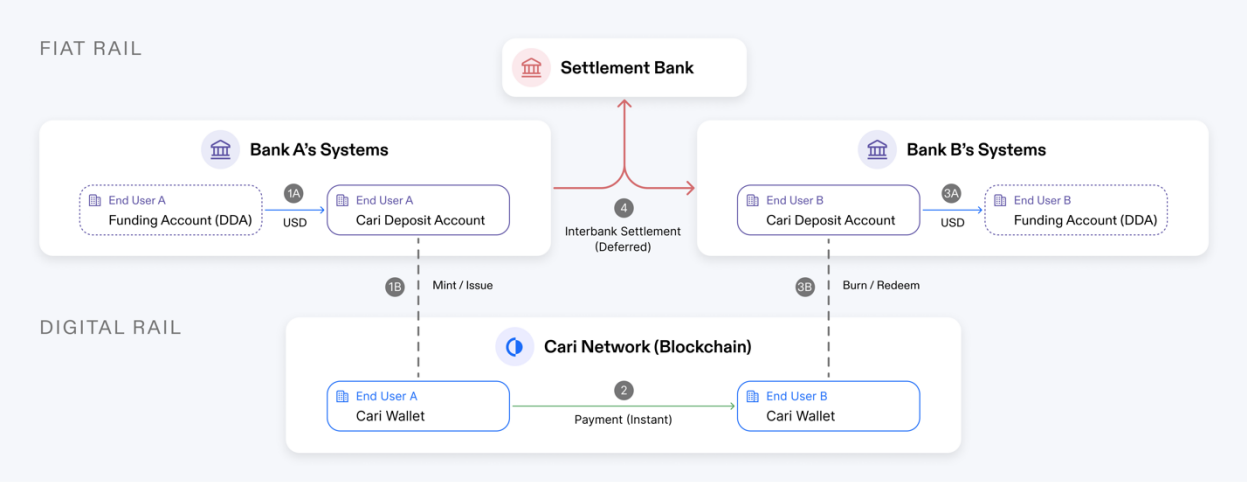
While initially facilitating U.S. dollar payments, the Cari Network's architecture is designed to evolve, supporting multiple fiat currencies as the Network expands to enable cross-border payments and additional use cases (see Section VII. Use Cases).

(A2) Dual-Rail Architecture

The Network's defining innovation is its parallel rail system that synchronizes Cari movement with traditional banking infrastructure: a "digital" (on-chain) rail and a "fiat" (off-chain) rail.

The figure below illustrates how these two rails support the Network's deposit tokenization and payment process at a high level. Section VI. How Money Moves further explores each independent transaction flow illustrated in Figure 6.

Figure 6: Cari Network's Tokenized Deposit Process and Dual-Rail Architecture



Simplified Flow of Funds (Events are Independent)

1. A. End User A converts USD to Cari, moving deposits from its DDA to CDA.
   B. Cari tokens are issued and credited to End User A's wallet.
2. End User A initiates a Cari payment to End User B. After mandatory validations, tokens are instantly transferred wallet to wallet. Fiat obligation is accrued (see #4).
3. A. End User B converts Cari to USD, moving deposits from its CDA to DDA.
   B. Cari tokens are redeemed and debited from End User B's wallet.
4. Fiat obligations are netted, and interbank settlement cycle run periodically.

Legend

- End User Account
- Deposit (DDA <-> CDA)
- Reconciliation (Deposits <-> Tokens)
- Token Payment (Instant)
- Interbank Fiat Settlement (Deferred)

The Digital Rail operates on a permissioned Layer-2 ("L2") blockchain that serves as the Cari Network's shared ledger.

Functionally, it is a transaction layer where the token leg of a Cari transaction is validated, executed, and settled at near-instant finality and 24/7/365 availability. Because this shared ledger runs in a trusted environment, the transfer of value represented by Cari can occur directly between payment originators and receivers.

Structurally, the Digital Rail relies on a zero-knowledge ("ZK") rollup architecture to preserve bank-grade privacy and compliance standards, while unlocking the high throughput and near-instant transaction processing times required by institutional-scale payment volumes. Smart contracts govern token logic, automate compliance and validation checks, and enable programmable transaction protocols. Cari transactions process in near real-time on L2, then are batched and periodically settled to Ethereum mainnet using a validity proof to support tamper-resistant integrity and trustless settlement.

Selected to power the Cari Network's Digital Rail, Prividium is an institutional-grade Layer-2 ("L2") platform developed by Matter Labs on the ZKsync technology stack.

Prividium is an Ethereum-secured blockchain platform purpose-built for regulated financial use cases requiring privacy, compliance, and operational control. Powered by zero-knowledge ("ZK") proofs, it enables token settlement and verification on Ethereum without exposing sensitive transaction data. Each Prividium deployment operates as an independent L2 ZKsync chain, granting the Cari Network Operator full authority over configuration, data policies, and system-level controls. This architecture supports enterprise-grade performance and native legal, compliance, and operational safeguards, making Prividium uniquely aligned with the Cari Network's trust, regulatory, and reliability requirements.

How Prividium Meets the Cari Network's Core Business Requirements

1. Maintaining Bank Privacy Standards

- No transaction details published: All Cari transaction execution and data storage occur within the Cari Network's trusted infrastructure, keeping sensitive data from leaving the secure environment.
- Selective disclosures: Interactions occur via a private remote procedure call endpoint with granular role-based access controls, which allows for segregated views by Network stakeholder (e.g., Participating Bank, Regulator).
- Public verifiability on Ethereum: Cryptographic proofs are posted to Ethereum, providing transaction finality with the strongest available security guarantees. These proofs attest to validity without exposing raw Cari transaction data, ensuring complete confidentiality of payments, balances, and counterparties.

2. Ability to Support Bank-Level Transaction Volumes

- Each Prividium can process 15,000+ transactions per second with one-second ZK finality.
- Proof generation and batching allow high throughput without congestion or dependency on public Ethereum gas dynamics.

3. Scalability

- Prividium is modular and horizontally scalable: Multiple instances can run in parallel and connect via the protocol's native interoperability layer, maintaining speed and privacy across chains.
- Trust-minimized interoperability without bridges, liquidity fragmentation, or additional latency: the Cari Network Operator can scale up and down with high volume periods, ensuring there is no performance impact as the Cari Network expands.

The Fiat Rail orchestrates the clearing of U.S. dollar deposits that underlie Cari token issuance, transfers, and redemptions. When on-chain Cari transactions occur, corresponding ledger-entry adjustments and interbank fiat settlement obligations must be processed to maintain the requisite 1:1 ratio between tokens and deposits. From the End User's perspective, their Cari wallet balance and corresponding CDA balance are updated simultaneously in real-time as Cari transactions are confirmed on the L2 rollup; as a result, the Fiat Rail's operations are not a concern to the End User but are paramount to Participating Banks' connectivity to the Network.

Behind the scenes, the Fiat Rail manages the deposit movement infrastructure through an event-driven architecture. Over its lifecycle, a Cari transaction requests trigger provisional balance updates and memo holds in the Participating Banks' deposit ledgers to ensure that the available CDA balance remains in sync with Cari balances, with finality of the fiat side of the transaction achieved through subsequent core ledger reconciliation and completion of the net settlement cycle.

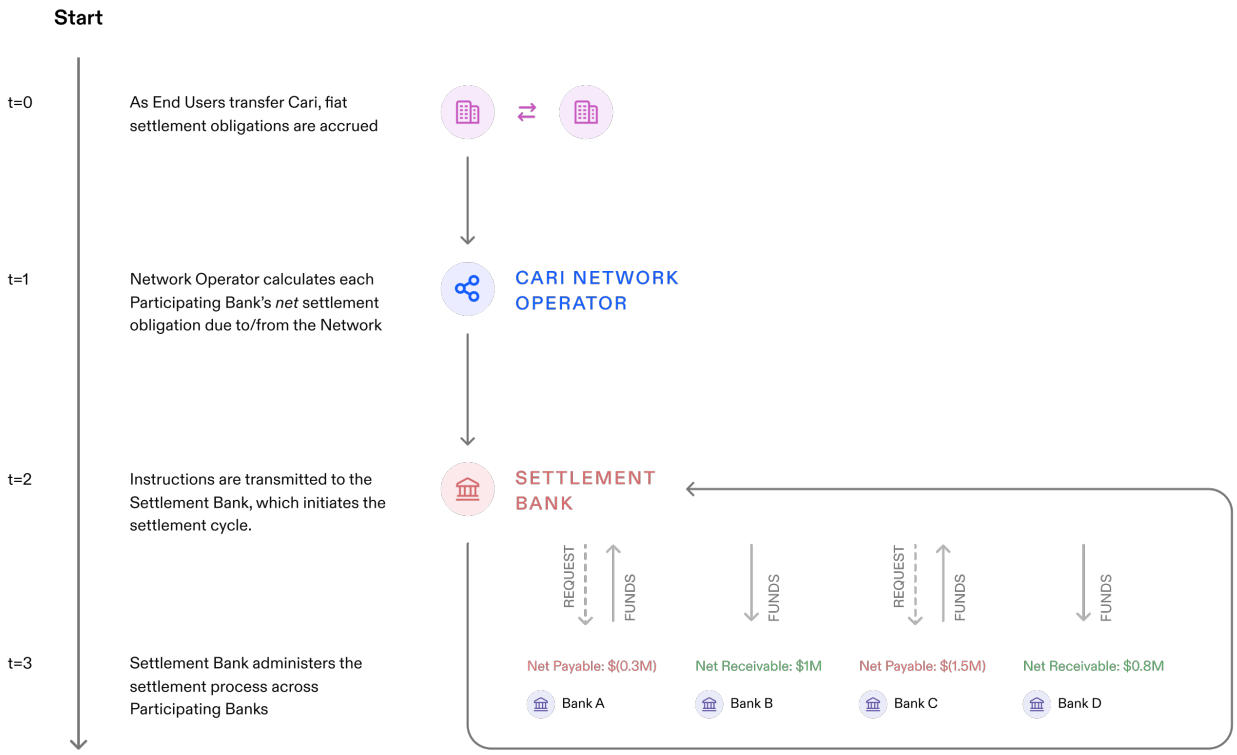
Transaction Types and Settlement Requirements

Intrabank Transactions: When Cari tokens are minted or burned, the underlying deposit movement is executed as a simple book transfer between the End User's CDA and linked DDA on the Participating Bank's core ledger. Similarly, "on-us" transfers between End Users at the same Participating Bank require only internal ledger adjustments without interbank settlement.

Interbank Transactions: When Cari tokens are transferred between End Users at different Participating Banks, an interbank settlement obligation arises to move the corresponding deposit amounts in parallel with the value moved by Cari (the latter of which settles immediately on a gross basis on the Digital Rail). The Operator accumulates these interbank obligations throughout the business day for net settlement processing.

The Cari Network employs a hub-and-spoke model administered through a designated Settlement Bank to settle net fiat obligations between Participating Banks. This framework is set out in the figure below.

Figure 7: Simplified Fiat Settlement Process



Pursuant to the Cari Network Rulebook, net settlement cycles are conducted once per business day during standard operating hours. Intraday, off-cycle settlement may be initiated if aggregate net obligations exceed predetermined risk thresholds.

(A3) The Cari Messaging & Routing Bridge

The proprietary Cari Messaging & Routing Bridge ("Bridge") serves as the critical transaction orchestration and integration layer that maintains real-time, robust synchronization between the Cari Network's L2 blockchain and legacy bank systems. This bridge performs the following core functions:

- At each stage in a Cari transaction lifecycle, functions as a hub capturing and translating on-chain events into compatible message formats (e.g., ISO 20022, SWIFT MT) that banking systems can process to support real-time balance updates to End Users' CDAs in lockstep with Cari movements.
- Operates as a multi-protocol gateway that dynamically routes transaction events between systems: from blockchain L2 to Participating Bank systems and wallet custody infrastructure.

- Maintains continuous reconciliation checks between on-chain Cari balances and bank deposit ledgers.
- Supports Participating Banks' liquidity management practices as a Cari transaction progresses through its lifecycle (via a series of pre-defined statuses).

The Messaging and Routing Bridge also provides a dual-reference capability that allows Participating Banks to cross-verify an End User's Cari balance on both the shared blockchain ledger and their internal systems for enhanced confidence.

The Operator maintains and updates the Cari Messaging and Routing Bridge, which relies on an API-first architecture but can also support file-based batch processing. The Bridge connects to core banking platforms and payment routers, minimizing integration complexity for Participating Banks while ensuring compatibility with their existing technology stacks.

B. Enabling Infrastructure

Beyond the foundational product components, "enabling infrastructure" comprises capabilities, functions, or processes required to support the Cari Network's technology stack. For a description of the Network's governance and risk management programs, see Section VIII. Governance and Compliance.

(B1) Cari Wallet and Custody Infrastructure

The Cari Network operates as a permissioned ecosystem where only whitelisted Cari wallets can send, receive, or hold Cari tokens. Cari wallets are provisioned exclusively for verified End Users, that is, customers who have completed KYC requirements and maintain active relationships through their respective Participating Bank. Each Cari wallet key is associated with a CDA owned by a verified End User. This permissioned architecture ensures all Network participants meet regulatory standards and enables compliant Cari transfers between known, verified parties.

The Network employs an institutional-grade custody model similar to CEXs, where End Users access wallets through native bank-owned interfaces rather than controlling private keys directly. Cari tokens are the exclusive digital asset supported within these wallets.

On behalf of the entire Network, the Operator partners with a qualified Custodian Bank for institutional custody services and leverages an enterprise-grade multi-party computation ("MPC") technology provider for secure transaction signing and orchestration. Both service providers undergo continuous oversight through the Network's Third-Party Risk Management Framework and must comply with applicable Cari Network Rulebook requirements. The Operator develops and maintains the core wallet services infrastructure supporting all Network operations.

This custody model optimizes the balance between bank autonomy and Network efficiency. Participating Banks retain full ownership of customer relationships and data privacy, with private keys serving solely as account identifiers (like the on-chain version of the CDA). By centralizing custody operations through the Custodian Bank, the Network eliminates the need for individual Participating Banks to build and maintain complex key management infrastructure, reducing operational burden while maintaining institutional-grade security standards.

(B2) Front-End User Interface

The Cari Network delivers a white-labeled wallet interface embedded directly within Participating Banks' existing digital channels. This turnkey solution works out-of-the-box while offering customization flexibility to maintain brand consistency. End Users access their Cari wallets through familiar banking credentials and pursuant to bank-grade security protocols—no separate apps, no new passwords, and no crypto complexity.

The interface abstracts blockchain complexity entirely, displaying dual-balance views of both Cari tokens and corresponding fiat deposits while enabling instant transfers to other End Users using familiar identifiers like email or phone numbers. Real-time transaction status and comprehensive history provide full transparency, while the overall design philosophy ensures blockchain-powered payments feel as intuitive as modern payment capabilities available on the market.

(B3) Reporting and Audit Layer

Every Cari transaction generates immutable records on the public blockchain while maintaining privacy and abstracting any identifiable information through ZK proofs. In addition to on-chain information, the Cari Network provides off-chain reporting to help various stakeholders achieve their legal, regulatory, and operational objectives:

- Network Operator View: A comprehensive dashboard enables the Operator to monitor all transaction activity across the Network in real-time, showing encrypted party information (public keys only) while maintaining visibility into transaction flows for operational monitoring and compliance purposes.
- Bank View: Each Participating Bank has access to detailed reporting on all Cari transactions propagated by its End Users, including transaction status tracking and corresponding fiat settlement obligations. This bank-specific interface provides complete visibility into both the digital token movements and associated deposit ledger.
- Audit View: Regulators and auditors can receive a special access key granting read-only ability to decrypt and examine all Network transactions and detailed audit logs.

VI. HOW MONEY MOVES

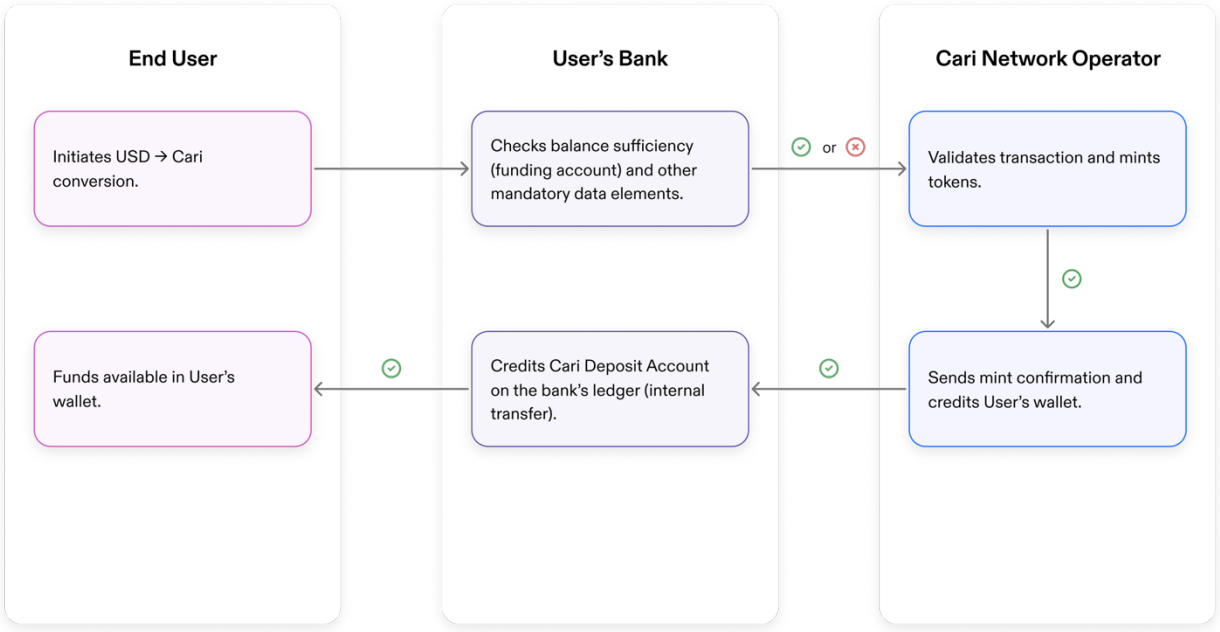
The figures below represent basic transactions illustrating how money moves through the Cari Network. Most other transactions are simply combinations of elements described in these diagrams.

- Acquiring Cari (“minting” or “tokenizing” a deposit)
- Transferring Cari (interbank payment)
- Redeeming Cari (“burning” a token)

A. Mint: Converting USD to Cari

A mint transaction is a conversion from USD to Cari (i.e., movement of funds from an End User’s DDA to CDA). Minting Cari is an internal transfer on a single Participating Bank’s ledger.

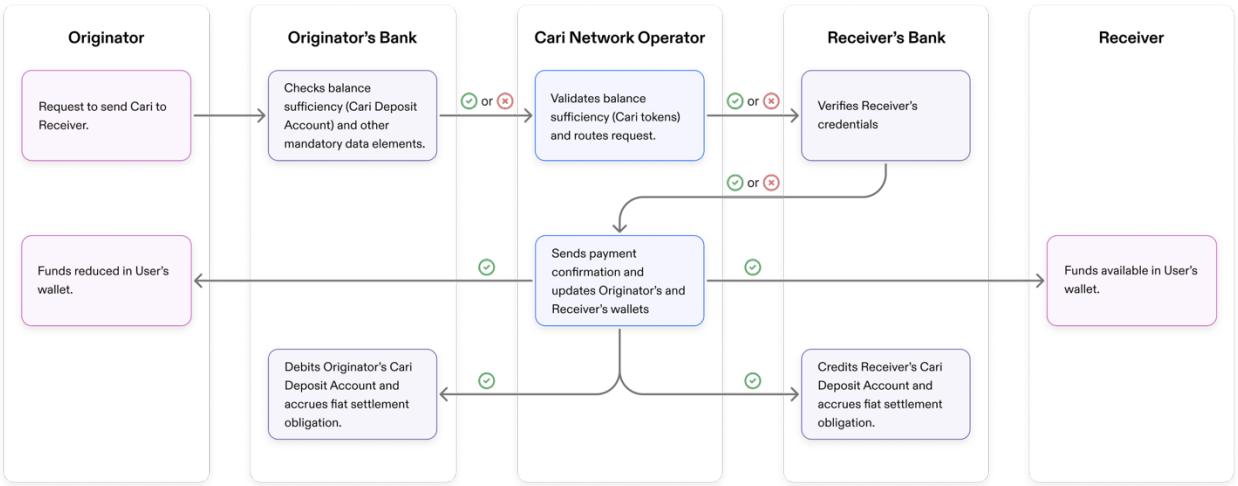
Figure 8: Basic Flow - Acquiring Cari



B. Interbank Transfer: Moving Cari between End Users

An interbank transfer is a domestic (USD) payment made between two End Users (Originator and Recipient) who are customers at different Participating Banks. This flow constitutes an interbank push payment.

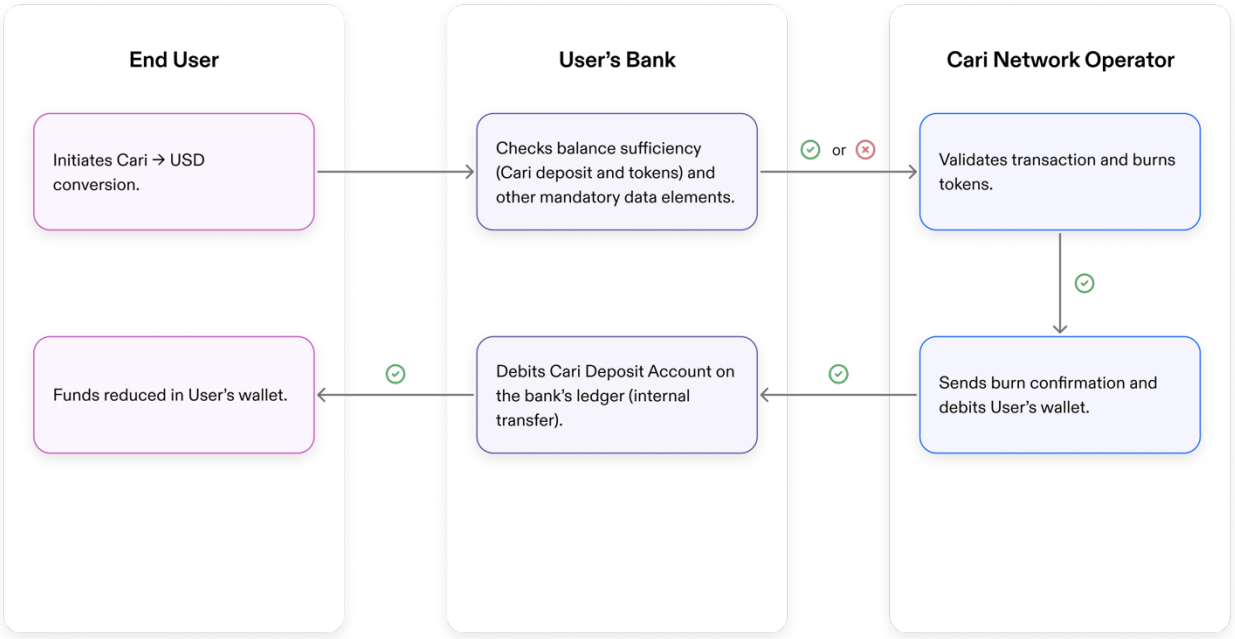
Figure 9: Basic Flow - Transferring Cari



C. Burn: Converting Cari to USD

A burn transaction is a conversion from Cari to USD (i.e., movement of funds from an End User's CDA to DDA). Similar to minting, burning Cari is an internal transfer on a single Participating Bank's ledger.

Figure 10: Basic Flow - Redeeming Cari



VII. USE CASES

The Cari Network introduces the next evolution of digital money movement by extending the capabilities of commercial bank deposits onto a shared, programmable ledger. Cari tokens enable participating institutions to deliver real-time payments, optimize working capital, and support on-demand exchange between digital assets and fiat—all while preserving the compliance standards, business models, and reach of the regulated banking system. Together, these features position Cari as a practical, bank-grade alternative to privately-issued stablecoins: scalable and built to deliver the security, transparency, and interoperability required for adoption across traditional financial and crypto-native ecosystems.

The Cari Network's development follows a deliberate, data-driven progression from foundational capabilities to transformative applications. Each phase builds on proven success from the one prior. Notable use cases, ordered by their anticipated launch, include:

Foundation: Inter-Network, USD Payments

Expected Timing | MVP (2025-2026) – Network Launch Phase 1 (2026)

The foundational use case and initial deployment for Cari is enabling U.S. dollar transfers between commercial End Users within the Network—closed-loop, domestic payments that serve as a modern alternative to legacy methods, such as ACH and wires. Cari payments offer instant, final settlement 24/7/365 while eliminating the delays, cut-off times, and batch processing cycles that constrain today's incumbent payment networks. Because Cari tokens are integrated with Participating Banks' core systems, End Users can move seamlessly between fiat deposits and tokenized balances, optimizing liquidity both on- and off-chain within a single environment.

For Participating Banks, this use case introduces new fee-based payment flows, strengthens deposit retention by keeping End User funds on the bank's own ledger, and expands service offerings for commercial clients seeking real-time liquidity solutions. It also provides an early, low-risk pathway for banks to gain operational familiarity with blockchain settlement.

The MVP is focused on unlocking interbank transfers amongst a targeted subset of pilot banks' commercial segments. As the Network expands, the Operator will work with Participating Banks to further develop capabilities and access to this use case across incremental commercial and institutional customer segments.

Stablecoin Alternative for Digital Asset Settlement

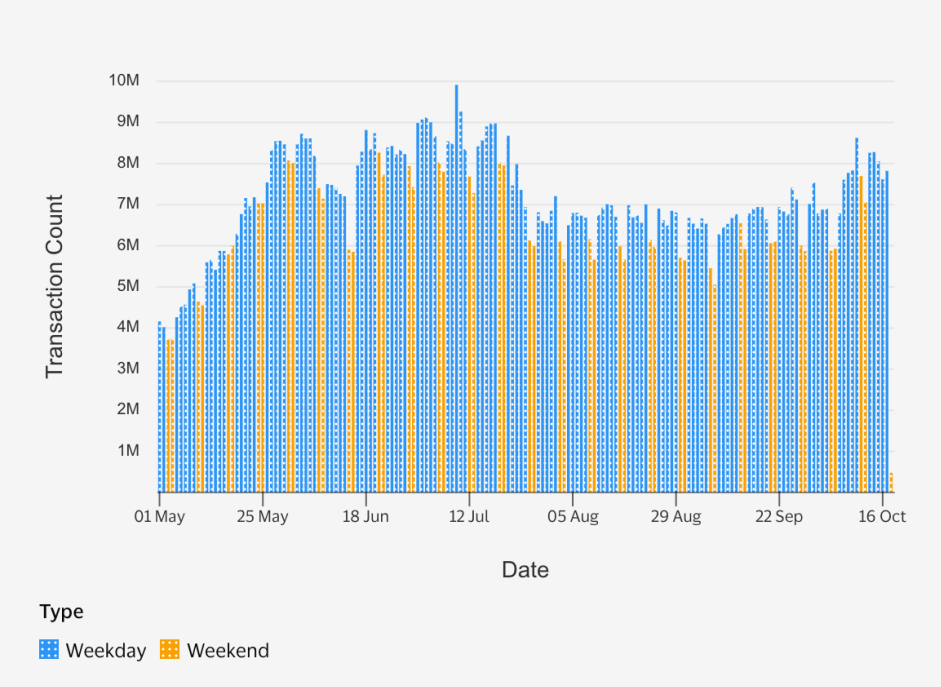
Expected Timing | Network Phase 1 Launch (2026)

Cari serve as a compliant, bank-issued alternative to privately issued stablecoins for settling digital asset trades. Built on a bank-grade L2 rollup anchored to Ethereum, the Cari Network combines the scalability and privacy of a permissioned chain with the security and interoperability of a proven mainnet. Each Cari token is issued in the ERC-20 standard, the most widely adopted, audited, and compatible with decentralized finance and CEX protocols. As a

result, selecting this standard enables digital asset traders and institutional participants to instantly fund, settle, and redeem Cari positions through their accounts at Non-Bank Participants, the Network's ramp into crypto-native ecosystems at production launch.

Importantly, unlike traditional stablecoins, the Network provides traders with continuous access to fiat-equivalent liquidity—allowing them to fund or unwind positions in real time, even outside of standard banking hours. This functionality addresses a key constraint in today's market: while stablecoin transactions remain active on weekends (averaging roughly 6.3 million per weekend day versus 7.3 million on weekdays), fiat rails remain closed, limiting traders' ability to react to market conditions.[15] By linking tokenized deposits directly to the banking system, the Cari Network enables always-on fiat settlement that aligns with the 24/7 nature of digital asset markets.

Figure 11: Weekday vs Weekend Daily Stablecoin Transaction Count for the Six Months Ending October 17, 2025[16]



For Participating Banks who establish relationships with Non-Bank Participants, this unlocks access to a growing segment of digital asset customers currently transacting outside of the regulated banking system. These Banks can capture new deposits and transaction volumes tied to these flows. It also positions them as primary on- and off-ramps between fiat and digital

[15] Visa, *Stablecoins Adjusted – Daily Transaction Count, Weekdays vs. Weekends*, Allium, data for the six months ending October 17, 2025.
[16] Ibid.

markets, roles that command premium client relationships and unlock new revenue opportunities.

Cross-Border Payments

Expected Timing | Network Phase 2 Expansion (2027)

By onboarding non-U.S., regulated bank partners onto its shared ledger, the Cari Network can enable real-time cross-border transfers of commercial deposits within the closed-loop environment. This model establishes the foundation for issuing fiat-backed deposit tokens in multiple currencies under the same governance and token-standard framework as USD-denominated Cari while maintaining compliance with home-country regulations applicable to the underlying deposits. Unlike stablecoins that are pegged to a single currency, USD and non-USD Cari tokens can seamlessly interoperate, reducing reliance on multi-hop correspondent banking chains and enhancing speed and transparency.

Cross-border functionality offers a differentiated treasury and payments service to multinational clients that regionally-oriented Participating Banks may not be able to currently service. It also deepens inter-bank network effects, as each new currency and jurisdiction enhances the utility and liquidity available to all participants.

Extended Ecosystem: Decentralized Finance Connectivity

Expected Timing | Network Phase 3 Expansion (2028+)

As an on-chain representation of fiat deposits, the Network can support financial applications within decentralized finance ecosystems. While this market is nascent, traditional institutions are beginning to experiment with similar models; for example, Société Générale's issuance of regulated euro-denominated stablecoins for on-chain borrowing and lending.[17] Applying this framework, Participating Banks could allow customers to access new sources of yield and liquidity through tokenized deposit products, or to use Cari as collateral within compliant DeFi protocols.

This commercial opportunity represents a future revenue frontier for the Network: the ability to leverage Cari to settle trades in tokenized capital markets, generate fee income from on-chain services (e.g., smart-contract powered escrow services), and facilitate interoperability with external stablecoins.

[17] Morpho, *Société Générale, via SG Forge, enables lending and borrowing of MiCA compliant stablecoins using DeFi infrastructure*, accessed on October 25, 2025.

VIII. GOVERNANCE AND COMPLIANCE

The Cari Network is designed to combine the innovation of blockchain-powered payments with the rigor of a control environment suitable for regulated entities. From inception, the Network's governance and risk management frameworks have been built to operate within existing regulatory structures, supporting the highest standards of security, compliance, and integrity. The Network's design proves that strong controls are not only possible in an on-chain environment. They are essential to unlocking its full potential to enable digital money movement across traditional and decentralized finance under a trusted shared infrastructure.

A. Cari Network Rulebook and Oversight

Participating Banks and Non-Bank Platforms are subject to the terms of the Cari Network Rulebook, which establishes the Network's legal and operational framework. This Rulebook serves as the definitive source of rights and obligations governing all Network activity. It outlines participant eligibility criteria, service level and performance requirements, roles and responsibilities of all Network participants, fee schedules, incident and dispute management procedures, and protocols for Network changes and upgrades. This oversight helps safeguard the Network's integrity, reliability, and stability.

The Cari Network's Board of Directors serves as the Network's primary governing authority. The Board oversees the Network's strategic direction and risk management, including reviewing and approving the Cari Network Rulebook and other key policies on at least an annual basis.

The Operator's executive management is responsible for the day-to-day administration of the Network and for implementing policies adopted by the Board. The Operator monitors participant adherence to the Rulebook on an ongoing basis.

B. Network Participant Eligibility

Participation in the Cari Network is initially limited to U.S.-domiciled chartered banks and regulated digital asset market participants that meet comprehensive eligibility standards established in the Cari Network Rulebook. These standards ensure that every participant transacting across the Network is appropriately licensed, financially sound, and compliant with applicable laws and regulations.

Before onboarding, each prospective Participating Bank and Non-Bank Participant undergoes a rigorous due diligence and credentialing process conducted by the Operator. Ongoing eligibility monitoring also ensures continued compliance with the Rulebook.

C. Transaction-Level Compliance

Each Participating Bank continues to remain responsible for applying existing controls in their own environments, including but not limited to: performing CIP/KYC on customers with access to Cari, conducting screening before authorizing any transaction, and monitoring ongoing transaction activity. Every transaction on the Cari Network incorporates compliance checks that mirror these controls.

The Cari Network's smart contract architecture enforces bank-side validations at the protocol level, ensuring that any transaction lacking proper attestations or approvals cannot execute on chain. Cari tokens can only be transferred to verified counterparties as evidenced through whitelisted Cari wallet addresses managed under the Network's policies. All token activity is executed and recorded on the Network's permissioned L2 chain, where execution and data storage remain entirely under the Network's control. Each transaction batch is validated using ZK proofs and anchored to Ethereum, delivering cryptographic integrity without exposing any sensitive transaction data or End User information on the public blockchain.

D. Network-Wide Risk Programs and Controls

The Operator maintains comprehensive risk management programs aligned with U.S. supervisory expectations. The Network's anti-financial crimes program encompasses Network-wide transaction monitoring, anomaly detection, and periodic risk assessments. Its information security framework includes continuous monitoring, penetration testing, and a robust incident response program.

The Cari Network's blockchain selection—an L2, ZK rollup—bolsters the control environment at the protocol level. Prividium enables Participating Banks to apply existing access and user management policies directly to on-chain activity, ensuring consistency with authentication frameworks already in place in bank environments. Moreover, only the Operator has the authority to run additional nodes on the blockchain, therefore ensuring that no external party can join the system without the Operator's explicit approval.

IX. CONCLUSION

The financial system stands at a crossroads. The path forward demands more than incremental improvement. It requires fundamental reimagination of how money moves in today's economy. Legacy rails, despite their trust and ubiquity, cannot meet demands for instant, programmable settlement. Stablecoins, despite their speed and efficiency, cannot provide the security and oversight that institutional finance requires.

The Cari Network represents the convergence. It's a platform that harnesses blockchain's transformative capabilities while preserving the safeguards that protect the global financial system. By tokenizing deposits with a regulatory compliant design, Cari enable banks to offer their clients the speed of crypto with the security of traditional deposits.

For Participating Banks, particularly regional and community-focused institutions, the Cari Network levels the playing field. No longer must they choose between massive technology investments or losing customers to digitally-native, non-bank competitors. The Network provides enterprise-grade capabilities on a shared, secure ledger, enabling any bank to offer instant, programmable payments while strengthening their deposit franchise and preserving their business models.

For End Users, the Cari Network eliminates the false choice between speed and security. Treasury teams can optimize working capital without sacrificing safety and soundness protections. Payments can carry business logic without leaving regulated channels. International transfers can settle instantly without cryptocurrency exposure.

For the broader financial system, the Cari Network demonstrates that innovation and regulation need not be in tension. By building with banks rather than around them, by embedding compliance rather than avoiding it, by embracing innovation rather than shunning it, the Network shows that transformative technology can strengthen rather than destabilize finance.

The shift to always-on, programmable money is not a possibility. It's an inevitability. The only question is whether traditional financial institutions will lead this transformation or be displaced by it. The Cari Network ensures they have the tools not just to participate but to benefit commercially.

As we stand on the cusp of finance's next era, the Cari Network invites forward-thinking institutions to join us in building the future of money movement: one that's instant, trusted, and always on. Together, we're not just moving money faster. We're unlocking the full potential of capital in the digital age.

Cari LLC is a technology company building the Cari Network, the first tokenized deposit network purpose-built to connect chartered banks and decentralized finance. The Network enables the issuance and transfer of digital representations of bank deposits over a secure, permissioned blockchain, bringing real-time settlement and on-chain interoperability to digital money movement. Co-developed with bank partners, the Network is engineered to meet the business, operational, and regulatory requirements of the banking system. Cari's team brings decades of experience across banking, financial regulation, and digital assets—united by a commitment to security, risk management, and operational excellence.

Matter Labs is the core development company behind ZKsync, an Layer-2 protocol using advanced ZK cryptography to deliver Ethereum-level security with high throughput and minimal cost. Backed by leading investors such as a16z, Blockchain Capital, and Dragonfly, Matter Labs is pioneering the next generation of institutional blockchain infrastructure. Building on its ZKsync technology stack, Matter Labs developed **Prividium**, the first institutional-grade Layer-2 platform designed for financial institutions and governments. Prividium is a private, permissioned, and enterprise-controlled Layer-2 network that combines confidentiality, scalability, and built-in compliance. For more details, visit zksync.io.

For more information, please contact the Cari Network at:

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References to tokenized deposits, blockchain infrastructure, and related technologies are provided for illustrative purposes only. Implementation remains subject to applicable regulatory approvals and institutional participation.

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