

Lloyds and Archax complete UK's first public blockchain transaction using Tokenised Deposits

- Lloyds Banking Group, Archax and Canton Network partner for globally pioneering transaction, successfully completing the first Gilt purchase using Tokenised Deposits
- Tokenised Deposits are the future of finance, transforming the way businesses transact

Lloyds has completed the first transaction of digital assets using Tokenised Deposits – a landmark for digital finance. For the first time in the UK, Tokenised Deposits have been issued on a public blockchain¹. This is also a global debut for sterling deposits.

This achievement illustrates how tokenisation can revolutionise traditional banking, turning real-world assets into digital forms that can be purchased, sold or transferred instantly. Unlike private ledgers, the Canton Network, a public blockchain, opens up an opportunity for mass adoption across the industry due to greater accessibility, while preserving confidentiality.

The transaction involved Lloyds Bank PLC issuing Tokenised Deposits on the Canton Network, a blockchain designed for regulated financial markets. Lloyds Bank Corporate Markets, part of Lloyds Banking Group, utilised these deposits to purchase a Tokenised Gilt from Archax². Archax then moved the underlying funds back into its regular Lloyds account, showing how easily transactions can flow between blockchain and traditional banking systems.

With the UK government exploring the possibility of issuing its own digital securities, this transaction demonstrates how tokenisation can bring traditional instruments such as Gilts into the digital ecosystem.

Big benefits for businesses

The tokenisation of deposits will reshape how businesses manage and move money, giving them the means to complete transactions on blockchains, whilst at the same time retaining the benefits of traditional deposits – including the ability to earn interest and maintaining regulatory security.

Additional benefits include:

- Increased utility: Tokenised Deposits give businesses the ability to access and trade a wider range of securities, both on blockchain networks and through traditional markets, using the same cash asset
- Instant settlement: Transactions complete in real time, reducing risk and improving liquidity
- Smart contracts: Automated agreements can execute transactions and processes instantly, reducing manual steps and operational risk

¹ Public blockchain is an open distributed ledger that allows universal access to all.

² Archax is a regulated digital assets exchange

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- Transparency and security: Distributed Ledger Technology provides a clear, permanent record of transactions, enhancing trust and compliance

As part of this transaction, Lloyds also ran its own validator node on the Canton Network, which verifies and secures transactions on the network, ensuring customer resources are managed with the same security and standards the bank uses for cash deposits.

This groundbreaking initiative further builds on the success of Lloyds' achievement with Archax earlier this year, using units of a Tokenised Money Market Fund as collateral³, further demonstrating the power of tokenisation and paving the way for broader adoption of digital assets.

Surath Sengupta, Head of Transaction Banking Products at Lloyds, said: "This transaction offers a glimpse into the future of finance; faster, smarter, and more efficient. Tokenisation allows us to bring real-world assets onto blockchain infrastructure, creating opportunities for businesses to transact with greater speed, transparency, and flexibility. Crucially, these advantages come without losing the benefits of traditional cash, as Tokenised Deposits can continue to earn interest and remain protected by the Financial Services Compensation Scheme. This pilot is a critical step towards building the financial ecosystem of the future."

Graham Rodford, CEO and co-founder at Archax, said: "This transaction shows how tokenised real-world assets can deliver real-world benefits for institutions. Instant settlement and enhanced transparency are game-changers, and we're proud to work with Lloyds and Canton to lead the way in shaping the next generation of financial markets."

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Notes

About Lloyds Banking Group

Lloyds Banking Group is the largest UK retail and commercial financial services provider with around 27 million customers and a presence in nearly every community. We are proud to support British businesses, with nearing one million UK businesses supported by our leading digital and relationship banking services.

Our main business activities include retail and commercial banking, general insurance and long-term savings, provided through well recognised brands including Lloyds, Halifax, Bank of Scotland and Scottish Widows.

Our purpose is Helping Britain Prosper. We have served Britain through our products and services for more than 320 years, across every community, and millions of households. Our success is interwoven with the UK's prosperity, and we aim to help Britain prosper by operating as a responsible, sustainable and inclusive Group.

³ <https://www.lloydsbankinggroup.com/media/press-releases/2025/lloyds-banking-group-2025/digital-assets-breakthrough.html>

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