

# BNKTO

## Version 12.0: Institutional Strategy Edition

Bankto Global Financial Infrastructure Protocol

"Bankto is a global financial infrastructure protocol combining decentralized physical access networks, institutional-grade capital engines, and blockchain settlement rails, with BNKTO serving as the bonding asset that powers and secures the network."

<b>Total Supply</b>	1,000,000,000 BNKTO
<b>Token Identity</b>	Infrastructure Bonding & Access Token
<b>Document Date</b>	March 2026
<b>Classification</b>	Institutional Distribution / Confidential

**BANKTO**

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SECTION 01

# Executive Summary

Bankto is a global financial infrastructure protocol that integrates decentralized physical infrastructure with blockchain settlement rails and an institutional-grade capital engine. BNKTO functions as the Infrastructure Bonding and Access Token required to operate nodes within the network.

The global financial system is undergoing a structural transformation. Billions of individuals remain underserved by traditional banking infrastructure, while the rapid adoption of digital assets has created unprecedented demand for physical access points that bridge the gap between fiat currency and decentralized finance. Bankto is purpose-built to address this market gap at institutional scale, combining real-world infrastructure deployment with disciplined capital management.

The Bankto protocol deploys a global network of crypto ATMs and financial nodes, each requiring a mandatory bond of 50,000 BNKTO tokens to operate. This bonding mechanism creates direct, non-speculative utility demand for BNKTO, ensuring that token demand is fundamentally tied to real-world infrastructure deployment rather than market sentiment alone.

<b>1B</b>	<b>3-Layer</b>	<b>50K</b>	<b>30%</b>
TOTAL BNKTO SUPPLY	PROTOCOL ARCHITECTURE	BNKTO BOND PER NODE	REVENUE TO TREASURY

PROTOCOL ARCHITECTURE

The Bankto protocol operates across three fully integrated layers. At the physical layer, a network of ATMs, merchant nodes, broker terminals, and liquidity nodes provides tangible financial access points across global regions. At the settlement layer, all transactions are settled on blockchain rails, ensuring immutable, transparent, and efficient finality. At the capital layer, the Bankto Finance lending engine and treasury deployment system generate institutional-grade yield through rule-based, risk-controlled capital allocation.

BNKTO TOKEN IDENTITY

BNKTO is not a speculative asset. It is a functional infrastructure credit defined as an **Infrastructure Bonding and Access Token**. Its value is derived entirely from the real-world infrastructure it secures and the revenue that infrastructure generates. The token serves three clearly defined roles: it is the required bond for node operation, it provides access to infrastructure participation, and it will serve as the basis for optional staking and governance in future phased rollouts.

SECTION 02

# BNKTO Investment Thesis: Non-Speculative Value Drivers

The core investment thesis for BNKTO is predicated on structural supply compression and verifiable revenue generation. The token's economic model is designed to operate independently of market sentiment, driven instead by tangible infrastructure metrics.

BNKTO value is driven by five distinct, non-speculative mechanisms:

<p><b>1</b> <b>Infrastructure Expansion</b></p> <p>Each node deployed locks a mandatory 50,000 BNKTO bond.</p>	<p><b>2</b> <b>Revenue Growth</b></p> <p>ATM transaction fees drive continuous treasury inflows.</p>
<p><b>3</b> <b>Buyback Mechanism</b></p> <p>20% of protocol revenue creates constant market demand.</p>	<p><b>4</b> <b>Capital Engine Yield</b></p> <p>Treasury capital generates additional institutional yield.</p>
<p><b>5</b> <b>Supply Compression</b></p> <p>Bonding plus systematic buybacks structurally reduce circulating supply.</p>	

## ALIGNMENT OF INCENTIVES

This structure ensures that network growth translates directly into token scarcity. As physical deployment scales, the mandatory bonding requirement continuously removes tokens from circulation. Simultaneously, the revenue generated by this expanding network funds programmatic buybacks, creating persistent demand pressure.

*"BNKTO is designed to capture value from real-world financial infrastructure and disciplined capital deployment, not speculative market activity."*

SECTION 03

# Global Infrastructure Thesis

The world's financial infrastructure is undergoing a structural transformation. Centralized institutions that have dominated financial access are being challenged by decentralized alternatives offering superior efficiency, transparency, and accessibility.

THE PHYSICAL-DIGITAL GAP

Traditional financial infrastructure is characterized by high barriers to entry, geographic concentration, and systemic inefficiencies. Legacy payment rails and centralized custody models create friction and exclusion at every layer. An estimated 1.4 billion adults globally remain unbanked, with hundreds of millions more underserved by existing financial infrastructure.

While blockchain technology has demonstrated the capacity to eliminate intermediaries and reduce settlement times, the critical missing link remains physical infrastructure: the tangible access points required to bridge the gap between physical fiat currency and decentralized financial networks.

THE MARKET OPPORTUNITY

Market Segment	Addressable Population	Current Penetration	Bankto Opportunity
Unbanked Adults	1.4 billion globally	Less than 5%	Physical access nodes
Crypto ATM Market	\$1.2B+ annually	Fragmented operators	DePIN network model
Cross-Border Remittance	\$800B+ annually	High-fee incumbents	Low-cost settlement rails
Institutional DeFi	\$50B+ AUM	Early stage	Capital Engine yield

**Strategic Position:** The convergence of physical financial access infrastructure with blockchain settlement rails and institutional capital markets represents the next frontier of global financial services. Bankto is building the operating system for this new financial paradigm, grounded in real revenue, disciplined capital allocation, and infrastructure-first execution.

SECTION 04

# The 3-Layer Protocol Architecture

Bankto operates across three fully integrated and interdependent layers. Each layer is purpose-built to fulfill a specific function within the protocol, forming a self-reinforcing system where infrastructure generates revenue, settlement ensures integrity, and capital management maximizes asset productivity.

PROTOCOL ARCHITECTURE STACK

LAYER 3

### Capital Engine

The institutional yield layer. The Bankto Finance lending engine receives treasury capital and deploys it through a rule-based, risk-controlled allocation framework. Generates yield via institutional lending, FX strategies, and controlled liquidity provision.

LAYER 2

### Settlement

The blockchain rails that underpin every transaction. Provides on-chain accounting, immutable transaction records, and the bonding registry that tracks all active infrastructure bonds. Ensures transparent, tamper-proof finality.

LAYER 1

### DePIN

The physical foundation of the network. Comprises ATM nodes, broker nodes, and merchant nodes deployed globally. Each node is independently operated, bonded with BNKTO, and verified through Proof-of-Machine.

LAYER INTERDEPENDENCY

The three layers are designed to be mutually reinforcing. Revenue generated at Layer 1 flows through the settlement infrastructure of Layer 2 into the treasury, where Layer 3 deploys it to generate additional yield. This yield further strengthens the treasury, enabling greater infrastructure expansion at Layer 1. The result is a compounding economic flywheel.

Layer	Primary Input	Primary Output	Key Mechanism
Layer 1: DePIN	BNKTO bonds + operator capital	Transaction fee revenue	Node bonding + Proof-of-Machine
Layer 2: Settlement	Transaction data	On-chain records + bond registry	Blockchain rails + smart contracts
Layer 3: Capital Engine	Treasury capital (30% of revenue)	Institutional yield	Rule-based capital deployment

SECTION 05

# Competitive Landscape and Differentiation

The financial infrastructure sector is highly fragmented. Bankto's architecture bridges the operational gap between traditional physical operators and pure-play digital protocols, creating a unique hybrid model.

MARKET POSITIONING MATRIX

Category	Traditional ATM Operators	DeFi Protocols	Bankto Protocol
Physical Infrastructure	Yes	No	Yes
Blockchain Settlement	No	Yes	Yes
Capital Engine	No	Limited	Yes
Real Revenue Generation	Yes	Limited	Yes
Decentralized Expansion	No	Yes	Yes

THE INTEGRATION ADVANTAGE

Traditional ATM operators face severe capital constraints; scaling requires intensive corporate capital expenditure. DeFi protocols, conversely, are capital-rich but lack real-world revenue streams, often relying on inflationary token emissions to sustain yields.

Bankto solves both constraints simultaneously. The DePIN model allows physical infrastructure to scale rapidly via decentralized operator capital, while the protocol captures a share of real-world fiat revenue to fund non-inflationary tokenomics and treasury growth.

*"Bankto is the only model integrating physical infrastructure, institutional capital management, and blockchain settlement into one system. This creates a defensible moat built on hardware deployment, not just code."*

SECTION 06

# DePIN Infrastructure Model

The Bankto Decentralized Physical Infrastructure Network (DePIN) replaces centralized capital expenditure with a network of independent, incentivized operators, ensuring rapid scalability and true decentralization while maintaining rigorous operational standards.

NODE TYPES AND FUNCTIONS

Node Type	Primary Function	Bond Requirement	Revenue Model
ATM Nodes	Fiat-to-crypto conversion and cash access infrastructure	50,000 BNKTO	~50% of ATM transaction fees
Broker Nodes	OTC transactions and institutional liquidity provision	100,000 BNKTO	Trading spreads and transaction fees
Liquidity Nodes	Protocol liquidity pools and settlement support	50,000 BNKTO	Market-rate liquidity yield
Gateway Nodes	Banking integrations and exchange connectivity	75,000 BNKTO	Routing and settlement fees

OPERATOR ECONOMICS

The DePIN model creates a compelling economic proposition for node operators. With an ATM generating approximately \$100,000 in annual revenue and operators receiving 50% of transaction fees, a single ATM node can generate significant operator income. This represents a strong return on the operational effort and the 50,000 BNKTO bond requirement.

BONDING MECHANISM AND FIXED PARAMETERS

Each node within the Bankto network requires a mandatory BNKTO bond to ensure operational integrity and commitment. This bonding mechanism aligns operator incentives with network success and ensures financial commitment to quality operations. Bonds are locked for the duration of active node operation and are subject to slashing conditions if operators fail to meet network performance standards.

The total addressable network size is modeled on a fixed parameter of 40,000 ATMs globally. At full capacity, this model requires a substantial portion of the token supply to be locked in active infrastructure bonds, structurally reducing liquid circulation and creating persistent non-speculative demand for BNKTO.

NETWORK EXPANSION MILESTONES

Network Milestone	ATMs Deployed	BNKTO Bonded	Estimated Annual Revenue
Phase 1	500	25,000,000	\$50,000,000
Phase 2	2,500	125,000,000	\$250,000,000

Network Milestone	ATMs Deployed	BNKTO Bonded	Estimated Annual Revenue
Phase 3	10,000	500,000,000	\$1,000,000,000
Full Capacity	40,000	2,000,000,000	\$4,000,000,000

At full network capacity of 40,000 ATMs, the mandatory 50,000 BNKTO bond per node creates structural supply compression that scales linearly with every node deployed. This bonding model is the primary non-speculative demand driver for BNKTO.

The network expansion model is designed to be capital-efficient. Each phase of deployment is funded by the preceding phase's revenue, creating a self-sustaining growth engine. Operator recruitment is incentivized through the fee-sharing model, which provides competitive returns relative to the bond requirement. The geographic diversification strategy prioritizes underserved markets where the competitive landscape is less developed and the revenue opportunity per ATM is highest.

SECTION 07

## Proof-of-Machine Verification

To ensure the integrity and reliability of the Bankto network, a robust Proof-of-Machine (PoM) verification process validates every infrastructure node before it is permitted to participate in the network and earn fees.

VERIFICATION STAGES

Stage	Process	Data Verified	Outcome
1. Machine Connection	Physical infrastructure node initiates connection to the Bankto network protocol.	Hardware identity, serial number, operator credentials.	Connection established
2. Telemetry Verification	Machine transmits real-time operational data including location, uptime, and hardware diagnostics.	GPS coordinates, uptime metrics, hardware status, security certificates.	Telemetry confirmed
3. Network Validation	Received telemetry is validated against predefined network parameters and security protocols.	Compliance with network standards, security audit, performance benchmarks.	Validation passed
4. Bonded Registry	Successful validation triggers on-chain registration in the bonded node registry.	Bond confirmation (50,000 BNKTO locked), operator wallet, node ID.	On-chain record created
5. Network Participation	Registered node is granted full network participation rights and begins earning fees.	Ongoing telemetry monitoring, periodic re-validation, performance scoring.	Live and earning

**Security Control:** The PoM verification process runs continuously. Nodes that fail to maintain telemetry standards or whose bonds fall below the required threshold are automatically suspended from the network until compliance is restored. This ensures that every active node in the Bankto network meets institutional-grade operational standards at all times.

**ON-CHAIN ACCOUNTABILITY**

Every verified node is recorded on-chain in the Bankto bonded node registry. This creates a transparent, auditable record of all active infrastructure in the network, enabling institutional participants to independently verify the scale and operational status of the network at any time. The registry serves as the authoritative source of truth for network size and bonded BNKTO supply.

The on-chain registry also serves a critical economic function. Because bonded BNKTO is locked at the protocol level and cannot be transferred while a node is active, the registry provides real-time visibility into the circulating supply reduction caused by active bonds. This creates a verifiable, on-chain proof of supply compression that is directly correlated with network growth and cannot be manipulated or misrepresented.

**PERFORMANCE SCORING**

Each node receives a continuous performance score based on uptime, transaction volume, and compliance with network standards. Scores are updated in real time and are publicly accessible on-chain. High-performing nodes receive priority routing and enhanced fee allocations, while underperforming nodes face graduated penalties including bond slashing for sustained non-compliance. This performance-based incentive structure ensures that the network maintains institutional-grade operational standards as it scales.

**SECTION 08**

# Bankto Capital Engine: Institutional Yield Layer

The Bankto Capital Engine is a rule-based, risk-controlled capital deployment system that transforms protocol treasury reserves into an active, yield-generating institutional asset. Capital deployment is governed by defined mandates, not discretionary speculation.

**CAPITAL ENGINE ARCHITECTURE**

Revenue generated by the Bankto ATM network flows into the protocol treasury, where 30% is allocated to the Capital Engine for active deployment. The engine is operated by the internal treasury committee in partnership with vetted institutional counterparties. It enforces strict exposure caps, automated drawdown protections, and a paramount mandate of capital preservation.

**TREASURY CAPITAL FLOW**



## REVENUE ALLOCATION MODEL

Allocation	Percentage	Purpose
Node Operators	50%	Direct incentive for network operators; drives deployment and operational quality.
Treasury Reserve	30%	Protocol operations, strategic reserves, and Capital Engine deployment.
BNKTO Buybacks	20%	Open market buybacks creating sustained demand and supply compression.

## RISK CONTROLS AND EXECUTION

All strategies are executed under strict risk parameters. Exposure limits are hard-coded, counterparty risk is diversified, and smart contract integrations are restricted to battle-tested, audited protocols. The Capital Engine does not employ leverage in speculative assets.

## YIELD DISTRIBUTION

Yield generated by the Capital Engine is distributed according to a defined protocol mandate. A minimum reserve threshold must be maintained at all times, ensuring the treasury can sustain operations through market downturns without requiring external capital. Excess yield above the reserve threshold is allocated to BNKTO buybacks, further compressing circulating supply and reinforcing the token's structural demand profile.

The Capital Engine operates on a quarterly reporting cycle. Performance metrics, allocation changes, and risk parameter adjustments are disclosed to the community via on-chain governance reports. This transparency ensures that all participants can independently verify the engine's performance and compliance with its mandate.

## SECTION 09

## Treasury Deployment and Allocation Framework

The Bankto Treasury functions as an institutional-grade asset management operation. Treasury capital is continuously deployed through the Capital Engine to generate yield, which compounds the protocol's financial position.

## INDICATIVE CAPITAL ALLOCATION FRAMEWORK

The following framework dictates the distribution of treasury assets across various yield-generating strategies. Allocations are dynamic and governed by risk controls, not fixed targets.

Strategy	Allocation Range	Risk Profile	Function
Institutional FX Strategies	40-60%	Medium	Core yield generation

Strategy	Allocation Range	Risk Profile	Function
Structured Lending (RWA / internal)	20-40%	Low-Medium	Stable income
DeFi Liquidity Protocols	5-15%	Low	Liquidity optimization
Treasury Reserve Buffer	10-20%	Very Low	Capital protection

#### CAPITAL PRESERVATION MANDATE

The primary objective of the treasury is capital preservation. Yield generation is treated as a secondary objective, pursued only after stringent risk parameters have been met. The system is designed to protect the principal value of treasury assets under all market conditions.

#### HYBRID DEFI INTEGRATION PHILOSOPHY

DeFi protocols are utilized exclusively as supplementary liquidity rails, not as primary yield engines. This controlled integration provides access to deep, on-chain liquidity pools while maintaining strict risk controls. Exposure is limited to stablecoins and blue-chip digital assets, minimizing volatility risk.

*"DeFi integrations within the Bankto Capital Engine serve as tools of capital efficiency, not the foundation of the protocol's economics. The foundation is real-world infrastructure and verifiable revenue."*

#### DRAWDOWN PROTECTION

The treasury operates with a tiered drawdown protection system. If the Capital Engine experiences a drawdown exceeding 5% of deployed capital, all new deployments are paused and a risk review is triggered. If the drawdown exceeds 10%, all positions are unwound to the reserve buffer. This system ensures that treasury capital is never exposed to catastrophic loss, and that the protocol can always meet its operational obligations regardless of market conditions.

The reserve buffer is held exclusively in stablecoins and short-duration government instruments, ensuring immediate liquidity availability. This buffer is sized to cover a minimum of 12 months of protocol operating expenses, providing a substantial runway for the team to respond to adverse market conditions without disrupting network operations.

#### SECTION 10

## BNKTO Token Role Clarification

BNKTO is explicitly classified as an **Infrastructure Bonding and Access Token**. Its utility and value proposition are clearly defined and deliberately narrow, ensuring that all participants understand its functional role within the network.

#### THREE DEFINED ROLES

**ROLE 1****Required Bond for Node Operation**

Every infrastructure node requires a mandatory BNKTO bond. This is the primary utility of the token. It creates non-speculative, infrastructure-driven demand that scales directly with network growth.

**ROLE 2****Access to Infrastructure Participation**

BNKTO provides access to the ecosystem. Holding and bonding BNKTO is the mechanism by which operators gain the right to deploy nodes and capture transaction fee revenue.

**ROLE 3****Optional Staking and Governance**

In future phases, BNKTO will serve as the basis for optional staking mechanisms and community governance participation, introduced progressively as the network matures.

**WHAT BNKTO IS NOT**

To maintain regulatory clarity and protect all participants, the following parameters are explicit:

- BNKTO does not represent equity ownership in Bankto or any related entity.
- It does not entitle holders to corporate dividends or profit-sharing.
- It does not guarantee returns or investment yields.
- It does not confer voting rights in corporate governance.
- It is not a claim on the assets of Bankto or its operators.

**Structural Demand:** The value of BNKTO is driven by two structural forces independent of market sentiment: bonding demand (which reduces circulating supply) and treasury-funded buyback demand (which creates consistent buying pressure).

**REGULATORY CLASSIFICATION FRAMEWORK**

Bankto has structured BNKTO's utility parameters to align with the emerging global consensus on utility token classification. The token's value is derived exclusively from its functional role within the network infrastructure, not from any expectation of profit from the efforts of others. This design principle guides all tokenomics decisions and is reviewed regularly against evolving regulatory guidance across key jurisdictions.

Participants are strongly encouraged to seek independent legal and financial advice before acquiring BNKTO. The protocol does not make representations regarding the regulatory treatment of BNKTO in any specific jurisdiction, and the legal landscape for digital infrastructure tokens continues to evolve. Bankto's compliance team monitors regulatory developments globally and will adapt the protocol's structure as required to maintain compliance in all operating markets.

## SECTION 11

# BNKTO Tokenomics

The BNKTO token is designed with a comprehensive tokenomics model that ensures long-term sustainability, incentivizes broad participation, and aligns the interests of all stakeholders across the Bankto ecosystem.

**TOTAL SUPPLY: 1,000,000,000 BNKTO**

Allocation Category	Percentage	Amount	Purpose and Vesting
Public Distribution	38%	380,000,000	Open market availability; immediate liquidity via bonding curve.
Community and Ecosystem	18%	180,000,000	Community initiatives, ecosystem grants; 24-month vesting.
Team Allocation	18%	180,000,000	Core team compensation; 36-month vesting with 12-month cliff.
Strategic Participants	11%	110,000,000	Strategic investors; 18-month vesting with 6-month cliff.
Treasury Reserve	10%	100,000,000	Protocol operations, development, and strategic investments.
ATM Bonding Pool	5%	50,000,000	Initial bonding pool to bootstrap the first 1,000 ATMs.

**LAUNCH CIRCULATING SUPPLY**

Supply Component	Amount	Status	Purpose
Public Distribution	250,000,000	Liquid	Initial market availability and price discovery.
Liquidity Expansion	80,000,000	Liquid	DEX and CEX liquidity provision to ensure deep markets.
ATM Bonds	50,000,000	Locked	Initial infrastructure bonding.
Initial Circulating Supply	~330,000,000	Liquid	Total tokens available for trading at launch.

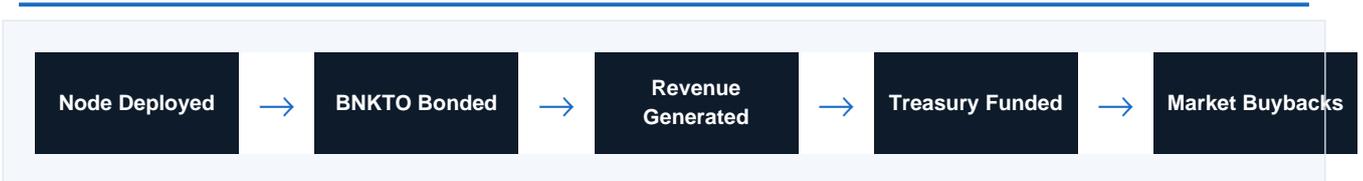
*"Tokenomics are designed for structural supply compression. As the network scales toward the fixed 40,000 ATM capacity, the proportion of total supply locked in active infrastructure bonds increases linearly, removing liquid supply from the market."*

SECTION 12

# Infrastructure to Revenue to Token Flow Model

The Bankto protocol ensures that every unit of infrastructure deployed creates a direct, traceable flow of value back to the BNKTO token. This mechanism translates real-world economic activity into token value through a transparent process.

THE VALUE CAPTURE ENGINE



DUAL COMPRESSION MECHANISM

The Value Capture Engine operates through two simultaneous compression forces:

Compression Force	Mechanism	Effect
Bonding (Supply Lock)	50,000 BNKTO locked per ATM deployed.	Removes tokens from liquid circulation linearly with network growth.
Buybacks (Demand Pressure)	20% of all network revenue is used to purchase BNKTO.	Creates consistent open-market buying pressure funded by fiat revenue.

NETWORK DENSITY FLYWHEEL

Each incremental addition to the infrastructure network creates compounding value. More nodes generate more transaction volume, which builds a larger treasury. A larger treasury enables greater Capital Engine deployment, generating more yield, which funds further expansion and larger buybacks. This creates a compounding growth dynamic.

**Structural Integrity:** The value flow is not dependent on new user capital entering the token market. It is funded entirely by external consumers paying transaction fees at physical ATMs, bridging real-world fiat utility into the token ecosystem.

COMPOUNDING TREASURY GROWTH

The treasury grows through two simultaneous mechanisms: direct revenue allocation (30% of all ATM transaction fees) and Capital Engine yield. As the network scales, both inputs grow proportionally, creating a compounding treasury growth curve. At full network capacity of 40,000 ATMs, the treasury receives an estimated \$1.2 billion annually from direct revenue allocation alone, before Capital Engine yield is factored in.

This treasury scale creates a self-reinforcing dynamic: larger treasury enables larger Capital Engine deployments, which generate more yield, which funds larger buybacks, which reduces circulating supply, which strengthens the token's market position. The entire system is anchored by real-world fiat revenue, not circular token economics.

### SECTION 13

## Scenario-Based Financial Model

The Bankto financial model is built on verifiable revenue generation mechanisms. Projections are milestone-based and dependent on execution validation, presented across multiple scenarios to reflect varying adoption curves.

### SCENARIO-BASED FINANCIAL OUTLOOK

Assuming an average annual revenue of \$100,000 per ATM node, the following scenarios model potential outcomes by Year 5. All projections are contingent on successful phased deployment.

Scenario	ATM Count (Year 5)	Estimated Annual Revenue	Treasury Allocation (30%)	Buyback Allocation (20%)
Base Case	1,500	\$150,000,000	\$45,000,000	\$30,000,000
Mid Case	5,000	\$500,000,000	\$150,000,000	\$100,000,000
High Case	9,700	\$970,000,000	\$291,000,000	\$194,000,000

### CAPITAL ENGINE YIELD PROJECTIONS

In addition to transaction fees, the Capital Engine generates supplementary yield from treasury deployment. These figures are indicative, based on conservative assumptions for institutional lending and FX strategies.

Scenario	Treasury Capital Deployed	Estimated Yield (Conservative)	Total Protocol Income
Base Case	\$45,000,000	~\$2.25M to \$4.5M	~\$152.25M to \$154.5M
Mid Case	\$150,000,000	~\$7.5M to \$15.0M	~\$507.5M to \$515.0M
High Case	\$291,000,000	~\$14.5M to \$29.1M	~\$984.5M to \$999.1M

**Important Note:** Projections are milestone-based and dependent on execution validation. They are forward-looking statements based on assumptions. Actual results may differ materially. These figures do not constitute a guarantee of returns or investment performance.

## SECTION 14

# Value Capture Engine

The BNKTO Value Capture Engine aligns infrastructure growth with token scarcity. It operates at the protocol level, translating real-world economic activity into structural token value.

## STRENGTHENED VALUE CAPTURE: OPTIONAL STAKING LAYER

In future phases, an optional staking layer will be introduced for BNKTO holders who wish to participate in network governance and earn a share of protocol yield. This layer is designed to be additive. It will not alter the core bonding and buyback mechanics, but will provide an additional mechanism for value accrual to long-term BNKTO holders. The staking layer will be introduced progressively, with parameters governed by the community governance framework.

## TREASURY-DRIVEN DEMAND

Beyond the programmatic buyback allocation (20% of revenue), the Capital Engine creates treasury-driven demand for BNKTO through its yield reinvestment framework. A portion of Capital Engine yield is allocated to additional BNKTO buybacks, creating a compounding demand effect that grows as the treasury's capital base expands.

## THE DEFLATIONARY IMPACT

While BNKTO has a fixed maximum supply of 1,000,000,000 tokens, the effective circulating supply is highly deflationary relative to network growth. As the protocol approaches the modeled capacity of 40,000 ATMs, the mathematical requirement for bonding creates intense supply scarcity, while simultaneous revenue-driven buybacks continuously extract remaining liquidity from the open market.

**Execution Focus:** Value in the Bankto protocol comes from infrastructure and revenue, not speculation. The Value Capture Engine is transparent, verifiable, and operates entirely on-chain, ensuring that economic reality dictates token performance.

## SUPPLY COMPRESSION AT SCALE

Network Stage	ATMs Active	BNKTO Bonded	% of Supply Locked	Est. Liquid Supply
Phase 1	500	25,000,000	2.5%	~305,000,000
Phase 2	2,500	125,000,000	12.5%	~205,000,000
Phase 3	10,000	500,000,000	50.0%	~130,000,000
Full Capacity	40,000	2,000,000,000	200%*	~0 (fully bonded)

\*At full capacity, the bonding requirement exceeds the total supply, meaning every token in existence would need to be bonded to reach maximum network size. This creates a hard ceiling on network growth that is determined by token supply, not by market conditions. The protocol is designed to reach equilibrium well

before this theoretical maximum, with the bonding curve creating natural price discovery as the network approaches capacity.

SECTION 15

# Execution Roadmap: 12 to 24 Months

Bankto's execution roadmap is structured around proof-of-execution milestones. Each milestone must be achieved before the subsequent phase is activated, ensuring disciplined capital deployment.

PHASE 1: FOUNDATION (MONTHS 1-6)

- 1. First ATM Live:** Deployment and verification of the first Bankto ATM via the Proof-of-Machine protocol, establishing proof-of-infrastructure.
- 2. First Revenue Recorded:** Generation of initial transaction fee revenue, recorded on-chain and allocated according to the 50/30/20 distribution model.
- 3. Treasury Activation:** Initial allocation of treasury capital deployed through the Capital Engine, activating the institutional yield layer.
- 4. Buyback Execution:** Execution of the first automated BNKTO buyback using protocol revenue, validating the value capture mechanism.

PHASE 2: REGIONAL ROLLOUT (MONTHS 6-12)

- 5. Pilot Network Validation:** Analysis of Phase 1 performance data. Expansion targets are confirmed based on demonstrated operational metrics.
- 6. Primary Market Expansion:** ATM deployment scales across primary markets based on validated pilot performance. Broker and liquidity nodes are activated in high-volume corridors.

PHASE 3: SCALING AND OPTIMIZATION (MONTHS 12-24)

- 7. Secondary Market Entry:** Controlled expansion into secondary markets based on data-driven market analysis and regulatory readiness.
- 8. Governance Transition:** Gradual transition from multisignature committee to community governance as the network reaches sufficient scale.

MILESTONE-BASED CAPITAL DEPLOYMENT

Capital deployment at each phase is contingent on achieving the preceding phase's performance benchmarks. This discipline ensures that the protocol does not over-allocate resources to markets that have not yet demonstrated viability. The following table summarizes the key performance indicators (KPIs) that must be met before each phase transition:

Phase Transition	Required KPI	Measurement Method
Phase 1 to Phase 2	First ATM generating revenue for 30+ consecutive days; on-chain PoM verified.	On-chain telemetry + treasury revenue records.

Phase Transition	Required KPI	Measurement Method
Phase 2 to Phase 3	500 ATMs active; 90%+ uptime across network; treasury positive.	Network dashboard + treasury balance.
Phase 3 to Full Scale	10,000 ATMs active; Capital Engine generating positive yield; governance framework live.	All on-chain metrics + governance vote.

## SECTION 16

## Operational Constraints and Execution Realities

Unlike pure software protocols, Bankto operates at the intersection of physical hardware, regulatory compliance, and digital settlement. Execution is disciplined, not exponential by default.

### PHYSICAL DEPLOYMENT REALITIES

Scaling a DePIN network involves tangible logistical constraints that cannot be bypassed by code:

- **Site Acquisition:** Securing premium retail locations requires negotiation, leasing agreements, and physical installation timelines.
- **Regulatory Approvals:** Operating fiat-to-crypto gateways necessitates jurisdiction-specific licensing, AML/KYC compliance frameworks, and banking partnerships.
- **Hardware Logistics:** Manufacturing, shipping, and maintaining physical ATM hardware involves supply chain management and localized technical support.

### LIQUIDITY AND SCALING DYNAMICS

Liquidity ramps take time. Establishing deep liquidity pools across multiple jurisdictions and currencies requires methodical capital deployment and the onboarding of institutional market makers. Early-stage inefficiencies in capital velocity are expected and modeled into the protocol's conservative initial projections.

*"Bankto does not project frictionless hyper-growth. Scaling is milestone-driven. Capital is deployed only when operational and regulatory prerequisites are demonstrably satisfied in a target market."*

This pragmatic approach protects treasury capital and ensures that the network grows sustainably, building a robust physical moat that competitors cannot easily replicate through software forks.

### REGULATORY COMPLIANCE ARCHITECTURE

Bankto's compliance architecture is designed to be jurisdiction-agnostic at the protocol layer, with jurisdiction-specific compliance modules applied at the operator level. This structure allows the core protocol to remain consistent while individual operators meet their local regulatory requirements. AML/KYC screening is performed at the point of transaction, with data handled by licensed compliance partners in each jurisdiction.

Compliance Layer	Responsibility	Implementation
Protocol Layer	On-chain bond verification, PoM validation, revenue distribution.	Smart contracts; immutable audit trail.
Operator Layer	AML/KYC screening, local licensing, banking relationships.	Licensed compliance partners; jurisdiction-specific modules.
Treasury Layer	Capital deployment governance, counterparty due diligence.	Internal treasury committee; institutional counterparties.

SECTION 17

## Risk and Capital Governance Framework

Bankto operates an institutional-grade capital governance framework that dictates all treasury deployments, risk exposures, and capital allocation decisions, designed to protect the protocol's financial foundation.

RISK CATEGORIES AND MITIGATIONS

Risk Category	Risk Description	Mitigation Strategy	Severity
Regulatory Risk	Evolving cryptocurrency regulations may impact operations or token classification.	Proactive legal engagement; compliance-first architecture; jurisdictional flexibility.	Medium
Deployment Risk	Logistical challenges in site acquisition, hardware supply, and operator recruitment.	Phased rollout; established local partnerships; robust operator onboarding.	Medium
Market Risk	Cryptocurrency market volatility may impact BNKTO value and overall sentiment.	Diversified revenue; substantial treasury reserves; systematic buybacks; bonding utility.	Medium
Capital Engine Risk	Adverse market conditions may impact yield generation from treasury strategies.	Capital preservation mandate; strict exposure limits; automated drawdown protection.	Low-Med
Liquidity Risk	Insufficient BNKTO liquidity may impact operator ability to acquire bonds.	Strategic liquidity allocation; market-making partnerships; multi-exchange presence.	Low-Med
Smart Contract Risk	Vulnerabilities in protocol logic could expose operator funds or treasury assets.	Independent security audits; formal verification; bug bounties; timelocked upgrades.	Low
Operational Risk	Hardware failures or operator misconduct could impact network reliability.	Proof-of-Machine monitoring; bond slashing for non-compliance; hardware SLAs.	Low

CAPITAL ADEQUACY AND DRAWDOWN PROTECTION

The protocol maintains strict capital adequacy ratios, ensuring sufficient liquid reserves are available to meet operational demands. Dynamic liquidity buffers adjust based on network volume. The Capital Engine

employs automated drawdown protection mechanisms that unwind positions if predetermined risk thresholds are breached.

Drawdown Threshold	Trigger Condition	Automated Response
Level 1 (5% drawdown)	Capital Engine portfolio declines 5% from peak.	Reduce new position sizing by 50%; increase reserve buffer.
Level 2 (10% drawdown)	Capital Engine portfolio declines 10% from peak.	Pause all new deployments; begin orderly position unwind.
Level 3 (15% drawdown)	Capital Engine portfolio declines 15% from peak.	Full unwind to cash; governance committee emergency review.

#### AUDIT AND VERIFICATION

All Capital Engine positions, treasury balances, and risk metrics are subject to independent third-party audit on a quarterly basis. Smart contract logic governing revenue distribution, bond management, and buyback execution is formally verified prior to deployment and subject to continuous monitoring via on-chain analytics. Security audit reports are published in full and accessible to all protocol participants.

#### SECTION 18

## Governance

Bankto is committed to a progressive decentralization of its governance structure, evolving from an initial multisignature committee model toward a fully community-driven on-chain governance system.

#### GOVERNANCE EVOLUTION

Phase	Mechanism	Decision Scope	Timeline
Phase 1: Early Governance	Multisignature treasury committee of trusted core team members; requires majority approval.	Treasury deployment, protocol parameters, emergency actions.	Months 0-12
Phase 2: Community Governance	Snapshot off-chain signaling allows BNKTO holders to propose and vote on key initiatives.	Ecosystem grants, non-critical parameter changes, strategic direction.	Months 12-24
Phase 3: On-Chain Governance	Fully decentralized on-chain voting with token-weighted governance; smart contract execution.	All protocol parameters, treasury management, upgrade approvals.	Year 3+

This phased approach ensures that the protocol can operate efficiently during its critical early growth phase while progressively transferring control to the community as the network matures and governance mechanisms are battle-tested.

#### CAPITAL GOVERNANCE INTEGRATION

The governance framework is directly integrated with the Capital Engine's risk controls. All significant treasury deployment decisions above defined thresholds require appropriate approval based on the active governance phase. This ensures that capital is always deployed with oversight and accountability.

## EMERGENCY GOVERNANCE PROCEDURES

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In the event of a critical protocol vulnerability or market emergency, the multisignature treasury committee retains the authority to act unilaterally within a defined emergency mandate. Emergency actions are limited to pausing Capital Engine deployments, activating the reserve buffer, and initiating a security review. All emergency actions are logged on-chain and subject to community review within 72 hours of execution.

## TRANSPARENCY AND REPORTING

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Bankto is committed to institutional-grade transparency. The protocol publishes quarterly treasury reports, monthly network performance dashboards, and real-time on-chain metrics accessible to all participants. Governance proposals and voting records are permanently stored on-chain, ensuring a complete and immutable audit trail of all governance decisions from inception.

## SECTION 19

# Legal Positioning

BNKTO is a utility infrastructure credit. It is the functional bonding token required to operate financial infrastructure nodes within the Bankto network, not a security, equity instrument, or investment contract.

## TOKEN CLASSIFICATION

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BNKTO is designed and functions as a utility token with a specific, non-speculative use case: providing the bond required to operate ATM nodes, merchant nodes, broker nodes, and liquidity nodes within the Bankto protocol. The token's value is derived from its functional utility within the network, not from the expectation of profit from the efforts of others.

## REGULATORY COMPLIANCE

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Bankto maintains a compliance-first approach to all regulatory matters. The protocol is designed to adapt to evolving regulatory frameworks across all operating jurisdictions. Bankto engages proactively with regulatory authorities to ensure that ATM operations, token mechanics, and protocol activities comply with applicable laws. Dedicated legal counsel is maintained in each primary operating region.

## IMPORTANT DISCLAIMERS

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*This document is provided for informational purposes only and does not constitute an offer to sell, a solicitation of an offer to buy, or a recommendation to purchase BNKTO tokens or any other digital asset. The information contained herein is subject to change without notice. Past performance is not indicative of future results. Participants should conduct their own due diligence and consult with qualified legal, financial, and tax advisors before making any decisions.*

## JURISDICTIONAL CONSIDERATIONS

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The availability and legality of BNKTO and the Bankto protocol varies by jurisdiction. Certain activities described in this document may be restricted or prohibited in specific regions. It is the sole responsibility of each participant to determine whether their participation in the Bankto protocol is lawful in their jurisdiction. The Bankto team does not solicit participation from persons in jurisdictions where such participation is

prohibited.

#### FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements, including projections, targets, and estimates. These statements are based on current assumptions and involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those expressed or implied. Forward-looking statements are not guarantees of future performance. The Bankto team undertakes no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date of this document.

Specific risks that could cause actual results to differ materially from forward-looking statements include, but are not limited to: changes in regulatory requirements, adverse cryptocurrency market conditions, hardware supply chain disruptions, failure to obtain necessary operating licenses, competition from alternative financial infrastructure providers, and technical vulnerabilities in smart contract infrastructure. Participants are encouraged to review the Risk and Capital Governance Framework section of this document for a comprehensive assessment of material risks.

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#### NO FIDUCIARY RELATIONSHIP

Nothing in this document creates or implies a fiduciary relationship between Bankto Technology Pty Ltd and any reader or participant. The Bankto team is not acting as a financial advisor, investment manager, or legal counsel to any participant. All participants engage with the Bankto protocol on an arms-length basis and are solely responsible for their own investment and participation decisions.

#### DOCUMENT VERSION CONTROL

Version	Date	Summary of Changes
v10	Q1 2025	Initial public whitepaper release.
v11	Q2 2025	Added Capital Engine, Treasury Deployment, and DeFi Liquidity sections.
v12	Q1 2026	Added Investment Thesis, Competitive Landscape, Scenario Financial Model, and Operational Constraints sections. Removed all named third-party partner references.

# Final Positioning Statement

*"Bankto is a global financial infrastructure protocol combining decentralized physical access networks, institutional-grade capital engines, and blockchain settlement rails, with BNKTO serving as the bonding asset that powers and secures the network."*

Bankto is not merely a cryptocurrency project. It is a financial infrastructure company building the physical and digital rails that will connect billions of people to decentralized finance. The BNKTO token is the economic engine that powers this infrastructure, creating a direct and structural link between the growth of the physical network and the value of the token.

The combination of mandatory bonding, systematic buybacks, an institutional Capital Engine, and a milestone-based deployment roadmap creates an economic model that is fundamentally different from speculative digital assets. BNKTO's value proposition is grounded in real-world infrastructure deployment, verifiable revenue generation, disciplined capital management, and a transparent governance framework.

## Summary of Key Metrics

Metric	Value
Total BNKTO Supply	1,000,000,000
Bond per ATM	50,000 BNKTO
Modeled Network Capacity	40,000 ATMs globally
Revenue Buyback Allocation	20% of all network revenue
Treasury Allocation	30% of all network revenue
Capital Engine Mandate	Capital preservation and institutional yield

# BANKTO