



Trend analysis

Why digital asset banking will become increasingly important in the future

- The recently emerged field of digital assets offers interesting opportunities in the B2B and B2C sectors.
- While this market has been developed mainly by specialized start-ups in the last three to five years, established banks, private banks and service providers in the financial services sector have been increasingly pushing into this new business segment for the past 12 - 18 months. The trend is a global phenomenon.
- The first providers in the digital asset banking sector particularly focused on peer-to-peer payment transactions, trading and brokerage of crypto currencies. In addition, the support of crowdfunding via ICO (Initial Coin Offering) was an attractive business area, especially in 2017 and 2018.
- ICOs are increasingly being replaced and supplemented by more strongly regulated, so-called Security Token Offerings (STOs), as a recent study by PwC Strategy& revealed.
- Looking into the future, digital asset banking will concentrate increasingly on new, more complex business areas, such as fund solutions, derivatives on crypto currencies and tokens, integrated portfolios (fiat and crypto/tokens), tokenization of illiquid assets, wealth management solutions and private banking.
- It is expected that the market as a whole will continue to grow on the supply side as well as on the demand side. The most important trends are:
 - The regulatory authorities are following the trend and will only accept state-of-the-art operating models supported by professional providers in the future.
 - The importance of risk management is currently still not given enough focus. Just recently, the Bank for International Settlements (BIS) declared this area as important.
 - Platforms and «open banking» are also important in the field of digital asset banking, which means that for example the standardization will increase and API banking will continue to grow.
 - In the future there will be further opportunities for white labeling and B2B2C business models in digital asset banking, especially in combination with other exponential technologies such as artificial intelligence, Internet of Things, new mobility solutions, drones etc.

InCore Bank's conclusion

As a transaction bank in the B2B sector, InCore Bank sees its role as an ideal partner for innovative services in digital asset banking (Crypto Currency & Token Services) for banks, FinTech companies and other service providers in the financial services sector. The promising area of digital asset banking is therefore strategically anchored at InCore Bank and is continuously being developed.

You would like to learn more about our services? Please do not hesitate to contact us.

Your contact: Michael Baumgartner, Head of Sales Transaction Banking & Digital Assets

✉ michael.baumgartner@incorebank.ch | ☎ +41 44 403 93 20