

Crypto News #1

Crypto economy challenges the banking industry

The five current technological megatrends for banks include block chain technology and the resulting crypto economy. After initial hesitation about block chaining in the banking sector, most leading financial institutions now recognize the opportunities along with it.

Last winter, the Institute for Financial Services IFZ presented the Banking Trend-Map 2019. A related [professional article](#) focusing on the technical megatrends shows the challenges facing the financial industry as well as the most practical options for action. Blockchain is one of the five current technological megatrends, which is also in line with the observations of our industry experts.

Considerable challenges for banks

As a term associated with Bitcoin, the term block chain has become a familiar concept in the financial industry. Block chain is a distributed ledger that lays the foundation for new types of investments within the crypto economy, such as Bitcoin. If a bank wants to offer these types of investments to interested customers, we believe it is faced with considerable challenges. In an [interview](#), our CEO Mark Dambacher points out four challenges:

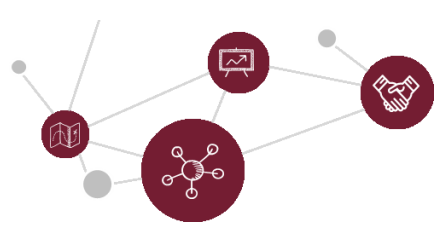
- The front-line employees need to have knowledge in the crypto area to ensure continuing optimal customer service.
- The bank requires an adequate and secure technical infrastructure as well as adequately trained personnel.
- Costly extensions must be made to the core banking systems to enable the processing of crypto transactions.
- Regulatory requirements, particularly with regard to capital requirements and money laundering, must be taken into account.

Change in the bank's business model

According to Dr. Urs Blattmann, lecturer and project manager at IFZ and author of the IFZ article, the following three steps are essential for a successful path into the future:

- Recognizing that future success will only be possible through sourcing, cooperation and platforms, where the bank should be guided by a customer-focused view.
- Change in the bank's own business model by focusing on the core business and by building up sourcing and partner management competences.
- Implementation of practical solutions in cooperation with partners.

Our banking experts at InCore Bank describe block chain as a game-changing, pioneering innovation, capable of completely changing the banking industry in the coming years.



Questions about the B2B offer of InCore Bank in Crypto Economy or Digital Asset Banking will be gladly answered by:

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Further information:

- The current technological challenges and their implications for Swiss banks (in German only)
- A risk-free entry into the crypto economy (in German only)