

DIGITAL ASSETS & BANKS

An overview of recent trends and aspects to consider when implementing.

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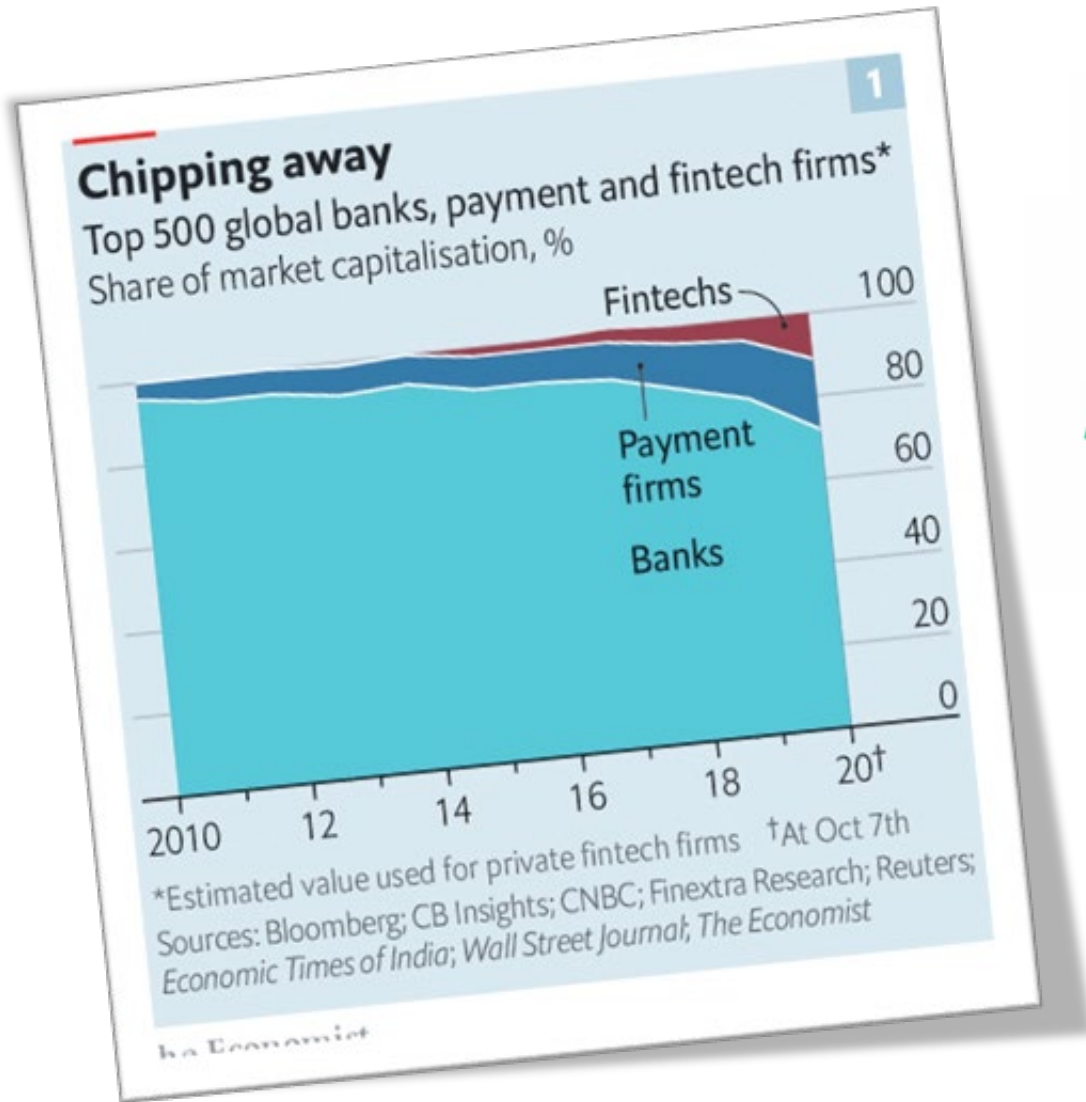


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DEVELOPMENTS FUELING THE CONVERGENCE OF DIGITAL ASSETS AND BANKS

Digital banking is here and it is growing fast



robinhood

venmo

chime

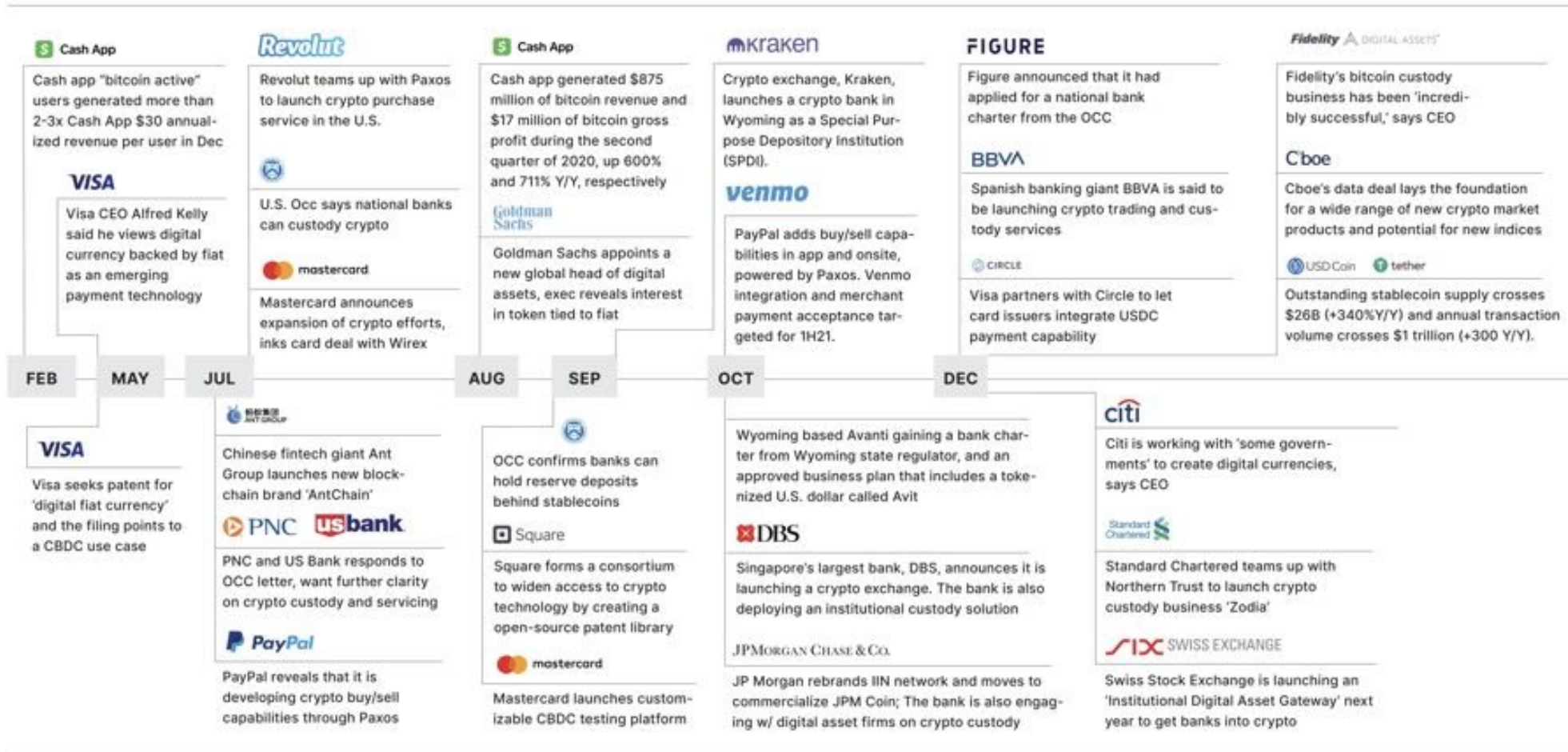
SoFi

bitpay

In the middle of the digital rush, payment processors, neo-banks, and commerce platform are becoming marketplaces where users can buy a wide range of financial products made in-house or by third parties.

Established brands are leading the way

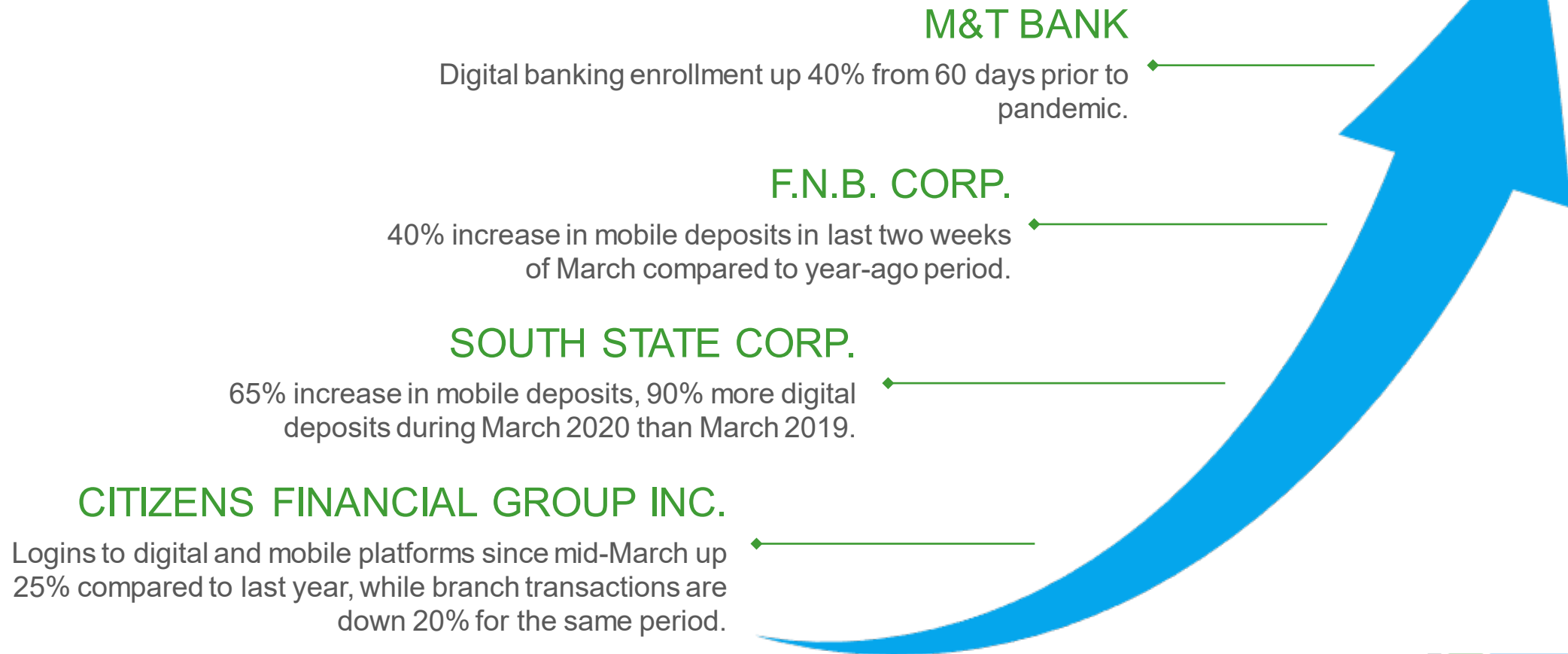
2020 HAS BEEN A BANNER YEAR FOR FINANCIAL SERVICE DEVELOPMENT IN CRYPTO AND DIGITAL ASSETS



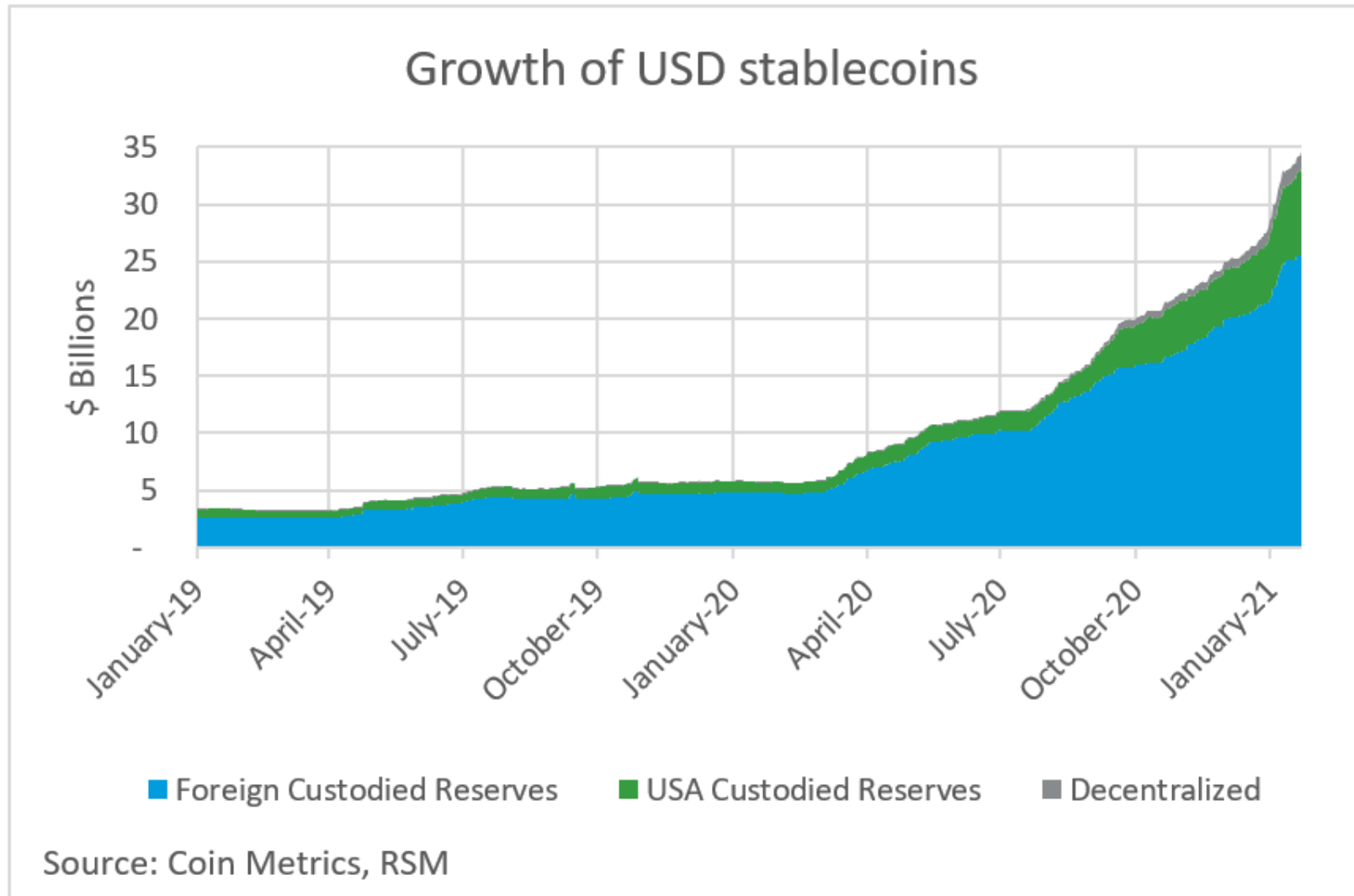
COVID-19 is accelerating digital banking

Banks accelerate new branch strategies in increasingly digital post-COVID world

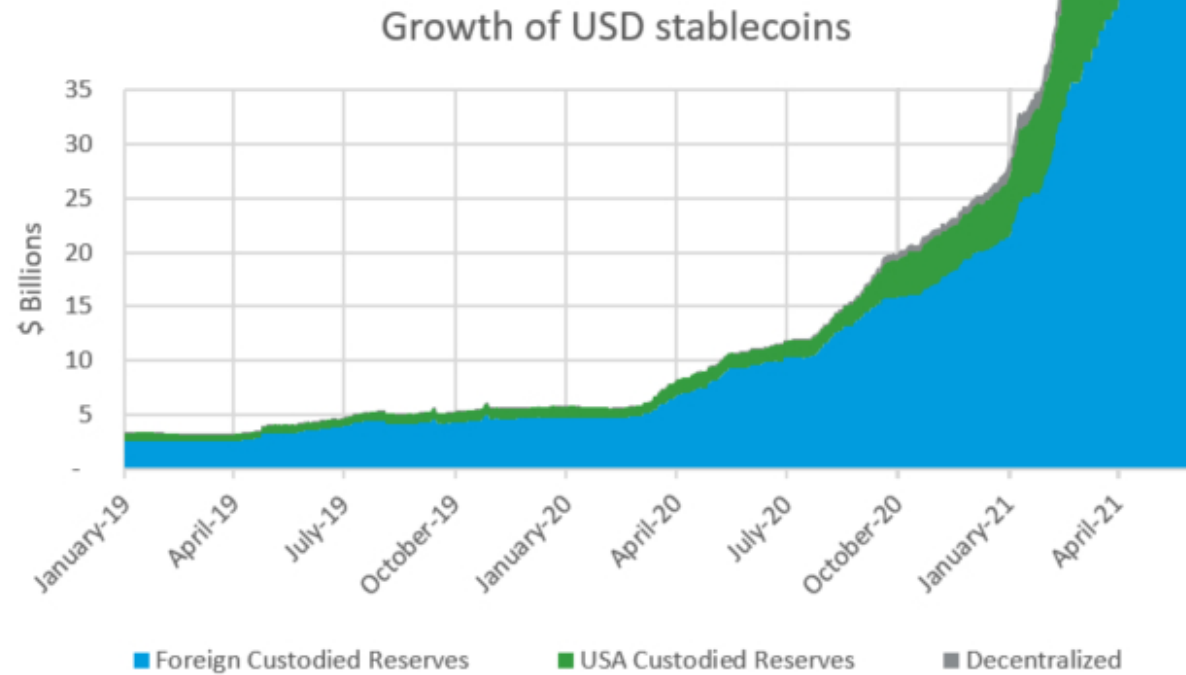
Source: S&P Global Market Intelligence 7/15/20



A look at stablecoins



A look at stablecoins (cont.)



The OCC empowers U.S. financial institutions

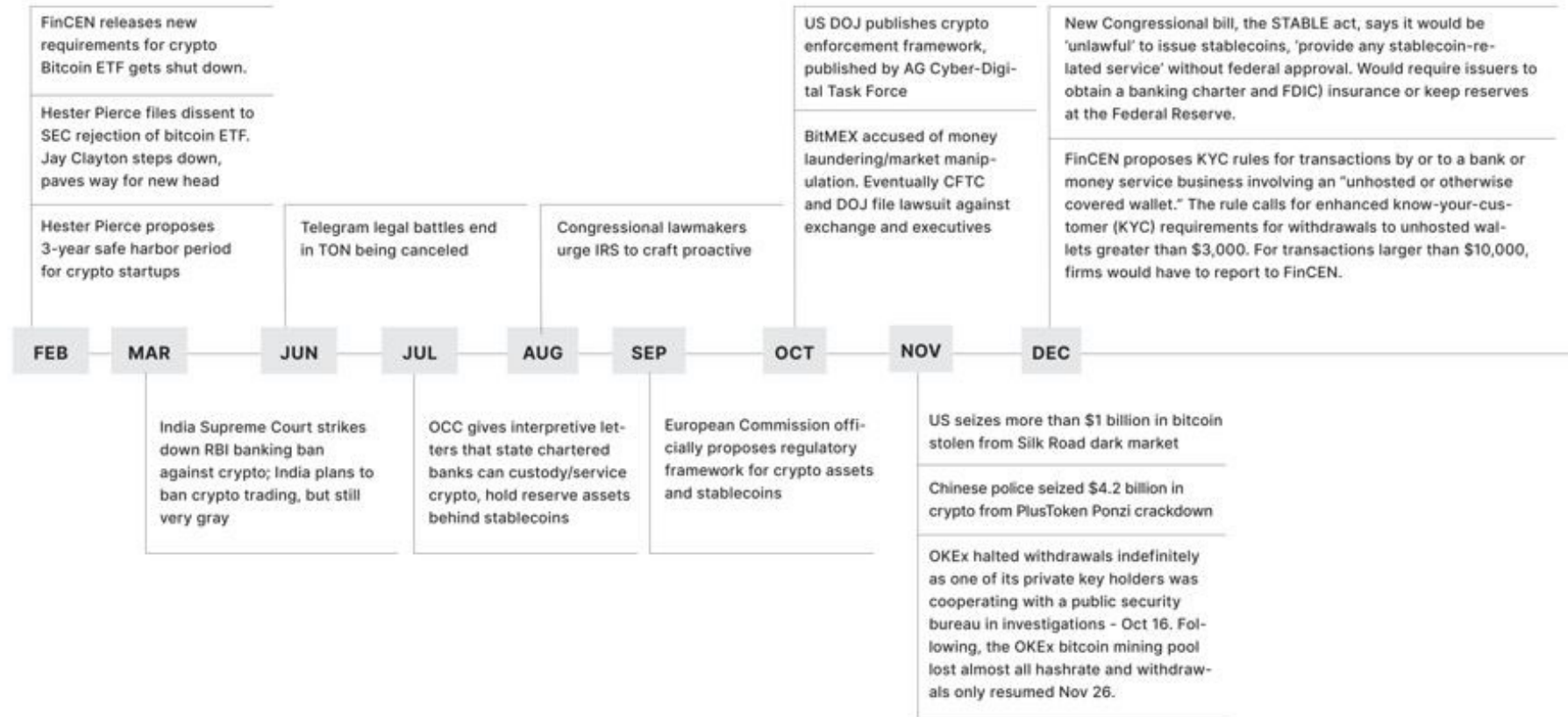
On July 22, 2020, the OCC published an interpretive letter **authorizing national banks** and federal savings associations regulated by the agency **to custody digital assets**.

On January 4, 2021 the OCC published another interpretive letter **authorizing national banks** and federal savings associations regulated by the agency **to use public blockchains and dollar-backed stablecoin as settlement infrastructure**.



Regulation is aiding adoption

KEY REGULATORY DEVELOPMENTS OF 2020





OPEN LOOP VS CLOSED LOOP CUSTODY

Open vs closed loop

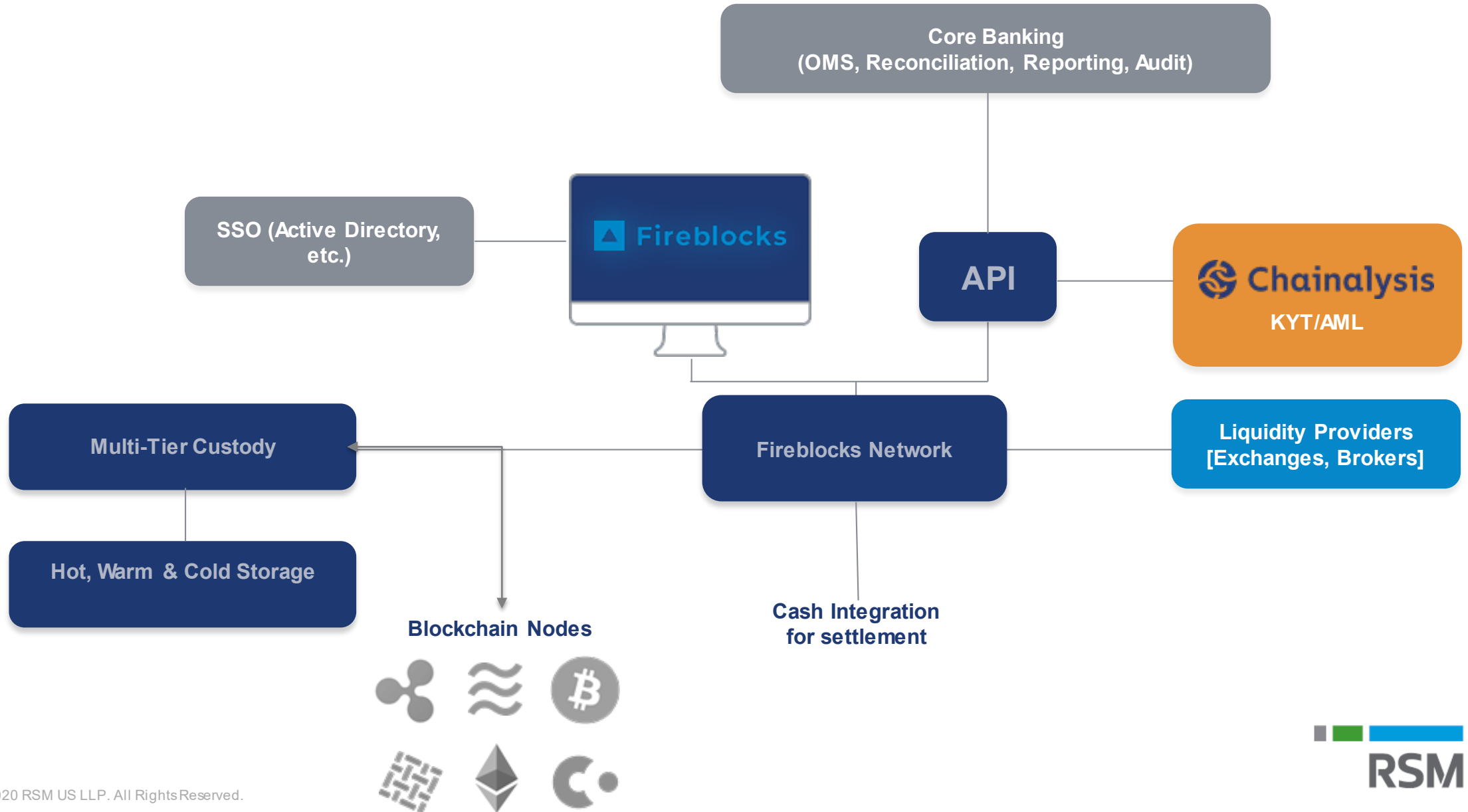
- Open Loop Providers

- Allows crypto deposits and withdrawals
- Coinbase
- Gemini

- Closed Loop Providers

- Only allows buying and selling of crypto, no deposit and **withdrawal**
- Robinhood
- Paypal / Venmo
- Square / CashApp
- SoFi

Closed-loop vs open-loop custody visual





PANEL DISCUSSION

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QUESTIONS AND ANSWERS



THANK YOU
FOR YOUR TIME
AND ATTENTION



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