



**METACO**

# Digital Assets Custody

## The custodian's dilemma

**Richard Swainston**

Director, APAC Market Development

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# METACO

## Who we are?

Founded in 2015 in Switzerland, METACO provides software and infrastructure enabling complex, financial institutions to securely custody, trade, issue, settle and manage digital assets.

## CLIENTS: trusted by Tier 1 institutions



Before we begin...

3

**“Bubbles are an essential stage in the development of transformative technologies”**

William Janeway



# Digital Assets Today

Re-defining how value is represented

## Financial digital assets

### Coins

Cryptocurrencies

Stable coins

CBDCs

### Tokens

Securities

Commodities

Governance

Utility

## Non-financial digital assets

Art & Collectibles

Gaming

Music

Identity

Real Estate

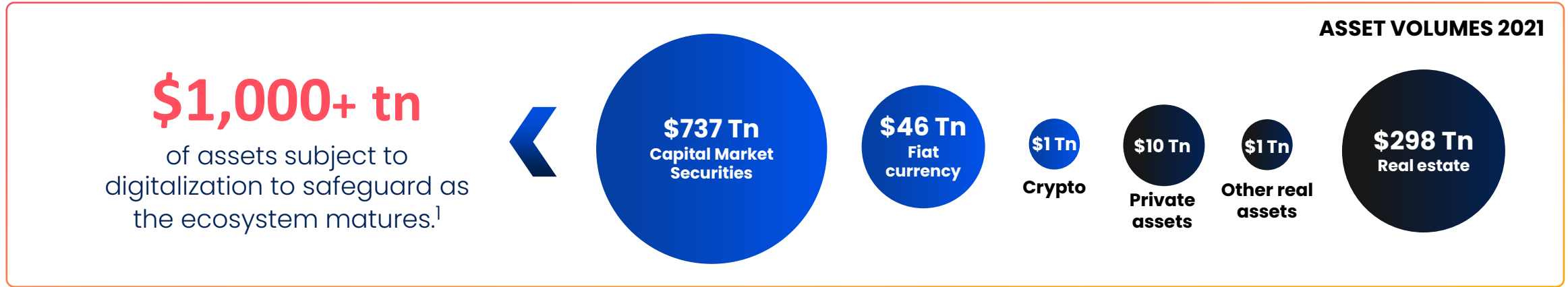
Digital Storage

Content

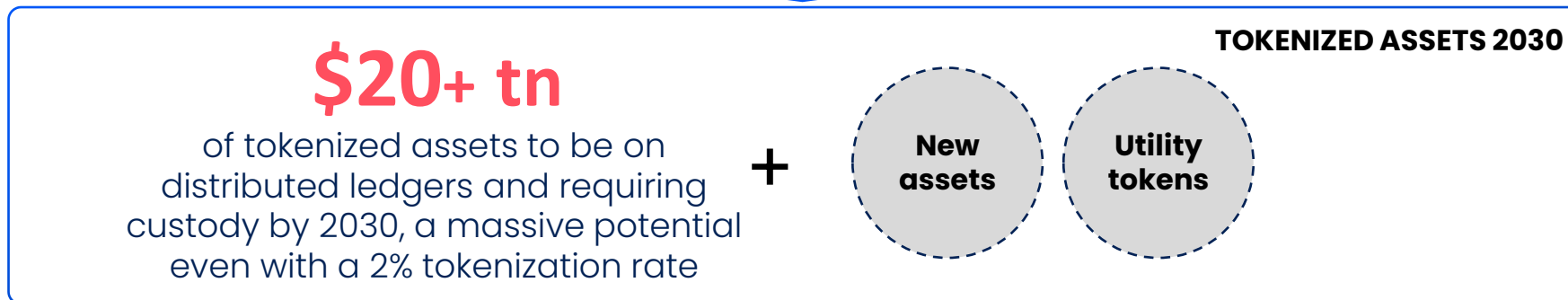
Intellectual Property



# All assets will eventually sit on distributed ledgers



2% tokenization rate by 2030



At this magnitude, the market drives **recentralization of custody over specialized, large-scale custodian banks vs. self-custody**



# A two-sided market

## The **sell-side**

### safeguards and services the assets

A limited number of **specialized, large-scale digital asset custodians** service custody and other capabilities to the demand-side of the market.

## The **sell-side** needs

### security, scalability, compliance

- ✓ The highest degree of protection for the cryptographic key material
- ✓ A powerful governance framework to execute at scale with no single point of trust
- ✓ A compliant connectivity into blockchain ecosystems, CeFi and DeFi
- ✓ A future-proof technology stack built for integration into financial networks

## The **buy-side**

### owns the assets, but externalizes control

The rest of the market externalizes the control over digital assets to **multiple specialized, trusted custodians** and asset servicers, consuming custody-as-a-service.

## The **buy-side** needs

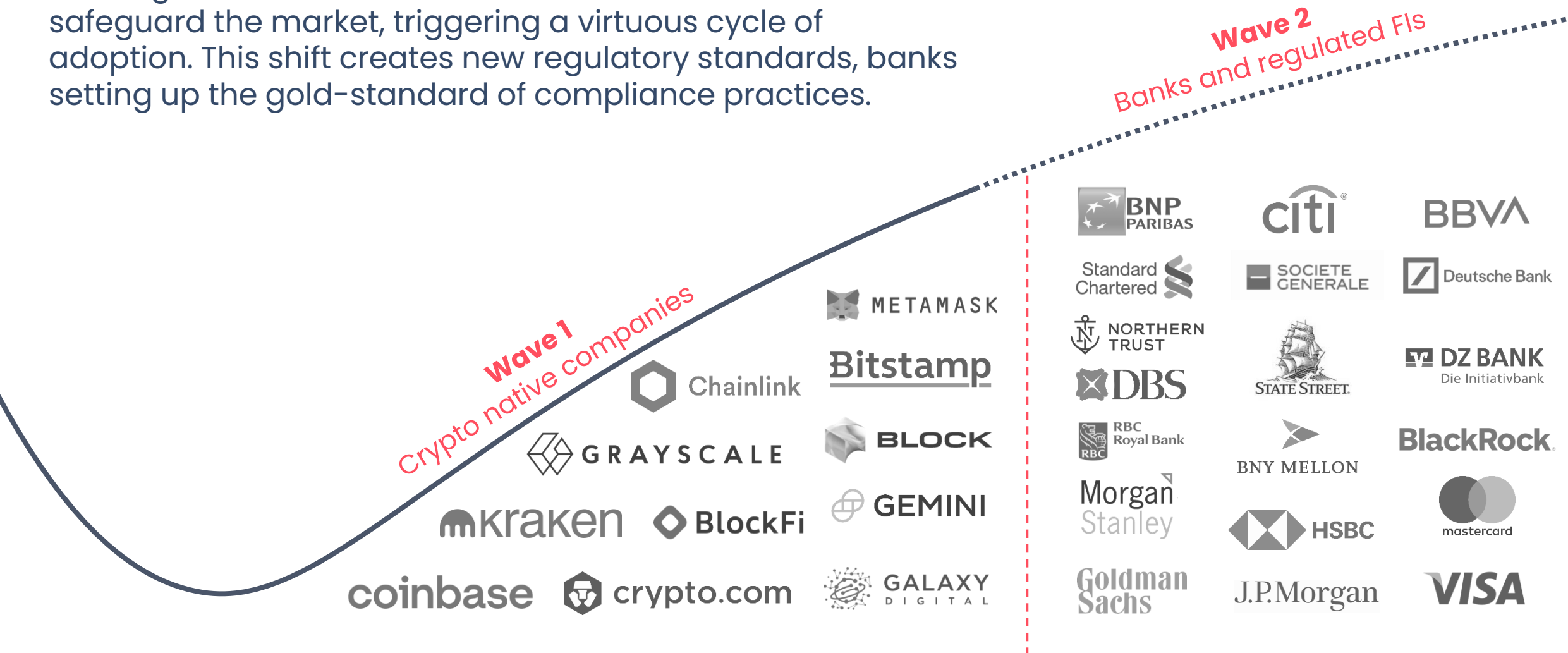
### connectivity, diversification, orchestration

- ✓ A single entry-point to a global and compliant multi-custodial network
- ✓ A seamless framework to manage the lifecycle of any digital asset class
- ✓ A diversified risk strategy around asset allocation and technical threats
- ✓ A settlement layer for multi-lateral exchange of value, collateral management



# The largest Tier 1 banks and custodians invest

The largest Tier 1 custodians invest in the infrastructure to safeguard the market, triggering a virtuous cycle of adoption. This shift creates new regulatory standards, banks setting up the gold-standard of compliance practices.



# The market is shifting

Towards security, compliance and tighter regulatory requirements

WAVE 1: 2010 – 2020

## Market creators

Small, fast-growth crypto-native scaleups with simple use-cases

Custody with 'good enough' security

Free pass on regulatory oversight

**\$3+ tn**

Peak market capitalization of cryptocurrencies, stablecoins, DeFi

WAVE 2: 2020 – 2030

## Market definers

Top Tier regulated institutions investing in infrastructure for complex use-cases

Maximum possible security & compliance

Clearer and tighter regulatory requirements

**\$20++ tn**

Potential asset value to be tokenized near-term\*

WAVE 3: 2030 – 2035

## Following majority

Mid-market banks, intermediaries & corporates, broad adoption

No trade-offs b/n security and agility

Global, interoperable regulatory standards

**\$350 tn–\$1,000 tn**

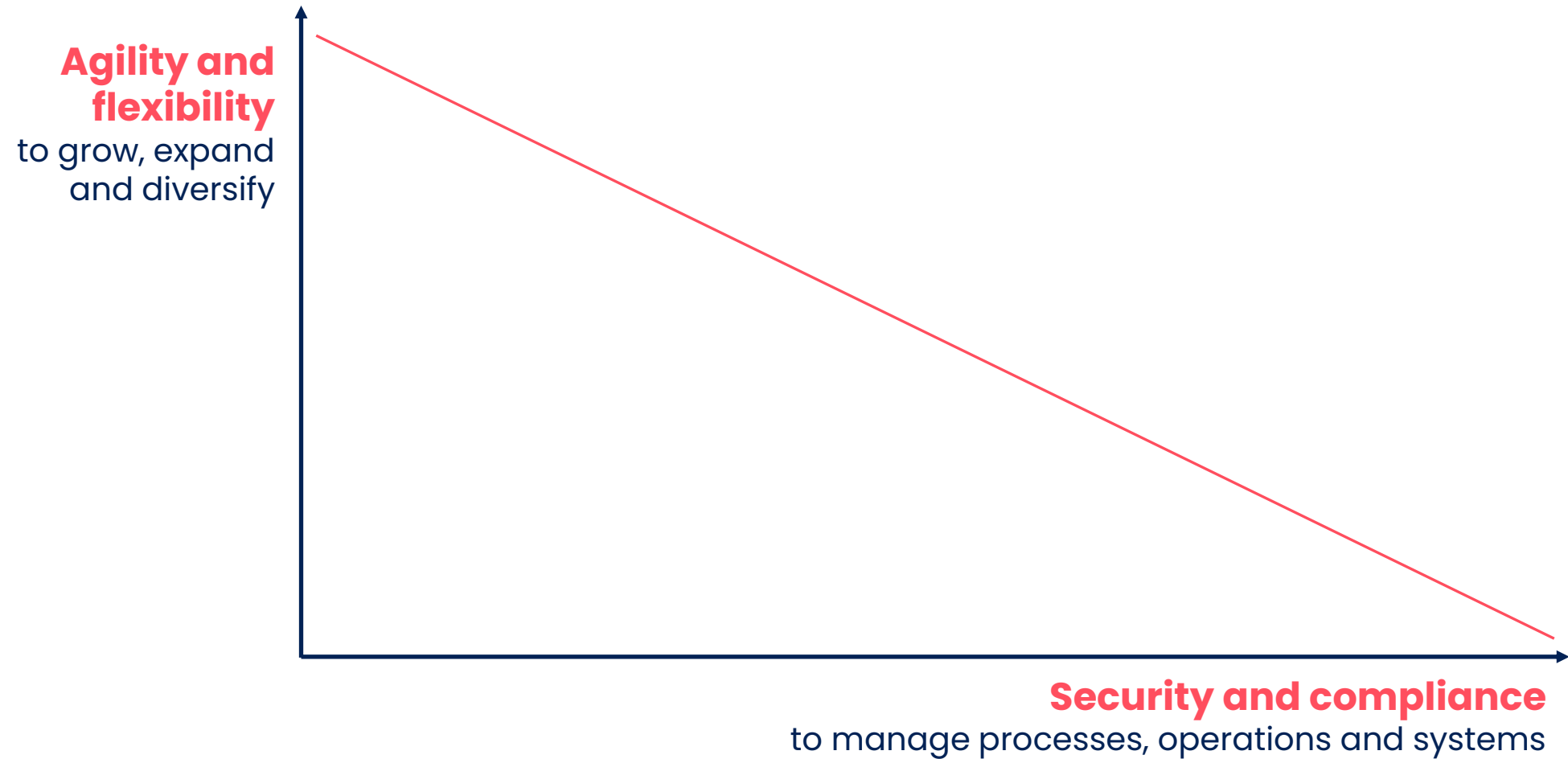
Capital markets moving on-chain for all asset classes, stable-coins widely adopted.

Source: coinmarketcap.com; World Economic Forum\*; METACO estimates



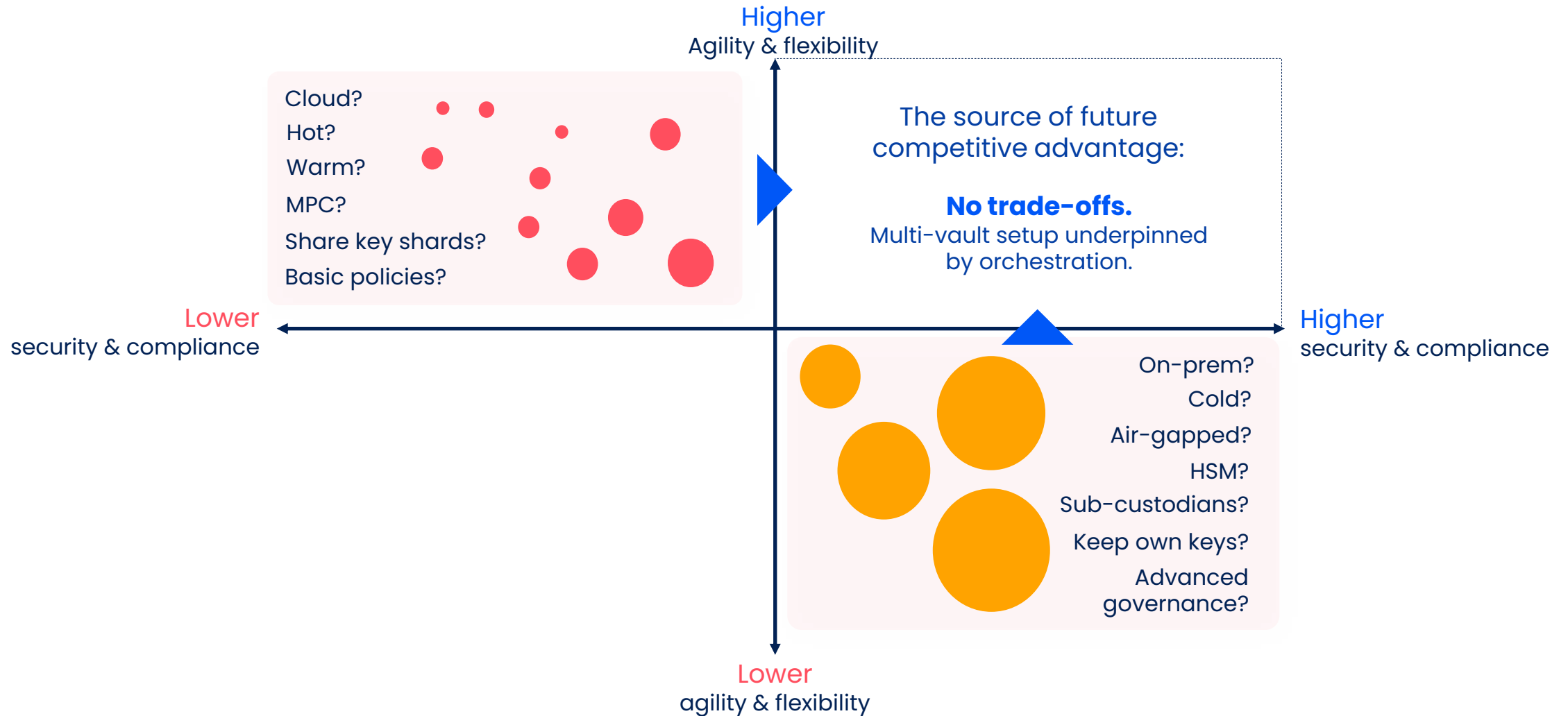


# The custodian's dilemma



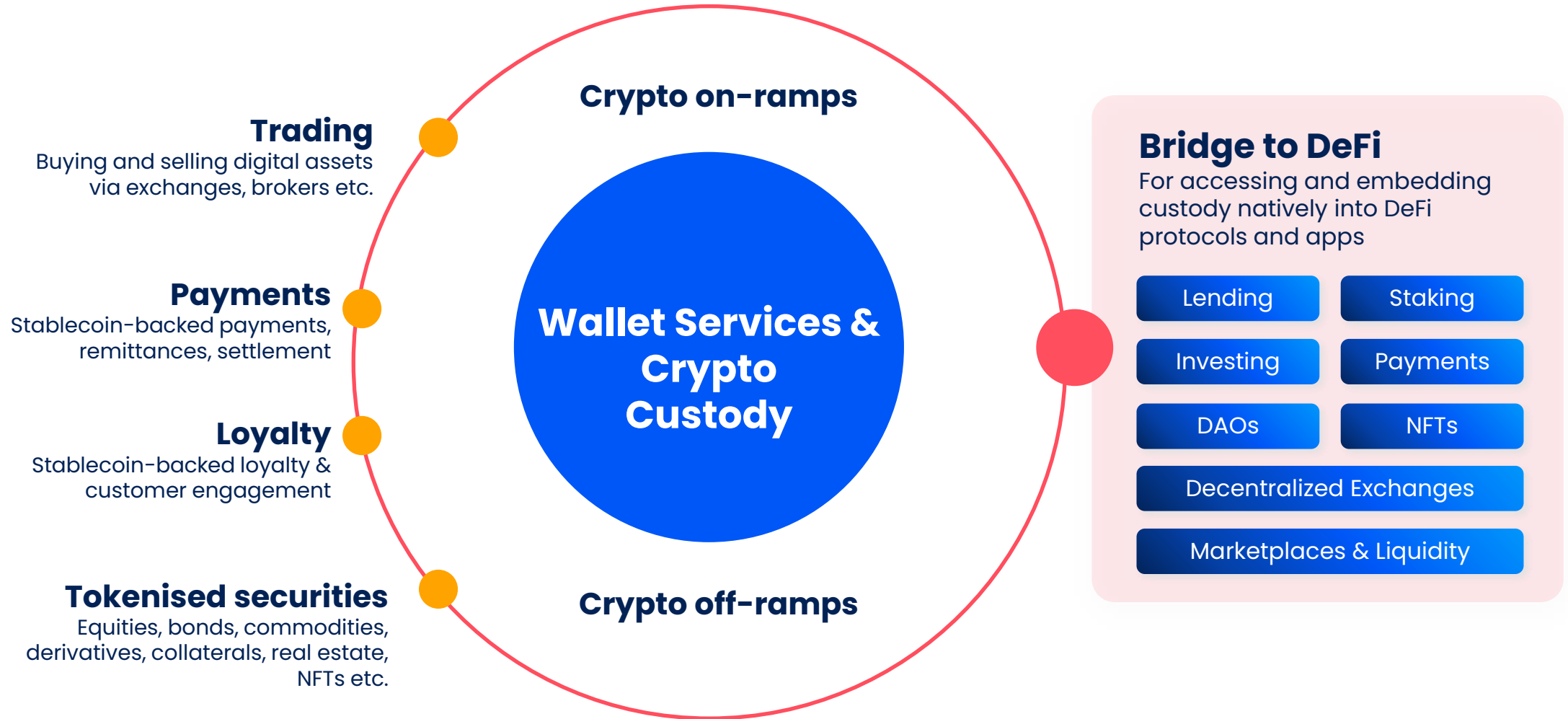
# Custodians are faced with binary choices...

...especially as use cases evolve and demand-driven expansion occurs



# Wallet Services & Custody are foundational

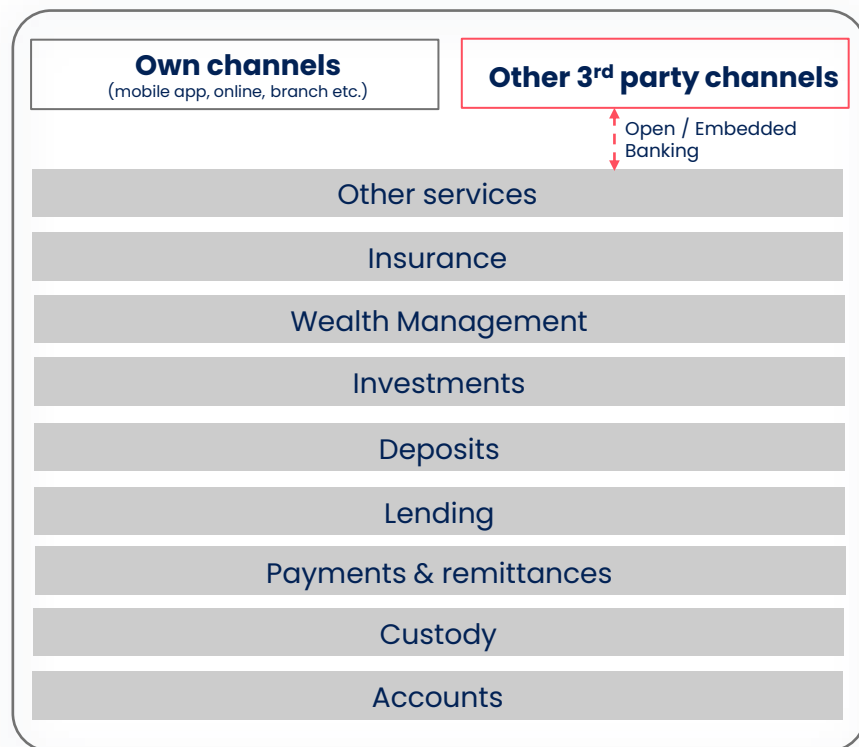
For unlocking all other market opportunities



# The strategic imperative in the Web3 world

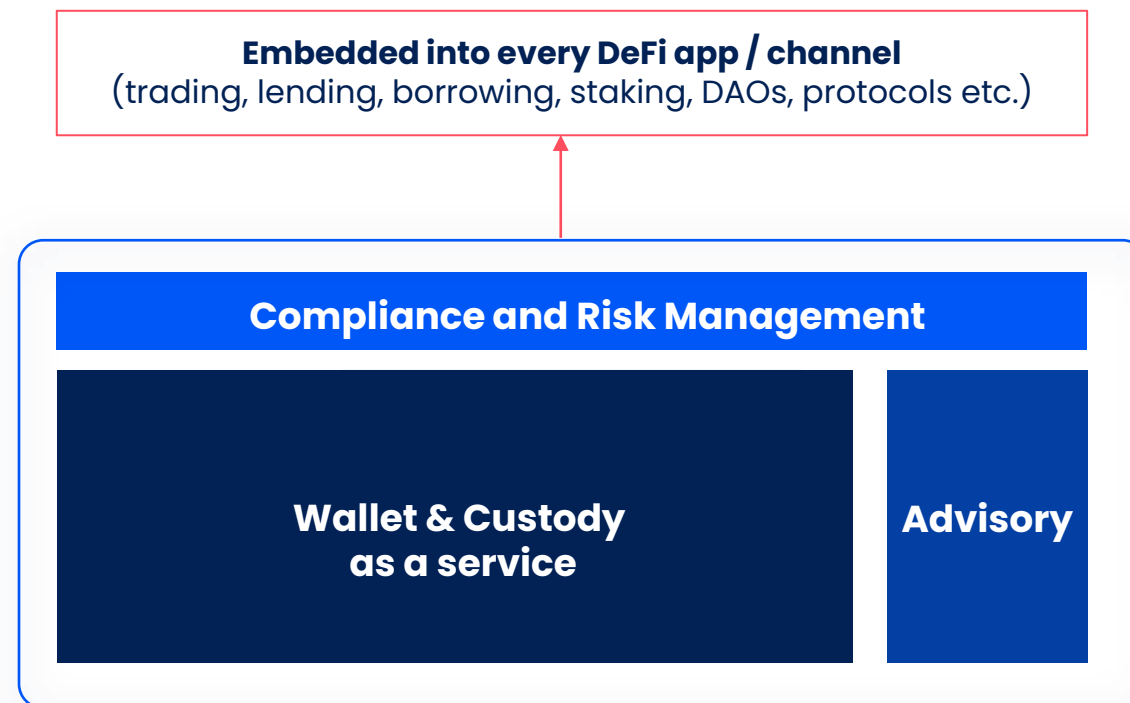
## Industrial and Digital Banking Age (1980s – 2020s)

Banks executing vertically integrated, universal business models

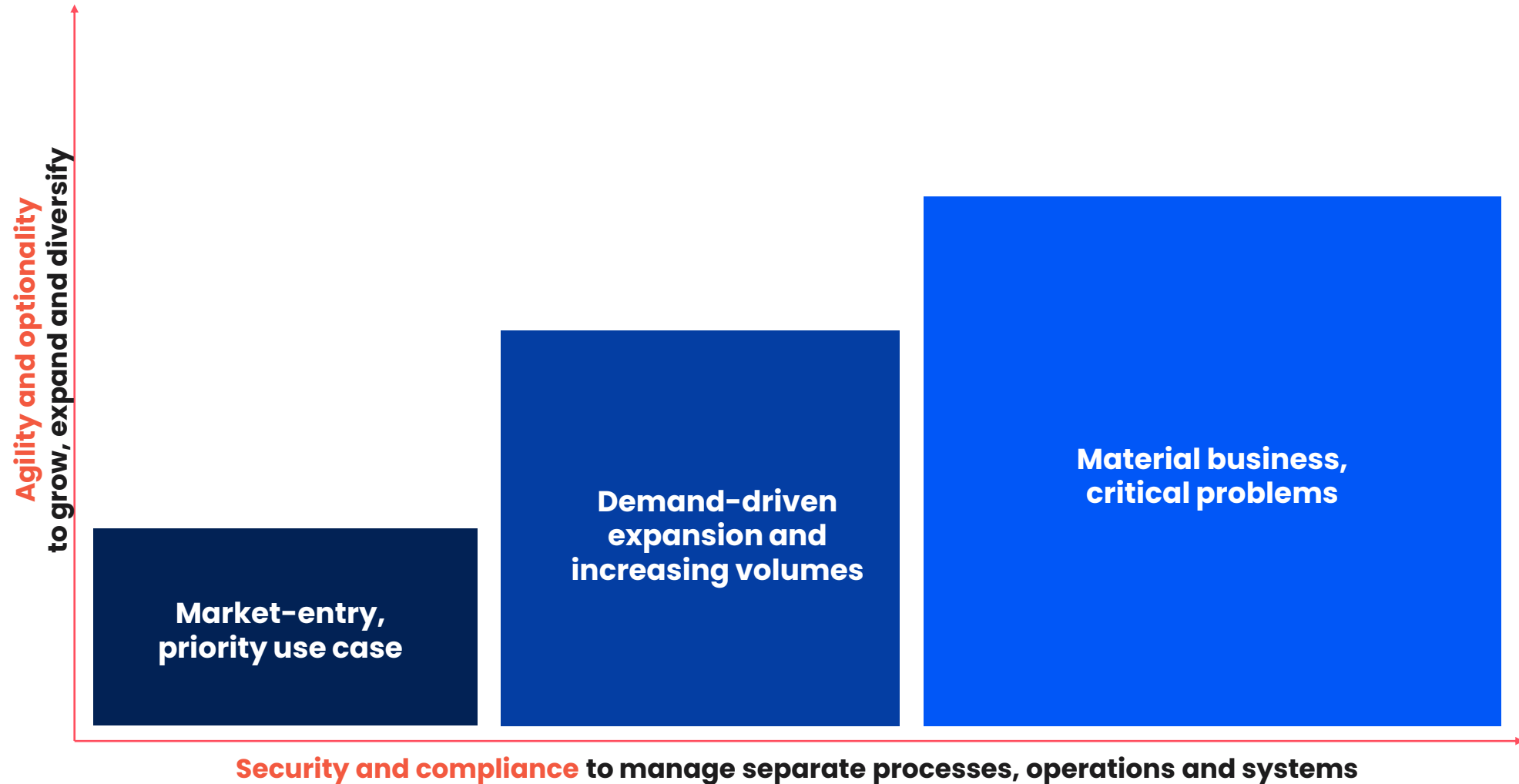


## The Web 3 World (2020s onwards)

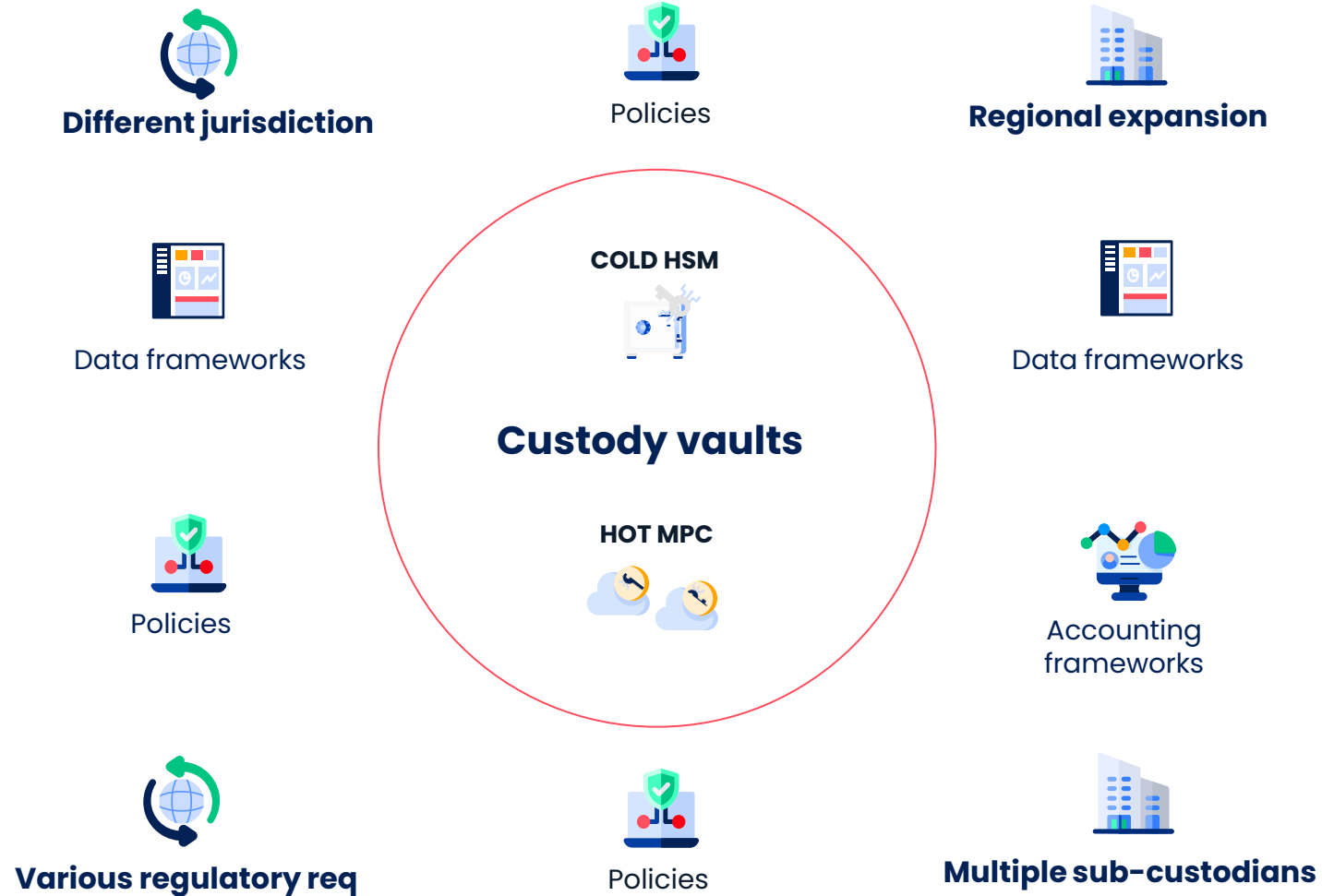
Banks to double-down on core strengths and their source of competitive advantage

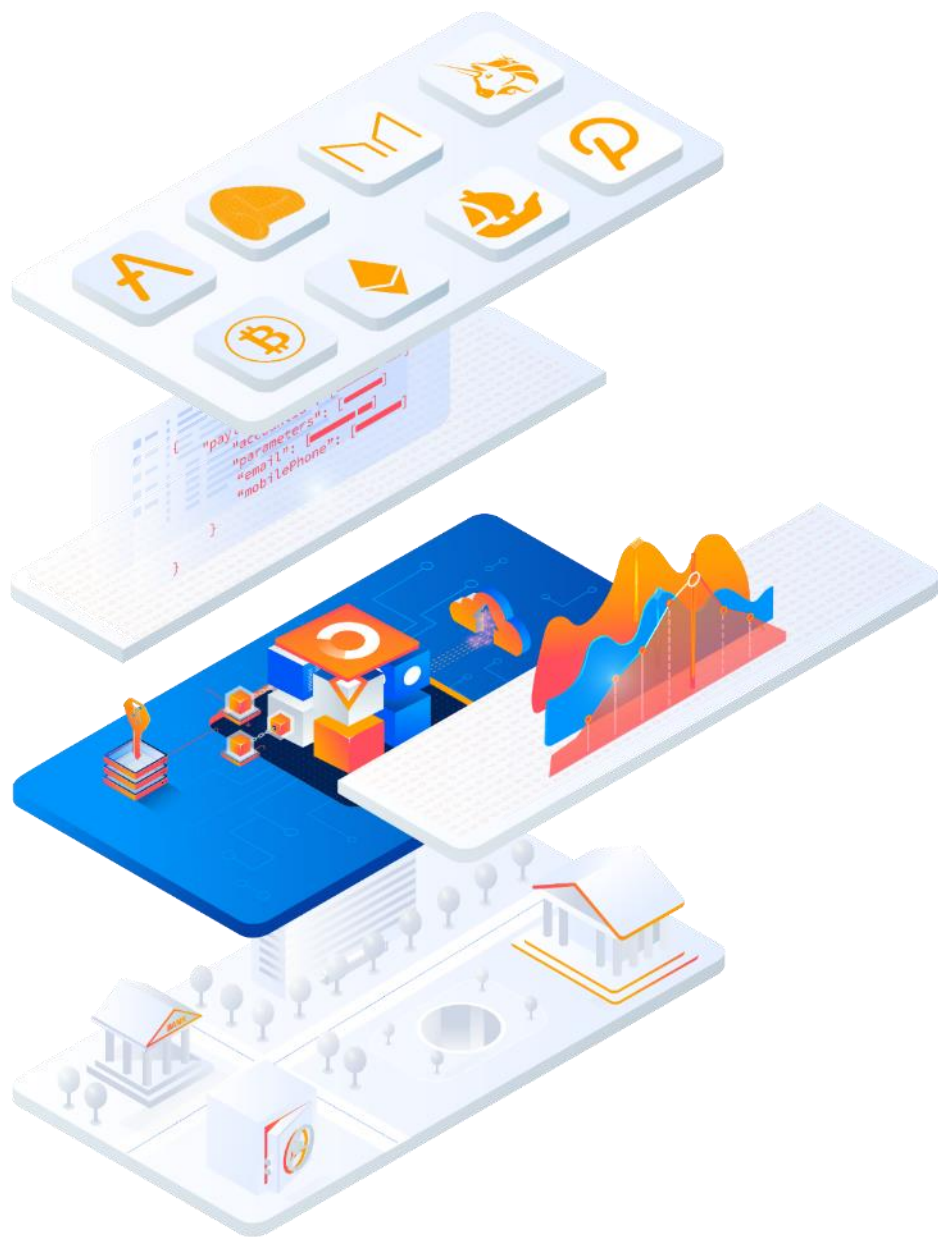


# Our learnings from a bank's typical journey



# Things can get complicated, quickly





# METACO | Harmonize




The global standard for institutional digital asset custody and orchestration.

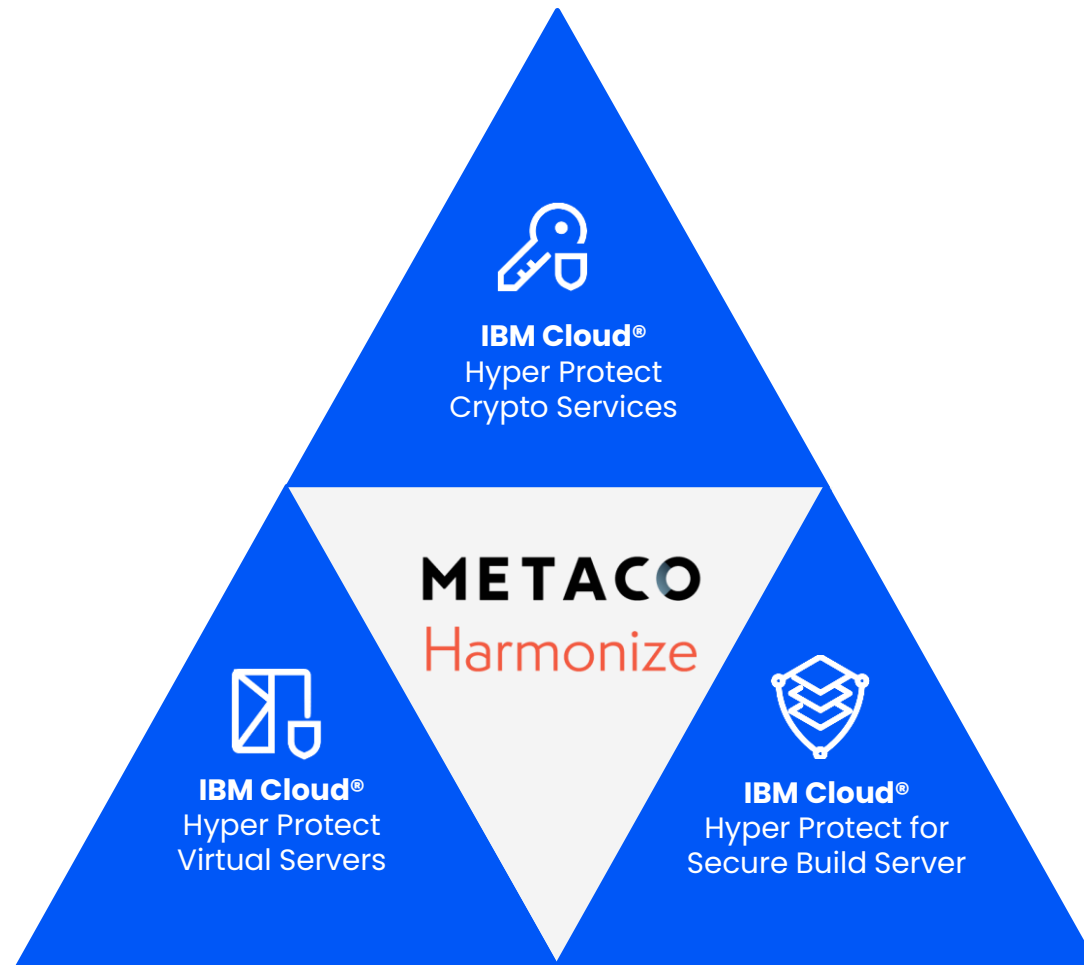
Market-leading platform trusted by global Tier 1 banks, custodians, and exchanges.



# METACO and IBM

We help custodians go to market fast, in a safe and compliant way

-  Scale to millions of wallets
-  No hardware to manage
-  Migrate existing keys off-chain





# Citi selects METACO for Digital Asset Custody



## Citi Securities Services:

Serving **104 countries** through a regional service hub construct

Industry-leading custody network with **63 proprietary markets**

**US\$27 trillion of assets** under custody, administration and trust

*"We selected **METACO Harmonize** after a rigorous process, being impressed by the platform's bank-grade security architecture, its asset-agnostic compliance frameworks, and its unique capabilities for deployment and integration, which match our global technological, operating and servicing model."*



**Ryan Marsh**

Global Head,  
DLT & Digital Innovation,  
Citi Securities Services



**“Never let a good crisis go to waste”**

Niccolò Machiavelli



The METACO logo is displayed in a bold, white, sans-serif font. The letter 'O' is stylized as a white circle with a gap in the middle, set against a background of concentric blue circles and a prominent orange-to-red gradient arc.

**[richard.swainston@metaco.com](mailto:richard.swainston@metaco.com)**

### **Headquarters**

METACO SA  
Avenue de Tivoli 2,  
1007 Lausanne, Switzerland

### **APAC Headquarters**

METACO Singapore Pte. Ltd.  
4 Battery Road, #25-01 Bank of  
China Building, Singapore 049908