

Crypto Custody

Building bridges to digital asset market

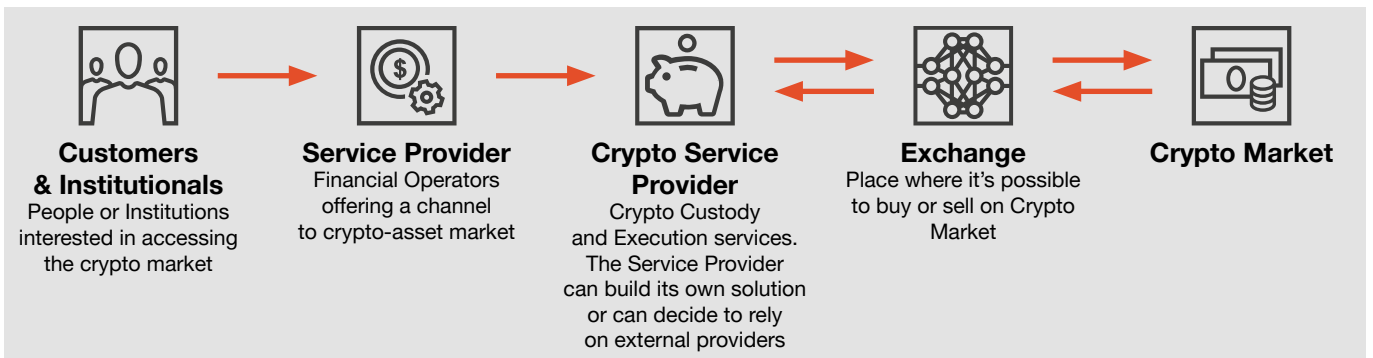


What is Crypto Custody?

“ To ensure the efficiency and safety of the crypto-asset transfer and storage processes, **new financial operators** can enter the market to **establish a communication channel** between the world of traditional investors and the crypto-assets market



The ecosystem growth and the massive adoption of Crypto-assets enabled **new operators** to offer services that allow **institutional and private players** to access and operate on the crypto market and to safely keep and use their funds.



This ecosystem raises some **new risks** peculiar to the Crypto market: **compliance constraints** and **keys management** for digital assets.

Why offer Crypto Custody services

The offer of Crypto Custody services becomes fundamental to meet the needs of the various market stakeholders interested in using crypto services and to capture the new business opportunities of a market with ample room for growth, also considering the recent surrounding developments.

Strong demand from:

- **Institutional investors:** asset storage, brokerage, investment agency, security token management.
- **Corporate:** asset storage, investment agency.
- **Exchange:** asset storage.
- **Individuals:** asset storage, brokerage, investment agency.
- **Crypto Miners**

There are new business opportunities on the horizon:

- **Stablecoin/CBDC:** custody services can act as a trust for the storage of Stablecoins and/or Central Bank Digital Currencies.
- **Security Tokens:** Custody services are very important when it comes to tokenized financial products with additional caveats.
- **NFT:** a rising market where custody services are one of the most important aspects to be taken in consideration.



Development
of a Custody solution



Acquiring and investments
in a Custody solution



Active dialogue
with the competent authorities

Why you should focus on Crypto Custody

Time to enter crypto-assets
market and benefit from first
mover advantages

- Customers demand for a new asset class on the rise.
- Market with ample room for growth.
- Cutting-edge technology improving financial efficiency.
- Large profit margin compared to traditional asset classes.
- Small fish threaten the big financial players.

It is no longer a playground for retailers only

- Asset Managers, Investment Banks and Hedge Funds are exploring the cryptocurrency custody market driven by strong customers demand: **your competitors are moving on and you?**
- Financial Institutions are implementing cryptocurrency strategies to seize new business opportunities and revenue streams: **short-term opportunities or long-term precursors?**
- Enterprises and their CFOs are turning part of their treasury into cryptocurrencies in order to hedge and protect their cash reserves from inflation risks: **risky or brilliant move?**



Business Cases for Crypto Custody

1



Investment Funds

Custody of individual assets with the ability to offer execution on the markets only for Corporate customers.

2



Corporate Treasury

Companies that invest their liquidity in bitcoin: opening of corporate accounts with the possibility of dynamic splitting of reserves in crypto-assets.

3



Collateralized Loans

Secured loans allow clients to continue investing in crypto assets while having fiat liquidity.

4



Retail Offering

Custody and execution aimed at the retail market, offering services that assist the access to the crypto-asset market.

5

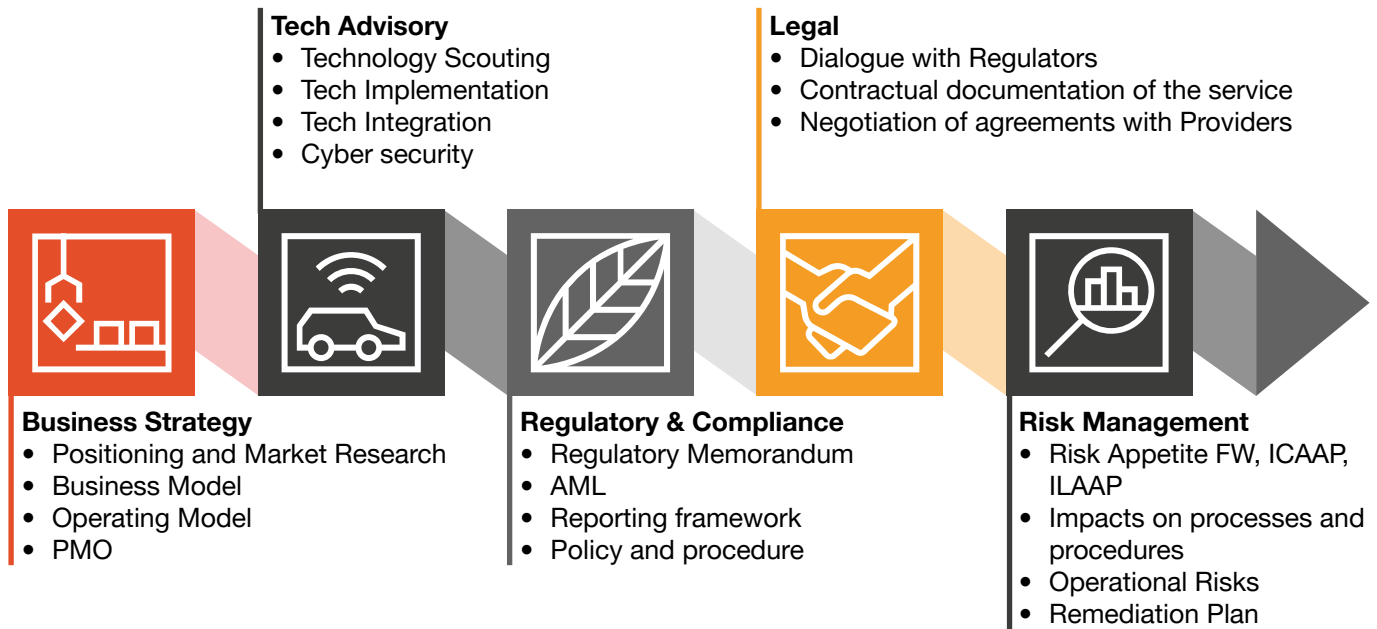


Crypto Staking

On-chain Staking solution providing a way to earn passive income by locking up a portion of tokens.

PwC modular approach: one-stop-shop solution

PwC's involvement can be lighter or higher depending on the customer's needs and requirements



Crypto Custody: PwC expertise

| | | |
|------------------------------------|----------------------------------|--|
| PwC X-LoS Expertise | Blockchain | <ul style="list-style-type: none">• Business model definition, market analysis and scouting for new business opportunities• Support in defining strategic plans to approach new innovations in the digital asset sector• Technology Assessment and Development |
| | Cyber Security | <ul style="list-style-type: none">• Technology risk management architecture and processes design review• IT governance and review• Key management advisory• Wallet management advisory |
| | Compliance and Accounting | <ul style="list-style-type: none">• Standards and Compliance, Policy and Process• Assurance• Accounting |
| | Legal and Tax | <ul style="list-style-type: none">• Analysis of tax profiles• Analysis of VAT profiles related to the transfer of cryptocurrency• Regulatory compliance advice on CBDC-related regulations |
| | Risk | <ul style="list-style-type: none">• Governance and controls review• Risk management policy• Management of liquidity risk review• Third-party assurance SOC reporting |
| | Asset & Wealth | <ul style="list-style-type: none">• Feasibility study and, business model definition• Support about Asset Management |

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