



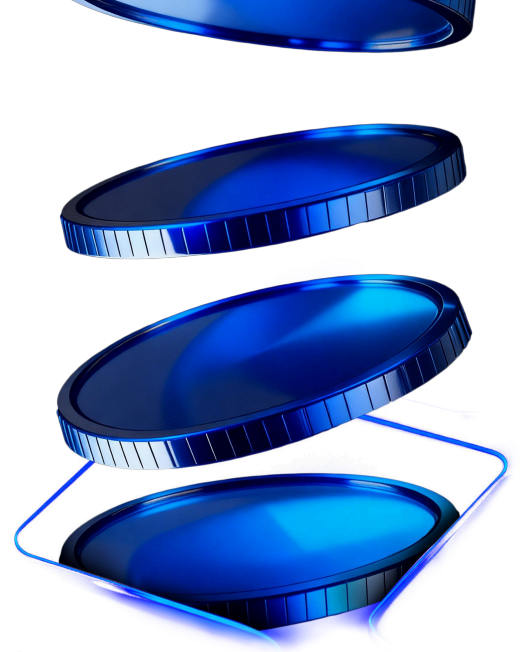
# Crypto Infrastructure for Banks

How Banks Can Enter the Digital Asset Era with Confidence



# Crypto Adoption is Here to Stay

Digital assets have grown to the extent that they can no longer be ignored. They are redefining how banks attract deposits, generate revenue, and move capital across borders.



## Some of the largest financial institutions are embracing crypto

|                                                                                                                                                                                                                    |                                                                                                                                                                                                                               |                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>CIRCLE</b><br><br>Went public in June 2025, reaching a market cap of more than \$50 billion                                | <br><b>Robinhood</b><br><br>Offered tokenized U.S. stocks in the EU; announced its own Arbitrum-based layer 2 blockchain                     | <b>BlackRock</b><br><br>Launched BUIDL, its first tokenized money-market fund                                                                       |
| <br><b>Fidelity</b><br><br>Rolled out its tokenized money-market fund on Ethereum; started testing its own USD-pegged stablecoin | <b>stripe</b><br><br>Acquired stablecoin platform Bridge and wallet infrastructure company Privy; announced a new payments-focused blockchain called Tempo                                                                    | <b>VISA</b><br><br>Launched Visa Tokenized Asset Platform and stablecoin-linked cards                                                               |
| <b>PayPal</b><br><br>Launched "Pay with Crypto" to simplify cross-border commerce for merchants                                                                                                                    | <br><b>mastercard</b><br><br>Partnered with Circle to enable stablecoin settlement; created Crypto Credential for secure onchain transfers | <b>Revolut</b><br><br>Launched Revolut X, a standalone crypto mobile app for retail traders across Europe                                           |
| <br><b>shopify</b><br><br>Launched support for stablecoins via Shopify Payments and Shop Pay                                    | <b>J.P.Morgan</b><br><br>Announced a partnership with Coinbase, enabling crypto purchases via credit cards                                                                                                                    | <b>Morgan Stanley</b><br><br>Announced the offering of crypto trading on E*TRADE, meeting retail demand and pushing crypto further into mass market |

SOURCE: A16Z

Technologies that once seemed experimental, such as stablecoins, tokenization, and digital custody, are now essential infrastructure for modern financial institutions. Some of the largest financial institutions on the planet, like BlackRock, Fidelity, Visa, and even J.P. Morgan are already embracing this trend.



## Crypto Adoption

We estimate that the number of monthly active crypto users has grown to 40–70 million

**716M**

Global crypto owners<sup>1</sup>

**181M**

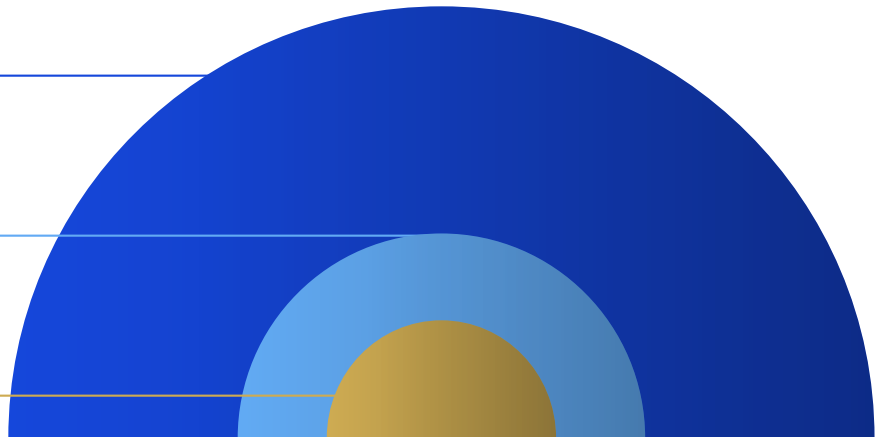
Monthly active addresses<sup>2</sup>

**40–70M**

Estimated monthly active users<sup>3</sup>

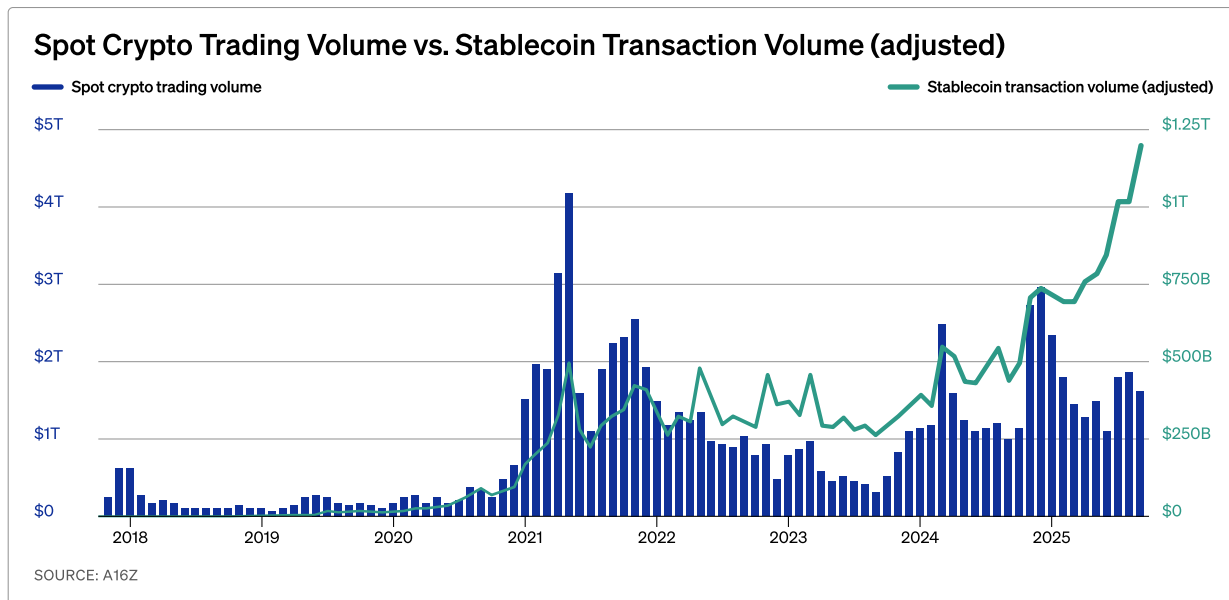
~10 million users added in the last year

SOURCE: A16Z



With 716 million global crypto owners and an estimated 40 to 70 million active monthly users, digital asset ecosystems now rival entire countries and economies. Crypto ETFs hold over \$225 billion in assets under management. BlackRock's bitcoin ETF, IBIT is now their highest earning product and cemented its place as the fastest growing ETF in the history of Wall Street.

## Stablecoins are breaking their correlation with broader trading volumes — a sign of organic adoption



<sup>1</sup> Represents people who own crypto but do not necessarily transact onchain. Source: Crypto.com as of 8/31/2025

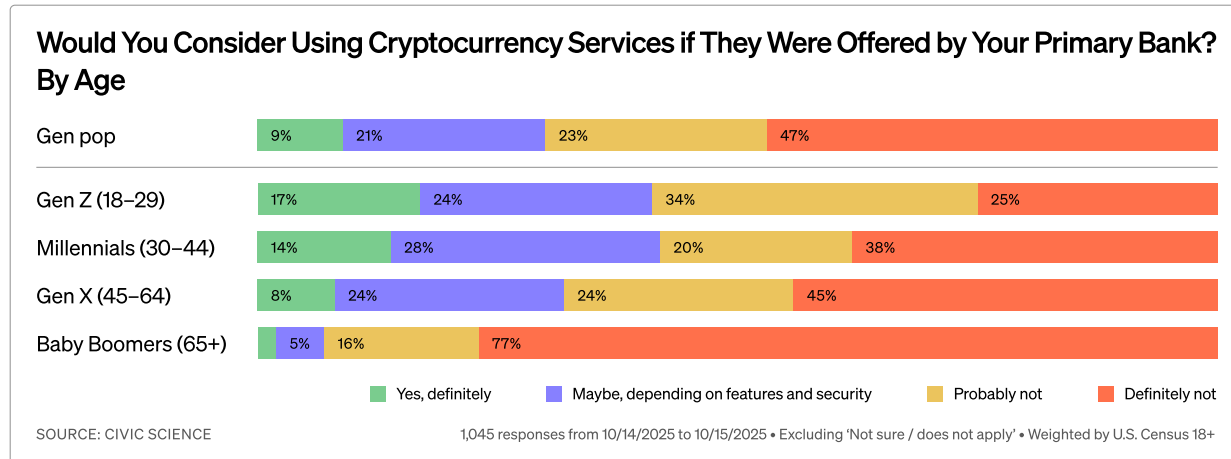
<sup>2</sup> Represents the number of distinct active (sending) addresses across tracked blockchains. Source: Allium as of 9/30/2025

<sup>3</sup> Represents the number of unique people who transact onchain monthly. Source: a16z crypto analysis as of 9/30/2025



Stablecoin monthly settlement volumes now routinely surpass one trillion dollars, rivaling or exceeding traditional card networks, an indication of real adoption beyond speculative trading.

Banks have already started to adjust to the digital era. Across the industry, more than half of the twenty-five largest U.S. banks are now piloting or evaluating digital asset initiatives such as custody, trading, or tokenization. Others are partnering with licensed infrastructure providers while awaiting further regulatory clarity.



Digital assets have initiated a structural shift for many institutions. The combination of scale, regulatory clarity, shifting demographic preferences, and growing client demand makes digital asset integration a strategic imperative.

## Regulation

As adoption accelerates, regulation is catching up, bringing structure to a market once defined by uncertainty. With that said, we have seen major advancements across the regulatory environment in the US and abroad.

In July 2025, the US government passed the GENIUS Act into law, creating a pathway for both banks and non-banks to serve as permitted payment stablecoin issuers. A complementary bill, the CLARITY Act, also passed the House. It now sits in the Senate with strong bipartisan support. If enacted, it would formalize definitions across digital commodities, securities, and stablecoins while clarifying jurisdiction between the SEC and CFTC. Together, these developments mark a decisive turn toward predictability for institutions that once faced uncertainty when engaging with digital assets.

Elsewhere in the world, regulatory progress continues to accelerate. The European Union’s Markets in Crypto-Assets, or MiCA, framework is now being implemented, setting unified standards for stablecoin issuers and digital asset service providers across member states. Singapore has strengthened its licensing and custody rules under the Payment Services Act, while Hong Kong has launched a licensing regime for virtual asset exchanges and approved legislation for stablecoin oversight. In the United Kingdom, regulators are finalizing a comprehensive framework that brings crypto activities under the Financial Services and Markets Act. Together, these developments signal a global shift toward clear, harmonized standards that support institutional adoption and cross-border trust in digital assets.

## It's Time for the Banks

With clearer rules emerging, the question for banks is no longer if they should engage with digital assets, but how. For banks, participation is quickly becoming the path to maintaining relevance, expanding client relationships, and preserving liquidity in an evolving system and with changing demographics. However, for many, this is uncharted territory where the road to added revenues can feel muddled.

# How Banks Can Use Crypto to Drive Revenue

The rise of digital assets introduces a variety of new income opportunities for banks. Each aligns closely with existing lines of business but operates with greater speed, automation, and reach.

### Stablecoins

Dollar-backed stablecoins can attract new deposits and allow banks to hold, issue, and redeem digital dollars on demand. Institutions can charge custody and transaction fees, earn conversion spreads, or collect small service fees on instant fiat conversions.

Offering accounts that can hold and utilize dollar-backed stablecoins can attract new client deposits, encourage stablecoin transaction volumes, and incentivize holding, minting, or redeeming stablecoins within the bank's interface. Institutions can charge custody and transaction fees, earn conversion spreads, or collect small service fees on instant fiat conversions.

### Trading

Banks can enable clients to buy, sell, and convert digital assets within regulated environments. Each transaction generates commissions or spreads, while institutional trading desks can capture revenue from liquidity provision and order execution.

### Staking

Banks can help clients earn staking rewards by locking supported digital assets on proof-of-stake networks. Acting through regulated validators, banks can retain a small service commission on the rewards generated, creating a recurring revenue stream.

### Remittances and Cross-Border Payments

Stablecoin rails reduce the cost and delay of international transfers. Banks can facilitate remittances and business-to-business payments for a fraction of current network fees while retaining spreads on currency conversion and settlement.



## Payments and Merchant Services

Integrating stablecoin and tokenized payment capabilities allows banks to process instant, low-cost transactions for corporate and retail clients. These services expand merchant relationships, create new fee income, and reduce reliance on third-party processors.

## Digital Asset Treasuries

Corporates, fintechs, and institutional investors are increasingly holding portions of their treasuries in digital assets. Banks can capture this flow by providing secure custody, settlement, and reporting for these holdings. Acting as the trusted intermediary for digital treasuries allows banks to generate custody and service fees while keeping corporate liquidity within the regulated banking system.

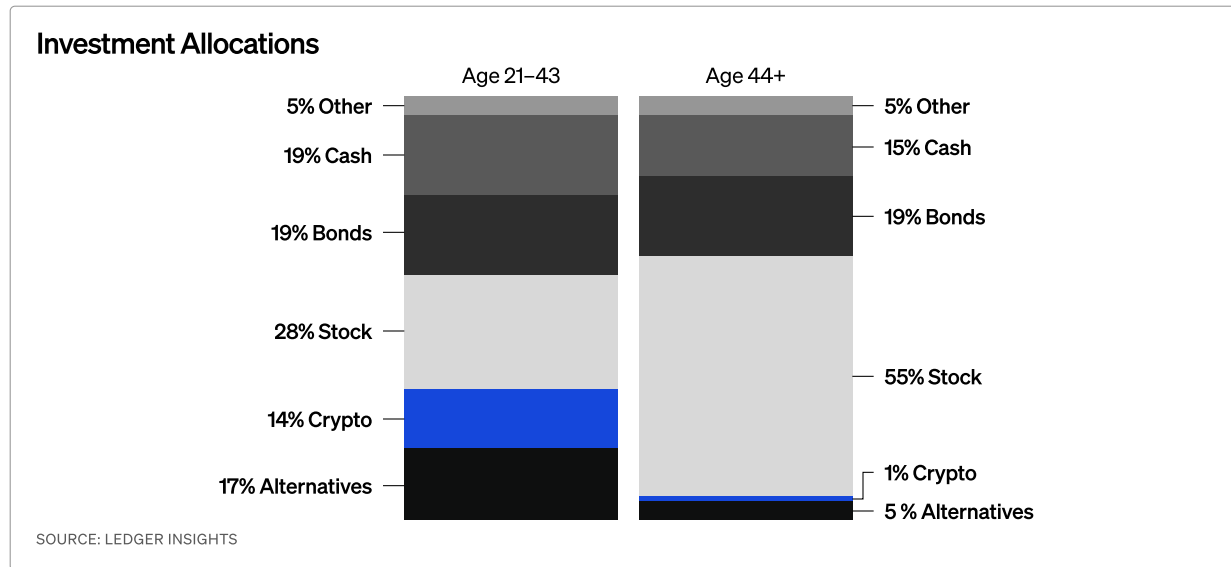
Together, these applications transform crypto into a revenue-generating infrastructure layer. Banks that adopt early will be positioned to capture value across custody, trading, payments, and liquidity management as digital assets become more deeply integrated into everyday finance.

## Potential Monetization Channels for Crypto-Enabled Banks

| Category    | Revenue Opportunities                                       |
|-------------|-------------------------------------------------------------|
| Stablecoins | Service fees, custody income, and FX spreads on conversions |
| Trading     | Transaction fees and price execution spreads                |
| Staking     | Commissions on client staking rewards                       |
| Payments    | Processing fees and merchant settlement income              |
| Treasuries  | Custody and reporting fees from holding client assets       |

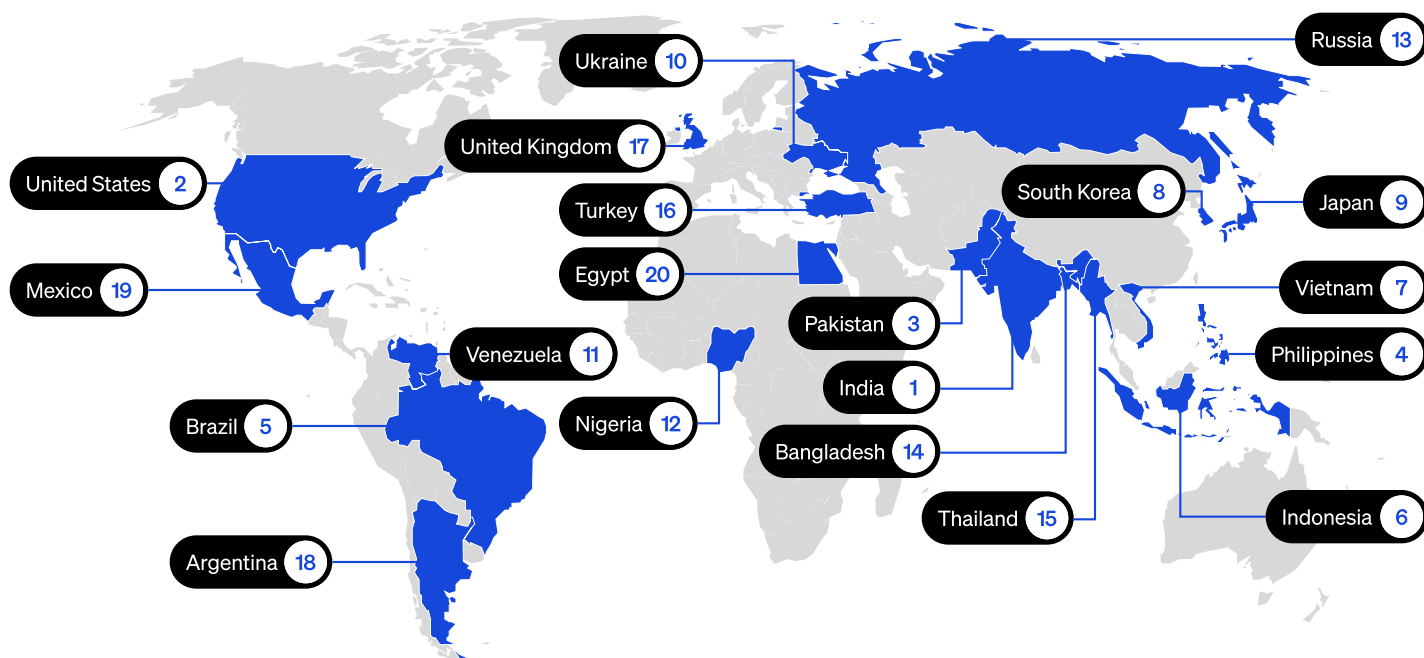
# Why Offering Crypto Services Matters For Banks

Younger demographics now hold meaningful allocations of digital assets, with Americans under 43 allocating roughly 14% of their portfolios to crypto on average, creating long-term expectations for on-chain access within trusted financial institutions. In addition to buying and holding crypto assets, stablecoins have become a preferred way to move and hold dollar liquidity. As more corporates and individuals adopt them as operational cash equivalents, deposits increasingly drift from traditional accounts into digital markets.



By supporting secure stablecoin custody, conversion, and settlement, banks can retain those deposits instead of losing customer deposits to exchanges and fintechs. These capabilities also help banks win new business internationally, where US dollar-backed stablecoins offer a more efficient path to dollar access and cross-border settlement. On the operational side, blockchain-based payments and reconciliation can reduce processing costs and improve liquidity management, creating efficiencies that compound over time.

## Top 20 Countries by Crypto Adoption Ranking (Jan – Jul 2025)



SOURCE: TRM

Banks that adopt these capabilities early will strengthen competitiveness, deepen client relationships, and position themselves to lead as the financial system continues to shift toward digital rails.

## Custody to Compliance: Starting the Integration Journey

To compete in digital finance, banks need an integrated product stack that supports custody, trading, lending, staking, and stablecoin operations within a regulated framework. Each component mirrors existing banking functions but operates on faster, programmable rails.

Banks also need to be comfortable building and offering these products on their own, or rely on trusted partners to help facilitate their integration. They also may need consultative guidance to design safe, compliant systems that align with regulatory expectations and institutional risk standards.

## Wallets and Custody

Secure custody is the foundation of your digital asset strategy. Wallets must protect private keys, enable multi-approval controls, and support both segregated and omnibus accounts. A compliant custody layer allows settlement across business units, giving banks real-time control over liquidity without compromising audit or security standards.



# Trading and Conversion

Trading infrastructure connects clients to regulated liquidity venues for buying, selling, and swapping assets. Integrated trading allows banks to facilitate fiat-to-crypto conversions, capture execution spreads, and manage stablecoin issuance or redemption directly through their existing treasury operations.

## Staking

### How it Works



Stakers commit their crypto coins to a PoS blockchain network



The network then uses an algorithm to choose validators to verify transactions

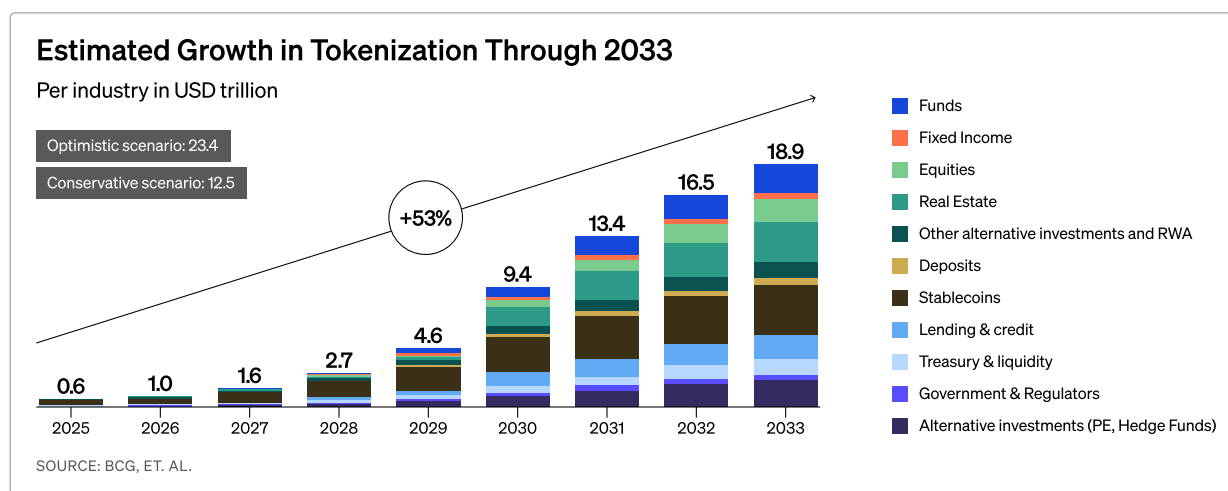


If verified correctly, the network rewards the staker

SOURCE: [SWYFTX](#)

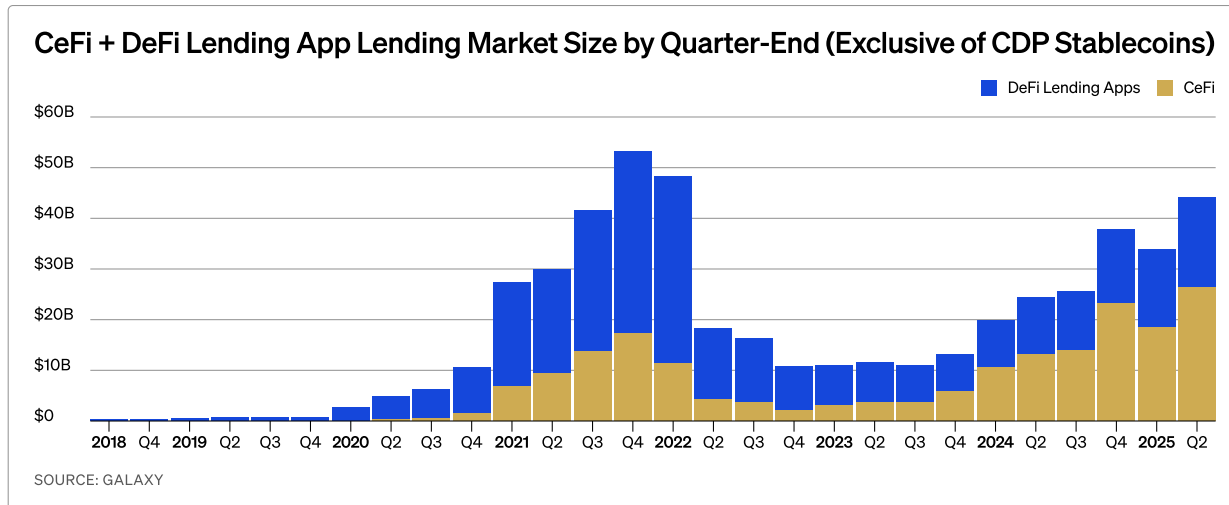
Staking is the process of locking digital assets on a blockchain to help secure the network and, in return, earning staking rewards paid out as the same or a related asset. Banks can help clients earn staking rewards on their digital asset holdings by offering staking services through regulated validators. Institutions retain a service commission on rewards, adding a recurring income line that complements custody and lending.

## Wealth Management



Integrating digital assets into wealth-management platforms allows clients to view and manage digital and tokenized assets alongside traditional investments. Tokenization is projected to reach up to \$23 trillion by 2033 as more securities, funds, and equities move on-chain. Banks will need infrastructure that enables clients to buy, sell, and custody these assets within existing advisory and reporting systems, turning tokenization into both a service requirement and a new source of management fees.

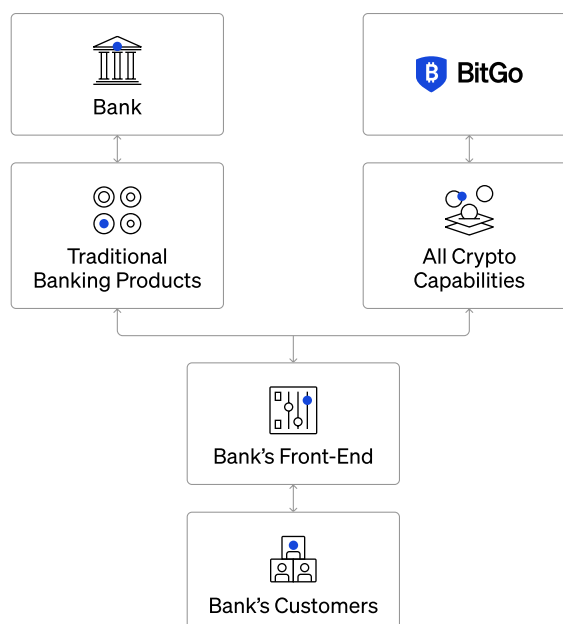
# Financing and Credit



Crypto-backed lending extends traditional credit models to digital collateral. Banks earn origination and interest income while clients access liquidity without liquidating holdings. Real-time collateral monitoring and programmable repayment improve risk management and capital efficiency.

## Stablecoin Infrastructure

Stablecoins serve as the connective tissue for digital payments and treasury operations. Banks can charge custody and conversion fees, as well as process near-instant payments that reduce cross-border friction, all while retaining deposit flows. Additionally, under the GENIUS Act, banks can issue their own fully backed stablecoins.



# Regulatory Licensing and KYC/AML Standards

Regulatory hurdles have traditionally been blockers for companies offering crypto services, however, banks have the unique ability to leverage their banking license and established compliance frameworks for new product offerings. Alternatively, banks have the option to offload the risk and compliance burden by relying on licensed third-party providers. There are advantages to both options.

## Bring Your Own License

The most straightforward approach is for banks to leverage their existing regulatory infrastructure. Banks already possess the necessary licenses and charters which provide a solid legal foundation for offering new financial products with the Office of the Comptroller of the Currency (OCC) explicitly stating that they are allowed to engage in riskless-principle crypto transactions. Crucially, they also have proven KYC/AML setups: sophisticated, regulator-approved systems, procedures, and dedicated staff responsible for verifying customer identity and monitoring for illicit financial activity. By extending these established processes to its digital asset offerings, the bank maintains direct control over its compliance function and all associated regulatory risks.

## Leverage a Provider's License

Banks can also opt to partner with a licensed third-party to outsource risk. The provider handles the technical complexities of crypto compliance, including blockchain analytics and digital wallet sanctions screening. The bank retains ultimate principal liability to the regulator, but using a vetted partner allows them to transfer operational risk to a third-party, especially surrounding execution failures or simply to avoid directly touching the crypto flow of funds. This model enables banks to launch crypto services faster with lower upfront investment, letting them focus on core banking while relying on external blockchain expertise.



# BitGo's Solutions

Building these capabilities from scratch is complex. Banks entering digital assets need infrastructure that is secure, compliant, and scalable from day one. BitGo provides the foundation that allows them to launch, operate, and expand these capabilities with confidence. Through BitGo Bank and Trust, National Association's OCC charter and six other globally regulated entities, proven custody framework, and modular technology stack, BitGo enables banks to integrate digital asset services at the pace and depth that match their strategic goals.

## Embedded Product Integrations

For institutions that want full control, BitGo provides backend infrastructure that integrates directly into the bank's own licensed environment. The bank handles its own onboarding, ledgering, and compliance while BitGo powers critical crypto functions such as custody, wallet management, trading, and settlement.

This approach allows banks to manage regulatory responsibilities internally while relying on BitGo's infrastructure for scalability and security.

## Crypto-as-a-Service

Crypto-as-a-Service is designed for banks that want to offer digital asset services quickly without building new regulatory or technical infrastructure. BitGo Bank and Trust, N.A.'s OCC charter provides licensing coverage across all 50 U.S. states, while BitGo Europe GmbH's MiCAR licensing covers all 27 EU member states. Together this regulatory coverage delivers an international licensing solution for custody, trading, and transfers. Each end user receives a qualified custody wallet under BitGo\*, while the bank controls the front-end interface and branding.

BitGo provides the ledgering, KYC/KYB\*, onboarding, and compliance obligations, allowing banks to focus on user experience and relationship management. This structure minimizes time to market and reduces operational risk by leveraging BitGo's regulated trust framework and international controls.

## Stablecoin-as-a-Service

BitGo also enables banks to issue and manage their own fiat-backed stablecoins. The Stablecoin-as-a-Service platform covers issuance, distribution, orchestration, smart-contract management, policy controls, and reporting. It allows banks to introduce GENIUS-ready, onchain payment instruments backed by their own reserves, expanding their deposit base and giving clients access to instant digital settlement. As the issuer of one of the largest stablecoins in the world, USD1, BitGo is your one-stop shop for launching your own stablecoin.

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# Unified Infrastructure and Compliance

All of BitGo's solutions operate within a unified security and compliance framework that meets institutional standards. BitGo's qualified custody structure, multi-signature technology, and independent audits provide fiduciary-grade protection and transparency. The platform integrates through secure APIs, allowing banks to embed new digital capabilities into existing core systems with minimal disruption.

By partnering with BitGo, banks can enter the digital asset ecosystem with confidence. Whether through a turnkey, fully licensed model or a direct integration, BitGo delivers the technology and regulatory foundation that lets institutions modernize, monetize, and maintain their leadership in the next era of finance.

## Conclusion

Digital assets are becoming part of the financial system's core infrastructure, and banks are increasingly expected to support them with the same level of trust, security, and scale they bring to traditional finance. With stablecoin legislation now moving through rulemaking in the United States and clear frameworks emerging globally, the conditions for institutional participation have never been better. The question for banks is no longer whether to engage, but how to do so safely and efficiently.

BitGo provides the infrastructure that makes this transition possible. Its regulated custody, trading, and settlement systems give banks a secure foundation to launch digital asset services, retain client deposits, and open new revenue lines. Through flexible deployment models and institutional-grade compliance, BitGo enables banks to integrate digital assets with confidence and build the next generation of financial services.

Plan your digital asset strategy with BitGo →