

## BOARD &amp; EXECUTIVE BRIEFING

# Digital-asset strategy for banks.

Preserve the client relationship. Build reusable capability. Invest through evidence.

## A decision framework

Business priorities, operating authority, economics and implementation gates for a connected banking proposition.

## 01 / EXECUTIVE RECOMMENDATION

# Invest in a capability you can reuse.

The first decision is a bounded client workflow—not an institution-wide replacement program.

## Protect the relationship

Clients should be able to evaluate approved payment, asset and investment services through the institution they already trust. Start by identifying the journeys that currently leave the bank, the reasons they do so and the services clients would actually adopt. A new interface is valuable when it retains or improves a real relationship.

## Improve the operating model

Connect client requests, identity evidence, review, authoritative records and service status. Agent-assisted preparation can reduce repeated entry and give employees better context; the institution must retain policy decisions and approval authority. Measure review-ready time, manual effort and exception handling before claiming an efficiency gain.

## Create options to grow

Use common identity, control, data and integration capabilities for a second approved proposition. The economic test is whether reuse lowers the marginal cost of adding a service while preserving controls, resilience and the ability to exit. Partner access adds opportunity only when the legal and operational relationship is explicit.

## Recommended initial mandate

Sponsor a discovery and non-value pilot for one priority segment and workflow. Name business, operations, risk, technology and finance owners. Require a measured baseline, an agreed authoritative record, a capability register and a clear go/no-go decision before any live-service commitment.

The board owns the ambition. The pilot supplies the evidence.

02 / STRATEGIC CONTEXT

# Separate the instruments. Then evaluate the opportunity.

“Digital assets” is a useful umbrella, but an incomplete product definition.

| Instrument                             | What the bank must establish                                                       |
|----------------------------------------|------------------------------------------------------------------------------------|
| Native crypto                          | Permitted client access, custody, execution, market risk and reporting.            |
| Fiat-referenced stablecoin             | Issuer and reserve exposure, redemption rights, supported routes and liquidity.    |
| Tokenized deposit                      | Bank liability, booking, transfer rules and interbank settlement arrangements.     |
| Tokenized security or real-world asset | Enforceable rights, authoritative register, eligibility, servicing and redemption. |
| Central-bank settlement asset          | Scheme eligibility, access, operating windows and settlement conditions.           |

## What the external research supports

BCG’s 2026 analysis separates crypto, digital money and tokenized assets, and frames the response as a strategic and governance decision. BIS examines tokenization alongside central-bank reserves, commercial-bank money and financial assets. These perspectives support a reusable capability approach; they do not establish the business case for a particular bank. [1, 2]

## Use evidence at the right level

Treat survey interest as interest, modeled savings as scenarios and vendor descriptions as claims to validate. The customer’s own flows, costs and service demand are the investment baseline. A token does not by itself prove title, liquidity, deposit protection or permission to operate across borders.

03 / CHOOSE THE FIRST PROPOSITION

# Start where demand and delivery readiness meet.

Rank use cases by identifiable client need, eligible volume, counterparties, implementation effort and control readiness.

| Institution / segment         | First proposition to evaluate                      | Evidence to request                                                       |
|-------------------------------|----------------------------------------------------|---------------------------------------------------------------------------|
| Private bank / wealth         | Consolidated information and approved asset access | Client demand, custody model, suitability and reporting needs.            |
| EMI / transaction banking     | A named payment or treasury workflow               | Both endpoints, beneficiary data, provider coverage and all-in economics. |
| Retail / regional bank        | Simpler onboarding and everyday service            | Completion, time to review, service adoption and support load.            |
| Custody / securities services | Selected asset servicing or distribution           | Legal register, lifecycle events, custody authority and cash leg.         |
| Bank treasury                 | A bounded liquidity or collateral workflow         | Time-weighted exposure, netting, operating windows and stress behavior.   |

## A practical prioritization rule

Favor a workflow with a named sponsor, an observable baseline and counterparties willing to participate. A demanding architecture without committed use is not a pipeline. A smaller proposition that proves reuse and operating discipline may be the better first investment.

## Scope the exclusions

State which products, assets, countries, clients, providers and transaction types are outside the pilot. Portfolio information can precede execution. A payment instruction can be tested before a live external rail is enabled. Instrument issuance and advanced structuring need not be part of the first release.

04 / AUTHORITY & ACCOUNTABILITY

# Keep institutional control visible in the design.

Separate delivery responsibility from the authority to accept clients, approve transactions and operate regulated services.

| Party                      | Accountability to agree                                                                                                    |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------|
| The institution            | Client relationship, product perimeter, risk appetite, onboarding decisions, authoritative books and release approval.     |
| OVRYDE                     | Solution design, implementation coordination, integration, agreed onboarding support and ongoing service responsibilities. |
| Hybrid technology services | The contracted technical capabilities and the evidence required to accept them in the selected deployment.                 |
| Connected providers        | Their licensed or contractual service, supported operations, service levels and reconciliation obligations.                |

## One authoritative record per purpose

If the existing core is retained, it remains authoritative for balances, booking and execution. Hybrid Banking can synchronize permitted context and route approved instructions. A command must have a stable identity, a known state and a reconciliation path; an accepted request is not a settled payment.

## Connect the control path

Forms, employee workspaces and agent-assisted requests must use the same permission, policy and approval model. Separate preparation from confirmation, approval and signing. Retain the actor, context, decision and actual result rather than only a conversational transcript.

## Make the dependency governable

Assign incident, recovery and change owners across providers. Specify evidence access, subcontractors, support windows, portability and exit. A coordinated delivery partner can simplify work, but the contract must explain who resolves a cross-system failure.

05 / ECONOMICS

# Separate revenue, capacity and cash savings.

Use the institution’s own eligible volume and costs. Keep every assumption visible.

| Illustration           | Calculation                                                                                             | Implication                                                                         |
|------------------------|---------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Payment orchestration  | \$5bn eligible flow × 2 basis points net variable contribution = \$1m; less \$1.5m fixed run cost.      | \$0.5m annual loss before implementation cost. Break-even volume: \$7.5bn.          |
| Custody / asset access | \$500m average assets × 10 basis points net variable contribution = \$0.5m; less \$0.8m fixed run cost. | \$0.3m annual loss before implementation cost. Break-even assets: \$800m.           |
| Preparation capacity   | 10,000 cases/month × 8 minutes less preparation ÷ 60.                                                   | About 1,333 gross hours/month; subtract incremental review, exceptions and support. |

## Include the complete operating cost

Budget for integration, dual running, provider and network fees, compliance staff, security review, legal work, data, support, recovery, liquidity and exit. Count retained legacy costs until they are actually removed. Apply finance-approved adoption, ramp-up and loss assumptions.

## Avoid double counting

Retained assets are not automatically new assets. Capacity becomes a cash saving only when spending is removed; redeployment can create value without lowering cash cost. Funding improvement, shorter exposure and regulatory capital effects are different mechanisms and require their own evidence.

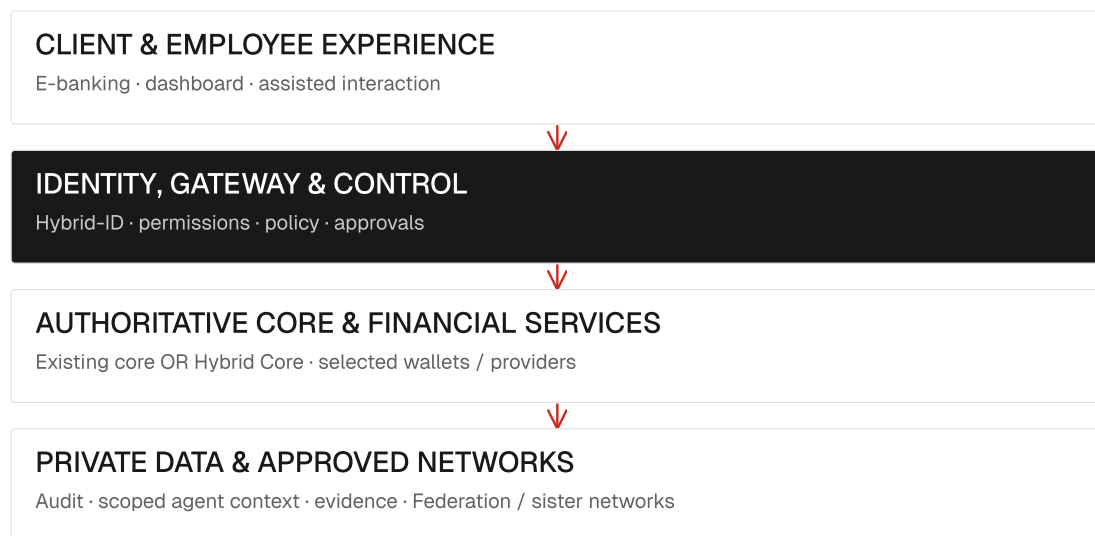
## Decision rule

Compare the proposition with extending current providers and with the best conventional workflow. Require a downside case, break-even volume, named benefit owner and financial hurdle. Faster processing alone does not establish a viable business.

## 06 / TARGET ARCHITECTURE

# Build around a governed service layer.

Keep the client experience simple while making the underlying record, authority and service boundaries explicit.



## Compose the stack

The experience layer contains client e-banking, employee workspaces and assisted interactions. Identity, gateway, policy and approval services govern requests. The financial layer connects the authoritative core and individually accepted wallet, custody, payment or market services. Private records, scoped context and limited proofs support the workflow.

## Design for coexistence

Reuse the bank's existing books and rails where they satisfy the use case. Define field mappings, finality semantics, retries, reversals and reconciliation for every adapter. Do not create a second independent balance merely because data is mirrored into a better user interface.

## Make reuse measurable

Test a second workflow against the same identity, policy, observability and integration components. Record what can be configured, what needs new code and what requires a new provider agreement. The goal is lower marginal implementation effort with controls intact.

## 07 / COMPLIANCE &amp; RISK

# Connect the checks to the decision.

Make eligibility, geographic policy, screening and monitoring explainable at the relevant action.

## Onboarding and geographic restrictions

Hybrid-ID can supply sign-in and separately permitted verification evidence. The institution decides eligibility. Geographic restrictions must rest on reviewed country-program evidence and approved policy; a sanctioned person's address does not make the whole country sanctioned. The Banking pilot's protected country restrictions take precedence over ordinary clearance presets.

## Screening configuration and freshness

The pilot selects all six supported list families by default. Authorized compliance staff govern changes, with an actor, reason and policy version retained. Required evidence that is missing or stale should hold affected actions rather than become an implicit pass. Deselecting a source must not silently remove protected geographic restrictions.

## Transaction monitoring and investigation

Aggregate behavior over the relevant period, not just a single payment. Repeated smaller transfers, changed recipients, rapid movement and changes from expected activity can warrant review. Explain the contributing events and rule reasons; give cases owners, escalation paths and recorded resolutions. An alert is a signal, not a determination of wrongdoing.

## The wider risk perimeter

Assess custody and signing authority, issuer and redemption exposure, liquidity, market and model risk, bridges, smart-contract changes, operational dependencies and outsourcing. FSB's review describes uneven international implementation, reinforcing the need to assess the actual jurisdiction and activity rather than use a generic "compliant" label. [3]

## 08 / AGENTS, DATA &amp; EVIDENCE

# Make assistance scalable. Keep authority accountable.

A useful agent prepares permitted work and exposes the next decision clearly.

## An efficient interaction model

Let the client or employee express a request, then assemble a reviewable instruction using permitted context. Show the proposed amount, recipient, purpose and action before confirmation. Apply the same current policy as the conventional form. Require independent approval when configured and return the execution system's actual state.

## A deliberate data boundary

Choose which information may reach a model, where inference runs and what context may be retained or reused. Define model access, minimization, encryption, retention, audit visibility, revocation and support access. Hybrid-ID authentication does not automatically disclose a client's bank records to another participant.

## Proof with a precise meaning

Selected Banking compliance-policy commitments are connected to a dedicated 3-of-4, single-operator, non-value Testnet. Verification checks signatures, quorum, inclusion, publication/network binding and checkpoint continuity. Private details remain restricted. A finalized proof supports integrity and inclusion; it does not establish the legal correctness of the decision.

## What remains institution-specific

The current pilot uses guided commands. Open-ended external-agent access, institution-local model execution, broader shared memory and universal conversation anchoring are integration scope to define and prove. Do not turn a target architecture into a claim that every agent interaction is already verified or production-ready.

Prepare with assistance. Authorize explicitly. Verify the result.

# Choose the delivery model. Retain the ability to change it.

The implementation partner should make the architecture, dependencies and acceptance path easier to own.

| Route                       | Best reason to choose it                               | Trade-off to test                                       |
|-----------------------------|--------------------------------------------------------|---------------------------------------------------------|
| Extend existing providers   | Accepted services already fit the priority journey     | Provider scope, interface constraints and future reuse. |
| Assemble specialists        | Specific capabilities require specialist depth         | Cross-vendor integration and incident accountability.   |
| Integrated delivery partner | The institution needs coordinated design and execution | Platform concentration, maturity, economics and exit.   |
| Build selected components   | The capability differentiates the institution          | Talent, maintenance, assurance and time to deliver.     |

## Scope deployment workload by workload

Evaluate institution infrastructure, private cloud and hybrid arrangements against data residency, model access, keys, backup, monitoring, administration and support. An on-premises label is not a complete operating model. Record what remains dependent on an external service and how outages are handled.

## Request an evidence-led capability register

For each required operation, record whether it is working in the pilot, independently tested, institution-specific integration work or unavailable. Attach the relevant acceptance evidence. Obtain the actual assurance reports, certificates and scope where required; logos or readiness statements are not substitutes.

## Prove portability

Specify data export, identity mapping, key and custody transition where applicable, historical evidence access, provider termination and a recovery path. Test an exit scenario before the institution becomes dependent on the service.

10 / THE PILOT & ACTIVATION DECISION

# Gate the release with observable evidence.

Progress through defined outcomes; elapsed time is not an acceptance criterion.

| Stage                     | Deliverable                                                              | Gate                                                                             |
|---------------------------|--------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Define                    | Priority journey; perimeter; baseline; owners; budget assumptions        | Named demand, feasible scope and a measurable outcome.                           |
| Prove without value       | Configured workflow; core mapping; policy, exception and recovery tests  | Records reconcile; controls refuse prohibited actions; failures are diagnosable. |
| Accept limited live scope | Approved providers; assurance; support; liquidity and operating limits   | Required permissions, signed acceptance and explicit activation authority.       |
| Reuse and expand          | Second use case; measured marginal effort; revised risk and cost profile | Positive economics, resilient controls and an exercised exit path.               |

## Minimum acceptance scenarios

Test a blocked destination, stale required evidence, unauthorized actor, conflicting or duplicate instruction, lost execution response, partial failure, provider outage, incorrect proof receipt and restart recovery. For value-bearing services, add the applicable custody, finality, redemption and liquidity stress cases.

## The release decision

Business owns demand and service outcomes; operations owns support and reconciliation; risk/compliance owns required controls; security/technology owns resilience and interfaces; finance owns the economic baseline. Require explicit sign-off, unresolved issues, limits and rollback authority.

## The next working session

Bring the priority segment and journey, the current core/provider inventory, legal and hosting constraints and accountable sponsors. Leave with a bounded pilot brief, responsibility map, capability register, acceptance scorecard and commercial scope for the next decision.

## 11 / SOURCE NOTES &amp; READING GUIDE

# Evidence for the discussion. A clear boundary for the claims.

Use this paper with the executive presentation and technical annex; update institution-specific assumptions before procurement.

## Primary references

- [1] Boston Consulting Group, The Future of Digital Assets, 18 May 2026. Strategic framing and instrument distinctions; forecasts are not bank-specific outcomes.
- [2] Bank for International Settlements, Annual Economic Report 2025, Chapter III: The next-generation monetary and financial system. Monetary architecture and tokenization context.
- [3] Financial Stability Board, Thematic Review on the FSB Global Regulatory Framework for Crypto-asset Activities, October 2025. Cross-jurisdiction implementation context.

## Product and delivery basis

Hybrid Banking product materials describe the controlled pilot, dedicated Testnet evidence and integration boundaries. OVRYDE's official website establishes its commercial and delivery positioning; it is not independent assurance. The Hybrid Banking public tour and compliance demonstration use fictional records.

## Evidence discipline

This decision framework distinguishes independently published research, described product capabilities and institution-specific assumptions. Market estimates and large-bank scenarios are not presented as expected customer results. Verify source dates, operational scope and the evidence relevant to the institution before making an investment decision.

## How to use the suite

Use the one-page teaser to open the conversation; the executive presentation to establish the proposition; the technical annex for architecture and control review; and this strategy paper for the investment and operating decision. Financial examples are explicitly illustrative. No certification, guaranteed return, transferable license or universal production-readiness claim is implied.

[1 · BCG report ↗](#)[2 · BIS analysis ↗](#)[3 · FSB review ↗](#)[OVRYDE ↗](#)[Hybrid Banking ↗](#)[Technical architecture ↗](#)