

Xapo's Seamus Rocca ushers in a new era of hybrid banking

 By [Katja Hamilton](#)

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The Blockchain Africa Conference, hosted by Bitcoin Events, returned for its ninth edition as a hybrid event from 16 March to 17 March at The Galleria in Johannesburg and virtually.

The conference attracted more than 9,000 attendees from 160 countries and showcased the latest in blockchain and cryptocurrency innovation and disruption, and hosted world-class international and local speakers, who unpacked how blockchain technology and cryptocurrencies are transforming how business is done globally and particularly on the African continent.

Xapo Private Bank was one of the standout exhibitors at the recent Blockchain Africa Conference. The private international Bitcoin bank is based in Gibraltar and is regulated by Gibraltar laws but is accepting membership applications from around the world, including South Africa. We caught up with chief executive officer, Seamus Rocca to unpack what makes Xapo's offering so appealing.



Source: Supplied. Chief executive officer of Xapo Bank, Seamus Rocca.

■ **What makes Xapo Private Bank unique within the financial-services sector?**

Xapo Private Bank is unique for various reasons, the most prominent being the accessibility we provide. We offer a unique solution where one can open an account with the ability to both send and receive Bitcoin from anywhere in the world without boarding a plane.

In 2013, Xapo invested heavily in Bitcoin and established itself as one of the largest Bitcoin custodians in the world, well known for its security. This initial investment has resulted in Xapo having a strong balance sheet with high liquidity.

We then made a business decision to get a banking licence as it was an essential component in enabling people to have access to their Bitcoin although it is stored highly securely. A key feature is that Xapo members earn 1% annual interest on the Bitcoin we hold for them, which is more than the exchanges can say.

What is the importance of wealth diversification, and how does crypto fit into this market?

Economic uncertainty or instability, such as inflation or recession, can drive investors to seek out alternative assets that may be less affected by economic downturns. A diverse portfolio is the most essential component of any responsible financial plan.

Traditionally, people mostly looked to invest in various asset classes but crypto has added another decentralised dynamic to diversification. That said, Xapo currently only advocates for Bitcoin and is of the view that Bitcoin is a good investment within reason, however we are not encouraging anyone to gamble on it or remortgage their house for it.

We do recommend putting a small allocation of your wealth into Bitcoin. Bitcoin was born out of the need some crypto anarchists saw for digital native sound money that could be traded peer to peer without any involvement of third parties.



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Things have changed since the early days, but one thing hasn't changed. Bitcoin is still the only cryptocurrency worth investing in for the long term for three reasons: firstly, it is sovereign (not controlled by any government, company or individual); secondly it is finite (only 21 million Bitcoin will ever exist and therefore will remain in demand); and lastly it is the most secure blockchain-based currency.

Why do people need to be careful of crypto exchanges and how is Xapo more secure through the hybrid model?

Crypto exchanges trade convenience for privacy and security, and encourage people to look for the next best thing. Their primary business directive is not to protect your life savings – they rely on your transactional fees. There is a long list of exchanges that have folded for various reasons from incompetence, to targeted cyber-attacks and fraud.

If you have used some of your hard-earned money buying Bitcoin that is outperforming your other investments, securing those assets should be your top priority. Therefore, it is essential to have a regulated and credible Virtual Asset Service Provider (Vasp) hold your Bitcoin. Holding your own coins is a great option if you never plan to trade your crypto for fiat, which would involve you moving it to an exchange (CEX or DEX) and trusting a third party to process your order correctly.

Xapo, however, is a bank and not an exchange. There is a high standard of regulation and capital in both the bank and the Vasp, and the security is unmatched given how long it has been securely holding Bitcoin for. Where exchanges have been hacked and collapsed with liquidity issues, Xapo is a serious player with high liquidity and a strong traditional regulation foundation, to provide peace of mind for members storing Bitcoin.

What does the future of banking look like when customers are storing value in Bitcoin and not a traditional currency?

Global - where banks have no borders and are predominantly digital yet still providing personalised customer service so that members feel they are not just a number. To achieve this, banks must be trust-driven and member-centric. This is how we have achieved Xapo's reputation as being simple, safe and honest.

We are transparent in our fees and have actively sought out regulation to offer security on the coins that we hold. We believe that the future of banking looks bright, and we are excited to be leading the charge in many aspects of it.

ABOUT KATJA HAMILTON

Katja is the Finance, Property and Healthcare Editor at Bizcommunity.

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