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Singapore Investors Demand Crypto: Traditional Banks Hold the Key to Unlocking Next Wave of Digital Asset Adoption, Study Finds

SINGAPORE – Wednesday, September 24, 2025 – New research highlights a significant opportunity for traditional financial institutions in Singapore to capture the growing local interest in digital assets, confirming that while interest in crypto is high, investors still need reassurance before diving in.

According to Avaloq's latest research, Singaporean investors are displaying cautious optimism but are actively seeking trusted pathways for crypto investment.

The data reveals that 26% of Singaporean investors currently hold crypto assets. However, this adoption rate lags slightly behind regional and global peers, falling below the UAE (39%), Switzerland (37%) and Hong Kong (30%). And only 17% of Singaporean investors invest in crypto via their traditional financial services provider.

The underlying reason for this hesitation presents a clear mandate for traditional banking institutions: non-crypto investors are ready to participate, provided they are offered services through a trusted provider. Nearly half - 48% of Singaporean non-crypto investors - stated they would invest in crypto if their existing financial services provider offered it.

"Investor interest in crypto is high across the region, yet adoption is tempered by a lack of knowledge and low trust in existing exchanges. This presents a massive opportunity for traditional financial institutions, as they have a trusted relationship with investors. By strategically integrating secure crypto trading and custody into their existing service portfolios, banks can leverage their established reputation to 'create a more trusted crypto market' and unlock the next significant wave of digital asset growth for investors", said Mr Vibhooti Chaturvedi, Regional Director for South Asia and Australia at Avaloq.

Barriers to Entry and the Need for Trust

The study identifies specific barriers preventing broader participation in Singapore:

- The leading reason cited for not investing is a lack of knowledge (46%).
- Other significant barriers include concerns that crypto is too volatile (37%) and low trust in crypto exchanges (33%).

These findings underscore that traditional financial service providers are uniquely positioned to mitigate key investor concerns by introducing robust, reliable services, thereby creating a more trusted crypto market.

The Path Forward for Wealth Management

To remain successful over the long term, wealth managers must recognize the importance of this shift. The report stresses that success relies on offering into a one-stop shop for all client assets. By integrating crypto into existing service portfolios and offering secure trading and custody solutions, traditional banks and wealth managers can unlock new growth opportunities for investors.

This integration aligns with the broader technological readiness observed in the Singaporean wealth sector:

- Singaporean investors are among the most loyal globally, but high expectations for responsiveness and trust must be met.
- Wealth management professionals in Singapore are highly optimistic about technological innovation, with 93% believing that artificial intelligence (AI) will benefit the industry.
- Local investors also show greater comfort with new technology, with 61% comfortable receiving AI-supported investment advice, compared to 52% globally.

Vibhooti Chaturvedi, Regional Director for South Asia and Australia at Avaloq said, “Singaporean investors stand out for their loyalty and positive sentiment towards traditional wealth managers. But advisers cannot be complacent – Singaporeans have high expectations for fast responses and access to non-traditional investments, accompanied by a growing appetite for risk. Understanding their needs and meeting these expectations will be essential to retain investors’ trust and loyalty over the long term.”

Impact Investing Built To Last

In terms of portfolio mix, Avaloq’s research shows that ESG investing continues to be an area of high importance for global client engagement increasing from 55% to 63%, with Asia seeing a significant jump from 41% to 67% as ESG becomes central to value creation and legacy planning.

This readiness for non-traditional assets, focus on value creation, coupled with high investor demand for trusted pathways, makes the adoption of digital assets and impact investing key strategic imperatives.

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About the Research

This data is derived from the Avaloq wealth insights 2025 report, based on original research carried out using two separate surveys in February and March 2025. The investor survey gathered responses online from 3,851 investors (Affluent to UHNWI) across 15 markets, including Singapore. The research explores trends following strategic shifts in the macroeconomic climate and the scaling of digital assets, which are key trends for the next five years.

About Avaloq

Avaloq is a premium provider of front-to-back software and services for over 170 financial institutions around the world. Our clients include private banks, wealth managers and investment managers, as well as retail banks. We develop software that can be deployed flexibly through cloud-based software as a service (SaaS) or on-premises, and we offer Banking Operations outsourcing through our business process as a service (BPaaS) model. Avaloq is a subsidiary of NEC Corporation, a global leader in the integration of IT and network technologies. www.avalog.com