

# Towards transition into meta-banks



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The digital era has brought profound changes to the banking industry, as customers demand more convenience, personalization, and security from their financial services providers. Banks have responded to this challenge by offering more digital functionalities, streamlining their physical channels, launching digital-only banks, and building partnership ecosystems. However, the digital banking transformation is not over yet. A new phenomenon is emerging that will reshape the way people interact, work, play, and consume which is through the Metaverse.

The Metaverse is a massively scaled and interoperable network of real-time rendered 3D virtual worlds that can be experienced live and simultaneously by an unlimited number of users. The Metaverse is not a single platform or application, but a collection of interconnected virtual spaces that span different domains, such as gaming, social media, entertainment, education, commerce, and more, estimated to be worth trillions in the near future.

The Metaverse will have significant implications for the banking sector and the role of banks, as transactions and other financial operations will be a crucial element of Metaverse interactions. Users will need to exchange value across different virtual worlds, using various forms of digital currencies and assets. Banks will need to provide seamless and secure payment solutions that can support multiple currencies and

platforms. Moreover, banks will need to offer new products and services that cater to the specific needs and preferences of Metaverse users, such as identity verification, data protection, wealth management, lending, insurance, and more.

Banks should not be passive or resistant towards this change, but embrace it as an opportunity to reach new customers, create new value propositions, and generate new revenue streams. To do so, banks should follow a plan to become meta-banks in order to cater for the real economy as well as the growing digital one.

They should help customers transition from the traditional economy to the virtual economy by facilitating the conversion of fiat money into digital currencies and assets, and vice versa. meta-banks should also provide education and guidance on how to use and manage digital currencies and assets in the Metaverse.

Meta-banks should create their own presence in the Metaverse by developing or partnering with existing platforms that can host their virtual branches. They should offer a seamless and an immersive customer experience that leverages the capabilities of the Metaverse and leverage artificial intelligence and big data analytics to provide personalized and contextualized services to customers in the Metaverse.

Also they should not limit themselves to replicating or adapting their existing products and Metaverse services but should instead explore new possibilities and opportunities that the Metaverse offers. Meta-banks should experiment with new business models and revenue sources that are enabled by the Metaverse, such as creating or investing in digital assets, sponsoring or hosting virtual events, offering gamified or social banking features, and more.

The Metaverse is not a distant or a hypothetical scenario, but a reality that is already taking shape. Banks that want to stay relevant and competitive in the digital era should start preparing for this change now, by becoming meta-banks that can serve their customers as their needs evolve in a growing digital world.