

Boerse Stuttgart Digital and Munich Re expand partnership with innovative and safe staking solutions for institutional and retail investors

- **With the creation of a highly secure and insured staking offering, Boerse Stuttgart Digital is taking a pioneering step in Europe**
- **Munich Re Group¹ developed a staking insurance solution for Boerse Stuttgart Digital covering slashing risks**
- **For the development of the future staking solution, Boerse Stuttgart Digital closely collaborates with the renowned German staking provider Staking Facilities**

Stuttgart, 12.09.2023 - [Boerse Stuttgart Digital](#) – the leading player in crypto and digital business among all European stock exchange groups – announces its insurance partnership in the staking sector with [Munich Re Group](#) – a leading global provider of reinsurance, primary insurance, and insurance-related risk solutions. By leveraging their extensive expertise and long-standing experience in fintech and insurance, the partners aim to provide institutional investors with a secure one-stop-shop for staking solutions in the near future.

Pioneering step towards a new security level for staking in Europe

In collaboration, experts from Boerse Stuttgart Digital and Munich Re Group laid the foundation to establish a comprehensively insured, full-service staking solution for the institutional market, that may pioneer a new security level for staking in Europe.

The solution is based on the innovative staking risk insurance coverage developed by Munich Re Group, which mitigates slashing risks for Boerse Stuttgart Digital. Boerse Stuttgart Digital's solution had to undergo a thorough due diligence by Munich Re Group. Complementing this, Boerse Stuttgart Digital Custody (blocknox GmbH), is expanding its existing custody solution to include the new staking offering. Through this cooperation an environment of exceptional quality and security is created, allowing investors to confidently participate in staking.

Dr. Oliver Vins, Managing Director of Boerse Stuttgart Digital states: *“We are delighted about the deepened partnership with Munich Re, one of the leading and highly regarded reinsurance providers, as it lays the groundwork for delivering a highly secure and insured staking solution to institutional investors across Europe. We have noticed an increasing interest from institutional investors in the staking sector, eagerly anticipating the chance to participate, provided they have complete confidence in the security of the environment. At Boerse Stuttgart Digital, we proudly embrace the role of pioneers in addressing this challenge together with Munich Re.”*

Dr. Andre Knoerchen, Head of New Tech Underwriting at Munich Re adds: *“Digital assets are a key growth opportunity for the financial services industry. Boerse Stuttgart Digital has positioned itself as a prime player with strategic rigor and strong focus on regulatory compliance. Munich Re's risk-taking capabilities and our Digital Asset Protection insurance*

¹ The insurance cover is underwritten by a primary insurance carrier of Munich Re Group, which is an S&P AA- rated international insurance company.

perfectly complement this approach. With partners like Boerse Stuttgart Digital and Munich Re combining their strengths, the institutional adoption of digital assets is enabled to progress not only faster but also safer.”

Slashing insurance safeguards validators against the loss of their invested capital

The term "slashing" is used in the context of the Ethereum blockchain and refers to the process in which a validator loses a portion or all of their staked ETH within the Proof-of-Stake consensus mechanism. Validators verify transactions and add new blocks to the blockchain. When a validator contravenes specific rules of the Ethereum network – which is not necessarily driven by malicious intention – it may lead to slashing. For example, two different blocks can be proposed for the same time slot (Block Proposer Double Vote), or a confirmation can be given for two different attestations that have the same target block (Attestor Double Vote). In such cases, validators are at risk of losing their staked assets. To address this risk and better protect investors, Boerse Stuttgart Digital and its staking partner, Staking Facilities GmbH, have collaborated with Munich Re, that developed an innovative insurance concept offering coverage in case a slashing event happens.

Staking partnership builds on successful crypto custody insurance collaboration

Boerse Stuttgart Digital Custody has been collaborating with Munich Re Group in the field of custody insurance since 2022. Boerse Stuttgart Digital (blocknox GmbH) holds the final license from BaFin to operate as a crypto custodian. Expansion of the partnership into the staking sector aims to eliminate obstacles for institutional investors seeking to enter the staking space. The primary objective of Boerse Stuttgart Digital is to empower institutional partners to provide their clients with access to reliable and secure staking solutions, while also serving as an alternative source of income in the proprietary trading sector.

About Boerse Stuttgart Digital

Boerse Stuttgart Digital, powered by Boerse Stuttgart Group, is the trusted partner for integrated and tailored solutions along the entire value chain of crypto and digital assets across Europe. With +160 years of tradition and expertise in financial markets, Boerse Stuttgart Digital is committed to the highest safety, stability, and transparency levels and is fully regulated in Germany. As a one-stop-shop for B2B clients across Europe, Boerse Stuttgart Digital bundles all digital businesses: brokerage, trading, and custody solutions, and enables institutional partners to have easy and reliable access to the world of crypto & digital assets. Embracing the values – trust, customer centricity, innovative spirit, and expertise – Boerse Stuttgart Digital opens the gateway to a unique financial experience by combining both worlds: digital and traditional capital markets. The team consists of +150 employees across its locations in Stuttgart, Berlin, Frankfurt, Vienna, Zurich, and Ljubljana. For more information, visit www.bsdigital.com.

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