the ValueExchange

DLT in The Real World 2025

A practical perspective on where, why and how distributed ledger technology is changing our capital markets in 2025.

ISSA

Sponsored by:

accenture

Broadridge

TAURUS

Contents

DLT in The Real World 2025

A practical perspective on where, why and how distributed ledger technology is changing our capital markets in 2025.

An **ISSA** report, supported by **the ValueExchange** and sponsored by **Accenture**, **Broadridge** and **Taurus**.

6 years of DLT and digital asset insights

Journeying from curiosity to impact.

36% of industry participants are live with DLT today

Over one-third of the market are now using on-chain applications in production. This is no longer about a leap, a spike, a promise, but steady growth - and a trend that holds true in our findings over the past 4 years. As confidence and appetite continues to grow we see participation and production deepen. Existing DLT users are committing more resources, processing higher volumes and adding functionality. And this is hardly a surprise given **two-thirds of current users say DLT and digital assets outperform traditional equivalents.**

DLT participants in 2025 are also forging broader ecosystems, as tangible proof of the power of connection, establishing the future foundations for the industry. The number of participants per initiative is climbing, as interests align to build a coherent, global digital asset ecosystem.

The objectives? To connect disparate and isolated pools of digital liquidity. Another is to improve asset mobility, as shown by the continued keen interest in bonds and now in stablecoins also. **In 2025, it is evident that assets with real world utility as collateral, for pledging or in payments have superseded earlier explorations of FX and private assets.** The DLT ecosystem and its participants are maturing.

Real business is now getting done with DLT, and it's creating new opportunities. **Over 40% of respondents are using DLT to drive new product revenues,** doubling from just a year ago. The business case for DLT has finally moved beyond operations and technology and into sales and business development.

The first waves of DLT are established, the regulatory landscape is rapidly evolving to finally keep pace with the innovation and the high profile product successes. With that comes a renewed focus on learning & development – likely signalling the emergence of the next wave of users as DLT becomes more deeply embedded in the real-world. The 2025 data was often surprising. Let's see what we discovered.

the ValueExchange

Barnaby Nelson

Reach out and carry on the conversation here

DLT in the Real World: 6 years of practical insight

	2020	2021	2022	2023	2024	2025
Industry participants live with DLT today	4%	8%	32%	39%	37%	36%
Average importance of DLT to the industry	6	6.5	6.7	6.6	7.2	6.6
Key asset classes in use	Crypto currencies FX	Bonds	Crypto currencies Bonds	Bonds Private markets	Bonds Funds	Bonds Stablecoins
Key drivers of using DLT	Internal efficiencies	New product revenues	New product revenues (32%) Cost savings (18%)	Cost savings (28%) New product revenues (23%)	Cost savings (33%) New product revenues (18%)	New product revenues (42%) Learning & Development (19%)
Average number of participants per initiative	N/a	N/a	3.9	2.1	4.2	4.4

DLT and digital assets in 2025

DLT and Digital Assets in 2025

- From overnight to intraday: 85% of respondents see intraday liquidity as the key outcome of DLT and digital assets
- Project activity: A stable body of live clients – and project activity is growing again
- Corporate action errors are costing up to 10% of our running costs: Most often due to local market errors
- North America is now the most active region for DLT and digital assets – while European adoption declines
- The buy side is now fully engaging: With a stronger strategic outlook than investment banks
- Digital assets are driving adoption, growing by up to 2-4 times for some
- Commercial, digital cash adoption is growing by 17% a year

Where is the action today?

- Where is the action today? Issuance and custody are the focus for up to 45% of banks
- Where is the action tomorrow? Financing looks set to lead the industry agenda
- The new Big Three: Bonds, money market funds and stablecoins
- Are industry initiatives really helping? Only the ECB DLT trials are seen to be making an impact

The business case

- How much? Digital assets cost $2.2m per firm, but North America is outspending Europe and Asia by over 200%
- Why? DLT and digital assets have to pay for themselves in revenues
- Who? DLT and digital asset initiatives are increasingly led by sales and the buy-side
- Why? DLT and digital assets have to pay for themselves in revenues
- Performance? Up to two-thirds of firms find DLT / digital assets to be better than traditional ones
- Why not? Building that liquidity has risen to be the #1 challenge
- When? DLT and digital assets have to deliver within two years

The Project

- Network? Permissioned chains are mainstream now for 43% of firms
- ...but network choices still depend on the intended benefit
- Cash leg? Each segment is looking for something different. Europe leads the world in digital cash adoption
- Jurisdiction? 25% of all projects are based in EU and Luxembourg

ISSA Introduction

ISSA Working Groups on DLT and Evolving Technologies have been at the forefront of the digital asset journey to help the Securities Services industry understand the latest trends, the evolution to expect in the future and to make sense of the practical considerations and challenges. ISSA's aim is to shine a forward looking light on DLT through our thought leadership.

With this spirit, we partnered with the ValueExchange six years ago to create an industry survey to track the real-world evolution of DLT and digital assets from a market perspective. We are very excited to therefore be publishing the sixth of the 'DLT In the Real-World Longitudinal Study' series. The results here drive the DLT discussion in the Securities Services industry. This exciting new report brings even deeper insights than before and participation beyond the traditional banks and infrastructures in our industry.

This year's report has some important findings about current DLT usage and trends going forward. Usage continues to grow, the importance of DLT to firms remains high but interestingly, the key drivers are now New Product Revenues and Learning and Development.

Perhaps the most intriguing finding is that intraday liquidity will be the key driver of future projects. Whereas in the past, reducing expenses to drive P&L performance was paramount, now it seems to be more about the Balance Sheet - - capital efficiency and asset optimization. Pledging may well develop into the Digital Asset sweet spot as the data in this report predicts.

Tokenizing assets is now being seen as key to vastly expand collateral mobility to generate cash liquidity across the globe. Such pledging vs. payment transactions, in digital assets and digital currencies, may evolve to occur on a 24x7 basis, even during times that the payment system and central bank for the underlying currency and the CSD for the underlying asset are closed. To deliver on this opportunity, it is critical to tie together fragmented pools of assets that can serve as collateral all around the globe and to achieve scale in digital currencies. The survey results show that industry is no longer waiting for CBDCs.

It is moving on other alternatives in advance of CBDC reality, adoption and critical mass usage, leading to the maturing of Stablecoins (aided by recent legislation), and the rise of other tokenized payment systems.

ISSA is following this trend, and the Evolving Technologies Working Group is focusing on Collateral Use Cases for DLT and will soon turn its attention to Stablecoins as well a Tokenized Funds which many buy-side firms are exploring as a way of extending their customer base into the crypto community.

We would like to thank the huge number of people and firms who participated in this report and provided their valuable input as well as our 2025 survey sponsors - Accenture, Broadridge and Taurus. We hope this report will not only be insightful to you but also help you benchmark your organization's DLT, and digital asset journey compared to the industry's trajectory. As we continue to move forward the Working Group's agenda, we look forward to working with you to use the insights from this report to drive further thought leadership and industry engagement.

ISSA DLT Working Group co-Chairs

Glen Fernandes

Steve Everett

Our campaign sponsors

ISSA — Click here

accenture — Click here

Broadridge — Click here

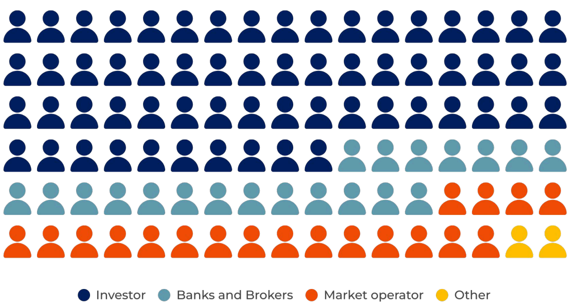
TAURUS — Click here

Who participated?

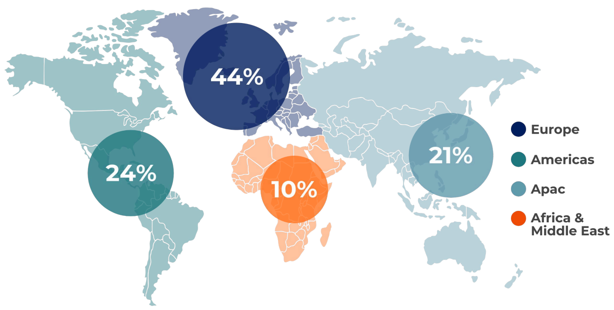
For six consecutive years, DLT in the Real World has tracked the evolution of Distributed Ledger Technology and digital assets from theory and vision to real world benefit. ISSA and our sponsors, along with hundreds of capital market experts, have given us a unique window into the formation of today's digital ecosystem. We could not be more grateful for their time and insight.

This year's data set is similar to 2024 in scope and distribution across roles and geographies. So with the benefit of consistency over the past six years, we can confidently identify trends and priorities as they shift in real time.

2025 PARTICIPANTS BY SEGMENT



2025 PARTICIPANTS BY REGION



BENCHMARK YOUR OWN DLT PLANS HERE

How do your DLT project plans and roadmaps compare with those of your peers? Make sure you use this unique opportunity to benchmark your work with over 350 other specialists today.

Thanks to the extensive reach of our industry survey, we can provide you with detailed, personalised analytics in your own benchmarking scorecard - as soon as you have completed the online survey.
Click below to begin and we will send you your scorecard straight away.

Benchmark your own DLT plans here →

DLT and digital assets in 2025

As this year's survey shows, we've reached an evolutionary tipping point. While justifying spending based on cost reduction and efficiency gains still holds true today, in 2025 digital assets and DLT are viewed as revenue creators, wallet capturers, liquidity enablers, and financing powerhouses. Investment is now being unlocked for growth

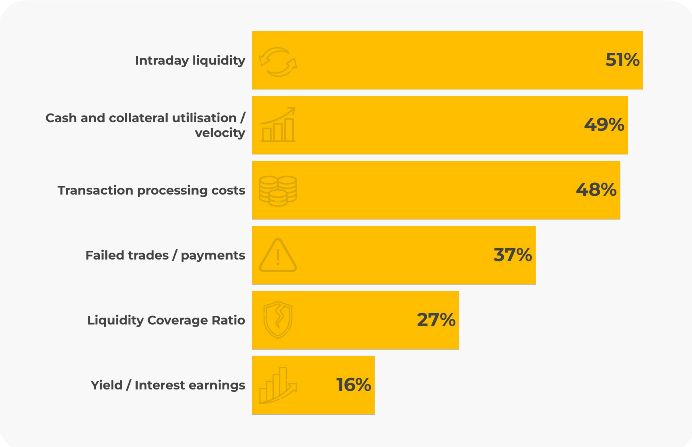
This section discusses 5 key findings:

1. Liquidity is king. Digital islands are being replaced by ecosystems that meet market demand
2. Changes in US policies have kicked off an era of new initiatives and spending as the US seeks DLT dominance
3. The buy side is fully on board, with a stronger strategic outlook than investment banks
4. Confidence is high. DLT and digital asset users have first-hand experience of the benefits and are doubling down, pouring more resources into broadening and deepening existing initiatives
5. The market has stopped waiting on central bank digital currencies and is embracing a variety of cash alternatives to complete payments and facilitate financing

1. From overnight to intraday

Why DLT? The answer sits in Treasury

The buy side is now fully engaging: with a stronger strategic outlook than investment banks



51% of respondents see intraday liquidity as the practical impact of tokenization and digital cash

Every business needs to effectively manage liquidity and capital. Shifting from overnight to intraday creates tremendous financial upsides.

Beyond the day-to-day functions and processing improvements, efficiently managing regulatory capital creates multiple benefits including reduced liquidity ratios (LCR) and net stable funding ratios (NSFR) under the Basel III framework and other regulations. This marks a stark change in the motivation and leadership behind DLT.

The new charge is being led by the repo and financing desks, but the mindset is all Treasury.

The DLT business case has finally made the leap from Ops to Finance. While the ability to reduce expenses is a firm priority for firms, no one is implementing DLT programs purely to improve operating ratios. Instead, all eyes are firmly fixed on the 'P' in P&L.

The focus on cash and collateral utilization is also testament to this. More efficient, higher velocity collateralization reduces financing charges and the risk of over allocating and unnecessarily locking up assets. **Beyond pure capital benefits, more mobile assets can be monetized or loaned without the operational drag we've endured for so long.**

However, whilst balance sheet motivation proves compelling, operational costs are not out of sight as **48% of respondents are still looking to DLT to reduce transaction processing costs** proving that operational efficiency still remains a core consideration of technology related development in our industry.

2. North America is now the most active region for DLT and digital assets

What a difference a year makes.

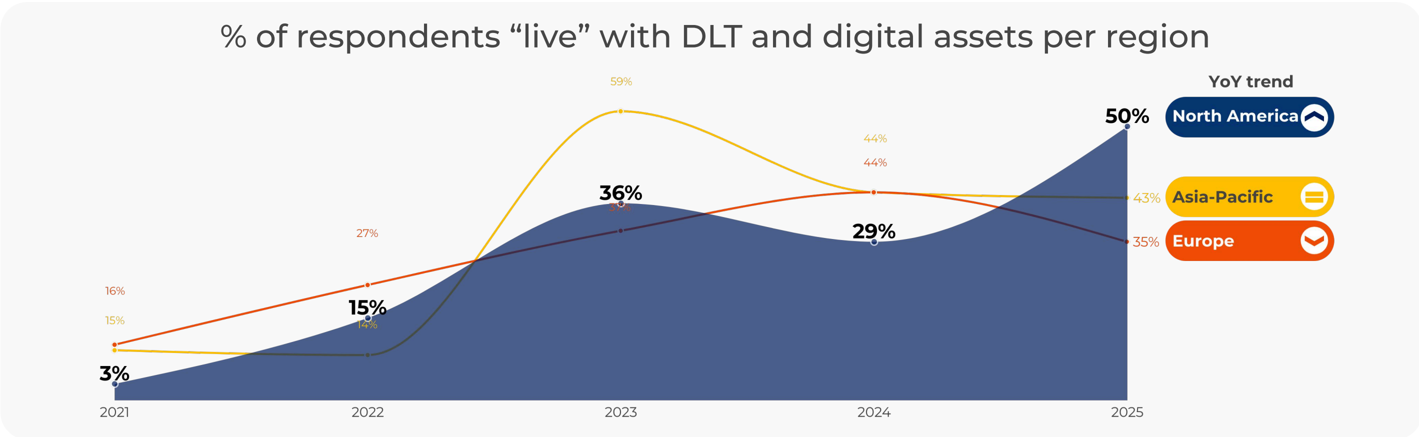
Last year, nearly 80% of American digital asset activity was run offshore. Now – with a new pro-crypto US Administration, new legislative action in the GENIUS Act, and a unified framework for digital assets from the SEC – **activity in North America has increased by 72%.**

This remarkable turnaround can also be traced to the ever-growing success of tokenized funds, with BlackRock's BUIDL going from launch to over $1Bn in a single calendar year and Circle's acquisition of Hashnote which has integrated cash (USDC stablecoins) with collateral (USYC tokenized treasury and money market funds) going from strength to strength.

Now that the pent-up demand from the US market and providers finally has an outlet, we expect a sharp rise in activity in the coming year.

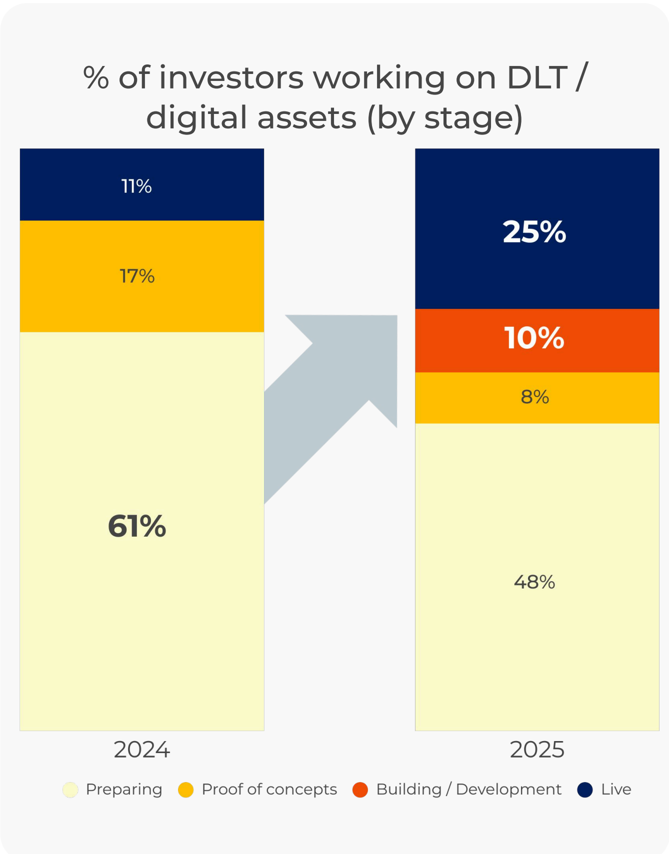
In contrast, momentum in Europe appears to be slowing dipping to 35%. Could this be just a moment in time? Our survey took place following the ECB trials and six digital bond issuances from the EIB in 23 months and before the ECB announced a commitment to settling DLT transactions using central bank money. Or could it reflect some re-shoring of US projects? Either way, European activity goes on our 'watch list' for the time being.

A region confident in its digital asset and DLT capabilities, **Asia Pacific's solid pace post its sharp growth in 2023 reflects a steady stream of bond issuances and ongoing initiatives across its markets.** These include fixed income and FX projects from the Monetary Authority of Singapore (MAS) and ongoing issuances, tokenization, stablecoin development and continued CBDC exploration from the Hong Kong Monetary Authority (HKMA).



3. The buy side is now fully engaging

In the era of tokenization



The importance of digital assets to fund managers has increased by 136% over the last year.

BUIDL's success has spurred a buy-side gold rush of fund tokenization, while in contrast, interest from other market participants has held steady, in the case of custodian banks, or even abated most notably across private banks and wealth managers.

In 2024, we identified DLT as a vision for revenue growth for the buy side. Using DLT distribution channels, they were streamlining processes, disintermediating RIAs and wealth managers to reduce expense ratios, and enabling access to a growing pool of digital cash. **Given the rapid growth in active development or live projects in 2025 (from 11% to 35%) across organizations large and small, this compelling narrative continues to play out.**

It's still an open question whether anyone but the largest funds can reach or grow their investor base and achieve a level of scale and return that satisfies their investment.

Launching a tokenized fund won't automatically attract a sizable new investor pool and may not be more cost-efficient than an ETF. But for managers, that may not be a deterrent. **They are playing the long game, looking to tap into digital wallets and future proof against a transfer of wealth from traditional to crypto.**

On the other hand, investment and universal banks are looking at tokenized funds for other reasons. A tokenized money market fund that is fully backed by assets could allow large pension funds and other institutional investors to realize intraday returns on idle cash, with the flexibility to immediately access those assets and the security of 100% collateralization. As DLT becomes more embedded in how capital markets operate, that's a likely next evolutionary step - we watch with interest how this develops over the coming year.

4. Digital assets are driving adoption

Banks, brokers and investors are all in on digital

Digital assets are driving adoption, growing by up to 2-4 times

Distinct from the technology, digital assets and crypto have become increasingly critical for banks and investors. For banks and brokers, digital assets create new revenue streams: from issuance and ECM to custody to trading - the 44% live with digital assets stand ready to reap the benefits.

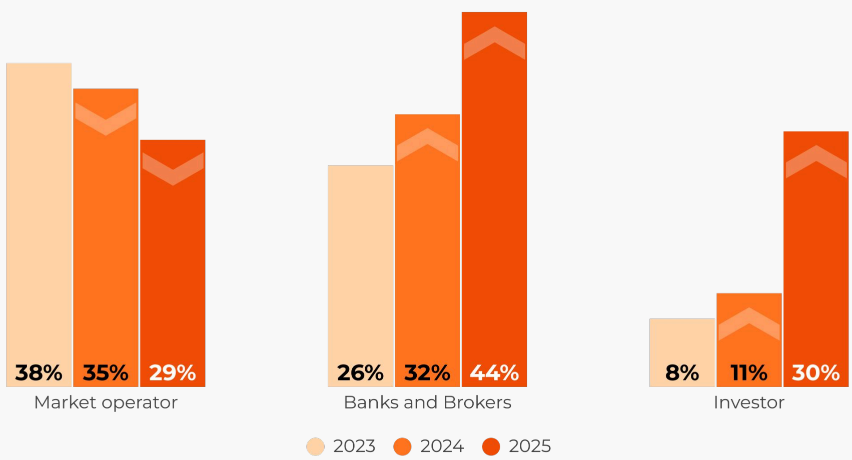
Investors continue to embrace digital assets - 30% soaring from 11% in 2024. This growth is evidenced by new bitcoin fund products, tokenized funds, and the inclusion of crypto in wealth investing.

The investor numbers also reflect a trend we identified last year. Private banks and wealth managers are looking to leverage digital assets for private and physical assets and meet investor demand for more accessible, liquid markets.

On the flip side, the CSDs, exchanges and other market operators who have led the way, involved with DLT and digital assets much earlier than other sectors, have seemingly pulled back with 29% of market operator respondents 'live' with DLT in 2025 supporting this downward trajectory over the past three years. The reason for this? We predict this is more waiting for the industry participants to catch-up rather than holding back anticipating disintermediation. This will be a trend to pick-up in 2026 but our work at ISSA suggests that the FMIs will maintain their role at the heart of the digital ecosystem enabling growth for their participants and their clients.

Digital assets are driving adoption, growing by up to 2-4 times for some

% of each segment "live" with Digital Assets (excl DLT) per year



5. Commercial, digital cash is growing

Clear alternatives to CBDC are emerging

The cash leg has been a persistent challenge to institutional DLT adoption - what form of digital cash to use? While CBDC is the preferred strategic form of cash for the majority at 42% the market is no longer waiting for CBDCs as the use of other forms of digital cash starts to take hold.

Strong evidence of using stablecoins for commercial cash is growing with the percentage of respondents using this form of cash in 2025 advancing 73% from 2023.

However, the most notable transformation over the past year in a non-CBDC context is the growth of tokenization. 21% are now using tokenized payment systems that connect to RTGS a 110% increase from 2024. **But, it is tokenized money market funds that standout the most - up by 400% since 2024.**

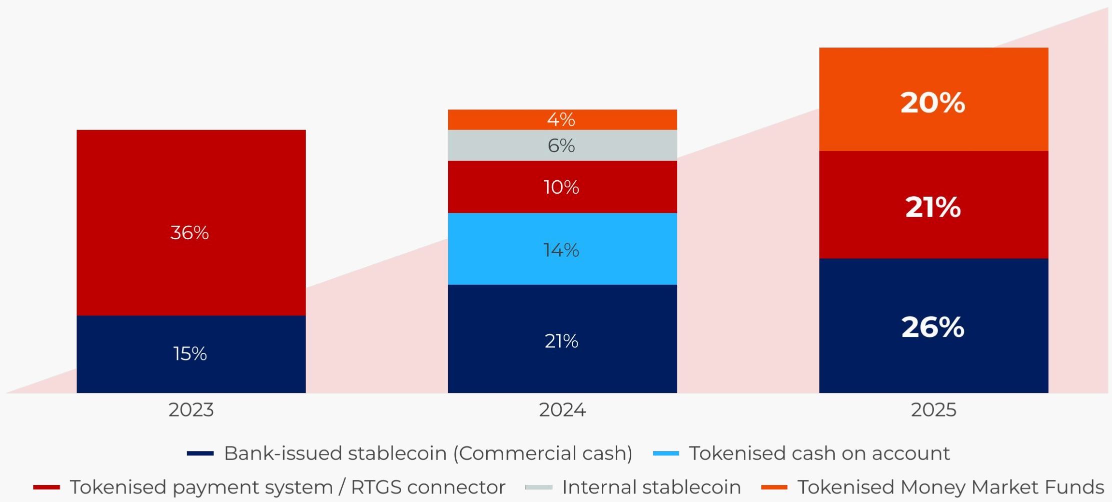
Tokenization delivers much-needed functionality, in a practical sense. But it also leaves a fundamental question unanswered: is fully digital cash needed or can traditional cash be used as efficiently, even if it needs to be on- and off-ramped?

This may represent another evolutionary point in time, where the markets are using what's available to complete transactions today. It could also be a path of least resistance, leveraging existing control frameworks and tested connections to RTGS.

Either way, **the real-time-ness of transactions remains limited by the use of off-chain components.** Until a truly digital cash alternative is available, we cannot take that final leap to realize the true value of fully programmable transactions and smart contracts.

Non-CBDC Digital Cash Types in 2023, 2024, 2025

(% of Respondents using each form in projects)



Where is the action today?

Despite the major shifts in priorities noted earlier, the actual utilization of DLT and digital assets has remained remarkably steady over the last twelve months. Issuance and custody have been paramount, largely driven by some significant industry initiatives.

That's about to change given the demand for liquidity and asset mobility. Collateral and financing are about to take the spotlight, pushing DLT deeper into the trade lifecycle and unlocking new value from digital assets.

The asset classes being prioritized reflect this shift, as they are widely used as collateral. But revenue is also playing a role, as different market segments focus on asset classes that will bring the highest returns.

1. Issuance and custody are the focus for up to 45% of banks in 2025

Can we get deeper into the trade cycle?

To date, the action has remained firmly at the beginning of the trade cycle. **Digital asset issuance has been a major focus for banks and market operators.** The ongoing ECB trials which has brought big names into the issuance spotlight, broadening participation across 64 participants, spanning multiple currencies, and accelerating the flow of digital assets into institutional wallets.

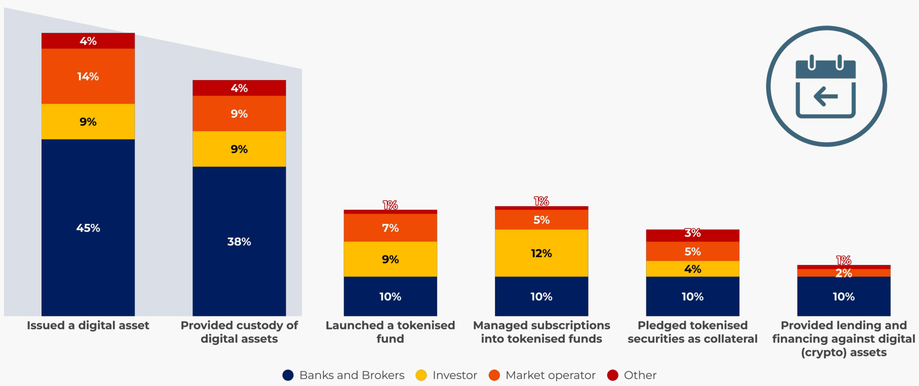
Unsurprisingly, **the ability to custody these new assets is another high priority.** For the banks and wealth managers who can successfully and securely deliver the service, custody will be a steady revenue stream as 38% of banks and brokers can testify.

For investors, the priority for the majority over the past 12 months has been managed subscriptions into tokenized funds - a natural focus as the sector seeks ways to mobilize fund units and free up cash.

Further down the value chain – pledging, lending and financing – the action is relatively limited. But that's about to change.

Actions taken by respondents in the last 12 Months

(% of respondents by segment)



2. Issuance and custody are the focus for up to 45% of banks in 2025

Can we get deeper into the trade cycle?

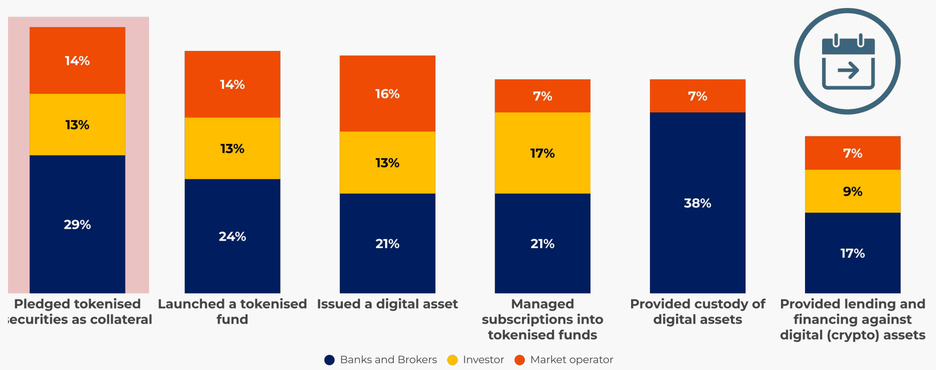
Across all market segments, efforts to pledge tokenized assets as collateral is set to triple. Similarly, lending and financing activities see a sharp increase as issuance pulls back and custody stabilizes.

What's driving this convergence? The need for intraday liquidity and the ability to mobilize and monetize assets. Whether the motivation is capital efficiency or asset optimization, **pledging is the ecosystem's sweet spot.** And now that the interests of banks, investors and market operators are aligned, we can expect real change to take place.

Collateral and securities financing are two areas that could significantly benefit from atomic settlement and accurate ownership records that come with DLT and smart contracts. **As noted earlier, intraday velocity will create substantial operational and capital benefits.**

This is not to suggest that issuance and custody will pull back in 2026 - the same 38% of banks and brokers intend to provide custody of digital assets in 2026 as has been demonstrated in 2025. Post trade is indeed taking the spotlight.

Actions to be taken by respondents in the next 12 Months
(% of respondents by segment)



3. Post-trade takes the spotlight

Bonds, money market funds and stable-coins. Revenue is driving priorities

The focus on financing is clear in how asset classes are being prioritized. Favoured forms of collateral (bonds and cash equivalents) are expected to be actively used in live, daily operations. With trends clear and distinguishable across each sector of the industry.

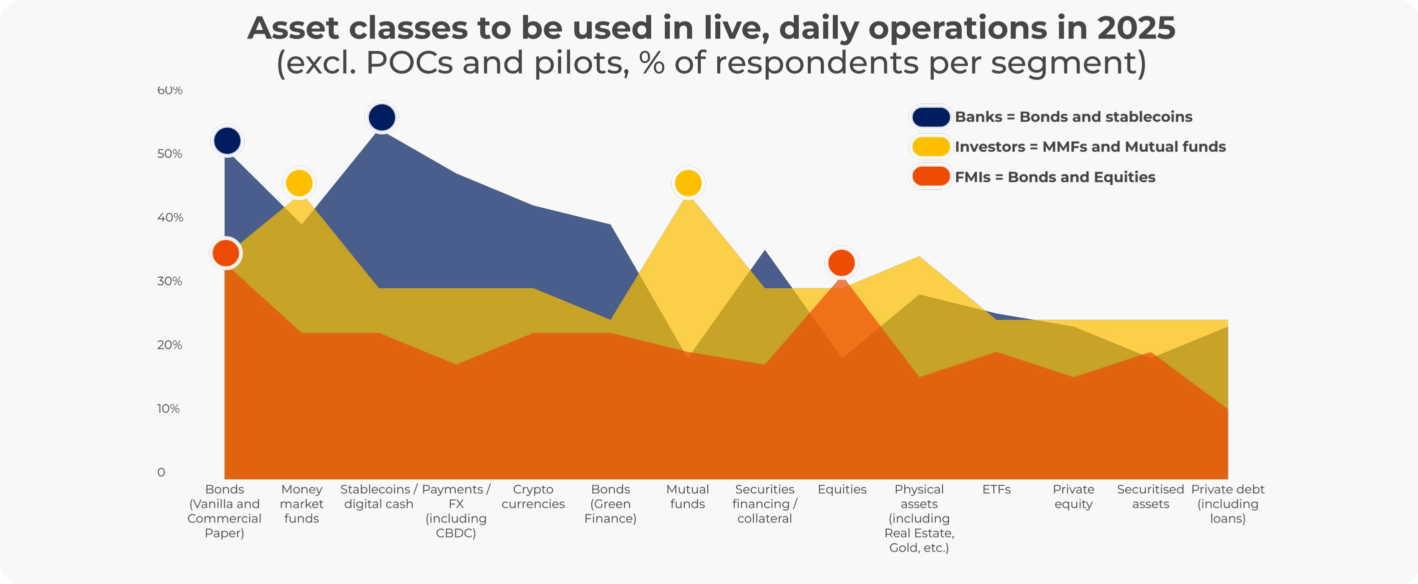
Banks and brokers are really leaning into the potential bonds (52%) and stablecoins (55%) can bring as they seek ways to reduce the cost of risk and transform balance sheets and reduce RWA. Unsurprisingly, MMFs and Mutual funds are expected to be used by 25% investors as part of their daily operations. While FMIs expect bonds and equities.

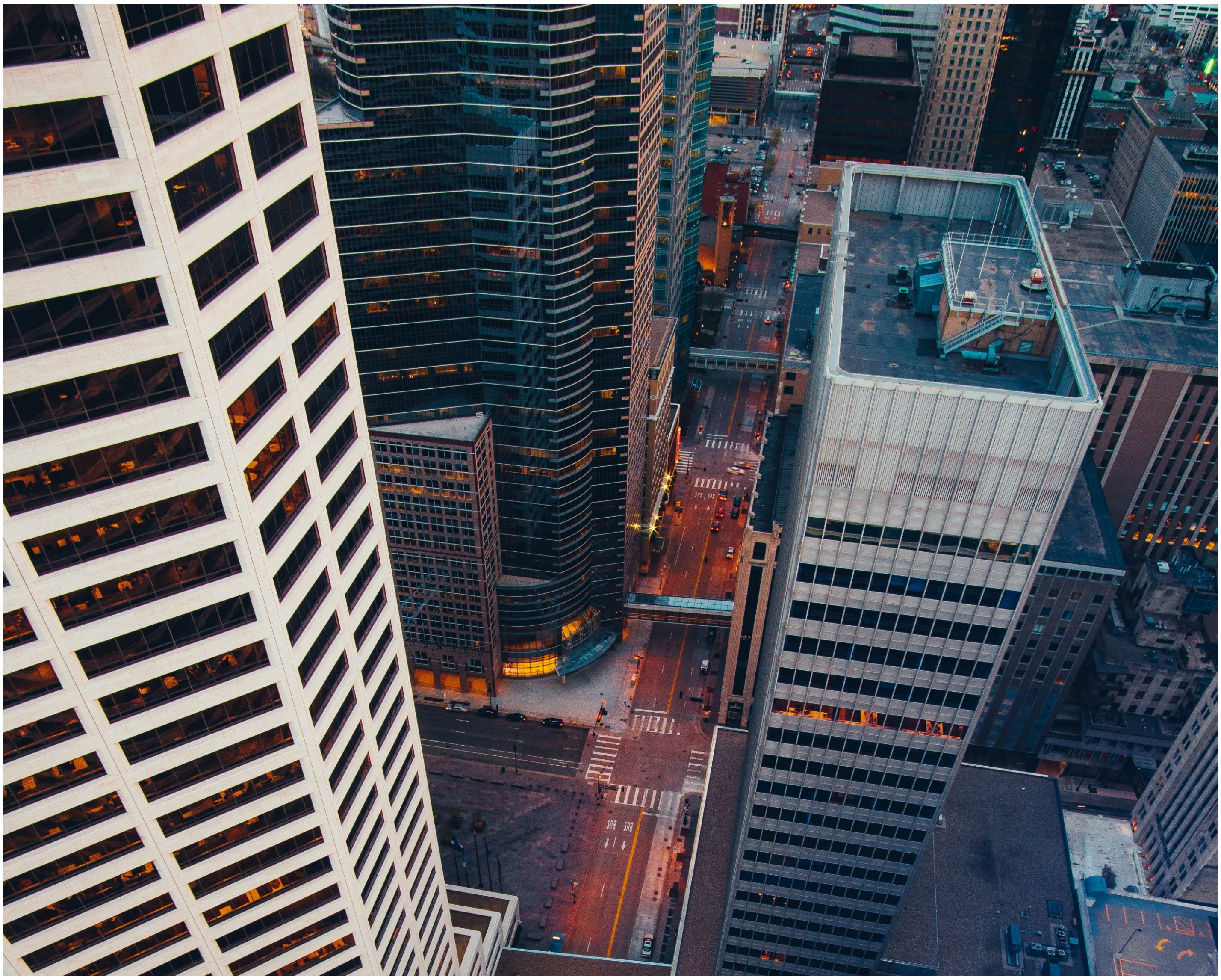
Does this all sound familiar? The new ecosystem might not be too dissimilar to the existing.

Segmentation of asset classes aside, this data also evidences a keen interest in revenue. **Essentially, each market segment is focusing on driving new product revenues, emphasizing the asset classes that**

will make them the most money.

The variance by market segment is further proof that the business case for DLT has firmly moved into the front office, where returns are emphasised over efficiencies and cost reduction.





4. Are industry initiatives really helping?

The age of experimentation may be drawing to a close

Only the ECB DLT trials stand out as making an impact

With the notable exception of the ECB trials, which drove major issuance volumes and demonstrated coordinated market leadership, fewer participants see these initiatives moving the needle in today's market.

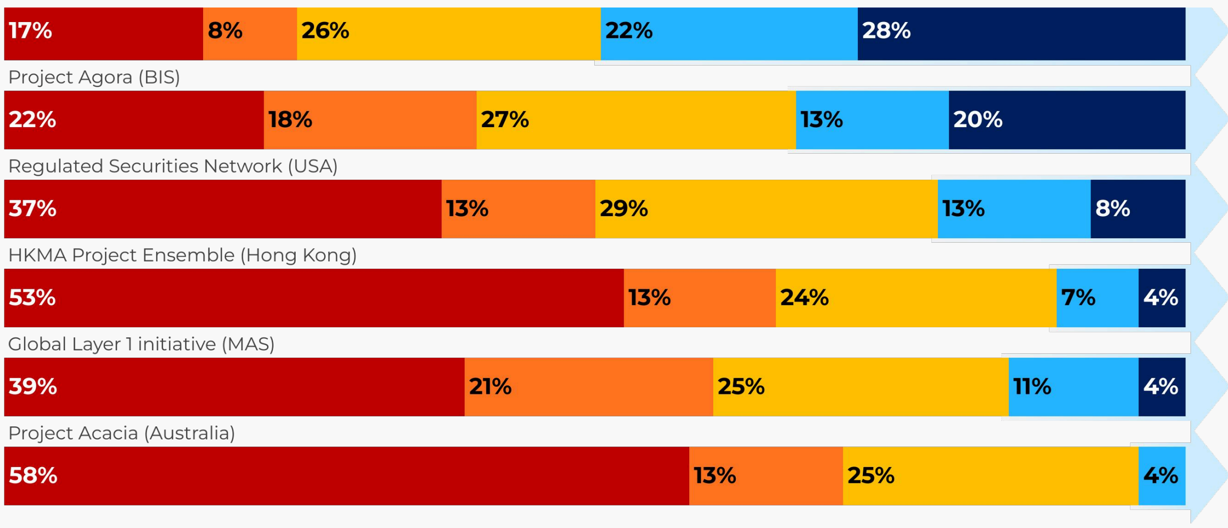
The evolution of DLT has been filled with industry pilots and PoCs, **but the move of the business case to the front office represents a step-change.**

This isn't a bad outcome; rather, it represents the growth and maturity. Over the last six years of this survey, we've documented **education, persuasion, and countless trials - these were the necessary stepping stones to get us where we are today.**

Education and experimentation will always have a role, but it's time to shift gears to production and performance - with real transactions in real time and with real impact. There is new urgency in the pace and adoption of DLT and digital assets.

And this is what makes the ECB trials so impactful. The cash, transactions, securities issuance and investor holdings exist within live capital markets and demonstrate actual business benefits. **The ECB have helped to demonstrate the revenue potential of digital assets and DLT has now become impossible to ignore.**

Expected impact of industry initiatives
(% of respondents scoring each 1-5, where 5 is maximum impact)



The business case
What are DLT and digital assets for?

The business case has shifted to the revenue side of the ledger and is focused on delivery and returns. On average, firms are spending USD2.2m globally on their digital asset initiatives. As firms dig deeper into their wallets expectation for a rapid return on investment will deepen. And expectation may be particularly high in the US, where investment in DLT and digital assets is soaring.

Demonstrated performance has made it easier to secure investment dollars: over two-thirds of DLT and digital asset users prefer them to their traditional equivalents. The ability to issue, transact and mobilize assets more quickly is driving new and deeper liquidity pools and enabling firms to reach new investors.

1. Why? Return on investment - the shift from cost reduction to generating profit

DLT and digital assets have to pay for themselves in revenues

% change in staff engagement on DLT and digital assets in 2024/2025

	C-level Management / Business Heads	Sales / Business Development	Strategy / Business Planning	Innovation Team	Product Management	Treasury	Compliance	Operations	IT
Investor	+45%	+55%	+25%	+11%	+21%	+3%	-10%	+24%	-15%
Banks and Brokers	-18%	+19%	-3%	+4%	0%	-15%	-1%	-3%	+5%
Market operator	-5%	-6%	-3%	-5%	-4%	-11%	-8%	-1%	-4%

As we saw in choice of asset classes, revenue is driving the DLT agenda today. **A stunning 42% of firms (a three-fold increase from last year) are chasing new product revenue** and distribution, far outpacing cost savings and operational efficiency (which dropped by 10%).

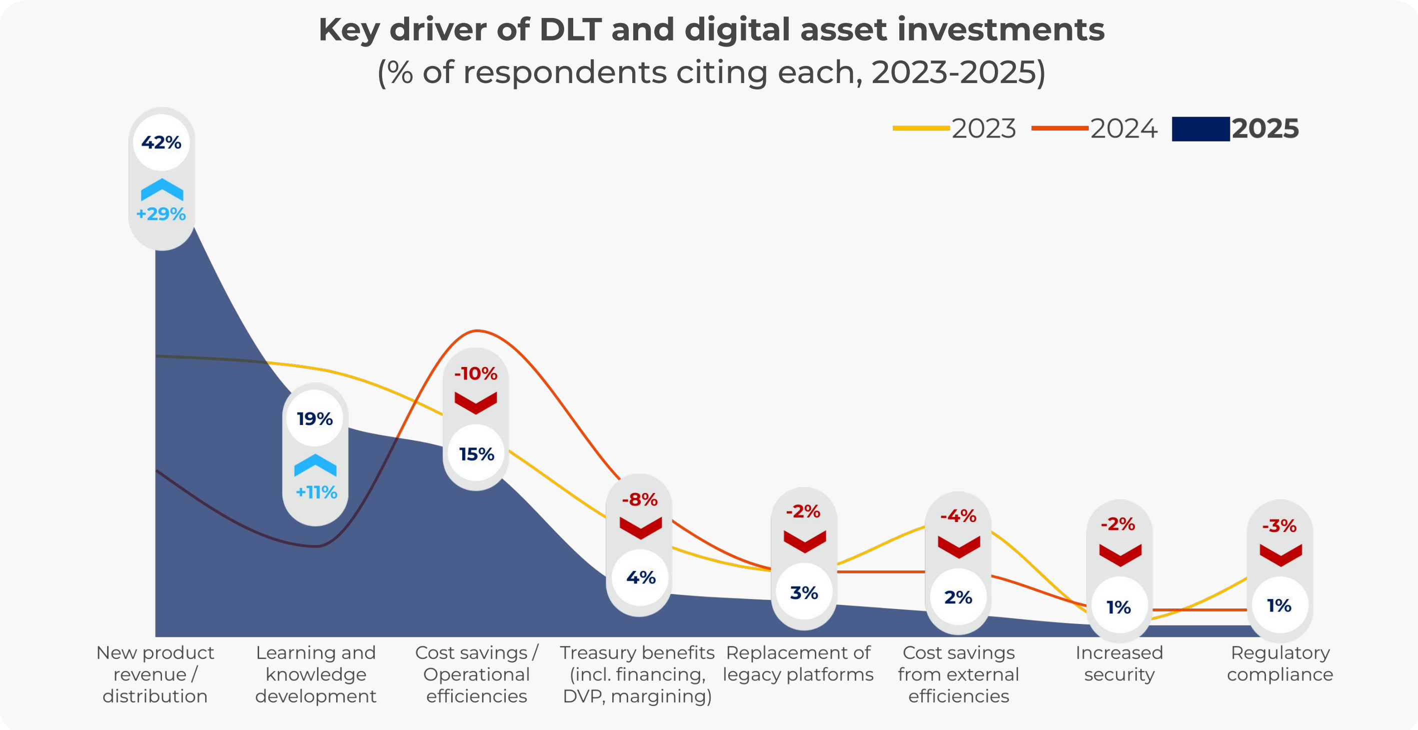
This change in mindset – to the "P" in P&L – has been a necessary step forward which is clearly demonstrated in the engagement data from banks/brokers and investors. **The sales and business development teams who carry the revenue line are deeply committed** with the buyside's front office particularly tuned in at 55%. And, where the search for revenue goes, funding follows - fuelling progress and the ability to move to production and live transactions.

One unexpected change was the decrease in expected Treasury benefits which bucks the trend of other findings in this year's report. However, like other data points this year, we believe this reflects a moment in time.

Treasury may not be the driving force, but it will be a major beneficiary of the focus on collateral and financing.

In 2024 we looked at how Broadridge DLR was able to mobilize and optimize assets, resulting in capital and funding efficiencies that continue to amplify. In addition to eliminating borrowing premia, penalties and overdraft fees, DLR participants have seen capital charges and clearing costs decline. Precisely the benefits Treasury will want to welcome.

Tokenizing and using bonds as collateral will not only reduce custody fees and improve operational efficiency, they will have a similar geometric impact on LCR, NSF and other key ratios financial indicators and. **Treasury may well see significant improvement without being fully aware of the cause.**



2. How much are we investing? Digital assets cost $2.2m per firm

Who's hot? Follow the money

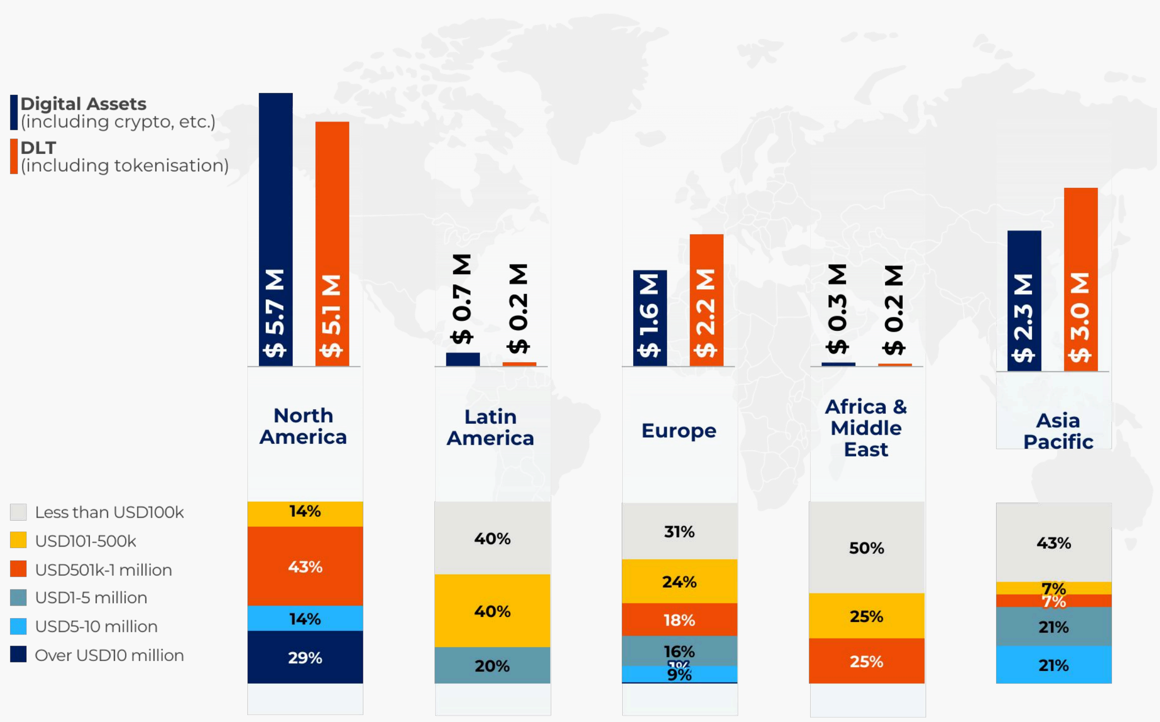
Funding for DLT projects has multiplied 3x since 2020, with an average USD4m allocated to digital assets and DLT globally. And to underline that engagement does not always equate to spend as it is banks and brokers alongside technology companies who are spending 10x more than investors.

The funding numbers reflect the shift in momentum noted earlier, but its where the spending is now concentrated which marks the starkest shift.

North America is now outspending Europe and Asia by over 200% And despite the promise and potential Europe is lagging behind APAC in both DLT and digital asset investment.

That's not unexpected given the accelerated rate of change in the US, but the numbers are large – North America averages over USD10m and outstrips every other market by a factor of multiples. **Individual firm investment is substantial with nearly one-third of North American firms spending over USD10m across digital initiatives.**

Average DLT and digital asset budget growth (2024/2025 YoY)

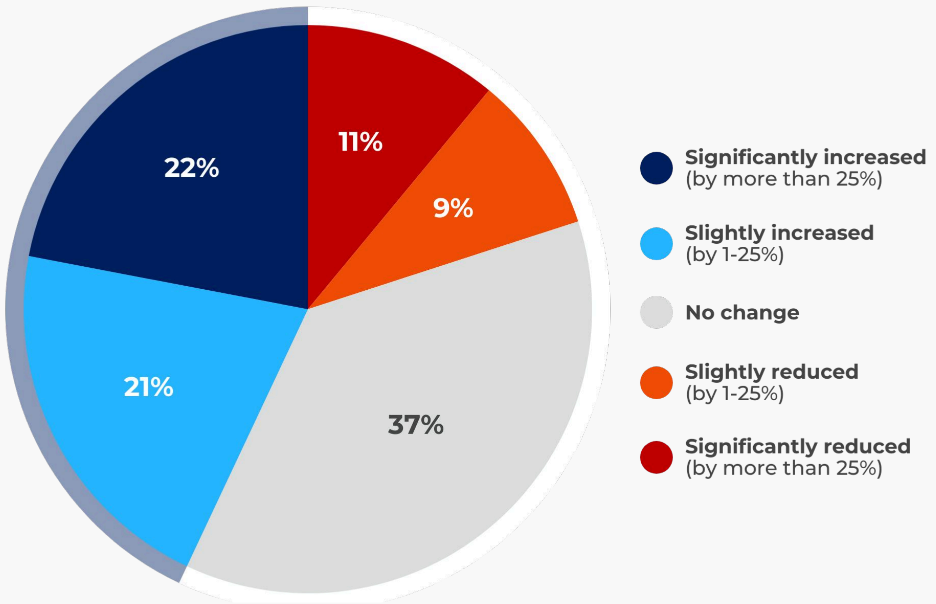


Overall, annual spending is up by 7% globally, but only 43% of firms have actually increased their allocations (primarily located in APAC and the US).

A deeper look at the rate of spend illuminates a risk of stalling. **In every market except the US, 50-80% of firms are spending less than USD500.**

Is there reason to be cautious? The funding slowdown may reflect a moment in time, particularly in Europe where key trials have concluded but next steps have not yet been fully defined. This might account for some of the 20% of firms now sitting on the side-lines, but we will have to wait and see.

% change in DLT / digital assets spend from 2024 to 2025



3. How well do digital assets compare? Up to two-thirds think better than traditional assets

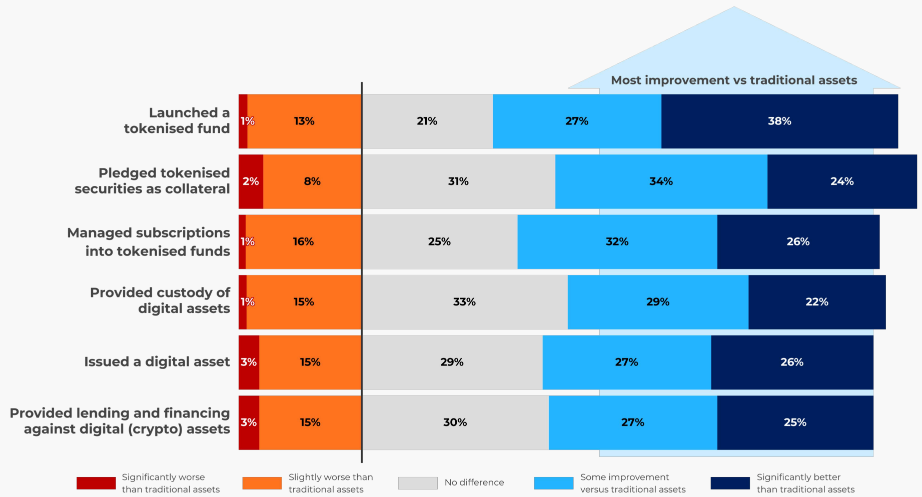
Fund tokenization and automation lead the benefits

Rising adoption and increased confidence is highlighting the performance of digital assets and DLT versus their traditional assets and technology peers. Across a variety of typical use cases, **half to two-thirds of respondents in 2025 prefer digital assets and DLT over working with traditional assets and technology** – a compelling addition to the business case.

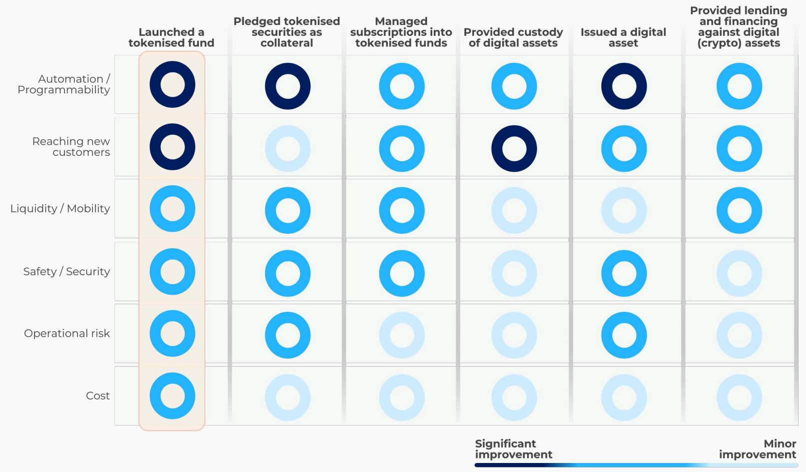
The greatest value is found in automation/programmability and the ability to reach new customers with liquidity/mobility considered favourably also. These findings reinforce the ongoing focus on issuance, fund tokenization, and distribution, and bolster the emerging consensus around collateral and securities financing.

DLT and digital assets are coming of age with momentum driven by better customer reach, less friction and new revenue streams. Cost efficiencies and streamline operations provide an added, welcome punch.

How do digital assets compare with traditional assets in each use case?



Digital assets vs traditional assets: Average net score of each activity by its benefits



4. Why not? Liquidity restrictions has come to the forefront of the industry agenda

Convergence is imperative to reap the benefits

2024 was a story of isolation: liquidity was forming in unconnected blockchain pools where only a few counterparties traded against each other. **Convergence has turned out to be the turnkey issue for DLT. Removing the blocks that artificially constrain digital liquidity will enable asset mobility and long-desired capital benefits.**

As we have seen so far in this year's report, liquidity and asset mobility are common themes, priorities and expectations of DLT and digital assets. It is difficult to quantify just how much of an impediment 'limited liquidity' is to the business case in order to catapult it from 'lack of compelling' to 'truly compelling'. However, in 2025/2026, liquidity is poised to transform from a vicious cycle to a virtuous circle.

Another major hurdle to overcome? **Legal certainty, now a concern for 28% of respondents.** It's crucial for contracts, mandatory for collateral eligibility and essential in a default scenario. Based on our conversations, it's also a top priority for law firms. We therefore welcome (and expect) clearer guidance on asset control, token recovery and other critical industry issues from global policy makers in the near future.

Top 3 issues with DLT and digital assets per year
(% of respondents blocked by each obstacle)

	2020	2021	2022	2023	2024	2025
#1	Internal prioritisation of resources (vs other projects)	Lack of skilled blockchain expertise	Internal prioritisation of resources (vs other projects)	(24%) Lack of compelling business case / ROI	(37%) Lack of compelling business case / ROI	**(32%) Limited liquidity of securities tokenised securities**
#2	Legal / Regulatory constraints	Internal prioritisation of resources (vs other projects)	Legal / Regulatory constraints	(23%) Internal prioritisation of resources (vs other projects)	**(27%) Limited liquidity of securities tokenised securities**	(31%) Lack of compelling business case / ROI
#3	Limitations of DLT technology	Legal / Regulatory constraints	Building an ecosystem around our solution	**(18%) Limited liquidity of securities tokenised securities**	(24%) Legal certainty of digital assets/ contract negotiation	(28%) Legal certainty of digital assets/ contract negotiation

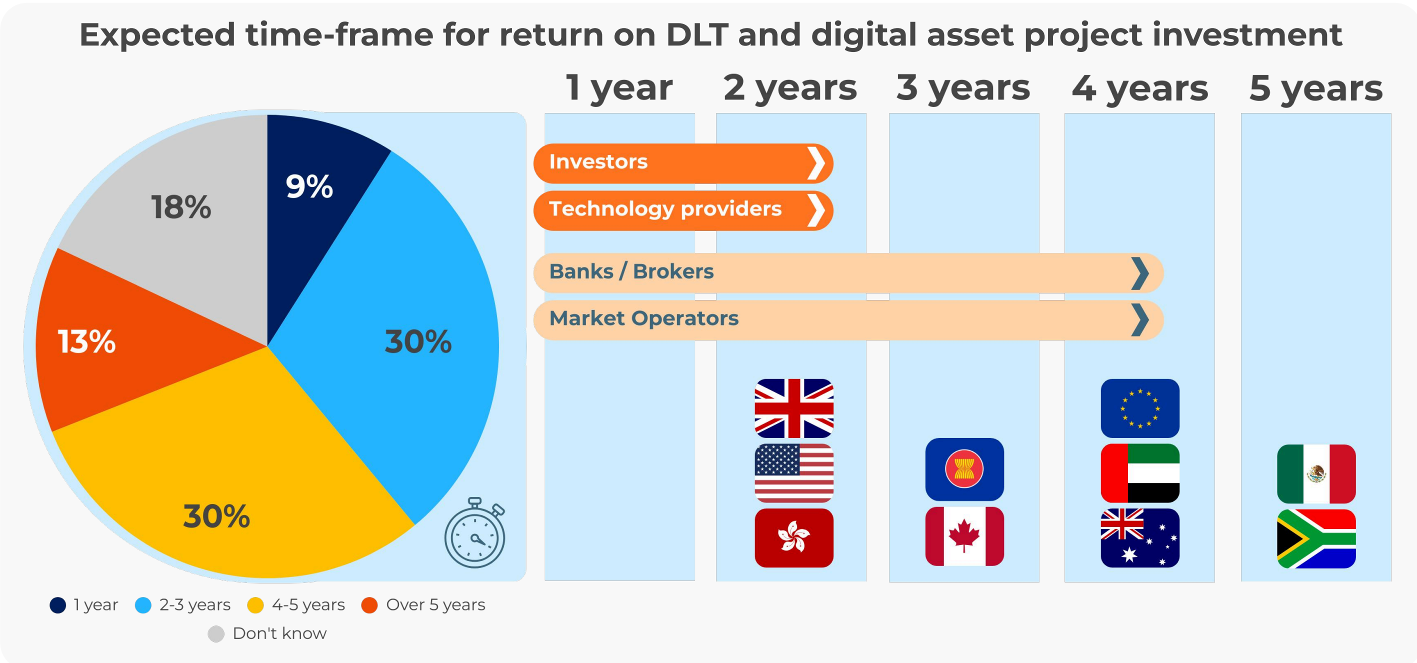
5. When? DLT and digital assets have to deliver quickly

In the era of tokenization

There's a notable shift in expectations now that revenue and revenue generators are steering the business case. **Firms want faster delivery on that USD2.2m spend.** Fund managers and tech providers have the most aggressive schedule for ROI, but banks/brokers and market operators have also accelerated their timeframes.

A geographic slice shows the US is coupling its fast and furious entry with an equivalently rapid forecast for results. **The UK and Hong Kong are also looking for near term payoff from their longer, sustained history of DLT and digital asset exploration.**

Returns in <2 years may be overly optimistic, but despite a more conservative view from the banks, brokers, market operators and many major markets, the message is clear. **It's time for DLT and digital assets to make a significant contribution to financial performance.** The risk and cost of protracted deployment and momentum is now too great for many.



DLT and digital projects: What is the blueprint?

The breadth of this survey enables an in-depth view by region and segment which demonstrates significant variability.

Across the industry, public permissioned blockchains are now the preferred choice and larger ecosystems are forming as participants seek greater utility and asset mobility.

From a regional perspective, European jurisdictions remain the domiciles of choice, followed by the US. And despite its recent surge in investment and activity, it is unclear whether the US will become a dominant booking centre given the long-standing European expertise and regulatory maturity.

At a segment level, participants will continue to employ a mix of either fully private or fully public chains for specific use cases. In some circumstances that choice is also governed by economic self interest - which also turns up in an segment-focused exploration of how cash is being used within or to complete on chain transactions.

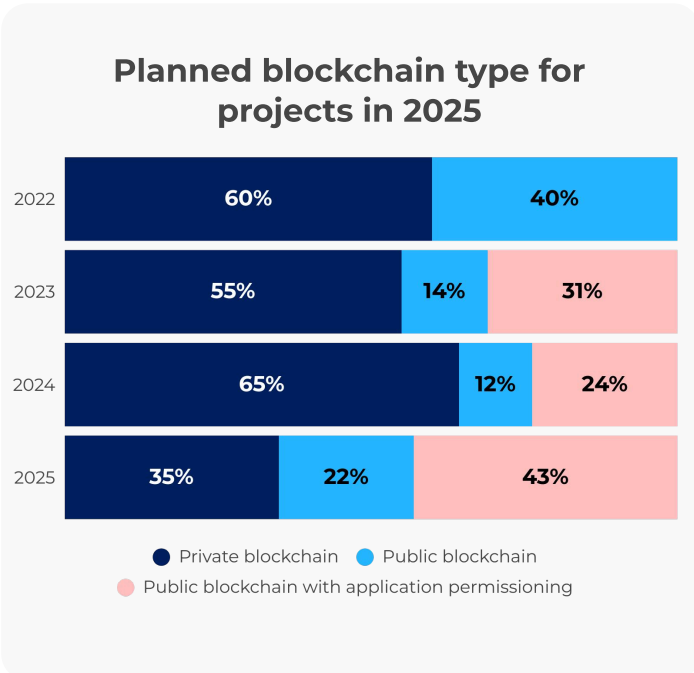
1. Network? Permissioned chains are mainstream now for 43% of firms...

A better alternative has finally emerged!

Another evolutionary trend in DLT is a sharp repositioning from private blockchains to public permissioned chains. **Private chain use fell from 65% in 2024 to just 35% in 2025.** The isolation of digital islands is one cause. Fractured liquidity simply isn't practical in connected capital markets.

But there's another reason that public permissioned blockchains have become the most viable option. Canton Network is widely credited with creating a more viable alternative for digital institutional capital markets, by showing that **public chains can operate with granular permissions and strict privacy.**

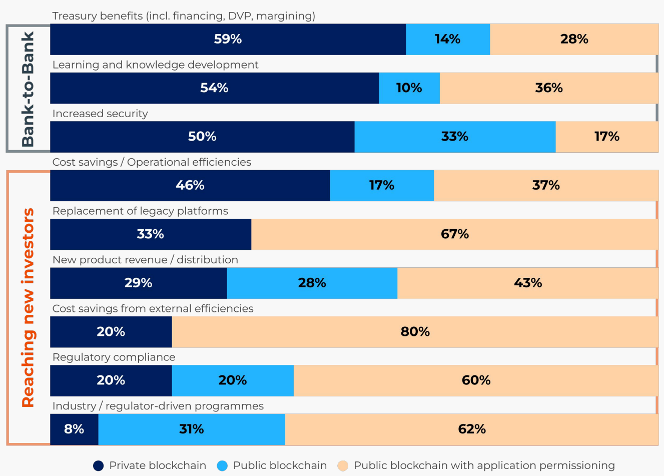
The growing Canton ecosystem proves that applications can operate at scale. On a daily basis, more participants are connecting and completing real-world, multi-step transactions across a host of permissioned applications.



2. ...but network choices still depend on the intended benefit

One-size will still not fit all

Planned blockchain type for projects in 2025
(by project driver)



As trad-fi extends to the crypto market, it is increasingly reliant on public permissioned chains.

However, some use cases remain well-suited to purely private or public chains. Proving there is still much variability both on the type of chains, the benefit they bring and for who.

Private chains remain the ledger of choice for bank-to-bank activity and for certain activities between a bank and its institutional clients - particularly where banks have created their own stablecoins or blockchains, which allow them to capture and retain revenues and efficiencies across different business lines.

Whereas, public chains are best suited to reaching the new digital investor base, whether that's with new products, wrappers or direct retail distribution.

3. Cash leg: Each segment has their own core drivers – and their own preferences

The power of economic interest

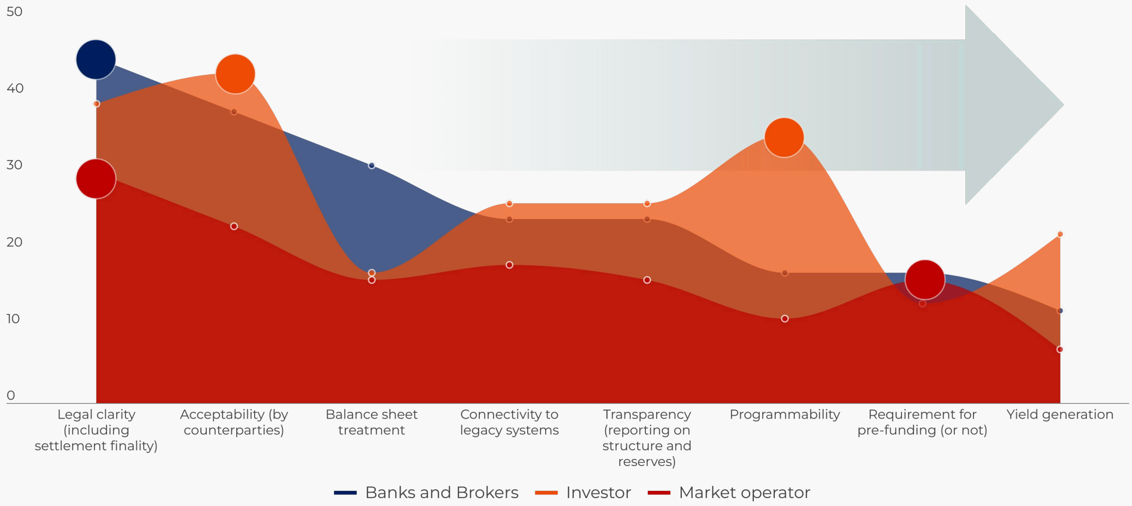
The segmentation narrative also applies to cash. While everyone would prefer central bank cash, market participants are making pragmatic choices based on their own business drivers until CBDCs become available. **For banks and brokers, legal clarity is paramount,** while market operators are looking at pre-funding requirements as well as clarity. Investors are more focused on smoothing and expanding transactions, prioritizing counterpart acceptability and programmability.

The need for certainty and broad acceptance is driving more than 25% of investors and banks and brokers to bank-issued stablecoins for the cash leg. Banks are also relying on their own internal stablecoins and tokenizing cash deposits, while market operators are turning first to tokenized payment systems.

While investors in particular see tokenized money market funds (TMMFs) as the answer, cracking the code on the mechanics of using TMMFs as cash has remained elusive until recently[1]. **The sheer size of the USD7.1t pool means TMMFs will be widely used across the market once they become available.** This would ultimately link treasury bills to retail flows, impacting treasury markets in ways that are inevitable yet hard to predict.

[1] LedgerInsights, July 23, 2025. Goldman Sachs and BNY announced ability to tokenize money market funds on Canton Network, using GS DAP®

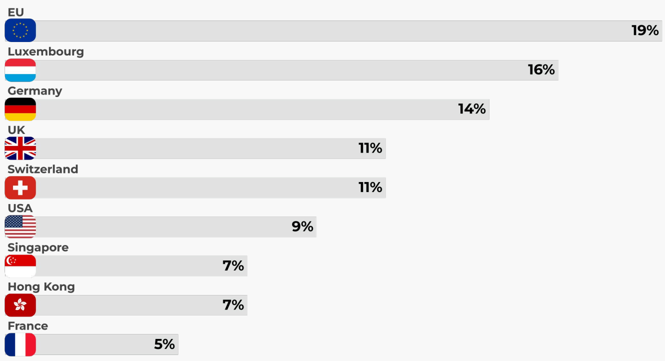
Core criteria for digital cash adoption
(% of each segment citing each criteria)



4. Jurisdiction: The top 5 jurisdictions in the world are all in Europe

Europe remains the center of gravity

DLT jurisdictions
(% of projects in 2025)



Even with the surge in US activity, European booking centres remain the hub for DLT - from single markets to the multi-market EU.

Until this year, nearly all North American activity was booked through Europe. While new initiatives may be on-shored, 50% of projects are continuing in situ. Similarly, although APAC has significant activity in Hong Kong and Singapore, one-third of APAC projects are also run in Europe.

As with earlier market transformations, such as the growth of fund centres across the continent, European jurisdictions took an early lead in developing deep expertise and regulatory certainty. As such, they are likely to remain domiciles of choice for DLT projects.

5. Ecosystem growth

Liquidity is settling around a core number of venues

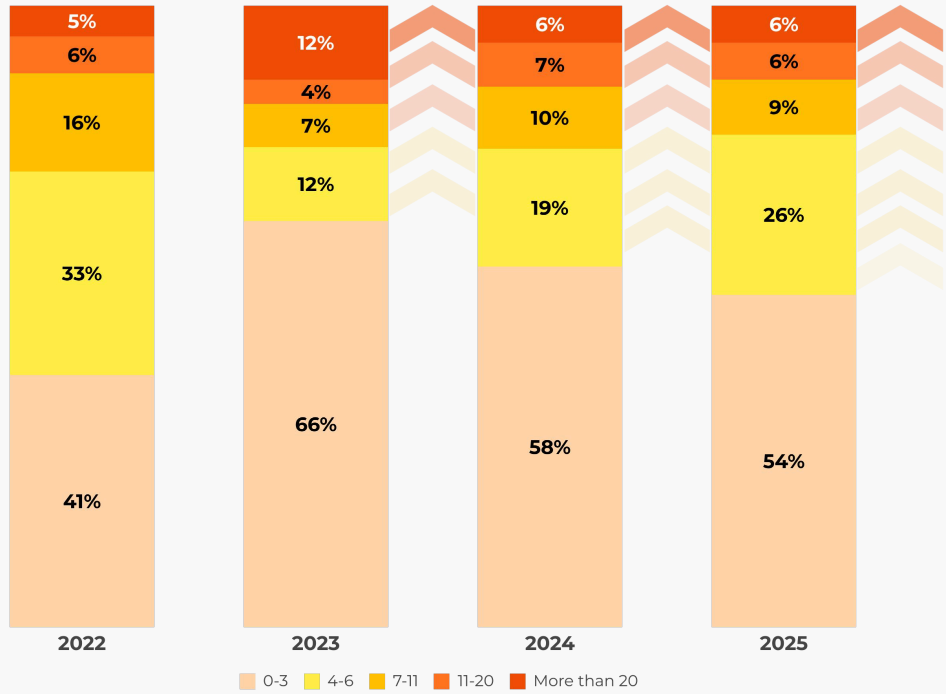
Liquidity is both the paramount use case and driving force behind the market convergence that's taking place. **More participants are convening on a limited number of venues, creating deeper liquidity pools and enabling more complex transactions.**

These are centered on managing payments and cash alternatives (crypto, stablecoins and tokenized money market funds) and linked to the prioritization of financing.

More esoteric use cases - private equity and physical assets - have decreased in importance. This may be due to complexity, lack of demand, or relatively limited liquidity versus traditional assets. They might also deliver lesser benefits to the short-term revenue line, which is clearly a priority in 2025.

Participation is rising across individual projects and in evolving ecosystems, in a positive sign of broader DLT and digital asset adoption. As with any market innovation, individual efforts must connect to form larger and larger networks. DLT and digital assets are no different: in order for markets to transform. **The digital ecosystem must ultimately match trad-fi markets in size, scale and scope.**

Average project consortium size
(% of respondents citing each consortium size)



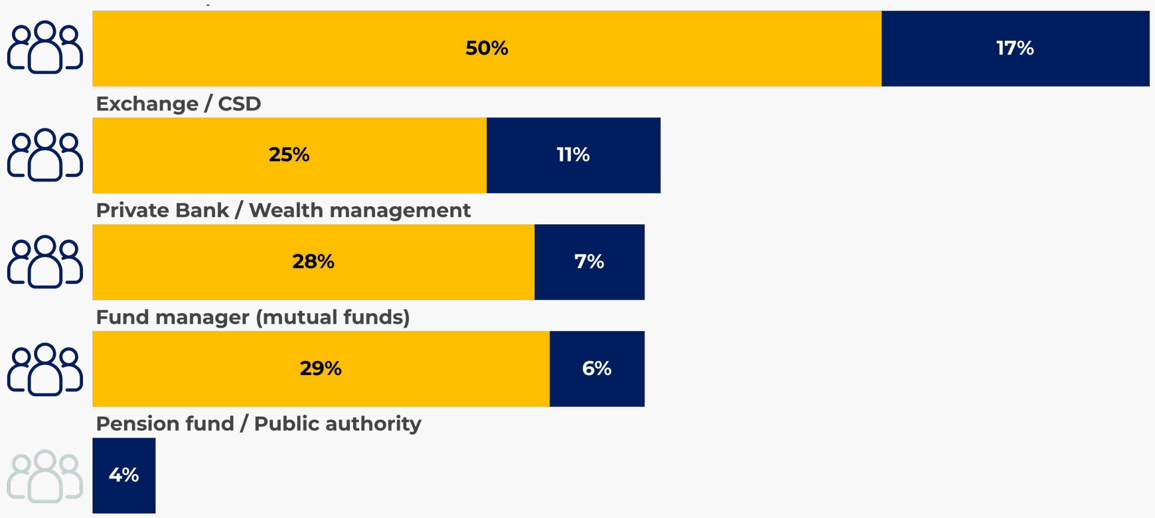
Looking ahead: What to expect?

Underpinning the findings of our 2025 research is a central theme of focus and execution. With a growing focus on (immediate) returns on investment, firms are now driving their DLT and digital asset initiatives with demonstrable, short-term benefits in mind. Traders are now demanding intraday repos; bankers are launching live stablecoins and digital custody offerings; and the world's leading fund managers are launching tokenised funds. Driven by these pressures, the world's FMIs and infrastructure providers are now taking concrete steps to provide digital rails that enable a step-change in industry efficiency.

This is all happening in 2025 - with one in two custodians using DLT and digital assets to support their live, daily operations today. Looking ahead to 2026, many of these efforts are likely to move into the mainstream. Fueled by growing demand in every segment, we are likely to see trillions of dollars in tokenised or on-chain collateral turnover, hundreds of billions of dollars in bank stablecoin turnover and tens of billions of dollars in tokenised fund assets by the end of 2026.

As the last six years have demonstrated, there will not be a single trigger point of mass adoption for DLT and digital assets. Whilst several milestone developments loom on the horizon, progress will continue to be targeted, localised and incremental. Those leading the change will reap growing benefits in competitive edge (in their costs of funding, their costs of distribution and their costs of operation), driving more firms to follow one at a time.

Core criteria for digital cash adoption
(% of each segment citing each criteria)



the ValueExchange

ISSA

Sponsored by:

accenture

Broadridge®

TAURUS