

Providing Digital Asset Services: An Institutional Infrastructure Roadmap

November 1, 2022

Executive Summary:



Institutional adoption of digital assets is on the rise, leading to demand for the necessary technological and operational infrastructure to support trading and investing. Buy-side and sell-side institutions deciding to enter the market are confronted with a bewildering array of technology infrastructure choices across digital wallets, crypto custodians, settlement networks, staking providers, fiat currency support, and the universe of digital asset securities.

As a result, Coalition Greenwich set out to demystify the technology infrastructure options available to support digital asset investing across the full life cycle for institutions. The results of this independent study reveal the true state of the market in crypto custody and related services, with some surprises.

Today, Coalition Greenwich estimates that 49% of the institutional buy side involved in digital asset investing (including family offices, traditional and crypto hedge funds (HFs), venture capital (VCs), and traditional asset managers) self-custody at least a portion of their digital assets under management, while others choose a hybrid approach with a mix of self-custody and third-party custodians. We see the crypto asset mix as the primary driver of the custody decision, since even the longest-serving crypto custodians don't support every asset or token.

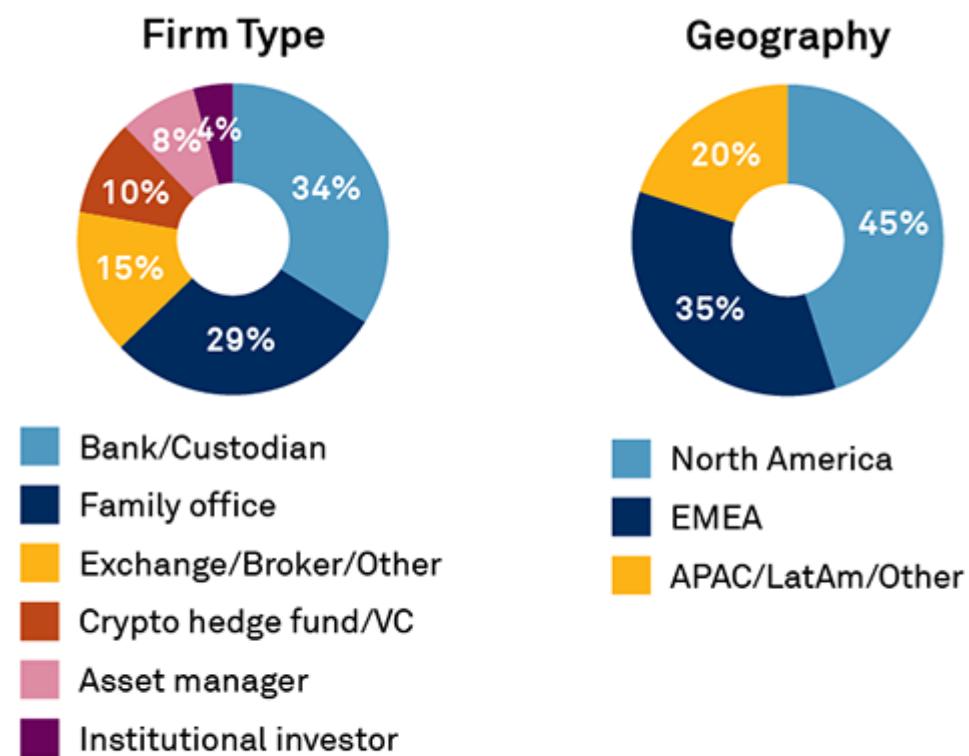
Nothing in crypto is more important than security. Institutions have adopted a variety of digital wallet approaches to secure their digital assets under management, following both hardware-based and software-based approaches. For 78% of institutions, the most popular choice is a cold wallet/hardware-style solution. For those institutional buy-side firms that choose third-party custody for at least a portion of their digital assets under management, 41% choose institutional-grade, cold-storage solutions. As the market matures, institutions are likely to make more conservative and institutionally friendly choices.

Today, larger buy-side firms are basing infrastructure decisions on more than just the asset mix, focusing more on risk and regulatory. And while the assets driving buy-side custody decisions are primarily cryptocurrencies (true for 78% of buy-side firms), digital assets also carry considerable weight for the sell side.

Finally, regulatory clarity is still a major issue in digital asset custody. Both the sell and buy side believe fully regulated custody is important, **with 71% of the sell side and 62% of the buy side saying this status is important/extremely important**. The regulated status of custodians is an important topic for the industry, as only 35% of institutional buy-side firms claim to understand fully what it means for a custodian to be a qualified custodian or QC, suggesting that greater outreach, education and clarity are needed for the industry to move digital asset custody forward.

Methodology:

In Q3 2022, Coalition Greenwich conducted a study gathering 200 responses from institutional capital markets professionals of which 86 were qualified participants. By qualified, we mean individuals at firms who are up to speed on digital assets and able to offer insights based on their own experiences, including actual management of digital-asset investing strategies. The study comprised several types of institutions, including asset managers, crypto hedge funds/VCs, family offices, and pension funds/endowments, as well as banks, brokers, exchanges, and market infrastructure firms. Respondents were primarily from North America and EMEA, although some APAC/LatAm/other responses were also captured.



Note: Based on 86 respondents.

Source: Coalition Greenwich 2022 Digital Assets Infrastructure Study

www.greenwich.com | ContactUs@greenwich.com

Coalition Greenwich, a division of CRISIL, an S&P Global Company, is a leading global provider of strategic benchmarking, analytics and insights to the financial services industry.

We specialize in providing unique, high-value and actionable information to help our clients improve their business performance.

Our suite of analytics and insights encompass all key performance metrics and drivers: market share, revenue performance, client relationship share and quality, operational excellence, return on equity, behavioral drivers, and industry evolution.

About CRISIL

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better. It is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics, and data to the capital and commodity markets worldwide.

CRISIL is India's foremost provider of ratings, data, research, analytics, and solutions with a strong record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights and efficient solutions to over 100,000 customers through businesses that operate from India, the U.S., the U.K., Argentina, Poland, China, Hong Kong, and Singapore.

For more information, visit www.crisil.com

Disclaimer and Copyright

This Document is prepared by Crisil Coalition Greenwich, which is a part of Crisil Ltd, a company of S&P Global. All rights reserved. This Document may contain analysis of commercial data relating to revenues, productivity and headcount of financial services organisations (together with any other commercial information set out in the Document). The Document may also include statements, estimates and projections with respect to the anticipated future performance of certain companies and as to the market for those companies' products and services.

The Document does not constitute (or purport to constitute) an accurate or complete representation of past or future activities of the businesses or companies considered in it but rather is designed to only highlight the trends. This Document is not (and does not purport to be) a comprehensive Document on the financial state of any business or company. The Document represents the views of Crisil Coalition Greenwich as on the date of the Document and Crisil Coalition Greenwich has no obligation to update or change it in the light of new or additional information or changed circumstances after submission of the Document.

This Document is not (and does not purport to be) a credit assessment or investment advice and should not

form basis of any lending, investment or credit decision. This Document does not constitute nor form part of an offer or invitation to subscribe for, underwrite or purchase securities in any company. Nor should this Document, or any part of it, form the basis to be relied upon in any way in connection with any contract relating to any securities. The Document is not an investment analysis or research and is not subject to regulatory or legal obligations on the production of, or content of, investment analysis or research.

The data contained in the Document is based upon a particular bank's scope, which reflects a bank's data submission, business structure, and sales revenue Reporting methodology. As a result, any data contained in the Document may not be directly comparable to data presented to another bank. For franchise benchmarking, Crisil Coalition Greenwich has implemented equal ranking logic on aggregate results i.e., when sales revenues are within 5% of at least one competitor ahead, a tie is shown and designated by = (where actual ranks are shown). Entity level data has no equal ranking logic implemented and therefore, on occasion, the differences between rank bands can be very close mathematically.

The data in this Document may reflect the views reported to Crisil Coalition Greenwich by the research participants. Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Crisil Coalition Greenwich compiles the data received, conducts statistical analysis and reviews for presentation purposes to produce the final results.

THE DOCUMENT IS COMPILED FROM SOURCES CRISIL COALITION GREENWICH BELIEVES TO BE RELIABLE. CRISIL COALITION GREENWICH DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THIS DOCUMENT, INCLUDING AS TO THE VALIDITY, ACCURACY, REASONABLENESS OR COMPLETENESS OF THE INFORMATION, STATEMENTS, ASSESSMENTS, ESTIMATES AND PROJECTIONS, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT. CRISIL COALITION GREENWICH ACCEPTS NO LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT.

Crisil Coalition Greenwich is a part of Crisil Ltd., an S&P Global company. ©2026 Crisil Ltd. All rights reserved.

greenwich.com

ContactUs@greenwich.com

Ph +1203.625.5038