Blockchain Adoption in Capital Markets - 2018

June 12, 2018

Executive Summary:

Blockchain, also known as distributed ledger technology (DLT), stormed onto the financial services scene a few years ago, due to its potential to solve a number of real-world problems in financial markets, such as shortening the settlement time, reducing operational costs and streamlining business processes. Hundreds of millions of dollars have been invested into initiatives trying to apply the technology across various use cases.

Blockchain became an accepted part of the financial services lexicon in 2015, as one company after another announced they were building a solution leveraging the technology. By 2016, Greenwich Associates estimates showed that the industry was spending $1 billion annually on distributed ledger technology projects.

As enthusiasm evolved into hype, 4 out of 5 executives involved in the technology predicted it would have meaningful impact within two years.

Early feedback from proofs of concept (PoCs) indicated that the technology indeed showed promise in solving some of the big problems in financial services—streamlining operations, shortening settlement time, and reducing risk and cost of capital. This study finds that many firms have moved beyond the PoC stage.

Indeed, 14% now claim to have successfully deployed a production blockchain solution. These successes notwithstanding, blockchain technology has yet to achieve those lofty expectations.

In our latest research, we explore the current state of blockchain adoption, continued investments by market participants and key challenges and expectations for the future.

Methodology:

During February and March 2018, Greenwich Associates interviewed 213 global market participants working on blockchain technology to assess the current state of blockchain adoption in capital markets. Respondents include representatives from a broad array of organization types, 93% of whom are either key decision-
makers or actively involved in blockchain initiatives.

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 Coalition Greenwich, which is a part of CRISIL Ltd, an S&P Global company. 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 Coalition Greenwich as on the date of the Document and 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 in this Document may reflect the views reported to 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. 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 COALITION GREENWICH BELIEVES TO BE RELIABLE. 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. 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.

Coalition Greenwich is a part of CRISIL Ltd, an S&P Global company. ©2023 CRISIL Ltd. All rights reserved.

greenwich.com  ContactUs@greenwich.com  Ph +1203.625.5038