

DLT in the Real World

the ValueExchange's Key Findings

**DLT in
the Real
World**



Who's in our survey?



Votes and insights from over 140 financial institutions globally during May/June 2020

Asia-Pacific, Europe, Africa and all of the Americas

Investors, Brokers, Banks, Custodians and Service providers

CEOs, COOs, Compliance, Front office, Product managers, Middle office, Back Offices

“DLT in the Real World” is the largest and broadest initiative of its kind: reaching across the entire financial services industry to provide uniquely comprehensive industry benchmarks around how we are planning, progressing and realising our DLT ambitions in the real world.

Run by ISSA and the ValueExchange in May 2020 (in cooperation with **Accenture**, **Digital Asset** and **Global Custodian magazine**), this survey is providing fresh, global insights on where DLT is solving real world problems; where it is not; and how people are making the most of this transformative technology.

These *Key Findings* are an early, statistical snapshot of the outcomes of this unique market survey: designed to raise new questions and to drive industry discussion. We would welcome your views and comments on these insights ahead of the publication of our industry DLT handbook in September 2020.

The DLT Opportunity

- The case for DLT: Efficiencies for big banks & innovation for smaller houses
- DLT isn't being led just by fintechs: Brokers and the Americas are on it
- Customers: Hot on crypto, cooler on other asset classes



Deploying DLT

- DLT is still an innovation project: not an operational proposition
- DLT usage today: New securities, collateral mobility and asset servicing
- How to deploy DLT: 57% invest in start-ups: before buying or building
-but the business case is still DLT's biggest obstacle



DLT Live

- 79% of the market has dedicated resources to DLT: probably flat in 2020
- DLT is proving to be a collaborative tool with customers: more than a source of internal efficiencies
- DLT is delivering in FX, Cash & collateral but operational efficiencies are hard to realise

The DLT opportunity



1. Where is the DLT opportunity?

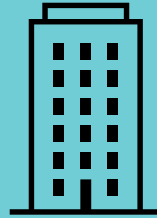
Efficiencies for big banks & innovation for smaller houses

3



Internal

Efficiency gains
Increased Security
Reduced Operational Risk
Regulatory compliance



What benefits to you expect to derive from DLT?

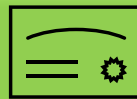
(Rating out of 5)



Clients

Competitive Advantage /
Increased sales
Improved customer satisfaction

2.4



Innovation

Product innovation /
New Products

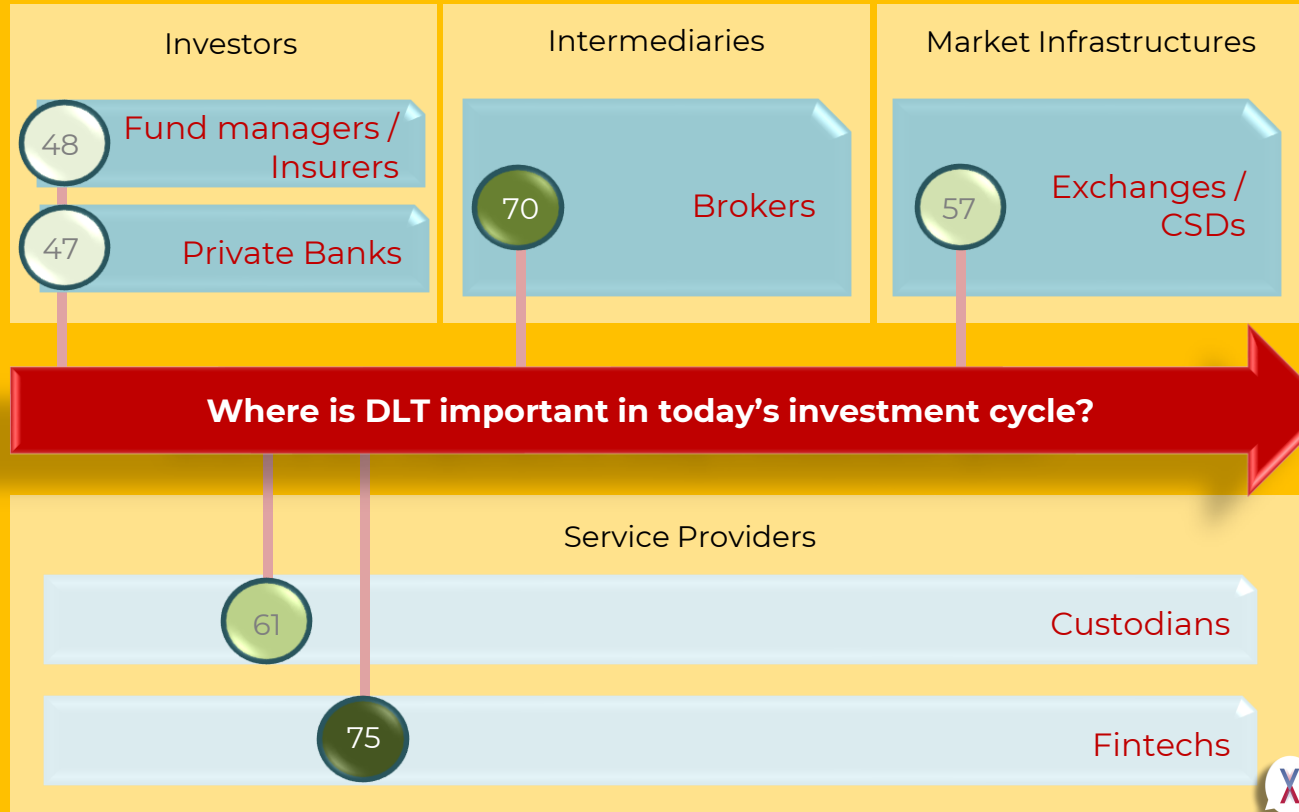
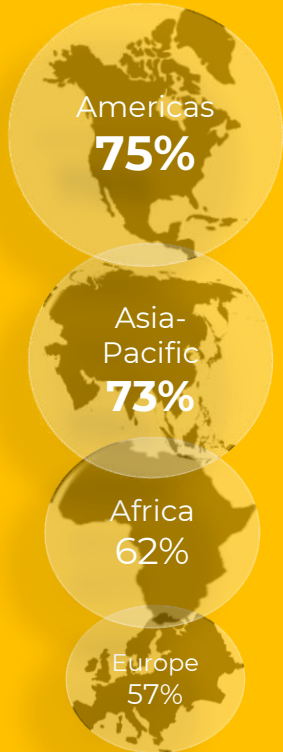
2.6



2. Who is DLT Important to?

Not just fintechs: Brokers and the Americas lead

How would you describe the importance of DLT to your firm (in %)?



3. What about the customer?

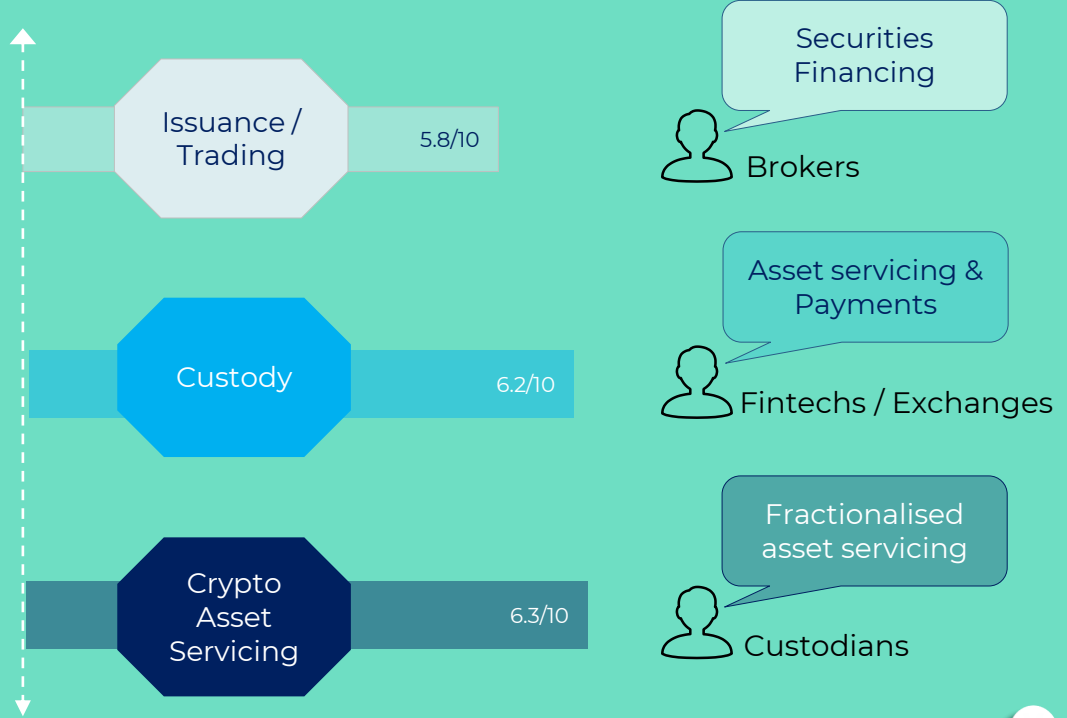
Customers are hot on crypto, cool on other assets

How would you describe your customers' attitude to DLT? (-100% as negative to +100% positive)



Customer attitudes towards DLT

In which areas are your customers pushing you to build a DLT capability?



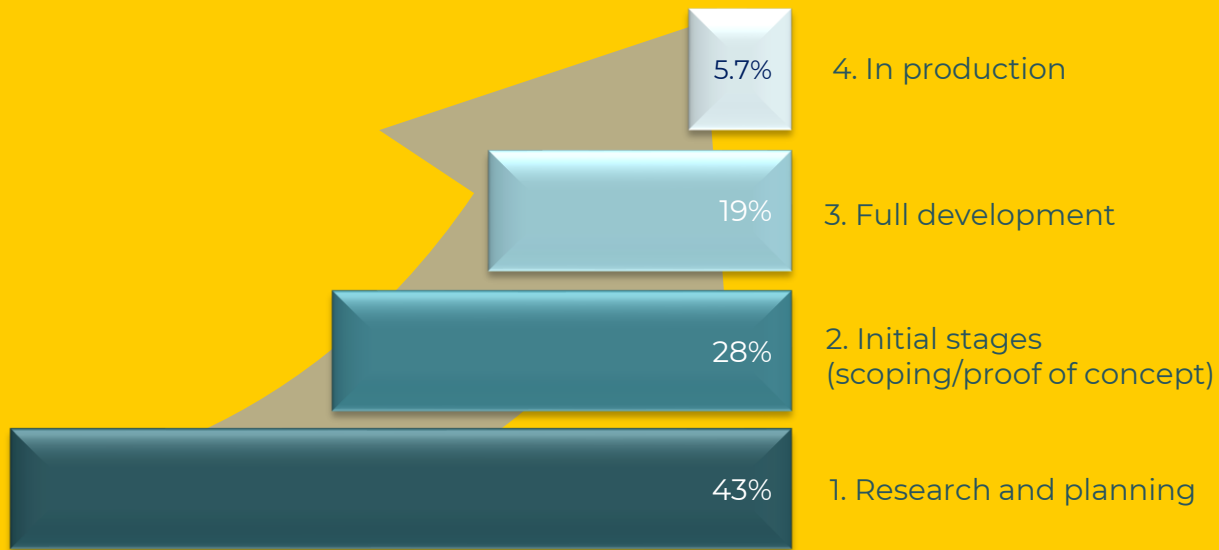
Deploying DLT



4. DLT deployment today: Where are we?

DLT is still an innovation project: not an operational proposition

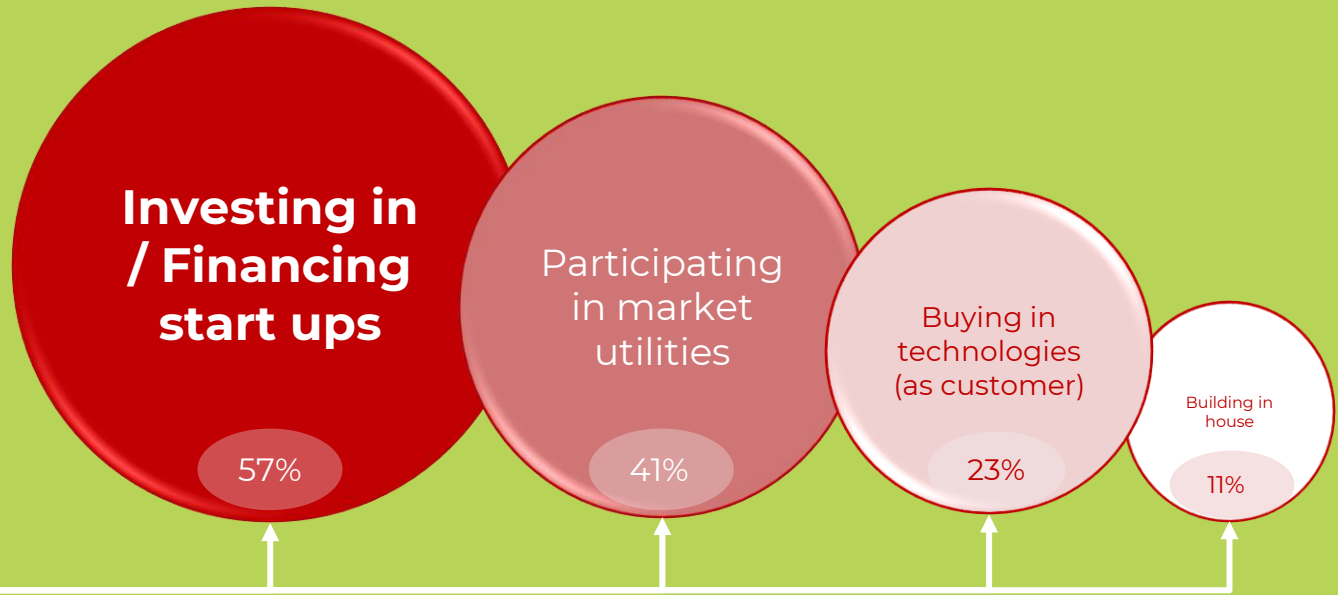
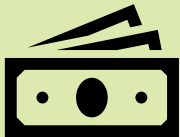
Which steps have you already gone through in your organisation?



6. How to adopt DLT?

57% invest in start-ups: before buying or building

What is your current path to adopting DLT in your firm?

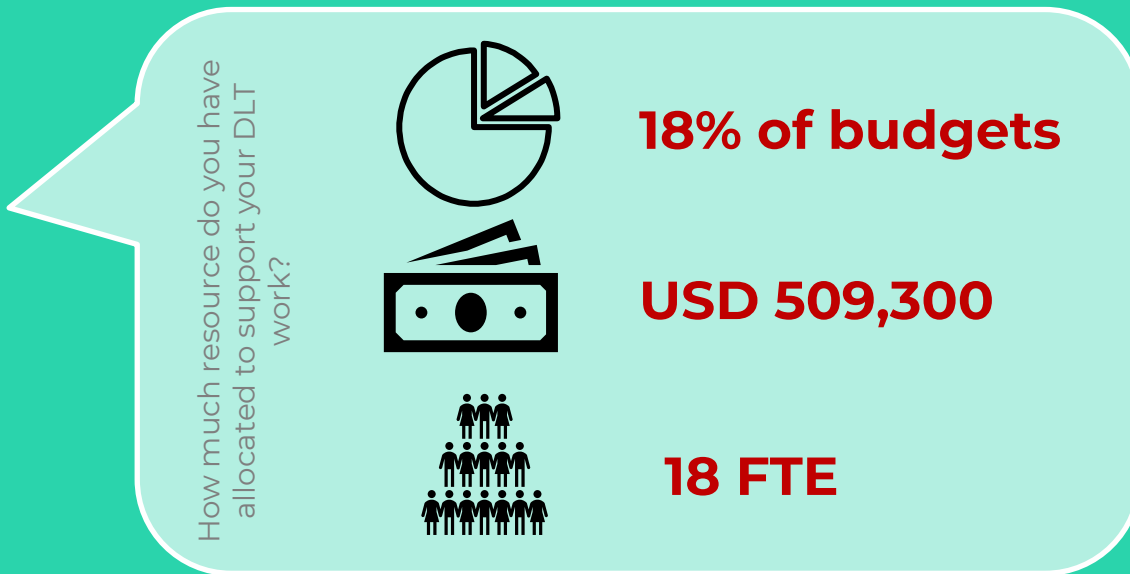


5. How much does it cost to deliver?

79% of the market has dedicated resources to DLT: probably flat in 2020



Organisations with DLT resources allocated today



Year-on-Year growth (2018/2019)



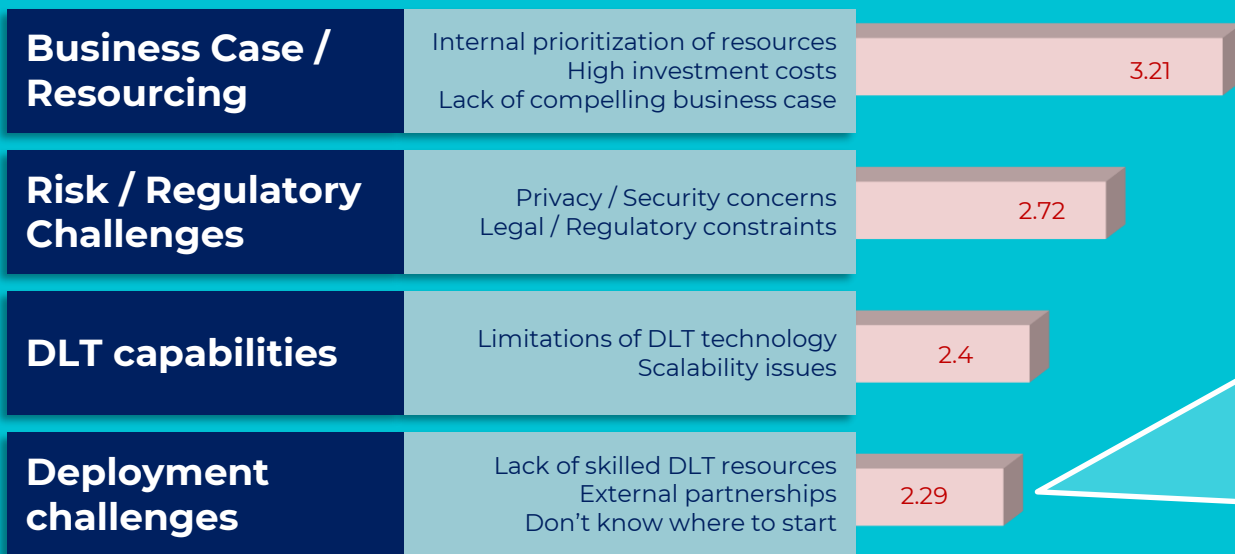
COVID-19 impact (H1)



7. Challenges in Deploying DLT

...but the business case is still DLT's biggest obstacle

Which are the biggest challenges that are blocking your progress today?



Partnership Challenges

- #1. Finding partners
- #2. Realising value for all
- #3. Agreeing governance
- #4. Agreeing prioritisation
- #5. Trusting each other



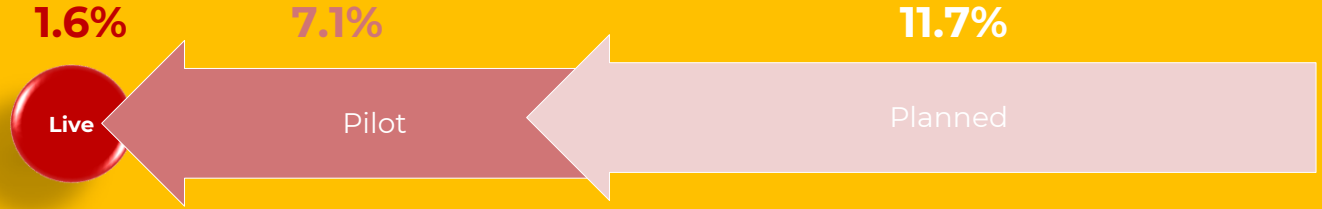
DLT: Live



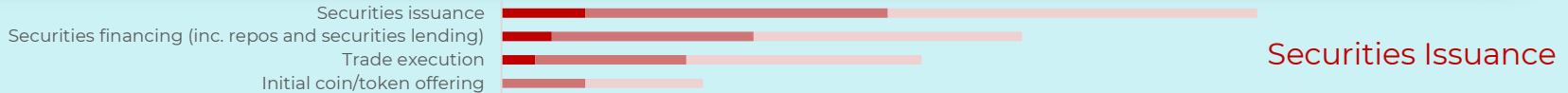
8. Where is DLT being used?

New securities, collateral mobility and asset servicing

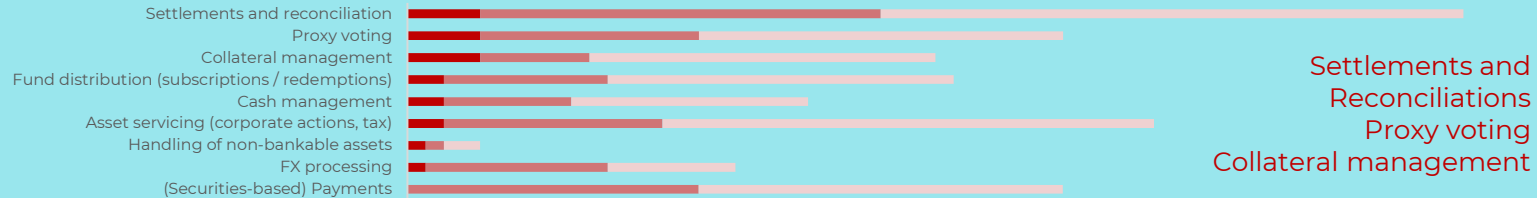
How is DLT being used today?



Trading / Issuance



Custody



Crypto asset servicing



■ Deployed (at scale)
 ■ Deployed (pilot / limited scale)
 ■ Planned



9. How is DLT delivering?

DLT is proving to be a collaborative tool with customers: more than a source of internal efficiencies



Internal

- Efficiency gains
- Increased Security
- Reduced Operational Risk
- Regulatory compliance



What benefits have you realized from DLT?

(versus expectations)



Clients

- Competitive Advantage / Increased sales
- Improved customer satisfaction



Innovation

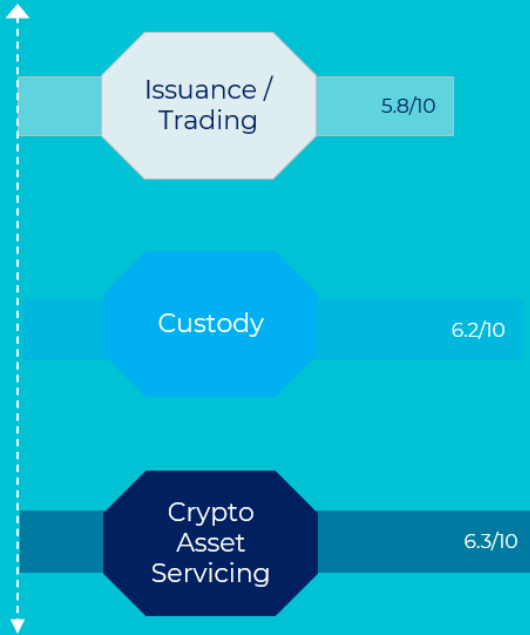
- Product innovation / New Products



9. How is DLT delivering?

DLT is delivering in FX, Cash & collateral but operational efficiencies are hard to realise

In which areas are your customers pushing you to build a DLT capability?



Securities Financing

Trade execution

Asset servicing
Fund distribution
Proxy voting

FX processing
Collateral management
Cash management

Fractionalised asset servicing

Wallet management

How is your DLT platform performing?



The DLT Opportunity

- The case for DLT: Efficiencies for big banks & innovation for smaller houses
- DLT isn't being led just by fintechs: Brokers and the Americas are on it
- Customers: Hot on crypto, cooler on other asset classes

Deploying DLT

- DLT is still an innovation project: not an operational proposition
- DLT usage today: New securities, collateral mobility and asset servicing
- How to deploy DLT: 57% invest in start-ups: before buying or building
-but the business case is still DLT's biggest obstacle

DLT Live

- 79% of the market has dedicated resources to DLT: probably flat in 2020
- DLT is proving to be a collaborative tool with customers: more than a source of internal efficiencies
- DLT is delivering in FX, Cash & collateral but operational efficiencies are hard to realise

Want to know more?

Visit us at thevalueexchange.co

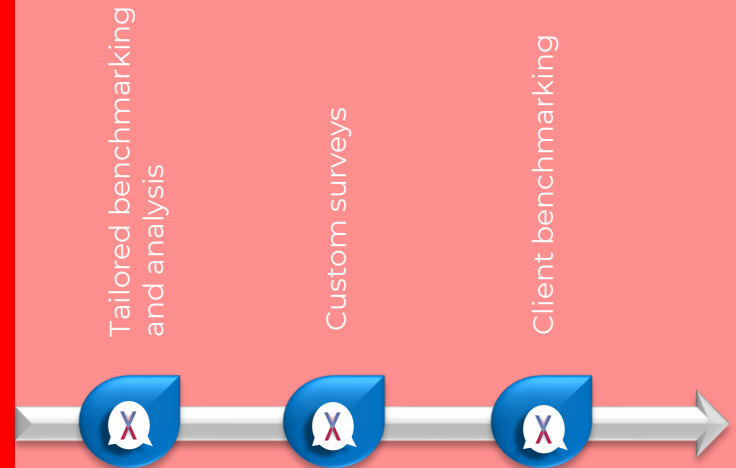


Want to explore our data and create your own insights? We have thousands of data points available, broken down by...



Unique insights from 145 companies

Want to benchmark your own organization or your own customers against our data?



The views and information presented in this document are intended only as indicative information and do not constitute investment advice or professional advice of any kind. All information contained in this document is the exclusive property of the Value Exchange. No reproduction or further distribution is permitted without the express consent of the Value Exchange. All services of the ValueExchange are covered by our Terms and Conditions (which are available at thevalueexchange.co)

DLT in the Real World

the ValueExchange's Key Findings

**DLT in
the Real
World**

