

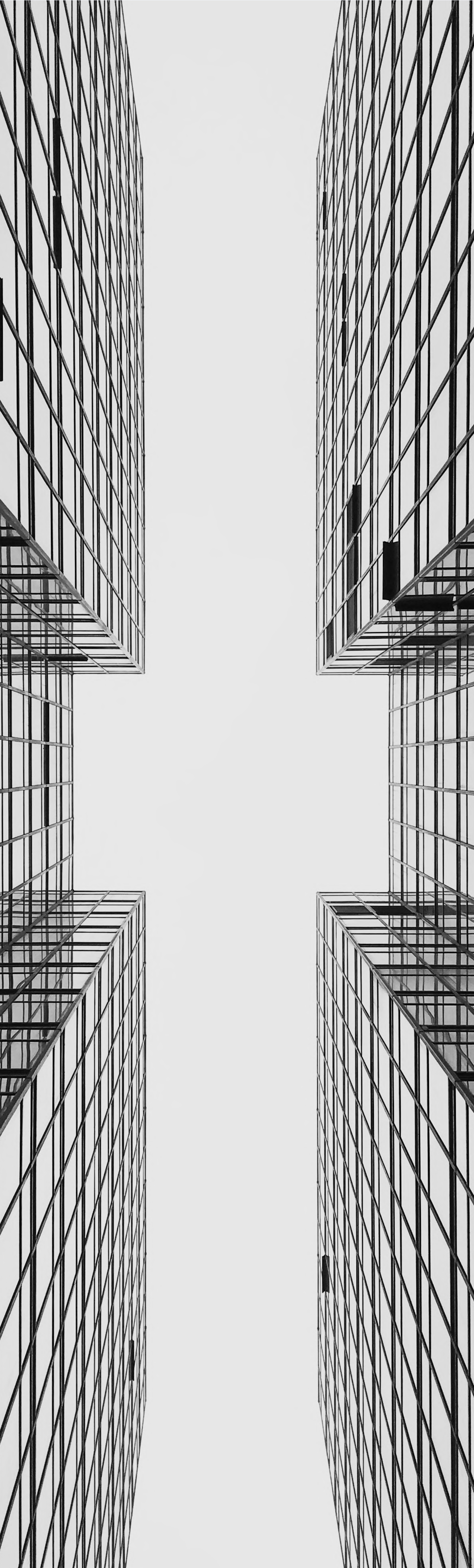
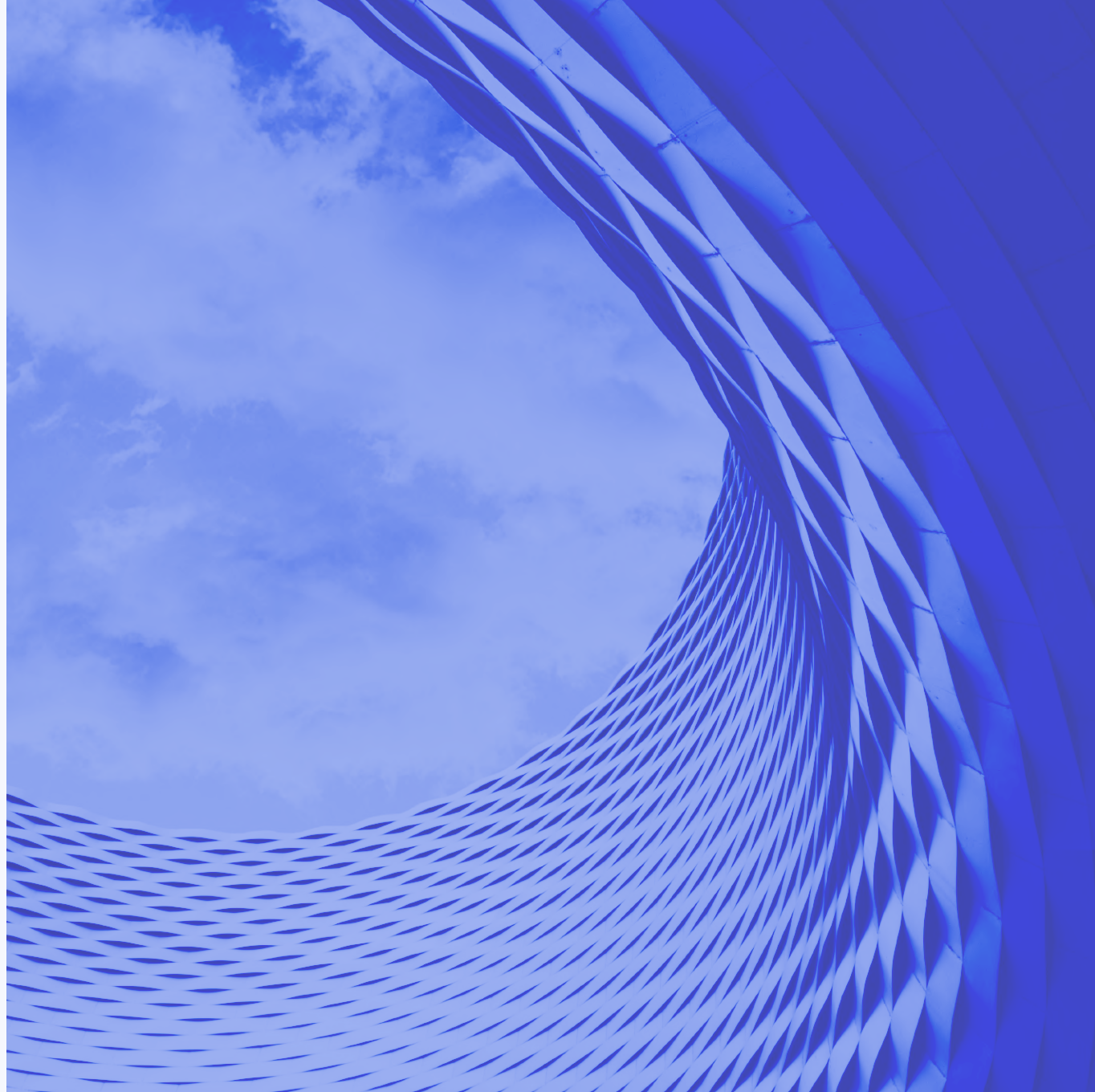


WHY ONCHAIN FINANCE IS INEVITABLE

An industry brief on the next generation of
capital markets infrastructure

Ready to move onchain?

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THE FUTURE OF FINANCE IS ON

The world's largest financial institutions are quickly realizing the opportunity for blockchain technology to redefine capital markets. Forward-thinking banks and financial services companies are already moving operations onchain to unlock deep liquidity for previously illiquid assets, reduce costs via automated workflows, and develop higher-integrity markets.

This industry brief provides an overview of the opportunities driving these institutions onchain, along with key technical considerations to successfully capitalize on this massive economic shift.

TOKENIZED ASSETS

A multi-hundred-trillion dollar opportunity for early adopters

\$867T

Size of traditional markets poised for disruption by tokenization



WORLD ECONOMIC FORUM (2021)

97%

Of institutional investors agree that “tokenization will revolutionize asset management”



BNY MELLON

BNY MELLON AND CELENT (2022)

80X

Expected growth rate of tokenization in private markets by 2030



CITI (2023)

“The tokenization of asset classes offers the prospect of driving efficiencies in capital markets, shortening value chains, and improving cost and access for investors.”

BlackRock

BLACKROCK (2023)

WHY TOKENIZATION?

1 Integrity

Verifiable onchain transactions reduce counterparty risk

2 Utility

Reduced costs via automated workflows and shared databases

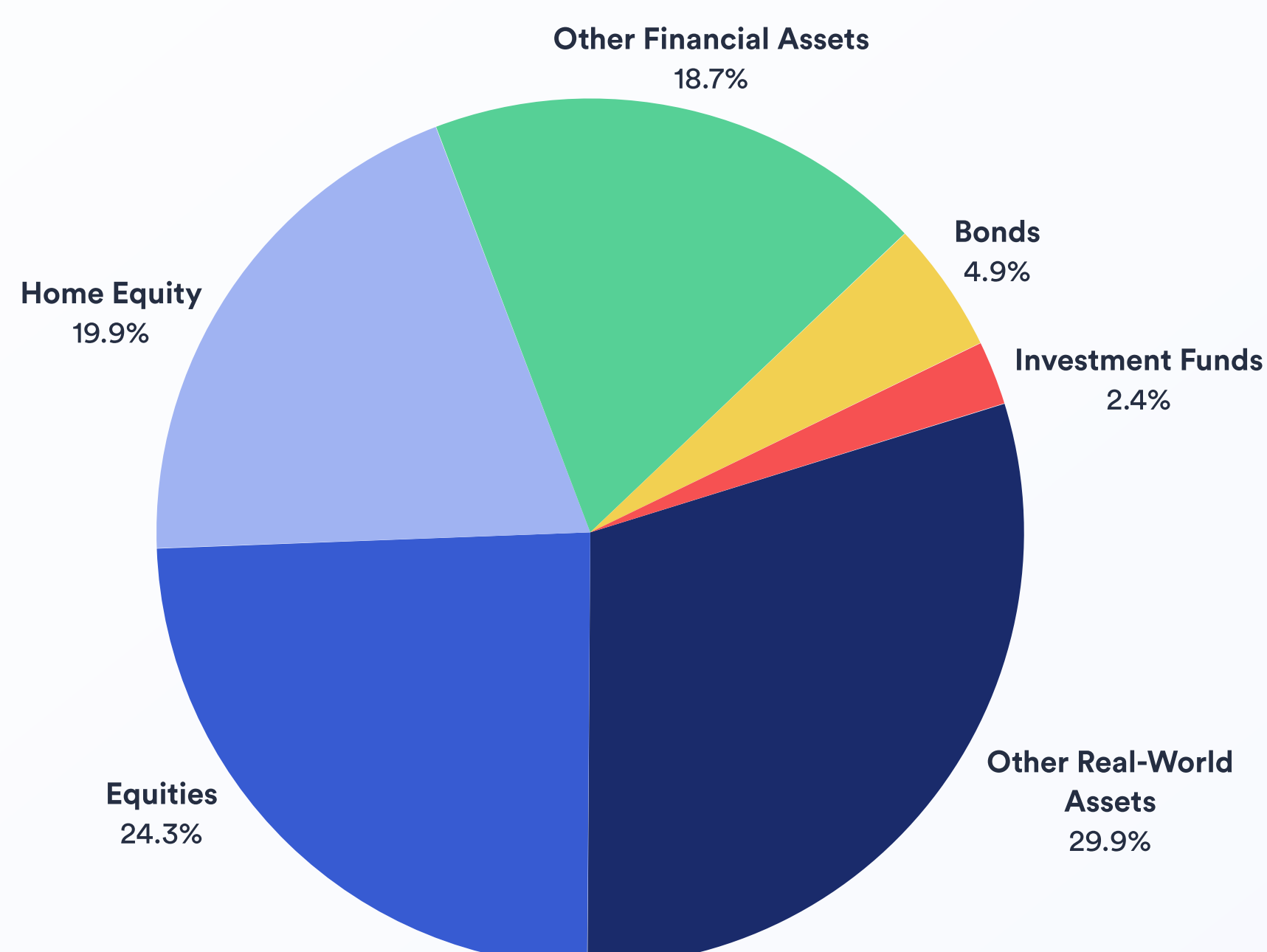
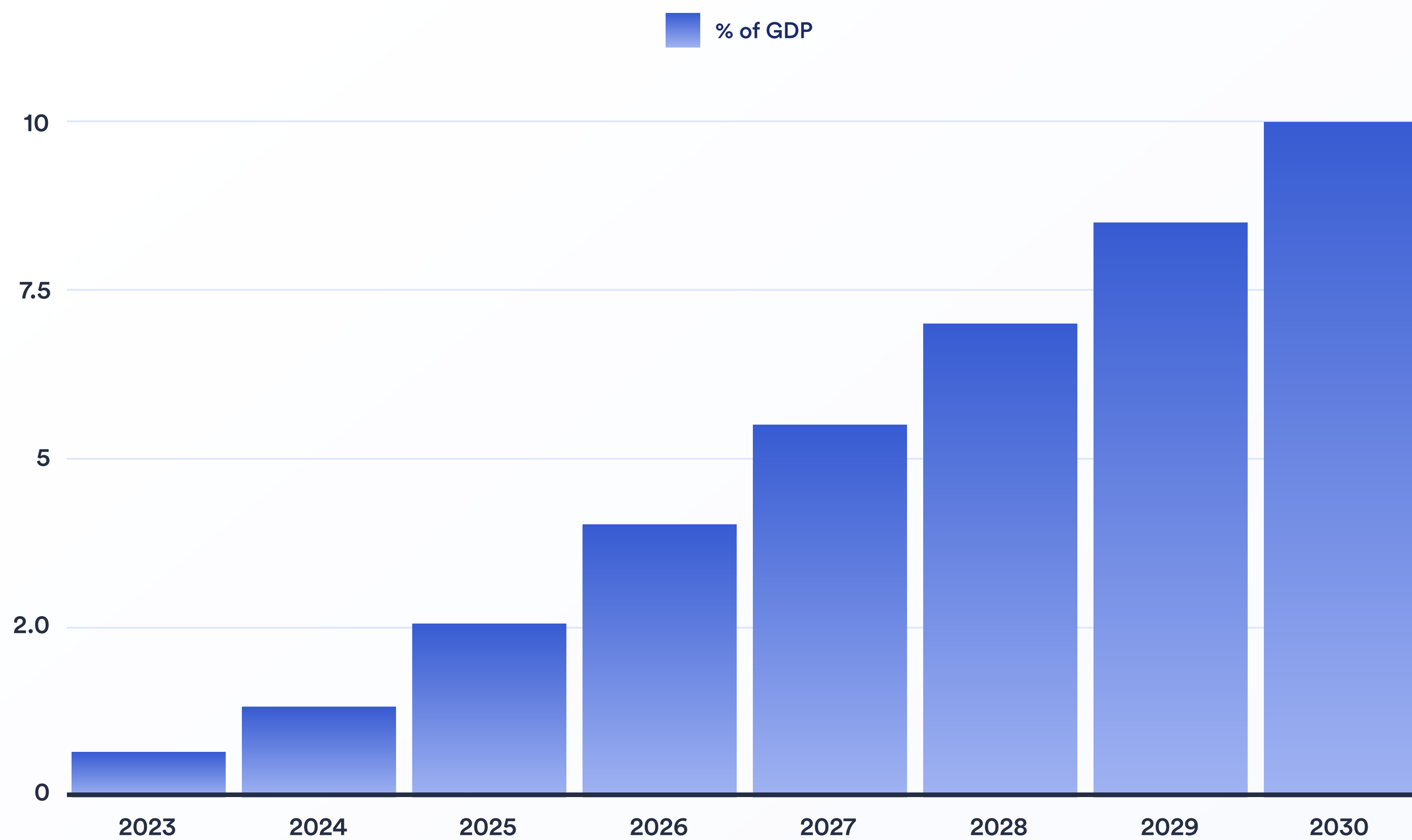
3 Liquidity

Near-instant asset movement across interoperable trading environments

4 Transparency

Increased auditability around previously opaque processes

Tokenization of Illiquid Assets To Be 10% Of Global GDP by 2030



16X

Growth from today's levels

70X

Growth from today's levels if tokenization reaches the more aggressive estimate of 42% of global GDP by 2030

BCG

BCG (2022)

SMART CONTRACTS, SMARTER MARKETS

Automate financial market workflows

24/7/365

Payment windows to move cash and securities



BNY MELLON AND CELENT (2022)

83%

Of senior decision-makers are looking to accelerate turnaround times for processes by adopting digital assets



INFOSYS (2023)

T+0

Securities settlement time achievable with blockchain technology



DTCC (2022)

“The holy grail would be to achieve full automation throughout the stack with tokenization using blockchain technology.”



ACCENTURE (2021)

Streamline Industry Processes

Operational Process



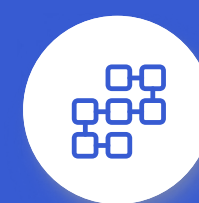
Organizational Outcome



Distributing fund performance data



Enhanced speed, reliability, and transparency



Syncing multiple ledgers of record



Immutable, golden record across multi-party network



Capturing proxy votes



Increased resiliency and accessibility



Dividend distribution



Improved capital efficiency



SEAMLESS INTEROPERABILITY FOR GLOBAL LIQUIDITY

Cross-chain communication powering
a broader financial ecosystem

72%

Of global institutional investors indicated a preference for working with an integrated provider for all digital asset needs

J.P.Morgan

J.P. MORGAN AND CELENT (2022)

100+

The number of blockchains that have been built, with varying technical attributes to support specific uses

Goldman
Sachs

GOLDMAN SACHS (2021)

77%

Of institutional investors want access to staking pools for enhanced yield on crypto assets

BNY MELLON

BNY MELLON AND CELENT (2022)

“The industry needs standards and interoperability. Different financial market infrastructures (FMIs) and consortiums are working on the same problem in parallel, but with no clear interoperability or standardization. This leads to silos in initiatives today. As DLT adoption gains critical mass, there will be more drive to standardization and interoperability.”

citi

CITI (2023)

Who's adopting onchain finance?

The world's largest banks and financial institutions are exploring blockchain technology for creating more efficient, reliable, and accessible markets. Additionally, there are 7,200+ decentralized finance (DeFi) applications across hundreds of blockchains.

How can we unlock siloed liquidity?

Onchain markets are inherently isolated, meaning that hundreds of trillions of dollars worth of tokenized assets are fragmented across disconnected digital islands. To unlock a broader financial ecosystem, the industry needs an interoperability solution that enables liquidity to seamlessly and securely flow across onchain markets.

What's the standard?

The Cross-Chain Interoperability Protocol (CCIP) establishes a standard that allows for universal connection between any public and private blockchain network. CCIP, which is underpinned by Chainlink, can be configured to seamlessly connect existing backend systems to any blockchain to help institutions securely interact with onchain markets.

Why Chainlink?

Chainlink is the industry-standard Web3 services platform and has enabled trillions of dollars in transaction volume. CCIP is powered by Chainlink's market-leading oracle infrastructure and uses a state-of-the-art and defense-in-depth architecture to provide institutions and their clients with end-to-end security.

Who's working with Chainlink?

Already the industry standard in Web3, Chainlink is now working with the world's largest financial institutions and infrastructures. Swift, the bank messaging network connecting 11K banks, [collaborated with Chainlink](#) and 12+ institutions—including Australia and New Zealand Banking Group Limited (ANZ), BNP Paribas, BNY Mellon, Citi, Clearstream, Euroclear, Lloyds Banking Group, and SIX Digital Exchange (SDX)—to successfully demonstrate the potential of tokenization. DTCC, the world's largest securities settlement system, processing \$2+ quadrillion annually, is also working [with Chainlink](#) to bring capital markets onchain. ANZ, a leading Australian bank with \$1T+ AUM, [utilized Chainlink CCIP](#) to explore cross-chain, cross-currency, and cross-border tokenized asset settlement.

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