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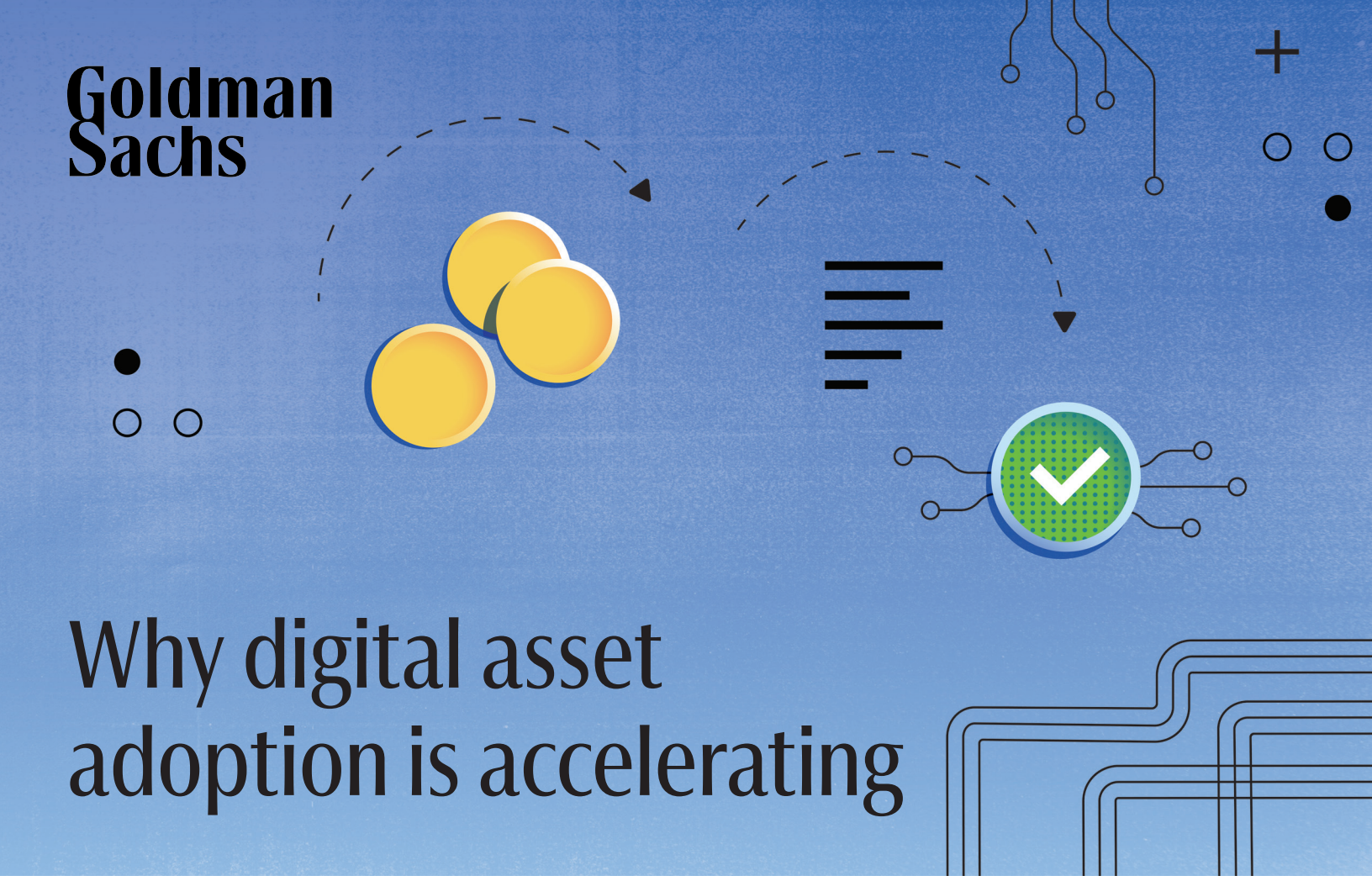


Why digital asset adoption is accelerating

Corporate and institutional adoption of digital assets is accelerating, driven by market maturation and incessant demand for financial innovation.

Yasmine Coupal, a partner in the Technology, Media, and Telecom Group within Investment Banking who leads coverage of large cap technology and digital asset companies, and Mathew McDermott, global head of Digital Assets, discuss how the environment has evolved, what's driving recent momentum, and what opportunities lie ahead.

1 Mathew, you've been deeply involved in this space for several years, leading the firm's digital assets strategy, which ranges from client-led tokenization activities to crypto-linked product offerings and blockchain investments. It's changed quite a lot. How would you describe the evolution from your vantage?

It's certainly been a fascinating journey. As we've built out our own business over the past five years, we've—just like the rest of the market—navigated a volatile market backdrop. What's really stood out during this period has been both the regulatory advancements and efforts globally, but also the recent acceleration of institutional adoption. Big institutions have now heard about blockchain and tokenization for many years, and the narrative has been that "the institutions are coming." But particularly over the last 12 to 18 months, we've seen a significant shift in corporate and institutional interest—not only on the back of the crypto ETF launches, but also in light of changing sentiment in the US and a more favorable stance on digital assets at large. As a result, many institutional investors who previously sat on the fence and were reluctant to get involved are now actively formulating strategies and building out dedicated teams. It's certainly an exciting time, and the market activity has undoubtedly picked up—but we feel there's still such a long way to go.

2 Yasmine, from your vantage point in Investment Banking, there seems to be a palpable excitement around digital assets and blockchain technology in recent years. What's driving client interest?

Corporate and institutional interest has been gaining pace on the heels of broader market maturation trends and demand for innovation in financial infrastructure. And, to put it simply, many companies are just responding to their customers—exemplified by Robinhood introducing crypto trading for their digitally native client base, Nike launching their Cryptokicks line, or Porsche offering exclusive experiences and perks to customers through non-fungible tokens (NFTs).

The last few years have seen a shift from theoretical use cases to real-world adoption across the digital assets ecosystem. Additionally, 2024 saw the successful launch of spot crypto ETFs, with $IBIT recording the most successful ETF launch in history—signaling institutions' growing comfort with digital assets.

In short, client interest has centered around access and optimization: **access** to the asset class through more familiar vehicles like ETFs, and **optimization** of legacy financial infrastructure via blockchain technology. The ability to operate 24/7 with near-instant settlement and real-time transparency challenges the frictions and inefficiencies of legacy rails that arguably haven't changed in decades. As these new solutions emerge, corporates are asking: *"How do I unlock capital faster? How do I reduce reconciliation costs? How do I compete in a market that's always on?"* We think of it like this: if AI creates efficiencies in the back office by automating workflows, blockchain drives efficiencies by making it cheaper and faster to move money.

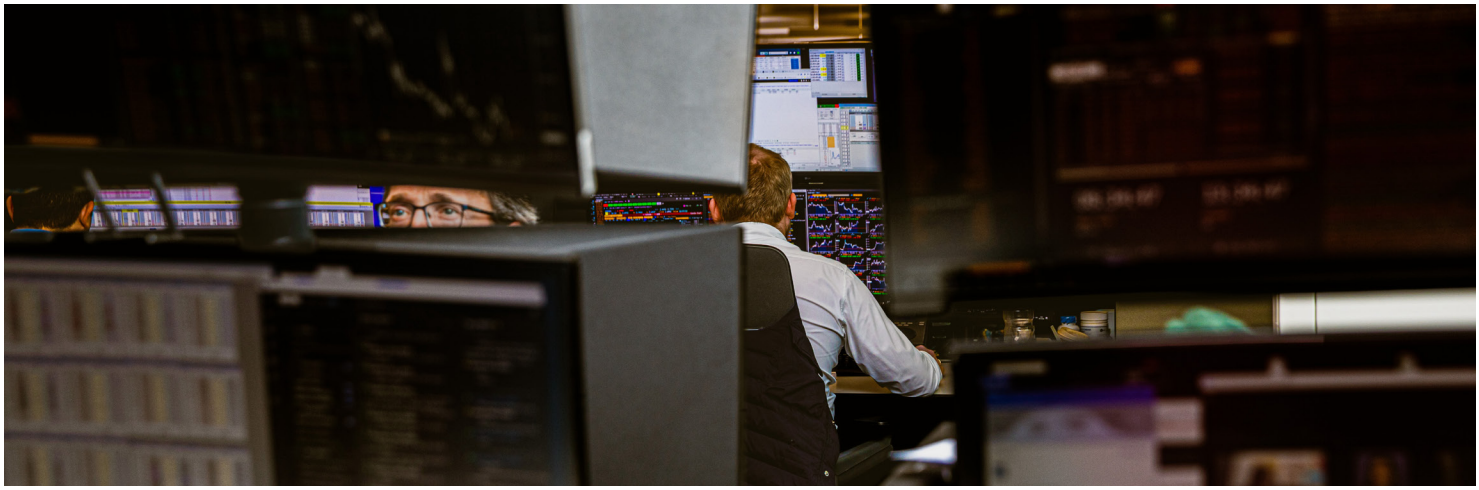
We're moving past the phase of "why digital assets" to "how do I integrate them"—and that shift is taking hold by institutional demand.

3 Mathew, now that we have promise for more regulatory clarity in the US for digital assets, complementing what we've seen elsewhere, how do you see these anticipated changes unfolding?

There's been clear global momentum for digital asset regulation. The US is signaling its strong intent to lead, with the Trump administration issuing executive orders aimed at providing greater regulatory clarity—establishing a Strategic Bitcoin Reserve, forming a working group focused on developing a comprehensive digital assets framework, and the SEC rescinding its SAB 121 guidance to give a potential path for banks to facilitate custody. The newer SAB 122 guidance, for example, does not require public companies that custody crypto on behalf of others to reflect it as a liability on their balance sheet—thereby lowering the onerous regulatory capital requirements that stemmed from SAB 121 and aligning the accounting treatment for crypto assets with that of other asset classes. Parallel efforts in Congress—like the proposed GENIUS and STABLE Acts—underscore bipartisan support for a clearer regulatory path.

Other regions have been similarly active. The EU's MiCA framework set foundational rules for crypto asset issuers, custodians, and exchanges. Meanwhile, the UK opened its Digital Securities Sandbox to support experimentation with blockchain-based securities issuance and has set out a roadmap for regulating crypto assets by 2026. There's also been notable progress in APAC: markets such as Hong Kong and Singapore have established definitions of virtual assets, and the prospective Hong Kong Stablecoin Bill provides guidelines for licensing and reserve requirements for stablecoins. We've also seen some big leaps in the UAE, which has emerged as a leading hub for frontier technologies, including digital assets.

The trajectory across regions is clear: regulation is maturing, and the foundations for broader adoption and innovation are being laid.



4 Yasmine, for early adopters in traditional industries, what problems are blockchain and digital assets currently solving?

Every industry is discovering its own unique use cases, but blockchain technology is driving tangible benefits by enhancing transparency, reducing risk, improving capital efficiency, and enabling new levels of programmability.

Across industries, we've seen material efficiency gains in supply chain management, with blockchain's decentralized transaction ledger boosting transparency and creating a single source of truth. This enhanced traceability is especially important for industries like food, beverage, and pharmaceuticals, where supply chain integrity is critical. As foodborne illness outbreaks have increased, companies like Walmart have used blockchain technology to trace their grocery products' journey from farm to store. By utilizing Hyperledger Fabric, Walmart cut the time to track a food package back to its original source from seven days to 2.2 seconds.[1] These capabilities have similarly made blockchain a powerful tool for tracking sustainability metrics. Companies can record ESG KPIs like carbon footprint, energy consumption, or supply chain emissions on a shared, tamperproof ledger—improving reporting integrity, strengthening investor confidence, and supporting the broader drive toward sustainable finance.

In industries where authenticity and fraud prevention are critical, such as luxury goods, blockchain's immutability provides a powerful countermeasure. By embedding digital verification methods directly into products, brands are strengthening their assurance to consumers.

5 Staying with you, Yasmine, how are M&A and capital markets activity shaping the evolution?

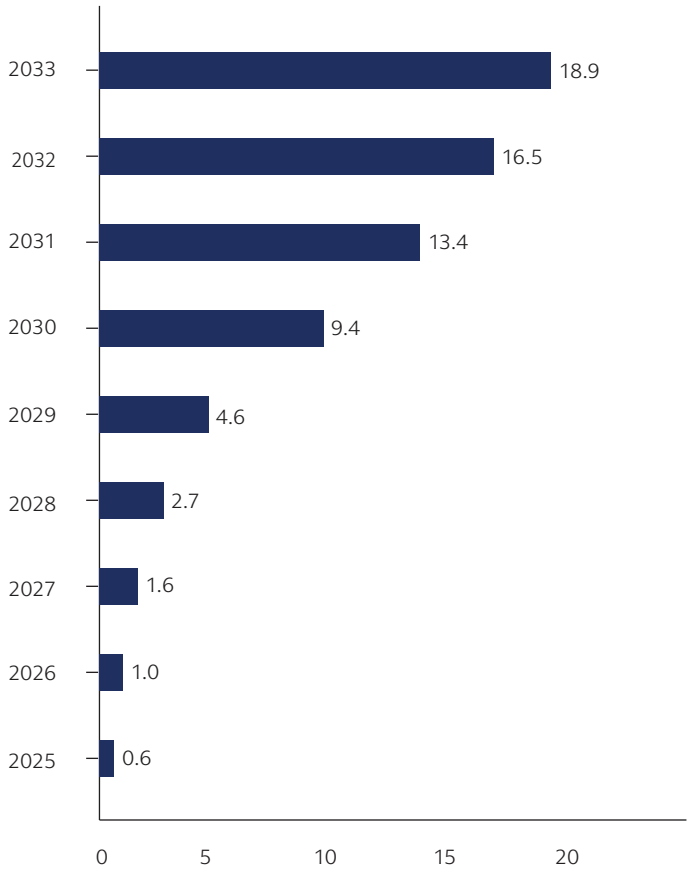
In 2024, M&A volumes soared to $15.8 billion—up from $1 billion in 2019.[2] This momentum has persisted in 2025, with $6.4 billion of M&A volumes in the digital assets ecosystem year-to-date.[3] This uptick reflects the continued institutionalization of digital assets in global capital markets, the convergence of TradFi and crypto, and rising demand for access from investors. The market has matured significantly in parallel, and so have the companies operating within it. As valuations pulled back in recent years, we've seen increased focus on credentialed firms with strong compliance programs, robust KYC/AML practices, and sustainable business models.

In the near term, we expect to see a wave of exchange consolidation as various players look to scale and diversify their businesses. Industry leaders looking to cement their positions—and/or emerging players trying to elevate their standing—are taking a "buy, not build" approach. This shift is evidenced most recently by Coinbase's acquisition of leading crypto options exchange Deribit and Robinhood's acquisition of crypto exchange Bitstamp—transactions expanding each acquirer's digital asset offerings.

6 Mathew, which emerging or future solutions excite you most?

For me, the most exciting development continues to be the ability to leverage blockchain technology to fundamentally transform and disrupt the financial system. As we transition to an increasingly digital-first, 24/7 marketplace, the global adoption of a blockchain-powered financial system will only accelerate. Tokenization has long been discussed—and for good reason. By tokenizing assets like bonds, money market funds, or real estate, these assets can be transferred on-chain, which increases transparency, reduces the number of intermediaries, and eliminates complex, onerous legal and settlement processes. The momentum is real—a joint report from Boston Consulting Group and Ripple suggests the market for tokenized RWA could reach $18.9 trillion by 2033[4] as greater regulatory clarity increases for market participants.

Market Capitalization of Tokenized Real-World Assets ($T)



Source: Approaching the Tokenization Tipping Point, BCG & Ripple

More broadly, blockchain's programmability enables far more flexible and efficient use of capital. Assets can be mobilized, reallocated, and collateralized with significantly greater speed and precision, which is why leveraging the technology to transform collateral markets presents one of the most significant opportunities. When you consider the sheer scale of global collateral markets, and the movement of assets on a daily basis and across time zones, the ability to seamlessly move collateral with precision will have a profound impact on operational and settlement efficiency for market participants, as well as resiliency and reduced risk.

At Goldman Sachs, our in-house-developed blockchain-based platform, GS DAP®, has been at the forefront of this shift toward creating financial marketplaces on-chain, and we were excited to **announce** our ambition to spin out the platform into a fully mutualized, distributed technology solution for the digital financial markets. Ultimately, digitizing the full life cycle of financial transactions—combined with blockchain's ability to mutualize benefits, reduce risk, enhance transparency and utility, and deliver precision with liquidity management—is what makes the technology so powerful.

* M2 is the US Federal Reserve estimate of liquid money supply, including cash, checking deposits, and other short-term savings vehicles such as money market funds and certificates of deposit (CDs).

7 Stablecoins have been in the news for some time now. Why are they garnering so much interest, and what role do they play in the digital assets ecosystem?

MATHEW

Viewed as crypto's first "killer app," stablecoins are digital currencies designed to maintain a stable value by being pegged to traditional currencies like the US dollar—and are backed by reserves of cash, cash-equivalents, and short-term government bonds to ensure a peg is maintained. By leveraging blockchain technology, stablecoins can unlock cross-border payments at internet speed and at negligible cost, removing the inefficiencies of traditional rails and infrastructure.

Stablecoins have become one of the fastest growing segments in digital assets, enabling innovations like programmable payments and supporting continuous financial market activity. As financial markets become increasingly global and operate around the clock, stablecoins are emerging as a vital cog in 24/7 markets for collateral and broader cross-border payment use.

In addition, stablecoins contribute to broader financial stability by supporting consistent demand for dollar-denominated assets. As policymakers around the world explore digital currencies and stablecoin regulations, including now in the US, there is growing recognition of the potential benefits of establishing clear standards to foster responsible innovation and maintain global competitiveness.

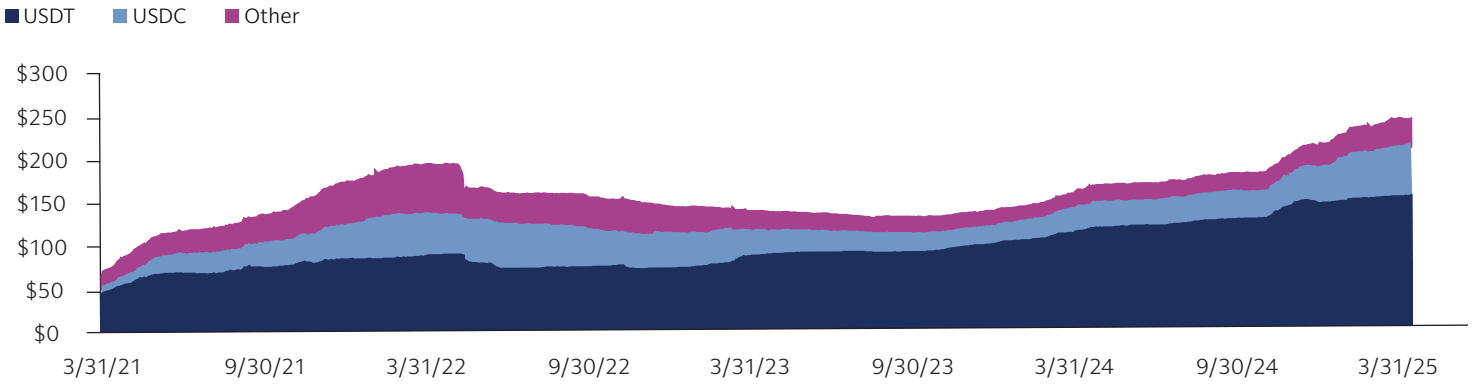
At a societal level, stablecoins have expanded access to financial services for underbanked and underserved communities. It's often cheaper to move money through a digital app than through local banks—especially for remittance payments. Today, the supply of stablecoins is around $220 billion, roughly 1% of M2* in the US.[5]

YASMINE

Ultimately, blockchain networks enable the seamless movement of money. Although the internet enabled the instantaneous movement of data from one person, or node, to another, it is fundamentally incapable of moving money—that is done by banks and financial institutions. Blockchain infrastructure (L1s) allow you to rapidly move money over the internet—over the same fiber that our data travels.

As stablecoins continue gaining momentum, capital markets activity in this space has accelerated. Traditional payments companies are making strategic acquisitions to capture upside in the growing ecosystem. Earlier this year, Stripe acquired stablecoin infrastructure provider Bridge, enabling Stripe to provide enhanced crypto payment solutions to customers. These shifts not only drive technological advancements but also signal a broader acceptance and integration of digital assets into mainstream industries and markets.

Historical Stablecoin Market Cap—Last Four Years



Source: DefiLlama

8 Yasmine, how would you advise corporate leaders outside of this ecosystem to approach digital assets as part of their forward strategy?

Over the last few years, we saw a fair amount of skepticism and hesitation around digital assets—that's okay when you understand the context that it's still *very* early innings. The original "Bitcoin whitepaper," authored under the pseudonym Satoshi Nakamoto, was only published in 2008, and even then, cryptocurrencies only really entered popular culture during the first Bitcoin rally in 2017. The media has rightly focused on risks but generally underreported the technological innovations and use cases of blockchain.

To bring an informed, strategic mindset to digital assets, we would advise first focusing on understanding the technology and its capabilities. While some companies and business leaders remain skeptical and others carefully watch how adoption will continue to unfold, there's still a window for gaining early-mover advantages. Specifically, from the corporate's perspective, we would think about the applications of blockchain technology and digital assets across three key areas:

1. What can I do for my customers to improve their user experience and address demands for digital assets?

2. How can blockchain-based solutions decrease my expenses and automate workflows to drive operational efficiencies within our business?

3. What are my competitors doing, and which use cases are most relevant for my business? Consider supply chain transparency, data integrity and audit trails, real-world asset ownership (e.g., real estate, commodities), loyalty points, digital rights, and payments.

9 Mathew, how is your approach to serving clients shifting as the industry so quickly evolves?

Our Digital Assets team serves clients across the full breadth of the space and across a wide range of client-led tokenization activities, crypto-linked product offerings, and blockchain investments. And of course, we actively serve clients across the digital asset sector with our core traditional investment banking services including M&A and capital markets advisory and execution. Our multifaceted strategy is driven by client demand—and we only expect to scale from here as interest continues to accelerate. It's an exciting time, and we're thrilled to engage across this innovative landscape.

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[1] Walmart

[2] Pitchbook as of 12/31/2024

[3] Pitchbook as of 6/03/2025

[4] Approaching the Tokenization Tipping Point, BCG & Ripple

[5] ARK Invest