

The State of Crypto

The Fortune 500 Moving Onchain

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- ¹ The Block
² Web3 Adoption Survey
³ Dune Compared to January 2023, as of May 31, 2024.
⁴ The Block, artemis.xyz
⁵ Small Business Survey
⁶ Electric Capital's Developer Report: January - December 2023

America's top public companies are busier onchain than ever. The number of cryptocurrency, blockchain or web3 initiatives announced by Fortune 100 companies has increased 39% year-over-year and hit a record high in Q1 2024, according to research conducted for Coinbase by The Block.¹ A survey of Fortune 500 executives finds that 56% say their companies are working on onchain projects, including consumer-facing payments applications. The increased activity increases the urgency for clear rules for crypto that help keep crypto developers and other talent in the US, fulfill its promise of better access, and enable US leadership on crypto globally.

Many of the most trusted names and products in finance are embracing blockchain technology and crypto, driving innovation and providing on-ramps for widespread adoption:

- **Spot bitcoin ETFs** happened, of course – and to significant pent-up demand. Today, total spot bitcoin ETF assets under management is more than \$63 billion.² On May 23, the SEC approved exchange applications to list and trade spot ether ETFs (pending S-1 approval), further scaling access to spot crypto in familiar, trusted products and spurring adoption.
- Beyond ETFs – **onchain government securities** are driving new interest in real-world asset tokenization. Recent high interest rates have boosted demand for safe, high-yielding T-bills onchain, sending the value of tokenized US Treasury products over 1,000% since the start of 2023, to \$1.29 billion.³ BlackRock's tokenized US Treasury fund BUIDL, at \$382 million, recently passed Franklin Templeton's \$368 million fund to become the largest; crypto hedge funds and market makers are using BUIDL as collateral for trading coins and tokens.⁴ By 2030, the tokenized asset market is expected to hit \$16 trillion – the size of the EU's GDP today.⁵

- ¹ June 1, 2023 through May 31, 2024 vs June 1, 2022 through May 31, 2023
² As of May 31, 2024
³ As of May 31, 2024
⁴ Financial Times, May 14, 2024
⁵ Relevance of on-chain asset tokenization in 'crypto winter,' BCG x ADDX

- Along with Coinbase, global payments giants PayPal and Stripe also are making **stablecoins** even easier to use. Via Circle, merchants on Stripe can now accept payment in USDC via Ethereum, Solana, and Polygon – with payments automatically converting into fiat currency. PayPal is supporting cross-border transfers for stablecoin users across about 160 countries – with no transaction fees, versus 4.45% to 6.39% in average charges in the \$860 billion global remittance market.^{6,7} The annual settlement volume of stablecoins hit \$10 trillion in 2023, more than 10x the amount of remittances worldwide.⁸
- The progress isn't just top-down but also ground-up: **small business**, the most trusted institution in the US, is also venturing into crypto.⁹ About seven in 10 (68%) believe crypto can help address at least one of their financial pain points, the biggest of which are transaction fees and processing times.

At Coinbase, we applaud tradfi's progress in updating the system, with a few callouts from the data:

- **It's imperative that the US cultivate increasingly needed talent rather than continuing to lose it overseas.** The US continues to lose developer share, down 14 points in the past five years; only 26% of crypto developers are US-based today.¹⁰ Among Fortune 500 (F500) executives, concern about available, trusted talent is now a top blocker to adoption, more than concern about regulation. Among small businesses, half say they're likely to seek out candidates familiar with crypto the next time they fill a finance, legal or IT/tech role. Clear rules for crypto are key to keeping developers in the US – and to the US continuing to lead the world in cutting-edge technological innovation.
- **It's also vital to ensure that the technology fulfills its promise of better access** – both for crypto-using companies needing financial services and even more crucially, for underserved people in need of financial services. For the underbanked and unbanked, about half (48%) of F500 executives say that crypto has the potential to increase access to the financial system and ability to create wealth. For companies that use crypto, one F500 executive noted that banks can do more to encourage innovation by finding more ways to work with them.
- **The US needs to exert leadership in this space.** F500 executives show significant interest here: 79% would want to work on initiatives with a partner in the US (up from 73% a year ago), and 72% agree that having a USD-backed digital currency (versus the Yen) keeps the US economy competitive globally.

Crypto is the future of money. This research report, our fourth since June 2023 and a year-over-year look at corporate adoption, is Coinbase's latest release in our integrated campaign to educate the public about the role crypto, blockchain and other web3 technologies can play in updating the global financial system for the benefit of corporations and consumers alike.

⁶ [The World Bank](#)

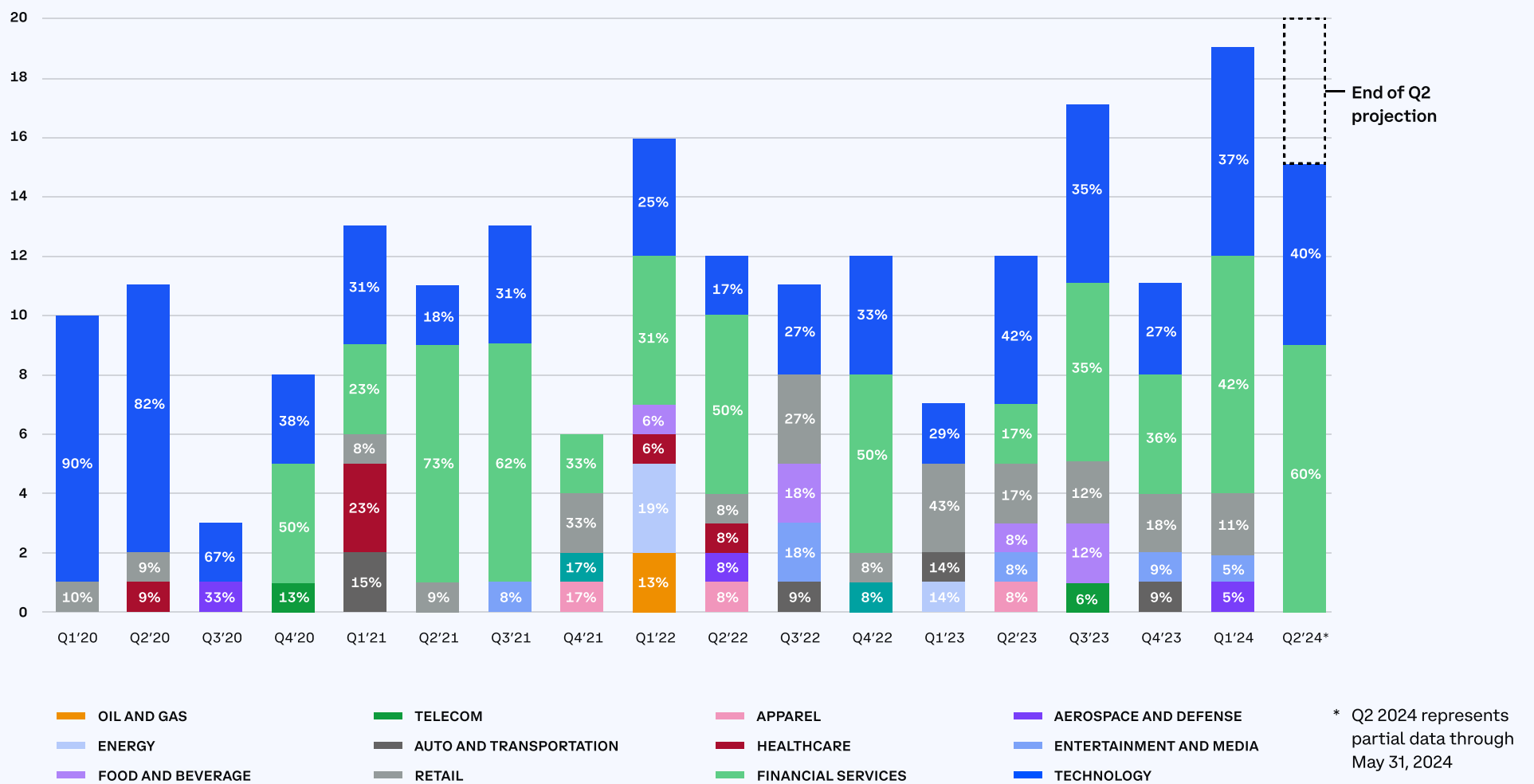
⁷ [The World Bank](#)

⁸ Annual stablecoin settlement volume was calculated based on onchain data collected by The Block and artemis.xyz.

⁹ [Gallup](#)

¹⁰ [Electric Capital's Developer Report: January - December 2023](#)

Fortune 100 Companies: Initiatives by Industry



America's top public companies

The country's top public companies are busier onchain than ever.

- Among the Fortune 100 (F100), a record number of onchain initiatives were underway in Q1 2024.
- The volume of onchain initiatives announced by the F100 has increased 39% year-over-year.¹¹
- A bigger share of initiatives announced in 2024 are at the advanced stage than in any previous 12-month period: 59% YTD, compared to 52% in 2023 and 43% in 2022.¹²
- Mentions of bitcoin and stablecoins in SEC filings hit new highs in Q1.¹³

Crypto is helping traditional finance update the century-old financial system.

- While the past three years were years of experimentation onchain, tech and financial services have found the best product-market fit. The two sectors together had eight in 10 of the F100's onchain initiatives in Q1 – intensifying a trend from 2023, when they accounted for nearly six in 10.

¹¹ June 1, 2023 through May 31, 2024 vs June 1, 2022 through May 31, 2023

¹² The Block

¹³ The Block pulled monthly data from the SEC's EDGAR database and used it to analyze trends in the quantity of such mentions over time.

- **In finance:** Bitcoin ETFs drove a majority of initiatives, with Bank of America, Wells Fargo and Morgan Stanley starting to roll out these products to their brokerage and wealth management clients. Goldman Sachs, JPMorgan and Citi have become authorized participants for bitcoin ETFs. Citi and Goldman both pursued tokenization tests.
- **In tech:** Google announced and rolled out capabilities around making blockchain information searchable directly on its search engine. Google also announced infrastructure support by acting as a validator for a few new blockchains. Microsoft participated in tests of a new blockchain network (Canton Network) meant for asset tokenization. IBM partnered with Casper Labs on a blockchain-based way to help companies audit the data used to train AI models.

Current and considered use cases among top US companies

USE CASE	F100	F500
Payments/settlement	#1 use case for financial services brands	#1 use case, up 25 pts YoY from 48%–73%
Blockchain infrastructure	#1 use case for tech brands	#2 use case
Trading products (ETFs)	#2 use case for financial services brands	Increased from 14% to 25%
Smart contracts	#3 use case for tech brands	#3 use case
Tokenization	#3 use case for financial services brands	#4 use case

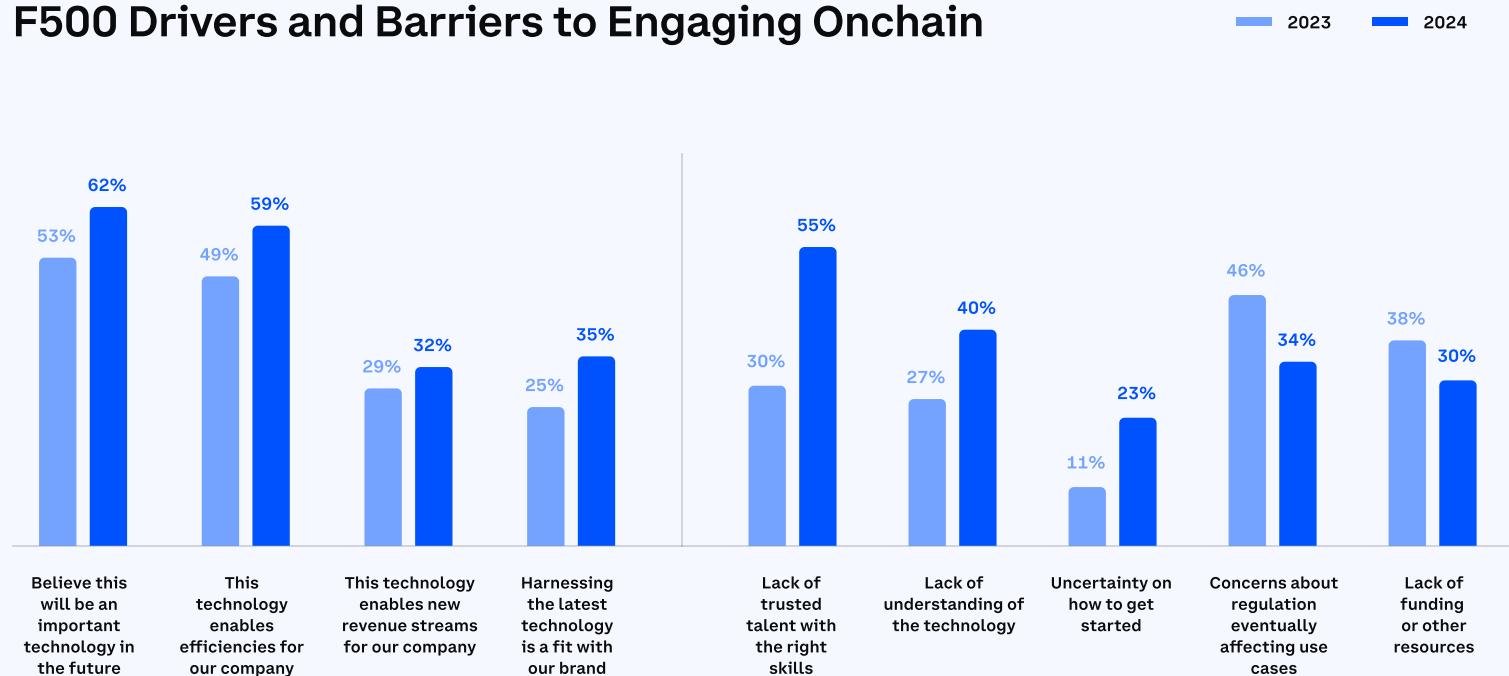
Interest in using onchain technology for consumer-facing transactions, not just back-end systems, extends beyond just F500 financial services brands to retail, healthcare and consumer packaged goods, specifically including:

- Exploring crypto as a form of payment for remote or global regions
- Implementing play-to-earn mechanics to enhance video game experiences
- Letting healthcare patients and customers use digital wallets to pay for products and services
- Accepting healthcare donations in crypto
- Blockchain- and NFT-based restaurant loyalty programs

Year-over-year shifts in F500 attitudes point to growing recognition of the technology's importance.

- F500 executives report an average 2024 budget of \$9.5 million for onchain projects. Most F500 executives say their companies will maintain or increase their budget for crypto and onchain projects over the next two years.
- Top drivers for these projects include the technology being an important one for the future and a fit with their brand, enabling efficiencies for their company, and enabling new revenue streams.
- Among F500 companies not currently planning any initiatives, some of the biggest barriers cited include a lack of trusted, skilled talent – which, notably, nearly doubled in share year-over-year – along with a lack of understanding and uncertainty about how to get started with the technology. Concern about regulation eventually affecting use cases faded significantly.

F500 Drivers and Barriers to Engaging Onchain



Stablecoins and other tokens

Most top companies have interest in the potential benefits of stablecoins and other types of tokens, especially for faster, cheaper transactions.

- Seven in 10 F500 executives are interested in learning more about a stablecoin use case, mainly payments for instant processing time and lower fees
- 86% recognize potential benefits of asset tokenization for their company.
- 35% say their companies are currently planning projects on tokenization (including stablecoins).

Top 5 potential benefits and use cases of interest to F500 executives

STABLECOINS*	TOKENIZATION**
1 Instant settlement/low processing time	Real-time settlement and reduced transaction times
2 Taking payment in stablecoin to lower fees	Cost savings and operational efficiencies
3 Transferring money within the company	Improved transparency and traceability of assets
4 Treasury management / for easy conversion	Streamlined compliance and regulatory processes
5 Instant international transfers	Tokenization of loyalty programs to drive engagement

* Among the 70% of F500 executives who are interested in at least one of nine cited use cases.

** Among the 86% of F500 executives who recognize potential benefits to tokenization.

Stablecoins

- Daily stablecoin transfer volume hit an all-time high of \$150 billion in Q1 2024, having been on an upswing since Q3 2023.¹⁴
- The annual settlement volume of stablecoins hit \$10 trillion in 2023, more than 10x the amount of remittances worldwide.¹⁵
- Mentions of stablecoins in SEC filings have trended upward with a notable increase since the start of 2024.¹⁶
- By Q2 2024, issuers of USDC and USDT held about as much in US T-bills (as reserves for the stablecoin they issue) as Norway, Saudi Arabia, and Korea.¹⁷
- Notably, this momentum is building despite a lack of clear rules for stablecoins – although many industry analysts speculate that the dominance of offshore-based Tether’s USDT is at least partly due to this regulatory vacuum and to recent events affecting USDC. While concern about regulation has faded as an obstacle to crypto/onchain adoption overall, more than half of F500 executives cite it as a deterrent to their adoption of stablecoins.

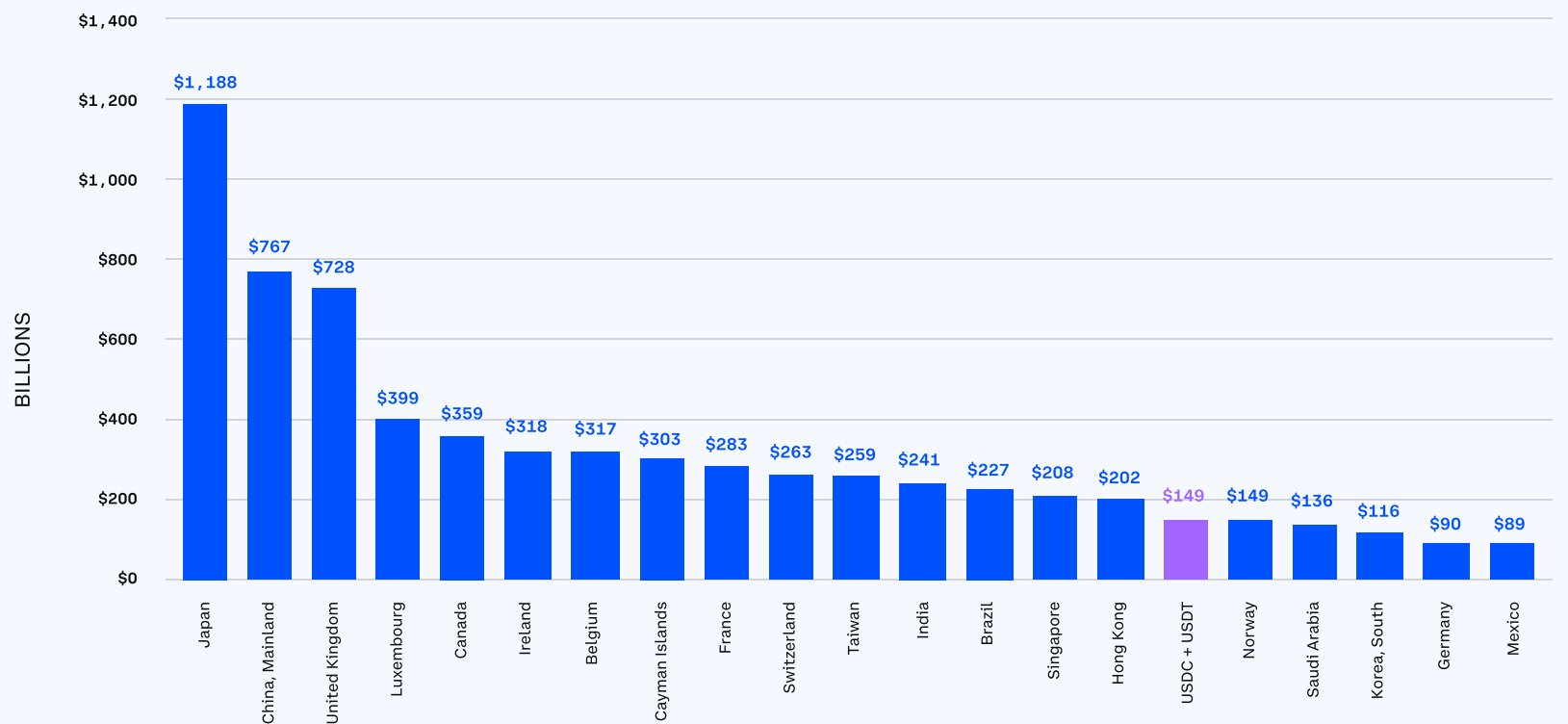
¹⁴ Daily onchain stablecoin volumes were calculated based on onchain data collected by The Block and Artemis.

¹⁵ Remittance data was collected from the IMF and World Bank

¹⁶ The Block pulled monthly data from the SEC’s EDGAR database and used it to analyze trends in the quantity of such mentions over time.

¹⁷ The Block collected data on the T-bill holdings backing USDC and USDT from the reserve reports published by each stablecoin’s issuer, Circle and Tether, respectively. Direct reserve holdings of US Treasury bills were counted along with exposure through repurchase agreements and indirect exposure through money market funds. The aggregate holdings backing both stablecoins were compared to the holdings of major foreign holders of US Treasury bills, as reported by the US Department of the Treasury.

USDC + USDT T-Bill Holdings Compared to Major Foreign Holders of U.S. Treasuries (USD Billions)



PayPal's PYUSD

CASE STUDY 1

In August 2023, payments giant PayPal launched its PayPal USD (PYUSD) stablecoin on the Ethereum network – then made it available to its 60 million users on Venmo. Developed in partnership with Paxos and fully backed by US dollar deposits and short-term US Treasuries, PYUSD has reached \$400 million in circulation in 10 months, and hit an all-time high in daily trading volume in April: \$60 million. The supply of PYUSD in circulation has increased by over 600% since August. A recent subpoena from the Securities and Exchange Commission tied to PYUSD was complied with and the stablecoin continues to operate normally.

“Stablecoins are the killer application for blockchains right now and they are going to be fundamentally important for the status of the dollar as a global reserve currency.”

Jose Fernandez da Ponte, SVP, General Manager Blockchain, Crypto and Digital Currencies at Paypal

JPMorgan's JPMCoin

CASE STUDY 2

Leading global financial institution JPMorgan has invested in the digital asset space since 2015, and developed the Quorum blockchain in 2016. It went on to form the official digital asset business unit of Onyx in 2020. The centerpiece of Onyx's offerings is JPMCoin, a distributed ledger-based payment system used for intrabank transactions.

Although Onyx operates on a private ledger, making it difficult to verify metrics, JPMorgan executives have shared impressive figures highlighting the growth and adoption of JPMCoin – including that it now handles \$1 billion worth of transactions daily and expects that number to rise to \$10 billion in the next year or two.

Other moves to offer a programmable payments feature and extend JPMCoin settlement capabilities to a third-party platform, together with public comments from Onyx executives, suggest that JPMorgan is looking to create network effects through JPMCoin that will make Onyx a top tokenization platform.

Non-stablecoin tokenization

- By 2030, the tokenized asset market is expected to hit \$16 trillion – the size of the EU's GDP today.¹⁸
- While stablecoins are the main driver of growth in tokenization, the tokenizing of real-world assets, whose value exists outside of blockchains, is also on the rise. Total value of tokenized, non-stablecoin assets has reached roughly \$3 billion, more than doubling since the start of 2023.¹⁹ And this figure only captures publicly trackable assets – estimates by the Hong Kong Monetary Authority find another \$3.9 billion in bonds have been tokenized.²⁰
- Government securities are driving real-world asset tokenization, and are the only asset class where prominent US brands – led by BlackRock and Franklin Templeton – are tokenizing. Recent high interest rates have boosted demand for safe, high-yielding T-bills onchain, sending the value of tokenized US Treasury products over 1,000% from January 2023, to \$1.29 billion as of May 31, 2024. Yield on these securities is at a 30-year high.
- Before tokenized T-bills, interest focused on commodities, and while their tokenized value has been overshadowed by surging government securities, more users onchain have held commodity-based tokenized assets than any other tokenized asset type (beyond stablecoins).
- Gold is by far the #1 commodity, accounting for nearly the entire \$1 billion in tokenized commodities.²¹
- The overall value of tokenized loans on public blockchains grew from near zero in October 2020 to over \$400 million by April 2024. Loan types have diversified to include trade financing, revenue-based financing, and real estate financing, among other categories, suggesting that the tokenized lending space has expanded into financing more types of borrowers and use cases in recent years.²²

¹⁸ "Relevance of on-chain asset tokenization in 'crypto winter,'" by Sumit Kumar, Rajaram Suresh, Darius Liu, Bernhard Kronfellner and Aaditya Kaul

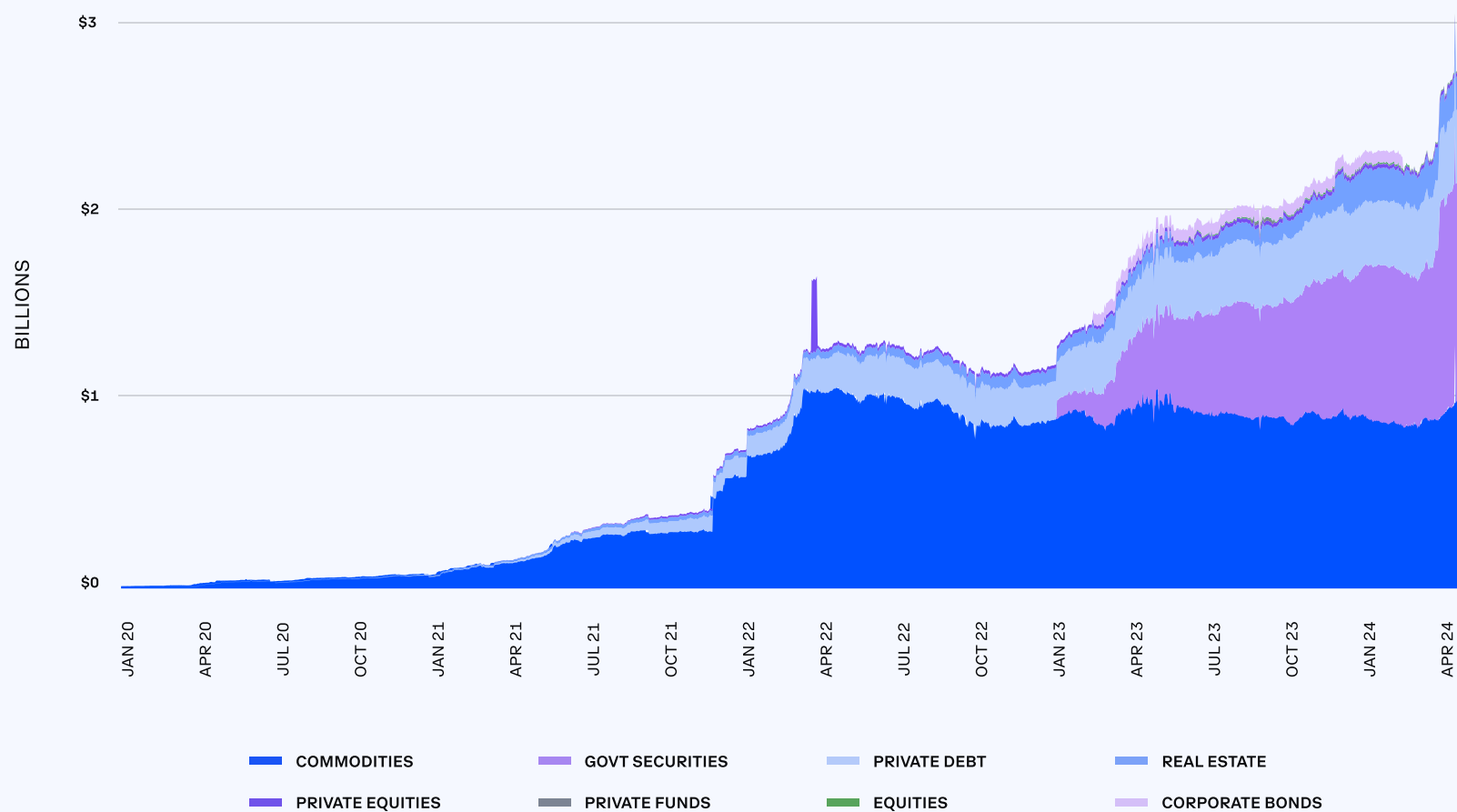
¹⁹ Dune

²⁰ Hong Kong Monetary Authority: An Assessment on the benefits of Bond Tokenisation
Research Memorandum 04/2023, 28 November 2023

²¹ Dune

²² Dune

Tokenized Asset Market Cap by Asset Class (ex. Stablecoins)



Franklin Templeton's FOBXX

CASE STUDY 1

In 2019 Franklin Templeton, one of the world's largest asset managers, launched its US Treasury money market fund FOBXX, giving investors access to government money markets through a trusted channel. By tokenizing the fund, Franklin expanded investor access to onchain offerings and enabled the issuance and trading of ownership on a public blockchain. The fund's BENJI token was first deployed on the Stellar blockchain, then expanded to the Polygon network. As of mid-May, FOBXX had \$360 million in assets under management.

The firm also began operating as a node validator on the Provenance and Stellar blockchain networks in 2019, and has since expanded these operations to support major blockchain networks such as Ethereum, Polkadot, Cardano, and Solana – playing a key role in the building of the broader blockchain ecosystem.

"The market infrastructure on which we have been issuing, trading, and wrapping assets into portfolios is 50 years old... What we are starting to see with blockchain technologies is that there are ways to improve that tremendously. There are ways to cut processing times, get more real-time information, and enable 24/7/365 trading because we live in a global world where our businesses operate around the clock."

Sandy Kaul, Franklin Templeton's head of digital assets²³

²³ [Tokenization: A Paradigm Shift for Asset Managers | Franklin Templeton](#)

BlackRock's BUIDL Fund

CASE STUDY 2

BlackRock, the global leader in asset management, made a splash with the launch of its first tokenized fund, the BlackRock USD Institutional Digital Liquidity Fund (BUIDL), on the Ethereum network on March 20, 2024. Together with prominent digital asset securities firm Securitize, BlackRock's BUIDL fund gives qualified investors the opportunity to earn US Treasury yields. The fund aims for a stable value of \$1 per token and deposits daily accrued dividends directly into investors' wallets as new tokens each month.

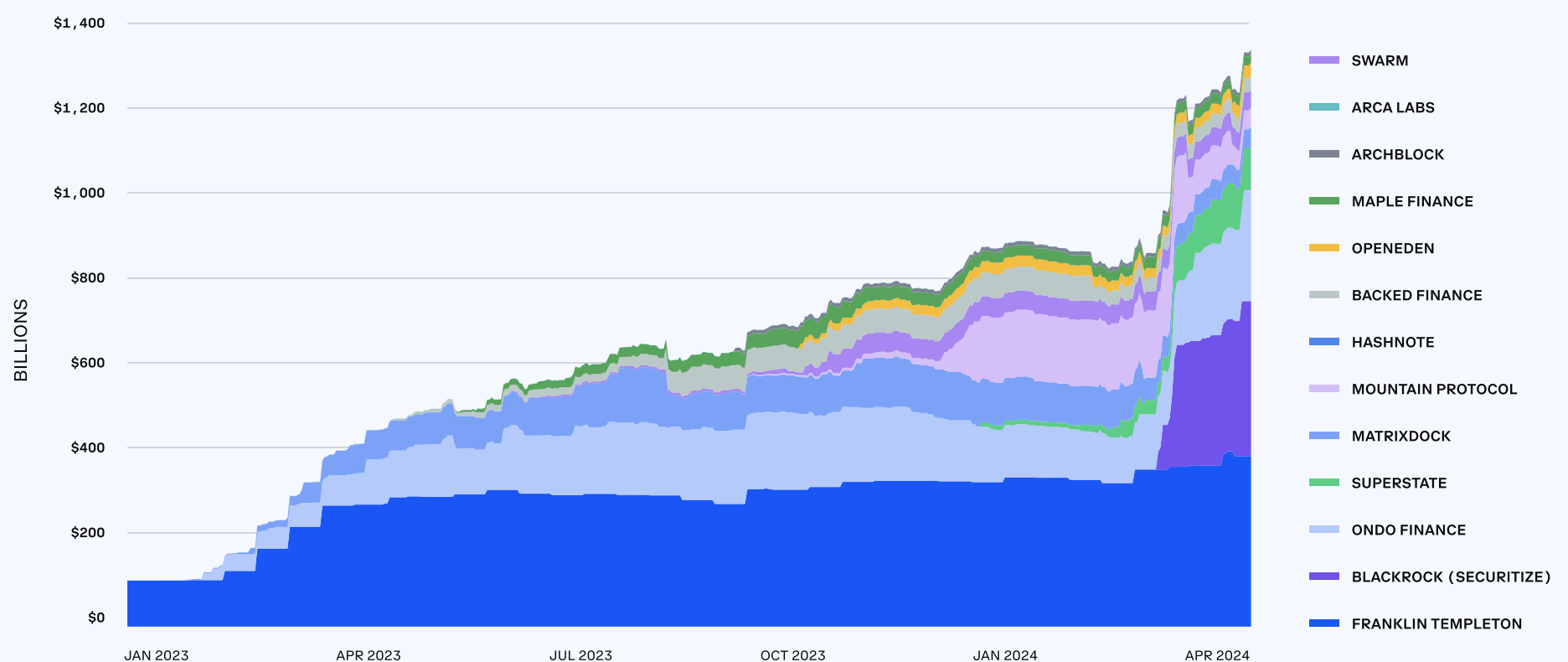
Early participants in BUIDL's ecosystem include notable names in crypto such as Anchorage Digital Bank NA, BitGo, Coinbase, and Fireblocks. BlackRock is the Fund's investment manager and Bank of New York Mellon is administrator and custodian of the assets. PricewaterhouseCoopers is serving as auditor through EOY 2024.

BUIDL has seen huge growth since March, overtaking Franklin Templeton's FOBXX in assets under management, capturing nearly 30% of the \$1.3 billion tokenized US Treasury market.

"I believe this technology is going to be very important. I believe the next generation for markets, the next generation of securities, will be the tokenization of securities. If we could have a distributed ledger that we know every beneficial owner, every beneficial seller, we all have our code of who's buying, who's selling, instantaneous settlement, it changes the whole ecosystem."

Larry Fink, BlackRock Chairman and CEO

Market Cap of Tokenized Government Securities by Issuer



Small Business

Small business, the most trusted institution in the US, is also venturing into crypto and blockchain technology.

- Among small businesses that have some awareness of crypto, 53% are likely to seek out job applicants who have knowledge of it the next time they fill a finance, legal or IT/tech role – a share that raises the prospect that a scarcity of skilled talent could hold back small business growth.
- Over half think adopting stablecoins would help open up new business opportunities.

They're drawn to crypto because it's cheaper and faster.

- Transaction fees and processing times are the biggest financial pain points for small businesses.
- About seven in 10 (68%) believe crypto can help address at least one of their financial pain points.
- Three quarters (76%) are interested in any of the benefits of crypto.

Blockchain Use Cases

People's medical records exist in many formats – think of those handwritten or typed files on racks in a doctor's office. [Acoer](#) uses blockchain technology to help public health organizations collect, organize and analyze vast amounts of healthcare data to get a more complete picture of public health, leading to better public health outcomes.

Small farmers around the world are often underbanked or unbanked and get left out of global supply chains. [BanQu](#)

uses blockchain technology to give small farmers access to the financial system for accounting and payments so they can expand their reach and take part in the global economy.

Every year, more than \$1 trillion in unused inventory, both raw materials and finished goods, sits in warehouses going to waste. Inventory tracking company [Queen of Raw](#) leverages blockchain technology to help companies keep better track and make the most of their inventory.

Compass Coffee

STABLECOIN USE CASE

Compass Coffee, a veteran-owned coffee brand with 18 stores in the Washington, DC area, currently loses revenue per year to credit card processing fees that could instead be invested in its business, employees and customers.

In partnership with Coinbase, Compass now offers customers the option to pay for their morning brew with USDC, making credit card transaction fees a moot point. The initiative highlighted that the estimated \$126 billion paid by US merchants in credit card transaction fees in 2022 was 2.5x the size of the entire US coffee shop market.²⁴

It emphasized that these fees could have been significantly reduced by using blockchain technology instead of credit cards. It's also a recent example of how crypto is gradually making its way to Main Street.

"Accepting crypto payments could be transformational for our business. We hope to help transform retail experiences by accepting USDC"

Michael Haft, Compass Coffee Founder and CEO

²⁴ [Nilson Report, March 21, 2023](#)

Methodology

Unless otherwise footnoted, data and insights cited in this report are derived from the following sources:

Fortune 100 Initiatives: An analysis of web3 initiative activity by Fortune 100 companies from Q1 2020 to early June 2024 by The Block Pro Research. "Activity" was broadly defined to include any digital assets/blockchain-related internal company projects, investments, partnerships, product/service launches, and other similar initiatives. The Block conducted searches of publicly available information using keywords such as "crypto," "blockchain," "tokenization," "NFTs," "metaverse," and "digital assets" across news sites, company filings, press releases and announcements. Search results were manually filtered for relevance, aggregated, and deduplicated. For each initiative in the resulting database, The Block assessed the stage of the initiative, the industry and the web3 use case it pertains to (e.g., tokenization, process automation, payments/settlement, etc.).

Fortune 100, stablecoin and tokenization case studies from research by The Block.

Web3 Adoption Survey: A survey of 104 Fortune 500 decision makers at the level of director and higher, who are aware of crypto and blockchain, conducted for Coinbase by GLG, a third-party research firm, from April 17- 25, 2024.

Small Business Survey: A survey of 250 financial decision-makers at US businesses with fewer than 500 employees who are aware of cryptocurrency, conducted for Coinbase by research firm NRG from April 24-29, 2024.

About Coinbase

Crypto creates economic freedom by ensuring that people can participate fairly in the economy, and Coinbase (NASDAQ: COIN) is on a mission to increase economic freedom for more than 1 billion people. We're updating the century-old financial system by providing a trusted platform that makes it easy for people and institutions to engage with crypto assets, including trading, staking, safekeeping, spending, and fast, free global transfers. We also provide critical infrastructure for onchain activity and support builders who share our vision that onchain is the new online. And together with the crypto community, we advocate for responsible rules to make the benefits of crypto available around the world.