the ValueExchange

The case for collateral tokenisation

Key Findings

The ValueExchange

Empowering change-makers in the capital markets with expert-backed, statistical insights on the case for transformation

Leveraging our...

Hands-on experience
Over 25 years of practitioner experience in securities and capital markets

Expert community
An active and engaged community of industry leaders and changemakers across the globe

Unique industry data
Over five years of in-depth data on how and where the world is transforming its investment operations

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... to empower changemakers with:

Concierge
Our personalised service to help you get the answers you need

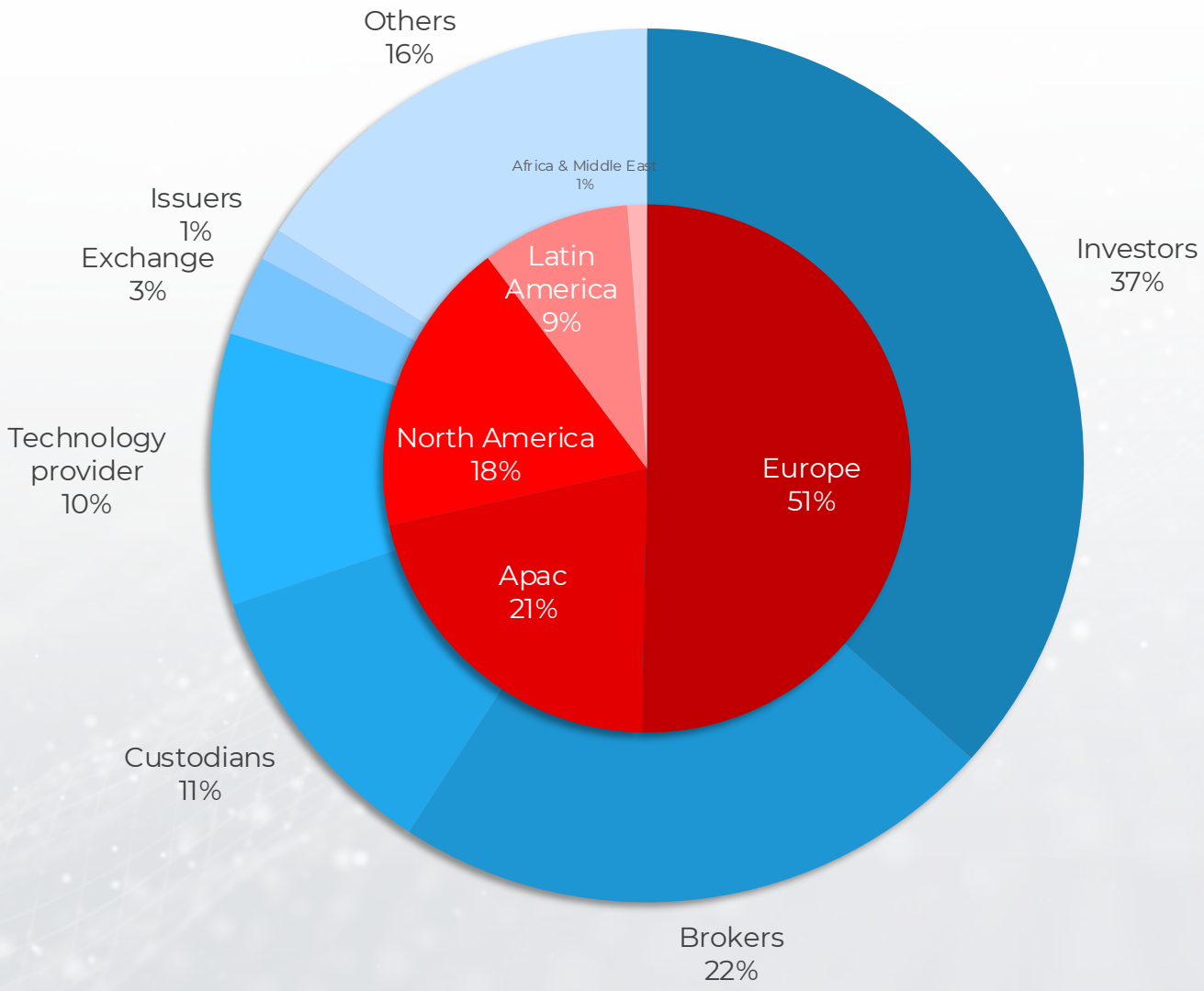
Measure Impact
Specialist benchmarking insights to track the economic impact of your transformation in dollars and cents

Industry advocacy
Collaborative, industry-wide campaigns to make the case for transformation

Thought leadership
Tailored whitepapers, factsheets and webinars to help you make your case for transformation

The case for collateral tokenisation

Who participated in the survey?



Why, where and how are firms working on tokenised collateral today?

These findings summarise the outputs of an industry-wide survey, run in Q3 2025, to provide statistical clarity on exactly how the world's capital markets are applying the opportunities of tokenisation to the world of collateral and margining.

The survey, sponsored by Nasdaq, and run in partnership with ISLA, ISDA and ISSA, draws on views from 203 market participants, from across the market segments and with global representation.

We welcome your thoughts and questions on this information at info@thevalueexchange.co and we look forward to discussing this with you soon.

The case for collateral tokenisation

Key findings

Collateral tokenisation in 5 points

The average firm is pledging and managing up to **USD74bn** in collateral today

25% of a firm's collateral is either excess or not remunerated overnight today- costing over **USD2bn** in treasury income

In reducing fails by over **13%**, collateral tokenisation is expected to deliver key balance sheet benefits

Tokenisation of collateral is expected to deliver immediate savings of over **USD340m** for Tier one firms

Tokenisation of collateral is moving from theory to practice, with **52%** of firms preparing to go live by 2026

Collateral: An operational problem, costing treasury

1. **Operational costs** are up to 57% of the costs of a trade today
2. **Delivery:** Almost 70% of respondents struggle to manage collateral delivery today
3. **Complexity**: Firms face collateral delivery issues across up to 65 locations
4. **Lost mobility**: 35% of firms are posting more than half of their collateral overnight
5. **Over-provisioning**: Delivery issues are driving the average firm to post 6% more collateral than they need to

The case for tokenised collateral

80% of North American firms expect tokenised collateral to have a major impact

94% of firms believe that tokenisation will help to increase the mobility of their collateral

Custodians expect a 16% reduction in overnight costs

81% believe that instant DVP is the key feature of tokenisation.

The operating model

30% of firms see repos as the highest priority activity for tokenisation

Cash, funds and HQLA are the core targets for 50% of respondents in every region

72% of firms would use tokenised money market funds as digital money

70% see CDM as the foundation for digital asset representation on-chain

Taking first steps

80% of custodians expect to be live tokenising collateral by the end of 2026

Legal clarity on tokenisation and on enforceability are holding back >50% of firms

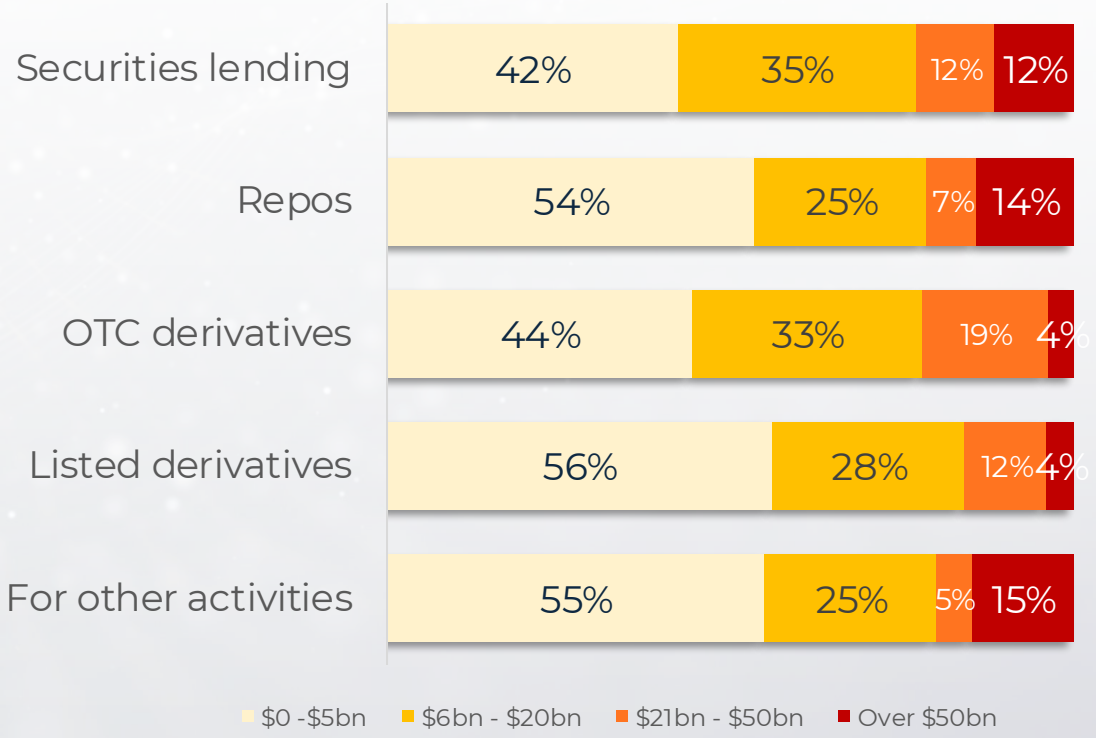
69% of respondents expect quick progress on legals, legacy and on the business case

68% of North American firms expect substantial progress on tokenised collateral issues this year

The average firm is pledging and managing up to USD74 bn in collateral today

Average collateral pledged today per activity (USD)

Distribution of collateral volumes



25% of a firm's collateral is either excess or not remunerated overnight today

Average Collateral Treatment Today

34% | 41% | 18% | 7%

$ 21 bn | $ 25 bn | $ 11 bn | $ 4 bn

Intraday collateral

Overnight collateral that is remunerated (mostly cash)

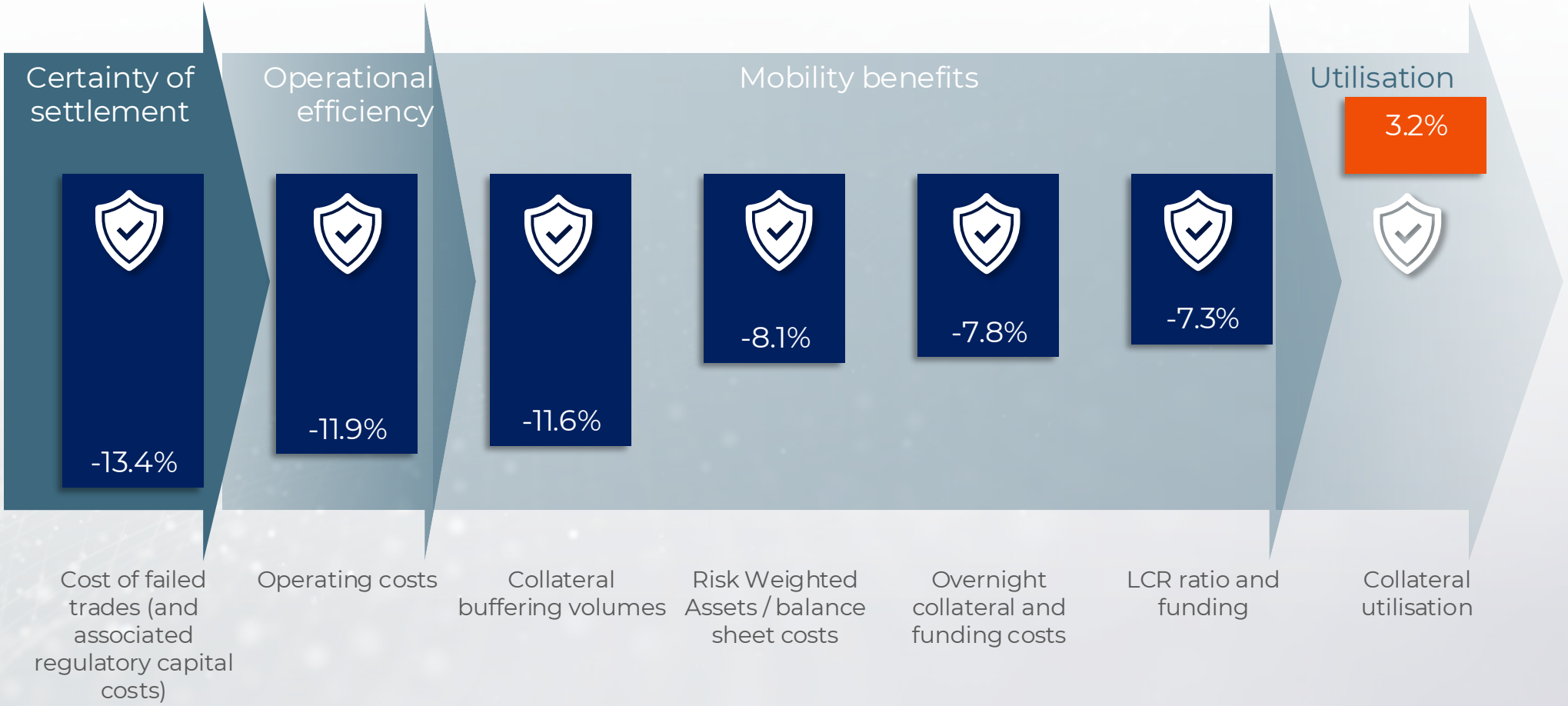
Overnight collateral that is not remunerated (securities or cash)

Additional collateral for buffering

$ 2.82 bn
Average lost earnings per firm per annum
(assuming 2 bps overnight funding rate)

Collateral tokenisation is expected to deliver benefits across the trade cycle – reducing fails by over 13%

Average expected impact of tokenised collateral (% change per metric)



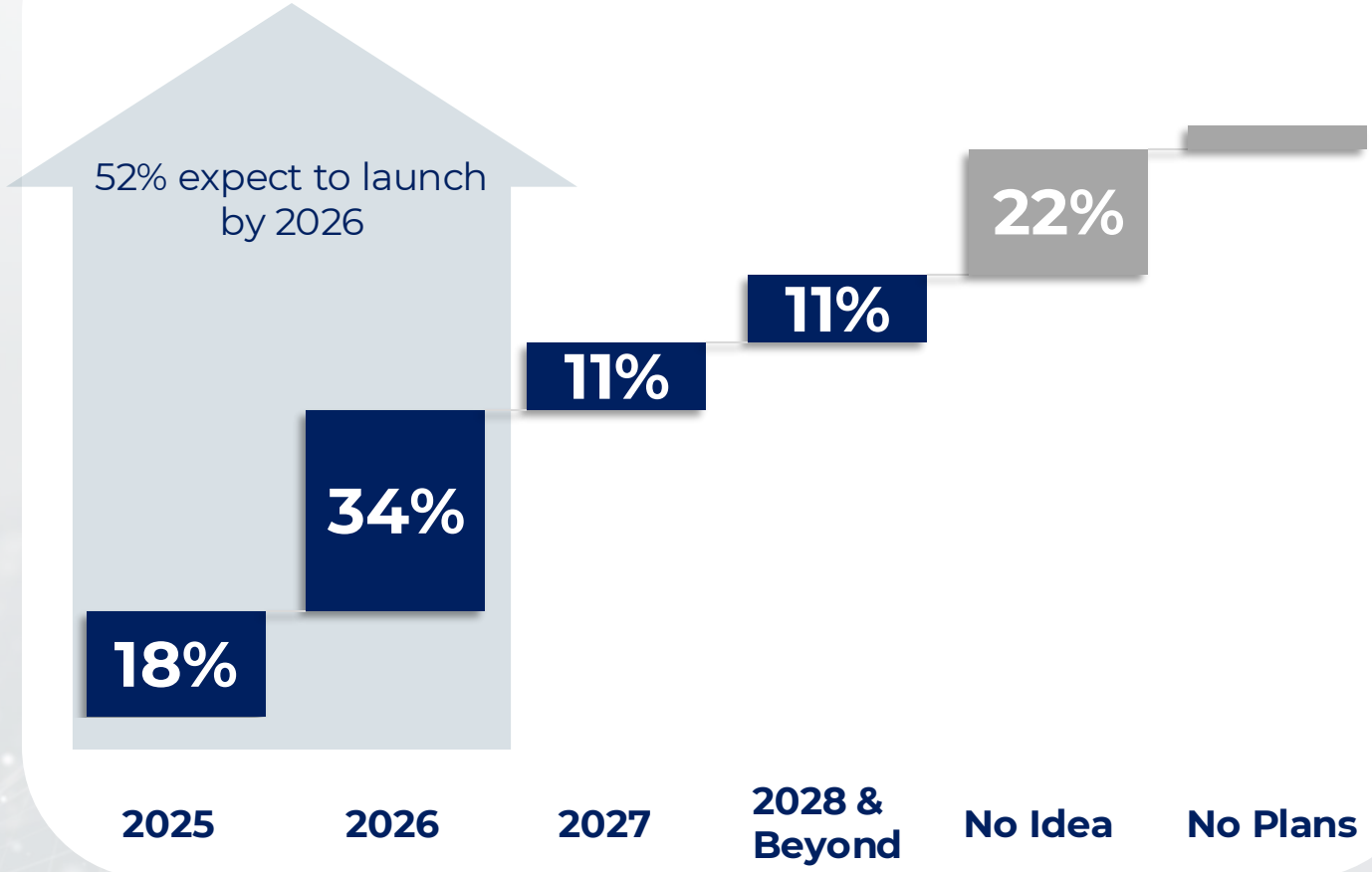
Tokenisation of collateral is expected to deliver immediate savings of over USD340m for tier one firms

Total economic benefits of tokenised collateral, by tier of collateral pledged daily

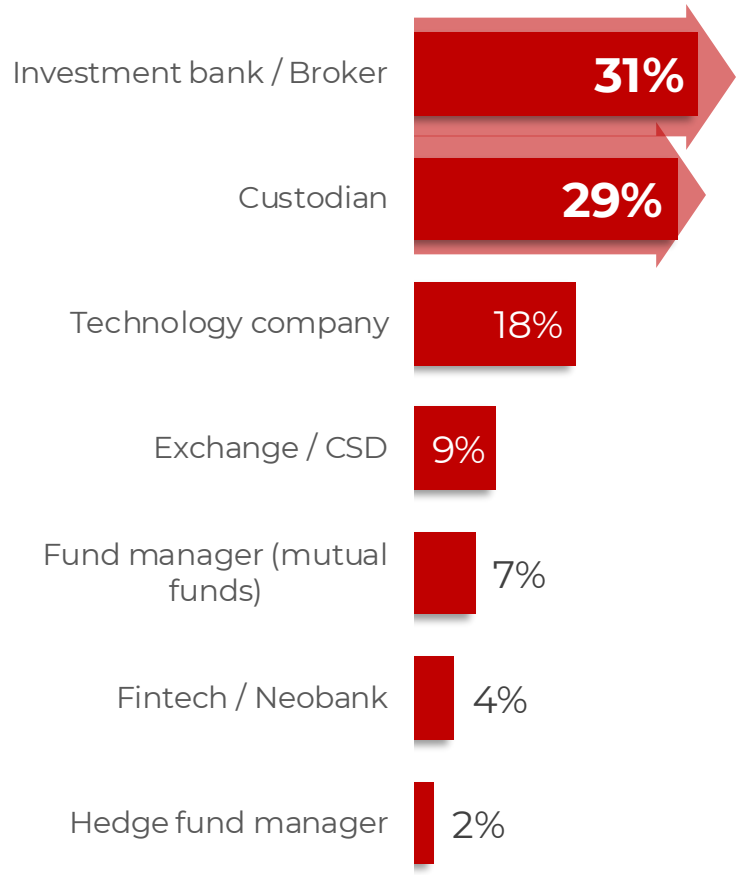
	Tier 1 ($100bn and above)	Tier 2 ($20bn - $99bn)	Tier 3 (Below $20bn)
Total value of collateral that is excess or not remunerated today (USD Average)	**USD36.8bn**	**USD11.5bn**	**USD2.3bn**
Average expected increase in mobilisation of overnight / non-remunerated collateral (through tokenisation)	USD2.0bn	USD1.3bn	USD100m
Average expected reduction in excess collateral (through tokenisation)	USD2.8bn	USD1.3bn	USD100m
Total expected increase in mobilised overnight collateral due to tokenisation	**USD4.8bn**	**USD1.6bn**	**USD200m**
Total increase in interest earnings when tokenisation of collateral (per annum)	**USD346m**	**USD190m**	**USD7.7m**

Tokenisation of collateral is moving from theory to practice, with 52% of firms preparing to go live by end-2026

% of respondents with plans to start using tokenised assets as collateral



...by segment



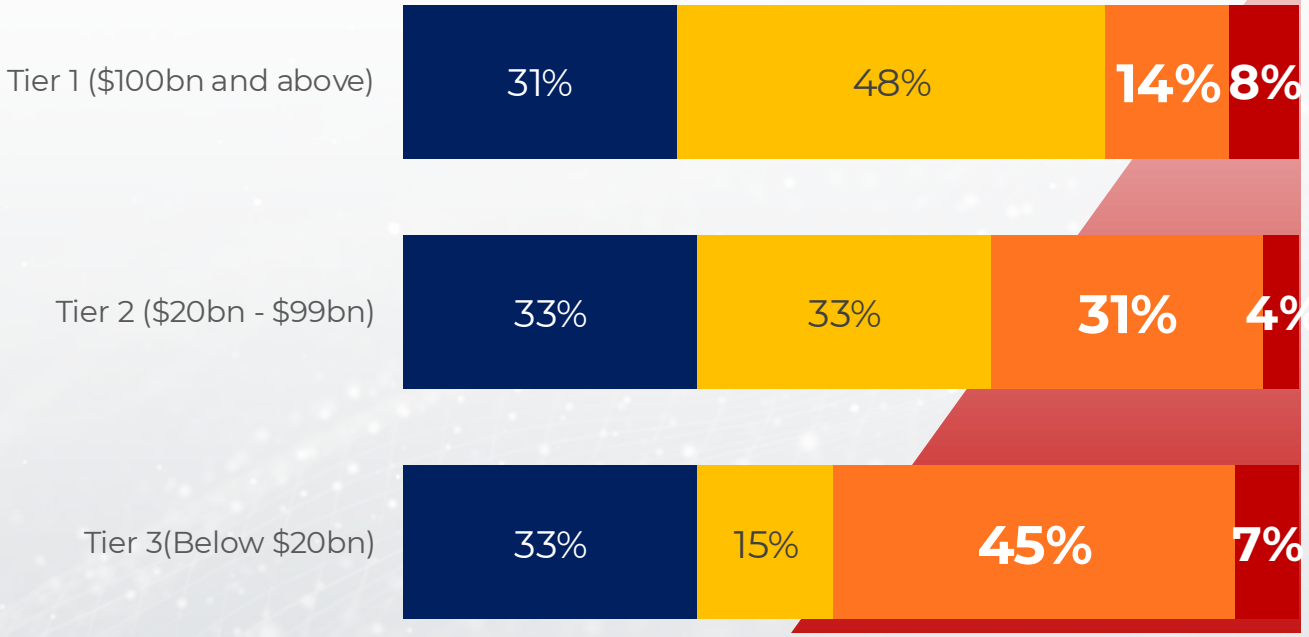
01

Collateral today: an operational problem that is costing treasury

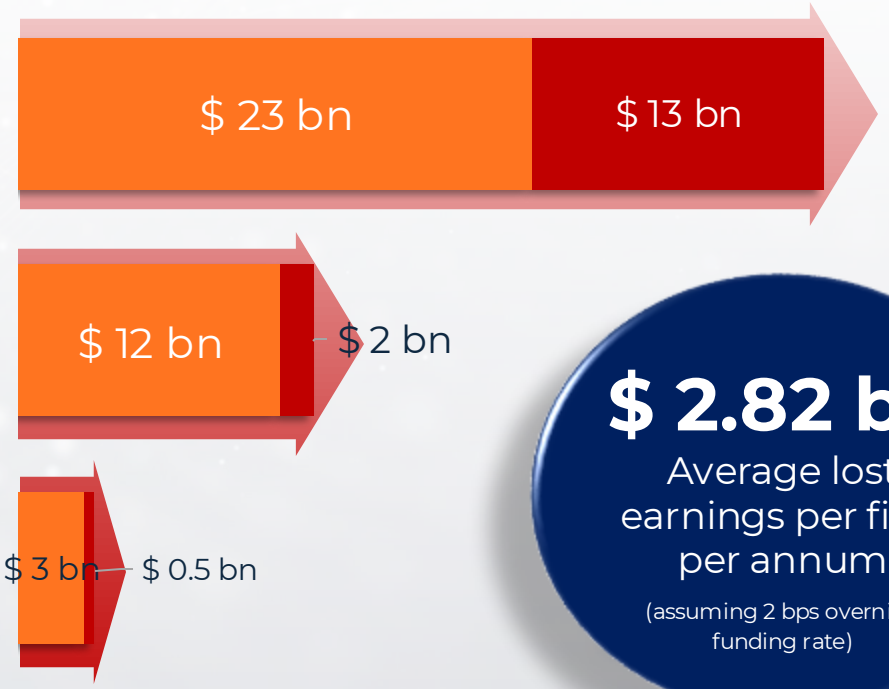
What is wrong with collateral today?

Up to USD46bn of a firm's collateral posted is either excess or not-remunerated – costing treasury income

Distribution of Collateral Treatment by Organisational Tier



Total value of collateral that is excess or not remunerated today (USD Average)



$ 2.82 bn

Average lost earnings per firm per annum

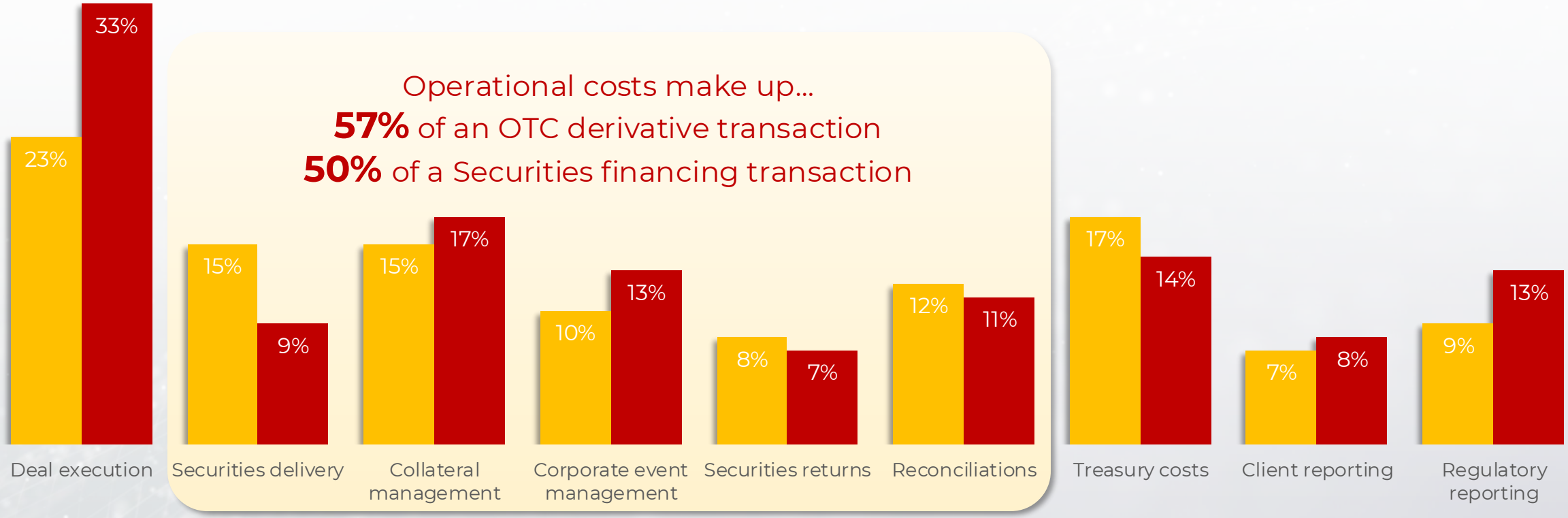
(assuming 2 bps overnight funding rate)

Intraday collateral
Overnight collateral (remunerated)
Overnight collateral (not remunerated)
Additional collateral for buffering

Operations Challenge 1: Operational costs are up to 57% of the costs of a trade today

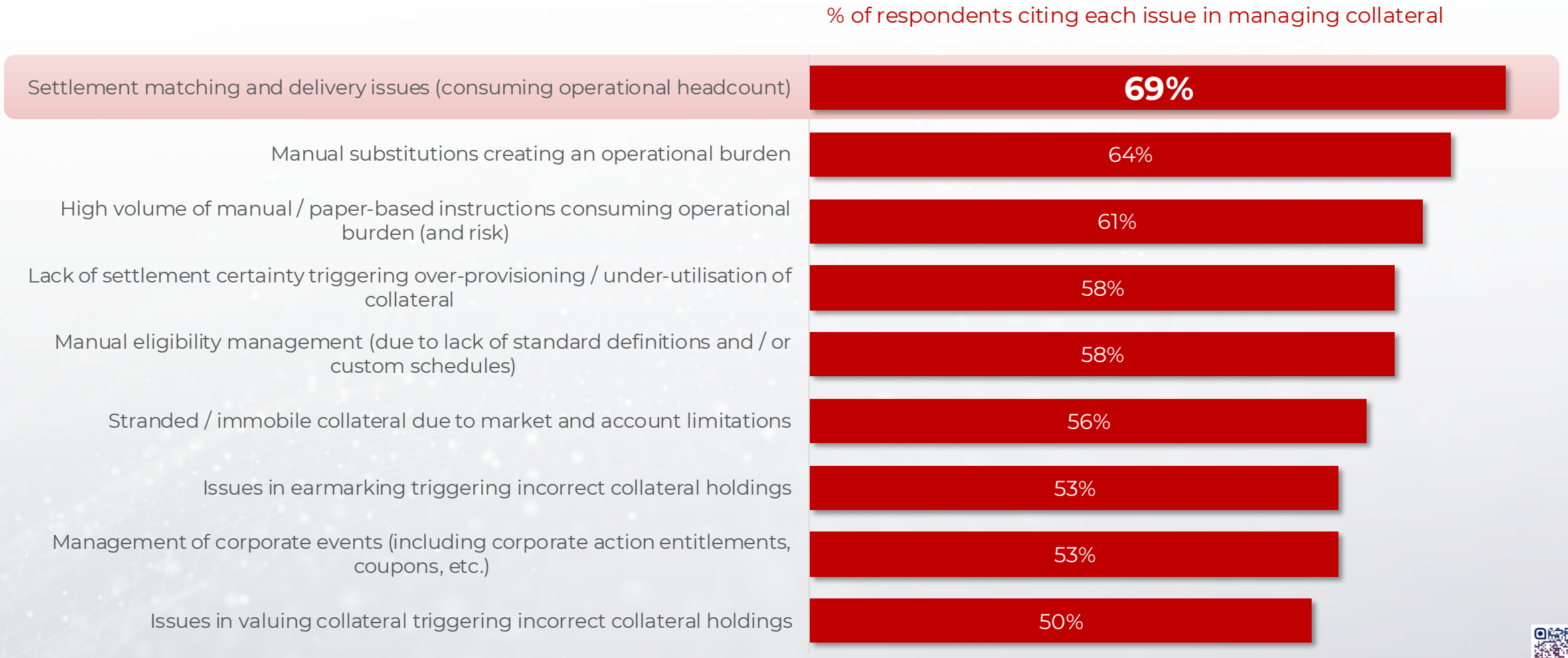
Average breakdown of the costs of a transaction

Operational costs make up...
57% of an OTC derivative transaction
50% of a Securities financing transaction



Operations Challenge 2: Delivery

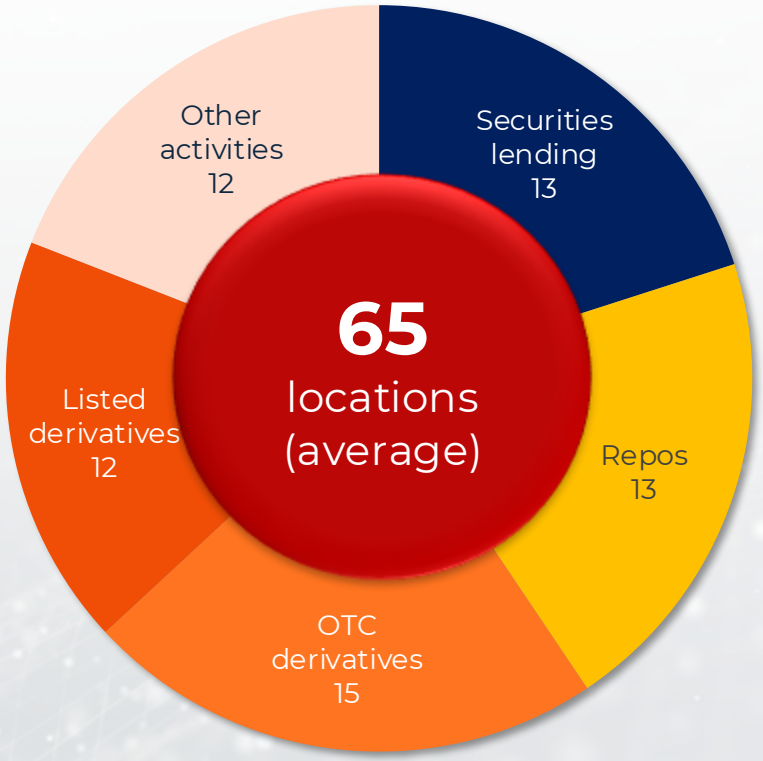
Almost 70% of respondents struggle to manage collateral delivery today



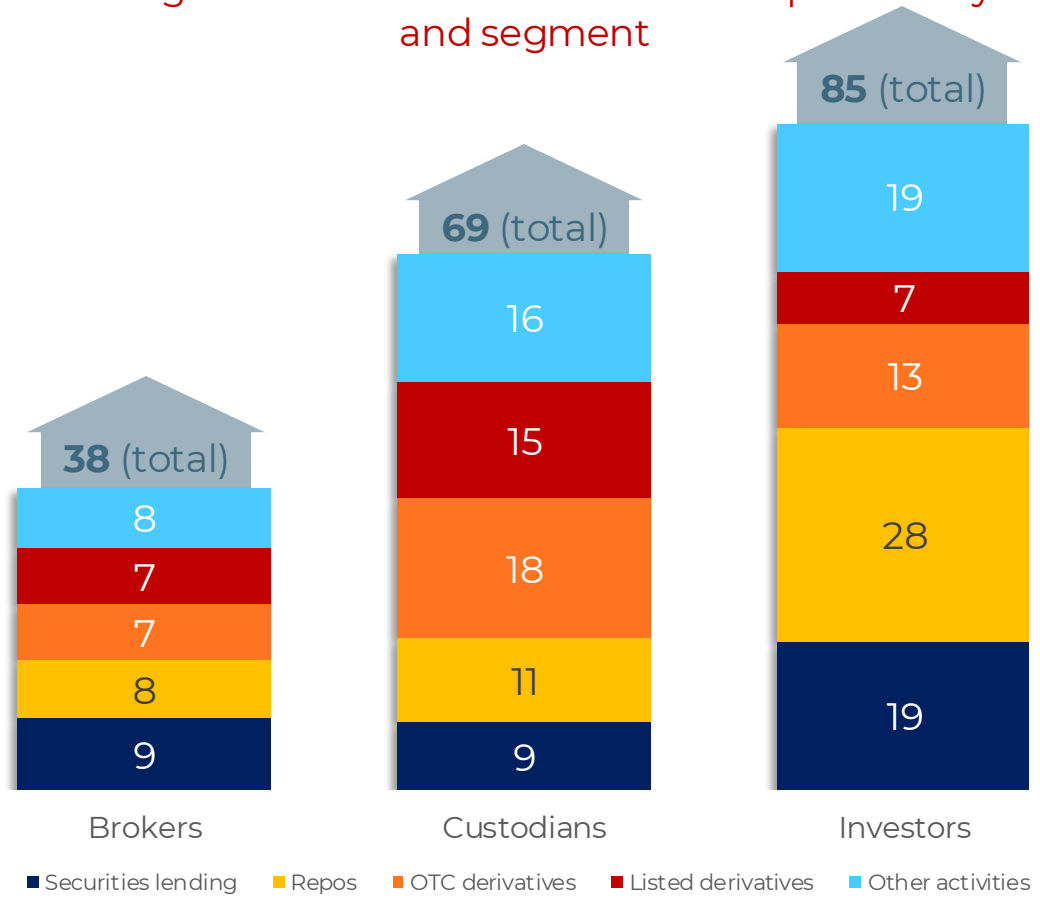
Operations Challenge 3: Complexity

Firms have to manage collateral delivery issues across up to 65 locations – with investors struggling the most

Average number of collateral locations per firm (custody locations)



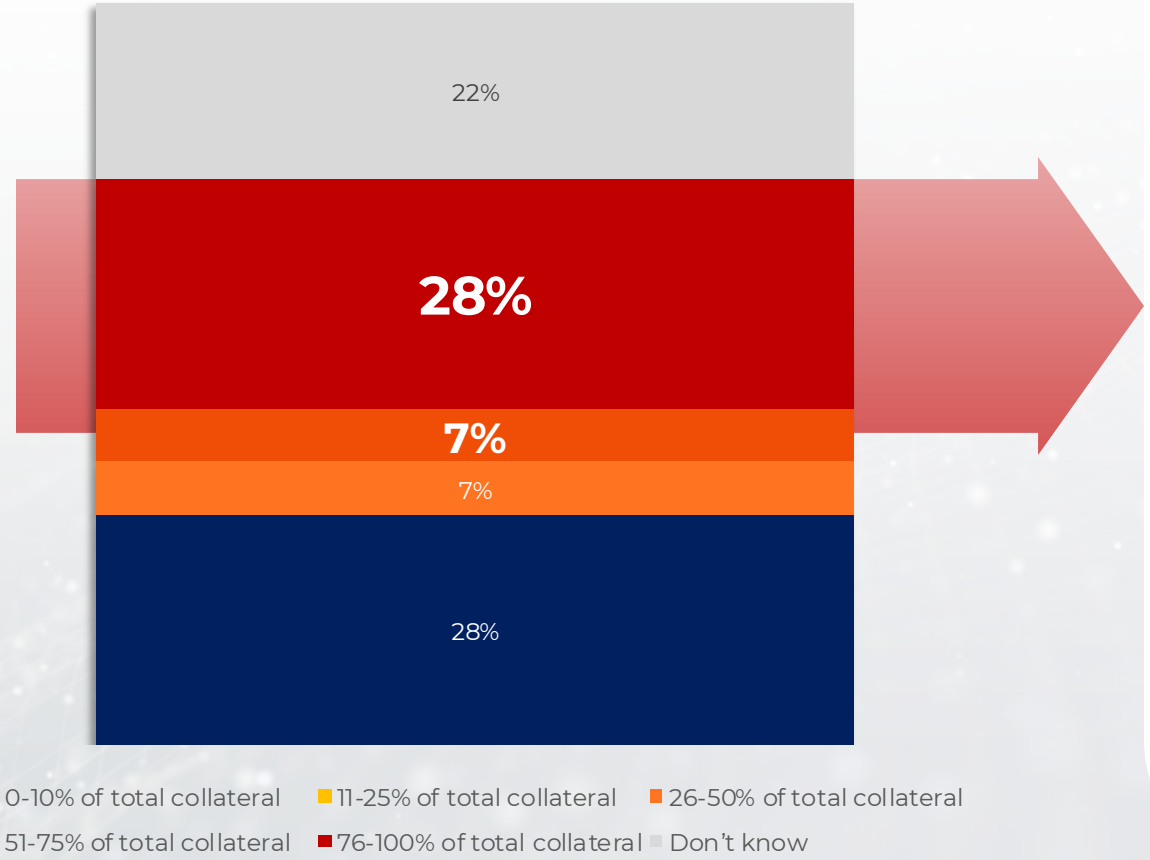
Average number of collateral locations per activity and segment



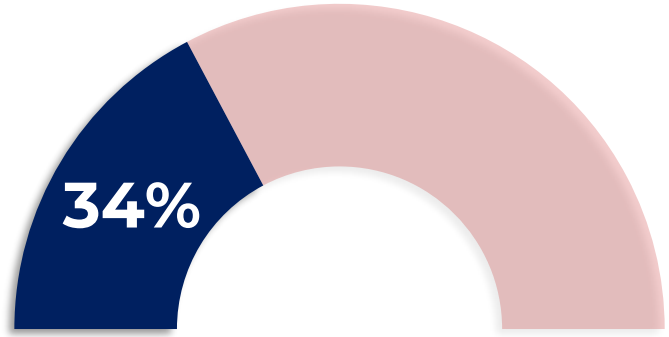
Treasury Challenge 1: Lost mobility

Delivery issues are driving 35% of firms to post more than half of their collateral overnight – only a third of which is remunerated

% of firms posting overnight collateral (by volume of overnight posting)



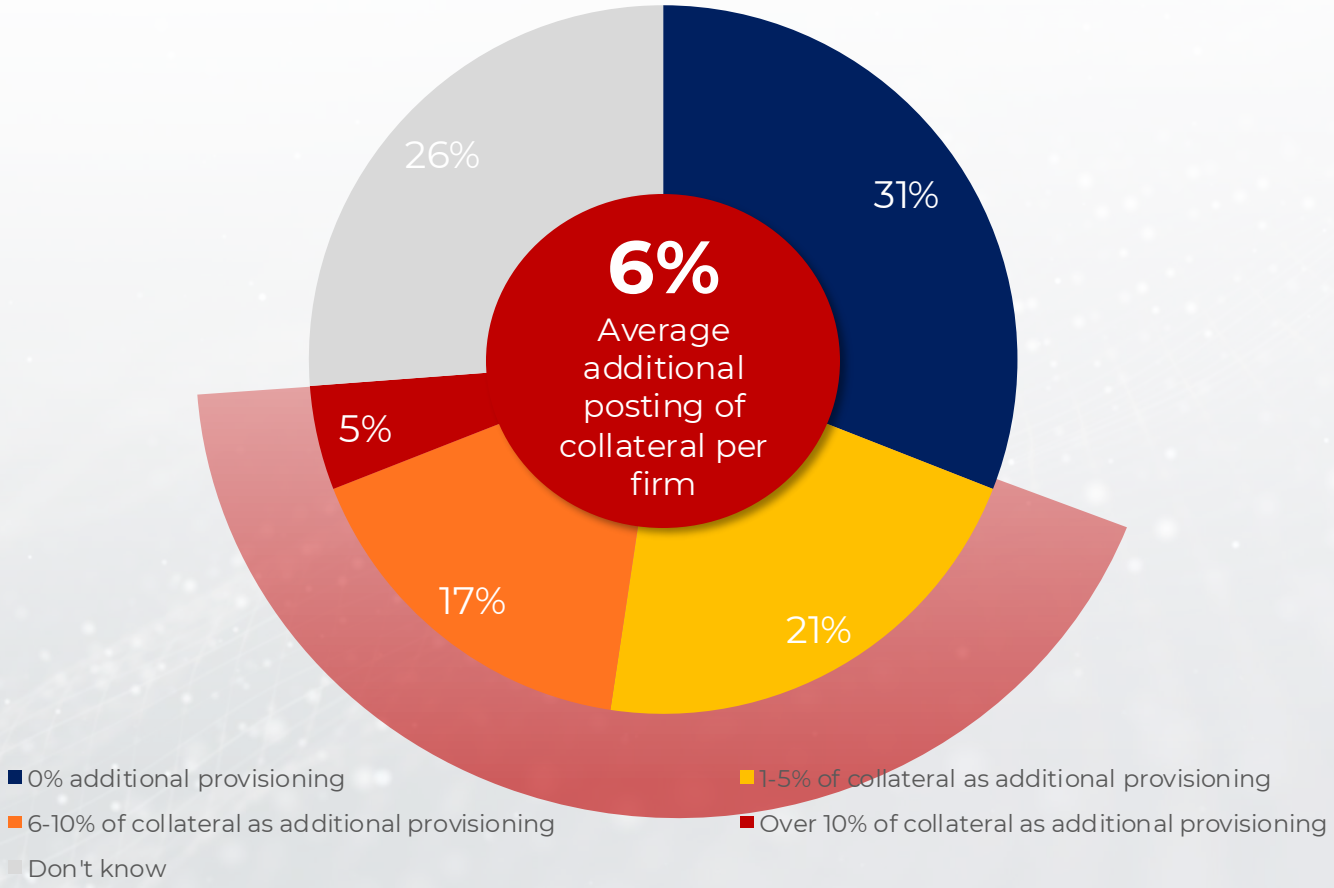
Average % of overnight margin that is renumerated



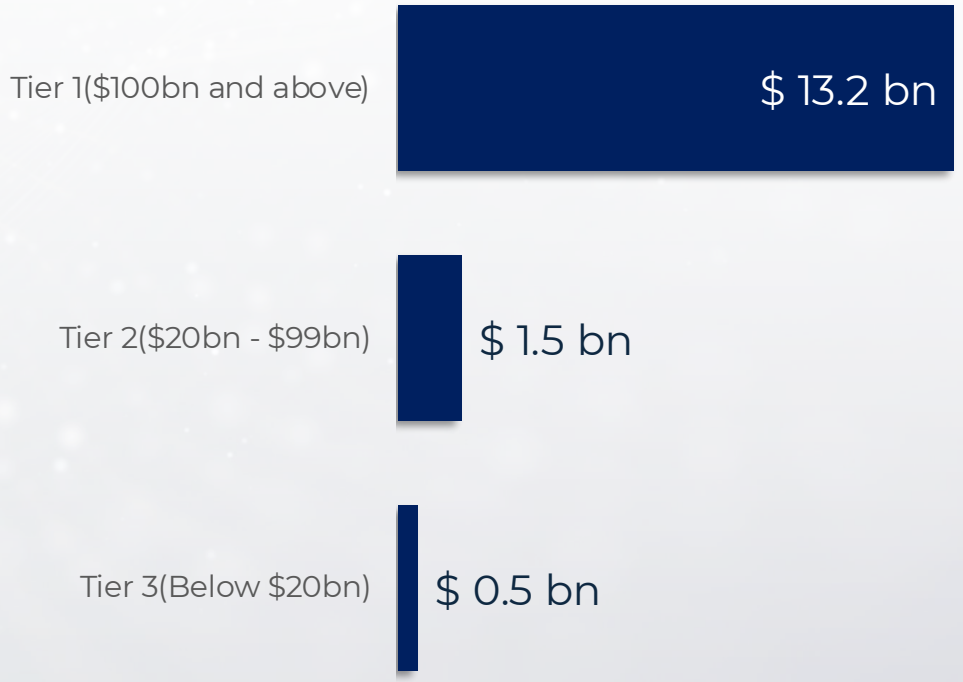
Treasury challenge 2: Over-provisioning

Delivery issues are driving the average firm to post 6% more collateral than they need to

% of respondents posting additional collateral as a provision for failed deliveries



Average Additional Collateral Posted (USD by firm tier)

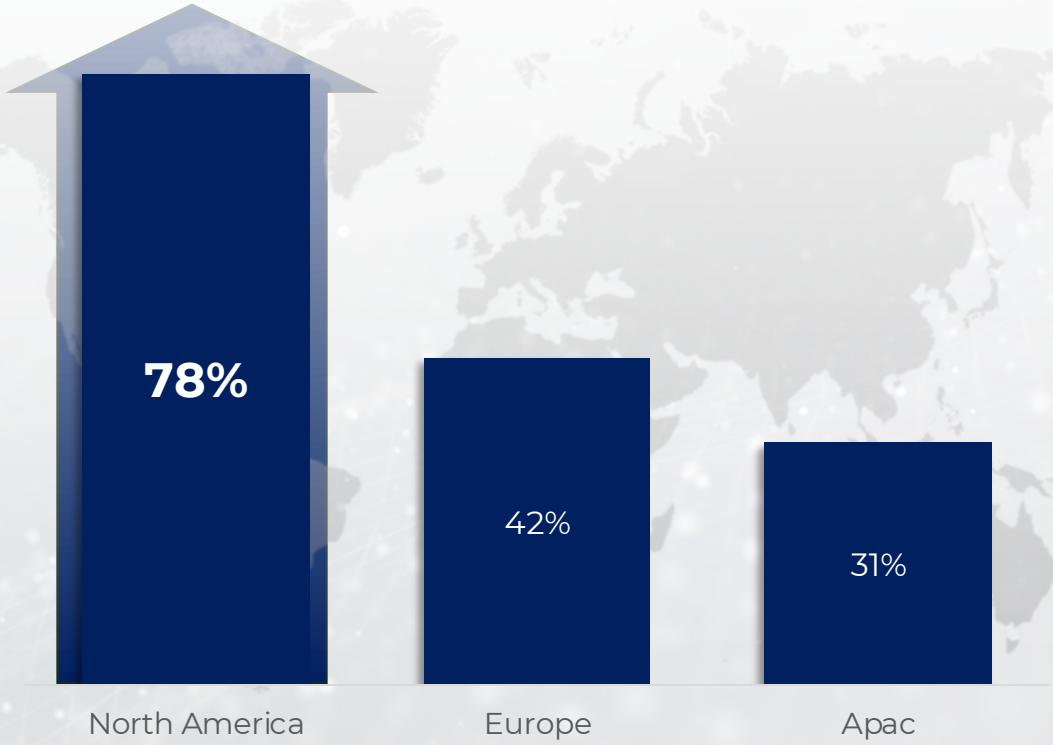


02

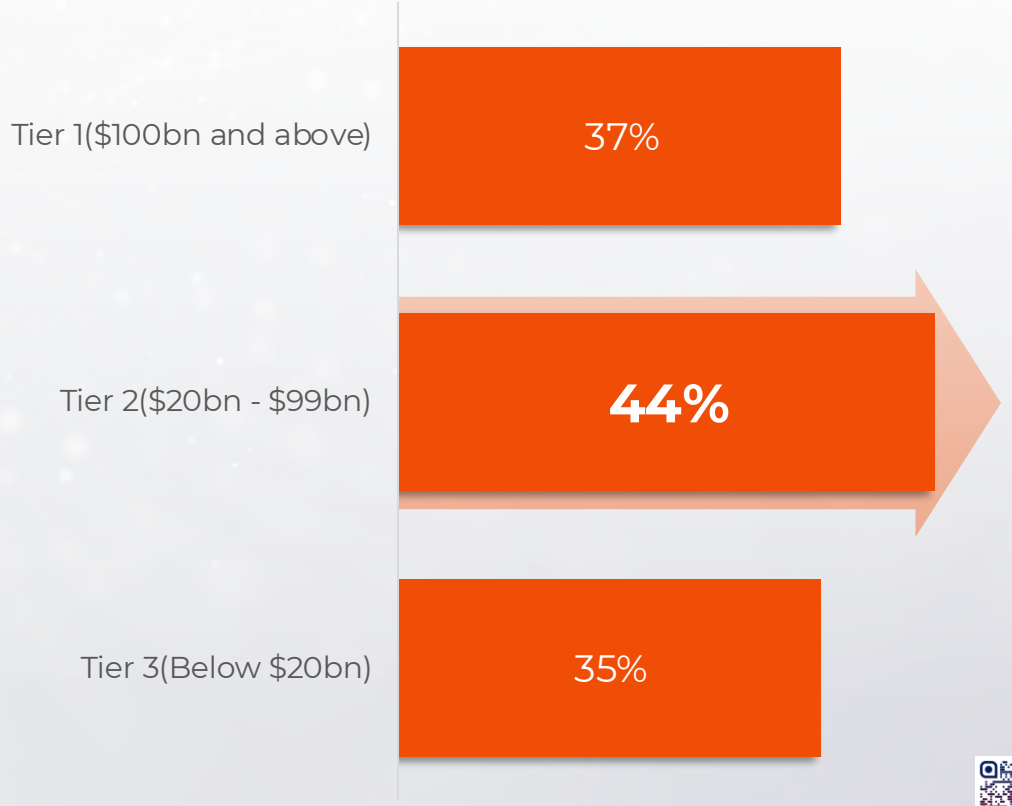
The case for tokenisation

Almost 80% of firms in North America expect tokenised collateral to have a major impact – mainly in the mid tier

% of respondents expecting tokenised collateral to have a significant impact on their business (by firm tier)

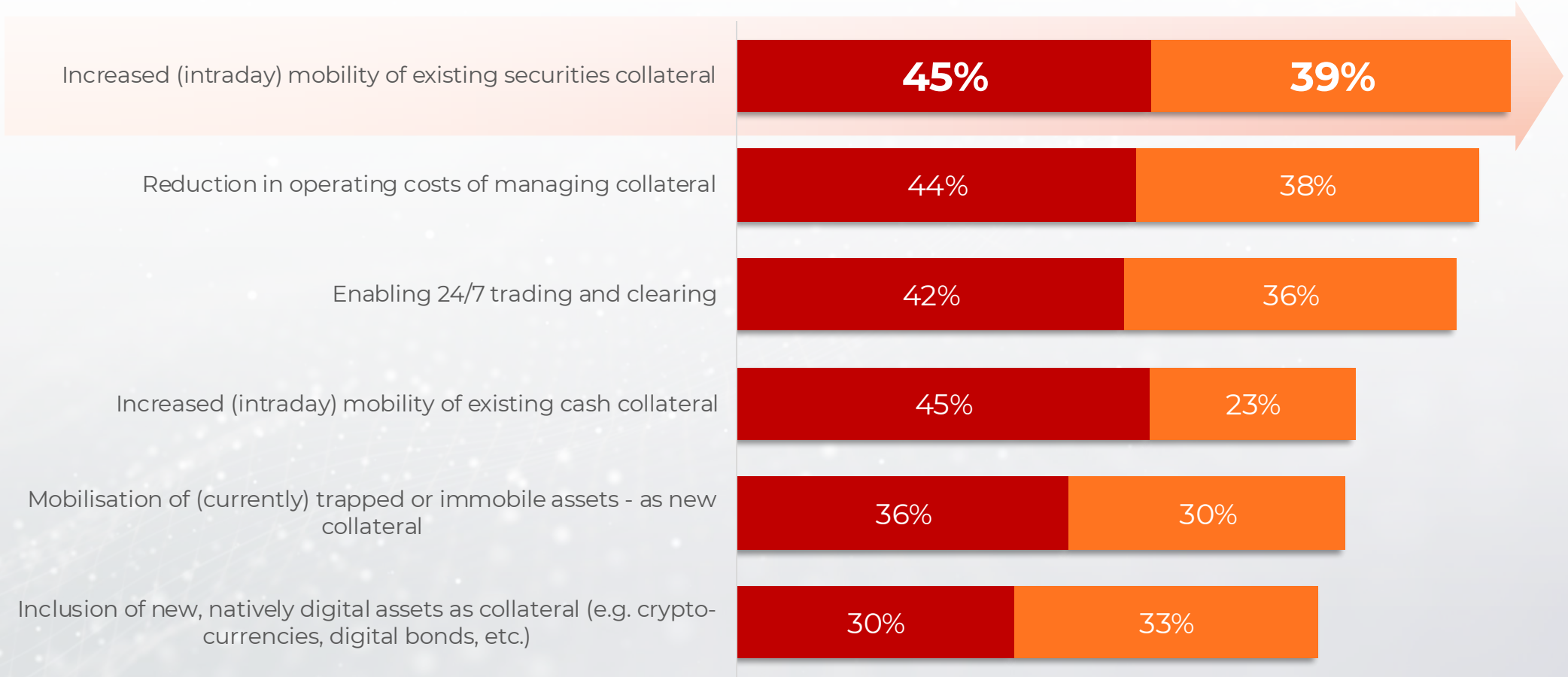


% of respondents expecting tokenised collateral to have a significant impact on their business (by firm tier)



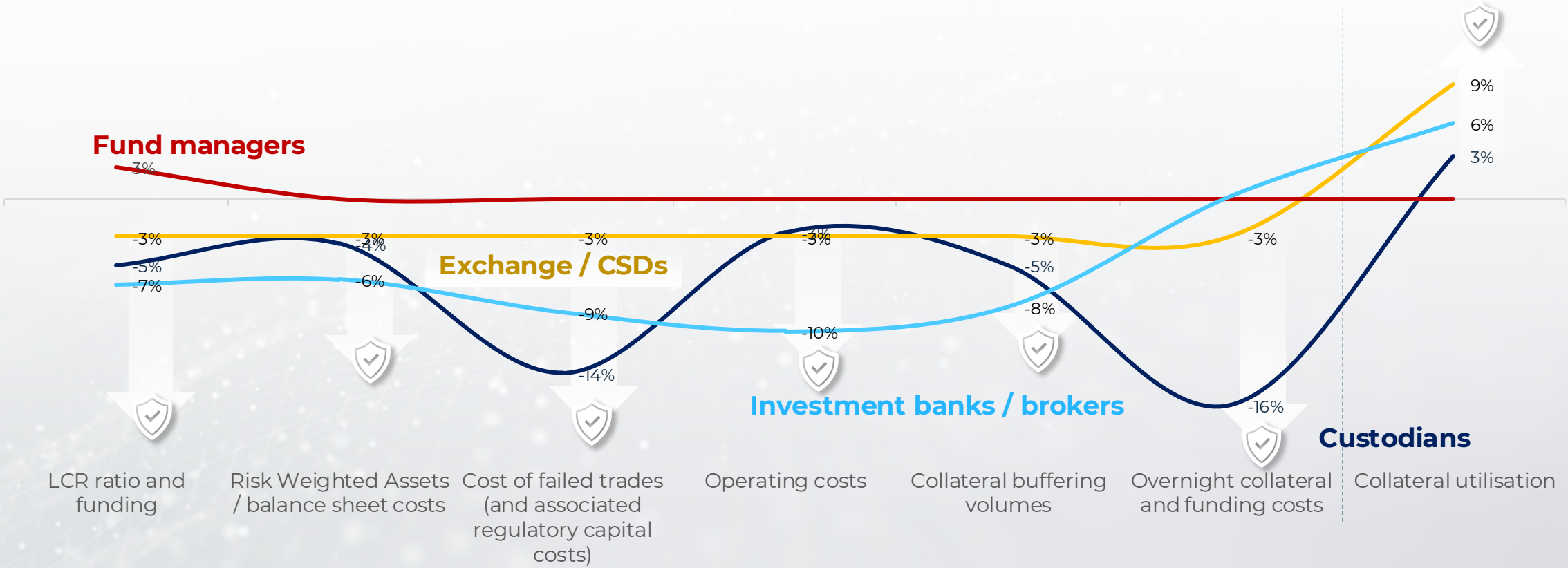
94% of firms believe that tokenisation will help to increase the mobility of their collateral

% of respondents expecting tokenised collateral to impact their businesses, by benefit and impact



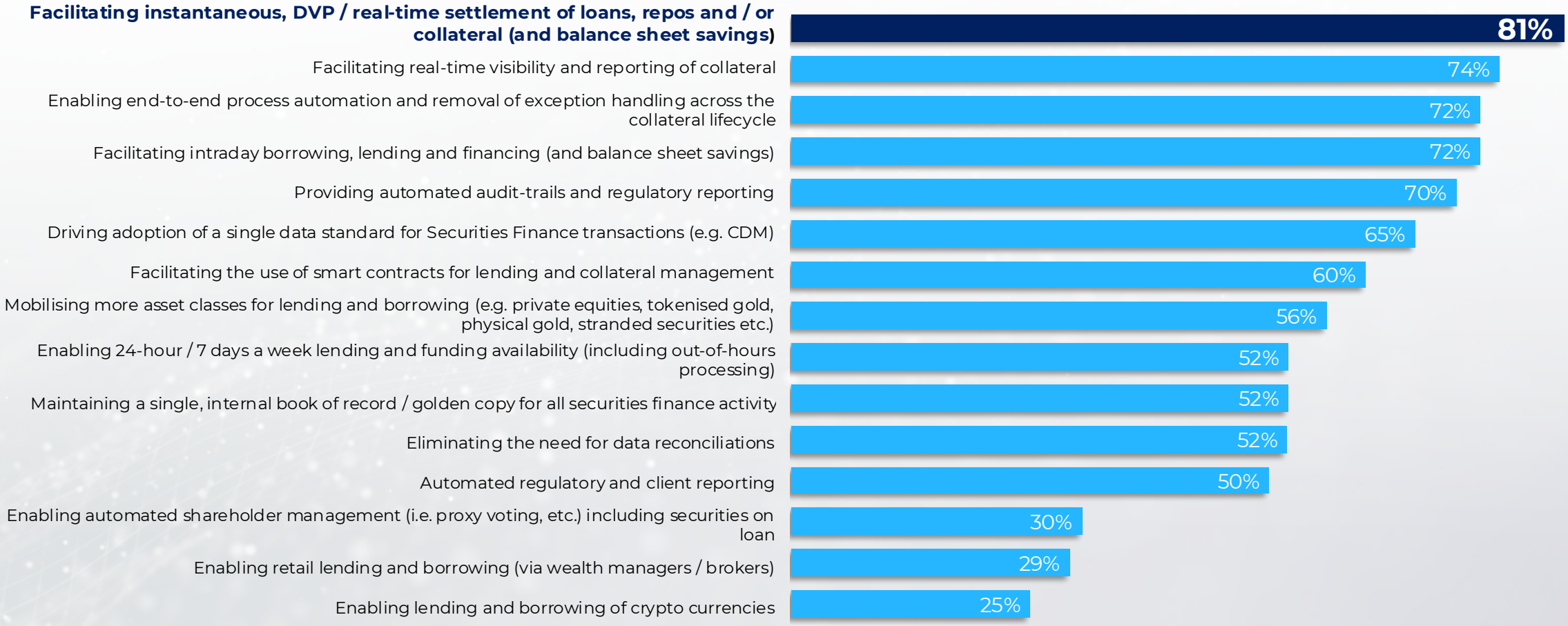
Expectations of collateral tokenisation vary significantly by segment: with custodians expecting a 16% reduction in overnight costs

Average expected impact of tokenised collateral on each activity



81% believe that instant DVP is the key feature of tokenisation

% of respondents expecting tokenisation to have a major role in realising the following benefits



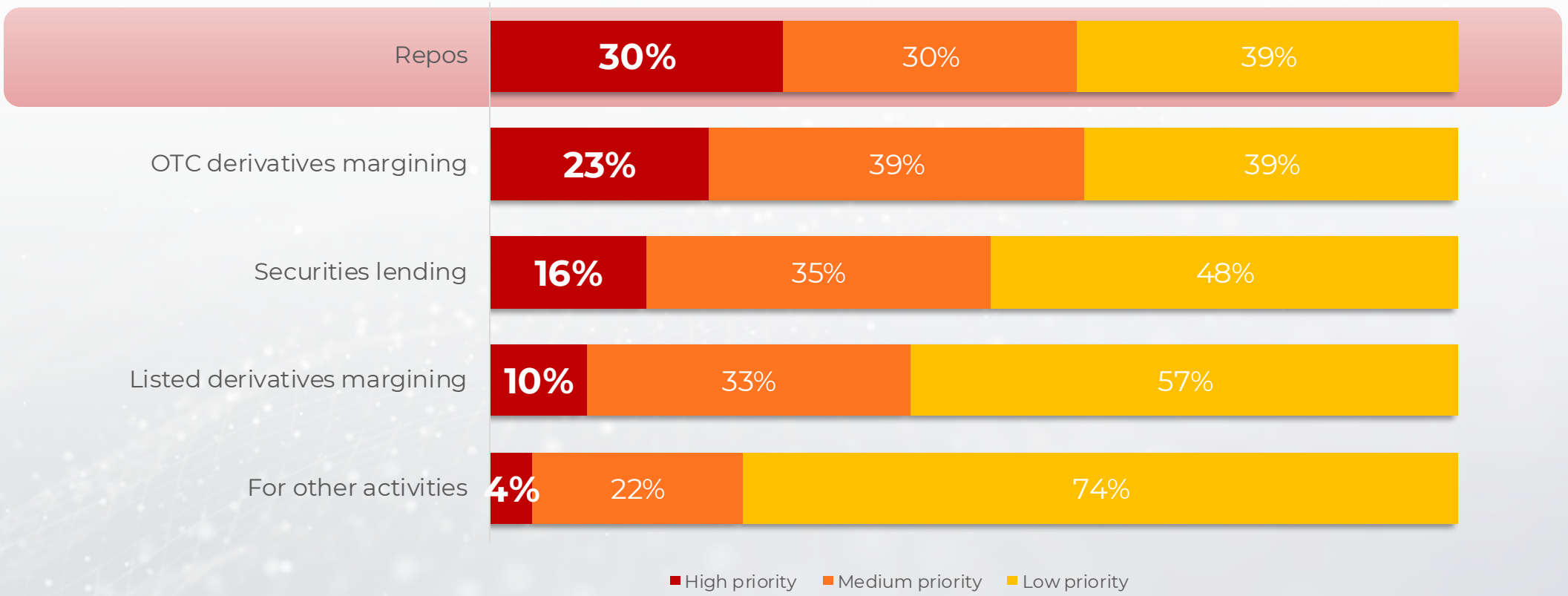
03

The tokenised collateral operating model

Where to use tokenised collateral?

30% of firms see repos as the highest priority activity for tokenisation

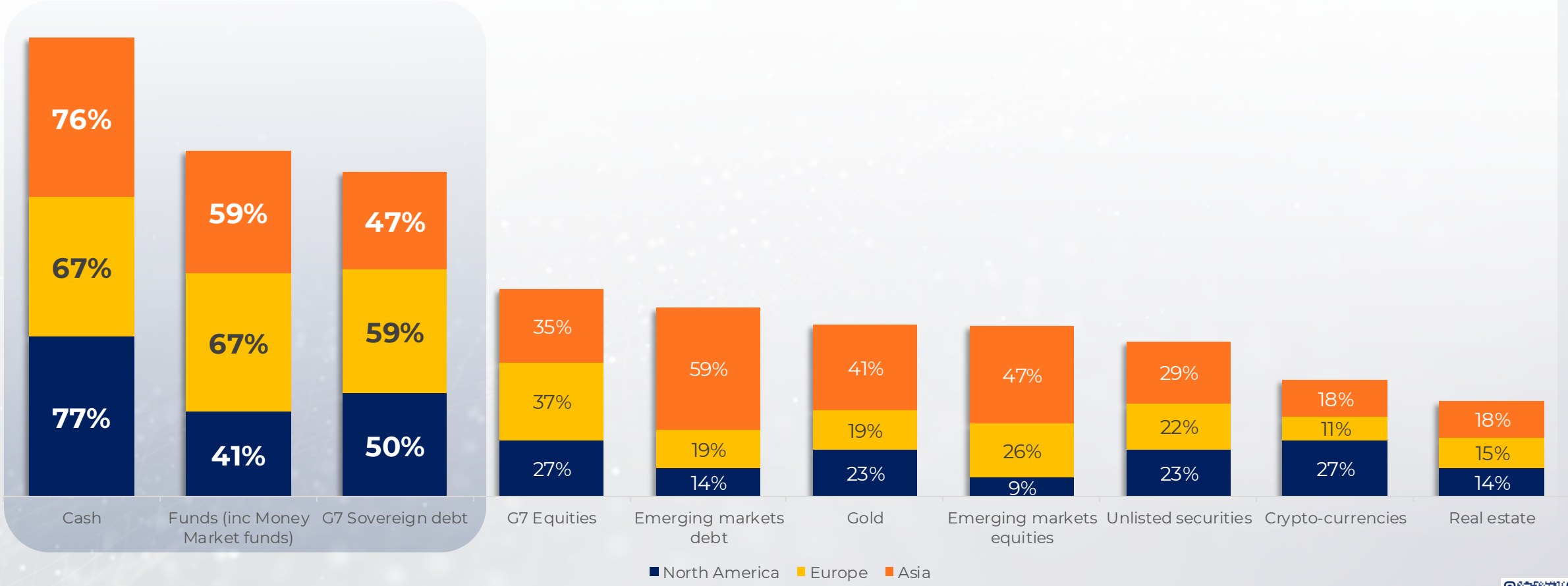
% of respondents citing each collateral activity by level of priority for tokenisation



What collateral to tokenise?

Cash, funds and HQLA are the core targets for 50% of respondents in every region

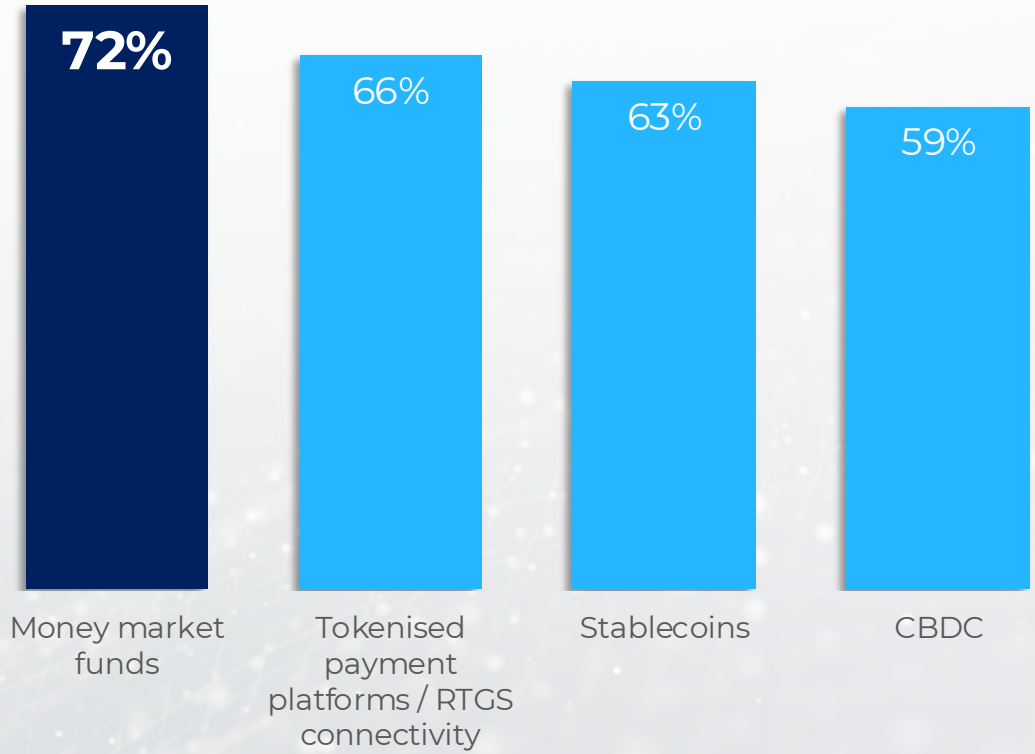
% of respondents in each region expecting to tokenise each asset class for use as collateral



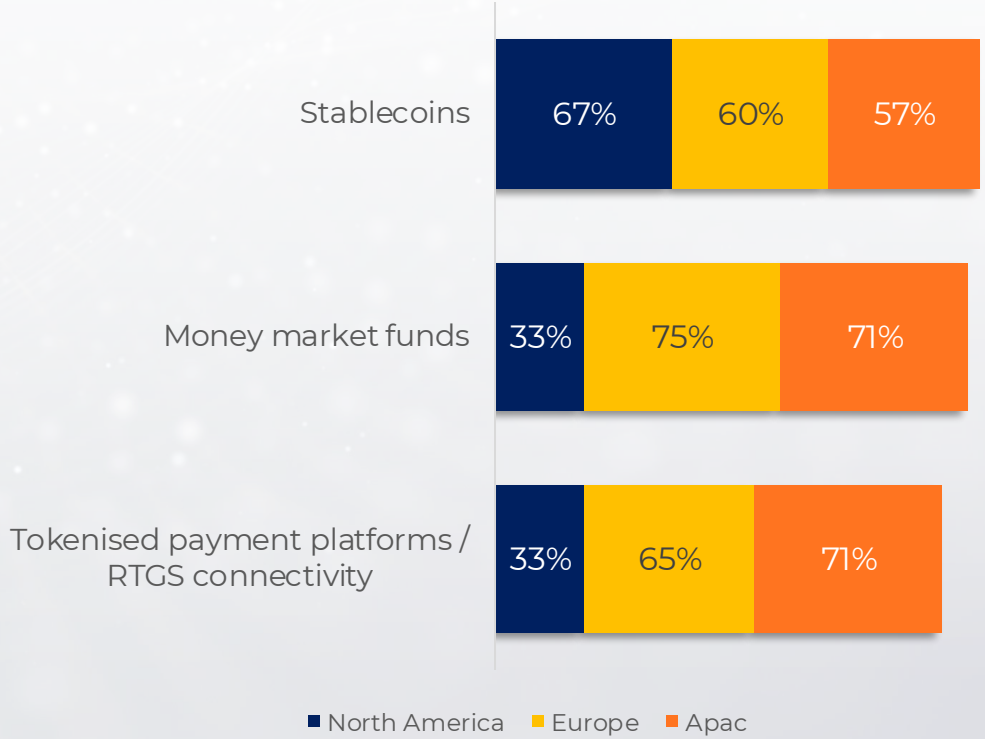
What digital money?

72% of firms would like to use tokenised money market funds as digital money – especially in Europe

% of respondents planning to use each form of digital money for their collateral movements



% of respondents planning to use each form of digital money for their collateral movements

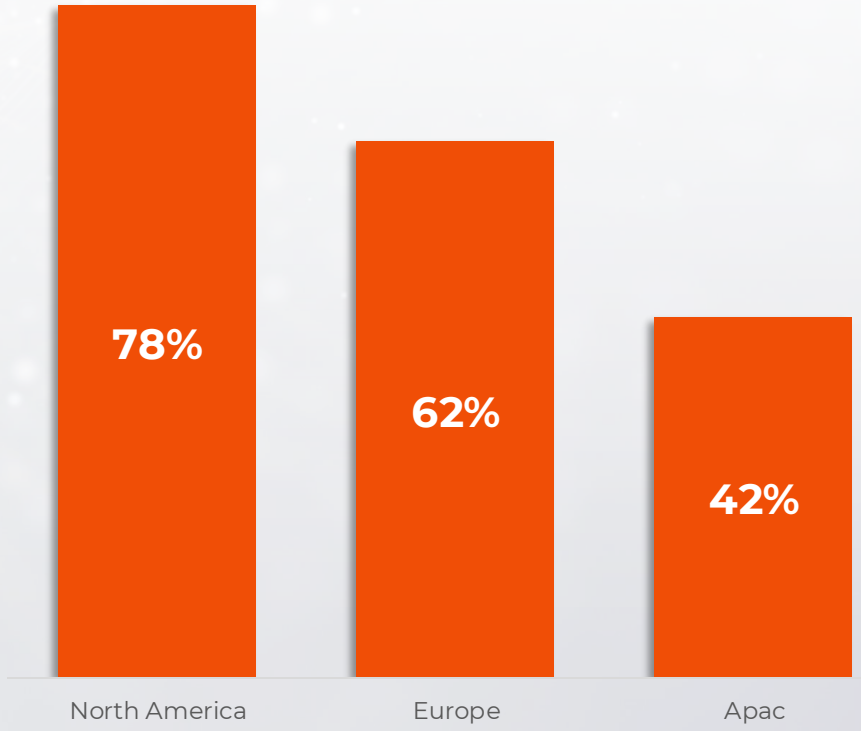


The role of the Common Domain Model?

70% see CDM as the foundation for digital asset representation on-chain

% of respondents who see CDM as playing a core role in delivering greater connectivity

% of respondents per region who see CDM as core to delivering greater connectivity



04

Taking first steps

80% of custodians expect to be live tokenising collateral by the end of 2026

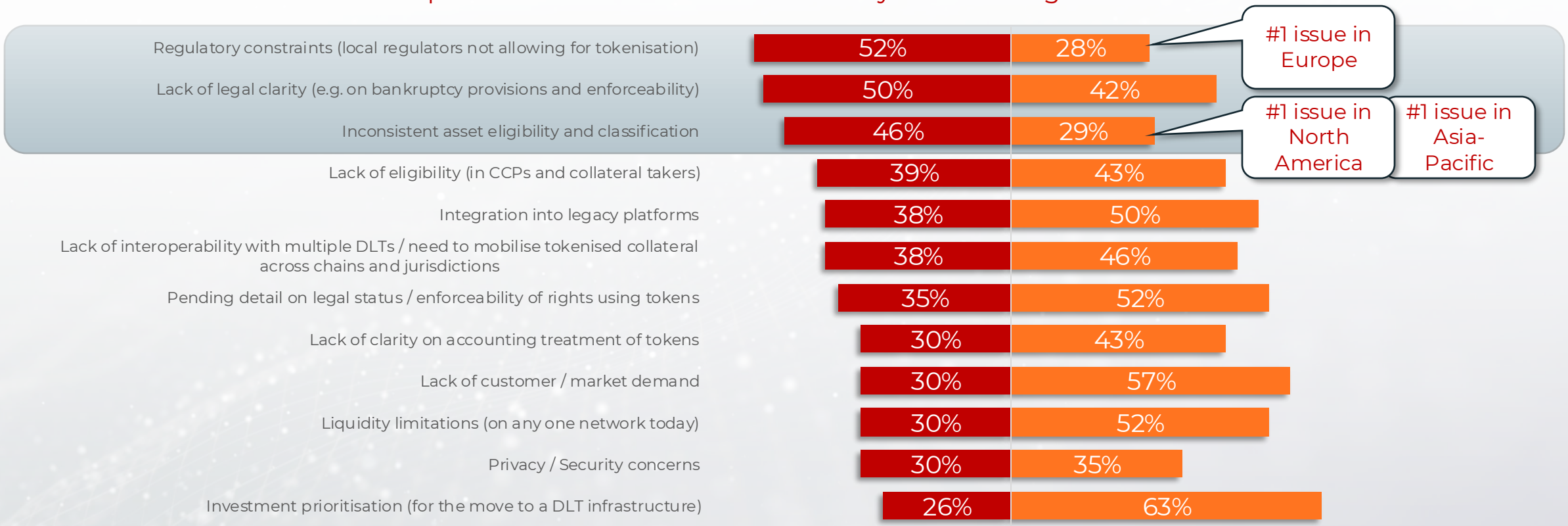
% of respondents by segment citing plans to tokenise collateral in the coming years

	2025	2026	2027	2028 and beyond	No idea or Never
Exchanges / CCPs / CSDs	**40%**		20%	20%	20%
Custodians	33%	**47%**	7%		13%
Brokers	17%	28%	6%	28%	23%
Investors	17%	33%	17%		33%
Technology provider		**46%**	23%	8%	23%

Why not more?

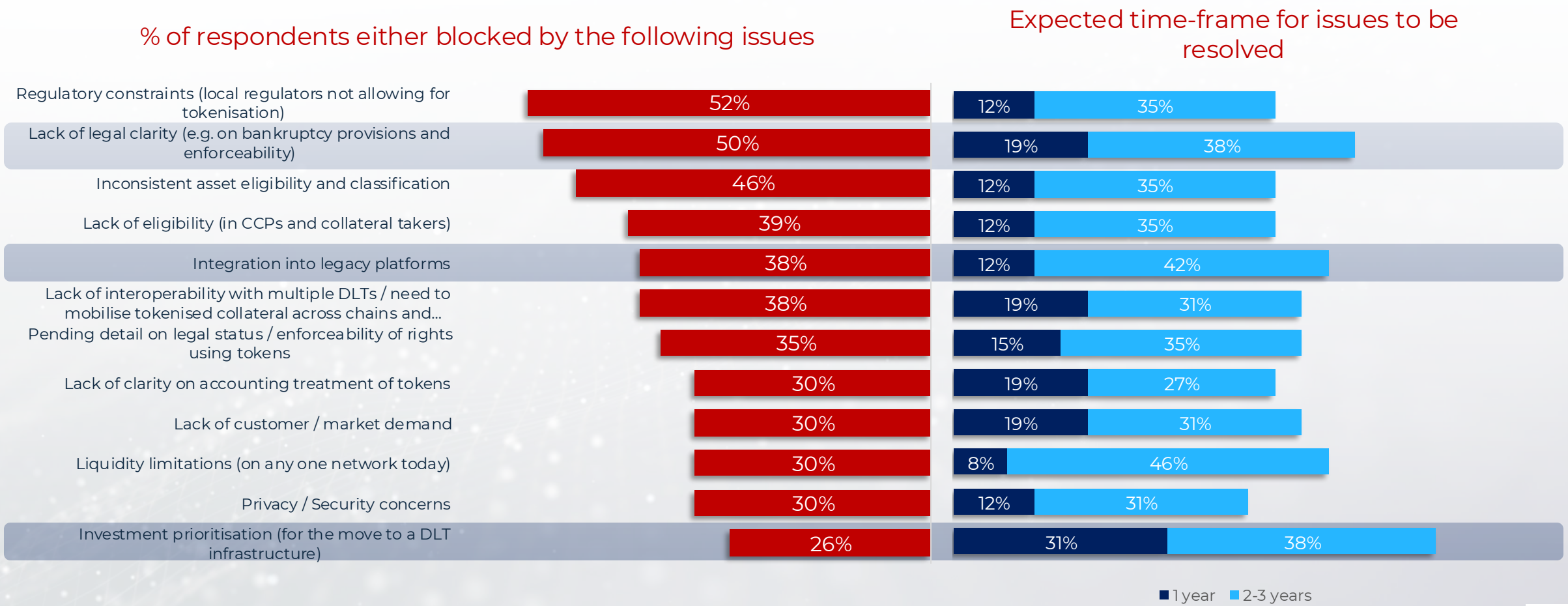
Legal clarity on tokenisation and on enforceability are holding back more than 50% of firms, before they can move onto operational issues

% of respondents either blocked or slowed by the following issues



When do we expect the key issues to be resolved?

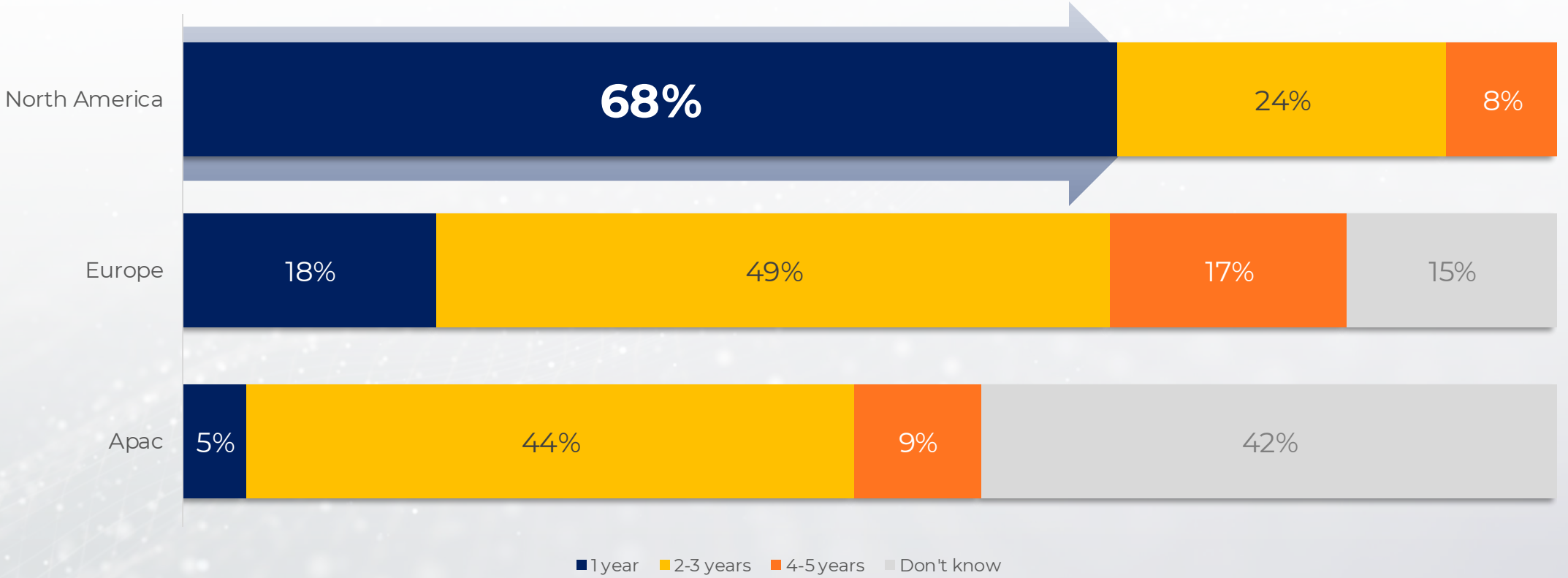
Up to 69% of respondents expect progress on legals, legacy and on the business case soon



When do we expect to be able to progress?

68% of North American firms expect to be making substantial progress on tokenised collateral this year

% of respondents by region expecting core issues with tokenised collateral to be resolved, by year



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Thank you!

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