



# Volatility Drives Discipline, Not Retreat

2026 Institutional Investor  
Digital Assets Survey

March 2026

**EU & UK Perspectives**

 **EY** Parthenon  
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# Introduction

## **Recent market volatility has forced institutional investors to rethink their approach to digital assets.**

In a January 2026 survey of 351 institutional decision-makers, 71 of whom are located in the EU and UK, there was a clear shift toward greater discipline, more robust governance, and access via regulated products. At the same time, respondents continue to believe in the long-term prospects for the asset class: nearly three-quarters plan to increase allocations, and 74% expect crypto prices to rise over the next 12 months.

In the current environment, institutions are bringing increased rigor to their crypto investment practices. Nearly two-fifths (39%) have strengthened their emphasis on risk management, liquidity, and position sizing. In practice, this is translating into a higher “quality bar” for engagement, where robust controls, clear governance, and operational resilience matter as much as the investment thesis itself.

## **Across each of these topics, regulation remains both accelerator and gate.**

Greater regulatory clarity is the top driver (64%) among institutions that are planning to increase holdings in 2026.

## **This shift is also evident in how institutions prefer to access the asset class.**

Regulated products have become a default on-ramp for many investors, with nearly three-quarters (74%) reporting exposure via spot crypto exchange traded funds (ETFs) and exchange traded products (ETPs), vs. 65% in 2025. This implies that familiar wrappers, clearer compliance obligations, and well-defined investor protections are becoming table stakes for institutional investors.

Security and compliance have become paramount in choosing service providers, especially in custody. In 2026, 80% cite regulatory compliance as a key factor in selecting a custodian (21% in 2025), and security/key-signing protocols rose to 63% (6% in 2025). The key takeaway: Institutions are building durable operating models centered on governance controls and risk transparency, not short-term allocations.

At the same time, regulatory uncertainty is the primary concern when investing, particularly in the EU/UK, where it was cited by 86% of respondents, compared to 66% worldwide.

## **Stablecoins and tokenization are enabling scalable, risk-aware crypto participation while improving TradFi market structure.**

Stablecoins have moved beyond their traditional role in facilitating trading, with 85% of respondents using them, or interested in using them, for use cases including T+0 settlement, cash management, money movement, and 24/7 trading. As usage grows, firms are formalizing governance around counterparty and custody risk, reserve transparency, and 24/7 operations, so stablecoins can be integrated into existing frameworks without compromising controls.

There is significant interest in tokenization as well. Half of respondents are very interested in investing in tokenized assets, and the other half want to learn more. More than 60% expect tokenization to significantly impact market structure in the next three-to-five years..

**Taken together, the findings point to the next phase:** Broader participation, additional regulated access points, and higher institutional standards for risk, security, and execution — supported by scalable market infrastructure, including stablecoins and tokenization.



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# Background and methodology

## What we did

To continue learning how institutional investors think about digital assets (including sentiment, allocations, future expectations, tokenization, and payments), Coinbase and EY-Parthenon team conducted a survey of 351 institutional investors globally, including 71 in the EU and UK. This is a follow-up to the 2025 version of the survey with 352 institutional investors.

Survey participants included only decision-makers (e.g., COO, CEO, Head of Transformation) with a mix of respondents who have previously / are currently invested in digital assets (e.g., crypto, stablecoins, funds, trusts, derivatives), and those who have never invested but plan to invest in 2026.

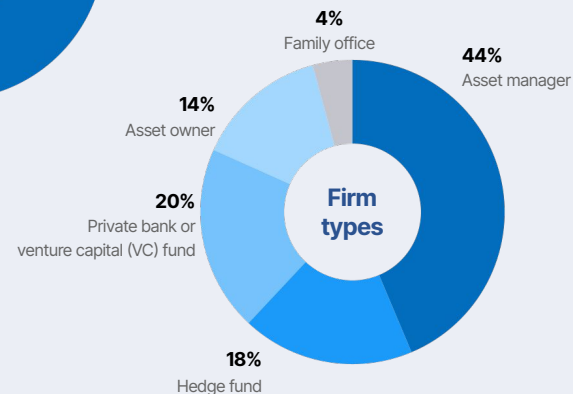
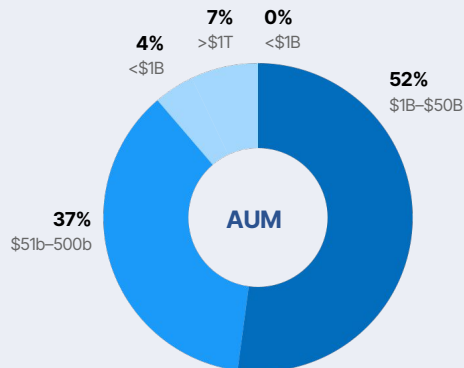
## Survey dates

January 13, 2026 – January 30, 2026  
January 13, 2025 – January 24, 2025 (provided for trend)

## Audience

- Findings<sup>1</sup> are based on a survey of n=351 institutional investors with influence over allocation decisions, prioritizing firms with >\$1B assets under management (AUM) USD (including 96% of respondents)
- This survey was focused on U.S. (60% of respondents) and Europe (20% in UK/EU), along with the remaining 20% representation across APAC, LatAm, and Africa (Rest of the World, or RoW)
- Respondents are currently invested, previously invested, or planning to invest in digital assets or digital asset-related products in the next 12 months

# EU/UK Respondent profile





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# Key takeaways for EU and UK, from 2026 Institutional Investor Digital Assets Survey

## ● Recent market volatility has compelled firms to sharpen risk management ↗

Digital asset investors in the EU and UK (39%) noted that recent market volatility has strengthened their firm's emphasis on risk management, liquidity, and position sizing

## ● ETFs/ETPs and other regulated vehicles have become the default "institutional on-ramp" to crypto exposure ↗

Three-quarters (74%) of digital asset investors get exposure via spot crypto exchange traded funds/products (ETFs/ETPs); 81% prefer spot exposure via a registered vehicle

## ● Institutional investors have maintained their conviction and plan to increase allocations to digital assets in 2026 ↗

Despite market volatility, investors continue to believe in the long-term prospects for crypto. Nearly three-quarters (73%) of respondents plan to increase their allocations to digital assets in 2026; ↗ 74% expect crypto prices to rise over the next 12 months ↗

## ● Regulation has helped catalyze investment into digital assets, but more clarity is needed to spur additional growth ↗

Among those planning to increase holdings in 2026, 64% note greater regulatory clarity as a key driver; ↗ simultaneously, 86% of respondents consider regulatory uncertainty as a primary concern when investing ↗

## ● Clarity on market structure is top of mind for investors ↗

86% of investors see market structure as the area most in need of increased regulatory clarity; in addition, 62% of respondents expect tokenization to have a significant impact on market structure ↗

## ● Institutions are demanding compliance and security from custodians ↗

80% of investors cited regulatory compliance as a key factor in choosing a custodian in 2026 vs. 21% in 2025; security / key-signing jumped from 6% to 63%

## ● Stablecoins are becoming "institutional plumbing" centered on settlement and treasury workflows, not just trading convenience ↗

85% of investors either already use or are interested in using stablecoins; key use cases include T+0 settlement (95%) and internal cash management and money movement (88%)

## ● Investors believe tokenization will begin to disrupt the current market structure framework in the near future ↗

62% of investors expect tokenization to have a significant impact on trading, clearing, and settlement over the next 3-5 years



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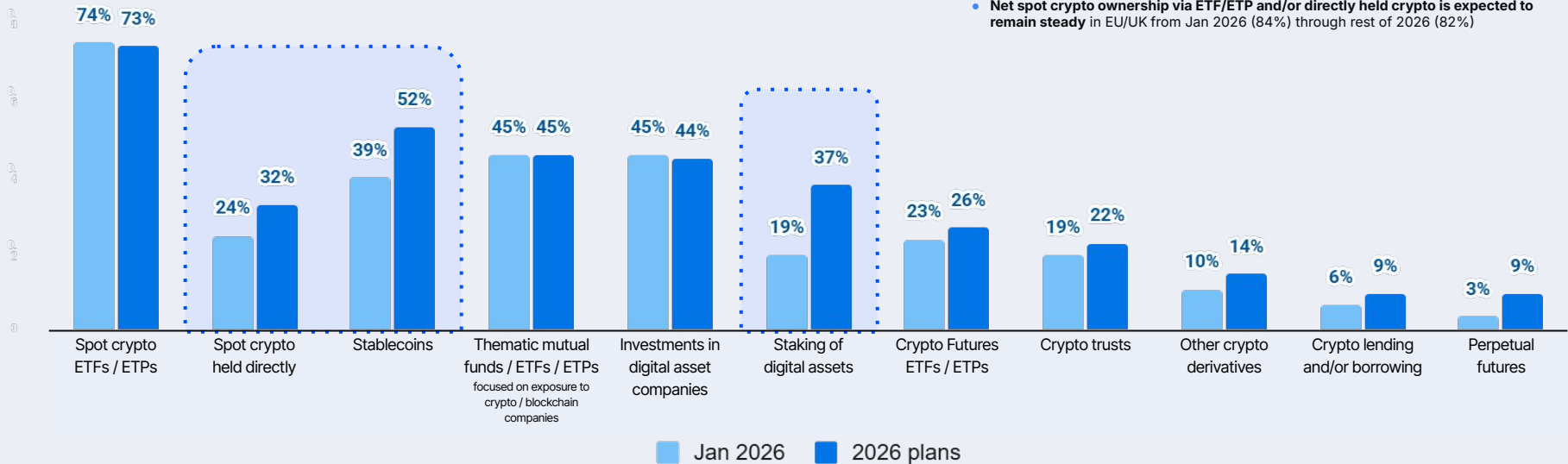
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Spot crypto ETFs/ETPs are expected to continue being the preferred method for crypto exposure in 2026; EU/UK investors plan to increase exposure to most investment types, particularly spot crypto, stablecoins, and staking

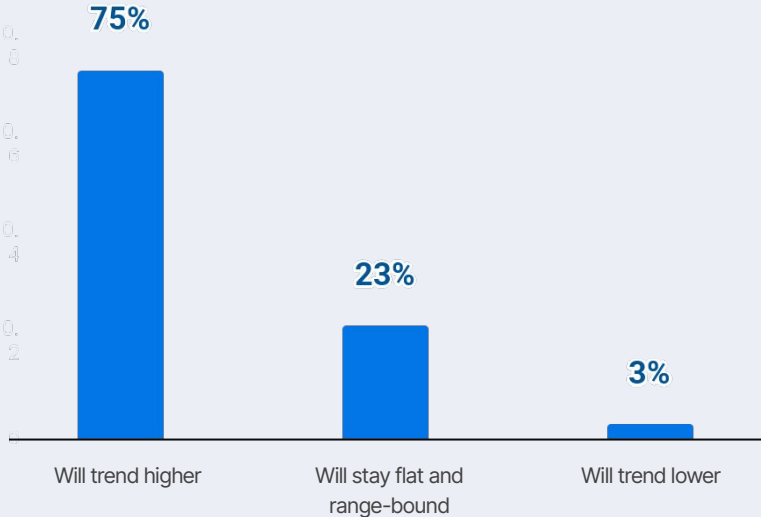
Among respondents currently invested in digital assets or crypto, what types of digital asset investments does your firm currently hold / plan to make in 2026?  
[EU/UK: n=62]



• Net spot crypto ownership via ETF/ETP and/or directly held crypto is expected to remain steady in EU/UK from Jan 2026 (84%) through rest of 2026 (82%)

# 75% of respondents the EU/UK expect crypto prices to rise over the next 12 months, with nearly 60% viewing crypto as a top 3 opportunity to generate attractive risk-adjusted returns

"I expect cryptocurrency prices \_\_\_\_\_ in the next 12 months." [EU/UK n=71]<sup>1</sup>



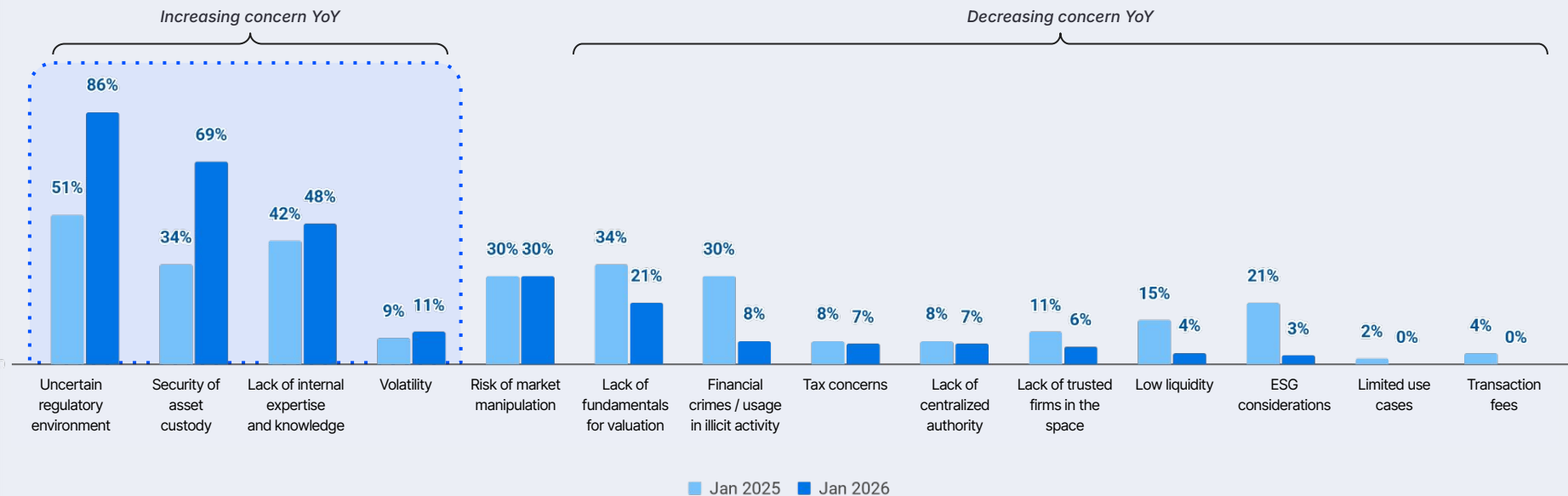
Thinking about the next three years, in which asset classes do you see the biggest opportunities to generate attractive risk-adjusted returns? Please select top 3. [EU/UK n=71]



\* percentage point change vs. 2025

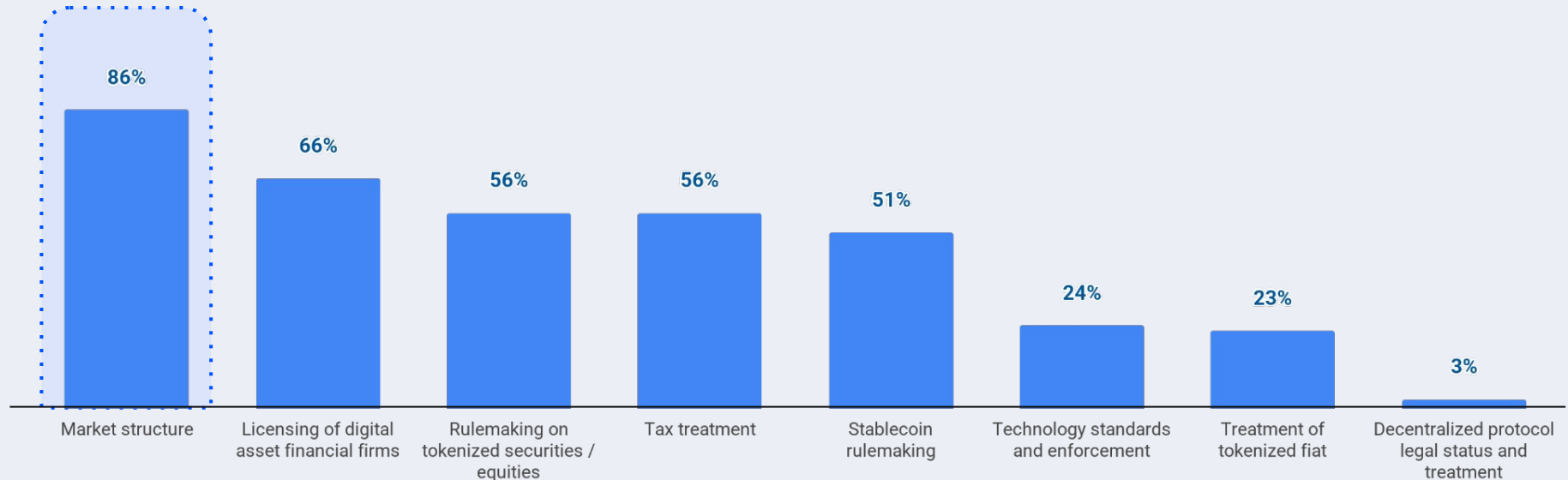
# Since January 2025, respondents have become increasingly concerned with regulatory clarity and custodial security

Which of the following do you consider to be the main concerns when investing in digital assets? Please select top 3.  
 [EU/UK: Jan 2025 n=97; Jan 2026 n=62]



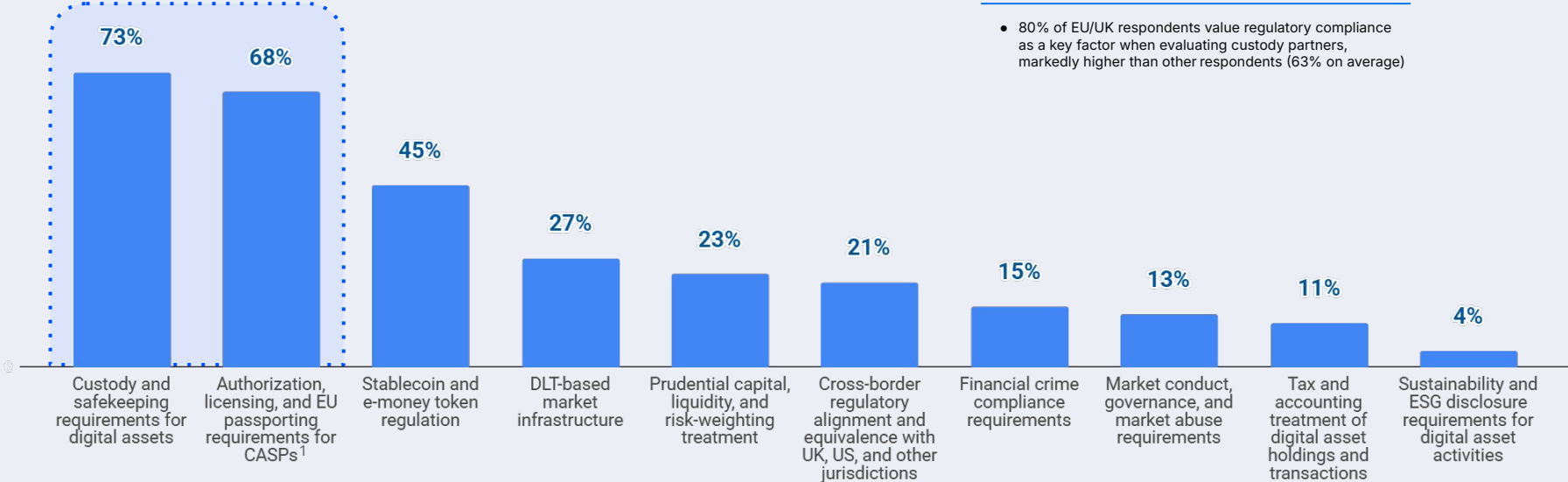
## More than four-fifths of respondents believe crypto market structure is the most important area in need of regulatory clarity

What do you see as the most important areas requiring regulatory clarity in the crypto industry? Please select all that apply. [EU/UK n=71]



# European respondents believe that custody / safekeeping considerations and authorization, licensing, and EU passporting CASP<sup>1</sup> requirements will have the greatest impact on digital asset strategy.

Among investors in EU/UK, which of the following regulatory topics are likely to have the most impact on your organization’s digital asset strategy over the next 2–3 years, in the context of evolving EU regulatory frameworks? [n=71]



- 80% of EU/UK respondents value regulatory compliance as a key factor when evaluating custody partners, markedly higher than other respondents (63% on average)



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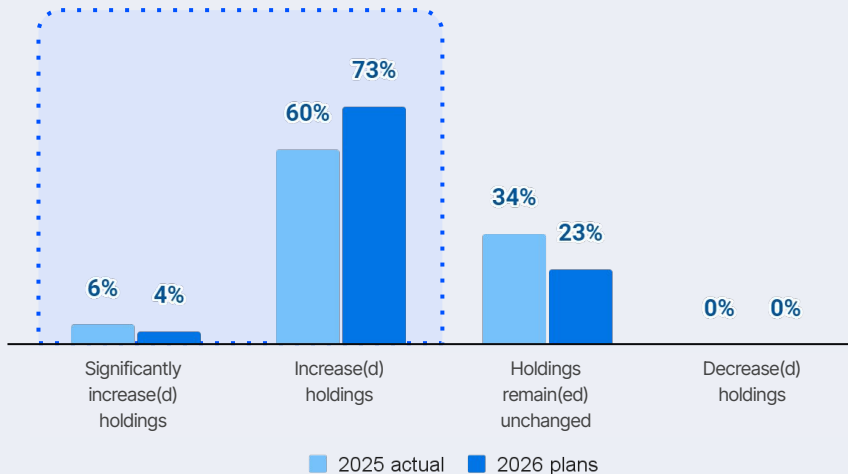
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# 77% of respondents intend to increase their digital asset allocations in 2026, driven by greater regulatory clarity, expanded availability of regulated products and improved infrastructure

1. Responses with <15% selection excluded from view: 'Increased investment in crypto by enterprise and/or government' (7%), 'A decrease in crypto valuations' (4%), and 'Geopolitical and/or macroeconomic instability' (4%)

How did your firm's allocation to cryptocurrencies, digital assets, or related crypto funds and products change in 2025? [EU/UK n=62]  
 How do you expect allocations to change in 2026? [EU/UK n=71]



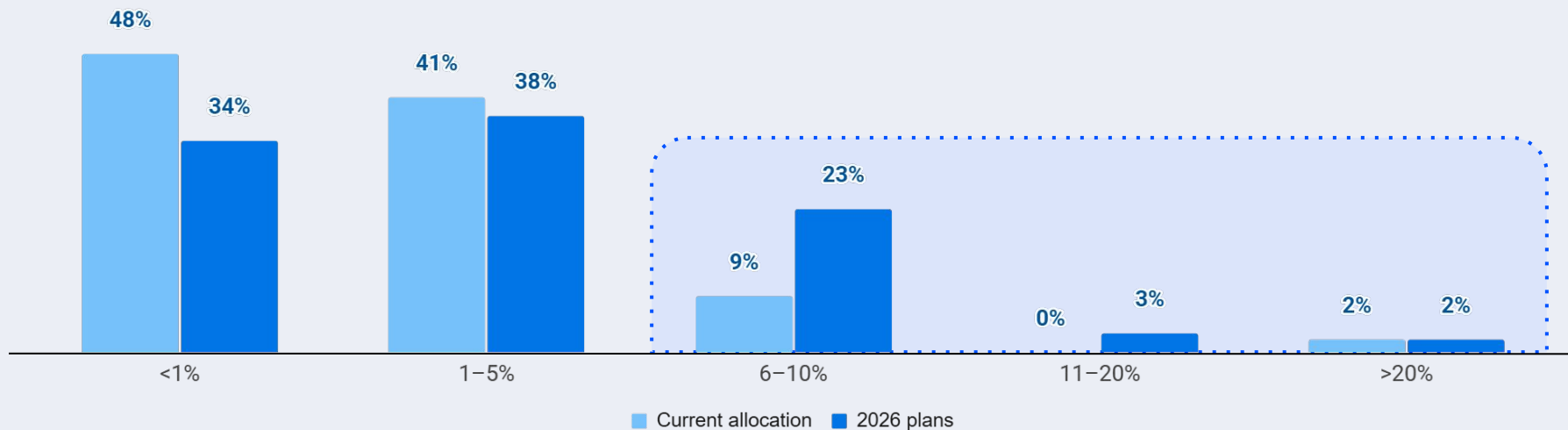
Among respondents who plan to increase holdings in 2026, what key market signals, conditions, or developments are driving plans to increase this allocation?<sup>1</sup> [EU/UK n=55]

- 64%** Greater regulatory clarity and confidence in compliance frameworks
- 58%** Expanded availability of digital assets in regulated vehicles (ETPs, funds)
- 40%** Improved institutional-grade infrastructure (custody, settlement, risk)
- 25%** Improved risk-adjusted returns and long-term performance outlook
- 25%** Stronger diversification benefits relative to traditional assets
- 22%** Increased client / beneficiary demand for digital asset exposure
- 18%** Increased adoption of blockchain-based utility (e.g., stablecoins, tokenized assets)
- 15%** Strategic alignment with long-term innovation or portfolio mandates

# The proportion of firms allocating more than 5% of AUM to digital assets is expected to increase from 11% to 28% by the end of 2026

1. Answer choice "Not sure or cannot discuss" is excluded from this chart, so totals may not sum to 100%

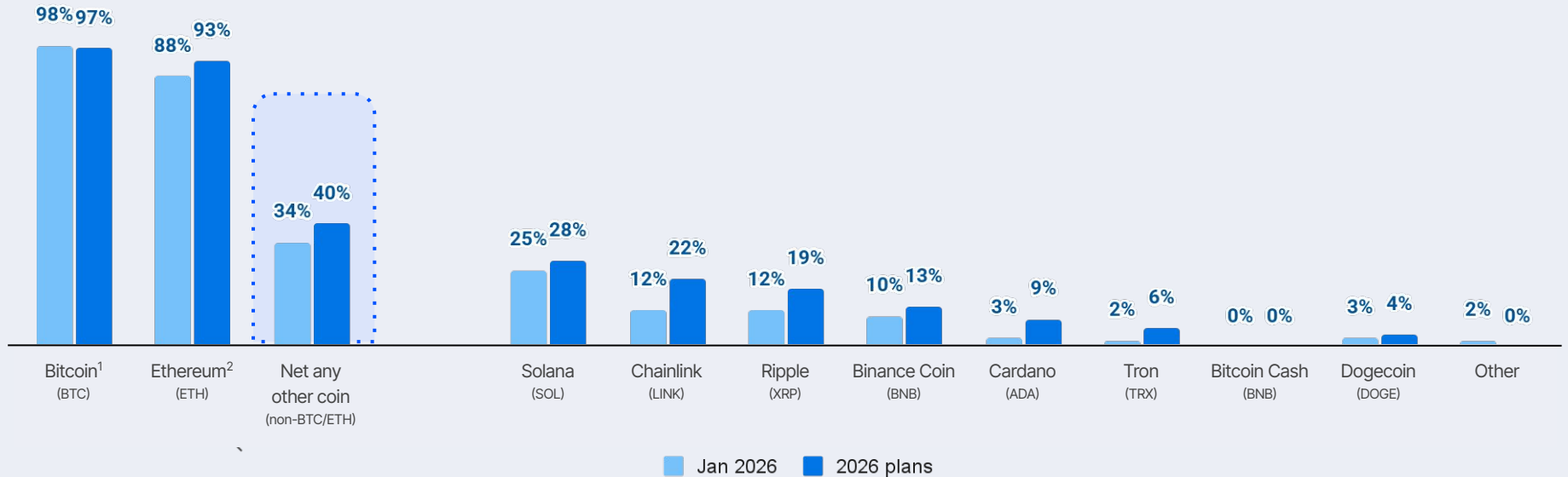
Among respondents currently invested in digital assets or crypto, what percentage of assets under management is your firm currently allocated / planning to allocate to cryptocurrencies, digital assets, or related crypto funds and products in 2026?<sup>1</sup>  
[EU/UK Current n=56; 2026 Plans n=65]



# The proportion of EU/UK investors holding non-BTC/ETH cryptocurrencies is expected to increase to 40% in 2026

1. Includes wrapped / beacon  
2. Includes wrapped / staked

Which cryptocurrencies are your firm allocated to currently / planning to add to its allocations in 2026?  
[EU/UK n=59; n=67]



# Almost 40% of respondents note that higher crypto volatility has led to increased emphasis on risk management, liquidity, and position sizing at their firm

1. Survey question is open-ended, with responses categorized by primary theme

How has the high volatility of crypto markets since Q4 2025 impacted your plans for 2026?1 [EU/UK n=71]

39%

Volatility has strengthened our emphasis on risk management, liquidity, and position sizing

25%

Volatility has caused us to slow down, delay, or keep allocations conservative

13%

Volatility has pushed us toward regulated or indirect vehicles (e.g., ETFs / ETPs)

10%

Volatility has created attractive opportunities, leading us to selectively increase exposure

6%

Volatility has shifted our focus away from direct crypto exposure to infrastructure, tokenization, or stablecoins

3%

Volatility has prompted more tactical, hedged, or market-neutral strategies

4%

Volatility has had little to no impact on our 2026 plans

“High volatility has reinforced a cautious phased approach focusing on regulated products, strong risk controls, and smaller position sizes rather than aggressive expansion..”

EU asset manager, \$1T+ AUM

“Volatile conditions have prompted us to align crypto planning more closely with broader financial and operational goals..”

EU hedge fund, \$1B-50B AUM

“While volatility has increase uncertainty, it has also created entry opportunities. So, our 2026 plans emphasize phased investments and rigorous due diligence .”

EU alternative asset manager, \$51B-500B AUM



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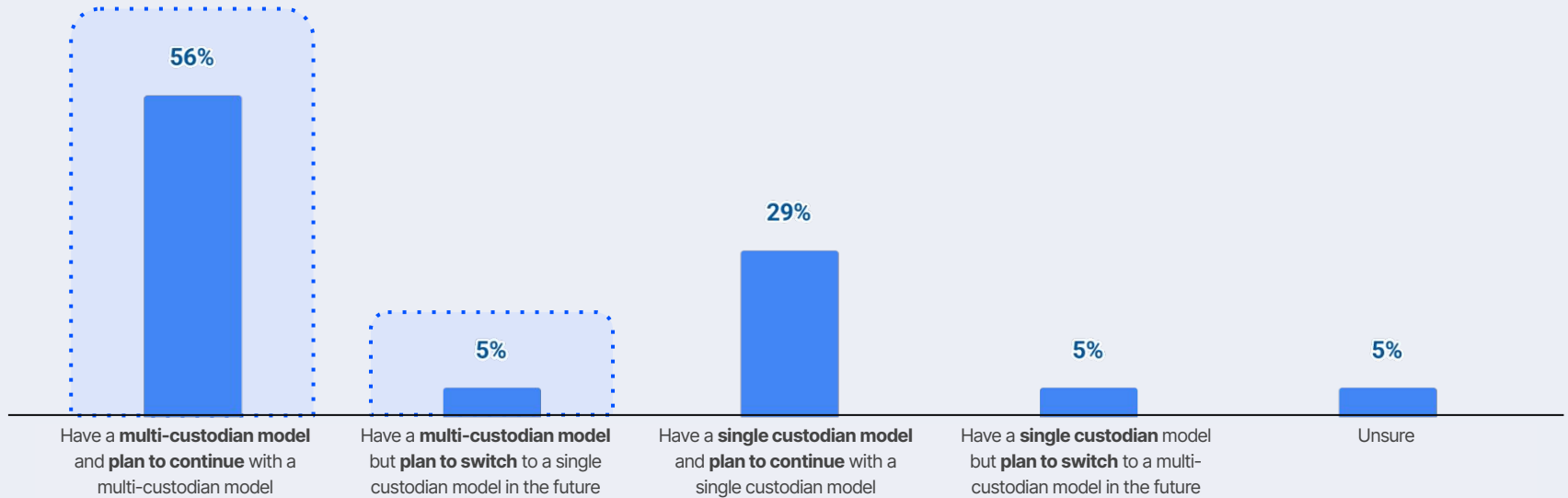
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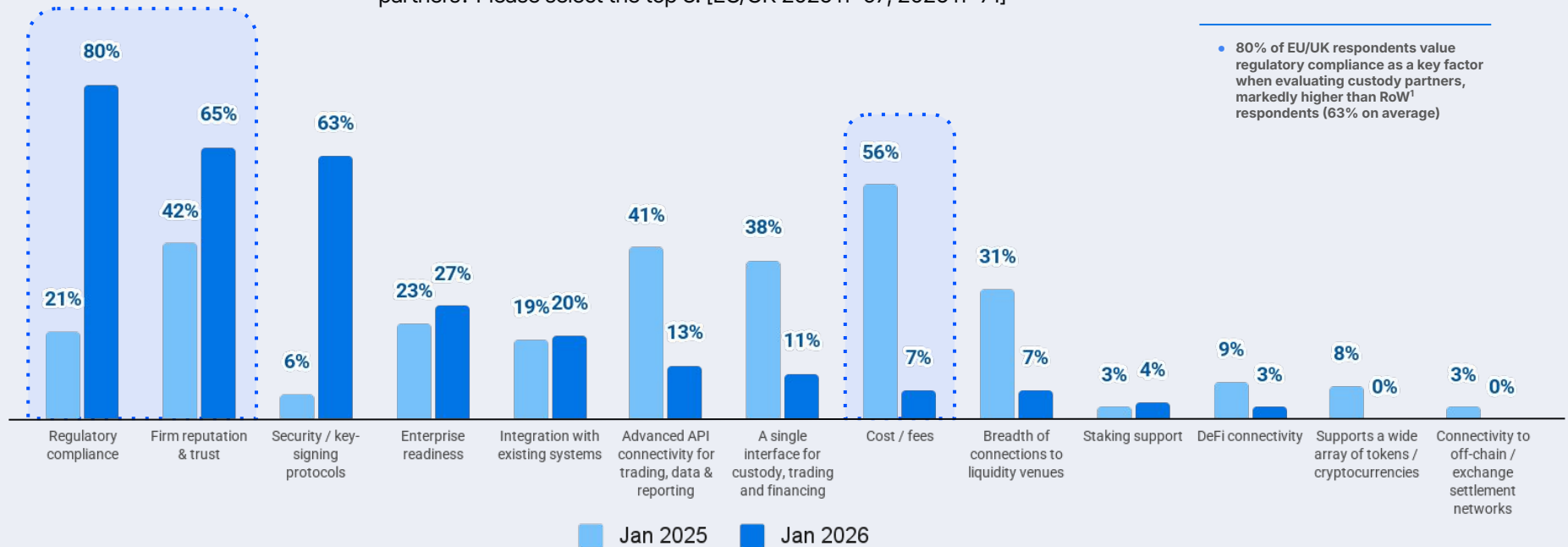
# 56% of respondents currently invested in digital assets use more than one custodian while 29% use a single custodian

Among respondents currently invested in digital assets or crypto, do you currently employ a single or multi-custodian model? (Note: multi-custodian model can include both outsourced and internal custody) [EU/UK n=62]



# Several factors have gained prominence when selecting a custody partner, particularly regulatory compliance, which has become even more important for EU respondents compared to those from rest of the world

What factors are most important to your firm in evaluating digital asset custody partners? Please select the top 3. [EU/UK 2025 n=97; 2026 n=71]



- 80% of EU/UK respondents value regulatory compliance as a key factor when evaluating custody partners, markedly higher than RoW<sup>1</sup> respondents (63% on average)



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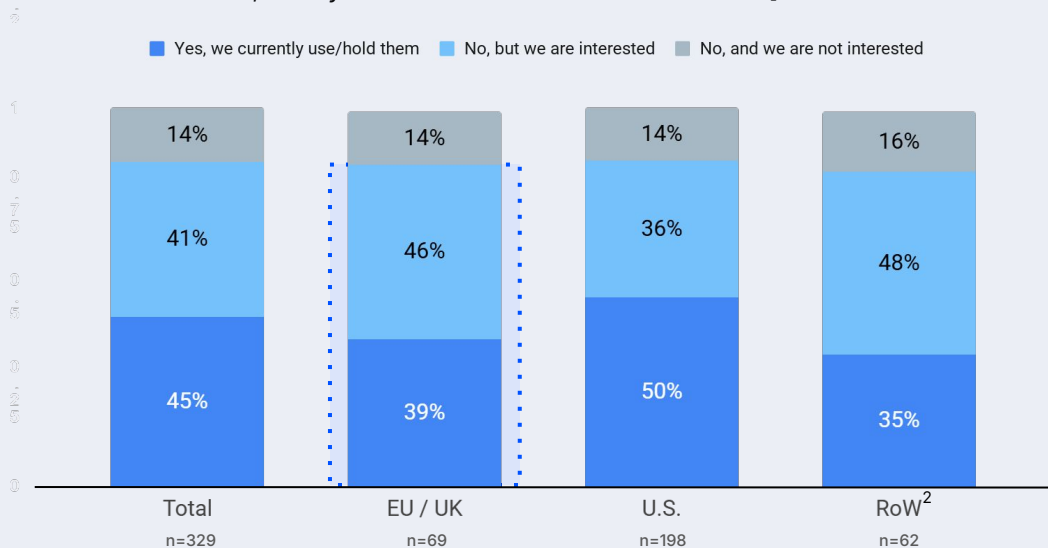
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# 85% of firms in EU/UK already use or express interest in stablecoins, and they are increasingly interested in using them for internal cash management and money movement

1. Answer choice "I don't know" excluded  
2. Rest of the World, including APAC, LatAm, Africa

Does your firm currently use and/or hold stablecoins?  
If not, does your firm have interest in stablecoins?<sup>1</sup> [n=329]

■ Yes, we currently use/hold them ■ No, but we are interested ■ No, and we are not interested



• Within EU/UK, hedge funds (54%) and asset managers (48%) currently leverage stablecoins more often than others (20%)

Among those who currently use / are interested in stablecoins, how interested is your firm in using stablecoins for the following use cases?  
[EU/UK 2025 n=76; 2026 n=59]

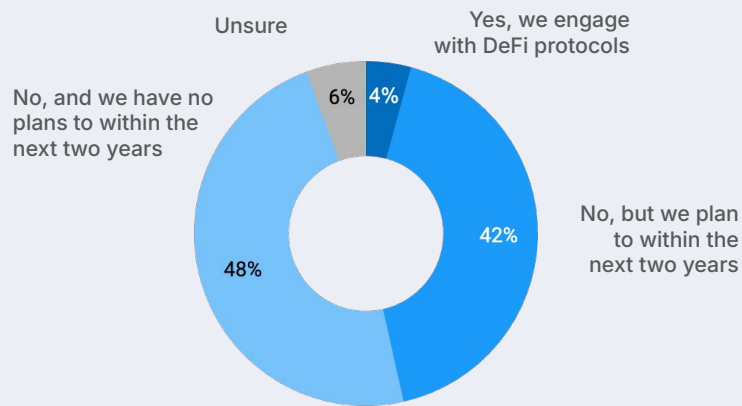


\* percentage point change vs. 2025

# 46% of respondents expect to engage with DeFi protocols in some way by 2028 (4% already engaging, 42% plan to), with primary use cases being lending and derivatives

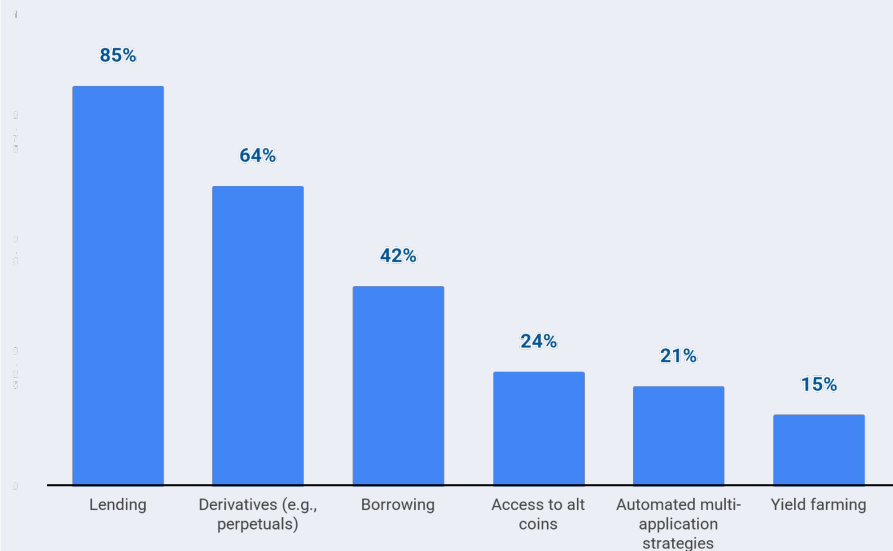
1. Rest of the World, including APAC, LatAm, Africa

Does your firm currently engage with DeFi protocols directly? (e.g., using a blockchain-based application to conduct lending, trading, or yield farming without an intermediary)? [EU/UK n=71]



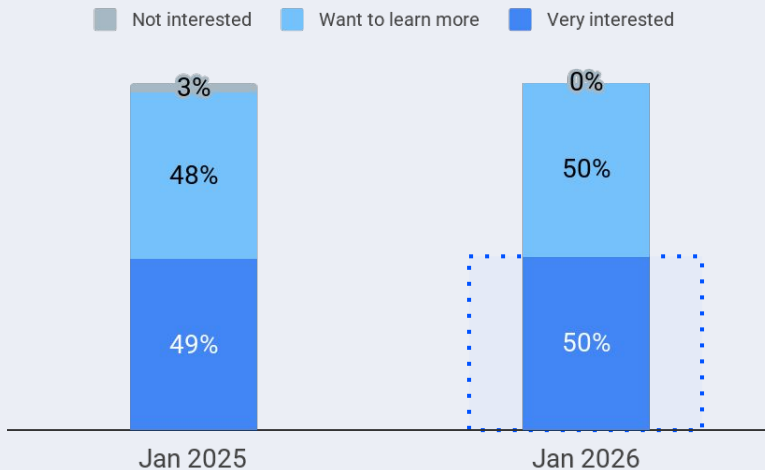
- U.S. respondents are more likely to begin engaging with DeFi protocols over the next two years (46% vs. 42% and 33% in Europe and RoW<sup>1</sup>, respectively)

Among those currently engaged with DeFi or planning to, what use cases are your firm most interested in? Please select top 3. [EU/UK n=33]

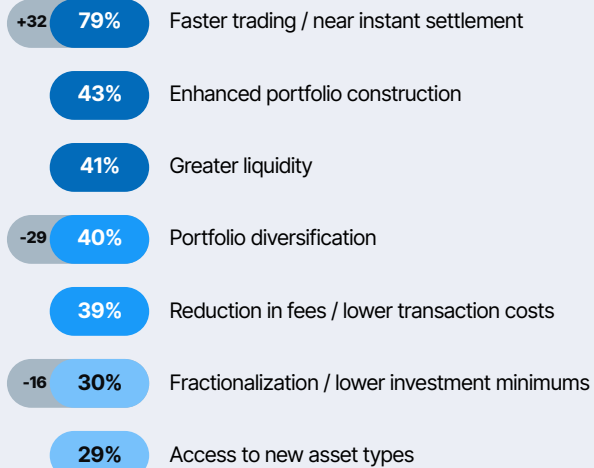


# 50% of respondents in EU/UK are very interested in investing in tokenized assets, driven by the need for faster trading / near instant settlement

How interested is your firm in investing in tokenized assets (e.g., tokenized bonds, equities, funds)? [EU/UK n=73; n=70]



Among firms who are interested in investing in tokenized assets, why is your firm interested in investing in tokenized assets? Please select top 3. [n=245; n=340]

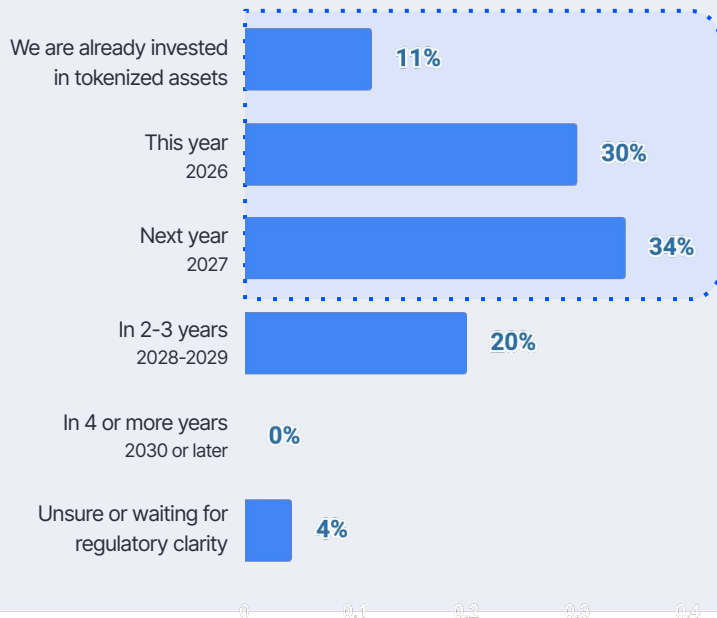


\* percentage point change vs. 2025

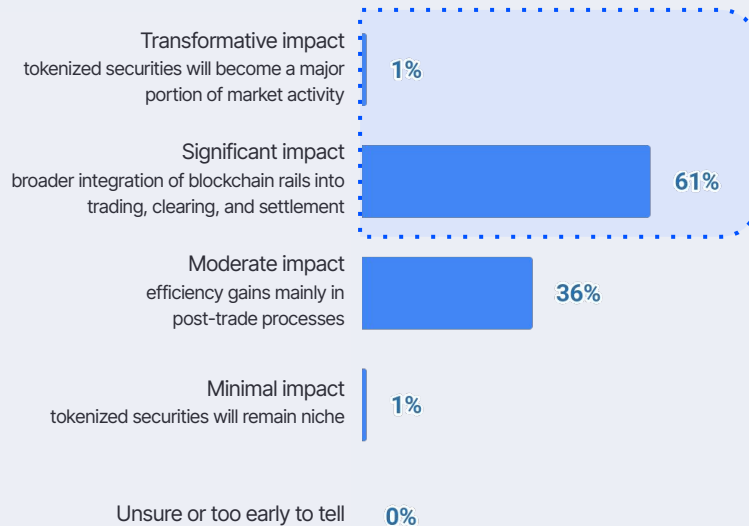
# Among those interested in tokenized assets, 11% are already invested and another 64% plan to invest by 2027; 62% expect tokenization to have a significant impact on market structure

1. 99% of all respondents indicated being at least 'slightly' interested in tokenized equities, or wanting to learn more.

Among those who are interested or want to learn more about tokenized assets<sup>1</sup>, how soon would your firm want to begin investing in tokenized assets? [EU/UK n=70]



... How do you expect the tokenization of traditional securities (e.g., equities, ETFs, money-market funds) to impact institutional market structure over the next 3-5 years? [EU/UK n=69]





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# Key themes to watch for in 2026

## Institutional participation in digital assets is shifting from experimentation to execution.

In 2026, firms plan to increase exposure while tightening governance and controls: 73% expect to increase allocations, and 39% say recent volatility strengthened their focus on risk management, liquidity, and position sizing. The next phase of adoption will likely be shaped by scalable market structure, as in tokenization moving beyond pilots, stablecoins embedding into operating workflows, and rulemaking improving clarity across products and intermediaries.

1.

Tokenization is positioned to progress beyond pilots and begin scaling

Tokenization is expected to begin meaningfully impacting trading, clearing, and settlement. 50% of investors are very interested in investing in tokenized assets, and the other half want to learn more. A clear majority (62%) expect tokenization to have a significant impact on market structure in the next three-to-five years. Scaling will greatly depend on regulatory clarity, integration, and secondary liquidity.

2.

Stablecoins are expected to see increased adoption for use cases beyond trading

Stablecoins are expanding from trading utility into institutional settlement and treasury tools. Interest is broad (85% already use or are interested), led by T+0 settlement (95%) and internal cash management and money movement (88%). As adoption grows, institutions will look to formalize controls around counterparty / custody risk, liquidity buffers, and 24/7 operating models.

3.

Rulemaking and further regulatory clarity will likely catalyze adoption

Regulatory clarity is already a major driver of planned allocation increases (64%), yet respondents in the EU/UK have become increasingly concerned with the uncertain regulatory environment (86% in 2026 vs. 51% in 2025). Custody and safekeeping requirements for digital assets—as well as authorization, licensing, and EU passporting requirements for CASPs—are key areas to watch.



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