

Future of Financial Services – Web 3.0, Metaverse, and Decentralized Finance

July 2022: Complimentary Abstract / Table of Contents



Our research offerings

This report is included in the following research program(s):

[Banking and Financial Services Information Technology](#), [Insurance Information Technology](#)

- ▶ Application Services
- ▶ Banking and Financial Services Business Process
- ▶ Banking and Financial Services Information Technology
- ▶ Catalyst™
- ▶ Clinical Development Technology
- ▶ Cloud and Infrastructure
- ▶ Contingent Staffing
- ▶ Contingent Workforce Management
- ▶ Conversational AI
- ▶ Customer Experience Management Services
- ▶ CX Excellence
- ▶ Cybersecurity
- ▶ Data and Analytics
- ▶ Digital Adoption Platforms (DAP)
- ▶ Digital Engineering Services
- ▶ Digital Services
- ▶ Digital Workplace
- ▶ Employee Experience Management (EXM) Platforms
- ▶ Engineering Services
- ▶ Enterprise Platform Services
- ▶ Finance and Accounting
- ▶ Financial Services Technology (FinTech)
- ▶ Global Business Services
- ▶ Healthcare Business Process
- ▶ Healthcare Information Technology
- ▶ Human Resources Outsourcing
- ▶ Insurance Business Process
- ▶ Insurance Information Technology
- ▶ Insurance Technology (InsurTech)
- ▶ Insurance Third-Party Administration (TPA) Services
- ▶ Intelligent Document Processing (IDP)
- ▶ Interactive Experience (IX) Services
- ▶ IT Services Executive Insights™
- ▶ Life Sciences Business Process
- ▶ Life Sciences Commercial Technologies
- ▶ Life Sciences Information Technology
- ▶ Locations Insider™
- ▶ Marketing Services
- ▶ Market Vista™
- ▶ Mortgage Operations
- ▶ Multi-country Payroll
- ▶ Network Services and 5G
- ▶ Outsourcing Excellence
- ▶ Pricing-as-a-Service
- ▶ Process Mining
- ▶ Procurement
- ▶ Recruitment
- ▶ Retirement Technologies
- ▶ Rewards and Recognition
- ▶ Service Optimization Technologies
- ▶ Software Product Engineering Services
- ▶ Supply Chain Management (SCM) Services
- ▶ Sustainability Technology and Services
- ▶ Talent Excellence GBS
- ▶ Talent Excellence ITS
- ▶ Technology Skills and Talent
- ▶ Trust and Safety
- ▶ Work at Home Agent (WAHA) Customer Experience Management (CXM)

If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at info@everestgrp.com

Learn more about our
custom research capabilities

Benchmarking

Contract assessment

Peer analysis

Market intelligence

Tracking: providers, locations, risk, technologies

Locations: costs, skills, sustainability, portfolios

Contents

For more information on this and other research published by Everest Group, please contact us:

Ronak Doshi, Partner

Pranati Dave, Practice Director

Kriti Gupta, Practice Director

Saumil Misra, Analyst

1. Introduction and overview	4
• Research methodology	5
• Background of the research	6
2. Future of banking and the need for Web 3.0	7
• Defining web 3.0 and its building blocks	8
• Leadership point of view	11
• Product, channels, and business model innovation	12
• Peer investment examples	14
• Regulatory framework readiness	16
3. Metaverse for BFSI enterprises	17
• Defining the Metaverse	18
• Building blocks of the Metaverse	19
• Metaverse adoption use cases for enterprises	20
• Enterprise adoption of Metaverse examples	28
• Security and regulatory challenges of Metaverse	30
4. Cryptocurrencies and Decentralized Finance (DeFi)	31
• Defining DeFi	32
• DeFi adoption use cases for enterprises	33
• Enterprise examples for DeFi adoption	36
• Security and regulatory challenges of DeFi	37
5. Implications for enterprises and providers	38
6. Appendix	42
• Glossary of terms	43
• Research calendar	44

Background and context

- With the innovation curve of Web 2.0 being in its middle to late phase and its leaders well established, it is the time to explore the new computing possibilities of Web 3.0 or Web 3.0, which has the potential to bring about a dramatic change in the industry structure, such as decentralization and democratization of data, that will bring about new investing opportunities for enterprises and IT service providers
- Web 3.0 has potential to reduce the role of intermediaries and enable peer-to-peer interactions through decentralized systems; it gives autonomous power and control to a participant by allowing them to control their data and identity themselves through NFTs and cryptocurrencies
- In order to leverage the capabilities of Web 3.0, many technologies (such as augmented reality (AR) and virtual reality (VR), IoT, artificial intelligence (AI), blockchain, big data, and cloud) will need to unite and come to the forefront
- Our financial system needs to be more inclusive with revamped payment systems, improved credit access, and streamlined client onboarding and advisory services. Web 3.0 has demonstrated its potential as an efficient alternate to the conventional systems with technologies such as blockchain, decentralized finance, Metaverse, and edge computing providing ways to build a new infrastructure provision for more sophisticated financial products
- Web 3.0 enables Decentralized Finance (DeFi) through peer-to-peer systems that are built with smart contracts on top of distributed ledger systems and decentralization protocols, and which can be used to build new communities and economies such as Metaverse
- DeFi provides an alternative solution to centralized systems that are more accessible, resilient, and transparent to boost transaction times and access to financial services
- Metaverse creates a virtual community that can provide immersive client experiences, collaborations, and employee trainings. To cater to this demand, technology and services providers need to invest in next-generation technologies such as cloud, AI, and blockchain to extract the best from Web 3.0

Scope of this report:



Geography
Global






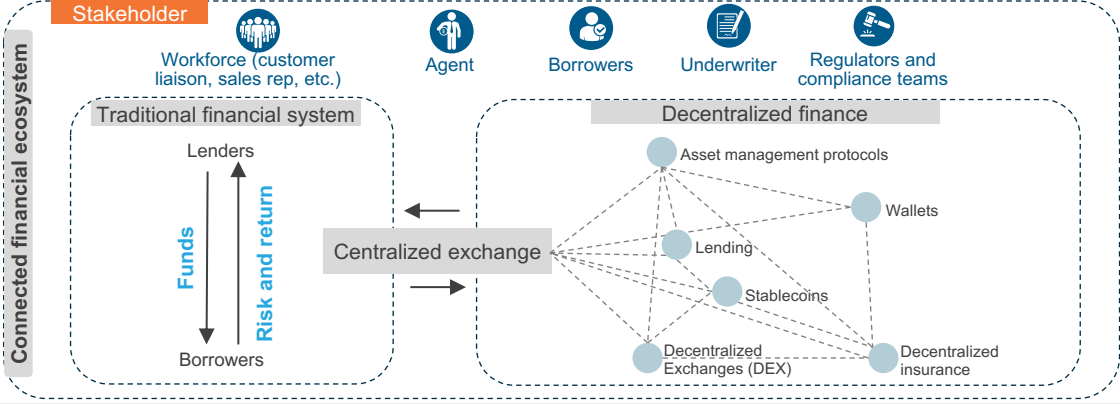

Industry
Banking, financial
services, and insurance



Report coverage
Technology and
IT services

This study provides an overview of the potential use cases of Web 3.0, Metaverse, and Defi for BFSI firms, peer investment examples, regulatory framework readiness, and roadmap for enterprise/provider adoption

Web3.0 potential and caution themes to look out for	The use cases for enterprise class Metaverse can be broadly classified into two segments
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Web 3.0's potential we are excited about</p> <ul style="list-style-type: none"> Next-generation of digital commerce experience Micro-transactions by embedding tokens Data-enabled operations & experiences (context-aware) Programmable money, SSI, and wallets </div> <div style="width: 45%; text-align: right;"> <p>Web 3.0 hype we would heed caution</p> <ul style="list-style-type: none"> Decentralization of data/internet User-controlled and governed Trustless, permissionless, and open architecture Payments bypassing regulatory oversight </div> </div> 	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Customer- and partner-related</p> <p>Metaverse can be used to create customer interaction spaces to provide financial advisory services, innovative commerce, digital assets trade, virtual events, and client onboarding</p>  </div> <div style="width: 45%;"> <p>Employee-related</p> <p>Metaverse can be used to build virtual events for employees, for day-to-day collaboration meetings, hiring, and training and development</p>  </div> </div>

DeFi is leveraging emerging technologies to build a connected financial ecosystem	Product, channels, and business model innovation implications for enterprises and providers
<p>Stakeholder</p> <ul style="list-style-type: none"> Workforce (customer liaison, sales rep, etc.) Agent Borrowers Underwriter Regulators and compliance teams 	<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p>Product innovation</p> <ul style="list-style-type: none"> Evolution of new financial services products; for instance, disintermediation to pave the way for smart contracts Fund manufacturing to advisory cycle using Web 3.0 components (NFTs, tokens, and digital assets) AI-based differentiation to achieve alpha </div> <div style="width: 30%;"> <p>Channel innovation</p> <ul style="list-style-type: none"> Metaverse becomes the preferred channel Growth of crypto, Central Bank Digital Currency (CBDC), and next-generation payment systems Reinventing the client experience using data from decentralized networks in a cookie-less world </div> <div style="width: 30%;"> <p>Business model innovation</p> <ul style="list-style-type: none"> Autonomous and micro-transactions via programmable tokens Reimagining how data flows across the organization Integrating technology into investment decision-making </div> </div> 

Research calendar

Banking and Financial Services Information Technology

Published
 Planned
 Current release

Reports title	Release date
Application and Digital Services in Banking – Service Provider Profile Compendium 2021	August 2021
Consumer Loan Origination Systems – Products PEAK Matrix® Assessment 2022	January 2022
Consumer Loan Origination Systems – Service Provider Profile Compendium 2022	January 2022
Platforms IT Services in BFS – PEAK Matrix® Assessment 2022	January 2022
Temenos IT Services PEAK Matrix® Assessment 2022	January 2022
Finastra IT Services PEAK Matrix® Assessment 2022	January 2022
Temenos IT Services – Service Provider Compendium 2022	February 2022
Finastra IT Services – Service Provider Compendium 2022	February 2022
Platform IT Services in BFS – Service Provider Compendium 2022	February 2022
Introducing the Rubik’s Cube Supplier Segmentation Approach: Navigating the Talent Crisis by Engaging Specialist IT Service Providers	June 2022
Future of Financial Services – Web 3.0, Metaverse, and Decentralized Finance	July 2022
Wealth Management Products PEAK Matrix® Assessment 2022	Q3 2022
Wealth Management Products Technology Provider Compendium	Q3 2022
Capital Markets Technology and IT Services – State of The Market Report	Q3 2022
FinTech-Led Innovation in BFS – Financial Crimes & Compliance (FCC)	Q3 2022
Future of Treasury: Modernization Through Platform, APIs, and Cloud Market Report	Q3 2022

Note: [Click](#) to see a list of all of our published Banking and Financial Services Information Technology reports



Everest Group is a research firm focused on strategic IT, business services, engineering services, and sourcing. Our research also covers the technologies that power those processes and functions and the related talent trends and strategies. Our clients include leading global companies, service and technology providers, and investors. Clients use our services to guide their journeys to maximize operational and financial performance, transform experiences, and realize high-impact business outcomes. Details and in-depth content are available at www.everestgrp.com.

Stay connected

Website

everestgrp.com

Social Media

 @EverestGroup

 @Everest Group

 @Everest Group

 @Everest Group

Blog

everestgrp.com/blog

Dallas (Headquarters)

info@everestgrp.com
+1-214-451-3000

Bangalore

india@everestgrp.com
+91-80-61463500

Delhi

india@everestgrp.com
+91-124-496-1000

London

unitedkingdom@everestgrp.com
+44-207-129-1318

Toronto

canada@everestgrp.com
+1-647-557-3475

This document is for informational purposes only, and it is being provided "as is" and "as available" without any warranty of any kind, including any warranties of completeness, adequacy, or fitness for a particular purpose. Everest Group is not a legal or investment adviser; the contents of this document should not be construed as legal, tax, or investment advice. This document should not be used as a substitute for consultation with professional advisors, and Everest Group disclaims liability for any actions or decisions not to act that are taken as a result of any material in this publication.