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Blockchain-Based Payments Rails vs. ACH

Summary of Findings

- 1) Cryptographic protocols eliminate inefficiencies of traditional wire transfer.
- 2) Switching from ACH to blockchain payments would save firms up to \$19 billion year.
- 3) The most likely coin to underpin future payments is JPM Coin, an institutional stablecoin.

Methodology

- DCF CBA model of firms' potential savings, comparing ACH and blockchain rails, using NACHA data to estimate TAM.
- Volatility comparison of leading cryptocurrencies

Volatility of BTC (Red), ETH (Black), & LTC (Orange)



On the other hand, volatility is inversely correlated to transaction fees, as shown below.

Transaction Fees BTC, ETH, LTC



Our analysis points to a powerful hybrid option, an institutionally backed stablecoin based-rail.

Disclaimer: This communication is prepared by undergraduate students at Georgetown University for the sole and educational purpose of Georgetown FinTech.