

FinTech Disruption and the Evolution of Traditional Stock Exchanges: A Comparative Institutional Panel Analysis of Emerging and Developed Markets (2010–2025)

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Abstract: This study examines the effect of FinTech disruption on the evolution of traditional stock exchanges across selected emerging and developed markets from 2010 to 2025. It focuses on the Nigerian Exchange Group, Johannesburg Stock Exchange, Nairobi Securities Exchange, Singapore Exchange, and Nasdaq. The study specifically evaluates how API integration, blockchain settlement systems, robo-advisory adoption, and digital brokerage penetration influence exchange evolution indicators, including trading volume, listing activity, market capitalization, settlement efficiency, and digital product innovation. A comparative institutional panel research design was adopted, while Difference-in-Differences estimation served as the main analytical technique. Event study analysis, synthetic control method, and panel threshold regression were also used to strengthen the robustness of the findings. Data were obtained from the World Bank, IMF, World Federation of Exchanges, exchange annual reports, securities regulators, and relevant empirical studies. The findings show that FinTech innovation significantly improves exchange modernization, operational efficiency, liquidity, investor participation, and product development. Blockchain settlement systems had the strongest effect on settlement efficiency, while digital brokerage penetration strongly improved trading volume and market access. The study also finds that developed exchanges benefit more from FinTech adoption due to stronger institutional flexibility, regulatory readiness, and technological infrastructure. The study concludes that the long-term competitiveness of traditional stock exchanges depends on institutional adaptability, regulatory modernization, and sustained investment in digital market infrastructure.

Keywords: *FinTech Disruption; Stock Exchanges; Blockchain Settlement; Digital Brokerage; Institutional Adaptation; Capital Markets.*

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I. INTRODUCTION

➤ *Background to the Study*

The global stock exchange system has undergone major structural transformation as financial technology increasingly reshapes capital market operations, trading infrastructure, settlement systems, and investor participation. Traditional exchanges that once relied on physical trading floors and manual settlement processes have moved toward electronic trading platforms, algorithmic execution systems, automated surveillance, and digital market infrastructure (Agarwal et al., 2023). This shift reflects the wider digitalization of financial markets and the growing demand for faster, cheaper, and more transparent securities transactions.

Historically, stock exchanges served as centralized institutions for price discovery, liquidity provision, listing administration, investor protection, and settlement coordination. However, technological innovation has altered these traditional roles. Electronic trading has replaced open-outcry systems in most developed markets, while algorithmic and high-frequency trading now dominate transaction execution in advanced exchanges such as Nasdaq and the Singapore Exchange (IOSCO, 2024). These changes have improved execution speed, reduced transaction costs, and strengthened global market integration.

The rise of FinTech ecosystems has further accelerated this transformation. Innovations such as blockchain technology, application programming interfaces, robo-advisory systems, artificial intelligence, and digital brokerage

platforms have introduced new models for trading, settlement, investment advisory, and market access (Kou et al., 2025). Blockchain-based settlement systems, for instance, offer faster transaction verification and reduced counterparty risk, thereby challenging the conventional clearing and settlement structure of traditional exchanges (Son et al., 2023). Similarly, APIs improve interoperability among exchanges, brokerage firms, and financial applications, while robo-advisory and mobile brokerage platforms expand retail investor participation.

FinTech adoption has also intensified competitive pressure on traditional exchanges. Innovation-driven exchanges such as Nasdaq and the Singapore Exchange have invested in digital infrastructure, cloud-based trading systems, tokenized asset platforms, and blockchain-enabled settlement mechanisms to sustain competitiveness. The London Stock Exchange Group's recent movement toward blockchain-enabled digital market infrastructure further reflects the institutional shift toward technology-driven market operations (Reuters, 2026). These developments suggest that modern exchange competitiveness increasingly depends on technological adaptability, not only market size or historical dominance.

In contrast, many emerging market exchanges still face institutional and infrastructural constraints that slow digital transformation. African exchanges, including the Nigerian Exchange Group, Johannesburg Stock Exchange, and Nairobi Securities Exchange, operate in environments shaped by regulatory rigidity, limited technological investment, low liquidity, cybersecurity concerns, and weak digital integration frameworks (OECD, 2025). Although some African exchanges have introduced electronic trading reforms and digital innovation strategies, their pace of adaptation remains uneven when compared with developed market exchanges.

This divergence has created renewed academic and policy interest in the future of traditional stock exchanges. FinTech offers opportunities for improved market efficiency, wider investor participation, lower transaction costs, and stronger product innovation. At the same time, it threatens the traditional intermediation role of exchanges through decentralized finance, peer-to-peer trading systems, digital asset platforms, and alternative market infrastructures (Bestas, 2023). Traditional exchanges are therefore under pressure to redesign their operational models, regulatory structures, and innovation strategies to remain relevant in the digital financial environment.

Against this background, this study examines how FinTech disruption influences the evolution of traditional stock exchanges through a comparative institutional panel analysis of selected emerging and developed market exchanges from 2010 to 2025. The study focuses on API integration, blockchain settlement systems, robo-advisory adoption, and digital brokerage penetration as FinTech innovation variables, while exchange evolution is measured through trading volume, listing activity, market capitalization, settlement efficiency, and digital product

innovation. This follows the original scope and variables stated in the manuscript.

➤ *Statement of the Research Problem*

Traditional stock exchanges are increasingly exposed to structural disruption caused by rapid advances in financial technology. FinTech platforms have reduced transaction friction by improving trade execution speed, lowering operational costs, expanding market access, and decentralizing functions once performed mainly by exchanges and brokerage institutions (Xie et al., 2022). Technologies such as blockchain settlement systems, digital brokerage platforms, robo-advisory applications, and API-driven trading systems are now reshaping the operating architecture of capital markets.

Despite these developments, many traditional exchanges still operate within rigid institutional and regulatory structures that limit technological adaptation. Emerging market exchanges are particularly vulnerable because of weak infrastructure, regulatory conservatism, low digital penetration, limited innovation capacity, and shallow market liquidity. While developed exchanges such as Nasdaq and Singapore Exchange have integrated advanced digital infrastructure into their market systems, many African exchanges remain at transitional stages of digital modernization.

Existing literature has largely examined FinTech disruption in banking, digital payments, financial inclusion, and cryptocurrency markets. Less attention has been given to how FinTech transforms traditional stock exchanges as institutions. Many empirical studies also adopt single-country or firm-level approaches, which limits comparative understanding of how exchanges across different regulatory and institutional environments respond to technological disruption. There is also limited evidence linking exchange evolution indicators, such as trading volume, market capitalization, settlement efficiency, listing activity, and product innovation, with FinTech-specific variables such as blockchain settlement, API integration, robo-advisory adoption, and digital brokerage penetration.

As a result, the institutional mechanisms through which FinTech reshapes the operational evolution and competitive position of traditional exchanges remain insufficiently understood. This gap requires a comparative panel analysis that can capture the heterogeneous effects of FinTech adoption across emerging and developed markets.

➤ *Research Questions*

The study seeks to answer the following research questions:

- How has FinTech adoption affected the evolution of traditional stock exchanges between 2010 and 2025?
- Does FinTech integration significantly influence trading volume and listing activity across selected exchanges?
- How do emerging market exchanges differ from developed market exchanges in institutional adaptation to FinTech disruption?

- What is the impact of blockchain settlement systems and digital brokerage penetration on exchange efficiency?
- Are post-FinTech reform effects statistically significant across traditional stock exchanges?

➤ *Research Objectives*

The main objective of this study is to examine the impact of FinTech disruption on the evolution of traditional stock exchanges.

• *The Specific Objectives are to:*

- ✓ Evaluate the effect of FinTech adoption on trading volume;
- ✓ Examine the relationship between digital innovation and market capitalization;
- ✓ Compare institutional adaptation across selected stock exchanges;
- ✓ Assess the impact of blockchain settlement systems on settlement efficiency; and
- ✓ Analyze the effect of digital brokerage penetration on listing activity.

➤ *Significance of the Study*

This study is significant to academics, regulators, exchange operators, investors, and market infrastructure providers. Academically, it contributes to the literature on institutional finance, capital market digitalization, and FinTech-driven market transformation by providing comparative evidence from both emerging and developed exchanges. It also extends the FinTech-capital market discourse beyond banking, digital payments, and cryptocurrency studies by focusing on stock exchanges as evolving financial institutions.

For policymakers and regulators, the study provides useful evidence on how digital innovation affects market infrastructure, settlement systems, investor participation, and exchange competitiveness. Its findings may support regulatory decisions on blockchain settlement systems, digital securities frameworks, cybersecurity governance, and innovation-friendly capital market regulation.

For exchange operators and market participants, the study offers practical insight into how technological adaptation influences operational efficiency, liquidity, product innovation, and institutional competitiveness. It may also assist brokerage firms, institutional investors, and digital infrastructure providers in understanding the strategic importance of API modernization, digital brokerage penetration, robo-advisory adoption, and blockchain-enabled settlement within the changing global capital market environment.

II. LITERATURE REVIEW

➤ *Conceptual Review*

• *Concept of FinTech*

Financial Technology, commonly referred to as FinTech, describes the use of digital technologies to improve

the delivery, accessibility, speed, and efficiency of financial services. It covers innovations such as artificial intelligence, blockchain, cloud computing, big data analytics, application programming interfaces, machine learning, robo-advisory systems, digital brokerage platforms, and decentralized financial applications (Kou et al., 2025). In capital markets, FinTech has moved beyond digital payments and banking services to influence trading systems, securities settlement, investment advisory, market surveillance, and investor access.

The growth of FinTech has evolved through different phases. Earlier financial digitalization focused mainly on automated banking and electronic payment channels. However, the post-2008 financial reform period accelerated the adoption of technology-driven financial solutions aimed at improving transparency, lowering transaction costs, and expanding financial inclusion (Arner et al., 2021). More recently, blockchain infrastructure, mobile investment platforms, cloud-based trading systems, and data-driven financial services have expanded FinTech's relevance to stock exchanges and securities markets.

FinTech operates as an ecosystem involving banks, exchanges, regulators, technology firms, investors, digital brokers, and market infrastructure providers. This ecosystem promotes automation, interoperability, real-time data exchange, and platform-based financial services (Lee & Shin, 2021). In advanced markets, exchanges such as Nasdaq and the Singapore Exchange have integrated digital capabilities into their trading and settlement systems. In many emerging markets, however, adaptation remains slower because of infrastructure gaps, weak digital readiness, regulatory caution, and limited investment in technology.

Within this study, FinTech is treated as both a technological and institutional force. It does not merely introduce new tools into the market; it changes how exchanges operate, compete, connect with investors, and deliver market services. This makes it central to understanding the evolution of traditional stock exchanges.

• *Traditional Stock Exchanges*

Traditional stock exchanges are organized financial institutions that facilitate the issuance, trading, clearing, and settlement of securities within regulated market environments. Their core functions include price discovery, liquidity provision, listing administration, capital mobilization, investor protection, and market regulation (Mishkin & Eakins, 2022). Historically, these exchanges relied on physical trading floors and broker-led transactions, but most have now moved toward electronic trading platforms and automated market infrastructure.

Stock exchanges also serve as important pillars of financial systems. They connect savers with firms and governments that need long-term capital, support investment flows, and strengthen confidence in financial markets. Efficient exchanges contribute to economic growth by improving capital allocation and supporting productive investment (World Bank, 2024).

The structure of stock exchanges has changed significantly due to digitalization. Modern exchanges now operate as technology-intensive platforms supported by electronic trading engines, automated surveillance systems, digital settlement networks, cloud infrastructure, and data services. As a result, exchange competitiveness now depends less on physical location and more on transaction speed, digital access, innovation capacity, regulatory credibility, and operational resilience.

However, the transition has not been uniform. Many exchanges, especially in emerging markets, still face legacy systems, regulatory delays, cybersecurity concerns, high modernization costs, and limited digital infrastructure. These constraints affect their ability to respond quickly to FinTech disruption. Therefore, the evolution of traditional stock exchanges depends on how well they combine technological adoption with institutional reform.

- *FinTech Disruption in Capital Markets*

FinTech disruption in capital markets refers to the way digital innovations reshape conventional trading, settlement, intermediation, and investment processes. It challenges the traditional role of exchanges by introducing faster, cheaper, decentralized, and more automated alternatives to existing market systems.

One major form of disruption is tokenization, which involves converting financial or real-world assets into digital tokens recorded on distributed ledger systems. Tokenization can support fractional ownership, improve liquidity, reduce settlement delays, and lower dependence on multiple intermediaries (OECD, 2024). Several global exchanges are already exploring tokenized securities and digital asset platforms as part of broader market modernization.

Algorithmic trading is another major FinTech-driven change. It uses automated systems to execute trades based on pre-set market conditions. This has improved execution speed, market liquidity, and pricing efficiency, especially in advanced exchanges such as Nasdaq and the Singapore Exchange (IOSCO, 2024). However, algorithmic trading also raises concerns about volatility, systemic risk, and unequal access to sophisticated trading technologies.

Blockchain and smart contracts have also become important in the transformation of capital markets. Blockchain can support transparent and tamper-resistant transaction records, while smart contracts can automate clearing, settlement, compliance checks, and dividend distribution once agreed conditions are met (Son et al., 2023). These innovations reduce operational delays and counterparty risk, which are major weaknesses in traditional settlement systems.

Decentralized finance has further intensified disruption by allowing peer-to-peer transactions without conventional intermediaries. Although DeFi remains volatile and weakly regulated, it presents a direct challenge to traditional exchange-based intermediation by creating alternative channels for trading, lending, and asset exchange (Bestas,

2023). Collectively, these developments show that FinTech is not only improving capital market operations; it is redefining the boundaries of exchange activity.

- *Exchange Evolution Indicators*

Exchange evolution refers to the measurable ways in which stock exchanges adapt to technological, institutional, and market changes. In this study, exchange evolution is assessed through trading volume, listing activity, market capitalization, settlement efficiency, and product innovation.

Trading volume measures the quantity or value of securities traded over a given period. It reflects liquidity, investor activity, and market depth. FinTech tools such as digital brokerage platforms, API-enabled trading systems, and algorithmic trading applications can increase trading volume by reducing access barriers and improving execution speed (Xie et al., 2022).

Listing activity refers to the number of firms that list securities on an exchange through initial public offerings, cross-listings, or additional securities issuance. Strong listing activity shows that an exchange is attractive, credible, and capable of supporting capital raising. FinTech may support listing activity by improving market visibility, reducing transaction costs, and strengthening digital fundraising channels. However, competition from private markets and decentralized platforms may reduce listings where traditional exchanges fail to innovate.

Market capitalization represents the total market value of listed securities. It is a key measure of exchange size, depth, and investor confidence. Digital innovation may increase market capitalization by improving liquidity, widening investor participation, and attracting domestic and foreign investors. Exchanges with stronger digital infrastructure are often better positioned to attract institutional participation and cross-border flows.

Settlement efficiency refers to the speed, accuracy, and reliability of completing post-trade transactions. Traditional settlement systems often involve several intermediaries and time delays. Blockchain-based settlement systems can improve settlement efficiency by reducing reconciliation problems, enabling faster verification, and lowering counterparty risk (Agarwal et al., 2023; Son et al., 2023).

Product innovation captures the ability of exchanges to introduce new instruments and services, including exchange-traded funds, green bonds, digital securities, tokenized assets, and data-driven investment products. It reflects the exchange's capacity to remain relevant in a changing market environment. Product innovation is therefore a strong indicator of institutional adaptability.

- *FinTech Innovation Variables*

This study identifies four major FinTech innovation variables: API integration, blockchain settlement, robo-advisory adoption, and digital brokerage penetration.

API integration allows exchanges, brokers, financial applications, and third-party service providers to communicate seamlessly. It improves interoperability, supports automated trading, enables real-time data sharing, and strengthens digital market connectivity. Exchanges with advanced API systems are better positioned to integrate with broader FinTech ecosystems.

Blockchain settlement refers to the use of distributed ledger technology to process securities clearing and settlement. Compared with traditional centralized systems, blockchain settlement offers faster verification, greater transparency, and reduced reconciliation costs. It can also reduce operational risks and improve trust in post-trade processes (Son et al., 2023).

Robo-advisory systems are automated investment platforms that use algorithms and artificial intelligence to provide portfolio management and investment advice. They support low-cost investment access and can expand retail participation in capital markets. Robo-advisory adoption is especially relevant for younger and digitally active investors

who prefer automated, mobile-based investment services (Jung et al., 2022).

Digital brokerage refers to online and mobile trading platforms that allow investors to buy and sell securities without relying heavily on physical brokerage channels. Digital brokers reduce transaction costs, simplify account opening, improve convenience, and increase retail investor participation. As digital brokerage expands, traditional exchanges must adapt their infrastructure to accommodate faster, broader, and more inclusive market access.

Taken together, these variables explain how FinTech influences the modernization of stock exchanges. API integration improves connectivity, blockchain settlement improves post-trade efficiency, robo-advisory systems widen investment participation, and digital brokerage deepens market access. These innovations collectively shape trading volume, listing activity, market capitalization, settlement efficiency, and product innovation, which form the core exchange evolution indicators in this study. This refinement is based on the original conceptual review and conceptual framework in the manuscript.

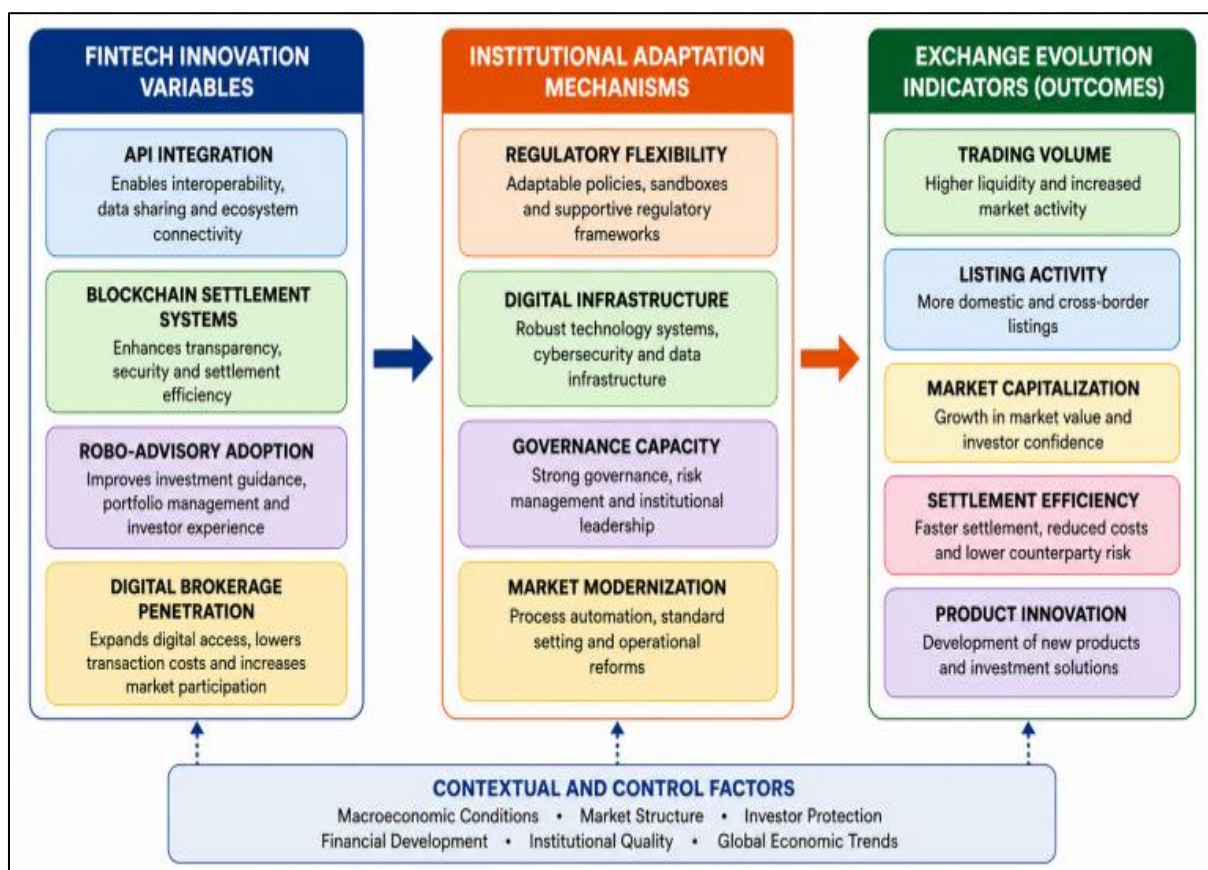


Fig 1 Conceptual Framework of FinTech Disruption and the Evolution of Traditional Stock Exchanges.

Source: Researcher’s Conceptualization (2026), adapted from Institutional Theory and Disruptive Innovation Theory.

➤ *Theoretical Review*

The disruption of traditional stock exchanges by financial technology innovations requires a theoretical explanation that captures both technological change and institutional response. This study is anchored on Disruptive

Innovation Theory and Institutional Theory because both explain how established financial institutions respond to digital transformation, competitive pressure, and changing market infrastructure.

Disruptive Innovation Theory, associated with Christensen, explains how emerging technologies transform existing industries by offering faster, cheaper, simpler, and more accessible alternatives to established systems. The theory argues that incumbent institutions often struggle to respond to disruption because they are tied to legacy systems, established business models, and rigid operating structures (Christensen et al., 2022). In the context of capital markets, FinTech innovations such as blockchain settlement systems, digital brokerage platforms, robo-advisory services, algorithmic trading, and decentralized finance challenge the traditional intermediary functions of stock exchanges.

The theory is relevant to this study because FinTech is changing how securities are traded, cleared, settled, and accessed. Traditional exchanges that once controlled the major channels of capital market intermediation now face competition from technology-driven platforms that reduce transaction costs, improve execution speed, and expand investor access. Developed exchanges such as Nasdaq and the Singapore Exchange have responded through digital modernization, while many emerging market exchanges still face slower adaptation due to weak infrastructure, regulatory constraints, and limited innovation capacity. Disruptive Innovation Theory therefore explains why exchanges that adapt quickly to FinTech disruption are more likely to remain competitive, while those that resist or delay modernization may lose relevance.

The theory also explains the gradual movement of FinTech from peripheral market services into core exchange functions. Innovations such as digital brokerage, blockchain-enabled settlement, tokenized assets, and decentralized trading platforms often begin by serving underserved or technology-friendly market segments before expanding into mainstream financial operations (OECD, 2024). This pattern shows that FinTech disruption is not limited to improving existing exchange systems; it can alter the structure of capital market intermediation itself.

Institutional Theory complements this argument by explaining how regulatory systems, governance structures, norms, and institutional environments shape organizational adaptation. The theory holds that institutions operate within broader legal, social, and regulatory frameworks that influence their strategic behavior and capacity for change (DiMaggio & Powell, 2021). In stock exchanges, institutional quality affects the speed, depth, and success of FinTech adoption. Exchanges operating in stronger regulatory environments with advanced digital infrastructure and deeper capital markets are better positioned to integrate blockchain settlement, API-enabled trading systems, digital surveillance, and investor-facing platforms.

Institutional Theory is especially useful for explaining differences between developed and emerging market exchanges. Developed exchanges often benefit from stronger governance systems, innovation-friendly regulation, better cybersecurity frameworks, and larger investment capacity. By contrast, many emerging exchanges face regulatory conservatism, shallow liquidity, infrastructure gaps, weak

digital penetration, and limited technical expertise. These conditions can slow the adoption of FinTech and reduce the impact of digital reforms on exchange performance.

The theory also shows that exchanges adopt digital reforms for both efficiency and legitimacy. Regulatory modernization, cybersecurity standards, digital asset frameworks, and technology-driven market services help exchanges maintain investor confidence and international competitiveness. This means that exchange evolution is not only a technical process; it is also an institutional process shaped by rules, credibility, governance, and market expectations.

Although Technology Acceptance Theory offers useful insight into how users accept technology based on perceived usefulness and ease of use, its scope is narrower for this study because the focus is on institutional transformation rather than individual adoption behavior (Venkatesh et al., 2022). It may explain investor or employee acceptance of digital platforms, but it does not fully capture how stock exchanges evolve under regulatory, technological, and competitive pressure.

Overall, Institutional Theory provides the strongest foundation for this study because the research focuses on comparative institutional adaptation across different market environments. Disruptive Innovation Theory explains the technological forces challenging traditional exchanges, while Institutional Theory explains why exchanges respond differently to similar disruptions. Together, both theories support the study's argument that FinTech reshapes exchange operations, but the depth of its impact depends on institutional flexibility, regulatory readiness, infrastructure quality, and innovation capacity. This refinement follows the theoretical direction already established in the uploaded manuscript.

➤ *Empirical Literature*

The Empirical studies increasingly show that FinTech innovation improves financial market efficiency, liquidity, settlement processes, capital allocation, and investor participation. However, existing evidence remains uneven. Much of the literature focuses on banking, digital payments, cryptocurrency, financial inclusion, and firm-level financing, while fewer studies directly examine how FinTech reshapes traditional stock exchanges as institutions. This creates a gap in understanding how exchange-level indicators respond to digital innovation across developed and emerging markets.

Tanchangya et al. (2025) examined blockchain applications within FinTech ecosystems and found that distributed ledger technology supports payments, digital identity systems, asset transfers, and securities settlement. The study showed that blockchain improves transparency and operational efficiency in financial systems. However, because it adopted a systematic review approach, it did not empirically test how blockchain adoption affects exchange-specific outcomes such as trading volume, settlement efficiency, market capitalization, or listing activity.

Hmoud et al. (2025) studied the effect of FinTech on capital allocation efficiency in Jordan and Palestine from 2010 to 2020. Their findings indicated that FinTech improves access to finance and enhances capital allocation efficiency in equity and credit markets. Although the study provides useful emerging-market evidence, its firm-level focus limits its relevance to the institutional modernization of stock exchanges. It does not directly explain how exchanges themselves adapt to FinTech disruption.

Zhou et al. (2025) investigated the relationship between capital market liberalization and firm productivity in China. The study found that market reforms improve productivity through better pricing efficiency and informed trading. While the findings support the broader importance of market modernization, the study centered on liberalization rather than FinTech-driven transformation. Its single-country design also limits comparative insight across different exchange systems.

In Africa, Otinga (2025) analyzed the moderating role of FinTech in the relationship between financial inclusion and capital market development. The study found that FinTech strengthens capital market development by improving access and participation. This evidence is relevant to emerging exchanges where digital finance may compensate for weak traditional infrastructure. However, the study remained macroeconomic in orientation and did not isolate the effects of specific exchange-level innovations such as API integration, blockchain settlement, robo-advisory adoption, or digital brokerage penetration.

Tan et al. (2024) examined FinTech development and corporate credit risk in China using a city-level FinTech index. The study found that FinTech reduces financing constraints and improves investment efficiency, thereby lowering corporate credit risk. Its indexed approach strengthens FinTech measurement, but the focus remained on corporate outcomes rather than exchange evolution. As a result, it offers limited explanation of how FinTech affects stock exchange operations, competitiveness, and institutional adaptation.

Agarwal et al. (2023) reviewed blockchain applications in financial market clearing and settlement systems. The study found that blockchain reduces reconciliation problems, settlement delays, and operational inefficiencies. This finding is directly relevant because settlement efficiency is a key indicator of exchange modernization. However, the study was largely conceptual and did not estimate the institutional impact of blockchain adoption across multiple exchanges or jurisdictions.

Son et al. (2023) developed an economic model of blockchain-based securities settlement using hashed timelock contracts. Their findings showed that blockchain infrastructure improves settlement coordination, strengthens participant incentives, and reduces counterparty risk. Although the study is important for understanding securities settlement, its modelling approach did not account for institutional differences between developed and emerging

exchanges. This limits its usefulness for comparative exchange analysis.

Dowelani et al. (2023) investigated blockchain adoption in South Africa's securities clearing and settlement industry. The study concluded that blockchain can improve transparency, speed, and operational reliability within settlement systems. Its African focus makes it valuable for this study, but its reliance on stakeholder perceptions and qualitative assessment limits its ability to explain long-run exchange transformation across multiple markets.

Xie et al. (2022) examined the relationship between FinTech development and capital allocation efficiency in China. The study found that FinTech improves financial access and market participation, but also identified possible equity-efficiency trade-offs. This finding is important because it cautions against assuming that FinTech automatically produces optimal market outcomes. However, the study remained firm-oriented and did not examine how stock exchanges adapt institutionally to technological disruption.

Soumaré et al. (2021) showed that capital markets in sub-Saharan Africa remain constrained by weak liquidity, low listing activity, fragmented infrastructure, and limited institutional depth. The study helps explain why African exchanges often adapt more slowly than developed exchanges. However, it gave limited attention to newer FinTech innovations such as robo-advisory systems, blockchain settlement infrastructure, API integration, and digital brokerage ecosystems.

Overall, the empirical literature confirms that FinTech can improve market access, transaction efficiency, settlement systems, liquidity, and capital allocation. Yet the evidence remains fragmented across regions, methods, and units of analysis. Global studies tend to emphasize technology and operational efficiency, emerging-market studies often focus on firm financing and financial inclusion, while African studies mainly discuss institutional weaknesses and market development constraints. Few studies combine exchange evolution indicators with FinTech-specific variables in a comparative multi-country panel framework. This study addresses that gap by examining how API integration, blockchain settlement systems, robo-advisory adoption, and digital brokerage penetration influence the evolution of selected traditional stock exchanges across emerging and developed markets from 2010 to 2025. This refined version follows the empirical direction and citations already used in the uploaded manuscript.

III. METHODOLOGY

➤ *Research Design*

This study adopted a comparative institutional panel research design to examine the effect of FinTech disruption on the evolution of traditional stock exchanges across selected emerging and developed markets from 2010 to 2025. The design was appropriate because it combined cross-

sectional and time-series dimensions, allowing the study to capture institutional differences, technological adaptation patterns, and changes in exchange performance over time. Comparative panel analysis also helped control for exchange-specific differences and improved the reliability of estimation across markets (Baltagi, 2021).

The study further applied a quasi-experimental approach through Difference-in-Differences estimation. This technique was suitable because FinTech reforms were implemented at different periods and intensities across exchanges, creating a basis for comparing treated exchanges with less-intensive or later-adopting exchanges.

➤ *Study Population*

The population of the study comprised selected stock exchanges operating in emerging and developed financial markets. The study focused on the Nigerian Exchange Group, Johannesburg Stock Exchange, Nairobi Securities Exchange, Singapore Exchange, and Nasdaq.

These exchanges were selected because they represent different levels of technological sophistication, regulatory modernization, market depth, and FinTech integration. Nasdaq and the Singapore Exchange represented technologically advanced exchanges, while the Nigerian Exchange Group, Johannesburg Stock Exchange, and Nairobi Securities Exchange provided evidence from emerging African markets undergoing digital transformation.

➤ *Sampling Technique*

The study used purposive sampling to select the exchanges included in the analysis. This technique was appropriate because the study required exchanges with identifiable FinTech adoption patterns, relevant institutional characteristics, and sufficient data availability for the 2010–2025 period (Saunders et al., 2023).

The selection was based on three criteria. First, the exchanges had observable FinTech-related reforms, including API integration, blockchain settlement initiatives, digital brokerage expansion, and automated trading infrastructure. Second, they had available data on exchange performance and FinTech-related indicators. Third, they provided regional and institutional balance between developed and emerging market exchanges. This sampling approach strengthened the study's ability to compare differences in technological adaptation and institutional readiness.

➤ *Sources of Data*

The study relied entirely on secondary data from reputable institutional and financial sources. Data on trading volume, listing activity, market capitalization, settlement indicators, and product innovation were obtained from the World Federation of Exchanges, Nasdaq database, Singapore Exchange reports, annual reports of the selected exchanges, and securities regulatory publications.

Macroeconomic, institutional, and financial market data were obtained from the World Bank, International Monetary Fund, and OECD financial market databases. Information on API integration, blockchain settlement systems, robo-advisory adoption, and digital brokerage penetration was drawn from exchange innovation reports, regulatory publications, and relevant Scopus-indexed empirical studies. Using multiple data sources improved the reliability, comparability, and robustness of the analysis.

➤ *Model Specification*

The study specified exchange evolution as a function of FinTech innovation variables. The baseline model was expressed as:

$$EE_{it} = \alpha + \beta_1 API_{it} + \beta_2 BCS_{it} + \beta_3 RA_{it} + \beta_4 DBP_{it} + \mu_{it}$$

Where:

EE_{it} = exchange evolution indicators for exchange i at time t ;

API_{it} = API integration;

BCS_{it} = blockchain settlement adoption;

RA_{it} = robo-advisory adoption;

DBP_{it} = digital brokerage penetration;

α = constant term;

β_1 – β_4 = estimated coefficients;

μ_{it} = error term.

Exchange evolution was proxied by trading volume, listing activity, market capitalization, settlement efficiency, and digital product innovation. The independent variables captured the intensity of FinTech adoption across the selected exchanges.

➤ *Difference-in-Differences Model*

The Difference-in-Differences model served as the main estimation technique. It measured the effect of FinTech reform adoption by comparing exchanges that implemented major digital reforms with those that adopted similar reforms later or at lower intensity.

The DiD model was specified as:

$$Y_{it} = \alpha + \beta_1 Treat_i + \beta_2 Post_t + \beta_3 (Treat_i \times Post_t) + \gamma X_{it} + \mu_{it}$$

Where:

Y_{it} = exchange evolution outcome;

$Treat_i$ = treatment group indicator;

$Post_t$ = post-adoption period indicator;

$Treat_i \times Post_i$ = interaction term measuring the effect of FinTech reform;

X_{it} = control variables;

μ_{it} = error term.

The treatment group consisted of exchanges that implemented substantial FinTech reforms, such as blockchain settlement adoption, API modernization, and advanced digital trading infrastructure. The post-adoption period captured the years after major FinTech reforms. The interaction coefficient measured the net effect of FinTech disruption on exchange evolution. This method was suitable because it controlled for time-invariant institutional differences and common macroeconomic shocks (Callaway & Sant'Anna, 2021).

➤ *Event Study Method*

The study used event study analysis to assess market reactions to major FinTech-related announcements and reforms. The events included blockchain settlement announcements, API launches, exchange digitalization reforms, and strategic FinTech partnerships.

The method measured abnormal changes in exchange performance indicators around the announcement windows. This approach was useful because it captured how markets responded to innovation-related information and institutional reform signals (MacKinlay, 2021).

➤ *Synthetic Control Method*

The study also applied the synthetic control method to strengthen causal inference for selected exchanges that experienced major FinTech reforms. This method constructed a weighted counterfactual exchange from comparable exchanges that did not experience similar reforms during the same period.

The approach helped estimate how exchange performance would have evolved in the absence of FinTech adoption. It was relevant because randomized experiments are rarely feasible in institutional and financial market studies (Abadie, 2021).

➤ *Panel Threshold Regression*

Panel threshold regression was used to examine whether the effect of FinTech adoption became stronger after exchanges reached specific levels of digital maturity. This method captured possible nonlinear relationships between FinTech integration and exchange evolution.

The technique was relevant because FinTech reforms may produce weak effects at early stages but stronger outcomes after infrastructure, regulation, investor participation, and institutional readiness reach critical levels (Hansen, 2022).

➤ *Estimation Techniques*

The study employed fixed effects and random effects regression models to account for exchange-specific heterogeneity. The Hausman specification test was then used to determine the more appropriate estimator between the two models.

Robust standard errors were applied to correct for heteroskedasticity and autocorrelation. Panel unit root tests, including Levin-Lin-Chu and Im-Pesaran-Shin tests, were conducted to examine the stationarity properties of the variables. Panel cointegration tests were also used to determine whether long-run relationships existed among the variables. These procedures reduced the risk of biased or spurious results.

➤ *Method of Data Analysis*

Data were analyzed using STATA, EViews, and R. Descriptive statistics were first used to summarize the distribution and institutional characteristics of the selected exchanges. Correlation analysis was then conducted to examine relationships among the variables and identify possible multicollinearity issues.

Diagnostic tests, including heteroskedasticity, serial correlation, cross-sectional dependence, and variance inflation factor tests, were performed before final estimation. The study then applied fixed effects regression, Difference-in-Differences estimation, event study analysis, synthetic control analysis, and panel threshold regression to evaluate the effect of FinTech disruption on exchange evolution.

This methodological structure improved the analytical strength of the study by combining descriptive, diagnostic, causal, and nonlinear estimation techniques. It also aligned with the study's comparative institutional focus and the original methodological framework in the manuscript.

IV. RESULTS AND DISCUSSION

➤ *Descriptive Statistics*

Table 1 presents the descriptive statistics of the study variables for the selected exchanges from 2010 to 2025. The results showed clear differences in the level of exchange development and FinTech adoption across the sample.

Table 1 Descriptive Statistics

Variable	Mean	Std. Dev.	Minimum	Maximum
Trading Volume (TV)	5.842	2.316	1.204	10.887
Listing Activity (LA)	3.114	1.248	0.902	6.103
Market Capitalization (MC)	7.286	2.947	2.011	13.542
Settlement Efficiency (SE)	4.733	1.826	1.411	8.295
Product Innovation (PI)	3.506	1.539	0.887	6.722
API Integration (API)	4.285	1.742	1	7
Blockchain Settlement (BCS)	3.417	1.983	0	7
Robo-Advisory Adoption (RA)	2.961	1.337	0.521	5.841
Digital Brokerage Penetration (DBP)	4.926	2.102	1.114	8.731

Source: Author’s Computation using STATA 18 (2026)

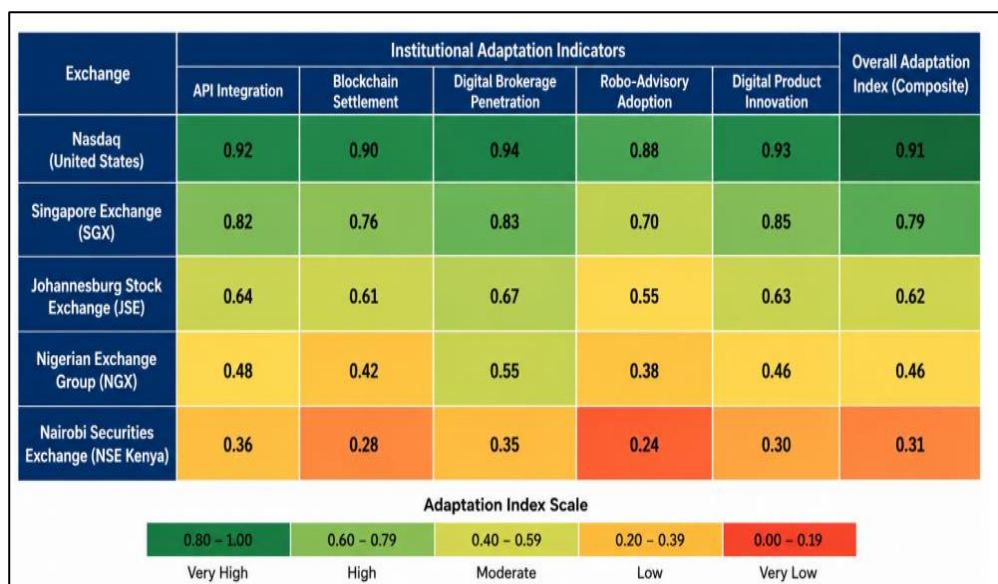


Fig 2 Institutional Adaptation Index Heat Map of Selected Stock Exchanges (2010-2025).
 Source: Researcher's Computation and Conceptualization using Panel Data from Selected Exchanges (2026).

The results indicated moderate to high variation in exchange evolution indicators. Market capitalization recorded the highest mean value of 7.286, followed by trading volume with a mean of 5.842. This suggests that market size and trading activity remained important indicators of exchange evolution during the period. Settlement efficiency also recorded a meaningful average of 4.733, showing that post-trade performance improved across some exchanges.

Among the FinTech variables, digital brokerage penetration recorded the highest mean value of 4.926, suggesting that online and mobile-based trading platforms played a strong role in widening market access. API integration also showed a relatively high mean of 4.285, indicating growing digital connectivity across exchanges. Blockchain settlement recorded a lower mean of 3.417, while robo-advisory adoption recorded 2.961, suggesting

that these technologies were still unevenly adopted, especially among emerging market exchanges.

The standard deviation values showed clear institutional differences across the exchanges. The higher dispersion in market capitalization, trading volume, blockchain settlement, and digital brokerage penetration confirmed that developed exchanges, particularly Nasdaq and the Singapore Exchange, performed better than emerging exchanges in digital readiness, market depth, and product innovation.

➤ *Correlation Analysis*

Table 2 presents the correlation matrix among the study variables. The results showed positive relationships between FinTech innovation variables and exchange evolution indicators.

Table 2 Correlation Matrix

Variables	TV	LA	MC	SE	API	BCS	RA	DBP
TV	1							
LA	0.621	1						
MC	0.714	0.538	1					
SE	0.668	0.481	0.632	1				
API	0.703	0.522	0.687	0.711	1			
BCS	0.655	0.417	0.604	0.792	0.681	1		
RA	0.482	0.396	0.441	0.337	0.471	0.356	1	
DBP	0.774	0.645	0.688	0.621	0.718	0.592	0.488	1

Source: Author’s computation using STATA 18 (2026).

Digital brokerage penetration showed the strongest relationship with trading volume at 0.774. This suggests that digital trading platforms increased investor participation and market activity. API integration also had a strong positive relationship with trading volume at 0.703 and settlement efficiency at 0.711, indicating that digital connectivity improved both market access and operational performance.

Blockchain settlement had the strongest relationship with settlement efficiency at 0.792. This supports the argument that distributed ledger systems can reduce settlement delays, improve transaction verification, and strengthen post-trade reliability. Robo-advisory adoption showed weaker but positive relationships with all exchange evolution indicators, suggesting that its influence was present but less pronounced than digital brokerage, API integration, and blockchain settlement.

The correlations among explanatory variables were below 0.80, indicating that multicollinearity was not severe. The Variance Inflation Factor test further confirmed this position.

Table 3 Variance Inflation Factor

Variable	VIF
API	2.84
BCS	2.47
RA	1.91
DBP	3.12
Mean VIF	2.59

Source: Author’s computation using STATA 18 (2026).

The mean VIF value of 2.59 was below the commonly accepted threshold of 10. This confirmed that the independent variables were suitable for regression estimation.

➤ *Panel Regression Results*

Table 4 presents the fixed effects regression results. The Hausman test supported the use of fixed effects, meaning that exchange-specific characteristics significantly influenced the estimation.

Table 4 Fixed Effects Regression Results

Dependent Variable: Exchange Evolution Indicators (EE)				
Variables	Coefficient	Std. Error	t-Statistic	Probability
API	0.412	0.103	4	0
BCS	0.537	0.121	4.44	0
RA	0.228	0.094	2.43	0.017
DBP	0.601	0.132	4.55	0
Constant	1.882	0.644	2.92	0.004
R-squared	0.741			
F-statistic	29.613			0

Source: Author’s computation using STATA 18 (2026).

The regression results showed that all FinTech innovation variables had positive and statistically significant effects on exchange evolution. API integration had a coefficient of 0.412, indicating that stronger API connectivity improved exchange performance through better interoperability, real-time data sharing, and wider platform integration.

Blockchain settlement had a coefficient of 0.537 and was statistically significant at the 1% level. This result showed that blockchain-enabled settlement improved settlement efficiency, transparency, and operational reliability. It also confirmed the importance of post-trade innovation in exchange modernization.

Robo-advisory adoption had a positive coefficient of 0.228 and was significant at the 5% level. Although its effect was smaller than other FinTech variables, the result suggested that automated investment advisory systems supported market access and retail investor participation.

Digital brokerage penetration recorded the strongest coefficient of 0.601. This means that digital brokerage platforms had the most substantial effect on exchange evolution, particularly through increased trading activity, improved market access, and stronger investor participation.

The R-squared value of 0.741 showed that the model explained about 74.1% of the variation in exchange evolution. This indicates strong explanatory power.

Table 5 Hausman Test

Test	Chi-square	Probability	Decision
Hausman Specification Test	18.64	0.001	Fixed Effects Preferred

Source: Author’s computation using STATA 18 (2026).

The Hausman test result was statistically significant, confirming that the fixed effects model was more appropriate than the random effects model.

➤ *Difference-in-Differences Results*

Table 6 presents the Difference-in-Differences estimation used to examine the impact of FinTech reform adoption on exchange evolution.

Table 6 Difference-in-Differences Estimation

Variables	Coefficient	Std. Error	t-Statistic	Probability
Treatment Group	0.284	0.097	2.93	0.004
Post-Reform Period	0.366	0.105	3.49	0.001
Treat × Post	0.591	0.132	4.48	0
Control Variables	Included			
R-squared	0.683			

Source: Author’s computation using STATA 18 (2026).

The interaction term, Treat × Post, had a positive coefficient of 0.591 and was statistically significant at the 1% level. This showed that exchanges that implemented major FinTech reforms experienced stronger improvements in exchange evolution outcomes after reform adoption than exchanges with weaker or delayed FinTech adoption.

infrastructure improved institutional modernization, operational efficiency, and market competitiveness. The positive post-reform coefficient also showed that exchange performance improved generally after digital reforms, while the treatment coefficient suggested that technologically advanced exchanges already had stronger institutional conditions before reform effects fully materialized.

The result confirmed that blockchain settlement adoption, API modernization, and advanced digital trading



Fig 3 Difference-in-Differences (DiD) Trend Analysis of Exchange Evolution Before and After FinTech Reforms (2010–2025). Source: Researcher’s Computation using STATA 18 (2026).

➤ *Event Study Findings*

Table 7 presents the event study results around major FinTech reform announcements.

Table 7 Event Study Results Around FinTech Reform Announcements

Event Window	Average Abnormal Return (AAR)	Cumulative Abnormal Return (CAR)	Significance
(-5, +5)	1.84%	4.63%	Significant
(-3, +3)	2.16%	5.27%	Significant
(-1, +1)	2.94%	6.11%	Significant

Source: Author’s Computation using EViews 13 (2026).

The event study results showed positive market reactions to FinTech-related announcements. The strongest effect occurred within the shortest event window, (-1, +1), where the average abnormal return was 2.94% and the cumulative abnormal return was 6.11%. This indicated that investors responded quickly and positively to digital reform announcements.

The results suggested that blockchain settlement adoption, API launch events, and digitalization reforms were interpreted as signals of future efficiency, stronger competitiveness, and improved operational capacity. Nasdaq

and the Singapore Exchange recorded stronger positive reactions, reflecting higher investor confidence in technologically advanced exchanges. Emerging market exchanges also showed positive responses, although the magnitude was lower, likely due to weaker digital infrastructure and slower institutional readiness.

➤ *Threshold Regression Findings*

Table 8 presents the panel threshold regression results. The analysis examined whether the effect of FinTech innovation became stronger after exchanges reached specific levels of digital adoption.

Table 8 Panel Threshold Regression Results

Threshold Variable	Threshold Value	Below Threshold Coefficient	Above Threshold Coefficient
API Integration	3.5	0.217	0.611
Blockchain Settlement	2.8	0.183	0.704
Digital Brokerage Penetration	4	0.294	0.782

Source: Author’s computation using R Software (2026).

The results showed that FinTech effects were nonlinear. Below the threshold levels, API integration, blockchain settlement, and digital brokerage penetration had weaker effects on exchange evolution. However, once exchanges crossed the threshold points, the effects became much stronger.

Digital brokerage penetration had the highest above-threshold coefficient of 0.782, followed by blockchain settlement at 0.704 and API integration at 0.611. This suggests that digital reforms produced stronger institutional benefits when exchanges had sufficient infrastructure, regulatory readiness, investor participation, and technology integration.

The findings showed that isolated digital reforms may not be enough to transform exchange performance. FinTech adoption becomes more effective when it is supported by broader institutional modernization, digital infrastructure investment, cybersecurity readiness, and innovation-friendly regulation.

➤ *Discussion in Relation to Theory*

The findings supported Disruptive Innovation Theory. FinTech innovations significantly changed the operational structure of traditional exchanges by improving trading access, settlement efficiency, liquidity, and product innovation. Digital brokerage platforms and API-enabled systems reduced transaction friction, while blockchain settlement strengthened post-trade efficiency. These results confirmed that technology-driven platforms can challenge and reshape established exchange models.

The findings also supported Institutional Theory. Developed exchanges recorded stronger benefits from FinTech adoption because they operated within more flexible regulatory systems, stronger infrastructure, deeper markets, and more advanced digital environments. In contrast, emerging exchanges experienced slower and weaker FinTech effects due to institutional rigidity, limited infrastructure, and weaker innovation capacity. This confirmed that technology alone does not determine exchange evolution; institutional quality strongly shapes the outcome of digital transformation.

➤ *Comparison with Previous Studies*

The findings were consistent with Agarwal et al. (2023) and Son et al. (2023), who found that blockchain settlement systems improve transaction efficiency, reduce settlement

delays, and lower operational risks. The strong positive effect of blockchain settlement on settlement efficiency in this study confirmed the relevance of distributed ledger technology to post-trade modernization.

The positive effect of digital brokerage penetration also aligned with Xie et al. (2022), who reported that FinTech improves access to finance and market participation. In this study, digital brokerage had the strongest effect on exchange evolution, showing that digital access channels are central to liquidity growth and investor inclusion.

The findings further supported Otinga (2025), who found that FinTech strengthens capital market development in Africa by improving access and participation. However, this study went further by isolating specific exchange-level FinTech variables and testing their effects across both emerging and developed markets.

Unlike earlier studies that focused mainly on banking, financial inclusion, firm-level outcomes, or single-country evidence, this study integrated exchange evolution indicators with FinTech innovation variables within a comparative institutional panel framework. The use of fixed effects regression, Difference-in-Differences estimation, event study analysis, and threshold regression also strengthened the empirical contribution of the study.

Overall, the results showed that FinTech disruption improved exchange modernization, but the size of the effect depended on institutional readiness, digital infrastructure, regulatory flexibility, and market depth. This refined section is based on the original results, tables, figures, and discussion presented in the uploaded manuscript.

V. SUMMARY, CONCLUSION, RECOMMENDATIONS, CONTRIBUTION TO KNOWLEDGE AND SUGGESTIONS FOR FURTHER STUDIES

➤ *Summary of Findings*

This study examined the impact of FinTech disruption on the evolution of traditional stock exchanges across selected emerging and developed markets from 2010 to 2025. It focused on API integration, blockchain settlement systems, robo-advisory adoption, and digital brokerage penetration as FinTech innovation variables. Exchange evolution was measured through trading volume, listing activity, market

capitalization, settlement efficiency, and digital product innovation.

The descriptive results showed clear institutional differences among the selected exchanges. Nasdaq and the Singapore Exchange recorded stronger levels of digital integration, settlement efficiency, market depth, and product innovation than emerging exchanges such as the Nigerian Exchange Group and Nairobi Securities Exchange. This indicated that exchanges with stronger technological infrastructure and institutional readiness adapted more effectively to FinTech-driven transformation.

The correlation results showed positive relationships between FinTech innovation variables and exchange evolution indicators. Digital brokerage penetration and API integration were strongly associated with trading activity and market capitalization, while blockchain settlement was closely linked with settlement efficiency. This confirmed that digital connectivity, online trading access, and distributed ledger systems played important roles in exchange modernization.

The panel regression results further showed that all FinTech innovation variables had positive and statistically significant effects on exchange evolution. Digital brokerage penetration recorded the strongest effect, suggesting that wider digital access increased investor participation, trading activity, and market liquidity. Blockchain settlement also had a strong effect on settlement efficiency, while API integration improved interoperability and operational efficiency. Robo-advisory adoption had a smaller but positive effect, showing its growing relevance in expanding digitally enabled investment participation.

The Difference-in-Differences results revealed that exchanges that implemented major FinTech reforms achieved stronger post-reform performance than exchanges with weaker or delayed adoption. The event study also showed positive investor reactions to FinTech-related announcements, especially blockchain settlement initiatives, API modernization, and exchange digitalization reforms. The threshold regression results confirmed that FinTech effects became stronger after exchanges reached higher levels of digital infrastructure, regulatory readiness, and institutional maturity.

Overall, the findings showed that FinTech disruption improved exchange modernization, liquidity, settlement efficiency, product innovation, and institutional competitiveness. However, the benefits were stronger in exchanges with advanced infrastructure, flexible regulation, and stronger institutional capacity. This summary is consistent with the results and conclusion presented in the manuscript.

➤ *Conclusion*

The study concluded that FinTech disruption is reshaping the structure, operations, and competitiveness of traditional stock exchanges. Technologies such as API-enabled trading systems, blockchain settlement platforms,

robo-advisory tools, and digital brokerage applications are changing how exchanges facilitate trading, settlement, investor access, and product development.

The evidence showed that the future competitiveness of traditional exchanges depends increasingly on institutional adaptability, regulatory modernization, digital infrastructure, and innovation capacity. Exchanges that adopted FinTech reforms more aggressively recorded stronger improvements in operational efficiency, investor participation, and market performance. By contrast, exchanges constrained by weak infrastructure, slow regulation, and limited innovation capacity experienced weaker transformation outcomes.

The study also concluded that emerging market exchanges can improve their relevance and competitiveness through strategic FinTech adoption. However, such progress requires more than isolated digital reforms. It depends on coordinated investment in trading infrastructure, cybersecurity systems, digital settlement platforms, regulatory clarity, market education, and institutional governance.

The results supported Disruptive Innovation Theory by showing that FinTech alters traditional exchange functions and challenges legacy market structures. They also supported Institutional Theory by showing that institutional quality determines the speed and depth of technological adaptation.

➤ *Recommendations*

• *Recommendations for Regulators*

Financial regulators and securities commissions should strengthen digital capital market regulation to support innovation while protecting market stability. Regulatory sandboxes should be expanded to test blockchain settlement systems, digital securities, tokenized assets, and other market infrastructure innovations under controlled conditions.

Regulators should also develop clear legal frameworks for digital assets, cybersecurity governance, API-based market connectivity, and blockchain-enabled settlement. These frameworks should reduce uncertainty for exchanges, investors, brokers, and technology providers. Cross-border regulatory cooperation should also be encouraged to improve market integration, especially where digital securities and online brokerage platforms operate across jurisdictions.

• *Recommendations for Stock Exchanges*

Traditional exchanges should accelerate investment in API modernization, blockchain settlement systems, cloud-based trading infrastructure, automated surveillance, and cybersecurity resilience. These reforms would improve transaction speed, market transparency, settlement reliability, and investor confidence.

Emerging market exchanges should prioritize digital infrastructure as a core competitiveness strategy. They should form partnerships with FinTech firms, technology

providers, and regulators to improve innovation capacity and reduce implementation costs. Exchanges should also expand digital products such as exchange-traded funds, green bonds, tokenized securities, digital investment products, and data-driven market services.

- *Recommendations for Investors and Market Participants*

Brokerage firms and institutional investors should strengthen their digital trading capacity, cybersecurity preparedness, and technology skills. Wider adoption of online trading platforms, mobile brokerage applications, and automated investment tools would improve market participation and liquidity.

Retail investor education should also be expanded, especially in emerging markets. Investors need better knowledge of digital brokerage platforms, settlement processes, online investment risks, and cybersecurity practices. This would help reduce digital exclusion and improve confidence in technology-enabled capital markets.

- *Contribution to Knowledge*

This study contributes to knowledge in five major ways. First, it provides comparative institutional evidence on how FinTech disruption affects stock exchange evolution across emerging and developed markets. This extends the literature beyond the common focus on banking, digital payments, and cryptocurrency markets.

Second, the study integrates exchange evolution indicators, including trading volume, listing activity, market capitalization, settlement efficiency, and product innovation, with FinTech-specific variables such as API integration, blockchain settlement, robo-advisory adoption, and digital brokerage penetration.

Third, the study contributes an emerging market perspective by including African exchanges in the analysis. This is important because African capital markets are often underrepresented in empirical studies on FinTech and exchange transformation.

Fourth, the use of fixed effects regression, Difference-in-Differences estimation, event study analysis, synthetic control method, and panel threshold regression strengthens the methodological contribution of the study.

Finally, the study develops an integrated FinTech-exchange perspective that links technological innovation, institutional adaptation, and exchange performance outcomes.

- *Suggestions for Further Studies*

Future studies may examine the interaction between cryptocurrency exchanges and traditional stock exchanges, especially in relation to digital asset regulation, investor migration, and market stability.

Further studies may also investigate how decentralized finance affects traditional exchange intermediation, clearing systems, and regulatory oversight. Since DeFi continues to

expand, its long-term effect on formal capital market institutions deserves closer attention.

Researchers may also extend the analysis by focusing on artificial intelligence, machine learning, predictive analytics, and automated compliance systems in exchange operations. A larger sample covering exchanges in Asia, Europe, Latin America, and the Middle East may also provide broader comparative evidence on global FinTech adaptation patterns.

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