
Strategy& European Crypto Survey 2022

Results for Germany
June 2022

Our European Crypto Survey 2022 provides deep insights into the investment behavior and needs of European investors

Introduction: Strategy& European Crypto Survey

Cryptocurrencies and other digital assets (e.g. non-fungible tokens, NFTs) have established themselves as an alternative asset class. In 2021, 10% of all Germans owned cryptocurrencies¹⁾ (compared to 17% that own stocks), which means that cryptocurrencies have grown beyond its initial niche status.

Nevertheless, only a few German financial institutions have so far opted for an active commitment of their own and offer retail investors access to crypto.

Particularly in light of the increasing uncertainty on the financial markets, caused among other things by the war in Ukraine and the high inflation in Germany, large parts of the EU and the USA, the question arises as to the investment behavior of crypto investors - and what consequences the traditional banking world should draw from this.

Strategy&, the strategy consulting firm of PwC, studied the investment behaviour of a total of 2,000 private crypto investors in Germany, Switzerland and Turkey between 24 March and 05 April 2022.

We are pleased to present the results of the first "**Strategy& European Crypto Survey**" on the following pages.

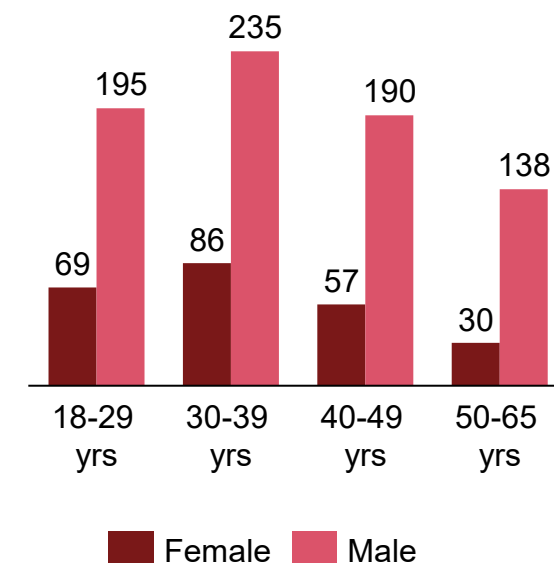
Origin of the participants:



Number of participants:



Composition of the participants (age groups and gender)



Ø Age of participants:



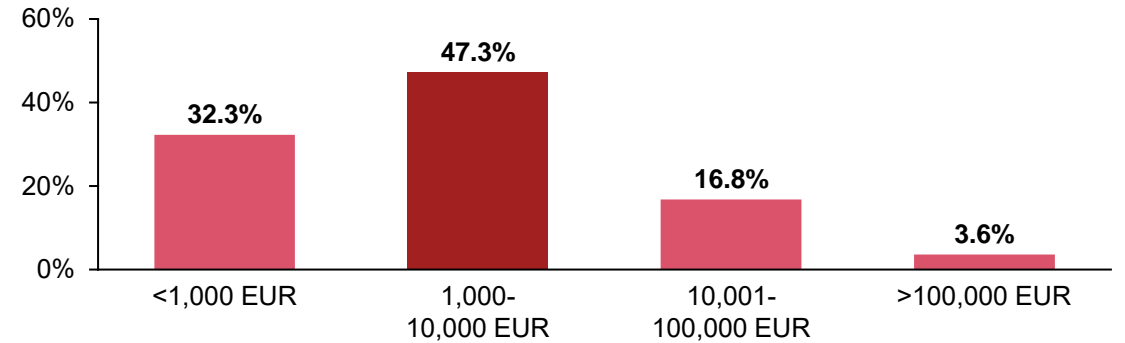
Extract of the results

Crypto has established itself among GER retail investors

About half of crypto investors invest between EUR 1,000 and EUR 10,000

Amount invested in cryptocurrencies and digital assets

Single selection (Σ of responses = 100%)

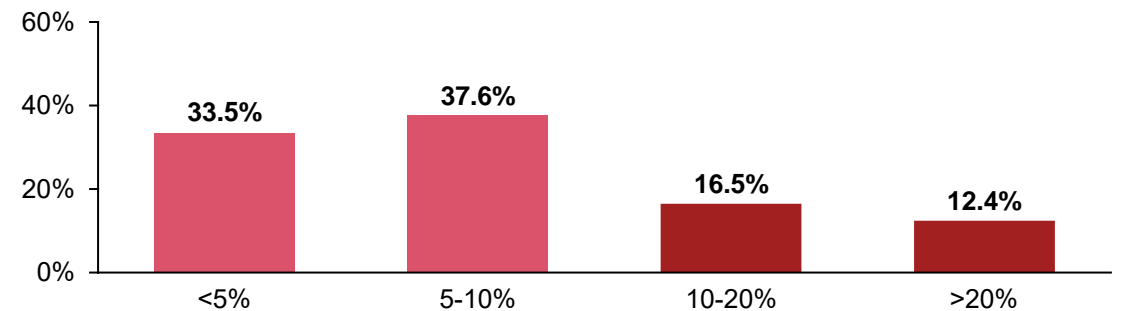


60% of retail investors invest in crypto with a specific investment intention (primary purpose)

More than 1/4 allocate over 10% of their wealth to crypto or digital assets

Share of cryptocurrencies and digital assets of total wealth

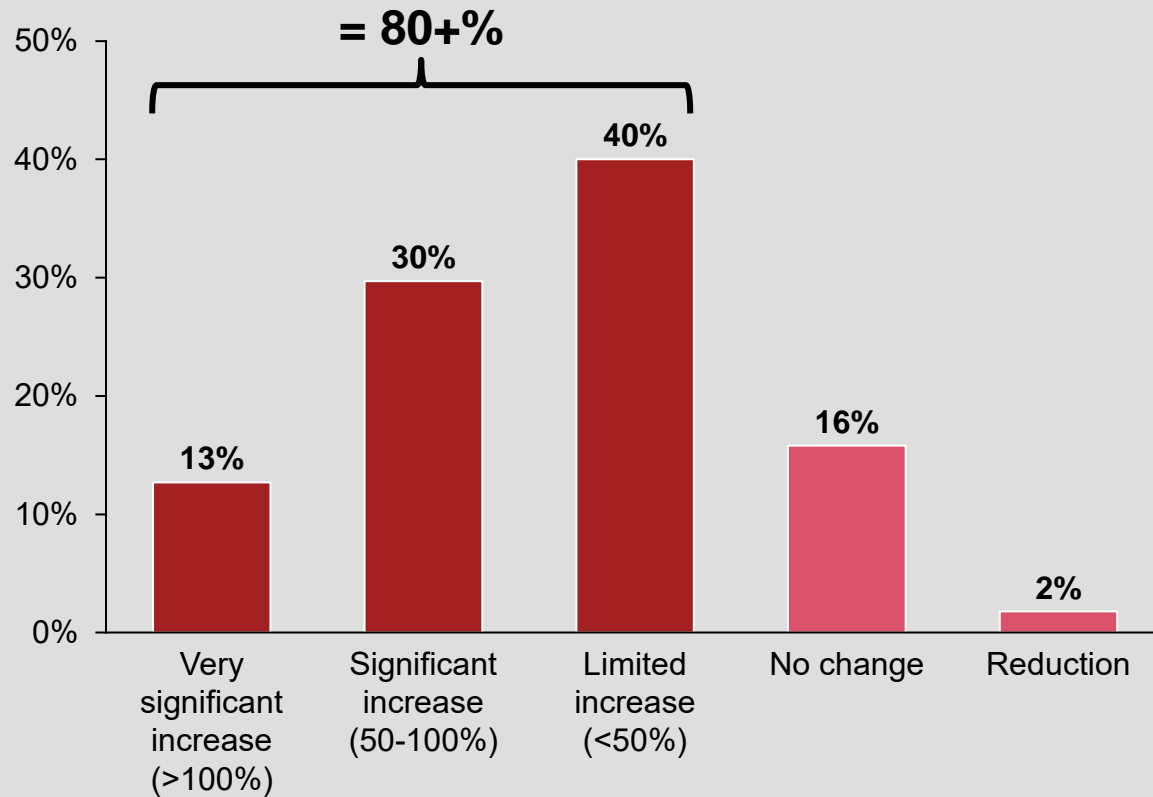
Single selection (Σ of responses = 100%)



Retail investors continue to attest to crypto's potential ...

Planned change in the wealth allocation to cryptocurrencies and digital assets

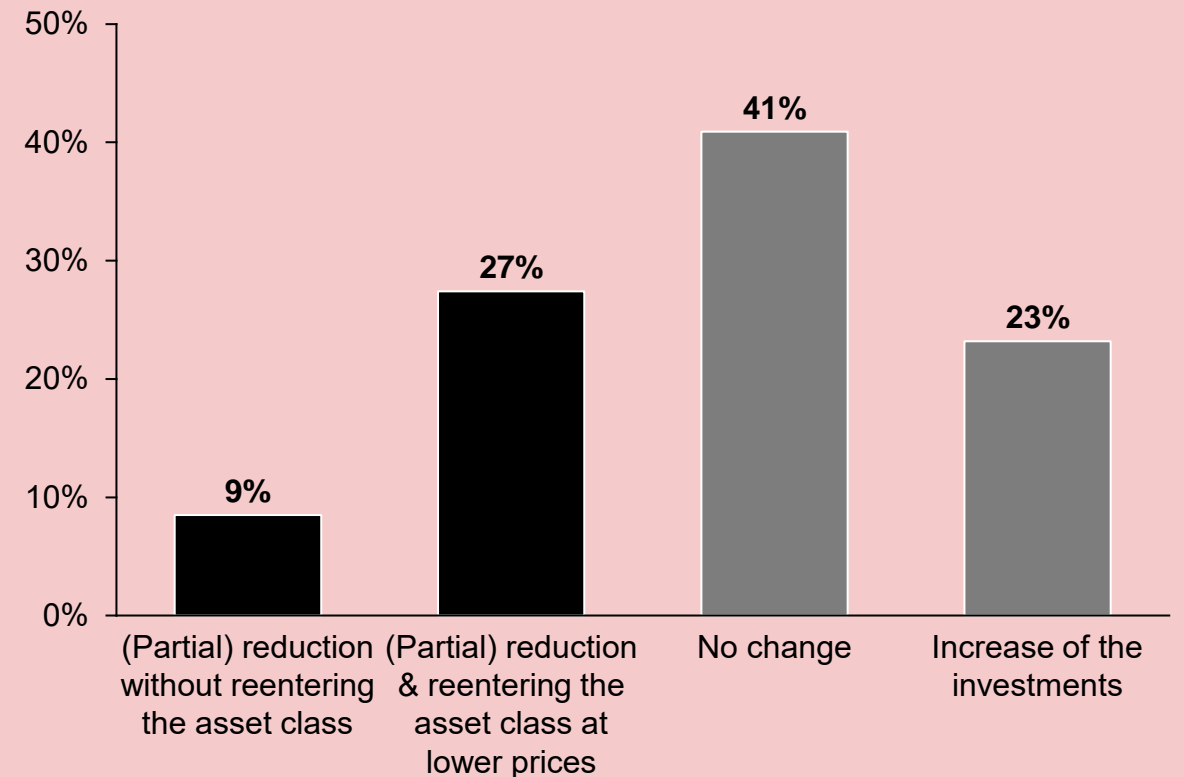
Single selection (Σ of answers = 100%)



... and remained invested even during the bear market in Q4 2021

Behavior during the crypto market collapse in Q4 2021

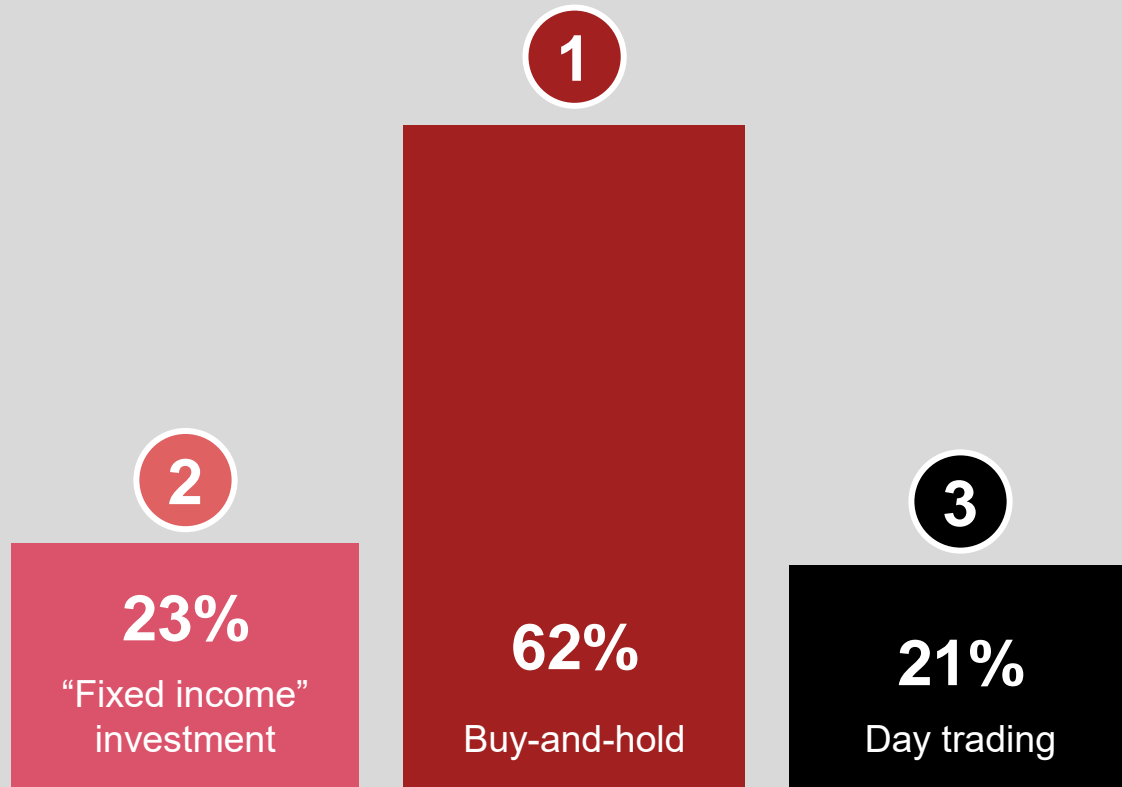
Single selection (Σ of responses = 100%).



"Buy-and-hold" of cryptocurrencies continues to be the most common approach of German investors

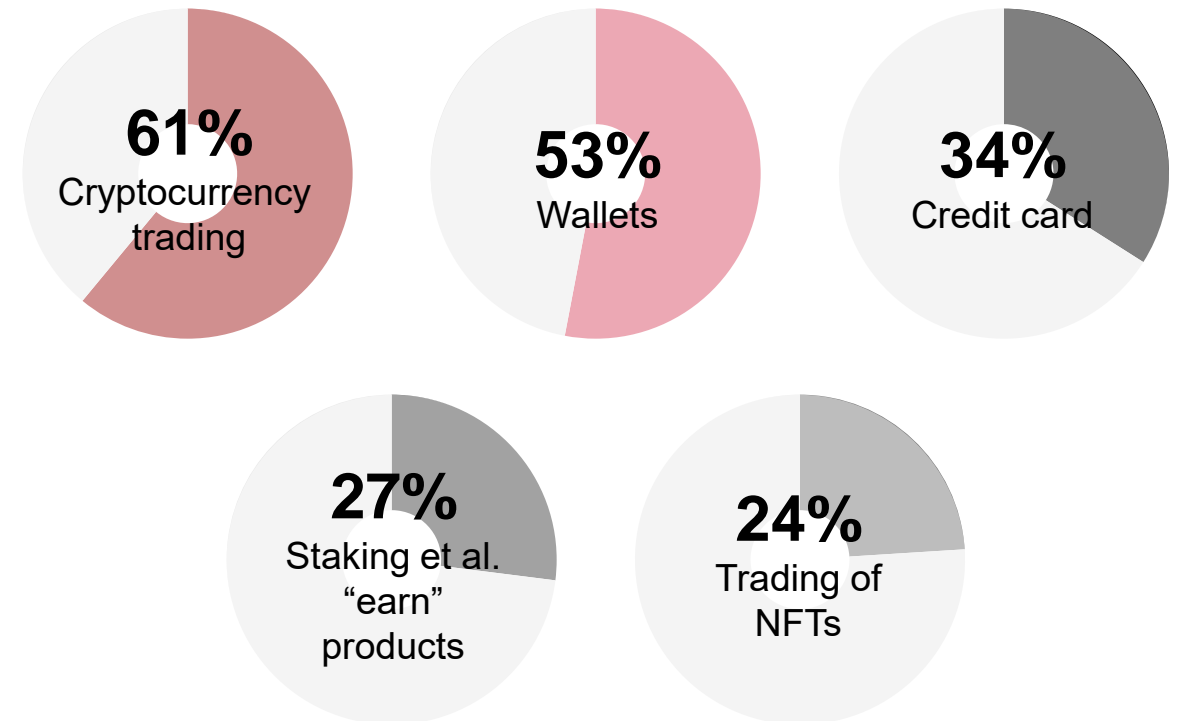
Top 3 most used investment strategies

Multiple selections possible (Σ of answers >100%)



Top 5 most used crypto offers of trading platforms

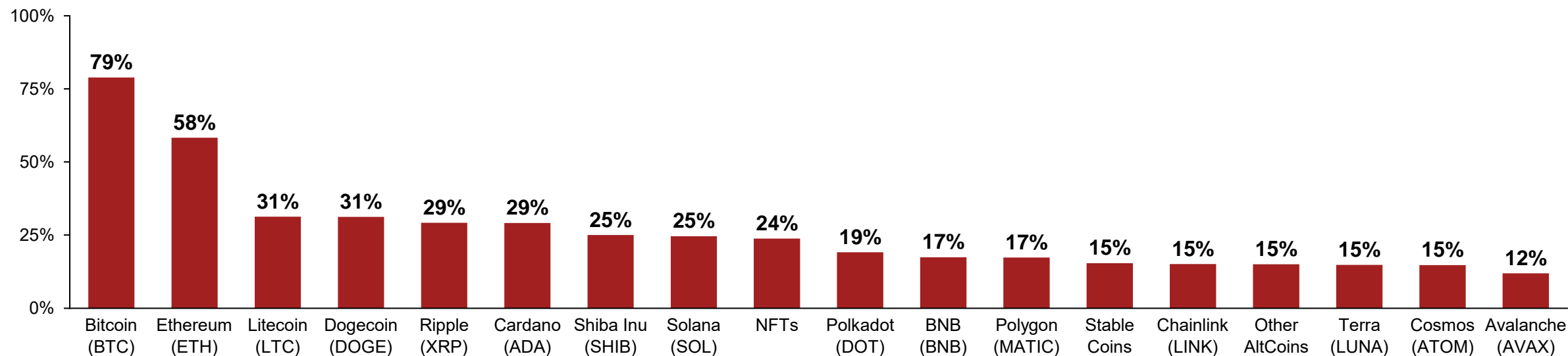
Multiple selections possible (Σ of answers >100%)



Bitcoin and Ethereum represent the most popular digital asset of German retail crypto investors – less than ¼ of them with NFTs

Investments in cryptocurrencies and digital assets (e.g. NFTs, security tokens)

Multiple selections possible (Σ of answers >100%)



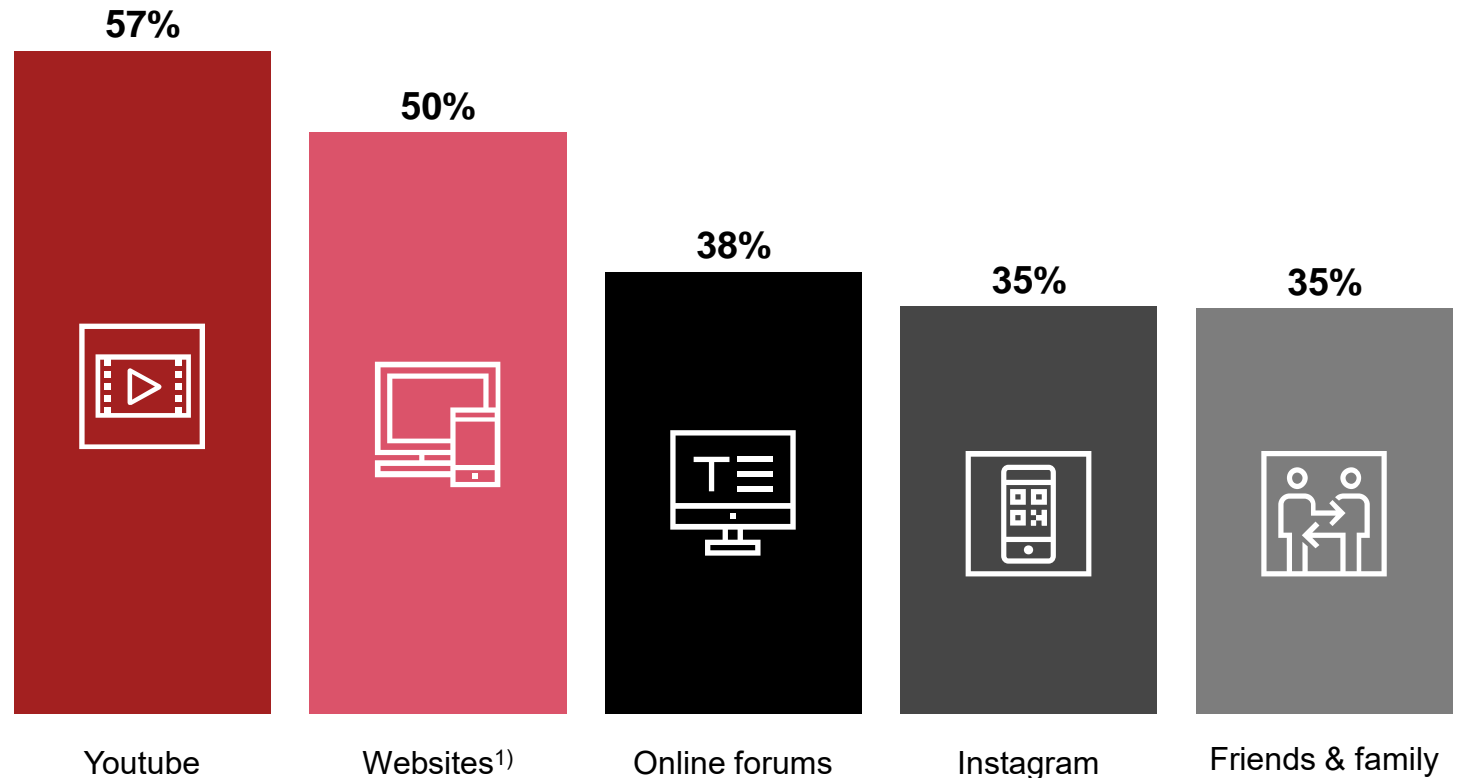
YouTube, websites and online forums are the Top 3 information channels, followed by Instagram and acquaintances

Notes

- Crypto investors get their information from different channels
- Youtube and relevant websites that specialize in information and reports on digital assets stand out among the channels
- Numerous investors state that they would like to see better information and learning offerings from platforms/ investment channels

Information channels on cryptocurrencies and digital assets

Multiple selections possible (Σ of answers >100%)



Investors see clear risks with digital assets

- Equal distribution indicates that investors see several risks
- However, safety aspects stand out clearly in the distribution



22.6%

Theft by hacker



19.6%

General ban on cryptocurrencies/ digital assets



19.6%

Another crypto winter (e.g. due to contractionary monetary policy)



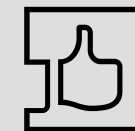
19.0%

Loss of the access data to the private wallet



13.0%

Correct taxation of the generated income



5.9%

No significant risks

Question: "In your view, what is the biggest risk when investing in cryptocurrencies and digital assets?"
Note: excl. 0.3% other risks

Conclusions of the Crypto Survey

Crypto is an essential part of asset management for private investors - the potential for the investment industry is huge

Key results of the Crypto Survey (1/2)

1.

Digital assets are already a relevant asset class

- **Significant volume:** 50% of respondents have invested between 1,000-10,000 EUR. But: 17% have already invested between 10,000-100,000 EUR and 4% even more than 100,000 EUR
- **Significant addition to the portfolio:** For most investors, digital assets account between 5-10% of their total wealth – however, for almost 30% of respondents, the allocation is (significantly) north of 10%

2.

Crypto investors believe in the asset class & its long-term potential

- **Further expansion of investments:** More than 80% of the surveyed crypto investors want to expand their holdings – the majority of these 80% even plan to increase their holdings by more than 50%.
- **HODL¹⁾ as a premise:** 40% of the surveyed crypto investors did not change their positions during the crash in November – instead, one ¼ increased their holdings with another ¼ initially selling their holdings in order to reenter at more favorable prices.

3.

Crypto investors are a potential customer group

- **Above-average investments in other asset classes:** More than 60% of crypto investors have also invested in equities and ETFs - as well as bonds, commodities, precious metals, derivatives and tangible assets.
- **Extremely active:** While Buy-and-hold is the most common investment strategy with ~60%, active strategies (day trading, yield farming, technical analysis or staking) are simultaneously pursued by more than 50% of crypto investors.

The intensity of competition among banks, (neo-)brokers and crypto exchanges will increase – the revenue opportunities are tangible

Key results of the Crypto Survey (2/2)

4.

Crypto exchanges and neo-brokers are currently dividing up the market

- **Overall rather fragmented provider landscape - international crypto exchanges lead the way:** Coinbase, Binance and Crypto.com particularly well-known and with high usage rate
- **Neo-brokers in 2nd spot:** Besides the crypto exchanges, TradeRepublic, eToro as well as Bitpanda with a relevant market share - banks hardly play any role so far except for Revolut

5.

Trustworthiness and security decisive for platform selection

- **#1 Trustworthiness and security :** With 39% and a large margin, this is the most decisive factor for retail investors when choosing a trading platform.
- **#2 Attractive cost structure:** At 15%, this is the second most important factor in the decision of crypto investors.
- **#3 Selection of tradable currencies:** Just behind at 13%, although trading is primarily focused on the Top 20 cryptocurrencies

6.

The current offer is expandable and offers opportunities

- **Attractive learning offers are missing:** With 33%, the respondents see a clear gap in the current market and a unique opportunity for differentiation here.
- **ETFs on crypto indices are lacking:** Ubiquitous for equities for some time now, but missed by 30% in the crypto space
- **Access via principal bank desired:** Despite the use of crypto exchanges and neo-brokers, access via the principal bank is missing for 28%

What now? Apply differentiating capabilities, master competition and consistently leverage market potentials

Strategic implications for crypto providers/ channels for retail investors

(Neo-) brokers will need an attractive crypto offering very soon



- Build crypto offering in a timely manner if not already in place
- Expansion of tradable tokens before product offering (such as staking)
- Ensure and promote safe custody
- Score with an attractive cost structure

For crypto exchanges, it's all about evolving to stay ahead



- Exploit time advantage and further expand market share
- Offer or extend attractive learning opportunities
- Use relevant information channels for marketing purposes
- Expand range of services to lock in investors within a one-stop-shop

Banks are reluctant so far, but have massive potential



- Realize the potential of existing customers and avoiding churn
- Attract new customers with an attractive crypto offer
- Emphasizing security and trustworthiness, typically associated with banks
- Build valuable expertise and obtain licenses for tokenization

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