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Crypto.com Survey Report

**Brazilians Looking to Diversify Their
Investment Portfolio with Crypto**

Research and Insights



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Executive Summary

Crypto.com commissioned a survey of more than 2,000 Brazilians aged 18+, to learn about their **banking preferences, investment habits, and views on cryptocurrencies and non-fungible tokens (NFTs)**.

Below is a summary of our key findings.

- Among all of the 2,059 survey respondents:
 - **Over 60%** believe that it is **important** or **very important** to have an option **to spend crypto using a debit card** in a store.
 - There is a **strong appetite for NFTs**, with 74% either looking to buy an NFT or be given one as a gift, or wanting to know more about it.
- Among the crypto-investor respondents:
 - **Security is the most crucial feature (63%)** that they are looking for in an ideal trading platform.
 - The **level of crypto investment was significantly high** (42% – 343 out of the 816 investors put 3%-10% of their portfolio in crypto, while 35% of such investors allocated over 10% of their portfolio to crypto).
 - **Two-thirds** were motivated to **buy crypto as an investment**, while 33% see it as a way of protecting their assets from economic instability.
 - Responses (88%) are overwhelmingly clear that there has been a **massive interest in staking** to boost investment returns.
- Among the non-investor respondents (i.e. 1,243, or 60% out of the 2,059 survey participants who did not buy any crypto in the last 12 months):
 - Nearly **60% said it's 'likely' or 'very likely'** that they would start investing in crypto over the next year, which is a strong signal of further mainstream adoption going forward.
 - **Financial education is the key** to building their confidence in cryptocurrencies, as the main reasons holding the non-crypto investors back are a better understanding of how the technology works (53%) and how to make investment decisions on crypto (62%).

1. Introduction

Worried about the economic crisis triggered by the COVID-19 pandemic and inflation, Brazilians are looking to diversify their asset portfolio through investing in cryptocurrencies, a recent survey study in the country has found.

According to the survey, which was conducted in October 2021, most (66%) of current crypto investors in Brazil were motivated to buy crypto assets as an investment option. Others saw it as a way of protecting their assets from economic instability (33%) or government interference (25%).

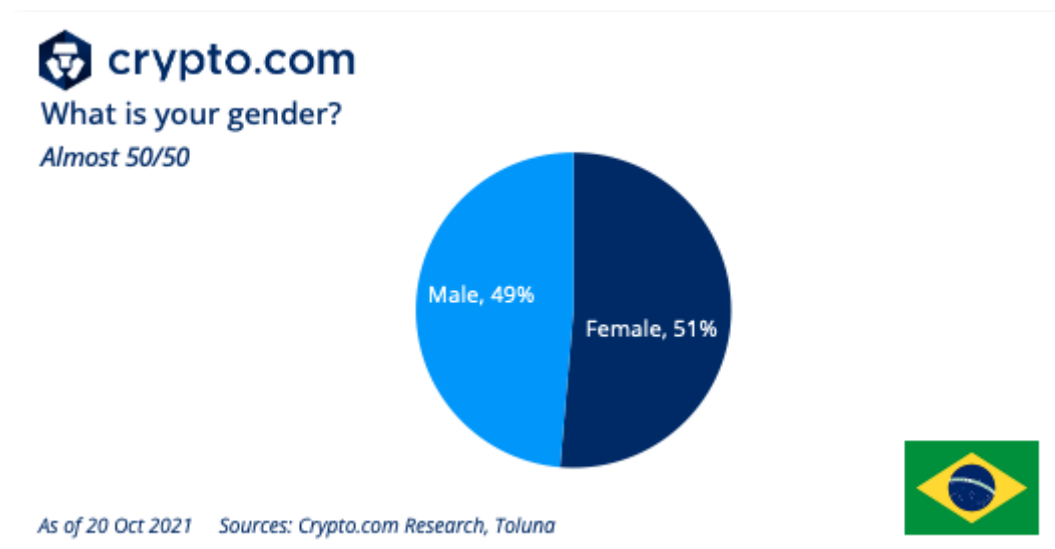
Among the Brazilian respondents that invested in crypto in the last year, 46% of them intend to invest in a crypto investment fund, while 54% prefer to invest in their own cryptocurrencies, such as Bitcoin and Ethereum.

Meanwhile, 59% of Brazilians yet to invest in crypto are probably (nearly 40% of the non-crypto investor respondents) or very probably (19% of the non-crypto investor respondents) going to buy coins for the first time within the next 12 months. The three primary factors holding them back thus far are a need to understand better how to buy crypto (62%), a need to know more about how crypto technology works (53%), and a desire for the possibility to withdraw investments in cash with a card from an ATM (34%).

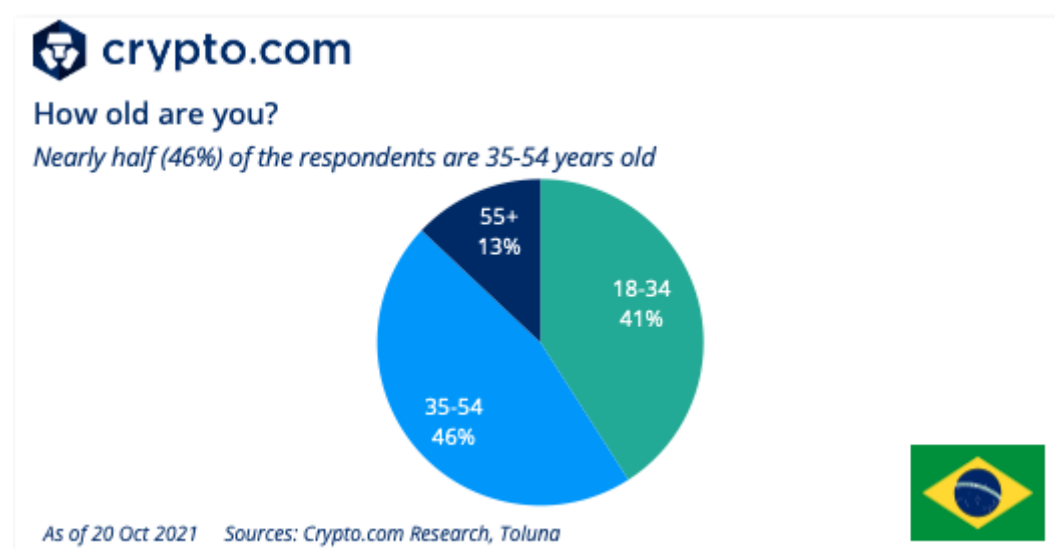
2. Results

2.1 Demographics

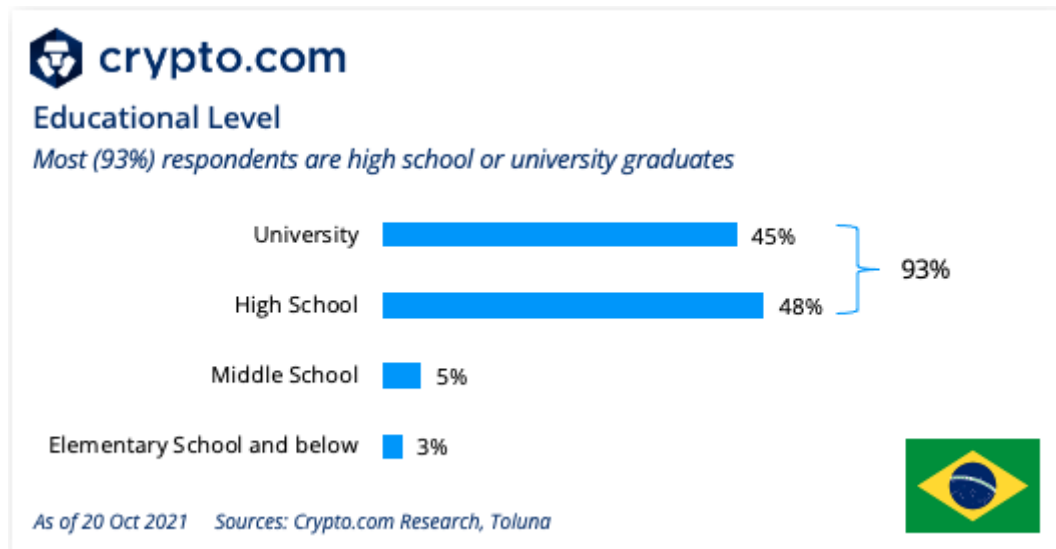
This Crypto.com survey covered 2,059 Brazilians, 49% men and 51% women. It was found that about 40% of the respondents made some investments in cryptocurrencies over the past year, while 60% didn't.



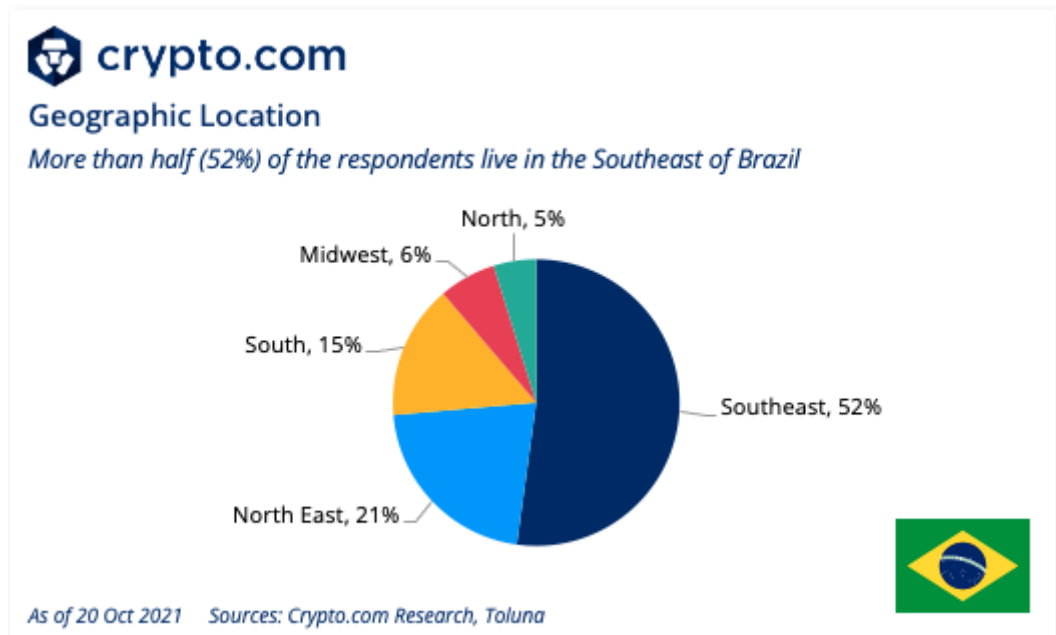
The respondents were aged between 18 to 55+, and the majority (46%) of them were 35 and 54 years old at the time of the survey.



Of the respondents, 48% reportedly have completed high school education, and 45% are university graduates.



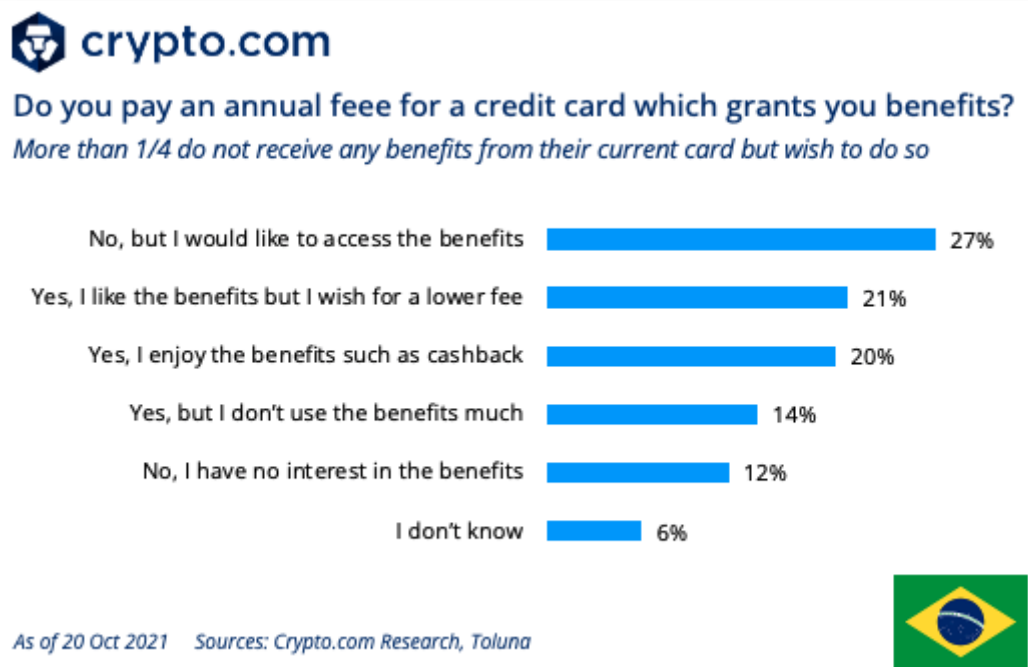
More than half (**52%**) **live in the Southeastern region** of Brazil, which is relatively wealthier than the rest of the country.



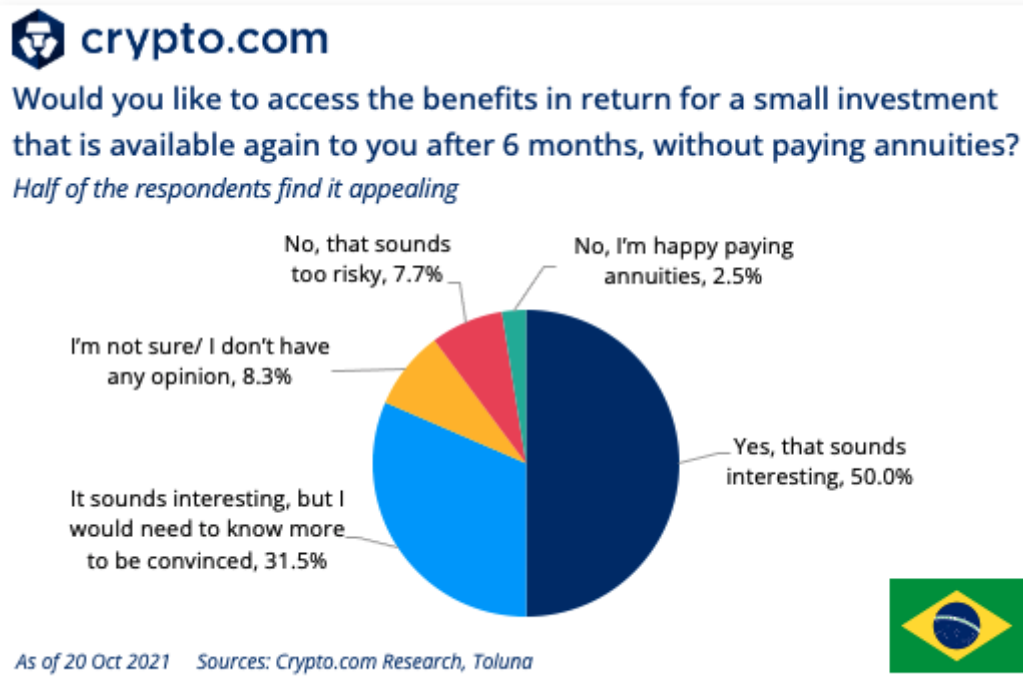
2.2 Key Findings

Card Benefits

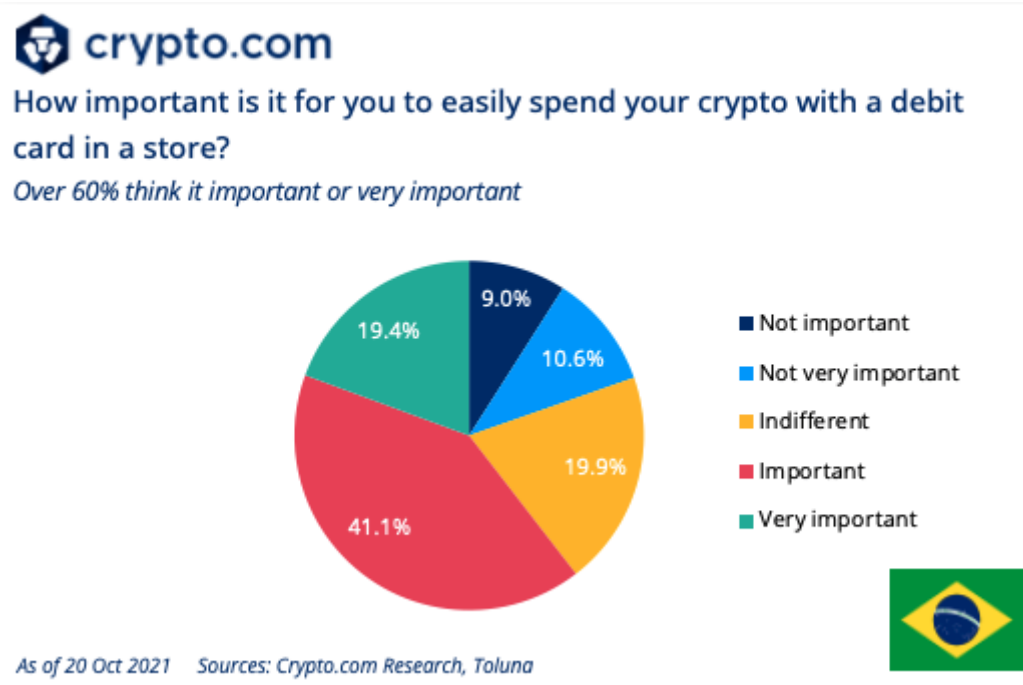
With the announcement of our direct issuance of branded Visa cards, Crypto.com was eager to know more about Brazilians' relationships with their current bank cards, especially their views on benefits. We discovered that more than **one in four (27%) Brazilians currently do not receive any benefits from their bank cards and would like to do so**; 21% receive and use their benefits but **wish the annual fees were lower**. A little less than 20% said they receive and enjoy their benefits and ultimately have no complaints, while 14% said they receive benefits but don't really use them.



When asked whether they would like to have access to benefits in exchange for a small investment that would be available to them after six months, instead of paying an annual fee, half of the respondents said yes. Just 3% said they were happy paying their annual fees, while 8% said they were not interested as it appeared too risky.



Regarding the importance of spending crypto using a debit card in a store, more than 60% of our survey participants believe it to be important or very important to have this possibility, with only 9% saying it's not important at all.



Future Plans

To get a better idea of where Brazilians are on their crypto journey, we were keen to learn about their active investments and future investment plans. When asked about their savings or investment plans for the next 12 months, 43% of them intended to save in a conventional bank account, while 32% said they would invest in the stock market. **Buying crypto and investing in a crypto fund** were chosen by **27% and 28%** of the respondents, respectively.



Your plans for savings or investment in 12 months (select 3 options)

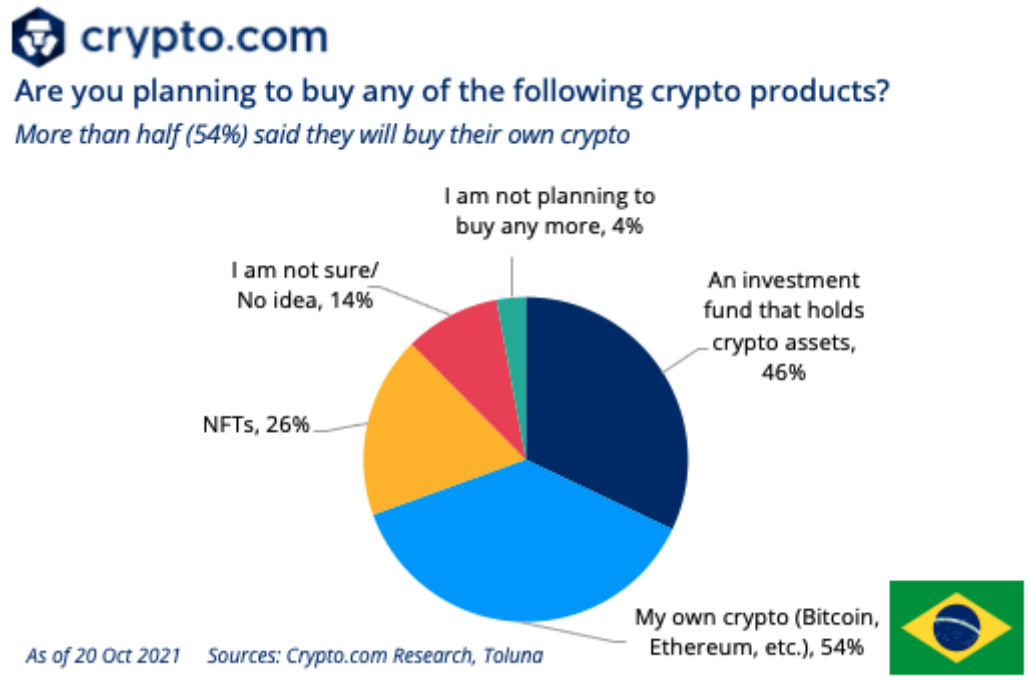
Buying crypto and investing in a crypto fund were selected by 27% and 28%, respectively



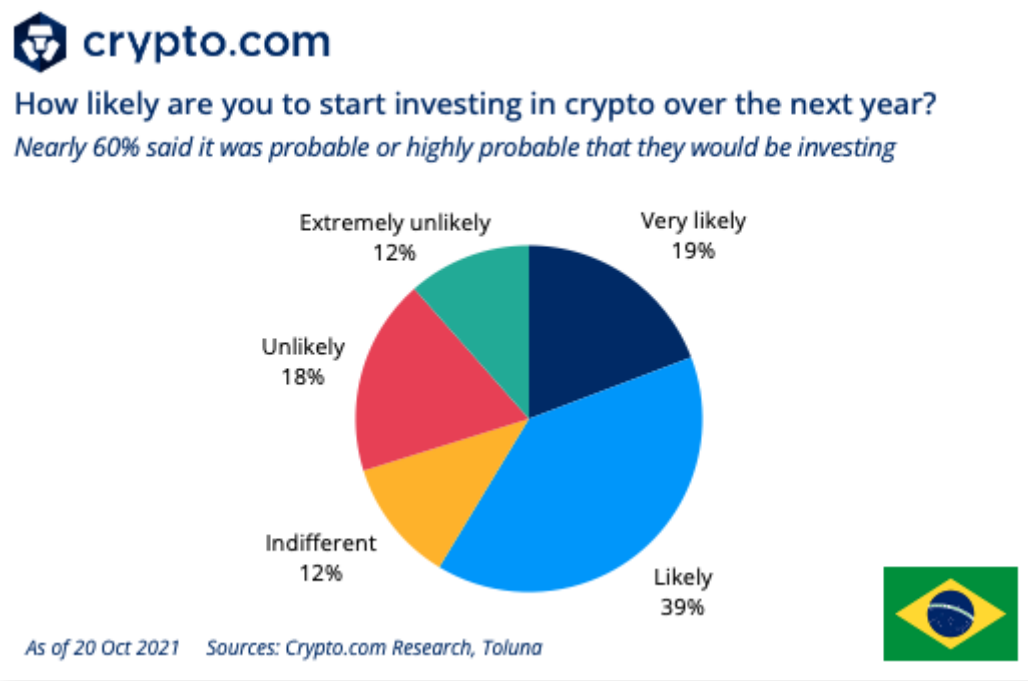
As of 20 Oct 2021 Sources: Crypto.com Research, Toluna



Of the 2,000-plus respondents, a few over 800 actively invested in crypto. We asked these investors more pointed questions, such as which crypto products, if any, they intended to buy. More than half (**54%**) **said they would buy cryptocurrencies (Bitcoin, Ethereum, etc.) on their own**, while 46% had plans to put their money in an investment fund with assets in crypto. Over a quarter of the current investors were planning to invest in NFTs.

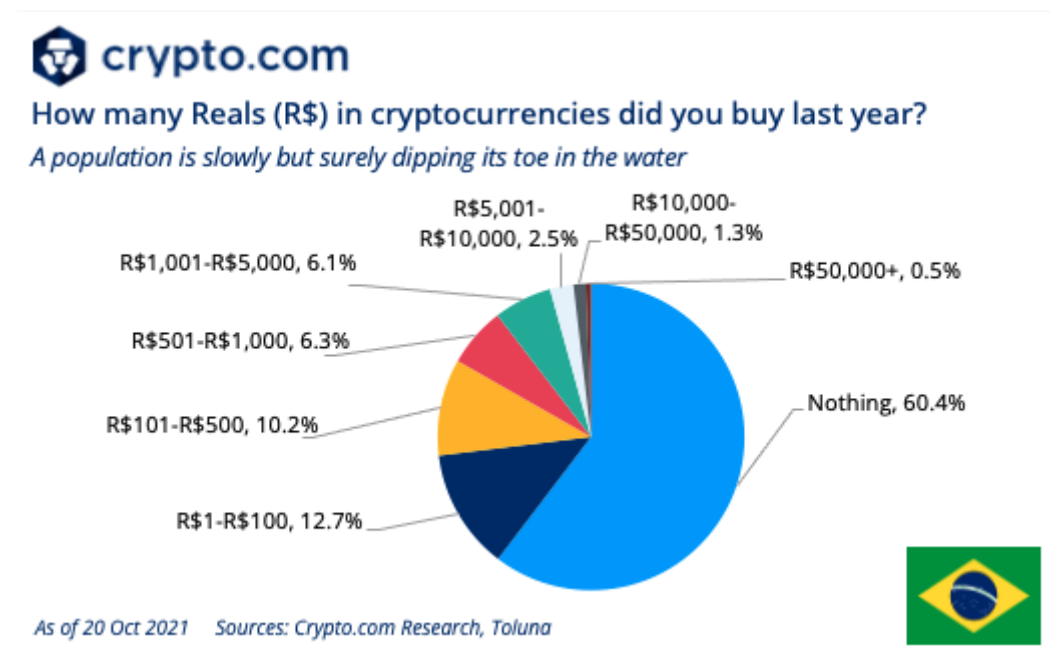


Of the 1,200-plus Brazilian respondents yet to invest in cryptocurrencies, nearly 60% said it was probable or highly probable that they would be making crypto investments within the next 12 months.



Active Investments

About the Brazilians who had already invested in cryptocurrencies at the time of the survey, we wanted to understand better how much they had spent on crypto in the past year. The answers suggest that a population is slowly but surely dipping its toe in the water, with 13% investing less than R\$100 (USD 18) and 10% investing up to R\$500. As the value in Reals increased, the number of respondents decreased: 6.3% spent up to R\$1,000, 6.1% spent up to R\$5,000, less than 3% spent between R\$5,001 and R\$10,000, while just 1.3% spent up to R\$50,000. From more than 2,000 Brazilian respondents, only 11—0.5%—spent more than R\$50,000 on crypto in the past year.

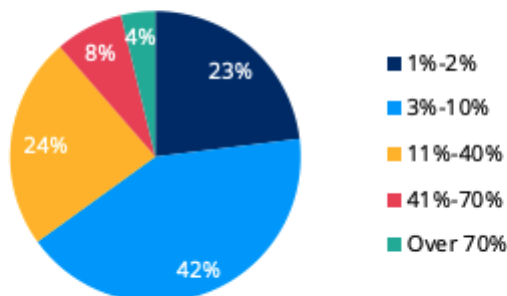


Regarding diversification of investments, 42% of the current crypto-investor respondents said crypto accounts for 3%-10% of their portfolio, while 24% responded 11%-40%, and 23% said 1%-2%. About 4% of Brazilian investors consider crypto to account for more than 70% of their portfolio.



What percentage of your portfolio is crypto?

66% of current crypto investors allocated 3%-40% of their portfolio to crypto



As of 20 Oct 2021 Sources: Crypto.com Research, Toluna

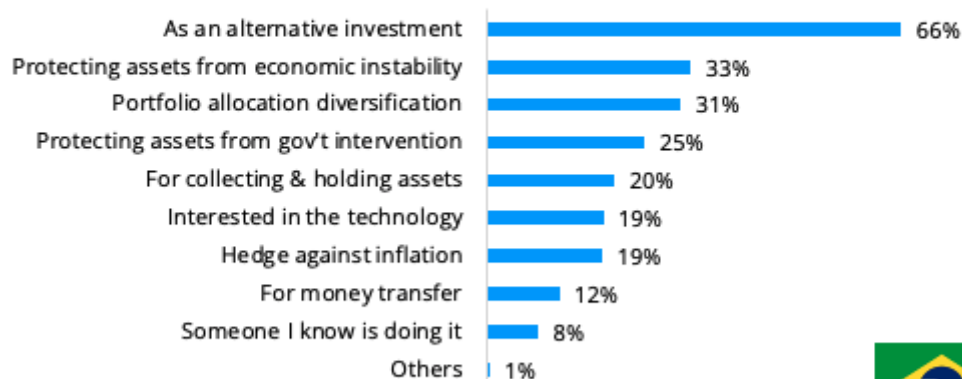


The reasons **why** Brazilians choose to invest in crypto and NFTs is important too. The survey shows that the **respondents decided to invest in the products to diversify their portfolios due to concerns about economic instability (33%) and government interference (25%)**. Meanwhile, two of every three Brazilians (66%) who already invested in crypto said they were motivated to buy it simply as an **alternative investment option**.



Your main reasons for buying crypto/NFT (select 3 options)

66% bought crypto as an alternative investment

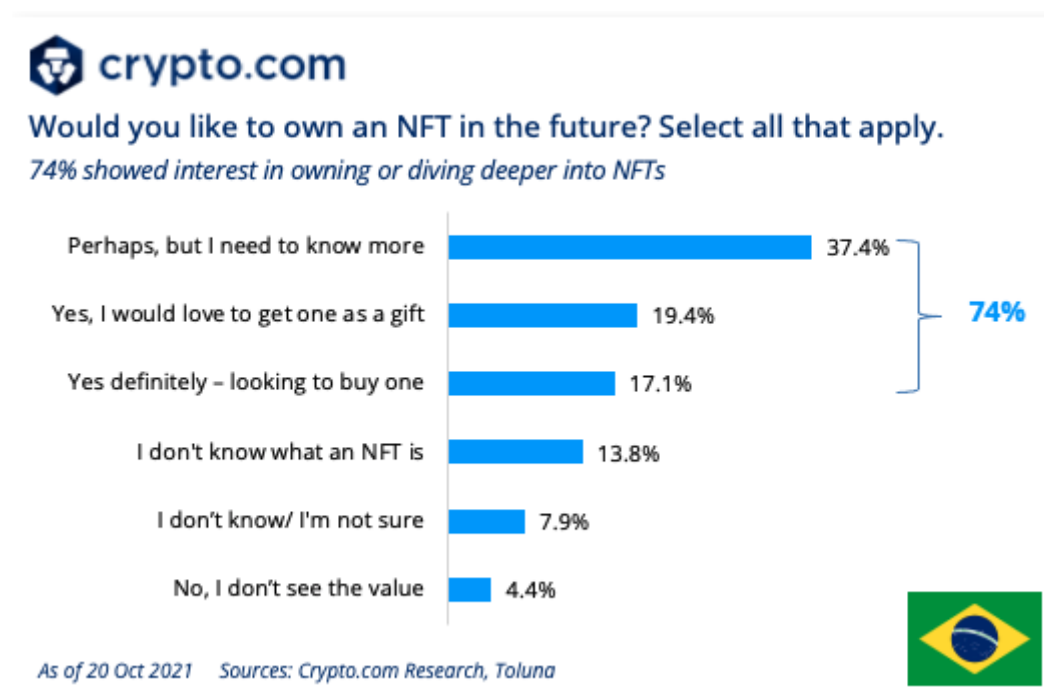


As of 20 Oct 2021 Sources: Crypto.com Research, Toluna



Enhancing Understanding

The most prominent finding is that **Brazilians need—and indeed—desire a better understanding of the intricacies and complexities of crypto technology**. When asked if they would like to possess an NFT in the future, an aggregated 74% of all the respondents have shown interest in owning or diving deeper into it, with 19% would love to get one as a gift, and close to double (37%) said they ‘perhaps’ would do so, but ‘need to know more’.



That scepticism and lack of understanding were clear throughout the survey. Asking Brazilians yet to invest in crypto what would quicken their decision to invest, the top two responses were the need for a better understanding of how to trade in crypto (62%) and how the associated technology works (53%).



Owning a card that allows crypto spending and the possibility of withdrawing money using a crypto card at an ATM were selected by 27% and 34%, respectively, meaning that spending crypto with a card is overwhelmingly important to over 60% of Brazilians. This is probably due to the perception gap that crypto is too remote to everyday payments.

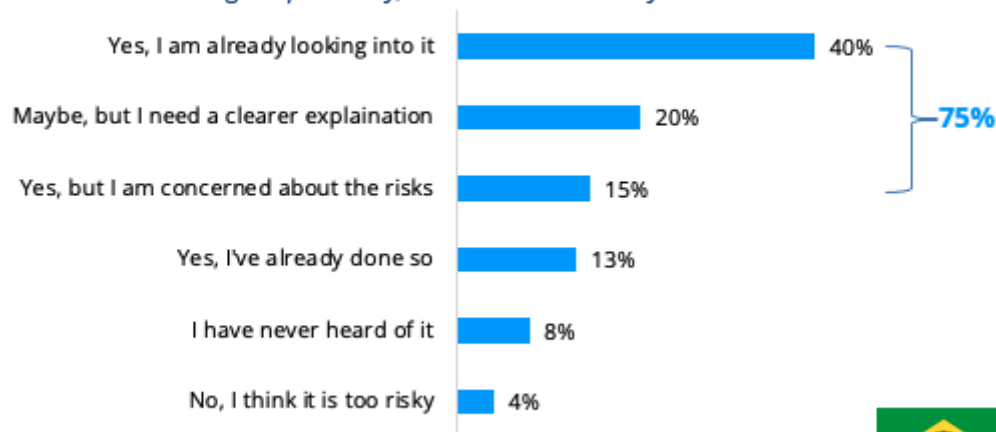
Unsure Investors

Even for the Brazilians who have already actively invested in crypto, there remains an acknowledgement that **a better understanding is required** to delve deeper. When asked whether they would consider staking their cryptocurrency to receive benefits, while **13%** of the current crypto investors said they had **already staked their coins**, an aggregated 75% of them were considering the possibility. More than **20% said they needed a clearer explanation**, and another **40% were actively looking into it**.



Would you consider staking crypto?

75% were considering the possibility, while 13% had already done so



As of 20 Oct 2021 Sources: Crypto.com Research, Toluna

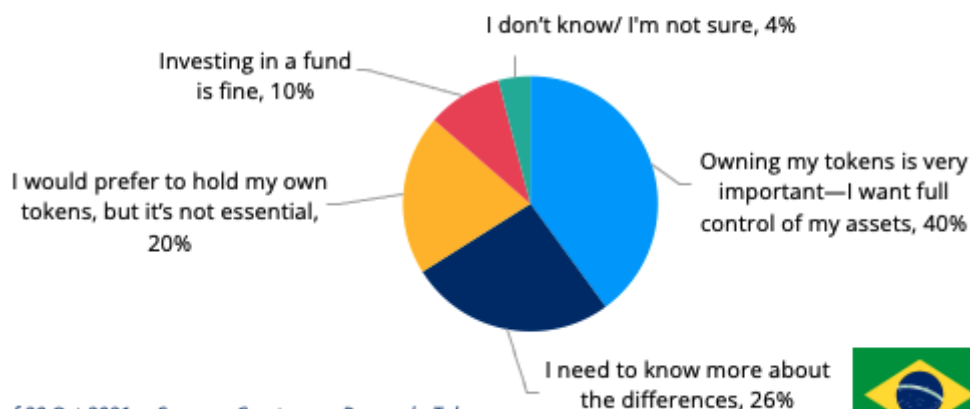


It was a similar case when we asked the crypto investor respondents to choose between having control of their tokens and investing in a fund that manages them. While **40% said having full control of their tokens is very important**, **26% said they need to know more about the differences** between these two options. It just might be a matter of time or education for Brazilian people to forgo the 'Not my keys, not my crypto' thesis.



Is having control of your tokens important to you, or do you prefer to invest in a fund that manages your tokens?

40% said having full control of their tokens was very important



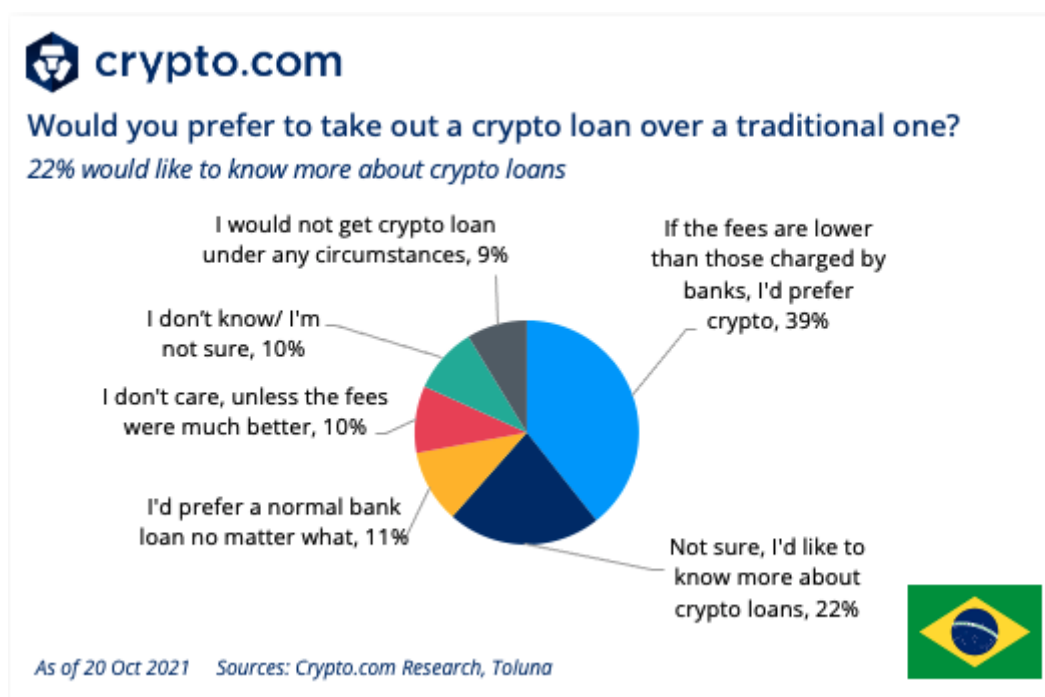
As of 20 Oct 2021 Sources: Crypto.com Research, Toluna



Deep Dive

That's not to say all Brazilian investors are operating with eyes half-shut.

A question regarding the respondents' views on crypto loans over traditional loans returned 22% of them requiring more information about such loans. Close to **40% said they'd prefer crypto loans so long as the associated fees were lower than those charged by banks**. Some 11% said they would like to take out a traditional bank loan, and 9% said they would not be interested in a crypto loan regardless of the circumstances.



Regarding investors' criteria for choosing an exchange, the most popular responses were security (63%) and low fees (56%). In comparison, 'easy transfers to a DeFi wallet' was selected by 36% and 'staking and profit' by 27%. Offering a large selection of coins was deemed an attractive feature of a crypto exchange by 25%, while the possibility of spending crypto using a card was also similarly popular among almost a quarter of respondents (23%).



Reach and Teach

Knowing now that Brazilians are keen to learn more about crypto and its various complexities, it is essential to recognise their preferred mode of obtaining that information.

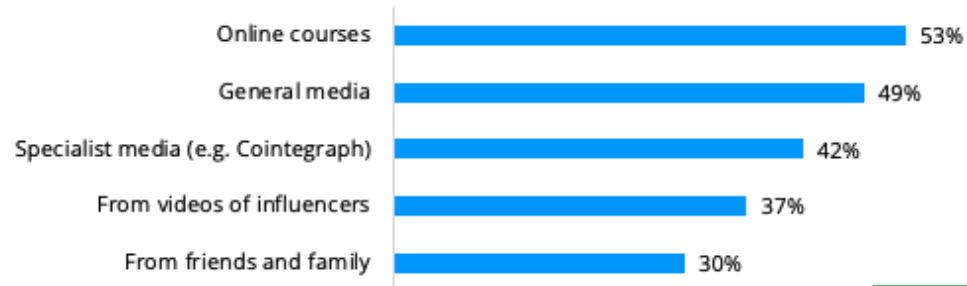
Surprisingly, for the respondents who haven't yet bought their first crypto, friends and family is the least favourite way to learn about the asset, and they would want to see more through online courses than traditional media.

When asked to choose all the platforms where they would like to learn about cryptocurrencies, **53% opted for online courses**. In comparison, **48% chose to learn through general media**. Some 42% selected online publications, while 37% chose video content published by social media influencers.



What are your preferred ways to learn about the crypto market? Select all that apply.

More than half (53%) opted for online courses



As of 20 Oct 2021 Sources: Crypto.com Research, Toluna

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