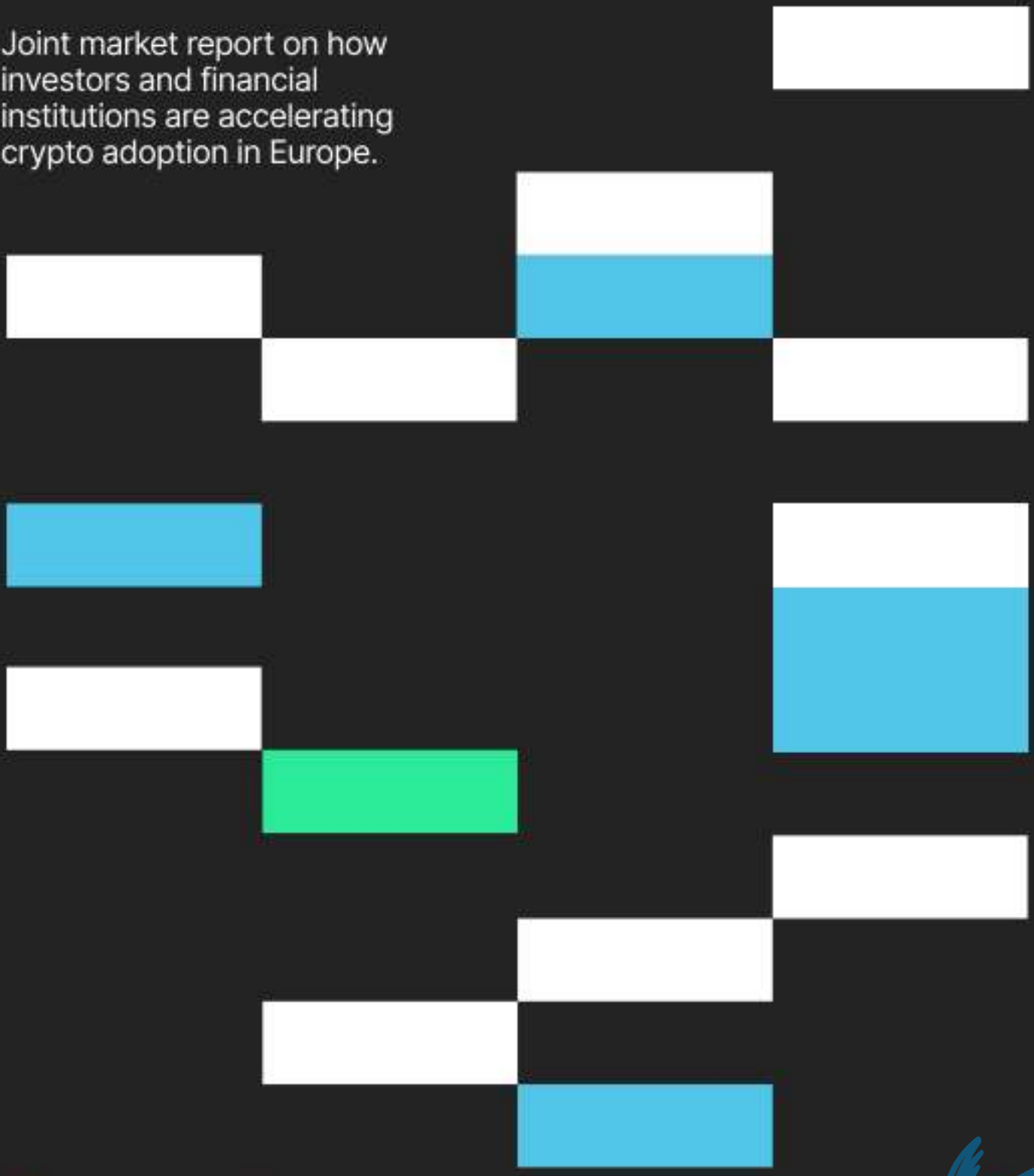
Europe Diving Into Crypto

Joint market report on how investors and financial institutions are accelerating crypto adoption in Europe.



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Preface

The last year has been pivotal for the crypto industry. We have seen a surge in crypto market capitalisation, greater institutional momentum, and the beginnings of major state interest.

The future of digital assets has never been more tangible and growth ambitions of companies and individuals are evident. With consumer interest and demand rising, institutions are starting to take note.

In Europe, this momentum is being shaped by a new era of cohesive regulation. On the one hand, crypto providers are currently benefitting from increased regulatory clarity, particularly with the introduction of the Markets in Crypto-Assets Regulation.

On the other hand, increased regulatory requirements also introduce new licensing requirements, elevating the cost of doing business for new entrants. The future therefore calls for compliant, scalable and holistic business models that are tailored to the unique characteristics of each market. The race is on for clients and profitable growth. The question today is which markets will be the winner and which institutions will be able to seize this moment to shape the future of the industry.

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Eight Key Insights into European Crypto Adoption

The report at hand gradually explores the market environment for crypto assets in Europe and provides a deep understanding of the current sentiment and preferences of investors and financial institutions (FIs). Finally, it also presents implications for FIs entering the market. Readers with little time might therefore want to take away the following eight key insights:

01

Growing investor appetite: More than 16% of private investors and more than 40% of business investors are already invested in crypto. Further 12% of private and 18% of business investors state that they still aim to invest in the future.

02

Positive outlook on crypto development: 27% of private & 56% business investors are convinced that crypto will become more relevant in the next 3 years. Only 22% of private investors and 17% of business investors have a negative outlook on crypto.

03

Confidence in crypto among FIs: 80% of European financial institutions acknowledge crypto's growing importance and relevance within the financial ecosystem.

04

Adoption among FIs is slow, with little ambition for change: Across Europe, just over one-third of surveyed FIs offer crypto services, dropping to just 19% within the EU. Furthermore, among those without an active offering, only 12% plan to launch one within the next three years.

05

FIs underestimate client demand: FIs state that only 19% of their client base show a high demand for crypto products suggesting that they underestimate the actual adoption of crypto by private investors by more than 30%.

06

Crypto provider preferences: Over 60% of private and business investors only use one or two providers for their crypto services while at the same time 30% of both investor groups would prefer this provider to be their trusted bank.

07

Custody & Brokerage first for FIs: Unsurprisingly, FIs are starting with basic offerings like crypto custody (41%) and crypto brokerage (31%) before venturing on to more advanced services like transfers or staking.

08

White-label Solutions are the standard for FI crypto solutions: Almost half of surveyed FIs that currently have an active crypto service or plan to offer one, rely on sourced white-label solutions.

02

Why This Report Matters

The report at hand provides a holistic view of European crypto adoption by analyzing perspectives from private investors, businesses and financial institutions. In doing so, it acts as a key instrument during strategic decision-making processes within financial institutions regarding when, where and how to enter the crypto market.

Interested readers, ranging from board members, CEOs, heads of product innovation to digital asset leads, will find meaningful answers to six main research questions (see below). Looking for such answers, the report not only takes into consideration the demand side, i.e. the perspective of private and business investors, but also that of the supply side, i.e. that of financial institutions from different countries and institution types. This seems especially important, as many investors rely on safe and compliant ways to access crypto via their trusted banking partners.

→ General market size: How large is the European investor market in general?

→ Crypto savviness: How open are investors in Europe to crypto investments?

→ Investor behavior: How and by means of which products and providers do investors gain exposure to crypto assets?

→ Client demand: What is the real or perceived client demand for investments in crypto assets among established financial institutions?

→ Crypto road map: To what extend are European FIs intending to launch a crypto offering (supply)?

→ Sourcing: How do these financial institutions typically plan to provide access to crypto (sourcing)?

This well-researched report paints a holistic and realistic view of the actual crypto adoption in Europe. Three surveys among more than 10,000 private and business investors as well as 40 financial institutions around Europe, several interviews with selected experts from the financial industry and comprehensive desk research for more than twelve relevant countries complement each other (see Chapter 6 for details).

In addition, the consideration of thirteen European countries in the analysis and the different angles for data gathering not only allowed meaningful statements on a pan-European level but also enabled the derivation of local specifics on a national/regional level – a fact that is especially relevant to financial institutions considering a market entry into one of those markets.

03

Where The European Crypto Market Stands Today

Several exogenous factors influence crypto adoption on the side of investors and European FIs.

Firstly, the economic potential of investors, i.e. the general investor market size, impacts the abundance of capital that may flow into the relatively volatile asset class. Secondly, the prominence of the Web3 economy and crypto in a country sets the tone for the attention crypto receives from the broader public. Thirdly, an advanced regulatory framework will allow investors and FIs to approach investments in crypto, respectively the offering of crypto services, with a certain degree of confidence.

3.1—Attractive European investor market size

The general investor market size in the assessed European countries is the basis for any potential crypto investment. Naturally, the different countries are characterized by diverging starting points, each depicting different asset volumes among both private investors and business investors[1] and other institutions[2].

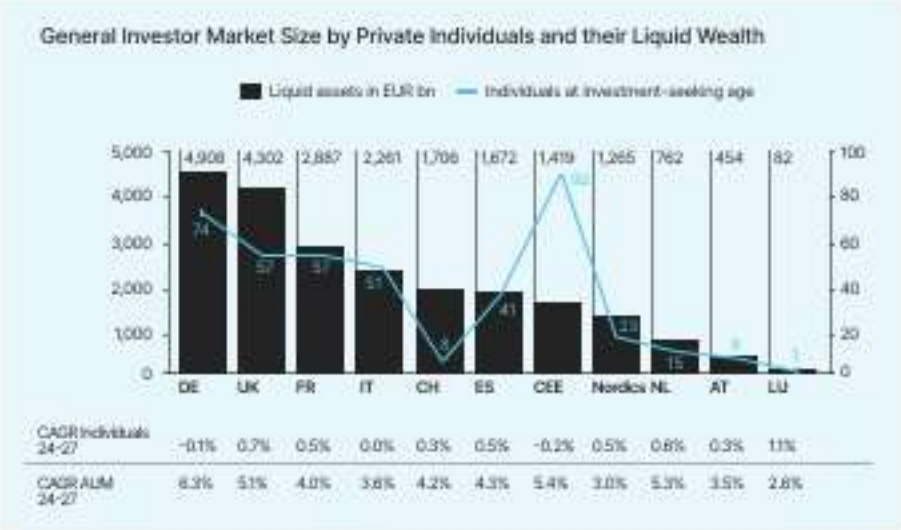


Fig. 1 ↗ Overview of private investor market in selected European countries by individuals and liquid assets[3]

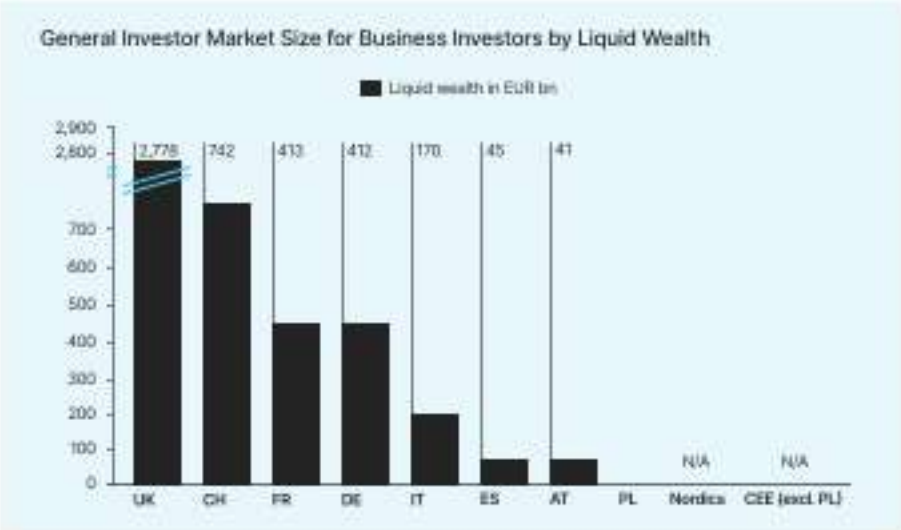


Fig. 2 ↗ Overview of institutional investor market by liquid assets in selected European countries[4]

Overall, the UK, Germany and France lead in terms of total investment volumes, as shown in Figure 1. These three countries collectively hold €15.7 trillion in liquid investor assets. Germany stands out as a leader in terms of its investor base with more than 73.5 million individuals at an investment-seeking age. In turn, the UK profits from its standing as a global financial hub, although its individual client base is smaller (56.7 million compared to Germany's 73.5 million). Interestingly, AUM in the form of liquid assets from private individuals in the UK (€4.3 trillion) are also significantly higher than the AUM in France (€2.8 trillion), despite both countries having almost the same number of individuals (see Figure 1). Meanwhile, it does not come as a surprise that Switzerland represents one of the largest investor markets, although it trails in absolute numbers of private individuals (7.7 million).

[1] Includes PB&WM, Affluent and Retail

[2] Business investors include family offices, charities, foundations, trusts, holding companies and large corporations. Insurance companies and pension funds are not included.

[3] Individuals at an investment-seeking age – include retail, affluent and private banking clients; liquid (onshore) assets include bonds, cash, deposits, equities and mutual funds; CEE: Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Romania, Slovakia, Slovenia; Nordics: Finland, Sweden, Norway, Denmark; source: zeb.research and GlobalData

[4] Business investors include family offices, charities, foundations, trusts, holding companies and large cooperations – insurance companies and pension funds not included; source: zeb.research and GlobalData

This reflects Switzerland's role as an international wealth management hub. In contrast to this, countries with a lower business share of AUM such as Poland are more suited to market approaches targeted at private individuals.

What's more, the projected compound annual growth rate (CAGR) for investable assets by 2027 is positive across all target countries (see Figure 1). Larger economies like the UK and Germany dominate in both scale and potential. Germany and the UK lead with liquid assets and a high projected CAGR above 5%. France and Italy, while significant in size, lag slightly behind its peers with slower asset growth (4.0% and 3.6% CAGR). In contrast, smaller economies like Poland and Switzerland punch above their weight. Poland exhibits the second highest asset CAGR (5.8%). Similarly, emerging markets in the CEE region offer a compelling growth story. Despite lower absolute wealth (€1.0 trillion), the region's 5.3% CAGR reflects untapped potential, particularly considering its large population (59.3 million).

3.2—Prominence of Web3 companies sets the tone for crypto adoption

Identifying the general investor market size, crypto savviness, or better the openness towards crypto in analyzed countries is a key lever when it comes to turning theoretical investor potential into actual crypto investments. The percentage of a population investing in crypto is strongly dependent on the regulatory framework and the prominence of crypto in a country. The latter, driven by active crypto service providers, differs largely throughout Europe, as this figure mostly reflects local regulatory environments, tax and talent dimensions. However, while the number of crypto service providers gives a good indication of the overall crypto adoption, it should be noted that it is not the sole determinant of a country's crypto savviness or openness.

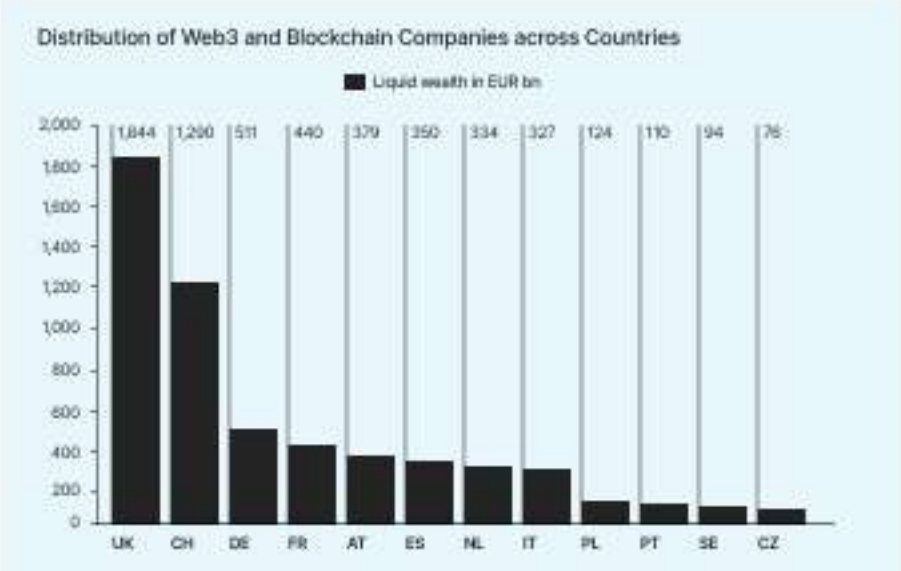


Fig. 3 ↗ Number of Web3 and blockchain companies by country

Overall, the crypto savviness in Western Europe is the second highest in the world thanks to regulatory certainty and openness to crypto[5]. For example, Switzerland, with 1,290 Web3-related companies, provided a clear regulatory crypto framework early on and attracted players from all over the world. With 1,844 Web3 and blockchain companies, the UK has the highest number in Europe, reflecting its status as a global financial hub and its strong fintech ecosystem. In contrast, Austria, for instance, adopted a hesitant regulatory stance for a long period of time, awaiting further clarifications on a European level. The local regulator has only recently become more proactive. Resultantly, the Austrian FMA started accepting MiCAR applications as of Q4 2024. Hence, the number of Austrian crypto players is likely to increase.

3.3—Increasing regulatory clarity throughout Europe

Thus, success in crypto adoption hinges not solely on economic power but also on the ability to cultivate a regulatory framework that encourages innovation.

Until very recently, regulatory framework conditions across European countries varied in terms of regulatory approaches, licensing requirements, and attitudes towards cryptocurrency and blockchain by regulators. These factors have a direct impact on the establishment of blockchain and Web3 companies and consequently on the percentage of the population investing in crypto and should therefore be considered by financial institutions when establishing a crypto service or expanding an existing business into these countries.

For a long time, Switzerland was Europe's leader in terms of crypto regulation. Already in 2017, the Swiss FINMA published ICO and other crypto-related guidelines, thereby enabling the domiciliation of numerous global crypto players. FINMA even doubled down with its holistic DLT Act in 2021 aiming at regulating a fully DLT-based financial market.

In contrast, the EU trailed Switzerland in terms of regulatory certainty for quite some time. The introduction of the Markets in Crypto-Assets Regulation (MiCAR) helped harmonize the disparate regulations across the EU, creating a unified approach that simplifies compliance for crypto businesses as well as investors and provides protection for retail investors. Essentially, third-country providers now require an onshore presence. Any reverse solicitation (no onshore presence) is strongly limited, since it is a narrowly construed "exception" to the main authorization requirement that can hardly be bypassed. Such an approach aims to ensure a level playing field. Therefore, if a firm wants to operate in the EU, it needs to obtain authorization from the EU member states. EU member states that established a more robust national regulatory regime prior to the introduction of MiCAR generally offer a solid foundation for crypto adoption. However, as the examples of France and Germany illustrate, preexisting frameworks do not always guarantee high crypto adoption.

[5] Displays transaction value received, indicating the size of the crypto economy; Chainalysis 2024 Global Crypto Adoption Index, October 2024

France

France adopted its PACTE (Plan d'Action pour la Croissance et la Transformation des Entreprises) Act already in 2019, introducing a two-step registration and licensing regime for crypto businesses at a national level. To date, an efficient and competent AMF (Autorité des Marchés Financiers) in France has handled more than 100 crypto registrations and has licensed the first digital asset service provider with SocGen Forge. Bitpanda was one of the companies successfully obtaining a local license in France.

Germany

Germany began regulating specific crypto use cases such as custody and crypto securities registry back in 2020. While the regulatory framework was established early, the process of issuing the first crypto license to a notable institution took more than two years, influenced by the complexities of the bureaucratic setup. Bitpanda not only received a German BaFin license for crypto custody in early 2022 but was also able to double down on regulatory compliance in Germany with the receipt of a MiCAR license in January 2025.

General government attitude is thus important for the supply side of crypto among financial institutions. Within the EU, this is even further evidenced by the example of Austria and Italy. Despite having lacked a holistic digital assets framework prior to MiCAR, today the local Austrian regulator is proactively embracing the new EU regime. It welcomes distributed ledger technology (DLT) firms and has established a DLT desk to handle related license applications. In spite of the EU's harmonization efforts, discrepancies between EU jurisdictions will persist. While ESMA's Level II and III measures clarify certain provisions and provide guidance, national regulatory authorities can still have different interpretations and approaches. For example, the requirements for a license application under MiCAR vary significantly among authorities. However, since crypto-asset service providers (CASPs) need to be recognized elsewhere through passporting, there are minimum standards that applications must meet.

The differences therefore rather stem from how rules are interpreted than from fundamentally different requirements for a complete license. In contrast, the Italian regulator is still very skeptical about crypto, thus making it hard for Italian incumbents to approach crypto even today.

Although the UK has so far lacked clarity in terms of crypto regulation, it is currently working on establishing clear regulations for the crypto industry, with the Financial Market Authority actively consulting the sector. The latest consultation, titled "Regulating Cryptoassets – Admissions & Disclosures and Market Abuse Regime for Cryptoassets" indicates that efforts to create a regulatory framework are in progress. Initially, the UK had outlined a two-phased approach for integrating crypto into the regulatory landscape, with a roadmap that included a series of consultations leading to the introduction of a "regulatory gateway" in 2026. While security tokens were to be subject to regular financial markets regulation, a new regulation for crypto was expected to address stablecoins (phase 1) and other crypto assets (phase 2). However, following a speech on the 21st of November by Tulip Siddiq, the Economic Secretary to the Treasury, at the Tokenization Summit, it was announced that the two-phased approach would be replaced. The Labour government intends to implement the new regime for stablecoins and other crypto assets simultaneously, abandoning plans to bring stablecoins into UK payments regulation. The published UK roadmap shows the consultative process will take place throughout 2025, while the final legislation should culminate somewhere in 2026. It should also be noted that in contrast to European counterparts, UK crypto service providers are subject to stricter and more specific financial promotion rules (e.g., limitations or exclusions) for cryptoassets that firms need to analyse before marketing their products. As the UK aims to become a crypto hub, it will be interesting to see how it aligns with MiCAR and where it may take a more flexible approach.

04

Insights Into European Crypto Adoption

In this holistic report, European financial institutions as well as private and business investors were asked how they perceived crypto adoption in Europe and what their preferences were regarding access to crypto assets as a nascent asset class. Chapter 4 thus explores how financial institutions are navigating the rapidly evolving world of crypto assets and uncovers the perspectives of business and private investors, revealing unique insights into their motivations, preferences and reservations regarding crypto.
By analyzing key trends and challenges, this chapter paints a clear picture of the transformative potential of crypto for reshaping the European investment landscape.

4.1 — General sentiment of European private and business investors towards crypto

INVESTORS SENTIMENT

Investors in general share a common positive recognition of the growth potential of crypto assets.

The perception of crypto assets by European private and business investors diverges notably. Although both investor groups generally acknowledge the growth potential and opportunities that cryptocurrencies offer, private investors remain considerably more restrained in their investment activities compared to their business counterparts.

A shared sentiment is that cryptocurrencies represent an own emerging asset class. Business investors demonstrate a higher level of confidence in this regard, with approximately 60% (strongly) agreeing with the statement. Only three in twenty European business investors today reject crypto as an own asset class (see Figure 4). Private investors also lean towards recognizing crypto as a unique asset class, although to a lesser extent, with 33% in (strong) agreement. Looking at individual crypto assets, both Bitcoin and other cryptos have investor appeal. Nevertheless, a significant portion of business investors are currently viewing Bitcoin as the only relevant cryptocurrency – a fact that is in line with Bitcoin's continuing dominance of more than 50% in overall crypto market capitalization[6]. Approximately 26% of business investors also view other cryptos as relevant, approx. 30% of private investors endorse this sentiment. In contrast, approx. 41% of business and 15% of private investors (strongly) agree that Bitcoin is the only relevant cryptocurrency.

Fig. 4 ↗ Perception of cryptocurrencies by private and business investors

[6] Source: www.coinmarketcap.com, 2025

Looking ahead, there is a broad consensus that cryptocurrencies will become more relevant over the next three years. Business investors are particularly confident, with 56% (strongly) agreeing, compared to 27% of private investors. Within the business investor category, business investors from Central and Eastern Europe (CEE) are most confident with more than 64% (strongly) supporting an increase in crypto's relevance, while France records the highest number of investors who are (rather) skeptical. One in five French business investors do not believe that crypto will be more relevant in three years from now. In contrast, the lower approval rates among private investors do not reflect a higher rejection rate but are instead attributed to a greater share of abstentions and "don't know" responses. The findings can be observed across the board for private investors, with only minor differences between individual countries. Much alike business investors from CEE, CEE private investors, too, have a more positive sentiment towards crypto compared to the other surveyed countries. (See Figure 5). Crypto will become more relevant in the next three years.

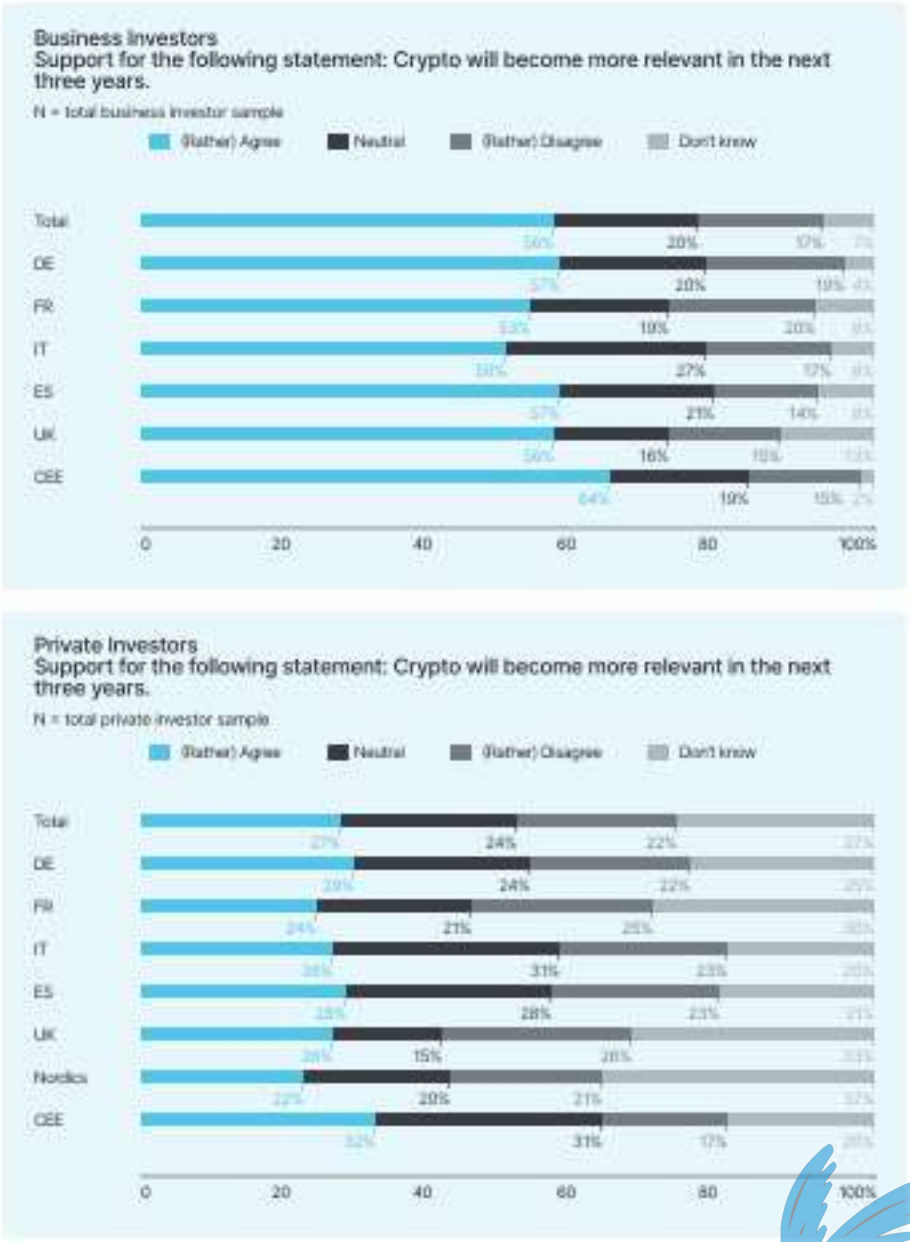


Fig. 5 ↗ Support for statement of private and business investors

4.2 — Insights from European Private Investors

As opposed to the sentiment, investment patterns of European private investors vary significantly. As the study revealed, more than 15% of private investors are or were invested in crypto in the past (see figure 6). More than four out of five of the investors that have already invested in crypto did so between 2015 and 2024. Only very few had already been invested prior to 2010. Nevertheless, 67% of European private investors have no current crypto investment and do not have any plans for crypto investments.

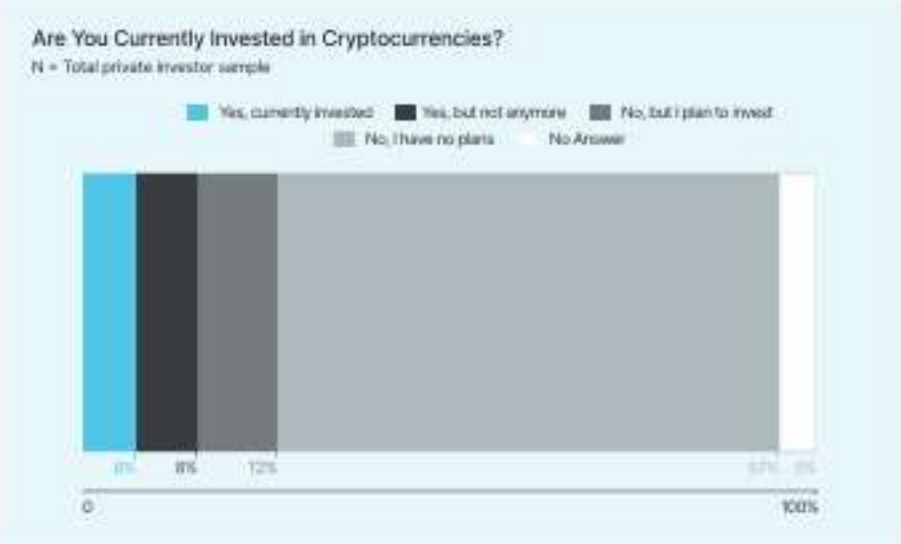


Fig. 6 ↗ Crypto Investments of European private investors

Importantly, the untapped potential for further crypto investments by private investors is still very significant. Among those investors not yet invested, nearly 12% of private investors plan to enter the crypto market soon. While those 12% are the average across Europe, Italian, Spanish and CEE private investors record above-average percentages of around 15% or more. (See Figure 7)

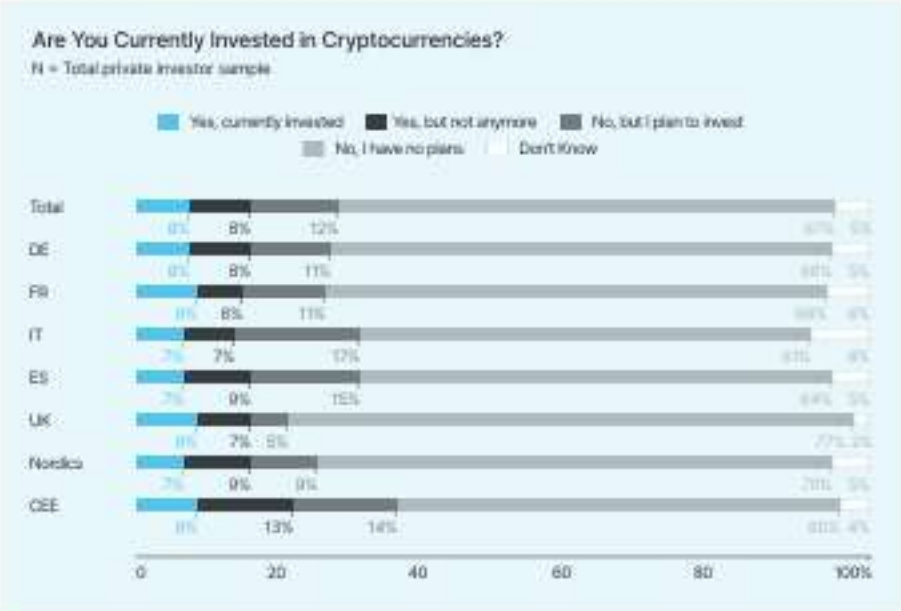


Fig. 7 ↗ Crypto investments of European private investors - Country Overview

DIFFERENCES BY WEALTH BANDS

Private investors who are already invested or still plan to invest in crypto out of investment or diversification reasons are mainly wealthier clients. They consider themselves more financially educated, both in general and specifically regarding crypto investments.

A closer examination of investor behavior of private investors reveals that the likelihood of investing in cryptocurrencies increases with wealth.

Among the participants with liquid assets exceeding €100,000, 50% either are or were already invested or have plans to invest in cryptocurrencies. In contrast, among the participants with liquid wealth below €100,000, only 30% report the same level of involvement or intent.

This trend underscores the greater appeal of crypto investments to individuals with higher liquid wealth, likely because, among other reasons, they can presumably bear higher risk. Expectedly, a deep dive on wealth bands of private investors participating in the survey reveals higher shares of private retail investors in economically less powerful countries.

Irrespective of the wealth bands, crypto allocations among private and business investors remain negligible, thus highlighting significant untapped potential. Illustratively, this is also underpinned by a meager 0.5% of Bitcoin wallets holding more than one Bitcoin.[7]

Unsurprisingly, also the share of crypto assets in the overall portfolios of private investors varies by wealth band. While private retail investors often have a higher share of crypto in their portfolios, private investors with a higher net worth allocate a smaller portion of their portfolio to cryptocurrencies. Approximately 50% of private investors report a crypto allocation exceeding 20%. However, almost half of these high-crypto-share portfolios belong to participants with liquid wealth below €100,000. This suggests that wealthier private investors tend to view crypto as an additional diversification, while private retail clients seek fast capital gains.

[7] zeb.research

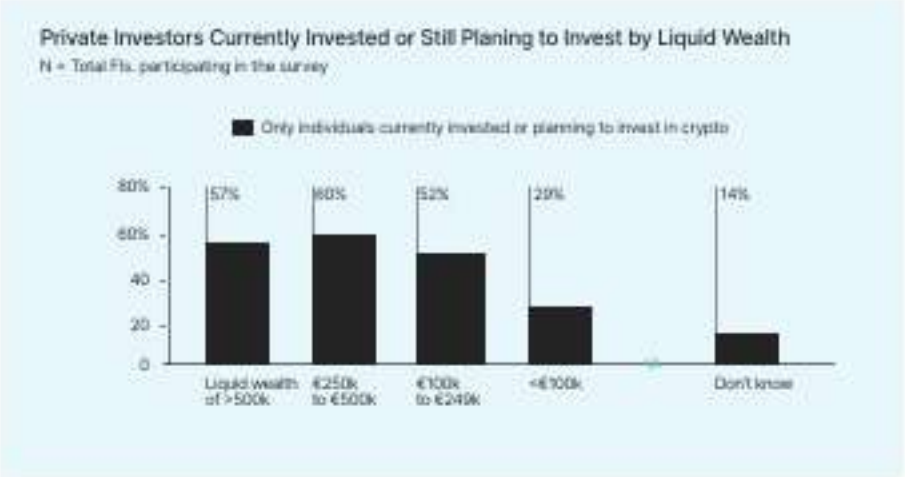


Fig. 8 ↗ Private investors who are invested or plan to invest in crypto by liquid wealth

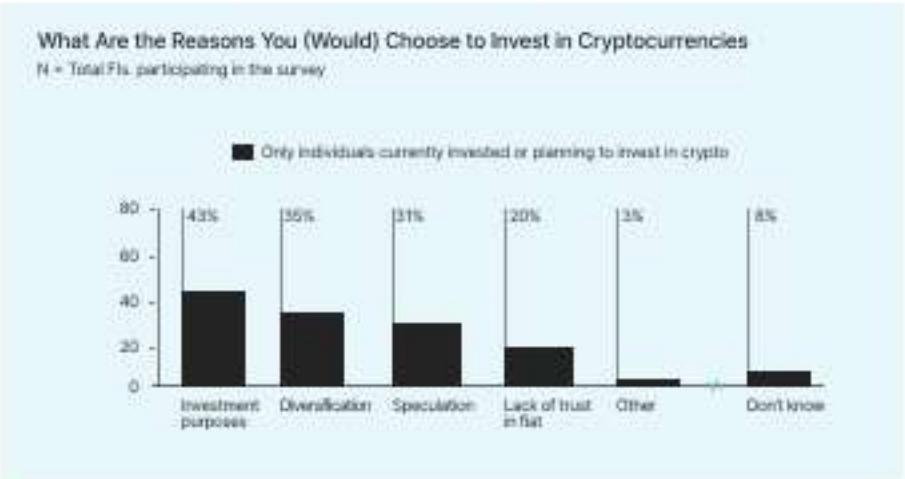


Fig. 9 ↗ Private investors who are invested or plan to invest in crypto by reason to invest

Fig. 10 ↗ Share of cryptocurrencies in portfolios of private investors

These segment-specific differences are further validated by several crypto experts. Among others, Alessandro Trabaldo Togna, Head of Strategic & Growth Initiatives at the Swiss PKB Private Bank, confirmed that less wealthy investors assign a larger proportion of their portfolio to cryptocurrencies, potentially due to smaller portfolios in general or the stronger desire to make high investment gains in shorter time. In contrast, wealthier clients tend to seek diversification with a rather small portion of their overall investment portfolio.

"Most Swiss private banking clients view crypto as non-essential, which typically make up less than 0.5% of their assets - few clients allocate 5% or more to crypto."

Alessandro Trabaldo Togna
Head of Strategic & Growth Initiatives at PKB Private Bank

This is also reflected in the survey results, as 73% of the participants with liquid assets of over €250,000 say that diversification is one of their main reasons for investing in cryptocurrencies (see figure 9). Regardless of the participants' wealth, there are also national differences in the reasons for investing. Private investors from France (51%) and Italy (43%) primarily invest in crypto for diversification. In contrast, in all other surveyed countries, the main reason is long term investment purpose, highlighting the long-term mindset of these investors. This opinion is particularly strong among investors from the UK, with 61% stating that investment purpose is their main reason for investing in crypto, compared to an average of 41% across all countries.

INVESTMENT OBSTACLES

Limited knowledge about crypto and investing in general and high perceived risks are the most relevant investment obstacles for private investors.

Despite the recognition of cryptocurrencies as a promising asset class, some private investors still exhibit a restrained investment behavior. Investment obstacles are primarily attributed to limited knowledge about cryptocurrencies, combined with a heightened risk perception associated with the nascent asset class. Limited financial literacy is therefore a critical success factor for the future adoption of crypto assets.

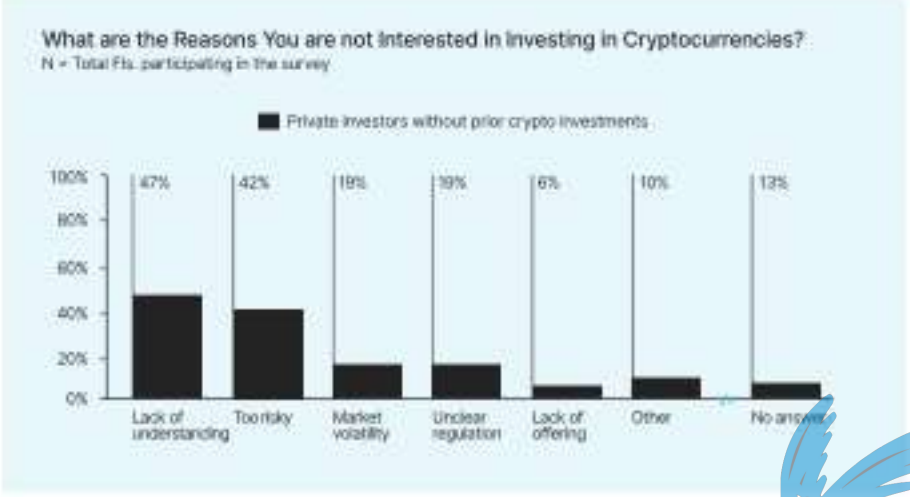


Fig. 11 ↗ Reasons for private investors not to invest in cryptocurrencies

To determine whether the low level of education pertains exclusively to crypto investments, the survey also explored how private investors perceive their general knowledge in the field of investments. The findings indicate that investment-related education is a general issue for many private investors.

Nearly half of private investors (48%) describe their general investment knowledge as limited, while approx. 40% classify it as basic.

This lack of understanding also extends to crypto assets, with 47% of private investors (See Figure 11) citing limited knowledge as a key reason for their reluctance to invest. This is a surprising insight considering the abundance of recent media attention and training opportunities available in the market. The lack of knowledge is also reflected in the relatively large proportion of "don't know" answers from private inventors.

Unclear regulation as a reason for not investing plays a secondary role for private investors compared to other factors.

However, the UK stands out as an exception, with 29% citing unclear regulation as a significant barrier.

This can be explained by years of cautious regulatory developments and the future inapplicability of MiCAR in the UK. Nonetheless, regulatory progress is now gaining momentum with the latest effort of the Financial Market Authority (see Chapter 3.3).

Furthermore, 42% of European private investors perceive crypto as excessively risky. Even if a uniform picture emerges throughout Europe regarding the reasons for not investing in crypto, national attitudes of investors may differ and have to be put into perspective. While Polish investors cited high risk as one of their main reasons for not investing to date, many of them still decided to invest in crypto. Polish local crypto expert, Antonina Karwasińska from Bank Pekao explains that Polish traditional FIs are observing with some astonishment the growing interest among Polish citizens in investing in crypto. Around 3 million Poles are currently investing in crypto[8], compared to 2 million traditional investment accounts[9]. The interest in crypto assets is also growing among traditional Polish investors. In 2018, 14.9% of investors expressed interest in this asset class, a figure that increased to 22% by 2024 across the overall investor population. Among investors aged 18 to 31, interest is even higher, reaching 31%[10]. This growing enthusiasm for cryptocurrencies has simultaneously contributed to a decline in investor interest in the Forex market.

[9] PIE-Raport_kryptowaluty_2023.indd

[10] KDPW Data

[11] Kryptowaluty w portfelach polskich inwestorów indywidualnych [OBI 2024] | Aktualności | SII

"While the Polish financial market endeavors to maintain its conservative stance on crypto, our clients have already decided otherwise. In fact, a greater number of Poles have chosen to invest in cryptocurrencies rather than in traditional financial instruments."

Antonina Karwasińska
Head of Operations & Development at Bank Pekao

PRODUCT CHOICE

While national differences exist, on an aggregated level, private investors show a balanced interest across product vehicles and types, with a slight preference for direct Bitcoin investments.

Today, crypto-savvy investors have several options to invest in crypto via different direct and indirect investment products. Investments in indirect products, such as ETPs and ETFs, have experienced remarkable growth over the past five years. In 2024, this trend reached new heights, as global assets invested in crypto ETFs and ETPs exceeded $92 billion in 2024. Europe has emerged as a leading hub for listed ETPs, while ETFs remain the dominant investment vehicle in the US market. Although Europe has a greater number of ETPs, the surge in global AUM was primarily fueled by strong inflows into ETFs. According to the ETPGI Report 2024, global assets in crypto in ETPs and ETFs increased by an extraordinary 506.4%, from $15 billion at the end of 2023 to $92 billion in 2024 alone. This growth was further supported by record-breaking net inflows, with $11 billion in July alone and inflows in 2024 reaching their highest levels on record.

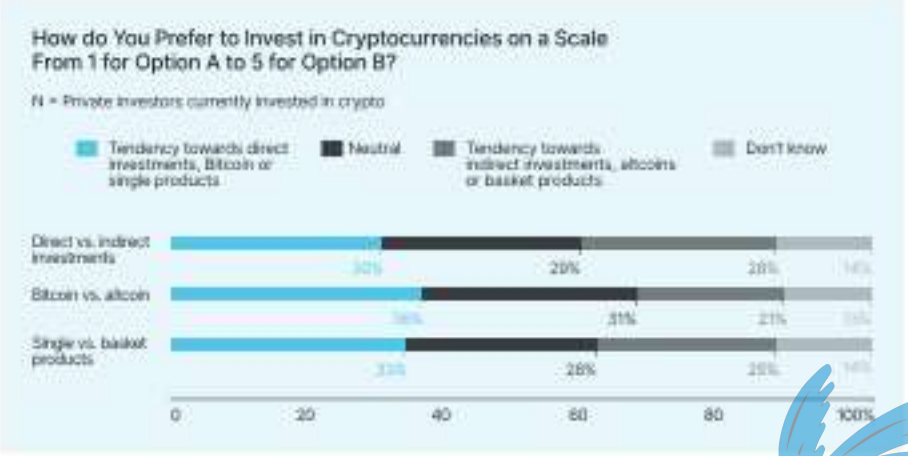


Fig. 12 ↗ Crypto investment product preferences of private investors

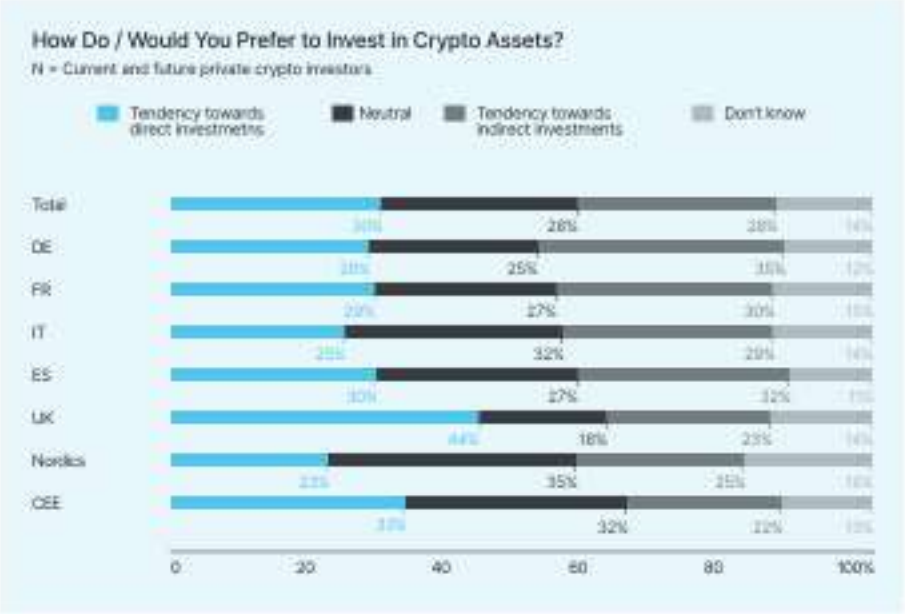


Fig. 13 ↗ Preferred investment vehicles of private investors for investments in crypto assets

The results of the study at hand are in sync with these global trends. On an aggregated level, private investors show no clear preference for an investment vehicle, as direct and indirect investment options are equally favored (see Figure 12). It is noteworthy, however, that on a national level, this overall balanced view deviates slightly.

While CEE private investors show below-average appetite for indirect investments (22%), German and Spanish private investors each report figures of more than 30% (see Figure 13). The preference for direct investments is especially strong in the UK, reaching 44% compared to an average of 30%.

Regarding the choice between Bitcoin and alternative cryptocurrencies (altcoins), private investors lean towards Bitcoin, with around 36% favoring it compared to 21% expressing interest in altcoins.

SERVICE AND CRYPTO PARTNER CHOICE

Private investors seek crypto services that have a seamless UX and offer both access to knowledge and full regulatory compliance.

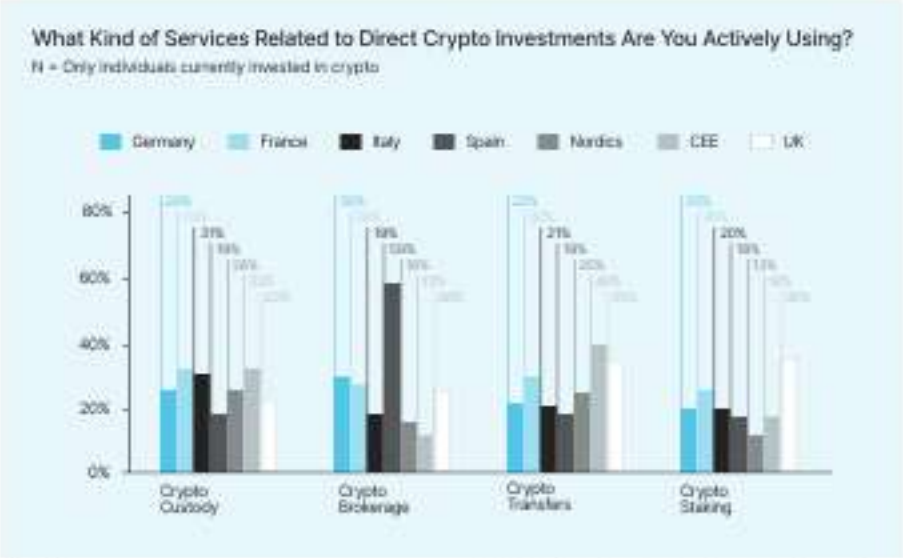


Fig. 14 ↗ Usage of crypto services by private investors

Among private investors from all surveyed European countries, the demand for crypto services is relatively balanced across most categories, with approximately 30% indicating interest in fundamental crypto services like crypto custody and brokerage (see Figure 14). More advanced use cases like staking are, as is to be expected, less popular.

A significant national difference is the demand for advanced crypto services such as staking (36%) which is notably higher in the UK compared to other surveyed European countries.

Staking being the most requested service type among UK investors, particularly among younger private investors aged 18 to 25. This trend may be linked to the UK's relatively favorable regulatory and tax conditions regarding staking. Crypto activities in Spain are below that of other countries across all fundamental crypto services.

This is true except for crypto brokerage, where 59% of Spanish participants are active, making it by far the most engaged country in this category.

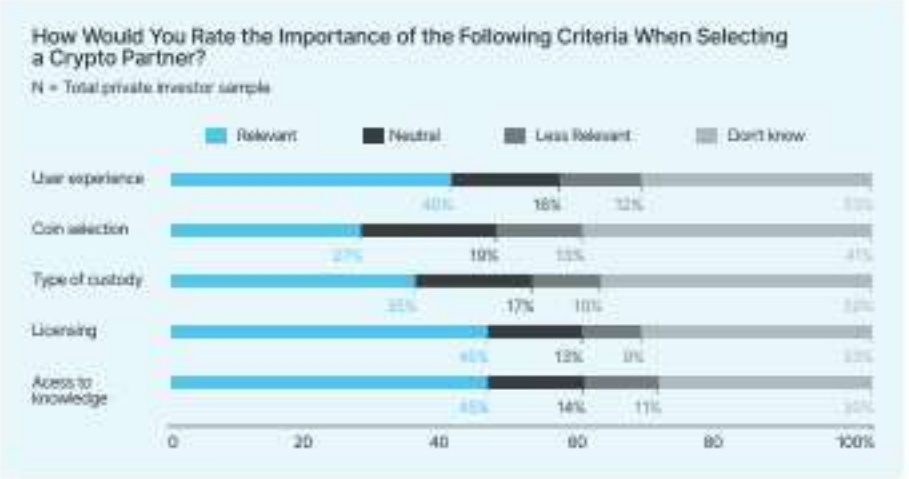


Fig. 15 ↗ Criteria of private investors for selecting a crypto partner

Private investors across all surveyed countries weigh the criteria for their partner choice similarly. Availability of all necessary licenses and excellent UX are key criteria. Furthermore, private investors across all surveyed countries value services that provide access to knowledge, which links to the fact that private investors indicate relatively low knowledge regarding investments. Service selection and wallet setup are considered of medium importance. For private investors in the UK, the presence of necessary licenses is particularly important, with 54% considering it important and only 4% deeming it very unimportant. Given that unclear regulation is a key reason why many investors have yet to enter the market (see Figure 11), it can be assumed that providers who emphasize regulatory compliance will have a competitive advantage and stand out in the UK market.

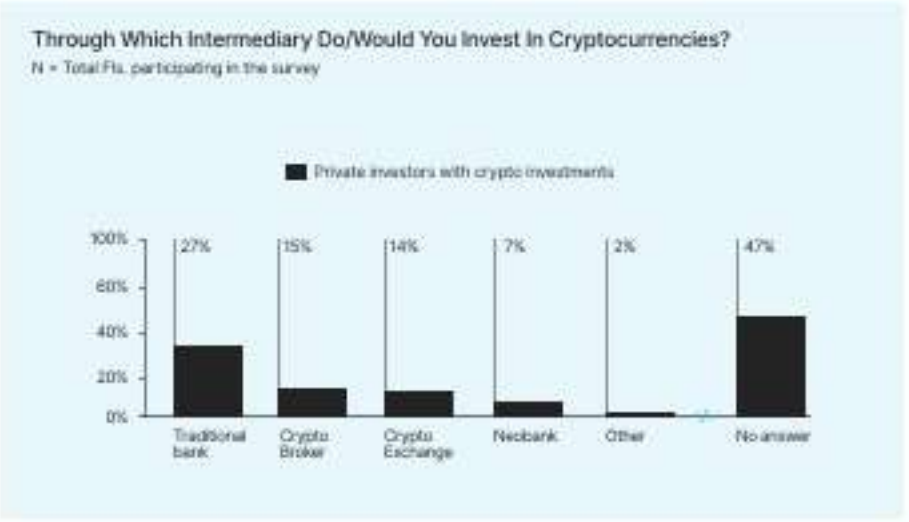


Fig. 16 ↗ Partner preferences of private investors regarding crypto investments

When selecting service providers or partners for cryptocurrency investments, most private investors prefer to work with just one or two trusted partners. A significant portion of investors would consider investing through their traditional bank (27%) or a crypto broker (15%). On a national level, one striking trend in the UK indicates that only 12% of private investors prefer traditional banks as their crypto partners, whereas the majority favor specialized crypto service providers such as crypto exchanges and brokers.

4.3 — Insights from European Business Investors

BUSINESS INVESTOR APPETITE

Mid-sized companies from the tech, telecom and finance industries lead the charge in crypto adoption, showcasing the strategic appeal of digital assets for innovation-driven industries.

In contrast to private investors, business investors exhibit greater adoption rates, with a combined 40% stating that they are or were invested in cryptocurrencies. Only 30% of companies state that they have not yet invested and do not have any plans. In that regard, a look at the detailed country profiles revealed no significant differences from this overarching statement. Only CEE recorded above-average numbers of business investors invested in crypto (33% currently invested and 22% invested in the past), while Italy has a below-average investment rate for business investors (18% currently invested and 10% invested in the past).

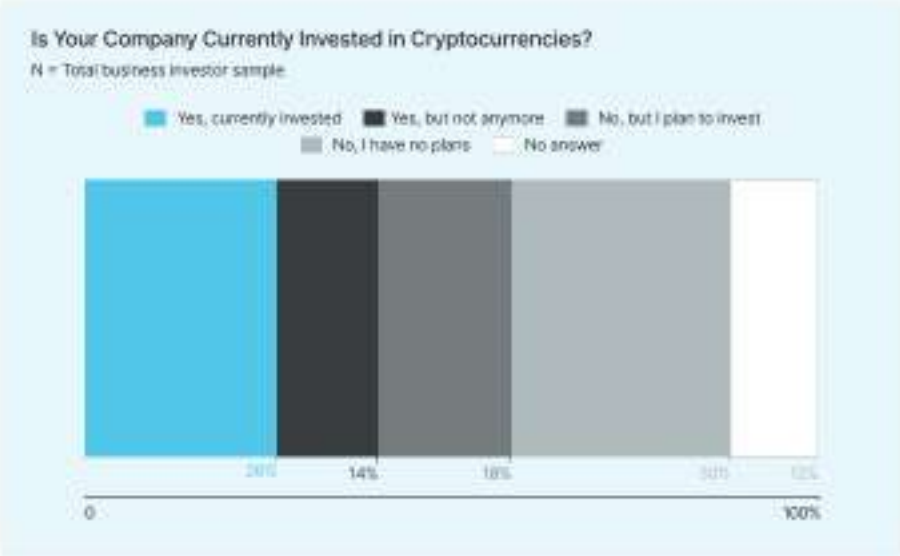


Fig. 17 ↗ Crypto investments of European business investors

Looking at the future investor behavior of business investors, a very homogenous picture emerges.

Almost everywhere, one in five business investors state that while no previous crypto investments were made, they still aim to invest in the future.

Furthermore, half of these business investors plan to invest within the next twelve months, therefore relatively soon. This underlines the high future growth potential of the crypto market and indicates a need for action for financial institutions not yet offering access to crypto.

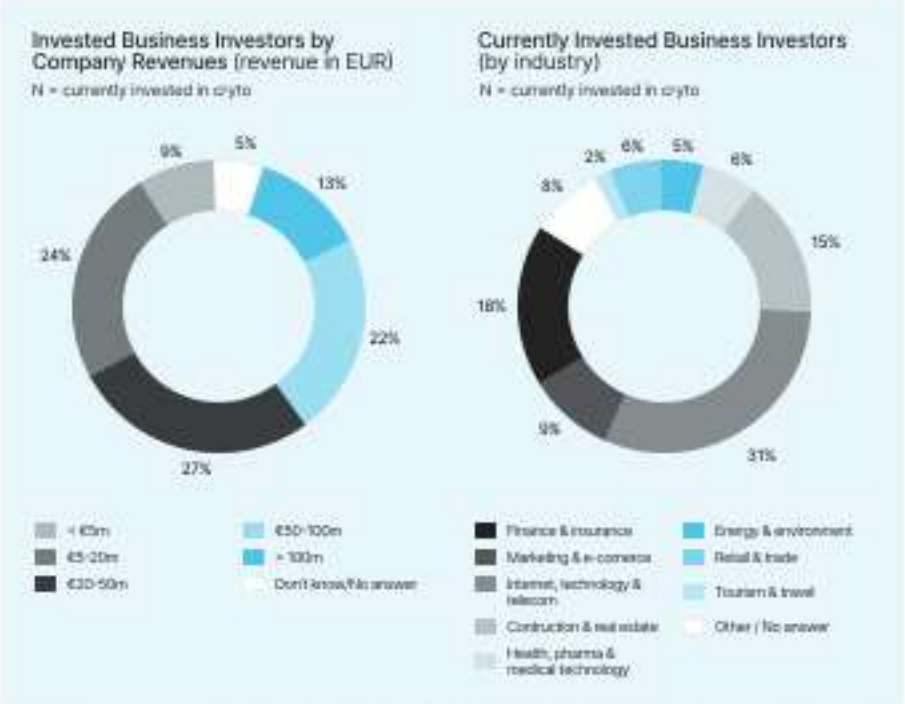


Fig. 18 ↗ Profile of participating European business investors invested in crypto

Among businesses already invested in cryptocurrencies, the majority report annual revenues between €5 million and €100 million (see Figure 18). Crypto ownership only varies slightly in the different revenue classes: 24% in the €5–20 million range, 27% in the €20–50 million range, and 22% in the €50–100 million range. Geographically, the distribution of companies invested in cryptocurrencies is relatively consistent across the surveyed countries, with Italy showing the lowest adoption rate (13%).

An industry analysis reveals that the largest proportion of companies invested in cryptocurrencies belongs to the internet, technology and telecom industry (31%), followed by finance and insurance at 18%.

This highlights the strong interest of tech-driven and finance-oriented industries in embracing digital assets as part of their strategic initiatives.

Interestingly, larger differences in the investor behavior can be observed for less crypto-focused industries. For instance, crypto adoption in industries like advertising, marketing and e-commerce shows significant variation across countries. While over 70% of companies in France and CEE have invested in crypto, in Germany, only around 30% of companies from these industries have done so, highlighting the uneven adoption rates. These findings come with the caveat of a slight overrepresentation of internet, technology and telecom companies among the surveyed businesses. However, this overrepresentation does not significantly distort the composition of invested companies.

Fig. 19 ↗ Business investors by revenue and country

A business investor comparison by revenue shows that companies with higher revenues are more likely to have invested in crypto assets. While almost one in two companies with revenues ranging from €5 to €100 million are invested, less than a quarter of the companies with revenues of €5 million or less are or were invested. Furthermore, the percentage of those who invested in the past but in the meantime have ceased their investments decreases with increasing revenues. This suggests that higher-revenue companies tend to stay more committed to their crypto investments. Interestingly, a significant proportion of low-revenue companies also have no plans to invest in crypto, whereas this percentage is lower in higher revenue groups. On a country level, UK has the highest percentage of non-investors with no plans (40%), followed by Italy (35%).

INVESTMENT OBSTACLES

High perceived risks and an excessively large volatility in comparison to traditional assets are the most relevant investment obstacles for business investors.

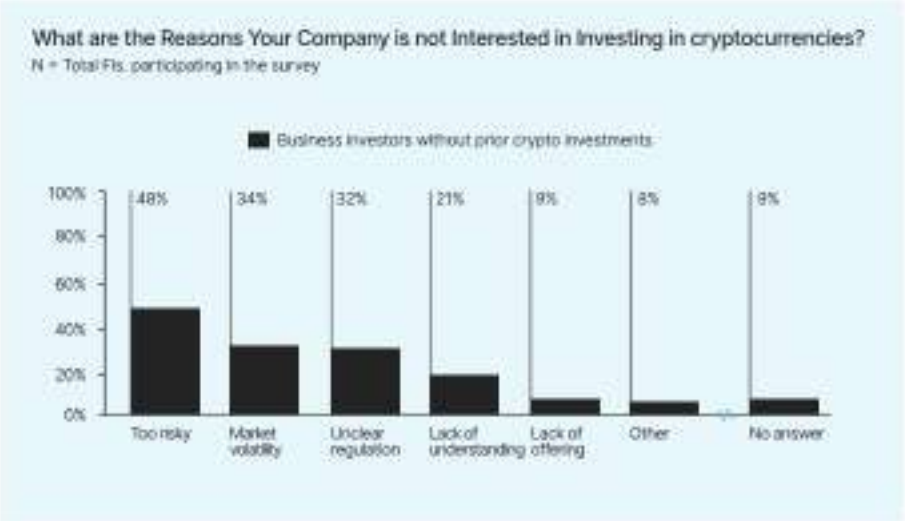


Fig. 20 ↗ Reasons for business investors not to invest in cryptocurrencies

Business investors demonstrate a positive outlook on cryptocurrencies, with approximately 50% expressing a favorable view. Interestingly, they also demonstrate a deeper understanding of digital assets and greater confidence in their investment decisions in general.

Only 21% of business investors identify a lack of understanding as a barrier to crypto adoption. Similarly to private investors, they recognize the risks associated with cryptocurrencies.

Interestingly, approximately 7% of both private and business investors report having no plans to invest in cryptocurrencies while acknowledging their importance and high growth potential. This highlights a persistent skepticism or risk aversion that remains prevalent in the broader investment landscape.

PRODUCT CHOICE

On an aggregated level, business investors show a preference for indirect investments in single crypto products.

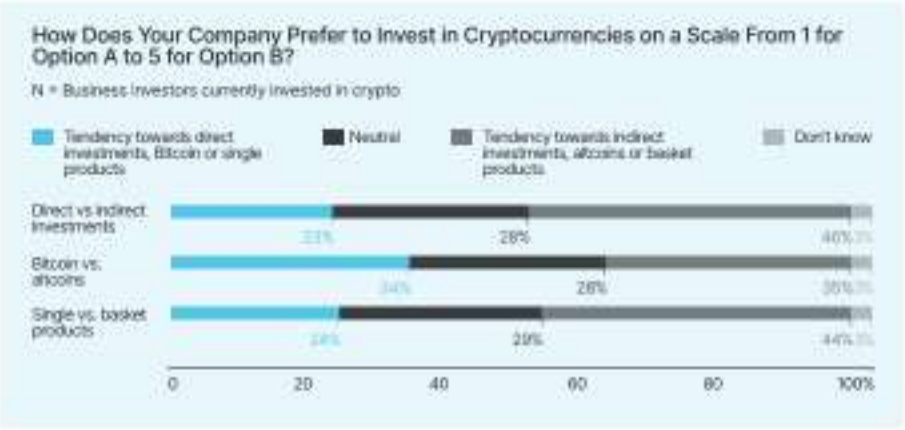


Fig. 21 ↗ Crypto investment product preferences of business investors

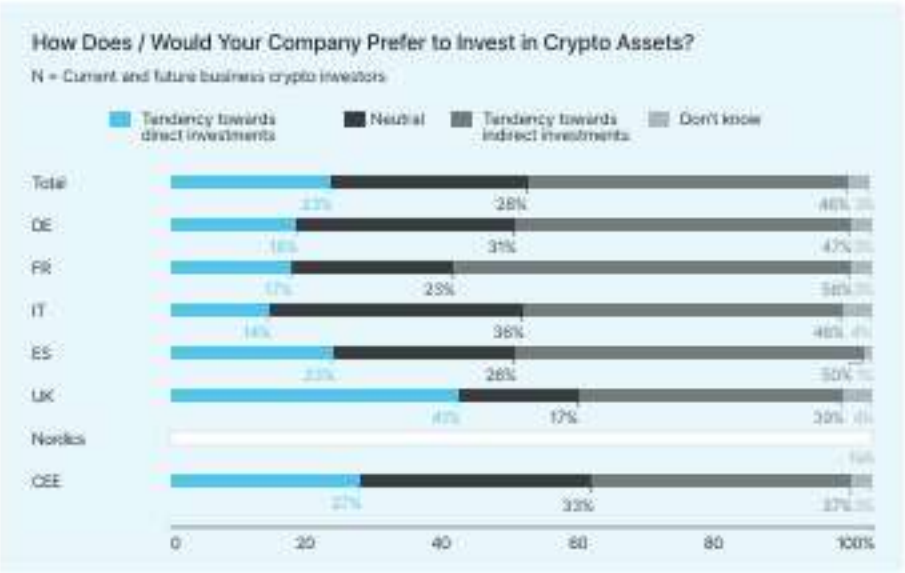


Fig. 22 ↗ Preferred investment vehicles of business investors for investments in crypto assets

In contrast to private investors, business investors who are currently invested or plan to invest in crypto exhibit a strong preference for indirect investments (see Figure 21). On average, 46% of business investors have a tendency towards indirect investments, probably also reflecting the additional complexity that is associated with handling direct crypto assets. In that regard, it is noteworthy that UK investors stand out significantly from the average with 41% – making the UK the only European country surveyed that shows a substantial deviation from the norm. CEE business investors deviate slightly and seem to show a more balanced investment appetite (see Figure 22).

Regarding the choice between Bitcoin and alternative cryptocurrencies (altcoins), preferences vary slightly between private and business investors.

Business investors show a slight preference for altcoins (~35%) or successors to Bitcoin, reflecting a broader diversification in their approach to cryptocurrency investments.

Combined with the finding that business investors perceive Bitcoin as the most relevant cryptocurrency (see Figure 4), this suggests that Bitcoin is regarded as a long-term investment, whereas altcoins are viewed as speculative assets.

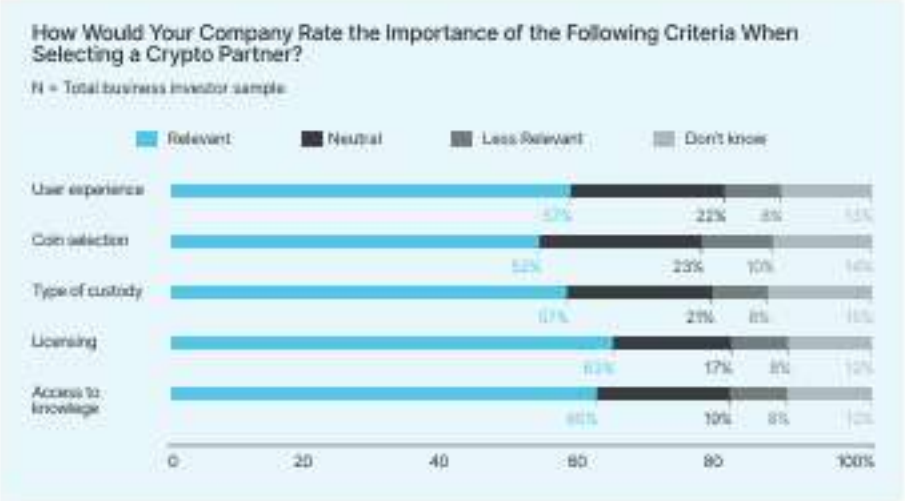


Fig. 23 ↗ Criteria of business investors for selecting a crypto partner

Business investors do not show a strong preference for one criterion over another, utilizing or considering all four main crypto services with nearly equal demand. For business investors, regulatory compliance is the most critical factor when choosing a service or partner. Beyond compliance, other criteria such as UX, service selection, wallet setup and access to knowledge are all regarded as highly or rather highly important by approximately 55% of respondents. The findings can be universally observed for all surveyed countries. Interestingly, Spanish business investors are particularly interested in regulatory compliance with 70% rating it as (rather) high.

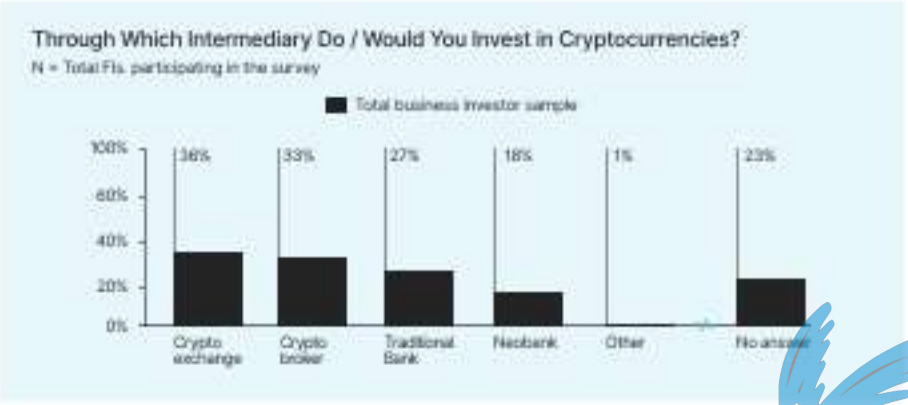


Fig. 24 ↗ Partner preferences of business investors regarding crypto investments

When it comes to service providers or partners for cryptocurrency investments, both private and business investors show a strong preference for consolidated offerings from a limited number of partners.

While business investors are slightly more open to leveraging the services of multiple companies than private investors, most of them still favor a streamlined approach, with one in five preferring to work with no more than one partner and two in five with no more than two partners.

The choice of service providers also varies between private and business investors. In contrast to private investors, business investors tend to favor dedicated platforms, such as crypto exchanges or crypto brokers. This contrast becomes particularly clear when looking at business investors who have not yet invested but plan to do so in the future. Of these, almost half of the investors surveyed stated that they would prefer to invest through dedicated crypto service providers. Interestingly, neobanks are the least interesting partner for business investors from all surveyed countries.

In the UK, only 6% of business investors would invest through a neobank.

Almost half of CEE business investors prefer to invest through a crypto exchange. This distinction not only highlights the differing requirements per segment but also stresses the significance of segment-specific go-to-market strategies.

4.4 — Crypto Service Offerings of Financial Institutions

CRYPTO PERCEPTION AND OFFERING

The perception of crypto among European financial institutions echoes investor confidence, embracing the future potential and future significance of crypto assets. Nevertheless, financial institutions are only slowly integrating an offering themselves.

With European financial institutions, too, seeing crypto becoming more relevant in the future, a majority sees crypto as a relevant and distinct asset class.

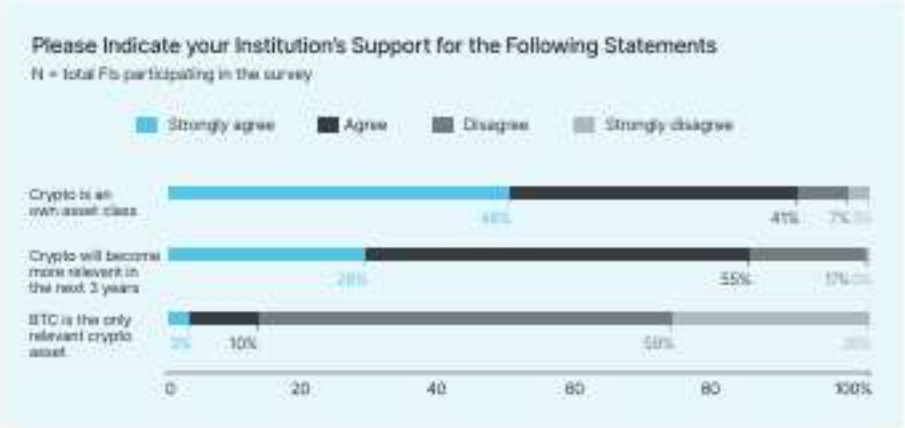


Fig. 25 ↗ Sentiment of European FIs towards crypto

Notably, FIs have a stronger conviction that crypto is a legitimate and respectable asset class than private and business investors. Additionally, European FIs anticipate a substantial increase in the relevance of crypto over the next three years, with 83% (strongly) agreeing with this forward-looking perspective. The two types of banks that are most skeptical about the future relevance of crypto are regional banks and universal banks. However, despite their cautious stance, the majority of these banks still hold a positive outlook on crypto. Markus Plank from Raiffeisenlandesbank Niederösterreich-Wien echoes this general optimism, emphasizing that the implementation of MiCAR will play a pivotal role in advancing this trend across the EU.

"We believe that crypto is heading towards increased adoption and regulation, driven by frameworks like the EU's MiCAR. Trends include the growth of retail participation, institutional interest and tokenization of assets, offering new investment opportunities."

Markus Plank
Managing Director at Raiffeisenlandesbank Niederösterreich-Wien

Overall, FIs adopt an inclusive approach to the broader cryptocurrency ecosystem. Contrary to the notion that Bitcoin is the sole relevant cryptocurrency, almost 90% of respondents see value also in other crypto assets (see Figure 25). This data underscores the evolving role of crypto as a credible and forward-looking asset class in the financial landscape.

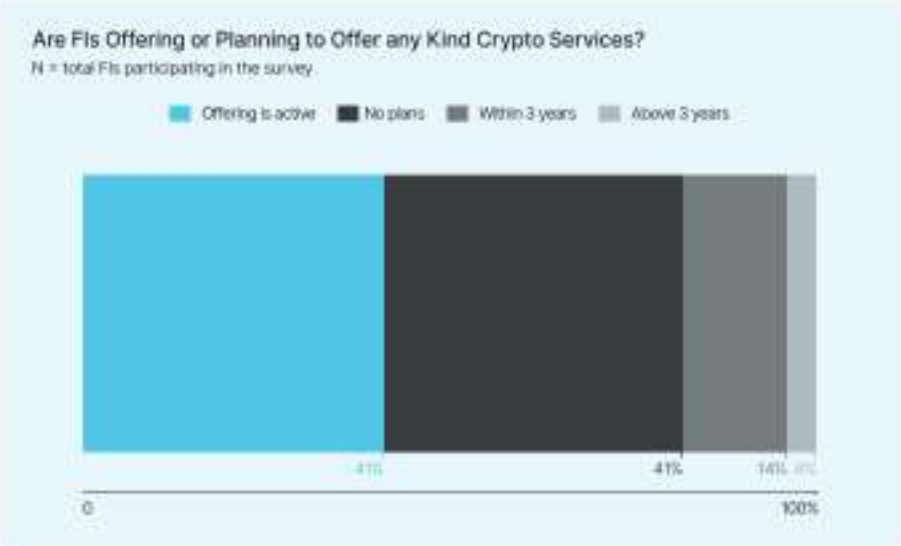


Fig. 26 ↗ FIs offering crypto services

41% of the surveyed financial institutions across Europe currently offer their clients any kind of cryptocurrency services.

The rather high share in the report is driven by a high share of regional (50%) & private (100%) banks that already offer crypto services. On the other hand universal & large banks surveyed stand out with a very low crypto adoption. Only 10% of universal / large banks state that they have an active offering with additional 10% planning to offer crypto services in the future.

When looking at FIs across the EU, crypto adoption is a lot lower, with only 19% actively offering crypto services. The future plans to integrate crypto remain consistent across EU and non EU countries with around 18%. (see Figure 26 & 27)

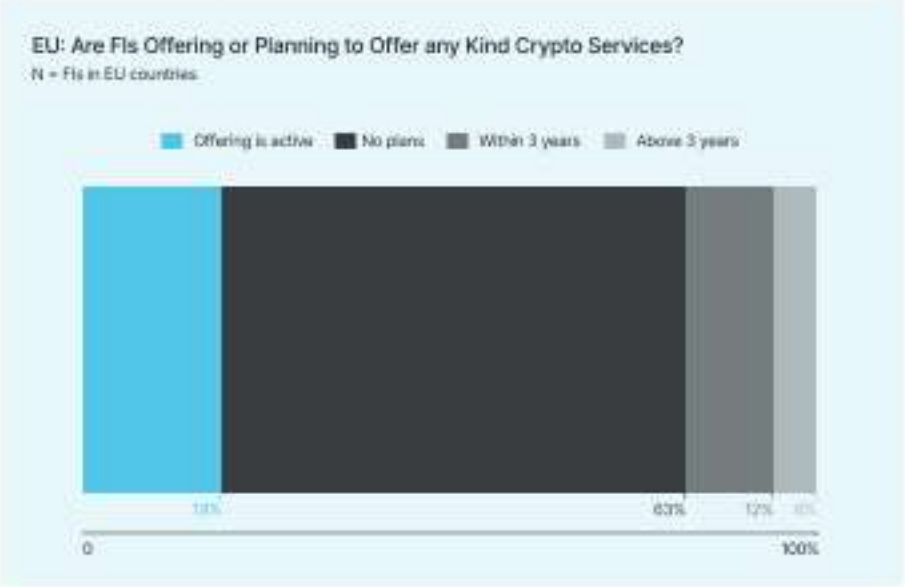


Fig. 27 ↗ FIs across EU offering crypto services

A slight overrepresentation of Swiss institutions contributes significantly to the higher proportion of companies already offering access to crypto when looking at the entire European data. Switzerland has established clear regulatory frameworks at an early stage that foster innovation and growth in the local crypto market. Even so, as financial institutions all face similar challenges when entering crypto, the significance of the overall responses is not impaired.

The sentiment towards and adoption of crypto is not equal in all European markets. While markets like Austria or Switzerland are open towards crypto, countries like Poland or Italy are only waking up to the idea. For instance, as Antonina Karwasińska from the Polish Bank Pekao confirmed, Polish financial services providers remain quite cautious when it comes to crypto, largely due to regulatory resistance and reputational concerns. As is often the case and was already highlighted in Chapter 3.3, stringent restrictions on the sales and marketing of crypto services are particularly challenging. These limitations significantly hinder financial institutions' ability to promote crypto offerings and engage clients effectively.

"Incumbent Polish financial institutions struggle to capitalize on market opportunities around crypto mainly due to regulatory resistance and infrastructural limitations, leaving them at a crossroads: innovate to stay competitive or risk irrelevance in an evolving financial landscape."

Antonina Karwasińska
Head of Operations & Development at Bank Pekao

CLIENT DEMAND AND PREFERENCES

European FIs state that they perceive low client demand for crypto products and clients still (have to) play it safe and stick to familiar favorites like Bitcoin and other top-tier assets.

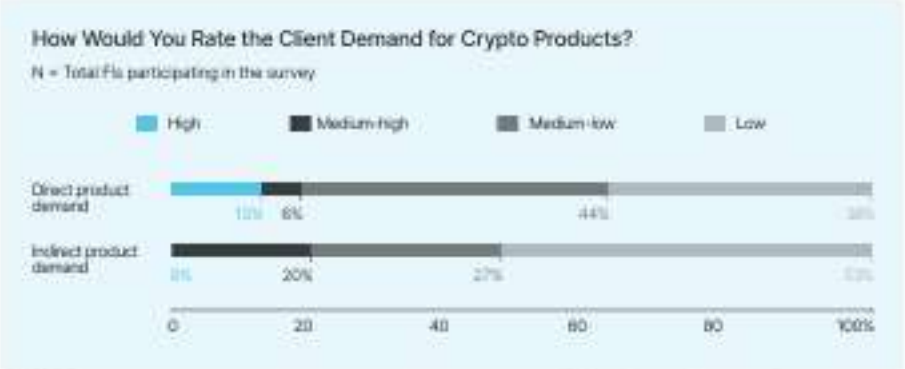


Fig. 28 ↗ Client demand among European FIs

Interestingly enough, financial institutions throughout Europe state that client demand for crypto remains relatively low, which significantly influences their cautious approach to offering crypto services. Once again, this low demand is particularly evident among regional banks, as 40% of the surveyed institutions reporting rather low demand are regional banks. Especially when considering that a large portion of the investor sample is already invested and around 30% are not yet invested but plan to do so (see Figure 6 and Figure 17), it can be assumed that financial services providers in Europe are massively underestimating the potential and demand for crypto. For indirect and direct crypto products, approx. 80% of respondents perceive a low or medium-low demand for each type of crypto investment. Of course, general interest also depends highly on promotional restrictions or tax reasons, for example. In Germany, for instance, tax rules lead to a slight preference for direct investments.

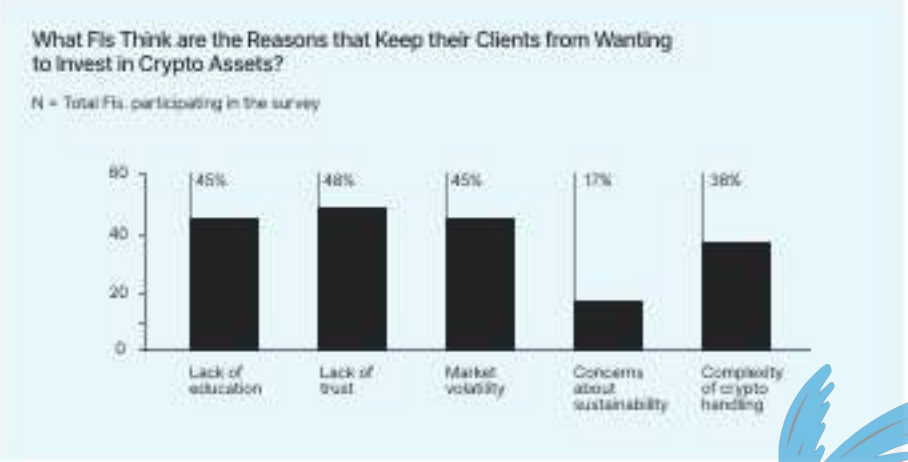


Fig. 29 ↗ FIs view on reasons of clients to not invest in crypto

The low demand for crypto products reported by FIs may be closely linked to the reasons they believe their clients are hesitant to invest. Lack of trust and market volatility indicate that FIs perceive crypto as still being too risky in the eyes of their clients—aligning with one of the key barriers private investors cite for not investing in crypto (see Figure 11). Additionally, the lack of education resonates with investor concerns, as 47% of private investors state that a lack of understanding is their primary reason for staying out of the crypto market.These factors collectively highlight the need for addressing these challenges to unlock greater participation in the crypto market.

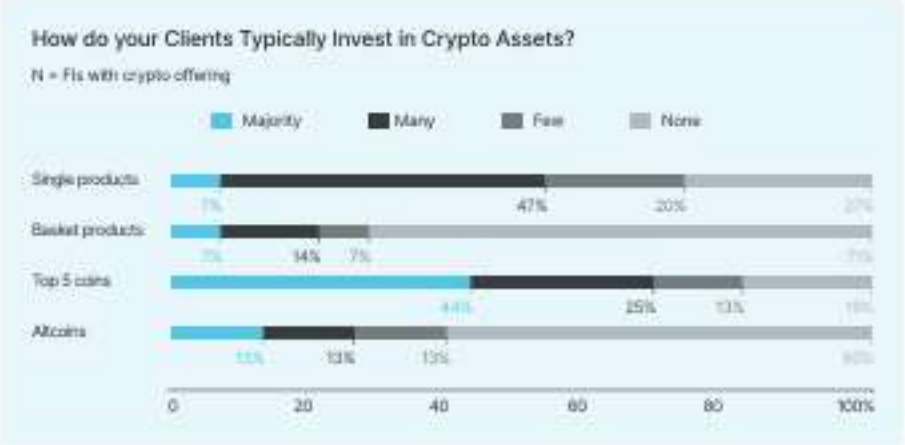


Fig. 30 ↗ Preferred product choice of FI clients

Clients' preferences and behaviors towards cryptocurrency investments reveal a tendency to favor simplicity and familiarity. FIs report that when clients decide to invest in crypto, they predominantly gravitate towards single-product offerings. Approximately 47% of FIs observe this preference, indicating an inclination towards straightforward investment products.

Furthermore, clients of surveyed institutions show a clear preference for the top five cryptocurrencies, reflecting a cautious approach to the market.

Among those FIs, 43.8% report that clients invest significantly more in these leading assets, with an additional 25% indicating a moderate preference for the top-tier coins.

This pattern underscores a tendency among clients to stick with well-established cryptocurrencies such as Bitcoin rather than exploring more niche or exotic assets. Specifically, altcoins are stated as less interesting (60%) for typical client investments. These insights suggest that while client demand for crypto remains moderate, their investment choices lean towards more commonly recognizable options within the digital asset space.

FI SERVICE OFFERING

Just over one third of surveyed FIs have already introduced own crypto service offerings, though advanced crypto services like staking remain rare.

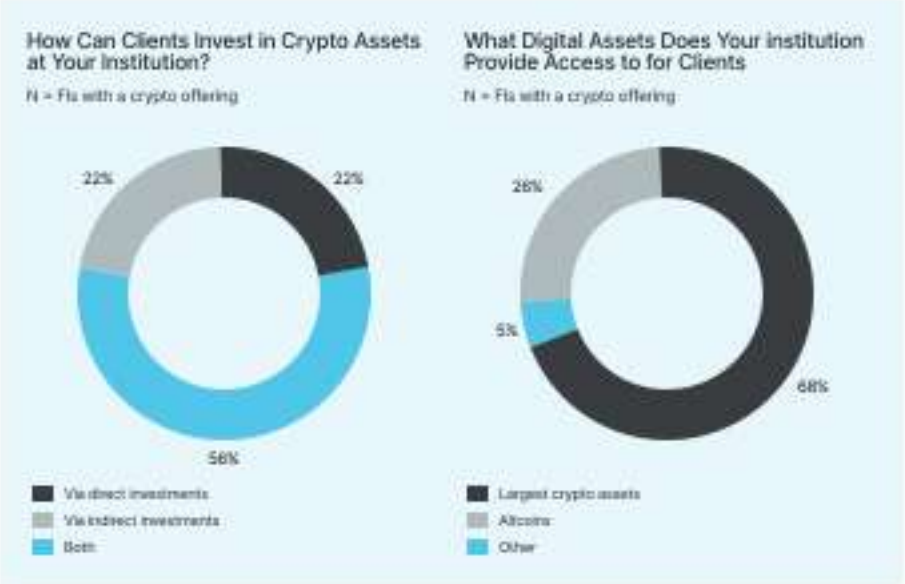


Fig. 31 ↗ Crypto product offering of FIs

The focus of FIs with active crypto use cases is largely on the top five cryptocurrencies, with 68% of FIs prioritizing these well-established assets. Looking at the product preference of business investors, it does not seem to be fully utilized, as business investors appear to invest nearly equally in BTC and altcoins. Financial institutions planning to offer their business clients access to crypto investments should therefore also consider providing access to altcoins. The investment types offered are evenly split between direct and indirect options, reflecting flexibility in meeting diverse client needs. This approach aligns with retail client demand, as clients show a slight preference for single investments in Bitcoin but are generally indifferent to whether the investments are direct or indirect.

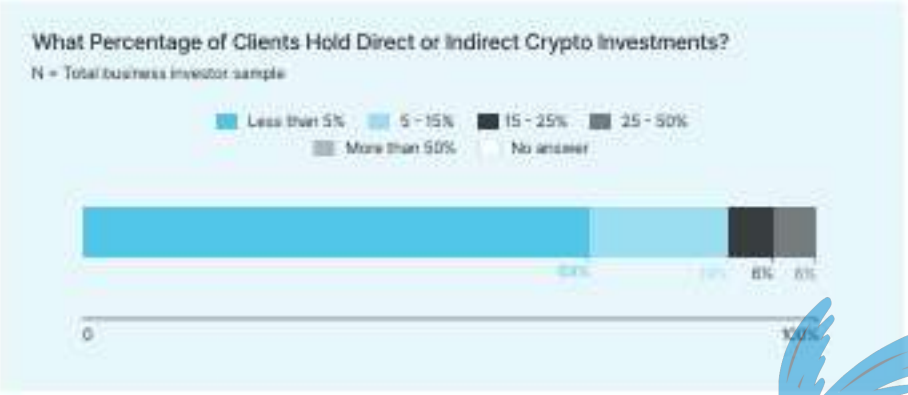


Fig. 32 ↗ Crypto holding of FI clients

The data shows that the number of current crypto clients at institutions offering crypto is still low.

Among FIs providing access to crypto, 69% report that less than 5% of their clients currently hold crypto in their portfolios.

Interestingly, the only institutions reporting that more than 5% of their clients hold crypto assets as an investment are private banks and fintechs. While it is unsurprising that crypto-native fintechs serve a predominantly crypto-focused clientele, this finding highlights the growing demand for crypto as an alternative investment among private banking clients.

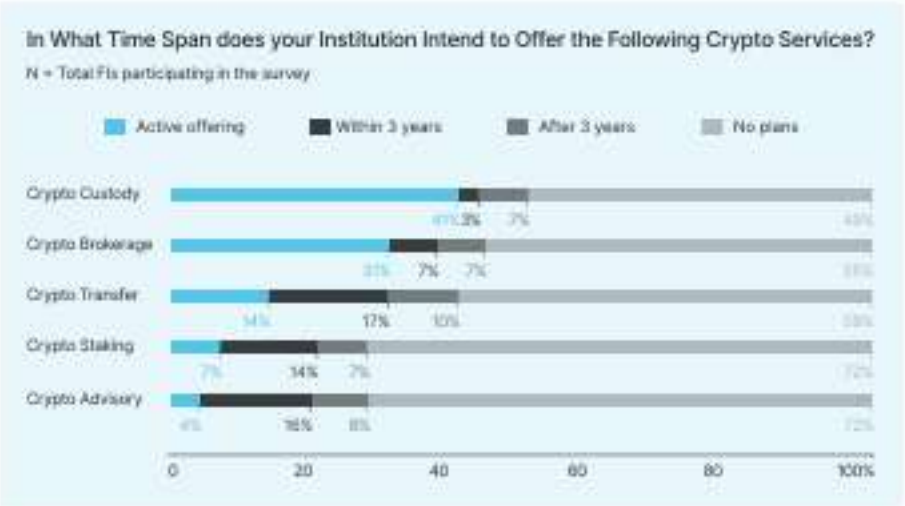


Fig. 33 ↗ Crypto road map of European financial institutions

When looking at current offerings and future plans, active crypto services predominantly include custody (41%) and brokerage (31%), followed by crypto transfers (14%). However, advanced services such as staking are offered far less frequently, with only 7% of FIs including it in their portfolio. This distribution underscores the current emphasis on fundamental crypto services over specialized solutions. The market supply also demonstrates that fundamental crypto services are provided by a wide range of service providers, while more advanced services are predominantly delivered by specialized institutions such as neobanks and fintech companies. Across Europe, available services by incumbent FIs are relatively uniform. Only in Switzerland, where regulatory clarity was created already back in 2021, more exotic use cases like crypto advisory services have already gained traction. Interestingly, only in January 2025, Swiss PostFinance was the first major incumbent bank to introduce staking services.

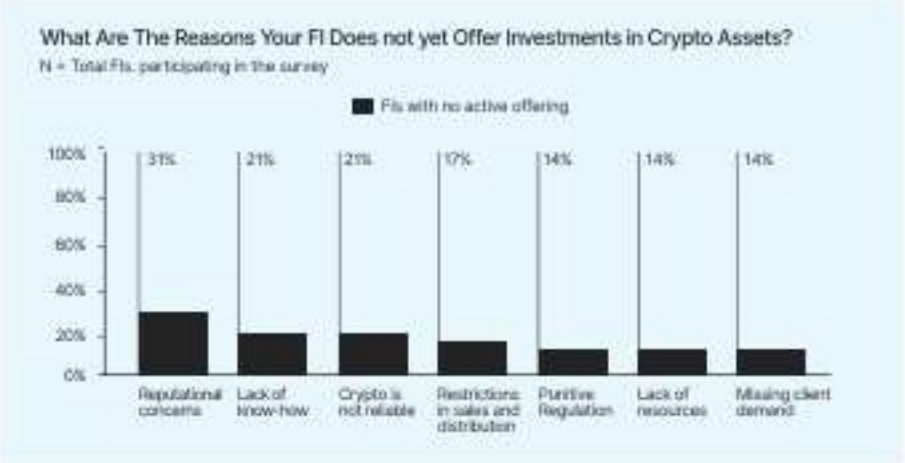


Fig. 34 ↗ Reasons for financial institutions not to offer crypto services

The main reason financial institutions decide to offer crypto services is their expectation of sales growth and increased client acquisition. New revenue streams and client growth represent the most compelling drivers for these institutions to establish a presence in the cryptocurrency market. However, many FIs remain hesitant to set up a crypto offering due to concerns about reputational risks and insufficient crypto expertise. For more than one in five FIs, the fear of reputational damage – stemming from the volatility and regulatory uncertainties associated with the crypto market – acts as a significant deterrent. Additionally, three in twenty FIs cite a lack of crypto know-how as a key barrier to entry, underscoring the technical and operational challenges involved in building robust and compliant crypto services. In one of the conducted expert interviews, Alessandro Trabaldo Togna from PKB Private Bank highlighted a similar perspective, stressing the challenges financial institutions especially from Italy face in navigating the relatively new and still opaque regulatory landscape.

> "Regulation in Italy remains unclear and negative, with larger banks testing use cases but smaller ones not yet participating [...]. Traditional financial players often exclude crypto due to the challenges of interpreting and assessing compliance on digital assets."

Alessandro Trabaldo Togna
Head of Strategic & Growth Initiatives at PKB Private Bank

However, Togna emphasized that with the right tools and skills, it is possible to address those risks. He suggested that especially for smaller private banks like PKB, this was a way to unlock new growth potential and differentiate themselves from peers.
These contrasting motivations highlight the divide within the financial industry. While some institutions are eager to capitalize on the growth potential of digital assets, others remain cautious, prioritizing stability and risk management over the pursuit of emerging opportunities.

SERVICE OFFERING

Financial Instiutions are gearing up to expand their crypto servies. Most still aim to do so via collaborations.

18% of the surveyed financial institutions have plans to expand their crypto service offerings within the next three years or later (see Figure 26). The most significant focus for these institutions is on expanding their service offerings in crypto transfers, reflecting a prominent lever for business cases, i.e. increasing AUM, and the demand for seamless, efficient digital asset transactions.

Fig. 35 ↗ Sourcing of currently active crypto service offerings

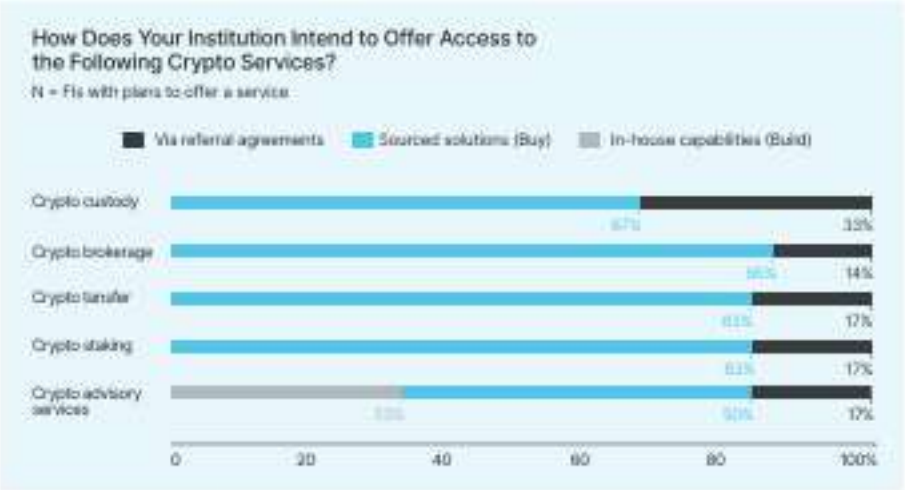


Fig. 36 ↗ Sourcing of planned crypto service offerings

Interestingly, a vast majority of the financial institutions that offer crypto services do so via white-label solutions or referral programs with crypto partners. This strategy highlights a preference for short time-to-market over internal development of digital asset expertise. At the same time, it allows minimizing operational risks. For most institutions, building these services internally is not a priority; rather, they aim to collaborate with established partners who can provide the necessary capabilities. When selecting the right partners, the surveyed institutions place particular importance on regulatory compliance with local and European legislation as well as the availability of all necessary licenses. This is further reflected in the fact that a partner's location is among the top three selection criteria, as it demonstrates familiarity with local regulatory requirements. Regional banks, in particular, tend to prefer regional providers when choosing their crypto partners. One example of such a partnership is the cooperation between Raiffeisenlandesbank Niederösterreich-Wien and Bitpanda Technology Solutions.

> "Financial institutions can remain competitive by embracing innovation through strategic partnerships, like Raiffeisen has done with Bitpanda. Offering secure, user-friendly access to digital assets can help build trust and engagement."

Markus Plank
Managing Director at Raiffeisenlandesbank Niederösterreich-Wien

Finally, when selecting a partner for future crypto offerings, FIs place the highest importance on licensing and ease of integration. Ensuring regulatory compliance (for example with the Markets in Crypto-Assets Regulation) and a smooth integration process are seen as critical hygiene factors in successfully expanding crypto partnerships.

05

Key Implications for Financial Services Providers

The integration of crypto into the financial ecosystem is accelerating globally and reshaping the financial landscape, offering both challenges and groundbreaking opportunities for financial institutions and investors alike.

As uncovered by the findings of the surveys and underpinned by statements made by several experts, in Europe, too, the stage is set for a crypto revolution, with an investor market worth over €25 trillion. This immense potential stems from 411 million private individuals at an investment-seeking age and a wealth of business clients who have an overall very positive sentiment towards crypto. Both private and business investors as well as financial institutions in Europe expect accelerated adoption in a broader context. This indicates a growing confidence in the potential of cryptocurrencies and distributed ledger technology (DLT) to transform financial markets.

While the provision of more efficient cash and asset legs is a main motive for financial institutions to enter DLT and crypto, the main reasons for European business and private investors to engage are linked to investment purposes. Unlike geographies such as Turkey or Ukraine, for instance, where crypto is also used as a non-inflationary means of payments, European investors are rather interested in capital gains and portfolio diversification. Business investors from the UK, in particular, cite long-term investment as their primary reason for investing in crypto, with 76% of respondents supporting this motive, which is significantly higher than the European average of 58%. It is a clear call for action especially for private banks and corporate banks serving clients with deeper liquidity, i.e. investable assets that they might invest in crypto. These positive signals for further crypto adoption are supported by an overall positive development of regulatory frameworks, specifically in the EU with the implementation of MiCAR (Markets in Crypto-Assets Regulation) and the wider availability and prominence of crypto offerings in general.

Offering tailored investment products and services per client group is key, although on an overall level, the type of crypto access, respectively the type of crypto exposure, still seems less relevant for many investors. Private investors, in particular, seem indifferent about whether their exposure to crypto is direct or indirect, while corporate clients are more likely to have indirect crypto exposure. With the increasing familiarity of investors and financial institutions with digital assets in general, these investor preferences are, however, still likely to shift towards direct access.

Thus, it will be imperative for financial institutions to derive client segment- and market-specific sales or go-to-market strategies (on country level), respectively. Preferences for individual products, such as single vs. basket investments, Bitcoin vs. altcoin, or direct vs. indirect investments, should be considered to meet the diverse needs of clients. On top of that, not every market boasts the same dynamics with regard to distribution of sales power, promotional restrictions and mere preferences.

While the report has shown that many investors are ready to cover their crypto needs via established financial institutions, it should not be forgotten that many investors are already doing so through agile and dynamic fintech companies. If established institutions seek to compete effectively in the long term, they need to include corresponding crypto offerings promptly and close the gap. An aspect that will come to the aid of established banks is the still prevailing preference for the top five crypto assets in overall crypto exposure.

The crypto revolution thus highlights the urgency for traditional financial institutions to innovate and adapt to the evolving market landscape. Nevertheless, it is not too late yet to become involved.

Contrary to today's considerable media attention with regard to crypto, the survey revealed that many investors still seek additional support in understanding crypto and assessing associated risks. Therefore, financial institutions have a golden opportunity to position themselves as trusted advisor or at least as competent first contact. This is why financial institutions should continue to push internal and external client-related training measures, so as to accelerate the adoption of crypto. After all, education has a crucial role to play in demystifying crypto and building investor confidence.

What's more, by introducing a crypto offering, financial institutions may set the course for the future. This strategic move will position them as forward-thinking leaders in the financial industry, ready to meet the demands of the digital economy.

Importantly, European FIs are not alone in this endeavor. A multitude of crypto-native platform providers such as Bitpanda Technology Solutions support financial institutions in approaching the topic efficiently and with minimal setup time. While for European financial institutions, a partnership with such players currently is the preferred way to enter crypto, such collaborations also help accelerate the deployment of crypto services with clients.

Both Bitpanda Technology Solutions as a technology partner and zeb as a long-standing partner for financial institutions can help with questions in the context of digital assets and other strategic issues. Leveraging the knowledge and resources of such partners will certainly enhance the overall offering and ensure compliance with regulatory standards.

06

Report Methodology

This report, conducted by Bitpanda Technology Solutions in collaboration with zeb consulting, aims to provide an overview of cryptocurrency investment adoption within the European market. The objective is to identify market potential and barriers for financial institutions by offering actionable insights into this emerging sector.

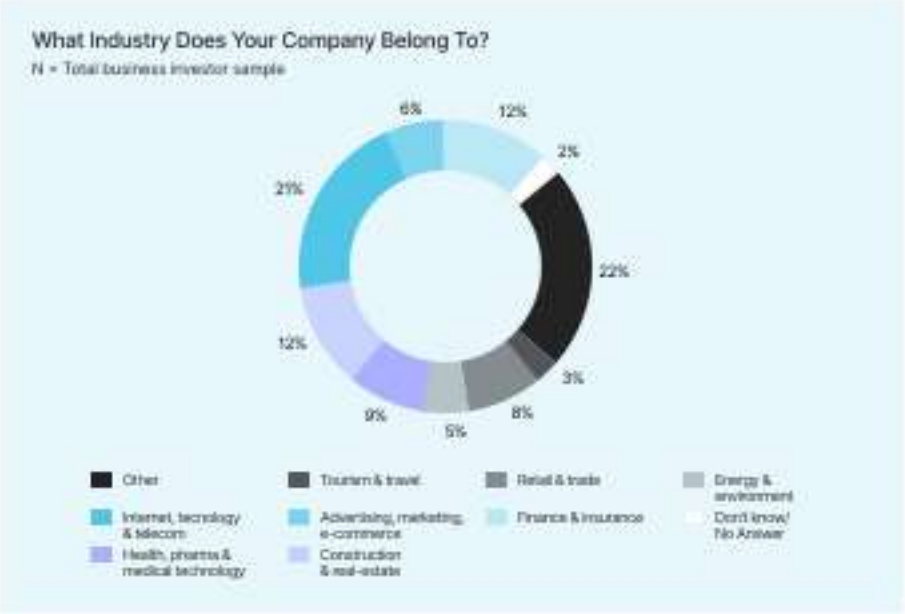
Fig. 37 ↗ Overview of surveyed countries and financial institutions

This was achieved by combining quantitative and qualitative research methods. The qualitative component of the analysis combines up-to-date research insights with extensive industry expertise based on Bitpanda's and zeb consulting's project experience. Key aspects such as market characteristics, market size, regulatory frameworks, and the maturity regarding cryptocurrencies of individual European markets were thoroughly examined. This qualitative foundation supported the quantitative analysis and served as a cornerstone for the interpretations and implications presented in this study.

The quantitative analysis involved three surveys targeted at distinct audiences[11]. The first survey gathered insights from around 7,000 private individuals across seven European countries (Czech Republic, France, Germany, Italy, Spain, UK[12] and Sweden) to understand their investment behavior. For that purpose, the Czech Republic served as a proxy for the Central and Eastern European (CEE) market and Sweden as a proxy for the Northern European market (Nordics).

[11] Surveys were conducted by Bitpanda and zeb with the market research institute YouGov.

[12] UK is treated as one country in this study report.



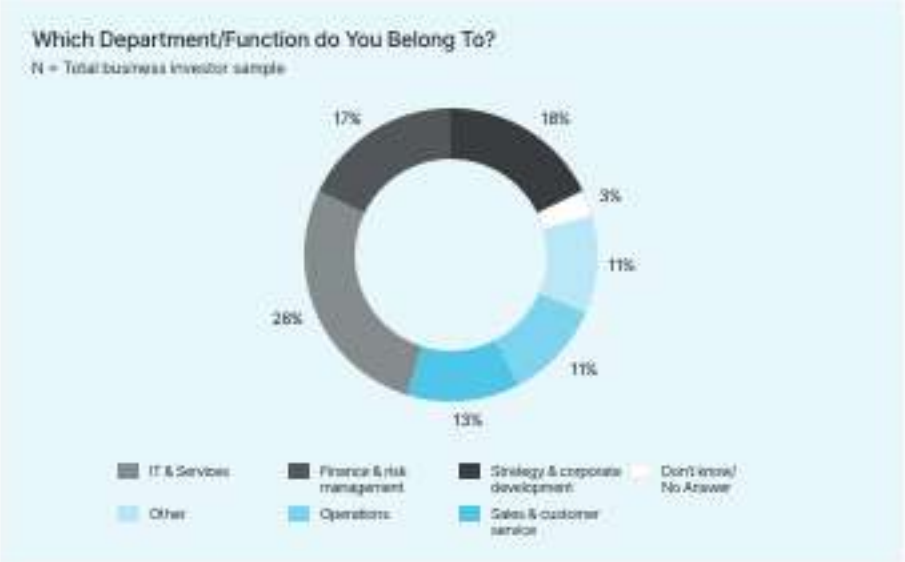
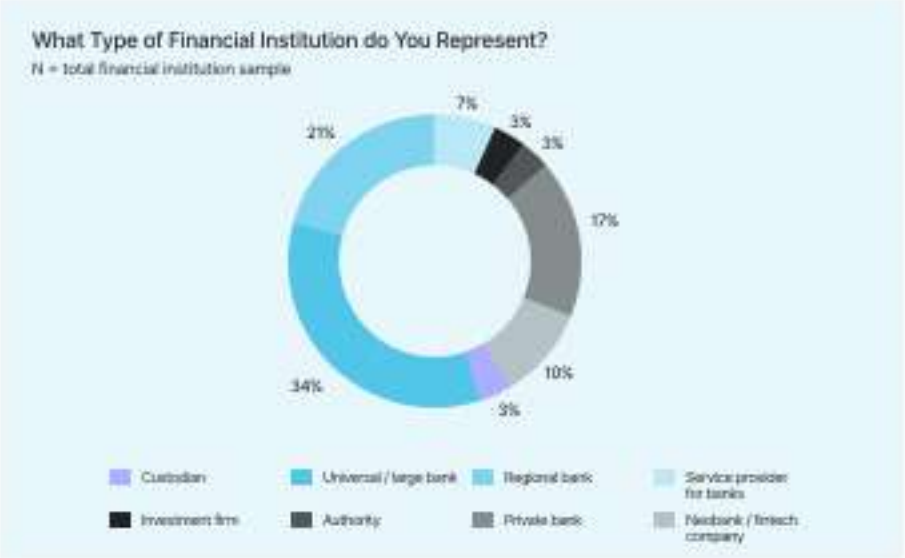


Fig. 38 ↗ Selected demographic data of surveyed business investors

The second survey focused on around 3,000 businesses with 10 employees or more from six European countries (Czech Republic, France, Germany, Italy, UK and Spain). The sample ensured that the business investors in question held positions capable of providing informed insights. Illustratively, the sample covered nine different industries (see Figure 38).



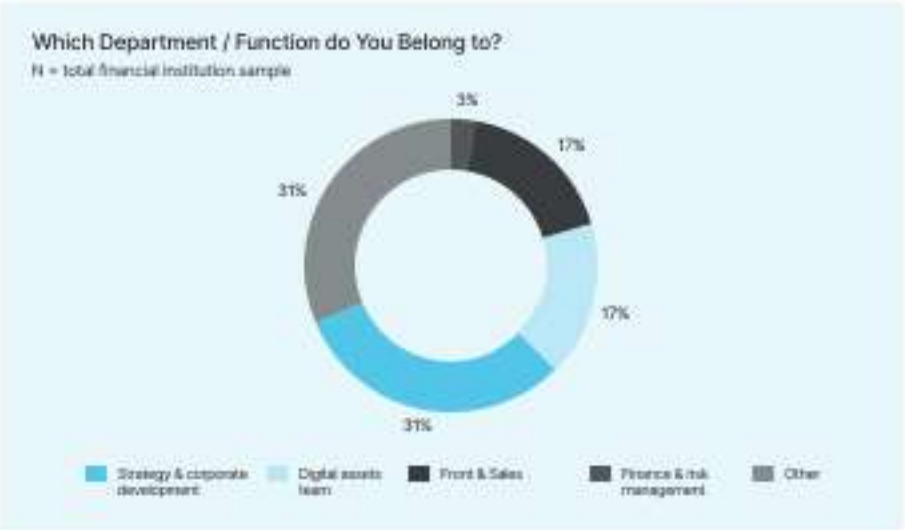


Fig. 39 ↗ Selected demographic data of surveyed financial institution representatives

The third survey targeted around 40 senior decision-makers from financial institutions across Europe, exploring their institutions' attitudes and service offerings related to cryptocurrencies. This approach also ensured a broad representation of eight different types of financial institutions, with respondents encompassing all relevant professional roles (see Figure 39).

The data collection approach relied on a random sampling method, which offers the advantage of capturing a genuine cross section of society. This enhances the representativeness of the findings by reflecting the diversity of the population. However, this method also comes with a limitation, as there was no control over the selection of private and business investors surveyed. As a result, we cannot ensure that the surveyed investors are necessarily clients of the financial institutions included in the study. Causal conclusions regarding the correlation between information provided by investors and financial institutions are therefore logical but not statistically significant.

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Markus Plank
Managing Director at Raiffeisenlandesbank Niederösterreich-Wien

Fig. 40 ↗ Expert interview partners for the qualitative analysis

Complementing the quantitative data, a qualitative analysis was conducted by means of interviews with three industry experts. These interviews provided additional perspectives on the practical realities of the European and domestic Polish, Swiss, Italian and Austrian markets. The experts interviewed included Antonina Karwasińska from the Polish Bank Pekao, Alessandro Trabaldo Togna from PKB Private Bank and Markus Plank from Raiffeisenlandesbank Niederösterreich-Wien.

By combining quantitative data from the conducted surveys and information from the detailed desk research with industry expert insights, this study delivers a comprehensive view of the current state of cryptocurrency investments in Europe, highlighting both opportunities and challenges for financial institutions.

07

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