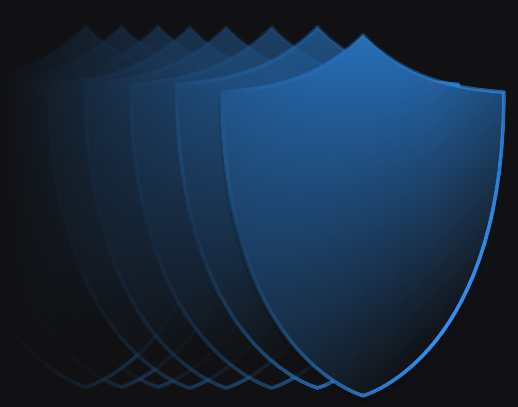
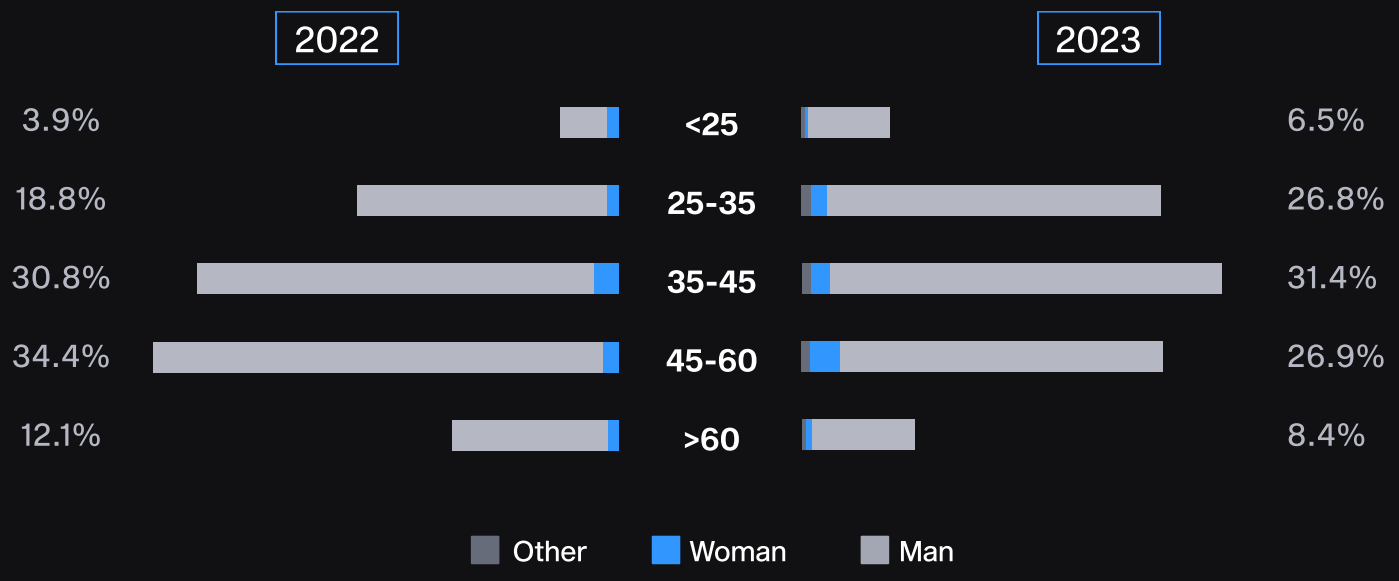
2023 Crypto Security Report:
Trends, Threats, and Solutions



In Q1 2023, NGRAVE surveyed over 3000 unique respondents from 103 countries with the objective to:

1. Help them assess the current security level of their portfolio.
2. Provide tailored and actionable tips.
3. Synthesise an in-depth overview of today's retail crypto investors' security measures.

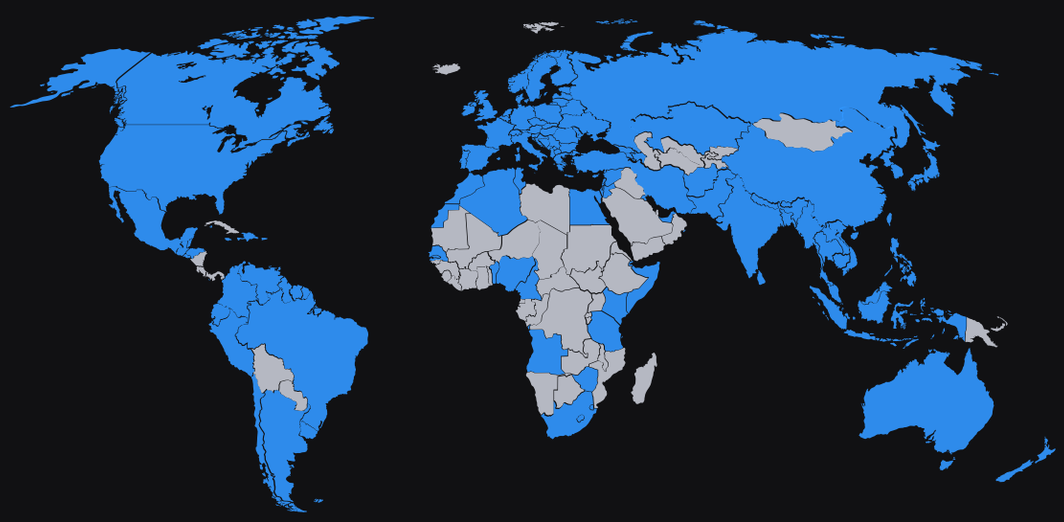
Over 3000 respondents, who are they?



- Crypto ownership remains dominated by men.
- Investors younger than 35 years old increased from 1 out of 5 to 1 out of 3.

Respondents from 103 countries.

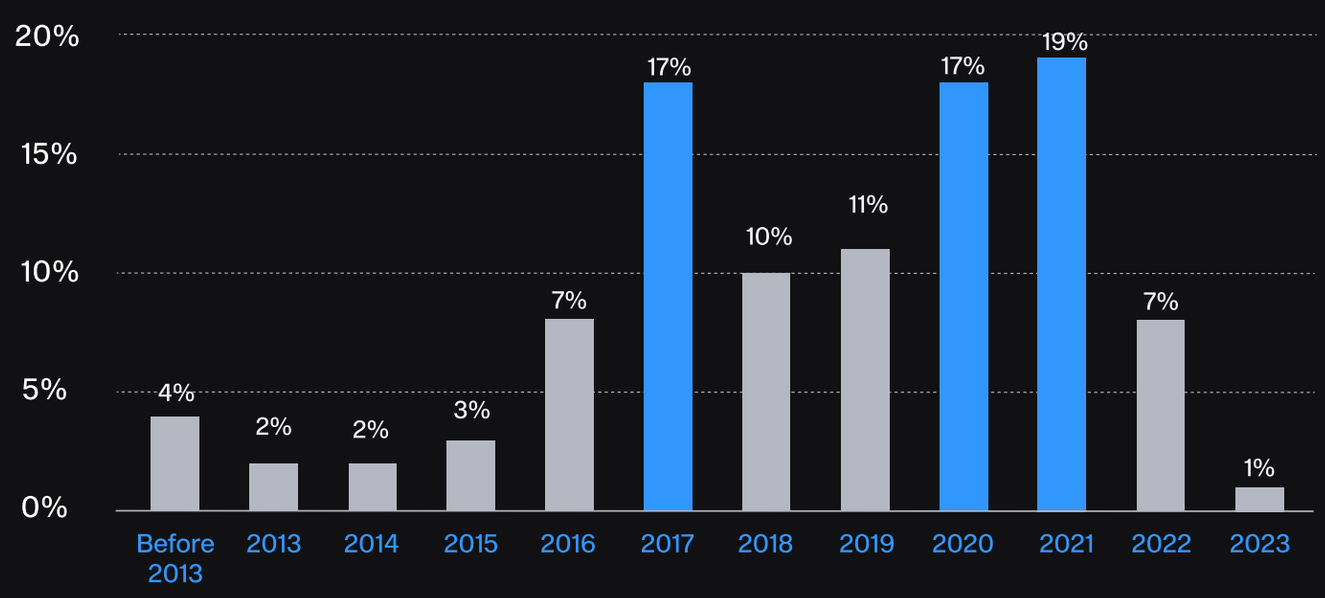
Mostly from Western Europe & North America.



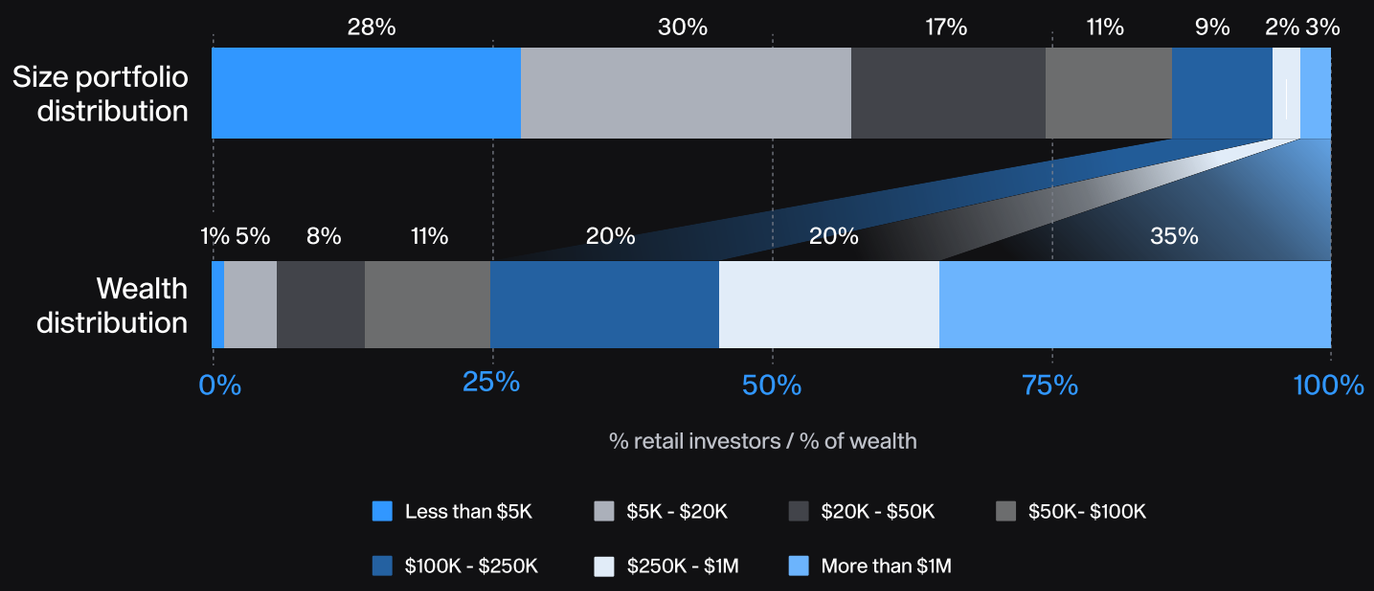
Western Europe	North America	Eastern Europe	Asia Pacific	Latin America	Africa	Middle East	Oceania
45%	26%	9%	8%	3%	3%	3%	3%

CRYPTO ADOPTION

2022's bear market significantly slowed down crypto adoption.

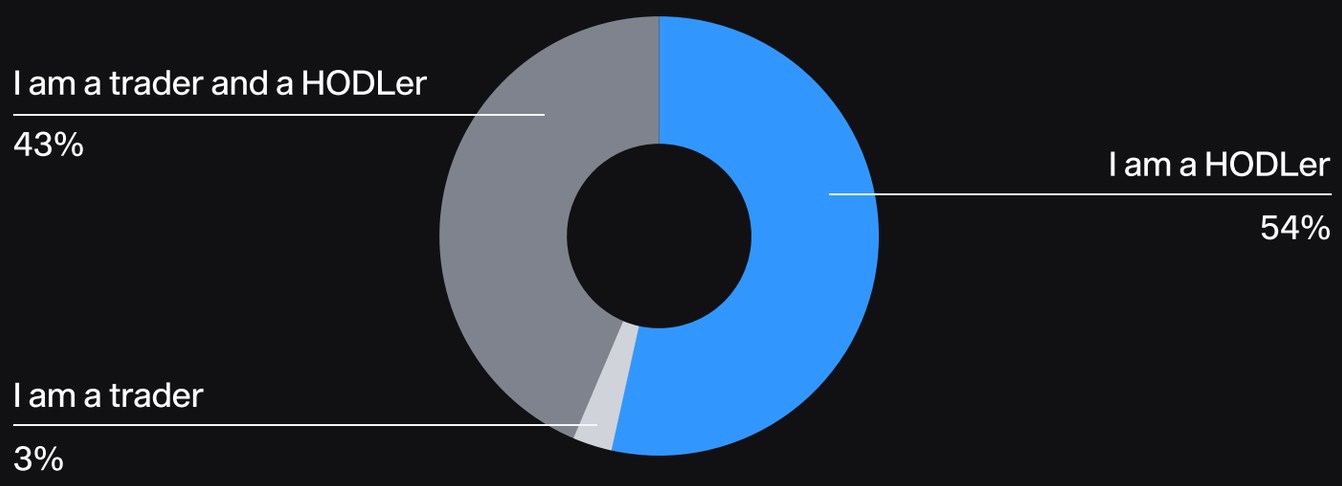


Portfolio size & wealth distribution



- 72% of investors hold more than $5,000 at bear market prices. 42% holds more than $20,000.
- 25% holds 75% of all wealth.
- 1 in 4 holds more than $50,000

Hello, HODLers



- Given the nature of the survey, an overrepresentation of nontrader profiles was expected and confirmed.

SECURITY INSIGHTS

1 out of 2 investors believes crypto is not safe today.

Crypto Custody

83%

Exchanges

70%

Cold Wallets

68%

Hot Wallets

- 3 out of 10 hold more than 75% of their crypto on exchanges and hot wallets.
- 4 out of 10 hold more than 75% of their crypto on cold wallets.

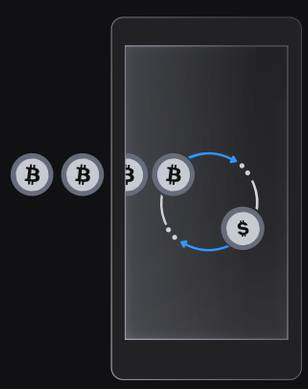
Overall usage of storage solutions does not represent amount stored in each custody solution.

"While the crypto market matures we see that users are looking for hybrid solutions that combine the security of cold storage and the ease of use of online solutions. It is not one or the other. Before 2022, self custody was far from the mind of most users. Today, it has become a crucial part of a serious crypto user's security hygiene."

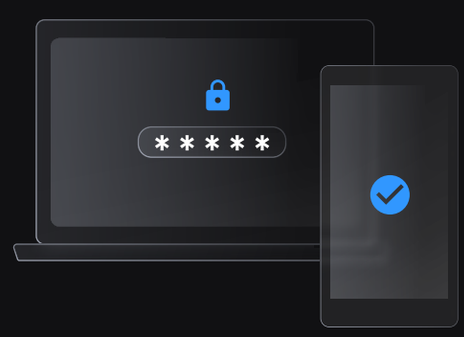
- **Ruben Merre**, CEO & Co-founder of NGRAVE -

Crypto Exchanges

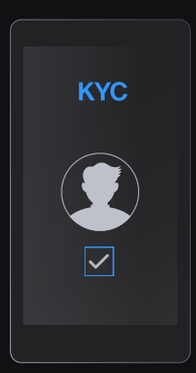
Investors have improved their security setup on exchanges compared to last year.



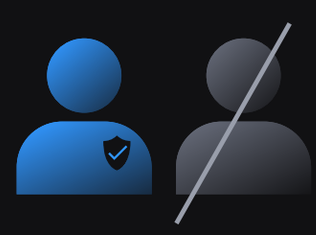
83% have some crypto stored on an exchange.



97% have SMS, Google 2FA, or a similar 2FA method activated.



93% have verified their identity (KYC) on the exchange where they hold most of their crypto.



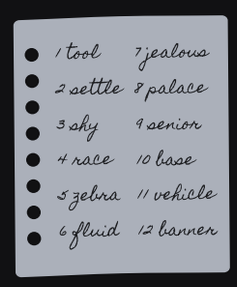
1 out of 2 still store a backup of their login credentials on their computer rather than on an offline medium.

Crypto Hot Wallets

More than half have 3 or more hot wallets.

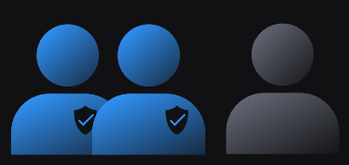
85% check the app or browser name before using their hot wallet.

95% have access to the private keys of their hot wallets.



More than half use a paper backup for their seed phrase. 1 in 5 keep it on their phone or computer.

Crypto Cold Wallets



1 out of 3 do not own a cold wallet, similar to last year's survey.

1 out of 2 hardware wallet owners own more than one.

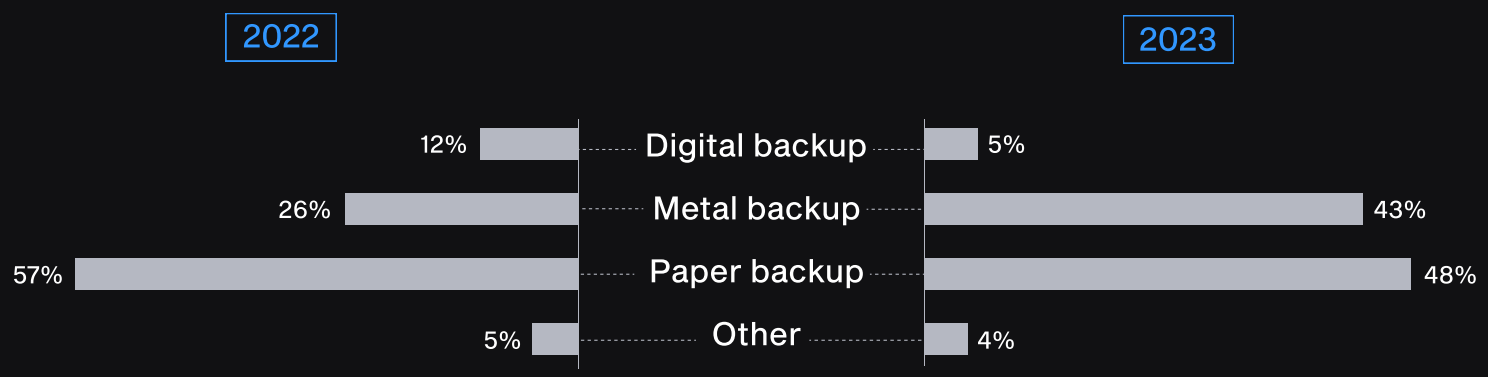
COLD WALLETS PURPOSES

Why do investors have more than one cold wallet?

17%	80%	33%	13%
Burner Wallet	HODLing	DeFi	Other

TYPES OF COLD WALLET BACKUPS

How do investors back up the seed of their cold wallet?



- While the use of online backups has dropped over 50%, half of cold wallet users still heavily rely on paper backups.
- Metal is increasingly becoming the go-to solution, up from 26% last year to 43% in 2023, an increase of 65%.

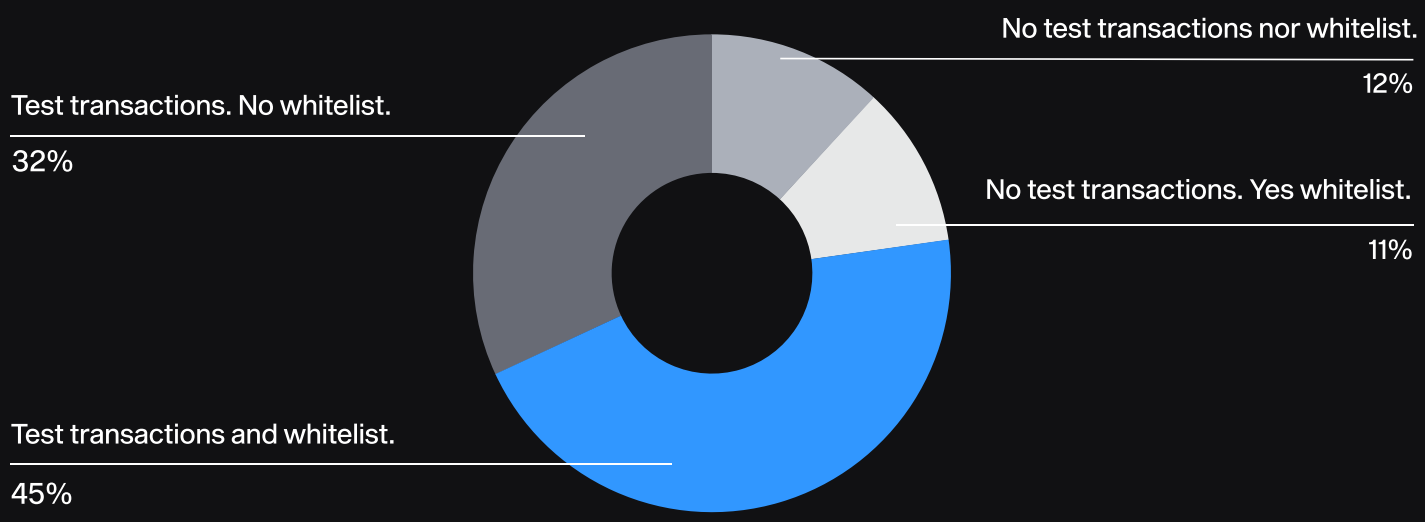
COLD WALLET COMMUNICATION

USB-based hardware wallets have decreased in favour of QR-code based models.

		NFC	
2022	68%	11%	21%
2023	46% ▼	10%	44% ▲

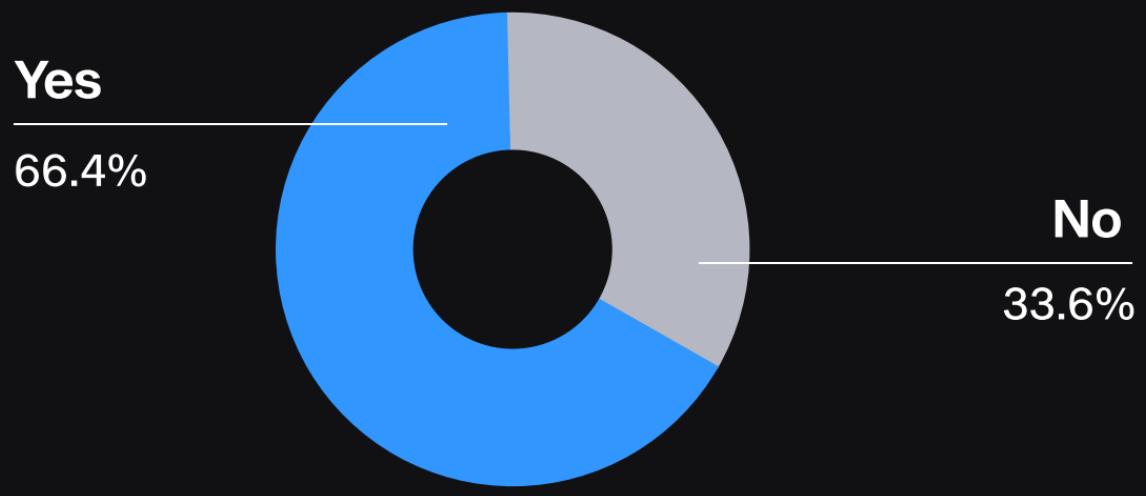
TRANSACTION SECURITY

77% of crypto investors do a test transaction, more than half whitelist addresses, and almost half do both.

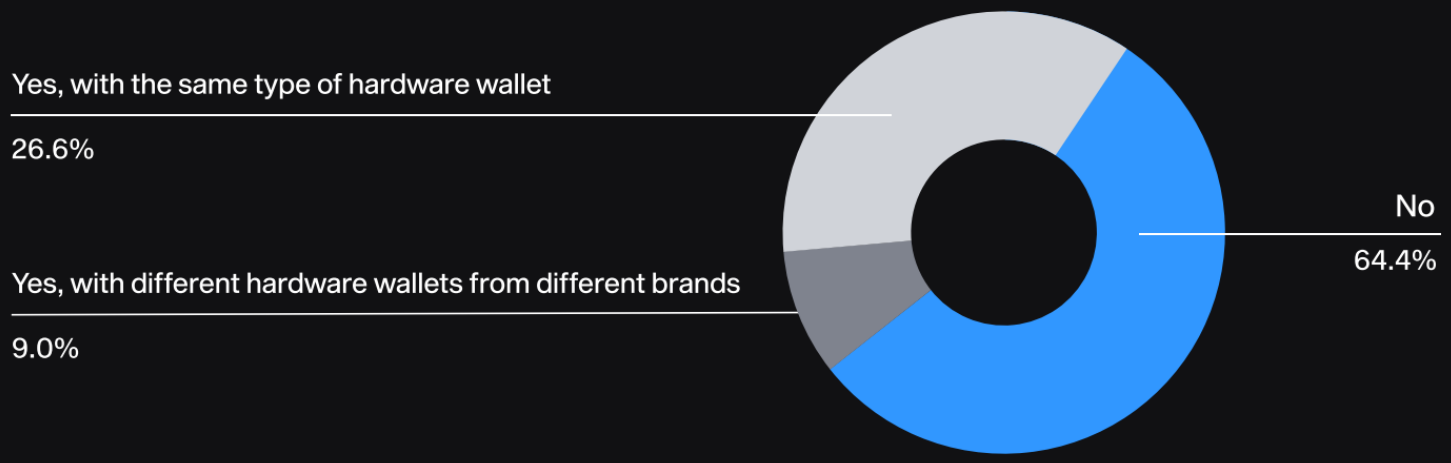


CHECKING TRANSACTION INFORMATION

2 out of 3 crypto investors check character per character the address they will send crypto to.



Do investors use multi-sig?



Discover the security tips provided to this year's survey respondents.

View Tips

ngrave.io/tips

efani CERTIK 98 COIN98 Math Wallet

fortknoxster CryptoSlate

Methodology: Q1 2023, NGRAVE.io NV published a survey for cryptoinvestors, available at https://www.ngrave.io/en/page/lp/security-self-audit/start, to provide a personal assessment of respondents' portfolio security measures. Over 3000 answers were collected from 103 countries. These answers form the basis for the data analysis and graphical representations provided.

Data privacy enforcement: The privacy of all respondents was ensured by collecting no personal identification data other than email addresses. All data has been anonymized and analysed in aggregate.