

Crypto Landscape in Latin America: Report H2 2023



Contents

A word from our CEO

Report

1. Key Takeaways
2. About Bitso and the report
3. Crypto Users in Latam
 - a. Regional Overview
 - b. Argentina
 - c. Brazil
 - d. Colombia
 - e. Mexico
4. Women in Crypto
5. Crypto Portfolio Composition and Trading Activity
6. Final Remarks

Our first Crypto Landscape in Latin America report

In 2014, we were enthusiastic about Bitcoin as a new form of money. Even though everyday applications for Bitcoin seemed far away, we were excited about its decentralization, open-source nature, and programmable capabilities. **Bitso's always been about making crypto useful**, and our very first interviews (some of which can still be found on YouTube) talked about *the potential for Bitcoin* as an alternative route for the millions of Mexican migrants in the US who send remittances back to their families in Mexico.

And so Bitso was born, with never-ending enthusiasm and optimism over the possibility of rewriting our financial system on top of faster, more efficient, and open protocols that would be more inclusive.

And now, 10 years later, we have **over 8 million clients across Mexico, Argentina, Brazil, Colombia** and several other countries that have deposited their trust in us and interact daily with crypto assets that are global, inclusive and which are revolutionizing the way we interact from payments and smart contracts to tamper-proof record keeping and decentralized asset management.

Many have drawn parallels between the birth of the internet and the path that crypto and blockchain technology are currently following. In the 90s, I remember witnessing first-hand the power of communicating with like-minded individuals across the globe as barriers were taken down and a new form of information-sharing was born. Humanity was empowered with a new tool. It's easy to draw the parallels when you see the decentralized world expanding, with innovations like decentralized finance (DeFi) platforms enabling people to lend, borrow, and bank without traditional financial intermediaries; non-fungible tokens (NFTs) revolutionizing the art and collectibles markets by providing proof of ownership and authenticity; and smart contracts automating and securing complex processes in industries ranging from real estate to supply chain management. Just as the internet democratized information, blockchain **is democratizing value exchange and trust**.

As we approach the 10th anniversary of Bitso's founding, it's remarkable to reflect on how far the crypto industry, blockchain technology, and Bitso have come. Ten years ago, the market cap of the crypto industry was less than US\$10B, today we stand at over US\$1.5T. Ten years ago, Ethereum and smart contracts were an idea in the works, today there are tens of millions of smart contracts deployed across various Layer 1 and Layer 2 networks. **Ten years ago our journey began with a vision to harness the power of Bitcoin to create more inclusive and efficient financial systems.**

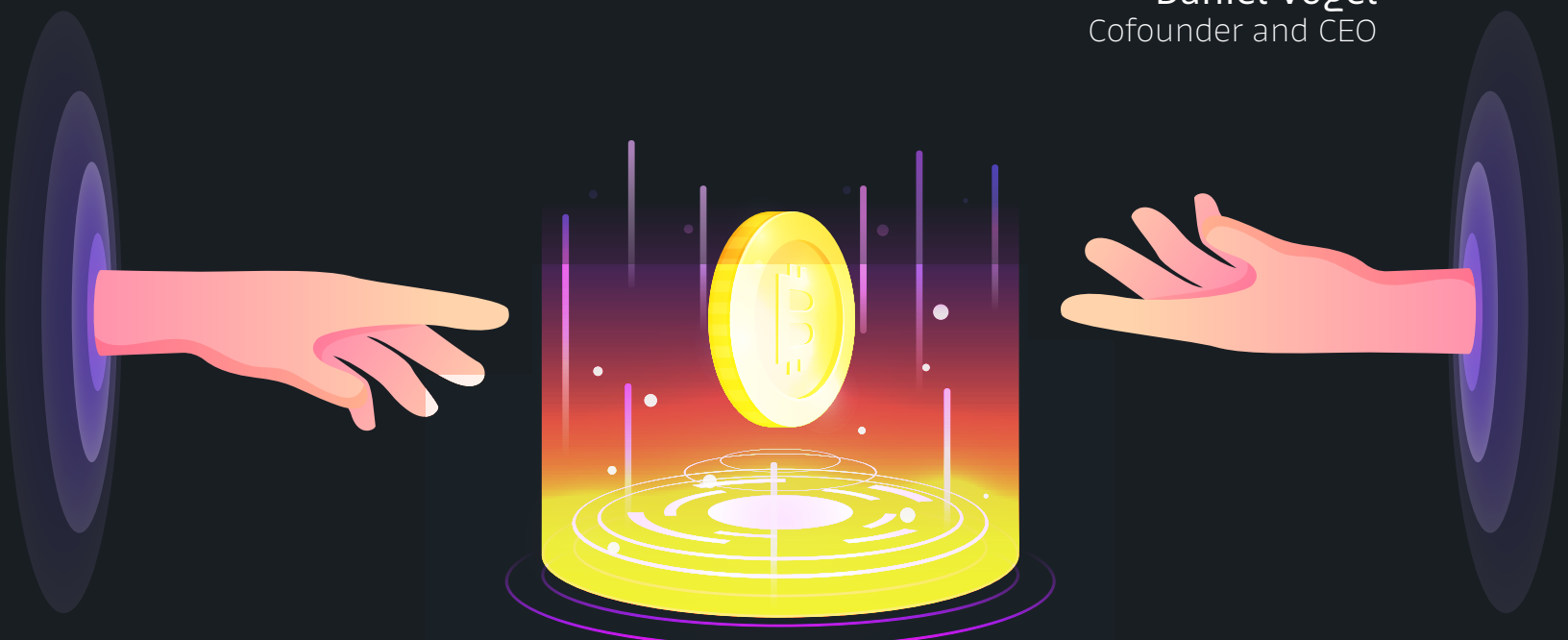
Today, Bitso stands at the forefront of this financial revolution, not just as a platform but as a catalyst for change, bridging the gap between traditional finance and the boundless possibilities of digital currencies.

In Latin America, a region historically plagued by financial instability and limited access to banking services, the impact of cryptocurrencies has been particularly profound. We've seen firsthand how digital currencies offer a lifeline to those underserved by conventional banks, allowing millions to access financial services for the first time and build their wealth, protecting themselves against inflation and currency depreciation. Through Bitso, remittances have become faster and more affordable, empowering families and fueling local economies. Our platform has also become a hub for innovation, where users explore the potentials of crypto and participate in a new, decentralized economy.

In this inaugural edition of the *Crypto Landscape in Latin America*, we explore the preferences for making crypto useful across various LATAM countries, as well as provide an overview of crypto's use in the region during the second half of 2023. **Some highlights are that in Brazil and Mexico the favorite cryptocurrency continues to be bitcoin, while in Argentina and Colombia it is digital Dollars (USD stablecoins and USDT);** or that women start investing in crypto at an older age and that bitcoin is their preferred digital asset.

We hope the data in this report will help the public understand the impact that crypto and blockchain technology are having in our region and will help continue to drive useful applications of crypto in the daily lives of Latin Americans. As we celebrate our 10-year anniversary, our commitment to our customers and the broader vision of a decentralized future remains unwavering. The next decade will undoubtedly bring new challenges and opportunities, but with the support of our growing community of customers, partners, and investors, we are poised to continue breaking barriers and shaping the future of finance in Latin America and beyond, making it more accessible, transparent, and equitable for all. **Let's make crypto useful!**

Daniel Vogel
Cofounder and CEO





01

Key
Takeaways

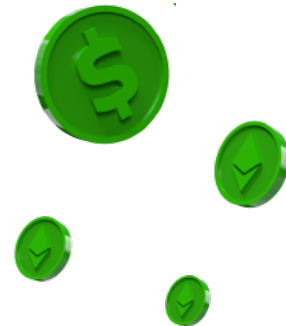
Key Takeaways

Crypto Landscape in Latin America

The crypto landscape in LATAM shows that bitcoin and stablecoins dominate local markets' buying behavior; that women's engagement with crypto is growing faster, but it is still an industry dominated by men; and that the turbulence in the industry did not prevent crypto adoption.

Bitso is thrilled to share its *Crypto Landscape in Latin America: Report 2H 2023*. This is the first edition of this report and aims to showcase an x-ray on crypto adoption in key Latin American countries where Bitso operates, analyzing trends unique to each local market and showcasing similarities in the region's crypto evolution.





1. Bitcoin and stablecoins dominate local markets' buying behavior

The data shows that bitcoin is the preferred cryptocurrency among Latin American users.



Portfolio composition. Bitcoin's (BTC) presence in users' portfolio is around 53% of their wallets. Digital Dollars (USDC and USDT) were the fastest-growing cryptocurrencies in the region, with a presence of 26% and 17% in the average portfolio of Argentina and Colombia users respectively, driven mainly by the economic environment in each country.



Buying behavior. The same trend is seen regarding the preferred cryptos to buy —BTC and Digital Dollars (USDC and USDT)—. 38% of the total cryptos acquired in the second half of 2023 correspond to bitcoin, 30% to stablecoins.

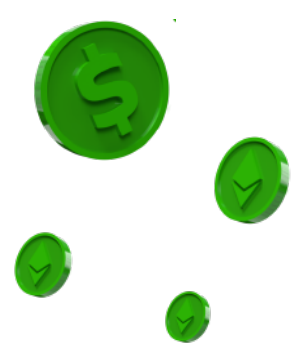
- Argentina is the only country in the region in which the acquisition of digital dollars (USDC and USDT) exceeds that of other cryptocurrencies, by almost 5 times, with 60% of total purchases, compared to 13% for bitcoin. In Colombia, 31% of purchases are stablecoins too.
- In Mexico and Brazil, the predilection for bitcoin is expressed in that both countries show the greatest distance between bitcoin as the most popular cryptocurrency and the second, digital dollars, with 40% vs 28% and 35% vs. 19% respectively.



Hodlers¹. The data suggest that big, long-term cryptocurrency holders have continued to hold despite crypto industry concerns and issues raised in 2022 and the beginning of 2023, showcasing their confidence in the recovery of the market and the long-awaited crypto summer.

¹From the term "hodl" (Hold On for Dear Life)





2. Women's engagement with crypto is growing faster, but it is still an industry dominated by men

The analyzed data also show that women's interest in crypto is increasing across the region, and although their participation is still lower than men's, women's adoption is growing faster.



Age influences adoption. If crypto adoption is analyzed by gender and age, the trend is quite different between men and women. While across the region, most crypto users are aged 18–35 years old; when examining the growth trajectory for women, it becomes evident that adoption rates tend to rise as age advances.



Colombia and Brazil take the lead. Average gender distribution is 73% men/27% women, except for Colombia and Brazil, which have +6 percentage points (pp) and +4pp of women above the average, respectively.

Women prefer bitcoin



° In Mexico, 37% of bitcoin purchases with Mexican pesos were made by women in the second half of 2023. This is well over the average buy behavior, indicating a female preference for bitcoin over other currencies. In Brazil, a similar tendency was observed in the period.

° Argentine women buy more Digital Dollars (USD stablecoins) than bitcoin in absolute terms, following the country's tendency, but only represent 12% of the digital dollar market while they add up to 4% of the bitcoin market.

3. Turbulence in the industry did not prevent crypto adoption



As mentioned above, while the market started speculating about crypto due to 2022 issues developed in the industry, clients continued to buy and adopt crypto in 2023, showcasing a renewed interest in more 'stable' digital coins to escape volatility and in crypto platforms that demonstrate trust and transparency in their actions. Bitso surpassed the 8 million users milestone by the end of 2023. Data also suggest that long-term holders continue to hold and don't sell their crypto, waiting for a new 'crypto summer'.



Some of the main insights that will be explored in this report are the usefulness that different demographic groups have found in crypto, correlated in most cases with particular socioeconomic circumstances of the countries and compared to each other to provide a general overview of the crypto environment in Latin America.



02

**About Bitso
and the report**

About Bitso and the report

About Bitso

Bitso is Latin America's leading financial services company powered by crypto. With 8 million clients, it leads the financial revolution with borderless, secure, transparent, and accessible financial products. Founded in 2014, with over 500 employees in 35 countries and operations in Argentina, Brazil, Colombia, and Mexico, Bitso is making crypto useful by unlocking the power of robust and easy-to-use financial products. Bitso remains committed to empowering the region by providing universal access to the digital economy of the future and enabling a fairer monetary system. To learn more about Bitso, visit bitso.com #makecryptouseful

Bitso offers a wide range of products: from a secure and easy-to-use digital platform for earning returns, making international transfers and payments to exchanging and storing more than 50 cryptocurrencies, as well as crypto-powered products for institutional clients, including the use of Bitso payment rails and blockchain-based technology for mass pay-ins and pay-outs to employees and suppliers, cross-border payments, and other types of financial operations.

Bitso's Mission

Unlock the power of borderless, secure, and easy-to-use financial products by making crypto useful, with the commitment to empower the region with universal access to the digital economy of the future and enabling a fairer monetary system.

About the report

The data analyzed in this report corresponds to information from the Bitso user base from the second half of 2023 compared to the same period of the previous year. Focusing on the countries where the company operates, Argentina, Brazil, Colombia, and Mexico and highlighting organic growth in other countries in the region such as Peru, Chile and Ecuador.

The methodology is based on the analysis of information on the use of Bitso's mobile and web platform by millions of users. As an anonymous investigation, the information collected in this report does not contain any identifiable data or risk of attribution.

The report will be published semiannually.



03

**Crypto Users
in Latam**

Crypto Users in Latam

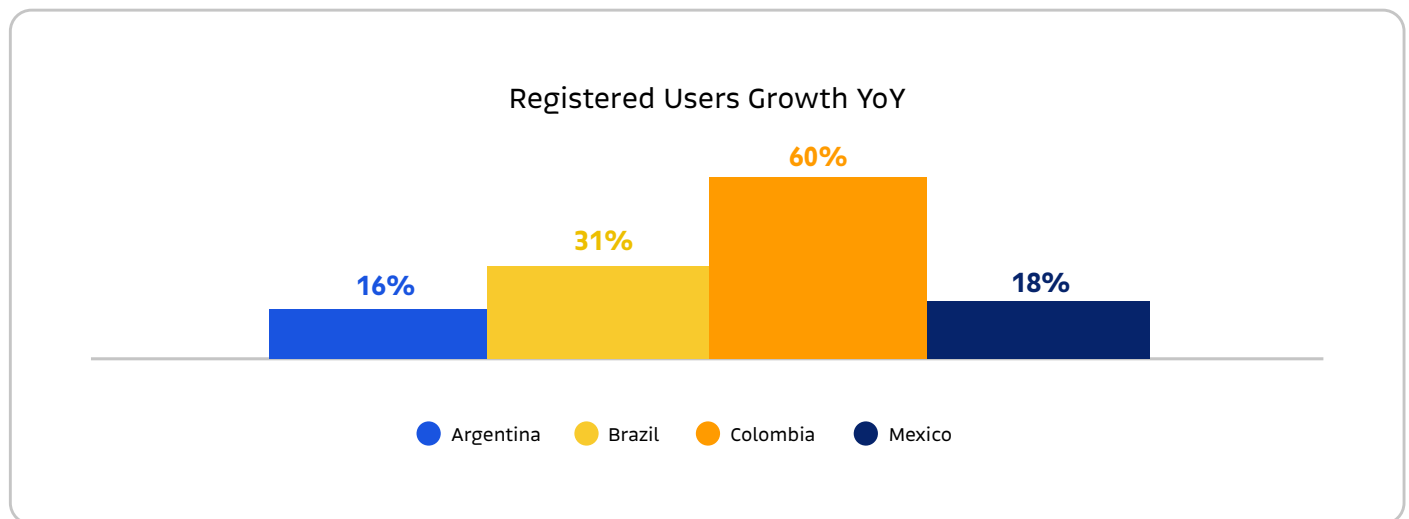
Crypto Users in LATAM: A regional overview

Latin America has demonstrated to be a region with high rates of crypto adoption around the globe. Countries like Brazil, Argentina, and Mexico are among the top 20 in the world with the highest adoption².

Despite being a region with high indexes of unbanking and unequal access to financial services, about three-quarters of the Latin American population uses the internet³ and Latin Americans have demonstrated to be early adopters of technology in general, and with crypto, the trend continues to be valid.

The expansion observed in the countries served by Bitso stands out as a remarkable achievement. Even during the so-called "crypto winter" the company continued growing the user base in every market it operates, surpassing the 8 million users milestone.

Colombia pops out with a +60% increase of the registered users YoY. Brazil demonstrated a notorious growth of +31%, followed by Mexico with 18%, although it's the territory where Bitso has the most solid market, being its country of origin.



The enthusiasm around crypto comes mainly from youth, having around 63% of users younger than 34 years old by the last day of 2023 (+2 pp vs. same date in 2022).

That specific age also has higher indexes of technology adoption and internet penetration.

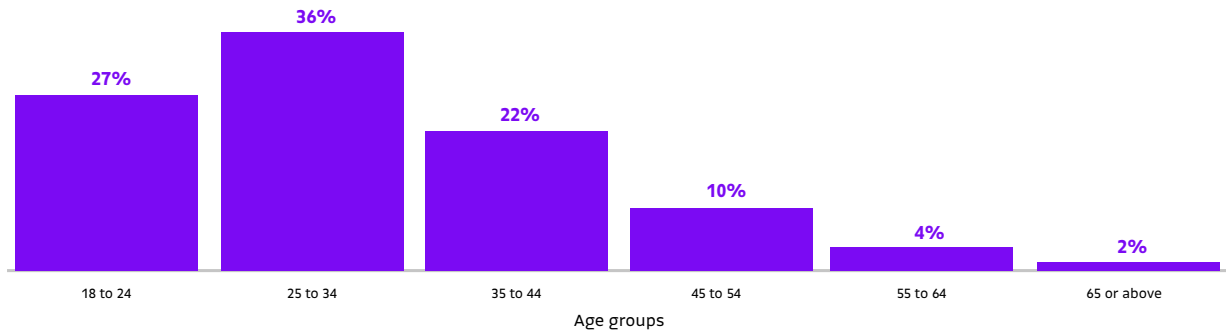
² The 2023 Global Crypto Adoption Index: <https://www.chainalysis.com/blog/2023-global-crypto-adoptionindex/>

³ World Bank Data: <https://data.worldbank.org/indicator/IT.NET.USER.ZS?locations=ZJ>

Crypto Users in Latam



Global user distribution by age 2023

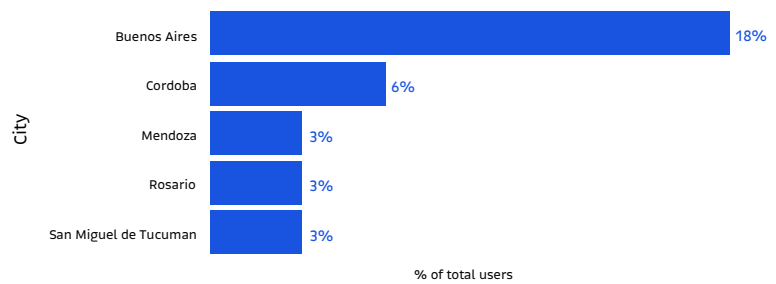


Getting deeper into the geographical distribution of users among the four countries of operation, explained by the high centralization of Latin American countries, that the concentration of use occurs in a greater proportion in economic centers such as *Buenos Aires*, *São Paulo* and *Mexico City*.

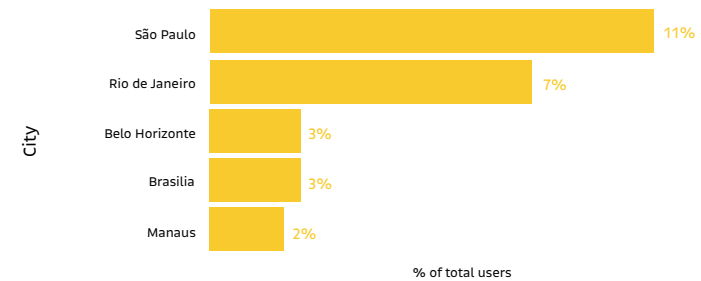
Also, in countries like **Argentina** and **Brazil** there is even a slight overrepresentation of crypto compared to the percentage of the population living in urban centers.



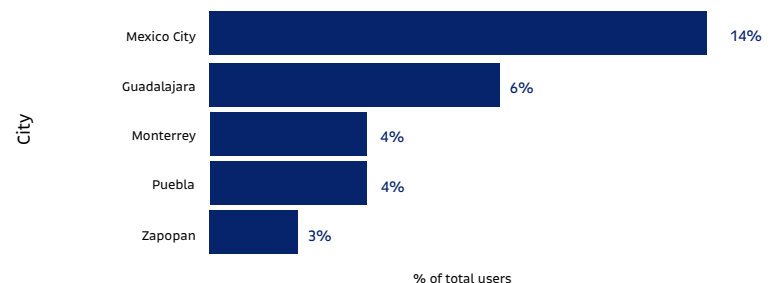
Argentina



Brazil



Mexico





Although this report focuses on Bitso's main countries of operation, **it is essential to highlight the organic growth in other markets in the region**, showcasing the growing interest in crypto and the need for compliant and secure platforms such as Bitso to invest, buy and sell crypto.

This is the case of Peru, Chile and Ecuador, ranked at the top of other countries with the greatest use of the Bitso platform. As well as **Central American countries** where a growing interest is also observed such as *El Salvador, Guatemala, the Dominican Republic and Costa Rica*.





Argentina



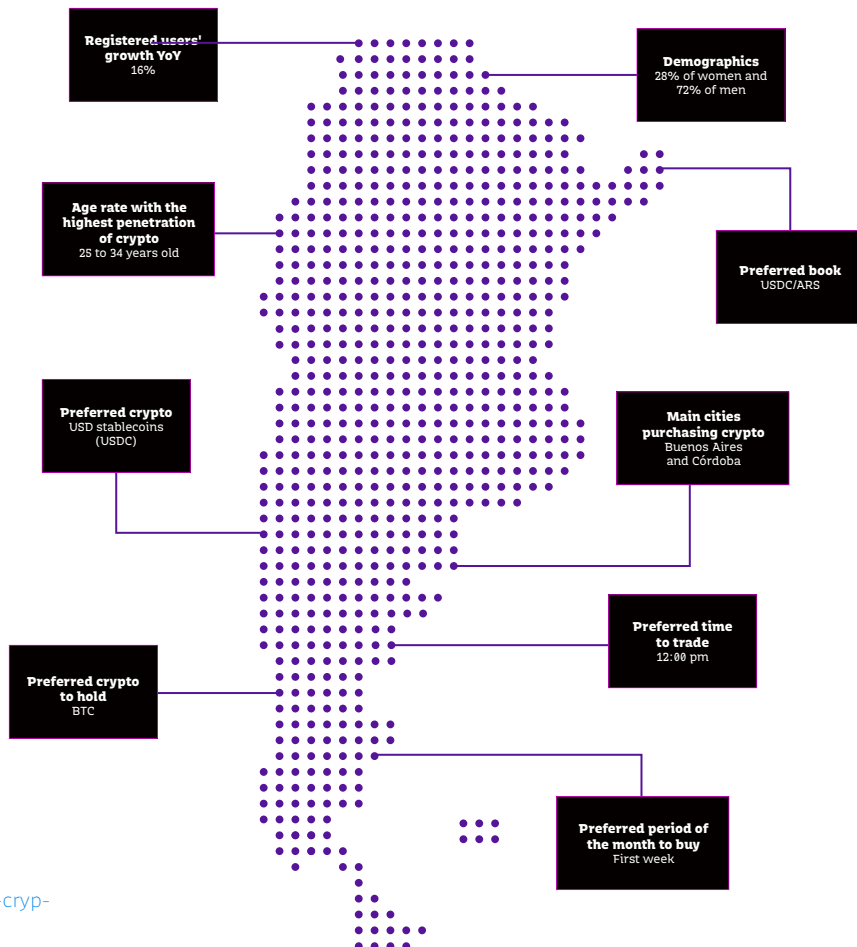
Argentina stands out for being the market with the highest adoption of stablecoins, such as USD stablecoins (USDC) and USDT.

Argentina is the **15th country** with the highest adoption of crypto globally⁴, the 2nd in Latin America, and has one of the highest inflation rates globally. Argentina's annual inflation rate soared to 211.4% in 2023. High inflation rates create an incentive for consumers to target more stable options in order to protect their money from devaluation. Not by chance, Argentina is the only country in which Bitso operates that more than half of the purchases are stablecoins.

Despite the highest penetration of crypto happening from age 25 to 34, the proportion of trading carried out by younger people has been rising from 24% of the total a year ago to 26% in H2 2023.

Combining a 10% higher peak of Argentinians trading crypto in the first week of the month with USD as their preferred coin to purchase, it is possible to demonstrate an association with salary collection and a movement to protect it against devaluation.

Argentina Crypto at a glance



⁴ Chainalysis: <https://www.chainalysis.com/blog/2023-global-crypto-to-adoption-index/>



Brazil

Brazil experienced a 31% YoY growth of crypto users and stands out for being the market with the most diverse portfolio of crypto, from bitcoin and stablecoins to altcoins and memecoins.

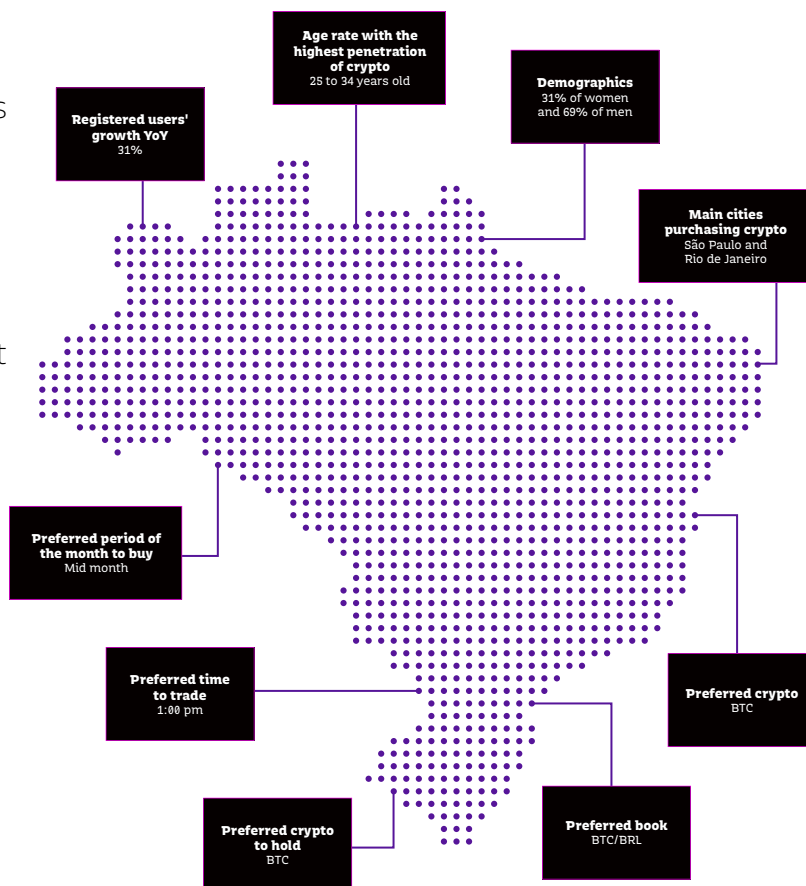
Brazil is the 9th country with the highest crypto adoption worldwide and the top one in Latin America⁵. Having a history of openness and enthusiasm toward innovation is expected to see the country with a very diverse portfolio among crypto users.

The interest for altcoins and memecoins in Brazil is striking. Although Brazil is the country with more percentage weight of bitcoin in the total portfolio of holdings (around 58% of total holdings by the end of 2023) 17% of total holdings is altcoins other than ETH and XRP (vs. 11% regionally).

3% of the total holdings in Brazil is in Shiba, positioning the country as the market with the highest propensity for this currency. An interesting data, is that Brazil has the sixth largest X (formerly Twitter) user community around the globe⁶, and memecoins are extremely popular among users of this social network, which could mean that there is a correlation between the use of the social media platform and the interest in this and other memecoins.

On the other hand, Brazil is the country with the lowest ETH penetration (around 9% of total holdings vs. 20% in the region).

Brazil Crypto at a glance



⁵ <https://www.chainalysis.com/blog/2023-global-crypto-adoption-index/>

⁶ <https://www.oberlo.com/statistics/number-of-twitter-users-by-country>



Colombia

Colombia grew 60% their crypto users base YoY in the second half 2023.



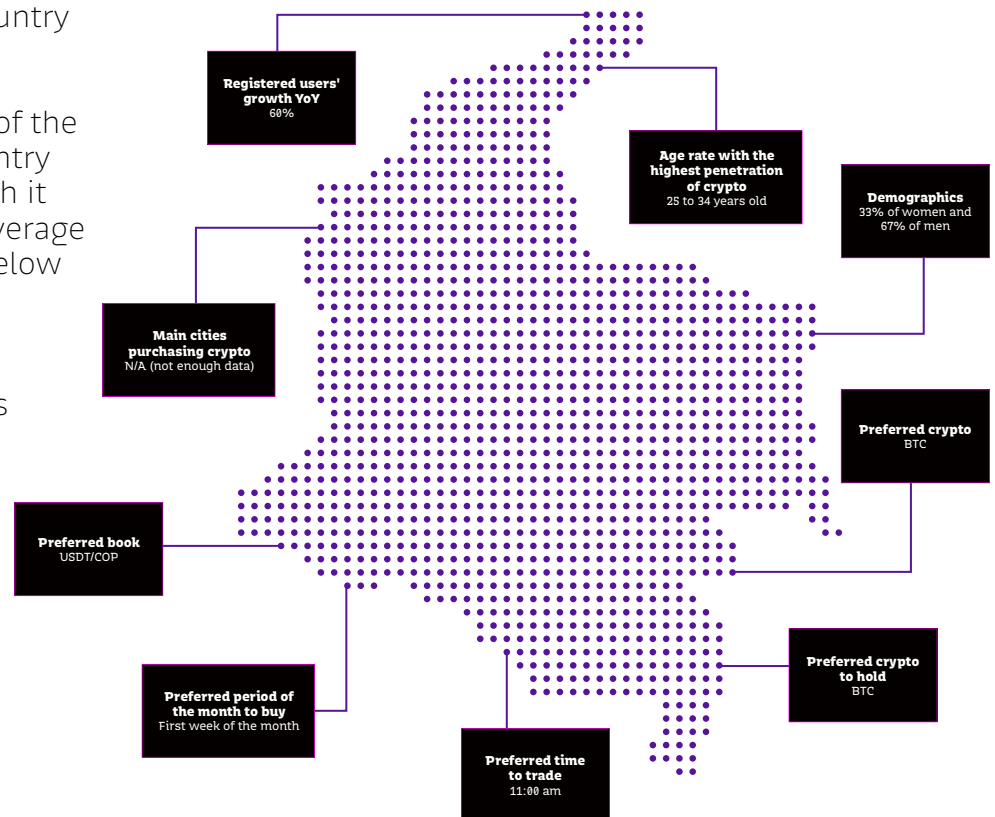
Colombia fell to 32nd place in crypto adoption worldwide, but is the 4th in Latin America, behind Brazil, Argentina and Mexico⁷. Inflation rates create an incentive for consumers to target more stable options in order to protect their money from devaluation; that is why an increase is seen in stablecoins adoption, even though bitcoin continues to be the most traded coin in the country by both women and men. Colombia shows the highest percentage of women, surpassing Brazil, which led in previous quarters.

The interest and growth of the crypto community in the country have been exponential.

Bitcoin takes the most part of the average portfolio in the country as stated above, even though it is lower than the regional average (46% of total holding, 7pp below average).

Colombians also show interest in more stable coins such as digital dollars like USDT.

Colombia Crypto at a glance



⁷ <https://www.chainalysis.com/blog/2023-global-crypto-adoption-index/>



Mexico

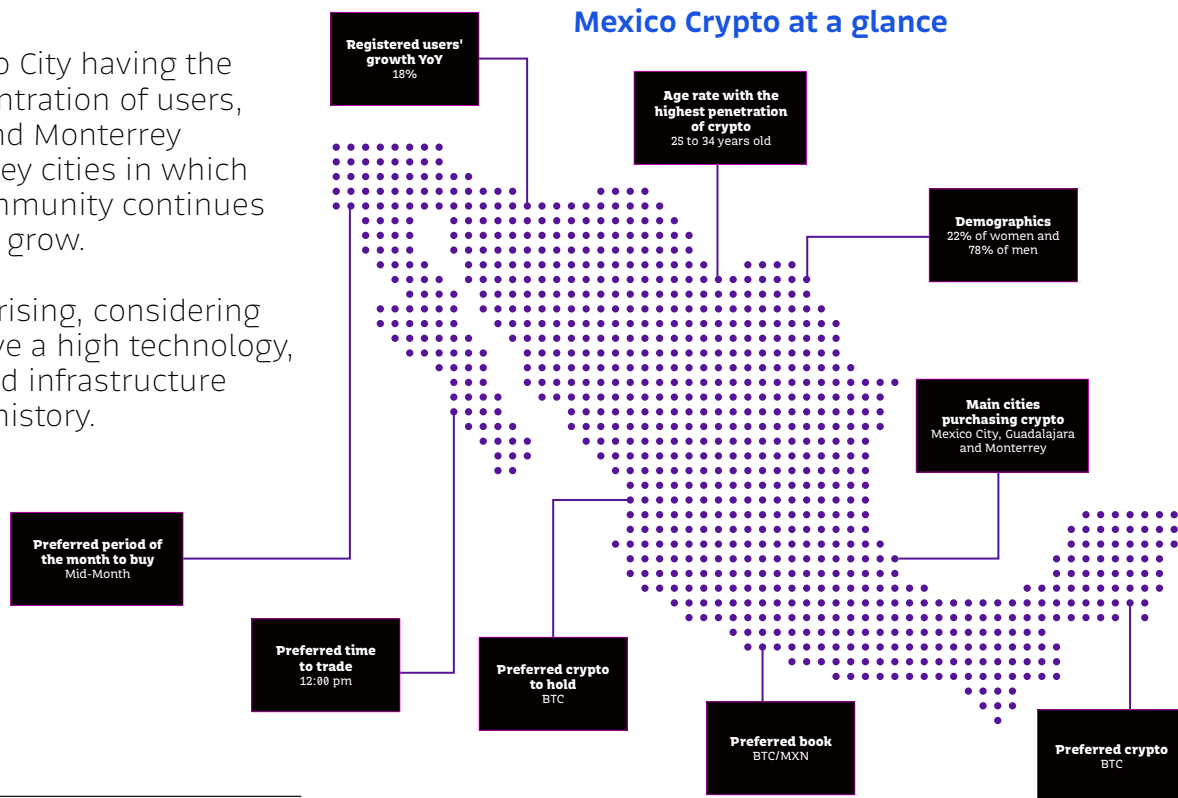
Mexico experienced a 18% YoY growth of crypto users in the second half of 2023, and stands out for being the market with the highest BTC/fiat trading books, representing around 40% of all trading in the country.

Mexico climbed to 16th position with the highest adoption of crypto worldwide and the 3rd one in Latin America, behind Brazil and Argentina⁸. Even though Mexicans tend to experiment with different cryptocurrencies, most of their trading and balance remain based on bitcoin. Mexico is also the only country in LATAM where the XRP/MXN book is the third preferred one, primarily due to the international transfers and remittances powered by crypto in the US-Mexico corridor. XRP also adds up to 8% of the average portfolio (more than double vs. other countries analyzed).

Despite Mexico City having the highest concentration of users, Guadalajara and Monterrey showcase as key cities in which the crypto community continues to expand and grow.

This is unsurprising, considering both cities have a high technology, innovation, and infrastructure development history.

Mexico Crypto at a glance



⁸ <https://www.chainalysis.com/blog/2023-global-crypto-adoption-index/>



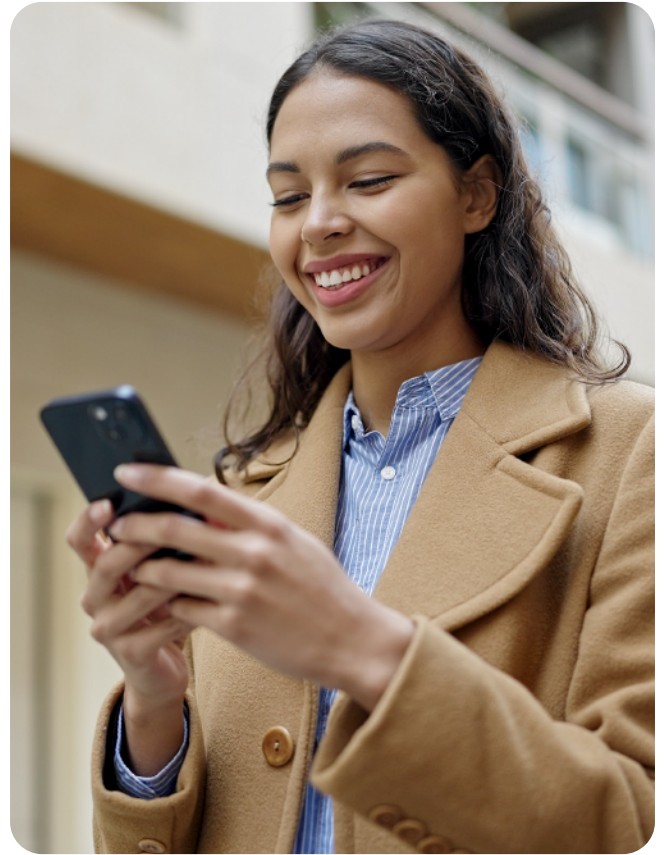
04

Women
in Crypto

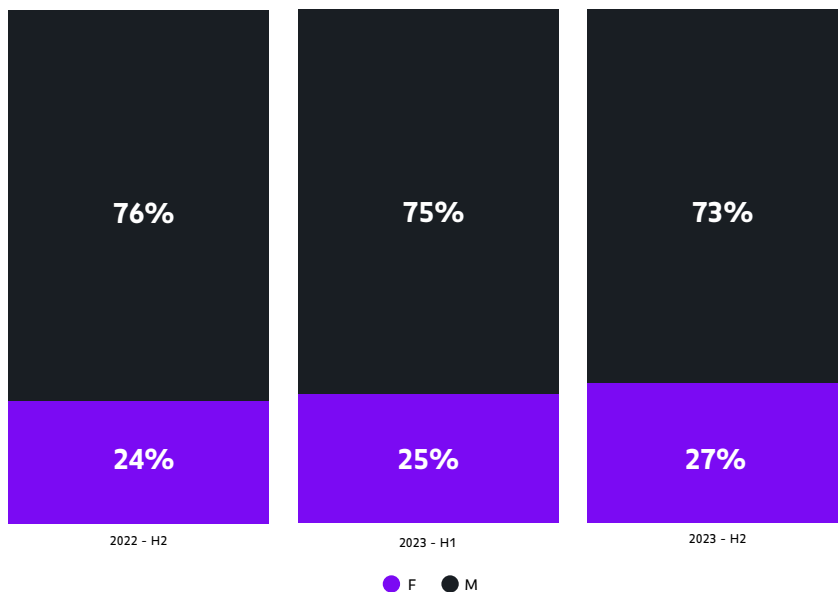
Women in Crypto

The crypto industry is here to revolutionize the financial world and transform money interaction, and thanks to this, **progress has been made in leaps and bounds, promoting access to financial services in a more equal and inclusive way.** But has this progress been made in the same way regarding the inclusion of women in the use of this technology?

The data shows that women's interest in crypto is increasing across the region, and even as of today, crypto continues to be an industry dominated by men; *women's participation is growing faster with interesting examples in Brazil and Colombia.* Women's crypto trading activity increased by 2 pp in the second half of 2023 compared to the same period the previous year, adding up to **27% of the trading users who shared their gender information with Bitso.**



Global - Trading users by gender YoY (%)

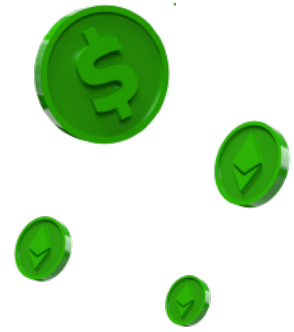


The lower participation of women in the crypto industry should not be anything new if it is taken into account that it is the interjection of two sectors traditionally led by men: technology and finance.

Some reports show that the participation of women in these industries has been limited, primarily due to the lack of references, mentoring, and access that make these sectors intimidating for women, dissuading them from moving forward.⁹

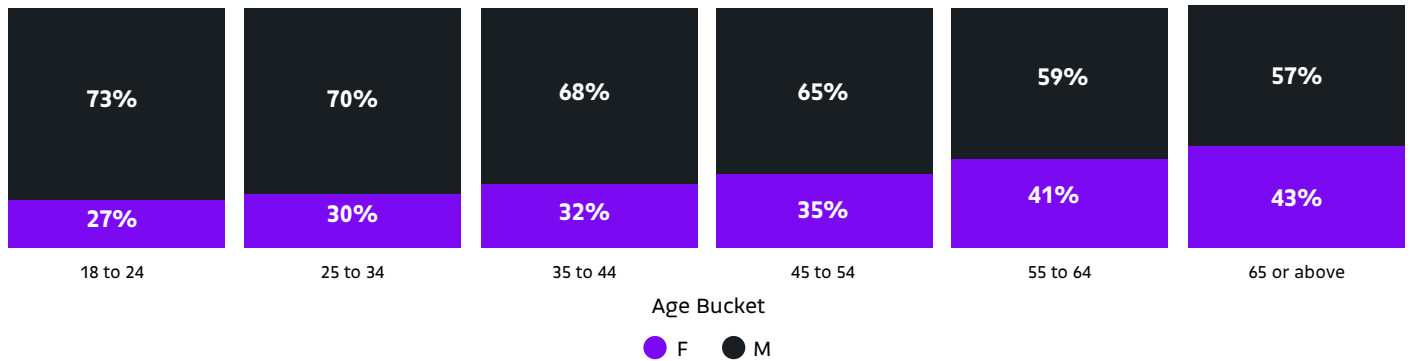
⁹ <https://partner.sciencenorway.no/bitcoin-university-of-agder/why-dont-women-invest-in-crypto-as-much-as-men/2305658>

Women in Crypto



Another interesting finding is that the proportion of adopters increases as the women's ages advance, achieving a remarkable 41% share in the 55 to 64 years old segment and 43% in 65 years old and above. Women feel empowered to acquire crypto with age, which might indicate a connection with women's late financial independence and stability compared to men.

Global users by gender and age - 2H 2023

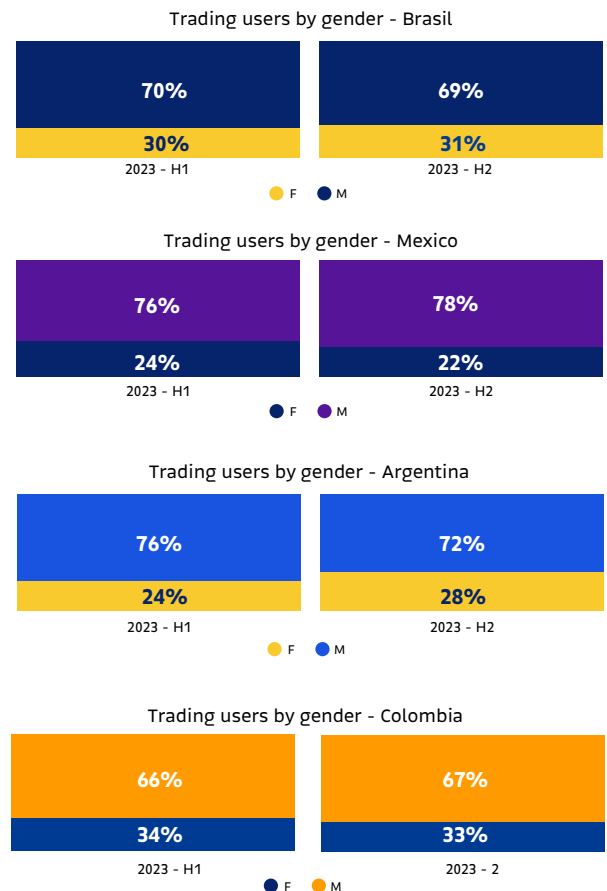


Colombia and Brazil take the lead

All the countries present a consistent and similar gender distribution. Colombia and Brazil crossed the 70/30 proportion. This is a reflection of these countries' advancements in including women in technology, STEM and diversity policies that support development and financial independence of women.

This data is also aligned with a report by the Brazilian Receita Federal¹⁰, stating that the percentage of women CPFs (local tax ID) acquiring crypto increased in 1H 2023, and transactions from the female public represent, on average, 21.32% of the operations, while the average from January to March 2022 was 18%.

Women in crypto by country



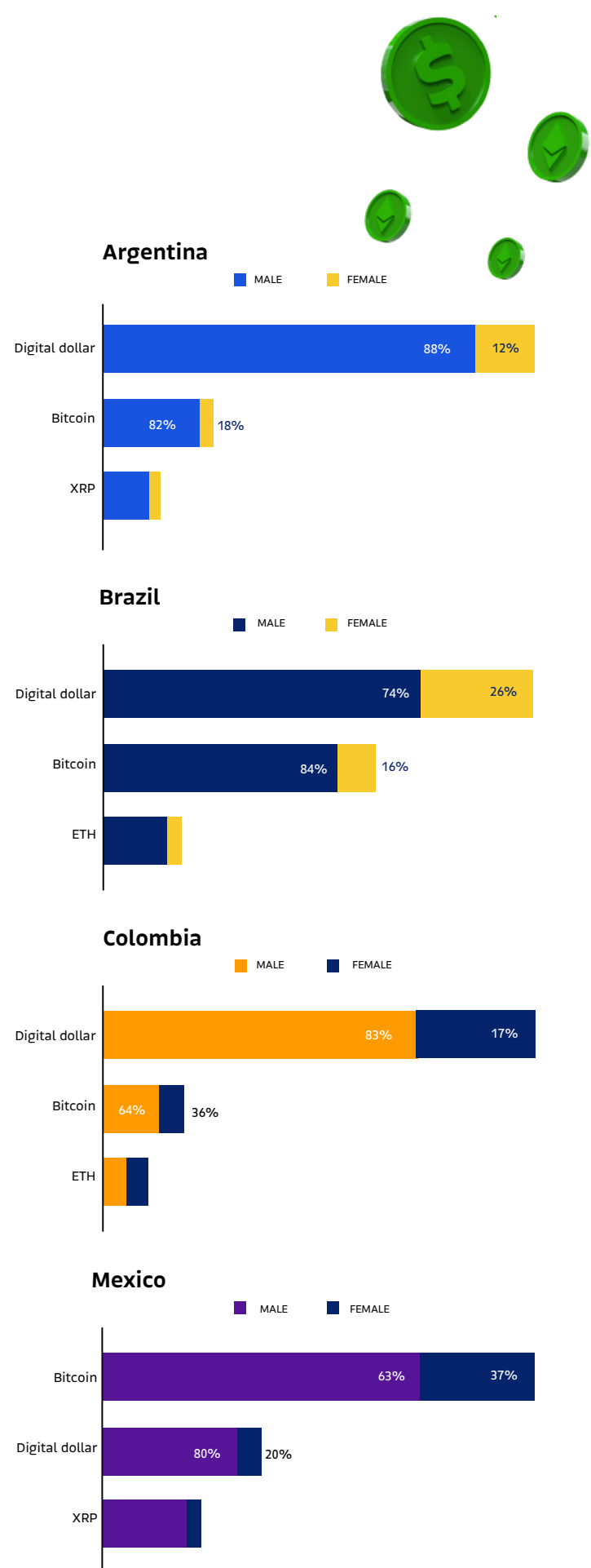
¹⁰ https://www.gov.br/receitafederal/pt-br/assuntos/orientacao-tributaria/declaracoes-e-demonstrativos/criptoativos/arquivos/criptoativos_dados_abertos_25092023.pdf

Women in Crypto

Preferred cryptocurrencies

Women prefer buying more 'stable' cryptos. Bitcoin, Digital Dollars (USD stablecoins), and USDT are their preferred coins.

- In Mexico, **37% of bitcoin purchases with Mexican pesos were made by women in the period of analysis**, while in Colombia, these purchases against Colombian pesos represent 36%. *This lowers to 26% in Brazil reals and 18% in Argentinian pesos.*
- While the preferred trading book for women in Brazil and Mexico is bitcoin, Argentine and Colombian women highlight stablecoins as the preferred digital coin, **reflecting the local market state and the usage of crypto to escape inflation and devaluation.**





05

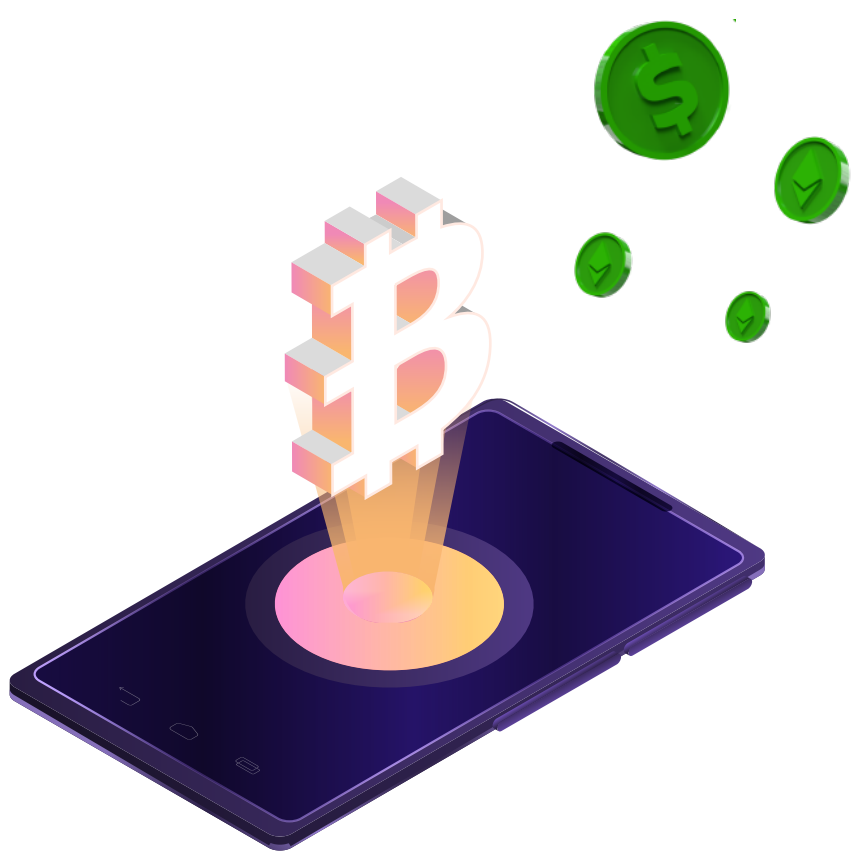
**Crypto Portfolio
Composition
and Trading Activity**

Crypto Portfolio Composition

As previously stated, the data shows that bitcoin continues to be the preferred cryptocurrency in Latin America, as well as worldwide.

This trend is mostly driven by the fact that bitcoin was the first cryptocurrency, even though the price fell in 2022, it showed a recovery in 2023.

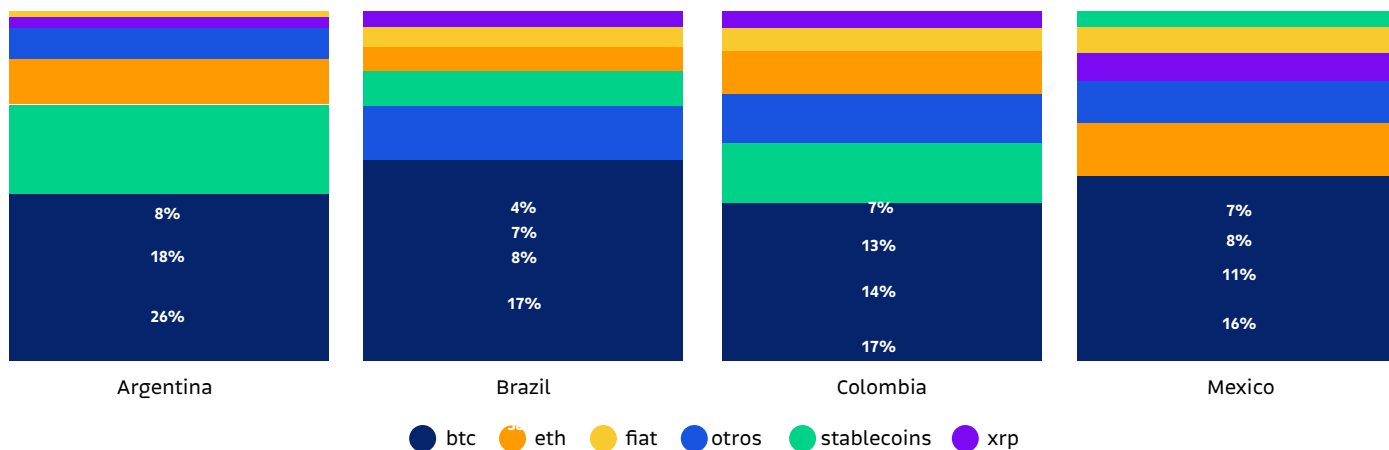
Throughout the process, the presence of bitcoin in the portfolios remained stable during 2023, representing 53% of wallets, slightly above the world average of 50.4%.¹¹



Although stablecoins are the fastest-growing cryptocurrencies in the region, with Argentina and Colombia leading this trend, possibly driven by the economic environment in these countries.

Mexico and Brazil show a different picture, where stablecoins portfolio is represented by a single digit number (5% and 8% respectively).

Crypto composition by country



¹¹ <https://coinmarketcap.com/charts/>

Trading activity



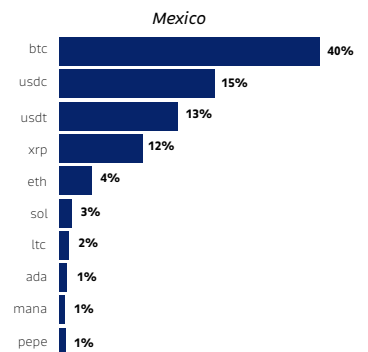
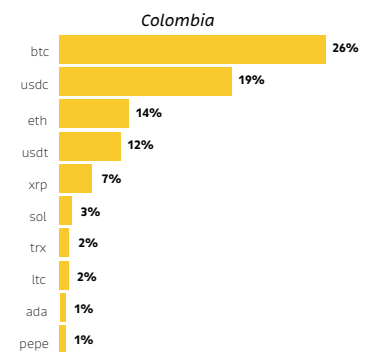
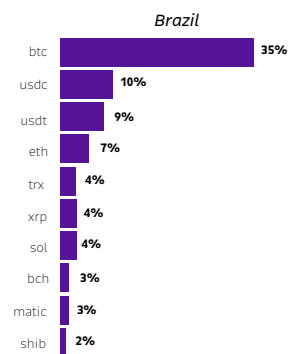
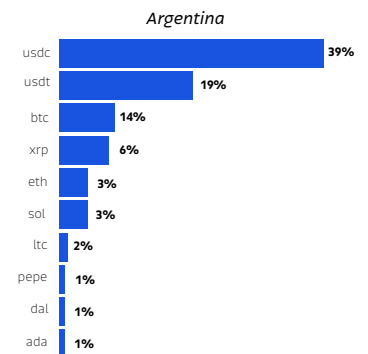
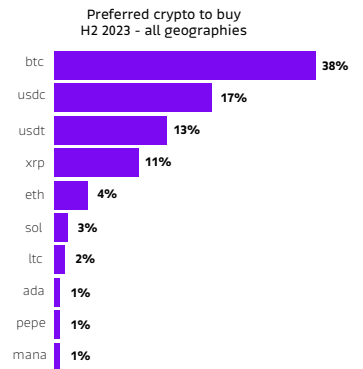
In Mexico, *XRP* is a relevant part of the average portfolio, adding 8% of the total holdings.



In Argentina, users tend to quickly get rid of their fiat money, as a consequence of the peso devaluation.



Brazil is the only country in which memecoins and altcoins are a relevant part of the portfolio, **17% of total holdings are altcoins** (vs. 11% regional), and 3% of the total holdings in Brazil are in Shiba. *Brazil also shows the lowest ETH penetration in the region.*



What did users buy?



BTC and Digital Dollars (USDC and USDT) are the preferred cryptos to buy: 38% of the total cryptos acquired in the second half of 2023 correspond to bitcoin, and 30% to stablecoins (USDC and USDT).



Data also suggest that big, long-term cryptocurrency holders have continued to hold despite crypto industry concerns and issues raised in recent times, showcasing their confidence in the market.



06

Final
Remarks

Final Remarks

Despite the challenges ahead and a certain level of uncertainty at the end of the year, this did not prevent crypto adoption nor business growth. While the market started speculating about crypto due to recent events in the industry, clients continue to buy and adopt crypto, showcasing a renewed interest in more established digital coins to escape volatility, and in crypto platforms that demonstrate trust and transparency in their actions.

It is possible to perceive that long-term holders continue to hold and don't sell their crypto, waiting for a new "crypto summer". The holding attitude demonstrates that market wise consumers trust and believe the ecosystem will thrive.

Latin America exhibits remarkable enthusiasm for cryptocurrencies, making it a vibrant and dynamic region in the crypto space. The region is a special one, an early adopter of technology and a place where a diverse range of use cases is being explored depending on the real-life financial challenges each country encounters. Those use cases beyond trading are more and more common in the region due to the horizontal and constant economic instability that encourages citizens to "live in crypto" instead of fiat money.

Lastly, financial inclusion is still an issue, and crypto can help solve that with accessible options to invest, save and preserve the value of money and build wealth through products that undoubtedly have the potential to change people's lives and foster a more accessible and fair financial system.





 **Bitso**®