

CRYPTO-BACKED CARDS

# Behind the numbers

A look inside payments' latest global phenomenon with segment leader, i2c Inc.



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# Overview

Once seen as a curiosity, crypto-backed cards are quietly emerging as a payments phenomenon, presenting the industry with several groundbreaking firsts and turning conventional wisdom on its head.

From improbable beginnings in 2015<sup>1</sup>, crypto-backed cards today stand as the **most innovative and fastest growing card programs**, laying new foundations for how we think about payments, cardholders and the industry's future.

## What is a crypto-backed card?

A crypto-backed card connects a crypto wallet, provided by a crypto exchange like Crypto.com, Coinbase or another crypto-based company, to a modern issuing and payment processing platform enabling cardholders to make payments in person and digitally, transacting through conventional payment networks (e.g., Mastercard or Visa).

These innovative programs and the underlying platforms that support them offer consumer and commercial cardholders a number of benefits such as reduced or waived foreign conversion fees, near-real-time transactions, rewards, and multi-currency/multi-purse features that allow them to move between cryptocurrencies and fiat in a seamless, secure and compliant fashion.

Crypto-backed payments are poised to become one of the most disruptive payment technologies in history and have the potential to change the way that globally-oriented consumers and businesses pay.

<sup>1</sup>[www.wired.com/2015/11/coinbase-unveils-countrys-first-bitcoin-debit-card/](http://www.wired.com/2015/11/coinbase-unveils-countrys-first-bitcoin-debit-card/)

# What is your vision for crypto?

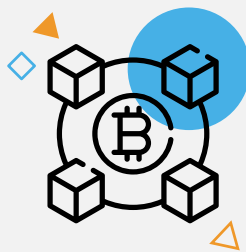
The first U.S. crypto-backed card was developed by Shift (today known as Apto Payments) in collaboration with i2c and Visa on behalf of crypto pioneer, Coinbase, which launched its card in 2015<sup>1</sup>.



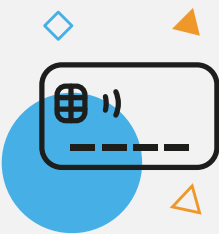
# Methodology

This report contains findings that are based on account and transactional data from more than 4,000 traditional and crypto-backed card programs across 40 countries and three continents throughout the year 2021.

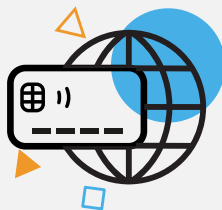
With more than five million crypto-backed cards running on its global platform, i2c is the world's premier partner for the issuing and processing of crypto-backed cards.



4,000  
traditional and crypto-backed  
card programs



5+ million  
crypto-backed cards



40      3  
countries      continents

# Key findings

Sampling millions of active crypto-backed cards, i2c examined program data across three continents to uncover first-of-its-kind insights about one of the world's fastest growing card categories.

01. It's not just for Millennials →

02. Growing faster and more loyal  
than traditional cards →

03. Significantly more cross-border transactions →

04. Crypto-backed cards are used  
2x more in certain categories →

05. Proportionately higher CNP  
cross-border transactions →

## KEY FINDINGS 01

# It's not just for Millennials



KEY FINDINGS 01

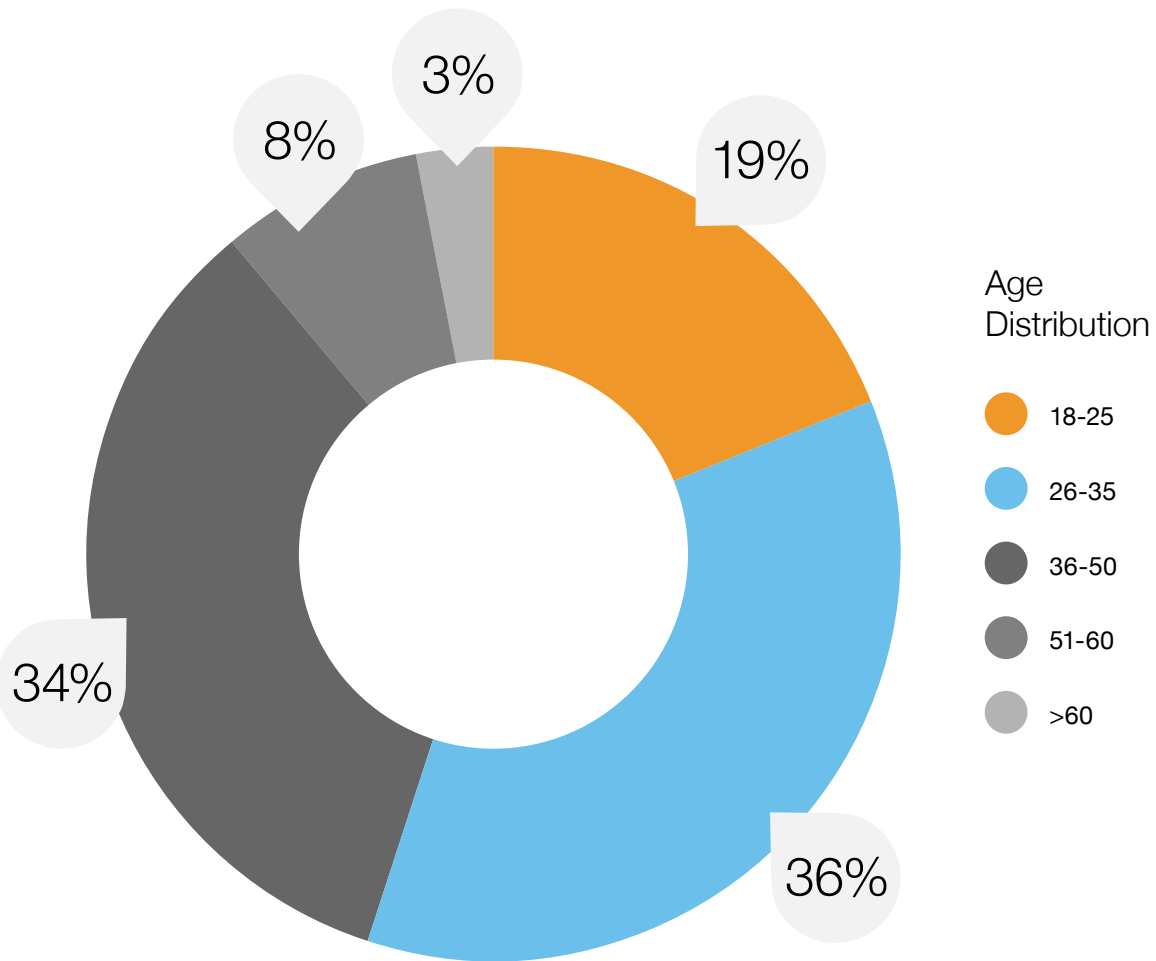
# It's not just for Millennials

Demographic data reveals that nearly half of crypto cardholders (45%) are over age 35, and 11% are in their 50s and 60s.

“We see engaged users across all age groups even in their 80s and 90s, and we see higher monthly active rates than traditional cards.”

**Jim McCarthy** | President, i2c

Cardholders - Age Distribution





## KEY FINDINGS 02

# Growing faster & more loyal than traditional cards



KEY FINDINGS 02

# Growing faster and more loyal than traditional cards

Crypto card programs are growing much faster on average than traditional cards and have seven times (7x) less attrition when compared to non-crypto programs.

“We saw crypto-related accounts grow 11x year over year (from March 2020 to March 2021).”

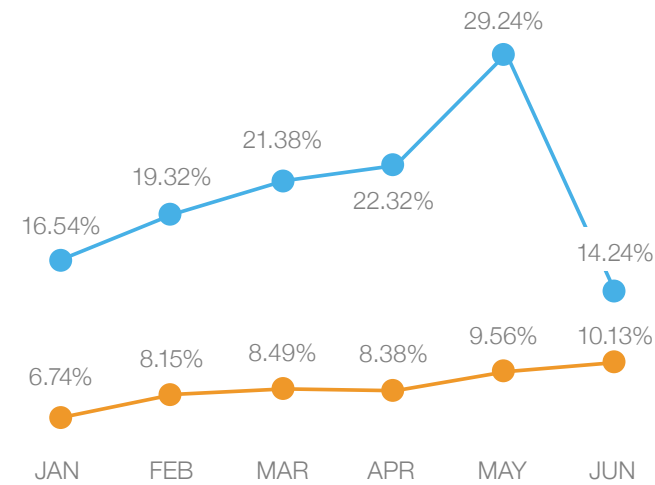
**Jim McCarthy**, President, i2c

Earlier this year, i2c client Crypto.com exceeded 10 million users, more than doubling in four months after hitting the five million mark and remains the most widely available crypto-backed debit card in the world<sup>2</sup>.

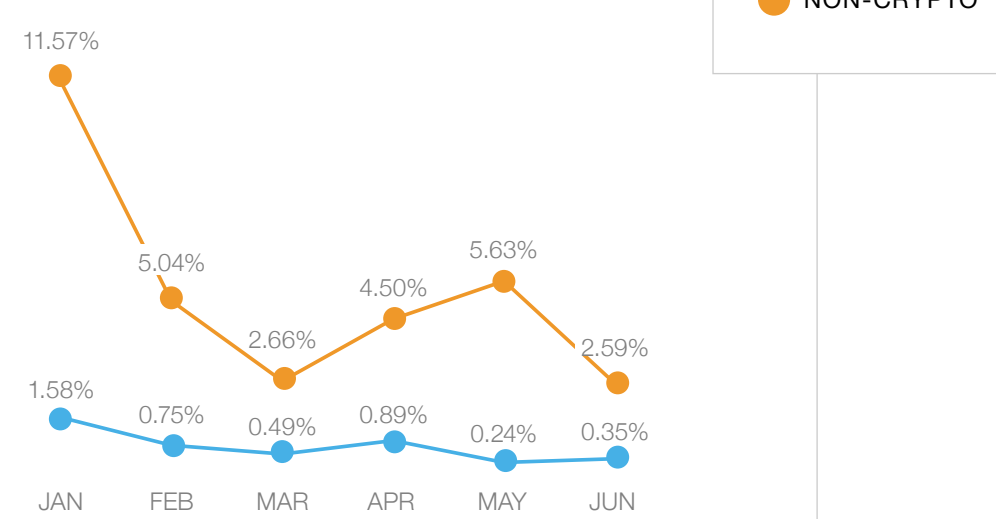
<sup>2</sup>[blog.crypto.com/crypto-com-crosses-10-million-user-milestone/](https://blog.crypto.com/crypto-com-crosses-10-million-user-milestone/)



New Customers % (2021)

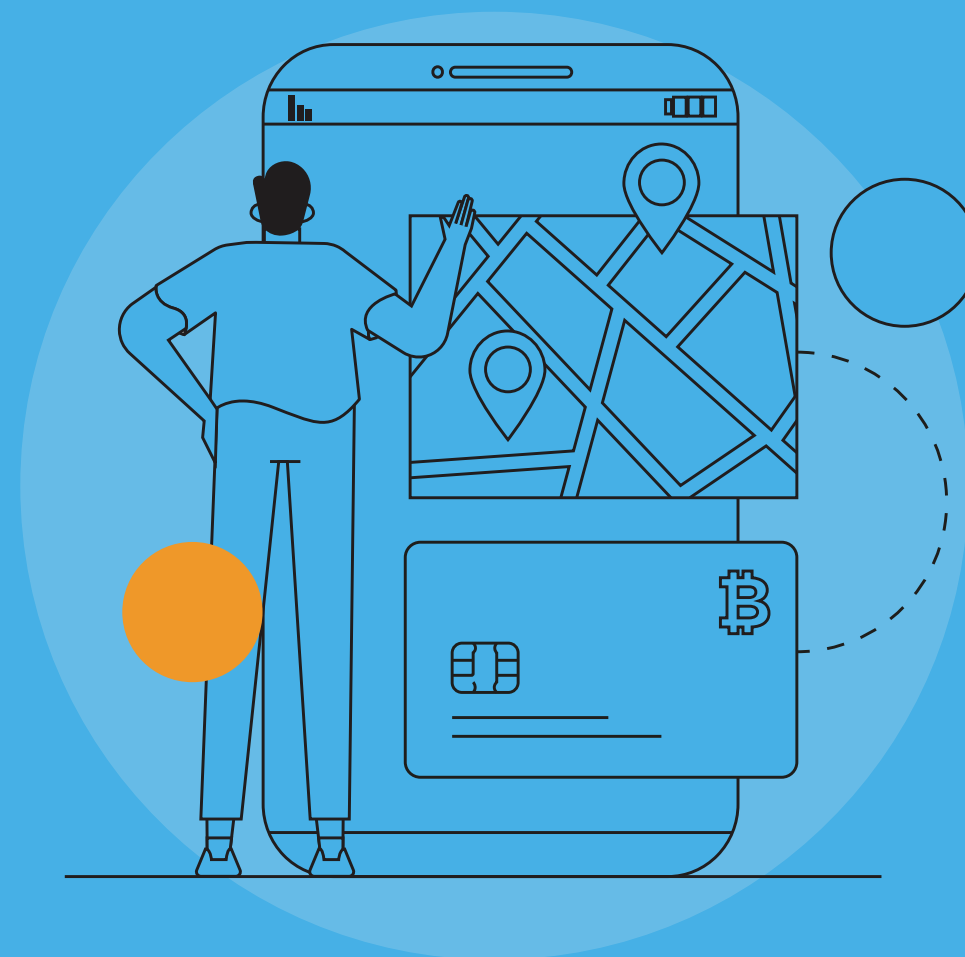


Customers Churn % (2021)



## KEY FINDINGS 03

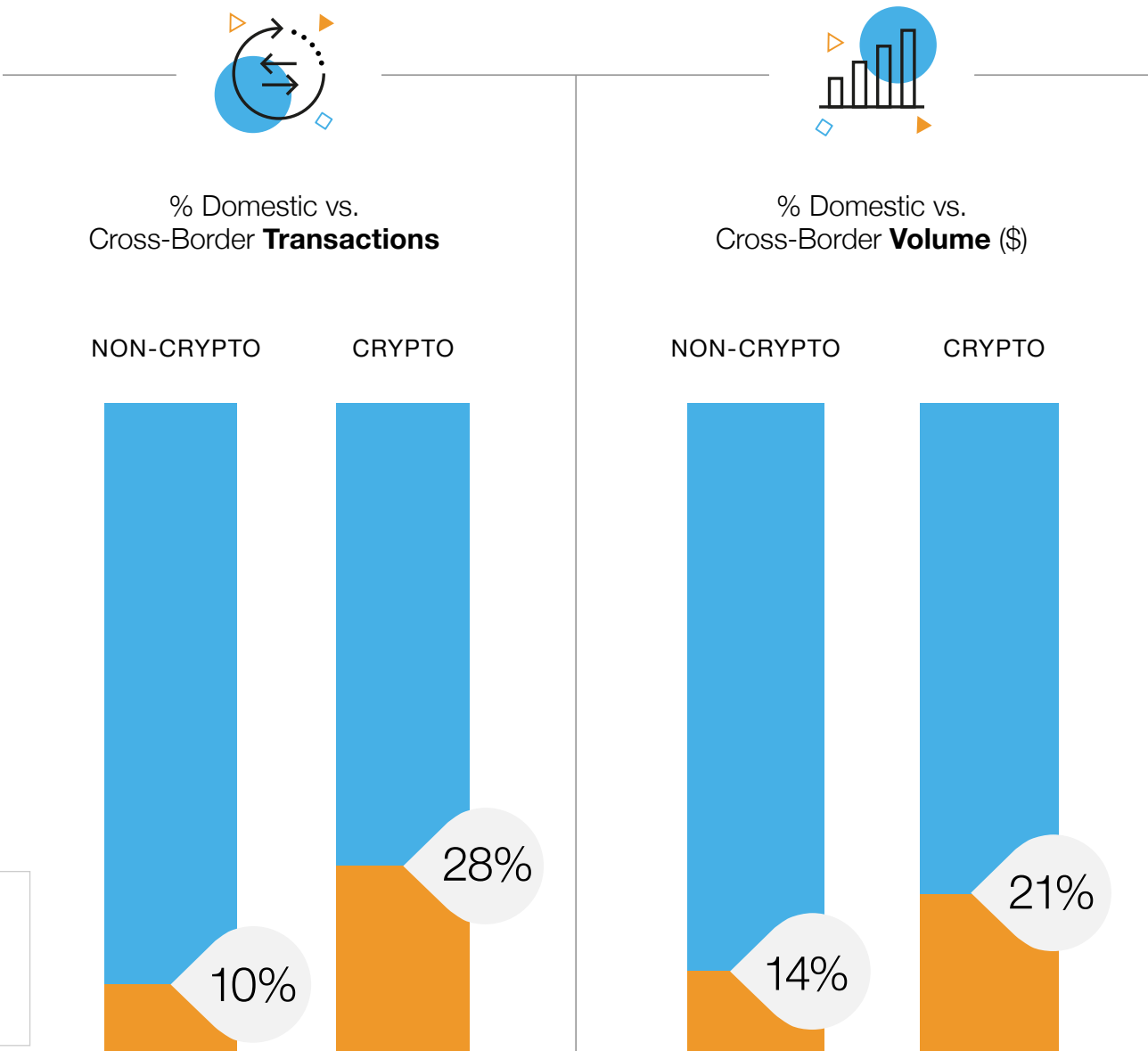
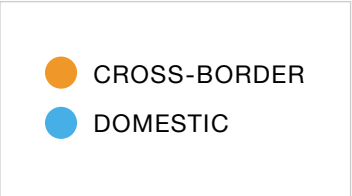
# Significantly more cross-border transactions



KEY FINDINGS 03

# Significantly more cross-border transactions

Crypto-backed programs transact across borders at a significantly higher rate (28% of all transactions) than traditional, non-crypto programs (10%). And, those transactions represent a 7% higher dollar volume on average (21% vs. 14%).



## KEY FINDINGS 04

Crypto-backed cards are used at 2x the rate in some categories

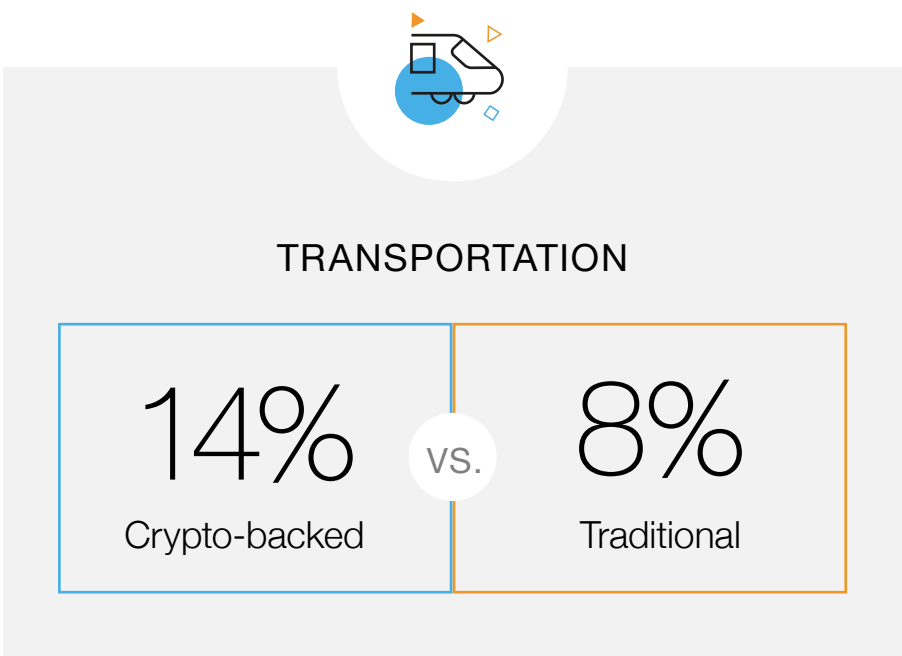
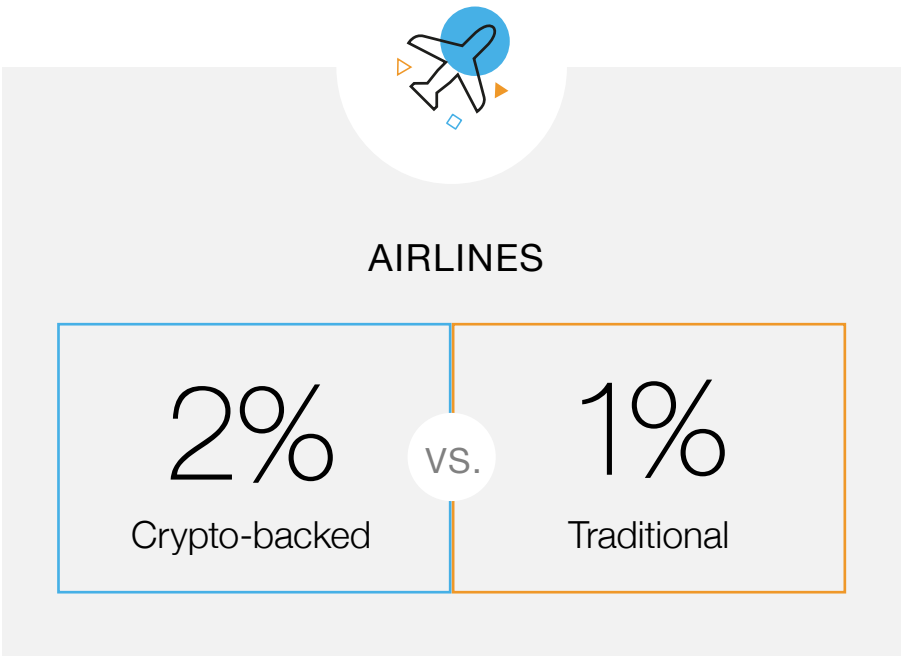
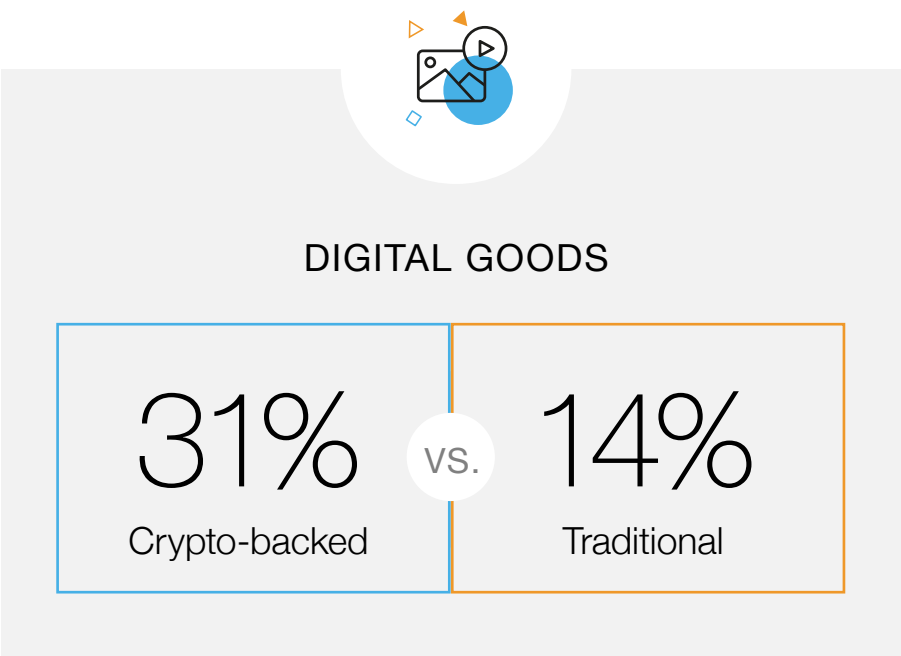


KEY FINDINGS 04

Crypto-backed cards are used 2x more in certain categories

2x

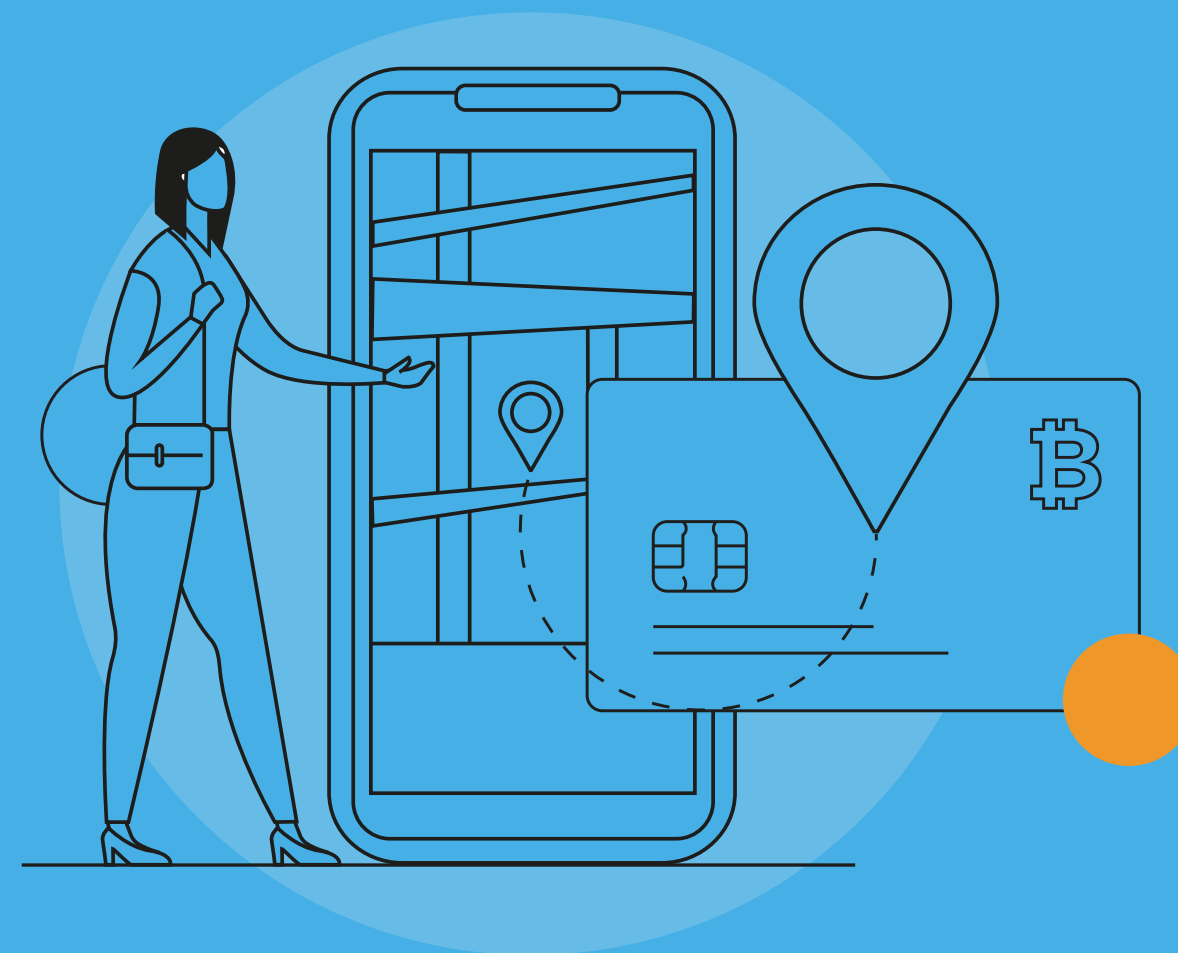
Crypto-backed cards are used at twice the rate of traditional cards in the following categories:



Percentages reflect share of transactions across all merchant categories.

## KEY FINDINGS 05

Proportionately  
higher CNP  
cross-border  
transactions



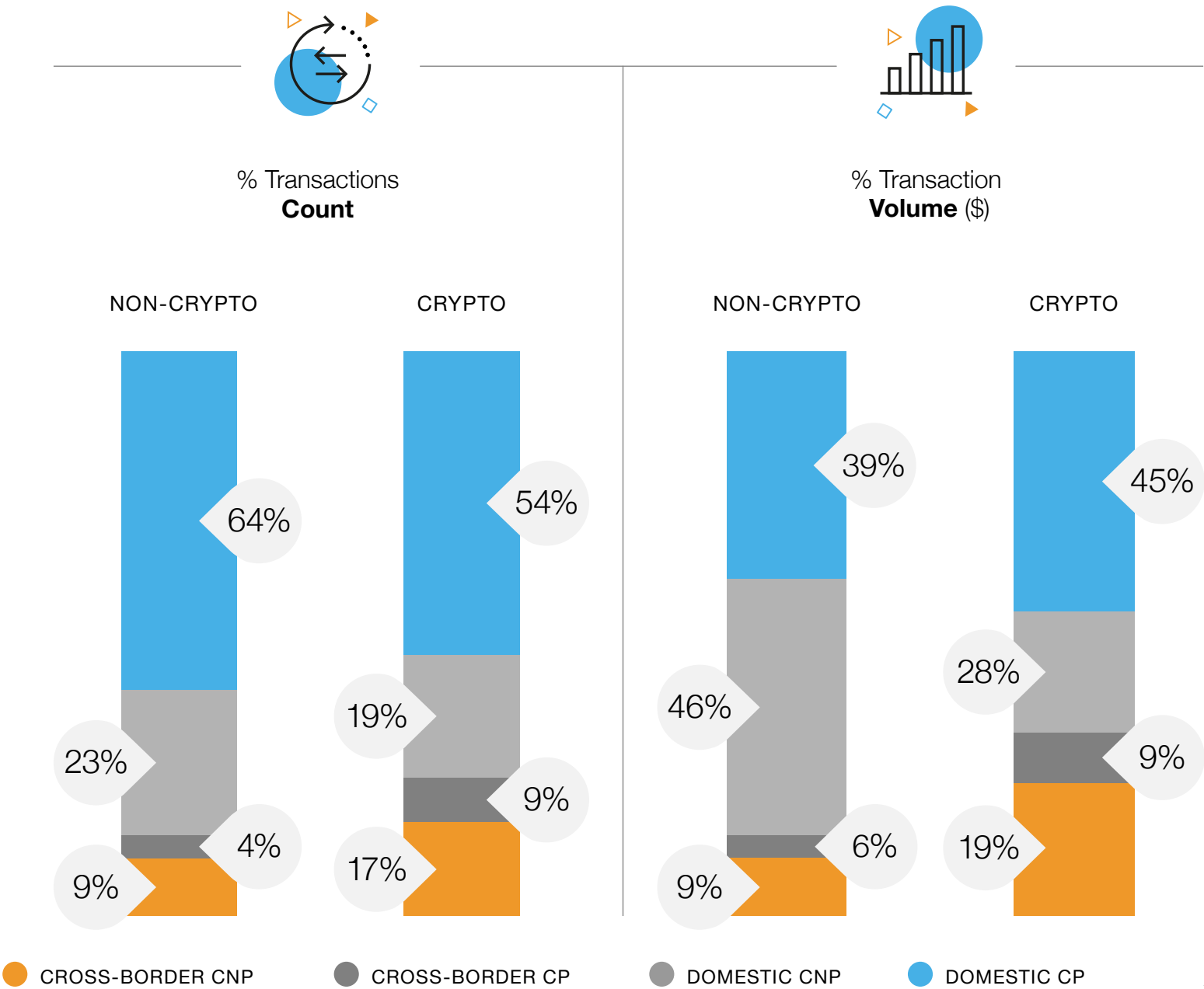
KEY FINDINGS 05

# Proportionately higher CNP cross-border transactions

Crypto-backed programs transact card-not-present (CNP) across borders at proportionately higher rates and dollar volumes than traditional, non-crypto programs.

“This supports the idea that crypto flattens the inherent challenges of cross-border commerce. Taken in combination with the fact that crypto-backed programs also track higher in cross-border card present (CP) transactions (4% vs. 9%) is also telling and may support the idea of an appeal to a more geographically mobile demographic.”

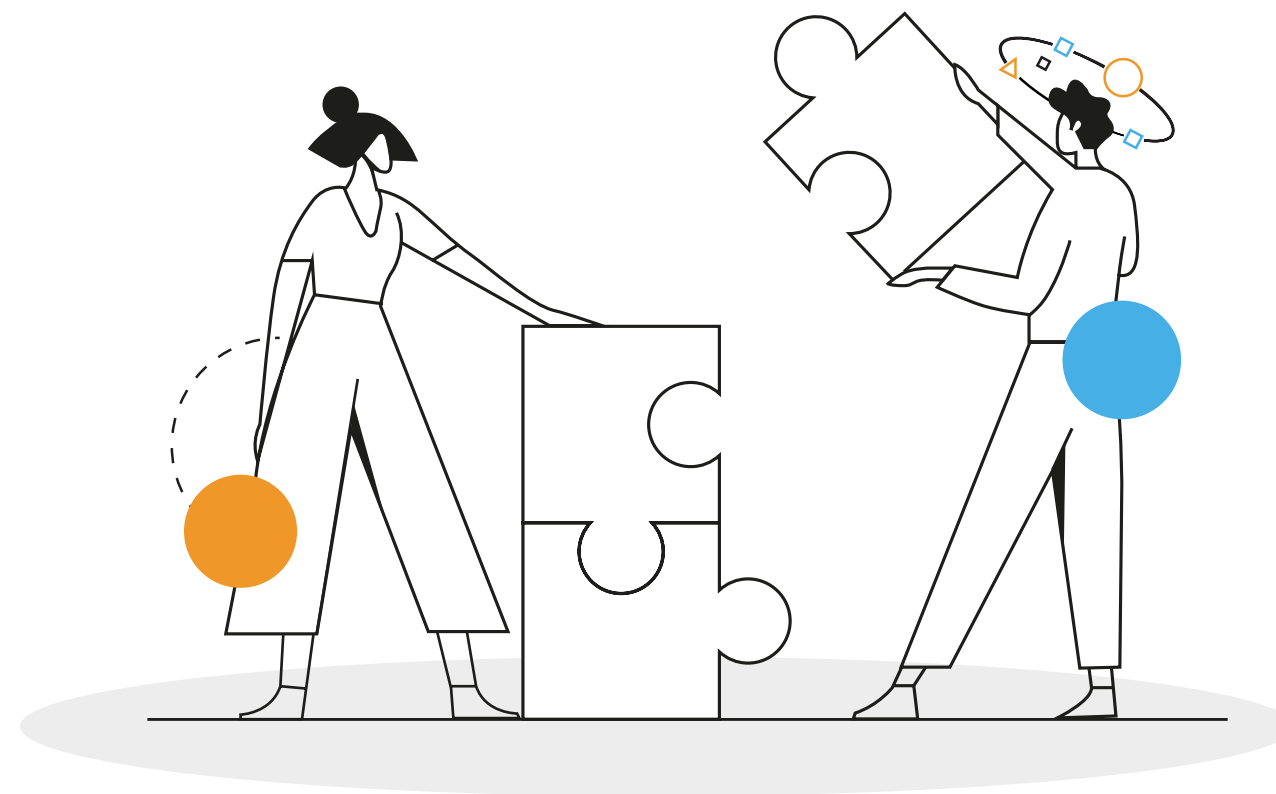
**Jim McCarthy**, President, i2c





# About i2c

i2c is a global provider of highly-configurable payment and banking solutions. Using i2c's proprietary "building block" technology, clients can easily create and manage a comprehensive set of solutions for credit, debit, prepaid, lending and more, quickly and cost-effectively. i2c delivers unparalleled flexibility, agility, security and reliability from a single global SaaS platform. Founded in 2001, and headquartered in Silicon Valley, i2c's next-generation technology supports millions of users in more than 200 countries/territories and across all time zones.



# What is your vision for crypto?

## CONTACT US

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