

Crypto Savings Accounts To Get You In The Game This Year

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Are you a crypto holder and you'd like to save your cryptocurrencies? Similar to traditional finance's bank savings accounts, crypto firms across the ecosystem offer a savings plan for users who'd wish to earn passive income on their crypto assets.

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Crypto savings accounts allow you to earn interest rates of up to 20% APY on your crypto assets by simply staking them with a service provider. In this article, we expound further on some benefits of having a crypto savings account, the top crypto savings account, and why crypto savings accounts could soon replace the traditional savings bank account.

Benefits Of Saving In A Crypto Account

Before you decide to invest in any crypto savings account, it's important you know the benefits and risks involved. It is clear that crypto savings accounts do not operate the same way as traditional savings accounts in banks and credit unions do, which could bring about advantages and challenges to the users.

Below are some of the benefits that crypto savings accounts could offer the user once they invest in the platform.

- **Passive income:** The main point of saving is having a passive source of income while your assets remain secure. Crypto saving accounts provides a channel for users to earn passive income instead of holding their assets in their wallets.
- **Crypto interest accounts:** Unlike traditional savings, crypto savings accounts denominate and pay the interest either using USD interest rates or crypto-based interest rates i.e. Bitcoin Interest Accounts. This allows crypto-aficionados to stack up on their favorite crypto assets directly.
- **Higher returns:** Crypto savings accounts provide a higher rate of return on savings (due to the price volatility risk), averagely 5%-12% APY, compared to its traditional bank savings with a measly 0.5% APY. If you can accommodate the risk, then having a crypto savings account could boost your savings rate.
- **Safety of crypto assets:** Crypto savings accounts allows users (especially newbies in crypto) to securely store their assets, reducing the chances of them losing access to their wallets. Some platforms such as Crypto.com and AAX exchange also have insurance covers in case of a hack.
- **Additional incentives:** Finally, some crypto savings accounts such as Binance offers benefits, tokens, and additional incentives to users – increasing the overall earnings from savings.

Saving Accounts To Get You In The Game

Having understood some of the benefits of saving in crypto accounts, we now shift the focus to the savings accounts newbies and experts alike to start earning passive income.

1. **BlockFi**

BlockFi offers its Interest Account (BIA) to all registered users allowing you to earn up to 7.5% APY on your staked crypto assets including Bitcoin, Ethereum, USDC, etc. The crypto savings account has no minimum balance and no hidden fees. The interest rates (USDC interest account & BTC interest account) accrue daily and are paid every month directly to your wallet.

As one of the top crypto savings account, BlockFi also ensures the users' assets are highly secured on cold storage and they also have an FDIC insurance cover for cash assets lost by theft of up to \$250,000.

In addition to its savings service, BlockFi also offers crypto loans to select users. The platform only charges withdrawal fees, varying by the crypto asset.

2. **Bybit**

Bybit recently launched their crypto savings platform offering 10+ cryptocurrencies on their earn platform. The cryptocurrency derivatives trading platform offers crypto savings accounts that earn up to 8% APY on selected crypto assets.

The exchange has no minimum limit on the savings account and only the withdrawal fee is charged, accordingly by asset.

3. **Nexo**

Best known for its loaning platform, Nexo has also made a name for itself on the crypto savings market. Nexo's high-yielding interest accounts offer as much as 12% APY on 20+ different crypto assets with the interest paid daily. It offers simple

interest payments and short lockup times (less than 24 hours).

However, the highest yielding rates are only available to members of the Nexo Loyalty program, which is based on the holdings of the native NEXO token. Nexo supports over \$100 million in insurance to protect users' investments.

4. **Coinbase**

If you are a first-time crypto user, U.S.-based Coinbase exchange offers the simplest route to start your crypto savings journey. While the exchange only recently entered the savings niche, it has witnessed a boom in its products with account holders earning up to 1.25% APY on their USD coins in their wallets.

Coinbase gives the users freedom to withdraw their money at any time they wish making it viable for short-term investors by giving them more control over their savings. The exchange is yet to launch its crypto assets savings to everyone. In April 2021, they started allowing select users to stake Ethereum, offering returns of up to 6%. The service isn't currently available to everyone, however, you can join their waitlist.

The exchange charges a number of fees including withdrawal fees and spreads of 0.5%. Users USD savings are insured by the FDIC up to \$250,000 investment.

5. **AAX Exchange**

Asia-based AAX Exchange is a privately held digital asset exchange leading crypto adoption in the Asia-Pacific region. It is the first LSEG Technology's Millennium Exchange-powered crypto exchange and recently joined the London Stock Exchange Group's (LSEG) Partner Platform.

The exchange recently announced its own crypto savings platform offering the highest rates on crypto savings yet with users earning up to 20% APY on their assets. AAX offers the recorded highest APY on centralized finance crypto savings on assets such as Bitcoin (BTC), Ethereum (ETH), Tether (USDT), and USDC in its 7-days fixed savings product.

With a slew of fiat onramp options on the platform, users can easily transfer their USD, EUR, and GBP to the exchange and start saving immediately. No minimum account limit is needed and only a withdrawal fee is charged on the savings account. Interest is calculated daily.

6. Gemini

Winklevoss-backed Gemini exchange has made its name as one of the safest and most regulation-friendly crypto firms over the past few years. The platform is a solid choice for trading and investing cryptocurrencies after recently launching their crypto savings account, Gemini Earn.

The exchange offers savings options to 39 cryptocurrencies with interest rates of up to 7.04% APY on select crypto assets. Users can earn up to 1.65% APY on their BTC by staking them on the Gemini Earn account. No deposit fees are charged but withdrawal fees vary by the asset after withdrawing 10 coins every month. Gemini Earn charges Agent fees, which vary by coin and range from .04 – 4.3%.

The platform recently announced a \$200 million insurance kitty for any crypto asset losses.

7. Celcius Network

Celcius Network offers one of the easiest ways to open a crypto savings account and directly start earning weekly

interest. Users only need to deposit funds on their preferred account and start passively earning. The network starts paying interest every week and you can withdraw at any time you wish.

However, the platform offers considerably high rates but lacks full transparency on how the interest rates are calculated. The interest rates are paid according to loyalty tiers ranging from 2.02% to 17.78% on 14 different cryptocurrencies.

8. **Crypto.com**

Crypto.com has grown its services desk from a strict on-ramp platform to offering trading services, saving accounts, and buyback options for its customers. However, when it comes to saving, the platform favors those with huge amounts of money hence locking out the small-time crypto savers.

The saving accounts are ranked in tiers with specific tasks required to start saving on the platform. Its Earn feature offers rates from 0.5% to 8.5% for cryptocurrencies like Bitcoin, and 14% for stablecoins like USDC. The platform pays out weekly rewards in USDC.

Crypto.com users need to stake CRO (the native coin) for 1 month or three-month period terms to start earning the highest interest rates.

4 Factors to Know Before Choosing a Crypto Savings Account

The interest yields above look juicy and could give investors a lot to think about when selecting their preferred option. In this section, we give a low-down on some of the key features you should check before depositing your funds on a crypto-saving account.

- **Tokens supported:** No platform will offer savings for

every crypto asset available hence it is key for users to check which assets are available before they start saving.

- **Withdrawal restrictions:** Before depositing any funds to any platform, you need to ensure you are okay with the withdrawal lockup periods, fees, and any other restrictions that could come into play. Remember, some platforms such as Coinbase only allow deposits from investors in select countries.
- **Security and Insurance policy:** Security of assets is one of the most important things to focus on when selecting a crypto savings account. The platform needs to have a cold storage facility to keep its clients' assets secure. Insurance, while not common in the crypto space, could also play a factor in your decisions as some savings account insure their clients against theft and losses from hacks.
- **Compound or simple interest:** Some exchanges such as NEXO offer a simple interest paid out daily to your account. However, if you need the interest to earn interest, you need to select platforms such as AAX Exchange which offers compound interest, calculated daily.

The Takeaway

In this article, we have covered the main details you need to know before, during, and after you select a crypto savings account. We explored the benefits of crypto savings account over a traditional savings bank account, saving accounts to get you in the game, and what you need to look out for before selecting any platform.

While bank savings accounts offer enticing rates to clients, we have seen above that crypto savings usually yield far more and have advantages over traditional savings. We have given a detailed report on the pros and cons of crypto savings accounts, detailing the fees and features – all to provide you

with a better understanding of which platforms can help you get started.

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