

T A L O S

FACTSET®

2025 Digital Assets Report

Dec 2025



Executive Summary

Policy & Regulation

2025 delivered the clearest U.S. regulatory progress to date. The **GENIUS Act** established the first federal stablecoin regime, the White House launched a coordinated digital asset policy effort (EO 14178) and agencies advanced toward more unified oversight, including joint safekeeping guidance and exploration of the Fed's "skinny master account." Globally, the EU advanced MiCA implementation, the U.K. prepared its FSMA/RAO crypto regime and Asia introduced new licensing, product and market-access frameworks.

DATs, ETFs & Crypto Equities

Digital Asset Treasuries (**DATs**) became a major structural demand source: corporates accumulated **1.01M BTC, 15.46M ETH and 16.16M SOL**, broadening treasury strategies beyond Bitcoin. Spot **ETFs** pulled meaningful circulating supply into regulated vehicles—**1.29M BTC (~6.5%) and 6.23M ETH (~5%)**—and new filings pointed to multi-asset, staking-enabled and thematic products. Crypto-linked equities outperformed traditional benchmarks, with the **FactSet Global Blockchain Index** up **42% YTD**, reflecting investor appetite for infrastructure, mining-AI pivots and stablecoin-adjacent revenue models.

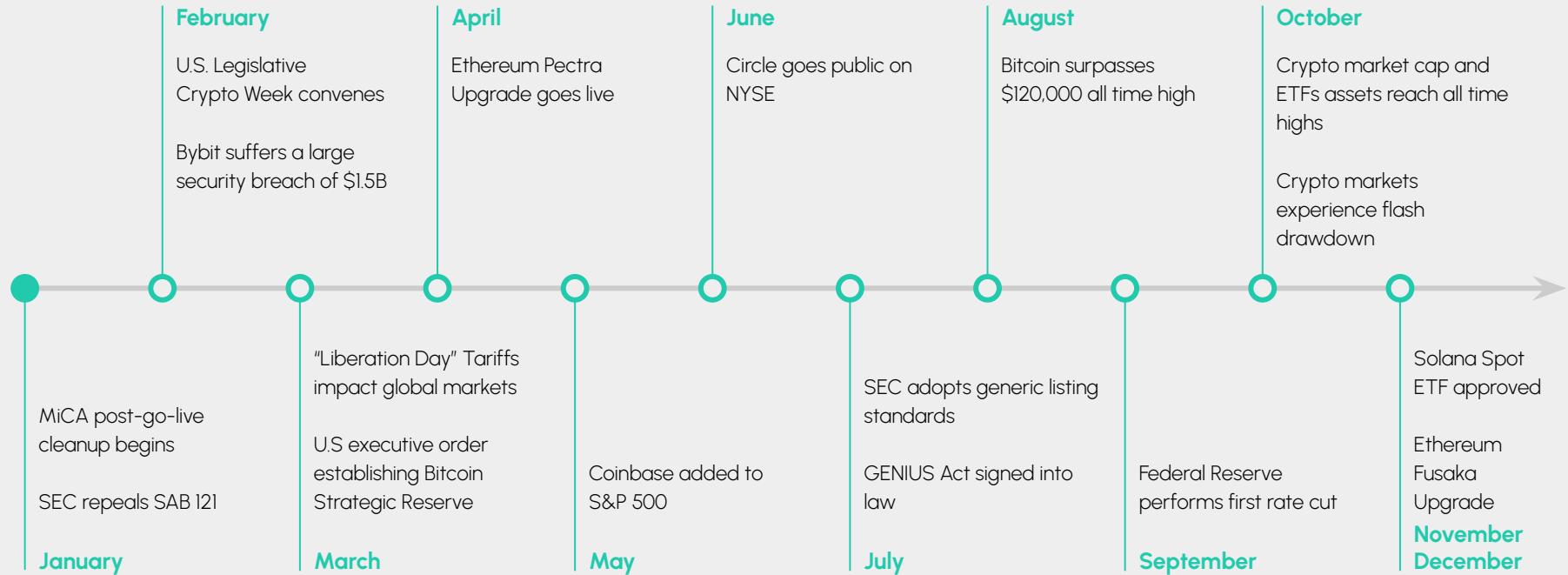
Stablecoins

Stablecoins grew nearly **40% YoY**, approaching **\$300B in supply**. Usage expanded well beyond trading: transfer volume surged 163%, daily transactions surpassed 13M and 2M+ addresses held or moved stablecoins. Tether and Circle collectively held more than **\$180B in U.S. Treasuries**, cementing stablecoins as a significant component of global dollar distribution.

On-Chain

Network fundamentals continued improving as blockspace scaled and fees fell across major chains, unlocking broader transactional and financial use cases. **Bitcoin ownership matured**, with long-term holder dormancy moderating and institutional channels, particularly ETFs and corporate treasuries, absorbing most new active supply.

2025 Retrospective

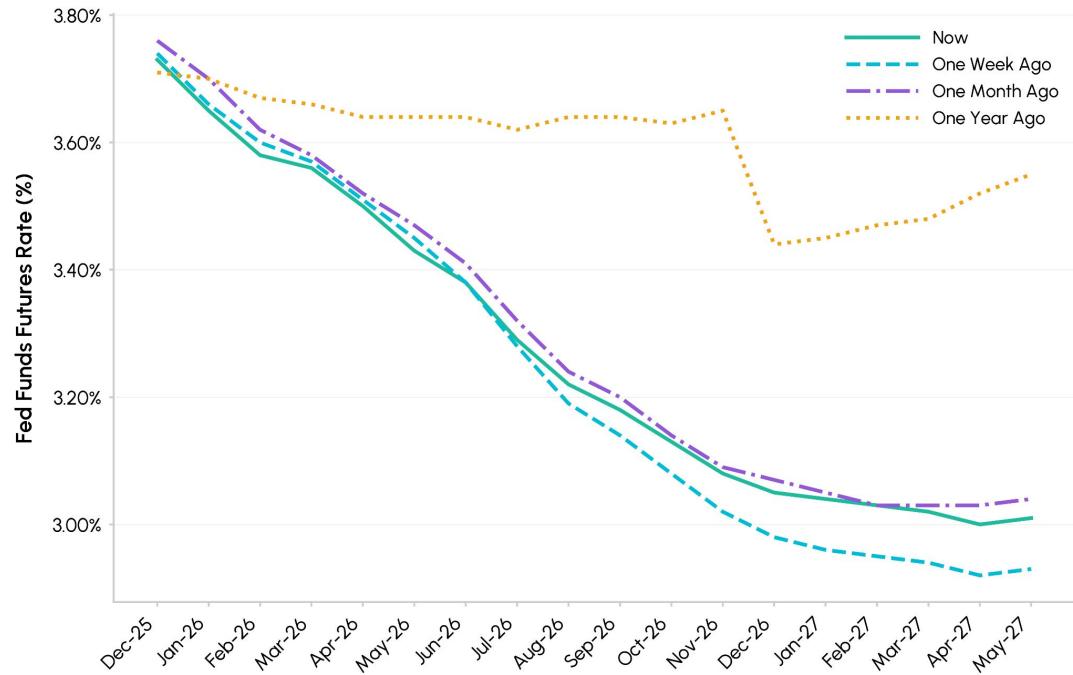




Macro: Fed Funds Futures & Probabilities

- Fed Funds Futures show a steady shift toward a more dovish policy outlook through 2025 as inflation and labor market pressures eased.
- After the December FOMC decision, the curve moved lower across maturities, signaling expectations for the start of a measured easing cycle.
- Current futures pricing reflects a broad consensus around gradual rate cuts extending into 2026 with the curves downward slope.

Fed Funds Futures Curve



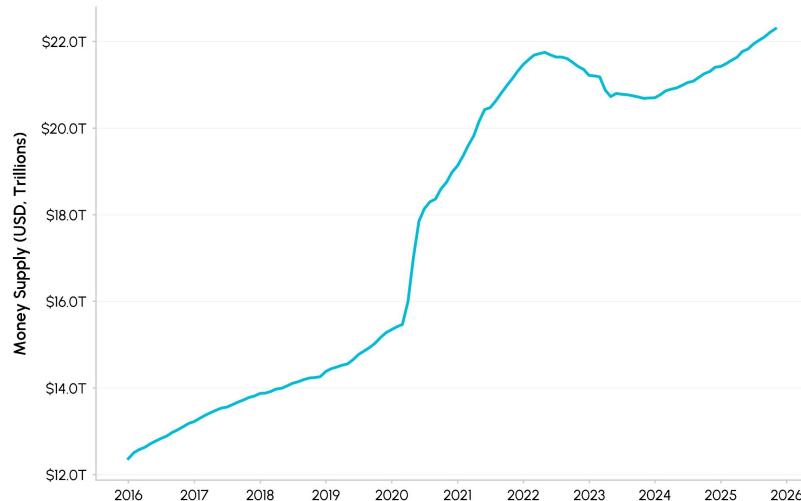
Source: FactSet

Macro: The Debasement Trade

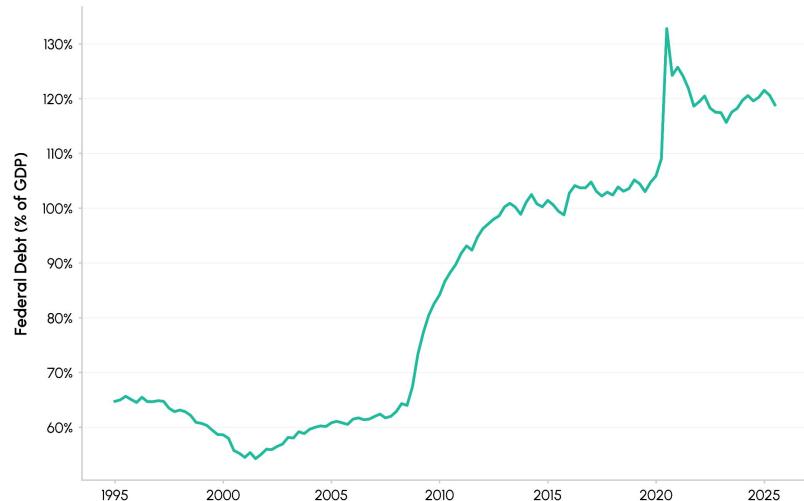


The secular macro case for Bitcoin: The "Bitcoin fixes this" meme overstates the case but Bitcoin does, according to the bull thesis, offer individuals an escape hatch from fiat debasement. The graph on the left shows growth in the U.S. M2 money supply, a marked contrast with Bitcoin's supply growth and the graph on the right shows the growing incentive for future debasement.

U.S. M2



Federal Debt as % of U.S. GDP



Source: FactSet



2025 Digital Asset Performance

- Gold and equities outperformed as macroeconomic uncertainty and liquidity stress weighed on digital assets.
- Performance diverged across asset classes and within crypto, highlighting a year defined by dispersion.
- Bitcoin's "digital gold" narrative was challenged throughout the year amid trade tensions and geopolitical uncertainty, while institutional participation and on-chain adoption continued to grow beneath the surface.

2025 Performance: Digital Assets, Gold & Nasdaq



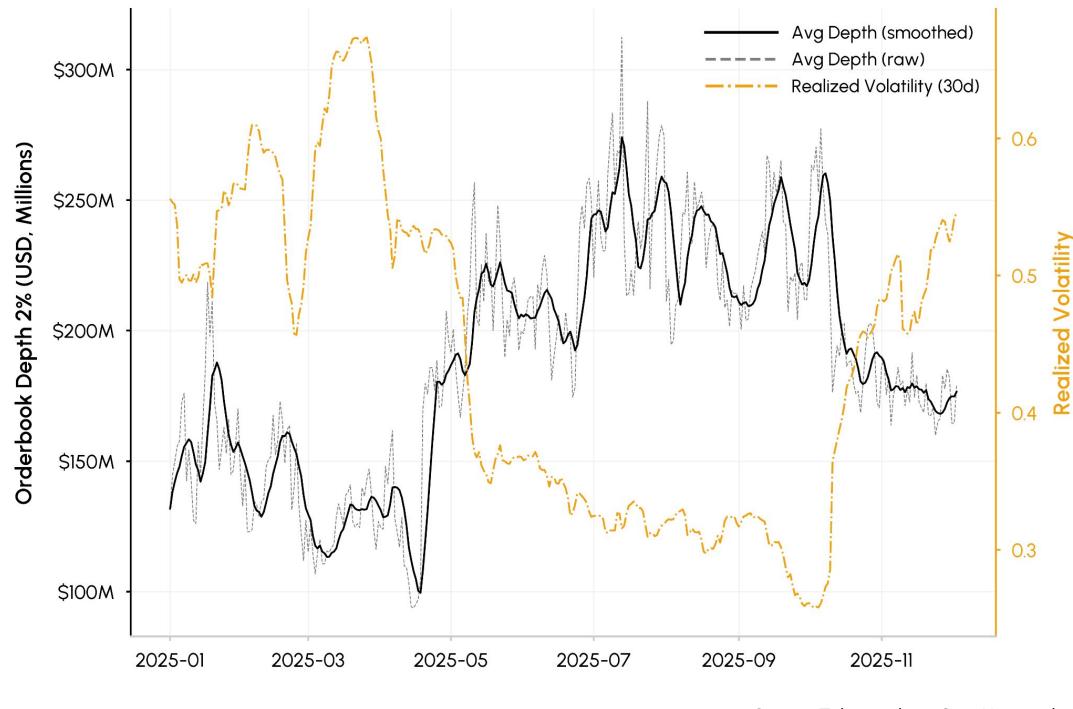
Source: Talos analysis, Coin Metrics data



Bitcoin: Liquidity Down, Volatility Up

- Bitcoin's liquidity conditions shifted throughout 2025, making it more sensitive to flows and amplifying swings in realized volatility.
- A mid-year lull in volatility gave way to sharper moves as liquidity tightened.
- Order book depth remains materially lower than levels before October's liquidations, making liquidity conditions an important factor to watch going into 2026.

Bitcoin Liquidity vs Realized Volatility



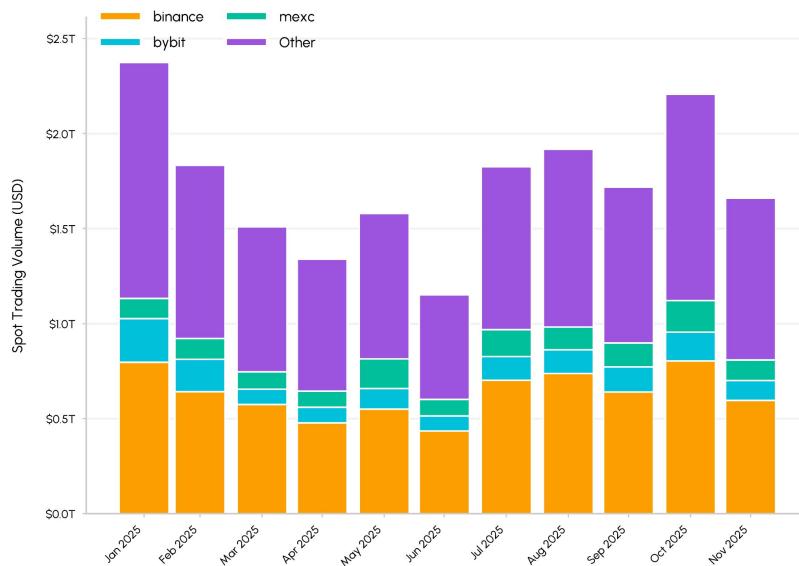
Source: Talos analysis, Coin Metrics data



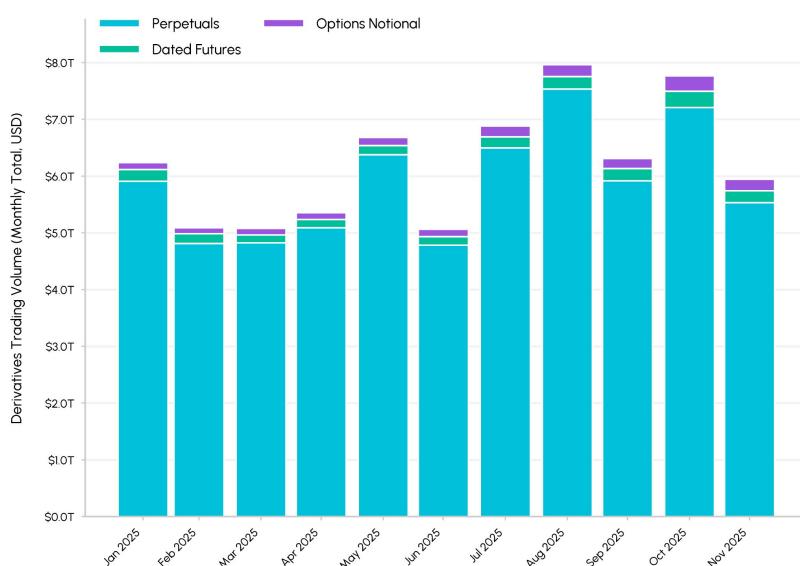
A Derivatives Driven Market

Spot volumes retreated from January highs and stayed subdued through mid-year before rebounding into Q3 as markets rallied and liquidations drove volatility. Derivatives remained the primary driver of trading activity across exchanges, with perpetual futures accounting for the bulk of trading volume, consistent with a market increasingly managing risk and expressing leverage through derivatives as spot ownership shifted towards ETFs.

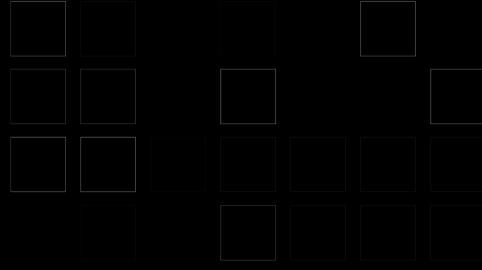
Monthly Spot Trading Volume by Exchange (USD)



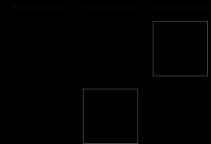
Monthly Derivatives Trading Volume (USD)



Source: Talos analysis, Coin Metrics data



Policy & Regulation



2025 Regulatory Policy and What Comes Next



2025 U.S. Policy Highlights

2025 delivered major steps toward a coherent national framework. The GENIUS Act established the first federal stablecoin regime, creating clear rules for issuance, reserves and oversight. Regulators began shifting posture, with **SEC/CFTC coordination efforts** seeking more defined market-structure guidance.

The White House issued **Executive Order 14178, launching an interagency effort to develop updated legislative and regulatory recommendations for digital assets**. The Federal Reserve advanced the concept of a "**skinny master account**," a streamlined form of access to Fed payment services intended to support payments innovation while maintaining appropriate risk controls.

Together, these actions signaled a more coordinated **federal approach to digital asset policy** and a growing willingness to adapt core financial infrastructure to evolving market needs.

What's Next for Policy & Regulation

2026 is likely to focus on the build-out of **U.S. market infrastructure**. With the **CLARITY Act** advancing in the House, policymakers appear to be moving beyond foundational debates and toward establishing a workable regulatory framework.

The **SEC is preparing for updated expectations**, including refined rules for asset classification, disclosures and ETF listings as it adjusts to new Congressional direction.

On-chain transparency is becoming a core regulatory tool. Policymakers increasingly rely on blockchain data to assess market activity, stablecoin flows and systemic risks, enabling more evidence-based oversight.

Meanwhile, the **Federal Reserve's "skinny master account" concept** highlights a willingness to modernize foundational payment access and support responsible innovation.



US Policy will be driven by the key committee leadership in 2026 and beyond

House Committee on Financial Services

Chair: French Hill (R-AR)

Ranking Member: Maxine Waters (D-CA)

- Subcommittee on Digital Assets, Financial Technology, and Artificial Intelligence
Chair: Bryan Steil (R-WI)

House Committee on Agriculture

Chair: Glenn "GT" Thompson (R-PA)

Ranking Member: Angie Craig (D-MN)

- Subcommittee Commodity Markets, Digital Assets, and Rural Development
Chair: Dusty Johnson (R-SD)

House Committee on Ways & Means

Chair: Jason Smith (R-MO)

Ranking Member: Richard Neal (D-MA)

Senate Committee on Banking, Housing, and Urban Affairs

Chair: Tim Scott (R-SC)

Ranking Member: Elizabeth Warren (D-MA)

Senate Committee on Finance

Chair: Mike Crapo (R-ID)

Ranking Member: Ron Wyden (D-OR)

Senate Committee on Agriculture

Chair: John Boozman (R-AR)

Ranking Member: Amy Klobuchar (D-MN)

2025 brought new leadership into a set of positions that will shape U.S. digital asset policy for the rest of the decade. Looking ahead to 2026, several of these roles are candidates for turnover, including House and Senate party leadership and, notably, the Chair of the Federal Reserve, whose current term ends in May 2026.

President's Council of Advisors on Science & Technology (Crypto & AI)

Chair: David Sacks

Office of the Comptroller of the Currency (OCC)

Comptroller: Jonathan Gould

Securities and Exchange Commission (SEC)

Chair: Paul Atkins

Head of Crypto Task Force: Hester Peirce

Commodity Futures Trading Commission (CFTC)

Acting Chair: Caroline D. Pham

Federal Reserve

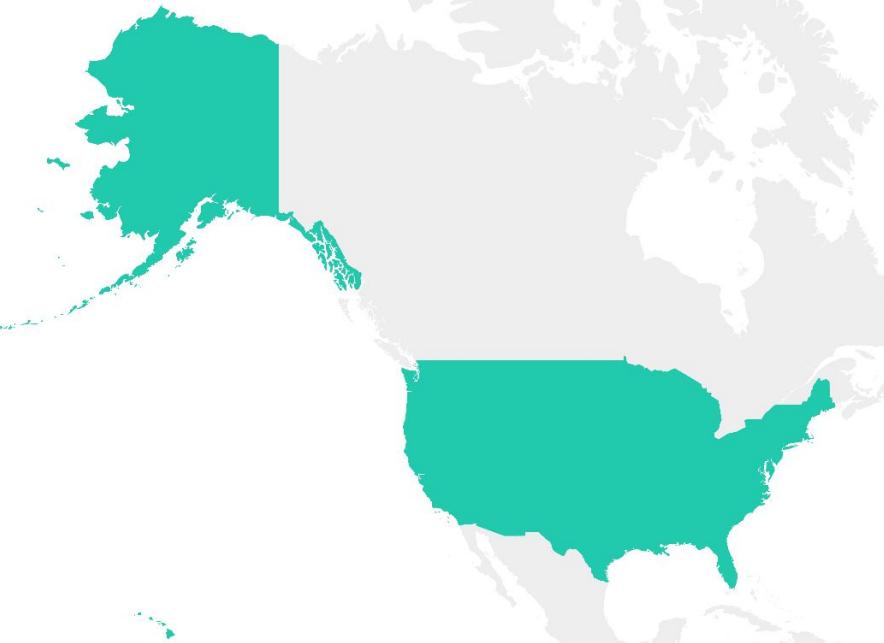
Chair: Jerome Powell

Federal Deposit Insurance Corporation

Chair: Travis Hill



Crypto in the United States



Congress: Established the GENIUS Act, the first federal stablecoin regulatory framework in the U.S., setting oversight, reserve requirements and issuance standards for U.S. payment-stablecoin providers.

Securities and Exchange Commission (SEC): Established Crypto Task Force led by Commissioner Hester Peirce, who continued urging practical digital asset rulemaking. The Commission continued exploring clearer expectations around token classification, disclosures and exchange supervision.

Commodity Futures Trading Commission (CFTC): Signaled progress toward clearer guardrails for derivatives markets and expanded conversations around spot-market oversight.

OCC, Federal Reserve & FDIC: Issued a joint statement on crypto-asset safekeeping, clarifying how existing rules apply when banks hold digital assets and providing a coordinated supervisory baseline.

Federal Reserve: The Federal Reserve advanced the concept of a 'skinny master account,' exploring limited-access payment accounts to support responsible payments innovation.

Executive Branch: Established the interagency Working Group on Digital Asset Markets and released a comprehensive digital asset policy roadmap in 2025. Discussions around strategic digital asset reserves gained visibility but remained exploratory.

Crypto in the UK & Europe

United Kingdom

Financial Conduct Authority (FCA): Lifted the retail ban on crypto ETNs, reopening a regulated access path for U.K. retail investors under updated safeguards.

FCA & HM Treasury (HMT): The FCA continued preparing for the transition to the FSMA/RAO regime by issuing draft rules and consultation materials, while HM Treasury worked to finalize the Statutory Instrument that will set the commencement date. The regime is expected to go live in late 2026, creating a unified and comprehensive regulatory framework for U.K. crypto activities.



Europe

EU digital asset policy in 2025 was a broad effort shaped by ESMA, EBA, European Commission (EC), European Parliament (EP), Anti-Money Laundering Authority (AMLA), European Systemic Risk Board (ESRB) and NCAs.— each contributing to stablecoin oversight, AML/Travel Rule enforcement, Digital Euro policy and MiCA technical standards.

European Commission & ESMA: Advanced implementation of MiCA, finalizing the stablecoin framework introduced in 2024 and enforcing the Travel Rule across all Crypto-Asset Service Providers.

National Competent Authorities (NCAs): 2025 proved to be a challenging year for NCA authorizations under MiCA, with delays and capacity constraints slowing the rollout of CASP licenses across several member states. In response, the European Commission has now proposed centralizing EU CASP supervision under ESMA, signaling a shift toward more uniform oversight and reducing fragmentation across the single market.

Crypto in Asia

Vietnam — National Assembly & Government

Passed the Law on Digital Technology Industry (June 2025), giving Vietnam's first legal recognition of digital assets. Approved a pilot crypto-asset trading market (Sept 2025) with rules on capital and AML/CFT controls.

Singapore — MAS (Monetary Authority of Singapore)

Implemented additional consumer-protection rules for digital-payment token service providers, covering risk disclosures, custody segregation and trading safeguards. Rolled out tightened AML/CFT requirements for unhosted wallets and travel-rule compliance.

Japan — FSA (Financial Services Agency)

Proposed amendments to classify cryptoassets as financial products under the Financial Instruments and Exchange Act and to ban insider trading in crypto, making it illegal to trade on material non-public information related to tokens or listing decisions. These reforms would bring crypto under the same market-abuse and disclosure standards that apply to listed securities.

Hong Kong — SFC (Securities and Futures Commission)

Expanded access rules by allowing order-book sharing with overseas affiliates and exploring broker routing to regulated foreign liquidity pools. Proposed broader product permissions under Pillar P and approved Asia's first spot Solana ETF.

Crypto in the Middle East

Qatar — QCB (Qatar Central Bank)

QCB reaffirmed its prohibition on crypto trading and exchange activity, issuing 2025 guidance clarifying that VASPs remain outside the permitted scope for fintech sandboxes and regulated financial services.

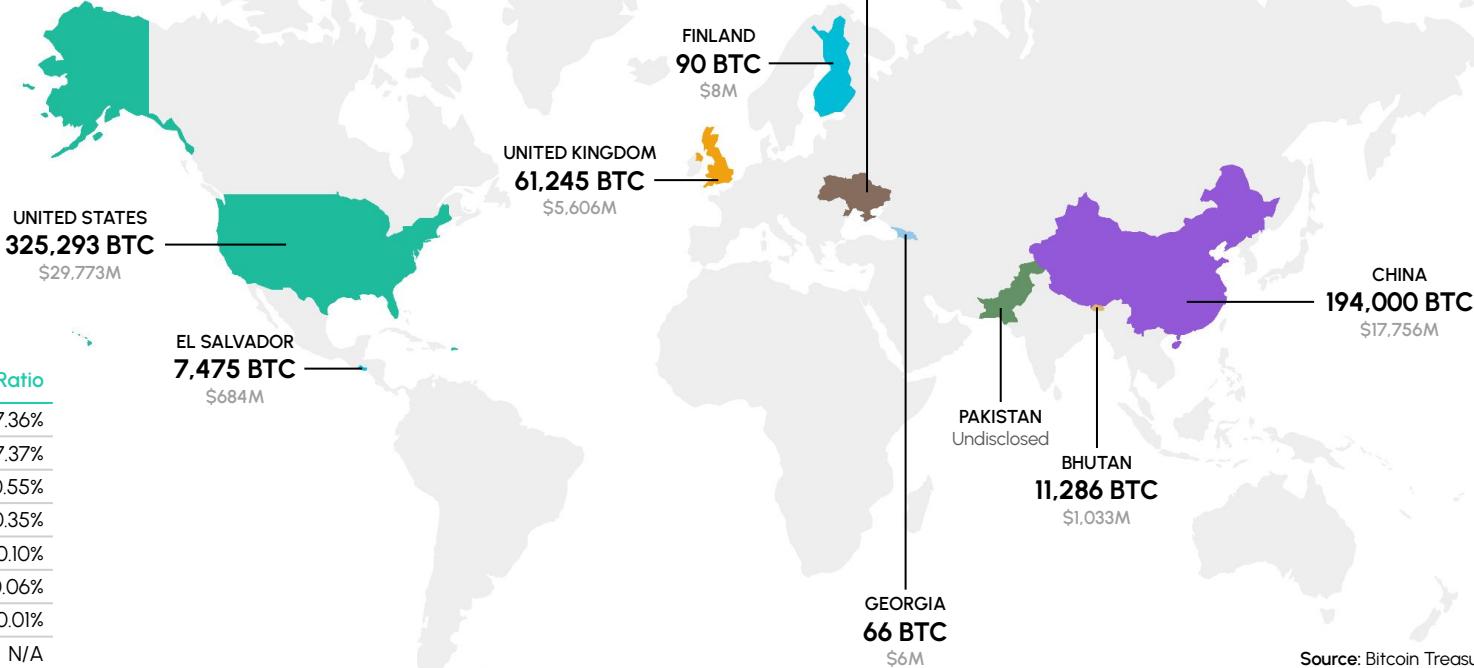
Saudi Arabia — SAMA (Saudi Central Bank)

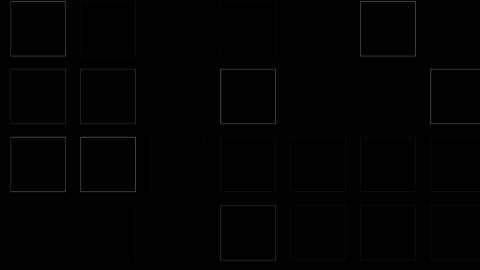
SAMA expanded its regulatory sandbox to support tokenization and permissioned digital-asset payment pilots while maintaining its prohibition on retail crypto trading and unlicensed exchanges.

United Arab Emirates — VARA (Dubai Virtual Assets Regulatory Authority)

VARA issued updated 2025 rulebooks covering conduct, custody, advertising, and institutional exchange standards, and expanded licensing categories for token issuance and specialized service providers.

Countries Holding Bitcoin





Bridging the Market



Entering the Crypto US Capital Markets Era



Crypto's 2025 story began in late 2024, when the U.S. political shift and new regulatory leadership reset the industry's policy outlook. Enforcement-driven uncertainty gave way to a clearer legislative agenda and growing alignment between policymakers and market participants. This change, combined with renewed institutional demand, pushed digital assets deeper into mainstream capital markets. As a result, 2025 became a defining year for the expansion of crypto investment products, treasury adoption and the integration of digital assets into public-market infrastructure.



Expansion of Digital Asset ETFs

ETF offerings broadened meaningfully beyond Bitcoin and Ethereum, enabling greater institutional access and more diversified strategies. The expanded product set accelerated inflows and solidified crypto's role in public-market portfolios.

Macroeconomic Volatility Amplifies Crypto Cycles

Uncertain global economic conditions, from tariff-driven trade tensions to AI-linked tech volatility, amplified crypto price swings. Bitcoin surged to new all-time highs before experiencing year-end corrections, mirroring volatility across global risk assets.

Institutional Treasury Strategies Evolve

Michael Saylor's well-known approach to holding Bitcoin as a corporate treasury asset began inspiring a wave of newly formed digital asset-focused treasury companies. Several of these groups explored similar strategies across a broader set of tokens, signaling a shift in how digital assets were used in balance-sheet management.

A Major U.S. Legislative Milestone

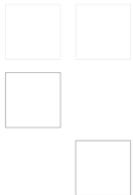
The passage of the GENIUS Act represented the year's most significant legislative achievement for the crypto industry in the U.S. By establishing a clear regulatory pathway for stablecoins, it strengthened the link between digital dollars and U.S. Treasuries, supporting both market confidence and institutional adoption.

Expansion Year for Crypto ETFs

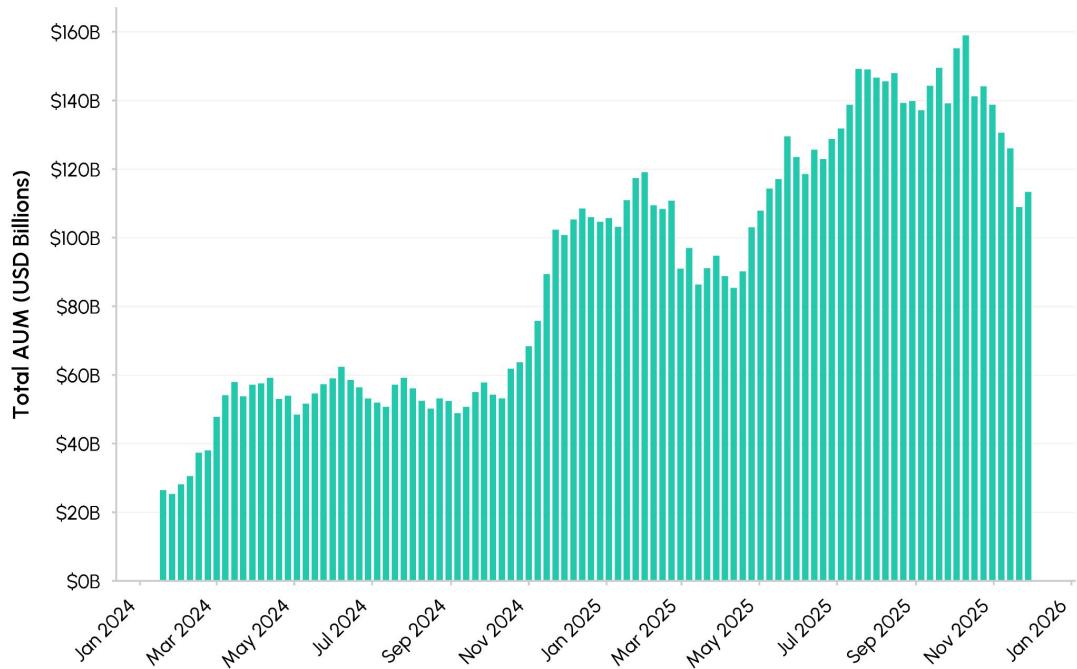


Overview

2025 saw a major expansion of U.S. crypto ETFs, with new products and rising AUM driven by strong institutional demand. But alongside these gains, the market also experienced persistent outflows during periods of volatility, showing that while the ETF ecosystem is growing, investor flows remain highly sensitive to overall market conditions.



Weekly AUM in Spot Bitcoin ETFs (USD)



Source: Talos analysis, Coin Metrics data

Impact and Future of Crypto ETFs



On-Chain Impact

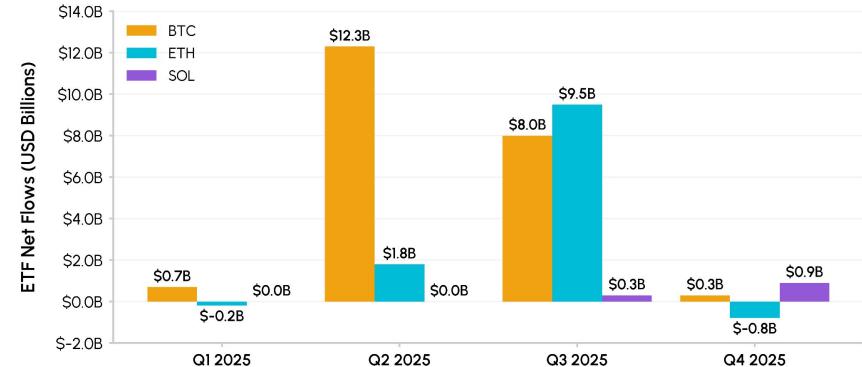
U.S. ETFs continued to pull meaningful portions of circulating supply into regulated investment vehicles. Bitcoin ETFs absorbed 1.3 million BTC, about **6.5% of total supply**, while Ethereum ETFs now hold 6.23 million ETH, roughly **5% of supply**. Early Solana ETF activity adds to this trend, reinforcing how spot ETFs have become a major structural demand source across leading assets.

BTC Supply in Spot Bitcoin ETFs (%)



Source: FactSet

Quarterly ETF Flows by Asset (USD)



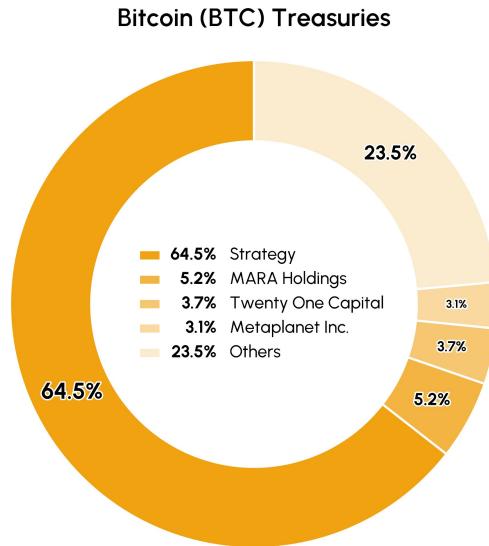
What's Next?

The next wave of ETF innovation is already forming. Issuers are moving beyond single-asset exposure toward multi-token and industry-specific products, highlighted by T. Rowe Price's S-1 filing for a diversified digital asset ETF. New proposals also include staking-enabled ETFs and expanding coverage to assets like Solana, Litecoin and Hedera. With in-kind creation and redemption models gaining momentum, the ETF market is preparing for broader asset inclusion and more sophisticated product design.

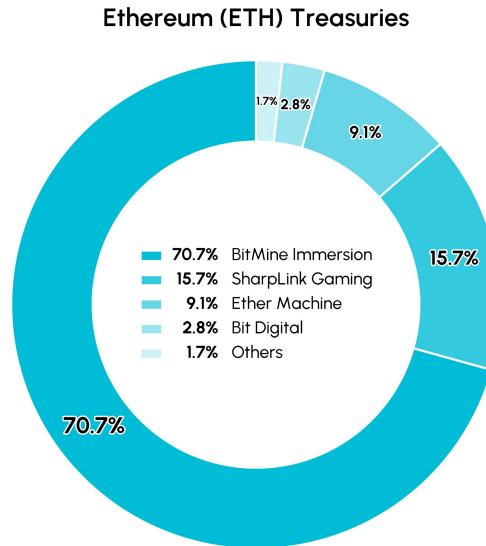


The year of Digital Asset Treasuries (DATs)

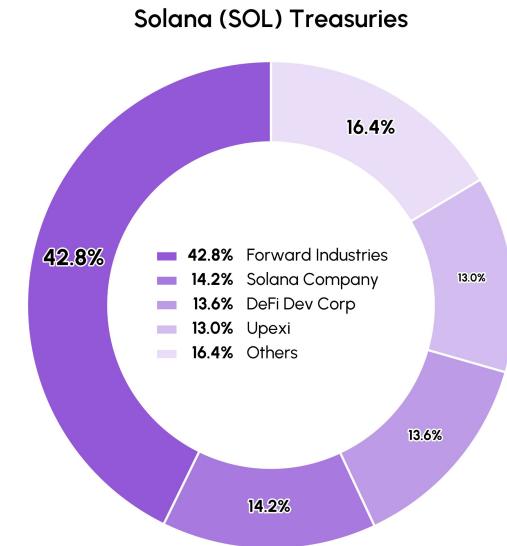
- Digital asset treasuries emerged as a significant source of demand in 2025, expanding market access to major crypto-assets.
- Public companies increasingly used equity, convertible debt and preferred financing to accumulate digital assets on their balance sheets.
- Strategies broadened beyond Bitcoin into Ethereum and Solana, absorbing circulating supply and reflecting interest in proof of stake networks.



1.01M BTC (4.8% of Supply)



15.46M ETH (4.5% of Supply)



16.16M SOL (2.8% of Supply)

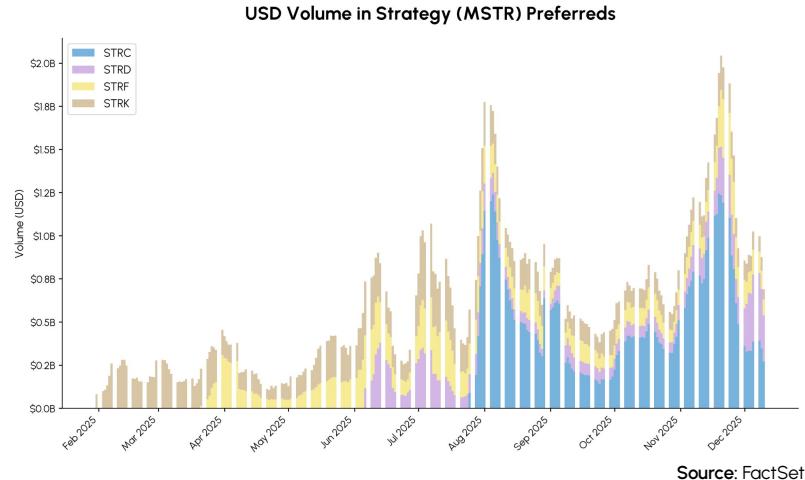
Source: FactSet



Preferred Advance DAT Strategy

Company	Ticker	Price	Mkt Cap (\$Billion)	YTD	52-Week	
					High	Low
Strategy Inc	STRK-US	\$86.04	\$61.9	—	\$129.48	\$79.25
Strategy	STRF-US	\$108.84	\$61.9	—	\$127.80	\$85.05
Strategy	STRD-US	\$74.97	\$61.9	—	\$96.81	\$74.02
Strategy	STRC-US	\$100.00	\$61.9	—	\$100.20	\$88.00
Strategy	STRE-US	—	#VALUE!	—	—	—
Strive	SATA-US	\$92.48	\$0.8	—	\$93.89	\$82.00
DeFi Development Corp.	CHAD-US	—	—	—	—	—

Instrument	FactSet Identifier	Description	Yield	Spread vs STRC
Strive, Inc.	STIVV-US	Preferred stock	12.00%	—
Strategy Inc	STRC-US	Preferred stock	10.25%	—
Bank of America Corp.	BAC	6-month CD	4.18%	6.07%
Wells Fargo & Co.	WFC	6-month CD	4.00%	6.25%
SOFR Term Rates – 1 Month	SOFRTERM1-FDS	Reference rate	3.99%	6.26%
Plan Investment Fund Inc	PIFXX-USA	Money market fund	3.99%	6.26%
Synchrony Bank	SYF	6-month CD	3.98%	6.27%
Par Yield – US Benchmark Bond 1M	PARTTRYUS1-FDS	Treasury bill	3.96%	6.29%
Discover Bank	COF	6-month CD	3.95%	6.30%
JPMorgan Trust I	JGAXX-USA	Money market fund	3.94%	6.31%
UBS Money Series	STPXX-USA	Money market fund	3.94%	6.31%
iShares Prime Money Market ETF	PMMF	Money market ETF	3.93%	6.32%
United States Secured Overnight Financing Rate (SOFR)	USSOFR-FDS	Reference rate	3.91%	6.34%
US Effective Federal Funds Rate	REFFFUNDEF-FDS	Reference rate	3.87%	6.38%
Coinbase USDC reward rate	COIN	Stablecoin	3.85%	6.40%
Charles Schwab Family of Funds	SNVXX-USA	Money market fund	3.77%	6.48%
Principal Funds Incorporated	PCSXX-USA	Money market fund	3.75%	6.50%
Charles Schwab Family of Funds	SNOXX-USA	Money market fund	3.73%	6.52%
Citigroup, Inc.	C	6-month CD	3.44%	6.81%
JPMorgan Chase & Co.	JPM	6-month CD	1.75%	8.50%
EURIBOR (ACT/360) – 1 Month	EURIBOR1-FDS	Reference rate	187%	8.38%



Impact of Preferreds?

Digital asset preferreds, led by MicroStrategy's USD/EUR classes, Metaplanet's yen issue and Strive's offerings, became a meaningful funding channel in 2025. Trading volumes climbed through the year and yields priced well above CDs, money-market rates and USDC reserve yields, reflecting both credit considerations and exposure to corporate Bitcoin-treasury strategies.



Crypto Equities Performance

The NYSE FactSet Global Blockchain Technologies Index tracks the performance of 34 equities with exposure to the blockchain ecosystem. The index is up 42% YTD, outperforming the S&P 500 by 25%.

NYSE FactSet Global Blockchain Technologies Index



Source: FactSet

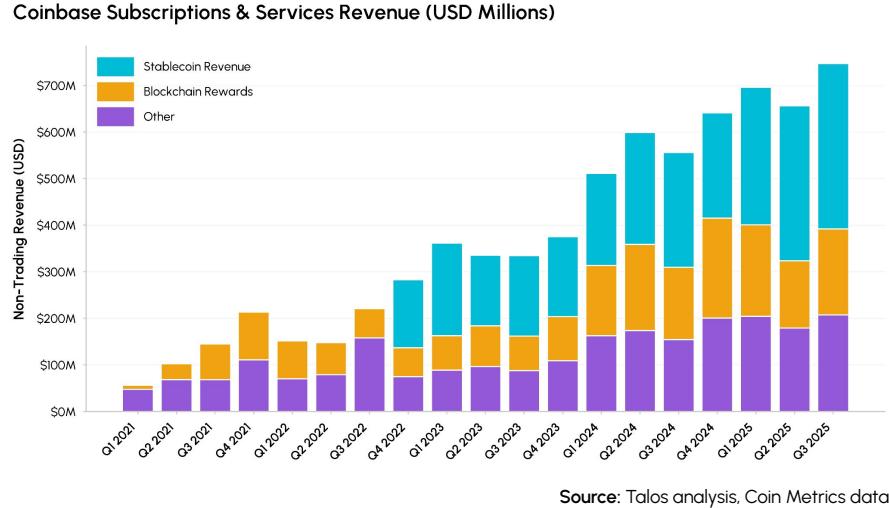
Performance	Name	Symbol	% Index Weight
Previous Close	ICE FactSet Global Blockchain Technologies Index	ICEFDSGBT000	100.00
52 Week High	Coinbase Global Inc	COIN-US	9.75
52 Week Low	Iren Ltd.	IREN-US	9.29
	Circle Internet Group Inc.	CRCL-US	7.93
	Applied Digital Corp	APLD-US	5.07
	Advanced Micro Devices Inc.	AMD-US	5.05
	Bitmine Immersion Technologies Inc.	BMNR-US	4.57
	Riot Platforms Inc.	RIOT-US	4.45
	International Business Machines Corp.	IBM-US	4.27
	Cipher Mining Inc	CIFR-US	4.26
	Core Scientific Inc	CORZ-US	3.93
	Galaxy Digital Inc.	GLXY-US	3.82
	Nvidia Corp.	NVDA-US	3.77
	Mara Holdings Inc	MARA-US	3.77
	Tencent Holdings Ltd.	700-HK	3.55
	Hut 8 Corp.	HUT-US	3.52
	Mastercard Incorporated	MA-US	3.33
	Cleanspark Inc.	CLSK-US	3.28
	Terawulf Inc	WULF-US	3.20
	Robinhood Markets Inc	HOOD-US	1.91
	Bullish	BLSH-US	1.90
	Etoro Group Ltd.	ETOR-US	1.37
	Bitfarms Limited	BITF-US	1.36
	Paypal Holdings Inc.	PYPL-US	1.12
	Oslgroup Ltd.	863-HK	0.91
	Bitdeer Technologies Group	BTDR-US	0.88
	Cambricon Technologies Corp Ltd	688256-CN	0.69
	Hive Digital Technologies Ltd	HIVE-US	0.63
	Block Inc	X1Z-US	0.62
	Bit Digital Inc.	BTBT-US	0.60
	Canaan Inc	CAN-US	0.32
	Sbi Holdings Inc	8473-JP	0.24
	Chaince Digital Holdings Inc.	CD-US	0.20
	Northern Data Ag	NB2-DE	0.09
	Btcs Incorporation	BTCS-US	0.08
	Cango Inc.	CANG-US	0.08
	Coinshares International Ltd	CS-SE	0.06
	Sinohope Technology Holdings Ltd.	1611-HK	0.06
	Exodus Movement Inc	EXOD-US	0.05



Many New Public Crypto Companies

Coinbase (COIN) Digital Asset Exchange	Circle (CRCL) Stablecoin Issuer	Bullish (BLSH) Digital Asset Exchange	Figure Markets (FIGR) Digital Asset Financial Technology Firm
Market Cap: \$63.2B IPO Date: 4/14/21 YTD Performance: 7.8%	Market Cap: \$18.7B IPO Date: 6/5/25 YTD Performance: 6.8%	Market Cap: \$7.0B IPO Date: 8/13/25 YTD Performance: -32%	Market Cap: \$6.2B IPO Date: 9/11/25 YTD Performance: 30%
Gemini (GEMI) Digital Asset Exchange		Galaxy (GLXY) Digital Asset Financial Services & Investment Firm	
Market Cap: \$63.2B IPO Date: 4/14/21 YTD Performance: -69%	Market Cap: \$5.2B IPO Date: 5/16/25 YTD Performance: 25.3%	What's up Next? S1 Filed  BitGo  GRAYSCALE  anchorage digital  kraken	

Exchanges are evolving into super apps



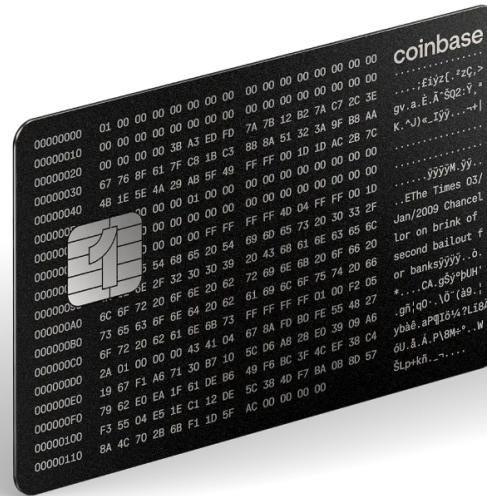
Coinbase's revenue mix reflects this shift:

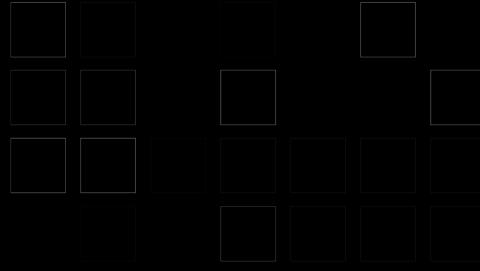
In Q1 2021, Coinbase relied almost entirely on trading revenues (96%).

By Q3 2025, nearly half of revenue (40%) comes from a diversified set of subscriptions and services.

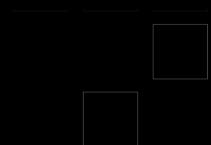
Exchanges are shifting from cyclical, volume-dependent trading businesses into diversified "**everything exchanges**", offering a broad range of services under one roof.

They now generate revenue from staking rewards, stablecoin interest, blockchain infrastructure, tokenized assets, credit cards and more.





Stablecoins

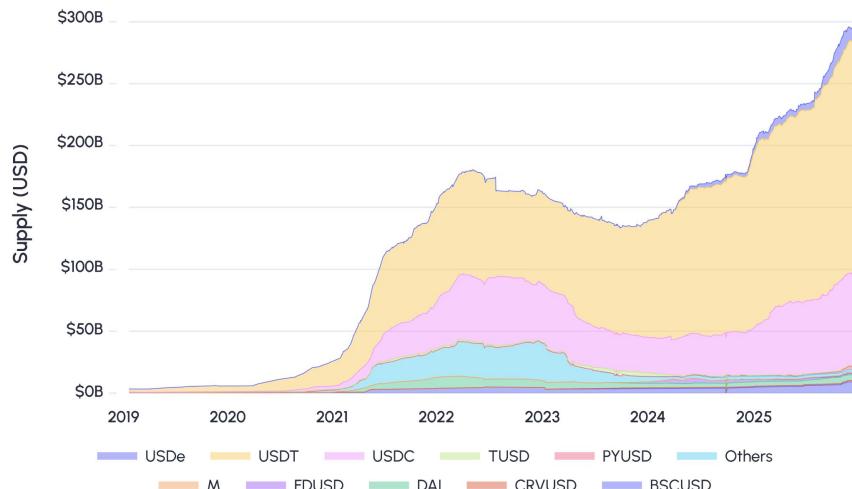


Stablecoins grew ~40% this year, expanding towards \$300B in total supply



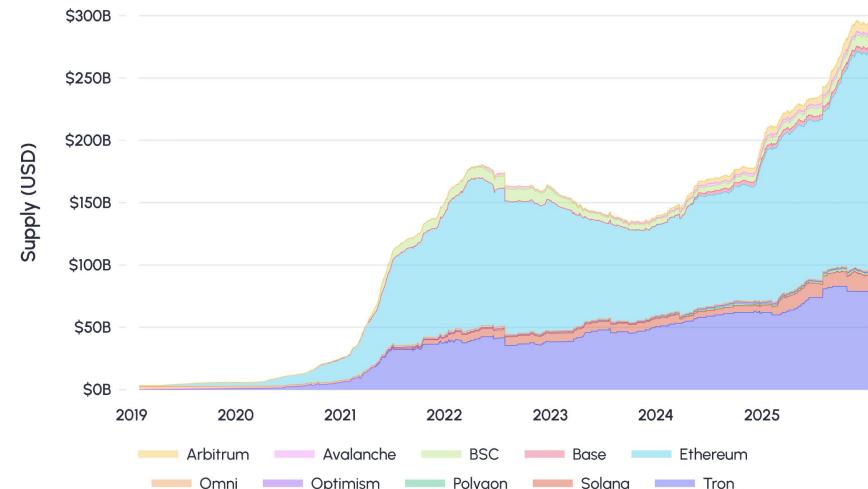
Tether's USDT continues to hold the largest market share (63%), followed by USDC (25%), USDe (2.4%) and Others (9.6%).

Stablecoin Supply by Asset



Among chains, Ethereum (60%) and Tron (27%) are home to the majority of stablecoin supply, followed by Solana (4.3%) and Others (8.7%).

Stablecoin Supply by Network



Source: Talos analysis, Coin Metrics data

From Trading to Real Economic Activity

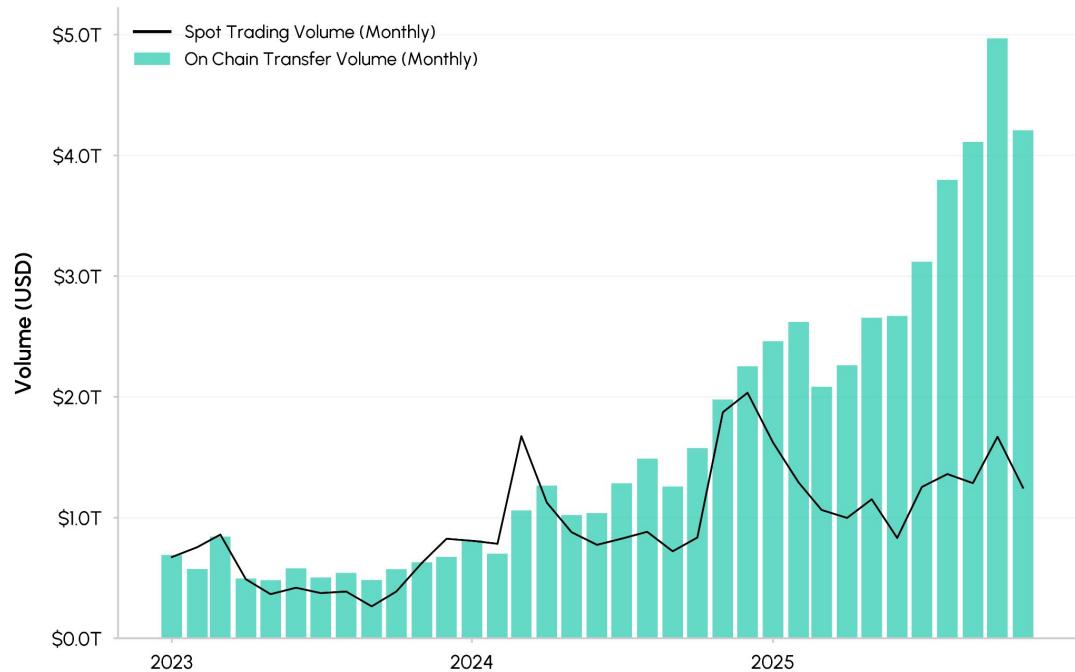


Stablecoin use cases are expanding beyond **trading** into **savings, payments, remittances** and on-chain **financial activity**.

- **2M+** active addresses hold or transfer stablecoins, offering global access to digital dollars
- **\$4T+** in transfer volume per month
- **13M+** daily stablecoin transactions

Stablecoin transfer volume has grown **163%** over the past year, continuing to outpace trading volume growth.

Stablecoin Transfer Volume vs. Trading Volume (USD)



Source: Talos analysis, Coin Metrics data



Stablecoins are extending the Dollar's reach

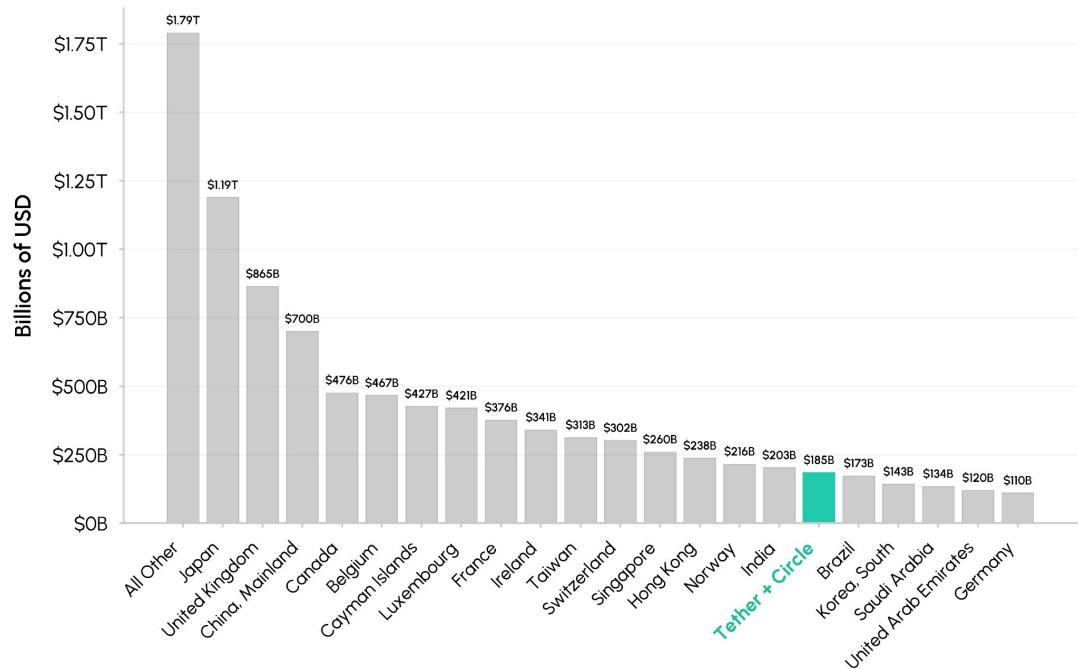
As foreign nations reduce their exposure to U.S. treasuries, stablecoins have emerged as a key source of demand for dollar debt.

Tether and Circle hold over **\$180B in U.S. treasuries**, placing them as the **17th largest** holder globally.

Stablecoins now act as a distribution layer for the dollar, extending its reach in to global, 24/7 markets.

Tether also grew its Bitcoin holdings by 106% YoY to \$9.9B in 2025 and holds 12.9B in gold reserves (*as of September 2025 attestation).

US Treasury Holdings by Country vs. Tether and Circle



Source: Talos analysis, Coin Metrics data



Stablecoins are extending the Dollar's reach

Competition has intensified across every layer of the stablecoin landscape, from settlement chains to issuers, orchestration platforms and distribution channels.

- L1s/L2s are optimizing for stablecoin settlement, while issuers race to capture reserve yield and expand distribution globally.
- Infrastructure consolidation and payment network integrations (Visa, Stripe, Mastercard, Circle) are pulling stablecoins into mainstream financial rails.
- The next phase of competition will focus on liquidity, distribution and interoperability rather than issuance alone.

Stablecoins are bridging on-chain and traditional financial rails

Distribution Layer (Exchanges, Wallets, Apps, Cards)

Infrastructure & Orchestrators



Bridge



CIRCLE

BVNK

Stablecoin Issuers



tether



Ethena



CIRCLE



PAXOS.



PYUSD

Blockchains (Settlement)



ethereum



SOLANA



TRON



base



Plasma



Tempo



Crypto Banks Coming Soon...

Institution	Filing Received	Comment Period		
		Start	End	Conditional Approval
National Digital Trust Company	05/28/2025	05/30/2025	06/30/2025	
Fidelity Digital Assets, NA	06/10/2025	06/11/2025	07/11/2025	12/12/2025
First National Digital Currency Bank, NA	06/30/2025	06/30/2025	07/30/2025	12/12/2025
Ripple National Trust Bank	07/02/2025	07/08/2025	08/07/2025	12/12/2025
BitGo Bank & Trust, NA	07/14/2025			12/12/2025
Paxos Trust Company, NA	08/12/2025			12/12/2025
Nubank, National Association	09/30/2025	09/30/2025	10/30/2025	
Coinbase National Trust Company	10/03/2025	10/03/2025	11/03/2025	
Connectia Trust, N.A.	10/07/2025	10/08/2025	11/07/2025	
Bridge National Trust Bank	10/15/2025	10/14/2025	11/13/2025	
Foris DAX National Trust Bank	10/23/2025	10/23/2025	11/24/2025	

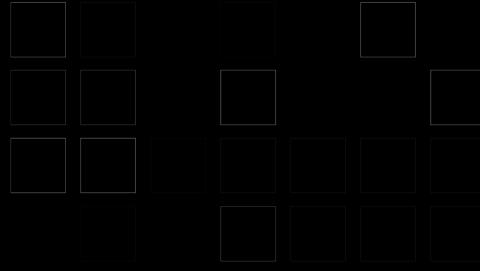
Source: FactSet



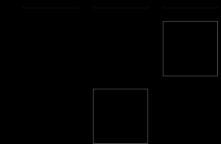
This year **Erebore Bank** received an OCC Banking Charter while **Telcoin Bank** received a Nebraska State Banking Charter

There is a growing wave of digital asset firms seeking federal bank charters and, in some cases, access to Federal Reserve master accounts. In December, the OCC conditionally approved 5 national trust bank charter applications—2 de novo charters (**Circle's First National Digital Currency Bank** and **Ripple National Trust Bank**) and 3 conversions from state trust companies (**BitGo**, **Fidelity Digital Assets** and **Paxos**).

Chartered Banks	Charter	Received
Telcoin Bank	Nebraska DADI	2025
Erebore Bank	OCC	2025
Anchorage Digital Bank	OCC	2021
Kraken Bank	Wyoming SPDI	2020
Custodia Bank	Wyoming SPDI	2020



On-Chain



Bitcoin's Steady Transition in Ownership

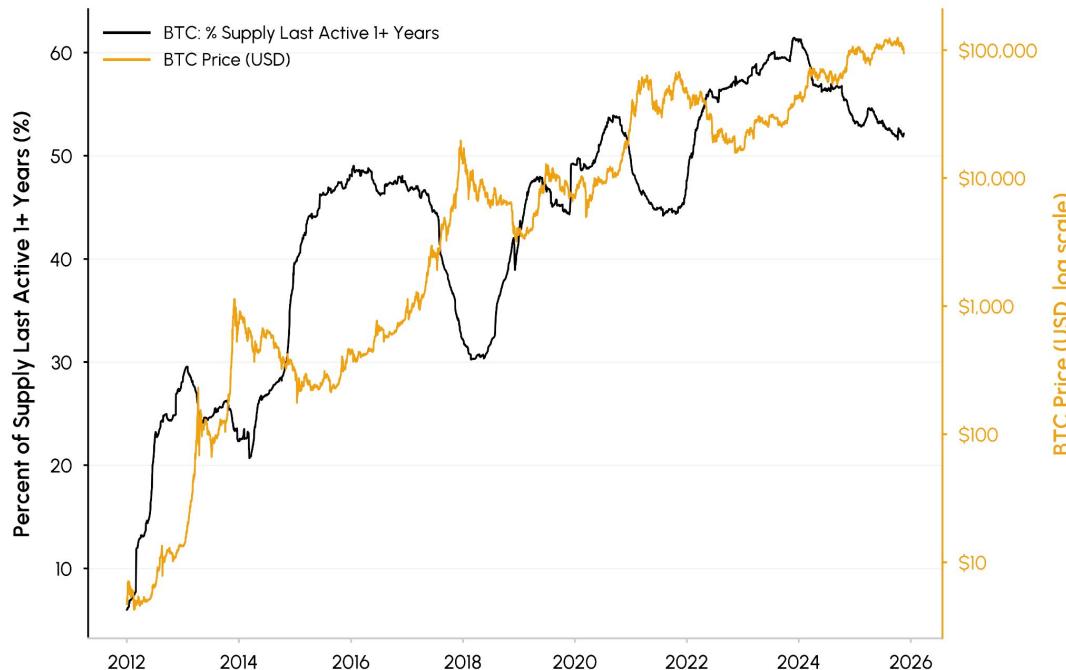
Bitcoin is seeing a steadier transition in ownership, with long-term holders moving coins more gradually, while institutional demand channels provide an anchor.

Roughly 52% of Bitcoin's 19.94M circulating supply has remained inactive for over a year, down from about 61% in early 2024.

This moderation in long-term dormancy challenges the traditional "4-year" cycle, reflecting broader distribution of supply as ownership widens and Bitcoin matures into a macro asset.

Spot Bitcoin ETFs and Strategy absorbed ~57% of the increase in short-term BTC supply since 2024, highlighting their growing influence on Bitcoin's active supply.

Bitcoin: Percent of Supply Last Active 1+ Year



Source: Talos analysis, Coin Metrics data



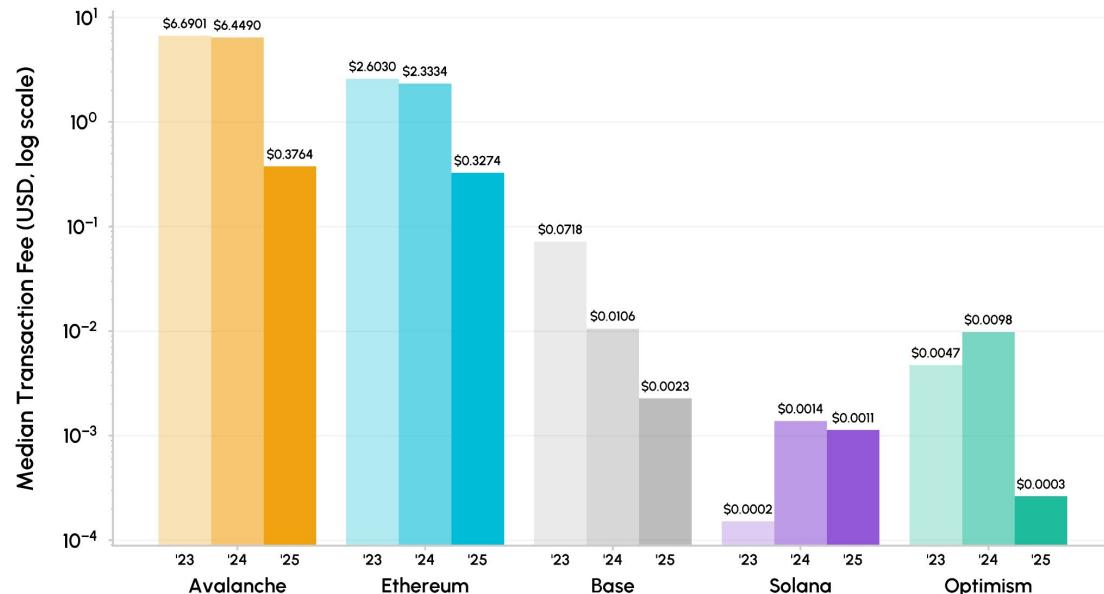
Transaction costs are falling as blockspace scales across major blockchains

Transaction costs continue to fall across major blockchains as scaling upgrades increase throughput and push fees towards sub-cent levels.

Lower cost blockspace is enabling a wider range of on-chain activity, from consumer use cases to higher frequency financial transactions and micropayments.

The number of USDT and USDC transfers below \$1000 surpassed 10 million in 2025, more than tripling year-over-year.

Median Transaction Fees by Network (2023–2025)



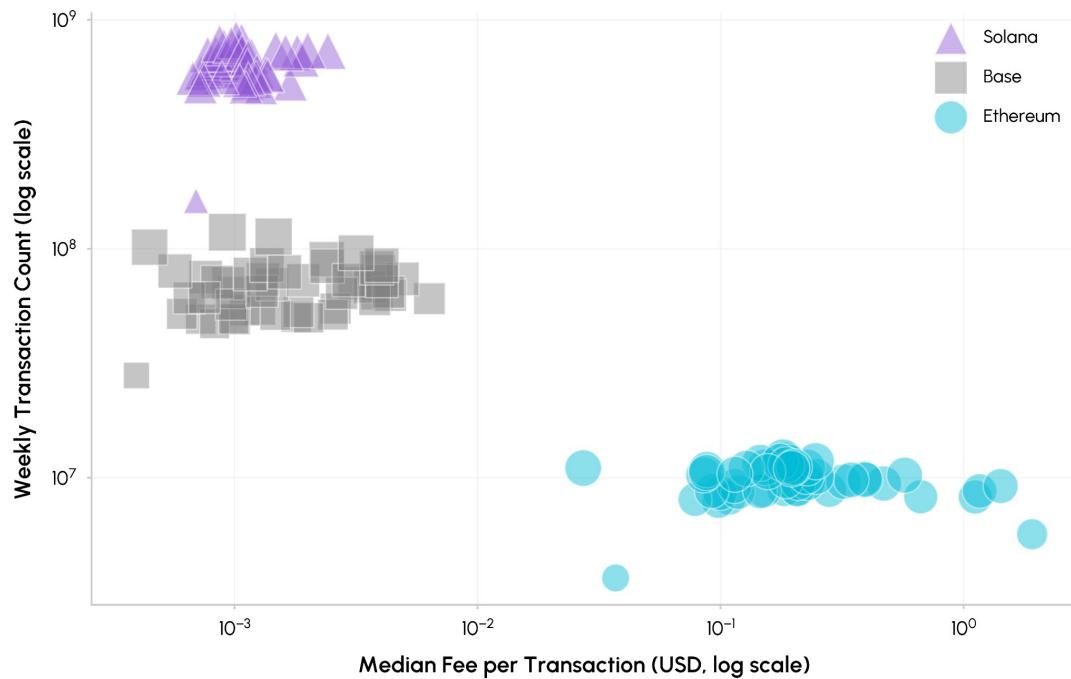
Source: Talos analysis, Coin Metrics data



Network activity is growing and specializing

- As blockspace scales and costs compress, L1s and L2s are evolving into environments optimized for different forms of economic activity, from consumer transactions and payments to high value settlement.
- Ecosystems are increasingly clustering around specific use cases, from payments (Arc, Tempo), institutional finance (Canton), privacy and high performance trading (Hyperliquid, Lighter).
- Liquidity, network effects and ecosystem scale remain key drivers of competitive strength across blockchains.

Smart Contract Platforms: Tx Frequency vs Cost



Source: Talos analysis, Coin Metrics data

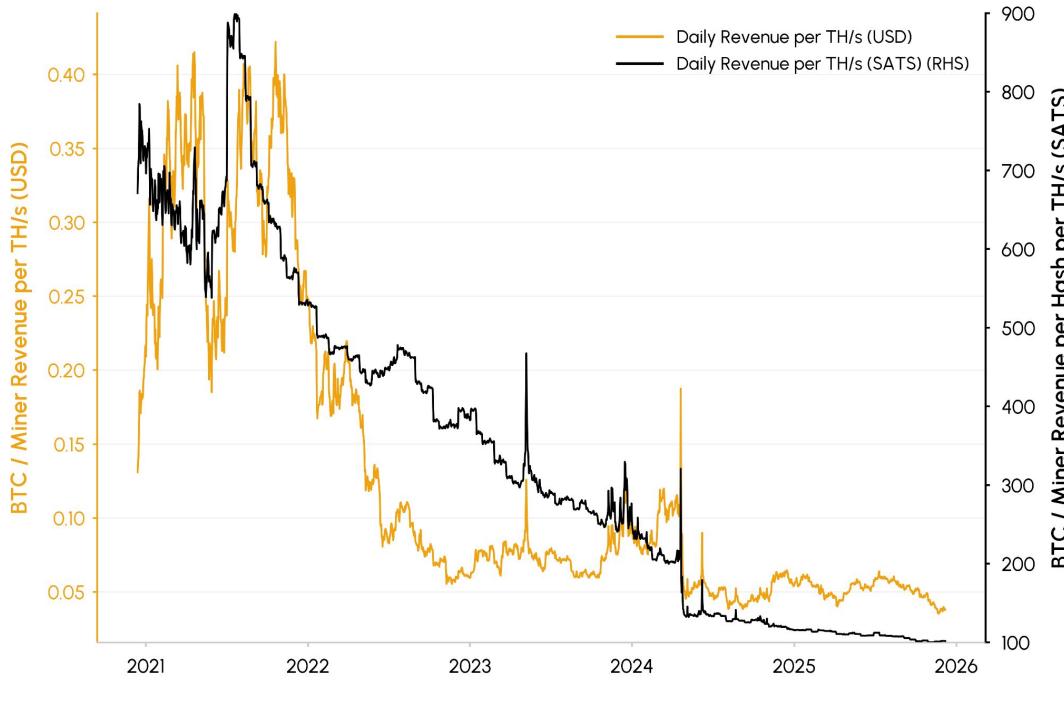


Miners & Bitcoin & AI & Quantum

- Daily miner revenue per TH/s dropped to an all-time low of ~\$0.035 in November 2025 as rising hashrate and post-halving economics compressed margins and intensified competitive pressure across the sector.
- To stabilize earnings, major mining operators accelerated a pivot toward AI and high-performance compute, repurposing power-dense mining sites for GPU workloads that offer significantly higher revenue per megawatt than traditional Bitcoin mining.
- Growing attention to quantum computing risks, highlighted in research such as Project 11, has prompted industry discussion around future-proofing Bitcoin's cryptography, with long-term planning increasingly focused on post-quantum security.

Daily miner revenue per TH/s reached its lowest level ever (\$0.035) in November 2025

Bitcoin Hashprice: Miner Revenue Per TH/s



Source: Talos analysis, Coin Metrics data

DeFi is becoming core on-chain financial infrastructure



DeFi is maturing from experimental primitives into a full stack, on-chain financial infrastructure, spanning trading, credit, yield and more.

Growth in stablecoins, yield-bearing assets and tokenized assets is fueling activity across DeFi, from on-chain trading and perpetuals to lending markets.

Total deposits and outstanding loans on Aave v3 have grown over 7x since 2024, reflecting deeper liquidity and more durable demand.

Aave V3: Total Deposits and Loans



Source: Talos analysis, Coin Metrics data

The Acceleration of Tokenization



The tokenization of real world assets (RWAs) gained significant steam in 2025, with money market funds, commodities and equities migrating onto blockchain rails. Several developments in the year highlight this momentum:

SEC grants DTCC No-Action Letter to tokenize the Russell 1000, ETFs and U.S. Treasuries on blockchains

Galaxy tokenizes GLXY shares on Solana, becoming the first SEC-registered public company to tokenize common stock directly on-chain

Robinhood launches stock tokens, with 400+ tokenized US stocks and private company exposure on Arbitrum for EU customers

Backed Finance launches xStocks, bringing US stock and ETF access to Solana and Ethereum as transferable tokens

Securitize goes public at \$1.25B valuation, with \$4B+ in tokenized funds and assets under management

Demand for Gold expands on-chain, with the market cap of Tether (XAUT) and Paxos (PAXG) reaching a combined \$3.5B

JP Morgan to launch tokenized money market fund (MONY) on Ethereum with \$100 million seed investment

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