



crypto.com

Crypto Market Sizing

Global Crypto Owners Reaching 300M

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Research and Insights



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Executive Summary

- **We expect the number of global crypto owners to reach 1 billion by the end of 2022.** Global crypto population has increased by **+178%** in 2021, rising from 106 million in January to **295 million** in December.
- The overall adoption growth in the second half of 2021 is 37.5%, **13% higher** than the same period in 2020 (33.3%), suggesting an accelerated adoption rate year-on-year.
- Unlike the trend of the first half 2021, Bitcoin drove the growth and outperformed Ethereum adoption in the latter half. Bitcoin also gained market share during Q3-Q4 from altcoins.
- The weakness of Ethereum adoption may result from the emergence of Ethereum competitors like Terra and Avalanche together with the Layer 2 solutions that bridged assets away from Ethereum to other chains.

1. Introduction

We have regularly updated our on-chain market sizing estimates to witness the world transition toward cryptocurrencies since the [first edition](#) of 'Measuring Global Crypto Users' in June 2020. The report's [updated methodology](#) combines on-chain data with blended parameters to estimate the number of global crypto owners. The crypto adoption reached milestones with the number of crypto owners at 106 million (January 2021), 221 million (June 2021) and **295 million** (December 2021).

Crypto adoption was remarkable in the first half of 2021. Heavyweight institutions, such as Tesla and Mastercard, took steps to embrace cryptocurrency. In March, [Visa collaborated with Crypto.com](#) to settle payments in crypto. Furthermore, [El Salvador](#) introduced legislation that will make it the world's first sovereign nation to adopt Bitcoin as legal tender.

In the second half of 2021, crypto adoption remained sustainable. **The overall adoption growth in the second half of 2021 was 37.5%, 13% higher than in the same period in 2020 (33.3%).** There was more and more discussion of crypto in the community (e.g. '[The B Word](#)' event), which functioned as a catalyst for the wider public. Furthermore, institutional adoption also allowed their clients to diversify assets. In summary, crypto cannot be ignored.

In this report, we dynamically updated the parameters below. If you are interested in learning more about the methodology, please view the previous report [here](#).

Item	Description
$r_{BTC\ deposit}$	The rate of users depositing BTC from one exchange to another
$r_{ETH\ deposit}$	The rate of users depositing ETH from one exchange to another
$r_{BTC\&\ ETH}$	The ratio of users holding both BTC and ETH
$r_{\overline{BTC\&\ ETH}}$	The ratio of users owning neither BTC nor ETH
Exchanges	The exchanges included in our on-chain data extraction

The exchanges included in our methodology are:

Exchange	Logo
Crypto.com	
Binance	
Bitfinex	
Bittrex	
BitMax	
Bithumb	
Bitstamp	
Gemini	
Huobi	
Kraken	
KuCoin	
OKEx	
Liquid	
BitFlyer	
Gate.io	
Zaif	
Poloniex	
UPbit	
BitMEX	
Deribit	
FTX	
itBit	
HitBTC	
Bybit	

2. Results

The following tables list the results of calculations for Bitcoin and Ethereum adoption rates as of December 2021.

BTC Calculation Table

Step	Parameter (BTC)	Notation	Result
(1)	User deposit rate	$r_{deposit}$	17.5%
(2)	Total no. of on-chain overlapping addresses	$N_{on-chain\ overlapping\ addresses}$	65,611
(3)	Total no. of on-chain addresses (selected exchanges)	$N_{exchange\ total\ addresses}$	28,432,206
(4)	No. of on-chain non-overlapping addresses	$N_{on-chain\ non-overlapping\ addresses} = (3)-(2)$	28,366,595
(5)	Weighted-average no. of exchanges per user	$k_{addresses\ per\ user}$	3.36
(6)	Selected exchanges' coverage ratio	$r_{total\ market\ share}$	92%
(7)	Total no. of BTC owners	$\frac{[(2) \div (5) + (4)]}{(1) \times (6)}$	~ 176 Mln

ETH Calculation Table

Step	Parameter (ETH)	Notation	Result
(1)	User deposit rate	$r_{deposit}$	25.5%
(2)	Total no. of on-chain overlapping addresses	$N_{on-chain\ overlapping\ addresses}$	10,391
(3)	Total no. of on-chain addresses (selected exchanges)	$N_{exchange\ total\ addresses}$	5,434,617
(4)	No. of on-chain non-overlapping addresses	$N_{on-chain\ non-overlapping\ addresses} = (3)-(2)$	5,424,226
(5)	Weighted-average No. of exchanges per user	$k_{addresses\ per\ user}$	3.36
(6)	Selected exchanges' coverage ratio	$r_{total\ market\ share}$	92%
(7)	Total no. of ETH owners	$\frac{[(2) \div (5) + (4)]}{(1) \times (6)}$	~ 23 Mln

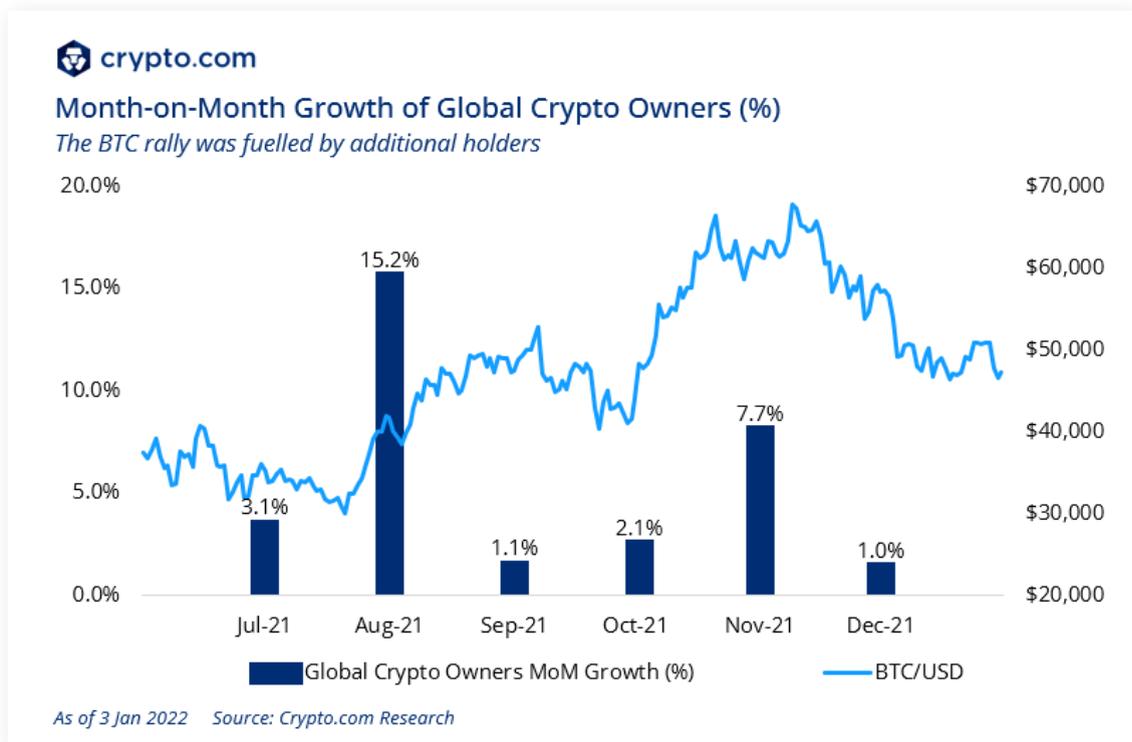
Final Aggregation

Step	Estimates	Notation	Result
(1)	BTC owners	$N_{BTC\ owners}$	~ 176 Mln
(2)	ETH owners	$N_{ETH\ owners}$	~ 23 Mln
(3)	BTC & ETH overlap rate	$r_{BTC\ \&\ ETH}$	23.0%
(4)	Rate of the users own neither BTC nor ETH	$r_{\overline{BTC\ \&\ ETH}}$	47.0%
(5)	Exchange adoption rate	$r_{exchange}$	89%
(6)	Overall crypto population	$\frac{(1)+(2)}{[1+(3)-(4)] \times (5)}$	~ 295 Mln

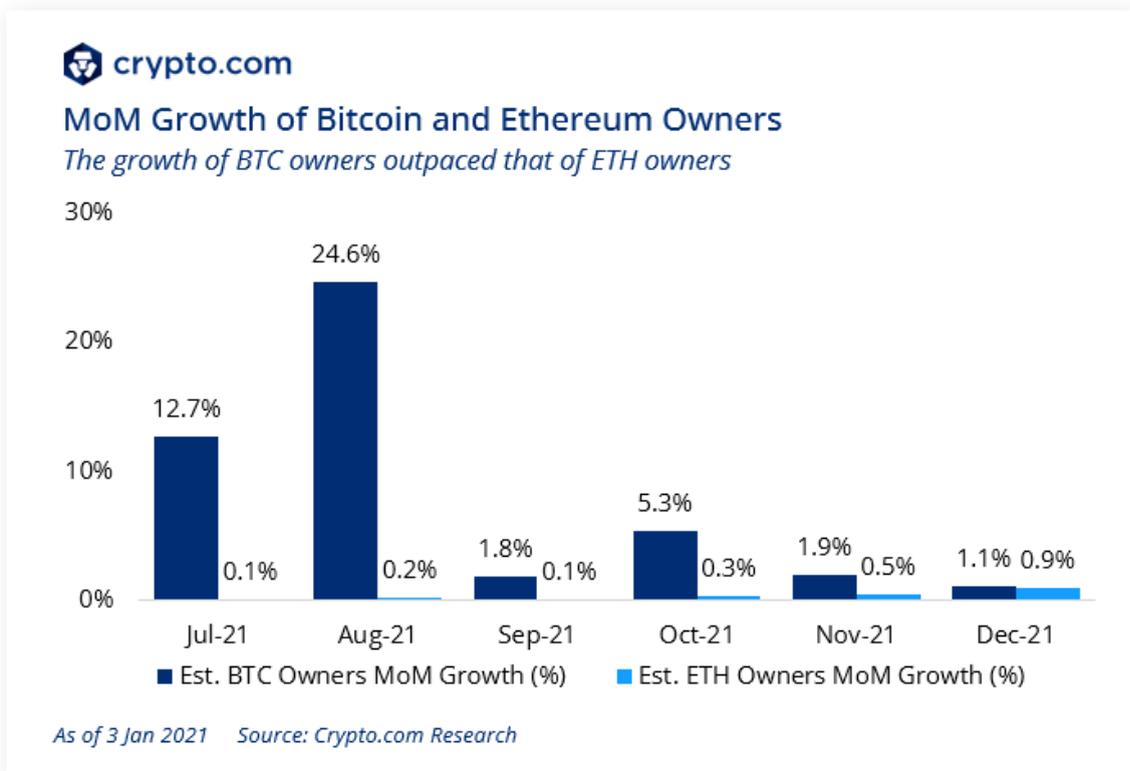
Trends

Now, we look at how the crypto population has trended in the second half of 2021. We observed that August was an exceptionally strong month with a high crypto user growth rate of 15.2%, and this helped to drive Bitcoin’s subsequent stellar performance.

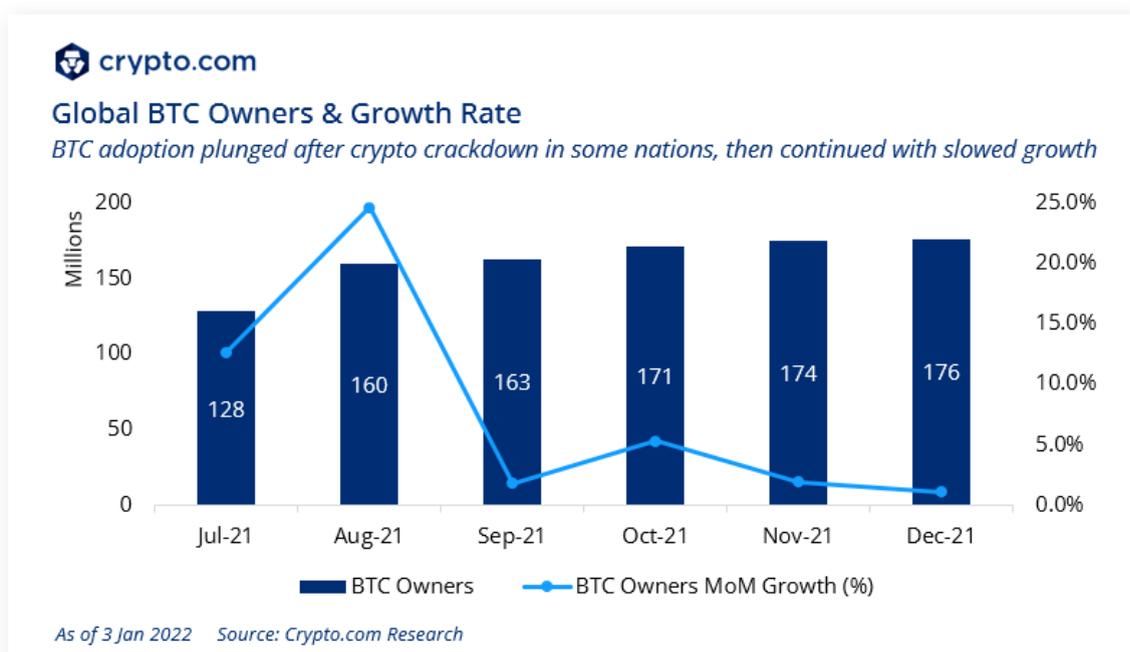




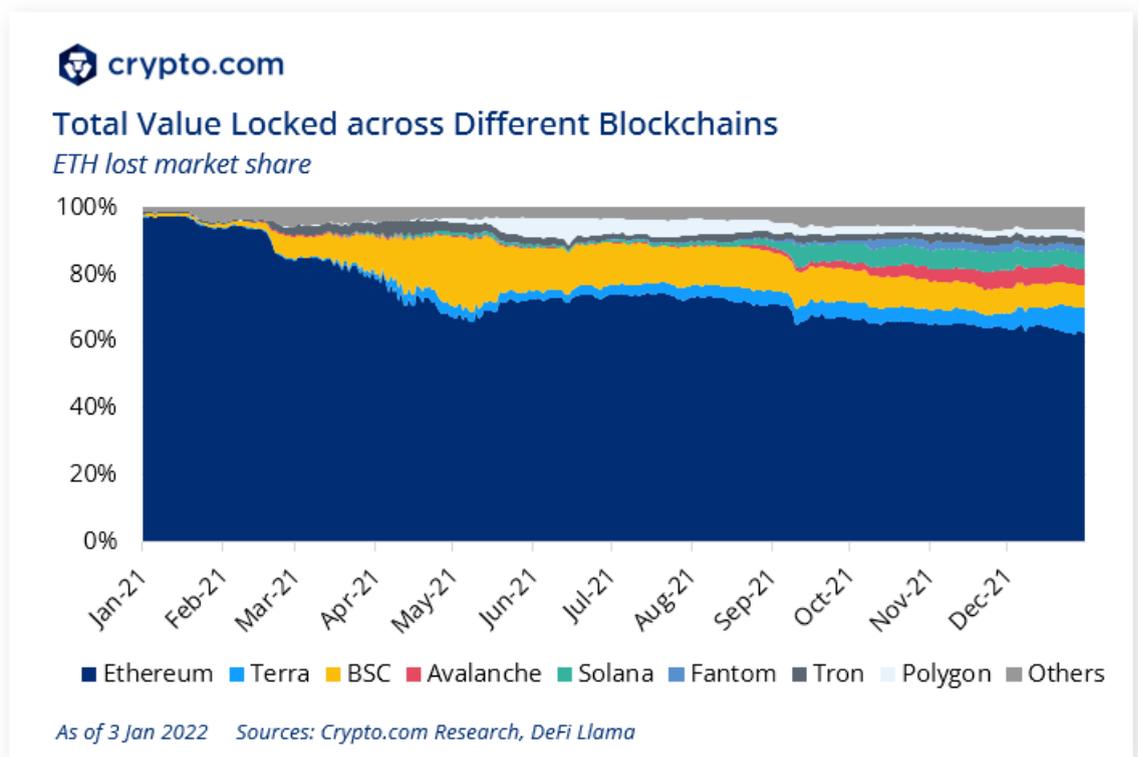
There are several interesting things to note when the data are broken down into Bitcoin and Ethereum users. **Bitcoin users grew by 37.5% from 128 million in July to 176 million in December; while around 23 million users held Ethereum and the rate increased by only 1.4% during the period.**



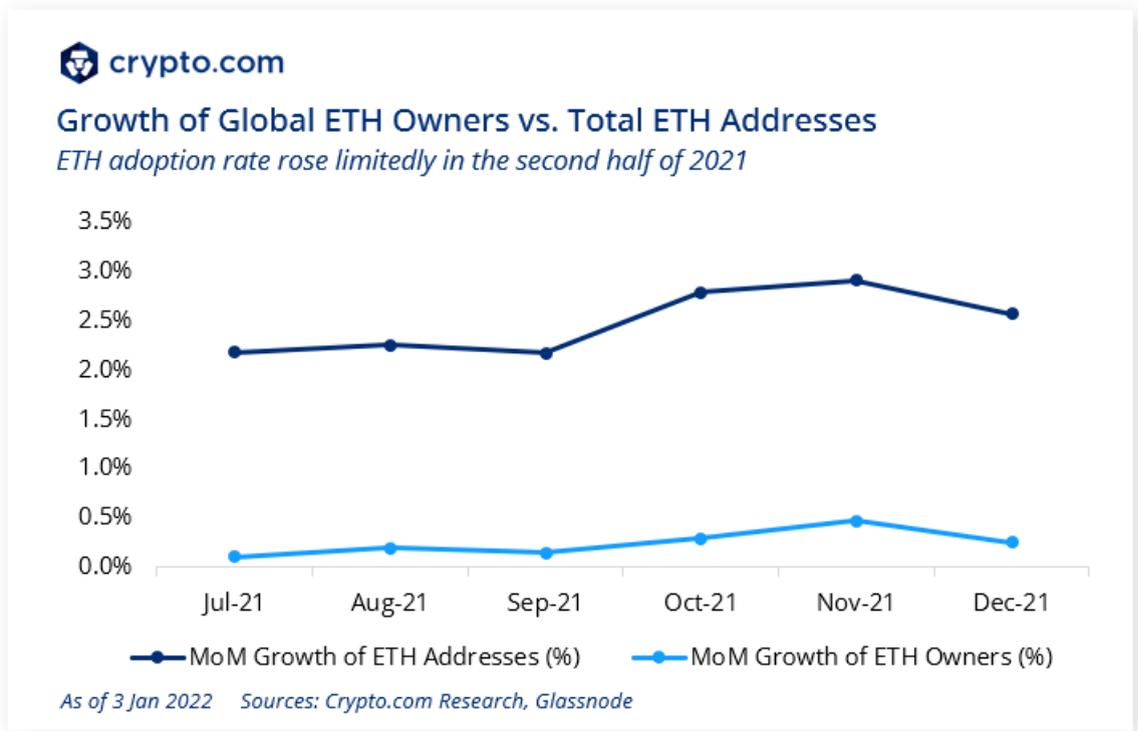
Bitcoin adoption was strong in July and August, boosted by the [‘The B Word’](#) event and [PayPal’s provision of crypto service in the U.K.](#) respectively; while it dropped briefly in September resulting from the restrictions on cryptocurrency trading in some nations. [The first U.S. Bitcoin ETF from ProShares](#) then contributed to Bitcoin adoption in October.



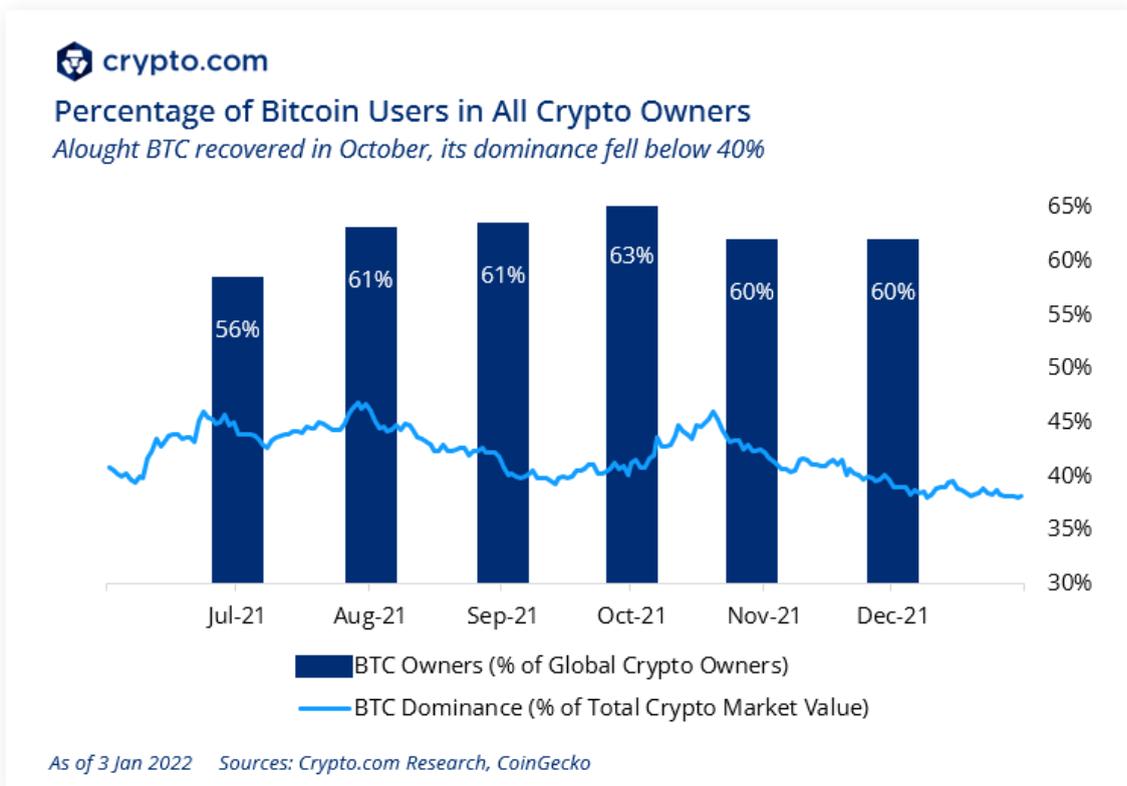
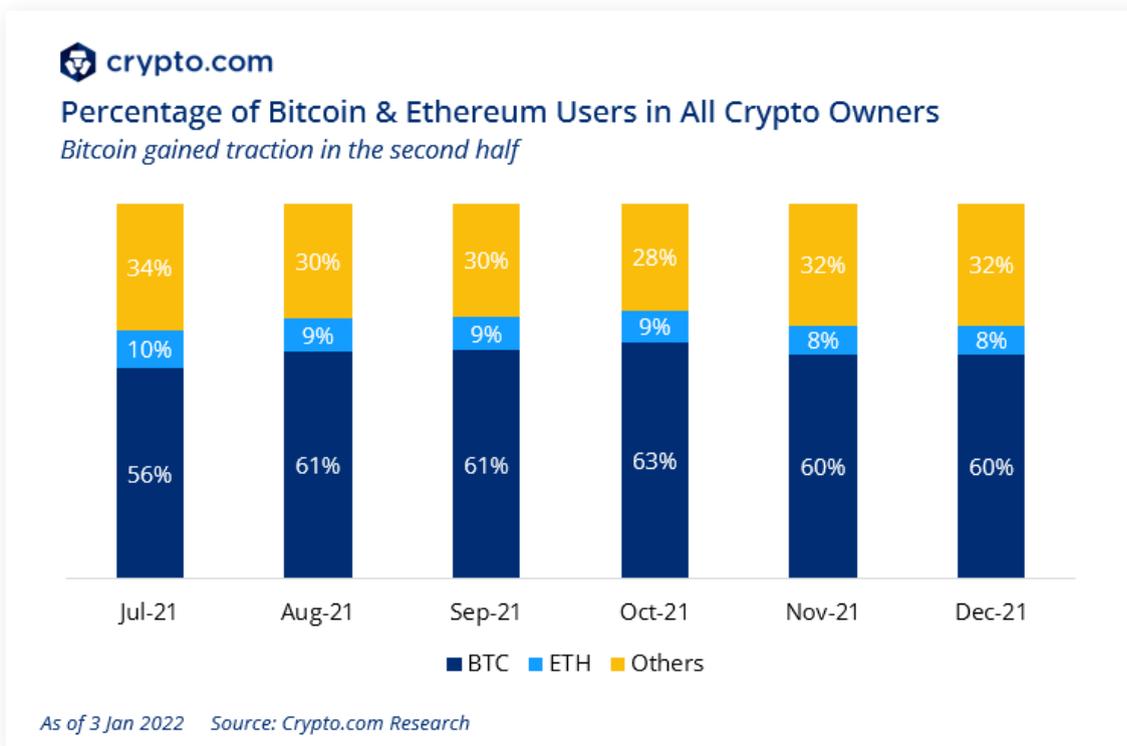
The development of Ethereum’s adoption lagged behind Bitcoin’s. The number of Ethereum users remained steady at around **23 million** and increased by only **1.4%** from July to December. The rate was also dwarfed by the overall growth in the first half of 2021 (64%). This may result from the various EVM compatible blockchains, emerging L2 solutions, and bridged assets away from Ethereum to those new blockchains.



However, the trends of Ethereum adoption was in tandem with the growth of global Ethereum addresses.



When checking the composition of crypto owners, we found that Bitcoin gained market share from 51% in June to 63% in October (its market share dropped from 67% to 51% in the first half) but decreased again in November, while Ethereum was continuously losing market share this year from 13% in January to 8% in December.

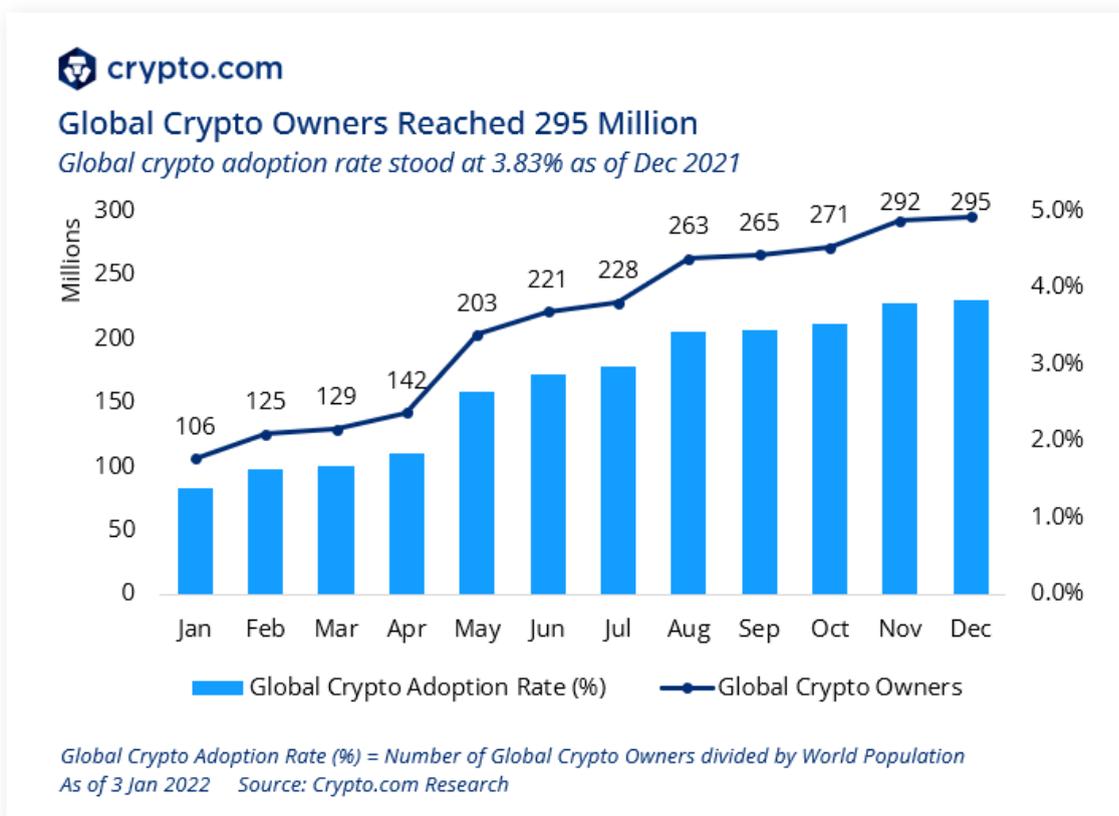


3. Global Crypto Users to Reach 1 Billion by the End of 2022

Nations can no longer afford to ignore the growing push towards crypto by the public. We may in many cases expect a friendlier stance towards the crypto industry:

- We expect developed nations to devise clear legal and taxation frameworks for crypto assets.
- In parallel, more nations facing a highly inflationary economy and depreciating currency may adopt cryptocurrency as legal tender, following the example of El Salvador.

According to our latest research, there were 295 million crypto users worldwide as of 29 December 2021.



In 2021, the number of global crypto owners almost tripled, from 106 million in January to 295 million in December. If we extrapolate a similar rate of increase in 2022, we are on track to reach 1 billion crypto users by the end of 2022.

4. Limitation and Caveats

Our analysis is built on a combination of Bitcoin and Ethereum on-chain data, survey analysis, and Crypto.com's own internal data. While we believe that our updated methodology presents a more accurate estimate than our previous version, it is still subject to the following limitations and caveats:

- Our method assumed that all on-chain users still own crypto today, but it's likely that some may have already sold their holdings.
- We assumed that all the selected exchanges use the same deposit sweeping flows, but we did our best to remove exchanges that use different flows.
- OTC trading and users who have never made on-chain transactions may not be effectively captured.
- Sub-accounts in exchanges may not be accurately reflected.
- Parameters obtained by survey may change over time.
- Since all parameters are at least partially sourced from Crypto.com users (either by survey or internal data), sampling bias is inevitable.
- The result has dependency on the third-party tools and data that we used.

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