

## Coinbase Sees Q2 Profit Decline as Trading Activity Slows Despite Crypto Market Gains

August 1, 2025

— Categories: *Crypto*



Download IPFS

Coinbase Global Inc. reported a decline in adjusted profit for the second quarter of 2025, as subdued trading activity weighed on results despite continued growth in its subscription and services segment. Shares of the cryptocurrency exchange dropped 4% in after-hours trading following the earnings release.

The company reported adjusted net income of \$33.2 million, or 12 cents per share, for the quarter ending June 30. That compares to \$294.4 million, or \$1.10 per share, in the same period last year, marking a steep year-over-year decline due to lower transaction volumes. The decline came even as cryptocurrency prices rebounded during the period, indicating investor hesitation amid ongoing market uncertainty and inflationary concerns.

Transaction revenue for the quarter declined by 2% year-over-year to \$764.3 million. In contrast, Coinbase's subscription and services revenue, which includes custodial fees, interest income on stablecoins, blockchain rewards, and other non-trading business lines, rose 9.5% to \$655.8 million. The uptick suggests that the company's strategy to diversify beyond core trading continues to gain traction.

A significant portion of this services revenue is tied to stablecoin activity, a sector supported by recent policy developments. Coinbase cited optimism surrounding the Genius Act, legislation aimed at creating a regulatory framework for stablecoins, which was passed by the U.S. House of Representatives and signed into law by President Donald Trump in July. The new law is expected to provide greater clarity for digital asset firms and promote broader adoption of stablecoins within financial systems.

Despite broader crypto enthusiasm and Coinbase's inclusion in the S&P 500 Index earlier this year, which has helped lift its stock nearly 54% in 2025, investor appetite for active trading remained limited. The firm noted that overall crypto asset volatility fell 16% sequentially, and that many retail investors opted to hold digital assets in anticipation of further price gains rather than actively trade.

Net profit for the quarter was aided by non-operating gains, including the fair value remeasurement of Coinbase's investment in Circle, a major stablecoin issuer, along with profits from its broader crypto investment portfolio.

As the cryptocurrency sector continues to evolve under increased regulatory scrutiny, Coinbase's performance highlights both the challenges of a cooling retail market and the growing role of non-trading revenue in sustaining earnings during slower periods.