Ethereum's Trillion-Dollar Catalyst

ETH as a Productive Treasury Asset

Key Takeaways

- **Ethereum is entering a new era as it approaches its second decade.** The world's most secure and decentralized programmable blockchain has emerged as the go-to platform for institutions. Just as Bitcoin earned its place as digital gold, Ethereum's native asset is gaining recognition as scarce digital oil.

- **Major entities are racing to accumulate ETH for their long-term strategic reserves, with over 1.7 million ETH added to "Strategic ETH Reserves" in 2025.** As these organizations add ETH exposure, it has become the first productive digital commodity.

- **ETH can be thought of as an Internet bond and staking offers institutions a risk-free way to accrue yield.** As Ethereum's adoption grows and ETH becomes more scarce, institutions will turn their attention to staking and Distributed Validators due to their security benefits.

- **Institutions recognize that ETH will power the global onchain economy.** This is one of the major catalysts that will see Ethereum become a trillion-dollar network in the future.

Ethereum's Institutional Era Is Here

Institutions are embracing Ethereum. As major Wall Street players discover the promise of innovations like stablecoins, DeFi, and RWAs, Ethereum is emerging as their decentralized platform of choice. The likes of BlackRock, JPMorgan, and UBS are building on Ethereum because it dominates each of these verticals while offering substantial decentralization and security benefits.

ETH is also gaining adoption as a treasury asset. Several major corporations have added BTC to their treasuries over the past few years. But more recently, a wave of public companies, DAOs, and crypto-native foundations have begun accumulating ETH for their long-term holdings. Today, over 1.7 million ETH worth ~$5.9 billion has been locked in treasuries, with the total sum reserved doubling year-on-year.

Ethereum is the next global financial layer. Institutions are reserving ETH because they recognize that it is this layer's monetary base. ETH is the first digital asset to offer credible neutrality, scarcity, utility, and yield at once. While BTC was accepted as crypto's first treasury asset, ETH is the first *productive* treasury asset.

In this report, we zoom in on the first organizations to adopt ETH as a strategic reserve asset. We also look to the future, explaining how these early movers will stake ETH next, the role Distributed Validators will play in establishing the institutional staking standard, and why the race to adopt ETH as a treasury asset is a trillion-dollar catalyst for Ethereum.

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1. Why Institutions Will Prefer Digital Oil to Digital Gold

Bitcoin has rightfully earned its place as the world's first digital gold. BTC is a non-sovereign store of value with unique properties that appeal to institutions. But ETH is a more dynamic asset because it powers the global onchain economy. As the world moves onchain, ETH's utility and scarcity will increase in tandem. **If BTC is digital gold, ETH is digital oil.**

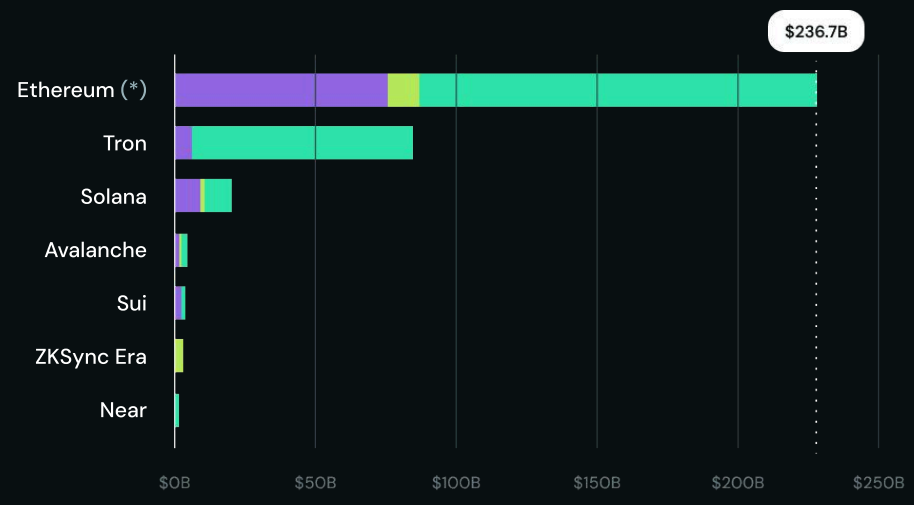
> *What is the best way to capture upside in:*
> *The growth of tokenization? ETH.*
> *The growth of stablecoins? ETH.*
> *Institutional blockchain adoption? ETH.*
> *The potential for a new digital economy? ETH.*
> *A new source of yield in the digital economy? ETH.*
> *An upgrade of the financial system to the Internet era? ETH.*
> *Ethereum infrastructure is in its exponential growth phase. And ETH is the digital oil that powers this digital economy.*

Vivek Raman

ETHEREALIZE CEO

TOTAL CAPITAL SECURED

Ethereum vs. Other Chains



TOTAL CAPITAL SECURED
$236.71B

TOKENIZED ASSETS
$10.46B

STABLECOINS
$142.01B

ASSETS IN APPS
$84.23B

**Ethereum includes the L1 and top L2s.*

SOURCE: ETHEREALIZE

Institutions are beginning to favor digital oil over digital gold and this trend is set to continue over the next decade. There are three reasons why:

1. **BTC Sits Idle. ETH Builds.** BTC has succeeded by acting as a passive store of value. In contrast, ETH has succeeded because it is relentlessly productive. ETH is the indispensable fuel for the world's most decentralized and secure smart contract blockchain. Every operation in Ethereum's sprawling DeFi ecosystem, every NFT mint, and every L2 rollup settlement needs ETH as transactional fuel. Since EIP-1559 went live in August 2021, Ethereum has burned ~4.6 million ETH worth ~$15.6 billion at current prices, which illustrates the asset's role as a digital oil powering onchain economy. **Ethereum secures ~$237 billion across the L1 and top L2s** today and demand for ETH will grow as more of the global economy moves onchain. Ethereum also has a 57% share of the RWA market and 54.2% share of the total stablecoin supply. In short, Ethereum is winning on multiple metrics and ETH is the fuel that powers its ecosystem.

2. **BTC Is Inflationary. ETH Is Becoming a Disinflationary Commodity.** Bitcoin's supply schedule is fixed, with a current issuance rate of ~0.85% that programmatically decreases over time. As block rewards decrease by 50% every four years, miners will increasingly rely on transaction fee revenue to fund their operations. Some argue that Bitcoin's security budget is a looming threat. Ethereum adopts a different monetary policy that's directly tied to its economic activity. ETH has a gross issuance cap of 1.51% to incentivize network security, but with ~80% of all transaction fees burned via EIP-1559, ETH's net issuance has averaged 0.1% annually since The Merge.

   ETH frequently experiences periods of net deflation and the total supply (currently just under 120 million ETH) is poised to decline as demand for Ethereum blockspace grows. In other words, as Ethereum gains adoption, ETH becomes more scarce.

3. **BTC Yields Nothing. ETH Is a Yield-Bearing Asset.** Bitcoin does not generate native yield. But ETH is a productive digital commodity. ETH stakers can secure Ethereum as validators and reliably earn a real yield (nominal yield - issuance) of ~2.1% today. Stakers earn ETH emissions and a share of transaction fees (i.e. the portion that does not get burned) with no counterparty risk, which incentivizes long-term holding and active network participation. ETH differs from every other major crypto asset in that validator yields increase as Ethereum's economic throughput expands.

> *The most underrated issue in crypto: Bitcoin's anaemic fees and collapsing security budget. Something big has to break—the 21 million meme, PoW orthodoxy, or Bitcoin's 62.5% dominance. The status quo is unsustainable. Seismic changes are coming.*

Justin Drake

RESEARCHER AT THE ETHEREUM FOUNDATION

ETH as the World's Premier Treasury Asset

ETH is the world's premier treasury asset because it offers several unique properties. ETH fulfills three core requirements in a way that no other asset can:

- **Pristine Settlement Collateral.** As the new economy continues to build on tokenized assets that carry issuer and jurisdictional risks, the financial system needs a credibly neutral, non-sovereign collateral asset. That asset is ETH. Besides BTC, ETH is the onchain economy's only "pristine" collateral, offering entire independence from external counterparty risk. Ethereum's **$237 billion in secured value** makes ETH the foundational, censorship-resistant bedrock of the next financial system.

- **A Liquid, Strategic Reserve Asset.** ETH is the most liquid, most dominant asset in DeFi trading pairs. ETH's role in the onchain economy is analogous to that of USD in traditional forex markets. Its deep liquidity and expansive utility is what spurred a race among DAOs, foundations, and public companies to stockpile ETH as a strategic asset. The "Strategic ETH Reserve" is rapidly expanding and accumulators are benefiting from its programmability. While BTC sits idle in treasuries, ETH can be deployed to automate and enhance treasury operations through use cases like staking and collateralized borrowing.

- **A Source of Protocol-Native Yield.** Corporate treasurers seek yield but accruing it without taking on significant credit or counterparty risk is difficult. ETH staking offers treasurers a risk-free yield of 2-4%, derived directly from emissions for securing the L1. This means treasurers get access to a productive, cash-flow-generating instrument for their reserves, directly aligning their balance sheet with the growth and security of the new economy's foundational layer.

> *ETH is on the path to becoming a global, institutional-grade, store of value asset with big firms both accumulating ETH and building on Ethereum.*

Anthony Sassano

THE DAILY GWEI CREATOR AND ETHEREUM EDUCATOR

The Internet Bond

With staking offering a protocol-native yield, **ETH has become the world's first "Internet bond."** Historically, corporate treasurers have allocated to sovereign bonds (worth ~$80 trillion) and corporate bonds (worth ~$40 trillion). ETH staking has created a third class of bonds with broad understanding of the issuance, risks, and yield profile. Today, this market is several orders of magnitudes smaller than sovereign and corporate bond markets. But unlike corporate and sovereign bonds, ETH does not have a maturity date and yield is generated in perpetuity. ETH staking also eliminates counterparty risk since yield is generated by the protocol; there is no default risk on the bond issuer.

ETH staking offers treasurers a risk-free yield derived from emissions. This means they get a productive instrument.

ETH acts as a global, censorship-resistant commodity whose yields are independent from traditional rate cycles. Today, the Federal Reserve's funds rate sits between 4.25% and 4.5%. ETH stakers, meanwhile, currently earn a real yield of ~2.1%. Capital allocators tend to favor risk assets over T-Bills when interest rates drop because the cost of borrowing capital decreases. That institutions have an appetite for ETH staking while T-Bills are paying a higher yield is a sign of their strong conviction. Should rates fall, these early movers could benefit from earning a higher yield on a base asset that also appreciates as the market's risk appetite increases.

THE INTERNET BOND

Ethereum vs. Global Sovereign Bond and Corporate Bond Markets

SOURCE: BIS, OECD

For more on how ETH is gaining adoption as a digital oil, store of value, and reserve asset, see Etherealize's The Bull Case for ETH report.

2. Major Entities Are Racing to Accumulate ETH

> *Crypto has firmly established itself as a legitimate asset class, with Bitcoin serving as the gateway for institutions. But ETH is the natural evolution. It shares BTC's store of value appeal, while offering native yield and securing the growing onchain economy of stablecoins, RWAs, and DeFi. The Strategic ETH Reserve highlights this major shift: Institutions accumulating ETH as a long-term strategic reserve asset.*

Fabrice Darice

COINBASE PAYMENTS AND STRATEGICETHRESERVE.XYZ BUILDER

ETH treasury strategies are now live across many public companies and Ethereum-native organizations. Most aim to generate yield. Others treat ETH as the base currency for long-term operations. Many do both.

According to data from Strategic ETH Reserve, over 1.7 million ETH worth ~$5.9 billion (representing ~1.44% of the supply) is held in strategic reserves today.

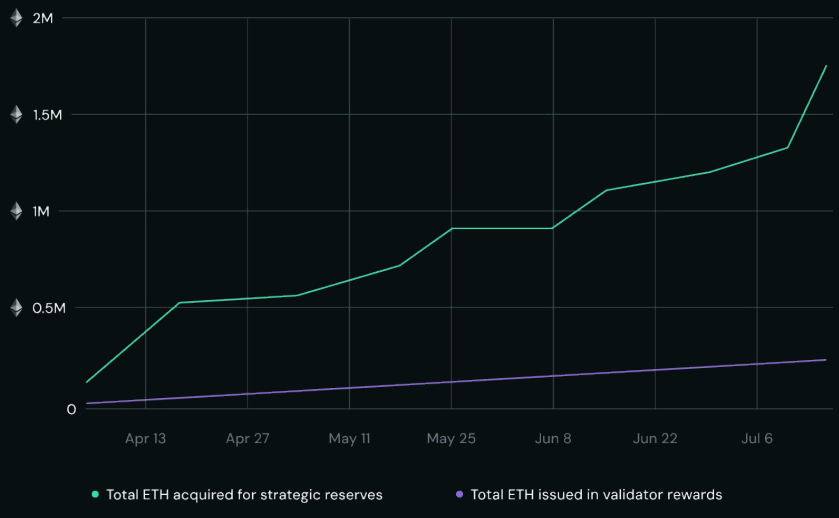
Since the strategic reserve race started to gain pace in early Q2, the amount of ETH accumulated through entities like Bit Digital and BitMine has far outpaced the amount of ETH emissions paid to validators. As this race intensifies, ETH is experiencing more and more deflationary pressure.

> *Ethereum has been widely recognized as the default platform to build on. Now with institutional demand for ETH as a store of value, ETH has become the default asset. Institutions are racing to stockpile ETH for their treasuries as a store of value asset and the competition is just getting started. This demand greatly outstrips supply and will send ETH to five digits and beyond.*

hanniabu

ETHEREUMADOPTION.COM CREATOR AND ETHEREUM ECOSYSTEM BUILDER

Total Strategic ETH Reserve vs. Total ETH Issued



STRATEGIC ETH RESERVE
1,737,258 ETH

TOTAL ETH RESERVED IN USD
$5,917,100,440

PARTICIPANTS
53

% OF ETH SUPPLY
1.44%

SOURCES: STRATEGIC ETH RESERVE, ULTRA SOUND MONEY

ENTITY	DESCRIPTION	HOLDINGS
BitMine Immersion Technologies Inc. (NASDAQ: BMNR)	BitMine is an early Bitcoin mining firm that announced a $250 million raise to launch an Ethereum treasury strategy in June 2025. With the pivot, the firm also announced it had appointed Fundstrat CIO Tom Lee as Chairman of its board of directors. Lee has since called for a five-figure ETH price target and described stablecoins as crypto's "Chat-GPT moment."	300,657 ETH
SharpLink Gaming (NASDAQ: SBET)	SharpLink made headlines in 2025 when it raised $425M to transition from Web2 gaming to an Ethereum-native strategy. The firm is now one of the world's largest ETH holders.	280,706 ETH
Coinbase Inc. (NASDAQ: COIN)	Coinbase has exposure to ETH through its treasury and Base, its Ethereum L2. While the company's ETH holdings are not publicly disclosed, Coinbase earns ETH via sequencer fees and staking operations. The firm has also committed to allocating 10% of its profits to crypto assets.	~137,300 ETH
Golem Foundation	The decentralized compute network Golem has held a large ETH reserve via its foundation since its 2016 ICO. The project also helped create Octant, a community-driven platform designed for decentralized governance and funding experiments. Octant uses ETH staking rewards from Golem Foundation's treasury to fund many of its operations.	101,158 ETH
Bit Digital (NASDAQ: BTBT)	After launching as a Bitcoin mining firm, Bit Digital announced a pivot to focus on Ethereum staking in July 2025. As part of the move, the firm also raised $172 million in public equity and sold 280 BTC to accumulate ETH.	100,603 ETH
Gnosis DAO	Launched as one of the earliest prediction markets, Gnosis now governs Gnosis Chain and pioneered Gnosis Safe and CoW Swap. The DAO's treasury is managed by GNO holders and funds tooling, infrastructure, and onchain coordination. The DAO's assets are primarily denominated in ETH.	66,587 ETH
Lido DAO	Lido governs the largest liquid staking protocol on Ethereum. The DAO's treasury earns ETH from protocol staking fees, which gets reinvested into ecosystem expansion, protocol R&D, and risk management. This creates a powerful yield-based flywheel.	~37,400 ETH

ENTITY	DESCRIPTION	HOLDINGS
BTCS Inc. (NASDAQ: BTCS) BTCS	BTCS Inc. was one of the earliest firms to launch a major Ethereum strategic reserve, having focused on ETH accumulation since 2021. With its latest July 2025 raise for $100 million, the firm has announced plans to acquire more ETH for its reserve.	~31,900 ETH
Ethereum Name Service (ENS) ens	ENS maps readable names like vitalik.eth to Ethereum addresses, with funds coming from .eth registrations. The ENS treasury supports protocol upgrades and ecosystem development, maintaining a reliable service that aligns with Ethereum values.	~28,600 ETH
Arbitrum DAO ARBITRUM HUB	The Arbitrum DAO holds ETH in its treasury, which is mostly derived from L2 revenue. Arbitrum has consistently maintained alignment with Ethereum and the DAO has signaled its belief in ETH through its treasury allocation. Of the leading L2 ecosystems, Arbitrum DAO has some of the largest ETH holdings.	~22,200 ETH
Status status	Status is an open-source Ethereum OS with a wallet, messenger, and Web3 browser. Status uses ETH raised in its 2017 ICO to fund ongoing privacy-first development and treats its holdings as a long-term strategic reserve.	~21,000 ETH

The Strategic ETH Reserve website tracks the above entities alongside other organizations building strategic ETH reserves.

3. ETH Is a Productive Asset

It's clear that institutions are adopting Ethereum the network, and ETH is becoming their accompanying asset of choice. All signs point towards institutional demand for ETH staking soaring as treasury yields drop, because these entities want a real yield on their capital, and staking offers them it with the lowest risk. We see Distributed Validators playing a crucial role in this story because institutions place such a big focus on security and minimizing counterparty risk in their capital allocation strategies.

Oisin Kyne

OBOL CO-FOUNDER AND CTO

STRATEGY	DESCRIPTION	YIELD	RISK PROFILE
Centralized Lending Desks	Centralized Lending Desks offer attractive returns versus other approaches. But they expose users to opaque balance sheets, borrower defaults and systemic contagion (as seen in June 2022).	2-5%	High High counterparty and rehypothecation risk
DeFi Lending Markets (e.g. Aave, Compound, Morpho)	Fully onchain and composable, DeFi lending markets offer ETH holders a way to put their holdings to work. But returns vary and they carry smart contract risk, so choosing robust solutions is vital.	1-5%	Medium Smart contract risk and volatile yields
Liquid Staking Tokens (e.g. Lido)	The LST ecosystem offers a wide range of optionality for ETH holders looking to boost their yield. Options range from ultra-secure, battle-tested protocol to newer, higher-risk offerings.	2-6%	Medium Smart contract risk, oracle risk, and slashing risk
Native ETH Staking (e.g. Solo Staking or Squad Staking)	Native ETH staking involves staking ETH directly onchain without any exposure to smart contract risk, oracle risk, or intermediaries. Stakers receive cryptoeconomic rewards for validating Ethereum and contributing to network security.	2-4%	Low Slashing risk (which is very low) and duration risk (there is a queue to withdraw your principal that typically lasts ~27 hours)

Why Staking Wins (and Where Distributed Validators Fit In)

ETH staking is structurally different from all other ETH yield options. This is because it offers a predictable, protocol-level yield tied to security incentives and network adoption.
Of all the strategies ETH holders may use to accrue yield, staking is the only option that does not create exposure to borrower, counterparty, or credit risk.
Ethereum-aligned entities like Bit Digital already recognize that ETH staking is the optimal approach for accruing yield on their holdings. As more institutions adopt the strategic ETH reserve playbook, ETH staking will in turn attract more entities because it offers a low-risk approach to get upside from "the Internet bond."

ETH staking is the optimal approach for institutions seeking yield because it offers a near risk-free rate versus other strategies.

But while treasurers recognize that native staking is the clear strategic choice, they have other considerations to make. The question for these entities is not only *if* they should stake—they must also ask *how* they should stake to achieve institutional-grade security and resilience. While legacy validators are effective, they create a single point of failure. Distributed Validators (DVs) like Obol solve this problem. A DV carries the following characteristics:

- A single Ethereum validator (with 32+ ETH staked) split across multiple nodes.
- Uses Distributed Key Generation (DKG) to avoid single-point, private key risk.
- Maintains functionality even if up to ⅓ of the nodes go offline.
- Achieves equal or superior performance to legacy validators.

Although the DV space is still nascent, many pioneering entities building strategic ETH reserves already use DVs today. In doing so, they benefit from:

- **Institutional-grade key security:** The key to a DV is never stored in a single location and no single operator can access it, offering users enhanced security.
- **Fault Tolerance:** Users are not exposed to solo operator risks such as penalties or missed rewards.
- **Middleware Design:** The world's top staking operators trust middleware infrastructure like Obol's Charon, which offers them a way to decentralize their operations without making major modifications.
- **No exposure to longtail assets required:** Treasuries do not need to add positions to longtail assets to stake ETH. There's no collateral asset, bonding or liquidation mechanism to consider.

How Obol Decentralizes Ethereum With Distributed Validators

Obol is the market leader of Distributed Validators, trusted by leading entities like Lido, ether.fi, Blockdaemon, Bitcoin Suisse, and many other key industry players. As more institutions turn their attention to ETH staking, Distributed Validators are poised to grow due to the security benefits they offer.

To learn more about why the next wave of corporate treasuries are likely to use DVs to stake their ETH, head here.

4. Why ETH Is a Trillion-Dollar Opportunity

> *Ethereum will become the settlement layer for global GDP and if we tokenize just a fraction of the world's $500 trillion+ in assets, what's the value of the asset securing that system? We'll see financial giants and governments buying ETH to safeguard global finance. That's not priced in. It's the most asymmetric trade I've ever seen.*

Leo Lanza

ETHEREUM ADVOCATE AND EDUCATOR

ETH is no longer a misunderstood speculative asset. Following Bitcoin's path, ETH is becoming an institutional asset held by major companies, DAOs, and other organizations. But ETH offers something that BTC doesn't: it powers Ethereum, the foundation of the next financial system. As the first productive treasury asset, ETH functions as a credibly-neutral store of value, settlement collateral, and yield-bearing reserve asset at once.

ETH powers the foundation of the next financial system. Institutions now recognize this.

ETH is also uniquely positioned to become more scarce as adoption increases. As Ethereum's base money with a deflationary mechanism, ETH's supply is set to decrease as the network grows. No other asset combines these properties while offering credible neutrality.

In its first decade, Ethereum established itself as the foundational layer for transformative innovations like DeFi, stablecoins, NFTs, and ICOs. As its second decade begins, Ethereum is entering its institutional era. Major corporations recognize ETH as the first productive treasury asset, and the accumulation race is accelerating. **In this new era, Ethereum's path to becoming a trillion-dollar network has never been clearer.**

Special thanks to Anthony Sassano, Fabrice Darice, hanniabu, Justin Drake, Leo Lanza, and Vivek Raman for their contributions to this report.

The data included in this piece was correct as of July 17, 2025.

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