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Institutions Fuel Ethereum's Comeback as a Strategic Financial Asset

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Large holders are noticing. Data from blockchain analytics firm Glassnode reveals that Ethereum addresses holding between 1,000 and 10,000 ETH, often dubbed “whales,” have collectively increased their holdings to around 14 million ETH, up from 12 million at the end of 2024. That signals renewed confidence from seasoned market participants.

Part of Ethereum's growth stems from the rise of layer-2 (L2) networks, secondary blockchains that build on Ethereum to enable faster and cheaper transactions. While some critics argue L2s draw value away from Ethereum's core, others see them as evidence of Ethereum's growing utility and adaptability. JP Morgan, for example, has launched a proof-of-concept for deposit tokenization using Coinbase's Base chain, and Robinhood is building its own L2 using Arbitrum's technology stack. Both initiatives reinforce Ethereum's position as a foundational platform for next-generation financial services.

Vivek Raman, founder of Etherealize and a prominent advocate for Ethereum's institutional use, says companies are beginning to treat ETH not unlike BTC as a long-term store of value. "Ethereum is like digital oil," Raman explained. "Institutions like that they can customize their layer-2 environments but still plug into Ethereum's liquidity and security."

The revival of Ethereum's base layer isn't being overlooked either. According to Koch-Gallup, upcoming protocol upgrades aim to massively boost Ethereum's throughput by 100 to 1,000 times. "That would slash gas fees, reopen the door for consumer-level apps, and debunk the narrative that L2s are replacing Ethereum," he said. Larger blocks and higher activity also increase the base-fee burn rate, tightening ETH supply during high demand.

Corporate treasury strategies are also evolving in Ethereum's favor. Increasingly, companies are opting to hold ETH not just for price exposure, but for staking, yield generation, and integration into decentralized finance (DeFi) systems. SharpLink Gaming (SBET), a NASDAQ-listed betting firm, announced an ETH-based treasury strategy and saw its stock rise over 400%. Its chairman, Joseph Lubin, happens to be a co-founder of Ethereum. Meanwhile, crypto mining firms BitMine and BitDigital have adopted similar treasury models, with BitMine holding over 300,000 ETH. Wall Street analyst Tom Lee recently joined BitMine's board, lending further credibility to the shift.

While Ethereum still faces competition and scaling challenges, it's increasingly clear that institutional interest and financial integration are driving a significant rebound. With stablecoins, tokenization, and staking reshaping the corporate landscape, Ethereum's comeback is less a speculative rally and more a structural shift in how serious players view digital assets.