

# Digital Assets:

## Moving from Disruption to Integration

November highlighted accelerating institutional adoption of digital assets, driven by clearer regulation and maturing infrastructure. Highlights included Bitcoin going mainstream into one of the largest endowment portfolios, further U.S. regulatory steps enabling banks to hold digital assets, and payment giants deepening cryptocurrency integration. Institutions are now treating crypto as a legitimate asset class for diversification and hedging, while financial firms adopt the technology for efficiency and new payment rails.

**Three key announcements in November highlight this momentum:**

### 1. Harvard's Endowment Makes Bitcoin Their Largest Publicly Disclosed Holding November 15, 2025

Harvard University's endowment, managed by the Harvard Management Company ("HMC"), made headlines with a 257% increase in its exposure to Bitcoin via a spot ETF.

The position now stands at \$442.8 million, HMC's largest publicly disclosed holding, accounting for about 20% of its reported U.S. listed public equity portfolio, though the total allocation remains under 1% of the endowment's \$57 billion in assets.<sup>1</sup>

#### Implications:

- ① **Institutional Validation:** This move signals strong endorsement of crypto's legitimacy in mainstream portfolios as endowments like Harvard's are notoriously conservative.
- ② **Scale and Momentum:** The filing reveals rapid scaling from HMC's initial Q2 2025 stake, underscoring ETFs' appeal for efficient, regulated access to Bitcoin amid maturing infrastructure.
- ③ **Diversification Benefits:** The allocation highlights Bitcoin's potential as a non-correlated asset, helping reduce overall portfolio volatility when blended with traditional holdings.

**By pioneering this integration, Harvard positions itself at the forefront of innovative portfolio management, potentially inspiring other institutional investors.**

### 2. OCC (Treasury Dept.) Authorizes U.S. Banks to Hold Ethereum on Balance Sheets November 18th, 2025

The Office of the Comptroller of the Currency (OCC) issued Interpretive Letter 1186, providing new guidance that permits national banks and federal savings associations to hold limited amounts of native cryptocurrencies, such as **Ethereum (ETH), Bitcoin (BTC), Solana (SOL), and XRP**, directly on their balance sheets. This permission addresses a key operational bottleneck: without native tokens like ETH, banks couldn't efficiently move customer assets on-chain (e.g., transferring stablecoins or settling trades on Ethereum) without relying on cumbersome workarounds, such as third-party fee providers or spot purchases, which introduce delays, costs, and risks.

#### Implications:

- ① **Operational Efficiency and Reduced Friction in Crypto Services:** allowing banks to hold ETH (and similar tokens) for gas fees, the guidance eliminates the need for real-time fiat-to-crypto conversions or external providers during transactions. This streamlines custody, execution, and settlement processes.
- ② **Boost to Institutional Adoption and Mainstream Integration:** This is a pivotal step in bridging traditional finance and crypto, signaling regulators' growing comfort with banks as crypto infrastructure providers. It could accelerate banks' entry into Ethereum-based applications, such as Decentralized Finance (DeFi) settlements or stablecoin reserves, while enabling internal innovation like testing node operations or compliance tools.

**This guidance reassures stakeholders by prioritizing "safe and sound" practices, mitigating systemic risks and building trust in bank-managed crypto operations.**

### 3. XRP Landmark Pilot Program with Mastercard

November 6, 2025

Ripple announced a landmark pilot program in collaboration with Mastercard, WebBank (a regulated U.S. bank acting as the card issuer), and Gemini (a major crypto exchange). The initiative focuses on exploring the settlement of fiat credit card payments using Ripple's USD stablecoin, RLUSD (Ripple USD), on the XRP Ledger which is Ripple's public blockchain powered by XRP.

#### Implications:

- ① **Accelerated Institutional Adoption of Stablecoins and Blockchain Settlements:** This pilot marks one of the first regulated U.S. bank integrations of a public blockchain (XRPL) for credit card settlements, bridging Traditional Finance (TradFi) giants like Mastercard with crypto infrastructure. By using RLUSD on XRPL, it demonstrates practical utility for stablecoins in high-volume payments, potentially paving the way for wider rollout across Mastercard's network.
- ② **Enhanced Utility and Demand for XRP in Real-World Payments:** This directly ties XRP to everyday spending. While RLUSD handles the settlements, XRP serves as XRPL's native token for securing the network, paying fees, and enabling liquidity (e.g., via automated market makers). Increased transaction volume from card settlements could drive organic demand for XRP, especially if the pilot scales to include XRP conversions for merchants or rewards.
- ③ **Regulatory Green Lights and Competitive Edge in Tokenized Finance:** the pilot reassures stakeholders of XRPL's compliance, with WebBank ensuring fiduciary standards. It gives Ripple/Mastercard a first-mover advantage over rivals like Visa's Ethereum pilots or Solana's Shopify ties, potentially capturing a slice of the multi-trillion dollar card payment market.

**The announcement coincided with Ripple securing a \$500 million funding round at a \$40 billion valuation, led by investors like Fortress Investment Group and Citadel Securities, underscoring growing institutional confidence in Ripple's ecosystem.<sup>2</sup>**

## Summary

November's developments underscore growing mainstream adoption of digital assets, fueled by increasing regulatory clarity and technological maturity. Notable milestones of Harvard Management Company's disclosed investment in a spot Bitcoin ETF, continued regulatory progress toward allowing banks to custody digital assets and easing accounting burdens, and major payment networks (such as Mastercard and Visa) expanding cryptocurrency-enabled card programs and stablecoin settlement capabilities. These examples illustrate that institutional investors increasingly view crypto as a distinct asset class for diversification, yield generation, and inflation hedging, while financial institutions are integrating the technology for operational efficiency and new revenue streams.

<sup>1</sup> Tradingview.com, "Harvard Increases Bitcoin ETF Holdings by 257%, Ranks Above Microsoft, Amazon", Nov. 2025.

<sup>2</sup> FinTech Weekly, "Wall Street Funds Back Ripple in November Deal with Rare Investor Protections", Dec. 2025.

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*including high volatility, lack of regulation, cybersecurity incidents, theft or loss, developmental risk, and the potential for competing platforms or technologies. The technology is new and many uses may be untested. Investments concentrated in a single industry, such as blockchain, may exhibit higher volatility and be more vulnerable to factors affecting that industry.*

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