

PERFORMANCE REPORT

Ethereum Validators Performance

May 2025

Blockdaemon is the #1 staking provider for institutions, offering secure, risk-mitigated rewards across more than 50 blockchain networks. Blockdaemon secures \$10 billion in staked assets and delivers 99.9% uptime. This report analyzes current Ethereum-ecosystem trends and compares Blockdaemon's validator-fleet performance with the network average.

Market data provided by:

Blockdaemon APIs; Rated.network

- Blockdaemon empowers Fortune 500 enterprises, banks, custodians, and trusts with secure blockchain infrastructure, including nodes, staking, wallet solutions, and DeFi products.
- Blockdaemon is ISO 27001 certified—the gold standard for Information Security Management Systems—ensuring sensitive data is managed and secured through structured controls.
- Blockdaemon's compliance standards include OFAC requirements.
- Blockdaemon has successfully completed a SOC 2 Type II compliance examination.





Market Overview

- On May 7, 2025, Ethereum's Pectra upgrade went live on mainnet. The market reacted positively: ETH briefly traded at \$2,784.75, far above April's peak of \$1,856.44.
- Trading volume peaked at \$50.5 billion on the upgrade date—surpassing the April high set almost one month earlier.
- On May 31, the active-validator count fell to 1,056,026—a 1.1% decline from April 30. Operators merged validators after Pectra raised the maximum effective balance to 2,048 ETH, consolidating keys without withdrawing stake.
- Total staked ETH climbed to roughly 34.32 million by month-end, a modest increase of 0.3% compared to April's close.



CoinShares

Revolut



May Protocol Reward Rate (PRR)

Blockdaemon
PRR Average

3.32%

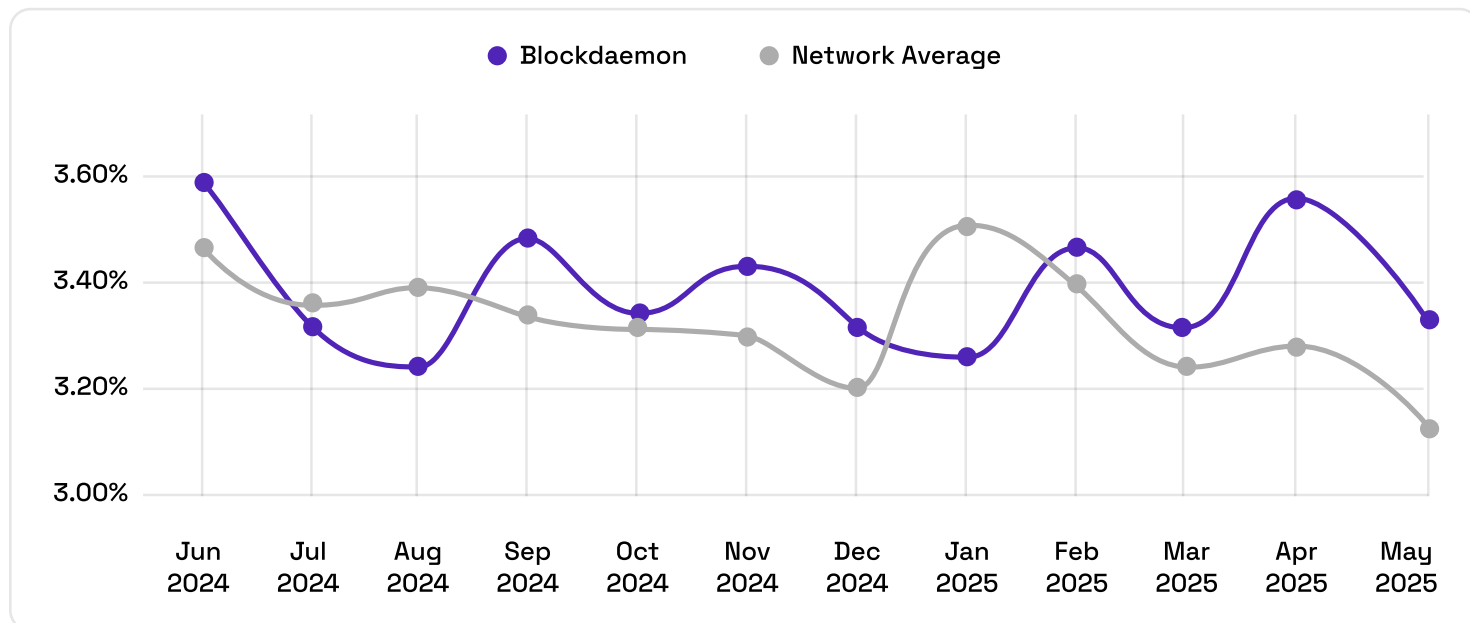
Network
PRR Average

3.12%

PRR (Protocol Reward Rate): An estimate of the protocol reward rate based on past ETH staking data. It does not guarantee future results. Blockdaemon uses the Rated.network API to track the PRR of all ETH validators Blockdaemon currently operates. This allows for apples-to-apples comparisons, based on a third-party standard.

In May, Blockdaemon outperformed the network average by 20 basis points (bps).

Despite market optimism, network-wide PRR fell to 3.12% after Pectra. Blockdaemon still delivered a 3.32% PRR—a 20-bps premium.





Ethereum Ecosystem Update

After the May 7 Pectra launch, Blockdaemon deployed each client update without interruption.

Pre-update simulations quantified potential MEV losses and informed block-timing tweaks, ensuring continuous, high-performance validation. Moving forward, Blockdaemon's PRR framework will reflect Pectra parameters. This includes the effective balance expansion from 32 ETH to 2,048 ETH, 0x02 auto-compounding validators, and execution-layer withdrawals. However, with May's approximately 3,200 0x02 validators live (less than 2% adoption) and the average effective balance being 32.511 ETH, no material change in reported PRR is expected at this time.

For further insight, watch "[Pectra: What's New for Institutional ETH Staking?](#)" on-demand.

Factors Affecting Network-Wide Staking Rewards



Pectra Infrastructure Rollout

About 12% of validators either failed to upgrade or misconfigured their clients for Pectra, disrupting performance and dampening ETH PRR.

Blockdaemon's infrastructure upgraded successfully, contributing to an above-network PRR.



Pectra Blob Changes

The higher blob limit left only about two-thirds of the new capacity occupied. Blobs are large data chunks (EIP-4844) submitted by rollups. Validators receive separate 'blob-tips' for including them, so lower blob fees mean lower rewards.

Blobs were priced at "virtually free" (less than \$0.000001 each), erasing almost all blob-tip income and reducing May's network reward rate.

Blockdaemon's Ethereum Staking Rewards Insurance Policy

On May 14, Blockdaemon announced its Ethereum Staking Rewards Insurance policy.

Institutions stake ETH for reliable rewards, but historically, rewards swing with network activity and market sentiment. Blockdaemon now participates in the premier Ethereum Staking Rewards Insurance policy*, created by [IMA Financial Group](#) and [Chainproof](#) and benchmarked to [CoinFund's Composite Ether Staking Rate \(CESR\)](#). This first-of-its-kind policy provides assurance to Blockdaemon's institutional customers for a guaranteed ETH reward rate.

[Contact Blockdaemon to learn more.](#)

*Disclaimer: Not applicable to all customers.






Meet the Daemons



Heading to EthCC?

Join us at EthCC[8]: Brunch & Connect!

Hosted by Blockdaemon, Hypernative, and LayerZero, this curated event brings together web3's most forward-thinking builders, founders, investors, and ecosystem leaders!

 Tuesday, July 1, 9:30am - 12:30pm

[RSVP TODAY](#)

Note: Space is limited. Registrations will be reviewed individually, and entry is restricted to approved, non-transferable tickets.

Meet the Blockdaemon team!



Demetrios Skalkotos
Chief DeFi & Protocols
Officer



Stefan Schmitt
Protocol Partnership
Manager



Alex Zinder
Chief Product Officer

Staking with Blockdaemon



0 Slashing events
in the last 12 months



100%
machine uptime



99.9%
protocol uptime



Custom deployment
solutions



Slashing
Guarantee



24/7
Support



Blockdaemon 🧱👹 Validator

ACTIVE VALIDATORS

10,918

NET PENETRATION

1%

PRR %

3.26%

RAVER

97.9%

EFFECTIVENESS BREAKDOWN

PARTICIPATION RATE

99.9%

INCLUSION DELAY

1.011%

CORRECTNESS

99.1%



Compliance First

Overview of OFAC Compliance:

OFAC compliance means putting in place safeguards to prevent transactions from reaching or involving sanctioned individuals or entities. Blockdaemon uses third-party relays that block transactions from or to OFAC-sanctioned addresses.

Relays & Their Role:

A relay is a component that acts as a trusted layer between block builders and validators, ensuring fair payload routing, block validity, and data availability.

Relays play a critical part in managing Maximal Extractable Value (MEV).

Relays aggregate bids from multiple block builders, submitting the highest to validators, allowing for MEV extraction by ensuring validators get the most profitable blocks.

Validators connect with relays, which aggregate and relay winning bids on blocks, while mitigating the risks associated with MEV manipulation.

Why Choose Blockdaemon?

Risk Mitigation, Security & Crypto Optimized Infrastructure

- Proactive Security
- 24/7 Monitoring
- Vulnerability Management
- High Availability & Privacy By Default

Adherence to Highest Level of Compliance

- SOC 2 Type II & ISO 27001 Certified
- Proactive Leadership in Crypto Organizations
- Compliant with GDPR, UK GDPR, US (CCPA, etc)
- On-chain behavioral indicators and risk scoring

Chat with the team today to discuss your staking options.

[BOOK A MEETING](#) 

