



State of the Blockchain

2023

YEAR IN REVIEW



Another calendar year is coming to an end, marking an opportunity to take a look back at metrics, events, and narratives that defined Binance and the wider crypto industry's 2023.

A tumultuous year across the board, it saw the crypto market's fortunes go down and up; digital asset regulation, albeit tightening in some regions, took a direction toward harmonization and greater clarity; Web3 adoption and institutional interest grew steadily regardless of short-term market fluctuations. Importantly, builders in the space – those working to advance financial freedom by creating valuable products, robust infrastructure, and forging trust – were unfazed by the shocks of the previous year and managed to maintain strong momentum on the path to mass adoption.

As the leader in the digital asset space, Binance either moved in sync with the rest of the industry or, more often than not, catalyzed, set, or led some of the key trends. This year, our organization took responsibility for historical issues and has evolved through leadership change, emerging from it an even stronger business.

In 2023, Binance welcomed more than 40 million new users (more than a 30% increase from the end of last year), saw steady growth in its key services, and introduced new products and features built for the next stage of the blockchain industry's development. At the same time, we remained true to our core value – always putting our users first – and significantly strengthened our compliance program, making important steps toward becoming a truly compliance-led organization. Above all else, we were able to maintain the trust of our growing community, which is fundamental to our mission of advancing the freedom of money globally.

Binance by the Numbers



170M

Registered users



\$1.2B+

SAFU fund



1785

Trading pairs offered



431

Assets available for trading



31

Tokens supported
in POR system

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Building For
(and with) Users

Making Blockchain About People

The ultimate promise of blockchain and Web3 lies in empowering individuals through a more decentralized, user-centric, and privacy-first online experience. In 2023, this “people” focus manifested in a variety of trends, some purely Web3 in nature and some straddling the worlds of digital and traditional finance. The speedy growth of SocialFi applications in the blockchain space; the increasing accessibility of digital asset utilities such as payments, transfers, and fiat-to-crypto transactions; and even the use of crypto to efficiently deliver humanitarian aid amid crises – what all these use cases have in common is an empowered individual at the center of each of them.

Industry Context

- 2023 saw significant progress in social blockchain applications, from gaming to production and consumption of content. Within the Binance ecosystem, this trend was reflected in the tremendous growth of Binance Square and introduction of social trading features.
- Growing adoption of digital assets drove the growth of “real-life” applications bridging the worlds of crypto and traditional finance, such as payments and remittances.
- In a [Binance Charity poll](#), a substantial 32% of respondents indicated cryptocurrency as their preferred method of charitable giving, with transparency and cost-efficiency emerging as main perceived benefits.



Increasingly Social

In 2023, Binance Feed evolved into Binance Square, a social platform designed to be the single touchpoint for the Web3 content universe, facilitating the conversation and enabling everyone to generate compelling content. Over the past year, Binance Square went from 1,200 to 11,000 creators and from under 700K to 1.6M+ active daily users.



In October, Binance Futures introduced its [Copy Trading feature](#) in several markets, allowing users to replicate the moves of expert lead traders. The feature not only presents an avenue for trading experts to monetize their expertise, but also adds a social component to the crypto experience.

More Freedom to Transact



+10%

Users who transferred crypto
with Binance Pay or Gift Card



+70%

Active
Pay users



+3,500

New merchants
& partners



+245%

Gift Cards
sent

Although crypto markets spent much of the year in the recovery mode, Binance products and services enabling payments, real-world purchases, and gifting saw a steady rise in user numbers.

- More people used digital assets to pay for goods and services online and in-store, facilitated by a growing number of merchants supporting this functionality.
- The number of people who sent crypto to their loved ones using Binance Gift Card went up by a factor of 3.5 compared to last year.
- In 2023, the number of fiat currencies supported on Binance reached 69, with 30 fiat channels available to users across the globe.
- Binance P2P grew the number of payment methods and fiat currencies supported to 970 and 112, respectively, and facilitated 18% more trades between 39% more users than in 2022.



970

Payment methods supported



+39%

P2P users compared to 2022



112

Fiat currencies supported



+18%

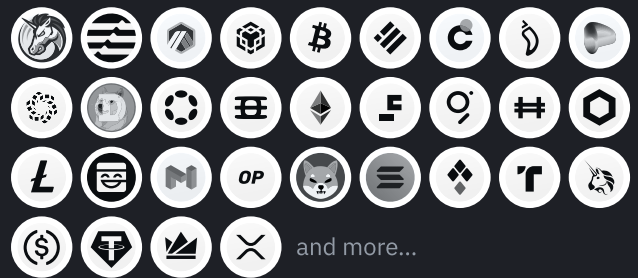
P2P trades completed compared to 2022

More Ways to Earn

Binance Earn offers a suite of products designed to help users grow their funds by putting their crypto to work. In 2023, the number of assets supported across Earn's offerings continued to grow, and so did the number of Earn users and value of funds they have committed to its products.

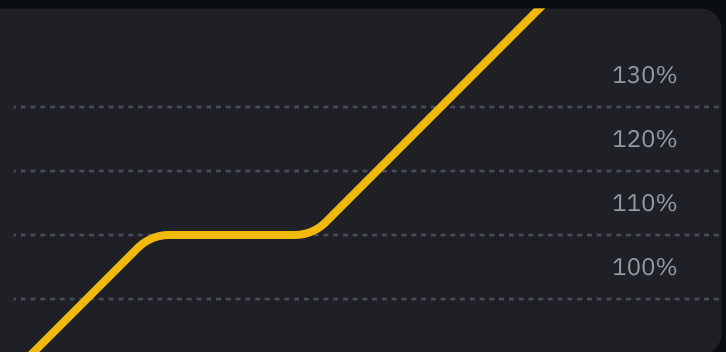
362

Tokens supported in Simple Earn



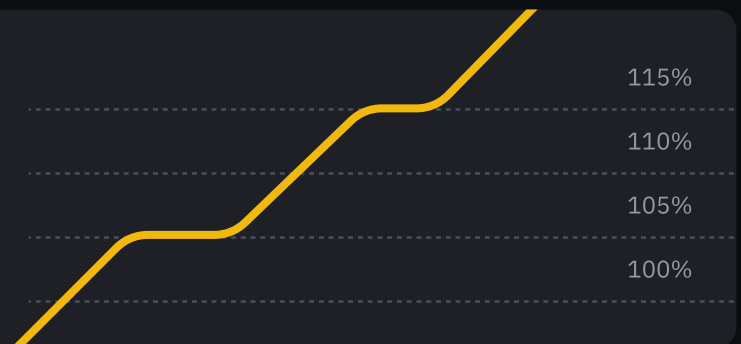
+35%

Earn users compared to 2022



+16.8%

Savings TVL



In 2023, Binance ETH staking recorded a 10% increase in TVL. A highlight was the successful launch of WBETH, Binance's first reward-bearing ETH liquid staking token. WBETH allows users to trade and transfer their staked ETH position, and earn staking rewards while collateralizing it in Loans, Margins, and Futures markets on Binance.

Empowering Through Giving

The mission of Binance Charity is to harness the power of blockchain and crypto to drive positive change. One pillar of its work is supporting the Binance community throughout the world amid natural disasters and crises, leveraging the transparency and borderlessness of blockchain transactions to deliver aid when and where it is most needed.

Another line of Binance Charity's work is ensuring universal access to knowledge about digital assets and blockchain, as well as up-to-date Web3 skills, especially in underprivileged communities and geographies, thus empowering individuals with greater autonomy and opportunities in the area of digital finance.

Binance Charity in 2023



\$7.9M

Donated
overall



\$2.1M

Donated for Blockchain
& Web3 Education



\$5.8M

Donated to
improve welfare



145,000

People
benefitted

Overall, since its launch in 2018, Binance Charity donated \$31 million across 87 countries and positively impacted the lives of over 3.5 million people.

A New Chapter of Building Trust

Advancing the freedom of money globally and welcoming the next billion people to Web3 requires a concerted effort from the industry, policymakers, and the public. Following a series of crises that shook the digital asset space in 2022 and eroded users and regulators' trust in the sector, Binance has pledged to focus on regaining trust in crypto. To achieve this, we continued setting high industry standards of regulatory compliance, security, and user funds transparency.

Industry Context

- In 2023, there have been both wins and setbacks for the crypto industry on the regulatory front, yet the general trend was toward more regulatory clarity and more harmonized policies, which we have welcomed. The European Union passed the Markets in Crypto-Assets (MiCA) legislation that established a tailored framework for regulating digital assets in all its member states.
- In September 2023, G20 Finance Ministers and Central Bank Governors adopted the financial services sector roadmap for crypto regulation as proposed by the International Monetary Fund (IMF) and the Financial Stability Board (FSB). This document could become an integral building block for a secure and sustainable global digital economy and a more harmonized regulatory approach to digital assets.
- Binance further ramped up investment in its compliance program, continuously upgrading its processes, personnel, policies, and technology. Engaging with regulators, we secured new licenses and registrations. We have reached a historical resolution with U.S. regulatory agencies, putting past issues behind us and committing to an additional set of compliance and governance measures.

Opening a new chapter

This year marked the start of a new chapter in Binance's history. By reaching settlements with U.S. regulators, we took responsibility for our past conduct. The scrutiny has helped create the comprehensive compliance program we have today.

- As part of this process, Binance's co-founder and former CEO Changpeng Zhao (CZ) stepped down, succeeded by Richard Teng, a leader with extensive experience as both an innovative financial regulator and a successful business executive.
- In line with the terms of the resolutions, Binance will hire an independent anti money-laundering consultant and will be subject to a multi-year financial monitorship, ensuring we receive strong compliance guidance.
- Binance's corporate governance structure will evolve as well. A board of at least three independent directors, accountable to all stakeholders, will be the steward and governing body of the organization.

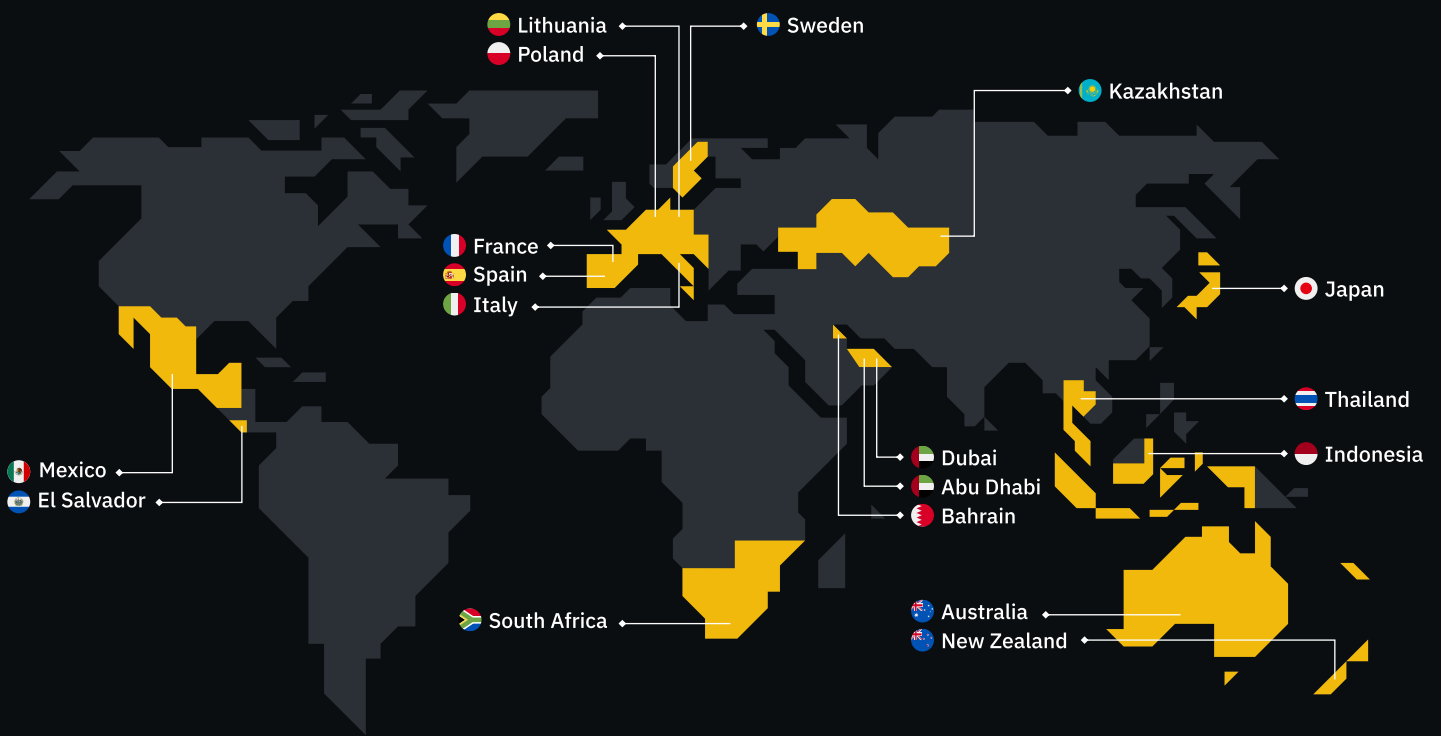
The actions that triggered the investigations were historical, and their scrutiny has led to the development of Binance's comprehensive compliance program today. Importantly, U.S. agencies did not allege that Binance misappropriated any user funds, or engaged in any market manipulation.

Compliance Facts and Numbers

Throughout 2023, we continued to engage with regulators and meet the most rigorous standards in the jurisdictions where we operate. As of the end of the year, we hold licenses, registrations, and authorizations in 18 jurisdictions around the world – more than ever before.

Licenses and Registrations

Jurisdictions where Binance holds licenses, registrations and regulatory authorizations as of the end of 2023.*



*For further details, please visit: www.binance.com/en/legal/licenses

In 2023, we invested some **\$213M** in our compliance program, up **35%** from last year's **\$158M**. But money alone does not capture the entirety of our commitment.

- Binance dedicates significant product and engineering resources to compliance. For example, we have built our own case management system in a matter of months, as well as an internal transaction monitoring engine and built in-house tools to help semi-automate the investigations process.
- We have applied improved market surveillance controls, especially around wash or circular trading, to our trading platforms, including NFT marketplace, to ensure that the markets that we offer are fair and equitable for all participants.
- Binance continued to invest in best-in-class localized KYC (know-your-customer) vendors and product solutions to enhance the user experience and make the onboarding process seamless. We have, to date, embedded 10+ electronic ID (eID) solutions globally. Striving to deliver the best user experience, we added support for 298 new ID and proof-of-address documents across 64 countries this year.
- Following a comprehensive, months-long third-party assessment of its controls and practices in the areas of systems protection and data security, in December 2023 Binance's global platform completed the System and Organization Controls (SOC) 2 Type II compliance audit. Earlier in the year, Binance received the ISO 27001 and ISO 27701 certifications for information security governance and privacy information management in four jurisdictions: France, United Arab Emirates, Bahrain, and Turkey.



\$158M

Compliance spending
in 2022



\$213M

Compliance spending
in 2023

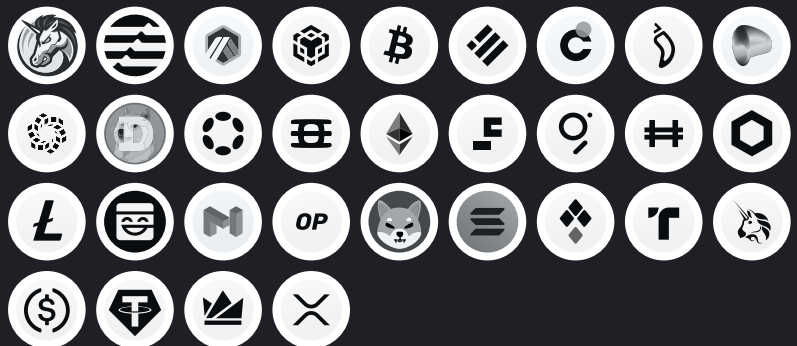
User Funds Transparency

This year, as always, we remained committed to backing user assets at at least a 1:1 ratio at all times. We also continued working on innovative ways of ensuring users' peace of mind by maintaining transparency of our reserves.

2022



2023



Binance's proof-of-reserves (PoR) system embodies our commitment to safeguarding user funds and maintaining transparency. In 2023, we continued building out our PoR, which now supports 31 tokens, up from 9 at the end of 2022.

In a major upgrade of the POR system, we implemented zk-SNARKs, a form of zero-knowledge proof, to improve its robustness and strengthen user privacy.

Fuelling the Growth of Web3

Throughout 2023, our industry, resilient in the face of tough headwinds, continued building the infrastructure and products necessary to bring the vision of a more decentralized and user-centric Web to life. As a leading centralized platform in the space, Binance focused on building bridges between CeFi and DeFi to support this momentum, and invested in fostering promising projects in the Web3 space.

Industry Context

- Product and user experience improvements across decentralized finance (DeFi), blockchain gaming, and SocialFi attracted new users to Web3, offering increased utility and ease of access. Still, usability remained one of the key barriers to entry for the less tech-savvy. To make Web3 even more accessible, Binance has launched its Web3 Wallet, designed to serve as a secure and convenient gateway into the world of DeFi.

Binance Web3 Wallet

- To provide our users with a secure and convenient way to explore the fascinating world of DeFi and decentralized applications (DApps) while maintaining full control of their assets and private keys, we launched Binance Web3 Wallet – a self-custodial wallet integrated directly into the Binance app.
- Binance Web3 Wallet allows users to manage their crypto funds, execute token swaps across multiple chains, earn yields, and interact with a variety of blockchain platforms. Empowering to transition between CeFi and DeFi with a single tap, our Web3 Wallet significantly broadens the base of new Web3 users.
- In just several weeks following the public launch, Binance users have created millions of Web3 wallets, illustrating high demand for user-friendly and secure solutions enabling people to venture into the Web3 space safely.



Becoming the Safest Way to Access Crypto

Security is another key element of building and maintaining user trust in the digital asset space. Being able to keep one's funds safe is a necessary prerequisite to reaping all the benefits that the blockchain-powered financial system has to offer. For both users and organizations in this space, staying on top of security concerns means constantly learning and adapting to new challenges.

For users, who are always the first line of defense against most types of attacks, it is about getting educated on the latest threats and nefarious schemes targeting crypto owners. For crypto firms, it is a perennial race to refine their processes and fortify their defenses in the face of new threats.

Industry Context

- As of December 2023, over \$1.3 billion has been lost to exploits this year, based on data from [DeFiLlama](#). While this represents a significant improvement compared to the approximately \$3.28 billion hacked in 2022, every dollar lost remains one too many.
- One reassuring trend observed in 2023 is that inflows to illicit addresses have decreased year-on-year. Based on data from [Chainalysis](#), between January and June, illicit addresses have received nearly \$3.3B less in 2023 than in 2022.
- The cornerstone status of security defined the industry's emphasis on this area throughout 2023. This focus manifested in various forms, such as product innovations, educational initiatives, enhancements in user experience, and many more.
- Committed to raising the industry bar for security, this year Binance continued investing in our systems and processes, proactively assisting crime fighters around the world, and constantly educating our users about best practices and emerging threats. Our ultimate goal is to make our ecosystem the safest entry point to the world of digital assets.

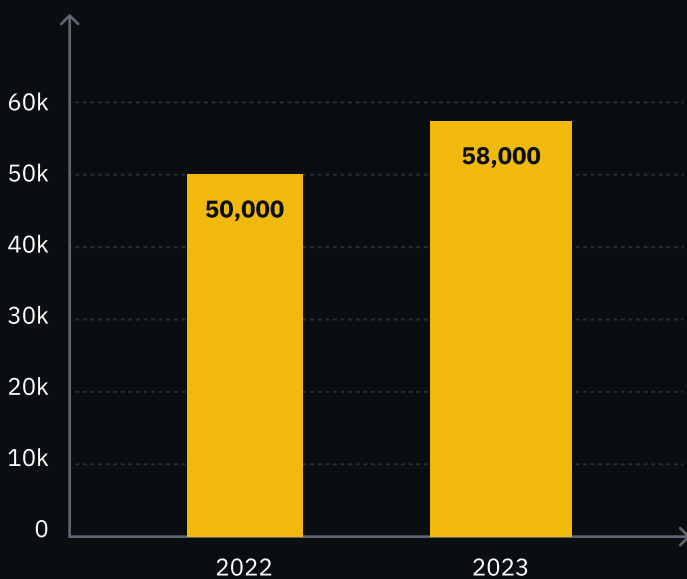


Advancing Collaborative Security

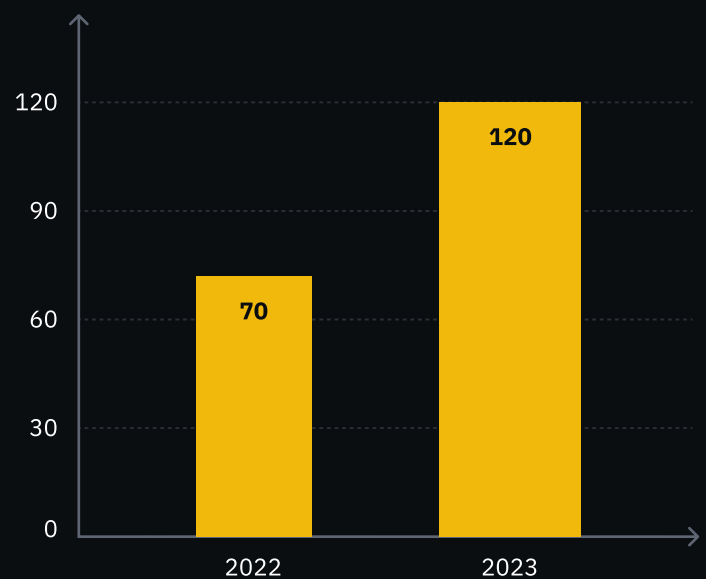
Our industry is on a quest to expand the freedom of money globally – but we recognize that with freedom comes responsibility. The enormous task of ensuring the safety of this new financial system is best served when industry stakeholders, global regulators, and law enforcement act together in addressing security threats. This is why Binance invests so heavily in cooperating with industry partners and law enforcement agencies to combat criminal activity in the digital asset space.

- Binance employs several teams that regularly engage with law enforcement agencies and officials, which are collectively staffed with over **70 members**. From January to December 2023, these specialized teams processed over **58,000 law enforcement** requests, serving some **13,000 registered officials** worldwide through our Government Law Enforcement Request System. This is an improvement over an already impressive 50,000+ requests that Binance handled in 2022.
- Binance also proactively shares knowledge with crime fighters. Last year, we formalized these efforts within our Global Law Enforcement Training Program, designed to help law enforcement detect and combat financial and cybercrimes. In 2022, Binance conducted and participated in over 70 workshops training law enforcement on countering illicit activity in the digital space across the world.
- In 2023, our Law Enforcement Training Team, with support from the Investigations Team, delivered **120 onsite or online trainings and workshops** that invariably received a very positive response from the law enforcement community. The geography of these efforts continued to expand, with events held in locations as diverse as Ukraine, Taiwan, South Korea, Hong Kong, Australia, Kazakhstan, and many more.

Law Enforcement Requests Processed



Law Enforcement Training Sessions



Furthermore, Binance has uncovered and proactively assisted law enforcement in addressing national security-related issues across the world, participating in notable investigations and enforcement efforts.

- Binance collaborated with the Financial Monitoring Department under the National Bank of Tajikistan and TRM Labs on an effort that led to the arrest of multiple key members of the terrorist group, Islamic State – Khorasan Province (ISKP).
- We also supported the United States’ Federal Bureau of Investigation (FBI) and Department of Justice (DOJ) in a significant pig butchering case where over \$112 million in ill-gotten funds were seized.
- In addition to helping make the ecosystem safer by curbing criminal activity, our proactive collaboration contributes to improving the image of the industry in the eyes of the law enforcement community. This opens up new avenues for cooperation and amplifies the effect of the already ongoing efforts.

In tackling illicit activity on its platform and beyond, Binance is aided by best-in-class blockchain data and intelligence. We are actively collaborating with the top three global blockchain analytics providers – Chainalysis, TRM and Elliptic – working jointly with their investigative teams on high-profile hacks and scams, and sharing and verifying blockchain intelligence.

Platform Security & User Education

To provide the safest experience possible to our users, we continued to refine our platform security measures, embed new security features into existing and new products, and educate users about the latest threats and risks and how to deal with them.

- We made the previously optional Self-Trading Prevention feature mandatory for all Spot and Margin users.
- For assets that may exhibit higher volatility and present higher market risks, we introduced the system of Seed and Monitoring tags, designed to act as an additional layer of protection for traders.
- We introduced additional risk-control measures: Collateral Haircuts, calculating individual maximum borrowing and transfer-out amounts for each Cross Margin user based on the value of their collateral; and added Risk bracket adjustment under extreme market conditions for Binance Futures users.
- Binance P2P employed advanced artificial intelligence (AI) techniques to monitor transactions for signs of fraudulent behavior and assist in resolving user appeals.

We launched a series of targeted educational campaigns such as Know Your Scam and Stay Safe to raise user awareness of the most urgent security threats and share tips for dealing with them.

Welcoming Institutions

Ensuring that institutional investors feel confident making inroads into the digital asset space is essential for the sustained growth of the blockchain and Web3 sector. Institutions coming into crypto means deeper money pools, greater liquidity, more users, research, and products – all of which contribute to increasing the speed of crypto adoption and maturation of the industry.

Industry Context

- While the crypto market has seen both highs and lows throughout 2023, institutional interest in digital assets remained steady. The arrival of reputable traditional asset management giants such as Blackrock and Fidelity in crypto during the low market of 2023 can be seen as a testament to their belief in the long-term potential of the industry.
- The excitement surrounding potential approval of spot BTC exchange-traded fund applications and the upcoming bitcoin halving, could motivate more institutions to consider venturing into the crypto space.
- According to the results of Binance's [Institutional Crypto Outlook Survey](#), conducted in the summer of 2023, almost two-thirds of institutional investors felt positive about crypto's short-term outlook, while 88% were optimistic about the industry's prospects over the next decade.
- Notably, we observed a significant uptick in institutional inflows and transaction volumes by institutional investors on our platform in the aftermath of Binance's resolution with United States regulators, suggesting that institutions have confidence in the strict compliance standards that Binance adheres to today.



+88%

Institutional investors with a positive outlook for crypto in the next 10 years



+63.5%

Institutional investors with a positive outlook for crypto in the next 12 months

Throughout 2023, Binance has been perfecting its VIP & Institutional services to offer additional value and industry-leading innovations to professional investors.

- The upgraded VIP Loan 2.0 service allowed customers to access affordable liquidity and diversify without liquidating their current assets, while significant improvements in aesthetics, accessibility, and functionality of VIP Portal and Report Center have streamlined operation, management, and trading.
- In August 2023, Binance's VIP & Institutional customers gained exclusive access to MirrorX, the off-exchange settlement solution released by our institutional custody partner Ceffu, enabling them to leverage Binance's deep liquidity while their assets remain segregated and in independent custody.
- In November, Binance pioneered the crypto world's first tri-party arrangement with a banking partner. This groundbreaking model allows institutional customers to keep trading collateral off-exchange in the custody of a third-party banking provider. This arrangement tackles the issue of counterparty risk, the primary concern for institutional investors entering crypto today, and bridges traditional and crypto markets.



Closing Knowledge Gaps

The lack of knowledge about digital assets and blockchain is one of the main obstacles hindering the mass adoption of cryptocurrencies and Web3. Not only it prevents people from reaping the benefits of digital finance but it also can create harmful misperceptions of what crypto is and what it is not. To tackle this issue and empower users with Web3 education regardless of their level of baseline knowledge, we created Binance Academy – a free learning hub designed to be useful to everyone, from complete beginners to seasoned crypto veterans.

Binance Academy



27M

Learners



31

Languages of
educational materials



206K

Learners who completed
online courses



452 Articles (+106)



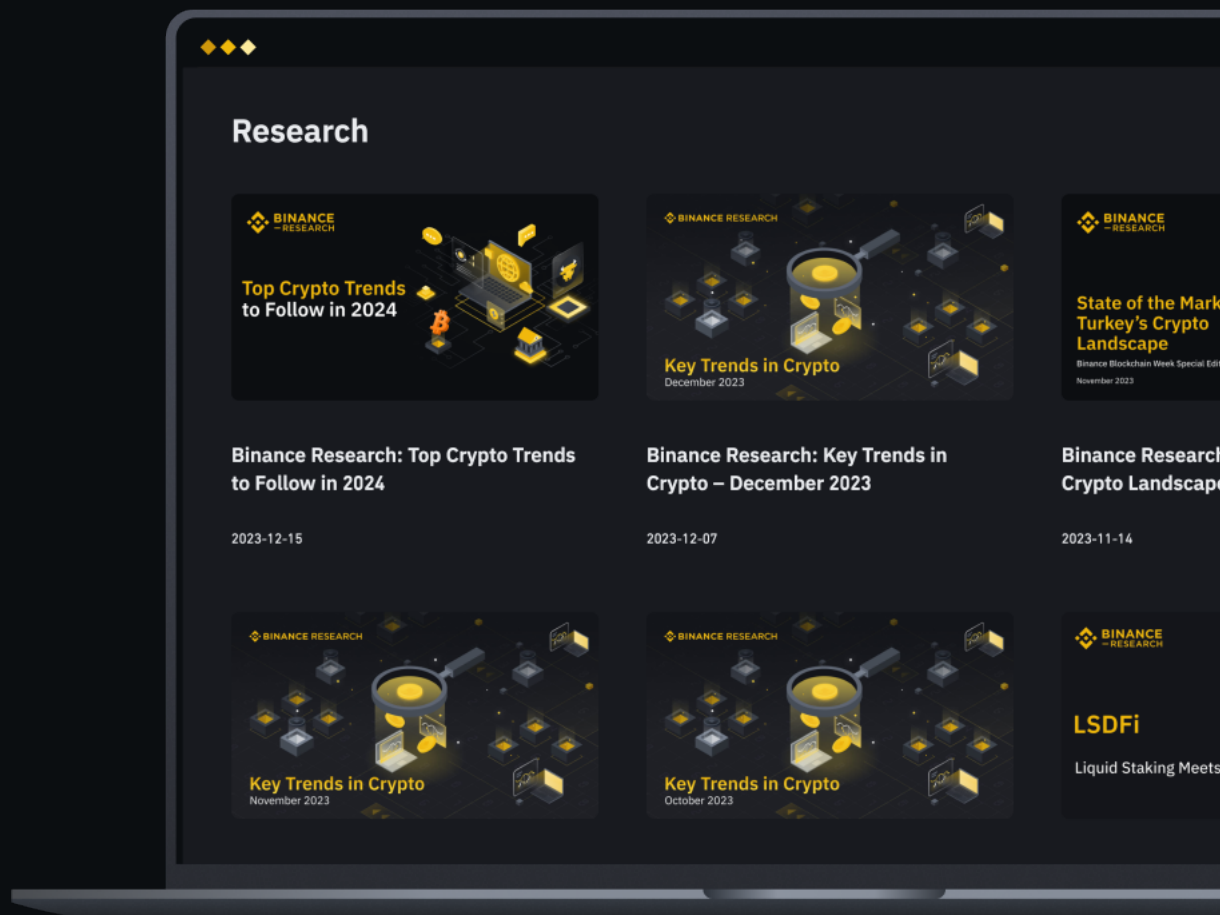
346 Glossary entries (+70)

- In 2023, Academy helped 27M learners boost their understanding of the world of digital finance in 31 languages.
- Going beyond online education, Binance Academy's global university tour covered 45 countries, exposing 10,000 students worldwide to blockchain learning.
- With the digital asset space constantly evolving, in 2023 we added more than 170 entries to our comprehensive database of up-to-date blockchain knowledge.
- Binance Academy's Learn & Earn program, which incentivizes users to learn about emerging projects with token rewards, distributed some \$2M in crypto in 2023.

Binance Research

In the world of finance, knowledge is power. Gone are the days when only big institutions and sophisticated investors used high-quality research to navigate the digital asset space. Thanks to Binance Research, users now have access to the latest data and insights from the field of crypto intelligence. In 2023, Binance's research arm has dramatically stepped up its public outreach with:

- 56 insights and analysis reports, 31 project reports
- The launch of Binance Bytes – concise weekly roundups of the most impactful events in the blockchain space
- Reaching a broad global audience with Industry Mapping, Quarterly Pulse, and the Monthly Market Insights reports, as well as the [Binance Research blog series](#) summarizing the report's key findings in a highly digestible format.



Web3-Enhanced Entertainment

Blockchain and digital assets hold the power to revolutionize areas of human experience beyond finance. Sports and entertainment are especially well-positioned to enhance fan engagement with Web3 tools and technology, combining educational and entertainment elements. Binance is committed to strategically collaborating with like-minded innovators and industry leaders in their respective fields. These collaborations aim to not only enhance fan experience but also contribute to the digital economy's growth, leveraging Web3 to forge stronger fan relationships, explore new monetization avenues for artists and athletes, and drive innovation across industries.



CR7

In 2023, Binance's ongoing multi-year collaboration with legendary footballer Cristiano Ronaldo yielded two NFT drops, [ForeverCR7: The GOAT Collection](#), celebrating Cristiano's 838 career goals, and [CR7 ForeverZone Collection](#) of 50,000 mystery boxes containing unique rewards. The perks that these NFTs offered included autographed CR7 & Binance merchandise, exclusive goal videos, and even an opportunity to train with the man himself.

We also ran a Lie Detector campaign together with Cristiano, where he faced a series of questions about his career, personal beliefs, and habits. His responses provided fans with unprecedented insight into his life beyond the football pitch, revealing candid details and answers to longstanding questions.



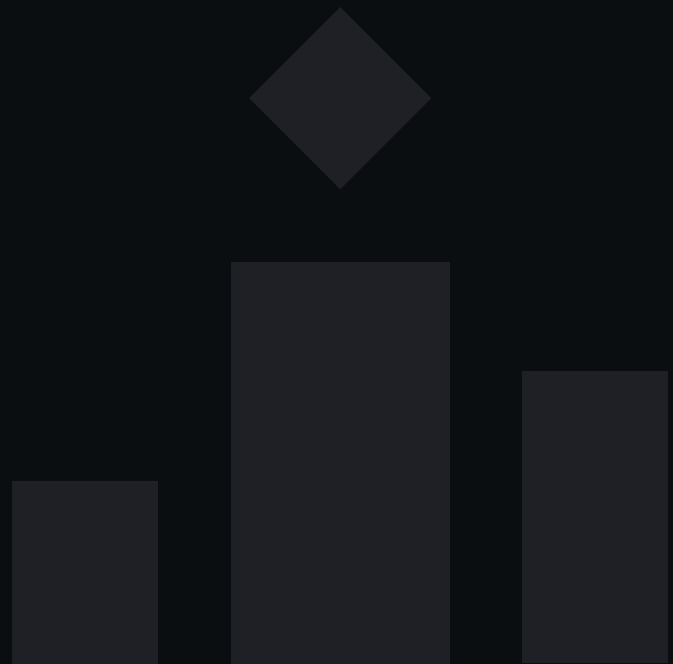
BWT Alpine F1 Team and Pierre Gasly

As part of the ongoing partnership with BWT Alpine F1 Team, in August 2023, Binance announced a collaboration with the team's driver Pierre Gasly, which included the opportunity for fans to [design a helmet for Pierre](#). The contest transcended traditional fandom, offering enthusiasts a chance to leave their mark on the Formula 1 legacy.

Binance Fan Token

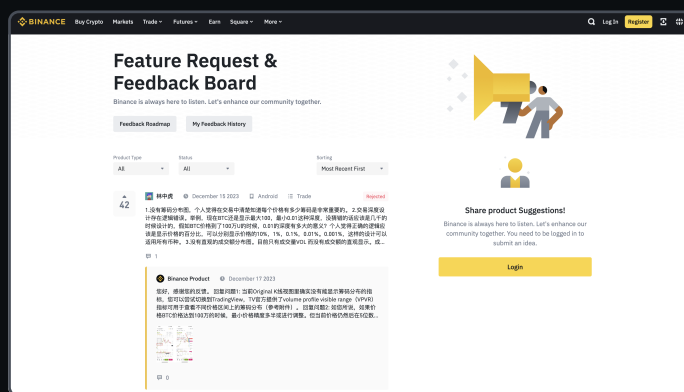
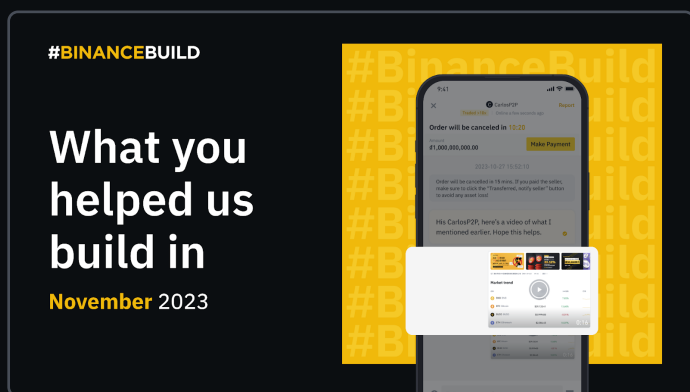
In 2023, Binance Fan Token, the platform created to elevate sports fans' experience with a suite of digital asset-powered functionalities, added a range of new features and expanded the roster of its partner teams.

- [Launched Alpine Race Day NFT Collectibles](#) and NFT ticketing for Italian football powerhouse S.S. Lazio
- Launched Fanverses – dedicated engagement platforms for the fans of a partner team or league – for [FC Shakhtar](#) and [Barsileirao Assai](#)
- Upgraded [Binance Fan Club](#), the platform that maximizes fan experience and rewards Fan Token holders for engaging with their teams.



Building For (and with) Users

Driven by our mission to advance the freedom of money globally, Binance is a fundamentally user-centric organization. We constantly build, ship, and iterate, trying our best to anticipate our users' needs and listening to their feedback. This year, we formalized this process in our [Feature Request & Feedback Board](#), which helped us develop and introduce many new features and hundreds of smaller tweaks and improvements – summarized monthly in the [#BinanceBuild](#) roundup.



Here are some features and upgrades that we introduced in 2023:

- Binance Spot listed 211 new pairs and 21 new tokens and ran several zero-fee campaigns to make trading more affordable and accessible. To further elevate the user experience, Spot also integrated charting and trading platform [TradingView](#).
- Binance Margin ran the [First hour Interest-Free campaign](#) and improved accessibility by introducing a more straightforward [Margin Lite](#) interface.
- Binance Futures upgraded its [Heatmap tool](#) by adding a range of new highly intuitive indicators and parameters and unveiled the [Option Easy Mode](#) feature to guide traders on every step of the way.
- Binance Wallet added support for 19 new tokens and 5 new networks, reduced the deposit crediting time for Arbitrum, Optimism & Ethereum networks, and enabled users to obtain [multiple](#) Ethereum-format addresses.

**In 2023, users came
first for Binance,
and they always will.**