



Osprey Funds

Beyond BTC and ETH:

Meet BNB, the \$100B Token
Powering the World's
Largest Crypto Exchange

BNB and the BNB Chain: Highlights

- 4th Largest Crypto by Market Cap^[1]
- Utility Linked to the Largest Crypto Exchange in the World—Binance
- Deflationary Tokenomics

Introduction

Binance is the world's largest cryptocurrency exchange, founded in 2017 by Changpeng Zhao, a developer who began his career building trading systems for the Tokyo Stock Exchange. In 2019, the company launched its token, BNB, and created its own blockchain: the BNB Smart Chain. Initially, the token was used by crypto investors to obtain trading discounts on the Binance exchange, but it quickly expanded its utility within a growing ecosystem of decentralized applications. BNB is now the fourth-largest token by market cap at \$100 billion^[2] and is positioned as a serious contender to Ethereum's dominance among smart contract platforms.

Regulatory Challenges and Leadership Transition

In 2023, Binance faced significant regulatory challenges, culminating in a settlement with the U.S. Department of Justice. CEO Changpeng Zhao stepped down and the company paid over \$4.3 billion in financial penalties. Richard Teng, an executive with deep regulatory expertise, including 13 years with the Monetary Authority of Singapore and 7 as Chief Regulatory Officer at SGX Group, has since taken over leadership. This change marks a pivotal moment in Binance's compliance policies, setting the stage for a more secure and stable future. The leadership transition is already yielding results, with Binance receiving regulatory approval on August 15th to re-enter the Indian market—the leading country in crypto adoption^[3]—after its ban in late 2023.

Resilience and Future Growth Opportunities

Despite these challenges, Binance has continued to demonstrate remarkable resilience and growth. The exchange remains the largest in the world, facilitating \$7.36 trillion in spot transactions in 2024—nearly 7 times the volume of Coinbase during the same period.^[4] In 2023 alone, Binance reported 40 million new users, a year-over-year increase of more than 30%.^[5] With regulatory issues now largely in the rearview, Binance is well-positioned to focus on continued expansion and capitalize on future opportunities in the cryptocurrency market.

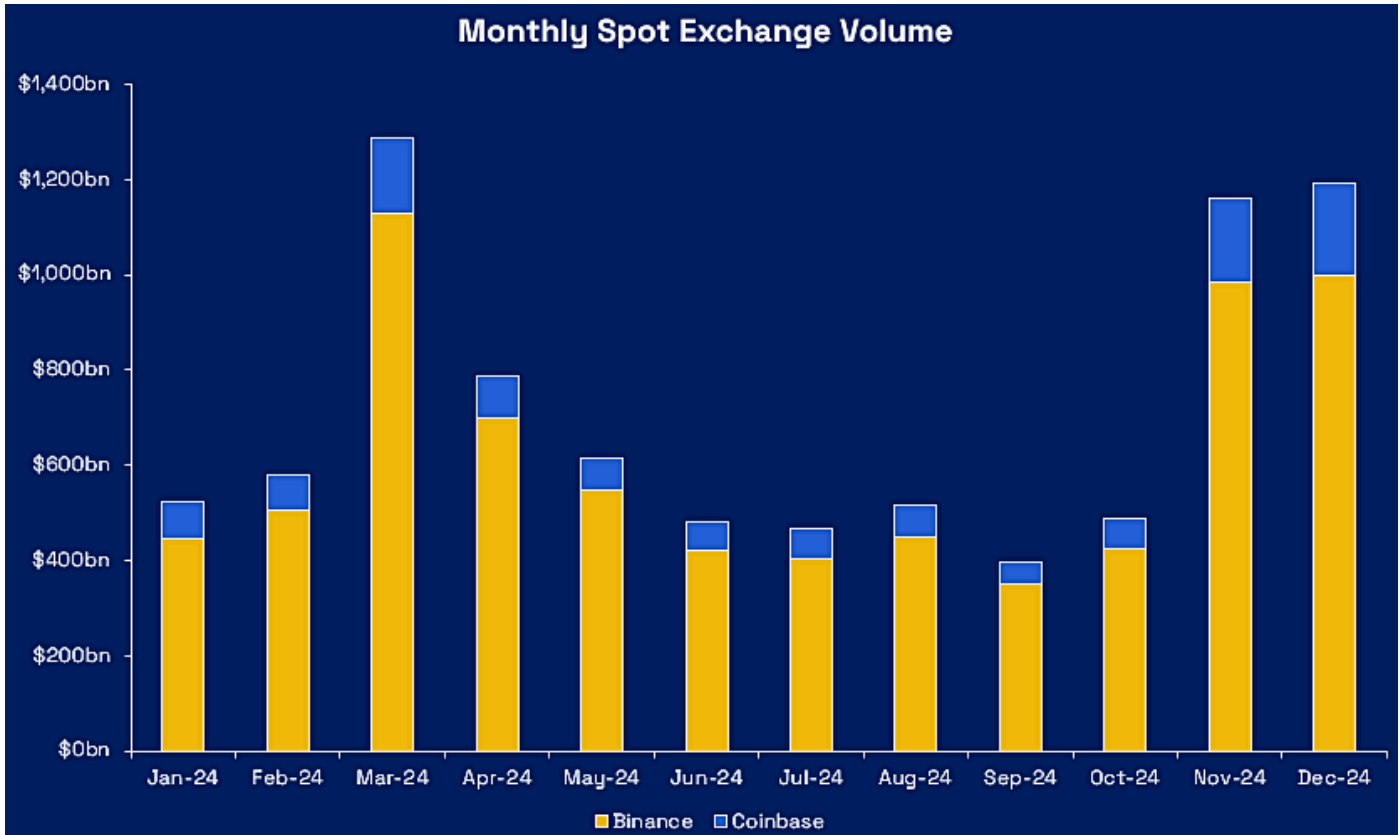
[1] Note: excluding stable coins

[2] CoinMarketCap (as of 1/13/2025)

[3] Chainalysis

[4] The Block

[5] Binance



Source: The Block

In addition to exchange growth, we see substantial BNB adoption as new applications utilizing the network’s multiple use cases continue to emerge. BNB boasts the highest number of unique addresses of any blockchain, with 504 million—an increase of 113% since the beginning of 2023.[6]

Favorable BNB Tokenomics

BNB employs quarterly and fixed-ratio burning procedures to remove tokens from circulation, increasing scarcity and, in turn, the value of the remaining supply. To date, nearly 58 billion tokens—worth more than \$40 billion (at current prices)—have been burned, reducing the circulating supply to approximately 144 million.[7] This supply-limiting mechanism is a favorable contrast to protocols with unlimited inflation.

[6] Bscscan
 [7] BNBburn.info

Last 4 BNB Burns			
Period	BNB Burned	\$ Value	Deflation Rate
Q3 2024	1.71mm	\$933mm	4.69%
Q2 2024	1.64mm	\$970mm	4.46%
Q1 2024	1.94mm	\$671mm	5.21%
Q4 2023	2.14mm	\$498mm	5.66%

Source: Bnbburn.info; Note: Deflation rate is annualized.

Unique Access via the Osprey BNB Chain Trust (OBNB)

While Binance continues to dominate global crypto exchange trading volume, U.S. investors face significant obstacles in accessing the BNB token due to regulatory restrictions. The Osprey BNB Chain Trust (OBNB) offers a unique solution, providing secure and straightforward access to BNB through an OTC-traded Trust. With direct USD-to-BNB trading no longer available on U.S. exchanges, the Trust stands as one of the few remaining options for U.S. investors to gain exposure to BNB. Accredited investors can purchase shares directly at NAV through the private placement.

If you are interested in learning more about Osprey Funds and our investment offerings, please visit our website [here](#) or contact us at IR@ospreyfund.io.



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