



Research Report | 01.10.2025

BNB: What lies behind the digital asset of the crypto exchange Binance

Binance is the world’s leading crypto exchange with around 100 billion US dollars in daily trading volume. Its native token BNB connects two layers: fee advantages on the platform and gas functionality on the BNB Smart Chain. Launched in 2020 as a cheaper and faster alternative to Ethereum, it is now one of the most active networks. As such, BNB is both a utility and infrastructure asset – offering unique opportunities and risks for investors.

BNB was introduced in 2017 through an ICO that raised 15 million US dollars. Initially, the token primarily served as a discount instrument for trading fees and as gas on the BNB Chain. Since then, its utility has expanded significantly: BNB grants platform advantages, is used in the Launchpad and for staking, and serves as a central incentive mechanism for the entire Binance ecosystem.

Fundamentals & tokenomics

The BNB token is closely tied to the success of the Binance exchange. The company uses part of its profits to buy back and permanently burn BNB. This burn mechanism has already reduced the supply by roughly one-third since 2017. In the third quarter of 2025, buybacks totaling around 1.2 billion US dollars were executed. In addition to profit-based buybacks, an auto-burn mechanism has been in place since 2021, continually reducing supply.

This is significant. With an average monthly derivatives volume of over 100 trillion and a spot volume of 1 trillion US dollars, the crypto exchange not only leads digital asset markets but operates in the same league as traditional trading venues. For comparison: SIX reported just under 90 billion USD in spot volume in August 2025 – around 10% of Binance’s figures.

Name	Volume 24h	Volume 7d	Volume 30d	No. Markets
Binance Futures	\$3T	\$18T	\$129T	591
KucoinFutures	\$649B	\$3T	\$35T	504
OKEX Futures	\$36B	\$205B	\$1T	280
Bitget Futures	\$24B	\$165B	\$1T	646
Bybit	\$24B	\$150B	\$989B	946
Binance	\$25B	\$149B	\$866B	1542
Hyperliquid	\$11B	\$69B	\$460B	428

Futures trading volume on leading crypto exchanges /
Source: Coinstats

Since its launch in 2017, the total supply has dropped from 200 to around 139 million BNB, with a long-term target of 100 million. For investors, this resembles a structured stock buyback program – programmatically defined and directly supply-reducing.

Ecosystem & competitive position

In addition to its benefits on the Binance exchange, BNB is used as the transaction currency on its own blockchain, the BNB Smart Chain (BSC). Launched in 2020 as a direct competitor to Ethereum with lower fees and faster settlement, it deliberately accepts trade-offs in decentralization through its Proof of Staked Authority (PoSA) consensus mechanism.



Despite these limitations, the network remains one of the most active blockchains worldwide.

Metric	Ethereum	Solana	BSC
\$ Assets (bn) in DeFi platforms	68.5	11.2	7.7
# Daily active addresses	600k	2.4mn	2.5mn
# Transactions per Second (TPS)	12	3'000	200
\$ Cost per Transaction	1.5	0.003	0.02
# Network Nodes	12'000	6'300	55
# Transactions per Day	1.1mn	34mn	17mn

Network metrics Sept. 2025 / Source: Artemis, Digital Asset Solutions AG

Infrastructure upgrades implemented in the first quarter of 2025, including the Lorenz hard fork, as well as ongoing DeFi and stablecoin incentive programs, reduced costs and improved user experience. The Maxwell hard fork further halved block time from 1.5 to 0.75 seconds, and through opBNB as a layer-2 solution, transactions are processed with fees of roughly 0.005 USD. In addition, 10 percent of all BSC transaction fees are burned, limiting the annual net creation of BNB to around 4.5 percent. While the network's 55 active validators deliver high performance, they also highlight the central governance structure of the BNB Chain.

Regulatory status & corporate environment

In its early years, Binance focused on rapid growth and operated within regulatory gray areas – a strategy that propelled the company to the top of global crypto exchanges but later led to legal proceedings. After investigations by U.S. authorities, Binance reached a settlement with the Department of Justice in November 2023, agreeing to a 4.3 billion US dollar fine, while founder Changpeng Zhao was sentenced to four months in prison.

The SEC's civil lawsuit was settled in May 2025, removing the key U.S. legal uncertainty. Since then,

Binance has operated with a clearer corporate structure. In the United States, Binance.US functions as an independent entity, while in Europe preparations for MiCA licensing are underway. In specific markets such as the Philippines (with website blocking) or Nigeria (with ongoing cases), regulatory access remains restricted, though without materially impacting core global markets.

Investment perspective: opportunities and risks

BNB is among the five largest digital assets with a market capitalization of around 140 billion USD. The token sits at the center of the Binance ecosystem, benefits from the exchange's leading market position, functions as gas on the BNB Smart Chain, and is subject to a deflationary burn mechanism that steadily reduces supply.

With the SEC lawsuit settled in May 2025, the most significant regulatory hurdle has been removed, while regional proceedings continue without affecting tokenomics. Operationally, the BNB Chain processes tens of millions of transactions per day and maintains a large user base, though it faces intense competition from Ethereum and Solana.

For investors, this creates a clear trade-off: predictable supply reduction and strong usage on one side, high dependency on Binance and limited decentralization on the other. As such, an allocation within a diversified crypto portfolio appears reasonable.



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