

Paxos Trust Company, LLC
Examination of Management Assertions
Reserve Accounts Report – BUSD Token
November 30, 2021 at 5:00 PM Eastern Time
With Independent Accountant's Report

Paxos Trust Company, LLC
Table of Contents
November 30, 2021

Independent Accountant's Report	1-2
Reserve Accounts Report	3
Notes to the Reserve Accounts Report (No Assurance Provided by the Independent Accountant on These Notes)	4-5

INDEPENDENT ACCOUNTANT'S REPORT

Paxos Trust Company, LLC
New York, NY 10011

We have examined Paxos Trust Company, LLC's below assertions. Paxos Trust Company, LLC's management is responsible for its assertions. Our responsibility is to express an opinion on management's assertions based on our examination. Management's assertions, which are summarized in the attached report, (hereafter referred to as the "Reserve Accounts Report"), which we examined are as follows:

- The Reserve Accounts Report refers to the total supply of Binance USD tokens ("BUSD") as of November 30, 2021 at 5:00 pm Eastern Time ("ET"). Such BUSD, (which also represents the total circulating supply) as denoted under contract 0x4fabb145d64652a948d72533023f6e7a623c7c53 at 18 decimals at 5:00 pm ET on November 30, 2021 (the "Report Date and Time") is 13,430,804,109.55, as reported by the EtherScan API and an internally maintained and operated node on the Ethereum network.
- The Reserve Accounts Report refers to the accounts held by the Company at U.S. depository institutions, including U.S. depository institutions to which cash is swept pursuant to a certain deposit placement agreement, or in backed debt instruments that are expressly guaranteed by the full faith and credit of the United States Government (hereafter the "Reserve Funds"). The Reserve Funds are at least equal to or greater than \$13,430,804,109.55 at the Report Date and Time. This does not contemplate the impact of outstanding checks/wires, deposits in transit or other reconciling items.
- The total BUSD supply, for which each BUSD is assigned a redemption value, strictly pegged at 1:1 to the U.S Dollar by the Company, does not exceed the balance of the Reserve Accounts reported below.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions are fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertions whether due to fraud or error.

In performing our risk assessment, we considered the Company's internal controls relevant to the aforementioned assertions, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we did not test the operating effectiveness of such controls and express no such opinion on such controls.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We direct your attention to the accompanying notes of the Reserve Accounts Report for risks and uncertainties related to cryptocurrencies and background information provided by management. We have not audited, reviewed or performed any procedures to provide assurance with respect to these notes. Accordingly, we provide no opinion, conclusion or any other form of assurance with respect to these accompanying notes to the Reserve Accounts Report.

At any given time, the Company has the right to hold funds in any combination of varying financial instruments at their discretion. Those instruments generally include, but are not necessarily limited to U.S. dollars, U.S. Treasury backed Bills, Bonds, and Notes.

The expressed examination opinion on the above assertions are limited solely to the Reserve Accounts Report at the Report Date and Time noted above. Any activity prior to or after November 30, 2021 at 5:00 pm ET was not considered when testing the assertions described above. In addition, we have not performed any procedures or provided any level of assurance on the financial or non-financial activity of the Reserve Accounts on dates or times other than the Report Date and Time noted within this report.

In our opinion, management's assertions noted above are fairly stated as of November 30, 2021 at 5:00 pm ET, in all material respects.

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC".

December 8, 2021

RESERVE ACCOUNTS REPORT

Paxos Trust Company, LLC
New York, NY 10011

November 30, 2021 at 5:00 pm ET (hereafter "Report Date and Time")

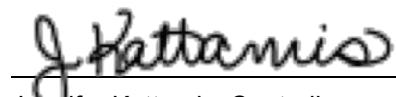
The management of the Company hereby makes the following assertions as of the Report Date and Time:

BUSD tokens issued and in circulation (Notes 1 and 3)	13,430,804,109.55 BUSD
U.S. dollars / amounts backed by U.S. government guaranteed instruments reserved for BUSD token holders (Note 2)	\$13,430,804,109.55

NOTES

1. The total supply of Binance USD tokens ("BUSD") (which also represents the total circulating supply) as denoted under contract 0x4fabb145d64652a948d72533023f6e7a623c7c53 at 18 decimals at the Report Date and Time is 13,430,804,109.55, as reported by the EtherScan API¹ and an internally maintained and operated node on the Ethereum network.
2. The Reserve Accounts refers to the accounts held by the Company in U.S. dollars or U.S. dollar equivalents, which include (i) U.S. depository institutions where cash is held, (ii) U.S. depository institutions to which cash is swept pursuant to a certain deposit placement agreement, (iii) from time to time, amounts at U.S. depository institutions of backed debt instruments that are expressly guaranteed by the full faith and credit of the United States Government. Such U.S. depository institutions to which cash is swept are pursuant to a certain deposit placement agreement. The balance in the Reserve Accounts is at least equal to or greater than \$13,430,804,109.55 at the Report Date and Time. This does not contemplate the impact of outstanding checks/wires, deposits in transit or other reconciling items.
3. The total BUSD supply, for which each BUSD is assigned a redemption value of \$1 U.S. by the Company, does not exceed the balance of the Reserve Accounts reported above.

To the best of the knowledge and belief of the undersigned, the information contained in the Reserve Accounts Report as of November 30, 2021 at 5:00pm ET is accurate and complete.



Jennifer Kattamis, Controller
Paxos Trust Company, LLC
December 8, 2021

Date

¹ <https://etherscan.io>

Paxos Trust Company, LLC
Notes to the Reserve Accounts Report
November 30, 2021 at 5:00pm ET
(No Assurance Provided by the Independent Accountant on These Notes)

1. BACKGROUND INFORMATION PROVIDED BY PAXOS TRUST COMPANY, LLC

Paxos Trust Company, LLC (the “Company”) is a New York limited purpose trust company. The Company received its trust charter from the New York Department of Financial Services in 2015 and has been a long-time leader in both crypto asset services and the creation of blockchain technologies for the financial world. The Binance USD token (“BUSD”) is a cryptographic token, which allows financial market participants to transact in a crypto asset that has been strictly pegged 1:1 to the U.S. dollar by the Company. The Company maintains the reserves securing BUSD in one or more of the following forms: (i) fiat currency held in FDIC-insured bank accounts; (ii) (a) direct investments (including through repurchase agreements) in debt instruments that are expressly guaranteed by the full faith and credit of the United States Government; and/or (b) Money-market funds composed of such debt instruments; and (iii) fiat currency held at FDIC-insured banks in excess of FDIC-insured limits, only to the extent that Paxos in its reasonable discretion believes that such funds need to remain liquid and readily available to service customers and that option (ii) is therefore impracticable. Amounts backed by debt instruments that are expressly guaranteed by the full faith and credit of the United States Government are subject to market risk. BUSD is an ERC-20 token, which is built on the Ethereum public blockchain and as such, the total number of BUSD tokens in circulation is fully and transparently viewable at all times by anyone through any publicly available Ethereum block explorer (e.g. etherscan).

Paxos Standard (“PAX”) was rebranded as Pax Dollar (“USDP”), effective August 31, 2021. For more information regarding USDP, please refer to paxos.com/usdp.

2. DISCUSSIONS RELATED TO CRYPTO ASSETS GENERALLY

As of the date of this report, crypto assets remain an evolving area of technology and market place activity. Those who choose to invest in crypto assets should inform themselves of the general risks and uncertainties associated with such assets.

(1) Crypto assets are owned anonymously. While the public keys of virtual wallets holding crypto assets reside on the distributed networks and can be viewed publicly, the ownership of the wallets are normally not registered and therefore, anonymous. Ownership of crypto assets is evidenced primarily by the possession of the underlying private key (e.g. passcode). The possessor of the private key controls the corresponding crypto asset wallet.

(2) Risk of irreversible transactions. Transactions for most crypto assets that occur over the blockchain are generally irreversible, even if such transactions occur fraudulently or accidentally. If a private key is lost or fraudulently used, the crypto assets in the corresponding wallet may not be recoverable.

Paxos Trust Company, LLC
Notes to the Reserve Accounts Report
November 30, 2021 at 5:00pm ET
(No Assurance Provided by the Independent Accountant on These Notes)

(3) Regulatory uncertainty. Legislative and regulatory changes or actions at the state or federal level may change or affect the use, transfer, exchange, and value of crypto assets. The effects of any such changes are not determinable as of the date of this report.