

Paxos Trust Company, LLC
Examination of Management Assertions
Reserve Accounts Report – BUSD Token
November 14, 2022 and November 30, 2022 at 5:00 PM Eastern Time
With Independent Accountant’s Report

Paxos Trust Company, LLC
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INDEPENDENT ACCOUNTANT'S REPORT

Paxos Trust Company, LLC
New York, NY 10011

We have examined Paxos Trust Company, LLC's (the "Company") 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 14, 2022 and November 30, 2022 (collectively, the "Report Dates and Times") 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 the Report Dates and Times is 23,455,924,354.73 and 22,262,030,911.99, respectively, 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. insured depository institutions and debt instruments that are expressly guaranteed by the full faith and credit of the United States Government. The USD balance and, when applicable, amounts backed by U.S Treasury Debt in the Reserve Accounts is at least equal to or greater than \$23,455,924,354.73 and \$22,262,030,911.99, respectively, at the Report Dates and Times. This contemplates the impact of outstanding wires, deposits in transit or other reconciling items.
- The Reserve Accounts Report refers to the Company's Reserve Account holdings as of the Report Dates and Times at 5:00 pm ET, which includes the disclosure of the total fair value of the Company's asset holdings by asset type. Any amounts held in U.S. Treasury Debt include additional disclosures such as CUSIP and maturity date, as applicable.
- 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.
- The Reserve Account Report refers to the Reserve Account holdings by asset class which do not violate the asset guidelines that were set forth by the New York Department of Financial Services ("NYDFS").

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 the Report Dates and Times 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 the Report Dates and Times at 5:00 pm ET, in all material respects.

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC". The signature is written in a cursive, flowing style.

December 21, 2022

RESERVE ACCOUNTS REPORT

Paxos Trust Company, LLC
New York, NY 10011

November 14, 2022 and November 30, 2022 at 5:00 pm ET (hereafter "Report Date and Time")

The management of the Company hereby makes the following assertions as of:

- November 14, 2022 at 5:00 pm ET:

BUSD tokens issued and in circulation (Notes 1 and 4)	23,455,924,354.73 BUSD
U.S. dollars / amounts backed by U.S. government guaranteed debt instruments reserved for BUSD token holders (Note 2)	\$23,455,924,354.73

- November 30, 2022 at 5:00 pm ET:

BUSD tokens issued and in circulation (Notes 1 and 4)	22,262,030,911.99 BUSD
U.S. dollars / amounts backed by U.S. government guaranteed debt instruments reserved for BUSD token holders (Note 2)	\$22,262,030,911.99

The Company's total Reserve Accounts, which are greater than or equal to the total supply of BUSD, are comprised of the following asset holdings (Notes 3 and 5):

- November 14, 2022 at 5:00 pm ET:

Description	CUSIP	Maturity Date	Fair Value as of November 14, 2022 at 5:00pm ET
U.S. Treasury Bills	912796YQ6	11/15/2022	\$300,000,000
U.S. Treasury Bills	912796P94	12/01/2022	\$149,776,500
U.S. Treasury Bills	912796X61	12/08/2022	\$149,689,500
U.S. Treasury Bills	912796YY9	12/13/2022	\$598,332,000
U.S. Treasury Bills	912796X79	12/15/2022	\$149,584,500
U.S. Treasury Bills	912796X87	12/22/2022	\$149,433,000
U.S. Treasury Bills	912796ZA0	12/27/2022	\$896,040,000
U.S. Treasury Bills	912796R27	12/29/2022	\$99,533,000
U.S. Treasury Bills	912796XR5	01/12/2023	\$99,401,000
U.S. Treasury Bills	912796XS3	01/19/2023	\$595,896,000
U.S. Treasury Bills	912796S34	01/26/2023	\$198,450,000

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U.S. Treasury Bills	912796XT1	02/02/2023	\$247,815,000
U.S. Treasury Bills	912796XZ7	02/09/2023	\$742,702,500
Total U.S. Treasury Bills:			\$4,376,653,000
Collateral Held Pursuant to Overnight Reserve Repurchase Agreements			
U.S. Treasury Debt	912833LK4	11/15/2022	\$99,885,000
U.S. Treasury Debt	912833LN8	05/15/2023	\$45,042,357
U.S. Treasury Debt	912828B66	02/15/2024	\$3,406,270
U.S. Treasury Debt	91282CEA5	02/29/2024	\$251,593,750
U.S. Treasury Debt	912833LR9	05/15/2024	\$46,698,500
U.S. Treasury Debt	912828WU0	07/15/2024	\$29,179,151
U.S. Treasury Debt	912833PA2	08/15/2026	\$42,445,500
U.S. Treasury Debt	912833PC8	02/15/2027	\$41,545,000
U.S. Treasury Debt	912833RY8	02/15/2028	\$40,481,000
U.S. Treasury Debt	912833RZ5	08/15/2028	\$39,068,500
U.S. Treasury Debt	912833XN5	02/15/2029	\$38,200,000
U.S. Treasury Debt	91282CEV9	06/30/2029	\$648,325,258
U.S. Treasury Debt	9128287D6	07/15/2029	\$458,681,863
U.S. Treasury Debt	91282CFC0	07/31/2029	\$239,789,159
U.S. Treasury Debt	91282CFT3	10/31/2029	\$37,645,014
U.S. Treasury Debt	912828Z37	01/15/2030	\$738,705,440
U.S. Treasury Debt	912833XX3	02/15/2030	\$37,398,000
U.S. Treasury Debt	912828ZQ6	05/15/2030	\$124,738,701
U.S. Treasury Debt	912828ZZ6	07/15/2030	\$416,646,859
U.S. Treasury Debt	91282CBF7	01/15/2031	\$71,329,199
U.S. Treasury Debt	912833XZ8	02/15/2031	\$35,452,500
U.S. Treasury Debt	91282CCM1	07/15/2031	\$420,756,503
U.S. Treasury Debt	91282CDX6	01/15/2032	\$831,417,794
U.S. Treasury Debt	91282CEP2	05/15/2032	\$599,117,348
U.S. Treasury Debt	91282CEZ0	07/15/2032	\$47,298,559
U.S. Treasury Debt	912810QB7	05/15/2039	\$101,871,100
U.S. Treasury Debt	912810QC5	08/15/2039	\$409,454,369
U.S. Treasury Debt	912810QE1	02/15/2040	\$223,330,169
U.S. Treasury Debt	912810QH4	05/15/2040	\$154,335,900
U.S. Treasury Debt	912810SR0	05/15/2040	\$185,709,729
U.S. Treasury Debt	912810QK7	08/15/2040	\$72,061,500

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U.S. Treasury Debt	912810SQ2	08/15/2040	\$61,129,793
U.S. Treasury Debt	912810QL5	11/15/2040	\$75,632,850
U.S. Treasury Debt	912810QN1	02/15/2041	\$292,240,607
U.S. Treasury Debt	912810QP6	02/15/2041	\$71,343,060
U.S. Treasury Debt	912810SW9	02/15/2041	\$978,889,167
U.S. Treasury Debt	912810QQ4	05/15/2041	\$114,949,792
U.S. Treasury Debt	912810SY5	05/15/2041	\$202,230,232
U.S. Treasury Debt	912810QS0	08/15/2041	\$330,905,784
U.S. Treasury Debt	912810TA6	08/15/2041	\$352,955,635
U.S. Treasury Debt	912810QT8	11/15/2041	\$605,659,654
U.S. Treasury Debt	912810TB4	11/15/2041	\$157,878,012
U.S. Treasury Debt	912810TC2	11/15/2041	\$530,320,236
U.S. Treasury Debt	912810QV3	02/15/2042	\$69,882,438
U.S. Treasury Debt	912810TF5	02/15/2042	\$485,367,349
U.S. Treasury Debt	912810QW1	05/15/2042	\$71,698,561
U.S. Treasury Debt	912810TH1	05/15/2042	\$668,552,324
U.S. Treasury Debt	912810QX9	08/15/2042	\$358,876,471
U.S. Treasury Debt	912810QY7	11/15/2042	\$60,102,770
U.S. Treasury Debt	912810QZ4	02/15/2043	\$211,199,394
U.S. Treasury Debt	912810RA8	02/15/2043	\$82,423,950
U.S. Treasury Debt	912810RE0	02/15/2044	\$22,756,325
U.S. Treasury Debt	912810RF7	02/15/2044	\$577,009,911
U.S. Treasury Debt	912810RJ9	11/15/2044	\$185,053,132
U.S. Treasury Debt	912810RK6	02/15/2045	\$259,864,874
U.S. Treasury Debt	912810RL4	02/15/2045	\$1,623,555,212
U.S. Treasury Debt	912810RN0	08/15/2045	\$79,367,138
U.S. Treasury Debt	912810RQ3	02/15/2046	\$162,131,875
U.S. Treasury Debt	912810RS9	05/15/2046	\$92,672,134
U.S. Treasury Debt	912810RT7	05/15/2046	\$522,610,394
U.S. Treasury Debt	912810RV2	02/15/2047	\$80,968,448
U.S. Treasury Debt	912810RW0	02/15/2047	\$191,294,490
U.S. Treasury Debt	912810RX8	05/15/2047	\$245,178,743
U.S. Treasury Debt	912810RY6	05/15/2047	\$355,710,029
U.S. Treasury Debt	912810SB5	02/15/2048	\$60,597,065
U.S. Treasury Debt	912810SC3	05/15/2048	\$290,360,872
U.S. Treasury Debt	912810SD1	08/15/2048	\$642,065,063
U.S. Treasury Debt	912810SE9	11/15/2048	\$415,408,954
U.S. Treasury Debt	912810SJ8	08/15/2049	\$34,912,943

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U.S. Treasury Debt	912810SP4	08/15/2050	\$109,617,628
U.S. Treasury Debt	912810SU3	02/15/2051	\$94,568,482
U.S. Treasury Debt	912810TD0	02/15/2052	\$444,843,749
Total U.S. Government Guaranteed Debt Instruments Held Pursuant to Overnight Reserve Repurchase Agreements:			\$18,804,395,532
Total U.S. Dollars Held:			\$880,370,397
Total Assets Held in Reserve Accounts:			\$24,061,418,929

- November 30, 2022 at 5:00 pm ET:

Description	CUSIP	Maturity Date	Fair Value as of November 30, 2022 at 5:00pm ET
U.S. Treasury Bills	912796P94	12/01/2022	\$150,000,000
U.S. Treasury Bills	912796X61	12/08/2022	\$149,895,000
U.S. Treasury Bills	912796YY9	12/13/2022	\$599,292,000
U.S. Treasury Bills	912796X79	12/15/2022	\$149,817,000
U.S. Treasury Bills	912796X87	12/22/2022	\$149,686,500
U.S. Treasury Bills	912796ZA0	12/27/2022	\$897,471,000
U.S. Treasury Bills	912796R27	12/29/2022	\$99,705,000
U.S. Treasury Bills	912796ZJ1	01/10/2023	\$398,268,000
U.S. Treasury Bills	912796XR5	01/12/2023	\$99,546,000
U.S. Treasury Bills	912796ZK8	01/17/2023	\$298,431,000
U.S. Treasury Bills	912796XS3	01/19/2023	\$596,814,000
U.S. Treasury Bills	912796ZL6	01/24/2023	\$397,592,000
U.S. Treasury Bills	912796S34	01/26/2023	\$198,740,000
U.S. Treasury Bills	912796XT1	02/02/2023	\$248,242,500
U.S. Treasury Bills	912796XZ7	02/09/2023	\$744,037,500
U.S. Treasury Bills	912796YA1	02/16/2023	\$743,392,500
U.S. Treasury Bills	912796T33	02/23/2023	\$148,558,500
Total U.S. Treasury Bills:			\$6,069,488,500
Collateral Held Pursuant to Overnight Reserve Repurchase Agreements			
U.S. Treasury Debt	912833LN8	05/15/2023	\$42,966,303
U.S. Treasury Debt	912833LR9	05/15/2024	\$46,916,000
U.S. Treasury Debt	912833PA2	08/15/2026	\$43,186,000
U.S. Treasury Debt	912833PC8	02/15/2027	\$42,435,000
U.S. Treasury Debt	912833QB9	11/15/2027	\$82,644,000

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U.S. Treasury Debt	912833RY8	02/15/2028	\$40,926,500
U.S. Treasury Debt	912833RZ5	08/15/2028	\$40,170,000
U.S. Treasury Debt	912833XN5	02/15/2029	\$39,415,500
U.S. Treasury Debt	91282CEE7	03/31/2029	\$203,377,615
U.S. Treasury Debt	91282CEM9	04/30/2029	\$282,257,700
U.S. Treasury Debt	91282CES6	05/31/2029	\$236,189,415
U.S. Treasury Debt	91282CEV9	06/30/2029	\$1,435,117,498
U.S. Treasury Debt	9128287D6	07/15/2029	\$850,663,527
U.S. Treasury Debt	91282CFC0	07/31/2029	\$231,494,250
U.S. Treasury Debt	91282CFL0	09/30/2029	\$249,882,750
U.S. Treasury Debt	912828Z37	01/15/2030	\$1,266,410,970
U.S. Treasury Debt	912828Z94	02/15/2030	\$430,618,204
U.S. Treasury Debt	912828ZQ6	05/15/2030	\$39,061,476
U.S. Treasury Debt	912828ZZ6	07/15/2030	\$19,733,556
U.S. Treasury Debt	91282CAE1	08/15/2030	\$62,747,003
U.S. Treasury Debt	91282CBF7	01/15/2031	\$456,884,365
U.S. Treasury Debt	91282CCM1	07/15/2031	\$147,309,207
U.S. Treasury Debt	91282CDX6	01/15/2032	\$376,476,648
U.S. Treasury Debt	912810QB7	05/15/2039	\$444,340,899
U.S. Treasury Debt	912810QC5	08/15/2039	\$61,384,098
U.S. Treasury Debt	912810QD3	11/15/2039	\$361,210,838
U.S. Treasury Debt	912810QE1	02/15/2040	\$175,735,203
U.S. Treasury Debt	912810QK7	08/15/2040	\$119,254,180
U.S. Treasury Debt	912810QL5	11/15/2040	\$20,760,940
U.S. Treasury Debt	912810ST6	11/15/2040	\$131,684,350
U.S. Treasury Debt	912810QN1	02/15/2041	\$773,581,899
U.S. Treasury Debt	912810SW9	02/15/2041	\$498,189,501
U.S. Treasury Debt	912810SY5	05/15/2041	\$26,718,766
U.S. Treasury Debt	912810QS0	08/15/2041	\$390,611,412
U.S. Treasury Debt	912810TA6	08/15/2041	\$87,135,040
U.S. Treasury Debt	912810QT8	11/15/2041	\$175,883,978
U.S. Treasury Debt	912810TC2	11/15/2041	\$54,252,580
U.S. Treasury Debt	912810RA8	02/15/2043	\$56,145,502
U.S. Treasury Debt	912810RE0	02/15/2044	\$357,000,618
U.S. Treasury Debt	912810RF7	02/15/2044	\$476,080,971
U.S. Treasury Debt	912810RG5	05/15/2044	\$44,841,424
U.S. Treasury Debt	912810RL4	02/15/2045	\$1,372,443,593
U.S. Treasury Debt	912810RM2	05/15/2045	\$20,953,927

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U.S. Treasury Debt	912810RQ3	02/15/2046	\$112,914,819
U.S. Treasury Debt	912810RS9	05/15/2046	\$34,244,861
U.S. Treasury Debt	912810RT7	08/15/2046	\$382,254,663
U.S. Treasury Debt	912810RW0	02/15/2047	\$203,850,430
U.S. Treasury Debt	912810SC3	05/15/2048	\$731,203,907
U.S. Treasury Debt	912810SD1	08/15/2048	\$84,915,283
U.S. Treasury Debt	912810SE9	11/15/2048	\$677,982,359
U.S. Treasury Debt	912810SH2	05/15/2049	\$117,241,490
U.S. Treasury Debt	912810SJ8	08/15/2049	\$437,495,471
U.S. Treasury Debt	912810SK5	11/15/2049	\$152,598,334
U.S. Treasury Debt	912810SL3	02/15/2050	\$14,378,327
U.S. Treasury Debt	912810SM1	02/15/2050	\$318,489,716
U.S. Treasury Debt	912810SN9	05/15/2050	\$110,908,192
U.S. Treasury Debt	912810SS8	11/15/2050	\$17,801,283
U.S. Treasury Debt	912810SV1	02/15/2051	\$18,888,017
U.S. Treasury Debt	912810SX7	05/15/2051	\$240,413,589
U.S. Treasury Debt	912810TB4	11/15/2051	\$190,767,646
Total U.S. Government Guaranteed Debt Instruments Held Pursuant to Overnight Reverse Repurchase Agreements:			\$16,161,441,593
Total U.S. Dollars Held:			\$423,139,891
Total Assets Held in Reserve Accounts:			\$22,654,069,984

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 Dates and Times is 23,455,924,354.73 and 22,262,030,911.99, respectively, as reported by the Etherscan API¹ and an internally maintained and operated node on the Ethereum network.
2. This Reserve Accounts Report refers to the accounts held by the Company in U.S. insured depository institutions where cash is held and debt instruments that are expressly guaranteed by the full faith and credit of the United States Government, which are either owned outright by Paxos or held pursuant to overcollateralized overnight reverse repurchase agreements. The balance in the Reserve Accounts is at least equal to or greater than \$23,455,924,354.73 and \$22,262,030,911.99, respectively, at the Report Dates and Times. This contemplates the impact of outstanding wires, deposits in transit or other reconciling items.

¹ <https://etherscan.io>

RESERVE ACCOUNTS REPORT

3. This Reserve Accounts refers to the Company's Reserve Account holdings as of the Report Dates and Times at 5:00 pm ET, which includes the disclosure of the total fair value, calculated using the publicly available pricing as of the Report Dates and Times, of the Company's asset holdings by asset type as reported above. Any amounts held in U.S. Treasury Debt include additional disclosures such as CUSIP and maturity date, as applicable.
4. 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.
5. This Reserve Accounts Report refers to the Reserve Account holdings by asset class, which are in compliance with the approved reserve asset guidelines² as set forth by the NYDFS.

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

Jennifer Kattamis

Jennifer Kattamis, Controller
Paxos Trust Company, LLC

December 21, 2022

Date

² https://www.dfs.ny.gov/industry_guidance/industry_letters/il20220608_issuance_stablecoins

Paxos Trust Company, LLC
Notes to the Reserve Accounts Report
November 14, 2022 and November 30, 2022 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 accounts³; (ii) investments (including through overcollateralized overnight reverse 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. Amounts backed by debt instruments that are expressly guaranteed by the full faith and credit of the United States Government are subject to market pricing 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).

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.

(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.

³ <https://paxos.com/2022/08/09/fdic-pass-through-insurance-disclosures/>