

final draft for legal review

Exchanges' Next Phase

Reaching the Mainstream

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About us

Animoca Brands Research is a dedicated division within Animoca Brands, comprised of passionate Web3 and experts from diverse fields.

Our mission is to advance industry and community growth by sharing insightful, in-depth research findings.

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Exchange is going to the mainstream

Centralized exchanges (CEXs) have been pivotal in the growth of the crypto industry. They provide essential infrastructure for trading and discovering cryptocurrencies, a core function of the crypto space. As early participants with clear business models, CEXs rapidly evolved into large institutions, employing hundreds or thousands. Their drive to expand user bases significantly boosted crypto adoption among the general population.

The crypto trading and exchange business has evolved through several stages. Initially, it served as an electronic upgrade to Over-The-Counter (OTC) trades during crypto's early days. With the boom of web3 projects and altcoins, exchanges capitalized on surging trading demand, transforming into professional-grade platforms. Features like lending and hedging were subsequently added to cater to professional crypto traders.

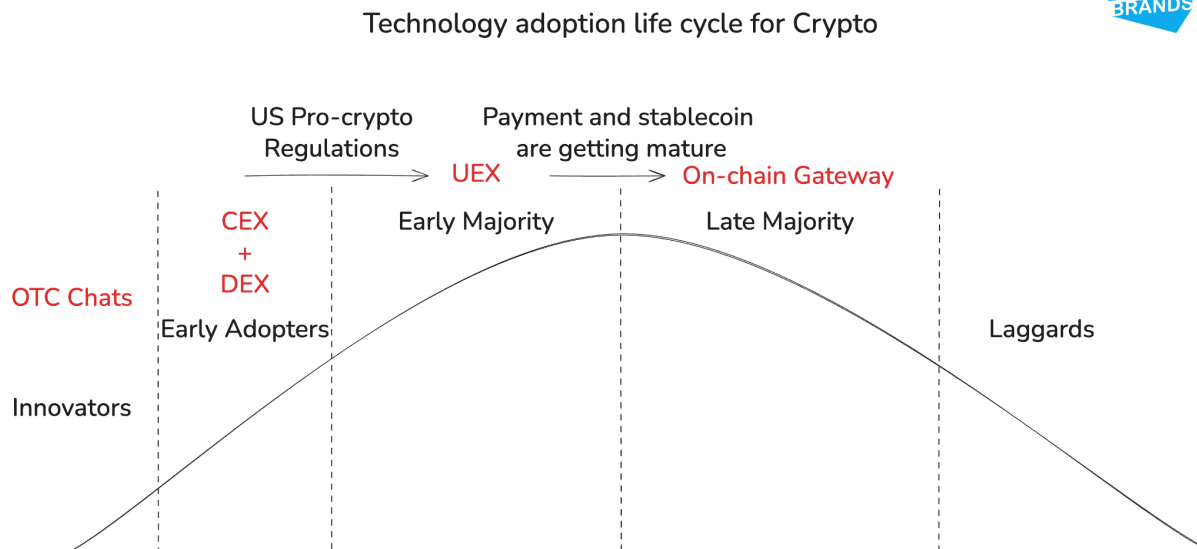
However, CEX growth now faces both challenges and opportunities. A key challenge is the saturation of the crypto-native population, leading to a slowdown in user acquisition over recent years. Additionally, innovations are drawing users to decentralized trading. This includes the rise of meme coin launchpads and advanced Decentralized Exchange (DEX) platforms like Hyperliquid, which offer a CEX-like experience with greater transparency. These trends compel exchanges to integrate self-custody wallets and DEX trading to retain crypto-native users.

Conversely, significant opportunities for user expansion are emerging. A pro-crypto stance from the US administration, the debasement of the US dollar, and geopolitical competition driving stablecoin adoption are all fueling a wave of mass cryptocurrency adoption and on-chain transactions. This promises growth in both new users and tradable assets. Exchanges can leverage their advantages, such as 24/7 trading, perpetual futures, and global access, to compete with traditional asset brokers for mainstream users by aligning their offerings.

Aligning this development with the technology adoption lifecycle, we are transitioning from the "early adopters" stage (stage two) into the "early majority" stage (stage three). Crypto-native users and "degens" have driven exchange growth for the past five years. Now, the early majority, who adopt innovation only after clear benefits are evident, will be the new growth engine. To embrace this shift, exchanges are evolving from crypto exchanges into Universal Exchanges (UEXs).

We can further predict that the latter half of growth, driven by the "later majority," will come from exchanges becoming the primary gateway to the on-chain world. Mainstream users may not require extensive trading features but will need financial services such as payments, deposits, and yield. Exchanges, with their existing wallet

and custodian services, coupled with robust organizational capabilities, are well-positioned to become the entry point for all on-chain services.



Early growth of exchanges

In the early phase, crypto related activities were driven largely by tech enthusiasts and miners. They were the first to experiment with new tools and quickly adopted transactions, token sales, and early payment use cases. Forums or OTC chats were the primary venues that served these transaction purposes. BitcoinMarket, launched in March 2010, was the first dedicated exchange, and Mt. Gox soon became the dominant hub, handling more than [70%](#) of Bitcoin trades at its peak in 2013.

By 2013, Bitcoin's price was climbing, and the media started paying attention. There was growing demand for a safe and convenient way to exchange Bitcoin for dollars, euros, or yen. OTC could still work, but it was slow and risky. Centralized exchanges appeared, offering order books and custodial services. This shift relieved users from the need to handle every transaction detail on their own.

Then came 2017. Initial coin offerings exploded and new tokens flooded the market. Traders needed better tools to keep up. Exchanges became the go-to place. Exchange users started experimenting with more complex strategies, like hedging and leveraging. To support this, exchanges introduced perpetual contracts and margin trading.

By 2020, U.S. interest rates fell. Many investors started noticing crypto. They saw opportunities and wanted professional tools to manage it. At the same time, DeFi projects and new narratives kept liquidity high and drew in more experienced investors.

As retail and early adopters pushed demand, professional trading houses and market makers followed. Competition intensified. Exchanges had to evolve to support more complex strategies. They added structured products, earnings features and so on. Users now had a trading experience closer to traditional markets, with all the tools they needed to navigate a fast-growing crypto space.

From early adopters to the majority

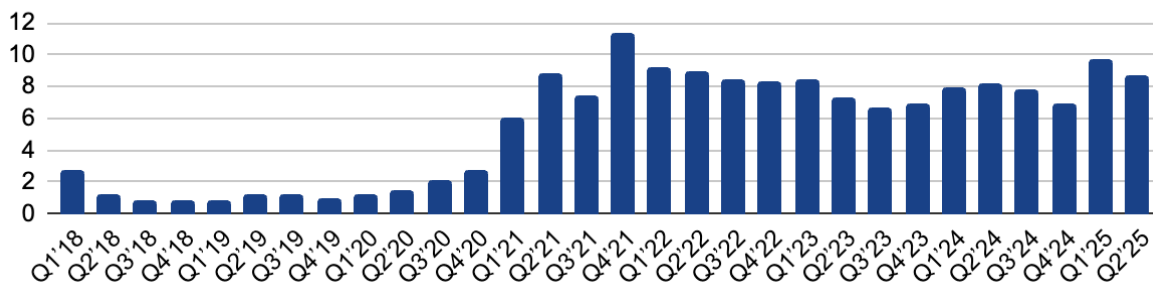
The slow growth period

Exchange user growth slowed after the surge in 2020 and 2021. Early adopters entered during that time, seeing crypto as a new frontier for investment. But the evidence was not strong enough to convince the broader majority. The collapse of FTX and Luna pushed the industry into a “crypto winter” in 2022, with effects lasting into late 2023. During this period, exchange user growth plateaued. Most early adopters were already on board, while the early majority held back, waiting for proven benefits before joining.

This stagnation was visible in leading platforms. Coinbase’s monthly traders stayed at 8–9 million since 2021, until now. Growth from token launches or new narratives has largely disappeared. The slowdown highlights why exchanges now need to expand features and reach a wider audience.

Coinbase Monthly Transacting Users

Unit: millions

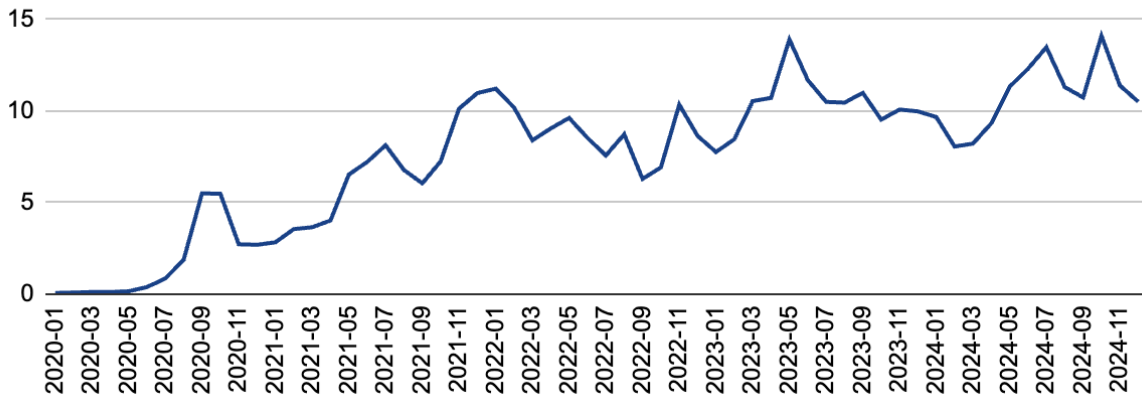


Source: The Block

At the same time, the growth of DEX traded tokens, led by the popularity of memecoin launchpads, has lured more risk-taking users away from exchange trading, and kept more liquidity and users in the on-chain trading space. Led by Pump.fun, meme coin became the focal point of attention for a large part of 2024. The on-chain launchpad not only makes the creation of new tokens extremely easy, it also starts to link everything into tokens. Platforms like Zora tokenize every social post, converting social attention into token trading by default.

DEX to CEX Spot Trade Volume (%)

Unit: %



Source: The Block

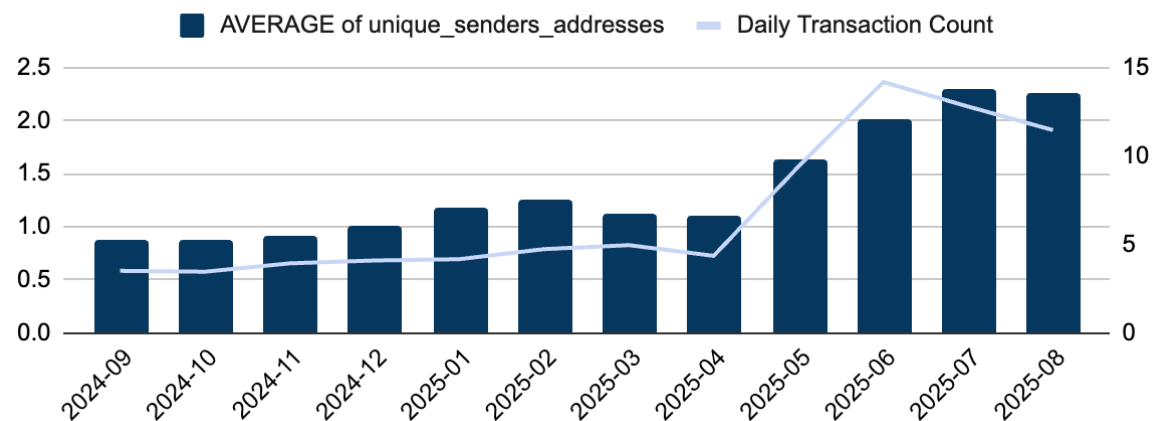
During this slow growth phase, leading exchanges focused on cultivating existing crypto user base and keeping users engaged across both on-chain and in-exchange activities. They pursued three main strategies: building on-chain ecosystems, promoting self-custody wallets, and integrating DEX token trading into wallets and the exchange.

Chain and Ecosystem

Several exchanges launched their own chains and tokens. Chains help exchanges retain crypto-native users who are comfortable with on-chain features, while the exchange itself anchors non-crypto-native users. Tokens serve as bridges, connecting the chain's ecosystem with the exchange's wider user base. This setup also enables coordinated token launch campaigns tied to exchange listings, and supports more creative marketing and ecosystem initiatives.

BNB Chain: Daily Active Users & Transaction Count

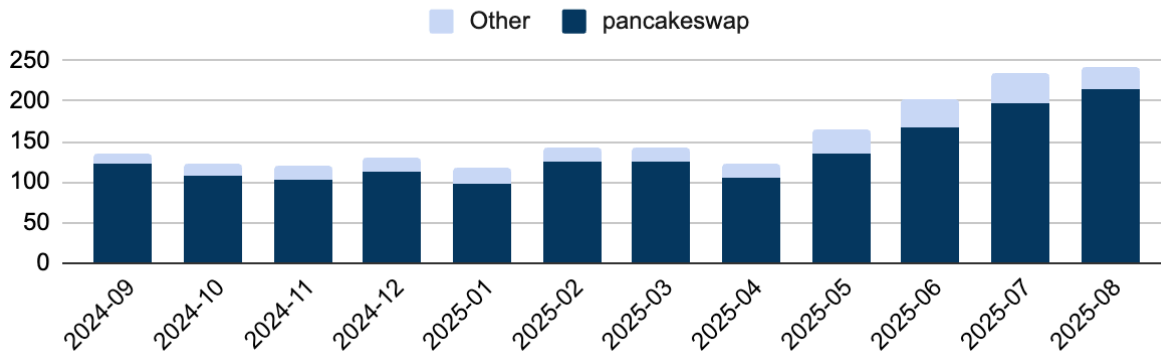
Unit: Number (Millions)



Source: DUNE

BNB Chain Spot DEX DAU by Month

Unit: Unique users (Thousands)



Source: DUNE

Take the BNB Chain as an example. This chain forms the backbone of Binance's on-chain initiatives. Meme Rush is a meme discovery page in Binance Wallet and relies on BNB Chain as a key partner. Users can trade newly launched meme on Four.Meme, a meme launchpad on BNB Chain, directly in Binance Wallet.

Meanwhile, BNB itself plays a central role in linking both the exchange and on-chain sides. Users can stake it in Launchpool campaigns on Binance or participate in token TGE campaigns on PancakeSwap via the Binance MPC wallet.

Over the past year, BNB Chain has doubled its monthly active users from 1 million to more than 2 million. The number of daily transactions has surged from 1 million to 10 million. Spot DEX activity has also risen, climbing from 120,000 to over 200,000. Together, these figures reflect strong adoption momentum and deeper engagement as on-chain features mature and exchange integrations bring more activity into the ecosystem.

Exchanges are not only expanding through wallets but also experimenting on social platforms. Coinbase's Base App highlights this shift. On February 5, 2025, it integrated Farcaster, enabling users to post content while tapping into Farcaster's existing social graph. This move potentially brought over [a million Farcaster users](#) into the Base App. On top of that, Zora introduced content tokenization within the app, embedding creator economies more directly into the exchange's growing ecosystem.

Wallet

As DEXs gain traction, CEXs have been expanding their on-chain offerings, putting wallets and chain ecosystems at the center. These wallets serve as a direct gateway into Web3, letting users manage assets, explore dApps through an integrated "App Store," and gradually get involved in on-chain activity with token incentives.

Over the past few years, exchanges have built wallets that unify multiple accounts into a single interface, making fund transfers and cross-chain swaps seamless. They also allow trading of spot tokens and early-stage meme tokens, while integrated staking and DeFi earning modules let users put assets to work. To keep users engaged, task-based rewards guide them to explore new features and interact more deeply with the ecosystem.

OKX Wallet exemplifies this approach. It began with multi-chain asset management, allowing users to view and control assets from different blockchains in a single interface. As the wallet expanded to support over 150 chains, it eliminated the need for multiple wallets. Security was enhanced through Multi-Party Computation (MPC), enabling safer on-chain staking, token swaps, NFT trading, and DApp access, gradually building a full Web3 ecosystem.

Trading and yield functions followed, covering spot trading, staking, and meme token markets. Users could directly trade and earn yield without external tools. OKX wallet also introduced the DeFi Earn program.

To boost engagement, OKX Wallet implemented task-based incentives. Activities like Crypto Quests and interactive trading challenges allowed users to earn rewards, fostering deeper interaction with wallet features.

Integrate DEX traded tokens

In Q1–Q2 2025, several exchanges launched in-exchange on-chain trading features. These allow users to trade on-chain assets directly through their CEX spot accounts, without needing to understand on-chain concepts or pay gas fees.

This setup is especially attractive to degens, as it gives them access to a wider range of on-chain assets on a single platform. Exchanges that have integrated such features include Binance (curated by the listing team), OKX (curated by the listing team), Coinbase (all on-chain assets on the Base chain), and Bitget (all on-chain assets on the ETH, SOL, BSC, and Base chain).

Let's take a closer look at Binance to see how these features perform.

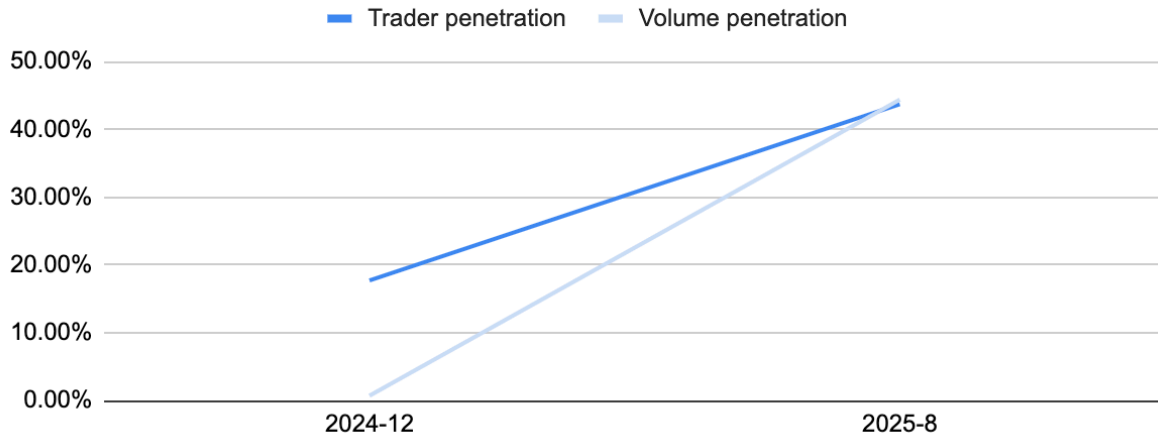
Binance offers this feature under the name Binance Alpha, designed to give users access to early-stage crypto projects with growth potential without leaving the Binance interface. To ensure quality and potential, the Binance listing team carefully curates which tokens are available on Binance Alpha.

In addition, users can earn points by trading or providing liquidity on PancakeSwap using Alpha tokens. These points are then used to determine eligibility for participating in new project campaigns listed on Binance Alpha, creating a continuous incentive loop that encourages user engagement and exploration of emerging tokens.

This strategy fueled rapid adoption of Binance Wallet.

Binance Wallet Activity / PancakeSwap Activity

Unit: %



Source: DUNE, Animoca Brands Research

In December 2024, when the wallet revamp went live, PancakeSwap averaged ~\$800M in daily volume while Binance Wallet saw ~\$5M. PancakeSwap had ~48k daily traders, compared with ~8.5k on Binance Wallet. Penetration stood at 17% for traders and 0.7% for volume.

By August 2025, PancakeSwap averaged ~\$3B in daily volume while Binance Wallet reached ~\$1.4B. Daily traders on PancakeSwap averaged ~53.9k, with ~21.4k on Binance Wallet. Penetration climbed above 40% for both traders and volume.

Continuous improvement efforts such as AI trading assists are also added to help user growth. For example, Bitget has launched GetAgent, an AI trading assistant. Users can analyze tokens, receive trading signals, and build strategies using natural language, all within the same interface.

While the above mentioned efforts continue to bring new growth to crypto exchange users, the next S curve, the period with dramatic user growth are still yet to be unlocked. In Q2 2025, [6.9%](#) of people held crypto, while [15-30%](#) of people traded stocks in the world.

Exchange Development Towards Universal Exchange (Non-exhaustive List)



				Binance	OKX	Coinbase	Bitget	
Wallet & Chain	Wallet	Asset management	Multi-wallet Management	Yes	Yes	Yes	Yes	
			Cross-chain swap	Yes	Yes	Yes	Yes	
		Trading and Yield	Spot	Yes	Yes	Yes	Yes	
			Futures				Yes	
			Meme Discovery Page	Yes	Yes		Yes	
			Tokenized Stock Discovery Page				Yes	
			Curated DeFi Earning	Yes	Yes		Yes	
		Other Features	App Discovery Page	Yes	Yes	Yes	Yes	
			Questing Platform	Yes	Yes		Yes	
			Social Platform	Binance Square	Chat Only (OKX Pay)	The Base App	Insights	
			Smart Address Signal	Yes	Yes			
			Payment	Onchain	Onchain or Exchange	Onchain (optional: based on social profile)	Onchain or Deposit Card	
			E-commerce				Yes	
		Chain			Leveraging BNB Chain and BNB for their TGE/rewards campaigns and Binance Alpha	Leveraging OKB for their TGE and rewards campaigns, though these are currently inactive. They have also integrated X Layer for their payment services.	The Base App integrates Farcaster and Zora, allowing users to trade tokens on Base without leaving Coinbase exchange.	Leveraging BGB for their TGE/rewards campaigns
		Exchange Offerings	Onchain Trading			Binance alpha (curated token by listing team)		All asset on Base
	Curated DeFi Earning			Yes	Yes	Yes		
Exchange-backed LST			Yes (WBETH)		Yes (cbETH)			
RWA-backing Asset			Yes (RWUSD)			Yes (BGUSD)		
Tokenized Stock						Yes		
Trading Assistance			Binance Academy			Bitget Academy, GetAgent		

Source: Official Website, Animoca Brands Research

The new development

The change of the US administration at the beginning of 2025 flipped the US from anti-crypto to pro-crypto. The U.S. government launched a series of pro-crypto regulations under the "Project Crypto" initiative, announced by SEC Chair Paul Atkins. The campaign aligns with the Trump administration's goal of positioning the U.S. as a global crypto hub.

The policy change boosted confidence among crypto-native users and, more importantly, allowed traditional financial institutions to explore crypto as a new rail for financial services. Real-world assets (RWAs) began appearing on-chain, including

money market funds, private credits, gold, stocks, and even pre-listed company shares.

For crypto exchanges, these on-chain assets create a chance to compete with traditional brokerages and attract users who understand stocks but have not yet engaged with crypto. Exchanges already hold advantages over traditional brokers, such as 24/7 trading, no geographic limits, and perpetual futures.

Tokenized RWAs also unlock low-liquidity assets, such as private company shares, expanding access for investors. When combined with other on-chain traditional assets—debts, stocks, and money market funds—crypto exchanges can offer a superior trading experience. This makes these assets available to a wider audience that was previously limited by local brokerage access.

Level the field

In 2025, exchanges are introducing more TradFi-friendly assets and features to lower entry barriers for mainstream users.

On the asset side, exchanges are launching tokenized stocks and RWA-backed products. Binance and Bitget have rolled out money market fund-backed assets, including RWUSD and BGUSD, respectively. In addition, Bitget lists tokenized stocks on its platform. Through a partnership with Ondo Finance, Bitget users can trade tokenized stocks directly on the exchange without needing a traditional brokerage account.

Ondo Finance's tokenized stock market already supports over [\\$180 million](#) in assets, with mint and redeem volumes exceeding [\\$190 million](#).

By matching the services offered by traditional brokerages, exchanges already hold an advantaged position, providing worldwide access.

Play to on-chain trading strength

Crypto exchanges provide broader access in two ways compared to TradFi platforms : stock perps and private company stocks.

Stock Perpetuals

Trading stocks in traditional markets constrain participants to clearing requirements and low leverage. For example, in the U.S., Regulation T limits borrowing to [50%](#) of the stock price, or about 2:1 leverage. Portfolio margin accounts allow higher leverage, sometimes up to [6.7x](#), depending on risk.

Trading hours also constrain traditional exchanges. Nasdaq operates Monday to Friday, 9:30 a.m. to 4:00 p.m. ET. Extended hours exist but have low liquidity and high volatility.

Crypto exchanges remove these barriers, although often with the trade-off of operating in a legal and regulatory grey zone. Users trade equity perpetuals anytime and access higher leverage. MyStonks, a tokenized stock platform, offers equity perps with up to 20x leverage. In addition, Bitget now supports up to 25x leverage on stock perpetuals. This setup provides global market access and flexibility unavailable in traditional markets.

Private Company Stocks

Another innovation from crypto exchanges is the tokenization of shares in private companies, making them tradable for retail investors. This is contrasted with traditional finance, where private equity markets remain exclusive to institutions or accredited investors, with high entry barriers and limited liquidity.

Exchanges which allow its users to tokenized versions of private company shares introduce price discovery and secondary market liquidity for these assets. For instance, Robinhood recently opened access to OpenAI's private equity for its retail users. However, the drawback is that such products may not be widely available given legal and regulatory constraints.

Traditional players catching up

While crypto native exchanges are expanding into traditional assets, traditional exchanges and brokerage are also trying to close the gap with the crypto world.

Robinhood

Robinhood is a U.S.-based financial services company known for its commission-free stock trading platform. It focuses on making investing accessible to everyday users through simple interfaces and low barriers to entry.

Building on this approach, Robinhood has expanded into crypto. Users can buy, sell, and hold major cryptocurrencies like Bitcoin, Ethereum, and Dogecoin. The platform includes a crypto wallet that supports sending, receiving, and storing assets. It is also rolling out staking for Ethereum and Solana, allowing users to earn yield while staying within the app.

Robinhood is now extending its offering in Europe with over 200 tokenized U.S. stocks and ETFs. These tokens provide 24/5 access, dividend payments directly in the app, and no commissions or added spreads from Robinhood.

To support tokenization and seamless trading, Robinhood is building its own Layer 2 blockchain, Robinhood Chain, using the Arbitrum technology stack. Tokenized stocks are initially issued on Arbitrum, with plans to migrate them to Robinhood Chain. This migration will provide users with greater control, enhanced security, and a more integrated experience across traditional and decentralized finance.

Launching Robinhood Chain also opens the possibility of attracting liquidity beyond Europe, connecting global users to the platform and its tokenized assets.

PNC Bank

In July 2025, PNC Bank announced a [strategic partnership](#) with Coinbase to enhance digital asset services for its clients. Leveraging Coinbase's Crypto-as-a-Service (CaaS) platform, PNC aims to provide secure and scalable cryptocurrency trading and custody solutions. This collaboration allows PNC customers to buy, hold, and sell digital assets directly through the bank's interface, integrating cryptocurrency services into their existing banking experience. Additionally, PNC will offer select banking services to Coinbase, reflecting a mutual commitment to building a more resilient digital financial system.

Stock exchanges

While crypto markets have long operated on a 24-hour cycle, some stock exchanges are beginning to follow this model. In March 2025, Nasdaq Inc. announced plans to introduce 24-hour trading on its flagship U.S. exchange, seeking to capture growing global demand for continuous access to U.S. equities.

Next Phase: Universal Exchange and Gateway to on-chain world

Connecting the dots, we see two main development themes of crypto exchanges. First is to become a "universal exchange", a platform offering trading on everything to everyone. It aims to serve both crypto natives and mainstream users without geo and time limits. The second one is acting as the gateway to the on-chain world, building a super app that connects users to the broader crypto ecosystem by providing day-to-day on-chain services such as payment and incubating a vibrant on-chain application ecosystem.

Universal Exchange (UEX)

As centralized exchanges look to serve both crypto natives and mainstream users, they're moving beyond simple trading platforms and building full ecosystems. This trend is referred to as UEX, as suggested by Bitget.

A big part of this is integrating DEX-traded tokens. Exchange features like Binance Alpha and Bitget Onchain let users access tokens that used to be available only on DEXs.

Exchanges are also widening the kinds of assets users can trade. Platforms like Zora, for instance, turn social media posts into tradable tokens, bringing creator economies right into the exchange interface.

Meanwhile, pro-crypto policies in the U.S. are speeding things up by making it easier to put real-world assets on-chain. Money market-backed tokens, tokenized stocks, and even private company shares are now trading on platforms like Binance, Bitget, and Robinhood. With global reach and 24/7 trading, exchanges have a natural edge over traditional brokers.

All of this is opening the door for more people to get into crypto. By combining DEX tokens, new assets, and tokenized real-world instruments, exchanges are building a single platform where both experienced crypto users and newcomers can trade and explore.

Gateway to on-chain world

With pro-crypto policies in the U.S., stablecoins are gaining traction, with both on-shore and off-shore issuers entering the market. Banks often issue them to protect liquidity, while marketplaces use them to attract capital and enable business. Exchanges play a key role in distribution, as seen with USDC on Coinbase and USDT on major platforms.

Exchanges and wallets are also building payment and transfer infrastructure. OKX Pay, for example, offers zero gas fees via X Layer and removes the need to hold OKB. Bitget Wallet's PayFi solution, meanwhile, enables users to make purchases through the national QR code payment systems in Vietnam and Brazil. As these systems mature, stablecoins start entering daily transactions. Since holding them yields nothing, users seek interest-bearing options, creating demand for crypto banks. Binance, OKX, and Bitget integrate DeFi earning and RWA-backed assets, offering users ways to earn while keeping funds in wallets.

This mirrors strategies in traditional finance: Alipay drew users through payments, Ping An added financial products on top. Crypto exchanges follow the same path, combining stablecoins, yield-bearing deposits, and wallet payments. Some stop at one-stop services like a Universal Exchange, while others pursue Super App models like Coinbase's Base App, integrating payments, social features, mini-apps, and tokenized content via Zora and Farcaster.

By unifying trading, payments, and content, exchanges become ecosystem hubs. Projects reach users directly, tokens circulate within the app, and AI tools support trading decisions—all lowering barriers and deepening engagement.

Close Remarks

Looking at the current trajectory, the development toward UEX is driven by three trends: integrated DEX and CEX trading, launchpad-enabled tokenization of everything, and real-world financial asset tokenization under the Trump administration. Crypto exchanges are motivated to evolve into universal exchanges not only to

capture on-chain innovations, but more importantly, to attract mainstream users—the “early majority” in the innovation adoption curve.

While universal exchanges capture the early majority, gateways to the on-chain world are likely to bring the late majority into crypto. These users do not need complex trading features but still value convenient, day-to-day financial services such as payments, deposits, and yield opportunities.

These paths together define the next growth phase, expanding adoption from early enthusiasts to the broader population and positioning exchanges as the primary entry point to on-chain ecosystems.

At the same time, although the concepts of a universal exchange and a gateway to the on-chain world hold immense potential, full realization will not be straightforward. Mainstream adoption hinges on establishing trust and reliability in crypto exchanges. Regulatory hurdles add complexity, with diverse licensing requirements and varying levels of difficulty across jurisdictions. Some regulations may even prohibit integrated financial services, mandating firewalls or business segregation. Despite these challenges, these trends are likely to drive exchange development, funneling efforts toward this ultimate goal—even if not all exchanges achieve it unilaterally.

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draft1

Web2 Users are coming

The cryptocurrency landscape has experienced significant growth in recent years, with major exchanges like Binance and Coinbase reporting substantial increases in user engagement. Binance, for instance, surpassed [280 million](#) registered users by August 2025, reflecting its expanding global reach. Similarly, Coinbase reported [120 million](#) monthly active users in the second quarter of 2025, up from 96 million the previous year.

Some exchange staff have attributed this surge to the launch of Trump token and the frenzy around TON mini-games. However, this growth was short-lived, and user engagement is now showing signs of stagnation.

With growth slowing, exchanges are actively seeking new avenues for expansion. Trump's recent electoral victory has shifted the regulatory landscape in the U.S. A pivotal development was the enactment of the GENIUS Act on July 18, 2025, which establishes a regulatory framework for USD-backed payment stablecoins. That same week, the House passed the CLARITY Act, which lays the groundwork for a comprehensive regulatory regime for digital commodities, delineating the roles of agencies like the CFTC and SEC.

These legislative milestones—especially the GENIUS Act's stablecoin clarity and the CLARITY Act's broader market structure—are expected to boost institutional confidence and draw in traditional financial players and Web2 retail investors.

Demand is rising fast. The real bottleneck sits on the supply side. Current Web3 looks too complicated for Web2 users. Education will take time for 3 reasons:

On-chain concepts

For Web2 users, on-chain processes feel heavy. Wallets and gas fees are hard to grasp. A single swap can involve many steps: draining a wallet, bridging tokens, using a DEX, and adding gas on another chain. Every step adds friction. Each step raises the chance of failure and increases pressure on support teams.

Liquidity fragmentation

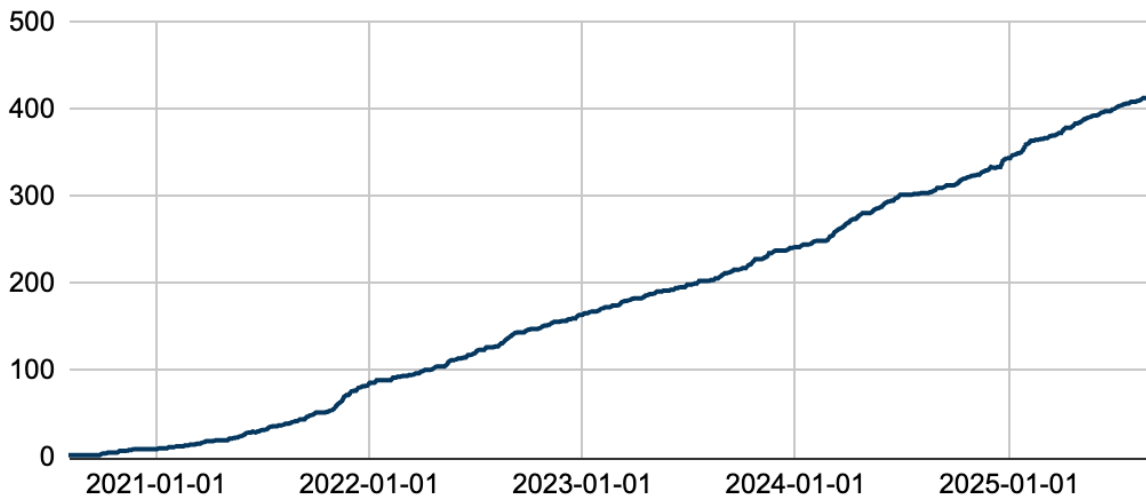
The multi-chain ecosystem continues to grow. As of September 3, 2025, there are nearly 400 chains, and liquidity is spread across all of them. This fragmentation makes it harder for users to find deep pools for trading, increases slippage, and reduces overall efficiency. Moving assets between chains adds further complexity, delays, and risk. Users often face frustration instead of seamless access to liquidity.

High-volatility assets

Most tokens in the market remain highly volatile. Risk-averse investors hesitate to take part. Memes and speculative tokens do not attract them. They prefer gold, forex, or stable yield opportunities. The market must offer assets that sit closer to their comfort zone.

Number of Chains with TVL

Unit: Number of Chains



The design target is becoming clear: lowering education costs. This could be done in 3 dimensions:

Eliminating or abstracting on-chain concepts

Users want a single home screen and a TradFi-like trading experience that removes the need to learn how to navigate on-chain.

Liquidity aggregation

Assets should share liquidity across chains, and users' funds should be securely custodied. One-stop access enables users to trade multichain assets with ease.

Diversified assets

Platforms should onboard more asset types that appeal to TradFi users. This lowers the learning curve and encourages users to keep their funds on the platform.

Exchanges that can deliver this full experience could be called a Universal Exchange, and they are expected to capture the influx of new users.

Exchanges know where they are heading

This trajectory is natural when viewed through the history of crypto exchanges. Evolution has always focused on reducing entry barriers and minimizing learning curves.

In the early years, trading crypto was challenging. Forums and OTC chats were the primary venues. BitcoinMarket launched in March 2010, and Mt. Gox soon became the dominant hub, handling more than [70%](#) of Bitcoin trades at its peak in 2013. The shift to larger, modern exchanges was driven by two forces: eliminating on-chain concepts and aggregating liquidity.

Centralized exchanges scaled to meet user expectations in ways that resembled traditional asset trading, eliminating the need to learn on-chain processes. Offerings like spot trading, perpetual contracts, margin trading, and structured notes became standard, making the experience more familiar to both retail and institutional investors.

Reported user figures now underscore the scale of centralized exchanges:

- Binance had over [280 million](#) registered accounts by September 3, 2025.
- Bitget amassed around 120 million users in Q1 2025.
- Bybit reached 70 million users by May 2025.
- Coinbase saw approximately 120 million monthly active users in Q2 2025.

Meanwhile, DEXs pursued a different path—prioritizing asset diversity. DEXs accept an extremely wide range of on-chain assets—including meme coins, venture-backed tokens, and real-world assets—but often trade off critical factors like liquidity and user experience in the process. As of September 2, 2025, DEX platforms saw over 800k daily active users, including approximately [753.9k](#) on spot trading and [72.1k](#) on perpetuals—according to Artemis.

Both CEXs and DEXs built sizable user bases, now large enough to compare with traditional platforms. For context, Robinhood counted [12.8 million](#) monthly active users in Q2 2025.

CEX

CEXs are starting to build on-chain features, and their deployment can be seen on 3 fronts.

On-chain side

Exchanges have begun rolling out their own on-chain wallets and related infrastructure. These deployments typically include:

- **Asset Management:** The wallet unifies multiple accounts into a single interface. It also allows CEX users to link their exchange ID to the wallet, enabling easier fund migration. Users can manage assets across supported chains and perform cross-chain swaps with optimized routes, eliminating the need for external tools.
- **Trading and Yield:** Trading covers both spot tokens and early-stage meme tokens launched through meme token platforms. Additionally, the Earn Module provides direct access to staking strategies.
- **Other Features:** These may include a wide range of additional support, such as token-incentivized quests, rewards, and more.

Internal deployment

Inside the exchange, integration is moving toward a one-stop model. Users can trade on-chain assets directly through their spot accounts without separate listings. At the same time, they can access DeFi services such as lending and staking in a familiar CEX interface.

Chain and Token

Beyond wallets and internal development, exchanges also launch their own chains and tokens. Chains help exchanges retain crypto-native users who are comfortable with on-chain features, while the exchange itself anchors non-crypto-native users. Tokens serve as bridges, connecting the chain's ecosystem with the exchange's wider user base.

			Binance	OKX	Coinbase	Bitget
Exchange Wallet	Asset management	Multi-wallet Management	Yes	Yes	Yes	Yes
		Cross-chain swap	Yes	Yes	Yes	Yes
	Trading and Yield	Spot	Yes	Yes	Yes	Yes
		Futures				Yes
		Meme Discovery Page	Yes	Yes		Yes
		Tokenized Stock Discovery Page				Yes
		Curated DeFi Earning	Yes	Yes		Yes
	Other Features	App Discovery Page	Yes	Yes	Yes	Yes
		Questing Platform	Yes	Yes		Yes
		Social Platform			Yes	
		Smart Address Signal	Yes	Yes		
		Payment	Onchain	Onchain or Exchange	Onchain (optional: based on social profile)	Onchain or Deposit Card
		E-commerce				Yes
Internal Development	Onchain Trading		Binance alpha (curated token by listing team)		All asset on Base	Bitget Onchain (curated by AI)
	Curated DeFi Earning		Yes	Yes	Yes	
	Exchange-backed LST		Yes (WBETH)		Yes (cbETH)	
	RWA-backing Yield		Yes (RWUSD)			Yes (BGUSD)
	Tokenized Stock					Yes
	Trading Assistance		Binance Academy			Bitget Academy, GetAgent
	Social Platform		Yes (Binance Square)	Chat Only		
Chain and Token			Leveraging BNB Chain and BNB for their TGE/rewards campaigns and Binance Alpha	Leveraging OKB for their TGE and rewards campaigns, though these are currently inactive. They have also integrated X Layer for their payment services.	The Base App integrates Farcaster and Zora, allowing users to trade tokens on Base without leaving Coinbase exchange.	Leveraging BGB for their TGE/rewards campaigns

Case Study 1: Binance

Exchange Wallet

Compared to other wallets, Binance Wallet positions itself as a gateway for users to access the Web3 ecosystem, primarily supported by Binance initiatives and the BNB Chain ecosystem. Users can trade spot tokens and participate in TGE or rewards campaigns. Its functionality is mainly DeFi-focused.

The platform originally launched as Binance Web3 Wallet on November 8, 2023, integrating a self-custodial wallet directly into the Binance app. A year later, on December 9, 2024, it

was rebranded as Binance Wallet to reflect a broader vision: onboarding one billion users into Web3 by making the technology accessible and intuitive. “Just as email and online shopping became simple and widely adopted, Web3 is becoming part of more and more people’s everyday life. The revamped Binance Wallet is designed to accelerate this transition, offering tools that simplify the decentralized experience,” said Winson Liu, Global Lead of Binance Wallet.

Internal Development

At the heart of Binance’s on-chain strategy sits Binance Alpha. It offers users access to early-stage crypto projects with growth potential without switching to an on-chain interface, and it lets them earn airdrops by trading or providing liquidity. Binance Alpha launched alongside the wallet rebrand, acting as a token discovery layer within the Binance Wallet.

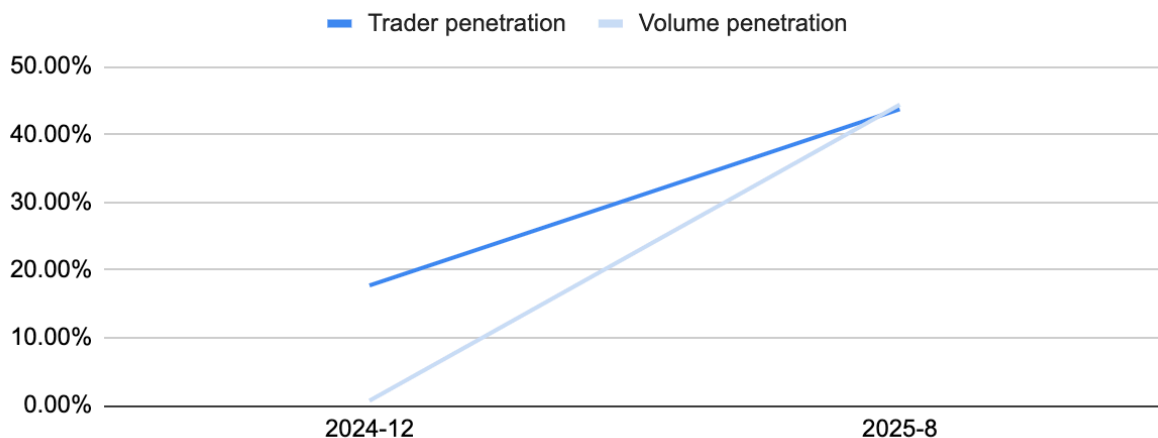
In March 2024, Alpha 2.0 went live. Users could trade Alpha tokens directly using their Binance Spot or Funding accounts, removing the need for a separate interface. This change combined DEX-style discovery with CEX-style convenience.

By late April, Alpha Points were introduced. Users earned points through trading or supplying liquidity on PancakeSwap with Alpha tokens. The points added a new incentive layer and strengthened user engagement.

This strategy fueled rapid adoption of Binance Wallet.

Binance Wallet Activity / PancakeSwap Activity

Unit: %



Source: DUNE, Animoca Brands Research

In December 2024, when the wallet revamp went live, PancakeSwap averaged ~\$800M in daily volume while Binance Wallet saw ~\$5M. PancakeSwap had ~48k daily traders, compared with ~8.5k on Binance Wallet. Penetration stood at 17% for traders and 0.7% for volume.

By August 2025, PancakeSwap averaged ~\$3B in daily volume while Binance Wallet reached ~\$1.4B. Daily traders on PancakeSwap averaged ~53.9k, with ~21.4k on Binance Wallet. Penetration climbed above 40% for both traders and volume.

Beyond one-stop access to on-chain trading, Binance also integrated ETH and SOL staking directly on its exchange platform.

Chain and Token

BNB Chain and BNB (Binance's native token) act as a bridge connecting Binance with its on-chain ecosystem.

Binance originally launched Binance Chain in 2019 and added smart contract functionality with Binance Smart Chain (BSC) in 2020. By February 2022, both chains were merged under BNB Chain, unifying governance and smart contract capabilities, though Binance does not control it.

This chain infrastructure forms the backbone for Binance's on-chain initiatives. Binance Alpha, for instance, uses BNB Chain as its main partner. Most newly listed projects maintain liquidity pools on the BNB Chain, which drives activity and engagement across the ecosystem.

BNB itself plays a central role in linking both the exchange and on-chain sides. Users can stake it in Launchpool campaigns on Binance or participate in token TGE campaigns on PancakeSwap via the Binance MPC wallet.

Case Study 2: OKX

Exchange Wallet

Similar to Binance Wallet, OKX Wallet has launched a series of functionalities focusing on DeFi, offering trading, earning, and questing within a single platform.

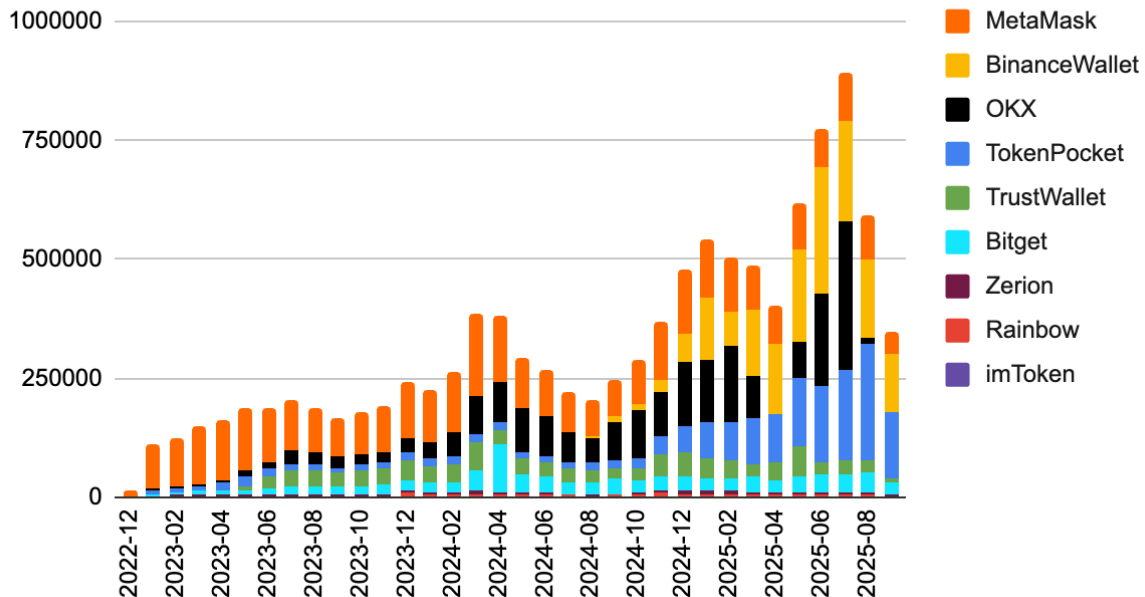
Notably, OKX introduced its BRC-20/Inscription market in May 2023, becoming the first multi-chain wallet to support the minting and trading of Bitcoin Ordinals and BRC-20 tokens. This move demonstrated OKX's responsiveness to emerging trends, aligning with the growing interest in Bitcoin-native assets and showcasing a rapid and market-sensitive approach compared to other wallets.

OKX also launched its own version of "Alpha" called OKX Boost, where users can earn rewards based on their trading activity and wallet balance. However, unlike Binance Alpha, OKX's exchange platform cannot access this feature internally (i.e., using spot fund to buy onchain asset).

User stat

Wallet - Average Weekly Active Trader by Month

Unit: USD



Internal Development

Compared to other exchanges, OKX positions itself as a highly regulated exchange and aims to operate in the U.S., which may also explain why it has not launched TGE campaigns for a while.

However, it offers deep integration with on-chain earning protocols, providing users with diverse strategies. For instance, users can earn yields on USDT through AAVE v3 and Compound v3, options that may not be available on other exchanges.

Chain and Token

OKB, the native token of OKX, has historically played a central role in the Jumpstart platform, where holders could use their tokens for lottery tickets or direct participation in new project launches. One of the most notable examples was the issuance of SUI, which relied on OKB payments combined with a lottery mechanism.

Yet a closer look at OKX's Jumpstart page shows no currently active or upcoming launches. Although OKX has not made an official announcement, the platform seems dormant, likely due to regulatory pressure or internal restructuring. This pause has shifted attention away from Jumpstart and toward other ways to strengthen the role of OKB.

The most significant change came through a large-scale token burn, where over 65 million OKB were permanently removed, fixing the total supply at 21 million. This scarcity narrative was reinforced by OKX's decision to rebrand OKB as the exclusive gas token for its Layer-2 network, X Layer. In doing so, OKX repositioned OKB from a launch participation token to a utility asset embedded in network operations.

This transition also extends into payments. OKX Pay (OKX payment services) now defaults to X Layer, offering users zero gas fees and removing the need to hold OKB directly. Through these shifts, OKX is clearly redefining how OKB creates value in its ecosystem.

Case Study 3: Coinbase

Exchange Wallet

Unlike other exchange wallets, most exchange wallets borrow from the “Chinese” style, adding one-tap yield and DeFi trading features. Coinbase takes a different path and frames Base App as a super app.

It embeds hundreds of mini-apps, ranging from games to prediction markets, offers one-tap USDC payments via NFC, and includes encrypted XMTP messaging, where users can share content, transact with AI agents, or send funds. Eligible users can post, trade, and get paid without platform gatekeepers.

This positioning is reflected in the UI design: the app store is front and center on the homepage, while social features, chat, and user profiles take priority. Trading receives less emphasis. Notably, through its integration with Zora and Farcaster, Base App allows users to create and trade tokens tied to social media posts, enabling a new form of content monetization. By the end of July, [50,000+ new tokens](#) were being created on Zora and issued on Base on a daily basis.

Internal Development

Unlike other exchanges, Coinbase primarily operates in the U.S., which imposes significant restrictions and limits its ability to move quickly. As a result, the platform currently focuses on spot trading and a limited set of futures. This explains the motivation behind the development of the Base App.

With clearer legal boundaries in the U.S. and a desire to become more crypto-friendly, Coinbase revealed on the sidelines of its Q2 report that it is also “[building the Everything Exchange](#).” This platform will incorporate not only core digital asset activities such as trading and staking but also derivatives, prediction markets, early-stage token sales, and more.

Chain and Token

Base is the blockchain backed by Coinbase, forming the core infrastructure for the Base App. This connection allows Coinbase to reach Web3 users effectively. The Base ecosystem and Base App are tightly integrated, with Farcaster and Zora built on top of Base to provide social graph functionality and content tokenization within the app. Launched in February 2023, Base has become an integral part of the Coinbase ecosystem, contributing [\\$53.5 million](#) in revenue in the company’s most recent quarterly report.

However, legal restrictions prevent Coinbase from issuing a Base token, which limits the scope of rewards campaigns tied to the chain. As a result, the Coinbase’s ability to generate value directly from token or chain is constrained, making Coinbase’s value accrual primarily dependent on its other exchange activities.

Case Study 4: Bitget

Exchange Wallet

Founded in March 2018, Bitget Wallet, originally known as BitKeep, is a self-custodial Web3 wallet that enables users to manage their crypto assets while retaining control over their wallet keys. It supports over 130 networks and millions of crypto assets, including Ethereum, Ethereum Layer 2s, Bitcoin, Solana, and Base.

As of July 2024, Bitget Wallet reached [30 million users](#) and set a new record for global app downloads, surpassing MetaMask.

Internal Development

Bitget's on-chain strategy centers on Bitget Onchain, launched in April 2025. Similar to Binance Alpha, it lets users trade on-chain assets directly in the app using USDT or USDC spot accounts, while AI tools screen tokens in real time to highlight promising opportunities.

On top of this, Bitget offers GetAgent, an AI trading assistant for the crypto market. Users can analyze tokens, receive trading signals, and build strategies using natural language, all within the same interface. GetAgent leverages Bitget's infrastructure and trading data to deliver personalized insights. Users can execute trades instantly, including swaps and on-chain transactions, without leaving the app, creating a seamless and secure trading experience.

[Users Stat]

Chain and Token

BGB, Bitget's native token, is similar to Binance's BNB and links on-chain features to Bitget users. Users can use BGB to participate in new project token sales and liquidity mining on the Bitget exchange. They can also join Fair Launchpool activities on Bitget Wallet to earn tokens from new projects.

On the on-chain side, Bitget acquired Morph, a Layer 2 blockchain, and is also an early investor in the project. On September 2, 2025, Bitget announced that it had transferred all 440 million BGB tokens it held to the Morph Foundation, establishing BGB as the utility and governance token of the Morph network.

DEX

Meanwhile, DEXs are also moving toward CEX-style features, aiming to improve trading experience and aggregate liquidity:

- More professional interfaces: Platforms like Hyperliquid now offer trading UIs that feel closer to a CEX.
- Trading aggregators: Protocols such as 1inch pool liquidity from multiple sources to give users better execution.

Case Study 1: Hyperliquid

Hyperliquid shows how a DEX can feel truly CEX-like. Users trade without signing each transaction, replicating the seamless experience of a CEX. The interface is designed like a professional exchange, with clear layouts and support for advanced order types such as TWAP and iceberg orders. Trades are executed on a fully on-chain order book, while zero Gas fees and a fee structure based on order size make the trading experience fast, intuitive, and familiar to professional traders.

Other than its UI, Hyperliquid is also [extending regulatory compliance](#) to resemble a CEX. The platform has actively engaged with the U.S. Commodity Futures Trading Commission (CFTC) to lay the groundwork for regulatory alignment around its 24/7 perpetual futures market. On May 23, 2025, it responded to CFTC requests, outlining how its on-chain risk controls—such as pre-funded collateral pools and auto-liquidations—enable safe and continuous derivatives trading.

[Users Stat]

Case Study 2: Jupiter

Jupiter, by contrast, emphasizes liquidity aggregation. As a Solana-based DEX aggregator, it pulls liquidity from 20+ Solana DEXs to provide users with the best swap rates. The platform supports standard token swaps, limit orders, dollar-cost averaging, and cross-chain bridging. By combining liquidity from different sources, Jupiter reduces slippage and improves execution efficiency, making trading smoother for users.

[Users Stat]

TradFi

This convergence also reflects broader trends in traditional finance. TradFi platforms, including brokers and banks, are gradually integrating crypto offerings. Unlike CEXs or DEXs, their user base is primarily composed of traditional investors rather than crypto-native users. For these institutions, adding crypto is less about creating a full-fledged crypto ecosystem and more about attracting and retaining users interested in digital assets.

Regulatory constraints heavily shape their approach. Most traditional institutions proceed cautiously, limiting their offerings to what regulators explicitly permit. They often start with pilot programs, crypto custodial services, or tokenized products, testing the waters before expanding further. This cautious strategy is common among brokers and banks, allowing them to experiment with crypto while managing legal and operational risks.

Case Study 1: Robinhood

Robinhood is a U.S.-based financial services company known for its commission-free stock trading platform. It focuses on making investing accessible to everyday users through simple interfaces and low barriers to entry.

Building on this approach, Robinhood has expanded into crypto. Users can buy, sell, and hold major cryptocurrencies like Bitcoin, Ethereum, and Dogecoin. The platform includes a crypto wallet that supports sending, receiving, and storing assets. It is also rolling out staking for Ethereum and Solana, allowing users to earn yield while staying within the app.

Robinhood is now extending its offering in Europe with over 200 tokenized U.S. stocks and ETFs. These tokens provide 24/5 access, dividend payments directly in the app, and no commissions or added spreads from Robinhood.

To support tokenization and seamless trading, Robinhood is building its own Layer 2 blockchain, Robinhood Chain, using the Arbitrum technology stack. Tokenized stocks are initially issued on Arbitrum, with plans to migrate them to Robinhood Chain. This migration will provide users with greater control, enhanced security, and a more integrated experience across traditional and decentralized finance.

Launching Robinhood Chain also opens the possibility of attracting liquidity beyond Europe, connecting global users to the platform and its tokenized assets.\

User stat

Case Study 2: PNC Bank

In July 2025, PNC Bank announced a [strategic partnership](#) with Coinbase to enhance digital asset services for its clients. Leveraging Coinbase's Crypto-as-a-Service (CaaS) platform, PNC aims to provide secure and scalable cryptocurrency trading and custody solutions. This collaboration allows PNC customers to buy, hold, and sell digital assets directly through the bank's interface, integrating cryptocurrency services into their existing banking experience. Additionally, PNC will offer select banking services to Coinbase, reflecting a mutual commitment to building a more resilient digital financial system.

Full vision for “exchange as gateway to on-chain”

The vision for a Universal Exchange is to create a true one-stop shop. Such a platform combines a Web2-like user interface with an integrated account system, merging exchange, wallet, and mobile access into a single experience. Users benefit from professional, TradFi-style trading options, robust customer support, and strong custody capabilities. The platform also has the organizational capacity to drive adoption at scale.

A single app would bring together payments, credit cards, and trading across crypto, derivatives, and tokenized real-world assets. Users can move seamlessly between CEX and DEX environments without switching platforms. The same interface also provides access to NFTs, lending, and other financial tools, making it a comprehensive ecosystem.

Identity verification sits at the core. A unified system combines traditional KYC and AML checks with on-chain trading history and social data. Users gain a single identity that works across all products, while regulators receive the safeguards they require.

The exchange itself becomes a hub for the ecosystem. Projects no longer need to rely solely on external marketing. They reach users directly through asset activity and engagement.

New tokens, campaigns, and services flow into the same app, allowing users to remain in one place while projects tap into an established distribution channel.

The exchange also provides users with access to crypto and other asset knowledge, such as research published by the exchange or embedded AI tools that help users understand assets or improve trading.

Potential Challenges

The Universal Exchange faces several challenges. Trust and reliability come first. Users place all assets into a single platform. If the exchange fails or is breached, the impact is not limited to one product. It can spread across crypto, payments, and tokenized RWAs at the same time.

Compliance adds another layer. Offering on-shore services requires licenses in each jurisdiction. Payments, lending, and RWA products face strict local rules. In the U.S., operating as a Money Services Business (MSB) requires registration with the Financial Crimes Enforcement Network (FinCEN). Additionally, states like New York require a BitLicense for virtual currency business activities. For example, Robinhood Crypto LLC and Bitstamp USA, Inc. were awarded BitLicenses in 2019. Exchanges need to build the right legal structure before scaling. This slows down global rollout but is necessary for long-term survival.

Regulation also might push back on integration. A Universal Exchange blends the two. Regulators may see this as concentration of risk. They could demand structural firewalls or even split business lines. For example, the Glass-Steagall Act of 1933 originally mandated the separation of commercial and investment banking to prevent conflicts of interest and reduce systemic risk. Although parts of the Act were repealed in 1999 by the Gramm-Leach-Bliley Act, the underlying principle of separating banking functions remains influential in regulatory considerations. This tension sits at the core of the model.

Beyond these general challenges, the type of platform also shapes the hurdles it faces. DEXs can reproduce much of the CEX experience, offering custodial wallets and user-friendly interfaces. Yet most lack KYC or AML procedures. Compliance becomes essential for wider adoption, ensuring asset security and enabling effective dispute resolution. Adding these measures, however, may push away early users who value anonymity, limiting initial growth.

TradFi platforms face a different set of constraints. Entering on-chain markets requires substantial education and careful navigation of unclear regulatory boundaries. Institutions often hesitate to divert resources from their core business. As a result, they lag behind crypto-native DEXs and CEXs and tend to integrate via APIs from compliant exchanges rather than building full in-house solutions.

In this context, CEXs have a potential advantage. They already combine custodial infrastructure, regulatory compliance, and a broad user base, making them the most capable of moving quickly toward a Universal Exchange. By integrating wallets, trading, payments, and tokenized assets into a single platform, CEXs can serve as the bridge between

crypto-native DEXs and traditional financial users, accelerating adoption and delivering a more seamless experience.