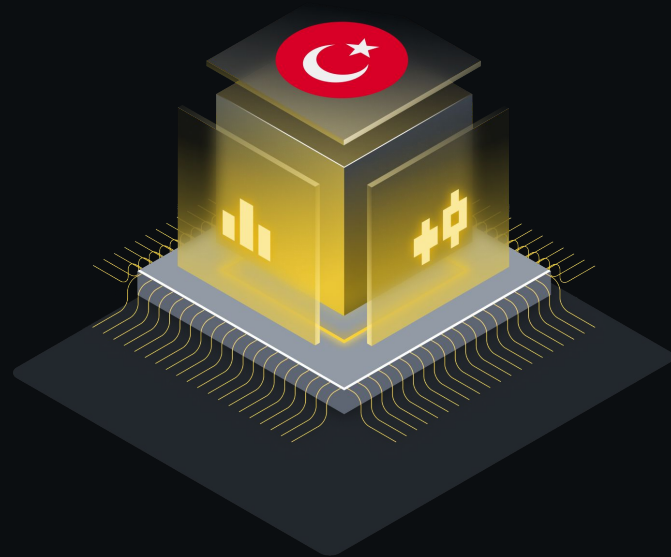


State of the Market: Turkey's Crypto Landscape

Binance Blockchain Week Special Edition



Nov 2023

*Cryptocurrency trading is subject to high market risk. Please make your trades cautiously.
There may be no recourse for any losses. See risk warnings here: www.binance.com/en/terms.*

Contents

- 01** Key Takeaways
- 02** Overview of Turkey's Crypto Landscape
- 03** Turkey Crypto Outlook Survey
- 04** Takeaways From Binance Blockchain Week 2023

Key Takeaways

The report provides an overview of the landscape of crypto in Turkey and takeaways from Binance Blockchain Week



Overview

Turkey has a relatively high level of crypto adoption, with around **40%** of citizens having exposure to crypto. Crypto is one of the most widely invested asset classes.



Motivations

66% of investors surveyed believe that the most compelling case for investing in crypto is the potential for profits. Ease of portfolio monitoring and interest in the technology come in second and third place, respectively.



Outlook

In the near term, **64%** of investors surveyed believe that crypto prices will increase in the next year. Looking ahead, **73%** believe that the number of crypto investors will increase in the next 5 years, indicating rising adoption.



Themes

At Binance Blockchain Week 2023, there was a keen focus on recent innovations, institutional adoption, and the user journey. The two-day conference in Istanbul saw over **2,000** physical attendees, with more than **0.5M** joining through livestream.

Overview

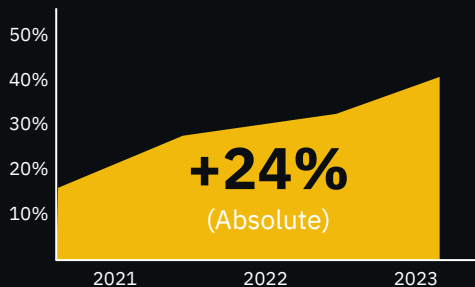


Overview of Crypto Adoption

Turkey has one of the highest crypto adoption rates internationally



2 in 5 citizens hold crypto.



Crypto adoption has increased from **16% to 40%** over the last 3 years.

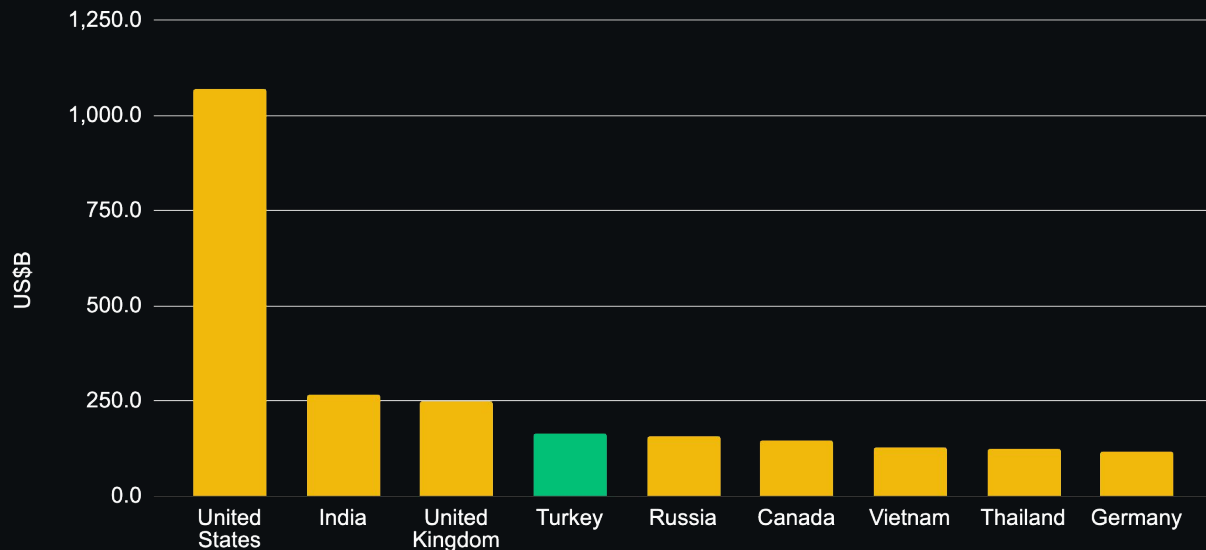
#12

Turkey is ranked **12th** on Chainalysis' Global Crypto Adoption Index 2023, ahead of several larger economies.

Crypto Adoption in Turkey

Turkey is the fourth-largest market by transaction volume

Value of Cryptocurrency Received (Jul 2022 - Jun 2023)



- ◆ Turkey is the fourth-largest crypto market by estimated transaction volume globally, ahead of other major economies.
- ◆ A challenging macroeconomic climate as well as interest in blockchain innovation have contributed to a relatively high level of crypto adoption.
- ◆ An additional datapoint is observed in the emergence of the Turkish Lira as the largest fiat trading pair on Binance, accounting for **75%** of all fiat volume in early September.[^]

Real Life Use Case of Crypto

Case Study: Disaster Relief

Turkey Earthquake 2023



- ◆ In the aftermath of natural disasters, access to traditional banking may be lost at the exact moment when extra funds are needed to help cover medical supplies, food, and other essential needs.
- ◆ Crypto transfers can be used to deliver financial aid in a fast, low-cost, borderless, and transparent manner.

Binance's Turkey Earthquake Relief Efforts

1) Airdropped US\$100 worth of BNB to affected users



Distributed:

17,411 BNB / US\$5.79M



Users:

57,939

2) Coordinated donations for emergency aid



Raised:

12.04 BTC / US\$442K



Donors:

1,533



End-Beneficiaries:

5,000

Turkey Crypto Outlook Survey



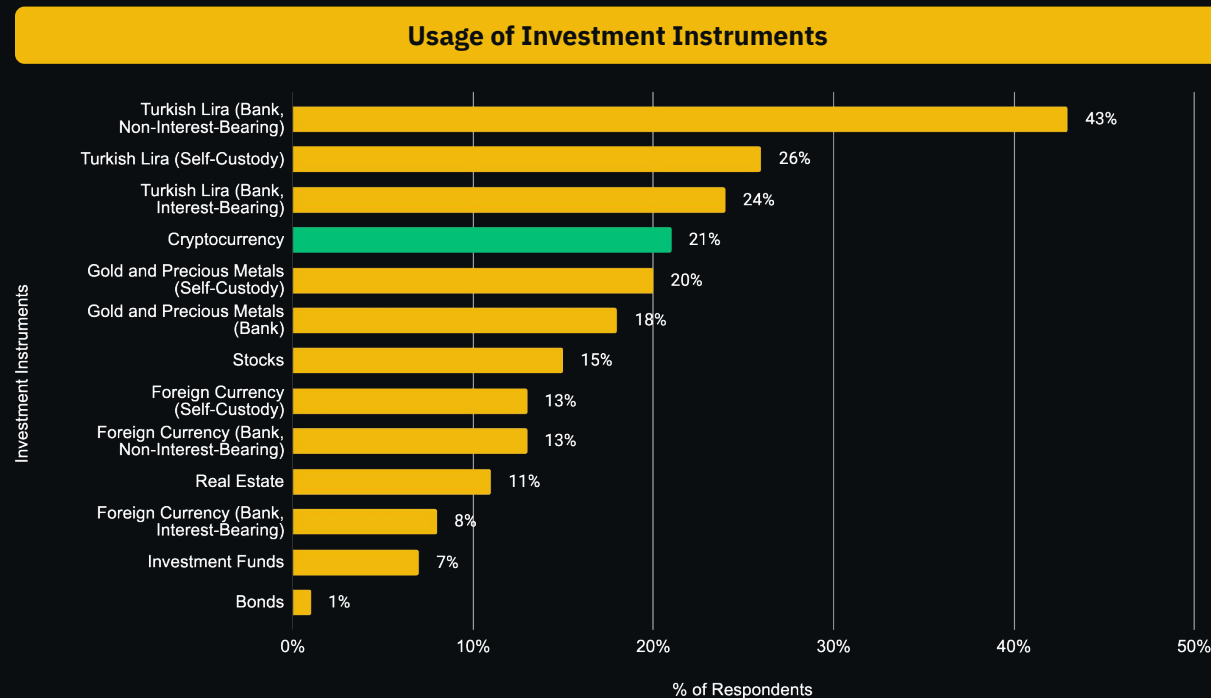
Methodology

The following slides consist of data based on a survey with responses from 606 Turkish participants. We also refer to these participants as “investors” in this report. The survey was commissioned by Binance and conducted by Twentify, a consumer research company.

The survey, which ran from April to May 2023, explored questions surrounding the respondents' attitudes, adoption, and outlook toward cryptocurrency.

What Are Turkish Investors Investing In?

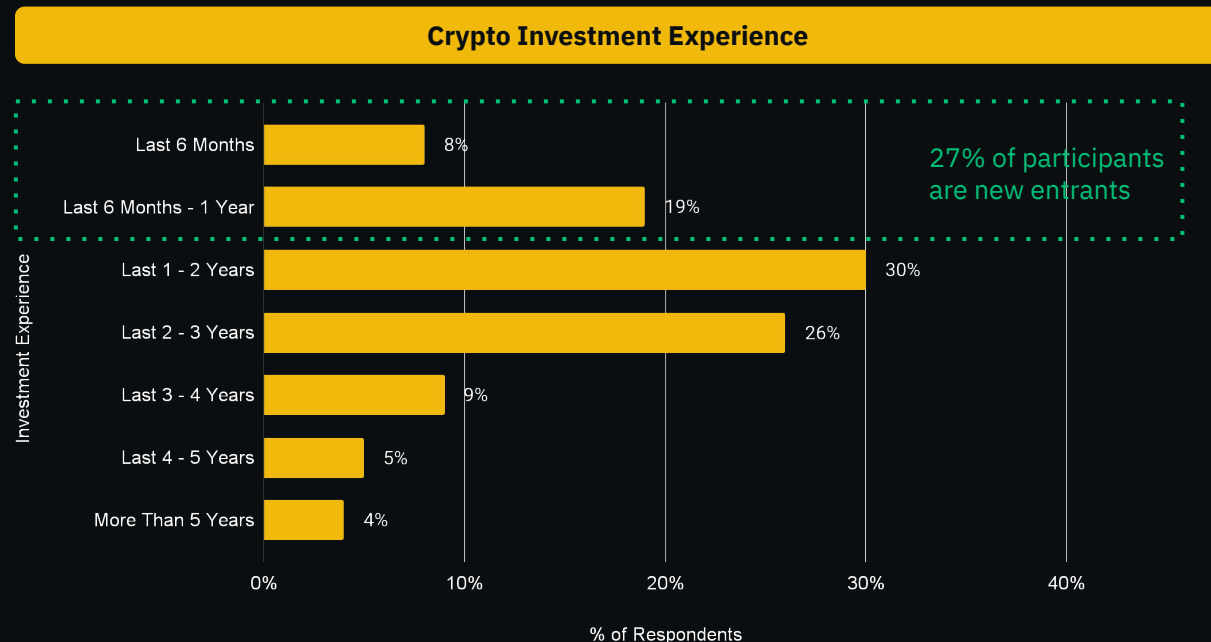
Crypto is one of the most widely invested asset class



- ◆ More than one in five (**21%**) of respondents are invested in cryptocurrency. This comes just after the Turkish Lira, the official currency of Turkey.
- ◆ Notably, cryptocurrency has a higher rate of adoption as compared to traditional asset classes such as precious metals, stocks, and bonds.

Time in the Market

Most respondents started investing in crypto around two years ago

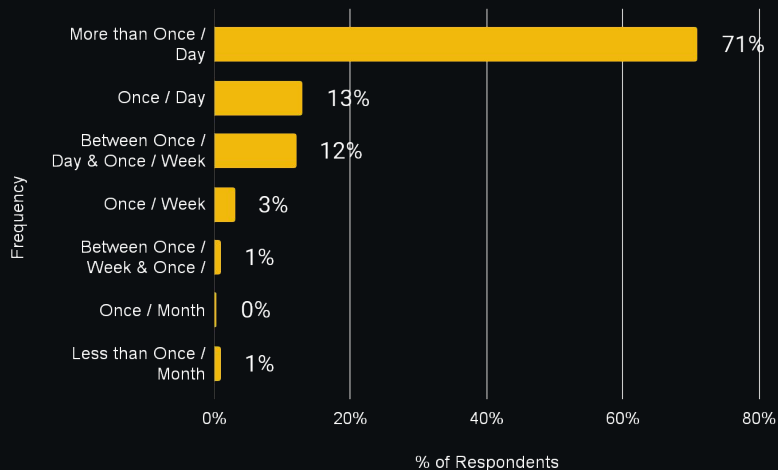


- ◆ On average, Turkish investors entered the crypto market around two years ago, during the last bull market.
- ◆ Interestingly, a sizable portion (**27%**) of participants have entered the crypto market within the last year, indicating continued interest in cryptocurrencies, even during a period of muted price movements.

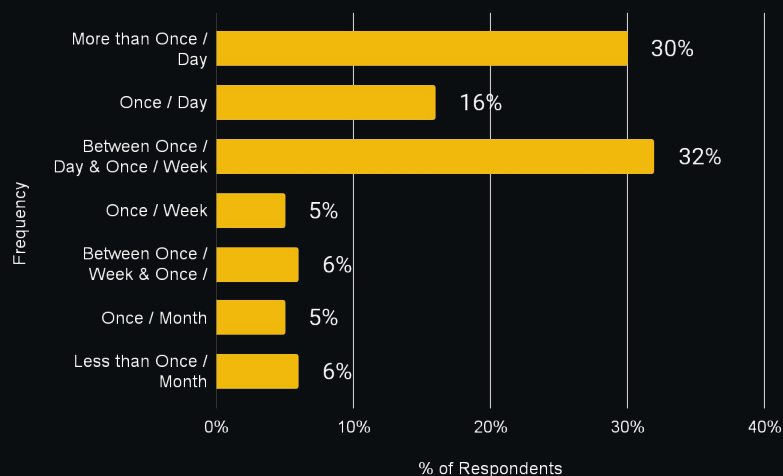
How Active Are Turkish Crypto Investors?

Most check and/or trade crypto on a daily basis, at least

Frequency of Checking Crypto Accounts



Frequency of Crypto Trading

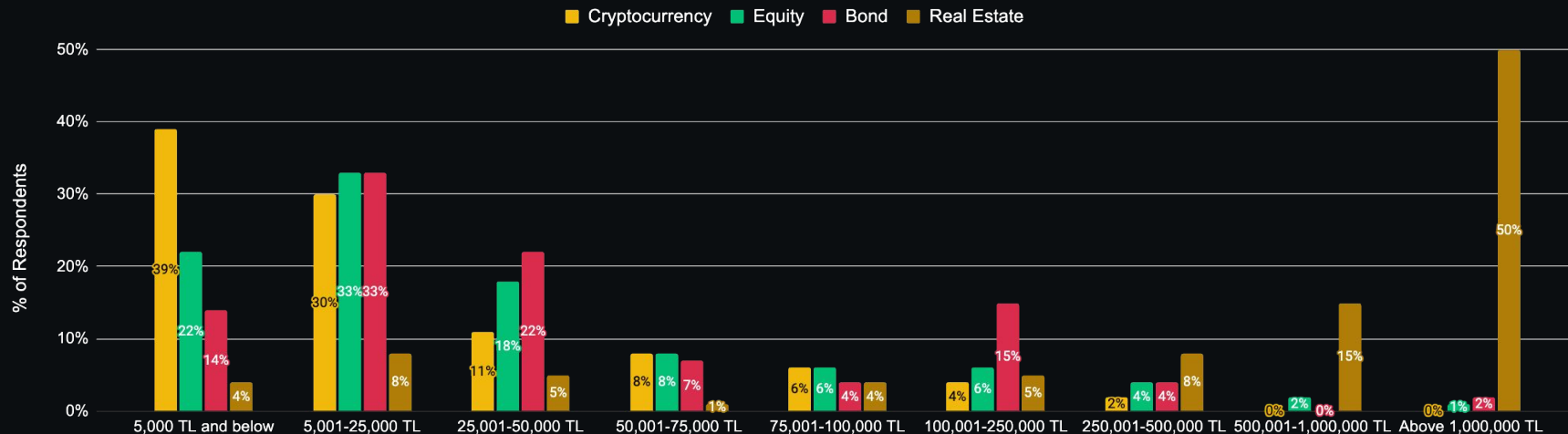


- ◆ A majority of Turkish crypto investors (**71%**) check their accounts more than once a day, exhibiting their interest in monitoring portfolio developments.
- ◆ Trading frequency, while relatively lower, is still noteworthy; **46%** of respondents trade at least once a day.

Crypto Allocation

Crypto exposure is relatively lower than other asset classes

Portfolio Exposure (Turkish Lira, TL)



- ◆ The majority of respondents have **less than 5,000 TL** allocated to cryptocurrencies, as compared to 5,001-25,000 TL for equities and bonds and more than 1,000,000 TL for real estate.
- ◆ This may be contributed by crypto as a maturing asset class, as well as the lower minimum investment thresholds as compared to asset classes like real estate.

Motivations for Investing in Crypto

Profitability is one of the key reasons for investing in crypto

Top Reasons for Investing in Crypto



1

66%

Profitability



2

56%

Ease of Monitoring



3

40%

Promising Technology



4

38%

No Minimum Investment



5

33%

Low Transaction Costs



6

26%

Secure

- ◆ **66%** of investors believe that the most compelling case for investing in cryptocurrencies is the potential for profits.
- ◆ Operational factors also stand out as motivating factors for crypto investing, with 3 out of the top 6 factors being related to: the ease of monitoring positions (**56%**), the lack of minimum investment (**38%**), and low transaction costs (**33%**).

Areas of Concern

Risk was cited as the top reason for not investing in crypto

Top Reasons for Not Investing in Crypto



1

40%

Crypto is Risky



2

26%

Insufficient Knowledge



3

26%

Lack of Safety



4

17%

Time-Consuming



5

16%

Inability to Find
Trustworthy Platforms



6

16%

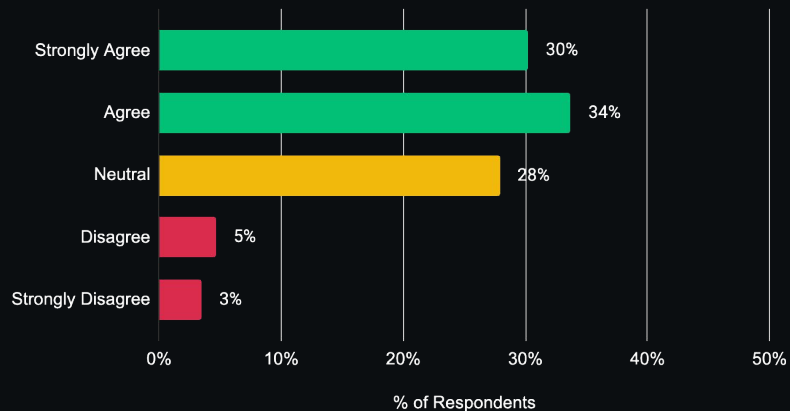
Susceptible to Manipulation

- ◆ The perception that cryptocurrencies are risky is the biggest hurdle for crypto adoption. **40%** of non-investors surveyed cited that risk of cryptocurrencies as the greatest impediment.
- ◆ Factors such as the lack of sufficient knowledge (**#2**) and safety concerns (**#3**) may also have contributed to the overall perception that crypto is risky.

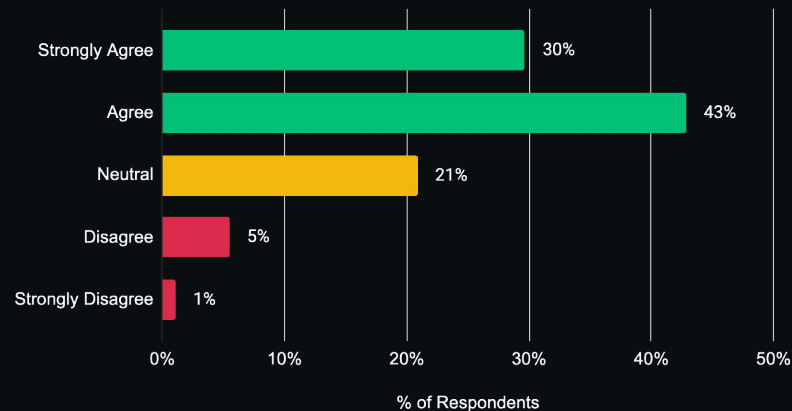
Outlook of Crypto

A majority believes crypto prices and adoption will increase

The Value of Crypto Will Increase in the Next Year



No. of Crypto Investors Will Increase in the Next 5 Years

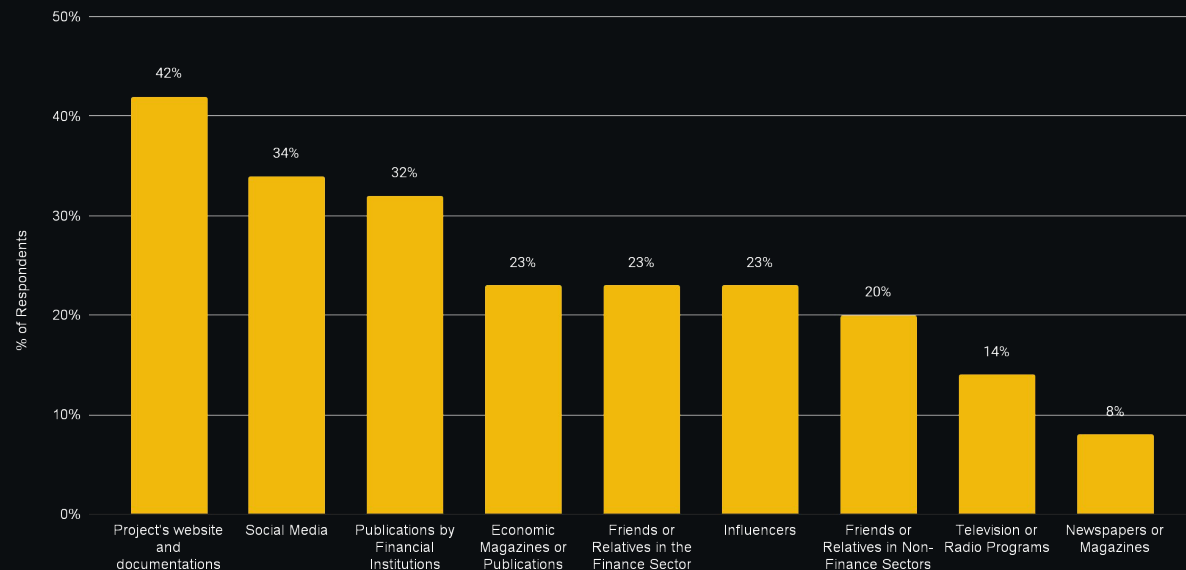


- ◆ A majority of Turkish investors are optimistic about the outlook for crypto. In the near term, **64%** indicated that they believe that crypto prices will increase in the next year.
- ◆ Looking ahead, **73%** of investors believe that the number of crypto investors will increase in the next 5 years, indicating rising adoption.

Information Sources

Projects' websites are key in the due diligence process

Sources of Information



- ◆ Turkish investors rely on a combination of primary and secondary sources to obtain information on cryptocurrencies.
- ◆ Project's website and documentation were the most frequently used, with more than **42%** of respondents relying on them.
- ◆ Social media platforms (**34%** of respondents) are also a key source of information for Turkish investors.

Takeaways From Binance Blockchain Week 2023



About Binance Blockchain Week (“BBW”) 2023

The conference ran from November 8 to 9 in Istanbul



Istanbul is a city steeped in history and innovation, a crossroads where East meets West, and a place where finance increasingly embraces the future: blockchain.

BBW 2023 in Numbers



2,000+
Attendees



500+K
Binance Live Views



100+
Speakers



50+
Panels & Keynotes

Key Takeaways From The Event

Insights from the conference



Crypto is Poised for Growth

Continued innovations have prepared us for the next cycle. Better infrastructure, more use cases, and a diverse ecosystem of dApps are now in place, ready to welcome the next wave of users.



The Institutions Are Here

Institutional participants recognize the potential and opportunity of digital assets. From investing in crypto to leveraging blockchain technology for their operations, institutions are here to stay.



Focus on User Experiences

Simplifying the user journey is key to onboarding the next billion users. Builders should remain keenly aware of the challenges that users face and strive to increase accessibility.

Notable Quotes

Highlights from our speakers



Changpeng Zhao (CZ)
Founder & CEO, Binance

“

I think the wallet is actually the entry point into the industry. We need to continue to invest very heavily on this front, and that's why the Web3 Wallet launch is just a small step in the right direction. We will continue to do many more in the future.

”



Eowyn Chen
CEO, Trust Wallet

“

To achieve the bigger vision of allowing blockchain to empower more people, we need better bridges... We can leverage our technology to work with trusted partners who can spread trust and onboard more users into the industry.

”



Faruk Eczacıbaşı
President, Turkish Informatics Foundation

“

With the digital change we have experienced, everyone has become a digital nomad. During this time, many changes, especially social media, have entered our lives, and those who are used to these changes have become digital immigrants.

”



Haluk Levent
Rock Music Artist & President, AHBAP

“

I am not technically familiar with blockchain technologies, but as a charity president who has seen the benefits of blockchain, I am at Binance Blockchain Week Istanbul today.

”

Notable Quotes

Highlights from our speakers



John Liu
Head of Product for Web3 & Blockchain Services, Amazon Web Services

“ *The space is ripe for any companies to come in; there's better tools, clearer regulations that are coming into the space, and better underlying blockchain technology for scalability, transparency, and privacy. It's just a matter of experimenting and not giving up after one try.* ”



Shane O'Connor
Innovation Manager - Emerging Tech, UNICEF

“ *Our aim is to look, source, and find new technologies, innovative projects, and platforms to see if they can be brought to UNICEF's programming to improve outcomes. So, we can use blockchain to do that.* ”



Sinem Cantürk
Partner, Fintech & Digital Finance Leader, KPMG Türkiye

“ *Consumers are looking for more transparency, more privacy, more seamless solutions, smoother customer experiences, or more control over personal data. I think there's more hunger for Web3 technologies because they can be a solution for all of these needs and expectations.* ”



Yat Siu
Co-Founder & Executive Chairman, Animoca Brands Limited

“ *If you believe in blockchain and believe in the future of crypto, it doesn't matter when there's a bump in the road. You have a long-term horizon, and that's actually the only way to win.* ”

About Binance Research

Binance Research is the research arm of Binance, the world's leading cryptocurrency exchange. The team is committed to delivering objective, independent, and comprehensive analysis and aims to be the thought leader in the crypto space. Our analysts publish insightful thought pieces regularly on topics related but not limited to, the crypto ecosystem, blockchain technologies, and the latest market themes.



www.binance.com/en/research



@BinanceResearch



@BinanceResearch



BINANCE RESEARCH

