

Exhibit 239


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Insights

Q4 2020 XRP Markets Report

 Team Ripple

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INSIGHTS



Ripple publishes the quarterly XRP Markets Report to voluntarily provide transparency and regular updates on the company's views on the state of the XRP market, including quarterly sales updates, relevant XRP-related announcements and commentary on previous quarter market developments.

As an XRP holder, Ripple believes proactive communication and transparency are part of being a responsible stakeholder. Moreover, Ripple urges others in the industry to follow its lead to build trust, foster open communication and raise the bar, industry-wide.

Executive Summary

Q4 2020 was marked by the phenomenal growth of derivative markets, soaring bitcoin prices, and a record breaking crypto market capitalization, as more investors became more bullish about Bitcoin and adopted crypto into their portfolios.

However, as crypto becomes mainstream, it's evident that the **lack** of U.S. regulatory clarity has continued to stifle American innovation and progress. Last quarter, the SEC's enforcement action against Ripple had a devastating impact on XRP market participants, by escalating uncertainty for U.S. players, causing many to pause XRP trading. By bringing this case, at least \$15B of XRP value was lost in the open market – this does not take into account the 50% rally in the rest of the crypto market over the same time period. The overall market rally was led primarily by BTC, with some market participants noting that U.S. traders who sold out of XRP (post-SEC news) seemed to have contributed meaningfully toward the rally in BTC.

That said, while U.S. regulatory action caused havoc and prompted U.S. market participants to withdraw from a massive global virtual currency market, close to 90% of XRP volumes remained intact and many market participants moved forward with business related to XRP outside the U.S. This further underscores the fact that the U.S. is out of step with its international counterparts.

Ripple ended 2020 **strong** with record customer numbers and high On-Demand Liquidity (ODL) transaction volumes. In 2020 ODL volumes experienced 12x year-over-year growth, and we've signed on more than 15 new customers despite the SEC lawsuit to date. The company's continued customer traction underscores that ODL has real utility and is solving the challenges with cross-border payments for financial institutions and their customers.

SEC Enforcement Action + Ripple's Next Steps

On December 22, the SEC filed an enforcement action against Ripple, alleging that the

company conducted an unregistered securities offering. This spurred rampant misinformation and speculation about the case from the press, analysts, detractors and industry players. Last week, Ripple published its [official](#) preliminary legal response to the SEC complaint. Ripple also filed a [Freedom of Information Act \(FOIA\)](#) request for more information about how the SEC determined the status of ether as a non-security. To date, they have offered no coherent explanation for that determination.

With the SEC's enforcement action, the industry has gone from regulatory uncertainty to regulatory chaos at the expense of retail [holders](#) with no connection to Ripple and orderly markets. For eight years, XRP has been trading on the open market and has grown to a massive scale – trading more than \$1B per day on some 200 exchanges. Tragically, the individuals and markets the SEC hurt are the same participants the SEC purports to protect.

This report provides a deeper analysis on the state of the market below.

Disciplined, Responsible Stakeholders: Q4 Sales and Purchases

Last quarter, total XRP sales by Ripple, net of purchases, were \$76.27 million (USD) vs. \$35.84 million the previous quarter. Ripple focused solely on its over-the-counter (OTC) sales and leases as part of providing increased XRP liquidity to certain RippleNet ODL customers to improve their ODL experience, eliminating the need for pre-funding and enabling instant global payments. For well over a year, Ripple has not sold programmatically.

Total sales by Ripple, net of purchases, ended the quarter at 5 bps or 0.05% of global XRP volume according to CryptoCompare TopTier (CCTT) volumes. This is compared to total sales in the previous quarter of 10 bps of CCTT.

Sales Summary (<i>dollars in millions</i>)	Q3 2020	Q4 2020
Total ODL-related sales*	81.39	111.12
Total purchases	45.55	34.85
Sales (<i>net of purchases</i>)	35.84	76.27
Global XRP volume	Q3 2020	Q4 2020

Global XRP volume	Q3 2020	Q4 2020
ADV XRP (<i>dollars in millions</i>)	403.58	1,610.25
Total XRP volume (<i>dollars in billions</i>)**	37.13	148.15
Net sales as % of total volume	0.10%	0.05%

*ODL-related sales include XRP sales to support ODL (including Line of Credit) and key infrastructure partners.

**Note: Figures were compiled using the CryptoCompare API for daily TopTier aggregate volumes which reflects total XRP volume in dollars by exchanges that CryptoCompare lists in the TopTier as of the end of Q4. Ripple continues to evaluate its benchmarks given challenges, such as fake volume, that continue to persist in the industry.

Certain wallets that are being used for XRP sales also provide short-term leases to market makers. This is worth noting given that this is often mischaracterized by market participants as sales. Leases are ultimately returned to Ripple.

Reported Volume

CCTT's reported daily volume for XRP increased significantly in Q4 2020 from Q3 2020. The average daily volume reported was \$1.61B in Q4 versus \$403.58 million in Q3. Notably, Q4 saw XRP volumes reach their highest levels ever recorded, trading more than \$10B in a single day. The jump in volumes was likely due to the Flare Spark token airdrop snapshot, which took place on December 12.



Volatility

XRP's standard deviation of daily returns over Q4 was 9.6%, representing a significant increase in volatility from Q3's 3.5% and Q2's 3.0%. XRP's volatility over the quarter was higher than that of BTC (5.8%) and ETH (7.2%).



Escrow

In Q4 2020, three billion XRP were released out of escrow (one billion each month) in line with prior quarters. In total across the quarter, 2.6 billion XRP were returned and subsequently put into new escrow contracts. For more information on the escrow process, see [here](#). *Note: All figures are reported based on transactions executed during the quarter.*

A Deeper Analysis: The State of the XRP Market

The SEC's filing needlessly muddled the waters for exchanges, market makers and traders. It's disappointing and disruptive that some market participants, specifically in the United States, reacted as they did.

Ripple identified 33 market participants that announced some sort of restrictive action against XRP. However, most articulated a pausing of activity, not a delisting from their infrastructure, including [Coinbase](#), which only suspended its trading services. Coinbase customers can still access XRP wallets for deposit and withdrawal functionality.

There were other market participants, including [Uphold](#) and [Gatehub](#), who publicly mentioned that they would continue to list XRP on their platforms.

Global vs. United States

The vast majority of those who took restrictive actions were U.S. or European venues that trade with U.S. customers. These venues included [Kraken](#), [Bitstamp](#) and [Crypto.com](#) as well as market makers such as [B2C2](#) and [Galaxy Digital](#). Note: Kraken, Bitstamp, Crypto.com and B2C2 still offer XRP services outside of the U.S.

Of the 15 entities that halted XRP trading, the vast majority continue to offer custody of XRP. In fact, there are only a handful of venues that completely removed XRP from their platforms including Swipe, Binance.US and OkCoin. Two asset managers, Grayscale and Bitwise, liquidated XRP from their exchange traded products. Grayscale's liquidation of XRP was linked to a technicality in the initial offering memorandum related to the role of the Authorized Participant (AP) of the fund. The memorandum noted that if the AP of the fund stopped trading the asset, Grayscale was required to liquidate its holdings accordingly.

We estimate that approximately 12% of XRP volumes were impacted. The only venue that took action in APAC was OSL, a small exchange out of Hong Kong, which halted XRP payments and trading services.

Impact by Region

APAC	1
EMEA	14
US	18
Total	33

Impact by Action

Halted	15
Entire Removal	3
Liquidated Products	3
US-Only Restrictions	12
Total	33

Destruction of XRP Value from SEC's Enforcement Action

Ripple has always said that there is a dangerous lack of regulatory clarity in the United States. Market participants do not have clear rules of the road, hindering crypto innovation and development. After the SEC filing, the crypto markets experienced some aftershocks and a negative impact on volumes. Ripple estimated that approximately \$200M of XRP volumes per day were impacted last quarter.

To quantify this, Ripple segmented its analysis into two groups: 1) exchanges that have completely halted XRP trading or removed XRP; 2) exchanges that have U.S.-only restrictions. Ripple focused on the exchanges that make up the CCTT list, which Ripple views as the most accurate representation of crypto volumes.

Of the exchanges on the CCTT list, eight exchanges have taken some sort of restrictive action toward XRP. Half of these exchanges chose to fully halt or remove XRP trading on their platforms, while the other half chose to only ring-fence U.S. activities. Although Ripple does not have visibility into the exact breakdown of the volumes on the latter, using a conservative estimate of 50%, Ripple calculated that ~\$58M worth of XRP volumes were impacted. Summing these two groups together, Ripple estimates that roughly \$200M of XRP volumes were impacted. Given CCTT's reported average daily volume of \$1.6B, approximately 12.49% of XRP volumes were impacted last quarter.

CCTT exchanges that have completely halted XRP trading or removed XRP

Exchange	Domicile Region	Q4 Average XRP Volume	Action
Coinbase	U.S.A	\$134,891,125.22	Halted
OKCoin	U.S.A	\$214,850.06	Removed trading & deposits
Blockchain.com	U.K.	\$137,626.63	Halted
Binance.US	U.S.A	\$7,645,622.91	Removed trading & deposits
Total		\$142,889,224.82	

CCTT exchanges that have US-only restrictions

CCTT exchanges that have US-only restrictions

Exchange	Domicile Region	Q4 Average XRP Volume	% volumes US based (estimate)	Total Volume Impact
Bitstamp	U.K.	\$67,515,823.04	50%	\$33,757,911.52
Cexio	U.K.	\$1,349,213.02	50%	\$674,606.51
eToro	Gibraltar	\$312,737.61	50%	\$156,368.80
Kraken	U.S.A	\$47,312,328.46	50%	\$23,656,164.23
Total				\$58,245,051.06

Estimate of total impacted volumes

Sum of average exchange volumes that have fully halted XRP trading or removed XRP	\$142.89
Sum of average exchange volumes that have US-only restrictions	\$58.25
Total volumes impacted	\$201.13
Average daily XRP volumes across all CCTT exchanges in Q4 2020	\$1,610.25
% of Impacted volumes	12.49%

XRP Integrations and Liquidity Update*XRP Integrations*

Q4 delivered several milestones in terms of institutional infrastructure around XRP:

- **DBS**, the largest South Asia bank, announced the launch of its digital exchange, enabling institutional and accredited investors to tap into a fully integrated tokenization, trading and custody ecosystem for digital assets. The DBS Digital Exchange will offer exchange services between four fiat currencies (SGD, USD, HKD, JPY) and four of the most established cryptocurrencies, namely bitcoin, ether, bitcoin cash and XRP.

- **Standard Chartered Ventures** announced its partnership with Northern Trust to launch Zodia, a cryptocurrency custodian for institutional investors, providing custody services for top assets including XRP.

These two integrations will deliver further robustness to XRP infrastructure and contribute to healthy XRP markets. Separately, Binance has also released two new term futures collateralized in XRP, expanding the XRP derivatives market and allowing it to harness XRP's efficiency as a form of margin.

Liquidity and Volume

As for overall liquidity and volume, XRP ended the quarter as the third most traded digital asset, moving up from its ranking of fourth place last quarter.

Ripple's 2020 Momentum

On-Demand Liquidity

Last year was RippleNet's best **year to date**. In 2020, the company processed about 3 million transactions over RippleNet which is nearly 5x volume growth compared to 2019. Notably, ODL experienced 12x year-over-year growth, and transactions had a notional value of ~\$2.4B.

RippleX

Developers have built on XRPL for its performance, low cost, reliability and security, accessibility and inherently green attributes. Last year, the XRP Ledger became the first major blockchain globally to decarbonize in partnership with the Energy Web Foundation. Ripple also worked with the XRP Ledger Foundation, a global non-profit fostering development and innovation of the XRPL, to solidify XRPL as a leader in sustainability, and ship new updates aimed at making it the de facto blockchain for crypto-native developers.

Today, XRPL and Interledger Protocol combined reach an estimated 12 million users, with over 100 known developer projects aimed at solving real use cases with blockchain technology and crypto. RippleX has partnered with more than 40 companies championing XRP utility including Coil, Forte, BRD, Bitpay, XRPL Labs and Flare, and will continue to provide SDKs, services and tools aimed at fostering crypto innovation on the XRP Ledger.

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