# **Information about Ankr's BNB Exploit Relief Activities**

Following the aBNBc exploit that took place on December 2 of last year, Ankr Staking users who were impacted as well as LPs who were impacted on different DeFi protocols thanked Ankr for providing prompt and thorough compensation of value lost. Ankr offered 100% compensation for 17 of the 19 DeFi protocols that were impacted in order to make up for user losses through airdrop. As part of our unwavering commitment to our community, Ankr immediately started disbursing these sums from our treasury without waiting to see if any of the stolen money could be recovered. In addition, Ankr will make a further $3 million commitment in good faith to support the sustainability of the liquid staking and BNB Chain ecosystems.

Recently, users of the two remaining protocols who weren't fully reimbursed have complained. Users who possess tokens from the two impacted protocols, Stader and pStake, will receive compensation from Ankr for 50% of the value they lost. Users of these protocols have become somewhat perplexed as a result and are looking for explanations as to why this choice was made. "We believe that BNBx and stkBNB liquid staking liquidity providers on Wombat were excessively motivated, and if our recommendations had been implemented, malicious arbitrageurs would not have been able to pay out their gains. In order to determine harmful arbitrageurs, we will continue our research and collaborate with the relevant authorities."

## **How Did the BNB Exploit Affect Stader & pStake Users?**

Stader and pStake are multichain liquid staking service providers similar to Ankr Staking, each of which has its own BNB liquid staking coin (BNBx and stkBNB, respectively). A four-way liquidity pool on the Wombat Exchange, which holds BNB, aBNBc, stkBNB, and BNBx, has liquidity from some of these token holders. The pool was drained of the other asset kinds, while the exploiter could flood it with a substantial amount of aBNBc.

Estimating the losses of impacted users was difficult due to the decentralized exchange's mixed liquidity pool nature. In contrast to the other LPs for which Ankr opted to provide 100% compensation, Ankr had never offered incentives for the BNBx and stkBNB LP side of the pool. However, Ankr sought advice from Stader and pStake on the best recovery method that may offer users the most reasonable reimbursement.

## **What steps did Ankr take to offer pStake users relief?**

The pStake team was quite collaborative during Ankr's discussions with them, and we soon came to an agreement to relieve users. Ankr airdropped 2,654.352 ankrBNB and 681.051 stkBNB as part of the bilateral agreement with pStake to reimburse 50% of the damages suffered by stkBNB liquidity providers on Wombat.

## **What steps did Ankr take to alleviate the suffering of Stader users?**

The discussions with Stader were more challenging, but the Ankr team persevered with them until they came to Stader's suggestion that Ankr pay for 50% of the damages with reimbursement contingent on the creation and use of a new BNBx-BNB LP. Ankr implemented Stader's proposal and provided users with a 50% compensation, but with a more suitable payment method in the form of a straightforward airdrop.

Early on, Ankr spoke to Stader and asked them to think about disabling their BNBx unstaking mechanism to stop hostile arbitrageurs from quickly taking advantage of the aBNBx price discount. Due to the extremely high concentration of BNBx in the Wombat pool, Ankr also proposed that they think about relaunching their BNBx token. Due to aggressive SD token reward incentives from Stader and the Stader vault's promotion of the Wombat LP methods as "low risk," there was a large concentration (half of all BNBx in circulation) in Wombat. Arbitrageurs could withdraw money freely with BNBx that they had bought at a significant discount on other DEXes outside of Wombat shortly after the exploit since Stader refused to introduce a new token or stop BNBx unstaking (Ellipsis Finance, ApeSwap).

Stader will try to find the arbitrageurs and make them pay for the damage.