

# SCB 10X Strategy Day

31 October 2022, 13:00-14:00

[Video presentation, 11 minutes, not transcribed]

MC: Hi, I am Tanwa Arpornthip, technical advisor of SCB 10X, and more importantly, I will be your moderator for today. Before we start, I would love to introduce our management team:

Khun Mukaya (Tai) Panich, Chief Executive Officer and Chief Venture and Investment Officer

Khun Pailin Vichakul, Chief Operating Officer

Khun Saranporn Phantumano, Head of Finance

Before we go into the Q&A session, I would love it, Khun Tai, if you could introduce SCB 10X to our audience and tell us about our vision.

Mukaya: Thank you so much. I think you guys have already seen the video, and I would like to add to that. For SCB 10x, it is exactly like what we have mentioned before – we are the digital technology investment arm and venture builder of Siam Commercial Bank, which is the biggest and oldest bank in Thailand.

And for us, we are a speedboat. We can move much faster, and go out into the wider world to look for the disruptive technology that could have a potential disruptive impact on the financial industry and come back and introduce the technology and companies that we invest in, into the bank. And we would like to potentially create much more value for the portfolio company and for our bank, according to our investment and building.

For us in the past three years, our vision has three things. First, we would like to be builder of the future Thai unicorns. Second is to be the leading investor in Southeast Asia. And the third thing is to be the employer of choice for digital talent, regionally.

So, I would like to open for Q&A.

MC: For everyone here, you have two methods of sending us your questions. The first method is to raise your hand. If you raise your hand, you get to ask your question in-person to our management team. You can use the Zoom feature to raise your hand, and I will call your name and your organization, and you can proceed to ask a question.

The second method is you type your questions in the chat feature of Zoom as well. I will read out your question for you and direct that to our management team.

**MC: “One of the questions that a lot of people seem to have is SCB 10X being a CVC, what are the key advantages and differentiation of us being a CVC, from other CVCs that we know of? And if you can also elaborate more on how our CVC can work with VB together to create something.”**

Mukaya: Okay, so CVC is a corporate VC. And when we invest, we invest with both strategic and financial returns in mind. I think for a lot of startups that we get to invest in, the first thing that comes to their mind is that they would like to have us invest because they would like to have connection with the bank. They would like us to be the customer. Or they would like to build a business that is related to the financial industry. That's why they are interested in us.

But beyond that, you know, we have a lot of strengths. For example, what is unique for SCB 10x, compared to other corporate VCs, is that we have this venture builder arm that is very synergistic to our venture capital arm. So, in the venture builder, they have 40 developers with strong technical capabilities, especially in blockchain and blockchain-adjacent. When we do due diligence on this startup, we rely on a venture builder team to help us do technical analysis in detail. And we also have our technical advisor, like Dr. Tanwa here, who is the MC, has a Ph.D. and also teaches blockchain at the university and has strong technical capability as well.

So, we leverage a lot of technical capability to help us do the fundamental analysis, the technical analysis on each potential investment. We picked the best startup in

the category in blockchain and blockchain-adjacent. And we also invest along with tier one VCs. Around close to 90% of our investment is along with tier one VCs, such as Sequoia Capital, a16z, Accel, Lightspeed, and so forth.

And then the second thing that we think is quite unique for our corporate VC, is that for a lot of startups, especially in blockchain and blockchain-adjacent, they do not just want capital, because, as you all know, with the last 10 years of low interest rates, there is a lot of capital available. So, a lot of venture capital funds could raise a lot of capital. And we have many new funds that right now still have a lot of dry powder. Capital is still very much available for startups, but they want something beyond just capital. They would like support, for example, on chain activities, such as running validator nodes.

Normally for blockchain network, in order to have decentralization and security of the blockchain, you would like to have as many validators that are running and approving for the next block to become blockchain. Because we have strong technical capability from the venture building team, they could run our chain activities, like running validator nodes for us. They could view decentralized app, or dApps, that could expand the ecosystem of our portfolio company.

And because we have a strong connection with the bank, a lot of time our portfolio companies also would like to have our bank be the customer. Because our bank would like to also build a blockchain-based bank. A lot of our portfolio companies could be the suppliers of their products to our bank. So that's quite unique for us as well.

Then, on the VC team, we have strong experience investing in fintech for more than half a decade already. The blockchain area that we are investing in is very much in the fintech area, which is blockchain related to financial services and related to finance. And therefore, because of being part of the entity of the bank, we have very strong advantage because if we need to get advice, we could also leverage the banking part of the business as well. Like for example, when we would like to analyze digital asset insurance, we could also leverage the people in SCB who are responsible on the insurance segment to give us very strong fundamental and

knowledge in that particular area. I would say that these are our strong and unique points that we provide, compared to other CVCs.

MC: Next question is from Khun Weerapat from CLSA. It is a set of questions. I'm just going to give it to you one at a time.

The first question:

**"Since when SCB 10X invests in a fintech startup? How has the company gained and learned from these companies that we have invested in? And can you also provide some examples of some cooperation between SCBX as a group and SCB Bank, with these companies in SCB 10x's portfolio?"**

Mukaya: SCB 10X started in the beginning of 2020, but even before that, we have a venture capital arm called Digital Ventures that invested specifically in fintech and that started in 2016. And when we started SCB 10x in 2020, we merged the VC arm of Digital Ventures into SCB 10x's VC arm, and then expanded beyond just that.

I have to say that that we have been investing in fintech for a long time since 2016. And regarding the question about the area that can show strong collaboration, for example, when looking into this area of blockchain digital assets, we actually do a lot of fundamental analysis. For example, in crypto custody related, we did research that [showed] if the institutional investor is coming into the crypto and blockchain area, the first thing that they would like to do is probably provide a trading capability to their customers, their clients. Then once the clients have already traded and have the digital asset, they would want to store it somewhere. And therefore, having very safe and secured crypto custody is very, very important because a digital asset is quite different compared to a traditional asset, because with a digital asset, you normally have the assets actually on the blockchain. But there are private keys and public keys that will have access to that address where the digital assets are on the blockchain. And the private key is the most important. Once you lose the private key, that's it. You cannot get the digital asset back unlike in traditional asset.

The storage of these private keys is the most important thing, and therefore we went to look into this crypto custody space. We actually studied more than 15 crypto custody companies, and we chose the top two, which is Fireblocks and Anchorage. Fireblocks is a crypto custody technology provider and also a network infrastructure for digital assets. Anchorage is a DeFi crypto custody and digital asset bank.

Anyway, once we invested into these two startups in crypto custody, normally once we invest, we will try our best to help our portfolio company to get as many customers and develop new business or do whatever it takes for them to grow to become the next unicorn or to grow to generate a lot of returns for investors.

For us, we also would like to build a blockchain-based bank and our bank could potentially use crypto custody in their broker and crypto exchange platform. That's what we did when we introduced Anchorage and Fireblocks to talk to InnovestX, which is a digital asset operator for the SCBX Group. And after they went through all the bidding for our crypto custody, they also agreed that these two are the best among all the bidders. And nowadays, InnovestX already has the crypto exchange and broker platform that has been operating since the beginning of September. And they have been using Fireblocks and Anchorage which are our portfolio companies. So, this is one example, and there are many more, like Pagaya, which is also our portfolio company. This one is an asset manager investing into U.S. consumer credit and they have a very strong performance because they use an AI-powered model to pick individual loans, based on all the data provided.

Therefore, they have a very strong performance and are correlated to other asset classes and very steady return. And we introduced Pagaya into InnovestX as well under the wealth management unit. And nowadays, Pagaya Opportunity Fund is one of the funds that the wealth management of InnovestX has available for their clients to invest in, and that actually amounts to a more than 100 million dollar-sized fund capital that is going into the opportunity fund of Pagaya.

MC: We have been investing for a long time, and to summarize what Khun Tai just said, there is a lot of collaboration between our portfolio companies and the group and the bank.

Another question that Khun Weerapat added:

**"Has SCB 10x gained or learned anything from these companies that you would like to highlight in particular?"**

Mukaya: I think in general, this area of blockchain, digital assets, Web 3.0, is very new to everybody. We have learned a great deal from our portfolio companies. Because this area is evolving very fast, we must continue to learn, and try to get as much information about regulations and everything.

We get to know a great deal from our portfolio companies because they are operating all over the world, not just in Southeast Asia, but also in other areas like the U.S., Europe, Israel, Latin America, things like that.

For example, many things like the situation in other countries that we would like to understand, like in the U.S., for example, because the regulations on digital assets are probably the most progressive over there. We would like to understand what's going on in the U.S. in terms of regulations, and what is in regulators' minds. We could leverage that from our portfolio companies, because it's quite important to understand what is going on over there, because in Southeast Asia, the regulators, for example, in Singapore, the MAS (Monetary Authority of Singapore) and in Thailand, the BOT, they would look into the regulators in the U.S. as probably taking the initiative on many of the regulations in this area.

So, from having exposure and access to the top management of our portfolio companies that are operating in different regions, we could actually leverage the expertise from that front.

MC: The next question is from Khun Nathapol from CGS-CIMB Securities, and he will ask his question in-person. Please go ahead.

Nathapol: Two questions for me.

**“Number one, you presented that there are three successful exits after the investment. Could you share one of those three stories, and the journey? That's my first question.”**

Mukaya: I would like to talk about Ape Board, which is DeFi dashboard for cross chain. And that is a portfolio management tool where you can actually look at the performance of your investment related to digital assets, based on multiple blockchains and protocols. So that one is very interesting, because we incubated that project in-house in our venture building team. We actually saw it from when it started until it got acquired. Pretty much like see the birth of the company and see it got married.

The journey is I think similar to what the video talks about. We recruit high potential founders, who might be interested in entrepreneurship, but do not want to go straight ahead: quit their job, have no income, go bootstrap to start a startup from day one. But they might want to come into our platform, and have us as the sandbox so that they could build their startup, while continuing to have compensation, and try to build a startup and still have support and advice from us.

That is what happened with Khun Mike Kasidej, who is the founder of Ape Board. He came in and formed a team. He tried building something else before Ape Board, then he reiterated and then into Ape Board. Since the beginning, we tried to build Ape Board into a portfolio management tool.

There were a lot of ups and downs in between, because there is a lot of competition. Over time, he crystallized the idea better that he would want to focus on long-tail blockchain and protocols at the beginning, so that he could avoid having head-on competitions if he went in, and focused on Ethereum blockchain from the beginning. Things like that.

After we saw a very strong traction, after he got into this long-tail protocol and blockchain, we encouraged him to spin off into a stand-alone company and SCB 10X would invest in the seed stage. And that's what he did. So he spined off, and then after that he could successfully raise funding from outside VCs, such as from Spartan, DeFiance Capital, LongHash and other angel investors. After a year of the

company's existence, it was acquired by Nansen, which is also our portfolio company. Nansen is the leading player in data analytics and recognizes that what Ape Board is building is very unique and very powerful. And the team is a top-notch team because they build very fast. That's pretty much the journey of Ape Board. Did I answer your question?

Nathapol: Very good. Thank you very much. And my second question:

**“I just would like to know about your CAPEX or the investment budget for 2023 and 2024, if any, and also would like to understand about the IC approval process or the framework, let's say that, if any investment opportunity is coming in, how did you consider in the IC?”**

Mukaya: Do you mean the capital that we have left for investment, correct?

Nathapol: Like the budget that you have ready for investments next year.

Mukaya: We still have around a third of the capital left. For investment, we have already spent two-thirds of the \$600 million that is the capital for the whole SCB 10X. We still have one third left. But for our venture capital, we are planning to launch a second fund with the CP Group, and for that we plan to raise around \$600 million of capital. Going forward, the capital that is still available in SCB 10x, that will be more of the follow-on and the new investment, once we launch the new fund with the CP Group, we will be investing from the new fund, the second fund. We have a lot of capital left. Normally, for a VC fund, the investment timeframe is 10 years, but then we normally only invest in the first five years and then the last five years are for follow-on and harvesting. I think normally, you can think of that one fifth of the capital will be used for each year.

Mukaya: So you asked about the IC. That's right. So, our decision in terms of investment, we have an investment approval process that is quite stringent. We have three levels of approval. If the investment size is below certain size, then the executive committee can do the approval and the investment decision can be very fast. And normally for the executive committee, it consists of the C level, which is me as CEO and Khun Pailin as COO. We could make these decisions very fast for

the investments below a certain size, which is quite small. But for a big investment above a certain threshold, it has to go to two more investment approval processes, the Investment Committee and also the Board. Let's say, we would like to invest in a big size investment. First, it will come into the executive committee, which does the approval, and then after it passes the committee, it will have to go to IC. The IC will make a recommendation to the Board that this investment is quite interesting, or not interesting, or should be approved, or should not be approved. Things like that. And then the Board, with the recommendations of the IC, will make a decision, which is final.

Normally, for investment committee, it consists of the Independent Board members, and we have in the IC committee, a total of six members. For the Board, we have nine members. We have all this level of approval to make sure that no stone is left unturned, that it has to be a stringent approval process, and the team has done due diligence in deep detail and can answer all the questions and the Board members feel confident that we know everything before they approve.

I have to say that I am quite proud of the approval process because it's very stringent, but the Board members are very good in that they really understand the area of technology that we are going into, like blockchain and blockchain-adjacent. And if they do not understand and we try to educate them by bringing in the experts to educate the Board, and then the Board are very good in terms of trying to understand that we are progressive and giving us the permission to do the investment.

Nathapol: Thank you very much. That's all for me.

MC: Next we have Khun Rawisara from FSSIA. Two questions. The first one:

**"Why is the target for 2025 IRR projected to decline from the potential current level of around 27% to 20%?"**

Mukaya: Our mandate and our target is always 20% IRR. We will definitely try our best to continue to have IRR above 20% and above this 27.5% that we currently already achieved. Right now, I think it's difficult to gauge the market situation. As

you all know, the public market right now is going through a difficult time, because for the last 10 years, we have been going through low interest rate environment and now with the rates rising, technology and investment is out of favor because technology is a growth investment, and a lot of the growth sector is associated with negative cash flow.

When the startup is still private, or when they just went IPO from being a private company and turned into a public company, most of the time they are still negative cash flow, but over time, their cash flow turns positive. There is a lot of uncertainty right now in tech growth stocks, because during the rising rate environment, people would prefer other types of assets or to just put money in the bank because they get a higher return. Things like that.

We found it's kind of difficult to predict what the market situation will be like. Will the public market come back in terms of preferring the growth tech stocks again? And when will the IPO window of opportunity come back? Very soon or not? Because if the public market continues to not do well, then for the private market, it's going to be difficult for a startup to IPO. It's very difficult to predict.

I used to be in an investment management [firm] looking at publicly listed companies, and I learned that normally we go through cycles. Right now, we are probably close to the bottom of the cycle. And in the future, there will be a turning back to a bullish market again, but we find that it's hard to predict when it's going to be. We hope that it will be probably sometime in 2024. But for us right now, we take a very, very conservative approach. Our forecast is based that we are not going to have a bull market in the next few years. Even in 2025, the bull market will probably not be so strong yet, and that's why our forecast is very, very conservative. The target for 2025, we actually put the target in our mandate, and we definitely know that we are going into achieve of more than 20%. But it does not mean that we think that our IRR will go down. Not like that at all. I'm not sure that answers your question, but that is what we think.

MC: Okay, for the next question, I am going roll up a bunch of people's questions into one because they are related. Khun Rawisara from FSSIA and Khun Jhoanne from CLSA ask very similar questions.

**"Due to the potential tightening of liquidity, do you see any difficulty in raising funds?"**

And Khun Weerapat from CLSA asks:

**"What is your target fund size?"**

And Khun Jhoanne from CLSA also asked:

**"Regarding the funds raised for the second fund, the portion of \$600 million, will that only be from the CP Group, or are you raising from other people as well?"**

So, tightening of liquidity, target fund size, and outside of CP Group, do we have other investors?

Mukaya: In terms of the second fund, with CP Group, we are still waiting for the Bank of Thailand approval, because as an entity of the bank, when we do any business related to fintech, or technology-related, we always have to ask approval from the Bank of Thailand. We are still waiting for that.

We have already [got] soft sounding from many potential investors, and they have a lot of interest. We already got the anchor investment from CP Group and SCB. So we already have the anchor investment that we could also start investing now.

We would like to have investors from outside CP and SCB. CP and SCB will be the anchor investors. But for us, we would like to have external investors as well. As I mentioned before, the first fund will be focusing on strategic return and financial return. But the second fund, we will be focusing on financial return just like a normal venture capital. And so that that's the case.

In terms of liquidity tightening, we will issue to raise funds. I think that we already have some soft commitment from investors already. And we also have an anchor investment. We are not concerned that much on that front. But we will be waiting for the Bank of Thailand to approve. And then we can talk about that more in the

future about our fundraising with the analysts and investors of SCBX. Is there anything else that I missed?

MC: I think you have captured all the questions. Khun Jhoanne from CLSA has more questions as well.

**“She would like to understand the current breakdown between the investment projects by category, which means blockchain, 5G technology and deep tech. And in addition to that, what is your definition of something deep tech and how that could shift the financial world?”**

Mukaya: That is a good point. Our investment right now, when we focus our effort at looking for deals, probably around 80% of it is in this area of our fintech, blockchain, and Web 3.0. And then around 20% is in deep tech area and others. For the future, going into 2023, we will look a bit more into deep tech as well, but probably we will come from an area of strength, which is blockchain plus deep tech together. Combining the two disciplines together we think it is quite interesting, and it's not easy, it's difficult. And that can also provide a deeper mode and differentiation for the startups in that area as well. So, when we talk about deep tech, we are thinking about multiple areas such as AI, ML (Artificial Intelligence, Machine Learning).

Second, we think about Cybersecurity. Third, we think about AR, VR and XR. Fourth, we think about Internet of Things (IoTs). And fifth, an area like Quantum Computing, and actually in the past, we have already invested in a Quantum Computing startup that focuses on the software side of Quantum Computing.

MC: The next question:

**"From fundraising perspective, will SCB 10X consider being listed as a fundraising method?"**

Mukaya: Do you mean, will we go IPO?

MC: Yes, I think that is what Khun Jhoanne from CLSA is wanting us to comment on.

Jhoanne: Thank you so much for the presentation. I'm really intrigued, that's why I am asking a lot of questions. Investors do have questions on this as well. So, I had to ask. Thank you.

Mukaya: It is something that we have not thought about before. For the businesses of SCBX Group, where we have InnovestX, CardX, AutoX and because they are operating companies, it totally makes sense for them to be publicly listed companies once they are ready.

But for SCB 10x, we are more of the investment arm and venture builder. I am not sure whether this type of company should be listed or not. I am still thinking about this. And this is the question that management of SCBX Group has already posed to us in the past. But, you know, we see the asset management firm that is publicly listed that but did not get much of a multiple. So, we're not sure.

Jhoanne: Understood. Thank you so much for the answer. And if there's any investors feedback, I will definitely let you guys know as well. Thank you.

Mukaya: We would love to know whether we should be publicly listed, according to the investors of SCBX.

MC: All right. Thank you, Khun Jhoanne. We are going to circle back to Khun Weerapat's third question.

**“He asks whether we have an investment size per company in our VC fund.”**

Mukaya: For our venture capital, we make sure that our investment is not higher than 20% of the total fund. The size of each investment into each company should not be more than 20% of the total fund. We never exceed that because we do not want too much exposure into one particular company. Risk management is very important to us.

MC: We are running out of time very soon. If you have not asked your question, this is a very good opportunity as we have most of our management team together in one room. We have a question on:

**“Why do we focus on blockchain and Web 3.0?”**

Mukaya: Yes, why blockchain? When we first started SCB 10X, at that time, we looked at five key areas that we thought could have a disruptive impact on the financial and banking industry.

So those five areas are fintech, future of work and lifestyle, health and wellness, IoT and deep tech. But after a lot of studies, we came into a particular area of fintech, which is blockchain, and we found that it is probably the one that is going to have the most disruptive impact on the financial industry in the next few years, and that's why we focus on this area. If you look at blockchain, it is essentially a distributed and permissionless ledger. And using blockchain technology, you know, is a paradigm shift, because there are many advantages such as reduced cost of operations, real-time settlement, elimination of intermediaries, and a high level of transparency.

Even though blockchain is in the early stage of development right now, it has impacted the area of finance. For example, we see that the financial industry is the area with the most product market fit for blockchain, with meaningful traction coming from areas like trading and settlement, payments, remittance, borrowing and lending.

When we looked at blockchain in depth in 2020, we started looking at decentralized finance. And we were really amazed by it because it has everything that traditional finance has: credit lending, trading, insurance, derivatives, so on and so forth. It's amazing, because they could do things in a much more efficient way, like we saw with a credit lending DeFi company, it's like a crypto bank. They have only 20 people, and they could have assets in the system of \$10 billion.

So, it is super-efficient, like a cost-to-income ratio of less than 10%. But our bank, for example, normally in the banking industry, your cost-to-income ratio is like

40–60%. Our bank has \$100 billion in assets but we have 30,000 people. We have never seen anything that is so efficient. And that is all because of using smart contracts, which are like a software code that governs the rule of the relationship between the two counterparties and governs how to operate. It has become super-efficient.

We were extremely interested, and we thought that if we did not pay attention to blockchain, and especially in DeFi, it is possible that the banking industry and our bank can be completely disrupted and not even know about it until it's too late. So that's why we came in and focused on that.

But beyond DeFi, there are so many other areas that use blockchain as a basic technology layer, such as Web 3.0, for example. Web 3.0 is the next generation of the internet, the future of internet, like Web 2.0 but focused a lot more on ownership. Before, in Web 2.0, your data and your content is all owned by the big tech companies. But in Web 3.0, your data and your content will be owned by you, and you should benefit a lot from that. You should have more ownership of those tech platforms, the more content you generate, the more data you generate for those platforms. This is a new generation of internet because it's focused on ownership and focused on a creator economy. Web 3.0 has blockchain as a technology layer, and we see that it could be a new paradigm shift for many, many types of economies that we see today. And therefore, we think that for SCB 10x, we must be investing and building in this area and sharing knowledge to help the bank develop partnerships or develop the technological capability in this area.

MC: In the interest of time, the next question is probably going to be our last question for today's session. Khun Harsh from J.P. Morgan.

Harsh: Thank you. I have two quick questions.

**“One, there are a lot of changes in regulation, legislation, risk management, especially after what has happened year to date. From your business perspective, both in Thailand and elsewhere, what are the main things that you are keeping an eye out for? As investors, what**

**are a couple of things we should look at?”** And just one more quick follow up if I may. Thanks.

Mukaya: That's an interesting question. Basically, I think that regulation is definitely needed in the digital asset space, because it's such a new area. And if we are going to be a serious industry, we need a lot more regulations, because the institutional investor will not be feeling comfortable if they don't understand this space, because there's no regulation at all. And if the uncertainty of regulation continues to be there, then they will not be comfortable coming in. They would like to actually see a lot more regulations, to see that this is a serious industry first before they come in a big way. I think we should really welcome a lot of regulations.

And like you said, the crisis that we have seen since May this year, a lot of it is because of the highly-leveraged situation, highly-leveraged borrowing and speculation. So that if there's regulation that can come in and regulate in this area, such as, for example, there should be regulation on the limit of exposure to a single counterparty or limit on the leverage used on the over-collateralization. Or if there is no collateralization, if it's under-collateralized, then there should be a stringent credit assessment on the counterparties. And we didn't have that type of regulation in place for crypto, and that's why they were issues, especially in centralized finance, which is more like a black box, which is very different from decentralized finance, which is very transparent. You will see from the code, you will see all the data on blockchain, about the counterparties, about the collateralization, about the thresholds, that they will get liquidated and things like that.

We should welcome more regulation. I think in general, all these evolving regulations totally make sense, because the innovation in this area is very dynamic. It focuses on some areas, like the first thing they want to help protect is the retail consumer. Second, they also want to help protect the existing financial system and help fight crime. The third thing is that the regulators want to make sure that the operators or service providers are resilient.

So, all these regulations that we see — the new ones like the regulations on stable coins coming out of Europe, or the ban on Tornado Cash because of fighting crime, or even a recent one, such as the capital requirement on crypto custody providers

to make sure that the custody provider will not have an issue like a bank run, for example. All this protects the three scenarios that I was talking about. Did I answer your question?

Harsh: Kind of, and also one more.

**“In Thailand, because you would also help shape some of the regulations because you are leading voice on all things Web 3.0, what are the regulations and also risk management practices, implementation guidelines and regulations that you are expecting and you are in conversation with the BOT and powers that be to ensure that you can scale up your offering to retail in Thailand.”**

Mukaya: In terms of the regulations in Thailand, I think it's quite a stringent right now. For example, the DeFi operator is not allowed to publicly solicit retail investors in Thailand. If they want to, they have to go to talk to the regulators, for example. For NFT platforms, they are only allowed for minting, but not for secondary. There are a lot of potential guidelines that have not been issued yet, but in the process of hearing and commenting by different parties. For example, the potential license guidelines for crypto custody, that I was talking about, they [regulators] want to make sure that there is a capital requirement in place for the player who wants to provide crypto custody to the customer to make sure that there would not be issue on the bank run and things like that.

And right now, for Thailand, the lending of digital crypto assets is not allowed because they want to avoid the issue of over-leveraging, like what we saw in Celsius and Three Arrows Capital.

There are a lot of regulations which make sure that the financial system has complete integrity and will not face any potential disruption to the stability of the financial system. What we saw is that there is a lot of interest from multiple banks in Thailand to offer these types of services for digital assets.

Of course, the banking industry is considered to be financial stability of Thailand, so there are a lot of regulations governing us — the bank, the banking industry. For

example, for an operator of digital assets, like InnovestX, there would be regulations in terms of making sure that different units that provide different services related to digital assets are independent from each other. Let's say, for InnovestX, if they are the provider of crypto exchange, and broker platform, and if they're going to provide crypto custody business as well, then that is not allowed because then that would become too dependent upon each other and the regulator would want to avoid a scenario that we have seen in the past like with crypto exchange owners, because they also operated a crypto custody business as well. They could take the assets of customer and then just run away.

So, the regulators have seen lot of examples in the past, and then try to make sure that there's a lot of independence in terms of the operation of different types of businesses in the digital asset area. And then someone like InnovestX, they want to make sure that they do not do investment or investing because they run a crypto exchange platform. They should not have any influence on investing into some of the projects and be able to lose those tokens of the project that they invested into their own platform. Things like that. So, there's a lot of separation of related activities.

Harsh: Got it. Thanks a lot.

MC: Thank you. I believe that was the end of the Q&A session because we ran out of time. However, if you still have questions, you know where to reach us at SCB 10X.com.

We would love to continue the conversation with you in the future. So for today, thank you to our management team for joining us today and answering all the questions. Thank you everyone for being with us, one hour and a little bit today and asking all sorts of interesting questions. As for today, us from SCB 10x, we have got to go as we have exciting things to do. Goodbye.