

**November 8, 2023**Target: Buyer:  ธนาคารกสิกรไทย
KASIKORNBANK

Thailand's Kasikornbank Acquires 97% of Satang Crypto Exchange For \$102.8M

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Transaction Overview

On October 29, 2023, Thailand's Kasikorn Bank [announced](#) it acquired 97% of the shares of the cryptocurrency trading platform Satang Corporation for \$102.8M (3.705B Thai Baht).

Target: Satang Crypto Exchange

Satang Crypto Exchange offers trading for 45 unique cryptocurrencies, HSM-secured custody, staking, and a digital payment platform for utilities and public transportation in Thailand.

Satang holds a Thailand Digital Asset Business License and according to the 2022 trading volume is one of the four largest crypto exchanges in Thailand. In CY2022, Satang's revenues were \$1.7M, and has not disclosed any outside capital raised. Satang's closest competitors include Bitkub, Bybit, OKX, eToro, Zipmex, and Bitazza.

The company was founded in 2017 in Thailand by Poramin Insom, CEO, and has around 50 employees.

Buyer: Kasikornbank

Kasikorn Bank is the 2nd largest bank in Thailand with roughly 16% market share as of June 2023. Kasikorn focuses primarily on individuals, with services including retail banking, corporate banking, investment banking, and digital banking.

Kasikorn has been interested in developing its digital asset business for the past two years and set a goal to capture 20% of the cryptocurrency market share in Thailand by the year 2024. To achieve this goal, Kasikorn Bank has been opening new digital asset subsidiaries. In March 2022, Kasikorn registered Orbix Custodian as its new crypto custody unit. Since then, it has opened Orbix Invest as fund management and Orbix Technology to develop blockchain infrastructure.

In September, Kasikorn announced its \$100M Web3, FinTech, and AI fund called Kasikorn X Venture Capital (KXVC).

Transaction Parameters

Kasikornbank acquired 97% of the shares in Satang for \$102.8M with the other 3% of shares still held by Binance. Satang will be rebranded as Orbix. Orbix will include

Kasikornbank's three crypto divisions, Orbix Custodian, Orbix Invest, and Orbix Technology.

Comparable M&A transactions in the crypto exchange industry include Liquid Group | FTX (ND), Bitex | Huobi (ND), Amber Group | DeCurret, Siam Commercial Bank | Bitkub (\$1.05B), DHS Consulting | Allentro (\$575M), Exegy | Vela, and SBI Financial Services | B2C2

Strategic Rationale

Kasikornbank made a clear promise to investors that they would capture 20% of the crypto market share in Thailand by 2024. The simplest and most effective way to accomplish this is by acquiring a leading crypto exchange as they have done here. Kasikorn now owns a leading local exchange with requisite licenses demonstrating their strong digital asset strategy in full action.

Architect Partners' Observations

Our thesis is simple: the crypto industry will see an increase in bridge M&A transactions (non-crypto companies acquiring a crypto company).

Crypto assets continue their transition from an emerging asset class to a global asset class. Servicing crypto assets, and their owners, has a different set of requirements compared to other traditional asset classes.

Every company in a traditional industry, especially financial services, will have or has already undergone an internal assessment of how they plan to adopt crypto assets. This assessment inevitably includes a Buy vs. Build. vs. Partner vs. Invest.

Another theme we see here is regulation clarity driving action. Thailand has specific regulations around cryptocurrency. This gives comfort to TradeFi institutions to become involved since the rules are (relatively) clear.

Exchanges have been the primary onramp into the industry and have the largest number of retail crypto holders. Acquiring an exchange gives immediate scale and can deepen retail relationships into the much-desired "cross-sell" with its in-house products.

Geographically, Thailand ranks in Chainalysis' Top 10 Countries Adopting Crypto Report. In fact, Southeast Asia has 4 countries in the top 10 with Asia representing 7 of the top 11. These data points support the narrative that crypto is a global asset class with Asia playing a leading role. We expect Bridge M&A activity in the Asia region to increase in 2024 as Financial Services companies execute their "buy" strategies.

The valuation of the deal is a bit of a head-scratcher, and we believe the stated price includes significant, undisclosed earn-out based on performance to achieve it. We will update this alert once we uncover more details on this transaction.

Sources

PitchBook, Satang Financial Statements, Satang Website