

Dear Investors,

It was another banner year for BC Group and OSL, and while detailed operational and financial figures will not be shared until the Group's audited financial results are released in March, the OSL digital asset platform saw several significant milestones throughout the year, during which OSL again set records for SaaS exchange volume, overall platform volume and revenues.

The OSL Exchange has a rapidly growing volume profile and saw strong performance in 2021, particularly in the last six months of the year. [In November, the OSL platform ranked in the top 25 global spot exchanges on multiple days](#), with daily exchange platform volumes as high as USD220 million during the October to November period. This growth was driven by the OSL Exchange's expansion into [Latin America](#) in November and [North America](#) in December, where live volumes have consistently doubled month-on-month, as OSL Americas continues to onboard clients from a strong pipeline of institutional and professional investors.

This was accomplished against the backdrop of fluctuating digital asset prices, partially as a result of a [0.25% rate hike by the Bank of England](#), rumors of [three potential rate increases by the US Federal Reserve in 2022](#), [the unwinding of President Biden's latest COVID stimulus](#) and fresh fears around the impact of the COVID-19 omicron variant.

Most notably, [BTC saw a USD9,000 drop in less than an hour in early December](#), with ETH and altcoins following close behind, before recovering slightly, then testing the USD40,000 mid month, before again recovering and maintaining near-USD50,000 levels for most of the next two weeks.

[Deutsche Borse was also prominent in the news when it announced on 17 December that it had completed an acquisition of a majority stake in the Crypto Finance digital asset platform.](#)

A few days later, [Bloomberg reported that crypto had attracted more money in 2021](#) than in all previous years combined.

Business Updates

On 1 December, [OSL announced that it had completed its registration as a Money Services Business with the US Department of Treasury's Financial Crimes Enforcement Network, and that it hired RBS and Merrill Lynch veteran Jeffery Howard](#) as its Head of North America Business Development and Institutional Sales.

Later in the month, [OSL and BC Group also announced key senior hires in digital, technology, execution services, product and sales](#), including Standard Chartered Bank alum Martijn de Jong as OSL Chief Digital Officer, former Tencent/Fusion Bank CTO Ricky Tsang as Chief Information Officer for BC Group and former Westpac Institutional Bank Deputy Hong Kong Chief Executive Jean-David Péquignot as OSL Global Head of Execution Services.

In the news

OSL executives and BC Group senior leadership appeared in well-known media and market events in December:

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- OSL's hiring of Jeff Howard to lead its North America business was picked up in [Hedge Fund Alert](#), [Securities Finance Times](#), [The Industry Spread](#) and several other outlets on 4 December
- On 7 December, OSL Managing Director Kanny Lee spoke at Singapore Management University in the fourth run of [AXSI Digital Finance Leadership Programme](#) on Decentralised Platforms and Institutional Crypto-Assets
- OSL CEO [Wayne Trench was featured in a Forbes front-page story on regulation in Hong Kong](#) on 9 December
- OSL Head of Sales Ryan Miller joined [OPIMx Debate Series Crypto: INSTO FOMO](#) on 15 December
- The BC Group and [OSL senior hires announcement was picked up on 22 December by Coindesk](#)

Additional digital asset market developments

On the institutional adoption front, CIA Director [William Burns said on 8 December that the agency has "set in motion a number of different projects"](#) focused on digital assets, London's City AM reported that the [FTSE Russell announced that it planned to develop a crypto index with over 40 digital assets](#), and that the index will "sit alongside" the FTSE 100 and the Russell 2000, while [on 7 December Nasdaq Stockholm listed Bitcoin and Ether exchange traded notes](#).

Executives from six of the largest digital asset firms appeared before the US House Financial Services Committee on 8 December for a five-hour question and answer session on stable coins and digital asset trading, [with a surprisingly positive tone](#). [The Senate Banking, Housing and Urban Affairs Committee held a similar hearing a few days later](#).

Meanwhile, the highly controversial [National Unity Government of Myanmar, which was formed after a military coup earlier this year, has recognized the Tether stablecoin as its official currency](#).

Binance continued to make news as it was [reported on 6 December by Bloomberg that the trading company was looking to set up a UK arm](#) after a previous setback with the FCA, and on 13 December that the firm would be [shutting down its Singapore operation and withdrawing its license application in the city state](#).

[Meta \(formerly Facebook\) finally launched its Novi](#) (formerly Calibra) digital wallet trial allowing users to transact with the US Pax Dollar (USDP) on the WhatsApp instant messenger application.

At BC Group and OSL, 2021 was truly a year of growth and we are excited for what lies ahead for our firm as well as the global digital asset ecosystem in 2022. If you are keen to hear some of our executives make market predictions for next year, tune in to the [OSL YouTube channel](#).

As always, the team at BC Group and OSL is available to discuss December's updates. Should you have any questions about recent BC Group and OSL business developments, the digital asset market, or the year in review, please feel free to reach out to us directly.

BC Group

From all of us at BC Group and OSL, have a happy and healthy festive holiday season and a merry New Year!

Sincerely,

Dave Chapman
Executive Director
BC Group (863 HK)