



SCB^x

2022 Financial results
Analyst meeting presentation

20 January 2023

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Today's agenda

- 1 Key highlights**
- 2 Review of 2022 results**
- 3 2023 outlook**

1 Key highlights

2022: A year in review

Completion of reorganization

- Completion of the restructuring process under the regional fintech “Mothership” strategy

Core business emerging stronger from the pandemic

- NIM expansion for the first time in two years
- A record high NII, though partly offset by a drop in wealth and investment revenue
- Asset quality under control under CDR^{1/} with prudent provisioning

Expanding new growth horizons

- Rapid expansion in auto title loan business
- Smooth business transition to CardX
- Strong traction in digital lending platforms
- Robinhood super app with strong GMV and revenue expansion
- New InnovestX super app with full offering of asset classes ^{2/}

^{1/} Comprehensive debt restructuring (CDR) under the Bank of Thailand’s framework

^{2/} Including both domestic and international equities, mutual funds, bonds, and digital assets

Gen 1: Key business updates – 2022

Bank of the Year 2022 –
Asia Pacific
(The Banker)



Core banking business ^{1/}

41%

cost/income ratio
(excluding one-time gain)

3.3%

NPL

151%

NPL coverage

Wealth management & Bancassurance

>20%

bancassurance market
share (New premium) ^{2/}

#1

51%

of fee income in 2022

1.9trn

wealth AUM ^{3/}

THB

YoY growth

-1%

Digital engagement

14.2mn

registered users
(SCB EASY App)

+1.1mn

82%

monthly active user
(SCB EASY App)

1/ SCB Bank consolidated (Gen 1)

2/ Data as of November 2022

3/ Including deposits, mutual funds and investments

Gen 2: Key business updates – 2022

2022 digital loans
(Group level)

65^{THB}bn **+73%** YoY

Note: Digital lending apps/platforms under Gen 1 and 2

New JV with Akulaku



3.2mn

accounts^{1/}
(Cards & Personal loans)

115bn THB

loan o/s

<1%

NPL

1.2k/2.3k

branches/salesperson

7.5bn THB

loan o/s

<0.5%

NPL

2.7mn YoY growth

registered users^{3/} **1.5x**
(FINNIX App)

5.9bn THB

loan o/s

<1%

NPL

2.9mn YoY growth

registered users^{3/} **2x**
(Money Thunder App)

5.0bn THB

loan o/s

<1.5%

NPL

0.7k

customers

3.8bn THB

loan o/s

0%

NPL

^{1/} Updated number (after completion of the business transfers)

^{2/} Chaiyo Money launched in July 2022

^{3/} Data as of November 2022

Successful
VC fund-raising
THB 1.5 bn

Gen 3: Key business updates – 2022



Obtained
a ride-hailing
license

0.75mn
digital users

> 50%
market share of new customers

2.5bn
2022 revenue

Note: New INVX App launched in October 2022

470mn USD
asset under management

1.2bn THB
2022 revenue

Note: Investment portfolio excluding all SCB10X's subsidiaries

3.5mn
registered users
(Robinhood App)

YoY growth
1.5x

8.5bn THB
2022 Gross Merchandise
Value (GMV)

+71%

0.5bn THB
2022 revenue

35x

Note: 300K merchants (food and others) and 30K riders (as of 4Q22)

Offshore strategic investments for potential future business expansion

Strategic investment

Investment value

Investment rationale



FWD Group Holdings Limited, a leading Pan-Asian life insurer with a customer-led, legacy-light and digital-first model

180^{USD}
mn

Fast growing life insurer with strong focus in **Southeast Asia** and a key strategic partner of SCBX



AKULAKU, an Indonesian leading digital consumer finance platform

100^{USD}
mn

An underserved market in **Indonesia** using digital financial solutions and collaboration opportunities with SCBX's companies



Bank Jasa Jakarta, an Indonesian commercial bank, with plans to re-platform into a digital bank backed by **Welab** and **Astra Group**

50^{USD}
mn

Growth opportunities in the digital banking business in **Indonesia**



RakkaR Digital

RakkaR Digital, an institutional-grade digital asset custody platform for institutions

10^{USD}
mn

Digital asset custody and related services to clients across **ASEAN**

2

Review of 2022 results

2022: Growth momentum continued with broader recovery and new growth horizons

1. **NII** increased (+13% YoY) from NIM expansion (+29 bps YoY) with yield improvement and moderate loan growth (+3% YoY).
2. **Fee & others** was lower (-5% YoY) mainly from the slowdown in wealth management business.
3. **Investment income** (-79% YoY) remained under pressures from unfavorable market conditions.
4. **Cost-to-income ratio** remained at mid 40s despite increasing business activities and restructuring efforts.
5. **Credit costs** (145 bps) declined from an elevated level over the past years.
6. **NPL ratio** declined further (3.34%) with higher **NPL coverage** (160%).
7. Strong **capital** position with high Tier 1 ratio (17.7%)

4Q22/2022 financial results – SCBX

Baht billion (Consolidated)	4Q22	QoQ	YoY	2022	YoY
Total income	38.3	-4%	-2%	154.4	3%
- Net interest income	29.3	6%	18%	107.9	13%
- Fee & others	10.5	-11%	-16%	44.9	-5%
- Investment & trading income ^{1/}	-1.6	n.m.	n.m.	1.7	-79%
Operating expenses	20.9	23%	21%	69.9	10%
Pre-provision operating profit	17.4	-24%	-21%	84.5	-3%
Provisions	7.1	-9%	-41%	33.8	-20%
Tax and others ^{2/}	3.2	-33%	50%	13.2	44%
Net profit	7.1	-31%	-9%	37.5	5%
Net profit (normalized/excl. one-time tax)	8.1	-30%	3%	39.9	12%

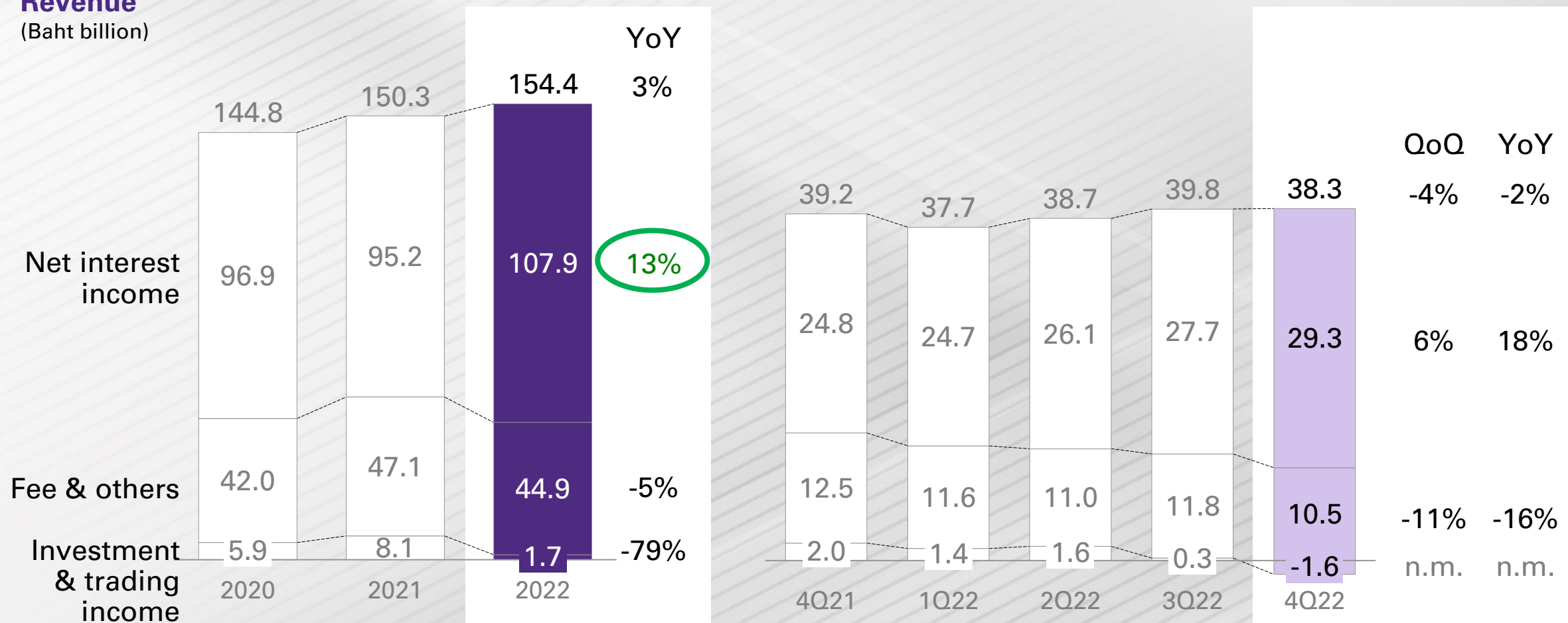
^{1/} Including gain (loss) on investment, dividend, trading and derivatives

^{2/} Including Baht 2.4 billion one-off income tax from the transfer of subsidiaries/businesses to SCBX for 2022

A record high NII offset by pressure on fee and investment income

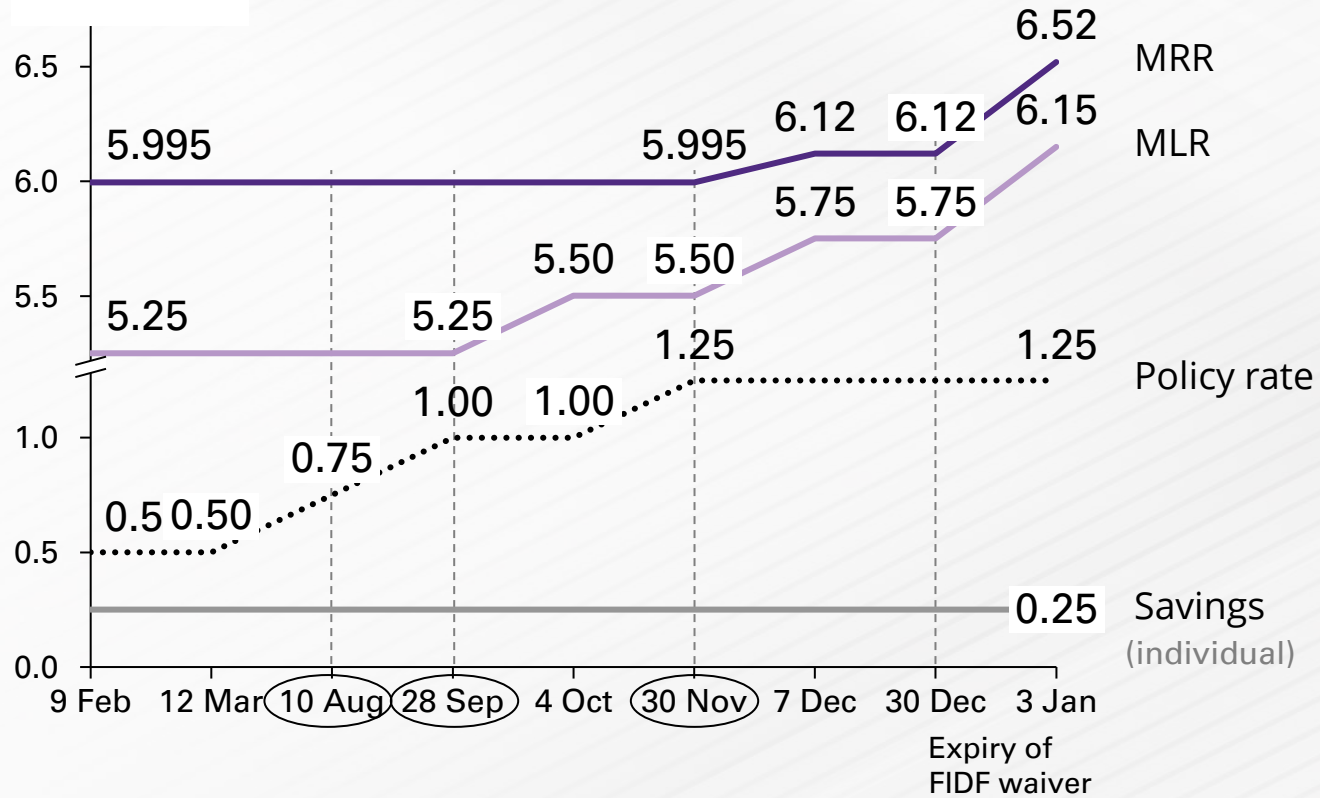
Revenue

(Baht billion)



Interest rate tailwinds

SCB's interest rates



Note: MLR (Minimum Loan Rate) and MRR (Minimum Retail Rate)

NIM sensitivity

+25-30 bps

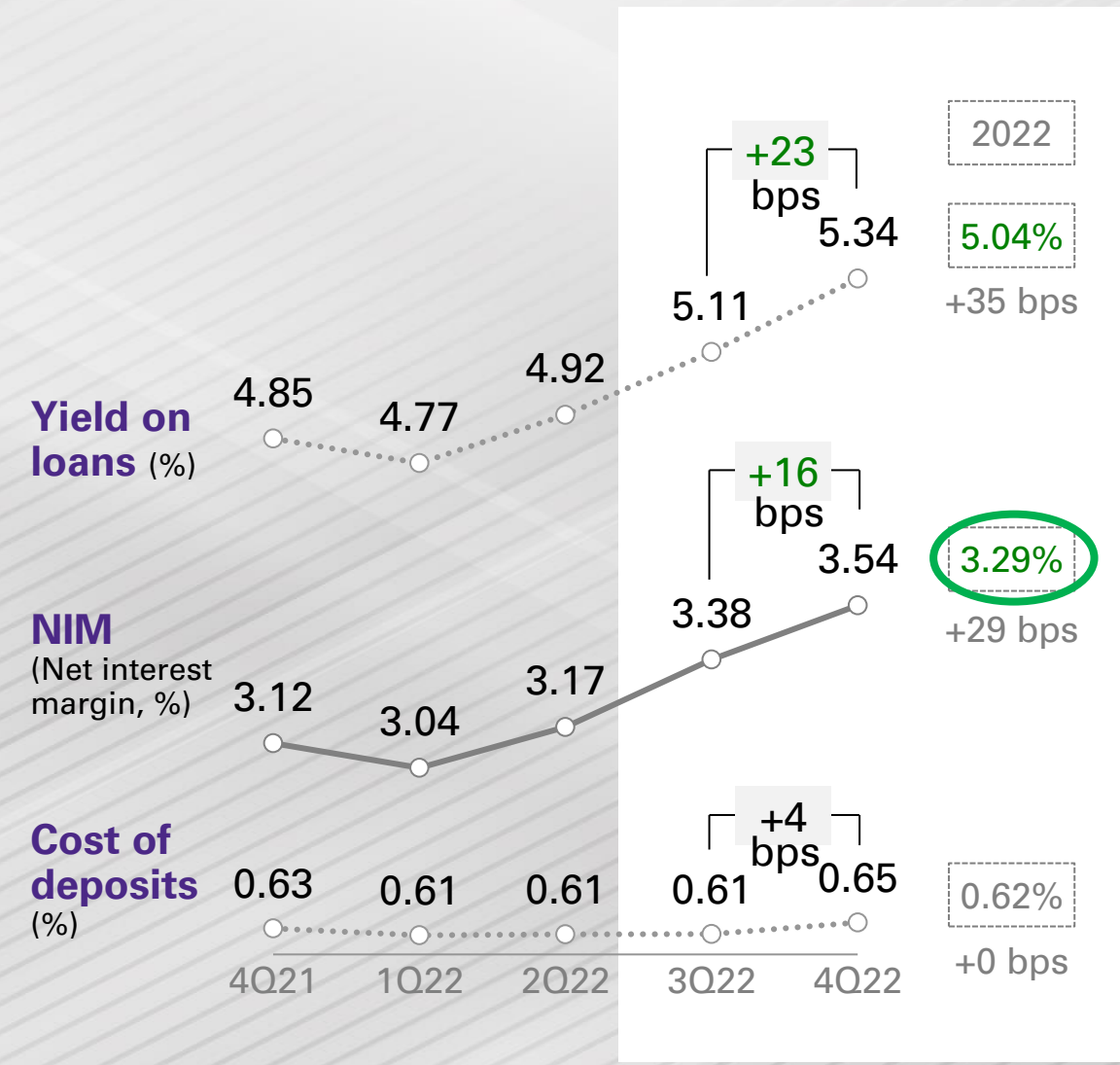
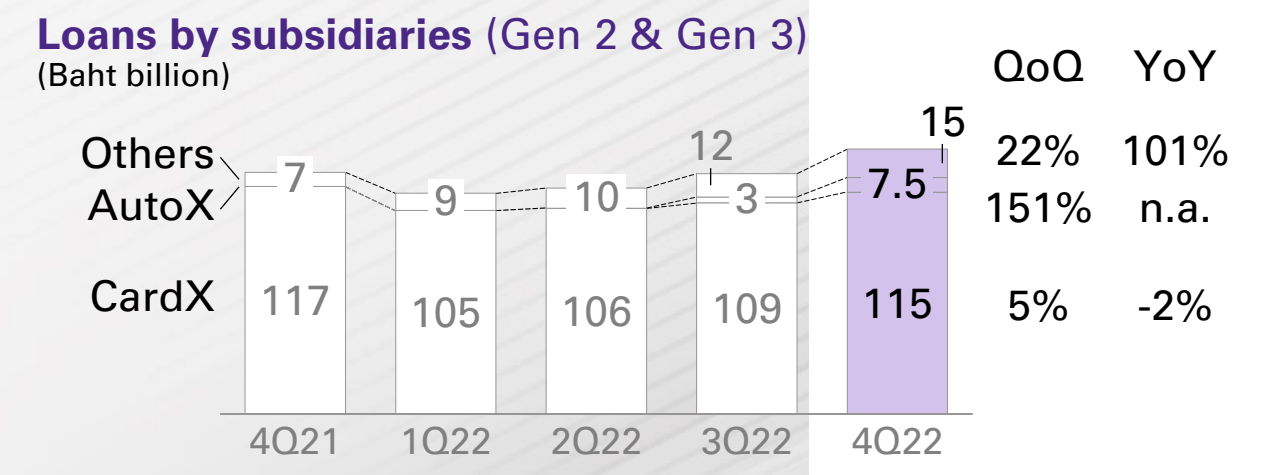
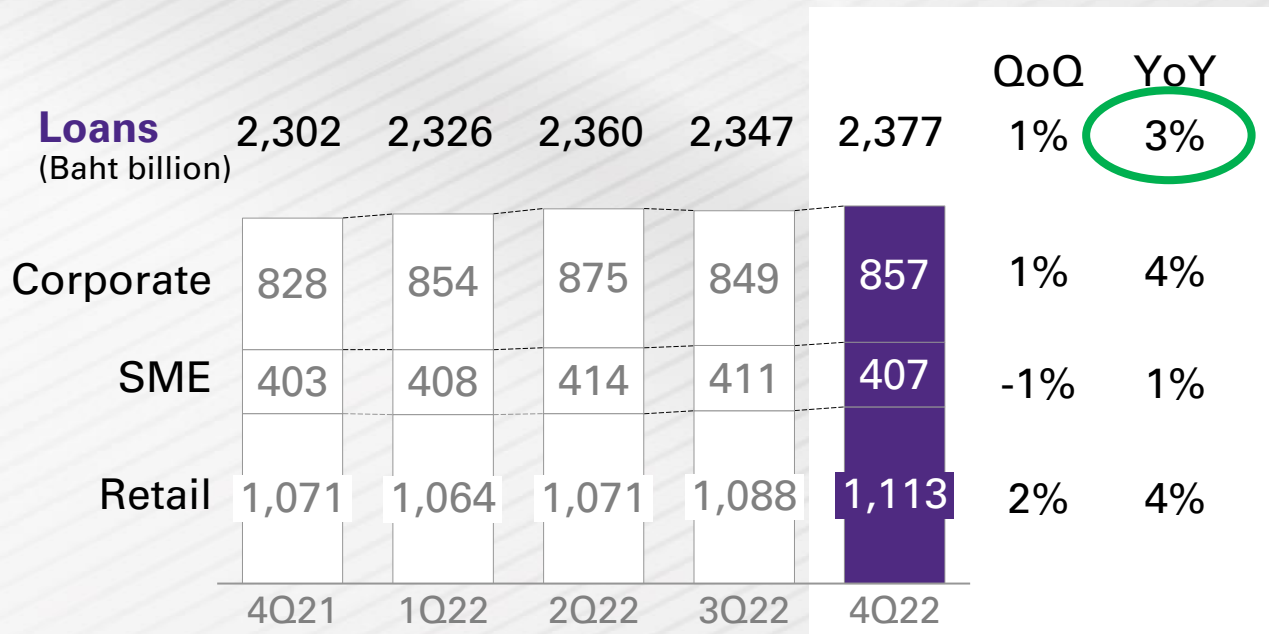
NIM sensitivity to interest rate movements (+1% in Policy Rate) for the first full year

Assumptions:

- +100 bps for floating products
- CASA will be dynamic and based on behavioral model
- Excluding FIDF impact

Note: NIM sensitivity calculated using an internal model with balance sheets as of November 2022

NIM continued to expand from the quality loan growth strategy and upward interest rate trend

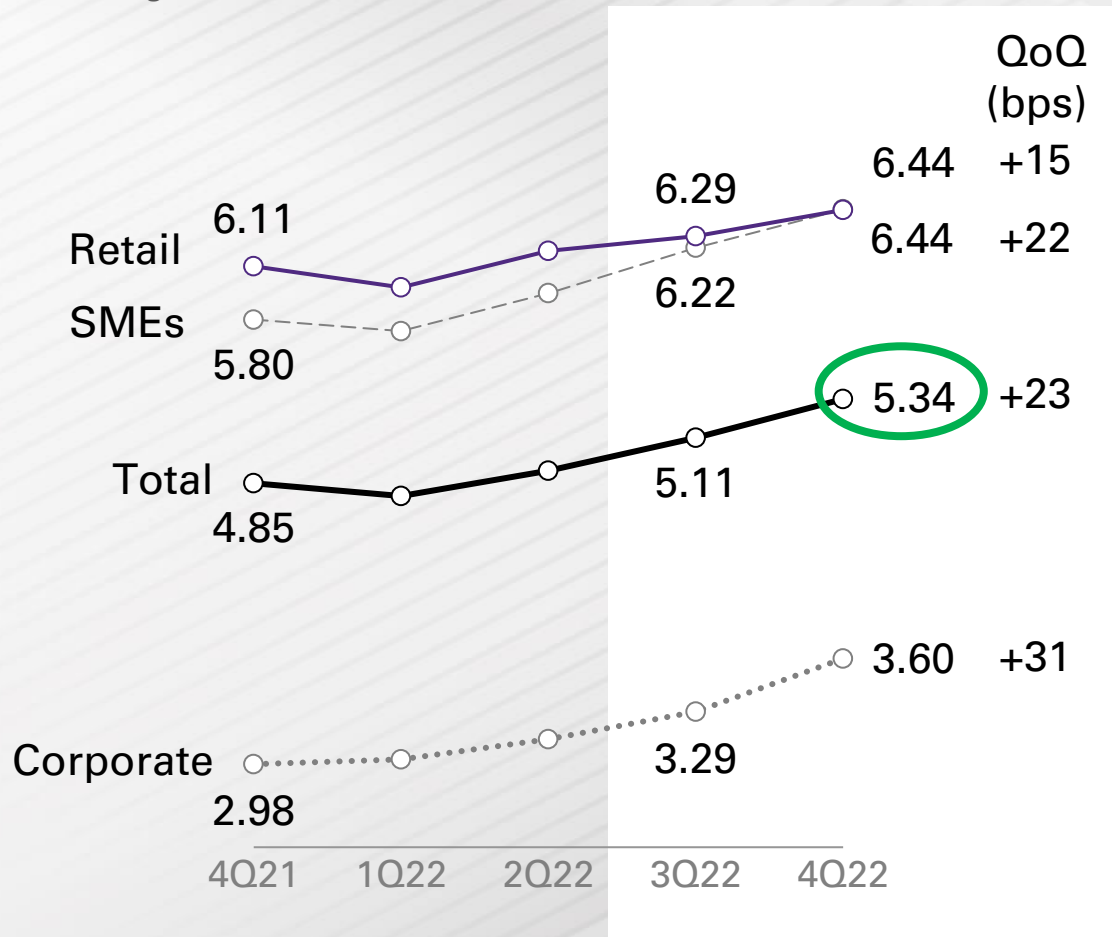


Note: FIDF fee reduction to 0.23% p.a. (1 Jan 2020 – 31 Dec 2022)

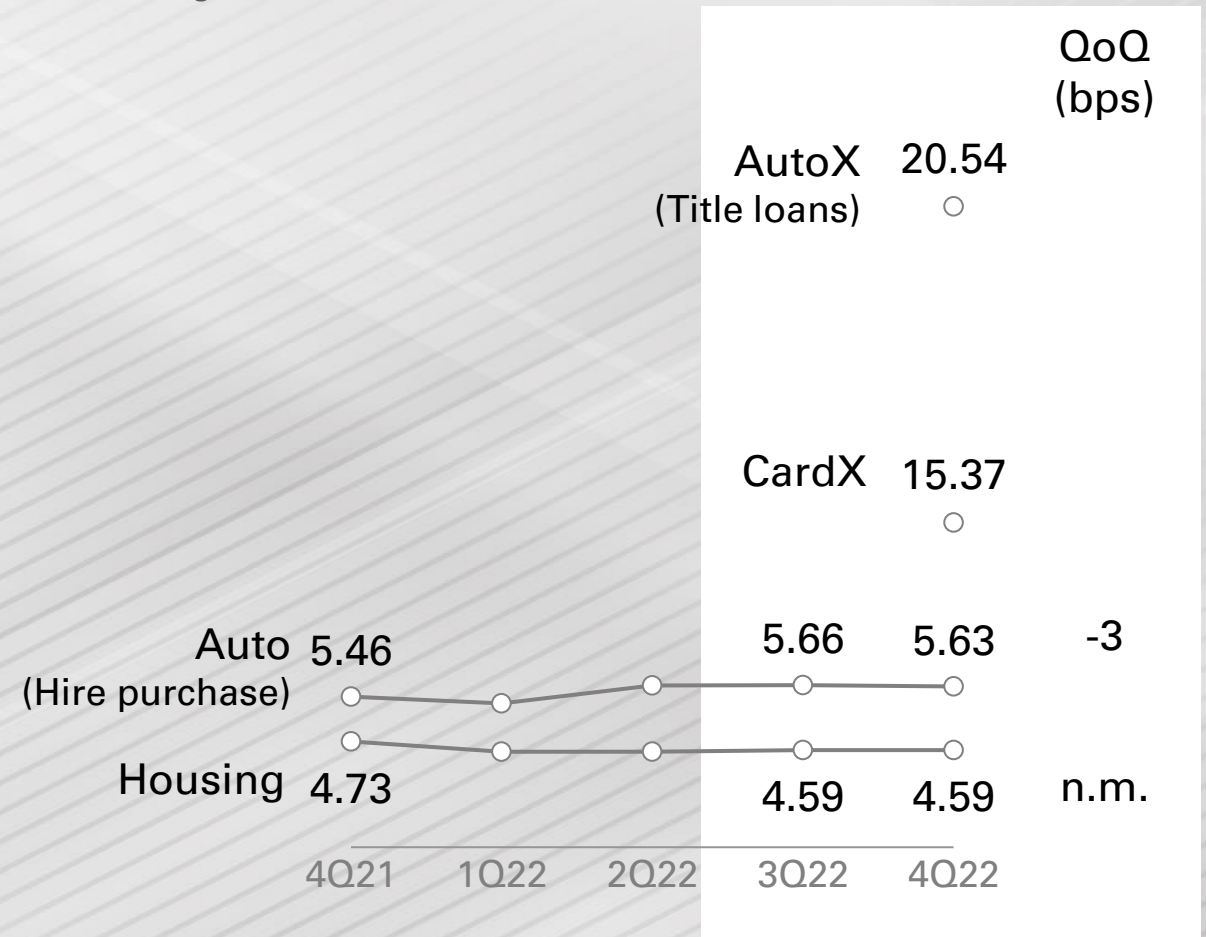
Note: Loan of CardX was reported as part of the Bank before the spin-off on 10 Dec 2022

Yield on loans continued to improve from interest rate increases, pricing discipline on new bookings, and high-margin lending businesses

Yield on loans by segment (Group level)
(Percentage)

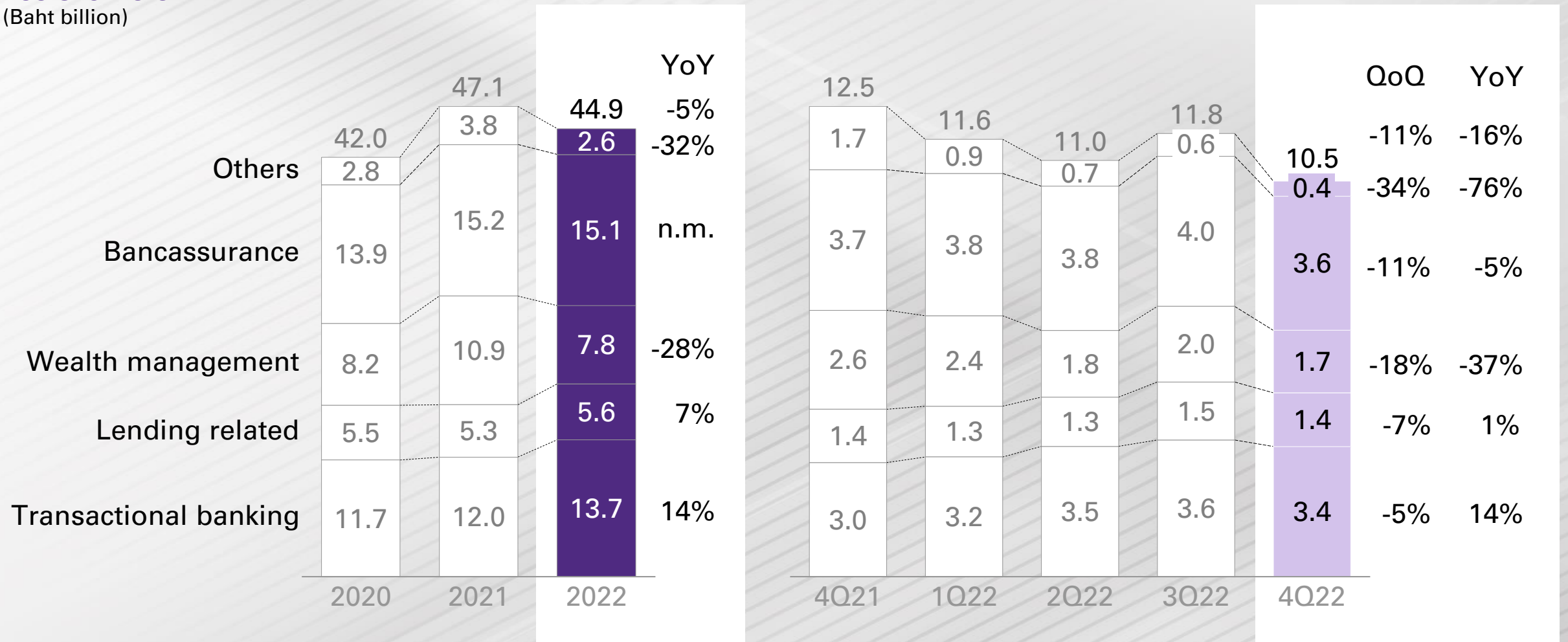


Yield on loans by key products and subsidiaries
(Percentage)



Fee remained under pressure from the slowdown in wealth management despite a rebound in non-wealth income during 2H22

Fee & others (Baht billion)



C/I remained at mid 40s despite higher expenses from increasing business activities and business restructuring efforts

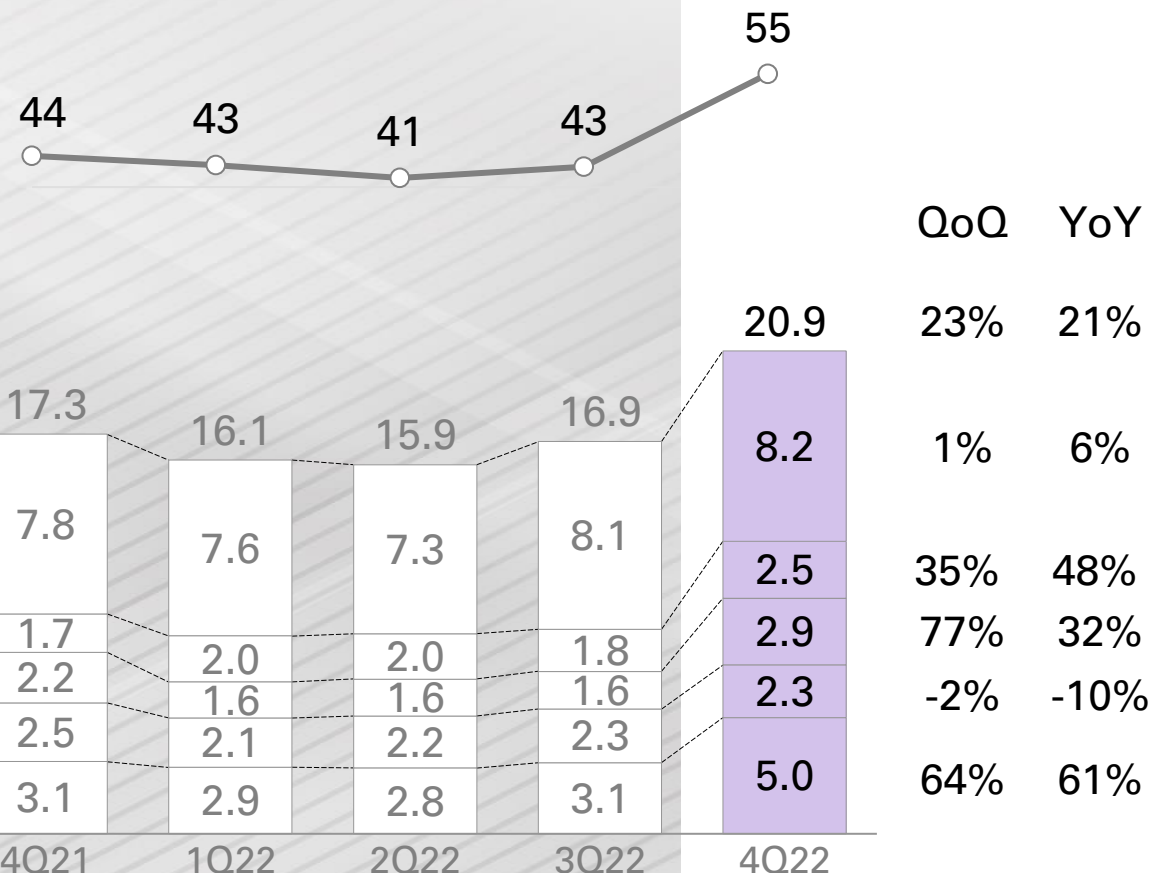
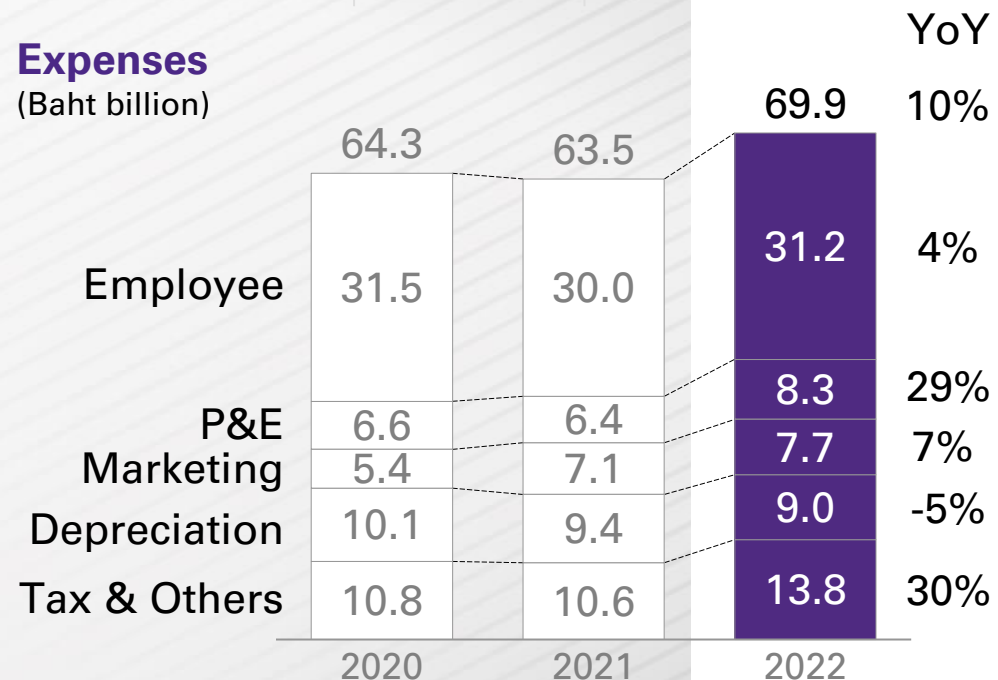
Cost/Income

(Percentage)



Expenses

(Baht billion)

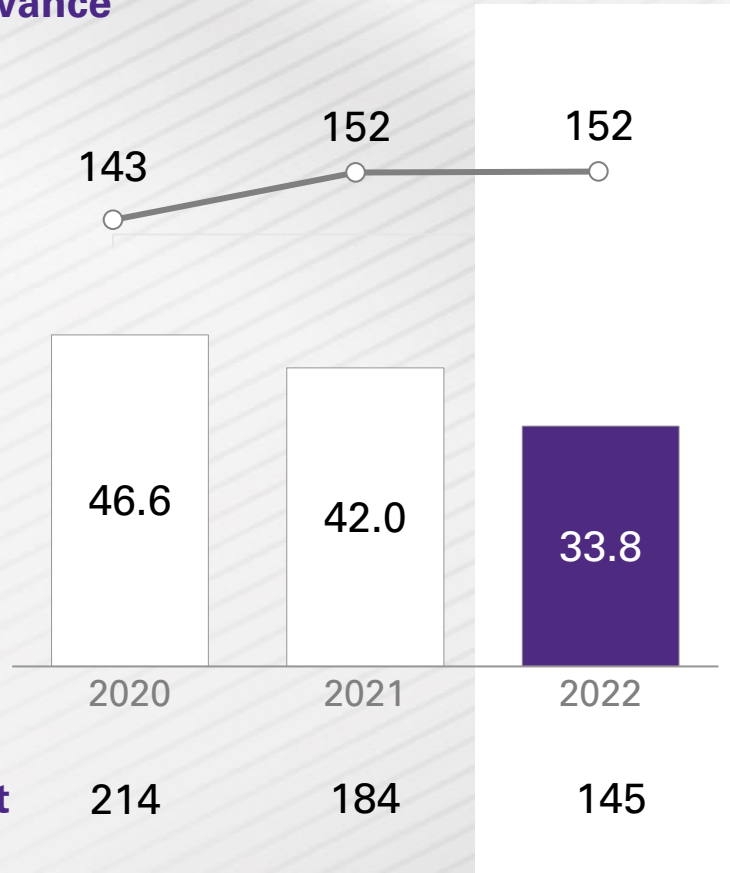


Note: Premises & Equipment (P&E)

Asset quality was robust with improving NPLs and higher coverage ratio

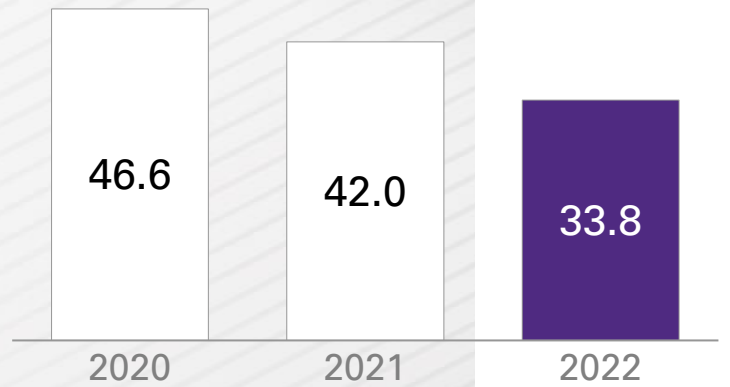
Total allowance

(Baht billion)



Provisions

(Baht billion)



Credit cost

(bps)

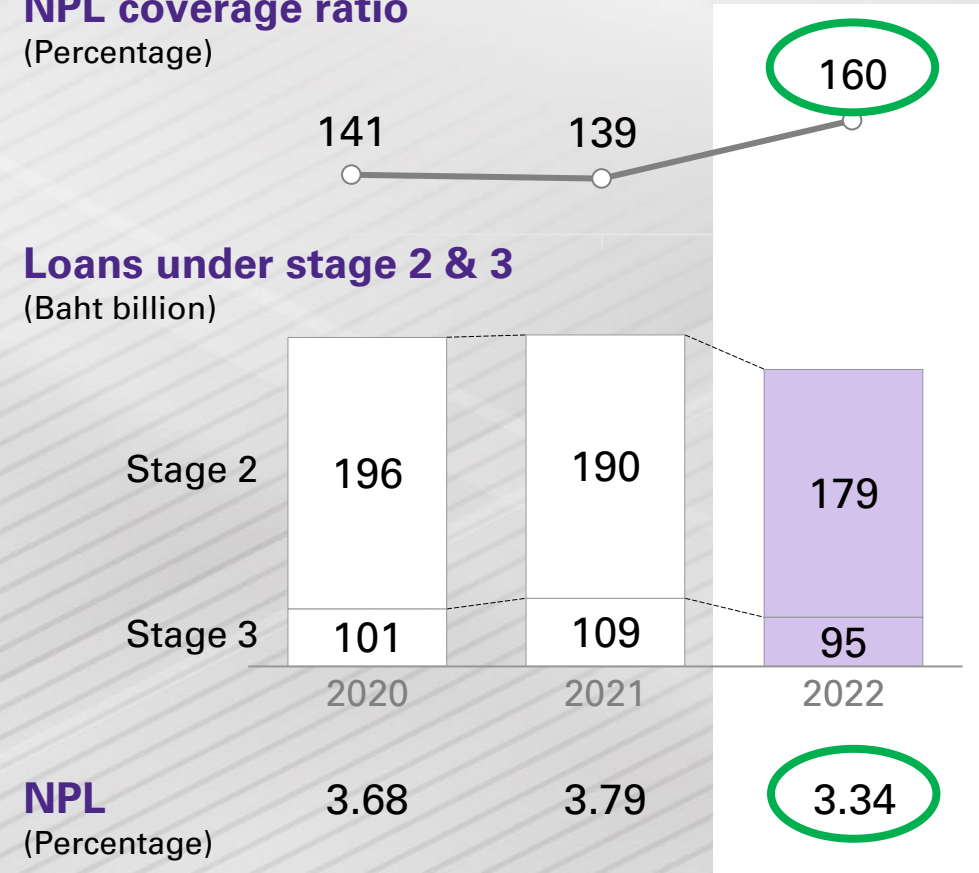
Year	Credit cost (bps)
2020	214
2021	184
2022	145

Note:

The Blue scheme's comprehensive debt restructuring (CDR) under the Bank of Thailand's framework is Baht 280 billion or 12% of total loans (as of 4Q22)

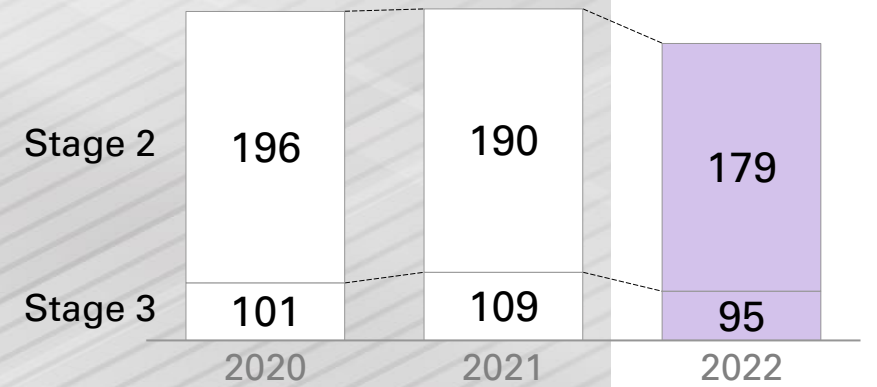
NPL coverage ratio

(Percentage)



Loans under stage 2 & 3

(Baht billion)



NPL

(Percentage)

Year	NPL (Percentage)
2020	3.68
2021	3.79
2022	3.34

NPL sales

(Baht billion)

Year	NPL sales (Baht billion)
2020	13
2021	7
2022	19

Write-off

(Baht billion)

Year	Write-off (Baht billion)
2020	12
2021	20
2022	21

3

2023 outlook

Summary: Macro and business outlooks in 2023

- **The global economy decelerated significantly in 2022. The momentum gets worsen in 2023** amid synchronized monetary policy tightening and entrenched inflation. However, China and Asian economies are among the bright spots.
- **Thailand's growth forecast has been revised upward to 3.2% in 2022, thanks to tourism and consumption. The Thai economy will continue to grow by 3.4% in 2023** given global economic slowdown going forward. Although Thai economy continues to recover unevenly amid rising uncertainties.
- **Risks to Thai economy** include (1) Global economic slowdown, pressuring exports and investment, (2) High inflation, high interest rates, and high debt, causing an uneven recovery in some households and businesses, and (3) Political uncertainties, affecting investor confidence.
- **Tourism and service sectors recovered notably from an accelerating number of foreign tourists**, thanks to a lift in international travel restrictions around the world. **Inbound foreign tourists are expected to reach 28.3 million in 2023** due to high demand and China's reopening.
- **In the medium to long term, climate change trend, the Technopolar world, and an aging society increase risks and uncertainties to the macroeconomic and business operations.** Therefore, banking business adjustments in consistent with long term structural change are crucial in dealing with these short to medium term risks.

The global economy will slow down in 2023 amid synchronized monetary policy tightening and elevated inflation. However, China and Asian economies are among the bright spots.

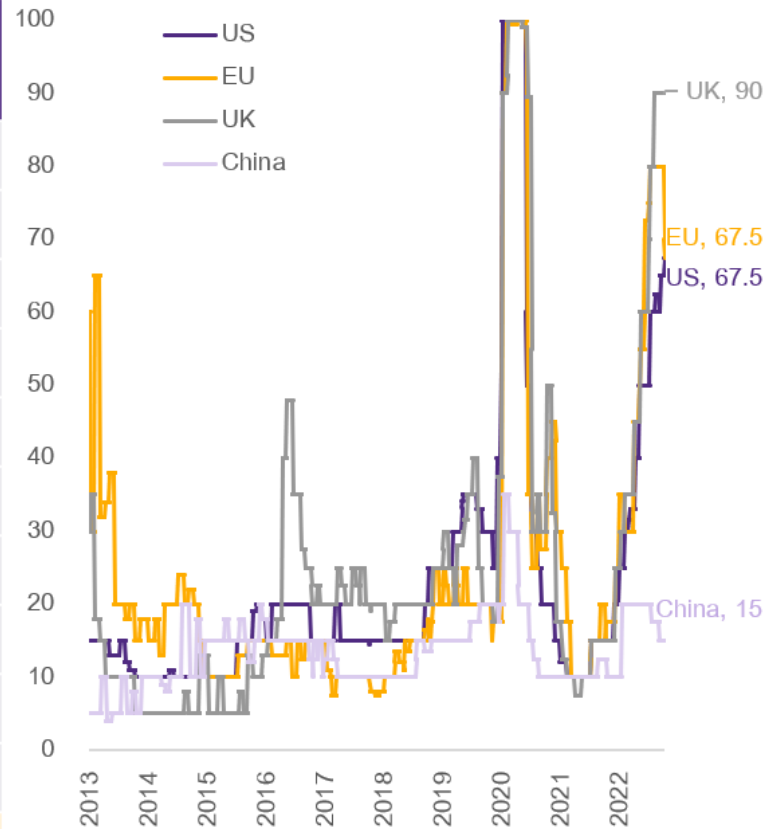
Global economic growth forecast by EIC

Unit : %YOY

GDP growth (%YOY)	2021	2022F		
		Prev	Current	2023F
World	5.8%	3.0%	2.9%	1.8% ↓
US	5.5%	1.7%	1.9%	1.0% ↓
Euro	5.0%	2.6%	3.3%	-0.1% ↓
UK	7.5%	4.6%	4.4%	-1.0% ↓
Japan	1.9%	1.4%	1.5%	1.4% ↓
China	7.8%	3.0%	3.0%	4.3% ↑
India	8.8%	7.3%	7.1%	5.6% ↓
Brazil	4.7%	1.3%	1.9%	1.0% ↓
South Korea	4.0%	2.5%	2.5%	2.0% ↓
Malaysia	3.0%	6.5%	8.7%	4.0% ↓
Global Inflation	3.7%	7.5%	7.0%	4.7% ↓

Probability of a recession over the next 12 months

Unit : %, Data as of 17 Jan 2023



Key risks

- Inflation above targets for further 1-2 years**
Core inflation become entrenched.
- Continued monetary policy tightening**
Terminal rates remaining higher than anticipated.
- High level of global debt amid tightened financial conditions**, increasing default risks and spillover effects to global financial system
- US-China Tech war** affecting production and investment plans in some specific industries

Supporting factors

- China reopening sooner**
supporting global demand & trade especially in EM-Asia
- Ease in energy crisis**
Further decline in energy prices benefits for EU

Thailand's growth forecast has been revised upward to 3.2% in 2022, thanks to tourism and consumption. The Thai economy will continue to grow by 3.4% in 2023 given global slowdown.

Gross Domestic Product (GDP) forecast

Economic Forecast (Base case)	Unit	2021	2022F		2023F	
			As of Sep 2022	As of Jan 2023	As of Sep 2022	As of Jan 2023
GDP	%YOY	1.5	3.0	3.2	3.7	3.4
Household consumption	%YOY	0.3	4.4	5.8	3.2	3.0
Government consumption	%YOY	3.2	-1.0	-0.2	-0.7	-1.0
Private investment	%YOY	3.3	2.9	4.1	2.7	2.5
Public investment	%YOY	3.8	2.1	-1.0	2.5	2.9
Goods export value (USD BOP basis)	%YOY	19.2	6.3	6.3	2.5	1.2
Goods import value (USD BOP basis)	%YOY	23.9	13.2	14.8	4.6	3.2
Foreign tourist arrivals	Million persons	0.4	10.3	11.1	28.3	28.3
Headline inflation	%YOY	1.2	6.1	6.1*	3.2	3.2
Core inflation	%YOY	0.2	2.5	2.5*	2.7	2.7
Crude oil price (Brent)	USD/Br.	70.4	102.4	99.5*	89.9	84.7



Positive factors

- **Tourism and service sectors to remain key drivers, especially with the lift of China's Zero-Covid policy**
- **Private consumption will continue to regain ground, thanks to the tourism and the labor market rebound.**



Risk factors

- **Global economic slowdown** might weigh down on exports and investment.
- **High cost of living, interest rates, and debt** would further weaken fragile households and businesses, thus entailing an uneven recovery.
- **Political uncertainties** could hamper investor sentiment.

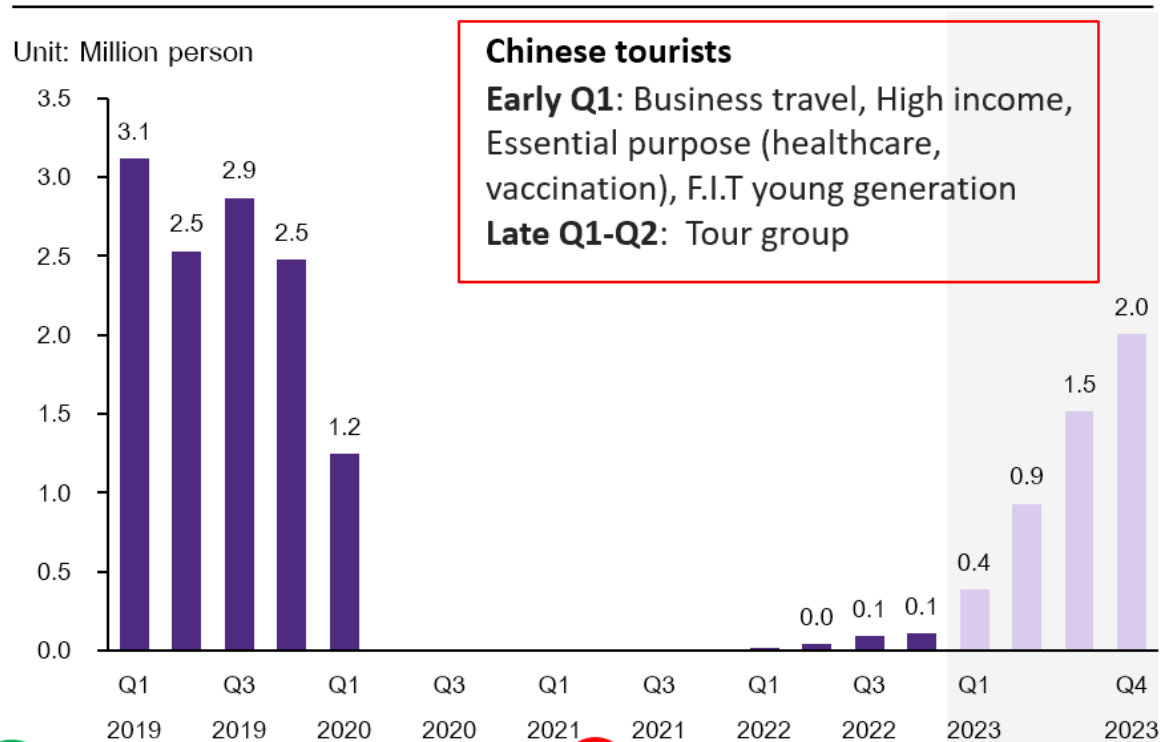


Recession probability

- **SCB EIC estimated the probability of an economic recession in Thailand remains low at 8.5% in the baseline**
- **If global economic growth in 2023 declines dramatically to 0.3%, recession probability in Thailand will rise over 80%.**

At least 4 million Chinese tourists will visit Thailand in 2023, with business travel and high income as did the first group, benefiting most businesses in the tourism supply chain.

Expected Chinese tourist arrivals



Chinese tourists
Early Q1: Business travel, High income, Essential purpose (healthcare, vaccination), F.I.T young generation
Late Q1-Q2: Tour group

Positive impact on business in the Tourism supply chain

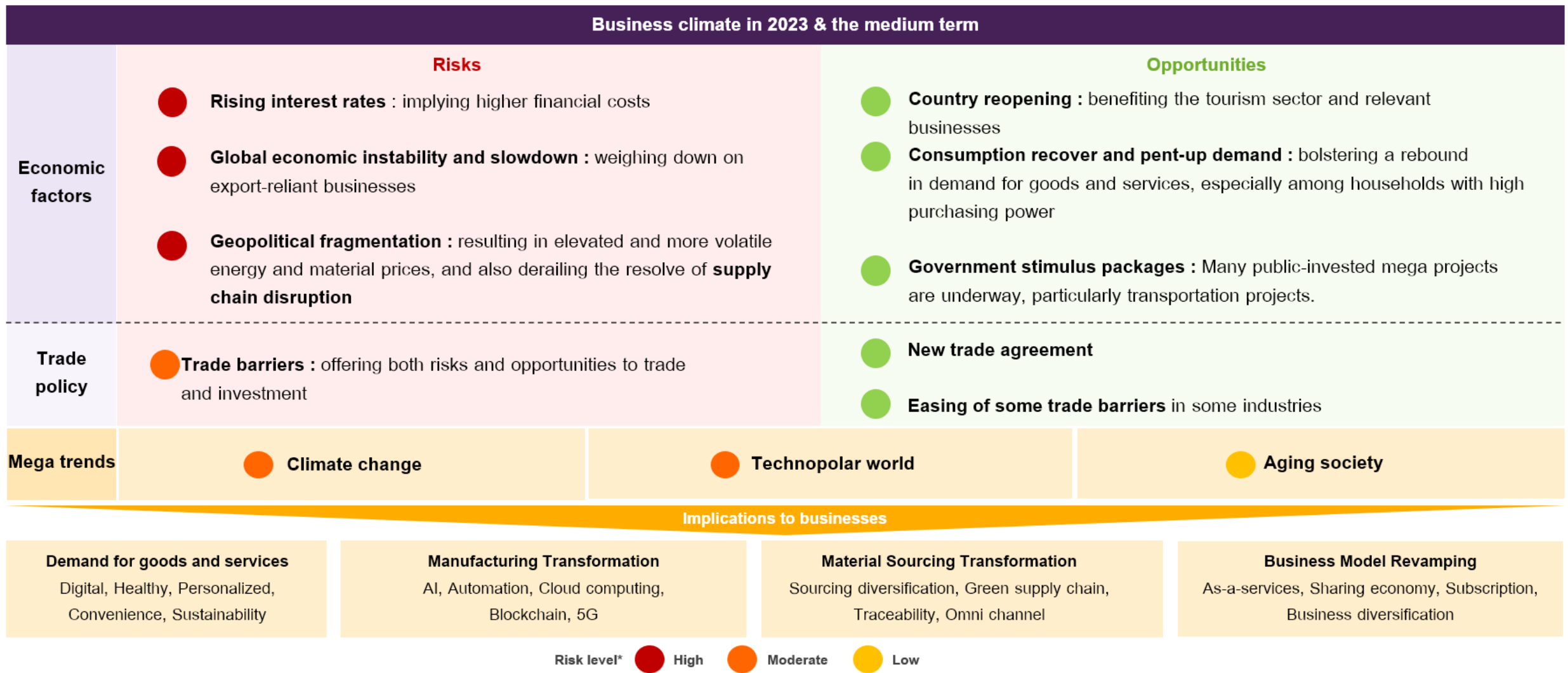


Thailand applies the same policy for Chinese tourists as tourists from other countries while many countries use a stricter policy



Flights and airport management of Thailand and China may not be able to serve an increasing travel demand in the beginning.

The business outlook in 2023 and the medium term will primarily rely upon volatile economic factors and emerging megatrends that could leave long-term impacts on firms.





Recap: 3Y aspiration (2025)

No.1 digital bank in wealth management, offering seamless experiences across all channels to customers

- 25% digital revenue
- No.1 wealth wallet share
- Mid-to-high 30s C/I

2023 action plan and targets

Digitalize end-to-end process

- Create **digital products and services**
- Enhance **seamless interactions** across touchpoints
- **Modernize infrastructure** to improve resiliency and scalability

Strengthen wealth management

- **End-to-end wealth management solutions**
 1. Holistic Solution
 2. Quality Advise
 3. Leverage wide range of partners

Loan and risk adjusted return optimization

- Continue to **balance portfolio** & focus on good quality segment

90%

Digital service*
(85.5% in 2022)

+33%

Wealth revenue, YoY

40%

cost/income ratio

*% of total transaction volume via digital channel

Segment business strategy riding on tourism upside

Segment	Opportunities	Strategy
Wholesale SME	<ul style="list-style-type: none">• Hotel & related business revenues recover• Financial supports need	<ul style="list-style-type: none">• Enhance early debt repayment• Support working capital and new investment
Retail	<ul style="list-style-type: none">• Payment transactions increase from inbound tourists• International spendings rise on outbound tourists	<ul style="list-style-type: none">• Build payment solutions and promote usage for inbound tourists• Enhance PLANET SCB card features & set up new acquisition strategy
Insurance	<ul style="list-style-type: none">• Thai domestic & abroad travelling surges• Health concerns & uncertainties increase• Improving economic situation increase ability to pay & reduce business concerns over long term commitment	<ul style="list-style-type: none">• Increase travel insurance sales on digital platform• Launch new products & create proactive strategy to sell health insurance• Approach business owners in tourism supply chain on group insurance for their employees

Potential improving asset quality amid rising interest rates

Environment

3.4%

Thai GDP growth in 2023F
(3.2% in 2022)

28.3 mn

Tourist arrivals in 2023
(11.1 mn in 2022)

2.00%

2023F MPC's Policy Rate
(1.25% at the end of 2022)

86.8%

2022Q3 Households Debt/ GDP
(79.9% in 2019)

Business implications

Rising income on rebounding domestic and tourism activities

- Hotel and tourism-related sectors gain traction from reopening
- Retail's increasing ability to pay from economic recovery

High debt burden

- Fragile household / vulnerable SMEs
- Increasing debt serviceability on interest rate hike

Challenges, opportunities and strategy

Challenges

- New NPL from retail customers
- CDR* customers may increase due to tightening monetary policy

Opportunities

- Customers benefit from recovering economic activities
- End-of-2022 new NPL & CDR customers did not increase due partly to economic recovery

Strategy

- **Early warning signal** using ML with granular data
- **Tailoring customers' supporting measures**
- **Optimize portfolio mix** between fixed and floating rates

*CDR = Comprehensive Debt Restructuring Program



Recap: 3Y aspiration (2025)

Thailand's leading unsecured consumer finance player

- 10 million customers
- Baht 140-160 billion in loan O/S
- Baht 8-9 billion in net profit
- ROE > 20%
- ROA 6-7%
- Target for IPO in 2025

2023 action plan and targets

- Ensure best and seamless experience for **customer migration** post business transfer
- Elevate **risk management capabilities** with dedicated focus and dynamic operating model
- Implement **new collection operating model** to maximize prevention and recovery
- Deploy **AI/ML technology** across end-to-end journey from acquisition and underwriting to collection and cost optimization
- Launch **Buy-Now-Pay-Later (BNPL)** with JV

3.8mn

accounts
(Cards & Personal loans)

+15%

loan growth (yoy)



Recap: 3Y aspiration (2025)

Thailand's top 3 title loan player

- 1 million customers
- Baht 70 billion in loan O/S
- Baht 3 billion in net profit
- ROE > 25%
- Target for IPO in 2027

2023 action plan and targets

- Enhance **sales capacity & effectiveness**
 - Branch's network expansion (+800 branches)
 - New salesforce recruitment (+1,700 salesperson)
 - Salesforce with insurance license
- Boost **top-line growth**
 - >3x new booking (~40 bn)
 - Non-life insurance products (Motor and PA)
- Focus on **healthy portfolio** (NPL <2%)

2,000
branches

35bn THB
loan O/S

4,000
salesperson

Business outlook – Gen 3 (Purple Ventures)



Recap: 3Y aspiration (2025)

Thailand's most admired lifestyle Super App

- 1.8 million monthly active users
- Baht 30 billion in gross merchandize value (GMV)
- Baht 4 billion in revenue
- Breakeven in 2026

2023 action plan and targets

- Adding **new businesses** (35-40% of revenue)
 - Ride hailing with 10K fleets in 1H
 - EV subscription
 - Cross selling financial products (digital lending and insurance)
- Further **monetization**
 - Digital advertisement
 - Subsidy reduction
 - GP charge for hotels
- Manage to stabilize net loss

4.5mn
registered users
(Robinhood App)

11bn THB
2023 GMV

~1bn THB
2023 revenue

Recap: 3Y aspiration (2025)

A leader in Digital Investments and Digital Asset ecosystem in the region

- 4-5 million in customers
- Baht 8-10 billion in revenue
- ROE > 20%
- Target for IPO in 2025

2023 action plan and targets

- **Digitize** traditional business to lower cost and improve customer experience
- Expand **customer base** by leveraging SCBX Group customers
- Differentiate through **multi-assets investment super app** offerings to gain more customers and build engagement
- Accelerate Thailand's **capital market evolution** and pave way for **regional financial service disruptions** through blockchain and digital asset services

>1mn
customers

4-5bn THB
2023 revenue

Business outlook – SCBX (Parent company)



Long-term strategic execution

Phase 1:

Build core tech & data capabilities (1-2 years)

Phase 2:

Deliver growth with scale and synergy (2-3 years)

Phase 3:

Monetization and exponential growth (3-5 years)

Key theme for 2023

- Drive **growth from Gen 2** portfolio companies
- Identify and invest in **next growth horizon...**
 - in Thailand and the region
 - with a focus on Gen 2 and Gen 3 businesses
- Continue to build **tech & data foundations** through **Center of Excellence (CoE)**

SCBX's 2023 financial guidance

	2022 actual	2023 target			
		SCBX Group	Gen 1 Banking services	Gen 2 Consumer & Digital financial services	Gen 3 Platforms & Digital assets
(Consolidated)					
Total loan growth (yoy)	3%	5-8%	< 5%	> 40%	-
Net interest margin (Simple avg.)	3.3%	> 3.5%	~3%	Mid teens	-
Total income growth (yoy)	3%	> 10%	-	-	-
Cost/Income	45%	Mid 40s	~40%	High 40s	-
Credit cost (bps)	145	120-140	~100	600-650	-
# Customers (in million)	29	35	18	13	4

Note: SCBX's effective tax rate will structurally be higher than statutory tax rate.

IMPORTANT DISCLAIMER:

The above financial targets are subject to changes due to economic uncertainties and have not reflected the outcome of SCBX's ongoing acquisition deals and set up of certain new subsidiaries.

Appendix

We are an investment holding company with portfolio companies in 5 strategic themes

Gen 1

Better Bank

Digitized, better quality loan book, higher fee contribution & leaner cost



Gen 2

Digital Lending

Make finance simple, accessible, and affordable



Gen 3

Digital Ecosystem

Become a part of consumers' daily lives for better digital engagement with customers



Digital Assets & Future Technology

Future-proof our business with evolving technologies



Climate Tech

Net Zero by 2050

Build new growth engine by providing climate tech solutions along with financing as well as new EV subscription platform

Tech Accelerator



SCBX's 2022 Operational performance

	Gen 1 (Banking services)	Gen 2 (Consumer & Digital financial services)	Gen 3 (Platforms & Digital assets)	Inter transaction and others	Total
(Baht billion)					
Loans^{1/}	2,307	133	4	(66)	2,377
Total operating income^{1/}	141.8	21.8	8.2	(17.4)	154.4
Net profit^{1/}	51.9 ^{2/}	0.1	(0.7)	(13.8)	37.5

1/ Before deducting intercompany transactions

2/ Including gain from sale of subsidiaries and transfer of the business, net of income tax