1Q18 Financial Results

Investor Presentation

June 2018

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## Agenda

<table>
<thead>
<tr>
<th></th>
<th>Review of 1Q18 Results</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>Economic Indicators and 2018 Strategy &amp; Outlook</td>
<td>17-25</td>
</tr>
<tr>
<td>3.</td>
<td>2018 Targets</td>
<td>27</td>
</tr>
</tbody>
</table>
### Profitability

<table>
<thead>
<tr>
<th>Metric</th>
<th>2017 Actual</th>
<th>2018 Targets</th>
<th>1Q18 Actual</th>
<th>1Q18 Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROE</td>
<td>12.4%</td>
<td>N.A.</td>
<td>12.3%</td>
<td>1Q18 net profit was Baht 11.4 billion, a 4.6% yoy decline largely from higher marketing expenses from digital acquisition and higher investment in digital banking, while total income rose yoy from both NII and non-NII.</td>
</tr>
<tr>
<td>ROA</td>
<td>1.45%</td>
<td>N.A.</td>
<td>1.50%</td>
<td>NIM was at 3.18%, in line with the annual target of 3.1-3.3%.</td>
</tr>
<tr>
<td>Net interest margin</td>
<td>3.23%</td>
<td>3.1-3.3%</td>
<td>3.18%</td>
<td>Non-NII rose by 13.4% yoy mainly from higher net trading and FX income as well as higher net fee income.</td>
</tr>
<tr>
<td>Non-NII growth (yoy)</td>
<td>-2.2%</td>
<td>Up to 5%</td>
<td>13.4%</td>
<td>Coverage ratio improved to 141.9% while NPL ratio fell qoq to 2.77%.</td>
</tr>
<tr>
<td>Cost/Income ratio</td>
<td>42.3%</td>
<td>42-45%</td>
<td>45.9%</td>
<td></td>
</tr>
</tbody>
</table>

### Income/Cost

<table>
<thead>
<tr>
<th>Metric</th>
<th>2017 Actual</th>
<th>2018 Targets</th>
<th>1Q18 Actual</th>
<th>1Q18 Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total loan growth (yoy)</td>
<td>4.9%</td>
<td>6-8%</td>
<td>5.7%</td>
<td></td>
</tr>
<tr>
<td>NPLs (gross)</td>
<td>2.83%</td>
<td>≤3.0%</td>
<td>2.77%</td>
<td></td>
</tr>
<tr>
<td>Coverage ratio</td>
<td>134.3%</td>
<td>≥130%</td>
<td>141.9%</td>
<td></td>
</tr>
</tbody>
</table>

### Loans/Asset Quality

<table>
<thead>
<tr>
<th>Metric</th>
<th>2017 Actual</th>
<th>2018 Targets</th>
<th>1Q18 Actual</th>
<th>1Q18 Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAR</td>
<td>17.7%</td>
<td>N.A.</td>
<td>17.1%</td>
<td></td>
</tr>
<tr>
<td>CET1/ Tier 1</td>
<td>15.6%</td>
<td>N.A.</td>
<td>15.1%</td>
<td></td>
</tr>
</tbody>
</table>

N.A. = Not Available
Higher revenue growth countered by OPEX led to a decline in net profit

In 1Q18, total income grew by 6.6% yoy from both NII and non-NII. However, higher OPEX from higher marketing expenses from expanding digital customer base and higher investment in digital banking following the Bank’s strategy led to a 4.6% yoy decline in net profit.

Net Profit (Baht billion)

<table>
<thead>
<tr>
<th></th>
<th>1Q17</th>
<th>2Q17</th>
<th>3Q17</th>
<th>4Q17</th>
<th>1Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profits</td>
<td>11.9</td>
<td>11.9</td>
<td>10.1</td>
<td>9.2</td>
<td>11.4</td>
</tr>
</tbody>
</table>

Operating Profit\(^1\) (Baht billion)

<table>
<thead>
<tr>
<th></th>
<th>1Q17</th>
<th>2Q17</th>
<th>3Q17</th>
<th>4Q17</th>
<th>1Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>19.7</td>
<td>19.7</td>
<td>20.2</td>
<td>18.9</td>
<td>19.1</td>
</tr>
</tbody>
</table>

\(^1\) Net profit before impairment provisions, non-controlling interest, and taxes.
NII grew moderately driven by loan expansion and funding cost management

1Q18 NII increased by 3.4% yoy due mainly to loan growth of 5.7% yoy, higher interest income from investment and better funding cost management. On a qoq basis, NII declined by 1.5% qoq largely driven by (1) lower loan yield as a result of the 25 bps lending rate cut in May 2017 and a shift in loan portfolio toward the corporate segment with lower-than-average yield and (2) fewer calendar days.

<table>
<thead>
<tr>
<th>Net Interest Income (Baht billion)</th>
<th>Cost of Funds</th>
<th>Yield on Loans</th>
<th>Cost of Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q17 22.6</td>
<td>1.48%</td>
<td>5.44%</td>
<td>1.40%</td>
</tr>
<tr>
<td>2Q17 22.8</td>
<td>1.46%</td>
<td>5.40%</td>
<td>1.41%</td>
</tr>
<tr>
<td>3Q17 23.3</td>
<td>1.45%</td>
<td>5.43%</td>
<td>1.39%</td>
</tr>
<tr>
<td>4Q17 23.7</td>
<td>1.41%</td>
<td>5.36%</td>
<td>1.36%</td>
</tr>
<tr>
<td>1Q18 23.3</td>
<td>1.39%</td>
<td>5.19%</td>
<td>1.31%</td>
</tr>
</tbody>
</table>
Above sector average loan growth in 2017 with an upward trajectory

SCB’s acquisition of SCB Leasing\(^1\) and market share gains in SME segment

Global financial crisis; SCB tightened credit underwriting standards

SCB’s market share growth strategies in mortgage, auto and SME segment

Thailand’s economic slowdown

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**Loan Growth (\%yoy)**

<table>
<thead>
<tr>
<th>Year</th>
<th>SCB Loan Growth</th>
<th>Banking Sector Loan Growth</th>
<th>Estimated Sector Loan Growth by EIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>6-8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td></td>
<td></td>
<td></td>
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<td>2004</td>
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<td>2008</td>
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<td>2009</td>
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<td>2010</td>
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<td>2011</td>
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<td>2012</td>
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<td>2015</td>
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<td>2016</td>
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<td>2017</td>
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<tr>
<td>2018</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2018F</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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1/ In 2006, the Bank increased its holding in SCB Leasing (then Thai Panich Leasing PCL) from 37.6% to 95.5%.
2/ SCB EIC’s estimation as of April 2018
Source: Bank of Thailand’s website (for sector loans growth)
Corporate and retail segments remained key loan growth drivers

Loans expanded by 5.7% yoy and 1.4% qoq. The yoy loan growth was experienced across all segments, particularly in the corporate and retail segments.

### Loans Breakdown

**SME Loans**
- Loans expanded by 0.6% yoy and -0.5% qoq.
- **1Q17**: 360 (Baht billion)
- **2Q17**: 359
- **3Q17**: 359
- **4Q17**: 364
- **1Q18**: 362

**Corporate Loans**
- Loans expanded by 8.0% yoy and 3.0% qoq.
- **1Q17**: 726 (Baht billion)
- **2Q17**: 738
- **3Q17**: 745
- **4Q17**: 761
- **1Q18**: 784

**Retail Loans**
- Loans expanded by 14.9% yoy and 3.9% qoq.
- **1Q17**: 866 (Baht billion)
- **2Q17**: 873
- **3Q17**: 889
- **4Q17**: 910
- **1Q18**: 918

1/ Including loans classified as NPLs
2/ Mainly credit cards and unsecured consumer loans

( ) : Loan breakdown as at 31-Mar-17
Lower NPL ratio with higher coverage ratio

NPL ratio stood at 2.77% in 1Q18, up from 2.70% in 1Q17 mainly driven by higher NPLs in SME segment and housing loans. On a qoq basis, NPL ratio fell from 2.83% in 4Q17 due largely to lower NPLs in housing and auto loans, while SME NPLs rose qoq. Coverage ratio continued to rise and stood at 141.9%.

In 1Q18, loan loss provisions was set at Baht 5.0 billion, down from Baht 7.5 billion due to the Bank’s additional prudent provisions of Baht 2.5 billion set aside in 4Q17.

1/ One-time classification from irregular and off-schedule mortgage payments.
Lower new NPL formation in all areas except for SME segment

Special mention loans increased by 11.2% yoy but dropped by 6.0% qoq. The yoy increase was due mainly to one corporate customer in the mining industry in 3Q17 and higher special mention loans from mortgage segment\(^1\).

In 1Q18, new NPL ratio stood at 0.41%, down qoq from across all segments, except for SME segment.

<table>
<thead>
<tr>
<th>Total Loans</th>
<th>1Q17(^2)</th>
<th>2Q17</th>
<th>3Q17</th>
<th>4Q17</th>
<th>1Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPL%</td>
<td>2.70%</td>
<td>2.65%</td>
<td>2.75%</td>
<td>2.83%</td>
<td>2.77%</td>
</tr>
<tr>
<td>New NPL%</td>
<td>0.41%</td>
<td>0.45%</td>
<td>0.38%</td>
<td>0.49%</td>
<td>0.41%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Corporate</th>
<th>NPL%</th>
<th>2.27%</th>
<th>2.29%</th>
<th>1.90%</th>
<th>1.85%</th>
<th>1.82%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>New NPL%</td>
<td>0.04%</td>
<td>0.03%</td>
<td>0.01%</td>
<td>0.10%</td>
<td>0.06%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SME</th>
<th>NPL%</th>
<th>6.46%</th>
<th>7.22%</th>
<th>7.55%</th>
<th>7.61%</th>
<th>7.77%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>New NPL%</td>
<td>0.60%</td>
<td>1.02%</td>
<td>0.54%</td>
<td>0.63%</td>
<td>0.75%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mortgage</th>
<th>NPL%</th>
<th>2.62%</th>
<th>2.33%</th>
<th>2.76%</th>
<th>3.08(^1)%</th>
<th>3.01%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>New NPL%</td>
<td>0.76%</td>
<td>0.70%</td>
<td>0.70%</td>
<td>0.96(^1)%</td>
<td>0.70%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Auto Loans</th>
<th>NPL%</th>
<th>1.63%</th>
<th>1.72%</th>
<th>1.75%</th>
<th>1.82%</th>
<th>1.69%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>New NPL%</td>
<td>0.41%</td>
<td>0.50%</td>
<td>0.50%</td>
<td>0.54%</td>
<td>0.43%</td>
</tr>
</tbody>
</table>

\(^1\) One-time classification from irregular and off-schedule mortgage payments.
\(^2\) Shows change vs 4Q16.
Green / Red fonts indicate decrease / increase in new NPL formation as a % to total loans from the previous period.
Stronger net trading & FX income and net fee income led to higher non-NII

Non-NII increased by 13.4% yoy in 1Q18 mainly due to higher net trading & FX income and higher net fee income. On a qoq basis, non-NII rose by 12.9% qoq largely due to higher net trading & FX income and higher net insurance premiums.

Non-Interest Income
(Baht billion)

<table>
<thead>
<tr>
<th></th>
<th>1Q17</th>
<th>2Q17</th>
<th>3Q17</th>
<th>4Q17</th>
<th>1Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gain on investments</td>
<td>7.3%</td>
<td>7.1%</td>
<td>7.9%</td>
<td>8.0%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Other income</td>
<td>1.2%</td>
<td>0.9%</td>
<td>0.7%</td>
<td>-0.0%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Non-NII % to total income</td>
<td>32%</td>
<td>33%</td>
<td>33%</td>
<td>31%</td>
<td>34%</td>
</tr>
<tr>
<td>Net fee income</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Net insurance premium</td>
<td>-2%</td>
<td>-1%</td>
<td>-1%</td>
<td>-2%</td>
<td>-1%</td>
</tr>
</tbody>
</table>

N.M. = Not Meaningful

1/ Other income includes income from equity interest in affiliated companies, dividend income, and other operating income.
Strong fee income growth driven by bancassurance and corporate finance fees

In 1Q18, net fee income grew by 11.7% yoy and 1.7% qoq. The yoy increase was contributed by higher fee income from bancassurance and corporate finance fees. The qoq increase was mainly driven by higher fee income from corporate finance, mutual fund, and bancassurance businesses.

### Fee Income

<table>
<thead>
<tr>
<th>Net Fee Income Breakdown by Product</th>
<th>7.3</th>
<th>7.1</th>
<th>7.9</th>
<th>8.0</th>
<th>8.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bancassurance Fee</td>
<td>15%</td>
<td>15%</td>
<td>16%</td>
<td>17%</td>
<td>16%</td>
</tr>
<tr>
<td>Loan Related Fee</td>
<td>10%</td>
<td>10%</td>
<td>8%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Mutual Fund</td>
<td>25%</td>
<td>23%</td>
<td>21%</td>
<td>22%</td>
<td>23%</td>
</tr>
<tr>
<td>Bank Cards</td>
<td>8%</td>
<td>9%</td>
<td>7%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>1Q17</td>
<td>27%</td>
<td>27%</td>
<td>25%</td>
<td>25%</td>
<td>24%</td>
</tr>
</tbody>
</table>

### Net Fee Income Breakdown by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate</td>
<td>21%</td>
<td>21%</td>
<td>28%</td>
</tr>
<tr>
<td>SME</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Retail</td>
<td>71%</td>
<td>71%</td>
<td>64%</td>
</tr>
</tbody>
</table>

1/ Others include brokerage fee, fund transfer, remittance, etc.
2/ GMTS stands for Global Markets and Transaction Services, which includes cash management, trade finance, corporate finance and corporate trust.
**Strong growth in low cost deposits led to higher CASA**

Deposit growth of 3.4% yoy mainly came from higher savings (+13.2% yoy) and current deposits (+1.9% yoy) despite shrinking fixed deposits (-11.9% yoy), raising the Bank’s CASA ratio to 68.1% in 1Q18 from 62.5% in 1Q17.

<table>
<thead>
<tr>
<th>Deposits (Baht billion)</th>
<th>+3.4% yoy</th>
<th>+0.0% qoq</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q17</td>
<td>2,025</td>
<td>71</td>
</tr>
<tr>
<td>2Q17</td>
<td>2,057</td>
<td>69</td>
</tr>
<tr>
<td>3Q17</td>
<td>2,027</td>
<td>69</td>
</tr>
<tr>
<td>4Q17</td>
<td>2,092</td>
<td>78</td>
</tr>
<tr>
<td>1Q18</td>
<td>2,093</td>
<td>73</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current &amp; Savings Accounts (CASA)</th>
<th>+1.9% yoy</th>
<th>-7.2% qoq</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q17</td>
<td>62.5%</td>
<td></td>
</tr>
<tr>
<td>2Q17</td>
<td>63.9%</td>
<td></td>
</tr>
<tr>
<td>3Q17</td>
<td>64.6%</td>
<td></td>
</tr>
<tr>
<td>4Q17</td>
<td>65.0%</td>
<td></td>
</tr>
<tr>
<td>1Q18</td>
<td>68.1%</td>
<td></td>
</tr>
</tbody>
</table>
L/D ratio edged up; however, liquidity ratio remained high

As loans growth of 5.7% yoy surpassed deposit growth of 3.4% yoy, the loan-to-deposit ratio rose to 98.6% in 1Q18 from 96.4% in 1Q17.

The Bank currently maintains a daily liquidity ratio of 20% or higher as measured by total liquid assets (at a bank-only level) to total deposits. If the ratio falls below 20%, corrective action will be immediately considered.

Liquid assets primarily comprise cash, deposits, bilateral repo with the Bank of Thailand and investment in government securities.
Higher OPEX reflected the Bank’s transformation roadmap towards digital banking

OPEX increased by 20.6% yoy primarily due to higher staff costs from annual salary adjustments and higher other expenses, with the main component being marketing expenses to expand digital customer base. Moreover, premises and equipment expenses rose yoy due to higher depreciation on investment program of the Bank. Cost-to-income ratio went up to 45.9% in 1Q18.

**Cost-to-Income Ratio (%)**

- 1Q17: 40.6%
- 2Q17: 42.0%
- 3Q17: 41.9%
- 4Q17: 44.9%
- 1Q18: 45.9%

**Operating Expenses (Baht billion)**

- 1Q17: 13.5
- 2Q17: 14.3
- 3Q17: 14.5
- 4Q17: 15.4
- 1Q18: 16.2

+20.6% yoy
+5.3% qoq
Capital position remained strong to prepare for future growth opportunities and regulatory changes

Strong capital position, currently well above the minimum regulatory requirement, together with adequate loan loss provisions will enable the Bank to withstand any adverse shocks and to pursue any future growth opportunities.

### Capital Adequacy Ratio (Basel III)

<table>
<thead>
<tr>
<th></th>
<th>1Q17</th>
<th>2Q17</th>
<th>3Q17</th>
<th>4Q17</th>
<th>1Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAR</td>
<td>16.8%</td>
<td>17.4%</td>
<td>18.2%</td>
<td>17.7%</td>
<td>17.1%</td>
</tr>
<tr>
<td>Tier 2</td>
<td>2.1%</td>
<td>2.1%</td>
<td>2.1%</td>
<td>2.1%</td>
<td>2.0%</td>
</tr>
<tr>
<td>CET1/ Tier 1</td>
<td>14.7%</td>
<td>15.3%</td>
<td>16.1%</td>
<td>15.6%</td>
<td>15.1%</td>
</tr>
</tbody>
</table>

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<thead>
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</thead>
<tbody>
<tr>
<td><strong>Bank-only</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAR</td>
<td>16.5%</td>
<td>16.8%</td>
<td>17.6%</td>
<td>17.2%</td>
<td>16.8%</td>
</tr>
<tr>
<td>CET1/ Tier 1</td>
<td>14.4%</td>
<td>14.7%</td>
<td>15.5%</td>
<td>15.1%</td>
<td>14.7%</td>
</tr>
</tbody>
</table>

1/ Excluding net profit for 1Q18 in accordance with regulatory requirements. If included, the total capital ratio and CET1 capital ratio under Basel III on a consolidated basis would have been 17.6% and 15.5% respectively, and on a bank-only basis would have been 17.3% and 15.2%, respectively.

2018 Regulatory Minimum

<p>| | |</p>
<table>
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</thead>
<tbody>
<tr>
<td>CAR</td>
<td>10.375%</td>
</tr>
<tr>
<td>Tier 1</td>
<td>7.825%</td>
</tr>
</tbody>
</table>

Siam Commercial Bank PCL. | Investor Presentation | June 2018
<table>
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<tr>
<th>Agenda</th>
<th>Page</th>
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</thead>
<tbody>
<tr>
<td>1.  Review of 1Q18 Results</td>
<td>3-15</td>
</tr>
<tr>
<td>2.  Economic Indicators and 2018 Strategy &amp; Outlook</td>
<td>17-25</td>
</tr>
<tr>
<td>3.  2018 Targets</td>
<td>27</td>
</tr>
</tbody>
</table>
Recovery in exports helped the Thai economy to accelerate in 2017. Expect more investment activities in 2018 with some lingering soft patches in consumer markets.

<table>
<thead>
<tr>
<th>Key driver estimates (%)¹</th>
<th>2017A</th>
<th>2018F</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP growth</td>
<td>3.9</td>
<td>4.0-4.2</td>
</tr>
<tr>
<td>Export USD growth</td>
<td>9.9</td>
<td>7.5</td>
</tr>
<tr>
<td>Policy rate (end period)</td>
<td>1.50</td>
<td>1.50</td>
</tr>
<tr>
<td>THB/USD (end period)</td>
<td>32.6</td>
<td>30-31</td>
</tr>
<tr>
<td>Loan growth (sector-wide)</td>
<td>4.4</td>
<td>4-5</td>
</tr>
<tr>
<td>Deposit+BE (sector-wide)</td>
<td>4.7</td>
<td>4-5</td>
</tr>
<tr>
<td>Non-deposit wealth²</td>
<td>9.3</td>
<td>8-10</td>
</tr>
</tbody>
</table>

¹ %YOY except for policy rate (% per annum) and exchange rate (THB/USD)
² Includes bonds, insurance, mutual funds, private funds, pension funds, and retirement funds

Source: SCB Economic Intelligence Center
The new business paradigm: Boundaries between industries are becoming blurred and will eventually disappear in the context of digital transformation.
SCB has embarked on the transformation journey since mid-2016 to strengthen itself and position to win in the new business paradigm.

Organization and business model transformation by leveraging technology to lower cost base, increase revenue and build customer engagement.

To be the ‘Most Admired Bank’
‘Going Upside Down’: Organization and business model transformation

1. Lean the bank by leveraging digital technology to lower cost base and create agility/immunity under the new paradigm
2. Revolutionize acquisition model to upscale digital/customer base
3. Build data analytic capabilities across organization
4. Capture blue ocean growth in high margin/alternative lending
5. Explore new business model to become ‘Bank as a platform’

New Culture
Recent examples of strategic initiatives under ‘Going upside down’ strategy

We’ve gained positive response on digital acquisition with SCB EASY set to become the ultimate platform for well-connected society

Series of new features launched e.g., SCB EASY Digital Lending and E-Marketplace

SCB EASY Frenomenon
The 1st bank to launch fee cancellation campaign

<table>
<thead>
<tr>
<th>No. of digital users increased significantly while transactions migrating towards digital channel</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;6.5mn</td>
</tr>
<tr>
<td>Digital users and expect to reach 10mn by 2018</td>
</tr>
</tbody>
</table>

1/ YOY as of 31 March 2018
We continuously form strategic investment partnership to leapfrog thru new technology while enhancing people capabilities in the digital age.

**Strategic partnership and investment**

- SCB and Julius Baer (the leading Swiss private banking group) Strategic wealth management joint venture
- SCB’s strategic investment in 1QBit, a quantum computing software company based in Vancouver, Canada

**SCB Academy official launch**

SCB has set aside >THB 900mn over 3 years to prepare our people for SCB’s goal of becoming a Tech Bank in the future thru new platform and various ‘skill of the future’ programs.
We are moving towards our ‘Going upside down’ target with smaller number of traditional branches/employees while bigger digital user base.

<table>
<thead>
<tr>
<th></th>
<th>2017A</th>
<th>2020F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional branches</td>
<td>1,153</td>
<td>400</td>
</tr>
<tr>
<td>Employees</td>
<td>27.5k</td>
<td>15k</td>
</tr>
<tr>
<td>Digital user base</td>
<td>5.5mn</td>
<td>n/a</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1Q2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional branches</td>
<td>1,084</td>
</tr>
<tr>
<td>Employees</td>
<td>27.3k</td>
</tr>
<tr>
<td>Digital user base</td>
<td>&gt;6.5mn</td>
</tr>
</tbody>
</table>

- Expect to reach 10mn by 2018
- >70% active digital users
In parallel to transforming who/what we are, we remain committed to enhancing our brick-and-mortar businesses thru digital/data capabilities

- **Business lending**
  - Focus on portfolio and revenue de-concentration for corporate clients
  - Transform business model to become ‘SME ecosystem provider’
  - Grow SSME client base leveraging digital and data capabilities

- **Consumer lending**
  - Increase MOA by leveraging digital and data capabilities to uplift customer experience
  - Grow new revenue stream by focusing on high-margin lending
  - Lower cost to serve thru digital acquisition

- **Wealth management**
  - Grow AUM and profitability over large client base by leveraging digital enablement
  - Build new wealth management capabilities to deliver world-class experience to customers

**Technologies/Digital platform** | **Data capabilities** | **Human engagement (with new roles)**
Targets have been set to ensure clear deliverable of SCB Transformation

### Short-term

Key performance indicators have been set with clear responsible team and are monitored closely by the Board of directors.

#### 2018 organization’s KPI

<table>
<thead>
<tr>
<th>Revenue uplift and larger customer base esp. in small/under-exposed area</th>
<th>Leading in customer experience</th>
<th>Lower cost-to-serve and more digitized processes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading tech capabilities</td>
<td>Strong strategic workforce planning</td>
<td>Readying people with new culture</td>
</tr>
<tr>
<td>Sustainability and prudence to society/regulator</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Long-term

- **the “Most Admired Bank”**

2020 target has been set in line with our vision for each stakeholder:

- Customers
- Employees
- Shareholders
- Society
- Regulators
Agenda

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### 2018 Targets

<table>
<thead>
<tr>
<th></th>
<th>2016 Actual</th>
<th>2017 Actual</th>
<th>2018 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total loan growth (yoy)</strong></td>
<td>5.8%</td>
<td>4.9%</td>
<td>6-8%</td>
</tr>
<tr>
<td><strong>Net interest margin</strong></td>
<td>3.27%</td>
<td>3.23%</td>
<td>3.1-3.3%</td>
</tr>
<tr>
<td><strong>Non-NII growth</strong></td>
<td>-3.9%(^1)</td>
<td>-2.2%</td>
<td>Up to 5%</td>
</tr>
<tr>
<td><strong>Cost/Income ratio</strong></td>
<td>38.7%</td>
<td>42.3%</td>
<td>42-45%</td>
</tr>
<tr>
<td><strong>NPLs (gross)</strong></td>
<td>2.67%</td>
<td>2.83%</td>
<td>≤ 3.0%</td>
</tr>
<tr>
<td><strong>Coverage ratio</strong></td>
<td>134.3%</td>
<td>137.3%</td>
<td>≥130%</td>
</tr>
</tbody>
</table>

\(^1\) Excluding large gains from sale of equity investments in 3Q15. If included, 2016 non-NII would have declined by 17.5% yoy.

**IMPORTANT DISCLAIMER:**
The above financial targets are based on the Bank’s preliminary estimates that may change due to the economic conditions and other unforeseen circumstances that may affect the operational environment.