1Q19 Financial Results

Analyst Meeting Presentation

22 April 2019

IMPORTANT DISCLAIMER:
Information contained in this document has been prepared from several sources and the Bank does not confirm the accuracy and completeness of such data, particularly where the data is sourced from outside the Bank. In addition, any forward looking statements are subject to change as a result of market conditions and the final result may be different to that indicated. The Bank makes no representation or warranty of any type whatsoever on the accuracy or completion of the information contained herein.
<table>
<thead>
<tr>
<th>Agenda</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Review of 1Q19 results</td>
<td>2-16</td>
</tr>
<tr>
<td>2. SCB Transformation program update</td>
<td>18-22</td>
</tr>
<tr>
<td>3. 2019 Economic outlook &amp; Strategy update</td>
<td>24-34</td>
</tr>
</tbody>
</table>
1Q19 Highlights

1Q19 net profit was Baht 9.2 billion, a 19.4% yoy decrease due mainly to one-time staff cost, lower net fee income from the digital transaction fee waiver and higher provisions.

NII rose 5.9% yoy with strong loan growth and improved loan yield while NIM remained stable.

Non-NII declined 18.2% yoy with lower net fee income after the introduction of digital transaction fee waiver.

Cost/Income ratio rose to 51.6% due to higher operating expenses and lower non-NII. Excluding the one-time expenses, cost/income ratio would decline to 47.5%.

Coverage ratio strengthened to 152.8% while NPL ratio declined to 2.77%. Credit cost was below full-year guidance to accommodate high margin lending that started to ramp up.

Core performance remained resilient despite net profit being impacted by one-time personnel expenses

(Consolidated)

<table>
<thead>
<tr>
<th></th>
<th>2018 Actual</th>
<th>2019 Targets</th>
<th>1Q19 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Income growth (yoy)</td>
<td>+1.5%</td>
<td>N.A.</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Net Interest Income (NII) growth (yoy)</td>
<td>+4.4%</td>
<td>N.A.</td>
<td>+5.9%</td>
</tr>
<tr>
<td>Non-NII growth (yoy)</td>
<td>-4.7%</td>
<td>Up to 5%</td>
<td>-18.2%</td>
</tr>
<tr>
<td>Cost/Income ratio</td>
<td>46.8%</td>
<td>Mid 40s%</td>
<td>51.6%</td>
</tr>
<tr>
<td></td>
<td>- Excluding the one-time expense</td>
<td></td>
<td>47.5%</td>
</tr>
<tr>
<td>Net Profit growth (yoy)</td>
<td>-7.1%</td>
<td>N.A.</td>
<td>-19.4%</td>
</tr>
<tr>
<td>Total loan growth (yoy)</td>
<td>5.2%</td>
<td>5-7%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Net Interest Margin (NIM)</td>
<td>3.21%</td>
<td>3.2-3.35%</td>
<td>3.20%</td>
</tr>
<tr>
<td>NPLs (gross)</td>
<td>2.85%</td>
<td>≤ 3.0%</td>
<td>2.77%</td>
</tr>
<tr>
<td>Coverage ratio</td>
<td>146.7%</td>
<td>&gt;130%</td>
<td>152.8%</td>
</tr>
<tr>
<td>Credit cost (bps)</td>
<td>115</td>
<td>115-135</td>
<td>102</td>
</tr>
<tr>
<td>ROE</td>
<td>10.8%</td>
<td>N.A.</td>
<td>9.5%</td>
</tr>
<tr>
<td>ROA</td>
<td>1.29%</td>
<td>N.A.</td>
<td>1.15%</td>
</tr>
<tr>
<td>CAR</td>
<td>17.1%</td>
<td>N.A.</td>
<td>17.1%</td>
</tr>
<tr>
<td>CET1/ Tier 1</td>
<td>15.1%</td>
<td>N.A.</td>
<td>15.2%</td>
</tr>
</tbody>
</table>

N.A. = Not Available

PROFITABILITY

INCOME/ COST

LOANS/ ASSET QUALITY

CAPITAL

Siam Commercial Bank PCL. | Analyst Meeting Presentation | 22 April 2019
## Financial Summary – 1Q19 Financial Results

<table>
<thead>
<tr>
<th>(Baht billion)</th>
<th>1Q19</th>
<th>%QoQ</th>
<th>%YoY</th>
<th>Highlight</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Operating income</strong></td>
<td>34.6</td>
<td>2.3%</td>
<td>-2.3%</td>
<td>Strong NII growth offset by a decline in Non-NII</td>
</tr>
<tr>
<td>- NII</td>
<td>24.7</td>
<td>-0.3%</td>
<td>5.9%</td>
<td>Higher NII from loan growth and higher loan yield</td>
</tr>
<tr>
<td>- Non-NII</td>
<td>9.9</td>
<td>9.7%</td>
<td>-18.2%</td>
<td>Lower Non-NII mainly from digital fee waiver and lower net gain on trading</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>17.8</td>
<td>10.6%</td>
<td>9.9%</td>
<td>Temporarily elevated expenses mainly from one-time staff cost (1.4 bn)</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>16.7</td>
<td>-5.2%</td>
<td>-12.6%</td>
<td>Lower operating profit due to a decline in Non-NII and higher OPEX</td>
</tr>
<tr>
<td><strong>Provisions</strong></td>
<td>5.4</td>
<td>-38.9%</td>
<td>8.2%</td>
<td>Higher provisions yoy but lower qoq</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>9.2</td>
<td>29.3%</td>
<td>-19.4%</td>
<td>Lower net profit from higher OPEX, lower fee income, and higher provisions</td>
</tr>
</tbody>
</table>
Net profit increased qoq with lower provisions and higher non-NII but declined yoy due to one-time expenses and digital fee waiver

A yoy decline in net profit was due mainly to lower non-NII following the digital fee waiver and higher OPEX from the one-time expenses to comply with the amended labor law. On a quarter-on-quarter basis, net profit increased 29.3% due to lower provisions and higher Non-NII (from positive net insurance premiums and higher net gain on trading.)

### Net Profit and Operating Profit

<table>
<thead>
<tr>
<th>Year/Quarter</th>
<th>Net Profit</th>
<th>Operating Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>43.2</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>40.1</td>
<td>78.6</td>
</tr>
<tr>
<td>1Q18</td>
<td>19.1</td>
<td>11.4</td>
</tr>
<tr>
<td>2Q18</td>
<td>18.6</td>
<td>11.1</td>
</tr>
<tr>
<td>3Q18</td>
<td>18.2</td>
<td>10.5</td>
</tr>
<tr>
<td>4Q18</td>
<td>17.7</td>
<td>7.1</td>
</tr>
<tr>
<td>1Q19</td>
<td>16.7</td>
<td>-6.3% yoy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-7.1% yoy</td>
</tr>
</tbody>
</table>

1/ Net profit before impairment provisions, non-controlling interest, and taxes.
Total operating income rose qoq as non-NII started to pick up but fell slightly yoy

Total operating income fell slightly yoy as higher net interest income (driven by higher loan volume and loan yield) was offset by a decline in net fee income due to the introduction of digital transaction fee waiver in late March 2018. On a qoq basis, improved non-NII led to 2.3% growth in total operating income.

Total Operating 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>NII</td>
<td>92.3</td>
<td>96.4</td>
<td>10.3</td>
<td>9.0</td>
<td>9.9</td>
</tr>
<tr>
<td>Non-NII</td>
<td>43.9</td>
<td>41.9</td>
<td>23.3</td>
<td>23.8</td>
<td>24.4</td>
</tr>
<tr>
<td>Non-NII/Total income</td>
<td>32.2%</td>
<td>30.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
NII grew with moderate loan expansion and better loan yield

In 1Q19, net interest income rose 5.9% yoy on the back of 3.0% yoy loan growth and improved yield on loans following the Bank’s strategy to grow high margin loans and discipline on corporate loan and mortgage pricing. However, deposit growth and senior unsecured note issuance of USD 1 billion pushed up interest expense in 1Q19.

Net Interest Income (Baht billion)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>NII</td>
<td>92.3</td>
<td>96.4</td>
<td>23.3</td>
<td>23.8</td>
<td>24.4</td>
<td>24.8</td>
<td>24.7</td>
</tr>
</tbody>
</table>

Net Interest Margin (NIM)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIM</td>
<td>3.23%</td>
<td>3.21%</td>
<td>3.18%</td>
<td>3.21%</td>
<td>3.26%</td>
<td>3.26%</td>
<td>3.20%</td>
</tr>
</tbody>
</table>

Loan Growth (%yoy)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan growth</td>
<td>4.9%</td>
<td>5.2%</td>
<td>5.7%</td>
<td>6.7%</td>
<td>5.5%</td>
<td>5.2%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

Yield on Earning Assets

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yield on Loans&lt;sup&gt;1/&lt;/sup&gt;</td>
<td>4.38%</td>
<td>4.30%</td>
<td>4.26%</td>
<td>4.31%</td>
<td>4.34%</td>
<td>4.38%</td>
<td>4.33%</td>
</tr>
</tbody>
</table>

Yield on Loans<sup>1/</sup>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/ One-sided lending rate cut in May 2017</td>
<td>5.38%</td>
<td>5.27%</td>
<td>5.19%</td>
<td>5.25%</td>
<td>5.30%</td>
<td>5.32%</td>
<td>5.27%</td>
</tr>
</tbody>
</table>

Cost of Funds

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs of Deposits</td>
<td>1.45%</td>
<td>1.40%</td>
<td>1.39%</td>
<td>1.40%</td>
<td>1.40%</td>
<td>1.44%</td>
<td>1.45%</td>
</tr>
</tbody>
</table>

Costs of Deposits

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/ One-sided lending rate cut in May 2017</td>
<td>1.38%</td>
<td>1.31%</td>
<td>1.31%</td>
<td>1.31%</td>
<td>1.30%</td>
<td>1.35%</td>
<td>1.33%</td>
</tr>
</tbody>
</table>

On a daily average basis, 1Q19's yield on loans increased by 6 bps qoq

On a daily average basis, 1Q19's cost of deposits increased by 2 bps qoq

On a daily average basis, 1Q19’s NIM expanded by 2 bps qoq
CASA climbed steadily reaching 70% of total deposits

Deposits grew 1.2% yoy from higher current and savings deposits, while fixed deposits declined after the end of fixed deposit campaigns. This shift in deposit composition reflected the Bank’s strategy to increase the proportion of low-cost deposits by expanding customer base, securing the main bank status, and building a payment ecosystem. As a result, the Bank’s CASA further improved to 70.2% at the end of 1Q19.
SCB loan growth roughly tracked GDP growth

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 January 2019

Source: Bank of Thailand’s website (for sector loans growth)
1Q19 loan growth was led by retail segment

Loans grew 3.0% yoy mainly driven by retail segment, especially in high margin loans. However, loan volume contracted slightly qoq following the Bank’s strategy to rebalance its loan portfolio to optimize risk-return and improve balance sheet efficiency.

Loans\(^1\) (Baht billion)

<table>
<thead>
<tr>
<th></th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>2,063</td>
<td>2,103</td>
<td>2,104</td>
<td>2,141</td>
<td>2,126</td>
</tr>
</tbody>
</table>

Loans Breakdown\(^1\)
as at 31 Mar 2019

- **Corporate** 37.5% (38.8%)
- **Retail** 46.5% (45.3%)
- **SME** 16.0% (15.9%)
- **Auto** 10.0% (9.5%)
- **Others** 5.7% (5.7%)

\(^1\) Including loans classified as NPLs
\(^2\) Mainly credit cards and unsecured consumer loans
\(^3\) In 2Q18, some SME customers experienced sales turnover growth and were reclassified as Corporate loans.

Corporate Loans\(^1/3\) (Baht billion)

<table>
<thead>
<tr>
<th></th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>804</td>
<td>828</td>
<td>812</td>
<td>831</td>
<td>797</td>
</tr>
<tr>
<td>Auto</td>
<td>342</td>
<td>344</td>
<td>344</td>
<td>341</td>
<td>340</td>
</tr>
<tr>
<td>Housing</td>
<td>632</td>
<td>637</td>
<td>644</td>
<td>645</td>
<td>655</td>
</tr>
</tbody>
</table>

SME Loans\(^1/3\) (Baht billion)

<table>
<thead>
<tr>
<th></th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>918</td>
<td>930</td>
<td>947</td>
<td>969</td>
<td>989</td>
</tr>
<tr>
<td>Auto</td>
<td>187</td>
<td>192</td>
<td>196</td>
<td>203</td>
<td>121</td>
</tr>
<tr>
<td>Housing</td>
<td>632</td>
<td>637</td>
<td>644</td>
<td>645</td>
<td>655</td>
</tr>
</tbody>
</table>

Retail Loans\(^1\) (Baht billion)

<table>
<thead>
<tr>
<th></th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>98</td>
<td>102</td>
<td>108</td>
<td>121</td>
<td>121</td>
</tr>
<tr>
<td>Auto</td>
<td>187</td>
<td>192</td>
<td>196</td>
<td>203</td>
<td>213</td>
</tr>
<tr>
<td>Housing</td>
<td>632</td>
<td>637</td>
<td>644</td>
<td>645</td>
<td>655</td>
</tr>
</tbody>
</table>

1Q19 loan growth was led by retail segment

Loans grew 3.0% yoy mainly driven by retail segment, especially in high margin loans. However, loan volume contracted slightly qoq following the Bank’s strategy to rebalance its loan portfolio to optimize risk-return and improve balance sheet efficiency.

Loans Breakdown\(^1\)
as at 31 Mar 2019

- **Corporate** 37.5% (38.8%)
- **Retail** 46.5% (45.3%)
- **SME** 16.0% (15.9%)
- **Auto** 10.0% (9.5%)
- **Others** 5.7% (5.7%)

\(^1\) Including loans classified as NPLs
\(^2\) Mainly credit cards and unsecured consumer loans
\(^3\) In 2Q18, some SME customers experienced sales turnover growth and were reclassified as Corporate loans.

Data for 31 Mar 2018 are restated figures.
## NPL ratio improved in 1Q19 with lower NPL level

NPL ratio improved to 2.77% in 1Q19 with a decline in NPLs although new NPL formation rose slightly. Special mention loans increased qoq mainly from quantitative loan classification.

In 1Q19, new NPL formation improved across the board except for SME segment which has been heavily affected by macroeconomic uncertainties both domestic and abroad.

### Table: Total Loans

<table>
<thead>
<tr>
<th></th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPL%</td>
<td>2.77%</td>
<td>2.81%</td>
<td>2.80%</td>
<td>2.85%</td>
<td>2.77%</td>
</tr>
<tr>
<td>New NPL%</td>
<td>0.41%</td>
<td>0.44%</td>
<td>0.49%</td>
<td>0.48%</td>
<td>0.50%</td>
</tr>
<tr>
<td>Corporate *</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NPL%</td>
<td>1.77%</td>
<td>1.70%</td>
<td>1.90%</td>
<td>2.16%</td>
<td>2.16%</td>
</tr>
<tr>
<td>New NPL%</td>
<td>0.06%</td>
<td>0.02%</td>
<td>0.25%</td>
<td>0.14%</td>
<td>0.12%</td>
</tr>
<tr>
<td>SME *</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NPL%</td>
<td>8.24%</td>
<td>8.25%</td>
<td>8.51%</td>
<td>7.97%</td>
<td>7.82%</td>
</tr>
<tr>
<td>New NPL%</td>
<td>0.79%</td>
<td>0.68%</td>
<td>0.73%</td>
<td>0.68%</td>
<td>0.99%</td>
</tr>
<tr>
<td>Housing Loans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NPL%</td>
<td>3.01%</td>
<td>3.21%</td>
<td>3.17%</td>
<td>3.13%</td>
<td>2.87%</td>
</tr>
<tr>
<td>New NPL%</td>
<td>0.70%</td>
<td>0.93%</td>
<td>0.81%</td>
<td>0.85%</td>
<td>0.76%</td>
</tr>
<tr>
<td>Auto Loans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NPL%</td>
<td>1.69%</td>
<td>1.67%</td>
<td>1.71%</td>
<td>1.80%</td>
<td>1.74%</td>
</tr>
<tr>
<td>New NPL%</td>
<td>0.43%</td>
<td>0.51%</td>
<td>0.57%</td>
<td>0.67%</td>
<td>0.61%</td>
</tr>
</tbody>
</table>

Note: Performing Loans (PL) Non-Performing Loans (NPL) Special Mention Loans (SM) Trouble Debt Restructuring (TDR)

* In 2Q18, some SME customers experienced sales turnover growth and were reclassified as Corporate customers. Data as of 1Q18 are restated figures.

Green / Red fonts indicate decrease / increase from the previous period.
NPL coverage ratio further increased to 152.8%

In light of the additional provisions provided in 4Q18, the Bank set aside Baht 5.4 billion of provisions or 102 bps of total loans in 1Q19 to support the current growth momentum. NPL coverage ratio also strengthen to 152.8% compared to 146.7% in 4Q18.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Provisions (Baht billion)</th>
<th>Credit Cost (bps)</th>
<th>NPL Coverage Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td></td>
<td>126</td>
<td>137.3%</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td>115</td>
<td>146.7%</td>
</tr>
<tr>
<td>1Q18</td>
<td>5.0</td>
<td>98</td>
<td>141.9%</td>
</tr>
<tr>
<td>2Q18</td>
<td>5.0</td>
<td>96</td>
<td>143.5%</td>
</tr>
<tr>
<td>3Q18</td>
<td>5.1</td>
<td>98</td>
<td>142.5%</td>
</tr>
<tr>
<td>4Q18</td>
<td>8.9</td>
<td>167</td>
<td>146.7%</td>
</tr>
<tr>
<td>1Q19</td>
<td>5.4</td>
<td></td>
<td>152.8%</td>
</tr>
</tbody>
</table>
Non-NII improved qoq from higher net gain on trading and resumption of positive net insurance premium

In 1Q19, non-NII rose 9.7% qoq from higher net trading income and positive net insurance premium. The negative yoy change (-18.2%) reflected reduced net fee income from the digital transaction fee waiver and lower net gain on trading.

Non-Interest Income
(Baht billion)

- **Net Gain on Investments**
  - 43.9
  - +4.7% yoy
  - +81.9% qoq

- **Other Income**
  - 1.6
  - 2.0

- **Net Gain on Trading**
  - 41.9
  - +81.9% yoy
  - -8.5% yoy
  - +12.1% qoq

- **Net Fee Income**
  - 30.3
  - -6.2% yoy
  - +9.7% qoq
  - -18.2% yoy

- **Net Insurance Premium**
  - 2.9
  - -76.2% yoy
  - (Not Meaningful)
  - -29.6% qoq

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>1Q18</th>
<th>4Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>%Non-NII to Total Income</td>
<td>32.2%</td>
<td>30.3%</td>
<td>34.0%</td>
<td>26.6%</td>
<td>28.5%</td>
</tr>
<tr>
<td>%Net Fee and Net Insurance Premium to Total Income</td>
<td>24.4%</td>
<td>21.1%</td>
<td>24.7%</td>
<td>19.0%</td>
<td>20.1%</td>
</tr>
</tbody>
</table>

1/ Other income includes income from equity interest in affiliated companies, dividend income, and other operating income.
Fee income was stable qoq but fell yoy due to digital fee waiver

In 1Q19, net fee income fell by 18.1% yoy largely due to digital transaction fee waiver (initiated in late March 2018) and lower mutual fund fees. On a qoq basis, net fee income was relatively flat.

### Net Fee Income by Product (Baht billion)

<table>
<thead>
<tr>
<th>Product</th>
<th>2017</th>
<th>2018</th>
<th>1Q18</th>
<th>4Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Others 1/</td>
<td>16%</td>
<td>12%</td>
<td>-28.3% yoy</td>
<td>16%</td>
<td>11%</td>
</tr>
<tr>
<td>Loan related fee</td>
<td>10%</td>
<td>10%</td>
<td>-4.9% yoy</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Mutual fund</td>
<td>23%</td>
<td>22%</td>
<td>-10.1% yoy</td>
<td>23%</td>
<td>20%</td>
</tr>
<tr>
<td>Bancassurance fee</td>
<td>8%</td>
<td>10%</td>
<td>+12.7% yoy</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>GMTS 2/</td>
<td>17%</td>
<td>18%</td>
<td>-3.3% yoy</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>Bank cards</td>
<td>26%</td>
<td>28%</td>
<td>+2.5% yoy</td>
<td>24%</td>
<td>32%</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.

### Net Fee Income Breakdown by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>2017</th>
<th>2018</th>
<th>1Q18</th>
<th>4Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate</td>
<td>23%</td>
<td>25%</td>
<td>26%</td>
<td>24%</td>
<td>23%</td>
</tr>
<tr>
<td>SME</td>
<td>8%</td>
<td>7%</td>
<td>7%</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Retail</td>
<td>69%</td>
<td>68%</td>
<td>68%</td>
<td>69%</td>
<td>69%</td>
</tr>
</tbody>
</table>

Siam Commercial Bank PCL | Analyst Meeting Presentation | 22 April 2019
Higher operating expenses reflected one-time employee expenses and Transformation-related costs

OPEX rose 9.9% yoy due mainly to one-time employee expenses (Baht 1.4 billion) necessitated by a change in labor law and higher depreciation from Transformation-related investments. Excluding the one-time expenses, the cost-to-income ratio would be 47.5%, an indication that the Bank’s expense growth was well contained at merely 1.3% yoy and 1.9% qoq.

### Cost-to-Income Ratio

- 2017: 42.3%
- 2018: 46.8%
- 1Q18: 45.9%
- 2Q18: 45.9%
- 3Q18: 47.5%
- 4Q18: 47.7%
- 1Q19: 51.6%

(Excluding the one-time expense)

### Operating Expenses (Baht billion)

- 2017: 57.7
- 2018: 64.6 +12.1% yoy
- 1Q18: 16.2
- 2Q18: 15.8
- 3Q18: 16.5
- 4Q18: 16.1
- 1Q19: 16.4 +1.3% yoy +1.9% qoq

(Excluding the one-time expense)
Loan-to-deposit ratio rose slightly but liquidity ratio remained high

In 1Q19, loan-to-deposit ratio reached 100.4% which is expected to be temporary while the Bank is working on improving balance sheet efficiency and expanding CASA base.

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.

Loan-to-Deposit (L/D) Ratio
(Consolidated)

Liquidity Ratio
(Bank-only)

Liquid assets primarily comprise cash, net interbank, bilateral repo with the Bank of Thailand and investment in government securities.
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 pursue any future growth opportunities and withstand any adverse shocks.

### Capital Adequacy Ratio (CAR) (Basel III)

#### Consolidated

<table>
<thead>
<tr>
<th></th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CAR</strong></td>
<td>17.1%</td>
<td>17.1%</td>
<td>17.6%</td>
<td>17.1%</td>
<td>17.1%</td>
</tr>
<tr>
<td><strong>Tier 2</strong></td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td>2.0%</td>
<td><strong>1.9%</strong></td>
</tr>
<tr>
<td><strong>CET1/ Tier 1</strong></td>
<td>15.1%</td>
<td>15.1%</td>
<td>15.6%</td>
<td>15.1%</td>
<td><strong>15.2%</strong></td>
</tr>
</tbody>
</table>

#### Bank-only

<table>
<thead>
<tr>
<th></th>
<th>1Q18</th>
<th>2Q18</th>
<th>3Q18</th>
<th>4Q18</th>
<th>1Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CAR</strong></td>
<td>16.8%</td>
<td>16.6%</td>
<td>17.1%</td>
<td>16.6%</td>
<td>16.7%</td>
</tr>
<tr>
<td><strong>CET1/ Tier 1</strong></td>
<td>14.7%</td>
<td>14.5%</td>
<td>15.0%</td>
<td>14.6%</td>
<td>14.7%</td>
</tr>
</tbody>
</table>

#### 2019 Regulatory Minimum

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CAR</strong></td>
<td>11.50%</td>
</tr>
<tr>
<td><strong>Tier 1</strong></td>
<td>9.00%</td>
</tr>
</tbody>
</table>
## Agenda

1. Review of 1Q19 results

2. **SCB Transformation program update**

3. 2019 Economic outlook & Strategy update
We have embarked on the transformation journey since mid-2016 to strengthen ourselves while position us to win in the new paradigm.

Fixing & building foundation

“Going upside down”

Realizing value from Transformation Program

Creating and connecting ‘dots’ to build new foundations and capabilities

- New EASY platform
- Business intelligence
- PromptPay
- RPA
- Cloud
- Individual onboarding
- SCB Connect
- SCB Academy
- Office 365
- Sales vs. service

Transforming business model and organization

“Going Upside Down”

- Lean the bank
- Digital acquisition
- Data capabilities
- New growth (digital lending, wealth management)
- Bank as a Platform

Realizing value from Transformation Program

Distinctive customer value propositions + engagement

- Revenue enhancement
- Cost reduction

To be the ‘Most Admired Bank’

Mid 2016 2017 2018 2019 2020

Today

Revenue enhancement
Cost reduction

Siam Commercial Bank PCL. | Analyst Meeting Presentation | 22 April 2019

Page 18 /34
**Significant progress on the transformation journey**

**I. ‘Fixing the fundamentals’**

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

**Digital Platforms**
- Retail digital platform
- Corporate digital platform

**Onboarding journeys**
- Juristic v1.0
- Juristic v2.0 / 3.0
- Individual v1.0
- Individual v2.0
- Individual v3.0

**Advisory journeys**
- Insurance v1.0
- Insurance v2.0
- Wealth v1.0
- Wealth v2.0
- Wealth On-going
- Unsecured v1.0
- Unsecured v2.0
- Unsecured v3.0

**Lending journeys**
- PromptPay v1.0
- RTP, Bill pay
- QR
- Blockchain
- QR Cross Border

**Payments**
- BusinessLinX
- Ecosystem (University, Hospital)

**Coverage**
- Network restructuring and migration
- SCB Express
- Investment / Business Center
- Design
- Wave 1
- Wave 2
- Roll-out
- Launch
- Wave 2
- Roll-out
- Wave 2
- Roll-out

**Analytics**
- Data lake
- BI Analytics
- Adobe digital marketing
- &gt; 20 Machine learning Models (Next best action, churn, ATM optimization, fraud, …)

**Technology foundation**
- Cloud migration
- Technology uplift
- System upgrades
- Microservices, scalability, testing, agile, …Wave 1
- Wave 2
- Finance
- Payment Hub

**People**
- SCB Academy
- Academy set up
- Digital Learning Plat
- Training (101, digital, design thinking, agile project mgmt., data…)

**Innovation push**
- Blockchain
- Marketplace lending
- Chatbots
- Procure v1.0
- Procure v2.0
- Lending v1.0
- Perm Poon Bot
- Wealth Bot

Remarks: All projects are included in Transformation Program budget of ~THB 40bn
We focused on creating platform to enhance retail customers’ digital lifestyle experience while supporting SME customers to grow their business in the digital era.

**Retail customer**

**SCB EASY** – Platform to deliver new digital experiences to retail customers

- E-KYC for account opening
- Transaction banking
- Loans and credit cards
- Investment
- Travel insurance
- Exchange rate / Remittance
- Donation
- My deals
- Gifts
- Movie
- CHATBOT

**SME customer**

**SCB SME** – Supporting SME customers to grow and extend business in the digital era

- Google
- Amazon
- LINE@
- ReadyPlanet
- LAZADA GROUP
- fastwork
- WONGNAI
- RECO
- SME TURNPRO
Our digital customer base has become significantly larger and more engaged while we continue to enhance strategic partnerships and build ecosystem/platforms.

**Acquire & Migrate**

- **Mar’19**: >9 mn
- **ID and Mobile**: 5.0mn
- **Mobile**: >60% active

**Partnerships in developing ecosystem**

- **Universities**
- **Tech firms**
- **Supply chain network**: Blockchain solution P2P
- **Retailers**
- **E-Commerce**
- **Wealth/ Insurance**: 

**Transact & Engage**

- **Digital users have higher revenue, hold more products and spend more on credit cards**

** Avg. revenue per month**
- MOA: Digital: 2.3x
- MOA: Traditional: 1.5x
- Non-MOA

** Avg. product holding**
- MOA: Digital: +2.0
- MOA: Traditional: +1.3
- Non-MOA

** Avg. credit card spending**
- MOA: Digital: 1.8x
- Non-MOA: ~1.0x

- **MOA = Main Operating Account**
- 1/ MOA customers who are active digital users
- 2/ MOA customers who are non-digital users / inactive digital users

Data per customer of Dec-18

Siam Commercial Bank PCL. | Analyst Meeting Presentation | 22 April 2019
Customers also shift towards digital with transaction volume migrating to SCB EASY

Financial transactions through digital channel growing faster than the market (million transactions)

<table>
<thead>
<tr>
<th>Month</th>
<th>%Market share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan'17</td>
<td>13%</td>
</tr>
<tr>
<td>Aug'17</td>
<td>15%</td>
</tr>
<tr>
<td>Mar'18</td>
<td>21%</td>
</tr>
<tr>
<td>Sep'18</td>
<td>24%</td>
</tr>
<tr>
<td>Mar'19</td>
<td>n/a</td>
</tr>
</tbody>
</table>

SCB EASY Freenomenon

| SCB's transaction volume mix 1/ (Monthly) |
|-----------------------------|-----------------------------|
| Jun'17  | Dec'17  | Jun'18  | Dec'18  | Mar'19  |
| 23%     | 32%     | 42%     | 53%     | 59%     |
| 15%     | 13%     | 9%      | 6%      | 55%     |
| 62%     | 55%     | 49%     | 41%     | 36%     |
| 49%     | 41%     | 36%     | 23%     | 32%     |
| 53%     | 59%     | 53%     | 59%     | 53%     |

Customers becoming less reliant on branches
(Index, no. of total individual active customers as of April 2017 = 100)

<table>
<thead>
<tr>
<th>Category</th>
<th>Apr-17</th>
<th>Feb-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tech-focused user</td>
<td>35</td>
<td>72</td>
</tr>
<tr>
<td>Multi-channel user</td>
<td>34</td>
<td>36</td>
</tr>
<tr>
<td>Heavy branch user</td>
<td>31</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>127</td>
</tr>
</tbody>
</table>

Transform cost structure

<table>
<thead>
<tr>
<th>1/ For digital channel including payment, transfer and top-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heavy branch user: Visit branch every 1-2 weeks, low digital usage</td>
</tr>
<tr>
<td>Multi-channel user: Visit branch 2-3 times / quarter, otherwise use digital channel</td>
</tr>
<tr>
<td>Tech-focused user: Use digital channel for most transactions, visit branch 1-2 times / year</td>
</tr>
</tbody>
</table>

No. of branch closed in 2018: 140 branches
No. of staff redeployed in 2018: ~2,000 headcounts
<table>
<thead>
<tr>
<th>Agenda</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Review of 1Q19 results</td>
<td>2-16</td>
</tr>
<tr>
<td>2. SCB Transformation program update</td>
<td>18-22</td>
</tr>
<tr>
<td>3. 2019 Economic outlook &amp; Strategy update</td>
<td>24-34</td>
</tr>
</tbody>
</table>
The Thai economy is expected to grow further in 2019 driven by domestic demand. External demand will likely be weakened by global economic slowdown and US-China trade war.

<table>
<thead>
<tr>
<th>Key driver estimates (%)&lt;sup&gt;1&lt;/sup&gt;</th>
<th>2017A</th>
<th>2018A</th>
<th>2019F</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP growth</td>
<td>3.9</td>
<td>4.1</td>
<td>3.6</td>
</tr>
<tr>
<td>Export USD growth</td>
<td>9.8</td>
<td>7.2</td>
<td>2.7</td>
</tr>
<tr>
<td>Policy rate (end period)</td>
<td>1.50</td>
<td>1.75</td>
<td>1.75</td>
</tr>
<tr>
<td>THB/USD (end period)</td>
<td>32.6</td>
<td>32.3</td>
<td>31-32</td>
</tr>
<tr>
<td>Loan growth (sector-wide)</td>
<td>4.4</td>
<td>6.0</td>
<td>5-6</td>
</tr>
<tr>
<td>Deposit+BE (sector-wide)</td>
<td>4.7</td>
<td>3.8</td>
<td>5-6</td>
</tr>
<tr>
<td>Non-deposit wealth&lt;sup&gt;2&lt;/sup&gt;</td>
<td>9.3</td>
<td>3.1</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
Banking industry landscape outlook

1. Global and domestic macro-economic headwinds still prevail
2. Constant disruption is the new normal
3. Digital is a ‘winners-take-all’ environment
4. Shifts in banking industry battlegrounds and revenue pools are happening
5. Cybersecurity and data privacy are becoming minimum table stakes
Our strategic intent: TRANSFORMING AT THE CORE AND DISRUPTING FROM THE EDGE
3-year strategic direction: Realizing value of new transformation capabilities, while continuously driving innovation and disruptive capabilities for sustainable growth

### New Foundations and Capabilities

- **Customer base foundation**
  (Large SCB EASY and QR merchant base)

- **Digital experience foundation**
  (e.g., onboarding, Business Anywhere, Wealth platform, Digital lending)

- **Omni-channel foundation**
  (Physical, digital, call center)

- **Organization foundation and new culture**

- **Partnership foundation**

---

### Two-tracked operating model:

1. **Core business – consistent profitable growth**

2. **Disruptive business model & Exponential growth**

### Timeline

1. **Realizing value from ‘SCB Transformation’ program and ‘Going Upside Down’ strategy**
   thru connecting the new capabilities built and leveraging strategic partnership to enhance customers’ digital experience and deliver new customer value proposition

2. **Investing for the future by leveraging digital technology**
   to create strategic products under disruptive business model and cultures to drive exponential growth
Realize value from investment made during the past years to deliver new customer experience which will ultimately open up new growth opportunity & lower cost base

1. **(A) Payment / Transaction banking**
   - Lower fee income from digital fee waiver strategy
   - Payment being commoditized in return of customer engagement and data insights

2. **(B) Lending**
   - ‘Growth-by-design’ loan portfolio optimization to improve overall risk-return
     - Capture unsecured lending (both personal and small business lending) thru new digital and data capabilities
     - Rebalance loan from corporate/mortgage to improve efficiency and reduce concentration

3. **(C) Wealth management**
   - Ultra HNW segment: Deliver global wealth management capabilities thru SCB and Julius Baer (the leading Swiss private banking group) strategic partnership
   - Private and affluent segment: Leverage digital technology, robo-enabled offerings to deliver seamless and personalized experience

---

Leverage technology to lower cost to serve while efficiently manage cost of fund

Apply advanced technologies e.g., AI, machine learning, chatbot to enhance customer digital experience

Ensure prudent risk management e.g., credit, operational, cyber security risk
1B Unsecured lending: Digital sales are starting to happen on SCB EASY with much lower cost to serve

Digital sales through SCB EASY (Monthly average comparison)

<table>
<thead>
<tr>
<th></th>
<th>Speedy loan</th>
<th>Speedy cash</th>
<th>SCB Deejung</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan amount (THB)</td>
<td>2018</td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td></td>
<td>2.0x</td>
<td>1.8x</td>
<td>1.9x</td>
</tr>
<tr>
<td>No. of card</td>
<td>2018</td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td></td>
<td>3.0x</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1/ Including speedy loan, speedy cash, credit card, SCB Deejung approved thru SCB EASY
2/ Deejung product includes (a) cash advance services which customers can get a cash advance from SCB credit card/ speedy cash card via SCB Easy and pay back the full amount, minimum amount, or in installments (b) Deejung installment which customers can convert payment amounts to monthly installments at a special interest rate

New booking (Jan-Mar’19)1/
>10,000 THB mn
SCB JCB as the first card launched on SCB EASY only with delightful digital experience to customers and substantial acquisition cost savings to the Bank

"SCB JCB PLATINUM Credit Card" – Digital credit card with simple application through SCB EASY

LAUNCHED ON SCB EASY ONLY

Target of 100,000 new cards by 2019, with more than 20,000 applications submitted during the first month after launch

With fully straight through process, cost savings will be substantial

Credit card’s acquisition cost comparison
(Index, Acquisition cost per a/c for traditional channel = 100)

Traditional direct salesforce
Digital app, some manual handling
Fully straight through

100
5
1

Cost savings from:
- Sales commission
- Application form
- Document storage
- Office space

- Credit underwriting
- Document transport (e.g. income, ID card copy)

Note: Excl. Cost of card printing and delivery
Wealth management business: Design segment-based strategy to comprehensively manage customer wealth with seamless and personalized wealth experience

Segment-based strategies

- UHNW (> 1,000 MB)
- Private banking (50-1,000 MB)
- First (10-50 MB)
- Prime (2-10 MB)

Strategic partnership for offshore investment

Julius Bär

Best onshore advisory

Transformation

New business/operating model

People capability

- Capable financial advisor
  - Build advisory capability thru SCB Wealth Academy
  - Equip advisors with complete financial tools

Coverage

- Mobile RM/Investment center/Wealth branch
  - Customer experience
    - Human touch
      - Digital channel

Solution

- Increasingly open architecture
  - Asset management
    - SCBAM
    - Aberdeen
  - Insurance partners
    - SCBLIFE
    - CHUBB
    - PRUDENTIAL

Platform & experience

- Digital platform with seamless & smart wealth management experience
  - iOnboard
  - wPlan
  - iPlan
  - One wealth digital onboarding
  - Wealth planning
  - Protection planning

Siam Commercial Bank PCL. | Analyst Meeting Presentation | 22 April 2019

Page 31 /34
Partnership banking: Building and deepening relationship with our strategic partners to create ecosystem and platform with new customer value proposition

1. Expand network and build ecosystem
   - Banking Agents
   - Retail Network
   - Universities
   - SME Ecosystem

2. Enhance products capabilities
   - Wealth
   - Insurance
   - Julius Bär

3. Enhance tech and data capabilities
   - Tech and Data

CUSTOMERS
- CUSTOMER INSIGHTS
- VALUE PROPOSITIONS
- CUSTOMER EXPERIENCE
- SERVICE EXCELLENCE
Recent examples of partnership banking to support ‘Going Upside Down’ strategy

SCB & CP ALL announced the 1st banking agent service in Thailand offering cash deposits and withdrawals via QR code

SCB, the first bank in Thailand, to partner with Google to create digital business opportunities for Thai SMEs

Digital cash deposits/withdrawals with QR code on SCB Easy App

11,000 Locations nationwide
Available 24/7

Alternative service channel for customers
Driving digital migration while supporting SCB to downsize its physical footprint
Leveraging agent’s base to acquire new customers and increase MOA

Significant growth of sign up rate over the past quarters

No. of registered businesses

Google Search
Google Map

3Q18 8k
4Q18 30k
1Q19 100k

Supporting Thai SMEs to create digital presence and win over consumers in the digital era
Enabling SCB to deepen customer insights and deliver the right products/services to customers
2 **Disrupting from the edge**: Experiment and scale up innovative business models through disruptive digital capabilities/platforms to drive exponential growth

### SUBSIDIARIES

<table>
<thead>
<tr>
<th>FINTECH</th>
<th>ANALYTICS</th>
<th>DISRUPTIVE UNIT WITHIN SCB</th>
</tr>
</thead>
</table>
| **Blockchain Solution** | First advanced data analytics spin-off in the Thai financial industry | **‘MOONSHOT’ DIGITAL INITIATIVE**
| Procure-to-Pay | [Mae Manee Sri Online](#) | SCB10X is a newly set up unit with disruptive business model to innovate strategic products. |
| Academic Document Verification | [Lazada](#), [UNW SHOP](#), [HUMANICA](#) | |

<table>
<thead>
<tr>
<th>VC - Total fund size of $150mn</th>
<th><strong>“Your loan”</strong> สินเชื่อ ปรับได้ตามใจคุณ</th>
</tr>
</thead>
</table>

![Disrupting from the edge: Experiment and scale up innovative business models through disruptive digital capabilities/platforms to drive exponential growth](image)

*SCB Personal Loan*

*Apply Now for Quick Approval...*

<table>
<thead>
<tr>
<th>Keb Hom</th>
<th>Puek Hom</th>
<th>Permpoon</th>
</tr>
</thead>
</table>

*SCB10X*

*Siam Commercial Bank PCL. | Analyst Meeting Presentation | 22 April 2019*