SCB Reimagined

Special Analyst Meeting Presentation

22 September 2021

Notice:

- Today's presentation will only focus on the announced plan on "SCB Reimagined"
- Given the current silent period, there will be no discussion regarding 3Q21 and FY21 financial performance in this meeting.

Information contained in this document has been prepared based on several sources and the Bank does not confirm the accuracy or completeness of any such information. In addition, any forward looking statement is 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 completeness of any information contained herein.

Today's agenda

1 **Strategic rationale & New vision**

2 Transaction timeline

3 Selected subsidiaries

Our new journey begins…

SCB Board resolved to call for EGM approval on the "SCB Reimagined" plan to:

- Establish SCB[X] as a parent company for SCB Group to manage Group's capital allocation and investments through a share swap between SCB Bank and SCB[X]
- Transfer unsecured lending businesses and selected companies under SCB Bank to SCB[X]
- Approve THB 70 billion dividend from SCB Bank to SCB[X] for business/company transfer funding, future dividend for SCB[X] 's shareholders and future SCB[X] 's investments
- The above are subject to, where appropriate, approvals from the Bank of Thailand and other regulators, as well as shareholders.

SCB X | To set and align the group's strategic direction

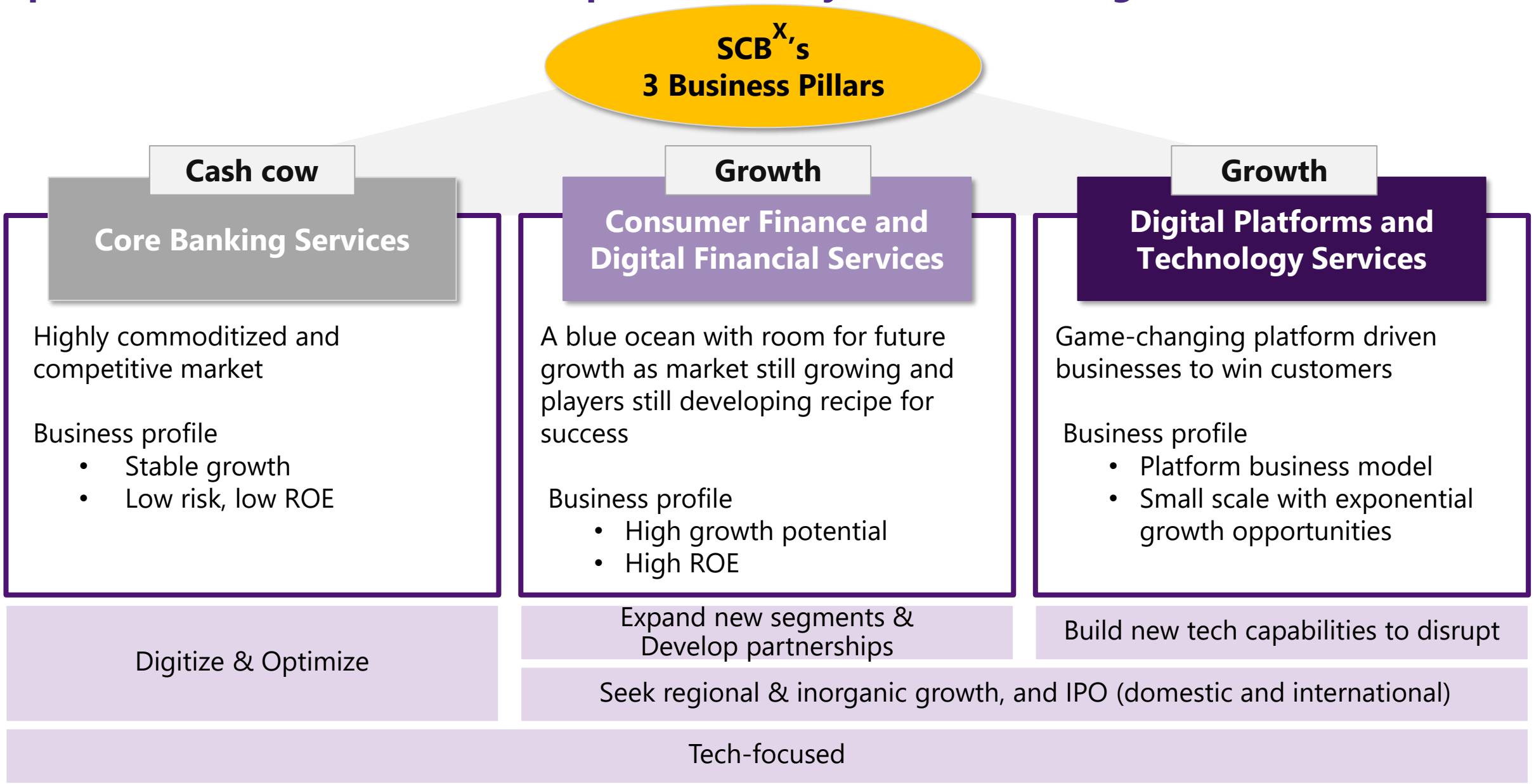
From the current bank structure...

- React to changing business land scape by adding tech capabilities to bank structure.
- Bank holding high level of statutory capital
- Tech-driven subsidiaries operate under banking paradigm

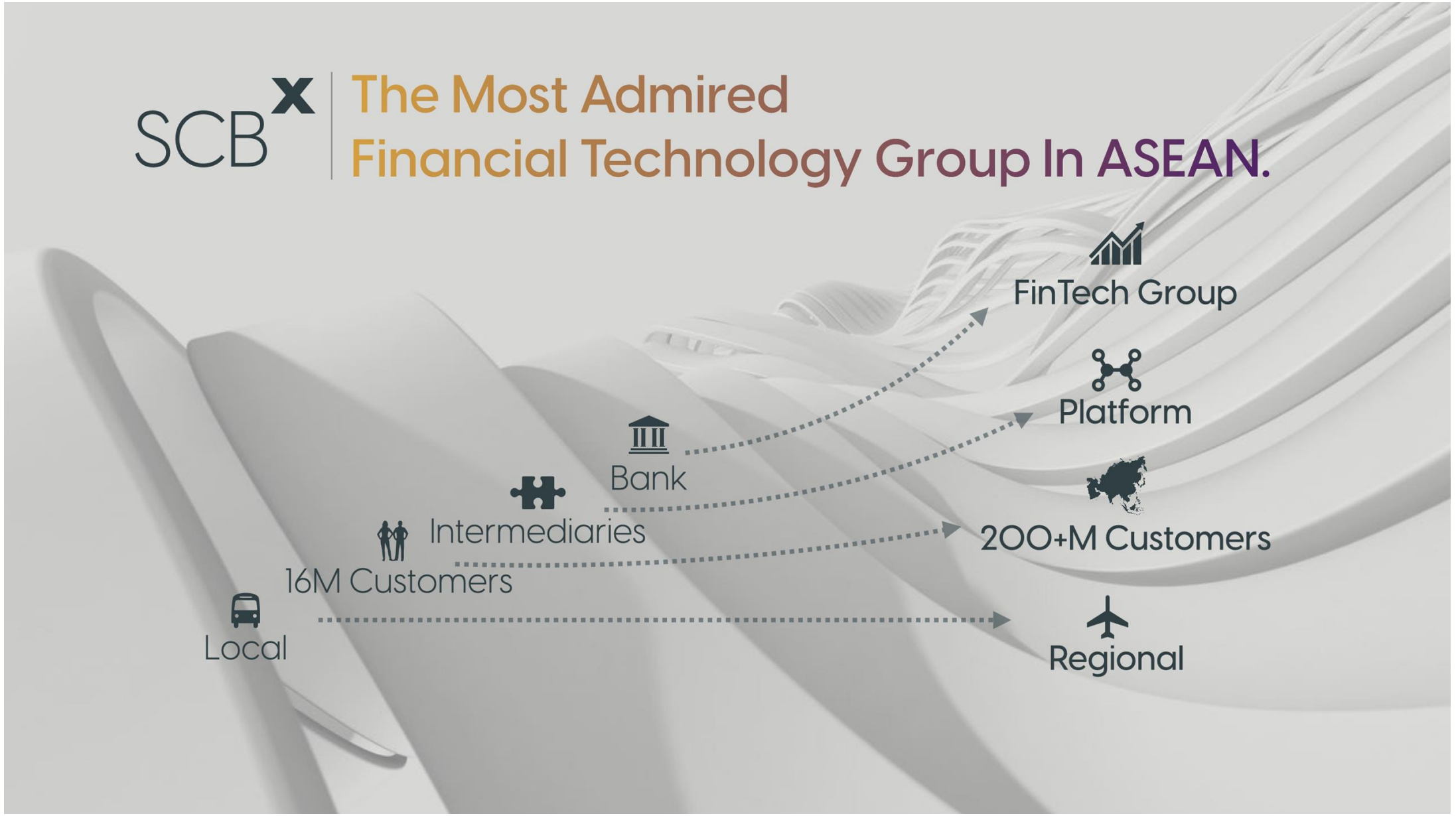
...to a technology group.

- Enable flexibility and independence on strategic direction and execution for each portfolio company
- Effectively ring-fence the bank from risks associated with new investment impacts
- Agility for business expansion and talent management with clear value-based measures of success

3 pillars of business to increase capital efficiency and unlock long-term value



Vision (5 years)



Mission statement

Role of SCB^{X} to maximize synergies

1

Business Development

- Dedicated teams to seek new business opportunities for growth
- Build platforms, create network effect, and expand regionally

2

Capital Management

- Utilize full spectrum of domestic and international capital markets
- Employ financial engineering to create value for portfolio companies

3

Data Synergy

- Integrate big data across the group to achieve value-added

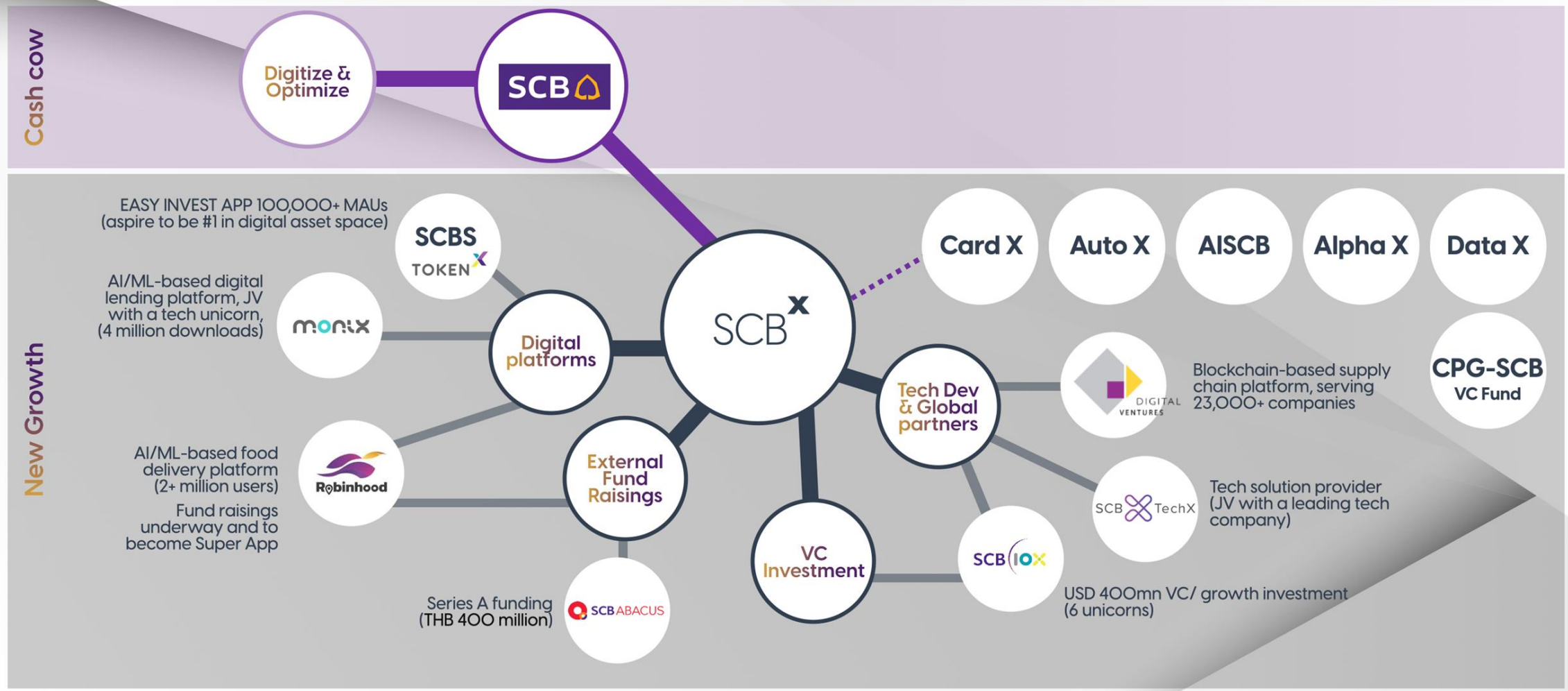
4

Optimize Compliance

- Ensure overall group compliance and direction as well as manage conflict of interest
- Establish good governance for subsidiaries

SCBX
A New Growth Mothership
Accelerating innovation to create long term value
Cash Cow
SCB
FWD (Partner)
SCB Julius Bär
Digital Banking
SCB PROTECT
SCBAM
SCBX
Uniquely positioned
Existing customer base allowing for effectively onboard to new platforms
Strong business franchise for scaling up and seeking global partnership
SCB Bank as a cash cow business to support new growth
Growth
Robinhood
AISCB
Card X
SCB 10X
Alpha X
Data X
Auto X
SCB TechX
monix
CPG-SCB VC Fund
TOKEN X
SCB ABACUS
DIGITAL VENTURES
SCB Securities

SCB X | Connect and enlarge the dots to transition to Tech Company



Long-term value creation

5-year aspirations

- 200 million customers with leading platforms across ASEAN through active partnerships and M&A
- Over THB 1 trillion market capitalization for SCB[X]; Subsidiary IPOs and start-up unicorns
- Quality earnings to increase 1.5x and growth business contribution >1/3 of revenue
- Leader in digital asset space (crypto exchange, ICO portal, etc.) and relevant capabilities (blockchain, etc.)
- Fully fledged tech company as an undisputed leader in Tech & AI/data analytics

SCB^{X} will follow global standards and best practices on ESG

MEMBER OF
Dow Jones Sustainability Indices
In collaboration with SAM a RobecoSAM brand

Selected as a member of DJSI for the World Index and the Emerging Markets Index in the Bank sector for **the 3rd consecutive year**

FTSE4Good

Selected a member of FTSE4Good Index Series in the FTSE4Good Emerging Index

THSI THAILAND SUSTAINABILITY INVESTMENT 2020

Listed in the Thailand Sustainability Investment (THSI)

MSCI

Rated "AA"
on ESG Performance
in the Banking Category

CDP
DRIVING SUSTAINABLE ECONOMIES

Rated "B"
on Climate Change
Management Assessment

Asia Sustainability Reporting Awards
Asia's Best Sustainability Report (Stand-alone)
BRONZE 2020

asra

CAC CERTIFIED

Certified as a member of Collective Action Coalition Against Corruption (CAC) since 2017

Today's agenda

1 Strategic rationale & New vision

2 Transaction timeline

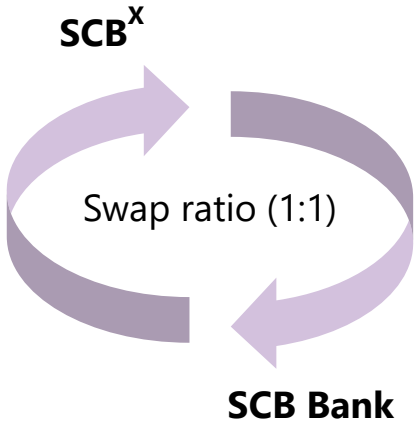
3 Selected subsidiaries

SCB[X] to be set up to facilitate "Reimagined"

1: Initial setup

- Registered & Paid-up capital of THB 10,000

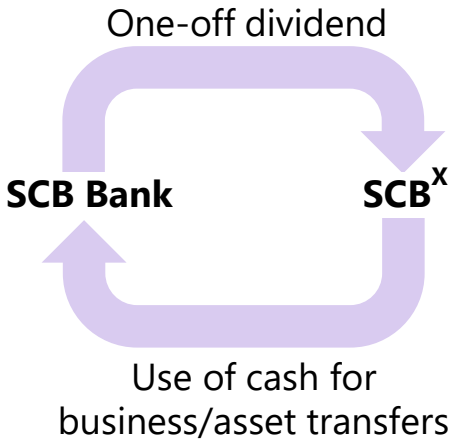
2: Share swaps



- SCB[X] to increase registered capital to THB 34 billion by a 1:1 share-for-share swap with SCB Bank
- Conditional on a minimum 90% acceptance of the share swap [1/]
- SCB Bank shares to be delisted/SCB[X] the new listed entity

1/ vs. minimum legal requirement of 75%

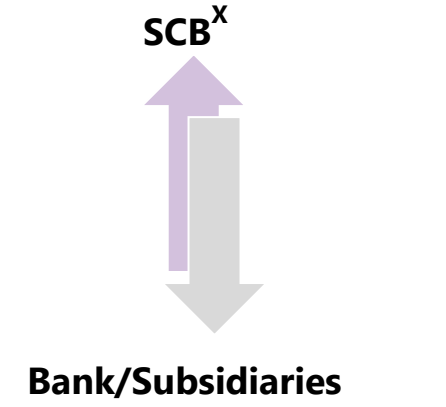
3: One-off dividend



One-off dividend payment (THB 70 billion) from SCB Bank to SCB[X] for:

- Business/asset transfers from SCB Bank to SCB[X]
- New investment
- Future dividend payment to shareholders of SCB[X]

4: Asset transfer



- Business/assets transfer to SCB[X] for investment in subsidiaries

Capital redeployment to fund high return businesses

One-off dividend THB 70 billion from SCB Bank to SCB^{X}

Quality earnings & near-term earnings accretive

- Card X
- Auto X
- ALPHA X
- AISCB JV

Platform-based business & future capabilities

- SCBS
- SCB IOX
- Robinhood
- SCB TechX
- Data X
- SCB ABACUS
- monix
- DIGITAL VENTURES
- TOKENX
- CPG-SCB VC Fund

Operations & future dividend

Key milestones for the transaction

Indicative timeline	Key milestones
3Q21	• Board approval on September 22
4Q21	• Shareholder approval at EGM on November 15 • SEC filing (mid-November)
1Q22	• Tender offer (January) • Listing of SCB[x]/Delisting of SCB (February)
2Q22	• One-off dividend payment to SCB[x] • Business/asset transfer

Today's agenda

1 Strategic rationale & New vision

2 Transaction timeline

3 Selected subsidiaries

SCB 10X: The digital technology investment and innovation arm
(including a newly set up VC fund in partnership with CP Group)

SCB 10X

Company rationale

- SCB 10X embarked on a journey to **create transformative growth to drive long-term value creation to SCB Group** through venture capital & strategic investments, partnership and venture building
- **Thinking and operating outside of legacy** (e.g., systems, processes, policies) allows critical factors such as speed, innovation and entrepreneurial spirit to thrive

Business overview

- **Digital Asset** has proven to be an established asset class with institutional interest on the rise, driven by Bitcoin as a hedge against inflation, as well as financial services in its ecosystem.
- In 1Q21, **VC financing** continues with record high, especially in DeFi
- **SCB 10X** continues to invest, build ventures and form credibility in digital technology, among startups, VCs, and Strategic partners community in Thailand and regional, especially in Blockchain and Digital Asset community

Performance

INVESTMENTS

40
Investments

USD 400 mn
Current Port size

6
Unicorns (USD 1 bn)

PAGAYA BlockFi ripple traveloka gojek FLASH

VENTURE BUILDING
1 venture successfully fundraising

SCB ABACUS
AI tech company in digital lending

Ascending to the position of leading investment and innovation company

Best new tech investment comp. for start-ups

Most innovative tech investment solutions for start-ups

Most innovative new tech investment fund

Core competencies

- **Strong talent pool** from top universities and leading tech companies with strong culture leveraging lean-startup principles
- **Strong brand recognition** and becoming the go-to financial institution and investor in the region for Blockchain, DeFi and Digital Assets innovation
- **Strong global digital technology network** from investors (including Tier-1 VCs), partners and startups
- **Strong support from SCB Group franchise strengths:** brand, customer base, network of ecosystem partners, and data

Card X: The most admired regional financial platform offering simplest and accessible experience for everyone

Card X

Company rationale

- Independent company solely focused on **unsecured consumer loans business**, acting with autonomy, agility and speed
- Additional focus on **mass/lower segment** with new risk appetite to allow for new business models
- Build **innovation and technology capability** to solve for financial inclusion for segments previously ineligible

Business overview

- Market leader in **credit card** and **personal loan business**
- Providing seamless **omni channel platform** (digital and physical) **with real time decision capability** for KYC and instant approvals for consumer loans
- Establishing **ecosystems** to gain footprint into target segment, utilize **data** to build customers persona providing relevant offerings to enhance customers experience
- Delivering **innovative solutions** and **industry leading cost structure** through state-of-the-art technology architecture

Performance (Loans and market share)

THB 120 billion	**13%**	**3.7+ million**	**2.7 million**
loan o/s	market share	loan accounts	credit cards

- One of the largest consumer loan providers in the industry
- Target ROA and ROE of over 5% and 20%, respectively
- Aspiration for IPO in the next 3-5 years

Core competencies

- **Fully digitized technology capability** covering origination, onboarding, servicing, collection, and marketing
- Strong **data capability** with expertise in advanced risk analytics, credit scoring, underwriting, and product recommendations
- Pioneering in both **preventive and collection capabilities** using predictive data intelligence, real time monitoring, and collection technology (e.g. Autodialer and Voicebot)

SCB Securities: Aspires to be ASEAN's trusted leader in investment and digital assets services

SCB Securities

Company rationale

- Consumer behavior shifting towards **self-directed channel**, hence opportunity to digitally transform to improve productivity, drive down cost and enhance profitability
- **Investment penetration in Thailand is still low** despite a high penetration of financial services
- **Rise of middle income in ASEAN**, creating ample growth opportunities
- **Profitable business** with ROE >20%

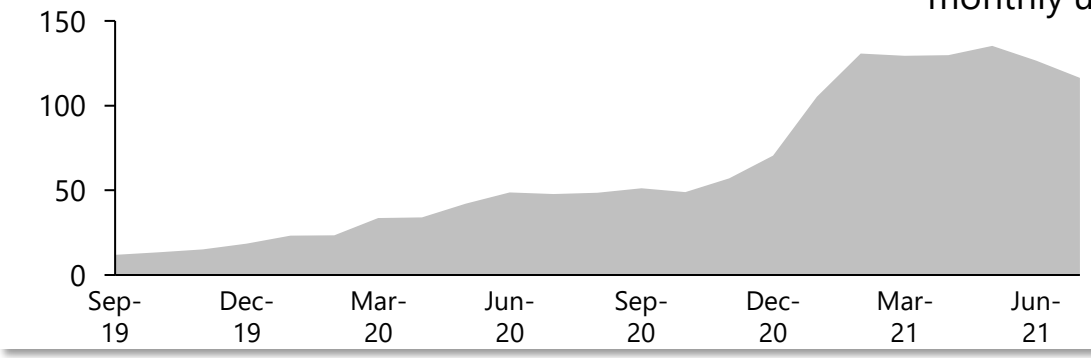
Business overview

- SCBS is one of **the top 3 broker** in term of revenue growth and net profit margin, due to its digital-first strategy
- SCBS is the leading broker in term of new customer sign up, (~50% of total market) through its **digital platform, with over 500,000 digital customer as at 1H21**
- Moreover, SCBS is one of the first traditional financial institution to venture into **Digital Assets space** for its DA broker, exchange, and ICO portal businesses.
- Capital market growth remains strong despite COVID-19, with Digital Assets as new emerging business opportunities

Performance (Digital Platform)

EASY Invest – Monthly Average User (in thousand users)

100,000+ monthly users



Core competencies

- **Large digital customer base across all segments** (e.g., HNW, affluent, mass retail)
- **Full services and complete suite of investment product offerings** (e.g., multiple asset classes, onshore, offshore)
- **Strong tech capabilities**, including data analytics, AI, blockchain (leveraging from SCB 10X)
- **Global access to tech and digital asset ecosystem** in both CeFi and DeFi space (leveraging from SCB 10X)

Purple Ventures: Robinhood – Aspire to become Super App

Purple Ventures

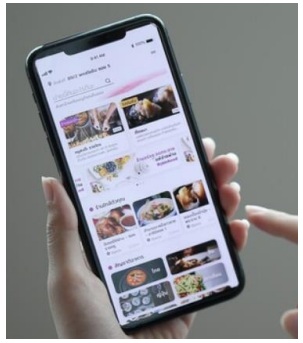
Company rationale

- Support establishment of SCB new digital platform
- Explore and implement **new S-Curve** revenue model
- Support business expansion and development across **digital value chain**, both vertical and horizonal
- Shift from CSR Model and explore **potential monetization from financial and non-financial digitized ecosystem** e.g. advertisement, lending

Business overview

- Utilize new digital platform to build **digital engagement** across all segments (Corporates, SME's and Individuals)
- Establish **digital platforms in major digitized industries**, such as Food, Mart, Travel, Express
- Generate engagement and transactions across all major digital pillars
- Shift away **from CSR Model to monetize digital platform** through all available avenues (Financial and Non-Financial). For example, advertisements and HORECA Supplier Sales
- Scale out platform domestically and pursue **expansion to regional**

Performance



Robinhood

2+ million
accumulated users

140,000+
merchants

Core competencies

- Leverage and support entire SCB Group as an integrated service through networking
- Organization with data driven insights and monetization in fully digital ecosystems and operations
- Create SCB ecosystem by providing digitized products and services
- Support and leverage non-financial SCB partnerships across industries
- Expand business model with key strategic partners by leveraging their presence and local insights in various countries in the CLMV+11

SCB ABACUS: Recently closed an oversubscribed Series A fundraise with world-class tech VCs, now targeting IPO by 2025

SCB ABACUS

Company rationale

- SCB Abacus is on the mission to create **better access to finance through inclusive digital lending platforms**.
- The company believes loan process should be **fast and convenient** for borrowers, without compromising their **privacy and security**.
- To become a prominent **regional** lender and **IPO in 2025**
- **1st tech spin-off** with external fundraise in Thai financial sector

Business overview

- With **two lending licenses** (nanofinance and personal loan), SCB Abacus aims to serve the **underbanked**
- Flagship App **MoneyThunder** was launched in Dec 2019, followed by a **buy now, pay later** product in 2021

Performance

5+ million
app downloads to date

#1 MAU
in non-bank lending apps[2]

>5X growth
in registered user base[1]

>10X growth
in loan disbursed and revenue[1]

1 month
CAC[3] payback period

THB 400 million Series A
with Openspace, Vertex and CAI in 2021

Core competencies

- **Bluechip tech talent** with entrepreneurial mindset to act fast, bold and open
- **AI automation tech** developed in-house (own IPs)
- **Sophisticated** machine learning risk models with uncompromising belief in **non-bureau alternative data**
- **Partnership network with major platforms** to reach **20+ million** retail customers

1/ Q2/2021 vs. Q2/2020; 2/ August 2021 (android apps); 3/ Cost of Acquisition

Digital Ventures: We help banks to become disruptors rather than being disrupted.

Digital Ventures

Company rationale

- **Technology platforms** will dominate the future.
- Banks recognize the need to change but unable to do so because of the lack of depth in technologies.
- We are striving to create platforms that will transform the industry leveraging latest technologies.

Business overview

- Spun out from SCB in January 2020
- Launched three products:
  - **Blockchain for Procure to Pay (B2P)** - Enable productivity gains for banks' customers and control risk for supply chain lending associated with both PO & invoices
  - **PayZave** – Enable trade discount between buyers and sellers bypassing banks traditional lending
  - **MeTang** – Enable early employee's early salary withdrawals & control risk by tight integration with payroll systems

Performance

- **B2P** – Onboarded 15,000+ companies in less than 2 years, generated lending opportunities approximately 5% of payment
- **PayZave** – Onboarded 8,000+ companies in 5 months
- **MeTang** – Generated fees equivalent to double digit net interest margin with zero bad debt in the highest risk blue collar segment

Core competencies

- Technology innovation
- Blockchain & Distributed ledger technologies
- Complex system implementation
- Supply chain management
- Business process reengineering

Token X: Provide ICO portal and digital asset tokenization services covering from advisory service to blockchain technology development

Token X

Company rationale

- **Digital Asset has increasingly gained market focus** in alternative investment and innovations
- Along with **Blockchain has rapidly adopted** into financial transactions
- **Focus on Initial Coin Offering** (ICO)

Business overview

- Token X is in process of acquiring license from SEC, with target to operate in 4Q21
- **Positioned as 'tokenization success partner'** with end-to-end tokenization services with 3Es:
  - **ENABLE** issuer access to new fund-raising opportunities
  - **ENSURE** investor with trusted product and technology
  - **ENGAGE** regulators to create new product innovations

Business targets

2021
Building up fundamentals

2023
Thailand's leading tokenization provider

2025
Leading tokenization success partner

Core competencies

- **Industry-based solutions,** provides jumpstart platform for shorter time-to-market and strong value propositions
- **Specialized in-house tech capabilities**, in-depth knowledge in blockchain technology and tokenization solutions
- **Operated in 'start-up' culture**, motivated towards result-oriented mindset

MONIX: Strive to be the #1 MAU Financial Application in Thailand; aiming for IPO in 2025.

MONIX

Company rationale

- **To be a one-stop service for lending and investment platform** with personalized offerings using **cutting-edge AI and machine learning** to **create opportunities to our customers** to live their life with prosperity and **impactful return to investor.**

Business overview

- In 2025, unsecured personal lending in Thailand will reach THB 706 billion (+15% CAGR), and MONIX plans to **achieve 15.4% market share** or THB 106 billion.
- Now we hit **4 million download within 1 year** and become the **TOP player in nano finance** market in June 2021 with **positive monthly net profit.**

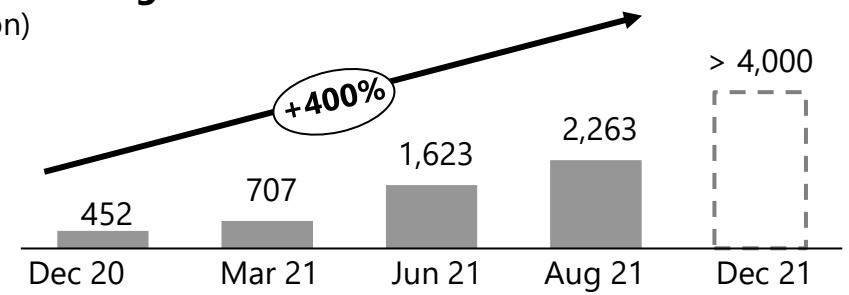
FINNIX

Available on the App Store

GET IT ON Google Play

Performance

Loan outstanding
(THB million)



Core competencies

- **Synergy** from Joint Venture with a Chinese Fintech unicorn
- **Strong data analytic and risk control**
- **Fast penetration** among target customer
- **Caliber Tech team** with **speed** execution – Quarterly big release, Bi-weekly feature improvement
- **Cross-country and cross-culture teamwork** – 100% remote working from Bangkok and Beijing site

Note: Monthly active users (MAU)

AISCB JV: First Thai Banking and Telco sector Joint Venture in digital lending

AISCB JV

Company rationale

- **Thailand's first JV of Banking and Telco** to create growth engine for both firms
- We see the opportunity to serve a large population in Thailand using digital platform to enhance and simplify financial access for consumers and leveraging upon the strength and unique synergy of both partners

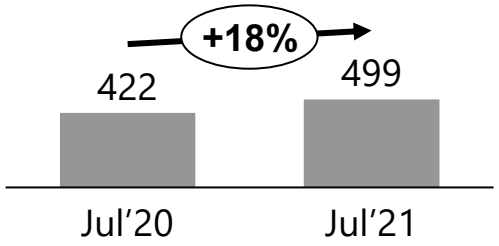
Business overview

- To provide **innovative financial services** such as loans, before expanding to other financial services through digital channels to help Thais gain access to financial services at ease in seamless and convenient way

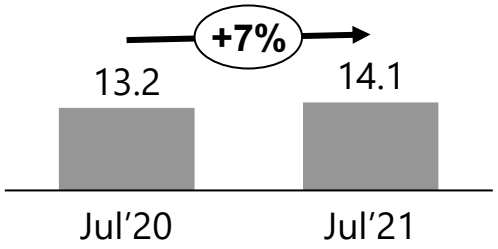
Performance

Total addressable market – Size (LHS) **and # of accounts** (RHS)

(THB billion)



(in million accounts)



Source: Bank of Thailand

Core competencies

- Leveraging upon **AIS' customer insights**, strength of digital technology and large customer base nationwide with decent access to customers and **SCB's expertise** in data analytics, product development with strong brand value and financial know-how to develop underwriting model and proper risk management

SCB Tech X: The region's fastest-moving platform-as-a-service solution provider

SCB Tech X

Company rationale

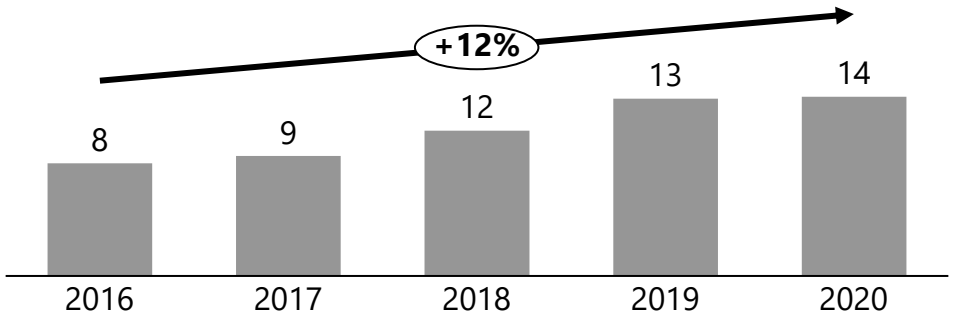
- **Digital Transformation** has annual market growth rate more than 15%
- The adoption of advanced technologies rapidly increased after the pandemic
- The adoption of **cloud technology, Internet of things and mobile applications** have risen 19%, 16% and 15%, respectively

Business overview

- **Platform-as-a-service company** that provides banking and non-banking services (food delivery, online travel booking) to institutions across SEA
- Enables institutions to rapidly innovate **new digital propositions at speed and at a lower cost** in the hyper competitive Asian market
- Builds on success that SCB Group has already generated by **serving 10+ million of SCB Group's customers**
- **Partnership with one of the world's leading digital business transformation firms**

Performance

of digital customers under SCB Tech X's platforms
(in millions)



Core competencies

Cross-functional and connected platform that enables customers to power everyday transactions and institutions to gain rich, actionable insights:

- Digital **banking as a service**
- Digital **product and corporate innovation**
- **Fintech** evaluation and **new product development**
- **Cloud** native and emerging technology solutions
- Scaled **agile** product development & engineering
- **Ecosystem** partnerships