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## Dear Valued Investors and Stakeholders,

Welcome to the 2Q25 IR Newsletter. This publication highlights key developments across SCBX Group since the 1Q25 Analyst Meeting on 21 April 2025, including macroeconomic updates, business progress, strategic initiatives, and innovation highlights.

Macroeconomic conditions remain challenging. SCB EIC now forecasts Thailand's GDP to grow modestly at 1.4% in 2026, reflecting the impact of trade tensions, global uncertainty, and fiscal constraints. The tourism forecast has been revised down to 34.2 million visitors, mainly due to lower-than-expected Chinese arrivals and weak global demand.

A key highlight this quarter is that SCBX and our partners have been selected by the Ministry of Finance and the Bank of Thailand to operate a virtual bank in Thailand—marking a major step in our ambition to become the most admired regional financial technology group. The consortium includes KakaoBank Corp. and WeTechnology Limited. We are well-prepared and will share further updates as implementation progresses.

In addition, SCBX successfully completed a THB 20 billion debenture issuance, reinforcing our capital base. Group subsidiaries also achieved important milestones: InnovestX launched US Options trading; SCB TechX received ETDA certification for secure data exchange; and SCB 10X appointed a new CEO. We also co-developed “Typhoon,” Thailand's first Thai-language large language model for public services, and released the AI Outlook 2025 whitepaper—both reinforcing our AI leadership.

We also enhanced mobile banking security in line with the Technology Crime Act and received four prestigious brand awards, affirming SCB's trusted leadership in digital banking.

Lastly, to ensure a smooth leadership transition, the Board has appointed Mr. Arak Sutivong as the next Chief Executive Officer, effective 1 January 2027, succeeding Mr. Arthid Nanthawithaya. The appointment will be submitted to the Bank of Thailand for endorsement.

We hope this newsletter offers a useful overview of SCBX's recent progress. Thank you for your continued support—we welcome your feedback. For your convenience, we have also prepared a FAQ section at the end of the report to address key questions from investors and analysts.

Warm regards,

SCBX Investor Relations

## SCB EIC Releases 2Q25 Economic Outlook



SCB EIC expects global economic growth to decelerate to 2.3% in both 2025 and 2026, down from 2.8% in 2024. The slowdown is driven by heightened U.S. tariffs, increased trade policy uncertainty, and fragile global demand, compounded by ongoing geopolitical tensions and financial market volatility. Central banks in advanced economies are gradually shifting toward monetary easing, with the U.S. Federal Reserve expected to initiate rate cuts by the end of 2025, while the ECB is already in its easing cycle. Meanwhile, China's central bank continues to reduce interest rates in response to prolonged structural pressures.

Thailand's economic outlook remains fragile. SCB EIC projects GDP growth of 1.5% in 2025 and 1.4% in 2026, weighed down by subdued exports, weak private investment, and fragile household and SME sectors. Despite the initial tourism rebound—with 34.2 million visitors expected this year—the pace of recovery is softening, and growth momentum in the second half could dip below 1%, raising concerns about a technical recession. Inflation is currently negative due to declining energy and food prices, with headline inflation expected to remain below the Bank of Thailand's target range through 2026.

Against this backdrop, SCB EIC expects the Monetary Policy Committee to cut the policy rate two more times in 2025, bringing it to 1.25%, to ease financial burdens and support debt deleveraging. However, structural constraints, limited fiscal space, and fragile confidence could limit the effectiveness of monetary easing. Despite the challenges, certain sectors—particularly those aligned with evolving tourism trends or global shifts in health, sustainability, and lifestyle—may still find selective growth opportunities in the medium term.

Read more: <https://www.scbeic.com/en/detail/product/outlook-q22025>

## **SCBX successfully completed a THB 20 billion debenture issuance**



We are pleased to announce the successful completion of our THB 20 billion debenture issuance, comprising two offerings:

**Offering 1/2025 (Public Offering):** Full subscription of THB 10 billion at a fixed interest rate of 2.60% p.a., maturing on May 30, 2029.

**Offering 2/2025 (Institutional & HNW investors):** 4 times oversubscription amount for THB 10 billion, consisting of:

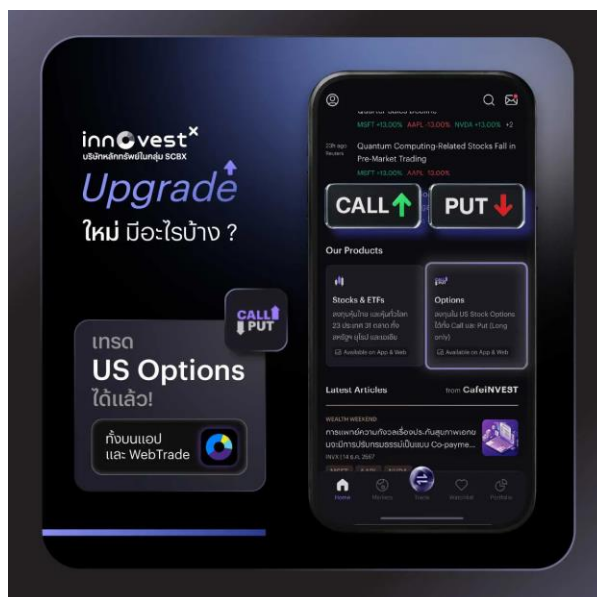
- Series 1: 3-year zero-coupon debentures with a discount rate of 2.08% p.a., worth THB 3 billion, maturing on May 30, 2028
- Series 2: 5-year debentures with a fixed interest rate of 2.28% p.a., worth THB 4 billion, maturing on May 30, 2030
- Series 3: 7-year debentures with a fixed interest rate of 2.52% p.a., worth THB 3 billion, maturing on May 30, 2032

This strong reception—amid global economic volatility—underscores investor confidence in our financial strength and growth prospects as Thailand’s leading fintech group

**Mr. Arthid Nanthawithaya, Chief Executive Officer of SCB X Public Company Limited,** said, “We sincerely appreciate investor trust in SCBX debentures—especially during a challenging global environment. This response affirms confidence in our financial resilience, prudent risk management, and long-term potential. We will fully leverage these proceeds to enhance financial stability, accelerate business expansion, and deliver sustainable value for shareholders and stakeholders.”

Read more: <https://www.scbx.com/en/news/scbx-debenture-confidence/>

## InnovestX Launches “US Options” Product



We are pleased to announce the launch of US Options via InnovestX, our SCBX Group subsidiary. Available on InnovestX’s mobile app and WebTrade platform, this new product enhances our *All Weather Products* suite by empowering investors to trade options on leading U.S. stocks and ETFs.

### Why Use US Options?

#### Flexible Strategy & Risk Management

Trade both bullish and bearish positions without owning the underlying assets. With premium-based entry, investors can hedge or seek profit with capped risk.

#### Low Costs & Simple Access

Commissions begin at USD 1.20 per contract. We charge no deposit or withdrawal fees. Real-time market data subscription is just USD 1.25 per month. Top-ups are instant, and our research team supports your decision-making.

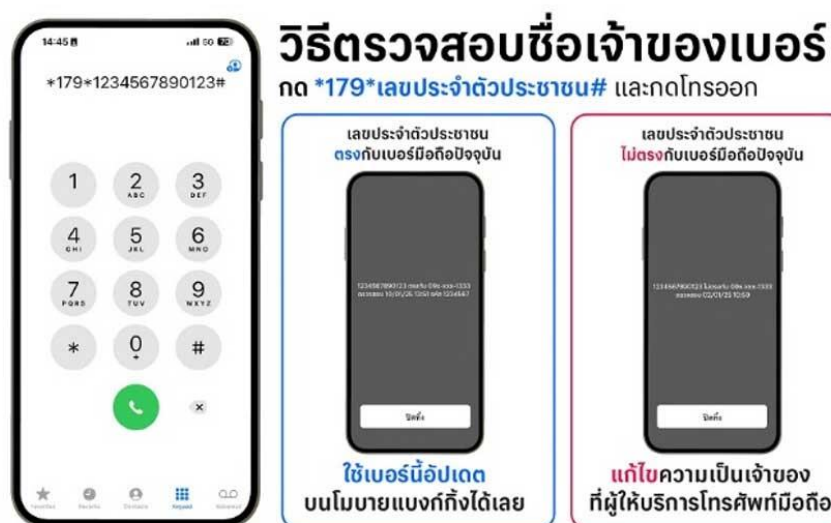
#### Guided Learning for Investors

We recommend allocating only 5–10% of your portfolio to options and choosing contracts with sufficient time before expiration.

**Mr. Payon Pongsawaree, Chief Investment Officer at InnovestX Securities,** stated, “InnovestX is committed to elevating the investment experience for Thai investors, enabling them to navigate volatility in any market condition. Our full suite of offerings — All Weather Products and advanced financial instruments — help investors manage risk effectively while capturing growth opportunities across diverse dimensions. Among the most important tools now available are US Options, which are designed to support both risk protection and potential returns, even in uncertain markets.”

Read more: <https://www.scb.co.th/en/about-us/news/jun-2025/invx-us-options.html>

## We Enhance Mobile Banking Security Measures



In compliance with the Technology Crime Prevention and Suppression Act B.E. 2566 (2023), we have implemented new security measures for SCB EASY App users. All mobile banking users are required to ensure that the registered mobile number matches the SIM card owner's name to prevent illegal usage and enhance online transaction safety.

### How to Verify Mobile Number Ownership

Dial \*179\* followed by your 13-digit national ID number, then #, and press call (for Thai nationals). This verification service is available free of charge on all networks. The following messages will appear:

1. If the message says "The national ID number matches the current mobile number," it means you are the registered owner of the current mobile number.
2. If the message says "The national ID number does not match the current mobile number," it means you are not yet the registered owner of this number. Please contact your mobile service provider, such as AIS, True, DTAC, or NT, to update the ownership information or register a new SIM card to correctly register yourself as the owner. After that, please update your mobile number with the bank branch by **June 25, 2025**.

Read more: <https://www.scb.co.th/th/about-us/news/may-2568/mobile-cleansing.html>



## SCBX Releases “AI Outlook 2025”



We are pleased to announce the release of “AI Outlook 2025: Beaconing the Future of Artificial Intelligence”, Thailand's first AI whitepaper for business that provides comprehensive trends analysis and serves as a strategic roadmap for becoming an AI-first Organization. The comprehensive report shares SCBX's vision and extensive experience implementing AI technology across diverse business contexts, providing valuable guidance for organizations navigating the rapidly evolving technology landscape. This initiative underscores SCBX's strategic commitment to AI-driven transformation, with the group targeting 75% AI-derived revenue by 2027 and complete workforce AI literacy by 2025.

The SCBX AI Outlook 2025 report highlights four major trends reshaping the business and industrial landscape:

1. **Open vs Closed AI:** The narrowing gap between open and closed AI systems and its significant business implications
2. **More versatile, Smaller, Smarter AI:** The next era of compact, versatile, and human-like AI capabilities
3. **Rise of Agentic AI:** The growth of AI systems capable of planning, reasoning, and taking action without step-by-step instructions
4. **The Road to AGI:** Challenges and opportunities in developing human-level artificial general intelligence

For comprehensive access to the SCBX AI Outlook 2025 report, interested stakeholders may download the complete report via the official SCBX corporate website at <https://www.scbx.com/th/scbx-exclusive/ai-outlook-2025/> and try out the Typhoon LLM API at <https://opentyphoon.ai>. Contact emails: [rd@scbx.com](mailto:rd@scbx.com), [contact@opentyphoon.ai](mailto:contact@opentyphoon.ai)

Read more: <https://www.scb.co.th/en/about-us/news/may-2025/scbx-ai-outlook.html>

## SCB 10X Appoints New CEO



Effective May 16, 2025, SCB 10X has appointed Kaweewut Temphuwapat as the new Chief Executive Officer. In this role, Kaweewut will lead SCB 10X's next phase of exponential growth, continuing its mission to invest in frontier technologies and drive innovation on a global scale.

Kaweewut will also retain his position as Chief Innovation Officer of SCBX, enabling strong synergies between SCB 10X's venture investment activities and SCBX's long-term innovation strategy. With over USD 600 million in assets under management globally, this leadership alignment will accelerate execution and strengthen competitiveness across the SCBX ecosystem.

Read more: <https://www.scb.co.th/en/about-us/news/may-2025/scb10x-new-ceo.html>

## SCB TechX Receives ETDA License for Data Exchange Services



SCB TechX, the digital transformation consultancy under SCBX Group, has been officially licensed by the Electronic Transactions Development Agency (ETDA) as a **Data Exchange Service Provider** for digital identification and authentication (License No. Tor Por Sor 019-2568). This certification enables SCB TechX to provide secure and standardized electronic identity verification services across key industries including finance, insurance, and telecommunications—supporting Thailand's digital economy development.

Read more: <https://www.scbx.com/en/news/scb-techx-etda/>

## SCBX Partners with OPDC to Launch “Typhoon” Thai LLM for Government Services



SCBX has partnered with the Office of the Public Sector Development Commission (OPDC) to launch Typhoon, our Thai-language Large Language Model, as an AI chatbot pilot for the Public Sector Excellence Awards, with plans to extend the technology to other areas of government services.

This collaboration between SCBX and OPDC not only strengthens Thailand’s bureaucratic infrastructure but also showcases the potential of Thai developed AI on the global stage. It stands as a model for public-private collaboration in propelling Thailand into a fully digital future.

Read more: <https://www.scbx.com/en/news/typhoon-expand-gov-services/>

## SCB Wins 4 Top Brand Awards in Asia & Thailand



SCB has been honored with four prestigious brand awards, reinforcing the success of our Digital Bank with Human Touch strategy. The accolades include:

- **AI-First Bank Strategy Award** at the inaugural BT Awards Asia by BT beartai
- **GEN Z Top Brand Award 2025** from BrandBuffet and INTAGE (Thailand)
- **Prestigious Brands of Asia Award 2025** by BARC
- **Most Trusted Brand in the Banking Sector** (Thailand’s Most Admired Brand) from BrandAge Awards—for the third consecutive year

These recognitions underscore SCB’s leadership in integrating cutting-edge AI technologies with deep customer understanding, resonating with both Gen Z and the broader market, and affirming our reputation for trustworthiness and innovation.

Read more: <https://www.scb.co.th/en/about-us/news/may-2025/digital-bank-awards.html>



## **FAQ**

**Q 1: What is the macroeconomic outlook for Thailand in 2025?**

**A:** The GDP forecast has been downgraded from 2.5% to 1.5%, mainly due to the impact of US tariffs. Domestic consumption and private investment remain weak. Exports held up in Q1 due to front-loading, but the sustainability is uncertain.

**Q 2: How are US tariffs affecting Thailand?**

**A:** A universal 10% tariff is already in place, and Thailand could face up to 36%. The assumption is a negotiated effective rate of 23%. These tariffs threaten exports and could impact job markets and income in Thailand.

**Q 3: How has tourism recovered post-COVID?**

**A:** Total tourist arrivals have nearly recovered to pre-COVID levels, but Chinese tourists—who spend more—remain low. This affects retail and services.

**Q 4: What is the political situation in Thailand?**

**A:** Policy implementation is slow. There are talks about early dissolution of Parliament, which could be a positive reset.

**Q 5: What is the status of the fiscal position?**

**A:** Government debt-to-GDP is nearing the 70% ceiling. Room for additional fiscal stimulus is limited, and a downgrade in sovereign credit rating is a concern.

**Q 6: How has SCBX responded in terms of interest rates?**

**A:** Two policy rate cuts have already occurred. SCBX expects more 1-2 cuts and has adjusted its strategy accordingly. Lending rates were only partially lowered, helping protect NIM.

**Q 7: How is fee income and loan growth trending?**

**A:** Fee income is expected at the lower end of guidance. Loan growth is limited due to high credit costs and cautious lending.

**Q 8: How is SCBX managing credit costs?**

**A:** Q1 credit cost was 159 bps, including THB 700 million provision for US tariff risks. Without this, it would have been 147 bps. Further provisions depend on how the tariff situation evolves.

**Q 9: Has the NPL pricing situation changed?**

**A:** No. Pricing has been unattractive since 2H24, so it's more cost-effective to collect in-house than sell at deep discounts.

**Q 10: What's the outlook on dividends?**

**A:** SCBX focuses on maintaining payout ratio rather than absolute DPS. Dividend sustainability depends on profitability, especially if tariff risks worsen.

**Q 11: Any plans to reduce management overlay?**

**A:** Overlay remains high due to macro uncertainties. NPL coverage ratio is strong, but the current environment calls for caution.

**Q 12: How is SCBX controlling costs?**

**A:** The group is in cost-tightening mode, with strict OPEX control across all units.

**Q 13: Is asset quality worsening?**

**A:** Not at this point. We haven't seen any distress signals from corporate clients yet, but we're staying cautious—especially indirect impacts on the workforce and lower-income borrowers, which are harder to monitor and support proactively.