



**FINANCIAL SUMMARY  
MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**ACCOMPANYING DOCUMENTS FOR  
THE 2023 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**SCB X PUBLIC COMPANY LIMITED**

**Wednesday 5 April 2023  
at 14:00 hours**

**Meeting Type:**

Via Electronic Meeting (e-AGM)

Pursuant to the Emergency Decree on Electronic Meetings B.E. 2563

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More information :

Investor Relations

Email: [ir@scbx.com](mailto:ir@scbx.com)



## Message from the Board of Directors

Dear Shareholders,

Following the incorporation of SCB X Public Company Limited in September 2021 and the completion of the share swap process which received impressive support from shareholders with 99.06 percent of SCB shares being swapped into SCBX shares in mid-April 2022, the Company obtained regulatory approvals to operate as a parent company of SCBX Group and to list on the Stock Exchange of Thailand in late April 2022.

The Company has since pressed ahead with its plans towards the vision of becoming “The Most Admired Regional Financial Technology Group.” One of the Board’s top priorities is to establish sound corporate governance structures and policies for SCBX and companies in SCBX Group to effectively direct the businesses of all subsidiaries and associate companies and to monitor business operations and management of its portfolio companies with an aim to preserve the Company’s best interest. At the same time, the Board is committed to driving all companies in SCBX Group to operate with effective management systems, corporate governance practices, solid business strategies and plans, and rigorous risk management standards. In 2022, the Board deliberated on new domestic and regional fintech investments and business expansion initiatives of companies in SCBX Group in a prudent manner and directed the implementation of investment exit strategies when precarious events are speculated.

The business landscape in which SCBX Group currently operates is characterized by challenges from rapid changes in digital technology trends, cybersecurity and regulatory rules, and intense competition from existing and new players. Nonetheless, the Board is confident that, with strong support from the shareholders and all stakeholders as well as the Company’s prudent operations, the established business directions will lead to the Company’s success in creating long-term business value and SCBX Group’s standing as a valuable corporate citizen.

A handwritten signature in black ink, appearing to read "V. Suraphongchai".

Dr. Vichit Suraphongchai

Chairman of the Board of Directors

## 5-YEAR: KEY FINANCIAL STATISTICS

### Financial Status (Consolidated)

As of December 31,

Unit: Billion Baht

	After restructuring	Before restructuring			
	2022	2021	2020	2019	2018
Total assets	3,454.5	3,314.6	3,278.4	2,963.7	3,187.3
Loans	2,377.2	2,301.8	2,255.2	2,113.8	2,140.6
Total liabilities	2,987.8	2,872.0	2,866.6	2,562.9	2,806.4
Deposits	2,555.8	2,467.5	2,420.5	2,159.4	2,159.6
Total shareholders' equity	466.6	442.6	411.8	400.8	381.0

### Financial Results (Consolidated)

For the year ended December 31,

Unit: Billion Baht

	After restructuring	Before restructuring			
	2022	2021	2020	2019	2018
Total operating income	154.4	150.3	144.8	166.1	138.2
Total operating expenses	69.9	63.6	64.3	70.5	64.6
<b>Operating profit</b>	<b>84.5</b>	<b>86.8</b>	<b>80.4</b>	<b>95.6</b>	<b>73.6</b>
Expected credit loss/impairment loss of loans and debt securities	33.8	42.0	46.6	36.2	24.0
Income tax and non-controlling interests	13.2	9.2	6.6	18.9	9.5
<b>Net profit</b> (attributable to shareholders of the Company)	<b>37.5</b>	<b>35.6</b>	<b>27.2</b>	<b>40.4</b>	<b>40.1</b>

Remark: The figures from 2020 onward are based on TFRS 9

## Key Financial Ratios (Consolidated)

Unit: Percent

	After restructuring	Before restructuring			
	2022	2021	2020	2019	2018
<b>Profitability ratio</b>					
Return on assets (ROA)	1.1	1.1	0.9	1.3	1.3
Return on equity (ROE)	8.3	8.4	6.7	10.4	10.8
Net interest margin (NIM)	3.3	3.0	3.2	3.3	3.2
Non-interest income to total income	30.1	36.7	33.1	40.2	30.3
<b>Efficiency ratio</b>					
Cost to income ratio	45.2	42.3	44.4	42.5	46.8
<b>Financial ratio</b>					
Loans to deposits	93.0	93.3	93.2	97.9	99.1
<b>Capital adequacy ratio <sup>1/</sup></b>					
Total capital funds to total risk-weighted assets	18.9	18.7	18.2	18.1	17.1
Total tier 1 capital to total risk-weighted assets	17.8	17.6	17.1	17.0	15.1
Total tier 2 capital to total risk-weighted assets	1.1	1.1	1.1	1.1	2.0
<b>Asset quality ratio</b>					
Non-performing loans to total loans	3.34	3.79	3.68	3.41	2.85
Total allowance to non-performing loans (Coverage ratio)	159.7	139.4	140.8	134.1	146.7
Allowance for expected credit loss/doubtful accounts on loans to total loans	6.3	6.6	6.2	5.4	4.8

## Share Information

	After restructuring	Before restructuring			
	2022	2021	2020	2019	2018
Earnings per share - EPS (Baht)	11.12	10.47	8.01	11.90	11.79
Book value per share (Baht)	136.98	129.74	121.04	117.78	111.80
Dividend per share <sup>2/</sup> (Baht)	6.69	4.06	2.30	6.25	5.50
Market capitalization (Billion Baht)	360	432	297	415	454
Number of shares (Million)	3,367	3,399	3,399	3,399	3,399

Remark: The figures from 2020 onward are based on TFRS 9

<sup>1/</sup> Figures are disclosed under Basel III framework.

<sup>2/</sup> Dividend per share in 2022 as proposed to the Annual General Meeting of Shareholders in April 2023. (Interim dividend Baht 1.50 per share)

## **Independent Auditor's Report**

### **To the Shareholders of SCB X Public Company Limited**

#### *Opinion*

I have audited the consolidated and separate financial statements of SCB X Public Company Limited and its subsidiaries (the "Group") and of SCB X Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2022, the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2022 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs) and the regulations of the Bank of Thailand.

#### *Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### *Key Audit Matters*

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



Allowance for expected credit loss on loans to customers and accrued interest receivables	
Refer to notes 3.3.5, 4.1, 12 and 13	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2022, loans to customers and accrued interest receivables, recorded in the consolidated financial statements amounted to Baht 2,397 billion (approximately 69% of total assets), against which allowance for expected credit loss amounted to Baht 146 billion were provided.</p> <p>TFRS 9 and the related Bank of Thailand (“BoT”) notifications requires the Group to recognise expected credit losses (“ECL”) on certain types of financial instruments including loans to customers and accrued interest receivables. The Group has developed methods and models in determining the allowance for ECL which involves significant judgment and estimation on relevant assumptions and data.</p> <p>The areas where management applied significant judgment and estimation include, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Selection of criteria to assess whether the financial instruments have a significant increase in credit risk (“SICR”);</li> <li>• Development techniques to develop ECL model parameters, including the probability of default (“PD”), loss given default (“LGD”) and exposure at default (“EAD”);</li> <li>• Determination of forward looking macroeconomic variables and probability-weighted scenarios; and</li> <li>• Qualitative adjustments including management overlays made to incorporate identified credit risks not captured in the ECL models such as the change in trends and risks in underlying portfolios as well as the impact of the COVID-19 pandemic amongst other factors.</li> </ul> <p>The impact of the COVID-19 pandemic, the related economic downturn and financial relief measures provided by the Group, have created higher estimation uncertainties in determining ECL.</p> <p>The carrying amount of allowance for expected credit loss on loans to customers and accrued interest receivables is considered a key audit matter due to the significance of aforementioned judgments and estimates made.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• Performing a risk assessment by considering internal and external factors which could affect the performance of individual customers, industry sectors, customer segments, or which could influence the judgments and estimates.</li> <li>• Testing the design and/or operating effectiveness of relevant controls surrounding the credit and impairment process. The selected controls include but are not limited to the key controls over selection of criteria to assess SICR, ECL model risk management, determination of macroeconomics variables and the probability-weighted scenario and qualitative adjustments including the management overlay.</li> <li>• Testing the controls operating effectiveness over the criteria to assess whether the financial instruments have a SICR as well as improvement for credit risk consideration for those debtors under financial relief measures.</li> <li>• Testing a sample of credit reviews prepared by management for individual large exposures and loans to customers subject to restructuring and reschedule. I formed my own independent assessment based on the detailed review of the credit profile and other relevant information, which include but not limited to the reasonableness of the assumptions over ability to repay and collateral valuation, the appropriateness and accuracy of internal credit ratings and ECL parameters assigned for those customers.</li> <li>• Assessing and testing the reasonableness of the SICR and staging criteria applied by the Group for different types of loans to customers in order to evaluate whether the criteria applied are consistent with the Group credit risk management practices, requirements under TFRS 9 and related BoT notifications.</li> <li>• Involving my own credit specialists to assess key data, assumptions, method, models including mathematically theory to derive ECL model parameters on significant loans to customers portfolios. They also perform the test for reasonableness of macroeconomic factors used and probability-weighted multiple scenarios including the back-testing and assess methodology and data used by the management in the identification and estimation of qualitative adjustments including the management overlay.</li> </ul>

<b>Allowance for expected credit loss on loans to customers and accrued interest receivables</b>	
Refer to notes 3.3.5, 4.1, 12 and 13	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
	<ul style="list-style-type: none"> <li>• Involving my own IT specialists to test reconciliations of data including ECL parameters among the underlying systems.</li> <li>• Testing the mathematical accuracy of the ECL calculation including qualitative adjustment on a sample basis.</li> <li>• Considering the adequacy of disclosures in accordance with Thai Financial Reporting Standards and BoT notifications and guidelines.</li> </ul>

<b>Valuation of financial instruments in the statement of financial position</b>	
Refer to notes 3.3.1, 3.3.2, 3.13, 8, 9, 10, 27	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>As at 31 December 2022, financial assets measured at fair value classified as level 2 and 3 in the consolidated financial statements amounted to Baht 302 billion. Financial liabilities measured at fair value classified as level 2 and 3 in the consolidated financial statements amounted to Baht 61 billion.</p> <p>There is a risk that financial instruments classified as level 2 and level 3 in the fair value hierarchy may be mispriced in the statement of financial position because they are not based on objective external prices or, where these are not easily observable, the best estimate of what they may be.</p> <p>The valuation of financial instruments is considered a key audit matter due to the degree of complexity involved in valuing certain level 2 and 3 instruments and the significance of judgments and estimates involved.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• Performing a risk assessment by considering the factors which could affect the fair value of financial instruments, both in terms of the inputs used for valuation and the appropriateness of valuation techniques applied.</li> <li>• Testing a sample of financial instruments that pricing inputs used were externally sourced and correctly input into pricing models for financial instruments, including the liquidity of prices, where applicable. Furthermore, I checked that the criteria used for determining the fair value measurement approach for financial instruments with significant unobservable inputs were appropriate. I used my own valuation specialists to assess that the models were appropriate and tested the fair value of a sample of the Group's financial instruments independently and compared their valuation to the Group's valuation.</li> <li>• Considering the adequacy of disclosures in accordance with Thai Financial Reporting Standards and BoT notifications and guidelines.</li> </ul>



### *Emphasis of Matter*

I draw attention to Note 45, which describes shareholding restructuring plan. On 22 April 2022, the Company allocated 3,367,107,286 newly issued ordinary shares, at the par value of Baht 10 per share to shareholders of the Bank who accepted the tender offer. The Company, consequently, acquired the ordinary shares and preferred shares of the Bank in the total number of 3,367,107,286 shares, at the par value of Baht 10 per share from the shareholders of the Bank who accepted the tender offer as part of the share swap. On 27 April 2022, the Company's shares were listed on the Stock Exchange of Thailand in place of the securities of the Bank, which were delisted on the same day. In addition, I draw attention to note 2 describing the effect of the business combination under common control. The consolidated statement of financial position as at 31 December 2021, a component of the audited financial statements as at 31 December 2021 including the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, which are included as comparative information have also been adjusted as described in note 2. My conclusion is not modified in respect of this matter.

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

*Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements*

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



(Orawan Chunhakitpaisan)  
Certified Public Accountant  
Registration No. 6105

KPMG Phoomchai Audit Ltd.  
Bangkok  
17 February 2023



**SCB X Public Company Limited and its Subsidiaries**

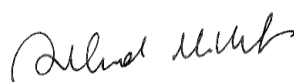
**Statement of financial position**

	<b>After restructuring</b>	<b>Before restructuring</b>		
	<b>Consolidated financial statements</b>	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>	
	31 December	31 December	31 December	
<b>Assets</b>	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Cash	47,253,581	50,420,799	1,370	5
Interbank and money market items, net	522,055,609	618,268,620	7,411,843	-
Financial assets measured at fair value through profit or loss	62,326,524	68,707,387	-	-
Derivative assets	66,084,005	57,579,088	-	-
Investments, net	390,671,195	222,634,338	1,472,358	-
Investments in subsidiaries, associates and joint venture, net	1,205,738	781,207	508,001,341	1
Loans to customers and accrued interest receivables, net	2,247,848,045	2,165,455,869	26,328,941	-
Properties for sale, net	22,440,808	18,200,943	-	-
Investment properties, net	495,336	511,094	-	-
Premises and equipment, net	46,456,883	45,196,041	22,213	-
Goodwill and other intangible assets, net	20,478,683	18,384,743	-	-
Deferred tax assets	3,225,430	3,681,058	-	-
Other assets, net	23,910,500	44,743,711	1,157,659	-
<b>Total assets</b>	<b>3,454,452,337</b>	<b>3,314,564,898</b>	<b>544,395,725</b>	<b>6</b>

**SCB X Public Company Limited and its Subsidiaries**

**Statement of financial position**

	After restructuring	Before restructuring	Separate financial statements	
	Consolidated financial statements	Consolidated financial statements	31 December	2021
Liabilities and shareholders' equity	31 December 2022	31 December 2021	2022	2021
	<i>(in thousand Baht)</i>			
<b>Liabilities</b>				
Deposits	2,555,799,805	2,467,495,380	-	-
Interbank and money market items	181,347,492	180,961,455	42,934,880	-
Liabilities payable on demand	11,429,091	10,539,176	-	-
Financial liabilities measured at fair value through profit or loss	38,755	5,750	-	-
Derivative liabilities	60,632,010	49,200,116	639,377	-
Debt issued and borrowings	71,996,494	74,921,623	-	-
Provisions	19,373,480	20,342,267	10,309	-
Deferred tax liabilities	928,726	887,849	-	-
Other liabilities	86,294,601	67,605,190	718,327	8,670
<b>Total liabilities</b>	<b>2,987,840,454</b>	<b>2,871,958,806</b>	<b>44,302,893</b>	<b>8,670</b>
<b>Shareholders' equity</b>				
Share capital				
Authorised share capital				
Preferred shares	-	35,826,672	-	-
Common shares	33,991,922	34,173,338	33,991,922	10
Issued and paid-up share capital				
Preferred shares	-	35,429	-	-
Common shares	33,671,073	33,956,503	33,671,073	10
Premium on share capital				
Premium on preferred shares	-	13,855	-	-
Premium on common shares	11,019,190	11,110,336	407,069,914	-
Other reserves	21,954,695	22,837,505	-	-
Retained earnings				
Appropriated				
Legal reserve	3,400,000	7,000,000	3,400,000	-
Unappropriated	391,186,687	366,043,734	55,951,845	(8,674)
Total owners of the company	461,231,645	440,997,362	500,092,832	(8,664)
Non-controlling interests	5,380,238	1,608,730	-	-
<b>Total shareholders' equity</b>	<b>466,611,883</b>	<b>442,606,092</b>	<b>500,092,832</b>	<b>(8,664)</b>
<b>Total liabilities and shareholders' equity</b>	<b>3,454,452,337</b>	<b>3,314,564,898</b>	<b>544,395,725</b>	<b>6</b>



(Mr. Arthid Nanthawithaya)

Chief Executive Officer



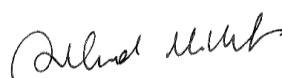
**SCB X Public Company Limited and its Subsidiaries**  
**Statement of profit or loss and other comprehensive income**

	After restructuring	Before restructuring		Separate financial statements
	Consolidated financial statements	Consolidated financial statements	Separate financial statements	statements
	for the year ended 31 December	for the year ended 31 December	for the year ended 31 December	for the period from 15 September 2021 to 31 December
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Interest income	126,992,632	112,176,572	100,589	-
Interest expenses	19,127,399	17,005,762	154,132	-
Net interest income	107,865,233	95,170,810	(53,543)	-
Fee and service income	48,143,055	50,355,543	-	-
Fee and service expenses	10,995,510	10,157,495	72	-
Net fee and service income	37,147,545	40,198,048	(72)	-
Net gain (loss) on financial instruments measured at fair value through profit or loss	6,669,367	11,090,364	(71,153)	-
Net gain on investments	54,233	145,987	-	-
Share of profit from investment in associates and joint venture	272,600	556,560	-	-
Dividend income	149,083	166,035	65,474,883	-
Other operating income	2,262,274	3,014,245	85,962	-
Total operating income	154,420,335	150,342,049	65,436,077	-
Other operating expenses				
Employee expenses	31,218,904	30,006,793	425,039	-
Directors' remuneration	273,819	111,658	126,108	-
Premises and equipment expenses	11,511,344	10,848,501	7,082	-
Taxes and duties	4,399,628	3,611,083	1,216	-
Other expenses	22,469,961	18,977,721	340,452	8,674
Total operating expenses	69,873,656	63,555,756	899,897	8,674
Expected credit loss	33,828,761	42,024,476	125,000	-
Profit (loss) from operation before income tax expenses	50,717,918	44,761,817	64,411,180	(8,674)
Tax expenses	13,592,494	9,375,857	-	-
Net profit (loss)	37,125,424	35,385,960	64,411,180	(8,674)

**SCB X Public Company Limited and its Subsidiaries**

**Statement of profit or loss and other comprehensive income**

	After restructuring	Before restructuring	Separate financial statements	Separate financial statements
	Consolidated financial statements	Consolidated financial statements	statements	statements
	for the year ended	for the year ended	for the year ended	for the period from
	31 December	31 December	31 December	15 September 2021
	2022	2021	2022	to 31 December
				2021
	<i>(in thousand Baht)</i>			
Other comprehensive income (loss)				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Loss on investments in debt instruments at fair value through other comprehensive income	(231,896)	(912,382)	-	-
Gain (loss) arising from translating the financial statements of a foreign operation	(305,035)	113,218	-	-
Changes in hedge reserve	(6,125)	-	-	-
Income tax relating to components of other comprehensive income (loss) will be reclassified subsequently to profit or loss	47,604	182,476	-	-
	<u>(495,452)</u>	<u>(616,688)</u>	<u>-</u>	<u>-</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Gain (loss) on investments designated at fair value through other comprehensive income	10,892	(391,865)	-	-
Gain on revaluation of assets	-	8,960,197	-	-
Gain on remeasurements of defined benefit plans	1,724,369	493,992	-	-
Income tax relating to components of other comprehensive income (loss) will not be reclassified subsequently to profit or loss	(347,052)	(1,786,714)	-	-
	<u>1,388,209</u>	<u>7,275,610</u>	<u>-</u>	<u>-</u>
Total other comprehensive income (loss), net of income tax	<u>892,757</u>	<u>6,658,922</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income (loss)</b>	<b><u>38,018,181</u></b>	<b><u>42,044,882</u></b>	<b><u>64,411,180</u></b>	<b><u>(8,674)</u></b>
Net profit (loss) attributable to:				
Owners of the company	37,546,011	35,589,987	64,411,180	(8,674)
Non-controlling interests	(420,587)	(204,027)	-	-
Total comprehensive income (loss) attributable to:				
Owners of the company	38,422,921	42,245,935	64,411,180	(8,674)
Non-controlling interests	(404,740)	(201,053)	-	-
Earnings (loss) per share of the parent company				
Basic earnings (loss) per share <i>(in Baht)</i>	<u>11.12</u>	<u>10.47</u>	<u>27.49</u>	<u>(8,674.00)</u>



(Mr. Arthid Nanthawithaya)  
Chief Executive Officer

SCB X Public Company Limited and its Subsidiaries  
Statement of changes in equity

Year ended 31 December 2022

Balance at 1 January 2022																	
	35,429	33,956,503	13,855	11,110,336	-	103,884	(418,367)	-	1,016,444	22,135,046	498	22,837,505	7,000,000	366,043,734	440,997,362	1,608,730	442,606,092
Transactions with owners, recorded directly in equity																	
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,990,536)	(13,990,536)	(623,905)	(14,614,441)
Conversion of preferred shares to common shares	(178)	178	(69)	69	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital reduction	-	(10)	-	-	-	-	-	-	-	-	-	-	-	-	(10)	-	(10)
Capital contribution from non-controlling interest of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	947,655
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	-	-	89,237	-	(55,658)	33,579	(244,342)	(210,763)
Liquidation of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	472	472	(146,769)	(146,297)
Share-based payment	-	-	-	-	3,721	-	-	-	-	-	-	3,721	-	-	3,721	2,746	6,467
Total transactions with owners, recorded directly in equity	(178)	168	(69)	69	3,721	3,721	-	-	-	-	-	92,958	-	(14,045,722)	(13,952,774)	(64,615)	(14,017,389)
Comprehensive income (loss) for the year																	
Net profit (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	37,546,011	37,546,011	(420,587)	37,125,424
Other comprehensive income (loss)	-	-	-	-	(188,084)	(303,717)	(4,854)	8,622	(488,033)	-	-	(488,033)	-	1,364,943	876,910	15,847	892,757
Total comprehensive income (loss) for the year	-	-	-	-	(188,084)	(303,717)	(4,854)	8,622	(488,033)	-	-	(488,033)	-	38,910,954	38,422,921	(404,740)	38,018,181
Transfer to legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	3,400,000	(3,400,000)	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	(518)	(277,844)	-	-	(278,362)	-	278,362	-	-	-
Gain on sale investments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	4,952	4,952	47	4,999
Adjustment non-controlling interest from business combination under common control	(35,251)	(285,598)	(13,786)	(91,215)	-	3,338	5,057	(9,541)	(208,227)	-	-	(209,373)	(7,000,000)	3,394,407	(4,240,816)	4,240,816	-
	(35,251)	(285,598)	(13,786)	(91,215)	-	3,338	5,057	(10,059)	(486,071)	-	-	(487,735)	(3,600,000)	277,721	(4,235,864)	4,240,863	4,999
Balance at 31 December 2022																	
	-	33,671,073	-	11,019,190	3,721	(80,862)	(717,027)	(4,854)	1,015,007	21,648,975	498	21,954,695	3,400,000	391,186,687	461,231,645	5,380,238	466,611,883

	Before restructuring – Consolidated														
	Other reserves														
	Gain (loss) on investments in debt instruments at fair value through other comprehensive income	Gain (loss) arising from translating the financial statements of a foreign operation	Gain (loss) on investments designated at fair value through other comprehensive income	Changes in revaluation surplus	Other	Total other reserves	Retained earnings	Total owners of the company	Non-controlling interests	Total					
Issued and paid-up share capital	Common shares	Preferred shares	Premium on share capital	Common shares											
Preferred shares	Common shares														
	36,015	33,955,907	14,085	11,110,106	833,790	(528,799)	1,329,935	15,272,071	-	16,906,297	7,000,000	342,406,796	411,429,906	399,142	411,829,048
Year ended 31 December 2021															
Balance at 1 January 2021															
Transactions with owners, recorded directly in equity															
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(12,678,987)	(12,678,987)	-	(12,678,987)
Conversion of preferred shares to common shares	(586)	586	(230)	230	-	-	-	-	-	-	-	-	-	-	-
Capital contribution from a non-controlling interest of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	1,410,641	1,410,641
Issued share capital	-	10	-	-	-	-	-	-	-	-	-	-	10	-	10
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	498	498	-	-	498	-	498
Total transactions with owners, recorded directly in equity	(586)	596	(230)	230	-	-	-	-	498	498	-	(12,678,987)	(12,678,479)	1,410,641	(11,267,838)
Comprehensive income (loss) for the year															
Net profit (loss)	-	-	-	-	-	-	-	-	-	-	-	35,589,987	35,589,987	(204,027)	35,385,960
Other comprehensive income (loss)	-	-	-	-	(729,906)	110,432	(313,491)	7,193,908	-	6,260,943	-	395,005	6,655,948	2,974	6,658,922
Total comprehensive income (loss) for the year	-	-	-	-	(729,906)	110,432	(313,491)	7,193,908	-	6,260,943	-	35,984,992	42,245,935	(201,053)	42,044,882
Transfer to retained earnings	-	-	-	-	-	-	-	(330,933)	-	(330,933)	-	-	-	-	-
Balance at 31 December 2021															
	35,429	33,956,503	13,855	11,110,336	103,884	(418,367)	1,016,444	22,135,046	498	22,837,505	7,000,000	366,043,734	440,297,362	1,608,730	442,606,092

**SCB X Public Company Limited and its Subsidiaries**  
**Statement of changes in equity**

	Separate financial statements			
	Issued and paid-up share capital	Premium on share capital	Retained earnings (Deficit)	
			Legal reserve	Unappropriated
				Total
	<i>(in thousand Baht)</i>			
<b>Year ended 31 December 2022</b>				
<b>Balance at 1 January 2022</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>(8,674)</b>
<b>Transactions with owners, recorded directly in equity</b>				
Dividend paid	-	-	-	(5,050,661)
Issue of ordinary shares	33,671,073	407,069,914	-	-
Capital reduction	(10)	-	-	-
<b>Total transactions with owners, recorded directly in equity</b>	<b>33,671,063</b>	<b>407,069,914</b>	<b>-</b>	<b>(5,050,661)</b>
<b>Comprehensive income (loss) for the year</b>				
Net profit	-	-	-	64,411,180
<b>Total comprehensive income (loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64,411,180</b>
Transfer to legal reserve	-	-	3,400,000	(3,400,000)
<b>Balance at 31 December 2022</b>	<b>33,671,073</b>	<b>407,069,914</b>	<b>3,400,000</b>	<b>55,951,845</b>
				<b>500,092,832</b>



**SCB X Public Company Limited and its Subsidiaries**  
**Statement of changes in equity**

	Separate financial statements		
	Issued and paid-up share capital	Deficit <i>(in thousand Baht)</i>	Total
<b>For the period from 15 September 2021 to 31 December 2021</b>			
Issue of ordinary shares on 15 September 2021	10	-	10
<b>Comprehensive income (loss) for the period</b>			
Loss for the period	-	(8,674)	(8,674)
<b>Total comprehensive income (loss) for the period</b>	-	(8,674)	(8,674)
<b>Balance at 31 December 2021</b>	<b>10</b>	<b>(8,674)</b>	<b>(8,664)</b>



.....  
(Mr. Arthid Nanthawithaya)  
Chief Executive Officer

**SCB X Public Company Limited and its Subsidiaries**

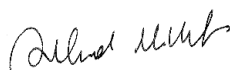
**Statement of cash flows**

	After restructuring	Before restructuring		
	Consolidated	Consolidated	Separate financial	Separate financial
	financial statements	financial statements	statements	statements
	for the year ended	for the year ended	for the year ended	for the period from
	31 December	31 December	31 December	15 September 2021
	2022	2021	2022	to 31 December
				2021
	(in thousand Baht)			
<b>Cash flows from operating activities</b>				
Profit (loss) from operating before income tax expenses	50,717,918	44,761,817	64,411,180	(8,674)
<i>Adjustments to reconcile profit from operating before income tax expenses to cash receipts (payments) from operating activities</i>				
Depreciation and amortisation	9,070,387	9,489,865	3,580	-
Expected credit loss	37,750,714	45,115,421	125,000	-
Impairment loss on properties for sale	220,968	648,522	-	-
(Reversal of) impairment loss on premises and equipment	7,664	(225,123)	-	-
Impairment loss on intangible assets	96,658	-	-	-
Provision expenses	1,891,486	2,457,296	10,309	-
Share-based payment transactions	40,389	-	-	-
Gain from sale of properties for sale	(1,368,289)	(1,167,399)	-	-
(Gain) loss on sale of premises and equipment	(1,783)	4,812	-	-
Loss from write-off of premises and equipment	14,273	139,752	-	-
Loss from write-off of intangible assets	1,369	14,559	-	-
Loss on revaluation of investment properties	-	34,413	-	-
Net gain on financial instruments	(33,730,678)	(31,458,881)	(109,687)	-
Net gain on investments	(54,233)	(145,987)	-	-
Share of profit from investments in associates and joint venture	(272,600)	(556,560)	-	-
	64,384,243	69,112,507	64,440,382	(8,674)
Net interest income	(107,865,233)	(95,170,810)	53,543	-
Dividend income	(149,083)	(166,035)	(65,474,883)	-
Proceeds from interest	125,230,423	111,765,649	23,789	-
Interest paid	(19,166,429)	(17,936,395)	(17,757)	-
Proceeds from dividend	297,153	237,681	65,474,883	-
Income tax paid	(10,247,065)	(11,103,076)	-	-
Profit (loss) from operating before changes in operating assets and liabilities	52,484,009	56,739,521	64,499,957	(8,674)
<i>(Increase) decrease in operating assets</i>				
Interbank and money market items	96,388,290	(70,766,620)	(7,411,070)	-
Derivative assets	(10,138,841)	33,887,176	-	-
Investment in short-term securities	40,111,541	(8,827,364)	109,687	-
Loans to customers	(125,223,302)	(87,728,120)	(26,400,000)	-
Properties for sale	8,150,143	7,322,125	-	-
Other assets	20,978,612	(441,178)	(1,135,575)	-
<i>Increase (decrease) in operating liabilities</i>				
Deposits	88,304,425	47,039,954	-	-
Interbank and money market items	386,037	(17,529,549)	42,934,880	-
Liabilities payable on demand	889,915	272,266	-	-
Financial liabilities measured at fair value through profit or loss	(33,005)	1,979	-	-
Derivative liabilities	11,425,769	(30,071,689)	639,377	-
Short-term debt issued and borrowings	(2,620,551)	4,187,823	-	-
Other liabilities	9,301,595	(2,581,649)	550,990	8,670
<b>Net cash from (used in) operating activities</b>	<b>190,404,637</b>	<b>(68,495,325)</b>	<b>73,788,246</b>	<b>(4)</b>

**SCB X Public Company Limited and its Subsidiaries**

**Statement of cash flows**

	After restructuring	Before restructuring		Separate financial statements
	Consolidated financial statements	Consolidated financial statements	Separate financial statements	statements
	for the year ended	for the year ended	for the year ended	for the period from
	31 December	31 December	31 December	15 September 2021
	2022	2021	2022	to 31 December
				2021
	<i>(in thousand Baht)</i>			
<b>Cash flows from investing activities</b>				
Acquisition of instruments measured at fair value through other comprehensive income	(209,161,324)	(267,494,078)	-	-
Proceeds from sale of instruments measured at fair value through other comprehensive income	244,383,595	355,401,640	-	-
Acquisition of instruments at amortised cost	(209,614,138)	(1,254,306)	(1,472,358)	-
Proceeds from redemption of instruments at amortised cost	2,207,570	959,156	-	-
Payment for investments in subsidiaries, associates and joint venture	(510,763)	(164,888)	(67,260,353)	(1)
Proceeds from disposal of investments in subsidiaries and associate	50,003	-	-	-
Acquisition of premises and equipment	(1,183,185)	(712,727)	(21)	-
Proceeds from sale of premises and equipment	2,720	22,603	-	-
Acquisition of intangible assets	(5,611,128)	(5,380,768)	-	-
<b>Net cash (used in) from investing activities</b>	<b>(179,436,650)</b>	<b>81,376,632</b>	<b>(68,732,732)</b>	<b>(1)</b>
<b>Cash flows from financing activities</b>				
Proceeds from long-term debt issued	16,211,000	-	-	-
Repayment of long-term debt issued	(14,880,000)	(1,031,865)	-	-
Proceeds from long-term borrowings	-	3,533	-	-
Proceeds from short-term borrowings	-	-	1,249,999	-
Repayment of long-term borrowings	(67,021)	(99,048)	-	-
Repayment of short-term borrowings	-	-	(1,249,999)	-
Payment of lease liabilities	(1,280,584)	(1,704,553)	(3,478)	-
Issued share capital	-	10	-	10
Dividend paid to equity holders of the Bank	(8,939,875)	(12,678,987)	-	-
Dividend paid to equity holders of the Company	(5,050,661)	-	(5,050,661)	-
Dividend paid to non-controlling interests of the Bank	(623,905)	-	-	-
Capital contribution from non-controlling interests of the subsidiaries	947,652	-	-	-
Payment to owners to redeem the entity's shares	(10)	-	(10)	-
Payment to a non-controlling interests from liquidation of subsidiary	(146,766)	1,305,641	-	-
<b>Net cash from (used in) financing activities</b>	<b>(13,830,170)</b>	<b>(14,205,269)</b>	<b>(5,054,149)</b>	<b>10</b>
Gain (loss) arising from translating the financial statements of a foreign operation	(305,035)	113,218	-	-
<b>Net increase (decrease) in cash</b>	<b>(3,167,218)</b>	<b>(1,210,744)</b>	<b>1,365</b>	<b>5</b>
Cash at 1 January	50,420,799	51,631,543	5	-
<b>Cash at 31 December</b>	<b>47,253,581</b>	<b>50,420,799</b>	<b>1,370</b>	<b>5</b>



(Mr. Arthid Nanthawithaya)  
Chief Executive Officer

## Management Discussion and Analysis

### For the year ended December 31, 2022

#### IMPORTANT DISCLAIMER:

Information contained in this document has been prepared from several sources and SCB X Public Company Limited (“SCBX”) makes no representation or warranty, expressed or implied, as to the accuracy, correctness, completeness, adequacy or freedom from defect of any kind of such information and SCBX, its affiliates, and their respective controlling persons, directors, officers, and employees shall have no liability whatsoever in relation to such information. Any views contained in this document are based on financial, economic, market and other conditions prevailing as at the date of this document. SCBX does not intend, and therefore shall not be held responsible, to update any and all the information contained in this document. However, SCBX reserves the right to amend this document at any time. Any forward-looking statements are subject to change as a result of market conditions and the final result may be different to that indicated. In addition, this document does not constitute or form part of, and should also not be construed as an offer, solicitation or invitation for any transaction whatsoever, and does not take into account any particular investment objectives, financial situation or particular needs of the recipient.

2022 marked another key milestone for SCBX. The group has completed the restructuring process under the fintech mothership strategy as SCB X PCL was listed on the Stock Exchange of Thailand on April 27, 2022 and major business and asset transfer transactions had been executed by the end of 2022. SCBX recorded full year net profit of Baht 37.5 billion, representing an increase of 5.5% yoy, following a robust NII growth and lower provisions which more than offset weak investment income and higher operating expenses. Asset quality remained under control with an improvement in NPLs and the NPL coverage ratio. Profit contribution was almost all from banking business for the year 2022 while we continued to build foundations to grow business under Gen 2 and Gen 3. The outlook for 2023 should be supported by continued economic recovery and improved capital market condition. We expect solid banking performance to continue and Gen 2 business performance to accelerate, while prudently looking for new investment opportunities.

#### On a journey to become a tech company

The quest to be a tech company with a vision to become “The Most Admired Regional Financial Technology Group” began with the completion of tender offer with a 99.06% acceptance rate, followed by an approval of one-time dividend to SCBX in the amount of Baht 61 billion to facilitate and fund related business transfers to complete the restructuring process.

In September 2022, SCBX used part of the proceeds to acquire shares of subsidiaries from the Bank and SCB 10X Company Limited and invest in SCBX’s subsidiaries. The credit card and personal loan business was transferred to CardX in early December 2022. In 2022, several of our portfolio companies made progress in building growth foundation. AutoX’s foray into the auto title loan market under “Ngern Chaiyo” brand was successful in quickly expanding customer base and the company has extended Baht 7.5 billion worth of loans at the end of December 2022, after the launch in 3Q22. Meanwhile, InnovestX unveiled the first investment super

app in Thailand that combines trading of traditional and digital securities into a unified platform. Moreover, InnovestX Securities collaborates with Goldman Sachs in developing investment products for Thailand market, broadening Thai investor's access to a vast array of investment solutions. Robinhood platform has secured a ride-hailing service license and fully transformed into a super app with the inclusion of online travel agent service, mart service, and express service.

In 2022, SCBX Group made several offshore strategic investments. The first was a USD 50 million indirect strategic investment in Bank Jasa Jakarta (an Indonesian commercial bank) with plans to re-platform into a digital bank backed by Welab and Astra Group. This investment is a strategic move to set a strong footprint in digital banking regionally. Initially, it will capture the growth opportunities in the digital banking business in Indonesia. The second was a USD 100 million strategic investment in AKULAKU, Indonesian leading digital consumer finance platform. This investment fits within our regional goal of serving an underserved market using digital financial solutions. The third was a USD 10 million investment in RakkaR Digital, an institutional-grade digital asset custody platform for institutions, was made through SCB 10X. RakkaR Digital will help provide digital asset custody and related services to clients across ASEAN. Also, we have made a USD 180 million investment in FWD, a leading Pan-Asian life insurer with a customer-led, legacy-light and digital-first model, in 2021 as FWD is a fast-growing life insurer with a strong focus in Southeast Asia and a key strategic partner of SCBX.

The Company has set a bold vision to be “the most admired regional financial technology group” but will prudently execute the plan to realize our vision in 3 phases. In Phase 1, we will transform ourselves into a Tech Group, the process that needs core tech and data capabilities to enable and accelerate the companies in our portfolio. In Phase 2, or over the next 2-3 years, we expect our digital lending businesses to show fast earnings growth and support the Group's steady earnings growth profile. In Phase 3, or in the next 3-5 years, the focus is placed on monetization and value realization of our Gen 3 businesses.

For more information on SCBX strategy, please visit [www.scbx.com/en/investor-relations/scbx-strategy-day-2022.html](http://www.scbx.com/en/investor-relations/scbx-strategy-day-2022.html) and QR code.



## **2022 Operating performance**

SCBX reported full-year net profit of Baht 37.5 billion, up 5.5% from the previous year, thanks to higher net interest income (NII) from loan growth and upward interest rate trend and lower expected credit losses. Nevertheless, SCBX reported higher operating expenses due to increased business activities and the Group restructuring cost. Cost-to-income ratio rose marginally to 45.2%. Fee-based income declined in the year as fees from wealth management products dropped along with investment and trading income.



SCBX Group's loan growth in 2022 was 3.3% yoy. The growth was driven mainly by SCB Bank's housing loans and loans provided by digital lending portfolio companies. Asset quality was well under control, with NPL ratio at 3.34% and strong improvement in coverage ratio. Expected credit losses declined yoy to Baht 33,829 million or 145 bps of total loans following prudent measures in the previous years coupled with the Bank's proactive debt restructuring under Bank of Thailand's blue scheme.

At the end of 2022, the number of digital users grew 25% yoy to 25 million. Digital loans expanded briskly at a rate of 73% yoy to Baht 65 billion. As a result, digital revenue almost doubled yoy and contributed 5% of total income in 2022.

(Note: Financial information presented for prior periods is retrospectively adjusted to furnish comparative information following the Financial Group restructuring whereby separate entities were created under common control.)

## 2023 Outlook and guidance

The COVID-19 pandemic took toll on the Thai economy, the tourism sector in particular, in the past few years. As Thailand fully reopened in 3Q22, our EIC forecasts GDP growth for 2023 at 3.4%, up from 2.6% in 2022, driven by a solid rebound in tourism. EIC anticipates the return of 30 million tourist arrivals in 2023.

In light of economic recovery, SCBX (consolidated level) plans to grow overall loan book by approximately 5-8% while maintaining its focus on quality growth within an acceptable risk/return level. Loan growth from Gen 1 (Banking service) is around 5% while loan growth from Gen 2 companies (Digital Lending) should be above 40%. As interest rates tend to rise further (EIC expects BOT to raise the policy rate by another 75 bps in 2023 after 75 bps increase in 2022) coupled with the asset optimization plan, we expect NIM to expand above 3.5%, with NIM for Gen 1 at around 3.0% and NIM for Gen 2 in the mid teens.

Total revenue is expected to grow more than 10%, to be contributed mainly by NII from upward interest rate and greater contribution from Gen 2 businesses as well as investment income, bancassurance, wealth and transactional activities will also play a key role in driving fee income in light of economic recovery. Meanwhile, investment income is expected to grow but remains subject to capital market factors. Regarding the Company's subsidiaries that are in their early stage, cost discipline will continue to be a key focus in 2023. The Company expects the cost-to-income ratio (C/I ratio) in the mid-40s: around 40% for Gen 1 and High 40s for Gen 2.

Following the Bank's proactive measures and prudent risk management framework, the Company anticipates the normalization in its credit cost to a 120-140 bps range. This guidance provided by the Company is subject to changes due to economic uncertainties and unforeseen events in the future.

Moreover, SCBX Group plans to increase customer base to 35 million which will be from Gen 1 around 18 million, Gen 2 around 13 million and Gen 3 around 4 million.

### Action plan and targets for 2023

#### SCB Bank

As part of the 2025 aspiration to be **No.1 digital bank in wealth management, offering seamless experiences across all channels to customers**, Gen 1's action plans for 2023 are as follows:

- **Digitalize end-to-end process** to level up the Bank's efficiency and stability. In doing so, the Bank's strategy is to create digital products and services, while enhancing seamless interactions across critical touchpoints both digitally and physically. In addition, infrastructures are to be modernized to improve resiliency and scalability.
- **Strengthen wealth management** to provide end-to-end wealth management solutions. The strategies can be divided into three aspects. First, holistic wealth solution is tailored to fit customers' needs both on personal wealth and business. Next, advice service quality is to be improved by upskilling relationship managers and enhancing digitalized advisory tools. Lastly, wide range of partners would be supportive for the Bank to provide comprehensive wealth management services.
- **Loan and risk adjusted return optimization** to balance portfolio and focus on good quality segment of customers are the Bank's strategy to improve asset quality amid rising interest rates and high economic uncertainties.

#### Gen 1's segment business strategy riding on tourism upside

With tourism recovery in Thailand, the Bank has developed strategies for each business segment to ride on tourism upside opportunities which are summarized as follows:

- **Wholesale and SME segment** aim to encourage customers who have excess cash to repay debt early corresponding to the recovery in hotel and tourism-related business. In addition, with increase in financial support needs for business operation, renovation, or expansion from the customers, the group will continue to support working capital and new investment for high quality customers.
- **Retail segment's** strategy to cope with increasing payment transactions from inbound tourists is to build payment solutions and promote usage of Cross-border QR Payment for inbound tourists. Furthermore, the Bank also enhances Cross-border QR Payment features in corresponding to increasing international spendings from outbound tourists.

- **Insurance segment's** strategy on the back of surging in outbound tourism is to increase travel insurance sales on digital platform. In addition, while growing health concerns and rising uncertainties boost demand for insurance, the Bank would launch new product bundled saving with health protecting and create proactive strategy to sell health insurance products. The Bank also approaches business owners in tourism supply chain on group insurance for their employees given that improving economic situation raises their ability to pay and reduces business concerns over long term commitment to pay insurance premium.

## **CardX**

Business transfer from SCB Bank was completed in December 2022 and CardX is now ready to execute business plans designed to make lending simple and accessible for everyone with pioneering AI technology. In 2023, we aim to ensure best and seamless experience for customer migration post business transfer. Risk management capabilities will also be elevated with dedicated focus and dynamic operating model. In addition, we will implement new collection operating model to maximize prevention and recovery and at the same time deploy AI/ML technology across end-to-end journey from acquisition and underwriting to collection and cost optimization. Lastly, we plan to launch Buy-Now-Pay-Later (BNPL) with JV by the middle of this year. We are on track to deliver our three-year business aspiration of becoming a top 3 unsecured consumer finance player in Thailand in terms of brand strength and profitability. CardX targets to achieve 3.8 million customers (from 3.2 million customers) with loan growth target of around 15% in 2023.

## **InnovestX**

InnovestX announced a major rebranding together with the launch of Thailand's first all-asset-class investment platform in October 2022. The company is gearing toward becoming a leading digital investment platform operator in ASEAN by equipping new technology to be able to respond to variety needs of customers. Action plans in 2023 of the company are to digitize traditional business to lower cost and improve customer experience, expanding customer base, and strengthening customer engagement through differentiated investment super app offerings. Additionally, one of the major tasks of InnovestX is to scale up digital asset business for the SCBX Group and accelerate Thailand's capital market evolution and pave way for regional financial service disruptions through blockchain and digital asset services such as tokenization. This will be executed with thorough consideration amid financial market turbulences and regulatory uncertainties. For 2023, InnovestX targets to have more than 1 million registered users and around Baht 4-5 billion revenue.

## Purple Ventures

Purple Ventures operates Thailand's Robinhood App which has evolved beyond being just a food-delivery app towards becoming Thailand's most admired super app. The company has already added additional services to the App including OTA and mart & express. For 2023, the company plans to launch new important lifestyle services including ride-hailing, electronic vehicle (EV) subscription, as well as financial products (digital lending and insurance). The company continues to focus on both expanding customer base and monetizing the businesses. Expansion of customer base will be driven by new product expansion while business monetization will be driven by ride-hailing, digital advertisement, subsidy reduction in food-delivery business, and revenue generation from OTA business. For 2023, the company targets to achieve 4.5 million registered users and Baht 11 billion GMV (+40% yoy).

## AutoX

AutoX launched the auto title loan business under brand "Ngern Chaiyo" in July 2022. The outstanding loans have reached Baht 7.5 billion with 1,200 outlets nationwide. In 2023, AutoX will continue to focus on the expansion of outlets and products. The company plans to have 2,000 outlets by the end of this year and lending products will better serve customers with a variety of collateral types as well as non-life insurance. The growth will be supported by productivity enhancement driven by strong salesforce and intelligence system. Besides the focus on growth, AutoX will ensure asset quality with target NPL of less than 2% through in-house Collection model initiatives and nationwide outsource agencies together with World-Class Collection system.

**Table 1 2023 targets by Gen**

2023 Targets	SCBX (Consolidated)	Gen 1 Banking Services	Gen 2 Consumer & Digital Financial Services	Gen 3 Platforms & Digital Assets
Loan Growth	5-8%	< 5%	> 40%	-
Net Interest Margin (NIM)	> 3.5%	~ 3%	Mid teens	-
Income Growth	> 10%	-	-	-
Cost to Income Ratio	Mid 40s	~ 40%	High 40s	-
Credit cost (bps)	120-140bps	~ 100bps	600-650bps	-
No. of Customer (million)	35 million	18 million	13 million	4 million

## SCBX Performance in 2022 (consolidated)

SCBX reported (audited) consolidated **net profit** of Baht 37,546 million for 2022, a 5.5% yoy increase from Baht 35,590 million in 2021. The increase was mainly from a robust growth of net interest income (NII) and lower expected credit loss, which was partly offset by higher operating expenses (OPEX), lower investment and trading income and lower fee and others.

**Table 2. Net Profit and Total Comprehensive Income**

Consolidated Unit: Baht million	After restructuring <b>2022</b>	Before restructuring <b>2021</b>	<b>% yoy</b>
Net interest income	107,865	95,171	13.3%
Fee and others	44,866	47,101	-4.7%
Investment and trading income	1,689	8,070	-79.1%
Total operating income	154,420	150,342	2.7%
Operating expenses	69,874	63,556	9.9%
<b>Pre-provision operating profit</b>	<b>84,547</b>	<b>86,786</b>	<b>-2.6%</b>
Expected credit loss	33,829	42,024	-19.5%
Income tax	13,592	9,376	45.0%
Non-controlling interests	(421)	(204)	NM
<b>Net profit</b> (attributable to shareholders of the Company)	<b>37,546</b>	<b>35,590</b>	<b>5.5%</b>
Other comprehensive income (loss)	877	6,656	-86.8%
<b>Total comprehensive income</b>	<b>38,423</b>	<b>42,246</b>	<b>-9.0%</b>
ROAE	8.3%	8.4%	
ROAA	1.1%	1.1%	

NM denotes "not meaningful"



Income statement for the year ended December 31, 2022 (Consolidated basis)

Table 3. Net interest income

Consolidated Unit: Baht million	After restructuring 2022	Before restructuring 2021	% yoy
<b>Interest income</b>	<b>126,993</b>	<b>112,177</b>	<b>13.2%</b>
Loans	106,671	94,976	12.3%
Interbank and money market	3,978	2,611	52.4%
Hire purchase	11,339	12,050	-5.9%
Investments	4,870	2,495	95.2%
Others	135	45	200.6%
<b>Interest expenses</b>	<b>19,127</b>	<b>17,006</b>	<b>12.5%</b>
Deposits	9,600	9,556	0.5%
Interbank and money market	1,405	816	72.2%
Borrowings	1,859	890	108.9%
Contribution to the Deposit Protection Agency & FIDF	6,057	5,734	5.6%
Others	206	10	2011.1%
<b>Net interest income</b>	<b>107,865</b>	<b>95,171</b>	<b>13.3%</b>

Net interest income in 2022 increased 13.3% yoy to Baht 107,865 million, driven by a combination of selective loan growth of 3.3% yoy and NIM expansion of 29 bps.

Table 4. Yield and cost of funding

Consolidated Unit: Percentage	After restructuring 2022	Before restructuring 2021
Net interest margin	3.29%	3.00%
Yield on earning assets	3.87%	3.53%
Yield on loans	5.04%	4.70%
Yield on interbank and money market	0.70%	0.45%
Yield on investment	1.31%	0.79%
Cost of funds <sup>1/</sup>	0.69%	0.63%
Cost of deposits <sup>2/</sup>	0.62%	0.62%

Note Profitability ratios use the average of the beginning and ending balances as the denominator.

<sup>1/</sup> Cost of funds = Interest expenses (including contributions to DPA & FIDF) / Average interest-bearing liabilities.

<sup>2/</sup> Cost of deposits includes contributions to the Deposit Protection Agency and FIDF fees.

In 2022, NIM expanded by 29 bps to 3.29% largely due to higher yield on investment (+52 bps), higher loan yields (+34 bps) and higher yield on interbank (+25 bps) despite higher funding cost (+6 bps). The increase in yield was a result of policy rate hikes in 2H22 (3 times) and the Bank's 2 times increase in benchmark rates, a smaller volume of debt restructuring compared to last year as well as pricing discipline on new bookings.

**Table 5. Fee and others**

Consolidated Unit: Baht million	After restructuring <b>2022</b>	Before restructuring <b>2021</b>	<b>% yoy</b>
Transactional banking *	13,699	11,964	14.5%
Lending related **	5,612	5,261	6.7%
Wealth management ***	7,838	10,891	-28.0%
Bancassurance	15,125	15,154	-0.2%
Others	2,593	3,831	<b>-32.3%</b>
<b>Fee and others</b>	<b>44,866</b>	<b>47,101</b>	<b>-4.7%</b>

\* Including transactional fees, trades, FX income, and others

\*\* Including loan related fees and credit cards

\*\*\* Including income from fund management, securities business, and others

**Fee and others** decreased 4.7% yoy to Baht 44,866 million in 2022 largely due to a slowdown in the wealth management business under the prevailing investment sentiments, despite a rebound in the transactional banking fees following the country's reopening as well as lower other income from lower gains on the sale of written-off unsecured loans.

**Table 6. Investment and trading income**

Consolidated Unit: Baht million	After restructuring <b>2022</b>	Before restructuring <b>2021</b>	<b>% yoy</b>
Gain (loss) on investment	1,778	7,622	-76.7%
Trading income	(89)	448	NM
<b>Investment and trading income</b>	<b>1,689</b>	<b>8,070</b>	<b>-79.1%</b>

NM denotes "not meaningful"

**Investment and trading income** decreased significantly 79.1% yoy to Baht 1,689 million in 2022 largely due to unrealized losses from the investment portfolio and FX loss from investment revaluation.

Table 7. Operating expenses

Consolidated Unit: Baht million	After restructuring 2022	Before restructuring 2021	% yoy
Employee expenses	31,219	30,007	4.0%
Premises and equipment expenses	11,511	10,849	6.1%
Taxes and duties	4,400	3,611	21.8%
Directors' remuneration	274	112	145.2%
Other expenses	22,470	18,978	18.4%
<b>Total operating expenses</b>	<b>69,874</b>	<b>63,556</b>	<b>9.9%</b>
<b>Cost to income ratio</b>	<b>45.2%</b>	<b>42.3%</b>	

Operating expenses increased 9.9% yoy to Baht 69,874 million in 2022 largely due to higher marketing campaigns and promotion of the portfolio companies, higher set up cost for new portfolio companies and IT-related expenses.

For 2022, the cost-to-income ratio was at 45.2% in line with Company's full-year guidance. The Company cost discipline will continue to be a key focus.

Table 8. Expected credit loss (ECL)

Consolidated Unit: Baht million	After restructuring 2022	Before restructuring 2021	% yoy
Expected credit loss	33,829	42,024	-19.5%
Credit cost (bps)	145	184	

In 2022, expected credit losses declined to Baht 33,829 million (145 bps of total loans) following higher provisions in the previous years coupled with the Bank's proactive debt restructuring under the blue scheme, resulting in a high coverage ratio of 159.7%. This amount not only reflected the pro-cyclicality of forward-looking Expected Credit Loss (ECL) models as required by the TFRS 9 framework, but also included management overlay given the current uncertain economic environment.

## Balance sheet as of December 31, 2022 (Consolidated basis)

As of December 31, 2022, the Company's total assets rose 4.2% yoy to Baht 3,454 billion from higher investments and loan growth of 3.3% yoy. Details on the consolidated balance sheet are provided in the following sections:

**Table 9. Loans by segment**

Consolidated Unit: Baht million	After restructuring <b>Dec 31, 22</b>	Before restructuring <b>Dec 31, 21</b>	<b>% yoy</b>
Corporate	857,260	828,200	3.5%
SME	407,355	403,165	1.0%
Retail	1,112,599	1,070,469	3.9%
Housing loans*	729,555	696,046	4.8%
Auto loans	188,765	219,261	-13.9%
Unsecured loans	43,271	22,384	93.3%
Other loans	14,354	8,145	76.2%
Loans under subsidiaries	136,654	124,633	9.6%
CardX **	114,520	117,349	-2.4%
AutoX	7,495	-	NM
Other subsidiaries	14,639	7,284	101.0%
<b>Total loans</b>	<b>2,377,215</b>	<b>2,301,834</b>	<b>3.3%</b>

\* Including all home mortgage loans, some of which are from segments other than retail.

\*\* Data as of December 2021 was restated to furnish comparative information.

NM denotes "not meaningful"

Total loans increased 3.3% yoy at the end of December 2022. Changes in loan volume by customer segment are as follows:

- **Corporate** loans increased 3.5% yoy due to demand from large corporates with high credit quality.
- **SME** loans grew 1.0% yoy. The yoy increase was from targeted lending to existing high-quality small SMEs.
- **Retail** loans (including loans under subsidiaries) increased 3.9% yoy. Below are details of changes in loan volume by sub-segment.
  - **Housing loans** increased 4.8% yoy given continued demand in high-end housing developments.
  - **Auto loans** fell 13.9% yoy largely from loan repayments.

- **Unsecured loans** of the Bank (personal loans and credit card receivables) increased 93.3% yoy reflecting higher economic activities as a result of country re-opening as well as high demand from personal loans.
- **Loans under subsidiaries**, including loans extended by MONIX, SCB Abacus, InnovestX, AutoX and CardX increased by 9.6% yoy to Baht 136,654 million.
  - **AutoX loans** increased 150.9% qoq to Baht 7,495 million, after the launch in 3Q22.
  - After the completion of business transfer in early December 2022, **CardX loans** (personal loans and credit card receivables) stood at Baht 114,520 million at the end of 2022.

Table 10. Deposits breakdown

Consolidated	After restructuring	Before restructuring	
Unit: Baht million	Dec 31, 22	Dec 31, 21	% yoy
Demand	122,346	118,954	2.9%
Savings	1,984,751	1,840,043	7.9%
Fixed	448,703	508,498	-11.8%
Less than 6 months	95,626	108,205	-11.6%
6 months and up to 1 year	140,843	157,551	-10.6%
Over 1 year	212,234	242,742	-12.6%
<b>Total deposits</b>	<b>2,555,800</b>	<b>2,467,495</b>	<b>3.6%</b>
CASA - Current & Savings Accounts (%)	82.4%	79.4%	
Gross loans to deposits ratio	93.0%	93.3%	
Liquidity ratio (Bank-only)	34.6%	33.0%	

As of December 31, 2022, total **deposits** increased 3.6% yoy driven by higher saving and demand deposits. As a result, CASA mix rose to 82.4% at the end of December 2022 from 79.4% at the end of last year. Given larger deposit growth than loans, the gross loans to deposits ratio fell slightly to 93.0% from 93.3% at the end of December 2021.

The Bank's daily liquidity ratio of 34.6%, as measured by total liquid assets to total deposits (at a bank-only level), was well above the 20% minimum threshold.

Table 11. Investment Classification

Consolidated Unit: Baht million	After restructuring	Before restructuring	
Investments	Dec 31, 22	Dec 31, 21	% yoy
Financial assets measured at FVTPL	62,326	68,707	-9.3%
Investments in debt securities measured at amortised cost	211,019	7,548	2695.7%
Investments in debt securities measured at FVOCI	178,016	213,450	-16.6%
Investments in equity securities measured at FVOCI	1,636	1,636	0.0%
<b>Net investment *</b>	<b>390,671</b>	<b>222,634</b>	<b>75.5%</b>
Investment in associates	1,206	781	54.3%
<b>Total</b>	<b>454,203</b>	<b>292,123</b>	<b>55.5%</b>

\* Net investments comprise investments measured at amortized cost and measured at FVOCI

Investments at the end of December 2022 increased significantly by 55.5% yoy. The yoy increase was mainly from higher government bonds measured at amortized cost.

### Statutory Capital

The new entity, SCBX Group, is subject to the same regulations as the Bank, namely the BOT's consolidated supervision guidelines, and must maintain the same minimum capital requirements including additional buffers. The required additional buffers consist of a 2.5% conservation buffer to be held in CET1 and a 1% Domestic Systemically Important Banks (D-SIBs) buffer. Details of minimum regulatory capital requirements for both the Bank and SCBX Group as prescribed by the BOT are shown in table 12.

Table 12: Minimum regulatory capital ratios including capital buffers

Minimum regulatory capital requirements	
Common Equity Tier 1 (CET1 ratio)	4.50%
Tier 1 Capital	6.00%
Total Capital	8.50%
Capital buffer	
Capital Conservation Buffer	2.50%
D-SIBs Buffer	1.00%
Total minimum regulatory capital requirements	
Common Equity Tier 1 (CET1 ratio)	8.00%
Tier 1 Capital	9.50%
Total Capital	12.00%



SCBX Group follows the same prudent approach to capital management as the Bank by maintaining capital well above the minimum regulatory requirements and ensuring adequate loan loss provisions. This additional cushion allows SCBX Group to better handle unforeseen events and absorb any emerging risks that may arise from new businesses in the future.

Capital positions of SCBX Group and the Bank at the end of December 2022 under the Basel III framework are shown in the below table.

**Table 13. Total Regulatory Capital**

	<b>SCBX (Consolidated)</b>		<b>SCB Bank (Bank-only)</b>	
	<b>Dec 31, 22</b>	<b>Dec 31, 21</b>	<b>Dec 31, 22</b>	<b>Dec 31, 21</b>
Unit: Baht million, %				
<b>Statutory Capital</b>				
Common Equity Tier 1	408,287	399,566	344,932	397,032
Tier 1 capital	409,359	399,566	344,932	397,032
Tier 2 capital	25,548	24,669	24,250	24,612
<b>Total capital</b>	<b>434,907</b>	<b>424,235</b>	<b>369,182</b>	<b>421,644</b>
Risk-weighted assets	2,306,339	2,265,443	2,220,000	2,238,352
<b>Capital Adequacy Ratio</b>	<b>18.9%</b>	<b>18.7%</b>	<b>16.6%</b>	<b>18.8%</b>
Common Equity Tier 1	17.7%	17.6%	15.5%	17.7%
Tier 1 capital	17.8%	17.6%	15.5%	17.7%
Tier 2 capital	1.1%	1.1%	1.1%	1.1%

Consolidated common equity Tier 1/Tier 1 capital of SCBX Group increased yoy at the end of December 2022 mainly from appropriation of net profit which was partly offset by a dividend payment of Baht 5.1 billion (Baht 1.50 per share). A strong capital position not only provides an additional cushion against current economic uncertainty but also enables SCBX to assist customers during the post-pandemic recovery. On the Bank-only basis, common equity Tier 1/Tier 1 capital decreased significantly yoy to 15.5% due mainly to a one-off dividend payment of Baht 61 billion from retained earnings of the Bank to shareholders. The dividend payment from SCB Bank to SCBX for funding purposes is considered an intra-group transaction and thus will only affect the capital position of the Bank but not of SCBX.

The Group believes that its strong capital position, which is currently well above the minimum regulatory requirement, in combination with high loan loss provisions will enable the Group and the Bank to withstand unforeseen adverse shocks and pursue any growth opportunities within the BOT's regulatory boundary.

## Asset Quality

At the end of December 2022, **gross NPLs** (on a consolidated basis) decreased 12.6% yoy to Baht 95.3 billion. **Gross NPL ratio** decreased yoy to 3.34%. The yoy improvement was primarily driven by effective NPL management through NPL sales.

At the end of December 2022, the Company's **coverage ratio** increased to 159.7%, up 20.3% from the end of 2021 largely from a significant decline in NPLs. The Company's total loan loss reserve as a percentage of total loans (% LLR) remained strong at 6.3%.

**Table 14. Asset quality**

	After restructuring <b>Dec 31, 22</b>	Before restructuring <b>Dec 31, 21</b>
Unit: Baht million, %		
<b>SCBX (Consolidated)</b>		
Non-Performing Loans (Gross NPLs)	95,329	109,114
Gross NPL ratio	3.34%	3.79%
Total allowance*	152,265	152,111
Total allowance to NPLs (Coverage ratio)	159.7%	139.4%
Credit cost (bps)	145	184
<b>SCB Bank (Bank-only)</b>		
Non-Performing Loans (Gross NPLs)	90,550	108,051
Gross NPL ratio	3.25%	3.77%

\* Total allowance includes loans, interbank and money market and loan commitments, and financial guarantee contracts.

## Loan Classification and Allowance for Expected Credit Losses

Under TFRS 9, loans are classified into 3 stages based on changes in credit quality since initial recognition. Loans and allowance for expected credit losses at the end of December 2022 and December 2021 were classified as follows:

**Table 15. Loans and allowances for expected credit losses by stages**

Consolidated Unit: Baht million	After restructuring <b>Dec 31, 22</b>		Before restructuring <b>Dec 31, 21</b>	
	Loans and interbank	ECL*	Loans and interbank	ECL*
Stage 1 (Performing)	2,584,089	45,792	2,576,432	46,600
Stage 2 (Underperforming)	178,753	48,646	189,930	42,920
Stage 3 (Non-performing)	95,329	57,827	109,114	62,592
<b>Total</b>	<b>2,858,171</b>	<b>152,265</b>	<b>2,875,476</b>	<b>152,111</b>

\* Including ECL for loans, interbank and loan commitments, and financial guarantee contracts.

## Sources and Uses of Funds

As of December 31, 2022, deposits accounted for 74.0% of the Company's funding base. Other major sources of funds were: 13.5% from shareholders' equity, 5.2% from interbank borrowings, and 2.1% from debt issuance. Uses of funds for this same period were: 68.8% for loans, 15.1% for interbank and money market lending, 13.1% for investments in securities, and 1.4% held in cash.

## Segment Performance

### 2022 Operational Performance after business restructuring

Unit: Baht billion	Total operating income	% portion	Net profit (loss)	% portion	Total loans
Gen 1 - Banking Services*	141.8	82%	51.9**	101%	2,307
Gen 2 - Consumer & Digital Financial Services*	21.8	13%	0.1	0%	133
Gen 3 - Platforms & Digital Assets*	8.2	5%	(0.7)	-1%	4
Inter Transaction and others	(17.4)		(13.8)		(66)
<b>Total</b>	<b>154.4</b>		<b>37.5</b>		<b>2,377</b>

\* Before deducting intercompany transactions

\*\*Including gain from sale of subsidiaries and business transfer, net of income tax

### Gen 1 - Banking Services

The Bank continued with its growth with quality strategy. Even though its loan growth was below the industry average, the Bank was able to optimize returns within its risk tolerance. Loan growth of 3.0% yoy was driven by housing loans, corporate loans and unsecured loans. Deposits increased in line with the loan growth which were mainly contributed from CASA.

At the end of December 2022, loans under the CDR program (blue scheme only) stood at Baht 277 billion or 12% of total loans and the payments profile of involved customers has been well within expectations.

Non-performing loans improved yoy to 3.3% at the end of December 2022 from 3.8% at the end of 2021 mainly driven by NPL sales. At the end of December 2022, the Bank's coverage ratio remained high at 151.2%

### 2022 Performance

- **Net interest income** in 2022 increased to Baht 91.4 billion, driven by a combination of selective loan growth and NIM expansion from lower volume of debt restructuring, the upward interest rate trend and pricing discipline.

- **Non-interest income** (excluding gain from sale of subsidiaries and business transfer) was under pressure from lower wealth management fees and lower investment gains from weak market sentiment. However, bancassurance and wealth businesses were still the key drivers for non-NII of Gen 1.
- **Total operating income** stood at Baht 141.8 billion mainly driven by a robust NII, although non-NII was weak as mentioned above.
- **OPEX** was under control. The Bank's cost discipline will continue to be a key focus, resulting in a cost to income ratio (excluding one-time gain) of 41% in 2022.

## **Gen 2 – Consumer & Digital Financial Services**

Gen 2 companies aim to penetrate 'high-risk, high-return' consumer lending and digital financial services markets which we believe will contribute to the Group's growth and ROE. We will expand into the areas that offer promising growth potential with reasonable risk-adjusted returns. Gen 2 companies include MONIX and SCB Abacus which have been active players in the digital lending area. CardX is the Bank's spin-off that operates credit card and unsecured lending business. CardX has already completed business transfer in the early December 2022. AutoX operates a car title loan business with the brand "Ngern Chaiyo".

### **2022 Performance**

- Total operating income was Baht 21.8 billion, of which NII accounted for over 80% due to digital and consumer loan growth.
- Given the early stage of these businesses, total operating cost were relatively high.
- With the nature of the unsecured lending business with high-risk high-return, Gen 2 provision was at a high level compared to the banking business. Gen 2 registered a net profit of Baht 0.1 billion in 2022.
- SCBX expects an improvement in net profit contribution from Gen 2 next year following new product launches, fast business scale up and efficiency improvement by using technology capability.
- Total loans for Gen 2 increased significantly mainly from digital lending as well as AutoX loan growth of 151% qoq after the launch in 3Q22.

## **Gen 3 – Platforms & Digital Assets**

Gen 3 companies will penetrate game-changing businesses with exponential growth profiles. This includes platforms and digital assets as well as investments in high-growth, tech-focused businesses and venture capital. Below are the key highlights of companies under Gen 3:

- **Robinhood (Purple Ventures)** aims to be a super app for food delivery, online travel (OTA), online mart and express services. Covering Bangkok, Pattaya, and Chiangmai, the services now have over 3.5 million registered users, close to 300,000 merchants, and 30,000 riders. Robinhood also introduced a new service on the platform called ride-hailing.
- **SCB 10X** is the venture investment arm of SCBX group with a "moonshot mission" to create long-term value through exponential technologies, innovations, investments in venture capital companies and venture building services.
- **InnovestX** is one of the keys to make SCBX Group the most admired regional financial technology group, as the Group is expanding the financial and investment business to the ASEAN market and accelerating growth through technology and innovations. InnovestX has forged new strategies to drive the future of finance, investment, and digital assets. The company is introducing "InnovestX", a super app that traverses the investment universe, creating a new ecosystem to accommodate transforming contexts. InnovestX is determined to make it easier for everyone to enter the broader and all comprehensive investment and financial markets.

#### 2022 Performance

- Amid the weak market sentiment, total operating income was Baht 8.2 billion, mostly contributed from fee and investment income. However, total operating income declined yoy from lower investment gain compared to a year earlier.
- With the weak revenue stream coupled with high OPEX at this early stage of the business operations/restructuring, cost to income ratio was at a relatively high level.
- In 2022, Gen 3 reported a net loss of 0.7 billion as a result of high OPEX.

## Credit Ratings

Credit Ratings of SCB X Public Company Limited		December 31, 2022
<b>Moody's Investors Service</b>		
Issuer Rating (Local and Foreign Currency)		Baa2
Outlook		Stable
<b>Fitch Ratings</b>		
Long Term Issuer Default Rating		BBB
Short Term Issuer Default Rating		F3
Outlook		Stable
Viability Rating		bbb
Government Support Rating		bbb-

## Additional Financial Information

Consolidated  
Unit: Baht million, %

	After restructuring Dec 31, 22	Before restructuring Dec 31, 21	% yoy
<b>Total loans</b>	<b>2,377,215</b>	<b>2,301,834</b>	<b>3.3%</b>
Add Accrued interest receivables and undue interest receivables	19,523	15,031	29.9%
<b>Total loans and accrued interest receivables and undue interest receivables</b>	<b>2,396,738</b>	<b>2,316,865</b>	<b>3.4%</b>
Less Unamortised modification losses	3,336	5,756	-42.1%
Less Allowance for expected credit loss	145,554	145,653	-0.1%
<b>Total loans and accrued interest receivables, net</b>	<b>2,247,848</b>	<b>2,165,456</b>	<b>3.8%</b>
<b>Loans by Sector</b>	<b>2,377,215</b>	<b>2,301,835</b>	<b>3.3%</b>
Agricultural and mining	9,217	13,598	-32.2%
Manufacturing and commercial	661,375	631,750	4.7%
Real estate and construction	168,275	178,177	-5.6%
Utilities and services	426,641	408,177	4.5%
Housing loans <sup>1/</sup>	597,404	576,413	3.6%
Other loans	514,303	493,719	4.2%
<b>Debt issued and borrowings</b>	<b>71,996</b>	<b>74,922</b>	<b>-3.9%</b>
Debentures	51,824	63,442	-18.3%
Structured notes	21,628	8,213	163.3%
Others	50	117	-57.3%
Hedge accounting adjustment	(1,506)	3,150	NM
<b>Share Information</b>			
EPS (Baht)	11.12	10.47	6.2%
BVPS (Baht)	136.98	129.74	5.6%
Closing price (Baht)	107.00	127.00	-15.7%
Shares outstanding (Million shares)	3,367	3,399	-0.9%
Market capitalization (Baht billion)	360.3	431.7	-16.5%
	After restructuring 2022	Before restructuring 2021	
<b>Yield on loans by segment</b>			
<b>Yield on loans</b>	<b>5.04%</b>	<b>4.70%</b>	
Corporate	3.31%	3.00%	
SME	6.20%	5.68%	
Retail	6.15%	5.90%	
Housing loans	4.56%	4.63%	
Auto loans	5.54%	5.34%	
CardX <sup>2/</sup>	14.00%	-	
<b>Auto loans portfolio</b>			
New car	59.0%	58.2%	
Used car	19.6%	23.3%	
My car, My cash	21.4%	18.5%	
<b>Gross NPL ratio by segment/product</b>			
Corporate	3.0%	4.4%	
SME	10.7%	11.6%	
Retail	2.4%	2.4%	
Housing loans	2.3%	2.8%	
Auto loans	2.2%	1.5%	
CardX <sup>2/</sup>	3.1%	1.4%	
AutoX	0.1%	-	
<b>New NPLs by segment and by product (Bank-only)</b>			
<b>Total loans</b>	<b>1.91%</b>	<b>2.05%</b>	
Corporate	0.39%	0.74%	
SME	2.72%	4.00%	
Housing loans	1.77%	2.06%	
Auto loans	6.85%	3.66%	
<b>New NPLs (Baht billion)</b>	<b>54.7</b>	<b>58.8</b>	
<b>NPL reduction methodology</b>			
NPL sales (Bank-only) (Baht billion)	19.2	6.9	
Write off (Baht billion)	21.8	19.9	

<sup>1/</sup> Classified by sector/product and excludes retail loans where customers use their home as collateral. (These loans are classified under "Other loans" in accordance with regulatory guidelines). Elsewhere in this report, all housing loans are aggregated under mortgage loans and the balance of these loans at the end of December 31, 2022, and December 31, 2021, was Baht 730 billion, and Baht 696 billion, respectively.

<sup>2/</sup> Data prior period were restated to furnish comparative information.

NM denotes "not meaningful"



## Appendix

### SCB's interest rates and BOT's policy rate

SCB Interest Rates	Nov 8, 19	Feb 7, 20	Mar 24, 20	Apr 10, 20	May 25, 20	Feb 9, 21	Mar 12, 21	Oct 4, 22	Dec 7, 22
<b>Lending rate (%)</b>									
MLR	6.025	5.775	5.775	5.375	5.25	5.25	5.25	5.50	5.75
MOR	6.745	6.745	6.495	6.095	5.845	5.845	5.845	6.095	6.345
MRR	6.87	6.87	6.745	6.345	5.995	5.995	5.995	5.995	6.12
<b>Deposit rate* (%)</b>									
Savings rate	0.50	0.50	0.50	0.50	0.25	0.25	0.25	0.25	0.25
3-month deposits	0.65-0.90	0.60	0.50	0.50	0.375	0.37	0.32	0.47	0.62
6-month deposits	0.90-1.15	0.80	0.60	0.60	0.50	0.45	0.40	0.55	0.70
12-month deposits	1.15-1.40	0.90	0.65	0.65	0.50	0.45	0.40	0.70	1.00
* Excluding special campaigns, which generally offer significantly higher rates but have different terms and conditions for 3, 6, and 12 month term deposits.									
	Dec 19, 18	Aug 7, 19	Nov 6, 19	Feb 5, 20	Mar 23, 20	May 20, 20	Aug 10, 22	Sep 28, 22	Nov 30, 22
<b>Policy rate (%)</b>	1.75	1.50	1.25	1.00	0.75	0.50	0.75	1.00	1.25



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