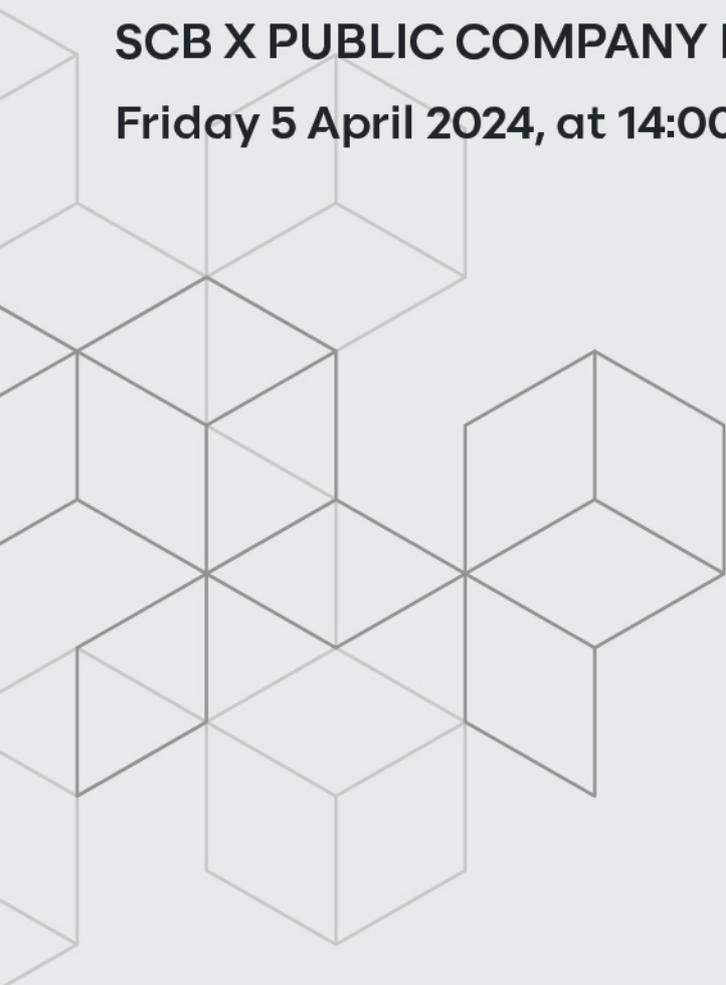




**FINANCIAL SUMMARY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED 31 DECEMBER 2023**

**ACCOMPANYING DOCUMENTS FOR
THE 2024 ANNUAL GENERAL MEETING OF SHAREHOLDERS
SCB X PUBLIC COMPANY LIMITED**

Friday 5 April 2024, at 14:00 hours



Contents



	Page
Message from the Board of Directors	1
Key Financial Statistics	2
Independent Auditor's Report	4
Financial Statements	9
Management Discussion and Analysis	19

More information :

Investor Relations

Email: ir@scbx.com



Message from the Board of Directors

Dear Shareholders,

Amid challenging circumstances in 2023, ranging from unfavorable economic conditions and slow GDP growth to rapid changes in digital technology and rising cyber threats, SCB X Public Company Limited remained committed to its business direction and strategies, continuing to strive to achieve sustainable and long-term value for shareholders.

In overseeing the SCBX Group, the SCBX Board of Directors puts great emphasis on the corporate governance of SCBX and companies in its Group. The governance structure of each portfolio company is required to be well established and equipped with the sub-committees needed to support the function of the company's board. The sub-committees play vital roles in rigorously screening business practices and overseeing risk management in accordance with the standards and policies of the SCBX Group. Furthermore, any important matter involving a portfolio company is required to be approved by the SCBX Board of Directors or a shareholders' meeting to ensure that business are conducted effectively to protect the Company's interest and shareholder value.

2023 marked a successful year for the Company's fundraising, thanks to issuance of Thai-baht-denominated debentures worth a total of Baht 50 billion. It is notable that total offering size of 25 billion baht was Thailand's largest-ever debenture public offering for individual investors through a completely digital channel. The warm welcome from investors reflects their high level of confidence in the SCBX Group. In the meantime, the Board of Directors has determined to devote more investment to leveraging the capabilities of the SCBX Group in terms of technology, data, AI, and other key infrastructure, as well as to explore investment opportunities consistent with the Company's vision to become "The Most Admired Financial Technology Group in ASEAN." The recent decision for its key subsidiary to make an investment in the consumer finance business in Vietnam, which is a regional acquisition of significant size, will pave the way for the Company to gain a strong foothold there and expand in the years to come.

The Board of Directors would like to express our sincere thanks to the shareholders and all stakeholders for their continued support of the SCBX Group. We are committed to directing the Company's business operations in a prudent and rigorous manner to ensure steady growth and be recognized 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		
	2023	2022	2021	2020	2019
Total assets	3,439	3,454	3,315	3,278	2,964
Loans	2,427	2,377	2,302	2,255	2,114
Total liabilities	2,955	2,988	2,872	2,867	2,563
Deposits	2,443	2,556	2,467	2,420	2,159
Total shareholders' equity	484	467	443	412	401

Financial Results (Consolidated)

For the year ended December 31,

Unit: Billion Baht

	After restructuring		Before restructuring		
	2023	2022	2021	2020	2019
Total operating income	171.1	154.4	150.3	144.8	166.1
Total operating expenses	71.8	69.9	63.6	64.3	70.5
Operating profit	99.3	84.5	86.8	80.4	95.6
Expected credit loss/impairment loss of loans and debt securities	43.6	33.8	42.0	46.6	36.2
Income tax and non-controlling interests	12.2	13.2	9.2	6.6	18.9
Net profit (attributable to shareholders of the Company)	43.5	37.5	35.6	27.2	40.4

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

Key Financial Ratios (Consolidated)

Unit: Percent

	After restructuring		Before restructuring		
	2023	2022	2021	2020	2019
Profitability ratio					
Return on assets (ROA)	1.3	1.1	1.1	0.9	1.3
Return on equity (ROE)	9.3	8.3	8.4	6.7	10.4
Net interest margin (NIM)	3.7	3.3	3.0	3.2	3.3
Efficiency ratio					
Cost to income ratio	42.0	45.2	42.3	44.4	42.5
Loans to deposits ratio (Bank-only)	94.5	89.5	93.0	92.6	97.8
Capital adequacy ratio ^{1/}					
CAR	18.8	18.9	18.7	18.2	18.1
Tier 1	17.7	17.8	17.6	17.1	17.0
CET 1	17.6	17.7	17.6	17.1	17.0
Asset quality ratio					
Non-performing loans to total loans	3.44	3.34	3.79	3.68	3.41
Total allowance to non-performing loans (Coverage ratio)	159.9	159.7	139.4	140.8	134.1
Allowance for expected credit loss/doubtful accounts on loans to total loans	6.1	6.3	6.6	6.2	5.4

Share Information

	After restructuring		Before restructuring		
	2023	2022	2021	2020	2019
Earnings per share - EPS (Baht)	12.93	11.12	10.47	8.01	11.90
Book value per share (Baht)	141.99	136.98	129.74	121.04	117.78
Dividend per share ^{2/} (Baht)	10.34	6.69	4.06	2.30	6.25
Market capitalization (Billion Baht)	357	360	432	297	415
Number of shares (Million)	3,367	3,367	3,399	3,399	3,399

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

^{1/} Figures are disclosed based on Basel III framework.

^{2/} Dividend per share for 2023 performance as proposed to the Annual General Meeting of Shareholders in April 2024. (Interim dividend = Baht 2.50 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 2023, 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 2023 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 2023, loans to customers and accrued interest receivables, recorded in the consolidated financial statements amounted to Baht 2,449 billion (approximately 71% of total assets), against which allowance for expected credit loss amounted to Baht 148 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"> • Selection of criteria to assess whether the financial instruments have a significant increase in credit risk (“SICR”); • Development techniques to develop ECL model parameters, including the probability of default (“PD”), loss given default (“LGD”) and exposure at default (“EAD”); • Determination of forward looking macroeconomic variables and probability-weighted scenarios; and • 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. <p>The economic downturn and financial relief measures provided by the Group to customers resulting from COVID-19 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"> • 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. • 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. • 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. • 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. • 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. • 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.

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
	<ul style="list-style-type: none"> • Involving my own IT specialists to test reconciliations of data including ECL parameters among the underlying systems. • Testing the mathematical accuracy of the ECL calculation including qualitative adjustment on a sample basis. • Considering the adequacy of disclosures in accordance with Thai Financial Reporting Standards and BoT notifications and guidelines.

Valuation of financial instruments in the statement of financial position	
Refer to notes 3.3.1, 3.3.2, 3.13, 27	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2023, financial assets measured at fair value classified as level 2 and 3 in the consolidated and separate financial statements amounted to Baht 310 billion and Baht 13 billion respectively. Financial liabilities measured at fair value classified as level 2 and 3 in the consolidated financial statements amounted to Baht 45 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"> • 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. • 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. • Considering the adequacy of disclosures in accordance with Thai Financial Reporting Standards and BoT notifications and guidelines.

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
20 February 2024

SCB X Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Consolidated financial statements		Separate financial statements	
	31 December		31 December	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Cash	40,675,704	47,253,581	-	1,370
Interbank and money market items, net	436,797,171	522,055,609	3,410,933	7,411,843
Financial assets measured at fair value through profit or loss	92,534,166	62,326,524	12,292,301	-
Derivative assets	46,981,694	66,084,005	788,077	-
Investments, net	386,162,469	390,671,195	-	1,472,358
Investments in subsidiaries, associates and joint venture, net	1,970,054	1,205,738	514,995,206	508,001,341
Loans to customers and accrued interest receivables, net	2,301,044,123	2,247,848,045	132,731,456	26,328,941
Properties for sale, net	25,930,818	22,440,808	-	-
Investment properties, net	486,264	495,336	-	-
Premises and equipment, net	45,987,817	46,456,883	42,233	22,213
Goodwill and other intangible assets, net	21,691,664	20,478,683	483,466	-
Deferred tax assets	6,138,907	3,225,430	-	-
Other assets, net	32,321,079	23,910,500	2,400,058	1,157,659
Total assets	3,438,721,930	3,454,452,337	667,143,730	544,395,725

SCB X Public Company Limited and its Subsidiaries

Statement of financial position

	Consolidated		Separate	
	financial statements		financial statements	
	31 December		31 December	
Liabilities and shareholders' equity	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Liabilities				
Deposits	2,442,859,865	2,555,799,805	-	-
Interbank and money market items	221,458,781	181,347,492	96,081,476	42,934,880
Liabilities payable on demand	13,005,055	11,429,091	-	-
Financial liabilities measured at fair value through profit or loss	1,910,818	38,755	-	-
Derivative liabilities	42,952,427	60,632,010	-	639,377
Debt issued and borrowings	109,910,607	71,996,494	49,843,096	-
Provisions	20,125,958	19,373,480	97,210	10,309
Deferred tax liabilities	991,717	928,726	-	-
Other liabilities	101,773,387	86,294,601	1,701,690	718,327
Total liabilities	2,954,988,615	2,987,840,454	147,723,472	44,302,893
Shareholders' equity				
Share capital				
Authorised share capital				
3,399,192,198 common shares of Baht 10 each	33,991,922	33,991,922	33,991,922	33,991,922
Issued and paid-up share capital				
3,367,107,286 common shares of Baht 10 each	33,671,073	33,671,073	33,671,073	33,671,073
Premium on common shares	11,019,190	11,019,190	407,069,914	407,069,914
Other reserves	20,833,387	21,954,695	-	-
Retained earnings				
Appropriated				
Legal reserve	3,400,000	3,400,000	3,400,000	3,400,000
Unappropriated	409,158,569	391,186,687	75,279,271	55,951,845
Total owners of the company	478,082,219	461,231,645	519,420,258	500,092,832
Non-controlling interests	5,651,096	5,380,238	-	-
Total shareholders' equity	483,733,315	466,611,883	519,420,258	500,092,832
Total liabilities and shareholders' equity	3,438,721,930	3,454,452,337	667,143,730	544,395,725



(Mr. Arthid Nanthawithaya)
Chief Executive Officer

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

	Consolidated		Separate	
	financial statements		financial statements	
	for the year ended		for the year ended	
	31 December		31 December	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Interest income	161,121,219	126,992,632	2,205,056	100,589
Interest expenses	36,438,797	19,127,399	3,260,683	154,132
Net interest income	124,682,422	107,865,233	(1,055,627)	(53,543)
Fee and service income	45,051,761	48,143,055	2,123,132	-
Fee and service expenses	12,328,361	10,995,510	2,265	72
Net fee and service income	32,723,400	37,147,545	2,120,867	(72)
Net gain (loss) on financial instruments measured at fair value through profit or loss	8,827,792	6,669,367	163,516	(71,153)
Net gain (loss) on investments	68,180	54,233	(62,327)	-
Share of profit from investment in associates and joint venture	417,522	272,600	-	-
Dividend income	150,268	149,083	46,840,099	65,474,883
Other operating income	4,233,546	2,262,274	11,319	85,962
Total operating income	171,103,130	154,420,335	48,017,847	65,436,077
Other operating expenses				
Employee expenses	33,621,022	31,218,904	1,225,520	425,039
Directors' remuneration	175,377	273,819	68,775	126,108
Premises and equipment expenses	11,660,204	11,511,344	114,169	7,082
Taxes and duties	4,995,219	4,399,628	5,430	1,216
Other expenses	21,328,694	22,469,961	1,173,866	340,452
Total operating expenses	71,780,516	69,873,656	2,587,760	899,897
Expected credit loss	43,599,638	33,828,761	174,536	125,000
Profit from operation before income tax expenses	55,722,976	50,717,918	45,255,551	64,411,180
Tax expenses	11,954,565	13,592,494	-	-
Net profit	43,768,411	37,125,424	45,255,551	64,411,180

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

	Consolidated		Separate	
	financial statements		financial statements	
	for the year ended		for the year ended	
	31 December		31 December	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Gain (loss) on investments in debt instruments at fair value through other comprehensive income	84,112	(231,896)	-	-
Loss arising from translating the financial statements of a foreign operation	(118,828)	(305,035)	-	-
Changes in hedge reserve	(70,680)	(6,125)	-	-
Income tax relating to components of other comprehensive income will be reclassified subsequently to profit or loss	(2,686)	47,604	-	-
	<u>(108,082)</u>	<u>(495,452)</u>	<u>-</u>	<u>-</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Gain on investments designated at fair value through other comprehensive income	51,324	10,892	-	-
Gain (loss) on remeasurements of defined benefit plans	153,884	1,724,369	(35,070)	-
Income tax relating to components of other comprehensive income will not be reclassified subsequently to profit or loss	(48,627)	(347,052)	-	-
	<u>156,581</u>	<u>1,388,209</u>	<u>(35,070)</u>	<u>-</u>
Total other comprehensive income, net of income tax	<u>48,499</u>	<u>892,757</u>	<u>(35,070)</u>	<u>-</u>
Total comprehensive income	<u>43,816,910</u>	<u>38,018,181</u>	<u>45,220,481</u>	<u>64,411,180</u>
Net profit (loss) attributable to:				
Owners of the company	43,521,334	37,546,011	45,255,551	64,411,180
Non-controlling interests	247,077	(420,587)	-	-
Total comprehensive income attributable to:				
Owners of the company	43,571,981	38,422,921	45,220,481	64,411,180
Non-controlling interests	244,929	(404,740)	-	-
Earnings per share of the parent company's shareholders:				
Basic earnings per share <i>(in Baht)</i>	<u>12.93</u>	<u>11.12</u>	<u>13.44</u>	<u>27.49</u>



(Mr. Arthid Nanthawithaya)
Chief Executive Officer

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

Consolidated financial statements

	Other reserves										Non-controlling interests	Total			
	Issued and paid-up share capital	Premium on common shares	Reserves for share-based payment	Gain (loss) on investments in debt instruments at fair value through comprehensive income	Loss arising from translating the financial statements of a foreign operation	Changes in hedge reserve	Changes in comprehensive income	Changes in revaluation surplus	Other reserves	Total other reserves			Retained earnings		
										Legal reserve	Unappropriated	owners of the company			
Year ended 31 December 2023															
Balance at 1 January 2023	33,671,073	11,019,190	3,721	(80,862)	(717,027)	(4,854)	1,015,007	21,648,975	89,735	21,954,695	3,400,000	391,186,687	461,231,645	5,380,238	466,611,883
Transactions with owners, recorded directly in equity															
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(25,893,055)	(25,893,055)	(379,162)	(26,272,217)
Capital contribution from non-controlling interest of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	422,000	422,000
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	(696,290)	(696,290)	-	-	(696,290)	(161,702)	(857,992)
Liquidation of subsidiary	-	-	-	-	-	-	-	-	-	-	-	(138,559)	(138,559)	138,559	-
Share-based payment	-	-	6,495	-	-	-	-	-	-	6,495	-	-	6,495	6,236	12,731
Total transactions with owners, recorded directly in equity	-	-	6,495	-	-	-	-	-	(696,290)	(689,795)	-	(26,031,614)	(26,721,409)	25,931	(26,695,478)
Comprehensive income for the year															
Net profit	-	-	-	-	-	-	-	-	-	-	-	43,521,334	43,521,334	247,077	43,768,411
Other comprehensive income	-	-	-	66,975	(116,459)	(56,280)	40,867	-	-	(64,897)	-	115,544	50,647	(2,148)	48,499
Total comprehensive income for the year	-	-	-	66,975	(116,459)	(56,280)	40,867	-	-	(64,897)	-	43,636,878	43,571,981	244,929	43,816,910
Transfer to retained earnings	-	-	-	-	-	-	2	(366,618)	-	(366,616)	-	366,618	2	(2)	-
Balance at 31 December 2023	33,671,073	11,019,190	10,216	(13,887)	(833,486)	(61,134)	1,055,876	21,282,357	(606,555)	20,833,387	3,400,000	409,158,569	473,082,219	5,651,096	483,733,315

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

Consolidated financial statements																			
Other reserves																			
	Issued and paid-up share capital	Preferred shares	Common shares	Premium on share capital	Reserves for share-based payment	Gain (loss) on investments in debt instruments at fair value through other comprehensive income	Gain (loss) arising from translating the financial statements of foreign operations	Changes in hedge reserve	Changes in comprehensive income through other income	Changes in revaluation surplus	Other reserves	Total other reserves	Retained earnings	Legal reserve	Unappropriated reserve	Total owners of the company	Non-controlling interests	Total	
																			Retained earnings
<i>(in thousand Baht)</i>																			
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	-	566,043,734	440,997,562	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	947,655	
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	-	89,237	89,237	-	(55,658)	33,579	(244,342)	(210,763)		
Liquidation of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	472	472	(46,789)	(46,297)		
Share-based payment	-	-	-	-	3,721	-	-	-	-	-	-	3,721	-	-	-	2,746	6,467		
Total transactions with owners, recorded directly in equity	(178)	168	(69)	69	3,721	(188,084)	(303,717)	(4,854)	8,622	(277,844)	89,237	92,958	(14,045,722)	(13,952,774)	(64,615)	(14,017,389)			
Comprehensive income for the year																			
Net profit (loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37,546,011	37,546,011	(420,587)	37,125,424	
Other comprehensive income	-	-	-	-	-	(188,084)	(303,717)	(4,854)	8,622	(277,844)	(488,033)	(488,033)	-	-	1,364,543	876,910	15,847	892,757	
Total comprehensive income for the year	-	-	-	-	-	(188,084)	(303,717)	(4,854)	8,622	(277,844)	(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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	278,362	-	-		
Gain on sale investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,952	4,952	47	4,999	
Adjustment non-controlling interest from business contribution under common control	(55,251)	(285,598)	(13,786)	(91,215)	-	3,338	5,057	-	(9,541)	(208,227)	-	(209,773)	(7,000,000)	3,394,407	(4,240,816)	4,240,816	-		
Balance at 31 December 2022	-	33,671,073	-	11,019,190	3,721	(188,084)	(717,027)	(4,854)	1,015,007	21,648,975	89,735	21,954,095	3,400,000	-	591,186,687	461,231,645	5,380,238	466,611,883	

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			Total
			Legal reserve	Unappropriated	Total	
<i>(in thousand Baht)</i>						
Year ended 31 December 2023						
Balance at 1 January 2023	33,671,073	407,069,914	3,400,000	55,951,845	500,092,832	
Transactions with owners, recorded directly in equity						
Dividend paid	-	-	-	(25,893,055)	(25,893,055)	
Total transactions with owners, recorded directly in equity	-	-	-	(25,893,055)	(25,893,055)	
Comprehensive income for the year						
Net profit	-	-	-	45,255,551	45,255,551	
Other comprehensive income	-	-	-	(35,070)	(35,070)	
Total comprehensive income for the year	-	-	-	45,220,481	45,220,481	
Balance at 31 December 2023	33,671,073	407,069,914	3,400,000	75,279,271	519,420,258	

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	Legal reserve	Unappropriated	Total
	<i>(in thousand Baht)</i>				
Year ended 31 December 2022					
Balance at 1 January 2022	10	-	-	(8,674)	(8,664)
Transactions with owners, recorded directly in equity					
Dividend paid	-	-	-	(5,050,661)	(5,050,661)
Issue of ordinary shares	33,671,073	407,069,914	-	-	440,740,987
Capital reduction	(10)	-	-	-	(10)
Total transactions with owners, recorded directly in equity	33,671,063	407,069,914	-	(5,050,661)	435,690,316
Comprehensive income for the year					
Net profit	-	-	-	64,411,180	64,411,180
Total comprehensive income for the year	-	-	-	64,411,180	64,411,180
Transfer to legal reserve	-	-	3,400,000	(3,400,000)	-
Balance at 31 December 2022	33,671,073	407,069,914	3,400,000	55,951,845	500,092,832



(Mr. Arthid Nanthawithaya)
Chief Executive Officer

SCB X Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	for the year ended 31 December		for the year ended 31 December	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit from operating before income tax expenses	55,722,976	50,717,918	45,255,551	64,411,180
<i>Adjustments to reconcile profit from operating before income tax expenses to cash receipts (payments) from operating activities</i>				
Depreciation and amortisation	8,862,290	9,070,387	12,620	3,580
Expected credit loss	48,220,801	37,750,714	174,536	125,000
Impairment loss on properties for sale	216,109	220,968	-	-
(Reversal of) impairment loss on premises and equipment	(1,233)	7,664	-	-
Impairment loss on intangible assets	28,855	96,658	-	-
Provision expenses	866,741	1,891,486	21,313	10,309
Share-based payment transactions	20,671	40,389	-	-
Gain from sale of properties for sale	(858,870)	(1,368,289)	-	-
Gain on sale of premises and equipment	(7,980)	(1,783)	-	-
Loss from write-off of premises and equipment	3,030	14,273	-	-
Gain from sale of intangible assets	(12,567)	-	-	-
Loss from write-off of intangible assets	201,282	1,369	-	-
Net (gain) loss on financial instruments	(22,577,023)	(33,730,678)	248,897	(109,687)
Net (gain) loss on investments	(68,180)	(54,233)	62,327	-
Share of profit from investments in associates and joint venture	(417,522)	(272,600)	-	-
	90,199,380	64,384,243	45,775,244	64,440,382
Net interest income	(124,682,422)	(107,865,233)	1,055,627	53,543
Dividend income	(150,268)	(149,083)	(46,840,099)	(65,474,883)
Proceeds from interest	155,938,800	125,230,423	2,230,658	23,789
Interest paid	(31,645,532)	(19,075,032)	(3,077,231)	(17,757)
Proceeds from dividend	407,456	297,153	46,840,100	65,474,883
Income tax paid	(13,040,131)	(10,247,065)	-	-
Profit from operating before changes in operating assets and liabilities	77,027,283	52,575,406	45,984,299	64,499,957
<i>(Increase) decrease in operating assets</i>				
Interbank and money market items	85,100,120	96,388,290	3,703,397	(7,411,070)
Derivative assets	21,626,723	(10,138,890)	(788,077)	-
Financial assets measured at fair value through profit or loss	(8,250,937)	40,111,541	(12,906,282)	109,687
Loans to customers	(110,239,520)	(125,223,302)	(106,550,000)	(26,400,000)
Properties for sale	11,564,003	8,150,143	-	-
Other assets	(8,225,166)	20,912,805	163,035	(1,135,575)
<i>Increase (decrease) in operating liabilities</i>				
Deposits	(112,939,939)	88,304,425	-	-
Interbank and money market items	39,349,723	386,037	52,382,638	42,934,880
Liabilities payable on demand	1,575,963	889,915	-	-
Financial liabilities measured at fair value through profit or loss	1,872,063	33,005	-	-
Derivative liabilities	(17,750,264)	11,425,769	(639,377)	639,377
Short-term debt issued and borrowings	2,267,573	(2,610,896)	-	-
Other liabilities	6,981,594	9,200,389	408,348	550,990
Net cash from (used in) operating activities	(10,040,781)	190,404,637	(18,242,019)	73,788,246

SCB X Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	for the year ended		for the year ended	
	31 December		31 December	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Acquisition of instruments measured at fair value through other comprehensive income	(171,799,015)	(209,161,324)	-	-
Proceeds from sale of instruments measured at fair value through other comprehensive income	174,132,396	244,383,595	-	-
Acquisition of instruments measured at amortised cost	(4,483,951)	(209,614,138)	-	(1,472,358)
Proceeds from redemption of instruments measured at amortised cost	6,321,525	2,207,570	1,472,358	-
Payment for investments in subsidiaries, associates and joint venture	(1,462,222)	(510,763)	(9,145,192)	(67,260,353)
Proceeds from reduction of the capital in subsidiaries	-	-	2,089,000	-
Proceeds from disposal of investments in subsidiaries and associate	-	50,003	-	-
Acquisition of premises and equipment	(927,120)	(1,183,185)	(19,791)	(21)
Proceeds from sale of premises and equipment	18,278	2,720	-	-
Acquisition of intangible assets	(6,622,248)	(5,611,128)	(251,300)	-
Proceeds from sale of intangible assets	28,084	-	-	-
Net cash used in investing activities	(4,794,273)	(179,436,650)	(5,854,925)	(68,732,732)
<i>Cash flows from financing activities</i>				
Proceeds from short-term debt issued	7,800,000	-	7,800,000	-
Proceeds from long-term debt issued	45,102,629	16,211,000	42,200,000	-
Repayment of long-term debt issued	(17,382,783)	(14,880,000)	-	-
Proceeds from short-term borrowings	-	-	-	1,249,999
Repayment of short-term borrowings	-	-	-	(1,249,999)
Repayment of long-term borrowings	(33,444)	(67,021)	-	-
Payment of lease liabilities	(1,264,628)	(1,280,584)	(11,371)	(3,478)
Dividend paid to equity holders of the Bank	-	(8,939,875)	-	-
Dividend paid to equity holders of the Company	(25,893,055)	(5,050,661)	(25,893,055)	(5,050,661)
Dividend paid to non-controlling interests of the Bank and subsidiary	(379,162)	(623,905)	-	-
Capital contribution from non-controlling interests of the subsidiaries	422,000	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)	-	-
Net cash from (used in) financing activities	8,371,557	(13,830,170)	24,095,574	(5,054,149)
Loss arising from translating the financial statements of a foreign operation	(114,380)	(305,035)	-	-
Net increase (decrease) in cash	(6,577,877)	(3,167,218)	(1,370)	1,365
Cash at 1 January	47,253,581	50,420,799	1,370	5
Cash at 31 December	40,675,704	47,253,581	-	1,370



(Mr. Arthid Nanthawithaya)
Chief Executive Officer

Management Discussion and Analysis

For the year ended December 31, 2023

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2023 Operating Performance

In the past year, Thailand has encountered a mix of challenges and opportunities. The economy, rebounding from the global pandemic's impact, has shown gradual improvements in key economic indicators. The government's initiatives to boost domestic demand and invest in infrastructure projects have played a crucial role in bolstering economic resilience. However, external factors such as global trade tensions, geopolitical uncertainties, and fluctuations in commodity prices have introduced additional complexities. Despite these challenges, SCBX has adeptly navigated the Thai market, capitalizing on emerging opportunities and adjusting to evolving consumer behaviors.

In 2023, SCBX reported a consolidated net profit of Baht 43.5 billion, representing a 15.9% increase from the previous year. This growth was largely due to an increase in net interest income, resulting from a wider net interest margin (NIM), despite higher expected credit losses (ECL). Fee income decreased year-over-year, mainly due to a decline in bancassurance/insurance revenue caused by the expiration of performance-linked bonus payment. Investment income increased year-over-year, primarily due to higher mark-to-market gains from the investment portfolio. The cost-to-income ratio was 42.0% due to several rigorous cost control measures.

We adopted a prudent approach and set aside expected credit losses of Baht 43.6 billion or 182 bps of total loans. Asset quality remained stable with NPL level of 3.44% and a robust coverage ratio at 159.9%. The Group's loan growth of 2.1% yoy was primarily driven by SCB Bank's housing loans and growth in non-bank consumer finance loans.

SCBX Performance in 2023 (Consolidated)

SCBX reported an audited consolidated **net profit** of Baht 43,521 million for 2023, indicating a 15.9% increase from Baht 37,546 million in 2022. This increase was primarily attributed to higher net interest income (NII), despite higher expected credit losses and increased operating expenses.

Table 1: Net Profit and Total Comprehensive Income

Consolidated			
Unit: Baht million	2023	2022	% yoy
Net interest income	124,682	107,865	15.6%
Fee and others	43,083	44,866	-4.0%
Investment and trading income	3,338	1,689	97.6%
Total operating income	171,103	154,420	10.8%
Operating expenses	71,781	69,874	2.7%
Pre-provision operating profit	99,323	84,547	17.5%
Expected credit loss	43,600	33,829	28.9%
Income tax	11,955	13,592	-12.1%
Non-controlling interests	247	(421)	NM
Net profit (attributable to shareholders of the Company)	43,521	37,546	15.9%
Other comprehensive income	51	877	-94.2%
Total comprehensive income	43,572	38,423	13.4%
ROAE	9.3%	8.3%	
ROAA	1.3%	1.1%	

NM denotes "not meaningful"

Income statement for the year ended December 31, 2023 (Consolidated)

Table 2: Net interest income

Consolidated			
Unit: Baht million			
	2023	2022	% yoy
Interest income	161,121	126,993	26.9%
Loans	132,719	106,671	24.4%
Interbank and money market	9,824	3,978	147.0%
Hire purchase	10,114	11,339	-10.8%
Investments	8,160	4,870	67.6%
Others	304	135	124.4%
Interest expenses	36,439	19,127	90.5%
Deposits	15,349	9,600	59.9%
Interbank and money market	4,969	1,405	253.7%
Borrowings	3,991	1,859	114.7%
Contribution to the Deposit Protection Agency & FIDF	11,710	6,057	93.3%
Others	420	206	103.5%
Net interest income	124,682	107,865	15.6%

In 2023, net interest income increased by 15.6% yoy, amounting to Baht 124,682 million. This growth was propelled by a 44 basis points expansion in NIM and a 2.1% yoy increase in loan volume.

Table 3: Yield and cost of funding

Consolidated		
Unit: Percentage		
	2023	2022
Net interest margin	3.73%	3.29%
Yield on earning assets	4.81%	3.87%
Yield on loans	5.95%	5.04%
Yield on interbank and money market	2.05%	0.70%
Yield on investment	1.75%	1.31%
Cost of funds ^{1/}	1.31%	0.69%
Cost of deposits ^{2/}	1.08%	0.62%

Note: Profitability ratios are calculated on the average beginning and ending balances.

^{1/} Cost of funds = Interest expenses (including contributions to the DPA & FIDF) / Average interest-bearing liabilities

^{2/} Cost of deposits include contributions to the DPA and FIDF fees.

In 2023, NIM expanded by 44 bps yoy to 3.73%, primarily attributable to increases in interbank yield (+135 bps), loan yield (+91 bps) and investment yield (+44 bps). This positive trend occurred despite a rise in funding cost (+62 bps). The higher yields were a consequence of 5 policy rate hikes, upward revisions of lending rates by the Bank, a larger volume of high-yield loans; and pricing discipline on new bookings. The cost of funds increased mainly because of a 23 bps rise in FIDF fee and higher cost of deposits.

Table 4: Fee and others

Consolidated			
Unit: Baht million	2023	2022	% yoy
Transactional banking *	12,251	10,453	17.2%
Lending related **	6,870	5,612	22.4%
Wealth management ***	7,597	7,838	-3.1%
Bancassurance/Insurance	11,490	15,125	-24.0%
Others	4,875	5,839	-16.5%
Fee and others	43,083	44,866	-4.0%

* Including transactional fees, trades, and FX income

** Including loan-related and credit card fees

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

Fee and others decreased by 4.0% yoy to Baht 43,083 million in 2023. This decline was primarily attributed to a decrease in bancassurance fees resulting from the expiration of performance-linked bonus payment as well as lower fees from wealth management. Despite the decrease in these areas, there was an improvement yoy in 2023, driven by transactional banking and lending-related fees.

Table 5: Investment and trading income

Consolidated			
Unit: Baht million	2023	2022	% yoy
Investment and trading income	3,338	1,689	97.6%

In 2023, **investment and trading income** increased by 97.6% yoy to Baht 3,338 million, largely due to higher mark-to-market gains from the investment portfolio.

Table 6: Operating expenses

Consolidated			
Unit: Baht million	2023	2022	% yoy
Employee expenses	33,621	31,219	7.7%
Premises and equipment expenses	11,660	11,511	1.3%
Taxes and duties	4,995	4,400	13.5%
Directors' remuneration	175	274	-36.0%
Other expenses	21,329	22,470	-5.1%
Total operating expenses	71,781	69,874	2.7%
Cost to income ratio	42.0%	45.2%	

In 2023, operating expenses increased by 2.7% yoy, amounting to Baht 71,781 million. This rise was mainly attributable to an uptick in staff costs, driven by an increase in the number of staff to support business growth. Additionally, there were elevated costs associated with the expansion of premises and equipment, linked to the outlet expansion of a portfolio company.

In 2023, the cost-to-income ratio decreased to 42.0%, compared to 45.2% in 2022 which was well below the full-year guidance of mid-40s, primarily due to effective cost control measures. The company will continue to maintain a strong focus on cost discipline.

Table 7: Expected credit loss (ECL)

Consolidated			
Unit: Baht million	2023	2022	% yoy
Expected credit loss	43,600	33,829	28.9%
Credit cost (bps)	182	145	

In 2023, expected credit losses increased to Baht 43,600 million (182 bps of total loans) to preemptively provide as a cushion for overall uneven economic recovery. The amount not only reflected the pro-cyclicality of forward-looking expected credit loss models under the TFRS 9 framework, but also included management overlays that were set according to current economic uncertainties.

Balance sheet as of December 31, 2023 (Consolidated)

As of December 31, 2023, the Company's total assets fell by 0.5% yoy to Baht 3,439 billion, primarily due to a decrease in interbank and money market items, despite a 2.1% yoy loan growth. Details on the consolidated balance sheet are provided in the following sections:

Table 8: Loans by segment

Consolidated			
Unit: Baht million	Dec 31, 23	Dec 31, 22	% yoy
Corporate	843,755	857,736	-1.6%
SME	413,208	407,355	1.4%
Retail	995,902	975,946	2.0%
Housing loans	761,724	729,555	4.4%
Auto loans	172,548	188,765	-8.6%
Unsecured loans	40,117	45,026	-10.9%
Other loans	21,513	12,599	70.8%
Loans under subsidiaries	173,698	136,178	27.6%
CardX	115,255	114,044	1.1%
AutoX	33,888	7,495	352.1%
Other subsidiaries	24,555	14,639	67.7%
Total loans *	2,426,563	2,377,215	2.1%

* Total loans excluded unamortized modification loss

Total loans increased 2.1% yoy at the end of December 2023. The changes in loan volume by customer segment are as follows:

- **Corporate** loans decreased by 1.6% yoy. The decrease was largely due to loan repayments from large corporates.
- **SME** loans grew 1.4% yoy largely from targeted lending to existing high-quality SME customers.
- **Retail** loans increased 2.0% yoy. Below are details of changes in loan volume by sub-segment.
 - **Housing loans** increased 4.4% yoy given continued demand in high-end housing developments.
 - **Auto loans** fell 8.6% yoy largely from loan repayments of used cars.
- **Loans under portfolio companies**, including loans extended by CardX, AutoX, MONIX, ABACUS digital, InnovestX and Purple Ventures increased significantly by 27.6% yoy to Baht 173,698 million.

- **CardX loans** (personal loans and credit card receivables) increased 1.1% yoy, amounting to Baht 115,255 million at the end of December 2023.
- **AutoX loans** increased significantly by 352.1% yoy, amounting to Baht 33,888 million as the company increased market penetration.

Table 9: Deposits breakdown

Consolidated			
Unit: Baht million			
	Dec 31, 23	Dec 31, 22	% yoy
Demand	131,169	122,346	7.2%
Savings	1,820,111	1,984,751	-8.3%
Fixed	491,580	448,703	9.6%
Less than 6 months	75,730	95,626	-20.8%
6 months and up to 1 year	116,747	140,843	-17.1%
Over 1 year	299,103	212,234	40.9%
Total deposits	2,442,860	2,555,800	-4.4%
CASA - Current & Savings Accounts (%)	79.9%	82.4%	
Gross loans to deposits ratio (Bank only)	94.5%	89.5%	
Liquidity ratio (Bank-only)	31.8%	34.6%	

As of December 31, 2023, total **deposits** decreased 4.4% yoy. The decline in deposits was primarily from savings deposits, resulting in a decrease in the CASA mix to 79.9% at the end of December 2023 from 82.4% at the end of last year. The gross loans to deposits ratio (at a bank-only level) increased to 94.5% from 89.5% at the end of December 2022 due to loan-to-deposit optimization.

The Bank's daily liquidity ratio of 31.8%, as measured by total liquid assets to total deposits (at a bank-only level), was well above the 20% minimum threshold.

Table 10: Investment classification

Consolidated
Unit: Baht million

Investments	Dec 31, 23	Dec 31, 22	% yoy
Financial assets measured at FVTPL	92,534	62,326	48.5%
Investments in debt securities measured at amortised cost	209,930	211,019	-0.5%
Investments in debt securities measured at FVOCI	174,495	178,016	-2.0%
Investments in equity securities measured at FVOCI	1,737	1,636	6.2%
Net investment *	386,162	390,671	-1.2%
Investment in associates	1,970	1,206	63.4%
Total	480,667	454,203	5.8%

* Net investments comprise of investments measured at amortized cost and measured at FVOCI.

Investments at the end of December 2023 increased 5.8% yoy. The increase was mainly due to higher financial assets (government bonds) measured at FVTPL and partly from foreign debt instruments measured at FVTPL.

Statutory Capital

SCBX Financial 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.

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

Capital positions of SCBX Financial Group and the Bank at the end of December 2023 under the Basel III framework are shown in the below table.

Table 11: Total Regulatory Capital

Unit: Baht million, %	SCBX (Consolidated)		SCB Bank (Bank-only)	
	Dec 31, 23	Dec 31, 22	Dec 31, 23	Dec 31, 22
Statutory Capital				
Common Equity Tier 1	415,913	408,287	361,170	344,932
Tier 1 capital	417,536	409,359	361,170	344,932
Tier 2 capital	26,144	25,548	23,499	24,250
Total capital	443,680	434,907	384,669	369,182
Risk-weighted assets	2,358,515	2,306,339	2,135,900	2,220,000
Capital Adequacy Ratio	18.8%	18.9%	18.0%	16.6%
Common Equity Tier 1	17.6%	17.7%	16.9%	15.5%
Tier 1 capital	17.7%	17.8%	16.9%	15.5%
Tier 2 capital	1.1%	1.1%	1.1%	1.1%

Consolidated Common Equity Tier 1 and Tier 1 capital of SCBX Financial Group were relatively flat yoy at 17.6% at the end of December 2023, mainly from appropriation of net profit which was partly offset by a dividend payment. On the Bank-only basis, Common Equity Tier 1 and Tier 1 capital increased yoy to 16.9%. 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.

Asset Quality

At the end of December 2023, **gross NPLs** (on a consolidated basis) increased 1.6% yoy to Baht 96.8 billion. Gross NPL ratio increased to 3.44% from 3.34% at the end of December 2022. The NPL increased mainly due to housing loans, SME segment and NPLs at CardX.

At the end of December 2023, the Group's **coverage ratio** remained relatively stable at 159.9%. The Group's total loan loss reserve as a percentage of total loans (LLR %) remained strong at 6.1%.

Table 12: Asset quality

Unit: Baht million, %	Dec 31, 23	Dec 31, 22
SCBX (Consolidated)		
Non-Performing Loans (Gross NPLs)	96,832	95,329
Gross NPL ratio	3.44%	3.34%
Total allowance*	154,839	152,265
Total allowance to NPLs (Coverage ratio)	159.9%	159.7%
Credit cost (bps)	182	145
SCB Bank (Bank-only)		
Non-Performing Loans (Gross NPLs)	88,544	90,550
Gross NPL ratio	3.27%	3.25%

* Total allowance includes loans, interbank 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 2023 and December 2022 were classified as follows:

Table 13: Loans and allowances for expected credit losses by stages

Consolidated Unit: Baht million	Dec 31, 23		Dec 31, 22	
	Loans and interbank	ECL*	Loans and interbank	ECL*
Stage 1 (Performing)	2,545,602	45,918	2,584,089	45,792
Stage 2 (Underperforming)	175,072	50,193	178,753	48,646
Stage 3 (Non-performing)	96,832	58,727	95,329	57,827
Total	2,817,507	154,839	2,858,171	152,265

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

Sources and Uses of Funds

As of December 31, 2023, deposits accounted for 71.0% of SCBX's funding base. Other major sources of funds were: 14.1% from shareholders' equity, 6.4% from interbank borrowings, and 3.2% from debt issuance. Uses of funds for this same period were: 70.6% for loans, 12.7% for interbank and money market lending, 14.0% for investments in securities, and 1.2% held in cash.

Segment Performance

2023 Operational Performance

Unit: Baht billion	Total operating income	% portion	Cost income ratio	Credit cost	Net profit (loss)	% portion	Total loans
Gen 1 - Banking Services*	143.3	81%	39%	1.2%	47.9	104%	2,321
Gen 2 - Consumer & Digital Financial Services*	27.7	16%	41%	10.4%	0.5	1%	165
Gen 3 - Platforms & Digital Assets*	6.2	3%	131%	-	(2.2)	-5%	3
Inter Transaction and others	(6.1)		-	-	(2.7)		(62)
Total	171.1		42%	1.82%	43.5		2,427

* Before deducting intercompany transactions

Gen 1 - Banking Services

2023 Performance*

- **Net interest income** in 2023 increased significantly yoy to Baht 103.9 billion, driven by a NIM expansion (+43 bps) and selective loan growth of 0.6%.
- **Non-interest income** was relatively flat yoy to Baht 39.5 billion. This was primarily due to an increase in investment and trading income, lending-related fees and transactional fees. Meanwhile, the growth in wealth management fees remained unchanged yoy. Organic bancassurance fees (excluding performance-linked compensation) experienced strong yoy growth, largely driven by the solid sales force of the Bank and its subsidiary, SCB Protect.
- **Total operating income** stood at Baht 143.3 billion mainly driven by a robust NII.
- **OPEX** increased slightly yoy to Baht 55.8 billion due to effective cost management. The Bank continued to focus on cost discipline, resulting in a cost-to-income ratio of 39% in 2023.
- **Net profit** in 2023 stood at Baht 47.9 billion which corresponds to ROE of 11.4%.
- **Loan growth** of 0.6% yoy was driven by housing loan. The Bank continued its growth with quality strategy to optimize returns within its risk tolerance.
- **NPL** increased slightly to 3.29% at the end of December 2023, up from 3.27% at the end of 2022. At the end of December 2023, the Bank's coverage ratio remained high at 154.9%

* Data for 2022 were rebased to align with comparative information

Gen 2 – Consumer & Digital Financial Services

2023 Performance

- Total operating income was Baht 27.7 billion which accounted for 16% of total Group operating income. Revenue from Gen 2 was mainly from NII largely from unsecured personal loans, auto title loans and digital loans.
- OPEX increased yoy largely to support the business growth in Gen 2. Meanwhile, cost-to-income ratio stood at 41%.
- With the nature of the unsecured lending business, including nano loans and auto title loans, which carry high-risk, high-return potential, unsecured personal loans face challenges stemming from an uneven economic recovery, resulting in a high level of credit costs at 10.4%. Nevertheless, there have been noticeable improvements in credit costs since 3Q23.
- Gen 2 companies reported net profit of Baht 0.5 billion in 2023.
- Total loans for Gen 2 increased 29% yoy to Baht 171 billion, primarily driven by the growth in AutoX, CardX and digital loans provided by MONIX and ABACUS digital.

Gen 3 – Platforms & Digital Assets

2023 Performance

- Total operating income was Baht 6.2 billion, mostly from fee income and investment income which accounted for 3% of total Group's operating income.
- Despite the cost-income ratio for Gen 3 remaining at a high level of 131% in 2023, the Gen 3 business is actively working to enhance its revenue streams through new ventures, such as ride-hailing, while concurrently reducing subsidies for food delivery business.
- In 2023, Gen 3 companies reported a net loss of Baht 2.2 billion.

Credit Ratings

Credit Ratings of SCB X Public Company Limited	December 31, 2023
Moody's Investors Service	
Issuer Rating (Local and Foreign Currency)	Baa2
Outlook	Stable
<hr/>	
Fitch Ratings	
Long Term Issuer Default Rating	BBB
Short Term Issuer Default Rating	F3
Outlook	Stable
Viability Rating	bbb
Government Support Rating	bbb-
Senior Unsecured (National Long-Term Rating)	AA+(tha)
Senior Unsecured (National Short-Term Rating)	F1+(tha)
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Additional Financial Information

Consolidated Unit: Baht million, %	Dec 31, 23	Dec 31, 22	% yoy
Total loans	2,426,563	2,377,215	2.1%
Add Accrued interest receivables and undue interest receivables	23,467	19,523	20.2%
Total loans and accrued interest receivables and undue interest receivables	2,450,030	2,396,738	2.2%
Less Unamortised modification losses	990	3,336	-70.3%
Less Allowance for expected credit loss	147,995	145,554	1.7%
Total loans and accrued interest receivables, net	2,301,044	2,247,848	2.4%
Loans by Sector	2,426,563	2,377,215	2.1%
Agricultural and mining	9,565	9,217	3.8%
Manufacturing and commercial	657,147	661,375	-0.6%
Real estate and construction	175,807	168,275	4.5%
Utilities and services	422,263	426,641	-1.0%
Housing loans ^{1/}	616,898	597,404	3.3%
Other loans	544,883	514,303	5.9%
Debt issued and borrowings	109,911	71,996	52.7%
Debentures	84,215	51,824	62.5%
Structured notes	26,352	21,628	21.8%
Others	17	50	-66.0%
Hedge accounting adjustment	(673)	(1,506)	NM
	2023	2022	
Share Information			
EPS (Baht)	12.93	11.12	
BVPS (Baht)	141.99	136.98	
Closing price (Baht)	106.00	107.00	
Shares outstanding (Million shares)	3,367	3,367	
Market capitalization (Baht billion)	356.9	360.3	
Yield on loans by segment			
Yield on loans	5.95%	5.04%	
Corporate	4.45%	3.31%	
SME	7.35%	6.17%	
Retail	5.20%	4.97%	
Housing loans	4.73%	4.56%	
Auto loans	5.58%	5.54%	
CardX ^{2/}	14.93%	14.00%	
AutoX ^{3/}	20.1%	-	
Gross NPL ratio by segment/product			
Corporate	2.1%	3.0%	
SME	10.8%	10.7%	
Retail	2.7%	2.3%	
Housing loans	2.7%	2.3%	
Auto loans	2.7%	2.2%	
CardX ^{2/}	5.6%	3.1%	
AutoX	0.8%	0.1%	
New NPLs by segment and by product (Bank-only)			
Total loans	2.24%	1.91%	
Corporate	0.24%	0.39%	
SME	3.95%	2.72%	
Housing loans	2.57%	1.77%	
Auto loans	9.43%	6.85%	
New NPLs (Baht billion)	59.2	54.7	
NPL reduction methodology			
NPL sales (Baht billion)	12.4	19.2	
Write off (Baht billion)	33.6	21.8	

^{1/} 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, 2023 and December 31, 2022 was Baht 762 billion and Baht 730 billion, respectively.

^{2/} Data for 2022 were restated to furnish comparative information.

^{3/} Calculated based on daily average data

NM denotes "not meaningful"

Additional Financial Information (Continued)

SCB's interest rates and BOT's policy rate

SCB Interest Rates	Feb 9, 21	Mar 12, 21	Oct 4, 22	Dec 7, 22	Jan 3, 23	Jan 30, 23	Apr 7, 23	Jun 9, 23	Oct 3, 23
Lending rate (%)									
MLR	5.25	5.25	5.50	5.75	6.15	6.35	6.60	6.80	7.050
MOR	5.845	5.845	6.095	6.345	6.745	6.895	7.145	7.325	7.575
MRR	5.995	5.995	5.995	6.12	6.52	6.62	6.87	7.05	7.30
Deposit rate* (%)									
Savings rate	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.30	0.30
3-month deposits	0.37	0.32	0.47	0.62	0.62	0.77	0.82	0.92	1.10
6-month deposits	0.45	0.40	0.55	0.70	0.70	0.85	0.95	1.05	1.25
12-month deposits	0.45	0.40	0.70	1.00	1.00	1.15	1.35	1.45	1.70
* Excluding special campaigns, which generally offer significantly higher rates but have different terms and conditions for 3, 6, and 12 month term deposits.									
	May 20, 20	Aug 10, 22	Sep 28, 22	Nov 30, 22	Jan 25, 23	Mar 29, 23	May 31, 23	Aug 2, 23	Sep 27, 23
Policy rate (%)	0.50	0.75	1.00	1.25	1.50	1.75	2.00	2.25	2.50



SCB^x

www.scbx.com

SCB X Public Company Limited

9 Ratchadapisek Road, Chatuchak Subdistrict,
Chatuchak District, Bangkok 10900, Thailand