



**SCB<sup>x</sup> Strategy Day**  
*A Journey to Tech Company:  
Bold Vision, Prudent Execution*

21 October 2022

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**Our Vision**

**The Most Admired  
Regional Financial  
Technology Group**

# Our Mission

To make finance simple, accessible and affordable for all through the power of technology and innovation

## Our Ambition

### BEYOND BANKING

A tech ecosystem, digital assets infrastructure and green tech as focus for growth

### BEYOND THAILAND

200M+ customers in ASEAN and beyond

Through both organic growth and M&A

### VALUE-DRIVEN

Growth focused company with a THB 1 tn valuation

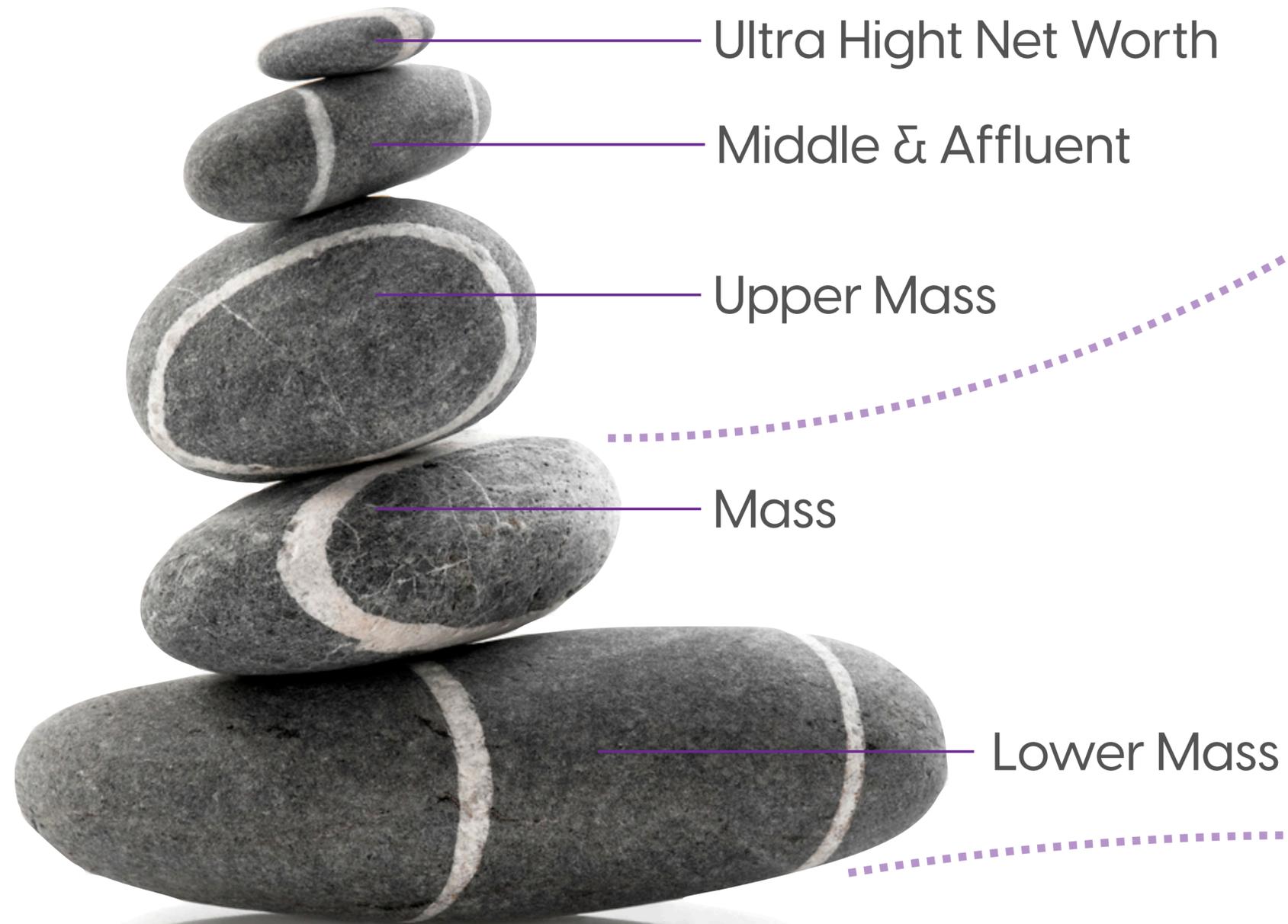


**Our investment purposes under  
three key global trends**



**Trend 1 Financial Inclusion:  
Unlocking the opportunity  
of the underserved segments**

# We are ready to unlock the new opportunities



**55%**

of Thailand households **lack access to loans**

**84%**

**Have smartphones,** making digital lending the best way to engage them

**THB 1.5tn<sup>1</sup>**

**Revenue pool for digital lending** in Thailand (and at least 5x potential in ASEAN)

<sup>1</sup> SCBX estimates based on Euromonitor data

# We are set up to win with several digital lenders, each with a distinct focus and new efficiency for mass markets

## Secured

## Unsecured

Luxury vehicles  
hire purchase

ALPHA X

Ultra High Net Worth

Middle & Affluent

Mortgages, auto  
hire purchase &  
secured loans



Upper Mass



Digital loans

Mass



Personal loans &  
credit card

Auto title loan



Lower Mass



Nano revolving loans  
with AI/ML superpower



Fully-automated micro  
digital lender with  
in-house tech



**Trend 2 Digital Asset Economy:  
With the potential to replace  
the traditional financial markets**

# FUTURE OF FINANCE WITH BLOCKCHAIN TECHNOLOGY AND DIGITAL ASSETS BUSINESS



## Capital Markets

- Blockchain enabled efficiency with asset tokenization & smart contract processing
- Examples: Investment tokens, asset-backed tokens

## Banking Services

- Future of banking services with blockchain backbone
- Examples: CBDC, stablecoins, cryptocurrencies, smart contracts for supply chain finance

## Web 3.0 with blockchain enabler

- Web3.0 converging business and financial layer, allowing users to directly interact and exchange value virtually like in the physical world
- Web3.0 token accelerates user adoption while capturing ecosystem value for token holders



**Trend 3 Green Tech:  
Will transform a generational  
challenge into a business  
opportunity worth USD 50bn<sup>1</sup>  
by 2027**

# Net Zero is just the start

## WHERE WE ARE TODAY

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### Most ambitious Net Zero commitment in Thailand

- Net Zero in our own operations by 2030
- Net Zero in lending & investment by 2050

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## OUR PATH FORWARD

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Capturing business opportunities in climate tech<sup>1</sup>



We are an investment holding company with portfolio companies in 5 strategic themes

Gen 1

Gen 2

Gen 3

Better Bank

Digitized, better quality loan book, higher fee contribution & leaner cost



Digital Lending

Make finance simple, accessible, and affordable



ALPHA X

Digital Ecosystem

Become a part of consumers' daily lives for better digital engagement with customers



Digital Assets & Future Technology

Future-proof our business with evolving technologies



Climate Tech

Net Zero by 2050  
Build new growth engine by providing climate tech solutions along with financing as well as new EV subscription platform

**And this is where  
our new journey begins**



# Our strategy will unfold in 3 phases

## PHASE 1:

**Build core tech  
& data capabilities**  
*(1-2 years)*

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- Build core tech capabilities and growth accelerators
- Transform culture and attract top talent

## PHASE 2:

**Deliver growth with  
scale and synergy**  
*(2-3 years)*

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- Ensure steady earnings growth from digital lending businesses...
- ...and optimizing and leaning the bank
- Expand regional footprints

## PHASE 3:

**Monetization and  
exponential growth**  
*(3-5 years)*

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- Deliver positive EBITDA for Gen 3 businesses
- Realize value through IPOs and equity transactions
- Achieve regional scale

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# We've built 3 Centers of Excellence and 2 growth accelerators

**3**  
Group  
Centers of  
Excellence



Data & AI



Cloud



Cyber

**2**  
Growth  
accelerators



Tech solution  
provider  
for SCBX companies



Central Data  
and AI Hub for  
SCBX group

## Data & AI CoE

Drive the responsible use of Data and AI across the group

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## Cloud CoE

Enable the group to run efficiently on the cloud while driving cost down

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## Cybersecurity CoE

Holistically protect the group and its subsidiaries from cyber attacks





**Consolidate group-wide data and data science talent and provide ready-to-use analytics and AI solutions across all areas**

DataX has ingested >90% of group customer data and is building a robust customer 360 with 16 data domains and 800 data points per customer



**Preferred tech partner for SCBX portfolio companies with a line up of tech assets and solutions to leverage**

TechX is currently handling about 40% of group-wide technology works

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# Digital lenders on track to deliver strong financial results

CardX

autoX

monix

SCB ABACUS



Higher, double-digit margins



Growing profit contribution, with higher ROE



Equity transactions

- Successful VC Fund-raising 
- VC Fund-raising 
- IPO 2025  
- IPO 2027 

# Building competitive edge through technology

From customer acquisition...



Our digital lenders offer a convenient e2e digital journey

Keeping customer acquisition cost down

... to credit risk control



Our proprietary technology includes AI-based credit scoring & collection models

Controlling credit costs, while serving the underserved

# During Phase 2, we will also lay the foundation for our regional expansion



To expand customer base via a regional financial platform



To expand regional footprints through strategic partnerships



To expand to CLMV once domestic leadership solidified



Poised to secure digital asset infrastructure provider position in the region



To build a regional hub to attract talent and invest globally



# Our Better Bank Strategy



**Low Teens**

ROE by 2025



**Mid-to-high  
30s**

Cost-to-income by 2025

## Accelerate digitization journey

A more complete digital banking offering

## Better quality loan book

Tighten risk-return and optimize our RWA<sup>1</sup>

## Higher fee income

Focus on bancassurance and wealth management

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## We achieve exponential growth

Robinhood achieves profitability

Digital Asset cluster ready for financial disruption

## We realize equity value

InnovestX IPO by 2025  
CardX IPO by 2025  
AutoX IPO by 2027

Series of VC fund raising for GEN 3 businesses

Certain portfolio companies achieve a unicorn status

## We achieve regional scale

Digital lenders and Gen 3 to establish leading positions in selected ASEAN markets

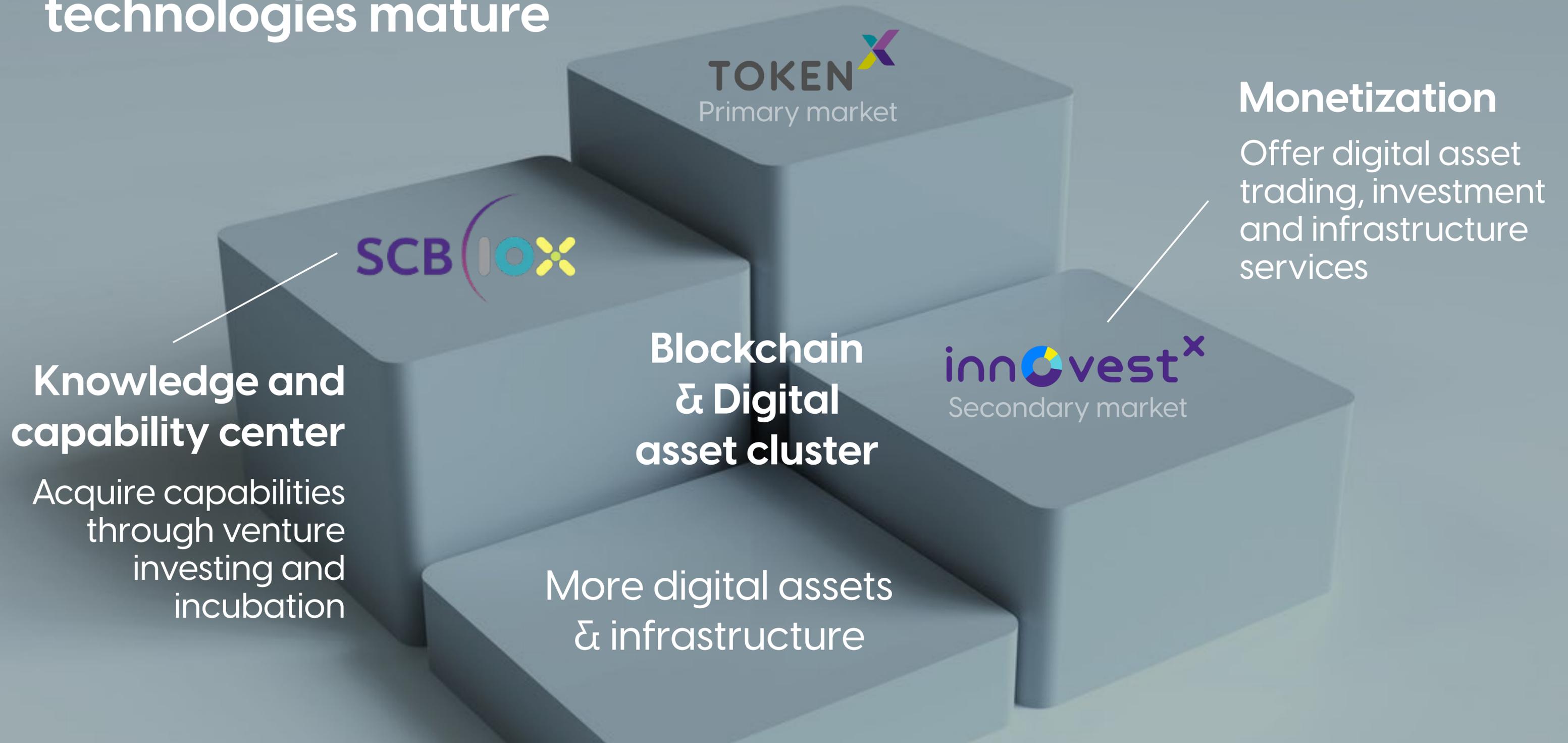


**Our focus is  
to provide  
a digital asset  
infrastructure**

**We are building infrastructure  
with a focus on underlying  
technology...**

**...and not to pursue speculative  
investments with no commercial  
use cases**

# We have a structure to capture growth in digital assets as technologies mature





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**Bold Vision With Prudent Execution  
And Discipline**

# From the top, we ensure robustness in execution

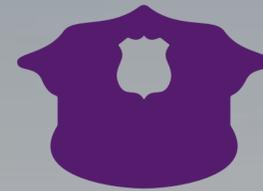


## Investment

Big commitments only  
with proven records

Allow portfolio  
companies to fail; no  
cash burning model

Dedicated pre-deal and  
post-deal teams



## Compliance

Portfolio company  
compliance aligned by  
group-wide framework

Active monitoring & risk  
identification



## Governance

Committees at SCBX level  
to govern key policies

SCBX's control over  
portfolio company's  
boards and appointment  
of key executives



## New investment budget to be deployed selectively, with prudence

- Primarily for Gen 3 opportunities with strong fit to SCBX aspiration
- Continuously monitor portfolio development and evolve capital allocation
- Deployed from excess capital and prudent debt leverage to ensure ROE enhancement

# Selected prestigious awards and international recognitions

**A member of Dow Jones Sustainability Indices (DJSI)** for the World Index and the Emerging Markets Index in the banking sector for the 4th consecutive year (2021)

**SCB IOX** ranked second in Global CVC investing in Fintech startups and eighth among global CVC by CB Insights (2021)

**Robinhood** ranked second most popular food delivery platform by market share in Greater Bangkok by EUREKA (2022)

**SCB Abacus**, the highest internationally funded lending tech in Thailand, awarded Digital Disruptor of the Year by IDC (2018)

**MONIX** won Best Fintech For Digital CX – Personal Finance, and Best CX Business Model awards from the Digital CX Awards by The Digital Banker (2022)

## **Best Bank in Thailand**

(The Asset, 13<sup>th</sup> year and Euromoney, 13<sup>th</sup> year)



# Why SCBX?

We pursue **GROWTH** opportunities with greater purposes.

We are **ADVANTAGED** with a solid customer base and brand as a launchpad for early win.

We put in place a structure to orchestrate group-wide **SYNERGIES**.

We offer a **BALANCED GROWTH** profile while making new investments with **DISCIPLINE**.

We maximize **CAPITAL EFFICIENCY** in a way banks cannot.



Above & Beyond with  
SCB<sup>x</sup>