



Management Discussion and Analysis

For the first quarter ended March 31, 2024

SCB X Public Company Limited

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1. Executive Summary

The Thai economy recovered at a gradual pace resulting in SCB EIC lowering growth projection for Thailand in 2024 to 2.7% from 3%. Looking forward, there are positive indicators such as promising prospects in tourism, a robust service sector performance, a revival in demand-driven economic activities led by exports and private investment, and a pick up in public spending following the recent passage of the 2024 budget bill. SCB EIC expects the Monetary Policy Committee (MPC) to lower the policy rate from 2.5% to 2% within 2024 to maintain a neutral stance of monetary policy.

In 1Q24, SCBX continued to grow, with a net profit of Baht 11.3 billion, reflecting a 2.6% rise compared to 1Q23. This performance was primarily fueled by higher net interest income and increased investment & trading income, offsetting elevated expected credit losses and softer fee income.

Regarding business portfolio contributions, SCB Bank (Gen 1) maintained robust topline income growth, efficient cost management and stable credit costs. Consumer & digital financial services (Gen 2) posted positive PPOP growth due to strong NII and fee income but recorded a net loss. loss due to higher expected credit losses. Meanwhile, the digital platform & ecosystem (Gen 3) experienced a narrower loss in 1Q24 compared to 1Q23 mainly due to higher mark-to-market gain from investment portfolio at SCB 10X.

In terms of new businesses, SCB Bank has entered into a Sale and Purchase Agreement (SPA) to acquire a 100% stake in Home Credit Vietnam Finance Company Limited. This transaction represents a significant milestone for SCBX to establish itself as a regional financial technology group with immediate return accretion upon the completion of the transaction. Moreover, SCBX and WeBank, a leading digital bank in China, have reached an agreement to collaborate on the development of innovative technology in Thailand in preparation for the application of virtual bank license. We anticipate that robust, innovative, and agile technology will play a pivotal role in the success of our virtual bank venture.

SCBX announced a dividend payment for the 2023 operating results, with a dividend payout ratio of 80% of net profits, representing an increase from the 60% of the previous year, demonstrating the commitment to consistently enhance shareholder value.

2. Thailand's Economic Outlook

SCB EIC revised down Thailand's economic forecast for 2024 to 2.7% (previously 3%). Although the overall economy shows signs of a steady rebound, driven by tourism and service sector, as well as improving exports and private investment, momentum from public spending in 1Q24 still contracted due to the delayed enactment of the 2024 Budget Act. Inventory accumulation is likely to remain high and poses another challenge to the economic outlook. This is partly attributed to structural issues in Thai manufacturing sector, particularly concerning in Thai export competitiveness. Such challenge is a major contributor to the slowed recovery of the Thai industrial sector this year. **Thailand's headline and core inflation for 2024 are projected at 0.8% and 0.6%, respectively.** Headline inflation will turn positive since 2Q24 after the withdrawal of energy subsidies and a subsequent increase in domestic oil prices. As a result, the headline inflation should return to the target range of 1–3% in the second half of the year.

The global economy is projected to expand by 2.6% in 2024, close to the previous year. This upward revision is fueled by sustained economic momentum from the end of 2023. Economic activities accelerated since the beginning of 2024, along with increases in new orders and expected future output in both manufacturing and service sectors. Notably, the United States, India, and China are key drivers to support the global economy this year. However, the global economy has not been growing much compared to the pre-Covid trends. Furthermore, the global economy still faces various challenges in both short and medium term, such as geopolitical tensions, climate change, and the structural problems in the Chinese economy.

Major central banks are expected to adjust their monetary policy directions this year. The Bank of Japan has abandoned its negative interest rate policy and the yield curve control, along with an upward revision in its inflation forecasts signaling potential rate hikes in the future. Meanwhile, the European Central Bank is anticipated to start a series of four rate cuts starting in June, following the continued deceleration of inflation and clear signals from the central bank. Meanwhile, the Federal Reserve (Fed) is likely to start reducing policy rates later since September for only two cuts due to the slower easing of inflation. Additionally, the People's Bank of China is expected to continue monetary easing to encourage credit issuance and economic recovery.

Looking ahead, Thailand will confront with substantial challenges from structural issues in the manufacturing sector. While manufacturing is expected to regain in 2024, driven by the buoyant domestic and external demand for consumer goods, Thai industrial production still relies heavily on old supply chains, coupled with the Thai economy's linkage to the Chinese economy and supply chains amid shifting geopolitical landscapes. Furthermore, adaption capabilities of Thai manufacturing sector towards modern supply chains and evolving global demand are slow. These challenges hinder Thailand's export competitiveness, as reflected in the stagnant export share of global exports over the past decade.

The policy rate is expected to be reduced to 2% this year. In this regard, the Monetary Policy Committee will maintain a neutral stance of monetary policy by cutting the policy rate to align with the

level that is consistent with the lower Thailand's long-term potential growth, which has been declined further by structural impediments in the manufacturing sector. In the near term, **the Thai baht will face downward pressure within the range of 35.80-36.80 baht per USD**, due to the continued strength of the US dollar index in line with the Fed's delay in rate cut as well as outflows from the Thai financial markets during the dividend payments season. To the end of the year, the Thai baht will slightly appreciate within the range 34–35 baht per USD.

3. Management Discussion and Analysis

For the first quarter ended March 31, 2024

1Q24 operating performance

In the first quarter of 2024, SCBX recorded a consolidated net profit of Baht 11.3 billion, marking a 2.6% year-on-year increase. This growth was primarily driven by higher net interest income (NII) resulting from an expansion in net interest margin (NIM) and increased investment income. Overall fee income experienced a decline compared to the previous year, primarily due to decreases in bancassurance fees and lending-related fees. The cost-to-income ratio increased slightly to 42.1% in 1Q24. Additionally, expected credit losses (ECL) slightly increased year-on-year to Baht 10.2 billion or 167 basis points of total loans, which was a net impact of an increase year-on-year from CardX and a reduction at the Bank from the absence of a one-off ECL last year.

The Group experienced a 2.1% year-on-year increase in loan growth, primarily driven by housing loans and corporate loans from SCB Bank and consumer loans from non-bank portfolio companies. The non-performing loan (NPL) declined quarter-on-quarter in absolute terms but NPL ratio mathematically rose quarter-on-quarter to 3.52% as earning asset base (denominator in the NPL ratio calculation) shrank due to loan-to-deposit optimization strategy at the Bank, with a solid coverage ratio at 160.6%.

Acquisition of Home Credit Vietnam Finance Company Limited

On February 28, 2024, SCBX announced that its subsidiary, The Siam Commercial Bank Public Company Limited (SCB Bank), has entered into a Sale and Purchase Agreement (SPA) with Home Credit N.V. to buy 100% of the charter capital of Home Credit Vietnam Finance Company Limited (HCVN) for approximately VND 20,973 billion (or equivalent to approximately Baht 31 billion). HCVN is a leading consumer finance company in Vietnam with competent team of international management.

The transaction marks a significant milestone in SCBX's journey to become a leading regional financial technology group and strengthens the company's presence in the high-growth ASEAN market. The transaction will immediately enhance earnings and shareholder return for SCBX.

The transaction requires approval from the Bank of Thailand, the State Bank of Vietnam, the Department of Planning and Investment of Vietnam, and/or other relevant competent authorities and is expected to be completed by mid-2025. The transaction also depends on the satisfaction of the conditions precedent under the SPA.

Portfolio companies update

Gen 1 business update

SCB Bank

SCB Bank has set a strategic objective of becoming a “Better Bank.” Within three years, its key objectives include establishing a reputation as a comprehensive digital bank that provides top-tier wealth management services alongside a seamless omnichannel experience for customers across all channels.

In the first quarter of 2024, the Bank experienced top-line growth year-over-year, propelled by strong net interest income (NII) growth. The overall fee income has slightly decreased, mainly because of lower bancassurance fees affected by economic conditions and business activity, along with decreased fees related to lending, while fee income from transactional banking activities and wealth management segment grew year-over-year, fueled by high-value products amidst active global stock markets. Continuing its disciplined cost management approach, the Bank achieved a decrease in the cost-to-income ratio to 37.6%. Non-Performing Loan (NPL) in absolute terms declined slightly qoq while % NPL slightly ticked up to 3.37% in 1Q24 from 3.29% in 2023 as the Bank’s interbank portfolio was downsized as part of loan-to-deposit optimization strategy, resulting in smaller denominator. NPL coverage ratio remained solid and stable at 155.7%.

The Bank continues to monitor and prudently manages asset quality, emphasizing an ample buffer and sufficient cushion to withstand the challenges of an uneven economic recovery in the first quarter of 2024. The Bank’s credit costs and expected credit losses came down year-on-year, from the absence of a one-time provision allocated for a specific corporate entity booked in 1Q23 while the Bank still needs to closely monitor exposure in retail portfolio. The Bank also continues to improve balance sheet efficiency through higher, yet optimal loan-to-deposit ratio.

Amid challenging market conditions, the Bank remains steadfast in its commitment to boosting revenue from both wealth management and bancassurance. It aims to deliver a seamless omnichannel experience to customers across all platforms and plans to revitalize the wealth management business by providing comprehensive services tailored to address the diverse needs of customers in personal wealth. The Bank has developed a backend system to bolster its digital revenue journey and enhance its digital products to remain competitive in the market. Simultaneously, emphasis will be placed on upgrading and modernizing infrastructure to enhance flexibility and broaden service coverage.

Gen 2 business update**CardX**

CardX has been focusing on strengthening its foundation to ensure sustainable growth by enabling dynamic underwriting and portfolio risk management while improving collection capabilities to turn operations around and achieve profitability for the year. CardX has strategically shifted its focus towards acquiring higher quality customers in the credit card business while concurrently reducing the personal loans exposure amid an uneven economic recovery and higher household debt. The company continued to enhance its collection efforts. This strategic pivot reflects an emphasis on optimizing credit card offerings to meet evolving consumer needs and preferences, leveraging CardX's strengths in this segment. Simultaneously, efforts are underway to systematically reduce exposure to personal loans, especially in the self-employed segment, aligning with risk management objectives.

The migration issue at CardX has largely stabilized. CardX slowed down personal loan in the self-employed segment to ensure that credit quality remained under control. For minimum payment policy, CardX had prepared for potential impacts and, so far, has experienced outcomes slightly better than initially anticipated. Further close monitoring remains essential.

CardX delivered a net loss in 1Q24 as credit costs stayed elevated as it manages the wind-down exposure from self-employed segment in its personal loan portfolio, and partly from the impact of minimum payment. Nonetheless, we anticipate a gradual improvement in credit costs in the second half of 2024. At the end of 1Q24, CardX's outstanding loans fell to Baht 107 billion.

AutoX

AutoX stands out for its exceptional financial performance, boasting a high loan yield and robust loan growth, giving it a significant competitive advantage. Utilizing cutting-edge electronic technology, the company provides customers with fast and convenient service. With the ability to approve loans within an hour and offering the highest commission rates to agents in the market, AutoX is recognized for its efficiency and competitiveness.

AutoX is balancing the expansion of its branch network together with improving efficiency, acknowledging the crucial role branches play as both branding assets and service hubs, bolstering the company's visibility and trustworthiness in the market. Recently, AutoX has forged a strategic partnership with convenience store business (7-Eleven), tapping into their extensive network to streamline the loan application process. The channel presents a cost-effective method to broaden exposure, capitalizing on the widespread presence of 7-Eleven stores. Moreover, AutoX has established strategic alliances with prominent players across various industries, including PTT Oil and Retail, Osotspa, Workpoint and RS, aiming to elevate and bolster its service offerings.

AutoX has worked towards increasing fee incomes, especially in the non-life insurance sector. At the end of the first quarter of 2024, AutoX's loan portfolio stood at Baht 41 billion, while its non-performing loan ratio remained below 1%. The company has delivered net profit for 3 consecutive quarters.

Gen 3 business update

Purple Ventures

As Robinhood transitions towards a profit-oriented model, it is strategically reducing subsidies across its food-delivery services while ensuring sustainable support for smaller merchants and riders within its ecosystem. Robinhood Ride gradually grew from a small base by prioritizing quality and fair pricing for consumers and drivers. Meanwhile, Robinhood EV has expanded its fleet by ordering an additional 250 2-wheel electric vehicles, bringing the total fleet size to 845 units. At the end of March 2024, Robinhood had over 4.5 million registered users, with a total GMV of Baht 1.6 billion.

No change to full-year guidance

| 2024 Targets | SCBX (Consolidated) | 1Q24 |
|---------------------------|------------------------|-------|
| Loan Growth | 3-5% | 0.9% |
| Net Interest Margin (NIM) | 3.7-3.9% | 3.83% |
| Net Fee Income Growth | Low-mid single digit | -7.6% |
| Cost to Income Ratio | 43-45% | 42.1% |
| Credit cost (bps) | 160-180bps | 167 |

1Q24 overall results remained in-line with forecasts, with the exception of fee income growth, which is still short of expectations. Loan growth was below the target range in 1Q24 but is expected to catch up with our guidance for the rest of the year, thanks to prospect for economic recovery in the 2H24 and solid performance at AutoX. Net interest margin (NIM) was aligned with expectations. The shortfall in fee income growth was primarily attributed to unfavorable market conditions. However, we anticipate a gradual improvement in fee income over the coming quarters, particularly driven by wealth management and bancassurance. The cost-to-income ratio for 1Q24 exceeded expectations. It is our intention to manage the cost structure in the most efficient manner. The credit cost was in line with the target.

SCBX Performance in 1Q24 (consolidated)

SCBX announced a reviewed consolidated **net profit** of Baht 11,281 million, representing a 2.6% increase from Baht 10,995 million in 1Q23. The primary reason for this increase was a rise in net interest income (NII), despite an increase in operating expenses (OPEX), higher expected credit losses, and a decline in fee income.

On a **quarter-on-quarter** basis, the net profit increased by 2.6%, mainly due to an increase in investment income, fee and other income, and a decrease in operating expenses. However, this growth was partially offset by a decrease in net interest income and an increase in expected credit losses.

Table 1. Net Profit and Total Comprehensive Income

| Consolidated | | | | | |
|---|---------------|---------------|--------------|---------------|-------------|
| Unit: Baht million | 1Q24 | 4Q23 | % qoq | 1Q23 | % yoy |
| Net interest income | 31,761 | 33,413 | -4.9% | 28,942 | 9.7% |
| Fee and others | 10,178 | 10,013 | 1.6% | 11,009 | -7.6% |
| Investment and trading income | 1,056 | (883) | NM | 948 | 11.4% |
| Total operating income | 42,995 | 42,543 | 1.1% | 40,900 | 5.1% |
| Operating expenses | 18,100 | 19,517 | -7.3% | 16,757 | 8.0% |
| Pre-provision operating profit | 24,895 | 23,026 | 8.1% | 24,143 | 3.1% |
| Expected credit loss | 10,201 | 9,330 | 9.3% | 9,927 | 2.8% |
| Income tax | 3,354 | 2,628 | 27.6% | 3,147 | 6.6% |
| Non-controlling interests | 59 | 73 | -19.5% | 73 | -18.9% |
| Net profit (attributable to shareholders of the Company) | 11,281 | 10,995 | 2.6% | 10,995 | 2.6% |
| Other comprehensive income (loss) | 285 | 692 | -58.9% | (24) | NM |
| Total comprehensive income | 11,566 | 11,687 | -1.0% | 10,971 | 5.4% |
| ROAE | 9.3% | 9.3% | | 9.4% | |
| ROAA | 1.3% | 1.3% | | 1.3% | |

NM denotes “not meaningful”

Income statement for the first quarter ended March 31, 2024 (Consolidated basis)

Table 2. Net interest income

| Consolidated | | | | | |
|--|---------------|---------------|--------------|---------------|--------------|
| Unit: Baht million | 1Q24 | 4Q23 | % qoq | 1Q23 | % yoy |
| Interest income | 41,380 | 43,436 | -4.7% | 37,092 | 11.6% |
| Loans | 34,140 | 35,438 | -3.7% | 30,673 | 11.3% |
| Interbank and money market | 2,327 | 2,960 | -21.4% | 1,999 | 16.4% |
| Hire purchase | 2,393 | 2,450 | -2.3% | 2,602 | -8.0% |
| Investments | 2,415 | 2,480 | -2.6% | 1,787 | 35.2% |
| Others | 105 | 109 | -3.3% | 32 | 228.6% |
| Interest expenses | 9,619 | 10,023 | -4.0% | 8,150 | 18.0% |
| Deposits | 4,703 | 4,737 | -0.7% | 3,067 | 53.4% |
| Interbank and money market | 952 | 1,056 | -9.9% | 1,224 | -22.3% |
| Borrowings | 1,021 | 1,197 | -14.8% | 823 | 24.0% |
| Contribution to the Deposit Protection Agency & FIDF | 2,831 | 2,912 | -2.8% | 2,939 | -3.7% |
| Others | 112 | 120 | -6.8% | 96 | 16.4% |
| Net interest income | 31,761 | 33,413 | -4.9% | 28,942 | 9.7% |

- **Net interest income** in 1Q24 increased by 9.7% yoy, amounting to Baht 31,761 million. This increase was driven by a 0.37% rise in the NIM and a 2.1% yoy growth in the loan volume.
- On a **quarter-on-quarter** basis, net interest income decreased by 4.9%, primarily due to a decline in NIM by 13 bps although loan grew 0.9% qoq.

Table 3. Yield and cost of funding

| Consolidated | | | | | |
|-------------------------------------|-------|-------|-------|-------|-------|
| Unit: Percentage | 1Q24 | 4Q23 | 3Q23 | 2Q23 | 1Q23 |
| Net interest margin | 3.83% | 3.96% | 3.74% | 3.70% | 3.46% |
| Yield on earning assets | 4.99% | 5.15% | 4.87% | 4.75% | 4.44% |
| Yield on loans | 5.99% | 6.21% | 5.97% | 5.85% | 5.57% |
| Yield on interbank and money market | 2.49% | 2.59% | 2.06% | 1.89% | 1.54% |
| Yield on investment | 1.90% | 2.08% | 1.85% | 1.75% | 1.64% |
| Cost of funds ^{1/} | 1.40% | 1.42% | 1.35% | 1.26% | 1.17% |
| Cost of deposits ^{2/} | 1.24% | 1.22% | 1.10% | 1.03% | 0.94% |

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

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

^{2/} Cost of deposits includes contributions to the Deposit Protection Agency and FIDF fees.

In 1Q24, NIM expanded by 37 bps yoy to 3.83% primarily due to increases in interbank yield (+95 bps), loan yield (+42 bps) and investment yield (+26 bps). This positive trend persisted despite a rise in funding cost (+23 bps). The higher yields were a result of 4 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 increase in the cost of funds was mainly attributed to higher deposit costs and borrowing expenses.

On a quarter-on-quarter basis, NIM decreased by 13 bps due to a lower yield on loan and higher deposit costs. For a detailed breakdown of loan yields by segment/product, please refer to Additional Financial Information on page 19.

Table 4. Fee and others

| Consolidated | | | | | |
|-------------------------|---------------|---------------|-------------|---------------|--------------|
| Unit: Baht million | 1Q24 | 4Q23 | % qoq | 1Q23 | % yoy |
| Transactional banking * | 3,147 | 3,116 | 1.0% | 2,952 | 6.6% |
| Lending related ** | 1,573 | 1,578 | -0.3% | 1,848 | -14.9% |
| Wealth management *** | 2,071 | 1,859 | 11.4% | 2,029 | 2.1% |
| Bancassurance/Insurance | 2,922 | 2,014 | 45.1% | 3,424 | -14.7% |
| Others | 465 | 1,445 | -67.8% | 755 | -38.4% |
| Fee and others | 10,178 | 10,013 | 1.6% | 11,009 | -7.6% |

* 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 7.6% yoy to Baht 10,178 million in 1Q24. This decline was primarily attributed to a decrease in bancassurance fees and lending related fees. Despite the decrease in these areas, there was an improvement yoy in 1Q24, driven by transactional banking fees and wealth management fees.

- On a **quarter-on-quarter** basis, fee and others increased 1.6% largely due to higher bancassurance fees and higher wealth management fees.

Table 5. Investment and trading income

| Consolidated | | | | | |
|--------------------------------------|--------------|--------------|-----------|------------|--------------|
| Unit: Baht million | | | | | |
| | 1Q24 | 4Q23 | % qoq | 1Q23 | % yoy |
| Investment and trading income | 1,056 | (883) | NM | 948 | 11.4% |

NM denotes “not meaningful”

- In 1Q24, **investment and trading income** increased by 11.4% yoy to Baht 1,056 million, largely due to higher trading income at SCB Bank.
- On a **quarter-on-quarter** basis, investment and trading income amounted to Baht 1,056 million, compared with a loss of Baht 883 million in 4Q23 from mark to market gains from investment portfolio at SCB 10X.

Table 6. Operating expenses

| Consolidated | | | | | |
|---------------------------------|---------------|---------------|--------------|---------------|-------------|
| Unit: Baht million | | | | | |
| | 1Q24 | 4Q23 | % qoq | 1Q23 | % yoy |
| Employee expenses | 8,684 | 8,279 | 4.9% | 8,443 | 2.9% |
| Premises and equipment expenses | 2,833 | 3,112 | -9.0% | 2,402 | 17.9% |
| Taxes and duties | 1,341 | 1,378 | -2.7% | 1,291 | 3.9% |
| Directors' remuneration | 66 | 62 | 6.1% | 31 | 112.9% |
| Other expenses | 5,176 | 6,686 | -22.6% | 4,589 | 12.8% |
| Total operating expenses | 18,100 | 19,517 | -7.3% | 16,757 | 8.0% |
| Cost to income ratio | 42.1% | 45.9% | | 41.0% | |

- Operating expenses** increased by 8.0% yoy, reaching Baht 18,100 million in 1Q24. This increase was primarily driven by higher staff costs, which stemmed from the need to accommodate a larger workforce to support business growth. Increase in premises and equipment expensed was particularly linked to the outlet expansion of a portfolio company and higher software/hardware maintenance.
- On a **quarter-on-quarter** basis, operating expenses decreased by 7.3%, primarily due to the seasonal nature of marketing and promotion expenses, which typically peak in 4Q23.

In 1Q24, the cost-to-income ratio increased slightly to 42.1%, compared to 41.0% in 1Q23 but improved qoq from 45.9% in 4Q23. The company will continue to maintain a strong focus on cost discipline.

Table 7. Expected credit loss (ECL)

| Consolidated | | | | | |
|----------------------|--------|-------|-------|-------|-------|
| Unit: Baht million | 1Q24 | 4Q23 | % qoq | 1Q23 | % yoy |
| Expected credit loss | 10,201 | 9,330 | 9.3% | 9,927 | 2.8% |
| Credit cost (bps) | 167 | 153 | | 166 | |

- In 1Q24, **expected credit losses** increased to Baht 10,201 million (167 bps of total loans) to preemptively provide a cushion for overall uneven economic recovery at CardX while expected credit losses at the Bank decreased due to the absence of a one-off provision for a specific corporate client in 1Q23. The amount not only reflected the pro-cyclicality of forward-looking Expected Credit Loss (ECL) models under the TFRS 9 framework, but also included management overlays set accordingly to current economic uncertainties.

Balance sheet as of March 31, 2024 (Consolidated basis)

As of March 31, 2024, the Company's total assets fell by 0.3% yoy to Baht 3,407 billion primarily due to a decrease in interbank and money market items, despite a 2.1% yoy growth in loans. Details on the consolidated balance sheet are provided in the following sections:

Table 8. Loans by segment

| Consolidated | | | | | |
|---------------------------------|------------------|------------------|-------------|------------------|-------------|
| Unit: Baht million | Mar 31, 24 | Dec 31, 23 | % qoq | Mar 31, 23 | % yoy |
| Corporate | 872,077 | 843,726 | 3.4% | 852,635 | 2.3% |
| SME | 409,986 | 413,208 | -0.8% | 416,180 | -1.5% |
| Retail | 992,990 | 995,930 | -0.3% | 987,146 | 0.6% |
| Housing loans | 768,428 | 761,724 | 0.9% | 739,986 | 3.8% |
| Auto loans | 169,597 | 172,577 | -1.7% | 184,984 | -8.3% |
| Unsecured loans | 33,443 | 40,117 | -16.6% | 43,873 | -23.8% |
| Other loans | 21,523 | 21,513 | 0.0% | 18,303 | 17.6% |
| Loans under portfolio companies | 173,627 | 173,698 | 0.0% | 143,262 | 21.2% |
| CardX | 106,635 | 115,256 | -7.5% | 115,173 | -7.4% |
| AutoX | 40,937 | 33,888 | 20.8% | 12,399 | 230.2% |
| Other portfolio companies | 26,055 | 24,554 | 6.1% | 15,690 | 66.1% |
| Total loans * | 2,448,681 | 2,426,563 | 0.9% | 2,399,222 | 2.1% |

* Total loan excluded unamortized modification loss

Total loans increased 2.1% yoy and 0.9% qoq at the end of March 2024. Changes in loan volume by customer segment are as follows:

- **Corporate** loans increased by 2.3% yoy and 3.4% qoq, primarily driven by demand from large corporates.
- **SME** loans fell by 1.5% yoy and 0.8% qoq. The decline was primarily due to loan repayments from both SMEs and small SMEs.
- **Retail** loans increased 0.6% yoy but fell 0.3% qoq. Below are details of changes in loan volume by sub-segment.
 - **Housing loans** increased 3.8% yoy and 0.9% qoq given continued demand in high-end housing developments.
 - **Auto loans** fell 8.3% yoy and 1.7% qoq largely from loan repayments of used cars.
- **Loans under portfolio companies**, including loans extended by CardX, AutoX, MONIX, ABCUS digital, InnovestX and Purple Ventures increased significantly by 21.2% yoy but were relatively flat qoq at Baht 173,627 million.
 - **CardX loans** (personal loans and credit card receivables) decreased 7.4% yoy and 7.5% qoq, amounting to Baht 106,635 million at the end of March 2024. The decline was attributed to the deceleration of new personal lending, as well as the taper-off exposure of the self-employed segment in personal loan portfolio.
 - **AutoX loans** increased significantly by 230.2% yoy and 20.8% qoq, amounting to Baht 40,937 million from the strong performance from both outlet and agency channels as well as strong market penetration.

Table 9. Deposits breakdown

| Consolidated | | | | | |
|---|------------------|------------------|--------------|------------------|--------------|
| Unit: Baht million | | | | | |
| | Mar 31, 24 | Dec 31, 23 | % qoq | Mar 31, 23 | % yoy |
| Demand | 131,633 | 131,169 | 0.4% | 128,799 | 2.2% |
| Savings | 1,767,553 | 1,820,111 | -2.9% | 1,936,920 | -8.7% |
| Fixed | 511,420 | 491,580 | 4.0% | 444,539 | 15.0% |
| Less than 6 months | 72,281 | 75,730 | -4.6% | 93,604 | -22.8% |
| 6 months and up to 1 year | 121,203 | 116,747 | 3.8% | 132,825 | -8.8% |
| Over 1 year | 317,936 | 299,103 | 6.3% | 218,110 | 45.8% |
| Total deposits | 2,410,606 | 2,442,860 | -1.3% | 2,510,258 | -4.0% |
| CASA - Current & Savings Accounts (%) | 78.8% | 79.9% | | 82.3% | |
| Gross loans to deposits ratio (Bank only) | 97.0% | 94.5% | | 90.7% | |
| Liquidity ratio (Bank-only) | 29.2% | 31.8% | | 32.5% | |

As of March 31, 2024, total **deposits** decreased 4.0% yoy and 1.3% qoq. The decline in deposits was primarily from savings deposits, resulting in a decrease in the CASA mix to 78.8% at the end of March 2024 from 79.9% at the end of last year. The gross loans to deposits ratio (at a bank-only level) increased to 97.0% from 94.5% at the end of December 2023 due to loan-to-deposit optimization.

The Bank's daily liquidity ratio of 29.2%, 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 | Mar 31, 24 | Dec 31, 23 | % qoq | Mar 31, 23 | % yoy |
|---|----------------|----------------|--------------|----------------|--------------|
| Financial assets measured at FVTPL | 154,937 | 92,534 | 67.4% | 67,637 | 129.1% |
| Investments in debt securities measured at amortised cost | 210,180 | 209,930 | 0.1% | 211,363 | -0.6% |
| Investments in debt securities measured at FVOCI | 171,768 | 174,495 | -1.6% | 135,563 | 26.7% |
| Investments in equity securities measured at FVOCI | 1,729 | 1,737 | -0.5% | 1,695 | 2.0% |
| Net investment * | 383,677 | 386,162 | -0.6% | 348,621 | 10.1% |
| Investment in associates | 2,118 | 1,970 | 7.5% | 1,427 | 48.4% |
| Total | 540,732 | 480,667 | 12.5% | 417,685 | 29.5% |

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

Investments at the end of March 2024 increased by 29.5% yoy and 12.5% qoq. The yoy increase was mainly due to higher financial assets (government bonds) measured at FVTPL, partly from foreign debt instruments measured at FVTPL, and higher investment from government bonds and foreign debentures measured at FVOCI. The qoq increase was primarily due to higher financial assets as mentioned above.

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 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 March 2024 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) | | |
|-------------------------------|---------------------|----------------|----------------|----------------------|----------------|----------------|
| | Mar 31, 24 | Dec 31, 23 | Mar 31, 23 | Mar 31, 24 | Dec 31, 23 | Mar 31, 23 |
| Statutory Capital | | | | | | |
| Common Equity Tier 1 | 417,586 | 415,913 | 406,405 | 374,627 | 361,170 | 362,072 |
| Tier 1 capital | 419,036 | 417,536 | 407,663 | 374,627 | 361,170 | 362,072 |
| Tier 2 capital | 26,753 | 26,144 | 26,012 | 23,939 | 23,499 | 24,523 |
| Total capital | 445,789 | 443,680 | 433,675 | 398,567 | 384,669 | 386,595 |
| Risk-weighted assets | 2,399,441 | 2,358,515 | 2,328,335 | 2,177,224 | 2,135,900 | 2,235,859 |
| Capital Adequacy Ratio | 18.6% | 18.8% | 18.6% | 18.3% | 18.0% | 17.3% |
| Common Equity Tier 1 | 17.4% | 17.6% | 17.5% | 17.2% | 16.9% | 16.2% |
| Tier 1 capital | 17.5% | 17.7% | 17.5% | 17.2% | 16.9% | 16.2% |
| Tier 2 capital | 1.1% | 1.1% | 1.1% | 1.1% | 1.1% | 1.1% |

Consolidated common equity Tier 1/Tier 1 capital of SCBX Financial Group declined slightly yoy to 17.4% at the end of March 2024 mainly from appropriation of net profit after dividend payment. On the Bank-only basis, common equity Tier 1/Tier 1 capital increased yoy to 17.2%. 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 March 2024, **NPLs** (on a consolidated basis) increased 0.1% yoy but fell 1.6% qoq to Baht 95.2 billion. **NPL ratio** increased to 3.52% from 3.44% at the end of December 2023.

At the end of March 2024, the Group's **coverage ratio** increased to 160.6%, up 0.7% qoq largely from a decrease of NPLs. 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, % | Mar 31, 24 | Dec 31, 23 | Mar 31, 23 |
|--|------------|------------|------------|
| SCBX (Consolidated) | | | |
| Non-Performing Loans (NPLs) | 95,236 | 96,832 | 95,153 |
| NPL ratio | 3.52% | 3.44% | 3.32% |
| Total allowance* | 152,921 | 154,839 | 155,908 |
| Total allowance to NPLs (Coverage ratio) | 160.6% | 159.9% | 163.8% |
| Credit cost (Quarterly, bps) | 167 | 153 | 166 |
| SCB Bank (Bank-only) | | | |
| Non-Performing Loans (NPLs) | 86,989 | 88,544 | 88,204 |
| NPL ratio | 3.34% | 3.27% | 3.16% |

* 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 March 2024, December 2023, and March 2023 were classified as follows:

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

| Consolidated Unit: Baht million | Mar 31, 24 | | Dec 31, 23 | | Mar 31, 23 | |
|------------------------------------|---------------------|----------------|---------------------|----------------|---------------------|----------------|
| | Loans and interbank | ECL* | Loans and interbank | ECL* | Loans and interbank | ECL* |
| Stage 1 (Performing) | 2,414,160 | 33,558 | 2,545,602 | 39,435 | 2,591,411 | 41,429 |
| Stage 2 (Underperforming) | 194,533 | 63,739 | 175,072 | 56,363 | 180,618 | 55,527 |
| Stage 3 (Non-performing) | 95,236 | 55,624 | 96,832 | 59,041 | 95,153 | 58,952 |
| Total | 2,703,928 | 152,921 | 2,817,507 | 154,839 | 2,867,183 | 155,908 |

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

Sources and Uses of Funds

As of March 31, 2024, deposits accounted for 70.8% of SCBX's funding base. Other major sources of funds were: 14.5% from shareholders' equity, 6.7% from interbank borrowings, and 2.7% from debt issuance. Uses of funds for this same period were: 71.9% for loans, 15.9% for investments in securities, 9.1% for interbank and money market lending, and 1.1% held in cash.

Segment Performance

1Q24 Operational Performance

| Unit: Baht billion | Total operating income | % portion | Cost income ratio | Credit cost | Net profit (loss) | % portion | Total loans |
|--|------------------------|-----------|-------------------|--------------|-------------------|-----------|--------------|
| Gen 1 - Banking Services* | 36.3 | 80% | 38% | 1.1% | 13.2 | 103% | 2,351 |
| Gen 2 - Consumer & Digital Financial Services* | 6.9 | 15% | 48% | 9.6% | (0.3) | -2% | 164 |
| Gen 3 - Platforms & Digital Assets* | 2.1 | 5% | 94% | - | (0.1) | -1% | 3 |
| Inter Transaction and others | (2.3) | | - | - | (1.5) | | (69) |
| Total | 43.0 | | 42% | 1.67% | 11.3 | | 2,449 |

* Before deducting intercompany transactions

Gen 1 - Banking Services

1Q24 Performance

- **Net interest income** in 1Q24 increased by 1.4% yoy to Baht 25.8 billion, driven by a NIM expansion (+32 bps) and selective loan growth of 1.1% yoy.

- **Non-interest income** fell slightly by 1.7% yoy to Baht 10.5 billion. This was primarily due to lower bancassurance fees and lower lending-related fees, which were partly offset by higher investment and trading income.
- **Total operating income** stood at Baht 36.3 billion mainly driven by a robust NII.
- **OPEX** increased by 3.8% yoy to Baht 13.7 billion, attributed to stringent cost control measures. The Bank remains committed to maintaining a key focus on cost discipline, resulting in a cost-to-income ratio of 37.6% in 1Q24.
- **Net profit** in 1Q24 stood at Baht 13.2 billion, which corresponds to 12.6% of ROE.
- **Loan** growth of 1.1% yoy was propelled by housing and corporate loans. The Bank persisted in its growth with a quality-focused strategy, aiming to optimize returns within its risk tolerance.
- **NPL ratio** rose to 3.37% by the end of March 2024, up from 3.29% at the end of 2023. The increase in NPLs was predominantly from retail segments. As of March 2024, the Bank maintained a high coverage ratio of 155.7%.

Gen 2 – Consumer & Digital Financial Services

1Q24 Performance

- Total operating income experienced robust yoy growth, reaching Baht 6.9 billion, constituting 15% of the total Group operating income. Revenue from Gen 2 primarily stemmed from net interest income (NII), predominantly derived from unsecured personal loans, auto title loans, and digital loans.
- OPEX increased yoy primarily to support the business growth in Gen 2. Meanwhile, cost-to-income ratio stood at 48%.
- Amid an uneven economic recovery, credit costs for Gen 2 remained at a high level of 9.6%. Nonetheless, we expect an improvement in credit costs in the second half of 2024.
- Gen 2 companies reported a net loss of Baht 0.3 billion in 1Q24 due to net loss from CardX.
- Total loans for Gen 2 surged by 17% yoy to Baht 164 billion, predominantly fueled by the expansion of AutoX and digital loans by MONIX.
- NPLs in absolute terms decreased qoq, mainly due to an improvement at CardX.

Gen 3 – Platforms & Digital Assets

1Q24 Performance

- Total operating income was Baht 2.1 billion, mostly contributed from fee income and investment income which accounted for 5% of total Group operating income.

- The cost-income ratio for Gen 3 remained at a high level of 94% in 1Q24 but showed improvement compared to the previous year. Gen 3 businesses continued their efforts to reduce costs by minimizing subsidies and actively sought to enhance their revenue streams.
- In 1Q24, Gen 3 companies reported a net loss of Baht 0.1 billion.

Credit Ratings

Credit Ratings of SCB X Public Company Limited

March 31, 2024

Moody's Investors Service

| | |
|--|--------|
| Issuer Rating (Local and Foreign Currency) | Baa2 |
| Outlook | Stable |

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) |

Additional Financial Information

| Consolidated Unit: Baht million, % | Mar 31, 24 | Dec 31, 23 | % qoq | Mar 31, 23 | % yoy |
|--|------------------|------------------|---------------|------------------|--------------|
| Total loans | 2,448,681 | 2,426,563 | 0.9% | 2,399,222 | 2.1% |
| Add Accrued interest receivables and undue interest receivables | 23,284 | 23,467 | -0.8% | 21,715 | 7.2% |
| Total loans and accrued interest receivables and undue interest receivables | 2,471,965 | 2,450,030 | 0.9% | 2,420,937 | 2.1% |
| Less Unamortised modification losses | 734 | 990 | -25.9% | 3,018 | -75.7% |
| Less Allowance for expected credit loss | 147,836 | 147,995 | -0.1% | 150,276 | -1.6% |
| Total loans and accrued interest receivables, net | 2,323,395 | 2,301,044 | 1.0% | 2,267,643 | 2.5% |
| Loans by Sector | 2,448,681 | 2,426,563 | 0.9% | 2,399,222 | 2.1% |
| Agricultural and mining | 8,731 | 9,565 | -8.7% | 13,016 | -32.9% |
| Manufacturing and commercial | 659,556 | 657,147 | 0.4% | 664,106 | -0.7% |
| Real estate and construction | 185,777 | 175,807 | 5.7% | 172,552 | 7.7% |
| Utilities and services | 437,053 | 422,263 | 3.5% | 420,186 | 4.0% |
| Housing loans ^{1/} | 619,469 | 616,898 | 0.4% | 601,019 | 3.1% |
| Other loans | 538,095 | 544,883 | -1.2% | 528,343 | 1.8% |
| Debt issued and borrowings | 92,178 | 109,911 | -16.1% | 73,246 | 25.8% |
| Debentures | 68,226 | 84,215 | -19.0% | 51,138 | 33.4% |
| Structured notes | 25,199 | 26,352 | -4.4% | 23,347 | 7.9% |
| Others | 14 | 17 | -17.6% | 41 | -65.9% |
| Hedge accounting adjustment | (1,261) | (673) | NM | (1,280) | NM |
| | 1Q24 | 4Q23 | 3Q23 | 2Q23 | 1Q23 |
| Share Information | | | | | |
| EPS (Baht) | 3.35 | 3.27 | 2.87 | 3.52 | 3.27 |
| BVPS (Baht) | 145.42 | 141.99 | 138.51 | 138.23 | 139.99 |
| Closing price (Baht) | 114.00 | 106.00 | 102.50 | 106.50 | 102.50 |
| Shares outstanding (Million shares) | 3,367 | 3,367 | 3,367 | 3,367 | 3,367 |
| Market capitalization (Baht billion) | 383.9 | 356.9 | 345.1 | 358.6 | 345.1 |
| Yield on loans by segment | | | | | |
| Yield on loans | 5.99% | 6.21% | 5.97% | 5.85% | 5.57% |
| Corporate | 4.55% | 4.96% | 4.46% | 4.28% | 3.95% |
| SME | 7.43% | 7.46% | 7.33% | 7.09% | 6.85% |
| Retail | 5.13% | 5.23% | 5.18% | 5.19% | 5.13% |
| Housing loans | 4.74% | 4.81% | 4.71% | 4.71% | 4.64% |
| Auto loans | 5.57% | 5.61% | 5.60% | 5.58% | 5.55% |
| CardX | 13.79% | 15.14% | 14.82% | 14.55% | 14.57% |
| AutoX ^{2/} | 19.7% | 20.0% | 20.2% | 20.2% | 20.2% |
| NPL ratio by segment/product | | | | | |
| Corporate | 1.9% | 2.1% | 2.5% | 2.7% | 2.8% |
| SME | 10.6% | 10.8% | 9.9% | 9.6% | 10.2% |
| Retail | 2.8% | 2.7% | 2.4% | 2.3% | 2.2% |
| Housing loans | 2.9% | 2.7% | 2.4% | 2.3% | 2.3% |
| Auto loans | 2.5% | 2.7% | 2.5% | 2.3% | 2.1% |
| CardX | 5.8% | 5.6% | 5.8% | 5.2% | 4.9% |
| AutoX | 0.9% | 0.8% | 0.8% | 0.7% | 0.5% |
| New NPLs by segment and by product (Bank-only) | | | | | |
| Total loans | 0.61% | 0.69% | 0.56% | 0.52% | 0.43% |
| Corporate | 0.00% | 0.05% | 0.09% | 0.09% | 0.01% |
| SME | 1.05% | 1.71% | 0.95% | 0.72% | 0.55% |
| Housing loans | 0.79% | 0.71% | 0.65% | 0.65% | 0.60% |
| Auto loans | 2.27% | 2.33% | 2.49% | 2.24% | 2.06% |
| New NPLs (Baht billion) | 15.5 | 18.2 | 15.3 | 14.0 | 11.7 |
| NPL reduction methodology | | | | | |
| NPL sales (Baht billion) | 1.5 | 2.4 | 4.2 | 3.6 | 2.2 |
| Write off (Baht billion) | 11.5 | 13.9 | 7.7 | 7.4 | 4.6 |

^{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 March 31, 2024, December 31, 2023, and March 31, 2023, was Baht 768 billion, Baht 762 billion, and Baht 740 billion, respectively.

^{2/} 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 |

SCBX's interest expenses

| SCBX (Separate financial statements) Unit: Baht million | 1Q24 | 4Q23 | 3Q23 | 2Q23 | 1Q23 |
|---|--------------|--------------|------------|------------|------------|
| Interest expenses | | | | | |
| Interbank and money market items | 772 | 679 | 498 | 656 | 597 |
| Other debentures | 394 | 398 | 398 | 34 | - |
| Total | 1,166 | 1,077 | 896 | 690 | 597 |

4. SCBX and Sustainability

Progress Towards Delivering on SCBX Group Sustainability Commitments

SCBX promotes and supports group-wide sustainability performance according to the Group Sustainability Framework comprising of four pillars - Planting Digital Seeds, Enriching Lives, Growing Economic Resilience and Achieving Climate Neutrality – as guided by the sustainability mission of ‘Opportunities for Everyone, Possibilities Everyday’. In the first quarter of 2024, key performance includes:

Strategic Framework-Based Performance and Initiatives:

Planting Digital Seeds

- SCB 10X: Unveiled a high-performance large language model ‘Typhoon’, optimized for Thai. The Typhoon-7B pre-trained model is open source and freely available for download, while the Typhoon instruction-tuned model is available through an API service to improve Thailand’s AI industry’s competitiveness.
- CardX: Introduced an ‘AI-augmented Canda Chatbot’ powered by GPT to precisely respond to customers’ inquiries through an automated system, thereby reducing the effort required from contact agents.
- Initiated the ‘SCBX Copilot Showcase Online Series’ program, aimed at fostering the sharing and exchange of experiences on the utilization of Copilot to enhance productivity in both daily tasks and strategic projects within the SCBX Group.
- SCB: Provided the ‘Productivity Improvement by Power Platform’ training course to teach employees digital skills for automation and efficiency, covering Lean Process, Low-code/No-code Automation, Design Thinking, Data Analysis, and AI integration. Additionally, a separate ‘Data Classification Standard’ course was deployed to ensure employees handle sensitive information, fostering a digital employee culture within the organization.
- Robinhood: Hosted seminars on ‘2024 Digital Marketing Trends’ for SMEs, and ‘Future Technology and E-commerce’ for potential talents, university students, and professionals in the technology and digital sectors to enhance their digital marketing and e-commerce skills.

Enriching Lives

- Robinhood: Offered loans through the ‘Robinhood Finance’ initiative to underserved merchants and riders to enhance financial flexibility in operating their businesses and sustaining their livelihoods. By the end of 1Q24, participation has grown significantly, with more than 12,000 merchants and riders actively involved, up from 3,106 at the end of 2023.

Growing Economic Resilience

- Consistently supports sustainable financial products, including green/ sustainable loans, sustainability-linked loans, and green bond underwriting for corporate and SME customers across over 11 key industries such as energy, tourism, and manufacturing, as well as to individual clients. In 1Q24, SCB provided Baht 1,108 million, contributing to a total sustainable financing of Baht 85,798 million as of 1Q24. This achievement is a significant step towards our ambitious goal of Baht 150,000 million for the 2023-2025 period.

Reaching Climate Neutrality

- Approved near-term net-zero targets by the SCBX's Board of Directors for submission to the Science Based Targets initiative (SBTi), scheduled no later than June 2024.
- Conducted two climate sustainability masterclasses for the SCBX and SCB Board of Directors and executives. These sessions aimed to enhance their comprehensive understanding of climate matters, covering key trends, SBTi, and the SCBX Group's journey to net zero, while also equipping them to effectively lead the business sustainability efforts.
- Enhanced environmental data management by initiating the implementation of a digital platform to collect and analyze environmental data.
- Refined GHG reduction initiatives and implementation plan for SCB branches and automatic banking machines.
- Launched SCBX Green Procurement Guideline within the SCBX Group to align green procurement product category. A communication session with key vendors is scheduled in May 2023.