


SCB^x



SCB^x Group
**FINANCIAL
INCLUSION POLICY**

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A hand holding a smartphone against a blurred green background. The image is dark and moody, with the phone and hand in the foreground and a soft, out-of-focus green background. The text is overlaid on the lower right portion of the image.

Our Sustainability Mission

**OPPORTUNITIES
FOR EVERYONE,
POSSIBILITIES
EVERYDAY**

TABLE OF CONTENTS

	Page
1. BACKGROUND AND RATIONALE	4
2. SCOPE	4
3. DEFINITIONS	4
4. MANAGEMENT APPROACH	5
5. OUR COMMITMENT	5
6. POLICY GOVERNANCE	6
7. POLICY REVIEW	7

SCB^X GROUP FINANCIAL INCLUSION POLICY

1. BACKGROUND AND RATIONALE

People's well-being is a pivotal part of the national development. Nonetheless, some people in Thailand still live in poverty and poor quality of life due to socioeconomic gaps. For many years, disadvantaged populations have been confronted with unequal access to basic resources: capital, education, information, knowledge, and other necessities to live a decent life. Apart from that, the COVID-19 pandemic and emerging digital disruption have further deepened social and economic inequalities.

A study found that over 50% of the Thai population, or around 36 million¹, still lacked access to formal bank loans. Given poor financial literacy and social opportunities, most of them banked on informal credit markets that came with exorbitant interests—above rates offered by financial institutions or a legal rate permitted by laws—to cover daily expenses. Evidently, Thailand's household debt to GDP ratio soared to 90% in 2022². Meanwhile, the small and medium enterprises (SMEs) contributed to over 80% of Thailand's employment and 45% of the national GDP, yet only 25% of them secured access to formal funding whereas over 60% reported a revenue fall due to the COVID-19 outbreaks³.

With our ambition to become 'The Most Admired Regional Financial Technology Group,' SCB X Public Company Limited (the "Company")—the parent company of the SCB^X financial business group (the "SCB^X Group")—understands the vital role of financial institution as an intermediary to improve access to finance. The Company placed 'Financial and Digital Inclusion' as one of the sustainability strategic goals with commitments to tackle social inequality, uplift people's well-being, and foster inclusive growth in alignment with the United Nations Sustainable Development Goals (SDGs).

2. SCOPE

The Financial Inclusion Policy is integrated into business operations across SCB^X Group—from the SCB X Public Company Limited to subsidiaries and joint ventures that SCB^X has operational control over. All subsidiaries and joint ventures are required to establish a management approach and practice befitting their business context, while having in place the principle and commitment as expressed in the SCB^X Financial Inclusion Policy.

3. DEFINITIONS

"Financial Products and Services" mean deposits, loans, investments, insurance, and financial advisory services.

"Underserved Group" means the unbanked population (people without a bank account), the underbanked population (people with limited access to financial services), low-income earners and the self-employed who are unable to provide income statements or any collateral, people in rural communities, and/or the micro, small and medium enterprise (MSMEs).

"Vulnerable Group" means the population aged 60 years and over, individuals with limited financial literacy, those who have never used financial products and services, and/or those who lack communication and decision-making capabilities—such as visually- or hearing-impaired persons, and people with health impairments.

¹ Data from the Bank of Thailand

² Data from the Bank of Thailand

³ Data from the Asian Development Bank Institute (ADBI), the Federation of Thai SME, and Statista

4. MANAGEMENT APPROACH

Our commitment to financial inclusion is mirrored in the mission to 'Make finance simple, accessible and affordable for all.' In pursuance of the above mission, SCB^X Group puts in place the management approach as follows:

- **Strategic Alignment:** Identify 'Digital Lending' as one of the Company's main strategies and sustainability goals. It is our endeavor to broaden the client base while unlocking fair access to finance for the underserved group.
- **Target Setting and Transparency:** Determine the targets for SCB^X Group to contribute to positive changes and mitigate negative impacts. The goal and progress shall be constantly communicated through the annual report, sustainability report, and/or the Company's website.
- **International Framework/ Standard Adoption:** Integrate the international frameworks into our policy direction and commitment. These include but not limited to:
 - *United Nations Environment Programme Finance Initiative (UNEP FI) - The PRB Commitment to Financial Health and Inclusion*, which pledges to promote universal financial inclusion and encourage the financial and banking sector to foster customers' financial well-being.
 - *United Nations Environment Programme Finance Initiative (UNEP FI) - The PRI Principles for Investors in Inclusive Finance (PIIF)*, which actively supports investment business to broaden financial services available to low-income earners, so as to help them reduce financial vulnerability, grow assets, manage cash flows, and uplift income.
 - *Global Reporting Initiative - Financial Services Sector Disclosure*, which determines standard disclosure requirements for the financial services business; Two indicators related to inclusive finance are (1) Access points in economically disadvantaged or low-populated areas and (2) Initiatives to improve access to financial services for socioeconomically disadvantaged people.
- **Clients and Stakeholders Engagement:** Foster engagement with clients and stakeholders to create pathways for shared value and continuous improvement.

5. OUR COMMITMENT

SCB^X Group is devoted to advancing 'Financial and Digital Inclusion.' To this end, we leverage technology and innovation to enhance our financial products and services, improve positive and negative risk management, build alliances, and broaden social opportunities for all. Our commitment is steered by the '3Ps' framework, which consists of:

Products and Services Development

- **Availability and Accessibility:** SCB^X Group shall develop and provide responsible financial products and services. The Company seeks to offer diverse financial alternatives that anyone can access with great convenience at the highest security. All financial solutions are tailored to each client's demand, financial capability, and financial literacy—particularly for underserved and vulnerable groups.
- **Digital Financial Services Promotion:** SCB^X Group places great emphasis on enhancing innovation and digital financial services. We also strive to identify, examine, monitor, and manage emerging risks so as to nurture an inclusive and resilient financial ecosystem.

- **Financial Capability and Digital Skill:** SCB^X Group aims to bridge the service gap by uplifting financial literacy—which encompasses financial planning, budgeting, savings, investment, and financial risk management. By doing so, we can mitigate over-indebtedness while strengthening financial health from now onwards. The Company also seeks to develop primary digital skills that accommodate a safe online financial transaction.

Process Management

- **Client Protection:** SCB^X Group consistently improves the management process to deliver financial products and services that ensure the highest benefits for our clients, particularly the underserved and vulnerable groups. To minimize negative impacts on existing and potential customers, the Company implements preventive measures, which include:
 - Conducting the responsible retail lending policy review to prevent over-indebtedness
 - Organizing the training session on responsible marketing and communication to deliver financial solutions that meet the customer’s needs in an appropriate and fair manner
 - Providing customer service channels that are easy to access while ensuring that all complaints can be resolved promptly
- **Embracing the Power of Technology and Data:** SCB^X Group harnesses the power of technology and data to understand our customers better. We also adopt Risk-based Pricing approach to offer fair interest rates or other loan terms based on the estimated customers’ risk. We attempt to present tailor-made financial products and services that cater to clients’ ability and willingness, while efficiently managing risks for both clients and SCB^X Group.

Partnership

- **Collaborative Initiatives:** SCB^X Group pursues initiatives to promote fair access to financial services and financial literacy. The Company stands ready to join forces with the government, industry associations, business partners, educational institutions, as well as organizations and cooperative networks—be it national, regional, or international—to propel a holistic and robust financial wellness.
- **Public Policy and Advocacy:** SCB^X Group shall support regulators and organizational networks for development in devising policy, approach, standard, system, and/or tool to promote financial inclusion—in efforts to nurture a sustainable finance ecosystem and systematic changes.
- **Open Data:** SCB^X shall collaborate with regulators in driving responsible use of data in order to utilize data from partnering organizations to develop financial innovations, as well as products and services under the Data Governance principle in order to effectively deliver financial services appropriate to the acceptable risk level of each user group.

6. POLICY GOVERNANCE

Group Sustainability Working Committee is tasked to support policy implementation, monitor performance against targets, oversee achievement indicators, and report the progress to the Group Sustainability Steering Committee and the SCB^X Management Committee. The progress shall be presented to the SCB^X Executive Committee and the Board of Directors respectively.

7. POLICY REVIEW

The Financial Inclusion Policy was approved by the Board of Directors after receiving endorsement from the Management Committee and the Executive Committee, respectively. The policy shall undergo a review for further improvement at least once a year. In case of any change, such will be proposed to the Board of Directors for approval.



The background of the page features a large, stylized 'X' shape formed by four overlapping, semi-transparent grey trapezoidal shapes. The 'X' is centered and its arms extend towards the corners of the page. In the center of the 'X', the text 'SCB' is displayed in a bold, sans-serif font, with a small 'x' superscripted to the right of the 'B'.

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