



PRISM CONSULTING

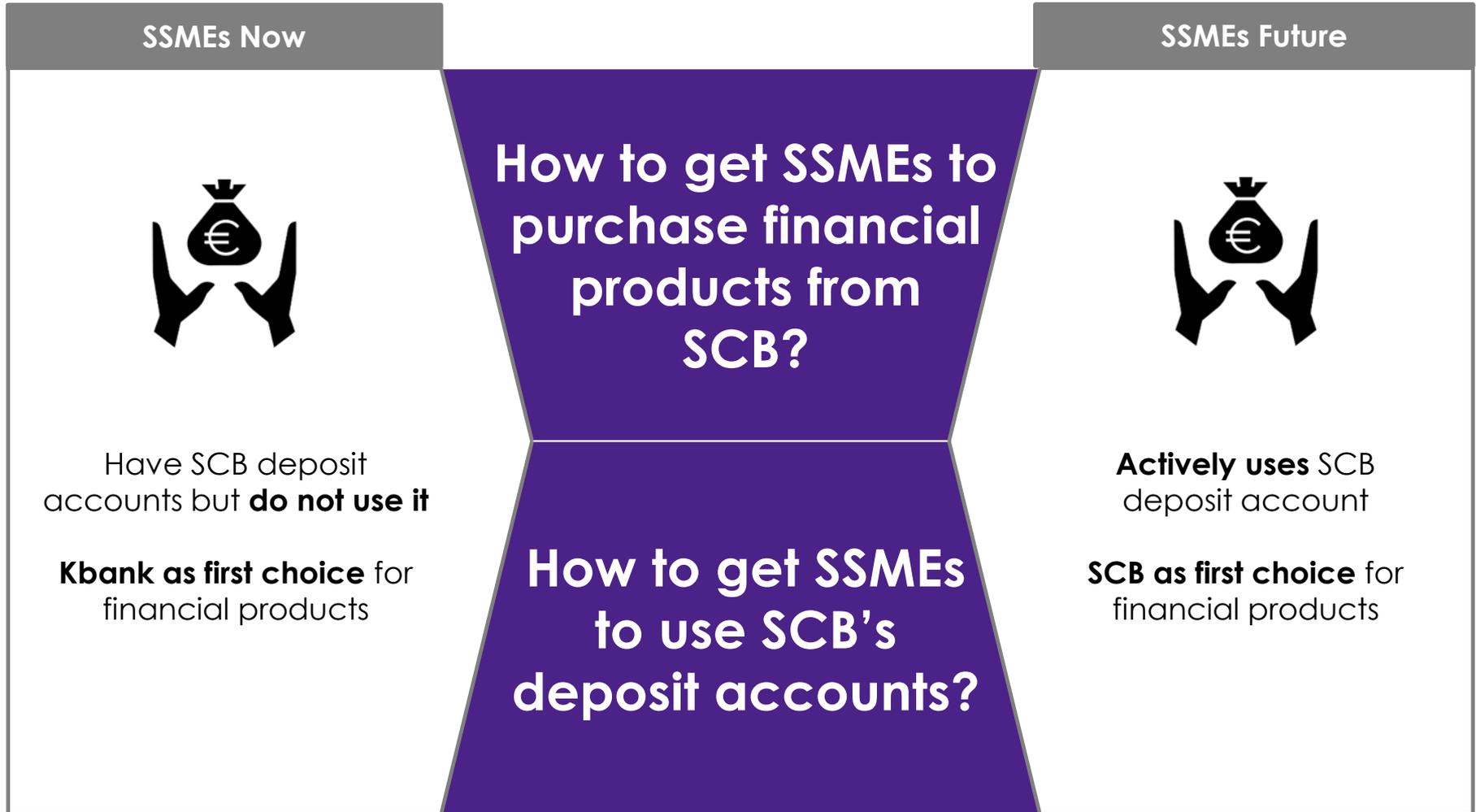
SCOPE
EQUIP
STRIKE

THAMMASAT UNDERGRADUATE BUSINESS CHALLENGE 2017

IAN CHUA | MICHELLE LIM | SASHIKUMAR KANNAPAN | TAN JING HAN

Now vs. Future

Becoming Platinum Mall SSMEs' first choice

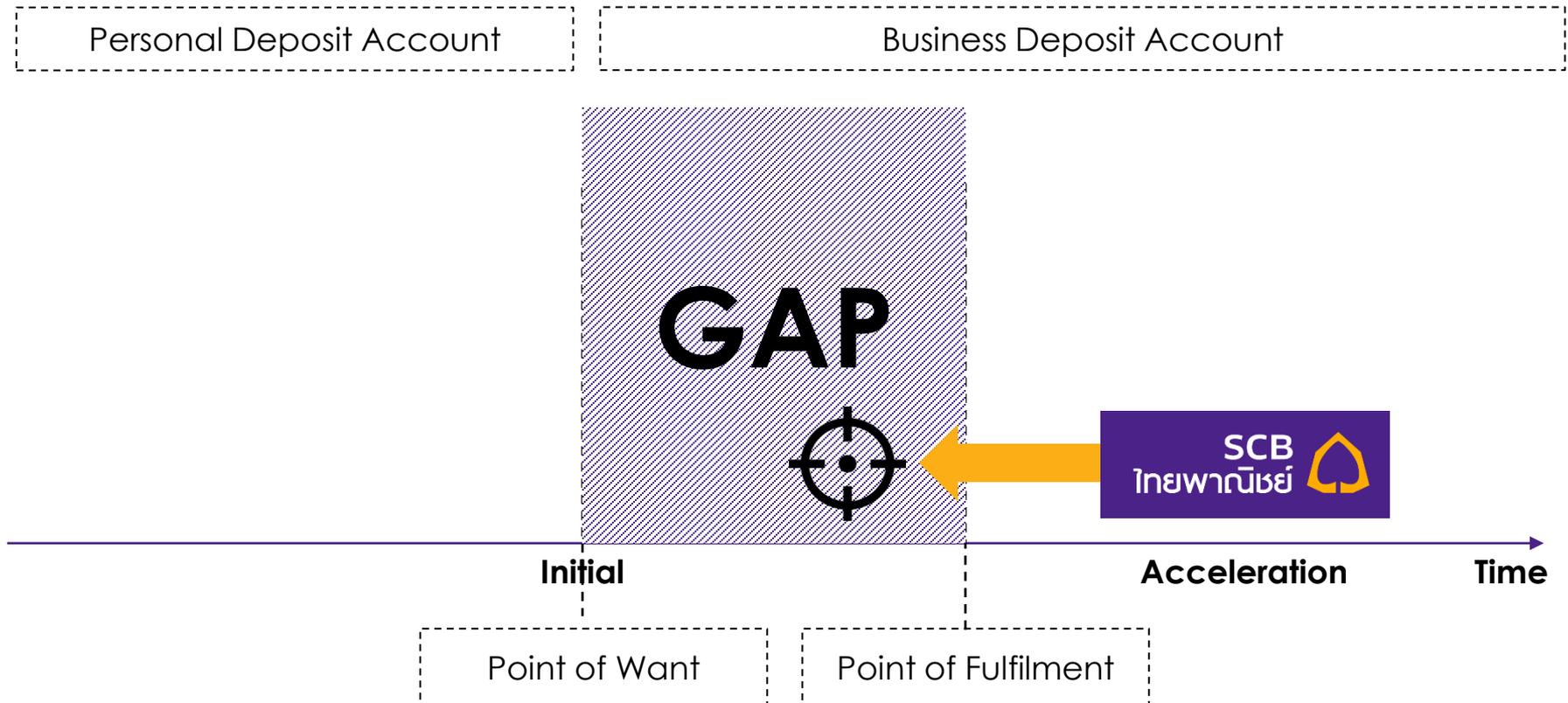


Opportunity to Serve SSMEs

Unfulfilled need of SSMEs



SSME Business Trajectory



There is an opportunity for SCB to provide financial products at point of want

Requested Financial Products

SCB has the products wanted by SSMEs

Top financial products requested by SSMEs

Credit

Loans

Working Capital



SCB Credit Programme



SCB Term Loan



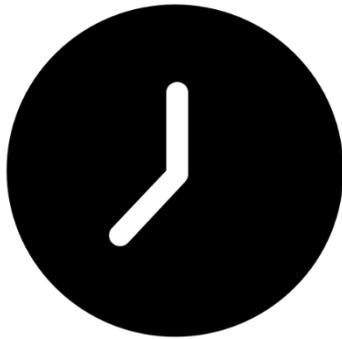
SCB Working Capital
Facilities

SCB has existing products which satisfy the SSMEs' needs

Understanding SSMEs Needs

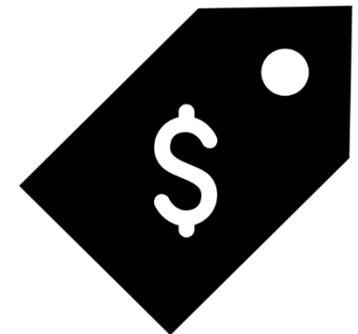
Providing the right financial products when they need it

SCB needs to understand the SSMEs to effectively sell the products



Right Time

Right Price

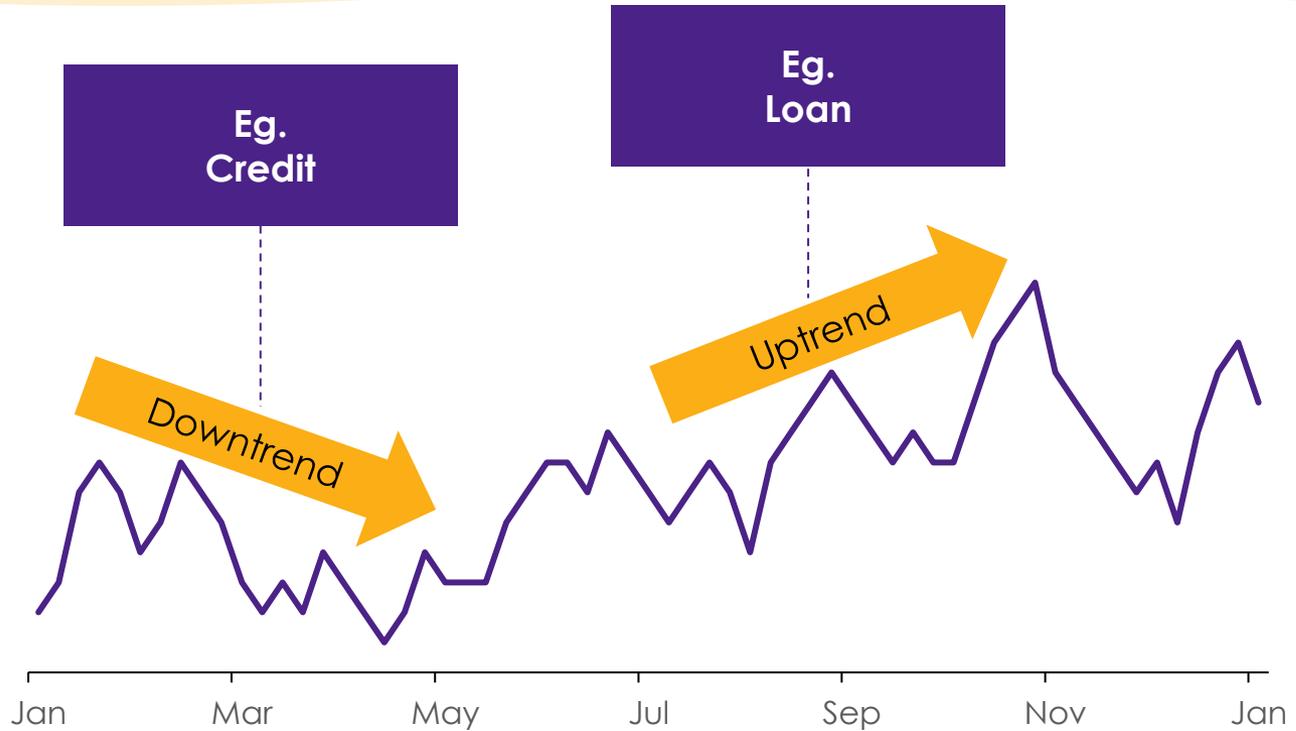


Providing Products At The Right Time

Need for real time data collection



Jan
Fashion Store Owner



Data needs to be **current** to identify trends

SCB should have a way of collecting real time business data

Providing Products At The Right Price

Need for precise and reliable transaction data



Retail Customer

Jan
Fashion Store Owner

Bank
Primary Account

No proper
accounting

Deposited into
personal account

Unable to distinguish between personal and business transaction data

Lack of separated transaction data results in higher charges on financial products

Separating these transactions will allow SCB to price more accurately

How To Obtain Deposits

Ecosystem's crucial role in choice of primary account



Retail Customer

Jan
Fashion Store Owner

Supplier

KBank

KBank

KBank

 No incentive to switch primary bank account and incur transaction cost

 Self-strengthening ecosystem encourages parties to keep deposits in KBank

To effectively capture deposits, SCB must create its own transaction ecosystem

Executive Summary

A quick overview

GOAL	KEY ISSUES	RECOMMENDATION	IMPACT
To become the Bank of Choice for SSMEs of Platinum Mall	How to gather real-time business data?	Scope purchasing behavior with mobile app to collect real time transaction data 	SSMEs: >15,000 SSMEs served over 5 years
	How to gather reliable transaction data?	Equip SSMEs with simple, accounting software to build basic financial statements 	Revenue: +90.5mn THB
	How to create an ecosystem of transactions?	Strike with an online marketplace to create an online transaction ecosystem 	NPV: 36.7mn THB CASA Deposits: +876mn THB New Loans: +40-55 per year



Scope

purchasing behavior with mobile app to collect real time transaction data

1

Identify best way to obtain business transaction data of SSME

2

Introduce the Platinum Shopper Buddy that leverages individual consumer transaction data

3

Establish a self sustaining feedback loop with Platinum SSMEs

Lack Understanding Of Individual Transactions

Gap in knowledge of how transactions take place

2 main modes of transactions



Cash

Cannot be tracked



Digital Payment – QR & Credit Card

No visibility

SCB lacks the means to track visibility on the ground

SCB needs to create an innovative solution to capture transaction data of merchants

Overcoming The Gap

Customers as a proxy to understand business activities

Establishing best method to understanding business activities of SSMEs



Overcoming The Gap

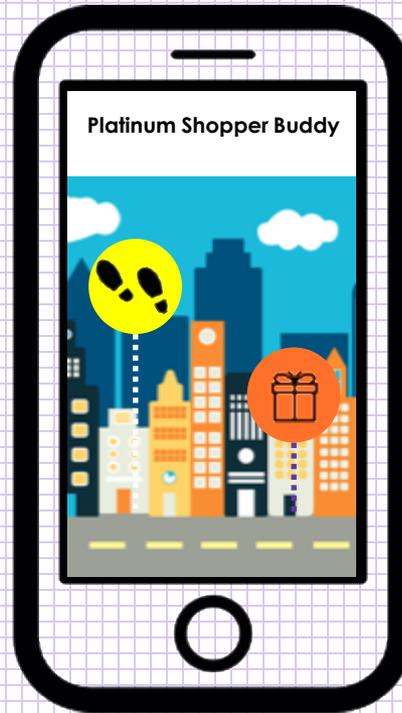
Customers as a proxy to understand business activities

Establishing best method to understanding business activities of SSMEs



Individual shoppers are indicators of SSME business activities and transactions

Platinum Shopper Buddy



Leveraging individual customers to create a sustainable feedback loop between SCB and merchants

Addressing Individual Shopper Concerns

Inability to track location



The inability to track their location and shopping journey is a problem for shoppers

Addressing Individual Shopper Concerns

Inability to meet minimum quantity



There must be a way to satisfy the needs of both parties

Introducing Platinum Shopper Buddy

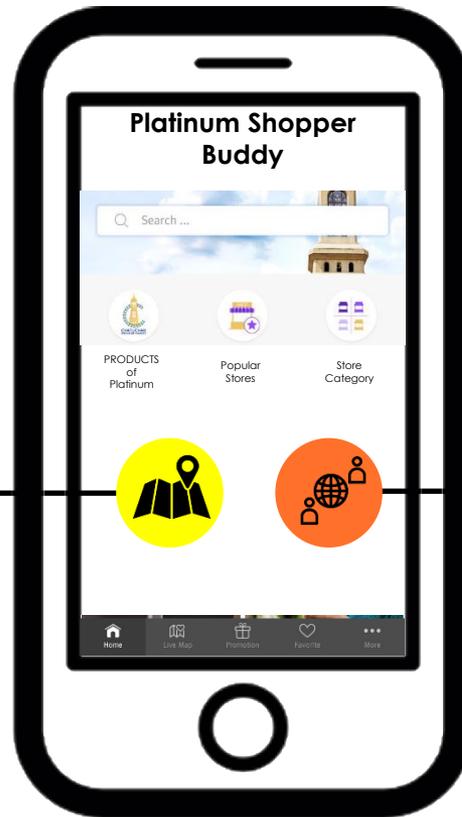
Creating an optimized customer shopping experience



Live, multi-storey map similar to that of Chatuchak guide will be in application

Backtracking

Enabling people to find their way back to previous shops in mall journey



Bundling

Creating a bundle purchase listing platform to meet minimum order quantity for individuals

Platinum Shopper Buddy creates a seamless customer experience for highest adoption

Using The Backtracking Feature

Creating an optimized customer shopping experience

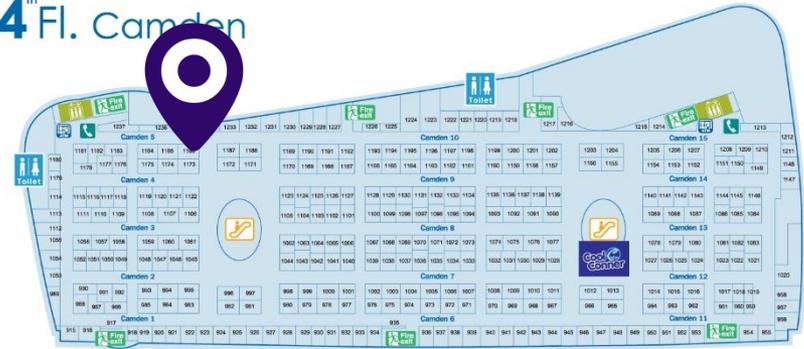


Shop
1



Price: 1250 baht

4th Fl. Camden



Places a pin on the shop location

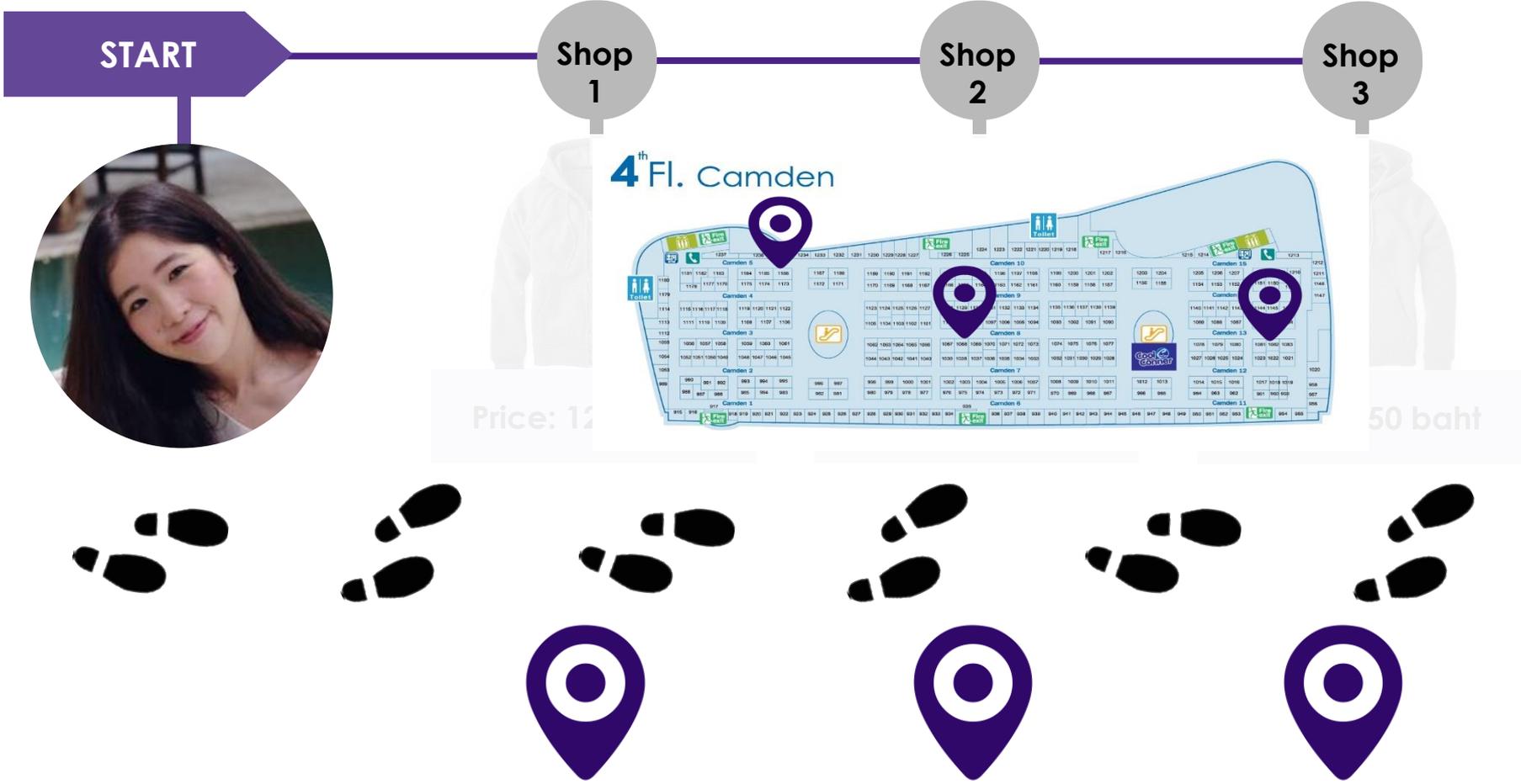


Option to add photo and price offered for memory and comparison

Placing a pin to remember key data – location, price, product is the first step

Using The Backtracking Feature

Creating an optimized customer shopping experience



Nina will accumulate more and more information about the price to seek the best bargain

Using The Backtracking Feature

Creating an optimized customer shopping experience



Nina will accumulate more and more information about the price to seek the best bargain

Using The Backtracking Feature

Creating an optimized customer shopping experience



Nina gets to make her purchase without getting lost

The application will provide directions back to the pinned shop

Empowering shoppers with backtrack drives added transactions for Platinum shops

Using Data From Platinum Shopper Buddy

Predictive analytics of SSMEs transaction data

Insights

DATA POINTS

Purchase locations

Number of purchases

Price of purchase made

Design of purchase

Customer demographics

Optimized Services For SSMEs



Trend Advice

Consumer Insights

When to promote

Transaction data collected can be used to optimize services for SSMEs

Creating A Sustainable Feedback Loop

Furthering the relationship between SCB and SSMEs

Individual Shoppers

Improves shopping experience by targeting pain points



Bank Of Choice

SSMEs

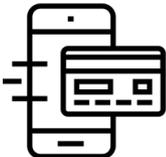
Benefit from insights and trends analysis from SCB



SCB  Improves understanding of marketplace and SSME needs

Impact of Scope

Leveraging individual shoppers as eyes on the ground

	Metrics	Impact
	Real-time business data (volume)	THB 24 mn
	New loans issued	+10 ~ 15 per year



SSMEs with simple, accounting software to build basic financial statements

1

Identify financial management issues of SSMEs in Platinum Mall

2

Build records that can be verified at point of transaction

3

Tap on data to tailor solutions and build relationships

Understanding the SSME at Platinum Mall

The struggle to establish creditworthiness

On-the-ground direct interview



Insights



Excel sheet

Writing
vouchers/
book-keeping

Data without proof of transaction or verifiability

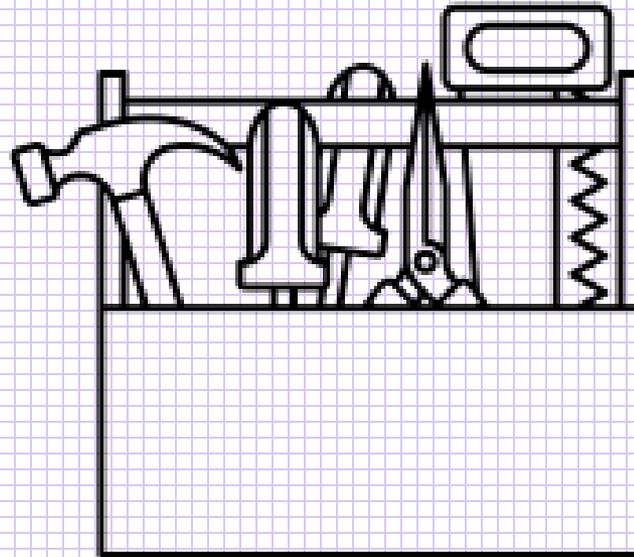
Understand that accounting is not good enough

BARRIER to Financial Products

Lacking credit history

Without proper accounting management, SSMEs struggle to receive affordable financing

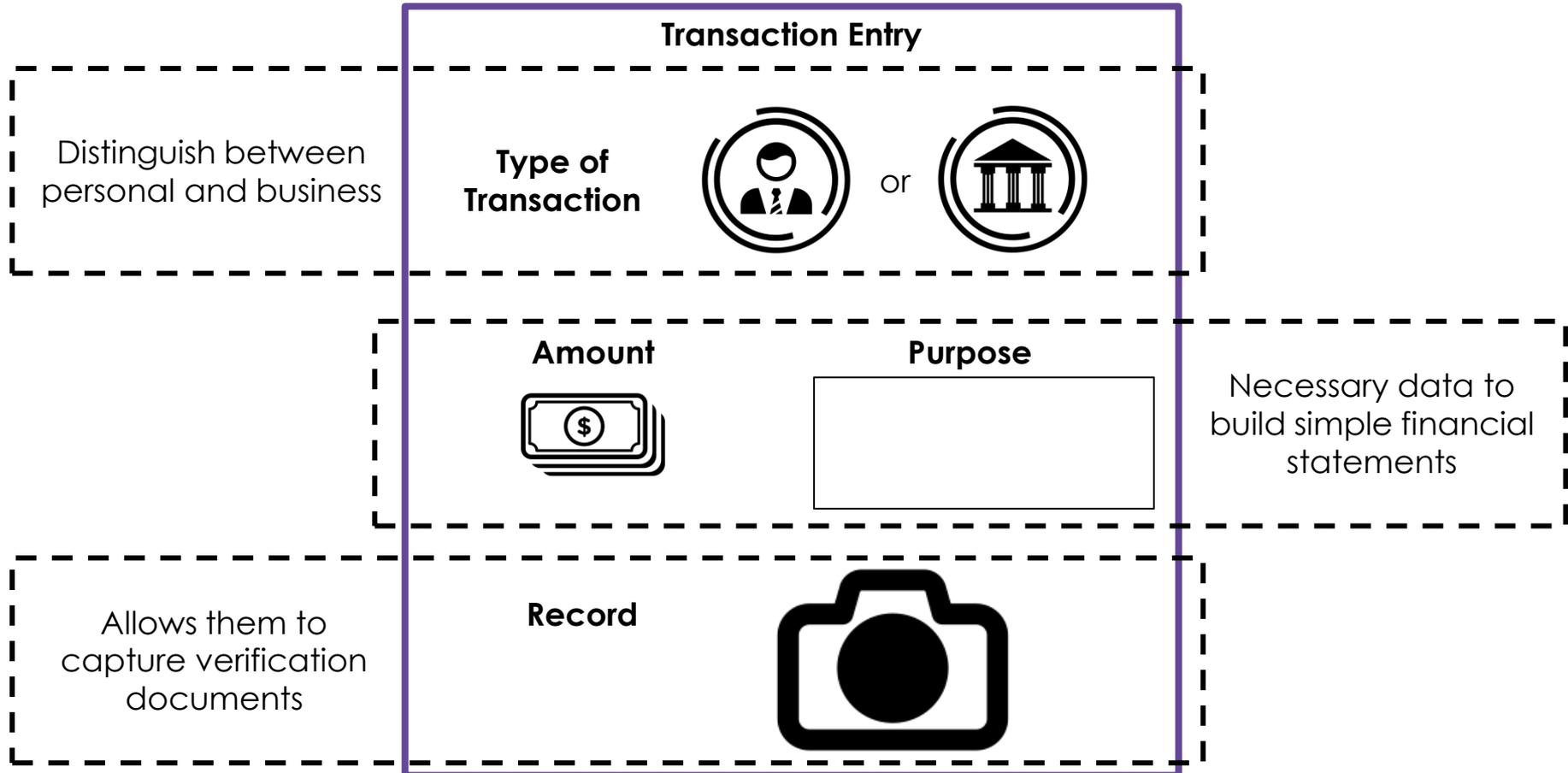
KeepTraX



Accounting toolkit enabling Platinum's SSMEs to better manage personal/business transactions and understand business better

How will KeepTraX Work

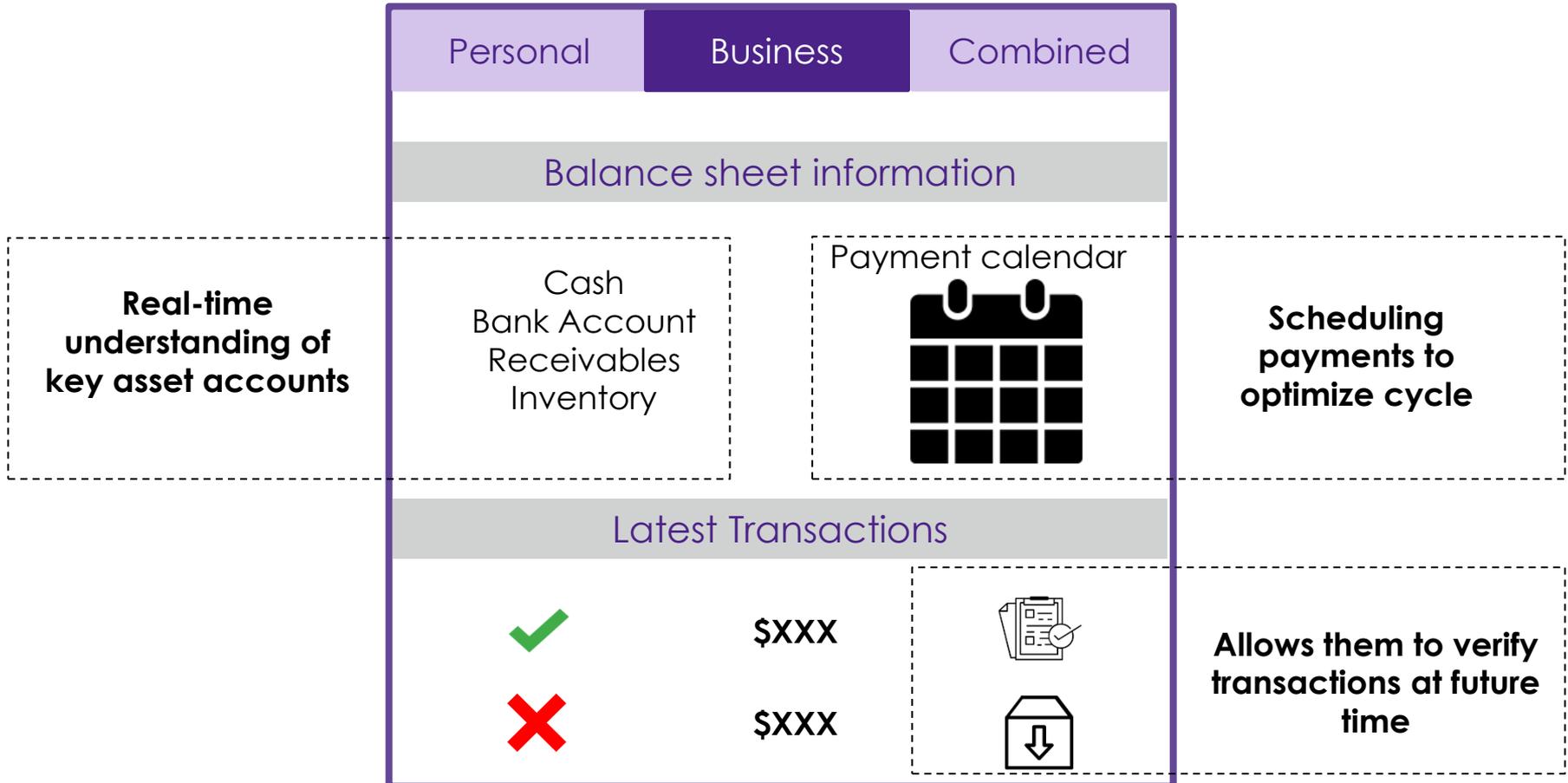
Creating added legitimacy to transactions



These features will allow businesses to quickly record key data that they will need

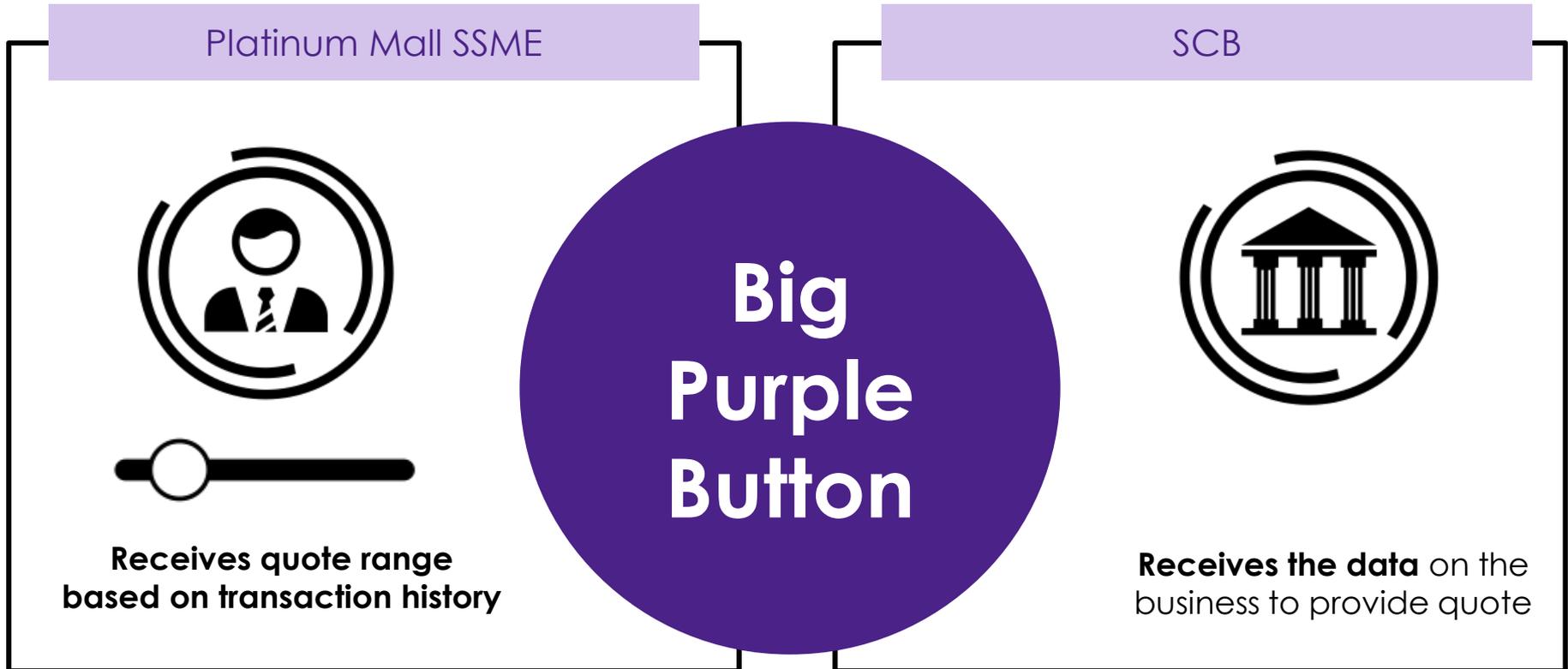
How will KeepTraX Work

Creating added legitimacy to transactions



SSMEs can better understand their performance and data verifiability

There will come a point when SSME realizes that they could use a financial product



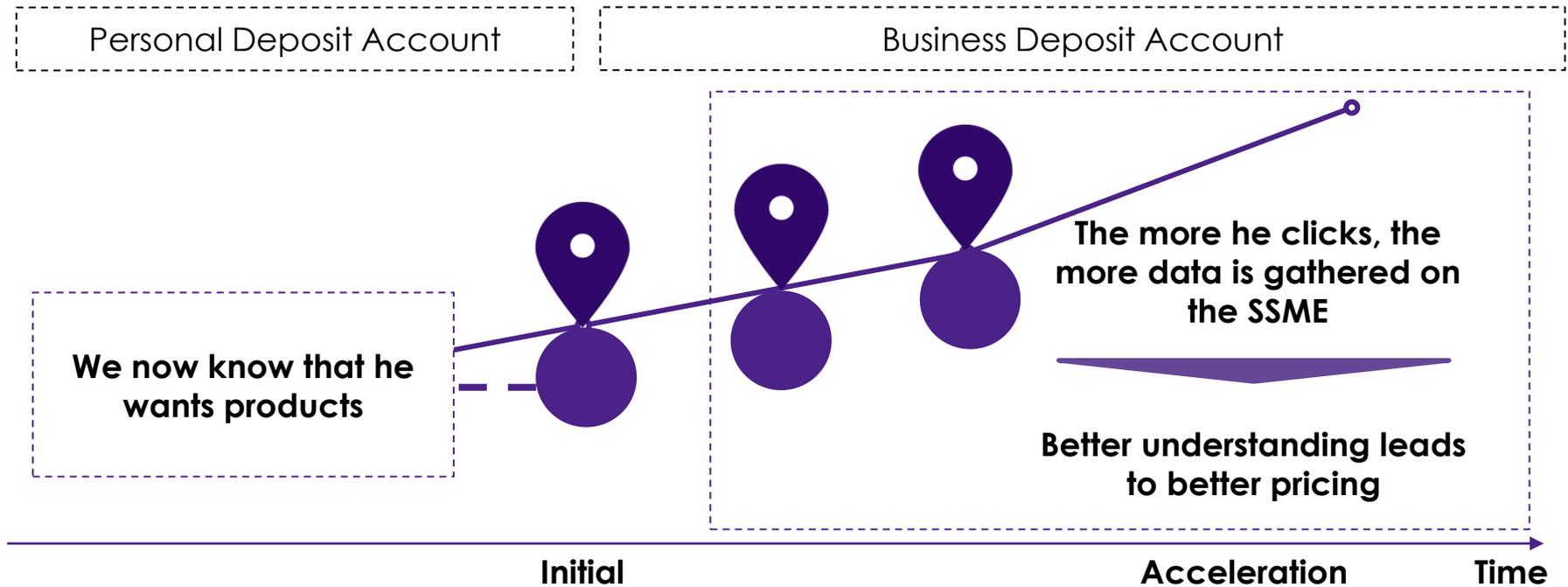
SCB will better understand the point at which businesses demand financial products

Impact and Outcome

Gathering important data and building relationships



SSME Business Trajectory



Accounting software that verifies data prepares SSMEs for advanced financial products

Impact of Equip

Collecting key transaction data for better credit rating

	Metrics	Impact
	SSME transaction data (volume)	THB 225 bn
	New loans issued	+30 ~ 40 per year



with an online marketplace to
create an online transaction
ecosystem

1

Understanding online buyers
and their issues with online
purchases

2

Creating an online mall for B2B
transactions

3

Capturing verifiable data from
the platform whilst building
BusinessLinx network

Finding a Niche Market For SCB

Value and volume concentration in 1 transaction type

Offline



บริการทุกระดับประทับใจ



Aggressive market leader

Tourists' preferred mode

VS

Online



บริการทุกระดับประทับใจ



No clear market leader

most recipients accept all platforms

Finding a Niche Market For SCB

Value and volume concentration in 1 transaction type

Offline



บริการทุกระดับประทับใจ

Aggressive market leader



Tourists' preferred mode

VS

Online



บริการทุกระดับประทับใจ



No clear market leader
most recipients accept all platforms

Amount of sales contributed by type of purchaser



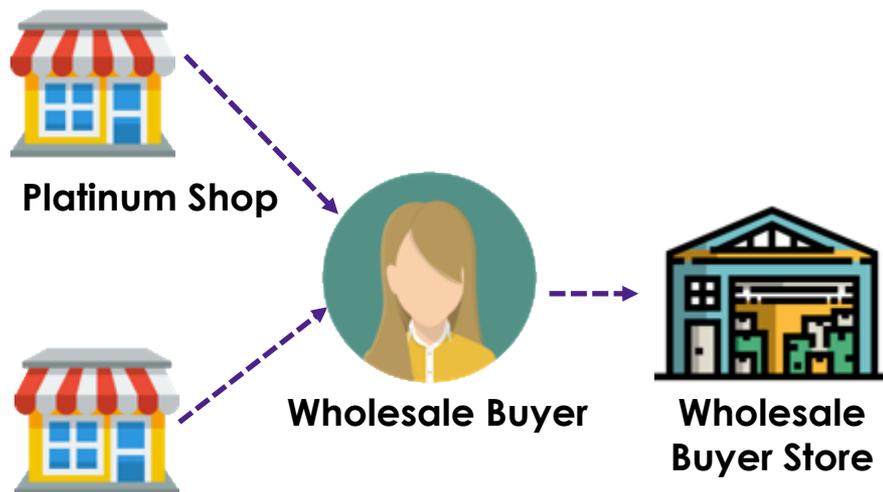
Gaining an online ecosystem of transactions hinges on converting bulk buyers

Identifying Needs Of The Wholesale Buyer

Bulk Buyers are most overlooked Platinum Mall SSMEs



Wholesale Buyer Motivation



Purchase from Platinum Mall to sell

Characteristics

1

Runs own business elsewhere

2

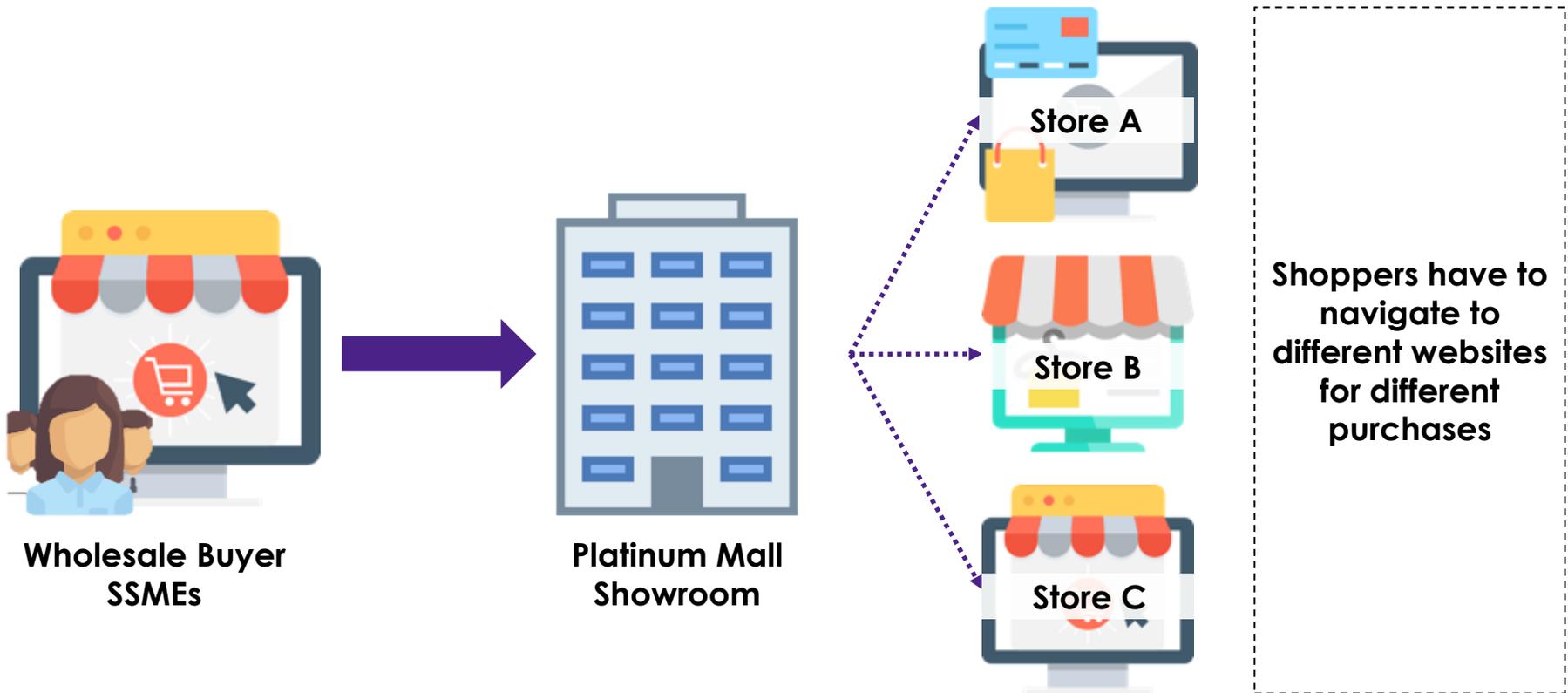
<2 Million Baht in annual revenue

Wholesale Buyers are SSMEs as well

SCB needs to target wholesale buyer SSMEs to establish presence online

How Wholesale Buyers Purchase

Inconvenient due to fragmented marketplace



The online shopping experience for wholesale buyers is extremely decentralized

1

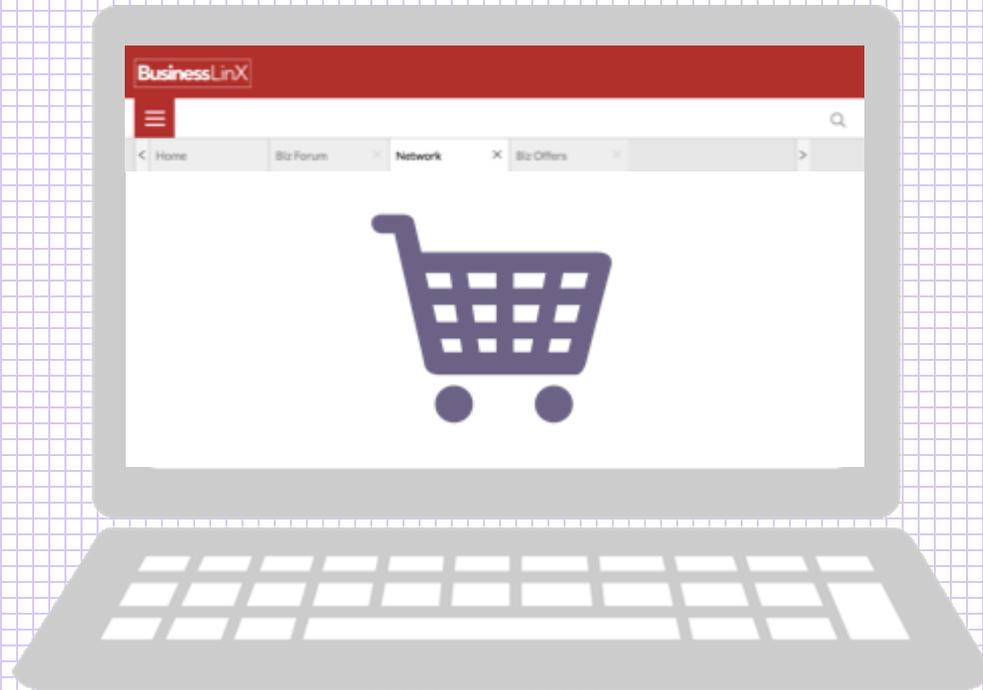
Does not allow them to capture rich variety of Platinum Mall

2

Inconvenience of having to transact on multiple platforms

This creates a sub-optimal purchasing experience for wholesale buyer SSMEs

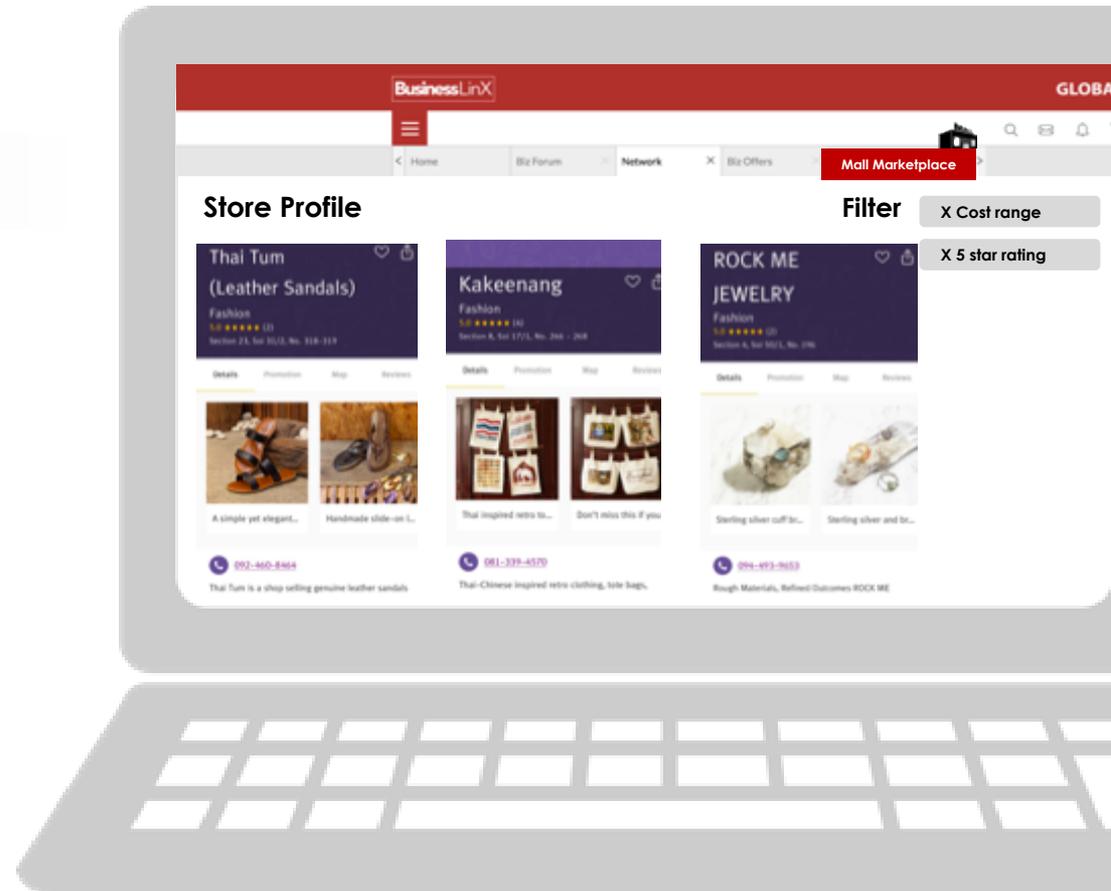
Platinum E-LinX Mall



**Creating an ecosystem of online payments
through holistic marketplace**

1

Standardized shop front

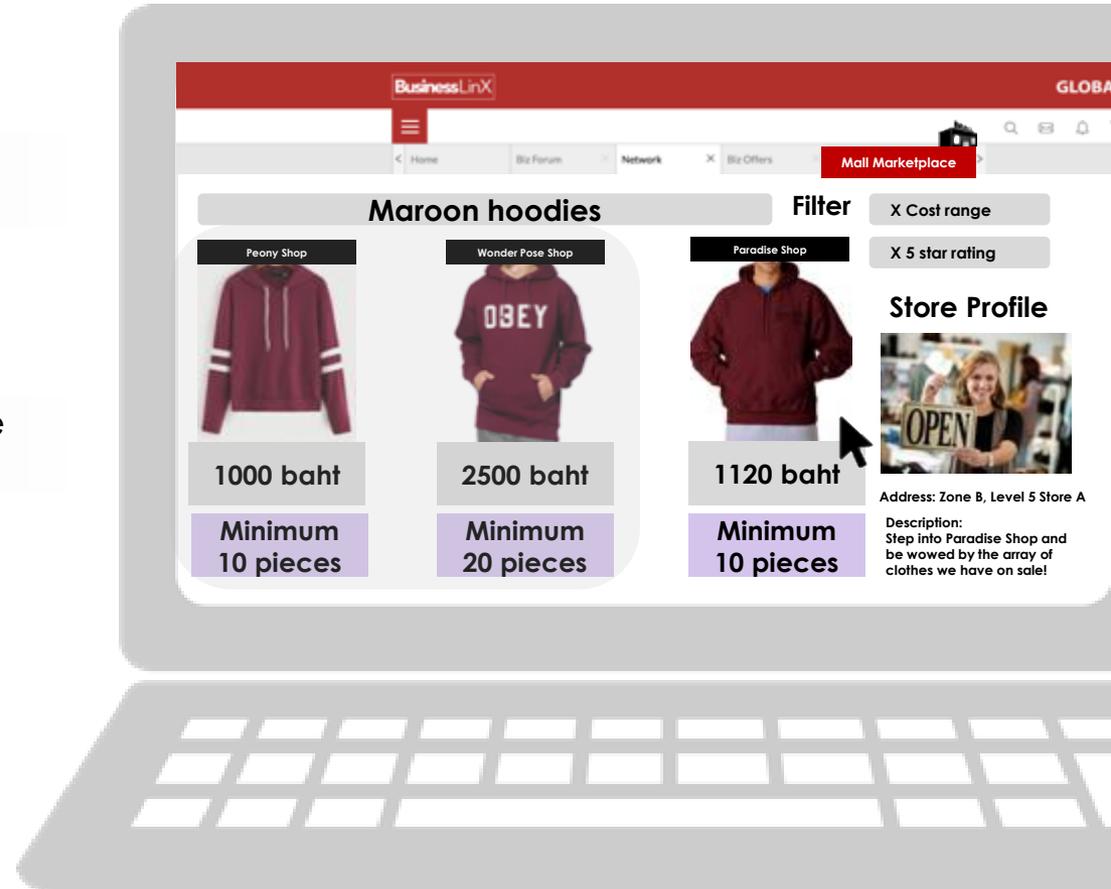


1

Standardized shop front

2

Wholesale buyers able to compare easily on one platform



1

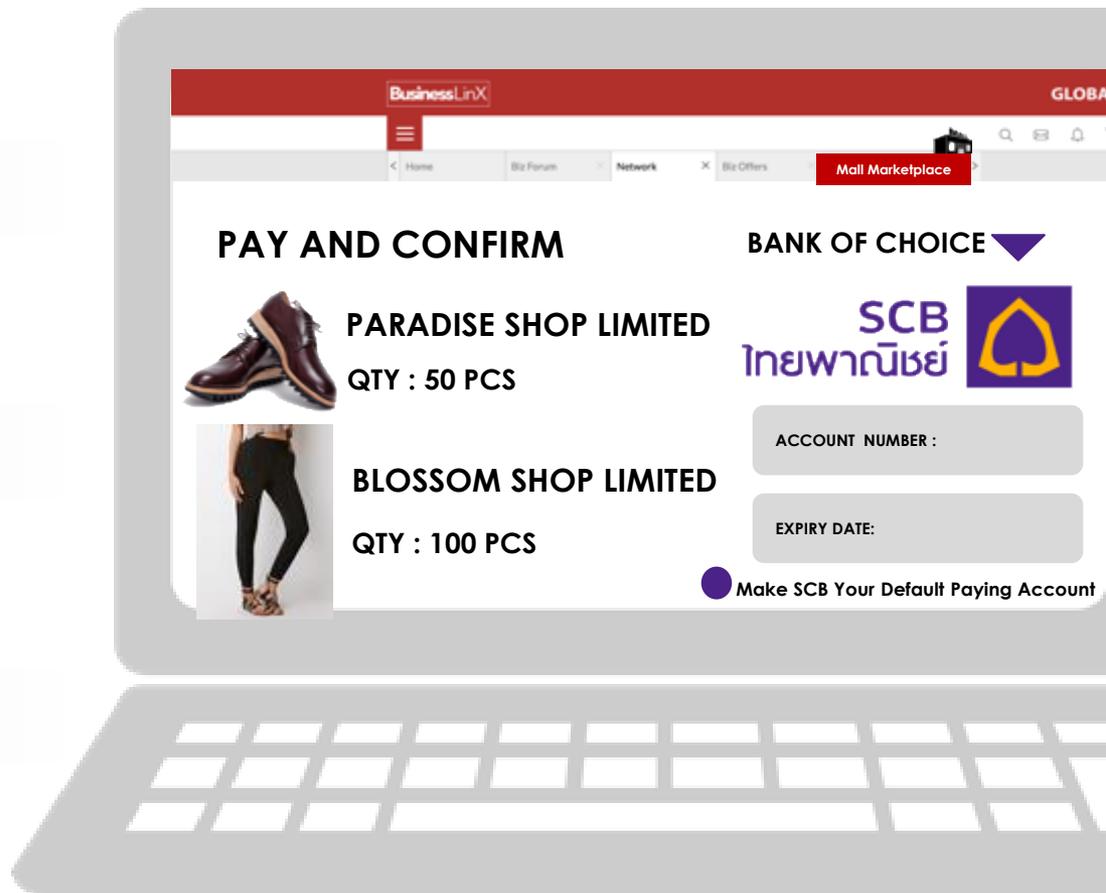
Standardized shop front

2

Wholesale buyers able to compare easily on one platform

3

Shopping cart – only 1 transaction



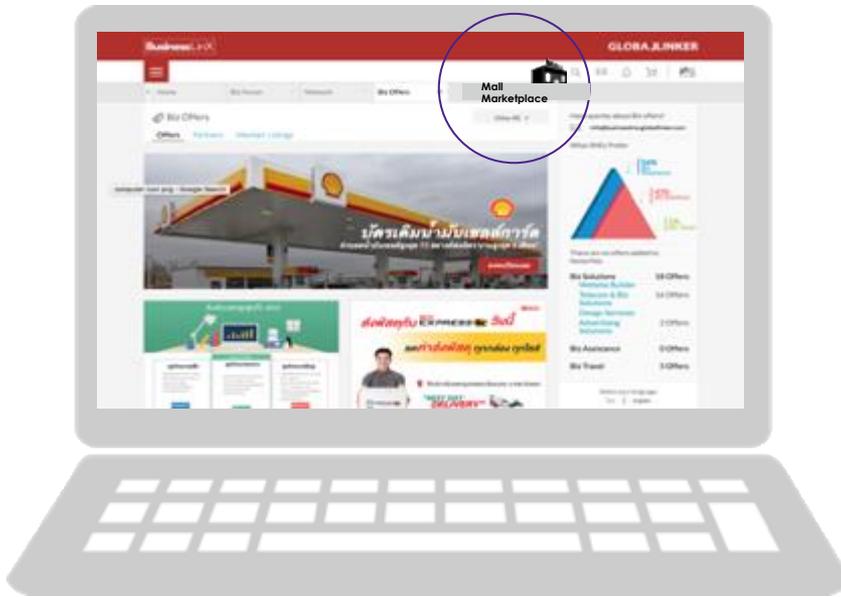
Platinum E-link mall ensures optimum customer experience for wholesale buyer SSMEs

BusinessLinX Integration

Providing more value within an existing platform



Marketplace will be housed within BusinessLinX



All marketplace users must have BusinessLinX accounts



Increases number of users on BusinessLinX



Integration ensures cross usage of other BusinessLinX Products

BusinessLinX will be the community center that brings together every SSME

Creating Value With Platinum E-LinX Mall

Making SCB the payment platform creates lock in

SCB is the only payment-receiving platform



Wholesale Buyer SSME

Encouraged to use SCB

Non SCB payments also accepted

Provides verifiable data to establish future creditworthiness

SCB
ไทยพาณิชย์ 



Platinum Mall SSME

Automatic deposit of payments into SCB account

Substantial capital directed

SCB becomes the main/competing bank account for SSMEs

Creating online transaction lock in by making SCB choice transaction account

Impact of Strike

Building an online wholesaler transaction ecosystem

Metrics

Impact



On-boarded SSMEs to
BusinessLinX/E-Link Mall

10,745 new clients by
2020



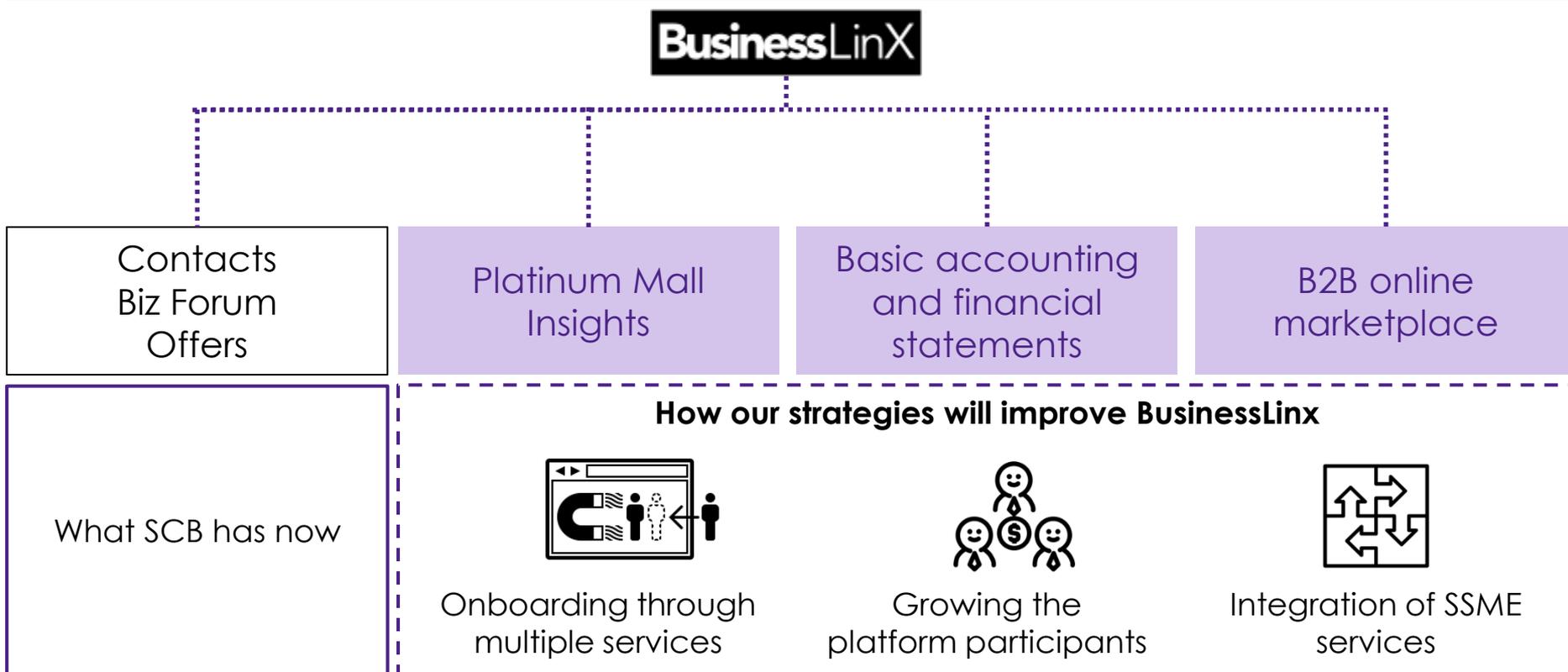
Additional CASA deposits

THB 876 mn

The Bigger Picture

BusinessLinX: The one-stop shop for all SSME needs

All of the strategies will be integrated into BusinessLinX to improve the marketplace



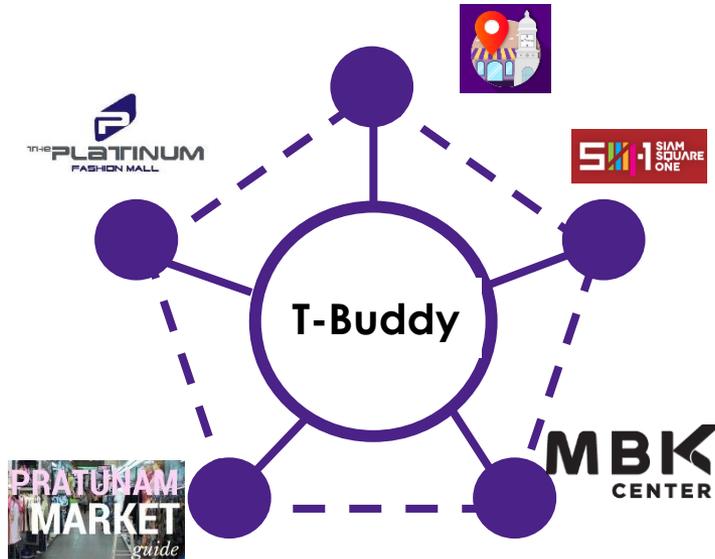
BusinessLinX will become a free, online hub for all SMEs seeking anything business related

The Bigger Picture

Growing the ecosystem in the long term



One app to rule the malls



Creating a sustainable ecosystem



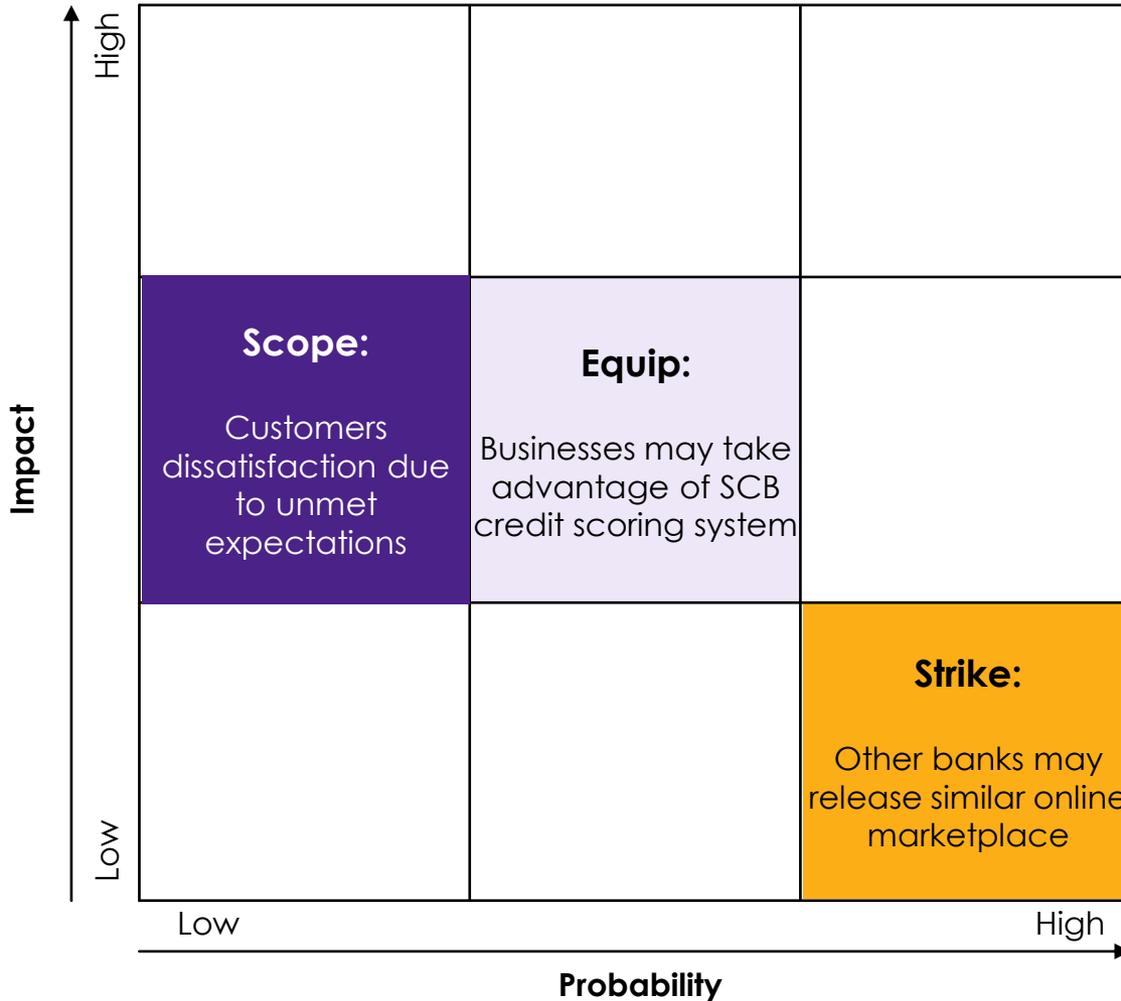
Creating a **Thailand-wide** understanding of **SSME-Individual transaction data**

Dominating the online payments ecosystem with a **scalable** marketplace

BusinessLinX to create SSME lock-in

Strategies create a sustainable, proprietary marketplace for both individuals and wholesalers

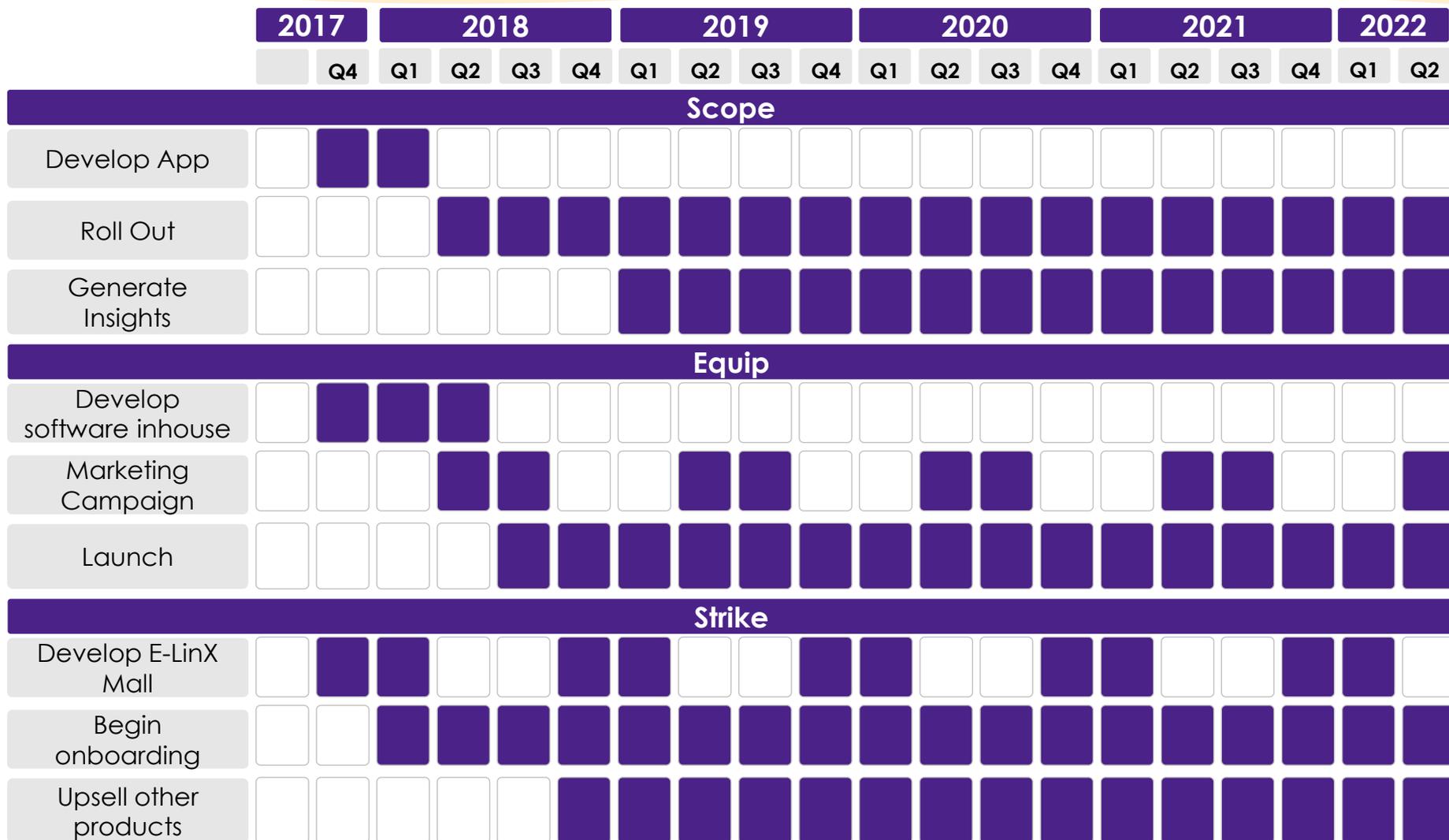
Risks



Mitigation

-  Seller ratings and feedback to be monitored during initial app launch phase
-  Monitor use of Purple button and implement a cap if necessary
-  Engage in heavy marketing to onboard many SSMEs to solidify first-mover advantage

Implementation Timeline

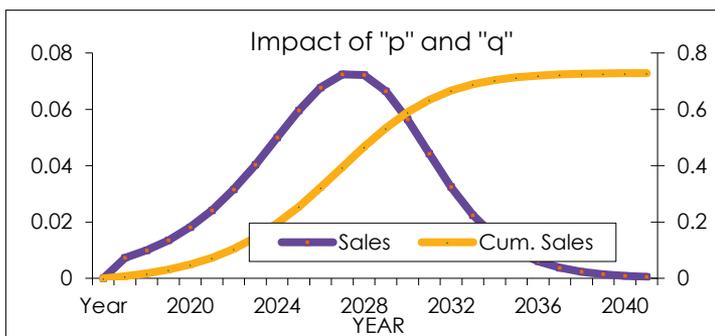


Key assumption

Strategy 1: Scope

App uptake rate using **Base Diffusion Model**

$p = 0.01$ $q = 0.038$ (Empirical Avg.)



Results check: $S(t+1) = p \cdot N + (q-p) \cdot Q(t) - (q/N) \cdot Q(t)^2$

Year	Sales	Cum. Sales
2017	0	0
2018	7,300	7,300
2019	9,973	17,273
2020	13,536	30,809
2021	18,205	49,014
2022	24,185	73,199

Key assumption

Strategy 1: Scope

App uptake rate using **Base Diffusion Model**
 $p = 0.01$ $q = 0.038$ (Empirical Avg.)

Strategy 2: Equip

Software uptake based on 50% discount
on result from **Primary Market Survey**



Financial Impact

Key performance metrics and assumptions

Key assumption

Strategy 1: Scope

App uptake rate using **Base Diffusion Model**
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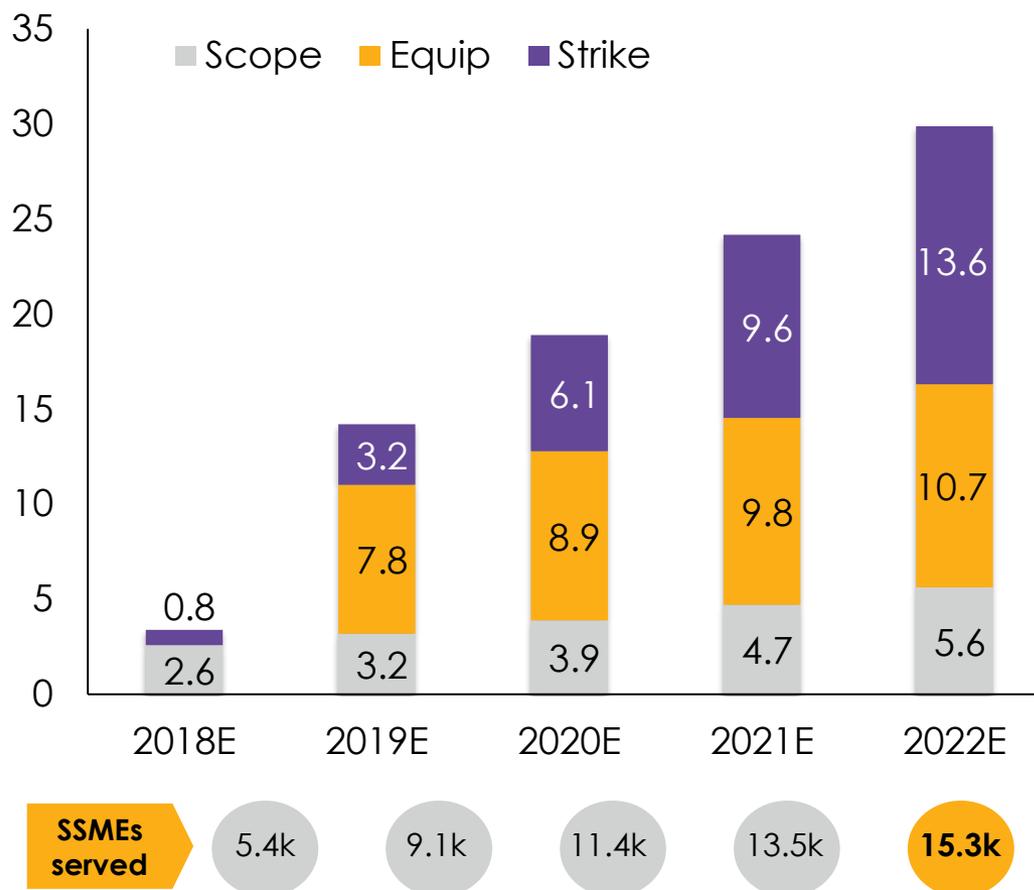
Strategy 3: Strike

Strong **network multiplier effect** between
 buyer and seller

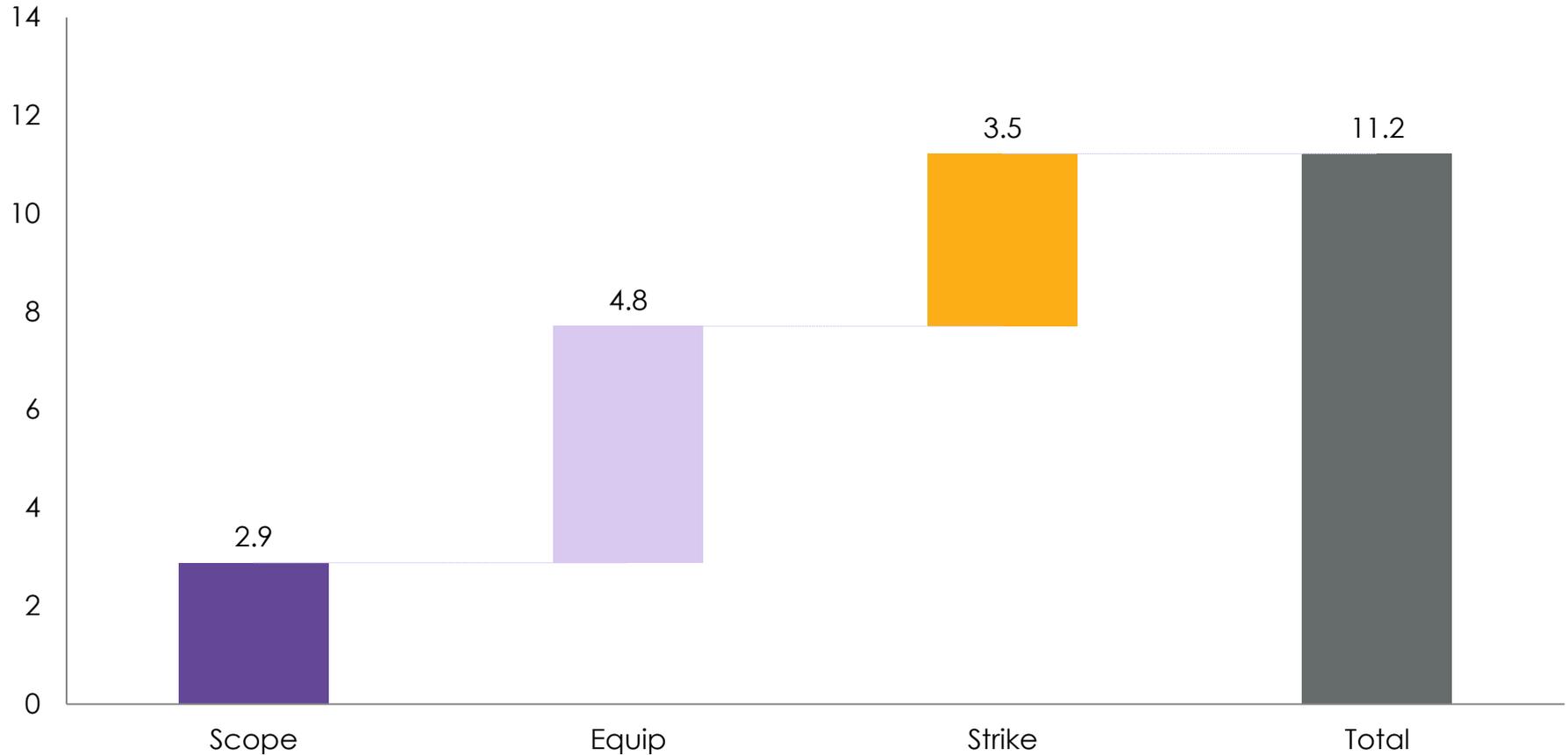
Impact:

+THB 90.5 mn over 5 years
Over 15,000 of SSMEs served

Revenue forecast (THB mn)



Cost of strategies (THB mn)



Strategy expenses in Platinum mall expected to be an affordable THB 11.2 mn

Financial Impact

Profit forecast of strategies

Strategy	Profit forecast (THB mn)	Monetisation plan	IRR	NPV (THB mn)
Scope		Boost interest income from new loans	114%	7.3
Equip		Boost interest income from new loans	95%	14.4
Strike		Boost CASA deposits (implied interest income)	100%	15.1
			Total:	36.7

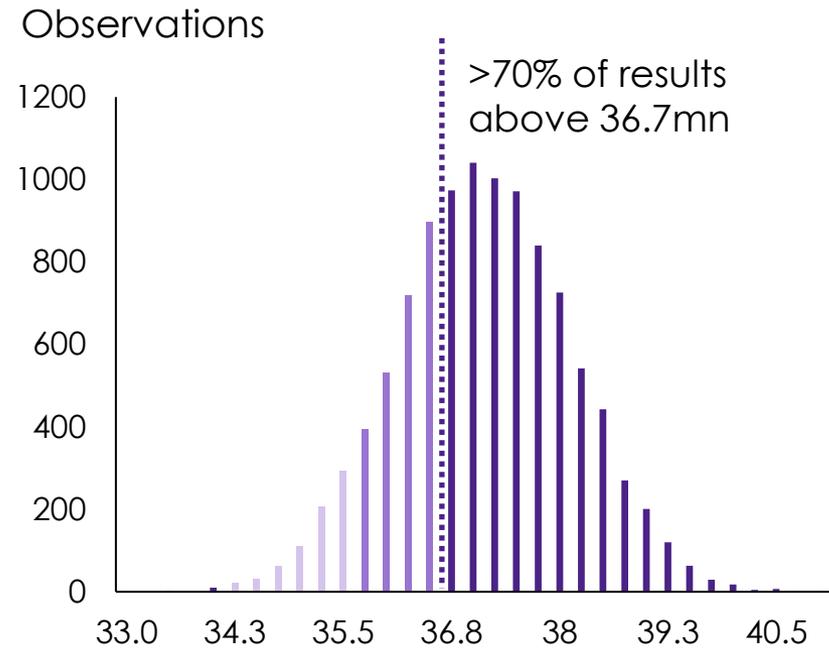
Strategies are expected to generate monetary benefits in 1-2 years

NPV Sensitivity Analysis

		Discount rate				
		9.0%	9.5%	10.0%	10.5%	11.0%
Interest spread	3.4%	33.6	32.9	32.2	31.6	30.9
	3.6%	35.9	35.2	34.5	33.8	33.1
	3.8%	38.2	37.4	36.7	36.0	35.2
	4.0%	40.5	39.7	38.9	38.2	37.4
	4.2%	42.8	42.0	41.2	40.4	39.6

NPV range of THB 30.9 ~ 42.8 mn

Monte Carlo Simulation



Varying key inputs likely result in higher NPV

Executive Summary

A quick overview

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THAMMASAT UNDERGRADUATE BUSINESS CHALLENGE 2017

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Situational Analysis

2. Now vs Future
3. Opportunity to serve SSMEs
4. Requested Financial Products
5. Understanding SSMEs needs
6. Providing Products At The Right Time
7. Providing Products At The Right Price
8. How to Obtain Deposits
9. Executive Summary

Scope

11. Lack of Understanding of Individual Transactions
12. Overcoming the Gap
15. Addressing Individual Shopper Concerns
17. Introducing Platinum Shopper Buddy
18. Using Backtracking Feature
22. Using Data from Platinum Shopper Buddy
23. Creating a Sustainable Feedback Loop
24. Impact of Scope

Equip

26. Understanding SSMEs at Platinum Mall
28. How Will KeepTraX Work
30. Integrating SCB into KeepTraX
31. Impact and Outcome
32. Impact of Equip

Strike

34. Finding a Niche Market For SCB
36. Identifying the Need of Wholesale Buyer
37. How Wholesale Buyers Purchase
38. Issue with Online Shopfronts
40. Platinum E-LinX Mall
43. BusinessLinX Integration
44. Creating Value with Platinum E-LinX Mall
45. Impact of Strike

Conclusion

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47. Overall Impact
48. Risks and Mitigation
49. Implementation Timeline
50. Revenue Impact
53. Costs Impact
54. Profit Impact
55. Sensitivity Analysis

Back Up

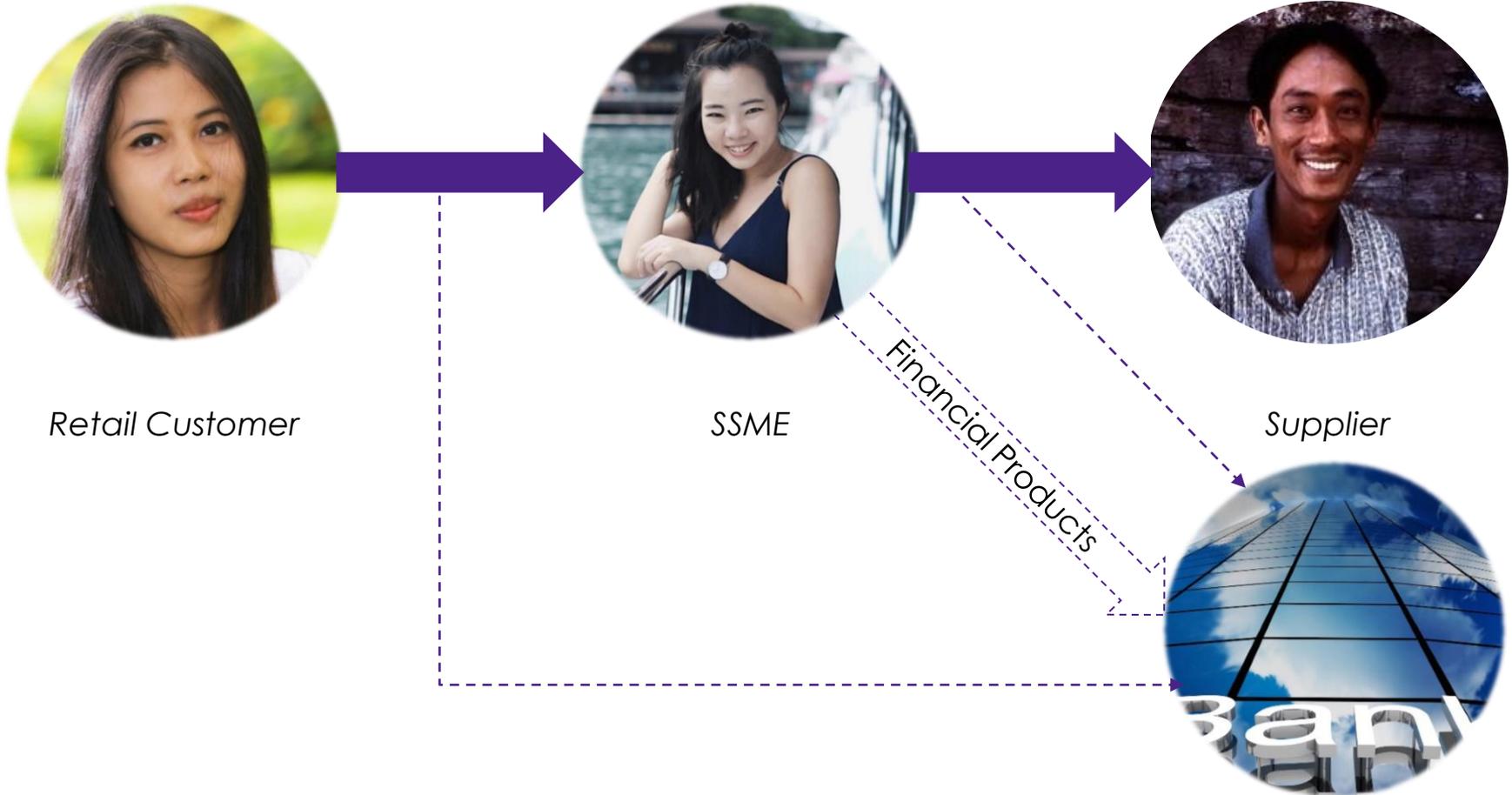
59. Purchase Decision of Merchants
60. SCB's Products vs KBank's Products
61. Why Data Does Not Need Precision
62. Transaction Data Differentiation
63. Alibaba Case Study
64. Competitive Landscape by Total Assets
65. Playing Field
66. Share Price
67. Competitive Landscape by Branches
68. Market Survey Questions for Store Owners
69. Market Survey Questions for Shoppers
70. Results of Market Survey
71. In-Depth Interviews
72. Managing Account of BusinessLinX
73. Scope – Using Bundling Feature (1/2)
74. Scope – Using Bundling Feature (2/2)
75. Scope – Payment Transaction Gateway
76. Scope – Marketing Platinum Shopper Buddy App
77. Strike – PayTM Case Study
78. Bulk Order for B2B Market Place
79. Financials – SCB F/S Income Statement Forecast
80. Financials – SCB F/S Balance Sheet Forecast
81. Financials – Thailand Macro Data Forecast
82. Financials – Scope (1/3)
83. Financials – Scope (2/3)
84. Financials – Scope (3/3)

Backup

85. Financials – Equip (1/2)
86. Financials – Equip (2/2)
87. Financials – Strike (1/2)
88. Financials – Strike (2/2)
89. Financials – Cost of Strategies
90. Financials – Financing Strategies
91. Financials – App Development Costs

Purchase Decision of Merchants

Backup



SSMEs are unlikely to consider products from other banks



SCB Credit Programme



SCB Term Loan



SCB Working Capital Facilities



KBank Credit Programme



KBank Commercial Loan



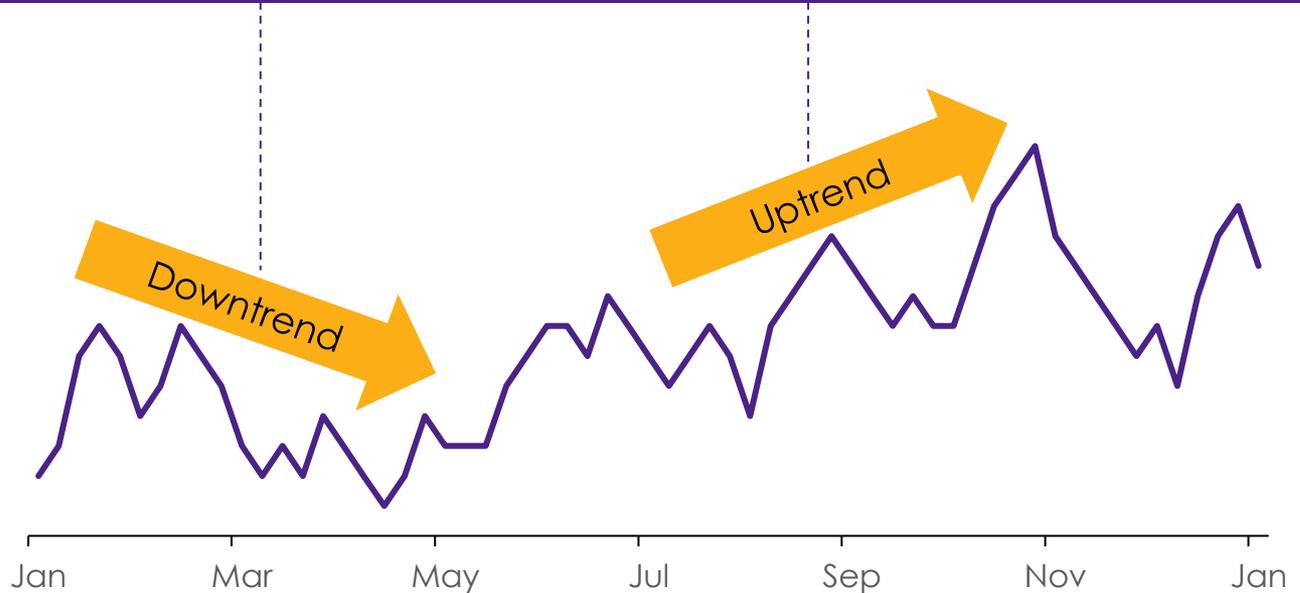
KBank Working Capital Facilities

Banking products are commoditized and similar across all banks

Does not require precise financial information to identify



Jan
Fashion Store Owner



Customers visiting store

Customers backtracking to store

Purchase offers put up

Proxy data is sufficient to identify trends and possible needs

Type of data

Volume

Strategy 1: Scope
purchasing behavior
with mobile app

Real-time data
over entire
Platinum Mall

Moderate

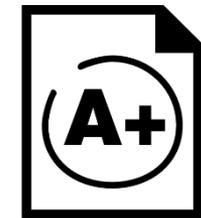


Identify key trends and
predictive insights

Strategy 2: Equip
SMEs with simple,
accounting
software

Periodic data
of only
participating
stores

High



Alternative SSME credit
worthiness assessment

Both strategies acquire different information that with different benefits



Using unique data collection across sites/apps to determine SME credit rating

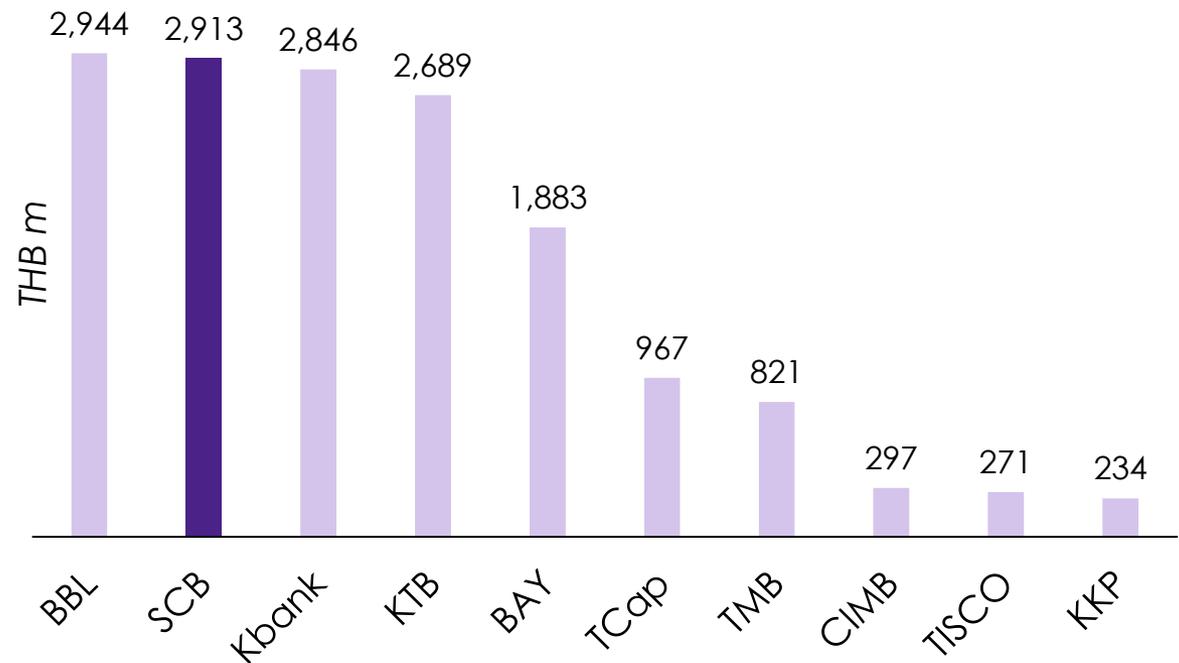
	Current Assets	Current Liabilities	Inventory	Receivable	Monthly collections	Monthly sales	Seller rating	
 Alipay™				✓	✓			▶ Platinum E-Linx Mall
 阿里软件 Alisoft.com	✓	✓	✓					▶ KeepTrax
 淘宝网 Taobao.com 阿里巴巴 Alibaba.com						✓	✓	

Strategies give us the data we need for SSME credit assessment

Big 4 Banks



Top 10 Thai retail banks by total assets (2016)



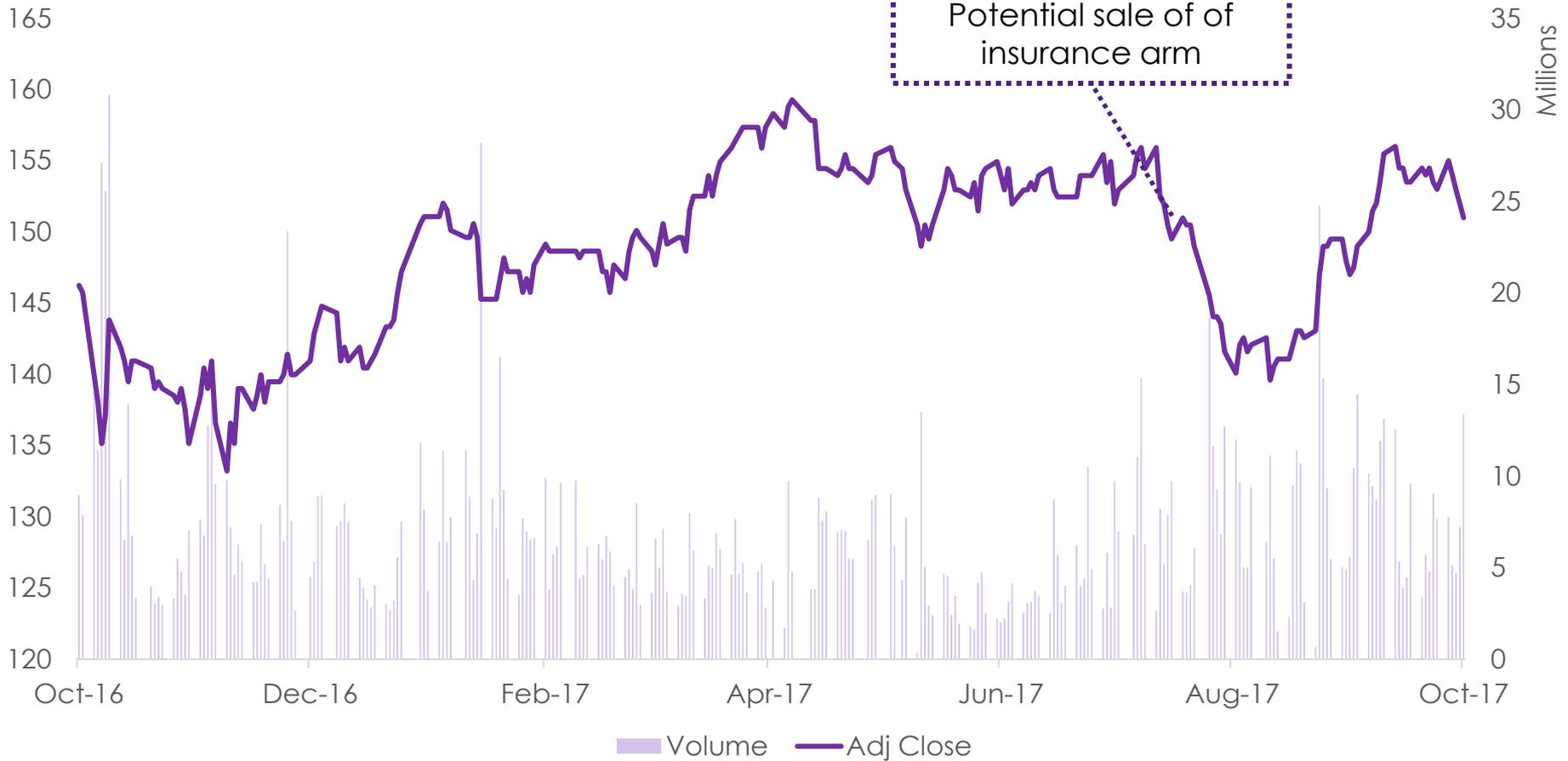
Source: SNL

4 main players in the retail banking space with Bank of Ayudhya in 5th place

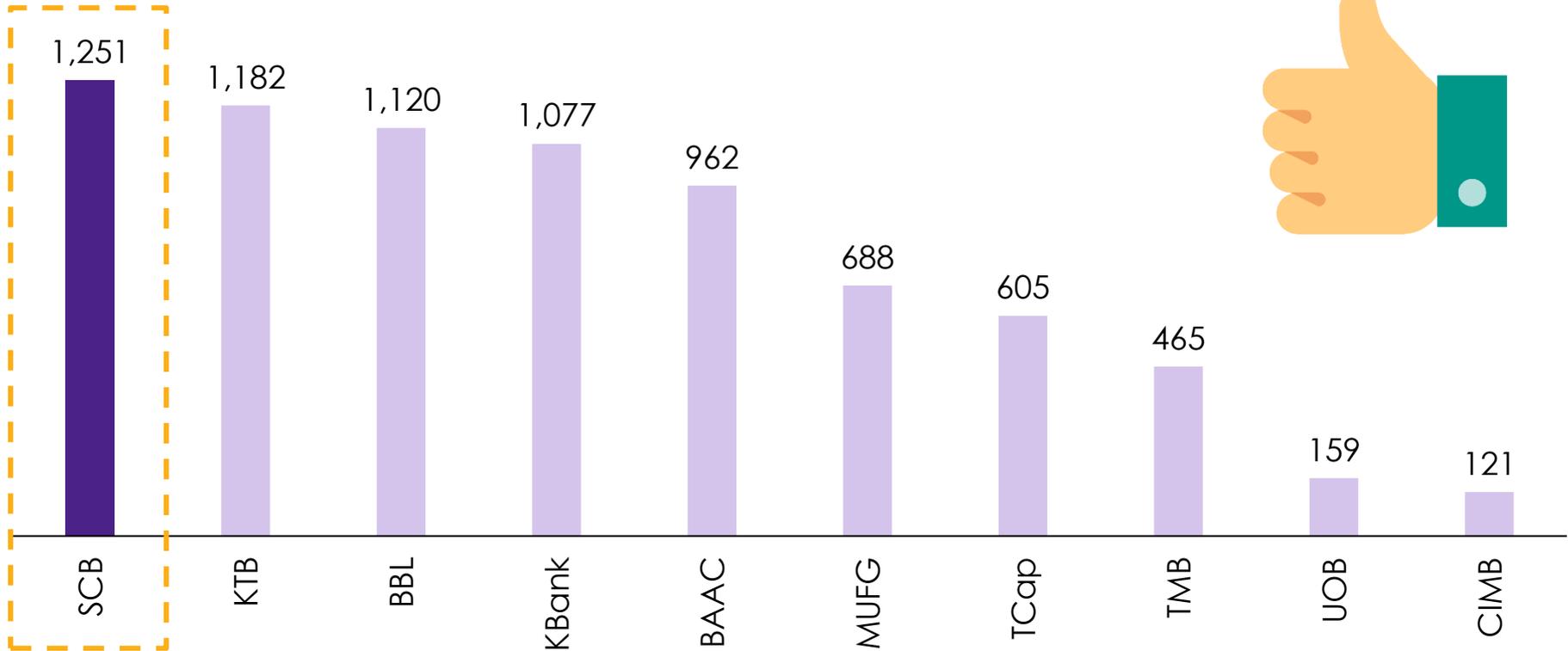
Bank	Pros	Cons	Analysis	Ranking
 ธนาคารกสิกรไทย 开泰银行 KASIKORNBANK	Best-in-class retail banking processes Lacks access	None	Strongest in SSME space in Platinum	1
 SCB ไทยพาณิชย์	Strong in retail banking “Modern Positioning”	None	N/A	2
 Bangkok Bank ธนาคารกรุงเทพ	Biggest bank in Thailand	Does not capture retail banking segment Extensive distribution network	Not active in Platinum	3
 ธนาคารกรุงไทย KRUNGTHAI BANK	Best-in class transaction services	Partnered with PromptPay	Not active in Platinum	4



SCB 12m Share Price



Top 10 Thai retail banks by branches (2016)



Source: SNL

SCB has the largest reach across Thailand in terms of number of retail branches

Understanding SSMEs In Platinum Mall

Hi ! We are conducting a survey for a competition on needs of shop owners in Platinum Mall. Thank you for taking the time to answer our questions!

* Required

Which financial products do you use ? *

- Credit
- Loans
- Working Capital
- Other: _____

Which account do you use for your business activities ? *

- Personal Account
- Business Account
- Other: _____

Do you use a proper accounting system for your business? *

- Yes
- No

Which accounting system do you use ?

- Book Keeping
- Writing Vouchers
- Excel Sheet
- Other:

Will you be interested in trying our new accounting software if provided free of charge? *

- Yes
- No

Which bank is your primary bank account? *

- Kasikorn Bank
- Siam Commercial Bank
- Bangkok Bank
- Krungthai Bank
- Other: _____

Why is this your primary bank? Please elaborate. *

Your answer _____

Do you have an online store as well? *

- Yes
- No

What percentage of your sales comes from your online store ? *

- <20%
- 20% - 40%
- 40% - 60%
- 60%-80%
- >80%

Who are the majority of your customers? *

- Wholesalers
- Individual Customers

How do you source for your products? Please elaborate.

Your answer _____

Comments and/or questions

Your answer _____

SUBMIT

Never submit passwords through Google Forms.

Understanding Platinum Mall Shoppers

Hi ! We are conducting a survey for a competition on needs of shoppers in Platinum Mall. Thank you for taking the time to answer our questions!

*** Required**

Please select the purpose of your visit to Platinum Mall *

Leisure

Sourcing products for my business

Other: _____

What are some challenges you face when shopping at Platinum Mall ?

Getting lost

Unable to buy individual items (only wholesale allowed)

Poor Quality

Other: _____

I enjoy shopping at Platinum Mall for the :

Variety

Cheap Price

Quality

Experience

Other: _____

What is one thing which will help to improve your experience at Platinum Mall? Please specify

Your answer _____

As a shop owner yourself, some challenges I face in purchasing supplies from Platinum Mall are...

Your answer _____

I would like to be able to see the products for my business before coming down to Platinum Mall

Yes

No

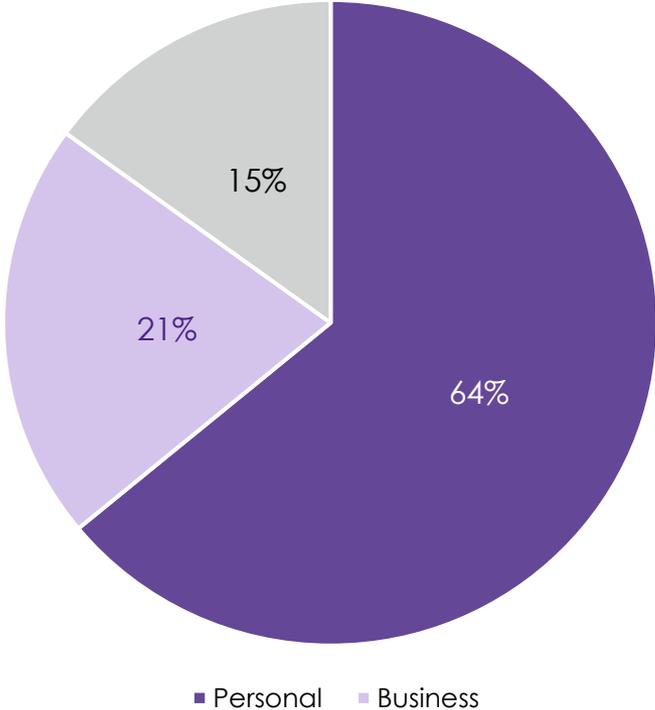
Other: _____

SUBMIT

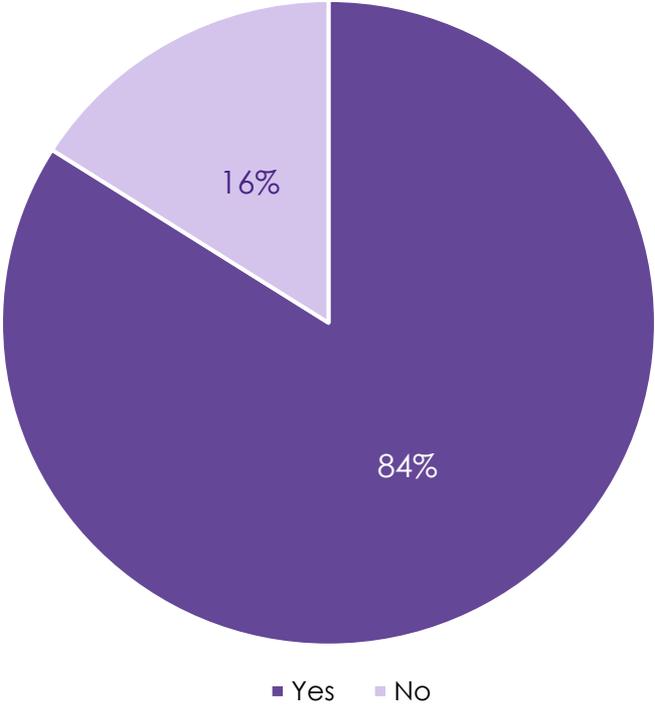
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Which account do you use for your business activities?



Willingness to try Free Accounting Software





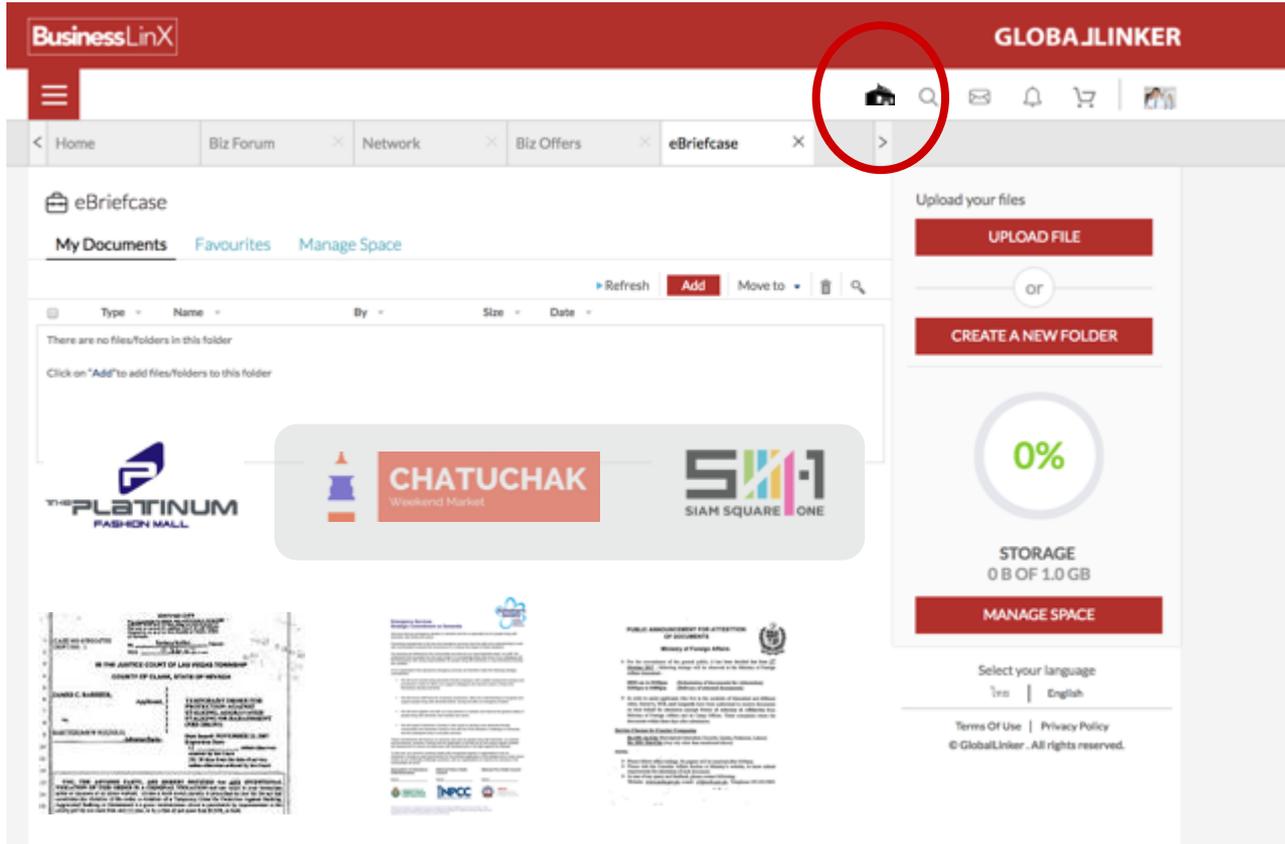
Shop: Rainbow Fashion (Thailand) Co. Ltd
Shop Owner Name: Charles Lee
Address (Office): 3-37 Zone 3, Platinum Fashion Mall

Interview: " I own a factory in China.. This is where I manufacture the **bags I design myself....** I have **5 chain stores** in BKK,.... **Ultimate goal is to expand and grow my business....** **Wish I had proper accounting knowledge to help- don't even understand how to manage so many shops..** opened this shop as a showroom for my wholesalers

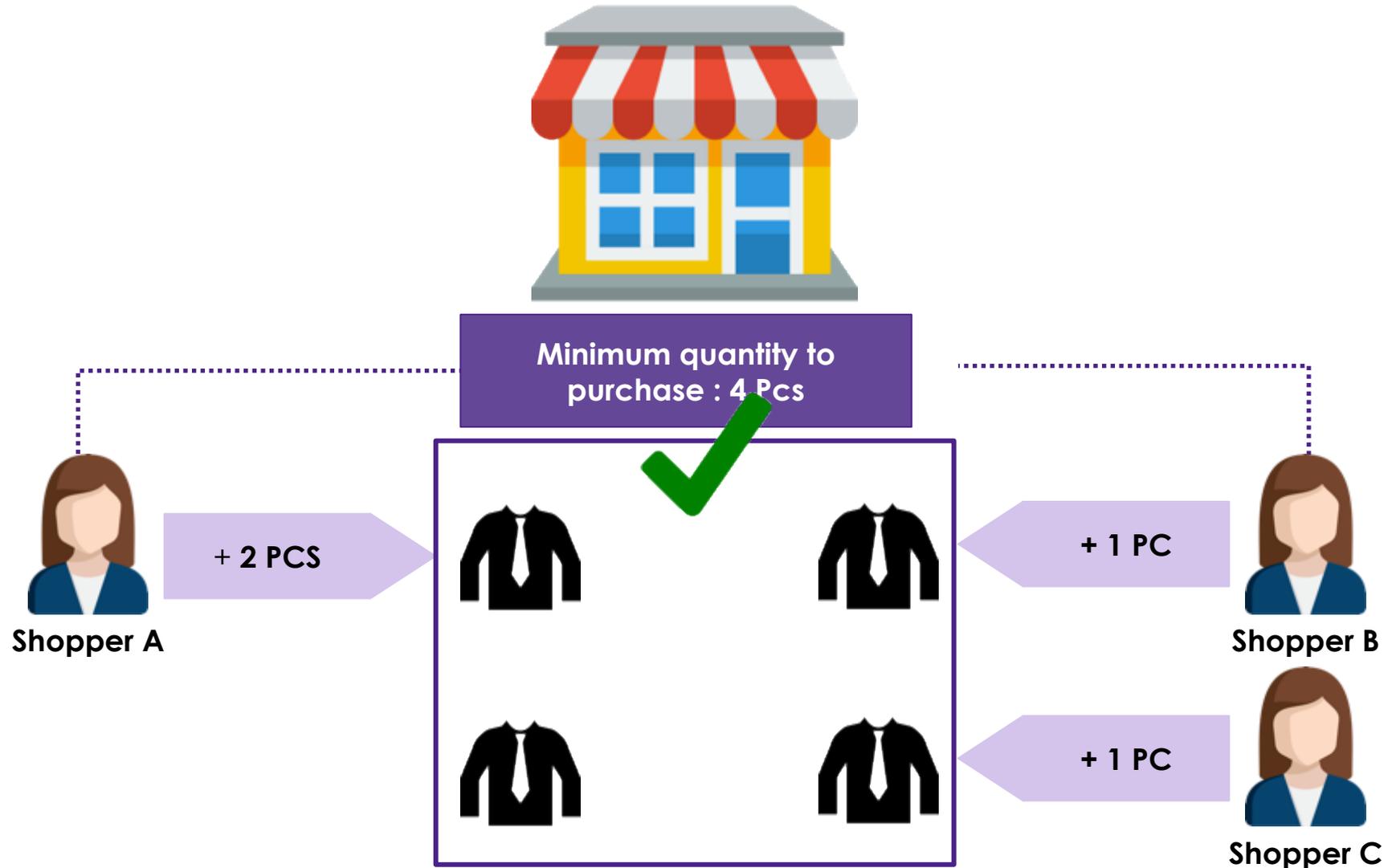
Shop: The Vintage
Shop Owner Name: Kai
Address (Office): 3rd Floor Nathan 7 room 712 Platinum Fashion Mall

Interview: " ... I source for my products on Taobao ... **Finding a common platform with other shops to sell my products....** **Losing wholesale customers because I have a separate website, they find it difficult to find....** Most of my online shoppers are wholesalers, **offline mostly tourists** on holiday(sic).... They **always complain difficult to find my shop** even though I give good price because I am so (inside)....





Easy integration of
separate
marketplace
platform for users to
localize offerings
and increase
accessibility



Features of Application

Multiple Listings

Time Based Bidding

Map based directions



Customer Benefits

Variety

Seamless convenience

Easy Navigation

Bundling helps to simplify customer journey

Able to make payment on
Platinum Shopper Buddy
Application as well



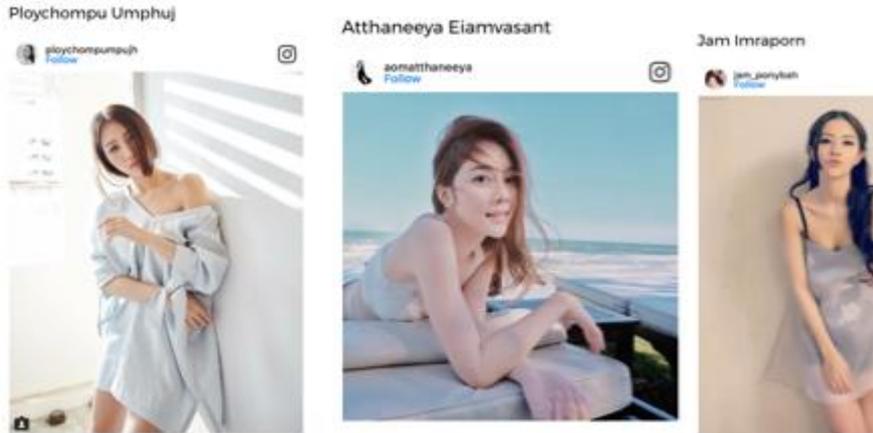
Integrates all customers needs
into a singular platform system
for faster adoption

Scope : Marketing Platinum Shopper Buddy App SCB

ไทยพาณิชย์



Marketing to Shoppers



Use Instagram influencers to increase awareness



Work with Thailand Tourism Board to increase awareness of application amongst tourists

Marketing to Shop Owners



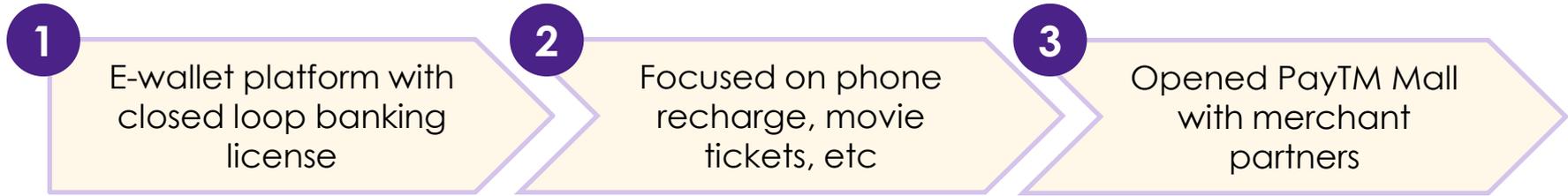
Send sales force to promote application to shops

ONBOARDING



Sales force assist in onboarding and installation

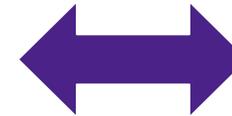
PayTM Mall



B2c Platform selling everything



Density of Merchants



Density of E-Wallet Users

Similarities to SCB

Banking services provider

Network of merchants and retail customers that can be tapped on

Sabina has successfully established a foothold in Thailand

What happens if someone wants a certain discount but cannot purchase enough

What if there is a 10% discount for 1000 units ?

Creating a “crowdfunding” model where many people can purchase small quantities to reap the benefits of a big quantity

	Amt Pledged (\$)	Units
Ali	50,000	500
Baba	20,000	200
Coco	30,000	300

Transaction takes place and all individuals are informed of successful outcome

Listing on Platform for everyone to see

	Price per Unit	Remaining Units
Nike Shoes	25	700
T-shirts	6	150
Perfume	6	275

Interested buyers can click and be directed to shopfront to participate in listing

Financials - SCB F/S Income Statement Forecast

SCB

ไทยพาณิชย์



Income Statement	Units	Historical			Projections			Comments
		2017 LTM	2018E	2019E	2020E	2021E	2022E	
Income								
Interest Income	฿m	123,693	124,566	129,116	133,399	137,751	145,439	
Interest Expense	฿m	33,326	30,896	29,330	27,604	25,752	26,453	
Net Interest Income (NII)	฿m	90,367	93,671	99,786	105,795	111,999	118,986	
Non-Interest Income								
Net Fee & Commission Income	฿m	29,194	30,619	32,022	33,442	34,967	36,571	
Net Insurance Income	฿m	3,703	3,703	3,703	3,703	3,703	3,703	
Net Trading Income	฿m	7,104	7,104	7,104	7,104	7,104	7,104	
Equity Accounted Results	฿m	-16	-16	-16	-16	-16	-16	
Dividends from Equity Instruments	฿m	1,041	1,041	1,041	1,041	1,041	1,041	
Other Noninterest Income	฿m	973	973	973	973	973	973	
Non-Interest Income	฿m	41,998	43,423	44,827	46,246	47,771	49,375	
Expenses								
Depreciation and Amortisation	฿m	2,985	2,985	2,862	2,877	2,901	2,922	D&A schedule
Personnel Expense	฿m	26,424	27,368	28,869	30,352	31,895	33,610	% of operating income
Occupancy & Equipment	฿m	11,226	11,226	11,226	11,226	11,226	11,226	Last historical
Others	฿m	14,678	13,959	13,959	13,959	13,959	13,959	Historical average
Operating Expense	฿m	55,313	55,538	56,916	58,414	59,981	61,717	
Pre-impairment Operating Profit	฿m	77,052	81,556	87,697	93,628	99,789	106,645	
Impairment Expense	฿m	19,026	27,427	25,660	26,217	28,068	28,295	% of total loans
NPBT	฿m	58,026	54,129	62,036	67,410	71,722	78,351	
Tax Expense	฿m	5,575						
NPAT	฿m	52,451	54,129	62,036	67,410	71,722	78,351	
Key Metrics								
Minority interest	%	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%	
NII/TOI	%	68.3%	68.3%	69.0%	69.6%	70.1%	70.7%	
Non-interest/TOI	%	31.7%	31.7%	31.0%	30.4%	29.9%	29.3%	
Staff expense/TOI	%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	Last historical
Non-interest income growth	%	2.8%	4.6%	4.6%	4.6%	4.6%	4.6%	Historical average
Loan growth rate	%	1.5%	3.1%	3.1%	3.1%	3.1%	3.1%	Historical average
Deposit growth rate	%	1.5%	3.0%	3.0%	3.0%	3.0%	3.0%	Historical average
Interest income/IEA	%	5.4%	5.3%	5.2%	5.1%	5.0%	5.0%	Q.E. slow decline
Interest expense/IBL	%	1.4%	1.3%	1.2%	1.1%	1.0%	1.0%	Q.E. slow decline

Financials - SCB F/S Balance Sheet Forecast

Balance Sheet	Units	Historical		Projections			Comments
		2017 Q2	2018E	2019E	2020E	2021E	
Asset							
Cash and Cash Equivalents		397,414	230,034	297,883	363,740	434,226	517,032 Cash balancer
Loans to Customers		1,888,745	2,120,274	2,185,109	2,251,925	2,320,785	2,391,751 Historical growth rate
Securities		615,729	614,291	621,007	630,243	630,806	622,415 Average
Equity Accounted Investments		0	412	357	289	278	267 Average
Total Intangible Assets		14,664	12,614	12,846	13,134	13,354	13,322 D&A schedule
Fixed Assets		40,929	38,191	38,754	39,750	39,702	39,465 PPE schedule
Total Other Assets		45,097	29,605	30,779	31,508	32,617	33,921 Average
Total Assets		3,002,578	3,045,422	3,186,734	3,330,590	3,471,769	3,618,174
Liabilities							
Deposits from Banks		150,832	130,827	130,827	130,827	130,827	130,827 Average
Deposits from Customers		2,057,364	2,119,786	2,184,101	2,250,368	2,318,646	2,388,995 Historical growth rate
Subordinated Debt		20,000	20,000	20,000	20,000	20,000	20,000 Debt schedule
Senior Debt		98,162	105,974	109,211	108,270	105,691	105,461 Debt schedule
Derivative Liabilities		41,510	48,906	49,322	50,704	48,927	47,873 Average
Other Liabilities		287,739	218,829	230,136	239,874	245,409	244,397 Average
Total Liabilities		2,655,607	2,644,321	2,723,597	2,800,043	2,869,500	2,937,555
Equity		346,971	401,100	463,137	530,547	602,269	680,619
Balance Check		Ok	Ok	Ok	Ok	Ok	Ok

Macro	Units	Historical		Projections				Comments
		2017E	2018E	2019E	2020E	2021E	2022E	
Population	mn	69.0	69.2	69.3	69.4	69.5	69.6	SNL, World Bank
Male	mn	33.7	33.8	33.9	34.0	34.1	34.2	World bank
Female	mn	35.4	35.6	35.7	35.9	36.0	36.1	World bank
Urban % of total	%	53%	54%	55%	56%	58%	59%	World bank
Baby Boomers (52 - 71)	mn	16.8	16.6	16.4	16.2	16.0	15.8	World bank
Gen X (37 - 51)	mn	16.6	16.5	16.4	16.3	16.2	16.1	World bank
Gen Y (17 - 36)	mn	18.6	18.5	18.4	18.2	18.1	17.9	World bank
Gen Z (0 - 16)	mn	12.0	12.0	11.9	11.9	11.8	11.7	World bank
Gen Y internet penetration rate	%	76%						World bank
Banked population above 15 yrs	%	78%						World bank
Unbanked population	%	22%						World bank
Internet users	mn	38.0	39.8	40.9	42.0	42.9	43.9	eMarketer, May 2017
Internet penetration	%	55%	58%	59%	61%	62%	63%	eMarketer, May 2017
Mobile penetration	%	70%	71%	72%	73%	73%	71%	eMarketer, May 2017
Smart phone penetration	%	47%	50%	53%	55%	56%	65%	eMarketer, May 2017
Social network penetration	%	47.6%	50.0%	51.4%	52.6%	53.8%	60.5%	eMarketer, May 2017
Facebook Users and Penetration	%	31.6	33.3	34.3	35.3	36.2	37.2	eMarketer, May 2017
Facebook penetration	%	46%	48%	49%	51%	52%	53%	eMarketer, May 2017
Personal disposable income	฿	7,941.3	8,194.6	8,441.7	8,721.7	9,114.2	9,513.2	World bank
ATMs per 100,000 adult								

Financials - Strategy 1: Scope (1/3)

Scope	Units	Historical	Projections					Comments
		2017	2018E	2019E	2020E	2021E	2022E	
Visitors at Platinum mall	Persons	730,000	777,450	827,984	881,803	939,120	1,000,163	Royalivory.com
Tourism growth rate	%	11%	6.5%	6.5%	6.5%	6.5%	6.5%	World Travel & Tourism Council
Sizable market	Persons	730,000						Ref: Base diffusion model
Coefficient of Imitation (q)		0.38						Ref: Base diffusion model
Coefficient of Innovation (p)		0.01						Ref: Base diffusion model
App adopters	Persons		7,300	9,973	13,536	18,205	24,185	
Average transactions per person	฿		330	330	330	330	330	
(a) Transaction data (volume)	฿		2,409,000	3,291,176	4,466,812	6,007,731	7,980,959	
Total number of SSMEs	No.		2,800	2,800	2,800	2,800	2,800	Case material
% SSMEs who need financial products	%		10%	10%	10%	10%	10%	Market research
Target SSME segment	No.		280	280	280	280	280	
% SCB engages with	%		3.5%	4.3%	5.3%	6.4%	7.6%	Increased based on app adoption, r=0.9
Number of Platinum SSMEs engaged in FPs	No.		10	12	15	18	21	
Average size of SME FPs (Loans)	฿m		3.3	3.3	3.3	3.3	3.3	SME Development Bank of Thailand
Interest income	฿m		2.6	3.2	3.9	4.7	5.6	MLR +100 bps, 1 year term
(b) Additional interest income	฿m		2.6	3.2	3.9	4.7	5.6	Total: 19.98
Additional expenses incurred								
Software Development	฿m	1.3						REF: Cost breakdown
SG&A	฿m		1.6	1.6	1.6	1.6	1.6	REF: Cost breakdown
Expected expenses	฿m	1.3	1.6	1.6	1.6	1.6	1.6	Total: 9.28
Net increase in profits	฿m	(1.3)	1.0	1.6	2.3	3.1	4.0	Total: 10.7
Discount rate	10%							
NPV (฿m)				7.3				
IRR (%)							114%	

Scope	Units	Historical		Projections				Comments
		2017	2018E	2019E	2020E	2021E	2022E	
Visitors at Platinum mall	Persons	730,000	777,450	827,984	881,803	939,120	1,000,163	Royalivory.com
Tourism growth rate	%	11%	6.5%	6.5%	6.5%	6.5%	6.5%	World Travel & Tourism Council
Sizable market	Persons	730,000						Ref: Base diffusion model
Coefficient of Imitation (q)		0.38						Ref: Base diffusion model
Coefficient of Innovation (p)		0.01						Ref: Base diffusion model
App adopters	Persons		7,300	9,973	13,536	18,205	24,185	
Average transactions per person	฿		330	330	330	330	330	
(a) Transaction data (volume)	฿		2,409,000	3,291,176	4,466,812	6,007,731	7,980,959	

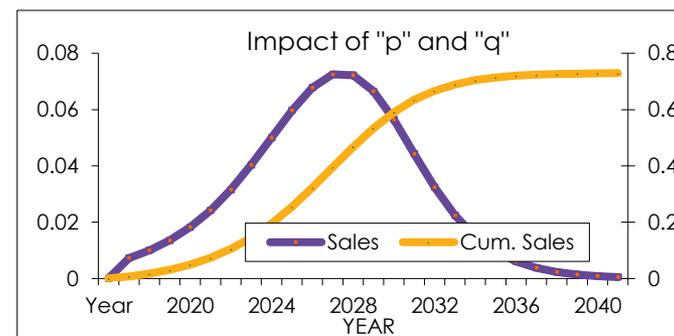
Bass diffusion model – Application Adoption Uptake

Base Diffusion Assumptions	
Addressable market	730,000
p coefficient	0.01
q coefficient	0.38

*Coefficients based on empirical evidences

Results check: $S(t+1) = p*N + (q-p)*Q(t) - (q/N)*Q(t)^2$

Year	Sales	Cum. Sales
2017	0	0
2018	7,300	7,300
2019	9,973	17,273
2020	13,536	30,809
2021	18,205	49,014
2022	24,185	73,199
2023	31,594	104,794
2024	40,357	145,151
2025	50,038	195,189
2026	59,688	254,877
2027	67,788	322,665



Financials - Strategy 1: Scope (3/3)

Scope	Units	Historical		Projections			Comments	
		2017	2018E	2019E	2020E	2021E		2022E
Visitors at Platinum mall	Persons	730,000	777,450	827,984	881,803	939,120	1,000,163	Royalivory.com
Tourism growth rate	%	11%	6.5%	6.5%	6.5%	6.5%	6.5%	World Travel & Tourism Council
Sizable market	Persons	730,000						Ref: Base diffusion model
Coefficient of Imitation (a)		0.38						Ref: Base diffusion model
Coefficient of Innovation (p)		0.01						Ref: Base diffusion model
App adopters	Persons		7,300	9,973	13,536	18,205	24,185	
Average transactions per person	฿		330	330	330	330	330	
(a) Transaction data (volume)	฿		2,409,000	3,291,176	4,466,812	6,007,731	7,980,959	
Total number of SSMEs	No.		2,800	2,800	2,800	2,800	2,800	Case material
% SSMEs who need financial products	%		10%	10%	10%	10%	10%	Market research
Target SSME segment	No.		280	280	280	280	280	
% SCB engages with	%		3.5%	4.3%	5.3%	6.4%	7.6%	Increased based on app adoption, r=0.9
Number of Platinum SSMEs engaged in FPs	No.		10	12	15	18	21	
Average size of SME FPs (Loans)	฿m		3.3	3.3	3.3	3.3	3.3	3.3 SME Development Bank of Thailand
Interest income	฿m		2.6	3.2	3.9	4.7	5.6	5.6 MLR +100 bps, 1 year term
(b) Additional interest income	฿m		2.6	3.2	3.9	4.7	5.6	Total: 19.98

Sensitivity Analysis

% engagement	NPV
2.5%	3.1
3.0%	5.2
3.5%	7.3
4.0%	9.3
5.0%	11.4

Equip	Units	Historical		Projections			Comments	
		2017	2018E	2019E	2020E	2021E		2022E
Total number of SSMEs	No.		2,800	2,800	2,800	2,800	2,800	Case material
% willing to try toolkit	%		84%					Market Survey, 42 out of 50 surveys
Predicted uptake rate (cum.)	%		20%	25%	30%	35%	40%	20-40% uptake rate
Attrition rate	%		10%	10%	10%	10%	10%	
Participating SMEs	No.		504	594	674	747	812	
Estimated revenue per year	฿m		38	38	38	38	38	Half of maximum of 75 Mn
Estimated expenditure per year	฿m		30	30	30	30	30	20% profit margins
(a) Transaction data (volume)	฿m		34,020	40,068	45,511	50,410	54,819	
% SSMEs who need financial products	%		10%	10%	10%	10%	10%	Market research
Target SSME segment	No.		50	59	67	75	81	
% SCB engages with	%			50%	50%	50%	50%	Assume 50% are credit worthy
Number of Platinum SSMEs engaged in loans	No.		0	30	34	37	40	
Average size of SME loans	฿m		3.3	3.3	3.3	3.3	3.3	SME Development Bank of Thailand
Interest income	฿m		-	8	9	10	11	MLR +100 bps, 1 year term
(b) Additional interest income	฿m		-	8	9	10	11	Total: 37.25
Expenses incurred								
Software Development	฿m	1.1	1.1					REF: Cost breakdown
Data analysis and processing	฿m		0.6	0.6	0.6	0.6	0.6	REF: Cost breakdown
Software training for SSMEs	฿m		1.1	1.1	1.1	1.1	1.1	REF: Cost breakdown
Marketing budget	฿m		1.0	1.0	1.0	1.0	1.0	REF: Cost breakdown
Incremental expenses	฿m	1.1	3.7	2.7	2.7	2.7	2.7	Total: 15.46
Net increase in profits	฿m	(1.1)	(3.7)	5.2	6.2	7.2	8.0	Total: 21.79
Discount rate	10%							
NPV (฿m)				14.4				
IRR (%)							95%	

Equip	Units	Historical	Projections				Comments	
		2017	2018E	2019E	2020E	2021E		2022E
Total number of SSMES	No.		2,800	2,800	2,800	2,800	2,800	Case material
% willing to try toolkit	%		84%					Market Survey, 42 out of 50 surveys
Predicted uptake rate (cum.)	%		20%	25%	30%	35%	40%	20-40% uptake rate
Attrition rate	%		10%	10%	10%	10%	10%	
Participating SMEs	No.		504	594	674	747	812	
Estimated revenue per year	฿m		38	38	38	38	38	Half of maximum of 75 Mn
Estimated expenditure per year	฿m		30	30	30	30	30	20% profit margins
(a) Transaction data (volume)	฿m		34,020	40,068	45,511	50,410	54,819	
% SSMES who need financial products	%		10%	10%	10%	10%	10%	Market research
Target SSME segment	No.		50	59	67	75	81	
% SCB engages with	%			50%	50%	50%	50%	Assume 50% are credit worthy
Number of Platinum SSMES engaged in loans	No.		0	30	34	37	40	
Average size of SME loans	฿m		3.3	3.3	3.3	3.3	3.3	SME Development Bank of Thailand
Interest income	฿m		-	8	9	10	11	MLR +100 bps, 1 year term
(b) Additional interest income	฿m		-	8	9	10	11	Total: 37.25



Will you be interested in trying accounting softwares if provided free of charge?

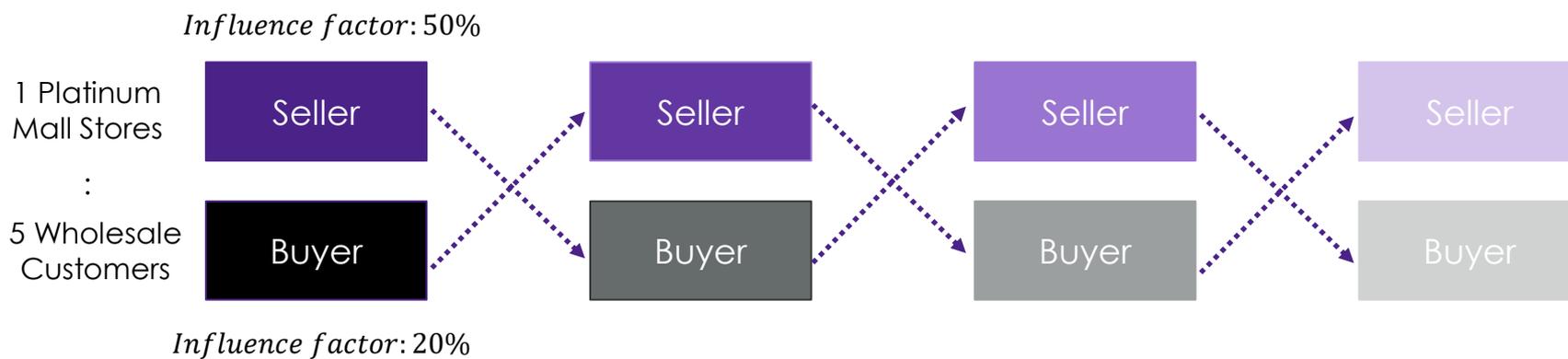


Financials - Strategy 3: Strike

Strike	Units	Historical	Projections					Comments
		2017	2018E	2019E	2020E	2021E	2022E	
Total number of SSME: Seller	No.		2,800	2,800	2,800	2,800	2,800	Case material
Total number of SSME: Buyer	No.		14,000	14,000	14,000	14,000	14,000	Assume each store has avg of 5 w/s buyers
Onboarded SSME 1	%		50%	55%	65%	78%	93%	Ref: Network multiplier
Onboarded SSME 2	%		25%	50%	64%	76%	85%	Ref: Network multiplier
(a) Total new members of BusinessLinx/Marketplace	No.		4,900	8,540	10,745	12,751	14,506	
Average transaction value	฿		15,000	15,000	15,000	15,000	15,000	100 pcs at ฿150
Estimated number of transactions	No.		14,000	28,000	35,700	42,298	47,624	W/S Buyer: 1 purchase every 3-4 months
Transactions into SCB accounts	฿m		210	420	536	634	714	
Transferred away to KBank	%		90%	80%	70%	60%	50%	
(b) CASA deposits	฿m		21.0	84.0	160.7	253.8	357.2	Total: 876.62
Implied income (multiply by NIM)	฿m		0.8	3.2	6.1	9.6	13.6	
Expenses incurred								
Web development	฿m	1.0	1.0					REF: Cost breakdown
Platform maintenance cost	฿m		0.6	0.6	0.6	0.6	0.6	0.6 REF: Cost breakdown
Marketing expense	฿m		1.0	1.0	1.0	1.0	1.0	1.0 REF: Cost breakdown
Incremental expenses	฿m	1.0	2.6	1.6	1.6	1.6	1.6	Total: 9
Net increase in profits	฿	(1.0)	(1.8)	1.6	4.5	8.0	12.0	Total: 26
Discount rate	10%	NPV (฿m)	15.1	IRR (%)	100%			

Strike	Units	Historical		Projections				Comments
		2017	2018E	2019E	2020E	2021E	2022E	
Total number of SSME: Seller	No.		2,800	2,800	2,800	2,800	2,800	Case material
Total number of SSME: Buyer	No.		14,000	14,000	14,000	14,000	14,000	Assume each store has avg of 5 w/s buyers
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Implied income (multiply by NIM)	฿m		0.8	3.2	6.1	9.6	13.6	

Two-sided Market Network Multiplier Model



Cost breakdown (THB)

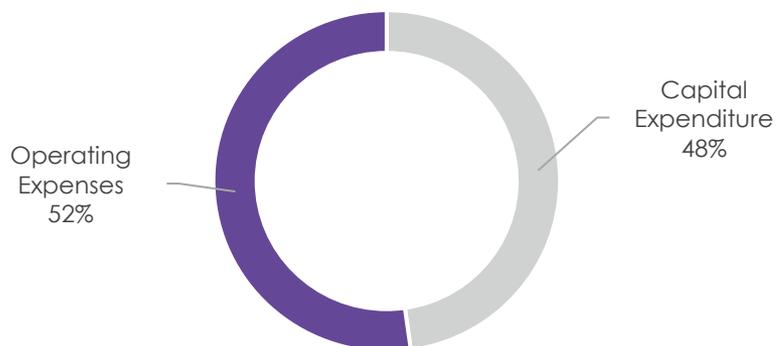
No.	Scope	Amount	Cost Type	Comments
1	Software Development - Complex features	1,280,000	CapEx	Based on ฿4,000 per hour over 2 months Source: Think Mobiles
2	Data analysis and processing	600,000	Operating	Based on 2 business analyst Source: Adecco.th
3	Marketing expenses - (Facebook, influencers, partner stalls)	1,000,000	Operating	Budgeted
Total :		2,880,000		

No.	Equip	Amount	Type	
1	SCB accounting software	2,160,000	CapEx	Based on ฿3,000 per hour over 2 months Source: Think Mobiles
2	Data analysis and processing	600,000	Operating	Based on 2 business analyst Source: Adecco.th
3	Software training for SSMEs	1,060,000	Operating	6 workshops per year, direct agents
4	Marketing expenses - (Facebook, influencers, partner stalls)	1,000,000	Operating	Budgeted
Total :		4,820,000		

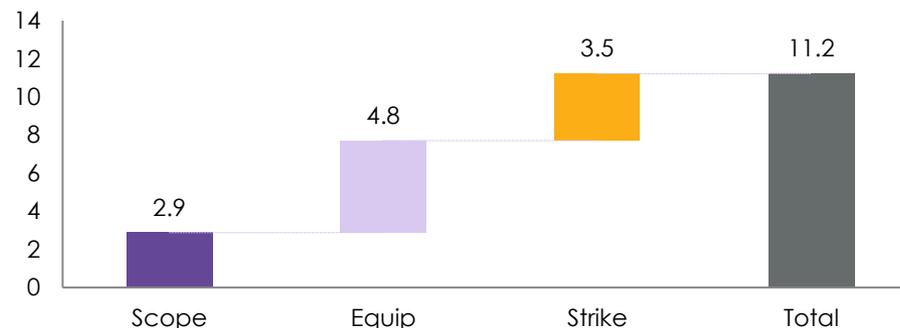
No.	Strike	Amount	Type	
1	Online marketplace on BusinessLinx	1,920,000	CapEx	Based on ฿3,000 per hour over 2 months Source: Think Mobiles
2	System maintenance and facilitation	600,000.0	Operating	Based on 1 business analyst Source: Adecco.th
3	Marketing expenses - (Facebook, influencers, agents and	1,000,000.0	Operating	Budgeted
Total :		3,520,000		



Breakdown by Type



Breakdown by Strategy

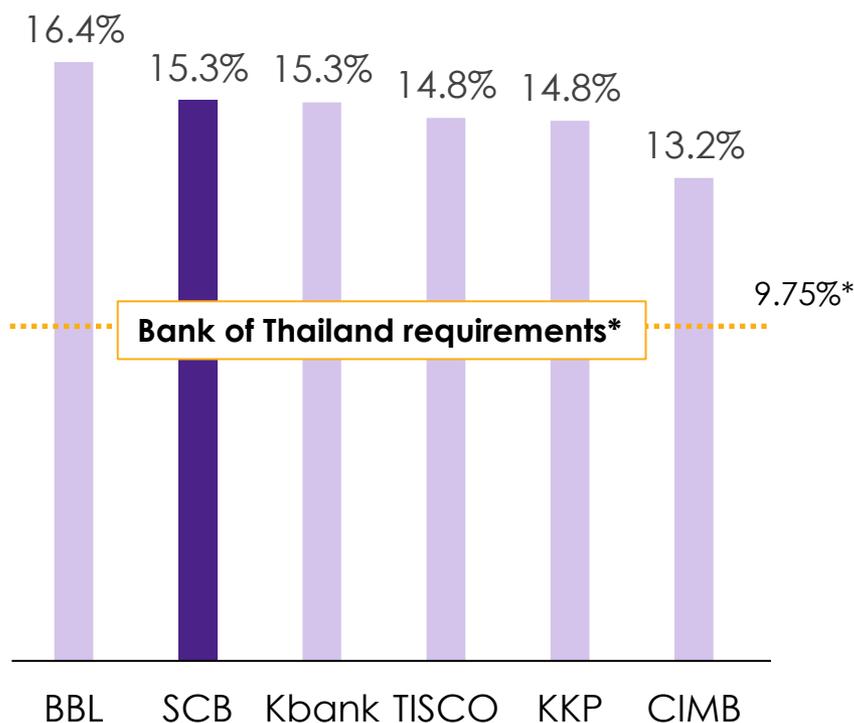


Balance Sheet Summary

In THB bn

Cash	397
Debt	118
Shareholder's Equity	347

Tier 1 Capital adequacy ratio - 2Q17



*Inclusive of conservation buffer

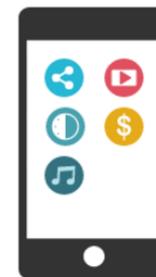
Complexity	Notes	Time, hours	Cost at \$50 hourly rate	Cost at \$100 hourly rate
Simple	No API integration, no back-end, standard UI components, simple features like email subscription, social login, calendar, etc.	400	20,000	40,000
Moderate	Custom UI features, payment features, API integrated, headsets and tablets adaptation, back-end server.	500-800	40,000	80,000
Complex	Multi-language support, 3rd-party integrations, custom animations, complicated back-end, professional design, real-time features.	800-1500	75,000	150,000



Simple

\$ 10,000+

2 months



Moderate

\$ 40,000 - 80,000

2 - 4 months



Complex

\$ 75,000 - 150,000

4 - 8 months

Source: ThinkMobiles