

SEC Panel: “เตรียมพร้อมสู่อนาคต: การพัฒนาศักยภาพในการแข่งขันและปรับตัวของตลาดทุนไทย”

1. จากงานวิจัยจำนวนมากที่สำรวจพฤติกรรมนักลงทุน เช่น ของ **SEC & SET** พบว่าทัศนคติของนักลงทุนมีความแตกต่างกัน ตามอายุ ทั้งในด้านการลงทุน การออม การใช้ข้อมูล และการกล้าเสี่ยง มีความเห็นกับการเปลี่ยนแปลงพฤติกรรมนักลงทุนในปัจจุบันอย่างไร?

1.1 Investor behavior in Different Generations

1.2 Digital Usage/Savvy

- Growing in Digital Adoption

1.3 Gen AI

- AI Advisory Chatbot : AI technology is used to answer customer questions about various mutual fund investments by LINE SCB CONNECT

- Typhoon : High-performance large language model optimized for Thai

1.4 Less Home Bias/ More offshore

- Less Thai portion – asset class/more diversified
- Go global

2. ตลาดทุนไทยมีความหลากหลายของผลิตภัณฑ์ และบริการเพียงพอต่อความต้องการของนักลงทุนหรือไม่

การพัฒนาศักยภาพในการแข่งขัน และปรับตัวของตลาดทุนไทย



1.1 How Different Generations Show Differences in Investment Behavior?

Survey reveals generational priorities and varying approaches to money

Types of Investments & Products Owned by Generation

respondent 2,000



| Investment | All respondents | Gen Z <27 years old | Millennials 27-42 years old | Gen X 43-58 years old | Baby boomers 59-77 years old |
|----------------|-----------------|------------------------|--------------------------------|--------------------------|---------------------------------|
| Age | | | | | |
| Stocks | 44% | 37% | 55% ★ | 39% ★ | 41% ★ |
| Mutual funds | 28% | 26% | 33% | 23% | 31% |
| Cryptocurrency | 24% | 22% | 43% ★ | 23% | 8% |
| Bonds | 21% | 15% | 28% | 18% | 23% |
| Options | 15% | 18% | 18% ★ | 13% | 11% |
| Index funds | 13% | 16% | 17% ★ | 8% | 7% |
| ETFs | 11% | 9% | 16% ★ | 10% | 8% |
| REITs | 6% | 9% | 6% | 5% | 3% |

- **Millennials invest more risky asset classes such as Cryptocurrency, Options, Index, and ETFs**
- Potential reasons:
 - Millennials compared to other groups are the young ones (except Gen Z as they are still the first jobber who has limited wealth for investment) who can take more risks and have higher risk appetite
 - Millennials have been exposed to technology more than the previous generations, so, likely they have more familiarity and accessibility to products

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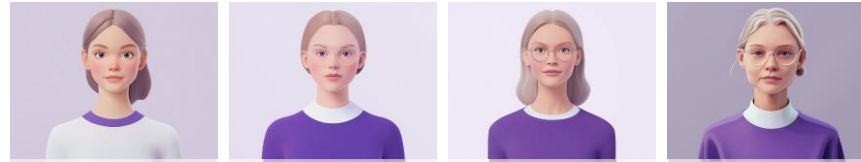


Gen Z



Millennials

Respondent # 2,000



<27 years old 27-42 years old 43-58 years old 59-77 years old

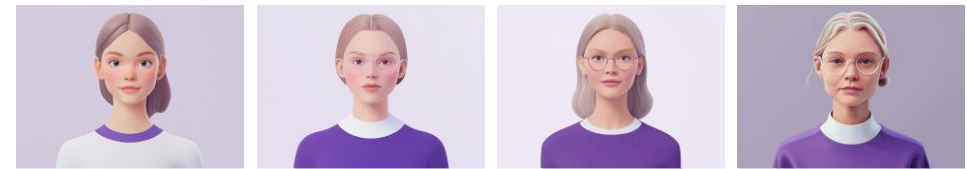
| Trade frequency | All respondents | Gen Z | Millennials | Gen X | Baby boomers |
|----------------------------|-----------------|-------|-------------|-------|--------------|
| Every day | 12% | 12% | 26% | 9% | 3% |
| Once a week | 17% | 28% | 24% | 14% | 6% |
| Two or three times a month | 14% | 19% | 14% | 17% | 8% |
| Once a month | 9% | 12% | 9% | 10% | 7% |
| Less than once a month | 45% | 29% | 28% | 51% | 76% |



Gen Z & Millennials show *more frequent* investment & trading behavior



Gen Z & Millennials are having higher **ESG** investment exposure



<27 years old 27-42 years old 43-58 years old 59-77 years old

| Stock type | All respondents | Gen Z | Millennial | Gen X | Baby boomers |
|------------------|-----------------|-------|------------|-------|--------------|
| Growth stocks | 21% | 39% | 53% | 44% | 49% |
| Dividend stocks | 19% | 20% | 42% | 46% | 57% |
| Large cap stocks | 18% | 33% | 50% | 37% | 44% |
| Value stocks | 17% | 43% | 47% | 34% | 25% |
| Small cap stocks | 15% | 33% | 34% | 31% | 41% |
| Blue chip stocks | 12% | 18% | 28% | 28% | 32% |
| Penny stocks | 9% | 19% | 26% | 25% | 14% |
| ESG stocks | 4% | 10% | 14% | 8% | 2% |
| REITs | 4% | 10% | 12% | 5% | 6% |

1.1 Investment Behavior between Thai and International Investors



Thai Investors

- Short-term Gains
- Speculation, Frequent Trading
- Individual Stocks
- Market Sentiment & News
- Focused on Limited Asset Types

- **SHORT-TERM SPECULATION**

Thais prefer **speculative & short-term stock trading** rather than portfolio management strategies, which decisions are swayed by **market news & short-term volatility**.

- **Predominantly RETAIL INVESTORS**

The proportion of retail investors in the Thai stock market is relatively high compared to other markets, leading to a **strong influence of market sentiment on stock trading**.

- **LACK LONG-TERM INVESTMENT PLANNING**

Lack knowledge of risk diversification & tend to **concentrate their investments in a few asset types** i.e. individual stocks or high-risk equities



International Investors



- Long-term wealth creation
- Portfolio diversification
- Mutual funds, ETFs, blue-chip stocks
- In-depth Analytics & AI
- Broad diversification across assets

- **LONG-TERM STRATEGIC PLANNING**

International investors i.e. U.S., Europe, Japan focus on long-term, **emphasize stable returns & risk minimization**

- **PREFER for MUTUAL FUND & ETFs**

Likely to invest mutual funds or ETF rather than individual stocks for **better risk diversification**

- **Use of TECHNOLOGY & IN-DEPTH DATA**

Leverage analytical tools & AI to evaluate asset values & make investment decisions more efficiently

1.1 Investment Behavior between Thai and International Investors



Thai Investors



Factors Influencing Investment Behavior

- **Knowledge & Education:** International investors generally receive better financial education and have access to higher-quality investment information, enabling them to adopt effective long-term strategies.
- **Market Structure:** Financial markets in developed countries offer a variety of investment products, such as REITs, Hedge Funds, and ESG Funds, which are less prevalent in Thailand.
- **Investment Culture:** In developed countries, investing is seen as a key component of financial stability, while Thai investors often view it as an opportunity for short-term profit.



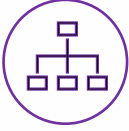
Recommendations for Improving Thai Investors' Behavior



Promote Investment Knowledge: Educating investors about portfolio management and long-term investment strategies can help reduce risks and create sustainable returns.



Develop Analytical Tools: Encourage the use of advanced tools to analyze market data and improve decision-making accuracy.



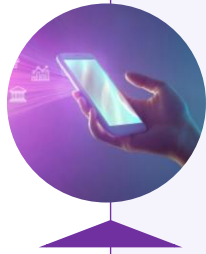
Diversify Investments: Foster the adoption of diversified investment practices, such as mutual funds or REITs, to mitigate risks.

*“The differences in investment behavior between Thai and international investors highlight the **need for improving financial literacy & investment knowledge** among Thai investors. This will help them adapt their strategies to align with market fluctuations and achieve greater financial stability in the long run.”*

1.2 Increase in Digital Adoption

Shift in investment in many perspectives

Higher Digital Adoption in Recent Years

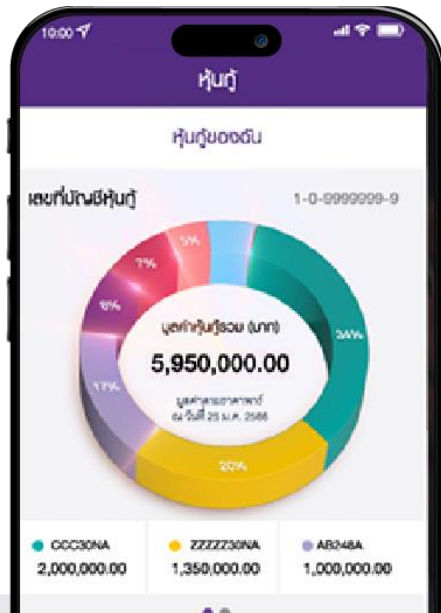


Increased in digital in Investment across all Digital Channels: **EASY, WPLAN, EASY-D for Bond/Debenture**

Proportion of total Investment transactions

| Channel | 2021 | 2022 | 2023 | 2024 (RR) | %CAGR Transactions in 3Y |
|-----------------------------|-------|-------|-------|-----------|----------------------------------|
| EASYFUND (DIY) | 1 M | 1.4 M | 1.8 M | 2.8 M | 12% → 1m to 2.8m |
| EASYDEBENTURE (DIY) | 8 K | 10 K | 34 K | 55 K | 90% → 8k to 55k |
| RM-ASSISTED TOOLS | 81 K | 85 K | 89 K | 110 K | 8% → 81k to 110k |
| BRANCH & OFFLINE | 224 K | 154 K | 168 K | 205 K | -3% → 224k to 205k |

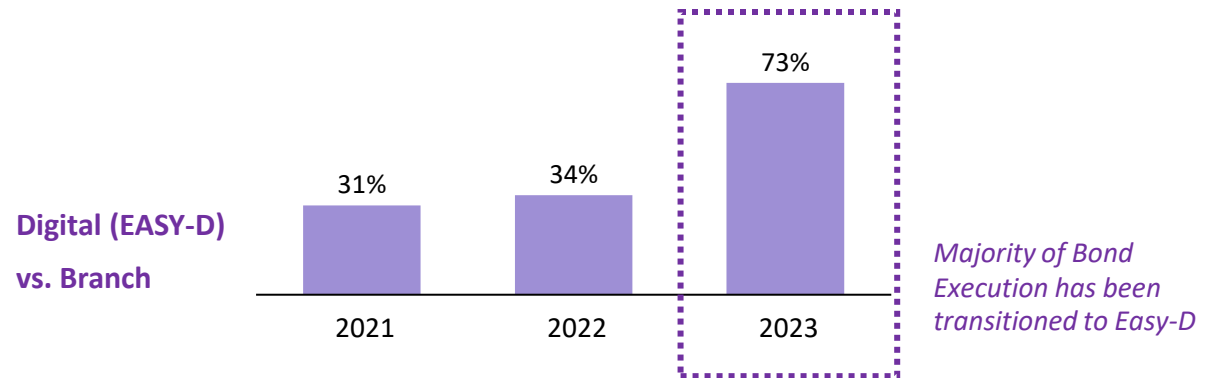
EASY-D – Significant Growth in Digital Debentures Execution



Digital Debenture Execution is **growing significantly from 2022 to 2023**

Branch Debenture Execution is affected by Digital Penetration

% Proportion of Bond Execution 2021-2023



Digital (EASY-D) vs. Branch

Majority of Bond Execution has been transitioned to Easy-D

1.3 AI-First Bank

SCB establishes itself as a leader in digital banking, enhancing its strength with AI & Analytics technology



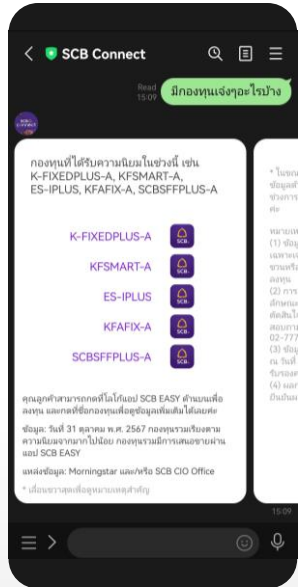
SCB LINE CONNECT Chatbot

Key Highlighting Features:

General Questions
✔ "How do I open an investment account?"

Mutual Fund Info
✔ "How is the performance of SCBSET?"

Mutual Fund Info with Special Criteria
✔ "Which funds have high dividend yields?"



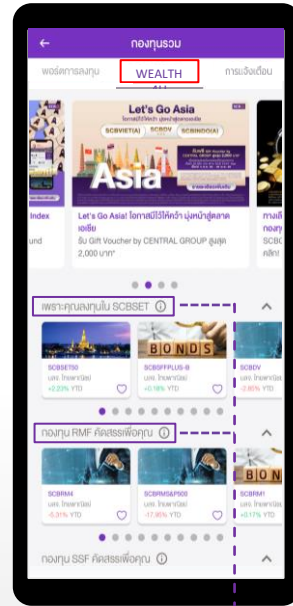
WEALTH4U

Key Highlighting Features:

✔ Wealth4U provides personalized results based on individual preferences.

Example of Wealth4U on the SCB EASY app.

- Because you invested in <Fund Name>
- RMF SSF funds selected for you
- My favorite funds
- Curated funds for you <Customer Name>
- Trending funds
- Other fund management funds



Example of the Wealth4U displayed on the SCB EASY app.

My Alerts

Key Highlighting Features:

✔ Your Fund Direction: Notifications on the movements of the funds you hold, along with advice from SCB CIO.

✔ Index Fund Insights: Alerts on major index changes, accompanied by recommendations from SCB CIO.

✔ SCB CIO recommends buying, selling, or switching funds.

✔ Term fund due date

✔ Your Dividend



1.4 Less Home Bias & More Offshore

Blending Offshore Investment to portfolios yields multiple benefits, and the shift has already begun



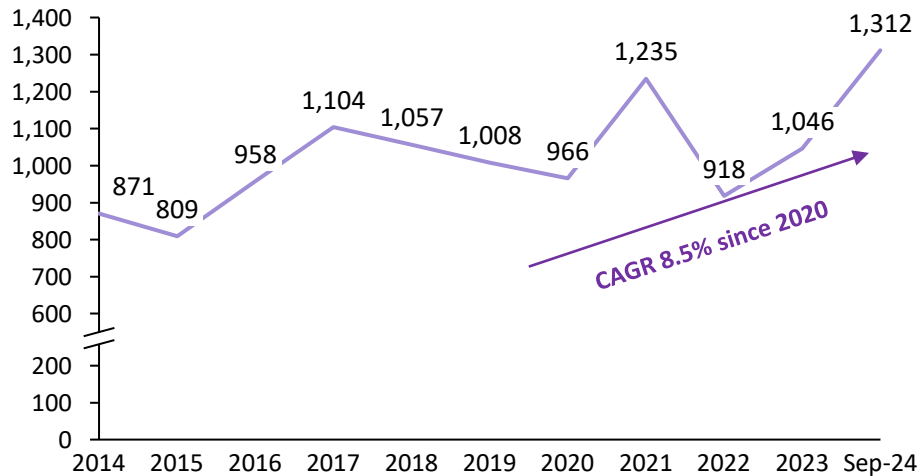
Customer Benefits of Offshore Investment

1 Better Return for customers' portfolios (Sharpe Ratio)

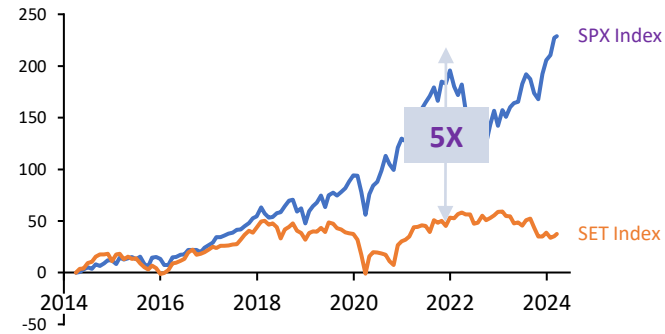
The Thai investment behavior has been shifting to FIF over the past 10 years in a gradual growth trend due to more attractive returns & variety of sectors of new economy offered

Shift in Investment to Offshore via FIF

Since 2014, FIF CAGR Grew 8.5% since 2020
(accelerated growth after COVID)

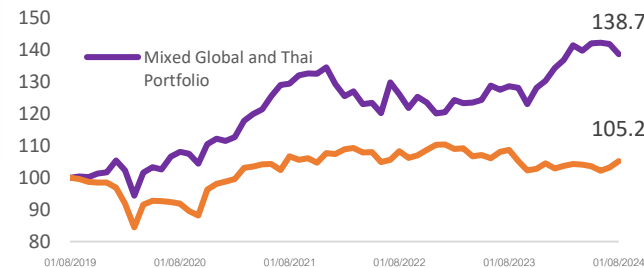


Higher historical return with **5X growth for SPX index compared to local TH market**



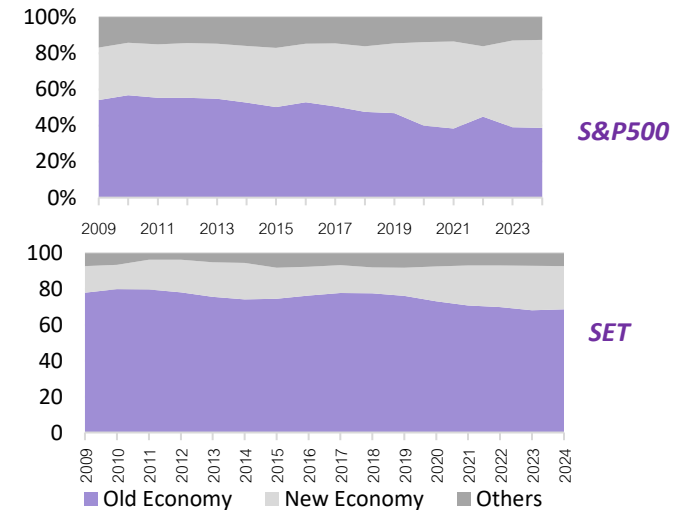
Mixing Global Components into customers' portfolio helps **increase Sharpe ratio, better LT return**

Performance (31/08/2019 – 31/08/2024)

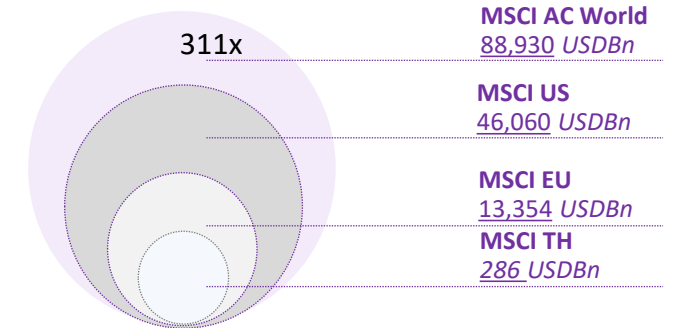


2 Better Variety of Investment Choices

Much larger portion of 'New Economy' sectors found in S&P500 compared to SET



MSCI Market Capitalization – TH only contributes to 0.32% of MSCI World

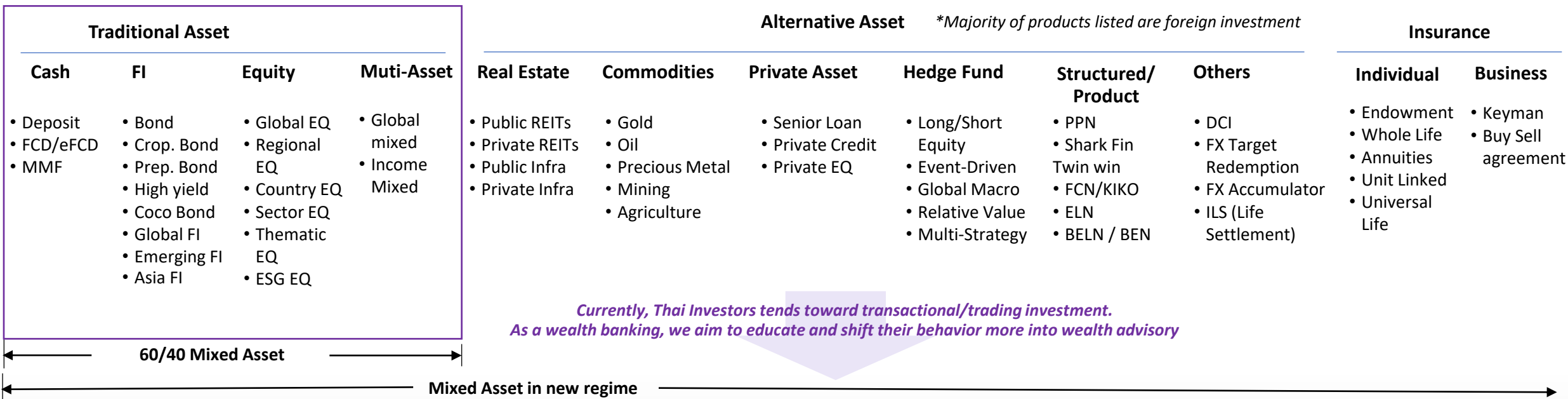


* Old Economy = Financials, Energy, Consumer staples, Industrials, Materials, Utilities and Real Estate
 ** New Economy = Information Technology, Communication Services and Consumer Discretionary (incl. Luxurious Goods)
 *** Others = Healthcare and Not-Classified Sectors

2. Complete Investment Product & Advisory Service

Plenty of product selections, but wealth advisory is going under development (currently Trader > Advisory)

Product Solution



Several Investment opportunities (Asset class & Products) are being offered outside of Thai market

| | | | |
|--|--|--|---|
| <ul style="list-style-type: none"> ✓ Alternatives: <ul style="list-style-type: none"> • RA/RE – student/senior housing • P2P Lending | <ul style="list-style-type: none"> • Private Infrastructure • CLOs, Exotic structured products • CAT Bond | <ul style="list-style-type: none"> ✓ Quant fund ✓ Certificates of Deposit (CDs) ✓ Unit Linked Insurance Plan (ULIP) | <ul style="list-style-type: none"> ✓ ESG Impacting fund And so on |
|--|--|--|---|

2. Paradigm Shift in Investment & Advisory

Shift in investment in many perspectives



From

Product-focused

Standardized offerings

Transaction-based relationships

Wealth management for the Ultra-wealthy

Active management only

Limited data usage

Physical, in-person advice

Short-term gains focus

Paper-based compliance and record-keeping

Traditional asset classes (stocks, bonds)

Home bias Product

Focus on financial returns only



To

Client-focused

Personalized solutions

Relationship-driven and advisory-based approaches

Broader access to wealth management services

Blend of active and passive strategies, including ETFs and robo-advisors

Leveraging AI and big Data of predictive analytics

Hybrid model: In-person, digital, and virtual advice

Long-term wealth preservation and impact investing

Digital and blockchain-based compliance and transparency

Expansion to alternative investment (private asset, real estate, digital assets)

Expansion to offshore product

Emphasis on ESG factors and impact investing



2. Complete Investment Product & Advisory Service

Core & Investment Blend are the key to Investment Blend

CORE & OPPORTUNISTIC PORTFOLIO CONCEPTS

