

# THAILAND Focus 2025



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## Virtual Banks in Thailand: Opportunities, Risks, and Governance Challenges

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### Mr. Manop Sangiambut, Chief Financial Officer, SCB

#### Virtual banking as a path to financial inclusion, targeting underserved customers with AI-native, low-cost, user-friendly platforms

- SCBx sees a market gap: despite Thailand's quite high mobile banking penetration, a large underserved population remains. Virtual banks present a significant opportunity for financial inclusion. From partnerships with KakaoBank (Korea) and WeBank (China), three key learnings stand out:
  - 1) Highly user-friendly and personalized, offering innovative experience going beyond traditional mobile banking apps by integrating features like gamification and personalization to make the experience engaging and intuitive.
  - 2) AI-native, from front to back office, leveraging cloud-native.
  - 3) The cost structure must be lower than that of traditional banking, and must be competitive.

#### Leveraging credibility, global partnerships, and long-term investments to differentiate from traditional banks

- While trust will be anchored by the parent company's credibility, scaling further will depend on collaboration with worldclass partners, utilize SCB expertise in Thai market. SCBx believes virtual banks must offer different propositions from traditional banks, targeting underserved customers as the first segment to drive inclusion. However, considering the amount of capital relative to the entire market, virtual banking is not expected to significantly shake the financial landscape.
- On concerns about household debt, SCBx views virtual banks as a way to bring nonbank borrowers into the formal system. However, to truly address the debt challenge, the BOT would need to allow real risk-based pricing.

- To ensure regulatory compliance, SCBX builds a separate ecosystem and independent core banking system — a neutral, plug-and-play platform, not leveraging the traditional bank's ecosystem.
- Incumbent banks have high costs due to legacy issues. SCBX aims to balance long-term returns with early investments at the right timing. Over the long term, returns are expected to be significantly higher compared to traditional banks. In the short term, the focus will be on customer engagement, traction, and product rollouts, which will ultimately drive profitability.

**Mr. Ithinan Watsuksanti, Head of Lending, Ascend Money & Head of Business Development - Business Lending Product, Ascend Nano**

**Redefine financial inclusion with a mobile-first, data-driven virtual bank built on TrueMoney's ecosystem**

- Ascend positions its virtual bank as a major milestone in delivering a complete financial journey for customers. Its strategy focuses on making banking accessible, seamlessly embedded in daily life, and powered by partnerships. The model leverages big data and infrastructure from TrueMoney, while offering services that leverage partners such as Ant.
- The virtual bank requires three key pillars to succeed:
  - 1) Inclusion & data-driven – targeting underserved segments using big data.
  - 2) Fully digital & mobile-first: deliver simple, customized, and trusted financial services.
  - 3) Beyond products: expand from credit into savings, investment, and broader financial solutions.

**Transparent, secure, and responsible lending to underserved customers**

- Trust is built not only through convenience but also through: 1) transparency—customers can easily understand products and terms; 2) security—including PDPA compliance and data protection; 3) leveraging TrueMoney's track record; and 4) providing meaningful, humanized digital support when needed.
- A key pain point today is that large number of customers cannot access loans under traditional systems due to insufficient credit history. Ascend aims to use data to offer initial credit lines, then gradually expand access to more features, effectively converting money flows into credit. This is supported by infrastructure, know-how, network of payment and merchant from TrueMoney.
- Collaboration remains important, through co-lending, data sharing, and branch-based services, to reshape financial services. At the same time, governance requires a separate infrastructure with full autonomy, while still working closely with TrueMoney under customer-consent data use.

**Expanding into savings, investments, and broader financial solutions**

- For long-term sustainable value, Ascend prioritizes partners who align with its mission—not just profit maximization, but responsible lending that uses data to assess purpose and suitability, helping customers build credit records within the formal financial system.
- Vision (5 years): To become a bank that creates real opportunities, giving underserved customers genuine access to credit products and financial inclusion.

