



Opportunity Day FY2023





AGENDA

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- XSpring Asset Management
- XSpring AMC Asset Management
- XSpring Digital

Company Overview

LESSONS LEARNED FOR BETTER TOMORROW



Company Overview

X SPRING



XSpring is aiming to be a leader of financial solutions corresponding to customers' needs & preferences



The Company is investment holding company which invests in high potential company, and currently holding various companies operating in financial services industry

Established Date

September 1st, 1974

First Day Trade

March 17th, 1995

Par Value

0.50 Baht

Registered Capital

5,373.54 Million Baht

Market Capitalization

11,801.01 Million Baht

Address

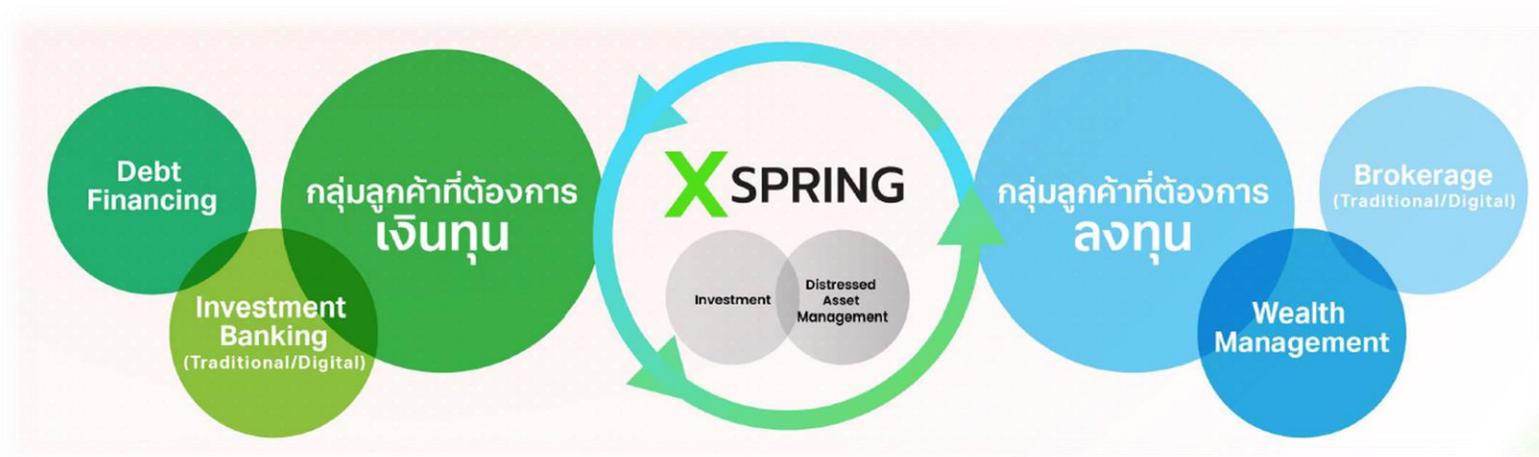
59 Siri Campus, Building D, 2nd Floor,
Soi Rim Khlong Phra Khanong, Phra
Khanong Nuea Sub-district, Vadhana
District Bangkok 10110

Website

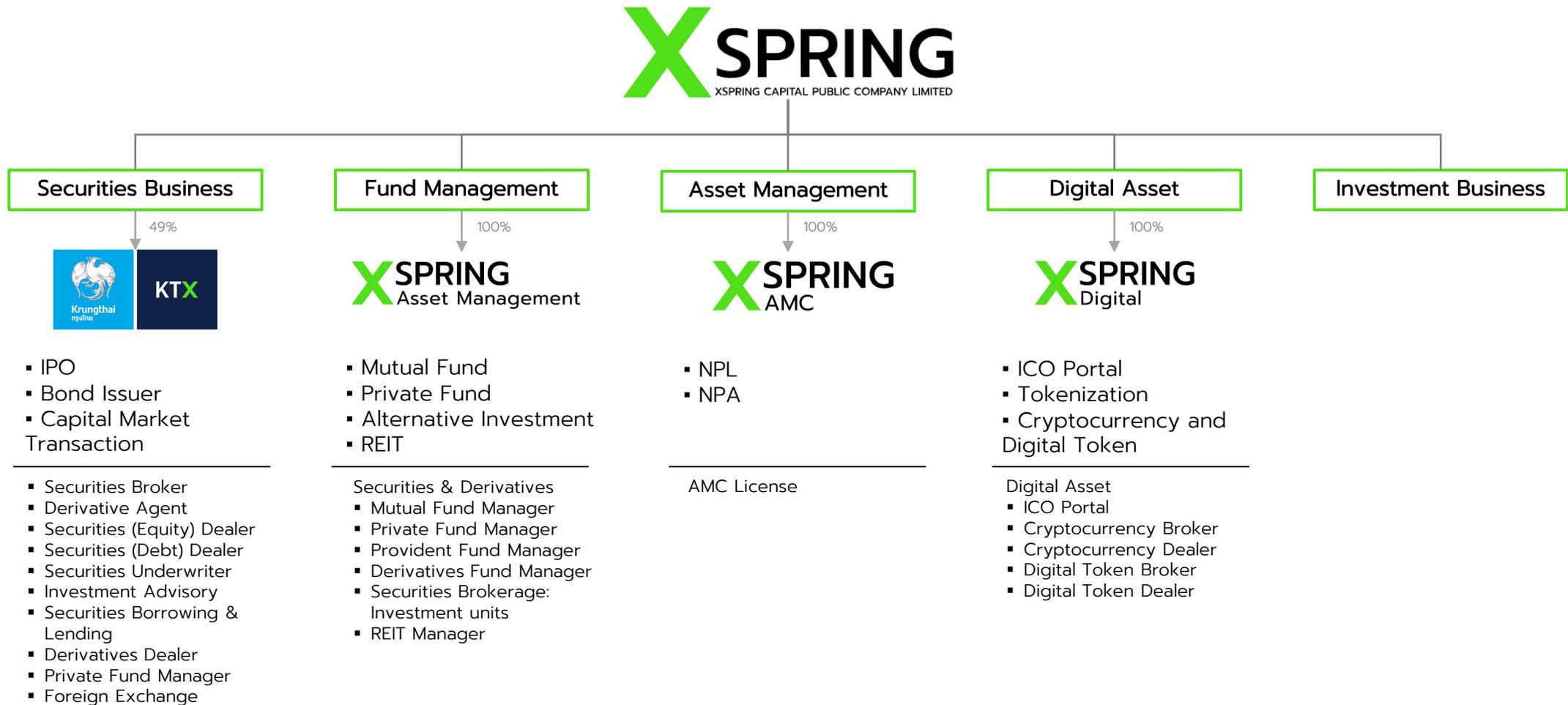
<http://www.xspringcapital.com/>

Telephone

0-2030-3730



Business Structure



Business Direction



2024 Business Direction

Aiming to be a leader of financial solutions corresponding to customers' needs & preferences

Fundraiser

- **Investment Banking**
(Traditional & Digital)

- **Debt Financing**
(Private Lending; Senior Secured)



Investor

- **Wealth Management**
(Total Wealth Solutions)

- **Brokerage**
(Traditional & Digital)

2024 Business Direction

INVESTMENT BANKING

XSpring empowers businesses with comprehensive investment banking solutions, facilitating in both traditional and digital capital markets. We offer comprehensive financial advisory services, including capital raising and mergers & acquisitions guidance, to unlock your business potential



Financial Advisory

- Merger and Acquisition
- Joint Venture
- Financial Restructuring
- Debt Restructuring
- Divestment



Debt market

- Bond
- Bill of Exchange (B/E)
- Promissory Note (P/N)



Capital Market

- Initial Public Offering (IPO)
- Initial Coin Offering (ICO)

2024 Business Direction

DEBT FINANCING

Empowering high potential businesses with financing to achieve sustainable growth



- **Direct Lending**
- **Debt Arrangement**
 - Debt Market
 - Bond
 - Bill of Exchange (B/E)
 - Promissory Note (P/N)
 - Private Credit

2024 Business Direction

WEALTH MANAGEMENT

Accessibility to innovative investment products and expert guidance to achieve investment objectives with sustainable wealth creation

Investment Products of XAM

- Mutual Funds
- Private Equity
 - Real Estate Private Funds in 2023 comprised 6 projects across 5 funds, with a total projects' value of THB 11,720mn



BuGaan
Pattanakarn



Setthasiri
Jetsadabodin



Dcondo
Thammasat



VIA
Sukhumvit 61



Dcondo
Bangsaen

Investment Products of Alliances

- Mutual Funds
Partnership with (LBDU) 17 Asset Management Companies to offer over 1,300+ mutual fund on platform



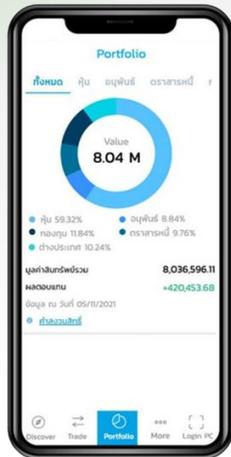
- Fixed Income Funds • Blended Funds • Equity Funds • Property Funds
- Foreign Funds • Commodity Funds • Private Asset Funds

2024 Business Direction

BROKERAGE

Made investment ease and responsive, offering diverse investment products and insight full guidance to customer

Traditional



WealthMe by Krungthai XSpring

Highlighting the advantages of easy investing in all assets with integration to Krungthai Next



including Thai stocks, foreign stocks, mutual funds, debt instruments, savings bonds, debentures, and gold, adding options to create sustainable returns



Digital



XSpring Digital

Crypto trading platform provider, empowers investors to navigate the future of sustainable and prosperous investing

2024 Business Direction

INVESTMENT

XSpring seeks for high growth potential business/investment both domestic and global to achieve financial returns and business synergy to the group

Fintech

Indirect Investment



Customers Centric

Direct Investment



Indirect Investment



ESG

Direct Investment



Indirect Investment

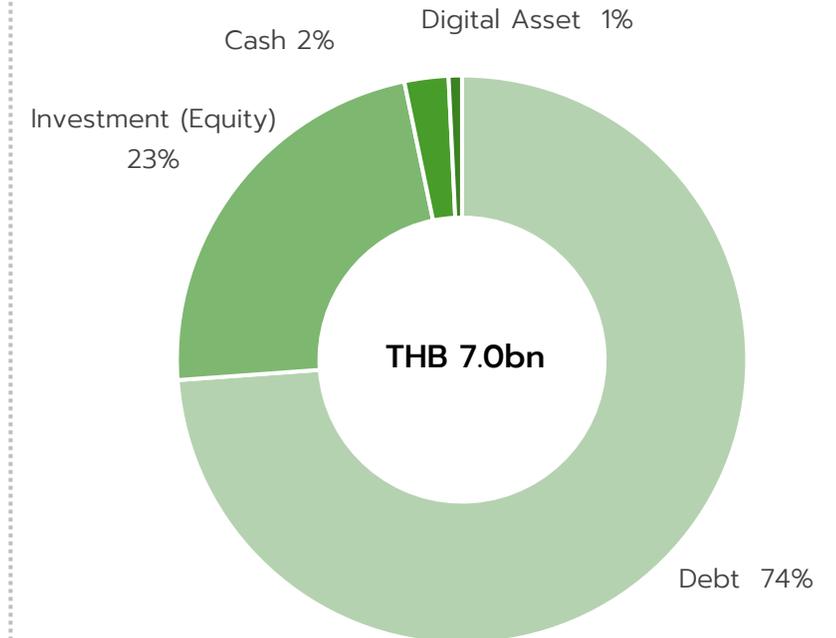


2024 Business Direction

Investment Strategy and Update

- In 2023, we adopted a cautious investment approach, focusing on a diversified portfolio of asset classes
- An upward trajectory in global interest rates opens new avenues for investment within the debt market
- Recently, we entered a private debt investment, requiring the borrower to provide hard asset as collateral
- Potential liquidity issues in 2024 may necessitate loans for business continuity
- The bond market remains under pressure from defaults, leading to heightened investor cautiousness in this asset class

Company's Portfolio



2024 Business Direction

DISTRESSED ASSET MANAGEMENT

Investment in the distressed asset management business, with current portfolios' value over THB 4,000mn in both secured and unsecured debts

จำนวนมูลค่าของพอร์ตหนี้ตามประเภทของหนี้ **4,000 ลบ.**
(หน่วย: ล้านบาท)

- สินเชื่อทั่วไป แบบมีหลักประกัน
- สินเชื่อธุรกิจขนาดใหญ่ แบบมีหลักประกัน
- สินเชื่อทั่วไป แบบไม่มีหลักประกัน

เริ่มดำเนินการ
2021

พอร์ตหนี้เติบโต
700%

500

2022



PLUS+

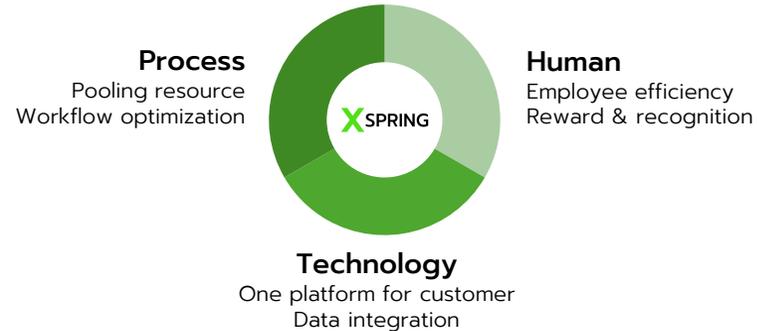
ร่วมมือกับพันธมิตร บริษัท พลัส พร็อพเพอร์ตี้ จำกัด ผู้นำด้านบริการอสังหาริมทรัพย์ครบวงจร ในการนำทรัพย์สิน NPA มาขายทอดตลาด

Lessons Learned for Better Tomorrow

Consolidation



Transformation



One for All



Financial Solutions

- **Fundraiser**
 - Investment Banking
 - Debt Financing
- **Investor**
 - Wealth Management
 - Brokerage

(Customer)

Financial Opportunities

Investment Banking



Lending



Products

(Product)

Business Prospect

- **KTX** → Investment Banking Business
- **XAM** → Offering Uniqueness Products
- **XD** → Trading Volume Increasing
- **XAMC** → Debt Collection Increasing

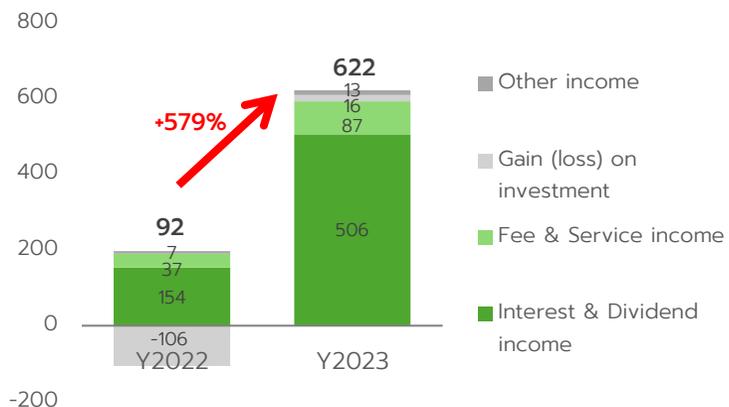
(Revenue)

Financial Performance

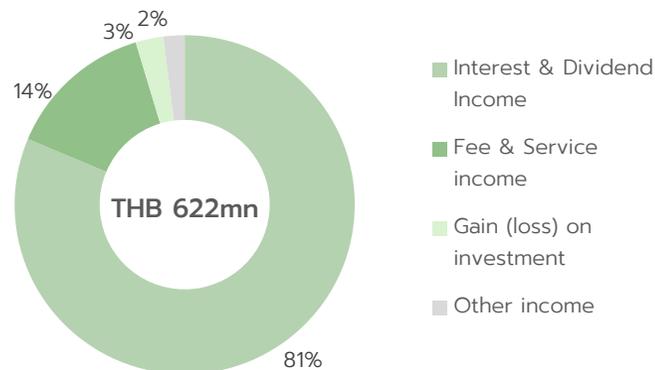


Financial Performance

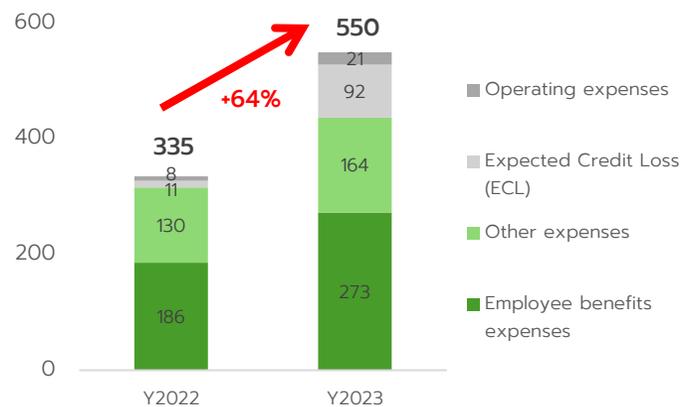
Revenue



Revenue Breakdown for Y2023



Expenses



Net profit



- In 2023, XPG entered into private lending business which senior secured by hard assets, leading to a significant increase in total revenue due to the generated interest income
- Other expenses include premises and equipment expenses (growth 128%) and employee benefits, which have grown in line with business expansion
- NPL portfolio acquisition drove higher Expected Credit Loss in Y2023
- Net profit improved from negative in Y2022 to positive in Y2023

Capital and Warrant Information

Unit: million	Feb-2024	Y2023
Registered Capital	10,747	10,747
Paid-up capital	9,517	9,516

Y2023	
Total issued XPG-W4	457,592,464 units
XPG-W4 Outstanding	185,792,890 units
Exercise Ratio	1 : 6.621 unit/shares
Exercise Price	0.815 Baht/share
Exercise Period	28 Jun 19 - 17 Apr 24
Exercise Term	Last 5 business day of every quarter

- The company expected additional funding of THB 1bn from warrant exercised



- Healthy balance sheet offers the company's capacity to debt leverage for future expansion

Balance Sheet



Source: XPG's Financial Statement Y2023, Report on the results of the exercise of XPG-W4 on Jan 2, 2024

Corporate Updates





Overview

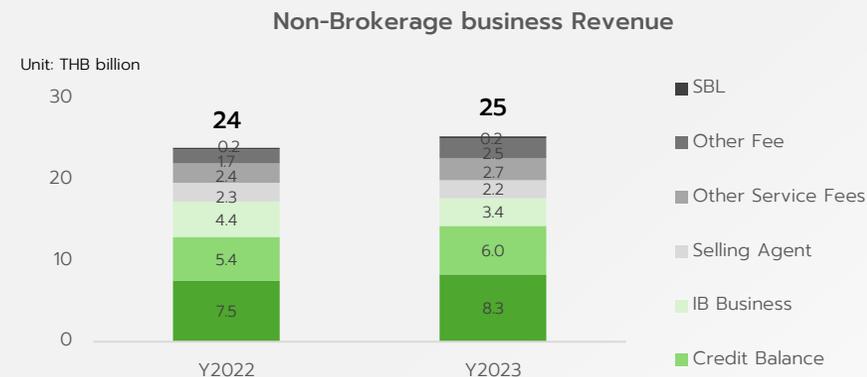
- 2023 Industry Net Profit ended at THB 4.3bn (-35.8% YoY), the worst performance in 15 years since 2008 Hamburger crisis
- CI and ROE were 86.8% and 3.5% respectively
- Retail brokers lacking diversification and offering minimal credit balance portfolios may faced potential losses in Y2023

Brokerage Landscape



- Market trading value fell by 30% from 71bn to 49bn YoY
- Foreign investors still accounted for the market mix with retail contribution
- Average credit balance outstanding declined 11%
- Average equity brokerage commission rate dropped from 7.1bps to 6.6bps in year 2023

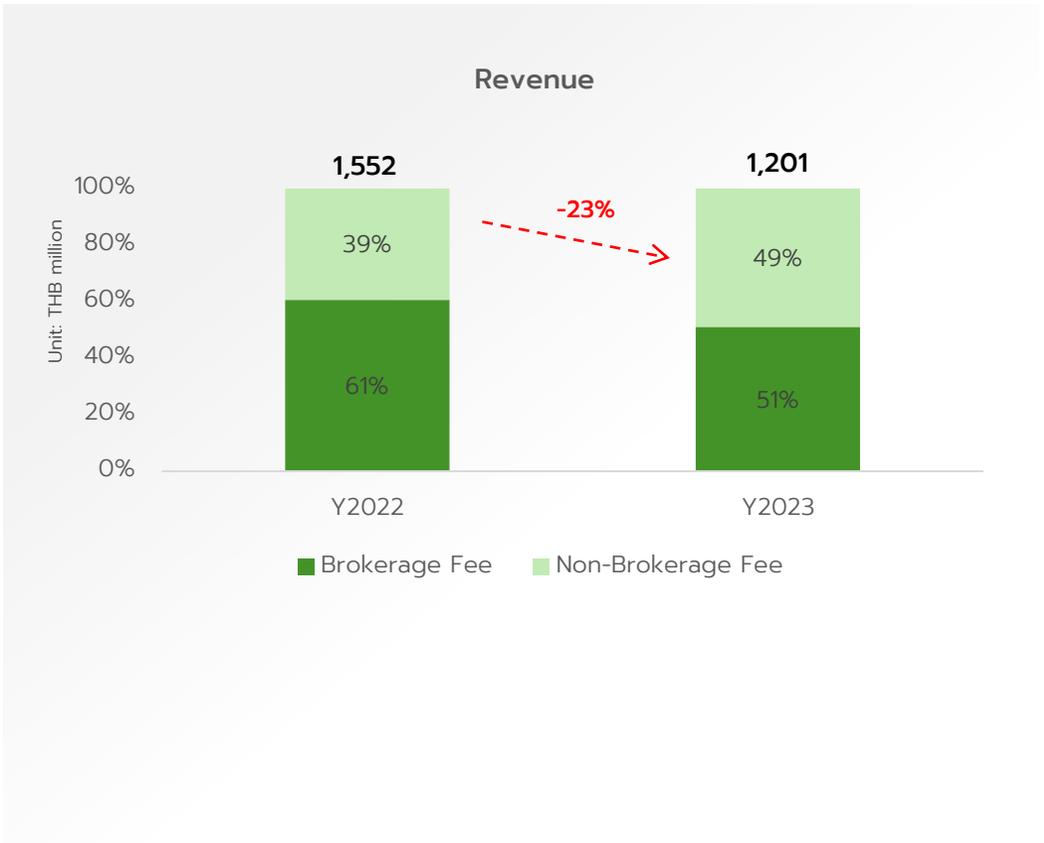
Non-Brokerage Landscape



- Non-brokerage income constitutes a significant portion of the industry's total revenue (53% of total income)
- The income pool from derivatives and proprietary trading activities reached THB 8.3bn

Company Update

- Net profit for YE2023 increased 50% YoY with ROE of 3.9% and CI of 90.0%
- IB income was mainly from underwriter fee, Advisory fee, and others respectively



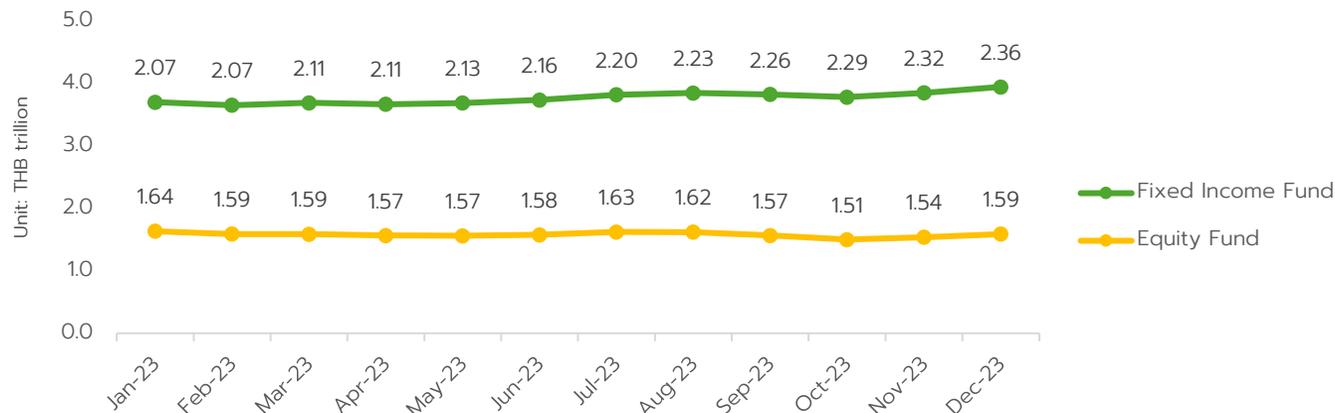
- Brokerage performance has been pressured from dipping in market's trading volume
- KTX ranked 16th in market share for Y2023
- Non-Brokerage income was mainly contributed by debt underwriter and interest from margin loan
- IB income slightly dropped 4% YoY as of the market's negative sentiment toward bond defaults



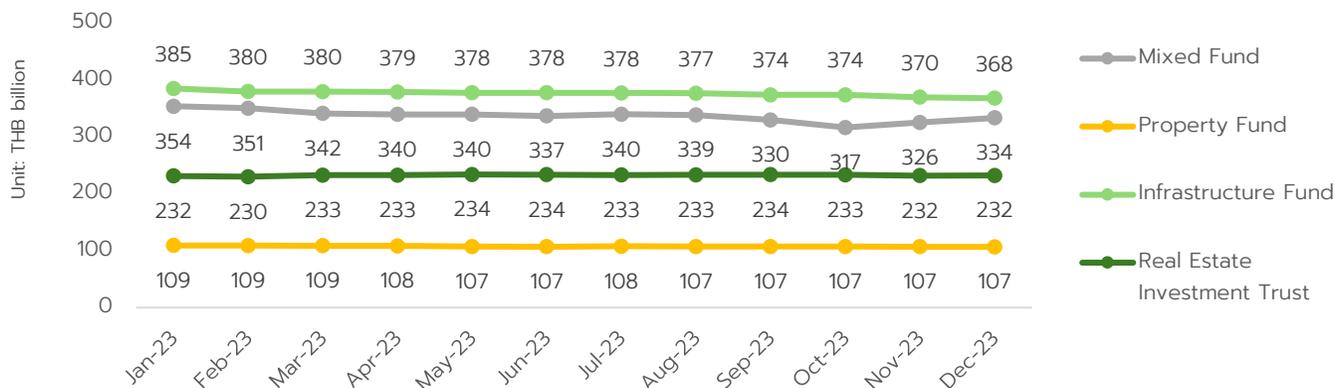
X **SPRING**
Asset Management

Overview

NAV: Fixed Income Fund VS Equity Fund



NAV: Mixed Fund VS Property Fund VS Infrastructure Fund VS REIT



- Multiple uncertainty factors in 2023, such as central bank actions, geopolitical risks, and the sluggish economic recovery, particularly in mainland China
- Investors' interest in debt investment has increased as rising of interest rate
- However, the Thai bond market faces challenges due to a rise in bond defaults and increased caution by commercial banks in loan issuance
- Fixed income funds exhibit lower volatility compared with Equity fund during 2023
- Mixed fund exhibits highest volatility compared to property and infrastructure funds

Company Update



Process & Platform

- Improving process and platform to uplift customers' satisfaction
- Standardized processes to enhance efficiency

People

- Expanding our team to enhance customers' service and acquisition
- Provide training and development opportunities to enhance employee skills and transition them into wealth advisory roles

Product

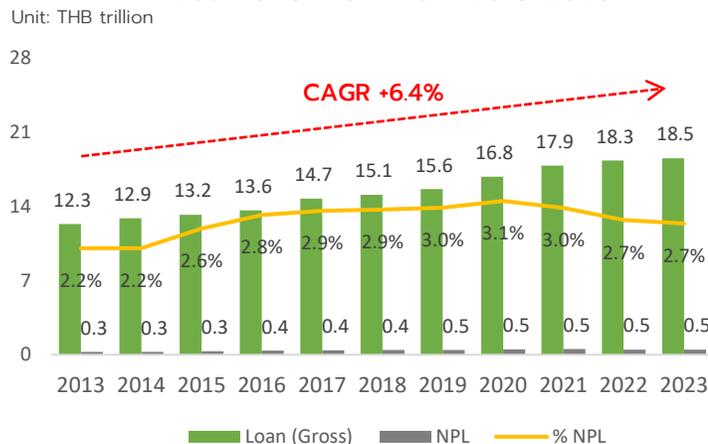
- Implementing a product expansion strategy to increase customers' satisfaction through greater variety and unique offerings
 - Real Estate Private Fund (Fund raised)
 - Y2023 closed THB 530mn; Project value THB 11,720mn
 - Q1'24 expected to close THB 420mn; Project value THB 2,550mn
- Comprehensive investment solutions for customers' total wealth solution



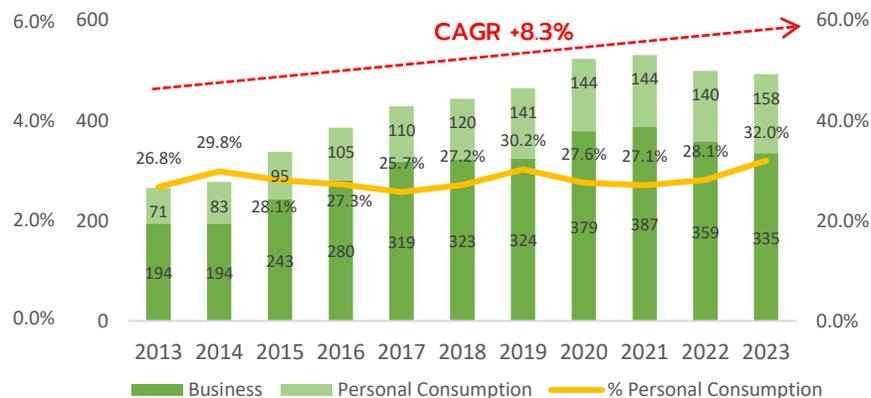
X SPRING
AMC

Overview

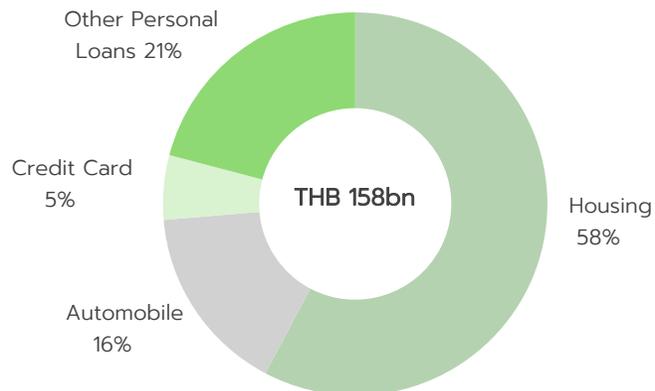
Loan overview from 2013-2023



Non-performing loan from 2013-2022



Non-performing loan for consumption 2023



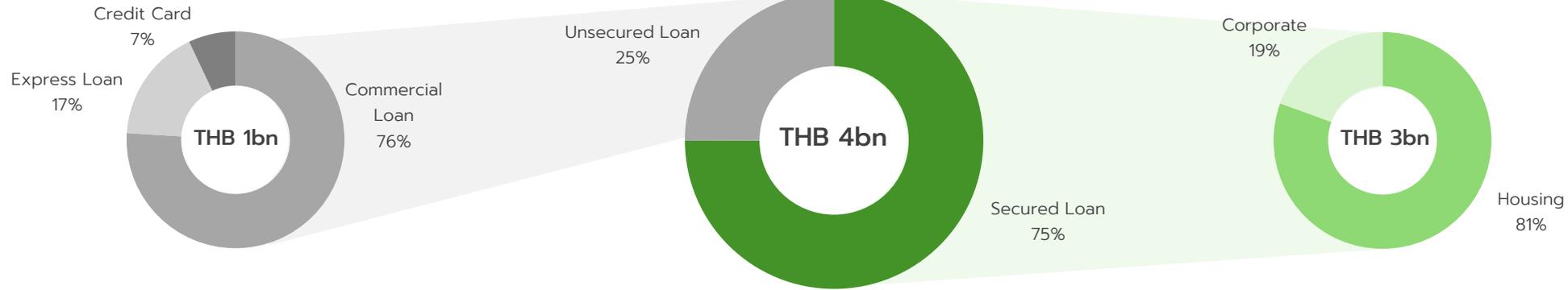
Asset Management Companies (subsidiaries)	Business group
Ayudhya Asset Management Co., Ltd.	Bank of Ayudhya
Taweessup Asset Management Co., Ltd.	Bangkok Bank
Sathorn Asset Management Co., Ltd.	CIMB Thai
Thonburi Asset Management Co., Ltd.	Kasikornbank
Rutchayothin Assets Management Co., Ltd.	Siam Commercial Bank
Phahonyothin Asset Management Co., Ltd.	TMBThanachart
NFS Asset Management Co., Ltd. TS Asset Management Co., Ltd.	Thanachart Capital
UOB Services Asset Management Co., Ltd.	UOB (Thai)
Card X Asset Management Co., Ltd.	SCB X
Prime Zone AMC	Rabbit Group

- Loan continuously grew over 10 years with CAGR 6.4%
- An upward trend was observed in the NPL ratio for personal loans, rising from 28.1% in 2022 to 32.0% in 2023
- Housing will still account for the majority of NPL for personal consumption
- There has been a significant increased in the number of companies acquiring AMC licenses and aligning themselves with established financial institution business groups or major business groups, total of AMCs approx. 80 companies reflecting high competition environment

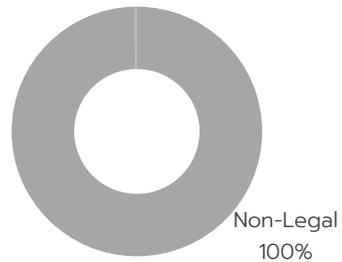
Source: BOT

Company Update

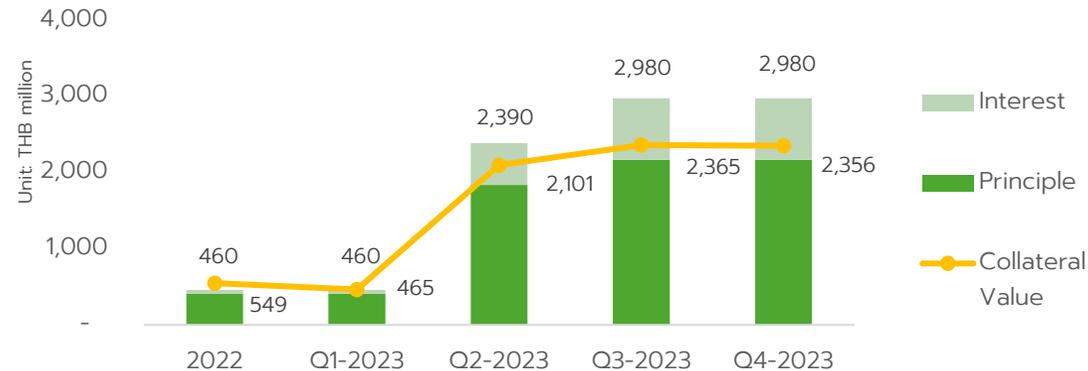
Debt Portfolios



Unsecured Debtors' Status

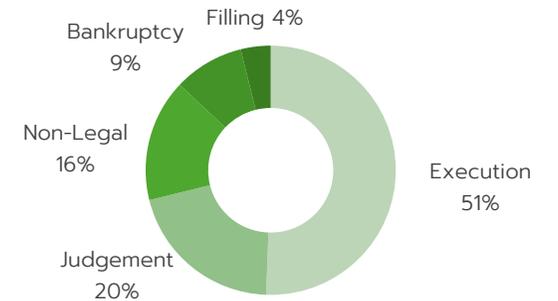


Secured Debt Value¹ VS Collateral Value



Collateral values have covered principle

Secured Debtors' Status



Source: XAMC's operation team
 Note: 1/ Secured debt value is included outstanding principle and interest



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Digital

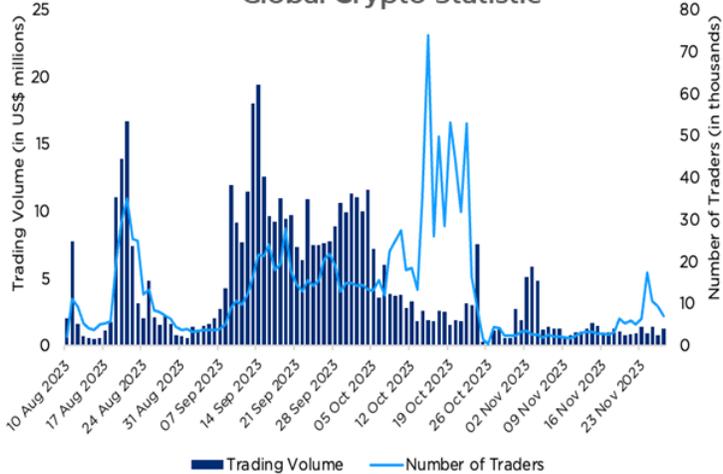
Overview

Cryptocurrency Market Capital



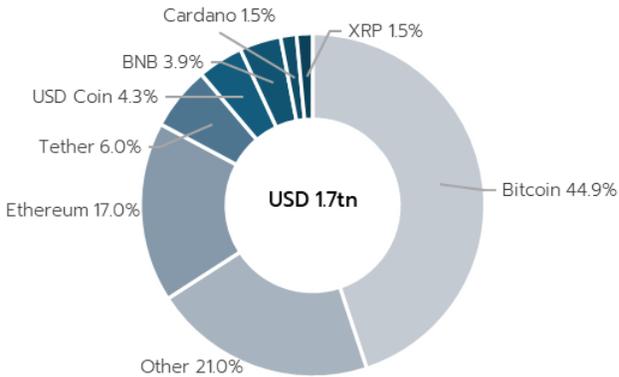
Source: CoinGecko

Global Crypto Statistic



As of 27 Nov 2023 Sources: Crypto.com Research, Dune Analytics (@21co)

Global Cryptocurrency Market Shares



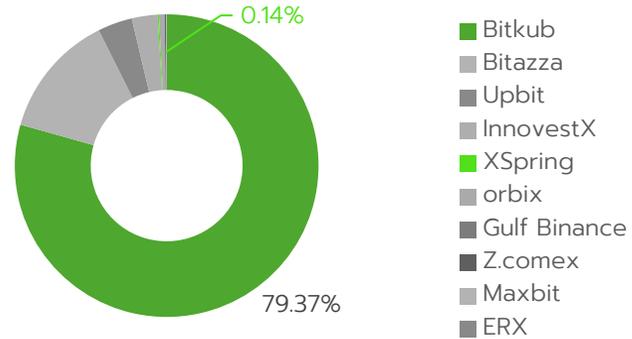
Thailand Crypto Statistic 2023



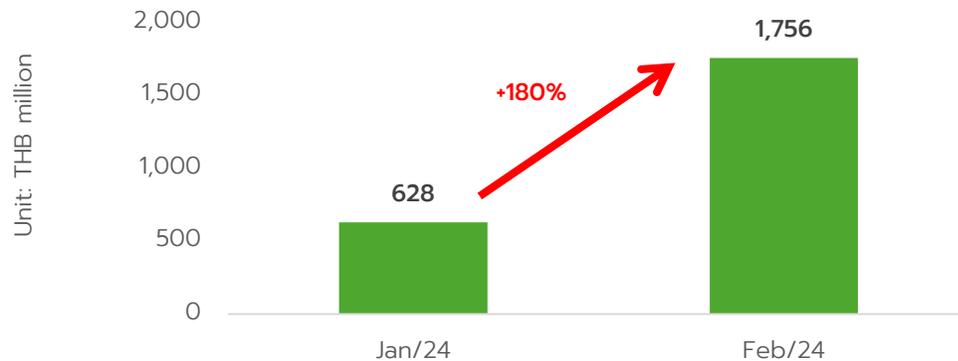
- YE2023, the global cryptocurrency market stood up at USD 1.7tn The market continued to expand by 37.1% from YE2023 to Feb'24
- While trading volume exhibited no significant change throughout 2023, but saw a significant increase in Feb'24
- Bitcoin remains one of the most popular cryptocurrencies and the price increased significantly
- Thailand trading volume decreased during Q3'23 and gradually increased in Q4'23

Company Update

Thailand Market Share



XSpring Trading Volume



Source: SEC, XD's operation team

Broker

- Target customers
 - Focus on corporate client or trader

ICO

- Sector Focus



Real estate



Energy



Finance

- Tax exemption
 - VAT exemption for Issuer
 - VAT exemption for OTC broker/Dealer
 - PIT exemption for revenue sharing distribution
- Target to launch PP Investment Token with Fund Raising size THB 500mn

THANK YOU

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