



## SCB eyes overseas investment

Siam Commercial Bank (SCB) is keen to add financial technology (fintech) and renewable energy companies to its overseas investment portfolio.

"The new business team is in search of businesses with high growth potential around the world in which we will directly invest. For the financial sector and fintech, Visa, MasterCard and Google Play could be investment opportunities," said chief executive Arthid Nanthawithaya.

The country's third largest lender by assets has set up a new business team overseeing foreign investment. Even though foreign investment represents a marginal portion of the bank's total assets, less than 1%, it is expected to increase substantially in the future.

The bank's net investment in 2015 was 537 billion baht, up 6.8% from the previous year. Of the total, 89% was in government and state-enterprise debt instruments.

SCB's total assets amounted to 2.76 trillion baht at the end of September last year, according to Stock Exchange of Thailand (SET) data.

The global financial market, payment systems in particular, have been changing significantly. Companies other than banks have played a bigger role in the payment business, thanks to the development of advanced technology.

They are vying directly in the payment service industry with banks and could eclipse them in the long run, prompting SCB to put money into these operators, Mr Arthid said.

"We're aware of the upward trend in the global payments system. Fintech would have an impact on the bank's income stemming from payment services in the future, so the investment would help to compensate for shrinking revenue and open up opportunities to learn about global payment technology," he said.

Apart from fintech, renewable energy is another sector the bank is keeping an eye on.

Recently, SCB signed an agreement to purchase 41.5 million shares, representing 3% of registered capital or 948 million baht, of SET-listed Gunkul Engineering Plc (GUNKUL) via a private placement.

Due to the potential of the alternative energy sector, the bank expects to increase its stake in Gunkul in order to increase its return on investment.

Mr Arthid said the bank was interested in alternative and renewable energy because it will provide attractive returns in line with growing electricity demand once the economy improves.

Alternative energy is also a government priority for the country's energy security. Under the Alternative Energy Development Plan, the share of alternative energy out of total energy consumption is expected to double from 10% in 2014 to 20% in 2036.

SCB shares closed Friday on the SET at 135.50 baht, up four baht, in heavy trade worth 1.6 billion baht.

