

(Translation)

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12 November 2018

Subject: CIMB Thai Group reviewed consolidated financial results for the nine months ended 30 September 2018

To : President
The Stock Exchange of Thailand

Dear Sir,

On behalf of CIMB Thai Bank PCL, I am pleased to submit the reviewed consolidated financial results for the nine months ended 30 September 2018. The key summaries are as follows:

For the nine months ended 30 September 2018, CIMB Thai group recorded a consolidated net profit of THB 537.4 million, a year-on-year (“YoY”) decrease of THB 17.0 million or 3.1%, whilst profit before tax (“PBT”) rose by THB 41.0 million or 5.9% YoY to THB 736.6 million. This is mainly attributed to a 2.5% growth in operating income and a 10.3% decline in provisions, partially offset by a 10.8% increase in operating expenses and lower net fee and service income and other income of 2.4% and 7.4% respectively.

On a YoY basis, consolidated operating income for CIMB Thai group increased by THB 246.6 million or 2.5% from 9M2017 to THB 10,085.2 million from higher net interest income of THB 338.4 million or 4.4% YoY mainly from loan expansion. Net fee and service income decreased by THB 35.1 million or 2.4%, due to higher fees and service expenses. Other income decreased by THB 56.7 million or 7.4% due to lower gains on trading and foreign exchange transactions and lower gains on investments.

Operating expenses increased by THB 586.2 million or 10.8%, mainly from higher personnel cost in line with the Bank’s Fast Forward expansion strategy and loss on sale of properties for sale. This resulted in a higher cost to income ratio of 59.7% in 9M2018 compared to 55.2% in 9M2017.

Net Interest Margin (NIM) over earning assets stood at 3.77% in 9M2018, compared to 3.88% in 9M2017 as a result of lower yield on earning asset.

As at 30 September 2018, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) stood at THB 219.9 billion, marking an increase of 3.3% from 31 December 2017. Deposits (inclusive of Bill of Exchanges, Debentures and selected Structured Deposit Products) stood at THB 231.6 billion, an increase of 5.3% from THB 220.1 billion at the end of December 2017. The Modified Loan to Deposit Ratio was lower at 95.0% compared to 96.8% as at 31 December 2017.

The gross non-performing loans (“NPL”) stood at THB 12.6 billion, with an equivalent gross NPL ratio of 5.7% from 4.8% as at 31 December 2017. The increase was attributed to commercial banking loans in 9M2018 and the sale of NPLs in 2017. CIMB Thai continues to exercise high credit risk underwriting standards and risk management policies. The Bank also focuses on improving productivity, monitoring collection and managing all accounts closely and effectively.



CIMB Thai Group's loan loss coverage ratio increased to 94.1% as at 30 September 2018 from 93.2% at the end of December 2017. As at 30 September 2018, total provisions stood at THB 11.8 billion, translating to a THB 4.6 billion excess over the Bank of Thailand's reserve requirements.

Total consolidated capital funds as at 30 September 2018 stood at THB 43.8 billion. BIS ratio stood at 17.7%, 12.4% of which comprised Tier-1-capital.

Yours faithfully,

Mr. Kittiphun Anutarasoti
President and Chief Executive Officer
CIMB Thai Bank PCL