

(Translation)

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12 May 2023

Subject: CIMB Thai Group consolidated reviewed financial results for the three months ended 31 March 2023

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 three months ended 31 March 2023. The key summaries are as follows:

For the three months ended 31 March 2023, CIMB Thai group's consolidated operating income rose by THB 344.7 million or 9.9% year-on-year ("YoY") to THB 3,828.8 million from 3M2022 mainly contributed by a 1.5% growth in net interest income and a 46.5% growth in other income, offset with a 15.0% decline in net fee and service income. Pre-provision operating profit increased by 10.2% YoY to THB1,868.4 million attributed from 9.9% higher income, offset by 9.6% increase in operating expenses. Net profit decreased by THB 230.9 million or 21.8% YoY to THB 830.1 million due to higher operating expenses coupled with a 128.0% increase in expected credit loss (ECL). The increase in ECL was in line with the prudent approach from the prevailing economic circumstances.

On a YoY basis, net interest income increased by THB 35.0 million or 1.5% mainly driven by loan expansion. Total other operating income increased by THB 367.3 million or 46.5%, mainly from higher gains on investment and gains on sale of non-performing loans. These were partially offset by lower net fee and service income of THB 57.7 million or 15.0%, mainly due to lower fee income from insurance brokerage and underwriting income.

Operating expenses increased by THB 171.1 million or 9.6%, mainly from higher impairment loss on properties for sale. However, the 3M2023 cost to income ratio improved to 51.2% compared to 51.4% in 3M2022 as a result of stronger operating income growth compared to operating expenses.

Net Interest Margin (NIM) over earning assets stood at 2.6% in 3M2023, compared to 2.8% in 3M2022, as a result of higher cost of funds.

As at 31 March 2023, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) stood at THB 237.4 billion, an increase of 0.9% from 31 December 2022. Deposits (inclusive of Bill of Exchanges, Debentures and selected Structured Deposit Products) stood at THB 267.9 billion, a decrease of 7.6% from THB 289.7 billion as at end of December 2022. The Modified Loan to Deposit Ratio increased to 88.6% from 81.2% as at 31 December 2022.

The gross non-performing loans (“NPL”) stood at THB 7.6 billion, with a lower gross NPL ratio of 3.1% from 3.3% as at 31 December 2022 due to portfolio reshaping in line with the winddown of Commercial Banking. 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 as at 31 March 2023 stood at 122.6% from 114.6% at the end of December 2022. Total allowance for expected credit losses stood at THB 8.6 billion, THB 1.5 billion over the Bank of Thailand’s reserve requirements.

Total consolidated capital funds as at 31 March 2023 stood at THB 57.8 billion. The BIS ratio stood at 22.2%, of which 16.5% comprised Tier-1-capital.

Yours faithfully,



Mr. Paul Wong Chee Kin
President and Chief Executive Officer
CIMB Thai Bank PCL