

(Translation)

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21 July 2023

Subject: CIMB Thai Group consolidated unaudited financial results for the six months ended 30 June 2023

To : President
The Stock Exchange of Thailand

Dear Sir,

On behalf of CIMB Thai Bank PCL, I am pleased to submit the unaudited consolidated financial results for the six months ended 30 June 2023. The key summaries are as follows:

For the six months ended 30 June 2023, CIMB Thai Group's consolidated operating income rose by THB 51 million or 0.7% year-on-year ("YoY") to THB 7,156.7 million from 6M2022 mainly contributed by a 4.6% growth in net interest income and a 1.3% growth in other income, partially offset by a 21.7% decline in net fee and service income. Pre-provision operating profit decreased by 7.3% YoY to THB 3,105.6 million as the 0.7% growth in operating income was offset by the 7.9% rise in operating expenses. Net profit was THB 746.6 million or 35.3% YoY lower at THB 1,368.9 million from the higher operating expenses coupled with a 94.2% increase in expected credit loss (ECL). The higher ECL was in line with the Bank's prudent approach in view of the prevailing economic environment.

On a YoY basis, net interest income increased by THB 214.4 million or 4.6% mainly driven by loan expansion. Total other operating income increased by THB 20.5 million or 1.3%, 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 183.9 million or 21.7%, largely attributed to lower fee income from insurance brokerage.

Operating expenses increased by THB 297.0 million or 7.9%, mainly from higher impairment loss on properties for sale. This resulted in a higher cost to income ratio of 56.6% in 6M2023 compared to 52.8% in 6M2022.

Net Interest Margin (NIM) over earning assets stood at 2.7% in 6M2023, compared to 2.8% in 6M2022, as a result of higher cost of funds.

As at 30 June 2023, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) stood at THB 242.9 billion, an increase of 3.2% from 31 December 2022. Deposits (inclusive of Bill of Exchanges, Debentures and selected Structured Deposit Products) stood at THB 289.7 billion, unchanged compared to end December 2022. The Modified Loan to Deposit Ratio increased to 83.8% from 81.2% as at 31 December 2022.

The gross non-performing loans (“NPL”) stood at THB 7.7 billion, with a lower gross NPL ratio of 3.1% from 3.3% as at 31 December 2022 in line with the reshaping of the portfolio with the wind down 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 30 June 2023 stood at 122.1% from 114.6% at the end of December 2022. Total allowance for expected credit losses stood at THB 8.7 billion, THB 1.5 billion over the Bank of Thailand’s reserve requirements.

Total consolidated capital funds as at 30 June 2023 stood at THB 58.1 billion. The BIS ratio stood at 21.2%, of which 15.7% comprised Tier-1 capital.

Yours faithfully,



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