

(Translation)

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13 November 2023

Subject: CIMB Thai Group consolidated reviewed financial results for the nine months ended 30 September 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 nine months ended 30 September 2023. The key summaries are as follows:

For the nine months ended 30 September 2023, CIMB Thai Group's consolidated operating income decreased by THB 387.4 million or 3.6% year-on-year ("YoY") to THB 10,322.0 million from 9M2022 mainly contributed by the 18.6% decline in net fee and service income and an 18.1% decline in other income, partially offset by a 3.9% growth in net interest income. Pre-provision operating profit decreased by 18.8% YoY to THB 4,071.3 million attributed to the lower operating income and 9.7% rise in operating expenses. Net profit was THB 1,075.2 million or 38.2% YoY lower at THB 1,736.3 million due to operating expenses growth exceeding operating income growth, coupled with a 26.5% 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 274.7 million or 3.9% mainly driven by loan expansion and an increase in interest income on investments. These were partially offset by lower net fee and service income of THB 213.1 million or 18.6% YoY, largely attributed to lower fee income from insurance brokerage. Total other operating income decreased by THB 449 million or 18.1%, mainly from lower net gains on financial instruments measured at fair value through profit or loss, partially offset by higher gains on investment and gains on sale of non-performing loans.

Operating expenses increased by THB 554.4 million or 9.7%, mainly from higher impairment loss on properties for sale and taxes and duties. This resulted in a higher cost to income ratio of 60.6% in 9M2023 compared to 53.2% in 9M2022.

Net Interest Margin (NIM) over earning assets stood at 2.6% in 9M2023, compared to 2.7% in 9M2022, arising from higher cost of funds.

As at 30 September 2023, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) stood at THB 249.4 billion, an increase of 6.0% from 31 December 2022. Deposits (inclusive of Bill of Exchanges, Debentures and selected Structured Deposit Products) stood at THB 298.2 billion, an increase of 2.9% from THB 289.7 billion as at end of December 2022. The Modified Loan to Deposit Ratio increased to 83.6% from 81.2% as at 31 December 2022.

The gross non-performing loans (“NPL”) stood at THB 8.5 billion, with a lower gross NPL ratio of 3.2% from 3.3% as at 31 December 2022. The improvement in the gross NPL ratio is reflective of CIMB Thai group’s stringent credit risk underwriting, effective risk management policies, improvement in loan collection processes and the continued management of the Bank’s NPLs.

CIMB Thai Group’s loan loss coverage ratio as at 30 September 2023 stood at 111.3% from 114.6% at the end of December 2022. Total allowance for expected credit losses stood at THB 8.8 billion, THB 1.5 billion over the Bank of Thailand’s reserve requirements.

Total consolidated capital funds as at 30 September 2023 stood at THB 58.3 billion. The BIS ratio stood at 20.9%, of which 15.5% comprised Tier-1 capital.

Yours faithfully,



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