

(Translation)

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15 May 2019

Subject: CIMB Thai Group consolidated reviewed financial results for the three months ended 31 March 2019

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 2019. The key summaries are as follows:

For the three months ended 31 March 2019, CIMB Thai Group recorded a consolidated net profit of THB 325.0 million, an increase of THB 156.1 million or 92.4% year-on-year (“YoY”) compared to 3M2018. The improvement was mainly attributed to an 3.4% growth in operating income and a 17.4% drop in provisions, offset by a 8.2% increase in operating expenses.

On a YoY basis, operating income rose by THB 114.5 million, or 3.4% to THB 3,496.7 million from an increase of THB 111.8 million or 4.3% in net interest income, mainly from loan expansion and higher interest income on investments. Other operating income rose by THB 10.7 million or 3.4% from an increase in gains on sale of NPLs and higher gains on trading and foreign exchange transactions, partially offset by higher losses on financial instruments designated at fair value through profit or loss. Net fee and service income decreased by THB 7.9 million or 1.7%, due to higher fees and service expenses.

Operating expenses increased by THB 157.7 million or 8.2%, mainly from higher personnel cost and premises and equipment expenses in line with the Bank’s Fast Forward expansion strategy. This resulted in a higher cost to income ratio of 59.8% in 3M2019 compared to 57.2% in 3M2018.

Net Interest Margin (NIM) over earning assets stood at 3.31% in 3M2019, compared to 3.98% in 3M2018, resulting from higher cost of funds.

As at 31 March 2019, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) stood at THB 230.9 billion, an increase of 1.4% from 31 December 2018. Deposits (inclusive of Bill of Exchanges, Debentures and selected Structured Deposit Products) stood at THB 235.0 billion, a slight increase of 0.3% from THB 234.3 billion as at end of December 2018. The Modified Loan to Deposit Ratio rose to 98.3% compared to 97.2% as at 31 December 2018.

The gross NPL stood at THB 10.0 billion, with a stable gross NPL ratio of 4.3%, unchanged from 31 December 2018. CIMB Thai continues to exercise high credit risk underwriting standards and risk management policies. The Bank also focuses on improving productivity and monitoring collection.

CIMB Thai Group’s loan loss coverage ratio increased to 109.5% as at 31 March 2019 from 107.0% at the end of December 2018. As at 31 March 2019, total provisions stood at THB 11.0 billion, translating to a THB 5.4 billion excess over the Bank of Thailand’s reserve requirements.



Total consolidated capital funds as at 31 March 2019 stood at THB 48.1 billion. The BIS ratio stood at 18.9%, of which 13.8% comprised Tier-1-capital.

Yours faithfully,

Mr. Adisorn Sermchaiwong
Acting President and Chief Executive Officer
CIMB Thai Bank PCL