

(Translation)

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14 November 2019

Subject: CIMB Thai Group reviewed consolidated financial results for the nine months ended 30 September 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 nine months ended 30 September 2019. The key summaries are as follows:

For the nine months ended 30 September 2019, CIMB Thai Group recorded a consolidated net profit of THB 728.1 million, an increase of THB 190.7 million or 35.5% year-on-year ("YoY") compared to 9M2018. The improvement was mainly attributed to a 2.3% growth in operating income and a 32.7% decline in provisions, partially offset by a 17.4% increase in operating expenses.

On a YoY basis, operating income rose by THB 236.4 million, or 2.3% to THB 10,386.8 million from a 3.1% increase in net interest income, on the back of loan expansion and higher interest income on investments and THB 97.8 million or 6.8% in net fee and service income arising from higher fees from insurance and underwriting. Other operating income decreased by THB 103.7 million or 13.4% mainly attributed to losses on financial instruments designated at fair value through profit or loss offset by gains from tradings and foreign exchange transactions.

Operating expenses rose by THB 1,060.8 million or 17.4% largely due to higher personnel cost and other operating expenses attributed to an amendment bill to the Labour Protection Law which required higher compensation for employees who have retired or have over 20 years of service. Coupled with expenses incurred from the Fast Forward expansion strategy, the cost to income ratio was higher at 68.8% in 9M2019 compared to 59.9% in 9M2018.

Net Interest Margin (NIM) over earning assets stood at 3.32% in 9M2019, compared to 3.77% in 9M2018, owing to higher cost of funds.

As at 30 September 2019, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) stood at THB 240.2 billion, an increase of 5.5% from 31 December 2018. Deposits (inclusive of Bill of Exchanges, Debentures and selected Structured Deposit Products) stood at THB 238.2 billion, a slight increase of 1.7% from THB 234.3 billion as at end of December 2018. The Modified Loan to Deposit Ratio rose to 100.9% compared to 97.2% as at 31 December 2018.

The gross non-performing loans ("NPL") stood at THB 11.1 billion, with an equivalent gross NPL ratio of 4.6% from 4.3% as at 31 December 2018, arising from certain corporate accounts and retail segments. CIMB Thai continues to exercise high standards for credit risk underwriting and risk management policies. The Bank also continues to focus on improving productivity, monitoring collection and managing all accounts closely and effectively.



CIMB Thai Group's loan loss coverage ratio stood at 98.0% as at 30 September 2019 compared to 107.0% as at the end of December 2018. As at 30 September 2019, total provisions stood at THB 10.9 billion, translating to a THB 5.1 billion excess over the Bank of Thailand's reserve requirements.

Total consolidated capital funds as at 30 September 2019 stood at THB 48.3 billion. BIS ratio stood at 18.6%, 13.6% of which comprised Tier-1-capital.

Yours faithfully,

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