



For the six months ending June 30, 2012, the gross non-performing loans ("NPL") recorded a ratio of 3.5% from 3.4% in 4Q11. This was mainly caused by the deterioration in credit quality of certain several accounts as well as impact from severe flood 4Q2011. We have closely and actively managed these accounts such that the NPL balance was reduced in the month of June-2012.

CIMB Thai's loan loss coverage ratio decreased to 75.2% as of 30 June 2012 from 81.7% as of 31 December 2011, as reflected by higher gross NPL in 1H-2012. In allocating provisions for NPL, CIMB Thai Group has taken into consideration the collateral values of the assets charged, and will thereafter continue to monitor the status of these accounts. As of 30 June 2012, our total provision stood at THB 3.3 billion with an excess provision over Bank of Thailand's reserve requirements of THB 1 billion.

On a year-on-year basis, 1H-2012 operating expenses were higher by THB 322.0 million, or 14.0%, mainly due to the increase in premises and equipment expenses, taxes and duties expenses and aforementioned court cases loss. Cost to income ratio was 81.7% in 1H-2012 compared to 76.1% in 1H-2011.

Total consolidated capital funds as of June 30, 2012 stood at THB 18.6 billion, well-above regulatory requirement, with the BIS ratio of 12.55%, comprising Tier-1-capital of 8.03%.

Yours faithfully,

Mr. Subhak Siwaraksa
President and Chief Executive Officer
CIMB Thai Bank PCL