

(Translation)

Ref.CIMBT.OFP. 0012/2015

21 January 2015

Subject: CIMB Thai Group consolidated unaudited financial results for the year ended  
31 December 2014

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 year ended 31 December 2014. The key summaries are as follows:

For the year ended 31 December 2014, CIMB Thai group recorded a consolidated profit before tax of THB1,236.0 million and a net profit of THB 988.8 million, a year-on-year ("YoY") decrease of 12.2% and 33.6% respectively. The decrease was mainly due to the presence of extraordinary items in 2013, which included shared gains from Thai Asset Management Corporation ("TAMC"), gain from payback from a liquidated subsidiary, gain on redemption of Vayupak Fund 1, dividend income from Vayupak Fund 1 and special provisions set aside as counter-cyclical buffer. Excluding the extraordinary items, the consolidated PBT for CIMB Thai group grew by THB 237.3 million or 26.5%, whilst the net profit decreased by THB 92.6 million or 9.5% YoY from a normalised tax expense in 2014 following the utilisation of tax losses in 2013.

On a YoY basis, consolidated 2014 operating income for CIMB Thai group increased by THB 260.2 million or 2.5% to THB 10,506.2 million (excluding extraordinary items, operating income rose by THB 1,783.9 million or 20.7%). The increase in operating income was due to growth in net interest income, net fees and service income, gains on trading and foreign exchange transactions, offsetting the fall in gains on investments and other operating income. Net interest income increased by THB 1,364.0 million or 20.9% YoY, underlined by loan expansion and early redemption of hybrid instruments. Net fees and service income increased by THB 80.6 million or 6.4%, mainly due to advisory fees, security issuer fees and fees from insurance premium. There was an increase of THB 1,090.6 million or 152.7% in gains on trading and foreign exchange transactions in the Treasury Businesses. Meanwhile, gains on investments decreased by THB 91.7 million or 21.8% and other operating income decreased by THB 89.6 million or 27.4%. This is due to one-off income in 2013.

Operating expenses grew by THB 1,045.5 million or 17.2% YoY to THB 7,140.6 million, mainly from employee expenses, taxes and duties and other operating expenses arising from the expansion of the product suite and network. The cost to income ratio increased to 68.0% in 2014 compared to 59.5% in 2013 due to the absence of one-off income. Excluding the one-off items, the 2013 cost to income ratio would have been 72.8%.

Amidst intense competition in both deposit and lending markets, CIMB Thai group's Net Interest Margin (NIM) over interest earning assets increased by 0.19 bps to 3.37% in year 2014 from 3.18% in year 2013 on the back of better controls on cost of funds.

As at 31 December 2014, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) stood at THB 190.8 billion, marking an increase of 10.9% from 31 December 2013. In addition, Deposits (inclusive of Bill of Exchanges, Debentures and selected Structured Deposit Products) stood at THB 211.7 billion, an increase of 11.0% from THB 190.6 billion at the end of December 2013. As a result, the Modified Loan to Deposit Ratio stood at 90.1% from 90.3% as at 31 December 2013.



The gross non-performing loans ("NPL") stood at THB 6.4 billion, with an equivalent gross NPL ratio of 3.3% from 2.5% as at 31 December 2013. The increase in NPL was mainly due to economic disruptions which affected the borrowers' repayment ability and increase in certain sizable corporate accounts and retail segments. CIMB Thai continues to exercise high credit risk underwriting standards and risk management policies. The Bank also focuses on improving productivity in monitoring, collection and managing all accounts closely and effectively.

CIMB Thai's loan loss coverage ratio decreased to 95.2% as at 31 December 2014 from 107.8% at the end of December 2013. As at 31 December 2014, our total provision stood at THB 6.0 billion, an excess of THB 2.2 billion over Bank of Thailand's reserve requirements.

Total consolidated capital funds as at 31 December 2014 stood at THB 31.8 billion. BIS ratio stood at 15.2%, 10.1% of which comprised Tier-1-capital.

Yours faithfully,

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