

(Translation)

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17 July 2014

Subject: CIMB Thai Group consolidated unreviewed financial results for the six months ended 30 June 2014

To : President  
The Stock Exchange of Thailand

Dear Sir,

On behalf of CIMB Thai Bank PCL, I am pleased to submit the unreviewed consolidated financial results for the six months ended 30 June 2014. The key summaries are as follows:

For the six months ended 30 June 2014, CIMB Thai group recorded a consolidated net profit of THB 625.0 million, a year-on-year ("YoY") increase of THB 81.4 million or 15.0% from 6M2013. The increase in income was mainly attributed to growth in other operating income, net interest income and net fee and service income of 58.8%, 24.4% and 12.8% respectively. Operating expenses grew at 18.7% whilst there was a 85.6% YoY increase in provisions. The higher provisions are reflective of loan expansion and a more prudent impairment stance in light of possible negative changes in the economic environment.

On a YoY basis, CIMB Thai group's consolidated operating income rose by THB 1,091.1 million, or 27.0% to THB 5,133.2 million from 6M2013. Net interest income increased by THB 739.1 million or 24.4% YoY, largely underlined by strong loan expansion and early redemption of hybrid instruments. Net fee and service income increased by THB 67.5 million or 12.8%, mainly due to improvements in advisory fees and security issuer fees. Meanwhile, there was an increase of THB 284.5 million or 58.8% in other operating income, mainly from gains on trading and foreign exchange transactions and gains on investments.

Operating expenses grew by THB 541.9 million or 18.7% to THB 3,439.7 million from 6M2013, mainly from employee expenses and other operating expenses resulting from business growth momentum. The cost to income ratio decreased to 67.0% in 6M2014 compared to 71.7% in 6M2013 as a result of improved income and better cost management. The Bank's capital expenditure continues to be effectively managed and reflects the ongoing investment expansion and strategic systems enhancement.

CIMB Thai group's Net Interest Margin (NIM) over interest earning assets increased by 13bps to 3.35% in 6M2014 from 3.22% in 6M2013 on the back of better controls on the cost of funds.

As at 30 June 2014, total gross loans stood at THB 178.9 billion, marking an increase of 4.0% from 31 December 2013. In addition, Deposits, Bill of Exchanges and Debentures stood at THB 192.2 billion, an increase of 0.8% from THB 190.6 billion at the end of December 2013. As a result, the Loan to Deposit Ratio (including Bill of Exchanges and Debentures) stood at 93.1% from 90.3% as at 31 December 2013.

The gross non-performing loans ("NPL") stood at THB 5.6 billion, with an equivalent gross NPL ratio of 3.1%. This is an increase from 2.5% as at 31 December 2013 due to the economic slowdown on the borrowers' repayment ability. 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 Group's loan loss coverage ratio decreased to 100.8% as at 30 June 2014 from 107.8% at the end of December 2013. As at 30 June 2014, our total provisions stood at THB 5.6 billion showing an excess of THB 2.6 billion over Bank of Thailand's reserve requirements.

Total consolidated capital funds as at 30 June 2014 stood at THB 27.1 billion. BIS ratio stood at 13.8%, 10.4% of which comprised Tier-1-capital.

Yours faithfully,

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