

(Translation)

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21 October 2014

Subject: CIMB Thai Group consolidated unreviewed financial results for the nine months ended 30 September 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 nine months ended 30 September 2014. The key summaries are as follows:

For the nine months ended 30 September 2014, CIMB Thai group recorded a consolidated net profit of THB 900.0 million, a year-on-year ("YoY") decrease of THB 60.6 million or 6.3% from 9M2013 mainly due to higher operating expenses which grew at 16.8% and the 67.4% YoY increase in provisions. The higher provisions mainly arose from economic uncertainties experienced in Thailand since end 2013. Whilst there was a 3.4% YoY increase in profit before tax ("PBT"), CIMB Thai group's PBT would have grown THB 177.4 million or 21.0% between 9M2013 to 9M2014 after excluding the one-off gains from payback from a liquidated subsidiary, dividend income from the Vayupak Fund 1 in 9M2013 and interest income from early redemption of hybrid instruments in 9M2014.

On a YoY basis, consolidated operating income for CIMB Thai group increased by THB 1,353.8 million or 21.2% from 9M2013 to THB 7,737.2 million (excluding extraordinary items, operating income rose by THB 1,494.1 million or 24.3%). Other operating income decreased by THB 87.0 million or 33.0%. This is due to a one-off income in 9M13. Meanwhile, net interest income increased by THB 1,064.1 million or 22.6% YoY, underlined by loan expansion and early redemption of hybrid instruments (excluding extraordinary items in 9M2014, net interest income increased by THB 974.1 million or 20.6%). Net fee and service income increased by THB 81.0 million or 9.5%, mainly due to improvements in advisory fees and fees from insurance premium. There was an increase of THB 797.8 million or 236.2% in gains on trading and foreign exchange transactions and an increase of THB 133.4 million or 89.9% in gains on investments, both illustrating traction made in the Treasury Businesses.

Operating expenses grew by THB 748.9 million or 16.8% to THB 5,204.7 million from 9M2013, mainly from employee expenses and other operating expenses resulting from the expansion of the product suite and network. The cost to income ratio decreased to 67.3% in 9M2014 compared to 69.8% in 9M2013 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.

Amidst intense competition in both deposit and lending markets, CIMB Thai group's Net Interest Margin (NIM) over interest earning assets increased by 0.16 bps to 3.36% in 9M2014 from 3.20% in 9M2013 on the back of better controls on cost of funds.

As at 30 September 2014, total gross loans (inclusive of loans guaranteed by other banks) stood at THB 183.9 billion, marking an increase of 6.9% from 31 December 2013. In addition, Deposits (inclusive of Bill of Exchanges, Debentures and selected Structured Deposit Products) stood at THB 197.6 billion, an increase of 3.7% from THB 190.6 billion at the end of December 2013. As a result, the Modified Loan to Deposit Ratio stood at 93.1% from 90.3% as at 31 December 2013.



The gross non-performing loans ("NPL") stood at THB 6.0 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 the economic and political disruptions which affected 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's loan loss coverage ratio decreased to 94.5% as at 30 September 2014 from 107.8% at the end of December 2013. As at 30 September 2014, our total provision stood at THB 5.6 billion, an excess of THB 2.2 billion over Bank of Thailand's reserve requirements.

Total consolidated capital funds as at 30 September 2014 stood at THB 31.8 billion. BIS ratio stood at 15.7%, 10.4% of which comprised Tier-1-capital.

CIMB Thai had recently launched CIMB Preferred Visa Platinum and CIMB THAI Visa Platinum cards, its very first credit card offering. The cards are positioned as ASEAN travel cards where customers are extended the same benefits already available in Malaysia, Singapore and Indonesia, differentiating them from other cards in the market.

Yours faithfully,

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