

(Translation)

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24 February 2017

Subject: CIMB Thai Group consolidated audited financial results for the year ended 31 December 2016

To : President
The Stock Exchange of Thailand

Dear Sir,

On behalf of CIMB Thai Bank PCL, I am pleased to submit the audited consolidated financial results for the year ended 31 December 2016. The key summaries are as follows:

For the year ended 31 December 2016, CIMB Thai group's consolidated operating income rose by THB 694.1 million or 5.7% year-on-year ("YoY") to THB 12,928.1 million, derived from a 16.4% growth in net interest income and a 11.4% expansion in net fee and service income, while other income dropped by 37.7%. Pre-Provision Operating Profit increased 7.8% YoY to THB 5,504.6 million with a lower growth in operating expenses of 4.2% YoY.

However, net loss was THB 629.5 million for the year 2016, compared to net profit of THB 1,052.5 million in 2015, as a result of a 66.6% increase in provisions. The increase in provision was mainly from rising NPLs in certain industries during the year as well as those arising from the gradual pace of the economic recovery.

On a YoY basis, net interest income increased by THB 1,388.7 million or 16.4%, resulting from a decrease in interest expenses by 21.8%. Net fee and service income increased by THB 167.9 million or 11.4%, mainly due to higher hire-purchase and financial lease fees and insurance premiums. Total other operating income decreased by THB 862.6 million or 37.7% mainly from lower treasury business activities.

For the year ended 31 December 2016, operating expenses increased by THB 296.2 million or 4.2% YoY from higher other expenses but partially offset by lower premises and equipment expenses. The cost to income ratio improved to 57.4% in 2016 compared to 58.3% in 2015 as a result of better cost management and increased income.

Net Interest Margin (NIM) over earning assets stood at 3.77% in 2016, compared to 3.27% from 2015, as a result of more efficient funding cost management.

As at 31 December 2016, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) stood at THB 206.4 billion, marking an increase of 3.7% from 31 December 2015. Deposits (inclusive of Bill of Exchanges, Debentures and selected Structured Deposit Products) stood at THB 223.5 billion, an increase of 2.4% from THB 218.4 billion at the end of December 2015. The Modified Loan to Deposit Ratio was higher at 92.4% compare to 91.2% as at 31 December 2015.

The gross non-performing loans ("NPL") stood at THB 12.7 billion, with an equivalent gross NPL ratio of 6.1%. This is an increase from 3.1% as at 31 December 2015, due to slower repayment ability from borrowers in certain sizable corporate accounts. CIMB Thai continues to exercise high credit risk underwriting standards and risk management policies. The Bank also focuses on improving productivity, monitoring collection and managing all accounts closely and effectively.



CIMB Thai Group's loan loss coverage ratio decreased to 77.3% as at 31 December 2016 from 106.5% at the end of December 2015. As at 31 December 2016, our total provisions stood at THB 9.8 billion showing an excess of THB 3.5 billion over Bank of Thailand's reserve requirements.

Total consolidated capital funds as at 31 December 2016 stood at THB 38.0 billion. BIS ratio stood at 16.1%, 10.7% of which comprised Tier-1-capital.

Yours faithfully,

Mr. Kittiphun Anutarasoti
President and Chief Executive Officer
CIMB Thai Bank PCL