

(Translation)

Ref.CIMBT.OFP. 2/5 / 2016

26 August 2016

Subject: CIMB Thai Group consolidated audited financial results for the six months ended 30 June 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 six months ended 30 June 2016. The key summaries are as follows:

For the six months ended 30 June 2016, CIMB Thai group's consolidated operating income rose by THB 409.5 million or 6.7% year-on-year ("YoY") to THB 6,487.9 million from 6M2015, underpinned by a 23.2% growth in net interest income and offset by a 3.0% and 35.8% reduction in net fee and service income and other income respectively. Pre-Provision Operating Profit increased 15.5% YoY to THB 2,998.2 million from better cost controls as operating expenses only rose 0.2% YoY. Net profit increased by THB 19.1 million or 5.5% YoY to THB 367.2 million, on the back of the improved operating income and better cost management, partially offset by a 17.0% YoY increase in provisions in line with the economic slowdown.

On a YoY basis, net interest income increased by THB 918.5 million or 23.2%, mainly from loan expansion and lower interest expenses while net fee and service income decreased by THB 22.9 million or 3.0%, mainly from lower loan syndication and loan related fees. Other operating income decreased by THB 486.1 million or 35.8% due to the softer treasury businesses, partially moderated by higher gains on investment and other operating income.

Operating expenses grew slightly by THB 6.6 million or 0.2% from higher employee expenses, partially offset by a decrease in premises and equipment expenses and taxes and duties. As a result of better cost management and increased income, the cost to income ratio decreased to 53.8% in 6M2016 compared to 57.3% in 6M2015.

Net Interest Margin (NIM) over earning assets stood at 3.79% in 6M2016, compared to 3.05% in 6M2015 as a result of more efficient funding cost management.

As at 30 June 2016, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) stood at THB 202.5 billion, marking an increase of 1.8% from 31 December 2015. Deposits (inclusive of Bill of Exchanges, Debentures and selected Structured Deposit Products) stood at THB 214.8 billion, decrease of 1.7% from THB 218.4 billion at the end of December 2015. The Modified Loan to Deposit Ratio was higher at 94.3% compare to 91.1% as at 31 December 2015.

The gross non-performing loans ("NPL") stood at THB 8.8 billion, with an equivalent gross NPL ratio of 4.3%. This is an increase from 3.1% as at 31 December 2015 mainly arising from the slower repayment ability from a few corporate accounts given the softer economic environment. 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 92.8% as at 30 June 2016 from 106.5% at the end of December 2015. As at 30 June 2016, our total provisions stood at THB 8.1 billion showing an excess of THB 3.2 billion over Bank of Thailand's reserve requirements.

Total consolidated capital funds as at 30 June 2016 stood at THB 35.1 billion. BIS ratio stood at 15.1%, 10.9% of which comprised Tier-1-capital.

Yours faithfully,

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