

(Translation)

Ref.CIMBT.OFP.254 / 2016

17 October 2016

Subject: CIMB Thai Group consolidated unreviewed financial results for the nine months ended 30 September 2016

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 2016. The key summaries are as follows:

For the nine months ended 30 September 2016, CIMB Thai group's consolidated operating income rose by THB 418.8 million or 4.5% year-on-year ("YoY") to THB 9,693.3 million from 9M2015, derived from a 19.1% growth in net interest income and a 8.2% higher in net fee and service income, while other income dropped by 42.7%. Pre-Provision Operating Profit increased 10.6% YoY to THB 4,382.1 million due to the improved operating income and better cost control as operating expenses dropped by 0.02% YoY. However, net profit decreased by THB 48.2 million or 5.7% YoY to THB 798.3 million, mainly attributed to a 16.7% YoY increase in provisions.

On a YoY basis, net interest income increased by THB 1,178.3 million or 19.1%, resulting from a decrease in interest expenses by 23.8%. Net fee and service income increased by THB 92.3 million or 8.2%, mainly due to higher hire-purchase and financial lease fees and mutual funds fees. Total other operating income decreased by THB 851.8 million or 42.7% mainly from treasury businesses.

Operating expenses dropped by THB 0.9 million or 0.02% from lower premises and equipment expenses, partially offset by higher employee expenses. The cost to income ratio decreased to 54.8% in 9M2016 compared to 57.3% in 9M2015 as a result of better cost management and increased income.

Net Interest Margin (NIM) over earning assets stood at 3.76% in 9M2016, compared to 3.16% from 9M2015, as a result of more efficient funding cost management.

As at 30 September 2016, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) stood at THB 205.2 billion, marking an increase of 3.1% from 31 December 2015. Deposits (inclusive of Bill of Exchanges, Debentures and selected Structured Deposit Products) stood at THB 216.7 billion, a decrease of 0.8% from THB 218.4 billion at the end of December 2015. The Modified Loan to Deposit Ratio was higher at 94.7% compare to 91.1% as at 31 December 2015.

The gross non-performing loans ("NPL") stood at THB 9.1 billion, with an equivalent gross NPL ratio of 4.2%. This is an increase from 3.1% as at 31 December 2015, due to slower repayment ability from borrowers given the weak 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 81.6% as at 30 September 2016 from 106.5% at the end of December 2015. As at 30 September 2016, our total provisions stood at THB 7.4 billion showing an excess of THB 2.8 billion over Bank of Thailand's reserve requirements.

Total consolidated capital funds as at 30 September 2016 stood at THB 38.1 billion. BIS ratio stood at 16.2%, 10.8% of which comprised Tier-1-capital.

Yours faithfully,

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