

(Translation)

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26 February 2018

Subject: CIMB Thai Group consolidated audited financial results for the year ended 31 December 2017

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 2017. The key summaries are as follows:

For the year ended 31 December 2017, CIMB Thai group recorded a consolidated net profit of THB 384.9 million, an increase of THB 1,014.4 million or 161.1% year on year (YoY), compared to a net loss of THB 629.5 million in 2016. The improvement is attributed to a 1.8% YoY growth in operating income and a 19.5% YoY drop in provisions, while other operating expenses rose slightly by 2.6%.

On a YoY basis, operating income rose by THB 226.6 million, or 1.8% to THB 13,154.7 million, mainly driven by the increase in net fee and service income of THB 308.9 million or 18.9% from improvements in mutual funds, corporate finance and hire-purchase fees, and an increase in net interest income of THB 336.7 million or 3.4%, resulting from a 9.4% decrease in interest expenses. This is offset by a decrease of THB 418.9 million or 29.4% in other operating income, mainly from lower gains on investments.

For the year ended 31 December 2017, operating expenses increased by THB 189.4 million or 2.6% YoY, mainly from higher other expenses and employee expenses but partially offset by lower premises and equipment expenses. The cost to income ratio increased to 57.9% in 2017 compared to 57.4% in 2016.

Net Interest Margin (NIM) over earning assets stood at 3.89% in 2017, compared to 3.77% from 2016, as a result of more efficient funding cost management.

As at 31 December 2017, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) stood at THB 213.0 billion, marking an increase of 3.2% from 31 December 2016. Deposits (inclusive of Bill of Exchanges, Debentures and selected Structured Deposit Products) stood at THB 220.1 billion, a decrease of 1.5% from THB 223.5 billion at the end of December 2016. The Modified Loan to Deposit Ratio was higher at 96.8% compare to 92.4% as at 31 December 2016.

The gross NPL stood at THB 10.7 billion, with a lower equivalent gross NPL ratio of 4.8% compared to 6.1% as at 31 December 2016. The lower NPL ratio was mainly due to the sale of some NPLs in 2017, more efficient risk management policies and improved asset quality management and loan collection processes.



CIMB Thai Group's loan loss coverage ratio increased to 93.2% as at 31 December 2017 from 77.3% at the end of December 2016. As at 31 December 2017, our total provisions stood at THB 9.9 billion showing an excess of THB 3.7 billion over Bank of Thailand's reserve requirements.

Total consolidated capital funds as at 31 December 2017 stood at THB 40.7 billion. BIS ratio stood at 17.0%, 12.9% of which comprised Tier-1-capital.

Yours faithfully,

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