

(Translation)

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30 August 2018

Subject: CIMB Thai Group consolidated audited financial results for the six months ended 30 June 2018

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 2018. The key summaries are as follows:

For the six months ended 30 June 2018, CIMB Thai group's consolidated operating income rose by THB 412.2 million or 6.5% year-on-year ("YoY") to THB 6,795.3 million from 6M2017 mainly contributed by a 5.2% growth in net interest income, a 10.0% growth in net fee and service income and a 12.6% growth in other income. Pre-provision operating profit decreased by 1.4% YoY to THB 2,921.3 million attributed to a 13.3% YoY increase in operating expenses. Net profit decreased by THB 117.7 million or 24.6% YoY to THB 360.1 million due to higher operating expenses coupled with a 1.0% increase in provisions.

On a YoY basis, net interest income increased by THB 258.4 million or 5.2% mainly driven by loan expansion and lower interest expenses. Net fee and service income increased by THB 89.8 million or 10.0% from higher mutual funds, insurance and hire-purchase fees. Total other operating income increased by THB 63.9 million or 12.6% from higher treasury income due to increased market activity.

Operating expenses increased by THB 455.0 million or 13.3%, mainly from higher personnel cost and loss on sale of properties for sale. This resulted in a higher cost to income ratio of 57.0% in 6M2018 compared to 53.6% in 6M2017.

Net Interest Margin (NIM) over earning assets stood at 3.87% in 6M2018, compared to 3.81% in 6M2017 as a result of more efficient management of funding costs.

As at 30 June 2018, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) stood at THB 215.2 billion, marking an increase of 1.0% from 31 December 2017. Deposits (inclusive of Bill of Exchanges, Debentures and selected Structured Deposit Products) stood at THB 224.5 billion, an increase of 2.0% from THB 220.1 billion at the end of December 2017. The Modified Loan to Deposit Ratio was lower at 95.9% compared to 96.8% as at 31 December 2017.

The gross non-performing loans ("NPL") stood at THB 12.6 billion, with an equivalent gross NPL ratio of 5.8% from 4.8% as at 31 December 2017. The increase was attributed to commercial banking loans in 6M2018 and the sale of NPLs in 2017. 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 90.1% as at 30 June 2018 from 93.2% at the end of December 2017. As at 30 June 2018, total provisions stood at THB 11.3 billion, translating to a THB 4.0 billion excess over the Bank of Thailand's reserve requirements.

Total consolidated capital funds as at 30 June 2018 stood at THB 43.9 billion. BIS ratio stood at 17.0%, 12.0% of which comprised Tier-1-capital.

Yours faithfully,

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