

(Translation)

Ref.CIMBT.OFP. 31 / 2018

10 May 2018

Subject: CIMB Thai Group consolidated reviewed financial results for the three months ended 31 March 2018

To : President
The Stock Exchange of Thailand

Dear Sir,

On behalf of CIMB Thai Bank PCL, I am pleased to submit the reviewed consolidated financial results for the three months ended 31 March 2018. The key summaries are as follows:

For the three months ended 31 March 2018, CIMB Thai Group recorded a consolidated net profit of THB 168.9 million, an increase of THB 47.7 million or 39.3% year-on-year (“YoY”) compared to 3M2017. The improvement was mainly attributed to an 8.1% growth in operating income and a 4.5% drop in provisions, offset by a 10.6% increase in operating expenses.

On a YoY basis, operating income rose by THB 252.3 million, or 8.1% to THB 3,382.2 million from an increase of THB 132.9 million or 5.4% in net interest income and THB 47.3 million or 11.1% in net fee and service income arising from higher fees from insurance, hire-purchase and mutual funds. Other operating income rose by THB 72.1 million or 30.1% from the gain on sales of available for sale securities.

Operating expenses increased by THB 186.0 million or 10.6%, mainly from higher expenses from properties for sale and personnel cost, partially offset by lower expenses from premises and equipment. This resulted in a higher cost to income ratio of 57.2% in 3M2018 compared to 55.8% in 3M2017.

Net Interest Margin (NIM) over earning assets stood at 3.98% in 3M2018, compared to 3.77% in 3M2017, from more efficient funding cost management.

As at 31 March 2018, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) stood at THB 213.7 billion, an increase of 0.3% from 31 December 2017. Deposits (inclusive of Bill of Exchanges, Debentures and selected Structured Deposit Products) stood at THB 219.4 billion, a slight decrease of 0.3% from THB 220.1 billion as at end of December 2017. The Modified Loan to Deposit Ratio rose to 97.4% compared to 96.8% as at 31 December 2017.

The gross non-performing loans (“NPL”) stood at THB 11.4 billion, with an equivalent gross NPL ratio of 5.2% from 4.8% as at 31 December 2017. The increase was attributed to 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 92.3% as at 31 March 2018 from 93.2% at the end of December 2017. As at 31 March 2018, total provisions stood at THB 10.4 billion, translating to a THB 4.0 billion excess over the Bank of Thailand’s reserve requirements.



Total consolidated capital funds as at 31 March 2018 stood at THB 43.8 billion. The BIS ratio stood at 17.6%, of which 12.4% comprised Tier-1-capital.

Yours faithfully,

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