

(Translation)

Ref.CIMBT.OFP. 156 / 2019

29 August 2019

Subject: CIMB Thai Group audited consolidated financial results for the six months ended 30 June 2019

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 2019. The key summaries are as follows:

For the six months ended 30 June 2019, CIMB Thai Group recorded a consolidated net profit of THB 429.9 million, an increase of THB 69.8 million or 19.4% year-on-year ("YoY") compared to 6M2018. The improvement was mainly attributed to a 1.2% growth in operating income and a 31.0% decline in provisions, partially offset by a 16.9% increase in operating expenses.

On a YoY basis, operating income rose by THB 80.5 million, or 1.2% to THB 6,875.8 million from a 3.8% increase in net interest income, on the back of loan expansion and higher interest income on investments, partially offset by a THB 40.7 million or 4.1% lower net fee and service income. Other operating income decreased by THB 77.5 million or 13.5% from higher losses on financial instruments designated at fair value through profit or loss.

Operating expenses rose by THB 653.3 million or 16.9% largely due to higher personnel cost attributed to a combination of the Fast Forward expansion strategy and an amendment bill to the Labour Protection Law which required higher compensation for employees who have retired or have over 20 years of service. Coupled with a higher expenses from properties for sale, the cost to income ratio was higher at 65.8% in 6M2019 compared to 57.0% in 6M2018.

Net Interest Margin (NIM) over earning assets stood at 3.30% in 6M2019, compared to 3.87% in 6M2018, owing to higher cost of funds.

As at 30 June 2019, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) stood at THB 237.3 billion, an increase of 4.2% from 31 December 2018. Deposits (inclusive of Bill of Exchanges, Debentures and selected Structured Deposit Products) stood at THB 235.3 billion, a slight increase of 0.4% from THB 234.3 billion as at end of December 2018. The Modified Loan to Deposit Ratio rose to 100.9% compared to 97.2% as at 31 December 2018

The gross non-performing loans ("NPL") stood at THB 10.7 billion, with an equivalent gross NPL ratio of 4.5% from 4.3% as at 31 December 2018, arising from the slower repayment ability from a few corporate and retail accounts. CIMB Thai continues to exercise high standards for credit risk underwriting 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 stood at 106.5% as at 30 June 2019 compared to 107.0% as at the end of December 2018. As at 30 June 2019, total provisions stood at THB 11.3 billion, translating to a THB 5.2 billion excess over the Bank of Thailand's reserve requirements.

Total consolidated capital funds as at 30 June 2019 stood at THB 48.4 billion. BIS ratio stood at 18.7%, 13.7% of which comprised Tier-1-capital.

Yours faithfully,



Mr. Adisorn Sermchaiwong
Acting President and Chief Executive Officer
CIMB Thai Bank PCL