

(Translation)

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21 January 2021

Subject: CIMB Thai Group the unaudited consolidated financial results for the year ended 31 December 2020

To : President
The Stock Exchange of Thailand

Dear Sir,

On behalf of CIMB Thai Bank PCL, I am pleased to submit the unaudited consolidated financial results for the year ended 31 December 2020. The key summaries are as follows:

Financial statements for the year ended 31 December 2019, shown for comparison. The Group has applied full retrospective approach for changing interest recognition to effective interest rate in accordance with the financial reporting standards no. 9.

For the year ended 31 December 2020, CIMB Thai group's consolidated operating income rose by THB 167.6 million or 1.1% year-on-year ("YoY") to THB 14,927.1 million from 2019 mainly contributed by a 153.6% growth in other income, while net interest income declined by 5.6% and net fee and service income declined by 39.9%. Pre-Provision Operating Profit increased 12.0% YoY to THB 6,027.8 million from a 1.1% higher income, while operating expenses were lower 5.1% YoY. However, net profit decreased by THB 727.2 million or 36% YoY to THB 1,290.6 million, attributed to a 60% YoY increase in provisions, reflected by the elevated provision for economic uncertainty and potential credit migration from customers affected by the COVID-19 pandemic. This amount takes into account the forward-looking Expected Credit Loss (ECL) models and management overlay within a deteriorating economic environment under the TFRS 9 framework.

On a YoY basis, operating income rose by THB 167.6 million, or 1.1% to THB 14,927.1 million driven by an increase of THB 1,654.8 million or 153.6% in other operating income mainly due to an increase in gains on financial instruments measured at fair value through profit or loss of THB 1,117 million. These are partially offset by a drop in net fee and service income of 39.9% or THB 834.4 million due to lower fees from good and services payments and insurance brokerage income. The net interest income decline of 5.6% or THB 652.8 million was mainly attributable to lower interest income on loans and investments.

For the year ended 31 December 2020, operating expenses decreased by THB 478.6 million or 5.1% largely due to lower personnel cost and better cost management, improving the cost to income ratio to 59.6% in 2020 compared to 63.5% in 2019.

Net Interest Margin (NIM) over earning assets stood at 3.2% in 2020, compared to 3.5% in 2019, arising from lower interest income on loans and investments.

As at 31 December 2020, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) stood at THB 227.0 billion, a decrease of 6.2% from 31 December 2019. Deposits (inclusive of Bill of Exchanges, Debentures and selected Structured Deposit Products) stood at THB 251.4 billion, an increase of 4.1% from THB 241.5 billion as at end of December 2019. The Modified Loan to Deposit Ratio decrease to 90.3% compared to 100.2% as at 31 December 2019.

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The gross non-performing loans ("NPL") stood at THB 10.5 billion, translating to an impaired loan ratio of 4.6% compared to 4.7% as at 31 December 2019. The lower NPL ratio was mainly due to the sale of some NPLs in 2020. CIMB Thai continues to exercise high credit risk underwriting standards and risk management policies. The Bank is continuing its focus on improving productivity and monitoring collection.

CIMB Thai Group's loan loss coverage ratio stood at 93.3% as at 31 December 2020 from 99.0% at the end of December 2019. As at 31 December 2020, total allowance for expected credit losses stood at THB 9 billion, translating to a THB 2.1 billion excess over the Bank of Thailand's reserve requirements.

Total consolidated capital funds as at 31 December 2020 stood at THB 54.3 billion. BIS ratio stood at 21.4%, 15.6% of which comprised Tier-1-capital.

Yours faithfully,



Mr. Sutee Losoponkul
Acting President and Chief Executive Officer
CIMB Thai Bank PCL