

(Translation)

Ref.CIMBT.OFP. 168/2020

13 November 2020

Subject: CIMB Thai Group reviewed consolidated financial results for the nine months ended 30 September 2020

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 nine months ended 30 September 2020. The key summaries are as follows:

Financial statements for the nine-month period ended 30 September 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 nine months ended 30 September 2020, CIMB Thai Group recorded a consolidated net profit of THB 1,467.5 million, an increase of THB 464.5 million or 46.3 % year-on-year ("YoY") compared to 9M2019. The improvement was mainly attributed to a 7.6 % growth in operating income and better cost control brought about a 0.4 % decline in operating expenses, partially offset by a 20.2 % increase in provisions.

On a YoY basis, operating income rose by THB 810 million, or 7.6% to THB 11,504.1 million driven by an increase of THB 1,529 million or 227.3% in other operating income mainly due to an increase in gains on financial instruments measured at fair value through profit or loss of THB 1,023.8 million. These are partially offset by a drop in net fee and service income of 35.2% or THB 517.5 million due to lower fees income from good and services payment and insurance brokerage income and a net interest income dropped of 2.4% or THB 201.5 million mainly attributable to lower interest income on loans and investments.

Operating expenses decreased by THB 24.3 million or 0.4% largely due to lower personnel cost, the cost to income ratio improved to 60.1% in 9M2020 compared to 64.9% in 9M2019 as a result of better cost management.

Net Interest Margin (NIM) over earning assets stood at 3.3% in 9M2020, compared to 3.5% in 9M2019, resulting from lower interest income on loans and investments.

As at 30 September 2020, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) stood at THB 235.6 billion, a decrease of 2.7% from 31 December 2019. Deposits (inclusive of Bill of Exchanges, Debentures and selected Structured Deposit Products) stood at THB 262.1 billion, an increase of 8.5% from THB 241.5 billion as at end of December 2019. The Modified Loan to Deposit Ratio decrease to 89.9% compared to 100.3% as at 31 December 2019.

The gross non-performing loans ("NPL") stood at THB 13.9 billion, translating to an impaired loan ratio of 5.9% compared to 4.7% as at 31 December 2019, due to the change in the NPL classification criteria (Stage 3). CIMB Thai continues to exercise high credit risk underwriting standards and risk management policies. The Bank also focuses on improving productivity and monitoring collection.

CIMB Thai Group's loan loss coverage ratio decreased to 86.6 % as at 30 September 2020 from 99.0% at the end of December 2019. As at 30 September 2020, total allowance for expected credit losses stood at THB 11.5 billion, translating to a THB 2.2 billion excess over the Bank of Thailand's reserve requirements.

Total consolidated capital funds as at 30 September 2020 stood at THB 54.1 billion. BIS ratio stood at 20.5%, 14.9% of which comprised Tier-1-capital.

Yours faithfully,



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