

(Translation)

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12 November 2021

Subject : CIMB Thai Group reviewed consolidated financial results for the nine months ended 30 September 2021

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 2021. The key summaries are as follows:

For the nine months ended 30 September 2021, CIMB Thai Group recorded a consolidated net profit of THB 1,708.2 million, an increase of THB 240.6 million or 16.4% year-on-year (“YoY”) compared to 9M2020. The improvement was mainly attributed to better cost control resulting in a 12.3% decline in operating expenses and a 6.0% decrease in expected credit losses, despite a 5.4% drop in operating income.

On a YoY basis, operating income decline by THB 620.3 million, or 5.4% to THB 10,883.8 million attributed by the drop of THB 783.6 million or 9.4% in net interest income due to the lower interest income on loans and hire purchase business from the lower credit expansion. This was partially offset by the increase of THB 159.5 million or 16.7% in net fee and service income, driven by higher fee income from insurance and mutual fund brokerage. Other operating income increased by THB 3.8 million or 0.2% due to an increase in gains on financial instruments measured at fair value through profit or loss.

Operating expenses decreased by THB 849.9 million or 12.3%, largely due to better optimization of resources and cost management. This consequently improved the cost to income ratio to 55.7% in 9M2021 from 60.1% in 9M2020.

Net Interest Margin (NIM) over earning assets stood at 3.1% in 9M2021, compared to 3.3% in 9M2020, resulting from lower interest income on loans and hire purchase business.

As at 30 September 2021, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) stood at THB 216.6 billion, a decrease of 4.6% from 31 December 2020. Deposits (inclusive of Bill of Exchanges, Debentures and selected Structured Deposit Products) stood at THB 251.0 billion, a decrease of 0.2% from THB 251.4 billion as at end of December 2020. The Modified Loan to Deposit Ratio decreased to 86.3% from 90.3% as at 31 December 2020.

The gross NPL stood at THB 9.6 billion, with a lower equivalent gross NPL ratio of 4.4% compared to 4.6% as at 31 December 2020. The lower NPL ratio was mainly due to the sale of some NPLs in 2021, more efficient risk management policies and improved asset quality management and loan collection processes.



CIMB Thai Group's loan loss coverage ratio as at 30 September 2021 stood at 105.9% from 93.3% at the end of December 2020. Total allowance for expected credit losses stood at THB 9.4 billion, THB 1.7 billion over the Bank of Thailand's reserve requirements.

Total consolidated capital funds as at 30 September 2021 stood at THB 54.0 billion. BIS ratio stood at 20.7%, 15.0% of which comprised Tier-1 capital.

Yours faithfully,

Mr. Paul Wong Chee Kin
President and Chief Executive Officer
CIMB Thai Bank PCL