

(Translation)

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21 July 2021

Subject: CIMB Thai Group consolidated unaudited financial results for the six months ended 30 June 2021

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 six months ended 30 June 2021. The key summaries are as follows:

For the six months ended 30 June 2021, CIMB Thai Group's consolidated operating income decreased by THB 644.2 million or 8.1% year-on-year ("YoY") to THB 7,284.1 million. The lower operating income was attributed to a 11.7% drop in net interest income and 2.3% decrease in other income, offset by a 8.9% expansion in net fee and service income. Pre-Provision Operating Profit decreased by THB 64.3 million or 2.0% YoY to THB 3,150.8 million, mainly due to lower operating income, offset by a 12.3% YoY decrease in operating expenses. Net profit decreased by THB 431.1 million or 31.1% YoY to THB 954.8 million, mainly from the 19.1% YoY increase in expected credit losses, reflected by the elevated provisions from economic uncertainty and credit migration from customers affected by the COVID-19 pandemic.

On a YoY basis, net fee and service income increased by THB 61.6 million or 8.9%, arising from higher insurance brokerage and underwriting income. Net interest income decreased by THB 672.5 million or 11.7%, caused by the lower interest income on loans and hire purchase business from the lower credit expansion. Other operating income decreased by THB 33.4 million or 2.3% due to the drop in gains on financial instruments measured at fair value through profit or loss.

Operating expenses decreased by THB 579.9 million or 12.3%, largely due to better cost management and lower personnel cost. The cost to income ratio improved to 56.7% in 6M2021 compared to 59.5% in 6M2020.

Net Interest Margin (NIM) over earning assets stood at 3.2% in 6M2021, compared to 3.3% in 6M2020, resulting from lower interest income on loans and hire purchase business.

As at 30 June 2021, total gross loans (inclusive of loans guaranteed by other banks and loans to financial institutions) stood at THB 217.8 billion, a decrease of 4.1% from 31 December 2020. Deposits (inclusive of Bill of Exchanges, Debentures and selected Structured Deposit Products) stood at THB 242.9 billion, a decrease of 3.4% from THB 251.4 billion as at end of December 2020. The Modified Loan to Deposit Ratio decreased to 89.6% from 90.3% as at 31 December 2020.

The gross non-performing loans ("NPL") stood at THB 10.6 billion, translating to an impaired loan ratio of 4.8% compared to 4.6% as at 31 December 2020. The higher NPL ratio was mainly due to the decrease in total loan outstanding balance, while the non-performing loans have not significantly changed. However, 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 101.4 % as at 30 June 2021 from 93.3% at the end of December 2020. As at 30 June 2021, total allowance for expected credit losses stood at THB 9.9 billion, THB 1.8 billion over the Bank of Thailand's reserve requirements.

Total consolidated capital funds as at 30 June 2021 stood at THB 53.4 billion. The BIS ratio stood at 20.6%, of which 15.0% comprised Tier-1 capital.

Yours faithfully,



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