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BSS 1-570022

September 23, 2014

Re: Resolution of the Bank's Board of Directors meeting, held on September 23, 2014

Attn.: President,
The Stock Exchange of Thailand

Reference is made to The Siam Commercial Bank Public Company Limited's (the "Bank's" or "SCB's") expression of its intention to make a tender offer for all securities of SCB Life Assurance Public Company Limited (the "Company" or "SCBLIF") for delisting such securities from the Stock Exchange of Thailand (the "SET"). The tender offer would be for all securities of the Company not already owned by SCB at the tender offer price of Baht 1,117.25 per share. Further details are shown in the Bank's notification to the SET on May 15, 2014.

On September 22, 2014, the Company informed the SET of the resolution of its board of directors' meeting acknowledging the 'Report on Opinion of Independent Financial Advisor in relation to the Voluntary Delisting of SCB Life Assurance Public Company Limited's Securities from the Stock Exchange of Thailand presented to the Shareholders of SCB Life Assurance Public Company Limited' (the "**Report on Opinion of Independent Financial Advisor**"), together with disclosure of the said Report on Opinion of Independent Financial Advisor to the SET and the Company's shareholders. The summary of the opinion in the said report, prepared by EY Corporate Services Limited ("**E&Y**") in its capacity as the Company's independent financial advisor ("**IFA**"), is as follows:

"The IFA has conducted the valuation of the Company based on the relevant facts that SCBLIF distributes its products through SCB without exclusive distribution agreement with SCB, and on the key assumptions that such operating model will continue in the future without any significant changes in the commercial agreement with SCB. The IFA is of an opinion that the fair value of the Company is in the range of THB 1,161.21 – 1,271.34 per share based on the actuarial appraisal. Therefore, when considering the tender offer price, the IFA is of an opinion that the tender offer price is deemed inappropriate because the share price appraised by the IFA is higher than SCB's tender offer price of THB 1,117.25 per share.

*Nevertheless, in shareholders' meeting, SCB shall have the absolute right to delist the Company from SET as it owns 94.66% of the Company's shares and commands more than three quarters of the total votes. The minority shareholders, holding only 5.34% of the Company's shares, command less than 10% of the total votes and, therefore, cannot veto SCB's decision to delist the Company. Should that happen, the Company's shares will be delisted. The IFA therefore is of **an opinion that despite the inappropriateness of the tender offer price, when taking into consideration of the shareholders' risk in holding shares in a non-listed company, the shareholders should consider accepting the tender offer because of the following risks.***

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1. *The shareholders will become the shareholders of a non-listed company, leading to limitations should they wish to sell their shares in the future. In addition, the shareholders will not be entitled to any tax privileges as previously discussed in Section 5.2. Generally, the lack of trading liquidity (Liquidity effect) would lower the value of non-listed shares as compares with listed ones.*
2. *After the delisting, other shareholders will not be able to counterbalance SCB's decisions. This is because SCB, as the Company's major shareholder, will have control over the Company in determining the Company's policies and supervising the Company's management and operations. More importantly, SCB is the Company's key business partner and it can implement policies which could significantly affect the Company. The following has been taken into our considerations.*
 - *SCB's letter dated 25 July 2014 regarding "Matters relating to the tender offer proposed by SCB" which mentioned SCB's intention to revise the commercial terms on the bancassurance sales.*
 - *The IFA conducted a preliminary analyst on the effect of the above, under the assumption that the Company entered into an exclusive distribution agreement with SCB and the Company has to pay 50% of expected value of new business from bancassurance for such exclusivity (based on our observations from industry practice). **Under such assumption, the value of the Company could be lower than THB 900 per share.***
3. *The shareholders shall have less access to the Company's information as the Company will no longer be required by SET for information disclosure."*

The Bank's board of directors considered the IFA's opinion, which was prepared by E&Y as referred to above, at its meeting today. After due consideration, the Bank's board of directors was of the view that the key assumption of the IFA in determining the fair market value of the Company is unacceptable, namely, that the sale of insurance policies of SCBLIF through SCB's bancassurance channel, despite no exclusive distribution agreement with SCB, will continue 'as usual' for the next 15 years and that SCB will not seek to change any commercial terms associated with SCB's bancassurance channel. As a result of this key assumption, the fair value of SCBLIF is in the range of Baht 1,161.21 to 1,271.34 per share. This key assumption is considered unacceptable to the Bank's board of directors because it does not take into account the likelihood of the change in SCBLIF's business prospects in the future. In particular, as noted in the above mentioned letter of the Bank, dated July 25, 2014, the Bank explicitly advised SCBLIF that the Bank would be seeking a competitive re-pricing of the commercial terms associated with bancassurance sales, regardless of the insurer for whom the Bank acts as a broker.

In light of the above, the Bank's board of directors was of the view that the tender offer price of Baht 1,117.25 per share remains fair and reasonable and that the rationale for the tender offer, namely, to cure and remedy the risks arising from being non-compliant with the free-float requirements of the SET remains appropriate. Nevertheless, in order to amicably progress the above transaction through to the next stage and to achieve the Bank's aim in resolving the non-compliance with the SET's regulations as mentioned above, as well as providing the opportunity to the minority shareholders of SCBLIF to sell their shares at a price higher than the current market price, the Bank's board of directors meeting resolved today to increase the tender offer price for the delisting of SCBLIF from the SET from Baht 1,117.25 per share to Baht 1,170.00 per share.

(-Translation-)

Yours faithfully,

The Siam Commercial Bank Public Company Limited



(Mrs. Kannikar Chalitaporn)
President

cc: Chairperson, SCB Life Assurance Public Company Limited