

- Translation -

IR 580002

21 September 2015

President,  
The Stock Exchange of Thailand

Re: Sahaviriya Steel Industries Public Company Limited and its subsidiary in the United Kingdom (UK)

Dear Madam,

As a result of a large steel plant of SSI in the UK being paused, the three primary banks were now working with SSI on the next steps.

Siam Commercial Bank, as one of the three banks involved had been preparing for this situation, as one of the likely outcomes, for a few months. Indeed, it had underway plans for significant additional provisions in the current quarter as well as other actions that would mitigate the impact on net profit from this higher provisioning level.

The aggregate loans to SSI and its UK subsidiary amounts to just over Baht 22 billion. The loan to SSI's UK subsidiary would be fully provided assuming no collateral value. Increased provisions would be made for SSI, the Thai parent company, that reflect further reduction to existing collateral. The aggregate additional provisions or write-offs for SSI and its affiliates would be in the range of Baht 10 to 11 billion.

At the same time, the Bank had initiated action to realize gains in its general equity and investment portfolio. These gains will be booked on settlement and should range between Baht 7 to 8 billion in this current quarter. Clearly, these gains will mitigate the impact on the Bank's net profit of the additional SSI related provisions.

This information disclosure is provided on a timely basis so that the market participants are made aware that the Bank has moved expeditiously to take its lending related loss and concurrently realized investment gains to mitigate some of the impact on net profit.

Yours sincerely,

(Yol Phokasub)  
President  
The Siam Commercial Bank Public Company Limited