

(Unofficial Translation)

This English translation of the Amendments to the Tender Offer (Form 247-4) has been prepared solely for the convenience of the foreign shareholders of SCB Life Assurance Public Company Limited and should not be relied upon as the definitive and official document of the Offeror. The Thai language version shall be regarded as the definitive and official document of the Offeror and shall prevail in all respects in the event of any inconsistency or discrepancy between the Thai version and this English translation.

EIM 580006

Date 16 January 2015

Subject: Submission of the Amendments to the Tender Offer (Form 247-4) to purchase the securities of SCB Life Assurance Public Company Limited (the "Company")

To: Secretary-General of the Securities and Exchange Commission
President of the Stock Exchange of Thailand
Directors and shareholders of SCB Life Assurance Public Company Limited

Pursuant to The Siam Commercial Bank Public Company Limited, as the Offeror and the Tender Offer Preparer, submitting the Tender Offer Form (Form 247-4) to the Office of the Securities and Exchange Commission (the "SEC") on December 9, 2014.

The Offeror and the Tender Offer Preparer would like to disclose amendments to the Tender Offer Form (Form 247-4) in which the additional information are bold and underlined and the deleted information are bold and strike through as follows:

1. Part 1 Significant Elements of the Tender Offer, Page 2 Clause 4, Objective of making the Tender Offer, Sub-Clause 4.4

Nonetheless, the Bank would make the Tender Offer for all securities of the Company for the delisting of such securities from the SET upon the satisfaction of the following three conditions:

1. Obtaining the approval of the Board of Directors of the Bank to proceed with the aforesaid transaction. The Bank's Board of Directors meeting on 27 May 2014, thereafter, approved the Tender Offer.
2. Obtaining the approval at the meeting of shareholders of the Company to delist the Company's securities from the SET. The Extraordinary General Meeting of Shareholders of the Company held on 6 November 2014 approved the delisting of the Company's shares from the SET.
3. The Tender Offeror and the Company to obtain the permission or approval from relevant regulatory authorities and other relevant agencies, including ~~the Office of Securities and Exchange Commission (the "SEC")~~ and the SET. In this regard, the Company has been informed the delisting approval from the SET on 11 November 2014.

2. Part 2 Information on the Offeror, Page 10 Clause 4, Relationship between the Offeror and the Company/major shareholders/directors of the Company, Sub-Clause 4.3 and 4.4 (1)

- 4.3 Shareholding, either direct or indirect, by the Offeror or its authorized persons (in case the Offeror is a juristic person) In the Company or the Company's major shareholders

(Unofficial Translation)

First-Last Name	Ordinary Shares (Shares)	Preferred Shares (Shares)	Total Shares (Shares)
Mr. Yol Phokasub	10	-	10
Mr. Deepak Sarup	15,000	-	15,000
Mr. Wirutt Ruttanaporn	1,950,300,000	-	1,950,300,000

4.4 Other forms of relationships that may exist between the Offeror and the Company, its major shareholders or management

(1) Shared Directors

The Offeror has director and executives who are also directors of SCBLIF as detailed below:

First-Last Name	Position in the Offeror	Position in the Company
Khunying Jada Wattanasiritham	Independent Director, Member of the Corporate Social Responsibility Committee and Member of the Nomination, Compensation and Corporate Governance Committee	Chairman of the Board of Directors and Independent Director
Mr. Weerawong Chittmitrapap	Independent Director and Member of the Nomination, Compensation and Corporate Governance Committee	Independent Director
Mr. Yol Phokasub	Senior Executive Vice President, Group Head, Retail and Business Banking Groups	Vice Chairman of the Board of Directors
Mr. Arthid Nanthawithaya	Senior Executive Vice President, Group Head, Wholesale Banking Group	Director
Mr. Deepak Sarup	Senior Executive Vice President, Chief Financial Officer & Head, Finance Group and Change Program	Director

3. Part 2 Information on the Offeror, Page 12 Clause 5, Other relevant information for the securities holders' decision making, Sub-Clause 5.3, Share sale plan, and Sub-Clause 5.4, Other essential information

5.3 Share sale plan

The Tender Offeror has no intention to sell the Company's securities currently held by the Offeror and the portion to be acquired through the Tender Offer during the 12 months following the last date of the Tender Offer period, except in the case that the Offeror is required to comply with the laws and regulations in effect or in the case that the Offeror has reorganized its shareholding structure in the group companies and/or the business structure after completion of the Tender Offer to serve the best interest of the shareholders of the Offeror and the Company.

5.4 Other essential information

--None--

5.4.1 The lawsuit relating to the tender offer for the securities of SCB Life Assurance Public Company Limited by The Siam Commercial Bank Public Company Limited

Shareholders should consider the potential impact from the lawsuit relating to the tender offer for the securities per details disclosed to the SET by the Offeror in the letter no. BSS 5-580009 dated 14 January 2015. The

Offeror informed that, on 12 January 2015, the court officer posted at the office of the Offeror a copy of the pleading for the case which Mr. Apichart Silapa-archa et al., totaling 27 plaintiffs, filed against the Offeror and the Company with the Civil Court, demanding the Offeror to revoke the Tender Offer for the securities of the Company, and demanding the Company to revoke the request for delisting its securities. In addition, the plaintiffs also requested for a court order for an interim injunction prior to the judgment.

5.4.2 Other essential information

Shareholders can consider other essential information, including the Company's status after delisting from the SET, that may have an effect on shareholders who still hold shares in the Company due to the limited Company information released to the public, certain developments to corporate, human resource and financial structure of the Company if there is a significant change and the possibility that the Offeror will charge a fee for bancassurance sales that the Company earns through the Offeror's branches and networks as stated in details in Part 3 Information on the Company, Page 18-19 Clause 2, Business plan after takeover, Sub-Clause 2.1, The Company status, Sub-Clause 2.2, Policies and plans of business operations, and Sub-Clause 2.3, Related party transactions.

4. Part 3 Information on the Company, Page 13 Clause 1, Details of the Company, Sub-Clause 1.1, Brief Business Description

On 17 March 2011, the Tender Offeror purchased 15,886,267 shares in the Company from New York Life International LLC, representing 23.89 percent of the company's total paid-up capital, and 15,558,750 shares from PMCC (Thailand) Company Limited, representing 23.44 percent of total paid-up capital. The Tender Offeror ultimately gained 62,950,033 shares or 94.66 percent of the total-paid up capital of the Company. At present, the Company's registered capital is Baht 800 million with total paid-up capital of Baht 665 million.

5. Part 3 Information on the Company, Page 17 Clause 1, Details of the Company, Sub-Clause 1.3, List of the Board of Directors

Expected Board of Directors after the Tender Offer

After the completion of the Tender Offer, the Offeror may make changes to the Board of Directors as deemed fit, such as any resignation or retirement by rotation of any board members or appointment of additional Board members. ~~Should there be any such changes in the Board's composition, the Offeror will take appropriate actions in conforming to the Company's Articles of Association. As of the first date stage of the Tender Offer~~ Preliminarily, the Offeror expects that the list of directors after the acquisition shall be as stated below:

6. Part 3 Information on the Company, Page 18 Clause 2, Business plan after takeover, Sub-Clause 2.1 The Company status

The Offeror intends to delist the Company from the SET after completing the Tender Offer. Nonetheless, after the SET announces the Company's delisting from the SET, the Company will remain a public company limited, but ~~the~~ the Company's shareholders will receive company-related information to a lesser extent as once the Company has ended its status as a listed company it no longer has the obligation to provide information as required by listed companies according to the rules, regulations and laws (~~"regulations"~~) set forth, including ~~Samples of the~~

~~regulations include Section 56 of the Securities and Exchange Act B.E. 2535 and the Stock Exchange of Thailand's Rules, Conditions and Procedures Governing the Disclosure of Information and Other Acts of a Listed Company. In addition, if after the completion of the delisting of securities, shareholders of the Company, other than the Tender Offeror, concert parties of the Tender Offeror and parties under Section 258 of the Tender Offeror and its concert parties, hold in total not exceeding 5 percent of total voting rights of the Company, or in the event that the Company is no longer listed on the SET and the total number of shareholders do not exceed 100 parties, the Company's obligation in preparing and submitting financial reports and other reports related to its financial and operational performance to the SEC will also end.~~

However, since the Company is a subsidiary of the Offeror, the Company may release appropriate or required information as part of the Offeror's, which is a listed Company, information disclosure. In addition, since the Company still holds the status of a public company limited, it has the obligation to release and deliver information according to the Public Limited Companies Act B.E. 2535 (as amended), including the advertising notice of annual general meeting of shareholders, the invitation to the meeting of shareholders to shareholders, submitting a copy of the financial statements and annual report to shareholders, etc.

Nonetheless, the Tender Offeror has no intention to sell the Company's securities currently held by the Offeror and the portion to be acquired through the Tender Offer during the 12 months following the last date of the Tender Offer period, except in the case that the Offeror is required to comply with the laws and regulations in effect ~~or in the case that the Offeror has reorganized its shareholding structure in the group companies and/or the business structure after completion of the Tender Offer to serve the best interest of the shareholders of the Offeror and the Company.~~

7. Part 3 Information on the Company, Page 18 Clause 2, Business plan after takeover, Sub-Clause 2.2 Policies and plans of business operations

The Offeror has no plans to make significant changes to the purpose of the Company in conducting life insurance business, which is the Company's key business operations, ~~during the period of 12 months following the last date of the Tender Offer period~~ and will retain the Company's current business operations.

However, in the case that there are any significant changes to the Company's financial and operational conditions, or any ~~other material~~ transformations that may have a significant impact on the Company, the Offeror may consider certain developments to the Company's operational strategies, including its business plan, corporate and human resource structure, and financial structure (including the divestment of the Company's assets) ~~and the Company's dividend policies~~ in the future. These elaborations are aimed to create the appropriate operational and financial strategies, avoid possible negative effects on the Company's operations, and enhance efficiency and competitiveness for the Company in the future, considering benefits of the Company and shareholders as a priority.

In addition, it is highly likely that ~~the Offeror will~~ may consider charging a fair and reasonable fee, for both the Company and the Offeror, for bancassurance sales that the Company earns through the Offeror's branches and networks. The appropriate fee will take into account the Company's and Offeror's rights and conditions, but will not include any exclusive distribution agreements for some of the Company's products on the Offeror's bancassurance

network. An exclusive distribution agreement between the Company and the Offeror for some of the Company's products will require the appropriate fee.

In addition, it is possible that the Offeror may begin distributing life insurance products from other insurers other than the Company's through its bancassurance network in the future, which is already evident through the Offeror's signing of the Memorandum of Understanding (MOU) with ACE Life Assurance Public Company Limited (ACE Life) on 30 October 2014. The Offeror and ACE Life have agreed to work hand in hand to develop new life insurance products that would better respond to the needs and wishes of the Offeror's clients.

8. **Part 3 Information on the Company, Page 19 Clause 2, Business plan after takeover, Sub-Clause 2.3 Related party transactions**

The Company has specific policies and procedures regarding related party transactions to conform to the rules and regulations of the Bank of Thailand, the SET and the SEC to prevent any conflict of interests between the Company, its subsidiaries, associate companies and/or any potential conflict persons.

Within the period of 12 months following the last date of the Tender Offer period, the Offeror, or any person in connection with the Offeror pursuant to Section 258 of the Securities and Exchange Act B.E. 2535, has no intention to materially change the Company's current policy regarding connected transactions, except possible changes to bancassurance fees to reflect fair and customary practices as stated in Clause 2.2.

Any current and future related party transactions will be carefully considered and ensured so that the pricing, terms and conditions of such transactions are similar to those of normal business transactions at an arm's length basis and/or comparable to similar transactions in the life insurance industry. There would not be any special terms or preference among the Company, its related companies, associate companies and shareholders. These procedures are consistent with rules and regulations of the SET and seek to ensure that all related party transactions are conducted at an arm's length basis and/or comparable to similar transactions in the life insurance industry.

9. **Part 4 Additional Information of the Tender Offer, Page 27 Clause 7, Determination of the Offer Price**

The offer price of Baht 1,170.00 (one thousand one hundred seventy) per share is in accordance with the resolution of the meeting of the Board of Directors of the Offeror on 23 September 2014. The offer price has been adjusted from the Offeror's initially announced offer price of Baht 1,117.25 per share as notified to the SET on 15 May 2014 in order to resolve the non-compliance with the free float requirement according to the Rule on Maintenance of Status as mentioned in Part 1, Significant Elements of the Tender Offer, Page 1, Clause 4, Objective of making the Tender Offer. The offer price of Baht 1,170.00 per share is not lower than the highest price calculated based on the regulations stated in the Notification of Capital Market Supervisory Board No. ThorJor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeover Clause 56 regarding the Tender Offer price for delisting, which indicates that the offer price shall not be less than the maximum price calculated in accordance with the following procedures:

10. Part 4 Additional Information of the Tender Offer, Page 31 Method 3, Historical Market Price Approach

The Historical Market Price approach calculates the Company's share price by benchmarking it with the historical volume weighted average price ("VWAP") of the Company's traded securities at certain periods. Due to the volatility of a Company's share price, using the price within a short period or periods with low trading volume may distort the Company's market value. The financial advisor has adopted the ~~4-year~~ 5 business days to 360 business days historical VWAP of the Company's securities as of 14 May 2014 in its valuation.

11. Part 4 Additional Information of the Tender Offer, Page 32 Method 4, Market Comparable Approach

Comparable companies used by the financial advisor in its valuation include the following:

1. AMP Limited (AMP)
2. China Life Insurance Company Limited (CHL)
3. China Pacific Insurance Group Company Limited (CHP)
4. New China Life Insurance Company Limited (NCHL)
5. Ping An Insurance Group Company Limited (PA)
6. Samsung Life Insurance Company Limited (SSL)
7. Bangkok Life Assurance Public Company Limited (BLA)
8. Ageas Insurance Limited (AGE)
9. AXA S.A. (AXA)

The financial advisor has adopted financial ratios of comparable companies which are mainly located in China and Thailand, as they possess high growth potential due to the fact that they operate in countries with relatively low insurance premium to Gross Domestic Product (GDP) ratio, offer unsophisticated insurance products and have a focus on savings products, which are business characteristics and operational landscapes similar to that of the Company's. However, considering the limited number of comparable companies, the financial advisor has also adopted financial ratios of comparable companies in the Asian Pacific region, including Australia and South Korea, which are countries with relatively high insurance premium to GDP ratio and offer more sophisticated insurance products, as well as financial ratios of companies headquartered in Europe with a global presence, in its comparison.

Details of comparable companies (market capitalization as of 14 May 2014) are as follows:

1. AMP Limited (AMP)

AMP is a fully integrated life insurance company that offers a variety of life insurance products, including pension funds and superannuation, etc. AMP is headquartered in Australia and has branches in New Zealand. AMP is listed on the Australian Securities Exchange. AMP's market capitalization was about Baht 431,650 million with total assets of approximately Baht 3,890,400 million.

2. China Life Insurance Company Limited (CHL)

CHL is a life insurance company that offers individual life insurance, group life insurance, accident insurance, and health insurance products. CHL is headquartered in China and listed on the Hong Kong Stock Exchange and New York Stock Exchange. CHL's market capitalization was about Baht 3,675,840 million with total assets of approximately Baht 10,663,350 million.

3. China Pacific Insurance Group Company Limited (CHP)

CHP is a company engaged in both life and non-life insurance businesses. CHP focuses its product offerings on individual life insurance, endowment insurance, accident insurance and health insurance. CHP is headquartered in China and listed on the Shanghai Stock Exchange. CHP's market capitalization was about Baht 1,263,210 million with total assets of approximately Baht 3,970,550 million.

4. New China Life Insurance Company Limited (NCHL)

NCHL is a life insurance company with product offerings focusing on individual life insurance, accident insurance and health insurance. NCHL is headquartered in China and listed on the Shanghai Stock Exchange. NCHL's market capitalization was about Baht 595,970 million with total assets of approximately Baht 3,058,300 million.

5. Ping An Insurance Group Company Limited (PA)

PA is an insurance company engaged in both life and non-life insurance businesses, as well as financial services. PA is headquartered in China and listed on the Shanghai Stock Exchange. PA's market capitalization was about Baht 2,700,920 million with total assets of approximately Baht 18,161,800 million.

6. Samsung Life Insurance Company Limited (SSL)

SSL is an insurance company engaged in both life and non-life insurance businesses, as well as financial services. SSL is headquartered in South Korea and listed on the Korea Exchange. SSL's market capitalization was about Baht 697,900 million with total assets of approximately Baht 4,890,360 million.

7. Bangkok Life Assurance Public Company Limited (BLA)

BLA is a fully integrated life insurance company with 4 key product offerings including: individual life insurance, industry life insurance, group life insurance and institutional life insurance. BLA is headquartered in Thailand and listed on the Stock Exchange of Thailand. BLA's market capitalization was about Baht 90,621 million with total assets of approximately Baht 172,235 million.

8. Ageas Insurance Limited (AGE)

AGE is a fully integrated life and non-life insurance company. AGE has both individual and group insurance product offerings. AGE is headquartered in Belgium and has branches in over 14 countries. AGE is listed on the Euronext securities exchange. AGE's market capitalization was about Baht 275,890 million with total assets of approximately Baht 4,318,305 million.

9. AXA S.A. (AXA)

AXA is a financial services company that has a variety of product offerings, including fully integrated life and non-life insurance products. AXA is headquartered in France and has branches in over 56 countries. AXA is listed on the Euronext securities exchange. AXA's market capitalization was about Baht 1,904,910 million with total assets of approximately Baht 34,152,129 million.

12. Part 4 Additional Information of the Tender Offer, Page 33 Method 4, Market Comparable Approach, Sub-Clause 4.2, Price to Embedded Value (P/EV)

4.2.1 Adjusted Net Worth ("Adjusted Net Worth" or "ANW")

ANW are the Company's total assets net of total liabilities, after allowing for any adjustments to reflect the fair value of such assets and liabilities. The adjustments are made by the independent financial advisor based on the Company's audited financial statements of the period ending 30 June 2014. The independent financial advisor determined the ANW for the Company to be Baht 16,095 million, equivalent to Baht 242.03 per share.

4.2.2 Value of In-force Business ("VIF")

VIF is the present value of future after-tax distributable earnings arising from the current in-force business as of 30 June 2014, which is calculated as: premium earned + investments income – insurance expenses (including death claims, payment on policy's maturity date, lapse of the policy, other policy holder related expenses) – commission and other variable costs – operating expenses – increase/(decrease) in reserves – reinsurance cost – tax expenses.

The independent financial advisor has appraised the VIF based on the Company's current in-force business as of 30 June 2014 using the Discounted Cash Flow method with the following assumptions, stated in the Independent financial advisor report on Disclosure of IFA Opinion on Proposed Delisting to the Company's shareholders issued by E&Y Corporate Services Company Limited dated 18 September 2014. The financial advisor views similarly on the key assumptions used by the Company's independent financial advisor which are summarized as follow:

- Risk discount rate, a discount rate that demonstrates the appropriate required return based on the anticipated risks on future earnings, is assumed at of 10 percent. This risk discount rate is the discount rate used in the VIF and 1Y VoNB calculations, and is the same as the risk discount rate adopted by the Company for its EV calculation as at 31 December 2013
- Investment return of 4.5 percent per year annum which is the Company's expected return and is in line with its historical investment return and the decrease in government bond yield
- Inflation of 3.0 percent per year annum is within the range of target inflation rate announced by the Bank of Thailand
- Mortality rate based on the Company's 5 year historical mortality rate. The mortality assumptions are set based on the 2008 Thai Mortality Table which is varied by business and policy duration
- Persistency rate is performed on policyholders' lapse and premium persistency based on the Company's past 18 months' experience up to June 2013
- Loss ratio derived based on the ratio's 5 year historical record
- Operating expenses are set based on the Company's 2014 budget expenses
- Commission and other variable costs based on the levels currently being paid
- Corporate tax rate of 20.0 percent
- Required capital of 250.0 percent is based on the market average level for Thai life insurers, ranging from 200.0 percent to 300.0 percent, the Company's capital fund to reserve ratio of approximately 280.0

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percent since the implementation of the RBC framework in Thailand and the Company's capital fund to reserve ratio of 285 percent as of the second quarter of the year 2014

Using the above assumptions, the independent financial advisor has derived the Company's VIF as of 30 June 2014 with details as follow:

Unit: Baht Million	31 Dec 2013 (Reported)	31 Dec 2013 (Rebased)	30 Jun 2014 (Rebased)	Percent difference between 30 Jun 2014 and 31 Dec 2013 (Rebased)
VIF	23,319	23,319	21,122	(9.4)
Less: Cost of Capital	(5,845)	(10,195)	(13,171)	(29.2)
VIF – net	17,474	13,125	7,952	(39.4)

Source: Independent financial advisor report on Disclosure of IFA Opinion on Proposed Delisting to the Company's shareholders issued by E&Y Corporate Services Company Limited dated 18 September 2014

Note: The independent financial advisor arrived at the net VIF by subtracting the cost of capital from the VIF. The cost of capital is the cost of maintaining the Company's capital reserves accounted for associated risks. Such cost is calculated based on estimated capital reserves as of 30 June 2014, deducted by (1) the investment returns of capital reserves, (2) decrease in capital reserves and (3) tax payable. The independent financial advisor assumes that the Company would maintain its required capital ratio at 250 percent.

~~Based on the above table, the financial advisor is of the opinion that the Company's VIF should be based on the VIF that the independent financial advisor has rebased according to the Company's performance as of 30 June 2014. The Company's net VIF as of 30 June 2014 is valued at Baht 7,952 million, equivalent to Baht 119.58 per share. The VIF combined with the adjusted net worth calculated above yields an embedded value of Baht 24,046 million, equivalent to Baht 361.61 per share.~~

13. Part 4 Additional Information of the Tender Offer, Page 35 Method 5, Actuarial Valuation Approach Based on Embedded Value and Value of New Business

This valuation method is based on the actuarial approach. The financial advisor has based its valuation on the independent financial advisor report Disclosure of IFA Opinion on Proposed Delisting to the Company's shareholders, which is a valuation as of 30 June 2014.

The Company's value based on the Actuarial approach is calculated as follow:

Company value based on the Actuarial approach = Adjusted net worth (ANW) and Value of in-force business (VIF) (Embedded value) + Value of new business (VoNB)

The embedded value is calculated and consists of the items listed in clause 4.2 above. The value of new business is calculated as follow:

5.1 Value of New Business ("VoNB")

The VoNB is the present value of future after-tax distributable earnings from policies the Company expects to sell in the future. The VoNB is calculated based on the Company's ability to generate sales through both new and existing channels. The independent financial advisor has calculated the VoNB as of 30 June 2014 based on the same assumptions used in calculating the VIF.

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The VoNB consists of two key components: (1) value of 1 year's new business ("1Y VoNB") and (2) Multiplier.

$$\text{Value of new business (VoNB)} = \text{Value of 1 year's new business (1Y VoNB)} \times \text{Multiplier}$$

- (1) **Value of 1 Year's New Business (1Y VoNB):** 1Y VoNB is the present value of after-tax distributable earnings that the Company expects to generate in the forward 12 months (earnings the Company expects to generate from 30 June 2013 to 30 June 2014). The independent financial advisor has conducted this appraisal based on the same assumptions used in assessing the value of in-force business. Details of the 1Y VoNB appraisal is as follow:

Unit: Baht Million	31 Dec-56 (Reported)	31 Dec-56 (Rebased)	30 Jun 5714 (Rebased)	Percent difference between 30-Jun 2014 and 31 Dec-2013 (Rebased)
1Y VoNB	5,087	5,258	6,230	48.5
Less: Cost of Capital	(682)	(818)	(1,455)	(77.9)
1Y VoNB – net	4,405	4,440	4,775	7.6

Source: Independent financial advisor report on Disclosure of IFA Opinion on Proposed Delisting issued to the Company's shareholders by E&Y Corporate Services Company Limited dated 18 September 2014

Note: The independent financial advisor arrived at the net VIF by subtracting the cost of capital from the VIF. The cost of capital is the cost of maintaining the Company's capital reserves accounted for associated risks. Such cost is calculated based on estimated capital reserves as of 30 June 2014, deducted by (1) the investment returns of capital reserves, (2) decrease in capital reserves and (3) tax payable. The independent financial advisor assumes that the Company would maintain its required capital ratio at 250 percent.

Based on the above table, ~~the financial advisor is of the opinion that the VoNB used in the valuation should be based the rebased 1Y VoNB - net~~ as of 30 June 2014, which is valued at Baht 4,775 million, equivalent to Baht 71.80 per share.

- (2) **Multiplier:** The financial advisor has assumed the 1Y VoNB to grow at a rate of 15 percent the first year, grow at a decelerating rate of 2.5 percent per year in years 2 – 5 and grow at a rate of 5 percent afterwards until year 10. The value of the multiplier based on this assumption is as follow:

Multiplier at each Risk Discount Rate (Risk Discount Rate, Percent)		
11	12	13
9.1x	8.7x	8.3x

Details of Key Assumptions

The financial advisor has analyzed public information, information from the Company's management and information from other sources in its calculation of the multiplier with details as follow:

Growth of 1Y VoNB: From 2011-2013, the Company generated 83.6, 86.5 and 86.4 percent of its total sales, respectively, through bancassurance channels and is likely to increase its sales through this channel in the future. After having considered the Bank's business rationales based on the incomplete life insurance product offerings to fulfill its

clients' demands and the fact that the Bank has signed a memorandum of understanding (MOU) with ACE Life Assurance Public Company Limited on 30 October 2014, the financial advisor is of the opinion that competition in the life insurance industry will intensify, pressuring players in the industry to compete mainly through bancassurance channels. Therefore, it is likely that the Bank will begin selling greater portions of life insurance products from other insurers other than the Company's, resulting in slower growth in the Company's life insurance premium in the future.

The financial advisor has assessed the above mentioned facts and rationales, which should cause a decline in the rate of growth due to the tendency of greater sales portion of life insurance products from other life insurers, as well as the growth prospect of the life insurance business based on the growth rate of value of new business from the industry's and the Company's historical growth rate released in the independent financial advisor's report on Disclosure of IFA Opinion on Proposed Delisting issued to the Company's shareholders by E&Y Corporate Services Company Limited dated 18 September 2014. The life insurance industry in Thailand has grown at an average rate of 13.0 percent per year from 2009 to 2013 (calculated based on annualized premium equivalent), bancassurance sales has grown approximately 17.0 percent per annum during the same period, sales through representatives increased approximately 10.0 percent per annum and the Company's premium growth rate from 2009 to 2013 has increased at an average rate of 7.5 percent per year during the same period. Assumptions of 1Y VoNB growth are as follow:

- 1Y VoNB growth in the first year of 15.0 percent based on the proportion of bancassurance sales of approximately 80.0 percent, which is lower than historical periods due to the tendency of greater sales portion of life insurance products from other life insurers, and the expected growth rate of Thailand's life insurance industry through bancassurance sales and sales representatives of 17.0 percent and 10.0 percent, respectively
- 1Y VoNB to grow at a decelerating rate of 2.5 percent per annum during years 2 – 5 (12.5 percent in year 2, 10.0 percent in year 3, 7.5 percent in year 4 and 5.0 percent in year 5), which reflects the Company's declining proportion of the Company's bancassurance sales and the Company's declining overall growth due to stiffer competition
- 1Y VoNB growth of 5.0 percent per year from year 6 – 10, which is lesser than the Company's growth rate from 2009 to 2013 due to the tendency of greater sales portion of life insurance products from other life insurers which should cause the Company to grow at a slower rate in the long term

Length of new business: The financial advisor has forecasted the Company's new business generation for 10 years. In general, forecasts used in valuation of life insurance companies are carried out for 7 – 15 years.

Risk discount rate: The financial advisor has assumed a ~~common~~ risk discount rate commonly used in the valuation of life insurance businesses in calculating the multiplier of 11 – 13 percent, which is a risk discount rate used to calculate the multiplier that incorporates all related factors, including the risks and uncertainties of the rate of growth of the 1Y VoNB.

Based on the above key assumptions, the financial advisor has calculated a range of multiplier for the Company's new business of 8.3x to 9.1x.

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The financial advisor calculated the Value of New Business as follows:

Value of New Business (VoNB) = Value of 1 Year's New Business (1Y VoNB) x Multiplier

Value of New Business (VoNB) (Baht per Share) at each Risk Discount Rate (Risk Discount Rate, Percent)			
Risk Discount Rate	11	12	13
Multiplier	9.1x	8.7x	8.3x
1Y VoNB – net	71.80	71.80	71.80
Value of New Business (VoNB)	653.42	624.70	595.98

The Company's value based on the Actuarial approach is calculated as follow:

Company value based on the Actuarial approach = Adjusted net worth (ANW) and Value of in-force business (VIF) (Embedded value) + Value of new business (VoNB)

Company Value Based on the Actuarial Approach (ANW + VIF + VoNB) (Baht per share) at each Risk Discount Rate (Risk Discount Rate, Percent)			
Risk Discount Rate	11	12	13
Value of Adjusted Net Worth (ANW)	242.03	242.03	242.03
Value of In-Force Business (VIF)	119.58	119.58	119.58
Value of New Business (VoNB)	653.42	624.70	595.98
Company value based on the Actuarial Approach	1,015.03	986.31	957.59

The Actuarial Valuation approach based on embedded value and value of new business, using a multiplier range of 8.3x to 9.1x, yields a price range of Baht 957.59 – 1,015.03 per share. The financial advisor is of the opinion that this is an appropriate valuation approach for the Company because it is a common valuation method for insurance companies and reflects the key aspects of insurance businesses. In addition, this approach takes into account the Company's future direction and outlook, which is more relevant than the Company's historical performance.

14. Part 4 Additional Information of the Tender Offer, Page 38 Method 6, Dividend Discount Model

The Dividend Discount Model valuation approach reflects the company's future operational performance and its ability to pay dividends by taking into account the Company's business fundamentals according to past operational performance and future business outlook.

This valuation approach is carried out by calculating the net present value of the Company's future dividend payments, derived from future dividend payout ratio estimates for the next 10 years and the terminal value estimate, by discounting it with the cost of equity (Ke). Following are details of assumptions used in this valuation approach:

Discount Rate

The discount rate used in calculating the present value of future dividend payments is the cost of equity (Ke), calculated using the Capital Asset Pricing Model (CAPM) as described below:

Cost of Equity (Ke)	=	$R_f + \beta(R_m - R_f)$
Risk free rate (Rf)	=	Rf is the bid yield on the 10-year government bond, which stands at 3.49 percent as of 14 May 2014 (Source:

(Unofficial Translation)

		Bloomberg)
Beta (β)	=	Risk return coefficient between investors' expected return on the stock market, based on the SET 50 index, and the Company's 2-year historical weekly stock price on 14 May 2014, which stands at 0.762 (Source: Bloomberg)
Market Return (Rm)	=	Expected rate of return on the stock market that investors expect to receive in the future, based on the cumulative risk from investing in a country or region. This value as of 14 May 2014 stands at 12.30 percent (Source: Bloomberg) ¹
The above assumptions yield a Ke of 10.20 percent		

Note: 14 May 2014 is the business day before the Board of Directors of the Company resolves to propose for consideration by the general shareholders' meeting the delisting of the Company's shares from the SET

¹The field used to acquire the data on Bloomberg is country_risk_premium from Bloomberg

Terminal Value

The Company's terminal value is derived by multiplying the Company's net book value by the appropriate P/BV ratio. The financial advisor adopted the Warranted Equity Method ("WEM") in calculating the appropriate P/BV ratio. The WEM method is the commonly used approach in calculating the P/BV ratio of financial institutions, including life insurance companies, as it incorporates key operational metrics of financial institutions, namely the return on equity (RoE). The WEM calculation is based on the difference between the Company's forecasted RoE and the cost of equity (Ke). If the RoE is greater than the Ke, the value of the Company should be greater than the value of shareholder's equity by the number of times of the resulting P/BV ratio. The detail of the WEM calculation is as follow:

$$\text{WEM P/BV} = (\text{RoE} - g) / (\text{Ke} - g)$$

In its calculation, the financial advisor assumed a terminal year forecasted RoE of 20.6 percent, long-term growth rate of 0.0 percent, which reflects the tougher competition and the growth opportunity of the life insurance business after the 10 year forecasted period, and cost of equity of 10.20 percent, which result in a P/BV of 2.02x.

Details of key assumptions used in the financial advisor's financial forecast

A 10 year financial forecast of the Company has been conducted, from 2015 to 2024, based on the Company's historical performance, current industry situation, and economic and industry outlook, which may somewhat differ from the independent financial advisor's forecast in appraising the VIF. This is due to the limited information available to the financial advisor, which based the forecast mainly on public information. Details of the financial assumptions are as follow:

Key assumptions

Insurance Premium: The financial advisor estimated the growth rate of insurance premium by considering the fact that the Bank is currently working on expanding its life insurance product offerings to meet the increasing demand

of its clients, so can be seen from its recent signing of the Memorandum of Understanding (MOU) with Ace Life Assurance Public Company Limited on 30 October 2014. The financial advisor is of the opinion that competition in the life insurance industry is intensifying, pressuring players in the industry to compete mainly through bancassurance channels. Therefore, it is likely that the Bank will begin selling greater portions of life insurance products from other providers other than the Company's, resulting in slower growth in the Company's life insurance premium in the future. For this reason, the financial advisor has estimated the Company's insurance premium to grow 15 percent in the first year, grow at a decelerating rate of 2.5 percent in years 2 – 5 and increase 5 percent annually afterwards until year 10.

Investment Rate of Return: The financial advisor based its investment rate of return assumption on the Company's historical investment rate of return from 2011-2013, which averages at 5.3 percent, and the investment rate of return outlook, which is likely to decrease. Therefore, the financial advisor has assumed an investment rate of return of 4.5 percent per annum.

Claim Ratio: The financial advisor based its claim ratio assumption on the Company's historical claim ratio from 2011-2013, which averages at 94.3 percent. The financial advisor is of the opinion that the claim ratio of 94.3 percent is appropriate and reflects the expense's outlook.

Operating Expense Ratio: The financial advisor based its operating expense ratio assumptions on the Company's historical result from 2011-2013, which decreased from 7.58 percent in 2011 to approximately 5.45 percent in 2012-2013. The financial advisor is of the opinion that the operating expense ratio of 5.45 percent is an appropriate assumption that reflects the expense's outlook. Combining the claim ratio and operating expense ratio yields a claim ratio of 99.8 percent.

Reserves to Gross Written Premium Ratio: The financial advisor based its reserves to gross written premium ratio on the Company's past reserves to gross written premium ratio from 2011-2013, which averages at 255.2 percent. The financial advisor assumes such ratio to be 250.0 percent going forward.

Dividends: The financial advisor based its dividend assumption on the Company's past dividend payout ratio from 2011-2013, which averages at 47.0 percent. The financial advisor assumes a dividend payout ratio of 50.0 percent from the Company's net income in each period. The financial advisor has considered the suitability of dividend payments, which should be paid when the Company's reserve is in an appropriate level so that such payments would not have a negative effect on the Company's future business performance.

Dividend Payout Ratio and Reserve Ratios of SCB Life Assurance Public Company Limited

(Unit: Percent)	2011	2012	2013
Dividend Payout Ratio	19	58	63
Capital Fund/Reserve Ratio	315	294	282
Invested Assets/Reserve Ratio	112	103	109

Source: The Company

Based on the above explanations, the financial advisor's assumptions can be concluded as follow:

(Unofficial Translation)

(Unit: Percent)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Gross Written Premium Growth	15.0	12.5	10.0	7.5	5.0	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>	5.0
Underwriting Expense Ratio	94.3	94.3	94.3	94.3	94.3	<u>94.3</u>	<u>94.3</u>	<u>94.3</u>	<u>94.3</u>	94.3
Operating Expense Ratio	5.5	5.5	5.5	5.5	5.5	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	5.5
Total Expense Ratio	99.8	99.8	99.8	99.8	99.8	<u>99.8</u>	<u>99.8</u>	<u>99.8</u>	<u>99.8</u>	99.8
Investment Yield	4.5	4.5	4.5	4.5	4.5	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>	4.5
Reserves to Gross Written Premium Ratio	250.0	250.0	250.0	250.0	250.0	<u>250.0</u>	<u>250.0</u>	<u>250.0</u>	<u>250.0</u>	250.0
Dividend Payout Ratio	50.0	50.0	50.0	50.0	50.0	<u>50.0</u>	<u>50.0</u>	<u>50.0</u>	<u>50.0</u>	50.0

From the above assumptions, the Company's financial forecast can be concluded as follow:

(Unit: Baht million)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cash and cash equivalents	9,188	10,337	11,370	12,223	12,834	<u>13,476</u>	<u>14,150</u>	<u>14,857</u>	<u>15,600</u>	16,380
Investments assets	158,083	178,640	197,806	214,541	227,866	<u>241,903</u>	<u>256,689</u>	<u>272,261</u>	<u>288,660</u>	305,929
Total assets	171,016	192,722	212,921	230,509	244,445	<u>259,124</u>	<u>274,583</u>	<u>290,863</u>	<u>308,005</u>	326,053
Insurance reserves	150,390	169,188	186,107	200,065	210,069	<u>220,572</u>	<u>231,601</u>	<u>243,181</u>	<u>255,340</u>	268,107
Total liabilities	154,344	173,143	190,061	204,020	214,023	<u>224,526</u>	<u>235,555</u>	<u>247,135</u>	<u>259,294</u>	272,061
Total equity	16,672	19,579	22,860	26,489	30,422	<u>34,598</u>	<u>39,028</u>	<u>43,728</u>	<u>48,711</u>	53,993
Net premium earned	59,503	66,941	73,635	79,157	83,115	<u>87,271</u>	<u>91,635</u>	<u>96,216</u>	<u>101,027</u>	106,078
Net investment income	6,171	7,114	8,039	8,901	9,654	<u>10,254</u>	<u>10,886</u>	<u>11,551</u>	<u>12,252</u>	12,990
Total income	65,724	74,104	81,724	88,109	92,820	<u>97,575</u>	<u>102,570</u>	<u>107,817</u>	<u>113,329</u>	119,118
Underwriting expense	56,133	63,149	69,464	74,674	78,408	<u>82,328</u>	<u>86,444</u>	<u>90,767</u>	<u>95,305</u>	100,070
Operating expense	3,278	3,688	4,057	4,361	4,579	<u>4,808</u>	<u>5,049</u>	<u>5,301</u>	<u>5,566</u>	5,845
Total expense	59,411	66,837	73,521	79,035	82,987	<u>87,136</u>	<u>91,493</u>	<u>96,068</u>	<u>100,871</u>	105,915
Net income	5,050	5,814	6,562	7,259	7,866	<u>8,351</u>	<u>8,862</u>	<u>9,400</u>	<u>9,966</u>	10,563

Details of the Company's dividend discount valuation are as follow:

(Unit: Baht million)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net Income	5,050	5,814	6,562	7,259	7,866	<u>8,351</u>	<u>8,862</u>	<u>9,400</u>	<u>9,966</u>	10,563
Dividends	2,525	2,907	3,281	3,629	3,933	<u>4,175</u>	<u>4,431</u>	<u>4,700</u>	<u>4,983</u>	5,281
Present value of dividends discounted at 10.2 percent	2,292	2,393	2,451	2,461	2,420	<u>2,331</u>	<u>2,245</u>	<u>2,161</u>	<u>2,079</u>	1,999
Terminal value (Based on P/BV ratio of 2.02x)	41,287									
Net present value	64,120									
Number of shares outstanding (million)	66.5									
Value per share (Baht per Share)	964.20									

The Company's value based on the Dividend Discount Model approach is Baht 964.20 per share. However, since the Dividend Discount Model valuation approach is based on various assumptions derived from the Company's historical performance and its future outlook, any changes in the Company's future outlook may have a significant impact on the above assumptions. Therefore, the financial advisor has conducted a sensitivity analysis of the

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Company's value based on discount rates that are equivalent to the cost of equity of 9.0 to 11.0 percent to demonstrate the risk of the Company's financial forecast while consistent with the cost of equity of 10.20 percent, derived using the Capital Asset Pricing Model as mentioned earlier. The P/BV ratio of 1.92x to 2.12x used in this sensitivity analysis reflects the Company's terminal value used in the valuation. Details of the sensitivity analysis are as follow:

		Discount Rate (Percent)		
		9.0	10.0	11.0
P/BV (x)	1.92	1,026.46	947.64	882.50
	2.02	1,060.91	978.94	911.22
	2.12	1,095.35	1,010.24	939.94

Based on the above sensitivity analysis, the dividend discount valuation approach yields the Company's values of Baht 882.50 – 1,095.35 per share. The financial advisor is of the opinion that this is an appropriate valuation method because it can take into account the Company's future direction and outlook, which is more relevant than the Company's historical performance.

Please kindly be informed

Respectfully yours,

Mrs. Kannikar Chalitaporn

(Mrs. Kannikar Chalitaporn)

President

The Siam Commercial Bank Public Company Limited

The Offeror

Mr. Suthipat Serirat

(Mr. Suthipat Serirat)

First Executive Vice President

The Siam Commercial Bank Public Company Limited

Tender Offer Preparer