

Part 2

Management and Corporate Governance

7. Securities and Shareholder Information

7.1 Registered and Paid-up capital

(1) Registered and paid-up capital as of December 31, 2019 comprising of :

Registered capital : Baht 8,007,032,950

(Eight billion seven million thirty-two thousand and nine hundred and fifty Baht)

Paid-up capital : Baht 8,006,554,830

(Eight billion six million five hundred and fifty four thousand eight hundred and thirty Baht) comprised of

800,645,624 common shares (Eight hundred million six hundred forty five thousand six hundred and twenty-four shares) and

9,859 preferred shares (Nine thousand eight hundred and fifty nine shares)

at par value of 10.00 Baht per share.

(2) Other Securities

Preferred Shares

The preferential rights of the preferred shares were expired on June 30, 2009. Thus, since July 1, 2009, the rights and benefits of preferred shares were equal to those of common shares in all aspects.

The issuance of Warrants with Non-Voting Depository Receipts (NVDRs)

As of January 8, 2020, Thai NVDR Co., Ltd., a subsidiary wholly owned by the SET, issued Non-Voting Depository Receipts (NVDRs) which have the Company's shares as underlying securities totaling 96,555,815 shares, or 12.06% of paid-up capital, consisting of 96,548,515 common shares and 7,300 preferred shares. Although all financial benefits received by NVDR investors are similar to the benefits from the Company's shares, NVDR investors shall have no voting rights in shareholder meetings except in case of a delisting decision. Therefore, if a great number of the Company shares are sold to investors as NVDRs, the number of shares with voting rights will be lessened.

Moreover, the number of NVDRs is subject to change and is not under control by the Company. Investors can obtain records of the Company's NVDRs from the website of the Stock Exchange of Thailand (www.set.or.th).

7.2 Shareholders

(1) The Company's Major Shareholders

The top 10 major shareholders whose names appeared in the share registration book as of January 8, 2020, are as follows.

No.	Shareholders	Outstanding stock			
		Common Stock	Preferred Stock	Total Stock	Percentage
1	THAI NVDR CO., LTD.	96,548,515	7,300	96,555,815	12.06
2	CDIB & PARTNERS INVESTMENT HOLDING PTE.LTD.	80,065,320	-	80,065,320	10.00
3	STATE STREET EUROPE LIMITED	53,979,130	-	53,979,130	6.74
4	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	48,338,805	-	48,338,805	6.04
5	TOKYO CENTURY CORPORATION	39,482,767	-	39,482,767	4.93
6	KRUNGSRI DIVIDEND STOCK LTF	24,649,500	-	24,649,500	3.08
7	BNY MELLON NOMINEES LIMITED	16,402,986	-	16,402,986	2.05
8	SOCIAL SECURITY FUND	14,862,530	-	14,862,530	1.86
9	KRUNGSRI DIVIDEND STOCK FUND	13,308,650	-	13,308,650	1.66
10	MR. PRASERT VIRASATHIENPORNKUL	12,277,100	-	12,277,100	1.53
TOTAL SHAREHOLDING OF TOP 10 MAJOR SHAREHOLDERS		399,915,303	7,300	399,922,603	49.95
OTHER SHAREHOLDERS		400,730,321	2,559	400,732,880	50.05
GRAND TOTAL		800,645,624	9,859	800,655,483	100.00

Remarks:

- State Street Europe Limited and South East Asia UK (Type C) Nominees Limited are Global Custodians, keeping securities for customers who are end beneficiaries. No customer holds more than 5%
- CDIB & Partners Investment Holding Pte. Ltd. is 100% owned by CDIB & Partners Investment Holding Corporation via CDIB & Partners Investment Holding (Cayman) Limited. CDIB & Partners Investment Holding Corporation is 33.6% owned by China Development Industrial Bank (Taiwan) who holds 100% by China Development Financial Holding Corporation (Taiwan), listed company in Taiwan Stock Exchange.

(2) Subsidiary Company operated as core business of the Group

Details of TISCO Bank Public Company Limited which Subsidiary Company operated as Core Company of the Group

(2.1) Registered and paid-up capital as of December 31, 2019 comprising of:

Registered capital : Baht 9,215,676,920

(Nine billion two hundred fifteen million six hundred seventy six thousand nine hundred and twenty Baht)

Paid-up capital : Baht 9,215,676,920

(Nine billion two hundred fifteen million six hundred seventy six thousand nine hundred and twenty Baht) comprised of

921,567,588 common shares (Nine hundred twenty one million five hundred sixty seven thousand five hundred and eighty eight common shares) and

104 preferred shares (One hundred and four preferred shares)

at par value of 10.00 Baht per share.

(2.2) Major Shareholders of the Company

The top 10 major shareholders of TISCO Bank Public Company Limited, whose names appeared in the share registration book as December 27, 2019, were as follow.

No.	Shareholders	Outstanding stock			
		Common Stock	Preferred Stock	Total Stock	Percentage
1	TISCO Financial Group Public Company Limited	921,452,629	-	921,452,629	99.99
2	Mr. Kittichai Kraikorkit	30,247	-	30,247	0.00
3	Ms. Pomsuk Pornprapa	8,100	-	8,100	0.00
4	Ms. Supavadee Piyamongkolvong	6,000	-	6,000	0.00
5	Ms. Rachit Kowattanakul	6,000	-	6,000	0.00
6	Mr. Suchart Tangkvivij	5,000	-	5,000	0.00
7	BANK JULIUS BAER & CO., LTD.	4,800	-	4,800	0.00
8	Mr. Pracha Leelaprachakul	3,624	-	3,624	0.00
9	Mr. Songrit Kongpipatchaisiri	3,000	-	3,000	0.00
10	Mr. Prapat Srinuwattiwong	3,000	-	3,000	0.00
TOTAL SHAREHOLDING OF TOP 10 MAJOR SHAREHOLDERS		921,522,400	-	921,522,400	100.00
OTHER SHAREHOLDERS		45,188	104	45,292	0.00
GRAND TOTAL		921,567,588	104	921,567,692	100.00

Reference was made to the Holding Company Restructuring plan of TISCO group. TISCO Financial Group Public Company, as the parent company of TISCO Group, was approved by the Bank of Thailand to hold 100% of TISCO Bank's total paid-up shares.

(3) The company enters into shareholders' agreement with effect to security offering and issuance or management power of the company.

None

7.3 Other Securities

7.3.1 Debentures issuance

The Company

As of December 31, 2019, TISCO Financial Group Public Company Limited has unsubordinated, unsecured, without bond holders' representation short-term debenture with interest rate of 1.50%-1.85% per annum. The total outstanding debenture was at 6,300 million baht.

Subsidiary and Affiliate Companies

As of December 31, 2019 TISCO Bank Plc. has subordinated and unsubordinated debentures with total outstanding of 18,680 million baht. The details are provided as follows:

Name	Coupon Rate per annum (percentage)	Tenor (year)	Maturity Date	Issue Size (million baht)	Payment Date
1. The Debenture of TISCO Bank Plc. No. 3/2018 Tranche 1 Due 2020 (TISCO204A) Issuing Date: April 9, 2018 TRIS Issue Rating: "A"	1.65	2	April 9, 2020	4,000	Twice a year
2. The Debenture of TISCO Bank Plc. No. 4/2018 Tranche 1 Due 2020 (TISCO205B) Issuing Date: May 21, 2018 TRIS Issue Rating: "A"	1.75	2	May 21, 2020	6,000	Twice a year
3. The Debenture of TISCO Bank Plc. No. 5/2018 Tranche 1 Due 2020 (TISCO208B) Issuing Date: August 10, 2018 TRIS Issue Rating: "A"	2.05	2	August 10, 2020	2,000	Twice a year
4. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 1/2015 Due 2025 (TISCO256A) with the Issuer's right to early redeem, which may be required to be written off (fully or partially) when the regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: June 5, 2015	4.50	10	June 5, 2025	1,000	4 times a year
5. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 2/2015 Due 2025 (TISCO25DA) with the Issuer's right to early redeem, which may be required to be written off (fully or partially) when the regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: December 17, 2015	4.25	10	December 17, 2025	1,000	4 times a year
6. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 1/2016 Due 2026 (TISCO268A) with the Issuer's right to early redeem, which may be required to be written off (fully or partially) when the regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: August 10, 2016	3.875	10	August 10, 2026	680	4 times a year
7. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 1/2017 Due 2027 (TISCO272A) with the Issuer's right to early redeem, which may be required to be written off (fully or partially) when the regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: February 23, 2017	4.00	10	February 23, 2027	1,000	4 times a year
8. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 2/2017 Due 2027 (TISCO27NA) with the Issuer's right to early redeem, which may be required to be written off (fully or partially) when the regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: November 15, 2017	3.70	10	November 15, 2027	600	4 times a year
9. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 1/2019 Due 2029 (TISCO292A) with	4.00	10	February 1, 2029	1,200	4 times a year

Name	Coupon Rate per annum (percentage)	Tenor (year)	Maturity Date	Issue Size (million baht)	Payment Date
the Issuer's right to early redeem, which may be required to be written off (fully or partially) when the regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: February 1, 2019					
10. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 2/2019 Due 2029 (TISCO292B) with the Issuer's right to early redeem, which may be required to be written off (fully or partially) when the regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: February 22, 2019	4.00	10	February 22, 2029	1,200	4 times a year

Subsidiary Companies

As of December 31, 2019, TISCO Bank had outstanding short-term bills of exchange totaled 36.92 million baht with 2.50% coupon rate, all in forms of callable bill of exchange.

As of December 31, 2019, Hi-Way Company Limited had outstanding short-term bill of exchange totaled 2,210 million baht with 2.00% coupon rate, all in forms of callable bill of exchange.

Affiliate Companies

As of December 31, 2019, TISCO Tokyo Leasing had outstanding subordinated and unsubordinated debentures issued and offered totaled 1,500 million baht, guaranteed by Century Tokyo Leasing Corporation which is the company established under Japanese law.

Name	Coupon Rate per annum (percentage)	Tenor (year)	Maturity Date	Issue Size (million baht)	Payment Date
Guaranteed debenture of TISCO Tokyo Leasing Co., Ltd. No. 1/2017 with maturity date in 2020 TRIS Issue Rating: "AAA"	2.20	3	July 27, 2020	1,500	Twice a year

7.4 Dividend Policy

The Company

The Company's dividend payment shall be made in accordance with the Articles of Association which states that no dividend shall be paid out of any money other than profits. In the event that the Company has an accumulated loss or cannot retain regulatory capital requirements after dividend payment, no dividend shall be paid.

Dividends shall be paid equally according to the number of shares, unless otherwise specified in the Articles of Association regarding dividend for preferred shares. Payment of dividends shall be subject to shareholder approval.

The Company shall pay dividends at the rate approximately 50% or more of net profit of each year, after appropriation of statutory reserve, subject to the current Company financial performance, long-term capital adequacy, capital expenditure requirements, business strategies, and provided that such dividend will have no impact on the Company's subsidiary's status as a Qualifying Bank under the definition of the Bank of Thailand.

The Board of Directors may from time to time pay interim dividends when it is clear that the Company has sufficient profit.

Subsidiary Companies

Subsidiary and affiliate companies' dividend will be the major source of income of TISCO Financial Group Plc. ("the Company"). Each and every subsidiary and affiliate companies shall make dividend payments as advised by the Company. The considering was based on financial performance, long-term capital adequacy, capital expenditure requirements, and business strategies of each company. For TISCO Bank ("The Bank"), the Bank shall pay dividends at the appropriate rate to ensure that after the dividend payment, the Bank BIS ratio will be maintained above 12% to satisfy the Bank of Thailand's criteria for Qualified Bank.

The Board of Directors of each subsidiary and affiliate companies may from time to time pay interim dividends when it has sufficient profit.