

Tisco Financial Group (TISCO TB) - BUY, Price Bt98.75, TP Bt109**Results Comment**

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Profits were in-line

- TISCO reported 4Q24 profits of Bt1.7bn, down 4% y-y and 1% q-q. 2024's profits were Bt6.9bn, down 6% y-y. Profits were 100% of our full-year forecast.
- TISCO has not announced final dividends but the company remains committed with high dividend payment. We re-iterate BUY on high yield angle.
- Profits were down on weak loans and increased provisions.
- NPLs were under good control but this was compensated by loan contraction as it opted for more selective lending.
- NIM pressures have subsided with funding costs stabilizing from 3Q24. Meanwhile, a shift toward high-yield loans led to impressive expansion in lending yield and we expect this to continue.
- For 2025, TISCO will slow down the expansions of SOMWANG branches. The group looks for positive loan growth with continued focus on high-yield segments.
- Provisions are still on the rise due to normalization purpose. Credit costs are guided to rise from 0.6% from 2024 to 1-1.2% this year. The bank expects the costs to be alleviated by the debt relief plans.
- The company will undergo effective cost management to minimize adverse impact of rising credit costs to bottom line.

Income Statement (consolidated)						Income Statement 12M as					
Yr-end Dec (Bt m)	4Q23	1Q24	2Q24	3Q24	4Q24	(Bt m)	q-q%	y-y%	% 2024F	2024A	2025F
Interest & dividend income	4,776	4,774	4,744	4,749	4,746	Interest & dividend income	(0)	(1)	98	19,014	19,602
Interest expense	1,273	1,378	1,357	1,364	1,345	Interest expense	(1)	6	98	5,444	5,233
Net interest income	3,502	3,395	3,387	3,385	3,402	Net interest income	0	(3)	97	13,570	14,369
Non-interest income	1,262	1,298	1,543	1,395	1,387	Non-interest income	(1)	10	103	5,623	5,234
Total income	4,765	4,693	4,931	4,781	4,788	Total income	0	0	99	19,193	19,603
Operating expense	2,353	2,263	2,356	2,292	2,345	Operating expense	2	(0)	98	9,256	9,361
Pre-provisioning profit	2,412	2,430	2,575	2,488	2,443	Pre-provisioning profit	(2)	1	100	9,937	10,243
Provision for bad&doubtful debt	187	279	401	359	337	Provision for bad&doubtful debt	(6)	80	105	1,376	1,516
Profit before tax	2,225	2,151	2,174	2,130	2,106	Profit before tax	(1)	(5)	99	8,562	8,726
Tax	442	428	428	423	415	Tax	(2)	(6)	98	1,694	1,745
Profit after tax	1,783	1,724	1,746	1,707	1,691	Profit after tax	(1)	(5)	99	6,868	6,981
Equity income	(3)	10	7	7	11	Equity income	53	neg	106	34	35
Minority interests	(0)	(0)	(0)	(0)	(0)	Minority interests	neg	neg	86	(0)	(0)
Extra items	-	-	-	-	-	Extra items	neg	neg	-	-	-
Net profit	1,780	1,733	1,753	1,713	1,702	Net profit	(1)	(4)	100	6,901	7,016
Normalized profit	1,780	1,733	1,753	1,713	1,702	Normalized profit	(1)	(4)	100	6,901	7,016
PPP/share (Bt)	3.0	3.0	3.2	3.1	3.1	PPP/share (Bt)	(2)	1	100	12.4	12.8
EPS (Bt)	2.2	2.2	2.2	2.1	2.1	EPS (Bt)	(1)	(4)	100	8.6	8.8
Norm EPS (Bt)	2.2	2.2	2.2	2.1	2.1	Norm EPS (Bt)	(1)	(4)	100	8.6	8.8
BV/share (Bt)	53.0	55.2	51.6	51.8	53.8	BV/share (Bt)	4	1	54	53.8	54.9

Balance Sheet (consolidated)						Financial Ratios (%)					
Yr-end Dec (Bt m)	4Q23	1Q24	2Q24	3Q24	4Q24		4Q23	1Q24	2Q24	3Q24	4Q24
Cash and Interbank	49,408	40,710	39,781	39,159	40,684	Gross loan growth (YTD)	7.2	0.2	(0.6)	(2.1)	(1.1)
Other liquid items	2,082	2,123	2,350	2,626	2,615	Gross loan growth (q-q)	1.3	0.2	(0.8)	(1.5)	1.0
Total liquid items	51,490	42,833	42,131	41,785	43,299	Deposit growth (YTD)	10.8	(0.0)	(0.9)	(1.9)	(1.0)
Gross loans and accrued interest	236,744	237,168	235,388	231,886	234,085	Deposit growth (q-q)	3.9	(0.0)	(0.8)	(1.0)	0.9
Provisions	9,916	9,498	9,269	8,938	8,486	Non-interest income (y-y)	(15.3)	(5.5)	17.5	12.6	9.8
Net loans	226,828	227,669	226,119	222,948	225,598	Non-interest income (q-q)	1.9	2.8	18.9	(9.6)	(0.6)
Fixed assets	3,205	3,210	3,207	3,199	3,161	Fee income / Operating income	26.3	24.9	25.0	26.4	27.4
Other assets	4,997	4,482	4,713	5,001	4,409	Cost-to-income	49.4	48.2	47.8	47.9	49.0
Total assets	290,724	282,405	280,601	277,580	281,877	Net interest margin	4.96	4.74	4.81	4.85	4.86
Deposits	208,645	208,587	206,823	204,754	206,537	Credit cost	0.32	0.47	0.69	0.62	0.58
Interbank	8,506	9,552	10,261	10,203	10,665	ROE	17.2	16.0	16.4	16.6	16.1
Other liquid items	237	270	259	156	239	Loan-to-deposit	112.5	112.8	112.9	112.3	112.4
Total liquid items	217,388	218,409	217,344	215,112	217,441	Loan-to-deposit + S-T borrowing	112.5	112.7	112.9	112.3	112.4
Borrowings	17,286	6,176	7,876	6,831	8,076	NPLs (Bt m)	5,223	5,341	5,697	5,618	5,464
Other liabilities	13,602	13,612	14,031	14,168	13,315	NPL increase	10	118	356	(79)	(154)
Minority interest	3	3	3	3	3	NPL ratio	2.22	2.27	2.44	2.44	2.35
Shareholders' equity	42,445	44,205	41,348	41,465	43,042	Loan-loss-coverage ratio	189.9	177.8	162.7	159.1	155.3
Total Liabilities & Equity	290,724	282,405	280,601	277,580	281,877	CAR - total	22.4	20.9	20.6	20.9	20.5

Sources: Company data, Thanachart estimates

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