

Tisco Financial Group (TISCO TB) - HOLD, Price Bt100, TP Bt105**Results Comment**

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1Q25 profits met expectation

- TISCO reported 1Q25 net profit of Bt1.64bn, declining 5% y-y and 3% q-q, in line with expectations. Higher funding costs were offset by lower provisions. Profit made up 25% of our full-year forecast.
- Interest income declined 4% y-y and 3% q-q due to an 11bps drop in lending yield and a 0.4% q-q contraction in loans. Weak new car HP and auto cash loans, driven by slower domestic car sales and stricter lending, were key drags.
- Yield compression was split evenly between the policy rate cut and the "You Fight, We Help" debt relief program. 70% of TISCO's loan portfolio is on fixed interest rates, while the remaining corporate and SME loans are on floating rates. Meanwhile, 86% of deposits are fixed-rate and are expected to reprice downward over the next 12 months.
- About 6% of total loans (Bt13.7bn) were eligible under the program. As of 31 March 2025, 32% (Bt4.3bn) registered—55% title loans, 43% HP, 2% mortgage. Of this, 60% (Bt2.6bn) has been restructured, pressuring yields but containing asset quality risks.
- Credit cost was low at 0.7%, supported by slower loan growth. TISCO still sees upward pressure, but we believe normalized credit cost will likely remain below 1% in 2025.
- While the debt relief program will weigh on yields of participating clients, TISCO expects a net neutral impact on bottom-line profitability.

Income Statement (consolidated)						Income Statement 3M as					
Yr-end Dec (Bt m)	1Q24	2Q24	3Q24	4Q24	1Q25	(Bt m)	q-q%	y-y%	% 2025F	2025F	2026F
Interest & dividend income	4,774	4,744	4,749	4,746	4,589	Interest & dividend income	(3)	(4)	24	18,862	18,855
Interest expense	1,378	1,357	1,364	1,345	1,261	Interest expense	(6)	(9)	27	4,689	4,322
Net interest income	3,395	3,387	3,385	3,402	3,328	Net interest income	(2)	(2)	23	14,172	14,533
Non-interest income	1,298	1,543	1,395	1,387	1,342	Non-interest income	(3)	3	24	5,656	5,588
Total income	4,693	4,931	4,781	4,788	4,671	Total income	(2)	(0)	24	19,828	20,121
Operating expense	2,263	2,356	2,292	2,345	2,242	Operating expense	(4)	(1)	24	9,270	9,371
Pre-provisioning profit	2,430	2,575	2,488	2,443	2,429	Pre-provisioning profit	(1)	(0)	23	10,558	10,751
Provision for bad&doubtful debt	279	401	359	337	386	Provision for bad&doubtful debt	14	38	17	2,296	2,524
Profit before tax	2,151	2,174	2,130	2,106	2,043	Profit before tax	(3)	(5)	25	8,262	8,227
Tax	428	428	423	415	409	Tax	(1)	(4)	25	1,652	1,645
Profit after tax	1,724	1,746	1,707	1,691	1,634	Profit after tax	(3)	(5)	25	6,610	6,581
Equity income	10	7	7	11	9	Equity income	(10)	(0)	24	39	44
Minority interests	(0)	(0)	(0)	(0)	(0)	Minority interests	neg	neg	24	(0)	(0)
Extra items	-	-	-	-	-	Extra items	neg	neg	-	-	-
Net profit	1,733	1,753	1,713	1,702	1,643	Net profit	(3)	(5)	25	6,648	6,625
Normalized profit	1,733	1,753	1,713	1,702	1,643	Normalized profit	(3)	(5)	25	6,648	6,625
PPP/share (Bt)	3.0	3.2	3.1	3.1	3.0	PPP/share (Bt)	(1)	(0)	23	13.2	13.4
EPS (Bt)	2.2	2.2	2.1	2.1	2.1	EPS (Bt)	(3)	(5)	25	8.3	8.3
Norm EPS (Bt)	2.2	2.2	2.1	2.1	2.1	Norm EPS (Bt)	(3)	(5)	25	8.3	8.3
BV/share (Bt)	55.2	51.6	51.8	53.8	55.8	BV/share (Bt)	4	1	56	54.3	54.8

Balance Sheet (consolidated)						Financial Ratios					
Yr-end Dec (Bt m)	1Q24	2Q24	3Q24	4Q24	1Q25	(%)	1Q24	2Q24	3Q24	4Q24	1Q25
Cash and Interbank	40,710	39,781	39,159	40,684	38,968	Gross loan grow th (YTD)	0.2	(0.6)	(2.1)	(1.1)	(0.4)
Other liquid items	2,123	2,350	2,626	2,615	2,634	Gross loan grow th (q-q)	0.2	(0.8)	(1.5)	1.0	(0.4)
Total liquid items	42,833	42,131	41,785	43,299	41,602	Deposit grow th (YTD)	(0.0)	(0.9)	(1.9)	(1.0)	(0.1)
Gross loans and accrued interest	237,168	235,388	231,886	234,085	233,130	Deposit grow th (q-q)	(0.0)	(0.8)	(1.0)	0.9	(0.1)
Provisions	9,498	9,269	8,938	8,486	8,600	Non-interest income (y-y)	(5.5)	17.5	12.6	9.8	3.4
Net loans	227,669	226,119	222,948	225,598	224,530	Non-interest income (q-q)	2.8	18.9	(9.6)	(0.6)	(3.2)
Fixed assets	3,210	3,207	3,199	3,161	3,140	Fee income / Operating income	24.9	25.0	26.4	27.4	25.2
Other assets	4,482	4,713	5,001	4,409	4,851	Cost-to-income	48.2	47.8	47.9	49.0	48.0
Total assets	282,405	280,601	277,580	281,877	282,142	Net interest margin	4.74	4.81	4.85	4.86	4.72
Deposits	208,587	206,823	204,754	206,537	206,420	Credit cost	0.47	0.69	0.62	0.58	0.67
Interbank	9,552	10,261	10,203	10,665	10,441	ROE	16.0	16.4	16.6	16.1	15.0
Other liquid items	270	259	156	239	377	Loan-to-deposit	112.8	112.9	112.3	112.4	112.0
Total liquid items	218,409	217,344	215,112	217,441	217,238	Loan-to-deposit + S-T borrow ing	112.7	112.9	112.3	112.4	112.0
Borrow ings	6,176	7,876	6,831	8,076	6,676	NPLs (Bt m)	5,341	5,697	5,618	5,464	5,591
Other liabilities	13,612	14,031	14,168	13,315	13,528	NPL increase	118	356	(79)	(154)	128
Minority interest	3	3	3	3	3	NPL ratio	2.27	2.44	2.44	2.35	2.42
Shareholders' equity	44,205	41,348	41,465	43,042	44,698	Loan-loss-coverage ratio	177.8	162.7	159.1	155.3	153.8
Total Liabilities & Equity	282,405	280,601	277,580	281,877	282,142	CAR - total	20.9	20.6	20.9	20.5	20.7

Sources: Company data, Thanachart estimates

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