

Tisco Financial Group Pcl (TISCO TB) - HOLD, Price Bt99, TP Bt100 | Results Comment

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2Q25 profits were in-line

- TISCO's 2Q25 net profit was in line with our forecast but 6% above consensus. 1H25 earnings reached 51% of our full-year estimate. The bank is normalizing provisions after depleting its excess buffer and expects NIM to improve in 2H25. We continue to like TISCO for its high dividend yield and as a beneficiary of lower interest rates.
- The 6% y-y decline was driven by higher credit costs (1.0% vs 0.67% in 1Q25 and 0.69% in 2Q24) and yield compression from policy rate cuts and Bt100m in foregone interest from Bt4bn loans under the You Fight, We Help (YFWH) program.
- Flat q-q earnings were supported by higher mark-to-market investment gains, stronger fee income, Bt40m in FIDF rebate, and well-controlled opex.
- TISCO adopted a more cautious stance, slowing high-yield but high-risk auto cash loans, which contracted 0.4% q-q and 1.2% YTD. Overall loan growth of 2% q-q was led by corporate, inventory financing, and HP loans. Within HP, new/used/motorcycle loans rose 0.2%/1.4%/3.3% q-q.
- Asset quality remained broadly stable, with NPLs rising slightly q-q and the NPL ratio steady at 2.4%. However, stage 2 loans increased to 8%, and NPL formation edged up to 0.8% from 0.7% in 1Q25.
- Provisions rose sharply, up 39% y-y and 45% q-q. Credit costs normalized to ~1%, from 0.69% in 2Q24 and 0.67% in 1Q25, in line with the company's guidance but this compensates with slower volume growth in the auto cash loans. Loan loss coverage inched up from 154% to 155%, well above TISCO's comfortable level of ~140%.

Income Statement (consolidated)						Income Statement 6M as					
Yr-end Dec (Bt m)	2Q24	3Q24	4Q24	1Q25	2Q25	(Bt m)	q-q%	y-y%	% 2025F	2025F	2026F
Interest & dividend income	4,744	4,749	4,746	4,589	4,585	Interest & dividend income	(0)	(3)	51	17,937	17,016
Interest expense	1,357	1,364	1,345	1,261	1,257	Interest expense	(0)	(7)	52	4,843	3,908
Net interest income	3,387	3,385	3,402	3,328	3,328	Net interest income	0	(2)	51	13,094	13,108
Non-interest income	1,543	1,395	1,387	1,342	1,457	Non-interest income	9	(6)	51	5,447	5,353
Total income	4,931	4,781	4,788	4,671	4,786	Total income	2	(3)	51	18,541	18,461
Operating expense	2,356	2,292	2,345	2,242	2,190	Operating expense	(2)	(7)	49	8,998	9,071
Pre-provisioning profit	2,575	2,488	2,443	2,429	2,596	Pre-provisioning profit	7	1	53	9,543	9,390
Provision for bad&doubtful debt	401	359	337	386	559	Provision for bad&doubtful debt	45	39	63	1,492	1,367
Profit before tax	2,174	2,130	2,106	2,043	2,037	Profit before tax	(0)	(6)	51	8,051	8,023
Tax	428	423	415	409	402	Tax	(2)	(6)	50	1,610	1,605
Profit after tax	1,746	1,707	1,691	1,634	1,635	Profit after tax	0	(6)	51	6,440	6,418
Equity income	7	7	11	9	8	Equity income	(14)	20	45	39	44
Minority interests	(0)	(0)	(0)	(0)	(0)	Minority interests	neg	neg	49	(0)	(0)
Extra items	-	-	-	-	-	Extra items	neg	neg	-	-	-
Net profit	1,753	1,713	1,702	1,643	1,644	Net profit	0	(6)	51	6,479	6,462
Normalized profit	1,753	1,713	1,702	1,643	1,644	Normalized profit	0	(6)	51	6,479	6,462
PPP/share (Bt)	3.2	3.1	3.1	3.0	3.2	PPP/share (Bt)	7	1	53	11.9	11.7
EPS (Bt)	2.2	2.1	2.1	2.1	2.1	EPS (Bt)	0	(6)	51	8.1	8.1
Norm EPS (Bt)	2.2	2.1	2.1	2.1	2.1	Norm EPS (Bt)	0	(6)	51	8.1	8.1
BV/share (Bt)	51.6	51.8	53.8	55.8	52.0	BV/share (Bt)	(7)	1	52	54.1	54.4

Balance Sheet (consolidated)						Financial Ratios (%)					
Yr-end Dec (Bt m)	2Q24	3Q24	4Q24	1Q25	2Q25		2Q24	3Q24	4Q24	1Q25	2Q25
Cash and Interbank	39,781	39,159	40,684	38,968	38,340	Gross loan growth (YTD)	(0.6)	(2.1)	(1.1)	(0.4)	1.4
Other liquid items	2,350	2,626	2,615	2,634	2,888	Gross loan growth (q-q)	(0.8)	(1.5)	1.0	(0.4)	1.9
Total liquid items	42,131	41,785	43,299	41,602	41,227	Deposit growth (YTD)	(0.9)	(1.9)	(1.0)	(0.1)	1.6
Gross loans and accrued interest	235,388	231,886	234,085	233,130	237,477	Deposit growth (q-q)	(0.8)	(1.0)	0.9	(0.1)	1.6
Provisions	9,269	8,938	8,486	8,600	8,774	Non-interest income (y-y)	17.5	12.6	9.8	3.4	(5.6)
Net loans	226,119	222,948	225,598	224,530	228,703	Non-interest income (q-q)	18.9	(9.6)	(0.6)	(3.2)	8.6
Fixed assets	3,207	3,199	3,161	3,140	3,097	Fee income / Operating income	25.0	26.4	27.4	25.2	24.9
Other assets	4,713	5,001	4,409	4,851	5,332	Cost-to-income	47.8	47.9	49.0	48.0	45.8
Total assets	280,601	277,580	281,877	282,142	285,075	Net interest margin	4.96	4.94	5.01	4.90	4.88
Deposits	206,823	204,754	206,537	206,420	209,763	Credit cost	0.69	0.62	0.58	0.67	0.95
Interbank	10,261	10,203	10,665	10,441	11,518	ROE	16.4	16.6	16.1	15.0	15.2
Other liquid items	259	156	239	377	210	Loan-to-deposit	112.9	112.3	112.4	112.0	112.3
Total liquid items	217,344	215,112	217,441	217,238	221,491	Loan-to-deposit + S-T borrowing	112.9	112.3	112.4	112.0	112.3
Borrowings	7,876	6,831	8,076	6,676	8,186	NPLs (Bt m)	5,697	5,618	5,464	5,591	5,668
Other liabilities	14,031	14,168	13,315	13,528	13,729	NPL increase	356	(79)	(154)	128	77
Minority interest	3	3	3	3	3	NPL ratio	2.44	2.44	2.35	2.42	2.41
Shareholders' equity	41,348	41,465	43,042	44,698	41,666	Loan-loss-coverage ratio	162.7	159.1	155.3	153.8	154.8
Total Liabilities & Equity	280,601	277,580	281,877	282,142	285,075	CAR - total	20.6	20.9	20.5	20.7	20.6

Sources: Company data, Thanachart estimates

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