Tisco Financial Group (TISCO TB) - HOLD, Price Bt103, TP Bt102

Results Comment

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Slight beat 3Q25 results from NIM

- TISCO reported **3Q25 net profit of Bt1.73bn (+1% y-y, +5% q-q),** which is slightly better than the Bloomberg consensus and our forecast by 5% and 7% from stronger NIM. Its 9M25 net profit accounted for 77% of our 2025 forecast.
- We have **slightly positive view to its results** due to the efficient funding cost control and the improving asset quality. *There are three key positive highlights.*

  (+) *Its NIM went up 15bps q-q* to 4.88% due to the lower funding cost. This was able to offset a 2 q-q decline in loan volume due to corporate loan repayment. Thus, its NII increased 1% y-y, 3% q-q.

  (+) *Non-NII went up 32% y-y, 26% q-q*, driven by 1) an increase in fee income from a stronger bancassurance fee, mutual fund fee, and an early prepayment fee of corporate client; 2) a strong FVTPL (we believe from THAI); and 3) the subsidized rebate from You Fight We Help program (YFWH).

  (+) *Its NPL coverage ratio rose to 171%* from 155% in 2Q25 as 1) the bank utilize solid Non-NII to set special provision; and 2) its NPL lower by 6% q-q, implying NPL ratio of 2.3%, due to its conservative lending.
- As of September 30, 2025, the number of registered YFWH clients was Bt5.7bn or 2.5% of total loans.
- We reiterate our **HOLD call on TISCO**. We like its **high dividend yield of 7-8%** p.a. However, its **valuations already look on the high side** in the sector at 12.7x PE and 1.9x P/BV in 2026F.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**
Interest & dividend income	4,749	4,746	4,589	4,585	4,620
Interest expense	1,364	1,345	1,261	1,257	1,192
Net interest income	**3,385**	**3,402**	**3,328**	**3,328**	**3,428**
Non-interest income	1,395	1,387	1,342	1,457	1,836
Total income	4,781	4,788	4,671	4,786	5,264
Operating expense	2,292	2,345	2,242	2,190	2,286
Pre-provisioning profit	**2,488**	**2,443**	**2,429**	**2,596**	**2,977**
Provision for bad&doubtful debt	359	337	386	559	830
Profit before tax	2,130	2,106	2,043	2,037	2,147
Tax	423	415	409	402	425
Profit after tax	1,707	1,691	1,634	1,635	1,722
Equity income	7	11	9	8	9
Minority interests	(0)	(0)	(0)	(0)	(0)
Extra items	-	-	-	-	-
Net profit	**1,713**	**1,702**	**1,643**	**1,644**	**1,730**
Normalized profit	**1,713**	**1,702**	**1,643**	**1,644**	**1,730**
PPP/share (Bt)	3.1	3.1	3.0	3.2	3.7
EPS (Bt)	2.1	2.1	2.1	2.1	2.2
Norm EPS (Bt)	2.1	2.1	2.1	2.1	2.2
BV/share (Bt)	51.8	53.8	55.8	52.0	52.2

Income Statement			9M as		
(Bt m)	**q-q%**	**y-y%**	**% 2025F**	**2025F**	**2026F**
Interest & dividend income	1	(3)	76	18,068	17,767
Interest expense	(5)	(13)	78	4,767	4,221
Net interest income	**3**	**1**	**76**	**13,301**	**13,547**
Non-interest income	26	32	79	5,859	6,101
Total income	10	10	77	19,161	19,647
Operating expense	4	(0)	75	8,966	9,098
Pre-provisioning profit	**15**	**20**	**78**	**10,194**	**10,549**
Provision for bad&doubtful debt	49	132	85	2,100	2,450
Profit before tax	5	1	77	8,094	8,099
Tax	6	1	76	1,619	1,620
Profit after tax	5	1	77	6,475	6,479
Equity income	7	26	74	36	37
Minority interests	neg	neg		-	-
Extra items	neg	neg		-	-
Net profit	**5**	**1**	**77**	**6,511**	**6,516**
Normalized profit	**5**	**1**	**77**	**6,511**	**6,516**
PPP/share (Bt)	15	20	78	-	13.2
EPS (Bt)	5	1	77	8.1	8.1
Norm EPS (Bt)	5	1	77	8.1	8.1
BV/share (Bt)	0	1	52	54.3	54.8

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**
Cash and Interbank	39,159	40,684	38,968	38,340	38,206
Other liquid items	2,626	2,615	2,634	2,888	3,234
Total liquid items	41,785	43,299	41,602	41,227	41,440
Gross loans and accrued interest	231,886	234,085	233,130	237,477	232,444
Provisions	8,938	8,486	8,600	8,774	9,128
Net loans	222,948	225,598	224,530	228,703	223,316
Fixed assets	3,199	3,161	3,140	3,097	4,320
Other assets	5,001	4,409	4,851	5,343	4,960
Total assets	**277,580**	**281,877**	**282,142**	**285,086**	**282,225**
Deposits	204,754	206,537	206,420	209,763	207,235
Interbank	10,203	10,665	10,441	11,518	11,872
Other liquid items	156	239	377	210	317
Total liquid items	215,112	217,441	217,238	221,491	219,424
Borrowings	6,831	8,076	6,676	8,186	7,606
Other liabilities	14,168	13,315	13,528	13,778	13,433
Minority interest	3	3	3	3	3
Shareholders' equity	**41,465**	**43,042**	**44,698**	**41,628**	**41,758**
Total Liabilities & Equity	**277,580**	**281,877**	**282,142**	**285,086**	**282,225**

Financial Ratios					
(%)	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**
Gross loan growth (YTD)	(2.1)	(1.1)	(0.4)	1.4	(0.8)
Gross loan growth (q-q)	(1.5)	1.0	(0.4)	1.9	(2.2)
Deposit growth (YTD)	(1.9)	(1.0)	(0.1)	1.6	0.3
Deposit growth (q-q)	(1.0)	0.9	(0.1)	1.6	(1.2)
Non-interest income (y-y)	12.6	9.8	3.4	(5.6)	31.6
Non-interest income (q-q)	(9.6)	(0.6)	(3.2)	8.6	26.0
Fee income / Operating income	26.4	27.4	25.2	24.9	24.4
Cost-to-income	47.9	49.0	48.0	45.8	43.4
Net interest margin	4.89	4.90	4.76	4.73	4.88
Credit cost	0.62	0.58	0.67	0.96	1.43
ROE	16.6	16.1	15.0	15.2	16.6
Loan-to-deposit	112.3	112.4	112.0	112.3	111.2
Loan-to-deposit + S-T borrowing	112.3	112.4	112.0	112.3	111.2
NPLs (Bt m)	5,618	5,464	5,591	5,668	5,333
NPL increase	(79)	(154)	128	77	(335)
NPL ratio	2.44	2.35	2.42	2.41	2.31
Loan-loss-coverage ratio	159.1	155.3	153.8	154.8	171.2
CAR - total	20.9	20.5	20.7	20.6	21.0

Sources: Company data, Thanachart estimates

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