

TISCO Financial Group (TISCO TB)

4Q25: Results In Line; Expect Net Profit To Trend Upward After 2025

Highlights

- TISCO reported a net profit of Bt1.64b in 4Q25, down 3% yoy and 5% qoq.
- The CEO expects net profit to trend upward after 2025.
- Maintain HOLD with a higher target price of Bt110.00 (from Bt105.00)

4Q25 Results

Year to 31 Dec (Btm)	4Q25	3Q25	4Q24	qoq chg (%)	yoy chg (%)
Total gross loans	235,779	230,409	232,200	2.3	1.5
Net interest income	3,417	3,428	3,402	(0.3)	0.5
Non-interest income	1,288	1,695	1,370	(24.0)	(6.0)
Loan loss provision	(565)	(830)	(337)	(32.0)	67.6
Non-Interest Expenses	(2,295)	(2,286)	(2,348)	0.4	(2.2)
Pre-provision operating profit	2,614	2,986	2,451	(12.5)	6.6
Net income	1,642	1,730	1,698	(5.1)	(3.3)
EPS (Bt)	2.05	2.16	2.12	(5.1)	(3.3)
Ratio (%)					
NPL Ratio	2.28	2.31	2.35		
Loan loss coverage ratio (%)	172	171	155		
Net interest margin (NIM %)	4.83	4.84	4.93		
Credit cost (bp)	97	143	58		
Cost to income (%)	49	45	49		

Source: TISCO Financial Group, UOB Kay Hian

Analysis

- 4Q25 results in line.** TISCO Financial Group (TISCO) posted a 4Q25 net profit of Bt1.64b (-3% yoy, -5% qoq), in line with our and market expectations. Pre-provision operating profit rose 7% yoy but dropped 13% qoq in 4Q25. Its loans portfolio grew 2% yoy and 2% qoq in 4Q25.
- NIM softened slightly qoq.** Loan yield decreased from 7.51% in 3Q25 to 7.41% in 4Q25. Meanwhile, funding costs declined qoq to 1.91% in 4Q25 (vs 2.07% in 3Q25). As a result, TISCO's NIM decreased slightly from 4.84% in 3Q25 to 4.83% in 4Q25.
- Significant qoq reduction in provision expenses.** TISCO reduced its provision expenses by 32% qoq, which translated to a credit cost of 97bp in 4Q25 (vs 143bp in 3Q25). NPL ratio slightly decreased qoq to 2.28% in 4Q25 from 2.31% in 3Q25. The loan-loss coverage (LLC) ratio rose from 171% in 3Q25 to 172% in 4Q25.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net interest income	13,569.9	13,502.3	14,448.0	15,030.2	15,872.3
Non-Interest Income	5,656.6	6,153.1	6,092.3	6,357.7	6,666.3
Net profit (rep./act.)	6,893.3	6,658.9	6,798.2	7,174.6	7,448.3
Net profit (adj.)	6,893.3	6,658.9	6,798.2	7,174.6	7,448.3
EPS (Bt)	8.6	8.3	8.5	9.0	9.3
PE (x)	12.7	13.2	12.9	12.2	11.8
P/B (x)	2.0	2.0	2.0	2.0	1.9
Dividend yield (%)	0.1	0.1	0.1	0.1	0.1
Net int margin (%)	4.8	4.8	5.0	5.1	5.1
Cost/income Ratio (%)	48.1	45.9	47.8	47.3	47.1
Loan loss cover (%)	155.3	172.1	172.0	173.0	174.0
Consensus net profit	n.a	n.a	6,651.4	6,746.9	6,946.1
UOBKH/Consensus (x)	n.a	n.a	1.0	1.1	1.1

Source: Tisco Financial Group, Bloomberg, UOB Kay Hian

HOLD (Maintained)

Share Price	Bt109.50
Target Price	Bt110.00
Upside	0.46%
Previous TP	Bt105.00

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Stock Data

GICS Sector	Financials
Bloomberg ticker	TISCO TB
Shares issued (m)	800.6
Market cap (Btm)	87,684.0
Market cap (US\$m)	2,786.6
3-mth avg daily t'over (US\$m)	12.9

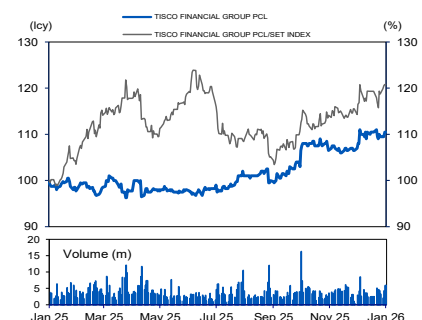
Price Performance (%)

52-week high/low				Bt111.0/Bt96.2
1mth	3mth	6mth	1yr	YTD
2.8	5.3	11.4	10.6	(0.9)

Major Shareholders

	%
Thai NVDR	11.54
CDIB & Partners Investment Holding	10.00
Tokyo Century Corporation	4.93

Price Chart



Source: Bloomberg

Company Description

A small bank with roughly 2% of the credit market. The bank's strong focus is on auto HP lending, which accounts for 64% of its loan book.

- **Slightly positive tone during the meeting.** We attended TISCO's analyst meeting on 14 Jan 26. The CEO stated that the year 2025 should be the bottom.
- **HP loan was main driver of loan growth in 4Q25.** The loan portfolio grew yoy and qoq in 4Q25, mainly from retail loans, specifically new-car hire-purchase (HP) and new motorcycle HP. The loan growth in 4Q25 was supported by a seasonal high driven by the motor expo during Nov-Dec 25.
- **An absence of investment gains in 4Q25.** Bottom line dropped qoq in 4Q25, mainly due to the absence of gain on financial instruments (4Q25: Bt4.9m vs 3Q25: Bt364m), despite the qoq reduction in provision expenses in 4Q25.
- **TISCO's outlook remains positive.** Based on the meeting, we believe that TISCO is targeting a loan growth of 0-5% yoy in 2026. Meanwhile, TISCO expects credit cost to be around 1% in 2026. TISCO has set a coverage ratio target of 170% in 2026. The CEO said the bank is open to new acquisition opportunities as it maintains a strong reserve.
- **Maintain dividend payment.** The CEO intends to maintain the dividend payment of Bt7.75 annually. TISCO stated that the bank will try to pay a higher dividend if there are no growth opportunities. However, the share buyback programme is different for high P/B stocks. We also reckon that TISCO would not conduct a share buyback programme due to its high P/B.

Valuation/Recommendation

- **Maintain HOLD with a higher target price of Bt110.00** (previous target price: Bt105.00) using the Gordon Growth Model (cost of equity: 11.5%, long-term growth: 2%). This implies 2.0x 2026F P/B, implied +2SD to its historical five-year P/B mean. We reckon that its share price valuation is quite expensive.

Earnings Revision/Risk

- We revise TISCO's 2026-27 earnings forecasts upward by 2.1% and 3.4%, respectively, to reflect the positive guidance of an upward trend in net profit.

Share Price Catalyst

- Government stimuli to strengthen domestic spending.

Environment, Social, Governance (ESG) Updates

CG Report: 5

SET ESG Rating: N/A

Environmental

- Financing to support Green Economy Transition.
- Optimal utilisation of energy and natural resources.
- Environmental sustainability initiatives.

Social

- Develop and improve service channels to increase financial access.
- Promote a safe and positive working environment for all employees.

Governance

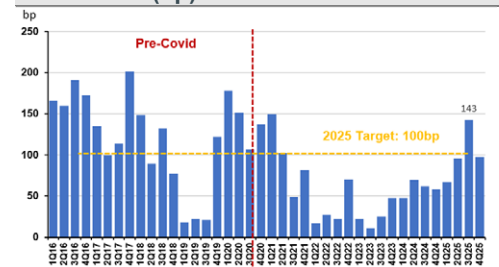
- Ensure equitable and quality service for customers.
- Adhere to high standards of corporate governance, integrity and transparency.
- Manage risks with prudence and precautionary principles.

2026 Financial Targets

	2026 Actual	2025 Actual	2024 Actual
Loan growth (yoy)	0-5%	1.5%	-1.1%
NPL ratio	N/A	2.28%	2.35%
NIM	N/A	4.82%	4.85%
LLC ratio	>170%	172%	155%
Credit cost (bp)	100bp	100bp	60bp

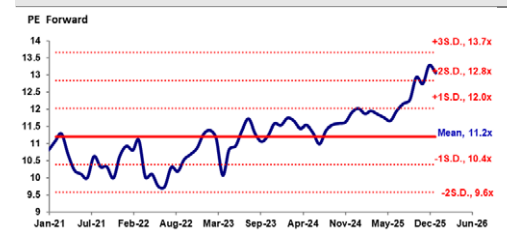
Source: TISCO, UOB Kay Hian

Credit Cost (bp)



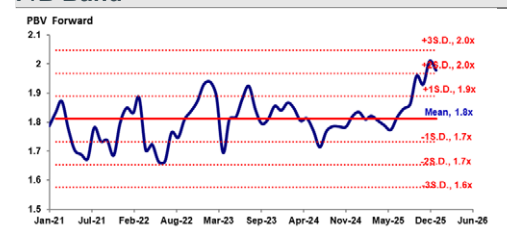
Source: TISCO, UOB Kay Hian

PE Band



Source: TISCO, UOB Kay Hian

P/B Band



Source: TISCO, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Interest income	18,311	18,749	19,679	20,778
Interest expense	(4,808)	(4,301)	(4,649)	(4,906)
Net interest income(expense)	13,502	14,448	15,030	15,872
Fees & Commissions	5,000	4,812	5,051	5,328
Net Trading Income	666	775	802	833
Other Income	487	505	505	505
Non-Interest Income	6,153	6,092	6,358	6,666
Total Income	19,655	20,540	21,388	22,539
Staff Costs	(6,092)	(6,668)	(6,867)	(7,220)
Other Operating Expense	(2,921)	(3,145)	(3,258)	(3,386)
Pre-Provision Profit	10,642	10,727	11,262	11,932
Loan Loss Provision	(2,340)	(2,271)	(2,338)	(2,668)
Pre-tax profit	8,302	8,456	8,924	9,265
Tax	(1,642)	(1,657)	(1,749)	(1,816)
Minorities	0	0	0	0
Net profit	6,659	6,798	7,175	7,448
Net profit (adj.)	6,659	6,798	7,175	7,448

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Cash With Central Bank	826	1,223	1,271	1,319
Govt Treasury Bills & Securities	7,310	6,117	6,357	6,594
Interbank Loans	40,360	40,614	42,213	43,784
Customer Loans	228,567	237,204	246,495	255,675
Investment Securities	3,176	3,181	3,306	3,429
Derivative Receivables	91	0	0	0
Associates & JVs	876	876	876	876
Properties & Other Fixed Assets	4,314	3,946	3,714	3,542
Goodwill & Intangible Assets	1,002	1,002	1,002	1,002
Other Assets	4,179	4,159	4,294	4,427
Total assets	290,702	298,322	309,529	320,648
Interbank Deposits	12,111	12,233	12,715	13,188
Customer Deposits	211,323	218,972	227,594	236,067
Bills Payable	223	223	223	223
Derivative Payables	0	0	0	0
Subordinated Debts	10,539	9,101	9,911	10,711
Other Liabilities	13,129	13,824	14,229	14,626
Total liabilities	247,325	254,352	264,671	274,814
Shareholders' funds	43,374	43,966	44,854	45,829
Minority interest	3	3	4	4
Total Equity & Liabilities	290,702	298,322	309,529	320,648

Operating Ratios

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Capital Adequacy				
Tier-1 CAR	18	19	18	18
Total CAR	21	21	20	20
Total Assets/Equity	7	7	7	7
Tangible Assets/Tangible Common Equity	7	7	7	7
Asset Quality				
NPL Ratio	2	2	2	2
Loan Loss Coverage	172	172	173	174
Loan Loss Reserve/Gross Loans	4	4	4	4
Increase in NPLs	(2)	2	3	2
Credit Cost (bp)	100	95	94	103
Liquidity				
Loan/Deposit Ratio	108	108	108	108
Liquid Assets/Short-Term Liabilities	22	21	21	21
Liquid Assets/Total Assets	17	16	16	16

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Growth				
Net Interest Income, yoy Chg	0	0	4	4
Fees & Commissions, yoy Chg	1	1	5	5
Pre-Provision Profit, yoy Chg	7	7	5	5
Net Profit, yoy Chg	(3)	(3)	6	6
Customer Loans, yoy Chg	1	1	4	4
Profitability				
Net Interest Margin	5	5	5	5
Cost/Income Ratio	46	48	47	47
Adjusted ROA	2	2	2	2
Reported ROE	15	16	16	17
Adjusted ROE	15	16	16	17
Valuation				
P/BV	2	2	2	2
P/NTA	2	2	2	2
Adjusted P/E	13	13	12	12
Dividend Yield	0	0	0	0

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