TISCO FINANCIAL   TISCO TB
THAILAND / BANKING

FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

FSSIA ESG rating ★ ★ ★ ★

ระดับ Credit cost ปกติที่ 100bp

- เราคาดว่ากำไรสุทธิของ TISCO จะได้รับแรงกดดันจากต้นทุนความเสี่ยงในการปล่อยสินเชื่อ (Credit cost) ที่ประมาณ 100bp ในปี 2025-26 เทียบกับ 59bp ในปี 2024 จากการก่อตัวของหนี้ด้อยคุณภาพ (NPL) ที่สูงขึ้น
- เราคิดว่า TISCO น่าจะสามารถรักษาเงินปันผลต่อหุ้น (DPS) ไว้ที่ 7.75 บาทในปี 2025-27
- คงคำแนะนำถือที่ราคาเป้าหมายใหม่ที่ 95 บาท

HOLD
UNCHANGED

TARGET PRICE	THB95.00
CLOSE	THB101.00
UP/DOWNSIDE	-5.9%
PRIOR TP	THB98.00
CHANGE IN TP	-3.1%
TP vs CONSENSUS	-5.0%

แนวโน้มที่ท้าทายจาก Credit cost ที่สูงขึ้นและการเติบโตของสินเชื่อที่ชะลอตัว

เราเชื่อว่า TISCO กำลังเผชิญกับแนวโน้มที่ท้าทายในปี 2025-27 ส่วนมากจาก 1) Credit cost ที่สูงขึ้นตามอัตราการก่อตัวปกติใหม่ของ NPL และ 2) การเติบโตของสินเชื่อที่ชะลอตัว โดยเฉพาะสำหรับสินเชื่อเช่าซื้อ (HP) รถยนต์ซึ่งเป็นสินเชื่อหลักของบริษัทฯ ทั้งนี้เราคาดว่ากำไรสุทธิของ TISCO จะได้รับแรงกดดันจาก Credit cost ที่สูงขึ้นเป็นประมาณ 100bp ในปี 2025-26 เทียบกับ 59bp ในปี 2024 และ 27bp ในปี 2023 ในส่วนของการลดอัตราดอกเบี้ยในเดือน ต.ค. 24 และ ก.พ. 25 เราคิดว่า TISCO อาจได้รับผลบวกจากต้นทุนเงินฝากที่ลดลงหลัง 3-9 เดือนจากเงินฝากประจำที่อัตราดอกเบี้ยที่ค่อย ๆ ลดลง
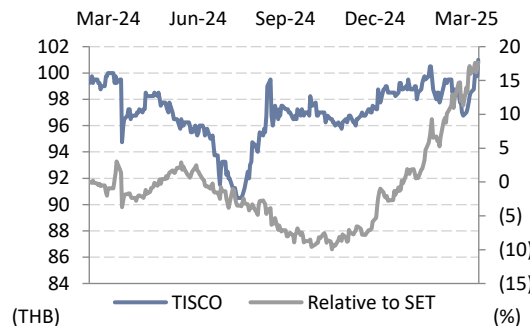
ระดับปกติใหม่สำหรับ Credit cost ที่ 100bp

TISCO ได้ขยายกลุ่มสินเชื่อที่ให้ผลตอบแทนสูงอันประกอบด้วยสินเชื่อรถแลกเงินสดและ HP สำหรับรถมือสองและรถจักรยานยนต์ ทั้งนี้สัดส่วนของกลุ่มสินเชื่อที่ให้ผลตอบแทนสูงได้ปรับขึ้นเป็น 26% ในปี 2024 จาก 21% ในปี 2021 อย่างไรก็ดีการขยายตัวของสินเชื่อกลุ่มดังกล่าวได้ก่อให้เกิดความเสี่ยงผิดนัดชำระและ Credit cost ที่สูงขึ้น เราคาดว่าอัตราการก่อตัวของ NPL ที่ประมาณ 100-150bp จะเป็นระดับปกติใหม่สำหรับธุรกิจของ TISCO ในอนาคต ดังนั้นเราจึงคาดว่า Credit cost ในปี 2025-27 น่าจะอยู่ในช่วงเดียวกัน (ประมาณ 100bp) เพื่อชดเชยกับกระแส NPL ไหลเข้าในขณะที่สำรองผลขาดทุนจากสินเชื่อคงเดิม

คาด DPS จะทรงตัวที่ 7.75 บาทในปี 2025-27

TISCO จ่าย DPS สูงถึง 7.75 บาทมาตั้งแต่ปี 2019 ให้แก่ผู้ถือหุ้นเพื่อดันผลตอบแทนต่อส่วนผู้ถือหุ้น (ROE) ขึ้นเป็นประมาณ 16% เพื่อบริหารฐานเงินทุนให้มีประสิทธิผล ทั้งนี้เราคาดว่าบริษัทฯ จะต้องมีกำไรสุทธิอย่างน้อย 6.206พัน ลบ. ต่อปีเพื่อรักษา DPS ไว้ที่ 7.75 บาทบนเงื่อนไขที่กำหนดให้จ่ายเงินปันผลไม่เกิน 100% ของกำไรสุทธิรายปี เราคาดว่ากำไรสุทธิจะอยู่ที่ 6.5พัน ลบ., 6.88พัน ลบ. และ 7.30พัน ลบ. ในปี 2025-27 ตามลำดับ ดังนั้นเราจึงคิดว่า TISCO น่าจะสามารถรักษา DPS ไว้ที่ 7.75 บาทในปี 2025-27 ได้โดยไม่ลำบากซึ่งหมายถึงผลตอบแทนในรูปเงินปันผลที่มากกว่า 7.5%

ปรับลดประมาณการลง 3-5% คงคำแนะนำถือที่ราคาเป้าหมายใหม่ที่ 95 บาท

เราปรับลดประมาณการกำไรปี 2025-26 ของเราลง 3-5% จากสมมติฐาน Credit cost ที่สูงขึ้นเป็นประมาณ 100bp ดังนั้นเราจึงคาดว่ากำไรสุทธิปี 2025 จะลดลง 6% y-y เป็น 6.5พัน ลบ. หลังปรับประมาณการเราปรับลดราคาเป้าหมายปี 2025 เป็น 95 (จาก 98) บาท (GGM) ซึ่งคิดเป็น 1.75x 2025E P/BV (COE 10.0%, ROE 16.0%) เราคงคำแนะนำถือสำหรับ TISCO ทั้งนี้บทวิเคราะห์ฉบับนี้ปัจจุบันจัดทำโดยคุณณฐพล พงษ์สุขเจริญกุล

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Operating profit	8,595	8,114	8,599	9,137
Net profit	6,901	6,491	6,879	7,309
EPS (THB)	8.62	8.11	8.59	9.13
vs Consensus (%)	-	(2.9)	1.1	4.8
Recurring net profit	6,901	6,491	6,879	7,309
Core EPS (THB)	8.62	8.11	8.59	9.13
Chg. In EPS est. (%)	-	(5.2)	(2.9)	-
EPS growth (%)	(5.5)	(5.9)	6.0	6.3
Core P/E (x)	11.7	12.5	11.8	11.1
Dividend yield (%)	7.7	7.7	7.7	7.7
Price/book (x)	1.9	1.9	1.8	1.8
ROE (%)	16.1	15.0	15.8	16.4
ROA (%)	2.4	2.3	2.4	2.5

Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.5	3.3	1.0
Relative to country (%)	6.6	18.9	18.1

Mkt cap (USD m)	2,388
3m avg. daily turnover (USD m)	10.1
Free float (%)	80
Major shareholder	Thai NVDR (11%)
12m high/low (THB)	101.00/90.00
Issued shares (m)	801

Sources: Bloomberg consensus; FSSIA estimates

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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 24 มีนาคม 2025

Investment thesis

- We believe that the negative impact from the normalization of TISCO's credit cost to 100bp in 2025E (vs 59bp in 2024) will be larger than the positive impact from an improved NIM and loan growth.

- For the interest cuts in Oct-24 and Feb-25, we expect that TISCO could see a positive impact from lower funding costs after 3-9 months on the back of gradual fixed deposit repricing.

- With our net profit forecast of THB6.5b-6.9b in 2025-26, respectively, we believe TISCO will be able to maintain a high dividend of THB7.75 during the same period, implying a dividend yield of more than 7.5%.

Company profile

TISCO was the first Thai investment bank (in 1969) and the first finance company to be upgraded to a commercial bank (in 2005). At present, TISCO is a financial group holding company with a sustainable development operating framework. TISCO`s businesses are both retail banking and corporate banking.

www.tisco.co.th
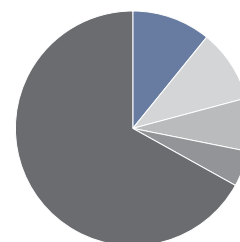
Principal activities (revenue, 2024)

- Net interest income - 70.6 %

- Non-interest income - 29.4 %
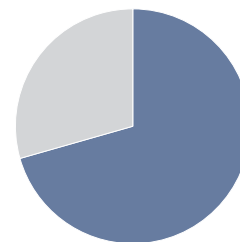
Source: Tisco Financial

Major shareholders

- Thai NVDR - 10.8 %
- CDIB & Partners Investment Holding - 10.0 %
- South East Asia UK (Type C) Nominees - 7.3 %
- Tokyo Century Corp - 4.9 %
- Others - 66.9 %

Source: Tisco Financial

Catalysts

- Higher loan demand from auto hire-purchase and corporate loans.

- A lower-than-expected credit cost from benign asset quality.

- A better-than-expected non-NII from asset management and brokerage business.

Risks to our call

Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand. Upside risks are 1) aggressive loan growth; and 2) well-controlled asset quality.

Event calendar

Date	Event
Apr 2025	1Q25 results announcement

Key assumptions

Key assumptions (%)	2025E	2026E	2027E
Loan growth	3.31	3.20	3.20
NIM	4.86	4.88	4.92
Cost-to-income ratio	47.09	46.35	45.50
Credit cost	0.97	0.98	1.00
NPL ratio	2.55	2.65	2.65
ROE	15.03	15.75	16.40

Source: FSSIA estimates

Earnings sensitivity

		---------------- 2025E ----------------		
Loan growth (%)	±1ppt	2.31	**3.31**	4.31
% change in net profit		*(0.8)*		*0.8*
NIM (%)	±5bp	4.81	**4.86**	4.91
% change in net profit		*(2.2)*		*2.2*
Cost-to-income ratio (%)	±1ppt	46.09	**47.09**	48.09
% change in net profit		*3.0*		*(3.0)*
Credit cost (bp)	±10bp	87	**97**	107
% change in net profit		*3.6*		*(3.6)*

Source: FSSIA estimates

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Normalization of credit cost to 100bp

Maintain HOLD rating with a new TP of THB95

We maintain our HOLD rating for TISCO with a new GGM-based 2025 TP of THB95 (from THB98).

We believe that TISCO is still facing a challenging outlook in 2025-27 mainly due to 1) rising credit costs following the new normal NPL formation rate; and 2) slow loan growth, especially for auto HP – TISCO's major loan contributor. We expect that TISCO's net profit will be pressured by a higher credit cost of c100bp in 2025-26 vs 59bp in 2024 and 27bp in 2023.

For the interest cuts in Oct-24 and Feb-25, we think TISCO could see a positive impact from lower funding costs after 3-9 months on the back of gradual fixed deposit repricing.

We cut our 2025-26 earnings forecast by 3-5% from a higher credit cost forecast to c100bp and a higher cost-to-income ratio from the expansion in the high-yield loan segment like auto title loans and motorcycle HP. Accordingly, we expect TISCO's 2025 net profit to be lower by 6% y-y to THB6.5b.

After our earnings revisions, we cut our GGM-based 2025 TP to THB95 (from THB98), which implies 1.75x 2025E P/BV (COE of 10.0%, ROE of 16.0%).

With our net profit forecast of THB6.5b-6.9b in 2025-26, respectively, we believe TISCO will be able to maintain a high dividend of THB7.75 during the same period. This is because, by regulation, the dividend payout ratio must not exceed 100% of annual net profit. In order to maintain a DPS of THB7.75, TISCO requires net profit generation of at least THB6.206b, based on our estimates. With our expectation of a DPS of THB7.75, TISCO should be able to maintain a high dividend yield of more than 7.5%. Nonetheless, the lower DPS announcement is one of the downside risks to TISCO's share price, we believe.

Exhibit 1: 2025-26 earnings revisions

	--- Revised forecast ----		--- Previous forecast ---		-------- *Change* ----------	
	2025E	**2026E**	**2025E**	**2026E**	*2025E*	*2026E*
	(THB m)	**(THB m)**	**(THB m)**	**(THB m)**	*(%)*	*(%)*
Net Interest Income	13,595	13,982	14,458	15,135	*-6.0%*	*-7.6%*
Non-Interest Income	6,060	6,493	5,573	5,588	*8.7%*	*16.2%*
PPOP	10,400	10,986	10,989	11,380	*-5.4%*	*-3.5%*
Loan loss provisions	2,286	2,387	2,431	2,529	*-6.0%*	*-5.6%*
Net profit	**6,491**	**6,879**	**6,846**	**7,081**	***-5.2%***	***-2.9%***
Key ratios					*(ppt)*	*(ppt)*
NIM (%)	4.86	4.88	4.84	4.87	*0.02*	*0.01*
Cost to income (%)	47.09	46.35	45.10	45.10	*1.99*	*1.25*
ROA (%)	2.28	2.37	2.30	2.30	*(0.02)*	*0.07*
ROE (%)	15.03	15.75	15.60	15.90	*(0.57)*	*(0.15)*
Credit cost (%)	0.97	0.98	1.00	1.00	*(0.03)*	*(0.02)*
Loan growth (%)	3.31	3.20	3.00	5.00	*0.31*	*(1.80)*
Net profit growth (%)	(5.95)	5.98	(1.30)	3.40	*(4.65)*	*2.58*

Source: FSSIA estimates

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Exhibit 2: TISCO – GGM based 2025 TP

Target price calculation based on Gordon Growth Model (GGM)			
Sustainable ROE	16.0%	**Cost of Equity (COE) calculation**	
COE	10.0%	Risk-Free Rate	3.0%
Long-term growth (g)	2.0%	Equity Premium	7.0%
Derived P/BV multiple (x)	1.75	Equity Beta (x)	1.00
		COE	10.0%
Dec 2025E Book Value (THB)	54.11		
Derived target price (THB)	**95.00**		

Source: FSSIA estimates

Exhibit 3: TISCO's target price sensitivity

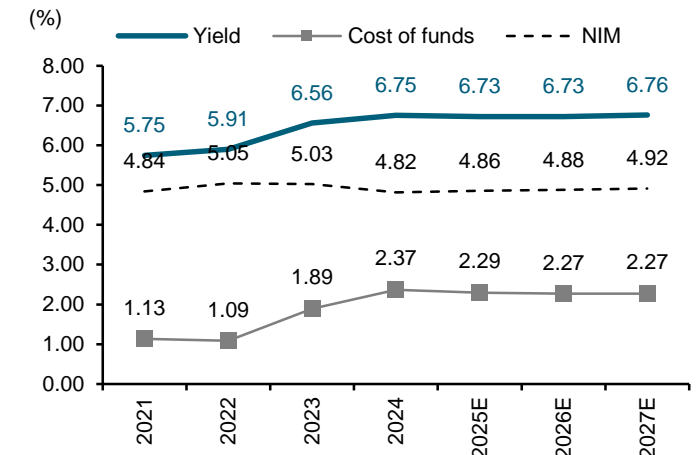|	------------------------ Growth rate assumption ------------------------				
ROE	**0.0%**	**1.0%**	**2.0%**	**3.0%**	**4.0%**
14.0%	75.8	78.2	81.2	85.0	90.2
15.0%	81.2	84.2	87.9	92.8	99.2
16.0%	86.6	90.2	95.0	100.5	108.2
17.0%	92.0	96.2	101.5	108.2	117.2
18.0%	97.4	102.2	108.2	116.0	126.3

Source: FSSIA estimates
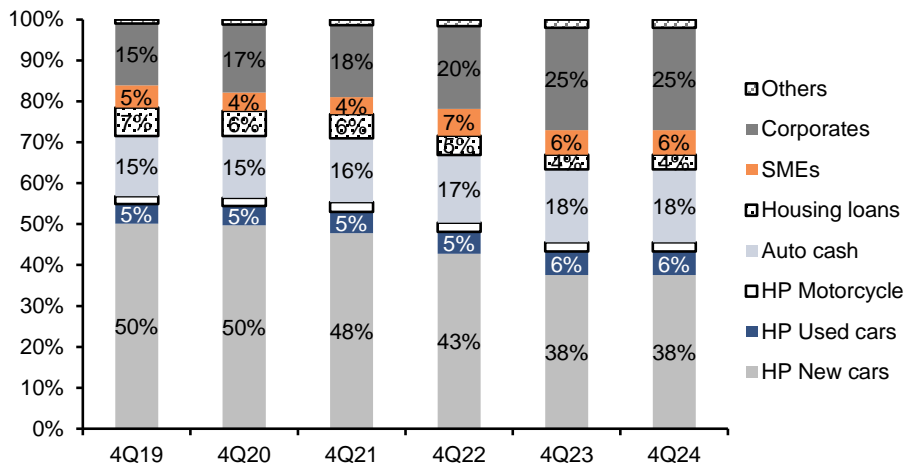
Exhibit 4: TISCO's loan growth
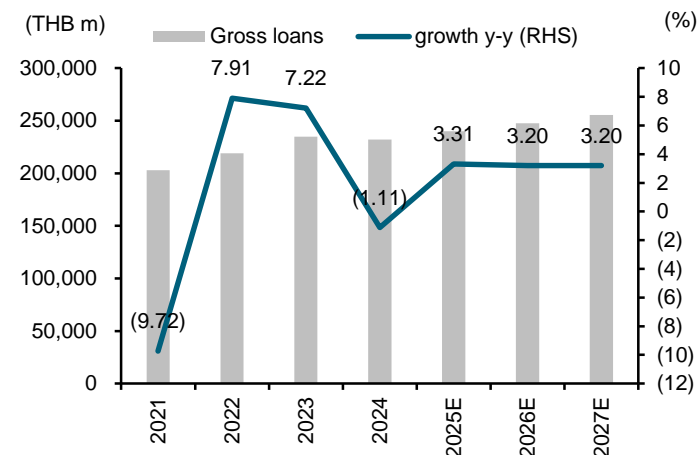
Sources: TISCO, FSSIA estimates

Exhibit 5: Yield, cost of funds and NIM

Sources: TISCO, FSSIA estimates

Exhibit 6: TISCO's loan segmentation – lower proportion of HP for new cars but a larger proportion of corporate loans and auto cash segment
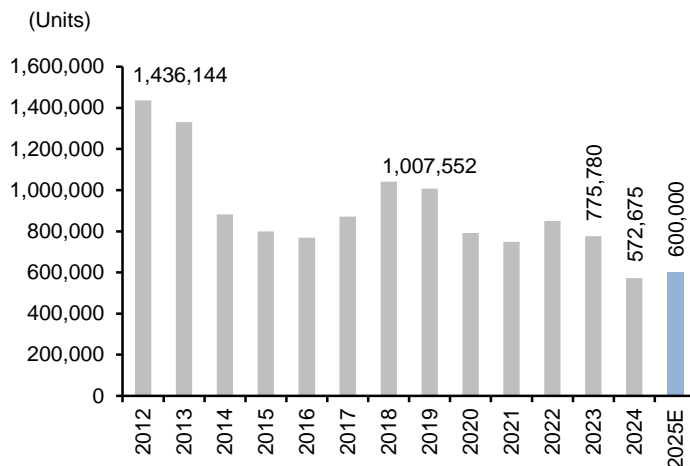

Sources: TISCO, FSSIA compilation

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Loan growth to be driven by auto cash, corporate loans – not new auto HP

We project TISCO's loan growth to be at 3.3% in 2025 vs management's target of single-digit growth. In our view, we expect the key contributors to TISCO's loan growth to be 1) corporate loans for project financing and working capital in renewable energy, real estate and the construction sector; 2) home equity loans; and 3) the high-yield loan segment like auto cash (under TISCO and the Somwang brand) and HP for used cars and motorcycles. For the Somwang auto cash loan segment, TISCO aims to expand the loan amount per branch rather than expanding branches through adding new products such as land title loans. Note that the Somwang loan value per branch was at THB40m as of end-2024 (close to TIDLOR).

Meanwhile, TISCO's major loan portfolio is HP new cars at 38% as of Dec-24. TISCO's new HP proportion has been decreasing over the past six years from 50% in 2019 to 38% in 2024. The major reason behind the declining HP for new autos is poor new auto sales from around 1m units in 2019 to around 0.573m units in 2024, implying a contraction of 10.7% CAGR. TISCO's management has raised concerns about the HP market, especially the transition from conventional internal combustion engine (ICE) autos to electric vehicles (EVs).

Exhibit 7: Subdued domestic auto sales from 2019 to 2024-25E

Sources: Toyota Motor Thailand, Federation of Thai Industry (FTI), FSSIA's compilation

Exhibit 8: TISCO's auto HP penetration rate – lower in tandem with lower auto sales
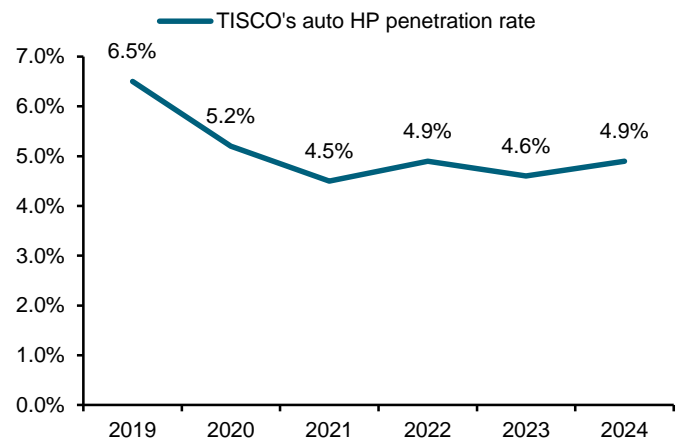
Source: TISCO

TISCO pointed out that the larger penetration of EV sales to total domestic auto sales at 12.2% in 2024 vs 1.1% in 2022 (source: Federation of Thai Industry or FTI and Autolifethailand.tv) could impact risk management for auto HP lenders like TISCO in terms of 1) a potentially higher probability of default (PD) from larger EV penetration; and 2) loss given default (LGD), given the unknown EV price amortization pattern and cheaper battery costs from technology advancing over time. Eventually, the unclear outlook for new auto HP from EVs could raise credit cost, which is the product of PD and LGD. Note that around 12% of TISCO's HP loans are for EVs under the GWM, Tesla and Changan brands.

For 2024, TISCO shared that LGD for the bank was around 40%, which is higher than the 10-year average of 30%. Accordingly, with the subdued auto sales trend in Thailand as well as larger LGD, these have resulted in a lower auto HP penetration rate for TISCO as well as lower exposure in new auto HP.

## Small benefit from one policy rate cut to 2.0%

Our TISCO earnings forecast is based on one policy rate cut (-25bp) in 2025E to 2.0%. The major proportion of TISCO's loans is auto HP (new, used autos, etc.), which is normally quoted at a fixed interest rate for the 3 to 5-year duration of the HP contract.

On the other hand, 85% of TISCO's funding is fixed deposits, which have an average duration of around 12 months. With shorter repricing from the deposit side, the average funding cost during the interest down-cycle should be gradually lower, we believe. For the interest cuts in Oct-24 and Feb-25, we expect that TISCO could see a positive impact from lower funding costs after 3-9 months on the back of gradual fixed deposit repricing.

With the fixed loan yield from auto HP loans vs a gradually lower average funding cost from the peak in 2024, we expect a net benefit to TISCO's NIM from the policy interest rate cut. We expect TISCO's NIM to slightly increase to 4.86% in 2025 from 4.82% in 2024.

In the case of a further policy interest rate cut by 25bp from our base case, our sensitivity analysis suggests that the small positive impact on TISCO's NIM would be around 0.9bp, with a net profit impact of 0.4% for 2025E, all else being equal.

Exhibit 9: Impact on NIM from 25bp policy interest rate cut
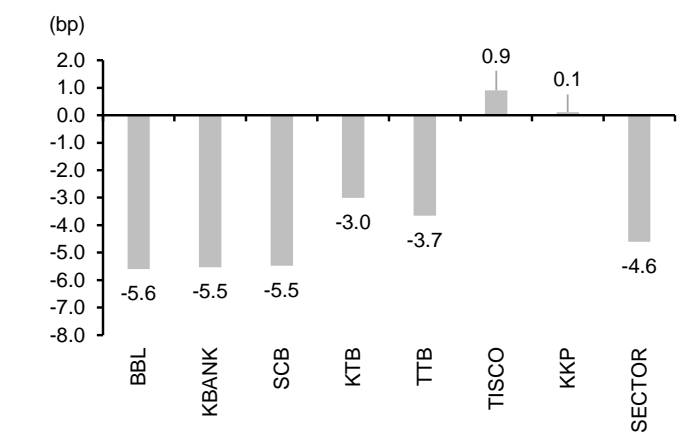
Sources: Bank's company data, FSSIA estimates

Exhibit 10: Impact on 2025E net profit from 25bp policy interest rate cut

Sources: Bank's company data, FSSIA estimates

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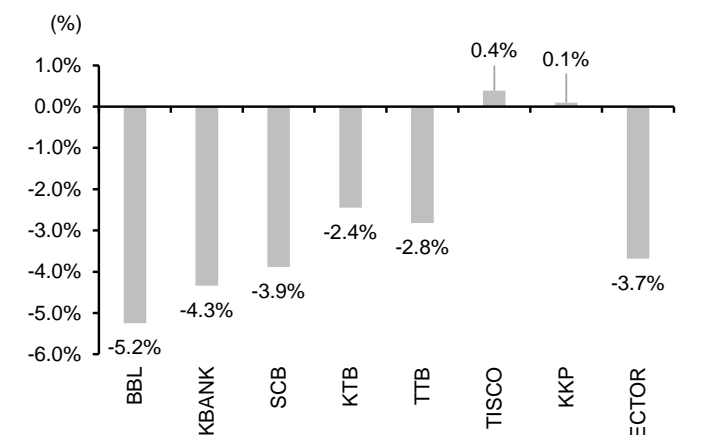
Normalization of credit cost to 100bp

To compensate for the lower loan proportion of new auto HP during 2022-24, TISCO decided to expand its high-yield loan segment, including auto cash loans (under TISCO bank and the Somwang brand) and HP for used cars and motorcycles. Along with the expansion of the high-yield segment, TISCO is aiming to expand its average loan yield in order to maintain its NIM. The proportion of the high-yield segment increased to 26% in 2024 from 21% in 2021.

On the other hand, the expansion of the high-yield loan segment comes with higher default risk and credit costs. According to TISCO's management, the credit cost of the high-yield segment like auto cash loans is around 3%, which is higher than the credit cost for new auto HP of around 1%.

Exhibit 11: TISCO's NPL formation rate and trendline (four-period moving average) – new normal level at around 100-150bp
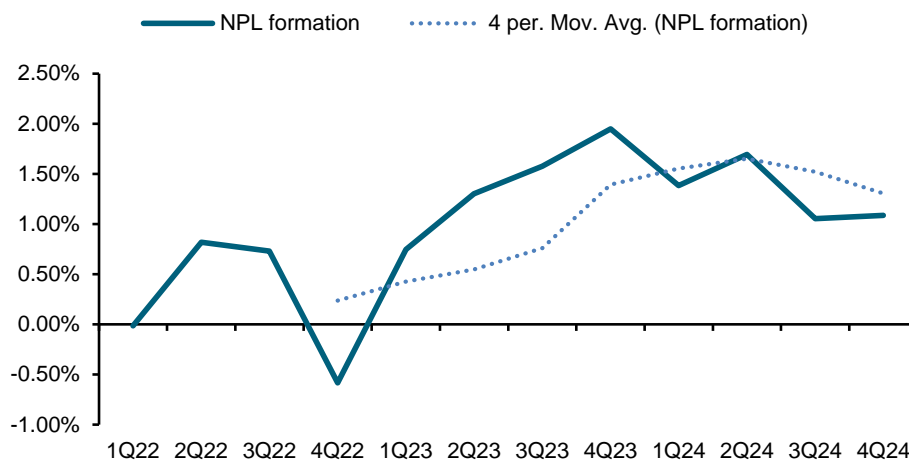
Sources: TISCO, FSSIA compilation

With a larger proportion of high-yield loans in the past three years, TISCO's NPL formation rate accelerated from around 30bp to the peak of 160bp in 2024, and has now subsided to around 100bp. With stagnant growth for new auto HP vs a continually higher proportion of the high-yield segment, we expect an NPL formation rate of around 100-150bp to be the new normal for TISCO's business going forward.

With our expectation of TISCO's NPL formation rate around 100-150bp, we expect that credit costs for 2025-27 should be in the same range in order to offset the NPL inflow with an unchanged loan loss reserve and coverage ratio.

Exhibit 12: NPL ratio and credit cost – credit cost seems too low, in our view
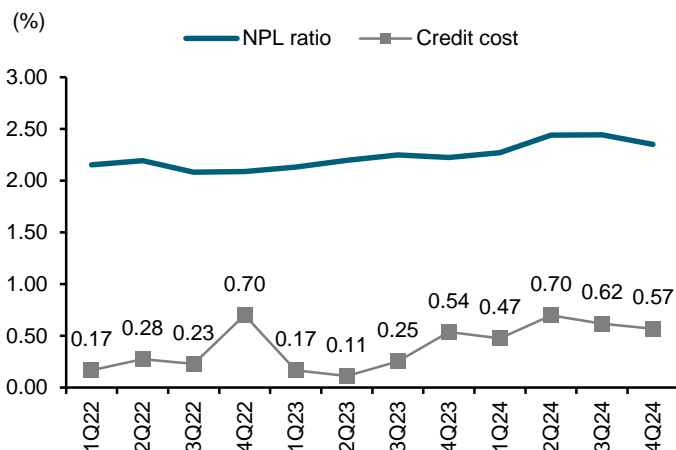
Sources: TISCO, FSSIA compilation

Exhibit 13: Low credit cost means release of excess reserves and thus lower NPL coverage ratio

Sources: TISCO, FSSIA compilation

FINANSIA
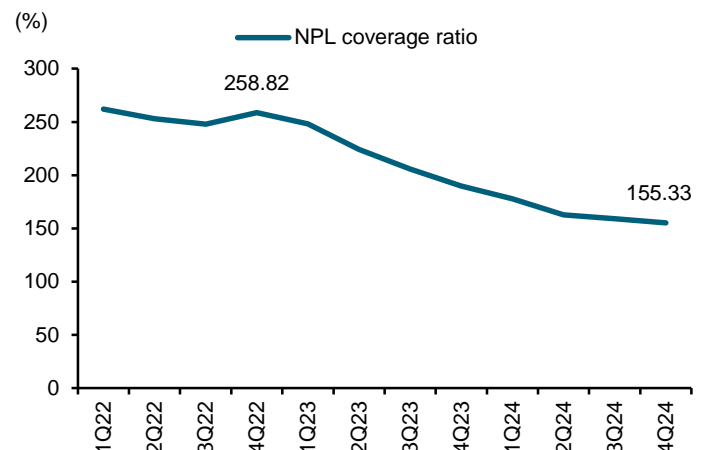
Nonetheless, during 2022-24, TISCO was able to manage a low credit cost of c20-70bp per quarter in order to support net profit. This means TISCO had released excess reserves over time to tackle the NPL formation rate and then set a new credit cost at a small amount. We see a trend of releasing excess reserves for TISCO with a declining NPL coverage ratio and loan loss reserve to loans during 2022-24 (see exhibits 13-14). As of 4Q24, TISCO's NPL coverage ratio and loan loss reserve to loans was at 155% and 3.65%, respectively, which is the lowest level in the past five years.

We believe TISCO now has limited excess reserves to manage low credit costs in 2025-27. This is in line with TISCO's management maintaining their NPL coverage ratio target of at least 150%.

Eventually, to maintain its reserve level, we expect TISCO to set a credit cost of c100bp at least in 2025-27, which is in line with our tracking of TISCO's NPL formation earlier. We believe this 100bp credit cost level would be the new normal for TISCO.

Our expectation of TISCO's credit cost of c100bp in 2025-27 is much higher than 27bp and 59bp in 2023-24, respectively. Note that TISCO provided 2025 credit cost guidance of 100-120bp.

Exhibit 14: TISCO's loan loss reserve to total loans – further decline limited
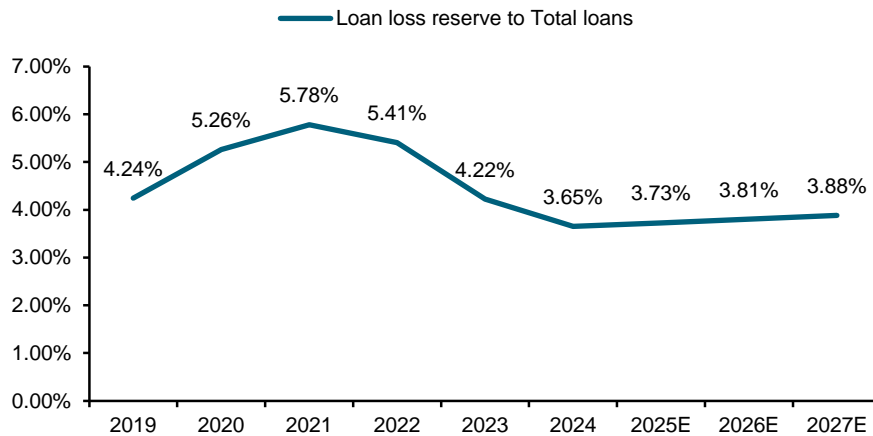
Sources: TISCO, FSSIA estimates

Sensitivity-wise, every 10bp increase in TISCO's credit cost would translate into a lower 2025E net profit by 3.6%, all else being equal.

We expect TISCO's NPL ratio to gradually increase to 2.55-2.65% in 2025-27 vs 2.35% in 2024. We believe the higher NPL ratio would mainly be due to the higher risk from the high-yield segment. Nonetheless, we think this NPL ratio range for TISCO should remain manageable and much lower than the industry average of 3.6%.

Exhibit 15: Credit cost to normalize to c100bp in 2025-27E after releasing excess reserves in 2022-24
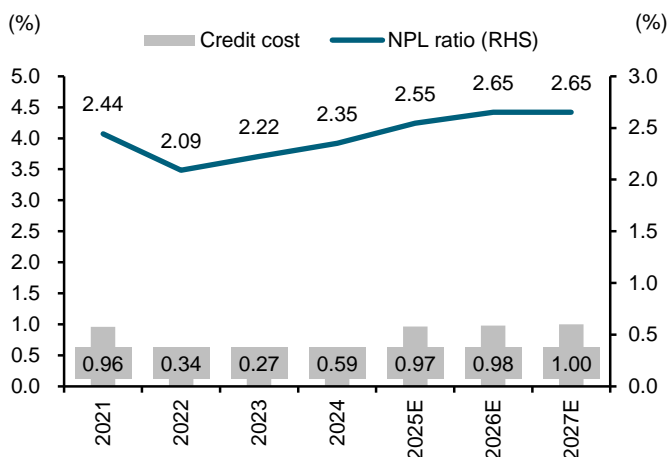
Sources: TISCO, FSSIA estimates

Exhibit 16: Higher NPL ratio is not a concern, we believe; the lower coverage ratio is a result of releasing excess reserves

Sources: TISCO, FSSIA estimates

FINANSIA
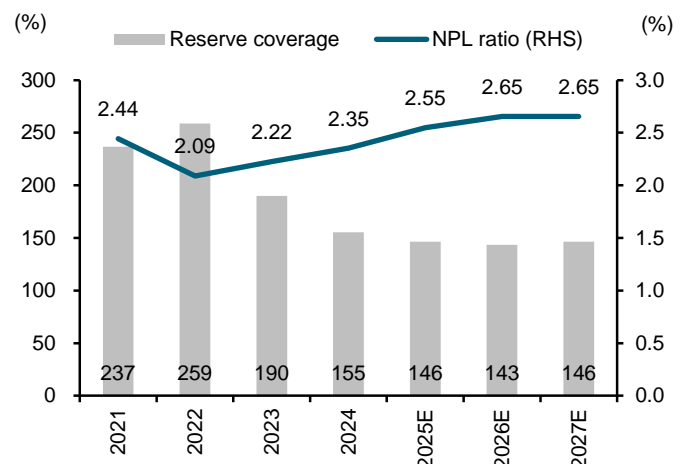
Expect DPS to stay at THB7.75 for 2025-27

For its 2024 performance, TISCO has announced a full-year DPS of THB7.75, which implies a 90% dividend payout ratio and is in line with market expectations.

The high dividend payout ratio of more than 80% for TISCO is supported by a large capital ratio with CET1 and CAR ratios of 17.0% and 18.6%, respectively, in 2024, which is much higher than the regulatory requirement of 8.0% for CET1 and 12.0% for CAR.

Exhibit 17: Banks' 2024 dividend payout ratio comparison

2024A	Dividend payout ratio	Dividend yield	XD Date	ROE	CET1	CAR ratio	Comments
BBL	36%	5.7%	23-Apr-25	8.3%	17.0%	20.4%	*** *Need further actions, in our view.*
KBANK	46%	6.2%	17-Apr-25	8.9%	17.5%	19.6%	Raised payout from 36%, No treasury stock
SCB	80%	8.4%	16-Apr-25	9.1%	17.8%	18.9%	High payout already
KTB	49%	6.7%	16-Apr-25	10.4%	18.8%	20.8%	Raised payout ratio from 33%, positive surprise
TTB	60%	6.8%	25-Apr-25	9.0%	16.9%	19.3%	Treasury stock during 2025-27E
TISCO	90%	7.8%	25-Apr-25	16.1%	17.0%	18.6%	High payout already
KKP	68%	7.1%	2-May-25	8.1%	13.1%	16.6%	Raised payout ratio for capital optimization, positive surprise

Sources: Banks' company data, FSSIA's compilation

According to TISCO's track record since 2016, the bank has aimed to maintain its DPS at THB7.75 since 2019, as TISCO has limited room to expand its loan portfolio, especially new auto HP. To manage its capital base efficiently, TISCO decided to pay a high DPS to shareholders instead and enhance ROE to c16%, which is the highest level among Thai banks. Note that the exceptionally low DPS in 2020-22 for TISCO was due to a temporary regulatory limit from the Bank of Thailand for prudent capital preservation during the Covid-19 outbreak during that time.

To maintain a DPS of THB7.75 with the regulatory requirement of not exceeding 100% of annual net profit, we estimate TISCO must generate a net profit of at least THB6.206b per year. On the positive side, we expect TISCO's net profit to be at THB6.5b, THB6.88b and THB7.30b for 2025-27, respectively. Based on our net profit projection, we think TISCO should be able to comfortably maintain a DPS of THB7.75 for 2025-27.

The downside risks to our dividend call are 1) higher-than-expected credit cost than 100bp following weaker-than-expected asset quality; and 2) aggressive loan expansion of more than 5% p.a., which would require capital support and could affect the bank's dividend payout decision.

Exhibit 18: We expect TISCO to maintain DPS at THB7.75 for 2025-27 on the back of net profit generation of more than THB6.5b per year

Sources: TISCO, FSSIA estimates

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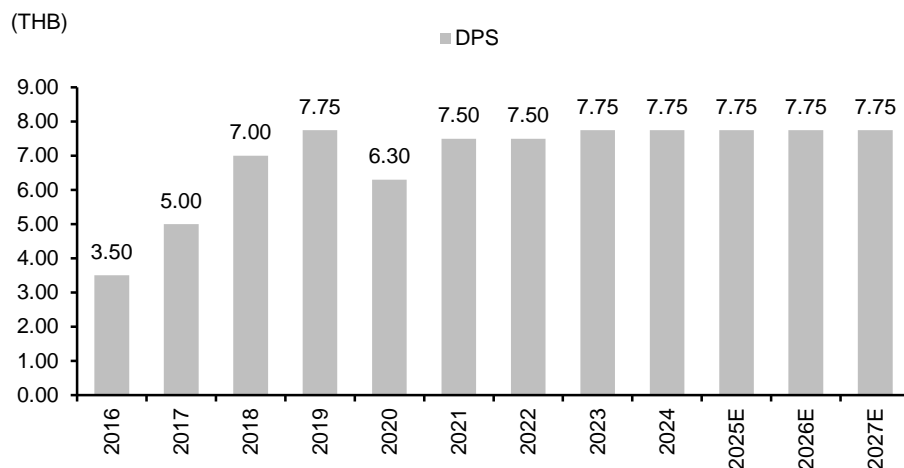
Nonetheless, with an expected net profit contraction y-y in 2025 due to a higher credit cost y-y, we expect TISCO's ROE to be lower at 15% in 2025 before shoring up to c16% in 2026-27.

Exhibit 19: Varied dividend payout ratio but not exceeding 100%, as we expect fixed DPS at THB7.75
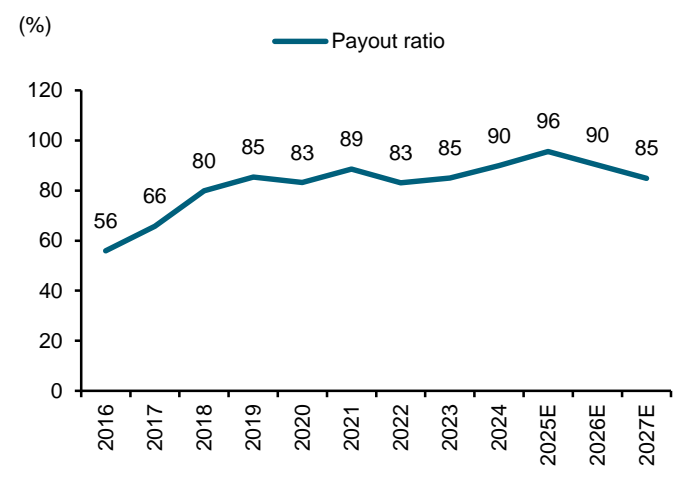
Sources: TISCO, FSSIA estimates

Exhibit 20: ROA and ROE
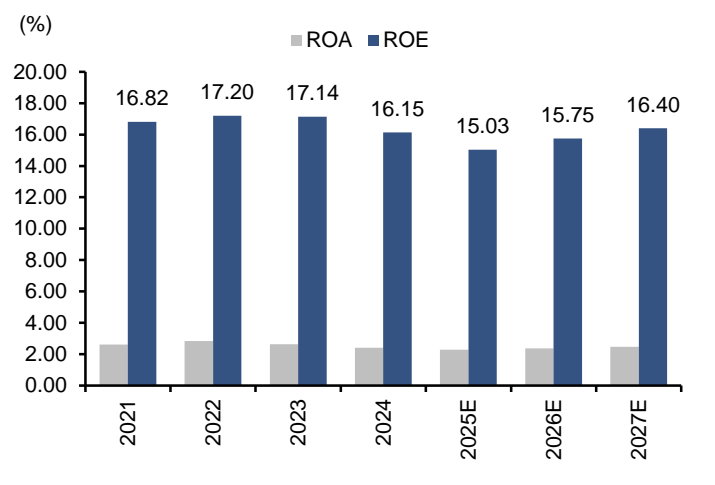
Sources: TISCO, FSSIA estimates

Exhibit 21: TISCO – one-year prospective P/E band

Sources: Bloomberg; FSSIA estimates

Exhibit 22: TISCO – one-year prospective P/BV band

Sources: Bloomberg; FSSIA estimates

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Exhibit 23: Peer regional banks comparison, as of 21 March 2025

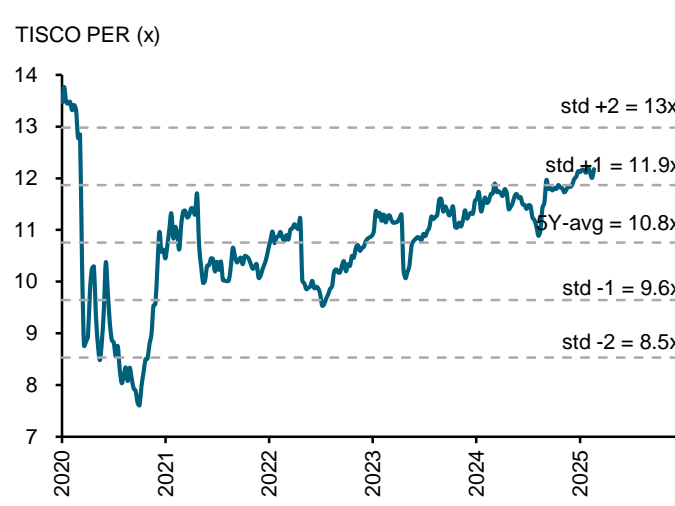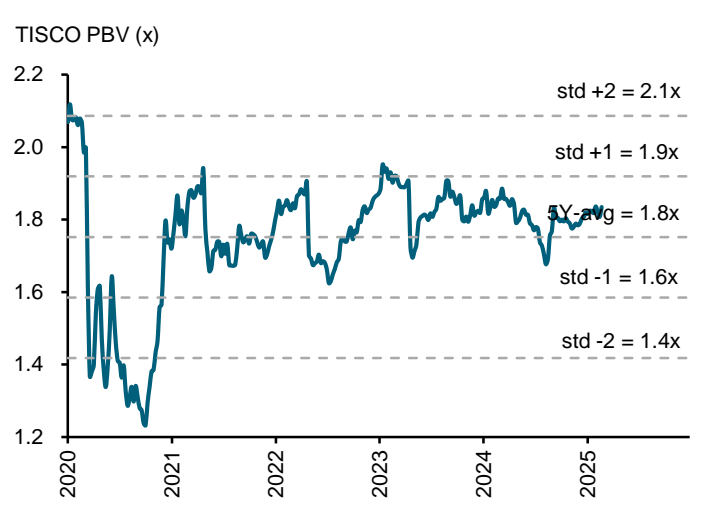| Company name	BBG code	Share price (LCY)	Target price (LCY)	Up side (%)	Market Cap. (USD m)	PE 25E (x)	PE 26E (x)	PBV 25E (x)	PBV 26E (x)	ROE 25E (%)	ROE 26E (%)	Div yld 25E (x)	Div yld 26E (x)
Thailand													
Bangkok Bank	BBL TB	151.00	194.00	28	8,512	6.1	5.7	0.5	0.5	8.3	8.3	5.9	6.3
Kasikornbank	KBANK TB	164.00	186.00	13	11,474	7.5	7.0	0.7	0.6	8.9	9.1	6.0	6.4
Krung Thai Bank	KTB TB	24.00	26.50	10	9,905	7.6	7.1	0.7	0.7	9.7	9.9	6.4	6.9
SCB X	SCB TB	125.00	130.00	4	12,429	9.1	8.8	0.8	0.8	9.4	9.5	8.8	9.1
TMBThanachart Bank	TTB TB	1.94	2.05	6	5,562	8.6	8.6	0.8	0.7	9.0	8.7	7.0	7.0
Kiatnakin Bank	KKP TB	57.50	50.30	(13)	1,405	10.0	9.0	0.7	0.7	7.5	7.9	4.8	5.3
Tisco Financial Group	TISCO TB	101.00	95.00	(6)	2,388	12.5	11.8	1.9	1.8	15.0	15.8	7.7	7.7
Thailand weighted average					**7,382**	**8.8**	**8.3**	**0.9**	**0.8**	**9.7**	**9.9**	**6.6**	**6.9**
Hong Kong													
Industrial & Comm Bank of China	1398 HK	5.57	n/a	n/a	313,533	5.2	5.1	0.5	0.4	9.3	8.9	6.0	6.1
China Construction Bank	939 HK	6.87	n/a	n/a	223,701	4.8	4.6	0.5	0.4	10.1	9.9	6.4	6.6
HSBC Holdings	5 HK	88.60	n/a	n/a	202,401	8.7	8.1	1.1	1.1	13.1	13.3	5.8	6.2
Bank of China	3988 HK	4.59	n/a	n/a	205,167	5.6	5.4	0.5	0.5	9.0	8.8	5.8	5.8
Hong Kong average					**236,200**	**6.1**	**5.8**	**0.6**	**0.6**	**10.4**	**10.2**	**6.0**	**6.2**
China													
Industrial & Comm Bank of China	601398 CH	6.76	n/a	n/a	313,535	6.7	6.5	0.6	0.6	9.3	9.0	4.6	4.8
Agricultural Bank of China	601288 CH	5.09	n/a	n/a	243,586	6.5	6.2	0.6	0.6	9.8	9.6	4.8	5.1
China Construction Bank	601939 CH	8.49	n/a	n/a	223,702	6.3	6.1	0.6	0.6	10.0	9.7	4.8	5.0
Bank of China	601988 CH	5.36	n/a	n/a	205,168	7.1	6.8	0.6	0.6	9.0	8.7	4.5	4.7
China average					**246,498**	**6.7**	**6.4**	**0.6**	**0.6**	**9.5**	**9.3**	**4.7**	**4.9**
South Korea													
KB Financial Group	105560 KS	81,300	n/a	n/a	21,867	5.5	5.2	0.5	0.5	9.5	9.3	4.2	4.5
Shinhan Finanicial Group	055550 KS	47,800	n/a	n/a	16,447	4.8	4.4	0.4	0.4	8.9	8.8	4.8	5.2
Hana Financial Group	086790 KS	62,200	n/a	n/a	12,211	4.5	4.2	0.4	0.4	9.2	9.1	6.0	6.4
Industrial Bank of Korea	024110 KS	15,710	n/a	n/a	8,562	4.6	4.4	0.4	0.4	8.3	8.2	7.0	7.6
South Korea average					**14,772**	**4.8**	**4.5**	**0.4**	**0.4**	**9.0**	**8.9**	**5.5**	**5.9**
Indonesia													
Bank Central Asia	BBCA IJ	7,900	n/a	n/a	58,998	16.6	15.5	3.4	3.1	21.4	21.1	4.0	4.3
Bank Rakyat Indonesia Persero	BBRI IJ	3,700	n/a	n/a	33,972	9.4	8.5	1.7	1.6	18.5	19.8	9.2	9.6
Bank Mandiri Persero	BMRI IJ	4,410	n/a	n/a	24,935	7.1	6.6	1.3	1.2	19.6	19.6	8.1	8.9
Bank Negara Indonesia Persero	BBNI IJ	3,770	n/a	n/a	8,518	6.0	5.5	0.8	0.7	14.0	14.3	8.9	10.4
Bank Syariah Indonesia	BRIS IJ	2,080	n/a	n/a	5,813	11.6	9.8	1.8	1.6	16.9	17.4	1.4	2.1
Indonesia average					**26,447**	**10.1**	**9.2**	**1.8**	**1.7**	**18.1**	**18.4**	**6.3**	**7.0**
Malaysia													
Malayan Banking	MAY MK	10.18	n/a	n/a	27,828	11.6	11.1	1.3	1.2	11.0	11.1	6.3	6.6
Public Bank	PBK MK	4.49	n/a	n/a	19,721	11.6	11.1	1.4	1.4	12.7	12.6	5.1	5.4
CIMB Group Holdings	CIMB MK	6.85	n/a	n/a	16,639	9.1	8.6	1.0	0.9	11.3	11.3	6.4	6.8
Hong Leong Bank	HLBK MK	20.48	n/a	n/a	10,046	9.5	8.9	1.1	1.0	11.5	11.5	3.8	4.2
RHB Bank	RHBBANK MK	6.76	n/a	n/a	6,669	8.8	8.5	0.9	0.8	10.0	10.1	6.6	6.8
Malaysia average					**16,181**	**10.1**	**9.6**	**1.1**	**1.1**	**11.3**	**11.3**	**5.6**	**5.9**
Singapore													
DBS Group Holdings	DBS SP	45.31	n/a	n/a	96,538	11.5	11.2	1.9	1.8	16.4	16.3	6.7	6.8
Oversea-Chinese Banking	OCBC SP	16.98	n/a	n/a	57,163	10.1	9.9	1.3	1.2	12.7	12.5	5.8	5.7
United Overseas Bank	UOB SP	37.95	n/a	n/a	47,586	10.0	9.4	1.3	1.2	13.0	13.1	5.9	5.6
Singapore average					**67,096**	**10.5**	**10.1**	**1.5**	**1.4**	**14.0**	**14.0**	**6.2**	**6.0**
Regional average (excl. Thailand)					**96,172**	**8.1**	**7.7**	**1.0**	**1.0**	**12.2**	**12.2**	**5.7**	**6.0**
Total average (incl. Thailand)					**76,749**	**8.3**	**7.8**	**1.0**	**0.9**	**11.6**	**11.7**	**5.9**	**6.2**

Sources: Bloomberg; FSSIA estimates

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Financial Statements

Tisco Financial

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Interest Income	18,037	19,014	18,823	19,267	19,837
Interest expense	(4,208)	(5,444)	(5,228)	(5,285)	(5,413)
Net interest income	13,829	13,570	13,595	13,982	14,424
Net fees & commission	4,867	4,971	5,341	5,738	6,162
Foreign exchange trading income	(29)	314	314	314	314
Securities trading income	5	3	3	3	3
Dividend income	-	-	-	-	-
Other income	373	368	401	438	478
Non interest income	5,217	5,657	6,060	6,493	6,958
Total income	19,046	19,226	19,655	20,475	21,382
Staff costs	(6,409)	(6,238)	(6,238)	(6,425)	(6,618)
Other operating costs	(2,932)	(3,017)	(3,017)	(3,064)	(3,111)
Operating costs	(9,340)	(9,256)	(9,256)	(9,489)	(9,729)
Pre provision operating profit	9,705	9,971	10,400	10,986	11,653
Expected credit loss	(613)	(1,376)	(2,286)	(2,387)	(2,516)
Other provisions	-	-	-	-	-
Operating profit	9,092	8,595	8,114	8,599	9,137
Recurring non operating income	0	0	0	0	0
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	-	-	-	-	-
Profit before tax	9,092	8,595	8,114	8,599	9,137
Tax	(1,789)	(1,694)	(1,623)	(1,720)	(1,827)
Profit after tax	7,303	6,902	6,491	6,879	7,309
Non-controlling interest	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	7,303	6,901	6,491	6,879	7,309
Non recurring items & goodwill (net)	-	-	-	-	-
Recurring net profit	7,303	6,901	6,491	6,879	7,309
Per share (THB)					
Recurring EPS *	9.12	8.62	8.11	8.59	9.13
Reported EPS	9.12	8.62	8.11	8.59	9.13
DPS	7.75	7.75	7.75	7.75	7.75
Growth					
Net interest income (%)	8.6	(1.9)	0.2	2.8	3.2
Non interest income (%)	(6.4)	8.4	7.1	7.1	7.2
Pre provision operating profit (%)	(0.1)	2.7	4.3	5.6	6.1
Operating profit (%)	1.1	(5.5)	(5.6)	6.0	6.3
Reported net profit (%)	1.1	(5.5)	(5.9)	6.0	6.3
Recurring EPS (%)	1.1	(5.5)	(5.9)	6.0	6.3
Reported EPS (%)	1.1	(5.5)	(5.9)	6.0	6.3
Income Breakdown					
Net interest income (%)	72.6	70.6	69.2	68.3	67.5
Net fees & commission (%)	25.6	25.9	27.2	28.0	28.8
Foreign exchange trading income (%)	(0.2)	1.6	1.6	1.5	1.5
Securities trading income (%)	0.0	0.0	0.0	0.0	0.0
Dividend income (%)	-	-	-	-	-
Other income (%)	2.0	1.9	2.0	2.1	2.2
Operating performance					
Gross interest yield (%)	6.56	6.75	6.73	6.73	6.76
Cost of funds (%)	1.89	2.37	2.29	2.27	2.27
Net interest spread (%)	4.67	4.38	4.44	4.46	4.49
Net interest margin (%)	5.0	4.8	4.9	4.9	4.9
Cost/income(%)	49.0	48.1	47.1	46.3	45.5
Cost/assets(%)	3.4	3.2	3.3	3.3	3.3
Effective tax rate (%)	19.7	19.7	20.0	20.0	20.0
Dividend payout on recurring profit (%)	85.0	89.9	95.6	90.2	84.9
ROE (%)	17.1	16.1	15.0	15.8	16.4
ROE - COE (%)	7.1	6.1	5.0	5.8	6.4
ROA (%)	2.6	2.4	2.3	2.4	2.5
RORWA (%)	3.7	3.3	3.0	3.1	3.2
* Pre-exceptional, pre-goodwill and fully diluted					

Sources: Tisco Financial; FSSIA estimates

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Financial Statements
Tisco Financial

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Gross customer loans	234,815	232,200	239,885	247,561	255,483
Allowance for expected credit loss	(9,914)	(8,486)	(8,944)	(9,421)	(9,924)
interest in suspense	1,929	1,885	1,970	2,033	2,099
Net customer loans	**226,830**	**225,598**	**232,912**	**240,174**	**247,658**
Bank loans	48,490	39,774	38,581	37,424	36,301
Government securities	-	-	-	-	-
Trading securities	2,082	2,559	2,303	2,073	1,866
Investment securities	3,314	4,495	4,653	4,816	4,984
Cash & equivalents	918	910	355	296	943
Other interesting assets	-	-	-	-	-
Tangible fixed assets	3,179	3,144	3,176	3,207	3,240
Associates	891	914	914	914	914
Goodwill	1,149	1,130	1,130	1,130	1,130
Other intangible assets	-	-	-	-	-
Other assets	3,874	3,351	3,352	3,352	3,352
Total assets	**290,726**	**281,877**	**287,376**	**293,386**	**300,387**
Customer deposits	208,645	206,537	211,494	216,570	222,200
Bank deposits	8,506	10,665	10,878	11,096	11,318
Other interest bearing liabilities	17,286	8,076	8,076	8,076	8,076
Non interest bearing liabilities	13,840	13,554	13,597	13,640	13,684
Hybrid Capital	-	-	-	-	-
Total liabilities	**248,277**	**238,832**	**244,045**	**249,381**	**255,278**
Share capital	8,007	8,007	8,007	8,007	8,007
Reserves	34,440	35,035	35,321	35,995	37,098
Total equity	**42,446**	**43,042**	**43,328**	**44,001**	**45,105**
Non-controlling interest	3	3	3	4	4
Total liabilities & equity	**290,726**	**281,877**	**287,376**	**293,386**	**300,387**
Supplementary items					
Risk weighted assets (RWA)	202,862	212,678	219,928	226,966	234,229
Average interest earning assets	274,942	281,544	279,794	286,460	293,285
Average interest bearing liabilities	222,328	229,857	227,863	233,095	238,668
CET 1 capital	33,067	36,155	36,407	37,001	37,974
Total capital	39,558	39,558	39,810	40,404	41,377
Gross non performing loans (NPL)	5,223	5,464	6,110	6,568	6,778
Per share (THB)					
Book value per share	53.01	53.76	54.12	54.96	56.33
Tangible book value per share	51.58	52.35	52.70	53.54	54.92
Growth					
Gross customer loans	7.2	(1.1)	3.3	3.2	3.2
Average interest earning assets	8.9	2.4	(0.6)	2.4	2.4
Total asset (%)	9.5	(3.0)	2.0	2.1	2.4
Risk weighted assets (%)	5.6	4.8	3.4	3.2	3.2
Customer deposits (%)	10.8	(1.0)	2.4	2.4	2.6
Leverage & capital measures					
Customer loan/deposits (%)	108.7	109.2	110.1	110.9	111.5
Equity/assets (%)	14.6	15.3	15.1	15.0	15.0
Tangible equity/assets (%)	14.2	14.9	14.7	14.6	14.6
RWA/assets (%)	69.8	75.5	76.5	77.4	78.0
CET 1 CAR (%)	16.3	17.0	16.6	16.3	16.2
Total CAR (%)	19.5	18.6	18.1	17.8	17.7
Asset Quality (FSSIA's calculation)					
Change in NPL (%)	14.1	4.6	11.8	7.5	3.2
NPL/gross loans (%)	2.2	2.4	2.5	2.7	2.7
Allowance for ECL/gross loans (%)	4.2	3.7	3.7	3.8	3.9
Allowance for ECL/NPL (%)	189.8	155.3	146.4	143.4	146.4

Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	11.1	11.7	12.5	11.8	11.1
Recurring P/E @ target price (x) *	10.4	11.0	11.7	11.1	10.4
Reported P/E (x)	11.1	11.7	12.5	11.8	11.1
Dividend yield (%)	7.7	7.7	7.7	7.7	7.7
Price/book (x)	1.9	1.9	1.9	1.8	1.8
Price/tangible book (x)	2.0	1.9	1.9	1.9	1.8
Price/tangible book @ target price (x)	1.8	1.8	1.8	1.8	1.7
* Pre-exceptional, pre-goodwill and fully diluted					

Sources: Tisco Financial; FSSIA estimates

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Tisco Financial Group PCL (TISCO TB)

FSSIA ESG rating

★ ★ ★ ★

61.17 /100

Exhibit 24: FSSIA ESG score implication

Rating	Score	Implication
★ ★ ★ ★ ★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★ ★ ★ ★	>59-79	**A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.**
★ ★ ★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★ ★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 25: ESG – peer comparison

	FSSIA	------------------- Domestic ratings ----------------------						----------------------------------- Global ratings -------------------------						--- Bloomberg ---	
	ESG score	DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BBL	62.08	--	Y	Y	5.00	5.00	Certified	Medium	54.70	--	29.00	58.68	67.00	2.19	60.06
KBANK	84.17	Y	Y	Y	5.00	5.00	Certified	Medium	62.19	AA	46.00	73.83	83.00	4.05	59.77
KTB	63.10	--	Y	Y	5.00	5.00	Certified	Medium	53.59	BBB	34.00	64.64	64.00	2.12	61.33
SCB	62.57	Y	Y	Y	5.00	4.00	--	High	--	A	--	--	86.00	3.43	--
KKP	62.96	--	Y	Y	5.00	5.00	Certified	Medium	52.81	BBB	--	77.56	26.00	2.18	45.90
TISCO	61.17	--	Y	Y	5.00	5.00	Certified	Medium	61.41	--	--	66.13	29.00	3.57	44.21
TTB	63.69	--	Y	Y	5.00	5.00	Certified	Medium	53.98	--	36.00	56.17	71.00	3.20	52.96

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 26: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	**2.48**	**2.46**	**3.70**	**3.73**	**3.72**	**3.69**	**3.78**	**3.57**
BESG environmental pillar score	0.00	0.00	0.00	0.00	0.00	0.08	0.08	0.08
BESG social pillar score	2.88	2.94	6.10	6.14	6.29	5.96	6.16	6.16
BESG governance pillar score	5.54	5.29	5.28	5.36	5.08	5.25	5.32	4.47
ESG disclosure score	**42.20**	**43.38**	**44.93**	**45.75**	**42.97**	**45.33**	**45.44**	**44.21**
Environmental disclosure score	18.24	19.57	22.41	23.07	23.07	30.14	30.47	30.47
Social disclosure score	27.12	29.32	31.14	32.95	24.61	24.61	24.61	24.61
Governance disclosure score	81.10	81.10	81.10	81.10	81.10	81.10	81.10	81.10
Environmental								
Emissions reduction initiatives	No	No	No	Yes	Yes	Yes	Yes	Yes
Climate change policy	No	No	No	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No	No	Yes	Yes
GHG scope 1	—	—	0	0	0	0	0	0
GHG scope 2 location-based	—	—	4	4	4	4	3	3
GHG Scope 3	—	—	—	—	—	—	—	—
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	No	No	No	No	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	—	—	—	—	—
Renewable energy use	—	—	—	—	—	—	—	—
Electricity used	12	12	12	9	9	8	7	2
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

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Exhibit 27: ESG score by Bloomberg *(cont.)*

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	—	—	0	0	0
Total waste	—	—	—	—	—	—	—	—
Waste recycled	—	—	—	—	—	—	—	—
Waste sent to landfills	—	—	—	—	—	—	—	—
Environmental supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	29	29	30
Social								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	No	No	No	No	No
Quality assurance and recall policy	No	No	No	No	No	No	No	No
Consumer data protection policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	No	No	No
Pct women in workforce	62	63	63	64	64	65	65	65
Pct disabled in workforce	—	—	—	—	—	—	—	—
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	0	0	0	0	0
Total recordable incident rate - employees	—	—	0	0	0	0	0	0
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	4,250	4,525	4,986	4,837	5,031	4,548	4,532	5,090
Employee turnover pct	11	10	15	7	6	4	5	7
Total hours spent by firm - employee training	88,528	93,260	99,022	161,266	132,667	123,069	99,704	99,102
Social supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Governance								
Board size	**12**	**12**	**12**	**11**	**12**	**12**	**13**	**13**
No. of independent directors (ID)	**6**	**7**	**6**	**6**	**6**	**6**	**7**	**5**
No. of women on board	4	5	5	5	3	3	3	3
No. of non-executive directors on board	8	8	8	8	8	8	9	9
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	6	7	6	7	7	8	8	7
Board meeting attendance pct	93	97	94	99	100	96	99	94
Board duration (years)	1	1	1	1	1	1	1	1
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	38	39	40	41	42	43	46	47
Age of the oldest director	69	70	71	72	73	74	75	76
No. of executives / company managers	**41**	**40**	**36**	**40**	**39**	**39**	**38**	**39**
No. of female executives	18	17	14	17	18	15	16	15
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**
No. of ID on audit committee	3	3	3	3	3	3	3	3
Audit committee meetings	12	12	12	12	14	14	12	12
Audit meeting attendance %	100	97	100	100	100	100	100	100
Size of compensation committee	**4**	**3**	**3**	**3**	**4**	**4**	**4**	**4**
No. of ID on compensation committee	1	2	2	2	3	3	3	2
No. of compensation committee meetings	7	8	6	6	4	5	7	9
Compensation meeting attendance %	75	89	83	100	100	95	100	100
Size of nomination committee	**4**	**3**	**3**	**3**	**4**	**4**	**4**	**4**
No. of nomination committee meetings	7	8	6	6	4	5	7	9
Nomination meeting attendance %	75	89	83	100	100	95	100	100
Sustainability governance								
Verification type	No	No	No	No	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

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Disclaimer for ESG scoring

ESG score	Methodology	Rating
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for **SETESG inclusion**, verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. **SETESG Index** is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b; 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). (*The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.*)	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. (*Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.*)	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. *Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.*	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored.
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.

For Morningstar Sustainalytics rating:

NEGL	Low	Medium	High	Severe
0-10	10-20	20-30	30-40	40+

ESG score	Methodology	Rating
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.	

Rating	Score	Category	Description
AAA	8.571-10.000	**Leader:**	leading its industry in managing the most significant ESG risks and opportunities
AA	7.143-8.570		
A	5.714-7.142		
BBB	4.286-5.713	**Average:**	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
BB	2.857-4.285		
B	1.429-2.856		
CCC	0.000-1.428	**Laggard:**	lagging its industry based on its high exposure and failure to manage significant ESG risks

ESG score	Methodology	Rating
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.	
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. (*Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.*)	
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.	
Bloomberg	ESG Score — Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.	
Bloomberg	ESG Disclosure Score — Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.	

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) THSI. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

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Nathapol Pongsukcharoenkul FSS International Investment Advisory Securities Co., Ltd

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History of change in investment rating and/or target price

Tisco Financial (TISCO TB)
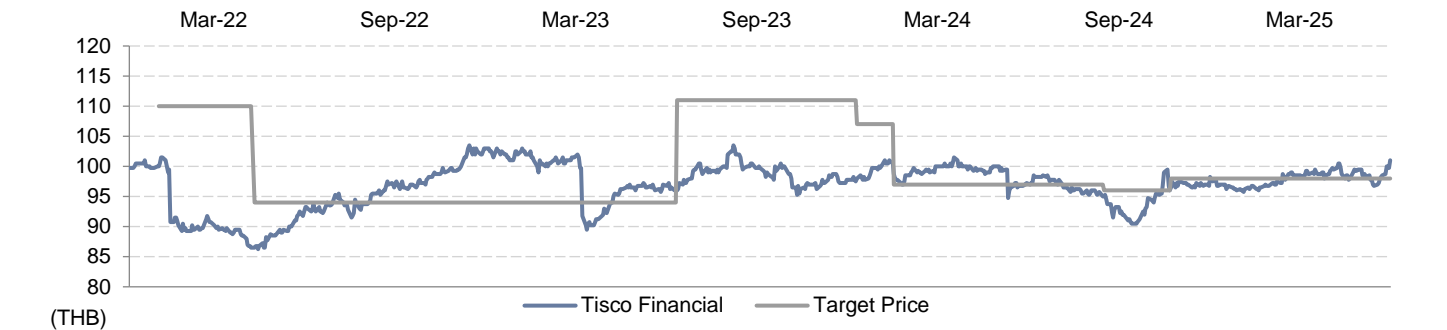
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
18-Apr-2022	BUY	110.00	14-Dec-2023	HOLD	107.00	11-Sep-2024	HOLD	98.00
08-Jul-2022	HOLD	94.00	15-Jan-2024	HOLD	97.00			
11-Jul-2023	BUY	111.00	15-Jul-2024	HOLD	96.00			

Nathapol Pongsukcharoenkul started covering this stock from 24-Mar-2025

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Tisco Financial	TISCO TB	THB 101.00	HOLD	Downside risks to our GGM-based TP are 1) prolonged economic sluggishness affecting loan growth and asset quality; and 2) the impact of new regulations from the Bank of Thailand. Upside risks are 1) aggressive loan growth; and 2) well-controlled asset quality.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 21-Mar-2025 unless otherwise stated.

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RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.
HOLD (H). The upside or downside is less than 10%.
REDUCE (R). The downside is 10% or more.
Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.
Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.
Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

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