

SYNOPSIS

TISCO

Outperform

Favorable

Flash Points

3Q25 net profit was B1.7bn, close to our forecast and 4.5% above Bloomberg consensus, growing 5%qoq and 1%yoy. Net interest income as financial cost decreased. Non-interest income grew mainly from trading income, in line with the stock markets and gold funds, including investment in THAI (based on trading liquidity discount in 3Q25). Asset quality was still manageable. 3Q25 NPL and Stage 2/Loan ratio were 2.3% and 7.7%, down from 2.4% and 8.0% in 2Q25 thanks to strict loan policy. Coverage ratio was 171%, up from 155% in 2Q25. NPL decreased, while additional provision increased in line with trading income.

Impact Insight

9M25 net profit was B5bn, falling 3.5%yoy, making up 77% of our 2025 forecast and Bloomberg consensus, having limited downside.

4Q25 net profit is expected around B1.6-1.7bn. FVTPL may fluctuate in line with market fluctuation, but asset management business realizes performance fee in 4Q. Net interest income is expected to grow thanks to repricing of fixed deposits. Also, leasing and floorplan loans will be driven by Motor Expo (Nov 29 – Dec 10). 4Q25 profit of big-cap banks will be pressured by seasonally high operating expense (OPEX), so TISCO's 4Q25 net profit may be stronger than peers.

In 2026, leasing loans (benefiting from low interest rate) are expected to grow, so loan spread should widen. Coverage ratio is expected to increase further, so credit cost should stay manageable at 1%; TISCO is the bank with the third highest coverage ratio following BBL and KTB. 2026 net profit is projected to grow. TISCO has ROE of 15%, the highest among banks, higher than regional (Southeast Asia) average of 13.5%.

Execution

We reiterate Outperform. 2026 profit should be stronger than big-cap peers thanks to repricing of fixed deposits (following interest rate cut). Also, dividend yield is expected at 7.5%p.a, favorable amid low interest rate. TISCO should have limited downside and outperform peers.

Technical Chart



Price Trend: Sideways Up

Support: 101.50

Resist : 106.00

Source: ASPS Research

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Current Price (B)	103.00
Target Price (B)	105.00
Upside (%)	1.9
Dividend Yield (%)	7.5

Consensus Analysis

EPS (B)	ASPS	IAA Cons	% diff
2025F	8.12	8.16	-1%
2026F	8.29	8.22	1%

Source: ASPS Research

Global Peers

	PER (X)	PBV (X)	ROE (%)	Div Yield
Indonesia				
BANK CENTRAL ASIA	15.4	3.1	21.2	4.3%
BANK NEGARA INDO	6.8	0.8	12.6	9.3%
BANK MANDIRI	7.5	1.3	17.6	9.9%
Singapore				
UNITED OVERSEAS	10.3	1.2	11.5	5.9%
OCBC BANK	10.6	1.2	12.0	5.8%
DBS GROUP HLDGS	13.5	2.2	16.2	5.7%
Malaysia				
RHB BANK BHD	9.2	0.9	9.6	6.6%
CIMB GROUP	10.0	1.1	11.0	5.8%
AMBANK HLDG BHD	9.4	0.9	9.6	5.2%
Simple Average	10.3	1.4	13.5	6.5%

Source: Bloomberg

Key Financial Forecast

Ending Dec 31	2023	2024	2025F	2026F	2027F
Net Profit	7,301	6,901	6,500	6,640	6,960
EPS (B)	9.12	8.62	8.12	8.29	8.69
EPS Growth (%yoy)	1.1%	-5.5%	-5.8%	2.1%	4.8%
BVS (B)	53.0	53.8	54.8	55.2	55.8
PER (x)	11.3	11.9	12.7	12.4	11.8
PBV (x)	1.94	1.92	1.88	1.87	1.85
DPS (B)	7.75	7.75	7.75	7.75	7.75
Dividend Yields (%)	7.5%	7.5%	7.5%	7.5%	7.5%
ROE	17.1%	16.1%	15.0%	15.1%	15.7%

Source: ASPS Research

ESG Assessment

SET ESG Ratings	AAA
CG Score	Excellent
Anti-corruption Certification	yes

Source: SET

Warning

Investments involve risks. Please carefully review the product details, conditions of returns, and risks before making any investment decisions.

Earnings Results by Quarter

Million B	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	%QoQ	%YoY	9M25	9M24	%YoY
Net Interest Income	3,395	3,387	3,385	3,402	3,328	3,328	3,428	3.0%	1.3%	10,085	10,168	-0.8%
Non-Interest Income	1,307	1,550	1,402	1,397	1,352	1,465	1,845	25.9%	31.6%	4,661	4,259	9.4%
- Net Fee Income	1,168	1,232	1,261	1,310	1,176	1,191	1,287	8.1%	2.0%	3,653	3,661	-0.2%
- Other Operating Income	139	318	141	87	176	275	558	103.1%	295.6%	1,008	598	68.5%
Operating Profit	4,703	4,937	4,788	4,799	4,680	4,794	5,273	10.0%	10.1%	14,746	14,428	2.2%
Operating Expense	(2,263)	(2,356)	(2,292)	(2,345)	(2,242)	(2,190)	(2,286)	4.4%	-0.3%	(6,718)	(6,911)	-2.8%
Pre-Provision Operating Profit (PPOP)	2,440	2,582	2,495	2,454	2,438	2,604	2,986	14.7%	19.7%	8,028	7,517	6.8%
Expected Credit Loss (ECL)	(279)	(401)	(359)	(337)	(386)	(559)	(830)	48.6%	131.5%	(1,775)	(1,038)	70.9%
Income Tax	(428)	(428)	(423)	(415)	(409)	(402)	(425)	5.9%	0.5%	(1,236)	(1,279)	-3.4%
Net Profit	1,733	1,753	1,713	1,702	1,643	1,644	1,730	5.3%	1.0%	5,017	5,199	-3.5%
EPS (B)	2.16	2.19	2.14	2.13	2.05	2.05	2.16	5.3%	1.0%	6.27	6.49	-3.5%
Loans	235,218	233,448	229,948	232,200	231,190	235,512	230,409	-2.2%	0.2%	230,409	229,948	0.2%
Deposits & Bonds	214,764	214,700	211,585	214,613	213,096	217,949	214,841	-1.4%	1.5%	214,841	211,585	1.5%
Yield on Loan	7.6%	7.6%	7.7%	7.8%	7.5%	7.5%	7.6%			7.6%	7.7%	
Cost of Fund	2.4%	2.4%	2.4%	2.4%	2.2%	2.2%	2.1%			2.2%	2.4%	
Loan Spread	5.2%	5.2%	5.3%	5.4%	5.3%	5.3%	5.5%			5.4%	5.3%	
NIM	4.8%	4.9%	4.9%	4.9%	4.8%	4.7%	4.9%			4.8%	4.8%	
Cost to Income Ratio	48.1%	47.7%	47.9%	48.9%	47.9%	45.7%	43.4%			45.6%	47.9%	
Credit cost	0.5%	0.7%	0.6%	0.6%	0.7%	1.0%	1.4%			1.0%	0.6%	
NPL Ratio (NPL / Loan)	2.3%	2.4%	2.4%	2.4%	2.4%	2.4%	2.3%			2.3%	2.4%	
LLR / NPL (Coverage Ratio)	177.8%	162.6%	159.1%	155.3%	153.8%	154.8%	171.2%			171.2%	159.1%	
LLR / Loan	4.0%	4.0%	3.9%	3.7%	3.7%	3.7%	4.0%			4.0%	3.9%	

Source: ASPS Research

2025-2027 Earnings Forecast

Income Statement (Million B)					Balance Sheet (Million B)				
Ended 31 Dec.	2024	2025F	2026F	2027F	Ended 31 Dec.	2024	2025F	2026F	2027F
Interest income	19,014	18,577	18,921	19,488	Cash & bank deposits	910	903	1,164	1,128
Interest expenses	(5,444)	(4,804)	(4,751)	(4,888)	Net investment (incl. FVTPL)	4,495	4,495	4,720	4,956
Net interest income	13,570	13,773	14,170	14,601	Loans	232,200	234,522	241,558	248,804
Net fee income	4,971	4,926	5,173	5,431	Accrued interest receivables	1,885	1,885	1,885	1,885
Other operating income	685	730	769	809	Less Expected Credit Loss (ECL)	(8,486)	(8,615)	(8,795)	(9,047)
Operating expenses	(9,256)	(9,177)	(9,432)	(9,689)	Net loans	225,598	227,792	234,647	241,642
Expected Credit Loss (ECL)	(1,376)	(2,128)	(2,380)	(2,452)	Other assets	4,013	4,414	4,854	5,339
Earnings before taxes	8,595	8,125	8,300	8,700	Total assets	281,877	286,295	295,084	303,796
Income taxes	(1,694)	(1,625)	(1,660)	(1,740)	Deposits / Borrowings	225,517	230,099	237,042	244,207
Minority interest	(0)	-	-	-	Total liabilities	238,832	242,391	250,879	259,135
Net profit	6,901	6,500	6,640	6,960	Paid-up share capital	8,007	8,007	8,007	8,007
EPS (B)	8.62	8.12	8.29	8.69	Other reserves	3,044	3,246	3,246	3,246
Quarterly Income Statement					Retained earnings	31,992	32,648	32,949	33,404
Ended 31 Dec.	4Q24	1Q25	2Q25	3Q25	Shareholders' equity	43,042	43,900	44,201	44,657
Interest income	4,746	4,589	4,585	4,620	Total liabilities and shareholders' equity	281,877	286,295	295,084	303,796
Interest expenses	(1,345)	(1,261)	(1,257)	(1,192)	Quarterly Balance Statement				
Net interest income	3,402	3,328	3,328	3,428	Ended 31 Dec.	4Q24	1Q25	2Q25	3Q25
Net fee income	1,310	1,176	1,191	1,287	Cash & bank deposits	910	859	893	822
Other operating income	87	176	275	558	Net investment	7,055	9,739	8,604	10,441
Operating expenses	(2,345)	(2,242)	(2,190)	(2,286)	Loans	232,200	231,190	235,512	230,409
Expected Credit Loss (ECL)	(337)	(386)	(559)	(830)	Accrued interest receivables	1,885	1,940	1,965	2,035
Earnings before taxes	2,117	2,052	2,045	2,156	Less Expected Credit Loss (ECL)	(8,486)	(8,600)	(8,774)	(9,128)
Income taxes	(415)	(409)	(402)	(425)	Net loans	225,598	224,530	228,703	223,316
Minority interest	(0)	(0)	(0)	(0)	Other assets	48,314	47,014	46,886	47,646
Net profit	1,702	1,643	1,644	1,730	Total assets	281,877	282,142	285,086	282,225
EPS (B)	2.13	2.05	2.05	2.16	Deposits	206,537	206,420	209,763	207,235
Tier 1	18.7%	18.9%	18.6%	18.8%	Borrowings	18,741	17,117	19,704	19,478
Tier 2	1.8%	1.8%	2.0%	2.2%	Total liabilities	238,835	237,445	243,458	240,467
CAR	20.5%	20.7%	20.6%	20.9%	Paid-up share capital	8,007	8,007	8,007	8,007
Financial Ratio					Other reserves	3,044	3,054	3,079	3,078
Ended 31 Dec.	2024	2025F	2026F	2027F	Retained earnings	31,992	33,637	30,543	30,673
Yield	7.7%	7.6%	7.6%	7.6%	Shareholders' equity	43,042	44,698	41,628	41,758
Funding cost	2.4%	2.1%	2.0%	2.0%	Total liabilities and shareholders' equity	281,877	282,142	285,086	282,225
Spread	5.3%	5.5%	5.6%	5.6%	Financial Assumption				
NIM	4.8%	4.9%	4.9%	4.9%	Ended 31 Dec.	2024	2025F	2026F	2027F
Loans to deposits & borrowings	108.2%	108.2%	108.4%	108.5%	Loans growth	-1.1%	1.0%	3.0%	3.0%
ROAA	2.4%	2.3%	2.3%	2.3%	Deposits & borrowings growth	-3.9%	2.0%	3.0%	3.0%
ROAE	16.1%	15.0%	15.1%	15.7%	Fee income growth	2.1%	-0.9%	5.0%	5.0%
					Effective tax rate	19.7%	20.0%	20.0%	20.0%
					Credit cost	0.6%	0.9%	1.0%	1.0%
					NPL / Loan	2.4%	2.4%	2.4%	2.4%
					Covorgae Ratio	155.3%	153.1%	151.7%	151.5%
					BIS Ratio	20.5%	20.4%	20.1%	19.8%

Source: ASPS Research