

TISCO

TISCO Financial Group Public Company Limited

SET Opportunity Day 1H2024

August 6, 2024

Background

- Founded in 1969 as the first investment bank in Thailand
- In 1973, the first to introduce hire purchase financing product to retail clients. Also, the first to bring in Provident Fund management service
- One of the founding members of the Stock Exchange of Thailand in 1975
- In 1996, first securitization of auto loan in Southeast Asia
- Upgraded to full-service commercial bank in 2005
- Restructured into holding company structure in 2008
- Expanded Microfinance through the brand “Somwang” in 2014
- Acquired retail banking business from Standard Chartered Bank (Thai) in 2017 and sold personal loan and credit card in 2018 to focus on secured lending business
- Started Co-Brand Alliance with Jefferies Hong Kong Limited in 2020
- In 2023, incorporated new partnership with EV automakers

Business Model

“Selective Focus” universal bank

CG Scoring



Excellent

Credit Rating

A- (Stable) by TRIS Rating



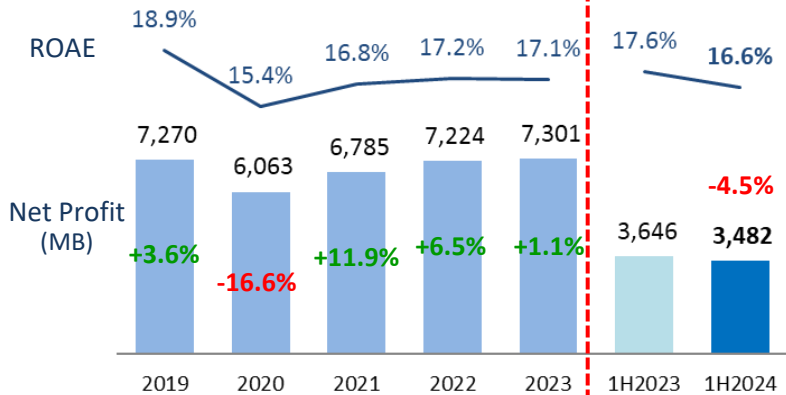
Key Metrics

Unit: Million Baht

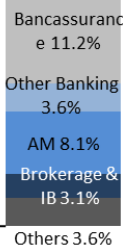
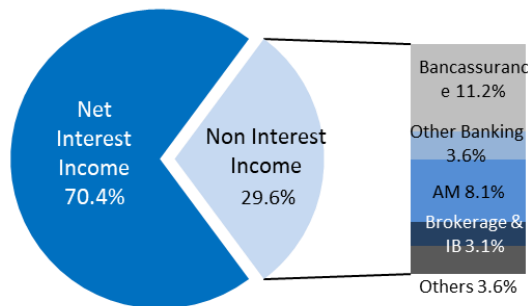
	2023	1H2024
Total Assets	290,724	280,601
Total Loans	234,815	233,448
Total Funding	220,891	212,060
Capital Ratio (BIS %)	22.3	20.6
Market Capitalization	79,864	76,462

Business Performance

Profitability



Revenue Contribution



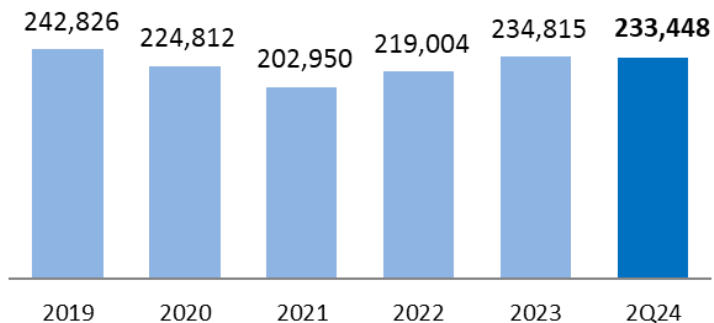
Unit : Million Baht	2021	2022	2023	% YoY	1H2023	1H2024	% YoY
Net Interest Income	12,460	12,734	13,829	8.6	6,579	6,783	3.1
Non-Interest Income	6,363	5,571	5,217	(6.4)	2,707	2,857	5.5
Total Income	18,823	18,305	19,046	4.0	9,286	9,640	3.8
Operating Expenses	(8,267)	(8,591)	(9,340)	8.7	(4,659)	(4,615)	(0.9)
PPOP	10,557	9,714	9,705	(0.1)	4,627	5,025	8.6
ECL	(2,064)	(723)	(615)	(14.9)	(91)	(688)	659.8
Pre Tax Profit	8,493	8,991	9,090	1.1	4,536	4,337	(4.4)
Net Profit	6,785	7,224	7,301	1.1	3,646	3,482	(4.5)
ROAE (%)	16.8	17.2	17.1		17.6	16.6	

- ❑ **Net profit** of 1H2024 decreased by 4.5% (YoY) due to higher ECL expense.
- ❑ Net interest income increased by 3.1% (YoY) supported by loan expansion. However, cost of funds continued to rise following the repricing of deposit rates, resulting in lower loan spread and NIM.
- ❑ Non-interest income improved by 5.5% (YoY) mainly derived from investment gain, IB fee and asset management fee.
- ❑ ECL expense increased (YoY) to cushion against risks of quality deterioration.

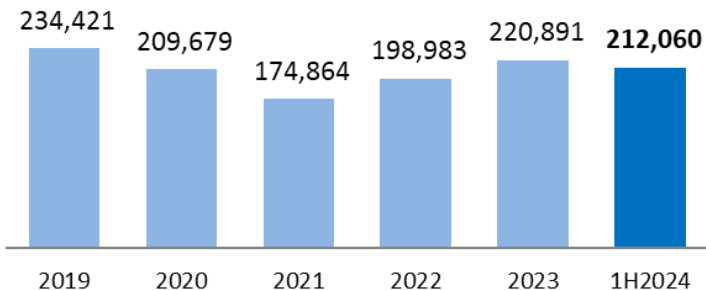
Unit: Million Baht



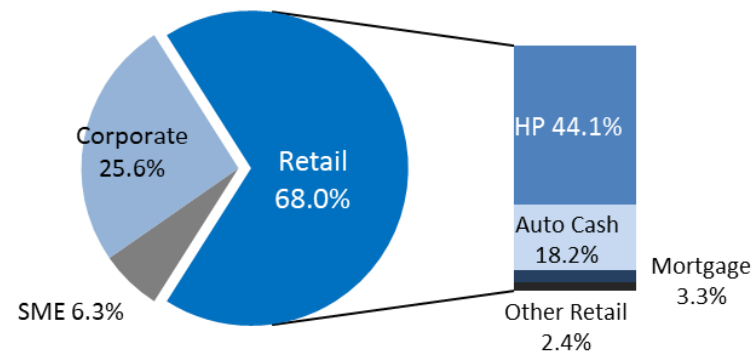
Loans Growth **-0.6% (YTD)**



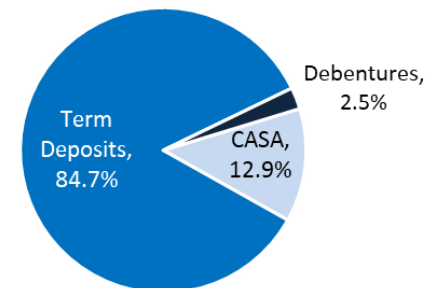
Deposits & Borrowings Growth **-4.0% (YTD)**



Loan Breakdown



Funding Composition

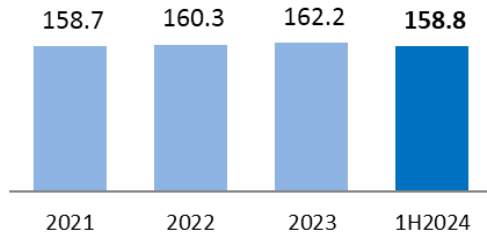


Composition of Loan Growth **-0.6% (YTD)**

Unit: Billion Baht

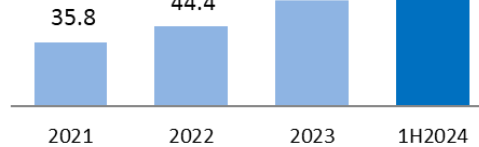
Retail

-2.1% YTD



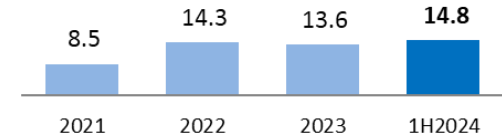
Corporate

+1.5% YTD



SME

+8.6% YTD



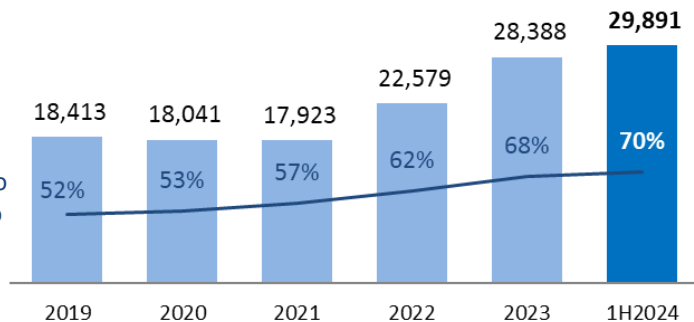
Somwang Business

Loan Outstanding

Unit: Million Baht

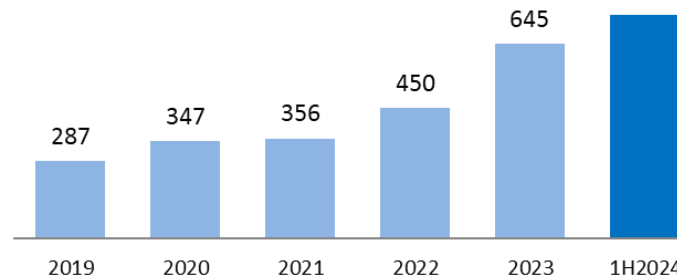
+5.3% YTD

% of SW to Total Auto Cash



Branch Channel

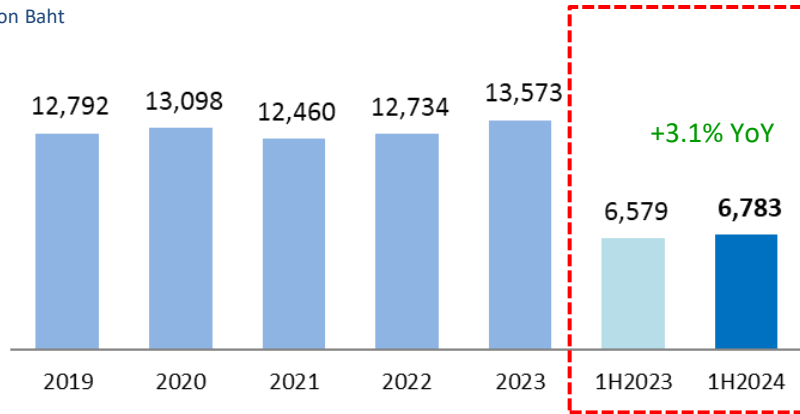
+89 Branches



Net Interest Income

Net Interest Income rose by **3.1% (YoY)** aligning with loan growth

Unit: Million Baht



Net interest income improved by 3.1% (YoY) following the loan expansion of 1.3% (YoY).

However, high interest rate environment continued to pressure loan spread and NIM.

TISCO's cost of funds continued to increase following the repricing of deposit rates.

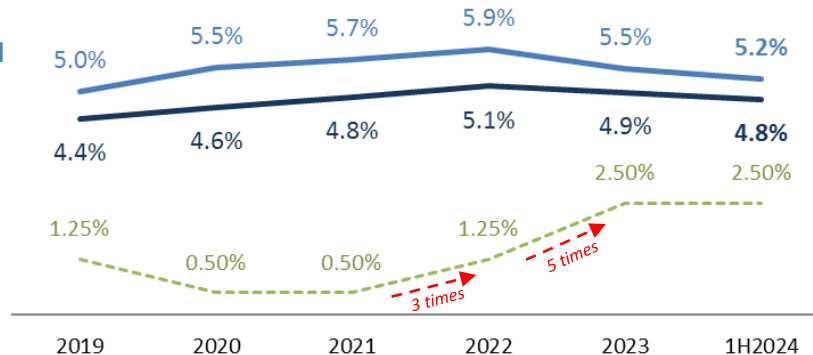
Loan yield also increased but at a slower pace owing to the shift in loan mix to high-yield businesses.

Therefore, loan spread and NIM contracted by 0.3% and 0.1%, respectively.

Loan Spread

NIM

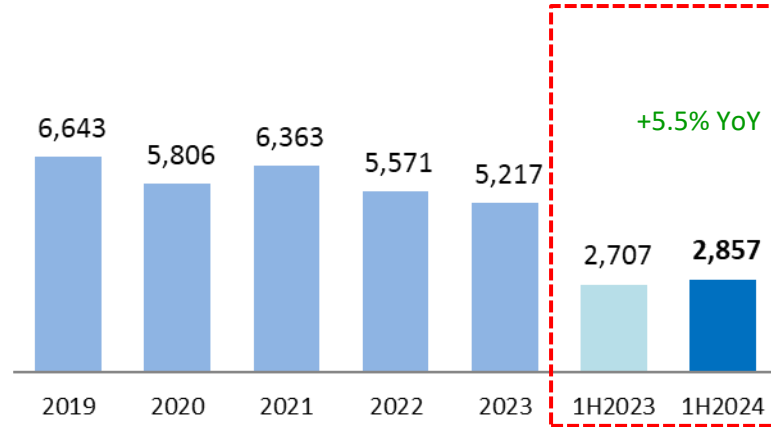
Policy Rate



Non-Interest Income

Non-Interest Income improved by **5.5% (YoY)**.

Unit: Million Baht



Banking Fee
Bancassurance

-0.7%
-1.6%

Banking fee declined from a slowdown in bancassurance business following lower new business volume led by a decrease in industry car sale.



Brokerage & IB

-8.5%

Brokerage fee softened due to weakened trading volume amid volatile capital market conditions. However, there was a record of IB fee from underwriting during 2Q24.



Asset Management

+0.9%

Asset management fee improved following an expansion in AUMs especially provident fund business.

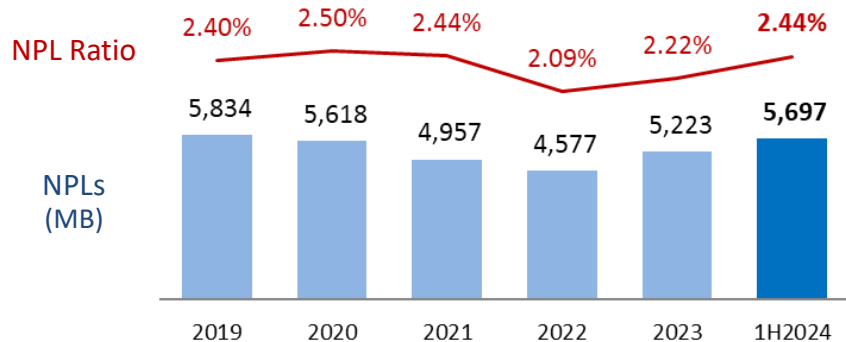


Other Income

+114.6%

Other income significantly increased from a recognition of investment gain.

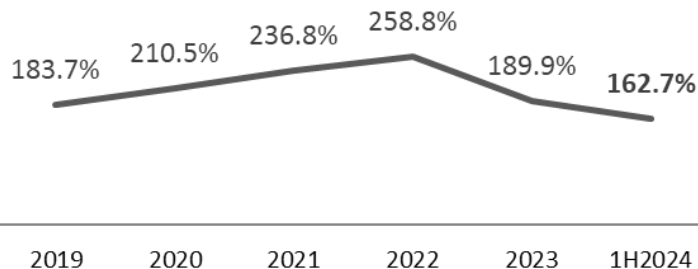
Non-Performing Loans (NPLs)



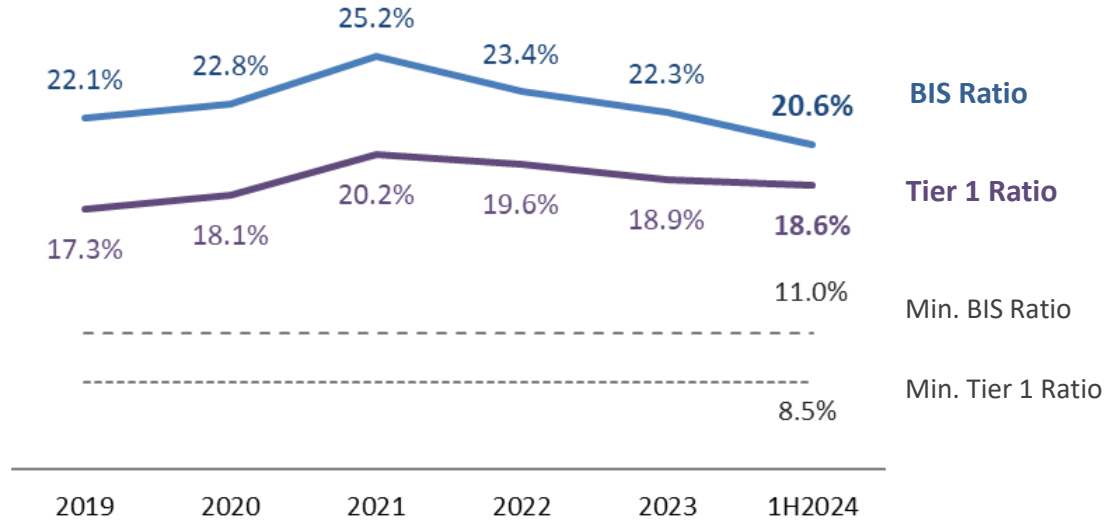
NPLs increased following the growth strategy into high-yield businesses, as well as the fragile economy and high household debt level.

TISCO has tightened loan underwriting and increased debt collection process.

Coverage Ratio



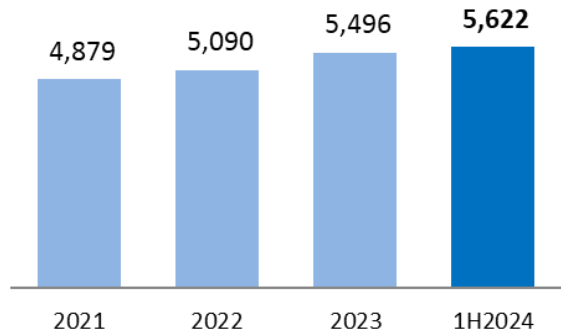
Coverage ratio decreased to **162.7%** but remained at a sufficient level against potential risks.



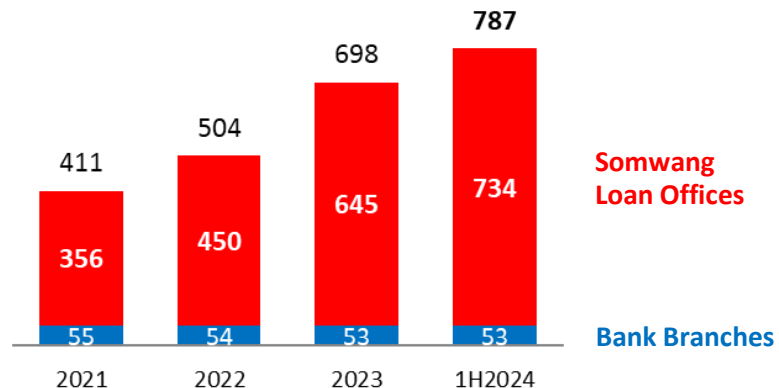
TISCO maintained **sufficient** Capital Adequacy Ratio and **exceeded** the minimum requirement by BOT.

Employees & Branches

Number of Employees



Number of Branches



Share Capital Information

Share Summary

Total Shares **800,655,483**

Ordinary shares 800,645,624

Preferred shares 9,859

Share Movement 2Q2024

High (Baht) 101.50

Low (Baht) 94.00

Average (Baht) 98.41

Par value (Baht) 10.0

Market capitalization (Million Baht) 76,462

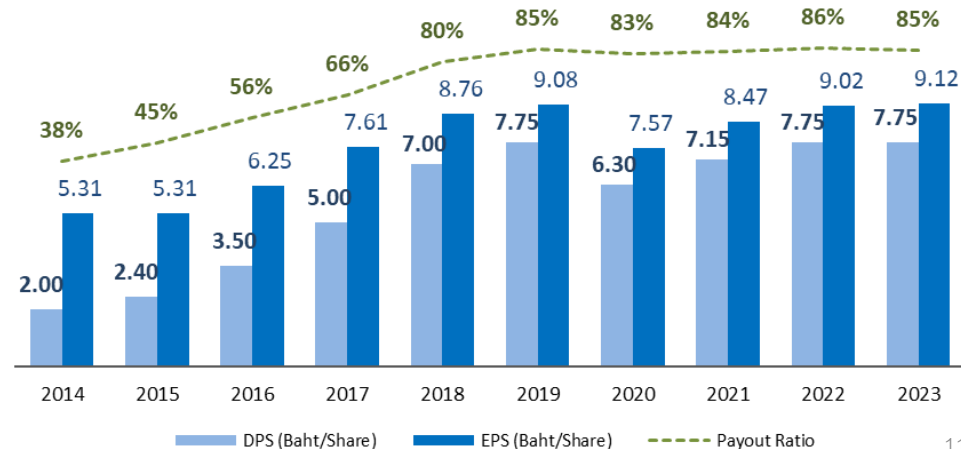
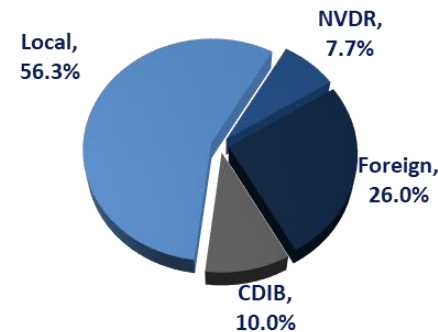
Foreign limit (%) 49.0%

Free float (%) 73.8%

Dividend Payout (%) 85.0%

Data as of June 2024

Shareholder Structure





Disclaimer

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