



Management Discussion and Analysis

For the First Quarter of 2026 ended March 31, 2026

(Reviewed Consolidated Financial Statements)

Investor Relations

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Economic Conditions and Movement of Financial Market

In the first quarter of 2026, Thai economy slowed down caused by the impact of the Middle East conflict which created pressure to geopolitical risks and global economy, as well as a surge in energy prices. Private consumption declined following weak consumer confidence amid concerns over the prolonged war and the cost of living that was on an upward trend. Tourism sector reported the number of tourist arrivals at 9.3 million, decreased by 2.4% (YoY), whereas the export sector expanded due to the escalated export activities during the reduction of US import tariff. The domestic car sales for the first 3 months of 2026 were at 182,083 units, improved by 18.9% (YoY) as consumers accelerated the purchases of electric vehicles ahead of the expiration of the EV 3.0 measure. However, the sale of commercial trucks remained sluggish due to the tightened loan approval by the financial institutions. Headline inflation for the first quarter of 2026 declined by 0.54%, driven by energy and electricity price freeze measures.

The Bank of Thailand (BOT) reduced the policy rate 1 time in February 2026 from 1.25% to 1.00% to support the economic recovery and ease the debt burden of borrowers. Thai commercial banks also decreased lending rates and deposit rates to be in alignment with the BOT's direction. Comparing to the end of 2025, the lending rates of the Top 4 commercial banks declined in all rate types. The average minimum lending rate (MLR) decreased from 6.47% to 6.32%. The average minimum overdraft rate (MOR) decreased from 6.46% to 6.26%, and the average minimum retail rate (MRR) decreased from 6.73% to 6.55%. The average 3-month fixed deposit rates of Top 4 commercial banks decreased from 0.69% to 0.66%.

In addition, the "Clear Debt Fast & Move Forward" program began on January 1, 2026, as Sukhumvit Asset Management (SAM) will acquire the NPLs of retail borrowers to conduct lenient debt restructuring. The program aims to reduce the debt burden for borrowers, quickly close the debt obligation and improve their credit bureau records which allows them to re-enter the financial system.

The capital market in the first quarter of 2026 saw foreign fund inflow after the clarification of general election results, which boosted confidence in Thailand's political stability, together with the reduction of the policy rate by the MPC. However, the Middle East conflict that emerged in March 2026 has affected global investor confidence, contributing to the volatility in capital markets. SET index closed at 1,448.14 points, increased by 188.47 points or 15.0% from the end of last year. Market trading volume increased from the average daily turnover of 34,704.18 million baht in the previous quarter to 64,732.19 million baht.

Key Events & Developments

- Regarding the policy rate cuts by the Bank of Thailand, TISCO Bank adjusted deposit rates and lending rates as follows.

Deposit Rates

- Decreased 3-month deposit rates to 0.85 – 0.95
- Decreased 6-month deposit rates to 0.85 – 0.95
- Decreased 12-month deposit rates to 0.85 – 0.95
- Decreased 24-month deposit rates to 0.85 – 0.95

Lending Rates

- Decreased Minimum Loan Rate (MLR) to 7.350
 - Decreased Minimum Overdraft Rate (MOR) to 7.100
 - Decreased Minimum Retail Rate (MRR) to 7.400
- “Clear Debt Fast & Move Forward” Program

This program gives assistance to retail borrowers with low outstanding debts, including unsecured loans (such as credit cards and personal loans) and the remaining balances of secured loans (such as hire-purchase loans or title loans). The program involves acquiring and transferring the NPLs of retail borrowers from the original creditors to Sukhumvit Asset Management (SAM) and restructuring the debt leniently. The key objectives are to help borrowers reduce the debt burden, improve the debt serviceability that helps enable efficient debt management, quickly exit NPL status and restore their credit bureau records to normal which allows them to re-enter the financial system in a stable and sustainable way.

- SMEs Quick Big Win Credit Guarantee Program

In coordination with Thai Credit Guarantee Corporation (TCG), TISCO Bank joins “SMEs Quick Big Win Credit Guarantee Program” for 2 measures including “SMEs Go Big” for loans exceeding 1 million baht and “SMEs Smart Win” for loans within 1 million baht. The program enables SMEs and self-employed individuals to access financing from financial institutions and enhance liquidity for SME operators.

Operating Results

TISCO Financial Group Public Company Limited, as a parent company of the group, had net profit from operations for the first quarter of 2026 on a standalone basis totaling 225.67 million baht, mainly contributed by dividend income and service fee income derived from subsidiary companies within the group. As a holding company, TISCO Financial Group Public Company Limited operates as a shareholder in other companies and no other major business. Therefore, the analysis was based on the Company's consolidated operating performance and financial position which was comprised of 2 main businesses: commercial banking business and capital market businesses.

Operating Results for the first quarter of 2026

The net profit of the Company for the first quarter of 2026 was reported at 1,733.62 million baht, increased by 90.25 million baht or 5.5% compared to the first quarter of 2025, caused by an expansion in total income by 10.3% (YoY). Net interest income increased by 3.4% (YoY), reflecting the continued repricing of the cost of funds during the interest rate downcycle. Non-interest income improved by 27.2% (YoY) from all business areas. Banking fee increased as bancassurance business grew along with the increased new business volume amid a growth in domestic auto market, as well as an increase in loan-related fee. Brokerage fee income increased following a recovered market trading volume, and asset management basic fee also increased owing to the new issuances of mutual funds that responded to customer demands. Operating expenses decreased by 0.7% (YoY) following effective cost management, while expected credit loss (ECL) increased to 1.3% of average loans, partly to cushion against the risks from the Middle East war and the surge in energy prices.

Compared to the fourth quarter of 2025, net profit increased by 91.85 million baht or 5.6% (QoQ) from an improvement in total income. Net interest income increased by 0.8% (QoQ), due to the repricing of the cost of funds. Non-interest income rose by 15.3% (QoQ) attributed to the recovery of capital market businesses, which led to the growth in brokerage fee and asset management basic fee. In banking business, there was a record of higher loan-related fee. Operating expenses decreased by 3.0% (QoQ) following effective cost management, while expected credit loss (ECL) increased partly to cushion against the risks from the Middle East war and the surge in energy prices.

Basic earnings per share for the first quarter of 2026 equaled 2.17 baht per share, increased from the previous quarter and from the first quarter of 2025. The return on average equity (ROAE) was reported at 15.7%.

Table 1 : Statement of Comprehensive Income

Statement of Comprehensive Income					
Unit: Million baht	1Q2026	4Q2025	%QoQ	1Q2025	%YoY
Interest income					
Interest on loans	2,701.89	2,752.39	(1.8)	2,839.23	(4.8)
Interbank and money market items	87.95	120.82	(27.2)	172.57	(49.0)
Hire purchase and capital lease	1,610.67	1,597.80	0.8	1,521.88	5.8
Investments	43.30	45.90	(5.7)	55.39	(21.8)
Total interest income	4,443.80	4,516.91	(1.6)	4,589.07	(3.2)
Interest expenses	(1,000.69)	(1,099.54)	(9.0)	(1,260.62)	(20.6)
Net interest income	3,443.11	3,417.38	0.8	3,328.45	3.4
Fee income	1,558.50	1,476.08	5.6	1,293.67	20.5
Fee expenses	(127.92)	(129.75)	(1.4)	(117.77)	8.6
Net fee income	1,430.58	1,346.33	6.3	1,175.90	21.7
Gain (Loss) on the financial instruments measured at fair value through PL	33.61	4.89	587.3	67.31	(50.1)
Gain (Loss) on Investments	2.40	3.51	(31.6)	1.46	64.6
Share of profit from investment under equity method	10.22	10.64	(4.0)	9.48	7.7
Other operating income	242.74	126.28	92.2	97.45	149.1
Total operating income	5,162.67	4,909.02	5.2	4,680.05	10.3
Operating expenses	(2,227.13)	(2,295.40)	(3.0)	(2,241.87)	(0.7)
Expected credit loss	(775.00)	(565.11)	37.1	(385.73)	100.9
Profit from operations before income tax expenses	2,160.55	2,048.52	5.5	2,052.46	5.3
Corporate income tax expenses	(426.82)	(406.65)	5.0	(408.98)	4.4
Net Profit	1,733.72	1,641.87	5.6	1,643.48	5.5
Non-controlling interests of subsidiaries	(0.10)	(0.09)	7.4	(0.10)	(3.7)
Net profit of the Company	1,733.62	1,641.78	5.6	1,643.38	5.5
Earnings per share (EPS)	2.17	2.05		2.05	
Return on Average Equity (ROAE)	15.7	15.4		15.0	

Details of Financial Performance for the first quarter of 2026

Net Interest Income

In the first quarter of 2026, net interest income totaled 3,443.11 million baht, increased by 114.66 million baht (3.4% YoY). Interest income totaled 4,443.80 million baht, decreased by 145.27 million baht (3.2% YoY) following the policy rate cuts by the Bank of Thailand. In addition, in this quarter, the Company recorded a one-time interest income arising from one large corporate prepayment. Interest expense totaled 1,000.69 million baht, decreased by 259.92 million baht (20.6% YoY) following the continued repricing of funding cost amid interest rate downcycle.

Comparing to the fourth quarter of 2025, net interest income increased by 0.8% (QoQ). Interest income decreased by 1.6% (QoQ) caused by the policy rate cut by the Bank of Thailand, while interest expense reduced by 9.0% (QoQ) following funding cost repricing.

Yield on loans for the first quarter of 2026 was reported at 7.43%, declined from 7.63% (YoY). The cost of funds decreased from 2.30% to 1.78% (YoY). Thus, loan spread improved from 5.32% to 5.65% (YoY), and net interest margin (NIM) increased to 4.95%.

Table 2 : Loan Spread

Unit: %	2025	1Q2025	4Q2025	1Q2026
Yield on Loans	7.51	7.63	7.41	7.43
Cost of Funds	2.12	2.30	1.91	1.78
Loan Spread	5.39	5.32	5.50	5.65
Net Interest Margin (NIM)	4.82	4.88	4.83	4.95

Non-Interest Income

Non-interest income totaled 1,719.56 million baht, grew by 27.2% (YoY) owing to a recovery in all business segments. Banking fee totaled 1,021.41 million baht, increased by 34.0% (YoY), contributed by an expansion in bancassurance business aligning with an increase in new business volume, in combined with a record of the subsidized rebate from Financial Institutions Development Fund (FIDF) for "You Fight, We Help" program, and a recognition of prepayment fee from one large corporate client. Brokerage fee totaled 162.59 million baht, grew by 26.7% (YoY) following higher market trading volume. Asset management basic fee totaled 539.93 million baht, increased by 18.5% (YoY) derived from the new issuances of mutual funds that responded to the client needs. The gain on financial instruments measured at fair value through profit or loss (FVTPL) was recorded at 33.61 million baht, declined (YoY), whereas dividend income totaled 68.99 million baht, increased by 79.3% (YoY).

Compared to the fourth quarter of 2025, non-interest income rose by 15.3% (QoQ). Banking fee increased by 2.2% (QoQ) from higher loan-related fee which partly derived from the prepayment fee of one large corporate client, however bancassurance fee weakened after the seasonal effect. Brokerage fee grew by 62.2% (QoQ) following higher market trading volume, and asset management basic fee increased by

10.6% (QoQ) thanks to new mutual fund issuances. Moreover, the gain on financial instruments measured at fair value through profit or loss (FVTPL) increased (QoQ) following higher investment value.

Table 3 : Non-Interest Income Breakdown

Type of Incomes Unit: Million baht	1Q2026	4Q2025	%QoQ	1Q2025	%YoY
Banking Fee	1,021.41	999.47	2.2	762.18	34.0
<i>Bancassurance Fee</i>	677.26	753.27	(10.1)	570.97	18.6
<i>Other Banking Fee</i>	344.15	246.21	39.8	191.21	80.0
Brokerage Fee	162.59	100.23	62.2	128.37	26.7
Asset Management Basic Fee	539.93	488.22	10.6	455.50	18.5
Investment Banking Fee	6.97	8.12	(14.3)	3.14	121.6
Non-Interest Income from Core Businesses	1,730.89	1,596.05	8.4	1,349.19	28.3
Gain (Loss) on Financial Instruments measured at fair value through PL	33.61	4.89	587.3	67.31	(50.1)
Gain (Loss) on Investments	2.40	3.51	(31.6)	1.46	64.6
Share Profit from subsidiaries	10.22	10.64	(4.0)	9.48	7.7
Dividend Income	68.99	10.65	547.9	38.48	79.3
Asset Management Performance Fee	1.37	(4.33)	n.a.	3.45	(60.4)
Fee Expenses	(127.92)	(129.75)	(1.4)	(117.77)	8.6
Total Non-Interest Income	1,719.56	1,491.65	15.3	1,351.60	27.2

Operating Expenses

Operating expenses totaled 2,227.13 million baht, decreased by 0.7% (YoY) and 3.0% (QoQ) following the effective operating cost management on the back of the fragile economy. The Company maintained the cost control with the reported cost-to-income ratio at 43.1%.

Table 4 : Operating Expenses

Type of Expenses Unit: Million baht	1Q2026	4Q2025	%QoQ	1Q2025	%YoY
Employee Expenses	1,523.71	1,521.38	0.2	1,530.01	(0.4)
Premises & Equipment Expenses	210.68	200.02	5.3	215.06	(2.0)
IT Expenses	175.24	185.72	(5.6)	175.84	(0.3)
Marketing & Sale Admin Expenses	67.87	108.36	(37.4)	61.34	10.6
Other Expenses	249.63	279.91	(10.8)	259.62	(3.8)
Total Operating Expenses	2,227.13	2,295.40	(3.0)	2,241.87	(0.7)

Expected Credit Loss

Expected credit loss (ECL) was reported at 775.00 million baht, increased from the first quarter of 2025 and from the previous quarter, and accounted for 1.3% of average loans. The setup of ECL was partly to cushion against the risks from the Middle East conflict and the potential surge in energy prices. Meanwhile, non-performing loans (NPLs) improved to 2.11% resulted from the cautious lending policy, the improved efficiency in loan collection, along with proactive debt assistance in accordance with the Bank of Thailand's guideline. Thus, loan loss coverage ratio was reported at 191.4%.

Corporate Income Tax

The corporate income tax for the first quarter of 2026 was at 426.82 million baht, equivalent to the effective tax rate of 19.8%.

Financial Positions

Assets

As of March 31, 2026, the Company's total assets were 283,045.48 million baht, decreased by 2.6% (YTD). Loans totaled 235,094.34 million baht, declined by 0.3% (YTD). Interbank and money market items totaled 31,770.72 million baht, decreased by 21.3% (YTD). Financial assets measured at fair value through profit or loss totaled 3,064.07 million baht, decreased by 3.5% (YTD), and investments totaled 8,927.77 million baht, increased by 22.1% (YTD).

Table 5 : Assets Breakdown

Assets Unit: Million baht	As of Mar 31, 2026	As of Dec 31, 2025	%YTD
Cash	813.55	826.39	(1.6)
Interbank and money market items	31,770.72	40,360.38	(21.3)
Financial assets measured at fair value through Profit or Loss	3,064.07	3,175.65	(3.5)
Derivatives	0.96	91.17	(1.0)
Investments - net	8,927.77	7,310.30	22.1
Investments in subsidiaries and JV	846.36	876.01	(3.4)
Loans	235,094.34	235,779.49	(0.3)
Accrued interest receivables	2,031.08	2,030.98	0.0
Allowance for expected credit loss	(9,473.35)	(9,243.70)	2.5
Loans and accrued interest receivables – net	227,652.08	228,566.77	(0.4)
Other assets	9,969.97	9,495.48	5.0
Total assets	283,045.48	290,702.15	(2.6)

Liabilities

As of March 31, 2026, total liabilities were 237,913.72 million baht, decreased by 3.8% (YTD). Total deposits totaled 205,619.94 million baht, decreased by 2.7% (YTD), and debentures totaled 8,700.00 million baht, decreased by 17.3% (YTD).

Table 6 : Liabilities Breakdown

Liabilities Unit: Million baht	As of Mar 31, 2026	As of Dec 31, 2025	%YTD
Deposits	205,619.94	211,342.08	(2.7)
Interbank and money market items	10,146.13	12,111.07	(16.2)
Debentures	8,700.00	10,520.00	(17.3)
Others	13,447.64	13,352.12	0.7
Total liabilities	237,913.72	247,325.26	(3.8)

Shareholders' Equity

As of March 31, 2026, shareholders' equity was 45,131.76 million baht, increased by 1,754.87 million baht (4.0% YTD) from an increase in retained earnings of the first quarter of 2026. Therefore, the book value per share (BVPS) as of March 31, 2026 was 56.36 baht per share.

Business Segment Operations

(1) Banking Business

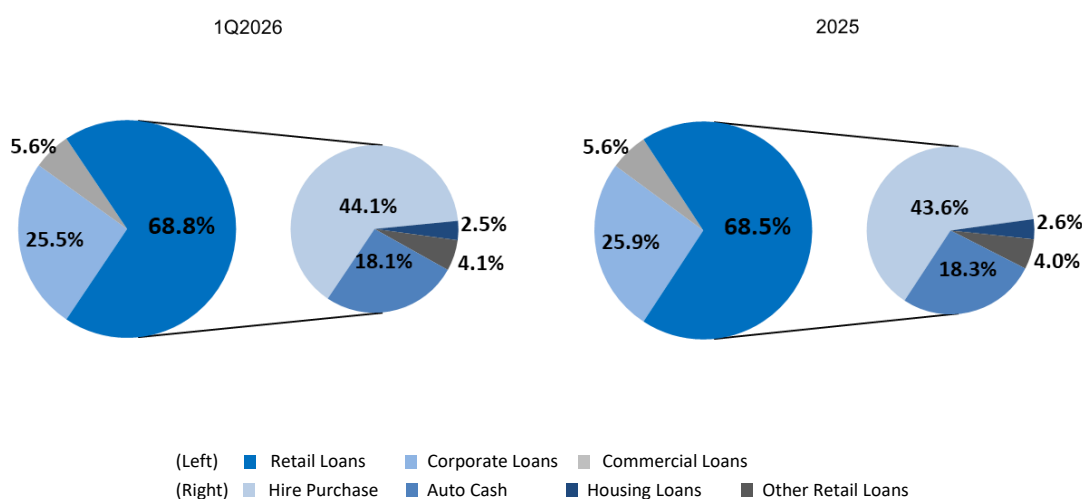
1.1 Loans

Total loans and receivables as of March 31, 2026 totaled 235,094.34 million baht, decreased by 0.3% (YTD) mainly due to corporate loan repayments.

Table 7 : Loans

Loans Unit: Million baht	As of Mar 31, 2026	As of Dec 31, 2025	%YTD
Hire purchase	103,603.42	102,690.72	0.9
Loans against auto licenses	42,548.47	43,213.87	(1.5)
Housing loans	5,985.97	6,210.22	(3.6)
Others	9,662.91	9,392.08	2.9
Retail loans	161,800.77	161,506.89	0.2
Corporate loans	60,045.88	60,970.75	(1.5)
Commercial loans	13,247.69	13,301.85	(0.4)
Total loans	235,094.34	235,779.49	(0.3)

Loan Breakdown



Retail Lending portfolio totaled 161,800.77 million baht, increased by 0.2% (YTD). The total retail portfolio as of March 31, 2026 consisted of 64.0% car and motorcycle hire purchase loans, 26.3% loans against auto licenses, 3.7% housing loans and 6.0% other retail loans.

The outstanding hire purchase loans totaled 103,603.42 million baht, increased by 0.9% (YTD) from all HP loan types. New car hire purchase expanded by 0.7% (YTD) owing to the growth in passenger car

market together with an expansion of TISCO Bank's penetration rate. The domestic car sales for the first 3 months of 2026 totaled 182,083 units, increased by 18.9% compared to the first 3 months of 2025 at 153,193 units, attributed to the accelerated purchases of electric vehicles ahead of the expiration of the EV 3.0 measure, whereas the sale of commercial trucks remained sluggish due to the tightened loan approval by the financial institutions. The car penetration rate of TISCO for the first 3 months of 2026 improved to 6.3% from 4.9% in the same period of last year. In addition, used car hire purchase and motorcycle hire purchase expanded by 0.5% and 3.3% (YTD) respectively.

Loans against auto licenses ("Auto Cash") totaled 42,548.47 million baht, declined by 1.5% (YTD). The Company continued a cautious and prudent loan underwriting policy amid high household debt level and fragile economic conditions, and suspended the new branch opening plan while increased the efficiency of the existing branches. The loan generating through "Somwang" branch channel slightly increased by 0.1% (YTD) totaling 36,023.02 million baht and accounted for 84.7% of total loans against auto licenses. Currently, "Somwang" loan office totaled 805 branches nationwide.

Housing loans totaled 5,985.97 million baht, dropped by 3.6% (YTD) following highly competitive market conditions and rising risks. Other retail loans totaled 9,662.91 million baht, increased by 2.9% (YTD).

Corporate Lending portfolio totaled 60,045.88 million baht, dropped by 1.5% (YTD) mainly contributed by one large corporate loan repayment.

Commercial Lending portfolio totaled 13,247.69 million baht, declined by 0.4% (YTD) from the repayment in car inventory financing.

1.2 Asset Quality and Expected Credit Loss

Non-performing loans (NPLs) amounted to 4,949.07 million baht, decreased by 7.9% (YTD), and accounted for NPL ratio of 2.11% of total loans. The improved asset quality was a result of cautious lending policy, the improved efficiency of loan collection, in parallel with the debt assistance measures provided to borrowers in accordance with the Bank of Thailand's guideline. Still, the Company continued the prudent risk management and provisioning policy, which also covered the heightened risks from the Middle East war and a potential surge in energy prices. Total allowance for expected credit loss of the Company was reported at 9,473.35 million baht, and loan loss coverage ratio was at 191.4%.

Table 8 : Loan Classification

Loan Classification ¹ Unit: Million baht	As of Mar 31, 2026	As of Dec 31, 2025	%YTD
Stage 1 loans (Performing)	213,763.16	213,109.69	0.3
Stage 2 loans (Under-performing)	16,382.11	17,298.49	(5.3)
Non-performing loans (NPLs)	4,949.07	5,371.31	(7.9)
Total loans	235,094.34	235,779.49	(0.3)

¹Excluding accrued interest in accordance with BOT's guideline.

Table 9 : NPLs Breakdown

NPLs ¹ Unit: Million baht, %	As of Mar 31, 2026		As of Dec 31, 2025	
	Million baht	%	Million baht	%
Hire purchase	2,544.52	2.46	2,758.66	2.69
Loans against auto licenses	2,012.15	4.73	2,159.97	5.00
Housing loans	297.30	4.97	356.87	5.75
Others	15.66	0.16	17.23	0.18
NPLs - Retail loans	4,869.63	3.01	5,292.73	3.28
NPLs - Corporate loans	-	-	-	-
NPLs - Commercial loans	79.44	0.60	78.58	0.59
Total NPLs	4,949.07	2.11	5,371.31	2.28

¹Excluding accrued interest in accordance with BOT's guideline

1.3 Deposits and Borrowings

Total deposits and borrowings amounted to 214,319.94 million baht, decreased by 3.4% (YTD) in line with the loan portfolio contraction. Total deposits reported at 205,619.94 million baht, declined by 2.7% (YTD), and debentures totaled 8,700.00 million baht, decreased by 17.3% (YTD). As of March 2026, the Bank had high-quality liquid assets according to the Liquidity Coverage Ratio (LCR) at 40,069.98 million baht, decreased by 14.1% (YTD). The high-quality liquid assets accounted for 18.7% of total deposits and borrowings, and the LCR ratio was at 155.9%.

Table 10 : Deposit Structure

Deposits Unit: Million baht	As of Mar 31, 2026	As of Dec 31, 2025	%YTD
Current accounts	1,716.43	1,903.04	(9.8)
Saving accounts	30,931.50	28,227.62	9.6
Fixed accounts	64,738.01	68,401.27	(5.4)
Negotiate certificate deposits	108,215.23	112,791.38	(4.1)
Short-term borrowings	18.77	18.77	0.0
Total deposits	205,619.94	211,342.08	(2.7)

(2) Securities Business

In the first quarter of 2026, the average daily turnover of TISCO Securities was 1,688.63 million baht, grew by 29.5% (YoY) following an expansion in market trading volume after the foreign fund inflow. As a result, the brokerage fee income of TISCO Securities totaled 162.59 million baht, improved by 26.7% (YoY) and 62.2% (QoQ). TISCO Securities' market share was at 1.4%. TISCO brokerage volume is comprised of 51.2% of local institutions, 7.4% of foreign institutions, and 41.5% of retail investors.

(3) Asset Management Business

As of March 31, 2026, assets under management of TISCO Asset Management totaled 426,200.28 million baht, declined by 4.9% (YTD) from provident fund business and private fund business. However, there were 4 new mutual fund issuances in this quarter, which brought about asset management basic fee income amounted to 539.93 million baht, rose by 18.5% (YoY) and 10.6% (QoQ). The composition of total

assets under management was 75.6% provident fund, 16.1% mutual fund and 8.2% private fund. Total market share of TISCO Asset Management as of March 31, 2026 was 4.2%, ranking 9th in the market. The market share of provident fund was 19.9%, ranking 1st in the market. The market share of mutual fund was 1.1%, ranking 12th in the market, and the market share of private fund was 1.6%, ranking 10th in the market.

Table 11 : Assets under Management Breakdown

Funds Unit: Million baht	As of Mar 31, 2026	As of Dec 31, 2025	%YTD
Provident fund	322,303.99	328,042.42	(1.7)
Private fund	35,160.75	51,632.82	(31.9)
Mutual fund	68,735.54	68,698.16	0.1
Total AUMs	426,200.28	448,373.41	(4.9)

Risk Factors & Risk Management Framework

Risk Factors

The Company has identified 6 significant risk factors that could impact on future operations or growth comprising the followings.

1. **Credit Risk** particularly the default risk that might occur from lower credit quality amid fragile and slow-going economy, as well as the impact from geopolitical conflict.
2. **Liquidity Risk** from the inability to meet its obligations to repay debts when they come due, whether as a result of a failure in cash management or an inability to raise funds to meet demand in time.
3. **Market Risk** mainly from interest rate risk that might occur whenever there is a mismatch caused by interest-bearing assets and liabilities profile.
4. **Operational Risk** is defined as the risk arising from errors, inadequacies, or deficiencies in operational processes, information technology systems, people, or external factors, including legal risk, fraud, and corruption. The impact can be classified into financial loss and non-financial loss such as reputational damage and business opportunity losses.
5. **Strategic Risk** is a form of uncertainty stemming from the possibility that TISCO Group might make an adverse business decision, improper strategy implementation or misalignment between strategy, target, organization structure, competition and resources.
6. **Emerging Risks** the Company is aware of and prepares to deal with emerging risks, the change in mega trends, together with geopolitical risks especially the conflict in the Middle East. The Company constantly monitors changing landscapes and analyzes risk factors that may affect the business operations to efficiently manage the risks both in the short term and the long term.

The overall risk of TISCO Group is at a manageable level, with amount of capital fund remaining strong for further business expansion which has already been assessed by the BOT.

Risk Management Framework

As of March 31, 2026, TISCO Group's internal capital (ICAAP) stood at 38,164.19 million baht comprising of Tier-I capital and available reserve adjustment. The integrated risk capital decreased by 382.90 million baht from the end of 2025 to 15,016.68 million baht mainly resulting from a decline in credit risk capital. In addition, the capital surplus remained strong at 23,147.51 million baht or 60.7% of total capital.

Compared to the end of 2025, the credit risk capital decreased by 616.95 million baht, or 4.9%, to 12,064.06 million baht mostly resulting from a lower risk capital in retail lending, corporate lending and commercial lending portfolios during the period. Total loan portfolio of TISCO Group contracted by 0.3%, while non-performing loans decreased from 2.28% at the end of 2025 to 2.11% at the end of March 2026. Meanwhile, TISCO Group still maintains a sufficient level of allowance for expected credit loss as cushion for future uncertainties and remains cautious and continued the prudent risk management policy.

The market risk capital increased by 234.05 million baht during the quarter, from 155.61 million baht to 389.66 million baht, primarily due to an increase in volatility of the investment portfolio during the period. Meanwhile, the overall duration gap slightly rose from 0.77 year to 0.78 year, which was in a manageable level. The assets duration increased from 1.14 year to 1.16 year, while the liabilities duration increased from 0.37 year to 0.38 year.

Table 12 : Average Duration Mismatch of Assets and Liabilities and Its Impact

	Duration Unit: Years		1-Y Net interest income change to 1% interest rate increase Unit: Million baht	
	Mar 31, 2026	Dec 31, 2025	Mar 31, 2026	Dec 31, 2025
Assets	1.16	1.14	1,366.73	1,441.51
Liabilities	0.38	0.37	(1,528.23)	(1,611.70)
Net gap	0.78	0.77	(161.51)	(170.19)

In terms of regulatory capital requirement of the Bank, TISCO Group, and Securities Company, the positions were strong and sufficient levels to cushion for the expansion of asset in the future. At the end of March 2026, the regulatory capital based on IRB approach of the Bank was 39,502.83 million baht, while the capital adequacy ratio (BIS ratio) stood at 20.5%, remaining higher than 11.0% required by the Bank of Thailand. The projected Tier-I and Tier-II ratios of the Bank stood at 18.3% and 2.1%, respectively, in which Tier-I ratio also remained higher than the minimum requirement at 8.5%. For TISCO Group, the regulatory capital based on IRB approach was 40,851.84 million baht, with BIS ratio, Tier-I and Tier-II ratios at 18.9%, 16.9% and 2.0%, respectively, which also remained higher than the minimum capital requirement. Meanwhile, the net capital rule (NCR) of TISCO Securities Co., Ltd. stood at 73.2%, which was higher than the minimum required ratio by the SEC of 7.0%.

Table 13 : Regulatory Capital Requirement

Capital Adequacy Unit: %	As of Mar 31, 2026	As of Dec 31, 2025
TISCO Financial Group		
Tier-I	16.9	17.0
Tier-II	2.0	1.9
BIS Ratio	18.9	19.0
TISCO Bank		
Tier-I	18.3	18.4
Tier-II	2.1	2.1
BIS Ratio	20.5	20.5

ESG Developments

TISCO Group remains committed to advancing its operations under a sustainable development framework, with a focus on fostering innovation from within the organization, supporting customer access to financial resources, promoting the quality of life and well-being of Thai society, and building a work environment that promotes employee engagement and well-being. Collectively, these efforts reflect TISCO Group's commitment to sustainable business practices and the creation of long-term value for all stakeholders.

- Fostering a Culture of Innovation:** TISCO Group continued the "Micro Project" initiative in 2026 to encourage employees to participate in improving and redesigning work processes. The program applies design thinking, problem identification, and the adoption of new tools and technologies, with guidance from TISCO Learning Center and relevant teams to help translate ideas into practical solutions.

In March 2026, TISCO Group organized a "Pitching Day," where employees presented projects developed throughout 2025 that had been shortlisted by management. These projects were evaluated by a panel of experts, with awards granted to projects that demonstrated outstanding improvements in operational efficiency, creativity, and practical applicability, as well as the potential to be scaled and adapted across other organizational processes. In total, 21 projects were recognized, reflecting the capabilities of TISCO's people and a culture of continuous learning that supports long-term sustainability.
- Enhancing Financial Inclusive:** TISCO Bank participated in the "SMEs Quick Big Win" credit guarantee program from the Thai Credit Guarantee Corporation (TCG), covering two schemes: "SMEs Go Big" for loans exceeding THB 1 million, and "SMEs Smart Win" for loans of up to THB 1 million. The program aims to reduce barriers to access to financing and enhance liquidity for entrepreneurs, enabling business continuity and local employment. Eligible borrowers include Thai individual entrepreneurs, legal entities registered in Thailand, and self-employed professionals, provided they maintain normal debtor status.

- **Promoting Social Well-being:** In recognition of World Cancer Day on 4 February 2026, TISCO Group marked the tenth consecutive year of its “Fighting Cancer” initiative. The Group contributed THB 1,014,750 from fee income generated by mutual fund and insurance products to the Cancer Immunotherapy Fund at the Faculty of Medicine, Chulalongkorn University, supporting the development of Anti-PD-1 antibody therapy, which has the potential to enhance treatment effectiveness and significantly reduce patient treatment costs. Over the past nine years, TISCO Group has contributed more than THB 29.77 million to cancer treatment innovation through this initiative. In addition, TISCO Insurance Solution organized the “Family First Neon Run 2026” charity event, with more than 1,500 participants. All proceeds from ticket sales were also donated to the Cancer Immunotherapy Fund.
- **Building an ‘Organization of Happiness’:** TISCO Group received recognition for its human capital management and organizational culture. TISCO Bank Public Company Limited and Highway Company Limited were awarded the “Outperforming Enterprises Thailand Award 2025” under the 100 Outperforming Enterprises program, jointly organized by Sasin Graduate Institute of Business Administration and Hewitt Consulting. The recognition reflects the Group’s consistent emphasis on people and organizational culture as fundamental drivers of long-term sustainability.