

TISCO Financial Group PLC

Financial Institution | Bank Holding

17 April 2026

Issuer Credit Rating: A/Stable

Rating Action

TRIS Rating affirms the issuer credit rating on TISCO Financial Group PLC (TISCO) at “A” with a “stable” outlook. As a non-operating holding company (NOHC) of TISCO Group, the rating on TISCO is one notch below the group credit profile (GCP), assessed at “a+”. This reflects the degree of structural subordination of TISCO’s obligations to its operating subsidiaries’ obligations.

Our assessment of the GCP of TISCO Group is based on the consolidated credit profile of TISCO Bank PLC (TISCOB, rated “A+/Stable”) and other operating entities. The GCP largely reflects TISCOB’s credit profile as the bank’s assets represent more than 90% of the group’s total assets.

Our assessment of TISCO Group’s stand-alone credit profile (SACP) of TISCO Group reflects its prudent business growth strategy over the past five years. TISCO Group’s SACP continues to reflect its strong capital position, good earnings capacity, and sufficient liquidity position. However, the credit profile continues to be weighed down by its moderate funding profile.

Key Rating Considerations

Structural subordination due to NOHC status

TISCO functions as a non-operating financial holding company (NOHC), relying predominantly on dividends mainly from TISCOB to service its debt. In our view, this reliance introduces the risk of regulatory constraints on dividend payments from TISCOB to TISCO, particularly in a stress scenario.

TISCO operates the commercial banking business through its wholly-owned banking subsidiary, TISCOB, whose consolidated assets represent around 95% of the group’s consolidated assets. Other key operating entities under the TISCO Group comprise TISCO Asset Management Co., Ltd. (TISCOAM) and TISCO Securities PLC (TISCO Sec).

The rating assigned to TISCO is one notch below the GCP of TISCO Group. This reflects the structural subordination of TISCO’s obligations, as the group’s operating assets are held at the subsidiary level.

Deliver above-peer profitability

Our assessment of TISCO’s business position reflects its ability to deliver above-peer profitability, reflecting a prudent growth strategy built on core expertise. The management places emphasis on generating predictable and superior risk-adjusted returns. This strategy has proven to be effective with an average return on average assets (ROAA) of 2.6% over the past five years, consistently outperforming other Thai commercial banks.

Under its current strategies, TISCO has cautiously shifted its growth towards what it considers to be less-volatile segments. On the retail side, these include hire purchase (HP) financing of new electric vehicles (EVs), used cars and new motorcycles for customers with good credits. A decision to re-enter into used car financing reflects the view that improved resilience in used car prices has mitigated the downside risk. TISCO further benefits from funding cost advantage over non-bank competitors in the motorcycle financing segments, enabling it to competitively price credit for lower-risk borrowers. On the corporate side, TISCO targets sectors offering long-term structural growth tailwinds -- including energy transition, real estate, data centers, and green infrastructure financing -- with a preference for sponsors demonstrating financial strength and project-level bankability.

Beyond lending, TISCO is transitioning into a provider of total financial solutions by integrating wealth management advisory with mutual funds and insurance for its retail customer base. TISCO is currently a leading provident fund provider with the largest AUM market share over 20% in 2025.

Maintaining a strong capital position

We expect TISCO to maintain its strong capital position, with a consolidated common equity Tier-1 (CET-1) ratio projected in a 16.8%-17.0% range in 2026-2028. This assumes a loan growth of 1.6%-1.8% per annum and a dividend payout ratio of around 90%.

The CET-1 edged up to 17.04% at end-2025 from 17.0% at year-earlier. This reflects healthy profitability, moderate loan growth and a shift towards lower-risk lending segments, which more than offset the impact of a high dividend payout.

Good earnings capacity

We expect TISCO to be able to deliver above-peer profitability. We forecast a ROAA to range between 2.2%-2.3% in 2026-2028. The net interest margin (NIM) should improve modestly to 4.8%-4.9%, supported by the majority of fixed-rate loan portfolio and repricing of term deposits at lower cost. Contribution from fee business should remain a meaningful earnings contributor with net fees accounting for around 25% of total income, underpinned by growth in fund management and bancassurance. The cost-to-income ratio should remain in the 45%-46% range.

Sound asset quality

We expect TISCO to sustain good asset quality through its prudent risk management. We expect TISCO's non-performing loan (NPL) ratio to remain the lowest among the Thai commercial banks. Nevertheless, we expect a moderately higher NPL ratio ranging 2.3%-2.6% over the next few years, from 2.3% at end-2025, influenced by a softening macroeconomic environment and high household debt. In line with this, we project the expected credit loss inclusive of management overlays to normalize at around 1.1% of average loans in 2026. The strategic shift towards HP financing of new vehicles and motorcycles should help contribute a more predictable risk-adjusted return. NPL coverage ratio should remain above 150%. Exposure to the You Fight We Help debt-relief program should remain manageable, with restructured loans under the scheme representing only 2%-3% of the total loan portfolio.

Moderate funding profile

We assess TISCO's funding profile as moderate, comparable to other non-domestic systemically important banks (non-DSIBs). TISCO employs the "holistic advisory model" to attract a broader and more stable funding pool from individuals and wealth-management clients. The management regards these segments as less interest-rate sensitive -- and therefore more "sticky" -- compared with to the high-cost current and savings account (CASA) deposits.

In common to other Thai banking peers, TISCO is primarily deposit-funded with total deposit representing around 90% of its total funding with retail deposits accounting for nearly two-thirds. While its higher reliance on term deposits reflects a large fixed-rate auto loan portfolio, the CASA ratio of 14% at end-2025 remained modest relative to other HP-focused Thai commercial banks. The funding cost of 2.09% in 2025, which was above peers' average, also continues to reflect TISCO's modest deposit franchise.

Sufficient liquidity

TISCO's liquidity position mirrors that of TISCOB, which we consider adequate. At end-2025, the liquidity coverage ratio (LCR) was 160%. While this is considered moderate compared with other larger banking peers, it remains well above the regulatory minimum of 100%. At end-2025, liquid assets accounted for 24.5% of total deposits and 17.8% of total assets.

Base-case Assumptions

The following are our base-case assumptions for TISCO in 2026-2028:

- Loan growth: Around 1.6%-1.8% per annum
- Net interest margin: 4.8%-4.9%
- Cost-to-income: 45%-46%
- Credit cost: around 1.1%
- NPL ratio (excluding interbank assets): 2.3%-2.6%
- NPL formation rate: around 2%
- CET-1 ratio: 16.9%-17.0%

Rating Outlook

The “stable” outlook reflects our expectation that TISCO will maintain its strong earnings capability and relatively strong franchise in auto lending, well-managed asset quality, and strong capital.

Rating Sensitivities

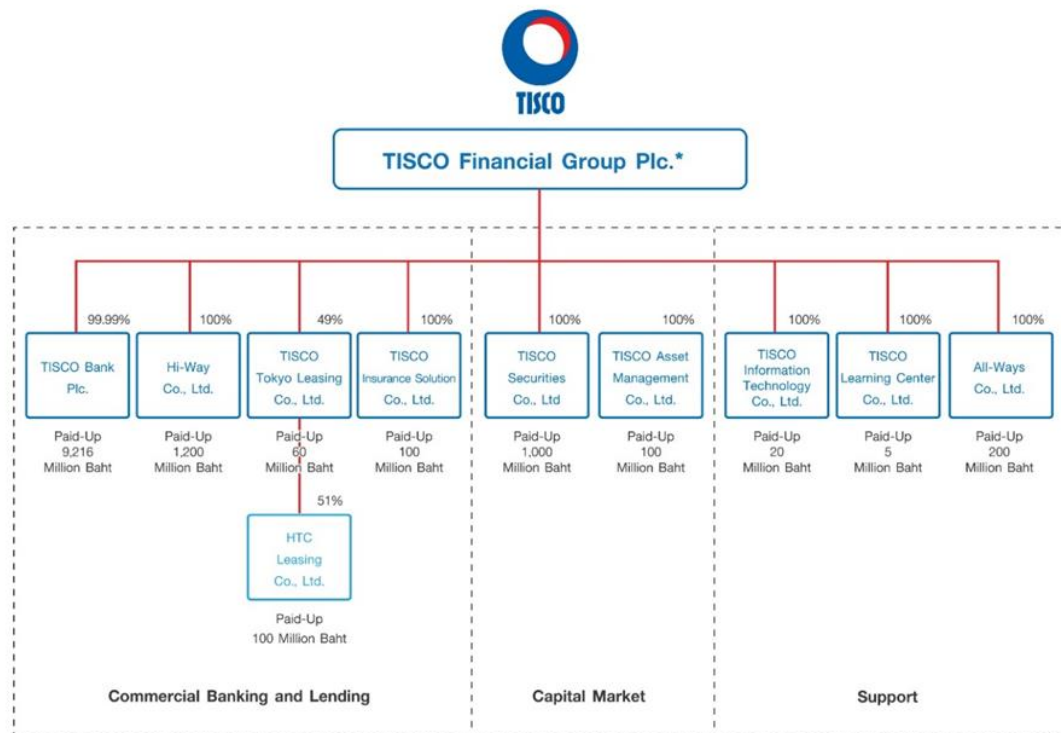
The rating and/or outlook could be revised upward if TISCO strengthens its capital position significantly, with the CET-1 ratio staying well above 18% for a sustained period, while continuing to improve its commercial banking franchise and maintain its asset quality. A downgrade scenario could emerge if there is any material weakness in TISCO’s asset quality, capital, and profitability.

Company Overview

TISCO was established in 2008 as a holding company, replacing TISCOB as the parent company of the TISCO Group. The change took place after the holding company’s restructuring plan, under the consolidated supervision scheme, was approved by the Bank of Thailand (BOT) in November 2008. TISCO made a tender offer for 99.99% shares of TISCOB in exchange for its own newly-issued shares. The swap ratio was 1:1. TISCO commenced operations on 1 January 2009, with registered capital of THB11 billion and paid-up capital of THB7.2 billion. On 15 January 2009, TISCO was listed on the Stock Exchange of Thailand (SET) as TISCOB was simultaneously delisted from the SET. TISCO later acquired 99.99% shares of TISCOB and its subsidiaries (i.e., TISCO Securities Co., Ltd., (TSC), TISCO Asset Management Co., Ltd. (TISCOASSET), Hi-Way Co., Ltd. (Hi-Way), TISCO Leasing Co., Ltd. (TISCOL), and TISCO Information Technology Co., Ltd. (TISCOIT). As of December 2017, TISCO’s issued and paid-up capital was THB8 billion.

The TISCO Group entered into an agreement to acquire the retail banking business of Standard Chartered Bank (Thai) PLC (SCBT) in 2016. Towards the end of 2017, the group completed the transfer. The transaction entailed transfers of loan assets and liabilities from SCBT’s retail banking operation to TISCOB and All-Ways Co., Ltd. (All-Ways).

Table 1: TISCO Group Structure



*Listed in The Stock Exchange of Thailand

Source: TISCO's company website

TISCOB is the core bank of the TISCO Group. TISCOB, formerly named “TISCO Finance PLC”, was established in 1969 as a finance company. TISCOB was listed on the SET in 1983. In October 2004, TISCOB received approval from the Ministry of Finance (MOF) to upgrade its status to a commercial bank. TISCOB commenced banking operations on 1 July 2005 and changed its name to “TISCO Bank PLC”.

TSC, formerly named “Thai Securities Co., Ltd.”, was founded in 1975 as a subsidiary of the TISCO Group. TSC provides securities brokerage and investment banking services. In March 2011, TISCO Investment Advisory Co., Ltd. (TISCOIA) was established. TISCOIA was later renamed Deutsche TISCO Investment Advisory Co., Ltd. (DTIA), after TSC partnered with Deutsche Bank in 2012. TSC holds a 51% stake in DTIA, while the remainder is owned by Deutsche Bank. DTIA was granted approval from the MOF and the Securities and Exchange Commission (SEC) to operate an investment advisory business.

TISCOASSET, a fund management subsidiary, was established in 1992. TISCOASSET offers a complete line of asset management services, including provident funds, private funds, and mutual funds.

In 2017, TISCOB, its commercial banking operation unit, contributed more than 87% of TISCO’s total net interest income and non-interest income. The remaining portion of TISCO’s revenue came from its other subsidiaries and affiliates in securities brokerage and asset management businesses - TISCOASSET, TSC, and Hi-Way.

In the same year, TISCO acquired the retail banking business of SCBT. This entailed a transfer of THB33.7 billion of loan assets and THB14.6 billion of deposits to TISCOB and All-Ways, a subsidiary of TISCO. Around THB31.4 billion were retail loans comprising mortgages, home-equity, personal, and credit-card loans. The remaining THB2.2 billion were loans to small and medium-sized enterprises (SMEs). The majority of deposits were retail current accounts and savings accounts (CASA).

In 2018, TISCOB and All-Ways, respectively, completed a sale of personal loan portfolios and credit card business to Citibank N.A., Bangkok branch. The combined portfolios totaled an approximate THB5.2 billion.

On 4 September 2019, TISCO and TISCOS, which is a subsidiary in the TISCO Group, signed an agreement to terminate the joint venture agreement in “DTIA”, a joint venture between TISCOS and Deutsche Bank Group that operated under an investment advisory license in Thailand. The agreement was effective from 9 September 2019 onward. Subsequent to the termination, TISCOS will continue its businesses to provide securities brokerage service and equity research as usual.

Financial Statistics and Key Financial Ratios¹

Unit: Mil. THB

	-----Year Ended 31 December -----				
	2025	2024	2023	2022	2021
Total assets	290,702	281,877	290,724	265,414	243,622
Average assets	286,290	286,301	278,069	254,518	259,533
Interbank and money market items	40,360	39,774	48,490	40,272	30,489
Investments	10,486	7,055	5,395	6,162	10,124
Loans and receivables	237,810	234,085	236,744	220,726	204,662
Loan loss reserves	9,244	8,486	9,916	11,845	11,740
Deposits	211,323	206,537	208,645	188,266	166,542
Borrowings ²	22,650	18,741	25,792	21,952	23,043
Shareholders' equities	43,377	43,045	42,448	42,791	41,200
Average equities	43,211	42,746	42,619	41,996	40,331
Net interest income	13,502	13,570	13,573	12,734	12,460
Net fees and service income	5,000	4,971	4,867	5,046	5,603
Non-interest income ³	6,153	5,657	5,217	5,571	6,363
Total revenue	19,655	19,226	18,790	18,305	18,823
Operating expenses ⁴	9,014	9,256	9,340	8,591	8,267
Pre-provision operating profit (PPOP)	10,642	9,971	9,449	9,714	10,557
Expected credit loss	2,340	1,376	359	723	2,064
Net profit	6,659	6,902	7,302	7,225	6,785

1 Consolidated financial statements

2 Including interbank and money market

3 Net of fee and service expenses

4 Excluding fee and service expenses

Unit: %

	-----Year Ended 31 December -----				
	2025	2024	2023	2022	2021
Earnings Capability					
Return on average assets	2.33	2.41	2.63	2.84	2.61
Net interest margins	4.77	4.78	4.90	5.00	4.80
Risk-adjusted net interest margins	3.95	4.30	4.77	4.72	4.01
Net interest income/average assets	4.72	4.74	4.88	5.00	4.80
Non-interest income ⁵ /average assets	2.15	1.98	1.88	2.19	2.45
Net fees and service income/total revenue	25.44	25.86	25.90	27.56	29.77
Cost-to-income	45.86	48.14	49.71	46.93	43.92
Capitalization					
CET-1 ratio	17.04	17.00	16.29	17.15	18.56
Total capital ratio	18.97	18.63	19.51	20.62	23.18
CET-1/total capital	89.85	91.21	83.50	83.18	80.09
Asset Quality					
Credit costs	1.00	0.59	0.16	0.34	0.97
Non-performing loans/total loans ⁶	2.28	2.35	2.22	2.09	2.44
Loan loss reserves/non-performing loans ⁶	172.09	155.33	189.86	258.82	236.83
Funding & Liquidity					
CASA/total deposit	14.26	13.90	14.63	23.77	29.48
Loan/total deposits ⁷	111.57	112.43	112.54	116.33	121.86
Deposits/total liabilities	85.44	86.48	84.04	84.57	82.27
Liquidity coverage ratio	160	150	167	155	168
Liquid assets/total assets	17.78	16.94	18.85	17.87	17.12
Liquid assets/total deposits	24.45	23.11	26.27	25.20	25.05

5 Net of fee and service expenses

6 Based on reported NPL, excluding accrued interests and interbank assets

7 Excluding bills of exchange and interbank borrowings

Related Criteria

- Group Rating Methodology, 25 August 2025
- Financial Institution Rating Methodology, 25 September 2024

TISCO Financial Group PLC (TISCO)

Issuer Credit Rating:	A
Rating Outlook:	Stable

Rating History

Last Review Date: 11 April 2025

Date	Rating	Outlook/Alert
11-Apr-25	A	Stable
30-Apr-13	A-	Stable
13-May-11	A-	Positive

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