



# Management Discussion and Analysis

For the Third Quarter of 2024 ended September 30, 2024

(Reviewed Consolidated Financial Statements)

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## Economic Conditions and Movement of Financial Market

In the third quarter of 2024, the domestic economy continued its gradual recovery supported by a continual increase in export sector and tourism sector, with the number of foreign tourist arrivals for the first 9 months of 2024 totaled 26 million. Private consumption remained stable amid weak consumer confidence caused by slower-than-expected economic recovery, a concern on the high cost of living, as well as the impact from the flood situation in Thailand. The domestic car sale for the first 9 months of 2024 declined by 25.3% comparing to the same period of last year, attributed to tightened loan underwriting by financial institutions in the midst of high household debt level. Public spending and investment showed improvement, with addition of the commencement of the Digital Wallet scheme phase 1 offering 10,000-baht cash handout to fragile population with a total budget of 140 billion baht in September 2024. Headline inflation in the third quarter of 2024 increased by 0.60% driven by rising oil prices.

During the quarter, the US Federal Reserve (FED) lowered the federal funds rate by 0.50% to 4.75-5.00% in light of moderating inflation to its target. The Bank of Thailand (BOT) maintained the policy rate at 2.50%. The average 3-month fixed deposit rates of Top-4 commercial banks remained stable from the previous quarter at 1.14%. The lending rates of Top-4 commercial banks was also stable, comprised of the average minimum lending rate (MLR) at 7.12%, the average minimum overdraft rate (MOR) at 7.56% and the average minimum retail rate (MRR) at 7.31%.

The capital market in the third quarter of 2024 improved from the previous quarter thanks to the recovering investor confidence following political certainty and the launch of a state investment "Vayupak Fund". Therefore, there were fund inflows returning to Thai equity market from both local institutions and foreign investors. Market trading volume expanded, with the average daily turnover of 47,467.05 million baht, increased from 43,074.07 million baht in the second quarter of 2024. SET index closed at 1,448.83 points, increased by 147.87 points or 11.4% from the previous quarter.

## Operating Results

TISCO Financial Group Public Company Limited (“the Company”) continuously operates business in line with sustainability strategy and takes all stakeholders into account. The Company has committed to responsible business practices, prudent risk management, enhancing competitiveness to support any changes in economic, social and environmental aspects, as well as promoting well-being in society through various projects such as financial literacy, efficient use of resources, employee development and happy organization.

TISCO Financial Group Public Company Limited, as a parent company of the group, had net profit from operations for the third quarter of 2024 on a standalone basis totaling 181.32 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 Third Quarter of 2024

The net profit of the Company for the third quarter of 2024 was reported at 1,713.43 million baht, decreased by 161.05 million baht or 8.6% from the third quarter of 2023 mainly due to the setup of expected credit loss (ECL). Total operating income increased by 1.0% (YoY) following the recovery of fee income from core businesses, coupled with a recognition of gain on financial instruments measured at fair value through profit or loss (FVTPL). Businesses related to capital market showed improvement including an increase in brokerage fee by 9.9% (YoY) owing to TISCO Securities’ market share expansion, and an increase in asset management fee by 6.6% (YoY) in line with the growth of assets under management. Moreover, the Company recorded higher investment banking fee comparing to the third quarter of last year. Meanwhile, net interest income softened by 3.0% (YoY) resulted from rising cost of funds following deposit rate repricing. Expected credit loss increased to 0.6% of average loans which was in accordance with a plan to resume ECL expense to the normalized level, along with to reflect the risks of fragile economic conditions.

Comparing to the second quarter of 2024, net profit decreased by 39.58 million baht or 2.3% (QoQ), driven by a drop in investment banking fee and lower gain on financial instruments measured at fair value through profit or loss (FVTPL). However, non-interest income from core businesses started to recover especially in capital market businesses, which aligned with the improvement in Thai equity market. Brokerage fee income rose by 38.8% (QoQ), and asset management fee increased by 4.3% (QoQ). In addition, banking fee also improved by 1.1% (QoQ) from bancassurance business. Net interest income remained stable from the previous quarter, which consisted of a slight increase in interest cost by 0.5% (QoQ). Expected credit loss declined from the last quarter.

Basic earnings per share for the third quarter of 2024 equaled 2.14 baht per share, decreased from 2.34 baht per share in the third quarter of 2023 and from 2.19 baht per share in the previous quarter. The return on average equity (ROAE) was reported at 16.6%.

Table 1.1 : Statement of Comprehensive Income (Quarterly)

Statement of Comprehensive Income					
Unit: Million baht	3Q2024	2Q2024	%QoQ	3Q2023	%YoY
<b>Interest income</b>					
Interest on loans	2,901.20	2,898.40	0.1	2,707.93	7.1
Interbank and money market items	222.97	224.88	(0.9)	199.79	11.6
Hire purchase and financial lease income	1,580.40	1,573.41	0.4	1,647.99	(4.1)
Investments	44.56	47.79	(6.8)	45.90	(2.9)
<b>Total interest income</b>	<b>4,749.12</b>	<b>4,744.48</b>	<b>0.1</b>	<b>4,601.60</b>	<b>3.2</b>
Interest expenses	(1,363.72)	(1,357.03)	0.5	(1,109.74)	22.9
<b>Net interest income</b>	<b>3,385.40</b>	<b>3,387.45</b>	<b>(0.1)</b>	<b>3,491.86</b>	<b>(3.0)</b>
Fee income	1,364.55	1,345.38	1.4	1,305.12	4.6
Fee expenses	(103.45)	(113.62)	(9.0)	(107.18)	(3.5)
<b>Net fee income</b>	<b>1,261.11</b>	<b>1,231.76</b>	<b>2.4</b>	<b>1,197.94</b>	<b>5.3</b>
Gain (Loss) on the financial instruments measured at fair value through PL	40.82	218.89	(81.4)	(43.61)	n.a.
Gain (Loss) on Investments	0.64	0.88	(27.2)	0.77	(16.9)
Share of profit from investment under equity method	6.92	6.79	2.0	11.06	(37.4)
Other operating income	92.62	91.65	1.1	83.96	10.3
<b>Total operating income</b>	<b>4,787.52</b>	<b>4,937.42</b>	<b>(3.0)</b>	<b>4,741.99</b>	<b>1.0</b>
Operating expenses	(2,292.25)	(2,355.55)	(2.7)	(2,328.59)	(1.6)
Expected credit loss	(358.69)	(400.70)	(10.5)	(81.82)	338.4
<b>Profit before tax and minority interest</b>	<b>2,136.59</b>	<b>2,181.17</b>	<b>(2.0)</b>	<b>2,331.58</b>	<b>(8.4)</b>
Corporate income tax expenses	(423.06)	(428.04)	(1.2)	(456.97)	(7.4)
<b>Profit before minority interest</b>	<b>1,713.53</b>	<b>1,753.13</b>	<b>(2.3)</b>	<b>1,874.61</b>	<b>(8.6)</b>
Non-controlling interests of subsidiaries	(0.10)	(0.12)	(16.2)	(0.13)	(21.1)
<b>Net profit</b>	<b>1,713.43</b>	<b>1,753.02</b>	<b>(2.3)</b>	<b>1,874.49</b>	<b>(8.6)</b>

### Operating Results for the First 9 Months of 2024

The net profit for the first 9 months of 2024 was reported at 5,199.47 million baht, declined by 321.48 million baht or 5.8% (YoY), mainly due to an increase in expected credit loss (ECL) to 0.6% of average loans which was in accordance with a plan to resume ECL to the normalized level, as well as to cushion against the risks from fragile economic conditions. Total operating revenue increased by 2.9% (YoY) from an increase in net interest income by 1.0% (YoY) following high-yield loan expansion. Non-interest income grew by 7.6% (YoY) derived from a record of investment banking fee, a recognition of gain on financial instruments measured at fair value through profit or loss (FVTPL), as well as an expansion in asset management fee income by 2.7% (YoY) following growing AUMs. Nevertheless, brokerage business and banking business remained sluggish amid a slower-than-expected economic recovery.

Basic earnings per share for the first 9 months of 2024 were 6.49 baht per share, declined from 6.90 baht per share in the first 9 months of 2023. The return on average equity (ROAE) for 9-month period was reported at 16.5%.

Table 1.2 : Statement of Comprehensive Income (9 months)

<b>Statement of Comprehensive Income</b>			
Unit: Million baht	<b>9M2024</b>	<b>9M2023</b>	<b>%YoY</b>
<b>Interest income</b>			
Interest on loans	8,662.17	7,438.65	16.4
Interbank and money market items	719.75	511.56	40.7
Hire purchase and financial lease income	4,745.16	4,945.90	(4.1)
Investments	140.29	109.43	28.2
<b>Total interest income</b>	<b>14,267.38</b>	<b>13,005.54</b>	<b>9.7</b>
Interest expenses	(4,099.06)	(2,935.05)	39.7
<b>Net interest income</b>	<b>10,168.32</b>	<b>10,070.50</b>	<b>1.0</b>
Fee income	3,983.23	3,943.59	1.0
Fee expenses	(322.25)	(327.53)	(1.6)
<b>Net fee income</b>	<b>3,660.98</b>	<b>3,616.06</b>	<b>1.2</b>
Gain (Loss) on the financial instruments measured at fair value through PL	305.20	38.98	682.9
Gain (Loss) on Investments	2.09	4.86	(57.0)
Share of profit from investment under equity method	23.24	31.45	(26.1)
Other operating income	267.77	265.94	0.7
<b>Total operating income</b>	<b>14,427.60</b>	<b>14,027.79</b>	<b>2.9</b>
Operating expenses	(6,910.57)	(6,987.80)	(1.1)
Expected credit loss	(1,038.42)	(172.33)	502.6
<b>Profit before tax and minority interest</b>	<b>6,478.60</b>	<b>6,867.67</b>	<b>(5.7)</b>
Corporate income tax expenses	(1,278.80)	(1,346.34)	(5.0)
<b>Profit before minority interest</b>	<b>5,199.80</b>	<b>5,521.33</b>	<b>(5.8)</b>
Non-controlling interests of subsidiaries	(0.33)	(0.37)	(11.4)
<b>Net profit</b>	<b>5,199.47</b>	<b>5,520.95</b>	<b>(5.8)</b>

## Details of Financial Performance for the Third Quarter of 2024

### Net Interest Income

Comparing to the third quarter of 2023, net interest income totaled 3,385.40 million baht, decreased by 106.46 million baht (3.0% YoY) driven by a rise in interest expense by 253.97 million baht (22.9% YoY) amounting 1,363.72 million baht following higher funding cost aligning with the deposit rate repricing. Total interest income was 4,749.12 million baht, increased by 147.52 million baht (3.2% YoY) following loan expansion and increased lending rates.

Comparing to the second quarter of 2024, net interest income remained stable (QoQ), comprising of stabilized interest income (QoQ) and a slight increase in interest expense by 0.5% (QoQ) in light of the beginning of a declining interest rate cycle.

Yield on loans increased to 7.69% reflecting the increased proportion of high-yield loans. The cost of funds rose from 1.80% to 2.43% (YoY) owing to an increase in funding cost following deposit rate repricing, however the cost of funds started to stabilize comparing to the previous quarter. Loan spread was reported at 5.26%, and net interest margin (NIM) stood at 4.88%.

*Table 2 : Loan Spread*

Unit: %	2023	3Q2023	2Q2024	3Q2024
Yield on Loans	7.42	7.48	7.66	7.69
Cost of Funds	1.92	2.00	2.43	2.43
<b>Loan Spread</b>	<b>5.50</b>	<b>5.48</b>	<b>5.23</b>	<b>5.26</b>
<b>Net Interest Margin (NIM)</b>	<b>4.95</b>	<b>5.04</b>	<b>4.88</b>	<b>4.88</b>

<sup>1</sup> Revised 2023 figures

### Non-Interest Income

Comparing to the third quarter of 2023, non-interest income totaled 1,402.12 million baht, grew by 12.2% (YoY) contributed by a recovery in core businesses, together with a recognition of gain on financial instruments measured at fair value through profit or loss (FVTPL). In detail, non-interest income from core businesses totaled 1,417.04 million baht, increased by 4.8% (YoY) from all business areas. Banking fee income totaled 804.42 million baht, increased by 0.5% (YoY) from banking transaction fee, whereas bancassurance business slightly dropped comparing to the same period of last year due to the sluggish domestic car sale. Brokerage fee income totaled 152.57 million baht, increased by 9.9% (YoY) resulting from TISCO Securities' market share expansion. Asset management basic fee totaled 436.75 million baht, increased by 6.6% (YoY) in line with the growth in assets under management. Additionally, the Company recorded investment banking fee amounting 23.30 million baht during the quarter.

In this quarter, the Company recognized a gain on financial instruments measured at fair value through profit or loss (FVTPL) amounting 40.82 million baht, comparing to a loss of 43.61 million baht in the third quarter of 2023, reflecting an improved investment value.

Comparing to the second quarter of 2024, non-interest income decreased by 9.5% (QoQ) caused by a decline in investment banking fee and lower gain on financial instruments. Nonetheless, non-interest income from core businesses slightly increased by 0.4% (QoQ) following an improvement in capital market businesses and bancassurance business. Brokerage fee income grew by 38.8% (QoQ) owing to higher market trading volume and TISCO Securities' market share expansion, whereas asset management basic fee increased by 4.3% (QoQ) and banking fee increased by 1.1% (QoQ) following bancassurance business recovery.

*Table 3 : Non-Interest Income Breakdown*

Type of Incomes Unit: Million baht	3Q2024	2Q2024	%QoQ	3Q2023	%YoY
Banking Fee	804.42	795.84	1.1	800.42	0.5
<i>Bancassurance Fee</i>	<i>611.69</i>	<i>595.19</i>	<i>2.8</i>	<i>615.30</i>	<i>(0.6)</i>
<i>Other Banking Fee</i>	<i>192.73</i>	<i>200.65</i>	<i>(4.0)</i>	<i>185.12</i>	<i>4.1</i>
Asset Management Basic Fee	436.75	418.61	4.3	409.87	6.6
Brokerage Fee	152.57	109.90	38.8	138.84	9.9
Investment Banking Fee	23.30	87.68	(73.4)	2.50	832.0
<b>Non-Interest Income from Core Businesses</b>	<b>1,417.04</b>	<b>1,412.03</b>	<b>0.4</b>	<b>1,351.63</b>	<b>4.8</b>
Gain (Loss) on Financial Instruments measured at fair value through PL	40.82	218.89	(81.4)	(43.61)	n.a.
Gain (Loss) on Investments	0.64	0.88	(27.2)	0.77	(16.9)
Share Profit from subsidiaries	6.92	6.79	2.0	11.06	(37.4)
Dividend Income	34.38	23.53	46.1	32.07	7.2
Asset Management Performance Fee	5.76	1.47	292.1	5.38	7.0
Fee Expenses	(103.45)	(113.62)	(9.0)	(107.18)	(3.5)
<b>Total Non-Interest Income</b>	<b>1,402.12</b>	<b>1,549.97</b>	<b>(9.5)</b>	<b>1,250.13</b>	<b>12.2</b>

#### Operating Expenses

Operating expenses totaled 2,292.25 million baht, declined by 1.6% (YoY) and 2.7% (QoQ), mainly resulted from a decrease in variable expenses associated with revenue and profit reduction. The Company still maintained effective operating cost control with cost to income ratio at 47.9%.

#### Expected Credit Loss

Expected credit loss (ECL) was reported at 358.69 million baht, increased from the third quarter of last year but declined from the previous quarter, and accounted for 0.6% of average loans. An increase in setup of ECL expense from last year was in accordance with a plan to resume ECL expense to the normalized level, along with to reflect the risks from fragile economic factors and high household debt level, and to support the growth strategy into high-yield businesses. Non-performing loans (NPLs) stood stable from the last quarter at 2.44%, and loan loss coverage ratio was at 159.1%.

#### Corporate Income Tax

The corporate income tax for the third quarter of 2024 was at 423.06 million baht, equivalent to the effective tax rate of 19.8%.

## Financial Positions

### Assets

As of September 30, 2024, the Company's total assets were 277,580.10 million baht, decreased by 1.1% (QoQ), mainly due to a contraction in loans by 1.5% (QoQ) totaling 229,947.98 million baht and a decline in interbank and money market items by 1.4% (QoQ) totaling 38,263.10 million baht. Financial assets measured at fair value through Profit or Loss amounted 2,422.44 million baht, increased by 3.1% (QoQ), and investments amounted 3,743.47 million baht, increased by 5.9% (QoQ).

Table 4 : Assets Breakdown

Assets Unit: Million baht	As of Sep 30, 2024	As of Jun 30, 2024	%QoQ	As of Dec 31, 2023	%YTD
Cash	895.97	973.56	(8.0)	918.26	(2.4)
Interbank and money market items	38,263.10	38,807.79	(1.4)	48,489.70	(21.1)
Derivatives	203.36	-	n.a.	-	n.a.
Financial assets measured at fair value through Profit or Loss	2,422.44	2,350.05	3.1	2,081.77	16.4
Investments - net	3,743.47	3,534.04	5.9	3,313.59	13.0
Investments in subsidiaries and JV	903.65	897.51	0.7	891.49	1.4
Loans	229,947.98	233,447.59	(1.5)	234,815.18	(2.1)
Accrued interest receivables	1,938.41	1,940.56	(0.1)	1,928.55	0.5
Allowance for expected credit loss	(8,938.20)	(9,261.14)	(3.5)	(9,915.97)	(9.9)
Loans and accrued interest receivables – net	222,948.19	226,127.00	(1.4)	226,827.76	(1.7)
Other assets	8,199.91	7,920.24	3.5	8,201.68	(0.0)
<b>Total assets</b>	<b>277,580.10</b>	<b>280,610.18</b>	<b>(1.1)</b>	<b>290,724.25</b>	<b>(4.5)</b>

### Liabilities

As of September 30, 2024, total liabilities were 236,111.61 million baht, decreased by 1.3% (QoQ). Total deposits declined by 1.0% (QoQ) totaling 204,789.97 million baht. Interbank and money market items dropped by 0.6% (QoQ) totaling 10,202.82 million baht, and debentures decreased by 13.3% (QoQ) totaling 6,795.00 million baht.

Table 5 : Liabilities Breakdown

Liabilities Unit: Million baht	As of Sep 30, 2024	As of Jun 30, 2024	%QoQ	As of Dec 31, 2023	%YTD
Deposits	204,789.97	206,859.51	(1.0)	208,680.79	(1.9)
Interbank and money market items	10,202.82	10,261.07	(0.6)	8,506.34	19.9
Debentures	6,795.00	7,840.00	(13.3)	17,250.00	(60.6)
Others	14,323.82	14,294.48	0.2	13,839.14	3.5
<b>Total liabilities</b>	<b>236,111.61</b>	<b>239,255.06</b>	<b>(1.3)</b>	<b>248,276.27</b>	<b>(4.9)</b>



**Shareholders' Equity**

As of September 30, 2024, shareholders' equity was 41,468.49 million baht, increased by 113.37 million baht (0.3% QoQ) from an increase in retained earnings of the third quarter of 2024, partly of which was paid as interim dividend at 2.00 baht per common and preferred share in September 2024. The total dividend payment was 1,601 million baht. As a result, the book value per share (BVPS) as of September 30, 2024 was 51.79 baht per share.

## Business Segment Operations

### (1) Banking Business

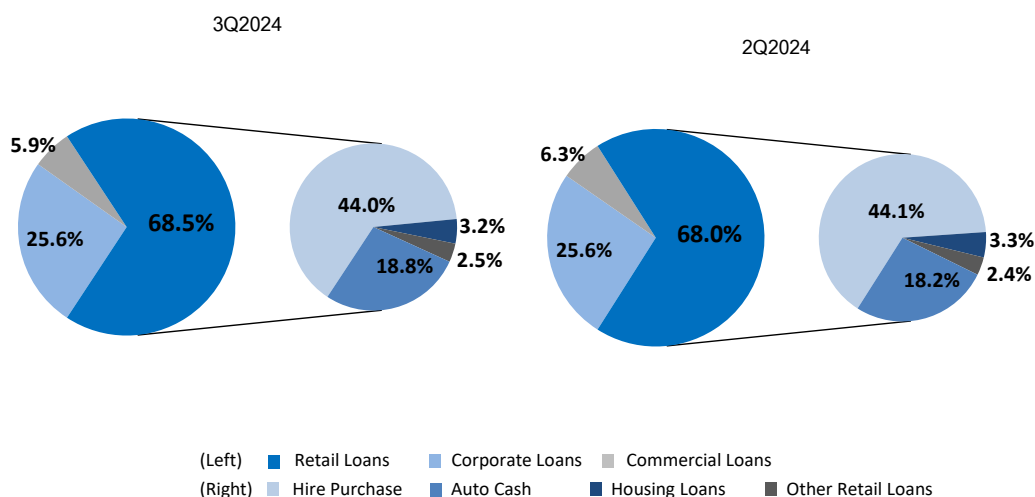
#### 1.1 Loans

Total loans and receivables as of September 30, 2024 totaled 229,947.98 million baht, declined by 1.5% (QoQ) and 2.1% (YTD), caused by a contraction in new car hire purchase loans, corporate loans and commercial loans.

Table 6 : Loans

Loans Unit: Million baht	As of Sep 30, 2024	As of Jun 30, 2024	%QoQ	As of Dec 31, 2023	%YTD
Hire purchase	101,155.85	103,050.10	(1.8)	106,851.35	(5.3)
Loans against auto licenses	43,233.07	42,445.71	1.9	41,719.93	3.6
Housing loans	7,460.53	7,755.16	(3.8)	8,536.27	(12.6)
Others	5,696.42	5,522.88	3.1	5,100.97	11.7
<b>Retail loans</b>	<b>157,545.87</b>	<b>158,773.86</b>	<b>(0.8)</b>	<b>162,208.52</b>	<b>(2.9)</b>
<b>Corporate loans</b>	<b>58,800.01</b>	<b>59,854.97</b>	<b>(1.8)</b>	<b>58,964.25</b>	<b>(0.3)</b>
<b>Commercial loans</b>	<b>13,602.10</b>	<b>14,818.76</b>	<b>(8.2)</b>	<b>13,642.41</b>	<b>(0.3)</b>
<b>Total loans</b>	<b>229,947.98</b>	<b>233,447.59</b>	<b>(1.5)</b>	<b>234,815.18</b>	<b>(2.1)</b>

#### Loan Breakdown



**Retail Lending** portfolio totaled 157,545.87 million baht, declined by 0.8% (QoQ). The total retail portfolio as of September 30, 2024 consisted of 64.2% car and motorcycle hire purchase loans, 27.4% loans against auto licenses, 4.7% housing loans and 3.6% other retail loans.

The outstanding hire purchase loans totaled 101,155.85 million baht, declined by 1.8% (QoQ) from a contraction in new car hire purchase of 3.2% (QoQ) following cautious underwriting policy and the weakened domestic car sale. The domestic car sale for the first 9 months of 2024 totaled 438,659 units, decreased by 25.3% compared to 586,870 units in the first 9 months of 2023, partly due to tightened loan underwriting by the financial institutions, coupled with the weakened credit quality. The car penetration rate

of TISCO for the first 9 months of 2024 remained at 4.7% comparing to the same period of last year. Meanwhile, used car hire purchase and motorcycle hire purchase expanded by 2.7% and 6.9% (QoQ) respectively, which were according to the growth strategy into high-yield businesses.

Loans against auto licenses ("Auto Cash") totaled 43,233.07 million baht, increased by 1.9% (QoQ) following the loan growth through "Somwang" branch network, of which delivered growth from this channel at 3.5% (QoQ) totaling 30,948.45 million baht and accounted for 71.6% of total loans against auto licenses. During the third quarter of 2024, "Somwang" opened 71 new loan offices with a total number of 802 branches nationwide, as part of the long-term business strategy. Nevertheless, during this time, the Company conducted new loan underwriting with cautiousness and prudence amid high household debt level and slow economic recovery.

Housing loans totaled 7,460.53 million baht, dropped by 3.8% (QoQ) following highly competitive market condition and rising risks. Other retail loans totaled 5,696.42 million baht, increased by 3.1% (QoQ).

**Corporate Lending** portfolio totaled 58,800.01 million baht, decreased by 1.8% (QoQ), driven by loan repayment from clients in real estate and construction sector.

**Commercial Lending** portfolio totaled 13,602.10 million baht, declined by 8.2% (QoQ) from loan repayment in car inventory financing amid weak domestic car sale.

## 1.2 Asset Quality and Expected Credit Loss

In the third quarter of 2024, the Company reported NPLs amounting 5,617.62 million baht, decreased by 1.4% (QoQ), and accounted for stable NPL ratio of 2.44% of total loans. The Company still maintained cautious loan underwriting, together with conducted close monitoring and client follow-ups during the weak economic conditions and fragile customer profile.

Total allowance for expected credit loss of the Company reported at 8,938.20 million baht, and loan loss coverage ratio was at 159.1%.

*Table 7 : Loan Classification*

<b>Loan Classification<sup>1</sup></b> Unit: Million baht	<b>As of Sep 30, 2024</b>	<b>As of Jun 30, 2024</b>	<b>%QoQ</b>	<b>As of Dec 31, 2023</b>	<b>%YTD</b>
Stage 1 loans (Performing)	205,328.32	208,053.62	(1.3)	209,708.78	(2.1)
Stage 2 loans (Under-performing)	19,002.04	19,697.39	(3.5)	19,883.50	(4.4)
Non-performing loans (NPLs)	5,617.62	5,696.58	(1.4)	5,222.91	7.6
<b>Total loans</b>	<b>229,947.98</b>	<b>233,447.59</b>	<b>(1.5)</b>	<b>234,815.18</b>	<b>(2.1)</b>

<sup>1</sup>Excluding accrued interest in accordance with BOT's guideline.

Table 8 : NPLs Breakdown

NPLs <sup>1</sup> Unit: Million baht, %	As of Sep 30, 2024		As of Jun 30, 2024		As of Dec 31, 2023	
	Million baht	%	Million baht	%	Million baht	%
Hire purchase	2,872.27	2.84	2,951.28	2.86	2,982.41	2.79
Loans against auto licenses	2,141.17	4.95	2,090.57	4.93	1,687.47	4.04
Housing loans	437.72	5.87	468.85	6.05	417.63	4.89
Others	20.89	0.37	13.70	0.25	8.30	0.16
<b>NPLs - Retail loans</b>	<b>5,472.05</b>	<b>3.47</b>	<b>5,524.39</b>	<b>3.48</b>	<b>5,095.81</b>	<b>3.14</b>
<b>NPLs - Corporate loans</b>	-	-	-	-	-	-
<b>NPLs - Commercial loans</b>	<b>145.57</b>	<b>1.07</b>	<b>172.19</b>	<b>1.16</b>	<b>127.09</b>	<b>0.93</b>
<b>Total NPLs</b>	<b>5,617.62</b>	<b>2.44</b>	<b>5,696.58</b>	<b>2.44</b>	<b>5,222.91</b>	<b>2.22</b>

<sup>1</sup>Excluding accrued interest in accordance with BOT's guideline

### 1.3 Deposits and Borrowings

Total deposits and borrowings amounted 211,584.97 million baht, decreased by 1.5% (QoQ). Total deposits reported at 204,789.97 million baht, declined by 1.0% (QoQ), and debentures totaled 6,795.00 million baht, dropped by 13.3% (QoQ). As of September 2024, the Bank had high-quality liquid assets according to the Liquidity Coverage Ratio (LCR) at 40,840.37 million baht, decreased by 2.0% (QoQ). Thus, the high-quality liquid assets accounted for 19.3% of total deposits and borrowings, and the LCR ratio as of September 2024 was at 161.2%.

Table 9 : Deposit Structure

Deposits Unit: Million baht	As of Sep 30, 2024	As of Jun 30, 2024	%QoQ	As of Dec 31, 2023	%YTD
Current accounts	1,796.81	1,634.33	9.9	1,529.43	17.5
Saving accounts	26,755.22	25,623.23	4.4	28,987.69	(7.7)
Fixed accounts	74,070.51	70,193.08	5.5	64,142.81	15.5
Negotiate certificate deposits	102,131.31	109,372.76	(6.6)	113,984.75	(10.4)
Short-term borrowings	36.12	36.12	0.0	36.12	0.0
<b>Total deposits</b>	<b>204,789.97</b>	<b>206,859.51</b>	<b>(1.0)</b>	<b>208,680.79</b>	<b>(1.9)</b>

## (2) Securities Business

In the third quarter of 2024, brokerage fee income of TISCO Securities totaled 152.57 million baht, increased by 13.74 million baht or 9.9% (YoY), contributed by higher average daily turnover of TISCO Securities from 1,422.28 million baht to 1,562.06 million baht (YoY) following market share expansion despite weak market trading volume. During this period, TISCO Securities' overall market share grew from 1.6% to 1.8% (YoY) from an increase in market shares of local institutions and foreign institutions. TISCO brokerage volume comprised of 58.9% of local institutions, 10.0% of foreign institutions, and 31.1% of retail investors.

### (3) Asset Management Business

As of September 30, 2024, assets under management of TISCO Asset Management totaled 407,935.92 million baht, grew by 1.7% (QoQ) from an expansion in provident fund business and mutual fund business. Thereby, asset management basic fee income amounted 436.75 million baht, grew by 4.3% (QoQ) and 6.6% (YoY). The composition of total assets under management was 69.1% provident fund, 16.3% private fund, and 14.6% mutual fund. Total market share of TISCO Asset Management as of September 30, 2024 was 4.4%, ranking 9<sup>th</sup> in the market. The market share of provident fund was 18.7%, ranking 1<sup>st</sup> in the market. The market share of private fund was 2.9%, ranking 6<sup>th</sup> in the market and the market share of mutual fund was 1.1%, ranking 14<sup>th</sup> in the market.

*Table 10 : Assets under Management Breakdown*

<b>Funds</b> Unit: Million baht	<b>As of Sep 30, 2024</b>	<b>As of Jun 30, 2024</b>	<b>%QoQ</b>	<b>As of Dec 31, 2023</b>	<b>%YTD</b>
Provident fund	281,884.20	271,256.86	3.9	262,352.77	7.4
Private fund	66,695.43	74,120.33	(10.0)	74,839.44	(10.9)
Mutual fund	59,356.29	55,646.05	6.7	54,936.11	8.0
<b>Total AUMs</b>	<b>407,935.92</b>	<b>401,023.25</b>	<b>1.7</b>	<b>392,128.31</b>	<b>4.0</b>

## Risk Management

As of September 30, 2024, TISCO Group's internal capital (ICAAP) stood at 36,596.96 million baht comprising of Tier-I capital and available reserve adjustment. The integrated risk capital decreased by 1,206.24 million baht from the end of the second quarter of 2024 to 15,190.36 million baht mainly resulting from a decline in credit risk capital. In addition, the capital surplus remained strong at 21,406.60 million baht or 58.5% of total capital.

Compared to the end of June 2024, the credit risk capital declined by 1,190.65 million baht, or 8.7%, to 12,465.85 million baht, mainly resulting from loan contraction during the period. Total loan portfolio of TISCO Group contracted by 1.5%, while non-performing loans remained stable at 2.4% compared with the previous quarter. Meanwhile, TISCO Group still maintains a sufficient level of allowance for expected credit loss as cushion for future uncertainties.

The market risk capital decreased by 15.59 million baht during the quarter, from 176.27 million baht to 160.68 million baht, primarily due to a lower risk capital of investment portfolio during the period. Meanwhile, the overall duration gap increased from 0.68 year to 0.71 year, which was in a manageable level. The assets duration remained at 1.10 year, while the liabilities duration decreased from 0.42 year to 0.39 year.

*Table 11 : 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	
	Sep 30, 2024	Jun 30, 2024	Sep 30, 2024	Jun 30, 2024
Assets	1.10	1.10	1,405.49	1,420.34
Liabilities	0.39	0.42	(1,425.91)	(1,386.25)
<b>Net gap</b>	<b>0.71</b>	<b>0.68</b>	<b>(20.41)</b>	<b>34.10</b>

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 September 2024, the regulatory capital based on IRB approach of the Bank was 38,977.85 million baht, while the capital adequacy ratio (BIS ratio) stood at 20.9%, remaining higher than 11.0% required by the Bank of Thailand. The Tier-I and Tier-II ratios of the Bank stood at 18.9% and 2.0%, 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 39,272.43 million baht, with BIS ratio, Tier-I and Tier-II ratios at 19.0%, 17.2% and 1.8%, respectively, which also remained higher than the minimum capital requirement. Meanwhile, the net capital rule (NCR) of TISCO Securities Co., Ltd. stood at 57.3%, which was higher than the minimum required ratio by the SEC of 7.0%.

*Table 12 : Regulatory Capital Requirement*

Capital Adequacy Unit: %	As of Sep 30, 2024 <sup>1</sup>	As of Jun 30, 2024	As of Dec 31, 2023
<b>TISCO Financial Group</b>			
Tier-I	17.2	16.9	16.3
Tier-II	1.8	1.8	3.2
<b>BIS Ratio</b>	<b>19.0</b>	<b>18.7</b>	<b>19.5</b>
<b>TISCO Bank</b>			
Tier-I	18.9	18.6	18.9
Tier-II	2.0	2.0	3.5
<b>BIS Ratio</b>	<b>20.9</b>	<b>20.6</b>	<b>22.3</b>

<sup>1</sup> Projected figures