



# **Management Discussion and Analysis**

For the first quarter ended March 31, 2026

(Unreviewed financial statements)

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## **Overall market environment**

In 1Q26, Thailand's economic recovery remains fragile from (1) Elevated household debt and sluggish income recovery are constraining commercial bank lending, further weighing on durable goods consumption; (2) Exports are likely to moderate following strong growth in the previous year, alongside rising risks from global economic disruption due to prolonged geopolitical tensions, although the electronics segment is expected to remain relatively resilient; and (3) Prolonged U.S.– Iran conflict keeping oil prices high is expected to turn tourism into an economic drag. Tourist arrivals are expected to decline from 33 million in 2025 to 31 million in 2026. Furthermore, should oil prices continue to rise, the tourism sector could be further adversely affected, with tourist arrivals potentially declining by an additional 5 million. As a result, the Thai economy in 2026 is expected to continue growing below its potential, with GDP growth projected at 1.3%, before gradually recovering in the following year.

On the monetary policy front, the Monetary Policy Committee (MPC) continued to cut the policy interest rate, bringing it down to 1.00% at its February 2026 meeting in response to slowing economic activity, subdued inflation, and tightening financial conditions. The tightening has been particularly pronounced among small businesses and low-income households. Headline inflation is expected to gradually rise toward the upper bound of the Bank of Thailand's target range, driven by elevated global oil prices amid prolonged geopolitical tensions. However, weak domestic demand and continued contraction in commercial bank credit are likely to limit broader price pass-through. Given these conditions, the Bank of Thailand is expected to further ease monetary policy, with the policy rate projected to decline to 0.75% by the end of the year.

Domestic auto sales in the first two months of 2026 expanded compared to the same period in 2025, with total sales increasing by 25.5%. The key driver was the passenger car segment, which rose by 38.1%, supported by strong growth in electric and hybrid vehicle sales. Meanwhile, commercial vehicle sales recorded modest growth of 4.1%, in line with slowing income growth and weakening purchasing power amid the broader economic slowdown. The second-hand car market also continued to face challenges following the economic slowdown and intensified price competition from Chinese automakers.

The Stock Exchange of Thailand (SET) Index rebounded in 1Q26, supported by improved market sentiment following the election, as investors anticipated stronger economic stimulus measures and increased public investment from a more stable government. Easing policy uncertainty, coupled with relatively low foreign investor positioning in Thai equities, contributed to continued capital inflows into emerging markets. Thailand also benefited from potential capital reallocation following concerns over a possible downgrade in Indonesia's investability by MSCI. Despite heightened geopolitical tensions between the US and Iran, the SET Index still increased by 15.0% in 1Q26, closing at 1,448.14 points from 1,259.67 points at the end of 2025. The average daily trading value on the SET and MAI markets rose significantly to Baht 65,109 million in 1Q26, representing an increase of 85.2% from Baht 35,162 million in 4Q25.

## **Operating results of the Bank and subsidiaries for 1Q26**

For 1Q26, Kiatnakin Phatra Bank and its subsidiaries reported consolidated net profit of Baht 1,955 million, representing a strong increase of 84.2% compared with 1Q25, and consolidated total comprehensive income of Baht 1,906 million, increasing by 46.2% year on year. The improvement was primarily driven by an increase in operating income, particularly non-interest income, a reduction in losses from the sale of repossessed vehicles, and a decline in expected credit losses, reflecting the continued improvement in asset quality.

The increase in net profit during 1Q26 was mainly attributable to the growth in non-interest income, which rose by 64.7% compared with 1Q25, extending the growth momentum from 2025. This was supported by growth

in wealth management income, income from digital financial and investment services under the Dime! business, fee income from asset management business, brokerage commissions and an increase in net gains on financial instruments measured at fair value through profit or loss in line with market conditions. Kiatnakin Phatra Securities continued to maintain its leading position as the number one securities brokerage by market share<sup>1</sup>. The increase in non-interest income helped offset the impact of the decline in net interest income, which decreased by 5.2%, consistent with the Bank's strategic emphasis on high-quality loan originations. Meanwhile, loan spread for 1Q26 remained stable compared with 1Q25, supported by effective funding cost management, which resulted in a continued reduction in funding costs.

Total loans for 1Q26 increased by 1.5% from the end of 2025, consistent with the Bank's prudent loan growth strategy, with a focus on assets with strong credit quality and sustainable profitability. As a result, asset quality remained well controlled. The amount of non-performing loans declined resulting in the non-performing loan (NPL) ratio<sup>2</sup> for 1Q26 decreasing to 4.1%. Losses from the sale of repossessed vehicles also continued to decline, consistent with the ongoing improvement in repossessed vehicle conditions. However, toward the end of 1Q26, the Bank observed early signs of a slight decline in used car prices. This development may be partly influenced by higher oil prices amid tensions in the Middle East. The Bank will continue to closely monitor these developments going forward. Against this backdrop, the Bank maintained a prudent approach to provisioning at an appropriate level, with total expected credit loss provisions for 1Q26 amounting to Baht 961 million. This included additional management overlay provisions to cushion against potential future risks arising from ongoing economic uncertainties, including geopolitical tensions in the Middle East, which may affect overall economic conditions and potentially impact asset quality going forward.

### Summary of financial performance for 1Q26

| Unit : Baht million                                                               | 1Q26         | 4Q25         | % QoQ       | 1Q25         | % YoY       |
|-----------------------------------------------------------------------------------|--------------|--------------|-------------|--------------|-------------|
| Net Interest income                                                               | 4,216        | 4,266        | (1.2)       | 4,446        | (5.2)       |
| Non-interest income                                                               | 2,483        | 2,337        | 6.3         | 1,507        | 64.7        |
| Total operating income                                                            | 6,699        | 6,602        | 1.5         | 5,953        | 12.5        |
| Total other operating expenses                                                    | 3,261        | 3,620        | (9.9)       | 3,515        | (7.2)       |
| Expected credit losses                                                            | 961          | 708          | 35.7        | 1,104        | (12.9)      |
| Profit from operating before income tax expenses                                  | 2,477        | 2,274        | 8.9         | 1,335        | 85.6        |
| Income tax expenses                                                               | 477          | 468          | 2.0         | 271          | 76.2        |
| <b>Net Profit</b><br>(attributable to equity holders of the Bank)                 | <b>1,955</b> | <b>1,772</b> | <b>10.4</b> | <b>1,062</b> | <b>84.2</b> |
| <b>Total Comprehensive income</b><br>(attributable to equity holders of the Bank) | <b>1,906</b> | <b>1,479</b> | <b>28.9</b> | <b>1,304</b> | <b>46.2</b> |
| Basic earnings per share (Baht)                                                   | 2.40         | 2.17         | 10.6        | 1.28         | 87.5        |
| Diluted earnings per share (Baht)                                                 | 2.40         | 2.17         | 10.6        | 1.28         | 87.5        |

<sup>1</sup> Including SET and mai but excluding proprietary trading

<sup>2</sup> Excluding loans classified as purchased or originated credit-impaired financial assets (POCI)

| Annualized Ratios (%)                                         | 1Q26         | 4Q25         | 1Q25         |
|---------------------------------------------------------------|--------------|--------------|--------------|
| <b>Net Profit (Baht million)</b>                              | <b>1,955</b> | <b>1,772</b> | <b>1,062</b> |
| ROAE                                                          | 11.8         | 11.0         | 6.7          |
| ROAA                                                          | 1.6          | 1.4          | 0.9          |
| <b>Comprehensive income (Baht million)</b>                    | <b>1,906</b> | <b>1,479</b> | <b>1,304</b> |
| ROAE                                                          | 11.5         | 9.2          | 8.2          |
| ROAA                                                          | 1.5          | 1.2          | 1.1          |
| Loan growth                                                   | 1.5          | (0.7)        | (1.4)        |
| NPLs/ Total loans (excluding interbank and POCI)              | 4.1          | 4.3          | 4.4          |
| Allowance for expected credit losses/ Total NPLs <sup>3</sup> | 142.3        | 137.2        | 131.0        |

### Net Interest Income

| Unit: Baht million                           | 1Q26         | 4Q25         | % QoQ         | 1Q25         | % YoY         |
|----------------------------------------------|--------------|--------------|---------------|--------------|---------------|
| <b>Interest income</b>                       | <b>5,938</b> | <b>6,212</b> | <b>(4.4)</b>  | <b>6,937</b> | <b>(14.4)</b> |
| Interest on loans                            | 2,660        | 2,782        | (4.4)         | 3,186        | (16.5)        |
| Hire purchase and financial lease income     | 2,778        | 2,870        | (3.2)         | 3,136        | (11.4)        |
| Interest on POCI                             | 17           | 17           | (1.0)         | 16           | 4.8           |
| Interest on interbank and money market items | 147          | 191          | (23.4)        | 245          | (40.2)        |
| Interest on securities                       | 322          | 335          | (3.8)         | 337          | (4.5)         |
| Others                                       | 15           | 17           | (8.2)         | 16           | (6.6)         |
| <b>Interest expense</b>                      | <b>1,722</b> | <b>1,947</b> | <b>(11.6)</b> | <b>2,491</b> | <b>(30.9)</b> |
| Interest on deposits                         | 1,154        | 1,387        | (16.8)        | 1,844        | (37.4)        |
| Interest on interbank and money market items | 67           | 62           | 7.9           | 69           | (3.1)         |
| Interest on debt issued and borrowings       | 104          | 100          | 4.2           | 153          | (32.2)        |
| Fees and charges on borrowings               | 6            | 3            | 89.5          | 5            | 32.1          |
| FIDF and DPA fees                            | 365          | 374          | (2.5)         | 402          | (9.3)         |
| Others                                       | 26           | 20           | 26.9          | 18           | 44.8          |
| <b>Net Interest Income</b>                   | <b>4,216</b> | <b>4,266</b> | <b>(1.2)</b>  | <b>4,446</b> | <b>(5.2)</b>  |

For 1Q26, net interest income amounted to Baht 4,216 million, declining by 5.2% compared with 1Q25. The decrease was mainly attributable to a 14.4% decline in interest income, reflecting the slowdown in loan portfolio in line with the Bank's asset quality management strategy, which emphasizes high quality loan origination. In addition, interest income declined due to the reduction in lending rates following continued policy rate cuts. Meanwhile, interest expense declined by 30.9% compared with 1Q25, driven by effective funding cost management and a declining interest rate environment. As a result, the loan spread for 1Q26 remained stable at 4.6% compared with 1Q25.

Compared with 4Q25, net interest income declined slightly by 1.2% quarter on quarter while loan spread slightly increased to 4.6%, compared with 4.5% in 4Q25, largely as a result of continued improvement in funding costs.

<sup>3</sup> Excluding loans classified as Purchased or originated credit-impaired financial assets (POCI)

### Loan Yield, Cost of Fund and Loan Spread

| %             | 1Q26 | 4Q25 | 3Q25 | 2Q25 | 1Q25 |
|---------------|------|------|------|------|------|
| Yield on loan | 6.4  | 6.6  | 6.7  | 6.8  | 7.1  |
| Cost of fund  | 1.8  | 2.0  | 2.3  | 2.4  | 2.5  |
| Loan spread   | 4.6  | 4.5  | 4.4  | 4.4  | 4.6  |

### Non-Interest Income

| Unit: Baht million                                                                      | 1Q26         | 4Q25         | % QoQ        | 1Q25         | % YoY       |
|-----------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|-------------|
| Fees and services income                                                                | 1,989        | 1,971        | 0.9          | 1,580        | 25.9        |
| Fees and services expenses                                                              | 371          | 348          | 6.4          | 273          | 35.8        |
| <b>Fees and services income, net</b>                                                    | <b>1,618</b> | <b>1,623</b> | <b>(0.3)</b> | <b>1,307</b> | <b>23.8</b> |
| Gain (loss) on financial instruments measured at fair value through profit or loss, net | 385          | 482          | (20.1)       | 48           | 695.8       |
| Gain (loss) on investments, net                                                         | -            | -            | n.a.         | -            | n.a.        |
| Dividend income                                                                         | 305          | 43           | 617.0        | 94           | 223.5       |
| Other operating income                                                                  | 175          | 190          | (7.5)        | 58           | 203.9       |
| <b>Total Non-Interest Income</b>                                                        | <b>2,483</b> | <b>2,337</b> | <b>6.3</b>   | <b>1,507</b> | <b>64.7</b> |

**For 1Q26**, non-interest income amounted to Baht 2,483 million, increasing by 64.7% compared with 1Q25. The increase was driven by growth in both net fees and service income and other income. Net fees and service income rose by 23.8% compared with 1Q25, supported by continued growth in wealth management income, digital financial and investment service income from the Dime! business, and fee income from the asset management business, in line with the expansion of assets under advisory, assets under platform, and assets under management, as well as improved market conditions in 1Q26, reflected by a 52.0% increase in market average daily turnover comparing to 1Q25. In addition, bancassurance fee also increased. Kiatnakin Phatra Securities continued to maintain its position as the No. 1 securities brokerage, with a market share<sup>4</sup> of 18.64%. Other income also increased at a solid level compared with 1Q25, primarily due to higher net gains on financial instruments measured at fair value through profit or loss in line with market conditions and from increase in dividend income. Additionally, other operating income increased from the contributions received from the Financial Institutions Development Fund (FIDF) under the “Khun Soo, Rao Chuay” program.

**Compared with 4Q25**, non-interest income increased by 6.3% from the increased in other income mainly driven by higher dividend income. Meanwhile, net fees and service income remained broadly stable compared with the previous quarter, declining slightly by 0.3%, primarily due to lower investment banking income quarter on quarter.

<sup>4</sup> Including SET and mai but excluding proprietary trading

### Other operating expenses

| Unit: Baht million                                    | 1Q26         | 4Q25         | % QoQ        | 1Q25         | % YoY        |
|-------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Employee's expenses                                   | 1,920        | 2,004        | (4.2)        | 1,745        | 10.0         |
| Directors' remuneration                               | 10           | 14           | (29.5)       | 10           | 0.8          |
| Premises and equipment expenses                       | 377          | 394          | (4.2)        | 364          | 3.8          |
| Taxes and duties                                      | 138          | 143          | (3.3)        | 147          | (5.8)        |
| Loss from revaluation of foreclosed assets (reversal) | 8            | 136          | (94.0)       | 65           | (87.6)       |
| Loss from sale of foreclosed assets                   | 317          | 421          | (24.9)       | 639          | (50.4)       |
| (Gain) loss from sale of foreclosed properties        | (15)         | (85)         | (82.7)       | (56)         | (73.5)       |
| Loss from sale of repossessed cars                    | 331          | 506          | (34.6)       | 694          | (52.3)       |
| Other expenses                                        | 491          | 507          | (3.2)        | 545          | (10.0)       |
| <b>Total other operating expenses</b>                 | <b>3,261</b> | <b>3,620</b> | <b>(9.9)</b> | <b>3,515</b> | <b>(7.2)</b> |

**For 1Q26**, the Bank continued to maintain effective cost management, with operating expenses totalling Baht 3,261 million, representing a decline of 7.2% compared with 1Q25. The reduction was primarily attributable to the continued decline in losses from the sale of repossessed vehicles, which amounted to Baht 331 million, a decline of 52.3% year on year, in line with the ongoing reduction in the volume of repossessed vehicles. Toward the end of 1Q26, the Bank observed early signs of a slight decline in used car prices. This development may be partly influenced by higher oil prices amid tensions in the Middle East. The Bank will continue to closely monitor these developments going forward. Meanwhile, other operating expenses continued to be well controlled. Excluding items related to foreclosed assets, the cost-to-income ratio for 1Q26 improved to 43.7%, compared with 46.8% in 1Q25.

**Compared with 4Q25**, operating expenses decreased by 9.9%, driven by the continued reduction in losses from the sale of repossessed vehicles, while other expenses continued to be managed efficiently.

### Expected Credit Loss (ECL)

| Unit: Baht million     | 1Q26 | 4Q25 | % QoQ | 1Q25  | % YoY  |
|------------------------|------|------|-------|-------|--------|
| Expected Credit Losses | 961  | 708  | 35.7  | 1,104 | (12.9) |
| Credit Cost (%)        | 1.50 | 1.41 |       | 1.97  |        |

**For 1Q26**, the Bank applied a prudent approach to provisioning under the expected credit loss (ECL) model, with careful consideration given to various factors, including the potential impact of heightened economic uncertainty on asset quality. Expected credit losses for 1Q26 amounted to Baht 961 million, declining by 12.9% compared with Baht 1,104 million in 1Q25. The expected credit losses for 1Q26 included additional management overlay provisions, established to mitigate potential future risks stemming from ongoing economic uncertainty, including the prolonged geopolitical tensions in the Middle East, which could adversely affect overall economic conditions and potentially impact asset quality in the period ahead. Expected credit losses together with losses from the sale of repossessed vehicles (credit cost) for 1Q26 amounted to 1.50% of average loans, declining from 1.97% in 1Q25. This reflects the effectiveness of the Bank's continued asset quality management efforts. As a result, the ratio of allowance for expected credit losses to credit-impaired loans (coverage ratio) increased to 142.3% for 1Q26, compared with 131.0% at the end of 1Q25.

Compared to 4Q25, expected credit loss increased 35.7% from previous quarter largely driven by the increase in management overlay as a precautionary measure against ongoing economic uncertainties.

## Statements of Financial Position

### Assets

As of 31 March 2026, the Bank reported total assets on a consolidated basis of Baht 513,516 million, an increase of 5.2% from the end of 2025 with loans to customers and accrued interest receivables expanding by 1.5% during 1Q26.

| <b>Assets</b><br>(Baht million)                                | <b>Consolidated</b> |                     | <b>% change</b> |
|----------------------------------------------------------------|---------------------|---------------------|-----------------|
|                                                                | <b>Mar 31, 2026</b> | <b>Dec 31, 2025</b> |                 |
| Interbank and money market items, net                          | 34,323              | 39,238              | (12.5)          |
| Financial assets measured at fair value through profit or loss | 29,852              | 23,637              | 26.3            |
| Derivatives assets                                             | 16,814              | 9,824               | 71.2            |
| Investment, net                                                | 45,031              | 42,851              | 5.1             |
| Loans to customers and accrued interest receivables, net       | 336,122             | 331,200             | 1.5             |
| Properties foreclosed, net                                     | 6,434               | 6,426               | 0.1             |
| Other assets                                                   | 44,942              | 34,920              | 28.7            |
| <b>Total Assets</b>                                            | <b>513,516</b>      | <b>488,095</b>      | <b>5.2</b>      |

### Liabilities and Shareholder's Equity

As of 31 March 2026, the Bank reported total liabilities on a consolidated basis of Baht 444,744 million, representing a 5.2% increase from end of 2025 driven by the increase in debt issued and borrowings while deposits slightly declined. The composition of deposits consisted of 52.1% in current and savings accounts, increasing from 46.8% level at the end of 2025 and 47.9% in term deposits. The loan-to-deposit and borrowing ratio stood at 92.8% at the end of 1Q26.

| <b>Liabilities and Equity</b><br>(Baht million)                     | <b>Consolidated</b> |                     | <b>% change</b> |
|---------------------------------------------------------------------|---------------------|---------------------|-----------------|
|                                                                     | <b>Mar 31, 2026</b> | <b>Dec 31, 2025</b> |                 |
| Deposits                                                            | 345,307             | 348,300             | (0.9)           |
| Current Account                                                     | 1,576               | 1,612               | (2.2)           |
| Saving Account                                                      | 178,200             | 161,249             | 10.5            |
| Term Deposit                                                        | 165,506             | 185,414             | (10.7)          |
| Certificate of Deposit                                              | 25                  | 25                  | 0.0             |
| Interbank and money market items, net                               | 17,793              | 13,078              | 36.1            |
| Financial liabilities measured at fair value through profit or loss | 4,750               | 3,017               | 57.4            |
| Derivatives liabilities                                             | 16,832              | 9,832               | 71.2            |
| Debt issued and borrowings                                          | 30,109              | 15,088              | 99.6            |
| Other liabilities                                                   | 29,954              | 33,574              | (10.8)          |
| <b>Total Liabilities</b>                                            | <b>444,744</b>      | <b>422,889</b>      | <b>5.2</b>      |
| <b>Equity (attributable to equity holders of the Bank)</b>          | <b>68,295</b>       | <b>64,772</b>       | <b>5.4</b>      |
| <b>Total Liabilities and Equity</b>                                 | <b>513,516</b>      | <b>488,095</b>      | <b>5.2</b>      |

Shareholders' equity attributable to owners of the Bank as of the end of 1Q26 amounted to Baht 68,295 million, representing an increase of 5.4% from the end of 2025. The increase was primarily attributable to the inclusion of the net profit of the Bank's equity holders for 1Q26, as well as proceeds received from the exercise of the Bank's warrants to purchase ordinary shares of KKP No. 6 (KKP-W6). Total proceeds received from the exercise of warrants amounted to Baht 1,606 million.

### Capital Adequacy

The Group maintains a strong capital position and can adequately withstand the current uncertainties and is above the regulatory requirement (regulatory requirement and additional capital conservation buffer) of 11.0% for total capital ratio, 8.5% for Tier 1 capital and 7.0% for Common Equity Tier 1 capital. The Group performs capital management planning to maintain an appropriate level of capital which is consistent with the annual business plan of the Group including reviews during the year to ensure appropriate level of capital to withstand any uncertainties.

As of March 31, 2026, the Capital Adequacy Ratio (BIS ratio) of the Bank under Basel III which included profit up to end of 2024 after dividend payment was at 16.14% while Tier 1 ratio was at 13.45%. When including net profit up to end of 1Q26, the BIS ratio will increase to 17.66% while Tier 1 ratio will be 14.97%. The Bank Tier 1 capital are all Common Equity Tier 1 contributing to 83.35% of total capital reflecting high quality of capital.

| Capital Requirement (%) | Minimum regulatory requirement | Capital Conservation Buffer | Total Capital Requirement |
|-------------------------|--------------------------------|-----------------------------|---------------------------|
| Common Equity Tier 1    | 4.50                           | 2.50                        | 7.00                      |
| Tier 1 capital          | 6.00                           | 2.50                        | 8.50                      |
| Total capital           | 8.50                           | 2.50                        | 11.00                     |

Total Capital and Capital Adequacy Ratio as of the end of March 2026 are as follows:

|                                                 | Bank Only     |               |               | Consolidated          |               |               |
|-------------------------------------------------|---------------|---------------|---------------|-----------------------|---------------|---------------|
|                                                 | Mar 2026      | Dec 2025      | Mar 2025      | Mar 2026 <sup>5</sup> | Dec 2025      | Mar 2025      |
| <b>Capital Requirement</b> (Unit: Baht million) |               |               |               |                       |               |               |
| Common Equity Tier 1                            | 49,170        | 47,861        | 48,382        | n/a                   | 54,569        | 54,837        |
| Tier 1 capital                                  | 49,170        | 47,861        | 48,382        | n/a                   | 54,569        | 54,837        |
| <b>Total capital</b>                            | <b>58,989</b> | <b>57,533</b> | <b>61,288</b> | <b>n/a</b>            | <b>64,399</b> | <b>67,894</b> |
| <b>Capital Adequacy Ratio</b> (Unit: %)         |               |               |               |                       |               |               |
| Common Equity Tier 1                            | 13.45         | 13.67         | 13.41         | n/a                   | 14.71         | 14.41         |
| Tier 1 capital                                  | 13.45         | 13.67         | 13.41         | n/a                   | 14.71         | 14.41         |
| <b>Total capital</b>                            | <b>16.14</b>  | <b>16.43</b>  | <b>16.98</b>  | <b>n/a</b>            | <b>17.36</b>  | <b>17.84</b>  |

<sup>5</sup> Consolidated capital information for March 2026 will be disclosed with the reviewed financial statements



## Business Segment Performance

Kiatnakin Phatra Financial Group (“the Group”) businesses are divided into two main areas: the Commercial Banking Business operated by the Bank and Capital Market Business operated by its subsidiaries which are comprised of KKP Capital, Kiatnakin Phatra Securities, KKP Dime Securities and Kiatnakin Phatra Asset Management.

**Commercial Banking Business** includes retail lending, commercial lending, corporate lending, Special Asset Management (SAM) or distressed asset management loan and other loans. The breakdown of total loan portfolio is as follows;

### Loan Distribution by Segment

| Type of loans <sup>6</sup><br>(Baht million) | March 2026     | December 2025  | Change<br>(% YTD) |
|----------------------------------------------|----------------|----------------|-------------------|
| <b>Retail Lending</b>                        | <b>230,322</b> | <b>234,055</b> | <b>(1.6)</b>      |
| Hire Purchase                                | 147,405        | 150,942        | (2.3)             |
| Personal loan                                | 11,189         | 11,608         | (3.6)             |
| Micro SMEs loan                              | 14,511         | 14,651         | (1.0)             |
| Housing loan                                 | 57,217         | 56,854         | 0.6               |
| <b>Commercial Lending</b>                    | <b>54,613</b>  | <b>52,771</b>  | <b>3.5</b>        |
| Real Estate Development loan                 | 21,781         | 19,860         | 9.7               |
| SMEs loan                                    | 32,832         | 32,911         | (0.2)             |
| Corporate Lending                            | 57,797         | 52,255         | 10.6              |
| Special Asset Management loan                | 1,154          | 1,174          | (1.7)             |
| Lombard loan                                 | 4,742          | 3,262          | 45.4              |
| <b>Total loans</b>                           | <b>348,628</b> | <b>343,518</b> | <b>1.5</b>        |
| <b>Total loans (excluding POCI)</b>          | <b>348,217</b> | <b>343,087</b> | <b>1.5</b>        |

As of the end of 1Q26, total loans, excluding POCI, amounted to Baht 348,217 million, a 1.5% increase from the end of 2025. The expansion remained in line with the Bank’s plan for prudent loan growth, with a focus on segments offering appropriate returns and strong credit quality. Details of loan distribution by segment are as follows:

- **Retail Lending** amounted to Baht 230,322 million, decreasing by 1.6% from the end of 2025. Retail loans include hire purchase loans, personal loans, Micro SMEs loans and housing loans.
  - **Hire purchase loans** totaled Baht 147,405 million, contraction of 2.3% from the end of 2025. The portion of hire purchase loans to the Bank’s total loan portfolio was at 42%, with the ratio of new cars to used cars remaining relatively stable at 35:65.
  - **Other retail loans** amounted to Baht 82,917 million, slight contraction of by 0.2% from the end of 2025 largely from the decline in personal loan segment.
- **Commercial Lending** business loans amounted to Baht 54,613 million, expanded by 3.5% from the end of 2025. Commercial Lending includes real estate development loans and SMEs loans details are as follows:

<sup>6</sup> Excluding accrued interest

- **Real estate development loans** totaled Baht 21,781 million, an increase of 9.7% from the end of 2025
- **SMEs loans** were Baht 32,832 million, slight contraction of 0.2% from the end of 2025
- **Corporate Lending** provides lending services to listed companies and large corporates or financing for investment banking transactions of Capital Market Business. Current outstanding loans totaled Baht 57,797 million, increased by 10.6% from the end of 2025.
- **Special asset management (SAM)** is responsible for distressed asset management business and sale of foreclosed assets. Current outstanding loans totaled Baht 1,154 million. Assets under SAM were subjected to change in classification from TFRS 9 for financial assets classified as purchased or originated credit impaired from previous classification of Investments in loans.
- **Lombard Loan**, a multi-purpose credit facility for Wealth Management clients using financial assets as collateral. Current outstanding loans totaled Baht 4,742 million, increased by 45.4% from the end of 2025.

### Loan classifications and Allowance for expected credit losses (ECL)

In accordance with the TFRS 9 framework, the Bank has adopted a cautious and forward-looking approach in establishing provisions for expected credit losses, factoring in prevailing uncertainties. Asset quality across all loan segments is subject to continuous and rigorous monitoring. The Bank maintains a disciplined provisioning approach and regularly assesses the adequacy of these reserves, particularly in response to early indicators of potential deterioration in asset quality. As of the end of 1Q26, allowance for expected credit losses totaled Baht 20,475 million. The total allowance for expected credit losses to total NPLs ratio (coverage ratio) increased to 142.3% at the end of 1Q26, up from 137.2% at the end of 2025.

Under TFRS 9, loans and accrued interest receivables as of the end of March 2026 are classified into stages as follows:

| Unit : Baht million                                      | March 2026                                   |                                           | December 2025                                |                                           | March 2025                                   |                                           |
|----------------------------------------------------------|----------------------------------------------|-------------------------------------------|----------------------------------------------|-------------------------------------------|----------------------------------------------|-------------------------------------------|
|                                                          | Total Loans and Accrued Interest Receivables | Expected Credit Losses (ECL) <sup>7</sup> | Total Loans and Accrued Interest Receivables | Expected Credit Losses (ECL) <sup>7</sup> | Total Loans and Accrued Interest Receivables | Expected Credit Losses (ECL) <sup>7</sup> |
| Stage 1 : Performing financial assets                    | 320,407                                      | 7,827                                     | 314,057                                      | 7,188                                     | 325,627                                      | 6,472                                     |
| Stage 2 : Under-Performing financial assets              | 18,902                                       | 4,248                                     | 19,821                                       | 4,444                                     | 26,089                                       | 5,812                                     |
| Stage 3 : Non-Performing financial assets                | 16,268                                       | 8,282                                     | 16,516                                       | 8,431                                     | 17,877                                       | 8,383                                     |
| Purchased or originated credit-impaired financial assets | 724                                          | 118                                       | 743                                          | 105                                       | 731                                          | 101                                       |
| <b>Total</b>                                             | <b>356,302</b>                               | <b>20,475</b>                             | <b>351,138</b>                               | <b>20,167</b>                             | <b>370,323</b>                               | <b>20,768</b>                             |

<sup>7</sup> Including ECL for loans and loan commitments and financial guarantees

## NPLs distribution by loan type

| NPLs<br>(Baht million)               | March 2026    |             | December 2025 |             |
|--------------------------------------|---------------|-------------|---------------|-------------|
|                                      | Amount        | % of loans  | Amount        | % of loans  |
| <b>Retail Lending</b>                | <b>6,753</b>  | <b>2.9</b>  | <b>7,061</b>  | <b>3.0</b>  |
| Hire Purchase                        | 3,498         | 2.4         | 3,890         | 2.6         |
| Personal loan                        | 98            | 0.9         | 120           | 1.0         |
| Micro SMEs loan                      | 2,394         | 16.5        | 2,258         | 15.4        |
| Housing loan                         | 763           | 1.3         | 793           | 1.4         |
| <b>Commercial Lending</b>            | <b>4,286</b>  | <b>7.8</b>  | <b>4,289</b>  | <b>8.1</b>  |
| Real Estate Development loan         | 2,489         | 11.4        | 2,489         | 12.5        |
| SMEs loan                            | 1,797         | 5.5         | 1,800         | 5.5         |
| <b>Corporate Lending</b>             | <b>2,964</b>  | <b>5.1</b>  | <b>2,919</b>  | <b>5.6</b>  |
| <b>Special Asset Management loan</b> | <b>844</b>    | <b>73.1</b> | <b>864</b>    | <b>73.6</b> |
| <b>Lombard loan</b>                  | <b>-</b>      | <b>0.0</b>  | <b>-</b>      | <b>0.0</b>  |
| <b>Total NPLs</b>                    | <b>14,847</b> | <b>4.3</b>  | <b>15,133</b> | <b>4.4</b>  |
| <b>Total NPLs (excluding POCI)</b>   | <b>14,436</b> | <b>4.1</b>  | <b>14,702</b> | <b>4.3</b>  |

As of the end of March 2026, the Non-Performing Loans (NPLs) or Stage 3 loans, excluding POCI totaled Baht 14,436 million, remaining within control and continuing to decline from Baht 14,702 million from the end of 2025 driven largely by improvement in the hire purchase segment. The percentage of NPLs to total loans as of the end of 1Q26 lowered to 4.1% from 4.3% at the end of 2025. The Bank continues to proactively manage the loan portfolio quality through debt restructuring, write off and through various assistance measures as appropriate for each customer segment as well as focusing on loan expansions in quality segments.

**Capital Market business** comprises of brokerage business, investment banking business, investment business, asset management business and digital financial and investment services. Details are as follows:

### ■ Equity and Derivatives Brokerage Business

Kiatnakin Phatra Securities Public Company Limited ("KKPS") operates agency business providing both securities and derivatives brokerage services to local and foreign institutional investors, as well as high net worth individuals under Wealth Management. For high net worth clients, other wealth management products are provided such as local and foreign mutual funds and structured products. For 1Q26, the market share<sup>8</sup> of KKPS was 18.64%, ranking 1st from total 36 brokers. KKPS generated brokerage revenue totaling Baht 359 million<sup>9</sup> comprising of equity brokerage revenue of Baht 259 million and derivatives brokerage revenue of Baht 100 million. Additionally, KKPS also had brokerage revenue from selling agent fees of Baht 380 million<sup>10</sup>.

### ■ Investment Banking Business

Investment banking business, operated by KKPS, provides financial advisory service as well as underwriting service. For 1Q26, total revenue of the investment banking business which includes financial advisory fee and underwriting fee totaled Baht 26 million.

### ■ Investment Business

Investment Business is managed by 2 departments, comprising of Direct Investment Department ("DI"), with medium to long-term investment horizon, and Equity and Derivatives Trading Department ("EDT"). EDT

<sup>8</sup> Including SET and mai but excluding proprietary trading

<sup>9</sup> Including brokerage revenue received from subsidiary company

<sup>10</sup> Including selling agent fee received from subsidiary company

focuses on equity and equity-linked securities in the capital market and derivatives market, with short-term investment not more than 1 year by applying Arbitrage investment strategy as well as issuing and offering financial structured products. In 1Q26, DI focusing on long-term investment with value based investment philosophy recorded gain on investment including other comprehensive income totaling Baht 91 million. Meanwhile, EDT had gain on investment totaling Baht 313 million<sup>11</sup>. Additionally, there were other investment income from treasury and liquidity management, resulting in an overall investment gain of Baht 819 million.

#### ■ **Asset Management Business**

Kiatnakin Phatra Asset Management Company Limited (“KKPAM”), under mutual fund and private fund management licenses, offers fund management services to individuals and corporate customers. KKPAM’s mutual fund AUM as of 31 March 2026 was Baht 290,777 million with total 193 funds under management consisting of 192 mutual funds and 1 property funds. KKPAM’s market share in terms of mutual fund was 4.46%. In 1Q26, KKPAM’s fee income from mutual fund business totaled Baht 385 million. Asset under management from private fund amounted to Baht 22,256 million with KKPAM’s fee income from private fund business totaled Baht 21 million.

#### ■ **Digital Financial and Investment Services**

The Group has set up KKP Dime Securities Company Limited (“KKP Dime”) which obtained the securities businesses license from the Securities and Exchange Commission. Currently, KKP Dime operates agency business providing local mutual fund, foreign and local securities brokerage services, bond investment services, gold investment services and foreign currency deposit account (Dime! FCD) of Kiatnakin Phatra Bank to individual clients focusing on the mass segment. During 2025, KKP Dime added options trading and travel insurance purchasing services to the Dime! application. For 1Q26, KKP Dime generated revenue from local mutual fund, foreign and domestic securities brokerage services, derivatives brokerage revenue, interest revenue and other revenue totaling Baht 334 million<sup>12</sup>.

### **Kiatnakin Phatra Financial Group’s Sustainability Advancement**

Climate change is one of the key risks facing the economy, encompassing both physical and transition risks. Capital allocation therefore plays a critical role in supporting the transition, not only through investments in green activities, but also by supporting industries that face structural challenges in reducing greenhouse gas emissions. This approach is aligned with the Group’s commitment to supporting the transition of businesses toward sustainability, alongside the implementation of strategies to drive sustainability at the Group level. As a result, the Group was awarded a SET ESG Rating of AAA in 2025.

In 2026, the Group achieved an MSCI ESG Rating of AA, reflecting continued progress in sustainability performance. The Group remains focused on its “Enhancing Implementation” strategy, designed to systematically advance sustainability through core processes and the concrete integration of Environmental, Social, and Governance (ESG) considerations into business operations. Group-wide sustainability key performance indicators (ESG KPIs) have been established, and sustainability initiatives are being driven through three strategic pillars, underpinned by a strong foundation of good corporate governance, as outlined below.

#### **Building Sustainable Wealth**

During 1Q26, the Group continued to advance its sustainable finance initiatives as follows:

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<sup>11</sup> Income before deducting the cost of hedging, once deducting those costs, net gain was Baht 279 million

<sup>12</sup> Including income received from the parent and related company

- The Bank assessed ESG-related risks for 100% of its large corporate clients under the ESG Responsible Lending Policy, which covers environmental (including climate change), social, and governance factors. In addition, the Bank extended Baht 1.5 billion in Sustainability-Linked Loans (SLL) to CPN Retail Growth Leasehold REIT (CPNREIT) to support ESG-aligned asset management practices and contribute to Thailand's low-carbon transition.
- Kiatnakin Phatra Asset Management applied a responsible investment approach in line with the Principles for Responsible Investment (PRI) by integrating ESG factors into investment analysis, decision-making, and risk management, and by exercising active ownership through engagement with investee companies on sustainability issues, including climate change. The Company also participated in the SET-organized webinar "Turning ESG Scores into Action: Strategies for Achieving Tangible Progress" during 1Q26.
- Kiatnakin Phatra Securities incorporated ESG considerations through ESG screening in its Top Pick Funds. The company also received the "Most Innovative Deal of Thailand – Minor International's Sustainability-Linked Debentures Transaction" award at the FinanceAsia Achievement Awards 2025, recognizing its role in Thailand's first issuance of zero-coupon sustainability-linked bonds (SLBs).

### **Driving Climate Action**

The Group enhanced its Sustainability Policy to align with Thailand's national commitment to achieving net-zero greenhouse gas emissions by 2050, under the country's Nationally Determined Contribution (NDC 3.0) framework. During 1Q26, key initiatives related to climate action included the following:

- The Group advanced climate transition efforts under the "Brown to Less Brown" concept in line with the Bank of Thailand's guidelines and participated in Phase 1 of the Financing the Transition initiative through the KKP Shaping Tomorrow program. The program aims to support environmental transition within the real estate sector by providing transition financing as well as advisory services to clients. In addition, the Group is developing transition loan products for the hotel sector in Phase 2.
- The Group continued to monitor, manage, and enhance data quality related to Scope 3 indirect greenhouse gas emissions from financed activities (financed emissions) in accordance with the Partnership for Carbon Accounting Financials (PCAF) standard.
- Implemented maximum work-from-home measures during the global energy crisis to reduce office energy consumption and promoted the use of public transportation among employees.

### **Strengthening Society**

The Group has continued to advance social development efforts both internally and externally by leveraging expertise from its core businesses to create activities that deliver positive social impact, while also promoting employee engagement. During 1Q26, key initiatives were as follows:

- Employee well-being and workplace health - The Group implemented initiatives to promote employees' physical and mental well-being, fostering a healthy and supportive work environment. These efforts were recognized by several leading organizations, including: 1) Healthy Organization Award 2025 from the Thai Health Promotion Foundation and the Thai Society of Health Promotion; 2) Well-Being Organization Award – Platinum Level from the Personnel Management Association of Thailand (PMAT), in collaboration with the Faculty of Medicine, Chulalongkorn University, and the Thai Listed Companies Association (TLCA); and 3) Thai Mind Awards 2026 for outstanding mental-health-promoting organizations, presented by the Faculty of Psychology, Chulalongkorn University, and the Thailand Institute of Mental Health Sustainability (TIMS).

- Human capital development - To keep pace with technological transformation and advancements in artificial intelligence (AI), the Group launched the Data Strategist Program in 2026 to develop data analytics capabilities among employees and continuously deliver AI-related knowledge and trend updates to employees through Taxila, the Group's digital learning platform.
- Promotion of financial well-being - The Group enhanced financial well-being initiatives through the KKP Better application which includes the Better Box feature to support personal financial management. In 2026, the Group also introduced KKP EDGE, a purpose-based financial planning service, targeting working age mass affluent customers to help them manage their finances more effectively. In addition, the Dime! application launched Dime! Club to promote savings and investment discipline, along with a secondary-account feature that allows parents to open investment accounts for children under 20 years old to foster early financial literacy.
- Promotion of financial literacy - The Group continued to deliver financial literacy programs for customers and the general public through various channels, including training sessions, workshops, and online media. Key initiatives include the ongoing KKP FinLit program, which has been conducted continuously since 2021, as well as financial literacy activities for upper primary-level students at Wat Khlong Kao School, Samut Prakan Province, organized in collaboration with the CSR Club of the Thai Bankers' Association.