# Management Discussion and Analysis for the 2nd Quarter 2026

## Executive Summary:

**"The KTC Group maintains a strong financial position, with modest growth in its total loan portfolio driven by a focus on quality growth. Meanwhile, credit card spending in the first half of 2026 increased by 4.7% (YoY). The Group continues to leverage digital technology to drive the organization, enhance operational efficiency, and elevate service quality for members. Additionally, the Group focuses on organizational agility in adapting to a challenging competitive environment to support sustainable growth."**

In the second quarter and first half of 2026, Krungthai Card Public Company Limited ("KTC" or the "Company") and its subsidiaries ("the Group") reported net profit of Baht 2,225 million and Baht 4,397 million, representing growth of 17.4% (YoY) and 17.1% (YoY) respectively. Net profit for the separate financial statements totaled Baht 2,199 million and Baht 4,363 million, increasing by 13.9% (YoY) and 14.6% (YoY) respectively.

In the second quarter of 2026, the Group's total revenue remained stable at Baht 6,834 million, increasing by 0.3% (YoY), while total expenses declined by 6.9% (YoY) to Baht 4,040 million. The decline was driven by three key factors: 1) a 13.9% (YoY) decrease in expected credit losses due to portfolio quality management; 2) a 16.1% (YoY) reduction in finance costs resulting from lower borrowing costs on new funding; and 3) a slight 0.8% (YoY) decline in operating expenses. As a result, the Group's cost-to-income ratio for the second quarter of 2026 improved to 34.6%, from 35.0% in the same period last year.

As of the second quarter of 2026, the Group's total loan portfolio stood at Baht 107,741 million, increased 0.6% (YoY). The credit card portfolio grew 0.1% (YoY), reflecting prudent portfolio quality control and higher customer repayment rates. Credit card spending volume increased by 4.7% (YoY), and personal loan portfolio grew 3.0% (YoY). Net of the lease portfolio, which declined by 29.2% (YoY) following the discontinuation of new loan origination since 2023.

In terms of asset quality, the Group continued to focus on managing and maintaining portfolio quality amid a challenging economic environment, while consistently applying prudent and disciplined provisioning principles. NPL coverage ratio for the 6 months of 2026 increased to 426.3% from 419.9% compared with the same period last year, while the NPL ratio increased to 1.86% from 1.83% in the same period last year. The Group's credit cost in the 6 months of 2026 decreased to 5.0% from 5.8% in the same period last year.

The Company commenced its insurance brokerage business in late 2025 aiming to establish a solid foundation through collaboration with partners both non-life and life insurance providers. In the initial phase, the Company targets a gradual growth with a focus on building a quality and sustainable business to enhance the diversification of non-interest income and strengthen future competitiveness. In addition, the Company is in the process of obtaining a license to operate as an insurance broker offering insurance policies through electronic channels and expects to receive approval from both the Office of Insurance Commission (OIC) and the Bank of Thailand (BOT) during the second half of 2026. The Company will continue to advance the strategic development of its insurance brokerage business across both offline and online channels to provide convenience and offer insurance products that better meet customers' needs.

## 2026 Performance Target vs Actual 1H2026

| Target | Y2026 | Actual 1H2026 |
|---|---|---|
| **Net Profit (MB)** | **> 7,782** | **4,397** |
| **Total Portfolio Growth (%)** | **1% - 2%** | **0.6%** |
| **Credit Card Spending Growth (%)** | **5%** | **4.7%** |
| **Personal Loan Portfolio Growth (%)** | **2%** | **3.0%** |
| **Total Portfolio Quality (%NPL)** | **≤ 2%** | **1.86%** |

During the first half of the year, the Group continued to deliver profit growth for all stakeholders while maintaining solid asset quality in line with its planned targets. NPL ratio is expected to remain within its target range not exceeding 2%, card spending growth at 5%, and its portfolio to be maintained at the targeted level. In addition, the Company remains committed to continuously enhancing its products, services, and privileges to meet the evolving needs of members and customers, while adapting strategies in response to volatile business environment. The Group is advancing its operations toward becoming a fully digital organization while accelerating its organizational transformation to enhance operational efficiency and achieve sustainable growth amid the continued challenges of the Thai economy.

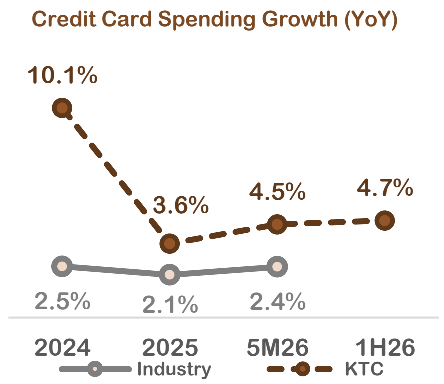
## Industry Overview:

Following the Monetary Policy Committee (MPC) meeting on June 24, 2026, the Bank of Thailand (BOT) revised its forecast for Thailand's economic growth to 2.3% (from previously 1.5%), due to stronger-than-anticipated economic expansion. Supporting factors included the tourism sector, exports of technological products, and private sector investment in technology and artificial intelligence that expanded with the upward cycle of the industry. Nevertheless, the Thai economy continues to face growth constraints, including pressure on private consumption from the persistently high cost of living, as higher costs have already been passed through to goods and services prices despite the downward trend in energy prices. At the same time, household income is expected to decline. However, government support measures, such as “Thai Chuay Thai Plus” and the increase of the State Welfare Card spending limit, are expected to help support household purchasing power. As a result, consumer lending is expected to expand slightly in the future with caution.

| Industry Data | Y2025 | 5M2025 | 5M2026 |
|---|---|---|---|
| **Credit Card Receivables (MB)** | **513,501** | **477,218** | **477,403** |
| **Growth (%)** | **(1.9%)** | **2.2%** | **0.04%** |
| **KTC Market Share (%)** | **14.4%** | **14.6%** | **14.5%** |
| **Number of Credit Card (Cards)** | **26,422,810** | **26,162,516** | **26,596,211** |
| **Growth (%)** | **1.3%** | **(0.6%)** | **1.7%** |
| **KTC Market Share (%)** | **11.2%** | **10.7%** | **11.5%** |
| **Credit Card Spending (MB)** | **2,303,754** | **931,228** | **953,947** |
| **Growth (%)** | **2.1%** | **1.2%** | **2.4%** |
| **KTC Market Share (%)** | **13.1%** | **13.2%** | **13.4%** |
| **Personal Loan Receivables (MB)** | **860,917** | **852,951** | **859,143** |
| **Growth (%)** | **0.3%** | **(0.7%)** | **0.7%** |
| **KTC Market Share (%)** | **4.2%** | **4.1%** | **4.2%** |

**Source: Industry Data, Bank of Thailand (BOT) as of July 10, 2026**

According to Bank of Thailand data as of 10 July 2026, the industry's outstanding credit card receivables remained stable at Baht 477,403 million close to the same period of the previous year, while outstanding personal loan receivables totaled Baht 859,143 million, increasing by 0.7% (YoY). Credit card spending volume for the industry during the first five months of 2026 totaled Baht 953,947 million, increasing by 2.4% (YoY). This was lower than KTC's credit card spending volume growth of 4.5% (YoY), with spending volume totaling Baht 128,086 million. For the first half of 2026, KTC's credit card spending volume totaled Baht 153,421 million, increasing by 4.7% (YoY).



Amid slowing industry growth and stricter lending criteria among financial institutions, KTC continued to maintain solid market shares across all major products. During the first five months of 2026, KTC maintained its credit card receivables market share at 14.5%, close to last year's level. Market share of credit card spending volume increased to 13.4% from 13.2% in the same period last year, while its personal loan receivables market share increased to 4.2% from 4.1%.

As of the end of the second quarter of 2026, KTC reported total membership of 3,806,784 accounts, comprising 3,092,023 credit cards, increasing by 9.9% (YoY), and 714,761 personal loan accounts, increasing by 2.8% (YoY).

## Portfolio Overview:

Loan portfolio growth in the second quarter of 2026 remained constrained by economic uncertainty. Economic growth remained at a low level, while elevated household debt and rising living costs continued to affect the domestic economy and inflation. These factors affected consumer confidence, leading consumers to exercise greater caution in spending and taking on additional debt. Under the separate financial statements, KTC's loans to customers and accrued interest receivables totaled Baht 106,479 million, increasing by 1.1% (YoY), mainly driven by growth in the personal loan portfolio, while the credit card portfolio remained at a similar level compared to the same period last year. For the consolidated financial statements, the Group's loan portfolio stood at Baht 107,741 million, increasing slightly by 0.6% (YoY), due to the decline in lease receivables following the policy to discontinue new lending under this product.

Under this environment, the Company continued to pursue a prudent loan growth strategy. The Company focused on loan expansion within an appropriate risk management framework, with emphasis on portfolio quality and risk management. This approach is intended to address economic uncertainty and support sustainable long-term growth. The Group's loan portfolio by business segment is as follows:

1) Credit card receivables totaled Baht 70,005 million, increased slightly by 0.1% (YoY). Growth was impacted by spending levels and shifting consumer behavior amid concerns over the economic outlook, resulting in more cautious spending, slower debt accumulation, and increased debt repayment by consumers.

2) Personal loan portfolio totaled Baht 36,474 million, increasing by 3.0% (YoY). Growth was partly driven by the expansion of KTC P BERM car for cash portfolio.

3) Leasing receivables totaled Baht 1,262 million, decreasing by 29.2% (YoY). The portfolio is expected to gradually decline in line with the Company's policy to discontinue new lending under this product since August 2023. The Company currently focuses on debt collection and managing the quality of the existing portfolio.

## Loans to customers and accrued interest receivables

| (Unit: Million Baht) | As of 30 June 2025 | As of 30 June 2026 | %Growth |
|---|---|---|---|
| **Credit Card** | **69,925** | **70,005** | **0.1%** |
| **Personal Loans (Including KTC P BERM Car for Cash)** | **35,396** | **36,474** | **3.0%** |
| **Leasing** | **1,782** | **1,262** | **(29.2%)** |

## The changes in the allowance for expected credit loss as of June 30, 2026

| (Unit: Million Baht) | Consolidated Financial Statements: Allowance for expected credit loss | | | | |
|---|---|---|---|---|---|
| | Financial assets where there has not been a significant increase in credit risk (Stage 1) | Financial assets where there has been a significant increase in credit risk (Stage 2) | Financial assets that are credit- impaired (Stage 3) | Financial assets where applied simplified approach to calculate lifetime expected credit loss | Total |
| **Balance as of January 1, 2026** | **4,334** | **2,372** | **1,078** | **640** | **8,424** |
| **Changes in staging** | **164** | **(227)** | **62** | **-** | **-** |
| **Changes in risk parameters** | **(278)** | **920** | **3,206** | **51** | **3,900** |
| **New financial assets originated or purchased** | **331** | **-** | **-** | **-** | **331** |
| **Financial assets derecognized** | **(258)** | **(532)** | **(735)** | **(9)** | **(1,534)** |
| **Written-off** | **-** | **-** | **(2,550)** | **(77)** | **(2,627)** |
| **Balance as of June 30, 2026** | **4,294** | **2,533** | **1,062** | **605** | **8,494** |

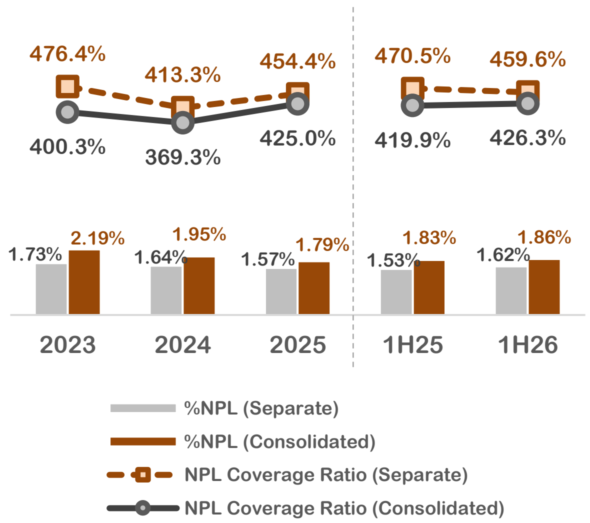
## Portfolio Quality:
## " NPL ratio stood at 1.86% in line with the target range, while the NPL Coverage Ratio stood at 426.3%."

The Group continued to maintain the quality of its loan portfolio, as reflected by the NPL ratio of 1.86% in the second quarter of 2026, which remained within the target range and close to the level of 1.83% recorded in the second quarter of the previous year. Under the separate financial statements, the NPL ratio stood at 1.62%. This was attributable to the management of loan portfolio quality through stringent customer screening and strict credit approval standards. As a result, the Group's credit cost in the first half of 2026 stood at 5.0%, down from 5.8% in the same period last year. Under the separate financial statements, credit cost stood at 5.0%, down from 5.7%.

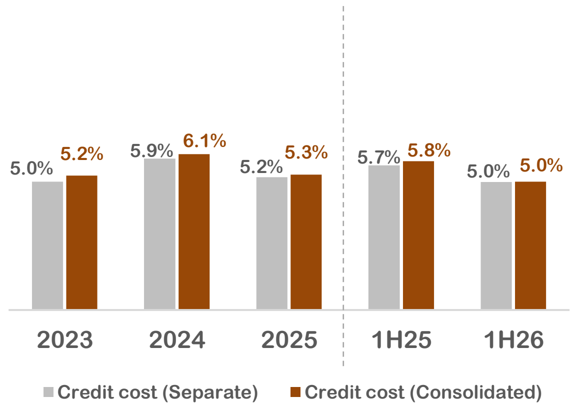
The NPL Coverage Ratio in the second quarter of 2026 stood at a high level of 426.3% in the second quarter of 2026, increasing from 419.9% in the second quarter of the previous year. Under the separate financial statements, the NPL Coverage ratio stood at 459.6%, which also remained at a high level, reflecting a prudent and cautious approach to addressing potential future uncertainties.

| NPL | 2Q2025 | | 1Q2026 | | 2Q2026 | |
|---|---|---|---|---|---|---|
| | MB | %NPL | MB | %NPL | MB | %NPL |
| **Total NPL** | 1,952 | 1.83% | 2,069 | 1.93% | 1,993 | 1.86% |
| **NPL – Credit Card** | 791 | 1.14% | 784 | 1.12% | 798 | 1.14% |
| **NPL – Personal Loan** | 812 | 2.32% | 879 | 2.47% | 919 | 2.55% |
| **NPL – Leasing** | 349 | 19.58% | 407 | 29.33% | 276 | 21.89% |

%NPL and %NPL Coverage Ratio




Credit Cost (%)



## The outstanding balances of loans to customers and accrued interest receivables classified by type of business and stage as of June 30, 2026

| (Unit: Million Baht) | Consolidated Financial Statements | | | |
|---|---|---|---|---|
| | Credit Card | Personal Loan | Leasing | Total |
| Stage 1 | 62,766 | 29,771 | - | 92,537 |
| Stage 2 | 6,157 | 5,337 | - | 11,495 |
| Stage 3 | 798 | 919 | - | 1,716 |
| Financial assets where applied simplified approach to calculate lifetime expected credit losses | - | - | 1,262 | 1,262 |
| Total loans to customers | 69,721 | 36,027 | 1,262 | 107,011 |
| Add Accrued interest receivables and undue interest receivables | 284 | 447 | - | 730 |
| Total loan to customers and accrued interest receivables | 70,005 | 36,474 | 1,262 | 107,741 |
| Less Allowance for expected credit loss | (4,220) | (3,669) | (605) | (8,494) |
| Total loans to customers and accrued interest receivables, net | 65,785 | 32,805 | 657 | 99,247 |

## Borrowing:

**"The Group continues to maintain sound financial discipline, reflected in a debt-to-equity ratio of 1.43 times and a six-month funding cost of 2.62%"**

The Group maintains a stable capital structure supported by diversified funding sources, including Thai commercial banks, securities companies, insurance companies, and various investment funds. As of the second quarter of 2026, total borrowings amounted to Baht 54,428 million (including lease liabilities). The funding mix consisted of 59% long-term borrowings and 41% short-term borrowings (including current portions of long term loan and debentures due within one year). Borrowings consisted of Baht 3,550 million in short-term credit line from Krungthai Bank and related parties, Baht 6,350 million from other financial institutions, Baht 10,000 million in long-term loan from Krungthai Bank, and Baht 34,148 million in debentures (representing 63% of total borrowings). This reflects investor confidence in the Company and its ability to access the debt markets.

Apart from capital structure management, the Group remains focused on maintaining financial discipline. The debt-to-equity ratio (D/E ratio) declined to 1.43 times in the second quarter of 2026 from 1.64 times from the same period last year. The decline was primarily attributable to retained earnings, which strengthened the capital base to support future business growth, as well as lower borrowings utilized for loan expansion, in line with the Company's prudent loan portfolio growth amid economic uncertainty.

The D/E ratio currently remains well below the debt covenant threshold of 10 times, providing significant financial flexibility to support future business expansion or absorb potential economic volatility.

## Liquidity:

In the second quarter of 2026, the Group reported Baht 21,390 million available credit line, compared with Baht 11,330 million of debentures and long-term borrowings maturing in 2026. This indicates a high level of liquidity relative to near-term debt obligations, reflecting a strong liquidity position and a very low level of short-term default risk.

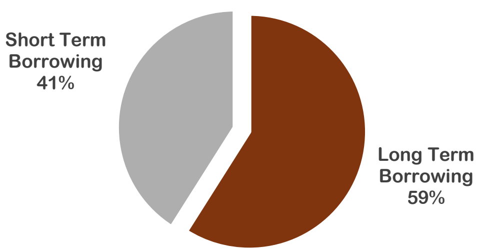
## Cost of Fund:

For the first half of 2026, the Group's funding cost declined to 2.62% from 2.90% in the same period last year. The decline reflected lower funding costs on new borrowings amid a lower interest rate environment, together with a lower borrowing base in line with loan portfolio growth. Consequently, finance costs decreased to Baht 731 million, down 16.1% (YoY).

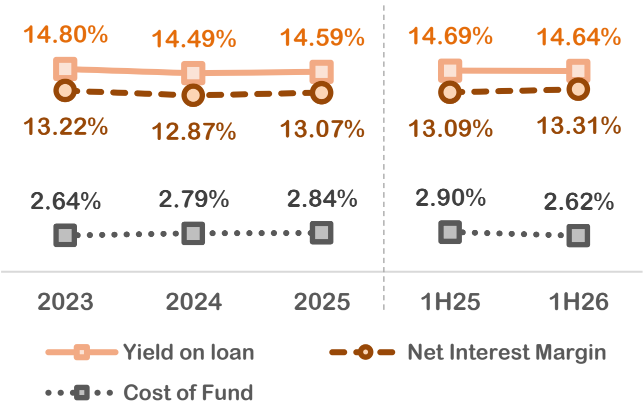
## Yield on Loan and Net Interest Margin:

For the first half of 2026, yield on loans was 14.64%, declined slightly compared with 14.69% in the same period last year. Net interest margin increased to 13.31% from 13.09% in the same period last year. The increase was driven by lower funding costs and effective management of the loan portfolio mix to sustain profitability while maintaining portfolio quality consistent with risk levels and providing debt relief assistance in accordance with Bank of Thailand guidelines.

The Group's Borrowing Proportion as of 30 June 2026




Yield on Loans, Net Interest Margin and Cost of Funds



## Revenue & Expense:

| (Unit: Million Baht) | Consolidated Financial Statement | | | | | |
|---|---|---|---|---|---|---|
| | 1H2025 | 1H2026 | Growth (%YoY) | 2Q2025 | 2Q2026 | Growth (%YoY) |
| Total Revenues | 13,644 | 13,723 | 0.6% | 6,812 | 6,834 | 0.3% |
| Bad Debt Recovery | 1,989 | 1,890 | (5.0%) | 992 | 911 | (8.1%) |
| Total Operating Expenses | 4,786 | 4,779 | (0.2%) | 2,386 | 2,367 | (0.8%) |
| Finance Costs | 872 | 731 | (16.1%) | 432 | 363 | (16.1%) |
| Profit before Expected Credit Loss | 7,986 | 8,213 | 2.8% | 3,994 | 4,104 | 2.8% |
| Expected Credit Loss | 3,116 | 2,698 | (13.4%) | 1,522 | 1,310 | (13.9%) |
| Bad Debt | 2,889 | 2,627 | (9.1%) | 1,400 | 1,265 | (9.6%) |
| Doubtful Accounts | 227 | 71 | (68.8%) | 122 | 45 | (63.1%) |
| Profit before Income Tax | 4,870 | 5,515 | 13.2% | 2,472 | 2,794 | 13.0% |
| Net Profit | 3,685 | 4,408 | 19.6% | 1,856 | 2,234 | 20.4% |
| Total Comprehensive Income (Loss) Owners of the parent | 3,755 | 4,397 | 17.1% | 1,895 | 2,225 | 17.4% |
| Earning per Shares (Baht) | 1.46 | 1.71 | 17.1% | 0.73 | 0.86 | 17.8% |
| Book Value per Share (Baht) | 15.6 | 17.0 | 9.0% | 15.6 | 17.0 | 9.0% |

### Total Revenue:

### "Total revenue in the second quarter of 2026 totaled Baht 6,834 million maintaining stable revenue base"

In the second quarter of 2026, the Group reported total revenue of Baht 6,834 million, increased by 0.3% (YoY). The increase was mainly attributable to a 3.8% increase in fee income, driven by higher merchant fee and interchange fee. Interest income in the second quarter totaled Baht 4,037 million, remaining at a level similar to the previous year. Meanwhile, bad debt recovery in the second quarter of 2026 amounted to Baht 911 million. The Company continued to maintain collection efficiency amid a challenging economic environment.

| Interest Income (Unit : Million Baht) | 2Q2025 | %Total Revenue | 2Q2026 | %Total Revenue | %Growth |
|---|---|---|---|---|---|
| Credit Card | 1,935 | 28.4% | 1,920 | 28.1% | (0.8%) |
| Personal Loan | 2,063 | 30.3% | 2,100 | 30.7% | 1.8% |
| Leasing | 25 | 0.4% | 17 | 0.3% | (32.2%) |

| Fee Income (Unit : Million Baht) | 2Q2025 | %Total Revenue | 2Q2026 | %Total Revenue | %Growth |
|---|---|---|---|---|---|
| Fee Income | 1,546 | 22.7% | 1,605 | 23.5% | 3.8% |

## Total Expense:

**"Total expenses in 2Q2026 amounted to Baht 4,040 million, decreasing by 6.9% (YoY). Cost to income ratio was 34.6%."**

The Group's operating expenses totaled Baht 2,367 million, decreasing by 0.8% (YoY). The decrease was attributable to effective expense control, primarily driven by lower marketing expenses related to card usage promotion campaigns and lower fee and service expense. As a result, the cost-to-income ratio declined to 34.6% from 35.0% in the second quarter of the previous year.

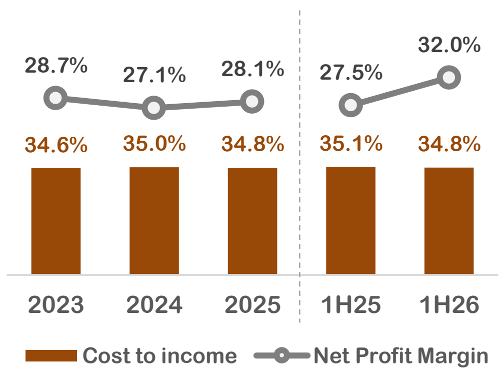
| Total Operating Expense (Unit : Million Baht) | 2Q2025 | %Total Revenue | 2Q2026 | %Total Revenue | %Growth |
|---|---|---|---|---|---|
| Personal expense | 720 | 10.6% | 730 | 10.7% | 1.4% |
| Marketing expense | 190 | 2.8% | 149 | 2.2% | (21.7%) |
| Fee and service expense | 881 | 12.9% | 834 | 12.2% | (5.3%) |
| Other administrative expense | 596 | 8.7% | 654 | 9.6% | 9.8% |

Meanwhile, the Group recorded expected credit losses of Baht 1,310 million, decreasing by 13.9% (YoY), mainly due to lower write-offs and lower provisions.

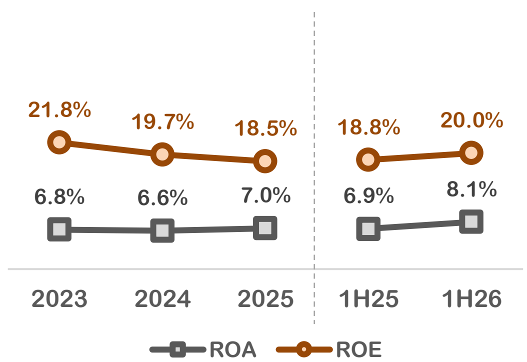
| Expected Credit Loss (Unit : Million Baht) | 2Q2025 | %Total Revenue | 2Q2026 | %Total Revenue | %Growth |
|---|---|---|---|---|---|
| ECL - Credit Card | 664 | 9.7% | 767 | 11.2% | 15.7% |
| ECL - Personal loan | 805 | 11.8% | 546 | 8.0% | (32.1%) |
| ECL – Leasing | 53 | 0.8% | (3) | (0.05%) | (106.4%) |

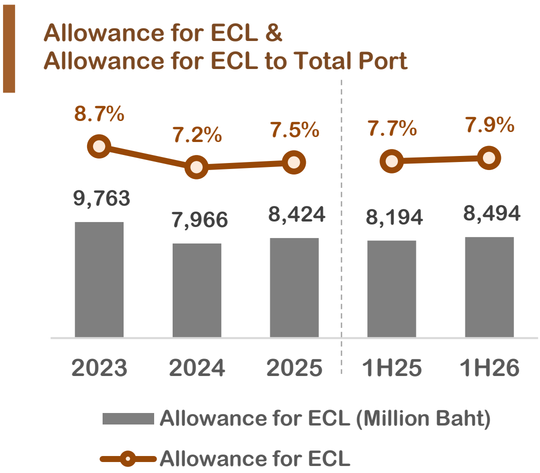
## Key Financial Ratio:

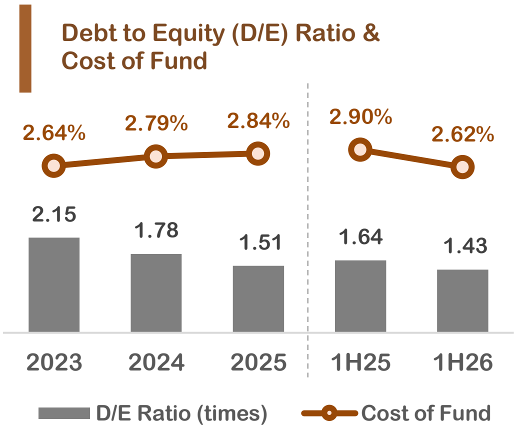
### Net Profit Margin & Cost to Income Ratio




### Return on Asset (ROA) & Return on Equity (ROE)






## BOT's Sustainable Household Debt Solution Program and Potential Impacts:

KTC consistently implements long-term customer assistance measures in accordance with the Bank of Thailand's Notification No. 3/2025 regarding Responsible Lending. These measures aim to strengthen the role of service providers in managing customers throughout the entire debt cycle. KTC assesses each customer's repayment capacity to ensure that credit approval remains appropriate and does not impose an excessive debt burden. Assistance measures include reducing minimum payment requirements, converting credit card debt into long-term personal loans, providing interest rebates to ease customers' financial burden, assisting customers with Severe Persistent Debt, extending repayment relief periods, and reducing installment amounts.

KTC also participates in the Bank of Thailand's debt assistance programs, including "You Fight, We Help" and "Clear Debt, Move Forward." Although the registration periods have ended, the Company continues to provide assistance until each process is completed.

In June 2026, the Bank of Thailand issued criteria on service fee and service standards to establish fee-charging standards for financial institutions covering 4 fee categories totaling 19 fee items. One of the measures affects KTC, namely the reduction of the credit card cash advance fee from 3.0% of the cash withdrawal amount to 2.5%. The revised fee became effective on 1 July 2026 onward.

The Company assesses that these programs and debt relief measures will not have a material impact on the Group's overall operating performance. Further details on debt assistance measures are available at the link below. https://www.ktc.co.th/en/news/corporate/measure.

## KTC's Strategy Incorporating Sustainability Development

KTC has integrated sustainability across economic, social, and environmental dimensions into its business operations, with a commitment to conducting business responsibly, fairly, and transparently. The Company focuses on advancing innovation and digital technology to develop products and services that create value for all stakeholders while effectively reducing environmental and social impacts. This commitment aims to guide both the organization and Thailand toward sustainable growth, reflected through three sustainability pillars: Better Products & Services, Better Quality of Life, and Better Climate, under five strategic frameworks:

**Governance Excellence**

KTC elevates corporate governance standards to ensure transparency, accountability, and adherence to business ethics. The Company strengthens its risk management and data management systems to support operations and high-quality reporting, thereby building confidence among all stakeholders.

**Green Growth**

The Company pursues business growth alongside environmental stewardship through initiatives to reduce greenhouse gas emissions, enhance resource efficiency, and promote environmentally responsible behavior across the organization and its supply chain through its products and services. These efforts support national policies aimed at advancing a low-carbon economy and achieving Net Zero greenhouse gas emissions by 2050.

**Responsible & Inclusive Finance**

KTC develops and delivers financial products and services that enhance the quality of life for all customer segments through fair and equitable access. The Company promotes financial literacy to improve social well-being, while strengthening workforce capabilities as a key driver of the business. In parallel, KTC supports respect for human rights at both the organizational and societal levels.

**Digital SD Innovation**

The organization is driven by digital technology and innovation to develop value-creating products and services that respond to customer needs. These efforts are accompanied by a strong emphasis on data security and privacy for customers and stakeholders, reinforcing the Company's sustainable competitive advantage in the digital era.

**Culture Transformation**

KTC fosters an organizational culture anchored in a "sustainability mindset," embedded across all operational processes and employee levels. This is achieved through the integration of sustainability objectives and key performance indicators at both corporate and business unit levels, together with continuous learning and active employee engagement, ensuring that sustainability is truly integrated into KTC's business practices.

KTC supports the United Nations Sustainable Development Goals (SDGs). Further details can be found at: https://www.ktc.co.th/en/sustainability-development.

KTC regularly engages in information disclosure activities with equity and debt investors, analysts, fund managers, and interested parties, providing direct access to corporate executives for information inquiries. Quarterly presentations covering corporate performance, business operations, industry outlooks, operational drivers, targets, and strategic growth plans are available on the Investor Relations website at https://www.ktc.co.th/en/investor-relations.

For the 2Q2026 financial results, the Earnings Call activity will be held on Tuesday, August 18, 2026, from 10:15 to 11:00 AM via the Stock Exchange of Thailand (SET) communication channels.

**SET Opportunity Day** **SET Thailand** **SET Application**