Management Discussion and Analysis

For the second quarter and six-month ended June 30, 2026

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Overall market environment

Thailand's economy grew by 1.9% in 2Q26, slowing markedly from 2.8% in the previous quarter amid the conflict in the Middle East. Private investment was a key growth driver during 2Q26, in line with the continued expansion in exports supported by the global investment cycle in artificial intelligence and data centers. However, imports grew at a significantly faster pace, while the current account deficit widened to a record high, suggesting that the Thai economy may not be fully benefiting from this investment cycle. Meanwhile, private consumption growth moderated, while the decline in tourist arrivals was offset by continued growth in spending per visitor. Lastly, government spending began to slow slightly following an earlier acceleration in disbursements aimed at supporting the economy. Looking ahead, Thailand's economy is showing signs of recovery in the second half of 2026, supported by consumption and tourism as oil prices have passed their peak for the quarter. Fiscal measures under the emergency decree authorizing the Ministry of Finance to borrow Baht 400 billion should also help support the economy in the period ahead. Nevertheless, key downside risks include rising energy costs and falling auto production.

On the monetary policy, the Monetary Policy Committee (MPC) voted to keep the policy rate at 1.00% at its June 2026 meeting, amid supply-side shocks and the global central bank rate hiking cycle. Consequently, the Bank of Thailand is expected to maintain the policy rate at 1.00% throughout 2026 and 2027.

Regarding the automotive market, total vehicle sales for the first half of 2026 expanded by 14.3% compared with the same period in 2025. Growth was led by the passenger car segment, which increased by 21.9%, supported by a strong increase in electric vehicle sales. In contrast, commercial vehicle sales recorded a contraction of 5.7%, in line with slowing income growth and weakening purchasing power amid the broader economic slowdown. The used car market also continued to face challenges, reflecting the economic slowdown as well as intensified price competition from Chinese automakers.

The Stock Exchange of Thailand (SET) Index rebounded in 2Q26, supported by improved market sentiment following the easing of tensions in the Middle East, while 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. The SET Index increased by 9.9% in 2Q26, closing at 1,591.24 points from 1,448.14 points in 1Q26. The average daily trading value on the SET and MAI markets rose to Baht 66,811 million in 2Q26, representing an increase of 2.6% from Baht 65,109 million in 1Q26.

Operating results of the Bank and subsidiaries for 2Q26 and for the first half of 2026

For 2Q26, Kiatnakin Phatra Bank and its subsidiaries reported consolidated net profit of Baht 2,122 million, an increase of 50.6% compared with 2Q25. Consolidated comprehensive income amounted to Baht 2,364 million, increasing by 43.6% YoY. The strong improvement in operating performance was primarily driven by growth across several key businesses, reflecting the Group's well-diversified revenue base and resulting in higher non-interest income. In addition, the Bank's continued focus on enhancing loan portfolio quality contributed to sustained improvement in asset quality, while losses on repossessed vehicle sales remained at manageable levels.

The increase in net profit during 2Q26 was mainly attributable to a 36.3% YoY increase in non-interest income compared with 2Q25. Growth was recorded across several key business segments, including wealth management, digital financial and investment services provided through the Dime! platform, asset management fee income, and higher net gains on financial instruments measured at fair value through profit or loss (FVTPL), supported by favorable market conditions. Dividend income also increased during the period. Kiatnakin Phatra

Securities continued to maintain its position as the No. 1 securities brokerage by market share[1]. Meanwhile, net interest income increased modestly by 0.4% YoY. The improvement in loan spread during 2Q26, compared with the same period last year, was driven by effective funding cost management, resulting in a continued decline in the cost of funds.

As of the end of 2Q26, total loans increased by 3.1% from the end of 2025, reflecting the Bank's continued focus on prudent loan growth in high-quality lending segments that offer appropriate risk-adjusted returns. This disciplined growth strategy contributed to a further improvement in asset quality, with overall asset quality remaining well under control. At the same time, as part of its ongoing efforts to further enhance the effectiveness of asset quality management going forward, the Bank undertook the write-off of certain long-standing retail SME loans during 2Q26 in line with its proactive asset quality management strategy. The Bank continued to maintain a prudent provisioning approach and recorded expected credit losses (ECL) totaling Baht 970 million for 2Q26. The ECL provisions recognized during 2Q26 already incorporated provisions related to the aforementioned loan write-offs. Meanwhile, losses on repossessed vehicle sales continued to trend downward, supported by improved asset quality and effective management of repossessed vehicle inventories. As of the end of 2Q26, the ratio of allowance for expected credit losses to non-performing loans increased to 150.7%. At the same time, the amount of non-performing loans declined resulting in an improvement in the non-performing loan (NPL) ratio[2] to decline to 3.5%, compared with 4.3% at the end of 2025.

For the first half of 2026, the Bank and its subsidiaries reported consolidated net profit of Baht 4,078 million, an increase of 65.0% from the same period of 2025, while consolidated comprehensive income rose 44.7% YoY to Baht 4,270 million. The improvement in net profit was primarily attributable to a 49.0% increase in non-interest income, driven by growth across several key businesses, including wealth management, digital financial and investment services provided through Dime!, asset management and bancassurance fee income. The increase was further supported by higher net gains on financial instruments measured at fair value through profit or loss (FVTPL), as well as increased dividend income. Moreover, lower losses on repossessed vehicle sales, reflecting the continued improvement in asset quality, contributed positively to earnings during the period. Together, these factors helped mitigate the impact of lower net interest income resulting from the Bank's continued emphasis on maintaining loan portfolio quality.

Summary of financial performance for 2Q26 and for the first half of 2026

Unit : Baht million	2Q26	1Q26	% QoQ	2Q25	% YoY	1H26	1H25	% YoY
Net Interest income	4,334	4,216	2.8	4,312	0.5	8,550	8,758	(2.4)
Non-interest income	2,558	2,483	3.0	1,876	36.3	5,041	3,384	49.0
Total operating income	6,892	6,699	2.9	6,189	11.4	13,592	12,142	11.9
Total other operating expenses	3,205	3,261	(1.7)	3,454	(7.2)	6,466	6,969	(7.2)
Expected credit losses	970	961	0.9	973	(0.3)	1,931	2,076	(7.0)
Profit from operating before income tax expenses	2,717	2,477	9.7	1,762	54.2	5,194	3,097	67.7
Income tax expenses	531	477	11.3	351	51.4	1,009	622	62.2
Net Profit (attributable to equity holders of the Bank)	**2,122**	**1,955**	**8.5**	**1,409**	**50.6**	**4,078**	**2,471**	**65.0**
Total Comprehensive income (attributable to equity holders of the Bank)	**2,364**	**1,906**	**24.0**	**1,647**	**43.6**	**4,270**	**2,950**	**44.7**
Basic earnings per share (Baht)	2.54	2.40	5.8	1.70	49.4	4.94	2.98	65.8
Diluted earnings per share (Baht)	2.52	2.40	5.0	1.70	48.2	4.93	2.98	65.4

[1] Including SET and mai but excluding proprietary trading
[2] Excluding loans classified as purchased or originated credit-impaired financial assets (POCI)

Annualized Ratios (%)	2Q26	1Q26	2Q25	1H26	1H25
Net Profit (Baht million)	**2,122**	**1,955**	**1,409**	**4,078**	**2,471**
ROAE	12.4	11.8	8.8	12.2	7.8
ROAA	1.6	1.6	1.1	1.6	1.0
Comprehensive income (Baht million)	**2,364**	**1,906**	**1,647**	**4,270**	**2,950**
ROAE	13.8	11.5	10.3	12.8	9.3
ROAA	1.8	1.5	1.3	1.7	1.2
Loan growth	1.6	1.5	(1.2)	3.1	(2.6)
NPLs/ Total loans (excluding interbank and POCI)	3.5	4.1	4.3	3.5	4.3
Allowance for expected credit losses/ Total NPLs[3]	150.7	142.3	132.7	150.7	132.7

Net Interest Income

Unit: Baht million	2Q26	1Q26	% QoQ	2Q25	% YoY	1H26	1H25	% YoY
Interest income	**5,996**	**5,938**	**1.0**	**6,693**	**(10.4)**	**11,934**	**13,630**	**(12.4)**
Interest on loans	2,706	2,660	1.7	3,072	(11.9)	5,366	6,258	(14.3)
Hire purchase and financial lease income	2,743	2,778	(1.3)	3,024	(9.3)	5,521	6,160	(10.4)
Interest on POCI	16	17	(2.6)	16	2.4	33	32	3.6
Interest on interbank and money market items	183	147	24.7	195	(6.3)	329	440	(25.2)
Interest on securities	313	322	(2.8)	370	(15.4)	636	708	(10.2)
Others	35	15	130.5	16	120.1	50	32	56.1
Interest expense	**1,662**	**1,722**	**(3.4)**	**2,381**	**(30.2)**	**3,384**	**4,872**	**(30.5)**
Interest on deposits	1,083	1,154	(6.2)	1,771	(38.8)	2,237	3,615	(38.1)
Interest on interbank and money market items	58	67	(13.1)	54	8.0	126	123	1.8
Interest on debt issued and borrowings	121	104	16.6	128	(5.3)	225	281	(19.9)
Fees and charges on borrowings	(1)	6	(123.6)	2	(175.2)	5	7	(28.7)
FIDF and DPA fees	385	365	5.6	402	(4.1)	750	804	(6.7)
Others	16	26	(37.8)	24	(34.4)	41	42	(1.1)
Net Interest Income	**4,334**	**4,216**	**2.8**	**4,312**	**0.5**	**8,550**	**8,758**	**(2.4)**

For 2Q26, net interest income amounted to Baht 4,334 million, increasing by 0.5% YoY. The increase was primarily driven by a 30.2% reduction in interest expenses compared with the same period last year, reflecting continued funding cost optimization and the declining interest rate environment. This more than offset a 10.4% decline in interest income, which was mainly attributable to lower loan balances in line with the Bank's asset quality management strategy that emphasizes growth in high-quality lending segments, as well as lower lending rates following policy rate cuts. As a result, loan spread improved to 4.6% in 2Q26 from 4.4% in 2Q25, supported by the continued decline in the Bank's funding costs.

Compared with 1Q26, net interest income increased by 2.8%, driven by lower interest expenses and 1.6% QoQ loan growth. Loan spread remained stable at 4.6%, unchanged from the previous quarter.

[3] Excluding loans classified as Purchased or originated credit-impaired financial assets (POCI)

For the first half of 2026, net interest income totaled Baht 8,550 million, declining by 2.4% from the same period of 2025. The decrease was primarily attributable to lower loan balances, reflecting the Bank's continued focus on asset quality and disciplined loan growth. Nevertheless, loan spread improved slightly to 4.6% for the first half of 2026 from 4.5% YoY, supported by a meaningful reduction in funding costs driven by ongoing funding cost management initiatives and the lower interest rate environment.

Loan Yield, Cost of Fund and Loan Spread

%	2Q26	1Q26	4Q25	3Q25	2Q25	1H26	1H25
Yield on loan	6.2	6.4	6.6	6.7	6.8	6.3	7.0
Cost of fund	1.7	1.8	2.0	2.3	2.4	1.7	2.5
Loan spread	4.6	4.6	4.6	4.4	4.4	4.6	4.5

Non-Interest Income

Unit: Baht million	2Q26	1Q26	% QoQ	2Q25	% YoY	1H26	1H25	% YoY
Fees and services income	2,246	1,989	12.9	1,698	32.3	4,235	3,278	29.2
Fees and services expenses	376	371	1.4	240	56.9	747	513	45.7
Fees and services income, net	1,870	1,618	15.6	1,458	28.2	3,488	2,765	26.1
Gain (loss) on financial instruments measured at fair value through profit or loss, net	284	385	(26.3)	247	14.8	669	295	126.3
Gain (loss) on investments, net	13	-	n/a	-	n/a	13	-	n/a
Dividend income	231	305	(24.3)	46	398.7	535	140	281.2
Other operating income	161	175	(8.2)	125	28.9	336	183	84.2
Total Non-Interest Income	**2,558**	**2,483**	**3.0**	**1,876**	**36.3**	**5,041**	**3,384**	**49.0**

For 2Q26, non-interest income amounted to Baht 2,558 million, representing a strong increase of 36.3% compared with 2Q25. The increase was driven by growth in both net fees and service income and other income. Net fees and service income increased by 28.2% YoY, primarily reflecting continued growth in revenues from the wealth management business, digital financial and investment services provided through the Dime! platform, and asset management fees. The increase was supported by the continued growth in Assets under Advice (AUA), Assets under Management (AUM), and Assets under Platform (AUP), as well as favorable market conditions. Average daily trading value on the Stock Exchange of Thailand increased by 63.8% compared with 2Q25. During 2Q26, Kiatnakin Phatra Securities continued to maintain its position as the No. 1 securities brokerage by market share, with a market share[4] of 20.62%. Other income also increased compared with 2Q25, primarily driven by higher dividend income and increased net gains on financial instruments measured at fair value through profit or loss (FVTPL), in line with market conditions.

Compared with 1Q26, non-interest income increased by 3.0%, driven by a rise in net fees and service income of 15.6%. The increase was mainly attributable to higher revenues from Dime!'s digital financial and investment services, stronger investment banking activity resulting in increased transaction-related revenue during 2Q26, together with higher wealth management income.

[4] Including SET and mai but excluding proprietary trading

For the first half of 2026, non-interest income amounted to Baht 5,041 million, representing an increase of 49.0% from the same period of 2025. The increase was primarily attributable to higher net fees and service income, supported by growth in revenues from Dime!'s digital financial and investment services, wealth management, asset management, brokerage business, and bancassurance fee compared with the first half of 2025. Other income also increased meaningfully during the period, mainly driven by increased dividend income, together with higher net gains on financial instruments measured at fair value through profit or loss (FVTPL), in line with market conditions. Additionally, other operating income increased partly from the contributions received from the Financial Institutions Development Fund (FIDF) under the "Khun Soo, Rao Chuay" program.

Other operating expenses

Unit: Baht million	2Q26	1Q26	% QoQ	2Q25	% YoY	1H26	1H25	% YoY
Employee's expenses	1,908	1,920	(0.6)	1,842	3.5	3,828	3,588	6.7
Directors' remuneration	10	10	(2.2)	4	128.1	20	14	39.2
Premises and equipment expenses	391	377	3.7	366	7.1	769	729	5.4
Taxes and duties	118	138	(14.9)	154	(23.8)	256	301	(15.0)
Loss from revaluation of foreclosed assets (reversal)	(65)	8	(895.9)	(54)	18.8	(56)	11	(611.4)
Loss from sale of foreclosed assets	333	317	5.1	594	(44.0)	649	1,233	(47.3)
(Gain) loss from sale of foreclosed properties	50	(15)	(438.0)	(38)	(232.9)	35	(93)	(137.7)
Loss from sale of repossessed cars	283	331	(14.6)	631	(55.2)	614	1,326	(53.7)
Other expenses	510	491	4.0	547	(6.8)	1,001	1,092	(8.4)
Total other operating expenses	**3,205**	**3,261**	**(1.7)**	**3,454**	**(7.2)**	**6,466**	**6,969**	**(7.2)**

For 2Q26, the Bank continued to focus on disciplined cost management, resulting in operating expenses of Baht 3,205 million, a decrease of 7.2% from 2Q25. The decline was primarily attributable to lower losses on repossessed vehicle sales, which amounted to Baht 283 million, declining by 55.2% YoY, in line with the improvement in repossessed vehicle inventory levels. Other operating expenses remained well controlled during the period. Excluding items related to foreclosed assets, the cost-to-income ratio for 2Q26 improved to 42.9%, compared with 46.8% in 2Q25.

Compared with 1Q26, operating expenses decreased by 1.7%, primarily driven by a further reduction in losses on repossessed vehicle sales, while other operating expenses continued to be managed efficiently.

For the first half of 2026, operating expenses amounted to Baht 6,466 million, declining by 7.2% from the first half of 2025. The decrease was mainly attributable to lower losses on repossessed vehicle sales, which totaled Baht 614 million, compared with losses of Baht 1,326 million in the first half of 2025. Excluding items related to foreclosed assets, the cost-to-income ratio for the first half of 2026 improved to 43.3%, compared with 46.8% during the first half of 2025.

Expected Credit Loss (ECL)

Unit: Baht million	2Q26	1Q26	% QoQ	2Q25	% YoY	1H26	1H25	% YoY
Expected Credit Losses	970	961	0.9	973	(0.3)	1,931	2,076	(7.0)
Credit Cost (%)	1.43	1.50		1.78		1.46	1.88	

For 2Q26, the Bank maintained a prudent provisioning approach under the expected credit loss (ECL) framework, taking into account prevailing economic uncertainties and their potential impact on asset quality. Expected credit losses for 2Q26 amounted to Baht 970 million, declining by 0.3% from 2Q25, reflecting the continued improvement in asset quality. At the same time, as part of its ongoing efforts to further enhance the effectiveness of asset quality management going forward, the Bank undertook the write-off of certain long-standing retail SME loans during 2Q26, in line with its proactive asset quality management strategy. The ECL provisions of Baht 970 million recognized during the quarter already included provisions associated with these loan write-offs.

Including both expected credit losses and losses on repossessed vehicle sales (credit cost), total credit cost for 2Q26 accounted for 1.43% of average loans, improving from 1.78% in 2Q25. This reflected the effectiveness of the Bank's ongoing asset quality management initiatives and continued improvement in loan portfolio quality. As of the end of 2Q26, the ratio of allowance for expected credit losses to credit-impaired loans increased to 150.7%, compared with 132.7% at the end of 2Q25.

Compared with 1Q26, expected credit losses increased slightly by 0.9%, primarily attributable to the provisions associated with the aforementioned loan write-offs.

For the first half of 2026, expected credit losses totaled Baht 1,931 million, declining by 7.0% from Baht 2,076 million in the first half of 2025. Including both expected credit losses and losses on repossessed vehicle sales (credit cost), total credit cost amounted to 1.46% of average loans, improving from 1.88% for the same period last year. The improvement reflected the continued progress in asset quality resulting from the measures the Bank has implemented over recent periods.

Statements of Financial Position

Assets

As of 30 June 2026, the Bank reported total assets on a consolidated basis of Baht 528,700 million, an increase of 8.3% from the end of 2025 with loans to customers and accrued interest receivables expanding by 3.6% from the end of 2025.

Assets (Baht million)	Consolidated Jun 30, 2026	Consolidated Dec 31, 2025	% change
Interbank and money market items, net	44,463	39,238	13.3
Financial assets measured at fair value through profit or loss	32,622	23,637	38.0
Derivatives assets	14,069	9,824	43.2
Investment, net	43,049	42,851	0.5
Loans to customers and accrued interest receivables, net	343,213	331,200	3.6
Properties foreclosed, net	6,398	6,426	(0.4)
Other assets	44,887	34,920	28.5
Total Assets	**528,700**	**488,095**	**8.3**

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Liabilities and Shareholder's Equity

As of 30 June 2026, the Bank reported total liabilities on a consolidated basis of Baht 459,145 million, representing 8.6% increase from end of 2025 driven by the increase in debt issued and borrowings and deposits. The composition of deposits consisted of 53.6% in current and savings accounts, increasing from 46.8% level at the end of 2025 and 46.4% in term deposits. The loan-to-deposit and borrowing ratio stood at 91.2% at the end of 2Q26.

Liabilities and Equity (Baht million)	Consolidated		
	Jun 30, 2026	Dec 31, 2025	% change
Deposits	356,617	348,300	2.4
Current Account	1,311	1,612	(18.7)
Saving Account	189,757	161,249	17.7
Term Deposit	165,527	185,414	(10.7)
Certificate of Deposit	23	25	(8.1)
Interbank and money market items, net	20,496	13,078	56.7
Financial liabilities measured at fair value through profit or loss	5,801	3,017	92.3
Derivatives liabilities	14,604	9,832	48.5
Debt issued and borrowings	31,266	15,088	107.2
Other liabilities	30,360	33,574	(9.6)
Total Liabilities	**459,145**	**422,889**	**8.6**
Equity (attributable to equity holders of the Bank)	**69,014**	**64,772**	**6.5**
Total Liabilities and Equity	**528,700**	**488,095**	**8.3**

Shareholders' equity attributable to owners of the Bank as of the end of 2Q26 amounted to Baht 69,014 million, representing an increase of 6.5% from the end of 2025. The increase was primarily attributable to the inclusion of the net profit of the Bank's equity holders for the first half of 2026 net of dividend payment. Additionally, during the first half of 2026, the Bank received proceeds from the exercise of KKP-W6 warrants and the second exercise of rights under the KKP ESOP Warrants program. Both warrants were issued pursuant to the resolution of the 2023 Annual General Meeting of Shareholders approving the issuance and allocation of warrants to purchase newly issued ordinary shares of the Bank.

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 any reviews during the year to ensure appropriate level of capital to withstand any uncertainties.

As of June 30, 2026, the consolidated Capital Adequacy Ratio (BIS ratio) under Basel III which included profit up to end of 2025 after dividend payment was at 16.19% while Tier 1 ratio was at 14.44%. When including net profit up to end of 2Q26, the BIS ratio will increase to 17.17% while Tier 1 ratio will be 15.43%. The consolidated Tier 1 capital are all Common Equity Tier 1 contributing to 89.23% 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 June 2026 are as follows:

	Bank Only			Consolidated		
	Jun 2026	Mar 2026	Jun 2025	Jun 2026	Mar 2026	Jun 2025
Capital Requirement (Unit: Baht million)						
Common Equity Tier 1	52,003	49,170	48,723	59,107	55,975	55,417
Tier 1 capital	52,003	49,170	48,723	59,107	55,975	55,417
Total capital	**58,991**	**58,989**	**61,629**	66,242	**65,952**	**68,500**
Capital Adequacy Ratio (Unit: %)						
Common Equity Tier 1	13.60	13.45	13.50	14.44	14.39	14.48
Tier 1 capital	13.60	13.45	13.50	14.44	14.39	14.48
Total capital	**15.42**	**16.14**	**17.08**	**16.19**	**16.96**	**17.90**

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[5] (Baht million)	June 2026	March 2026	Change (% QoQ)	December 2025	Change (% YTD)
Retail Lending	**225,413**	**230,322**	(2.1)	**234,055**	(3.7)
Hire Purchase	143,876	147,405	(2.4)	150,942	(4.7)
Personal loan	11,109	11,189	(0.7)	11,608	(4.3)
Micro SMEs loan	12,566	14,511	(13.4)	14,651	(14.2)
Housing loan	57,862	57,217	1.1	56,854	1.8
Commercial Lending	**56,346**	**54,613**	3.2	**52,771**	6.8
Real Estate Development loan	22,054	21,781	1.3	19,860	11.0
SMEs loan	34,292	32,832	4.4	32,911	4.2
Corporate Lending	64,705	57,797	12.0	52,255	23.8
Special Asset Management loan	1,154	1,154	0.0	1,174	(1.7)
Lombard loan	6,457	4,742	36.2	3,262	97.9
Total loans	**354,075**	**348,628**	**1.6**	**343,518**	**3.1**
Total loans (excluding POCI)	**353,664**	**348,217**	**1.6**	**343,087**	**3.1**

As of the end of 2Q26, total loans, excluding POCI, amounted to Baht 353,664 million, a 3.1% 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 225,413 million, decreasing by 3.7% from the end of 2025. Retail loans include hire purchase loans, personal loans, Micro SMEs loans and housing loans.
  - **Hire purchase loans** totaled Baht 143,876 million, contraction of 4.7% from the end of 2025. The portion of hire purchase loans to the Bank's total loan portfolio was at 41%, with the ratio of new cars to used cars remaining relatively stable at 35:65. The Bank's penetration rate for new car loans in the domestic new car sales market for the first half 2026 stood at 2.4% comparing to 3.2% during the same period last year, in line with the Bank's direction to maintain a disciplined approach to loan growth.
  - **Other retail loans** totaled Baht 81,537 million, declining by 1.9% from year-end 2025, primarily due to the reduction in the Micro SME portfolio of 14.2% following the write-off of certain long-standing retail Micro SME loans, as discussed above.
- **Commercial Lending** business loans amounted to Baht 56,346 million, expanded by 6.8% from the end of 2025. Commercial Lending includes real estate development loans and SMEs loans details are as follows:
  - **Real estate development loans** totaled Baht 22,054 million, an increase of 11.0% from the end of 2025.
  - **SMEs loans** were Baht 34,292 million, expanded by 4.2% from the end of 2025.

[5] Excluding accrued interest

- **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 64,705 million, increased by 23.8% 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 6,457 million, increased by 97.9% 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 2Q26, allowance for expected credit losses totaled Baht 18,550 million, declining from 1Q26 level of Baht 20,475 million driven mainly by the write-off of retail SME loans as aforementioned. The total allowance for expected credit losses to total NPLs ratio (coverage ratio) increased to 150.7% at the end of 2Q26, up from 137.2% at the end of 2025.

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

Unit : Baht million	June 2026		March 2026		June 2025	
	Total Loans and Accrued Interest Receivables	Expected Credit Losses (ECL)[6]	Total Loans and Accrued Interest Receivables	Expected Credit Losses (ECL)[6]	Total Loans and Accrued Interest Receivables	Expected Credit Losses (ECL)[6]
Stage 1 : Performing financial assets	328,050	7,604	320,407	7,827	323,251	6,619
Stage 2 : Under-Performing financial assets	18,923	4,137	18,902	4,248	24,588	5,453
Stage 3 : Non-Performing financial assets	13,806	6,659	16,268	8,282	17,507	8,357
Purchased or originated credit-impaired financial assets	734	150	724	118	745	101
Total	**361,512**	**18,550**	**356,302**	**20,475**	**366,090**	**20,531**

[6] Including ECL for loans and loan commitments and financial guarantees

NPLs distribution by loan type

NPLs (Baht million)	June 2026 Amount	June 2026 % of loans	March 2026 Amount	March 2026 % of loans	December 2025 Amount	December 2025 % of loans
Retail Lending	**4,699**	**2.1**	**6,753**	**2.9**	**7,061**	**3.0**
Hire Purchase	3,358	2.3	3,498	2.4	3,890	2.6
Personal loan	96	0.9	98	0.9	120	1.0
Micro SMEs loan	511	4.1	2,394	16.5	2,258	15.4
Housing loan	735	1.3	763	1.3	793	1.4
Commercial Lending	**4,090**	**7.3**	**4,286**	**7.8**	**4,289**	**8.1**
Real Estate Development loan	2,415	11.0	2,489	11.4	2,489	12.5
SMEs loan	1,675	4.9	1,797	5.5	1,800	5.5
Corporate Lending	3,087	4.8	2,964	5.1	2,919	5.6
Special Asset Management loan	844	73.1	844	73.1	864	73.6
Lombard loan	-	0.0	-	0.0	-	0.0
Total NPLs	**12,720**	**3.6**	**14,847**	**4.3**	**15,133**	**4.4**
Total NPLs (excluding POCI)	**12,309**	**3.5**	**14,436**	**4.1**	**14,702**	**4.3**

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. These efforts have contributed to the continued improvement in asset quality. Non-Performing loans in the hire purchase portfolio also continued to decline, reflecting improving credit quality trends. As previously noted, the Bank undertook the write-off of certain long-standing retail Micro SME NPLs during 2Q26 as part of its proactive asset quality management strategy to enhance the effectiveness of portfolio management going forward. Consequently, the Non-Performing Loans (NPLs) or Stage 3 loans, excluding POCI declined to Baht 12,309 million, compared with Baht 14,436 million at the end of 1Q26. As a result, the percentage of NPLs to total loans as of the end of 2Q26 lowered to 3.5% from 4.1% at the end of 1Q26.

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 2Q26, the market share[7] of KKPS was 20.62%, ranking 1st from total 36 brokers. KKPS generated brokerage revenue totaling Baht 298 million[8] comprising of equity brokerage revenue of Baht 224 million and derivatives brokerage revenue of Baht 74 million. Additionally, KKPS also had brokerage revenue from selling agent fees of Baht 407 million[9].

[7] Including SET and mai but excluding proprietary trading
[8] Including brokerage revenue received from subsidiary company
[9] Including selling agent fee received from subsidiary company

- **Investment Banking Business**

Investment banking business, operated by KKPS, provides financial advisory service as well as underwriting service. For 2Q26, total revenue of the investment banking business which includes financial advisory fee, underwriting fee and equity brokerage revenue totaled Baht 119 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 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 2Q26, DI focusing on long-term investment with value based investment philosophy recorded gain on investment including other comprehensive income totaling Baht 21 million. Meanwhile, EDT had gain on investment totaling Baht 130 million[10]. Additionally, there were other investment incomes from treasury and liquidity management, resulting in overall investment comprehensive gain of Baht 496 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 30 June 2026 was Baht 315,108 million with total 195 funds under management consisting of 194 mutual funds and 1 property funds. KKPAM’s market share in terms of mutual fund was 4.61%. In 2Q26, KKPAM’s fee income from mutual fund business totaled Baht 411 million. As of 30 June 2026, asset under management from private fund was Baht 24,633 million with KKPAM’s fee income from private fund business totaled Baht 22 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. Additionally, during 2Q26, KKP Dime launched Dime! Nern Global Mastercard Debit Card, a debit card product by KKP Bank, as a new payment channel for clients. For 2Q26, KKP Dime generated revenue from local mutual fund, foreign and domestic securities brokerage services, derivatives brokerage revenue, gain and return on financial instruments, interest revenue and other revenue totaling Baht 542 million[11].

Kiatnakin Phatra Financial Group’s Sustainability Advancement

The Group is committed to conducting business responsibly and sustainably, supported by a clear sustainability governance structure and the implementation of the ‘Enhancing Implementation’ strategy to accelerate the incorporation of Environmental, Social, and Governance (ESG) matters into business operations. The Group has also established sustainability-related key performance indicators (ESG KPIs) to deliver measurable and concrete results.

[10] Income before deducting the cost of hedging, once deducting those costs, net gain was Baht 97 million
[11] Including income received from the parent and related company

Progress in sustainability implementation is reflected in the SET ESG Ratings assessment at AAA level in 2025 and the MSCI ESG Ratings assessment at AA level in 2026 (reported as of 23 March 2026). In the 2Q26, the Group continued to drive sustainability through three pillars, underpinned by good corporate governance, as outlined below:

Building Sustainable Wealth

The Group advanced sustainable finance across both its commercial banking and capital markets businesses.

- The Bank assessed ESG risks for all corporate clients under the ESG Responsible Lending Policy, which considers environmental dimensions, including climate change, as well as social and governance dimensions, to improve client screening. The Bank also established an Exclusion List of prohibited transactions that it does not support, to prevent potential impacts on society and communities arising from lending.
- Kiatnakin Phatra Securities integrated ESG considerations into mutual fund selection by requiring funds designated as “Top Pick” to meet minimum ESG criteria. It also conducted ESG due diligence with fund managers, while integrating ESG into the selection and management processes for investment products, including mandate private funds, private markets and semi-liquid funds, and hedge funds.
- Kiatnakin Phatra Asset Management, a signatory to the Principles for Responsible Investment (PRI), integrated ESG factors into investment analysis and decision-making, covering pre-investment and post-investment monitoring and management, including prudent risk management. It also exercised active ownership through engagement with investee companies on corporate sustainability and climate change.

Driving Climate Action

The Group has enhanced its Sustainability Policy to align with Thailand’s revised Net Zero greenhouse gas emissions target for 2050 under Thailand’s Nationally Determined Contribution 3.0 (NDC 3.0). Key initiatives include the following:

- Received the “Best Innovative Product Award” from the Bank of Thailand for its project supporting real estate clients in transitioning towards environmentally friendly real estate under the Financing the Transition program (Phase 1).
- Participated in Phase 2 of the Financing the Transition: Green Solutions for Hotels program, in collaboration with the Bank of Thailand, as a continuation of Phase 1 of the Financing the Transition program. The program targets a loan facility of THB 2 billion by 2027 and serves as a comprehensive mechanism to provide both funding and knowledge, together with advisers and partners, to support the development of sustainable hotels.
- KKP Tower received the MEA Energy Awards 2025 Standard label under the Metropolitan Electricity Authority’s 8th Building Energy Efficiency Improvement Promotion Project.
- Transitioned from paper-based business cards to electronic business cards using QR codes for scanning and saving contact information, offering greater convenience and speed while helping reduce resource consumption.
- Participated as a panelist at the 21st NSTDA Annual Conference, hosted by the National Science and Technology Development Agency (NSTDA), in the discussion session titled “Circular Economy as a Business Opportunity drives Economic Growth”, focusing on the role of transition finance.

KIATNAKIN PHATRA

Strengthening Society

The Group has contributed to social development both within and outside the organisation by leveraging expertise from its core businesses and extending it into activities that benefit society, while promoting employee participation, as follows:

- **Human Resource Development** – The Group conducted the Corporate Knowledge Refresher Program No. 1/2026 to refresh employees' understanding of organisational rules and discipline, including ESG, sustainability and climate change, and carried out an assessment of future skills required for work, with 100 percent employee participation.
- **Financial Health Promotion** – The Group Developed products and services that support financial management, planning and discipline for diverse customer groups, including the KKP Better application, which features Better Box to help allocate savings and manage money in line with goals; KKP EDGE, which applies Purpose-Based Planning to support financial planning; and Dime! Club, which promotes saving and investment discipline.
- **Financial Literacy Promotion** – The Group Continues to provide financial education to customers and the general public through training, workshops and online media, such as the KKP FinLit "Igniting Lives, Equipping People with Financial Skills" project and the FinLit Creator Challenge held with Srinakharinwirot University (SWU) under a five-year strategic collaboration (2025–2030). The initiative gives students the opportunity to build on the financial knowledge gained from the training and develop it into digital media and board games.