



บริษัท จริฎุประกัณภัฎ จัฎกัฎ (มหัชฅน) CHARAN INSURANCE PUBLIC COMPANY, LIMITED

ทะเบัฎนเลขัฎที่ มมจ. 0107537000807 REGISTRATION NUMBER 0107537000807

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順興利保險
(大眾)有限公司

Ref. Bor. Chor. 26/2026

May 14, 2026

Subject: Management Discussion and Analysis Quarter 1 Ending Mar 31, 2026

To: President
The Stock Exchange of Thailand

Economic Overview

Charan Insurance Public Company Limited operates a comprehensive non-life insurance business covering all types of insurance, including motor insurance, fire insurance, marine and transportation insurance, miscellaneous insurance, reinsurance, and investments for generating returns from the Company's reserves.

The Company aims to develop a diversified range of products accessible to customers across all segments, while enhancing data acquisition and underwriting efficiency in order to meet customer needs and maximize policyholder satisfaction.

Economic and industry conditions during the first quarter of 2026 continued to support moderate growth in the non-life insurance business. However, the Company faced pressure from rising underwriting costs, high claim ratios, and intense market competition. As a result, business operations required a strong focus on risk management and effective cost control, based on the business outlook report issued by the Thai General Insurance Association.

The non-life insurance industry remained highly competitive amid moderate growth and increasing cost pressures. Accordingly, the Company continued to prioritize risk management, cost control, and operational efficiency enhancement through the development of information technology systems, including the implementation of electronic insurance policies (E-Policy), to support business growth and strengthen long-term competitiveness.

Summary of Significant Events and Developments

During the first quarter of 2026, Charan Insurance Public Company Limited had no significant events materially affecting the Company's business operations structure.

Summary of Operating Results



The Company reported net profit of 27.12 million Baht and 11.80 million Baht for the first quarter of 2026 and 2025, respectively, representing an increase of 15.32 million Baht or 129.83%. Earnings per share were 2.26 Baht and 0.98 Baht for the first quarter of 2026 and 2025, respectively, increasing by 1.28 Baht per share.

The Company recorded total revenue of 93.68 million Baht and 113.30 million Baht for the first quarter of 2026 and 2025, respectively, decreasing by 19.62 million Baht or 17.32%. Total expenses amounted to 66.56 million Baht and 101.50 million Baht for the first quarter of 2026 and 2025, respectively, decreasing by 34.94 million Baht or 34.42%.

Service Revenue

The Company's revenue structure consists of two (2) main categories:

1. Insurance underwriting income
2. Investment income

Such structure reflects the Company's continued focus on its core insurance business, while investment income serves as supplementary revenue and supports the Company's financial stability.

Unit: million Baht

	Quarterly Financial Statements			
	Q1/2025	Q1/2025	Increase (Decrease)	%
Insurance revenue	90.09	108.98	(18.89)	(17.33)
Insurance service expenses	(47.11)	(85.94)	38.83	(45.18)
Net expenses from reinsurance contracts held	(11.87)	(6.15)	(5.72)	93.01
Insurance service result	31.11	16.89	14.22	84.19
Net investment income	3.04	3.32	(0.28)	(8.43)
Finance expenses from insurance contracts issued	(0.69)	(0.79)	(0.10)	(12.66)
Finance income from reinsurance contracts held	0.15	0.22	(0.07)	(31.82)
Net investment income and finance expenses	2.50	2.76	(0.25)	(9.09)

Unit: million Baht

	Quarterly Financial Statements			
	Q1/2025	Q1/2025	Increase (Decrease)	%
Other operating expenses	(6.62)	(6.07)	0.55	9.06
Reversal of expected credit losses	0.02	(0.62)	0.64	(103.23)
Other income	0.38	0.78	(0.40)	(51.28)
Profit before income tax	27.39	13.74	13.66	99.49
Income tax expenses	(0.27)	(1.93)	(1.66)	86.01
Profit (loss) for the period	27.12	11.80	15.32	129.83
Earnings per share (THB/share)	2.26	0.98	1.28	

1. Insurance Underwriting Income

Insurance Revenue					
Unit: million Baht					
Insurance Type	Q1/2026	Q1/2564	Increase (Decrease)	Increase (Decrease) %	Total Revenue (%)
Motor insurance	57.05	75.34	(18.29)	(24.28)	63.33
Fire insurance	30.44	30.28	0.16	0.53	33.79
Marine and transportation insurance	1.79	2.44	(0.65)	(26.64)	1.99
Miscellaneous insurance	0.68	0.77	0.09	(11.69)	0.75
Personal accident insurance	0.14	0.14	-	-	0.16
Total	90.09	108.98	(18.89)	(17.33)	100

For the first quarter of 2026 ended March 31, 2026, the Company generated total insurance underwriting income of 90.09 million Baht, compared to 108.98 million Baht in the first quarter of 2025, representing a decrease of 18.89 million Baht or 17.33%. The majority of revenue was derived from motor insurance amounting to 57.05 million Baht and 75.34 million Baht for the first quarter of 2026 and 2025, respectively, decreasing by 18.29 million Baht and accounting for 63.33% of total revenue, which remains the Company's core business. This was followed by fire insurance revenue of 30.44 million Baht and 30.28 million Baht for the first quarter of 2026 and 2025, respectively, increasing by 0.16 million Baht and representing 33.79% of total revenue. The key factor contributing to the decline in revenue during the first quarter of 2026

was the Company's inability to issue compulsory motor insurance policies in E-Policy format during January 2026, as the Company was in the process of obtaining approval from the Office of Insurance Commission ("OIC") and awaiting system development by business partners to connect with the Company's E-Policy system. Consequently, underwriting activities during such period slowed down.

2. Investment Income

For the first quarter of 2026 ended March 31, 2026, investment income comprised interest income of THB 3.04 million, decreasing by THB 0.28 million or 8.43% compared to THB 3.32 million in the same period of the previous year.

Costs and Service Expenses

1. Insurance service costs comprising:
 - 1.1. Directly attributable insurance service expenses
 - 1.2. Net finance expenses from insurance contracts
2. Other operating expenses

1. Insurance Service Costs

1.1 Directly Attributable Insurance Service Expenses

Directly Attributable Insurance Service Expenses					Unit: million Baht
Insurance Type	Q1/2026	Q1/2564	Increase (Decrease)	Increase (Decrease) %	Total Revenue (%)
Motor insurance	30.53	55.40	24.87	(44.89)	51.76
Fire insurance	14.52	30.67	16.15	(52.66)	24.62
Marine and transportation insurance	1.37	1.23	0.14	11.38	2.32
Miscellaneous insurance	0.61	(1.47)	2.09	141.50	1.03
Personal accident insurance	0.08	0.11	0.03	(27.27)	0.14
Total direct insurance service expenses	47.11	85.94	(38.83)	(45.18)	
Motor insurance	1.86	0.73	1.13	154.79	3.15
Fire insurance	8.94	1.93	7.01	363.21	15.16
Marine and transportation insurance	0.24	0.55	(0.31)	(55.36)	0.41
Miscellaneous insurance	0.80	2.94	(2.14)	(72.79)	1.36

Directly Attributable Insurance Service Expenses					Unit: million Baht
Insurance Type	Q1/2026	Q1/2564	Increase (Decrease)	Increase (Decrease) %	Total Revenue (%)
Motor insurance	0.02	-	0.02	100.00	0.03
Total net expenses from reinsurance contracts held	11.87	6.15	5.72	93.01	
Total Insurance Service Cost	58.98	92.09	(33.11)	(35.95)	

Total insurance service costs amounted to 58.98 million Baht and 92.09 million Baht for the first quarter of 2026 and 2025, respectively, decreasing by 33.11 million Baht or 35.95% of total revenue. The decrease was primarily attributable to lower commissions from compulsory motor insurance services in line with the reduced underwriting volume of compulsory motor insurance policies, which could not yet be issued in E-Policy format. In addition, expenses recognized in the current period were attributable to the gradual recognition of expenses related to insurance contracts recognized in prior periods, which will continue to decline until the contractual terms expire. Furthermore, claims expenses decreased for compulsory motor insurance, fire insurance, and miscellaneous insurance, whereas the prior period was affected by earthquake-related claims. In addition, the loss component decreased due to recognition under onerous contracts for compulsory motor insurance and property insurance groups with lower Ultimate Loss Ratios (ULR).

1.2 Net Finance Expenses from Insurance Contracts

The Company recorded finance expenses from insurance contracts issued of 0.69 million Baht and 0.79 million Baht for the first quarter of 2026 and 2025, respectively, decreasing by 0.10 million Baht or 12.66% from the previous year.

2. Other Operating Expenses

The Company recorded other operating expenses of 6.62 million Baht, increasing by 0.55 million Baht or 9.04% compared to the same period of the previous year. Major expenses primarily comprised employee-related expenses and service fees associated with Thai Financial Reporting Standard No. 17 "Insurance Contracts".

Profit

The Company reported net profit of 27.12 million Baht and 11.80 million Baht for the first quarter of 2026 and 2025, respectively, representing an increase of 15.32 million Baht or 129.83%. The increase was mainly attributable to improved insurance service results resulting from lower insurance service expenses due to reduced commissions from compulsory motor insurance services. In addition,

expenses recognized in the current period were attributable to the gradual recognition of expenses related to insurance contracts recognized in prior periods, which will continue to decline until the contractual terms expire. The decrease in reserves for incurred but not reported claims (“IBNR”) also contributed to the improvement. Moreover, in 2025, the Company recorded additional claims reserves arising from earthquake-related events.

Summary of Financial Position

As of March 31, 2026, Charan Insurance Public Company Limited reported an overall decrease in financial position compared to December 31, 2025, as detailed below:

	Q1/2025	Q4/2025	Increase (Decrease)	%
Total assets	899.20	907.22	(8.02)	(0.88)
Total liabilities	281.00	321.06	(40.06)	(12.48)
Total shareholders' equity	618.20	586.16	32.04	5.47
Total liabilities and shareholders' equity	899.20	907.22	(8.02)	(0.88)
Debt-to-equity ratio (times)	0.45	0.55	(0.10)	

Assets

As of March 31, 2026, the Company's total assets amounted to 899.20 million Baht, decreasing by 8.02 million Baht or 0.88% compared to 907.22 million Baht as of December 31, 2025. Major assets of the Company included the following:

Cash and cash equivalents as of March 31, 2026 decreased by 17.55 million Baht from the previous year, primarily due to increased investments in fixed deposits during the first quarter of 2026 and lower insurance policy sales compared to the previous year. The decline resulted from the Company being in the process of obtaining OIC approval for E-Policy issuance during January 2026 and awaiting system development by business partners to connect with the Company's E-Policy system, together with claim payments relating to large claims incurred during the fourth quarter of 2025.

Reinsurance contract assets as of March 31, 2026 decreased by 5.60 million Baht or 14.00% from the previous year, mainly due to lower policy sales during the quarter, resulting in a corresponding decrease in reinsurance proportions and related written premiums.

Financial assets, comprising debt instruments, equity instruments, loans and accrued interest receivables, including deposits with financial institutions with maturities exceeding three months, amounted to Baht 761.25 million, increasing by Baht 16.91 million or 2.27% compared to December

31, 2025. The increase was mainly attributable to additional investments in fixed deposits to be pledged as collateral in accordance with OIC requirements for maintaining 100% reserves for unearned premium reserves after the Company was classified under Risk Level 3, as well as increases in the fair value of investments in banking and insurance sector equities.

The Company regularly assesses impairment allowances and asset valuations and considers such provisions to be appropriate and adequate relative to the associated risks.

Liabilities

As of March 31, 2026, the Company's total liabilities amounted to 281.00 million Baht, decreasing by 40.05 million Baht or 12.48% compared to 321.06 million Baht as of December 31, 2025.

The Company's debt-to-equity ratio currently stood at 0.45 times, compared to 0.55 times as of December 31, 2025. Such change in liabilities was consistent with lower insurance premium sales during the first quarter of 2026, together with lower Ultimate Loss Ratios (ULR), resulting in a reduction in reserves for incurred but not reported claims ("IBNR") from the fourth quarter of 2025. In addition, during 2025, the Company received claims relating to major miscellaneous insurance and fire insurance claims.

Liquidity

During the first quarter of 2026, the Company recorded net cash used in operating activities of 17.40 million Baht, compared to net cash generated from operating activities of 4.01 million Baht in the same period of the previous year, representing a decrease of 21.41 million Baht. The decrease was mainly attributable to increased investments in fixed deposits during the first quarter of 2026 and lower insurance policy sales compared to the previous year due to the Company being in the process of obtaining OIC approval for E-Policy issuance during January 2026 and awaiting system development by business partners to connect with the Company's E-Policy system, together with claim payments relating to large claims incurred during the fourth quarter of 2025.

Shareholders' Equity

As of March 31, 2026, the Company's shareholders' equity amounted to 618.20 million Baht, compared to 586.16 million Baht as of December 31, 2025, representing an increase of 32.03 million Baht or 5.47%. The increase was primarily attributable to the Company's net profit for the first quarter of 2026 amounting to 27.12 million Baht, fair value adjustment of equity instruments amounting to 4.62 million Baht, and insurance finance reserve from reinsurance contracts amounting to 0.29 million Baht.

Please be informed accordingly.

Sincerely yours

(-sign-)

(Mr. Sukich Charanvas)

Managing Director