บริษัท จรัญประกันภัย จำกัด (มหาชน)
CHARAN INSURANCE PUBLIC COMPANY, LIMITED
ทะเบียนเลขที่ บมจ. 0107537000807 REGISTRATION NUMBER 0107537000807
408/1 ถนนรัชดาภิเษก แขวงสามเสนนอก เขตห้วยขวาง กรุงเทพฯ 10310 • 408/1 RACHADAPHISEK ROAD, HUAYKWANG BANGKOK 10310
โทรศัพท์. 0-2276-1024 โทรสาร. 0-2275-4919
順興利保險（大眾）有限公司

Ref. Bor. Chor. 26/2026

August 14, 2026

Subject: Management Discussion and Analysis Quarter 2 Ending June 30, 2026

To: President

The Stock Exchange of Thailand

Economic Overview

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

The Company aims to develop a diverse range of products that are accessible to customers at all levels, while enhancing data acquisition and underwriting efficiency to better meet customer needs and maximize policyholder satisfaction.

The Thai economy during the second quarter of 2026 continued to expand gradually, while the non-life insurance industry remained highly competitive and faced pressure from elevated underwriting and reinsurance costs, based on the business outlook report of the Thai General Insurance Association.

The Company places importance on risk quality selection, underwriting portfolio management, and effective cost control in order to maintain the quality of its insurance portfolio and the stability of its operating results. The Company focuses on prudent growth alongside long-term risk management.

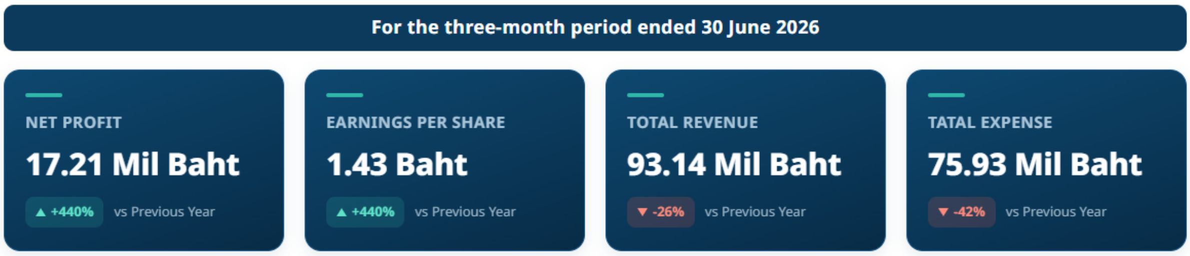
Although the non-life insurance industry continues to face pressure from rising reinsurance costs resulting from catastrophic events in recent periods, the Company was only marginally affected by such events. As a result, claims expenses remained at a manageable level, supporting an improvement in the Company's operating results in the second quarter of 2026 compared with the same period of the previous year.

In addition, the Company places importance on prudent investment portfolio management, with a focus on maintaining a balance between returns, investment security, and liquidity in order to meet obligations under insurance contracts and support long-term business growth.

Summary of Significant Events and Developments

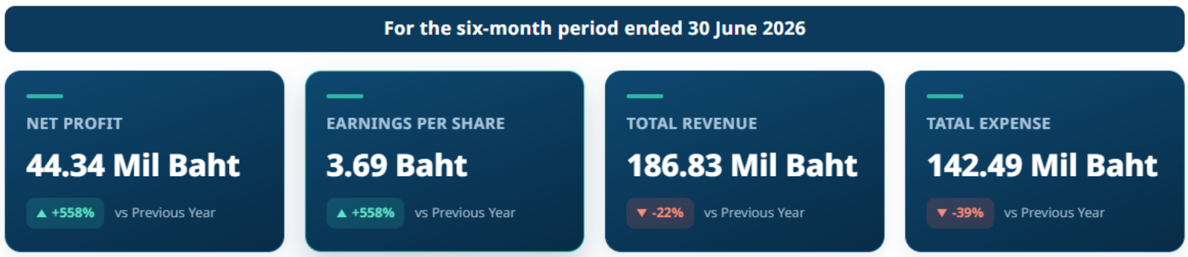
During the second quarter of 2026, Charan Insurance Public Company Limited had no significant events that materially affected the Company's business operations structure.

Summary of Operating Results



For the second quarter of 2026, the Company recorded a net profit of 17.21 million Baht, compared with a net loss of 5.07 million Baht in the second quarter of 2025, representing an increase of 22.28 million Baht or 439.84%. Earnings per share were 1.43 Baht, compared with a loss per share of 0.42 Baht in the same period of the previous year, representing an increase of 1.85 Baht per share.

In addition, the Company recorded total income of 93.14 million Baht, a decrease of 33.20 million Baht or 26.28% from 126.34 million Baht in the second quarter of 2025. Total expenses amounted to 75.93 million Baht, a decrease of 55.48 million Baht or 42.22% from 131.41 million Baht in the same period of the previous year.



For the six-month period ended June 30, 2026, the Company recorded a net profit of 44.34 million Baht, compared with a net profit of 6.74 million Baht in the same period of the previous year, representing an increase of 37.60 million Baht or 558.09%. Earnings per share were 3.69 Baht, compared with 0.56 Baht in the same period of the previous year, representing an increase of 3.13 Baht per share.

The Company recorded total income of 186.83 million Baht, a decrease of 52.20 million Baht or 21.84% from 239.03 million Baht in the same period of the previous year. Total expenses amounted to 142.49 million Baht, a decrease of 89.80 million Baht or 38.66% from 232.30 million Baht in the same period of the previous year.

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							
	Three-Month Period				Six-Month Period			
	Q2/2026	Q2/2025	Increase (Decrease)	%	6M/2569	6M/2568	Increase (Decrease)	%
Insurance revenue	82.22	117.16	(34.94)	(29.82)	172.32	226.14	(53.82)	(23.80)
Insurance service expenses	(57.64)	(134.47)	76.83	57.13	(104.75)	(220.40)	115.65	(52.47)
Net expenses from reinsurance contracts held	(10.85)	6.55	(17.40)	(265.56)	(22.72)	0.40	(23.12)	(5,782.55)
Insurance service result	13.73	(10.75)	24.48	(227.75)	44.84	6.14	38.71	630.80
Net investment income	9.23	8.46	0.78	9.17	12.27	11.79	0.48	4.11
Finance expenses from insurance contracts issued	(0.56)	(0.77)	0.21	(27.10)	(1.25)	(1.56)	0.31	(20.00)
Finance income from reinsurance contracts held	0.14	0.22	(0.09)	(38.02)	0.29	0.45	(0.16)	(35.88)
Net investment income and finance expenses	8.81	7.91	0.90	11.38	11.31	10.67	0.64	5.97
Other operating expenses	(7.84)	(7.32)	(0.52)	7.08	(14.46)	(13.39)	(1.07)	7.97
Reversal of expected credit losses	0.04	(0.06)	0.10	(162.39)	0.06	(0.68)	0.74	(109.19)
Other income	1.51	0.56	0.95	170.98	1.89	1.34	0.55	41.20
Profit before income tax	16.25	(9.66)	25.92	(268.18)	43.65	4.07	39.57	971.60
Income tax expense	0.96	4.60	(3.64)	(79.09)	0.69	2.66	(1.97)	(74.06)
Profit (Loss) for the period	17.21	(5.07)	22.28	439.84	44.34	6.74	37.60	558.09
Earnings per share	1.43	(0.42)	1.85		3.69	0.56	3.13	

Remark: Figures may differ due to rounding.

1. Insurance Underwriting Income

Insurance Revenue										Unit: million Baht
Insurance Type	Three-Month Period					Six-Month Period				
	Q2/2026	Q2/2025	Increase (Decrease)	% Increase (Decrease)	% of Total Revenue	6M/2026	6M/2025	Increase (Decrease)	% Increase (Decrease)	% of Total Revenue
Motor insurance	49.09	83.13	(34.04)	(40.95)	59.71	106.15	158.48	(52.33)	(33.02)	61.60
Fire insurance	30.07	30.64	(0.57)	(1.86)	36.57	60.51	60.92	(0.41)	(0.68)	35.11
Marine and transportation insurance	2.16	2.46	(0.30)	(12.24)	2.62	3.95	4.90	(0.95)	(19.44)	2.29
Miscellaneous insurance	0.77	0.79	(0.02)	(2.95)	0.93	1.44	1.56	(0.12)	(7.63)	0.84
Personal accident insurance	0.14	0.14	0.00	(2.61)	0.17	0.27	0.28	(0.01)	(2.68)	0.16
Total	82.22	117.16	(34.94)	(29.82)		172.32	226.14	(53.82)	(23.80)	

Remark: Figures may differ due to rounding.

For the second quarter of 2026, the Company recorded total insurance revenue from all classes of 82.22 million Baht, compared with 117.16 million Baht in the second quarter of 2025, a decrease of 34.94 million Baht or 29.82%, which was a higher rate of decline than that recorded for the six-month period. The majority of revenue was generated from motor insurance, which decreased from 83.13 million Baht to 49.09 million Baht, a decrease of 34.04 million Baht or 40.95%, due to intense market competition, resulting in a decline in total revenue for the quarter. Motor insurance accounted for 59.71% of total revenue for the quarter. Fire insurance, the second-largest segment, decreased only slightly from 30.64 million Baht to 30.07 million Baht, a decrease of 0.57 million Baht or 1.86%.

For the six-month period ended June 30, 2026, the Company recorded total insurance revenue from all classes of 172.32 million Baht, compared with 226.14 million Baht in the same period of the previous year, a decrease of 53.82 million Baht or 23.80%. The Company's principal source of revenue remained motor insurance, amounting to 106.15 million Baht and 158.48 million Baht for the six-month periods of 2026 and 2025, respectively, representing a decrease of 52.33 million Baht or 33.02%. Motor insurance accounted for the majority of the Company's revenue, representing 61.60% of total revenue. This was followed by fire insurance revenue of 60.51 million Baht and 60.92 million Baht for the six-month periods of 2026 and 2025, respectively, representing a slight decrease of 0.41 million Baht or 0.68%, and accounting for 35.11% of total revenue.

The decline in revenue was attributable to two main factors during two different periods. First, in the first quarter of 2026, the Company was unable to issue compulsory motor insurance policies under the Road Accident Victims Protection Act (Compulsory Motor Insurance Act) 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 waiting for its business partners to develop the system interface to connect with the Company's E-Policy system. This resulted in a decline in the number of policies issued during that period. The system is currently fully operational and ready for use, and approval from the OIC has been duly obtained.

Second, the volume of motor insurance business continued to decline during the second quarter of 2026 due to heightened competition in the insurance market. The Company adopted a defensive strategy, focusing primarily on retaining its existing customer base rather than expanding into new customer segments or markets. This also resulted in a decline in reinsurance revenue. Meanwhile, fire insurance, the Company's second-largest product group, accounted for approximately 35.11% of total revenue and remained relatively stable, decreasing by only 0.68%.

2. Investment Income

For the second quarter of 2026, the Company recorded investment income of 9.23 million Baht, an increase of 9.17% compared with the same period of the previous year, reflecting satisfactory investment returns. The increase in investment income was mainly attributable to higher dividend income from equity investments, particularly investments in the services and financial sectors.

For the six-month period ended June 30, 2026, investment income comprised interest income of 6.02 million Baht and dividend income of 6.25 million Baht, totaling 12.27 million Baht, an increase of 0.48 million Baht or 4.11% compared with 11.79 million Baht 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	Three-Month Period					Six-Month Period				
	Q2/2026	Q2/2025	Increase (Decrease)	% Increase (Decrease)	% of Total Revenue	6M/2026	6M/2025	Increase (Decrease)	% Increase (Decrease)	% of Total Revenue
Direct insurance expenses										
Motor insurance	31.77	72.02	(40.25)	(55.89)	46.38	62.30	127.42	(65.12)	(51.11)	48.87
Fire insurance	24.39	48.16	(23.77)	(49.35)	35.62	38.92	78.83	(39.91)	(50.63)	30.53
Marine and transportation insurance	0.91	1.56	(0.66)	(42.06)	1.32	2.27	2.79	(0.52)	(18.67)	1.78
Other miscellaneous insurance	0.51	12.64	(12.14)	(95.99)	0.74	1.12	11.17	(10.05)	(89.95)	0.88
Personal accident insurance	0.07	0.09	(0.02)	(22.57)	0.10	0.14	0.19	(0.05)	(26.07)	0.11
Total direct insurance service expenses	57.64	134.47	(76.83)	(57.13)		104.75	220.40	(115.65)	(52.47)	
Net expenses from reinsurance contracts held										
Motor insurance	1.75	3.12	(1.37)	(43.81)	2.56	3.62	3.84	(0.23)	(5.91)	2.84
Fire insurance	6.84	(0.51)	7.35	1,436.98	9.99	15.78	1.42	14.36	1011.37	12.38
Marine and transportation insurance	0.81	0.33	0.47	142.22	1.18	1.05	0.88	0.17	18.89	0.82
Other miscellaneous insurance	1.41	(9.52)	10.93	114.86	2.06	2.21	(6.58)	8.79	(133.64)	1.74
Personal accident insurance	0.04	0.02	0.01	48.76	0.05	0.06	0.03	0.03	88.85	0.05
Total net expenses from reinsurance contracts held	10.85	(6.55)	17.40	265.56		22.72	(0.40)	23.12	(5782.55)	
Total insurance service costs	68.49	127.91	(59.42)	(46.46)		127.47	220.00	(92.53)	(42.06)	

Remark: Figures may differ due to rounding.

For the second quarters of 2026 and 2025, the Company recorded total insurance service costs of 68.49 million Baht and 127.91 million Baht, respectively, representing a decrease of 59.42 million Baht or 46.46% compared with the same period of the previous year. The decrease was mainly attributable to a significant reduction in claims expenses, as there were no large claims events comparable to those in the previous year, together with a decrease in incurred but not reported (IBNR) claims reserves. In addition, direct insurance expenses decreased in line with the decline in insurance premium revenue. The loss component also decreased in line with the improvement in the Ultimate Loss Ratio (ULR), resulting in an improvement in the insurance service result.

For the six-month periods ended June 30, 2026 and 2025, total insurance service costs were 127.47 million Baht and 220.00 million Baht, respectively, representing a decrease of 92.53 million Baht or 42.06% compared with the same period of the previous year. This was consistent with the decrease in insurance premium revenue, mainly due to lower claims expenses and changes in claims reserves, particularly the decrease in incurred but not reported (IBNR) claims reserves. In addition, there were no earthquakes or other significant events in the second quarter of 2026 comparable to those in the same period of the previous year, resulting in lower claims in the fire, property, and miscellaneous insurance segments.

In addition, direct insurance expenses decreased in line with the decline in insurance premium revenue. Certain insurance contract expenses recognized in the current period represented the gradual recognition of expenses from insurance contracts recognized in prior periods and will continue to decrease over the coverage period of the contracts.

Meanwhile, the loss component decreased as losses from onerous insurance contracts were gradually recognized, particularly in the compulsory motor insurance and property insurance segments, where the Ultimate Loss Ratio (ULR) improved. As a result, total insurance service costs for the six-month period of 2026 decreased significantly compared with the same period of the previous year.

1.2 Net Finance Expenses from Insurance Contracts

Unit: million Baht

	Three-Month Period				Six-Month Period			
	Q2/2026	Q2/2025	Increase (Decrease)	%	Q2/2026	Q2/2025	Increase (Decrease)	%
Finance expenses from insurance contracts issued	0.56	0.77	(0.21)	(27.10)	1.25	1.56	(0.31)	(20.00)
nance income from reinsurance contracts held	0.14	0.22	(0.09)	(38.02)	0.29	0.45	(0.16)	(35.88)
Net finance expenses	0.42	0.55	(0.12)	(22.64)	0.97	1.12	(0.15)	(13.67)

For the second quarters of 2026 and 2025, the Company recorded net finance expenses from insurance contracts issued of 0.42 million Baht and 0.55 million Baht, respectively, representing a decrease of 0.12 million Baht or 22.64% from the previous year.

For the six-month periods ended June 30, 2026 and 2025, the Company recorded net finance expenses from insurance contracts issued of 0.97 million Baht and 1.12 million Baht, respectively, representing a decrease of 0.15 million Baht or 13.67% from the previous year.

2. Other Operating Expenses

For the second quarters of 2026 and 2025, the Company recorded other operating expenses of 7.84 million Baht and 7.32 million Baht, respectively, representing an increase of 0.52 million Baht or 7.08% compared with the same period of the previous year. The major expenses comprised employee and management expenses, investments in operating systems, and services related to Thai Financial Reporting Standard No. 17, *Insurance Contracts*.

For the six-month periods ended June 30, 2026 and 2025, the Company recorded other operating expenses of 14.46 million Baht and 13.39 million Baht, respectively, representing an increase of 1.07 million Baht or 7.97% compared with the same period of the previous year. The major expenses remained within the same categories as described above.

Profit

For the second quarters of 2026 and 2025, the Company recorded a net profit of 17.21 million Baht and a net loss of 5.07 million Baht, respectively, representing an increase of 22.28 million Baht or 439.84%. The increase in net profit was mainly attributable to the gradual recognition of amounts previously not recognized as revenue as revenue, the gradual recognition of expenses for insurance contracts recognized in prior periods, which will decrease over the remaining contract period, and effective claims cost control. A key factor was the absence of large claims comparable to those incurred in 2025, together with a decrease in incurred but not reported (IBNR) claims reserves. These factors contributed to the Company's higher net profit compared with the same period of the previous year.

For the six-month periods ended June 30, 2026 and 2025, the Company recorded net profits of 44.34 million Baht and 6.74 million Baht, respectively, representing an increase of 37.60 million Baht or 558.09%. The increase was mainly attributable to a significant improvement in the insurance service result, effective claims cost control, the absence of large claims comparable to those incurred in 2025, and a decrease in incurred but not reported (IBNR) claims reserves. These factors contributed to the Company's higher net profit compared with the same period of the previous year.

Summary of Financial Position

As of June 30, 2026, Charan Insurance Public Company Limited reported an overall decrease in financial position compared to December 31, 2025, as detailed below:

	Q2/2026	Q4/2025	Increase (Decrease)	%
Total assets	888.40	907.22	(18.82)	(2.07)
Total liabilities	252.34	321.06	(68.71)	(21.40)
Total shareholders' equity	636.05	586.16	49.89	8.51
Total liabilities and shareholders' equity	888.40	907.22	(18.82)	(2.07)
Debt-to-equity ratio	0.40	0.55	(0.15)	

Assets

As of June 30, 2026, the Company had total assets of Baht 888.40 million, representing a decrease of 18.82 million Baht or 2.07% from 907.22 million Baht as of December 31, 2025. The Company's major assets comprised the following:

Cash and cash equivalents as of June 30, 2026 increased by 5.40 million Baht from the previous year, mainly due to an increase in investments in fixed-term deposits during the second quarter of 2026.

Reinsurance contract assets as of June 30, 2026 decreased by 12.45 million Baht or 31.81% from the previous year, mainly due to a decrease in the volume of insurance underwriting during the current period. This resulted in lower premiums ceded to reinsurers, as well as a decrease in claims recoverable under reinsurance contracts in line with the decline in underwriting volume.

Debt and Equity Financial Assets

Debt financial assets as of June 30, 2026 decreased by 28.91 million Baht from the previous year. The decrease was mainly attributable to the maturity of fixed-term deposits amounting to 25 million Baht and the maturity and redemption of debenture investments amounting to 20.98 million Baht during the period. This was partially offset by an increase of 3 million Baht in investments in government bonds and an increase of 14 million Baht in fixed-term deposits with Land and Houses Bank. The Company placed such fixed-term deposits as collateral in accordance with the requirements of the Office of Insurance Commission (OIC) to maintain a 100% reserve for unearned premium reserves, as the Company was classified as a Level 3 risk group.

Equity financial assets as of June 30, 2026 increased by 20.15 million Baht from the previous year. The increase was mainly attributable to an increase in the fair value of equity investments in the banking sector and Thai Reinsurance Public Company Limited.

Other assets amounted to 7.81 million Baht, a decrease of 2.26 million Baht or 22.44% from December 31, 2025. The decrease was mainly attributable to the receipt of payment for motor insurance claims reserves from the Road Accident Victims Protection Company Limited, resulting in a decrease in related other assets.

The Company regularly reviews impairment allowances and asset valuations and considers them to be appropriate and adequate in relation to the associated risks.

Liabilities

As of June 30, 2026, the Company had total liabilities of 252.34 million Baht, representing a decrease of 68.71 million Baht or 21.40% from 321.06 million Baht as of December 31, 2025.

The Company's debt-to-equity ratio was 0.40 times, down from 0.55 times as of December 31, 2025. The decrease in liabilities was mainly attributable to a reduction in insurance contract liabilities, consistent with the decrease in estimated incurred but not reported (IBNR) claims reserves and the absence of large claims during the first half of 2026. This was in contrast to 2025, when the Company recognized claims arising from large miscellaneous and fire insurance claims. As a result, the Company's total liabilities decreased from December 31, 2025.

Liquidity

During the first six months of 2026, the Company generated net cash from operating activities of 16.39 million Baht, an increase of 3.47 million Baht or 26.83% compared with net cash generated from operating activities of 12.92 million Baht in the same period of the previous year. Although insurance premiums received decreased from 211.52 million Baht to 130.64 million Baht, partly as a continuing consequence of the slowdown in policy issuance at the beginning of the year due to the E-Policy issue referred to in the first quarter of 2026, net cash flows from financial assets improved significantly, changing from a net cash outflow of 13.52 million Baht in the previous year to a net cash inflow of 29.20 million Baht in the current year. In addition, claims and related expenses paid decreased, resulting in overall positive cash flows from operating activities and an increase compared with the previous year.

Net cash used in financing activities amounted to 10.80 million Baht, representing dividend payments, whereas there was no such transaction in the same period of the previous year.

Shareholders' Equity

As of June 30, 2026, the Company had shareholders' equity of 636.05 million Baht, an increase of 49.89 million Baht or 8.51% from 586.16 million Baht as of December 31, 2025. The increase was mainly attributable to the following:

The Company recorded a net profit for the six-month period of 44.34 million Baht, resulting from decreases in the unearned premium reserve (UPR) and incurred but not reported (IBNR) claims reserve, which contributed to a continued improvement in underwriting profit, particularly in the second quarter of 2026, when net profit increased compared with the first quarter of 2026.

In addition, the Company recorded other comprehensive income for the period of 16.35 million Baht, primarily attributable to a fair value gain on equity instruments measured at fair value through other comprehensive income (FVOCI) of 16.13 million Baht, following an increase in stock market indices, together with a change in the financial reserve from reinsurance contracts of 0.23 million Baht.

The increase in shareholders' equity was partially offset by dividend payments during the period amounting to 10.80 million Baht.

Please be informed accordingly.

Sincerely yours

(-Signed-)

(Mr. Sukich Charanvas)
Managing Director