

CHARAN INSURANCE PUBLIC COMPANY LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025
AND INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report**To the Shareholders of Charan Insurance Public Company Limited****Opinion**

I have audited the accompanying financial statements of Charan Insurance Public Company Limited ("the Company"), which comprise the statement of financial position as at 31 December 2025, and the related statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies information.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Charan Insurance Public Company Limited as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standard issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

I would like to draw attention to note 2 to the financial statements describing the impact of the adoption of Thai Financial Reporting Standard No. 9 “Financial Instruments”, Thai Financial Reporting Standard No. 7 “Financial Instruments: Disclosures” and Thai Financial Reporting Standard No. 17 “Insurance Contracts”, including amendments to other relevant standards effective from 1 January 2025. The statement of financial position as at 31 December 2024, presented for comparison, forms part of the audited financial statements and has been adjusted as described in note 2 to the financial statements. In addition, the statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, presented for comparison, have been adjusted as described in note 2 to the financial statements.

My opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Key audit matters	How my audit addressed the key audit matter
<p>Assessment of the impact on opening balances as at 1 January 2024 and on comparative information arising from the first-time adoption of Thai Financial Reporting Standard No. 17 “Insurance Contracts”</p> <p>Refer to note 2 to the financial statements</p> <p>The Company has adopted Thai Financial Reporting Standard No. 17 “Insurance Contracts” for the first time with effect from 1 January 2025. The adoption of this standard has had a significant impact on the Company’s accounting policies, the recognition and measurement of assets and liabilities arising from insurance contracts, as well as the overall presentation of the Company’s financial statements.</p> <p>The adoption of Thai Financial Reporting Standard No. 17 has resulted in a reassessment of accounting and actuarial valuations and has also required an increased level of management judgment, as outlined below:</p> <ul style="list-style-type: none"> • The determination of the approach applied to groups of insurance contracts as at the transition date. • The determination of methods and assumptions used in measuring the present value of future cash flows under insurance contracts, in order to appropriately reflect the contractual obligations to policyholders. 	<p>My key audit procedures in relation to first-time adoption of Thai Financial Reporting Standard No. 17 “Insurance Contracts” included the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding and evaluating the design and operating effectiveness of internal controls implemented by management relating to the first-time adoption of Thai Financial Reporting Standard No. 17 ‘Insurance Contracts’ including testing the completeness and accuracy of the underlying data used in calculating the impact arising from the adoption of Thai Financial Reporting Standard No. 17. • Involving the firm’s actuarial specialists to evaluate the appropriateness of the methodologies applied and the related judgments used in determining accounting estimates for insurance contract assets and liabilities in accordance with the requirements of Thai Financial Reporting Standard No. 17 as at the transition date. This included estimates of future cash flows, the determination of discount rates, and risk adjustments, as well as testing the calculations and key assumptions used by management. • Assessing the appropriateness and adequacy of the Company’s disclosures in accordance with the requirements of the relevant financial reporting standards.

Key audit matters	How my audit addressed the key audit matter
<ul style="list-style-type: none"> • The determination of methods and assumptions related to the measurement of non-financial risk, as well as the parameters and methodologies associated with the selected discount rates. • Presenting the impact of the selected transition options within equity, including the effects on other comprehensive income as at the transition date. <p>Furthermore, in accordance with Accounting Standard No. 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, the Company has retrospectively restated the relevant comparative information and recognised the cumulative effect of the first-time adoption of the standard by adjusting opening retained earnings as at the beginning of the earliest comparative period presented (1 January 2024). The Company also recognised the related impacts on equity and other comprehensive income as at the transition date.</p> <p>I consider the first-time adoption of Thai Financial Reporting Standard No. 17 ‘Insurance Contracts’ to be a key audit matter, as this standard is a new and complex financial reporting standard that significantly affects the Company’s accounting recognition and the presentation of its financial statements. In addition, its adoption requires the application of significant management judgment, particularly in relation to the selection of transition approaches.</p>	

Key audit matters	How my audit addressed the key audit matter
<p>Insurance contract liabilities</p> <p>Refer to accounting policies no. 3 (b) and notes 2 and 4 to the financial statements</p> <p>As at 31 December 2025, the Company had total insurance contract liabilities amounting to Baht 267.61 million, representing 83.35% of total liabilities. These insurance contract liabilities comprised liabilities for incurred claims amounting to Baht 182.15 million, representing 56.73% of total liabilities, and liabilities for remaining coverage amounting to Baht 85.46 million (measured under the Premium Allocation Approach), representing 26.62% of total liabilities.</p> <p>Liabilities for incurred claims</p> <p>Liabilities for incurred claims represent estimates of cash flows arising from the fulfilment of, or expected payments required to settle, obligations resulting from insured events that have occurred as at the end of the reporting period. These estimates are adjusted for the time value of money and the effects of financial risk, including a risk adjustment for non-financial risk. Such estimates also include both allocated and unallocated costs related to the administration and handling of claims arising from insured events that occurred before the end of the reporting period.</p>	<p>My key audit procedures in relation to liabilities for incurred claims included the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the process for measuring liabilities for incurred claims, including an understanding of the related information technology control environment. This also included evaluating the appropriateness of the design of internal controls and performing sample testing of the operating effectiveness of such controls, in order to assess the adequacy and effectiveness of controls relevant to the measurement of insurance contract liabilities and the related information technology systems. • Obtaining an understanding of, evaluating, and performing sample testing of the operating effectiveness of internal controls relating to the notification and payment of insurance claims.

Key audit matters	How my audit addressed the key audit matter
<p>Liabilities for incurred claims are measured using complex actuarial valuation techniques, which in certain cases require a high degree of judgment in respect of both historical and forward-looking internal and external variables. Changes in the assumptions applied may have a significant impact on the measurement of these components within insurance contract liabilities.</p> <p>For these reasons, I consider the measurement of liabilities for incurred claims to be a key audit matter.</p> <p>Liabilities for remaining coverage</p> <p>As at 31 December 2025, the Company had liabilities for remaining coverage amounting to Baht 85.46 million, which formed part of total insurance contract liabilities of Baht 267.61 million. These liabilities were measured using the Premium Allocation Approach</p>	<ul style="list-style-type: none"> • Performing sample testing of the approval and recording of notified claims and claims payments, and sample testing of incurred claims data and claims settlement data used in the preparation of claims development triangles. This also included reconciling the aggregated amounts of the sampled data to the totals reflected in the actuarial models. • Involving the firm’s actuarial specialists to review the calculation methodologies by performing sample testing of the calculations of estimated future cash flows and the key assumptions used by the Company in estimating ultimate losses based on claims development triangles, as well as the determination of risk adjustments for non-financial risk. This also included performing analytical procedures on the movements of liabilities relating to estimated future cash flows and risk adjustments for non-financial risk. • Performing analytical procedures on loss ratios by line of business and analysing risk adjustment ratios for non-financial risk across groups of insurance contracts with similar risk characteristics. • Assessing the adequacy and appropriateness of disclosures relating to liabilities for incurred claims in the Company’s financial statements. <p>My key audit procedures in relation to liabilities for remaining coverage included the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the relevant processes and assessing the appropriateness of the application of the Premium Allocation Approach (PAA), including the grouping of insurance contracts, to ensure compliance with

Key audit matters	How my audit addressed the key audit matter
<p>(PAA). Under the Premium Allocation Approach, management is required to exercise significant judgment in assessing the appropriateness of applying the PAA, the grouping of insurance contracts, and whether any group of insurance contracts is onerous. Such assessments require estimates of future claims ratios and future expenses.</p> <p>Given that these balances are material to the financial statements and involve significant management judgment and estimates, I therefore consider the measurement of liabilities for remaining coverage to be a key audit matter.</p>	<p>the requirements of Thai Financial Reporting Standard No. 17 “Insurance Contracts”.</p> <ul style="list-style-type: none"> • Evaluating the design and testing the operating effectiveness of internal controls relating to policy issuance, premium recording, revenue recognition, and the amortisation of insurance acquisition cash flows. • Performing sample testing of the accuracy and completeness of data used in the calculation of liabilities for remaining coverage and testing the calculations of the amortisation of premiums and related expenses over the coverage period. • Assessing the methodologies and assumptions used to identify and measure onerous contract components, including evaluating the reasonableness of estimates of future loss ratios and expenses, with the involvement of the firm’s actuarial specialists where relevant. • Performing analytical procedures on movements in key estimates and risk adjustment ratios across groups of insurance contracts with similar risk characteristics. • Assessing the adequacy and appropriateness of disclosures relating to liabilities for remaining coverage in the Company’s financial statements.

Key audit matters	How my audit addressed the key audit matter
<p>Valuation of deferred tax assets and deferred tax liabilities</p> <p>Refer to accounting policies no. 3 (n) and note 11 to the financial statements</p> <p>In the current year, the Company adopted Thai Financial Reporting Standard No. 17 “Insurance Contracts” in replacement of Thai Financial Reporting Standard No. 4. This resulted in significant changes to the recognition and measurement of insurance contract liabilities and related components in the financial statements. The transition to the new standard required the Company to recognise the cumulative impact of retrospective adjustments through opening retained earnings and gave rise to temporary differences between the carrying amounts and the tax bases of assets and liabilities.</p> <p>Such temporary differences resulted in the recognition of significant deferred tax assets and deferred tax liabilities. The calculation of these amounts is complex and requires management to exercise judgment in identifying temporary differences arising under this financial reporting standard and in assessing the recoverability of deferred tax assets, which depends on estimates of future taxable profits.</p> <p>As at 31 December 2025, the Company had total deferred tax assets and deferred tax liabilities amounting to Baht 6.58 million, and Baht 13 million, respectively.</p>	<p>My key audit procedures in relation to the deferred tax included the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the impact of the transition from Thai Financial Reporting Standard No. 4 “Insurance Contracts” to Thai Financial Reporting Standard No. 17 on the recognition and measurement of items in the financial statements and assessing the completeness of the identified temporary differences. • Evaluating the Company’s internal data and key economic assumptions that affect the growth of gross written premium expenses and profit before tax, which are used as the basis for assessing the recoverability and utilization of deferred tax assets. • Analysing and comparing historical estimated taxable profits with actual taxable profits realised in order to assess the reasonableness of management’s judgment applied in estimating such taxable profits. • Testing the calculation of forecast future taxable profits based on the aforementioned data and assumptions. • Assessing the adequacy and appropriateness of disclosures relating to deferred tax assets and liabilities in the Company’s financial statements.

Key audit matters	How my audit addressed the key audit matter
<p>Given that these amounts involve significant management judgment and estimation, including the interpretation of relevant tax regulations, I therefore consider the measurement of deferred tax assets and deferred tax liabilities to be a key audit matter.</p>	

Other matter

The statement of financial position of Charan Insurance Public Company Limited as at 1 January 2024, which was not impacted by the adoption of Thai Financial Reporting Standard No. 9 “Financial Instruments”, Thai Financial Reporting Standard No. 7 “Financial Instruments: Disclosures” and Thai Financial Reporting Standard No. 17 “Insurance Contracts”, and which is presented as comparative figures, was audited by another auditor who expressed an unmodified opinion on that statement in a report dated 21 February 2024.

Other information

Management is responsible for the other information. The other information comprises the information included in annual report of the company but does not include the financial statements and my auditor’s report thereon. The annual report of the Company is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover any other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of the management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Tippawan Pumbansao

Certified Public Accountant (Thailand) No. 9552

Forvis Mazars Ltd.

Bangkok

27 February 2026

Charan Insurance Public Company Limited

Statement of financial position

As at 31 December 2025

		In Baht		
		31 December 2025	31 December 2024	1 January 2024
Assets	Note		(Restated)	(Restated)
Cash and cash equivalents	5	59,958,951	85,976,143	38,418,107
Accrued investment income		3,229,277	3,548,734	3,754,258
Reinsurance contract assets	2, 4	39,144,018	29,069,679	30,366,088
Financial assets - debt instruments	2, 6	549,641,662	510,732,158	490,744,735
Financial assets - equity instruments	2, 6	191,979,470	172,982,418	180,991,189
Loans and accrued interest	6, 7	2,711,826	3,469,912	2,758,790
Investment property	8	16,000,001	16,000,001	-
Property plant and equipment	9	15,898,917	15,623,092	42,212,001
Intangible assets		5	5	5
Non-operating assets	10	12,000,001	12,009,701	-
Deferred tax assets	2, 11	6,583,835	8,848,802	8,734,683
Other assets	2	10,073,307	13,023,776	10,247,249
Total assets		907,221,270	871,284,421	808,227,105

Note to the financial statements are an integral part of these financial statements.

Charan Insurance Public Company Limited

Statement of financial position

As at 31 December 2025

Liabilities and shareholders' equity

		In Baht		
		31 December 2025	31 December 2024	1 January 2024
Liabilities	Note		(Restated)	(Restated)
Insurance contract liabilities	2, 4	267,614,209	273,963,823	192,228,790
Reinsurance contract liabilities	2, 4	11,661,920	15,687,979	14,819,145
Income tax payables		1,797,077	2,942,277	2,079,266
Employee benefit obligations	12	6,031,158	8,308,202	8,124,552
Deferred tax liabilities	2, 11	12,995,716	11,164,906	8,785,727
Other liabilities	2	20,956,230	21,364,139	13,773,395
Total liabilities		321,056,310	333,431,326	239,810,875
Equity				
Share capital				
- Authorised share capital				
12,000,000 ordinary shares of Baht 10 each		120,000,000	120,000,000	120,000,000
- Issued and paid-up share capital				
12,000,000 ordinary shares of Baht 10 each		120,000,000	120,000,000	120,000,000
Share premium on ordinary shares		258,000,000	258,000,000	258,000,000
Retained earnings				
- Appropriated				
Legal reserve	13	12,000,000	12,000,000	12,000,000
- Unappropriated	2	187,190,928	155,089,263	172,289,414
Other components of equity - net	2	8,974,032	(7,236,168)	6,126,816
Total equity		586,164,960	537,853,095	568,416,230
Total liabilities and equity		907,221,270	871,284,421	808,227,105

Note to the financial statements are an integral part of these financial statements.

Charan Insurance Public Company Limited

Statement of income

For the year ended 31 December 2025

In Baht

		2025	2024
	Note		(Restated)
Revenue			
Insurance revenue	2, 4	445,102,041	344,114,658
Insurance service expenses	2, 4	(375,647,068)	(300,131,105)
Net expenses from reinsurance contracts held	2, 4	(17,906,607)	(34,251,957)
Insurance service result		51,548,366	9,731,596
Investment income	14	20,930,105	21,126,695
Net investment income		20,930,105	21,126,695
Finance expenses from insurance contracts issued	2	(3,386,360)	(3,200,756)
Finance income from reinsurance contracts held	2	872,274	799,869
Net insurance finance expenses		(2,514,086)	(2,400,887)
Net investment income and insurance finance expenses		18,416,019	18,725,808
Other operating expenses	2, 15	(38,903,172)	(30,640,845)
Reversal of expected credit losses	16	98,838	7,962,660
Other income		2,379,543	2,384,028
Profit before income tax		33,539,594	8,163,247
Income tax expenses	2, 11	(2,884,348)	(10,182,055)
Profit (loss) for the year	2	30,655,246	(2,018,808)

Note to the financial statements are an integral part of these financial statements.

Charan Insurance Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2025

In Baht

		2025	2024
	Note		(Restated)
Profit (loss) for the year	2	30,655,246	(2,018,808)
Other comprehensive income (loss)			
Items that will be reclassified subsequently to profit or loss			
Finance costs from insurance contracts issued	2	(160,413)	(114,364)
Finance income from reinsurance contracts held	2	2,802	39,935
Income tax relating to items that will be reclassified subsequently to profit or loss	2	(31,522)	(14,886)
Total items that will be reclassified subsequently to profit or loss		(189,133)	(89,315)
Items that will not be reclassified subsequently to profit or loss			
Gain (loss) on equity instruments designated to be measured at fair value through other comprehensive income		22,309,465	(16,592,086)
Loss on remeasurement of employee benefit obligations	12	(454,851)	(226,679)
Income tax relating to items that will not be reclassified subsequently to profit or loss		(4,008,863)	3,363,753
Total items that will not be reclassified subsequently to profit or loss		17,845,751	(13,455,012)
Other comprehensive income (loss) for the year	2	17,656,618	(13,544,327)
Total comprehensive income (loss) for the year	2	48,311,864	(15,563,135)
Earnings (loss) per share			
Basic earnings (loss) per share	2, 20	2.55	(0.17)

Note to the financial statements are an integral part of these financial statements.

Charan Insurance Public Company Limited**Statement of cash flows****For the year ended 31 December 2025**

In Baht

	2025	2024
Cash flows from operating activities		
Premiums received	404,371,749	422,048,375
Net insurance premium paid and other directly related expenses regarding reinsurance	(66,191,587)	(47,104,439)
Recoveries from reinsurance	35,059,660	15,857,527
Incurred claims and other directly attributable expenses paid	(150,751,204)	(102,089,708)
Insurance acquisition cash flows	(194,061,959)	(197,555,201)
Interest income and dividend received	21,246,963	21,318,730
Other income	4,189,843	2,384,066
Other operating expenses	(35,308,916)	(25,542,316)
Tax expense	(3,974,154)	(3,750,452)
Cash receipt for financial assets	336,737,025	258,094,052
Cash payments for financial assets	(373,285,140)	(278,800,000)
Employee benefit paid	(3,279,900)	(594,000)
Net cash flows provided by (used in) operating activities	(25,247,620)	64,266,634
Cash flows from investing activities		
Acquisition of equipment	(769,572)	(1,708,598)
Net cash flows used in investing activities	(769,572)	(1,708,598)
Cash flows from financing activities		
Dividends paid	-	(15,000,000)
Net cash flows used in financing activities	-	(15,000,000)
Net increase (decrease) in cash and cash equivalents	(26,017,192)	47,558,036
Cash and cash equivalents at 1 January	85,976,143	38,418,107
Cash and cash equivalents at 31 December	59,958,951	85,976,143

The accompanying notes are an integral part of these financial statements.

Charan Insurance Public Company Limited

Notes to financial statements

For the year ended 31 December 2025

1. General information

1.1 Corporate information

Charan Insurance Public Company Limited (“the Company”) was incorporated as a public limited company on 15 March 1994. The registered office address of the Company is located at 408/1 Ratchadapisak Road, Samsennok, Huaykwang, Bangkok, and the branch office is located at 377/1 - 3 Moo. 12, Mittraphap Road, Mueang Kao, Mueang Khon Kaen, Khon Kaen.

The principal business of the Company is the provision of non-life insurance.

1.2 Other information

On 17 November 2025, the Stock Exchange of Thailand (“SET”) posted a C-caution sign on the Company’s securities due to the auditor’s disclaimer of opinion on the Company’s financial statements for the first quarter of 2025. The matter is currently under consideration by the SET for the removal of the C-caution sign.

1.3 Basis for preparation of financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards, including accounting practices issued by the Federation of Accounting Professions, relevant regulations, and announcements by the Securities and Exchange Commission. Additionally, the financial statements have been prepared in compliance with the Notification of the Office of Insurance Commission entitled “Principles, Methodology, Conditions, and Timing for the Preparation and Submission of Financial Statements by Non-Life Insurance Companies 2023” dated 8 February 2023 and the letter no. 4122/wor.1064 “Guidelines relating to additional disclosures in notes to financial statements according to TFRS17 “Insurance contracts” dated 23 April 2025.

The financial statements have been prepared on the historical cost basis, except as disclosed in the notes to the financial statements.

The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

For the convenience of the readers, an English version of the financial statements has been translated from the Thai language financial statements, which is issued solely for domestic financial reporting purpose.

Charan Insurance Public Company Limited

Notes to financial statements

For the year ended 31 December 2025

(b) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Company's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about judgments, assumption and estimation uncertainties as at 31 December 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities is included in the following:-

1. Financial assets and liabilities
2. Insurance contracts and reinsurance contracts (Note to financial statements no. 3)

2. Effects due to the adoption of new financial reporting standards from 1 January 2025

2.1 Classification of financial assets and financial liabilities

TFRS 9 includes three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under TFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Transition

TFRS 9 requires retrospective adjustments for changes in accounting policies arising from its adoption of this TFRS retrospectively. The Company's accounting policies for the classification of financial instruments under TFRS 9 are as follows:

- a) Investment units classified as equity instruments under TFRS 9 are classified as fair value through profit or loss unless the Company elects to measure fair value through other comprehensive income.
- b) Investments in debt instruments of the Company that are determined to be intended to receive contractual cash flows or to be sold are classified as fair value through other comprehensive income.
- c) Investments in debt instruments that are determined to not receive contractual cash flows only on principal and interest payments are classified as fair value through profit or loss.
- d) Investments in equity instruments that are not intended to be sold are classified as fair value through other comprehensive income and are required to show subsequent changes in fair value in other comprehensive income.

Charan Insurance Public Company Limited

Notes to financial statements

For the year ended 31 December 2025

The effects of adopting the TFRS 9 Financial Instrument at 31 December 2024 are presented as below.

	Original	New	Thousand Baht	
			Original	New carrying amount
	reclassification	reclassification	carrying amount	under TFRS 9
Financial assets				
Cash and cash equivalents	Amortised cost	Amortised cost	85,976	85,976
Financial assets - debt instruments	Amortised cost	Amortised cost	510,732	510,732
Financial assets - equity instruments	FVOCI	FVOCI	172,982	172,982
Loans and accrued interest	Amortised cost	Amortised cost	3,470	3,470
Total			773,160	773,160

In addition, the change in carrying amount are presented as below.

	Thousand Baht			
	Original carrying amount	Change in carrying amount		New carrying amount under TFRS 9
		Reclassification	Remeasurement	
Financial assets				
Amortised cost				
Cash and cash equivalents	85,976	-	-	85,976
Financial assets - debt instruments	510,732	-	-	510,732
Loans and accrued interest	3,470	-	-	3,470
Total	600,178	-	-	600,178
FVOCI				
Financial assets - equity instruments	172,982	-	-	172,982
Total	172,982	-	-	172,982

- 2.2 The impact of the significant changes in the Company's accounting policies resulting from the adoption of TFRS 17 "Insurance contracts" are as follow:

Measurement - Contracts measured under the PAA

Insurance contracts issued

The Company uses the PAA to simplify the measurement of groups of contracts when the following criteria are met at inception.

Charan Insurance Public Company Limited

Notes to financial statements

For the year ended 31 December 2025

- The coverage period of each contract in the group is one year or less, including coverage arising from all premiums within the contract boundary; or
- For contracts longer than one year, the Company has conducted premium allocation approach eligibility testing where the results of the liability for remaining coverage (LRC) under premium allocation approach do not differ materially to that calculated under the general measurement model.

On initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition minus any insurance acquisition cash flows allocated to the group at that date, and adjusted for any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group including assets for insurance acquisition cash flows. The Company has chosen not to expense insurance acquisition cash flows when they are incurred.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any premiums received and the amortisation of insurance acquisition cash flows recognised as expenses and decreased by the amount recognised as insurance revenue for services provided and any additional insurance acquisition cash flows allocated after initial recognition. On initial recognition of each group of contracts, the Company expects that the time between providing each part of the services and the related premium due date is no more than a year. Accordingly, the Company has chosen not to adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, the Company recognises a loss in profit or loss and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage.

The Company recognises the liability for incurred claims of a group of insurance contracts at the amount of the fulfilment cash flows relating to incurred claims. The future cash flows are discounted (at current rates).

Reinsurance contracts

The Company uses the PAA to simplify the measurement of groups of reinsurance contracts when the following criteria are met at inception.

- Loss-occurring reinsurance contracts: The coverage period of each contract in the group can be less than or not greater than one year.
- Risk-attaching reinsurance contracts: The Company applies the same accounting policies as are applied to insurance contracts.

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Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts are included in the carrying amount of the related portfolios of contracts.

The Company disaggregates amounts recognised in the statement of comprehensive income into:

- insurance service result, comprising insurance revenue and insurance service expenses; and
- insurance finance income or expenses.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts' in the insurance service result.

The Company does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses.

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows:

Insurance revenue

The insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The Company allocates the expected premium receipts to each period.

Loss components

The Company assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the facts and circumstances indicate that a group of insurance contracts is onerous, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group as determined under PAA. Accordingly, by the end of the coverage period of the group of contracts, the loss component will be zero.

Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items:

- Incurred claims and other insurance service expenses
- Amortisation of insurance acquisition cash flows
- Losses on onerous contracts and reversals of such losses

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- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk, and changes therein
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses

Net expenses from reinsurance contracts

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Company recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts. The allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

For a group of reinsurance contracts covering onerous underlying contracts, the Company establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and
- when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the expected recovery of the losses.

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Company expects to recover from the reinsurance contracts.

Insurance finance income and expenses

Insurance finance income and expenses comprise of changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein. The Company presents insurance finance income and expenses through profit or loss.

Fair value

Information about assumptions used in the measurement of insurance and reinsurance contracts is as follows:

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Insurance contract liabilities

Insurance contract liabilities consist of liability for incurred claims and liability for remaining coverage. Liability for incurred claims consists of outstanding claims notified and outstanding claims incurred but not reported ("IBNR"), including risk adjustment while liability for remaining coverage consists of the unearned premium reserves, net of deferred acquisition costs, including any outstanding premium receivables.

Liability for incurred claims

The Company determines the claims incurred in accordance with the Company's claim experiences. The assumptions used in the estimation are intended to result in provisions which are sufficient to cover any liabilities arising out of insurance contracts to the extent that can be reasonably foreseen. However, because of the uncertainty of a provision for insurance claims, it is likely that the final outcome could prove to be different from the estimated liability.

Provision is estimated at the reporting date for the expected ultimate cost of settlement of all claims incurred in respect of events up to that date, whether reported or not, together with related claims handling expenses. The Company uses several statistical methods to incorporate the various assumptions made in order to estimate the ultimate cost of claims.

The Chain-Ladder technique involves the analysis of historical claims development factors and the selection of estimated development factors based on the historical claim development pattern. The selected development factors are then applied to cumulative claims data for each accident year.

The Bornhuetter-Ferguson method estimates the ultimate loss using a combination of actual reported losses and an estimate of loss developments for future losses which are based on the expected losses and the selected loss development factors of each accident year. The two estimates are combined using a formula that gives weight to the experience-based estimate as time passes.

Liability for remaining coverage

The best estimate of the liability for remaining coverage has been calculated by applying a future loss and expense ratio to the accounted unearned premium reserve. The future loss ratio is set with reference to observed loss ratios, adjusted for the effect of recent changes to premium rates, underwriting terms and policy terms where applicable.

Discount rate

All fulfilment cash flows relating to liability for incurred claims and liability for remaining coverage are discounted using selected yield curves. The Company uses the bottom-up approach for computing discount rate consistent with the position taken by the general insurance industry. The bottom-up discount rate comprises of a risk-free discount rate.

However, the Company has assessed that not applying discounts to the measurement of claims liabilities is appropriate given the nature of the business. The majority of claims are settled within 365 days, resulting in the effect of discounting being immaterial.

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Risk adjustment

The risk adjustment is determined in accordance with actuarial methods in accordance with generally accepted actuarial methods including the Mack and bootstrapping methods. The risk adjustment takes into account the size and nature of the business.

Applying the confidence level technique at reserving class level, the Company estimates the probability distribution of the expected value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk at the 75th percentile (on both a gross and net of reinsurance basis) over the expected present value of future cash flows. A diversification factor is also applied to each class to allow for diversification benefits. The diversification factor will be selected on both a gross and net of reinsurance basis.

To determine the risk adjustments for non-financial risk for reinsurance contracts, the Company applies the confidence level technique on both gross and net of reinsurance and derives the amount of risk being transferred to the reinsurer as the difference between the two results.

2.3 Transition approach for the adoption of TFRS 17 “Insurance Contracts” for the first time

In adopting TFRS 17 “Insurance Contracts”, the transition date has been determined as 1 January 2024. The change in accounting policies resulting from the adoption of this standard is applied using the Full Retrospective Approach (FRA) for insurance contracts issued before the transition date, as if the standard had been applied since the inception of the insurance contracts.

The Company has restated the statement of financial position as at 1 January 2024 and 31 December 2024, as well as the statements of income and comprehensive income for the year ended 31 December 2024, to present comparative information.

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The adjustments impact on the statement of financial position as at 1 January 2024 and 31 December 2024 are as follows:

	Thousand Baht			
	1 January 2024			
	As previously reported	Adjustments	Reclassifications	After adjusted and reclassifications
Statement of financial position				
Assets				
Premium due and uncollected	36,843	(36,843)	-	-
Reinsurance contract assets	-	30,366	-	30,366
Reinsurance assets	60,273	(60,273)	-	-
Due from reinsurers	15,422	(15,422)	-	-
Investments in securities	671,736	-	(671,736)	-
Financial assets - debt instruments	-	-	490,745	490,745
Financial assets - equity instruments	-	-	180,991	180,991
Deferred tax assets	31,587	(22,852)	-	8,735
Other assets	15,718	(5,471)	-	10,247
Liabilities				
Insurance contract liabilities	268,261	(76,032)	-	192,229
Reinsurance contract liabilities	-	14,819	-	14,819
Due to reinsurers	46,854	(46,854)	-	-
Deferred tax liabilities	1,528	7,258	-	8,786
Other liabilities - advance premium	9,549	(9,549)	-	-
Other liabilities - others	19,933	(6,160)	-	13,773
Equity				
Unappropriated retained earnings	166,278	6,011	-	172,289
Other components of equity - net	6,115	12	-	6,127

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	Thousand Baht			
	31 December 2024			
	As previously reported	Adjustments	Reclassifications	After adjusted and reclassifications
Statement of financial position				
Assets				
Premium due and uncollected	33,600	(33,600)	-	-
Reinsurance contract assets	-	29,070	-	29,070
Reinsurance assets	60,658	(60,658)	-	-
Due from reinsurers	25,577	(25,577)	-	-
Investments in securities	683,714	-	(683,714)	-
Financial assets - debt instruments	-	-	510,732	510,732
Financial assets - equity instruments	-	-	172,982	172,982
Deferred tax assets	41,765	(32,916)	-	8,849
Other assets	16,589	(3,565)	-	13,024
Liabilities				
Insurance contract liabilities	363,822	(89,858)	-	273,964
Reinsurance contract liabilities	-	15,688	-	15,688
Due to reinsurers	62,278	(62,278)	-	-
Deferred tax liabilities	-	11,165	-	11,165
Other liabilities - advance premium	8,078	(8,078)	-	-
Other liabilities - others	26,300	(4,936)	-	21,364
Equity				
Unappropriated retained earnings	143,961	11,128	-	155,089
Other components of equity - net	(7,159)	(77)	-	(7,236)

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The adjustments impact to the statements of income and comprehensive income for the year ended 31 December 2024

	Thousand Baht		
	For the year ended 31 December 2024		
	As previously reported	Adjustments	After adjusted
Statements of income			
Insurance revenue	-	344,115	344,115
Insurance service expenses	-	(300,131)	(300,131)
Net expense from reinsurance contracts held	-	(34,252)	(34,252)
Finance expense from insurance contracts issued	-	(3,201)	(3,201)
Finance income from reinsurance contracts held	-	800	800
Gross written premiums	419,925	(419,925)	-
Premiums ceded to reinsurers	(83,312)	83,312	-
Unearned premium reserves increase from prior period	(71,164)	71,164	-
Fee and brokerage incomes	33,630	(33,630)	-
Insurance claims	(125,170)	125,170	-
Claims expenses from reinsurers	11,349	(11,349)	-
Commissions and brokerage expenses	(62,490)	62,490	-
Other underwriting expenses	(117,118)	117,118	-
Operating expenses	(48,033)	17,392	(30,641)
Income tax (expenses) benefits	3,774	(13,956)	(10,182)
Profit (loss) for the year	(7,136)	5,117	(2,019)
Basic earnings (loss) per share	(0.59)	0.42	(0.17)
Statement of comprehensive income			
Other comprehensive income (loss)			
Items that will be reclassified subsequently to profit or loss			
Finance costs from insurance contracts issued	-	(114)	(114)
Finance income from reinsurance contracts held	-	40	40
Income tax relating to items that will be reclassified subsequently to profit or loss	-	(15)	(15)
Other comprehensive loss for the year	(13,455)	(89)	(13,544)
Total comprehensive loss for the year	(20,591)	5,028	(15,563)

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3. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) *Classification of insurance contract*

The Company classifies the insurance contract based on the nature of the contract. An insurance contract is one under which the insurer has accepted significant insurance risk from another party by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

The assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

For the determination of whether a significant insurance risk has been accepted is based on comparison of the amount of benefit payable under the contract if an insured event occurs with the payment obligation if the insured event does not occur. If a contract does not meet these criteria, the Company classifies it as an investment contract. Investment contracts are insurance contracts in legal form that transfer significant financial risk but not significant insurance risk.

Reinsurance contracts are classified as insurance contracts if they meet the definition of an insurance contract. However, even if a reinsurance contract does not give rise to a significant loss to the reinsurer, it is still considered to transfer significant insurance risk if it substantially transfers all insurance risk associated with the reinsured portions of the underlying insurance contracts to the reinsurer.

(b) *Insurance contracts and reinsurance contracts held*

1. *Separating components from insurance and reinsurance contracts held*

In addition to the provision of the insurance coverage service, some insurance contracts issued by the Company have other components such as an investment component, an embedded derivative or the provision of some other distinct goods or non-insurance services.

The Company assesses its products to determine whether some of these components are distinct and need to be separated and accounted for applying other TFRS Accounting Standards. When these non-insurance components are non-distinct, they are accounted for together with the insurance component applying TFRS 17.

The Company first considers the need to separate distinct embedded derivatives and investment components, before assessing the need to separate any goods and non-insurance services component.

(1) *Separating embedded derivatives*

In circumstances where the Company issues insurance contracts that include embedded derivatives, the Company assesses whether the embedded derivative is closely related to the host insurance contract. If the embedded derivative is not closely related to the host insurance contract, it is bifurcated from the host contract and accounted for separately in accordance with TFRS 9, measured at fair value through profit or loss (FVTPL).

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Conversely, if the embedded derivative is closely related to the host insurance contract, it is not bifurcated, and the entire contract, including the embedded derivative, is accounted for in accordance with TFRS 17.

During the year, the Company has not issued insurance contracts that include embedded derivatives which shall be accounted for separately from the host contract based on the criteria outlined above.

(2) Separating investment components

In certain circumstances, the Company issues insurance contracts that include an investment component, where the Company is required to repay to a policyholder in all circumstances, regardless of an insured event occurring. In assessing whether an investment component is distinct and therefore required to be accounted for separately applying TFRS 9. The Company considers whether the investment and insurance components are highly interrelated.

The Company determines that the investment and insurance components are highly interrelated if:

- The Company is unable to measure one component without considering the other; or
- The policyholder is unable to benefit from one component unless the other is present, for example, if cancelling one component also results in the termination of the other.

Where no distinct investment component is identified, the Company applies TFRS 17 to account for the non-distinct investment component as part of the insurance contract.

During the year, the Company did not issue insurance contracts that include an investment component which are required to be separately accounted.

(3) Separating promises to transfer distinct goods or non-insurance services

After the Company has determined whether to separate embedded derivatives and investment components, it considers the separation of any promise to transfer goods or non-insurance services embedded in the contract.

The Company separates from the host insurance contract only distinct promises to transfer goods or non-insurance services to a policyholder. Once separated, such promises are accounted for applying TFRS 15 "Revenues from contract with customers".

In determining whether an obligation to deliver a good or non-insurance service promised to a policyholder is distinct, the Company considers whether the policyholder can benefit from the good or service either on its own or together with other resources readily available to the policyholder (i.e. resources that are either sold separately or already owned by the policyholder).

A good or non-insurance service that is promised to the policyholder is not distinct if the cash flows and risks associated with the good or service are highly interrelated with the cash flows and risks associated with the insurance components. The Company provides a significant service integrating the good or non-insurance service with the insurance components.

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During the year, the Company did not issue any insurance contracts that include a promise to transfer goods or services other than the substantive insurance service, which would be considered a separate component.

(4) Separating insurance components of a single insurance contract

Once any embedded derivatives, investment components and the goods and services components are separated, the Company assesses whether the contract should be separated into several insurance components that, in substance, should be treated as separate contracts to reflect the substance of the transaction.

To determine whether insurance components should be recognised and measured separately, the Company considers whether:

- There is an interdependency between the different risks covered.
- The components can lapse independently of each other.
- The components can be priced and sold separately.

When the Company enters into one legal contract with different insurance components operating independently of each other, insurance components are recognised and measured separately applying TFRS 17.

During the year, the Company has not identified any insurance components that should be separated from single insurance contract.

2. *Combining a set or series of contracts*

In circumstances where the Company enters into two or more contracts simultaneously with the same or related counterparties to achieve an overall commercial objective, the Company accounts for such a set of contracts as a single insurance contract when this reflects the substance of the contractual arrangement.

In performing this assessment, the Company considers whether the rights and obligations arising from the contracts are different when assessed collectively compared to when assessed individually, and whether the Company is unable to measure one contract without considering the terms of the other.

3. *Recognition*

The Company recognises groups of insurance contracts issued from the earliest of the following dates:

- The beginning of the coverage period of the Group of contracts
- The date when the first payment from a policyholder in the Group becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received)
- The date when a Group of contracts becomes onerous

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The Company recognises only contracts issued within a one-year period meeting the recognition criteria by the end of reporting date. Subject to this limit, a group of insurance contracts can remain open after the end of the current reporting period. New contracts are included in the Group when they meet the recognition criteria in subsequent reporting periods until such time that all contracts expected to be included within the Group have been recognised.

4. *Contract boundaries*

The measurement of a group of insurance contracts includes all future cash flows expected to arise within the boundary of each contract in the group. In determining which cash flows fall within a contract boundary, the Company considers its substantive rights and obligations arising from the terms of the contract, and from applicable laws, regulations and customary business practices.

The Company determines that cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums or the Company has a substantive obligation to provide the policyholder with insurance contract services.

A substantive obligation to provide insurance contract services ends when the Company has the practical ability to reassess the risks of a particular policyholder and, as a result, to change the price charged or the level of benefits provided for the price to fully reflect the new level of risk.

Cash flows of a group of contracts, the Company applies judgment in assessing future policyholder behavior surrounding the exercise of options available to them. These include surrender options, and other options falling within the contract boundary.

The Company assesses the contract boundary at initial recognition and at each subsequent reporting date to include the effect of changes in circumstances on the Company's substantive rights and obligations.

5. *Measurement of insurance contracts - premium allocation approach*

(a) Insurance contracts issued - initial measurement

The Company measures groups of insurance contracts using the simplified approach known as the Premium Allocation Approach (PAA). At the inception date, each group of insurance contracts meets one of the following criteria:

- The group of insurance contracts has a coverage period of no more than one year; or
- The group of insurance contracts has a coverage period longer than one year, and the Company has performed a reasonable and supportable expectation through scenario-based analysis that measuring the liability for remaining coverage using the Premium Allocation Approach would not result in a materially different outcome compared to the General Measurement Model (GMM). In assessing whether the difference between the Premium Allocation Approach and the General Measurement Model is material, the Company also considers qualitative factors such as the nature of the risks and the types of insurance products involved.

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However, the Company does not apply the Premium Allocation Approach to measure a group of insurance contracts if, at the inception of the group, the Company expects significant variability in the cash flows needed to fulfill the contracts that would materially affect the measurement of the liability for remaining coverage prior to the occurrence of incurred claims. Such variability may arise from factors including, but not limited to, expected future cash flows related to any embedded derivatives within the contracts or the length of the coverage period of the group of insurance contracts.

Liability for remaining coverage (LRC)

At the initial recognition of each group of insurance contracts, the carrying amount of the liability for remaining coverage is equal to the premiums received on that date, net of insurance acquisition cash flows that are allocated to the group on that date.

The Company has assessed that its insurance contracts do not contain any significant financing component and/or the period between the provision of services and the premium due date does not exceed one year. Therefore, the Company does not adjust the carrying amount of the liability for remaining coverage to reflect the time value of money and the effects of financial risk.

If facts and circumstances indicate that an insurance contract issued is onerous at initial recognition, the Company performs further analysis to assess whether the total cash flows arising from the contract as of the initial recognition date result in a net outflow. If so, the Company classifies the contract separately as part of a group of onerous contracts, distinct from groups of non-onerous contracts, and recognises a loss in profit or loss for the net outflow. As a result, the carrying amount of the liability for the group of onerous contracts equals the fulfillment cash flows.

Insurance acquisition cash flows

Insurance acquisition cash flows arise from selling, underwriting, and initiating a group of insurance contracts (whether issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. These cash flows include those not directly attributable to individual contracts or groups of contracts within the portfolio.

The Company allocates insurance acquisition cash flows to groups of insurance contracts using a systematic and rational method. These amounts are amortised and recognised as expenses over the coverage period of the related insurance contracts.

The Company recognises the insurance acquisition cash flows of a group of insurance contracts as a deduction from the liability for remaining coverage.

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(b) *Reinsurance contracts held - initial measurement*

The Company measures the reinsurance asset for a group of reinsurance contracts held using the Premium Allocation Approach, in the same manner as for insurance contracts issued. However, the measurement is adjusted to reflect the terms and conditions specific to reinsurance contracts held, which differ from those of insurance contracts issued, such as presenting ceded premium discounts are presented as deductions from expenses instead of recognising them as revenue.

In addition, the Company incorporates the impact of the risk of non-performance by the reinsurer into the estimation of the value of the group of reinsurance contracts held.

If the Company recognises a loss on initial recognition of a group of onerous underlying insurance contracts, or if onerous underlying contracts are subsequently added to a group of reinsurance contracts held, the Company recognises a loss-recovery component of the reinsurance asset for the group of reinsurance contracts held, to reflect the expected recovery of the loss.

The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts by the percentage of claims from those contracts that the Company expects to recover under the group of reinsurance contracts held. The Company applies a systematic and rational method to determine the portion of the loss recognised on the group of insurance contracts that is covered by the reinsurance contracts held. The loss-recovery component is used to adjust the carrying amount of the reinsurance asset for the liability for remaining coverage.

The risk adjustment for non-financial risk in reinsurance contracts held reflects the value of risk transferred from the Company to the reinsurer.

(c) *Insurance contracts issued - subsequent measurement*

Liability for remaining coverage (LRC)

The Company measures the carrying amount of the liability for remaining coverage at the end of the reporting period based on the carrying amount at the beginning of the period, adjusted for the following:

- Increased by premiums received during the period and the amount of amortisation of insurance acquisition cash flows recognised as expenses in the period; and
- Decreased by insurance acquisition cash flows and the amount of insurance revenue recognised for services provided during the period.

If, during the coverage period, facts and circumstances indicate that a group of insurance contracts has become onerous, the Company calculates the difference between the carrying amount of the liability for remaining coverage and the fulfillment cash flows related to the remaining coverage. If the fulfillment cash flows exceed the carrying amount, the Company recognises a loss in statement of income and increases the liability for remaining coverage.

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The calculation of the fulfillment cash flows includes a risk adjustment for non-financial risk and an adjustment to reflect the time value of money.

Liability for incurred claims (LIC)

The Company measures the liability for incurred claims for a group of insurance contracts based on the fulfillment cash flows related to those incurred claims. The fulfillment cash flows comprise:

- Estimates of future cash flow (FCF) relating to claims that have been incurred and reported, as well as those incurred but not reported (IBNR), including related expenses such as directly attributable administrative and claim handling cost that fall within the scope of the insurance contract. In making these estimates, the Company applies actuarial techniques combined with management judgment to estimate the amounts expected to be paid within the boundary of existing contracts using claim development models derived from historical data on reported claims and other relevant internal and external sources. Historical data is regularly updated to reflect current conditions
- An adjustment to reflect the time value of money and the financial risks related to the future.

The Company adjusts the estimated future cash flows for incurred claims to reflect the time value of money and the associated financial risks.

Discount rate

The discount rate used in the estimation of future cash flows is a rate that reflects the time value of money, the nature of the cash flow, and the liquidity characteristics of the insurance contract.

The Company adopted a bottom-up approach to derive the discount rates applied to its insurance contracts based on the risk-free rates with an illiquidity adjustment to reflect the illiquid nature of insurance contract liabilities, if such adjustment has a significant impact.

Risk adjustment for non-financial risk

The Company adjusts present value of the future cash flows with the risk adjustment to reflect an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Company determines the non-financial risk adjustment using a Confidence Level Approach, employing Provisions for Adverse Deviations (PADs) calculated from the distribution of non-financial risks and the correlation assumptions among these risks. The Company will adjust the best estimate with the provisions for adverse deviations, and this risk adjustment will be calculated on a contract-by-contract basis.

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The Company establishes a confidence level for the probability distribution of the present value estimates of future cash flows from insurance contracts used in calculating the non-financial risk adjustment. This assessment is conducted at the corporate level, considering the value of risks at a confidence level exceeding the 75th percentile (target confidence level) above the estimated present value of future cash flows. Furthermore, the Company calculates the confidence level based on potential losses that may occur within one year.

(d) *Reinsurance contracts held - subsequent measurement*

The subsequent measurement of reinsurance contracts held is based on the same principles as the measurement of issued insurance contracts, adjusted to reflect the specific terms, conditions, and characteristics of the reinsurance contracts held.

After the Company has determined the components of the expected loss recovery, the Company must adjust these components to reflect any changes in the loss components of the group of onerous underlying insurance contracts. The carrying amount of the recoverable loss component shall not exceed the portion of the carrying amount of the loss component of the group of onerous underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

6. *Presentation*

The Company has presented separately in the statement of financial position the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities, and the portfolios of reinsurance contracts held that are assets and those that are liabilities.

The Company disaggregates, in the statement of profit or loss and other comprehensive income, the amounts recognised into an insurance service result, which comprises insurance revenue and insurance service expenses, and the net insurance finance income or expenses, which is presented separately from the insurance service result.

The Company includes any assets for insurance acquisition cash flows recognised before the corresponding groups of insurance contracts are recognised in the carrying amount of the related portfolios of insurance contracts issued.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion. It includes the entire change as part of the insurance service result.

Insurance revenue

The Company recognises insurance revenue for the period based on the passage of time by allocating expected premium receipts including premium experience adjustments to each period of service excluding amounts relating to investment components that are not considered part of insurance revenue.

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Insurance service expenses

Insurance service expenses arising from groups of insurance contracts issued are recognised in profit or loss as they are incurred. They exclude repayments of investment components and comprise the following items:

- Incurred claims and other insurance service expenses
- Amortisation of insurance acquisition cash flows
- Change that related to past services which are change in the fulfilment cash flows for incurred claims not from time value of money and financial risk
- Losses on onerous contracts and reversals of such losses.

Income or expenses from reinsurance contracts held

The Company presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately.

Income or expenses from reinsurance contracts held are split into the following two amounts:

- Amount recovered from reinsurers, which include cash flows that are contingent on claims as part of the amount recovered from reinsurers.
- An allocation of the premiums paid to reinsurers.

Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

For reinsurance contract measured under the premium allocation approach. Net incomes or expenses from reinsurance contracts recognised in a period is the amount of expected premium paid allocated to the period.

For a group of reinsurance contracts covering onerous underlying contracts, the company establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and
- for changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Company expects to recover from the reinsurance contracts.

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Insurance finance income or expenses

Insurance finance income or expenses present the effect of the time value of money and the change in the time value of money, together with the effect of financial risk and changes in financial risk of a group of insurance contracts and a group of reinsurance contracts held.

The Company has elected to recognise all insurance finance income and expense for the period through profit or loss.

(c) Financial instruments

1. Classification and measurement

On initial recognition, a financial asset is classified at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A debt security is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss;

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity security that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income on an investment-by-investment basis.

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and expected credit loss are recognised in profit or loss. Remeasurement gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Company's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

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Financial assets in foreign currencies are translated to the respective functional currencies at exchange rates at the dates of the transactions, and the balance at the end of reporting period are translated at the exchange rate at the reporting date. Foreign currency differences are generally recognised in profit or loss, except for differences arising from the translation of an investment in equity securities designated at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss), and qualifying cash flow hedges to the extent the hedge is effective, are recognised in other comprehensive income.

2. *Derecognition and offset*

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred and it does not retain control of the financial asset.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

3. *Impairment of financial assets other than other accounts receivables*

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

The Company recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. For debt securities at FVOCI, the Company recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

ECLs for investments in debt securities

Probabilities of default (PD) and loss given default (LGD) for investment in debt securities are based on historical data supplied by rating agency for each credit rating.

The Company considers debt securities to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'.

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For the year ended 31 December 2025

The Company assumes that the credit risk on debt securities has increased significantly if there is significant deterioration in debt securities' credit rating.

The Company considers debt securities to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full; or
- the debt securities are more than 1 day past due.

The assessment of a significant increase in credit risk is performed on an instrument basis and individual basis.

4. *Write offs*

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

5. *Interest*

Interest income and expense are recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

6. *Dividend income*

Dividend income is recognised as revenue when the right to receive the dividend is established.

7. *Gain (loss) on financial instruments*

Gain (loss) on disposal or write off of debt instruments designated to be measured at fair value through profit or loss, debt instruments measured at fair value through other comprehensive income, and debt instruments measured at amortised cost, are recognised as gain or loss on the transaction date.

8. *Fair value gain (loss) on financial instruments*

Fair value gain (loss) on financial instruments consists of gain (loss) from exchange rate and fair value gain (loss) from the change in fair value of debt instruments designated to be measured at fair value through profit or loss and derivatives. These are recognised as income or expenses in profit or loss on the fair value measurement dates.

(d) *Cash and cash equivalents*

Cash and cash equivalents consist of cash on hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

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For the year ended 31 December 2025

(e) *Loans and interest receivables and allowance for expected credit losses*

Loans and interest receivables are presented at the net amount expected to be received. The Company establishes an allowance for expected credit losses using a general approach, which involves considering expected losses over the lifetime of the loan.

The allowance for expected credit losses that is increased or decreased during the year is recorded as an expense in the profit or loss.

(f) *Property, plant and equipment*

Land is stated at cost. Plant and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives.

Building and improvement	20 years
Fixtures and office equipment	5 years
Motor vehicles	5 years

Land and construction in progress were not depreciated.

(g) *Intangible assets*

Intangible assets are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any).

Amortisation of intangible assets is calculated by reference to their costs on a straight-line basis over the following estimated useful lives.

Computer software	5 years
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(h) *Non-operation assets*

Land is stated at cost. Building is stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of non-operation assets is calculated by reference to their costs on the straight-line basis over the following estimated useful lives.

Building	20 years
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(i) *Investment property*

Investment property is initially recorded at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

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Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of 20 years. Depreciation of the investment property is charged as expense to profit or loss.

The Company recognises the difference between the net disposal proceeds and the carrying amount of the asset in statement of profit or loss in the period when the investment property is derecognised.

(j) Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment or intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value, less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in the profit or loss.

(k) Employee benefits

Short-term benefit

The Company recognises salary, wage, bonus, contribution to social security funds and provident funds as expenses incurred.

Post-employment benefits (Defined contribution plan)

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses in the year in which they are incurred.

Post-employment benefits (Defined benefit plan)

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law.

The Company's obligation under the defined benefit plan is to use the projected unit credit method, determined by the certified actuary. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates

Actuarial gains and losses arising from post-employment benefits are recognised in the other comprehensive income. Actuarial gains and losses for other long-term benefits are recognised in the profit or loss.

(l) Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. A provision is reviewed at the statement of financial position date and adjusted to reflect the current best estimate.

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Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

(m) Operating Expense

Operating expenses are operating expenses, not related to underwriting and claims, which are recognised as expenses as expenses on accrual basis.

(n) Income tax

Income tax consists of current income tax and deferred income tax

(a) Current income tax is provided for in the accounts based on the taxable profits determined in accordance with tax legislation during the reporting period and including unpaid tax in previous year.

(b) Deferred tax

(1) Deferred income tax is calculated based on temporary differences between book value of assets and liabilities as book in the statements of financial position compare with these tax bases of assets and liabilities. The Company will evaluate the value of deferred tax assets and liabilities by tax rate for each period that the Company has expected to get benefit from deferred tax assets or in each period expected to pay for deferred tax liabilities.

(2) The Company recognises deferred tax liabilities for taxable temporary differences and recognises deferred tax assets by comparing with the deductible temporary differences and tax losses carried forward. The Company recognises deferred tax assets to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

(3) At each statement of financial position date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised or change in tax rate.

(4) The Company recognises deferred tax as revenue or expense in the statements of income, except when the temporary differences relate to items under the owners' equity, in which case the deferred tax is directly recorded in the owners' equity.

(o) Earnings (loss) per share

Earnings (loss) per share is determined by dividing earnings (loss) for the year by the weighted average number of ordinary shares outstanding during the year.

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(p) Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures, and actual results could differ from these estimates. Significant judgements and estimates are as follows:

(a) Separation of non-insurance components from insurance contracts

The Company issues some insurance contracts that have several elements in addition to the provision of coverage services. Some of these elements may need to be separated and accounted for by applying other standards or remaining within the scope of the insurance financial reporting standard. This assessment is primarily based on the legal, economic, and substantive nature of the contract.

(b) Determination of the contract boundary

The measurement of a Group of insurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the Company considers its substantive rights and obligations arising from the terms of the contract, from applicable law, regulation and customary business practices.

(c) Level of aggregation

The Company applies judgment when distinguishing between contracts that have no significant possibility of becoming onerous and other profitable contracts to separate from the Group of contracts expected to be onerous, this consideration is crucial in determining the structure of the contract groups under the requirements of TFRS 17.

(d) Assessment of directly attributable cash flows

The Company uses judgment in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. Insurance acquisition cash flows are included in the measurement of a Group of insurance contracts only if they are directly attributable to the individual contracts in a Group, or to the Group itself, or the portfolio of insurance contracts to which the Group belongs. When estimating fulfilment cash flows, the company also allocates fixed and variable overheads fulfilment cash flows directly attributable to the fulfilment of insurance contracts. This consideration affects the measurement of cash flows in the Group of insurance contracts in accordance with the requirements of TFRS 17.

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(e) Assessment of the PAA eligibility

The Company exercises judgment in determining which groups of insurance contracts qualify to apply the premium allocation approach (PAA) instead of the general measurement model (GMM). This assessment is particularly important for contracts with coverage periods longer than one year, which may be eligible for exemption from the GMM if it is reasonably expected that the results under the PAA would not differ materially from those under the GMM at the initial recognition date. To ensure compliance with the eligibility criteria specified in the standard.

(f) Level of aggregation for determining the risk adjustment for non-financial risk

IFRS 17 does not define the level at which the risk adjustment for non-financial risk should be determined. The Company considers that the benefits of diversification occur at an issuing entity level and therefore determines the risk adjustment for non-financial risk at that level. The diversification benefit is then allocated to all groups of insurance contracts for which it has been considered in aggregate. The determination of the risk adjustment is performed at that level and allocated appropriately to each group of insurance contracts to fully reflect the uncertainty of future cash flows arising from obligations under the contracts. Thai Financial Reporting Standard No. 17 establishes general principles for determining coverage units for the recognition of insurance service revenue. The Company exercises judgment in selecting an appropriate method that reflects the nature of its products and portfolios.

(g) Determination of coverage units

IFRS 17 establishes general principles for determining coverage units for the recognition of insurance service revenue. The Company exercises judgment in selecting an appropriate method that reflects the nature of its products and portfolios.

This consideration includes evaluating the probability of insured events, the level of benefits that policyholders will receive during each period of coverage, and the nature of services provided under the scope of the contract.

(h) Allowance for expected credit losses of financial assets

The management is required to use judgement in estimating allowance for expected credit losses of financial assets. The Company's calculation of allowance for expected credit losses depends on the criteria used for assessment of a significant increase in credit risk, the debtor's status analysis, and the probability of debt collection. This estimation has various relevant factors; therefore, the actual results may differ from estimates.

(i) Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value and disclosures of fair value hierarchy.

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For the year ended 31 December 2025

(j) Property, plant and equipment, non-operating assets, intangible assets, and investment property

Management determines the estimated useful lives and residual values for property, plant and equipment, non-operating assets, intangible assets, and investment property.

Additionally, management will revise the depreciation charge where useful lives and residual values are different from previous estimates or will write off or write down assets that are obsolete, abandoned, or sold. Furthermore, management is required to review these assets for impairment periodically and record impairment losses when the recoverable amount is lower than the carrying amount. This requires significant judgment regarding the forecast of future revenues and expenses relating to the assets under review.

(k) Deferred tax

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. The Company considers future taxable income and ongoing prudent and feasible tax planning strategies in assessing whether to recognise deferred tax assets. The Company's assumptions regarding future profitability and the anticipated timing of utilisation of deductible temporary differences and significant changes in these assumptions from year to year may have a material impact on the Company's reported financial position and results of operations.

(l) Employee benefits obligations

The obligation under the defined benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

(m) Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgment to assess the results of the litigation and believes that loss incurred will not exceed the recorded amounts as at the end of reporting period. However, actual results could differ from the estimates.

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4. Insurance contract liabilities and Insurance contract assets

4.1 Components of the statement of financial position

The analysis of the amounts presented in the statement of financial position relating to insurance contracts, based on engagement judgment, is shown in the table below:

	Thousand Baht					
	2025					
	Fire	Marine	Motor	Personal		Total
accident				Miscellaneous		
Insurance contract liabilities						
- Insurance contract liabilities excluding items that arise before the recognition of a group of insurance contracts	51,325	3,539	199,182	128	13,440	267,614
Reinsurance contract assets	16,522	866	11,096	-	10,660	39,144
Reinsurance contract liabilities	11,624	-	-	38	-	11,662

	Thousand Baht					
	2024					
	Fire	Marine	Motor	Personal		Total
accident				Miscellaneous		
Insurance contract liabilities						
- Insurance contract liabilities excluding items that arise before the recognition of a group of insurance contracts	44,031	2,110	223,342	163	4,318	273,964
Reinsurance contract assets	12,775	230	13,592	-	2,473	29,070
Reinsurance contract liabilities	15,616	-	-	72	-	15,688

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Notes to financial statements

For the year ended 31 December 2025

4.2 Revenues and expenses from insurance service

4.2.1 Insurance revenue and insurance service result

Insurance revenue, insurance service expenses, and net expenses from reinsurance contracts held along with additional details on amounts recognised in profit or loss and other comprehensive income, as well as the reconciliation of insurance contract balances for the years ended 31 December 2025 and 2024, are presented as follows:

	Thousand Baht					
	2025					
	Fire	Marine	Motor	Personal accident	Miscellaneous	Total
Insurance revenue						
Insurance revenue from contracts measured under the PAA	122,955	10,025	308,427	563	3,132	445,102
Total insurance revenue	122,955	10,025	308,427	563	3,132	445,102
Insurance service expenses						
Incurred claims and other directly attributable expenses	(48,968)	(2,768)	(114,438)	(168)	(10,799)	(177,141)
Changes that relate to past service - changes in the FCF relating to the LIC	4,910	772	44,534	93	1,288	51,597
Losses on onerous contracts and reversal of those losses	(5,254)	-	(30,003)	-	(141)	(35,398)
Amortisation of insurance acquisition cash flows	(65,944)	(4,664)	(142,305)	(282)	(1,510)	(214,705)
Total insurance service expenses	(115,256)	(6,660)	(242,212)	(357)	(11,162)	(375,647)
Net income (expenses) from reinsurance contracts held						
Reinsurance expenses - contracts measured under the PAA	(36,249)	(2,791)	(13,247)	(145)	(6,665)	(59,097)
Effect of changes in the risk of reinsurers non-performance	1	-	-	-	(1)	-
Incurred claims recovery	34,502	2,670	8,615	76	9,453	55,316
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	(8,592)	(996)	(3,017)	(40)	(514)	(13,159)
Income on initial recognition of onerous underlying contracts	3,175	-	2,430	-	74	5,679
Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held	(2,960)	-	(2,794)	-	(74)	(5,828)
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	(2)	-	(833)	-	17	(818)
Total net expenses from reinsurance contracts held	(10,125)	(1,117)	(8,846)	(109)	2,290	(17,907)
Total insurance service result	(2,426)	2,248	57,369	97	(5,740)	51,548

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For the year ended 31 December 2025

	Thousand Baht					
	2024					
	Fire	Marine	Motor	Personal accident	Miscellaneous	Total
Insurance revenue						
Insurance revenue from contracts measured under the PAA	119,754	10,988	209,489	525	3,359	344,115
Total insurance revenue	119,754	10,988	209,489	525	3,359	344,115
Insurance service expenses						
Incurred claims and other directly attributable expenses	(33,793)	(2,023)	(110,935)	(156)	(1,895)	(148,802)
Changes that relate to past service - changes in the FCF relating to the LIC	8,426	2,066	32,512	78	3,577	46,659
Losses on onerous contracts and reversal of those losses	(1,191)	-	(45,117)	1	(39)	(46,346)
Amortisation of insurance acquisition cash flows	(59,572)	(4,521)	(85,949)	(247)	(1,353)	(151,642)
Total insurance service expenses	(86,130)	(4,478)	(209,489)	(324)	290	(300,131)
Net income (expenses) from reinsurance contracts held						
Reinsurance expenses - contracts measured under the PAA	(34,524)	(3,456)	(8,906)	(135)	(5,503)	(52,524)
Incurred claims recovery	19,051	996	6,147	45	1,128	27,367
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	(3,918)	(828)	(3,521)	(26)	(2,744)	(11,037)
Income on initial recognition of onerous underlying contracts	-	-	1,376	1	3	1,380
Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	(1,120)	(1)	(2)	(1,123)
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	714	-	955	(2)	18	1,685
Total net expenses from reinsurance contracts held	(18,677)	(3,288)	(5,069)	(118)	(7,100)	(34,252)
Total insurance service result	14,947	3,222	(5,069)	83	(3,451)	9,732

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4.3 Contracts measured under the PAA

4.3.1 Insurance contracts issued

4.3.2.1 Reconciliation of liabilities for remaining coverage and incurred claims

Thousand Baht					
2025					
Insurance contracts issued	Liabilities for remaining coverage		Liability for incurred claims for the group of contracts under PAA		
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening insurance contract liabilities	94,630	34,127	128,496	16,711	273,964
Insurance revenue	(445,102)	-	-	-	(445,102)
Insurance service expenses					
Incurring claims and other directly attributable expenses	-	(58,602)	219,289	16,454	177,141
Changes that relate to past service – changes in the FCF relating to the LIC	-	-	(39,700)	(11,897)	(51,597)
Loss on onerous contracts and reversal of those losses	-	35,398	-	-	35,398
Insurance acquisition cash flows amortisation	214,705	-	-	-	214,705
Insurance service expenses	214,705	(23,204)	179,589	4,557	375,647
Insurance service result	(230,397)	(23,204)	179,589	4,557	(69,455)
Finance expenses from insurance contracts issued	-	-	3,117	430	3,547
Total amounts recognised in comprehensive income	(230,397)	(23,204)	182,706	4,987	(65,908)
Cash flows					
Premiums received	404,371	-	-	-	404,371
Claims and other directly attributable expenses paid	-	-	(150,751)	-	(150,751)
Insurance acquisition cash flows	(194,062)	-	-	-	(194,062)
Total cash flows	210,309	-	(150,751)	-	(59,558)
Closing insurance contract liabilities	74,542	10,923	160,451	21,698	267,614

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Thousand Baht					
2024					
Insurance contracts issued	Liabilities for remaining coverage		Liability for incurred claims for the group of contracts under PAA		
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening insurance contract liabilities	62,610	9,630	105,817	14,172	192,229
Insurance revenue	(344,115)	-	-	-	(344,115)
Insurance service expenses					
Incurring claims and other directly attributable expenses	-	(21,849)	158,931	11,720	148,802
Changes that relate to past service – changes in the FCF relating to the LIC	-	-	(37,092)	(9,567)	(46,659)
Loss on onerous contracts and reversal of those losses	-	46,346	-	-	46,346
Insurance acquisition cash flows amortisation	151,642	-	-	-	151,642
Insurance service expenses	151,642	24,497	121,839	2,153	300,131
Insurance service result	(192,473)	24,497	121,839	2,153	(43,984)
Finance expenses from insurance contracts					
issued	-	-	2,929	386	3,315
Total amounts recognised in comprehensive income	(192,473)	24,497	124,768	2,539	(40,669)
Cash flows					
Premiums received	422,048	-	-	-	422,048
Claims and other directly attributable expenses paid	-	-	(102,089)	-	(102,089)
Insurance acquisition cash flows	(197,555)	-	-	-	(197,555)
Total cash flows	224,493	-	(102,089)	-	122,404
Closing insurance contract liabilities	94,630	34,127	128,496	16,711	273,964

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For the year ended 31 December 2025

4.3.2 Reinsurance contracts issued

4.3.2.1 Reconciliation for remaining coverage and incurred claims

Thousand Baht

Reinsurance contracts held	Remaining coverage		Incurred claims for the group of contracts under PAA		
	Excluding loss component recovery	Loss component recovery	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening reinsurance contract assets	2,670	2,426	21,390	2,584	29,070
Opening reinsurance contract liabilities	(26,705)	-	10,431	586	(15,688)
Net opening balance	(24,035)	2,426	31,821	3,170	13,382
Net income (expenses) from reinsurance contracts held					
Reinsurance expenses	(59,097)	-	-	-	(59,097)
Incurred claims recovery	-	-	49,833	5,483	55,316
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	(10,688)	(2,471)	(13,159)
Income on the initial recognition of the onerous underlying contract	-	5,679	-	-	5,679
Reversal of a loss recovery component other than changes in the FCF of reinsurance contracts held	-	(5,828)	-	-	(5,828)
Changes in the FCF of reinsurance contracts held relating to underlying onerous insurance contracts	-	(818)	-	-	(818)
Net income (expenses) from reinsurance contracts held	(59,097)	(967)	39,145	3,012	(17,907)
Finance income (expenses) from reinsurance contracts held	-	-	772	103	875
Total amounts recognised in comprehensive income	(59,097)	(967)	39,917	3,115	(17,032)
Cash flows					
Net insurance premium paid and other directly attributable expenses regarding reinsurance	66,191	-	-	-	66,191
Recoveries from reinsurance	-	-	(35,059)	-	(35,059)
Total cash flows	66,191	-	(35,059)	-	31,132
Closing reinsurance contract assets	6,192	1,460	26,704	4,788	39,144
Closing reinsurance contract liabilities	(23,134)	-	9,976	1,496	(11,662)
Net closing balance	(16,942)	1,460	36,680	6,284	27,482

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For the year ended 31 December 2025

Thousand Baht

2024

Reinsurance contracts held	Remaining coverage		Incurred claims for the group of contracts under PAA		
	Excluding loss component recovery	Loss component recovery	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening reinsurance contract assets	5,314	483	20,928	3,641	30,366
Opening reinsurance contract liabilities	(23,930)	1	8,465	645	(14,819)
Net opening balance	(18,616)	484	29,393	4,286	15,547
Net income (expenses) from reinsurance contracts held					
Reinsurance expenses	(52,524)	-	-	-	(52,524)
Incurred claims recovery	-	-	25,102	2,265	27,367
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	(7,552)	(3,485)	(11,037)
Income on the initial recognition of the onerous underlying contract	-	1,380	-	-	1,380
Reversal of a loss recovery component other than changes in the FCF of reinsurance contracts held	-	(1,123)	-	-	(1,123)
Changes in the FCF of reinsurance contracts held relating to underlying onerous insurance contracts	-	1,685	-	-	1,685
Net income (expenses) from reinsurance contracts held	(52,524)	1,942	17,550	(1,220)	(34,252)
Finance income (expenses) from reinsurance contracts held	-	-	737	104	841
Total amounts recognised in comprehensive income	(52,524)	1,942	18,287	(1,116)	(33,411)
Cash flows					
Net insurance premium paid and other directly attributable expenses regarding reinsurance	47,104	-	-	-	47,104
Recoveries from reinsurance	-	-	(15,858)	-	(15,858)
Total cash flows	47,104	-	(15,858)	-	31,246
Closing reinsurance contract assets	2,670	2,426	21,390	2,584	29,070
Closing reinsurance contract liabilities	(26,705)	-	10,431	586	(15,688)
Net closing balance	(24,035)	2,426	31,821	3,170	13,382

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For the year ended 31 December 2025

4.4 Claims development table

4.4.1 Gross claims development tables

Claims payments compared with the previously estimated undiscounted amounts of expected claims, based on the gross claims development tables as at 31 December 2025 and 2024.

	Thousand Baht						
	2020	2021	2022	2023	2024	2025	Total
Estimate of claims:							
At end of accident year	131,607	91,899	161,967	142,345	128,532	186,670	
One year later	121,491	88,699	177,514	136,922	143,278		
Two years later	103,795	82,254	156,262	112,424			
Three years later	103,090	89,454	155,660				
Four years later	111,460	89,489					
Five years later	111,493						
Estimate of ultimate claims	111,636	89,599	156,146	112,598	145,124	224,711	
Cumulative claim payment and related direct expenses	(111,460)	(89,438)	(152,616)	(109,238)	(112,334)	(104,467)	
Total cumulative gross loss reserves - accident years 2020 to 2025	176	161	3,530	3,360	32,790	120,244	160,261
Total cumulative gross loss reserve - before accident year 2020							1,050
Impact of discount rate							(972)
Risk adjustment for non-financial risk							21,810
Liabilities for incurred claims							182,149

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For the year ended 31 December 2025

	Thousand Baht						
	2019	2020	2021	2022	2023	2024	Total
	Underwriting year/Accident year						
Estimate of claims:							
At end of accident year	171,147	131,607	91,899	161,967	142,345	128,532	
One year later	175,521	121,491	88,699	177,514	136,922		
Two years later	163,013	103,795	82,254	156,262			
Three years later	158,763	103,090	89,454				
Four years later	119,920	111,460					
Five years later	149,662						
Estimate of ultimate claims	149,877	111,675	89,598	156,620	137,971	162,157	
Cumulative claim payment and related direct expenses	(148,877)	(111,461)	(89,374)	(152,329)	(106,993)	(69,226)	
Total cumulative gross loss reserves - accident years 2019 to 2024	1,000	214	224	4,291	30,978	92,931	129,638
Total cumulative gross loss reserve - before accident year 2019							43
Impact of discount rate							(1,334)
Risk adjustment for non-financial risk							16,860
Liabilities for incurred claims							<u>145,207</u>

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For the year ended 31 December 2025

4.4.2 Net claims development tables

Claims payments compared with the previously estimated undiscounted amounts of expected claims, based on the net claims development tables as at 31 December 2025 and 2024.

	Thousand Baht					
	2020	2021	2022	2023	2024	2025
						Total
	Underwriting year/Accident year					
Estimate of claims:						
At end of accident year	113,890	72,440	143,572	119,837	113,517	155,155
One year later	106,692	71,573	159,754	121,440	126,507	
Two years later	88,618	65,553	136,542	98,335		
Three years later	87,987	62,954	135,993			
Four years later	82,853	62,974				
Five years later	82,885					
Estimate of ultimate claims	83,028	63,085	136,256	98,509	127,680	182,030
Cumulative claim payment and related direct expenses	(82,855)	(62,937)	(134,517)	(95,809)	(97,665)	(93,356)
Total cumulative net loss reserves - accident years 2020 to 2025	173	148	1,739	2,700	30,015	88,674
Total cumulative net loss reserve - before accident year 2020						123,449
Impact of discount rate						1,006
Risk adjustment for non-financial risk						(768)
Liabilities for incurred claims						15,498
						<u>139,185</u>

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For the year ended 31 December 2025

	Thousand Baht					
	2019	2020	2021	2022	2023	2024
						Total
				Underwriting year/Accident year		
Estimate of claims:						
At end of accident year	133,884	113,890	72,440	143,572	119,837	113,517
One year later	136,394	106,692	71,573	159,754	121,440	
Two years later	123,514	88,618	65,553	136,542		
Three years later	116,872	87,987	62,954			
Four years later	111,412	82,853				
Five years later	115,540					
Estimate of ultimate claims	115,756	83,068	63,095	136,662	118,216	134,309
Cumulative claim payment and related direct expenses	(114,806)	(82,882)	(62,907)	(134,446)	(94,178)	(64,296)
Total cumulative net loss reserves - accident years 2019 to 2024	950	186	188	2,216	24,038	70,013
Total cumulative net loss reserve - before accident year 2019						97,591
Impact of discount rate						44
Risk adjustment for non-financial risk						(1,089)
Liabilities for incurred claims						13,669
						110,215

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Notes to financial statements

For the year ended 31 December 2025

5. Cash and cash equivalents

	Thousand Baht	
	2025	2024
Cash on hand	180	186
Deposits at banks with no fixed maturity date	59,779	75,790
Deposits at banks with fixed maturity date	-	10,000
Total	59,959	85,976

6. Financial assets and liabilities

6.1 Classification of financial assets and liabilities

	Thousand Baht		
	2025		
	Equity instruments designed to be measured at FVOCI	Financial instruments measured at amortised cost	Total
Financial assets			
Cash and cash equivalents	-	59,959	59,959
Financial assets - debt instruments	-	265,752	265,752
Financial assets - equity instruments	191,979	-	191,979
Loans and accrued interest	-	2,712	2,712
Deposits at banks with maturity of more than 3 months	-	283,890	283,890
Total financial assets	191,979	612,313	804,292

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For the year ended 31 December 2025

	Thousand Baht		
	2024		
	Equity instruments designed to be measured at FVOCI	Financial instruments measured at amortised cost	Total
Financial assets			
Cash and cash equivalents	-	85,976	85,976
Financial assets - debt instruments	-	286,842	286,842
Financial assets - equity instruments	172,982	-	172,982
Loans and accrued interest	-	3,470	3,470
Deposits at banks with maturity of more than 3 months	-	223,890	223,890
Total financial assets	172,982	600,178	773,160

On 29 November 2024, the Company received repayment for debentures in Thai Airways International Public Company Limited through a debt-to-equity conversion (Mandatory conversion) at a rate of 24.50% of the principal amount, at a conversion price of Baht 2.5452 per share. Consequently, the Company received a total of 3,369,086 common shares from the conversion, amounting to Baht 8.57 million. Accordingly, the Company reclassified the debentures amounting to Baht 8.57 million, previously recorded as part of private enterprise debt securities, to equity securities classified as investments measured at fair value through other comprehensive income. In addition, the Company reversed allowance for expected credit losses previously recognised on the converted portion by the same amount. For the remaining 75.50% of the principal amount, the Company has not exercised the option to convert the outstanding debentures into equity (Voluntary conversion).

6.2 Classified by type of financial assets

	Thousand Baht	
	2025	2024
Debt securities measured at amortised cost		
Government and state enterprise securities	6,200	11,200
Private enterprise debt securities	286,236	302,425
Deposits at financial institutions with maturities over three months	283,890	223,890
Total	576,326	537,515
<i>Less allowance for expected credit losses</i>	<i>(26,684)</i>	<i>(26,783)</i>
Net	549,642	510,732

Charan Insurance Public Company Limited

Notes to financial statements

For the year ended 31 December 2025

6.3 Classified by stage of credit risk

	Thousand Baht		
	2025		
	Gross carrying value	Allowance for expected credit losses	Net carrying value
Debt securities which credit risk			
has not significantly increased (Stage 1)	549,901	(259)	549,642
Credit-impaired investments in debt securities (Stage 3)	26,425	(26,425)	-
Total	576,326	(26,684)	549,642

	Thousand Baht		
	2024		
	Gross carrying value	Allowance for expected credit losses	Net carrying value
Debt securities which credit risk			
has not significantly increased (Stage 1)	511,090	(358)	510,732
Credit-impaired investments in debt securities (Stage 3)	26,425	(26,425)	-
Total	537,515	(26,783)	510,732

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6.4 Classified by remaining periods of debt instruments

As at 31 December 2025 and 2024, investments in debt securities, which are not debt instruments designated to be measured at fair value through profit or loss, are classified by remaining periods to maturity as follows:

	Thousand Baht			
	2025			
	1 year	1 - 5 years	Over 5 years	Total
Investments measured at amortised cost				
Government and state enterprise securities	200	6,000	-	6,200
Private enterprise debt securities	54,000	212,136	20,100	286,236
Deposits at banks with maturity of more than 3 months	283,890	-	-	283,890
Less Allowance for expected credit losses	(70)	(11,506)	(15,108)	(26,684)
Total	338,020	206,630	4,992	549,642

	Thousand Baht			
	2024			
	1 year	1 - 5 years	Over 5 years	Total
Investments measured at amortised cost				
Government and state enterprise securities	6,000	5,200	-	11,200
Private enterprise debt securities	94,000	184,550	23,875	302,425
Deposits at banks with maturity of more than 3 months	223,890	-	-	223,890
Less Allowance for expected credit losses	(179)	(7,714)	(18,890)	(26,783)
Total	323,711	182,036	4,985	510,732

6.5 Financial assets - Equity securities

	Thousand Baht	
	2025	2024
Equity instruments designated to be measured at fair value through other comprehensive income		
Government and state enterprise securities	7,567	7,458
Domestic equity securities	184,412	165,524
Total	191,979	172,982

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Notes to financial statements

For the year ended 31 December 2025

6.6 Dividend income

	Thousand Baht			
	2025		2024	
	Fair value	Dividend received during the year	Fair value	Dividend received during the year
Equity instruments designated to be measured at fair value through other comprehensive income				
Common stocks	191,979	7,802	172,982	7,742
Total	191,979	7,802	172,982	7,742

6.7 Derecognition of equity securities

For the years ended 31 December 2025 and 2024, the Company disposed off its equity securities designated to be measured at fair value through other comprehensive income from the accounts. The Company therefore transferred the previous recognised changes in the fair value of these investments in other comprehensive income, to be recognised in retained earnings as follows:

	Thousand Baht			
	2025			
	Fair value at the derecognition date	Dividend received	Gains (losses) on revaluation previously recognised in other comprehensive income	Reason for derecognition
Financial assets disposed of				
Common stocks	3,404	-	1,810	Sales
Total	3,404	-	1,810	

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For the year ended 31 December 2025

	Thousand Baht			
	2024			
	Fair value at the derecognition date	Dividend received	Gain (losses) on revaluation previously recognised in other comprehensive income	Reason for derecognition
Financial assets disposed of				
Common stocks	-	-	-	
Total	-	-	-	

6.8 Investments subject to restriction

As at 31 December 2025 and 2024, the Company pledged bank deposit amounting to Baht 189.89 million and Baht 89.89 million, respectively, as collateral as stated in note 26.

7. Loans and interest receivables

As at 31 December 2025 and 2024, loans and interest receivables classified by stage of credit risk were as follows:

Classification	Thousand Baht		
	2025		
	Mortgage loans	Other loans	Total
Loans which credit risk has not significantly increased (Stage 1)	2,606	106	2,712
Total	2,606	106	2,712

Classification	Thousand Baht		
	2024		
	Mortgage loans	Other loans	Total
Loans which credit risk has not significantly increased (Stage 1)	3,242	228	3,470
Total	3,242	228	3,470

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For the year ended 31 December 2025

- 7.1 The mortgage loans are loan facilities provided to employees and other person as part of the credit welfare project for houses with interest rate at MLR - 1% and MLR - 1.5% per annum.
- 7.2 The loans with surety are loans provided to employees and another person as part of the welfare program with an interest rate at MLR - 1.5% per annum.

8. Investment property

As at 31 December 2025 and 31 December 2024, investment property is land and building for rental.

	Thousand Baht		
	Land	Building	Total
Cost			
As at 1 January 2024	16,000	36,690	52,690
As at 31 December 2024	16,000	36,690	52,690
As at 31 December 2025	16,000	36,690	52,690
Accumulated depreciation			
As at 1 January 2024	-	36,690	36,690
As at 31 December 2024	-	36,690	36,690
As at 31 December 2025	-	36,690	36,690
Net book value			
As at 31 December 2024	16,000	-	16,000
As at 31 December 2025	16,000	-	16,000

On 30 November 2024, the Company transferred a part of land and building amounting to Baht 52.69 million, with net book value of Baht 16 million, which had been recorded as non-operating assets to building for rental and recorded as investment property since the Company changed the purpose of using such asset (see Note 10).

The fair value of the investment property as at 31 December 2025 and 2024 are stated below:

	Thousand Baht	
	2025	2024
Land	44,415	44,415
Building	14,671	15,173
As at 31 December	59,086	59,588

The fair value of the above investment property has been determined based on valuation performed by an independent appraiser. The fair value of the office building held for rent has been determined using the cost approach, which estimated current replacement cost less accumulated depreciation and added with fair value of land.

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For the year ended 31 December 2025

9. Property, plant and equipment

	Thousand Baht					
	Land	Building	Fixture and office equipment	Vehicles	Assets under construction	Total
Cost						
As at 1 January 2024	41,549	80,536	4,308	10,611	-	137,004
Additions	-	-	229	-	1,480	1,709
Write off	-	-	(231)	-	-	(231)
Reclassification accounts to non-operating assets	(28,000)	(38,264)	-	-	-	(66,264)
As at 31 December 2024	13,549	42,272	4,306	10,611	1,480	72,218
Additions	-	-	400	-	370	770
Disposal	-	-	(4)	-	-	(4)
Write off	-	-	(244)	-	-	(244)
Transfer in (out)	-	1,850	-	-	(1,850)	-
As at 31 December 2025	13,549	44,122	4,458	10,611	-	72,740
Accumulated depreciation						
As at 1 January 2024	-	80,448	3,733	10,611	-	94,792
Depreciation for the year	-	25	210	-	-	235
Write off	-	-	(231)	-	-	(231)
Reclassification accounts to non-operating assets	-	(38,201)	-	-	-	(38,201)
As at 31 December 2024	-	42,272	3,712	10,611	-	56,595
Depreciation for the year	-	240	248	-	-	488
Disposal	-	-	(4)	-	-	(4)
Write off	-	-	(238)	-	-	(238)
As at 31 December 2025	-	42,512	3,718	10,611	-	56,841
Net book value						
As at 31 December 2024	13,549	-	594	-	1,480	15,623
As at 31 December 2025	13,549	1,610	740	-	-	15,899

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For the year ended 31 December 2025

10. Non-operating assets

	Thousand Baht		
	Land	Building	Total
Cost			
As at 1 January 2024	-	-	-
Reclassification from property, plant and equipment	28,000	38,264	66,264
Reclassification to investment property	(16,000)	(36,690)	(52,690)
As at 31 December 2024	12,000	1,574	13,574
As at 31 December 2025	12,000	1,574	13,574
Accumulated depreciation			
As at 1 January 2024	-	-	-
Reclassification from property, plant and equipment	-	38,201	38,201
Reclassification to investment property	-	(36,690)	(36,690)
Depreciation for the year	-	53	53
As at 31 December 2024	-	1,564	1,564
Depreciation for the year	-	10	10
As at 31 December 2025	-	1,574	1,574
Net book value			
As at 31 December 2024	12,000	10	12,010
As at 31 December 2025	12,000	-	12,000

During 2024, the Company reclassified land and building, which were previously used as the branches, with a net book value as at the date of reclassification of Baht 28.06 million, to non-operating assets since the Company no longer utilises these assets.

On 30 November 2024, the Company transferred a part of land and building amounting to Baht 52.69 million, with net book value of Baht 16 million, which had been recorded as non-operating assets to building for rental and recorded as investment property since the Company changed the purpose of using such asset.

Charan Insurance Public Company Limited**Notes to financial statements****For the year ended 31 December 2025****11. Deferred tax asset / deferred tax liabilities / income tax expenses**

As at 31 December 2025 and 2024, deferred tax assets and liabilities consist of the following items:

	Thousand Baht	
	2025	2024
Deferred tax assets		
Allowance for expected credit losses	5,378	5,397
Employee benefit obligations	1,206	1,662
Unrealised loss on equity instruments designated to be measured at fair value through other comprehensive income	-	1,790
Total	6,584	8,849
Deferred tax liabilities		
Unrealised gain on equity instruments designated to be measured at fair value through other comprehensive income	(2,311)	-
Insurance and reinsurance contracts	(10,685)	(11,165)
Total	(12,996)	(11,165)
Net	(6,412)	(2,316)

Income tax expenses for the years ended 31 December 2025 and 2024 are as follows:

	Thousand Baht	
	2025	2024
Current income tax	2,829	4,568
Deferred income tax	55	5,614
Income tax expenses	2,884	10,182

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Reconciliations between income tax expenses and accounting profit multiplied by the applicable tax rate for the years ended 31 December 2025 and 2024 are as follows:

	Thousand Baht	
	2025	2024
Profit before income tax	33,540	8,163
Income tax rate at 20%	6,708	1,633
Tax effect of exempted income and non-deductible expense	(1,588)	(1,592)
Reversal deferred tax income	362	10,141
Unrecognized temporary differences	(2,598)	-
Income tax expenses	2,884	10,182

12. Employee benefit obligations

	Thousand Baht	
	2025	2024
Defined benefit obligations as at 1 January	8,308	8,125
Recognised in profit (loss) for the year		
Current service cost	379	369
Interest cost	169	182
Benefits paid during the year	(3,280)	(594)
Recognised in other comprehensive income for the year		
Loss on remeasurement of employee benefit obligations	455	226
Defined benefit obligations as at 31 December	6,031	8,308

Actuarial assumptions used for calculation:

	2025	2024
Retirement age	60 years old	60 years old
Discount rate	1.69% per annum	2.30% per annum
Salary increase rate	3.00% per annum	3.00% per annum
Turnover rate	1.91% - 22.92% per annum	1.91% - 22.92% per annum
Mortality rate	According to Thai Mortality Rate of 2017	According to Thai Mortality Rate of 2017

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Remeasurements of employment benefit obligations recognised in other comprehensive income arising from:

Assumptions	Thousand Baht	
	2025	2024
Experience adjustments	217	92
Change in financial assumptions	238	134
Total	455	226

Sensitive analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Benefit obligations		Benefit obligations	
	Assumption	in employee	Assumption	in employee
	increase	increase	decrease	increase
	change	(decrease)	change	(decrease)
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
As at 31 December 2025				
Discount rate	+1	(386)	-1	428
Future salary increases	+1	418	-1	(385)
Turnover rate	+20	(183)	-20	197
As at 31 December 2024				
Discount rate	+1	(374)	-1	414
Future salary increases	+1	407	-1	(375)
Turnover rate	+20	(175)	-20	187

The sensitivity analysis of changes in interest rates represents the effect of possible interest rate changes on the comprehensive income statement, with all other variables held constant.

13. Legal reserve

Under Section 116 of the Public Companies Act B.E. 2535 (1992), the Company is required to set aside a legal reserve of at least 5% of annual net profit until the cumulative reserve reaches 10% of the authorised share capital. Such legal reserve is not available for dividend distribution.

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For the year ended 31 December 2025

14. Net investment income

Net investment income for the years ended 31 December 2025 and 2024 are as follows:

	Thousand Baht	
	2025	2024
Interest incomes	13,128	13,385
Dividend received	7,802	7,742
Total	20,930	21,127

15. Expenses by nature

Expenses by nature for the years ended 31 December 2025 and 2024 are as follows:

	Thousand Baht	
	2025	2024
Personnel expenses	25,507	23,722
Premises and equipment expenses	7,368	6,875
Taxes and duties	2,729	2,846
Directors' remuneration	1,215	1,615
Professional fee expense	16,191	8,583
Other operating expenses	4,710	4,392
Total other operating expenses before allocation	57,720	48,033
<i>Less</i> Amount attributed to insurance acquisition cash flows		
incurred during the year	(18,817)	(17,392)
Total expenses by nature, presented as other operating expenses after allocation	38,903	30,641

16. Reversal of expected credit losses

Reversal of expected credit losses for the years ended 31 December 2025 and 2024 are as follows:

	Thousand Baht	
	2025	2024
Financial assets	99	8,562
Other assets	(1)	(599)
Total	98	7,963

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Benefits paid to directors and key management

Directors' remuneration is the benefit paid to the Company's directors in accordance with Section 90 of the Public Company Limited Act B.E. 2535 (1992) excluding salaries and related benefits to be paid to executive directors.

Benefit expenses paid to the chief executive officer, the next four executive levels immediately below that chief executive officer and all persons in positions comparable to these four executive levels consist of salaries, bonus, retirement benefit and meeting allowance.

Directors' remuneration and management benefit expenses for the years ended 31 December 2025 and 2024 are presented as follows.

	Thousand Baht	
	2025	2024
Short-term benefits	14,948	14,256
Long-term benefits	459	312
Total	15,407	14,568

17. Risks of non-life insurance business

18.1 Insurance risk

Insurance risk refers to the risk of loss arising from unpredictability of frequency, severity and timing of damage that differ from the assumptions made in calculating premiums or reserves and in underwriting considerations as well as loss or damage arising from unusual external factors, particularly those caused by geographical changes, including social calamities. All such factors can do severe damage to life and property insured by the Company.

The risk factors that could negatively affect the operations include insurance claims as they represent a major expenditure uncontrollable by the Company. Another factor is the risk of unbalanced product mix resulting.

Systematic risk management is in place covering from the process of risk underwriting. It is our policy to insure against those perils with a low degree of risk through careful selection of prospective clients, property, types of business and exposure of risks to be accepted and by taking into account the area's vulnerability to natural disasters. These factors would be considered based on data and statistics collected before premiums are set appropriately according to the risk. The Company also mitigates insurance risk by transferring those large risks to financially sound domestic and overseas reinsurers under different forms of reinsurance contracts such as treaty reinsurance, facultative reinsurance and excess of loss reinsurance. Such arrangements enable the Company to minimise insurance risk and ensure a rigorous, systematic claims management process where claims are settled accurately according to actual loss.

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For the year ended 31 December 2025

Concentrations of insurance contract liabilities, segregated by insurance type, is tabled below.

	Thousand Baht					
	2025			2024		
	Insurance contract liabilities	Reinsurance contract assets - net	Net	Insurance contract liabilities	Reinsurance contract assets - net	Net
Fire	51,325	(4,898)	46,427	44,031	2,841	46,872
Marine and transportation	3,539	(866)	2,673	2,110	(230)	1,880
Motor	199,182	(11,096)	188,086	223,342	(13,592)	209,750
Personal accident	128	38	166	163	72	235
Miscellaneous	13,440	(10,660)	2,780	4,318	(2,473)	1,845
Total	267,614	(27,482)	240,132	273,964	(13,382)	260,582

Sensitivity testing is an analysis of the extent to which insurance liabilities risk will increase or decrease due to changes in the assumptions used in the calculation. This will affect both gross claim expenses and net claim expenses and the risk may be the result of the frequency and severity of the losses or expenses used in determining the claims not being as expected.

The impact of changes in the assumptions used in the calculation on the reserve for claims before and after reinsurance as at 31 December 2025 and 2024 can be shown as follows.

	Thousand Baht			
	2025			
	Assumption change	Insurance contract liabilities	Reinsurance contract assets	Profit (loss) before income tax
Ultimate loss ratio	+1%	1,359	1,032	(1,032)
	-1%	(1,359)	(1,042)	1,042
ULAE Ratio	+1%	995	990	(990)
	-1%	(995)	(1,000)	1,000

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	Thousand Baht			
	2024			
	Assumption change	Insurance contract liabilities	Reinsurance contract assets	Profit (loss) before income tax
Ultimate loss ratio	+1%	1,183	845	(845)
	-1%	(1,183)	(856)	856
ULAE Ratio	+1%	874	869	(869)
	-1%	(874)	(879)	879

18.2 Financial instruments and risk management

The Company's financial instruments comprise cash and cash equivalents, premium due and uncollected, accrued investment income, investments, loans, reinsurance assets and reinsurance receivables. The financial risks associated with these financial instruments and how they are managed is described below.

(a) Credit risk

Concentrations of the credit risk with respect to premium due and uncollected, reinsurance assets and reinsurance receivables are considered low because the Company's policy holders and reinsurers are dispersed across different industries and geographic regions in Thailand and in foreign countries.

The maximum exposure to credit risk is limited to the carrying value of those assets after deduction of allowance for doubtful accounts as stated in the statement of financial position.

Credit risk arising from collection of premium receivables

The Company has managed the risk arising from the collection of insurance premiums, establishing stricter criteria and conditions as to determination of a credit limit and credit terms of agents and brokerages and authorisation control in order to facilitate business expansion.

Credit risk arising from reinsurance

The Company has managed the risk arising from reinsurance, developing reinsurance strategies and establishing criteria and guidelines in assessing the credibility of reinsurance companies in order to minimise credit risk arising from reinsurance. The selected reinsurance companies' credit ratings are not to be lower than that specified.

Credit risk arising from investments

The Company has managed the risk arising from investments, establishing investment limits for each agreement and the minimum credit rating criteria for counterparties that the Company is able to make an investment within the Company's investment policy framework.

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The criteria used in determining measurement of expected credit losses in the next 12 months are as follows:

Stage 1: Financial assets with no significant increase in credit risk (12-month ECL)

An investment asset, with a credit rating performed by a reliable credit rating agency or, if unavailable, a credit rating performed by an issuer, or comparable credit rating of BBB- or higher that can be obtained without incurring any costs, is classified to be in this stage. The Company uses the assets' credit rating at the end of the reporting period or on the most recent date the credit rating has been changed.

Stage 2: Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)

An investment asset, with a credit rating lower of BBB- at the end of the reporting period.

Stage 3: Financial assets that are credit-impaired (Lifetime ECL - credit impaired)

Only after a payment of interest or principals missed by 1 day.

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The table below shows the credit quality of financial assets exposed to credit risk. The amounts presented for financial assets are gross carrying amount (before deducting allowance for expected credit losses)

	Thousand Baht				
	2025				
	Financial assets with no significant increase in credit risk (12-month ECL)	Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets that applied simplified approach to calculate expected credit losses (Lifetime ECL - simplified approach)	Total
Cash and cash equivalents					
Investment grade	59,959	-	-	-	59,959
Allowance for expected credit losses	-	-	-	-	-
Accrued investment income					
Investment grade	3,229	-	-	-	3,229
Allowance for expected credit losses	-	-	-	-	-
Investments measured at amortised cost					
Investment grade	549,901	-	-	-	549,901
Non-investment grade	-	-	26,425	-	26,425
Allowance for expected credit losses	(259)	-	(26,425)	-	(26,684)

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	Thousand Baht				
	2024				
	Financial assets with no significant increase in credit risk (12-month ECL)	Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets that applied simplified approach to calculate expected credit losses (Lifetime ECL - simplified approach)	Total
Cash and cash equivalents					
Investment grade	85,976	-	-	-	85,976
Allowance for expected credit losses	-	-	-	-	-
Accrued investment income					
Investment grade	3,469	-	-	-	3,469
Allowance for expected credit losses	-	-	-	-	-
Investments measured at amortised cost					
Investment grade	511,090	-	-	-	511,090
Non-investment grade	-	-	26,425	-	26,425
Allowance for expected credit losses	(358)	-	(26,425)	-	(26,783)

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The table below shows the movement in the allowance for expected credit losses for the year ended 31 December 2025.

Thousand Baht				
2025				
	Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Total	
Financial assets with no significant increase in credit risk (12-month ECL)				
Investments measured at amortised cost				
Beginning balance	(358)	-	(26,425)	(26,783)
Change due to remeasurement of allowance for expected credit losses	99	-	-	99
Ending Balance	(259)	-	(26,425)	(26,684)

The table below shows the movement in the allowance for expected credit losses for the year ended 31 December 2024.

Thousand Baht				
2024				
	Financial assets with a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Total	
Financial assets with no significant increase in credit risk (12-month ECL)				
Investments measured at amortised cost				
Beginning balance	(345)	-	(35,000)	(35,345)
Change due to remeasurement of allowance for expected credit losses	(13)	-	8,575	8,562
Ending Balance	(358)	-	(26,425)	(26,783)

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For the year ended 31 December 2025

As at 31 December 2025 and 2024, the maximum exposure to credit risk of financial assets (excluding insurance contract assets) is limited to the carrying value of those assets without taking into account any collateral held or other credit enhancements, are detailed as follows:

	Thousand Baht	
	2025	2024
Cash and cash equivalents	59,959	85,976
Accrued investment income	3,229	3,549
Debt instruments measured at amortised cost	576,326	537,515
Total maximum exposure to credit risk	639,514	627,040

(b) Market price risk

Market price risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the Company's financial position.

(1) Interest rate risk

The Company's exposure to interest rate risk relates primarily to its financial assets and loans.

Significant assets and liabilities classified by type of interest rates are summarised in the table below, with those assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

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Thousand Baht							
2025							
Fixed interest rates							
The repricing period or maturity date			Floating interest rate	Non-interest bearing rate	Total	Interest rates (% per annum)	
Within 1 year	1 - 5 years	Over 5 years					
Financial assets							
Cash and cash equivalents	-	-	-	56,898	3,061	59,959	0.15 - 0.50
Accrued investment income	-	-	-	3,229	-	3,229	0.30 - 4.40
Financial assets – debt instruments	338,020	206,630	4,992	-	-	549,642	0.30 - 4.92
Financial assets – equity instruments	-	-	-	-	191,979	191,979	-
Loans and accrued interest	-	-	-	2,712	-	2,712	5.55 - 6.05
Insurance contracts and reinsurance contracts							
- Reinsurance contracts assets	-	-	-	39,144	-	39,144	1.11 – 2.66
Financial liabilities							
Insurance contracts and reinsurance contracts							
- Insurance contract liabilities	-	-	-	267,614	-	267,614	1.11 – 2.66
- Reinsurance contract liabilities	-	-	-	11,662	-	11,662	1.11 – 2.66

Thousand Baht							
2024							
Fixed interest rates							
The repricing period or maturity date			Floating interest rate	Non-interest bearing rate	Total	Interest rates (% per annum)	
Within 1 year	1 - 5 years	Over 5 years					
Financial assets							
Cash and cash equivalents	10,000	-	-	71,582	4,394	85,976	0.15 - 1.85
Accrued investment income	-	-	-	3,549	-	3,549	0.30 - 5.50
Financial assets – debt instruments	323,711	182,036	4,985	-	-	510,732	0.30 - 5.50
Financial assets – equity instruments	-	-	-	-	172,982	172,982	-
Loans and accrued interest	-	-	-	3,470	-	3,470	6.10 - 6.60
Insurance contracts and reinsurance contracts							
- Reinsurance contracts assets	-	-	-	29,070	-	29,070	1.99 - 2.92
Financial liabilities							
Insurance contracts and reinsurance contracts							
- Insurance contract liabilities	-	-	-	273,964	-	273,964	1.99 - 2.92
- Reinsurance contract liabilities	-	-	-	15,688	-	15,688	1.99 - 2.92

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The sensitivity analysis of the interest rate

The sensitivity analysis of changes in interest rates represents the effect of possible interest rate changes to the statement of comprehensive income, with all other variables held constant.

The effects of changes in interest rates to profit or loss as at 31 December 2025 and 2024 are summarised below:

	Increase / (Decrease) (%)	Thousand Baht	
		Effect on profit or loss	
		2025	2024
Financial assets measured at amortised cost	1	5,743	5,475
- Debt securities	(1)	(5,667)	(5,465)

The above analysis has been prepared assuming that the amounts of debt instruments and all other variables remain constant over one year. Moreover, the floating legs of these debt instruments are assumed to not yet have set interest rates. As a result, a change in interest rates affects the value of debt instruments. This information is not a forecast or prediction of future market conditions and should be used with care.

(2) Equity position risk

Equity position risk is the risk that changes in the market prices of debt securities and equity securities are to result in fluctuations in revenues and in the value of financial assets.

As at 31 December 2025 and 2024, the Company had risk from financial assets, of which the prices are to change with reference to market conditions.

(c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate its financial assets or procure sufficient funds to discharge its obligations in a timely manner, resulting in the occurrence of a financial loss.

The maturity profile of the Company's financial assets and liabilities as at 31 December 2025 and 2024 based on contractual undiscounted cashflows are as follows:

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Thousand Baht

2025

	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial assets						
Cash and cash equivalents	59,779	-	-	-	180	59,959
Accrued investment income	-	3,229	-	-	-	3,229
Financial assets – debt instruments	-	338,020	206,630	4,992	-	549,642
Financial assets – equity instruments	-	-	-	-	191,979	191,979
Loans and accrued interest	-	-	106	2,606	-	2,712
Insurance contracts and reinsurance contracts						
- Reinsurance contracts assets	-	39,144	-	-	-	39,144
Financial liabilities						
Insurance contracts and reinsurance contracts						
- Insurance contract liabilities	-	267,614	-	-	-	267,614
- Reinsurance contract liabilities	-	11,662	-	-	-	11,662

Thousand Baht

2024

	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial assets						
Cash and cash equivalents	75,790	10,000	-	-	186	85,976
Accrued investment income	-	3,549	-	-	-	3,549
Financial assets – debt instruments	-	323,711	182,036	4,985	-	510,732
Financial assets – equity instruments	-	-	-	-	172,982	172,982
Loans and accrued interest	-	-	606	2,864	-	3,470
Insurance contracts and reinsurance contracts						
- Reinsurance contracts assets	-	29,070	-	-	-	29,070
Financial liabilities						
Insurance contracts and reinsurance contracts						
- Insurance contract liabilities	-	273,964	-	-	-	273,964
- Reinsurance contract liabilities	-	15,688	-	-	-	15,688

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18. Fair value of financial instruments

Fair value refers to the price that would be received to sell an asset or the price that would be paid to transfer liability to another party in an orderly transaction between market participants at the measurement date. The Company uses quoted prices in active markets to measure the fair value of assets and liabilities for which the relevant financial reporting standards require fair value measurement, unless there is no active market for similar assets or liabilities, or the quoted prices are not available. In such cases, the Company will estimate fair value using valuation techniques appropriate to the circumstances and will make the best use of observable data relevant to the asset or liability being measured.

The fair value measurement for financial assets and liabilities is categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

- Level 1: use of quoted market prices in an observable active market for such assets or liabilities
- Level 2: use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3: use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

As at 31 December 2025 and 2024, the Company had the following assets that were measured at fair value using different levels of input as follows:

	Thousand Baht			
	2025			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income				
- Government and state enterprise securities	7,567	-	-	7,567
- Equity securities	166,688	-	17,724	184,412
Total	174,255	-	17,724	191,979

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	Thousand Baht			
	2024			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income				
- Government and state enterprise securities	7,458	-	-	7,458
- Equity securities	138,969	-	26,555	165,524
Total	146,427	-	26,555	172,982

During the year ended 31 December 2025, the Company transferred equity instruments with a fair value of Baht 38.44 million at the transfer date from Level 3 to Level 1 due to changes in the issuer of the equity instruments, which enabled the Company to use observable inputs from an active market to measure the fair value of that equity instrument.

19. Basic earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing profit (loss) for the year attributable to the equity holders of the Company with a weighted average number of ordinary shares issued during the year.

	2025	2024
Profit (loss) for the year (Thousand Baht)	30,655	(2,019)
Weighted average number of ordinary shares (Shares)	12,000	12,000
Earnings (loss) per share (Baht/shares)	2.55	(0.17)

20. Related party transactions

For the purposes of this financial information, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with key management personnel and related parties were as follows:

Name of entities	Nature of relationships
Charoenkit Brokers Co., Ltd.	Related company (Relationship terminated on 30 October 2024)

Significant transactions with related parties for the years ended 31 December 2025 and 2024 are as follows:

	Pricing policy	Thousand Baht	
		2025	2024
Related Company			
Commissions and brokerage expenses	Conditions in the contract	-	10,029

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21. Contribution to non-life guarantee fund

	Thousand Baht	
	2025	2024
Accumulated contribution at the beginning of the year	10,916	8,831
Contribution during the year	1,987	2,085
Accumulated contribution at the end of the year	12,903	10,916

22. Capital fund management

The primary objectives of the Company's capital fund management are to ensure that it has an appropriate financial structure, presences the ability to continue its business as a going concern and to maintain capital reserve in accordance with Notifications of the Office of Insurance Commission.

23. Assets pledged with registrar

As at 31 December 2025 and 2024, the Company pledged bank deposit amounting to Baht 14 million as collateral with the registrar in accordance with Section 19 of Non-life Insurance Act B.E. 2535.

24. Assets reserve pledged with registrar

As at 31 December 2025 and 2024, bank deposits amounting to Baht 155 million and Baht 55 million, respectively, are used as collateral against premium reserve with the registrar.

25. Restricted assets and commitment

As at 31 December 2025 and 2024, the Company pledged bank deposit amounting to Baht 189.89 million and Baht 89.89 million, respectively, as follows:

	Thousand Baht	
	2025	2024
Bank overdraft	20,000	20,000
Assets pledged with registrar	14,000	14,000
Assets reserve pledged with registrar	155,000	55,000
Credit card usage	500	500
Electricity usage and others	390	390
Total	189,890	89,890

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26. Provident fund

The Company and its employees have jointly registered a provident fund scheme under Provident Fund Act B.E. 2530 (1987). The fund is contributed to the Company and its employees at an equal monthly rate of 3 percent of the employees' basic salary, based on the length of employment and will be paid to the employees upon termination in accordance with the rules of the fund. The fund is managed by Kasikorn Asset Management Co., Ltd.

For the years ended 31 December 2025 and 2024, the Company contributed to funds amounting to Baht 0.41 million and Baht 0.42 million, respectively.

27. Dividend payment

According to the resolution of annual general meeting held on 24 April 2024, the Company passed a resolution to pay dividend to the shareholders from result of its operation of the year 2023 at the rate of Baht 1.25 per share for 12 million shares with the total amount of Baht 15 million. The Company already paid dividend on 23 May 2024.

28. Contingent liabilities and commitment

Litigations

As at 31 December 2025 and 2024, the Company was sued from acting as an insurer with the prosecution value of Baht 35.55 million and Baht 35.75 million, respectively. However, the Company's contingent liabilities from prosecution cases are in value not more than the policy custody amounting to Baht 3.54 million and Baht 4.66 million, respectively. Those prosecution cases have been incompletely considered. Nevertheless, the Company recorded the provision for contingent loss amounting to Baht 3.01 million and Baht 4.57 million, respectively, in the financial statements.

Guarantees

As at 31 December 2025 and 2024, the Company has the unused letter of guarantee issued by the bank in the name of the Company for the amount of Baht 0.89 million relating to guarantee for credit card and electricity usage and others.

Operating lease commitments

As at 31 December 2025 and 2024, the Company has commitments to pay under the rental and service agreement as follows:

	Thousand Baht	
	2025	2024
Due within 1 year	2,809	3,331
Over 1 year but within 5 years	5,533	6,421
Total	8,342	9,752

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Commitments to capital expenditure

As at 31 December 2024, the Company has commitments for assets installation with one company amounting to Baht 0.37 million.
(31 December 2025 : nil)

Service agreement commitments

On 28 August 2025, the Company entered into an agreement with a consulting firm for services related to TFRS 17 “Insurance Contracts” including related software, with a total contract value of Baht 6.62 million. Subsequently, on 24 October 2025, the Company entered into another contract relating to service as mentioned above with a total contract value Baht 1.09 million.

As at 31 December 2025, the Company had an outstanding commitment of Bath 1.54 million.

29. Events after the reporting period

On 27 February 2026, at the Board of Directors’ Meeting No. 1/2026, the Board resolved to propose to the Annual General Meeting of Shareholders for the year 2026 the approval of a dividend payment at a rate of not less than 20% of the net profit for the year 2025, in the total amount of THB 10.08 million, equivalent to THB 0.90 per share for 12 million shares.

30. Approval of financial statements

These financial statements have been approved to be issued by authorised directors on 27 February 2026.