



No. ASN.0046/2022

May 11, 2022

Subject Management's discussion and analysis on consolidated financial statements for the Q1/2022 period ended March 31, 2022

To President
The Stock Exchange of Thailand

ASN Broker Public Company Limited ("the Company" or "ASN") would like to inform you of our consolidated operating results for the Q1/2022 period ended March 31, 2022, as follows:

- Operating results for the three-month period ended March 31, 2022 (Q1/2022)

	2021		2022		Increase (Decrease)	
	THB 000's	%	THB 000's	%	THB 000's	%
Total revenues	37,393	100.0%	38,227	100.0%	834	2.2%
Operating income	36,067	96.5%	36,547	95.6%	480	1.3%
Less: Cost and expenses of services	15,012	40.1%	15,661	41.0%	649	4.3%
Gross profit	21,055	58.4%	20,886	57.1%	(169)	-0.8%
Other revenues ^{1/}	1,326	3.5%	1,680	4.4%	354	26.7%
Less: Administrative expenses	15,885	42.5%	18,598	48.7%	2,713	17.1%
Profit from operating activities	6,496	17.4%	3,968	10.4%	(2,528)	-38.9%
Less: Finance cost	239	0.6%	3,153	8.2%	2,914	1219.2%
Credit loss/allowance for doubtful accounts	(809)	-2.2%	(6,160)	-16.1%	(5,351)	661.4%
Less: Income tax expenses	1,425	3.8%	1,244	3.3%	(181)	-12.7%
Net profit	5,641	15.1%	5,731	15.0%	90	1.6%

^{1/} Other revenues consisted of income from policy cancellation fees, interest income, miscellaneous income, etc.

ASN Group recorded total revenues of THB 38.23 million for the first three-month period ended March 31, 2022 ("Q1/2022"), growing by THB 0.83 million or 2.2% year-on-year. The operating results, classified by core business lines, are as follows:

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	2021		2022		Increase (Decrease)	
	THB 000's	%	THB 000's	%	THB 000's	%
1. Insurance broker business						
- Non-life insurance broker	25,508	68.2%	22,579	59.1%	(2,929)	-11.5%
- Life insurance broker	1,291	3.5%	828	2.2%	(463)	-35.9%
2. Lending business						
- Investment in peer to peer lending platform	2,194	5.9%	774	2.0%	(1,420)	-64.7%
- Personal loan	3,790	10.1%	11,163	29.2%	7,373	194.5%
3. Peer to peer lending platform service business	3,284	8.8%	1,203	3.1%	(2,081)	-63.4%
Other revenues ^{1/}	1,326	3.5%	1,680	4.4%	354	26.7%
Total	37,393	100.0%	38,227	100.0%	834	2.2%

^{1/} Other revenues consisted of income from policy cancellation fees, interest income, miscellaneous income, etc.

1. Insurance broker business

- Non-life insurance broker

Income from non-life insurance broker business was recorded at THB 22.58 million, representing 59.1% of total revenues and going down by THB 2.93 million or 11.5% year-on-year due mainly to a decrease in number of telemarketing staffs amid the Covid-19 situation which led to virus infection among employees and/or persons with their close contacts.

- Life insurance broker

Income from life insurance broker business accounted for THB 0.83 million, representing 2.2% of total revenues and plummeting by THB 0.46 million or 35.9% year-on-year. This chiefly resulted from the cessation of sales of first-year life insurance since Q3/2019 due to a drop in yields on competitive products and a higher cost of purchase of database, thus causing sales to new customers to become no longer worthwhile.

2. Lending business

- Investment in peer to peer lending platform

From the investment in the peer to peer lending business through Daingern.com platform, ASN Group could generate interest income of THB 0.77 million, representing 2.0% of total revenues and plunging by THB 1.42 million or 64.7% year-on-year due to the Company having ceased its investment in the Daingern.com platform service since August 2019. As at March 31, 2022, there was the remaining lending amount of THB 14.85 million of the Company only.

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- Personal loan

ASN Group has provided personal loan under supervision with vehicle registration as collateral in the name of "ASN Finance." It recorded interest income of THB 11.16 million, representing 29.2% of total revenues and mounting by THB 7.37 million or 194.5% year-on-year. As at March 31, 2022, the total lending amount was THB 262.90 million and NPLs stood at 1.26%.

3. Peer to peer lending platform service business

ASN Group operates the peer to peer lending platform service business through Daingern Dotcom Co., Ltd. on Daingern.com platform to act as an intermediary for electronic lending with vehicle registration placed as collateral. Revenues from this service were THB 1.20 million, representing 3.1% of total revenues and falling by THB 2.08 million or 63.4% year-on-year.

The Company was accepted by the Bank of Thailand to participate in the regulatory sandbox on February 11, 2022. The service could be divided into two parts as follows:

- The former P2P service on Daingern.com platform has ceased operation since January 27, 2020, with lenders' remaining loan amount of THB 109.73 million and NPLs of 1.42%.
- The new P2P service on Daingern.com platform has been launched in the regulatory sandbox since March 1, 2022. As of March 31, 2022, the lender-borrower matching service provided on this platform amounted to THB 1.66 million.

- Other revenues

Other revenues totaled THB 1.68 million, representing 4.4% of total revenues and rising by THB 0.35 million or 26.7% year-on-year, which was chiefly attributed to recovered bad debts and subsidy from Social Security Office.

Cost and expenses of services amounted to THB 15.66 million, going up by THB 0.65 million or 4.3% year-on-year resulting mainly from sales promotion expenses.

Therefore, the Company posted a gross profit of THB 20.86 million with a gross profit margin of 57.1%.

Administrative expenses totaled THB 18.60 million, which rose by THB 2.73 million or 17.1% year-on-year due to employee-related expenses and an increase in bad debt write-off.

Finance cost amounted to THB 3.15 million, rocketing by THB 2.19 million or 1,219.2% year-on-year resulting chiefly from interest expenses on borrowing from connected persons of THB 2.96 million and a decrease of THB 0.76 million in interest expenses under lease agreements from recognition of the item in accordance with TAS16 Property, Plant and Equipment.

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Reversal of expected credit losses accounted for THB 6.16 million, mounting by THB 5.35 million year-on-year. This consisted of a decrease in allowance for doubtful accounts from the personal loan business of THB 5.56 million, a decrease in loans receivable in the platform business of THB 0.05 million, and an increase in allowance set aside for the non-life insurance business of THB 0.16 million, which was calculated in line with TFRS9 Financial Instruments.

ASN Group reported a net profit of THB 5.73 million with a net profit margin of 15.0%, growing by THB 0.09 million or 1.6% year-on-year.

- Analysis of the statement of financial position

	As at Dec 31, 2021		As at Mar 31, 2022		Increase	
	THB 000's	%	THB 000's	%	THB 000's	%
Total assets	597,652	100.00%	591,168	100.00%	(6,484)	-1.08%
Total liabilities	290,976	48.69%	278,761	47.15%	(12,215)	-4.20%
Shareholders' equity	306,676	51.31%	312,407	52.85%	5,731	1.87%

Assets: ASN Group had total assets as at March 31, 2022 of THB 591.17 million, which decreased from 2021 by THB 6.48 million or 1.1%. This stemmed mainly from a decrease in investment in peer to peer lending platform of THB 6.94 million, a decrease in cash and cash equivalents of THB 25.70 million, a decrease in accrued brokerage income and other receivables of THB 4.14 million, but with an increase in loans receivable from personal loans under supervision of THB 29.06 million.

Liabilities: ASN Group had total liabilities as at March 31, 2022 of THB 278.76 million, dropping from 2021 by THB 12.22 million or 4.2%. This was ascribed to a decrease in insurance premium payables and other payables of THB 10.64 million and a decrease in lease liabilities in accordance with TAS16 Property, Plant and Equipment of THB 0.64 million.

Shareholders' equity: ASN Group had total shareholders' equity as at March 31, 2022 of THB 312.41 million, growing by THB 5.73 million or 1.9% due to the net profit earned in 2022 of THB 5.73 million.

Please be informed accordingly.

Yours sincerely,

- Thawatchai Lertrungruang -

Mr. Thawatchai Lertrungruang

Chief Executive Officer

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