



No. ASN.0085/2021

November 10, 2021

Subject Management's discussion and analysis on the consolidated financial statements for the Q3/2021 period ended September 30, 2021

To President  
The Stock Exchange of Thailand

ASN Broker Public Company Limited ("the Company") would like to inform you of our operating results for the Q3/2021 period ended September 30, 2021, as follows:

- Summary of operating results for the three-month period (Q3/2021) ended September 30, 2021

	Q3/2021		Q3/2020		Increase (Decrease)	
	THB 000's	%	THB 000's	%	THB 000's	%
Total revenues	35,331	100.0%	33,532	100.0%	1,799	5.4%
Operating income	34,278	97.0%	32,845	98.0%	1,433	4.4%
Less: Cost and expenses of services	14,163	40.1%	16,149	48.2%	(1,986)	-12.3%
Gross profit	20,115	58.7%	16,696	50.8%	3,419	20.5%
Other revenues <sup>1/</sup>	1,053	3.0%	687	2.0%	366	53.3%
Less: Administrative expenses	13,793	39.0%	15,287	45.6%	(1,494)	-9.8%
Profit from operating activities	7,375	20.9%	2,096	6.3%	5,279	251.9%
Less: Finance cost	626	1.8%	257	0.8%	369	143.6%
Credit losses/Allowance for doubtful accounts	3,036	8.6%	(378)	-1.1%	3,414	903.2%
Less: Income tax expenses	758	2.1%	39	0.1%	719	1843.6%
Net profit	2,955	8.4%	2,178	6.5%	777	35.7%

<sup>1/</sup> Other revenues consisted of fee and service income from personal loans, fee and service income from investment in peer-to-peer lending transactions, income from policy cancellation fees, interest income, miscellaneous income, etc.

The Company and our subsidiaries recorded total revenues of THB 35.33 million for the third quarter of 2021 ("Q3/2021"), increasing by THB 1.80 million or 5.4% year-on-year. The operating results, classified by business, are as follows:

**บริษัท เอเอสเอ็น โบรกเกอร์ จำกัด (มหาชน)**

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	Q3/2021		Q3/2020		Increase (Decrease)	
	THB 000's	%	THB 000's	%	THB 000's	%
Total revenues	35,331	100.0%	33,532	100.0%	1,799	5.4%
Non-life insurance broker business	21,563	61.0%	23,644	70.5%	(2,081)	-8.8%
Life insurance broker business	990	2.8%	1,445	4.3%	(455)	-31.5%
Platform service business	2,203	6.2%	4,168	12.4%	(1,965)	-47.1%
Personal loan business	8,591	39.8%	134	0.6%	8,457	6,311.2%
Investment in peer-to-peer lending transactions	1,321	3.7%	3,908	11.7%	(2,587)	-66.2%
Other revenues <sup>1/</sup>	663	1.9%	233	0.7%	430	184.5%

<sup>1/</sup> Other revenues consisted of interest income, income from policy cancellation fees, interest receivable, miscellaneous income, etc.

- Income from non-life insurance broker business went down by THB 2.08 million or 8.8% year-on-year to THB 21.56 million, mainly due to a decrease in sales of non-life insurance of THB 15.22 million.
- Income from life insurance broker business accounted for THB 0.99 million, plunging by THB 0.46 million or 31.5% year-on-year owing to a decrease in sales of life insurance of THB 6.05 million.
- Platform service fee income amounted to THB 2.20 million, plummeting by THB 1.97 million or 47.1% year-on-year. This stemmed mainly from a drop in monthly service and fee income as the Company has ceased providing the Daingern platform matching services since January 27, 2020.
- Income from personal loan business under supervision was THB 8.59 million, skyrocketing by THB 8.46 million or 6,311.2% year-on-year because in 2020 the Company started providing personal loans in Q3/2020.
- Investment in peer-to-peer lending transactions plunged by THB 2.59 million or 66.2% year-on-year to THB 1.32 million, resulting from the Company having ceased its investment in the Daingern Dotcom platform service since August 2019.
- Other revenues totaled THB 0.66 million, rocketing by THB 0.43 million or 184.5% year-on-year, chiefly attributed to income from policy cancellation fees.

Cost and expenses of services amounted to THB 14.16 million, going down from the same period in 2020 by THB 1.99 million or 12.3% due mainly to a decrease in cost of non-life insurance broker business of THB 1.92 million.

## บริษัท เอเชียเอ็น โบรกเกอร์ จำกัด (มหาชน)





Therefore, the Company posted a gross profit of THB 20.12 million with a gross profit margin of 58.7%, a year-on-year increase of Baht 3.42 million or 20.5%.

Administrative expenses totaled THB 13.79 million, which fell by THB 1.49 million or 9.8% year-on-year due to bad debts in the investment in peer-to-peer lending transactions of THB 1.76 million and a decrease in employee-related expenses of THB 1.15 million, but with an increase in administrative cost in the personal loan business of THB 1.30 million.

Finance cost amounted to THB 0.63 million, jumping by THB 0.37 million or 143.6% year-on-year owing to interest expenses on borrowing from connected persons.

Expected credit losses accounted for THB 3.04 million, rocketing by THB 3.41 million or 901.1% year-on-year. This stemmed largely from an increase in allowance for doubtful accounts from loans receivable in the personal loan business of THB 3.64 million, but with a decrease in allowance for doubtful accounts from loans receivable in the investment in peer-to-peer lending transactions of THB 0.19 million and in allowance set aside for the non-life insurance business of THB 0.03 million, which were calculated in line with TFRS9 Financial Instruments.

The Company reported a net profit of THB 2.95 million with a net profit margin of 8.4%, growing by THB 0.78 million or 35.7% year-on-year.

- Summary of operating results for the nine-month period (Q3/2021) ended September 30, 2021

	Q3/2021		Q3/2020		Increase (Decrease)	
	THB 000's	%	THB 000's	%	THB 000's	%
Total revenues	108,719	100.0%	107,377	100.0%	1,342	1.2%
Operating income	105,115	96.7%	104,735	97.5%	380	0.4%
Less: Cost and expenses of services	45,446	41.8%	49,659	46.2%	(4,213)	-8.5%
Gross profit	59,669	56.8%	55,076	52.6%	4,593	8.3%
Other revenues <sup>1/</sup>	3,604	3.3%	2,642	2.5%	962	36.4%
Less: Administrative expenses	45,727	42.1%	42,659	39.7%	3,068	7.2%
Profit from operating activities	17,546	16.1%	15,059	14.0%	2,487	16.5%
Less: Finance cost	1,146	1.1%	795	0.7%	351	44.2 %
Credit losses/Allowance for doubtful accounts	4,820	4.4%	756	0.7%	4,064	537.6%
Less: Income tax expenses	2,442	2.2%	2,209	2.1%	233	10.5%
Net profit	9,138	8.4%	11,299	10.5%	(2,161)	-19.1%

<sup>1/</sup> Other revenues consisted of fee and service income from personal loans, fee and service income from investment in peer-to-peer lending transactions, income from policy cancellation fees, interest income, miscellaneous income, etc.

**บริษัท เอเอสเอ็น โบรกเกอร์ จำกัด (มหาชน)**



The Company and our subsidiaries recorded total revenues of THB 108.72 million for the nine-month period (as at the end of "Q3/2021"), rising by THB 1.34 million or 1.2% year-on-year. The operating results, classified by business, are as follows:

	Q3/2021		Q3/2020		Increase (Decrease)	
	THB 000's	%	THB 000's	%	THB 000's	%
Total operating income	108,719	100.0%	107,377	100.0%	1,342	1.2%
Non-life insurance broker business	70,258	64.6%	73,710	68.6%	(3,452)	-4.7%
Life insurance broker business	3,401	3.1%	4,735	4.4%	(1,334)	-28.2%
Platform service business	8,197	7.5%	14,186	13.2%	(5,989)	-42.2%
Personal loan business	18,720	26.6%	134	0.2%	18,586	13870.1%
Investment in peer-to-peer lending transactions	5,819	5.4%	13,359	12.4%	(7,540)	-56.4%
Other revenues <sup>1/</sup>	2,324	2.1%	1,253	1.2%	1,071	85.5%

<sup>1/</sup> Other revenues consisted of interest income, income from policy cancellation fees, interest receivable, miscellaneous income, etc.

- Income from non-life insurance broker business went down by THB 3.45 million or 4.7% year-on-year to THB 70.26 million, with a decrease in sales of non-life insurance of THB 22.60 million amid the Covid-19 situation which has dampened customers' purchasing power along with a decrease in number of sales staffs.
- Income from life insurance broker business accounted for THB 3.40 million, dropping year-on-year by THB 1.33 million or 28.2% due to the cessation of sales of first-year life insurance which relatively drove life insurance premium down by THB 19.73 million.
- Platform service fee income amounted to THB 8.20 million, plummeting by THB 5.99 million or 42.2% year-on-year. This primarily stemmed from a decrease in revenue from the lender-borrower matching services of THB 0.74 million and a drop in monthly service and fee income of THB 5.25 million caused by the Company having ceased provision of the Daingern platform matching services since January 27, 2020. The remaining lending amount was THB 177.60 million and NPLs stood at 2.64%. The Company is in the process of preparing documents to apply for permission to participate in the Bank of Thailand's regulatory sandbox.
- Income from personal loan business under supervision was THB 18.72 million, skyrocketing by THB 18.59 million or 13,870.1% year-on-year because in 2020 the Company could start providing personal loans to its borrowers in Q3/2020. As at the end of Q3/2021, the remaining lending amount was THB 208.87 million and NPLs stood at 0.97%.

### บริษัท เอเอสเอ็น โบรกเกอร์ จำกัด (มหาชน)



- Investment in peer-to-peer lending transactions plunged by THB 7.54 million or 56.4% year-on-year to THB 5.82 million, resulting from the Company having ceased its investment in the Daingern Dotcom platform service since August 2019.
- Other revenues totaled THB 2.32 million, a surge of THB 1.07 million or 85.5% year-on-year, derived mainly from income from policy cancellation fees.

Cost and expenses of services amounted to THB 45.45 million, going down from the same period in 2020 by THB 4.21 million or 8.5% due mainly to a decrease in cost of services of non-life insurance broker business of THB 2.12 million, cost of platform service of THB 1.46 million following the cessation of the Daingern platform service, and a decrease in cost of life insurance broker business of THB 0.71 million.

Therefore, the Company posted a gross profit of THB 59.67 million with a gross profit margin of 56.8%.

Administrative expenses totaled THB 45.73 million, which rose by THB 3.06 million or 7.2% year-on-year due to administrative cost in the personal loan business of THB 5.23 million and employee-related expenses of THB 0.40 million, but with a drop in administrative cost from bad debts in the investment in peer-to-peer lending transactions of THB 2.56 million.

Finance cost amounted to THB 1.15 million, a year-on-year surge of THB 0.35 million or 44.2% resulting chiefly from interest expenses on borrowing from connected persons of THB 0.46 million and a decrease of THB 0.11 million in interest expenses under lease agreements from recognition of the item in accordance with TAS16 Property, Plant and Equipment.

Expected credit losses accounted for THB 4.82 million, jumping by THB 4.06 million or 537.6% year-on-year. This stemmed largely from an increase in allowance for doubtful accounts from loans receivable in the personal loan business of THB 8.72 million, but with a decrease in allowance for doubtful accounts from loans receivable in the investment in peer-to-peer lending transactions of THB 4.07 million and allowance set aside for the non-life insurance business of THB 0.58 million, which were calculated in line with TFRS9 Financial Instruments.

The Company reported a net profit of THB 9.14 million with a net profit margin of 8.4%, dropping by THB 2.16 million or 19.1% year-on-year.

- Analysis of the statement of financial position

	As at Sep 30, 2021		As at Dec 31, 2020		Increase	
	THB 000's	%	THB 000's	%	THB 000's	%
Total assets	442,620	100.00%	389,568	100.00%	53,052	13.62%
Total liabilities	142,907	32.29%	97,261	25.00%	45,646	46.93%
Shareholders' equity	299,713	67.71%	292,307	75.00%	7,406	2.53%

## บริษัท เอเอสเอ็น โบรกเกอร์ จำกัด (มหาชน)



**Assets:** The Company and our subsidiaries had total assets as at September 30, 2021 of THB 442.62 million, which grew from year-end 2020 by THB 53.05 million or 13.62%. This resulted mainly from an increase in loans receivable from personal loans under supervision of THB 144.96 million, but with a decrease in cash and cash equivalents of THB 43.65 million, a decrease in long-term loans due to receipt of principal repayment of THB 39.06 million, a decrease in accrued brokerage income and other receivables of THB 6.63 million, and a decrease in right-of-use assets of THB 3.31 million.

**Liabilities:** The Company and our subsidiaries had total liabilities as at September 30, 2021 of THB 142.91 million, rising from the end of 2020 by THB 45.65 million or 46.93%. This was ascribed to an increase in long-term loans from related companies of THB 60 million, a decrease in insurance premium payables and other payables of THB 10.81 million, and a decrease in lease liabilities in accordance with TAS16 Property, Plant and Equipment of THB 3.06 million.

**Shareholders' equity:** The Company and our subsidiaries had total shareholders' equity as at September 30, 2021 of THB 299.71 million, growing by THB 7.41 million or 2.53% due to the net profit earned in 2021 of THB 9.14 million. On April 7, 2021, the shareholders' meeting passed a resolution approving stock dividend payment at a rate of 5 existing shares to 1 new share, with the fraction of shares, if any, to be paid in cash, making up a total value of THB 1.73 million.

Please be informed accordingly.

Yours sincerely,

-Signed-

Mr. Thawatchai Lertrungruang  
Chief Executive Officer

**บริษัท เอเอสเอ็น โบรกเกอร์ จำกัด (มหาชน)**

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