



No. ASN.0109/2022

November 9, 2022

Subject Management's discussion and analysis on consolidated financial statements for the Q3/2022 period ended September 30, 2022

To President
The Stock Exchange of Thailand

ASN Broker Public Company Limited ("the Company") would like to inform you of our consolidated operating results for the Q3/2022 period ended September 30, 2022, as follows:

- Summary of operating results for the three-month period (Q3/2022) ended September 30, 2022

	Q3/2021		Q3/2022		Increase (Decrease)	
	THB 000's	%	THB 000's	%	THB 000's	%
Total revenues	35,331	100.0%	36,380	100.0%	1,049	3.0%
Operating income	34,278	97.0%	35,128	96.6%	850	2.5%
Less: Cost and expenses of services	14,163	40.1%	14,881	40.9%	718	5.1%
Gross profit	20,115	58.7%	20,247	57.6%	132	0.7%
Other revenues ^{1/}	1,053	3.0%	1,252	3.4%	199	18.9%
Less: Administrative expenses	13,794	39.0%	19,458	53.5%	5,664	41.1%
Profit from operating activities	7,374	20.9%	2,041	5.6%	(5,333)	-72.3%
Less: Finance cost	625	1.8%	3,060	8.4%	2,435	389.6%
Credit losses/Allowance for doubtful accounts	3,036	8.6%	(694)	-1.9%	(3,730)	-122.9%
Less: Income tax expenses	758	2.1%	(74)	-0.2%	(832)	-109.8%
Net profit	2,955	8.4%	(251)	-0.7%	(3,206)	-108.5%

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

ASN Group recorded total revenues of THB 36.38 million for the third-quarter period ended September 30, 2022 ("Q3/2022"), increasing by THB 1.05 million or 3.0% year-on-year. The operating results, classified by core business lines, are as follows:

บริษัท เอเอสเอ็น โบรกเกอร์ จำกัด (มหาชน)

388 อาคารไอบีเอ็ม ชั้น 16 ปี ถนนพหลโยธิน แขวงสามเสนใน เขตพญาไท กรุงเทพมหานคร 10400 โทรศัพท์ 0-2494-8377
388 IBM Tower, 16th Floor, Zone B, Phaholyothin Rd., Samsennai, Phayathai, Bangkok 10400 Tel. 0-2494-8377
www.asnbroker.co.th

	Q3/2021		Q3/2022		Increase (Decrease)	
	THB 000's	%	THB 000's	%	THB 000's	%
Insurance broker business						
- Non-life insurance broker	21,563	61.0%	17,958	49.4%	(3,605)	-16.7%
- Life insurance broker	990	2.8%	607	1.7%	(383)	-38.7%
Lending business						
- Investment in peer to peer lending platform	1,142	3.2%	221	0.6%	(921)	-80.6%
- Personal loan	8,380	23.7%	15,210	41.8%	6,830	81.5%
Peer to peer lending platform service business	2,203	6.2%	1,132	3.1%	(1,071)	-48.6%
Other revenues ^{1/}	1,053	3.0%	1,252	3.4%	199	18.9%
Total	35,331	100.0%	36,380	100.0%	1,049	3.0%

^{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 17.96 million, representing 49.4% of total revenues and dropping by THB 3.61 million or 16.7% year-on-year caused mainly by the closure of three Covid-hit insurance companies, which led to a decrease in non-life insurance premiums for the renewal year. Such impact is anticipated to continue over Q3/2022.

- Life insurance broker

Income from life insurance broker business accounted for THB 0.61 million, representing 1.7% of total revenues and plummeting by THB 0.38 million or 38.7% year-on-year. This resulted chiefly from the cessation of sales of first-year life insurance since Q3/2019 due to a drop in yields on competitive products, and also from the Company's policy to concentrate mainly on sales of non-life insurance.

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 generated interest income of THB 0.22 million, representing 0.6% of total revenues and plunging by THB 0.92 million or 80.6% year-on-year due to the Company having ceased its investment in the Daingern.com platform service since August 2019. After the issuance of the Bank of Thailand's Notification Re: Determination of Rules, Procedures, and Conditions for Electronic System or Network for Operation of the Peer-to-Peer Lending Business, the Company has since been unable to make the investment through Daingern.com platform.

บริษัท เอเอสเอ็น โบรกเกอร์ จำกัด (มหาชน)

- Personal loan

ASN Group recorded interest income of THB 15.21 million, representing 41.8% of total revenues and mounting by THB 6.83 million or 81.5% year-on-year thanks largely to growth in the personal loan business, as illustrated in Figure 1: Growth in ASN Finance Business.

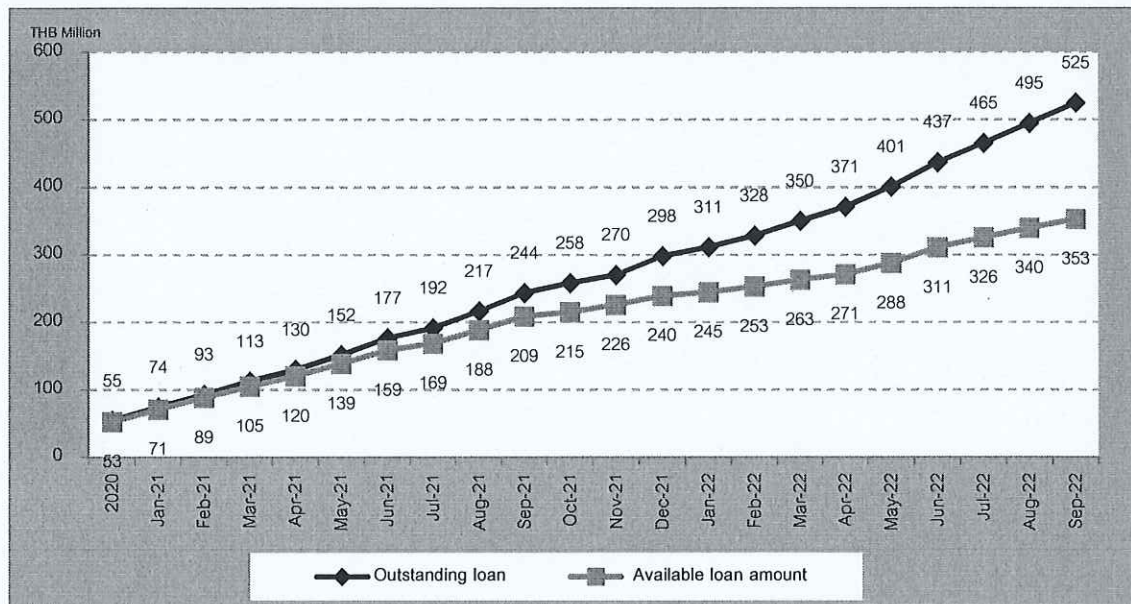


Figure 1: Growth in ASN Finance Business

3. Peer to peer lending platform service business

ASN Group provides the peer to peer lending platform service through Daingern Dotcom Co., Ltd. on Daingern.com platform. Revenues from this service were THB 1.13 million, representing 3.1% of total revenues and shrinking by THB 1.07 million or 48.6% year-on-year, which resulted from the Company having ceased the P2P service on Daingern.com platform since January 27, 2020 to prepare for participation in testing of the electronic system or network service provision in the Bank of Thailand's regulatory sandbox. The Company was accepted to join in experimenting the electronic system or network service provision for peer to peer lending business on February 11, 2022, and has been able to provide such service under the regulatory sandbox since March 1, 2022.

- Other revenues

Other revenues totaled THB 1.25 million, representing 3.4% of total revenues and rising by THB 0.20 million or 18.9% year-on-year, which was chiefly attributed to recovered bad debts of Baht 0.66 million, but with a decrease in income from policy cancellation fees of Baht 0.43 million.

Cost and expenses of services amounted to THB 14.88 million, rising by THB 0.72 million or 5.1% year-on-year which resulted mainly from employee-related expenses to prepare for the platform service provision.

บริษัท เอเอสเอ็น โบรกเกอร์ จำกัด (มหาชน)



Therefore, the Company posted a gross profit of THB 20.25 million with a gross profit margin of 57.6%.

Administrative expenses totaled THB 19.46 million, which mounted by THB 5.66 million or 41.1% year-on-year due to employee-related expenses and an increase in bad debt write-off of the personal loan business.

Finance cost amounted to THB 3.06 million, rocketing by THB 2.43 million or 389.6% year-on-year resulting chiefly from interest expenses on borrowing from connected persons of THB 2.61 million and a decrease of THB 0.18 million in interest expenses under lease agreements from recognition of the item in accordance with TAS16 Property, Plant and Equipment.

Reversal of expected credit losses accounted for THB 0.69 million, plunging by THB 3.73 million or 122.9% year-on-year. This consisted of a decrease in allowance for doubtful accounts from the personal loan business of THB 3.97 million, and a decrease in allowance set aside for the non-life insurance business of THB 0.10 million and an increase in loans receivable in the platform business of THB 0.34 million, which was calculated in line with TFRS9 Financial Instruments.

ASN Group reported a net loss of THB 0.25 million with a negative net profit margin of -0.7%, plunging by THB 3.21 million or 108.5% year-on-year.

- Summary of operating results for the nine-month period ended September 30, 2022 (Q3/2022)

	Q3/2021		Q3/2022		Increase (Decrease)	
	THB 000's	%	THB 000's	%	THB 000's	%
Total revenues	108,719	100.0%	110,654	100.0%	1,935	1.8%
Operating income	105,115	96.7%	106,587	96.3%	1,472	1.4%
Less: Cost and expenses of services	44,439	40.9%	46,008	41.6%	1,569	3.5%
Gross profit	60,676	57.7%	60,579	56.8%	(97)	-0.2%
Other revenues ^{1/}	3,604	3.3%	4,067	3.7%	463	12.8%
Less: Administrative expenses	44,942	41.3%	55,740	50.4%	10,798	24.0%
Profit from operating activities	19,338	17.8%	8,906	8.0%	(10,432)	-53.9%
Less: Finance cost	1,146	1.1%	9,238	8.3%	8,092	706.1%
Credit losses/Allowance for doubtful accounts	4,820	4.4%	(4,826)	-4.4%	(9,646)	-200.1%
Less: Income tax expenses	2,711	2.5%	648	0.6%	(2,063)	-76.1%
Net profit	10,661	9.8%	3,846	3.5%	(6,815)	-63.9%

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

บริษัท เอเอสเอ็น โบรกเกอร์ จำกัด (มหาชน)



ASN Group recorded total revenues of THB 110.65 million for the nine-month period ended September 30, 2022 (Q3/2022), growing by THB 1.93 million or 1.8% year-on-year. The operating results, classified by core business lines, are as follows:

	Q3/2021		Q3/2022		Increase (Decrease)	
	THB 000's	%	THB 000's	%	THB 000's	%
1. Insurance broker business						
- Non-life insurance broker	70,258	64.6%	60,415	54.6%	(9,843)	-14.0%
- Life insurance broker	3,401	3.1%	2,199	2.0%	(1,202)	-35.3%
2. Lending business						
- Investment in peer to peer lending platform	5,028	4.6%	1,366	1.2%	(3,662)	-72.8%
- Personal loan	18,231	16.8%	39,038	35.3%	20,807	114.1%
3. Peer to peer lending platform service business	8,197	7.5%	3,569	3.2%	(4,628)	-56.5%
Other revenues ^{1/}	3,604	3.3%	4,067	3.7%	463	12.8%
Total	108,719	100.0%	110,654	100.0%	1,935	1.8%

^{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 60.41 million, representing 54.6% of total revenues and dropping by THB 9.84 million or 14.0% year-on-year caused mainly by the closure of three Covid-hit insurance companies, which led to a decrease in non-life insurance premiums for the renewal year. Such impact is anticipated to continue over Q3/2022. The said income drop was also ascribed to a decrease in number of telemarketing staff. The Company has currently planned to increase the number of employees according to its target, as well as increase the average of sales volume to number of telemarketing staff.

- Life insurance broker

Income from life insurance broker business accounted for THB 2.20 million, representing 2.0% of total revenues and dipping by THB 1.20 million or 35.3% year-on-year. This resulted chiefly from the cessation of sales of first-year life insurance since Q3/2019 due to a drop in yields on competitive products, and also from the Company's policy to concentrate mainly on sales of non-life insurance.

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 generated interest income of THB 1.37 million, representing 1.2% of total revenues and plunging by

บริษัท เอเชียเอ็น ไลฟ์ไทม์ จำกัด (มหาชน)



THB 3.66 million or 72.8% year-on-year due to the Company having ceased its investment in the Daingern.com platform service since August 2019. After the issuance of the Bank of Thailand's Notification Re: Determination of Rules, Procedures, and Conditions for Electronic System or Network for Operation of the Peer-to-Peer Lending Business, the Company has since been unable to make the investment through Daingern.com platform.

- Personal loan

ASN Group provides personal loan under supervision with vehicle registration as collateral in the name of "ASN Finance." It recorded interest income of THB 39.04 million, representing 35.3% of total revenues and jumping by THB 20.81 million or 114.1% year-on-year. As at September 30, 2022, NPLs stood at 0.93% with the total outstanding loan of THB 524.97 million and available loan amount of THB 353.13 million. The value of growth in such loan is illustrated in Figure 1: Growth in ASN Finance Business.

3. Peer to peer lending platform service business

ASN Group provides the peer to peer lending platform service 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 3.57 million, representing 3.2% of total revenues and shrinking by THB 4.63 million or 56.5% year-on-year, which resulted from the Company having ceased the P2P service on Daingern.com platform since January 27, 2020 to prepare for participation in testing of the electronic system or network service provision in the Bank of Thailand's regulatory sandbox. The Company was accepted to join in experimenting the electronic system or network service provision for peer to peer lending business on February 11, 2022, and began to provide such service under the regulatory sandbox on March 1, 2022.

The Company has been accepted by the Bank of Thailand to participate in the regulatory sandbox. Information on its service could be divided into two parts as follows:

	Loan Provision before Testing in Regulatory Sandbox *	Loan Provision in Regulatory Sandbox **
Accumulated loan provided	727.20	26.40
Available loan amount	57.66	24.83
NPL	0.78%	0.00%

* Loan provision before testing in the regulatory sandbox has halted since January 27, 2020.

** Loan provision in the regulatory sandbox started on March 1, 2022.

- Other revenues

Other revenues totaled THB 4.07 million, representing 3.7% of total revenues and rising by THB 0.46 million or 12.8% year-on-year, which was chiefly attributed to recovered bad debts of THB 1.16 million and

บริษัท เอเอสเอ็น โบรกเกอร์ จำกัด (มหาชน)



subsidy from Social Security Office of THB 1.29 million, but with a decrease in income from policy cancellation fees of THB 1.52 million.

Cost and expenses of services amounted to THB 46.01 million, rising by THB 1.57 million or 3.5% year-on-year which resulted mainly from employee-related expenses to prepare for the platform service provision.

Therefore, the Company posted a gross profit of THB 60.58 million with a gross profit margin of 56.8%.

Administrative expenses totaled THB 55.74 million, which rose by THB 10.80 million or 20.2% year-on-year due to employee-related expenses and an increase in bad debt write-off of the personal loan business.

Finance cost amounted to THB 9.24 million, rocketing by THB 8.09 million or 706.1% year-on-year resulting chiefly from interest expenses on borrowing from connected persons of THB 8.51 million and a decrease of THB 0.42 million in interest expenses under lease agreements from recognition of the item in accordance with TAS16 Property, Plant and Equipment.

Reversal of expected credit losses accounted for THB 4.83 million, increasing by THB 9.65 million year-on-year. This consisted of a decrease in allowance for doubtful accounts from the personal loan business of THB 10.62 million, an increase in loans receivable in the platform business of THB 0.86 million, and an increase in allowance set aside for the non-life insurance business of THB 0.21 million, which was calculated in line with TFRS9 Financial Instruments.

ASN Group reported a net profit of THB 3.85 million with a net profit margin of 3.5%, falling by THB 6.82 million or 63.9% year-on-year.

- Analysis of the statement of financial position

	Dec 31, 2021		Sep 30, 2022		Increase	
	THB 000's	%	THB 000's	%	THB 000's	%
Total assets	597,652	100.00%	563,796	100.00%	(33,856)	-5.66%
Total liabilities	290,976	48.69%	268,269	47.58%	(22,707)	-7.80%
Shareholders' equity	306,676	51.31%	295,527	52.42%	(11,149)	-3.64%

Assets: ASN Group had total assets as at September 30, 2022 of THB 563.80 million, which diminished from 2021 by THB 33.86 million or 5.7%. This resulted mainly from a decrease in cash and cash equivalents of THB 111.41 million, a decrease in investment in peer to peer lending platform of THB 15.58 million, a decrease in accrued brokerage income and other receivables of THB 12.37 million, but with an

บริษัท เอเชียเอ็น โบรกเกอร์ จำกัด (มหาชน)



increase in loans receivable from personal loans under supervision of THB 111.91 million and an increase in loans receivable under hire purchase agreements of THB 6.03 million.

Liabilities: ASN Group had total liabilities as at September 30, 2022 of THB 268.27 million, dropping from 2021 by THB 22.71 million or 7.8%. This was ascribed to a decrease in insurance premium payables and other payables of THB 14.10 million and a decrease in lease liabilities in accordance with TAS16 Property, Plant and Equipment of THB 8.77 million resulting from the reduction of rented office building space.

Shareholders' equity: ASN Group had total shareholders' equity as at September 30, 2022 of THB 295.53 million, decreasing by THB 11.15 million or 3.64% due to the dividend payment made by the Company on April 26, 2022 in the amount of THB 15 million and the net profit earned in 2022 of THB 3.85 million.

Please be informed accordingly.

Yours sincerely,

- *Thawatchai Lertrungruang* -

Mr. Thawatchai Lertrungruang

Chief Executive Officer

บริษัท เอเอสเอ็น โบรกเกอร์ จำกัด (มหาชน)

388 อาคารไอบีเอ็ม ชั้น 16 บี ถนนพหลโยธิน แขวงสามเสนใน เขตพญาไท กรุงเทพมหานคร 10400 โทรศัพท์ 0-2494-8377
388 IBM Tower, 16th Floor, Zone B, Phaholyothin Rd., Samsennai, Phayathai, Bangkok 10400 Tel. 0-2494-8377
www.asnbroker.co.th