



No. ASN.0052/2023

May 10, 2023

Subject Management's discussion and analysis on consolidated financial statements for the Q1/2023 period ended March 31, 2023

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 Q1/2023 period ended March 31, 2023, as follows:

- Operating results for the three-month period ended March 31, 2023 (Q1/2023)

	Q1/2022		Q1/2023		Increase (Decrease)	
	THB 000's	%	THB 000's	%	THB 000's	%
Total revenues	38,227	100.0%	40,520	100.0%	2,293	6.0%
Operating income	36,547	95.6%	38,991	96.2%	2,444	6.7%
Less: Cost and expenses of services	15,661	41.0%	15,266	37.7%	(395)	-2.5%
Gross profit	20,886	57.1%	23,725	60.8%	2,839	13.6%
Other revenues <sup>1/</sup>	1,680	4.4%	1,529	3.8%	(151)	-9.0%
Less: Administrative expenses	18,598	48.7%	19,085	47.1%	487	2.6%
Profit from operating activities	3,968	10.4%	6,169	15.2%	2,201	55.5%
Less: Finance cost	3,153	8.2%	2,973	7.3%	(180)	-5.7%
Credit loss/allowance for doubtful accounts	(6,160)	-16.1%	1,515	3.7%	7,675	-124.6%
Less: Income tax expenses	1,244	3.3%	1,001	2.5%	(243)	-19.5%
Net profit	5,731	15.0%	680	1.7%	(5,051)	-88.1%

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

ASN Group recorded total revenues of THB 40.52 million for the first three-month period ended March 31, 2023 ("Q1/2023"), growing by THB 2.29 million or 6.0% 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, 16<sup>th</sup> Floor, Zone B, Phaholyothin Rd., Samsennai, Phayathai, Bangkok 10400 Tel. 0-2494-8377  
www.asnbroker.co.th

	Q1/2022		Q1/2023		Increase (Decrease)	
	THB 000's	%	THB 000's	%	THB 000's	%
1. Insurance broker business						
- Non-life insurance broker	22,579	59.1%	20,650	51.0%	(1,929)	-8.5%
- Life insurance broker	828	2.2%	568	1.4%	(260)	-31.4%
2. Lending business						
- Investment in peer to peer lending platform	774	2.0%	64	0.2%	(710)	-91.7%
- Personal loan	11,163	29.2%	16,776	41.4%	5,613	50.3%
3. Peer to peer lending platform service business	1,203	3.1%	933	2.3%	(270)	-22.4%
Other revenues <sup>1/</sup>	1,680	4.4%	1,529	3.8%	(151)	-9.0%
Total	38,227	100.0%	40,520	100.0%	2,293	6.0%

<sup>1/</sup> 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 20.65 million, dropping by THB 1.93 million or 8.5% year-on-year mainly due to a decrease in number of telemarketing staffs. The Company is currently planning on additional staff recruitment target.

##### - Life insurance broker

Income from life insurance broker business accounted for THB 0.57 million, plummeting by THB 0.26 million or 31.4% 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 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 0.06 million, plunging by THB 0.71 million or 91.7% year-on-year due primarily 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 No. SorNorSor.14/2020 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

From the operation of the personal loan under supervision and car registration loan business in the name "ASN Finance," ASN Group recorded interest income of THB 16.48 million, a year-on-year surge of THB 5.61 million or 50.3%. As at March 31, 2023, NPL stood at 1.48% and outstanding loan was THB 650.19 million with available loan amount of THB 389.10 million. Growth in this business is illustrated in Figure 1: Growth in ASN Finance Business.

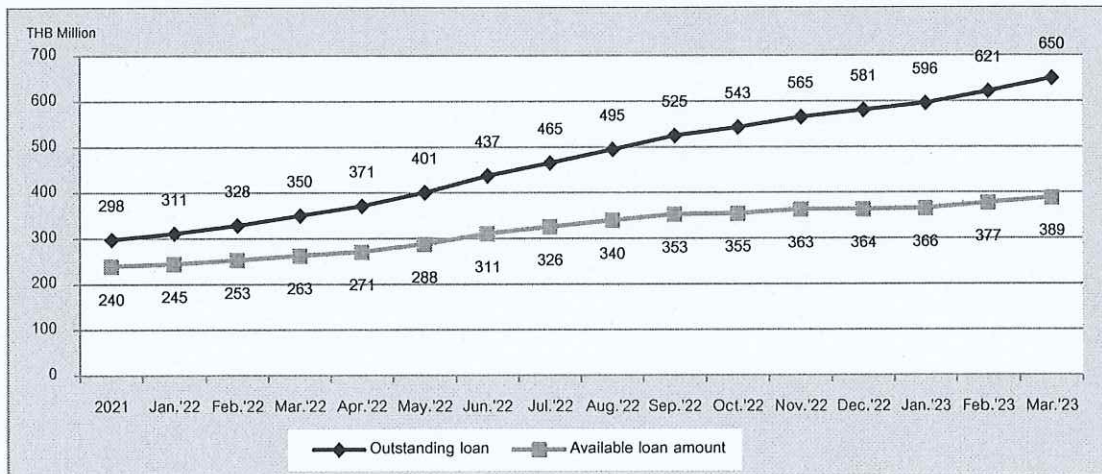


Figure 1: Growth in ASN Finance Business

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 to serve as an intermediary in providing car registration loans online. Revenues from this service were THB 0.93 million, shrinking by THB 0.27 million or 22.4% 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 in the amount of THB 0.80 million. The Company already started testing such service provision in the regulatory sandbox on March 1, 2022, thereby resulting in revenue growth of THB 0.57 million.

The peer to peer lending platform service performance before and during testing in the regulatory sandbox is as shown in the below table:

	Before Testing in Regulatory Sandbox*	Testing in Regulatory Sandbox**
Outstanding loan provided	727.2	55.03
Available loan amount	20.88	46.72
NPL	0.36%	0.00%

\* Earlier service being ceased on January 27, 2020 before participating in the regulatory sandbox.

\*\* Service testing in the regulatory sandbox commencing on March 1, 2022.

**บริษัท เอเอสเอ็น โบรกเกอร์ จำกัด (มหาชน)**



- Other revenues

Other revenues totaled THB 1.53 million, declining by THB 0.15 million or 9.0% year-on-year, which was chiefly attributed to miscellaneous income.

Cost and expenses of services amounted to THB 15.27 million, down by THB 0.40 million or 2.5% year-on-year which resulted mainly from a decrease in employee-related expenses of THB 0.87 million, but with a rise in cost of peer to peer lending platform service of THB 0.47 million.

Therefore, the Company posted a gross profit of THB 23.73 million with a gross profit margin of 60.8%.

Administrative expenses totaled THB 19.09 million, which rose by THB 0.49 million or 2.6% year-on-year due to employee-related expenses.

Finance cost amounted to THB 2.97 million, a year-on-year decrease of THB 0.18 million or 5.7% resulting chiefly from interest expenses under lease agreements from recognition of the item in accordance with TAS16 Property, Plant and Equipment.

Expected credit losses accounted for THB 1.51 million, rising by THB 7.68 million year-on-year. This was ascribed to an increase in allowance for doubtful accounts from the personal loan and hire purchase business of THB 7.41 million caused by improvement made in the same period of 2022 to assumptions for calculation, thus leading to adjustment to reversal of expected credit loss item, and also resulted from an increase in loans receivable in the platform business of THB 0.31 million, but with a decrease in allowance set aside for the non-life insurance business of THB 0.04 million, which was calculated in line with TFRS9 Financial Instruments.

ASN Group reported a net profit of THB 0.68 million with a net profit margin of 1.7%, dropping by THB 5.05 million or 18.1% year-on-year.

- Analysis of the statement of financial position

	As at Dec 31, 2022		As at Mar 31, 2023		Increase	
	THB 000's	%	THB 000's	%	THB 000's	%
Total assets	568,821	100.00%	561,506	100.00%	(7,315)	-1.29%
Total liabilities	271,971	47.81%	263,976	47.01%	(7,995)	-2.94%
Shareholders' equity	296,850	52.19%	297,530	52.99%	680	0.23%

**Assets:** The Company and its subsidiaries had total assets as at March 31, 2023 of THB 561.51 million, which diminished from 2022 by THB 7.32 million or 1.3%. This resulted mainly from a decrease in cash and cash equivalents of THB 26.64 million, a decrease in investment in peer to peer lending platform of THB 2.08 million, a decrease in accrued brokerage income and other receivables of THB 1.98 million, but with an increase

**บริษัท เอเอสเอ็น โบรกเกอร์ จำกัด (มหาชน)**





in loans receivable from personal loans under supervision of THB 3.83 million and in receivables under hire purchase agreements of THB 21.03 million.

**Liabilities:** The Company and its subsidiaries had total liabilities as at March 31, 2023 of THB 263.98 million, dropping from 2022 by THB 8.00 million or 2.9%. This stemmed from a decrease in insurance premium payables and other payables of THB 7.15 million and a decrease in lease liabilities under TAS16 Property, Plant and Equipment of THB 0.96 million resulting from the reduction of rented office space.

**Shareholders' equity:** The Company and its subsidiaries had total shareholders' equity as at March 31, 2023 of THB 297.53 million, growing from 2022 by THB 0.68 million or 0.2% due to the net profit earned in the Q1/2023 period.

Please be informed accordingly.

Yours sincerely,

- Phatcharin Thammanga -

Ms. Phatcharin Thammanga  
Chief Accounting and Finance Officer

**บริษัท เอเอสเอ็น โบรกเกอร์ จำกัด (มหาชน)**

388 อาคารไอบีเอ็ม ชั้น 16 บี ถนนพหลโยธิน แขวงสามเสนใน เขตพญาไท กรุงเทพมหานคร 10400 โทรศัพท์ 0-2494-8377  
388 IBM Tower, 16<sup>th</sup> Floor, Zone B, Phaholyothin Rd., Samsennai, Phayathai, Bangkok 10400 Tel. 0-2494-8377  
[www.asnbroker.co.th](http://www.asnbroker.co.th)