



No. ASN.0045/2021

May 12, 2021

Subject Management's discussion and analysis on consolidated financial statements for the Q1/2021 period ended March 31, 2021

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 Q1/2021 period ended March 31, 2021, as follows:

- Operating results for the three-month period ended March 31, 2021 (Q1/2021)

	Q1/2021		Q1/2020		Increase (Decrease)	
	THB 000's	%	THB 000's	%	THB 000's	%
Total revenues	37,393	100.0%	38,294	100.0%	(901)	-2.4%
Operating income	36,066	96.5%	37,669	98.4%	(1,603)	-4.3%
Less: Cost and expenses of services	16,019	42.8%	17,496	45.7%	(1,477)	-8.4%
Gross profit	20,047	55.6%	20,173	53.6%	(126)	-0.6%
Other revenues ^{1/}	1,327	3.5%	625	1.6%	702	112.3%
Less: Administrative expenses	16,670	44.6%	14,586	38.1%	2,084	14.3%
Profit from operating activities	4,704	12.6%	6,212	16.2%	(1,508)	-24.3%
Less: Finance cost	239	0.6%	273	0.7%	(34)	-12.5%
Reversal of expected credit losses (expected credit losses)	809	2.2%	(798)	-2.1%	(1,607)	-201.4%
Less: Income tax expenses	1,156	3.1%	1,179	3.1%	(23)	-2.0%
Net profit	4,118	11.0%	3,962	10.3%	156	3.9%

^{1/} 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 37.39 million for the first three-month period of 2021 ("Q1/2021"), contracting by THB 0.90 million or 2.4% year-on-year. The operating results, classified by business, are as follows:

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	Q1/2021		Q1/2020		Increase (Decrease)	
	THB 000's	%	THB 000's	%	THB 000's	%
Total revenues	37,393	100.0%	38,294	100.0%	(901)	-2.4%
Non-life insurance broker business	25,508	68.2%	25,770	67.3%	(262)	-1.0%
Life insurance broker business	1,291	3.5%	1,695	4.4%	(404)	-23.8%
Platform service business	3,284	8.8%	5,470	14.3%	(2,186)	-40.0%
Personal loan business	3,909	15.3%	-	0.0%	3,909	100.0%
Investment in peer-to-peer lending transactions	2,538	6.8%	5,203	13.6%	(2,665)	-51.2%
Other revenues ^{1/}	863	2.3%	156	0.4%	707	453.2%

^{1/} 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 0.26 million or 1.0% year-on-year to THB 25.51 million, mainly due to a decrease in income from non-life insurance of THB 0.23 million.
- Income from life insurance broker business accounted for THB 1.29 million, shrinking by THB 0.40 million or 23.8% year-on-year owing to a decrease in sales of renewed life insurance of THB 7.22 million.
- Platform service fee income amounted to THB 3.28 million, plummeting by THB 2.19 million or 40.0% year-on-year. This stemmed mainly from a decrease of THB 0.74 million in revenue from the lender-borrower matching services and a drop of THB 1.44 million in monthly service and fee income as the Company has ceased providing the Daingern platform matching services since January 27, 2020. The Company still has the outstanding loans available of THB 263.81 million with NPLs of 1.53%. Currently, the Company is in the process of applying for permission to conduct tests in the regulatory sandbox with the Bank of Thailand.
- Income from personal loan business under supervision was THB 3.91 million. The Company started operating the personal loan business under supervision of the Bank of Thailand, with permission from the Ministry of Finance granted on June 11, 2020. Thus far, no NPLs have been incurred.
- Investment in peer-to-peer lending transactions plunged by THB 2.67 million or 51.2% year-on-year to THB 2.54 million, resulting from the Company having ceased its investment in the Daingern Dotcom platform service since August 2019.

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- Other revenues totaled THB 0.86 million, skyrocketing by THB 0.71 million or 453.2% year-on-year which was attributed chiefly to income from policy cancellation fees.

Cost and expenses of services amounted to THB 16.02 million, down from the same period in 2020 by THB 1.48 million or 8.4% due mainly to a decrease in cost of platform service of THB 1.07 million following the cessation of the Daingern platform service and a decrease in cost of life insurance broker business of THB 0.47 million.

Therefore, the Company posted a gross profit of THB 20.05 million with a gross profit margin of 55.6%.

Administrative expenses totaled THB 16.67 million, which rose by THB 2.08 million or 14.3% year-on-year due to administrative cost in the personal loan business of THB 2.44 million, employee-related expenses of THB 1.28 million, but with a drop in administrative cost from bad debts in the investment in peer-to-peer lending transactions of THB 0.74 million and cost of life insurance broker business of THB 0.96 million.

Total finance cost was THB 0.24 million, a year-on-year decrease of THB 0.03 million or 12.1% owing to recognition of the item in accordance with TAS16 Property, Plant and Equipment.

Reversal of expected credit losses (expected credit losses) accounted for THB 0.81 million, plunging by THB 1.61 million or 201.4% year-on-year. This stemmed largely from allowance for doubtful accounts from loans receivable in the investment in peer-to-peer lending transactions of THB 3.52 million and allowance set aside for the non-life insurance business of THB 0.09 million, but with an increase in allowance for doubtful accounts from loans receivable in the personal loan business of THB 2.00 million, which was calculated in line with TFRS9 Financial Instruments.

The Company reported a net profit of THB 4.12 million with a net profit margin of 11.0%, growing by THB 0.16 million or 3.9% year-on-year.

- Analysis of the statement of financial position

	As at Mar 31, 2021		As at Dec 31, 2020		Increase	
	THB 000's	%	THB 000's	%	THB 000's	%
Total assets	390,237	100.00%	389,568	100.00%	669	0.17%
Total liabilities	93,811	24.04%	97,261	25.00%	(3,450)	-3.55%
Shareholders' equity	296,426	75.96%	292,307	75.00%	4,119	1.41%

Assets: The Company and its subsidiaries had total assets as at March 31, 2021 of THB 390.24 million, which grew from year-end 2020 by THB 0.67 million or 0.2%. This resulted mainly from an increase in loans receivable from personal loans under supervision of THB 49.75 million, but with a decrease in cash and cash equivalents of THB 34.26 million and a decrease in long-term loans due to receipt of principal repayment of THB 15.24 million.

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Liabilities: The Company and its subsidiaries had total liabilities as at March 31, 2021 of THB 93.81 million, falling from the end of 2020 by THB 3.45 million or 3.6%. This was ascribed to a decrease in insurance premium payables and other payables of THB 3.19 million and a decrease in lease liabilities in accordance with TAS16 Property, Plant and Equipment of THB 1.01 million.

Shareholders' equity: The Company and its subsidiaries had total shareholders' equity as at March 31, 2021 of THB 296.43 million, growing by THB 4.12 million or 1.4% due to the net profit reported in 2021 of THB 4.12 million.

Please be informed accordingly.

Yours sincerely,

-Signed-

Mr. Thawatchai Lertrungruang

Chief Executive Officer

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