



## Management Discussion and Analysis

For the three-month and nine-month period ended September 30, 2021

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## 1. Key Highlights in Q3/2021

### 1.1 Support measures provided to BAM's customers affected by the COVID-19 pandemic

BAM has released a series of support measures to help both NPL and NPA customers whom the COVID-19 pandemic has impacted, on a case-by-case basis. The measures include “Get Through COVID-19 Together with BAM” program, “Happy to Have Your Home Back” program, “BAM Revitalizes Your Business” program, “BAM’s NPA Installment Purchase” program, and “Affordable Condos” program.

### 1.2 “Hot Price Condos for All by BAM” event

BAM organized the “Hot Price Condos for All by BAM” event from September 16 to October 31, 2021. Over 1,500 selected condos in prime locations were put up for sale under the idea that a monthly installment is more affordable than renting. We targeted those with low income and limited budget or who cannot access credit sources from financial institutions. Customers could own a residential unit by paying installments directly with BAM, with a starting monthly installment of only 500 baht. The interest rate was set at 0% for the first 12 months, and those who made a one-time payment in cash would receive a 20,000 baht on-top discount. A free transfer fee of up to 900,000 baht and a gift voucher of up to 100,000 baht were included in the program.

### 1.3 BAM held “NPAs Sales Expo by BAM Mall” event.

BAM held the “NPAs Sales Expo by BAM Mall” event.

BAM selected over 800 items of NPAs, worth 3,775 million baht in total, for sale during the “NPAs Sales Expo by BAM Mall” between August 15 – September 15, 2021. Discounts and special promotions were offered through different platforms, including ddproperty.com, baania.com, kaidee.com, dotproperty, shopee, and bam.co.th. This event aimed at penetrating the e-commerce market, which is in line with BAM’s NPAs strategies that respond to consumer behavior in real-estate purchasing in the New Normal era.

### 1.4 BAM aided communities in the fight against COVID-19.

BAM arranged “Sharing Kindness to Fight against COVID-19” campaign for two consecutive years to support communities affected by the COVID-19 pandemic. This campaign supported communities in acquiring medical equipment and supplies, as well as donating necessary items. Moreover, BAM established a community isolation center in DE VAL Resort and Sport Club, which is the Company’s NPA, to support COVID-19 patients in Nakhon Nayok Province and its vicinity.

### 1.5 Auctions organized by the Legal Execution Department (LED) for the third quarter of 2021

The Legal Execution Department carried out its auctions as usual although auctions to be held at Legal Execution offices in the 29 dark-red zone provinces (according to a resolution passed by Center for COVID-19 Situation Administration (CCSA)) were initially halted. However, on September 1, 2021, Legal Execution offices in the 29 provinces resumed their auctions, and additional auctions were organized on Saturdays to facilitate participation in auctions and reduce venues’ capacity under the COVID-19 preventive and control measures.

## 2. Management Discussion and Analysis for the third quarter ended September 30, 2021

### 2.1 Selected Financial Position Q3/2021

#### Significant items in Balance Sheet (for the nine-month period ended September 30, 2021)

##### Assets

As of September 30, 2021, the Company has total assets of Baht 124,281 million, decreasing by 5.9% from the year ended 2020.

- As of September 30, 2021, the Company has cash of Baht 77 million, increasing by 1,472.8% from the year ended 2020, and interbank and money market items – deposits at financial institutions of Baht 1,926 million, decreasing by 75.0% from the year ended 2020. This is mainly due to in Q2/2021 the Company offered debentures to institutional investors and high-net-worth investors of Baht 12,000 million and, from Q1/2021 to Q3/2021, repaid debentures that matured of Baht 7,000 million.
- In Q3/2021, the Company acquired NPLs (Loans purchased of receivables) from the financial institutions of Baht 626 million and did not acquire any NPAs (Properties for sale) directly from financial institutions. However, the Company has recorded more acquisition cost of properties for sale due to the renovation of NPAs to be ready for sale.
- On September 30, 2021, the Company has accrued income from auction sale – net of Baht 10,619 million, increasing by 8.3% from the year ended 2020. External buyers bought underlying collaterals from the Legal Execution Department's auction sale of Baht 7,774 million, and the Company bought underlying collaterals for its portfolio of Baht 2,893 million. The increase in the external buyer portion is in line with the strategy to let go of most of the underlying collaterals to third parties.

##### Liabilities

As of September 30, 2021, the Company has total liabilities of Baht 82,513 million, decreasing by 8.6% from the year ended 2020.

- Most of the Company's liabilities are debts issued and borrowings which are the significant sources of funds to acquire NPLs and NPAs. The details are as follows:
  1. Total notes payable of Baht 4,025 million decreased by 10.7% from the year ended 2020. This is because the Company acquired insignificant quantities of NPLs and NPAs in Q3/2021.
  2. Total borrowings of Baht 16,829 million decreased by 41.6% from the year ended 2020. This is mainly from less investment in NPLs / NPAs' acquisition and repayment of loan due in Q3/2021.

3. Total debentures of Baht 59,112 million increased by 9.2% from the year ended 2020. This is because the Company offered debentures to institutional investors and high-net-worth investors of Baht 12,000 million in Q2/2021. In addition, the Company repaid the debenture that matured on September 8, 2021 of Baht 1,000 million.
- The Company has repaid all the debentures due in 2021, consisting of 3 series worth Baht 7,000 million in total.

As at September 30, 2021, the Company's debt-to-equity ratio was 1.98 times.

## Equity

As of September 30, 2021, the Company has total equity of Baht 41,768 million, decreasing by 0.1% from the year ended 2020. Such change was mainly due to in Q2/2021 the Company paid the dividend payment of the business operation of the year 2020 at the rate of Baht 0.5125 per share, totaling Baht 1,656 million.

## Interest Income –net

This table mainly presents items that have significant changes.

Unit: Baht in Million	Q 3/2021	Q 2/2021	qoq % Inc. (Dec.)	Q 3/2020	yoy % Inc. (Dec.)	9 months 2021	9 months 2020	yoy % Inc. (Dec.)
<b>Interest Income - net</b>	<b>1,816</b>	<b>1,717</b>	<b>5.8</b>	<b>1,510</b>	<b>20.3</b>	<b>5,055</b>	<b>5,650</b>	<b>(10.5)</b>
<b>Total Interest Income</b>	<b>2,460</b>	<b>2,387</b>	<b>3.1</b>	<b>2,101</b>	<b>17.1</b>	<b>6,984</b>	<b>7,404</b>	<b>(5.7)</b>
Deposit at financial institutions	2	4	(50.0)		NA	7	2	250.0
Loans purchased of receivables	2,414	2,331	3.6	2,043	18.2	6,828	7,231	(5.6)
- Part of amount received	371	359	3.3	211	75.8	1,040	545	90.8
- Part of accrued	1,144	1,150	(0.5)	1,319	(13.3)	3,472	3,834	(9.4)
- Gain on loans purchased of receivables	899	822	9.4	513	75.2	2,316	2,852	(18.8)
Installment sale receivables	26	31	(16.1)	26	0.0	89	72	23.6
<b>Total interest expenses</b>	<b>644</b>	<b>670</b>	<b>(3.9)</b>	<b>591</b>	<b>9.0</b>	<b>1,929</b>	<b>1,754</b>	<b>10.0</b>
Debt issued – debentures	504	514	(1.9)	379	33.0	1,453	1,142	27.2
Debt issued – promissory notes	26	27	(3.7)	28	(7.1)	80	72	11.1
Borrowings	114	129	(11.6)	184	(38.0)	396	540	(26.7)

- In Q3/2021, the Company has total interest income of Baht 2,460 million, increasing by 3.1% qoq and 17.1% yoy. For nine-month period ended September 30, 2021, the Company has total interest income of Baht 6,984 million, decreasing by 5.7% yoy, mainly due to

- Interest income on loans purchased of receivables - part of amount received, Baht 371 million in Q3/2021, increased by 3.3% qoq and 75.8% yoy. For nine-month period ended September 30, 2021, the Company has interest income on loans purchased of receivables - part of amount received of Baht 1,040 million, increasing by 90.8% yoy. This is partly due to the strategy to increase the TDR debtors base.
- The Company recognized interest income on loans purchased of receivables on accrual basis and has an interest income on loans purchased of receivables - part of accrued of Baht 1,144 million in Q3/2021. However, the Company also recorded expected credit losses on the interest income on loan purchased of receivables – part of accrued in accordance with the Company’s performance.
- Gain on loans purchased of receivables in Q3/2021, Baht 899 million, increased by 9.4% qoq and 75.2% yoy. This is because in Q3/2021 the Company received repayments from debtors of which the proportions of interest income and acquisition cost had decreased, so more profit was recognized. For nine-month period ended September 30, 2021, the Company has gain on loans purchased of receivables of Baht 2,316 million, decreasing by 18.8% yoy. This is because in Q1/2020 the Company received a large payment from a debtor which was worth more than the acquisition cost.
- In Q3/2021, the Company has total interest expenses of Baht 644 million, decreasing by 3.9% qoq and increasing by 9.0% yoy. For nine-month period ended September 30, 2021, the Company has total interest expenses of Baht 1,929 million, increasing by 10.0% yoy, mainly because of financial management and liquidity. Regarding which, the proportion of debentures issued was higher than that of borrowings from financial institutions. Moreover, the Company repaid loans and debentures that were due, and NPLs and NPAs acquisition was reduced due to the wait-and-see strategy.

### **Gain on sale of properties for sale and installment sale**

For three-month period ended September 30, 2021, the Company has gain on sale of properties for sale of Baht 673 million, increasing by 3.5% qoq and decreasing by 5.5% yoy. For nine-month period ended September 30, 2021, the Company has gain on sale of properties for sale of Baht 1,892 million, increasing by 38.7% yoy. When compared to the same period of the previous year, the sale of NPAs tends to improve significantly. This is the result of pricing strategy and promotions through e-commerce platforms.

In this quarter, the Company has gain on installment sale of Baht 128 million, decreasing by 72.9% qoq and increasing by 700.0% yoy. For nine-month period ended September 30, 2021, the Company has gain on installment sale of Baht 636 million, increasing by 1,253.2% yoy. This is because in Q2/2021 the Company received a large payment of NPAs sale which is worth more than the acquisition cost of properties for sale.

## Other Operating Expenses

Unit: Baht in Million	Q3/2021	Q2/2021	qoq % Inc. (Dec.)	Q3/2020 (Restated)	yoy % Inc. (Dec.)	9 months 2021	9 months 2020 (Restated)	yoy % Inc. (Dec.)
<b>Other operating expenses</b>	<b>714</b>	<b>655</b>	<b>9.0</b>	<b>649</b>	<b>10.0</b>	<b>1,940</b>	<b>1,948</b>	<b>(0.4)</b>
Employee expenses	433	332	30.4	384	12.8	1,109	1,133	(2.1)
Directors' remunerations	2	1	100.0	2	0.0	5	5	0.0
Premises and equipment expenses	48	53	(9.4)	56	(14.3)	149	163	(8.6)
Taxes and duties	122	145	(15.9)	126	(3.2)	378	328	15.2
Impairment loss on properties for sale (reversal)	(8)	8	(200.0)	(5)	(60.0)	0.9	(7)	112.9
Properties for sale expenses	32	37	(13.5)	34	(5.9)	98	91	7.7
Other expenses	85	79	7.6	51	66.7	200	235	(14.9)

▪ For three-month period ended September 30, 2021, the Company has other operating expenses of Baht 714 million, increasing by 9.0% qoq and 10.0% yoy. For nine-month period ended September 30, 2021, the Company has other operating expenses of Baht 1,940 million, decreasing by 0.4% yoy, mainly due to

- In Q3/2021, employee expenses of Baht 433 million is the main operating cost of the Company, which increased by 30.4% qoq and 12.8% yoy. For nine-month period ended September 30, 2021, the Company has employee expenses of Baht 1,109 million, decreasing by 2.1% yoy. This is because the Company recorded bonus payment for the employees in relation to the business performance.
- In Q3/2021, the Company has taxes and duties of Baht 122 million, decreasing by 15.9% qoq and 3.2% yoy. For nine-month period ended September 30, 2021, the Company has taxes and duties of Baht 378 million, increasing by 15.2% yoy, mainly due to special business tax from sale of properties.
- In Q3/2021, the Company has recorded an additional impairment loss on properties for sale (reversal) of Baht (8) million, increasing by 200% qoq and increasing by 60.0% yoy. For nine-month period ended September 30, 2021, the Company has recorded an additional impairment loss of properties for sale of Baht 0.9 million, increasing by 112.9% yoy, mainly due to changes in the appraisal value.

## Expected credit losses

The company adopted the impairment of financial assets with credit impairment according to the new accounting policy which has been applied since January 1, 2020. For the three-month period ended September 30, 2021, the Company recorded the expected credit losses of Baht 1,186 million mainly due to;

(1) The Company recorded the expected credit losses for “loans purchased of receivables” of Baht 1,164 million, divided into loans purchased of receivables - accrued interest receivables of Baht 1,144 million and additional expected credit losses from impairment of loans purchased of receivables of Baht 20 million.

(2) Expected credit losses for installment sale receivables of Baht 14 million.

## 2.2 Collection from NPLs and NPAs management businesses

The Company believes that for the NPLs and NPAs management business, collection is a key performance indicator which is applied by other operators in the same business and various investors. Collection is calculated based on key items and so does not include all collection items from NPLs and NPAs management business. However, collection is not a standard indicator prescribed by TFRS, and so the methods of calculation may differ from methods of calculation used by other companies for similar items.

### 2.2.1 Collection Received from NPLs Management Business

The following table sets forth the collection received from NPLs management business for the year ended December 31, 2018, 2019 and 2020, and for the nine-month period ended September 30, 2019, 2020, 2021.

	Year ended December 31,			For the nine-month period ended September 30,		
	2018	2019	2020	2019	2020	2021
	Baht (Million)	Baht (Million)	Baht (Million)	Baht (Million)	Baht (Million)	Baht (Million)
<b>Collection received from NPLs Management business</b>						
Interest income from loans purchased <sup>1</sup>	1,856.8	1,518.9	5,887.9	2,299.2	4,924.0	5,552.3
Gain on loans purchased	4,438.4	7,449.6	3,835.4	6,571.0	2,852.3	2,315.8
Net repayment and adjusted entries	9,081.4	10,907.8	7,997.7	8,322.3	5,864.3	5,794.5
<b>Total</b>	<b>15,376.6</b>	<b>19,876.3</b>	<b>17,721.0</b>	<b>17,192.5</b>	<b>13,640.3</b>	<b>13,662.6</b>
Less the portion of accrued interest receivables and receivables repayment from the debtors by collateral <sup>2</sup>	(6,376.5)	(13,018.2)	(11,923.52)	(12,026.2)	(9,607.4)	(9,328.9)
<b>Collection from the debtors during the period<sup>3</sup></b>	<b>9,000.1</b>	<b>6,858.1</b>	<b>5,797.5</b>	<b>5,166.3</b>	<b>4,033.1</b>	<b>4,329.4</b>
Collection from the Legal Execution Department during the period <sup>4</sup>	1,791.1	7,200.5	2,598.8	6,748.1	2,240.0	1,869.1
<b>Total Collection from NPL management business<sup>5</sup></b>	<b>10,791.2</b>	<b>14,058.6</b>	<b>8,396.3</b>	<b>11,914.4</b>	<b>6,273.1</b>	<b>6,198.5</b>



- Notes:
- <sup>1</sup> “Interest income from loans purchased” and “gain on loans purchased” are presented as two separate line items in the audited financial statements for the year ended December 31, 2018. However, these items are presented as combined line item, “Interest income from loans purchased” in the audited financial statement for the year ended December 31, 2019, 2020. However, due to the new financial reporting standard that became effective in the current period, notes to financial statements for the year ended December 31, 2020 and nine-month period ended September 30, 2020 and 2021 present “interest income on loans purchased of receivable” separately into (i) part of fully received and (ii) part of account receivable.
  - <sup>2</sup> See “Critical Accounting Policies and Estimates- Recognition of interest income and gain on loans purchased”
  - <sup>3</sup> Collection from the debtors during the period is calculated from (i) gain on interest income of loans purchased; (ii) plus gain on loans purchased; (iii) plus net repayment and adjusted entries; and (iv) less the portion of accrued interest receivables and receivables repayment from the debtors by collateral.
  - <sup>4</sup> Collection from the Legal Execution Department since the nine-month period ended September 30, 2021, is shown as a third-party purchaser won the auction of underlying collateral and the Company has a certainty in receiving and recognizing an income from auction sale.
  - <sup>5</sup> Collection from NPLs management business is calculated from the sum of (i) collection from the debtors during the period; and (ii) cash collected from the Legal Execution Department during the period. We believe that, for our NPLs management business, collection is a key performance indicator which is applied by other operators in the same business and various investors for the estimated collection of NPLs management business. Collection from NPLs management business reflects interest income from loans purchased, gain on loans purchased and net repayment and adjusted entries, and is calculated based on key items only, and so does not include collection items from the NPLs management business which we have recognized (such as collection from auction sale pending recognition, suspended account for debt repayment, check pending collection and suspended account for write-off). However, collection is not an indicator of actual cash flow of our NPLs management business nor a standard indicator prescribed by TFRS, and so our methods of calculation may differ from the methods of calculation used by other companies for similar items.

For nine-month period ended September 30, 2021, the Company’s collection received from NPLs management business was Baht 6,198.5 million which consisted of collection from the debtors during the period of Baht 4,329.4 million and collection from the Legal Execution Department of Baht 1,869.1 million.

### 2.2.2 Collection from NPAs Management Business

The following table sets forth the collection from the Company’s NPAs management business for the year ended December 31, 2018, 2019 and 2020 and for the nine-month period ended September 30, 2019, 2020 and 2021

	Year ended			For the nine-month period ended		
	December 31,			June 30,		
	2018	2019	2020	2019	2020	2021
Collection received from NPA management business	Baht (Million)	Baht (Million)	Baht (Million)	Baht (Million)	Baht (Million)	Baht (Million)
<b>Outright sales</b>						
Gain on sale of properties for sale collected in cash	3,105.5	2,907.3	2,015.2	1,130.0	1,364.3	1,892.4
Decreased acquisition or transfer costs of properties for sale – net <sup>1</sup>	2,216.8	2,316.9	1,864.2	1,265.0	1,227.0	2,083.1
<b>Total collection from sale of properties for sale-Outright sales</b>	<b>5,322.3</b>	<b>5,224.2</b>	<b>3,879.4</b>	<b>2,395.0</b>	<b>2,591.3</b>	<b>3,975.5</b>
<b>Installment sales</b>						
Interest income	89.2	108.0	95.0	87.2	72.6	89.0
Collected debt repayment during the periods (in terms of cost and gain)	366.4	341.4	763.0	258.5	222.0	814.0
<b>Total collection from installment sales of properties for sale</b>	<b>455.6</b>	<b>449.4</b>	<b>858.0</b>	<b>345.7</b>	<b>294.6</b>	<b>903.0</b>
<b>Total collection received from NPA Management business<sup>2</sup></b>	<b>5,777.9</b>	<b>5,673.6</b>	<b>4,737.4</b>	<b>2,740.7</b>	<b>2,885.9</b>	<b>4,878.5</b>

- Notes:
- <sup>1</sup> Decreased net acquisition or transfer costs of properties for sale is calculated from (i) the total decreased acquisition, transfer costs of properties for sale and adjustment and (ii) any reversal from revaluation of properties for sale sold during the periods.
  - <sup>2</sup> Collection from NPAs management business is calculated from (i) cash collected from outright sales; (ii) plus cash collected from installment sales. We believe that, for our NPAs management business, cash collection is a key performance indicator which is applied by other operators in the same business and various investors for the estimated cash flow from NPAs management business. Collection from NPAs management business is calculated based on key items only, and so does not include all collection from the NPAs management business, such as (i) dividends from our investment in securities; (ii) rent; (iii) gain from foreclosures of installment sales and (iv) other income from the breach of agreements, including asset sale agreements. However, this collection is not an indicator of actual cash flow of our NPAs management business nor a standard indicator prescribed by TFRS, and so our methods of calculation may differ from methods of calculation used by other companies for similar items.

For the nine-month period ended September 30, 2021, the Company's collection received from NPAs management business is Baht 4,848.5 million which consisted of Baht 3,975.5 million from Outright sales and Baht 903.0 million from installment sales.

## 2.3 Vintage Analysis

The company maintains a portfolio of loans purchased and properties for sale acquired at various points in time.

### 2.3.1 Loans purchased and foreclosed collateral properties

The following table sets forth certain details regarding the appraisal value and outstanding balance of our loans purchased and properties for sale that had been converted from collateral (“Foreclosed Collateral Properties”) as of September 30, 2021:

Time since acquisition	Less than 1 year	From 1 – less than 2 years	From 2 – less than 3 years	From 3 – less than 4 years	From 4 – less than 5 years	From 5 – less than 6 years	From 6 – less than 7 years	From 7 – less than 8 years	From 8 – less than 9 years	From 9 – less than 10 years	From 10 years and above	Total
(Baht in million, except for ratios)												
<b>Loans purchased:</b>												
Outstanding balance	3,698.45	8,287.42	12,315.72	9,715.44	7,577.01	5,843.52	8,768.66	3,285.37	3,653.49	3,582.65	14,777.95	81,505.68
Appraisal value <sup>1</sup>	9,491.46	17,201.62	24,007.94	20,539.74	15,069.13	12,353.87	18,405.45	6,601.05	8,975.65	18,275.07	35,601.94	186,522.95
<b>Appraisal value/</b>												
Outstanding balance (x)	2.57	2.08	1.95	2.11	1.99	2.11	2.10	2.01	2.46	5.10	2.41	2.29
<b>Foreclosed collateral</b>												
<b>Properties:</b> (Time since transferred to NPAs)												
Outstanding balance <sup>2</sup>	4,767.88	4,648.40	3,822.46	2,849.79	2,314.73	1,244.48	1,527.49	466.45	667.65	244.19	1,798.39	24,351.91
Appraisal value	8,917.70	9,201.71	7,479.95	6,014.45	4,647.82	2,710.12	2,766.46	1,117.99	718.63	684.09	4,648.11	48,907.03
<b>Appraisal value/</b>												
Outstanding balance (x)	1.87	1.98	1.96	2.11	2.01	2.18	1.81	2.40	1.08	2.80	2.58	2.01

Notes: <sup>1</sup> Collateral value calculated based on the appraised price in accordance with the latest resolution of the committee on the appraise price (notwithstanding that some of the appraisal price may have been appraised not less than 3 years ago) and if collateral has been auctioned and bids have already been received, based on the bid price less estimated expenses. The collateral value is based on appraisal price before taking into account the accrued debt obligation and the mortgage value.

<sup>2</sup> The actual cost of acquiring the assets before revaluation of properties for sale.

The appraisal value of loans purchased and Foreclosed Collateral Properties is approximately 2.01 times the outstanding balance across different vintages. The Company is diligent in the collection and seeks to maintain levels of collection from both distressed assets and properties for sale. For assets acquired as distressed debt, a portion of the collection is primarily collected throughout the debt restructuring and sale of properties (both outright and installment sales).

The following table sets forth certain details regarding the company's collection and acquisition cost for portfolios of loans purchased and Foreclosed Collateral Properties with various holding periods as of September 30, 2021:

Time since acquisition	Less than 1 year	From 1 – less than 2 years	From 2 – less than 3 years	From 3 – less than 4 years	From 4 – less than 5 years	From 5 – less than 6 years	From 6 – less than 7 years	From 7 – less than 8 years	From 8 – less than 9 years	From 9 – less than 10 years	From 10 years and above	Total
<i>(Baht in million, except for ratios)</i>												
<b>Loans purchased and Foreclosed Collateral Properties</b>												
Total collection.....	166.96	651.07	2,547.27	3,480.73	3,691.11	5,110.48	7,374.98	4,010.22	11,881.47	27,683.90	156,738.27	223,336.46
Distressed debt asset collection.....	166.96	584.61	2,441.65	2,988.28	3,382.47	4,372.06	5,975.46	3,374.40	8,587.69	24,855.07	116,184.06	173,912.70
Foreclosed Collateral Properties collection.....	0.00	66.46	105.62	492.45	308.65	738.42	1,399.52	635.82	3,293.79	2,828.83	40,554.21	60,423.76
Acquisition cost.....	3,829.50	8,868.41	14,728.45	13,997.28	11,815.07	11,104.62	16,633.28	7,551.52	11,981.87	16,310.02	118,531.48	235,351.50
<b>Collection/ Acquisition cost (%).....</b>	4.36	7.34	17.29	24.84	31.24	46.02	44.34	53.01	99.16	169.74	132.23	94.89

Collection tends to gradually increase within the first 2-3 years of an asset's acquisition as we carry out preparation, negotiation and restructuring activities, and then accelerates in the recovery period. As of September 30, 2021 total collection for assets acquired from 2 - less than 3 years is 17.29% which is lower than the total collection for assets acquired over 10 years ago of 132.23%

From the portfolios of loans purchase that the Company have acquired in the 1 to 2 years prior to September 30, 2021 of Baht 651.07 million (of which Baht 584.61 million was from distressed debt assets and Baht 66.46 million was from Foreclosed Collateral Properties) and had a total balance of Baht 12,935.82 million of loans purchased which we had acquired within one to two years before (of which Baht 8,287.42 million is from distressed debt assets and Baht 4,648.40 million is from Foreclosed Collateral Properties), with a total appraisal value of Baht 26,403.33 million (of which Baht 17,201.62 million from distressed assets and Baht 9,201.71 million from Foreclosed Collateral Properties).

### 2.3.2 Directly Acquired Properties for sale

The following table sets forth certain details regarding the appraisal value and outstanding balance of properties for sale that acquired directly (“Directly Acquired Properties for sale”) as of September 30, 2021.

Time since acquisition	Less than 1 year	From 1 – less than 2 years	From 2 – less than 3 years	From 3 – less than 4 years	From 4 – less than 5 years	From 5 – less than 6 years	From 6 – less than 7 years	From 7 – less than 8 years	From 8 – less than 9 years	From 9 – less than 10 years	From 10 years and above	Total
<i>(Baht in million, except for ratios)</i>												
<b>Directly Acquired Properties for sale:</b>												
Outstanding balance.....	49.18	1,244.69	1,002.61	249.66	174.46	233.15	37.93	0.00	265.53	718.48	1,618.61	5,594.30
Appraisal value.....	109.74	2,651.61	1,932.60	451.71	457.22	554.29	73.85	0.00	782.03	2,765.87	5,787.30	15,566.21
Appraisal value/ outstanding balance (x)	2.23	2.13	1.93	1.81	2.62	2.38	1.95	0.00	2.95	3.85	3.58	2.78

As of September 30, 2021, the total appraised value of the assets is 2.78x of the total outstanding balance of Directly Acquired Properties for sale.

The following table sets forth certain details regarding the Company's collection and acquisition cost of the portfolios of Directly Acquired Properties for sale with various holding periods as of September 30, 2021:

Time since acquisition	Less than 1 year	From 1 – less than 2 years	From 2 – less than 3 years	From 3 – less than 4 years	From 4 – less than 5 years	From 5 – less than 6 years	From 6 – less than 7 years	From 7 – less than 8 years	From 8 – less than 9 years	From 9 – less than 10 years	From 10 years and above	Total
<i>(Baht in million, except for ratios)</i>												
<b>Direct properties for sale:</b>												
Collection.....	0.00	147.33	169.39	124.88	100.36	498.35	23.14	3.40	3,478.72	5,176.29	36,139.08	45,860.95
Acquisition cost.....	49.18	1,557.38	1,367.28	342.87	265.39	607.41	56.26	3.23	1,475.39	2,617.01	19,258.71	27,600.12
Collection/acquisition cost (%).....	0.00	9.46	12.39	36.42	37.82	82.05	41.14	105.38	235.78	197.79	187.65	166.16

As of September 30, 2021, collection for Directly Acquired Properties for sale is 12.39% of the acquisition cost of assets acquired from 2 – less than 3 years as compared with 187.65% of that of assets acquired more than 10 years.

We had collected Baht 147.33 million from the properties for sale that we directly acquired 1 to 2 years prior to September 30, 2021. The Company had total outstanding balance of Baht 1,244.69 million and total appraisal value of Baht 2,651.61 million.

## 2.4 NPLs Concentration by Portfolio

The following table sets forth information regarding our individual debtors with the 10 largest remaining acquisition costs of NPLs as of the dates indicated.

Major Debtors <sup>1</sup>	Year ended December 31,			Nine-month period ended September 30,
	2018	2019	2020 <sup>2</sup>	2021 <sup>2</sup>
	Baht (Million)	Baht (Million)	Baht (Million)	Baht (Million)
Debtor 1	3,064.8	3,034.9	3,034.9	3,034.9
Debtor 2	2,127.4	589.2	589.3	589.3
Debtor 3	586.6	579.0	558.4	558.1
Debtor 4	579.0	507.9	388.6	388.9
Debtor 5	507.9	388.5	334.1	334.3
Debtor 6	323.7	334.1	323.8	323.8
Debtor 7	317.4	323.8	290.4	290.5
Debtor 8	303.8	319.0	286.9	287.3
Debtor 9	229.8	299.9	260.5	260.5
Debtor 10	216.6	229.8	223.6	223.6
<b>Sub-total</b>	<b>8,257.0</b>	<b>6,606.1</b>	<b>6,290.5</b>	<b>6,291.1</b>
<b>Total NPLs<sup>3</sup></b>	<b>75,434</b>	<b>77,375</b>	<b>77,726</b>	<b>73,238</b>

Notes: <sup>1</sup> Represents our top 10 debtors by remaining acquisition of NPLs as of the dates indicated. Our top 10 debtors may vary from year to year.

<sup>2</sup> Information regarding top 10 debtors by remaining acquisition of NPLs for the year ended December 31, 2020 and for the nine-month period ended September 30, 2021 may not be comparable to the previous periods due to the calculation of allowance for expected credit losses on loans purchased (2019: Allowance for doubtful account) as per requirement of TFRS.

<sup>3</sup> Due to the new financial report standards, “loans purchased” (NPLs) is reclassified into “loans purchased of receivables and accrued interest receivables- net.”

## 2.5 NPAs Concentration by Region and by Type

Our NPAs are located throughout Thailand. As of September 30, 2021, 41.6% of net value of our NPAs are located in Bangkok and its vicinity and 52.2% of net value of our NPAs are residential properties.

The following table sets forth certain details of our NPAs by region as of the date indicated.

	As of December 31,			As of September
	2018	2019	2020	30,
	Baht (Million)	Baht (Million)	Baht (Million)	2021 Baht (Million)
<b>Value of NPAs by Geography of Real estates</b>				
Immovable assets				
Bangkok and its vicinity	9,066.4	9,987.9	12,254.9	12,240.5
Central and Eastern Thailand	5,389.9	6,137.0	6,582.6	6,808.0
Northern Thailand	3,041.7	3,432.2	3,742.0	2,957.1
Northeast Thailand	1,638.3	2,158.5	2,697.6	3,296.6
Southern Thailand	1,244.9	1,968.6	2,587.2	3,938.6
Moveable assets	214.6	214.9	213.8	217.3
<b>Total</b>	<b>20,595.8</b>	<b>23,899.1</b>	<b>28,078.2</b>	<b>29,458.2</b>

The following table sets forth a breakdown of the value of our NPAs by type as of the date indicated

	As of December 31,			As of September 30,
	2018	2019	2020	2021
	Baht (Million)	Baht (Million)	Baht (Million)	Baht (Million)
<b>Value of NPAs by Type of Real estates</b>				
Immovable assets				
Vacant land	5,510.2	5,242.7	6,022.8	5,658.2
Hotels	367.3	449.9	590.8	698.5
Commercial properties	5,413.7	6,452.8	7,186.0	7,521.0
Residential properties	9,090.0	11,538.8	14,064.9	15,363.1
Moveable assets	214.6	214.9	213.8	217.3
<b>Total</b>	<b>20,595.8</b>	<b>23,899.1</b>	<b>28,078.2</b>	<b>29,458.2</b>

As of September 30, 2021, the Company has net NPAs value of Baht 29,458 million and the appraisal NPAs value of Baht 64,473 million (of which Baht 64,069 million for immovable assets and Baht 404 million for movable assets).