



Management Discussion and Analysis

For the three-month and year ended December 31, 2021

Bangkok Commercial Asset Management Public Company Limited

99 Surasak Rd., Silom, Bangrak, Bangkok 10500 Thailand

Tel: 0 2267 1900 Ext. 2909-13

Website: www.bam.co.th

Investor Relations Email: ir@bam.co.th

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1. Executive Summary

The year 2021 was a challenging year for distressed asset management industry. As BAM implemented proactive strategies for its NPLs and NPAs management, the overall performance of 2021 saw an improvement over last year. However, the ongoing COVID-19 pandemic still has an impact on the economy and debtors' ability to repay. In such circumstance, BAM has launched measures to ease debtors' debt burden and to support customers who have long been under financial constraints.

The Company reported a total collection of Baht 15,995 million for the year 2021, a net profit of Baht 986 million for Q4/2021 – an increase of Baht 410 million or 71 percent qoq, and a net profit of Baht 2,600 million for the year 2021 – an increase of Baht 760 million or 41 percent yoy. The improved figures indicate that the COVID-19 pandemic began to subside in Q4/2021. Moreover, auctions at the Legal Execution Department have resumed since September 1, 2021, and BAM has started to organize promotional booths in Q4/2021.

Overall, AMC industry and NPLs supply and acquisition have been impacted by relief measures for debtors affected by the COVID-19 pandemic and more lenient debtor classification and provisioning criteria which alleviated the deterioration of bank loan quality. This slightly changed the volume of gross NPLs held by commercial banks. (As of Q3/2021, NPLs in the system was Baht 540 billion or 3.14 percent of total loans.) As a result, commercial banks slowed down their NPLs sales. In 2021, commercial banks offered Baht 43,610 million worth of secured NPLs principal balance, a decrease of 34 percent of the sales offered in 2020. Moreover, under the uncertainty, most AMCs joining auctions offered lower bid prices, compared to the prices offered in 2020. Commercial banks, as a result, cancelled their sales offers, covering the principal balance of Baht 19,542 million or over 66 percent of 2020 cancellation.

In 2021, the Company offered and issued debentures of Baht 15,000 million in total, comprising of 1/2021 issuance worth Baht 12,000 million and 2/2021 issuance of Baht 3,000 million. The offerings and issuances were well received by institutional investors and high net worth investors. (TRIS Rating has assigned BAM and the debentures a rating of "A-" with stable outlook.) The Company has a D/E ratio of 1.94. (Financial covenants from lenders require a D/E ratio to remain under 3 times.)

As for 2022 collection, the Company has set the target figure of Baht 17,488 million and has a policy on investment for asset growth of no less than 110 percent of the reduced acquisition cost, expecting to acquire no less than Baht 9,000 million. Under business opportunities and appropriate liquidity, additional investments may be considered. Furthermore, the Bank of Thailand currently has measures to support joint venture initiatives between commercial banks and AMCs to resolve NPLs problems. The Company regards this support as an emphasis on AMCs' role and potential in resolving NPLs in the financial institutions system. Joint ventures will play an important role in absorbing an increasing volume of NPLs after relief measures for debtors affected by the COVID-19 pandemic end. The Company sees that joint ventures will bring about more collection through an asset-light model. Regarding which, BAM currently negotiates with commercial banks and expects to achieve clarity in the second half of 2022.

The Company has scheduled the board of directors meeting for February 25, 2022, to call for the annual general meeting of shareholders for the year 2022 as well as announcing the agenda for the annual general meeting and the dividend payment of the 2021 operating results simultaneously.

2. Key Highlights in Q4/2021

2.1 BAM remains a member of the CAC

On December 22, 2021, BAM received its 2nd membership certificate of the Thai Private Sector Collective Action Coalition against Corruption (CAC) at the virtual Thailand 11th National Conference on Collective Action Against Corruption - "Spotlight on Clean Business". This indicates our commitment to be a company that operates business with transparency and combats all forms of corruption under the slogan "By being honest, transparent, and not asking for any benefits, BAM unites against corruption."

2.2 Expos in Q4/2021

After Thailand reopened on November 1, 2021, BAM could organize 5 expos in Q4 with special year end promotions for BAM's customers, including Money Expo 2021 at Impact Arena and Central Plaza Hatyai, Thailand Smart 2021 at Central World and Central Plaza Khon Kaen, and House Bank Expo in Chiang Mai.

2.3 Special year end promotions in 2021

BAM arranged promotional campaigns in Q4/2021 for customers who were interested in purchasing NPAs at a special price. They would receive the free transfer offers, free right of ownership transfer fees, and vouchers which are parts of the proactive marketing campaigns through both online and offline channels, including BAM partnering with LAZADA for 10.10 promotion and the Four-Star Homes by BAM campaign between November 1-30, 2021.

2.4 CSR

BAM is committed to promote Corporate Social Responsibility (CSR) through various activities, including the Sharing Kindness to Fight against COVID-19 campaign – organized for two consecutive years – to support community isolation centers, medical equipment and supplies, and donation of necessary items; HOPE project to develop residences for low-income earners; measures for flood-affected BAM's customers; and 1,000 scholarships given for the scholarship program of the year 2021 (14th year) totaling Baht 3,175,000.

3. Management Discussion and Analysis for the year ended 2021

3.1 Selected Financial Position for the year ended 2021

Significant items in Balance Sheet (for the year ended December 31, 2021)

Assets

As of December 31, 2021, the Company has total assets of Baht 125,904 million, decreasing by 4.7% from the year ended 2020.

- As of December 31, 2021, the Company has cash of Baht 99 million, increasing by 1,913.0 % from the year ended 2020, and interbank and money market items – deposits at financial institutions of Baht 3,334 million, decreasing by 56.7% from the year ended 2020. This is mainly because the Company offered debentures to institutional investors and high-net-worth investors of Baht 12,000 million in Q2/2021 and Baht 3,000 million in Q4/2021. Also, the Company repaid debentures that matured of Baht 7,000 million from Q1/2021 to Q3/2021.
- In Q4/2021, the Company acquired NPLs (Loans purchased of receivables) from the financial institutions of Baht 2,285 million and NPAs (Properties for sale) directly from financial institutions of Baht 6 million. There was a cumulative purchase of NPLs/NPAs of Baht 3,669 million for the year ended 2020.
- On December 31, 2021, the Company has accrued income from auction sale – net of Baht 10,252 million, increasing by 4.6% from the year ended 2020. This is because Legal Execution Department could resume their auctions in the second half of 2021. External buyers bought underlying collaterals from the Legal Execution Department’s auction sale of Baht 7,448 million, and the Company bought underlying collaterals for its portfolio of Baht 2,836 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 December 31, 2021, the Company has total liabilities of Baht 83,148 million, decreasing by 7.9% 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 3,573 million decreased by 20.7% from the year ended 2020. This is because the Company acquired insignificant quantities of NPLs and NPAs in Q4/2021.
 2. Total borrowings of Baht 14,470 million decreased by 49.8% from the year ended 2020. This is mainly from less investment in NPLs / NPAs’ acquisition and repayment of loan due in Q4/2021.

3. Total debentures of Baht 62,111 million increased by 14.8% 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 and Baht 3,000 million in Q4/2021.
- The Company has repaid all the debentures due in 2021, consisting of 3 series worth Baht 7,000 million in total. The Company has 3 debentures due in 2022 of Baht 6,400 million as follows:
 1. Debenture No.1/2021, Series 1, amount issued Baht 2,000 million, maturity date April 9, 2022.
 2. Debenture No.1/2017, Series 3, amount issued Baht 1,400 million, maturity date June 23, 2022.
 3. Debenture No.1/2019, Series 2, amount issued Baht 3,000 million, maturity date July 18, 2022.

In addition, the Company plans to issue and offer debentures in the remaining amount approved by the 2021 Annual General Meeting of Shareholders or not exceeding Baht 25,000 million to institutional and high net worth investors during 2022-2023. However, the above financial goals and schemes are the Company's initial expectations, which may change according to the economic situation and changing circumstances.

As at December 31, 2021, the Company's debt-to-equity ratio was 1.94 times.

Equity

As of December 31, 2021, the Company has total equity of Baht 42,756 million, increasing by 2.3% from the year ended 2020. Such change was mainly due to the followings:

- Other components of equity amounted to Baht 255 million, increasing by 6.1% from the year ended 2020 because the Company recorded revaluation surplus on investments.
- The Company has retained earnings (unappropriated) of Baht 18,673 million, increasing by 5.3% from the year ended 2020, because the Company records the remaining net retained earnings according to the accounting period. In addition, 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 4/2021	Q 3/2021	qoq % Inc. (Dec.)	Q 4/2020	yoy % Inc. (Dec.)	2021	2020	yoy % Inc. (Dec.)
Interest Income - net	1,955	1,816	7.7	1,905	2.6	7,010	7,555	(7.2)
Total Interest Income	2,585	2,460	5.1	2,542	1.7	9,569	9,946	(3.8)
Deposit at financial institutions	1	2	(50.0)	3	(66.7)	8	5	60.0
Loans purchased of receivables	2,541	2,414	5.3	2,491	2.0	9,369	9,722	(3.6)
- Part of amount received	476	371	28.3	295	61.4	1,516	840	80.5
- Part of accrued	1,059	1,144	(7.4)	1,213	(12.7)	4,531	5,047	(10.2)
- Gain on loans purchased of receivables	1,006	899	11.9	983	2.3	3,322	3,835	(13.4)
Installment sale receivables	26	26	0.0	23	13.0	115	95	21.1
Total interest expenses	630	644	(2.2)	637	(1.1)	2,559	2,391	7.0
Debt issued – debentures	506	504	0.4	429	17.9	1,959	1,571	24.7
Debt issued – promissory notes	27	26	3.8	28	(3.6)	107	100	7.0
Borrowings	97	114	(14.9)	180	(46.1)	493	720	(31.5)

- In Q4/2021, the Company has total interest income of Baht 1,955 million, increasing by 7.7% qoq and 2.6% yoy. For year ended December 31, 2021, the Company has total interest income of Baht 7,010 million, decreasing by 7.2 % yoy, mainly due to
 - Interest income on loans purchased of receivables - part of amount received, Baht 476 million in Q4/2021, increased by 28.3% qoq and 61.4% yoy. For year ended December 31, 2021, the Company has interest income on loans purchased of receivables - part of amount received of Baht 1,516 million, increasing by 80.5% yoy. This is partly because the Covid-19 pandemic was less severe in the second half of 2021. In addition, the Company has measures to provide assistance to debtors in terms of the repayment terms and debtors impacted by the situation.
 - 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 1,059 million in Q4/2021. 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 Q4/2021, Baht 1,006 million, increased by 11.9% qoq and 2.3% yoy. This is because in Q4/2021 the Company received repayments from debtors of which the proportions of interest income and acquisition cost had decreased, so more profit was recognized. For year ended December 31, 2021, the Company has gain on loans purchased of receivables of Baht 3,322 million, decreasing by 13.4% 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 Q4/2021, the Company has total interest expenses of Baht 630 million, decreasing by 2.2% qoq and 1.1% yoy. For year ended December 31, 2021, the Company has total interest expenses of Baht 2,559 million, increasing by 7.0% 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 December 31, 2021, the Company has gain on sale of properties for sale of Baht 1,071 million, increasing by 59.1% qoq and 66.8% yoy. For year ended December 31, 2021, the Company has gain on sale of properties for sale of Baht 2,963 million, increasing by 48.3% 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 54 million, decreasing by 57.8% qoq and 84.9% yoy. For year ended December 31, 2021, the Company has gain on installment sale of Baht 690 million, increasing by 70.8% 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	Q4/2021	Q3/2021	qoq % Inc. (Dec.)	Q4/2020 (Restated)	yoy % Inc. (Dec.)	2021	2020 (Restated)	yoy % Inc. (Dec.)
Other operating expenses	787	714	10.2	693	13.6	2,727	2,641	3.3
Employee expenses	490	433	13.2	395	24.1	1,599	1,528	4.6
Directors' remunerations	8	2	300.0	8	0.0	13	13	0.0
Premises and equipment expenses	52	48	8.3	54	(3.7)	201	217	(7.4)
Taxes and duties	153	122	25.4	129	18.6	531	457	16.2
Impairment loss on properties for sale (reversal)	20	(8)	351.3	(3)	770.0	21	(10)	310.0
Properties for sale expenses	38	32	18.8	33	15.2	136	124	9.7
Other expenses	26	85	(69.4)	77	(66.2)	226	312	(27.6)

- For three-month period ended December 31, 2021, the Company has other operating expenses of Baht 787 million, increasing by 10.2% qoq and 13.6% yoy. For year ended December 31, 2021, the Company has other operating expenses of Baht 2,727 million, increasing by 3.3% yoy, mainly due to
 - In Q4/2021, employee expenses of Baht 490 million is the main operating cost of the Company, which increased by 13.2% qoq and 24.1% yoy. For year ended December 31, 2021, the Company has employee expenses of Baht 1,599 million, increasing by 4.6% yoy. This is because the Company recorded bonus payment for the employees in relation to the business performance.

- In Q4/2021, the Company has taxes and duties of Baht 153 million, increasing by 25.4% qoq and 18.6% yoy. For the year ended December 31, 2021, the Company has taxes and duties of Baht 531 million, increasing by 16.2% yoy, mainly due to special business tax from sale of properties.
- In Q4/2021, the Company has recorded an additional impairment loss on properties for sale (reversal) of Baht 20 million, increasing by 351.3% qoq and increasing by 770.0% yoy. For year ended December 31, 2021, the Company has recorded an additional impairment loss of properties for sale of Baht 21 million, increasing by 310.0% 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 year ended December 31, 2021, the Company recorded the expected credit losses of Baht 4,765 million mainly due to;

- (1) The Company recorded the expected credit losses for “loans purchased of receivables” of Baht 4,727 million, divided into loans purchased of receivables - accrued interest receivables of Baht 4,531 million and additional expected credit losses from impairment of loans purchased of receivables of Baht 196 million.
- (2) Expected credit losses for installment sale receivables of Baht 58 million.

3.2 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.

3.2.1 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, 2020 and 2021.

Collection received from NPLs management business	Year ended December 31,			
	2018	2019	2020	2021
	Baht (Million)	Baht (Million)	Baht (Million)	Baht (Million)
Interest income from loans purchased ¹	1,856.8	1,518.9	5,887.9	6,047.2
Gain on loans purchased	4,438.4	7,449.6	3,835.4	3,322.1
Net repayment and adjusted entries	9,081.4	10,907.8	7,997.7	7,907.5
Total	15,376.6	19,876.3	17,721.0	17,276.8
Less the portion of accrued interest receivables and receivables repayment from the debtors by collateral ²	(6,376.5)	(13,018.2)	(11,923.5)	(11,234.1)
Collection from the debtors during the period ³	9,000.1	6,858.1	5,797.5	6,042.7
Collection from the Legal Execution Department during the period ⁴	1,791.1	7,200.5	2,598.8	2,675.9
Total Collection from NPLs management business⁵	10,791.2	14,058.6	8,396.3	8,718.6

- Notes:
- ¹ "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 and 2021. 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, 2021 present "interest income on loans purchased of receivable" separately into (i) part of fully received and (ii) part of account receivable.
 - ² See "Critical Accounting Policies and Estimates- Recognition of interest income and gain on loans purchased"
 - ³ 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.
 - ⁴ Collection from the Legal Execution Department since the year ended December 31, 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.
 - ⁵ 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 year ended December 31, 2021, the Company's collection received from NPLs management business was Baht 8,718.6 million which consisted of collection from the debtors during the period of Baht 6,042.7 million and collection from the Legal Execution Department of Baht 2,675.9 million.

3.2.2 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, 2020 and 2021

Collection received from NPAs management business	Year ended December 31,			
	2018	2019	2020	2021
	Baht (Million)	Baht (Million)	Baht (Million)	Baht (Million)
Outright sales				
Gain on sale of properties for sale collected in cash	3,105.5	2,907.3	2,015.2	2,963.2
Decreased acquisition or transfer costs of properties for sale – net ¹	2,216.8	2,316.9	1,864.2	3,280.8
Total collection from sale of properties for sale-Outright sales	5,322.3	5,224.2	3,879.4	6,244.0
Installment sales				
Interest income	89.2	108.0	95.0	115.0
Collected debt repayment during the periods (in terms of cost and gain)	366.4	341.4	763.0	917.0
Total collection from installment sales of properties for sale	455.6	449.4	858.0	1,032.0
Total collection received from NPAs Management business²	5,777.9	5,673.6	4,737.4	7,276.0

Notes: ¹ 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.

² 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 year ended December 31, 2021, the Company's collection received from NPAs management business is Baht 7,276.0 million which consisted of Baht 6,244.0 million from Outright sales and Baht 1,032.0 million from installment sales.

3.3 Vintage Analysis

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

3.3.1 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 December 31, 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)												
Loans purchased:												
Outstanding balance	3,634.09	9,747.39	10,808.96	7,921.89	6,501.96	7,268.34	7,760.98	6,322.57	2,741.75	3,804.59	15,165.65	81,678.15
Appraisal value ¹	7,554.71	21,396.16	20,853.09	14,742.03	15,283.02	14,184.00	16,988.69	12,655.98	6,347.00	18,660.80	36,119.22	184,794.71
Appraisal value/												
Outstanding balance (x)	2.08	2.20	1.93	1.86	2.35	1.95	2.19	2.00	2.31	4.90	2.38	2.26
Foreclosed collateral												
Properties: (Time since transferred to NPAs)												
Outstanding balance ²	4,831.03	4,445.82	4,079.96	2,941.26	2,299.85	1,459.73	1,582.72	591.00	693.12	145.58	1,617.78	24,687.87
Appraisal value	8,819.98	8,597.82	8,075.07	6,121.05	4,513.54	3,239.29	2,797.25	1,435.95	803.74	357.01	4,319.06	49,079.75
Appraisal value/												
Outstanding balance (x)	1.83	1.93	1.98	2.08	1.96	2.22	1.77	2.43	1.16	2.45	2.67	1.99

Notes: ¹ 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.

² 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 1.99 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 December 31, 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>												
Loans purchased and Foreclosed Collateral Properties												
Total collection.....	30.86	1,001.40	2,105.43	2,500.27	3,992.86	4,853.88	7,434.88	7,078.60	7,485.81	30,632.11	160,546.51	227,662.61
Distressed debt asset collection.....	30.86	929.94	2,035.42	2,274.78	3,354.50	4,049.49	6,036.20	5,840.94	4,901.39	27,056.60	118,918.50	175,428.63
Foreclosed Collateral Properties collection.....	0.00	71.46	70.01	225.49	638.36	804.38	1,398.67	1,237.66	2,584.42	3,575.51	41,628.00	52,233.98
Acquisition cost.....	3,663.91	10,619.74	12,790.24	11,006.80	10,678.15	12,634.68	15,203.02	13,852.31	8,333.43	18,045.51	120,809.18	237,636.97
Collection/ Acquisition cost (%).....	0.84	9.43	16.46	22.72	37.39	38.42	48.90	51.10	89.83	169.75	132.89	95.80

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 December 31, 2021 total collection for assets acquired from 2 - less than 3 years is 16.46% which is lower than the total collection for assets acquired over 10 years ago of 132.89%

From the portfolios of loans purchase that the Company have acquired in the 1 to 2 years prior to December 31, 2021 of Baht 1,001.40 million (of which Baht 929.94 million was from distressed debt assets and Baht 71.46 million was from Foreclosed Collateral Properties) and had a total balance of Baht 14,193.21 million of loans purchased which we had acquired within one to two years before (of which Baht 9,747.39 million is from distressed debt assets and Baht 4,445.82 million is from Foreclosed Collateral Properties), with a total appraisal value of Baht 29,993.98 million (of which Baht 21,396.16 million from distressed assets and Baht 8,597.82 million from Foreclosed Collateral Properties).

3.3.2 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 December 31, 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>												
Directly Acquired Properties for sale:												
Outstanding balance.....	5.50	1,058.41	406.79	907.19	177.60	183.32	98.84	7.94	265.03	710.40	1,547.76	5,368.77
Appraisal value.....	7.81	2,377.83	753.19	1,687.94	403.87	382.16	191.48	15.80	782.98	2,739.73	5,579.92	14,920.71
Appraisal value/ outstanding balance (x)	1.42	2.25	1.85	1.86	2.27	2.08	1.94	1.99	2.95	3.86	3.61	2.78

As of December 31, 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 December 31, 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>												
Direct properties for sale:												
Collection.....	0.00	147.18	162.81	150.75	151.83	722.42	99.56	12.42	3,480.50	5,203.08	36,337.08	46,467.63
Acquisition cost.....	6.02	1,340.86	583.31	1,223.58	283.83	629.44	170.08	17.91	1,475.39	2,615.89	19,259.29	27,605.59
Collection/acquisition cost (%).....	0.00	10.98	27.91	12.32	53.49	114.77	58.54	69.35	235.90	198.90	188.67	168.33

As of December 31, 2021, collection for Directly Acquired Properties for sale is 27.91% of the acquisition cost of assets acquired from 2 – less than 3 years as compared with 188.67% of that of assets acquired more than 10 years.

We had collected Baht 147.18 million from the properties for sale that we directly acquired 1 to 2 years prior to December 31, 2021. The Company had total outstanding balance of Baht 1,058.41 million and total appraisal value of Baht 2,377.83 million.

3.4 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 ¹	Year ended December 31,			
	2018	2019	2020 ²	2021 ²
	Baht (Million)	Baht (Million)	Baht (Million)	Baht (Million)
Debtor 1	3,065	3,035	3,035	3,035
Debtor 2	2,127	589	589	589
Debtor 3	587	579	558	558
Debtor 4	579	507	389	389
Debtor 5	508	389	334	334
Debtor 6	324	334	324	323
Debtor 7	317	324	290	290
Debtor 8	304	319	287	287
Debtor 9	230	300	261	261
Debtor 10	216	230	224	224
Sub-total	8,257	6,606	6,291	6,291
Total NPLs³	75,434	77,375	77,726	73,406

Notes: ¹ 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.

² Information regarding top 10 debtors by remaining acquisition of NPLs for the year ended December 31, 2020 and for the year ended December 31, 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.

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

3.5 NPAs Concentration by Region and by Type

Our NPAs are located throughout Thailand. As of December 31, 2021, 40.4% of net value of our NPAs are located in Bangkok and its vicinity and 52.6% 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,			
	2018	2019	2020	2021
	Baht (Million)	Baht (Million)	Baht (Million)	Baht (Million)
Value of NPAs by Geography of Real estate				
Immovable assets				
Bangkok and its vicinity	9,066	9,988	12,255	11,976
Central and Eastern Thailand	5,390	6,137	6,582	6,893
Northern Thailand	3,042	3,432	3,742	4,089
Northeast Thailand	1,638	2,158	2,698	3,034
Southern Thailand	1,245	1,969	2,587	3,450
Moveable assets	215	215	214	224
Total	20,596	23,899	28,078	29,666

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

	As of December 31,			
	2018	2019	2020	2021
	Baht (Million)	Baht (Million)	Baht (Million)	Baht (Million)
Value of NPAs by Type of Real estate				
Immovable assets				
Vacant land	5,510	5,243	6,023	5,415
Hotels	367	450	591	697
Commercial properties	5,414	6,453	7,186	7,720
Residential properties	9,090	11,539	14,065	15,610
Moveable assets	215	215	214	224
Total	20,596	23,899	28,078	29,666

As of December 31, 2021, the Company has net NPAs value of Baht 29,666 million and the appraisal NPAs value of Baht 64,255 million (of which Baht 63,840 million for immovable assets and Baht 415 million for movable assets).