



Management Discussion and Analysis

For the three-month and nine-month period ended September 30, 2023

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Executive Summary

The Company reported a net profit in Q3/2023 of Baht 383 million, decreasing by 9.9 percent qoq and decreasing by 46.5 percent yoy, as a result of 1) a decrease in total operating income as sales of NPAs slowed down in line with the economic situation and the real estate sector which was affected by rising interest rates while interest income from NPLs remained stable compared to the previous quarter and 2) an increase of total operating expenses from interest expenses on debentures and loans and expenses for appraisal of collateral and properties for sale.

Total collection in Q3/2023, from NPLs and NPAs, was reported at Baht 3,872 million. NPLs collection, Baht 2,146 million, increased 6.6 percent qoq and decreased 15.9 percent yoy which was due to a large-sized debtor requesting a postponement of debt repayment and the ability to repay debts of retail debtors. Despite showing signs of recovery compared to the previous quarter, NPLs collection was affected by the expanding household debt situation. Meanwhile, NPAs collections, Baht 1,726 million, decreased 18.3 percent qoq and 8.2 percent yoy, as a result of the amount of property ownership transfers decreasing as purchasing power weakened. (The average sales price was 91.4 percent of the appraisal value (Q2/2022: 87.4 percent).)

For the first 9 months, the Company reported a net profit of Baht 1,075 million baht, decreasing by 42.1 percent yoy. This was mainly due to: 1) a decrease in interest income from loans purchased of receivable (NPLs); 2) an increase in total operating expenses; and 3) an increase in additional allowance for expected credit loss resulting from the Company purchasing collateral (for debt settlement) through public auction from the Legal Execution Department.

Total collection for the first 9 months was reported at Bath 11,229 million, decreasing 2.8 percent yoy (9M 2022: Baht 11,557 million). The NPLs collection was affected by economic fragility, decreasing by 12.4 percent yoy. Meanwhile, an increase in NPAs sales in the first half of 2023 resulted in overall sales growth in the first 9 months, increasing 11.8 percent yoy.

For overview of supply and acquisition, financial institutions have auctioned off distressed debts with the claim amount of Baht 156,043 million but later cancelled Baht 46,371 million of which, leaving a net balance of 109,672 million baht. Through auction, the Company acquired the total claim amount of Baht 42,192 million in the first 9 months and expects to acquire a total of more than Baht 50,000 million of the claim amount by the end of the year. The Company estimates that although the Bank of Thailand is prepared to issue measures to alleviate the household debt situation in 2024, commercial banks will continue to auction off bad debts. In addition, in Q3/2023, the Company purchased NPAs from a financial institution with the total appraisal value of Baht 44 million.

The Company has carefully carried out risk management and recorded a total expected credit loss in Q3/2023 of Baht 1,084 million, decreasing 3.6 percent qoq and increasing by 3.4 percent yoy. The amount can be divided into: the portion for Loans purchased of receivables - accrued interest receivables of Baht 994 million and an additional portion of Baht 90 million, most of the latter came from purchase of collateral (for debt settlement) at low prices (lower than the cost of NPLs), regarding which the Company records a full expected credit loss based on the remaining NPLs cost in the period in which a transaction occurs. The Company sees that such purchase of collateral will increase the opportunity to sell properties for a greater profit.

Overall, the Company is confident in the operational potential and growth of the distressed asset management business and remains committed to accelerating NPLs and NPAs collection to meet the target and managing expenses and financial costs effectively. Additionally, the Company is to record sufficient allowance for expected credit loss to reflect the quality of debts that the company manages and debtors' ability to repay debts.

1. Key Highlights in Q3/2023

1.1 BAM received the International Diamond Prize for Excellence in Quality 2023

On July 9, 2023, BAM received the International Diamond Prize for Excellence in Quality 2023 from the European Society for Quality Research or ESQR, a Switzerland-based organization, at Hotel Le Plaza, Brussels, Belgium. This prestigious award honors international entities that are committed to developing and managing their organization with quality so as to promote economic growth of their organization and society.

1.2 Promotional activities for NPA customers

BAM organized the campaign "All about Home by BAM" between August 1-31, 2023, selecting and offering more than 10,000 move-in ready properties located nationwide, along with a free right of ownership transfer promotion for customers purchasing any property who made the transfer within 30 days, with which customer would also receive a gift voucher. Under this campaign, BAM also joined forces with Bangkok Bank to offer "Bualuang Home Loans" for BAM property buyers with an interest rate starting at 2.15% in the first year, provided different loan options from various banks for customers to compare and apply for a loan online on Refinn.com, and collaborated with BEAVERMAN to provide consulting services in terms of property renovation and cost estimates as well as supplying a contractor and a home construction company which aimed at helping customers stay within their budget. The Company also organized the program "BAM for Thai Heroes" between August 31 - December 31, 2023, selecting over 1,500 quality properties in good locations to offer for sale with the campaign "discounts, freebies, and lucky draws" as a thank you expression to customers who are medical personnel, educators, police, soldiers, and volunteers all over the country. In addition, BAM held a booth at Smart SME EXPO 2023 at IMPACT Muang Thong Thani, on July 6-9, 2023.

1.3 BAM organized "BAM Brand Contest"

The "BAM Brand Contest" project gave college students who are studying at universities across the country the opportunity to have space to present ideas, create work, and form a strategic plan that will effectively and sustainably build awareness of the BAM brand. The project offered a total prize of Baht 440,000 to the winners. In addition, BAM also arranged training sessions to help the participating students expand their knowledge on brand building strategies. The winners of the contest had been revealed on October 12, 2023, chosen from works submitted to the contest by more than 100 teams.

2. Sustainability Performance in Q3/2023

The Company continuously drives the business towards sustainability. In Q3/2023, the Company received awards which guarantee its commitment to conducting businesses by taking into account the economy, society, and environment, for example:

- National Green Office award by the Department of Climate Change and Environment, Ministry of Natural Resources and Environment with the Company passing the assessment as a green and environmentally friendly organization at the “excellent” level (gold medal) for the year 2023
- BAM was recognized by the Low Emission Support Scheme or LESS at the Climate Care Forum 2023: Time To Reduce “Reduce-for-the-World” event organized by the Stock Exchange of Thailand together with the Greenhouse Gas Management Organization (Public Organization) as an entity, among many other organizations under the Climate Care Collaboration Platform, that has been a good example in managing and reducing greenhouse gas emissions within the country, also for which BAM received a certificate from garbage and waste management in collaboration with the Care The Whale project.
- Human Rights Awards 2023 under the large-sized organization category at the “good” level from the Right and Liberties Protection Department, Ministry of Justice reflecting the Company’s business operations which encompass good corporate governance, transparency, and adequate checks and balance with human rights principles taken into consideration, which is considered the basic responsibility of an organization towards all stakeholders.

3. Management Discussion and Analysis

3.1 Selected Financial Position

Significant items in Balance Sheet (for the three-month and nine-month period ended September 30, 2023)

Assets As of September 30, 2023, the Company had total assets of Baht 135,983 million, increasing by 2.4% from the year ended 2022.

- The Company has interbank and money market items – deposits at financial institutions of Baht 754 million, decreasing by 88.7% from the year ended 2022. This is due to the acquisition of NPLs (loans purchased of receivables) and NPAs (property for sale) from financial institutions.
- Right-of-use assets – net of Baht 34 million decreased by 30.7% from the year ended 2022, mainly due to assets' depreciation.
- Intangible assets - net of Baht 176 million increased by 32.0% from the year ended 2022, mainly due to the Company's investment in software system development.
- Accrued income from auction sale – net of Baht 12,859 million increased by 4.6% from the year ended 2022 and advance for expenses on asset acquisition and others – net of Baht 884 million increased by 20.4% from the year ended 2022. This was mainly because the Company acquired assets from the Legal Execution Department's auction sale.
- Other assets - net of Baht 131 million decreased by 39.7% from the year ended 2022, mainly due to recording dividend receivables of Baht 95 million in Q4/2022. They were dividends from securities held by the Company. Such securities are not considered as investments in subsidiaries or associate companies.

Liabilities As of September 30, 2023, the Company had total liabilities of Baht 92,811 million, increasing by 4.2% from the year ended 2022, and has the debt-equity ratio or D/E of 2.15 times.

- Most of the Company's liabilities are debts issued and borrowings which are significant sources of funds to acquire NPLs and NPAs. The details are as follows:
 1. Total notes payable of Baht 2,054 million decreased by 13.0% from the year ended 2022.
 2. Total borrowings of Baht 14,677 million increased by 44.1% from the year ended 2022.
 3. Net debentures of Baht 69,770 million decreased by 4.4% from the year ended 2022.
 - In Q3/2023, the Company issued and offered debentures no.2/2023 of Baht 4,800 million in total for institutional and high-net-worth investors. They comprised of 5 series with ranging from 2 to 10-year tenures and interest rates from 3.70% to 4.64% per year. In addition, the Company repaid 1 debenture, total amount issued Baht 3,800 million.
 - The Company has 1 debenture due in 2023: Debenture No.1/2016, Series 3, amount issued Baht 1,100 million, maturity date December 22, 2023.
- Lease liabilities of Baht 19 million decreased by 50.1% from the year ended 2022, mainly because the Company made lease payments for the right to use a software program, resulting in a decrease in liabilities.
- Tax payable of Baht 462 million decreased by 29.1% from the year ended 2022, mainly because the Company paid corporate income tax for the year 2022 in Q2/2023.
- Financial institutions creditors for loan purchased of Baht 3,614 million increased by 649.9% from the year ended 2022. This was because the Company recorded the purchase payables of NPLs under the asset transfer agreement made on September 5, 2023 for which the payment will be made within December 2023.

Equity As of September 30, 2023, the Company had total equity of Baht 43,172 million, decreasing by 1.2% from the year ended 2022.

Interest Income – net

This table mainly presents items that have significant changes.

Unit: Baht in Million	Q 3/2023	Q 2/2023	qoq % Inc. (Dec.)	Q 3/2022	yoy % Inc. (Dec.)	9 months 2023	9 months 2022	yoy % Inc. (Dec.)
Interest Income - net	1,551	1,517	2.2	1,856	(16.4)	4,520	5,377	(15.9)
Total Interest Income	2,288	2,239	2.2	2,528	(9.5)	6,672	7,320	(8.9)
Deposit at financial institutions	2	10	(80.0)	4	(50.0)	23	8	187.5
Loans purchased of receivables	2,245	2,211	1.5	2,520	(10.9)	6,570	7,285	(9.8)
- Part of amount received	710	647	9.7	605	17.4	2,063	1,622	27.2
- Part of accrued receivables	994	960	3.5	910	9.2	2,796	2,932	(4.6)
- Gain on loans purchased of receivables	541	604	(10.4)	1,005	(46.2)	1,711	2,731	(37.3)
Installment sale receivables	39	22	77.3	27	44.4	94	82	14.6
Total interest expenses	736	723	1.8	672	9.5	2,152	1,943	10.8
Debt issued – debentures	637	631	1.0	582	9.5	1,883	1,657	13.6
Debt issued – promissory notes	14	17	(17.6)	24	(41.7)	48	73	(34.2)
Borrowings	84	74	13.5	66	27.3	220	213	3.3

- In Q3/2023, the Company had **interest income – net** of Baht 1,551 million, decreasing by 16.4% yoy, this was due to a decrease in interest income on loans purchased of receivables (recognizing higher interest income - part of amount received but lower gain on loans purchased of receivables). In addition, interest expenses increased by 9.5% yoy, mainly because of interest expenses for debentures increased 9.5% yoy and that for borrowings increased 27.3% yoy.
- **Compared to Q2/2023** Interest income – net increased 2.2% qoq, with the majority came from the interest income from buyers of NPAs paying in installments (Installment sale receivables). Meanwhile, interest income from loans purchased of receivables slightly increased qoq, reflecting the household debt situation and the surge in interest rates which continued to impact the repayment ability of debtors.
- **Nine-month period of 2023** The Company had **interest income – net** of Baht 4,520 million, decreasing by 15.9% yoy. This was mainly due to a decrease in interest income on loans purchased of receivables (recognizing higher interest income - part of amount received but lower gain on loans purchased of receivables). In addition, the Company had higher interest expenses, particularly for debentures which increased by 13.6% yoy. As of September 30, 2023, the Company had fixed interest rate debt of 89.7% and floating interest rate debt of 10.3%, and an average cost of funds was 3.29% (as of 2022: 3.19%).

Gain on sale of properties for sale and installment sale

- For three-month period ended September 30, 2023, the Company had gain on sale of properties for sale (outright sale) of Baht 604 million, decreasing by 12.5% yoy. In addition, the Company had gain on installment sale of Baht 157 million, increasing by 220.4% yoy, due to a final installment paid by an installment buyer.
- **Compared to Q2/2023** Gain on sale of properties for sale (outright sale) increased by 4.9% qoq and gain on installment sale decreased by 42.9% qoq which was a result of a slower pace of NPAs sale in Q3/2023 following an economic situation and NPAs buyers requesting a postponement of payments.

- **Nine-month period of 2023** The Company had gain on sale of properties for sale (outright sale) of Baht 1,669 million, decreasing by 4.8% yoy and gain on installment sale of Baht 467 million, increasing by 139.5% yoy. Overall, NPAs sale for the first 9 months showed a favorable result but was still impacted by the surge in interest rates and financial institutions' stringent lending policy faced by buyers.

Other operating income

- In Q3/2023, the Company had **other operating income** of Baht 17 million, increasing by 30.8% yoy, mainly due to receiving overpayments of the legal expenses which decreased when compared to the preceding year.
- **Compared to Q2/2023** Other operating income increasing 21.4% qoq, mainly due to receiving overpayments of the legal expenses and the forfeiture of the marginal deposit for the purchase of properties for sale which decreased when compared to the preceding year.
- **Nine-month period of 2023** The Company had other operating income of Baht 48 million, increasing by 20.0% yoy, mainly due to rental income, income returned from specific business tax and the forfeiture of the marginal deposit.

Other Operating Expenses

Unit: Baht in Million	Q 3/2023	Q 2/2023	qoq % Inc. (Dec.)	Q 3/2022	yoy % Inc. (Dec.)	9 months 2023	9 months 2022	yoy % Inc. (Dec.)
Other operating expenses	777	742	4.7	692	12.3	2,204	2,027	8.7
Employee expenses	436	397	9.8	372	17.2	1,218	1,093	11.4
Directors' remunerations	3	2	33.5	2	16.1	7	7	11.2
Premises and equipment expenses	48	51	(5.9)	47	2.1	140	136	2.9
Taxes and duties	139	172	(19.2)	144	(3.5)	444	389	14.1
Impairment loss on properties for sale (reversal)	-6	-23	(71.7)	-10	(37.5)	-34	7	(562.5)
Properties for sale expenses	65	55	18.3	65	(1.2)	159	231	(31.2)
Other expenses	94	88	6.8	72	30.6	269	163	65.0

- In Q3/2023, **other operating expenses** of Baht 777 million increased by 12.3% yoy, mainly due to an increase in other expenses from the recording of appraisal value according to market conduct.
- **Compared to Q2/2023** Other operating expenses increased by 4.7 qoq, mainly due to expenses related to properties for sale, common area fees, mostly from the properties that debtors settled their debts by transferring their collateralized assets to the Company.
- **Nine-month period of 2023** Other operating expenses increased by 8.7 yoy, mainly due to the recording of appraisal value according to Market Conduct.

Expected credit loss

For three-month period ended September 30, 2023, the Company recorded the expected credit loss of Baht 1,085 million, increasing by 3.5% yoy, divided into loans purchased of receivables - accrued interest receivables of Baht 994 million and additional amount of Baht 7 million according to debt quality, purchase of collateral (for debt settlement) from Legal Execution Department's auction sale and more debt acquisition.

For nine-month period ended September 30, 2023, the Company recorded the expected credit loss of Baht 3,197 million, decreasing by 0.3% yoy.

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, 2020, 2021, and 2022, and for the nine-month period ended September 30, 2021, 2022, and 2023.

Collection received from NPLs management business	Year ended December 31,			Nine-month period ended September 30,		
	2020	2021	2022	2021	2022	2023
	Baht (Million)	Baht (Million)	Baht (Million)	Baht (Million)	Baht (Million)	Baht (Million)
Interest income from loans purchased ¹	5,887.9	6,047.2	6,076.7	5,552.3	4,554.2	4,858.6
Gain on loans purchased of receivables	3,835.4	3,322.1	3,702.8	2,315.8	2,730.5	1,711.2
Net repayment and adjusted entries	8,319.2	7,907.5	8,925.5	5,794.5	6,360.4	6,099.2
Total	18,042.5	17,276.8	18,705.0	13,662.6	13,645.1	12,669.0
Less the portion of accrued interest receivables and receivables repayment from the debtors by collateral ²	(12,245.0)	(11,234.1)	(12,274.3)	(9,328.9)	(9,301.2)	(8,904.5)
Collection from the debtors during the period³	5,797.5	6,042.7	6,430.7	4,329.4	4,343.9	3,764.5
Collection from the Legal Execution Department during the period ⁴	2,598.8	2,675.9	3,683.8	1,869.1	2,652.9	2,367.0
Total Collection from NPLs management business⁵	8,396.3	8,718.6	10,114.5	6,198.5	6,996.8	6,131.5

Notes: ¹ In Notes to Financial Statements for the nine-month period ended September 30, 2023, "interest income from loans purchased" are presented as two separate line items: (i) part of amount received and (ii) part of accrued receivables.

² See "Critical Accounting Policies and Estimates- Recognition of interest income and gain on loans purchased of receivables"

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 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 nine-month period ended September 30, 2023, the Company's collection received from NPLs management business was Baht 6,131.5 million which consisted of collection from the debtors during the period of Baht 3,764.5 million and collection from the Legal Execution Department of Baht 2,367.0 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, 2020, 2021, and 2022 and for the nine-month period ended September 30, 2021, 2022, and 2023.

Collection received from NPAs management business	Year ended December 31,			Nine-month period ended September 30,		
	2020	2021	2022	2021	2022	2023
	Baht (Million)	Baht (Million)	Baht (Million)	Baht (Million)	Baht (Million)	Baht (Million)
Outright sales						
Gain on sale of properties for sale collected in cash	1,997.9	2,963.2	2,535.2	1,892.4	1,753.4	1,668.5
Decreased acquisition or transfer costs of properties for sale – net ¹	1,881.5	3,280.8	3,381.2	2,083.1	2,178.8	2,522.6
Total collection from sale of properties for sale-Outright sales	3,879.4	6,244.0	5,916.4	3,975.5	3,932.2	4,191.1
Installment sales						
Interest income	95.0	115.0	112.0	89.0	82.2	93.7
Collected debt repayment during the period (in terms of cost and gain)	724.0	917.0	688.6	814.0	527.3	783.9
Total collection from installment sales of properties for sale	819.0	1,032.0	800.6	903.0	609.5	877.6
Total collection received from NPAs Management business²	4,698.4	7,276.0	6,717.0	4,878.5	4,541.7	5,068.7

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 nine-month period ended September 30, 2023, the Company's collection received from NPAs management business was Baht 5,068.7 million which consisted of Baht 4,191.1 million from outright sales and Baht 877.6 million from installment sales, and the Company's other incomes, such as rents and forfeiture of the marginal deposit of Baht 28.5 million, totaling Baht 5,097.2 million.

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 September 30, 2023:

Time since acquisition	Less than	From 1 – less than 2	From 2 – less	From 3 – less	From 4 – less	From 5 – less	From 6 – less	From 7 – less	From 8 – less	From 9 – less	From 10 years	Total
	1 year	years	than 3 years	than 4 years	than 5 years	than 6 years	than 7 years	than 8 years	than 9 years	than 10 years	and above	
(Baht in million, except for ratios)												
Loans purchased:												
Outstanding balance	17,474.5	4,680.4	3,178.2	6,357.8	9,963.7	7,309.8	5,970.3	4,430.8	6,982.7	2,444.8	18,749.9	87,543.0
Appraisal value ¹	39,029.5	9,151.5	7,783.3	12,425.4	18,365.5	14,967.1	11,369.4	9,371.2	13,928.0	4,629.3	51,968.7	192,988.8
Appraisal value/												
Outstanding balance (x)	2.2	2.0	2.4	2.0	1.8	2.0	1.9	2.1	2.0	1.9	2.8	2.2
Foreclosed collateral properties: (Time since transferred to NPAs)												
Outstanding balance ²	5,661.1	4,910.2	3,675.5	3,843.2	2,977.8	2,271.6	1,855.3	979.4	1,346.2	354.9	2,193.1	30,068.3
Appraisal value	10,184.4	8,779.1	6,743.4	7,469.6	5,832.7	4,695.5	3,805.1	2,152.6	2,386.0	868.3	4,695.9	57,612.6
Appraisal value/												
Outstanding balance (x)	1.8	1.8	1.8	1.9	2.0	2.1	2.1	2.2	1.8	2.4	2.1	1.9

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 was approximately 2.2 and 1.9 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 through 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, 2023:

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.....	723.7	2,135.6	2,751.2	5,569.1	8,539.1	8,911.4	7,630.2	8,557.5	10,444.1	6,591.5	191,240.8	253,094.0
Distressed debt asset collection.....	284.2	715.5	694.8	2,597.9	4,403.5	5,352.7	4,652.5	5,629.4	7,623.2	4,058.7	155,613.5	191,626.0
Foreclosed collateral properties collection.....	439.4	1,420.1	2,056.4	2,971.2	4,135.6	3,558.6	2,977.6	2,928.1	2,820.9	2,532.8	35,627.2	61,467.9
Acquisition cost.....	17,766.7	5,442.8	3,829.5	8,868.4	14,728.5	13,997.3	11,815.1	11,104.6	16,633.3	7,551.5	146,823.4	258,561.1
Collection/ Acquisition cost												
(%).....	4.1	39.2	71.8	62.8	58.0	63.7	64.6	77.1	62.8	87.3	130.3	97.9

Collection tends to gradually increase within the first 2 to 3 years after an asset acquisition as we carry out preparation, negotiation, and restructuring activities, and then accelerates in the recovery period. As of September 30, 2023, total collection for assets acquired from 2 - less than 3 years is 71.8% which was lower than the total collection for assets acquired over 10 years ago of 130.3%

From the portfolios of loans purchase that the Company have acquired in the 1 to 2 years prior to September 30, 2023 of Baht 2,135.6 million (of which Baht 715.5 million was from distressed debt assets and Baht 1,420.1 million was from foreclosed collateral properties) and had a total balance of Baht 9,590.6 million of loans purchased which we had acquired within 1 to 2 years before (of which Baht 4,680.4 million is from distressed debt assets and Baht 4,910.2 million is from foreclosed collateral properties), with a total appraisal value of Baht 17,930.6 million (of which Baht 9,151.5 million from distressed assets and Baht 8,779.1 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 acquired directly (“Directly Acquired Properties for Sale”) as of September 30, 2023.

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
Directly Acquired Properties for sale:	<i>(Baht in million, except for ratios)</i>											
Outstanding balance.....	145.4	46.0	28.3	956.2	864.3	209.9	103.4	154.8	36.8	0.0	1,865.5	4,410.5
Appraisal value.....	318.3	80.5	59.6	1,928.9	1,669.8	372.7	266.2	296.8	66.0	0.0	7,135.0	12,193.9
Appraisal value/ outstanding balance (x)	2.2	1.8	2.1	2.0	1.9	1.8	2.6	1.9	1.8	0.0	3.8	2.8

As of September 30, 2023, the total appraised value of the assets is 2.8x 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, 2023.

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
Direct properties for sale:	<i>(Baht in million, except for ratios)</i>											
Collection.....	0.0	18.5	39.9	675.0	398.5	190.7	273.0	703.7	26.0	3.4	46,730.2	49,059.0
Acquisition cost.....	145.4	58.6	49.2	1,557.4	1,367.3	342.9	265.4	607.4	56.3	3.2	23,305.7	27,758.8
Collection/acquisition cost (%)	0.0	31.6	81.2	43.3	29.1	55.6	102.9	115.9	46.2	105.4	200.5	176.7

As of September 30, 2023, collection for Directly Acquired Properties for sale is 81.2% of the acquisition cost of assets acquired from 2 – less than 3 years as compared with 200.5% of that of assets acquired more than 10 years.

We had collected Baht 39.9 million from the properties for sale that we directly acquired 2 to less than 3 years prior to September 30, 2023. The Company had total outstanding balance of Baht 28.3 million and total appraisal value of Baht 59.6 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,			Nine-month period ended September 30,
	2020	2021	2022	2023
	Baht (Million)	Baht (Million)	Baht (Million)	Baht (Million)
Debtor 1	3,035	3,035	3,035	3,035
Debtor 2	589	589	589	589
Debtor 3	558	558	558	558
Debtor 4	389	389	389	389
Debtor 5	334	334	323	324
Debtor 6	324	323	291	291
Debtor 7	290	290	287	288
Debtor 8	287	287	260	260
Debtor 9	261	261	223	255
Debtor 10	224	224	204	224
Sub-total	6,291	6,291	6,160	6,213
Total NPLs	77,726	73,406	72,384	78,812

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.

3.5 NPAs Concentration by Region and by Type

Our NPAs are located throughout Thailand. As of September 30, 2023, 37.3% of net value of our NPAs are located in Bangkok and its vicinity and 55.8% 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
	2020	2021	2022	September 30,
	Net value	Net value	Net value	2023
Value of NPAs by Geography of Real estate	<i>(Baht in million)</i>			
Immovable assets				
Bangkok and its vicinity	12,255	11,976	12,225	12,670
Central and Eastern Thailand	6,582	6,893	7,532	7,925
Northern Thailand	3,742	4,089	4,360	4,666
Northeast Thailand	2,698	3,034	3,553	3,965
Southern Thailand	2,587	3,450	4,245	4,668
Moveable assets	214	224	111	78
Total	28,078	29,666	32,026	33,972

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
	2020	2021	2022	September 30,
	Net value	Net value	Net value	2023
Value of NPAs by Type of Real estate	<i>(Baht in million)</i>			
Immovable assets				
Vacant land	6,023	5,415	5,168	5,187
Hotels	591	697	636	760
Commercial properties	7,186	7,720	8,362	8,990
Residential properties	14,065	15,610	17,749	18,957
Moveable assets	214	224	111	78
Total	28,078	29,666	32,026	33,972

As of September 30, 2023, the Company had net NPAs value of Baht 33,972 million and the appraisal NPAs value of Baht 69,806 million (of which Baht 69,689 million for immovable assets and Baht 117 million for movable assets).