



Restructured/ Non-restructured Vs. Performing/ Non-performing Loans

Q: To find the balance of **performing non-restructured loans** (Virgin loans), can we directly subtract **Classified or Reported NPL** (1) from **Total Loans** (loans + AIR) to derive at total **Performing Loans**, and then further subtract it with **Restructured Loans** (2) (that are disclosed on the bank's website), as shown below?

| | |
|------|--|
| | Total loans |
| Less | Classified/ Reported NPL_(1) |
| | Performing loans |
| Less | Restructured loans(2) |
| | Performing non-restructured loans |

A: The proposed calculation will be accurate should all restructured loans be performing. In reality, a portion of restructured loans relapsed and remains NPL. By directly subtracted total restructured loans from performing loans, Performing non-restructured loans will be understated. Consequently, yield based on understated Performing non-restructured loans will be erroneously overstated.

Q: In that case, how much of restructured loans relapsed and included in reported NPL figures?

A: At the end of 4Q02, 26% of reported restructured loans were non-performing (Class 3-5) and included in NPL reported figures. The following diagram illustrates each portion of the Bank's total loans, total restructured loans (RL), performing restructured loans (PRL) and total NPL. *Note that the figures below are Bank only ending balance as of December 2002.*

Unit: Bt bn

| | | | |
|-------------|--|-------------|-------------------------|
| PRL 92.0 | Performing Restructured Loans | RL 124.6 | Total Loans 500.9 |
| NPL 92.5 | Non-performing Restructured Loans | | |
| | Non-performing, Non-restructured Loans | | |
| | Performing Non-restructured Loans | | |

Source: 1) Annual Report 2002. See p.99 for total loans and NPL (principal only including financial institutions). See p.105 for PRL.
2) 1Q03 Unreviewed Financial Statements. See p.12 for RL which is ending restructured loans before write-offs as of December 2002

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