



# China NPL – Market Report

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2021 Q3

**ZSAMC**  
浙商资产研究院

**pepper**

# Contents

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<b>1</b>	<b>Notice to Readers</b>
<b>2</b>	<b>Chapter 1: Market Update</b>
3	NPL Balance in China Commercial Banks
<b>5</b>	<b>Chapter 2: Overview of Recent NPL Transactions</b>
5	NPL Bid & Transaction Trend
5	Breakdown of NPL Transaction Volume by Market
8	Distribution of NPL Bid & Transaction Volume
<b>9</b>	<b>Chapter 3: Overview of Online NPL Auctions</b>
<b>10</b>	<b>Chapter 4: Overview of Online Collateral Judicial Auctions</b>
10	Overall Auction Summary
12	Auctions by Asset Type
14	Judicial Auction Overview in Zhejiang & Guangdong Province
16	Sponsoring Organisations

## Market Report in China NPL Market

2021 Q3

A publication from:



## Notice to Readers

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This Report, undertaken jointly by Zheshang Asset Research Institute and Pepper Group (China), provides readers with a better scope to understand the dynamics and recent activities within China's NPL market. The first edition was released in August 2020 and will be published on quarterly basis to focus on current government regulations and policies, recent industry activities, insights into the primary and secondary NPL markets and the online judicial auction market.



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# Chapter 1: NPL Market Update

*“Continued decline in non-performing loan (NPL) ratios reflected an acceleration in the pace of China’s economic recovery and a better business environment, and attention could be paid to opportunities in NPLs from Small-and-Medium Enterprise (SME) and real estate industry”*

## People’s Bank of China (PBOC) Published the Financial Stability Report 2021, Giving a Comprehensive Review of the Soundness of China’s Financial System Since 2020

According to the report released on 3 September 2021, since 2020, confronted with formidable tests and challenges, China has continued to pursue high-quality development, coordinated the pandemic containment with economic and social development, successfully concluded the 13th Five-Year Plan, secured a complete victory in the battle against poverty, and accomplished the building of a moderately prosperous society in all respects. In 2020, with its GDP growing by 2.3 percent year on year and the economic output exceeding RMB100 trillion, China became the only major economy with positive growth in the world.

**Comments:** Overall, financial risks in China have decreased and are generally controllable as regulatory measures take hold, with various high-risk institutions controlled in an orderly manner and risks related to shadow banking reduced. Financial order was restored comprehensively during the period. High risk banks like Baoshang Bank, Jinzhou Bank and Huaxin Group have been orderly disposed, and businesses of peer-to-peer (P2P) lenders have all been shut down as a result of regulatory crackdown on the sector, where investors sidestep traditional lenders such as banks, to lend directly to borrowers. Illegal fund-raising, cross-border gambling, underground banks and other illegal financial activities were curbed.

Looking ahead, the PBOC will maintain the consistency, stability and sustainability of macro financial policies and implement the sound monetary policy in a flexible, targeted, and appropriate manner. With these efforts, the PBOC will be able to invigorate micro entities and render vigorous support to inclusive micro and small businesses, rural revitalization, the manufacturing sector, science and technology innovation, as well as the transition to a green economy, and enhance financial services for the real economy. In addition, the PBOC will work to improve financial risk prevention, early warning, resolution and accountability systems, urge small and medium-sized financial institutions to

defuse risks through reforms, focus on lowering credit risks, maintain the stability of stock, bond and foreign exchange markets, and strictly guard against the shocks of external risks. While effectively guarding against risks, the PBOC will continue to expand the financial opening-up at a high level.

## Lone Star Funds Exits China NPL Market

Lone Star Funds, one of leading US private equity funds, has recently decided to formally exit the China NPL market, and it has made other changes to streamline its Asia operations in connection with the consolidation of Asia into its global leadership structure. The fund has now started to sell its China NPL projects purchased in the past few years.

**Comments:** By the impact of the epidemic, superimposed on differentiated servicer capacity levels and sharp competition in the NPL market, it’s unrealistic for investors to obtain excess returns if not strengthening related capabilities or aligning investment strategies.

With more participants in the NPL market and licensed Asset Management Companies (AMCs) returning to the NPL business, NPL market competition has intensified, and the difficulty and challenges of operating NPL assets are elevated. Higher demand for professional competence in NPL acquisition and disposal management is necessary to achieve excess returns.

## Chinese Real Estate Developer Defaults Rise Up as Evergrande Contagion Spreads

Embattled conglomerate Evergrande rattled global markets in September 2021 by warning it could default on its huge debts. Since then, more developers have made similar public confessions, such as Fantasia, Modern Land, and Sinic Holdings, unnerving investors and raising fears of contagion across the vast sector.

With the “3 Red Lines” rule constraining developers’ capital supply including, property loan management rule limiting bank loans to real estate market, housing mortgage loans issuance tightened by banks, and to-be-implemented property taxes, authorities’ determination to keep a tight rein on the bubble-prone real estate

sector and curb leverage at those large-scale developers has heightened significantly in the past months. However, considering current liquidity risks in real estate industry, at the financial forum in October, Chinese Vice Premier stressed that risks were generally under control, despite what he called "individual problems" in the property market.

**Comments:** The Real estate industry has become a risk-prone area, and developers are facing difficulties in refinancing and having to rely on sales and shareholders' conscious joint liability to repay their debts. But at the same time, those debt events of the top developers have made residents' expectations of the real estate market pessimistic, and sales continues to decline. Under such circumstances, the developers with low liquidity are left with default and restructuring, otherwise bankruptcy. In the future, there may be an increased risk of bad-debt events for more developers, which also brings out more mergers and acquisitions, restructuring, and distressed asset investment opportunities, it did exacerbate the already-existing debt issues of some higher gearing developers, whilst other developers without default events are also facing

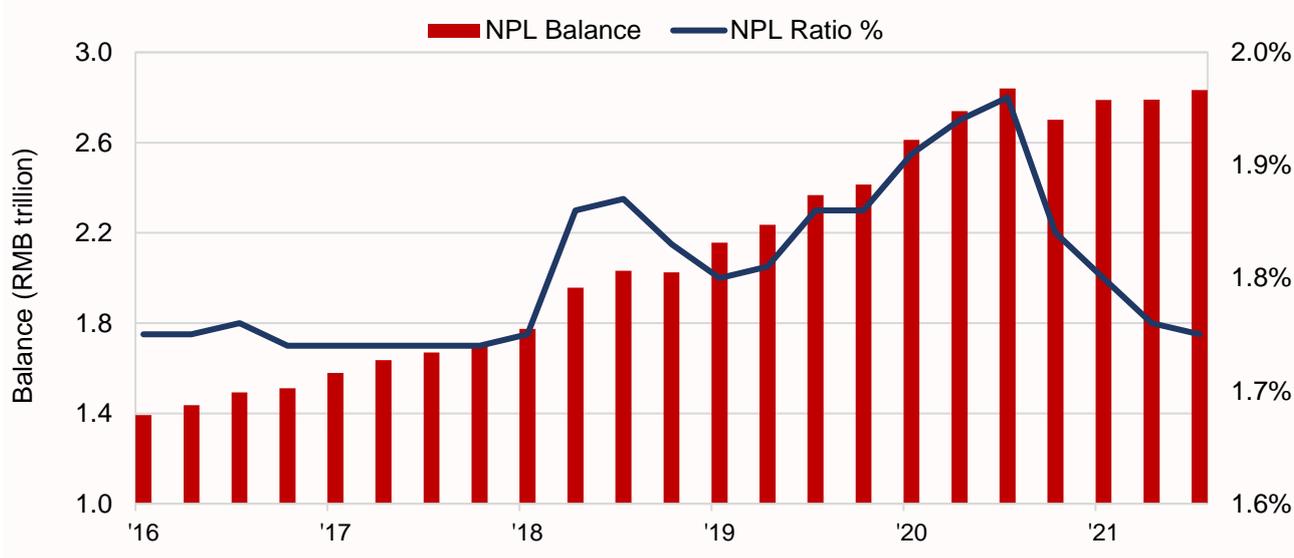
difficulties in refinance as the whole real estate industry is impacted.

### Unified New Regulations are Expected for China Licensed AMCs

In early September 2021, China Central Audit Office dispatched audit teams to 20+ provincial licensed AMCs to start the first round of audits on business compliance, NPL business operations and corporate governance, which is the first time since the China Banking and Insurance Regulatory Commission (CBIRC) approved the first provincial AMC license in 2014.

**Comments:** The audit teams are stationed at more than 20 provincial licensed AMCs to conduct a comprehensive and extensive in-depth understanding of the industry. Before which, Beijing Loan AMC Supervision and Management Guidelines (Trial) was abolished. It is expected that there is a possibility of unified issuance of management measures for provincial licensed AMCs by higher level regulators, which is expected to make the industry regulation clearer and stricter, and industry development more robust and compliant.

Exhibit 1-1 NPL Balance in China Commercial Banks



Source: China Banking and Insurance Regulatory Commission

As of the end of the third quarter in 2021, the NPL balance of China commercial banks was RMB 2.83 trillion (US\$442.2 billion), an increase of RMB 42.7 billion quarter-to-quarter, and the NPL ratio of China commercial banks was 1.75%, with a minor decrease of 1 bps compared to the end of the second quarter this year. China's banking sector effectively mitigated risks in key areas and the overall credit risk remained controllable.

Asset quality of China's five largest commercial banks also improved in Q3 2021, with the average NPL ratio at 1.37% by Q3 end, compared to 1.45% as of 2020 end. However, most of commercial banks still increased their provisions, highlighting the uncertainty on credit risk ahead of the economy slowdown, which is due to China's latest measures to curb home prices and the lending practices of developers, stricter border control and lockdown policy amid recurring

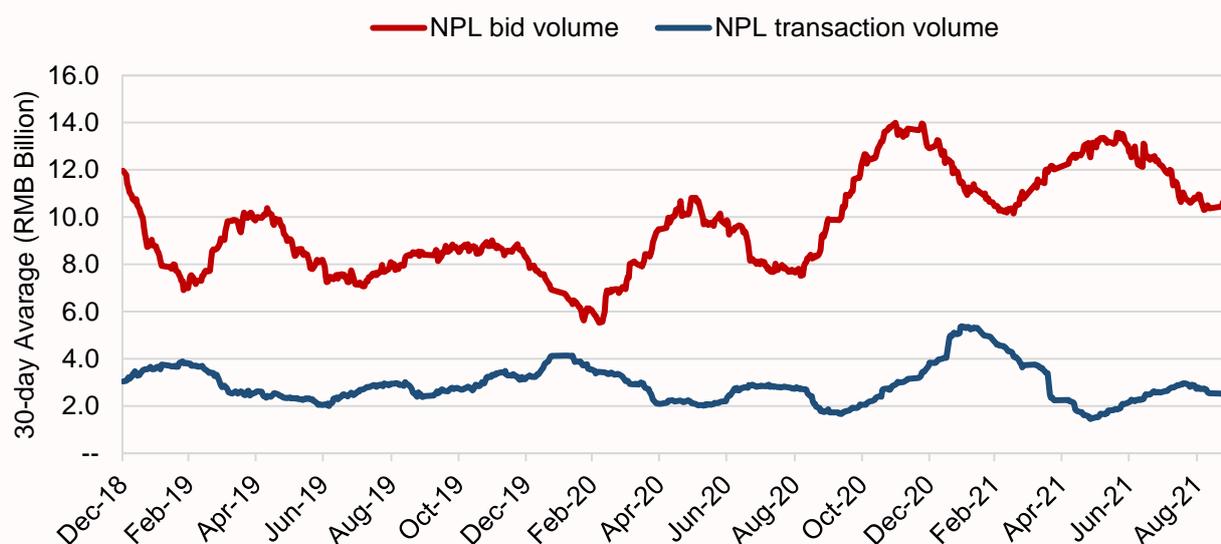
COVID-19 outbreaks and various policies to address inequality under its national objective of ‘common prosperity’. Among the five largest commercial banks, real estate sector NPL ratios of Industrial and Commercial Bank of China, China Construction Bank, and Bank of Communications increased by 1.97%, 0.25% and 0.34% by 2021 H1 compared to 2020 end, and pressures from policies in this sector remain to force banks to optimize their quality of assets.

At the same time, the financial management authorities have increased the supervision of the market to promote industry institutions to further return to their main business and regulate their business. At the same time, the relevant policies were adjusted, to promote the development of the personal NPL market, the trust non-performing assets market and the bankruptcy liquidation & reorganization process. AMCs, with their main business focusing on NPLs, have tried new business models such as online assets promotion platform, and promoted the expansion of NPL business to new areas, like the cooperation between China Cinda AMC and China Trust Protection Fund Co., Ltd. for resolution effort in the Trust sector. The trillion-yuan scale market has attracted more market institutions to participate, enhancing the degree of competition.

## Chapter 2: Overview of Recent NPL Transactions

“Despite a period of relative stability in Q3 2021, we expect the number of NPL transactions to increase in the coming years, due to the increasing supply from financial institutions, more domestic investors, and good liquidity, especially in Zhejiang and Henan provinces”

Exhibit 2-1 NPL Bid & Transaction Trend



Note: data in chart is generated daily by calculating the latest 30-day moving average of the volume of bid or transaction cases  
Source: Public Information, Zheshang Asset Research Institute

In the third quarter of 2021, the NPL bid volume dropped but was still higher than that in the same period last year, and the transaction volume was quite stable in Q3, resulting in the decreasing gap between transaction and bid volumes, which indicates that the market liquidity has increased to some extent.

In the overall, the current trends are basically consistent with historic rules – reaching two peaks at mid-year and end-year with bid volume in front and transaction volume behind. Considering the Q3 end volumes of bid and transaction are both higher than those in 2020 Q3 end with the gap is in quite similar level, the NPL market is expected to have higher supplies and liquidity in the following months.

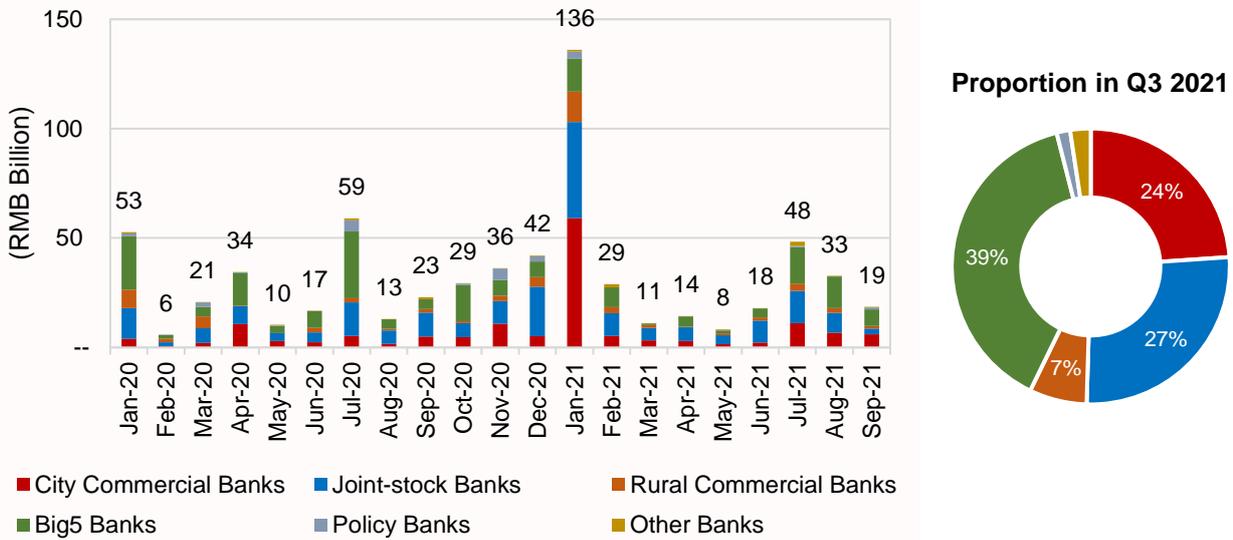
### Breakdown of NPL Transaction Volume by Market

Generally, only licensed AMCs (national AMCs and provincial AMCs) are allowed to purchase NPLs on a “bulk” basis from Chinese banks (3 or more NPLs per the current definition of “bulk” transfer). The acquisition of NPL portfolios directly from Chinese banks or other Chinese financial institutions is referred to as a **Primary Market Transaction**.

The acquisition of NPL portfolios from licensed AMCs by investors (both domestic and foreign) and the subsequent transfer of NPL portfolios among investors are referred to as **Secondary Market Transactions**.

This Report encloses primary market transactions and part of secondary market transactions, which only includes transaction data from the trades made by licensed AMCs to investors and does not include any transaction between two private investors.

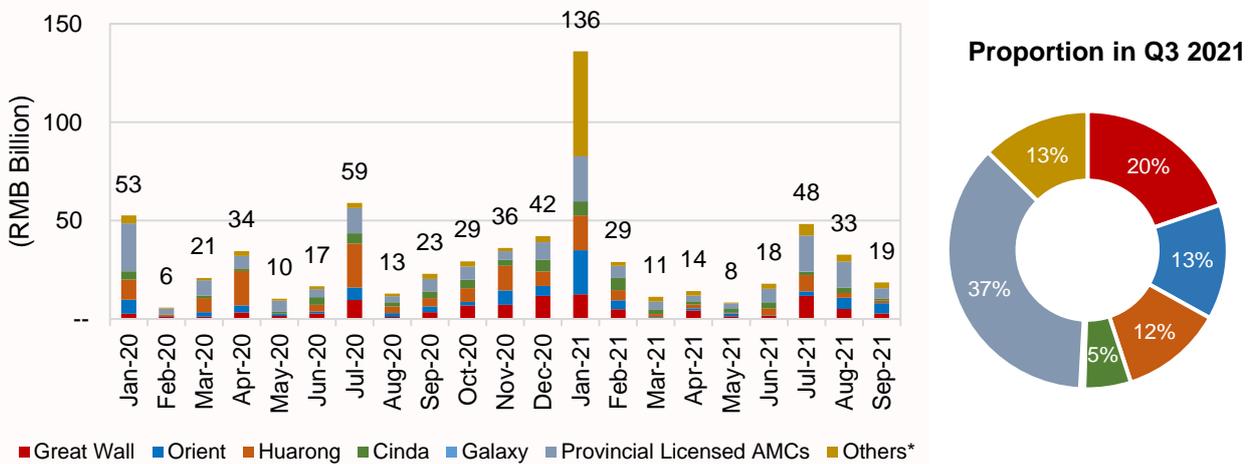
### Exhibit 2-2 NPL Transaction Volume – Seller Breakdown in Primary Market



Source: Public Information, Zheshang Asset Research Institute

In Q3 2021, the total size of NPL transactions from banks was around RMB 99.5 billion, a year-on-year increase of 5%. The Big5 banks continued to dominate market position, selling approximately RMB 38.7 billion, followed by large joint-stock banks and city commercial banks.

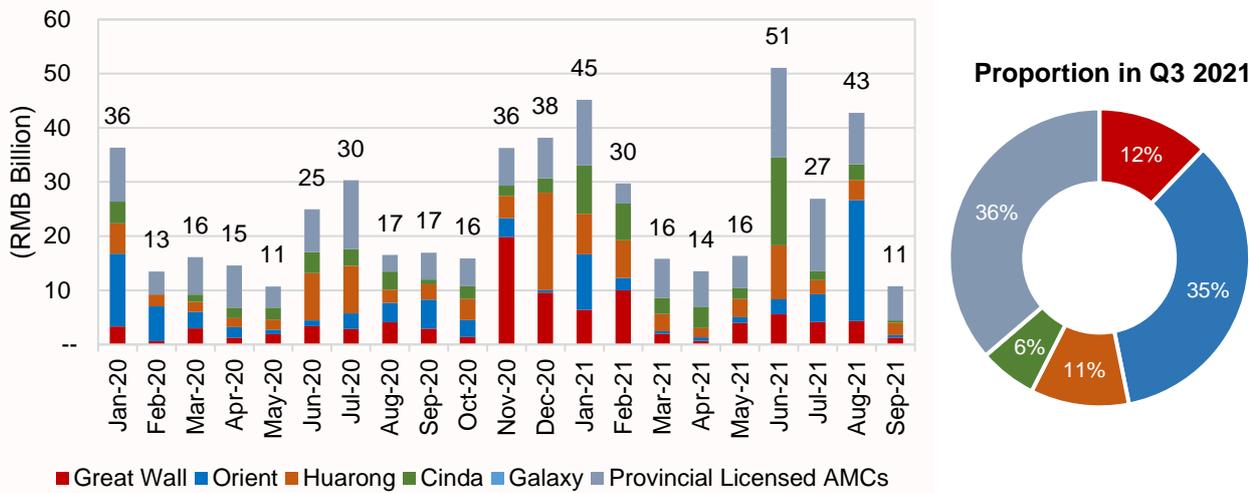
### Exhibit 2-3 NPL Transaction Volume – Buyer Breakdown in Primary Market



Note\*: "Others" here refers to institutions without AMC license, mainly private enterprises, foreign institutions, and individual investors.  
Source: Public Information, Zheshang Asset Research Institute.

Among the buyers in China's primary NPL market, the Big 5 AMCs (Huarong, Cinda, Orient, Great Wall, Galaxy) purchased approximately RMB 50.6 billion, provincial licensed AMCs purchased approximately RMB 36.4 billion, and other investors purchased approximately RMB 12.5 billion. Other than Cinda AMC and Huarong AMC, the acquisition size of other institutions all increased year on year, and after completing the first acquisition in June 2021, Galaxy AMC purchased two more NPL portfolios in Shandong and Zhejiang provinces respectively in Q3 2021.

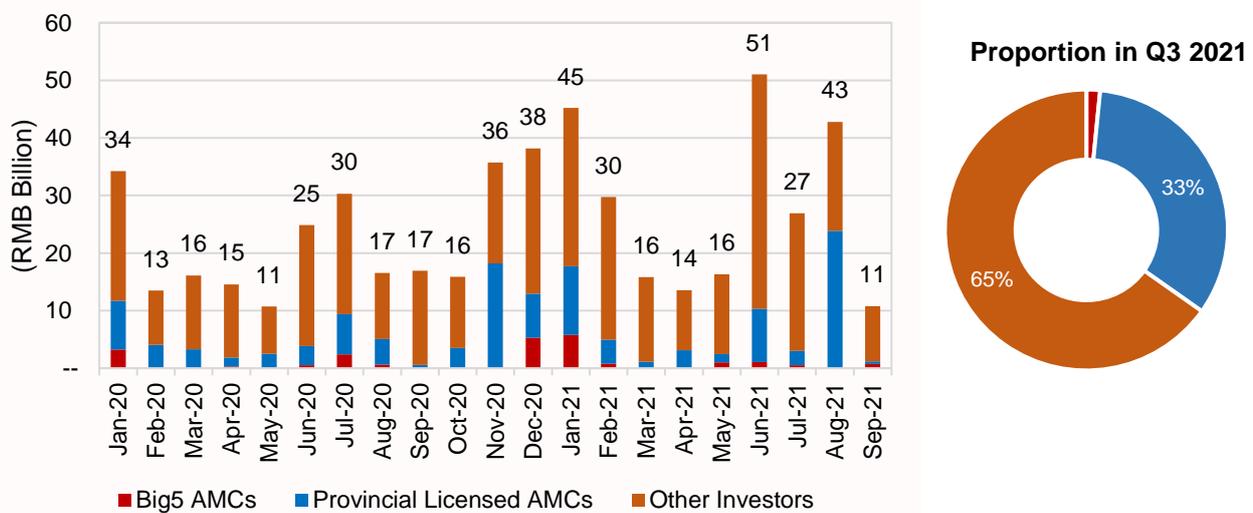
**Exhibit 2-4 NPL Transaction Volume – Seller Breakdown in Secondary Market**



Source: Public Information, Zheshang Asset Research Institute

Total NPL sales from licensed AMCs in Q3 2021 have increased by 26% year-on-year to RMB 80.5 billion, and among the Big 5 AMCs, with Orient AMC having the largest proportion of NPL transactions, while Galaxy AMC has the smallest proportion as it has not sold any NPLs yet. Regardless of the bid scale or transaction scale, the Big 5 AMCs (more specifically, the previous Big 4 AMCs) still maintain being the dominant sellers in the secondary market.

**Exhibit 2-5 NPL Transaction Volume – Buyer Breakdown in Secondary Market**



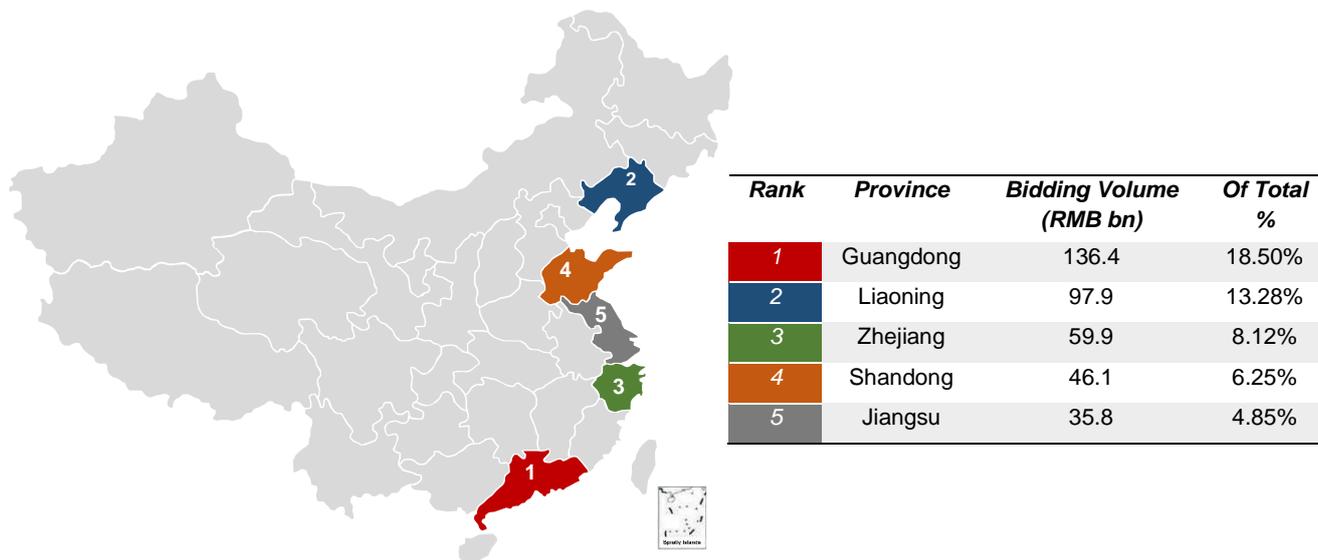
Source: Public Information, Zheshang Asset Research Institute

For NPLs sold by licensed AMCs in the secondary market, approximately RMB 52.4 billion were purchased by investors other than licensed AMCs in the proportion of 65% decreased both year-on-year and quarter-to-quarter and RMB 26.8 billion were purchased by provincial licensed AMCs, while the Big 5 AMCs (more specifically, the previous Big 4 AMCs) purchased RMB 13 billion.

The secondary market remains a primarily non-licensed-AMC investors market, where the lack of policy requirements and government guidance found in the secondary market creates a more competitive and price-sensitive market dynamic. Foreign investors were inactive in 2021 Q3 with approximately only one transaction, mainly due to 1) competition from increasing domestic investors with their advantage of rapid response capability in NPL investment operations and 2) a quite unpredictable policy environment and real estate market. However, it does seem likely that there will be an increase in foreign participation in the China NPL market with more professional local partners they are looking and the expansion of the financial opening of the China market.

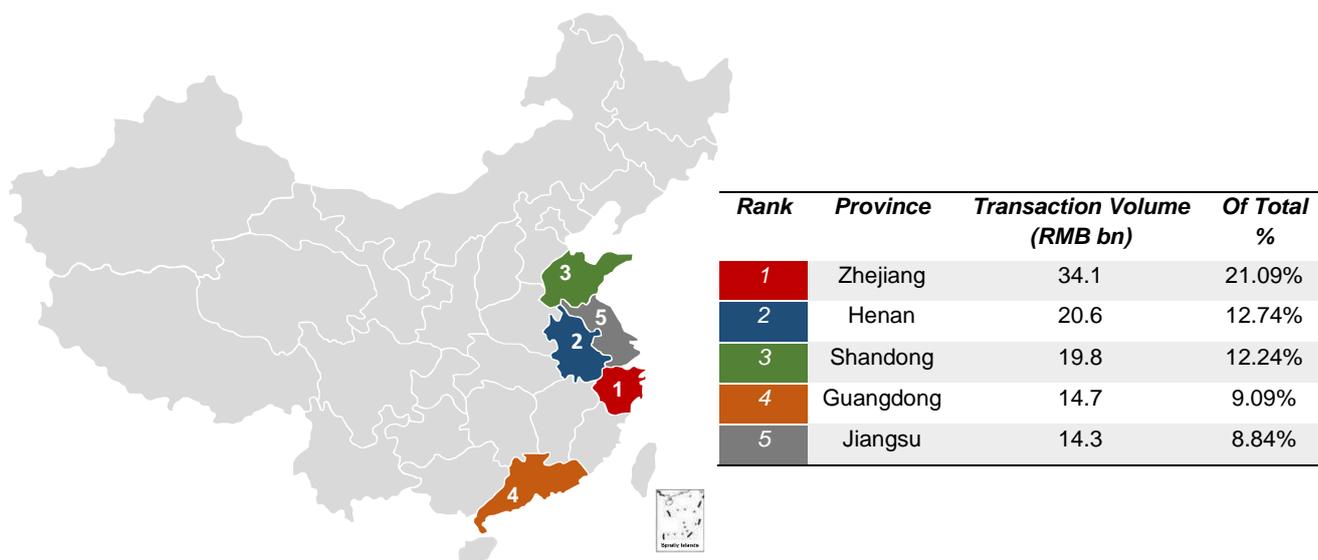
## NPL Bid & Transaction Volume Distribution

NPL bidding volumes were heavily concentrated in a small number of provinces, with the top five accounting for 51% of total NPL bids in Q3 2021. We note that NPL activity has a positive correlation with the size of its regional economy and the NPL level, as the top-five provinces all have a large scale of economy (Guangdong, Zhejiang, and Jiangsu) and / or relatively high NPL balance (Liaoning and Shandong).



Source: Public Information, Zheshang Asset Research Institute

Likewise, NPL transaction volumes were also heavily concentrated in Q3 2021. Zhejiang province accounted for the largest transaction volume, followed by Henan province, Shandong province, Guangdong, and Jiangsu province. Together, these five provinces accounted for 64% of the volume of total Chinese NPL transactions.



Source: Public Information, Zheshang Asset Research Institute

Considering the scale of NPL bids and transactions, the NPL market activities in the Yangtze River Delta and the Pearl River Delta are rich and stable as the NPL market is more active in these two developed regions, and in the Shandong province and Henan province, the NPL assets rank higher of transaction volumes compared to their bid volumes, likely due to local policy requirement on banks and licensed AMCs to dispose of NPLs of a certain size, indicating that they are the areas that investors also need to pay close attention to.

## Chapter 3: Overview of Online NPL Auctions

*“Online auctions have remained stable, averaging a discount of around 61% to face value / underlying principal, an increase of 3% year-to-year”*

While online NPL auctions occur in all provinces across China, most of the provinces only host a relatively small number of online auctions, leaving most concentrated in a few provinces. In Q3 2021, there were a total of 938 NPL transactions on the Taobao platform nationwide, among which Shandong province had the largest number with 199 transaction cases, followed by Zhejiang Province with 105, Jiangsu province with 103, and Hebei province with 67.

From the perspective of online NPL auction prices, the principal discount rate for NPL transactions in Q3 2021 was higher than the overall level in the same period last year. Judging from the current trend, the average principal discount rate for NPL transactions nationwide is approximately 61%.

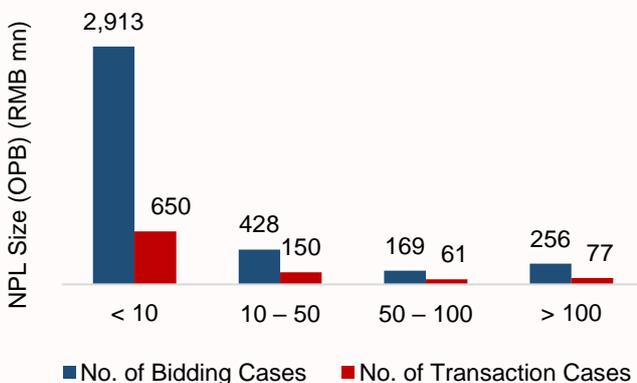
NPLs listed on online auction platforms only account for a small fraction of China’s NPL market and are not a proxy for the broader NPL market. However, changes in the direction of online NPL auction prices appear to be shaped by the same macroeconomic trends that determine how the broader market prices NPLs. Therefore, this data could be used as a reference basis for market pricing trends while the market prices for specific regions would still require on-site investigation.

**Exhibit 3-1 NPL Auction Transaction Cases - Discount Rate on Claim OPB %**



Source: Public Information, Zheshang Asset Research Institute

**Exhibit 3-2 Size (OPB) Distribution of Auctioned NPLs (RMB Mn)**



For size (OPB) distribution of online NPL auction cases over Q3 2021, more than 75% of both bidding and transaction cases were sized below RMB 10 million, from which we could see that the small-size NPLs were the main assets sold in online platforms, targeting those local individual buyers and small-scale institutional buyers. As for large-size NPLs sized above RMB 100 million, there were 256 bidding cases and closed at 77 transaction cases. Among the bidding cases, the largest one was RMB 2.74 billion, while among the transaction cases the largest one was RMB 2.49 billion.

Source: Public Information, Zheshang Asset Research Institute

## Chapter 4: Overview of Collateral Judicial Auctions

“Online auction market of collaterals <sup>[1]</sup> shows larger volume in 2021 Q3; However, weaker real estate performance in Q3 2021 has driven a lower realization level for judicial auction and lower transaction price of residential collaterals under tighten residential housing market”

### Overall Judicial Auction Summary

The following data for collateral auctions covers all auction records, including 1<sup>st</sup> auction cases, 2<sup>nd</sup> auction cases and sale-off cases. The number of 1<sup>st</sup> auctions reflects the actual number of auctioned assets (in other words, the assets in 2<sup>nd</sup> auction and sale-off stage have failed in their corresponding 1<sup>st</sup> auction) and the change in the number of 1<sup>st</sup> auctions represents the actual change in the size of the online collateral auction market. Moreover, the proportion of 1<sup>st</sup> auctions to the total auctions reflects the liquidity of the online auction market in a positive correlation.

In Q3 2021, there were a total of 163,216 auction cases of collateral (Real Estate) nationwide across all major online auction platforms, which was a year-on-year increase of 10.2%. Exhibit 4-1 below illustrates that the total number of auctions in Q3 2021 seeing all jump up on yoy basis except for Zhejiang, Jiangsu, Hebei, Guangxi, Sichuan, and Shanghai.

Exhibit 4-1 No. of Collateral Online Auctions in Main provinces and the YOY changes %

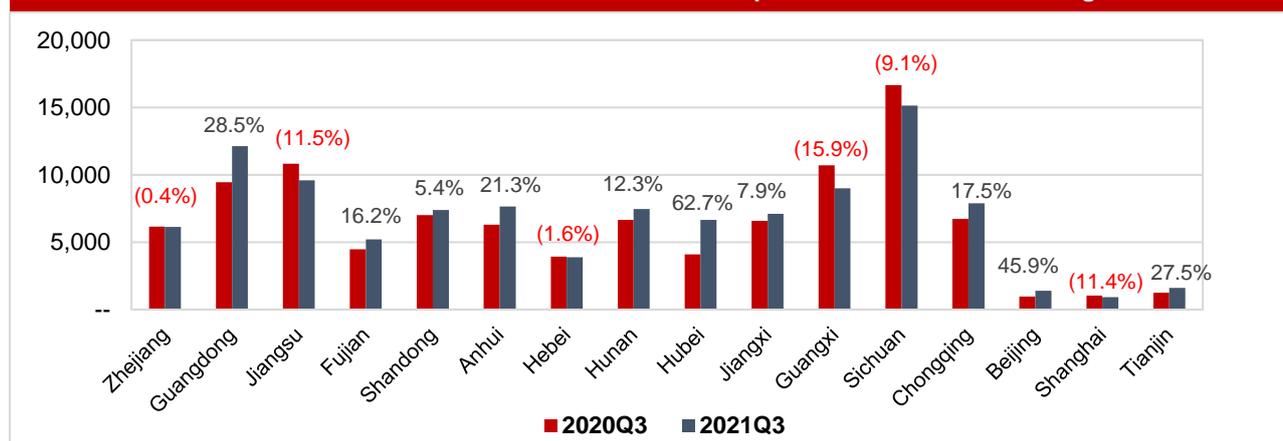
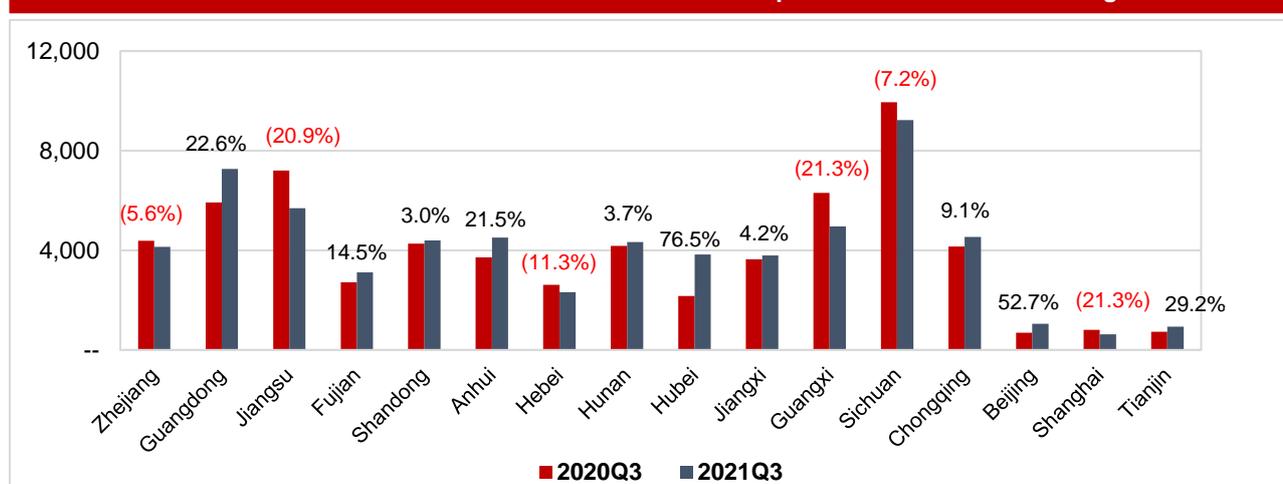


Exhibit 4-2 No. of Collateral 1<sup>st</sup> Online Auctions in Main provinces and the YOY changes %

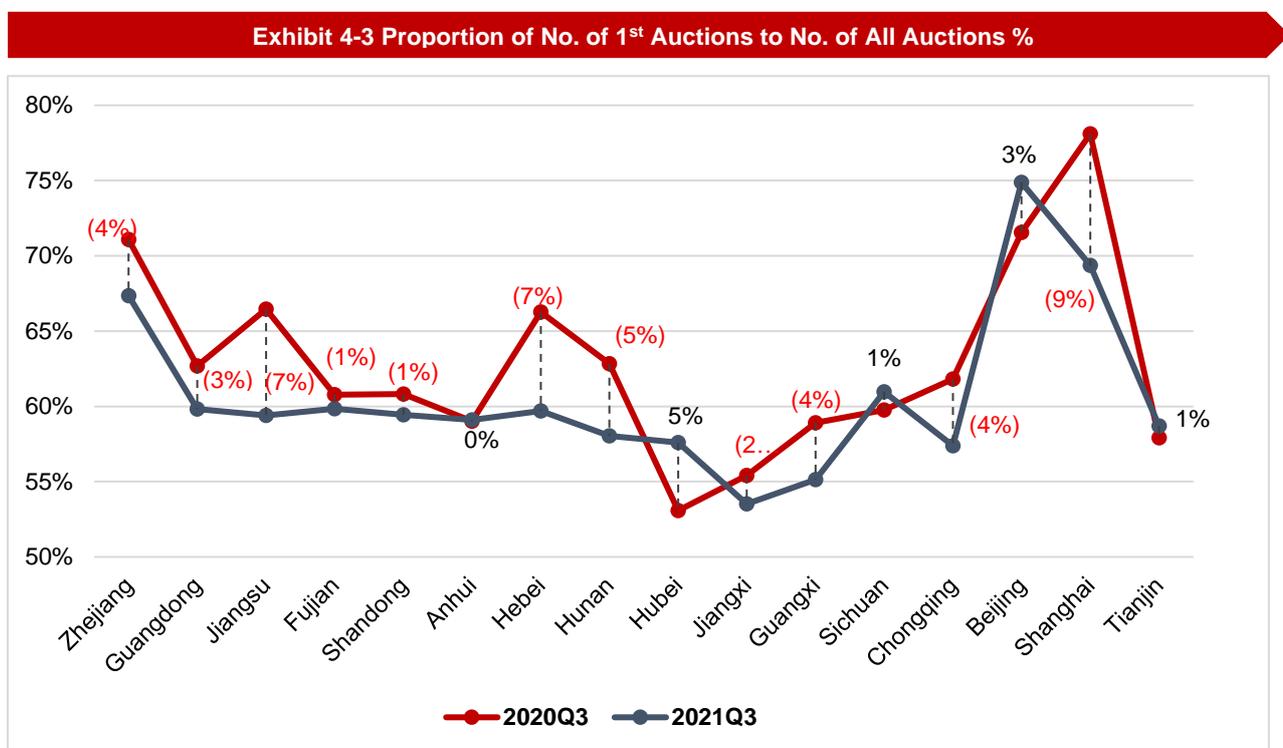


Source: Main online auction platforms, Zheshang Asset Research Institute

In Q3 2021, there were a total of 95,587 1<sup>st</sup> auction cases of collateral (Real Estate) nationwide on major online platforms, a year-on-year increase of 6.5%. In terms of different provinces as Exhibit 4-2 above, the number of 1<sup>st</sup> auctions in Q3 2020 in all provinces and province-level municipalities <sup>[1]</sup> increased year-on-year except Zhejiang, Jiangsu, Hebei, Guangxi, Sichuan and Shanghai, and the increases in Guangdong, Fujian, Anhui, Hubei, Chongqing, Beijing, and Tianjin exceeded the national average.

The number of 1<sup>st</sup> auctions accounted for 58.6% of the total number of auctions nationwide, a year-on-year decrease of 2%. As demonstrated in Exhibit 4-3 chart, all province-level municipalities excluding Anhui, Hubei, Sichuan, Beijing, and Tianjin, have seen the proportion of 1<sup>st</sup> auctions to total auctions decrease, which indicates their market liquidity of judicial auctions has decreased to some extent.

Among the 16 provinces and cities, Guangdong, Sichuan, and Jiangsu have the largest market scale, and Zhejiang, Beijing, and Shanghai have the best market liquidity, primarily due to the relatively strong performance of local real estate, and the robust market demand.

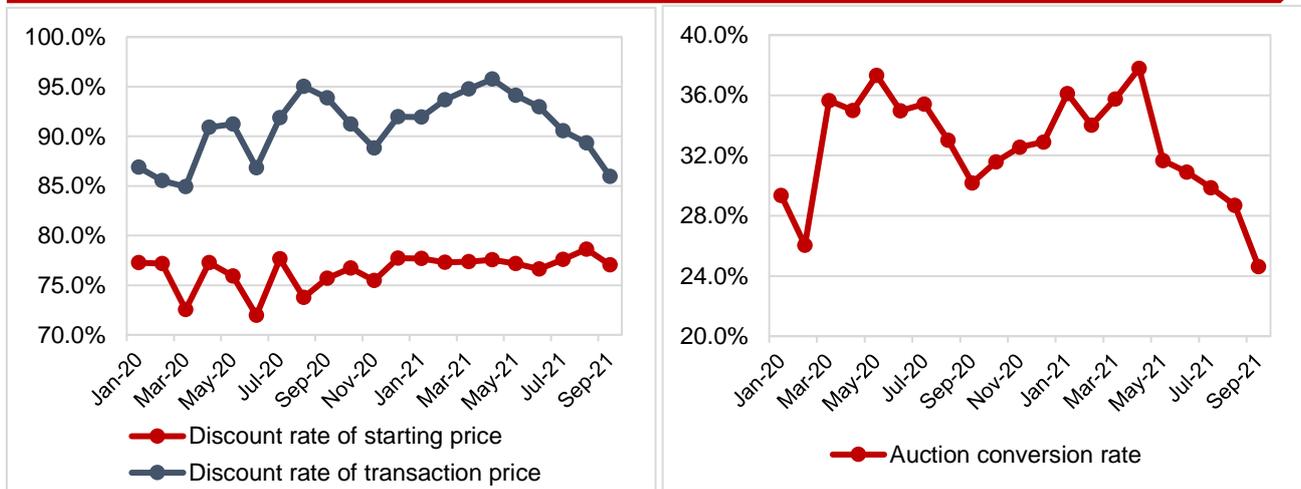


Source: Main online auction platforms, Zheshang Asset Research Institute

Note <sup>[1]</sup>: A province-level municipality, formally a municipality under the direct administration of central government, is the highest level of classification for cities used by the People's Republic of China, currently including Beijing, Tianjin, Chongqing and Shanghai.

## Judicial Auctions by Asset Type

**Exhibit 4-4 Residential Collateral Auction – discount rate & conversion rate % in state level**



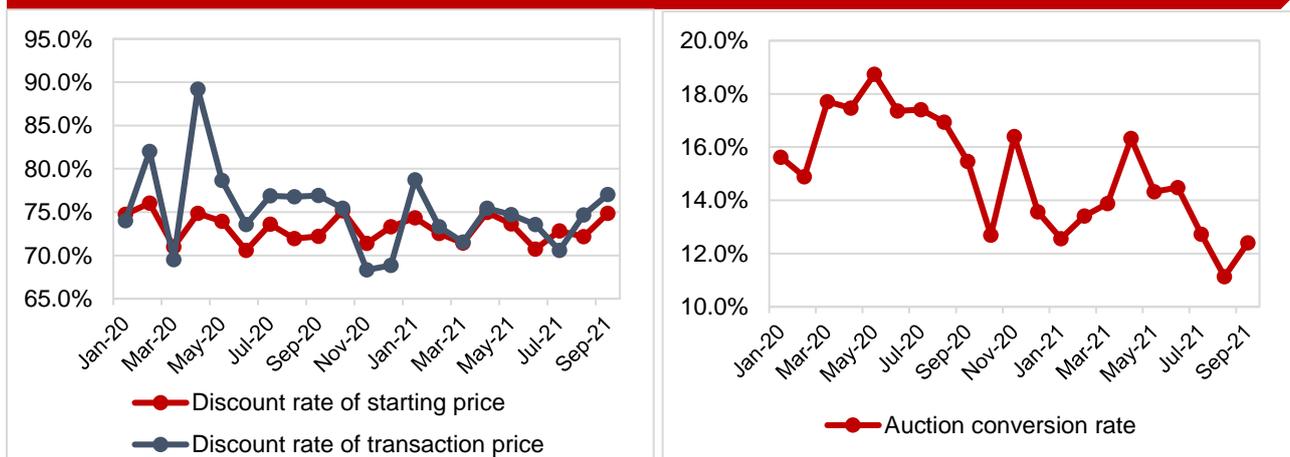
Note: the discount rate is the starting price or transaction price to the collateral valuation price, and the conversion rate is the # of successful auction cases to all auction cases <sup>[1]</sup>

Source: Main online auction platforms, Zheshang Asset Research Institute

In Q3 2021, the transaction price of residential collateral auctions saw a downward trend, reaching the lowest level in 2021, while the starting price was quite stable around 77% discount rate, so the gap between the transaction price relative to the initial bid has gradually shortened. This indicates that the residential assets auction premiums are decreasing, and buyers were not willing to compete fiercely for such assets in the auction platforms.

Combined with the greatly decreasing conversion rate in Q3 2021, the residential collateral auction market seems to be cooling down together with the housing market.

**Exhibit 4-5 Commercial Collateral Auction – discount rate & conversion rate % in state level**

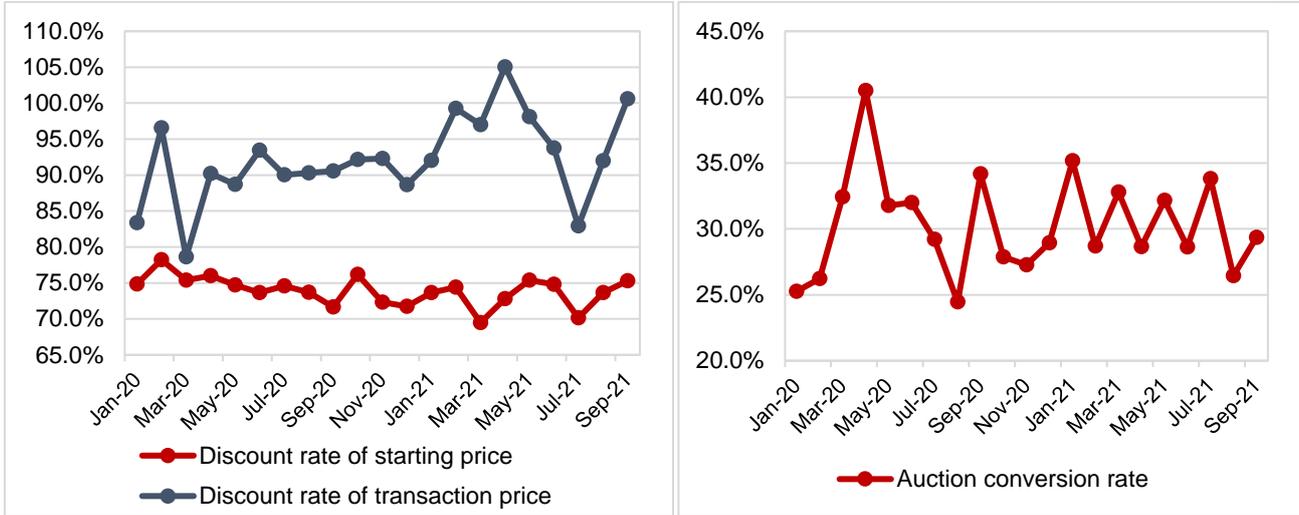


Source: Main online auction platforms, Zheshang Asset Research Institute

In Q3 2021, the price level fluctuated slightly in an upside trend, with the overall level resuming to the same level of that in Q3 2020, and the price premium narrowed compared to that in Q3 2020. The conversion rate also showed a minor fluctuation, with the overall level lower than the same period in 2020, showing that the auctioned commercial assets, which are inherently less liquid, have seen a further conversion reduction under downward economic pressure.

Note <sup>[1]</sup>: As the 1<sup>st</sup> auction, 2<sup>nd</sup> auction and sale-off cases of the same collateral are not linked to each other in online auction platforms and cannot be identified, the conversion rate of the collaterals sold in the 2<sup>nd</sup> auction or sale-off stage is not 100%, which leads the overall level of conversion rate here lower than the actual situation in the market.

Exhibit 4-6 Industrial Collateral Auction – discount rate & conversion rate % in state level



Source: Main online auction platforms, Zheshang Asset Research Institute

In terms of auction prices, the overall discount rate of the transaction price for industrial collateral auctions increased in late Q3 2021, with the average level slightly higher than that in Q3 2020. At the same time, the premium of the transaction price relative to the initial bid has an expanding trend. The conversion rate fluctuated greatly and was slightly higher than that in Q3 2020.

Conversion levels for collateral auctions of residential and industrial real estate at around 30% are comparatively better than those for commercial real estate which feature conversion levels below 15% in recent years, because residential and industrial assets are relatively more popular in the market, which also accounts the higher price premium of residential and industrial assets compared to commercial assets.

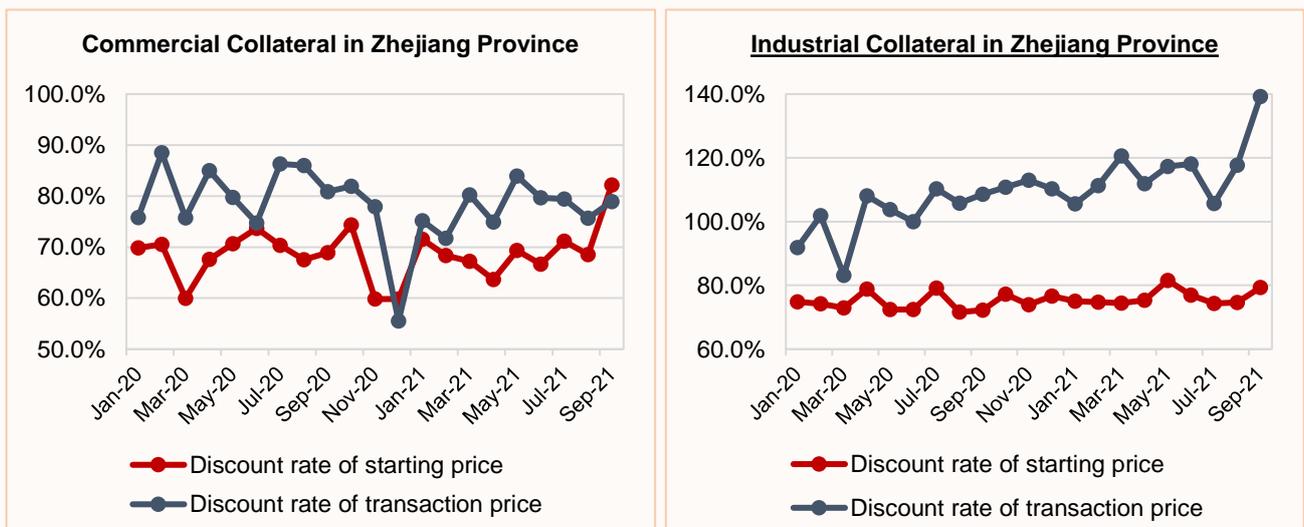
## Collateral Judicial Auction Overview in Zhejiang Province

In Q3 2021, there were 6,140 online collateral auctions across major platforms in the Zhejiang province, a year-on-year slight decrease of 0.4%. Except Jiaxing, Shaoxing, Jinhua, and Quzhou, the other 7 cities in Zhejiang saw an increase in the number of collateral auctions year-on-year.

In Q3 2021, there were 4,135 1<sup>st</sup> auctions in the Zhejiang province on major platforms, a year-on-year decrease of 5.6%. In the same period, the number of 1<sup>st</sup> auctions accounted for 67.3% of the number of total auctions, decreasing 3.7% year-on-year. Except Hangzhou, Jiaxing, Shaoxing, Jinhua, and Quzhou, the number of 1<sup>st</sup> auctions and the proportion of 1<sup>st</sup> auctions to total auctions across other 6 cities have both declined year-on-year, seeing weaker market liquidation in 2021 Q3.

With respect to the price of commercial auctions illustrated below, the average discount rate oscillated upward in the Q3 2021, with the overall level slightly lower than that in Q3 2020. The premium of the transaction price relative to the initial bid was narrowed, and the discount rate of transaction price was even lower than that of initial bid in September.

For industrial collaterals, the discount rate of transaction price has increased in Q3 2021 displaying an upward movement, with the overall level higher than that in Q3 2020. The premium of the transaction price relative to the initial bid has expanded a lot in Q3 2021, larger than that in previous months.



Source: Main online auction platforms, Zheshang Asset Research Institute

## Collateral Judicial Auction Overview in Guangdong Province

In Q3 2021, there were 12,141 online auctions across major platforms in the Guangdong province, increasing by 28.5% year-on-year. Except Shenzhen, Zhuhai, Shantou, Zhanjiang, Zhaoqing, Heyuan, and Dongguan, the other 10 cities saw an increase in the number of collateral auctions.

In Q3 2021, there were 7,263 1<sup>st</sup> auctions on major platforms in the Guangdong province, a year-on-year increase of 22.6%. In the same period, the number of 1<sup>st</sup> auctions accounted for 59.8% of the number of total auctions, a year-on-year decrease of 2.9%. Except Shenzhen, Zhuhai, Shantou, Zhanjiang, Zhaoqing, and Heyuan, the other 11 cities saw an increase in the number of 1<sup>st</sup> auctions in Q3 2021. As for the proportion of 1<sup>st</sup> auctions to total auctions, except Zhuhai, Zhanjiang, Zhaoqing, Jiangmen, Huizhou, Meizhou, and Dongguan, the proportion in the remaining 10 cities in Q3 2021 has decreased year-on-year.

For commercial collaterals, the discount rates of starting price and transaction price have increased to 77% and 90% respectively in September, both reaching the highest level since 2020, and the premium of the transaction price relative to the initial bid has slightly expanded.

For industrial real estate, the discount rate of transaction price decreased slightly in Q3 2021, and the overall level was quite the same as that in Q3 2020. The premium of transaction price related to the initial bid has narrowed compared with that in Q3 2020.



Source: Main online auction platforms, Zheshang Asset Research Institute

## Sponsoring Organisations

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Zheshang Asset Research Institute was registered and established in Shanghai Free Trade Zone in March 2014. It is a market-focused research institution wholly owned by Zhejiang Zheshang AMC, and is a research institution of Zheshang AMC Strategic Planning, Business Innovation and Talent Training Intellectual platform. The Institute has become one of the research institutions with complete functions, strong strength, and fruitful results in the field of special asset management.

The Institute has gradually established a set of research systems with its own development characteristics, and also has pioneered industry benchmarking studies such as Taobao auction research and regular NPL market transaction reports in China and compiled and issued the first industry journal "Zheshang AMC Insight" among all provincial AMCs. The Institute has successively completed a number of research topics, such as Zheshang AMC Development Strategy Planning, Regional Financial Stability and Industrial Transformation Fund Research, State-owned AMC Innovation Development Strategy, and Supply Chain Finance Model Innovation and Expansion. The Institute has established extensive contacts with many domestic educational institutions, enterprises, and social intermediary organizations, and has carried out various forms of cooperation and exchanges.



Pepper Group is a globally diversified financial services company that invests, owns, manages, and builds high growth, innovative lending and asset servicing businesses. Pepper's businesses are active across the credit spectrum, covering consumer, residential and commercial assets, with investment platforms across the UK, Europe, Asia and Australia. As proactive owner-operators, Pepper takes a deep interest in building organic growth and use our expertise to support the local management team with further expansion opportunities.

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# Disclosures

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