

Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Banque pour le Commerce Exterieur Lao Public

Vientiane Capital, 29/04/2016

**Minutes of the
Annual General Meeting of the Shareholders of Banque pour le Commerce
Exterieur Lao Public for the Year 2015**

28/04/2016

The Annual General Meeting of the Shareholders of Banque pour le Commerce Exterieur Lao Public for the Year 2015 (hereinafter called: "The Meeting") was held at 14:10 hours on the 28/04/2016 in the meeting room on 8th floor of the Lao Securities Exchange. The Meeting was attended by 72 shareholders who attended in person. The number of shares of the shareholders attending the meeting was 114,136,127 shares, equivalent to 83.57% of the total shares of BCEL and this made the quorum of the Meeting in accordance with the Articles of Association of BCEL and relevant laws. The number of non-attending shares was 22,441,473 shares, equivalent to 16.43% of the total shares of BCEL.

❖ **The Presiding Committee of the Meeting includes:**

- Dr. Bounleua Sinxayvolavong, Chairman of BCEL's Board of Directors, as Chairman;
- Mr. Khamsouk Sundara, Vice Chairman of BCEL's Board of Directors, as Vice Chairman;
- Mr. Phoukhong Chanthachack, Director of BCEL's Board of Directors, as Member;
- Mr. Phansana Khounnouvong, Director of BCEL's Board of Directors, as Member;
- Mrs. Khanthaly Vongxayalath, Director of BCEL's Board of Directors, as Member;
- Mr. Viengxay Chanthavisouk, Director of BCEL's Board of Directors, as Member;
- Mr. Guillaume Perdon, Representative of COFIBRED, the Strategic Partner (holding 10% of BCEL's shares), as Member;

❖ **Representatives of the Ministry of Finance (holding 70% of BCEL's shares)**

- Mr. Sila Viengkeo, Vice Minister of Finance;
- Mr. Phouthanouphet Xaysombath, Director General of the National Treasury, Ministry of Finance;

The Meeting discussed and resolved as follows:



1. Agenda 1: The Meeting heard the report from Mr. Phoukhong Chanthachack, General Managing Director of BCEL, on the key resolutions of the previous Shareholders' Meeting and implementation.

The previous Shareholders' Meeting resolved on the following matters:

- Approved the appointment of new Board of Directors and appointed the Shareholders' Audit Committee both of which shall have the term of office until mid 2017.
- Approved the business results and dividend for the year 2014
- Approved the Plan for the year 2015 of BCEL
- Approved the dividend payment of the year 2015 in 2 installments
- Approved the appointment of Ernst and Young Lao Co, LTD as the auditor of BCEL's account for the year 2015

The resolutions above have been implemented by BCEL.

➤ **The Meeting acknowledged the report on the key resolutions of the previous Shareholders' Meeting and implementation.**

2. Agenda 2: The Meeting heard the report on the activities and performance for the year 2015, from Mr. Phoukhong Chanthachack, General Managing Director of BCEL:

- BCEL has educated staff with political ideology on a regular basis, and disseminated regulations to staff. This practice could stabilize the ideology, maintain productivity and solidarity among the employees. This also contributed to harmony in working atmosphere the increase in productivity and brought about success in various areas.
- BCEL has completed 4 meetings to review the quarterly business performance; one annual general meeting of the shareholders; and 4 Meetings of the Board of Directors.
- Amended some of the interest rates and other service fees,
- Carefully monitored the operation and services carried out by the employees, and equipped them with necessary equipment to ensure quick services and address the complaints from customers.
- Centralized the management of Branch assets at Head Office.
- Establish the Risk Management and AML Division;
- Restructured staff organization at some Divisions in Head Office and some Branches
- Joined ATM network with some other Banks, namely: STB, Maruhan Japan Bank and Bank of Ayudhya
- Completed the official launch of BCEL' new products including the BCEL Community Money Express (BCOME) and BCEL-JCB Credit Card and BCEL Co-Brand Card.



- Completed the development of BCEL internet banking platform (I-Bank services Version 3), Smart-Tax projects for Ministry of Finance and the Easy Tax for the National Treasury.
- Completed the installation of equipment and connect with the system of the Bank of the Lao PDR; Successfully installed the SMS ALERT at some ATMs which is located in risky location
- Established 9 Service Units
- Received the awards from the Asian Banking & Finance Magazine in category of The Best retail bank of the year Laos for the year 2015 and received the ICT Awards 2015;

➤ **The Meeting heard the Report on the activities and performance of BCEL for the year 2015.**

❖ During Agenda 2, Mr. Kraiwat Kadavanich, a shareholder, made the following comments:

- 1.) In previous year, BCEL successfully developed a bill payment platform via BCEL One, enabling the bill payment of electricity, water, and telephone. However, the settlement of BCEL VISA card fees could not be made via this application. So, upgrade of BCEL One version 3 shall address this issue.
- 2.) The adjustment of account statement could have impact on the bank's transparency. When the adjustment occurred, it should show the adjusted, cancelled and corrected items.
- 3.) Indication of the original currency settled by credit cards. In the debit statement, the currency will be in both originated currency and USD. However, when the amount is refunded into the card, BCEL only specifies the amount in USD without the originated currency.
- 4.) When the passbook is fully used, BCEL will issue the new passbook to the customer. If the new passbook has used for more than 7 pages, the teller will print only the last page and this makes the statement incomplete. The summary of the previous debit and credit must be done before printing that last page.
- 5.) Following the issuance of a new passbook, the teller will stamp "Cancel" on the each page of the former passbook. The transactions recorded on the former passbook have been the true transactions, so instead the former passbook shall be cut on the corner.
- 6.) To collect fees from a current account paid by checks, BCEL will normally ask the customer to draw the check to pay the fees. This is inappropriate for the situation where the fees are not so high. Such fees shall be collected via other means, for instant, direct debit from the account.
- 7.) Changes or amendment of bank terms and conditions. Should the bank updates its terms and conditions, bank shall continue using the old terms and conditions until the customers are informed of the updates. In case where the bank failed to inform the customers, for example, the bank officers failed to send the update information or document to the customers, the bank shall have proper policy and measures in place toward the bank officers and the customers.

➤ Regarding the comments above, Mr. Nanthalath Keopaseuth, Deputy Managing Director of BCEL clarified as follows:



- 1.) BCEL One 3 is developed to accommodate the settlement of VISA card fees. The development is successful and will be rolled out in May 2016.
- 2.) The adjustment of account statement shall provide details of the transactions before the adjustment. BCEL will take up the comment for further consideration.
- 3.) For the card payment overseas, BCEL's system can accommodate various currencies. However, the settlement made by cards is subject to the changing exchange rate. So, BCEL will make exchange against USD and will notify the customers at the end of each month following the reception of statement from VISA International. In all payment circumstances, BCEL will not making advantage from the customers, but will rather provide convenience to the customers.
- 4.) The printing of statement where the passbook is used by 7 pages, is not the normal policy of BCEL. The comment will be noted for further action.
- 5.) The issue associated with cancellation of old passbooks, BCEL will take up for further improvement in the future.
- 6.) The situation, where the bank officer required the customer to draw the check in order to pay bank fees, may result from misunderstanding of the relevant bank officer and the bank will reexamine the incident.
- 7.) Regarding the changes and updates in policy, BCEL will normally inform the customers beforehand through publishing the information on BCEL website and various media.

➤ Mr. Phoukhong Chanthachack, General Managing Director of BCEL opined that generally BCEL has been working hard to develop and improve its services to get close to international practice. With regards to any mistakes, BCEL will try to address the problems. He also thanked Mr. Kraiwal Kadavanich for his useful comments.

3. Agenda 3: Consider and approve the business results for the year 2015 and the dividend payment for the year 2015.

Mr. Phoukhong Chanthachack, General Managing Director of BCEL reported to the Meeting about the business results in the year 2015 which was audited by the external auditor (Ernst and Young Lao Co., Ltd), and was approved by the Board of Directors as follows:

- The profit before tax is 128.8 billion LAK;
- The profit after tax is 105.2 billion LAK. This amount is allocated into various regulatory funds and the total amount for dividend payment is 53.5 billion LAK, an equivalent of 392 LAK per share.
- BCEL had already paid dividend for the first 6 months of year 2015 in amount of 173 LAK per share.
- The 2nd dividend payment (for the last 6 months of year 2015) shall be 219 LAK per share.
- The dividend payment shall be completed within 5 working days after this Meeting.

➤ **The Meeting considered and approved the business performance results as audited by the external auditor, the allocation of the profit after tax into**



various funds, and the dividend payment for BCEL shareholders, through the following vote results:

- Approve: 114,136,127 votes, equivalent to 100% of the number of votes attending the Meeting.
- Disapprove: 0 vote, equivalent to 0% of the number of votes attending the Meeting.

4. Agenda 4: Consider and adopt the Plan for the year 2016

Mr. Phoukhong Chanthachack, General Managing Director of BCEL presented to the Meeting about the activities plan, business plan, staff recruitment plan and business network expansion plan for the year 2016. The key business performance targets in comparison with the actual figures in 2015 include:

- Assets /Liabilities: 27,580 billion LAK, increase by 6.6%,
- Deposits: 25,000 billion LAK, increase by 6.4%,
- Loans: 14,025 billion LAK, increase by 27.5%
- Profit before tax: 157 billion LAK, increase by 30.7% in contrast with the profit in the year 2015.
- Recruitment of staff for the entire BCEL network: 90 employees.
- Network expansion: 8 Service Units to be established.

➤ **The Meeting considered and approved the business plan, staff recruitment plan and business network expansion plan for the year 2016, through the following vote results:**

- Approve: 114,136,127 votes, equivalent to 100% of the number of votes attending the Meeting.
- Disapprove: 0 vote, equivalent to 0% of the number of votes attending the Meeting.

5. Agenda 5: Consider and approve one-time payment of the dividend for the year 2016 pursuant to the year-end performance achieved by BCEL.

Mr. Phoukhong Chanthachack, General Managing Director of BCEL reported to the Meeting that in order to facilitate and to ensure complete information for the determination of dividend, the Board of Directors has considered and proposed to pay one installment of dividend to the shareholders in the year 2016 basing on the year-end business results as audited by the external auditor.

- ❖ During Agenda 5, Mrs. Vanhly Saisouvanh, a shareholder, commented that the dividend of the year 2016 shall be paid into two installments as previous year.
- Mr. Phoukhong Chanthachack, General Managing Director of BCEL clarified that because of the increasing competition in the business and due to difference in revenue generation in each quarter, BCEL considered, for the ultimate benefit of the shareholders, it would be more appropriate to pay the dividend of the year 2016 in one installment.
- **The Meeting considered and approved the payment of the dividend in the year 2016 in one installment basing on the year-end audit report from the external auditor, through the following vote results:**



- Approve: 114,136,127 votes, equivalent to 100% of the number of votes attending the Meeting.
- Disapprove: 0 vote, equivalent to 0% of the number of votes attending the Meeting.

6. Agenda 6: Consider and approve the appointment of the auditor for the year 2016

Mr. Phoukhong Chanthachack, General Managing Director of BCEL reported to the Meeting that pursuant to the research, and comparison of terms and pricing, BCEL decided to appoint Ernst and Young Lao Co, LTD as BCEL's external auditor for the year 2016, with a fee of \$93,000. The audit reports shall include the financial reports under Lao Accounting Standard and under International Financial Report System, in both Lao and English languages. The reports will be made for the first 6 months and for the end of year 2016.

- ❖ During Agenda 6, Mr Kraiwal Kadavanich, a shareholder, requested that BCEL shall provide detailed audit fees in each year in order for the shareholders to compare and decide more properly in the next shareholders' meeting.
- Mr. Phoukhong Chanthachack, General Managing Director of BCEL acknowledged the request and promised to improve in the next Meeting.
- The Meeting considered and appointed Ernst and Young Lao Co, LTD as BCEL's external auditor for the year 2016, through the following vote results:
 - Approve: 114,136,127 votes, equivalent to 100% of the number of votes attending the Meeting.
 - Disapprove: 0 vote, equivalent to 0% of the number of votes attending the Meeting.

After the Meeting successfully considered all agenda of the Meeting, Dr. Bounleua Sinxayvolavong, Chairman of BCEL's Board of Directors, asked the shareholders and their representatives to make questions and comments on other issues not covered in the agenda. However, there was no further question and comment. The Chairman of BCEL's Board of Directors requested the representative of the secretariat of the Meeting to read the Resolutions of the Meeting which was unanimously approved by the shareholders attending the Meeting. The Chairman of BCEL's Board of Directors then officially declared the Meeting closed.

The Meeting was adjourned at 15:40 hours on the same day.

Chairman of the Meeting



Bounleua Sinxayvolavong

Prepared by



Sonenalin Sengmany