

Minutes

BCEL's Extraordinary Shareholders' Meeting for the year 2021.

The Extraordinary Shareholders' Meeting of Banque pour le Commerce Exterieur Lao Public (BCEL) for the Year 2021 (hereinafter called: "The Meeting") was held from 14:30 – 15:00 on the 29 October 2021 at Muong Thanh Luxury Vientiane Hotel, Vientiane Capital and was presided over by Mr. Bounleua Sinxayvoravong, Chairman of BCEL's Board of Directors, together with Directors of the Board of Directors. The Meeting was attended by 19 shareholders, 163 proxies, and the total number of shares in the meeting was 153.161.186 shares, including 2.702.001 shares via proxies, which in total is equivalent to 73,733% 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 shares not attending the Meeting was 54.562.114 shares, equivalent to 26,267% of the total shares of BCEL.

- Mr. Pasomphet Khamtanh, Deputy Director General of State Enterprise Investment and Insurance Supervision Department, Ministry of Finance, was the representative from the Government to attend the meeting.
- Mr. Stephane Urbain, Managing Director of BFL, was the representative of the Strategic Partner to attend the meeting.

When the meeting started, the Chairman of the meeting introduced the rule of the meeting and the voting. After that, the meeting was proceeded according to the agenda.

The meeting has considered, commented and voted on each agenda as follows:

Agenda 1: Approved the minutes of BCEL's shareholders' meeting for the year 2020.

The minutes of BCEL's shareholders' meeting for the year 2020 held on 30th April 2021 has been disclosed according to the related regulations;

After that, the Chairman provided an opportunity for shareholders to ask the question on this agenda. There were no questions.

- ☞ The meeting approved the Minutes of BCEL's shareholders' meeting for the year 2020 with the majority vote of the shareholders attending the Meeting as detailed below:
 - ☞ Approved: 153.161.186 votes, equivalent to 100% of the total votes attending the Meeting.
 - ☞ Disapproved: 0 votes, equivalent to 0% of the total votes attending the Meeting.

Agenda 2: Be informed about the report of BCEL's Business Performance for the 6 months of the year 2021.

Mr. Khamphout Sithilath, General Managing Director of BCEL reported on the outstanding activities and Business Performance Result for the first 6 months of 2021:

❖ Business Performance Result for the first 6 months of 2021 (In brief):

- Paid the dividend for 2020 to all BCEL's shareholders in the amount of 560 LAK/share;
- There was the change at the Management Level according to the approval from the BOD as follows:
 - 1) Transferred 1 deputy managing director to the new position in another state-owned bank;
 - 2) Approved a resignation of 1 deputy managing director;
 - 3) Appointed 4 deputy managing directors;
 - 4) Approved the transfer of Mr. Phoukhong Chanthachack, the former General Managing Director of BCEL, to the new position at the Bank of the Lao PDR and appointed Mr. Khamphout Sithilath as the new General Managing Director of BCEL.
- Connected the payment platform with the leading companies such as: M-Point Mart Trading Co., Ltd. applying payment by QR scan (OnePay); integrated the platform and enabled money transfer with U Money and M-money;
- Released the ATM UnionPay chip card.
- Applied new Core-banking system into BCEL in April 2021.
- Approved the regulation and DATA Dictionary of the DATA Governance project.

❖ Business performance in the first 6 months of the year 2021

- **Assets/Liabilities:** 59.564.660 million LAK; 104,70% of the 2021 plan and 19,93% increase comparing with the same period of the last year;
- **Loans:** 29.438.167 million LAK; 98,98% of the 2021 plan and 4,34% increase comparing with the same period of the last year;
- **Deposits:** 53.439.063 million LAK; 106,24% of the 2021 plan and 21,95% increase comparing with the same period of the last year;
- **Capital:** 2.131.374 million LAK; 79,85% of the 2021 plan and 5,85% increase comparing with the same period of the last year;
- **Profit before tax:** 79.577 million LAK, 25,34% of the 2021 plan;
- **Profit after tax:** 37.300 million LAK; 14,85% of the 2021 plan;

After that the Chairman provided an opportunity for shareholders to ask the question on this agenda. There were no questions.

☞ The Meeting approved the report of BCEL's Business Performance for the 6 months of the year 2021 with the majority vote of the shareholders attending the Meeting as detailed below:

- Approved: 153.161.186 votes, equivalent to 100% of the total votes attending the Meeting.
- Disapproved: 0 votes, equivalent to 0% of the total votes attending the Meeting.

Agenda 3: To consider and approve the adjustment of the Business Plan for the year 2021

Mr. Khamphout Sitthilath, General Managing Director of BCEL reported on the impact on the business operation of BCEL by the end of 2021 due to the wide and severe spreading of the COVID-19 pandemic. It has impacted many sectors directly and indirectly, particularly the banking sector. This includes the business performance of BCEL, which has led to the high risk related to the Credit Management, the main source of income of the bank. This was shown by the impact on the businesses that resulted in the delay on the payment of their interests and principals to the bank.

While the bank has implemented the support policies on the delay of the principal and interest repayment for the customers, who have been impacted by the pandemic in different levels, there have been customers that were unable to repay both interest nor principal on time or according to the new adjusted contracts. This group of customers might be downgraded and become NPL. The rising of NPL has led to an increase in the expenditure on the loan loss provision by BCEL to protect against the risk in quarter 4, which the ratio has been higher than the plan.

The debt resolving plan for 2021 hasn't been able to implement due to many assets were difficult to be sold and the price has fallen due to the downturn of the economy.

Other sources of income of BCEL could be seen to be slightly beyond the plan such as income from fees, income from bond interest and others. However, there was a growth in business expenditure, especially the expenditure on the deposit interest, which grew due the growth of deposit over the plan. Moreover, expenditure of reserves and provisions increased according to the rise of the customers' risk downgrading. Other expenses in businesses were seen to be controllable and less than the plan including the expenses on staff, the administration expense, the expense on depreciation, the cancellation of new staff recruitment, the cancellation of new service unit expansion and the emphasis on saving within the bank. These aimed to reduce the cost in administration to reflect the economic situation and to reduce the risk in the future.

For those reasons, BCEL needs to adjust some ratios in the Business Plan as follows:

1. The adjustment of the 2021 Business Plan as follows:

- **Assets/Liabilities:** In the old plan was 56.893,30 Billion LAK to propose the adjustment of 62.298,80 Billion LAK.
- **Deposit:** In the old plan 50.300,00 Billion LAK, The new proposed ratio is 56.000,00 Billion LAK.
- **Total loans:** In the old plan was 29.743,00 Billion LAK, the new proposed ratio is 24.627,00 Billion LAK.

- **Profit before tax:** In the old plan 314,00 Billion LAK, to propose the adjustment to 26,00 Billion LAK.
- 2. **The plan for staff recruitment:** To cancel the recruitment plan for 2021 (BCEL has previously planned to recruit 87 staff);
- 3. **The plan to extend the service network:** To cancel the extension plan of service points for 2021 (The previous plan was to open 8 new Service Units) and the establishment of Xaysomboun Branch.

After that, the Chairman provided an opportunity for shareholders to ask the question on this agenda. There were no questions.

☞ The Meeting approved the adjustment of the 2021 Business Plan with the majority vote of the shareholders attending the Meeting as detailed below:

- Approved: 153.161.186 votes, equivalent to 100% of the total votes attending the Meeting.
- Disapproved: 0 votes, equivalent to 0% of the total votes attending the Meeting.

Agenda 4: To consider and approve the appointment of the new Board of Directors

Mr. Khamphout Sitthilath, General Managing Director of BCEL reported that the current BOD 's members, which have been appointed by the Shareholders' Meeting for the year 2017 held on 27 April 2018 and also was extended for 1 more year term in the 2019 Shareholders' Meeting and in the Shareholders' Meeting in 2020, has come to an end of their term.

Therefore, in order to ensure the effective operation of the BOD, BCEL has researched to propose the adding number of the BOD member from 7 to 9 persons. The term of the new members shall be 2 years when the appointment is approved in today onward. The list of the new BOD's members is as follows:

1. Mr. Bounleua Sinxayvoravong, PhD. Vice Minister of Finance, as Chairman
2. Mr. Kamsouk Soundara Independent member, as Vice Chairman
3. Mr. Khamphout Sitthilath BCEL's General Managing Director, as Member
4. Mr. Pasomphet Khamtanh Deputy Director General, Department of State-Owned Enterprise Management and Insurance, Ministry of Finance, as Member
5. Mr. Stephane Mangiavacca, COFIBRED representative, as Member
6. A/Prof Thongphet Chanthanivong, Vice Dean of the Faculty of Economics and Business Administration; as Independent Member
7. Mrs. Latdavanh Songvilay, Acting Director General of Center for Macroeconomic Policy and Economic Restructuring (CMER); as Independent Member
8. Mr. Sonexay Silaphet, Vice President of Lao Chamber of Professional Accountants and Auditors (LCPAA); as Independent Member
9. Mr. Viengsouk Chounthavong, BCEL's Deputy Managing Director, as Member

After that, the Chairman provided an opportunity for shareholders to ask the question on this agenda. There were no questions.

☞ The Meeting approved the new BOD's members with the majority vote of the shareholders attending the Meeting as detailed below:

- Approved: 153.161.186 votes, equivalent to 100% of the total votes attending the Meeting.
- Disapproved: 0 votes, equivalent to 0% of the total votes attending the Meeting.

❖ The Chairman provided an opportunity for shareholders to ask the question. There were no questions.

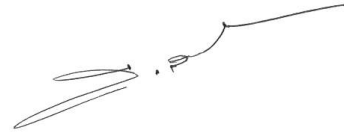
The Chairman has addressed his sincere thanks to the shareholders and the proxies for their kind attendance the meeting. He announced the closing of the meeting at 15:00 of the same day.

Chairman



Mr. Bounleua
Sinxayvoravong

Recorder



Sonenalin Sengmany