

No:.....13...../BCEL.....

Date:05 MAY 2022.....

Minutes
BCEL's Annual General Shareholders' Meeting for the year 2021
29/04/2022

The Annual General Shareholders' Meeting of Banque pour le Commerce Exterieur Lao Public (BCEL) for the Year 2021 (hereinafter called: "The Meeting") was held from 14:05 - 15:00 hrs. on the 29 April 2022 at Lao Plaza Hotel, Vientiane Capital and was presided over by Mr. Khamsouk Sundara, Vice Chairman of BCEL's Board of Directors, together with Members of the Board of Directors. The Meeting was attended by 25 shareholders, 147 proxies, and the total number of shares in the meeting was 158.149.080 shares, including 1.005.209 shares via proxies, which in total was equivalent to 76,13% 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 49.574.220 shares, equivalent to 23.86% of the total shares of BCEL.

Chairpersons and the members of the Board of Directors attended the meeting were as follows:

1. Mr. Khamsouk Soundara, Independent Member, Vice Chairman of the Board of Directors, Chairman of the Meeting;
2. Mr. Khamphout Sitthilath, BCEL's Managing Director, Board Member
3. Mr. Pasomphet Khamtanh, Representative of the Ministry of Finance, Board Member
4. Mr. Viengsouk Chounthavong, BCEL's Deputy Managing Director, Board Member
5. Assoc. Prof. Thongphet Chanthanivong, Independent Board Member
6. Mr. Sonexay Silaphet, Independent Board Member
7. Mrs. Latdavanh Songvilay, Independent Board Member
8. Mr. Stephane Urbain, Representative of COFIBRED, the Strategic Partner.

The Chairman of the Meeting introduced the rule of the Meeting and the voting method. After that, the Meeting was proceeded according to the agenda.

The Meeting has considered, commented and resolved each agenda as follows:

Agenda 1: Approved the Minutes of the Extraordinary Shareholders' Meeting for the Year 2021.

Mr. Khamphout Sitthilath, BCEL's Managing Director proposed the minutes of the Extraordinary Shareholders' Meeting for the year 2021, which held on 29 October 2021. The minutes had been disclosed in compliance with the related regulations;

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

The Meeting resolved with the unanimous vote of the shareholders attending the Meeting as detailed below:

- Approved: 158.149.080 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: Approved the annual report of BCEL's business performance report for the year 2021 and the financial report for the year 2021 audited by PWC, the allocation of the profit after into reserves as required by regulations and approved no dividend payment for the year 2021.

Mr. Khamphout Sithilath, BCEL's Managing Director proposed to the meeting to acknowledge and consider:

- ❖ The outstanding activities of BCEL since the last Extraordinary Shareholders' Meeting for the year 2021 up to the end of 2021:
 - Organizational Structure: The last shareholders' meeting approved the new Board of Directors, which consists of 9 members including 4 independent members (1 female member); 3 non-executive members and 2 members from BCEL's executive. The composition of the new Board of Directors complied with the related regulations issued by the supervised entities.
 - In additions, the last shareholders' meeting also approved the adjustment of the 2021 Plan. The important adjustment in such plan was for the management of BCEL to implement the temporary measures to address the difficulty in business operation as follows:
 1. Considered and proposed the restructure of the internal organization to be smaller in size in order to reduce the cost on administration. The plan was approved by the Board of Directors and the supervised entity and it was implemented in Quarter 1 of the year 2022;
 2. Reduced the administrative expenses by stopping the recruitment, and suspending the high value purchasing and unnecessary expenses;
 3. Cancelled the expansion of the branches and service units along with the closing of a service unit that was unprofitable;
 - The bank also developed the Business Plan for the year 2022 and established Key Performance Indicators (KPI) for all branches to pave the way toward self-sufficiency in business management in the future and to strengthen the capacity of all BCEL's branches.

❖ **The Audited Business Performance for the year 2021:**

- Assets/Liabilities: 68.236.991 Mil LAK, 109,53% of 2021 plan
- Total Loan: 30.080.974 Mil LAK, 122,15% of 2021 plan
- Total Deposit: 61.802.739 Mil LAK, 110,36% of 2021 plan
- Profit Before Tax: 12.585 Mil LAK, 48,40% of 2021 plan
- Profit After Tax: 11.410 Mil LAK, 58,86% of 2021 plan

- ❖ Due to the fact that the business operation of BCEL for the year 2021 was severely affected by the spread of COVID-19, and the performance could produce only minor profit. Therefore, for the year 2021, the Board of Directors agreed not to pay the dividend to the shareholders and proposed the allocation of the profit after tax to the regulatory reserves as follows:

- Regulatory Reserves: 10%
- Reserve for business expansion: 90%

After that, the Chairman provided the opportunity for the shareholders to ask questions. There were questions as follows:

- **Mr. Sovanrith Im**, the representative from Canadia Bank Lao LTD asked: ❶ Why did the income of BCEL decrease while the loan grew? ❷ Why did the income from FX trading decrease? ❸ Why did the loan loss provision increase significantly?
 - **Mr. Khamphout Sitthilath** answered as follows:
 - ❶ In 2021, the macro-economy was affected by the spreading of the COVID-19 starting from 2019, and commercial banks have all been impacted. BCEL made loan restructuring for some customers, which the bank has stopped recognizing the the unpaid interest as income. This is because even if the bank recognize as income, still it will be uncollectable. This is the reason why the bank's income decreased.
 - ❷ The decrease of income from FX trading was mainly impacted by the spreading of the COVID-19 as there were no tourists to the country. The bank was unable to buy foreign currencies and this led to the drop in income from the FX trading.
 - ❸ The growth of Loan Loss Provision was due to the loan restructuring according to the regulation of the BOL, which defines no more than 3 times restructuring. The NPL has increased, which led to an increase in the Loan Loss Provision.

After that the Chairman of the Meeting requests for the vote:

The Meeting approved the annual report of BCEL's Business Performance for the year 2021 and the Financial Reports for the year 2021 audited by PWC, the allocation of the profit after tax to the regulatory reserves and the decision on no dividend payment for the year 2021. The Meeting resolved with the unanimous vote of the shareholders attending the Meeting as detailed below:

- Approved: 158.149.080 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: Approved the plan for the year 2022:

Mr. Khamphout Sitthilath, BCEL's Managing Director proposed to the Meeting to consider and approve the 2022 Plan. The important detail of the plan is as follows:

❖ **Business Plan:**

- Total assets: 72.543.000 Mil LAK, 6,31% increase comparing to 2021;
- Total Deposit: 66.000.000 Mil LAK, 6,79% increase comparing to 2021
- Total Loan: 31.737.000 Mil LAK, 5,51% increase comparing to 2021
- Total NPL: 1.847.000 Mil LAK, 59,05% increase comparing to 202 or 5,82% of the total loan;
- Profit Before Tax: 59.000 Mil LAK, 368,81% increase comparing to 2021.

❖ **Procurement, Construction, and Maintenance Plan.**

The procurement plan in the year 2022 is expected to book as the assets in the amount of 231,96 billion LAK, which is under the budget. The 2022 plan will mainly focus on the necessary work and support the sustainability of the system for BCEL.

In case that the economic situation has changed or if there are any necessities to adjust the 2022 plan, the Meeting is requested to grant the right to the Board of Directors to consider and approve the adjustment of the plan.

After that, the Chairman provided the opportunity for the shareholders to ask questions:

- **Mr. Buth Ang**, the representative from Canadia Bank Lao LTD expressed his opinion that: When BCEL establishes BCEL Asset Management Company, this will be the potential for BCEL and the bank might have more profit than the expecting plan mentioned above.
 - **Mr. Khamphout Sitthilath** explained that if BCEL Asset Management Company is established, the profit of BCEL might exceed the plan. However, in the actual implementation, the process might take time. The mentioned figures in the plan were estimated without including this company's establishment. However, BCEL will try its best to achieve the targeted profit.

After that the chairman of the meeting requests for the vote:

The meeting approved the 2022 Plan as proposed above. In case that the economic situation has changed or if there are any necessities to adjust the 2022 plan, the Board of Directors is authorized to consider and approve the adjustment of the plan. The Meeting resolved with the unanimous vote of the shareholders attending the Meeting as detailed below:

- Approved: 158.149.080 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: Approved the establishment of BCEL Asset Management Company.

Mr. Khamphout Sitthilath, BCEL's Managing Director proposed the meeting to consider and approve the establishment of BCEL Asset Management Company (AMC) in order for the bank to have the opportunity to generate income. BCEL Asset Management Company will be the first company in Laos. The objective of the business is to manage NPL/NPA with discount rates from banks/financial institutions to improve-develop and enable them to generate income or become the good quality assets that have demand from the market.

For detailed requirements, the Meeting was proposed to grant the right to the Board of Directors to consider and approve any issues in relation to this establishment.

After that, the Chairman provided the opportunity for the shareholders to ask questions:

- **Mr. Buth Ang**, the representative from Canadia Bank Lao LTD expressed his opinion that the establishment of Asset Management Company will be the potential for BCEL to resolve the difficulty that the bank has confronted as a result of COVID-19 spreading. He agreed with this establishment and would like to know more regarding the registered capital and the source of fund for this company.
 - **Mr. Khamphout Sitthilath** explained that according to the establishment plan of AMC, the registered capital is around 18 Billion LAK. After completing the establishment, the bank shall allocate the management staff from the bank. For the source of fund, the bank shall provide the fund appropriately.
- **Mr. Khamsay Bounmisidavong** expressed his opinion that he congratulated BCEL for the idea of establishing the AMC. This will be the good opportunity and to benefit the bank. His question was whether the bank might joint-venture with other entities?
 - He also commented that apart from the establishment of AMC, the bank could also generate income from the existing products of BCEL, which have been widely accepted within the country, especially the electronic banking products. He suggested BCEL to use this strength on products and data to generate income for the bank as well.
 - **Mr. Khamphout Sitthilath** answered that the establishment of AMC, BCEL had considered and proposed the Board of Directors for 100%-owned by BCEL at the initial stage. However, when the business operation is running well, the bank shall consider searching for the joint-venture partners.
 - BCEL also tried to research on more income generation from BCEL's existing products by supporting the connection of the products such as BCEL One and BCEL i-Bank with various entities to expand e-commerce and is currently working on making loan application to be available on BCEL's application.

After that the chairman of the meeting requests for the vote:

The Meeting approved the establishment of AMC as per to the proposal above and agreed to grant the right to the Board of Directors to consider and approve any issues related to the establishment of the company. The Meeting resolved with the majority vote of the shareholders attending the Meeting as detailed below:

- Approved: 158.147.210 votes, equivalent to 99,999% of the total votes attending the Meeting.
- Disapproved: 1.870 votes, equivalent to 0,001 % of the total votes attending the Meeting.

Agenda 5: Approve the appointment of the independent auditor for the year 2022.

Mr. Khamphout Sitthilath, BCEL's Managing Director proposed to the Meeting to approve PwC to be the independent auditor of BCEL for the year 2022. The audit fee for accounting audit and loan portfolio review is 920.000.000 LAK (Nine hundred twenty million LAK). The service includes financial audit in accordance with IFRS and LAS both in Lao and English Languages, first half of the year review, and the audit of the Annual Financial Report.

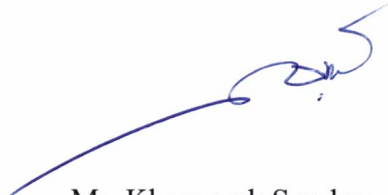
After that, the Chairman provided the opportunity for the shareholders to ask question. As there were no questions, the Chairman of the Meeting requests for the vote:

The Meeting resolved to appoint PricewaterhouseCoopers (PWC) the independent auditor of BCEL for the year 2022. The Meeting resolved with the majority vote of the shareholders attending the Meeting as detailed below:

- Approved: 158.147.210 votes, equivalent to 99,999% of the total votes attending the Meeting.
- Disapproved: 1.1870 votes, equivalent to 0,001% of the total votes attending the Meeting.

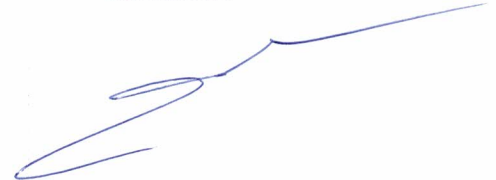
The Chairman expressed his sincere thanks to the shareholders and the proxies for their kind attendance in the Meeting and announced the Meeting closed at 15:30 of the same day.

Chairman of the meeting



Mr. Kamsouk Sundara

Recorder



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