



ប្រតិបត្តិការប្រចាំឆ្នាំ

ANNUAL REPORT

2024

I.	Key Financial Information of BCEL in accordance with IFRS (Separate)	1
1.	Income Statement	1
2.	Statement of Financial Position	2
3.	Some Financial Indicators (Separate)	3
II.	Key Messages From The Management	4
1.	Message From The Chairman Of The Board Of Directors	4
2.	Message From The Managing Director	5
3.	Message From The Audit Committee	7
4.	Message From The Risk Management Committee	8
5.	Message From The Governance Committee	9
6.	Message From The Nomination And Remuneration Committee	10
III.	About Banque pour le Commerce Exterieur Lao Public	11
1.	Establishment and history of growth	11
2.	Vision	12
3.	Mission	12
4.	Core Values	13
5.	Associates and joint ventures:	13
IV.	Economic situation in 2024 and outlook for 2025	14
1.	Global and Regional Economic Context	14
2.	Lao Economic Performance in 2024	14
3.	Trends and directions for 2025	19
V.	Outstanding Business Performance of BCEL in each area	22
1.	Overview of BCEL's Business Performance in 2024	22
2.	Assets and Liabilities	22
3.	Fund mobilization	23
4.	Credit expansion and management:	25
5.	Revenues and expenditures	26
6.	Profit and Loss	28
7.	Dividend	28
8.	BCEL's Share Trading	29
VI.	Organizational Structure	31
1.	Shareholders	31
2.	Board of Directors	31
3.	The Committees of the Board of Directors	32
4.	Executive Management	42
5.	The significant changes of the designation	50
6.	Remuneration	50

VII.	Shareholders' Meetings and the Performance of the Board of Directors	51
1.	The Shareholders' Meetings and implementation of the resolutions of the meeting	51
2.	The Performance of the Board of Directors:	51
3.	The performance of the BOD's committees.	53
4.	Evaluation of the Board of Directors' Performance	54
VIII.	Sustainability Report.....	56
1.	Sustainable Development.....	56
2.	Corporate Governance	56
3.	Internal Control	59
4.	Risk Management.....	60
5.	Business performance	62
6.	Environment Management	63
7.	Social Support	64
IX.	Independent Audits.....	65
1.	Service and Fees.....	65
2.	The Independent Auditor's Report.....	66
1.	CORPORATE INFORMATION.....	79
2.	BASIS OF PREPARATION	82
3.	PRESENTATION OF THE FINANCIAL STATEMENTS	82
4.	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	83
5.	SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS	98
6.	NET INTEREST AND SIMILAR INCOME	100
7.	NET FEE AND COMMISSION INCOME.....	100
8.	NET GAIN FROM DEALING IN FOREIGN CURRENCIES	100
9.	OTHER OPERATING INCOME	101
10.	IMPAIRMENT LOSSES OF FINANCIAL INVESTMENTS	101
11.	PERSONNEL EXPENSES	101
12.	OTHER OPERATING EXPENSES	102
13.	CASH AND BALANCES WITH THE BANK OF LAO PDR.....	102
14.	DUE FROM BANKS	103
15.	LOANS TO CUSTOMERS	103
16.	ALLOWANCE FOR IMPAIRMENT LOSSES	104
17.	FINANCIAL INVESTMENTS - AVAILABLE-FOR-SALE	105
18.	FINANCIAL INVESTMENTS - HELD-TO-MATURITY.....	105
19.	INVESTMENTS IN ASSOCIATES AND JOINT VENTURES.....	107
20.	PROPERTY AND EQUIPMENT AND TANGIBLE ASSETS	108
21.	INTANGIBLE ASSETS	109

22. RIGHT-OF-USE ASSETS	109
23. OTHER ASSETS	110
24. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS	111
25. DUE TO CUSTOMERS.....	112
26. BORROWINGS FROM OTHER BANKS	112
27. TAXATION	114
28. OTHER LIABILITIES.....	116
29. CHARTER CAPITAL.....	116
30. STATUTORY RESERVES AND OTHER RESERVES	117
31. ADDITIONAL CASH FLOW INFORMATION.....	117
32. CONTINGENT LIABILITIES AND COMMITMENTS.....	118
33. RELATED PARTY DISCLOSURES.....	119
34. EARNINGS PER SHARE.....	120
35. RISK MANAGEMENT POLICIES	121
36. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES.....	121
37. EVENTS AFTER THE REPORTING DATE.....	122
38. EXCHANGE RATE OF APPLICABLE FOREIGN AGAINST LAK AT YEAR END.....	122
X. Branches and Service Units.....	123
1. Head Office and Branches	123
2. Service Units	124
3. Money Changers.....	128
4. BCOME Agents.....	128
XI. Awards and Recognition	129
XII. Correspondent Banks	134

I. Key Financial Information of BCEL in accordance with IFRS (Separate)

1. Income Statement

Unit: Million LAK

Details	2024	2023	2022	2021	2020
Net interest income	3,652,284	1,738,189	1,270,883	752,597	1,090,203
Net fee and commission income	830,984	553,206	364,145	278,198	213,181
Net trading income	244,081	390,926	-38,154	4,084	42,236
Other operating income	506,516	445,957	121,260	180,385	37,834
TOTAL OPERATING INCOME	5,233,865	3,128,278	1,718,134	1,215,264	1,383,454
Credit loss expense of loans to customers	-3,553,571	-2,098,555	-912,720	-649,075	-474,399
Impairment losses on financial investments	-7,287	-2,301	-	-	-39,501
NET OPERATING INCOME	1,673,007	1,027,422	805,414	566,189	869,554
Personnel expenses	-595,148	-399,534	-329,249	-305,806	-324,020
Depreciation and amortization	-104,278	-93,616	-112,823	-81,350	-77,007
Depreciation of right-of-use assets	-13,881	-8,574	-7,898	-8,040	-6,690
Other operating expenses	-322,607	-294,971	-195,263	-175,296	-182,420
TOTAL OPERATING EXPENSES	-1,035,914	-796,695	-645,233	-570,492	-590,137
Share of profit and loss of associates and joint ventures	57,418	52,393	36,898	16,888	-
PROFIT BEFORE TAX	694,511	283,120	197,079	12,585	279,417
Current profit tax expense	-244,948	-51,712	31,111	-1,175	-56,381
NET PROFIT FOR THE YEAR	449,563	231,408	228,190	11,410	223,036

2. Statement of Financial Position

Unit: Million LAK

Details	2024	2023	2022	2021	2020
Cash and balances with Bank of the Lao PDR	32,718,705	31,684,143	27,786,294	19,022,276	12,836,829
Due from banks	20,512,515	21,964,355	11,855,719	9,182,845	4,355,395
Loans to customers	59,941,800	53,892,356	47,235,372	32,372,070	30,762,417
Financial investments	25,876,222	15,700,735	5,748,355	6,008,327	4,530,540
Property and equipment	704,277	568,104	540,325	563,503	601,572
Intangible assets	316,513	321,734	283,285	293,321	245,873
Right-of-use assets	72,066	53,500	52,028	55,713	57,005
Deferred tax assets	226,165	102,813	116,520	61,030	37,015
Other assets	1,822,987	2,146,019	875,117	677,906	470,734
TOTAL ASSETS	142,191,250	126,433,759	94,493,015	68,236,991	53,897,380
Due to banks and other financial institutions	6,198,128	9,463,117	6,639,183	5,269,436	3,482,800
Due to customers	127,589,277	109,471,717	80,994,071	57,169,169	45,043,495
Borrowings from other banks	4,456,239	4,378,394	4,105,783	3,354,623	2,962,101
Current tax liabilities	195,347	27,454	21,907	-	23,726
Lease liabilities	47,059	29,285	26,553	29,595	23,059
Deferred tax liabilities	203,260	-	-	-	-
Other liabilities	579,150	486,128	347,558	282,022	222,197
TOTAL LIABILITIES	139,268,460	123,856,095	92,135,055	66,104,845	51,757,378
Charter capital	1,038,617	1,038,617	1,038,617	1,038,617	1,038,617
Statutory reserves and other reserves	1,154,828	911,701	836,635	831,667	753,399
Remeasurement of post-employment benefit reserve	-24,013	18,107	9,040	11,416	-12,616
Retained earnings	753,358	609,239	473,668	250,446	360,602
TOTAL EQUITY	2,922,790	2,577,664	2,357,960	2,132,146	2,140,002
TOTAL LIABILITIES AND EQUIT	126.433.759	94.493.015	68.236.991	53.897.380	46.547.208

3. Some Financial Indicators (Separate)

Unit: Million LAK

Details	2024	2023	2022	2021	2020
Net interest income/Total assets	2.57%	1.37%	1.34%	1.10%	2.02%
Net interest income/Assets related interest	6.12%	4.89%	5.89%	6.05%	5.21%
Interest expenses/Liabilities related interest	2.33%	2.34%	2.50%	2.99%	3.39%
Fee and commission income/Total operating income	32.43%	29.57%	29.91%	26.16%	17.30%
Operating expense/Total operating income	19.79%	25.47%	37.55%	46.94%	42.66%
ROA	0.32%	0.18%	0.24%	0.02%	0.41%
ROE	15.38%	8.98%	9.68%	0.54%	10.28%
Loans/Deposits	46.69%	44.38%	49.33%	48.67%	60.90%
NPL/Total loans	2.97%	1.92%	3.36%	3.85%	2.96%
Earnings per share (LAK)	2,164	1,114	1,099	55	1,074
CAR	6.00%	4.91%	6.29%	7.37%	8.55%

	2024	2023	2022	2021	2020
Net Profit	449,563	231,408	228,190	11,410	223,036
Total Asset/Liabilities	142,191,250	126,433,759	94,493,015	68,236,991	53,897,380
Loans	62,162,622	52,198,063	42,808,801	30,080,974	29,216,946
Deposit	133,135,787	117,626,838	86,782,335	61,802,739	47,974,516

II. Key Messages From The Management

1. Message From The Chairman Of The Board Of Directors



Ladies and gentlemen,

It is my distinct honour to convey the pivotal message on behalf of the Board of Directors (BOD) of BCEL in the 2024 annual report. Our esteemed BOD currently comprises 8 members, including 4 independent directors, 3 non-BCEL executives, and 1 BCEL executive. This configuration underscores appropriate structured board that adheres to relevant regulations and standards.

The BOD has established 4 vital committees under its purview: the Governance Committee, the Internal Audit Committee, the Risk Management Committee, and the Nomination & Remuneration Committee. Each committee comprises 3 BOD members entrusted with specific responsibilities aimed at evaluating relevant matters and providing oversight to executive management across diverse operational domains.

Throughout 2024, the BOD diligently discharged its duties by steering and supervising executive management in the implementation of resolutions adopted by the shareholders' meeting. Over the year, the BOD convened a total of 11 meetings, including 4 ordinary meetings and 7 extraordinary meetings. Additionally, the 4 BOD committees met regularly in accordance with demand and regulatory practices. In each meeting, the BOD played a pivotal role by considering and approving numerous matters such as appointments of some senior officers pursuant to the demand of the business operation and organisation needs. Furthermore, the BOD actively reviewed and approved corporate loans, exercising its approval authority over these loans to ensure their security and quality based on credit risk management principles. Moreover, the BOD provided guidance to the BCEL management team across various operational areas.

While 2025 foresees macro-economic challenges in various sectors, I am strongly convinced that the BOD, the management team, and all BCEL personnel will persevere and concentrate their best efforts towards successful management and development of BCEL and thus fortifying BCEL's position as **a strong and modern bank with international standards** as outlined in its vision.

Yours sincerely,

Chairman of BCEL's Board of Directors



Bounpone VANNACHIT

2. Message From The Managing Director



Dear esteemed shareholders and customers,

First of all, I would like to represent the management team to extend my heartfelt gratitude to all readers for your kind attention to news and updates from BCEL.

In 2024, the global and regional economic landscape faced unprecedented uncertainty and challenges, exacerbated by conflicts severely impacting world economies. Locally, our financial and foreign currency environments also encountered various difficulties, including increased inflation rates and substantial fluctuations in exchange rates, among others. These adverse conditions posed a significant impact on BCEL's business operations.

In response to these challenges, the BCEL Management Team timely introduced a number of measures to enhance business performance including those effective components launched in previous years. Key initiatives included:

1. Emphasizing lending to corporate customers with reliable income streams (e.g., purchase agreements), including those projects and businesses engaged in government-driven projects such as manufacturing for exports and import substitution.
2. Applying appropriate methods to resolve and gradually reduce Non-Performing Loans (NPLs)
3. Significant attention was also placed on enriching employees' capacity and skills time to time aimed at ensuring the efficiency and effectiveness of staff's performance.
4. Closely monitoring loan customers, conducting site visits, and overseeing collateral to mitigate risks and prevent NPLs.
5. Continual enhancement and modernization of service and electronic products toward digital banking direction. In 2024 BCEL One application was upgraded to One Bank which accommodates various state-of-the-art banking features to meet evolving customer needs and enhance security.
6. Proactively attract deposits in order to widen the customer base and ensure sufficient source of fund for loan expansion, for example, the launch of the deposit campaign called Deposit Love Deposit Kip which had essentially attracted massive deposits.
7. Continuing the reposition of senior management level to reinforce the organizational structure, including the appointment of 2 more deputy directors to make the management team more comprehensive.
8. Improving and developing services across types of products in response to the increasing competition in the banking industry to meet customers needs.
9. Implementing stringent procurement and asset acquisition policies, prioritizing essential purchases to save costs and promote efficiency.

Along with business operation, BCEL also actively led its roles in corporate social responsibility including using its own fund and acting as intermediary that mobilizes funds from

the general public to relieve those effected by natural disaster around the country. The year 2024 marked the 35th anniversary of BCEL. Various competition campaigns were launched for the employees in the area of technical, sports and arts. BCEL has also seized this occasion to successfully fund the repair for 4 primary schools in 4 different provinces.

Throughout the year, the strategic measures and effective management as delivered above have yielded favourable business outcomes in 2014, surpassing our set profit targets and enabling BCEL to announce higher dividends compared to the previous year.

Taking this opportunity, I would like to extend my sincere appreciation to leaders in high-ranking level for their constant guidelines and supervision, including esteemed shareholders and customers for their trust and patronage, and to our dedicated management team at all levels and our diligent staff for their hard work, intelligence, and dedication.

Looking ahead to 2025, various challenges are still anticipated, but I have confidence and trust that the management team and all employees are committed to achieving our set objectives and delivering better results than the previous year in order to maintain the optimal benefits for our organization and shareholders.

Cordially Yours,
Managing Director of BCEL



Saysamone CHANTHACHACK

3. Message From The Audit Committee



The Audit Committee comprises 3 members of the board of directors, including 2 independent directors and 1 non-executive director. The Committee is chaired by an independent director. This structure effectively ensures the committee's independence in fulfilling its functions and meets with relevant regulatory requirements.

The core functions of the Committee include directing audit work, audit policymaking, considering and selecting independent audit firms, and coordinating with external audit agencies and relevant government offices. These efforts are aimed at ensuring BCEL's financial transactions and operations comply with laws, regulations, and accounting standards.

During 2024, the Audit Committee held regular meetings as stipulated in BCEL's regulations. The Committee diligently reviewed audit reports from various external audit agencies, including the auditors from the Bank of the Lao PDR, the State Audit Organization, the Tax Department, and the independent auditor appointed by the Shareholders' Meeting, EY. Additionally, the committee provided essential advice to BCEL to address recommendations made by each auditor effectively.

Through monitoring and supervising by the Audit Committee, BCEL has adhered to accounting principles and operated in compliance with regulations. However, regarding auditors' recommendations, the committee has advised management to take necessary actions and address each recommendation accordingly. Throughout the implementation and exercise of its roles and responsibilities, the committee received full cooperation from BCEL's management and employees in providing access to requested information and documents.

Furthermore, BCEL has place a great deal of efforts in disclosure mandates as required by disclosure regulations, ensuring shareholders, investors, and the general public receive timely updates about BCEL's significant activities from time to time.

Regards,
Chairman of the Audit Committee



Sonexay SILAPHET

4. Message From The Risk Management Committee



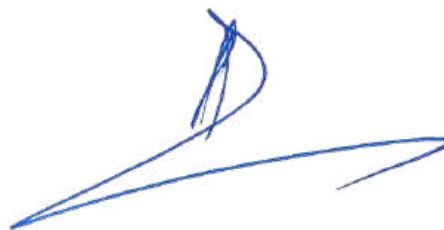
The Risk Management Committee is composed of 3 members from the board of directors, including 2 independent directors and 1 non-executive director. This structure enables the Committee to effectively research and consider risk management mandates in BCEL as required by relevant regulations.

In 2024, the Risk Management Committee provided direction and oversight in issuing policies and regulations related to risk management in BCEL. It also monitored the execution of projects and activities for Basel II adoption. Additionally, the committee supervised the risk management functions in BCEL. Specific indicators were established for each type of risk by BCEL in its risk appetite. Throughout the monitor by the Committee these indicators in general remained at acceptable levels.

However, some indicators fell below the acceptable level and required close attention, for example, the lending exposure to certain business sectors exceeding regulatory limits, the utilization of short-term funds for long-term loans, and the capital adequacy ratio (CAR). In relation to these indicators, BCEL management has presented to the Committee reasonable clarification and appropriate solution plan. The Committee further advised BCEL to implement necessary measures to address these cautious indicators. As a result, there has been gradual improvement in these areas. Regarding the below-standard CAR, BCEL has researched and come up with the strategy that will improve the CAR level and meet with the standard specified by the regulator. The Committee will continue advising and monitoring updates on this issue.

Furthermore, the Risk Management Committee provided guidance to BCEL, supervised, and approved the issuance of some key policies related to risk management to enhance the risk management function in BCEL in accordance with Basel II requirements and international best practices.

Yours faithfully,
Chairman of the Risk Management Committee



Assoc. Prof. Thongphet CHANTHANIVONG

5. Message From The Governance Committee



The Governance Committee comprises 3 members, including 1 BCEL executive and 2 independent directors one of whom chaired the Committee.

The Committee assists the Board of Directors (BOD) in monitoring and directing the Management Team and relevant divisions of BCEL to implement business plans effectively.

Throughout 2024, the Committee conducted periodic meetings to review business performance of BCEL in each period of time. In monitoring and supervising the business performance, the Committee had provided necessary advice and guidance to help divisions improve, overcome obstacles, and meet business targets.

Addition to the supervision from the Committee, BCEL also held quarterly business performance review meetings where divisions and branches reported their performance, proposed future plans, and received guidance from the management team. These meetings fostered information sharing, problem-solving, and improved internal collaboration, contributing to smoother operational functions.

It is observed that during 2024 the implementation of business plan in each area enjoyed fundamental supervision and guidance from both the BOD via the Governance Committee's supervision and from the management team via the quarterly business performance review meetings. This practice enable the BOD and management team to obtain essential information for the timely research and improvement of the business plan and management which ensures the success in BCEL's operations and achievement in the planned targets.

Best regards,
Chairman of the Governance Committee



Latdavanh SONGVILAY

6. Message From The Nomination And Remuneration Committee



The Nomination & Remuneration Committee comprises of 3 members, including 1 BCEL executive, 1 non-BCEL executive and 1 independent director who chairs the Committee, The Committee plays a pivotal role in assisting the Board of Directors (BOD) in considering nominations for BCEL's Management and BOD positions and in monitoring the implementation of the salary and remuneration scheme for employees and managers across all levels to ensure compliance with established policy.

Throughout 2024, the Committee had carried out its responsibilities on a regular basis. One of the essential outputs of the Committee was the approval of the appointment of 2 more deputy directors, along with the consideration and approval of the repositioning of some senior managers at division, center and branch levels. BCEL has adopted a systematic and interval approach in repositioning of senior managers, aiming to place the right person in the right position, develop staff, and encourage learning in new job areas. In addition, due to economic challenges and rising commodity prices, the Committee worked on updating staff policies to assist employees during challenging economic situation in order to improve their confidence and maximize their contribution to the work in their responsibility.

The repositioning was made in accordance with business operational needs and decisions by relevant authorities. The amendment of the employees' benefits policy was made to enable the employees effectively deal with the increase in the price of goods and the prevailing economic situation.

Yours sincerely,

Chairman of the Nomination and Remuneration Committee



Akhom Praseuth, PhD.

III. About Banque pour le Commerce Exterieur Lao Public

1. Establishment and history of growth

1.1. Establishment

Banque Pour Le Commerce Exterieur Lao Public (BCEL) was established in accordance with the Decision on Bank Establishment No. 129/BOL dated 01 November 1989 issued by the State Bank (The Bank of the Lao PDR today). At that time “Banque Pour Le Commerce Exterieur Lao” was the name of BCEL. The origin of BCEL, however, commenced in 1975 when Lao PDR was established. During 1975-1989, BCEL started from being a Division of the State Bank, in charge of international settlement, loans and foreign aid management. Responding to the new economic mechanism of the Party and the demands of businesses in new era, the government has agreed to transform BCEL into a full state-owned commercial bank on 1 November 1989 as per the said Decision of the State Bank.

The transformation has been the significant commencement of comprehensive banking business operation of BCEL, which has a variety of banking services such as deposit, loan, letter of credit, collection, and domestic and international settlement. This was the crucial condition that made BCEL developed gradually and became a strong state-owned commercial bank and achieved all criteria and conditions as the first commercial bank to be listed in Lao Stock Exchange. On 23 December 2010 BCEL accomplished IPO and renamed to Banque Pour Le Commerce Exterieur Lao Public according to the Enterprise Registration License No.0061/ERO dated on 10 January 2011 issued by the Department of Enterprise Registration and Management, Ministry of Industry and Commerce of the Lao PDR. The Ministry of Finance representing the Government held 80% of the total shares.

On 15 July 2011, the Ministry of Finance sold 10% of the total ordinary shares to its strategic partner named Compagnie Financière de la BRED (COFIBRED) which is a subsidiary of BRED, the largest banking society in the Banque Populaire Group—a French group of cooperative banks.

In 2017, BCEL succeeded the recapitalization by public offering and right offering to the existing shareholders in accordance with a permission granted by the Lao Securities Commission Office on 17 August 2017. This made BCEL increase its registered capital in the amount of 355.728.500.000 LAK (71.145.700 shares) according to the certificate from the Lao Securities Exchange No. 01/LSX, dated 15 September 2017. Accordingly, the BCEL’s registered capital was increased from 682.888 to 1.038.617 million LAK.

In order to develop BCEL further, the government has offered more room for the general public and investors to jointly own BCEL by reducing the government shares in BCEL and offering to the public and the existing shareholders. On 11 October 2019 the Lao Securities Commission Office granted a permission for this offering. On 29 November 2019, the Lao Securities Commission Office issued certificate endorsing the offering completion of 10% of BCEL’s shares.

1.2. Registered Capital

The registered capital of BCEL as at 31 December 2024 was 1,038,617 million Kips (1,038,617 million Kips as at 31 December 2023).

1.3. Shareholders Structure

The shareholders structure of BCEL as at 31 December 2024 was the following:

Shareholders	Number of shares	Percentage
Government (represented by the Ministry of Finance)	124,634,021	60%
Strategic Partner (COFIBRED)	20,772,359	10%
Local Investors (including employees of BCEL) and Foreign Investors (*)	62,316,920	30%
Total	207,723,300	100%

(*) Each individual person or entity is allowed to hold a maximum of 2% of the total shares.

1.4. Principal business

The principal activities of BCEL are to provide banking services including fund mobilization and deposit-taking for short-term, medium-term, and long-term from organizations and individuals. The bank also provides loans for short-term, medium-term, and long-term to business units and individuals based on the loan purposes and the capability of the bank in lending; foreign exchange transactions, international trade financial services, purchase discounts of trading instruments, bonds and other valuable documents and other banking services allowed by the Bank of the Lao PDR.

1.5. Location and Network

BCEL's Head Office is situated at No. 01, Pangkham Street, Ban XiengNheun, Chanthabouly District, Vientiane, Lao PDR. As of December 31, 2024, the bank operates 01 Head Office, 07 joint venture companies, 20 branches, 101 service units, and 12 exchange units across the Lao PDR.

2. Vision

BCEL has adopted a vision and applied to its business development to achieve its goal and objective of “becoming a strong and modern bank with international standards”.

3. Mission

In order to make BCEL a strong and modern bank moving toward international standards, the key missions of BCEL include development of strong corporate governance by focusing on: development of banking services which embraces changes in each period of time; creation of a strong culture of risk management and compliance with the BASEL II principles; increase in business operation capacity; creation and development of a capable, comprehensive, accurate and punctual management information system (MIS); utilization of modern technology; and upgrade of knowledge and expertise of the employees as of regional and international levels.

4. Core Values

BCEL firmly maintains 5 core values below:

1. Customer centrisim;
2. Integrity;
3. Work effectiveness;
4. Embracing changes;
5. Social responsibility.

5. Associates and joint ventures:

As of 31 December 2024, BCEL have investment in the following associates and joint ventures:

No.	Name of company	Business	Location	Share of BCEL	Other shareholders
1	Lao Viet Joint Venture Bank Lao PDR	Banking	Lao PDR.	25%	- BIDV 65% - Souk Houg Heang 10%
2	Lao Viet Insurance Company	Insurance	Lao PDR	35%	BIC (Vietnam) 65%
3	Banque Franco-Lao	Banking	Lao PDR	30%	COFIBRED 70%
4	BCEL-KET Securities Company	Securities	Lao PDR	70%	KTZMICO 30%
5	Lao China Bank	Banking	Lao PDR	31.35%	FUDIAN BANK 51%
6	Lao National Payment Network Company Limited	Electronic payment system	Lao PDR	20%	1. Bank of the Lao PDR 25% 2. UnionPay International 15% 3. Lao Development Bank 10% 4. Agriculture Promotion Bank 10% 5. Joint Development Bank 5% 6. Lao Viet Joint Venture Bank 5% 7. ST Bank 5% 8. BIC Bank Lao 5%
7	Lao Foreign Exchange Company Limited	Foreign exchange service (electronic)	Lao PDR	10%	1. Bank of the Lao PDR 44% 2. Agriculture Promotion Bank 5% 3. ST Bank 5% 4. BIC Bank Lao 5% 5. Lao Viet Joint Venture Bank 5% 6. Lao Development Bank 5% 7. Indochina Bank 5% 8. BFL Bank 5% 9. Joint Development Bank 5% 10. Phongsavanh Bank 5% 11. Maruhan Japan Bank Lao 1%

IV. Economic situation in 2024 and outlook for 2025

1. Global and Regional Economic Context

According to the International Monetary Fund (IMF) economic report for 2024, the global economy expanded by 3.2%, slightly down from 3.3% growth in 2023. These figures indicate that the global economy remains stable but growth is not as strong as it should be. Among these, the economies of major powers have shown growth compared to 2023, particularly the United States from 2.5% to 2.6%, China from 5.2% to 4.8%, and the European Union from 0.5% to 0.9%.

In 2024, the global economy continues to face numerous challenges, particularly geopolitical tensions and instability among major powers, which significantly impact global trade. There are also rapid changes in production and international trade. Additionally, climate change has become a pressing issue, highlighted by severe weather events worldwide.

The global inflation rate is projected to decrease from 6.7% in 2023 to 5.8% in 2024 and further to 4.3% in 2025. Developed economies are expected to recover faster than emerging and developing countries. Although commodity prices have stabilized but service inflation remains high in many regions.

Additionally, 2024 is considered a year of widespread advancement in Artificial Intelligence (AI) development, impacting human work in many areas and people's lives. Technological competition between countries is increasingly intense and influences the direction of future global economic development.

Source: World Economic outlook (IMF)

2. Lao Economic Performance in 2024

According to the IMF's economic assessment for 2024, Lao Gross Domestic Product (GDP) is projected to grow at 4.1%. However, based on the resolution of the National Assembly meeting regarding the implementation of the National Socio-Economic Development Plan for 2024 and the direction of the state investment plan for 2025, Lao (GDP) in 2024 achieved a growth rate of 4.6%, higher than the 4.5% target set by the National Assembly. The agricultural sector grew by 4.1% accounting for 18.90% and the service sector grew by 5.4% accounting for 36%.

Overall, Lao economy in 2024 is in a recovery phase while facing multiple challenges such as: long-accumulated economic vulnerabilities affecting economic growth, continuously rising inflation directly impacting people's livelihoods and reducing purchasing power, labour-intensive businesses facing staff shortages as most workers turn to private businesses or migrate abroad for higher wages and exchange rate volatility creating pressure on international trade and investment. Furthermore, natural disasters especially recent flooding events have severely impacted Lao economy. These events not only caused damage to infrastructure and people's assets but also added pressure to an economy that already facing multiple challenges making the country's economic recovery more complex.

Nevertheless, domestic conditions still have potential factors that can help drive economic growth, primarily the reopening of the country is expected to attract more tourists, while revitalized agricultural exports and improvements in transportation infrastructure. Including the Lao-China railway and enhanced logistics systems, will further boost trade efficiency. These

factors are anticipated to increase foreign currency inflows and contribute to sustained economic expansion in the coming year.

Table: Economic Growth (%).

Details	2021	2022	2023	2024
GDP	3.5	4.4	4.2	4.6 ¹
Agriculture	2.5	3.4	3.4	4.1
Industrial	6.1	4.4	3.1	N/A
Service	1.4	5.0	5.6	5.4
Tax	3.1	3.9	3.8	N/A

Source: Macro-Economic Research Institute, applied the data from Lao Statistics Bureau, Ministry of Planning and Investment

Inflation and exchange rate:

In 2024, the average inflation rate in Laos stood at 16.9%, with most product categories experiencing slower price increases, except for the transportation and logistics sector. However, when observing the categories with the highest inflation rates housing, water utilities, and electricity had the highest inflation rate at 25.7%, followed by education category at 24.2%, healthcare and medicine at 24%, restaurants and hotels at 22.6%, household goods at 22.5% and food and non-alcoholic beverages, which is the category with the highest consumption weight had an inflation rate of 17.2%. The transportation and logistics sector had an inflation rate of 9.7%. The main reason that contributed to the slower increase in inflation rate in 2024 was due to less pressure from exchange rate volatility and the decrease in imported goods prices, particularly global oil prices. Nevertheless, domestic production that is not yet robust, combined with climate change conditions such as rain and flooding has resulted in inadequate supply to meet demand causing many items to increase in price.

In terms of exchange rate movements in the banking system, the strengthening of the US dollar, which rising from 20,656.53 kip/dollar, while the Thai baht adjusted downward from 642.80 kip/baht (data from January 2024) to 21,707.41 kip/dollar and 636.13 kip/baht respectively (data from December 2024). These exchange rate fluctuations have impacted the economy, particularly through higher import prices, increasing pressure on domestic inflation rates. Additionally, foreign debt obligations have increased when converted to kip, further straining the country's financial stability.

Import-export

In 2024, Lao total trade volume reached 16,346 million USD, which increased by 30.5% compared to the previous year. The total value of exported goods was approximately \$8,141 million USD, decreasing by 2.7% compared to the previous year, while the total value of imported goods was approximately 8,205 million USD, increasing by 14% compared to the previous year. This resulted in a trade deficit of approximately 64 million USD, this amount includes electricity exports and imports.

¹ Resolution from Development Plan No.153.pdf

The highest value exported goods included electricity, potash, gold alloy and gold bars, electrical appliances and equipment, rubber, copper ore, paper products, iron ore, cassava, and others. The main export destinations were China, followed by Thailand, Vietnam, Australia, and the United States.

The highest value imported goods were diesel fuel, machinery equipment, land vehicles, finished chemical products, steel, electrical appliances, plastic products, gasoline and premium gasoline. Most imports came from Thailand, followed by China, Vietnam, the United States, and Japan.

Source: Lao PDR Trade Portal trade information.

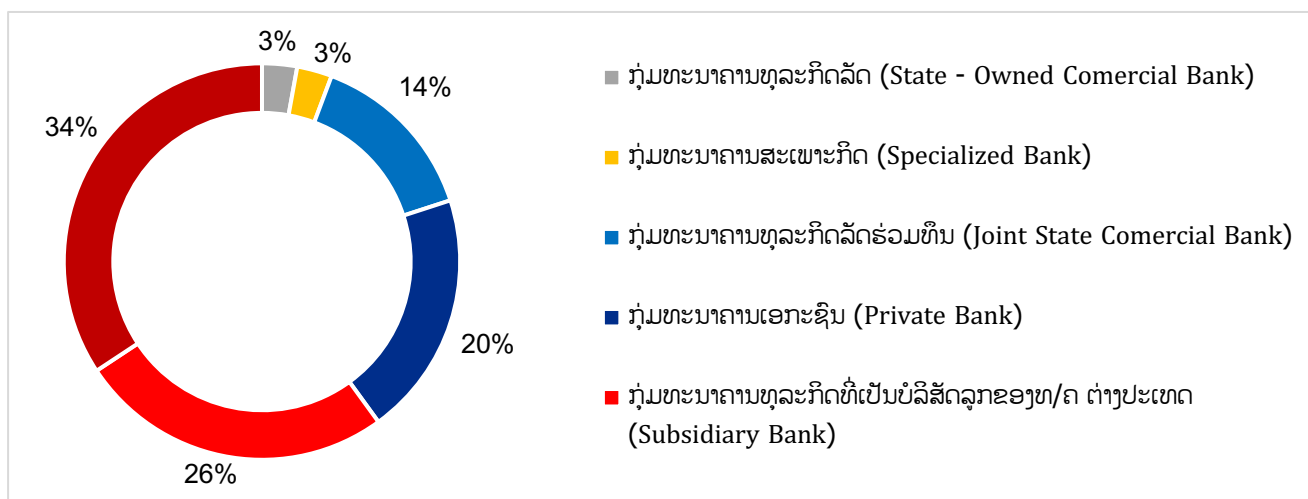
Banking Sector

The finance and banking sector is a continuously expanding sector and has contributed significantly to economic growth. Currently, the banking system in Lao PDR consists of the Bank of the Lao PDR and 35 operating commercial banks. The commercial banks are classified into 6 groups as follows:

- State-Owned Commercial Banks;
- Specialized Banks;
- Joint State Commercial Banks;
- Private Banks;
- Subsidiary Banks;
- Foreign Commercial Bank Branches.

Among these, Foreign Commercial Bank Branches accounted for 34% followed by Subsidiary Banks of foreign banks at 26%, Private Banks at 20%, Joint State Commercial Banks at 14%, Specialized Banks at 3% and State-Owned Commercial Banks at 3% of the total number of banks.

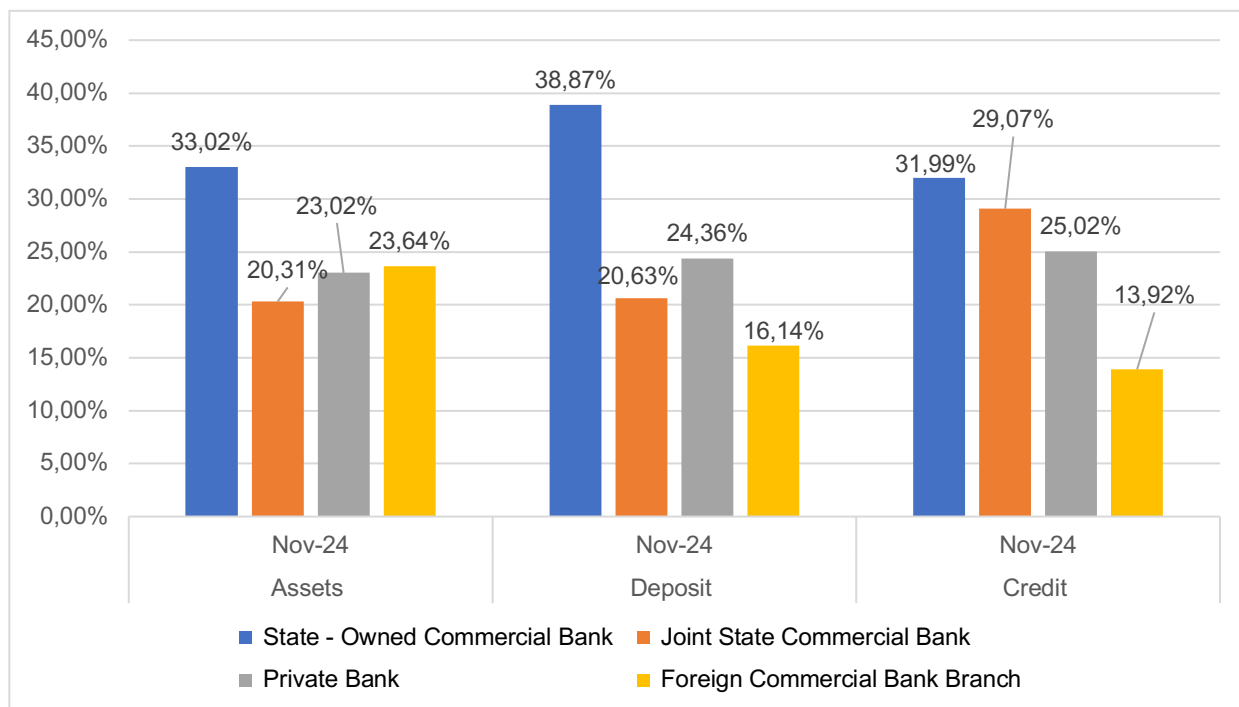
Figure 1: Proportion of Commercial banks in Laos (2024)



Market share of commercial bank in Laos (%)

Overall, state-owned commercial banks captured the largest market share compared to other banks with proportions in assets, deposits, and loans accounting for 33.02%, 38.87% and 31.99% respectively, followed by joint state commercial banks with a loan proportion of 29.07% followed by private banks with an asset proportion of 23.02% and foreign bank branches with a deposit proportion of 16.14% (Figure 02).

Figure 02: Market share of commercial bank in Laos (%)



Source: Bank of Laos 2024, updated on November 2024.

Average interest rate (% Annually)

Interest rates of commercial banks in 2024 show that deposits in LAK have slightly increased compared to 2023. However, some interest rates have decreased for savings deposits dropped from 1.73% per year to 1.72% per year. Meanwhile, interest rates for THB and USD deposits show an increasing trend, although some specific rates have slightly decreased:

THB Deposit Rates:

- Savings deposits: decreased from 0.74% to 0.72% per year
- 48-month term deposits: decreased from 5.07% to 4.66% per year
- 60-month term deposits: decreased from 5.87% to 5.70% per year

USD Deposit Rates:

- Savings deposits: decreased from 1.14% to 1.11% per year
- 3-month term deposits: decreased from 2.11% to 2.17% per year
- 9-month term deposits: decreased from 3.50% to 3.77% per year

- 12-month term deposits: decreased from 3.68% to 3.77% per year
- 60-month term deposits: decreased from 6.57% to 6.65% per year

Table 2: Deposit interest rate (% Annually)

	LAK		THB		USD	
	2023	2024	2023	2024	2023	2024
Daily Deposit Account	1.73%	1.72%	0.74%	0.72%	1.14%	1.11%
Fixed Deposit Account						
3 months	3.20%	5.55%	1.53%	1.56%	2.11%	2.17%
6 months	3.95%	6.11%	2.24%	2.25%	2.77%	2.88%
9 months	5.01%	7.23%	2.58%	3.02%	3.50%	3.77%
12 months	5.49%	6.96%	3.15%	3.04%	3.68%	3.77%
24 months	6.49%	7.39%	4.25%	4.37%	4.76%	4.78%
36 months	6.73%	7.80%	4.83%	4.76%	5.79%	5.90%
48 months	6.77%	8.50%	5.07%	4.66%	6.27%	6.17%
60 months	6.85%	8.52%	5.87%	5.70%	6.57%	6.65%

Source: Bank of Laos 2024

In 2024, average loan interest rates have shown varied trends across different currencies. For Lao Kip (LAK) denominated loans, interest rates have increased across all terms to 10.47%, 10.42%, and 10.33% per year respectively. Conversely, Thai Baht (THB) loans have experienced decreases with medium-term rates falling from 8.37% to 7.73% per year and long-term rates declining from 8.46% to 7.66% per year. Similarly, US Dollar (USD) loans have also seen reductions as short-term rates decreased from 8.07% to 7.84% per year and medium-term rates dropped from 8.26% to 7.92% per year.

Table 3: Loan interest rate (%/year).

	LAK		THB		USD	
	2023	2024	2023	2024	2023	2024
Short term (1 year)	9.48%	10.47%	7.79%	7.95%	8.07%	7.84%
Medium term (1 - 3 years)	9.62%	10.42%	8.37%	7.73%	8.26%	7.92%
Long term (3 – 6 years)	9.28%	10.33%	8.46%	7.66%	8.19%	8.36%

Source: Bank of Laos 2024, https://www.bol.gov.la/Money_and_Banking

3. Trends and directions for 2025

Macroeconomic situation in 2025

According to the International Monetary Fund (IMF) economic report for 2025, the global economic growth trend is expected to remain stable at 3.3%. The global inflation rate is projected to decrease from 5.8% in 2024 to 3.4% in 2025, while inflation rates among Lao trading partners show an increasing trend, particularly in China and Thailand. Furthermore, global economic growth will face challenges and risk factors in many areas, primarily financial stability in numerous countries and financial market volatility affecting investment and economic growth. Other challenges include instability in many countries and trade conflicts between major powers (United States, China, and European Union) as well as geopolitical tensions that could potentially lead to conflicts, obstruct the movement of goods and services especially oil transportation which is a fundamental factor in production. Additionally, climate fluctuations continue to increase the severity of natural disasters each year impacting economic development.

According to government reports, Lao economic growth rate for 2024 stands at 4.6%, while the IMF and ASEAN+3 Macroeconomic Research Office (AMRO) provide similar assessments at 4.1% and 4.5% respectively. The sectors expected to support economic growth include agriculture and energy with the service sector standing out as particularly prominent especially tourism which is benefiting from increased international transportation options. Additionally, investment in the energy sector is projected to increase along with wholesale and retail trade. The inflation rate is projected to remain at a double-digit level of 23.7% in 2025. External factors that pose risks to economic growth come from regional and international instability, economic conditions of Lao trading partners and natural disasters that may occur periodically. Internal factors that could affect Lao economic growth include budget vulnerability, low foreign exchange reserves, high public debt, exchange rate fluctuations and high inflation rates (Lao PDR Economic Report, World Bank, October 2024).

BCEL's Strategy and Business Plan for 2025

2025 is expected to be another challenging period for BCEL's business operations, potentially more challenging than the previous year due to the overall impact of global, regional and macroeconomic conditions that continue to evolve in complex ways. Key challenges include rising inflation rates, exchange rate issues, political instability in various countries, trade conflicts between the United States and China, geopolitical tensions that could potentially lead to conflicts, budget shortage issue has impacted BCEL's business operations. Therefore, BCEL's key missions for 2025 will focus on:

- Developing and improving services to adapt to new changes, making them more convenient and efficient with a customer-centric approach
- Enhancing credit management efficiency while building a quality credit customer base
- Prioritizing debt resolution
- Focusing on more efficient fund management and exploring diverse and appropriate investment models to generate higher income

- Prioritizing modernization to maintain leadership in Digital Banking by developing modern IT systems and technology into service systems
- Researching and developing all products to make them more modern and secure
- Managing, improving and upgrading various systems for stability to prevent issues that would affect customer service
- Moving towards more breakthrough marketing by reaching various target customer groups through multiple approaches
- Implementing Basel II principles
- Continuing to reorganize internal personnel to align with job functions, develop specialized expertise and create banking service professionals to support BCEL's development changes in all areas
- Creating financial efficiency to maximize sustainable benefits for BCEL shareholders

BCEL`s Development Plan for 2025-2029

To achieve its long-term growth objectives, BCEL has established a comprehensive development plan focusing on ensuring stable business growth and strong financial standing. The bank is committed to developing modern services by implementing new innovations to fully transform into a digital bank. Additionally, the bank places importance on developing personnel to be skilled professionals, while emphasizing customer-centric services to maintain existing customer bases and expand new ones. BCEL will continue to gradually improve operations in accordance with international standards, creating sustainable returns for shareholders and contributing to social development.

The 2025-2029 project and work plan comprise 15 work plans and 50 projects, with details as follows:

1. Financial management and strengthening business efficiency: 7 projects
2. Efficient credit management and expansion: 5 projects
3. Strengthening and improving personnel development efficiency: 3 projects
4. Building a strong foundation for risk management and anti-money laundering: 2 projects
5. Development and management of modern IT systems: 6 projects
6. Product development for transitioning to Digital Banking services: 8 projects
7. Data management and statistical work development to meet international standards: 4 projects
8. Modernizing credit approval processes: 3 projects
9. Improving and developing modern accounting and financial reporting systems: 1 project
10. Transforming organizational management and administration for sustainability and green goals: 3 projects

11. Implementation of Basel II principles: 3 projects
12. Developing accounting and financial reporting to meet IFRS standards: 1 project
13. Developing and improving inspection systems to advance toward COSO standards: 2 projects
14. Developing internal processes to meet ISO9001:2015 international standards: 1 project
15. Developing PCI Compliance (Payment Card Industry Data Security Standard) projects: 1 project

V. Outstanding Business Performance of BCEL in each area

1. Overview of BCEL's Business Performance in 2024

In 2024, BCEL has achieved various outstanding performance in many areas such as: held the Annual General Shareholders' Meeting for the year 2023 and completed the payment of dividend at 300 LAK per share to BCEL's shareholders; held the Ordinary Meeting of BCEL's BOD 04 times and Extraordinary Meeting 07 times; held 4 meetings to review the business performance of BCEL; organized a ceremony to celebrate the 35th anniversary of the establishment of BCEL; reviewed the implementation results of the 2021-2025 strategic plan and conducted research to develop a new 5-year BCEL strategic plan for the period 2025-2029; The bank also graded the branches and service units of BCEL for 2024 and set KPIs for the branches for 2024, including the annual commendation and awards ceremony for KPI achievements and grading the branches and service units. Regarding the disclosure information, the bank has disclosed the annual report 2023; quarter report of the year 2024 and the report of financial statement via the website of Lao Securities Exchange and the website of BCEL.

For business cooperation with relevant partners, BCEL has - Cooperated with essential business partners: linked OnePay E-Commerce with Duangdy Thavisok Co., Ltd. (Duangdee Lottery); renewed the contract of corporation with 02 E-wallet companies (M-Money and U-Money); Signed a Memorandum of Understanding (MOU) on collaboration to promote Thai Investment in the Lao PDR, supporting sustainable development between BCEL and EXIM Bank Thailand; and signed an agreement with Vientiane Insurance Group, which includes the launch of insurance buy-sell via BCEL One app.

Additionally, the bank has completed the development of IT tools, products, and services to support the society such as: the development of the EzyKip App; Go live of SWIFT ISO 20022; the launch of cross-border mobile money transfers from South Korea to Laos through the BCEL One application; enabling cross-border payments between Laos and Thailand using QR Codes; the launch UnionPay QR payments via BCEL One and BCEL VISA Corporate; the launch of OneBank, integrating the BCEL One and i-Bank apps into a single platform; connecting Tax and Custom payments with FINLINK system of the Ministry of Finance; upgrading BCOME agents to Super Agents;

For expanding the network, the bank opened 2 new service units: Xaymongkhoun Service Unit under the Vientiane Capital Branch and Vangtao-Chongmek Service Unit under the Champasak Branch. In addition, the bank has completed relocation of service units within 03 branches in Vientiane capital.

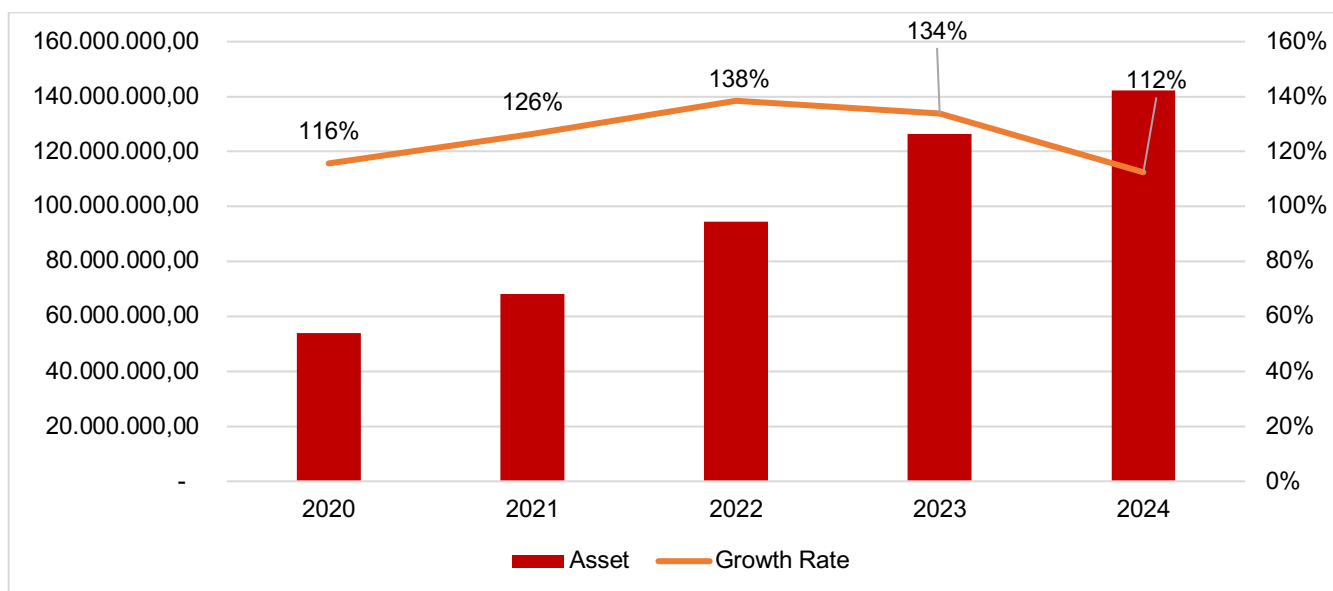
2. Assets and Liabilities

Previously, the financial status of BCEL has increased annually. As a result, the assets/liabilities value increased continuously especially the growth of loans, the investment in assets, bonds, deposits in other banks, customer's deposits, capital and reserves. In the past 5 years, it can be seen that the total value of asset/liability has grown significantly, especially in 2022 increased by 38%, and it has grown by 34% and 12% in 2023 and 2024, respectively.

Table : Assets/Liabilities value in each year

Unit: million LAK

Transactions	2024	2023	2022	2021	2020
Assets/Liabilities	142,191,250	126,433,759	94,493,015	68,236,991	53,970,407



3. Fund mobilization

Fund mobilization is considered as one of the important tasks of BCEL because the main source of the fund is from deposit. Recently, BCEL has achieved an increasing volume of deposits across all type of deposits. This growth is attributed to the high trust from customers and the trend on using of BCEL's electronic products has significantly increased leading to an increase in revolving fund in the banking sector and the liquidity of BCEL. This has helped reduce inter-bank borrowing from domestic and overseas institutes.

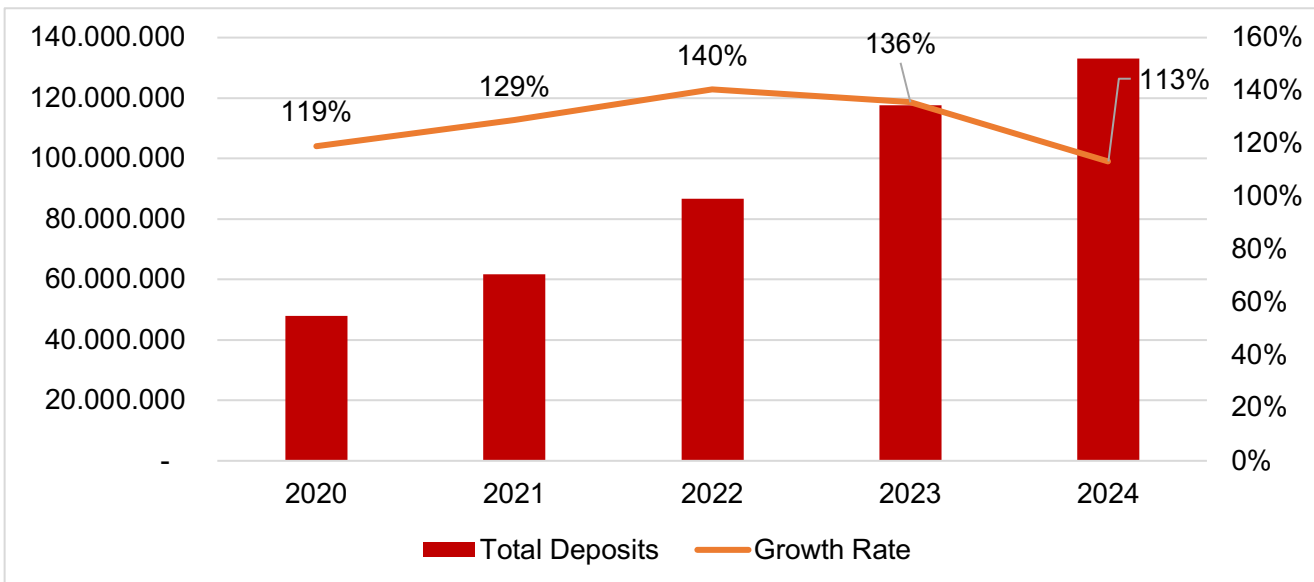
Moreover, changes in foreign exchange rates have contributed to the rise in deposits when converted into LAK. Despite the high growth rate of deposits, BCEL will continue to focus on fund mobilization through various approaches to meet the dramatically increasing demand. These approaches include studying the customer behavior and satisfaction periodically, and creating convenient and prompt services to meet the needs of all customers groups. This will help maintain existing customers and expand into new customer segments, thereby meeting the need of fund mobilization periodically.

Regarding the deposit structure at the end of 2024, saving deposit accounted for 55.79%, followed by term deposit at 27.25%, current deposit at 12.23%, deposit with other banks and institutes at 4.56%, and deposit as collaterals at 0.16%. The details are as follows:

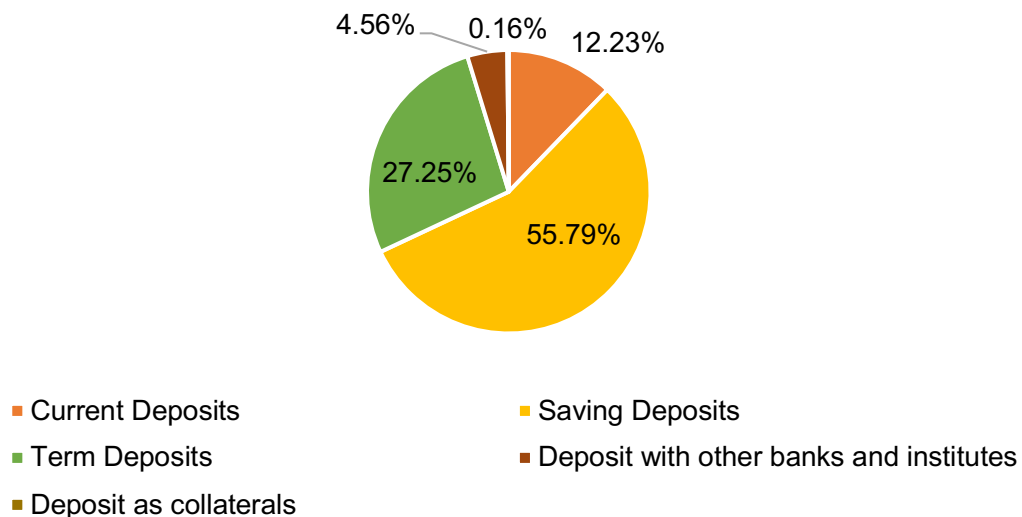
Table: Annual deposit

Unit: million LAK

Types of Deposit	2024	2023	2022	2021	2020
Current Deposit	16,286,689	16,773,450	10,938,271	7,627,802	6,630,559
Saving Deposit	74,275,298	59,829,971	42,874,328	28,428,750	21,324,874
Term Deposit	36,283,976	31,394,673	26,007,200	20,439,403	16,508,548
Deposit with other banks and institutes	6,070,399	9,418,490	6,591,804	5,226,879	3,445,831
Deposit as collaterals	219,425	210,254	370,732	79,905	64,704
Total Deposit	133,135,787	117,626,838	86,782,335	61,802,739	47,974,516



Structure of deposits 2024



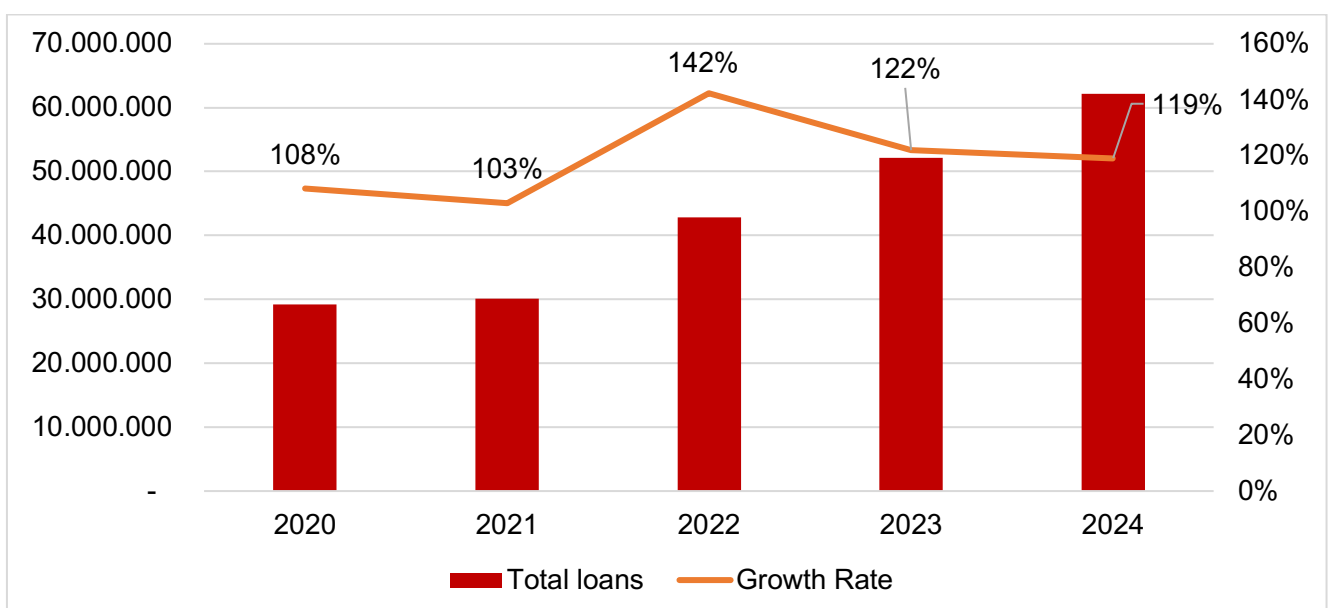
4. Credit expansion and management:

The expansion of credit has increased significantly compared to the previous year, and income generated from interest and credit fees has also risen. However, expense related to loan loss provisions have been on the rise. The loans structure at the end of 2024 showed that the industrial sector covered by 60.07%, followed by the trade sector at 15.16%, the construction sector at 10.28%, the service sector at 8.58%, the technical equipment sector at 2.75%, other sector at 1.94%, the agricultural-forest sector at 0.82%, the post and telecommunication sector 0.37% and the handicraft sector accounted for 0.02%

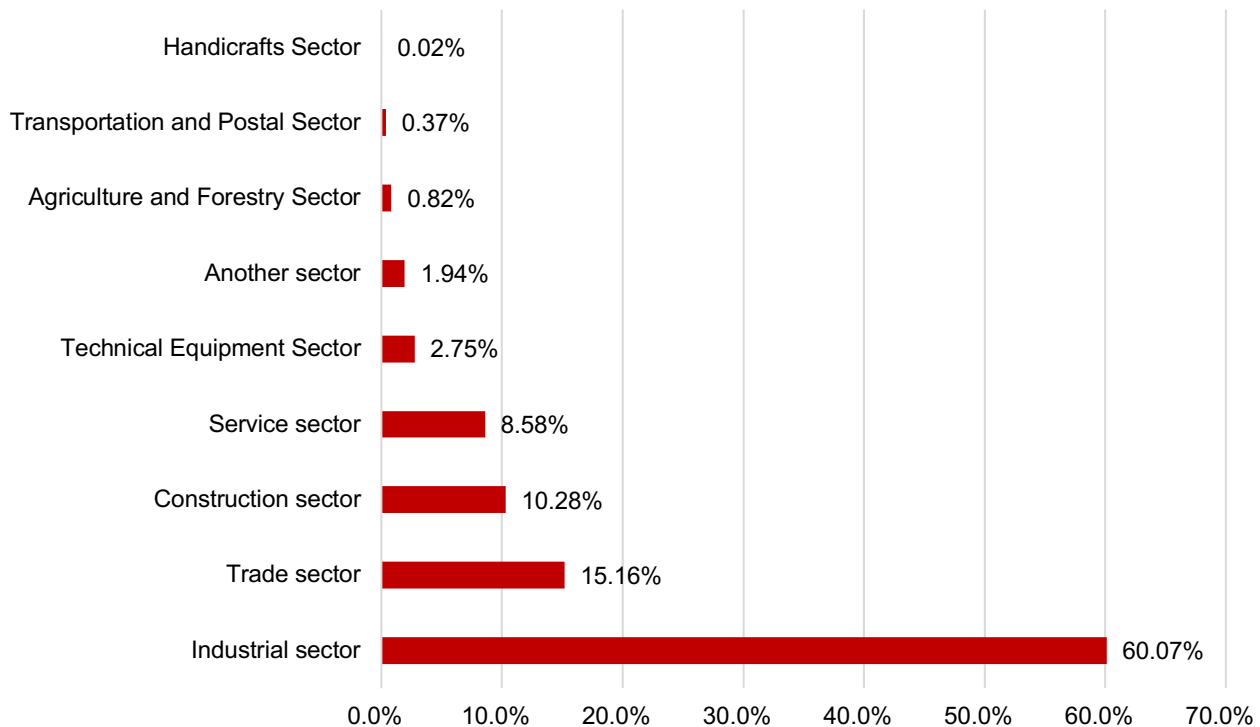
Table: Total loans by sectors

Unit: million LAK

Total Loan by Sectors	2024	2023	2022	2021	2020
Industry	37,341,192	29,659,421	23,252,832	16,367,536	15,005,256
Service	5,333,145	5,587,391	5,667,984	4,609,807	4,410,484
Trade	9,425,757	6,507,353	4,672,093	3,830,878	4,068,776
Construction	6,389,390	6,354,360	5,120,441	3,723,445	4,378,792
Transportation and Postal	230,923	2,095,071	1,751,815	1,199,632	975,181
Technical equipment	1,710,799	1,017,387	1,755,682	50,507	57,873
Agriculture and Forestry	512,125	235,490	80,631	45,683	26,910
Handicraft	11,624	3,093	2,830	2,103	2,248
Other sectors	1,207,667	738,497	504,494	251,383	291,426
Total loan	62,162,622	52,198,063	42,808,802	30,080,974	29,216,946



Total loans classified by economic sector



5. Revenues and expenditures

➤ Revenues

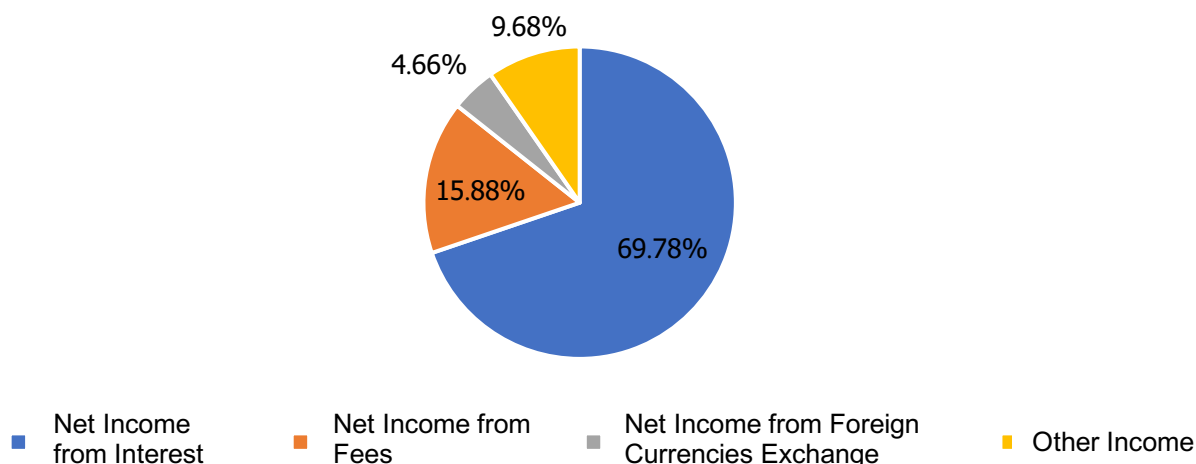
The result of BCEL Bank's business operations in 2024 showed an increase in revenue generation from various sources, particularly the Net Income from Interest and Fees, the Net Income from Foreign Currencies Exchange, and other sources of income. The income structure in 2024 revealed that the net income from interest constituted the majority of total revenues at 69.78%, followed by the net income from fees at 15.88%, other incomes at 9.68%, and the net income from foreign currency exchange at 4.66%.

Table: Total Annual Income

Unit: million LAK

Descriptions	2024	2023	2022	2021	2020
Net Income from Interest	3,652,284	1,738,189	1,270,883	752,597	1,090,203
Net Income from Fees	830,984	553,206	364,145	278,198	213,181
Net Income from Foreign Currencies Exchange	244,081	390,926	(38,154)	4,084	42,236
Other incomes	506,516	445,957	121,260	180,385	36,166
Total	5,233,865	3,128,278	1,718,134	1,215,264	1,381,786

Income structure 2024



➤ Operating expenses

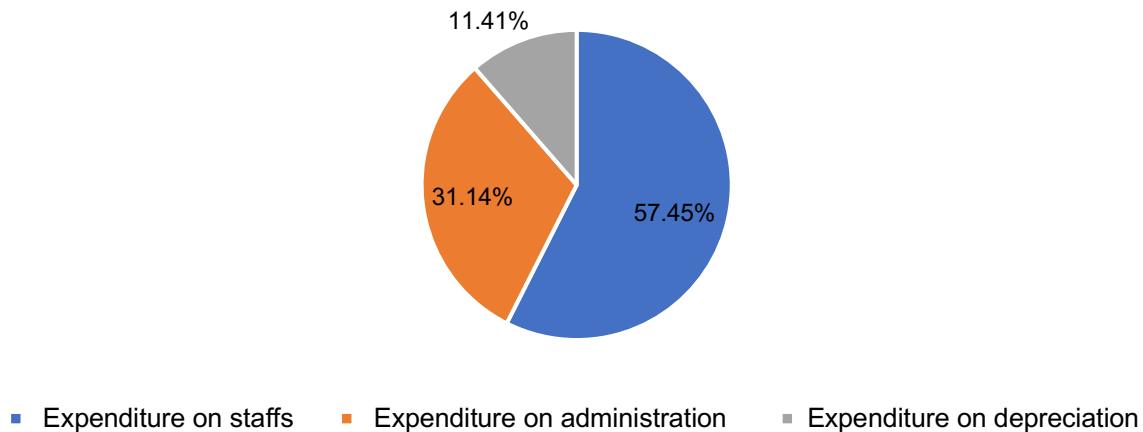
Apart from BCEL's revenue generation, there are also fixed costs associated with administration, business operations, services, human resources, and other developments aimed at modernization, convenience, and security enhancement. In the expenditure structure for 2024, spending on staffs accounted for 57.4%, followed by administrative expenses at 31.14%, and depreciation expenses at 11.41%. In the future, BCEL will continue to control and reduce unnecessary expenditure to enhance business operation efficiently.

Table: Total Annual Expenditure

Unit: million LAK

Description	2024	2023	2022	2021	2020
Expenditure on staff	(595,148)	(399,534)	(329,249)	(305,806)	(324,020)
Expenditure on administration	(322,607)	(294,971)	(195,263)	(175,296)	(182,420)
Expenditure on depreciation	(118,159)	(102,190)	(120,721)	(89,390)	(83,697)
Total	(1,035,914)	(796,695)	(645,233)	(570,492)	(590,137)

Expenditure Structure in 2024



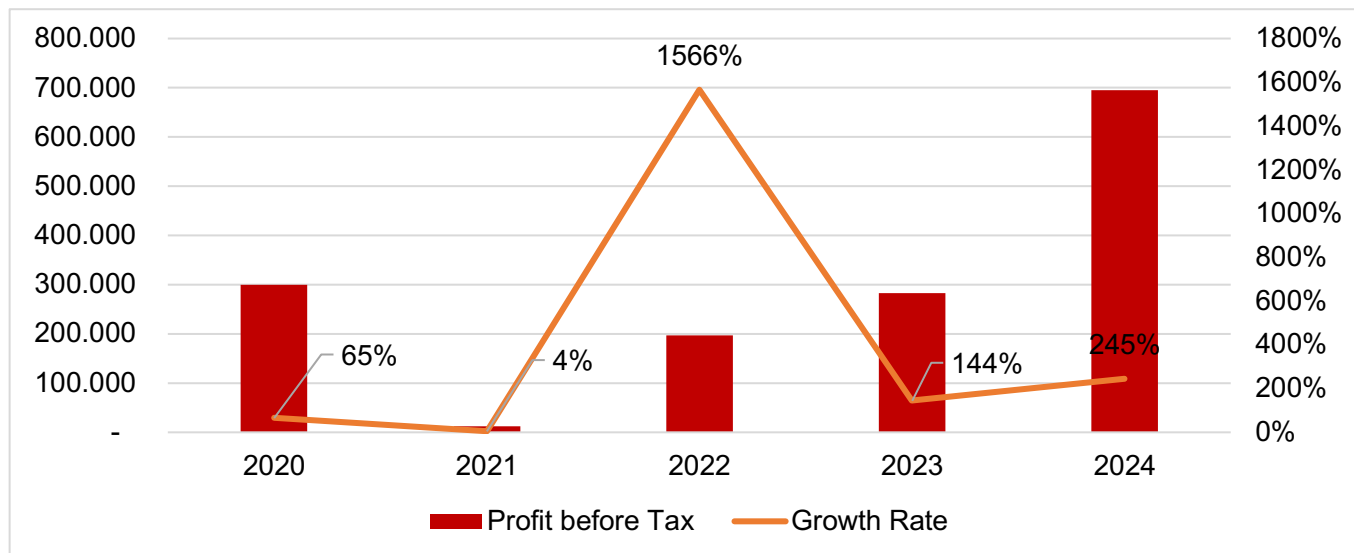
6. Profit and Loss

Due to the recovery of the macro-economic situation and BCEL's efforts to improve business operations, the business performance in 2024 has improved satisfactorily compared to the previous year. As a result, BCEL was able to achieve its goals and exceed the targeted plan.

Table: Annual Profit

Unit: Million LAK

Description	2024	2023	2022	2021	2020
Profit before tax	694,511	283,120	197,079	12,585	299,594



7. Dividend

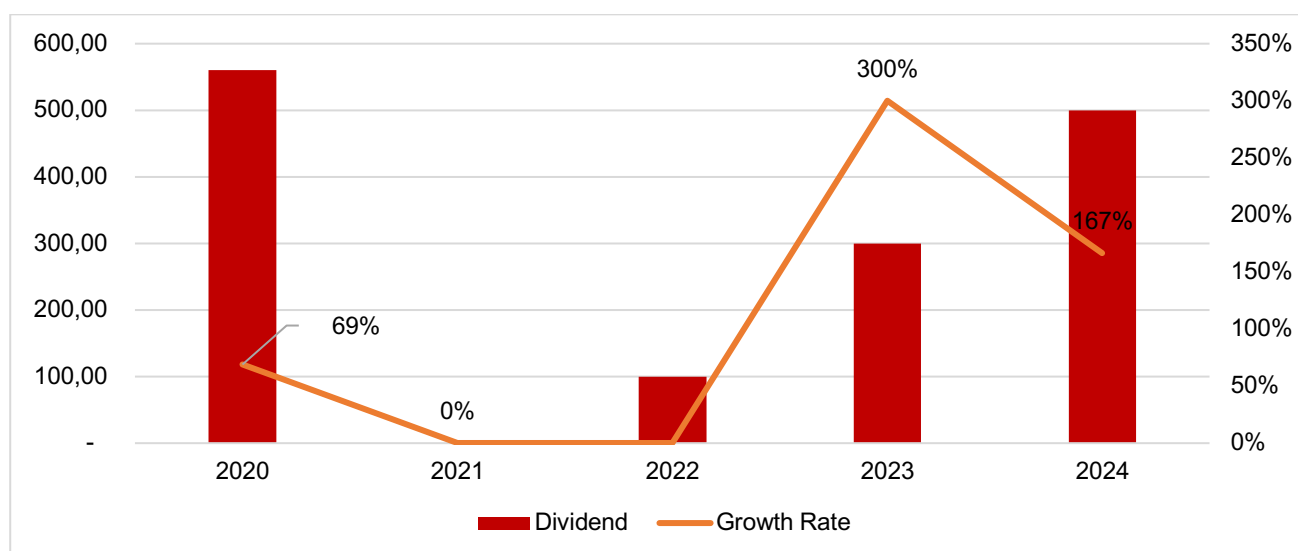
In 2024, BCEL's business performance improved compared to the last year. The bank emphasized the implementation of its business plan and developed new products to offer customers more choices and alternative sources of higher revenues. This strategy aims to enhance business strength, maintain benefits, and build confidence among shareholders, including both domestic and foreign investors in BCEL's shares, particularly regarding the

payment of dividends from BCEL's net profit after allocating to relevant reserves annually. As a result of the business operation in 2024, BCEL offered dividends to shareholders at a rate of 100LAK per share, which is 67% higher than the previous year (in 2023, BCEL paid dividends of 300 LAK per share and at that time BCEL had a total of 207,723,300 shares. In early 2025, BCEL completed a stock split, resulting in a total of 1,038,616,500 shares, or an increase of 5 times the total number of shares in 2023. If the total dividend value of 103,861,650,000.00 LAK be paid to shareholders were divided by the original number of shares in 2023, the dividend rate would be 500 LAK per share).

Table: Dividend in each year

Unit: LAK

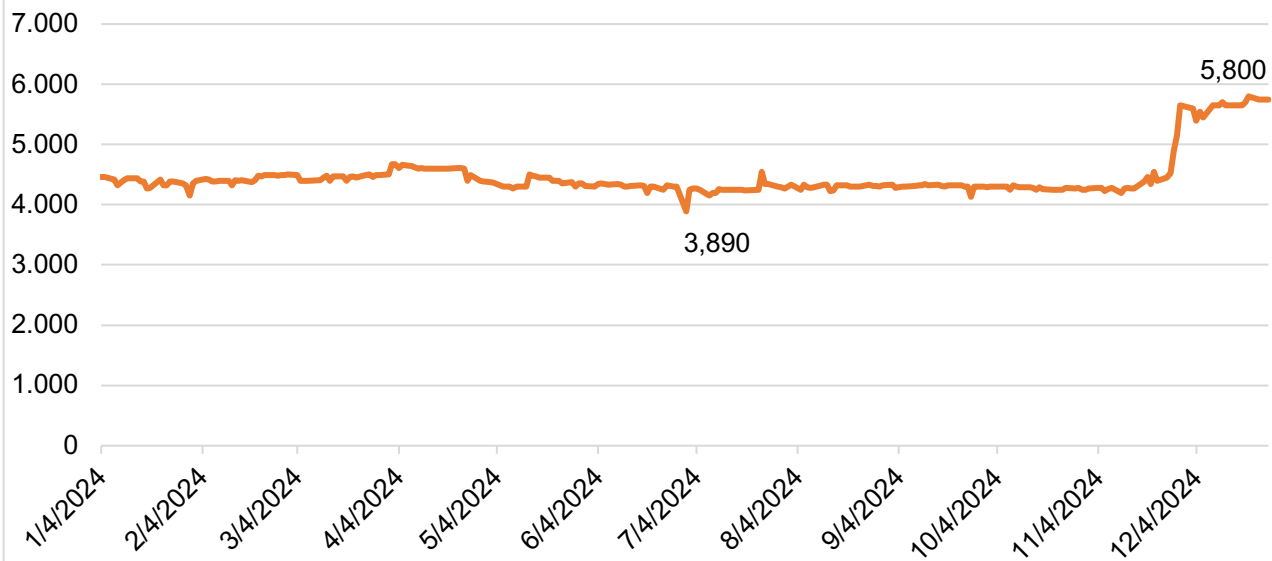
Description	2024	2023	2022	2021	2020
Dividend	500	300	100	0	560



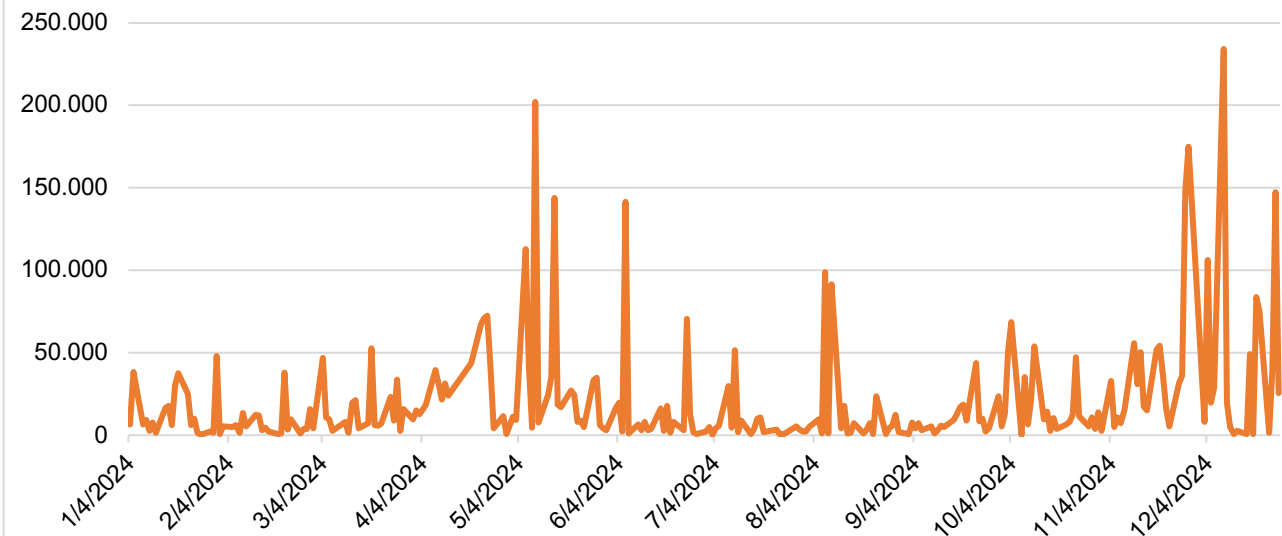
8. BCEL's Share Trading

Share trading at the Lao Securities Exchange has increased in terms of the number of listed companies and their share trading opens regularly. The share of BCEL has been attractive to both domestic and overseas investors each day. In 2024, the average trading volume of BCEL's shares was 21,002 shares/day (the annual volume for the share trading was 5,208,600 shares or equivalent to 24.04 billion LAK). The volume of share trading was higher compared to the last year. The average price of BCEL's share was 4,460LAK/share (the highest price was 5,800LAK/share and the lowest price was 3,890LAK/share).

Share price in 2024



Share trading in 2024



VI. Organizational Structure

1. Shareholders

+ Shareholders with 5% and greater of the shares.

- 1) The government of Lao PDR represented by the Ministry of Finance owns 60% of BCEL's total shares.
- 2) COFIBRED (a strategic partner), a company under the parental control of BRED Group from France, holds 10% of BCEL's total shares
- 3) Domestic investors (including BCEL's employees) and foreign investors (individuals and entities) cover 30% of BCEL's total shares, each shareholder is regulated to hold no more than 2%.

+ Shareholder's structure.

The shareholder structure of BCEL as of 31 December 2024 is as below:

Shareholders	Shares	%
The government of Lao PDR represented by the Ministry of Finance	124,634,021	60%
COFIBRED (Strategic partner)	20,772,359	10%
Domestic investors (including BCEL's employees) and foreign investors (*)	62,316,920	30%
Total	207,723,300	100%

(*) Each individual or entity is regulated to hold no more than 2% of the total shares.

2. Board of Directors

The Board of Directors of BCEL in 2024 is comprised of the following members:

	Name and surname	Position	Workplace	Date appointed by Shareholders' Meeting
1	Mr. Bounpone Vannachit	Chairman	Ministry of Finance	27 th Apr 2023
2	Mr. Akhom Praseuth (Ph.D)	Independent Director Vice Chairman	National Assembly	29 th Apr 2024
3	Mme. Saysamone Chanthachack	Director	Director of BCEL	22 nd November 2022
4	Mr. Stephane Mangiavacca	Director	COFIBRED	29 th Oct 2021 (reappointed)
5	Mr. Pasomphet Khamtanh	Director	Ministry of Finance	29 th Oct 2021 (reappointed)
6	Assoc. Prof. Mr. Thongphet Chanthanivong	Independent Director	F. of Economics, NUOL	29 th Oct 2021 (reappointed)
7	Mrs. Latdavanh Songvilay	Independent Director	Centre of Macroeconomics Policy Research & Economic Restructuring	29 th Oct 2021 (reappointed)
8	Mr. Sonexay Silaphet	Independent Director	Lao Chamber of Accountants and Auditors	29 th Oct 2021 (reappointed)

3. The Committees of the Board of Directors

There are 4 Committees of the Board of Directors of BCEL, which each committee consists of 3-4 members from the Board of Directors as below:

3.1. Audit Committee

1. Mr. Sonexay Silaphet	Member of BOD	Chairman
2. Assoc. Prof. Mr. Thongphet Chanthanivong	Member of BOD	Vice Chairman
3. Mr. Pasomphet Khamtanh	Member of BOD	Member

3.2. Risk Management Committee

1. Assoc. Prof. Mr. Thongphet Chanthanivong	Member of BOD	Chairman
2. Mr. Pasomphet Khamtanh	Member of BOD	Vice Chairman
3. Mr. Sonexay Silaphet	Member of BOD	Member

3.3. Nomination & Remuneration Committee

1. Mr. Akhom Praseuth (Ph.D)	Vice Chairman of BOD	Chairman
2. Mr. Bounpone Vannachit	Chairman of BOD	Vice Chairman
3. Mrs. Saysamone Chanthachack	Member of BOD	Member

3.4. Corporate Governance Committee

1. Mrs. Latdavanh Songvilay	Member of BOD	Chairman
2. Mrs. Saysamone Chanthachack	Member of BOD	Vice Chairman
3. Mr. Sonexay Silaphet	Member of BOD	Member

Biography of the Board of Directors



Mr. Bounpone Vannachith Chairman

Personal Information:

Date of Birth : 14 April 1959
Nationality : Lao
Languages : English and Vietnam
Designation : Deputy Minister of Finance

Education Background:

2012: Master's Degree in Economics (Economic Management), National Academy of Political and Public Administration
2010: Bachelor's Degree in Economics (Economic Management), National Academy of Political and Public Administration
1998: Higher Diploma in Economics (Economic Management), National Academy of Political and Public Administration

Professional Experience:

02/04/2021 - present: Deputy Minister of Finance
2016-2021: Vice Chairman of the State Audit Organization
2010-2016: Vice Chairman of National Economy Development Committee, Prime Minister's Office
2005-2010: Vice Governor of Oudomxay Province
1999-2005: Chief of the Provincial Finance Office, Oudomxay Province
1995-1998: Deputy Chief of the Provincial Planning-Cooperation Office, Oudomxay Province
1989-1995: Head of the Finance Office of Meuang Houn District, Oudomxay Province
1985-1988: Deputy Head of the Economic Planning & Finance Office of Meuang Houn District, Oudomxay Province
1984-1985: Head of the Statistical Planning Office of Meuang Houn District, Oudomxay Province
1981-1984: Officer of the Statistical Planning Office of Meuang Houn, Oudomxay Province
1976 -1981: Soldier in the 28th Battalion and the 63th Office.



Mr. Akhom PRASERTH (Ph.D)
Vice Chairman

Personal Information:

Date of Birth : 03 May 1968

Nationality : Lao

Languages : Lao, English

Designation : Independent Director

Education Background:

2002-2005: Doctor of Philosophy in Business Administration, Korea Maritime and Ocean University (KMU), Busan, South Korea.

1994-1996: Bachelor of Business Administration, National Institute of Development Administration (NIDA), Bangkok, Thailand.

1985-1991: Bachelor of Science in Heavy Mechanics, Tashkent Institute of Railway Engineers, Tashkent, Uzbekistan (formerly part of the Soviet Union)

Professional Experience:

July 2024 - Present: Deputy Secretary of the National Assembly

July 2021 - July 2024: Director of Banking Institutions

July 2018 - July 2021: Director of Lao Development Bank

October 2014 - July 2018: Head of Strategic Planning for Financial-Fiscal Development 2021-2025 and Vision 2030

October 2010-July 2018: Member of the Executive Council, Lao Stock Exchange

August 2010-July 2018: Head of the Financial Institutions Supervision Unit, Bank of Lao PDR

February 2008 - August 2010: Deputy Head of the Securities Market Founding Committee

February 2007 - February 2008: Deputy Head of the Commercial Banking and Financial Institutions Supervision Division, Bank of Lao PDR

January 2007 - 2009: Head of Strategic Planning for the Development of the Financial-Fiscal Sector of the SPLA 2010-2020

August 2006 - September 2008: Member of the Executive Council of the Lao Development Bank.

August 2005 - February 2006: Head of the Monetary Policy Department, Monetary Policy Division, Bank of Lao PDR.

January 2005 - August 2005: Head of the Foreign Economic Research Department,
Economic Research Unit, Bank of Lao PDR.

1997 - 2002: Head of the Internal Economic Research Department, Economic Research
Department, Bank of Lao PDR

1992 - 1993: Professional Experience at the Ministry of Commerce, Public Works, and
Transport.



Mme. Saysamone Chanthachack

Director General

Personal Information:

Date of birth : 15/03/1969

Nationality : Lao

Language : Lao, English

Designation : Managing Director of BCEL

Education:

Higher Diploma of Politics Course.

2007 : International Master of Business Administration, Flinders University, Australia.

1998 : Master of Public Policy, Graduate School of Policy Science, Saitama University, Japan.

1993 : Master of Economics, Kuban State University, Russia.

Work Experience

08/2022–Present : Managing Director, Banque Pour Le Commerce Exterieur Lao Public.

09/2021–08/2022 : Chief Executive Officer, Lao Securities Exchange.

2015 : Director General, Lao Securities Commission Office, Bank of the Lao PDR.

04/2010 : Deputy Director General, Lao Securities Commission Office, Bank of the Lao PDR.

2009 : Deputy Director General, Monetary Policy Department, Bank of the Lao PDR.

1993–1997 : Officer, Monetary Policy Department, Bank of the Lao PDR.



Mr. Stephane MANGIAVACCA

Director

Personal Information:

Date of Birth : 11 July 1975

Nationality : French

Languages : French, English, Spanish, Chinese and
Japanese

Education Background:

1996 – 1999: Ecole Nationale Supérieure des Mines de Saint-Etienne,

- Engineering Diploma with honors
- Joined an exchange program in Environmental Engineering, University of New Brunswick in Canada
- Undergraduate and graduate classes in Economics

Professional Experience:

01/2020 – present: Head of International, BRED Banque Populaire, France

2009 – 2010: Chief Risk & Compliance Officer, BRED Banque Populaire, France

2001 – 2009: Executive at Central Audit, Banque Populaire - Natixis - Coface (now BPCE GROUP), France

1999 – 2001: French Trade Commission, French Ministry of Economy and Finance, Guangzhou, China

1999: Intern, EDF, French Company of Electricity, Lyon, France

1998: Intern, The Yokohama Rubber Company, Hiratsuka, Japan

1997: Intern, Pechiney-Aluminium, Issoire, France



Mr. Pasomphet Khamtanh

Director

Personal Information:

Date of Birth : 25 May 1970

Nationality : Lao

Languages : English

Designation : Deputy Director General, Department of
State-Owned Enterprises Reform and Insurance,
Ministry of Finance.

Education Background:

08/2020-Present : Master's Degree of Economic and Business from Kyung Hee University
in South Korea.

1987-1993 : Bachelor Degree in Machinery Management from Technical College, Laos.

Professional Experience:

08/2000-Present : Deputy Director General, Department of State-Owned Enterprises
Reform and Insurance, Ministry of Finance.

2016-2020 : Deputy Director General of Fiscal Policy and Legal Department, Ministry of
Finance.

2013-2016 : Chief of External Finance and Debt Management Department Division.

2009-2013 : Chief of the Projects of Chief of External Finance and Debt Management
Department Division.

2007-2008 : Deputy Division of Finance Statistics, Fiscal Policy Department, Ministry of
Finance.

1998-2007 : Staff of Budget Department, Ministry of Finance.

1994-1998 : Staff of External Finance Department, Ministry of Finance.



Mr. Thongpheth Chanthanivong

Independent Director

Personal Information:

Date of Birth : 20 April 1962

Nationality : Lao

Languages : Lao, English

Designation : Project Manager (Advancing Strategic Management, Leadership and Fundraising in Higher Education in Asia / ASTRA,) Erasmus+

Education Background:

2018-2023: PhD. Candidate (Accountancy), Siprathum University, Thailand.

2019 : Received CPA Certificate

1998-2002: Master in International Business Management, at De Mons University in Belgium.

1998-2000 : Master in Business Administration at AIT University in Thailand.

1996-1997: Bachelor Degree in Business Administration, the Co-project between National Politics School and AIT University in Thailand.

1981-1985 : Bachelor of Science (Mathematics), National University of Laos

Professional Experience :

2018-2023: Vice-Dean, Faculty of Economics and Business Management (Responsible of Post-Graduate Program), National University of Laos.

2006: Associate Professor in Business Administration (2006).

2018-2024: Chairman of CPA's Curriculum, Lao Chamber of Professional Accountants and Auditors.

2018-2022: Member of Lao Chamber of Professional Accountants and Auditors Board Committees.

2018-2024: Member of Lao Telecom Company's Board Committees.

2023-2024: Member of Lao's Accounting System Improvement (Ministry of Finance)

2018-2024: Teacher of the Master and Bachelor courses of the subjects: Business, Accounting, Finance and Banking, Economics of the National University of Laos.

2020-2024: Guest speakers for the MBA course of Khon Kaen University, Thailand.

2015-2024: Trainer on IFRS and LAS Auditing



Mrs. Latdavanh Songvilay
Independent Director

Personal Information:

Date of birth : 27/04/1982

Nationality. : Lao

Language : English

Designation : Director General of Macroeconomic
Research Institute (MRI) of Lao Academy of
Social and Economic Sciences (LASES)

Education Background:

2008–2009: Master of Public Policy from National Graduate Institute for Policy Studies (GRIPS), Japan;

2000–2005: Bachelor's degree in Economics, National University of Laos;

2004: Exchange student course, National University of Singapore, Singapore.

Work Experience:

2020–Present: Director General of Macroeconomic Research, Institute of Lao Academy of Social and Economic Sciences

2019–2020 : Acting Director General of Center for Macroeconomic and Economic Restructuring of National Institute of Economic Research

2016–2019 : Deputy Director General of Center for Macroeconomic and Economic Restructuring of National Institute of Economic Research

2015–2016 : Chief of Division in National Economic Research Institute of Ministry of Planning and Investment

2011–2015 : Deputy Chief of Division in National Economic Research Institute of Ministry of Planning and Investment

2005–2011 : Research Assistant in National Economic Research Institute of Ministry of Planning and Investment



Mr. Sonexay Silaphet
Independent Director

Personal Information:

Date of birth : 01/01/1977

Nationality : Lao

Language : English

Designation : President of Lao Chamber of Professional
Accountants and Auditors (LCPAA)

Education Background:

2017–2021 : Doctor of Philosophy (Ph.D. Candidate) in Accountancy, Sripatum University, Thailand;

2013–2014 : Master's degree in finance, Santapol Technology College;

1995–2000 : Bachelor's degree in business administration, Comcenter College;

1995–1998 : Higher diploma in accounting, Pakpasak Technical College;

06/2016 : Member of CPA Australia;

2018 : Member of LCPAA;

1999–2000 : Member of Lao Institute of Chartered Public Accountants (LICPA).

Work Experience:

05/2022–Present : President of Lao Chamber of Professional Accountants and Auditors (LCPAA)

2015–05/2022 : Vice-President of Lao Chamber of Professional Accountants and Auditors (LCPAA)

01/2016–12/2017 : Vice President of ASEAN Federation of Accountants (AFA)

01/2014–12/2015 : Vice President of ASEAN Federation of Accountants (AFA)

07/2011–09/2014 : Director of Ernst & Young Lao Limited

07/2008–06/2011 : Senior Audit Manager of Ernst & Young Lao Limited

08/2007–06/2008 : Audit Manager of Ernst & Young Lao Limited

05/2004–08/2007 : Audit Manager of PricewaterhouseCoopers (Lao) Ltd

2002–05/2004 : Experienced Senior Auditor of PricewaterhouseCoopers (Lao) Ltd

2000–2001 : Senior Auditor of PricewaterhouseCoopers (Lao) Ltd

1998–1999 : Auditor of PricewaterhouseCoopers (Lao) Ltd

➤ BCEL's shares held by the BOD's members

According to the shareholders register book of BCEL recorded as of 25 April 2024, the number of shares held by the members of the Board of Directors is as follows:

	Name and surname	Position	Share s	%	Remark s
1	Mr. Bounpone Vannachit	Chairman	0		
2	Mr. Akhom Praseuth (Ph.D)	Independent Director Vice Chairman	0		
3	Mme. Saysamone Chanthachack	Director	0		
4	Mr. Stephane Mangiavacca	Director	0		
5	Mr. Pasomphet Khamtanh	Director	0		
6	Assoc. Prof. Mr. Thongphet Chanthanivong	Independent Director	0		
7	Mrs. Latdavanh Songvilay	Independent Director	0		
8	Mr. Sonexay Silaphet	Independent Director	0		

4. Executive Management

The Management Team of BCEL during 2024 is comprised of the following:

	Name and surname	Position	Date of appointment
1	Mme. Saysamone Chanthachack	Managing Director	1st August 2022
2	Mr. Nanthalath Keopaseuth	Deputy Managing Director	30th September 2014
3	Mr. Kongasack Souphonesy	Deputy Managing Director	1st May 2021
4	Mrs. Bouaphayvanh Nandavong	Deputy Managing Director	1st May 2021
5	Mr. Saychit Simmavong	Deputy Managing Director	1st May 2021
6	Mrs. Phousengthong Anoulakkham	Deputy Managing Director	1st July 2024
7	Mr. Nalinh Silavongsith	Deputy Managing Director	1st July 2024

Biography of the Board of Management



Mme. Saysamone Chanthachack

Managing Director

Personal Information:

Date of birth : 15/03/1969

Nationality : Lao

Language : Lao, English

Designation : Managing Director of BCEL

Education:

Higher Diploma of Politics Course.

2007 : International Master of Business Administration, Flinders University, Australia.

1998 : Master of Public Policy, Graduate School of Policy Science, Saitama University, Japan.

1993 : Master of Economics, Kuban State University, Russia.

Work Experience

08/2022–Present : Managing Director, Banque Pour Le Commerce Exterieur Lao Public.

09/2021–08/2022 : Chief Executive Officer, Lao Securities Exchange.

2015 : Director General, Lao Securities Commission Office, Bank of the Lao PDR.

04/2010 : Deputy Director General, Lao Securities Commission Office, Bank of the Lao PDR.

2009 : Deputy Director General, Monetary Policy Department, Bank of the Lao PDR.

1993–1997 : Officer, Monetary Policy Department, Bank of the Lao PDR.



Mr. Nanthalath KEOPASEUTH

Deputy Managing Director

Personal Information:

Date of Birth : 16 August 1978

Nationality : Lao

Languages : Lao, English, and Chinese

Designation : BCEL Deputy Managing Director.

Education Background:

2008–2010 : Masters Degree on International Trade Policy from the United States of America.

2005–2006 : Certificate in International Trade from Australia,

2004–2004 : Enrolled in English Training Course from Vientiane College, Lao PDR

1996–2000 : Bachelor Degree in English, National University of Laos.

Professional Experience:

2014–Present : BCEL Deputy Managing Director

2012–2014 : Chief of Electronic Banking and Card Service Center.

2010–2012 : Acting Chief of Electronic Banking and Card Service Center.

2007–2008 : Acting Deputy Chief of Electronic Banking and Card Service Center.

2001–2003 : Technical staff at International Remittance.

200–2001 : Technical staff of Accounting Division.

2000–2001 : Technical staff of Operation Center.



Mr. Kongsack SOUPHONESY
Deputy Managing Director

Personal Information:

Date of Birth : 12/11/1977

Nationality : Lao

Language : Lao, English

Designation : BCEL Deputy Managing Director

Education Background:

2018 : A Higher Diploma in Political Theory and Public Administration, Vientiane Capital's School of Politics and Public Administration;

2021 : Master's Degree in Financial Management, National University of Laos

Professional Experience:

2021-Present : Deputy Managing Director of BCEL

03/09/2018 : Chief of Internal Audit Division, BCEL Head Office

2016-2018 : Attend Political Course at Vientiane Capital Politics and Administration Institution.

27/10/2014 : Chief of Luangnamtha Branch

29/04/2013 : Chief of Huaphan Branch

12/05/2010 : Chief of Huaphan Branch

20/05/2008 : Acting Deputy Chief of Huaphan Branch

13/12/2007 : Chief of Credit Section of Oudomxay Branch

2005-2007 : Acting Chief of Credit Section of Oudomxay Branch

26/05/2000 : Staff of BCEL's Oudomxay Branch



Mrs. Bouaphayvanh NANDAVONG

Deputy Managing Director

Personal Information:

Date of Birth : 26/11/1971

Nationality : Lao

Language : Lao, English

Designation : BCEL Deputy Managing Director

Education Background:

2014 : Master Degree in Economy Management from National Politics and Administration Institution

Professional Experience:

2021-Present : Deputy Managing Director of BCEL

1/1/2019-2021 : Chief of Human Resources Division

2018-2019 : Acting Chief of Human Resources Division

2015-2018 : Deputy Chief of Human Resources Division

2013-2015 : Deputy Chief of Vientiane Branch

2011-2013 : Deputy Chief of Human Resources Division

1997-2009 : Staff of Human Resources Division, Head Office

1994-1997 : Staff of Admin-Finance Division

1993-1994 : Staff of BCEL's Morning Market Service Unit



Mr. Saychit SIMMAVONG
Deputy Managing Director

Personal Information:

Date of Birth : 11/02/1972

Nationality : Lao

Language : Lao, Englis, French

Designation : BCEL Deputy Managing Director

Education Background:

2014: Master Degree in Economy Management from the National Politics and Administration Institution.

Professional Experience:

2021-Present : Deputy Managing Director of BCEL

08/01/2018 : Chief of Admin-Finance Division

27/10/2014 : Acting Chief of Admin-Finance Division

2013-2014 : Deputy Chief of Admin-Finance Division

2007-2013 : Chief of General Administration Section, Admin-Finance Division

2000-2006 : Chief of Cheque Collection Unit, Treasury and International Service Division

1999-2000 : Chief of Sihom joint Money Exchange Unit, Service Center

1988-1999 : Chief of Money Exchange Unit at Friendship Bridge, Service Center

10/09/1995 : Staff of BCEL Head Office



Mrs. Phousengthong ANOULAKKHAM

Deputy Managing Director

Personal Information:

Date of Birth : 28/07/1974

Nationality : Lao

Language : Lao, English

Designation : BCEL Deputy Managing Director

Education Background:

Master of Accounting and Finance, National University of Laos

Professional Experience:

7/2024 – Present: Deputy Managing Director of BCEL

6/2023 – 6/2024: Chief of Administration and Finance Division

8/2018 – 6/2023: Chief of Accounting Division

7/2015 – 8/2018: Chief of Internal Audit Division

9/2010 – 7/2015: Deputy Chief of Card Center

2009 – 8/2010: Deputy Chief of IT Center

7/2006 - 2009: Acting Deputy Chief of IT Center

7/2003 – 7/2006: Staff of BCEL Accounting Division

2/2002 – 7/2003: Staff of BCEL Deposits Division

11/1998 – 2/2002: Staff of BCEL Internal Audit Division

9/1996 – 11/1998: Staff of BCEL Deposits Division

2/1995 – 9/1996: Staff of BCEL Accounting Division.



Mr. Nalinh SILAVONGSITH

Deputy Managing Director

Personal Information:

Date of Birth : 11/02/1972

Nationality : Lao

Language : Lao, Englis, French

Designation : BCEL Deputy Managing Director

Education Background:

Master of Business Administration, Waseda University (Japan)

Professional Experience:

7/2024 – Present: Deputy Managing Director of BCEL

7/2023 – 6/2024: Deputy Director General of Banking Services Department,
Bank of Lao PDR

8/2022 – 7/2023: Deputy Director, Credit Information Company, Bank of Lao PDR

5/2021 – 8/2022: Deputy Managing Director of BCEL

2017 - 2021: Deputy Director of Lao Development Bank

2014 - 2017: Director, Lanexang Security Company Limited

2014: Position at Lao Development Bank, Head Office

2012 - 2014: Head of Dongdok Branch

2008 - 2012: Head of Credit Administration Division

2006 - 2008: Acting Head of Credit Management Department

1999 - 2003: Head of Services Division, Laos-Viet Bank

1997 - 1999: Head of Morning Market Service Unit

1992 - 1997: Staff of BCEL Head Office

BCEL's shares held by the Executive Management

According to the shareholders register book of BCEL recorded as of 25 March 2024, the members of the management hold the shares in the following proportions:

	Name and surname	Position	Shares	%	Remarks
1	Mme. Saysamone Chanthachack	Managing Director	0		
2	Mr. Nanthalath Keopaseuth	Deputy Managing Director	10,325	0.005%	
3	Mr. Kongasack Souphonesy	Deputy Managing Director	12,000	0.006%	
4	Mrs. Bouaphayvanh Nandavong	Deputy Managing Director	13,000	0.006%	
5	Mr. Saychit Simmavong	Deputy Managing Director	1,800	0.001%	
6	Mrs. Phousengthong Anoulakham	Deputy Director	14,000	0.006%	
7	Mr. Nalinh Silavongsith	Deputy Director	0		

5. The significant changes of the designation

- + On 1st July 2024, Mrs Phousengthong Anoulakham and Mr Nalinh Silavongsith were appointed as the Deputy Managing Directors of BCEL.

6. Remuneration

The remuneration for the BOD and Directors was applied in accordance with the policy of BCEL. Total remuneration for the BOD and Directors in 2024 was 4,028 LAK million and in 2023 was 3,055 LAK million.

VII. Shareholders' Meetings and the Performance of the Board of Directors

1. The Shareholders' Meetings and implementation of the resolutions of the meeting

In 2024, BCEL held 1 Shareholders' Meetings which were the Annual General Meeting of the Shareholders for the year 2023 on 29th April 2024 in Vientiane.

The Annual General Meeting of the Shareholders for the year 2023 had the resolution for the following matters:

- Agenda 1: Approved the minutes of the Ordinary Shareholders' Meeting for 2022;
- Agenda 2: Considered and approved the annual report of the business performance and financial statements BCEL for the year 2023
- Agenda 3: Considered and approved the allocation of the profit for the year 2023
- Agenda 4: Considered and approved the business plan for 2024.
- Agenda 5: Considered and approved the appointment of the independent auditor for 2024.
- Agenda 6: Considered and approved the appointment of the member of BCEL's Board of Directors.
- Agenda 7: Considered and approved the change of BCEL's share par value
- Agenda 8: Considered and approved the amendment of BCEL's Articles of Association.

The meeting resolutions of both two meetings have been implemented accordingly.

2. The Performance of the Board of Directors:

2.1. Meetings

In 2024, BCEL held Board of Directors Meetings 11 times (04 ordinary meetings and 07 extraordinary meeting)

❖ The Ordinary Meeting 4 times:

- 1) 1st: 11/03/2024;
- 2) 2nd: 10/07/2024;
- 3) 3rd: 02/09/2024;
- 4) 4th: 25/12/2024;

❖ The Extraordinary Meeting 7 times:

- 1) 1th: 22/03/2024;
- 2) 2nd: 08/05/2024;
- 3) 3rd: 17/09/2024;
- 4) 4th: 03/10/2024;
- 5) 5th: 21/10/2024;
- 6) 6th: 14/11/2024;
- 7) 7th: 13/12/2024;

2.2. Attendance

	Name and surname	Position	Presence	Absence	Note
1	Mr. Bounpone Vannachith	Chairman	11	0	
2	Mr. Khamsouk Sundara	Vice Chairman	2	0	Another 9 times remaining due to his membership ending
3	Mr. Akom Praseuth (Ph.D)	Vice Chairman (newly appointed)	5	4	2 times remaining because he has not yet been appointed as vice chairman
4	Mrs. Saysamone Chanthachack	member	11	0	
5	Mr. Stephane Mangiavacca	member	3	8	Reasoned absence
6	Mr. Pasomphet Khamtanh	Director	10	0	Reasoned absence
7	Mr. Sonexay Silaphet	Independent Director	06	05	Reasoned absence
8	Assoc.Prof. Thongphet Chanthanivong	Independent Director	11	0	
9	Mrs. Latdavanh Songvilay	Independent Director	9	2	Reasoned absence

Note: the meeting of BOD has arranged face to face. Thus, Mr Stephane Mangiavacca, member of BOD and the strategic partner of BCEL was not able to attend the meeting and he has provided a proxy

2.3. The important resolutions of the BOD's Meetings:

Some important resolutions within the year are listed below:

1. Acknowledged the report on Internal Audit for the year 2023
2. Acknowledged the report on accounting for the year 2023
3. Considered and approved the financial statement for the year 2023;
4. Approved the business plan for the year 2024
5. Approved the allocation of the profits for the year 2023 to related reserves fund and the dividend
6. Approved the agenda for the Annual General Meeting of the Shareholders of BCEL for the year 2023
 - The record dates
 - Date and time
 - Location
 - Agenda

7. Approved the payment of dividend for the year 2023

- Dividend per share
- Record date of the shareholders register book for receiving the dividend
- Dividend payment date

8. Acknowledged the report of Risk Management for the quarter 1 of the year 2024

9. Approved the independent auditor for the year 2024

10. Approved the forms and method for the evaluation of Board of Director, members of Board of Directors and relevant committees under the Board of Directors for the year 2023 and 2024

11. Approved the plan for Board of Directors' meetings and the committee's meetings under the Board of Directors for the year 2024

12. Approved the appointment of Vice Chairman of BCEL's Board of Directors

13. Approved the principle regarding the accounting implementation for the data center construction project of BCEL

14. Approved the upgrading Xaysomboun service unit to the Xaysomboun Branch

15. Approved the improvement of the remuneration policy for BCEL's employees

3. The performance of the BOD's committees.

3.1. Audit Committee

Audit Committee held the meeting 5 times in 2024. The committee has also followed up on important issues through circular letters and reports from time to time. The significant performance of the committee is as follows:

- Followed up on staff on their implementation of the regulations, rights, and work procedure, conducted the regular audit, special audit, specialized audit, and emergency audit of the Divisions, Centers, and Branches. The committee also followed up on the resolving of the findings from internal and external auditors of the Divisions and all Branches;
- Regularly followed up on the solutions of findings of the internal auditor and external auditor.
- Finished reviewing the financial report for 2023, for 6 months period of the year 2024, and 4Q2024.
- Selected an external auditor for the 2025 audit.
- Closely monitored the report of the acts of misappropriation and the task of anti-corruption submitting to the management team and the Bank of the Lao PDR.
- Monitored the implementation of the IFRS in the financial report of BCEL from time to time.
- Concluded the highlighted updates of the Committee and report to the BOD from time to time.

3.2. Risk Management Committee

The Risk Management Committee held 4 meetings in 2024 and had the highlighted movements as follows:

- Approved the amendment of the policy on risk management;
- Concluded the highlighted updates of the Committee and report to the BOD from time to time.
- Followed up on the risk indicators of the business operation;
- Followed up on the main risks of the bank from various aspects;
- Acknowledged the report on Risk Management of BCEL for the Q1; Q2; Q3 2024
- Followed up on the process of the projects under the Basel II project

3.3. Governance Committee

The Governance Committee held 4 meetings in 2024. The Committee has emphasized on the tasks to monitor the business operation of BCEL and approved the highlighted movements as follows:

- Approved the business plan for 2024, important issues that will be reported to the BOD and the Shareholders' Meeting.
- Frequently monitored the business operation.
- Monitored and supervised the tasks of the treasury, liquidity management, currency, capital, and currency management from time to time
- Monitored the management of the quality of loans, and NPL resolution;
- Acknowledged the implementation of IFRS;
- Concluded the highlighted updates of the Committee and report to the BOD from time to time.

3.4. Nomination and Remuneration Committee

The Committee held meetings and consulted through circular letters 12 time: approval of the relocation and appointment of the Chief of division, center and head of branches; approval of the amendment of the welfare policy for BCEL's employees to resolve during the economic difficulties; approval of the nomination of the member of the Board of Director for replacing the members whose term has ended.

4. Evaluation of the Board of Directors' Performance

4.1 Evaluation Method

The evaluation of the Board of Directors, board members, and board committees is an essential component in assessing the implementation of Corporate Governance (CG) for listed companies, which is conducted annually by the Lao Securities Commission (LSC) and the Lao Securities Exchange.

❖ The evaluation forms consist of:

1. Board of Directors evaluation form
2. Board Committees evaluation form
3. Individual Board Member evaluation form (details in the attachment)

❖ Evaluation process:

BCEL will distribute forms to all board members for completion. The scores will be compiled and reported to the Board of Directors for approval, and subsequently disclosed in the annual report as required by the CG implementation assessment conditions set by the SEC and the Lao Securities Exchange.

The evaluation methodology is as follows:

1. Board of Directors evaluation: Completed by all board members
2. Board Committees evaluation: Completed by members of each respective committee
3. Individual Board Member evaluation: Board members evaluate each other

The scoring system has 3 levels: Disagree (0 points), Partially Agree (1 point), Agree (2 points). After compiling the scores, results are presented as percentages.

4.2 Evaluation Results

- ❖ Board of Directors evaluation result: 535/560 points, equivalent to 95.5%
- ❖ Board Committees evaluation results:
 - Corporate Governance Committee: 134/150 points, equivalent to 89.3%
 - Audit Committee: 144/150 points, equivalent to 96%
 - Risk Management Committee: 142/150 points, equivalent to 94.7%
 - Nomination and Remuneration Committee: 127/150 points, equivalent to 84.7%
- ❖ Individual Board Member evaluation results:
 - Mr. Bounpone Vannachit, Chairman: 20/20 points, equivalent to 100%
 - Dr. Akom Praseuth, Vice Chairman: 16/18 points, equivalent to 88.89%
 - Mme. Saysamone Chanthachack, Director: 17/18 points, equivalent to 94.4%
 - Mr. Pasomphet Khamtanh, Independent Director: 17/18 points, equivalent to 94.44%
 - Mr. Thongphet Chanthanivong, Independent Director: 18/18 points, equivalent to 100%
 - Mrs. Latdavanh Songvilay, Independent Director: 17/18 points, equivalent to 94.44%
 - Mr. Sonxay Silaphet, Independent Director: 16/18 points, equivalent to 88.89%
 - Mr. Stephane Mangiavacca, Director: 14/16 points², equivalent to 87.75%

² He is not a member in any BOD's committees

VIII. Sustainability Report

1. Sustainable Development

Sustainability is one of the key success factors in banking industry. Therefore, in order to ensure the transformation of the bank to become an organisation with effective sustainable development as well as to be consistent with international standard, the bank's business operations, not only takes into account the interests of entrepreneurs or shareholders, but also takes into account of the customer, employees, society and the environment, which are directly related to each other in order to enable the BCEL to operate business effectively and become a bank that truly benefits all stakeholders.

BCEL has focused on the principles of sustainable development or sustainable banking as important in business operations, strengthening and developing modern business models in line with technological advancements, alongside promoting environmental works by participating in and being selected to access various green funds aimed at supporting projects related to the environment, such as the Green Climate Fund, Global Green Growth Institute, Alliance for Green Commercial Banks (of IFC), etc. In addition, the Oneheart project continues to serve as a voice and center for mobilizing various forms of assistance, whether it be fundraising to help the poor, fundraising to help those with educational disadvantages, fundraising to help flood disaster victims, and others..

2. Corporate Governance

BCEL acknowledges the importance of corporate governance in order to enhance and improve the bank toward international standards as BCEL is among listed companies voluntarily conducting periodic assessments of bank's corporate governance practice organized by Lao Securities Commission Office in cooperation with Lao Securities Exchange to ensure the bank's good governance. This is reflected in receiving the certificates of administrative management from the Lao Securities Exchange. With the highest score among listed companies of 84.70 scores, BCEL is awarded for excellence in corporate governance. Specifically, the assessment result showed that BCEL's practice is rated 74%, 22%, and 4% full compliance, partial compliance, and non-compliance, respectively. The detailed scores were divided into following sections:

- Section 1: Shareholder Rights and the Equal Treatment of Shareholders: BCEL attained a final score of 87% in this section.
- Section 2: Role of Stakeholders in Corporate Governance: In this section, BCEL attained a final score of 45%.
- Section 3: Disclosure and Transparency: BCEL attained a final score of 76% in this section.
- Section 4: Responsibilities of the Board of Directors: In this section, BCEL attained a final score of 65% in this section.

To ensure that the bank's corporate governance practice is in line with regional as well as international standards, BCEL also pays attention to following practices:

2.1. Shareholder Rights and the Equal Treatment of Shareholders

The Bank encourages and facilitates all groups of shareholders not only major shareholders but also minor shareholders, investors, institutional shareholders or foreign

shareholders to fully exercise their rights, especially, shareholders' basic rights on sale/purchase, profit sharing, rights to attend the shareholders' meeting, right to appoint a proxy to participate, right to vote or appoint a proxy to decide and vote at the shareholders meeting, right to give opinions at the meeting, right to nominate candidates for board of directors (sharing 5% or above of the total shares) as well as the right to disclose the Bank's information for shareholders.

The Bank places importance on equitable treatment of all groups of shareholders not only major shareholders but also minor shareholders, investors, institutional shareholders or foreign shareholders by the equal and fair treatment of all shareholders as follows:

- Rights for subscription of newly issued ordinary shares, sale, purchase or transfer of shares: As a listed company, BCEL is committed to comply with the Lao Securities Exchange's regulations providing all groups of shareholders fair treatment to sale, purchase or transfer of shares via legally registered securities companies. Existing shareholders shall be entitled to subscribe newly issued ordinary shares before public offering according to ratio of existing to new shares and allotted method by shareholder resolution.
- Rights to the dividend: BCEL allocates appropriate dividend payment to its shareholders along with compliance practice, taking into account the capital adequacy in line with sustainable long-term growth.
- Right to obtain the information: BCEL places emphasis on providing sufficient bank's information to shareholders and investor in a timely manner by disclosing the bank's information on Lao Securities Exchange disclosure platform and BCEL's website.
- Rights to attend the shareholders' meeting: Prior to the annual shareholder's meeting, BCEL establishes an annual's meeting committee to prepare the meeting including agenda, budget, arrangement, shareholder registration (check-in), meeting venue, validate documents of local, foreign and absent shareholders, vote counting as well as delivering invitation letters to shareholders prior to the meeting date with clear agenda regarding consideration and approval sessions.
- Right to vote: At the shareholders' meeting, the shareholders are granted the right with one vote per share while those who are absent from a meeting are also allowed to appoint their representatives to participate.
- Right to give opinions at the meeting: BCEL publicly allows the shareholders to ask the questions or express their opinions on each agenda to The Board of directors and Managing Director, along with External auditor (who have the right to attend the meetings).
- Right to nominate candidates for board of directors/commissioners: BCEL allows the shareholders to nominate candidates for board of directors/commissioner's members according to majority votes (more than 50% of voting result). In addition, BCEL allows the shareholders holding 5% or above of the total shares to nominate candidates for board of directors, propose additional sessions to the shareholders' meeting agenda for consideration. In addition, BCEL allows the shareholders holding 10% or above of the total shares to request the Board of Directors to hold an extraordinary general meeting.

2.2. Management of Relationship with Stakeholders

BCEL gives priority to internal policies, mechanisms to protect and promote participation of all stakeholders who are treated equally and fair, including shareholders, managements, employees, customers, business partners, creditors, government agencies and social and

environmental responsibility by oversee appropriate communication between the company and its stakeholders as follows:

- Shareholders: BCEL takes into account the sustainable and long-term growth based on the Bank's full potential and capability in order to enhance the Bank's value in terms of both share price and attractive dividend payment as well as protecting the rights and interests of all stakeholders.
- Managements and Employees: BCEL promotes and develops capability of the managements along with all employees for effective performance by arranging in-house professional training courses as well as providing opportunities to attend professional training abroad. In addition, BCEL considers the managements and employees' health by providing adequate welfare facilities, good working environment, and safety standard as well as communication mechanism for employees including accessible communication channel in the company, channels of comments or petitions or whistleblowing to the company.
- Customers: BCEL is aware of customer centric in providing a variety of financial products and services, increasing service channels, communication channel, channels of customer comments or petitions to the company with the purpose of facilitating and satisfying the banking services via counter service as well as electronic service.
- Business partners: BCEL places importance on legal business partners expressed by the clear process of selecting supplier, leasing, and procurement with allowing all parties for fair and transparent competition, avoiding the risk in selecting the illegal parties. BCEL strictly adopts policies on anti-corruption and giving or accepting bribes in the bank's ethics rules.
- Creditors: BCEL strictly places importance on compliance with terms, conditions and contractual obligations, implementing timely loan principal and interest repayment to all creditors.
- Government Agencies: BCEL is strictly aware of compliance with the regulations and relevant regulatory requirements assisting to solve some issues, especially urgent matters related to solving economic problems and others. In addition to coordination in various aspects, the BCEL also has a modern banking system that is used to help collect various state taxes and duties."
- Social and Environmental Responsibility: In addition to providing banking service, BCEL contributes to social and environmental by promoting sustainable development of the company through BCEL's Core Value particularly social responsibility encouraging stakeholders to get involved in helping society, community and environment by playing a central role in fund allocation via BCEL One Heart Project for helping people in difficulties and those from disadvantaged groups, facilitating the development of learning communities, fundraising project to donate and help flood victims in 2024 and many other projects related to promoting social assistance

2.3. Disclosure and Transparency

The Bank fully recognizes the importance on information disclosed to the public in accordance with Lao Securities Exchange's statutory disclosure regulation with accurate, complete, consistent and truthful information for all stakeholders and investors. Furthermore,

BCEL bank has the specific committee comprised of qualified members with capacity and experience in charge of disclosing essential information and annual financial report.

- BCEL, Subsidiary, and affiliate companies: The bank provides transparent disclosure such as its Vision, Mission, Business objective or Business plan on the Annual Report.
- Financial information: The bank provides transparent disclosure of its financial information, dividend payment as a material part of the Annual Report. Moreover, the information provided is complied with the International Financial Reporting Standards (IFRS) audited by external auditors disclosed via easy access channel such as bank's website.
- Non-Financial information: The bank provides transparent disclosure of its non-financial information such as convening of meeting, service and product development, social assistance stated in the bank's annual report as well as the profile and professional experience of the board of directors and executive management.
- BCEL has disclosed a number of times to the convening of the Board of Director's meetings, Board Committees meetings in the bank's annual report 2024 as follows:

Type of Disclosure	Number of Time
Timely Disclosure	17 times
Periodical Disclosure	7 times
Voluntary Disclosure	10 times
Inquired disclosure	0 time
Total	34 times

2.4. Responsibilities of the Board of Directors

BCEL places emphasis on duties expressed by clear roles and responsibilities of totally 04 board committees comprising of 1) Audit Committee, 2) Risk Management Committee, 3) Nomination and Remuneration Committee, and 4) Governance Committee. Furthermore, members of each committee should be at least 03 board members with relevant knowledge, capacity and professional experience.

3. Internal Control

Effective internal control is a key component for listed companies as well as BCEL to prevent risk or potential losses faced. Therefore, BCEL is fully aware of the importance on internal control to ensure the bank has proper and sufficient internal control systems to meet the bank's objectives expressed by complying with the internal policies, rules, procedures and guidelines developed as the standard of implementation, along with reviewing and updating those documents on a regular basis to keep up with the state of the current economic system. Moreover, the bank has established board committees with clear roles and responsibilities to enhance the bank internal control.

BCEL internal control considers this task as a crucial for the organization's effective operation, as it plays a key role in preventing risks and strengthening the internal operational system, thereby building strong credibility for the organization. Implementation begins from top management down to all BCEL staff to ensure that the organization's internal control is robust, effective, and progressively developed according to the organization's strategic plan step by step. Therefore, to ensure that the scope of the organization's internal control implementation

proceeds according to the established plan and achieves its objectives, the work of each process must be implemented based on compliance with policies, regulations, manuals, and guidelines issued from time to time. This is coupled with regular review and improvement of these legal documents whenever improvements are deemed beneficial for overall development and for enhancing each part of the organization's work, especially within BCEL. This aims to ensure implementation consistent with the current changing circumstances, based on effective, tight, and practical risk management, and also to create a strong layer of defense for the organization in dealing with any difficulties that may arise. Furthermore, to strengthen the internal control system, BCEL has also established various Board-level committees that clearly adhere to their respective roles, responsibilities, and scopes of authority. This is to ensure strong governance from the top of the organization downwards, providing systematic, transparent, and unified guidance to the staff. In addition, proper organizational structure and environment help result in BCEL's effective internal control demonstrated by fully independent internal audit function, that has direct report line to the audit committee.

In addition, improvement of internal control is being conducted based on the gap assessment of BCEL's risk governance against regulations of Lao PDR, Basel principles, the three lines of defense model and best practices from internationally recognized organizations to ensure the strong risk governance with international standards. The gap assessment result showed that BCEL's current structure is generally in compliance with the related laws and regulations of Lao PDR while minor gaps against international practices existed. In order to close such gaps, BCEL focuses on building and promoting an effective risk culture in bank-wide level with the emphasis on risk awareness to all level of employees to recognize their own responsibility on risk management by publishing and training sessions for all level of employees every year to enhance its risk management structure in order to comply with international standards by building a robust risk management process and strengthen cooperation with all risk owner from divisions, centers, branches with the purpose of effective risk reporting.

4. Risk Management

4.1. Risk Management Policies Development

As risk managements is considered one of the key drivers for BCEL to effectively achieve its business objectives in order to generate sustainable return, BCEL's Managements place importance on risk management by paying attention to enhance and implement risk management framework to be more effective by set out key policies and related documents on Risk and Control Self-Assessment (RCSA), Key Risk Indicator (KRI), Risk Management Framework, Business Continuity Management, Internal Capital Adequacy Assessment Process Policy, Nostro-Vostro, Deferred Revenue-Prepaid Expense, Accrued Revenue-Accrued Expense, Off-Balance Sheet Management, Reputational Risk Management, Anti-Corruption, Operational Risk Management, Internal Loss Management, Credit Risk Management, Standards of Conduct Policy for Credit Officer, Incident Management Rule, Business Continuity Plan Rule, User Account Management and Access Control Rule, Credit Risk Management Rule, Anti-Money Laundering and Terrorism Rule, Creative Media Management Rule, Internal Loss and Risk Report Instruction, , Manual for reporting incidents that discredit BCEL through all social media channels along with others policies and documents related to the BCEL's risk management. Furthermore, there is also a review of credit work, such as Development and improvement of policies, procedures relating to credit risk management with the consultancy from internationally recognized consulting firms (KPMG) in order to enhance risk management

with clear protection limits by being able to assess identified gaps together to dealing with findings which can be improved in an effective manner for BCEL that essential to ensure that risk management work is developed step by step and can be more comparable to international standards.

Moreover, to ensure that the bank has an effective risk management in place and align with international standards, BCEL has continued developing various policies and rules in compliance with Basel II Principles as an international standard also ensuring the appropriate of BCEL's business operation. Moreover, BCEL plans to publish several policies on Cyber Risk Management, Outsourcing, manuals on Risk-Control Self-Assessment (RCSA) and Key Risk Indicator (KRI) in order to enhance the risk management to be equivalent to international standards.

In addition, to ensure that risk management is implemented effectively and in accordance with international standards, BCEL has explored hiring an internationally recognized company to serve as a consultant in the implementation of various projects outlined in the Basel II implementation master plan. During each process of project implementation, seminars must be organized and the content of each task disseminated regularly to the Board of Directors, the Executive Committee and technical staff. This is to establish a structure and guidelines for work implementation that can scoped and yields results according to the objectives.

4.2. Preparations for Basel II Implementation

To strengthen the risk management framework and to comply with the guidelines of the Bank of Laos, BCEL has developed the Basel II implementation roadmap covering 27 initiatives set to operate during 2017 - 2025. The bank divides its roadmap into three phases and a beyond phase as follows:

- Phase 01 (2017 - 2018): To prepare for adoption of Basel II and to meet BOL's requirements as a model bank.
- Phase 02 (2019 - 2020): To begin implementing the tasks required by the BOL of which the tasks are to be performed during the period of 2020 - 2023.
- Phase 03 (2021 - 2023): To implement the tasks in accordance with BOL's requirements of which the actual implementation is planned to be into force from 2023 onwards.
- Beyond (2024 - 2025): To enhance risk management framework for full compliance with Basel II standards.

The Basel II implementation roadmap is periodically monitored and reviewed to complete each on-going project on time within the schedule assuring the related projects are able to be implemented accordingly.

With reference to the above roadmap, since the implementation began BCEL has completed several key projects including: 1) Internal Loss Management, 2) Data Governance, 3) Loan Origination System, 4) Credit Rating System, 5) Development of Risk-Weighted Assets Engine, 6) Risk Based Approach for Control Indexing, 7) Operational Risk Management Framework, 8) Risk Control Self-Assessment, 9) Key Risk Indicator, 10) Development and improvement of policies, procedures relating to credit risk management, 11) Asset-Liability Management, 12) Fund Transfer Pricing, 13) Enhancement of Business Continuity Management Framework and 14) Internal capital Adequacy Assessment Process.

Other projects currently underway implementing include: 1) Enhancement of Market Risk, 2) Development and Deployment of Credit Portfolios Management and Monitoring Frameworks, 3) Development of Collateral Management System, 4) Development of Risk Data Mart and 5) Enhancement of ICAAP framework Monitoring Frameworks which will be carried out together with various seminars and activities in order to ensure the effective implementation.

In addition, BCEL continues to be well prepared for implementation of the projects planned which identified on the roadmap. The aforementioned projects are Development and implementation of ORM system (GRC), Internal Capital Adequacy Assessment Process, Enhancement of Asset-Liability Management Framework and other projects in order to enhance its capacity to comply with the international standards.

In the implementation of each project under the Basel II principles within BCEL, there are the project that incomplete during implemented and delayed due to the limitations in completing the project as expected. Therefore, as a Bank shall continue to implement the projects that not moving and reallocate the project need to be implemented by encouraging, support the employees to conducting on research and exchange experiences on reassessment of knowledge both domestic and international to obtain an understanding of the work and enlarge skills for effective project implementation which can be truly applied to other projects in the master plan can proceeding. Which the process important part of the banking structure, that increasing BCEL has a strong Basel II framework on controlling risks that arise in the organization and is comparable to international standards.

5. Business performance

BCEL has emphasized comprehensive organizational strengthening strategies such as:

- Financial Management and Business Efficiency Enhancement: 1) Financial management is a key priority focusing on developing various aspects to strengthen financial position, particularly in fund mobilization and capital structure management. This includes developing various funding methods aligned with actual conditions, optimizing capital structure to improve credit rating, ensuring quality capital utilization by aligning credit and capital management strategies and improving income generation and expense management effectiveness. 2) Centralized fund management using systems to improve efficiency, create investment opportunities and reduce risks. Implementation will be based on risk management standards according to financial ratios and appropriate regulations. Development of asset-liability management and funding cost determination according to BASEL II standards (ALM-FTP), creating tools to expand international settlement networks to be diverse, modern, efficient and meet customer needs according to international standards. 3) Fixed asset management to ensure maximum efficiency and sustainable use of assets, helping the organization fully utilize assets, reduce costs and ensure operational efficiency. Continue implementing technology systems in asset data management in accordance with IFRS standards to improve the Return on Assets (ROA) ratio according to Bank of Lao PDR and international regulations. 4) develop and enhance a number of work instructions, manuals, procedures and policies.
- Strengthening Marketing and Sales: Marketing is considered a key factor driving customer base expansion, particularly the stability of the (BCEL brand). Focus on researching additional channels and developing various advertising formats through both online and offline media to effectively present BCEL products and services to the wider public. Emphasis on product sales development, technology integration into sales work, particularly using social media for product promotion, developing electronic tools for easy customer access to products and services and developing sales team through training on product knowledge, features and highlights to provide fast and modern customer service.

- **Human Resource Development:** Strengthening human resource management is a crucial factor for organizational development and growth. To accommodate new changes, high competition era and the use of modern technology in operations to maximize organizational benefits such as: Strengthening regulations, principles and policies in personnel management, building capacity in knowledge and skills through both domestic and international training, improving job rotation process based on knowledge and experience of employees, strengthening organizational culture. Human resource development is not merely an investment in human capital development but also an investment in the organization's future, which is a key factor that will determine the success and sustainable growth of the organization in the long term.
- **Building Strong Risk Management Foundation and Anti-Money Laundering Controls:** To achieve the bank's goals while managing potential risks from competition and internal/external conditions, establishing a risk management foundation is a priority to identify internal activities and all risk events related to each department, including developing policies and documents for risk management aimed at efficient organizational risk management, ensuring strength and compliance with international standards, particularly BASEL II principles.
- **Developing Management to International Standards and Establishing ASEAN Bank Standards:** Developing Corporate Governance (CG) and establishing international standards to become a Qualified ASEAN Bank (QAB).
- **Modernization Strategy Using Technology and Innovation:** Developing products to advance towards Digital Banking services including: managing and developing modern, secure IT systems with 24/7 service capability, creating emergency response policies and IT system recovery (Disaster Recovery Plan or DRP), upgrading bill payment systems and E-Banking products, developing self-service banking as a key step in upgrading banking services and meeting customer demands in the digital age.
- **Strategy for International Standard Management and Services:** Improving and developing accounting systems and financial reporting standards; developing and strengthening audit systems to meet standards; developing consumer protection systems to higher safety levels meeting international standards.

6. Environment Management

In accordance with the Socio-Economic Development Strategic Plan IX (2021-2025) and to contribute to Lao PDR's Green Growth Strategy until 2030, BCEL has initiated plans to address climate change issues and support green growth. This also builds confidence among investors and creates opportunities for cooperation with both public and private sectors, both domestically and internationally.

In recent times, BCEL has strengthened its cooperation and participation with government and international organizations in projects related to green growth and sustainable development in line with government policies. In 2024, BCEL has participated in 3 projects as detailed below.

- BCEL has been selected and approved by the Department of Planning and Finance, Ministry of Natural Resources and Environment as the national focal point to serve as a Direct Access Entity to apply for funding for low-interest loans and blended finance from the Lao PDR Green Climate Fund. Additionally, BCEL has collaborated with the Global Green Growth Institute (GGGI) in Lao PDR to assess gaps and readiness of the bank and prepare each step for the application process.
- Pilot Voluntary Carbon Foot-Print Assessment Project in Lao PDR.

- Membership in the Alliance for Green Commercial Banks of IFC, building an international cooperation network. This membership provides BCEL with opportunities to exchange knowledge and experiences with leading green financial institutions in the region

In addition, BCEL has developed policies and regulations to comply with the conditions for participating in low-interest funds for lending to activities that promote, conserve and protect the environment. The bank has also proposed work plans and programs related to sustainable corporate governance and management principles in accordance with green direction into BCEL's long-term development strategic plan 2025-2029. BCEL is considered the first commercial bank in Lao PDR to initiate and prioritize green finance promotion. The participation in these 3 projects demonstrates BCEL's commitment to supporting sustainable development and environmental protection.

7. Social Support

BCEL has implemented its Corporate Social Responsibility (CSR) policy through the BCEL One Heart program, which utilizes technological potential and modern innovations for non-profit social assistance. This program serves as a tool and intermediary for receiving donations, facilitating convenient, fast and transparent interactions between donation recipients and voluntary donors. The system allows for verification of donation information, building confidence for both donors and recipients. This has increased social participation from various sectors, contributing to improved welfare and quality of life with society being the ultimate beneficiary.

As of 2024, there are a total of **98 projects** participating in BCEL One Heart with total donations of **10,050,768,849.78 Kip and 79,894 donation transactions**. Projects that BCEL has contributed to fundraising during 2024 include: Opening a fundraising project to help disaster victims in 2024; Fundraising to assist people affected by nationwide flooding; Assistance for Huaphan province disaster; Support for underprivileged women and children; Fundraising project for construction of student dormitories and club facilities at Phosai Secondary School in Ban Sok, Samakkhixay District, Attapeu Province; Contributing to the United Heart Foundation to help victims in Vientiane Capital 1630; Supporting the Lao Red Cross rescue unit; The "Lao People Don't Abandon Each Other" project fundraising for a new school building at Ban Thoy Primary School, Yommalath District, Khammouane Province (this is the 2nd year BCEL has provided assistance) and Fundraising for the Lao Red Cross in the "Prevent and Control The Covid-19" project.

IX. Independent Audits

1. Service and Fees

The shareholders' meeting for the year 2023 held on 29 April 2024 appointed EY the independent auditor of BCEL for the year 2024 with remuneration of 945,000,000 LAK million. The audit service included the audits in accordance with IFRS and Lao accounting standard, audit review of the semi-annual financial status and audit report of the annual financial statements in Lao and English languages.

2. The Independent Auditor's Report

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

THE BANK

Banque Pour Le Commerce Exterieur Lao Public (herein referred to as “the Bank”) is a joint-stock bank incorporated and registered in the Lao People’s Democratic Republic (“Lao PDR”).

Establishment and Operations

The Bank was established from the equitization of Banque Pour Le Commerce Exterieur Lao which had been established in accordance with the Banking Business License No. 129/BOL dated 01 November 1989. On 23 December 2010, the Bank successfully undertook its Initial Public Offering. On 10 January 2011, the Bank was equitized and renamed into Banque Pour Le Commerce Exterieur Lao Public under the Operating License No. 0061/LRO dated 10 January 2011 issued by the Business License Registration Office of the Lao PDR. At that date, the Government, represented by the MOF, was the largest shareholder with 80% shareholding.

On 15 July 2011, the MOF sold 10% of the total ordinary shares (equivalent to 13,657,759 shares) to its strategic partner named Compagnie Financière de la BRED (“COFIBRED”) in accordance with the Ordinary Shares Purchase Agreement between the Ministry of Finance and COFIBRED. COFIBRED is a subsidiary of BRED, the biggest regional banking society in the Banque Populaire Group - a French group of cooperative banks. The total purchase price of LAK 150,235,349,000 has been paid fully by COFIBRED.

On 17 August 2017, Lao Securities Commission Office approved the Bank to recapitalize by both Rights offering (which resulted in 68,047,300 shares) and Public offering (which resulted in 3,098,400 shares) in Lao Securities Exchange in order to increase its charter capital. The Bank received the new Banking Business License No. 21/BOL, dated 13 September 2017 issued by the Bank of the Lao PDR. On 15 September 2017, Lao Securities Exchange certified that the Bank successfully increased its charter capital by an amount of LAK 355,728,500,000 (equivalent to 71,145,700 shares) in accordance with Listing Certificate No. 01/LSX, dated 15 September 2017 and its latest amended Business License No. 0429/ERO dated 18 May 2018 issued by Ministry of Industry and Commerce.

On 11 October 2019, Lao Securities Commission Office approved the Bank to recapitalized by both Rights offering and Public offering. The purpose of the government share divestment is to support more diverse shareholders to develop the Bank on the business expansion and sustainability. On 29 November 2019, Lao Securities Commission Office certified the Bank successfully offered 10% of the Bank’s shares.

The shareholding structure of the Bank as at 31 December 2024 is as follows:

<i>Shareholders</i>	<i>Number of shares</i>	<i>%</i>
The Government	124,634,021	60%
Strategic partners	20,772,359	10%
Local investors (including employees of the Bank) and other foreign investors	62,316,920	30%
	207,723,300	100%

The principal activities of the Bank are to provide banking services including mobilizing and receiving short-term, medium-term, and long-term deposits from organizations and individuals; making short-term, medium-term, and long-term loans to organizations and individuals based on the nature and capability of the Bank’s sources of capital; foreign exchange transactions, international trade financial services, discounting of commercial papers, bonds and other valuable papers, and providing other banking services allowed by Bank of the Lao PDR.

Charter Capital

The charter capital as at 31 December 2024 is LAKm 1,038,617 (31 December 2023: LAKm 1,038,617).

THE BANK (continued)

Location and Network

The Bank's Head Office is located at No. 01, Pangkham Street, Ban Xiengnheun, Chanthabouly District, Vientiane Capital, Lao PDR. As at 31 December 2024, the Bank has one (01) Head Office, seven (07) associates and joint ventures, twenty (20) main branches, one hundred and one (101) services units, and twelve (12) exchange units all over Lao PDR.

Investments in associates and joint ventures

As at 31 December 2024, the Bank has six (07) associates and joint ventures as follows:

<i>Name</i>	<i>Established in accordance with Business License No.</i>	<i>Business Sector</i>	<i>% owned by the Bank</i>
BCEL – Krung Thai Securities Company Limited	1079/ERO issued by the Ministry of Industry and Commerce on 10 July 2019.	Securities	70%
Lao Viet Joint Venture Bank	732/ERO dated 29 August 2016 by the Ministry of Industry and Commerce.	Banking & Finance	25%
Banque Franco - Lao Limited	0495/ERO dated 7 June 2018 by the Ministry of Industry and Commerce.	Banking & Finance	30%
Lao-Viet Insurance Joint Venture Company	0600 dated 16 August 2013 by the Ministry of Industry and Commerce.	Insurance	35%
Lao China Bank Company Limited	041/ERM dated 27 January 2014 by the Department of Enterprise Register and Management of Lao PDR.	Banking & Finance	31.35%
Lao National Payment Network Company Limited	0349/ERO granted by the Department of Enterprise Registration and Management of the Ministry of Industry and Commerce of the Lao PDR on 12 March 2019.	Settlement transaction management (Electronic)	20%
Lao Foreign Exchange Company Limited	4016/ERO granted by the Department of Enterprise Registration and Management of the Ministry of Industry and Commerce of the Lao PDR on 22 October 2024.	Foreign Currency Exchange Service (Electronic)	10%

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Mr. Bounpone Vannachit	Chairman	Appointed on 27 April 2023
Dr. Arkhomn Prasert	Vice Chairman	Appointed on 29 April 2024
Mr. Kamsouk Sundara	Vice Chairman	Reappointed on 27 April 2023 Resigned on 29 April 2024
Mr. Pasomphet Khamtanh	Member	Appointed on 29 October 2021
Mr. Stéphane Mangiavacca	Member	Appointed on 29 May 2020
Mrs. Saysamone Chanthachack	Member	Appointed on 22 November 2022
Assoc.Prof.Thongphet Chanthanivong	Member	Appointed on 29 October 2021
Mrs. Latdavanh Songvilay	Member	Appointed on 29 October 2021
Mr. Sonexay Silaphet	Member	Appointed on 29 October 2021
Mr. Viengsouk Chounthavong	Member	Appointed on 27 April 2018 Resigned on 30 March 2024

MANAGEMENT

Members of the Management during the year and at the date of this report are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Mrs. Saysamone Chanthachack	Managing Director	Appointed on 2 August 2022
Mr. Nanthalath Keopaseuth	Deputy Managing Director	Appointed on 30 September 2014
Mr. Kongsack Souphonesy	Deputy Managing Director	Appointed on 1 May 2021
Mr. Viengsouk Chounthavong	Deputy Managing Director	Appointed on 18 February 2019 Resigned on 30 March 2024
Mrs. Bouaphayvanh Nandavong	Deputy Managing Director	Appointed on 1 May 2021
Mr. Saychit Simmavong	Deputy Managing Director	Appointed on 1 May 2021
Mrs. Phousengthong Anoulakkham	Deputy Managing Director	Appointed on 1 July 2024
Mr. Nalinh Silavongsith	Deputy Managing Director	Appointed on 1 July 2024

LEGAL REPRESENTATIVE

The legal representative of the Bank during the year and as at the date of this report is Mrs. Saysamone Chanthachack – Managing Director.

AUDITORS

The auditors of the Bank are Ernst & Young Lao Co., Ltd.

INDEPENDENT AUDITORS' REPORT

**To: Management of Banque Pour Le Commerce Exterieur Lao Public;
Bank of the Lao PDR; and
Laos Securities Commission Office**

We have audited the Bank's financial statements of Banque Pour Le Commerce Exterieur Lao Public ("the Bank"), which comprise the statement of financial position as at 31 December 2024, the statement of income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively being referred to as "the financial statements").

In our opinion, the accompanying financial statements of the Bank are prepared, in all material respects, in accordance with the accounting policies as described in Note 4 and the statutory requirements relevant to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in Lao PDR, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 4 to the financial statements, which describes the accounting policies adopted by the Bank. These accounting policies are not intended to present the financial position, the results of operations and cash flows of the Company in accordance with international generally accepted accounting principles.

Our opinion is not modified in respect of this matters.

Other Matter

The financial statements of the Bank for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 29 March 2024.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Bank financial statements of the year 2024. In addition to the matter described in the *Basis for Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Allowance for impairment of loans to customers

As disclosed in Note 15 to the financial statements, the gross carrying amount of loan balance as at 31 December 2024 was LAK 62,162,622 million (44% of total asset), and provision for impairment balance was LAK 2,220,822 million.

The provision for impaired loans is a significant balance and carries a high degree of estimation uncertainty. The Bank's management is required to exercise judgement in identifying evidence of impairment and calculating the impairment amounts. In order to calculate the impairment provision, the Bank has developed models and makes certain assumptions including, but not limited to: collateral valuation, forecast future cash flows, and the financial condition of the borrower. Given the materiality of this balance, and the degree of judgement required of the Bank's management, and the inherent subjectivity of the assumptions selected, we considered this to be a significant item for our audit.

As part of our audit, we tested, the design and operating effectiveness of key controls in relation to loan origination and recognition; loan collection process; loan credit grading; Information technology general controls including manage change, manage access and operations control over completeness of customers' data used in calculation of provision.

We evaluated management's process for identifying individually impairment based on impairment indicators, the current macro-economic and industry factors. For a sample of loans which were identified as individual impairment, assessing and challenging management assumptions in respect of forecast cash, discount rate and collateral recoverable amounts and recalculated the impairment losses based on our assessment of the expected cash flows and recoverability of collateral. For loans impairments which were calculated on a collective basis, we tested the completeness and accuracy of data used in models, testing the arithmetical accuracy of the Bank's models, evaluated and challenged the appropriateness of assumptions including historical loss rate, and compared, where available, data and assumptions made by the Bank to external benchmarks.

We assessed the completeness and accuracy of financial statement disclosures relating to loan loss provisions to assess compliance with disclosure requirements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and presentation of the financial statements in accordance with the accounting policies as described in Note 4 and the statutory requirements relevant to the preparation and presentation of the financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Bank's management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Bank's management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

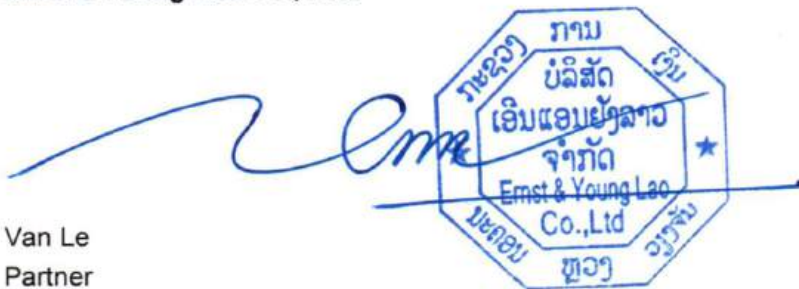
- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought of bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charge with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precluded public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young Lao Co., Ltd.



Van Le
Partner

Audit Practicing Registration
Certificate No. 018/LCPAA_APT-2019

Vientiane, Lao PDR

31 March 2025

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC
STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 LAKm	2023 LAKm
Interest and similar income	6	6,349,673	4,000,347
Interest and similar expense	6	(2,697,389)	(2,262,158)
Net interest and similar income	6	3,652,284	1,738,189
Fee and commission income	7	1,697,297	925,033
Fee and commission expense	7	(866,313)	(371,827)
Net fee and commission income	7	830,984	553,206
Net gain from dealing in foreign currencies	8	244,081	390,926
Other operating income	9	506,516	445,957
Operating income		5,233,865	3,128,278
Credit loss expense of loans to customers	16	(3,553,571)	(2,098,555)
Additional of impairment losses of financial investments	10	(7,287)	(2,301)
NET OPERATING INCOME		1,673,007	1,027,422
Personnel expenses	11	(595,148)	(399,534)
Depreciation and amortization	20.2, 21	(104,278)	(93,616)
Depreciation of right-of-use assets	22	(13,881)	(8,574)
Other operating expenses	12	(322,607)	(294,971)
TOTAL OPERATING EXPENSES		(1,035,914)	(796,695)
Share of profit and loss from investment in associates and joint ventures	19	57,418	52,393
PROFIT BEFORE TAX		694,511	283,120
Current profit tax expense	27.1	(154,509)	(40,272)
Deferred profit tax expense	27.4	(90,439)	(11,440)
NET PROFIT FOR THE YEAR		449,563	231,408
Earnings per share (LAK)	34	2,164	1,114

Prepared by:



Ms. Phetsamay
Xayamoungkhoun
Deputy Chief of Accounting
Department

Approved by:



Mr. Hinhphet Chanthavangsy
Chief of Internal
Audit Department

Approved by:



Mrs. Phousengthong Anoulakkham
Deputy Managing Director



Vientiane, Lao PDR

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

		2024	2023
	Notes	LAKm	LAKm
OTHER COMPREHENSIVE INCOME		449,563	231,408
Remeasurement loss on defined benefit plan		(52,650)	11,334
Profit tax related to components of other comprehensive income	27.4	10,530	(2,267)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(42,120)	9,067
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		407,443	240,475

Prepared by:



Ms. Phetsamay
Xayamoungkhoun
Deputy Chief of Accounting
Department

Approved by:



Mr. Hinhphet Chanthalangsy
Chief of Internal
Audit Department

Approved by:



Mrs. Phousengthong Anoulakham
Deputy Managing Director

Vientiane, Lao PDR

31 March 2025

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

STATEMENT OF FINANCIAL POSITION

AS AT YEAR ENDED 31 DECEMBER 2024

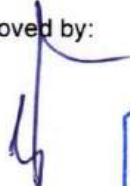
	Notes	31 December 2024 LAKm	31 December 2023 LAKm
ASSETS			
Cash and balances with the Bank of Lao PDR	13	32,718,705	31,684,143
Due from banks	14	20,512,515	21,964,355
Loans to customers	15	59,941,800	53,892,356
Financial investments - Available-for-sale	17	80,535	87,822
Financial investments - Held-to-maturity	18	25,001,699	15,098,095
Investments in associates and joint ventures	19	793,988	747,223
Construction in progress	20.1	227,042	171,204
Property and equipment	20.2	477,235	396,900
Intangible assets	21	316,513	321,734
Right-of-use assets	22	72,066	53,500
Deferred tax assets	27.4	226,165	102,813
Other assets	23	1,822,987	1,913,614
TOTAL ASSETS		142,191,250	126,433,759
LIABILITIES			
Due to banks and other financial institutions	24	6,198,128	9,463,117
Due to customers	25	127,589,277	109,471,717
Borrowings from other banks	26	4,456,239	4,378,394
Tax payables	27.2	195,347	80,461
Lease liabilities	22	47,059	29,285
Deferred tax liabilities	27.4	203,260	-
Other liabilities	28	579,150	433,121
TOTAL LIABILITIES		139,268,460	123,856,095
EQUITY			
Charter capital	29	1,038,617	1,038,617
Statutory reserves and other reserves	30	1,154,828	911,701
Remeasurement of post-employment benefit reserve		(24,013)	18,107
Retained earnings		753,358	609,239
TOTAL EQUITY		2,922,790	2,577,664
TOTAL LIABILITIES AND EQUITY		142,191,250	126,433,759

Prepared by:




Ms. Phetsamay
Xayamoungkhoun
Deputy Chief of Accounting
Department

Approved by:



Mr. Hinhphet Chanthalangsy
Chief of Internal
Audit Department

Approved by:



Mrs. Phousengthong Anoulakkham
Deputy Managing Director

Vientiane, Lao PDR

31 March 2025

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Charter capital LAKm	Statutory reserves and other reserves LAKm	Remeasurement of post-employment benefit reserve LAKm	Retained earnings LAKm	Total LAKm
Balance as at 31 December 2023	1,038,617	911,701	18,107	609,239	2,577,664
Net profit for the year	-	-	-	449,563	449,563
Appropriation to reserve for the year 2023 (*)	-	243,127	-	(243,127)	-
Distribution of dividends to shareholders for the year 2023 (**)	-	-	-	(62,317)	(62,317)
Remeasurement of post-employment benefit reserve	-	-	(52,650)	-	(52,650)
Profit tax related to components of other comprehensive income	-	-	10,530	-	10,530
Balances as at 31 December 2024	1,038,617	1,154,828	(24,013)	753,358	2,922,790

(*) Dividend payment was approved by Board of Directors, according to the Board of Directors' meeting minute No.009/BCEL.BOD dated 22 March 2024. The dividend was paid on 14 May 2024.

(**) The Bank is required to appropriate 10% of profit after tax each year into regulatory reserve fund and the Business expansion fund and other funds shall be created upon decision of the Board of Directors.

Prepared by:



Ms. Phetsamay Xayamoungkhoun
Deputy Chief of Accounting Department

Approved by:



Mr. Hinphet Chanthalangsy
Chief of Internal Audit Department



Mrs. Phousengthong Anoulakkham
Deputy Managing Director

Vientiane, Lao PDR

31 March 2025

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

		2024 LAKm	2023 LAKm
OPERATING ACTIVITIES	<i>Notes</i>		
Profit before tax		694,511	283,120
<i>Adjustments for:</i>			
Depreciation and amortization charges	20.2, 21	104,278	93,616
Depreciation of right-of-use assets	22	13,881	8,574
Expense for impairment losses	16	3,553,571	2,098,555
Changes in provision for impairment loss on investment securities	10	7,287	2,301
Share of associates and joint venture's profit under equity method	19	(57,418)	(52,393)
Defined post-employment benefit expense		(52,650)	7,226
Loss on write off fixed assets		34	479
Interest income	6	(6,349,673)	(4,000,347)
Interest expense	6	2,697,389	2,262,158
Dividend income	9	-	(1,918)
Cash flows from operating profit before changing in operating assets and liabilities		611,210	701,371
Changes in operating assets			
Net change in balances with other banks		(2,296,194)	(12,079,564)
Net change in loans to customers		(5,570,497)	(20,095,751)
Net change in other assets		(6,397,701)	(1,177,526)
Changes in operating liabilities			
Net change in due to other banks		(3,627,272)	2,849,098
Net change in due to customers		15,782,455	28,253,313
Net change in other liabilities		4,062,714	118,692
Cash generated from/(used in) operations			
Tax paid during the year	27.3	(46,863)	(34,725)
Interest paid		(2,615,786)	(2,020,251)
Interest received		6,468,078	7,132,739
Net cash flows from operating activities		6,370,144	3,647,396
INVESTING ACTIVITIES			
Purchase and construction in progress and tangible assets		(236,114)	(105,860)
Purchase of Intangible asset		(8,951)	(50,307)
Purchase of right of use		(24,894)	(6,440)
Payment from investment in securities HTM		(115,809,319)	(5,674,624)
Proceed from investment in securities HTM		106,136,557	4,101,382
Payment for joint venture investment		(9,597)	(12,000)
Dividends received from associates and joint ventures		20,250	8,251
Dividend received from investment in securities		-	1,918
Net cash flows used in investing activities		(9,932,068)	(1,737,680)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 LAKm	2023 LAKm
FINANCING ACTIVITIES			
Proceed on borrowing		162,260	-
Payment of borrowing		(282,603)	-
Payment on lease payment		(24,894)	(10,870)
Payment of dividend		(62,317)	(20,771)
Net cash flows used in financing activities		(207,554)	(31,641)
Net change in cash and cash equivalents		(3,769,478)	1,878,075
Cash and cash equivalents at the beginning of the year		37,593,145	35,715,070
Cash and cash equivalents at the end of the year	31	33,823,667	37,593,145

Prepared by:



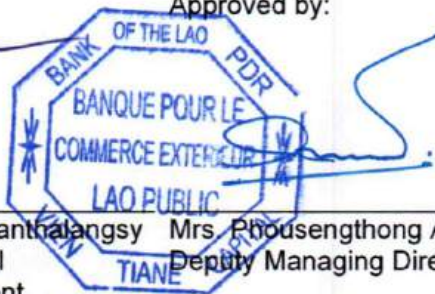
Ms. Phetsamay
Xayamoungkhoun
Deputy Chief of Accounting
Department

Approved by:



Mr. Hinhphet Chanthalangsy
Chief of Internal
Audit Department

Approved by:



Mrs. Phousengthong Anoulakkham
Deputy Managing Director

Vientiane, Lao PDR

31 March 2025

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. CORPORATE INFORMATION

Banque Pour Le Commerce Exterieur Lao Public ("the Bank") is a joint-stock bank incorporated and registered in the Lao People's Democratic Republic ("Lao PDR").

Establishment and Operations

The Bank was established from the equitization of Banque Pour Le Commerce Exterieur Lao which had been established in accordance with the Banking Business License No. 129/BOL dated 01 November 1989. On 23 December 2010, the Bank successfully undertook its Initial Public Offering. On 10 January 2011, the Bank was equitized and renamed into Banque Pour Le Commerce Exterieur Lao Public under the Operating License No. 0061/LRO dated 10 January 2011 issued by the Business License Registration Office of the Lao PDR. At that date, the Government, represented by the MOF, was the largest shareholder with 80% shareholding.

On 15 July 2011, the MOF sold 10% of the total ordinary shares (equivalent to 13,657,759 shares) to its strategic partner named Compagnie Financière de la BRED ("COFIBRED") in accordance with the Ordinary Shares Purchase Agreement between the Ministry of Finance and COFIBRED. COFIBRED is a subsidiary of BRED, the biggest regional banking society in the Banque Populaire Group - a French group of cooperative banks. The total purchase price of LAK 150,235,349,000 has been paid fully by COFIBRED.

On 17 August 2017, Lao Securities Commission Office approved the Bank to recapitalize by both Rights offering (which resulted in 68,047,300 shares) and Public offering (which resulted in 3,098,400 shares) in Lao Securities Exchange in order to increase its charter capital. The Bank received the new Banking Business License No. 21/BOL, dated 13 September 2017 issued by Bank of the Lao PDR. On 15 September 2017, Lao Securities Exchange certified that the Bank successfully increased its charter capital by an amount of LAK 355,728,500,000 (equivalent to 71,145,700 shares) in accordance with Listing Certificate No. 01/LSX, dated 15 September 2017 and its latest amended Business License No. 0429/ERO dated 18 May 2018 issued by Ministry of Industry and Commerce.

On 11 October 2019, Lao Securities Commission Office approved the Bank to recapitalized by both Rights offering and Public offering. The purpose of the government share divestment is to support more diverse shareholders to develop the Bank on the business expansion and sustainability. On 29 November 2019, Lao Securities Commission Office certified the Bank successfully offered 10% of the Bank's shares.

The shareholding structure of the Bank as at 31 December 2024 is as follows:

<i>Shareholders</i>	<i>Number of shares</i>	<i>%</i>
The Government	124,634,021	60%
Strategic partners	20,772,359	10%
Local investors (including employees of the Bank) and other foreign investors	62,316,920	30%
	207,723,300	100%

The principal activities of the Bank are to provide banking services including mobilizing and receiving short-term, medium-term, and long-term deposits from organizations and individuals; making short-term, medium-term, and long-term loans to organizations and individuals based on the nature and capability of the Bank's sources of capital; foreign exchange transactions, international trade financial services, discounting of commercial papers, bonds and other valuable papers, and providing other banking services allowed by Bank of the Lao PDR.

1. CORPORATE INFORMATION (continued)

Charter Capital

The charter capital as at 31 December 2024 is LAKm 1,038,617 (31 December 2023: LAKm 1,038,617).

Location and Network

The Bank's Head Office is located at No. 01, Pangkham Street, Ban Xiengnheun, Chanthabouly District, Vientiane Capital, Lao PDR. As at 31 December 2024, the Bank has one (01) Head Office, seven (7) associates and joint ventures, twenty (20) main branches, one hundred and one (101) services units, and twelve (12) exchange units all over Lao PDR.

Board of Directors

Members of the Board of Directors during the year and at the date of this report are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Mr. Bounpone Vannachit	Chairman	Appointed on 27 April 2023
Dr. Arkhomn Prasert	Vice Chairman	Appointed on 29 April 2024
Mr. Kamsouk Sundara	Vice Chairman	Reappointed on 27 April 2023 Resigned on 29 April 2024
Mr. Pasomphet Khamtanh	Member	Appointed on 29 October 2021
Mr. Stéphane Mangiavacca	Member	Appointed on 29 May 2020
Mrs. Saysamone Chanthachack	Member	Appointed on 22 November 2022
Assoc.Prof.Thongphet Chanthanivong	Member	Appointed on 29 October 2021
Mrs. Latdavanh Songvilay	Member	Appointed on 29 October 2021
Mr. Sonexay Silaphet	Member	Appointed on 29 October 2021
Mr. Viengsouk Chounthavong	Member	Appointed on 27 April 2018 Resigned on 30 March 2024

Management

Members of the Management during the year and at the date of this report are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Mrs. Saysamone Chanthachack	Managing Director	Appointed on 2 August 2022
Mr. Nanthalath Keopaseuth	Deputy Managing Director	Appointed on 30 September 2014
Mr. Kongsack Souphonesy	Deputy Managing Director	Appointed on 1 May 2021
Mr. Viengsouk Chounthavong	Deputy Managing Director	Appointed on 18 February 2019 Resigned on 30 March 2024
Mrs. Bouaphayvanh Nandavong	Deputy Managing Director	Appointed on 1 May 2021
Mr. Saychit Simmavong	Deputy Managing Director	Appointed on 1 May 2021
Mrs. Phousengthong Anoulakkham	Deputy Managing Director	Appointed on 1 July 2024
Mr. Nalin Silavongsith	Deputy Managing Director	Appointed on 1 July 2024

1. CORPORATE INFORMATION (continued)

Investments in associates and joint ventures

As at 31 December 2024, the Bank has seven (07) associates and joint ventures as follows:

<i>Name</i>	<i>Established in accordance with Business License No.</i>	<i>Business Sector</i>	<i>% owned by the Bank</i>
BCEL – Krung Thai Securities Company Limited	1079/ERO issued by the Ministry of Industry and Commerce on 10 July 2019	Securities	70%
Lao Viet Joint Venture Bank	732/ERO dated 29 August 2016 by the Ministry of Industry and Commerce	Banking & Finance	25%
Banque Franco - Lao Limited	0495/ERO dated 7 June 2018 by the Ministry of Industry and Commerce	Banking & Finance	30%
Lao-Viet Insurance Joint Venture Company	0600 dated 16 August 2013 by the Ministry of Industry and Commerce	Insurance	35%
Lao China Bank Company Limited	041/ERM dated 27 January 2014 by the Department of Enterprise Register and Management of Lao PDR	Banking & Finance	31.35%
Lao National Payment Network Company Limited	0349/ERO granted by the Department of Enterprise Registration and Management of the Ministry of Industry and Commerce of the Lao PDR on 12 March 2019	Settlement transaction management (Electronic)	20%
Lao Foreign Exchange Company Limited	4016/ERO granted by the Department of Enterprise Registration and Management of the Ministry of Industry and Commerce of the Lao PDR on 22 October 2024	Foreign Currency Exchange Service (Electronic)	10%

Employees

Total number of employees of the Bank as at 31 December 2024 is 2,183 people (as at 31 December 2023: 2,075 people).

2. BASIS OF PREPARATION

According to the Accounting Law No.46/NA dated 20 November 2023, public interest entities, including listed companies should apply International Financial Reporting Standards ("IFRS") in preparing their annual financial statements, starting from 2017. In accordance with the Official Letter No. 1137/MOF dated 27 April 2020 by the Ministry of Finance and 295/BOL dated 16 June 2021 issued by the BOL, commercial Banks are allowed to delay the application of IFRS until 1 January 2026. The management is presently preparing action plan for implementation IFRSs in accordance with announcement.

For the year ended 31 December 2024, the Bank has prepared its financial statements in accordance with the accounting policies as set out in Note 4 to the financial statements. These accounting policies are not intended to present the financial position, results of operations and cash flows of the Bank in accordance with international generally accepted accounting principles.

The financial statements are prepared to meet the reporting requirements of the Bank's shareholders and the regulators and should not be distributed to or used by other parties.

Financial reporting in hyperinflationary economies

As of December 31, 2024, the cumulative inflation rate in Lao P.D.R. over the past 36 months has exceeded 100%, categorizing the country as a hyperinflationary economy, according to the BOL report (<https://www.bol.gov.la/en/inflation>). On 26 March 2025, Bank of the Lao PDR has released official letter No. 0031/AFD, stating that the commercial banks that has fully adopted the International Financial Reporting Standard (IFRS) needs to apply IAS29 to address the effects of hyperinflation. Due to the Bank's current financial statements is not yet followed full IFRS, hence, it has not applied IAS29 for the year ended 31 December 2024.

The financial statements have been prepared on a historical cost basis, except as disclosed in other notes.

The Bank maintains its accounting records in Lao Kip ("LAK") which is the Bank functional currency and presents its financial statements in millions of LAK ("LAKm").

The Bank's fiscal year starts on 1 January and ends on 31 December.

3. PRESENTATION OF THE FINANCIAL STATEMENTS

The Bank presents its statement of financial position in order of liquidity. Financial assets and financial liabilities are generally reported gross in the statement of financial position. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- ▶ The normal course of business;
- ▶ The event of default;
- ▶ The event of insolvency or bankruptcy of the Bank and/or its counterparties.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 *New and amended standards*

The following amendments to existing IFRS accounting standards became effective for annual periods beginning on 1 January 2024:

- Classification of Liabilities as Current or Non-current Liabilities with Covenants – Amendments to IAS 1

None of these amendments will have an impact on the Bank's financial statements at 31 December 2024.

4.2 *Foreign currency translation*

Transactions in foreign currencies are initially recorded at the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at year end are translated into LAK at exchange rates ruling on the statement of financial position date (see list of exchange rates of applicable foreign currencies against LAK on 31 December 2024 as presented in Note 38. All foreign exchange differences are taken into "Net gain/(loss) from dealing in foreign currencies" in the income statement.

4.3 *Financial instruments - initial recognition and subsequent measurement*

4.3.1 *Date of recognition*

All financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognized on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes "regular way trades" - purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognised when funds are transferred to the customers' account. The Bank recognises due to customer balances when funds reach to the Bank.

4.3.2 *Initial measurement of financial instruments*

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

4.3.3 *The effective interest rate method*

Under IAS 39, interest income is recorded using the EIR method for all financial assets measured at amortised cost. Interest expense is also calculated using the EIR method for all financial liabilities held at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on the acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR. The Bank recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, the EIR calculation also takes into account the effect of potentially different interest rates that may be charged at various stages of the financial asset's expected life, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Financial instruments - initial recognition and subsequent measurement (continued)

4.3.3 The effective interest rate method (continued)

If expectations of fixed rate financial assets or liabilities' cash flows are revised for reasons other than credit risk, then changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference from the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset or liability on the balance sheet with a corresponding increase or decrease in *Interest revenue/expense calculated using the effective interest method*.

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the effective interest rate, but when instruments were initially recognised at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability.

- ▶ 4.2.6 for 'Held-to-maturity financial investments'
- ▶ 4.2.7 for 'Due from banks and loans and advances to customers'
- ▶ 4.2.8 for 'Due to other banks and customers and other borrowed funds'
- ▶ 4.4 for 'Impairment of financial assets'
- ▶ 4.8 for 'Recognition of income and expenses'

4.3.4 'Day 1' profit or loss

When the transaction price differs from the fair value of other observable current market transactions in the same instrument, or based on a valuation technique whose variables include only data from observable markets, the Bank immediately recognises the difference between the transaction price and fair value (a 'Day 1' profit or loss) in 'Net gain from dealing in foreign currencies'. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognised in the income statement when the inputs become observable, or when the instrument is derecognised.

4.3.5 *Available for sale financial investments*

Available for sale investments include equity securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated at fair value through profit or loss.

The Bank has not designated any loans or receivables as available for sale.

After initial measurement, available for sale financial investments are subsequently measured at fair value.

Unrealised gains and losses are recognized directly in equity (Other comprehensive income) in the 'Available-for-sale reserve'. When the investment is disposed of, the cumulative gain or loss previously recognized in equity is recognized in the income statement in 'Other operating income'. Where the Bank holds more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. Dividends earned while holding available-for-sale financial investments are recognized in the income statement as 'Other operating income' when the right of the payment has been established. The losses arising from impairment of such investments are recognized in the income statement in 'Impairment losses on financial investments' and removed from the 'Available-for-sale reserve'.

4.3.6 *Held-to-maturity financial investments*

Held-to-maturity financial investments are non-derivative financial assets with fixed or determinable payments and fixed maturities, which the Bank has the intention and ability to hold to maturity. After initial measurement, held-to-maturity financial investments are subsequently measured at amortized cost using the EIR. Periodically, held-to-maturity securities are subject to review for impairment. Allowance for impairment of these securities is made when there has been a significant or prolonged decline in the fair value below their cost. The losses arising from impairment of such investments are recognized in the income statement line 'Impairment loss expense'.

If the Bank were to sell or reclassify more than an insignificant amount of held-to-maturity investments before maturity (other than in certain specific circumstances), the entire category would be tainted and would have to be reclassified as available-for-sale. Furthermore, the Bank would be prohibited from classifying any financial asset as held-to-maturity during the following two years.

4.3.7 *Due from banks and loans and advances to customers*

'Due from Banks' and 'Loans and advances to customers' and 'Held to maturity securities' include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- ▶ Those that the Bank intends to sell immediately or in the near term and those that the Bank, upon initial recognition, designates as at fair value through profit or loss;
- ▶ Those that the Bank, upon initial recognition, designates as available-for-sale;
- ▶ Those for which the Bank may not recover substantially all of its initial investment, other than because of credit deterioration.

After initial measurement, amounts 'Due from Banks' and 'Loans and advances to customers' and 'Held to maturity securities' are subsequently measured at amortized cost using the EIR methodology, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. Therefore, the Bank recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of the loan, hence, recognising the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (prepayments, penalty interest and charges).

If expectations are revised the adjustment is booked a positive or negative adjustment to the carrying amount in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest and similar income in the income statement.

The Bank may enter into certain lending commitments where the loan, on drawdown, is expected to be classified as held-for-trading because the intent is to sell the loans in the short term. These commitments to lend are recorded as derivatives and measured at fair value through profit or loss.

Where the loan, on drawdown, is expected to be retained by the Bank, and not sold in the short term, the commitment is recorded only when it is an onerous contract that is likely to give rise to a loss (for example, due to a counterparty credit event).

4.3.8 *Due to other banks and customers and other borrowed funds*

"Due to other banks and customers and other borrowed funds" include arrangements where the substance of the contractual arrangements result in the Bank having an obligation either to deliver cash or another financial asset to the holder.

After initial measurement, "Due to other banks and customers and other borrowed funds" are subsequently measured at amortised cost using the EIR. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR.

4.3.9 *Reclassification of financial assets*

The Bank was permitted to reclassify, in certain circumstances, non-derivative financial assets out of the 'Held-for-trading' category and into the 'Available-for-sale', 'Loans and receivables', or 'Held-to-maturity' categories. From this date it was also permitted to reclassify, in certain circumstances, financial instruments out of the 'Available-for-sale' category and into the 'Loans and receivables' category. Reclassifications are recorded at fair value at the date of reclassification, which becomes the new amortized cost.

For a financial asset reclassified out of the 'Available-for-sale' category, any previous gain or loss on that asset that has been recognized in equity is amortized to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortized cost and the expected cash flows is also amortized over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired then the amount recorded in equity is recycled to the income statement.

In rare circumstances, the Bank may reclassify a non-derivative trading asset out of the 'Held-for-trading' category and into the 'Loans and receivables' category if it meets the definition of loans and receivables and the Bank has the intention and ability to hold the financial asset for the foreseeable future or until maturity. If a financial asset is reclassified, and if the Bank subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognized as an adjustment to the EIR from the date of the change in estimate.

Reclassification is at the election of management, and is determined on an instrument by instrument basis.

4.4 *De-recognition of financial assets and financial liabilities*

4.4.1 *Financial assets*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired. The Bank also derecognises the assets if it has both transferred the asset, and the transfer qualifies for derecognition.

The Bank has transferred the asset if, and only if, either:

- ▶ The Bank has transferred its contractual rights to receive cash flows from the asset or
- ▶ It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions when the Bank retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when certain conditions are met. As at 31 December 2024, the Bank does not have financial assets which are subject to such arrangements.

A transfer only qualifies for derecognition if either:

- ▶ The Bank has transferred substantially all the risks and rewards of the asset or
- ▶ The Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

4.4.1 *Financial assets (continued)*

In relation to the above, the Bank considers the control to be transferred if, and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Bank's continuing involvement in the asset. In that case, the Bank also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

The Bank also derecognises a financial asset, in particular, a loan to customer when the terms and conditions have been renegotiated to the extent that it substantially became a new loan, with the difference recognised as an impairment in the income statement.

4.4.2 *Financial liabilities*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

4.5 *Impairment of financial assets*

The Bank assesses at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include: indications that the borrower or a group of borrowers is experiencing significant financial difficulty; the probability that they will enter bankruptcy or other financial reorganization; default or delinquency in interest or principal payments; and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

4.5.1 *Financial assets carried at amortized cost*

Specific impairment losses

For financial assets carried at amortised cost (such as amounts due from banks, loans and advances to customers), the Bank first assesses whether objective evidence of impairment exists for financial assets that are individually significant or are already under specific work out by management.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in credit loss expense in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of interest and similar income.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Bank. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to income.

The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR. If the Bank has reclassified trading assets to loans and advances, the discount rate for measuring any impairment loss is the new EIR determined at the reclassification date.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

Collective impairment model

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics that are indicative of the debtors' ability to pay all amounts due according to the contractual terms (for example, on the basis of a credit risk evaluation or grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors).

Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

4.5.1 *Financial assets carried at amortized cost (continued)*

Estimates of changes in future cash flows reflect and are directionally consistent with changes in related observable data from period to period (such as changes in unemployment rates, personal indebtedness, collateral values including property prices for mortgages, commodity prices, payment status or other factors that are indicative of incurred losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

4.5.2 *Impairment of available for sale investments*

The Bank records impairment charges on available for sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Bank evaluates, among other factors, historical share price movements and duration and extent to which the fair value of an investment is less than its cost.

4.5.3 *Collateral valuation*

The Bank seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The fair value of collateral is generally assessed at a minimum, at inception and based on the Bank's annually reporting schedule.

To the extent possible, the Bank uses active market data for valuing financial assets, held as collateral. Other financial assets which do not have a readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, housing price indices, audited financial statements, and other independent sources.

4.5.4 *Collateral repossessed*

The Bank's policy is to determine whether a repossessed asset is best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets that are determined better to be sold, are immediately transferred to assets held for sale at their fair value at the repossession date in line with the Bank's policy.

4.6 *Offsetting financial instruments*

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial positions if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

4.7 *Investment in associates and joint ventures*

The Bank has interests in associates, which the Bank has significant influence but not control or joint control. Investments in associates are initial accounted at cost and subsequent measured using the equity method.

The Bank has interests in joint ventures, which are jointly controlled entities, whereby the ventures have a contractual arrangement that establishes joint control over the economic activities of the entities. The arrangement requires unanimous agreement for financial and operating decisions among the ventures. Investments in joint ventures are initial accounted at cost and subsequent measured using the equity method.

As at 31 December 2024, Lao Viet Joint Venture Bank (LVB) has number of loans to customers which it received the approval from Bank of Lao PDR via the official letter dated 16 February 2024. This approval allows LVB to keep those loans classified at Normal or Special Mention group and records accrued interest income.

Under the equity method, the investment in a joint venture or associate is initially recognized at cost in the statement of financial position plus any adjustment to the net assets relatively to the percentage of the Bank's investment in the joint ventures or associate afterwards.

The Bank's share of profit of a joint venture or associate is shown on the face of the income statement. This is the profit attributable to equity holders of the joint venture or associate and, therefore, is profit after tax and non-controlling interest in the subsidiaries of the joint venture.

After application of the equity method, the Bank will determine whether it is necessary to recognize an additional impairment loss of the investments in its joint ventures and associates. The Bank determines at each reporting date whether there is objective evidence of impairment that the investment in the joint ventures and associates is impaired. In that circumstance, the Bank will calculate the amount of impairment as the difference between the recoverable amount and carrying value of the investments in the joint ventures and associates and recognize the difference in the income statement.

4.8 *Recognition of income and expense*

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

4.8.1 *Interest and similar income and expense*

For all financial instruments measured at amortized cost, interest-bearing financial assets classified as available-for-sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the EIR. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

When the recorded value of a financial asset or a group of similar financial assets has been reduced by an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

4.8.2 *Fees and commission income*

The Bank earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services. The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. The Bank's revenue contracts do not typically include multiple performance obligations, as explained further in 4.8.2.1 and 4.8.2.2 below. When the Bank provides a service to its customers, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time (unless otherwise specified in 4.8.2.1 and 4.8.2.2 below). The Bank has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

4.8.2.1 *Fee and commission income from services where performance obligations are satisfied over time*

Performance obligations satisfied over time include asset management, custody and other services, where the customer simultaneously receives and consumes the benefits provided by the Bank's performance as the Bank performs.

4.8.2.2 *Fee and commission income from providing services where performance obligations are satisfied at a point in time*

Services provided where the Bank's performance obligations are satisfied at a point in time are recognized once control of the services is transferred to the customer. This is typically on completion of the underlying transaction or service or, for fees or components of fees that are linked to a certain performance, after fulfilling the corresponding performance criteria. These include fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement/participation or negotiation of the acquisition of shares or other securities, or the purchase or sale of businesses, brokerage and underwriting fees.

4.8.3 *Dividend income*

Dividend income is recognized when the Bank's right to receive the payment is established.

4.8.4 *Net trading income*

Results arising from trading activities include all gains and losses from changes in fair value and related interest income or expense and dividends for financial assets and financial liabilities 'held for trading'. This includes any ineffectiveness recorded in hedging transactions.

4.9 *Cash and cash equivalents*

Cash and cash equivalents as referred to in the statement of cash flows comprise cash on hand, non-restricted current accounts with the BOL and amounts due from banks on demand or with an original maturity of three months or less.

4.10 Property and equipment

Property and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. The following are annual rates used:

	Depreciation rate
Buildings & improvements	5%
Office equipment	20%
Furniture & fixtures	10-20%
Motor vehicles	20%

Property and equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in 'Other operating income' in the income statement in the period the asset is derecognized.

4.11 Intangible assets

The Bank's other intangible assets include the value of land use rights and software.

An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Bank.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and they are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.

Amortization is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

	Depreciation rate
Land use rights (*)	No amortization
Software	20%

(*): Cost of land use rights is not amortized as they have indefinite life.

4.12 *Impairment of non-financial assets*

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit (CGU)'s fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Bank estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement.

4.13 *Financial guarantees*

In the ordinary course of business, the Bank issues financial guarantees, consisting of letters of credit, guarantees and acceptances. Financial guarantees are initially recognized in the financial statements (within 'Other liabilities') at fair value, being the premium received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the income statement, and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee.

Any increase in the liability relating to financial guarantees is recorded in the income statement in 'Credit loss expense'. The premium received is recognized in the income statement in 'Net fees and commission income' on a straight line basis over the life of the guarantee.

4.14 *Employee benefits*

Post-employment benefits

Post-employment benefits are paid to retired employees of the Bank at the time of retirement by the amount equal to (Latest Basic Salary + Wage + 25% of allowance (If have) + 25% of other benefits) x 1,5 x working years.

The fund for Post-employment benefits come from:

- (i) the retirement reserve contributed by the employees, for which the Bank withholds a certain monthly amount from employees' salary (5,5%) of the amount (Equal to Basic Salary + Wage + 25% of allowance + 25% of other benefits);
- (ii) and the Bank contribution by monthly, which is equal to 6% of the amount (Equal to Basic Salary + Wage + 25% of allowance + 25% of other benefits).

4.14 *Employee benefits (continued)*

Post-employment benefits (continued)

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Bank recognises the following changes in the net defined benefit obligation under 'Personnel expenses' in the statement of profit or loss:

- ▶ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements, and
- ▶ Net interest expense or income

Termination benefits

In accordance with Article 82 of the Amended Labour Law No. 43/NA approved by the President of the Lao People's Democratic Republic on 28 January 2014, the Bank has the obligation to pay allowance for employees who are terminated by dismissal in the following cases:

- ▶ The worker lacks specialised skills or is not in good health and thus cannot continue to work;
- ▶ The employer considers it necessary to reduce the number of workers in order to improve the work within the labour unit.

For the termination of an employment contract on any of the above-mentioned grounds, the employer must pay a termination allowance which is calculated on the basis of 10% of the basic monthly salary earned before the termination of work. As at 31 December 2024, there is no employees of the Bank who were dismissed under the above-mentioned grounds, therefore the Bank has not made a provision for termination allowance in the financial statements.

4.15 *Provisions*

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Bank determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the income statement net of any reimbursement in other operating expenses.

4.16 *Profit tax*

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Bank operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognised as income tax benefits or expenses in the income statement except for tax related to the fair value remeasurement of available-for-sale assets, foreign exchange differences and the net movement on cash flow hedges, which are charged or credited to OCI. These exceptions are subsequently reclassified from OCI to the income statement together with the respective deferred loss or gain. The Bank also recognises the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity.

The Bank only off-sets its deferred tax assets against liabilities when there is both a legal right to offset and it is the Bank's intention to settle on a net basis.

4.17 *Fiduciary assets*

The Bank provides trust and other fiduciary services that result in the holding or investing of assets on behalf of its clients. Assets held in a fiduciary capacity are not reported in the financial statements, as they are not the assets of the Bank.

4.18 *Equity reserves*

The reserves recorded in equity on the Bank's statement of financial position include:

- Statutory reserves which are created in accordance with prevailing regulations of Lao PDR, as stated in Note 30.

4.19 *Standards issued but not yet effective*

New and amended standards and interpretations that are issued but not yet effective are being assessed by the Bank to determine the impact on the financial statements. As explained above, this would include standards and amendments that would already be effective based on the new standard or amendment, but the local endorsement is still in progress or has resulted in a later effective date.

4.19.1 *IFRS 18 Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. There are specific presentation requirements and options for entities, such as Good Bank, that have specified main business activities (either providing finance to customers or investing in specific type of assets, or both).

It also requires disclosure of newly defined management-defined performance measures, which are subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

Narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Bank is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Bank's financial statements requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Bank's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Bank's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

5.1 *Going concern*

The Bank's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

5.2 *Effective Interest Rate method*

The Bank's EIR methodology, as explained in Note 4.3.3 recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans and deposits and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to other fee income/expense that are integral parts of the instrument.

5.3 *Impairment losses on loans and advances*

The Bank reviews its individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in the income statement.

The Bank's impairment methodology for assets carried at amortised cost results in the recording of provisions for:

- ▶ Specific impairment losses on individually significant or specifically identified exposures;
- ▶ Collective impairment.

The detailed approach for each category is further explained in Note 4.5.1 All categories include an element of management's judgement, in particular for the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses. These estimates are driven by a number of factors, the changing of which can result in different levels of allowances.

5.4 *Impairment of available-for-sale investments*

The Bank reviews its debt securities classified as available-for-sale investments at each reporting date to assess whether they are impaired as explained in Note 4.5.2.

This assessment, including estimated future cash flows and other inputs in to the discounted cash flow model and in the case of equity instruments, the interpretation of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Bank evaluates, among other factors, historical share price movements, and the duration and extent to which the fair value of an investment is less than its cost.

5.5 *Deferred tax assets*

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. Judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax-planning strategies.

6. NET INTEREST AND SIMILAR INCOME

	2024 LAKm	2023 LAKm
Interest income calculated using the effective interest method from:		
Lending to customers	4,032,517	3,118,426
Deposits at other banks	1,055,998	461,111
Others		
- Held-to-maturity securities	1,261,158	420,810
	6,349,673	4,000,347
Interest expense calculated using the effective interest method for:		
Due to banks	(362,284)	(249,531)
Customer deposits	(2,335,105)	(2,012,627)
	(2,697,389)	(2,262,158)
Net interest and similar income	3,652,284	1,738,189

7. NET FEE AND COMMISSION INCOME

	2024 LAKm	2023 LAKm
Fee and commission income from:		
Settlement services	833,063	582,628
Credit activities	746,710	14,963
Other activities	117,524	327,442
	1,697,297	925,033
Fee and commission expense for:		
Settlement services	(195,239)	(110,122)
Treasury activities	(671,074)	(261,705)
	(866,313)	(371,827)
Net fee and commission income	830,984	553,206

8. NET GAIN FROM DEALING IN FOREIGN CURRENCIES

	2024 LAKm	2023 LAKm
Gains from dealing in foreign currencies	17,885,179	15,392,519
Losses from dealing in foreign currencies	(17,641,098)	(15,001,593)
	244,081	390,926

9. OTHER OPERATING INCOME

	2024 LAKm	2023 LAKm
Recovery of bad debts written-off	460,642	429,990
Dividend income	-	1,918
Others	45,874	14,049
	506,516	445,957

10. IMPAIRMENT LOSSES OF FINANCIAL INVESTMENTS

	2024 LAKm	2023 LAKm
Impairment loss for Available-for-sale investments	(7,287)	(2,301)
	(7,287)	(2,301)

11. PERSONNEL EXPENSES

	2024 LAKm	2023 LAKm
Salary and wages	233,754	179,493
Allowances and other staff benefits	247,704	169,167
Post-employment benefits	106,360	45,643
Per diem	5,909	5,057
Training expenses	1,421	174
	595,148	399,534

12. OTHER OPERATING EXPENSES

	2024 LAKm	2023 LAKm
Repair and maintenance	43,420	32,774
Stationery and office materials	30,680	25,531
Training, meeting and seminar	24,696	18,553
Utilities	15,016	12,817
Telecommunication	14,480	9,466
Insurance expense	8,676	9,416
Publication, marketing and promotion	11,367	9,037
Office rental	8,180	6,759
Fuel expense	6,325	5,712
Audit fee	1,125	1,064
Consulting and financial service fees	514	645
Tax and other duties	3,308	1,406
Interest expense on lease liabilities	1,698	757
Deposit Insurance paid to Depositor Protection Fund	117,244	90,619
Others	35,878	70,415
	322,607	294,971

13. CASH AND BALANCES WITH THE BANK OF LAO PDR

	31 December 2024 LAKm	31 December 2023 LAKm
Cash on hand in LAK	2,415,523	2,343,586
Cash on hand in foreign currencies ("FC")	2,907,950	2,827,492
Balances with the BOL:		
- Demand deposit	10,367,826	15,450,480
- Compulsory deposit (*)	9,600,243	6,228,255
- Term deposit (**)	7,427,163	4,834,330
	32,718,705	31,684,143

Balances with the BOL include settlement and compulsory. These balances earn no interest.

(*) Under regulations of the BOL, the Bank is required to maintain certain reserves with the BOL in the form of compulsory deposits, which are computed at 8.00% for LAK and 11.00% for foreign currencies (2023: 8.00% for LAK and 10.00% for foreign currencies), on a bi-monthly basis, of customer deposits having original maturities of less than 12 months. During the period, the Bank maintained its compulsory deposits in compliance with the requirements by the BOL.

(**) Details of term deposits with Bank of the Lao PDR by maturity date are as follows:

	31 December 2024 LAKm	31 December 2023 LAKm
Less than 1 month	-	1,000,142
3 to 6 months	4,769,890	1,916,475
6 to 9 months	1,262,003	1,277,829
9 to 12 months	1,395,270	639,884
	7,427,163	4,834,330

13. CASH AND BALANCES WITH THE BANK OF LAO PDR (continued)

Details of term deposits with Bank of the Lao PDR by interest rate are as follows:

	2024 % per annum	2023 % per annum
Less than 1 month	-	0.74
3 to 6 months	0.10 - 4.50	2.04
6 to 9 months	2.59	2.59
9 to 12 months	3.14 - 5.00	3.14

14. DUE FROM BANKS

	31 December 2024 LAKm	31 December 2023 LAKm
Demand and saving accounts	11,345,576	11,804,977
- In LAK	144	10,945
- In foreign currencies	11,345,432	11,794,032
Term deposits	9,166,939	10,159,378
- In LAK	3,686,919	4,198,037
- In foreign currencies	5,480,020	5,961,341
	20,512,515	21,964,355

Interest rates for amounts due from other banks during the year are as follows:

	2024 % per annum	2023 % per annum
Demand deposits	0.07 - 3.30	0.15 - 1.20
Saving deposits	0.10 - 2.16	0.07 - 2.16
Term deposits	4.30 - 13.00	0.15 - 7.70

15. LOANS TO CUSTOMERS

	31 December 2024 LAKm	31 December 2023 LAKm
Gross loans	62,162,622	55,580,276
Less: Allowance for impairment losses	(2,220,822)	(1,687,920)
	59,941,800	53,892,356

Interest rates for commercial loans during the year are as follows:

	2024 % per annum	2023 % per annum
Loans denominated in LAK	3.00 - 17.00	3.00 - 17.00
Loans denominated in USD	5.80 - 16.00	5.80 - 16.00
Loans denominated in THB	6.00 - 9.25	6.00 - 11.50

15. LOANS TO CUSTOMERS (continued)

Analysis of loan portfolio by currency

	31 December 2024 LAKm (*)	31 December 2023 LAKm (*)
Loans denominated in LAK	22,106,133	19,153,975
Loans denominated in USD	29,869,645	30,272,378
Loans denominated in THB	10,186,844	6,153,923
	62,162,622	55,580,276

(*) The analysis figures are at amortized.

Analysis of loan portfolio by original maturity:

	31 December 2024 LAKm (*)	31 December 2023 LAKm (*)
Short-term loans	7,782,836	4,048,836
Medium-term loans	38,267,013	36,502,379
Long-term loans	16,112,773	15,029,061
	62,162,622	55,580,276

(*) the analysis figures are as at amortized cost.

Analysis of loan portfolio by type of industrial sectors:

	31 December 2024 (*)		31 December 2023(*)	
	LAKm	%	LAKm	%
Industrial services companies	37,341,192	60.07	31,581,226	56.82
Construction companies	6,389,390	10.28	6,766,094	12.17
Technical instruments enterprises	1,710,799	2.75	1,083,309	1.95
Agricultural and forestry	512,125	0.82	250,749	0.45
Trading companies	9,425,757	15.16	6,929,002	12.47
Transportation companies	230,923	0.37	2,230,823	4.01
Services companies	5,333,145	8.58	5,949,430	10.70
Handicrafts	11,624	0.02	138,520	0.25
Other loans	1,207,667	1.94	651,123	1.17
	62,162,622	100	55,580,276	100

(*) the analysis figures are as at amortized cost.

16. ALLOWANCE FOR IMPAIRMENT LOSSES

Changes in the allowance for impairment losses of loans to customers during the year ended 31 December 2024 are as follows:

	<i>Allowance for impairment of loans to customers LAKm</i>
Balance as at 1 January 2024	1,687,920
Net change during the year	3,553,571
Non-performing loans written-off	(3,037,234)
Foreign exchange differences	16,565
Balance as at 31 December 2024	2,220,822

16. ALLOWANCE FOR IMPAIRMENT LOSSES (continued)

Breakdown of allowance for impairment losses of loans to customers as at 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024		31 December 2023	
	<i>Outstanding balance (*) LAKm</i>	<i>Impairment LAKm</i>	<i>Outstanding balance (*) LAKm</i>	<i>Impairment LAKm</i>
Individually impaired	23,896,043	1,837,770	6,484,088	1,388,525
Collectively impaired	38,266,579	383,052	49,096,188	299,395
	62,162,622	2,220,822	55,580,276	1,687,920

(*) The analysis figures are at amortized cost.

17. FINANCIAL INVESTMENTS - AVAILABLE-FOR-SALE

	31 December 2024 LAKm	31 December 2023 LAKm
Listed shares of EDL-Generation Public Company (*)	80,535	87,822
	80,535	87,822

(*) As at 31 December 2024, the shares have been impaired by an amount of LAKm 100,669 below its cost of LAKm 181,204.

18. FINANCIAL INVESTMENTS - HELD-TO-MATURITY

	31 December 2024 LAKm	31 December 2023 LAKm
Amortized cost of Bonds issued by the Ministry of Finance (*)	9,849,870	6,611,379
Amortized cost of Treasury bills issued by the Ministry of Finance	5,853,010	4,258,674
Amortized cost of Bonds issued by bank of Lao PDR	9,298,819	4,228,042
	25,001,699	15,098,095

(*) These balances include bonds totaling USD 9,900,000 which has been extended for an additional one (1) year in accordance with the official letter from Ministry of Finance no. 2243/MOF dated 30 December 2024.

18.1 Treasury bills issued by the Ministry of Finance

Details of the treasury bills as at 31 December 2024 are as follows:

Term	Issue date	Maturity date	CCY	Face value LAKm	Amortized cost LAKm	Interest rate % per annum (nominal)
1 year	28-Mar-2024	28-Mar-2025	LAK	95,748	99,949	5.80
1 year	28-Mar-2024	28-Mar-2025	USD	1,929,831	2,002,895	5.00
1 year	19-Sep-2024	19-Sep-2025	THB	1,869,000	1,894,911	5.00
1 year	3-Jul-2024	3-Jul-2025	THB	1,246,000	1,276,514	5.00
1 year	24-Dec-2024	24-Dec-2025	CNY	578,200	578,741	5.00
				5,718,779	5,853,010	

19. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Investment in associates and joint ventures - equity method:

	BCEL – Krung Thai Securities Company Limited	Lao Viet Joint Venture Bank	Banque Franco - Lao Limited	Lao China Bank Company Limited	Lao-Viet Insurance Joint Venture Company	Lao National Payment Network Company Limited	Lao Foreign Exchange Company Limited	Total	Unit: LAKm
As at 1 January 2024	79,765	268,772	175,985	196,536	16,452	9,713	-	747,223	
Additional investment	-	-	-	6,265	1,332	-	2,000	9,597	
Net share of profit in the year under equity method	5,891	12,715	16,078	11,797	5,036	5,814	87	57,418	
Less:	(4,140)	-	-	(11,268)	(4,842)	-	-	(20,250)	
Net dividends received during the year									
As at 31 December 2024	81,516	281,487	192,063	203,330	17,978	15,527	2,087	793,988	

Investment in associates and joint ventures - percentage of ownership are as follows:

	31 December 2024		31 December 2023	
	Book value LAKm	Ownership %	Book value LAKm	Ownership %
Investment in associates and joint ventures				
BCEL - Krung Thai Securities Company Limited	70,000	70%	70,000	70%
Lao Viet Joint Venture Bank	197,839	25%	197,839	25%
Banque Franco - Lao Limited	150,000	30%	150,000	30%
Lao-Viet Insurance Joint Venture Company	10,500	35%	9,168	35%
Lao China Bank Company Limited	157,723	31.35%	151,458	39.87%
Lao National Payment Network Company Limited	6,800	20%	6,800	20%
Lao Foreign Exchange Company Limited	2,000	10%	-	-
	594,862		585,265	

19. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

- Lao Foreign Exchange Company Limited (LFX) was established in the Lao PDR under Business License No. 4016, granted by the Department of Enterprise Registration and Management of the Ministry of Industry and Commerce on 22 October 2024. The company provides financial services and is a collaboration among the Bank of Lao PDR, Agriculture Promotion Bank, ST Bank, ICBC Lao, Lao Viet Joint Venture Bank, Lao Development Bank, Indochina Bank, Banque Franco - Lao Limited, Joint Development Bank, Phongsavanh Bank, and Maruhan Japan Bank Lao. The legal capital is LAKm 20,000. As of 31 December 2024, the total contributed capital from the Bank to this company was LAKm 2,000.

20. PROPERTY AND EQUIPMENT AND TANGIBLE ASSETS

20.1 Construction in progress

Movement of construction in progress and fixed assets in transit for year ended 31 December 2024 is as follows:

	<i>Total LAKm</i>
As at 1 January 2024	171,204
Additions	208,532
Transferred to fixed assets	(152,694)
As at 31 December 2024	227,042

20.2 Property and equipment

Movements of property and equipment for year ended 31 December 2024 are as follows:

	<i>Buildings & improvements LAKm</i>	<i>Office equipment LAKm</i>	<i>Furniture & fixtures LAKm</i>	<i>Motor vehicles LAKm</i>	<i>Total LAKm</i>
Cost:					
As at 1 January 2024	556,973	303,787	36,680	25,365	922,805
Additions	2,643	19,675	1,908	3,356	27,582
Transferred from CIP and fixed assets in transit	17,621	108,038	-	18,084	143,743
Written off	(794)	(641)	(285)	-	(1,720)
As at 31 December 2024	576,443	430,859	38,303	46,805	1,092,410
Accumulated depreciation:					
As at 1 January 2024	264,090	213,940	28,440	19,435	525,905
Charge for the year	31,693	51,932	3,354	3,977	90,956
Written off	(794)	(607)	(285)	-	(1,686)
As at 31 December 2024	294,989	265,265	31,509	23,412	615,175
Net book value:					
As at 1 January 2024	292,883	89,847	8,240	5,930	396,900
As at 31 December 2024	281,454	165,594	6,794	23,393	477,235

21. INTANGIBLE ASSETS

Movements of intangible assets for year ended 31 December 2024 are as follows:

	<i>Land use rights LAKm</i>	<i>Software LAKm</i>	<i>Total LAKm</i>
Cost:			
As at 1 January 2024	289,324	68,002	357,326
Transferred from CIP and fixed assets in transit	-	8,951	8,951
Reclassified	(850)	-	(850)
As at 31 December 2024	288,474	76,953	365,427
Accumulated amortization:			
As at 1 January 2024	-	35,592	35,592
Charge for the year	-	13,322	13,322
As at 31 December 2024	-	48,914	48,914
Net book value:			
As at 1 January 2024	289,324	32,410	321,734
As at 31 December 2024	288,474	28,039	316,513

22. RIGHT-OF-USE ASSETS

Movements of the balance of right-of-used assets during the year are as follows:

	<i>Total LAKm</i>
Cost:	
As at 1 January 2024	87,995
Additions	32,730
Written off	(2,780)
As at 31 December 2024	117,945
Accumulated amortization:	
As at 1 January 2024	34,495
Charge for the year	13,881
Written off	(2,497)
As at 31 December 2024	45,879
Net book value:	
As at 1 January 2024	53,500
As at 31 December 2024	72,066

22. RIGHT-OF-USE ASSETS (continued)

Lease liability

Set out below are the carrying amounts of lease liability and the movements during the year:

	<i>31 December 2024</i> <i>LAKm</i>
As at 1 January 2024	29,285
Additional	30,758
Accrue interest	1,698
Payments	(24,894)
Foreign currency difference	10,212
As at 31 December 2024	47,059

23. OTHER ASSETS

	<i>31 December 2024</i> <i>LAKm</i>	<i>31 December 2023</i> <i>LAKm</i>
Assets waiting for sale (i)	1,270,177	1,459,456
Other assets awaiting account transfer or settlement (ii)	309,265	207,958
Advance for Top-up (iii)	148,386	106,637
Stationeries and other tools	35,192	32,000
Prepaid expenses to be allocated	27,949	21,130
Advance payment to suppliers	12,736	8,749
Others	19,282	77,684
	1,822,987	1,913,614

- (i) Assets waiting for sale consist of properties that have been transferred from the customers to the Bank to fulfill their loans' obligation.
- (ii) Other assets awaiting account transfer or settlement represent transactions such as interbank transfers, card transactions processed through an inter-card center, or other financial activities. These transactions have been initiated but have not yet been fully settled and reconciled between different entities, awaiting settlement with the related entities.
- (iii) Advance for Top-up represent a payment made in advance for the purchase of a telephone network's call value for the purpose of providing a top-up service to the Bank's customers.

24. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	31 December 2024 LAKm	31 December 2023 LAKm
Demand deposits	5,132,985	8,139,312
- In LAK	1,673,971	2,554,055
- In foreign currencies	3,459,014	5,585,257
Saving deposits	264,995	400,856
- In LAK	133,878	154,788
- In foreign currencies	131,117	246,068
Term deposits	672,419	882,819
- In LAK	202,229	202,170
- In foreign currencies	470,190	680,649
Others	127,729	40,130
- In LAK	85,376	40,130
- In foreign currencies	42,353	-
	6,198,128	9,463,117

Interest rates for deposits from other banks and financial institutions during the year are as follows:

	2024 % per annum	2023 % per annum
Demand deposits	No interest	No interest
Saving deposits	0.00 - 1.25	No interest
Term deposits	1.15 - 6.00	0.56 - 6.65

25. DUE TO CUSTOMERS

	31 December 2024 LAKm	31 December 2023 LAKm
Demand deposits	16,286,689	16,773,450
Demand deposits in LAK	5,319,700	4,990,191
Demand deposits in FC	10,966,989	11,783,259
Saving Deposits	74,275,298	59,833,533
Demand saving deposits in LAK	27,378,425	23,185,552
Demand saving deposits in FC	46,896,873	36,647,981
Fixed term deposits	36,283,976	32,279,286
Fixed term deposits in LAK	10,820,412	9,323,976
Fixed term deposits in FC	25,463,564	22,955,310
Margin deposits	219,425	210,254
Margin deposits in LAK	45,068	32,218
Margin deposits in FC	174,357	178,036
Others	523,889	375,194
	127,589,277	109,471,717

The interest rates during the year for these deposits are as follows:

	2024 % per annum	2023 % per annum
Demand deposits	No interest	No interest
Saving deposits in LAK	1.25 - 1.60	1.25 - 1.89
Saving deposits in USD	0.60 - 1.00	0.90 - 1.15
Saving deposits in THB	0.45 - 0.55	0.45 - 0.70
Margin deposit	No Interest	No Interest
Term deposits in LAK	3.16 - 10.05	3.16 - 12.15
Term deposits in USD	1.35 - 7.00	1.65 - 7.75
Term deposits in THB	1.10 - 7.55	1.10 - 7.75

26. BORROWINGS FROM OTHER BANKS

	31 December 2024 LAKm	31 December 2023 LAKm
Borrowings from the BOL	4,329,468	4,316,134
Other financial institutions	126,771	62,260
	4,456,239	4,378,394

Borrowings from the BOL as at 31 December 2024 include:

- ▶ USD 84,854,000 long-term borrowing (original borrowing amount was USD 100,000,000 with interest rate of 5.50% per annum) for the purpose of providing credit to certain Government-backed Hydropower projects. The loan's contract has period from 27 August 2015 to 27 August 2025. Interest is paid quarterly.
- ▶ USD 97,900,000 long-term borrowing (original borrowing amount was USD 100,000,000 with interest rate of 5.30% per annum) for the purpose of providing credit to certain Government-backed Hydropower projects. The loan's contract has period from 3 May 2016 to 3 May 2026. Interest is paid quarterly.

26. BORROWINGS FROM OTHER BANKS (continued)

Borrowing from other financial institutions as at 31 December 2024 include:

- ▶ LAK 21,000,000,000 long term borrowing (Credit line was LAK 21,00,000,000 with interest rate of 0%) for the purpose of providing credit for the enterprises, small and medium corporates that Lao own 100% to continue or expands their business. The loan principal is paid after the end of contract. This borrowing period is started from 6 December 2022 to 6 December 2033.
- ▶ LAK 30,260,000,000 long term borrowing (Credit line was LAK 30,260,000,000 with interest rate of 0%) for the purpose of providing credit for the enterprises, small and medium corporates that Lao own 100% to continue or expands their business. The loan principal is paid after the end of contract. This borrowing period is started from 13 December 2023 to 20 October 2034.
- ▶ LAK 11,000,000,000 long term borrowing (Credit line was LAK 11,000,000,000 with interest rate of 0%) for the purpose of providing credit for the enterprises, small and medium corporates that Lao own 100% to continue or expands their business. The loan principal is paid after the end of contract. This borrowing period is started from 8 December 2023 to 08 December 2034.
- ▶ LAK 64,380,000,000 long term borrowing (Credit line was LAK 64,380,000,000 with interest rate of 0%) for the purpose of providing credit for the enterprises, small and medium corporates that Lao own 100% to continue or expands their business. The loan principal is paid after the end of contract. This borrowing period is started from 29 November 2024 to 29 November 2035.

27. TAXATION

27.1 Profit tax expense

Major components of tax expense are as follows:

	2024 LAKm	2023 LAKm
Current profit tax expense	154,509	40,272
Deferred profit tax income	90,439	11,440
Total tax expense for the year	244,948	51,712

27.2 Tax payables

	31 December 2024 LAKm	31 December 2023 LAKm
Profit Tax payable	135,100	27,454
Value Added Tax payable	59,643	52,746
Personal income tax	604	261
	195,347	80,461

27.3 Current Profit Tax ("PT")

The Bank is obliged to pay profit tax at rate of 20% on total profit before tax of the year in accordance with Tax Law No.67/NA dated 18 June 2019 which is effective on or after 1 January 2020.

	2024 LAKm	2023 LAKm
Profit before tax in accordance with IFRS	694,511	283,120
Adjustment for temporally differences between IFRS-based and LAS	7,309	62,596
Profit before tax in accordance with LAS	701,820	345,716
<i>Increase/(Decrease):</i>		
- Income exempted from profit tax	(17,356,755)	(15,098,701)
- Non-deductible expenses	17,427,480	14,940,290
Taxable profit under LAS	772,545	187,305
PT expense at rate of 20%	154,509	37,461
Other adjustment	-	2,811
Current profit tax	154,509	40,272
Payable at the beginning of the year	27,454	21,907
Tax paid in the year	(46,863)	(34,725)
PT payable at the end of the year	135,100	27,454

The Bank's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations in many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

27.4 Deferred tax assets/(liabilities)

	Statement of financial position		Income statement		Statement of comprehensive income	
	2024 LAKm	2023 LAKm	2024 LAKm	2023 LAKm	2024 LAKm	2023 LAKm
Deferred tax assets	226,165	140,398	75,237	18,783	10,530	-
Deferred tax liabilities	(203,260)	(37,585)	(165,676)	(30,223)	-	(2,267)
Deferred tax assets, net	22,905	102,813				
Net deferred tax charged to the income statement			(90,439)	(11,440)		
Net deferred tax credited to the statement of comprehensive income					10,530	(2,267)

Details of the deferred tax assets and deferred tax liabilities are as follows:

	31 December 2024 LAKm	31 December 2023 LAKm
Deductible temporary differences	1,130,823	701,991
<i>In which:</i>		
<i>Difference between carrying value of term deposit at other banks</i>	7,025	-
<i>Difference between carrying value of investments under LAS and their amortized cost under special purpose framework</i>	-	10,795
<i>Difference between carrying value of loan to customer under LAS and their amortized cost under special purpose framework</i>	-	225,775
<i>Difference in impairment expense of investments under LAS and under special purpose framework</i>	1,082,481	452,640
<i>Difference in allowance for post-employment benefits under LAS and under special purpose framework</i>	41,317	12,781
Deferred tax assets (at tax rate 20%)	226,165	140,398
Taxable temporary differences	(1,016,303)	(187,925)
<i>In which:</i>		
<i>Difference between carrying value of loan to customer under LAS and their amortized cost under special purpose framework</i>	(781,370)	-
<i>Difference between carrying value of investments under LAS and their amortized cost under special purpose framework</i>	(5,285)	-
<i>Difference in recognition in equity instrument between tax base and accounting base</i>	(199,126)	(187,925)
<i>Difference between carrying value of due to customer under LAS and their amortized cost under special purpose framework</i>	(30,522)	-
Deferred tax liabilities (at tax rate 20%)	(203,260)	(37,585)

28. OTHER LIABILITIES

	31 December 2024 LAKm	31 December 2023 LAKm
Items waiting to settlement (i)	277,305	250,712
Defined post-employment benefit plan (ii)	127,555	63,216
Payables to employees	83,311	34,357
Payable to suppliers	63,246	34,354
Others	27,733	50,482
	579,150	433,121

(i) Other liabilities awaiting account transfer or settlement represent transactions such as interbank transfers, card transactions processed through an inter-card center, or other financial activities. These transactions have been initiated but have not yet been fully settled and reconciled between different entities, awaiting settlement with the related entities.

(ii) Changes in defined post-employment benefit plan are as follows:

	31 December 2024 LAKm	31 December 2023 LAKm
Opening balance	63,216	75,310
Past service cost	37,603	-
Current service cost	7,226	3,146
Interest cost	6,820	4,080
Actuarial changes arising from changes in financial assumption	19,726	(11,334)
Benefits paid	(7,036)	(7,986)
Ending balance	127,555	63,216

Net benefit expense (recognised in profit or loss):

	2024 LAKm	2023 LAKm
Current service cost	7,226	3,146
Interest cost	6,820	4,080
	14,046	7,226

29. CHARTER CAPITAL

There has been no change to paid-up capital during the year ended 31 December 2024.

30. STATUTORY RESERVES AND OTHER RESERVES

	<i>Regulatory reserve fund LAKm</i>	<i>Business expansion fund LAKm</i>	<i>Total LAKm</i>
As at 1 January 2024	238,214	673,487	911,701
Appropriation to reserves for the year 2023	30,544	212,583	243,127
As at 31 December 2024	268,758	886,070	1,154,828

Under the requirement of the Law on Commercial Bank dated 16 January 2007, commercial banks are required to appropriate net profit to following reserves:

- ▶ Regulatory reserve fund
- ▶ Business expansion fund and other funds

In accordance with Article 156, Enterprise Law dated 26 December 2013, the Bank is required to appropriate 10% of profit after tax each year into regulatory reserve fund, after deducting its accumulated losses, if any. When this reserve fund reaches 50% of the registered capital, the Bank may suspend such provision, unless otherwise provided by the by laws.

The Business expansion fund and other funds shall be created upon decision of the Board of Management.

31. ADDITIONAL CASH FLOW INFORMATION

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	<i>31 December 2024 LAKm</i>	<i>31 December 2023 LAKm</i>
Cash on hand	5,323,473	5,171,078
Demand deposits with the BOL	10,367,826	15,450,480
Current accounts with other banks	11,345,576	11,804,977
Term deposits due within 3 months	6,786,792	5,166,610
	33,823,667	37,593,145

32. CONTINGENT LIABILITIES AND COMMITMENTS

	31 December 2024 LAKm	31 December 2023 LAKm
Commitments for financing given to other banks	8,729,738	8,711,150
Commitments for financing given to other banks	93,078	36,000
Bank guarantees	1,225,435	1,816,363
Collaterals and mortgages for loans	109,137,313	60,083,507
Collaterals and mortgages for guarantees given	233,394	238,279
	119,418,958	70,885,299

Letter of credit and bank guarantees

Letters of credit (including standby letters of credit) and bank guarantees commit the Bank to make payments on behalf of customers contingent upon the failure of the customer to perform under the terms of the contract. Guarantees and standby letters of credit carry the same credit risks as loans. Credit guarantees can be in the form of bills of exchange or in the form of irrevocable letters of credit, advance payment guarantees, and endorsement liabilities from bills discounted.

Un-drawn commitments to lend

Commitments to extend credit represent contractual commitments to make loans and revolving credits. Commitments generally have fixed expiry dates, or other termination clauses. Since commitments may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements.

However, the potential credit loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

Lease commitments

As at 31 December 2024, the Bank did not entered into any lease contracts as either lessor or lessee which results in future cash inflows and/or outflows.

33. RELATED PARTY DISCLOSURES (continued)

Significant transactions with related parties during the year are as follows:

<i>Related party</i>	<i>Note</i>	<i>Transactions</i>	<i>Income LAKm</i>	<i>Expense LAKm</i>
The Bank of Lao PDR	(i)	Interest expense from borrowing from BOL	248,132	216,633
		Interest income from term deposit at BOL	202,192	30,723
		Interest income from investment in BOL's bonds	276,982	42,218
The Ministry of Finance of Lao PDR	(ii)	Interest income from investment in MOF's bonds	968,095	381,768

Significant balances with related parties as at 31 December 2024 are as follows:

<i>Related party</i>	<i>Note</i>	<i>Transactions</i>	<i>Receivable LAKm</i>	<i>Payable LAKm</i>
Bank of the Lao PDR	(i)	Borrowings from the BOL	-	4,329,468
		Demand deposits at BOL	10,367,826	-
		Compulsory deposits at BOL	9,600,243	-
		Term deposits at BOL	7,427,163	-
		Investment in BOL's bond	9,298,819	-
The Ministry of Finance of Lao PDR	(ii)	Investment in MOF's bonds	15,702,881	-
BCEL - Krung Thai Securities Company Limited	(iii)	Current account	-	162
		Saving accounts	-	1,013
Lao Viet Joint Venture Bank	(iii)	Current account	1,438,312	7,406
		Term deposits	1,007,405	-
Banque Franco – Lao Company Limited	(iii)	Current account	9,071	502
Lao-Viet Insurance Joint Venture Company	(iii)	Current account	-	2,233
Lao China Bank Co., Ltd	(iii)	Current account	24,255	36,999
Lao National Payment Network Company Limited	(iii)	Current account	-	7
Lao Foreign Exchange Company Limited	(iii)	Current account	-	12,073

33. RELATED PARTY DISCLOSURES (continued)

Significant balances with other related parties as at 31 December 2023 are as follows:

<i>Related party</i>	<i>Note</i>	<i>Transactions</i>	<i>Receivable LAKm</i>	<i>Payable LAKm</i>
Bank of the Lao PDR	(i)	Borrowings from the BOL	-	4,316,134
		Demand deposits at BOL	15,450,480	-
		Compulsory deposits at BOL	6,228,256	-
		Term deposits at BOL	4,834,330	-
		Investment in BOL's bond	4,228,042	-
The Ministry of Finance of Lao PDR	(ii)	Investment in MOF's bonds	10,870,053	-
BCEL - Krung Thai Securities Company Limited	(iii)	Current account	-	2,819
		Saving accounts	-	3,062
Lao Viet Joint Venture Bank	(iii)	Current account	2,028,764	538,290
		Term deposits	913,835	-
Banque Franco – Lao Company Limited	(iii)	Current account	-	10,921
Lao-Viet Insurance Joint Venture Company	(iii)	Current account	-	869
Lao China Bank Co., Ltd	(iii)	Current account	64,907	18,203
		Term deposits	50,311	-

(i) *Direct controller*

(ii) *Direct owner*

(iii) *Joint venture*

34. EARNINGS PER SHARE

Earnings per share ("EPS") is calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Bank by the weighted average number of ordinary share outstanding during the year.

The following reflects the income and share data used in the earnings per share computation.

	<i>For year ended 31 December 2024</i>	<i>For year ended 31 December 2023</i>
Profit after tax attributable to ordinary equity holders for basic earnings (LAKm)	449,563	231,408
Weighted average number of ordinary shares for basic earnings per share (shares)	207,723,300	207,723,300
Earnings per share (LAK)	2,164	1,114

35. RISK MANAGEMENT POLICIES

Introduction

Risk is inherent in the Bank's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities.

The primary objective of the Bank in risk management is to comply with the BOL regulations. On the other hand, the Bank has recognized the importance of meeting international best practices on risk management. The Board of Directors and Board of Management, with support from an Asset and Liability Management Committee, are in process to formulate broad parameters of acceptable risk for the Bank and monitor the activities against these parameters.

The Board has appointed Asset and Liability Management Committee which has the responsibility to monitor the overall risk process within the Bank.

The Bank is exposed to credit risk, liquidity risk and market risk, the latter being subdivided into trading and non-trading risks. It is also subject to various operating risks.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. The Bank's policy is to monitor those business risks through the Bank's strategic planning process.

Risk management structure

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Asset and Liability Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk-Compliance Department is responsible for managing risk decisions and monitoring risk levels and reports to the Board of Directors.

The Bank's policy is that risk management processes throughout the Bank are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Bank's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee.

36. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value represents the amount at which an asset could be exchanged or a liability settled on an arms-length basis. As verifiable market prices are not available, market prices are not available for a significant proportion of the Bank's financial assets and liabilities, fair values, therefore, have been based on management assumptions according to the profile of the asset and liability base. In the opinion of the Bank's management, except for bonds issued by the Ministry of Finance, bonds issued by and borrowings from the BOL, the carrying amount of the financial assets and liabilities included in the statement of financial position are a reasonable estimation of their fair values. In making this assessment, the Bank's management assumes that loans are mainly held to maturity with fair values equal to the book value of loans adjusted for allowance for impairment losses.

37. EVENTS AFTER THE REPORTING DATE

There is no matter or circumstance that has arisen since 31 December 2024 that requires adjustment or disclosure in the financial statements of the Bank.

38. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST LAK AT YEAR END

	31 December 2024 LAK	31 December 2023 LAK
USD	21,481.00	20,468.00
EUR	22,520.00	22,603.00
THB	623.00	635.51
GBP	27,147.00	25,723.00
JPY	137.64	144.10
AUD	13,427.00	13,871.00
CNY	2,891.00	2,954.00

Prepared by:



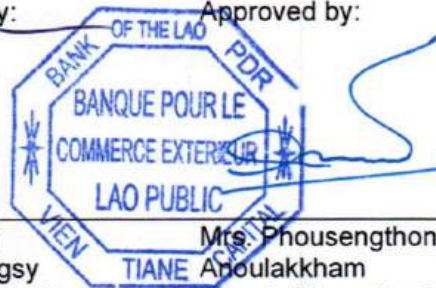
Ms. Phetsamay
Xayamoungkhoun
Deputy Chief of Accounting
Department

Approved by:



Mr. Hinhphet
Chanthalangsy
Chief of Internal
Audit Department

Approved by:



Mrs. Phousengthong
Anoulakkham
Deputy Managing Director

Vientiane, Lao PDR

31 March 2025

X. Branches and Service Units

1. Head Office and Branches

As of 31/12/2024, BCEL has 1 Head Office and 20 Branches overall the country as follows:

No.	Office Names	Address		Telephone	FAX
		Village	District		
	Head Office	Xieng Nheun	Chanthabouly	021 213200	021 213202
1	Phonhong Branch	Phonhong	Phonhong	023 212179	021 212178
2	Khammouane Branch	Chome thong	Thakhek	051 212686	051 214409
3	Savannakhet Branch	Sounantha	Khaisongphomviha n	041 212261	041 212723
4	Champasak Branch	Lakmeuang	Pakse	031 212770	031 212974
5	Luangprabang Branch	Phonphaeng	Luangprabang	071 252814	071 260598
6	Oudomxay Branch	Nawanoy	Xay	081 211260	081 211262
7	Luangnamtha Branch	Phonxay	Luangnamtha	086 211316	086 211319
8	Attapeu Branch	Phonsavang	Samakkeuxay	036 211919	036 211939
9	Vientiane Capital Branch	Thongkhamkham	Chanthabouly	021 213205	021 219765
10	Bokeo Branch	Oudom	Huayxai	084 212162	084 212170
11	Sayaburi Branch	Simeuang	Sayabouly	074 260038	074 260038
12	Xiengkhuang Branch	Phonesavanh-tai	Paek	061 213097	061 213293
13	Vangvieng Branch	Savang	Vangvieng	023 511434	023 511403
14	Bolikhamxay Branch	Phonexay-neua	Paksan	054 280112	054 790918
15	Dongdok Branch	Khamhoung	Xaythany	021 771495	021 771496
16	Huaphan Branch	Phanxay	Xamneua	064 312090	064 312178
17	Phongsaly Branch	Phonehome	Bounneua	088 210222	-
18	Xekong Branch	Maihuameuang	Lamam	038 211687	038 211689
19	Salavan Branch	KM2	Salavan	034 260016	034 212037
20	Saysettha Branch	Sibounheuang	Chanthabouly	021 844200	021 844209

2. Service Units

As of 31/12/2024, BCEL has 101 Service Units overall the country as follows:

No.	Office Names	Address and Contact				
		Supervisor	Village	District	Telephone	FAX
1	Toulakhom Service Unit	Phonhong Branch	Phonhae	Thoulakhom	023-241515	023-241516
2	Keo Udom Service Unit	Phonhong Branch	Thinkeo	Keo'Udom	023-400242	023-400241
3	Km 52 Service Unit	Phonhong Branch	Phonkham Tai	Phonhong	023-331809	023-331810
4	Xanakham Service Unit	Phonhong Branch	Sanakhaam	Sanakhaam	023-600001	023-600002
5	Gnommalath Service Unit	Khammouane Branch	Donpeuai	Gnommalath	030-620220	030-620220
6	Nongbok Service Unit	Khammouane Branch	Nongbok	Khammouane	051-270339	051-270339
7	Hin Boun Service Unit	Khammouane Branch	Khamkeo	Hinboun	051-214520	051-214520
8	Naphao Service Unit	Khammouane Branch	Langkhang	Bualapha	030 4823708	
9	Souksomboun Service Unit	Khammouane Branch	Souksavan	Thakhaek	051-214251	051-214252
10	Khounkham Service Unit	Khammouane Branch	Khounkham	Khounkham	051-214689	051-214679
11	Xebangfai Service Unit	Khammouane Branch	Khuaxe	Xebangfai	051-260144	051-260144
12	Outhoumphone Service Unit	Savannakhet Branch	Seno	Outhoum phone	041-431432	041-431433
13	Meuang Songkhone Service Unit	Savannakhet Branch	Lattanasay	Songkhone	041-530372	041-530373
14	Meuang Artsaphang thong Service Unit	Savannakhet Branch	Donghen	Artsaphang thong	041-600171	041-600172
15	Meuang Vilabuly Service Unit	Savannakhet Branch	Boungkham	Vilabuly	030 9428808	-
16	Meuang Kaisone Service Unit	Savannakhet Branch	Oudomvilay	Kaisone	041-252640	041-252641
17	Meuang Phin Service Unit	Savannakhet Branch	Pasomxay	Meuang Phin	041-259014	041-259013
18	35km Service Unit	Savannakhet Branch	Meuang Champhone PTT Station	Meuang Champhone	0304447162	-
19	Dongdamduan Service Unit	Savannakhet Branch	Dongdamduan	Kaisone	030 5285592	-
20	Laobao Border Service Unit	Savannakhet Branch	Laobao Border	Sepon	030 9851115	-
21	New Market Pakse Service Unit	Champasak Branch	Phonkoun	Pakse	031-251270	031-251270
22	Thahin Service Unit	Champasak Branch	Phatthanasa phanxay	Pakse	031-410399	031-410399
23	Paksong Service Unit	Champasak Branch	Huaybang liang	Paksong	031-211047	031-211047
24	Khong District Service Unit	Champasak Branch	Nakaxang	Khong	030 9864269	

25	Km 8 Service Unit	Champasak Branch	Huaxae	Bachiong	031-251977	031-212934
26	Sabaidee Market Service Unit	Champasak Branch	Keosamphan	Pakse	031-260246	031-260248
27	CSC Service Unit	Champasak Branch	Chatsan	Pakse	031-256262	
28	Vangtao-Xongmek Service Unit	Champasak Branch	Vangtao	Phonethong		
29	Thongchaleun Service Unit	Luangprabang Branch	Thongchaleun	Luangprabang	071-260639	071-260638
30	Phosy Market Service Unit	Luangprabang Branch	Phosy	Luangprabang	071-260728	071-260729
31	Meuang Naan Service Unit	Luangprabang Branch	Paphai	Nan	071-450277	071-450278
32	Meuang Ngoiy Service Unit	Luangprabang Branch	Nongkhiew	Ngoi	071-810111	071-810110
33	Xangkhong Service Unit	Luangprabang Branch	Xangkhong	Luangprabang	071-410151	071-410152
34	Naviengkham Service Unit	Luangprabang Branch	Naviengkham	Luangprabang	071-260884	071-260885
35	Namthouam Service Unit	Luangprabang Branch	Namthouam Tai	Nambak	071-219045	071-219046
36	Meuang Xiengngeun Service Unit	Luangprabang Branch	Pakvaed	Xiengngeun	071-450113	071-450114
37	Meuang Houn Service Unit	Oudomxay Branch	Phonsavath	Houn	081-213011	081-213010
38	Namor Service Unit	Oudomxay Branch	Huay one	Namor	081-218009	081-218008
39	Nong Mengda Service Unit	Oudomxay Branch	Nong Maengda	Xay	081-312605	081-312606
40	Pakbeng Service Unit	Oudomxay Branch	Kokkhor	Pakbeng	081-214031	081-214030
41	Boten Service Unit	Luangnamtha Branch	Bopiat	Boten	086-263009	086-263009
42	Meuang Sing Service Unit	Luangnamtha Branch	Xiengchai	Sing	086-400037	086-400037
43	Meuang Long Service Unit	Luangnamtha Branch	Chomchaeng	Long	030 5734998	086 5000011
44	Borten Dangnam Service Unit	Luangnamtha Branch	Boten	Luangnamtha		
45	Usahakham Market Service Unit	Luangnamtha Branch	Nongbauvieng	Luangnamtha	086-260017	
46	Saysettha Atp Service Unit	Attapeu Branch	Fangdaeng	Saysettha (Atp)	030 5212221	036 213111
47	Sanamxay District Service Unit	Attapeu Branch	Yai-mitsamphan	Sanamxay	030 4536438	
48	Morning Market Service Unit	Vientiane Branch	Hadsady	Chanthabuly	021-216855	021-213206
49	Sikhay Service Unit	Vientiane Branch	Sikhai	Sikhottabong	021-217901	021-217900
50	Nongduang Service Unit	Vientiane Branch	Nongduang	Sikhottabong	021-253483	021-253481
51	World Trade Center Service Unit	Vientiane Branch	Nongchan	Sisattanak	021-229120	021-229121

52	Sang Jiang Service Unit	Vientiane Branch	Wattay Noi	Sikhottabong	021-520502	021-520502
53	Vehicle Registration and Driving License Service Unit	Vientiane Branch	Phonsavath	Sikhottabong	021-670570	021-670570
54	Kokpho Market Service Unit	Vientiane Branch	Wattaiyyai	Sikhottabong	021 256271	
55	Naxaythong Service Unit	Vientiane Branch	Dongluang	Naxaythong	021-633020	021-633019
56	Xaymoungkhoun Service Unit	Vientiane Branch	Xaymoungkhoun			
57	Haynumyen Service Unit	Vientiane Branch	Haynumyen	Naxaythong	030-618848	
58	Meuang Tonpheung Service Unit	Bokeo Branch	Tonpheung	Tonpheung	084-213015	084-213015
59	Huay Xai Service Unit	Bokeo Branch		Huay Xai	084-215027	084-215027
60	Gloden Triangle Service Unit	Bokeo Branch	Golden Triangle Special Economic Zone	Tonpheung	084 212044	
61	Paklai Service Unit	Xayabouly Branch	Sisa'Ath Somphu	Sayabouly	074-550051	074-550053
62	Keinthao Service Unit	Xayabouly Branch	Chomphet	Kenthao	074-600003	074-600004
63	Hongsa Service Unit	Xayabouly Branch	Phonsa'Ath	Hongsa	074-266011	074-266012
64	Meuangphieng Service Unit	Xayabouly Branch	Viengchaleun	Meuang Phieng	074-212148	074-212149
65	Namngam Service Unit	Xiengkhouang Branch	Namngam	Paek	061-260013	061-260011
66	Meuang Kham Service Unit	Xiengkhouang Branch	Chomthong	Kham	061-263004	061-263005
67	Phonesavanh Market Service Unit	Xiengkhouang Branch	Phonsavanh Tai	Paek	061-260018	061-260020
68	Meuang khoun Service Unit	Xiengkhouang Branch	Somphon	Khoun	061-214032	061-214032
69	Xaysomboun Service Unit	Xaysomboun Branch	Phouhuaxang	Anouvong	026-210097	026-210100
70	Kasy Service Unit	Vangvieng Branch	Viengkeo	Kasy	023-700333	023-700123
71	Meuang Feuang Service Unit	Vangvieng Branch	Laokham	Meuang Feuang	023-650063	023-650023
72	Lakxao Service Unit	Bolikhamxay Branch	Km 20	Khamkeut	054-341622	054-341621
73	Thang Beng Lak 20 Service Unit	Bolikhamxay Branch	Viengkham	Pakkading	054-700013	054-700012
74	Nong Nieng Service Unit	Dongdok Branch	Nongnieng	Saysettha	021-720515	021-720516
75	NUOL Service Unit	Dongdok Branch	Dongdok	Xaythany	021-740828	021-740829
76	Tha Ngon Service Unit	Dongdok Branch	Tharsavang	Xaythany	021-752326	021-752321
77	Donenoon Service Unit	Dongdok Branch	Donenoon	Xaythany	021-740318	021-740319
78	Houayhong Service Unit	Dongdok Branch	Houayhong	Chanthabuly	021-566014	021-566015

79	Km 7 Service Unit	Dongdok Branch	Km 7	Xaythany	021-848888	021-850119
80	Dongchong Service Unit	Dongdok Branch	Dongchong	Saysettha	021-456244	021463245
81	Ban Hai Park Ngem Service Unit	Dongdok Branch	Hai	Park Ngem	030-9219580 030-9219498	
82	SDZ Service Unit	Vientiane Branch	Nano	Saysettha	0305116080	
83	Sob Bao Service Unit	Houaphan Branch	Sob Bao	Sob Bao	064-314388	064-314370
84	Meuang Sam Market Service Unit	Houaphan Branch	Nathongchong	Sam Neua	064-312116	064-312177
85	Meuang Viengxay Service Unit	Houaphan Branch	Nakai	Viengxay	064 315079	-
86	Bountai Service Unit	Phongsaly Branch	Phonthong	Bountai	088-210875	088-210875
87	Phoufa Service Unit	Phongsaly Branch	Phoufa	Phongsaly	088 210224	088 210875
88	Meuang Khoua Service Unit	Phongsaly Branch	Phonxay	Khoua	088-210944	088-210944
89	Thateng Service Unit	Xekong Branch	Huayxay	Thateng	038-210049	038-210050
90	Darkcheung Service Unit	Xekong Branch	Nonsavan	Darkcheung	038-215050	038-215050
91	Lao Ngam Service Unit	Salavan Branch	Laongam	Lao Ngam	034-300230	034-300230
92	Khongsedone Service Unit	Salavan Branch	Khong Khoum 5	Khongsedone	034-411422	034-411422
93	Saphanthong Service Unit	Saysettha Branch	Saphanthong	Sisattanak	021-417720	021-417721
94	Nonghai Service Unit	Saysettha Branch	Nonghai	Hadxayfong	021-330723	021-330722
95	Lao-Thai Bridge Service Unit	Saysettha Branch	Dongphosy	Hadxayfong	021-812041	021-812041
96	LSX Service Unit	Saysettha Branch	Phonthan Neua	Saysettha	021-265477	021-265488
97	Chomphet Service Unit	Saysettha Branch	Chomphet	Sisattanak	021-353290	021-353240
98	ITECC Service Unit	Saysettha Branch	Phonthan	Saysettha	021-419144	021-419144
99	Thanaleng Service Unit	Saysettha Branch	Thanaleng	Hadxayfong	021-832226	021-832226
100	Phonphanao Service Unit	Saysettha Branch	Phonphanao	Saysettha	030 9532940	-
101	Hong Kae Service Unit (Saysettha + Thatluang)	Saysettha Branch	Hong Kae	Saysettha	021-265885	021-265882

3. Money Changers

As of 31/12/2024, BCEL has 12 money changers as follows:

No.	Names of Service Units	Address and Contact				
		Supervisor	Village	District	Telephone	FAX
1	Chao Anouvong Money Changers	Head Office	Xieng Nheun	Chanthabuly	021 264395	021 264395
2	Wattay International Airport Money Changers	Head Office	Meuang Vathong	Sikhottabong	021 512208	021 512208
3	Lao-Thai Friendship Bridge I Money Changers	Head Office	Dongphosy	Hadxayfong	021 820488	-
4	Lao-Thai Friendship Bridge II Money Changers	Savannakhet Branch	Nakae	Kaisone Phomvihane	030 9874640	-
5	Lao-Thai Friendship Bridge III Money Changers	Khammouane Branch	Veun	Thakhek	051 620334	051 620334
6	Lao-Thai Friendship Bridge IV Money Changers	Bokeo Branch	Done	Huayxai	084 216060	-
7	Savannakhet Branch Office Money Changers	Savannakhet Branch	Sounantha	Khanthabuly	041 212261	041 212723
8	SENO Market Money Changers	Savannakhet Branch	Seno	Outhoumphone	041 431432	041 431433
9	Champasack Branch Office Money Changers	Champasack Branch	Phatthanalak meuang	Pakse	031 213676	031 213676
10	Luangnamtha Branch Office Money Changers	Luangnamtha				
11	VangVieng Branch Office Money Changers	VangVieng Branch	Sengsavang	VangVieng	023 511434	023 511403
12	Udomxay Branch Office Money Changers	Udomxay Branch	Nawannoy	Xay	081 211163	

4. BCOME Agents

As of 31/12/2024, BCEL has 740 agents for the BCEL's Community Money Express (BCOME) as follows:

No.	Province	Number of BCOME Agents	No.	Province	Number of BCOME Agents
1	Vientiane Capital City	238	10	Xaysomboun	15
2	Vientiane	70	11	Luangprabang	31
3	Bolikhamxay	24	12	Xayabouly	42
4	Khammouane	38	13	Luangnamtha	9
5	Savannakhet	91	14	Bokeo	37
6	Champasack	52	15	Xiengkhouang	14
7	Xekong	7	16	Oudomxay	18
8	Attapeu	13	17	Houaphan	7
9	Salavan	28	18	Phongsaly	6

XI. Awards and Recognition

In 2024, BCEL received outstanding awards as follows:

- The Most Innovative Digital Bank – Laos 2024 via official website of International Finance Award



➤ Best Issuing Member Award 2023 by UnionPay International



- The 2024 U.S. Dollar Clearing Quality Recognition Award for Outstanding Achievement of Best-in-Class MT103 from JP Morgan Chase Bank.



ລາງວັນດີເດັ່ນ ດ້ານຄຸນນະພາບທຸລະກຳເງິນໂອນຕ່າງປະເທດ ໃນການຊຳລະສະສາງເປັນສະກຸນໂດລາ ປະຈຳປີ 2024
The 2024 U.S. Dollar Clearing Quality Recognition Award for Outstanding Achievement of Best-in-Class MT103

- The Best Tax Payer of the Year 2022 by Ministry of Finance





- BCEL has received two awards for listed companies, which are as follows:
- The First-Class Disclosure Award 2024



- The First Class Corporate Governance Award 2024.



XII. Correspondent Banks

Currency	Bank Name	Country	SWIFT Code
AUD			
1	SWIFT AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED (AUD)	AUSTRALIA	ANZBAU3MXXX
CNY			
1	SWIFT FUDIAN BANK CO., LTD (CNY)	CHINA	KCCBCN2KXXX
2	SWIFT INDUSTRIAL AND COMMERCIAL BANK OF CHINA (CNY)	CHINA	ICBKCNBJXXX
3	SWIFT STANDARD CHARTERED BANK HONGKONG (CNY)	HONG KONG	SCBLHKHHXXX
4	SWIFT YUNNAN MENG LA RURAL COMMERCIAL BANK	CHINA	YNRCCNBKXXX
5	KUNMING GUANDU RURAL COOPERATIVE BANK	CHINA	YNRCCNBKXXX
EUR			
1	SWIFT STANDARD CHARTERED BANK GERMANY BRANCH (EUR)	GERMANY	SCBLDEFXXXX
2	SWIFT CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK (CACIB)	FRANCE	BSUIFRPPXXX
3	SWIFT COMMERZBANK AG (EUR)	GERMANY	COBADEFFXXX
4	SWIFT SOCIETE GENERALE	FRANCE	SOGEFRPPXXX
GBP			
1	SWIFT STANDARD CHARTERED BANK LONDON (GBP)	UNITED KINGDOM	SCBLGB2LXXX
JPY			
1	SWIFT MUFG BANK.,LTD	JAPAN	BOTKJPJTXXX
2	SWIFT STANDARD CHARTERED BANK TOKYO	JAPAN	SCBLJPJTXXX
3	SWIFT MIZUHO CORPORATE BANK, LTD. (CURRENT JPY)	JAPAN	MHCBJPJTXXX
THB			
1	SWIFT STANDARD CHARTERED BANK (THAI) PCL BANGKOK (SAVING THB)	THAILAND	SCBLTHBXXXX
2	TMBTHANACHART BANK PUBLIC COMPANY LIMITED NONGKAI (SAVING THB)	THAILAND	TMBKTHBKXXX
3	SWIFT TMBTHANACHART BANK PUBLIC COMPANY LIMITED BANGKOK (SAVING THB)	THAILAND	TMBKTHBKXXX
4	SWIFT KASIKORNBANK PUBLIC COMPANY LIMITED BANGKOK (THB)	THAILAND	KASITHBKXXX
5	CIMB THAI BANK PUBLIC COMPANY LIMITED BANGKOK	THAILAND	UBOBTHBKXXX
6	SWIFT KRUNG THAI BANK PUBLIC COMPANY LIMITED THB	THAILAND	KRTHTHBKXXX
7	SWIFT SIAM COMMERCIAL BANK PUBLIC CO., LTD., THE (THB)	THAILAND	SICOTHBKXXX
8	BANK OF AYUDHYA PUBLIC COMPANY LIMITED (ATM)	THAILAND	AYUDTHBK
9	SWIFT BANGKOK BANK PUBLIC COMPANY LIMITED (CURRENT THB)	THAILAND	BKKBTHBKXXX
USD			
1	SWIFT FUDIAN BANK CO., LTD (USD)	CHINA	KCCBCN2KXXX
2	SWIFT INDUSTRIAL AND COMMERCIAL BANK OF CHINA (USD)	CHINA	ICBKCNBJXXX
3	SWIFT WELLS FARGO BANK, N.A. NEW YORK (USD)	UNITED STATE	PNBPUS3NXX

4	SWIFT STANDARD CHARTERED BANK (SINGAPORE) LIMITED	SINGAPORE	SCBLSG22XXX
5	SWIFT KEB HANA BANK	SOUTH KOREA	KOEXKRSEXXX
6	SWIFT KOOKMIN BANK	SOUTH KOREA	CZNBKRSEXXX
7	COLLATERAL FOR AMEX (STANDARD CHARTER BANK NY US)	UNITED STATE	SCBLUS33XXX
8	SWIFT JPMORGAN CHASE BANK N.A., NEW YORK	UNITED STATE	CHASUS33XXX
9	SWIFT CIMB THAI BANK PUBLIC COMPANY LIMITED BANGKOK (SAVING USD)	THAILAND	UBOBTHBKXXX
VND			
1	SWIFT JOINT STOCK COMMERCIAL BANK FOR FOREIGN TRADE OF VIETNAM (VND)	VIETNAM	BFTVVNVXXXX

Appendix

Performance Evaluation Form for the BCEL Board of the Directors for the year 2024

Part I. Structure and Standards of the Board of Directors

1. The number of members of the Board of Directors is appropriate for the size of operations and business of BCEL
2. The composition of the Board of Directors complies with relevant regulations
3. The Board of Directors consists of members with specialized knowledge and relevant experience who can ensure effective performance of duties
4. The number of independent members on the Board of Directors complies with regulations and is sufficient for effective consideration of various issues
5. The number of non-executive members of BCEL on the Board of Directors complies with regulations and is sufficient for effective consideration of various issues
6. Board members have diversity in terms of age and combine both existing and new board members
7. The Board of Directors includes female members
8. Independent board members include individuals with knowledge and experience in audit
9. Independent board members include individuals with knowledge and experience in finance and banking
10. The Board of Directors has appointed various committees to assist the board in researching and considering specific issues as stipulated by regulations

Part II. Roles of the Board of Directors

11. The Board of Directors has played a role in defining BCEL's long-term strategy
12. The Board of Directors has approved BCEL's annual business plan
13. The Board of Directors has issued policies for Corporate Governance of BCEL
14. The Board of Directors has issued policies for risk management of BCEL
15. The Board of Directors has issued policies regarding auditing of BCEL
16. The Board of Directors has considered the appointment of annual independent auditors to propose for shareholders' approval
17. The Board of Directors has issued policies regarding compensation for executives and staff of BCEL
18. The Board of Directors has participated in considering the appointment of key executive positions of BCEL as specified by regulations
19. The Board of Directors has organized shareholders' meetings in accordance with relevant regulations
20. The Board of Directors has given shareholders the right to express opinions at shareholders' meetings and has provided shareholders with adequate explanations

Part III. Board of Directors Meetings

21. BCEL has an annual plan for Board of Directors meetings
22. The Board of Directors attend meetings each quarter
23. Board members receive invitation letters, agendas, and meeting documents in advance of the meeting date as specified by relevant regulations

24. Meeting agenda documents contain appropriate and sufficient content for decision-making by board members
25. The Board of Directors can request additional information from BCEL to appropriately consider and decide on issues
26. The Board of Directors allocates sufficient time to consider each issue included in the meeting agenda
27. The Board of Directors receives reports on BCEL's business performance at each meeting
28. The Board of Directors opens meetings with a quorum of more than half of the total board members
29. The Board of Directors makes resolutions on each issue by majority vote of board members attending the meeting
30. Board of Directors meeting resolutions are disclosed to the public according to information disclosure regulations

Part IV. Performance of Duties by the Board of Directors

31. Board members have appropriate and sufficient opportunities to provide opinions during meetings
32. Board members who attend meetings provide appropriate and beneficial opinions for BCEL
33. Board members regularly attend meetings as invited
34. Board members have independence in expressing opinions without domination by any individual
35. Meetings appropriately and equally consider both supportive opinions and differing views from board members

Part V. Relationship Between the Board of Directors and the Managing Directors

36. The Managing Director does not interfere with the duties of board members
37. The Board of Directors does not interfere with the duties of the Managing Director
38. The Board of Directors maintains good coordination with the Managing Director
39. The Board of Directors receives explanations or clarifications from the Managing Director upon request
40. The Board of Directors can access and receive information necessary for performing its duties from BCEL upon request

Performance Evaluation Form for the BCEL Board of the Directors (Individual Member) for the year 2024

1. Board members have specialized knowledge and experience that can ensure effective performance of their duties on the Board of Directors
2. Board members have specialized knowledge and experience appropriate for BCEL's activities or business
3. Board members clearly understand their roles, duties, and responsibilities on the Board of Directors
4. Board members provide beneficial opinions during meeting agenda items
5. Board members regularly attend meetings as invited
6. Board members have independence in expressing opinions and voting without domination by any individual
7. The Managing Director does not interfere with the duties of board members
8. Board members do not interfere with the duties of the Managing Director
9. In cases where a member serves on a committee of the Board of Directors, that person has knowledge and experience appropriate for performing duties on that committee
10. In the case of the Board Chairman, they provide appropriate and sufficient opportunities for other board members to express opinions on meeting agenda

Performance Evaluation Form for Audit Committee

I. Structure and Standards of the Committee

1. The Structure of the Committee complies with relevant regulations
2. The Committee Chairperson is an independent board member
3. The number of Committee members who are not executives of BCEL is sufficient for effective consideration of various issues
4. Independent members on the Committee have knowledge and experience in accounting and auditing
5. Committee members include individuals with knowledge and experience in finance and banking

II. Roles of the Committee

6. The Committee has researched the issuance of policies regarding BCEL's auditing
7. The Committee has researched the issuance of policies regarding BCEL's accounting
8. The Committee receives reports on audit and inspection activities of BCEL at each meeting
9. The Committee receives reports on accounting activities of BCEL at each meeting
10. The Committee has researched the appointment of independent auditors

III. Committee Meetings

11. The Committee attend meetings each quarter
12. Meeting agenda documents contain appropriate and sufficient content for decision-making by Committee members
13. The Committee allocates sufficient time to consider each issue included in the meeting agenda before voting
14. The Committee opens meetings with a quorum of more than half of the total Committee members
15. The Committee makes resolutions on each issue by majority vote of Committee members attending the meeting

IV. Performance of Duties by the Committee

16. Committee members have appropriate and sufficient opportunities to provide opinions during meetings
17. Committee members who attend meetings provide appropriate and beneficial opinions for BCEL
18. Committee members regularly attend meetings as invited
19. Committee members have independence in expressing opinions or voting without domination by any individual
20. Meetings appropriately and equally consider both supportive opinions and differing views from Committee members

V. Relationship Between the Committee and the Executive Committee

21. The Managing Director does not interfere with the duties of Committee members
22. The Committee does not interfere with the duties of the Managing Director
23. The Committee maintains good coordination with the Managing Director
24. The Committee receives explanations or clarifications from the Managing Director upon the Committee's request
25. The Committee can access and receive information necessary for performing its duties from BCEL upon request

Performance Evaluation Form for Risk Committee

I. Structure and Standards of the Committee

1. The Structure of the Committee complies with relevant regulations
2. The Committee Chairperson is an independent board member
3. The number of Committee members who are not executives of BCEL is sufficient for effective consideration of various issues
4. Independent members on the Committee have knowledge and experience in accounting and auditing
5. Committee members include individuals with knowledge and experience in finance and banking

II. Roles of the Committee

6. The committee has researched policies regarding BCEL's risk management.
7. The committee has defined risk indicators (risk appetite) for BCEL.
8. The committee has heard reports on BCEL's risk management operations at each meeting.
9. The committee has heard to reports on the fluctuation of various risks compared to BCEL's risk indicators at each meeting.
10. The committee has periodically reviewed policies regarding BCEL's risk management.

III. Committee Meetings

11. The Committee attend meetings each quarter
12. Meeting agenda documents contain appropriate and sufficient content for decision-making by Committee members
13. The Committee allocates sufficient time to consider each issue included in the meeting agenda before voting
14. The Committee opens meetings with a quorum of more than half of the total Committee members
15. The Committee makes resolutions on each issue by majority vote of Committee members attending the meeting

IV. Performance of Duties by the Committee

16. Committee members have appropriate and sufficient opportunities to provide opinions during meetings
17. Committee members who attend meetings provide appropriate and beneficial opinions for BCEL
18. Committee members regularly attend meetings as invited
19. Committee members have independence in expressing opinions or voting without domination by any individual
20. Meetings appropriately and equally consider both supportive opinions and differing views from Committee members

V. Relationship Between the Committee and the Executive Committee

21. The Managing Director does not interfere with the duties of Committee members
22. The Committee does not interfere with the duties of the Managing Director
23. The Committee maintains good coordination with the Managing Director
24. The Committee receives explanations or clarifications from the Managing Director upon the Committee's request
25. The Committee can access and receive information necessary for performing its duties from BCEL upon request

Performance Evaluation Form for Governance Committee

I. Structure and Standards of the Committee

1. The Structure of the Committee complies with relevant regulations
2. The Committee Chairperson is an independent board member
3. The number of Committee members who are not executives of BCEL is sufficient for effective consideration of various issues
4. Independent members on the Committee have knowledge and experience in accounting and auditing
5. Committee members include individuals with knowledge and experience in finance and banking

II. Roles of the Committee

6. The committee has researched policies regarding BCEL's corporate governance and management.
7. The committee has researched strategic plans, annual plans, and business operation plans of BCEL.
8. The committee has listened to reports on BCEL's business operations at each meeting.
9. The committee has listened to reports regarding the implementation of strategic plans and annual plans of BCEL at regular intervals.
10. The committee has researched and created plans for board of directors' meetings and annual shareholders' meetings.

III. Committee Meetings

11. The Committee attend meetings each quarter
12. Meeting agenda documents contain appropriate and sufficient content for decision-making by Committee members
13. The Committee allocates sufficient time to consider each issue included in the meeting agenda before voting
14. The Committee opens meetings with a quorum of more than half of the total Committee members
15. The Committee makes resolutions on each issue by majority vote of Committee members attending the meeting

IV. Performance of Duties by the Committee

16. Committee members have appropriate and sufficient opportunities to provide opinions during meetings
17. Committee members who attend meetings provide appropriate and beneficial opinions for BCEL
18. Committee members regularly attend meetings as invited
19. Committee members have independence in expressing opinions or voting without domination by any individual
20. Meetings appropriately and equally consider both supportive opinions and differing views from Committee members

V. Relationship Between the Committee and the Executive Committee

21. The Managing Director does not interfere with the duties of Committee members
22. The Committee does not interfere with the duties of the Managing Director
23. The Committee maintains good coordination with the Managing Director
24. The Committee receives explanations or clarifications from the Managing Director upon the Committee's request
25. The Committee can access and receive information necessary for performing its duties from BCEL upon request

Performance Evaluation Form for Nomination Committee

I. Structure and Standards of the Committee

1. The Structure of the Committee complies with relevant regulations
2. The Committee Chairperson is an independent board member
3. The number of Committee members who are not executives of BCEL is sufficient for effective consideration of various issues
4. Independent members on the Committee have knowledge and experience in accounting and auditing
5. Committee members include individuals with knowledge and experience in finance and banking

II. Roles of the Committee

6. The committee has researched policies regarding BCEL's personnel.
7. The committee has researched policies regarding salaries and compensation for executives and staff of BCEL.
8. The committee has periodically researched improvements to policies and welfare benefits for executives and staff of BCEL.
9. The committee has researched the appointment and transfer of deputy directors and managing directors of BCEL from time to time.
10. The committee has periodically researched the appointment and reassignment of department-level executives and branch executives of BCEL.

III. Committee Meetings

11. The Committee attend meetings each quarter
12. Meeting agenda documents contain appropriate and sufficient content for decision-making by Committee members
13. The Committee allocates sufficient time to consider each issue included in the meeting agenda before voting
14. The Committee opens meetings with a quorum of more than half of the total Committee members
15. The Committee makes resolutions on each issue by majority vote of Committee members attending the meeting

IV. Performance of Duties by the Committee

16. Committee members have appropriate and sufficient opportunities to provide opinions during meetings
17. Committee members who attend meetings provide appropriate and beneficial opinions for BCEL
18. Committee members regularly attend meetings as invited
19. Committee members have independence in expressing opinions or voting without domination by any individual
20. Meetings appropriately and equally consider both supportive opinions and differing views from Committee members

V. Relationship Between the Committee and the Executive Committee

21. The Managing Director does not interfere with the duties of Committee members
22. The Committee does not interfere with the duties of the Managing Director
23. The Committee maintains good coordination with the Managing Director
24. The Committee receives explanations or clarifications from the Managing Director upon the Committee's request
25. The Committee can access and receive information necessary for performing its duties from BCEL upon request

ທັນສະໄໝ ວ່ອງໄວ ໝັ້ນໃຈ
MODERN QUICK RELIABLE

www.bcel.com.la

Head Office: No.1 Pangkham Street Vientiane, Lao PDR. P.O.Box 2925

Tel: (856-21) 213200-1, 222495, 217904, 217898-9

Fax: (856-21) 213202, 223012, 223245

Call center: 1555

Website: <http://www.bcel.com.la>

E-mail: bcelhqv@bcel.com.la

SWIFT Code: COEBLALA