



ທະນາຄານການຄ້າຕ່າງປະເທດລາວ ມະຫາຊົນ
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

PROSPECTUS

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

Ordinary Shares 506,255,500 shares, Par Value 1,000 LAK/share

For Ordinary Shares offering to the Existing Shareholders (RO)
and Public Offering (PO) inside domestic and oversea

Offering to the Existing Shareholders (RO)

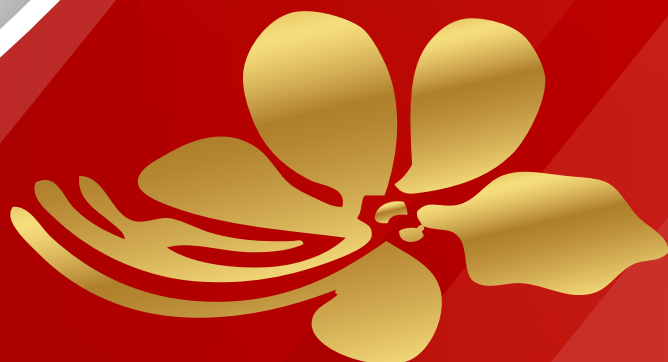
Price: 1,640 LAK/share

Timing: 22/09/2025 - 26/09/2025

Offering to General Shareholders (PO)

Price: 1,730 LAK/share

Timing: 29/09/2025 - 03/10/2025





Prospectus

Banque Pour Le Commerce Extérieur Lao Public (BCEL)



The capital increase shares of BCEL

Ordinary Shares 506,255,500 shares, Par Value 1,000 LAK/share

Offering to the Existing Shareholders in the amount of 472,098,300 shares,

Price 1,640 LAK/share

(Ratio of one thousand one hundred existing shares per five hundred new shares is 1,100:500)

Offering to Public in the amount of 34,157,200 shares, Price 1,730 LAK/share

For Ordinary Shares offering to the Existing Shareholders (RO) and Public Offering (PO)
inside domestic and oversea

Offering to the Existing Shareholders (RO): during 22/09/2025 – 26/09/2025

Offering to General Shareholders (PO): during 29/09/2025 – 03/10/2025

Between 08.30 am - 03.30 pm

Financial Advisor: Lao-China Securities Public Company

Underwriter: Lao-China Securities Public Company

External Auditor: Ernst and Young Lao Co., Ltd

The offering of ordinary shares, all shares shall be allocated and offered to the public, including investors inside Lao PDR and internationally by Lao-China Securities Public company (the “Underwriter”). Ordinary shares shall not be registered under any other countries’ rules apart from registration under the Law on Securities of Lao PDR



WARNING

This prospectus is written for investors who are interested in investing in the ordinary shares issued by Banque Pour Le Commerce Extérieur Lao Public as preliminary information for assisting investors' decision of investment only; it does not mean that Lao Securities Commission Office (LSCO) suggests investing in the offering securities, guarantee of the price or returns of the offered securities. Any guarantee on the accuracy and completion of the information in this prospectus is the responsibility of Banque Pour Le Commerce Extérieur Lao Public. This prospectus in Lao version was created with the aim to offer ordinary shares to Existing Shareholders and Public. For the offering form to the general public shall include two forms: Offering to Existing Shareholders (RO: Rights Offering) and Offering to Public (PO: Public Offering). Thus, numbers of ordinary shares for capital increase shall not be registered under the Securities Act of other countries apart from registration in accordance with the Law on Securities of Lao PDR. The format and contents of this prospectus do not certify the appropriateness or sufficiency of the information regarding securities issuance in other countries. The investors shall carefully read this Lao version prospectus before deciding to invest in these ordinary shares.

Prior to investing in these offering ordinary shares, the investors should consider the risks involved. Please read the sections titled "Risk Factors" prior to deciding on investing.

"All investments involve risk. Investors should read the prospectus carefully before making an investment decision."



Securities Intermediary Institute

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Definitions

Terms	Definitions
BCEL or Bank	BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC
BOL	Bank of the Lao PDR
MOF	Ministry of Finance
LSCO	Lao Securities Commission Office
SWIFT	Society for Worldwide Interbank Financial Telecommunication
ALCO	Assets and Liabilities Committee
L/C	Letter of Credit
L/G	Letter of Guarantee
Forward/Options	Forward Fixed Contract
EDC	Electronic Data Capture
ATM	Automated Teller Machine
EY	Ernst & Young Co., Ltd
SME	Small and Medium Enterprises
VISA	VISA (Visa International Service Association)
Internet Banking	Banking Services via online banking website
SMS Banking	Banking Services via SMS
ROE	Return on Equity
ROA	Return on Assets
IPO	Initial Public Offering
RO	Rights Offering
PO	Public Offering
Digit grouping symbol	[,] is used as 1000 separator for a number
Decimal symbol	[.] is used as a decimal point for a number

Executive Summary

This following summary may not contain all of the information that may be important to investors. Investors should read this entire prospectus, including the financial data and related notes and the “Risk Factors” before making an investment decision.

❖ Information on Issuer Company

Banque Pour Le Commerce Extérieur Lao Public is established under the Bank Establishment License, No. 129/BOL, dated 01 November 1989 by fund contribution of the Ministry of Finance. On 23 December 2010, the Bank has completely conducted the Initial Public Offering (IPO) with amount 204,866,400,000 LAK and The Bank has changed its status from “Limited” to Banque Pour Le Commerce Extérieur Lao Public according to the Enterprise Registration Certificate (ERC), No. 0061/ERO, dated 10 January 2011 issued by Enterprise Registration and Management Department, Ministry of Industry and Commerce, BCEL is the first commercial bank in LAO PRD as a listed company in Lao Securities Exchange.

On 15 July 2011, Ministry of Finance has sold its 10% ordinary shares (equivalent to 13,657,759 shares) to the strategic partner named Compagnie Financière de la BRED (“COFIBRED”) according to the Share Purchase Agreement between Ministry of Finance and COFIBRED. COFIBRED is an affiliate bank of BRED Bank, which is the biggest bank in the region of the bank association under Banque Populaire Group, which is a cooperation group of French banks.

On 17 August 2017, Banque Pour Le Commerce Extérieur Lao Public has offered its shares to original and new shareholders to increase its capital, in which, the bank offered 68,047,300 shares for the original shareholders and general public in the amount of 3,098,400 shares. BCEL has received a new Decision, No. 21 / BOL, dated 13 September 2017, issued by Bank of the Lao PDR. On 15 September 2017, the LSX confirmed that the bank had increased its registered capital of 355,728,500,000 LAK (equivalent to 71,145,700 shares) as per Certificate, No. 01 /ERO, dated 15 September 2017 and Updated Enterprise Registration Certificate, No. 0429/ PM, dated 18 May 2018 issued by the Ministry of Industry and Commerce.

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's shareholding in BCEL by 19% through offering the sale of shares to existing shareholders totaling 4,154,500 shares, general investors 16,617,800 shares, and strategic partners 18,695,100 shares (equivalent to 9%). 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.

On April 29, 2024, BCEL's Annual General Shareholders Meeting for the year 2023 approved the change of par value through a stock split at a ratio of 1:5, which reduced BCEL's par value from 5,000 LAK per share to 1,000 LAK per share and increased the number of BCEL shares from 207,723,300 shares to 1,038,616,500 shares while the registered capital remained the same. On January 17, 2025, BCEL announced changes regarding the new business registration certificate No: 001666/ERA, dated January 16, 2025, issued by the Ministry of Industry and Commerce on January 16, 2025. On February 3, 2025, according to notification letter No. 0350/LSX 2025, LSX announced the implementation of changes to the registered number of shares, par value, base price, and market price of BCEL shares, which took effect from February 18 onwards.

BCEL's primary activities include providing banking services such as fund mobilization and deposit-taking for organizations and individuals on short-term, medium-term, and long-term bases. The bank also offers loans for short-term, medium-term, and long-term purposes to businesses and individuals based on lending capabilities and loan purposes. Additionally, BCEL engages in foreign exchange transactions, payment services, international trade services, bank guarantee services, precious metal trading, and other banking services permitted by the Bank of the Lao PDR, including insurance broker services.

❖ Risk Factors

- Uncertain circumstances of the global and domestic economy
- Credit risks
- Marketing risks
- Competitive risk in the banking sector
- Business transformation in the IT era.
- Regulatory changes.
- Other related risks

❖ Share offering information

➤ Offering to the Existing Shareholders (RO)

Offer new ordinary shares to existing shareholders (RO) at a ratio of 1,100 existing shares to 500 new shares, totaling 472,098,300 shares at an offering price of 1,640 LAK per

share. If the RO shares are not fully sold, the remaining RO shares will be sold through a public offering (PO).

➤ **Offering to Public (PO)**

Offering new ordinary share to public (PO) totaling 34,157,200 shares at an offering price of 1,730 LAK per share. Share allocation will use the method of proportional allocation to subscribers based on the proportion of shares subscribed. In the case that shares are not sold according to the amount determined by the LSCO, the underwriter will be responsible for purchasing the remaining shares to ensure the offering is completed.

❖ **The capital increase shares**

The capital increase with a total value of 833,333,168,000 LAK is a fundraising plan for capital increase that was approved by BCEL's Annual General Shareholders Meeting for the year 2024, which was held on April 30, 2025. After this target, BCEL has conducted research and prepared documentation, technical aspects, personnel readiness, and closely coordinated with higher authorities and related agencies regarding this capital increase to ensure that the objectives can be achieved within the established timeframe. After completing the capital increase, BCEL will be able to achieve the capital adequacy benchmark as stipulated by the regulations of the Bank of the Lao PDR and serve as an important foundation for implementing Basel II principles in the future, while also strengthening capital strength to enhance competitiveness, support the expansion of banking business, launch new products, and develop BCEL's services to be modern with international standards.

❖ **Dividend Policy**

Currently, the dividend policy of BCEL for shareholders is once a year according to the resolutions approved by the Ordinary Meeting of Shareholders 2015, which proposed to pay dividends of not less than 50% of net profit of the bank upon deductions for the legal reserve and regulatory reserves according to the regulation defined by BCEL and for dividend payment among that year.

However, the ratio of dividends which is not less than 50 percent of net profit may be changed depending on the consideration and approval of the shareholders meeting. Consideration of the aforementioned issue shall be based on the reality of economic circumstances in each period, cash flow, investment plans, conditions and terms of the contracts that BCEL are bound by, including legislation limits and along with the capital adequacy to ensure the growth of the bank in the future.

BCEL shall pay dividends in LAK currency, and shareholders will be exempt from income tax from such dividends.

❖ Shareholder Structure

BCEL has a shareholder structure before and after the share issuance as follows:

Table 1: Shareholder

No.	Shareholder	Before share issuance		After Share issuance	
		No. of share	%	No. of share	%
1	MOF	623,169,900	60%	926,923,200	60%
2	COFIBRED	103,861,650	10%	154,487,150	10%
3	Public	311,584,950	30%	463,461,650	30%
Total		1,038,616,500	100%	1,544,872,000	100%
Registered capital		1,038,616,500,000 LAK		1,544,872,000,000 LAK	

source : Banque Pour Le Commerce Extérieur Lao Public

➤ Board of Directors and Management Directors

- Board of Directors

Table 2: Board of Directors

No.	Name and Surname	Position
1	Mr. Soulivath SOUVANNACHOUMKHAM	Deputy Minister of The Ministry of Finance, as a chairman
2	Mr. Akhom PRASEUTH (Ph.D)	Deputy Secretary of National Assembly, as a vice chairman
3	Mme. Saysamone CHANTHACHACK	Managing Director, as a member
4	Mr. Pasomphet KHAMTANH	Deputy Director General, Department of State Enterprise Investment and Insurance Management, as a member
5	Mr. Arnaud DELAUNAY	Representative of COFIBRED as strategic partner, as a member
6	Assoc.Prof. Mr. Thongphet CHANTHANIVONG	Lecturer from the Professional Association of Accountants and Auditors, as a member
7	Mrs. Latdavanh SONGVILAY	Director General of Macroeconomic Research Institute of Lao Academy of Social and Economic Sciences, as a member

No.	Name and Surname	Position
8	Mr. Sonexay SILAPHET	Chairman of the Professional Association of Accountants and Auditors, as a member

source : Banque Pour Le Commerce Extérieur Lao Public

- **Management Directors**

Table 3: Management Directors

No.	Name and Surname	Position
1	Mme. Saysamone Chanthachack	Managing Director
2	Mr. Nanthalath Keopaseuth	Deputy Director
3	Mr. Kongsack Souphonesy	Deputy Director
4	Mrs. Bouaphayvanh Nandavong	Deputy Director
5	Mr. Saychit Simmavong	Deputy Director
6	Mrs. Phousengthong Anoulakkham	Deputy Director
7	Mr. Nalin Silavongsith	Deputy Director

source : Banque Pour Le Commerce Extérieur Lao Public

❖ **Financial Status and Operating Data (for the year 2022-2024)**

Financial Status and operating data of BCEL for the last 3 years is as followings:

Table 4: Consolidated Statement of Financial Position

Unit: Million LAK

Financial Summary	2022	2023	2024
Total Assets	94,493,015	126,433,759	142,191,250
Total Liabilities	92,135,055	123,856,095	139,268,460
Registered Capital	1,038,617	1,038,617	1,038,617
Total Equity	2,357,960	2,577,664	2,922,790
Total Liabilities and Equity	94,493,015	126,433,759	142,191,250

source : Banque Pour Le Commerce Extérieur Lao Public

Table 5: Consolidated Income Statement

Unit: Million LAK

Profit/Loss	2022	2023	2024
Net Interest and Similar Income	1,270,883	1,738,189	3,652,284
Net Fee and Commission Income	364,145	553,206	830,984
Net Operating Income	805,414	1,027,422	1,673,007
Total Operating Expenses	(645,233)	(796,695)	(1,035,914)
Profit Before Tax	197,079	283,120	694,511
Net Profit for the Year	228,190	231,408	449,563

Source : Banque Pour Le Commerce Extérieur Lao Public

Table 6: Cash flow

Unit: Million LAK

Cash flow	2022	2023	2024
Profit before tax	197,079	283,120	694,511
Net cash flows (used in)/from operating activities	9,483,028	3,647,396	6,370,144
Net cash flows from/ (used in) investing activities	445,501	(1,737,680)	(9,932,068)
Net cash flows used in financial activities	(13,345)	(31,641)	(207,554)
Net change in cash and cash equivalents	9,915,184	1,878,075	(3,769,478)
Cash and cash equivalents at the beginning of the year	25,799,886	35,715,070	37,593,145
Cash and cash equivalents at the end of the year	35,715,070	37,593,145	33,823,667

Source : Banque Pour Le Commerce Extérieur Lao Public



The key financial ratios of BCEL including activities over the past 3 years are as follows:

Table 7: Financial Ratio

Key Financial Ratios	Unit	2022	2023	2024
Interest income/Total assets	%	1.34	1.37	2.57
Interest income to interest earning assets	%	5.89	4.89	6.12
Interest expense/Interest-bearing liabilities	%	2.50	2.34	2.33
Fee and service income/Total operating income	%	29.91	29.57	32.43
Operating expenses/Total operating income	%	37.55	25.47	19.79
Return on Assets	%	0.24	0.18	0.32
Return on Equity	%	9.68	8.98	15.38
Loan-to-deposit ratio	%	49.33	44.38	46.69
NPL debt to total loans	%	3.36	1.92	2.97
Earnings Per Share	LAK	1,099	1,114	2,164
Capital Adequacy Ratio	%	6.29	4.91	6.00

Source : Banque Pour Le Commerce Extérieur Lao Public



Part I. BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

1. BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

1.1 General Information of Banque Pour Le Commerce Extérieur Lao Public

Lao Name: ທະນາຄານການຄ້າຕ່າງປະເທດລາວ ມະຫາຊົນ (ທຄຕລ)

English Name: BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC (BCEL)

Establish Date: 01 November 1989

Business Type: Banking

Registered Capital: 1,038,616,500,000 LAK

Par value: 1,000 LAK/share

Number of Total Shares to Ordinary Shares Offering: 506,255,500 Shares

Number of Shares to the Rights Offering: 472,098,300 Shares

Offering Price to the Rights Offering: 1,640 LAK/share

Number of Shares to the Public Offering: 34,157,200 Shares

Offering Price to the Public Offering: 1,730 LAK/share

Head office: 1st Building, Pangkham Road, P.O box 2925, Vientiane Capital, Lao PDR

Tel: +856-21-213200-1

E-mail: bcelhqv@bcel.com.la

Website: www.bcel.com.la

Branding/Trade mark:



1.2 Background of Banque Pour Le Commerce Extérieur Lao Public

Banque Pour Le Commerce Extérieur Lao Public is established under the Bank Establishment License, No. 129/BOL, dated 01 November 1989 by fund contribution of the Ministry of Finance. On 23 December 2010, the Bank has completely conducted the Initial Public Offering (IPO) with amount 204,866,400,000 LAK and The Bank has changed its status from “Limited” to Banque Pour Le Commerce Extérieur Lao Public according to the Enterprise Registration Certificate (ERC), No. 0061/ERO, dated 10 January 2011 issued by Enterprise Registration and Management Department, Ministry of Industry and Commerce, BCEL is the first commercial bank in LAO PRD as a listed company in Lao Securities Exchange (LSX).

On 15 July 2011, Ministry of Finance has sold its 10% ordinary shares (equivalent to 13,657,759 shares) to the strategic partner named Compagnie Financière de la BRED (“COFIBRED”) according to the Share Purchase Agreement between Ministry of Finance and COFIBRED. COFIBRED is an affiliate bank of BRED Bank, which is the biggest bank in the region of the bank association under Banque Populaire Group, which is a cooperation group of French banks.

On 17 August 2017, Banque Pour Le Commerce Extérieur Lao Public has offered its shares to original and new shareholders to increase its capital, in which, the bank offered 68,047,300 shares for the original shareholders and general public in the amount of 3,098,400 shares. BCEL has received a new Decision, No. 21 / BOL, dated 13 September 2017, issued by Bank of the Lao PDR. On 15 September 2017, the LSX confirmed that the bank had increased its registered capital of 355,728,500,000 LAK (equivalent to 71,145,700 shares) as per Certificate, No. 01 /ERO, dated 15 September 2017 and Updated Enterprise Registration Certificate, No. 0429/ PM, dated 18 May 2018 issued by the Ministry of Industry and Commerce.

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's shareholding in BCEL by 19% through offering the sale of shares to existing shareholders totaling 4,154,500 shares, general investors 16,617,800 shares, and strategic partners 18,695,100 shares (equivalent to 9%). 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.

On April 29, 2024, BCEL's Annual General Shareholders Meeting for the year 2023 approved the change of par value through a stock split at a ratio of 1:5, which reduced BCEL's par value from 5,000 LAK per share to 1,000 LAK per share and increased the number of BCEL shares



from 207,723,300 shares to 1,038,616,500 shares while the registered capital remained the same. On January 17, 2025, BCEL announced changes regarding the new business registration certificate No: 001666/ERA, dated January 16, 2025, issued by the Ministry of Industry and Commerce on January 16, 2025. On February 3, 2025, according to notification letter No. 0350/LSX 2025, LSX announced the implementation of changes to the registered number of shares, par value, base price, and market price of BCEL shares, which took effect from February 18 onwards.

On April 30, 2025, BCEL's Annual General Meeting Shareholders for the year 2024 approved BCEL's recapitalization plan with a value of not less than 800 billion LAK to increase the capital adequacy ratio from 6.00% (according to IFRS standards) to 8.00% according to the standards of the Bank of the Lao PDR. This is the second of BCEL's recapitalization.

Background of BCEL can be summarized in details as the following:

Table 8: Background

Year	Descriptions
1975	After the country was liberated and established as Lao People's Democratic Republic on 2 December 1975, Banque Pour Le Commerce Extérieur Lao was established as one branch of the State Bank with its role as a treasury to make payments on behalf of the government and has been granted an exclusive right to perform specific duties on international trade, as well as acting on behalf of the Government to cooperate on trading with international entities, holding of accounts and management of deposit accounts in foreign currencies; additionally, it is also assigned to manage the use of grants and loans from foreign countries and international organizations including International Settlement.
1989	In compliance with the development strategy of the Party and Government, since 1 November 1989, Banque Pour Le Commerce Extérieur Lao shifted from a bank administrated by the State to a State-Owned Commercial Bank that performs business independently and self-reliant on income - expense under the supervision of the Bank of Laos. Its role is to provide banking and finance services to general customers such as: deposits, loans, issuing guaranty letters, open letters of credit Banque Pour Le Commerce Extérieur Lao Public I-10 for importing goods, informing letters of credit for promoting exportation, internal and external payment services by using modern tools such as, international money transfer using SWIFT,

	Fax, Online and Telex systems, issuing cheque and others. The bank also provides foreign exchange services to facilitate the Government, private and international organizational sectors, international credit cards, ATM and so on
1998	On August 1998, the Ministry of Finance appointed the First Board of Directors of Banque Pour Le Commerce Extérieur Lao, which includes the representative of the Ministry of Finance as President and representative from the Ministry of Industry and Commerce and provinces; which Banque Pour Le Commerce Extérieur Lao's branches are mainly located in Champasak, Savannakhet and Khammouane provinces. The Board of Directors has the role to determine the direction, policies, and operations are responsible for guiding the performance in all aspects of BCEL to protect its interests and the bank's stability in accordance with the policies issued by the State. The first Board of Directors was appointed to a three-year term.
1999	On 22 June 1999, Banque Pour Le Commerce Extérieur Lao Public entered into a joint venture with the Bank for Investment and Development of Vietnam (BIDV) to establish Lao – Viet Bank.
2001	On August 2001, the Second Board of Directors was appointed based on the lessons learned from the previous Board of Directors, the Second Board of Directors was comprised of a representative of the Ministry of Finance as President and other relevant parties as members.
2003	On January 2003, the Third Board of Directors was appointed which was only comprised of members of BCEL Staff, in addition, the Government hired a foreign banking expert for assisting and guiding all aspects of banking business operations at that time.
2008	Cooperate with Vietnam Insurance Company and Bank of Investment and Development of Vietnam to establish Lao-Viet Insurance Company.
2009	Banque Pour Le Commerce Extérieur Lao Public has joint ventured with COFIBRED company, which represents BRED Banking Group registered in France, to establish Banque Lao-France Limited (BFL).
2010	Joint venture with KT-ZMICO Security Company of Thailand to establish BCELKT Security Company
2011	On 11 January 2011, BCEL changed from a State-Owned Commercial Bank to Banque Pour Le Commerce Extérieur Lao Public and it was the first commercial bank in Lao PDR that listed in the Lao Security Exchange, in which the biggest shareholder is the Ministry of Finance, holding 70% of the total shares, BCEL Staff

	holding 5%, strategic business partner holding 10% and the general public holding 15%.
2013	The annual general meeting in 2012 resolved to approve a capital increase to 360 billion for BCEL.
2014	Joint venture with Fu Tien Bank Limited to establish Lao-China Bank Limited.
2017	Issued a RO & PO shares of 355,728,500,000 LAK (equivalent to 71,145,700 shares), which was offered 68.047.300 shares to the right offering and 3,098,400 shares to the public offering.
2019	On March 12, 2019, Lao National Payment Network Limited (LAPNet) was established under the cooperation of domestic shareholders led by the Bank of the Lao PDR, together with 7 commercial banks of the Lao PDR namely: Banque Pour Le Commerce Extérieur Lao Public, Lao Development Bank Limited, Agricultural Promotion Bank Limited, Joint Development Bank Limited, Lao-Viet Joint Stock Commercial Bank Limited, ST Bank Limited and BIC Bank Limited, and the foreign shareholder: UnionPay International Company.
2019	On November 29, 2019, the share offering of 10% held by the Ministry of Finance was completed by offering these shares in the form of RO shares totaling 4,154,500 shares and PO shares totaling 16,617,800 shares.
2024	On October 22, 2024, Lao Foreign Exchange Market Limited (LFX) was established through cooperation between the Bank of the Lao PDR, Lao Bankers Association, and all 15 commercial banks.
2024	The Annual General Shareholders Meeting for the year 2023 approved the plan to change the par value through a stock split.
2025	The Annual General Shareholders Meeting for the year 2024 approved BCEL's recapitalization plan with a value of not less than 800 billion LAK.

Source : Banque Pour Le Commerce Extérieur Lao Public

BCEL has a long history and has developed its service quality to compete in the market of the banking sector, in terms of a variety of products to provide better service to its customers, better use of updated technologies and better management which is one of the advantages to businesses. The main activities of bank are providing financial services, including capital mobilization and deposits for short, medium and long terms for business units and individuals in accordance with their purposes and abilities to provide the capital of the bank; foreign exchange services, settlement services, international trade services, letter of credit service, bank

guarantee, trading precious metals service and providing other banking services approved by Bank of the Lao PDR, especially insurance service and securities brokerage service.

1.3 Previous Achievements

For the past 35 years, BCEL has consistently played a vital role in the overall protection and development of the nation. BCEL has adhered to directives from higher authorities in collaborative efforts with the Bank for Investment and Development of Vietnam (BIDV), which facilitates banking services through a unique cooperative framework between Laos and Vietnam. As a result of these initiatives, BCEL has attained remarkable success in fostering economic, trade, and investment collaboration between the two nations and has garnered acknowledgments such as:

- 1) The second-class of Labor Medal, according to State Decree No. 27/NA, dated May 26, 2004;
 - 2) The Second-class of Labor Medal, according to Decree No. 335/NA, dated 28/12/2007 for contributions to protecting and developing the nation on the 30th anniversary 1975-2005;
 - 3) The third-class of Labor Medal for Lao-Vietnam special cooperation on the occasion of the 10th anniversary of the establishment of the Lao-Viet Joint Business Bank 22/06/1999 - 22/06/2009;
 - 4) The third-class of Independence Medal on the occasion of celebrating the 20th anniversary of BCEL's transformation into a business entity (01/11/1989-01/11/2009);
- In addition, BCEL has also received labor medals from conducting business vigorously

and contributing to socio-economic development, including:

- 1) Awarded the Second-Class Labor Medal for exceptional contributions to the 25th SEA Games, which the Lao PDR proudly hosted in 2010.
- 2) Honored with the Third-Class Labor Medal for significant contributions as the main sponsor of the BCEL Open tennis event in 2010.
- 3) Awarded the First-Class Labor Medal for outstanding contributions, dedication, and achievements over the past five years (2008-2013), coinciding with the 45th anniversary of the Bank of the Lao PDR (07/10/1968-07/01/2013).
- 4) Received the Second-Class Independence Medal for exceptional performance during the five-year period from 2013 to 2018, in celebration of the 50th anniversary of the Bank of the Lao PDR (07/10/1968-07/10/2018).

Since 2010-2024, BCEL has effectively fulfilled its mission of delivering financial and banking services to the community, as demonstrated from both national and international entities, including:

- 1) Awarded sustainability recognition from England, the bank is distinguished by its adherence to international quality management standards ISO 9001:2008 in capital management and global services.
- 2) Honored with the Outstanding Bank of the Year 2011 title by The Banker magazine in London, England.
- 3) Received the Outstanding Award for advancements in the bank's service system utilizing modern technology in 2012 from the Asian Banking and Finance Journal.
- 4) Recognized with the Outstanding Banking Award for pioneering the development of Core Banking systems in 2012 by the Asian Banking and Finance Journal.
- 5) Awarded the Outstanding Award for the Development of Banking Service Systems with Superior Technology in 2013 from Germany.
- 6) In 2014, awarded the Outstanding Thai Bank Award, recognizing excellence in Cash Protection Services, Technology and Operations, and Innovative Online Services by the Asian Banking and Finance Journal.
- 7) Honored with the Outstanding Domestic Bank of the Year award for three consecutive years: 2015, 2016, and 2017, as recognized by the Asian Banking and Finance Journal.
- 8) In 2017, received the Outstanding Operational Bank Award from Wells Fargo Bank.
- 9) Awarded the LAO ICT AWARD by the Ministry of Technology and Communication, along with the Outstanding Bank of the Year accolades for 2018 and 2019 from the Asian Banking and Finance Journal.
- 10) In 2020, recognized for the initiative in mobile system services and named the Payment Solutions of the Year.
- 11) In 2022, received multiple accolades including the ASEAN BUSINESS AWARD, the Outstanding Agent Store Award from VISA, and recognition for Outstanding Type II Business from the Revenue Department, and the Outstanding Leading Businessman Award from the Thai Chamber of Commerce.
- 12) In 2023, included in the evaluation for the annual management protection operation establishment and awarded the Outstanding Management Protection Award, Type I, by the Lao Stock Exchange.
- 13) Commended by the Ministry of Finance for exceptional performance in meeting tax revenue obligations for the state budget in 2022, documented under number 0487/6, and dated 20/02/2024.

- 14) Received the International Finance Award in the category of The Most Innovative Digital Bank - Laos 2024 through the official website channel of International Finance Award;
- 15) Received the Best Issuing Member Award 2023 from UnionPay International;
- 16) Received the Outstanding Quality Award for International Money Transfer Business in USD settlement for the year 2024 from JP Morgan Chase Bank;
- 17) Received the Outstanding Management Award Category 1 (5 stars) for the year 2024;
- 18) Received 2 awards as a listed company on the Lao Securities Exchange: The First-Class Disclosure Award 2024 and The First-Class Corporate Governance Award 2024.

1.4 Service Network

BCEL has an extensive service network. In 2024, BCEL has 1 head office and 20 branches. Additionally, there are 101 service units, 12 exchange counters, and 740 community money transfer agents nationwide.

Table 9: Service Network

No.	Office name	Head Office	Branch	Service Unit	Money Changer	BCOME
1	Vientiane Capital	1	2	28	3	238
2	Phongsaly	-	1	3	-	6
3	Luangnamtha	-	1	5	1	9
4	Oudomxay	-	1	4	1	18
5	Bokeo	-	1	3	1	37
6	Luangprabang	-	1	8	-	31
7	Houaphan	-	1	3	-	7
8	Xayyabouly	-	1	4	-	42
9	Xiangkhouang	-	1	4	-	14
10	Vientiane Province	-	2	6	1	70
11	Bolikhamxay	-	1	2	-	24
12	Khammouan	-	1	7	1	38
13	Savannakhet	-	1	9	3	91
14	Salavan	-	1	2	-	28
15	Xekhong	-	1	2	-	7
16	Champasak	-	1	8	1	52



17	Attapeu	-	1	2	-	13
18	Xaysomboun	-	1	1	-	15
Total		1	20	101	12	740

Source : Banque Pour Le Commerce Extérieur Lao Public

1.5 Associates and joint ventures

As of 31 December 2024, BCEL have investment in 7 associates and joint ventures:

Table 10: Associates and joint ventures

No.	Estrabl ish	Name of company	Business	Registered Capital (LAK)	Share of BCEL
1	1999	Lao Viet Joint Venture Bank Lao PDR	Banking	791,357,560,000	25%
2	2008	Lao Viet Insurance Company	Insurance	30,000,000,000	35%
3	2009	Banque Franco-Lao	Banking	500,000,000,000	30%
4	2010	BCEL-KT Securities Company	Securities	100,000,000,000	70%
5	2014	Lao China Bank	Banking	500,062,417,117	31.35%
6	2019	Lao National Payment Network Company Limited	Electronic payment system	34,000,000,000	20%
7	2024	Lao Foreign Exchange Company Limited	Foreign exchange service (electronic)	20,000,000,000	10%

Source : Banque Pour Le Commerce Extérieur Lao Public

2. Purpose of Using the Capital Raised from Share Issuance

The capital increase with a total value of 833,333,168,000 LAK in this round is a fundraising plan approved by the Annual General Shareholders' Meeting of BCEL for the year 2024, held on April 30, 2025.

After the target was set, BCEL conducted research and prepared thoroughly in terms of documentation, technical requirements, human resources, and coordination with higher authorities and relevant agencies regarding this capital increase. These preparations were made to ensure that the objectives can be achieved within the specified timeframe.

Upon completion of the capital increase, BCEL will be able to meet the minimum capital adequacy requirements set by the Bank of the Lao PDR. This will serve as an important foundation for the application of Basel II standards in the future. At the same time, it will strengthen the capital position to enhance competitiveness in the market, support the expansion of banking operations, improve and broaden service channels, and develop modern financial products aligned with international standards.

3. Risk Factors

Investment in shares involves risks. Therefore, investors should carefully review the information contained in this prospectus before making any investment decisions, particularly the various risk factors related to the Bank. The risk factors identified in this prospectus may have either positive or negative impacts on BCEL and the value of BCEL shares. In addition, there may be other risk factors not specifically mentioned in this prospectus. While such risks may not currently have a significant effect on the overall position of BCEL, in the future they could impact revenue, profitability, liquidity, sources of capital, and business opportunities.

BCEL has always considered risk management a fundamental factor in banking operations. The Bank has established clear risk management guidelines to ensure sound management mechanisms that safeguard against potential impacts on business operations. These measures also aim to strengthen the risk management process in line with international standards and Basel principles. The risk management framework consists of a Risk Management Committee and a senior management team, both playing important roles in setting and reviewing policies.

The risk management process begins with identifying significant risks that may affect operations, assessing each type of risk, monitoring and controlling risks within acceptable levels,

and reporting them to the management board for timely solutions. The key risk factors that investors should consider before making investment decisions include the following:

3.1 Uncertainty of the Global and Domestic Economy

The uncertainty of both the global and domestic economy presents challenges to the operations of the Bank and may continue to pose risk factors in the future. A key concern is the prolonged slowdown of global economic growth. According to the International Monetary Fund (IMF) Economic Report for 2024, the global economy expanded by 3.2%, slightly lower than the 3.3% recorded in 2023. For the period 2024–2025, the global economy has entered a clear slowdown phase and continues to face numerous challenges. In particular, conflicts and geopolitical tensions among major powers have had significant impacts on global trade, leading to rapid shifts in production chains and international trade structures, as well as intensified competition for political and economic influence worldwide.

Past global financial crises have also contributed to weak consumption and investment across key economic sectors, resulting in excess production capacity. Recently, the recovery of the global economy has remained sluggish, especially in Europe, which continues to struggle with high levels of public debt and tight monetary policies. At the same time, China has not yet achieved a full recovery due to difficulties in the real estate sector and weak domestic consumption. Japan also continues to face prolonged challenges with deflationary pressures and low economic growth. These conditions could potentially lead to stagnation in investment activities.

- External Factors

Ongoing trade tensions among major economies (the United States, China, and the European Union) remain a significant challenge. These tensions include the imposition of tariff measures, export bans on high-technology products, and restrictions on cross-border investment. Such measures have led to a decline in global trade volumes, while investors worldwide are losing confidence in the future direction of global trade rules, resulting in a continued slowdown in private investment. At the same time, central banks in many countries—particularly the U.S. Federal Reserve (FED) and the European Central Bank (ECB)—continue to pursue tight monetary policies to control inflation. Continuous increases in interest rates have raised financial costs for households and businesses, causing consumers and investors to be more cautious in their spending and investment decisions. Although inflation in many countries has eased from the peak levels of 2022–2023, it remains elevated, especially in developing

economies where high costs of energy, food, and raw materials—still above pre-COVID-19 levels—have eroded consumer purchasing power globally.

Geopolitical conflicts in several regions, including Eastern Europe, the Middle East, and the Asia-Pacific, also contribute to volatility in global financial markets. This uncertainty prompts investors to avoid risk and slow down investment in politically unstable regions. In addition, many developing countries are facing heavy public debt burdens at a time when global interest rates remain high. Debt servicing under such conditions is increasingly difficult, limiting fiscal space for public investment. Meanwhile, China—one of the world’s major growth engines—has been experiencing slower growth, with GDP in 2025 projected at only 4.5–4.8%, due to the ongoing real estate crisis, weak domestic consumption, and declining exports amid trade pressures. These factors are having a direct impact on global commodity markets.

Overall, the economic impacts arising from such external factors are unavoidable and beyond the control of the Bank. To mitigate these risks, the Bank places great importance on closely and continuously monitoring economic conditions, ensuring that management decisions are well-informed. This enables timely adjustments to competitive strategies in line with changing economic circumstances, minimizing potential negative impacts on operations.

- Internal Factors

In previous periods, the Bank of the Lao PDR (BoL) set the allowable spread between deposit and lending rates at no more than 3%. Since 2019, under Agreement No. 140/BoL on the determination of commercial bank interest rates, BoL has allowed commercial banks to set deposit and lending rates based on market mechanisms. This flexibility enables commercial banks—including BCEL—to align deposit rates with economic conditions and internal cost-management principles, while managing lending rates in line with funding sources.

Domestic economic factors that directly affect the banking sector also include: the upward trend in BoL policy rates, which raises funding costs for banks; elevated inflation that reduces household purchasing power; slower investment in basic infrastructure; and delayed government budget disbursements. These conditions have constrained investment capital and contributed to slower debt repayments. In parallel, BoL has moved toward tighter prudential standards to align with the requirements of international bodies of which the Lao PDR is a member.

To address interest rate policy shifts and broader economic volatility, BCEL has implemented measures to maintain an appropriate balance between deposits and loans and to mitigate related risks, including:

- Planning short-term and long-term deposit mobilization in line with funding needs;
- Prioritizing deposit mobilization by currency to match funding usage in each currency;
- Reviewing and tailoring long-term deposit products to customer needs, segmenting target groups, and promoting suitable deposit campaigns to mobilize long-term funds effectively;
- Strengthening credit-risk controls based on prevailing economic conditions as a basis for assessing lending risk across projects;
- Closely monitoring customer relationships and competitor banks' adjustments to deposit and lending rates;
- Advising customers on financial management, supporting business execution toward stated objectives, and helping customers adapt to changing market conditions.

3.2 Credit Risk

Credit risk refers to the possibility that borrowers or counterparties may fail to meet contractual obligations. This may occur when counterparties face financial difficulties and are unable to repay debts on time, or when there is intentional non-compliance with contractual terms. Such situations may cause losses to the Bank's business, particularly income generated from lending activities. Credit risk may result from various factors, including:

- **External Risk Factors**

Significant external risks include fluctuations in both domestic and international economic conditions, such as rising interest rates, exchange rate volatility, and political instability. Other external factors include the repayment capacity and creditworthiness of borrowers, as well as policy changes by the Bank of the Lao PDR (BoL) that affect the credit management of commercial banks. Examples include the tightening of credit regulations (such as loan classification requirements), risk grading of individual borrowers, and conditions or approval authority for credit facilities.

The classification of credit and the provisioning of credit risk reserves for BCEL's loan portfolio are implemented in accordance with Agreement No. 512/BoL, dated June 29, 2018, issued by the Bank of the Lao PDR, with details as follows:

Table 11: Loan Classification and Minimum Provisioning Ratios

Loans Classification	Number of Days Past Due	Minimum Provisioning Ratio
Normal or Pass	< 30	0.5%
Watch List or Special Mention	$30 \geq 90$	3%
Substandard	$90 \leq 180$	20%
Doubtful	$180 \leq 360$	50%
Loss	≥ 360	100%

To address these risks, BCEL closely and continuously monitors economic conditions to identify measures for mitigation or prevention in the event of external developments that could negatively affect the Bank, while also seeking opportunities when economic conditions are favorable. In addition, BCEL has strengthened operations—particularly in the area of credit—so that they are aligned with current regulations while also anticipating potential regulatory changes in the future.

To prepare for possible adjustments in banking regulations, the Bank has taken steps to ensure readiness across multiple areas. BCEL has engaged an international consulting firm to assist in enhancing internal processes and developing tools that support credit operations, including financial data analysis systems, credit risk indicators, and credit rating instruments.

- Internal Credit Risk Factors

Internal credit risk factors are those that arise from within the Bank itself. These include credit analysis and assessment, collateral valuation and acceptance, the integrity of credit officers, approval processes, monitoring tools, and the overall management of credit from the initial stage of loan origination through to the final stage of loan repayment by customers. Since lending is the Bank's core business, effective credit risk management is critical. Good management leads to positive results and profitability, while ineffective credit management could directly impact income.

To address credit risk management, BCEL has established specialized units dedicated to managing and controlling credit risk. Bank-wide, policies and regulations have been adopted to provide a framework for the management of counterparties. Furthermore, implementation of these policies is regularly reviewed and closely monitored. Strong emphasis is placed on building a robust credit culture, with clear principles and objectives to ensure that credit officers understand operational standards and communicate consistently across the organization. Large-

scale training programs and examinations are also conducted annually to evaluate the competencies of credit officers.

BCEL has also introduced credit risk management policies aligned with international principles, particularly Basel II. These cover governance and management responsibilities of all stakeholders involved in credit activities, standards for credit appraisal and approval, collateral management, credit risk mitigation, and monitoring and supervision. In addition, BCEL is in the process of applying a new credit risk rating system to its assessment and analysis processes. This will enable loans to be classified in line with international standards, reflect credit quality more accurately, and reduce the incidence of ineffective lending.

- Credit Risk from Key Debtor

Credit risk from key debtor refers to the risk that arises when the Bank extends loans, makes investments, undertakes significant financial commitments, or provides guarantees to a single borrower, a group of related borrowers, or a project with large exposure. If such exposures result in default or financial loss, they could directly impact the Bank's financial position and ability to operate effectively. To mitigate this type of risk, exposures must be diversified across multiple customer groups.

In managing this risk, BCEL has established credit control policies by setting key risk indicators. Specifically, exposure to any single borrower must not exceed 25% of Tier 1 capital, and exposure to a group of related borrowers must not exceed 50% of Tier 1 capital. In addition, the total credit exposure to all large borrowers combined must not exceed five times (500%) of BCEL's Tier 1 capital.

- Credit Risk Factors from Economic Sectors

Credit risk from economic sectors refers to the potential risk that arises when a bank provides loans and/or creates financial obligations concentrated in a specific sector with significant exposure. If a downturn occurs in that sector, it may result in losses or have a direct impact on the financial condition of the bank and the ability to operate. For example, lending in infrastructure projects, the construction sector, and similar industries may carry such risks. Therefore, the bank must diversify the credit portfolio across various sectors to avoid excessive concentration in any single area. This approach helps safeguard the bank in the event of an economic downturn in a particular sector.

To manage this type of credit risk, BCEL has prioritized diversification of the loan portfolio across multiple economic sectors. The bank emphasizes that lending to any single sector should not exceed 30% of the total outstanding loans.

3.3 Market Risk

Market risk refers to the potential impact on the income of BCEL that may arise from transactions or valuation in financial reports. This can affect assets, liabilities, and equity, and may lead to profit or loss for the bank. The main causes of such risk are changes in interest rates, exchange rates, and the prices of securities in which the bank invests.

In the past, the market risk for BCEL was relatively low, as seen from:

- **Foreign exchange transactions:** Most foreign exchange dealings are services provided to customers for paying goods and services across borders. To mitigate the risk from exchange rate fluctuations, transactions are generally carried out within the same day.
- **Investments in securities:** All investments are in bonds and stocks listed on the Lao Securities Exchange. These are considered low-risk because they include government bonds, and stock prices in the domestic market show limited volatility.

Currently, the upward trend of interest rates has increased the cost of deposit interest obligations, which may restrict credit expansion in the short term. However, the rise in interest rates also stimulates faster growth in deposit mobilization, which is an important factor for improving liquidity and reducing borrowing from other parties, both domestically and internationally. In addition, BCEL has enhanced the interest rate management policy to be more flexible and has optimized the use of funding sources in the market to achieve the highest efficiency.

To address market risk, BCEL continues to strengthen market risk management practices, ensuring operational stability while supporting the development of financial products both in the present and in the future.

3.4 Competition Risk in the Banking Sector

In recent years, the banking sector of the Lao PDR has expanded rapidly in both quantity and quality. In 2006, there were only 12 commercial banks in total, including branches of foreign commercial banks. By 2025, however, the number of commercial banks had increased to 36, consisting of: 1 state-owned commercial bank, 2 specialized banks, 5 state joint-venture commercial banks, 7 domestic and foreign private banks, 9 subsidiary banks of foreign banks,

and 12 branches of foreign commercial banks (Data from BOL, 2025). The increase in the number of banks has intensified competition among commercial banks, forcing each institution to continuously improve business performance and service quality in order to remain competitive. This competition is reflected in the development of new products and services for customers, particularly through the application of modern technology such as Automated Teller Machines (ATMs), Cash Deposit Machines (CDMs), KIOSK self-service machines, BCEL One, i-Bank, EDC, SME Banking, and payment cards including BCEL UnionPay, BCEL VISA, MasterCard, as well as other services designed to meet customer needs now and in the future.

3.5 Business Transformation in the IT Era

At present, competition among financial institutions is rising steadily. Therefore, financial institutions especially commercial banks must continually adapt to remain sustainable, grow business operations, and build competitive advantages. Adopting modern technological tools in operations has become essential in this highly competitive environment to deliver up-to-date banking services, allow customers to access services anytime and anywhere, ensure security, improve efficiency, and create business differentiation. At the same time, banks must recognize that adopting modern technology entails risks particularly information-system and network security (cyber) risks which are unavoidable and are increasing rapidly in both variety and complexity. These risks can directly influence customer decisions when choosing banking services. Banks therefore need to align more closely with international standards and be constantly prepared to prevent and respond to such issues. Key observable information-system risks and prevention measures include:

- **Risk from unauthorized devices being connected:** The bank uses centralized, high-efficiency IT asset management software capable of preventing computer viruses, with appropriate monitoring and inspection conducted at regular intervals in line with established policies.
- **Risk from malfunctioning computers and IT equipment:** The bank closely monitors internal IT hardware. Equipment that has been in use for many years must be replaced, newer and higher-quality machines are deployed, technologies are updated, backup equipment is procured for immediate substitution, and parallel (redundant) network systems are set up both on-site and off-site to ensure continuous service.
- **Risk of criminal theft of customer data:** The bank periodically issues guidance via online and social media channels to alert customers to scammers' tactics for stealing personal information and to provide methods of protection such as safeguarding

usernames and login passwords while promoting vigilance when using information through social media. In parallel, a responsible committee monitors and reviews the use of information on social platforms to remain current and respond promptly.

- **Risk related to secure use of banking products:** The bank employs tools that meet international standards to monitor and protect against cybercrime, such as Secure Socket Layer (SSL) encryption and decryption for system users whether on the bank's website or through i-Bank products to ensure secure use of services.

To manage these risks and build confidence among customers, business partners, and both domestic and foreign investors, the bank must allocate capital for continuous development, improvement, and upgrading of IT systems, advancing step by step toward modern, near-international standards.

3.6 Regulatory Changes

The Bank of the Lao PDR (BOL), as the supervisory authority for commercial banks and other financial institutions, has issued policies at different periods to regulate financial institutions. These policies aim to ensure that business operations align with the financial policy framework of the BOL, serving as a reference for maintaining liquidity and managing risks in the operations of banks, including:

3.6.1 Basel II Principles

Under the Basel II framework, the focus is on the adequacy of capital relative to risk-weighted assets. For each category of risk-weighted assets, the Bank of the Lao PDR (BOL) has clearly defined standards and conditions consistent with those set by international financial organizations. This creates initial challenges for banks in complying with these principles, as it may affect capital adequacy and core income.

The Capital Adequacy Ratio (CAR) is the key tool used to measure whether a bank has sufficient capital compared to risk-weighted assets. It is calculated based on Tier 1 Capital (core capital) and Tier 2 Capital (supplementary capital), in proportion to total risk-weighted assets (RWA):

$$\text{CAR} = [(\text{Tier 1 Capital} + \text{Tier 2 Capital}) / \text{Total Risk-Weighted Assets}] \times 100 \geq 8\%$$

At present, BCEL continues to prepare for the implementation of Basel II, in alignment with the economic conditions of the banking sector in the Lao PDR. BCEL places strong

emphasis on capacity building and regular training, as well as drawing lessons learned from related work, in order to ensure efficiency in applying and implementing Basel II standards in the future.

3.6.2 Compliance with Other Regulations

Commercial banks must comply with various laws, regulations, and requirements issued periodically by the Bank of the Lao PDR (BOL) and the securities supervisory authorities. These include regulations on credit management, foreign exchange, exchange rates, interest rates, and other related areas.

- International regulations: BCEL complies with the Foreign Account Tax Compliance Act (FATCA), which concerns tax obligations of U.S. individuals and entities abroad. The bank also places strong emphasis on participating in anti-money laundering (AML) and counter-terrorism financing (CTF) initiatives. In addition, compliance is maintained with measures related to blacklists imposed by international organizations.
- Domestic regulations: BCEL complies with laws and regulations issued periodically within the Lao PDR. Furthermore, the bank continuously updates and improves internal policies, rules, and manuals to ensure alignment with national economic conditions and regulatory requirements.

3.6.3 Liquidity Risk

Liquidity risk refers to the possibility that a bank may be unable to meet debt obligations or contractual financial commitments due to insufficient liquidity. The purpose of liquidity risk management is to ensure adequate and sufficient capital to meet both current and future obligations, while also maintaining the capacity to allocate funds for other authorized and legal investments. Key factors affecting liquidity risk include the financial structure of the bank, sources of funds, and utilization of funds.

To address these risks, an Asset-Liability Management Committee (ALCO) has been established to regularly review liquidity positions. The Treasury and International Services Department (TISD) serves as the secretariat of the committee, with responsibility for day-to-day liquidity management and monitoring. In addition, the reporting system is continuously improved to ensure timely and effective oversight of liquidity.

3.7 Other Risks

In addition to the risks mentioned above, there are other unpredictable risks that can affect the operations of BCEL. These include natural disasters, wars, fires, and other unforeseen

events that may disrupt business activities. To address these risks, BCEL emphasizes the development of comprehensive policies and risk management tools, ensuring effectiveness in workflows and establishing a standardized risk management system. At the same time, to cope with potential emergencies that may impact operations, BCEL has also prepared a Business Continuity Management (BCM) plan to guarantee the ability to respond appropriately to situations that may arise at any level.

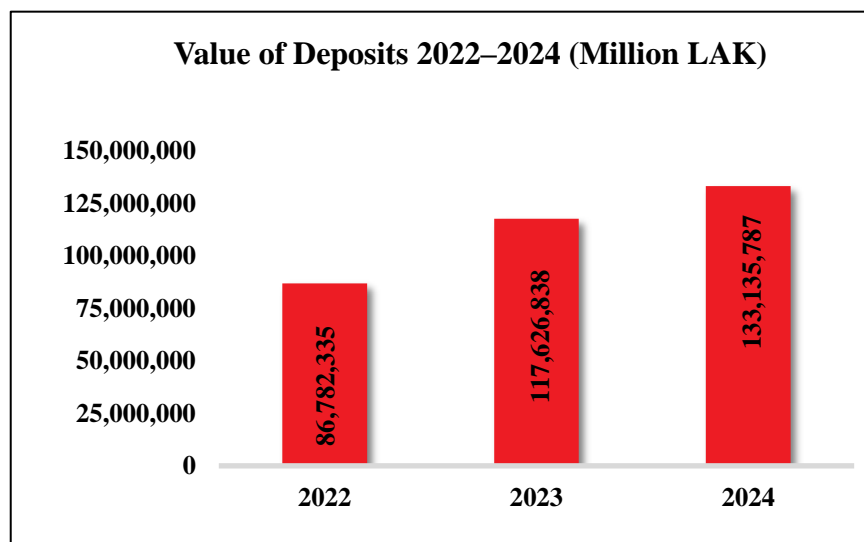
4. Current Business Operations

BCEL conducts commercial banking operations in accordance with the regulations and principles set by the Bank of the Lao PDR (BOL). The range of products and services offered to customers is similar to those of other commercial banks, including savings deposits, fixed deposits, loan facilities, guarantees, and others. However, BCEL possesses several underlying strengths that enable the development of technology more closely integrated with banking products, providing greater convenience to customers. Examples include BCEL One, Mobile Banking, Internet Banking, and other services that are more advanced than those of many commercial banks. The details of BCEL's current products and services are as follows:

4.1 Deposit

In 2022, 2023, and 2024, BCEL recorded total deposits of 86,782,335 million LAK, 117,626,838 million LAK, and 133,135,787 million LAK, respectively. From these figures, it is evident that BCEL experienced a substantial increase in deposit volume, with an average annual growth rate of 24.36% from 2022 to 2024. Compared to 2022, deposit figures in 2023 and 2024 rose by 35.54% and 53.41%, respectively.

Figure 1: Deposit



Source: Banque Pour le Commerce Extérieur Lao Public (BCEL)

At present, BCEL offers five types of deposit services, namely: Current deposits, Savings deposits, Fixed-term deposits, Deposits from banks and financial institutions, Guarantee deposits. Among these five types, savings deposits account for the highest proportion, reaching 49.40%, 50.86%, and 55.79% in 2022, 2023, and 2024, respectively. In addition, savings deposits have shown positive growth, with an average annual growth rate of 31.85% from 2022 to 2024.

Table 12: Types of Deposits

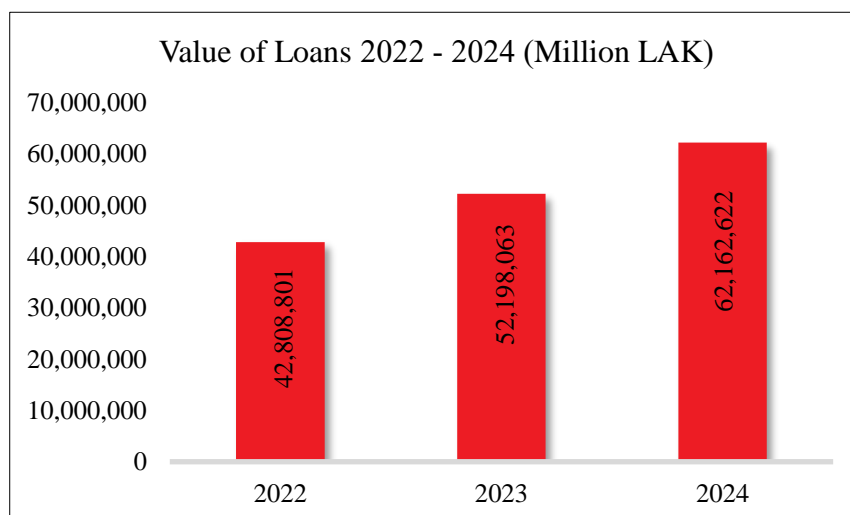
No.	Types of Deposits	2022	2023	2024
1	Current deposits	12.60%	14.26%	12.23%
2	Savings deposits	49.40%	50.86%	55.79%
3	Fixed-term deposits	29.97%	26.69%	27.25%
4	Deposits from banks and financial institutions	7.60%	8.01%	4.56%
5	Guarantee deposits	0.43%	0.18%	0.16%
Total Deposits		100%	100%	100%

Source: Banque Pour le Commerce Extérieur Lao Public (BCEL)

4.2 Loans

In 2022, 2023, and 2024, BCEL recorded total loan balances of 42,808,801 million LAK, 52,198,063 million LAK, and 62,162,622 million LAK, respectively. From these figures, it is clear that BCEL's loan portfolio continued to grow, with an average annual growth rate of 20.51% during 2022–2024. Compared to 2022, loan balances in 2023 and 2024 increased by 21.93% and 45.21%, respectively.

Figure 2: Loans



Source: Banque Pour le Commerce Extérieur Lao Public (BCEL)

When loans are categorized by economic sectors, it is evident that BCEL has primarily extended credit to the industrial sector, which accounted for more than 50% of total loans during the past three years. In 2022, 2023, and 2024, loans to the industrial sector represented 54.32%, 56.82%, and 60.07%, respectively. On a year-to-year basis, loans in this sector grew at an average rate of 26.73%, with an increase of 27.55% from 2022 to 2023 and 25.90% from 2023 to 2024. In addition, in recent years, BCEL has also expanded lending to the trade sector, the construction/technical materials sector, and other industries as well.

Table 13: Types of Loans by Economic Sector

No.	Types of Loans	2022	2023	2024
1	Industrials	54.32%	56.82%	60.07%
2	Services	13.24%	10.70%	8.58%
3	Trades	10.91%	12.47%	15.16%
4	Constructions	11.96%	12.17%	10.28%
5	Logistics and Postal Services	4.09%	4.01%	0.37%
6	Technical Materials	0.19%	1.95%	2.75%
7	Agriculture and Forestry	4.10%	0.45%	0.82%
8	Handicrafts	0.01%	0.01%	0.02%
9	Others	1.18%	1.41%	1.94%
Total Loans		100%	100%	100%

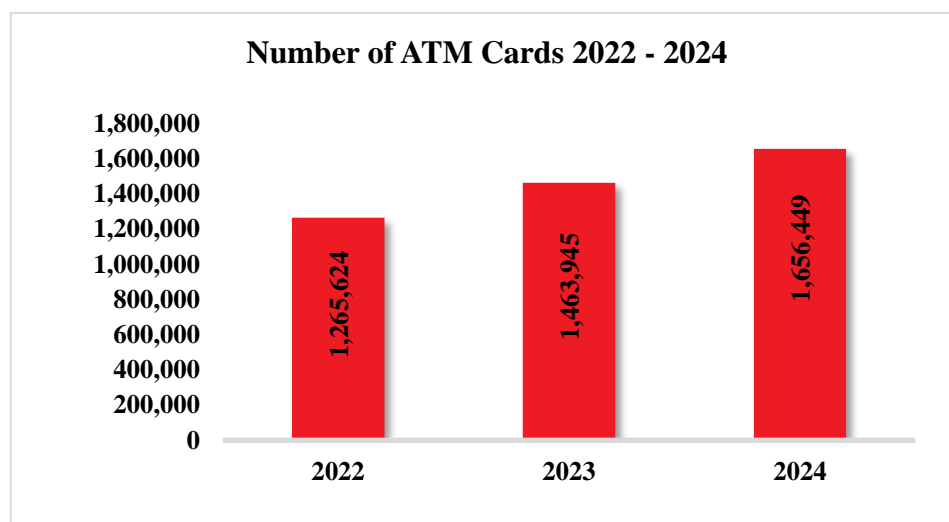
Source: Banque Pour le Commerce Extérieur Lao Public (BCEL)

4.3 ATM Card Product

BCEL ATM cards are UnionPay cards that use modern technology to enhance safety and convenience, in compliance with international EMVCo standards. These cards can be used for cash withdrawals (via BCEL ATMs and other ATMs bearing the UnionPay logo), payments for goods and services at merchants both domestically and internationally, online payments on websites that accept UnionPay, and cash deposits through BCEL deposit machines. In addition, the cards support contactless payments, branded by BCEL as Tap & Go.

In 2022, 2023, and 2024, the number of BCEL ATM cards in use reached 1,265,624, 1,463,945, and 1,656,449, respectively. The continued popularity of BCEL ATM cards is reflected in an average annual growth rate of 14.41%. Compared to 2022, the number of cards increased by 15.67% in 2023 and 30.88% in 2024.

Figure 3: Number of ATM Cards

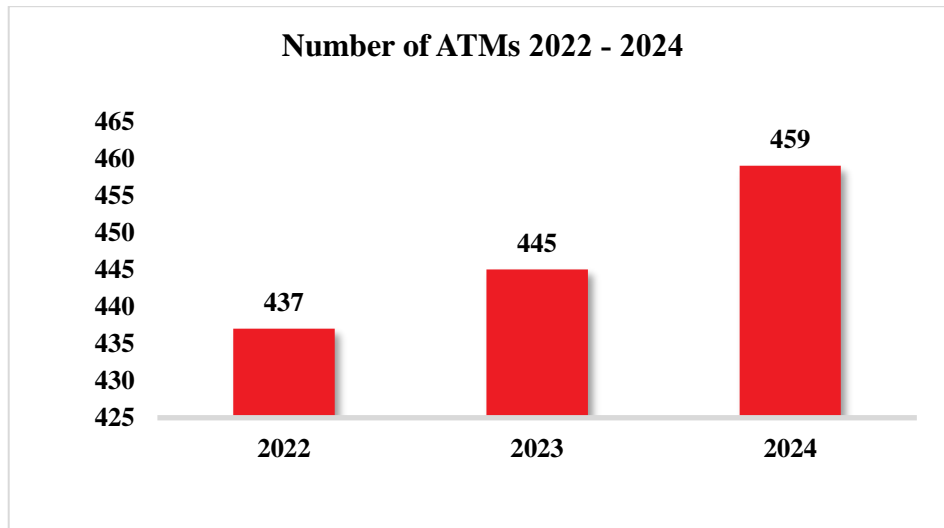


Source: Banque Pour le Commerce Extérieur Lao Public (BCEL)

4.4 ATM Machines

The expansion of BCEL's ATM network is based on the bank's service outlet expansion across the country. In 2022, 2023, and 2024, BCEL installed a total of 437 units, 445 units, and 459 units, respectively, nationwide. From 2022 to 2024, the number of BCEL ATMs increased by 5.03%.

Figure 4: Number of ATMs

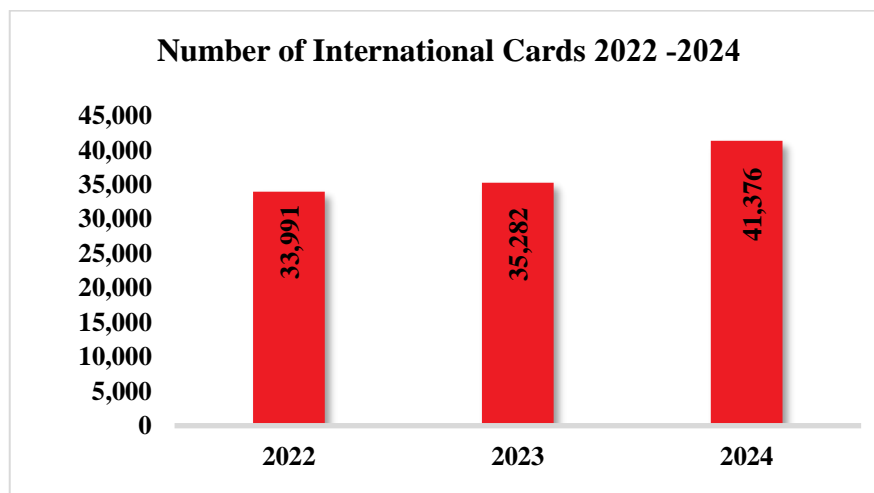


Source: Banque Pour le Commerce Extérieur Lao Public (BCEL)

4.5 International Cards

BCEL's international cards consist of four types: UnionPay, VISA, JCB, and Mastercard. In 2022, 2023, and 2024, the total number of BCEL international cards reached 33,991 cards, 35,282 cards, and 41,376 cards, respectively. The number of international cards issued by BCEL continued to grow, with an average annual growth rate of 10.54%. Compared to 2022, the number of cards increased by 3.80% in 2023 and 21.73% in 2024.

Figure 5: Number of International Cards



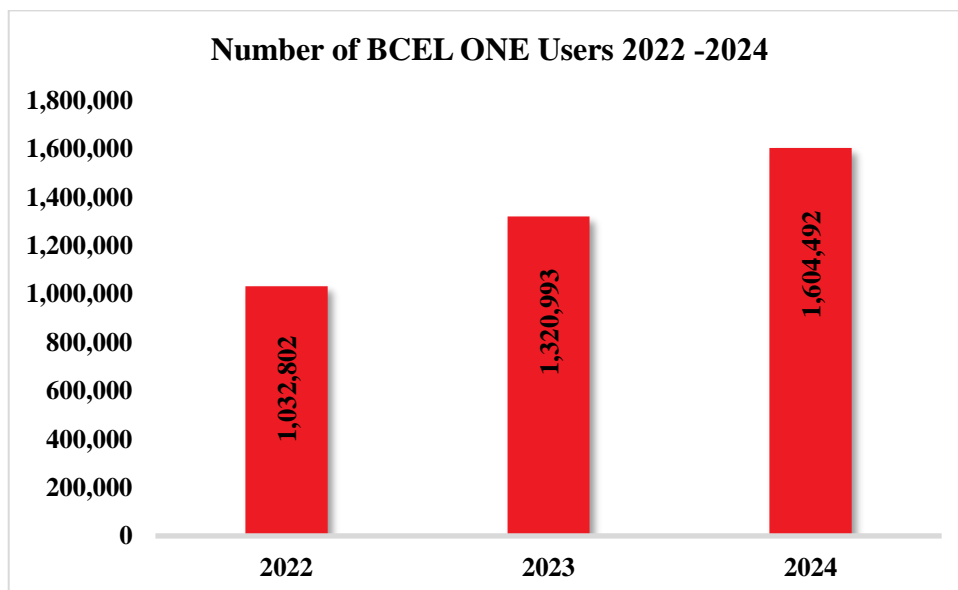
Source: Banque Pour le Commerce Extérieur Lao Public (BCEL)

4.6 BCEL ONE

The BCEL ONE product is an electronic service developed by BCEL and first launched in July 2013. It was introduced to serve the public with the primary objective of reducing the large number of customers visiting bank branches, which had caused congestion and service delays. Through BCEL ONE, customers can conduct a wide range of financial transactions independently, such as money transfers, payment of water, electricity, and phone bills, as well as other transactions. At present, BCEL ONE is widely popular and provides significant convenience to customers, as reflected by the year-on-year increase in users.

In 2022, 2023, and 2024, the number of BCEL ONE users reached 1,032,802, 1,320,993, and 1,604,492, respectively. The user base continued to grow, with an average annual growth rate of 24.68%. Compared to 2022, the number of users increased by 27.90% in 2023 and 55.35% in 2024.

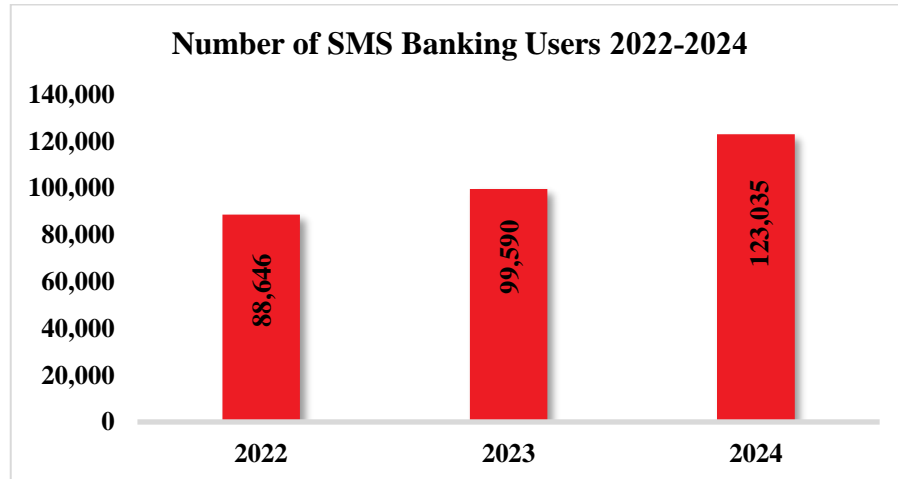
Figure 6: Number of BCEL ONE Users



Source: Banque Pour le Commerce Extérieur Lao Public (BCEL)

4.7 SMS Banking

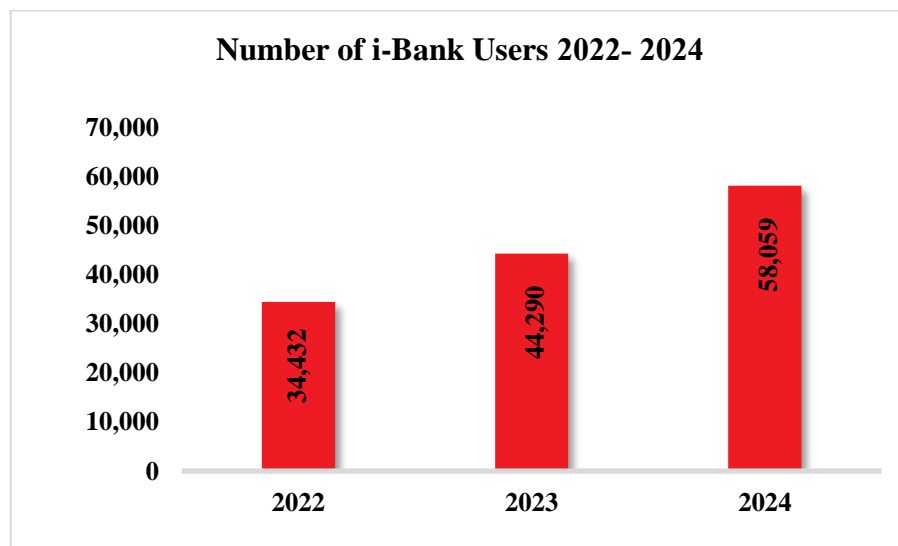
SMS Banking is a service that notifies customers of their financial transactions via SMS, first introduced in 2008. In 2022, 2023, and 2024, the number of SMS Banking users reached 88,646, 99,590, and 123,035, respectively. The service has continued to expand, with an average annual growth rate of 17.94%. Compared to 2022, the number of users increased by 12.35% in 2023 and 38.79% in 2024. The continuous increase in SMS Banking users reflects BCEL's efforts to improve service formats, making SMS Banking a complementary product offered when customers open new accounts.

Figure 7: Number of SMS Banking Users

Source: Banque Pour le Commerce Extérieur Lao Public (BCEL)

4.8 BCEL i-Bank

i-Bank is a product created in 2008 and has been continuously developed over time. This product is suitable for government and private organizations, international organizations, companies, legal entities, and groups of legal entities. In 2022, 2023, and 2024, the number of i-Bank users was 34,432, 44,290, and 58,059 respectively, with an average annual growth rate of 29.86%. Compared to 2022, the number of i-Bank users increased by 28.63% in 2023 and 68.62% in 2024.

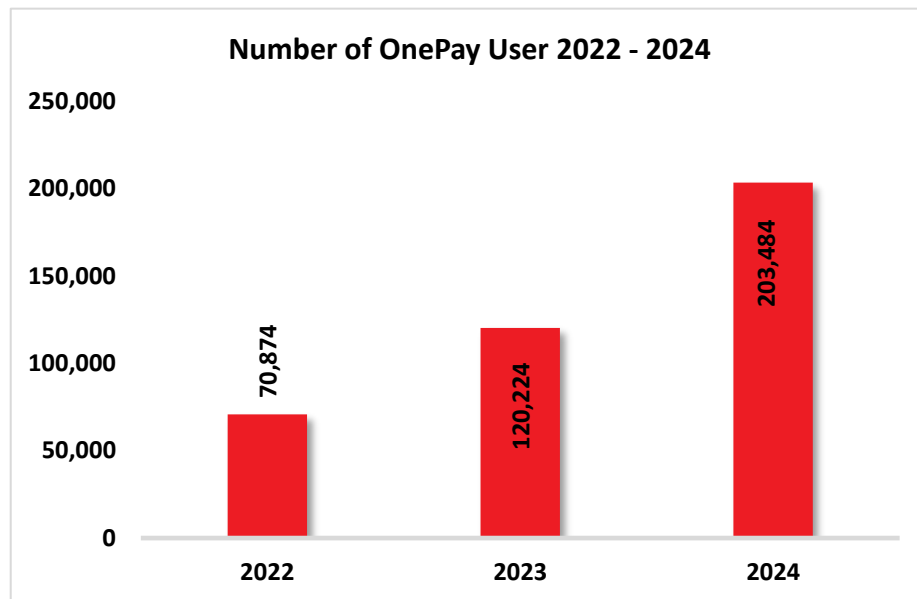
Figure 8: Number of i-Bank Users

Source: Banque Pour le Commerce Extérieur Lao Public (BCEL)

4.9 One Pay

One Pay is an electronic product that was created in 2017 and has received positive feedback from users. This product is suitable for service payments, shops, restaurants, companies, and more. In addition, One Pay can also be used for money transfers between individuals and legal entities. In 2022, 2023, and 2024, the number of One Pay users was 70,874, 120,224, and 203,484 people respectively, with an average annual growth rate of 69.44%. Compared to 2022, the number of One Pay users increased by 69.63% in 2023 and 187.11% in 2024.

Figure 9: Number of OnePay Users



Source: Banque Pour le Commerce Extérieur Lao Public (BCEL)

5. Future Projects

BCEL will continue to implement a long-term expansion strategy by conducting further research and making necessary adjustments to improve services and develop the management system in 2025 to ensure stronger alignment. Additional sub-projects have also been included, particularly those considered fundamental priorities under the Basel II framework. The number of work plans has expanded, now consisting of 6 main plans (unchanged), 32 major projects, and 253 work plans (an increase of 62 work plans). The increase in work plans is mainly in the service plans, which can be considered the foundation of Basel II. These tasks are distributed among various committees, departments, centers, branches, divisions, and service units. The projects under each plan include:

❖ **Develop Corporate Governance to International Standards**

Develop corporate governance (CG), which is a management system related to the

structure, control, and processes of shareholder meetings, the board of directors, management, shareholders, and other stakeholders. The objective is to establish a clear framework and set standards for good corporate governance, ensuring effective, transparent, and accountable management while taking into account the interests of all stakeholders.

❖ **Establish a Risk Management System and Implement Basel II Principles**

Following integration into the ASEAN Economic Community, competition in the financial and banking system has intensified. This requires banks to strengthen their foundations in order to compete effectively and achieve strategic objectives. In response, BCEL has set a direction to establish a strong and efficient risk management system aligned with both regional and international standards. A Risk Management and Anti-Money Laundering Department has been established to ensure effective risk management in line with Basel II principles.

To achieve this, BCEL is focusing on the following key tasks:

- Improving the risk management system to align with the policies of the Bank of the Lao PDR (BOL) and Basel II standards;
- Updating risk management policies to meet Basel II requirements;
- Developing tools for asset management, risk control, and auditing with greater efficiency;
- Establishing and enhancing regulations for managing risk assets to ensure quality.

❖ **Develop a Management Information System (MIS) for Administration**

MIS is an important component in business management, so it must be developed properly, clearly, in accordance with international standards, and managed securely. The strategic objectives are to:

- Develop reporting systems that meet quality management standards;
- Develop a centralized and high-quality database;
- Create and improve reporting systems with multiple forms and dimensions;
- Centralize reporting and disclosure of information;
- Develop systems to ensure information security.

❖ **Develop and Manage the IT System**

Alongside modernization, developing the IT system is a vital and fundamental task.

Therefore, it is necessary for BCEL to build an IT system that is modern, comprehensive, close to international standards, able to support business operations, provide fast and up-to-date services, and connect internationally. Development priorities must also be arranged according to the bank's strategic tasks. In the future, BCEL must develop and improve its IT system in the following ways:

- Research and move toward using open-source systems;
- Develop software systems to support internal operations;
- Build parallel operating systems and backup systems;
- Establish strong cybersecurity protection systems;
- Upgrade IT infrastructure to international standards, including: creating a Data Center close to international standards, creating conditions for IT management systems to be certified under the international ISO 27001 standard, and preparing for international connectivity;
- Develop and improve regulations, manuals, and guidelines related to IT operations to be comprehensive and secure.

❖ **Human Resource Management and Development**

Human resources are a key supporting factor in driving BCEL's strategy to achieve defined objectives. In the current context, where banking competition is intensifying and the economic, social, and technological environments are rapidly changing, human resource management is regarded as a core mechanism for ensuring sustainable business success. The emphasis is on the quality of personnel as the driving force that propels BCEL forward, particularly through building a professional workforce capable of adapting to new circumstances.

To develop a strong, coherent, and strategically aligned HR management system that supports the achievement of BCEL's vision and mission, the following HR development strategies have been identified:

- Develop personnel in line with key development tasks;
- Improve the efficiency of staff allocation according to job requirements, knowledge, competencies, and levels of specialization;
- Create new incentive systems for employees that reflect changes and strategic priorities;
- Establish a performance evaluation system (Key Performance Indicators – KPI).

❖ **Developing Financial Management, Modern Services, and Business Efficiency**

Financial management focuses on enhancing capital mobilization activities, managing funds in various feasible forms under prevailing conditions, and restructuring capital appropriately to provide a foundation for achieving higher credit ratings. It also emphasizes the effective use of capital by establishing clear lending and fund management strategies, improving joint investments with other sectors to strengthen business quality, generating revenue, controlling expenses for greater efficiency, and developing monitoring systems to evaluate performance on a regular basis.

6. Business Plan 2025 and development plan for 2025-2029

6.1 Business Plan 2025

In 2025, BCEL will continue to define the business direction with a competitive and progressive approach, aiming to ensure effective overall business performance and strengthen confidence among shareholders. The details are as follows:

❖ **Financial Plan**

- **Total Assets:** Not less than 150,620 billion LAK, an increase of 5.93% compared to the 2024 implementation plan.
- **Total Deposits:** Not less than 138,000 billion LAK, an increase of 4.42% compared to the 2024 implementation plan.
- **Total Loans:** Not less than 65,700 billion LAK, an increase of 10.05% compared to the 2024 implementation plan.
- **Total NPL (Non-Performing Loans):** Not exceeding 3% of total loans.
- **Total Capital:** At the level of 5,220 billion LAK, an increase of 44.86% compared to the 2024 implementation plan.
- **Net Profit:** Not less than 550 billion LAK, an increase of 8% compared to the 2024 implementation plan.
- **Capital Adequacy Ratio (CAR):** $\geq 8\%$.

❖ **Plan for Technical Equipment, Construction, and Repairs**

Based on the limited business expansion funds, the plan for technical equipment, construction, and repairs will focus on continuing unfinished projects, replacing outdated items, and adding new essential facilities. The total planned budget amounts to 803.45 billion LAK, which remains within the available funding sources.

❖ Service Network Expansion Plan

The expansion of service outlets in 2025 will continue with the development of units that are still under implementation and not yet completed but were previously approved. The focus will also be on expanding outlets in economically suitable areas, including priority zones identified by top-level directives in each period. Plans include establishing 1 new branch, expanding 13 new service units, and relocating 2 existing service units.

Table 14: Service Network Expansion Plan for 2025

No.	Category	Branches	Name of the branches	Remark
Establish a branch				
1	Branch	Xaysomboun	Xaysomboun Branch	Upgrade a service unit to a branch
Establish Service Units				
1	Service Units	Xayyabouly	Xienghorn Service Unit	Continue the 2024 Plan
2	Service Units	Vientiane	Wattay International Airport Service Unit	Continue the 2024 Plan
3	Service Units	Khammouan	Dongtai Service Unit	ASEAN Industrial – International Potash Zone
4	Service Units	Savannakhet	Seno Service Unit	Upgrade an exchange office to a service unit
5	Service Units	Phongsaly	Yord-ou Service Unit	
6	Service Units	Luangnamtha	Viengphoukha Service Unit	
7	Service Units	Xiengkhouang	Nonghaed Service Unit	
8	Service Units	Borlikhamxay	Thabok Service Unit	
9	Service Units	Borlikhamxay	5 th Lao-Thai Friendship Bridge Service Unit	
10	Service Units	Houaphanh	Muang Aed Service Unit	
11	Service Units	Oudomxay	Muang Baeng Service Unit	

12	Service Units	Sekong	Muang Kaluem Service Unit	
13	Service Units	Viengchan	Ban Vang Service Unit	
Relocation of a service unit				
1	Service Unit	Xaysettha	Dongkhamxang Service Unit	Continuing the 2024 plan by relocating from the Lao Securities Market Service Unit to the Dongkhamxang Service Unit
2	Service Unit	Dongdok	KM21 Service Unit	Relocated from the Saysettha Special Economic Zone Service Unit to the KM21 Service Unit

Source: Banque Pour le Commerce Extérieur Lao Public (BCEL)

❖ Product Expansion Plan

- Total domestic cards: not less than **360,000 cards**;
- Total international cards: not less than **14,700 cards**;
- BCEL One: not less than **273,000 users**;
- i-Bank: not less than **11,000 users**;
- SMS Banking: not less than **14,000 users**;
- OnePay: not less than **67,500 merchants**;
- EDC/POS: not less than **570 machines**.

6.2 Development Plan for 2025-2029

❖ Mission

To enable BCEL to achieve the vision of becoming strong, modern, and aligned with international standards, the key missions to be prioritized are:

- Improve and enhance services to meet the needs of the new era, placing customers at the center.
- Strengthen financial stability in line with Basel II principles.
- Develop IT systems and modern technology, integrating innovation into services and advancing fully toward Digital Banking.
- Enhance the information system to be accurate, clear, transparent, fast, and secured in compliance with international cybersecurity standards.
- Develop personnel across all areas to be skilled and professional in banking services.
- Create customer satisfaction through the quality of services provided.
- Maximize sustainable benefits for shareholders while contributing as a responsible member of society.
- Establish and enforce conditions to ensure compliance with international standards.

❖ Financial Targets

Financial targets are a key direction for the Bank's business operations in order to ensure good performance and sustainable growth. The main goals include:

Table 15: Financial Targets 2025–2029

Financial Target 2025 - 2029	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Asset Growth	5-9%	5-9%	5-9%	5-9%	5-9%
Deposit Growth	5-10%	5-10%	5-10%	5-10%	5-10%
Loan Growth	5-7%	5-7%	5-7%	5-7%	5-7%
ROA	0.32%	0.35%	0.40%	0.45%	0.51%
ROE	11.92%	13.49%	15.80%	17.57%	19.74%
NPL	< 3%	< 3%	< 3%	< 3%	< 3%
NIM	1.5-3%	1.5-3%	1.5-3%	1.5-3%	1.5-3%
CAR	≥ 8%	≥ 8%	≥ 8%	≥ 8%	≥ 8%

Source: Banque Pour le Commerce Extérieur Lao Public (BCEL)

Achieving these financial targets will help strengthen BCEL's financial position step by step, enhance its competitiveness, and create sustainability for the shareholders.

❖ **Capital Management Development**

Capital management will focus on centralized management, using systems to improve efficiency, expand investment opportunities, and minimize risk, while strengthening risk-control standards based on appropriate financial ratios and procedures that can be effectively implemented in practice. The registered capital increase will be accelerated to ensure completion within 2025 (Q3/2025), bringing the capital adequacy ratio into alignment with the criteria set by the Bank of the Lao PDR (BOL).

Liquidity management will prioritize the development and implementation of the Asset–Liability Management (ALM) and Fund Transfer Pricing (FTP) frameworks in accordance with Basel II. These measures aim to enhance the efficiency of managing funding sources, ensure operational liquidity, and provide a clear understanding of the structure and cost of funds in order to achieve strategic objectives and meet international financial ratio standards in each period. In addition, efforts will be made to actively expand the cross-border settlement network to be more diverse, modern, and efficient, aligned with customer needs and compliant with international standards.

❖ **In addition to the above, BCEL also has various plans for the next 5 years as follows:**

- Manage capital and investment;
- Strengthen marketing and sales operations;
- Develop corporate client services in the new era to be stronger;
- Efficiently manage fixed assets;
- Research, cooperate, and build external partnerships to increase business opportunities;
- Establish regulations, guidelines, manuals, or improve existing policies of BCEL;
- Expand loans effectively;
- Enhance credit management;
- Promote sustainable economic development and develop financial products for trade;
- Study the feasibility of accessing TSCF (Trade and Supply Chain Finance) funding from ADB;
- Resolve debts and sell non-performing assets;

- Strengthen management, and human resource management development;
- Modernize management and staff development;
- Develop and evaluate staff performance;
- Establish a solid foundation for risk management operations;
- Establish a foundation for anti-money laundering operations;
- Upgrade IT systems to be modern and able to provide 24/7 services;
- Develop IT systems to be secure;
- Create policies for handling emergency incidents and IT disaster recovery (DRP);
- Upgrade reporting systems and big data analytics to international standards.
- Develop and upgrade internal operation support software systems;
- Upgrade bill payment systems and e-banking products to be modern;
- Develop products to shift toward services in the form of Digital Banking;
- Diversify Mobile Banking services;
- Introduce new card products with greater variety;
- Review, evaluate, and improve existing products;
- Expand, improve, and replace ATMs, CDMs, and kiosks;
- Upgrade product collection services and e-commerce services;
- Improve reporting and develop tools for replicating card products issued by BCEL;
- Develop tools for replicating international card acceptance across BCEL's different channels;
- Modernize self-service operations;
- Improve and upgrade Big Data infrastructure;
- Develop advanced data analytics;
- Improve and develop statistical reporting systems across all BCEL systems and channels;
- Ensure data security and quality control;
- Modernize the credit approval process;
- Develop credit and guarantee letter services in electronic form to become modernized services;
- Develop loan reporting systems aligned with each phase;
- Improve and develop accounting and financial reporting systems to be modern;
- Establish operational standards for environmental and social sustainability (Environment, Social, and Governance - ESG);
- Manage governance according to Corporate Governance (CG) principles;

- Initiate access to green finance programs.
- Develop credit risk management in line with Basel II principles (Projects C2–C9);
- Establish a foundation for risk management and anti-money laundering in compliance with international standards;
- Manage data governance according to Basel II framework principles;
- Implement a single accounting system in accordance with international IFRS standards;
- Develop and improve the auditing system to reach COSO standards;
- Develop service operations to meet international ISO 9001:2015 standards;
- Develop the PCI project.

7. Assets on Business

As of December 31, 2024, BCEL's total assets amounted to LAK 142,191,250 million. Due to the specific nature of the banking business, BCEL's primary assets include: loans to customers, cash and balances with the Bank of Lao PDR, due from banks, financial investments, investments in associate and joint ventures and associates, property and equipment, construction in progress, right-of-use assets, deferred tax assets, and other assets, as detailed below:

Table 16: Assets on Business

Unit: Million LAK

Assets	2022	2023	2024
Cash and balances with the Bank of Lao PDR	27,786,294	31,684,143	32,718,705
Due from banks	11,855,719	21,964,355	20,512,515
Loans to customers	47,235,372	53,892,356	59,941,800
Financial investments - Held-for-trading	-	-	-
Financial investments - Available-for-sale	90,123	87,822	80,535
Financial investments – Held-to-maturity	4,967,151	15,098,095	25,001,699
Investments in associates and joint ventures	691,081	747,223	793,988



Property and equipment	540,325	396,900	477,235
Construction in progress	-	171,204	227,042
Intangible asset	283,285	321,734	316,513
Right-of-use asset	52,028	53,500	72,066
Deferred tax assets	116,520	102,813	226,165
Other Assets	875,117	1,913,614	1,822,987
Total Assets	94,493,015	126,433,759	142,191,250

Source : Banque Pour Le Commerce Extérieur Lao Public

8. Legal Disputes

According to a certificate from the Vientiane Capital People's Court, No. 39/VPC.VTE, dated July 31, 2025, it is stipulated that BCEL has legal cases as both a plaintiff and a defendant, which the legal proceedings are a normal process of the bank's measure operations to protect its rights and benefits under the law, which can occur regularly in the business operation. Before taking legal action related to credit debt, it has the internal procedures of loan provision. As for cases where BCEL is a civil defendant, the claim amounts are not high, and the court has not made any judgment that BCEL is liable for the claims of the counterparties. Therefore, being a plaintiff or defendant in these cases does not have any significant impact on BCEL's financial status or stability.

9. BCEL's Capital Structure

The capital of BCEL for the years 2022, 2023, and 2024 totaled LAK 2,357,960 million, LAK 2,577,664 million, and LAK 2,922,790 million, respectively. Generally, BCEL's capital consists of charter capital, statutory reserves and other reserves, remeasurement of post-employment benefit reserve and retained earnings is detailed below:

Table 17: Capital Structure

Unit: Million LAK

Description	2022	2023	2024
Charter capital	1,038,617	1,038,617	1,038,617
Statutory reserves and other reserves	836,635	911,701	1,154,828
Remeasurement of post-employment benefit reserve	9,040	18,107	(24,013)
Retained earnings	473,668	609,239	753,358
Total Equity	2,357,960	2,577,664	2,922,790

Source : Banque Pour Le Commerce Extérieur Lao Public

9.1 Shareholder Structure

The shareholders structure of BCEL before and after the issuance of RO&PO was the following:

Table 18: Shareholders

No.	Shareholders	Before RO&PO		After RO&PO	
		Number of shares	%	Number of shares	%
1	Ministry of Finance	623,169,900	60%	926,923,200	60%
2	COFIBRED	103,861,650	10%	154,487,150	10%
3	Public Investors	311,584,950	30%	463,461,650	30%
Total		1,038,616,500	100%	1,544,872,000	100%
Registered Capital		1,038,616,500,000 LAK		1,544,872,000,000 LAK	

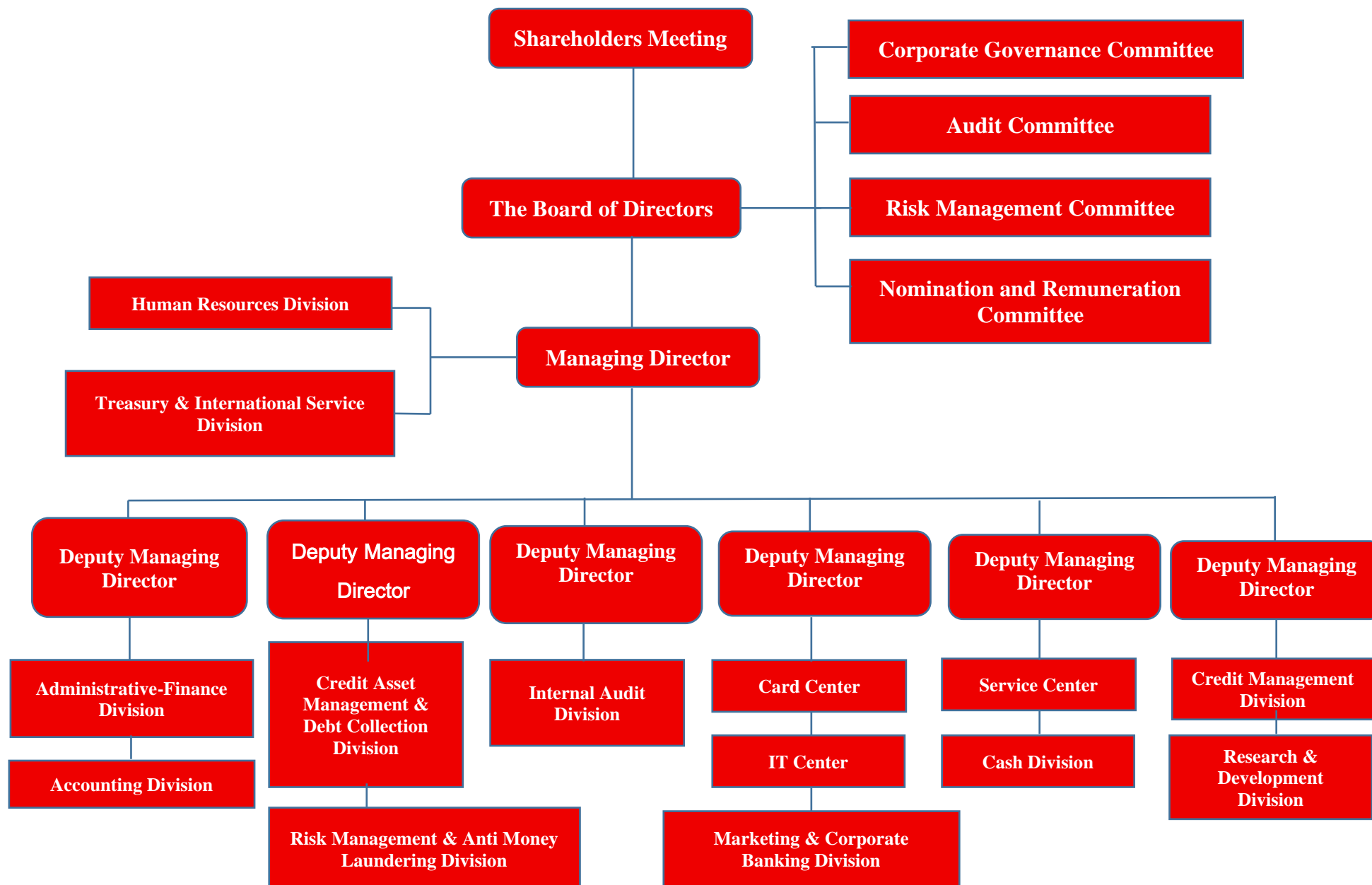
Source : Banque Pour Le Commerce Extérieur Lao Public

10. Organizational Structure

Organizational Structure of BCEL include:

- 1) Shareholders' Meeting.
- 2) The Board of Directors
- 3) The Members of the Board of the Directors.
- 4) Managing Director.
- 5) Deputy Managing Director
- 6) Divisions-Centers, Branches, Service Unit
- 7) Employees of BCEL

Figure 10: Organizational Structure of BCEL



10.1 Shareholders' Meeting

The Shareholders' Meeting is the highest organizational body of BCEL. All shareholders whose names are listed in the BCEL Shareholder Register are entitled to attend. There are two types of Shareholders' Meetings: Ordinary Meetings and Extraordinary Meetings.

10.1.1 Ordinary Shareholders' Meeting

The Ordinary Shareholders' Meeting shall be held within four (4) months after the end of the fiscal year. The Ordinary Shareholders' Meeting has the following rights and duties:

- To approve amendments to the BCEL's regulations as proposed by the Board of Directors.
- To elect or dismiss the Chairman, Vice Chairman, and members of the Board of Directors.
- To determine the meeting allowances for the Board of Directors and the salaries, bonuses, and policies for BCEL's executive management and employees.
- To approve the summary, business plan, and annual audit report as proposed by the Board of Directors.
- To approve mergers, the sale of a significant portion of assets, or the dissolution of BCEL as proposed by the Board of Directors.
- To approve the distribution of dividends and the establishment of various reserves as proposed by the Board of Directors.
- To implement other rights and duties as specified in these regulations.

10.1.2 Extra-Ordinary Shareholders' Meeting

An Extra-Ordinary Shareholders' Meeting may be held if deemed necessary, with the approval of the Board of Directors, and a group of shareholders holding more than ten percent (10%) of the total ordinary shares for a continuous period of six (6) months or more has the right to propose an Extraordinary Shareholders' Meeting in the following cases:

- The financial statement shows BCEL's instability, such as a downward trend in the capital adequacy ratio or a ratio falling below the minimum threshold set by the BOL.
- When the number of board committees is less than the number stipulated by law or less than the number specified in the Law on Commercial Banks.

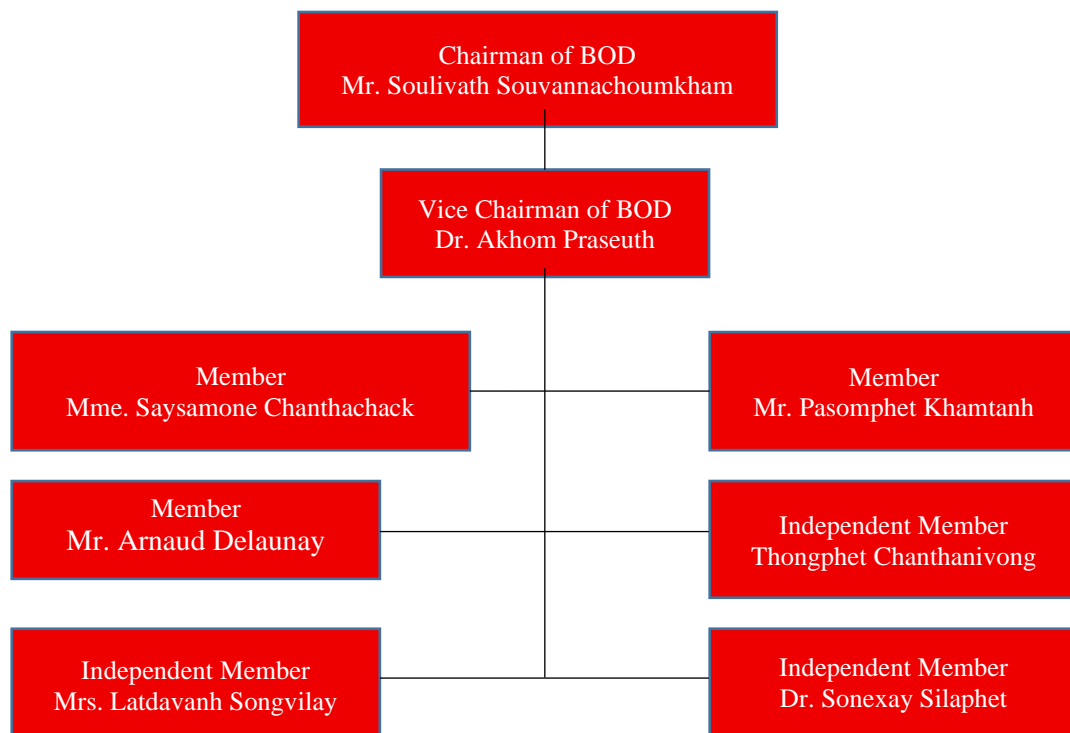
- In cases where there is a reason to believe that BCEL's executive management has seriously violated the bank's internal regulations or relevant laws, causing significant damage to BCEL and its shareholders.
- To convene a shareholders' meeting by court order.
- To amend and supplement the content of BCEL's internal regulations.
- To increase or decrease the registered capital.
- For the reorganization and dissolution (liquidation) of BCEL and the appointment of a liquidator.
- Other cases as stipulated in BCEL's internal regulations or the laws of the Lao PDR.

All types of meetings must have written minutes signed by the attendees. For meetings conducted via video conference or other communication systems as authorized by the Bank of the Lao PDR, the audio and video must be recorded and retained. When it is necessary to decide on a matter, the Chairman of the Board of Directors can send a circular letter to shareholders to vote without holding a shareholders' meeting.

10.3 The Board of Directors

The Board of Directors of the BCEL consists of 8 members, including 3 independent members, with the following details:

Figure 11: The Structure of the Committees of the Board of Directors (BOD)





Mr. Soulivath Souvannachoumklam
Chairman



Mr. Akhom PRASERTH (Ph.D)
Vice Chairman



Mme. Saysamone Chanthachack
Member



Mr. Pasomphet Khamtanh
Member



Mr. Arnaud Delaunay
Member



Assoc. Prof. Dr. Thongphet
Chanthanivong,



Mes. Latdavanh Songvilay
Independent Member



Dr. Sonexay Silaphet
Independent Member

Biography

Full Name: Mr. Soulivath Souvannachoumksam
Age: 47 Years Old
Nationality: Lao
Date of Birth: 30/10/1977
Position: Chairman of BOD of BCEL
Higher Education: Master's Degree
Language: Lao, Thai, English, Polish
Designation: Deputy Minister of Finance

**Mr. Soulivath Souvannachoumksam****Education Background**

1995 - 2000 : Bachelor of International
Economic and Politic Relations,
Lods University, LODZ,
Poland.
2000 - 2002: Master of International Economic and Politic Relations, Lods
University, LODZ, Poland.
2019: Politics and Administration Theory, NAPPA

Professional Experience

2002-2004: Official, International Financial Institutions (IFIs), International
Cooperation Division, External Financial Relations Department,
Ministry of Finance, Lao PDR
2004-2007: Senior Official, Public Debt Management, External Financial Relations
Department, Ministry of Finance, Lao PDR
2007-2009: Senior Official, Secretary to the Vice Minister, Ministry of Finance,
Lao PDR
2009-2011: Deputy Director of Division, Secretary to the Vice Minister, Ministry
of Finance, Lao PDR
2011-2013: Advisor to the Executive Director, Southeast Asia Constituency Office,
World Bank Headquarters, Washington, D.C., USA
2013-2014: Director of Division, Macroeconomic Division, Fiscal Policy
Department, Ministry of Finance, Lao PDR
2014-2016: Deputy Director General, Secretary to the Deputy Prime Minister,
Prime Minister's Office, Lao PDR
2016-2018: Deputy Director General, Budget Department, Ministry of Finance,
Lao PDR
2018-2019: Deputy Director General, External Finance and Debt Management
Department, Ministry of Finance, Lao PDR
2019-2021: Director General, External Finance and Debt Management Department,
Ministry of Finance, Lao PDR
01/2022-07/2024: Director General, Public Debt Management Department, Ministry of
Finance
07-12/2024: Deputy Governor of the Bank of the Lao PDR

12/2024- Present: Deputy Minister of the Ministry of Finance

Biography

Full Name: Dr. Akhom PRASERTH
Age: 57 Years Old
Nationality: Lao
Date of Birth: 03/05/1968
Position: Vice Chairman of BOD of BCEL
Highest Education: Doctoral Degree
Languages: Lao, English
Designation: Deputy Secretary of the National Assembly



Dr. Akhom PRASERTH

Education Background

1985 - 1991: Bachelor of Science in Heavy Mechanics, Tashkent Institute of Railway Engineers, Tashkent, Uzbekistan (formerly part of the Soviet Union).
1994 - 1996: Master of Business Administration, National Institute of Development Administration (NIDA), Bangkok, Thailand.
2002 - 2005: Doctor of Philosophy in Business Administration, Korea Maritime and Ocean University (KMU), Busan, South Korea.

Professional Experience

1992 - 1993: Professional Experience at the Ministry of Commerce, Public Works, and Transport.
1997 - 2002: Head of the Internal Economic Research Department, Economic Research Department, Bank of Lao PDR.
01 - 08/2005: Head of the Foreign Economic Research Department, Economic Research Unit, Bank of Lao PDR.
2005 - 2006: Head of the Monetary Policy Department, Monetary Policy Division, Bank of Lao PDR.
2006 - 2008: Member of the Executive Council of the Lao Development Bank.
2007 - 2009: Head of Strategic Planning for the Development of the Financial-Fiscal Sector of the SPLA 2010-2020.
2007 - 2008: Deputy Head of the Commercial Banking and Financial Institutions Supervision Division, Bank of Lao PDR.
2008 - 2010: Deputy Head of the Securities Market Founding Committee
2010 - 2018: Head of the Financial Institutions Supervision Unit, Bank of Lao PDR.
2018 - 2021: Director of Lao Development Bank.
2021 - 2024: Director of Banking Institutions.
2024 - Present: Deputy Secretary of the National Assembly.

Biography

Full Name: Mme. Saysamone Chanthachack
Age: 56 Years Old
Nationality: Lao
Date of Birthday: 15/03/1969
Position: Member of BOD of BCEL
Highest Education: Master's Degree
Language: Lao, English
Designation: Managing Director of BCEL

**Mme. Saysamone Chanthachack****Education Background**

1993: Master of Economics, Kuban State University, Russia
1998: Master of Public Policy, Graduate School of Policy Science, Saitama University, Japan.
2007: International Master of Business Administration, Flinders University, Australia.

Higher Diploma of Politics Course.

Work Experience

1993 - 1997: Officer, Monetary Policy Department, Bank of the Lao PDR.
2009: Deputy Director General, Monetary Policy Department, Bank of the Lao PDR.
10/2010: Deputy Director General, Lao Securities Commission Office, Bank of the Lao PDR.
2015: Director General, Lao Securities Commission Office, Bank of the Lao PDR.
09/2021 – 08/2022: Chief Executive Officer, Lao Securities Exchange.
08/2022 - Present: Managing Director, Banque Pour Le Commerce Extérieur Lao Public.

Biography

Full Name: Mr. Pasomphet Khamtanh
Age: 55 Years Old
Nationality: Lao
Date of Birth: 25/05/1970
Position: Member of BOD of BCEL
Highest Education: Master's Degree
Language: Lao, English
Designation: Deputy Director General,
Department of State-Owned Enterprise
and Insurance

**Mr. Pasomphet Khamtanh****Education Background**

1987 - 1993: Bachelor Degree in Machinery
Management from Technical
College, Laos.
2001 - 2003 : Master's Degree of Economic and Business from Kyung Hee
University in South Korea.

Professional Experience

1994-1998: Staff of External Finance Department, Ministry of Finance.
1998-2007: Staff of Budget Department, Ministry of Finance.
2007-2008: Deputy Division of Finance Statistics, Fiscal Policy Department, Ministry
of Finance.
2009-2013: Chief of the Projects of Chief of External Finance and Debt
Management Department Division.
2013-2016: Chief of External Finance and Debt Management Department Division.
2016-2020: Deputy Director General of Fiscal Policy and Legal Department,
Ministry of Finance.
08/2000-Present: Deputy Director General, Department of State-Owned Enterprises
Reform and Insurance, Ministry of Finance.

Biography

Full Name: Mr. Arnaud Delaunay
Age: 46 Years Old
Nationality: French
Date of Birth: 19/03/1979
Position: Member of BOD of BCEL
Highest Education: Master's degree
Designation: Director of Strategic Development, COFIBRED's representative on behalf of BCEL's strategic partner.

**Mr. Arnaud Delaunay****Education Background**

2003 - 2005 : Higher Commercial Studies (HEC). Major economy
2003 - 2005 : Institute of Political Studies of Paris. Master in Public Affairs
2007 - 2009 : National School of Administration (ENA). Promotion Willy Brandt

Professional Experience

2009 - 04/2011: Deputy head of the International Financial System Office - Ministry of Finance – Paris.
05/2011 - 07/2013: Treasury Manager-Agence France Trésor (AFT) – Paris.
08/2013 - 03/2014: Advisor - International Monetary Fund- Washington DC
08/2016 - 05/2017: Head of the bilateral relations office and European financial instruments - Ministry of Finance – Paris
06/2017 - 04/2020: Head of Banking Services and Payment Methods - Treasury - Ministry of Finance – Paris
05/2020 - 08/2024: Deputy Director of Innovation - General Directorate for Enterprises - Ministry of Economy, Finance and Industrial and Digital Sovereignty - Paris
09/2024 - Present: Director of Strategic Developments - BRED – Paris

Biography

Full Name: Assoc. Prof. Dr. Thongpheth Chanthanivong
Age: 63 Years Old
Nationality: Lao
Date of Birth: 20/04/1962
Position: Independent Member of BOD of BCEL.
Highest Education: Doctoral Degree
Language: English, Lao
Designation: Teacher and Independent Member of Lao Chamber of Professional Accountants and Auditors Board Committees.

**Assoc. Prof. Dr. Thongpheth****Education Background**

1981-1985: Bachelor of Science (Mathematics), National University of Laos
1996-1997: Bachelor Degree in Business Administration, the Co-project between National Politics School and AIT University in Thailand.
1998-2000: Master in Business Administration at AIT University in Thailand.
1998-2002: Master in International Business Management, at De Mons University in Belgium.
2019: Received CPA Certificate
2018-2023: PhD. Candidate (Accountancy), Sipsrathum University, Thailand.

Professional Experience

2006 : Associate Professor in Business Administration (No. 304-178/PM. Date: 4/9/2006).
2015 - 2024: Trainer on IFRS and AIS Auditing.
2018 - 2022: Member of Lao Chamber of Professional Accountants and Auditors Board Committees.
2018 - 2023: Vice-Dean, Faculty of Economics and Business Management (Responsible of Post-Graduate Program), NUOL.
2018 - 2024: Chairman of CPA's Curriculum, Lao Chamber of Professional Accountants and Auditors.
2018 - 2024: Member of Lao Telecom Company's Board Committees.
2018 - 2024: Teacher of the Bachelor (international program) and Master courses in Business Administration and Economics of NUOL and Banking Institute.
2020 - 2024: Guest lecturer for the MBA course of Khon Kaen University, Thailand.
2023 - 2024: Member of Research Committee of Lao's Accounting System Improvement, Financial Report Format, Enterprise Accounting Record (Ministry of Finance).
2013 - 2024: Vice-Dean, Faculty of Economics and Business Management National University of Laos (NUOL).
2025 - Present: Teacher and Independent Member of Lao Chamber of Professional Accountants and Auditors Board Committees.

Biography

Full Name: Mrs. Latdavanh Songvilay
Age: 43 Years Old
Nationality: Lao
Date of Birth: 27/04/1982
Position: Independent Member of BOD of BCEL
Highest Education: Master Degree
Language: English, Lao
Designation: Director General of Macroeconomic Research Institute.



Mrs. Latdavanh Songvilay

Education Background:

2004: Exchange student course, National University of Singapore, Singapore.
2000–2005: Bachelor's degree in Economics, National University of Laos.
2008-2009: Master of Public Policy from National Graduate Institute for Policy Studies (GRIPS), Japan.

Professional Experience:

2005–2011: Research Assistant 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.
2015–2016: Chief of Division in National Economic Research Institute of Ministry of Planning and Investment.
2016–2019: Deputy Director General of Center for Macroeconomic and Economic Restructuring of National Institute of Economic Research.
2019–2020: Acting Director General of Center for Macroeconomic and Economic Restructuring of National Institute of Economic Research.
2020-Present: Director General of Macroeconomic Research, Institute of Lao Academy of Social and Economic Sciences.

Biography

Full Name: Dr. Sonexay Silaphet
Age: 48 Years Old
National: Lao
Date of Birth: 01/0/1977
Position: Independent Member of BOD of BCEL.
Highest Education: Doctoral Degree
Language: Lao, English, Czech
Designation: President of Lao Chamber of Professional Auditors (LCPAA)



Dr. Sonexay Silaphet

Education Background

1999–2000: Member of Lao Institute of Chartered Public Accountants (LICPA).
2018: Member of LCPAA.
06/2016: Member of CPA Australia.
1995–1998: Higher diploma in accounting, Pakpasak Technical College.
1995–2000: Bachelor's degree in business administration, Comcenter College.
2013–2014: Master's degree in finance, Santapol Technology College.
2017–2021: Doctor of Philosophy (Ph.D. Candidate) in Accountancy, Sripatum University, Thailand.

Professional Experience

1998–1999: Auditor of PricewaterhouseCoopers (Lao) Ltd.
2000–2001: Senior Auditor of PricewaterhouseCoopers (Lao) Ltd.
2002–05/2004: Experienced Senior Auditor of PricewaterhouseCoopers (Lao) Ltd.
05/2004–08/2007: Audit Manager of PricewaterhouseCoopers (Lao) Ltd.
08/2007–06/2008: Audit Manager of Ernst & Young Lao Limited.
07/2008–06/2011: Senior Audit Manager of Ernst & Young Lao Limited.
07/2011–09/2014: Director of Ernst & Young Lao Limited.
01/2014–12/2015: Vice President of ASEAN Federation of Accountants (AFA).
01/2016–12/2017: Vice President of ASEAN Federation of Accountants (AFA).
2015–05/2022: Vice-President of Lao Chamber of Professional Accountants and Auditors (LCPAA).
05/2022–Present: President of Lao Chamber of Professional Accountants and Auditors (LCPAA).

Table 19: The Structure of the Board of Directors

No.	Full Name	Position
1	Mr. Soulivath Souvannachoumksam	Deputy Minister of Finance as Chairman
2	Dr. Akhom Praseuth	Deputy Secretary of the National Assembly as Vice Chairman
3	Mme. Saysamone Chanthachack	Managing Director as Member
4	Mr. Pasomohet Khamtanh	Deputy Director General, Department of State-Owned Enterprise and Insurance, Ministry of Finance as Member
5	Mr. Arnud Delaunay	COFIBRED's representative on behalf of BCEL's strategic partner as Member
6	Assoc. Prof. Thongphet Chanthanivong	Teacher and Independent Member of Lao Chamber of Professional Accountants and Auditors Board Committees.
7	Mrs. Latdavanh Songvilay	Director General of Macroeconomic Research Institute as Independent Member
8	Mr. Sonexay Silaphet	President of Lao Chamber of Professional Accountants and Auditors (LCPAA) as Independent Member

Source: Banque Pour Le Commerce Extérieur Lao Public

10.3.1 Roles and Responsibilities of the Board of Directors

- Research, create and improve strategic plans, set direction for operational plans, annual budget plans, risk management policies and annual business operation plans to propose to the shareholders' meeting for consideration and approval;
- Monitor and evaluate the implementation of strategic plans, operational plans, annual budget plans, risk management policies and annual business operation plans;
- Monitor and evaluate high-value investments, related transactions and acquisition and disposal of assets;
- Establish mechanisms and risk management systems along with monitoring, inspection and evaluation;
- Must clearly separate roles, rights and responsibilities between the Board of Directors and the Executive Committee of BCEL;
- Research and establish corporate governance policies;
- Ensure the implementation of accounting and reporting systems and internal auditing as specified in relevant regulations;

- Expand and implement shareholders' meeting resolutions with honesty, prudence, responsibility and fairness to all shareholders equally;
- Appoint BCEL Board committees including audit committee, risk management committee, remuneration committee, nomination committee and other committees deemed necessary;
- Assign or delegate responsibilities to individual Board members and the Board Secretary;
- Appoint, transfer or dismiss directors upon recommendation of the BCEL Managing Director;
- Consider appointing or dismissing deputy directors upon recommendation of the BCEL Managing Director;
- Appoint a Board Secretary to be responsible for work assigned by the Board of Directors or Board committees;
- Research and consider remuneration for Chairman, Vice Chairman, committee members, Board committees, Managing Director and Deputy Directors to propose to the shareholders' meeting for consideration and approval upon recommendation of the remuneration committee based on the best interests of BCEL and shareholders;
- Propose distribution of net profits to various reserves, dividends and employee policies to the shareholders' meeting for consideration and approval;
- Identify, monitor, research solutions for conflicts of interest related to BCEL's interests;
- Submit annual reports and financial reporting documents to the shareholders' meeting for consideration and approval;
- Explain and answer detailed questions about BCEL's activities to the shareholders' meeting;
- Report BCEL's activities to the shareholders' meeting;
- Disclose BCEL's shareholding proportions in other enterprises and shareholding proportions that other enterprises hold in BCEL of five percent (5%) or more, including specifying increases or decreases during the accounting year;
- Evaluate the performance of the Board of Directors;
- Disclose information to the public regarding names of Board members, number of meetings, attendance frequency of individual Board members related to participation in Board meetings and Board committee meetings, and summary of Board performance in the annual report;
- Monitor information disclosure and appropriate communication with shareholders;
- Exercise other rights and duties as specified in relevant laws and regulation

10.4 Board of Director Committees

Board committees comprise the following:

1. Corporate Governance Committee;
2. Audit Committee;
3. Risk Management Committee;
4. Nomination and Remuneration Committee.

The personnel composition of Board committees must comprise the following:

- Each Board committee must consist of at least three (3) members, of which at least one-third (1/3) of the total number must be independent Board members. The head of each Board committee is a Board member or an independent Board member.
- Members of the audit committee must comprise: Board members who do not hold the position of Managing Director, must be Board members and independent Board members, must be persons with knowledge, capabilities and experience in accounting and auditing.

10.4.1 Corporate Governance Committee

BCEL's Corporate Governance Committee consists of 3 members as follows:

Table 20: Corporate Governance Committee

No.	Name and Surname	Position
1	Mrs. Latdavanh Songvilay	Independent Member/Chairman
2	Mme. Saysamone Chanthachack	Member/Vice Chairman
3	Mr. Sonxay Silaphet	Independent Member/Member

Source: Banque Pour le Commerce Extérieur Lao Public

10.4.1.1 Roles and Responsibilities of the Corporate Governance Committee

- Research, create and improve policies related to organizational and personnel management;
- Guide the creation and improvement of manuals and propose them to the Board of Directors for consideration and approval, along with monitoring, inspecting and reporting to the Board of Directors regarding the implementation of such manuals;

- Research, create and improve strategic plans, operational plans, budget plans and annual business operation plans of BCEL;
- Monitor and evaluate the implementation of strategic plans, operational plans, monthly, quarterly and annual budget plans;
- Research the roles, rights and responsibilities between the Board of Directors and the Executive Committee of BCEL;
- Research, monitor, inspect and resolve conflicts of interest related to BCEL's interests to propose to the Board of Directors;
- Propose opening branches, establishing group companies or investing in other businesses to the Board of Directors for consideration;
- Establish standards and conditions for management personnel;
- Research and create annual operational plans of the Board of Directors to propose to the Board of Directors for consideration and approval, along with monitoring the implementation of such plans;
- Establish conditions and plans to evaluate the activities of the Board of Directors and management;
- Report details regarding BCEL's operational results to the Board of Directors;
- Summarize and evaluate the implementation of their annual work;
- Report their performance to the Board of Directors periodically;
- Exercise other rights and duties as assigned by the Board of Directors or shareholders' meeting and other laws.

10.4.2 Audit Committee

BCEL's Internal Audit Committee consists of 3 members as follows:

Table 21: Audit Committee

No.	Name and Surname	Position
1	Mr. Sonxay Silaphet	Independent Member/Chairman
2	Mr. Thongphet Chanthanivong,	Member/Vice Chairman
3	Mr. Pasomephet Khamtanh	Independent Member/Member

Source: Banque Pour le Commerce Extérieur Lao Public

10.4.2.1 Roles and Responsibilities of the Audit Committee

1) Financial Reporting Documents and Information Disclosure:

- Review BCEL's financial reporting documents to ensure complete, accurate content that complies with financial reporting standards;
- Inquire with audit firms or auditors regarding important issues that may impact the credibility of BCEL's reports;
- Review related transactions or transactions that may have conflicts of interest to ensure such reports are implemented according to relevant regulations;
- Inquire about BCEL's transactions and information disclosure to comply with relevant regulations.

2) Internal Control

- Ensure effective internal control systems; internal auditors must conduct comprehensive internal control system assessments at least annually.

3) External Auditors

- Ensure independence of external auditors, quality, independence and comprehensive relationships with external auditors who will provide services to BCEL;
- Research and determine audit scope, consider selection of external auditors, fees for external auditors, and propose contract termination with external auditors for the Board of Directors to propose to the shareholders' meeting for consideration and approval;
- Monitor and inspect progress in resolving outstanding issues identified in previous audit reports;
- Inquire about the scope of work of external auditors and internal auditors to prevent duplication of work.

4) Internal Auditors

- Ensure independence for internal auditors;
- Directly supervise the internal audit department, while daily operational activities are under the Managing Director's supervision;
- Regularly inquire and review internal audit mechanisms and systems;
- Inquire about internal audit reports and hold confidential meetings with internal audit personnel to inquire about interference from the Executive Committee and various

departments that may affect the independence and decision-making of internal auditors;

- Inquire and consider together with the Executive Committee and relevant departments about significant deficiencies found and remedial methods;
- Evaluate the performance of the Head of Internal Audit Department;
- Inquire with the Head of Internal Audit Department about the effectiveness of BCEL's asset utilization in compliance with BCEL regulations, Board of Directors resolutions, and shareholders' meeting decisions.

5) Legal Compliance

- Review implementation of securities laws, anti-corruption laws and other relevant legislation;
- Inquire whether BCEL Board members and Executive Committee have considered important risks and operational risks.

6) Performance Evaluation

- Evaluate the annual implementation of the Audit Committee's work;
- Disclose information in the annual report related to the list of Audit Committee members, number of Audit Committee meetings, attendance frequency of individual Audit Committee members, Audit Committee evaluation results, and summary of Audit Committee activities.

7) Other Roles and Responsibilities

- Consider and provide opinions on the appointment and removal of the Head of Internal Audit Department before the Managing Director considers appointment and removal;
- Inquire about significant risk levels and inquire about internal auditors' risk assessment methods compared to external auditors' principles;
- Report their performance to the Board of Directors and shareholders' meeting;
- Must attend every Board of Directors meeting to provide opinions on related transaction issues, asset acquisition or disposal transactions, selection and determination of external auditor fees;
- Create budget plans related to financial issues and other issues as proposed by Board members or the Executive Committee;

- Exercise other rights and duties as assigned by the Board of Directors.

10.4.3 Risk Management Committee

The Risk Management Committee of BCEL consists of 3 members as follows:

Table 22: Risk Management Committee

No.	Name and Surname	Position
1	Mr. Thongphet Chanthanivong	Independent Member/Chairman
2	Mr. Pasomephet Khamtanh	Member/Vice Chairman
3	Mr. Sonxay Silaphet	Independent Member/Member

Source: Banque Pour le Commerce Extérieur Lao Public

10.4.3.1 Roles and responsibilities of the Risk Management Committee

- Research risk management policies, particularly controlling economic-financial, market, capital, liquidity, credit, product, service, operational and other risks that may directly or indirectly impact BCEL to propose to the Board of Directors for consideration;
- Review policies related to risk management and risk management control of the business group including control, monitoring and assessment of business group risks;
- Create action plans for their work in accordance with risk management service policies to ensure implementation of control, monitoring and evaluation to maintain risk management at appropriate levels;
- Consider and provide opinions on the appointment, transfer or dismissal of Deputy Managing Director responsible for risk management work;
- Research and propose to the Board of Directors regarding acceptable risk levels;
- Review, amend or improve risk management policies periodically for effectiveness to reduce risks that may occur to BCEL including acceptable risk levels;
- Obtain information related to risk management and be able to convene meetings with relevant internal departments of BCEL;
- Summarize reports of their performance to the Audit Committee and Board of Directors monthly or quarterly or as needed;
- Disclose information in the annual report related to the list of Risk Management Committee members, number of Risk Management Committee meetings, number of individual Risk Management Committee member meeting attendance, Risk

Management Committee evaluation results and summary of Risk Management Committee activities;

- Exercise other rights and duties as assigned by the Board of Directors.

10.4.4 Nomination and Remuneration Committee

The Remuneration Committee consists of 3 members with details as follows:

Table 23: Nomination and Remuneration Committee

No.	Name and Surname	Position
1	Dr. Akom Praseuth	Independent Member/Chairman
2	Mr. Soulivath Souvannachoumkham	Member/Vice Chairman
3	Mme. Saysamone Chanthachack	Independent Member/Member

Source: Banque Pour le Commerce Extérieur Lao Public

10.4.4.1 Roles and Responsibilities of the Nomination and Remuneration Committee

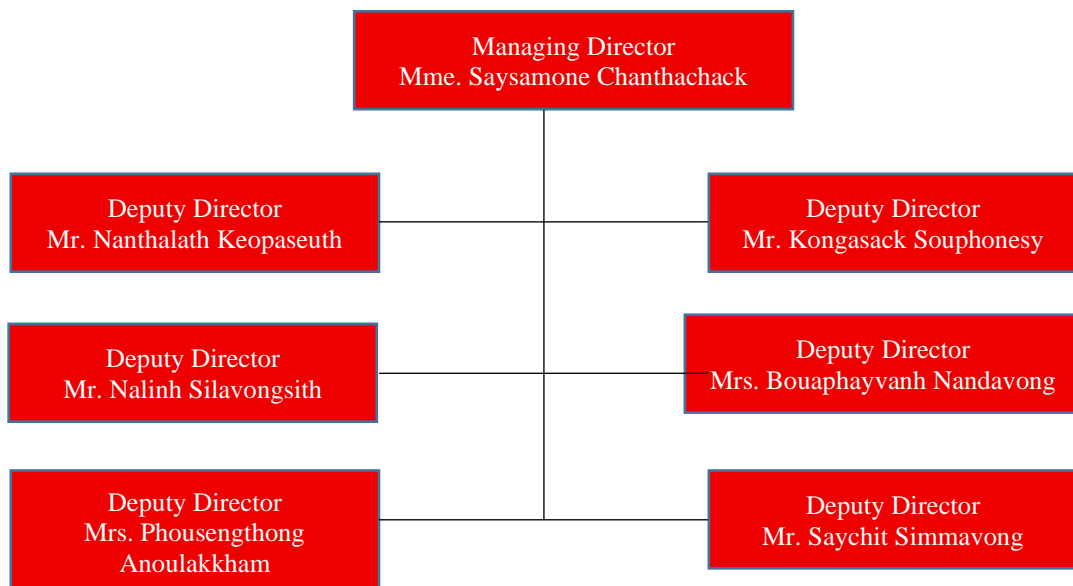
- Establish principles and procedures regarding the selection of personnel to hold positions on the Board of Directors and Managing Director position. Such principles and procedures must be transparent and auditable;
- Consider and provide opinions on executive positions of BCEL before appointment, transfer or dismissal;
- Research qualifications, knowledge, experience and suitability according to complete conditions stipulated in the Board of Directors agreement and other laws enacted in each period;
- Nominate individuals who have passed the selection process for Board of Directors consideration and proposal to the shareholders' meeting for approval;
- Establish principles and forms of remuneration payment;
- Research remuneration for the Board of Directors and Executive Committee to propose to the shareholders' meeting for approval;
- Research remuneration for department heads and deputy department heads to propose to the Board of Directors for approval;
- Report the results of their work activities to the Board of Directors and shareholders' meeting;

- Disclose information in the annual report related to the list of Nomination Committee members, number of Nomination Committee meetings, number of individual Nomination Committee member meeting attendance, and Nomination Committee evaluation results and summary of Nomination Committee activities;
- Exercise other rights and duties as assigned by the Board of Directors.

10.5 Managing Directors

The Managing Directors consists of 1 Managing Director and 6 Deputy Directors with details as follows:

Figure 12: BCEL's Managing Directors structure





Mme. Saysamone Chanthachack
Managing Director



Mr. Nanthalath Keopaseuth
Deputy Director



Mr. Kongasack Souphonesy
Deputy Director



Mr. Nalinh Silavongsith
Deputy Director



Mrs. Bouaphayvanh Nandavong
Deputy Director



Mrs. Phousengthong Anoulakkham
Deputy Director



Mr. Saychit Simmayong
Deputy Director

Biography

Full Name: Mme. Saysamone Chanthachack
Age: 56 Years Old
Nationality: Lao
Date of Birthday: 15/03/1969
Designation: Managing Director of BCEL
Highest Education: Master's Degree

**Education Background**

1993: Master of Economics, Kuban State University, Russia
1998: Master of Public Policy, Graduate School of Policy Science, Saitama University, Japan.
2007: International Master of Business Administration, Flinders University, Australia.

Higher Diploma of Politics Course.

Work Experience

1993 - 1997: Officer, Monetary Policy Department, Bank of the Lao PDR.
2009: Deputy Director General, Monetary Policy Department, Bank of the Lao PDR.
10/2010: Deputy Director General, Lao Securities Commission Office, Bank of the Lao PDR.
2015: Director General, Lao Securities Commission Office, Bank of the Lao PDR.
09/2021 – 08/2022: Chief Executive Officer, Lao Securities Exchange.
08/2022 - Present: Managing Director, Banque Pour Le Commerce Extérieur Lao Public.

Biography:

Full Name: Mr. Nanthalath Keopaseuth
Age: 47 Years Old
Nationality: Lao
Date of Birth: 16/08/1978
Designation: Deputy Managing Director of BCEL
Highest Education: Master's Degree



Mr. Nanthalath Keopaseuth

Education Background:

1996-2000: Bachelor's Degree in English, National University of Laos.
2004-2004: Enrolled in English Training Course from Vientiane College, Lao PDR
2005-2006: Certificate in International Trade from Australia,
2008-2010: Masters's Degree in International Trade Policy from the United States of America.

Professional Experience:

2000-2001: Technical staff of Operation Center.
2001-2001: Technical staff of Accounting Division.
2001-2003: Technical staff at International Remittance.
2007-2008: Acting Deputy Chief of Electronic Banking and Card Service Center.
2010-2012: Acting Chief of Electronic Banking and Card Service Center.
2012-2014: Chief of Electronic Banking and Card Service Center.
2014-Present: Deputy Managing Director of BCEL

Biography:

Full name: Kongsack Souphonesy
Age: 48 Years Old
Nationality: Lao
Date of Birth: 12/11/1977
Designation: Deputy Managing Director of BCEL
Highest Education: Master's Degree

**Mr. Kongsack Souphonesy****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:

2000 - 2001: Staff of Service Section, BCEL's Oudomxay Branch
2001 - 2005: Staff of Credit Section, BCEL's Oudomxay Branch
2005-2007: Acting Chief of Credit Section of Oudomxay Branch
13/12/2007: Chief of Credit Section of Oudomxay Branch
20/05/2008: Acting Deputy Chief of Huaphan Branch
12/05/2010: Chief of Huaphan Branch
29/04/2013: Chief of Huaphan Branch
27/10/2014: Chief of Luangnamtha Branch
2016-2018: Attend Political Course at Vientiane Capital Politics and Administration Institution.
03/09/2018: Chief of Internal Audit Division, BCEL Head Office
2021-Present: Deputy Managing Director of BCEL

Biography:

Full Name: Mr. Nalinh Silavongsith
Age: 56 Years Old
Nationality: Lao
Date of Birth: 20/06/1969
Designation: Deputy Managing Director of BCEL
Highest Education: Master's Degree

**Mr. Nalinh Silavongsith****Education Background**

Master of Business Administration, Waseda University (Japan).

Professional Experience:

1992-1997: Staff of BCEL Head Office.
1997-1999: Head of Morning Market Service Unit.
1999-2003: Head of Services Division, Laos-Viet Bank.
2006 - 2008: Acting Head of Credit Management Department.
2012-2014: Head of Dongdok Branch 2008-2012: Head of Credit Administration Division.
2014: Position at Lao Development Bank, Head Office.
2014-2017: Director, Lanexang Security Company Limited.
2017-2021: Deputy Director of Lao Development Bank.
5/2021-8/2022: Deputy Managing Director of BCEL.
8/2022-7/2023: Deputy Director, Credit Information Company, Bank of Lao PDR
7/2023-6/2024: Deputy Director General of Banking Services Department, Bank of Lao PDR.
7/2024-Present: Deputy Managing Director of BCEL.

Biography:

Full Name: Mrs. Bouaphayvanh Nandavong
Age: 54 Years Old
Nationality: Lao
Date of Birth: 26/11/1971
Designation: Deputy Managing Director of BCEL
Highest Education: Master's Degree



Mrs. Bouaphayvanh Nandavong

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

Biography:

Full Name: Mrs. Phousengthong Anoulakkham
Age: 51 Years Old
Nationality: Lao
Date of Birth: 28/07/1974
Designation: Deputy Managing Director of BCEL
Highest Education: Master's Degree



Mrs. Phousengthong Anoulakkham

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.

Biography:

Full Name: Mr. Saychit Simmavong
Age: 53 Years Old
Nationality: Lao
Date of Birth: 11/02/1972
Designation: Deputy Managing Director of BCEL
Highest Education: Master's Degree



Mr. Saychit Simmavong

Education Background:

2014: Master's 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 Administration and Finance Division
27/10/2014: Acting Chief of Administration and Finance Division
2013-2014: Deputy Chief of Administration and Finance Division
2007-2013: Chief of General Administration Section, Administration and 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

Table 24: Directors

No.	Full Name	Position
1	Mme. Saysamone Chanthachack	Managing Directors
2	Mr. Nanthalath Keopaseuth	Deputy Managing Directors
3	Mr. Kongsack Souphonesy	Deputy Managing Directors
4	Mrs. Bouaphayvanh Nandavong	Deputy Managing Directors
5	Mr. Saychit Simmavong	Deputy Managing Directors
6	Mrs. Phousengthong Anoulakham	Deputy Managing Directors
7	Mr. Nalinh Silavongsith	Deputy Managing Directors

Source: Banque Pour Le Commerce Extérieur Lao Public

10.5.1 Directors

The Director is responsible for the daily management of operations within the scope of their authority and duties as stipulated in BCEL's regulations.

The Director is appointed or removed by the Board of Directors, serves a term of two (2) years, and is eligible for reappointment.

The Director may also serve as a member of the Board of Directors but is not permitted to hold the position of Chairman or Vice Chairman of the Board, or the Chairman of any Board committee.

10.5.2 Rights and Duties of the Director.

- To be the signatory on contracts and official documents of BCEL.
- To manage the daily operations of BCEL within the scope of their rights and duties as defined by BCEL's regulations or as assigned by the Board of Directors.
- To create, propose, or amend the annual business plan for the Board of Directors' consideration and approval for implementation.
- To research and propose the appointment or removal of Deputy Directors for the Board of Directors' consideration and approval.
- To appoint, remove, and assign BCEL's employees from the Head of Department level downwards.
- To appoint various committees below the Director level to research and propose solutions for specific tasks within BCEL.

- To provide information and clarification on issues of interest to the Board of Directors.
- To create or improve management regulations for submission to the Board of Directors for consideration and approval.
- To be responsible for all BCEL activities to the Board of Directors.
- To propose the opening of new branches, the establishment of group companies, or investments in other businesses to the Board of Directors for consideration and approval.
- To research and propose to the Board of Directors, through the relevant committees, for the consideration and approval of employee salary adjustments and policies or guidelines for awarding commendations or imposing disciplinary actions on employees in accordance with BCEL's regulations.
- To cooperate, provide information, and clarify issues to the internal audit committee and external auditors.
- To report BCEL's activities to the Board of Directors and its various committees, and to provide clarifications and necessary documents as requested by these parties.
- To perform other rights and duties as stipulated in BCEL's internal regulations.

10.6 Employees of BCEL

The continuous expansion of BCEL's products and service branches has led to a gradual increase in the number of employees, from 2,075 in 2022 to 2,192 in 2024, an increase of 117 people over a three-year period

Table 25: Number of Employees from 2022-2024

Year 2022	Year 2023	Year 2024
2,075	2,183	2,192

In 2024, BCEL had a total of 2,192 employees. Of these, 735 employees, or approximately 33.53% of the total, held positions ranging from Director to Team Leader level.

Table 26: Number of Employee in Each Position in 2024

Rank	Number	Percent (%)
Directors	7	0.32
Divisions	102	4.65

Rank	Number	Percent (%)
Sections	388	17,70
Service Units	193	8,80
Units	45	2,05
Completed Employee	1.112	50,73
Probational Employee	119	5.43
Contract Employee	203	9,26
Contract Staff	23	1,05
Total	2,192	100

Source: Banque Pour Le Commerce Extérieur Lao Public

Over 90% of BCEL's employees hold a higher education degree, ranging from an associate to a doctoral level. Specifically, 65.92% of employees hold a bachelor's degree, while 20.67% have a master's degree.

Table 27: Education of Employee

Education Level	Number of Employee	Percent (%)
Doctoral Degree	2	0.09
Master's Degree	453	20.67
Under Master's Degree	6	0.27
Bachelor's Dree	1,445	65.92
Diploma	93	4.24
Middle-Diploma	2	0.09
Beginning Diploma	3	0.14
None	188	8.58
Contract Employee	2	0.09
Total	2,192	100

Source: Banque Pour Le Commerce Extérieur Lao Public

In terms of age, BCEL's workforce is predominantly young and middle-aged. Employees aged 26-30 and 31-35 constitute the largest groups, accounting for 19.25% and 26.69% of the total workforce, respectively.

Table 28: Age of Employees

Age	Number	Percentage (%)
Under 25	107	4.88
26 - 30	422	19.25
31 - 35	585	26.69
36 - 40	576	26.28
41 - 45	237	10.81
46 - 50	156	7.12
51 - 55	89	4.06
56 - 60	20	0.91
Total	2,192	100

Source: Banque Pour Le Commerce Extérieur Lao Public

11. Internal Management

To establish the principles, methods, and procedures for organizing and conducting inspection work, BCEL utilizes a robust internal control system. This system serves as a tool to identify and rectify errors that may occur, whether intentionally or unintentionally, in the implementation of policies, regulations, announcements, guidelines, and procedures.

All employees and management at every level are encouraged to conduct regular and continuous internal inspections and controls to prevent potential misconduct that could result in damage to BCEL's assets.

Inspection is a vital tool for management to evaluate the performance of operations and the internal control system. It promotes good governance, transparency in operations, prevents misconduct, and mitigates operational risks. Inspections are designed to support employees at all levels in carrying out their duties and activities in a more effective manner, in full compliance with laws, regulations, and established rules.

Therefore, the inspection process is divided into three stages, as detailed below:

Stage 1 Inspection: This is carried out by the technical staff who perform the actual work.

Stage 2 Inspection: This is performed by supervisors who inspect and review the work completed in Stage 1. Stage 2 is further divided into three levels of inspection:

Level 1: Refers to Team Leaders, Unit Managers, and Heads of Sections who are assigned or responsible for inspecting specific tasks.

Level 2: Refers to Heads of Departments, Center Directors, and Branch Managers who are responsible for overseeing the work of various sections and service units, or for inspecting the work of sections and service units under their respective departments, centers, and branches.

Level 3: Refers to the Board of Directors, which is responsible for providing guidance to all departments, centers, and branches across the entire BCEL system.

Stage 3 Inspection: This is carried out by the internal auditors in accordance with the regulations, manuals, and standard operating procedures. Stage 3 is divided into two levels:

Level 1: Refers to the Head, Board of Directors, and all employees in the Branch Management Department.

Level 2: Refers to the Head, Board of Directors, and all employees in the Internal Audit Department.

12. Relevant Activities

List of Transactions with related parties includes all transactions carried out with other parties that have a relationship with the company, where such parties are considered related to the company if:

- (a) Directly or indirectly, through one or more intermediaries, such parties:
 - are controlled by, under the control of, or under common control with the company (including parent companies, subsidiaries, and fellow subsidiaries);
 - have a joint interest with the company that has a significant impact on the company; or
 - are jointly controlled with the company.
- (b) That party is a joint venture company in which the company is a shareholder.
- (c) That party is a key member of the management of the company or its parent company.
- (d) That party is a close family member of an individual referred to in (a) or (c).

(e) That party is a person who controls the company, participates in control, has significant influence, or has the majority voting rights in the operating entity, whether directly or indirectly, including all parties mentioned in (c) or (d).

(f) That party is involved in an employee benefit plan for the company's staff or for employees of any entity related to the company.

Table 29: Significant Balances Related to Related Parties

Unit: Million LAK

Related Parties	Year 2022	Year 2023	Year 2024
Deposits in Other Banks			
Associates and Joint Ventures	1,674,875	2,978,124	2,479,043
Financial Investment – Held-to-Maturity			
Parent Company	5,015,632	15,025,830	15,702,881
Bank of the Lao P.D.R. (BOL)	-	-	9,298,819
Other Assets			
Parent Company	104,679	233,527	-
Bank of the Lao P.D.R. (BOL)	-	-	27,395,232
Joint Stock Company and Mixed Enterprise	5,429	5,020	-
Deposits from Banks and Other Financial Institutions			
Associates and Joint Ventures	2,008,538	2,175,996	60,395
Loans to Banks and Other Financial Institutions			
Bank of the Lao P.D.R. (BOL)	-	-	4,329,468

Source: Financial Statement Report of the Independent Auditor



13. Financial Position and Operating of BCEL

13.1 External Auditor and Summary of Financial Statements

Independent Auditor

- The external auditor of BCEL for the years 2022 and 2023 was PricewaterhouseCoopers (Lao) Sole Company Limited (PwC), which audited the financial statements for 2022 and 2023.
- The external auditor of BCEL for the year 2024 was Ernst & Young Lao Co., Ltd. (EY), which audited the financial statements for 2024.

Summary of the Independent Auditor's Report on the Financial Statements

The external auditors expressed an unqualified opinion on the financial statements for the years ended 31 December 2022, 2023, and 2024, stating that the financial statements fairly present, in all material respects, the financial position of the Bank, and are consistent with the accompanying notes to the financial statements.

13.2 Financial Statements

The financial statement, operating, and cash flows of BCEL for the past three years (as audited by the independent auditors) are presented as follows:

Table 30: Statement of Financial Position

Unit: Million LAK

Financial Performance Reports	Year 2022	Year 2023	Year 2024
Assets			
Cash and Balances with Bank of Lao PDR	27,786,294	31,684,143	32,718,705
Due from Banks	11,855,719	21,964,355	20,512,515
Loans to Customers	47,235,372	53,892,356	59,941,800
Financial Investments – Available-for -Sale	90,123	87,822	80,535
Financial Investments – Held-to-Maturity	4,967,151	15,098,095	25,001,699
Investments in Associates and Joint Ventures	691,081	747,223	793,988
Property and Equipment	540,325	396,900	477,235
Construction in Progress	-	171,204	227,042
Intangible Assets	283,285	321,734	316,513
Right-of-Use Assets	52,028	53,500	72,066

Financial Performance Reports	Year 2022	Year 2023	Year 2024
Deferred Tax Assets	116,520	102,813	226,165
Other Assets	875,117	1,913,614	1,822,987
Total Assets	94,493,015	126,433,759	142,191,250
Liabilities			
Due to Banks and Financial Institutions	6,639,183	9,463,117	6,198,128
Due to Customers	80,994,071	109,471,717	127,589,277
Borrowing from Other Banks	4,105,783	4,378,394	4,456,239
Tax Payables	21,907	80,461	195,347
Deferred Tax Liabilities	-	-	203,260
Lease Liabilities	26,553	29,285	47,059
Other Liabilities	347,558	433,121	579,150
Total liabilities	92,135,055	123,856,095	139,268,460
Equity			
Chartered capital	1,038,617	1,038,617	1,038,617
Statutory reserves and other reserves	836,635	911,701	1,154,828
Remeasurement of post-employee benefits reserve	9,040	18,107	(24,013)
Retained earnings	473,668	609,239	753,358
Total capital	2,357,960	2,577,664	2,922,790
Total liabilities and equity	94,493,015	126,433,759	142,191,250

Source: Banque Pour le Commerce Extérieur Lao Public (BCEL)

Table 31: Statement of Income (Profit and Loss Statement)

Unit: Million LAK

Statement of Income	Year 2022	Year 2023	Year 2024
Interest and similar income	3,116,126	4,000,347	6,349,673
Interest and similar expense	(1,845,243)	(2,262,158)	(2,697,389)
Net interest and similar income	1,270,883	1,738,189	3,652,284
Fee and commission income	513,818	925,033	1,697,297
Fee and commission expense	(149,673)	(371,827)	(866,313)
Net fee and commission income	364,145	553,206	830,984
Net gain from dealing in foreign currencies	(38,154)	390,926	244,081
Other operating income	121,260	445,957	506,516

Statement of Income	Year 2022	Year 2023	Year 2024
Operating Income	1,718,134	3,128,278	5,233,865
Credit loss expense of loan to customers	(912,720)	(2,098,555)	(3,553,571)
Additional of impairment losses of financial Investments	-	(2,301)	(7,287)
Net operating income	805,414	1,027,422	1,673,007
Personnel expense	(329,249)	(399,534)	(595,148)
Depreciation and amortization	(112,823)	(93,616)	(104,278)
Depreciation of right-of-use assets	(7,898)	(8,574)	(13,881)
Other operating expense	(195,263)	(294,971)	(322,607)
Total operating expense	(645,233)	(796,695)	(1,035,914)
Share of profit and loss from investment in associates and joint ventures	36,898	52,393	57,418
Profit before Tax	197,079	283,120	694,511
Current profit tax expense	31,111	(40,272)	(154,509)
Deferred profit tax expense	-	(11,440)	(90,439)
Net profit for the year	228,190	231,408	449,563

Source: Banque Pour le Commerce Extérieur Lao Public (BCEL)

Table 32: Statement of Cashflow

Unit: Million LAK

Statement of Cashflow	Year 2022	Year 2023	Year 2024
Operating Activities			
Profit before tax	197,079	283,120	694,511
<i>Adjustment for:</i>			
Depreciation and amortization charges	120,720	93,616	104,278
Depreciation of right-of-use assets	-	8,574	13,881
Expense for impairment loss	912,720	2,098,555	3,553,571
Changes in provision for impairment loss on investment securities	-	2,301	7,287
Share of associates and joint venture's profit under equity method	(36,898)	(52,393)	(57,418)
Defined post-employment benefit expense	9,288	7,226	(52,650)
Loss on write off fixed assets	6,359	479	34

Statement of Cashflow	Year 2022	Year 2023	Year 2024
Interest income	(3,116,126)	(4,000,347)	(6,349,673)
Interest expense	1,845,243	2,262,158	2,697,389
Dividend income	(1,918)	(1,918)	-
Cash flows from operating profit before changing in operating assets and liabilities	1,468,740	701,371	611,210
<i>Changes in operating assets</i>			
Net change in balances with other banks	(1,486,073)	(12,079,564)	(2,296,194)
Net change in loans to customers	(13,983,518)	(20,095,751)	(5,570,497)
Net change in other assets	(192,252)	(1,177,526)	(6,397,701)
<i>Changes in operating liabilities</i>			
Net change in due to other banks	1,361,992	2,849,098	(3,627,272)
Net change in due to customers	23,658,446	28,253,313	15,782,455
Net change in other liabilities	55,838	118,692	4,062,714
Net change in borrowings from other banks	(711,662)	-	-
<i>Cash generated from / (used in) operations</i>			
Tax paid during the year	(2,261)	(34,725)	(46,863)
Interest paid	(1,380,334)	(2,020,251)	(2,615,786)
Interest received	694,112	7,132,739	6,468,078
Net cash flows from operating activities	9,483,028	3,647,396	6,370,144
INVESTING ACTIVITIES			
Purchase and construction in progress and tangible assets	(80,409)	(105,860)	(236,114)
Purchase of Intangible asset	(1,784)	(50,307)	(8,951)
Purchase of right of use	(5,364)	(6,440)	(24,894)
Payment from investment in securities HTM	(931,000)	(5,674,624)	(115,809,319)
Proceed from investment in securities HTM	1,456,537	4,101,382	106,136,557
Payment for joint venture investment	(18,498)	(12,000)	(9,597)
Dividends received from associates and joint ventures	7,633	8,251	20,250
Dividend received from investment in securities	1,918	1,918	-
Net cash flows used in investing activities	445,501	(1,737,680)	(9,932,068)

Statement of Cashflow	Year 2022	Year 2023	Year 2024
Financing activities			
Proceed on borrowing	-	-	162,260
Payment of borrowing	-	-	(282,603)
Payment on lease payment	(13,345)	(10,870)	(24,894)
Payment of dividend	-	(20,771)	(62,317)
Net cash flows used in financing activities	(13,345)	(31,641)	(207,554)
Net change in cash and cash equivalents	9,915,184	1,878,075	(3,769,478)
Cash and cash equivalents at the beginning of the year	25,799,886	35,715,070	37,593,145
Cash and cash equivalents at the end of the year	35,715,070	37,593,145	33,823,667

Source: Banque Pour le Commerce Extérieur Lao Public (BCEL)

13.3 The Key Financial Ratios

The key financial ratios of BCEL including activities over the past 3 years are as follows:

Table 33: Financial Ratio

Key Financial Ratios	Unit	2022	2023	2024
Interest income/Total assets	%	1.34	1.37	2.57
Interest income to interest earning assets	%	5.89	4.89	6.12
Interest expense/Interest-bearing liabilities	%	2.50	2.34	2.33
Fee and service income/Total operating income	%	29.91	29.57	32.43
Operating expenses/Total operating income	%	37.55	25.47	19.79
Return on Assets	%	0.24	0.18	0.32
Return on Equity	%	9.68	8.98	15.38
Loan-to-deposit ratio	%	49.33	44.38	46.69
NPL debt to total loans	%	3.36	1.92	2.97
Earnings Per Share	LAK	1,099	1,114	2,164
Capital Adequacy Ratio	%	6.29	4.91	6.00

Source : Banque Pour Le Commerce Extérieur Lao Public

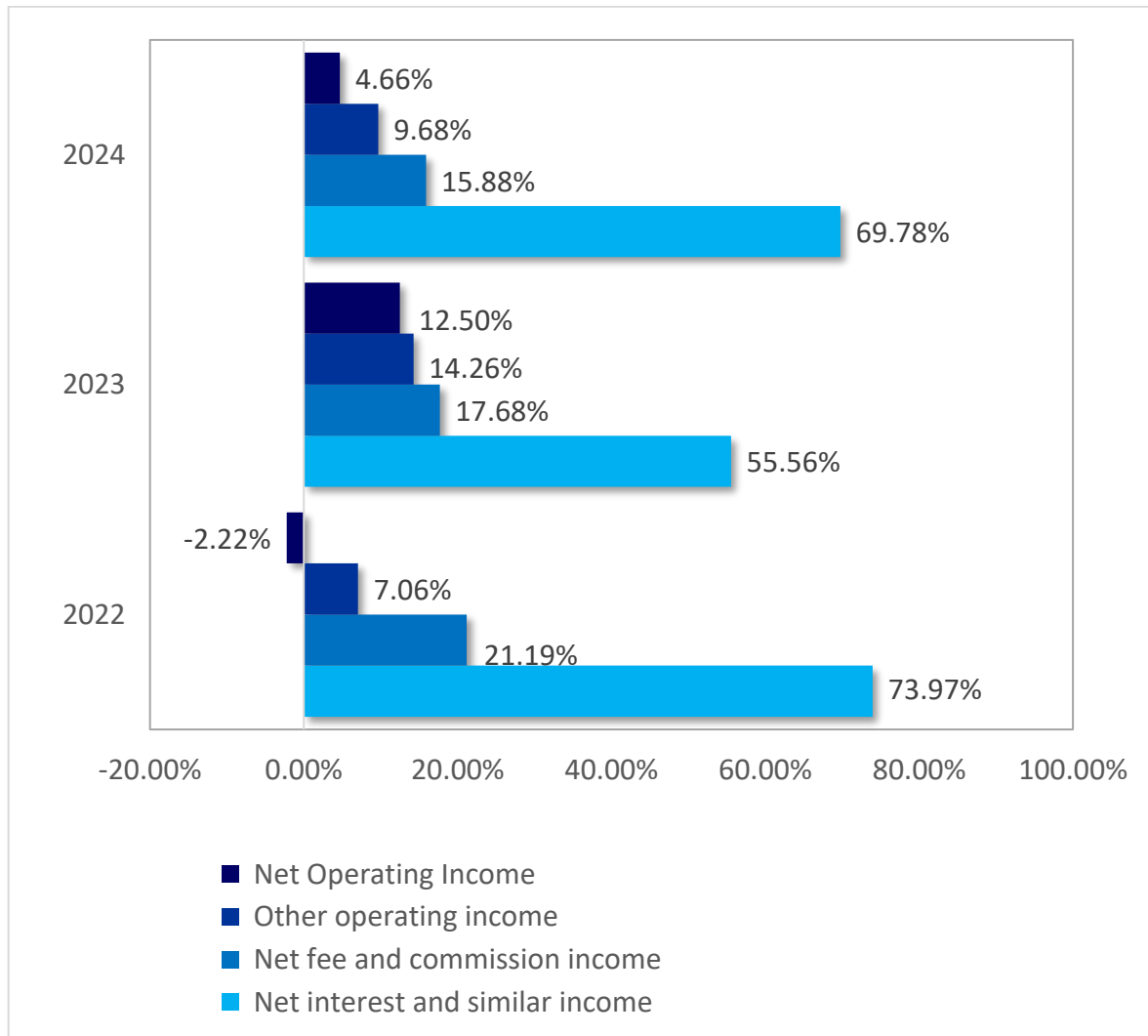
13.4 Performance of BCEL

The total operating income of BCEL increased by 1,718,134 million LAK, 3,128,278 million LAK, and 5,233,865 million LAK in 2022, 2023, and 2024 respectively. Among these, the most outstanding growth came from interest income. In 2024, interest and interest-related income rose by 58.73%, driven by: income from investments in securities, interest from deposits with other banks, and interest from loans to customers. This shows that BCEL not only focused on expanding its loan customer base but also strengthened other sources of income, particularly from investments in securities such as treasury bonds and bonds issued by the Ministry of Finance and the Bank of the Lao PDR.

In addition, fee and service income also increased continuously, with a growth of 83.49% in 2024, mainly from clearing/settlement services and financial transaction services, reflecting the steady expansion of the customer base using BCEL's products.

13.4.1 Operating Income

As one of the leading financial service providers in the banking sector, the main sources of income for the Bank are derived from providing banking services and offering financial solutions to individuals, organizations, and legal entities. The core income components include: net interest income, net fee and commission income, gains from investments in securities, and net gains from foreign exchange trading.

Figure 13: Total Operating Income


Source: Banque Pour le Commerce Extérieur Lao Public (BCEL)

Based on the figure above, BCEL's operating income shows an upward trend every year. The main drivers of this growth are (1) **net interest income and interest-related income** and (2) **net fee and commission income**. In particular, in 2024, these two categories together accounted for more than **85% of total operating income**.

1) Net Interest Income and Similar Income

Net interest income and interest-related income consist of interest and similar income minus interest and similar expenses. This category represents the primary source of income for the Bank, accounting for 73.97%, 55.56%, and 69.78% of total operating income in 2022, 2023, and 2024 respectively.

The Bank's net interest margin has shown steady growth over the three-year period, rising from 2.32% in 2022 to 3.91% in 2023, and further to 4.42% in 2024. In particular, in 2024, interest income from deposits placed with other financial institutions increased

significantly. This was largely due to the Bank of the Lao PDR's policy adjustment, which raised benchmark interest rates, especially on fixed deposits, compared to previous years. In addition, interest income from investments in securities also increased alongside deposit income. In 2024, BCEL expanded its securities investment portfolio, which included: 1. Treasury bonds issued by the Ministry of Finance, and 2. Government bonds issued by the Ministry of Finance and the Bank of the Lao PDR.

2) Net Fee and Service Fee

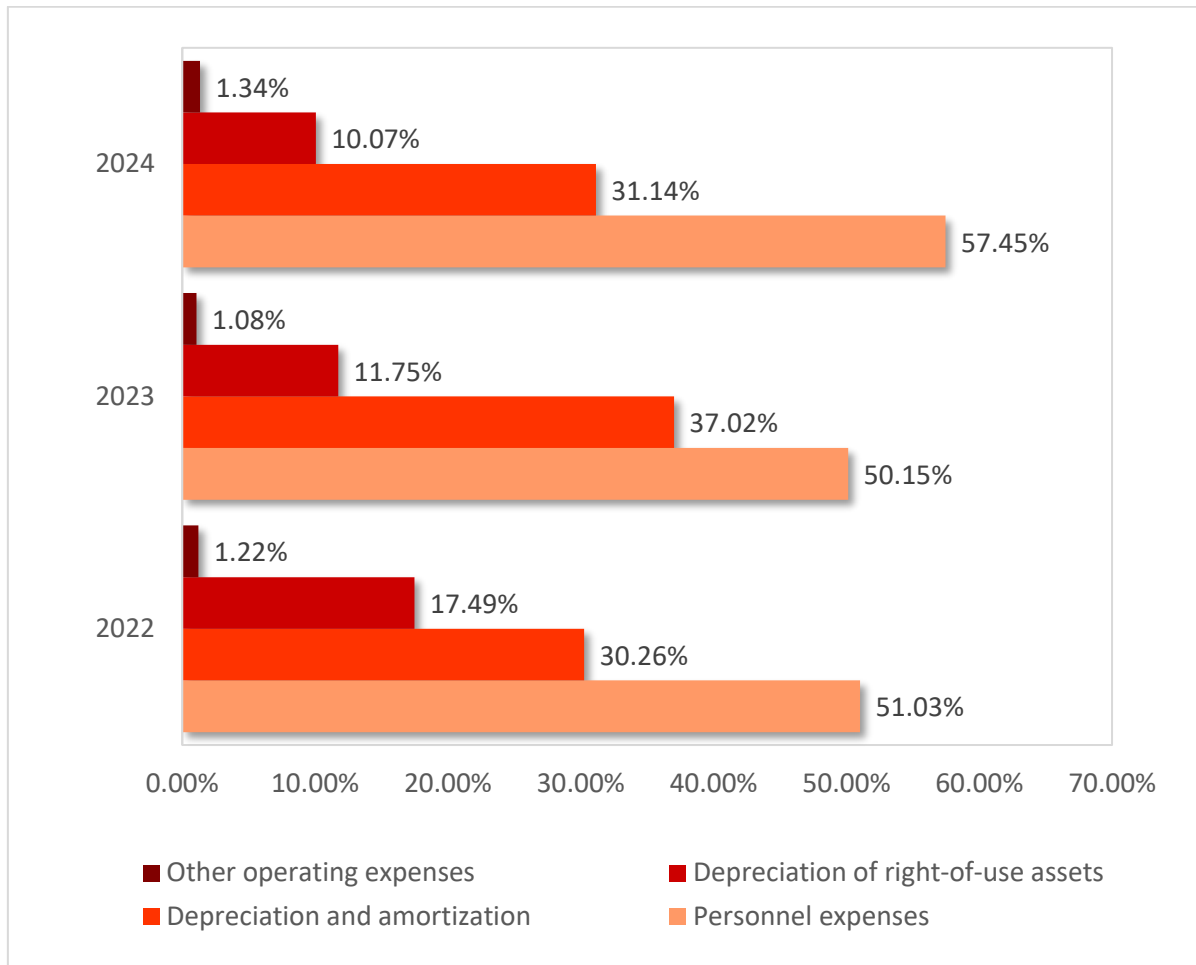
Net fee and commission income consists of total revenues from core banking services, such as settlement services, loan transactions, and other financial transactions. BCEL's fee and commission income has increased each year, reaching 364,145 million LAK in 2022, 553,206 million LAK in 2023, and 830,984 million LAK in 2024. This growth was largely driven by higher revenues from loan-related transactions and clearing/settlement services. In 2024 alone, fee and commission income accounted for 30.18% of total operating income. The increase was supported not only by rising loan transaction income but also by higher foreign exchange transaction fees and clearing service fees, stemming from customers using foreign exchange services—both over-the-counter and through mobile channels. This reflects BCEL's focus on expanding the customer base and the growing popularity of services among clients.

In parallel with the growth of interest income and fee/commission income, other operating income also rose steadily, from 79,983 million LAK in 2022 to 429,990 million LAK in 2023, and further to 460,642 million LAK in 2024. This was mainly driven by the recovery of previously written-off bad debts, demonstrating BCEL's ability to effectively manage liquidity in both loan disbursement and loan recovery from customers.

13.4.2 Operating Expenses

Operating expenses mainly consist of staff costs, depreciation and amortization, right-of-use asset expenses, and other operating costs. In line with the growth in operating income, BCEL's operating expenses also increased year by year, amounting to 645,233 million LAK in 2022, 796,695 million LAK in 2023, and 1,035,914 million LAK in 2024, respectively.

Figure 14: Total Operating Expenses



Source: Banque Pour le Commerce Extérieur Lao Public (BCEL)

Based on the figure above, it is evident that operating expenses from staff costs and other operating expenses have increased significantly. In 2024, these categories together accounted for more than 88% of total operating expenses.

Staff costs include salaries, allowances and other employee benefits, post-employment benefits, staff welfare, and training expenses. Staff costs rose to 329,249 million LAK in 2022, 399,534 million LAK in 2023, and 595,148 million LAK in 2024. The increase was mainly driven by higher salary expenses. In 2024, due to the sharp rise in the exchange rate, BCEL reviewed and adjusted the staff salary base, resulting in higher wage expenses and employee allowances.

Depreciation expenses primarily arise from buildings, building improvements, and office equipment, as well as amortization of right-of-use assets.

Other operating expenses consist of repair and maintenance costs, office equipment, staff training and education, utilities, communication expenses, insurance, advertising and marketing expenses, office rentals, fuel and travel expenses, audit fees, consultancy and



financial management fees, taxes and other obligations, lease liability interest, deposit protection fund contributions, and other general expenses.

Among these, contributions to the Deposit Protection Fund showed a rising trend year by year, amounting to 66,506 million LAK in 2022, 90,619 million LAK in 2023, and 117,244 million LAK in 2024, representing 34.06%, 30.72%, and 36.34% of other operating expenses in each respective year. This increase was mainly due to the growing volume of customer deposits, indicating that BCEL's deposit base has expanded steadily. Such growth demonstrates that BCEL continues to maintain the trust of its deposit customers, reinforcing the bank's reputation as a reliable financial service provider.

13.4.3 Net Profit

Net profit increased to 228,190 million LAK in 2022 and 231,408 million LAK in 2023. Notably, in 2024, net profit rose sharply to 449,563 million LAK, representing a 94.27% increase compared to 2023. The continuous growth in net profit is reflected in the rising Return on Equity (ROE), which stood at 9.68% in 2022, 8.98% in 2023, and significantly improved to 15.38% in 2024. Similarly, the Return on Assets (ROA) also increased over the same period, reaching 0.24% in 2022, 0.18% in 2023, and 0.32% in 2024.

13.5 Financial Status Report and Analysis

13.5.1 Assets Analysis

Table 34: Assets Structure

Unit: Million LAK

Assets	Year 2022	Year 2023	Year 2024
Cash and Balances with Bank of Lao PDR	27,786,294	31,684,143	32,718,705
Due from Banks	11,855,719	21,964,355	20,512,515
Loans to Customers	47,235,372	53,892,356	59,941,800
Financial Investments – Available-for -Sale	90,123	87,822	80,535
Financial Investments – Held-to-Maturity	4,967,151	15,098,095	25,001,699
Investments in Associates and Joint Ventures	691,081	747,223	793,988
Property and Equipment	540,325	396,900	477,235
Construction in Progress	-	171,204	227,042
Intangible Assets	283,285	321,734	316,513
Right-of-Use Assets	52,028	53,500	72,066
Deferred Tax Assets	116,520	102,813	226,165

Assets	Year 2022	Year 2023	Year 2024
Other Assets	875,117	1,913,614	1,822,987
Total Assets	94,493,015	126,433,759	142,191,250

Source: Banque Pour le Commerce Extérieur Lao Public (BCEL)

As of 31 December 2022, 2023, and 2024, BCEL's total assets amounted to 94,493,015 million LAK, 126,433,759 million LAK, and 142,191,250 million LAK, respectively. Among total assets, the largest component was loans to customers, which consistently represented 49.99%, 42.62%, and 42.16% of total assets across the three years. In contrast, cash and deposits with the Bank of the Lao PDR, which mainly consist of cash and cash equivalents, showed a declining trend, accounting for 29.41%, 25.06%, and 23.01% of total assets in 2022, 2023, and 2024, respectively.

The loan-to-deposit ratio also declined year by year, from 49.33% in 2022 to 44.38% in 2023, before slightly increasing to 46.69% in 2024. Although the appropriate level of this ratio depends on various factors and the bank's own assessment, for state-owned commercial banks, a range of 50% to 65% is generally considered reasonable. Therefore, BCEL's ratio is viewed as remaining within a prudent and appropriate level.

1) Loans to Customers.

Loans to customers increased by 14.09% from K47,235,372 million in 2022 to K53,892,356 million in 2023, and then by another 11.23% to K59,941,800 million in 2024. This growth was primarily driven by an increase in credit extended to various companies in the industrial sector. Notably, in 2024, BCEL's credit to the industrial sector accounted for 60.07% of its total loans. Additionally, BCEL expanded its credit to the commercial sector annually, reaching K4,672,093 million, K6,929,002 million, and K9,425,757 million in 2022, 2023, and 2024, respectively. This growth in the industrial and commercial sectors aligns with the national policy of promoting industrial development across the country. The majority of the loans borrowed by customers from BCEL are denominated in US dollars.

2) Cash and Cash Equivalents

The details of cash and cash equivalents as following:

Table 35: Cash and Cash Equivalent

Unit: Million LAK

Cash and Cash Equivalents	2022	2023	2024
Cash and cash equivalents	3,839,776	5,171,078	5,323,473
Current deposit with BOL	21,205,571	15,450,480	10,367,826
Current deposit with other banks	7,033,415	11,804,977	11,345,576
Fixed-term deposit's maturity (90 days)	3,636,308	5,166,610	6,786,792
Total Cash and Cash Equivalents	35,715,070	37,593,145	33,823,667

Source: Banque pour Le Commerce Extérieur Lao Public

Cash and cash equivalents increased by 5.26% from K35,715,070 million in 2022 to K37,593,145 million in 2023. This was followed by a 10.03% decrease to K33,823,667 million in 2024. In 2023, the change of K1,878,075 million was due to cash flow from operating activities, as BCEL increased its deposits at other banks. This was offset by cash used in investing activities, as BCEL invested in held-to-maturity bonds during the year. The overall decrease in cash flow in 2024 was due to its use in investing activities, as BCEL increased its financial investments by holding more held-to-maturity bonds.

3) Financial Investment Held-to-Maturity

Financial investments held-to-maturity increased by 203.96% to K15,098,095 million in 2023, up from K4,967,151 million in 2022. This trend continued into 2024, with a further increase of 65.60% to K25,001,699 million. This growth was attributed to BCEL's investment in treasury bonds issued by the Ministry of Finance, which were valued at K4,967,151 million, K10,657,886 million, and K19,148,689 million in 2022, 2023, and 2024, respectively. Additionally, BCEL invested in bonds issued by the Bank of the Lao PDR, amounting to K4,228,042 million and K9,278,819 million. These bonds not only offer a low-risk, guaranteed return on investment but also provide liquidity and profitability.

13.5.2 Liabilities Analysis

The liabilities structure of BCEL, consisting of customer deposits, accounted for 87.91%, 88.39%, and 91.61% of total liabilities as of December 31, 2022, 2023, and 2024, respectively. The remaining liabilities were from deposits from other banks and financial institutions, as well as loans from other banks. As one of the leading commercial banks in the



Lao PDR, BCEL has a significant operational advantage and high liquidity, enabling it to expand its loans to customers and other credit businesses.

1) Due to Customer

Due to customers grew by 35.16% in 2023 to a total of K109,471,717 million, compared to K80,994,071 million in 2022. It then continued to increase by another 16.55% to K127,589,277 million in 2024.

Table 36: Due to Customer

Unit: million LAK

Description	2022	Proportion	2023	Proportion	2024	Proportion
Current deposit	10,938,271	13.51%	16,773,450	15.32%	16,286,689	12.76%
Current deposit (LAK currency)	4,438,412	5.48%	4,990,191	4.56%	5,319,700	4.17%
Current deposit (Foreign currency)	6,499,859	8.03%	11,783,259	10.76%	10,966,989	8.60%
Saving deposit	42,874,328	52.94%	59,833,533	54.66%	74,275,298	58.21%
Saving deposit (LAK currency)	17,924,403	22.13%	23,185,552	21.18%	27,378,425	21.46%
Saving deposit (Foreign currency)	24,949,925	30.80%	36,647,981	33.48%	46,896,873	36.76%
Fixed-Term Deposit	26,007,200	32.11%	32,279,286	29.49%	36,283,976	28.44%
Fixed-Term Deposit (LAK currency)	8,885,920	10.97%	9,323,976	8.52%	10,820,412	8.48%
Fixed-Term Deposit (Foreign currency)	17,121,280	21.14%	22,955,310	20.97%	25,463,564	19.96%



Margin Deposit	370,732	0.46%	210,254	0.19%	219,425	0.17%
Margin Deposit LAK	290,574	0.36%	32,218	0.03%	45,068	0.04%
Margin Deposit Foreign	80,158	0.10%	178,036	0.16%	174,357	0.14%
Other payables	139,691	0.17%	375,194	0.34%	523,889	0.41%
Interest Payable	663,649	0.82%	-	0.00%	-	0.00%
Total Due to Customer	80,993,871	100.00%	109,471,717	100.00%	127,589,277	100.00%

Source: Banque Pour Le Commerce Extérieur Lao Public

Based on the table above, it is evident that the customer deposits have shown an increasing trend annually. Savings deposits accounted for 52.94%, 54.66%, and 12.76% of the bank's total customer deposits in 2022, 2023, and 2024, respectively. Concurrently, the volume of BCEL's fixed-term deposits with other banks also increased, representing 32.11% in 2022, 29.49% in 2023, and 28.44% of total customer deposits in 2024. The increase in the volume of both savings and fixed-term deposits is attributed to an increase in foreign currency deposits.

2) Liabilities to Other Banks and Financial Institutions

Liabilities to other banks and financial institutions increased from LAK 6,639,183 million in 2022 to LAK 9,463,177 million in 2023. However, in 2024, liabilities to other banks and financial institutions decreased to LAK 6,198,128 million. As a proportion of BCEL's total liabilities, these figures were 7.21%, 7.64%, and 4.45% at the end of 2022, 2023, and 2024, respectively. The decrease in liabilities to other banks and financial institutions in 2024 was driven by current deposits, particularly those in foreign currency.

13.5.3 Analysis of Shareholders' Equity

As of December 31, 2022, 2023, and 2024, the total equity and shareholders' equity have increased continuously, with values of LAK 2,357,960 million, LAK 5,557,664 million, and LAK 2,922,790 million, respectively. Equity and shareholders' equity have grown each year. The return on equity has also increased consistently each year, standing at 9.68%, 8.98%, and 15.38% in 2022, 2023, and 2024, respectively.

In parallel with the increase in return on equity, the return on assets also showed an upward trend, being at 0.24% in 2022, decreasing to 0.18% in 2023, and rising again to 0.32% by the end of 2024. This increase was a result of a 94.27% rise in net profit in 2024 compared to 2023. Furthermore, the earnings per share have also increased annually, with values of LAK 1,099 per share in 2022, LAK 1,114 per share in 2023, and LAK 2,164 per share in 2024. This indicates that the bank has progressively improved its capital management.

Despite the increases in return on equity and return on assets, the capital adequacy ratio was at 6.29%, 4.91%, and 6.00% in 2022, 2023, and 2024, respectively. These figures are below the standard set by the Bank of the Lao PDR, as per the Agreement on Capital Adequacy for Commercial Banks, No. 135/BOL, dated March 20, 2007, which stipulates that commercial banks must maintain a total capital adequacy ratio of not less than 8% of their risk-weighted assets. Therefore, to comply with this agreement, BCEL plans to raise capital to maintain its capital adequacy and meet the standard set by the Bank of the Lao PDR.

Part II Information of the Share issuance

This part presents information related to BCEL's shares and shareholders' rights, which is based on BCEL's regulations and relevant laws of the Lao PDR.

1. Detail of share offering

1.1 Share offering

BCEL's share issuance has a value of not less than 833,333,168,000 LAK, with the purpose of increasing BCEL's capital adequacy ratio to comply with the 8% standard set by the Bank of the Lao PDR to ensure stability and confidence in BCEL. The shares will be offered to existing shareholders and the public as follows:

- **Rights Offering (RO) to existing shareholders:** 472,098,300 shares at an offering price of 1,640 LAK per share, in a ratio of 1,100 existing shares to 500 new shares. If the RO shares are not fully subscribed, the remaining RO shares will be sold through public offering (PO).

Note: Rights offering to existing shareholders is the issuance of shares by a company that issues shares or a company listed on the Lao Securities Exchange by giving priority rights to existing shareholders to purchase company shares at a specific ratio and allocation method according to the resolution of the shareholders' meeting. Based on BCEL's Annual Shareholders' Meeting Resolution No. 016/BCEL.BOD.2025, dated April 30, 2025, it was determined that: The meeting approved BCEL's capital increase plan of not less than 800 billion LAK, authorized BCEL to carry out necessary procedures, and delegated authority to the Board of Directors for all matters related to implementing the registered capital increase and to report to shareholders at the next meeting.

- **Public Offering (PO):** 34,157,200 shares at an offering price of 1,730 LAK per share. Share allocation will use a proportional allocation method based on subscription amounts. In case shares are not sold according to the amount determined by the LSX, the underwriters must be responsible for purchasing such shares to ensure successful completion of the offering.

Note: Public offering refers to share issuance that does not specify any particular type or group of investors.

1.2 Registered Capitalization of BCEL

As of June 30, 2025, BCEL's total capital was 1,038,616,500,000 LAK, including paid-up registered capital of 1,038,616,500,000 LAK, with a total of 1,038,616,500 shares at a par value of 1,000 LAK per share, according to the updated Business Registration Certificate No. 001666/MOIC, dated January 16, 2025, issued by the Department of Enterprise Registration and Management, Ministry of Industry and Commerce.

1.3 Dividend Policy

Currently, the dividend policy of BCEL for shareholders is once a year according to the resolutions approved by the Ordinary Meeting of Shareholders 2015, which proposed to pay dividends of not less than 50% of net profit of the bank upon deductions for the legal reserve and regulatory reserves according to the regulation defined by BCEL and for dividend payment among that year.

However, the ratio of dividends which is not less than 50 percent of net profit may be changed depending on the consideration and approval of the shareholders meeting. Consideration of the aforementioned issue shall be based on the reality of economic circumstances in each period, cash flow, investment plans, conditions and terms of the contracts that BCEL are bound by, including legislation limits and along with the capital adequacy to ensure the growth of the bank in the future.

BCEL shall pay dividends in LAK currency, and shareholders will be exempt from income tax from such dividends.

1.4 Ordinary Shareholders' Meeting

According to the Enterprise Law and banking regulations, the Board of Directors of a banking company must convene a shareholders' meeting at least once a year within 4 months from the last day of the year. BCEL's Board of Directors may convene an extraordinary shareholders' meeting if deemed necessary, such as: in case of auditor vacancy, or when more than half of the directors agree to convene a shareholders' meeting, or when shareholders file a complaint to the court and the court orders a shareholders' meeting to be convened, and shareholders or groups of shareholders holding more than ten percent (10%) of the total issued shares for six consecutive months (6 months) or more have the right to propose convening an extraordinary shareholders' meeting by submitting a written request stating the purpose of the

meeting. After receiving such proposal, the Board of Directors must convene an extraordinary shareholders' meeting within thirty days (30 days) from the date of receiving the meeting request.

The shareholders' meeting notice must be sent directly or through appropriate communication channels to all shareholders of the banking company at least twenty-one business days (21 business days) before the meeting date.

As a listed company, BCEL must comply with the Guidelines on Organizing Shareholders' Meetings of Listed Companies in the Lao Securities Exchange No. 01/LSX, dated May 16, 2022.

The quorum for a banking company's shareholders' meeting must have at least two or more shareholders in attendance and must have shares totaling more than fifty-one percent (51%) of the total issued shares.

1.5 Voting Rights

In general, shareholders have voting rights based on the principle of one share, one vote. Resolutions of the shareholders' meeting will be automatically approved when there is a majority vote from the shareholders' meeting. However, for special resolutions, approval must be obtained by a vote of at least two-thirds of the number of shareholders or shareholder representatives attending the meeting and holding shares totaling more than 80 percent (80%) of the total issued shares. Specific matters that require special resolutions by shareholders include:

- Voting on matters specified in the Enterprise Law;
- Changes to regulations or the company's articles of incorporation;
- Capital increase or capital reduction;
- Merger, division, or dissolution;
- Sale or transfer of all or significant portions of the company's operations to other parties;
- Purchase or transfer of operations of other enterprises;
- Purchase, sale, or transfer of fifty percent or more of total assets.

According to the Enterprise Law, shareholders may be prohibited from voting on matters in which they have a direct interest or benefit from the matter being voted on, with the

determination of whether such shareholders should be restricted in their voting rights to be decided by the meeting itself.

1.6 Right to Subscribe to New Shares and Issuance of Ordinary Shares for Recapitalization

The Enterprise Law stipulates that a company's capital increase must be approved by the shareholders' meeting. Shareholders have the right to purchase capital increase shares according to priority order; the capital increase will be offered to existing shareholders first according to each person's shareholding ratio. Any capital increase shares that are not purchased within the specified time or are waived by existing shareholders may then be offered to the general public.

Regarding the company's registered capital increase, the capital increase must be registered with the Ministry of Industry and Commerce within ten business days (10 business days) from the date set for payment of the subscribed shares. In addition, the company must notify the general public of the capital increase registration at least once within ten business days (10 business days) from the date of registration.

1.7 Disclosure of Financial Report

The Enterprise Law stipulates that the Board of Directors must cooperate with external auditors in providing clarity regarding the sources, accuracy of figures, and data appearing in the company's financial position reports before presenting them to the meeting for consideration and approval. The company's financial position reports must be verified by auditors and approved by the shareholders' meeting.

In addition, reporting and disclosure requirements under Agreement No. 15/LSC, dated December 11, 2024, stipulate that companies must prepare and submit annual audited financial statements that have been examined by an audit firm, semi-annual financial statements for the first half of the year that have been reviewed by an audit firm, and quarterly financial statements to the SSC. Furthermore, listed companies must also comply with other agreements stipulated by the LSX.

Under the reporting and disclosure agreement No. 15/SSC, dated December 11, 2024, reporting and disclosure are generally conducted on a quarterly, semi-annual, and annual basis.

Quarterly reporting and disclosure for Q1 and Q3 must be reported within 45 days from the last day of Q1 and Q3 respectively. Quarterly reports consist of financial statements that have been confirmed by the finance department of the listed company, internal audit department, and management.

Semi-annual reporting and disclosure for the first half of the year must be reported within 60 days from the last day of Q2. The semi-annual report consists of a business activity report for the first half of the year and financial statements that have been reviewed by an external audit firm certified by the SSC and approved by the board of directors of the listed company.

Annual reporting and disclosure must be reported within 120 days from the last day of each accounting year. The annual report consists of: an annual business activity report of the listed company and financial statements that have been audited by an external audit firm certified by the SSC and approved by the shareholders' meeting of the listed company.

1.8 Rights in Liquidation

In case of liquidation, assets remaining after full payment to creditors shall be distributed to shareholders according to priority order and in proportion to the number of shares held by shareholders.

1.9 Share Buyback of Company

Based on the Enterprise Law, companies are prohibited from purchasing their own shares.

1.10 Shareholder Registration

The registrar of the listed company will record shareholders' names in the bank's shareholder register book. Information about shareholders will be contained in such register book and shall be considered as valid evidence used to reference share rights of the listed company.

2. Restrictions on Share Transfer

According to Article 186 of the Enterprise Law (Amended), No. 33/NA, dated December 29, 2022, it is stipulated that public company founders are restricted from transferring all of their shares in the listed company within a period of 2 years from the date of enterprise registration as a public company. In addition, if the listed company has registered on

the Lao Securities Exchange, according to the Regulation on Share Registration on the Lao Securities Exchange No. 007/LSX, dated September 12, 2023, major shareholders and related parties are restricted from transferring all of their shares within 6 months from the date of registration on the Lao Securities Exchange.

2.1 Foreign Investment Shareholding Restrictions

According to the Agreement on Management of Foreign Investors Trading Securities in the Lao PDR (Amended) No. 13/LSC, dated June 10, 2021, foreign investors may hold equity securities of securities issuing companies or listed companies according to the priorities stipulated in Article 10 of the agreement as follows:

- 1) As stipulated in the laws and regulations of relevant sectors;
- 2) As determined by resolutions of shareholders' meetings of securities issuing companies or listed companies;
- 3) As determined by the LSC;

According to the Agreement on Increasing the Shareholding Ratio of Domestic and Foreign Investors in Listed Companies No. 14/SSC, dated August 18, 2020, domestic and foreign investors combined in total may hold shares in listed companies not exceeding 30% of the total number of shares. Among these, foreign investors including individuals and institutions may each hold shares not exceeding 2% of the total number of shares.

For holding bonds or other types of securities, this shall be implemented according to resolutions of shareholders' meetings of securities issuing companies or listed companies.

3. Share Issuance Price Determination

The price determination for this share issuance uses the volume-weighted average price calculation method within a 30-day period counting backwards from the date when the share issuance application documents are complete and accurate, and calculates the discount rate of the share issuance price from the 30-day volume-weighted average share price not exceeding ten percent (10%).

$$\text{The volume – weighted average price calculation method} = \frac{\sum_{j=1}^n W_j \times P_j}{\sum_{j=1}^n W_j}$$

- j refers to day 1, 2, 3, 30.
- W refers to the number of shares traded on day j
- P refers to the average price of share trading on day j

The volume-weighted average share price of the listed company shares on the Lao Securities Exchange for the 30 days counting backwards from May 15, 2025 to June 25, 2025, which is shown in the table below:

Table 37: Volume-Weighted Average Share Price of Listed Company Shares

Unit: LAK

No.	Date	the average price of share trading on day (P)	the number of shares traded on day (W)	Multiple (P x W)
1	30-07-2025	1,890.63	68,800.00	129,639,000.00
2	29-07-2025	1,895.79	46,400.00	87,188,000.00
3	28-07-2025	1,905.29	44,000.00	82,940,000.00
4	25-07-2025	1,895.33	346,600.00	650,712,000.00
5	24-07-2025	1,900.00	317,400.00	599,758,000.00
6	23-07-2025	1,866.50	173,300.00	329,308,000.00
7	22-07-2025	1,864.00	491,000.00	931,807,000.00
8	18-07-2025	1,853.33	7,900.00	15,010,000.00
9	17-07-2025	1,841.90	870,600.00	1,621,251,000.00
10	16-07-2025	1,848.46	1,035,300.00	1,917,673,000.00
11	15-07-2025	1,860.91	261,900.00	485,574,000.00
12	14-07-2025	1,829.55	86,600.00	159,381,000.00
13	11-07-2025	1,816.67	281,000.00	509,025,000.00
14	10-07-2025	1,807.65	49,400.00	92,712,000.00
15	09-07-2025	1,804.00	1,900,000.00	3,532,173,000.00
16	08-07-2025	1,816.82	74,900.00	135,777,000.00
17	07-07-2025	1,796.59	284,100.00	512,523,000.00
18	04-07-2025	1,788.67	961,600.00	1,730,436,000.00
19	03-07-2025	1,808.50	35,400.00	64,332,000.00
20	02-07-2025	1,790.00	1,127,900.00	2,025,324,000.00
21	01-07-2025	1,789.17	51,900.00	92,810,000.00
22	30-06-2025	1,753.04	71,300.00	128,790,000.00
23	27-06-2025	1,749.23	507,900.00	912,391,000.00
24	26-06-2025	1,757.33	1,424,100.00	2,545,296,000.00
25	25-06-2025	1,757.14	725,300.00	1,269,328,000.00
26	24-06-2025	1,755.71	559,600.00	977,331,000.00
27	23-06-2025	1,745.83	617,500.00	1,080,856,000.00
28	20-06-2025	1,761.43	594,800.00	1,040,927,000.00
29	19-06-2025	1,742.61	7,600.00	13,326,000.00
30	18-06-2025	1,736.52	61,800.00	107,551,000.00
Total			13,085,900.00	23,781,149,000.00
the volume-weighted average price			1,817.31	

Therefore, the volume-weighted average price of the listed company shares equals 1,817.31 LAK.

The determination of the discount rate for the share issuance price from the volume-weighted average share price within the 30-day period counting backwards shall not exceed ten percent (10%), which is shown in the table below:

Table 38: Share Issuance Price Determination

Unit: LAK

Offering Method	the volume-weighted average price	Discount (%)	Offering Price
RO	1,635.58	10.00	1,640
PO	1,726.45	5.00	1,730

The share issuance prices for RO and PO include all fees related to share transfers.

4. Share Issuance Underwriter

Lao-China Securities Public Company (LCS) or the share issuance underwriter is the first securities company established under the cooperation between the Lao PDR and the People's Republic of China, which received establishment approval from the Securities and Exchange Commission Office and officially commenced business operations on June 21, 2013, with registered capital of 100,000,000,000 LAK (one hundred billion LAK), conducting comprehensive securities business including:

- Financial advisory;
- Investment advisory;
- Securities brokerage according to investors' buy or sell orders;
- Securities trading in the name of the securities company;
- Securities issuance underwriting;
- Private fund management;
- Others as approved by the SSC.

Lao-China Securities Public Company will help promote companies and enterprises in the Lao PDR to raise capital through the capital market, improve structure and register on the Lao Securities Exchange, help strengthen your business, reduce financial costs while elevating company standards to higher levels.

Lao-China Securities Public Company has the vision: "Creating Mutual Benefits Together". LCS will focus on providing uniquely quality services, offering modern financial products and service models to investors, serving as a connection point for investors with both



domestic and international capital markets, having experienced professional teams from both domestic and international backgrounds and internationally recognized.

Office Location: Bung That Luang Special Economic Zone, Phonthan Village, Xaythany District, Vientiane Capital, Lao PDR

Telephone: (856-21) 419222

Fax: (856-21) 419221

Call center: (856-21) 419210-1

Website: www.lcs.com.la

4.1 Share Issuance Underwriting Terms

The listed company has appointed a share issuance underwriter to conduct the subscription and payment for all 506,255,500 shares through firm commitment underwriting, where each share has a par value of 1,000 LAK/share. Based on the share issuance underwriting of the listed company, it must comply with the terms and conditions of the share issuance underwriting contract.

4.2 Estimated Share Issuance Expenses

The listed company will pay brokerage fees to the share issuance underwriter for the share issuance underwriting services. Share distribution agents will share brokerage fees with the share issuance underwriter. Total expenses excluding all share issuance underwriting fees that the listed company will need to pay are mostly estimated at approximately 2.1 billion LAK.

5. Share Subscription and Allocation

Investors interested in subscribing to shares can obtain the prospectus and share subscription forms at the office of Lao-China Securities Public Company, Bung That Luang Special Economic Zone, Phonthan Village, Xaythany District, Vientiane Capital and share distribution agents as detailed in Section 4 during 8:30 AM to 3:30 PM. The offering to existing shareholders will be during September 22-26, 2025, and the public offering during September 29 - October 3, 2025 (hereinafter referred to as: "Share Subscription Period").

5.1 Share Subscription

Share subscribers can obtain the prospectus and share subscription forms from the share issuance underwriter and share distribution agents within the share issuance period specified in this prospectus. Share subscribers must complete the share subscription form clearly with the following supporting documents:

Required verification documents include:

- For Lao investors: Copy of national ID card;
- For foreign investors: Copy of passport;
- Power of attorney from subscriber: In cases where the account holder authorizes a third party to subscribe to shares on their behalf;

For investors that are BCEL (listed company) or institutions: Copy of business registration certificate and copy of national ID card or passport of the authorized person.

The share issuance underwriter and share distribution agents who receive share subscriptions will issue confirmation receipts as evidence of share subscription to subscribers. The share issuance underwriter and share distribution agents will announce the results of share allocation after the end of the issuance period.

5.1.1 Share Subscription Payment

Investors intending to subscribe to shares can deposit money into the special account designated for share subscription as specified in the share subscription form.

Therefore, share subscribers must deposit the full amount corresponding to the value of shares they wish to subscribe for in advance before the end of the share subscription period.

5.1.2 Settlement Agent Bank

The listed company, in its capacity as settlement agent bank, would like to inform you that you can open a LAK currency fixed deposit account at the listed company to serve as a receiving account for money transfers for subscribing to ordinary shares of the listed company. You can contact us at the following details:

Table 39: Settlement Agent Bank

No.	Name	Location	Contact information
1	BCEL Head office	No. 01, Pangkham Rd, Xiang Nheun Village, Chanthabouly District, Vientiane Capital	Tel: (85621) 213200-1, (85621) 223243-4, (85621) 217899, (85621)222495 Fax: (85621) 213202, (85621) 223012, (85621) 214944 Email: bcelhovt@bcel.com.la, bcelhqv@bcel.com.la PO: 2925 Swift: COEBLALA
2	Champasak	No. 11, Phatthana-lak mueang village, Pakse District, Champasak Province	Tel:(856-31) 213207 Fax: (856-31) 213206 PO: 789 Swift: COEBLALA
3	Phongsaly	Phoufar Rd, Chommueang village, Phongsaly District, Phongsaly Province	Tel: (856-88) 210224 Fax: (856-88) 210221 Email: bcelpsl@bcel.com.la Swift: COEBLALA
4	Luangprabang	Kaisone Rd, Phonpheng Village, Luangprabang District, Luangprabang Province	Tel: (856-71) 252814 Fax: (856-71) 260598 Email: bcellpb@bcel.com.la PO: 534 Swift: COEBLALA
5	Xayyabouly	Kaisone Rd, Simueang Village, Xayyabouly District, Xayyabouly Province	Tel: (856-74) 260038 Fax: (856-74) 211318 Email: bcelxyb@bcel.com.la Swift: COEBLALA
6	Khammouan	Vientiane Rd, Chomthong Village, Tha khek District, Khammouan Province	Tel: (856-51) 212689, 212688, Fax: (856-51) 212685, 214409, Email: bcelkmn@bcel.com.la Swift: COEBLALA
7	Xiangkhouang	No. 7 Xayyana Rd, Phonsavanh Tai Village, Paek District, Xiangkhouang Province	Tel: (856-61) 213297 Fax: (856-61) 213293 Email: bcelxkh@bcel.com.la Swift: COEBLALA
8	Dong dok	13 Nuea Rd, Khamhoung	Tel: (856-21) 771495

No.	Name	Location	Contact information
		Village, Xaythany District, Vientiane Capital	Fax: (856-21) 771496 Email: bcelddb@bcel.com.la
9	Vientiane	ASEAN Rd, Thongkhankham Village, Chanthabouly District, Vientiane Capital	Tel: (856-21) 213205, 219763, 219764 Fax: (856-21) 219765 Email: bcelvte@bcel.com.la PO: 2925 Swift: COEBLALA
10	Borikhamxay	13 Tai Rd, Phonxay Nuea Village, Paksan District, Bolikhamxay Province	Tel: (856-54) 280112 Fax: (856-54) 790918 Email: bcelblx@bcel.com.la Swift: COEBLALA
11	Bokeo	Saykang Rd, Yaihuaysaykham Village, Houyay District, Bokeo Province	Tel: (856-84) 212170 Fax: (856-84) 212169 Email: bcelbok@bcel.com.la
12	Vangviang	Kangmueang Rd, Savang Village, Vangviang District, Vientiane Province	Tel: (856-23) 511434 Fax: (856-23) 511433 Email: bcelvv@bcel.com.la Swift: COEBLALA
13	Savannakhet	Lathsavongserk Rd, Sounantha Village, Kaisonephomvihane District, Savannakhet Province	Tel: (856-41) 212261 Fax: (856-41) 212723 Email: bcelsvn@bcel.com.la Swift: COEBLALA
14	Salavan	15A Rd, Nalex Village, Salavan District, Salavan Province	Tel: (856-34) 212016 Fax: (856-34) 212037 Email: bcelslv@bcel.com.la Swift: COEBLALA
15	Luangnamtha	Luangnamtha Rd. Phonxay Village, Luangnamtha District, Luangnamtha province	Tel: (856-86) 211316 Fax: (856-86) 212334 Email: bcellnt@bcel.com.la Swift: COEBLALA
16	Houaphan	Phathee Rd, Phanxay Village, Xamnuea District, Houaphan Province	Tel: (856-64) 312178 Fax: (856-64) 312090 Email: bcelhpn@bcel.com.la
17	Attapue	16I rd, Phonsavang Village, Samakkixay District, Attapue Province	Tel: (856-36) 210062-0, 211929 Fax: (856-36) 211939, 210063 Email: bcelatp@bcel.com.la
18	Oudomxay	13 Nuea Rd, Navan noi Village, Xay District, Oudomxay Province.	Tel: (856-81) 211260 Fax: (856-81) 212234 Email: bcelodx@bcel.com.la Swift: COEBLALA

No.	Name	Location	Contact information
19	Xekhong	No. 16 rd, Huamueang mai Village, Lamam District, Xekong Province	Tel: (856-38) 211689 Fax: (856-38) 211689 Email: bcelsek@bcel.com.la Swift: COEBLALA
20	Phonhong	13 Nuea rd, Phonhong Village, Phonghong District, Vientiane Province	Tel: (856-23) 212171 Fax: (856-23) 212173 Swift: COEBLALA
21	Xaysettha	Sibounhueang Village, Chanthabouly District, Vientiane Capital	Tel: (856-21) 844200 fax: (856-21) 844209

Source: Banque Pour Le Commerce Extérieur Lao Public

5.2 Share Allocation

After the underwriters and distribution agents have properly conducted share subscription procedures according to the established processes and regulations, share allocation to investors will proceed, which is expected to be completed within 5 (five) business days. Following the end of the share offering period, to guarantee the maximum rights and benefits of BCEL and investors, the share underwriters will consider allocating shares to subscribers according to the proportion of shares subscribed. However, the share underwriters or distribution agents reserve the right to reject share subscriptions and allocations as specified in subscription forms in cases where the share underwriters or distribution agents, upon consideration, find that such share subscriptions cause problems, obstacles, or operational limitations, in order to maximize the effectiveness of this share offering.

1. Refund of Share Subscription Payments in Cases of Non-Allocation

According to Article 22 of the Share Offering Agreement No. 13/LSX, dated December 11, 2024, in cases where investors who subscribed for shares do not receive share allocation, the share underwriters must return all deposit money or the remaining portion to the share-subscribing investors within five business days (5 business days) from the end of the share offering date.

In case of exceeding such timeframe, the share underwriters must be responsible for returning all deposit money or the remaining portion to share-subscribing customers along with interest at the savings deposit interest rate of the underwriters' representative bank during that period.

After completing the payment process or deposit refund, the share underwriters must transfer the funds raised from the special account for share subscription opening into BCEL's special account for raised capital.

6. Share Delivery Method

The share registrar will deposit ordinary shares into the securities accounts that share subscribers have for securities trading with securities companies that are members of the Settlement and Depository Department of LSX, as notified to share subscribers in the share subscription forms. However, BCEL shareholders have the right to request securities companies to issue shareholding certificates by following relevant procedures.

6.1 Share Transfer

Share transfer is the change of ownership rights regarding shares of a listed company from one shareholder to another shareholder without going through securities market trading, which follows the Share Transfer Agreement No. 09/LSX, dated June 10, 2021.




Part III. Data Accuracy Certification

1. Data Accuracy Certification by the Share Issuing Company


We have reviewed the information specified in the English language prospectus along with warnings in the name of the Director (Executive Management) and confirm that such information is accurate and complete.

As evidence, we further confirm that all information constitutes documents that have been verified as truthful and accurate as a unified set. We have authorized Mme. Saysamone Chantachack, Managing Director of BCEL, to initial every page of the documents. If any document does not bear the initials of Ms. Saysamone Chantachack, we shall consider such document as not being information that we have verified.

Signed by the Chairman of the Board of Directors of BCEL


No.	Name and Surname	Position	Sign
1	Mr. Soulivath Souvannachoumklam	Chairman of BOD	

Signed by the Managing Director of the Board of Directors of BCEL


No.	Name and Surname	Position	Sign
1	Mme. Saysamone Chanthachack	Managing Director	



Singed by the Internal Audit Division

No.	Name and Surname	Position	Sign
1	Mr. Hinpheh Chanthalangsy	Chief of Division	

Signed by the Accounting Division

No.	Name and Surname	Position	Sign
1	Mrs. Southanome Keolakhone	Chief of Division	




2. Data Accuracy Certification by the Financial Advisor

This prospectus is part of the documentation for submitting an application for share issuance to the Securities Commission Office to propose the capital increase of BCEL, which has been prepared by BCEL and Lao-China Securities Public Company based on the Financial Advisory Services Contract for Capital Increase Share Offering to Existing Shareholders and General Public No. 014/LCS, dated July 03, 2025.

We guarantee that the analysis, interpretation, and use of terminology in this prospectus are accurate and complete based on the information provided by BCEL.

Signed by the Managing Director of Lao-China Securities Public Company


No.	Name and Surname	Position	Sign
1	Southideth Bounluxay, Ph.D	Deputy Director	

3. Data Accuracy Certification by the Share Offering Underwriter

This prospectus is part of the supporting documents for the application for BCEL's capital increase, which BCEL and Lao-China Securities Public Company have prepared based on the contract regarding the underwriting of BCEL's capital increase share offering.

I guarantee that the analysis, assessment, and benefits in this prospectus are true and accurate and based on information provided by BCEL.

Signed by the Managing Director of Lao-China Securities Public Company

No.	Name and Surname	Position	Sign
1	Southideth Bounluxay, Ph.D	Deputy Director	



Appendix 01 Financial Statement Reports

Appendix 02 Share Subscription Form

Banque Pour Le Commerce Extérieur Lao Public

Financial statements

as at and for the year ended 31 December 2024



Banque Pour Le Commerce Extérieur Lao Public

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Banque Pour Le Commerce Exterieur Lao Public

GENERAL INFORMATION

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).

Banque Pour Le Commerce Extérieur Lao Public

GENERAL INFORMATION (continued)

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

Banque Pour Le Commerce Exterieur Lao Public

GENERAL INFORMATION (continued)

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 Anoulakham	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.

Reference: 11436813/68463173 -SP

INDEPENDENT AUDITORS' REPORT

**To: Management of Banque Pour Le Commerce Extérieur 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 Extérieur 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

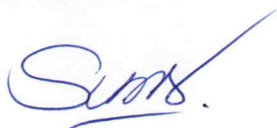
Banque Pour Le Commerce Extérieur Lao Public

INCOME STATEMENT

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:



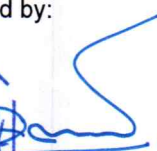
Ms. Phetsamay
Xayamoungkhoun
Deputy Chief of Accounting
Department

Approved by:



Mr. Hinhphet 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 COMPREHENSIVE INCOME
for the year ended 31 December 2024

	2024	2023
	LAKm	LAKm
Notes		
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:



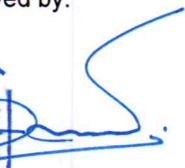
Ms. Phetsamay
Xayamoungkhoun
Deputy Chief of Accounting
Department

Approved by:



Mr. Hinhphet Chanthalangsy
Chief of Internal
Audit Department

Approved by:



Mrs. Phousengthong Anoulakkham
Deputy Managing Director



Vientiane, Lao PDR

31 March 2025

Banque Pour Le Commerce Extérieur Lao Public

STATEMENT OF FINANCIAL POSITION as at 31 December 2024

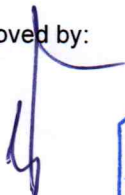
	Notes	31 December 2024 LAKm	31 December 2023 LAKm
ASSETS			
Cash and balances with the Bank of Lao PDR	13	32,718,705	31,684,143
Due from banks	14	20,512,515	21,964,355
Loans to customers	15	59,941,800	53,892,356
Financial investments - Available-for-sale	17	80,535	87,822
Financial investments - Held-to-maturity	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:



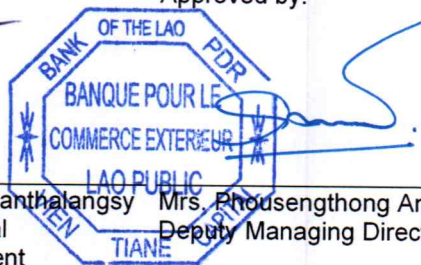
Ms. Phetsamay
Xayamoungkhoun
Deputy Chief of Accounting
Department

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 Extérieur 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.

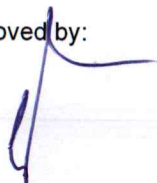
(**) The Bank is required to appropriate 10% of profit after tax each year into regulatory reserve fund and the Business expansion fund and other funds shall be created upon decision of the Board of Directors.

Prepared by:



Ms. Phetsamay Xayamoungkhoun
Deputy Chief of Accounting Department

Approved by:



Mr. Hinphe Chanthalangsy
Chief of Internal Audit Department



Mrs. Phousengthong Anoulakkham
Deputy Managing Director

Vientiane, Lao PDR

31 March 2025

Banque Pour Le Commerce Extérieur 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>			
	20.2,		
Depreciation and amortization charges	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
<i>Changes in operating assets</i>			
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)
<i>Changes in operating liabilities</i>			
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)

Banque Pour Le Commerce Extérieur Lao Public

STATEMENT OF CASH FLOWS (continued)
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:



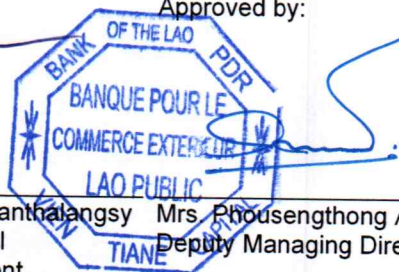
Ms. Phetsamay
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Mrs. Phousengthong Anoulakkham
Deputy Managing Director

Vientiane, Lao PDR

31 March 2025

Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS
as at and for the year ended 31 December 2024

1. CORPORATE INFORMATION

Banque Pour Le Commerce Extérieur 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 Extérieur 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 Extérieur 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 recapitalize 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.

Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

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 Anoulakham	Deputy Managing Director	Appointed on 1 July 2024
Mr. Nalinh Silavongsith	Deputy Managing Director	Appointed on 1 July 2024

Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 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).

Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

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.

Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

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.

Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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).

Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

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.

Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 *De-recognition of financial assets and financial liabilities* (continued)

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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 *Impairment of financial assets (continued)*

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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 *Impairment of financial assets (continued)*

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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 initially accounted at cost and subsequently 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 initially accounted at cost and subsequently 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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Recognition of income and expense (continued)

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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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).

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

5. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

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

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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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

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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

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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

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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

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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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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18. FINANCIAL INVESTMENTS - HELD-TO-MATURITY (continued)

18.1 Treasury bills issued by the Ministry of Finance

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

<i>Term</i>	<i>Issue date</i>	<i>Maturity date</i>	<i>CCY</i>	<i>Face value LAKm</i>	<i>Amortized cost LAKm</i>	<i>Interest rate % per annum (nominal)</i>
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	

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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18. FINANCIAL INVESTMENTS - HELD-TO-MATURITY (continued)

18.2 Bonds issued by the Ministry of Finance and BOL

► Details of other bonds by contractual maturity date are as follows:

	<i>Face value LAKm</i>	<i>Amortized cost LAKm</i>
Within 1 year	3,912,443	3,980,034
1 to 5 years	10,354,164	10,349,952
Over 5 years	4,857,423	4,818,703
	19,124,030	19,148,689

► Details of other bonds interest by contractual maturity date are as follows:

	<i>2024 % per annum</i>	<i>2023 % per annum</i>
Within 1 year	4.50 - 11.54	0.10 - 5.80
1 to 5 years	0.10 - 6.90	0.10 - 6.90
Over 5 years	4.20 - 7.50	5.50 - 6.00

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19. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Investment in associates and joint ventures - equity method:

Unit: LAKm

	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
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:								
Net dividends received during the year	(4,140)	-	-	(11,268)	(4,842)	-	-	(20,250)
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	

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19. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

- BCEL - Krung Thai Securities Company Limited was established in the Lao PDR under Business License No. 180-10, issued by the Investment Promotion Department of the Ministry of Planning and Investment of the Lao PDR on 14 December 2010. The main activities of the Company include offering brokerage services, proprietary trading, financial and securities investment advisory services, custody services, underwriting for share issuances, and various other value-added services.
- Lao Viet Joint Venture Bank ("LVB") was established in the Lao PDR, with its headquarters situated in Vientiane, and is involved in providing banking services. It operates as a joint venture with the Bank for Investment and Development of Vietnam, a state-owned commercial bank based in the Socialist Republic of Vietnam. The joint venture received its banking license from the Bank of Lao PDR on 31 March 2000, valid for a period of 30 years. In 2015, LVB raised its contributed capital to LAK 791,357,560,000. Following this capital increase, the Bank's ownership stake in LVB stands at 25%, as per Investment License No. 004-15/KH-DDT4 issued by the Ministry of Planning and Investment on 24 August 2015, amounting to LAK 197,839,390,000.
- Banque Franco - Lao Limited ("BFL") was established in the Lao PDR, with its headquarters in Vientiane, and is involved in providing banking services. It operates as a joint venture with Cofibred Company Frances De La Bred, a state-owned bank based in Paris, France. The joint venture received a temporary banking license from the Bank of Lao PDR on 1 October 2009, followed by a permanent license on 16 July 2010. As of 31 December 2024, the total contributed capital of the Bank in this investment amounted to LAKm 150,000 (2023: LAKm 150,000).
- Lao-Viet Insurance Joint Venture Company ("LVI") was established as a joint venture in the Lao PDR, offering insurance services under the first Investment License No. 077/08/FIMC, issued by the Foreign Investment Management Committee on 9 June 2008. It is a collaboration between BIDV Insurance Joint Stock Corporation and Lao Viet Joint Venture Bank. LVI's legal capital is USD 3,000,000, which was fully contributed by the partners on 17 July 2008. Additionally, the Bank contributed an extra USD 180,000 on 2 September 2013. As of 31 December 2024, the total contributed capital from the Bank to LVI amounted to LAKm 10,500.
- Lao China Bank Company Limited ("LCNB") was established in the Lao PDR and provides banking services. It operates as a joint venture with Fudian Bank China, a state-owned commercial bank based in China. The joint venture bank received its Banking Business License from the Bank of Lao PDR on 20 January 2014. In 2024, LCNB increased its number of shares from 1,299 to 1,563; however, BCEL retained 490 shares without making any additional contributions, resulting in a decrease in BCEL's ownership percentage from 39.87% to 31.35%. As of 31 December 2024, the total value of the investment was LAKm 157,723.
- Lao National Payment Network Company Limited (LAPNet) was established in the Lao PDR under Business License No. 0349, granted by the Department of Enterprise Registration and Management of the Ministry of Industry and Commerce on 12 March 2019. The Company provides financial services and is a collaboration among the Bank of Lao PDR, Union Pay International, Lao Development Bank, Agriculture Promotion Bank, Joint Development Bank, and Lao-Viet Bank. The legal capital amounts to LAKm 34,000. As of 31 December 2024, the total contributed capital from the Bank to this company was LAKm 6,800 (2023: LAKm 6,800).

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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

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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

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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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.

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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

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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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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26. BORROWINGS FROM OTHER BANKS (continued)

- ▶ LAK 2,835,000,000 long-term borrowing (credit line was LAK 4,050,000,000 with interest rate of 3% per annum) for the purpose of providing credit to medium and small corporates who got effected from COVID-19 according to the BOL regulation No.318/BOL dated 19 May 2020. The loan's principal is paid by 3 times such as first-time repayment in 2024 for loan principal is 30%, second time repayment in 2025 for loan principal is 30%-, and third-time repayment in 2026 for loan principal is 40%. Interest is paid two time per year (June and December). This borrowing period is started from 18 August 2020 to 18 August 2026.
- ▶ LAK 2,881,659,900 long-term borrowing (credit line was LAK 4,200,000,000 with interest rate of 3% per annum) for the purpose of providing credit to medium and small corporates who got effected from COVID-19 according to the BOL regulation No.318/BOL dated 19 May 2020. The loan's principal is paid by 3 times such as first-time repayment in 2024 for loan principal is 30%, second time repayment in 2025 for loan principal is 30%, and third-time repayment in 2026 for loan principal is 40%. Interest is paid two time per year (June and December). This borrowing period is started from 3 November 2020 to 3 November 2026.
- ▶ LAK 2,100,000,000 long-term borrowing (credit line was LAK 3,080,000,000 with interest rate of 3% per annum) for the purpose of providing credit to medium and small corporates who got effected from COVID-19 according to the BOL regulation No.318/BOL dated 19 May 2020. The loan's principal is paid by 3 times such as first-time repayment is in 2024 for loan principal 30%, second time repayment is in 2025 for loan principal 30%, and third-time repayment is in 2026 for loan principal 40%. Interest is paid two time per year (June and December). This borrowing period is started from 22 December 2020 to 22 December 2026.
- ▶ LAK 10,050,000,000 long-term borrowing (credit line was LAK 15,050,000,000 with interest rate of 3% per annum) for the purpose of providing credit to medium and small corporates who got effected from COVID-19 according to the BOL regulation No.318/BOL dated 19 May 2020. The loan's principal is paid by 3 times such as first-time repayment is in 2025 for loan principal 30%, second time repayment is in 2026 for loan principal 30%-, and third-time repayment is in 2027 for loan principal 40%. Interest is paid two time per year (June and December). This borrowing period is started from 15 March 2021 to 15 March 2027.
- ▶ LAK 110,000,000,000 long term borrowing (credit line was LAK 110,000,000,000 with interest rate of 3% per annum) for the purpose of providing credit to medium and small corporates who got effected from COVID-19 according to the BOL regulation No.318/BOL dated 19 May 2020. The loan's principal is paid by 2 times such as first-time repayment is in 2026 for loan principal 40%- and second-time repayment is in 2027 for loan principal 60%. Interest is paid two time per year (June and December). This borrowing period is started from 3 November 2022 to 3 November 2027.
- ▶ LAK 120,000,000,000 long term borrowing (credit line was LAK 120,000,000,000 with interest rate of 3% per annum) for the purpose of providing credit for the company to capital of investment to develop medical technology and medicine (Purchase the production equipment, raw material for use in production and use to develop staff and investment construction the factory building). The loan's principal is paid by 4 times by repayment each year is 25% such as first-time repayment is in 2025. Interest is paid quarterly. This borrowing period is started from 27 December 2021 to 27 December 2028.
- ▶ LAK 97,879,500,000 long term borrowing (Credit line was LAK 106,790,000,000 with interest rate of 2.50%) for the purpose of providing credit for the enterprises, small and medium corporates to continue or expands their business. The loan principal is paid after the end of contract. This borrowing period is started from 2024 to 2029.

Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

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.

Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

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.

Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

27. TAXATION (continued)

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)

Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

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.

Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for 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

Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

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.

Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

33. RELATED PARTY DISCLOSURES

Related party transactions include all transactions undertaken with other parties to which the Bank is related. A party is related to the Bank if:

(a) directly, or indirectly through one or more intermediaries, the party:

- ▶ controls, is controlled by, or is under common control with, the Bank (this includes parent, subsidiaries and fellow subsidiaries);
- ▶ has an interest in the Bank that gives it significant influence over the Bank; or
- ▶ has joint control over the Bank.

(b) the party is a joint venture in which the Bank is a venture;

(c) the party is a member of the key management personnel of the Bank or its parent;

(d) the party is a close member of the family of any individual referred to in (a) or (c);

(e) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (c) or (d); or

(f) the party is a post-employment benefit plan for the benefit of employees of the Bank, or of any entity that is a related party of the Bank.

Remuneration to members of the key Management was as follows:

	<i>2024</i> <i>LAKm</i>	<i>2023</i> <i>LAKm</i>
Salaries	2,685	2,028
Bonus	290	39
Responsibility allowance	1,053	988
	<u>4,028</u>	<u>3,055</u>

Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

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

Banque Pour Le Commerce Extérieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

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

Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

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.

Banque Pour Le Commerce Exterieur Lao Public

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

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:



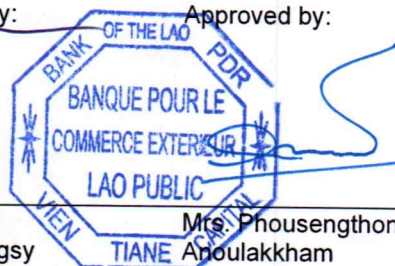
Ms. Phetsamay
Xayamoungkhoun
Deputy Chief of Accounting
Department

Approved by:



Mr. Hingphet
Chanthalangsy
Chief of Internal
Audit Department

Approved by:



Mrs. Phousengthong
Anoulakkham
Deputy Managing Director

Vientiane, Lao PDR

31 March 2025



Subscription Form for ordinary share Offering of Banque Pour Le Commerce Exterieur Lao Public Company (BCEL)

The ordinary shares of BCEL have a par value of 1,000 LAK/share. Offering to Existing Shareholders (RO) in the amount of 472,098,300 as the ratio of 1,100 existing shares to 500 new shares at the price of 1,640 LAK/share (Share subscription must be in multiples of 100 shares or more)

Subscription Date: ____/____/2025 Subscription No: _____

Name and Surname (English): _____ Securities Acc. No: _____

Holding Quantity	Allocation Quantity	Offering Price (LAK/share)	Subscription Amount (LAK)
		1,640	

() ID Card () Alien Card () Passport () Company Registration No: _____

Please fill in the information below completely and clearly

Nationality: _____ Date of Birth: ____/____/____ Occupation: _____

Address: _____

Telephone No: _____ Mobile No: _____ Email: _____

Whatsapp: _____ WeChat: _____

I/We hereby subscribe additional ordinary shares of BCEL offering to Existing Shareholders (RO) under the following terms:

Subscription details	No. of share subscribed	Offering Price (LAK/share)	Amount (LAK)	Amount in words
()To subscribe in full entitlement		1,640		
()To subscribe some part of entitlement		1,640		
Total Subscription				

Made payable to Bank: Banque Pour Le Commerce Exterieur Lao Public (BCEL) as the following accounts:

Acc. Name: LAO-CHINA SECURITIES PUBLIC COMPANY FOR BCEL RO/PO Acc. No: 0101300015816 Currency: LAK Amount: _____ LAK

Address: No. 01, Pangkham Street, Vientiane Capital, Lao PDR. SWIFT Code: COEBLALA

If the shares are allocated to me/us, I/we hereby agree to the underwriter to issue a share certificate in the name of “Settlement and Depository Department” for the allocated and transfer to _____ Securities Company to deposit with Settlement and Depository Department at Lao securities Exchange for my/our securities trading account name : _____ (Name of the subscriber must be the same as the name of the securities trading account), Acc No: _____.

If I/we have not been allocated the share or have been allotted lower than the subscribed amount, I/we agree to have the payment or excess payment returned to me/us by deposit into my/our account as the following information:

☐ Deposit to my/our account at Bank: _____, Branch: _____, Acc. No: _____.

(Note: Bank charges or any other expense will be deducted from the refund amount to the subscriber)

I/We hereby undertake to subscribe the above ordinary shares as allocated to me/us and shall not cancel this offering subscription including acceptance of fund return in the case that my/our subscription is to be refused because of incompleteness of document as required by the Company and any other reasons.

Signature: _____

Name: (_____)

** Please be aware that there is risk involved in stock investment and make sure you have thoroughly studied all information before deciding on the share subscription **

>>> For officer uses only >>>	Checker:	Input:
	Date: ____/____/____	Date: ____/____/____



Subscription for Rights Offering (RO) of New Ordinary Shares of BCEL (Please fill in the information below completely and clearly)

Subscription Date: ____/____/2025 Subscription No: _____

Evidence of subscription fund payment from (name of subscriber) _____, for the subscription of new ordinary shares of BCEL from Rights Offering with _____ shares at the offering price of 1,640 LAK/share, Total Amount: _____ LAK, Amount in words: _____. Payment Date: ____/____/2025 has been submitted and duly received.

If the shares are allocated to me/us, I/we hereby agree to the underwriter to issue a shareholding certificate in the name of “Settlement and Depository Department at Lao securities Exchange” for the allotted shares and arrange further to _____ Securities Company Limited, My/our securities trading account no: _____.

Authorized Officer: _____

Name: (_____)



Subscription Form for Public Offering of Banque Pour Le Commerce Extérieur Lao Public Company (BCEL)

Additional ordinary shares of BCEL have a par value of **1,000** LAK/share. Offer to General shareholder (PO) in the amount of **34,157,200** shares at the price of **1,730** LAK/share

(Share subscription must be in multiples of 100 shares or more)

Subscription Date: ____/____/ 2025 Subscription No: _____

Name and Surname (English): _____ Securities Acc. No: _____

() ID Card () Alien Card () Passport () Company Registration No: _____

Please fill in the information below completely and clearly

Nationality: _____ Date of Birth: ____/____/____ Occupation: _____

Address: _____

Telephone No: _____ Mobile No: _____ Email: _____

Whatsapp: _____ WeChat: _____

I/We hereby subscribe to purchase additional ordinary shares of BCEL offering to the public (PO) under the following terms:

No. of shares subscribe	Offering Price (LAK/share)	Amount (LAK)	Amount in words
	1,730		

Made payable to Bank: Banque Pour Le Commerce Extérieur Lao Public (BCEL) as the following accounts:

Acc. Name: **LAO-CHINA SECURITIES PUBLIC COMPANY FOR BCEL RO/PO** Acc. No: **0101300015816** Currency: **LAK**, Amount: _____ LAK

Address: No. 01, Pangkham Street, Vientiane Capital, Lao PDR. SWIFT Code: COEBLALA

If the shares are allocated to me/us, I/we hereby agree to the underwriter to issue a share certificate in the name of “Settlement and Depository Department” for the allocated and transfer to _____ Securities Company to deposit with Settlement and Depository Department at Lao securities Exchange for my/our securities trading account name : _____ (Name of the subscriber must be the same as the name of the securities trading account), Acc No: _____.

If I/we have not been allocated the share or have been allocated lower than the subscribed amount, I/we agree to have the payment or excess payment returned to me/us by deposit into my/our account as the following information:

☐ Deposit to my/our account at Bank: _____, Branch: _____, Acc. No: _____.

(Note: Bank charges or any other expense will be deducted from the refund amount to the subscriber)

I/We hereby undertake to subscribe the above ordinary shares as allocated to me/us and shall not cancel this offering subscription including acceptance of fund return in the case that my/our subscription is to be refused because of incompleteness of document as required by the Company and any other reasons.

Signature: _____

Name: (_____)

**** Please be aware that there is risk involved in stock investment and make sure you have thoroughly studied all information before deciding on the share subscription ****

>>> For officer uses only >>>	Checker:	Input:
	Date: / /	Date: / /

Subscription Receipt for Public Offering (PO) of New Ordinary Shares of BCEL (Please fill in the information below completely and clearly)

Subscription Date: ____/____/ 2025 Subscription No: _____

Evidence of subscription fund payment from (name of subscriber) _____, for the subscription of new ordinary shares of BCEL from Public Offering with _____ shares at the offering price of **1,730** LAK/share, Total Amount: _____ LAK, Amount in words: _____. Payment Date: ____/____/2025 has been submitted and duly received.

If the shares are allotted to me/us, I/we hereby agree to the underwriter to issue a shareholding certificate in the name of “Settlement and Depository Department at Lao securities Exchange” for the allocated shares and transfer to _____ Securities Company Limited, My/our securities trading account no: _____.

Authorized Officer: _____

Name: (_____)

ທັນສະໄໝ ວ່ອງໄວ ຫນ້າໃຈ
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