No:............05........./BCEL....2017........................
Date: ....12...05...2017..........................

Minutes

The Annual General Shareholders' Meeting for the year 2016
Banque pour le Commerce Exterieur Lao Public

Banque pour le Commerce Exterieur Lao Public (BCEL) held the Annual General Shareholders' Meeting for the Year 2016 (hereinafter called: "The Meeting") at 14:28 hours on the 28/04/2017 in the meeting room of the Lao Securities Exchange, presiding over by Dr. Bounleau SINXAYVORAVONG, Chairman of BCEL's Board of Directors, together with Directors of the Board of Directors. The Meeting was attended by 64 shareholders, 133 proxies (605,687 shares by proxies) and the number of shares attending the meeting was 112,620,541 shares which is equivalent to 82.459% of the total shares of BCEL and this made the quorum of the Meeting in accordance with the Articles of Association of BCEL and relevant laws. The number of shares not attending the Meeting was 23,957,059 shares, equivalent to 17.541% of the total shares of BCEL.

The Directors of the Board of Directors attending the Meeting includes:

1. Dr. Bounleau SINXAYVORAVONG, Chairman of BCEL's Board of Directors, Director General of the Fiscal Policy Department, Ministry of Finance.
2. Mr. Khamsouk Sundara, Vice-Chairman of BCEL's Board of Directors.
3. Mr. Phoukhong Chanthachack, Director of the Board of Directors, General Managing Director of BCEL.
4. Mr. Phansana Khounnouvong, Director of the Board of Directors, Deputy Managing Director of BCEL.
5. Mr. Viengxay Chanthavisouk, Director of the Board of Directors, President of BCEL's Trade Union, representative of employees.
6. Mr. David Parrott, representative of the strategic partner, COFIBRED.

Along with the company of representatives of Ministry of Finance, the Bank of the Lao PDR, Lao Securities Exchange, Securities Commission Office, Shareholders' Audit Committee, and media reporters from television, newspaper, magazine and radio that also attended the Meeting.

After opening remarks, Dr. Bounleau SINXAYVORAVONG, Chairman of BCEL's Board of Directors, and Chairman of the Meeting, informed the shareholders about the rules in the Meeting and the procedures of voting which contained some key details as follows:

- Votes: Only the shareholders or proxies who have duly registered to attend the meeting are eligible to vote.
- The Chairman of the Meeting will propose the agendas that require voting, and only the shareholders or proxies who do not agree with the matters proposed by the meeting are

invited to vote (meaning that for those shareholders who agree with such matters are not necessary to cast a vote). Before voting in each agenda, the Chairman will give opportunity to the shareholders to make questions on the related matters.

- The "Disapprove votes" will become effective only if such votes account for more than half of the total number of BCEL's shares attending the meeting.
- The Meeting will declare the vote result forthwith in the Meeting, with one share equals one vote.

After that, Dr. Bounleau SINXAYVORAVONG, Chairman of BCEL's Board of Directors, and Chairman of the Meeting, led the Meeting into each agenda and requested Mr. Phoukhong Chanthachack, BCEL's General Managing Director, to represent details of each agenda to the Meeting. The Meeting considered, commented and resolved on each agenda as follows:

AGENDA 1: Report on the implementation of the resolutions of the previous Meeting.

- Mr. Phoukhong Chanthachack, BCEL's General Managing Director, reported key resolutions of the previous Meeting in the following:
  - Approved the business results and dividend for the year 2015
  - Approved the 2^{nd} dividend for the last 6 months of year 2015 in amount of 219 LAK per share.
  - Approve the plan for the year 2016
  - Approve the single payment of the dividend for the year 2016 as per audit report (In accordance with the Lao Accounting Standards).
  - Approved the appointment of Ernst and Young Lao Co., Ltd as the auditor of BCEL for the year 2016.

  With regards to the resolutions reached in the previous meeting, BCEL has implemented accordingly.

- The Meeting acknowledged the implementation of the resolutions of the Shareholders' Meeting for the last year.

AGENDA 2: Brief report on the performance of BCEL for the year 2016.

- Mr. Phoukhong Chanthachack, BCEL's General Managing Director, reported to the Meeting as follows:
  - In 2016, BCEL held 4 internal meetings to review the business performance of the entire BCEL network, and 4 meetings of the Board of Directors.
  - Completed development of KPI for the Operation Center of Head Office. The KPI for Branches is now under programming and expected for trial and implementation in Quarter I of 2017. A committee is also established for updating the job description and KPI for all BCEL's employees.
  - Executed the contracts with E&Y to conduct the Basel II diagnostic project and selected the consulting firms for handling the recapitalization of BCEL.
  - Completed the development of BCEL i-Bank version3 and BCEL One version 3.

- Basically completed the development on online settlement for BCEL-UnionPay cards enabling the purchase of Lao Airlines' tickets via its website.
- Introduced the product called Smart VAT at the Lao-Thai Friendship Bridge I (Vientiane – Nongkhai)
- Adjusted the interest rates for deposits, and for the loans in THB and USD for 2 times.
- Executed the settlement contract between BCEL and a rural credit cooperative in China.
- In 2016, BCEL was audited by 3 external entities, including E&Y Lao auditing financial statements for the year 2015 and for the year 2016, Commercial Bank Supervision Department of Bank of the Lao PDR, and the State Audit Authority auditing the financial statement for the year 2015.
- BCEL has extended 4 more service unites including Khounkham service unit under Khammoun Province Branch, Parkbeng Service Unit under Oudomxay Province Branch, Xaysomboun full service unit and KM7 Service Unit in Vientiane Capital under Head Office.

➢ The Chairman of the Meeting encouraged the Meeting to have comments and there was some comments below:

❖ Comments from Mr. KRAIWAL KADAVANICH, a shareholder from Thailand: The Minutes of the previous Meeting took notes of the requests from the shareholders, and most of the requested had been addressed while some were still remained including:
  - The amount of overseas payment made by BCEL's VISA card still did not show in original currency.
  - In issuance of a new passbook to a customer, in case there had been many transactions on the account, BCEL often skips printing full records of transactions including the amount of the skipped transactions.
  - In addressing mistakes made by the teller which requires the bank to refund the customer, the bank shall use its own to refund the customer, in the event that it is the fault of the teller. Then bank shall deal internally with the employee, and the refund to the customer shall not come directly from the employee's account.
  - In the event that the bank changes any telephone number, the customers may not be properly informed, and in this case there should be a system to transfer the line and makes possible the communication from the customer to relevant parties in the bank. The telecommunication company shall be requested to timely fix the malfunctioning telephone number.
  - Account debit for a pay check shall be made only one debit.

➢ The Chairman of the Meeting thanked Mr. KRAIWAL KADAVANICH for comments which concern specific technical areas and requested the secretariat to make notes and relate to relevant parties for resolutions in order to improve the service in BCEL.

➢ The Meeting acknowledged the performance of BCEL in the year 2016.

AGENDA 3: Consider and approve the business results for the year 2016:

➢ Mr. Phoukhong Chanthachack, BCEL's General Managing Director, reported to the Meeting as follows:

Business results for the year 2016 as audited by Ernst and Young Lao Co., Ltd and approved by BCEL's Board of Directors are as follows:

- Assets/liabilities: 32,238.79 billion LAK
- Loans: 19,240.07 billion LAK
- Deposits: 28,188. 71 billion LAK
- Profit before tax: 217.27 billion LAK,
- Profit after tax: 167.98 billion LAK, (profit tax 24%)

➢ The Chairman of the Meeting encouraged the Meeting to have comments, but there was no comment. The Chairman then ordered the shareholders to vote in order to approve this agenda.

➢ The Meeting approved the business results for the year 2016 by the votes of the shareholders attending the Meeting as detailed below:
  - Approved: 112,620,541 votes, equivalent to 100% of the total votes attending the Meeting.

AGENDA 4: Consider and approve the dividend for the year 2016

➢ Mr. Phoukhong Chanthachack, BCEL's General Managing Director, reported to the Meeting as follows:

After deduction for tax payment and regulatory reserves, the dividend for BCEL's shareholders, as named in the shareholder registration book on the closing date of the shareholder registration book to determine the rights of shareholders to attend the Meeting and receive dividend on 03 April 2017, shall be at the rate of 614 LAK/share. The dividend payment shall complete within 5 working days after the Meeting.

➢ The Chairman of the Meeting encouraged the Meeting to have comments, but there was no comment. The Chairman then ordered the shareholders to vote in order to approve this agenda.

➢ The Meeting approved the dividend for the year 2016 by the votes of the shareholders attending the Meeting as detailed below:
  - Approved: 112,620,541 votes, equivalent to 100% of the total votes attending the Meeting.

AGENDA 5: Consider and approve the plan for the year 2017.

➢ Mr. Phoukhong Chanthachack, BCEL's General Managing Director, reported to the Meeting as follows:

The plan for the year 2017 includes the following key business performance targets:

- Assets: increase by 10% from the actual figures of the year 2016,
- Deposits: increase by 5% from the actual figures of the year 2016,
- Loans: increase by 6% from the actual figures of the year 2016,
- Profit before tax: 250 billion LAK,

- Employee recruitment for the entire network: 90 employees,
- Network expansion: 1 Branch, and 11 Service Units countrywide.

➢ The Chairman of the Meeting encouraged the Meeting to have comments, but there was no comment. The Chairman then ordered the shareholders to vote in order to approve this agenda.

➢ The Meeting approved the plan for the year 2017 by the votes of the shareholders attending the Meeting as detailed below:

   – Approved: 112,620,541 votes, equivalent to 100% of the total votes attending the Meeting.

AGENDA 6: To consider and approve the dividend payment in the year 2017 and the years after to be one payment per year.

➢ Mr. Phoukhong CHANTHACHACK, General Managing Director, reported to the Meeting as follows:

Based on the previous year lesson, two dividend payments per year created some difficulties in determining the appropriate dividend amount. As a result, for maintaining benefit of Shareholders and for enabling BCEL's Board of Directors to have complete information in order to determine the dividend payment, the Meeting is so requested to consider approving the dividend payment in the year 2017 and the years after to be one payment per year.

➢ The Chairman encouraged the Meeting to have comments and there was some following suggestions:

   ❖ Mr. KRAIWAL KADAVANICH, a shareholder from Thailand, suggested that the changes in dividend payment from twice per year to one payment per year might be convenient in determining dividend amount, but paying out dividend twice per year might also satisfy more Shareholders. He had no objection to the proposal, but the Meeting should consider giving the right to shareholders to decide themselves about the number of dividend payment for their own benefits.

➢ The Chairman advised the secretary to take note the suggestion.

The Meeting approved the dividend payment in the year 2017 and the years after to be one payment per year by the votes of the shareholders attending the Meeting as detailed below:

   – Approved: 112,620,541 votes, equivalent to 100% of the total votes attending the Meeting.

AGENDA 7: To consider and approve the appointment of Ernst and Young Lao Company Limited as the independent auditor of BCEL's financial statement for the year 2017.

➢ Mr. Phoukhong CHANTHACHACK, General Managing Director, reported to the Meeting as follows:

Based on the consideration and comparison of the price and service conditions, BCEL selected Ernst and Young Lao Company Limited as the independent auditor with the remuneration of 93,000 USD (same price as for the year 2016 and 2015) which includes financial audit reports in accordance with IFRS and LAS in Lao and English languages and half year review.

- The Chairman of the Meeting encouraged the Meeting to have comments, but there was no comment. The Chairman then ordered the shareholders to vote in order to approve this agenda.
- The Meeting approved the appointment of Ernst and Young Lao Company Limited as the independent auditor of BCEL's financial statement for the year 2017 by the votes of the shareholders attending the Meeting as detailed below:
  - Approved: 112,620,541 votes, equivalent to 100% of the total votes attending the Meeting.

AGENDA 8: To consider and approve the long-term Strategic Plan of BCEL from the year 2016-2020.

- Mr. Phoukhong CHANTHACHACK, General Managing Director, reported to the Meeting as follows:

  This Strategic Plan focuses on developing corporate governance, improving and strengthening risk management system, raising efficiency of business operation, building and developing a modern information technology system, and building specific expertise of human resource.

- The Chairman proposed the Meeting to have comments and there was some following comments and suggestions:
  - Mr. KRAIWAL KADAVANICH mentioned that in the development plan from 2016-2020, Part I is the evaluation of performance from 2011-2016 and Part II is the development plan from 2017 onward. Therefore, the proposal seems to be considering and approving performance of 2016 and for creates conditions for future development till 2020.

- The Chairman elaborated that the long-term Strategic Plan was revised from early 2016. As the process took time and efforts, the long term Strategic Plan is finally submitted to this Meeting for approval.
- Mr. Phoukhong CHANTHACHACK, General Managing Director, explained that previously BCEL already obtained approval from the Meeting for the long-term Strategic Plan for the year 2011-2020. However, since the economic environment has changed, the long term plan has to be revised and resubmitted for approval.
- The Meeting approved the long-term Strategic Plan of BCEL from the year 2016-2020 by the votes of the shareholders attending the Meeting as detailed below:
  - Approved: 112,615,441 votes, equivalent to 99.995% of the total votes attending the Meeting.
  - Disapproved: 5,100 votes, equivalent to 0.005% of the total votes attending the Meeting.

AGENDA 9: To consider and approve the share issuance for BCEL's recapitalization.

- Mr. Phoukhong CHANTHACHACK, General Managing Director, reported to the Meeting as follows:

  Issuance includes: Right Offering (RO) and Public Offering (PO). The RO subscription ratio is two existing shares per one new share. The actual implementation, such as determination of appropriate prices, number of share issuance including improvement and changes of any conditions that are necessary for the success of recapitalization, is subject to the discretion of the Board of Directors to decide and implement.

- The Chairman asked the Meeting to have comments, but there was no comment. The Chairman then ordered the shareholders to vote in order to approve this agenda.
- The Meeting approved the share issuance for BCEL's recapitalization by the votes of the shareholders attending the Meeting as detailed below:
  - Approved: 112,533,141 votes, equivalent to 99.922% of the total votes attending the Meeting.
  - Disapproved: 87,400 votes, equivalent to 0.078% of the total votes attending the Meeting.

AGENDA 10: To consider and approve the increase of foreign ownership of BCEL's shares from 1% to 2% per investor, and removal of the 10% foreign ownership ceiling.

- Mr. Phoukhong CHANTHACHACK, General Managing Director, reported to the Meeting as follows:

  BCEL has been recently approved by the Government for LAK360 billion for capital injection. BCEL selected the Financial Advisor to assist in this fund raising. Therefore, to boost the market liquidity as well as to achieve the target, The Board of Directors' Meeting agreed to propose the Annual General Shareholders Meeting for the year 2016 to consider and approve the increase of foreign ownership of BCEL's shares from 1% to 2% per investor, and removal of the 10% foreign ownership ceiling. Also, individual investors shall be allowed to hold BCEL's shares not more than 2% per investor, and domestic and foreign investors shall be allowed to hold BCEL's shares in the Lao Securities Exchange in total of not more than 20% of total BCEL's shares.

- The Chairman proposed the Meeting to have comments on the proposal. However, there was no comment. The Chairman then requested the shareholders to vote in order to approve this agenda.
- The Meeting approved the increase of foreign ownership of BCEL's shares from 1% to 2% per investor, and removal of the 10% foreign ownership ceiling by the votes of the shareholders attending the Meeting as detailed below:

- Approved: 112,553,041 votes, equivalent to 99.94% of the total votes attending the Meeting.
- Disapproved: 67,500 votes, equivalent to 0.06% of the total votes attending the Meeting.

➢ The Chairman informed the Meeting that all agendas were completely considered and approved and proposed the Shareholders to provide additional comments and suggestions.

➢ There were some additional comments as follows:

1. Dr. Thepsavanh suggested that in order to support price and liquidity of BCEL's stock, BCEL should consider declaring the dividend payment before the XD date.
    - o Mr. Phoukhong CHANTHACHACK, General Managing Director, explained that BCEL has an intention to declare the dividend payment before the XD date, but this could not implement resulting from the delay of Audited Financial Statement.
2. Another shareholder concerned that:
    - The plan to increase number of employees for the year 2017 might create negative impact on net profit and dividend payout. BCEL targets profit of LAK250 billion for the year 2017.
    - Recapitalization is likely to affect the dividend payment as the number of shares also increases.

o Mr. Phoukhong CHANTHACHACK, General Managing Director, responded that:
- BCEL has targeted at business outcome and the increasing number of employees is to undertake business expansion. Despite BCEL adopted modern technology and equipment, a rise in the number of employees is subject to the service needs. The efficient management of human resource is also considered essential.
- Regarding the recapitalization, since listing in Lao Securities Exchange, BCEL have had sufficient capital. The business of the bank has been consistently expanded while the capital is not appropriately increased. So, there is a need for capital injection to undertake business expansion and compliance. This capital raising might impact the dividend payment in short term, but once the business can be more expanded the dividend payment is likely to increase in long term.

➢ Dr. Bounleua SINXAYVORAVONG, the Chairman, provided additional comment that the increasing number of employees is resulted from the business expansion so the rise in expenditure will be alongside with the increase in revenue.
Capital injection will help improve BCEL's Capital Adequacy Ratio. It will therefore improve BCEL's capacity in midterm and long term business expansion.

As there is no further comment, the Chairman proposed Mr. Hinphet CHANTHALANGSY, Chief of Treasury and International Service Department on behalf of the secretariat to the Meeting, to summarize and report to the Meeting all the Meeting's resolutions.

- The Chairman proposed to the Meeting to provide comment on the resolutions and shareholders provided the following comments and recommendations:
  - Mr. KRAIWAL KADAVANICH suggested that the secretariat to the Meeting should show the number of votes of each agenda while presenting the Meeting's resolutions.
- The Chairman agreed with the suggestion and assigned the concern parties to take consideration and make an improvement in the next meeting.

Dr. Bounleua SINXAYVORAVONG, the Chairman of The Annual General Shareholders' Meeting for the year 2016 declared the Meeting adjourned at 15:45 hours of the same day.

On behalf of the Chairman of the Meeting

Khamsouk SUNDARA

Vice Chairman of the Board of Directors

Taken by

Sonenalin SENGMANY