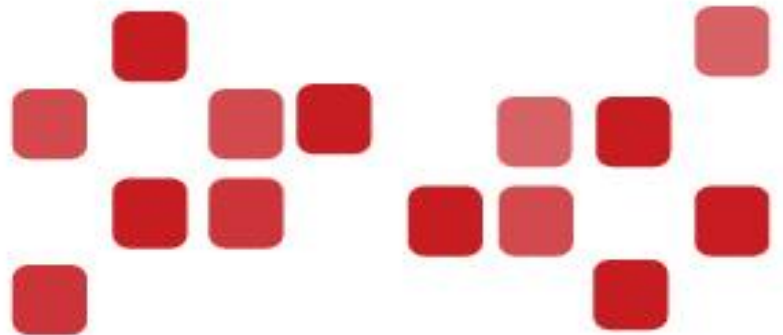




Banque Pour Le Commerce Extérieur Lao Public

A Summary of Business Performance for the 1st quarter of the year 2019



1. Banque pour le Commerce Exterieur Lao Public

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

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, and its latest Amended Banking Business License No. 4284/BOL dated on 11 November 2010 issued by the Bank of Lao People's Democratic Republic. 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 Enterprise Registration No.0061 dated on 10 January 2011 issued by the Department of Enterprise Registration and Management, Ministry of Industry and Commerce of the Lao P.D.R. Ministry of Finance representing the Government holds 80% of the shares.

On 15 July 2011, the Bank continued to sell 10% of the total ordinary shares to its strategic partner named COFIBRED in accordance with the Ordinary Shares Purchase Agreement between the Ministry of Finance and COFIBRED.

The current structure of BCEL's shareholders includes: The Government's shares account for 70% of the Bank's chartered capital; local investors' shares (including employees of the Bank) account for 10% of the Bank's chartered capital; strategic partners' shares account for 10%; and other foreign investors' proportion of 10%.

On 17th of August, 2017, BCEL increased its chartered capital by right offering and public offering in the Lao Securities Exchange. The Bank received 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 chartered capital amount of 355.728.500.000 LAK (71.145.700 shares) in accordance with the Listing certification No.01/LSX, Dated 15 September 2017 and the bank received the latest amended business license No.0429/ERO, Dated 18 May 2018, issued by Ministry of Industry and Commerce.

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 requests 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 the Bank of Lao P.D.R. Especially, the insurance services and securities broker services.

Charter Capital

The charter capital as of 31 March 2019 is LAKm 1.038.617 (as of 31 Dec 2018: LAKm 1.038.617).

Location and Network

The Bank's Head Office is located at No.01, Pangkham Street, Ban Xiengneun, Chanthabouly District, Vientiane, Lao P.D.R. 31 March 2019, the Bank has one (01) Head Office, one (1) subsidiary, four (4) joint ventures, twenty (20) main branches, ninety three (93) services units, and fifteen (15) exchange units all over Lao P.D.R.

2. Vision

BCEL has adopted a vision and apply to its business development to achieve its goal and objective of "Becoming a strong and modern bank that meets international standard".

3. Mission

In order to become a strong and modern bank that meets international standard, the important mission of BCEL includes: Improve the strength on the area of the Corporate Governance (CG) by focusing on development to be adaptable for the changing circumstances of the new era, emphasizing on the creation of the strength in the culture of Risk Management and to comply with the BASEL II principles, increase business operation capacity, create and develop the Management of Information System (MIS) to be effective, complete, correct and punctual, to meet international standard on the reporting system, apply modern technology and upgrade the knowledge and expertise of the employees as of regional and international levels.

➤ Business Targets for 2019

To continually implement the long term strategies of BCEL and to ensure the improvement the Corporate Governance System, in 2019, the bank will continue the operation of 6 main projects (remained the same), 32 major projects and 273 working plans. This year, BCEL added more sub-plans for 143 projects.

• The project of working plan are as follows:

- To develop the Corporate Governance to achieve the international standard, there are 3 projects and 4 working plans.
- To establish the Risk Management System and to implement Basel II principles, there are 4 projects and 22 working plans.
- To establish database system for the operation, there are 6 projects and 40 working plans
- To develop and manage IT system, there are 5 projects and 47 working plans.
- Human Resource Management and Development, there are 4 projects and 57 working plans.
- To develop the financial administration, modern service and effective business operation, there are 10 projects and 103 working plans.

Besides the main projects, there will be the supported projects which are added as the sub-projects including report on CG working task to propose for the development of the management according to CG principles. Continually research for the plan to launch the representative office in other countries, the selling of BCEL's share for 19% which held by MOF, continue the LOS project, sub-project of Basel II, the project which related to accounting to prepare for applying IFRS 9, product development project, construction project and others. An increase or a decrease of the number of projects was compared from the implementation of the previous year.

4. Organization Structure

4.1 The organization of BCEL consists of the Board of Directors (7 Directors), Executive Management (8 members), 11 Divisions, 3 Centers, 20 Branches, 93 Service Units and 15 Money Changers nationwide.

4.2 Board of Directors of BCEL consist of 7 Member

- Dr. Bounleua Sinxayvoravong as Chairman
- Mr. Khamsouk Sundara, as vice Chairman
- Mr. Phoukhong Chanthachack, as Member
- Mr. Mac Robert, as Member
- Mr. Phouthakhan Khanty, as Member
- Assoc.Prof. Dr. Phouphet Kyophilavong, as Member
- Mr. Viengsouk Chounthavong, as Member

Structure of Board of Directors of BCEL



Dr. Bounleua Sinxayvoravong
Chairman



Mr. Khamsouk Sundara
Vice Chairman



Mr. Phoukhong Chanthachack
Member



Mr. Marc Robert
Member



Mr. Phouthakhanh Khanty
Member



Assoc. Prof. Dr. Phouphet Keophilavong
Member



Mr. Viengsouk Chounthavong
Member

Management of BCEL consist of 8 members

- Mr. Phoukhong Chanthachack, General Managing Director
- Mr. Phansana Khounnouvong, Deputy Managing Director of BCEL
- Mr. Lachay Khanpravong, Deputy Managing Director of BCEL
- Mr. Nanthalath Keopaseuth, Deputy Managing Director of BCEL
- Mr. Khamsian Mingboupha, Deputy Managing Director of BCEL
- Mr. Souphak Thinxayphone, Deputy Managing Director of BCEL
- Mr. Boauvanh Simmalyvong, Deputy Managing Director of BCEL
- Mr. Viengsouk Chounthavong , Deputy Managing Director of BCEL

Structure of Executive Management of BCEL



Mr. Phoukhong Chanthachack
General Managing Director



Mr. Khamsian Mingboupha,
Deputy Managing Director



Mr. Lachay Khanpravong,
Deputy Managing Director



Mr. Nanthalath Keopaseuth,
Deputy Managing Director



Mr. Phansana Khounnouvong,
Deputy Managing Director



Mr. Viengsouk Chounthavong
Deputy Managing Director



Mr. Souphak
Thinxayphone, Deputy
Managing Director



Mr. Boauvanh Simmalyvong
Deputy Managing Director

5. Achievement of the 1st quarter of the year 2019.

In the 1st quarter of the year 2019, BCEL has the outstanding performance such as the completion of Smart VAT Project phase II at Lao-Thai Friendship Bridge 1, holding the Ordinary meetings of BCEL's Board of Directors for 2 times and disclosed the meeting resolution on LSX website. Successfully held the 2018 Business Review Meeting and approved for the 2019 year plan of all branches. BCEL has become the official direct member of AMEX card, successfully signed the agreement on selling BCEL's share 19% which held by Ministry of Finance, between BCEL and Lao-China Securities Company on 13 March 2019. Moreover, BCEL has started to provide a full service on weekend for two service units including Lao Itec and Morning market Service Units, this full service at the weekend has started from 23 March 2019.

6. The Meetings of the Committees to the BODs.

In the 1st quarter of the year 2019, each Committee to the BODs held their meetings periodically which the details are as follows:

- approved the year plan for 2019 to propose for the consideration from Annual General Meeting of Shareholders
- Approved the audited financial reports of BCEL financial statements for the year 2018 in accordance with LAS and IFRS.
- Approved the establishment of the Lao National Payment Network Company.
- Approved the dividend payment of the year 2018 for 991 LAK per share
- Approved the retirement of a Deputy Managing Director of BCEL due to the health condition.

6.1.1 Risk Management Committee (RMC)

RMC has focused on advising the research and the establishment of the regulation and policies on risk management. The committee also considered and approved the policies and regulations that are related to the risk management as follows:

- To monitor on the credit and liquidity risk management of BCEL in each period.
- To research on policies and the authorisation limit of credit approval of BCEL in each period.
- To follow up on Basel II projects which has 7 projects, some projects has been kicked-off.
- To research and analyse the country risk that might affect the business operation of BCEL.

6.1.2 Remuneration Committee (RC)

RC has focused on research, considered and approved the regulations of BCEL for the benefits of BCEL and the shareholders. The committee has considered the regulations and to be approved by the Shareholders' Meeting according to the regulation as follows:

- To consider and approve the Regulation on Staff Recruitment, new version 2019.
- To consider and approve the Regulation on the policies for staff new version 2019.
- To consider and approve the establishment of the staff retirement fund.

6.1.3 Corporate Governance Committee.

- Closely followed up, supported and advised the business operation of BCEL and approved the audited financial reports of BCEL for the year 2018 according LAS and IFRS and to be approved in the next step according to the regulation.
- Monitored the liquidity management and capital adequacy ratio of BCEL.
- Monitored on the management and administration of loan's quality and actively solving on the NPLs.
- Considered and approved the plan for the year 2019 and other important issues to propose the BODs' Meeting and the Shareholders' Meeting.
- Approved the policies on loans to SMEs.
- Followed up on the project to sell 19% of BCEL shares held by the MOF.

7. BCEL's Business Performance for 1st quarter of the year 2019

For the 1st quarter of the year 2019, BCEL achieved the business performance according the unaudited consolidated report version in IFRS as follows:

- Total Assets: 42.505.818 million LAK, equal to 99% of the annual plan
- Total Deposits: 35.675.060 million LAK, equal to 100% of the annual plan
- Total Loans: 25.441.734 million LAK, equal to 98% of the annual plan
- Profit before tax: 143.043 million LAK, equal to 25% of the annual plan

General Managing Director



Phoukhong CHANTHACHACK

Remarked: The business result for the 1st quarter of the year 2019 is in accordance with the unaudited consolidate IFRS