

Summary of business performance of Banque Pour Le Commerce Extérieur Lao Public (BCEL) Quarter and Six Months Ended June 30, 2026

Vision and Mission

Becoming a strong and modern bank with international standards

BCEL focus on: developing and improving services to adapt to the period of transformation with customer-centricity; strengthening financial stability in accordance with BASEL II principles; developing modern IT systems and technology integration into service systems; implementing new innovations in business to fully transform to Digital Banking; developing information systems to be accurate, clear, transparent, fast and ensuring Cyber Security meets international standards; developing personnel in various areas to be skilled and professional in banking services; creating satisfaction for customers who use the services; creating maximum sustainable benefits for BCEL's shareholders; and establishing various conditions to meet international standards.

Financial Highlights

- Total Assets: 166,401 billion LAK, achieving 95.91% of the 2026 annual plan, an increase of 3.51%; compared to end of 2025;
- Total Loans Outstanding: 67,680 billion LAK, achieving 105.75% of the 2026 annual plan, a decrease of -2.64% compared to end of 2025;
- NPL Ratio: 2.06%;
- Total Deposits: 155,391 billion LAK, achieving 96.52% of the 2026 annual plan, an increase of 3.01% compared to end of 2025;
- Net Profit After Tax: 625 billion LAK, achieving 58.41% of the 2026 annual plan, an increase of 96.98% compared to the same period of the previous year.

Plans and projects

BCEL emerges as a leading bank characterized by modernization and compliance with international banking standards in Lao PDR, BCEL has formulated a comprehensive development strategy that outlines the directions, objectives, and specific implementation plans. The implementation in 2026 includes 15 programs and 50 projects

Overview of Lao PDR's Economy and Future Trends

In the second quarter of 2026, the economic situation in Lao PDR began to show signs of improvement. However, this recovery remains fragile and highly sensitive to external factors. The World Bank projects that economic growth for Lao PDR will slow down to 3.8% in 2026. This deceleration is primarily due to the oil price crisis suppressing domestic demand, combined with negative external factors that have weakened export trends.

In early 2026, volatility in the global oil market caused domestic fuel prices to rise rapidly, with gasoline and diesel prices nearly doubling. To mitigate these impacts, the government implemented measures such as tax reductions and the suspension of certain fees.

Although oil prices declined from their peak in April 2026, by early June 2026, they remained approximately 38–40% higher than pre-crisis levels. Furthermore, these elevated fuel costs drove inflation higher, with the inflation rate surging to 10.2% in April 2026. This spike has directly impacted household purchasing power, disproportionately affecting low-income and economically vulnerable groups.

Looking ahead, Lao PDR continues to face multiple external risks. Most notably, if the conflict in the Middle East is prolonged or escalates, it will impact the economy through three key channels:

- Increased Oil and Transport Costs: Higher prices will negatively affect Lao PDR's terms of trade and foreign exchange reserves.
- Weaker Trading Partners: An economic slowdown among trading partners will reduce external demand for Lao exports, tourism, and foreign investment.
- Tighter Global Financial Conditions: Stricter global financing will make it increasingly difficult to secure funding for debt servicing, thereby raising the risk of debt distress. It is estimated that Lao PDR faces debt repayment obligations equal to approximately 13% of its GDP in 2026^[1].

^[1]Source: LEM-Executive-Summary-Lao.pdf, World Bank

Inflation

Lao PDR's inflation rate in June 2026 continued to rise, but at a slower pace than the previous month, reaching 7.4% (compared to 9.0% in May). Among the categories, housing, water supply, electricity, and cooking fuel increased by 20.1%; education increased by 12.3%; healthcare and medicine increased by 11.8%; transportation increased by 11.6%; alcohol and tobacco increased by 10.4%; restaurants and hotels increased by 9.8%; and clothing and footwear increased by 7.8%. Other goods and services increased by 20.1%.

The main reason for June's inflation rate rising at a slower pace was the easing of conflict/fighting in the Middle East, which led to a decline in global fuel oil prices compared to the previous month. Specifically, UK Brent crude oil fell by 15.2%, US WTI crude oil fell by 14.3%, and Middle East Dubai crude oil fell by 14.6%. Refined oil prices in the Singapore market, which serves as Lao PDR's reference price, also declined as follows: premium gasoline fell by 14.1%, regular gasoline fell by 14.5%, and diesel fell by 16.3%. Accordingly, domestic fuel prices were also adjusted downward: regular gasoline fell by 9.1%, and diesel fell by 23.9%, which did not create pressure for domestic goods and services prices to rise sharply.^[2]

^[2]Source: *LAOSIS Consumer Price Index Report, June 2026*

Exchange Rate

In Q2/2026, the Bank of Lao PDR (BOL) adjusted the exchange rate regulations for buying or selling LAK against the US dollar, setting the trading band at no more than $\pm 1\%$ relative to the reference exchange rate announced daily by the Monetary Policy Department, with the spread between the buying and selling rates not exceeding 2%. The spread between buying and selling rates is set at no more than 2% for exchanging LAK against Thai Baht, Chinese Yuan, Euro, Japanese Yen, and British Pound Sterling. The spread between buying and selling rates is set at no more than 5% for exchanging LAK against other currencies^[3]. This is based on Decision on the Determination of Exchange Rates No. 313/BOL, dated 10/04/2026.

The banking system-wide average exchange rate for the US dollar during the first 6 months of 2026 was LAK 22,140/USD, while the average parallel (unofficial) market rate was LAK 22,279/USD. The banking system-wide average exchange rate for the Thai Baht was LAK 681/THB, while the average parallel market rate was LAK 686/THB^[4].

^[3]Source: <https://www.bol.gov.la/decisions>

^[4]Source: https://www.bol.gov.la/exchang_rate_all

Highlighted business operation of BCEL

During the first 6 months of 2026, BCEL held 2 meetings to review its operational activities and 4 Board of Directors meetings (2 ordinary sessions and 2 extraordinary sessions). BCEL also approved its 2026 Business Plan and HR Development Plan, along with recognizing and awarding branches system-wide for their 2025 KPI performance results. In addition, BCEL launched a self-service feature allowing customers to open deposit accounts online via BCEL One, and published 34 disclosure documents on the Lao Securities Exchange website and the BCEL website.

During Q2/2026, BCEL held its 2025 Annual General Meeting of Shareholders and paid the 2025 annual dividend of LAK 200/share; approved BCEL's 2026 business plan following the shareholders' meeting; completed the disclosure of BCEL's 2025 Annual Report along with its Factsheet; and participated in the 1st "Opportunity Day" forum of 2026, presenting business results for 2025 and Q1/2026. Additionally, the Board of Directors attended the 80th Board of Management meeting of the Laos-Vietnam Joint Venture Bank and the 2026 Annual General Meeting of Shareholders in Vietnam. BCEL also updated the regulations on the roles, responsibilities, and scope of authority of 2 departments, and assessed the impact of rising oil prices on the business plan.

- Partnership and Cooperation: Upgraded Lao Airlines' services to be more modern and comprehensive; provided electricity bill payment services through a modern e-billing system with auto debit, in partnership with Électricité du Laos (EDL).
- Marketing Activities: Hosted study tours on the modern world of finance for youth from 2 schools, held at BCEL Head Office. Conducted a live lucky draw for winners of 2 programs: the Mastercard Campaign 2025 and the One Point Promotion prize draw. In addition, BCEL sponsored the "Chess Koff Cafe Open Rapid Chess Tournament," organized by the Vientiane Chess Academy, and held a BCEL Exclusive Shopping Experience event for its major clients in partnership with Siam Piwat in Thailand.



General information and some key details of BCEL

- Location and networks: The Bank's Head Office is located on No.01, Pangkham Street, Ban XiengNheun, Chanthabouly District, Vientiane, Lao PDR. As of 31 March 2026, the Bank has 01 Head Office, 07 joint venture companies, 21 branches, 101 service units, and 9 Money Changers all over the Lao PDR
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Banque pour le Commerce Extérieur Lao Public (BCEL) operates as a public company and is listed on the Lao Securities Exchange. The bank was established in accordance with Decision on Bank Establishment No. 129/BOL dated 1 November 1989. On 23 December 2010, BCEL completed its initial public offering (IPO) and was renamed Banque Pour Le Commerce Extérieur Lao Public as per Enterprise Registration License No.0061/ERO dated 10 January 2011, issued by the Department of Enterprise Registration and Management, Ministry of Industry and Commerce of the Lao PDR. Initially, the Government, represented by the Ministry of Finance, held 80% of the total shares.

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

In 2017, BCEL succeeded the recapitalization by public offering and right offering to the existing shareholders in accordance with a permission granted by the Lao Securities Commission Office on 17 August 2017. This made BCEL increase its registered capital in the amount of 355,728,500,000 LAK (71,145,700 shares) according to the certificate from the Lao Securities Exchange No. 01/LSX, dated 15 September 2017. Accordingly, the BCEL's registered capital was increased from 682,888 to 1,038,617 million LAK.

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

On 18 February 2025, the Lao Securities Exchange approved the change in par value of BCEL shares through a stock split at a ratio of 1:5, meaning the par value changed from 5,000 LAK/share to 1,000 LAK/share. This increased the number of BCEL shares from 207,723,300 shares to 1,038,616,500 shares, while maintaining the same registered capital. The purpose was to increase the liquidity of BCEL share trading on the Lao Securities Exchange and to make BCEL shares more accessible to investors at a lower price, while maintaining the same market capitalization and preserving the original shareholding proportions of all shareholders.

On 27 August 2025, The Lao Securities Commission Office granted a license to BCEL to offer shares to both the public and existing shareholders, amounting to 506,255,500 shares priced at 1,640 LAK each for existing shareholders and 1,730 LAK each for the general public. On 28 October 2025, BCEL successfully concluded the share offering, as confirmed by the Securities Commission Office, raising a total capital of 841,911,622,580 LAK, which led to an increase in registered capital of 506,255,500,000 LAK. Currently, BCEL's shareholder structure comprises of 60% government ownership, with domestic investors (including BCEL's employees) and foreign investors holding 30%, and BCEL's strategic partner holding 10%.

Registered Capital: The registered capital of BCEL as of 30 June 2026 is 1,544,872 million LAK (Not changed from 31 March 2026)



The organizational structure of the Board of Directors

The Board of Directors of BCEL, as of 30 June 2026, consists of 8 members as follows:



**Chairman,
Committee of BOD**
Soulivath Souvannachoumklam



**Vice Chairman,
Independent Director,
Committee of BOD**
Bounta Daravy



**Director,
Committee of BOD**
Saysamone Chanthachack



**Director,
Committee of BOD**
Pasomphet Khamtanh



**Director,
Committee of BOD**
Michael De CLERCQ



**Independent Director,
Committee of BOD**
Assoc.Prof. Thongpheth Chanthanivong



**Independent Director,
Committee of BOD**
Latdavanh Songvilay



**Independent Director,
Committee of BOD**
Sonexay Silaphet

The organizational structure of the Board of Management

The Board of Management of BCEL, as of 30 June 2026, consists of 7 members as follows:



Managing Director
Saysamone Chanthachack

Deputy Managing Director



Nanthalath Keopaseuth



Kongsack Souphonesy



Nalin Silavongsith



Bouaphayvanh Nandavong



Phousengthong Anoulakham



Saychit Simmavong

Operation of the Board of Directors in the semi annual 2026

During the first six months of 2026, the Board of Directors of BCEL held 4 meetings (2 ordinary meetings and 2 extraordinary meetings), which approved various important matters as follows:

- Acknowledged the business operations report for the year 2025 and Q1/2026;
- Acknowledged the report on the implementation of internal audit work in the year 2025 and Q1/2026;
- Acknowledged the report on the implementation of risk management work and Basel work in the Q4/2025; the year 2025, and Q1/2026;
- Approved the plan to organize the Annual General Meeting of Shareholders (AGM) of BCEL for the year 2025;
- Approved the performance assessment results of the Board of Directors, Board Members, and Board Committees for the year 2025;
- Approved the assessment forms and methodology for the Board of Directors, Board Members, and Board Committees for the year 2026;
- Approved in principle the revision of BCEL's regulations;
- Approved the audit results of the financial report of BCEL for the year 2025;
- Approved the appointment of the independent auditor for the year 2026, 2027 and 2028;
- Acknowledged the report on business operation activities in the 1st Quarter 2026;
- Approved the credit facility proposals for 13 corporate customers that fall under the authority of the Board of Directors;
- Approved the Liquidity Risk Management Policy of BCEL;
- Approved the Outsourcing Policy of BCEL;
- Approved the amendment of the Regulations on BCEL's Board of Directors;
- Ratified the Regulations on Procurement utilizing BCEL's Funds;
- Approved the revision of the remuneration policy for field-deployed staff;
- Approved the asset valuation companies contracted to provide valuation services to BCEL;
- Approved the appointment and reassignment of some personnel;
- Approved the following plans to be submitted to the Shareholders' Meeting for consideration and approval:
 - The Revised 2026 Business Plan;
 - The allocation of the profit after tax of BCEL for the year 2025 into various statutory funds, employee bonuses, and dividend payment;
 - The adjustment of the salary index value for BCEL's employees;
- Assigned BCEL to update the meeting invitation documents of the Annual General Shareholders' Meeting of BCEL for the year 2025.

Risk Management Committee

The Committee has closely monitored risk management operations and the progress of the Basel II project. During the recent period, 3 meetings were held to consider and approve the following key matters:

- Acknowledged the implementation report on risk management and Basel II activities for Q4/2025.
- Acknowledged the implementation report on risk management activities for Q1/2026.
- Approved the Liquidity Risk Management Policy of BCEL and the Outsourcing Policy of BCEL.

Nomination & Remuneration Committee

The Committee has continuously focused on reviewing and considering the workforce plan to optimize job positions at BCEL. During the first 6 months of 2026, 4 meetings were held with the following key objectives:

- Approved the appointment and reassignment of some personnel;
- Approved the revision of BCEL's employee welfare regulations regarding the calculation policy for employee severance pay (lump-sum allowance);
- Approved the revision of the regulation on the management of BCEL's employee welfare reserve fund. This is to align with the updated severance pay policy and the current requirements for welfare reserve management in accordance with International Accounting Standards (IAS 19);
- Approved the revision of the salary index value for BCEL employees, to serve as the basis for submission to the Shareholders' Meeting for consideration and approval.



Corporate Governance Committee

The Committee has closely monitored and directed the business operations of BCEL on a regular basis. During this period, 2 meetings were held (jointly with ordinary meetings) to consider the following key agendas:

- Approved the plan to organize the Annual General Meeting of Shareholders for the year 2025.
- Approved the following plans to be submitted to the Shareholders' Meeting for consideration and approval:
 - The 2026 Business Plan and the revised 2026 Business Plan;
 - The 2025 Profit After Tax Allocation Plan (for allocation into statutory reserve funds, annual employee bonuses, and dividend payments to shareholders);
 - The revision of the salary index value for BCEL employees;
 - The revision of the invitation documents for the Annual General Meeting of Shareholders for the year 2025.
- Acknowledged the report on BCEL's business performance for Q1/2026 and agreed to submit it to the Board of Directors for consideration.
- Approved BCEL's financial statements for Q1/2026 (unaudited figures) and agreed to submit them to the Board of Directors for consideration.

Audit Committee

The Committee has regularly monitored and directed the internal audit activities of BCEL, holding discussions and approving the following key matters:

- Acknowledged the internal audit report and the follow-up on the resolution of audit findings for the year 2025 and Q1/2026.
- Approved the unaudited financial statements for Q1/2026.
- Approved the revised Terms of Reference (TOR) for the audit of financial statements from 2026 onwards, with the following details:
- Agreed to conduct a bidding process to select and sign a contract with an independent auditor for a 3-year period (2026, 2027, and 2028) to ensure continuity.
- From 2026 onwards, agreed to suspend the preparation of 3 reports: the 6-month review report on financial statements in accordance with Lao Accounting Standards (LAS); the annual Operational Review Report; and the annual Loan Review Report.
- Approved the appointment of PwC as the independent auditor of BCEL for the years 2026, 2027, and 2028.

Social Responsibility

Alongside its business operations, BCEL's managements and staffs have prioritized and actively contributed to corporate social responsibility (CSR) initiatives. By leveraging the potential of modern technology and innovation, BCEL has managed and driven initiatives that benefit society on a non-profit basis. The outstanding achievements in the first 6 months of 2026 are as follows:

1. Social Assistance via the "BCEL One Heart" Digital Platform, this platform is user-friendly, convenient, fast and, most importantly, highly transparent. Every step of the donation process from receipt to delivery is fully verifiable, thereby building genuine public trust. Performance in the first 6 months of 2026:

- 26 ongoing projects were opened for support.
- Over 4,900 donation transactions were made.
- Total funds raised exceeded 472 million LAK.

2. Direct Sponsorship and Social Assistance Beyond the online platform, BCEL has also provided direct social assistance in the form of both cash and materials, in response to requests from the public and private sectors. These contributions covered various areas, such as supporting education and sports, public health, natural disaster relief efforts, and the celebration of significant national festivals, among others. The total value of direct assistance during this period exceeded: 2,600 million LAK.

Managing Director



Saysamone CHANTHACHACK



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