Press Release

Signing Ceremony on Technical Assistance for Loan Originating System Improvement (LOS) and Credit Rating System (CRS) between BCEL and Ernst & Young Lao Company Limited

Vientiane Capital, 11/09/2017 at BCEL, Level 5's Meeting Room



On the 11 September 2017 at 15:00 pm, Banque Pour Le Commerce Exterieur Lao Public (BCEL) and Ernst & Young Lao Limited (EY) held "Signing Ceremony on Technical Assistance for Loan Origination System (**LOS)** and Credit Rating System (**CRS)"** under the consultancy of Ernst & Young Lao Company Limited.

The contract was honorably signed by:

- Mr. Phoukhong CHANTHACHACK, General Managing Director, BCEL; and
- Ms. Duong Nguyen, Leader of Ernst & Young Lao Company Limited

The ceremony was witnessed by many honorable guests including:

1. Mrs. Vathana DALALOY, Deputy Governor, the Bank of the Lao P.D.R
2. Mrs. Nakhonesy MANODHAM, Deputy Director General, Lao Securities Commission Office (LSCO)

Along with the Directors, Chief of Divisions, Chief of Branches and related staff of BCEL as well as the delegation of EY.

The contract on LOS and CRS has the period of 18 months after the contract is signed. The two projects will implement important tasks by the two parties including readiness assessment, status review for BCEL, identifying of the gaps to improve in order to apply LOS and CRS and giving suggestion on upgrading credit approval process to be inconsistent with international bank. E&Y will also introduce the suppliers of LOS for BCEL to consider and the creation of CRS for BCEL to be full function.



Mr. Phoukhong CHANTHACHACK, General Managing Director, BCEL gave his speech during the signing ceremony that by adopting LOS and CRS, BCEL's credit approval process will be more modern and BCEL will be able to up take many good points which can be applied to the bank's credit approval process which is considered as the heart of business operation. The process will be implemented by considering on three major benefits of loan work of the bank including:

1. Faster 2. Cheaper 3. Better

1. Faster: Ability to approve the credit quickly due to the applying of modern credit approval system and to shorten the process.

2. Cheaper: Reduce the cost for the bank in over use human resources and paperwork due to the applying of modern system in the credit approval system.

3. Better: Ability to approve the credit with good quality, reduce errors that may occur during credit approval process, ability to manage the risk from credit operation effectively and having the standard as of internal.

Also in the signing ceremony, Ms. Duong Nguyen, Partner, Leader of Financial Services for Ernst & Young Laos, Cambodia and Vietnam, congratulated BCEL on the implementation of the project and added some remarks by emphasizing that LOS could not only help reducing burden of paper works, enhance automation of control and reporting, facilitate effective communication in credit process, centrally manage data and risk management and increase mobility but also bring out exceptional experience to both the Bank and its client. On the other hand, Credit rating system could help improving quality of credit underwriting and risk management by assessing credit worthiness of client more quickly and accurately so that business decision and risk management measures could made and implemented accordingly. Such assessment can also will be the foundation for future enhancement of other important initiatives such as risk-based pricing, credit risk modeling, credit risk provisioning and capital computation, Basel II compliance, credit portfolio optimization, International Financial Reporting Standards (IFRS) and many more.

EY believe that the success of this project could mark an important milestone for BCEL in achieving future business vision and retaining the leading position in Lao market.