Translation:

Lao People's Democratic Republic

Peace Independence Democracy Unity Prosperity

Banque pour le Commerce Exterieur Lao Public

Vientiane Capital, 30 April 2018

Minutes

Annual General Shareholders' Meeting for the Year 2017
Banque Pour Le Commerce Exterieur Lao Public

The Annual General Shareholders' Meeting of Banque pour le Commerce Exterieur Lao Public (BCEL) for the Year 2017 (hereinafter called: "The Meeting") was held from 14:20 to 16:00 hours on the 27 April 2018 in the meeting room number 4 of the National Convention Centre, Vientiane Capital and was presided over by Mr. Khamsouk SUNDARA, Vice Chairman of BCEL's Board of Directors, together with members of the Board of Directors. The Meeting was attended by 73 shareholders, 144 proxies, and the total number of shares in the Meeting was 177.132.786 shares, including 825.083 shares via proxies, which was equivalent to 85.273% 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 30.590.514 shares, equivalent to 14.727 % of the total shares of BCEL.

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

1. Mr. Khamsouk Sundara, Vice-Chairman of BCEL's Board of Directors.
2. Mr. Phoukhong Chanthachack, Member of the Board of Directors, General Managing Director of BCEL.
3. Mr. Viengxay Chanthavisouk, Member of the Board of Directors.
4. Mr. David Parrott, representative of the strategic partner, COFIBRED.

Along with the representatives of Ministry of Finance, the Bank of the Lao PDR, Securities Commission Office, Lao Securities Exchange and media reporters also attended the Meeting.

After opening remark, Mr. Khamsouk SUNDARA, Vice Chairman of BCEL's Board of Directors, and Chairman of the Meeting, informed the shareholders about the rules of 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, and one share equals one 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, in accordance with Article 148 of the Law on Enterprises (except for the Agenda on Amendment of BCEL's Articles of

Association which requires a specific resolution pursuant to Article 149 of the Law on Enterprises and Article 19 of BCEL's Article of Association).

– The Meeting will declare the vote result forthwith in the Meeting after voting is made in each agenda.

After that, Mr. Khamsouk SUNDARA, Vice 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 present 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 Shareholders' Meeting for the year 2016 (No votes for this agenda).

Mr. Phoukhong CHANTHACHACK, General Managing Director of BCEL reported to the Meeting on the resolutions of the last meeting's resolutions, which has the highlights as follows:

- Approved the business performance results for the year 2016.
- Approved the dividend for the year 2016, in amount of 614 LAK/Share (Completed the dividend payment).
- Approved the plans for the year 2017.
- Approved the dividend payment of BCEL for the year 2017 and the following years for 1 time per year.
- Approved the appointment of Ernst & Young Laos Co., Ltd as the auditor for the year 2017.
- Approved the long-term strategic plan of BCEL from 2016-2020.
- Approved the recapitalization for 360 billion LAK. (This recapitalization has been completed)
- Increased the percentage of shareholding proportion of BCEL's share for foreign investors from 1% to 2% per 1 investor. The total proportion of BCEL's shares held by domestic and foreign investors at the Lao Securities Exchange must not exceed 20% of the total BCEL's shares.
- BCEL has implemented the above resolutions. The long-term strategic plan is being implemented.

Mr. Khamsouk SUNDARA, Chairman of the Meeting, informed the shareholders to question or make comment, but there was no any question or comment from the shareholders.

➢ **The Meeting acknowledged the report from the management of BCEL.**

AGENDA 2: Reported on the key performances of BCEL for the year 2017 (No votes for this agenda).

Mr. Phoukhong Chanthachack, General Managing Director of BCEL reported to the Meeting on the key performances of BCEL for the year 2017 as follows:

- The management of BCEL has worked closely with the employees and supported the employees in performing their duties with high responsibility to avoid misconducts.

- Disseminated the long-term strategic plan for the year 2016-2020 and the 2017 plans to all branches.
- Completed the offering of BCEL's recapitalization shares in amount of 360 billion LAK.
- Launched the BASEL II project and Loan Originating System (LOS).
- BCEL also launched the new road tax payment channel via BCEL' counter, BCEL One, Kiosk machine and BCOME's agents.
- Completed the development of payment via QR Code or OnePay which is a component of BCEL One. BCEL is currently working with Thanachart Bank from Thailand in providing the payment service between Laos and Thailand by connecting BCEL One with Prompt Pay of Thailand.
- BCEL was awarded with Operational Excellent Award for 2016 and Domestic Bank of the year 2017.
- Extended 5 service units, installed 27 ATM machines which is now 365 machines and installed 336 EDCs which is now 2.062 machines in total.
- Provided the information to the external auditors including State Audit Organization, Bank Supervision Department of BOL and Ernst and Young Lao Co., LTD.

Mr. Khamsouk SUNDARA, Chairman of the Meeting, informed the shareholders to question or make comment, but there was no any question or comment from the shareholders.

➢ **The Meeting acknowledged the report on the key performance from the management of BCEL.**

Agenda 3: Consider and approve the plan to sell the shares in BCEL held by the Ministry of Finance by 19%.

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

- Ministry of Finance (MOF), on behalf of the government, has agreed to reduce the shareholding proportion in BCEL from 70% to 51%. This reduction of shareholding proportion is to provide an opportunity for investors to have a wider room of ownership in BCEL and to welcome a strategic partner who is capable and internationally recognized.
- For the process of this share offering, the MOF has assigned BCEL to select the consultant company in order to propose a suitable option and complete this share offering by the second Quarter of the year 2018.

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

- **Resolution:** Approved the reduction of shareholding proportion of the MOF from 70% to 51% by the votes of the shareholders attending the Meeting as detailed below:
  - Approved: 177.132.786 votes, equivalent to 100% of the total votes attending the Meeting.

AGENDA 4: Consider and approved the business results of BCEL for the year 2017.

Mr. Phoukhong Chanthachack, General Managing Director of BCEL reported to the Meeting on the business results of BCEL for the year 2017 (According to IFRS, separate) which was audited by Ernst and Young Lao Co., LTD and was approved by BCEL's BOD as follows:

- Assets/liabilities: 35.801.567 million LAK
- Loans: 22.586.284 million LAK
- Deposits: 31.518.874 million LAK
- Profit before tax: 373.186 million LAK
- Profit after tax: 290.410 million LAK

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

- **Resolution:** Approved the business results of BCEL for the year 2017 by the votes of the shareholders attending the Meeting as detailed below:

  – Approved: 177.132.786 votes, equivalent to 100% of the total votes attending the Meeting.

Agenda 5: **Consider and approve the dividend of the year 2017**

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

After reduction of taxes and compulsory reserves, the dividend shall be paid to the shareholders who were listed in the shareholders book as at the closing date of the shareholders register book on 05 Apr 2018 to determine the eligible shareholders who shall have the right to attend the Shareholders' Meeting and receive the dividend of the year 2017 at the rate of 712 LAK/Share. The payment of dividends must be completed within five business days after the Meeting and is expected to complete on 07 May 2018.

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

- **Resolution:** Approved the dividend for BCEL's shares for the year 2017 by the votes of the shareholders attending the Meeting as detailed below:
  - Approved: 177.132.786 votes, equivalent to 100% of the total votes attending the Meeting.

Agenda 6: Consider and approve the new Board Of Directors of BCEL from 2018-2020

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

In accordance with BCEL's Articles of Association (AOA), members of BOD have the term of 2 years and the appointment of BOD's members must be approved by the Shareholders' Meeting.

The current BOD of BCEL has completed the term of office. Previously, BCEL has proposed the Ministry of Finance for consideration of the new BOD's members from 2018-2020 as named below:

1. Dr. Bounleua Sinxayvoravong, Director General of Fiscal Policy Department, Ministry Of Finance, as Chairman
2. Mr. Khamsouk Sundara, Independent Director, as Vice Chairman
3. Mr. Phoukhong Chanthachack, General Managing Director of BCEL, as Director
4. Mr. Marc Robert, COFIBRED representative, on behalf of the Strategic Partner, as Director
5. Mr. Phoutthakhan Khanty, Deputy Director General of the National Treasury, as Director
6. Assoc.Prof. Dr. Phouphet Kyophilavong, Vice-Dean of the Faculty of Economics and Business Administration, Independent Director, as Director
7. Mr. Viengsouk Chounthavong, Chief of Credit Administration Division, BCEL, as Director

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

- **Resolution:** Approved the appointment of the new Board of Directors for the term office from the year 2018 – 2020 by the votes of the shareholders attending the Meeting as below:

  - Approved: 177.132.786 votes, equivalent to 100 % of the total votes attending the Meeting.

Agenda 7: Consider and approve the amendment of BCEL's Articles of Association.

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

The amendment of BCEL's Articles of Association is in line with the increased chartered capital and complied with the provisions on the qualifications, rights, duties and the structure of the listed companies' board of directors as specified in the relevant regulation issued by the Lao Securities Commission. Amendments have been also made in some minor additional provisions in order to improve their legal soundness and to comply with development of BCEL in the present time. The Articles of Association define the principles and measures on the administration and management of shares, shareholders, Board of Directors, Company Secretary (Secretary of the Board of Directors), Executive Management, employees, dividends, conflict resolution, business termination and dissolution of BCEL so as to be the legal reference for business operation.

The Chairman of the Meeting encouraged the Meeting to make comments, but there was no comment. The chairman then ordered the shareholders to vote in order to approve this agenda. He informed the Meetings that in accordance with the Article 149 of the Law on Enterprises and

the Article 19 of the BCEL's AOA, the amendment of the BCEL's Articles of Association shall be approved by a specific resolution and become effective only when it is passed by a vote at least two-thirds of the votes attending the Meeting and represents at least 80% of the total shares.

- **Resolution:** Adopted the amendment of BCEL's Articles of Association by the votes of the shareholders attending the Meeting as follow:

  - Approved: 177.132.786 votes, equivalent to 100% of the number of shareholders attending the Meeting and equivalent to 85.273% of the total shares.

Agenda 8: Consider and approve the 2018 business plan

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

- Assets: increase by 9% from the actual figures of the year 2017,
- Deposits: increase by 5% from the actual figures of the year 2017,
- Loans: increase by 8% from the actual figures of the year 2017,
- Profit before tax: 400 billion LAK, increase by 7% from the actual figures of the year 2017,
- Employee recruitment for the entire network: 216 employees,
- Network expansion: 1 Branch, and 9 Service Units countrywide

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

- **Resolution:** Adopted the business plan for the year 2018 by the votes of the shareholders attending the Meeting as follow:

  - Approved: 177.132.786 votes, equivalent to 100% of the total votes attending the Meeting.

Agenda 9: Consider and approve the appointment of BCEL's auditor for the year 2018

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

According to the research and comparison on the conditions and prices, BCEL has selected Ernst and Young Lao Co., ltd to be the auditor of BCEL's financial statements in the year 2018 with the price of 93.000 USD (Ninety-Three Thousand Dollar) which is the same price of the year 2016 and 2017. The price includes audit fees for auditing according to IFRS and LAS both in Lao and English, the review of financial statements of 6 months and 1 year.

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.

- **Resolution:** Approved the appointment of BCEL's 2018 auditor by the votes of the shareholders attending the Meeting as follow:
  - Approved: 177.132.786 votes, equivalent to 100% of the total votes attending the Meeting.

Question and Answer Session:

After the Meeting successfully considered all agendas, the Chairman of the Meeting asked the shareholders and the representatives to make questions and comments on the other issues which were not covered in the agendas. There were some questions from the shareholders and answered by BCEL's General Managing Director as follows:

1. Mr. Sengpaserth, shareholder: congratulated BCEL for receiving all approval from the Meeting in all agendas. However, he would like to comment on the Business Plan for the year 2018, which he thought that there were no factors presented that would lead BCEL to increase its profits in 2018. This is because there is a growth in number of banks in Laos with high competition, especially the coming of the foreign banks. However, the strategic plan of BCEL did not show any highlights other than the previous year.

- Another comment is on the recruitment plan for the year 2018. Is it necessary for BCEL to extend more services and recruit more new staff? From his own experience, he could see that many provincial branches of BCEL still provide the service slowly comparing with other banks. How will BCEL solve this problem?
- In provinces, the number of ATMs is not enough and becomes out of service quite often. Therefore, he would like to propose BCEL to increase more ATMs and improve the service.

➢ Answer by Mr. Phoukhong Chanthachack: For the business plan in 2018, BCEL has carefully planned each plan, which BCEL aimed to improve its financial status, improve its services, try to manage loans especially controlling of NPL, control administration expenses, and extend electronic products. In each quarter, BCEL also review its performance and disclose the information to the public in each period. Previously, BCEL has continuously extended its service network, introduced new products and maintained its market share in all areas as the leading Bank.

- Regarding the recruitment plan: Last year the bank planned to recruit 90 staff but the actual recruitment was only about 60 staff. For 2018, the bank planned to expand 1 Branch and 9 service units. Therefore, in order to prepare for the better customer service and to replace staff who retired, the bank has planned the recruitment of 216 employees.
- Regarding the comments on the customer service, BCEL would like to thank for sharing this comment. Previously, BCEL has tried the best to improve the service through many approaches for example improving of system to enhance faster service and persuading the customers to use electronic banking. Recently, 65% of customers' transactions were done via electronic banking.

2. Mr. Insuphone, shareholder: He agreed with BCEL in general for all agendas. However, he had the question regarding the dividend of 712LAK per share, how does the bank calculated? If the bank achieves its target for the year 2018, will the bank pay higher dividends?

➢ Answer by Mr. Phoukhong Chanthachack: Regarding the dividend, BCEL made the commitment to the shareholders to share not less than 50% of the profit after tax of each year and the dividend of 712LAK per share was calculated from the 2017's profit after tax. The bank also deducted the after tax profit for all reserves according to the regulations for business expansion. For the year 2018, BCEL is performing in accordance with the plan.

3. Mr. Phonephet, Laos-China Securities Company: BCEL has launched the connection of BCEL One system with the system of Thailand; he would like to know whether BCEL has the plan to connect the system with other banks from other countries?

- Answer by Mr. Phoukhong Chanthachack: In the Meeting of ASEAN Bankers Association, the members also discussed and conducted the feasibility study in order to cooperate with each other on service and connectivity among member banks. BCEL also works on the possibility to connect with WeChat system of China and with other banks.

4. Mr. Sengpaserth, shareholder: Since the electronic transactions covers 65% the customer transactions, he would like to know whether BCEL will provide more payment services via electronic banking as it can attract more customers? The customers can perform the transaction faster without going to the bank.

- Answer by Mr. Phoukhong Chanthachack: BCEL has tried to improve its electronic banking service. The service via BCEL One now features the OnePay which offers the payment via QR Code in order to reduce cash usage and provides convenience to the customers. Recently, the volume of the transactions worth more than 14 billion LAK since launching of the product. BCEL will continue developing more electronic banking products for the society.

5. Question from the shareholder: The profit plan for the year 2017 is 250 billion LAK but the actual figure exceeded the plan. What were the factors that led to the higher profit than the plan?

- Answer by Mr. Phoukhong Chanthachack: In 2017, BCEL achieved its targeted profit because of the bank did better than the plan in extension of service and products, control of administrative expenses, and effectively managed loans which was the core income source of the bank (about 70% of the total income). General provision and loan loss provisions were in line with the plan. Therefore, BCEL could achieve the profit higher than the plan.

6. Mr. Phonepaserth, shareholder: He proposed the bank in installing more Cash Deposit Machines (CDM) since it did not meet the demand from the customers, especially at the National University which was recently removed. Does BCEL have the plan to extend the CDM in the future?

- Answer by Mr. Phoukhong Chanthachack: CDM is one product of BCEL that can serve the customers in depositing their money in LAK, THB and USD conveniently. In 2018, the bank has the plan to extend 18 more CDMs. The maximum banknote to be deposited at the machine is 50 notes/time and the banknotes much be in good condition, but many customers did not understand how to use the CDM correctly such as inserting more banknotes than the maximum intake, inserting the bunch of money with the rubber which led to malfunction of the machine. This situation also happened at the National University. With such wrong usage of the machine, BCEL decided to remove the machine from the National University and placed in front of DongDok Branch so that our staff can advise the customers how to use correctly. BCEL will educate through various media channels on the use of CDM machines to the customers for better understanding of its usage. In the future, the bank may consider the reinstallation of CDM at National University and other places.

7. Question from a shareholder: The same auditor has been appointed for many consecutive years. Will this affect the reliability? And will another auditor be appointed in the future?

- Answer by Mr. Phoukhong Chanthachack: Previously, BCEL has informed the 4 audit firms accredited by the Lao Securities Commission Office to audit listed companies to provide BCEL with audit proposal. But there is not much interest from other firms. Some firms have proposed costly fees which are higher than Ernst & Young Lao Co., Ltd almost 3 times. Even through Ernst & Young Lao Co., Ltd has been the auditor for BCEL for many years, this company has plenty of experiences in bank auditing and is globally recognized. BCEL

has reported and requested for advices from the supervisors such as LSCO and BOL about this matter and the condition for auditing is to change the audit team which shall not be the same team. In the future, BCEL will do its best to persuade other audit firms to offer their proposals in order to choose the new audit firm to audit the financial statements of BCEL.

After no more further comments, Mr. Khamsouk Sundara, Chairman of the Meeting thanked the shareholders and representatives for the participation and their valuable comments in the Meeting which BCEL will take into account for the improvement. Later, the Chairman has declared the Meeting to close at 16:00 hours of the same day.

Therefore, the Minutes have been made as a key reference for disclosure purposes to shareholders, investors and relevant parties for their attention, and for execution.

Chairman of the Meeting	**Minutes Recorder**
[Signature]	[signature]
Khamsoun SUNDARA	**Phondasouk**