No: 15 /BCEL BOD
Date: 10 MAY 2023

Minutes

Annual General Meeting of BCEL's Shareholders for the year 2022

Date 27 April 2023

The Annual General Meeting of Shareholders of Banque pour le Commerce Exterieur Lao Public (BCEL) for the Year 2022 (hereinafter called: "The Meeting") was held from 14:30 on the 27 April 2023 at Lao Plaza Hotel, Vientiane Capital, and was presided over by Mr. Khamsouk Sundara, Acting Chairman of BCEL's Board of Directors, together with Directors of the Board of Directors. The Meeting was attended by 35 shareholders, 154 proxies, and the total number of shares in the meeting was 158.143.510 shares, including 21.822.227 shares via proxies, which in total is equivalent to 76,132% 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 49.579.790 shares, equivalent to 23,868% of the total shares of BCEL.

Chairpersons and the members of the Board of Directors attended the meeting consisted of:

1. Mr. Khamsouk Sundara, Independent Board Member, Vice Chairman, Acting Chairman of the Board of Directors, Chairman of the Meeting;
2. Mr. Bounpone Vannachit, Deputy Minister of Finance;
3. Mrs. Saysamone Chanthachack, Managing Director of BCEL, Board Member;
4. Mr. Pasomphet Khamtanh, Board Member;
5. Assoc.Prof.Thongphet Chanthanivong, Independent Board Member;
6. Mr. Sonexay Siliphet, Independent Board Member;
7. Mrs. Latdavanh Songvilay, Independent Board Member;
8. Mr. Viengsouk Chounthavong, BCEL's Deputy Managing Director, Board Member.

The Chairman of the Meeting introduced the rule of the Meeting and the voting procedure. After that, the Meeting was proceeded according to the agenda.

The Meeting has considered, commented and resolved each agenda as follows:

Agenda 1: Confirmation of the minutes of the Extraordinary Shareholders' Meeting for the year 2022

Mrs. Saysamone Chanthachack, BCEL's Managing Director reported to the Meeting that the minutes of the Extraordinary Shareholders' Meeting for the year 2022 were held on 22 November 2022. The minutes had been disclosed in compliance with the related regulations and requested the Meeting to consider and approve the said minutes;

The Chairman provided an opportunity for shareholders to ask the question on this agenda. However, there were no questions.

The Meeting resolved with the majority vote of the shareholders attending the Meeting as detailed below:

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Fax: (856-21) 213202, 223012, 223245, Website: http://www.bcel.com.la, E-mail: bcelhqv@bcel.com.la, SWIFT Code: COEBLALA

- Approved: 158.143.510 votes, equivalent to 100% of the total votes attending the Meeting.
- Disapproved: 0 votes, equivalent to 0% of the total votes attending the Meeting.

Agenda 2: Consider and approve the annual report of performance and financial statements BCEL for the year 2022

Mrs. Saysamone Chanthachack, BCEL's Managing Director reported to the meeting to acknowledge the annual report of performance and audited financial statements of BCEL for the year 2022 which has the important figures as follows:

- Assets: 94.493.015 LAK million, 130% compared with the year 2022 plan;
- Loans: 42.808.801 LAK million, 135% compared with the year 2022 plan;
- NPL: 3,36%;
- Deposits: 86.782.335 LAK million, 131% compared with the year 2022 plan;
- Equity: 2.357.960 LAK million, 95% compared with the year 2022 plan;
- Profit before tax: 197.079 LAK million, 334% compared with the year 2022 plan;
- Profit after tax: 228.190 LAK million, 483% compared with the year 2022 plan.

After that, the Chairman proposed to shareholders to ask the question on this agenda. There were comments and questions as follows:

❖ **Mr Ang Buth,** the representative from Canadia Bank Lao Ltd asked that the assets available for sale shown in the statement of financial position were relatively high. Where did these assets come from? What is BCEL's action plan to resolve this point?

➢ Mrs. Saysamone Chanthachack, BCEL's Managing Director explained as follows:

- The assets available for sale were received from NPLs customers. BCEL applied several techniques to solve NPLs such as cash collection, negotiating with customers and collecting the debt from their secondary source of income, applying debt restructuring for some customers, negotiating with customers to hand over the collateral to BCEL. With this, some customers agreed to transfer the collateral to the bank for clearing the debts.
- BCEL set strategies to sell the assets as fast as possible and attempted to sell within 01 year because holding as the assets is associated with various expenses such as the cost of transferring the title while the Law provides that the assets cannot be transferred as the BCEL's assets.
- For the sale of collaterals, some cases were profitable, sell at cost, and some cases were unprofitable. BCEL has cooperated with the asset management companies and applied different methods to sell the assets; by the end of 2022, we could solve many cases.

The Meeting resolved with the majority vote of the shareholders attending the Meeting as detailed below:

- Approved: 158.143.510 votes, equivalent to 100% of the total votes attending the Meeting.
- Disapproved: 0 votes, equivalent to 0% of the total votes attending the Meeting.

Agenda 3: Consider and approve the allocation of the profit for the year 2022

Mrs. Saysamone Chanthachack, BCEL's Managing Director proposed to the Meeting to consider and approve the allocation of the profit for the year 2022:

- Regulatory reserve: **10%**;
- Dividends: **100 LAK/share**;
- The remaining shall be allocated into the business expansion fund;
- Dividend payment date: **12/05/2023**.
- Shareholders have the right to receive the dividends in accordance with the shareholders register book recorded on 21 April 2023.

After that, the Chairman proposed to shareholders to ask the question on this agenda, which have comments and questions as follows:

❖ **Mr. Huang Xue Bin**: The dividends for the year 2022 compared to the net profit and the previous dividends were relatively low, how about the plan of dividend payment in 2023?

➢ Mrs. Saysamone Chanthachack, BCEL's Managing Director explained that:
Investors who have held BCEL's shares since listed in the Lao Securities Exchange will realize that BCEL's shares provide good dividends. Accordingly, the majority of shareholders continue to have trust in BCEL and remain to hold BCEL's shares. In 2021, BCEL did not pay the dividend owing to some reasons for not paying. In 2022, the management team of BCEL proposed to pay the dividend to enhance the confidence of BCEL's shareholders despite the low amount. In 2023, we could not say how much we will pay but the BCEL's management team commits to the shareholders that we will do our best and we will try to pay the dividend better than in the year 2022. According to the business performance of BCEL for the 1st Quarter of the year 2023 there are good outputs.

The Meeting resolved with the majority vote of the shareholders attending the Meeting as detailed below:

- Approved: 158.088.510 votes, equivalent to 99,965% of the total votes attending the Meeting.
- Disapproved: 55.000 votes, equivalent to 0,035%of the total votes attending the Meeting.

Agenda 4: Consider and approve the Plan for the year 2023

Mrs. Saysamone Chanthachack, BCEL's Managing Director proposed to the Meeting to consider and approve the plan for the year 2023, which has some key targets and figures compared with the actual figures of the year 2022 as follows:

- **Assets:** not less than 99.476.000 LAK million, increase 5% compared with the year 2022 actual figure;
- **Deposits:** not less than 91.000.000 LAK million, an increase of 5% compared with the year 2022 actual figure;
- **Loans:** not less than 50.050.000 LAK million, increase of 17% compared with the year 2022 actual figure, Loan/deposit ratio not less than 55%;
- **NPL:** not more than 3,5%;

- **Equity:** 2.740.000 LAK million, increase of 16% compared with the year 2022 actual figure;
- **Profit before tax:** 250.000 LAK million, increase of 27% compared with the year 2022 actual figure;
- **Profit after tax:** 200.000 LAK million;
- Service expansion: 5 service units;
- Procurement, construction and maintenance focuses mainly on the ongoing projects, replacement of broken items and procure only the necessary, in total of 304 LAK billion;

After that, the Chairman proposed to shareholders to ask the question on this agenda, which have comments and questions as follows:

❖ **Mr Sovanrith Im from Canadia Bank:** Why the growth rate of loan in 2023 is low ?

➢ Mrs. Saysamone Chanthachack, BCEL's Managing Director clarified: At glance, the plan for loan expansion may look low. The reasons are that the year plan 2023 will mainly emphasize the NPLs resolution as much as possible. The plan for NPLs resolution in 2023 is 1.000 billion LAK. In parallel, the bank will still provide new loans to customers. The plan has been set up based on the current capacity which we will continue to suffer from external challenges including the competitors. In 2022, the ratio of loan to deposit accounted for 47%, and in 2023, this ratio of loan to deposit will not be lower than 55%.

❖ Mr Kraiwal Kadavanich, Thai Shareholder Association had comments and questions as follows:

- Expressed appriciation that the preparation of documents for the Meeting was well prepared both Lao and English versions with the contents covering the important issues, not too long nor too short.
- For the Plan 2023, it is observed there are some points that do not even need funds for development while some items already invested are still under used such as BCEL's products should be more widely advertised. For example, BCEL VISA Credit Card to use the airport lounge the cardholders only need to purchase insurance with the Bank. This information should be made available for the customers. This will stimulate the income from insurance sales and credit card issuance.
- The bank has developed a system allowing the payment by cards with a low amount that does not need the customers to sign on the sale slip. However, the implementation in some merchants is not well responded.
- Some recommendations on the image of the bank to the international community: the use of commas and full stops in presenting the figures on BCEL's business performance should comply with the international standard such as the full stop should be used to separate the decimal figures, while the comma should be used to separate for the unit of thousand. In case of writing a cheque in English, the customers may use the punctuation following the international standards, the cheque should not be rejected just because it is made in international standard.
- In many countries, withholding of fee documents is an offense. In the case of BCEL, the service fee tables are availale on the Website. In practice, however, some employees

understand that the fee table is confidential. This is the wrong understanding and can affect the image of the bank. Customers should know the fee to decide which services are suitable.

- The bank should give the right to front officers if they are not able to solve the problems, they can contact the IT staff to talk with customers directly, for example, when the front officers could not solve the problems for customers for three times. Previously he asked the front officers to solve the problem on the menu Approve Merchant in BCEL One Application which was unsuccessful after trying for the 7 times. If this problem occurs in the future, it may affect the sale volume and may not achieve the plan.

➢ **Mrs. Saysamone Chanthachack**, BCEL's Managing Director:

- Punctuation for separation of the thousand units in Laos is different from the international standard. BCEL has followed the Accounting Law and the notice from the Bank of Laos that suggested that commercial banks follow the Lao Accounting Law which use a full-stop to separate the unit of thousand and the comma is used to separate the decimal point.

❖ **Mr Kraiwal Kadavanich**, Thai Shareholder Association: In case of documents presented in English, it should follow the international standard. It is observed that one of the notices of BCEL stated that the use of full stop and comma based on international and Lao standards, which depends on whether documents are Lao or Engish versions. However, some employees have not followed the notice. It is needed to pay more attention to this point.

➢ **Mrs. Saysamone Chanthachack**, BCEL's Managing Director: Thanked for the comments and suggestions, BCEL will reconsider. For the disclosure of the fees, the matter will be discussed internally and asked Mr. Nanthalath to clarify regarding the problem on technical issues.

❖ **Mr Kraiwal Kadavanich**, Thai Shareholder Association, had additional comments: would it be possible that the Bank could allow the front officers to give information available on the website to customers because all information published on the website is not confidential.

➢ **Mr Nanthalath Keopasueth:** The services available in BCEL One application by standards will operated in accordance with settings in the system, and regarding the other problems raised in the comment we will check and discuss more in details later on.

❖ **Mr Khamxay Bounmisidavong**: Ragarding the Plan for the year 2023, the Managing Director pledged in the previous agenda that the bank will attempt its best to have more profit and dividend in 2023. However, the figure of profit after tax in 2023 compared to the profit after tax in 2022 will be lower, what are the reasons?

➢ **Mrs. Saysamone Chanthachack**, BCEL's Managing Director explained that: In 2022, BCEL had deferred tax income so the profit after tax is higher than the profit before tax. For the year 2023, BCEL has no deferred tax income but the profit in the year 2023 plan increases compared with the figure in 2022. The payment of dividends will hopefully be better than in the year 2022.

The Meeting resolved with the majority vote of the shareholders attending the Meeting as detailed below:

- Approved: 158.143.510 votes, equivalent to 100% of the total votes attending the Meeting.
- Disapproved: 0 votes, equivalent to 0% of the total votes attending the Meeting.

Agenda 5: Consider and approve the appointment of the independent auditor for the year 2023.

Mrs. Saysamone Chanthachack, BCEL's Managing Director proposed to the meeting to approve the PWC as the external auditor of the year 2023 financial statements, the service fee of audit values at 816.850.000 LAK and the reports to be issued include the following:

- Audit report on the financial statements;
- Management Letter;
- Diagnostic report/Operational review report;
- Loan portfolio review report.

The Chairman proposed the shareholders to ask the question on this agenda. However, there were no questions.

The Meeting resolved with the majority vote of the shareholders attending the Meeting as detailed below:

- Approved: 158.143.510 votes, equivalent to 100% of the total votes attending the Meeting.
- Disapproved: 0 votes, equivalent to 0% of the total votes attending the Meeting.

Agenda 6: Consider and approve the appointment of the Chairman of BCEL's Board of Directors

Mrs. Saysamone Chanthachack, BCEL's Managing Director proposed to the meeting to approve the appointment of Mr. Bounpone Vannachit, Deputy Minister of Finance, the Chairman of BCEL's Board of Directors following the order no.0561/MOF, dated 21 February 2023 and the resolution of BCEL's Board of Director dated 21 March 2023.

After that, the Chairman proposed the shareholders to ask the question on this agenda, but there were no questions.

The Meeting resolved with the majority vote of the shareholders attending the Meeting as detailed below:

- Approved: 158.143.510 votes, equivalent to 100% of the total votes attending the Meeting.
- Disapproved: 0 votes, equivalent to 0% of the total votes attending the Meeting.

Other matters:

The Chairman proposed the opportunity for shareholders to have opinions and questions on other matters that are not included in the agenda of the Meeting. There were some opinions as follows:

- **Mr Kraiwal Kadavanich**: Proposed to BCEL to review and solve the problem that IT system and some regulations are inconsistent: For example, the issuing of card with a beautiful card number that has a fee of 100 USD. BCEL's regulations stated that it can be issued for only international cards, which in reality include the credit and pre-paid cards. However, the system allows issuing the beautiful number for the credit cards only. If the issuing of prepaid cards

with beautiful number is hindered by the IT system, the regulation should be amended because the employees may get confused. Therefore, it is recommended that the bank should reconsider whether to resolve the system following the regulations or should amend the regulation in accordance with the system.

- **Mrs. Saysamone Chanthachack**, BCEL's Managing Director: thanked for comments, and that we will recheck and find the ways to improve suitably.
- **Mr Ang Buth,** the representative from Canadia Bank Lao Ltd: Regarding the assets that BCEL received from NPL customers, it is seen as the potential for income generation. Canadia Bank has s subsidiary that operates in real estate and assets development, which we have applied the service in Laos as well. If BCEL is interested in developing these assets to turn into revenue, Canadia Bank is opened for discussion.
- **Mrs. Saysamone Chanthachack**, BCEL's Managing Director: thanked for recommendation and would like to discuss in details.

The Chairman addressed his appreciation to the shareholders and the proxies for their kind attendance at the Meeting and announced the Meeting closed at 15:50 of the same day.

Chairman	**Recorder**
Khamsouk Sundara	**Sonenalin Sengmany**