BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

FINANCIAL STATEMENTS

31 DECEMBER 2025

CONTENTS **PAGES**

General information	1 - 3
Independent auditors' report	4 – 8
Statement of income	9
Statement of comprehensive income	10
Statement of financial position	11
Statement of changes in equity	12 - 13
Statement of cash flows	14 - 15
Notes to the financial statements	16 - 50

THE BANK

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

ESTABLISHMENT AND OPERATIONS

The Bank was established from the equitisation 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. 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 Operating License No. 0061/LRO dated 10 January 2011 issued by the Business License Registration Office of the Lao PDR. At that date, the Government, represented by the Ministry of Finance ("MOF"), was the largest shareholder with 80% shareholding.

On 15 July 2011, the MOF sold 10% of the total ordinary shares (equivalent to 13,657,759 shares) to its strategic partner named Compagnie Financière de la BRED ("COFIBRED") in accordance with the Ordinary Shares Purchase Agreement between the Ministry of Finance and COFIBRED. COFIBRED is a subsidiary of BRED, the biggest regional banking society in the Banque Populare Group - a French group of cooperative banks. The total purchased price of LAK 150,235,349,000 has been paid fully by COFIBRED.

On 17 August 2017, Lao Securities Commission Office approved the Bank to recapitalize by both Rights offering (which resulted in 68,047,300 shares) and Public offering (which resulted in 3,098,400 shares) in Lao Securities Exchange in order to increase its charter capital. The Bank received the 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 charter capital amount LAK 355,728,500,000 (equivalent to 71,145,700 shares) in accordance with Listing Certificate No. 01/LSX, dated 15 September 2017 and its latest amended Business License No. 0429/ERO dated 18 May 2018 issued by Ministry of Industry and Commerce.

On 11 October 2019, Lao Securities Commission Office approved the Bank to recapitalised by both Rights offering and Public offering. The purpose of the government share divestment is to support more diverse shareholders to develop the Bank on the business expansion and sustainability. On 29 November 2019, Lao Securities Commission Office certified the Bank successfully offered 10% of the Bank's shares.

On 18 February 2025, the Bank carried out a 1:5 share split of its ordinary shares on the Lao Securities Exchange (LSX), increasing the total number of shares by 830,893,200 to 1,038,616,500 shares.

On 28 October 2025, the Bank issued 506,255,500 new shares to existing shareholders and the general public following approval from the Securities and Exchange Commission Office. The capital increase was confirmed, amounting to LAK 841,911,622,580. Subsequently, on 6 March 2026, the Bank updated its enterprise registration certificate No. 046549/ERO, dated 6 March 2026, reflecting a registered share capital of LAK 1,544,872,000,000, 1,544,872,000 ordinary shares, with a par value of LAK 1,000 per share.

The shareholding structure of the Bank as at 31 December 2025 is as follows:

Shareholders	Number of shares	%
The Government	926,922,633	60%
Strategic partners	154,487,295	10%
Local investors (including employees of the Bank) and other foreign investors	463,462,072	30%
	1,544,872,000	**100%**

The principal activities of the Bank are to provide banking services including mobilizing and receiving short-term, medium-term, and long-term deposits from organisations and individuals; making short-term, medium-term, and long-term loans to organisations and individuals based on the nature 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 Bank of the Lao PDR.

SHARE CAPITAL

The Share capital as at 31 December 2025 is LAKm 1,544,872 (31 December 2024: LAKm 1,038,617).

LOCATION AND NETWORK

The Bank's Head Office is located at No. 01, Pangkham Street, Ban Xiengnheun, Chanthabouly District, Vientiane Capital, Lao PDR. As at 31 December 2025, the Bank has one (01) Head Office, seven (7) associates and joint ventures, twenty-one (21) main branches, one hundred-one (101) services units, and nine (9) exchange units all over Lao PDR.

INVESTMENTS IN ASSOCIATES AND INTEREST IN JOINT VENTURES

As at 31 December 2025, the Bank has investments in associates and joint ventures totally seven (07) as follows:

Name	Established in accordance with Business License No.	Business Sector	% owned by the Bank
BCEL – Krung Thai Securities Company Limited	1079/ERO issued by the Ministry of Industry and Commerce on 10 July 2019	Securities	70%
Lao Viet Joint Venture Bank	732/ERO dated 29 August 2016 by the Ministry of Industry and Commerce	Banking & Finance	25%
Banque Franco - Lao Limited	0495/ERO dated 7 June 2018 by the Ministry of Industry and Commence	Banking & Finance	30%
Lao-Viet Insurance Joint Venture Company	0600 dated 16 August 2013 by the Ministry of Industry and Commence	Insurance	35%
Lao China Bank Company Limited	041/ERM dated 27 January 2014 by the Department of Enterprise Register and Management of Lao PDR	Banking & Finance	31.35%
Lao National Payment Network Company Limited	0349/ERO granted by the Department of Enterprise Registration and Management of the Ministry of Industry and Commerce of the Lao PDR on 12 March 2019	Settlement transaction management (Electronic)	20%
Lao Foreign Exchange Company Limited	4016/ERO granted by the Department of Enterprise Registration and Management of the Industry and Com merce of the Lao PDR on 22 October 2024	Foreign Currency Exchange Service 9Electronic)	10%

BOARD OF DIRECTORS

Members of the Board of Directors during the year ended 31 December 2025 and at the date of this report are as follows:

Name	Title	Date of appointment
Mr. Soulivath Souvannachoumkham	Chairman	Appointed on 30 April 2025
Ms. Bounta Daravy	Vice Chairman, Independent director	Appointed on 5 September 2025
Mrs. Saysamone Chanthachack	Director	Appointed on 22 November 2022
Mr. Michael De Clercq	Director	Appointed on 5 September 2025
Mr. Pasomphet Khamtanh	Director	Appointed on 29 October 2021
Assoc.Prof.Thongphet Chanthanivong	Independent director	Appointed on 29 October 2021
Mrs. Latdavanh Songvilay	Independent director	Appointed on 29 October 2021
Mr. Sonexay Silaphet	Independent director	Appointed on 29 October 2021

MANAGEMENT

Members of the Management during the year ended 31 December 2025 and at the date of this report are as follows:

Name	Title	Date of appointment
Mrs. Saysamone Chanthachack	General Managing Director	Appointed 2 August 2022
Mr. Nanthalath Keopaseuth	Deputy Managing Director	Appointed 30 September 2014
Mr. Kongsack Soukphonesy	Deputy Managing Director	Appointed 1 May 2021
Mrs. Bouaphayvanh Nandavong	Deputy Managing Director	Appointed 1 May 2021
Mr. Saichit Simmavong	Deputy Managing Director	Appointed 1 May 2021
Mrs. Phousengthong Anoulakkham	Deputy Managing Director	Appointed 1 July 2024
Mr. Nalinh Silavongsith	Deputy Managing Director	Appointed 1 July 2024

LEGAL REPRESENTATIVE

The legal representative of the Bank during the period and as at the date of this report is Mrs. Phousengthong Anoulakkham - Deputy Managing Director.

AUDITORS

The auditor of the Bank is PricewaterhouseCoopers (Lao) Sole Company Limited.

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Independent auditor's report

To: Board of Director and Shareholders of Banque Pour Le Commerce Exterieur Lao Public

Our opinion

In our opinion, the financial statements of Banque Pour Le Commerce Exterieur Lao Public (the Bank) for the year ended 31 December 2025 are prepared, in accordance with accounting policies described in Note 2 to the financial statements.

What we have audited

The Bank's financial statements comprise:

- the statement of income for the year ended 31 December 2025;
- the statement of comprehensive income for the year then ended;
- the statement of financial position as the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audit financial statements of public interest entities. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Emphasis of Matter - Basis of accounting and restriction on distribution and use

We draw attention to Note 2 to the financial statements, which describes the basis of preparation. The financial statements have been prepared in accordance with the Bank's accounting policies which may differ from IFRS Accounting Standards. The readers should therefore be aware that the accompanying financial statements are not intended to present the financial position and its financial performance and cash flows in accordance with IFRS Accounting Standards. Our opinion is not modified in respect to this matter.

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Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We determine one key audit matter: Provision for impairment of loan to customers. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Allowance for impairment losses of loan to customers. Refer to Note 12 and 13 – Allowance for impairment losses of loan to customers. As of 31 December 2025, Loan to customer balance was LAK 64,938,608 million (40% of total asset), and allowance for impairment balance was LAK 4,575,294 million. Allowance for impairment losses of loan to customers was considered as significant in our audit due to the estimation of allowance for impairment involved the management's judgements and assumptions in identifying evidence of impairment for individual and collective customers and calculating the impairment amount including uncertainly of timing for recognition. Management had set up allowance for impairment on loan to customers by classifying in two type of impairment which were individual and collective impairment. For individual impairment was calculated by the present value of the estimated future cashflows expected from customer (note 2.11) For collective impairment, loan to customer were grouped based on similar credit risk characteristics. Future cashflows on a group of loan to customer were collectively evaluated for impairment and were estimated based on historical loss experience.	We performed the following procedures: • Performed risk assessment on both internal and external factors which may affect the operating result of individual, industry group and customer group which it might affect the judgement and estimation made by management. . • Evaluated and tested the Information Technology General Control over access program and data, control over completeness of customer's data used in calculation of provision impairment. • Evaluated and tested manual controls over loan to customer and provision for impairment processes as follows; - Loan origination and approval - Collateral valuation - Data input into system • Tested samples of loans which it had classified as individual and collective impairments, we performed as follows; - Inquired with management regarding processing of identify and classified loans as individual and collective impairments - Examined the assumptions used in the calculation of present value of future cashflows expected from customer with supporting document such as future cashflows expected from customer, collateral valuation, - Recomputed discount rate and assess the appropriate of discount rate used in calculation of present value of future cashflows

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Key audit matter (Continued)

Key audit matter	How our audit addressed the key audit matter
Based on the significant level of subjectivity and estimation uncertainly, allowance for impairment account on loan to customers was a key audit matter.	- Assessed the appropriateness of assumptions used in calculation of probability of default, loss rate for calculation of collective impairment by examine with relevant supporting evidence and had a detailed discussion with management regarding the assumptions. - Recomputed allowance for impairment at the end of reporting date. • Furthermore, for collateral valuations performed by the professional valuers, we evaluated their competence, capabilities and objectivity including evaluated the appropriateness of their work. Then, we sampled those valuations to check that the management used the valuations in the calculation of allowance for impairment for individual customer From those procedures performed, we found that management's judgements and assumptions regarding allowance for impairment was appropriate.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the audit committee.

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Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the financial statements in accordance with accounting policies described in Note 2 to the financial statements, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Bank's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

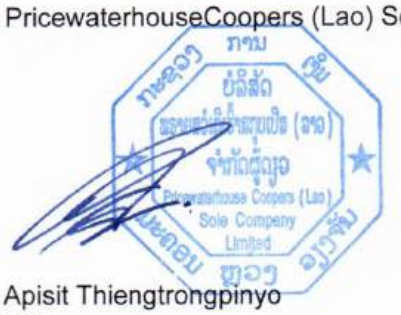
We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For PricewaterhouseCoopers (Lao) Sole Company Limited



By: Apisit Thiengtrongpinyo
Partner

Vientiane Capital, Lao PDR
10 April 2026

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BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 LAKm	2024 LAKm
Interest incomes		6,782,637	6,349,673
Interest expenses		(2,961,516)	(2,697,389)
Net interest incomes	**4**	**3,821,121**	**3,652,284**
Fee and commission incomes		1,092,779	1,697,297
Fee and commission expenses		(274,468)	(866,313)
Net fee and commission incomes	**5**	**818,311**	**830,984**
Net gain/(loss) from dealing in foreign currencies	6	356,734	244,081
Other operating incomes	7	374,074	506,516
Operating income		**5,370,240**	**5,233,865**
Credit loss expense of loans to customers	13	(2,869,743)	(3,553,571)
Additional of impairment losses of available for sale investment securities		(14,955)	(7,287)
NET OPERATING INCOME		**2,485,542**	**1,673,007**
Personnel expenses	8	(857,643)	(595,148)
Depreciation and amortisation	17,18	(128,325)	(104,278)
Depreciation of right-of-use assets	19	(23,880)	(13,881)
Other operating expenses	9	(374,066)	(322,607)
TOTAL OPERATING EXPENSES		**(1,383,914)**	**(1,035,914)**
Share of profit of associates and joint ventures	16	51,214	57,418
PROFIT BEFORE TAX		**1,152,842**	**694,511**
Current profit tax	24	(254,010)	(154,509)
Deferred profit tax (expense)/income	24	33,712	(90,439)
NET PROFIT FOR THE YEAR		**932,544**	**449,563**
Earnings per share (LAK)			
Basis earnings per share	31	826.16	432.85

Prepared by:

Ms. Soudthanome Keolakhone
Chief of Accounting Department

Approved by:

Mr. Hinphet Chanthalangsy
Chief of Internal Audit Department

Approved by:

BANK OF THE LAO PDR
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC
VIENTIANE CAPITAL

Mrs. Phousengthong Anoulakkham
Deputy Managing Director

Vientiane Capital, Lao PDR
10 April 2026

The accompanying notes on pages 16 to 50 form an integral part of these financial statements.

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 LAKm	2024 LAKm
NET PROFIT FOR THE YEAR		**932,544**	**449,563**
OTHER COMPREHENSIVE (EXPENSE)/INCOME			
Remeasurement of employee benefit	25	19,185	(52,650)
Profit tax related to components of other comprehensive income	24	(3,837)	10,530
OTHER COMPREHENSIVE (EXPENSE)INCOME FOR THE YEAR, NET OF TAX		**15,348**	**(42,120)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**947,892**	**407,443**

Prepared by:	Approved by:	Approved by:
Ms. Soudthanome Keolakhone Chief of Accounting Department	Mr. Hinphet Chanthalangsy Chief of Internal Audit Department	Mrs. Phousengthong Anoulakkham Deputy Managing Director

BANK OF THE LAO PDR
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC
VIENTIANE CAPITAL

Vientiane Capital, Lao PDR
10 April 2026

The accompanying notes on pages 16 to 50 form an integral part of these financial statements.

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

STATEMENT OF FINANCIAL POSITION
AS AT YEAR ENDED 31 DECEMBER 2025

	Notes	2025 LAKm	2024 LAKm
ASSETS			
Cash and balances with Bank of the Lao PDR	10	33,121,131	32,718,705
Due from banks	11	21,646,309	20,512,515
Loans to customers	12	64,938,608	59,941,800
Available for sale investment securities	14	65,580	80,535
Held to maturity investment securities	15	34,531,373	25,001,699
Investments in associates and joint ventures using the equity method, net	16	831,516	793,988
Property and equipment	17	752,182	663,369
Intangible assets	18	385,077	357,421
Right-of-use assets	19	76,751	72,066
Deferred tax assets	24	52,780	226,165
Other assets	20	4,355,528	1,822,987
TOTAL ASSETS		**160,756,835**	**142,191,250**
LIABILITIES ANS EQUITY			
LIABILITIES			
Due to banks and other financial institutions	21	6,127,760	6,198,128
Due to customers	22	145,507,532	127,589,277
Borrowings from other banks	23	3,599,765	4,456,239
Current tax liabilities	24.2	101,445	135,100
Lease liabilities		44,736	47,059
Deferred tax liabilities	24	-	203,260
Other liabilities	25	776,269	639,397
TOTAL LIABILITIES		**156,157,507**	**139,268,460**
EQUITY			
Charter capital	26	1,544,872	1,038,617
Premium on charter capital	26	326,253	-
Statutory reserves	27	1,598,280	1,154,828
Other comprehensive items		(8,665)	(24,013)
Retained earnings		1,138,588	753,358
TOTAL EQUITY		**4,599,328**	**2,922,790**
TOTAL LIABILITIES AND EQUITY		**160,756,835**	**142,191,250**

Prepared by:

Ms. Soudthanome Keolakhone
Chief of Accounting Department

Approved by:

Mr. Hinphet Chanthalangsy
Chief of Internal Audit Department

Approved by:

BANK OF THE LAO PDR
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC
VIENTIANE CAPITAL

Mrs. Phousengthong Anoulakkham
Deputy Managing Director

Vientiane Capital, Lao PDR
10 April 2026

The accompanying notes on pages 16 to 50 form an integral part of these financial statements.

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Share capital LAKm	Statutory reserves LAKm	Other comprehensive items: Remeasurement of post-employment benefit reserve LAKm	Retained earnings LAKm	Total LAKm
Opening balance at 1 January 2024		**1,038,617**	**911,701**	**18,107**	**609,239**	**2,577,664**
Dividend paid out to shareholders for the period	32	-	-	-	(62,317)	(62,317)
Appropriation to reserves for the year 2023	27	-	243,127	-	(243,127)	-
Net profit for the year 2024		-	-	-	449,563	449,563
Remeasurement of post-employment benefit reserve	25	-	-	(52,650)	-	(52,650)
Profit tax related to components of other comprehensive income	24	-	-	10,530	-	10,530
Closing balances as at 31 December 2024		**1,038,617**	**1,154,828**	**(24,013)**	**753,358**	**2,922,790**

The accompanying notes on pages 16 to 50 form an integral part of these financial statements

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Share capital LAKm	Statutory reserves LAKm	Premium on share capital LAKm	Other comprehensive items: Remeasurement of post-employment benefit reserve LAKm	Retained earnings LAKm	Total LAKm
Opening balance at 1 January 2025		**1,038,617**	**1,154,828**	**-**	**(24,013)**	**753,358**	**2,922,790**
Dividend paid out to shareholders for the period	32	-	-	-	-	(103,862)	(103,862)
Appropriation to reserves for the year 2024	27	-	443,452	-	-	(443,452)	-
Shares capital issued	26	506,255	-	326,253	-	-	832,508
Net profit for the year 2025		-	-	-	-	932,544	932,544
Remeasurement of post-employment benefit reserve	25	-	-	-	19,185	-	19,185
Profit tax related to components of other comprehensive income		-	-	-	(3,837)	-	(3,837)
Balances as at 31 December 2025		**1,544,872**	**1,598,280**	**326,253**	**(8,665)**	**1,138,588**	**4,599,328**

Prepared by:

Ms. Soudthanome Keolakhone
Chief of Accounting Department

Approved by:

Mr. Hinphet Chanthalangsy
Chief of Internal Audit Department

Approved by:

BANK OF THE LAO PDR
BANQUE POUR LE COMMERCE EXTERIEUR
LAO PUBLIC
VIENTIANE CAPITAL

Mrs. Phousengthong Anoulakkham
Deputy Managing Director

Vientiane Capital, Lao PDR
10 April 2026

The accompanying notes on pages 16 to 50 form an integral part of these financial statements

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 LAKm	2024 LAKm
OPERATING ACTIVITIES			
Profit before tax		**1,152,841**	**694,511**
Adjustments for:			
Depreciation and amortisation charges	17,18,19	128,325	104,278
Depreciation of right-of-use assets		23,880	13,881
Amortisation expense/incomes		(190,281)	-
Expense for impairment losses	13	2,869,743	3,553,571
Changes in provision for impairment loss on available for sale investment securities		14,955	7,287
Post-employment benefit expense	25	14,072	(57,418)
Share of profit of associates and joint ventures	16	(51,214)	(52,650)
Unrealise (Gain)/loss on exchange rate		(585,505)	-
Loss on disposal/written-off		(6,520)	34
Interest incomes	4	(6,782,637)	(6,349,673)
Interest expenses	4	2,961,516	2,697,389
Dividend income		(1,151)	-
Cash flows from operating profit before changing in operating assets and liabilities		**(451,975)**	**611,210**
Changes in operating assets			
Net change in balances with other banks		3,003,292	(2,296,194)
Net change in loans to customers		(15,896,166)	(5,570,497)
Net change in other assets		(2,522,770)	(6,397,701)
Changes in operating liabilities			
Net change in due to other banks		(75,410)	(3,627,272)
Net change in due to customers		17,856,504	15,782,455
Net change in other liabilities		144,364	4,062,714
Net change in borrowing from other banks			
Interest received		6,785,435	6,468,078
Interest paid		(2,894,723)	(2,615,786)
Tax paid during the year	24.2	(287,665)	(46,863)
Net cash flows from operating activities		**5,660,886**	**6,370,144**
INVESTING ACTIVITIES			
Purchase and construction in progress and property and equipment		(195,253)	(236,114)
Purchase of right of use		(12,376)	(24,894)
Purchase of intangible asset	18	(42,780)	(8,951)
Payment for investment in associates and joint ventures	16	-	(9,597)
Dividends received from investment in associates and joint venture investment	16	13,687	20,250
Dividends received from available for sale investment securities		1,151	-
Payment from investment in held to maturity investment securities		(12,784,200)	(115,809,319)
Proceed from held to maturity investment securities		12,031,787	106,136,557
Net cash flows from/(used) in investing activities		**(987,985)**	**(9,932,068)**

The accompanying notes on pages 16 to 50 form an integral part of these financial statements

	Notes	2025 LAKm	2024 LAKm
FINANCING ACTIVITIES			
Proceed on borrowing		91,211	162,260
Payment of borrowing		(922,343)	(282,603)
Proceeds from issue of share capital	26	832,508	-
Payment of dividends	32	(103,862)	(62,317)
Payment on lease payment		(30,901)	(24,894)
Net cash flows used in financing activities		**(133,387)**	**(207,554)**
Net change in cash and cash equivalents		**4,539,514**	**(3,769,478)**
Cash and cash equivalents at the beginning of the year	**28**	**33,823,667**	**37,593,145**
Cash and cash equivalents at the end of the year	**28**	**38,363,181**	**33,823,667**
Non-cash from financing and investing activities;			
Acquisition of construction in progress and property and Equipment		6,803	16,210
Settlement loan to customers and investment in held to maturity investment securities		8,222,408	2,093,899
Acquisition of right-of-use assets		19,396	24,063

Prepared by:

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Approved by:

Mr. Hinphet Chanthalangsy
Chief of Internal Audit Department

Approved by:

BANK OF THE LAO PDR
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC
VIENTIANE CAPITAL

Mrs. Phousengthong Anoulakkham
Deputy Managing Director

Vientiane Capital, Lao PDR
10 April 2026

1. GENERAL INFORMATION

Banque Pour Le Commerce Exterieur Lao Public (the Bank) is a public limited company which registered under Bank of Lao PDR (BoL) and listed on the Securities Exchange of Lao PDR (LSX).

The Bank's Head Office is located at No. 01, Pangkham Street, Ban Xiengnheun, Chanthabouly District, Vientiane Capital, Lao PDR, As at 31 December 2025. the Bank has one (01) Head Office, seven (7) associates and joint ventures, twenty-one (21) main branches, one hundred-one (101) services units, and nine (9) exchange units all over Lao PDR.

The principal business operations of the Bank,its associates and joint ventures are to provide banking and other services including:

- mobilising and receiving deposits from organisations and individuals
- making loans to organisations and individual
- foreign exchange transactions
- international trade financial services
- discounting of commercial papers
- bonds and other valuable papers
- insurance
- securities

The financial statements is presented in Lao Kip and rounded to the nearest million, unless otherwise stated.

The financial statements was authorised for issue by the Board of Directors on 10 April 2026.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of the financial statements are set out below.

2.1 Basis of preparation

The accompanying financial statements have been prepared in accordance with the Bank's principal accounting policies as described below and have been prepared generally of the historical cost convention, except for certain historical cost convention, except for certain available for sale investment securities measured at fair value.

According to the Accounting Law no. 47/NA issued on 26 December 2013; Public Interest Enterprises (PIEs) are required to apply IFRS. However, the Ministry of Finance has issued announcement No. 1137/MoF issued on 27 April 2020 and from Lao Securities and Exchange Commission Office (LSCO) dated 25 May 2020, which provided options for PIEs to prepare action plan for adoption IFRS until 31 December 2025 and 1 January 2026 onward, all listed companies must fully adopt IFRS.

The management is presently preparing an action plan for implementation of IFRS in accordance with the announcement. Therefore, the accounting principles applied may materially differ from International Financial Reporting Standards (IFRS).

The preparation of financial statements requires management to make estimates and assumptions affecting the reported assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates (Noted 3).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Foreign currency translation

Transactions in foreign currencies are initially recorded at the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into LAK at the spot rate of exchange at the reporting date (see the list of exchange rates of applicable foreign currencies against LAK as at 31 December 2025 and 31 December 2024 as presented in Note 35). Unrealised exchange differences arising from the translation of monetary assets and liabilities on the balance sheet date are recognised in the statement of income.

2.3 Recognition of income and expense

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

2.3.1 Interest income and expense

For loans to customers and investment in Held-to-maturity measured at amortised cost, interest income are recorded at effective interest rate by applying the effective interest rate to the gross carrying amount of loan to calculate the interest income. Interest expense on deposits and borrowing are recognised on an accrual basis.

The calculation takes into account all contractual terms of the loans to customers and investment in Held-to-maturity (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to their and are an integral part of the EIR.

2.3.2 Fees and commission incomes

The Bank earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services.

The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. The Bank's revenue contracts do not typically include multiple performance obligations, as explained further in 2.3.2.1 and 2.3.2.2 below.

When the Bank provides a service to its customers, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time (unless otherwise specified in 2.3.2.1 and 2.3.2.2 below). The Bank has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

2.3.2.1 Fee and commission income from services where performance Obligations are satisfied over time performance obligations satisfied over time include services where the customer simultaneously receives and consumes the benefits provided by the Bank's performance as the Bank performs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Recognition of income and expense (Continued)

2.3.2 Fees and commission incomes (Continued)

2.3.2.2 Fee and commission income from providing services where performance obligations are satisfied at a point in time

Services provided where the Bank's performance obligations are satisfied at a point in time are recognised once control of the services is transferred to the customer. This is typically on completion of the underlying transaction or service or, for fees or components of fees that are linked to a certain performance, after fulfilling the corresponding performance criteria. These include fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement/participation or negotiation of the acquisition of shares or other securities, or the purchase or sale of businesses, brokerage and underwriting fees.

The Bank typically has a single performance obligation with respect to these services, which is to successfully complete the transaction specified in the contract.

2.3.3 Dividend income

Dividend income is recognised when the Bank's right to receive the payment is established.

2.3.4 Net trading income

Results arising from trading activities include all gains and losses from changes in fair value and related interest income or expense and dividends for financial assets and financial liabilities 'held for trading'.

2.4 Cash and cash equivalents

Cash and cash equivalents as referred to in the statement of cash flows comprise cash on hand, non-restricted current accounts with the BOL and amounts due from banks on demand or with an maturity of three months or less.

2.5 Investments in associates and interest in joint ventures

The Bank has investment in associates and interest in joint ventures, which are jointly entities, whereby the ventures have a contractual arrangement that establishes joint control over the economic activities of the entities. The arrangement requires unanimous agreement for financial and operating decisions among the ventures.

The Bank recognises its interest in the associates and joint ventures using the equity method using the financial information available on hand.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Bank's share of the post-acquisition profits or losses of the investee in profit or loss, and the Bank's share of movements in other comprehensive income of the investee in other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Investments in associates and joint ventures (Continued)

Equity method (continued)

Dividends received or receivable from investment in associates and interest in joint ventures are recognised as a reduction in the carrying amount of the investment. Where the Bank's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the Bank does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. The allowance for impairment is made for investments in associates and joint ventures when the associates and joint ventures are making a loss (except for the loss which is identified in the business plan before establishment). Accordingly, the allowance is made for the difference between actual investment in the associates and joint venture and the Bank's proportionate share in the associates and joint venture's net equity.

2.6 Loans to customers

The Bank initially recognises loans to customers on the date when funds are transferred to the customers' account.

Loans to customers are initially measured at fair value plus incremental direct transaction costs. Subsequent to initial recognition, loans to customers are measured at amortised cost using the effective interest method, less any allowance for impairment.

The effective interest rate (EIR) is the rate exactly discounts estimated future cash payments or receipts through the contractual term of the loans to customers or, when appropriate a shorter period, to the net carrying amount of the Loans to customers. The amortised cost of the loans to customers is adjusted if the Bank revises its estimates of payments or receipts. The adjusted amortised cost is calculated based on the original or latest re-estimated EIR and the change in is recorded in statement of income as 'Interest and similar income'.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. Therefore, the Bank recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of the loan, hence, recognising the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (prepayments, penalty interest and charges). If expectations are revised the adjustment is booked a positive or negative adjustment to the carrying amount in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest and similar income in the income statement.

2.7 Available for sale investment securities

Available for sale investment securities includes equity investments. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated at fair value through profit or loss.

The Bank has not designated any loans or receivables as available for sale.

After initial measurement, Available for sale investment securities are subsequently measured at fair value.

Unrealised gains and losses are recognised directly in equity (Other comprehensive income) in the 'Available-for-sale reserve'. When the investment is disposed of, the cumulative gain or loss previously recognised in equity is recognised in the statement of income in 'Other operating income'. Where the Bank holds more than one investment in the same security,

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Available for sale investment securities (Continued)

Dividends earned while holding investment in available for sale are recognised in the statement of income as 'Other operating income' when the right of the payment has been established. The losses arising from impairment of such investments are recognised in the statement of income in 'impairment losses of investments in Available-for-sale and removed from the 'Available-for-sale reserve'.

2.8 Held-to-maturity investment securities

Held-to-maturity investment securities are non-derivative debt securities with fixed or determinable payments and fixed maturities that the Bank has the positive intention and ability to hold to maturity.

Held-to-maturity investment securities are initially recognised at cost, including transaction costs directly attributable to the acquisition. Any premium or discount on acquisition is considered an integral part of the effective interest rate and is amortised over the remaining term of the investment using the effective interest method. Subsequent to initial recognition, held-to-maturity investment securities are measured at amortised cost using the effective interest method.

If the Bank were to sell or reclassify more than an insignificant amount of investment in held-to-maturity before maturity (other than in certain specific circumstances), the entire category would be tainted and would have to be reclassified as investment in available-for-sale. The investments would, therefore, be measured at fair value rather than amortised cost.

2.9 Due from banks

Due from banks comprise balances placed with other financial institutions in the ordinary course of business.

Due from banks are recognised initially at the amount placed. Subsequently, they are stated at the outstanding balances together with accrued interest.

Interest income is recognised in the statement of income on an accrual basis.

2.10 Due to other banks and customers and other borrowed funds

Due to other banks and customers and other borrowed funds include arrangements where, in substance, the contractual terms result in the Bank having an obligation to deliver cash or another financial asset to the counterparty.

Such balances are initially recognised at the amount received. Subsequent to initial recognition, they are stated at outstanding balances together with accrued interest and related charges, where applicable.

Interest expense is recognised in the statement of income on an accrual basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Impairment of loans to customers

The Bank assesses at each reporting date, whether there is any objective evidence that a loans to customers is impaired. Loans to customer is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of Loans to customers that can be reliably estimated.

Evidence of impairment may include: indications that the borrower or a group of borrowers is experiencing significant financial difficulty; the probability that they will enter bankruptcy or other financial reorganisation; default or delinquency in interest or principal payments; and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Individual impairment losses

For loans to customers carried at amortised cost, the Bank first assesses, at each reporting date, whether objective evidence of impairment exists for exposures that are individually significant. Individually significant exposures are identified based on outstanding balances exceeding the impairment assessment threshold established by the Bank.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future expected credit losses that have not yet been incurred.

For loans to customers classified as Non-Performing Loans (NPLs), estimated future cash flows are determined based on 40% of the collateral value as assessed by an internal valuer, together with consideration of the expected timeline for the sale of collateral and the expected collection of loan principal and interest over the contractual period. In addition, expected recoverable rates are applied at 80% for Grade C exposures, 50% for Grade D exposures, while no recovery is assumed for Grade E exposures, unless otherwise specifically determined by management. For loans to customers classified as Performing Loans (PLs), estimated future cash flows are based on the expected collection of loan principal and interest over the contractual period, adjusted for expected recoverable rates of 99%–98.25% for Grade A exposures and 97%–95% for Grade B exposures plus 20% of collateral value, unless otherwise specifically determined by management.

The carrying amount of the Loans is reduced through the use of an allowance account and the amount of the loss is recognised in credit loss expense in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows. The interest income is recorded as part of interest and similar income.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Bank. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write–off is later recovered, the recovery is credited to income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Impairment of Loans to customers (Continued)

The present value of the estimated future cash flows is discounted at the EIR.

The calculation of the present value of the estimated future cash flows of a collateralized loans to customers reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

Collective impairment model

Loans to customers that are not individually significant or for which there is no objective evidence of individual impairment are assessed for impairment on a collective basis. Loans to customers are grouped based on similar credit risk characteristics.

Future cash flows for each group are estimated on the basis of historical loss experience for assets with similar credit risk characteristics. Historical loss experience is adjusted using current observable data to reflect the effects of current conditions and to remove the effects of conditions in prior periods that do not currently exist.

The loss rate applied in determining collective impairment is derived from an analysis of movements in loan classification between the prior year and the current year, which reflects incurred loss patterns within each credit risk class.

The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between estimated losses and actual loss experience.

2.11.1 Collateral valuation

The Bank seeks to use collateral, where possible, to mitigate its risks on loans to customers. The collateral comes in various forms such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The fair value of collateral is generally assessed, at a minimum, at inception and based on the Bank's annually reporting schedule.

To the extent possible, the Bank uses active market data for valuing financial assets, held as collateral. Other financial assets which do not have a readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued by independent sources or internal valuer.

2.11.2 Collateral repossessed

The Bank's policy is to determine whether a repossessed asset should be used for its internal operations or sold. Assets determined to be appropriate for internal use are transferred to the relevant asset category at the lower of the repossessed value, the carrying amount of the original secured asset, or otherwise in accordance with the terms agreed with the customer, as applicable. Assets that are determined to be better sold are immediately transferred to assets held for sale at their fair value at the repossession date, in line with the Bank's policy.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Impairment of investment in available for sale investments

The Bank records impairment charges on investment in available for sale when there has been a significant decline in the market value below their cost. The Bank treats 'significant' generally as 20% or greater than six months. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current market value, less any impairment provision on that investment previously recognised in the income statement, is removed from equity and recognised in impairment provision on financial investments in the income statement as net gain or loss from securities investment. When the investment is disposed of, the cumulative loss previously recognised in equity is recognised as "Net gain/(loss) from securities investment" in the statement of income.

2.13 Property and equipment

Property and equipment are stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Construction in progress is not depreciated. The following are annual rates used:

Buildings & improvements	5%-10%
Office equipment	20%
Furniture and fixtures	20%
Motor vehicles	20%

Property and equipment are derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in 'Other operating income' in the statement of income in the year the asset is derecognised.

2.14 Intangible assets

The Bank's other intangible assets include the value of land use rights and software.

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Bank.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year–end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and they are treated as changes in accounting estimates. The amortsation expense on intangible assets with finite lives is recognised in the statement of income in the expense category consistent with the function of the intangible asset.
Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. The following are annual rates used:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Intangible assets (Continued)

Software	20% - 50%

The land use rights of the Bank were not amortised as land use rights have indefinite term and was granted by the Government of Lao PDR.

2.15 Leasing

2.15.1 Right-of-use assets

At inception of a contract, the Bank assesses whether a contract is, or contains, a lease arrangement based on whether the contract that conveys to the user (the lessee) the right to control the use of an identified asset for a period of time in exchange for consideration. If a contract contains more than one lease component, or a combination of leasing and services transactions, the consideration is allocated to each of these lease and non-lease components on conclusion and on each subsequent re-measurement of the contract on the basis of their relative stand-alone selling prices. The Bank combines lease and non-lease components, in cases where splitting the non-lease component is not possible.

The Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease term includes periods covered by an option to extend if the Bank is reasonably certain to exercise that option. Unless the Bank is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the

shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment assessment.

2.15.2 Lease liabilities

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating a lease, if the lease term reflects the Bank exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Leasing (Continued)

2.15.2 Lease liabilities

In calculating the present value of lease payments, the Bank uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying assets.

2.15.3 Short-term leases and leases of low-value assets

The Bank applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.16 Employee benefit obligations

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

Post-employment benefits

Social security

Social security benefits are contributions paid by both the Bank and staff to the National Social Security Fund Department of the Ministry of Labor and Social Welfare.

The Bank recognizes its contributions to the Social Security Fund as expenses in the statement of income.

2.16 Employee benefit obligations

Social security

required to contribute these social security benefits by paying social insurance premium to the Social Insurance Agency. The Bank has no further obligation after the contribution is made.

The Bank recognizes its contributions to the Social Security Fund as expenses in the statement of income.

Post-employment benefits

Post-employment benefits are paid to retired employees of the Bank at the time of retirement by divided as follows:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Employee benefit obligations (Continued)

Post-employment benefits (Continued)

(i) Employees who are eligible to receive a severance payment from BCEL but are not eligible to receive a pension from the SSO:

(Latest Basic Salary + Wage + 25% of position allowance + 25% of other benefits x 1.5 x working years- the amount of severance payment to be received from SSO)

(ii) Employees who are eligible to receive a severance payment from BCEL and who are also eligible to receive a pension from the SSO:

(Latest basic salary + wages + 25% of position allowance + 25% of other benefits × 1.5 × working years - the total amount of monthly pension from the SSO calculated for 84 months)

The fund for Post-employment benefits come from:

(i) the The staff contribution by monthly, which is equal to 5.5% of the amount

(Basic Salary + Wage+ 25% of position allowance + 25% of benefits allowance).

(ii) and the Bank contribution by monthly, which is equal to 6% of the amount

(Basic Salary + Wage + 25% of position allowance + 25% of benefits allowance).

The Bank records its contribution as 'Personnel expenses' into the statement of income on an accrual basis.

The provision of employee's benefit obligation is measured by management using the projected unit credit method. The present value of the employee benefit obligation is determined by discounting the estimated future cash outflows using market yield on the government bonds with term to maturity that approximating the estimated weight average term of related liability and denominated in the same currency as the expected benefit payments. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and others. Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are presented as a separate item in statements of changes in equity

Termination benefits

In accordance with Article 82 of the Amended Labour Law No. 43/NA approved by the President of the Lao People's Democratic Republic on 28 January 2014, the Bank has the obligation to pay allowance for employees who are terminated by dismissal in the following cases:

- The worker lacks specialised skills or is not in good health and thus cannot continue to work;
- The employer considers it necessary to reduce the number of workers in order to improve the work within the labour unit.

For the termination of an employment contract on any of the above-mentioned grounds, the employer must pay a termination allowance which is calculated on the basis of 10% of the basic monthly salary earned before the termination of work.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Employee benefit obligations (Continued)

Termination benefits

As at 31 December 2025, no employee of the Bank was dismissed under the above-mentioned grounds; therefore, the Bank has not made a provision for termination allowance in the separate financial statements.

2.17 Provisions

Provisions are recognised when the Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Bank determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of income net of any reimbursement in other operating expenses.

2.18 Profit tax

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Bank operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Profit tax (Continued)

Deferred tax (Continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.19 Statutory reserves

Under the requirements of the Law on Commercial Banks dated 7 December 2018, commercial banks are required to appropriate net profit to the following reserves:

- Regulatory reserve fund
- Business expansion fund and other funds

In accordance with Article 156, Enterprise Law dated 26 December 2013, the Bank is required to appropriate 10% of profit after tax each year into Regulatory reserve fund. When this reserve fund reaches 50% of the registered capital, the Bank may suspend such provision, unless otherwise provided by the laws. The Bank will record after getting approval from General Shareholders' Meeting.

The business expansion fund and other funds shall be created upon decision of the Board of Management.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Bank's financial statements requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Bank's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Bank's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

3.1 Impairment losses on loans to customers

The Bank reviews its individually significant loans at each reporting date to assess whether an impairment loss should be recorded in the statement of income.

The Bank's impairment methodology for assets carried at amortised cost results in the recording of provisions for:

- Individual impairment losses on individually significant or specifically identified exposures;

This estimation requires an element of management's judgement, in particular for the estimation of the amount and timing of future cash flows and collateral values when determining individual impairment losses. These estimates are driven by a number of factors, the changing of which can result in different levels of allowances.

- Collective impairment.

The loss allowances for financial assets are based on assumptions about default risk and loss rates. The Bank uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Bank's past history and existing market conditions at the end of each reporting period.

3.2 Determination of lease terms

Critical judgement in determining the lease term, the Bank considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Bank considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Bank becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Bank.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS (CONTINUED)

3.3 Determination of discount rate applied to leases

The Bank determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, currency and security.

3.4 Post-employment benefits

The Bank has commitment on provision of post employee benefits for employees.The present value of the employee benefit obligations recongnise in the Statement of financial position is is determined on the present value of estimated future cash outflows for staff. The assumptions used in determining the net year cost for employee benefit includes the salary and years of services of respective employees which are payable in the future and discount rate. Any changes in these assumptions will impact the cost recorded for employee benefits.

4. NET INTEREST INCOMES

	2025 LAKm	2024 LAKm
Interest income from:		
Lending to customers	4,231,924	4,032,517
Investment securities	1,663,824	1,261,158
Deposits in other banks	886,889	1,055,998
	6,782,637	**6,349,673**
Interest expense for:		
Customer deposits	(2,723,112)	(2,335,105)
Due to banks	(238,404)	(362,284)
	(2,961,516)	**(2,697,389)**
Net interest incomes	**3,821,121**	**3,652,284**

5. NET FEE AND COMMISSION INCOMES

	2025 LAKm	2024 LAKm
Fee and commission income from:		
Settlement services	935,324	833,063
Treasury activities	20,685	746,710
Other activities	136,770	117,524
	1,092,779	**1,697,297**
Fee and commission expense for:		
Settlement services	(253,911)	(195,239)
Treasury activities	(20,557)	(671,074)
	(274,468)	**(866,313)**
Net fee and commission incomes	**818,311**	**830,984**

6. NET GAIN/(LOSS) FROM DEALING IN FOREIGN CURRENCIES

	2025 LAKm	2024 LAKm
Gain from foreign currencies trading and revaluation of monetary items	18,401,029	17,885,179
Loss from foreign currencies trading and revaluation of monetary items	(18,044,295)	(17,641,098)
	356,734	**244,081**

7. OTHER OPERATING INCOMES

	2025 LAKm	2024 LAKm
Recovery of bad debts written off	348,956	460,642
Others - Other operation income	25,118	45,874
	374,074	**506,516**

8. PERSONNEL EXPENSES

	2025 LAKm	2024 LAKm
Salaries	313,291	233,754
Bonus and other allowances	393,867	247,704
Other staff costs	6,532	7,330
Post-employment benefits expense	143,953	106,360
	857,643	**595,148**

9. OTHER OPERATING EXPENSES

	2025 LAKm	2024 LAKm
Deposit Insurance paid to Depositor Protection Fund	132,440	117,244
Repair and maintenance	55,087	43,420
Training, meeting and seminar	27,298	24,696
Stationary and office materials	27,285	29,226
Utilities	17,096	15,016
Telecommunication	16,262	14,480
Publication, marketing and promotion	16,037	11,367
Office rental	9,772	8,180
Insurance expense	7,982	8,676
Fuel expense	6,000	6,325
Other expenses (*)	58,807	43,977
	374,066	**322,607**

* This includes audit fee, totaling LAK 945,000,000 (2024: LAK 945,000,000) Inclusive of VAT.

10. CASH AND BALANCES WITH BANK OF THE LAO PDR ("THE BOL")

	2025 LAKm	2024 LAKm
Cash on hand in LAK	2,322,101	2,415,523
Cash on hand in foreign currencies ("FC")	3,403,589	2,907,950
Balances with the BOL:		
- Demand deposit	13,903,544	10,367,826
- Compulsory deposit (*)	11,521,434	9,600,243
- Term deposits	1,970,463	7,427,163
	33,121,131	**32,718,705**

Balances with the BOL include demand and compulsory deposits. These balances earn no interest.

(*) Under regulations of the BOL, the Bank is required to maintain certain reserves with the BOL in the form of compulsory deposits, which are computed at 8.00% for LAK and 11.00% for foreign currencies, on a bi-weekly basis, (2024: 8.00% and 11.00%) of customer deposits having original maturities of less than 12 months. During the year, the Bank maintained its compulsory deposits in compliance with the requirements by the BOL. This restricted deposits with bank of the Lao PDR are not available for use in the Bank's day-to-day operations.

Interest rates for Accounts with the BOL during the year are as follows:

	2025 % Per annum	2024 % Per annum
Term deposits	0.10% - 4.50%	0.10% - 5.00%

11. DUE FROM BANKS

	2025 LAKm	2024 LAKm
Current and saving accounts	**15,408,414**	**11,345,576**
- In LAK	42,498	144
- In foreign currencies	15,365,916	11,345,432
Term deposits	**6,237,895**	**9,166,939**
- In LAK	1,645,000	3,686,919
- In foreign currencies	4,592,895	5,480,020
	21,646,309	**20,512,515**

Interest rates for amounts due from other banks during the year are as follows:

	2025 % per annum	2024 % per annum
Demand deposits	0.05% - 4.38%	0.07% - 3.30%
Saving deposits	0.07% - 3.25%	0.10% - 2.16%
Term deposits	3.50% - 10.50%	4.30% - 13.00%

12. LOANS TO CUSTOMERS

	2025 LAKm	2024 LAKm
Gross loans	69,513,902	62,162,622
Less: Allowance for impairment losses (Note 13)	(4,575,294)	(2,220,822)
	64,938,608	**59,941,800**

Interest rates for commercial loans during the year are as follows:

	2025 Interest rates % per annum	2024 Interest rates % per annum
Loans denominated in LAK	3.00% - 17.00%	3.00% - 17.00%
Loans denominated in USD	5.80% - 16.00%	5.80% - 16.00%
Loans denominated in THB	6.00% - 9.25%	6.00% - 9.25%

Analysis of loan portfolio by currency:

	2025 LAKm	2024 LAKm
Loans denominated in LAK	25,048,646	22,106,133
Loans denominated in USD	30,116,603	29,869,645
Loans denominated in THB	14,348,653	10,186,844
	69,513,902	**62,162,622**

Analysis of loan portfolio by original maturity:

	2025 LAKm	2024 LAKm
Short-term loans	7,625,070	7,782,836
Medium-term loans	39,403,491	38,267,013
Long-term loans	22,485,341	16,112,773
	69,513,902	**62,162,622**

Analysis of loan portfolio by industrial sectors of customers:

	2025		2024	
	LAKm	%	LAKm	%
Industrial services companies	42,420,856	61.02%	37,341,192	60.07%
Construction companies	7,678,948	11.05%	6,389,390	10.28%
Technical instruments enterprises	2,199,479	3.16%	1,710,799	2.75%
Agricultural and forestry	692,438	1.00%	512,125	0.82%
Trading companies	9,982,918	14.36%	9,425,757	15.16%
Transportation companies	116,184	0.17%	230,923	0.37%
Services companies	4,865,512	7.00%	5,333,145	8.58%
Handicrafts	16,386	0.02%	11,624	0.02%
Other loans	1,541,181	2.22%	1,207,667	1.94%
	69,513,902	**100.00%**	**62,162,622**	**100.00%**

13. ALLOWANCE FOR IMPAIRMENT LOSSES OF LOANS TO CUSTOMERS

Changes in allowance for impairment losses of loans to customers during the year ended are as follows:

	2025 LAKm	2024 LAKm
Balance as at 1 January	**2,220,822**	**1,687,920**
Net change during the year	2,869,743	3,553,571
Non-performing loans written off	(530,181)	(3,037,234)
Foreign exchange differences	14,910	16,565
Balance as at 31 December	**4,575,294**	**2,220,822**

Breakdown of allowance for impairment losses of loans to customers as at 31 December are as follows:

	2025		2024	
	Outstanding balance LAKm	Impairment LAKm	Outstanding balance LAKm	Impairment LAKm
Individually impaired	32,124,627	4,292,550	23,896,043	1,837,770
Collectively impaired	37,389,275	282,744	38,266,579	383,052
	69,513,902	**4,575,294**	**62,162,622**	**2,220,822**

14. FINANCIAL INVESTMENTS - AVAILABLE-FOR-SALE

As at 31 December 2025, the shares have fair value of amount LAKm 65,580 (2024: LAKm 80,535).

15. FINANCIAL INVESTMENTS - HELD-TO-MATURITY

	2025 LAKm	2024 LAKm
Amortised cost of Treasury bills issued by the Ministry of Finance	8,121,767	9,849,870
Amortised cost of Bonds issued by the bank of Lao PDR	18,229,184	9,298,819
Amortised cost of Bonds issued by the Ministry of Finance	8,180,422	5,853,010
	34,531,373	**25,001,699**

15. FINANCIAL INVESTMENTS - HELD-TO-MATURITY (CONTINUED)

15.1 Treasury bills issued by the Ministry of Finance

Term	Purchase date	Maturity date	CCY	Face value Original	Equivalent (LAKm	Amortised cost LAK	Interest rate per annum (nominal)
1 Year	29/04/2025	29/04/2026	USD	20,000,000	428,000	431,664	5.00%
1 Year	23/09/2025	23/09/2026	USD	25,000,000	535,000	542,214	5.00%
1 Year	05/03/2025	05/03/2026	THB	470,135,000	320,458	325,572	5.00%
1 Year	05/03/2025	05/03/2026	THB	29,865,000	20,357	20,682	5.00%
1 Year	29/04/2025	29/04/2026	THB	2,000,000,000	1,363,260	1,374,931	5.00%
1 Year	04/07/2025	04/07/2026	THB	2,932,123,000	1,998,623	2,047,896	5.00%
1 Year	23/09/2025	23/09/2026	THB	3,000,000,000	2,044,890	2,072,465	5.00%
1 Year	22/10/2025	22/10/2026	THB	1,000,000,000	681,630	688,117	5.00%
1 Year	23/09/2025	23/09/2026	CNY	200,000,000	610,000	618,226	5.00%
					8,002,218	**8,121,767**	

15.2 Bonds issued by the Ministry of Finance and bank of Lao PDR

- Details of other bonds by contractual maturity date are as follows:

	2025		2024	
	Amortised cost LAKm	Face value LAKm	Face value LAKm	Amortised cost LAKm
Within 1 year	12,996,231	12,413,688	3,912,443	3,980,034
1 to 5 years	8,434,396	9,075,332	10,354,164	10,349,952
Over 5 years	4,973,698	4,920,586	4,857,423	4,818,703
	26,404,325	**26,409,606**	**19,124,030**	**19,148,689**

- Details of other bonds interest by contractual maturity date are as follows:

	2025 % per annum	2024 % per annum
Within 1 year	4.50% - 9.50%	4.50% - 11.54%
1 to 5 years	0.10% - 6.50%	0.10% - 6.90%
Over 5 years	4.40% - 7.50%	4.20% - 7.50%

Other bonds refer to the bonds issued by the Ministry of Finance and the Bank of Lao PDR to settle the loans that the bank has provided to customers for the construction of government projects, as well as to settle loans guaranteed by the Ministry of Finance and the Bank of Lao PDR.

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	LAKm
Balance as at 1 January 2025	**793,988**
Share of profit of associates and joint ventures	51,214
Less: Dividends received during the year	(13,686)
Balance as at 31 December 2025	**831,516**

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Investment in associates and joint ventures as at 31 December, and dividend income for the year ended 31 December were as follows:

	Ownership interest		Cost		Equity		Dividend income	
	2025	2024	2025	2024	2025	2024	2025	2024
	(%)		LAKm					
BCEL – Krung Thai Securities Company Limited	70	70	70,000	70,000	85,425	81,516	(4,242)	(4,140)
Lao Viet Joint Venture Bank	25	25	197,839	197,839	292,242	281,487	-	-
Banque Franco – Lao Limited	30	30	150,000	150,000	194,063	192,063	-	-
Lao China Bank Company Limited	31.35	31.35	157,723	157,723	203,403	203,330	-	(4,842)
Lao-Viet Insurance Joint Venture Company	35	35	10,500	10,500	33,128	17,978	(4,531)	(11,268)
Lao National Payment Network Company Limited	20	20	6,800	6,800	20,751	15,527	(4,914)	-
Lao Foreign Exchange Company Limited	10	10	2,000	2,000	2,504	2,087	-	-
Total			**594,862**	**594,862**	**831,516**	**793,988**	**(13,687)**	**(20,250)**

- BCEL - Krung Thai Securities Company Limited is incorporated in the Lao PDR under the Business License No. 180-10 granted by the Investment Promotion Department of the Ministry of Planning and Investment of the Lao PDR on 14 December 2010. The company's principal activities are providing brokerage services, proprietary trading, finance and securities investment advisory services, custody services, underwriting for share issues and other value-added services.

- Lao Viet Joint Venture Bank ("LVB") is incorporated in the Lao PDR with its head office located in Vientiane and engages in the provision of banking services. It is a joint venture with the Bank for Investment and Development of Vietnam; a state-owned commercial bank incorporated in the Socialist Republic of Vietnam. The joint venture was granted the banking license on 31 March 2000 by the Bank of the Lao PDR for a period of 30 years. In 2015, LVB increased its contributed capital to LAK 791,357,560,000. The Bank's ownership rate in LVB after the capital increase is 25% in accordance with Investment License No. 004-15/KH-DDT4 issued by Ministry of Planning and Investment on 24 August 2015, equivalent to LAKm 197,839 (2024: LAKm 197,839).

- Lao-Viet Insurance Joint Venture Company ("LVI") is incorporated as a joint venture company in the Lao PDR providing insurance services under the Investment License No. 077/08/FIMC issued by the Foreign Investment Management Committee on 09 June 2008. It is a joint venture with BIDV Insurance Joint Stock Corporation and Lao Viet Joint Venture Bank. As at 31 December 2025, the total contributed capital of the Bank in this company was USD 1,050,000, equivalent to LAKm 9,168 (2024: LAKm 9,168).

16. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

- Lao China Bank Company Limited ("LCNB") was established in the Lao PDR and provides banking services. It operates as a joint venture with Fudian Bank China, a state-owned commercial bank based in China. The joint venture bank received its Banking Business License from the Bank of Lao PDR on 20 January 2014. In 2024, LCNB increased its number of shares from 1,299 to 1,563; however, BCEL retained 490 shares without making any additional contributions, resulting in a decrease in BCEL's ownership percentage from 39.87% to 31.35%. As of 31 December 2025, the total value of the investment was LAKm 157,723 (2024: LAKm 157,723).

- Banque Franco - Lao Limited ("BFL") is incorporated in the Lao PDR with its head office located in Vientiane and engages in the provision of banking services. It is a joint venture with Cofibred Company Frances De La Bred which is a state-owned bank incorporated in Paris, France. The joint venture was granted the temporary banking license on 01 October 2009 and a permanent license on 16 July 2010 by the Bank of the Lao PDR. The legal capital of BFL was USD 20 million which was later revised to USD 37 million in accordance with the President's decree issued on 24 September 2009 and letter No. 01/BOL dated 28 January 2010 from BOL. As 31 December 2025, the total contributed capital of the Bank in this investment was LAKm 150,000 (2024: LAKm 138,000).

- Lao National Payment Network Company Limited (LAPNet) is incorporated in the Lao PDR under the Business License No. 0349 granted by the Department of Enterprise Registration and Management of the Ministry of Industry and Commerce of the Lao PDR on 12 March 2019 and engages in the provision of financial services. It is an association among Bank of the Lao PDR, Union Pay International, Lao Development Bank, Agriculture Promotion Bank, Joint Development Bank, Lao-Viet Bank and the Bank. The legal capital was LAKm 34,000. As 31 December 2025, the total contributed capital of the Bank in this company was LAKm 6,800 (2024: LAK6,800).

- Lao Foreign Exchange Company Limited (LFX) was established in the Lao PDR under Business License No. 4016, granted by the Department of Enterprise registration and Management of the Ministry of Industry and Commerce on 22 October 2024. The company provides financial services and is a collaboration among the Bank of laos PDR, Agriculture promotion bank, ST Bank, ICBC lao, Lao Viet joint Venture bank, Lao Development Bank, Indochina Bank, Banque Franco - Lao Limited, Joint Development Bank, Phongsavanh Bank, and Maruhan Japan Bank Lao. The lagal cpital is LAKm 20,000. As of 31 December 2025, the total contributed capital from the bank to this company was LAKm 2,000 (2024: LAK 2,000).

17. PROPERTY AND EQUIPMENT

	Construction in progress LAKm	Buildings & improvements LAKm	Office equipment LAKm	Furniture & fixtures LAKm	Motor vehicles LAKm	Total LAKm
At 1 January 2025						
Cost	186,134	576,444	430,859	38,302	46,805	1,278,544
Less: Accumulated depreciation	-	(295,007)	(265,241)	(31,516)	(23,411)	(615,175)
Net book amount	**186,134**	**281,437**	**165,618**	**6,786**	**23,394**	**663,369**
Year ended 31 December 2025						
Opening net book value	186,134	281,437	165,618	6,786	23,394	663,369
Additions	198,702	895	1,917	465	76	202,055
Transferred in/(out) (i)	(145,846)	8,785	104,109	2,898	30,054	-
Written-off net book value	-	-	(42)	-	-	(42)
Depreciation charge	-	(32,689)	(69,965)	(3,091)	(7,455)	(113,200)
Closing net book amount	**238,990**	**258,428**	**201,637**	**7,058**	**46,069**	**752,182**
At 31 December 2025						
Cost	238,990	585,791	536,220	41,504	76,935	1,479,440
Less: Accumulated depreciation	-	(327,363)	(334,583)	(34,446)	(30,866)	(727,258)
Net book value	**238,990**	**258,428**	**201,637**	**7,058**	**46,069**	**752,182**

18. INTANGIBLE ASSETS

	Construction in Progress intangible asset LAKm	Land use rights LAKm	Software LAKm	Total LAKm
At 1 January 2025				
Cost	40,908	288,474	76,953	406,335
Accumulated amortisation	-	-	(48,914)	(48,914)
Net book amount	**40,908**	**288,474**	**28,039**	**357,421**
Year ended 31 December 2025				
Opening net book amount	40,908	288,474	28,039	357,421
Additions	42,781	--		42,781
Transferred in/(out)	(41,050)	12,002	29,048	-
Amortisation charge	-	-	(15,125)	(15,125)
As at 31 December 2025	**42,639**	**300,476**	**41,962**	**385,077**
At 31 December 2025				
Cost	42,639	300,476	106,001	449,116
Accumulated amortisation	-	-	(64,039)	(64,039)
Net book amount	**42,639**	**300,476**	**41,962**	**385,077**

19. RIGHT-OF-USE ASSETS

	Total LAKm
Balance as at 1 January 2024	**53,500**
Additions	32,730
Written-off, net book value	(283)
Depreciation	(13,881)
Balance as at 31 December 2024	**72,066**
Balance as at 1 January 2025	**72,066**
Additions	31,772
Written-off, net book value	(3,207)
Depreciation	(23,880)
Balance as at 31 December 2025	**76,751**

20. OTHER ASSETS

	2025 LAKm	2024 LAKm
Assets available for sale (i)	2,950,251	1,270,177
Other assets are waiting for account transfer or settlement (ii)	930,993	309,265
Advance for Top-up (iii)	155,990	148,386
Advance payment to suppliers	68,641	12,736
Advance payment for other operations	27,130	-
Stationeries and other tools	25,261	35,192
Prepaid expenses to be allocated	21,715	27,949
Others	175,547	19,282
	4,355,528	**1,822,987**

(i) Assets available for sale represent properties derived from the debtor who has given them to satisfy the bank's debt.

(ii) Other assets awaiting account transfer or settlement represent transactions such as interbank transfers, card transactions processed through an inter-card center, or other financial activities. These transactions have been initiated but have not yet been fully settled and reconciled between different entities, awaiting settlement with a related entity.

(iii) Advance for Top-up represents a payment made in advance for the purchase of a telephone network's call value for the purpose of providing a top-up service to the bank's customers.

21. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	2025 LAKm	2024 LAKm
Demand deposits	**5,575,482**	**5,132,985**
- In LAK	2,292,609	1,673,971
- In foreign currencies	3,282,873	3,459,014
Saving deposits	**314,872**	**264,995**
- In LAK	198,008	133,878
- In foreign currencies	116,864	131,117
Term deposits	**78,141**	**672,419**
- In LAK	1,296	202,229
- In foreign currencies	76,845	470,190
Others	**159,265**	**127,729**
- In LAK	23,388	85,376
- In foreign currencies	135,877	42,353
Accrued interest expense		
	6,127,760	**6,198,128**

Interest rates for deposits from other banks and financial institutions during the year are as follows:

	2025 % per annum	2024 % per annum
Demand deposits	0.00% - 6.00%	No interest
Saving deposits	0.00% - 1.25%	0.00% - 1.25%
Term deposits	1.15% - 6.00%	1.15% - 6.00%

22. DUE TO CUSTOMERS

	2025 LAKm	2024 LAKm
Demand deposits	**19,764,196**	**16,286,689**
Demand deposits in LAK	6,345,148	5,319,700
Demand deposits in FC	13,419,048	10,966,989
Saving deposits	**89,285,544**	**74,275,298**
Saving deposits in LAK	35,972,407	27,378,425
Saving deposits in FC	53,313,137	46,896,873
Term deposits	**35,766,926**	**36,283,976**
Term deposits in LAK	8,979,892	10,820,412
Term deposits in FC	26,787,034	25,463,564
Margin deposits	**62,413**	**219,425**
Margin deposits in LAK	62,326	45,068
Margin deposits in FC	87	174,357
Others	**628,453**	**523,889**
	145,507,532	**127,589,277**

The interest rates during the year for these deposits are as follows:

	2025 % per annum	2024 % per annum
Demand deposits	No interest	No interest
Saving deposits in LAK	0.00% - 3.95%	1.25% - 1.60%
Saving deposits in USD	0.00% - 2.25%	0.60% - 1.00%
Saving deposits in THB	0.00% - 1.85%	0.45% - 0.55%
Term deposits in LAK	3.16% - 7.00%	3.16% - 10.05%
Term deposits in USD	1.35% - 7.00%	1.35% - 7.00%
Term deposits in THB	1.10% -6.70%	1.10% - 7.55%

23. BORROWINGS FROM OTHER BANKS

	2025 LAKm	2024 LAKm
Borrowings from the BOL	3,473,125	4,329,468
Borrowings from other	126,640	126,771
	3,599,765	**4,456,239**

23. BORROWINGS FROM OTHER BANKS (CONTINUED)

Borrowings from the BOL as at 31 December 2025 include:

- USD 44,242,000 long-term borrowing (original borrowing amount was USD 100,000,000 with interest rate of 5.50% per annum) for the purpose of providing credit to certain Government-backed Hydropower projects. The loan's contract has period from 27 August 2015 to 27 August 2025. Interest is paid quarterly.

- USD 97,900,000 long-term borrowing (original borrowing amount was USD 100,000,000 with interest rate of 5.30% per annum) for the purpose of providing credit to certain Government-backed Hydropower projects. The loan's contract has period from 3 May 2016 to 3 May 2026. Interest is paid quarterly.

- LAK 4,050,000,000 long-term borrowing (credit line was LAK 4,050,000,000 with interest rate of 3% per annum) for the purpose of providing credit to medium and small corporates who got effected from COVID-19 according to the BOL regulation No.318/BOL dated 19 May 2020. The loan's principal is paid by 3 times such as first-time repayment in 2024 for loan principal is 30%, second time repayment in 2025 for loan principal is 30%-, and third-time repayment in 2026 for loan principal is 40%. Interest is paid two time per year (June and December). This borrowing period is started from 18 August 2020 to 18 August 2026.

- LAK 4,116,657,000 long-term borrowing (credit line was LAK 4,200,000,000 with interest rate of 3% per annum) for the purpose of providing credit to medium and small corporates who got effected from COVID-19 according to the BOL regulation No.318/BOL dated 19 May 2020. The loan's principal is paid by 3 times such as first-time repayment in 2024 for loan principal is 30%, second time repayment in 2025 for loan principal is 30%-, and third-time repayment in 2026 for loan principal is 40%. Interest is paid two time per year (June and December). This borrowing period is started from 3 November 2020 to 3 November 2026.

- LAK 3,000,000,000 long-term borrowing (credit line was LAK 3,080,000,000 with interest rate of 3% per annum) for the purpose of providing credit to medium and small corporates who got effected from COVID-19 according to the BOL regulation No.318/BOL dated 19 May 2020. The loan's principal is paid by 3 times such as first-time repayment is in 2024 for loan principal 30%, second time repayment is in 2025 for loan principal 30%-, and third-time repayment is in 2026 for loan principal 40%. Interest is paid two time per year (June and December). This borrowing period is started from 22 December 2020 to 22 December 2026.

- LAK 10,050,000,000 long-term borrowing (credit line was LAK 15,050,000,000 with interest rate of 3% per annum) for the purpose of providing credit to medium and small corporates who got effected from COVID-19 according to the BOL regulation No.318/BOL dated 19 May 2020. The loan's principal is paid by 3 times such as first-time repayment is in 2025 for loan principal 30%, second time repayment is in 2026 for loan principal 30%-, and third-time repayment is in 2027 for loan principal 40%. Interest is paid two time per year (June and December). This borrowing period is started from 15 March 2021 to 15 March 2027.

- LAK 110,000,000,000 long term borrowing (credit line was LAK 110,000,000,000 with interest rate of 3% per annum) for the purpose of providing credit to medium and small corporates who got effected from COVID-19 according to the BOL regulation No.318/BOL dated 19 May 2020. The loan's principal is paid by 2 times such as first-time repayment is in 2026 for loan principal 40%- and second-time repayment is in 2027 for loan principal 60%. Interest is paid two time per year (June and December). This borrowing period is started from 3 November 2022 to 3 November 2027.

23. BORROWINGS FROM OTHER BANKS (CONTINUED)

- LAK 120,000,000,000 long term borrowing (credit line was LAK 120,000,000,000 with interest rate of 3% per annum) for the purpose of providing credit for the enterprises to capital of investment to develop medical technology and medicine (Purchase the production equipment, raw material for use in production and use to develop staff and investment construction the factory building). The loan's principal is paid by 4 times by repayment each year is 25% such as first-time repayment is in 2025. Interest is paid quarterly. This borrowing period is started from 27 December 2021 to 27 December 2028.

- LAK 97,524,000,000 long term borrowing (Credit line was LAK 106,790,000,000 with interest rate of 2.50%) for the purpose of providing credit for the enterprises, small and medium corporates to continue or expanses their business. The loan principal is paid after the end of contract. This borrowing period is started from 2024 to 2029.

- LAK 80,450,000,000.00 long term borrowing (Credit line was LAK 80,450,000,000.00 with interest rate of 2.50%) for the purpose of providing credit for the enterprises, small and medium corporates to continue or expanses their business. The loan principal is paid after the end of contract. This borrowing period is started from 2025 to 2030.

Borrowings from other as at 31 December 2025 include:

- LAK 21,000,000,000 long term borrowing (Credit line was LAK 21,00,000,000 with interest rate of 0%) for the purpose of providing credit for the enterprises. small and medium corporates that Lao own 100% to continue or expanses their business. The loan principal is paid after the end of contract and the borrowing period is started from 6 December 2022 to 6 December 2033.

- LAK 30,260,000,000 long term borrowing (Credit line was LAK 30,260,000,000 with interest rate of 0%) for the purpose of providing credit for the enterprises. small and medium corporates that Lao own 100% to continue or expanses their business. The loan principal is paid after the end of contract. This borrowing period is started from 13 December 2023 to 20 October 2034.

- LAK 11,000,000,000 long term borrowing (Credit line was LAK 11,000,000.000 with interest rate of 0%) for the purpose of providing credit for the enterprises, small and medium corporates that Lao own 100% to continue or expanses their business. The loan principal is paid after the end of contract. This borrowing period is started from 28 December 2023 to 08 December 2034.

- LAK 64,380,000,000 long term borrowing (Credit line was LAK 64,380,000,000 with interest rate of 0%) for the purpose of providing credit for the enterprises, small and medium corporates that Lao own 100% to continue or expanses their business. The loan principal is paid after the end of contract. This borrowing period is started from 29 November 2024 to 29 November 2035.

24. TAXATION

24.1 Income tax expense

Major components of tax expense are as follows:

	2025 LAKm	2024 LAKm
Current income tax expense	254,010	154,509
Deferred tax income	(33,712)	90,439
Total tax expense for the year	**220,298**	**244,948**

24. TAXATION (CONTINUED)

24.2 Current profit tax ("PT")

The Bank is obliged to pay tax at a rate of 20% (2024: 20%) on total profit before tax in accordance with the Tax Law.

The calculations of Profit tax for the years 2025 and 2024 are as follows:

	2025 LAKm	2024 LAKm
Profit before tax	**1,152,103**	**694,511**
Adjustments for:		
- Amortisation of due to customer	30,522	(30,522)
- Amortisation of term deposit at other banks	(7,025)	7,025
- Amotisation of financial investment – hold to maturity	22,707	16,079
- Amortisation of loans to customers	(292,297)	(584,191)
- Impairment losses of loans to customers	394,856	629,806
- Defined post-employment benefits plan obligation expense	(22,131)	6,280
- Non-taxable profit from investment in associates and joint ventures using the equity method	(37,528)	(37,168)
Profit before tax in accordance with the relevant regulations and notifications of the Bank of Lao People's Democratic Republic	**1,241,945**	**701,820**
Tax rate at 20% (2024: 20%)	**248,389**	**140,364**
Tax effect of;		
- Income exempted from PT	(3,610,167)	(3,471,351)
- Non-deductible expenses	3,614,810	3,485,496
- Other adjustments	978	-
Current income tax expense	**254,010**	**154,509**

Presented below is the numerical reconciliation between current tax expense and income benefit:

	2025 LAKm
Profit before tax	**1,241,945**
Tax rate 20%	248,389
Tax effect of:	
Tax effects of non-deductible expenses	(3,610,167)
Tax effects of non-taxable income	3,614,810
Other adjustment	978
Income tax expense	**254,010**

	2025 LAKm	2024 LAKm
Total tax expense in the year	**254,010**	**154,509**
Payable at the beginning of the year	135,100	27,454
Paid in the year	(287,665)	(46,863)
PT payable at the end of the year	**101,445**	**135,100**

24. TAXATION (CONTINUED)

24.2 Current profit tax ("PT") (continued)

The Bank's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations in many types of transactions is susceptible to varying interpretations, amounts reported in the separate financial statements could be changed at a later date upon final determination by the tax authorities.

24.3 Deferred tax assets/(liabilities)

	Statement of financial position		Statement of income		Statement of comprehensive income	
	2025 LAKm	2024 LAKm	2025 LAKm	2024 LAKm	2025 LAKm	2024 LAKm
Deferred tax assets	311,555	226,165	85,390	75,237	-	10,530
Deferred tax liabilities	(258,775)	(203,260)	(51,678)	(165,676)	(3,837)	-
Deferred tax assets, net	**52,780**	**22,905**				
Net deferred tax credited/(charged) to the statement of income			**33,712**	**(90,439)**		
Net deferred tax credited to the statement of comprehensive income					**(3,837)**	**10,530**

25. OTHER LIABILITIES

	2025 LAKm	2024 LAKm
Items waiting to settle	410,954	302,146
Payables to employees	124,905	83,311
Defined post-employment benefit plan	113,968	127,555
Payable to suppliers	68,183	60,644
Other tax payables	53,739	60,248
Other liabilities	4,520	5,493
	776,269	**639,397**

Changes in defined post-employment benefit plan obligations are as follows:

	2025 LAKm	2024 LAKm
As at 1 January	127,554	63,216
Past service cost	-	37,603
Current service cost	5,930	7,226
Interest cost	8,142	6,820
Actuarial changes arising from changes in financial assumption	(19,185)	19,726
Benefits paid	(8,473)	(7,036)
As at 31 December	**113,968**	**127,555**

25. OTHER LIABILITIES (CONTINUED)

Net benefit expense (recognised in profit or loss):

	2025 LAKm	2024 LAKm
Past service cost	-	37,603
Current service cost	5,930	7,226
Interest cost	8,142	6,820
	14,072	**51,649**

26. SHARE CAPITAL AND PREMIUM ON SHARE CAPITAL

	Number of Shares Shares	Shares Capital LAKm	Share Premium LAKm	Total LAKm
At 1 January 2024	**207,723,300**	**1,038,617**	**-**	**1,038,617**
Issue of shares	-	-	-	-
At 31 December 2024	**207,723,300**	**1,038,617**	**-**	**1,038,617**
Change of par value	830,893,200	-	-	-
Issue of shares	506,255,500	506,255	326,253	832,508
At 31 December 2025	**1,544,872,000**	**1,544,872**	**326,253**	**1,871,125**

The shareholding structure of the Bank as at 31 December 2025 is as follows:

Shareholders	Number of shares	%
The Government	926,922,633	60%
Strategic partners	154,487,295	10%
Local investors (including employees of the Bank) and other foreign investors	463,462,072	30%
	1,544,872,000	**100%**

On 16 January 2025, the Bank updated its Enterprise Registration Certificate with the Ministry of Industry and Commerce to reflect changes in its par value.

Subsequently, on 18 February 2025, the Bank effected a stock split of its ordinary shares at a ratio of 1:5 on the LSX. Shareholders whose names appear in the shareholder register as of the end of 18 February 2025, will have their shares adjusted to a new ratio of 1 to 5, as detailed in the explanatory table below.

Items	Before Stock split (10 February 2025)	After stock Split (18 February 2025)
Ratio of Changing	1:1	1:5
Par Value Per Share	5,000 LAK	1,000 LAK
No. of Listed Shares	207,723,300	1,038,616,500
Base Price	Closing price on 10 February 2025	Decrease (1:5)
Market Price	Closing price on 10 February 2025	Decrease (1:5)

26. SHARE CAPITAL AND PREMIUM ON SHARE CAPITAL (CONTINUED)

with the Ministry of Industry and Commerce on 6 March 2026. Transaction costs related to share issuance at the amount of LAK 9,403 million, net was deducted in share premium. The Bank's shares traded in the Lao Securities Exchange commencing on 5 November 2025.

27. STATUTORY RESERVES

	Regulatory reserve fund LAKm	Business expansion fund and other funds LAKm	Total LAKm
As at 31 December 2023	**238,215**	**673,486**	**911,701**
Appropriation to reserves for the year 2023	30,544	212,583	243,127
As at 31 December 2024	**268,759**	**886,069**	**1,154,828**
Appropriation to reserves for the year 2024	54,732	388,720	443,452
As at 31 December 2025	**323,491**	**1,274,789**	**1,598,280**

28. ADDITIONAL CASH FLOW INFORMATION

Cash and cash equivalents included in the separate statement of cash flows comprise the following separate statement of financial position amounts:

	2025 LAKm	2024 LAKm
Demand deposits with the BOL	13,903,544	10,367,826
Current accounts with other banks	15,354,613	11,345,576
Cash and cash equivalents on hand	5,725,690	5,323,473
Term deposit due within 90 days	3,379,334	6,786,792
	38,363,181	**33,823,667**

29. CONTINGENT LIABILITIES AND COMMITMENTS

	2025 LAKm	2024 LAKm
Un-drawn commitments to lend for customers (ii)	7,805,530	8,729,738
Un-drawn commitments to lend for other banks (ii)	3,874	93,078
At sight letters of credit	224,629,968	109,137,313
Letter of credit and bank guarantees (i)	1,075,146	1,458,829
	233,514,518	**119,418,958**

(i) Letter of credit and bank guarantees

Letters of credit guarantees (including standby letters of credit) and acceptances commit the Bank to make payments on behalf of customers contingent upon the failure of the customer to perform under the terms of the contract. Guarantees and standby letters of credit carry the same credit risks as loans. Credit guarantees can be in the form of bills of exchange or in the form of irrevocable letters of credit, advance payment guarantees, and endorsement liabilities from bills discounted.

29. CONTINGENT LIABILITIES AND COMMITMENTS (CONTINUED)

(ii) Un-drawn commitments to lend

Commitments to extend credit represent contractual commitments to make loans and revolving credits. Commitments generally have fixed expiry dates, or other termination clauses. Since commitments may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements. However, the potential credit loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

30. RELATED PARTY DISCLOSURES

Significant transactions with other related parties during the year 2025 are as follows:

a) Parent entity

The Bank is controlled by the following entity

Name	Type	Place of incorporation
The Ministry of Finance of Lao PDR ("MOF")	Parent	Lao PDR

The remaining 40% of the shares is widely held.

b) Transaction with related parties

Transactions with related parties are as follows:

	2025 LAKm	2024 LAKm
Interest and similar incomes		
Parent company	862,856	893,391
Joint venture and Associates	52,462	67,218

c) Outstanding balances of significant related party

The outstanding balances at the end of the period ended in relation to transactions with related parties are as follows:

	2025 LAKm	2024 LAKm
Due from banks		
Joint venture and Associates	2,066,859	2,485,710
Financial investments - Held-to-maturity		
Parent entity	16,541,682	15,897,118
Due to banks and other financial institutions		
Joint venture and Associates	300,300	586,607

30. RELATED PARTY DISCLOSURES (CONTINUED)

d) Key management compensation

Key management includes member of the board of director and board of management. The compensation paid or payable to key management are as follows:

	2025 LAKm	2024 LAKm
Salaries and other short-term	7,221	4,028

31. EARNINGS PER SHARE

	2025	2024 Restated	2024 As previously report
Basic earnings per share			
From continuing operations attributable to the ordinary equity holders of the bank (LAKm)	932,544	449,563	449,563
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share (Shares)	1,128,771,589	1,038,616,500	207,723,300
Total basic earnings per share attributable to the ordinary equity holders of the bank (LAK)	826.16	432.85	2,164

There are no dilutive potential ordinary shares in issue during the year presented, so no diluted earnings per share is presented.

The Bank recalculates basic earnings per share for year ended 31 December 2024 for the purpose of comparability in financial information, which is calculated by using weighted average number of ordinary shares as if the par value and the number of issued and paid-up share capital was changed in consistent with the change in the par value and the number of issued and paid-up share capital during the year ended 31 December 2025. and Basic earnings per share for the year ended 31 December 2025 is calculated by dividing the profit for the year attributable to the ordinary equity holders of the bank by the weighted average number of ordinary shares in issue during the year.

32. DIVIDENDS

2025

Following the stock split effected on 18 February 2025, which increased the number of issued and outstanding shares from 207,723,300 to 1,038,616,500 shares, the Annual General Meeting of Shareholders held on 30 April 2025 approved the payment of an annual dividend from the net profit for the year ended 31 December 2024.

The dividend was declared at LAK 100 per share (post-split basis), totaling LAK 103,862 million, and was paid on 14 May 2025.

2024

The Annual General Meeting of shareholder held on 29 April 2024, approved the payment of annual dividend from net profit for the year ended 31 December 2023 at LAK 300 per share, totaling LAK 62,317 million. The dividend was paid on 14 May 2024.

33. RISK MANAGEMENT POLICIES

Introduction

Risk is inherent in the Bank's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities.

The primary objective of the Bank in risk management is to comply with the BOL regulations. On the other hand, the Bank has recognised the importance of meeting international best practices on risk management. The Board of Directors and Board of Management, with support from an Asset and Liability Management Committee, are in the process of formulating broad parameters of acceptable risk for the Bank and monitor the activities against these parameters.

The Board has appointed the Asset and Liability Management Committee which has the responsibility to monitor the overall risk process within the Bank.

The Bank is exposed to credit risk, liquidity risk and market risk, the latter being subdivided into trading and non-trading risks. It is also subject to various operating risks.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. The Bank's policy is to monitor those business risks through the Bank's strategic planning process.

Risk management structure

The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Asset and Liability Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk-Compliance Department is responsible for managing risk decisions and monitoring risk levels and reports to the Board of Directors.

Introduction (Continued)

The Bank's policy is that risk management processes throughout the Bank are audited annually by the Internal Audit function, which examines both the adequacy of the procedures and the Bank's compliance with the procedures. Internal Audit discusses the results of all assessments with management and reports its findings and recommendations to the Audit Committee.

34. EVENTS AFTER THE REPORTING DATE

There are no events after the reporting date that require disclosure or adjustment into the financial statements of the Bank.

35. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST LAK AT YEAR END

	2025 LAK	2024 LAK
USD	21,400.00	21,481.00
EUR	24,962.00	22,520.00
THB	681.63	623.00
GBP	28,507.00	27,147.00
JPY	137.20	137.64
AUD	14,282.00	13,427.00
CNY	3,050.00	2,891.00