Banque pour le Commerce Exterieur Lao Public

A Summary of Business Performance of the third quarter of year 2015

1. Banque pour le Commerce Exterieur Lao Public

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

The Bank was established from the equitization 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, and its latest Amended Business License No. 4284/BOL dated 11 November 2010 issued by the Bank of Lao People's Democratic Republic. 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 P.D.R. Ministry of Finance holds 80% of the shares which is representative of Government.

On 15 July 2011, the Bank continued to sell 10% of the total ordinary shares to its strategic partner named COFIBRED in accordance with the Ordinary Shares Purchase Agreement between the Ministry of Finance and COFIBRED.

The current structure of BCEL's shareholders includes: The Government's shares account for 70% of the Bank's chartered capital; local investors' shares (including employees of the Bank) account for 10% of the Bank's chartered capital; strategic partners' shares account for 10%; and the foreign investors' shares proportion of 10%.

The principal activities of the Bank are to provide banking services including mobilizing and receiving short-term, medium-term, and long-term deposits from organizations and individuals; making short-term, medium-term, and long-term loans to organizations and individuals based on the requests and capability of the Bank's sources of capital; foreign exchange transactions, international trade financial services, letters of credit, letters of guarantee, precious metal trading and providing other banking services allowed by the Bank of Lao P.D.R.

Charter Capital

The charter capital as at 30 September 2015 is LAKm 682,888.

Location and Network

The Bank's Head Office is located at No.01, Pangkham Street, Ban Xiengnheun, Chanthabouly District, Vientiane, Lao P.D.R. As at 30 September 2015, the Bank has one (01) Head Office, one (1) subsidiary, four (4) joint ventures, nineteen (19) main branches, seventy six (76) services units, and fifteen (15) exchange units in the Lao P.D.R.

2. Vision

BCEL has adopted a vision to achieve its plan and goal as the leading and modern bank with internationally recognized standard. This means that BCEL is determined to develop itself an advanced banking provider to meet customer satisfaction with a quality close to international standards, to receive recognition from customers and other financial institution as the leading commercial bank in Lao PDR and to move with firm steps toward regional and global banking levels.

3. Mission

- Restructure the organization and internal regulations to comply with applicable laws of Laos and BCEL's regulations strictly.
- Forcefully concentrate on internal administration and other risks management.
- Expand the service network into the appropriate and potential areas in the country, alongside with deepening the cooperation with international banking community and collaboration with domestic and foreign banks to effectively serve customers.
- Continue implementation and realization of modernized services as per the expectation of the customers.
- Prepare for the adoption of capital adequacy under Basel II.
- Develop the service system and the MIS with international standards.
- Enable payment system to connect with the system of Lao Securities Exchange in order to facilitate securities trading.
- To complete the electronic connection with domestic banks
- Research new products to widen choices of service for the society especially electronic products and others to meet with customer demand.
- Pay a close attention to achieve the business plan

4. **Organization Structure**

4.1. The Organization of BCEL consists of the Board of Directors (7 Directors)[1], Executive Management (5 members), 10 Divisions, 3 Centers, 19 Branches, 76 Service Units and 15 Money Changers nationwide.

5. Performance in the 3rd Quarter of year 2015.

- Completed the meeting to review the performance of second quarter of year 2015 ; Completed the Ordinary meeting of BCEL's Board of Directors on 21 September 2015.
- Launched 01 Service Unit.
- Completed the official launch of ATM Pool system between BCEL and Maruhan Japan Bank and Bank of Ayudhaya PCL.
- Completed the official launch of the Co-Brand card in cooperation with BCEL, Lao Airline and Union Pay.
- Completed the amendment of interest rates and other service fees.
- Completed the audit of BCEL's Financial Statement for the first six month of 2015 in accordance with LAS and IFRS.
- Besides, BCEL has received the 2015 Asian Banking & Finance Award from Singapore.

6. Activities of the Board of Directors, the Executive Management, and Committees

➢ **Board of Directors**

Completed one Ordinary Meeting of BCEL's Board of Directors to adopt the business results of the first six month of 2015, and to consider other significant issues.

➢ **Executive Management and Strategic Planning Committee**

Completed 2 meetings of the Executive Management and Strategic Planning Committee to review and discuss about the management and performance in order to make sure the business operation meets the established plan.

➢ **Risk Management Committee**

Completed 1 meetings of the Risk Management Committee to discuss about risks management, monitor internal audits of BCEL and follow up the reactions on the auditor's recommendations and other issues.

➢ **Audited Committee**

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[1] Pursuant to the agreement on Appointment of BCEL's Board of Director, No 64/MoF, dated 12/01/2015

Completed 2 meetings the Audit Committee to discuss about the internal audit of BCEL and the external audit; Continue to develop the new manual of Internal Audit (IA) and the implementation of IFRS from Ernst & Young Lao Limited among other issues.

7. **Business Performance of the third quarter of the year 2015**

Through the performance, BCEL can implement the business plan as below:

- **Assets:** 25,139 billion LAK, 103% of the annual plan.
- **Credits:** 10,676 billion LAK, 84,5% of the annual plan
- **Deposit:** 23,384 billion LAK, 103% of the annual plan
- **Pofit before tax:** 33,8 billion LAK, 21,7% of the annual plan.

Acting General Managing Director
Banque pour le Commerce Exterieur Lao Public

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

Phoukhong CHANTHACHACK

Note: The figures are based on the consolidated financial report under the International Financial Reporting Standards (unaudited)