



# JDB

ທະນາຄານຮ່ວມພັດທະນາ ມະຫາຊຸມ  
Joint Development Bank Public

# PROSPECTUS



Initial Public Offering (IPO) of 75,333,900 capital increase ordinary shares with a par value of 1,000 LAK/share, hereinafter:  
Offering 67,800,500 shares to the public investors in Lao PDR and foreign investors at an offering price of 8,800 LAK/share  
Offering 7,533,400 shares to the JDB's employees at an offering price of 7,900 LAK/share



Subscription period:  
During 15 September 2025 to 19 September 2025  
Between 8:30 A.M. to 15:00 P.M.

# PROSPECTUS

## JOINT DEVELOPMENT BANK PUBLIC



Initial Public Offering (IPO) of  
75,333,900 capital increase ordinary shares with a par value of LAK 1,000/share, hereinafter:  
Offering 67,800,500 shares to the public investors in Lao PDR and foreign investors  
at an offering price of LAK 8,800/share  
Offering 7,533,400 shares to the JDB's employees at an offering price of LAK 7,900/share  
Subscription period:  
During 15<sup>th</sup> September 2025 to 19<sup>th</sup> September 2025  
Between 8:30 a.m. to 15:00 p.m.

Financial advisor : Lao-China Securities Public Company  
Underwriter : Lao-China Securities Public Company  
External audit : PricewaterhouseCoopers (Lao) Sole Company Limited  
Legal advisor : C&A Consulting Company Limited

**Important notice:** This Prospectus constitutes a material disclosure and should be read in its entirety to ensure the complete comprehension of all contents herein. Furthermore, investors may seek consultation with a broker, accountant, legal advisor, or other relevant professional for advising regarding this Prospectus.

**WARNING**

This Prospectus has been prepared to provide preliminary investment information solely for potential investors who are interested in the capital increase shares issued by the Bank. The Lao Securities Commission (LSC) or the Lao Securities Commission Office (LSCO) assumes no responsibility or recommends investment in this share offering, guarantees their prices or returns, certifies the completeness and accuracy of information contained herein. The verification of accuracy and completeness of whole contents and information in this Prospectus remains the sole responsibility of the Bank.

In the event that the contents or information in this Prospectus are found to be false or omitted any information which should be disclosed, shareholders may claim damages from the Joint Development Bank Public or in accordance with relevant laws and regulations.

Investors may review or request copies of the Prospectus that has been filed with the LSCO, access it through the LSCO website ([www.lsc.gov.la](http://www.lsc.gov.la)), or the Lao Securities Exchange (LSX) website ([www.lsx.com.la](http://www.lsx.com.la)).

The original Prospectus prepared in the Lao language (Lao Prospectus) has been filed with the LSCO. The English translation (English Prospectus) has been prepared by the Securities Company and the Bank. Although, the careful attention given to this English translation, it carries no legal bidding and has not been certified for accuracy. This English translation does not constitute a prospectus as defined under the Law on Securities (Amended) No. 79/NA, dated December 3, 2019 (Securities Law). Only the original Lao Prospectus has legal bidding under the Securities Law and the laws of the Lao PDR. The distribution of the legally effective prospectus under the Securities Law pertains to the initial public offering of shares in the Lao PDR. This offering must comply with the rules and regulations of the LSCO, and the Lao Prospectus has been prepared specifically for the purpose of the initial public offering in the Lao PDR. Accordingly, the offered shares have not been registered under the Securities laws of any jurisdiction other than the Securities regulations of the Lao PDR. Neither the format nor content of the Lao Prospectus and English Prospectus has been certified as adequate or sufficient for Securities offerings in any other jurisdiction. Prospective investors should review both the Lao Prospectus and English Prospectus concurrently before making any investment decision regarding the offered shares.

This offering of newly issued shares constitutes the Bank's initial public offering in order to raise fund, and the offered shares shall be listed on the LSX, subject to the Lao Securities Exchange's (LSX) approval of the Bank's initial listing application. The LSX, established in October 2010, operates as a secondary market. The Bank shall submit its application for listing and trading on the LSX by the specified date and anticipates that its shares will be approved for listing on the LSX on or about the specified date.

The Bank expects that the share payment shall be completed within the offering period, with share allotment to shareholders to be executed through the LSX Securities Depository Center, and the Bank's shares shall be approved for listing on the LSX no later than 10 days following submission of the listing application.

Prior to investing to the offered shares, investors should carefully consider all associated risks. Prospective investors are strongly advised to review the section entitled "Risk Factors" before making any investment decision regarding the offered shares.

**“All investment carry risks. Prospective investors should carefully study all information before making any investment decision”**

## INTERMEDIARY PARTIES

❖ <b>Issuing Company</b> <b>Joint Development Bank Public</b> Hatsady Village, No. 82, Lane Xang Avenue, Chantabouly District, Vientiane Capital, Lao PDR Tel: (856-21) 213 531-6 Fax: (856-21) 213 530 Website: <a href="http://www.jdbbank.com.la">www.jdbbank.com.la</a>	❖ <b>Financial Advisor and Underwriter</b> <b>Lao-China Securities Public Company</b> Thatluang Lake Special Economic Zone, Phonthan Village, Saysettha District, Vientiane Capital, Lao PDR Tel: (856-21) 419 222 Fax: (856-21) 419 222 Website: <a href="http://www.lcs.com.la">www.lcs.com.la</a>
❖ <b>External Auditor</b> <b>PricewaterhouseCoopers (Lao) Sole Company Limited</b> 4 <sup>th</sup> Floor, Allianz Building, 33 Lane Xang Avenue, Vientiane Capital, Lao PDR Tel: (856-21) 222 718-9 website: <a href="http://www.pwc.com/la">www.pwc.com/la</a>	❖ <b>Legal Advisor</b> <b>C&amp;A Consulting Company Limited</b> Akard Village, Sikhottabong District, Vientiane Capital, Lao PDR Tel: (856-21) 214 538 Email: <a href="mailto:Lasonexay.C@gmail.com">Lasonexay.C@gmail.com</a> or <a href="mailto:souksavanh.cna@accountant.com">souksavanh.cna@accountant.com</a>
❖ <b>Selling Agent</b> <b>BCEL-KT Securities Company Limited</b> Thatluang Lake Special Economic Zone, Phonthan Village, Saysettha District, Vientiane Capital, Lao PDR Tel: (856-21) 265 477 Fax: (856-21) 265 488 Website: <a href="http://www.bcel-kt.com">www.bcel-kt.com</a>	❖ <b>Selling Agent</b> <b>LDB Securities Sole Co., Ltd</b> Souphanouvong Avenue, Sihom Village, Chanthabouly District, Vientiane Capital, Lao PDR. Tel: (856-21) 54886648 Fax: (856-21) 224001-3 Website: <a href="http://www.ldb-s.com.la">www.ldb-s.com.la</a>



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The information in this Prospectus is accurate as of the date specified herein. Investors should be aware that following the date indicated in this Prospectus, certain information may change, including: business operations, financial position, business performance, and other projections, which may affect the accuracy or completeness of this Prospectus.

In making investment decisions, investors should personally review both the Lao and English versions of this Prospectus, as well as other relevant documents pertaining to this offered share, including associated benefits and risks. Investors should not interpret the contents of this Prospectus or financial statements in accordance with the accounting policies of the Bank and the relevant accounting regulations and notifications of the Bank of Lao PDR as legal, business, and financial-accounting advice to invest in the offered shares.

This share offering has not been authorized or disapproved by any regulatory authority other than the LSCO. The structure or contents of this Prospectus have not been certified for appropriateness or sufficiency of information for share offerings in other countries.

**DEFINITIONS**

Lao PDR	Lao People's Democratic Republic
BOL	Bank of Lao PDR
LSC	Lao Securities Commission
LSCO	Lao Securities Commission Office
LSX	Lao Securities Exchange
The Bank, issuing company, or JDB	Joint Development Bank Public
Financial advisor, Underwriter, or LCS	Lao-China Securities Public Company
External auditor, or PwC	PricewaterhouseCoopers (Lao) Sole Company Limited
Legal advisor, or C&A	C&A Consulting Company Limited
IPO	Initial Public Offering
Article of association	The Bank's Article of Association, including all amendments thereof
Subscription period	The Subscription Period for Joint Development Bank Public shall be from 15 <sup>th</sup> September 2025 to 19 <sup>th</sup> September 2025
Financial statements	The financial statement in accordance with the accounting policies of the Bank and the relevant accounting regulations and notifications of Bank of the Lao PDR shall consist of (i) Statement of Financial Position, (ii) Statement of Income, (iii) Statement of Cashflow, and (iv) Statement of Changes in Equity
Offered shares	The total number of 75,333,900 shares, hereinafter, offered to the public investors in Lao PDR and foreign investors in the amount of 67,800,500 shares with an offering price of 8,800 LAK/share, and offered to JDB's employees in the amount of 7,533,400 shares with an offering price of 7,900 LAK/share
Par value	The nominal value of securities as specified in the enterprise registration certificate, prospectus, and subscription forms for ordinary shares



## EXECUTIVE SUMMAY

This following executive summary does not encompass all essential information for investors. Investors should read this prospectus entirely, including all financial information, relevant notes, and risk factors prior to making any investment decisions.

### 1. Issuing Company

Lao name	: ທະນາຄານຮ່ວມພັດທະນາ ມະຫາຊື່ນ
English name	: Joint Development Bank Public
Establishment date	: 3 <sup>rd</sup> October 1989
Type of business	: Banking
Registered capital	: LAK 674,666,100,000
Par value	: 1,000 LAK/share
IPO amount	: LAK 656,158,260,000
Number of shares to the IPO	: 75,333,900 shares
Number of shares to the public offering	: 67,800,500 shares
Number of shares for the JDB's employees offering	: 7,533,400 shares
Offering Price to the public offering	: LAK 8,800/share
Offering Price to the JDB's employees offering	: LAK 7,900/share
Headquarters	: Hatsady Village, No. 82, Lane Xang Avenue, Chantabouly District, Vientiane Capital, Lao PDR
Telephone	: +856-21-213531-6
Fax	: +856-21-213530
Email	: info@jdbbank.com.la
Website	: www.jdbbank.com.la

Joint Development Bank Public (JDB) is established by the Decision of the Chairman of the Council of Ministers, No. 04/CCM dated 21<sup>st</sup> January 1989 by His Excellency Kaysone Phomvihane, Chairman of the Council of Ministers and Prime Minister of the Lao People's Democratic Republic.

JDB was officially opened on 3<sup>rd</sup> October 1989 as a joint venture between the Thai investors holding 70% and the Government of Lao PDR, representing by the Bank of Lao PDR holding 30%. It was the first commercial bank incorporated in the Lao PDR. The Bank's headquarters is located at No. 82, Lane Xang Avenue, Hatsady Village, Chantabouly District, Vientiane Capital.

On 15<sup>th</sup> June 2010, the Bank of Lao PDR transferred its 30% of shareholding to a private investor from Thailand and making the JDB a 100% foreign-owned bank. At that time, JDB had 4 service units including Sikhay, Thatluang, Vang Vieng, and Luang Prabang Service Units.

On 18<sup>th</sup> October 2012, the Thai shareholders transferred all their shares to the SMG Group, making JDB a 100% Lao-owned private commercial bank by Mr. Ekkaphan Phaphithak, he was appointed as an Executive Board of Directors, along with an Advisory Board and a new Management Team, bringing experience, a broad vision for innovation, and a good understanding of the market and banking business. At that time, JDB had total assets of LAK 683 billion. From 2012 to 2024, the Bank expanded its service unit across the country from 4 to 64 service units, and the total number of employees increased from 160 to 753 in order to support the delivery of comprehensive customer service.

Throughout its business operation, JDB has supported the loans to promote Small-Medium Enterprise (SME) in many sectors such as agriculture, industry, commerce, infrastructure construction, services, transportation and other sectors including small, medium, and large businesses.

As of 31<sup>st</sup> December 2024, JDB's total assets had increased by 49 times, and its net profit had grown by 76 times compared to 2012.

At present, the global landscape is changing rapidly, especially due to technological advancements, which have influenced customer behavior to use the banking service through Digital Banking Platform; together with the current economic situation, which is becoming increasingly interconnected with each other in a borderless world.

JDB is a leading commercial bank in the Lao PDR. It is a modernized commercial bank with an outstanding and unique banking service through its "Digital Banking Platform" which JDB has made available to its customers including:

1) Mobile Application JDB Yes Mobile Banking: "Bank on a phone". It is an outstanding mobile banking service designed to facilitate financial transactions that are convenient, modern, and secure. It can be registered by individual account and legal entity, and accessible to financial transactions without visiting a bank such as money transfer, water bill payment, electricity bill payment, internet payment, mobile recharge, loan payment, recharge digital Wallet, flights booking, road tax payment, land tax payment, tax payment, mobile money transfer through MoneyGram, dealing in foreign currency through Lao Foreign Exchange (LFX), scan to pay at stores in foreign countries connected through LAPNet, and scan to pay at store worldwide via UnionPay QR.

2) JDB Online Banking is a service for corporate clients to conveniently access financial transactions such as domestic and international money transfer, utilities payment, tax payment, currency exchange on LFX, payroll and others.

At present, JDB has expanded its collaboration with overseas banks, able to receive money and transfer to more than 110 countries worldwide.

JDB is a leading modernized commercial bank in Lao PDR. It has tools to facilitate the Seamless Payment Platform including Deeplinking Payment, Dynamic QR, Card Payment Gateway (Visa, Master Card, and UnionPay), AliPay, UPI QR, and API QR Merchant. At the same time, JDB serves as a settlement bank for its business partners, specifically in the E-Commerce and Fintech business.

## **2. Objective of the Use of Proceeds From IPO**

JDB will use the funds from IPO as follows:

### **1) Loan portfolio expansion**

Credit lending is JDB's core business that generates its primary income. The current credit portfolio composition is concentrated in large and medium-sized enterprises. In order to diversify the loan portfolio and better respond to the increasing demand from Small and Medium-sized Enterprises (SMEs), large enterprises, and retail clients, JDB aims to expand credit access, particularly in key economic sectors such as: ❶ Industry, ❷ Construction, ❸ Agriculture and Forestry, ❹ Trading, ❺ Services and ❻ other prominent sectors, with the objective of promoting production, services, trade, and exports across Lao PDR's economic sectors.

### **2) Investment in technology and financial innovation in Fintech and Digital Banking**

JDB has a vision committed to becoming a "Modern and International Commercial Bank" by fostering new innovations to enhance competitiveness in providing modern financial services and to serve as a clearing and settlement center in ASEAN and internationally. Therefore, JDB has developed a strategic plan to invest in technology and financial innovation, such as: Super Apps Platform, Mobile Banking, Internet Banking for business, AI-Driven Banking Services, Cybersecurity and Big Data Analysis to enhance service efficiency and strengthen risk management.

	Objective of Using Fund Raised	Amount (LAK)	Proportion	Estimated Implementation Period
1	Loan portfolio expansion	590,542,434,000	90%	Starting Q4/2025
2	Investment in technology and financial innovation	65,615,826,000	10%	Starting Q4/2025
	<b>Total</b>	<b>656,158,260,000</b>	<b>100%</b>	

### 3. Risk Factors

- 3.1 Uncertainties in global and Lao PDR economic conditions
- 3.2 Credit risk
- 3.3 Market risk
- 3.4 Business transformation in information technology era
- 3.5 Regulatory changes
- 3.6 Major shareholders with controlling interest
- 3.7 Other risk

### 4. Dividend Policy

JDB has a dividend policy to distribute at least 50% of the net profit after tax obligations and allocation of legal provision reserves. However, the dividend payout rate of at least 50% may be altered, contingent upon consideration and approval by the Shareholders' Meeting. The consideration may be based on future strategic investment plans, operational needs, and other relevant appropriateness.

### 5. Shareholder Structure

No.	Shareholders	Before IPO		After IPO	
		Number of shares	%	Number of shares	%
1	SMG Group Sole Co., Ltd	634,186,134	94.00%	634,186,134	84.56%
2	Mrs. Kanya Phichit	30,359,975	4.50%	30,359,975	4.05%
3	Mr. Phouxaysana Xaysombat	10,119,991	1.50%	10,119,991	1.35%
4	Public investors	-	0.00%	67,800,500	9.04%
5	JDB's employees	-	0.00%	7,533,400	1.00%
	<b>Total</b>	<b>674,666,100</b>	<b>100.00%</b>	<b>750,000,000</b>	<b>100.00%</b>

### 6. Board of Directors and Management Committees

No.	Name and Surname	Designation
1	Mr. Vilay SIPHAPHONE	Executive Board of Directors
2	Mrs. Phonesamay SOUKHAPHON	Deputy Executive Board of Directors
3	Mr. Sakhone YORPHANXAY	Member of the Board of Directors
4	Mr. Khamsing SONESINNAVONG	Member of the Board of Directors

No.	Name and Surname	Designation
5	Mr. Vilandeth VAYASOMSAK	Member of the Board of Directors
6	Mr. Visoud BOUASISAARD	Member of the Board of Directors
7	Mr. Bounsoum SISAVAT	Member of the Board of Directors/Independent
8	Mr. Souksavanh MANIVANH	Member of the Board of Directors/Independent
9	PhD. Chomkham BOUPHALIVANH	Member of the Board of Directors/Independent

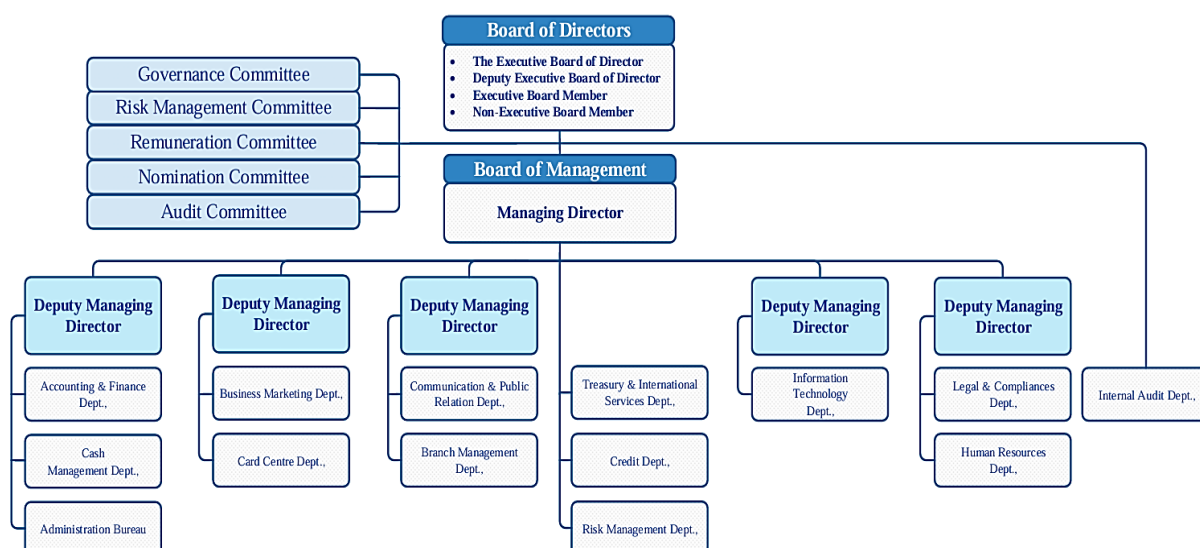
### ❖ Management Committees

Management Committees	
1	Governance Committee
2	Audit Committee
3	Risk Management Committee
4	Remuneration Committee
5	Nomination Committee

## 7. Executive Managing Directors and Organizational Structure

No.	Name and Surname	Designation
1	Mr. Sakhone YORPHANXAY	Managing Director
2	Mr. Khamsing SONESINNAVONG	Deputy Managing Director
3	Mr. Vilandeth VAYASOMSAK	Deputy Managing Director
4	Mr. Chansana SINGHAVONG	Deputy Managing Director
5	Mr. Chanthaphone CHANTHAVONG	Deputy Managing Director
6	Mr. Khamsu YANG	Deputy Managing Director

### Organizational Structure of JDB





## 8. Financial Data of JDB

## ❖ Statement of Financial Position

Unit: LAK million

Statement of Financial Position	FYE 2022	FYE 2023	FYE 2024
<b>Assets</b>			
Cash and accounts with the BOL	3,147,022	5,148,769	7,216,139
Due from other banks	688,766	1,106,810	1,298,605
Investment in securities	518,080	716,786	997,468
Loans to customers, net of specific provision for credit	11,977,808	16,637,986	20,548,354
Investments in joint venture	1,698	1,698	2,698
Fixed assets	306,732	345,165	449,371
Other assets	1,009,760	2,126,035	2,631,776
<b>Total assets</b>	<b>17,649,864</b>	<b>26,083,248</b>	<b>33,144,411</b>
<b>Liabilities</b>			
Due to other banks and financial institutions	1,958,726	2,060,772	2,630,625
Due to customers	14,140,149	21,867,163	27,476,248
Other liabilities	667,699	935,037	1,357,961
<b>Total liabilities</b>	<b>16,766,574</b>	<b>24,862,973</b>	<b>31,464,834</b>
<b>Capital</b>			
Share capital	444,666	474,666	674,666
Regulatory reserve	31,031	47,225	73,941
General reserve	19,794	68,379	95,094
General provision for credit activities	58,238	81,649	91,562
Provision for unrecoverable assets	94,030	94,030	94,030
Unrealized loss from gold revaluation	-	-	(10,995)
Retained earnings	235,531	454,325	661,279
<b>Total capital</b>	<b>883,290</b>	<b>1,220,275</b>	<b>1,679,578</b>
<b>Total liabilities and capital</b>	<b>17,649,864</b>	<b>26,083,248</b>	<b>33,144,411</b>

Source: Joint Development Bank Public

❖ **Statement of Income**

Unit: LAK million

<b>Statement of Income</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>
Net interest and similar income	286,548	309,321	468,640
Net fee and commission income	167,754	416,323	635,553
Net gain from securities investment	16,296	17,231	41,005
Net gain from dealing in foreign currencies	134,785	200,857	279,352
<b>Net operating income</b>	<b>605,383</b>	<b>943,733</b>	<b>1,424,550</b>
Other operating income	10,372	11,524	63,421
Administration expenses	(155,613)	(252,738)	(368,281)
Depreciation and amortization charges	(25,866)	(38,975)	(51,214)
Other operating expenses	(37,386)	(59,240)	(148,655)
Net provision for non-performing loans charged to expense	(55,450)	(10,342)	1,301
Profit before tax	341,439	593,962	921,122
Current profit tax	(60,010)	(83,659)	(179,861)
<b>Profit after tax</b>	<b>281,429</b>	<b>510,303</b>	<b>741,261</b>

Source: Joint Development Bank Public

❖ **Statement of Cashflow**

Unit: LAK million

<b>Statement of Cashflow</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>
Profit before tax	341,439	593,962	921,122
Net cash flows used in operating activities	1,760,217	2,040,345	3,014,073
Net cash flows used in investing activities	(207,652)	(282,911)	(646,370)
Net cash flows used in financing activities	(78,486)	(203,207)	(554,385)
<b>Net change in cash and cash equivalents</b>	<b>1,449,798</b>	<b>1,554,227</b>	<b>1,822,047</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,922,902</b>	<b>3,372,700</b>	<b>4,926,927</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,372,700</b>	<b>4,926,927</b>	<b>6,748,974</b>

Source: Joint Development Bank Public

❖ **Key Financial Ratios**

<b>Key Financial Ratios</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>
<b>Profitability Ratio</b>			
Net profit margin (NPM)	22.13%	25.77%	25.35%
Net interest margin (NIM)	2.68%	1.96%	2.27%
Return on equity (ROE)	36.15%	48.52%	51.12%
<b>Efficiency Ratio</b>			
Cost to income ratio	35.54%	36.74%	38.18%
Yield on earning assets	8.81%	8.43%	9.22%
Net interest income to total assets	2.00%	1.41%	1.58%
Return on assets (ROA)	1.97%	2.33%	2.50%
<b>Leverage Ratio</b>			
Debt-to-equity ratio (D/E)	18.98x	20.37x	18.73x
Debt ratio (D/A)	0.95x	0.95x	0.95x
Loan-to-deposit ratio (LDR)	81.04%	73.69%	70.73%
Deposit-to-liability ratio (DLR)	88.16%	90.23%	92.33%
Dividend payout ratio	92.07%	94.23%	-
Dividend (LAK million)	259,119	480,877	-
<b>Asset Quality Ratio</b>			
Non-performing loans (NPLs) (LAK million)	258,733	169,701	95,988
Loan loss provision to net loans ratio	-0.46%	-0.06%	0.01%
NPLs to net loans ratio	2.16%	1.02%	0.47%
Loans loss coverage ratio	-22.81%	-18.80%	97.79%
<b>Capital Adequacy Ratio</b>			
Tier 1 capital (LAK million)	458,151	551,679	805,422
Tier 2 capital (LAK million)	426,119	551,679	805,422
Capital for CAR calculation (LAK million)	884,270	1,103,359	1,610,844
Total risk-weighted assets (LAK million)	11,505,808	16,208,509	20,732,362
Tier 1 capital ratio	3.98%	3.40%	3.88%
Capital adequacy ratio (CAR)	7.69%	6.81%	7.77%
Shareholder equity ratio	5.00%	4.68%	5.07%
<b>Other Ratios</b>			
Number of outstanding shares	444,666,100	474,666,100	674,666,100
Earnings per share (EPS) (LAK)	633	1,075	1,099

Key Financial Ratios	FYE 2022	FYE 2023	FYE 2024
Book value per share (BVPS) (LAK)	1,986	2,571	2,489
Dividend per share (DPS) (LAK)	583	1,013	-
Dividend yield (compared to par value)	58.27%	101.31%	-



## PART 1

### JOINT DEVELOPMENT BANK PUBLIC

#### 1. Issuing Company

##### 1.1 General Information of Joint Development Bank Public

Lao name	: ທະນາຄານຮ່ວມພັດທະນາ ມະຫາຊຸມ
English name	: Joint Development Bank Public
Establishment date	: 3 <sup>rd</sup> October 1989
Type of business	: Banking
Registered capital	: LAK 674,666,100,000
Par value	: 1,000 LAK/share
IPO amount	: LAK 656,158,260,000
Number of shares to the IPO	: 75,333,900 shares
Number of shares to the public offering	: 67,800,500 shares
Number of shares for the JDB's employees offering	: 7,533,400 shares
Offering Price to the public offering	: LAK 8,800/share
Offering Price to the JDB's employees offering	: LAK 7,900/share
Headquarters	: Hatsady Village, No. 82, Lane Xang Avenue, Chantabouly District, Vientiane Capital, Lao PDR
Telephone	: +856-21-213531-6
Fax	: +856-21-213530
Email	: info@jdbbank.com.la
Website	: www.jdbbank.com.la

##### 1.2 Background of Joint Development Bank Public

Joint Development Bank Public (JDB) is established by the Decision of the Chairman of the Council of Ministers, No. 04/CCM dated 21 January 1989 by His Excellency Kaysone Phomvihane, Chairman of the Council of Ministers and Prime Minister of the Lao People's Democratic Republic (Lao PDR).

JDB was officially opened on 3<sup>rd</sup> October 1989 as a joint venture between the Thai investors holding 70% and the Government of Lao PDR, representing by the Bank of Lao PDR holding 30%. It was the first commercial bank incorporated in the Lao PDR. The Bank's headquarters is located at No. 82, Lane Xang Avenue, Hatsady Village, Chantabouly District, Vientiane Capital.

On 15<sup>th</sup> June 2010, the Bank of Lao PDR transferred its 30% of shareholding to a private investor from Thailand and making the JDB a 100% foreign-owned bank. At that time, JDB had four service units including Sikhay, Thatluang, Vang Vieng, and Luang Prabang Service Units.

On 18<sup>th</sup> October 2012, the Thai shareholders transferred all their shares to the SMG Group, making JDB a 100% Lao-owned private commercial bank by Mr. Ekaphan Phaphithak, he was appointed as an Executive Board of Directors, along with an Advisory Board and a new Management Team, bringing experience, a broad vision for innovation, and a good understanding of the market and banking business. At that time, JDB had total assets of LAK 683 billion. From 2012 to 2024, the Bank expanded its service unit across the country from 4

to 64 service units, and the total number of employees increased from 160 to 753 staff to support the delivery of comprehensive customer service.

Throughout its business operation, JDB has supported the loans to promote Small-Medium Enterprise (SME) in many sectors such as agriculture, industry, commerce, infrastructure construction, services, transportation and other sectors including small, medium, and large businesses.

As of 31<sup>st</sup> December 2024, JDB's total assets had increased by 49 times, and its net profit had grown by 76 times compared to 2012.

At present, the global landscape is changing rapidly, especially due to technological advancements, which have influenced customer behavior to use the banking service through Digital Banking Platform; together with the current economic situation, which is becoming increasingly interconnected with each other in a borderless world.

JDB is a leading commercial bank in the Lao PDR. It is a modernized commercial bank with an outstanding and unique banking service through its “Digital Banking Platform” which JDB has made available to its customers including:

1) Mobile Application JDB Yes Mobile Banking: “Bank on a phone”. It is an outstanding mobile banking service designed to facilitate financial transactions that are convenient, modern, and secure. It can be registered by individual account and legal entity, and accessible to financial transactions without visiting a bank such as money transfer, water bill payment, electricity bill payment, internet payment, mobile recharge, loan payment, recharge digital Wallet, flights booking, road tax payment, land tax payment, tax payment, mobile money transfer through MoneyGram, dealing in foreign currency through Lao Foreign Exchange (LFX), scan to pay at stores in foreign countries connected through LAPNet, and scan to pay at store worldwide via UnionPay QR.

2) JDB Online Banking is a service for corporate clients to conveniently access financial transactions such as domestic and international money transfer, utilities payment, tax payment, currency exchange on LFX, payroll and others.

At present, JDB has expanded its collaboration with overseas banks, able to receive money and transfer to more than 110 countries worldwide.

JDB is a leading modernized commercial bank in Lao PDR. It has tools to facilitate the Seamless Payment Platform including Deeplinking Payment, Dynamic QR, Card Payment Gateway (Visa, Master Card, and UnionPay), AliPay, UPI QR, and API QR Merchant. At the same time, JDB serves as a settlement bank for its business partners, specifically in the E-Commerce and Fintech business.

### **1.3 Vision**

Joint Development Bank stands ready to evolve further with a new vision “Building on innovation to deliver excellent services and be a modern and international commercial bank” with the supports the Bank’s important mission of being a leading commercial bank in the Lao PDR, being a modern commercial bank in Digital Banking, and being a settlement hub globally.

### **1.4 Previous Achievements**

During the past 35 years, Joint Development Bank Public has contributed to the national development in various areas as detailed below:

- 1) Expand the service unit of JDB to 64 service units nationwide.
- 2) Social works

- Contributed to schools' construction in rural areas of Oudomxay, Xayabouly, Savannakhet, Luang Prabang, and Khammouane Provinces;
  - Financial and equipment contribution to the government for COVID-19 prevention through the Prime Minister's Office, Ministry of Health, Ministry of Defense, Ministry of Education and Sport as well as provincial authorities where JDB service units are located;
  - Assist flood victims in the southern and northern regions.
- 3) Contribute to the tax obligations to the government in the past 5 years with the amount of LAK 580 billion.
- 4) Information technology and electronic service development
- Develop the mobile banking application "JDB Yes" to provide money transfer, water bill payment, electricity bill payment, internet payment, loan payment, mobile recharge, recharge to digital Wallet, Lao Airlines flight booking, road tax payment, land tax payment, tax payment, international transfer money through MoneyGram via mobile phone, foreign exchange through LFX, scan to pay in Thailand by Cross Border QR Payment, scan to pay in store Worldwide by UnionPay QR Code Border Payment through LAPNet;
  - Completed the system development for JDB Online Banking for business unit to have a convenient financial transaction such as domestic and international money transfer via LAPNet, utilities payment, tax payment, foreign exchange through LFX, payroll, and others;
  - Completed the development of Payment Platform such as Deeplinking Payment, Dynamic QR Payment, Visa Payment Gateway, UnionPay Payment Gateway, Master Card Payment Gateway, AliPay, UnionPay QR, API QR Merchant to become a settlement bank for the business partners of JDB specifically in the E-Commerce and Fintech business;
  - Completed the development of international money transfer between Laos and Thailand through the collaboration with Kasikorn Thai Bank through the International Automated Clearing House (IACH);
  - Completed the international money transfer through VISA B2B;
  - Completed the upgrade to the latest version of the Core Banking system;
  - Completed the development of Biometric system for online account opening and transition into virtual banking.
- 5) Outstanding awards received from domestic and international

Table 1: Outstanding Awards Received from Domestic and International

Year	Description	Received From
2018	The First-Class Labor Medal awarded by the Government for continuous excellent contributions to society	The Government of Lao PDR
	The Golden Europe Award for Quality and Commercial Prestige	Berlin, Germany
2019	The Best Commercial Bank Laos	Global Banking and Finance Review Award
2021	The First-Class Development Medal awarded by the Government of Lao PDR for outstanding achievement in contributing to the construction of primary schools in remote rural areas in Oudomxay, Xayabouly, and Savannakhet provinces	The Government of Lao PDR



Year	Description	Received From
	Outstanding Leading Business Award from the LNCCI during the COVID-19 period in 2021	Lao National Chamber of Commerce and Industry (LNCCI)
2022	Outstanding Leading Business Award from the LNCCI during the COVID-19 period in 2022	Lao National Chamber of Commerce and Industry
	Shield Award-Second Place Excellence Award for Outstanding Performance in Profit Tax Contributions to the Ministry of Finance	Ministry of Finance
2023	Trophy- Payment and Sales Volume Award	VISA
	Best Payment Support	UnionPay

Source: Joint Development Bank Public

### 1.5 Related Companies

As of 31<sup>st</sup> December 2024, the bank has entered two joint ventures to establish 2 financial institutions: Lao National Payment Network Company Limited and Lao Foreign Exchange Market Company Limited.

Table 2: Joint Ventures

Company Name	JDB's Share Holding	Shareholder Structure
	5%	<ol style="list-style-type: none"> <li>1. BOL 25%;</li> <li>2. Banque Pour Le Commerce Extérieur Lao Public 20%;</li> <li>3. UnionPay International Limited Company 15%;</li> <li>4. Lao Development Bank Co., Ltd 10%;</li> <li>5. Agriculture Promotion Bank Co., Ltd 10%;</li> <li>6. Lao-Viet Bank Co., Ltd 5%;</li> <li>7. ST Bank Ltd 5%;</li> <li>8. BIC Bank Lao Co., Ltd 5%;</li> </ol>
	5%	<ol style="list-style-type: none"> <li>1. BOL 44%;</li> <li>2. Banque Pour Le Commerce Extérieur Lao Public 10%;</li> <li>3. Agriculture Promotion Bank Co., Ltd 5%;</li> <li>4. ST Bank Ltd 5%;</li> <li>5. BIC Bank Lao Co., Ltd 5%;</li> <li>6. Lao-Viet Bank Co., Ltd 5%;</li> <li>7. Lao Development Bank 5%;</li> <li>8. Indochina Bank Ltd 5%;</li> <li>9. Banque Franco-Lao Ltd 5%;</li> <li>10. Phongsavanh Bank Ltd 5%;</li> <li>11. Maruhan Japan Bank Laos 1%.</li> </ol>

Source: Joint Development Bank Public



## 2. Objective of Use of Proceeds from IPO

JDB will use the funds from IPO as follows:

### 1) Loan portfolio expansion

Credit lending is JDB's core business that generates its primary income. The current credit portfolio composition is concentrated in large and medium-sized enterprises. In order to diversify the loan portfolio and better respond to the increasing demand from Small and Medium-sized Enterprises (SMEs), large enterprises, and retail clients, JDB aims to expand credit access, particularly in key economic sectors such as: ❶ Industry, ❷ Construction, ❸ Agriculture and Forestry, ❹ Trading, ❺ Services and ❻ other prominent sectors, with the objective of promoting production, services, trade, and exports across Lao PDR's economic sectors.

### 2) Investment in technology and financial innovation in Fintech and Digital Banking

JDB has a vision committed to becoming a “Modern and International Commercial Bank” by fostering new innovations to enhance competitiveness in providing modern financial services and to serve as a clearing and settlement center in ASEAN and internationally. Therefore, JDB has developed a strategic plan to invest in technology and financial innovation, such as: Super Apps Platform, Mobile Banking, Internet Banking for business clients, AI-Driven Banking Services, Cybersecurity, and Big Data Analysis, to enhance service efficiency and strengthen risk management.

Table 3: Objective of Using Fund Raised

	Objective of Using Fund Raised	Amount (LAK)	Proportion	Estimated Implementation Period
1	Loan portfolio expansion	590,542,434,000	90%	Starting Q4/2025
2	Investment in technology and financial innovation	65,615,826,000	10%	Starting Q4/2025
	<b>Total</b>	<b>656,158,260,000</b>	<b>100%</b>	

## 3. Risk Factors

The investment in shares involves risk. Therefore, investors shall consider the information in this Prospectus carefully, especially risk factors related to JDB. The risk factors mentioned in this Prospectus may negatively affect JDB and the share value of JDB. In addition, there may be other risk factors which are not mentioned in this Prospectus, which are the risk factors which have no major effects on JDB at the present time. In the future, the risk factors may affect the income, profits, liquidity, capital resources and business opportunities of JDB.

JDB always takes into account that risk management is a fundamental factor of JDB's business operations by clearly defining risk management guidelines to ensure that JDB has a good management mechanism to mitigate the impact that may have on business operations and to strengthen the risk management processes to meet international standards and in alignment with BASEL Principles. The risk management of JDB consists of the Risk Management Committee and the Board of Directors, both of which play key roles in defining and revising such policies.

Risk management processes of JDB shall begin with indicating main risks that may cause effects to business operation, risk assessment of each type, monitoring and controlling

the risk at appropriate levels then making a report to the Board of Directors for acknowledgement and seeking resolutions in timely manner of risk factors that investors shall consider prior to making any investment decision are as follows:

### **3.1 Uncertainties in Global and Lao PDR Economic Conditions**

The uncertainties in global and Lao PDR economic conditions that may cause challenges to the business operation of JDB and could also be a risk factor in the next period. The key risk factors are the global economic growth, which has been at a low level for a long time since the recent global financial crisis; trade conflicts; and ongoing crisis in the Middle Eastern region, which are expected to result in slow global economic growth, higher inflation rates, a rise currency values of major countries, as well as high unemployment rate and debt.

Lao PDR economy has been stabilized as a result from the gradually declining inflation rate and stable fluctuations of the exchange rate. Especially since the end of 2024, the implementation of government measures has contributed to economic growth, with Gross Domestic Product (GDP) increasing to 4.3% in 2024, up from 4.2% in 2023. The GDP value reached LAK 325,287 billion, and per capita income to USD 1,970, an increase from USD 1,832 in 2023. In particular, the export sector is the key driver of Lao economic growth, especially electricity export, industrial goods, and crops. At the same time, imports have slowed down in line with the trend of foreign direct investment and domestic demand from the government's tight monetary and fiscal policies.

However, the Lao PDR economy remains fragile and continues to face many challenges due to inflation, high policy interest rates, volatility and depreciation of LAK against foreign currencies, as well as the lacking of balance on Lao PDR's economic structure for production and consumption, high commodity prices, inadequate actual income growth, and high public debt. The country is also facing the global uncertainty, with the Lao PDR's economy projected to grow at a slower pace, with GDP growth projected at 3.9% in 2025 and 4.0% in 2026, according to the Lao PDR's macroeconomic assessment by the Lao Academy of Social and Economic Sciences.

The risk factors arising from the uncertainties in the global and Lao PDR economies stem from external factors that are unavoidable and uncontrollable. For the mitigating risks, the Bank has emphasized the importance of closely and continually monitoring the economy. This monitoring helps the Bank to providing an information for decision-making and being able to adjust its strategic plan to align with changing economic conditions in each period, thereby reducing potential negative impacts on the Bank.

### **3.2 Credit Risk**

Credit risk means the risk caused by borrowers or contractors that are unable to comply with the terms and conditions as defined in the loan agreement. This may be because the parties are facing financial issues that cause an inability to pay the debts that are due or deliberately not following the contract which results in damage to the banking business. Therefore, JDB emphasizes the importance the appropriate credit risk management in alignment with regulators set out by BOL, to create sustainable stability and appropriately deliver dividends to shareholders and investors appropriately. The credit risk arises from factors, including:

- External Risk Factors:

The main external risk factors are the fluctuation over the domestic and international economies, such as fluctuation of interest rates, exchange rates, and political conditions. In addition, there are also related factors such as the customer's ability to pay debt, customer's honesty, changes of the government's policies related to credit management of commercial

banks such as an increase in credit measures (debt classification), risk classification for each credit customer, the setting of conditions and credit approvals.

JDB is closely and continuously following economic circumstances in order to identify ways to cope or prevent any change in external situation that adversely affects the Bank and seeking opportunities when economic conditions are favorable. In addition, JDB is also improving its business operations, especially on the credit activities to comply with current legislation and other revisions that may be in the future. Therefore, to accommodate some of the revisions in the future, the Bank has prepared several ways and to improve any internal regulations and seeking tools to assist the credit operation, tools to support the financial information analysis, tools to indicate credit risk, and credit scoring tools.

- Internal Risk Factors:

Internal risk factors are those originate within the Bank such as a credit analysis and assessment, collateral evaluation and approval, the ethics of credit officers, authorization processes, governance, systems, monitoring tools and overall credit management starting from credit approval to the final stage, which is full loan repayment. Since credit is the Bank's core business, a good quality credit service is the most important task of the Bank. If credit management and administration are well executed, it shall produce a good result and generate profits for the Bank. In contrast, if credit management is not effective, it may directly affect the income of the Bank.

In line with JDB's credit risk management, there is a specific unit responsible for managing and overseeing credit risk throughout JDB's system, policies and regulations are in place to guide implementation and monitor contracting parties. Additionally, the JDB conducts regular reviews and close monitoring. The Bank emphasizes the development of a strong credit culture, with clear principles and targets that enable credit officers to understand and communicate consistently across the organization. Furthermore, system-wide training programs are conducted, and annual examinations are held to evaluate the quality of credit officers.

- Credit Risk Concentrated in a Large Debtor

Credit risk concentrated in a large debtor refers to the risk arising from bank loans or investments, financial commitments, guarantees to any cluster of debtors or any project with high value. If there are damages that directly affect the financial status and ability to operate the Bank's business. To manage credit risk associated with a large debtor, the Bank shall diversify the risk into other different clusters of customers.

- Credit Risk Concentrated in an Economic Sector

Credit risk concentrated in an economic sector means the risk arising by the Bank's loan and/or financial commitments to large debtors within a single economic sector with high value. If the Bank concentrates its lending in a single economic sector that enters a recession, it may cause damage or directly affect the financial status and ability to operate the business of the Bank. The Bank shall diversify the risk and research the economic trend before loan approval to generate high profit within the acceptable risk level and to avoid any negative impact on the Bank.

#### ❖ Credit Risk Management Process

Regarding credit risk, JDB has established a credit risk management process, starting from initiation to completion, to ensure that risks are appropriately, effectively, and tightly managed while still addressing customer needs. The credit risk management process includes the following:

- Credit Management by Economic Sector

To maximize the returns within an acceptable risk level by setting targets for expanding the Bank's loan customer base by considering the economic situation, future growth trends, risk-adjusted returns for each customer group and industry sector, as well as the potential impact of credit risk concentration in a certain sector.

- Credit Consideration and Authorization

The Credit Committee determines the measures for credit authorization to ensure that credit risk management and non-performing loan (NPL) resolutions are implemented in accordance with the Bank's credit policy. The JDB's Credit Committee is Executive Board Members, the Managing Directors and Senior Executives appointed by the Executive Board of Directors.

Credit consideration and authorization are centralized at the Headquarters for each credit request those must be unanimously approved by the Credit Committee or receive more than half of the votes. Credit authorization for large credit amounts requires written authorization from the Executive Board of Directors.

- Debt Resolution and Restructuring

The Loan Restructuring Committee is responsible for implementing various measures related to loan renewals, debt restructuring, fee waivers, fines, and loan interest rate reductions in order to ensure the credit risk management and debt restructuring are conducted in accordance with the Bank's credit policy. JDB's Loan Restructuring Committee consists of Executive Board Members, Managing Directors and executives from various departments, appointed by the Executive Board of Directors.

- Asset Quality Review

JDB reviews all credit customers at least once a year according to the risk control measures and that the Bank's overall credit risk management remains effective and aligned with the policies set by the BOL from time to time.

### **3.3 Market Risk**

Market risks are risks that affect JDB's revenue and may arise from transactions or revaluation in the JDB's financial statements, potentially impacting assets, liabilities and equity thereby influence the Bank's operation performance. These effects are caused by changes in interest rates, exchange rates and the market price of securities that JDB has invested in. Market risks arise from several factors such as:

- Changes in Interest Rate

At present, interest rates are likely to decrease, which would benefit JDB by reducing interest payment obligations on deposits and increasing its capacity to disburse more loans. However, the falling interest rates may also lead to slower growth in deposit mobilization. If interest rates are likely to increase, it presents an opportunity to raise more funds, although the loan disbursement may decline. In response to the risk of interest rate fluctuations, JDB has been closely monitoring and adjustment its interest rate policy to stay aligned with market conditions, maintain appropriate spreads between loan and deposit interest rates in line with applicable regulations, and use its capital resources with maximum efficiency.

- Changes in Exchange Rate

Changes in exchange rates directly affect the Bank's business operation, as the foreign exchange service is one of the key income-generating activities for the Bank. When exchange rates fluctuate significantly, they can impact on the Bank's profits or losses from exchange rate, as well as the value of its assets and liabilities, especially when the Bank borrows or invests in securities denominated in foreign currencies. Regarding the risks from interest rate fluctuations,

the deposit base of JDB's customers is primarily denominated in foreign currencies. As a result, JDB has focused on managing and analyzing risks related to foreign currency exchange to mitigate the impact of exchange rate volatility.

However, JDB has continued to enhance its market risk management to ensure operational performance and keep pace with the development of current and future financial products.

### **3.4 Business Transformation in the Information Technology era**

At present, the business competition among commercial banks is changing rapidly, requires constant adaptation to the development of modern technology and evolving customer behavior. It compels banking service to modernize in order to create the competitive advantages and maintain long-term business stability. Therefore, JDB has adopted the new technology to provide customers with convenient access to banking service at any time, while also ensuring high security, improve operational efficiency, and differentiating itself in the market.

Regarding the risks associated with business transformation in the Information Technology (IT) era, the Bank must consider both prevention and coping strategies to address these risks in various ways, particularly threats to the information systems or the Bank's security in the computer networks, in order to improve the efficiency in service and risk management. These threats are increasing rapidly in both variety and complexity, which may directly affect the customers' decisions when choosing a banking service.

Therefore, to build confidence among customers and business partners, JDB has allocated some capital to gradually develop, improve, and upgrade its IT systems to meet international standards including investments in Cybersecurity, Big Data Analysis, and new innovations such as Artificial Intelligence (AI) systems to enhance analytical services, financial advice, investment support, product recommendations for customers and investors to increase efficiency, enable real-time customer service, and reduce the Bank's operational costs.

### **3.5 Regulation Changes**

The Bank of Lao PDR has issued policies to guide commercial banks and financial institution from time to time as a reference in the liquidity and risk management in the Bank's business operation as follows:

#### **3.5.1 BASEL II Principles**

The BASEL II Principle shall be emphasized on capital adequacy requirement to the risk-weighted assets. Regarding each category of risk-weighted assets, BOL has clearly defined the standards and conditions of International Financial Standards, which commercial banks are required to implement, monitor, report, and strictly maintain the capital adequacy requirement.

In compliance with these principles, the Bank must maintain a capital adequacy ratio within the specified threshold. If it falls below the threshold, the Bank must increase its register capital or consider lowering the loan approval and investment in the low-risk assets. Shareholders shall have an obligation to contribute capital to maintain their shareholding ratio in the Bank and potentially forgo profits from the investment.

#### **3.5.2 Complying with the International Financial Reporting Standards**

The Bank shall comply with the International Financial Reporting Standard (IFRS). The implementation of IFRS has created difficulties and delays in issuing the Financial Statements Report of JDB due to a certain principles and accounting policies that are not aligned with the IFRS. However, at present, JDB has hired an external auditor to prepare the Financial Statements Report in accordance with the IFRS and disclose them to the public on time.

#### **3.5.3 Complying with other Laws**

The Bank shall comply with the terms and conditions as defined by BOL and LSC from time to time such as those related to credit management, foreign currency management,

exchange rate management, interest rates, anti-money laundering, information disclosures, and others.

### 3.5.4 Liquidity Risk

Liquidity risk is a risk that arises when the Bank is unable to meet its debts and commitment obligations due to insufficient funds and/or inability to convert its existing assets into cash within the required time, resulting from a lack of financial liquidity. The main objective of the Bank's liquidity risk management is to ensure that the Bank has adequate capital to repay debts and other financial obligations both now and in the future. In addition, the Bank can utilize its capital for other benefit generations. The main liquidity risk factors faced by the Bank include its financial structure, sources of funds and use of funds.

Regarding such risks, JDB has established the Asset-Liability Committee (ALCO) to research, analyze financial status, and regularly report significant information in asset and liability management. In addition, the Bank has developed an evaluation tool to assess and analyze liquidity risks based on international principles and the Bank's business plan.

## 3.6 Major Shareholder with Controlling Interest

Shareholders have ownership rights in the company, including voting rights to make important decisions, the right to receive dividends from company profits, and other rights as stipulated by laws and relevant regulations. In addition, shareholders must accept the risks that may arise from business operations. Therefore, shareholders have a fundamental responsibility to contribute to the establishment and management of the company to ensure sustainable growth.

Major shareholder is defined as that holding whether directly or indirectly, more than 25% of the total shares is considered to have controlling power or eligibility to be members of the Board of Directors and the Managing Directors of the company, they have a significant role in determining policies, management, or other important business activities. Currently, SMG Group Sole Co., Ltd. is the major shareholder of JDB. After completion of the IPO distribution, its shareholding ratio will be 84.56% of the total shares. To comply with the corporate governance principles, JDB's structure of the Board of Directors does not have the major shareholders and parties related to major shareholders holding positions in either the Executive Board Members or Committees of the Board of Directors. JDB recognizes this risk, the Bank is committed to establishing strong corporate governance practices that enable shareholders to exercise their rights independently, fairly, and equally.

## 3.7 Other Risks

In addition to above mentioned risks, there are other risks that remain unpredictable which may influence the JDB's business operations such as natural disaster, war, flood disaster, fire disaster, explosion, and others which are factors affecting the Bank's business operations. Therefore, JDB prioritizes the management of such risks by developing the services and tightening risk management tools with an effective workflow in systematic and standardized manner. In addition, to response to an emergency that may affect the Bank, JDB has prepared the Business Continuity Management to ensure that JDB's operation is able to cope with a situation that may occur at any level.

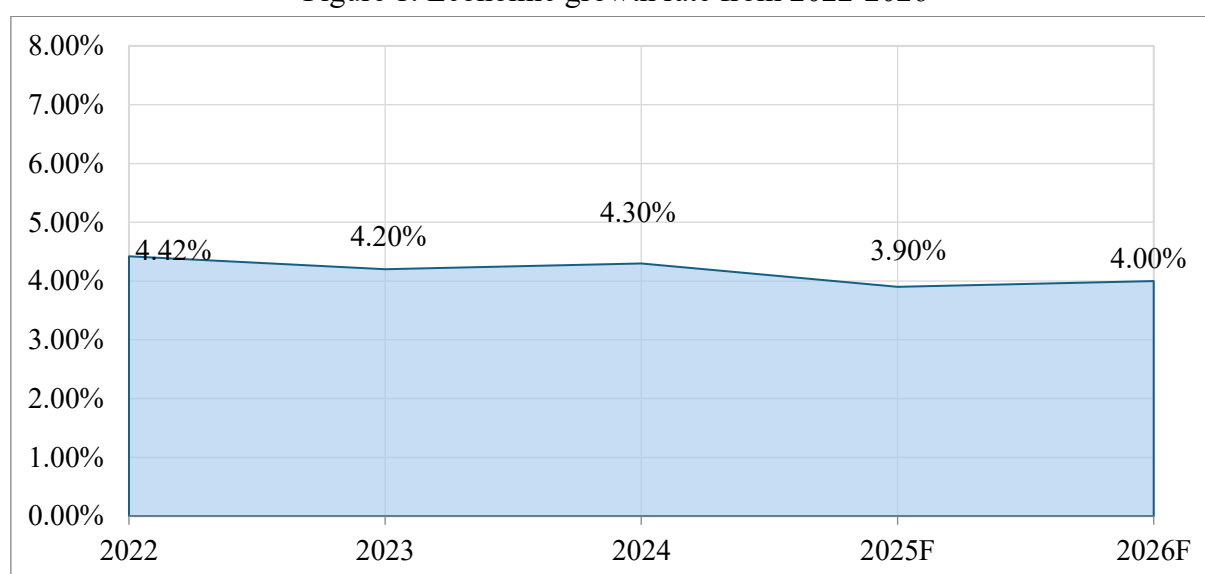
# 4. Current Business Operations

## 4.1 Economic Conditions

In 2024, the Lao PDR economy continued to grow at a higher pace than in the previous year, it was driven by external factors such as exports of key economic goods, including electricity and processed industrial products. However, the country still faced several economic challenges, including currency instability, budget deficits, rising commodity prices, and

inflation, as well as natural disasters affecting the agricultural sector. The government has taken multiple measures to address these economic impacts, focusing on strengthening domestic production to reduce import dependency, promoting exports, particularly in transportation-related goods, and stabilizing the currency, improving policy, enhancing the foreign exchange trading mechanism within the banking system, and implementing other supporting policies. This economic environment has influenced Foreign Direct Investment (FDI) inflows into the Lao PDR, which decreased to USD 988 million (equivalent to 6.6% of GDP), down from USD 1,781 million in 2023. Nevertheless, domestic investment still shows potential for growth, as reflected by an increasing trend in loan disbursements by commercial banks, which rose from LAK 166,090 billion (USD 8,651 million) to LAK 199,251 billion (USD 9,227 million), with most of the growth concentrated in the industry, commerce, and service sectors.

Figure 1: Economic growth rate from 2022-2026



Source: Lao Statistics Bureau and Macroeconomic Research Institute

In 2024, BOL continued to implement a tight monetary policy in response to the domestic economic and financial conditions. This included raising the 7-day base interest rate three times: from 7.5% to 8.5% in March 2024, to 10% in June 2024, and to 10.5% per annum in August 2024. In addition, the base interest rate was changed to a 7-day BOL's bond interest rate, which serves as a tool for the liquidity adjustment of commercial banks under the BOL's monetary policy to maintain money supply at the specified level. At the same time, the regulatory reserve for the LAK was maintained at 8%, while the regulatory reserve for foreign currency was increased from 10% to 11% to reduce the growth of foreign currency loans.

## 4.2 Banking Industry

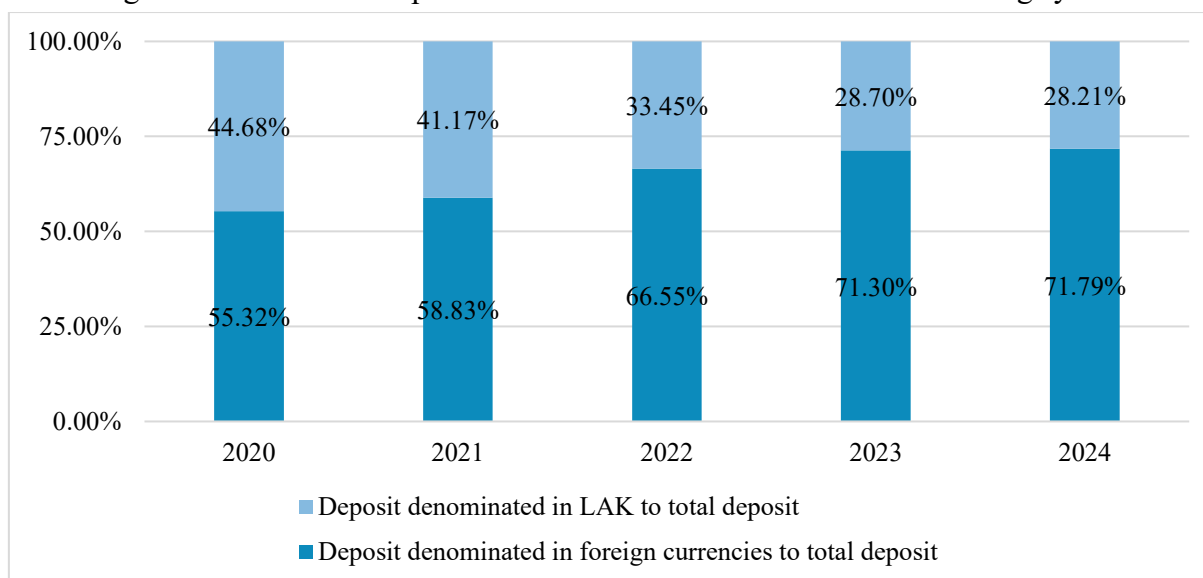
From the past to the present, the banking sector has played an important role and has become a key driver for the development of trade, investment, and national economies around the world. In the Lao PDR, the commercial banking sector has grown rapidly in both quantity and quality, contributing significantly to national economic development. Currently, the Lao PDR has a total of 36 commercial banks and is divided into 6 categories as follows:

- 1) 2 specialized banks;
- 2) 1 state-owned commercial bank;
- 3) 5 joint-state commercial banks;
- 4) 7 private commercial banks;
- 5) 9 subsidiaries of foreign commercial banks;
- 6) 12 branches of foreign commercial banks.

Among these, the number of domestic commercial bank branches increased to 126, with 557 service units, 35 foreign exchange units, and 1,552 ATMs.

According to the 2024 BOL's Annual Economic Report, commercial banks across the banking system held total deposits of LAK 288,171 billion in 2024, representing an 18.24% increase compared to the previous year and accounting for 88.59% of GDP. Among this amount, deposits in LAK accounted for 28.21% of total deposits, while deposits in foreign currencies also accounted for 28.21%.

Figure 2: Structure of deposits in commercial banks in the entire banking system



Source: Bank of Lao PDR

Total loans of commercial banks in the system in 2024 amounted to LAK 199,251 billion, representing an increase of 19.97% compared to the previous year and accounting for 62.98% of GDP. The majority of loans were provided to the industrial sector, which accounted for 13.78% of total loans, while the commerce sector accounted for 3.15% and the service sector for 2.83%. (The Non-Performing Loans decreased from 1.45% in 2023 to 1.36% in 2024)

### 4.3 Joint Development Bank Public

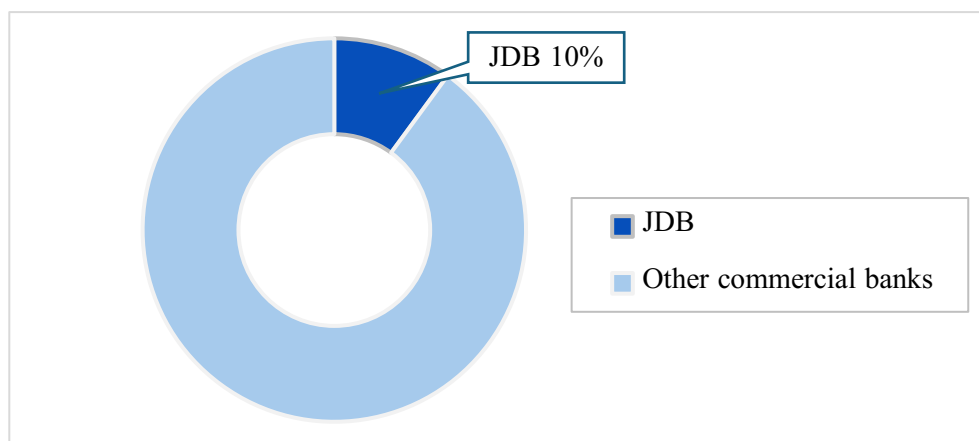
JDB has operated in the banking business in accordance with the regulations stipulated by the Bank of Lao PDR, in which products and services of JDB provided to customers are also similar to other banks in general, including deposit accounts, loans, credit and debit card, payment product, money transfer, insurance agent, utilities payment and others; although JDB has potential strength that allow JDB to develop technology linking to the Bank's products to enhance customer convenience, such as JDB Yes, Mobile Banking, and Internet Banking. The general services are as follows:

#### 4.3.1 Deposits

Savings in the form of deposits are a fundamental factor to stable and sustainable economic expansion. JDB has regularly promoted and shared financial knowledge to the public in both Vientiane Capital and other provinces regularly. Along together with the introduction of various types of deposit such as savings account, fixed account, current account and special account with interest in advance. In 2024, the total deposits of JDB cover 10.08% of the deposits in the banking system.

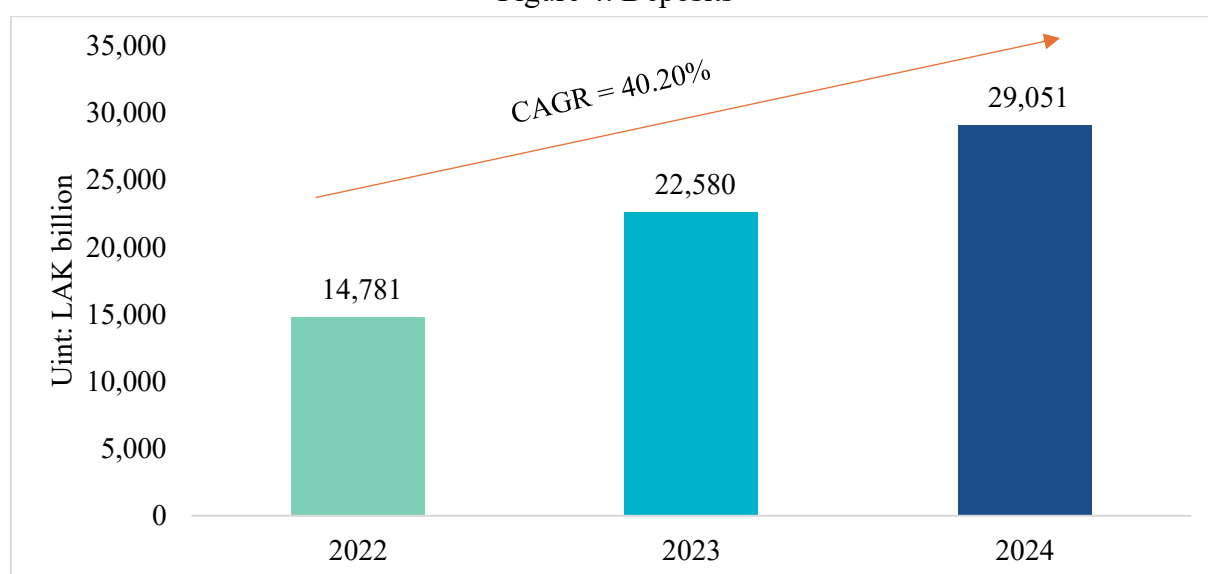


Figure 3: Deposits Ratio of JDB Compared to Commercial Banks in the Banking System



The total deposits of JDB have shown an increasing trend each year. In 2023, deposits increased by 52.76%, rising from LAK 14,781 billion in 2022 to LAK 22,580 billion. In 2024, the total deposits reached LAK 29,051 billion, marking a 28.66% increase compared to 2023. The Compound Annual Growth Rate (CAGR) from 2022 to 2024 is 40.20%.

Figure 4: Deposits

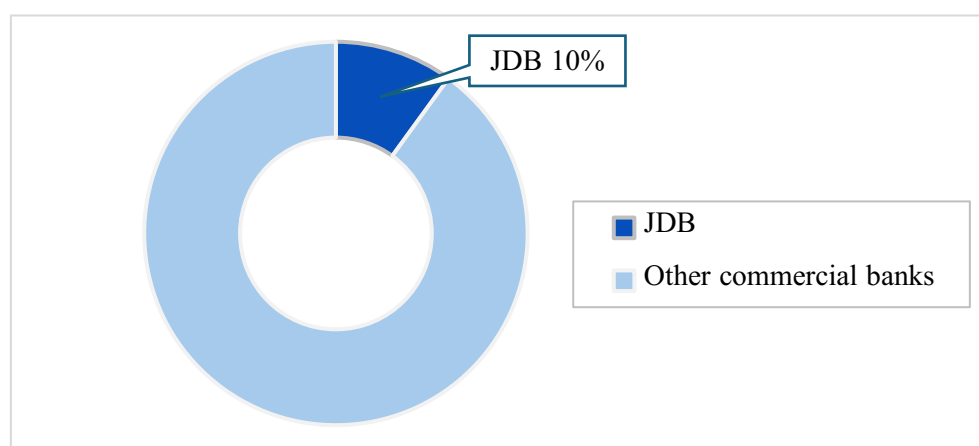


Source: Joint Development Bank Public

#### 4.3.2 Loans

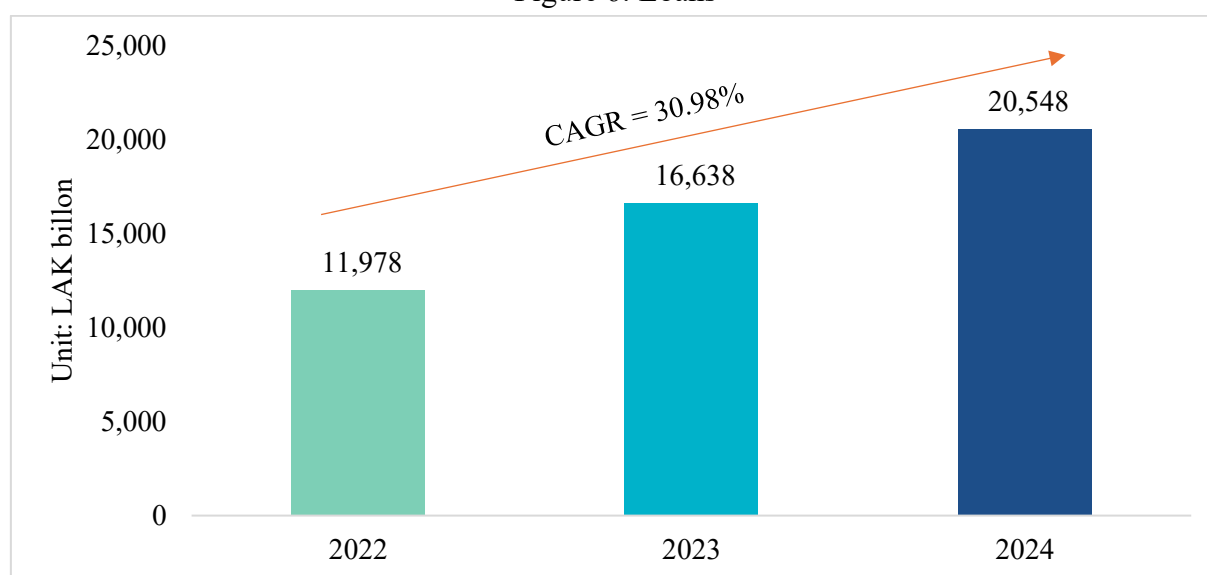
JDB will consider and establish policies based on the credit risk of each customer, as well as the business-specific risks and the overall portfolio risk. JDB uses reference criteria such as a good financial position, reliability, and loan payment history. In addition, JDB has a policy to diversify credit risk to various business sectors, with the aim of expanding credit in business units that demonstrate growth potential in the future. As of 2024, JDB's total loans portfolio represented 10.31% of the total loans within the banking system.

Figure 5: Loan Ratio of JDB Compared to Commercial Banks in the Banking System



To meet customer demands, JDB has introduced a variety of loan products including regular and revolving loans, collateralized loans, asset-to-equity conversion loans, civil servant and private staff loans, payroll loans, domestic education loans, loans secured by bonds, and others. Due to the economic fluctuation during this period, debt collection and lending have been affected. In 2023, the total loan value was LAK 16,638 billion, representing an increase of approximately 38.90% compared to 2022. In 2024, JDB has a total loan value increased by 23.01% or equivalent to a value of LAK 20,467 billion compared to the previous year. The CAGR of loans from 2022 to 2024 is 30.98%.

Figure 6: Loans

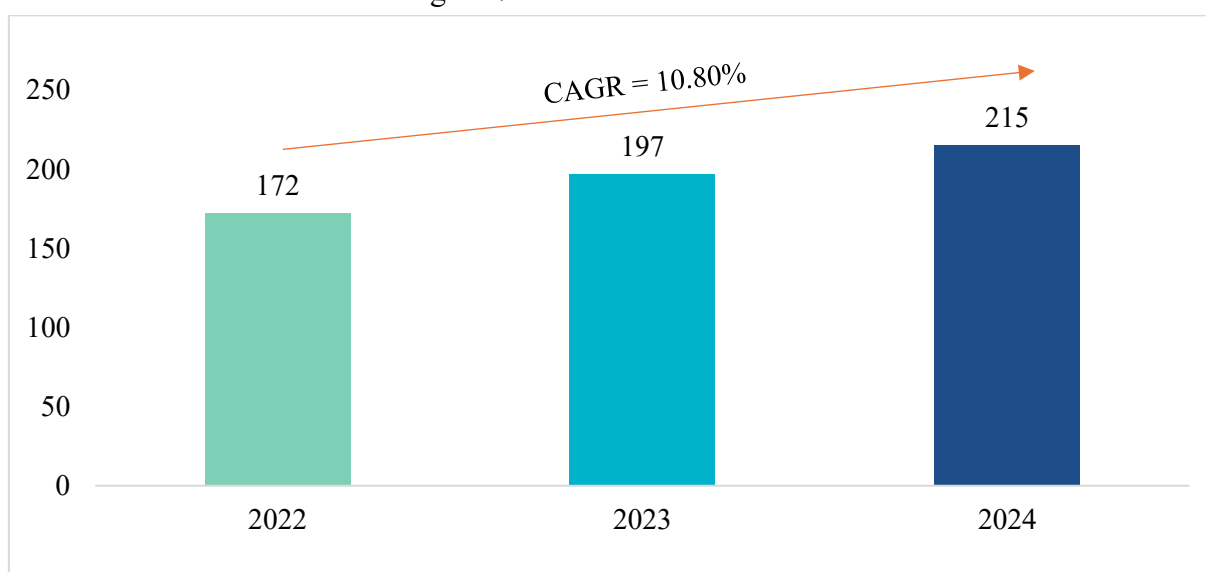


Source: Joint Development Bank Public

#### 4.3.3 Automated Teller Machine (ATM)

The expansion of JDB's ATM aligns with the nationwide expansion of its service unit. In 2022, a total of 174 ATM units were installed across the country. In 2023, there were 23 more units installed, representing a 13% increase compared to 2022. In 2024, 18 more units were installed, marking a 9% increase compared to 2023. As of 2024, JDB had a total of 215 ATMs installed nationwide. The CAGR of ATMs unit from 2022 to 2024 is 10.80%.

Figure 7: Number of ATM Units



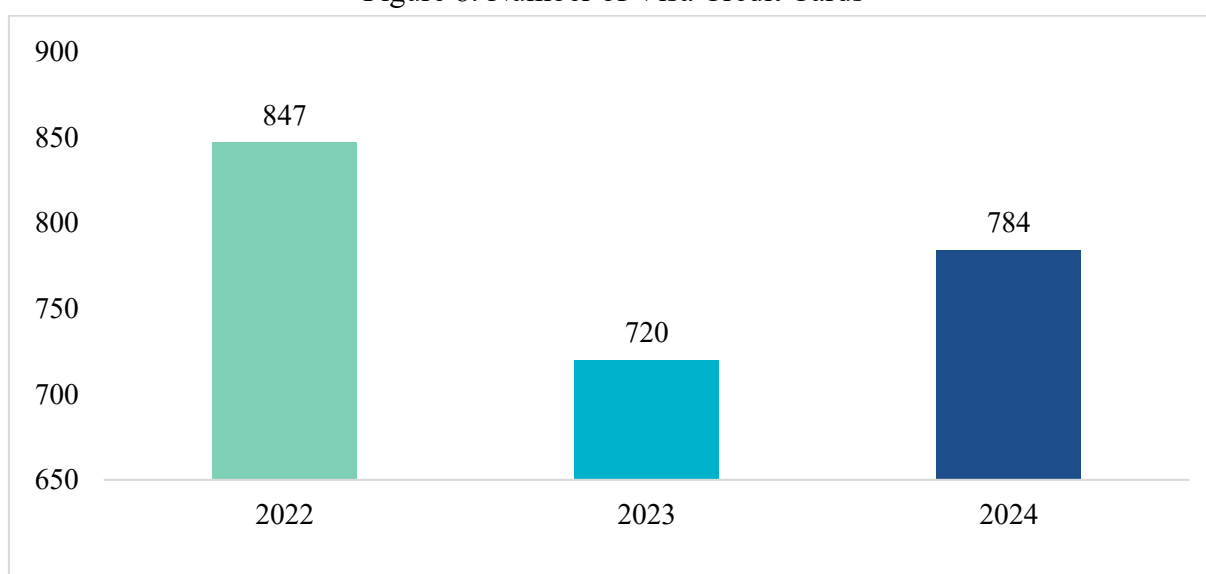
Source: Joint Development Bank Public

#### 4.3.4 JDB Visa Credit Card

A chip credit card complies with international standards that offer high security. A credit card is a cash advance card or a loan card where card members receive credit limit from the Bank according to the specified rules. The card can be used to pay for goods, services and online transactions. One supplement card can be applied for per main card. An interest-free period of up to 45 days is available (depending on payment date) if the full amount is paid on time. Partial payments are allowed, and certain fees may be waived if more than 20% of the total amount is used on the statement. The card is accepted at stores that accept JDB Credit Cards and stores with Visa both nationwide and worldwide. There are 7 types of JDB Visa credit cards: UPI Credit Classic, UPI Credit Platinum, Visa Credit Classic, Visa Credit Gold, VISA Credit Platinum, VISA Credit Infinite and VISA Credit Champa Super Gold.

In 2022, JDB issued 847 credit cards. In 2023, there are 720 Credit Cards, which is a decline of 15% compared to 2022. In 2024, the credit cards have increased to 784 cards. It has a 9% growth compared to 2023.

Figure 8: Number of Visa Credit Cards



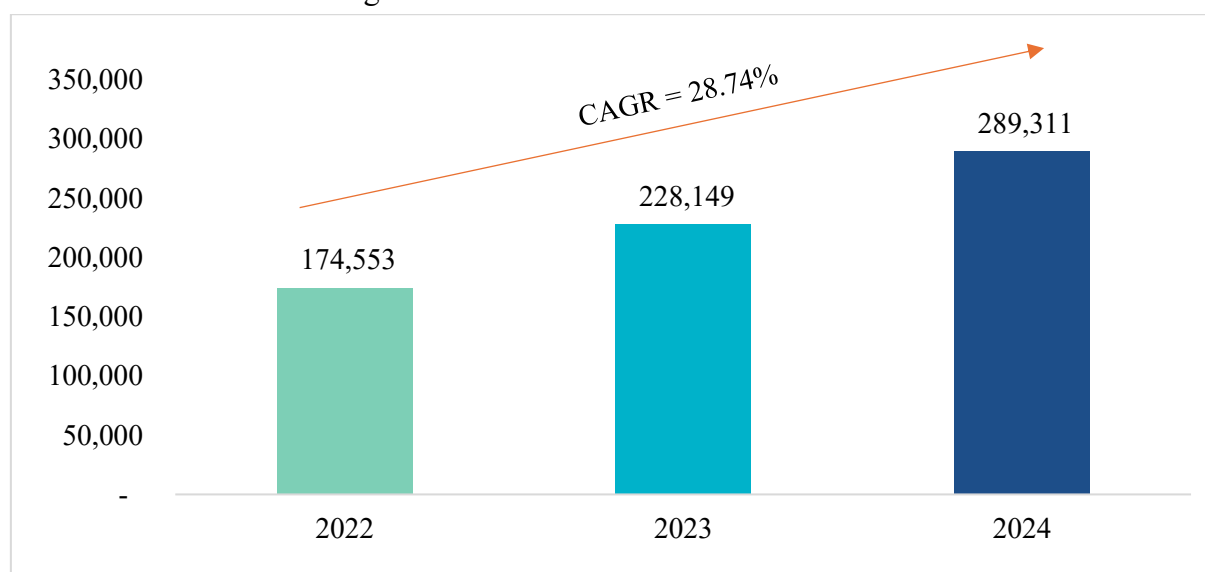
Source: Joint Development Bank Public

#### 4.3.5 JDB Visa Debit Card

Based on JDB's strengths, the use of debit cards is popular among its customers nationwide, as the cards can be used to withdraw money both domestically and internationally. They are chip-based debit cards that comply with international standards, offering high security and functioning as a substitution to cash for payments of goods, services, or online transactions, similar to a credit card.

Based on the figure below, debit cards have become increasingly popular in society. In 2023, the number of cards increased by 51,550 cards, reaching a total of 228,149 cards, representing a 30.71% increase compared to 2022. In 2024, the number of cards rose by 56,339, reaching 289,311 or equivalent to a 7.90% increase compared to 2023. The CAGR of Visa debit cards from 2022 to 2024 is 28.74%.

Figure 9: Number of JDB Visa Debit Cards

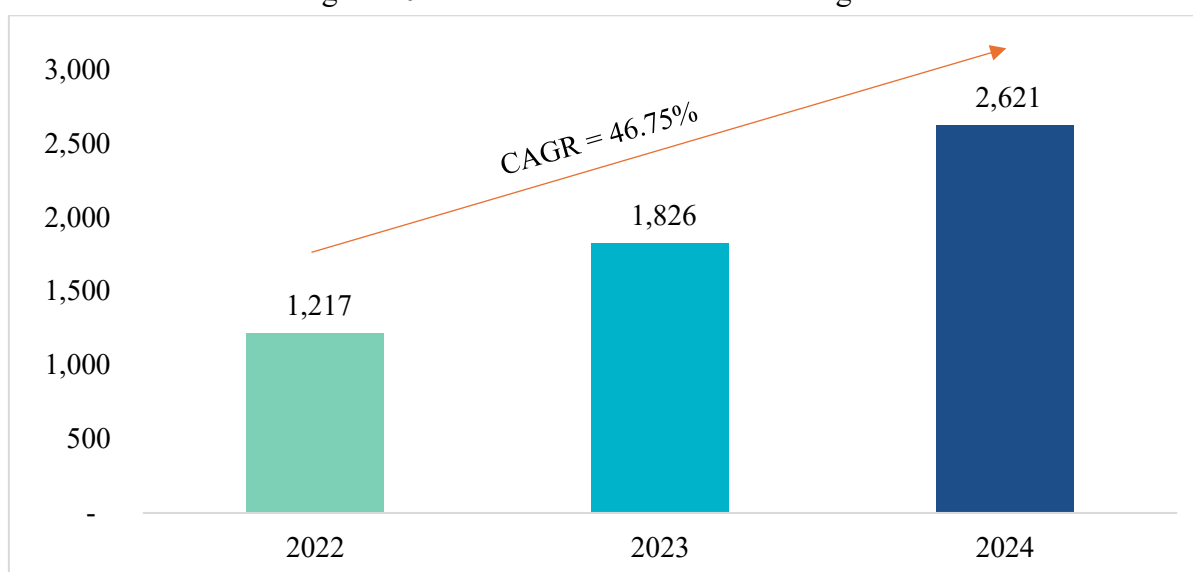


Source: Joint Development Bank Public

#### 4.3.6 JDB Online Banking

In 2022, there were 1,217 users. In 2023, the number grew to 1,826 users, representing an increase of 50.04% compared to 2022. In 2024, it increased by 43.54% to 2,621 users compared to 2023. The product was developed to allow salary transfers directly to employees' savings accounts through the system itself, eliminating the need to visit the Bank, manually transfer funds, or exchange currency. This convenience has led to a continuous increase in users. As of the first six months of 2025, there were 3,031 users. The CAGR of JDB Online Banking users from 2022 to 2024 was 46.75%.

Figure 10: Number of JDB Online Banking Users



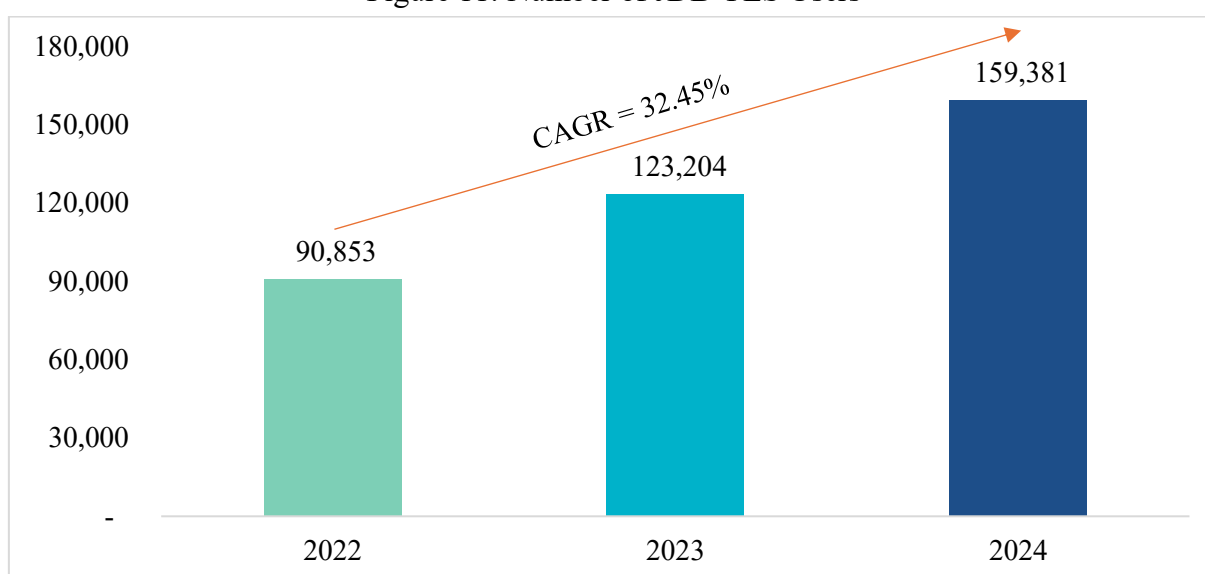
Source: Joint Development Bank Public

#### 4.3.7 JDB YES

The JDB YES product was created to serve society, with the main goal of facilitating JDB's customers in transferring money, making payments, and scanning for payments using a modern system that is convenient, fast, and secure and also reduce the time spent accessing the Bank, as customers can perform various financial transactions themselves—such as transferring money, paying for water bills, electricity bills, telephone bills, and even purchasing insurance. Presently, JDB YES has become a highly popular product and a widely used electronic service that offers great convenience to customers.

In 2023, the number of users increased by 32,351 or 35.61% compared to 2022. In 2024, user growth continued with an increase of 36,177 users or 29.36% compared to 2023. At the same time, the CAGR of JDB YES users from 2022 to 2024 were 32.45%. It is evident that the number of JDB YES users is growing steadily, which is an important factor contributing to JDB's competitive advantage. As of the first six months of 2025, there were a total of 178,031 users.

Figure 11: Number of JDB YES Users



Source: Joint Development Bank Public

#### 4.3.8 Payment Products

The cash payment has continued to decline following the spread of COVID-19, while electronic payments have increased sharply. This shift has influenced commercial shops to adapt to customer needs by expanding their electronic payment options. In response to this trend, JDB has developed convenient and fast payment channels to meet the needs of these businesses including EDC, E-Commerce, the JDB Merchant App, and QR code payments.

### 5. Assets in Business Operations

As of 31<sup>st</sup> December 2024, the total assets value of JDB is LAK 33,144,411 million. This is attributed to the unique banking operation of JDB, which includes loans to customers, cash on hand, deposits with BOL, due from other banks, investment in securities, investment in subsidiaries and joint venture, fixed assets, gold and valuable assets deposits in bank and other assets, as detailed below:

Table 4: Assets in Business Operations

Unit: LAK million

Assets	FYE 2022	FYE 2023	FYE 2024
Cash on hand	1,106,076	1,707,664	2,476,961
Balance with BOL	2,040,945	3,441,105	4,557,379
Gold and other metal precious	-	-	181,799
Due from other banks	688,766	1,106,810	1,298,605
Investment securities - Available for Sale	2,350	2,350	2,350
Investment securities - Held to maturity	515,730	714,436	995,118
Loans to customers, net of specific provision for credit activities	11,977,808	16,637,986	20,548,354
Investment in joint ventures	1,698	1,698	2,698
Construction in progress and fixed assets in transit	11,743	7,887	7,816
Intangible fixed assets	170,381	185,782	234,891
Tangible fixed assets	124,608	151,497	206,664
Accrued interest receivable	217,707	219,604	222,897
Other assets	792,052	1,906,431	2,408,879
<b>Total assets</b>	<b>17,649,864</b>	<b>26,083,248</b>	<b>33,144,411</b>

Source: Joint Development Bank Public

### 6. Business Plan for the year 2025

The Board of Directors of JDB has adopted the business plan for the year 2025, which has the estimated Key Performance Indicators (KPIs) compared to 2024 as below:

- Total Assets: no less than LAK 45,509 billion, representing a 37.31% increase compared to the 2024 performance.
- Total Deposit: no less than LAK 39,062 billion, representing a 34.46% increase compared to the 2024 performance.
- Total Loan: no less than LAK 29,185 billion, representing a 42.03% increase compared to the 2024 performance.
- Net Profit: no less than LAK 844 billion, representing a 13.86% increase compared to the 2024 performance.
- ROE Ratio: no less than 32.89%

According to the Financial Statements (unaudited) for the first 6 months of the year 2025, JDB's business performance is shown below:

- Total Assets: LAK 37,710 billion compared to the 2025 business plan, accomplishing 82.86%.
- Total Deposit: LAK 33,162 billion compared to the 2025 performance, accomplishing 84.90%
- Total Loan: LAK 23,731 billion compared to the 2025 performance, accomplishing 81.31%
- Net Profit: LAK 399 billion compared to the 2025 performance, accomplishing 47.33%.

## **7. Future Project Plans**

In order to accomplish the strategic goals in a timely manner, the organization's weakness is required to be addressed by developing the core and related projects. Among those, the new projects will be modernized in the alignment with national, regional and international. While some projects are currently implementing projects to be upgraded to fill the existing gaps and strengthen the organization in the future. The projects are part of JDB's 5-year strategic plan for 2025-2030, with a total of 5 projects as follows:

### **7.1 Modern Organizational Transformation Project**

The project aims to develop an effective workflow, foster a new culture of teamwork to provide a professional service to customers with the aim to deliver quality by applying 8 principles of TQM (Total Quality Management). In this project, the new organizational culture will be adopted especially in the excellent internal and external customer service aiming effectively implement based on the ISO established by the organization. Besides, the organization structure will be adjusted and supplemented to align with the strategic goals.

### **7.2 Strengthening Risk Management Project**

This project is associated with strengthening financial health, managing the risk of being at an acceptable level by evaluating the existing risk management tools and strengthening those tools to accommodate sustainable growth and attract foreign investment.

### **7.3 Development of Customer Relationship Management (CRM) Project**

The project promotes professional service to maintain the client base which has the wealth of assets and influence over the income for the organization to sustain for generation to come. In addition, the project will enhance the performance of retain and small customers to become larger customers and have wealth of assets for the Bank in the future.

### **7.4 Development of AI Banking and Payment Innovation Project**

It is an innovative development project to deploy AI to deliver analytical services, financial advice, investment and product recommendations to customers and investors. The project will provide an efficient financial analysis of the organization and customers. At the same time, Real-Time customer service reduces the organization's costs.

### **7.5 Global Clearing and Settlement Hub Project**

The project aims to expand cooperation between foreign banks and other business partners to establish JDB as a clearing and settlement hub in ASEAN and internationally.

## 8. Legal Disputes

Throughout the business operations, JDB was not sued in any court or there was no any legal dispute which may affect the assets of JDB or cause JDB to have litigation or take legal action. Currently, JDB has not involved any litigation, arbitration, legal claim, civil litigation or criminal proceeding or other dispute whether actual or prospective, and whether as claimant, defendant, third party or witness.

In addition, the Court Certificate issued by People Court of Vientiane Capital, No. 26/PC.VTE, dated 26<sup>th</sup> May 2025, stated that "Joint Development Bank Public does not have any pending lawsuits in court."

## 9. JDB's Capital Structure

### 9.1 Shareholders

As of 21<sup>st</sup> May 2025, the Shareholders of JDB prior to the IPO issuance consist of 3 shareholders: SMG Group Sole Co., Ltd., Ms. Kanya Phichit, and Mr. Phouxaysana Xaysombat, holding a total of 674,666,100 shares, equivalent to 100%. After the IPO issuance, the Shareholders of JDB will include SMG Group Sole Co., Ltd., Ms. Kanya Phichit, and Mr. Phouxaysana Xaysombat, the public investors, and JDB's employees, holding a total of 750,000,000 shares, equivalent to 100%. The shareholding structure is detailed below:

Table 5: Shareholder Structure Before and After IPO

No.	Shareholders	Before IPO		After IPO	
		Number of shares	%	Number of shares	%
1	SMG Group Sole Co., Ltd	634,186,134	94.00%	634,186,134	84.56%
2	Mrs. Kanya Phichit	30,359,975	4.50%	30,359,975	4.05%
3	Mr. Phouxaysana Xaysombat	10,119,991	1.50%	10,119,991	1.35%
4	Public investors	-	0.00%	67,800,500	9.04%
5	JDB's employees	-	0.00%	7,533,400	1.00%
<b>Total</b>		<b>674,666,100</b>	<b>100.00%</b>	<b>750,000,000</b>	<b>100.00%</b>

Source: Joint Development Bank Public

### 9.2 Capital

The capital of Joint Development Bank Public in 2022, 2023, and 2024 had the total value of LAK 883,290 million, LAK 1,220,275 million and LAK 1,679,578 million, respectively. In general, the equity of Joint Development Bank Public consists of registered capital, regulation reserve, general reserve, general provision for credit activities, Provision for unrecoverable assets, Unrealized loss from gold revaluation and retained earnings as detailed below:

Table 6: Capital Structure

Unit: LAK million

Capital	FYE 2022	FYE 2023	FYE 2024
Share capital	444,666	474,666	674,666
Regulatory reserve	31,031	47,225	73,941
General reserve	19,794	68,379	95,094
General provision for credit activities	58,238	81,649	91,562



Capital	FYE 2022	FYE 2023	FYE 2024
Provision for unrecoverable assets	94,030	94,030	94,030
Unrealized loss from gold revaluation	-	-	(10,995)
Retained earnings	235,531	454,325	661,279
<b>Total capital</b>	<b>883,290</b>	<b>1,220,275</b>	<b>1,679,578</b>

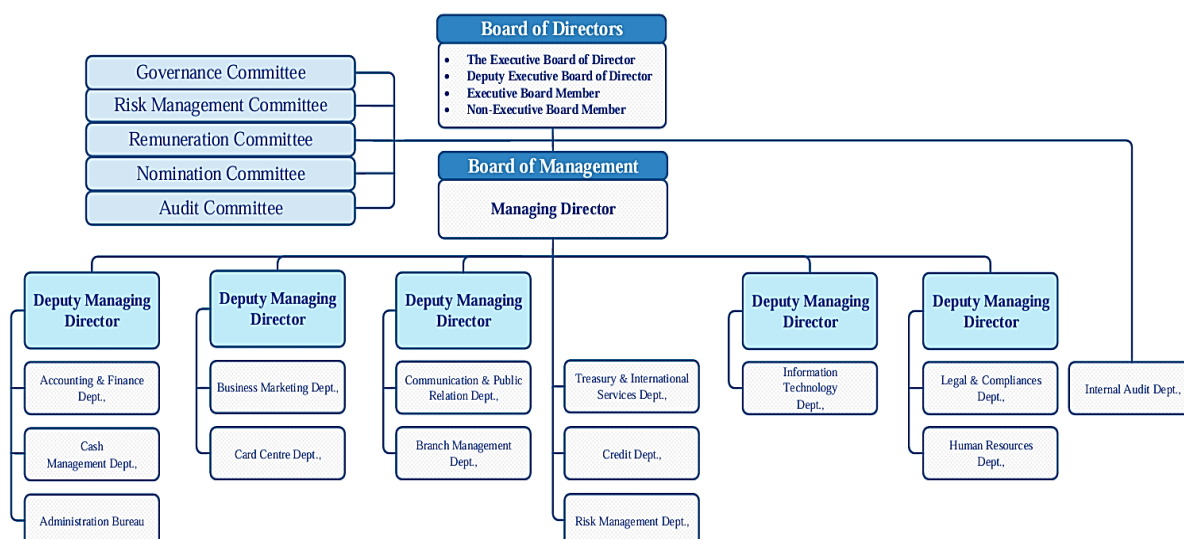
Source: Joint Development Bank Public

### 9.3 Dividend Policy

JDB has a dividend policy to distribute at least 50% of the net profit after tax obligations and allocation of legal provision reserves. However, the dividend payout rate of at least 50% may be altered, contingent upon consideration and approval by the Shareholders' Meeting. The consideration may involve future strategic investment plans, operational needs, and other relevant appropriateness.

## 10. Organizational Structure

Figure 12: Organizational Structure



### 10.1 Shareholders' Meeting

The shareholders' meeting is the highest organization of Joint Development Bank Public and all shareholders who are registered in the shareholders' registration book of JDB are entitled to attend the meetings. The shareholders' meeting consists of two types: an ordinary shareholders' meeting and an extraordinary shareholders' meeting.

#### 10.1.1 Ordinary Shareholders' Meeting

An ordinary shareholders' meeting shall be convened within four (4) months after the end of the accounting year. Ordinary shareholders' meeting has the following rights and responsibilities:

- Approve the Articles of Association and its amendment of JDB as proposed by the Board of Directors;
- Appoint or remove the Executive, Deputy Executive and members of the Board of Directors;
- Approve allowance of the Board of Directors' meeting and salary, pension, and other incentives for JDB's directors and employees;

- Approve reports, business operation plans, and annual reports of the external auditors as recommended by the Board of Directors;
- Approve the proposed merger, the sale of substantial assets or the dissolution of JDB as proposed by the Board of Directors;
- Approve the distribution of dividends and the establishment of reserve as recommended by the Board of Directors;
- Exercise such rights and other duties as provided under this regulation.

#### 10.1.2 Extraordinary Shareholders' Meeting

An Extraordinary Shareholders' meeting may be held whenever necessary as agreed by the Board of Directors, shareholder or a group of shareholders holding at least ten percent (10%) of the total ordinary shares for a period of six (6) consecutive months or more are entitled to request an opening of an Extraordinary Shareholders' Meeting in the following situations:

- Financial report represents the instability of JDB such as adequacy rate of capital against risk assets is in a trend of decreasing or decreasing lower than the limit as defined by the Bank of Lao PDR;
- When there is the number of members of the Board of Directors less than the number as defined by JDB's Articles of Association or less than the number as defined in the Law on Commercial Banks;
- In case there is a reason which proves that the directors of JDB severely violate the JDB's Articles of Association or relevant regulations of Lao PDR, which causes losses to Joint Development Bank Public and shareholders;
- Meeting convened as ordered by the court;
- Amendment and addition of content in the JDB's Articles of Association;
- Increase or decrease of the registered capital;
- Reorganization and dissolution (Settlement) of JDB and the appointment of liquidators;
- Other cases as defined in the laws of Lao PDR.

All forms of meetings shall have minutes of the meeting in writing with signatures of all attendants. Video conference or meeting through other communication methods as permitted by the Bank of Lao PDR, it shall be recorded with voice and video. When it is necessary to make decisions on some issues, the Executive of the Board of Directors may deliver a letter to shareholders regarding voting without convening a meeting.

## 10.2 Board of Directors

The Board of Directors of JDB consists of 9 members, including 3 independent members, as detailed below:

Table 7: Organization Structure of the Board of Directors of JDB

No.	Name and Surname	Designation
1	Mr. Vilay SIPHAPHONE	Executive Board of Directors
2	Mrs. Phonesamay SOUKHAPHON	Deputy Executive Board of Directors
3	Mr. Sakhone YORPHANXAY	Member of the Board of Directors
4	Mr. Khamsing SONESINNAVONG	Member of the Board of Directors
5	Mr. Vilandeth VAYASOMSAK	Member of the Board of Directors
6	Mr. Visoud BOUASISAARD	Member of the Board of Directors
7	Mr. Bounsoum SISAVAT	Member of the Board of Directors/Independent
8	Mr. Souksavanh MANIVANH	Member of the Board of Directors/Independent
9	PhD. Chomkham BOUPHALIVANH	Member of the Board of Directors/Independent

❖ **Biographies of JDB's Board of Directors****Mr. Vilay SIPHAPHONE**

Executive Board of Directors

Mr. Vilay, who has over 35 years of experience in the banking sector, graduated with a Master's degree from the National Economic University at Odessa City, Ukraine (formerly part of the Soviet Union) in 1990 and commenced his career at a state-owned commercial bank as Deputy Head of the Credit Department. He joined JDB in 2016 and held the position of Managing Director from 2019 to 2023. He is currently an Executive Board of Directors of JDB.

**Mrs. Phonesamay SOUKHAPHON**

Deputy Executive Board of Directors

Mrs. Phonesamay graduated with a Master's degree in Finance-Credit from the Economic University at Baku City, Azerbaijan (formerly part of the Soviet Union), where she studied from 1978 to 1984, and later obtained a Master's degree in Business Administration from Thammasat University in Thailand. She began working with JDB in 1989, specializing in international operations, and was promoted to Deputy Managing Director supervising Capital Management and Treasury from 2019 to 2023. She currently serves as Deputy Executive Board of Directors of JDB.

**Mr. Sakhone YORPHANXAY**

Member of the Board of Directors

Mr. Sakhone graduated with a Master's degree in Finance from the National University of Laos and began working with JDB after completing his studies in 2012 and later assumed the role of Head of Credit Department in 2016. He has been outstanding in the bank's credit operations and was promoted to Deputy Managing Director of JDB in 2018. He currently serves as Managing Director from 2023 to the present, also serving as a Member of the Board of Directors of JDB.

**Mr. Khamsing SONESINNAVONG**

Member of the Board of Directors

Mr. Khamsing completed his education as an accounting consultant (1999) and obtained a Bachelor's in Finance-Banking from Settha College of Business Administration (2010). Before joining JDB in 2013, he served as an accounting consultant for numerous companies. He has served as a Deputy Managing Director supervising Accounting and Finance from 2018 to the present, also serving as a Member of the Board of Directors of JDB.

**Mr. Vilandeth VAYASOMSAK**

Member of the Board of Directors

Mr. Vilandeth earned dual Bachelor's degrees in Business Administration and Computer Science from the National University of Laos in 2008. He joined JDB in 2004 as Head of Card Risk Management Division and later assumed the role of Head of Card Center in 2018, specializing in international settlement to extend service systems worldwide. With over 20 years of experience in payment system technologies, he was appointed Deputy Managing Director from 2020 to the present, also serving as a Member of the Board of Directors of JDB.



**Mr. Visoud BOUASISAARD**

Member of the Board of Directors

Mr. Visoud graduated with a Bachelor's degree in Finance-Banking from Rattana College of Business Administration in 2010. He has over 10 years of experience in accounting and auditing, as well as completed the securities brokerage professional course from the LSX in 2015, and the specialist accounting course from the Ministry of Finance in 2022. He began working with JDB in 2012 as Head of the Internal Audit Department. He currently serves as a Member of the Board of Directors of JDB.



**Mr. Bounsoum SISAVAT**

Member of the Board of Directors / Independent Member

Mr. Bounsoum holds a Master's degree in National Economic Statistics from the National Economic University at Baku City, Azerbaijan (formerly part of the Soviet Union) in 1985. From 2015 to 2020, he held the position of Director General of the Department and Assistant Deputy Prime Minister at the Ministry of Finance. Since 2020, he has served as an Independent Member of JDB's Board of Directors.



**Mr. Souksavanh MANIVANH**

Member of the Board of Directors / Independent Member

Mr. Souksavanh graduated with a Bachelor's degree in Finance-Banking from Rattana College of Business Administration in 2015 and has over 10 years of experience in accounting. He currently serves as Managing Director of Chanthavong Audit and Accounting Company and began working with JDB as an Independent Member of the Board of Directors in 2025.



**PhD. Chomkham BOUPHALIVANH**

Member of the Board of Directors / Independent Member

PhD. Chomkham graduated with a Doctor of Philosophy degree in Political Theory and Law from the Ho Chi Minh National Political Institute (Socialist Republic of Vietnam) in 1998. Currently, he serves as Director General of the Justice Administration Department at the Ministry of Justice, and began working with JDB as an Independent Member of the Board of Directors in 2025.

**10.2.1 Rights and Responsibilities of the Board of Directors**

- Research, develop, approve, and adopt strategic risk management plans and policies for various types of risks management of JDB;
- Monitor and evaluate the implementation of strategic plans, operation plans, annual budget plans, risk management policies, and annual business operation plans;
- Consider and approve high-value investments, loans, credit disbursements, and debt restructuring arrangements in accordance with regulation and JDB's policies;
- Monitor and evaluate the performance of significant investments, related-party transactions, asset acquisitions, and disposals;
- Establish mechanisms and systems for risk management, including oversight, monitoring, and evaluation;
- Ensure a clear segregation of roles, rights, responsibilities, and accountabilities between the Board of Directors and the Managing Directors of JDB;

- Study and adopt corporate governance policies (Corporate Governance);
- Ensure implementation of accounting, reporting, and internal audit systems in accordance with applicable regulations;
- Faithfully and diligently implement shareholder resolutions, upholding fairness and equality among all shareholders;
- Appoint Board of Director Committees of JDB including the Audit Committee, Risk Management Committee, Corporate Governance Committee, Nomination Committee, Remuneration Committee, and other committees deemed necessary by the Board of Directors;
- Delegate or divide of the duties and responsibilities to individual board members and the Board Secretary as appropriate;
- Appoint, transfer or dismiss the Managing Director of JDB in accordance with the Board's resolutions;
- Consider appointments or dismissal of the Deputy Managing Directors based on the Managing Director's recommendations;
- Appoint the Secretary to the Board of Directors to carry out tasks as delegated by the Board or its committees;
- Study and propose remuneration packages for the Chairman, Vice Chairman, Committees, Committees of the Board of Directors, Managing Director, and Deputy Managing Directors for approval by the Shareholders' Meeting, based on recommendations from relevant committees and in consideration of the best interests of JDB and its shareholders;
- Propose the allocation of net profits, dividends, and staff-related policies to the Shareholders' Meeting for consideration and approval;
- Research, monitor, and resolve conflicts of interest affecting Joint Development Bank Public;
- Present the Annual Report and audited financial statements to the Shareholders' Meeting for consideration and approval;
- Clarify, respond to queries, and provide details on the JDB's business activities to the Shareholders' Meeting;
- Report the JDB Public's operation performance to the Shareholders' Meeting;
- Disclose the JDB's shareholdings in other enterprises and vice versa, where such shareholding exceeds five percent (5%), including any increase or decrease in shareholding during the financial year;
- Conduct assessments of the Board of Directors' performance at least once a year to identify strengths and areas for improvement;
- Publicly disclose the names of the Chairman, Vice Chairman, Executive Board Members, the number of board meetings held, the attendance record of the Chairman, Vice Chairman, and each Executive Board Members, and a summary of the Board of Directors' performance in the annual report;
- Oversee appropriate public disclosure of information and communications with shareholders;
- Exercise other rights and responsibilities as stipulated in the applicable laws and regulations.

### 10.3 Committees of the Board of Directors

The Committees of the Board of Directors comprise of Governance Committee, Audit Committee, Risk Management Committee, Remuneration Committee, and Nomination Committee. The Committees of the Board of Directors are appointed by the Executive Board of Directors with the approval of the Board of Directors meeting, in order to ensure transparency and efficiency in the operations of the Joint Development Bank Public.

Each committee of the Board of Directors must consist of at least three Board members, of whom at least one-third (1/3) must be Independent Directors, except for the Audit Committee. The Chairperson of each committee must be an Executive Board Member or an Independent Board member.

Members of the Audit Committee must include Executive Board Member who do not involve in the management and must also include Independent Directors, with at least one-second 1/2 of the total number of members, and at least one member must have experience in accounting and auditing.

#### 10.3.1 Governance Committee

The Governance Committee of JDB comprises of 3 members as follows:

Table 8: Governance Committee

No.	Name and Surname	Designation
1	Mr. Vilandeth VAYASOMSAK	Head of the Committee
2	Mrs. Phonesamay SOUKHAPHON	Member of the Committee
3	Mr. Khamsing SONESINNAVONG	Member of the Committee

#### ❖ Rights and Responsibilities of the Governance Committee

- Research and revise policies related to organizational and personnel administration;
- Lead the development and revision of administration and management manuals and submit them to the Board of Directors for approval, including monitoring, inspecting, and reporting to the Board of Directors on the implementation of such manuals;
- Research and revise the strategic plan, operation plan, budget plan, and the annual business operation plan of JDB;
- Monitor and evaluate the implementation of the strategic plan, operational plan, monthly, quarterly, and yearly budget plans;
- Examine the roles, rights, and responsibilities between the Board of Directors and Managing Directors of the Joint Development Bank Public;
- Research, monitor and resolve conflicts of interest relating to JDB's benefit and propose to the Board of Directors;
- Propose the opening of new branches, subsidiaries, or investments in other businesses to the Board of Directors for consideration;
- Determine the standards and conditions for the administrative personnels;
- Develop the annual work plan of the Board of Directors and submit it to the Board for approval and monitor its implementation;
- Determine conditions and plans for evaluating the performance of the Board of Directors and Managing Directors;
- Report in detail the operational performance of JDB to the Board of Directors;
- Summarize and evaluate the annual implementation of its own responsibilities;
- Report on its duties to the Board of Directors periodically;



- Exercise other rights and perform other duties as assigned by the Board of Directors or the Shareholders' Meeting, and other applicable regulations.

### 10.3.2 Audit Committee

The Audit Committee of JDB comprises of 3 members as follows:

Table 9: Audit Committee

No.	Name and Surname	Designation
1	Mr. Souksavanh MANIVANH	Head of the Committee
2	Mr. Visoud BOUASISAARD	Member of the Committee
3	PhD. Chomkham BOUPHALIVANH	Member of the Committee

#### ❖ Rights and Responsibilities of the Audit Committee

##### 1) Financial Statements and Disclosure

- Review JDB's financial statements to ensure they are comprehensive, accurate, and compliant with financial reporting standards;
- Inquire with the external audit firm or auditor on significant issues that may affect the credibility of JDB's financial statements;
- Examine related-party transactions or potential conflicts of interest to ensure compliance with internal policies and relevant procedures;
- Review JDB's reports and disclosure practices, ensuring alignment with applicable legal and regulatory requirements.

##### 2) Internal Controls

Ensure that an effective internal control system is in place. The internal auditors must evaluate the entire internal control system at least once a year.

##### 3) External Audit

- Ensure the independence of external auditors, qualifications, objectivity, and impartiality of the external auditors appointed to serve JDB;
- Review and determine the audit scope, participate in the selection process of external auditors, audit fees, and propose the termination of contracts with external auditors for submission to the Board of Directors and the Shareholders' Meeting for approval;
- Monitor and follow up on the outstanding resolution of issues raised in previous audit reports;
- Inquire into the scope and execution of duties performed by external and internal auditors to prevent redundancy and overlap.

##### 4) Internal Audit

- Ensure the independence of the internal audit function;
- Provide direct oversight of the internal audit department, however, day-to-day operations are managed under the Directors;
- Regularly review audit frameworks and internal audit processes;
- Examine internal audit reports and meet with the officers responsible to assess any interference from management or departments that could compromise audit independence or internal auditor's judgment;
- Engage with management and relevant departments on significant audit findings and proposed corrective actions;
- Evaluate the performance of the Head of the Internal Audit Department;

- Assess the effectiveness of asset utilization in accordance with JDB's policies, Board of Directors' resolutions, and shareholders' meeting decisions.
- 5) Compliance with Laws and Regulations
  - Inspect the implementation of the Law on Securities, relevant legislation, and other applicable regulations;
  - Inquire with members of the Board of Directors and Managing Directors of JDB regarding considerations of material risks and risks related to operations.
- 6) Performance Assessment
  - Evaluate the annual performance of Audit Committee;
  - Disclose information in the annual business summary report, including names and number of meetings, attendance frequency of each member, assessment results, and key activities of the Audit Committee.
- 7) Other Rights and Responsibilities
  - Review and recommend on the appointment or dismissal of the Head of Internal Audit prior to consideration by Managing Directors;
  - Inquire about major risk levels and evaluate the internal auditor's risk assessment approach compared to that of the external auditor;
  - Report its performance to the Board of Directors and the Shareholders' Meeting;
  - Attend Board of Directors Meetings to provide opinions on related matters, including asset acquisition/disposal, and the selection and remuneration of the external auditor;
  - Prepare a budget plan aligned with the audit work plan;
  - Provide input on financial and other issues as proposed by the Board of Directors or Managing Directors;
  - Exercise other rights and responsibilities as assigned by the Board of Directors.

#### 10.3.3 Risk Management Committee

The Risk Management Committee of JDB comprises of 3 members as follows:

Table 10: Risk Management Committee

No.	Name and Surname	Designation
1	Mr. Visoud BOUASISAARD	Head of the Committee
2	Mr. Sakhone YORPHANXAY	Member of the Committee
3	Mr. Bounsoum SISAVAT	Member of the Committee

- ❖ Rights and Responsibilities of the Risk Management Committee
  - Review risk management policies, particularly in areas such as the economic-finance risk management, market risk, capital, liquidity, credit, product, service delivery, operational risks, and other risks that may directly or indirectly impact JDB, and submit these for consideration by the Board of Directors;
  - Review the risk management policy and its implementation across the business group, including control mechanisms, monitoring systems, and performance evaluations of risk management practices within the group;
  - Prepare its own operational plan aligned with the risk management policy to ensure effective implementation, monitoring, and evaluation of risk controls within an appropriate risk tolerance level;
  - Provide recommendations regarding the appointment, transfer, or dismissal of the Deputy Director responsible for risk management;



- Study and recommend acceptable levels of risk to the Board of Directors;
- Review, amend, or update the risk management policy periodically to ensure its effectiveness in reducing potential risks to JDB, including maintaining risk within acceptable limits;
- Request relevant risk management information and convene internal meetings with relevant JDB departments when necessary;
- Submit progress reports on its activities to the Audit Committee and the Board of Directors on a monthly or quarterly basis, or as needed;
- Disclose the annual report information associated with committee membership, meeting frequency, attendance of each member, evaluation results, and key highlights of the committee's activities;
- Exercise other rights and responsibilities as assigned by the Board of Directors.

#### 10.3.4 Remuneration Committee

The Remuneration Committee of JDB comprises of 3 members as follows:

Table 11: Remuneration Committee

No.	Name and Surname	Designation
1	Mr. Khamsing SONESINNAVONG	Head of the Committee
2	Mr. Vilandeth VAYASOMSAK	Member of the Committee
3	Mr. Souksavanh MANIVANH	Member of the Committee

#### ❖ Rights and Responsibilities of the Remuneration Committee

- Determine the principles and structure of remuneration payment;
- Review remuneration packages for the Board of Directors and Managing Directors and submit recommendations to the Shareholders' Meeting for approval;
- Review remuneration packages for department heads and deputy department heads and submit recommendations to the Board of Directors for approval;
- Report on its activities to the Board of Directors and the Shareholders' Meeting;
- Disclose in the annual business summary report relevant information, including member names, number of meetings held, attendance records, performance evaluations, and a summary of committee activities;
- Exercise other duties as assigned by the Board of Directors.

#### 10.3.5 Nomination Committee

The Nomination Committee of JDB comprises of 3 members as follows:

Table 12: Nomination Committee

No.	Name and Surname	Designation
1	Mr. Bounsoum SISAVAT	Head of the Committee
2	Mr. Sakhone YORPHANXAY	Member of the Committee
3	PhD. Chomkham BOUPHALIVANH	Member of the Committee

#### ❖ Rights and Responsibilities of the Nomination Committee

- Establish principles and procedures for selecting personnel to serve as members of the Board of Directors, Managing Directors, and senior-level department staff. These principles and procedures must be transparent and auditable;

- Review qualifications, knowledge, experience, and suitability based on defined criteria in accordance with the decision on the Board of Directors and other applicable regulations;
- Propose shortlisted candidates for Board of Directors' consideration and submit final recommendations to the Shareholders' Meeting for approval;
- Report on its performance to the Board of Directors;
- Disclose in the annual business summary report relevant information, including member names, number of meetings held, attendance records, performance evaluations, and a summary of committee activities;
- Exercise other duties as assigned by the Board of Directors.

#### 10.4 Managing Directors

The Managing Directors comprise of 1 Managing Director and 5 Deputy Managing Directors, as detailed below:

Table 13: Organizational Structure of Managing Directors

No.	Name and Surname	Designation
1	Mr. Sakhone YORPHANXAY	Managing Director
2	Mr. Khamsing SONESINNAVONG	Deputy Managing Director
3	Mr. Vilandeth VAYASOMSAK	Deputy Managing Director
4	Mr. Chansana SINGHAVONG	Deputy Managing Director
5	Mr. Chanthaphone CHANTHAVONG	Deputy Managing Director
6	Mr. Khamsu YANG	Deputy Managing Director

❖ **Biographies of JDB's Managing Directors****Mr. Sakhone YORPHANXAY**

Managing Director

Mr. Sakhone graduated with a Master's degree in Finance from the National University of Laos and began working with JDB after completing his studies in 2012 and later assumed the role of Head of Credit Department in 2016. He has been outstanding in the bank's credit operations and was promoted to Deputy Managing Director of JDB in 2018. He currently serves as Managing Director from 2023 to the present, also serving as a Member of the Board of Directors of JDB.

**Mr. Khamsing SONESINNAVONG**

Deputy Managing Director

Mr. Khamsing completed his education as an accounting consultant (1999) and obtained a Bachelor's in Finance-Banking from Settha College of Business Administration (2010). Before joining JDB in 2013, he served as an accounting consultant for numerous companies. He has served as a Deputy Managing Director supervising Accounting and Finance from 2018 to the present, also serving as a Member of the Board of Directors of JDB.

**Mr. Vilandeth VAYASOMSAK**

Deputy Managing Director

Mr. Vilandeth earned dual Bachelor's degrees in Business Administration and Computer Science from the National University of Laos in 2008. He joined JDB in 2004 as Head of Card Risk Management Division and later assumed the role of Head of Card Center in 2018, specializing in international settlement to extend service systems worldwide. With over 20 years of experience in payment system technologies, he was appointed Deputy Managing Director from 2020 to the present, also serving as a Member of the Board of Directors of JDB.

**Mr. Chansana SINGHAVONG**

Deputy Managing Director

Mr. Chansana graduated a Master's degree in Software Development from New Delhi University, India, in 2010. He commenced his career at JDB in 2013 and, with more than a decade of experience in IT systems, was appointed Deputy Managing Director since 2020 to the present.

**Mr. Chanthaphone CHANTHAVONG**

Deputy Managing Director

Mr. Chanthaphone graduated a Master's degree in Law from the National University of Laos, completed in 2021. He joined JDB in 2013, and with extensive experience in internal audit and legal affairs, was promoted to Deputy Managing Director since 2023 to the present.


**Mr. Khamsu YANG**

Deputy Managing Director

Mr. Khamsu graduated a Bachelor's degree in Finance–Banking from Rattana Business Administration College in 2013 and joined JDB after graduation. Over the past decade, he has gained significant experience in banking services and marketing, which led to his promotion to Deputy Managing Director since 2019 to the present.

#### 10.4.1 Managing Director

The Managing Director is responsible for the day-to-day operations within the scope of rights and responsibilities defined by the JDB's Article of Association.

The Managing Director is appointed or dismissed by the Board of Directors and serves a term of two (2) years, with the possibility of reappointment.

The Managing Director may serve as a Member of the Board of Directors but shall not hold the position of Chairperson, Deputy Chairperson, or Chairperson of any Board committee.

#### 10.4.2 Rights and Responsibilities of the Managing Director

- Acts as the authorized representative in signing contracts and documents on behalf of JDB;
- Manages the daily operations of JDB within the scope of rights and duties defined by JDB's Article of Association or as delegated by the Board of Directors;
- Prepares, proposes, or revises the annual business plan for submission to the Board of Directors for approval and implementation;
- Reviews and submits recommendations to the Board of Directors regarding the appointment or dismissal of Deputy Managing Directors;
- Appoints, dismisses and assigns personnel within JDB in accordance with applicable internal regulations;
- Establishes internal committees under Managing Directors to assess and resolve specific operational issues of the Joint Development Bank Public;
- Provides information and explanations on matters of interest to the Board of Directors;
- Prepares or amends internal control regulations for submission to the Board of Directors for approval;
- Responsible for all operational activities of JDB to the Board of Directors;
- Proposes the establishment of branches, units, or service outlets, the establishment of subsidiaries, or investment in other businesses to the Board of Directors for consideration and approval;
- Research and present to the Board of Directors via relevant committees which matters relating to staff salary adjustments, and incentive policies or disciplinary measures, in accordance with Article of Association of JDB;
- Cooperate with and provide information and clarification to the Audit Committee and external auditors;
- Reports on JDB operations to the Board of Directors and relevant committees, provides explanations, and submits necessary documentation upon request;
- Exercise other rights and perform duties as defined in accordance with the Article of Association of JDB.

## 10.5 JDB's Employees

The continuous expansion of JDB's product lines and service branches has resulted in a steady increase in staffing, from 726 employees in 2022 to 756 employees over the past three years.

Table 14: Number of Employees from 2022-2024

2022	2023	2024
726	735	756

Source: Joint Development Bank Public

In 2024, JDB had a total number of 756 employees, of which 218 held positions ranging from the position of managing directors to service unit heads, accounting for approximately 28.84% of total employees.

Table 15: Number of Employees by Position Level in 2024

Level	Number of People	Percentage (%)
Managing Directors	6	0.79 %
Head of Departments	42	5.56 %
Head of Divisions	44	5.82 %
Head of Service Units	126	16.67 %
Full-time Employees	461	60.98 %
Contractual Employees	77	10.19 %
<b>Total</b>	<b>756</b>	<b>100.00%</b>

Source: Joint Development Bank Public

In terms of educational qualifications, more than 88.10% of JDB employees have attained higher education up to and including the doctoral level. Among them, 73.02% hold bachelor's degrees, and 6.75% hold master's degrees.

Table 16: Educational Background of Employees

Educational Level	Number of People	Percentage (%)
Doctoral of Philosophy Degree	2	0.26%
Master's Degree	51	6.75%
Bachelor's Degree	552	73.02%
Higher Diploma	61	8.07%
Middle Diploma	8	1.06%
Lower Diploma	1	0.13%
No qualification	81	10.71%
<b>Total</b>	<b>756</b>	<b>100.00%</b>

Source: Joint Development Bank Public

Regarding age average structure, JDB has a predominantly young to mid-aged workforce. Employees between the ages of 26 to 30 and 31 to 35 years represent 28.44% and 32.14% of the total employees, respectively.

Table 17: Age of Employees

Age	Number of People	Percentage (%)
Under 25	91	12.04%
26 - 30	215	28.44%
31 - 35	243	32.14%
36 - 40	101	13.36%
41 - 45	58	7.67%
46 - 50	20	2.65%
51 - 55	14	1.85%
56 - 60	7	0.93%
61 - 72	7	0.93%
<b>Total</b>	<b>756</b>	<b>100.00%</b>

Source: Joint Development Bank Public

## 11. Internal Audit

Internal audit refers to the review of activities deemed to carry inherent risk and other critical operations, prioritized according to the level of risk, starting from those with the highest risk to the lowest in order to identify weaknesses and propose improvements to the Board of Directors for resolving with the aims to ensure:

- Accurate recording of transactions and changes in assets;
- Establishment of financial reporting systems in accordance with accounting principles;
- Proper authorization of payments by the Board of Directors or Managing Directors;
- That asset acquisition, use, or disposal is not conducted without appropriate management approval.

## 12. Financial Status and Business Performance Data of JDB

### 12.1 Independent Auditor and Summary of the Independent Auditor's Report

The independent auditor is PricewaterhouseCoopers (Lao) Sole Company Limited, which audited the financial statements for the years 2022, 2023, and 2024.

#### *Summary of the Independent Auditor's Report*

The auditor expressed an unmodified opinion on the financial statements for the years ended December 31, 2022, 2023, and 2024. These statements were prepared in accordance with the accounting policies of the Bank and the relevant regulations and notifications of the Bank of the Lao PDR. The auditor concluded that the financial statements accurately present the financial position of the Bank and are consistent with *Note 2 to the financial statements*.

### 12.2 Financial Statements

Financial status and business performance data of JDB for the past three years (audited by an independent auditor - PwC) are summarize as follows:

Table 18: Statement of Financial Position

Unit: LAK million

Statement of Financial Position	FYE 2022	FYE 2023	FYE 2024
<b>Cash and accounts with the BOL</b>	<b>3,147,022</b>	<b>5,148,769</b>	<b>7,216,139</b>
Cash on hand	1,106,076	1,707,664	2,476,961
Balance with BOL	2,040,945	3,441,105	4,557,379
Gold and other metal precious	-	-	181,799
<b>Due from other banks</b>	<b>688,766</b>	<b>1,106,810</b>	<b>1,298,605</b>
Demand deposits	429,200	741,506	1,219,141
Term deposits	101,537	193,800	73,316
Saving deposits	158,029	171,503	6,148
<b>Investment securities</b>	<b>518,080</b>	<b>716,786</b>	<b>997,468</b>
Available-for-sale securities	2,350	2,350	2,350
Held-to-maturity securities	515,730	714,436	995,118
<b>Loans to customers, net of specific provision for credit activities</b>	<b>11,977,808</b>	<b>16,637,986</b>	<b>20,548,354</b>
<b>Investment in joint ventures</b>	<b>1,698</b>	<b>1,698</b>	<b>2,698</b>
<b>Fixed assets</b>	<b>306,732</b>	<b>345,165</b>	<b>449,371</b>
Construction in progress and fixed assets in transit	11,743	7,887	7,816
Intangible fixed assets	170,381	185,782	234,891
Tangible fixed assets	114,548	135,422	186,095
Right of use assets	10,060	16,075	20,569
<b>Other assets</b>	<b>1,009,760</b>	<b>2,126,035</b>	<b>2,631,776</b>
Accrued interest receivable	217,707	219,604	222,897
Other assets	792,052	1,906,431	2,408,879
<b>Total assets</b>	<b>17,649,864</b>	<b>26,083,248</b>	<b>33,144,411</b>
<b>Liabilities</b>			
<b>Due to other banks and financial institutions</b>	<b>1,958,726</b>	<b>2,060,772</b>	<b>2,630,625</b>
Demand and saving deposits	20,493	168,694	214,659
Term deposits	620,042	543,719	1,360,134
Borrowings	1,317,435	1,348,310	1,055,809
Other payables	756	49	23
<b>Due to customers</b>	<b>14,140,149</b>	<b>21,867,163</b>	<b>27,476,248</b>
Demand and saving deposits	3,177,008	5,094,291	7,062,532
Term deposits	10,963,141	16,772,873	20,413,716

Statement of Financial Position	FYE 2022	FYE 2023	FYE 2024
<b>Other liabilities</b>	<b>667,699</b>	<b>935,037</b>	<b>1,357,961</b>
Accrued interests payable	496,645	700,874	924,446
Other liabilities	171,054	234,163	433,515
<b>Total liabilities</b>	<b>16,766,574</b>	<b>24,862,973</b>	<b>31,464,834</b>
<b>Capital</b>			
Share capital	444,666	474,666	674,666
Regulatory reserve fund	31,031	47,225	73,941
General reserve fund	19,794	68,379	95,094
General provision for credit activities	58,238	81,649	91,562
Provision for unrecoverable assets	94,030	94,030	94,030
Unrealized loss from gold revaluation	-	-	(10,995)
Retained earnings	235,531	454,325	661,279
<b>Total capital</b>	<b>883,290</b>	<b>1,220,275</b>	<b>1,679,578</b>
<b>Total liabilities and capital</b>	<b>17,649,864</b>	<b>26,083,248</b>	<b>33,144,411</b>

Source: Joint Development Bank Public



Table 19: Statement of Income

Unit: LAK million

Statement of Income	FYE 2022	FYE 2023	FYE 2024
Interest and similar income	942,753	1,334,107	1,904,904
Interest and similar expense	(656,205)	(1,024,786)	(1,436,264)
<b>Net interest and similar income</b>	<b>286,548</b>	<b>309,321</b>	<b>468,640</b>
Fee and commission income	204,449	484,078	761,638
Fee and commission expenses	(36,695)	(67,755)	(126,086)
<b>Net fee and commission income</b>	<b>167,754</b>	<b>416,323</b>	<b>635,553</b>
Net gain from securities investment	16,296	17,231	41,005
Net gain from dealing in foreign currencies	134,785	200,857	279,352
<b>Net operating income</b>	<b>605,383</b>	<b>943,733</b>	<b>1,424,550</b>
Other operating income	10,372	11,524	63,421
Administration expenses	(155,613)	(252,738)	(368,281)
Payroll and other staff costs	(81,314)	(148,937)	(205,811)
Other administrative expenses	(74,300)	(103,802)	(162,470)
Depreciation and amortization charges	(25,866)	(38,975)	(51,214)
Other operating expenses	(37,386)	(59,240)	(148,655)
Net provision for non-performing loans charged to expense	(55,450)	(10,342)	1,301
<b>Profit before tax</b>	<b>341,439</b>	<b>593,962</b>	<b>921,122</b>
Current profit tax	(60,010)	(83,659)	(179,861)
<b>Profit after tax</b>	<b>281,429</b>	<b>510,303</b>	<b>741,261</b>

Source: Joint Development Bank Public

Table 20: Statement of Cashflow

Unit: LAK million

Statement of Cashflow	FYE 2022	FYE 2023	FYE 2024
<b>Operating activities</b>			
<b>Net profit before tax</b>	<b>341,439</b>	<b>593,962</b>	<b>921,122</b>
<i>Adjustments for:</i>			
Depreciation and amortization expenses	25,866	45,772	51,214
Write-off and disposal	-	-	7,799
Net provision expenses	5,978	9,845	93,864
Interest income	(942,753)	(1,334,107)	(1,904,904)
Interest expense	656,205	1,024,786	1,436,264
<b>Cash flows from operating profit before changes in operating assets and liabilities</b>	<b>86,735</b>	<b>340,257</b>	<b>605,359</b>
Changes in operating assets			
Balances with other banks	(163,714)	(865,564)	(255,319)
Loans to customers	(4,397,415)	(4,670,023)	(3,994,373)
Other assets	(338,416)	(1,114,379)	(502,448)
Changes in operating liabilities			
Amounts due to BOL and other banks	792,467	71,172	891,448
Due to customers	5,412,569	7,727,014	5,609,085
Other liabilities	45,783	159,095	56,408
Interest paid	(450,686)	(820,557)	(1,212,692)
Interest received	832,905	1,332,211	1,901,610
Profit tax paid	(60,010)	(76,966)	(85,005)
<b>Net cash flows used in operating activities</b>	<b>1,760,217</b>	<b>2,040,345</b>	<b>3,014,073</b>
<b>Investing activities</b>			
Payment for construction in progress and tangible assets	(52,114)	(7,790)	(27,225)
Payment for intangible fixed assets	(20,075)	(21,772)	(58,228)
Payment for tangible fixed assets	-	(44,924)	(77,767)
Proceed from disposals of assets	758	426	-
Payment for right of use assets	-	(10,146)	(8,675)
Payment from investment in financial investment - hold to maturity	(150,712)	(233,165)	(1,297,654)
Proceed from investment in financial investment - hold to maturity	15,000	34,460	1,016,971

<b>Statement of Cashflow</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>
Payment from investment in financial investment - Gold and other metal precious	-	-	(192,794)
Payment for associates and joint ventures investments	(510)	-	(1,000)
<b>Net cash flows used in investing activities</b>	<b>(207,652)</b>	<b>(282,911)</b>	<b>(646,370)</b>
<b>Financing activities</b>			
Payment of dividend	(78,486)	(203,207)	(232,789)
Payment for borrowing with BOL	-	-	(435,155)
Proceeds for borrowing with BOL	-	-	113,559
<b>Net cash flows used in financing activities</b>	<b>(78,486)</b>	<b>(203,207)</b>	<b>(554,385)</b>
<b>Net change in cash and cash equivalents</b>	<b>1,449,798</b>	<b>1,554,227</b>	<b>1,822,047</b>
Cash and cash equivalents at the beginning of the year	1,922,902	3,372,700	4,926,927
<b>Cash and cash equivalents at the end of the year</b>	<b>3,372,700</b>	<b>4,926,927</b>	<b>6,748,974</b>

Source: Joint Development Bank Public

## 12.3 Key Financial Ratios

Table 21: Key Financial Ratios

Key Financial Ratios	FYE 2022	FYE 2023	FYE 2024
<b>Profitability Ratio</b>			
Net profit margin (NPM)	22.13%	25.77%	25.35%
Net interest margin (NIM)	2.68%	1.96%	2.27%
Return on equity (ROE)	36.15%	48.52%	51.12%
<b>Efficiency Ratio</b>			
Cost to income ratio	35.54%	36.74%	38.18%
Yield on earning assets	8.81%	8.43%	9.22%
Net interest income to total assets	2.00%	1.41%	1.58%
Return on assets (ROA)	1.97%	2.33%	2.50%
<b>Leverage Ratio</b>			
Debt-to-equity ratio (D/E)	18.98x	20.37x	18.73x
Debt ratio (D/A)	0.95x	0.95x	0.95x
Loan-to-deposit ratio (LDR)	81.04%	73.69%	70.73%
Deposit-to-liability ratio (DLR)	88.16%	90.23%	92.33%
Dividend payout ratio	92.07%	94.23%	-
Dividend (LAK million)	259,119	480,877	-
<b>Asset Quality Ratio</b>			
Non-performing loans (NPLs) (LAK million)	258,733	169,701	95,988
Loan loss provision to net loans ratio	-0.46%	-0.06%	0.01%
NPLs to net loans ratio	2.16%	1.02%	0.47%
Loans loss coverage ratio	-22.81%	-18.80%	97.79%
<b>Capital Adequacy Ratio</b>			
Tier 1 capital (LAK million)	458,151	551,679	805,422
Tier 2 capital (LAK million)	426,119	551,679	805,422
Capital for CAR calculation (LAK million)	884,270	1,103,359	1,610,844
Total risk-weighted assets (LAK million)	11,505,808	16,208,509	20,732,362
Tier 1 capital ratio	3.98%	3.40%	3.88%
Capital adequacy ratio (CAR)	7.69%	6.81%	7.77%
Shareholder equity ratio	5.00%	4.68%	5.07%
<b>Other Ratios</b>			
Number of outstanding shares	444,666,100	474,666,100	674,666,100

Key Financial Ratios	FYE 2022	FYE 2023	FYE 2024
Earnings per share (EPS) (LAK)	633	1,075	1,099
Book value per share (BVPS) (LAK)	1,986	2,571	2,489
Dividend per share (DPS) (LAK)	583	1,013	-
Dividend yield (compared to par value)	58.27%	101.31%	-

## 12.4 Business Performance

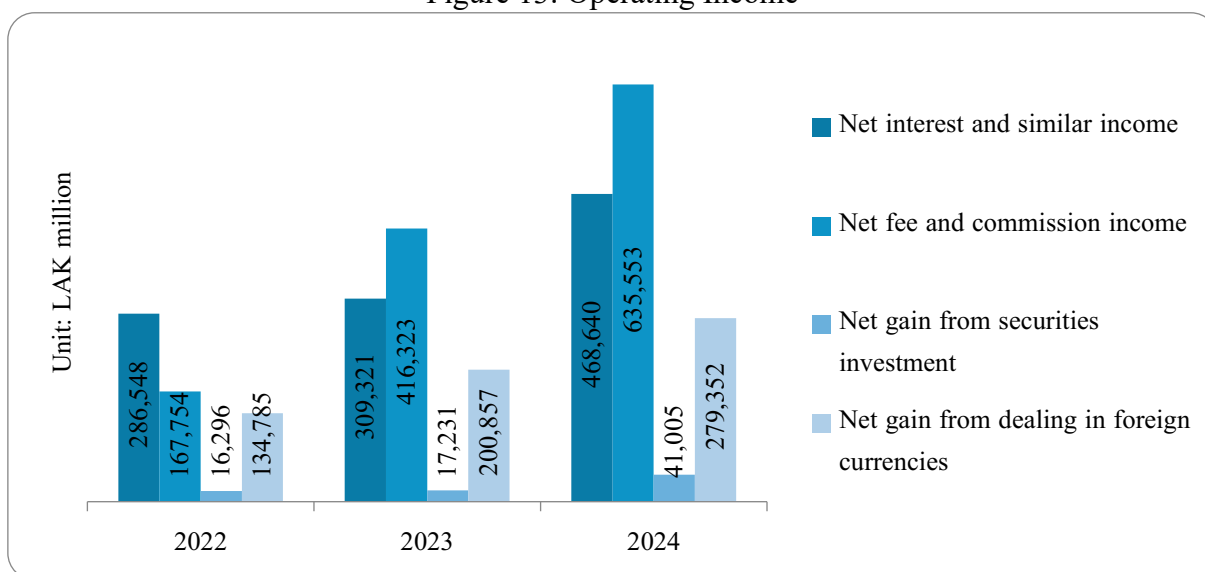
The total operating income of JDB increased by 55.89%, from LAK 605,383 million in 2022 to LAK 943,733 million in 2023. Interest income increased by 41.51% in 2023. At the same time, non-interest income significantly increased by 136.77%, indicating JDB's focus on expanding banking services alongside growing its loan base for customers. Additionally, in 2023, the Bank achieved a 32.90% increase in foreign currency trading profit compared to 2022. In 2024, the Bank's total operating income increased by 50.95% compared to 2023. Specifically, fee and commission income rose by 57.34%, indicating that, in addition to interest income, fee and commission income is another primary revenue source generating profit for JDB.

JDB's net profit was LAK 741,261 million in 2024 (2023: LAK 510,303 million). The increase in net profit is attributed to continuous growth in interest income as well as fee and commission income. Although the cost-to-income ratio showed an upward trend—from 35.54% at the end of 2022 to 38.18% at the end of 2024. The Bank maintained its ability to generate profit from interest, as demonstrated by an increase in the interest income to earning assets ratio from 8.81% at the end of 2022 to 9.22% at the end of 2024.

### 12.4.1 Operating Income

As a specialized financial service provider in the commercial banking sector, JDB's primary revenue sources are derived from providing banking services and financial solutions to individuals, organizations, and legal entities. The Bank's main income comprises: net interest income, net fee and commission income, gain from securities investment, and net gain from foreign currency dealings.

Figure 13: Operating Income



Source: Joint Development Bank Public

Based on the chart above, it is indicated that operating income from net interest income and net fee and commission income accounts for more than 70% of the total operating income.

#### 1) Net Interest Income

Net interest income, which is JDB's primary revenue, amounted to LAK 286,548 million, LAK 309,321 million, and LAK 468,640 million, accounting for 47.33%, 32.78%, and 32.90% of operating income in 2022, 2023, and 2024, respectively. The Net Interest Margin (NIM) decreased from 2.68% in 2022 to 1.96% in 2023, resulting from increased interest expenses due to the Bank's growing deposit customer base in 2023, especially fixed deposits in foreign currencies compared to 2022. In 2024, the net interest margin increased back to 2.27%, indicating that the Bank focused on increasing its loan base for customers, particularly with a significant rise in loans customers, leading to increased interest income from customer loans in 2024. Concurrently, interest income from interbank transactions also increased from LAK 3,809 million in 2022 to LAK 25,557 million in 2024, driven by an increase in term deposits with other banks, especially foreign currency deposits with overseas banks.

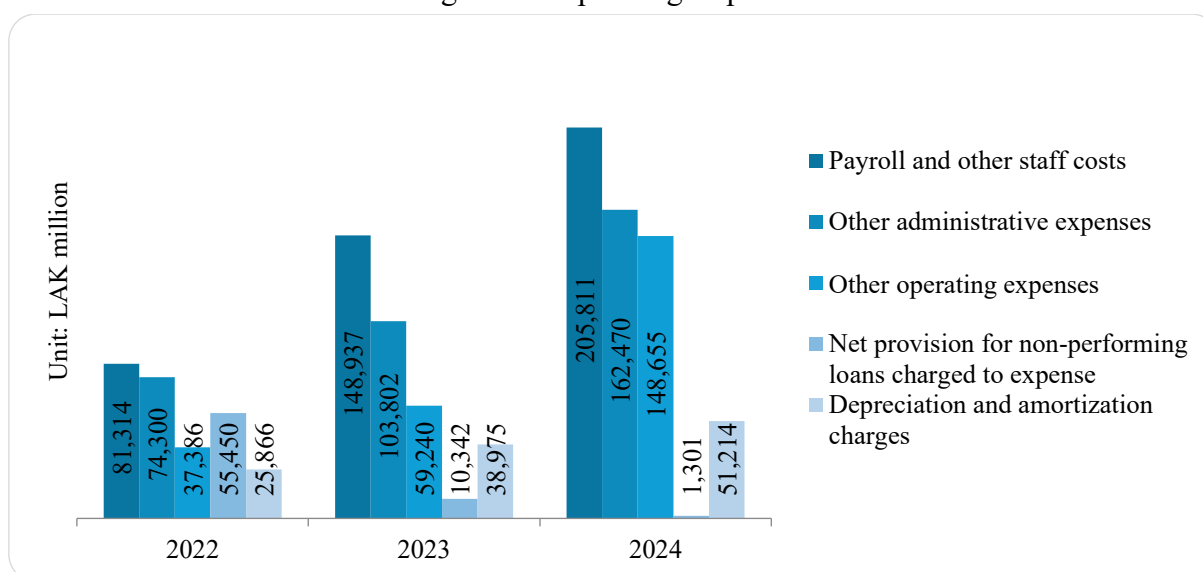
#### 2) Net Fee and Commission Income

Fee and commission income includes all revenue from core banking services, such as transactions with other banks and financial institutions, financial services, ATM and money transfer transactions, and settlement services. Net fee and commission income amounted to LAK 167,754 million, LAK 416,323 million, and LAK 635,535 million in 2022, 2023, and 2024, respectively. Fee and commission income from trade finance accounted for 97% of the total fee and commission income. Income from trade finance increased significantly by 272.73% from LAK 199,572 million in 2022 to LAK 743,873 million in 2024. This increase aligns with the growth in customer loans and is primarily derived from lending-related services, including collateral valuation, loan advisory, and other associated services.

#### 12.4.2 Operating Expenses

Details of JDB's operating expenses are as follows:

Figure 14: Operating Expenses



Source: Joint Development Bank Public

Operating expenses primarily consist of staff payroll cost, depreciation and amortization charges, net provision for NPLs, other administrative expenses, and other operating expenses. Operating expenses have shown an increasing trend, rising from LAK 274,315 million to LAK 361,295 million and further to LAK 569,451 million in 2022, 2023, and 2024, respectively. The main factors contributing to this increase are staff payroll costs and administrative expenses.

The increase in payroll and other staff costs, specifically salaries, as a result of the significant increase in the exchange rate, which led the Bank to consider and adjust staff salary bases upwards. Staff expenses include salaries, staff insurance expenses, and other staff expenses. The total number of employees at the Bank was 726 on December 31, 2022, 735 at the end of 2023, and 756 on December 31, 2024. Furthermore, administrative expenses also increased from LAK 74,300 million in 2022 to LAK 103,802 million in 2023 and to LAK 162,470 million in 2024. This increase is due to the Bank's focus on expanding its customer base through extensive advertising and marketing activities, which also contributes to building the Bank's reputation. Administrative expenses include commission and professional fees, fuel and travel expenses, advertising expenses, marketing and promotion expenses, general and administrative expenses, insurance fees, postage and telecommunications, maintenance and repair costs, electricity and water expenses, office rent, entertainment expenses, and other administrative expenses.

Depreciation is primarily calculated from buildings and improvements to buildings and office equipment.

Other operating expenses include deposit protection funds, provision for performing loans, and other expenses. The allowance for performing loans accounts for more than 43.71% of total other operating expenses, indicating that alongside the growth in loans, the allowance for loans to good customers, meaning loan customers with strong repayment liquidity, has also increased in the same direction.

#### 12.4.3 Tax Expense

Taxes and applicable tax rates are as follows:

Table 22: Taxes and Applicable Tax Rates

Unit: LAK million

Taxes and Applicable Tax Rates	FYE 2022	FYE 2023	FYE 2024
Tax reported on the income statement	60,010	83,659	179,861
Tax rate base on Tax Law (%)	20%	20%	20%
Tax rate in practical (%)	20%	20%	20%

Source: Joint Development Bank Public

The Bank is obligated to pay profit tax at the statutory tax rate in the Lao PDR, which is 20% of profit before tax, in accordance with Tax Law No. 67/NA, dated June 18<sup>th</sup>, 2019, effective from or after January 1<sup>st</sup>, 2020.

The Bank's income tax expense for the year was LAK 60,010 million, LAK 83,659 million, and LAK 179,861 million in 2022, 2023, and 2024, respectively. This indicates the Bank's operational capability and profitability, resulting in increased income tax expense. This is correlated with the Bank's revenue, as both interest income and fee and commission income have increased, leading to a corresponding rise in tax expenses.

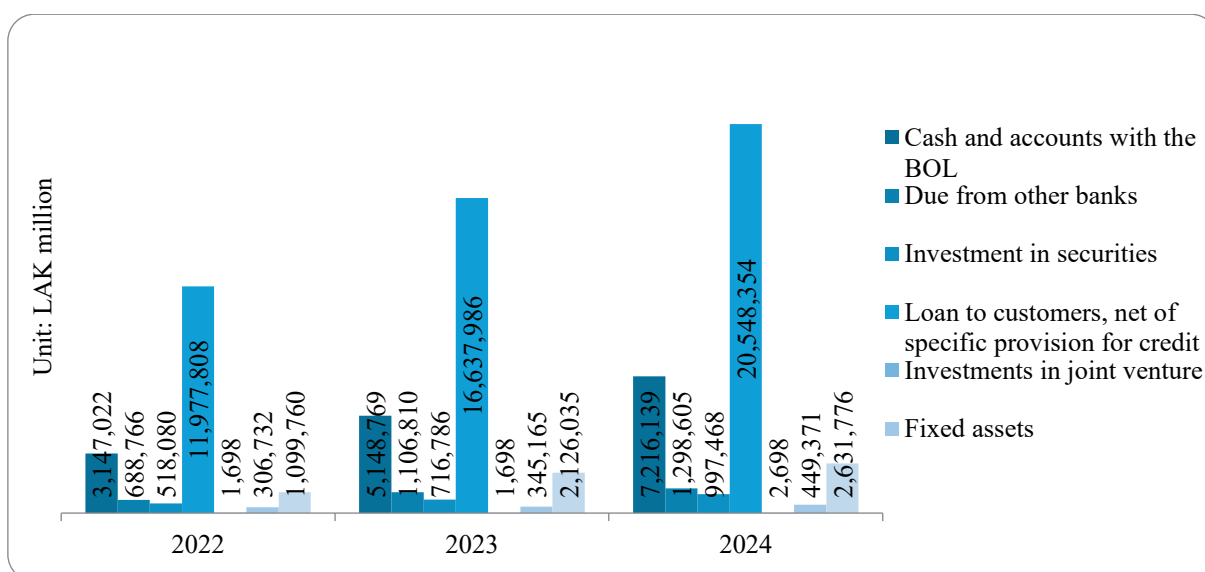
#### 12.4.4 Net Profit

Net profit increased by 81.33% from LAK 281,429 million in 2022 to LAK 510,303 million in 2023 and continued to increase by 45.26% compared to the previous year, reaching LAK 741,261 million in 2024. This increase in net profit resulted in a high Return on Equity (ROE) of 36.15%, 48.52%, and 51.12% in 2022, 2023, and 2024, respectively. Concurrently, the Return on Assets (ROA) also showed an increasing trend, at 1.97%, 2.33%, and 2.50% in 2022, 2023, and 2024, respectively.

## 12.5 Report and Analysis of Financial Position

### 12.5.1 Analysis of Assets

Figure 15: Structure of Assets



Source: Joint Development Bank Public

As of December 31, 2022, 2023, and 2024, the Bank's total assets amounted to LAK 17,649,864 million, LAK 26,083,248 million, and LAK 33,144,411 million, respectively.



Among the Bank's total assets, "Loans to customers" constitutes the largest portion, though its proportion has shown a decreasing trend over 3 consecutive years, accounting for 58.31%, 38.91%, and 23.50% of total assets, respectively. In addition, JDB's liquidity assets have shown an increasing trend each year, as evidenced by "Cash and balances with BOL" and "Due from other banks", which are cash and cash equivalents, accounting for 21.73%, 23.98%, and 25.69% of total assets, respectively.

The growth rate of loans to customers of JDB has increased each year but is on a downward trend, at 58.31%, 38.91%, and 23.50%, respectively. However, JDB has adopted a policy of diversifying its asset structure, or in other words, the Bank has reduced its exposure to potential risks by shifting from risky assets to foreign currency assets to generate income from foreign currency trading. This strategy is evident in the high proportion of cash held in foreign currencies, reaching 90.77%, 86.25%, and 91.28% of cash on hand.

The Loan-to-Deposit ratio has also decreased annually to maintain the Bank's stability, as seen by the ratio of 81.04% in 2022, decreasing to 73.69% in 2023, and further to 70.73% in 2024. From these ratios, it is evident that the level remains good, as the industry average for the commercial banking sector in Laos for the Loan-to-Deposit ratio over the past 3 years up to the present has been between 65% and 72%. Nevertheless, the appropriateness of this ratio may depend on various factors based on the Bank's analysis for generating operating profit, managing capital, and ensuring an appropriate balance between lending and the Bank's funding sources.

#### 12.5.2 Net Loans to Customers

Net loans to customers increased by 38.91% from LAK 11,977,808 million in 2022 to LAK 16,637,986 million in 2023 and further increased by 23.50% to LAK 20,548,354 million in 2024. The expansion of credit is primarily from providing credit to business and construction sectors, accounting for more than 70% of total loans to customers. At the same time, the proportion of loans to customers compared to total assets was 67.86%, 63.79%, and 62.00%, respectively. The breakdown of loans to customers by loan quality is as follows:

Table 23: Loan Portfolio by Quality

Unit: LAK million

Items	FYE 2022	%	FYE 2023	%	FYE 2024	%
Normal or Pass	11,690,397	97.12%	16,423,042	98.52%	18,420,440	89.24%
Watch or Special Mention	87,702	0.73%	77,153	0.46%	2,125,789	10.30%
<b>Performing Loans</b>	<b>11,778,099</b>	<b>97.85%</b>	<b>16,500,195</b>	<b>98.98%</b>	<b>20,546,229</b>	<b>99.53%</b>
Substandard	111,824	0.93%	191	0.00%	-	0.00%
Doubtful	51,130	0.42%	21,061	0.13%	-	0.00%
Loss	95,779	0.80%	148,448	0.89%	95,988	0.47%
<b>Non-Performing loans</b>	<b>258,733</b>	<b>2.15%</b>	<b>169,701</b>	<b>1.02%</b>	<b>95,988</b>	<b>0.47%</b>
<b>Total loans to customers</b>	<b>12,036,831</b>	<b>100.00%</b>	<b>16,669,896</b>	<b>100.00%</b>	<b>20,642,218</b>	<b>100.00%</b>

Source: Joint Development Bank Public

Furthermore, the majority of loans to customers are provided in foreign currencies, accounting for a high proportion of 87.57%, 87.32%, and 93.61% of total loans to customers in 2022, 2023, and 2024, respectively. This is a significant trend driven by the depreciation of the

Lao Kip, which makes foreign currency lending more prevalent. The details of loans to customers by currency are as follows:

Table 24: Loan Portfolio by Currency

Unit: LAK million

Items	FYE 2022	%	FYE 2023	%	FYE 2024	%
Loans denominated in LAK	1,496,679	12.43%	2,112,982	12.68%	1,318,726	6.39%
Loans denominated in USD	6,628,737	55.07%	5,903,053	35.41%	10,684,512	51.76%
Loans denominated in THB	3,911,416	32.50%	8,653,860	51.91%	8,638,731	41.85%
Loans denominated in CNY	-	0.00%	-	0.00%	249	0.00%
<b>Total loans to customers</b>	<b>12,036,831</b>	<b>100.00%</b>	<b>16,669,896</b>	<b>100.00%</b>	<b>20,642,218</b>	<b>100.00%</b>

Source: Joint Development Bank Public

### 12.5.3 NPLs

NPLs decreased by 34.41% from LAK 258,733 million in 2022 to LAK 169,701 million in 2023 and continued to decrease by 43.44% to LAK 95,988 million in 2024. At the same time, the total non-performing loan ratio to total gross loans remained low, at 2.16%, 1.02%, and 0.47% in 2022, 2023, and 2024, respectively.

### 12.5.4 Interbank and Money Transactions

Due from other banks increased by 60.69% from LAK 688,766 million in 2022 to LAK 1,106,810 million in 2023 and further increased by 17.33% to LAK 1,298,605 million in 2024. Over the 3 consecutive years from 2022-2024, JDB has reduced the proportion of term deposits and savings deposits with other banks, shifting towards current accounts with other banks, which accounted for a high proportion of 62.31% (2022), 66.99% (2023), and reaching a peak of 93.88% of total due from other banks in 2024 (of which, current accounts with foreign banks in 2024 accounted for 90.20%). The details of the due from banks are as follows:

Table 25: Due from other Banks

Unit: LAK million

Items	FYE 2022	%	FYE 2023	%	FYE 2024	%
<b>Demand deposits at other banks</b>	<b>429,200</b>	<b>62.31%</b>	<b>741,506</b>	<b>66.99%</b>	<b>1,219,141</b>	<b>93.88%</b>
Domestic banks	133,840	19.43%	46,257	4.18%	47,798	3.68%
Foreign banks	295,360	42.88%	695,249	62.82%	1,171,343	90.20%
<b>Term deposits at other banks</b>	<b>101,537</b>	<b>14.74%</b>	<b>193,800</b>	<b>17.51%</b>	<b>73,316</b>	<b>5.65%</b>
Domestic banks	101,537	14.74%	193,800	17.51%	73,316	5.65%
<b>Saving deposits at other banks</b>	<b>158,029</b>	<b>22.94%</b>	<b>171,503</b>	<b>15.50%</b>	<b>6,148</b>	<b>0.47%</b>
Domestic banks	923	0.13%	819	0.07%	322	0.02%
Foreign banks	157,106	22.81%	170,685	15.42%	5,826	0.45%

Items	FYE 2022	%	FYE 2023	%	FYE 2024	%
<b>Total due from other banks</b>	<b>688,766</b>	<b>100.00%</b>	<b>1,106,810</b>	<b>100.00%</b>	<b>1,298,605</b>	<b>100.00%</b>

Source: Joint Development Bank Public

#### 12.5.5 Cash on Hand

Details of cash on hand are as follows:

Table 26: Cash and Accounts with the BOL

Unit: LAK million

Items	FYE 2022	%	FYE 2023	%	FYE 2024	%
Cash on hand	1,106,076	35.15%	1,707,664	33.17%	2,476,961	34.33%
Balance with BOL	2,040,945	64.85%	3,441,105	66.83%	4,557,379	63.16%
Gold and other metal precious	-	0.00%	-	0.00%	181,799	2.52%
<b>Total cash and accounts with the BOL</b>	<b>3,147,022</b>	<b>100.00%</b>	<b>5,148,769</b>	<b>100.00%</b>	<b>7,216,139</b>	<b>100.00%</b>

Source: Joint Development Bank Public

Cash and accounts with the BOL increased by 63.61%, rising from LAK 3,147,022 million in 2022 to LAK 5,148,769 million in 2023. This figure further rose by 40.15% to LAK 7,216,139 million in 2024. Of this total, balance with BOL accounted for the majority share, representing 64.85%, 66.83%, and 63.16% of total cash and deposits with BOL in 2022, 2023, and 2024, respectively.

In 2024, the increase in cash on hand was primarily attributed to foreign currency holdings, which constituted 90.77%, 86.25%, and 91.28% of total cash on hand in 2022, 2023, and 2024, respectively. The breakdown of cash on hand is as follows:

Table 27: cash on Hand

Unit: LAK million

Items	FYE 2022	%	FYE 2023	%	FYE 2024	%
Cash on hand in LAK	102,044	9.23%	234,753	13.75%	215,969	8.72%
Cash on hand in foreign currencies	1,004,032	90.77%	1,472,911	86.25%	2,260,992	91.28%
<b>Toal cash on hand</b>	<b>1,106,076</b>	<b>100.00%</b>	<b>1,707,664</b>	<b>100.00%</b>	<b>2,476,961</b>	<b>100.00%</b>

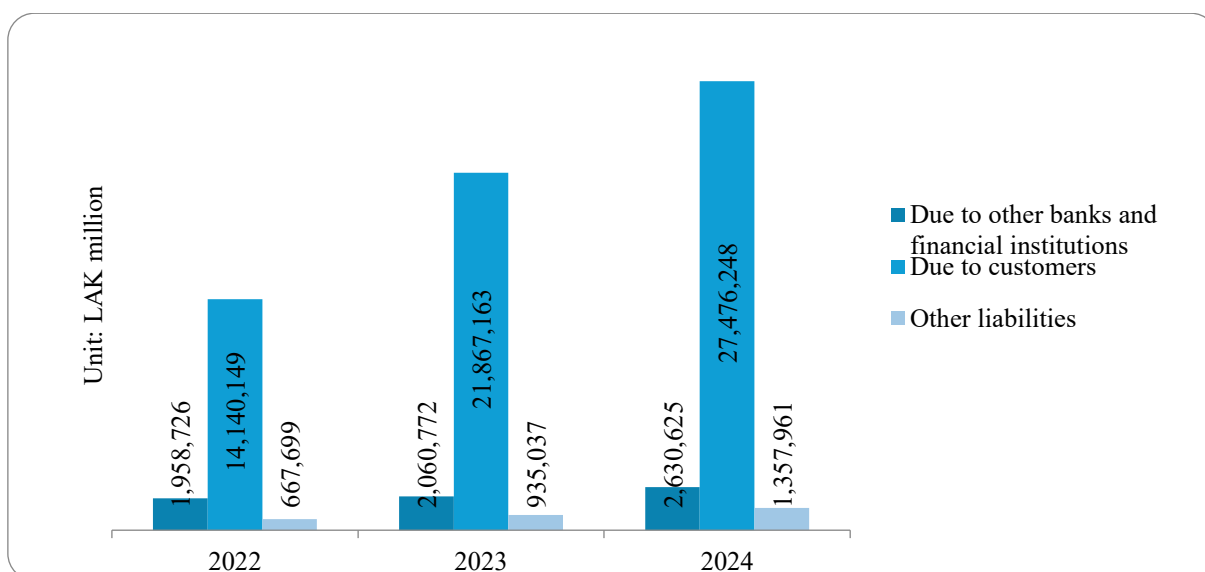
Source: Joint Development Bank Public

#### 12.5.6 Investment in Securities

JDB has adopted an investment policy in securities to ensure liquidity and generate returns from its investments. In 2023, investment in securities increased by 38.35% or equivalent to LAK 716,786 million, compared to LAK 518,080 million in 2022. This figure continued to rise by 39.16% in 2024 or equivalent to LAK 997,468 million. The growth in net investment was primarily driven by investments in government bonds issued by the Ministry of Finance, which are classified as held-to-maturity securities. These investments increased from LAK 515,730 million in 2022 to LAK 714,436 million in 2023 and further to LAK 995,118 million in 2024.

### 12.5.7 Analysis of Liabilities

Figure 16: Structure of Liabilities



Source: Joint Development Bank Public

As of 31<sup>st</sup> December, for the years 2022, 2023, and 2024, JDB's debt structure consisted primarily of "Due to Customer" or "Customer Deposits", accounting for 80.11%, 83.84%, and 82.90% of total liabilities, respectively. The remaining portion included "Due to other Banks and Financial Institutions" and "Other Liabilities."

As one of the leading commercial banks in the Lao PDR, JDB has a strong operational capacity and liquidity position, enabling it to expand lending to customers and further develop its banking services. JDB's total liabilities amounted to LAK 16,766,574 million, LAK 24,862,973 million, and LAK 31,464,834 million in 2022, 2023, and 2024, respectively. However, the growth rate of total liabilities showed a declining trend, from 60.89%, 47.78%, and 27.07% in 2022, 2023 and 2024 respectively while comparing with previous years.

### 12.5.8 Due to Customers

Due to customers in 2023 increased by 54.65%, totaling LAK 21,867,163 million compared to LAK 14,140,149 million in 2022 and then continued to increase by another 25.65% to LAK 27,476,248 million in 2024. Of this, the Deposit-to-liabilities ratio was 88.16%, 90.23%, and 92.33% in 2022, 2023, and 2024. Details of due to customers are as follows

Table 28: Due to Customers

Unit: LAK million

Items	FYE 2022	%	FYE 2023	%	FYE 2024	%
<b>Demand deposits</b>	<b>579,176</b>	<b>4.10%</b>	<b>1,401,592</b>	<b>6.41%</b>	<b>2,056,549</b>	<b>7.48%</b>
Demand deposits in LAK	100,892	0.71%	225,062	1.03%	423,243	1.54%
Demand deposits in foreign currency	478,284	3.38%	1,176,531	5.38%	1,633,306	5.94%
<b>Saving deposits</b>	<b>2,597,832</b>	<b>18.37%</b>	<b>3,692,698</b>	<b>16.89%</b>	<b>5,005,983</b>	<b>18.22%</b>

Items	FYE 2022	%	FYE 2023	%	FYE 2024	%
Saving deposits in LAK	720,741	5.10%	829,362	3.79%	972,579	3.54%
Saving deposits in foreign currency	1,877,091	13.27%	2,863,336	13.09%	4,033,404	14.68%
<b>Fixed term deposits</b>	<b>10,963,141</b>	<b>77.53%</b>	<b>16,772,872</b>	<b>76.70%</b>	<b>20,413,716</b>	<b>74.30%</b>
Fixed term deposits in LAK	1,040,391	7.36%	1,690,139	7.73%	1,366,500	4.97%
Fixed term deposits in foreign currency	9,922,750	70.17%	15,082,733	68.97%	19,047,216	69.32%
<b>Total due to customers</b>	<b>14,140,149</b>	<b>100.00%</b>	<b>21,867,163</b>	<b>100.00%</b>	<b>27,476,248</b>	<b>100.00%</b>

Source: Joint Development Bank Public

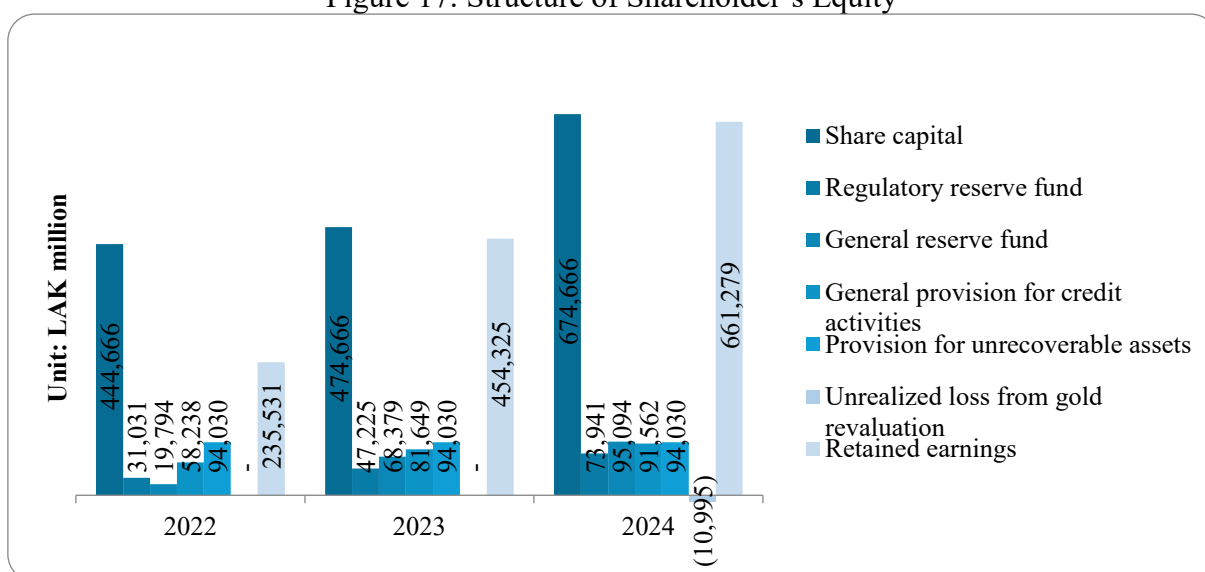
The proportion of customer deposits in 2022, 2023, and 2024 was comprised of fixed term deposits, accounting for 77.53%, 76.70%, and 74.30% of total customer deposits, respectively. Within this, the Bank maintained the growth rate of fixed term deposits in foreign currencies, which are the largest component of customer deposits. This is evident from an increase of 52.00% in 2023 compared to 2022, and an increase of 26.28% in 2024 compared to 2023.

#### 12.5.9 Due to Other Banks and Financial Institutions

JDB's due to other banks and financial institutions increased by 5.21% from LAK 1,958,726 million in 2022 to LAK 2,060,772 million in 2023, and increased by 27.65% or equivalent to LAK 2,630,625 million in 2024, covering for 11.68%, 8.29%, and 8.36% of total liabilities at the end of 2022, 2023, and 2024, respectively. Among this, the borrowings from the BOL accounted for a large proportion of 67.26%, 65.43%, and 40.14% of due to other banks and financial institutions in 2022, 2023, and 2024. The primary purpose of these borrowings is to provide credit to small and medium-sized enterprises affected by the COVID-19 pandemic.

## 12.5.10 Analysis of Shareholder's Equity

Figure 17: Structure of Shareholder's Equity



Source: Joint Development Bank Public

As of December 31<sup>st</sup> of 2022, 2023, and 2024, total owner's equity has continuously increased by LAK 883,290 million in 2022 or equivalent to 31.08% increase compared to the previous year. In 2023, it reached LAK 1,220,275 million or increased to 38.15% compared to the previous year, and continued to increase in 2024 to LAK 1,679,578 million, or equivalent to 37.64% increase compared to the previous year. In 2024, the Bank increased its registered capital by LAK 200,000 million, from LAK 474,666 million in 2022 to LAK 674,666 million. JDB's Returns on equity ratio has continuously risen, standing at 36.15%, 48.52%, and 51.12% over 3 consecutive years, attributed to the economic recovery, particularly the significant growth in the commercial banking sector. In 2024, JDB's retained earnings amounted to LAK 454,325 million. This includes net profit after regulatory reserves, which is awaiting dividend distribution to JDB's shareholders after the completion of the IPO and listing on the Lao Securities Exchange (LSX).

However, despite the annual growth in owner's equity, the proportion of owner's equity to total assets remained at 7.38%, 6.14%, and 5.00% over 3 consecutive years, which is not as high as it should be and shows a declining trend each year. These factors signal that the Bank needs to improve its capital management. According to the Decision on Capital Adequacy for Commercial Banks issued by the Bank of the Lao PDR, No. 371/BOL, dated March 26<sup>th</sup>, 2024, commercial banks must maintain a total capital adequacy ratio of not less than 8% of risk-weighted assets. However, JDB's capital adequacy ratio is still slightly below this threshold, indicating that capital growth has not kept pace with the expansion of risk-weighted assets.

Therefore, to improve this issue, the Bank must increase its total capital by either raising capital or reducing risk-weighted assets by shifting risky assets to lower-risk asset categories, such as government bonds and loans to financial institutions. The Bank will need to consider methods to maintain total capital adequacy as follows:

- Increase capital through equity fundraising in the capital market via the public offering of shares;
- Enhance Internal Capital Adequacy Assessment Processes (ICAAP) to reduce exposure to risk-weighted assets, particularly lending to customer by strengthening credit quality monitoring, improving risk management, and tightening credit approval for new loans;
- Reallocate investments toward low-to-moderate risk assets.

## **PART 2**

### **INFORMATION OF SHARE ISSUANCE**

#### **1. Description of shares**

This part presents information related to the Bank's shares and shareholders' rights, in accordance with the Article of Association of JDB and relevant laws of the Lao PDR.

##### **1.1 Details of the share issuance**

JDB has transformed from a limited company into a public company with limited liability in accordance with the laws of Lao PDR. As of the date of transformation, JDB is owned by three shareholders, who collectively hold 100 percent (100%) of the registered capital. Pursuant to the resolution of the Extraordinary General Meeting of JDB's Shareholders I for the year 2025, it was resolved to increase the registered capital of JDB by 75,333,900 shares (hereinafter, offered to the public investors in Lao PDR and foreign investors in the amount of 67,800,500 shares with an offering price of LAK 8,800/share, and offered to JDB's employees in the amount of 7,533,400 shares with an offering price of LAK 7,900/share) with a par value of LAK 1,000/share, or to be determined as an increase in registered capital of at least 75,333,900,000 LAK, which has increased its registered capital from LAK 674,666,100,000 in the amount not exceeding LAK 750,000,000,000, and the number of shares from 674,666,100 shares in the amount not exceeding 750,000,000 shares. For the issuance of 75,333,900 additional ordinary shares or approximately 10.04% of the total shares after the capital increase, in accordance with the shareholders' meeting that approved the issuance of additional ordinary shares in the amount not exceeding 75,333,900 shares.

##### **1.2 Capital**

The Bank's registered capital as stipulated in this Prospectus is LAK 674,666,100,000, consisting of 674,666,100 shares, with a par value per share at LAK 1,000.

After the completion of issuance of the total additional ordinary share, the underwriter shall propose to list all shares of JDB on LSX. JDB expects that this proposal will be approved for implementation, and the qualification of the Bank complies with LSX's regulation.

##### **1.3 Limitations for foreign shareholders**

The law of Lao PDR imposes restrictions on shareholding of foreign investors may acquire and hold. According to the Decision on the Management of Foreign Investors on Securities Trading in Lao PDR (Amended version) No. 13/LSC, dated 10<sup>th</sup> June 2021, provided that foreign investors can hold shares at ratios as specified in the LSC regulations as defined in Article 10 Securities holding ratio, with details as follows:

- 1) As prescribed in the laws and regulations of other relevant sectors;
- 2) As determined by the resolution of shareholders' meeting of the issuer or listed company;
- 3) As determined by the LSCO on a case-by-case basis.

##### **1.4 Shareholders' Meeting**

According to the Bank's Article of Association, JDB must hold shareholders' meetings at least once per year. A quorum for any shareholders' meeting requires the presence of at least 2 shareholders and holding more than 50% of the total ordinary shares. The timing to convene the ordinary meeting as stipulated in the Articles of Association of regular meetings follows the Bank's article of association. After listing on the LSX, JDB must comply with LSCO and LSX regulations, as well as other relevant laws.

The Bank's Board of Directors may call an extraordinary meeting of shareholders when it is necessary to obtain shareholders' resolutions, which can be requested by shareholders or more than half of the executive managing directors (as specified in the Enterprise Law) or organized by court order. Meeting invitation notices should be delivered directly or through other appropriate methods to all shareholders at least 5 business days before the meeting date or as required by relevant laws.

## **1.5 Voting Rights**

Generally, shareholders have voting rights based on the principle of one share equal to one vote. Resolutions of Shareholders' meeting are approved when they receive a majority vote from the shareholders' meeting. The resolutions of the shareholders' meeting are classified into 2 types as follows:

### **1) General Resolutions**

General resolutions shall become effective only when the counted votes are more than half of the votes attending the meeting.

### **2) Special Resolutions**

Special resolutions may become effective only when there are votes of shareholders or proxies of at least two-thirds (2/3) of those in attendance at the meeting, and being the shares of at least 80% of total paid-up shares. The matters requiring special resolutions are as follows:

- Amendments to the Article of Association (AOA) or Contract of Incorporate of Joint Development Bank Public;
- Increase or reduction of capital;
- Merger or dissolution of Joint Development Bank Public;
- Sale or transfer of all or substantial parts of Joint Development Bank Public's business to other persons;
- Purchase or acceptance of business transfer from other enterprises;

According to the Enterprise Law, shareholders may be prohibited from voting on any matters in which they are directly or indirectly involvement of benefits. The determination of whether a shareholder falls within this scope or is subject to such restrictions is decided by the participating members in the shareholders.

## **1.6 Dividend Payment**

JDB has a dividend policy to distribute at least 50% of the net profit after tax obligations and allocation of legal provision reserves. However, the dividend payout rate of at least 50% may be altered, contingent upon consideration and approval by the Shareholders' Meeting. The consideration may be based on future strategic investment plans, operational needs, and other relevant appropriateness.

## **1.7 Pre-emptive Rights and Additional Public Offering of Ordinary Shares**

The listed company on the LSX will be exempt from its obligations under the Enterprise Law regarding shareholders' pre-emptive rights when additional shares offering for increase in the company's registered capital.

According to the Enterprise Law, the Bank must convene a shareholders' meeting to consider and approve any increase in the Bank's registered capital. The capital increase must be registered with the Ministry of Industry and Commerce within 10 business days from the share subscription payment date. Furthermore, after registering the capital increase, the company must notify the public within 10 business days from the date of capital increase registration.



## **1.8 Liquidation Right**

In the event of liquidation, any remaining assets after complete settlement to creditors shall be distributed among shareholders in proportion to their shareholding.

## **1.9 Shareholder Register Book**

The Bank shall record the name and surname, address, and nationality of shareholders in the shareholder register book (hereinafter referred to as the "Shareholder Register Book"). However, after the Bank is listed on the LSX, the registration of shareholders will be conducted in accordance with the regulations of the LSC and/or relevant regulators.

## **2. Financial Statement Disclosure**

The Enterprise Law requires the Board of Directors to cooperate with external auditors by providing clarity regarding the sources, accuracy of figures, and information reported in the company's financial statements before submitting to the shareholders' meeting for approval. The Bank's financial statements must be certified by an auditor and approved by the shareholders' meeting.

In addition, according to the Decision on Reporting and Disclosure of Information of Securities Issuing Companies and Listed Companies (Amended version) No. 15/LSC, dated 11<sup>th</sup> December 2024, defined that the company shall prepare and submit audited annual financial statements and audited quarterly financial statements to the LSC. Additionally, the company must comply with other requirements set by the LSX.

Regular reporting and information disclosure are required on a quarterly, semi-annual, and annual basis as follows:

- Quarterly reporting and information disclosure for Q1 and Q3 to the LSC must be made within 45 days from the end of Q1 and Q3 respectively. The quarterly reports must include financial statements certified by the company's accounting department, internal audit department, and the managing director;
- Semi-annual reporting and information disclosure for the first six months must be submitted to the LSC within 60 days from the end of Q2. The semi-annual report must include financial statements that have been reviewed by an auditing firm approved by the LSC and endorsed by the company's Board of Directors;
- Annual reporting and information disclosure must be submitted to the LSC within 120 days after the end of the fiscal year. The annual report must include the company's annual report and financial statements that have been reviewed by an auditing firm approved by the LSC and endorsed by the company's shareholders' meeting.

## **3. Share Transfer Restrictions**

According to the Enterprise Law (Amended version) No. 33/NA, dated 29<sup>th</sup> December 2022, article 186 on Share Transfer stipulates that the promoters of public company are prohibited from transferring all of their shares within 2 years from the date of enterprise registration as public company.

Additionally, if the Bank is listed on the LSX, according to the Regulation on Share Listing on the Lao Securities Exchange No. 007/23/LSX, dated 12<sup>th</sup> September 2023, major shareholders and their related parties are restricted from transferring all of their shares within 6 months from the LSX listing date.

## **4. Share Offering Price Determination**

Pursuant to the Decision on Share Price Determination for Companies Intending to Issue Shares (Amended version) No. 28/LSC, dated 29<sup>th</sup> March 2022, which serves as a reference for

calculation, the share price calculation method using the Price-to-Earnings (P/E) ratio should not exceed 16 times, which will be used as reference figures for calculation as shown in the table below:

Table 29: Share Offering Price Determination for Pubic Investors

<b>Before IPO</b>				
<b>Estimated Net Profit 2025 (LAK)</b>	<b>Par Value 1,000 LAK/Share</b>	<b>EPS (LAK)</b>	<b>IPO Price (LAK)</b>	<b>P/E (x)</b>
844,000,000,000	<b>Number of shares 674,666,100 shares</b>	1,251	8,800	7.03
<b>After IPO</b>				
<b>Estimated Net Profit 2025 (LAK)</b>	<b>Par Value 1,000 LAK/Share</b>	<b>EPS (LAK)</b>	<b>IPO Price (LAK)</b>	<b>P/E (x)</b>
844,000,000,000	<b>Number of shares 750,000,000 shares</b>	1,125	8,800	7.82

Table 30: Share Offering Price Determination for JDB's Employee

<b>Before IPO</b>				
<b>Estimated Net Profit 2025 (LAK)</b>	<b>Par Value 1,000 LAK/Share</b>	<b>EPS (LAK)</b>	<b>IPO Price (LAK)</b>	<b>P/E (x)</b>
844,000,000,000	<b>Number of shares 674,666,100 shares</b>	1,251	7,900	6.31
<b>After IPO</b>				
<b>Estimated Net Profit 2025 (LAK)</b>	<b>Par Value 1,000 LAK/Share</b>	<b>EPS (LAK)</b>	<b>IPO Price (LAK)</b>	<b>P/E (x)</b>
844,000,000,000	<b>Number of shares 750,000,000 shares</b>	1,125	7,900	7.02

## 5. Initial Public Offering of Shares

### 5.1 Share Issuance

The initial public offering of shares to both domestic and foreign public investors will be distributed through the underwriter and selling agents.

The 75,333,900 ordinary shares of Initial Public Offering, which will be offered to both public investors and JDB's employees with details as follows:

Table 31: Share Issuance Proportion for Investors

Investors	Proportion (%)	Number of shares	Conditions
Public investors	9.04%	67,800,500 shares	Price LAK 8,800 /share Subscription Period 15 <sup>th</sup> September 2025 to 19 <sup>th</sup> September 2025
JDB's employees	1.00%	7,533,400 shares	Price LAK 7,900 /share Subscription Period 15 <sup>th</sup> September 2025 to 19 <sup>th</sup> September 2025
<b>Total</b>	<b>10.04%</b>	<b>75,333,900 shares</b>	

The issuance of IPO shares had already been registered with LSCO.

## 5.2 Information of Underwriter and Selling Agents

### 5.2.1 Underwriter

Lao-China Securities Public Company (referred to as: "LCS"), formerly known as Lao-China Securities Public Company, is the first Securities company established under the cooperation between Lao PDR and People's Republic of China. The company was established in June 27, 2013, as a limited company under the name Lao-China Securities Public Company, with the Enterprise Registration No. 0631/ERO. The company received its Securities business license from the Lao Securities Commission (referred to as: "LSC") under License No. 010/LSC, dated November 16, 2013. The company was established with a registered capital of 100,000,000,000 LAK (One hundred billion LAK). LCS has three shareholders such as Agricultural Promotion Bank Co., Ltd holding 41% (forty-one percent), Pacific Securities Company Limited holding 39% (thirty-nine percent), and Lao Information Industry Company Limited holding 20% (twenty percent). LCS operates as a full-service Securities firm, providing financial advisory service, Securities brokerage service, and Securities underwriting service.

In 2022, LCS received a comprehensive business license from the LSC under License No. 01/LSC, dated January 10, 2022. This license authorized the company to increase from 3 to 6 Securities business services, including financial advisory, investment advisory, Securities brokerage, Securities dealer, Securities underwriting, and private fund management. Notably, LCS stands as the only Securities company in Lao PDR operating a fully of Securities services as stipulated under Article 58 (Amended version) regarding the scope of business operations of Securities companies, in accordance with the Securities Law (Amended) No. 79/NA, dated December 3, 2019.

In 2024, LCS transformed from a limited company to a public company and increased its registered capital to LAK 111,111,120,000 by issuing additional shares and listing on the LSX on 25 April 2025.

Office location:	That Luang Lake Special Economic Zone, Phonthan Village, Saysettha District, Vientiane Capital, Lao PDR
Tel:	(+85621) 419 222
Fax:	(+85621) 419 220
Website:	www.lcs.com.la

### 5.2.2 Selling Agents

Selling agents are detailed as follows:

Table 32: Selling Agents

No.	Company Name	Location	Contact Info.
1	BCEL-KT Securities Company Limited	That Luang Lake Special Economic Zone, Phonthan Village, Saysettha District, Vientiane Capital, Lao PDR	Tel: (856-21) 265 477 Fax: (856-21) 265 488 Website: www.bcel-kt.com
2	LDB Securities Sole Co., Ltd	Souphanouvong Avenue, Sihom Village, Chanthabouly District, Vientiane Capital, Lao PDR	Tel: (856-21) 54886648 Fax: (856-21) 224001-3 Website: www.ldb-s.com.la

### 5.2.3 Settlement Bank

Joint Development Bank Public as the representative bank for settlement of Lao-China Securities Public Company (Underwriter), investors in Lao PDR and oversea can open a bank account in Lao Kip with the Joint Development Bank Public to subscribe the ordinary shares for this offering of Joint Development Bank Public. Please see the details below:

Table 33: Headquarters and Service Units of Settlement Bank

No.	Name	Location	Contact Info.
1	Joint Development Bank Public (Headquarters)	Hatsady Village, No. 82, Lane Xang Avenue, Chantabouly District, Vientiane Capital, Lao PDR	Tel: +856-21-213531-6 Fax: +856-21-213530 Email: info@jdbbank.com.la
2	JDB Headquarters Service Unit	Hatsady Village, No. 82, Lane Xang Avenue, Chantabouly District, Vientiane Capital, Lao PDR	Tel: +856-21-213531-6 Email: info@jdbbank.com.la
3	JDB Talat Sao Mall 2 Service Unit	Hatsady Tai Village, Chanthabouly District, Vientiane Capital, Lao PDR	Tel: +856-21-255997 Fax: +856-21-255996 Email: info@jdbbank.com.la
4	JDB Parkson Mall Service Unit	Nongchan Village, Sysattanak District, Vientiane Capital, Lao PDR	Tel: +856-21-228015 Fax: +856-21-228016 Email: info@jdbbank.com.la
5	JDB Dongdok Service Unit	Dongdok Village, Xaythany District, Vientiane Capital, Lao PDR	Tel: +856-21-771755 +856-21-771756 Fax: +856-21-771757 Email: info@jdbbank.com.la
6	JDB View Mall Service Unit	Phakhao Village, Xaythany District, Vientiane Capital, Lao PDR	Tel: +856-21-713105 +856-21-713106 Fax: +856-21-713104 Email: info@jdbbank.com.la
7	JDB Thatluang Service Unit	Thatluang Village, Saysettha District, Vientiane Capital, Lao PDR	Tel: +856-21-264100 Fax: +856-21-264101 Email: info@jdbbank.com.la

No.	Name	Location	Contact Info.
8	JDB PTT Km. 21 Service Unit	Khoksivilai Village, Xaythany District, Vientiane Capital, Lao PDR	Tel: +856-21-736033 Fax: +856-21-736032 Email: info@jdbbank.com.la
9	JDB Phonsavang (Mittaphab Hospital 150) Service Unit	Phonsavang Village, Chanthabouly District, Vientiane Capital, Lao PDR	Tel: +856-21-711648 Fax: +856-21-711649 Email: info@jdbbank.com.la
10	JDB Nonsavang Service Unit	Nonsavang Village, Saysettha District, Vientiane Capital, Lao PDR	Tel: +856-21-463260-1 Fax: +856-21-463260 Email: info@jdbbank.com.la
11	JDB Huayhong Service Unit	Huayhong Village, Chanthabouly District, Vientiane Capital, Lao PDR	Tel: +856-21-566031 Fax: +856-21-566032 Email: info@jdbbank.com.la
12	JDB Donnoun Service Unit	Donnoun Village, Xaythany District, Vientiane Capital, Lao PDR	Tel: +856-21-711999 +856-21-713888 Email: info@jdbbank.com.la
13	JDB Sikhay Service Unit	Sikhaythong Village, Sikhottabong District, Vientiane Capital, Lao PDR	Tel: +856-21-520757 +856-21-520759 Fax: +856-21-520758 Email: info@jdbbank.com.la
14	JDB San Jieng Service Unit	Wattaynoythong Village, Xaythany District, Vientiane Capital, Lao PDR	Tel: +856-21-256173 +856-30-5047592 Fax: +856-21-256174 Email: info@jdbbank.com.la
15	JDB Nongtaeng Service Unit	Nongtaeng Village, Sikhottabong District, Vientiane Capital, Lao PDR	Tel: +856-21-612460 +856-21-612461 Fax: +856-21-612462 Email: info@jdbbank.com.la
16	JDB Jinaimo Service Unit	Khoknin Village, Sisattanak District, Vientiane Capital, Lao PDR	Tel: +856-21-316548 Fax: +856-21-316549 Email: info@jdbbank.com.la
17	JDB Saphanthong Market Service Unit (103 Military Hospital)	Thongphanthong Village, Sisattanak District, Vientiane Capital, Lao PDR	Tel: +856-21-319032 Fax: +856-21-319033 Email: info@jdbbank.com.la
18	JDB PTT Donkoy Service Unit	Donkoy Village, Sisattanak District, Vientiane Capital, Lao PDR	Tel: +856-21-330721 Fax: +856-21-330720 Email: info@jdbbank.com.la
19	JDB Thongkhankham Service Unit	Dongniang Village, Chanthabouly District, Vientiane Capital, Lao PDR	Tel: +856-21-253438 Fax: +856-21-253439 Email: info@jdbbank.com.la
20	JDB Kaoliaw Service Unit	Dankham Village, Sikhottabong District, Vientiane Capital, Lao PDR	Tel: +856-21-671082 Fax: +856-21-671083 Email: info@jdbbank.com.la
21	JDB ITECC Mall Service Unit	Phonthan Village, Saysettha District, Vientiane Capital, Lao PDR	Tel: +856-30-5977364 Email: info@jdbbank.com.la

No.	Name	Location	Contact Info.
22	JDB Nongduang Service Unit	Dankham Village, Sikhottabong District, Vientiane Capital, Lao PDR	Tel: +856-21-256276 Email: info@jdbbank.com.la
23	JDB T2 Service Unit	Nakham Village, Sikhottabong District, Vientiane Capital, Lao PDR	Tel: +856-21-256434 +856-21-256435 Email: info@jdbbank.com.la
24	JDB Vangvieng Service Unit	Vangvieng Village, Vangvieng District, Vientiane Province, Lao PDR	Tel: +856-23-511737 +856-23-511739 Fax: +856-23-511736 Email: info@jdbbank.com.la
25	JDB PTT Km. 52 Service Unit	Nongnak Village, Phonhong District, Vientiane Province, Lao PDR	Tel: +856-23-331814 / 331815 Fax: +856-23-331813 Email: info@jdbbank.com.la
26	JDB Ban Kern Service Unit	Kernkang Village, Thoulakhom District, Vientiane Province, Lao PDR	Tel: +856-23-241528 +856-23-241529 Fax: +856-23-241530 Email: info@jdbbank.com.la
27	JDB Phonmee Service Unit	Phonmee Village, Thoulakhom District, Vientiane Province, Lao PDR	Tel: +856-23-431686 Fax: +856-23-431687 Email: info@jdbbank.com.la
28	JDB Dansavanh Booth Service Unit	Dansavanh Nam Nguem Resort Village, Thoulakhom District, Vientiane Province, Lao PDR	Tel: +856-23-219052 Fax: +856-23-219053 Email: info@jdbbank.com.la
29	JDB Paksan Service Unit	Phonxay Village, Paksan District, Bolikhamxay Province, Lao PDR	Tel: +856-54-790222 Fax: +856-54-790888 Email: info@jdbbank.com.la
30	JDB Km. 20 Service Unit	Nongpong Village, Khamkerd District, Bolikhamxay Province, Lao PDR	Tel: +856-54-341654 Fax: +856-54-341655 Email: info@jdbbank.com.la
31	JDB Thakhaek Service Unit	Santisouk Village, Thakhaek District, Khammouan Province, Lao PDR	Tel: +856-51-214688 +856-51-214844 Fax: +856-51-214855 Email: info@jdbbank.com.la
32	JDB Nongbok Service Unit	Nongbok Village, Nongbok District, Khammouan Province, Lao PDR	Tel: +856-51-270365 Fax: +856-51-270364 Email: info@jdbbank.com.la
33	JDB Savannakhet Service Unit	Huameuangtai Village, Kaysonephomvihane District, Savannakhet Province, Lao PDR	Tel: +856-41-252666 +856-41-252788 Fax: +856-41-252789 Email: info@jdbbank.com.la
34	JDB Savan Legend Resort Service Unit	Nongdern Village, Kaysonephomvihane District, Lao PDR	Tel: +856-41-252304 Fax: +856-41-252309 Email: info@jdbbank.com.la

No.	Name	Location	Contact Info.
		Savannakhet Province, Lao PDR	
35	JDB Songkhone Service Unit	Songkhone Village, Songkhone District, Savannakhet Province, Lao PDR	Tel: +856-41-530414 +856-41-530415 Fax: +856-41-530416 Email: info@jdbbank.com.la
36	JDB Huameuangneua Service Unit	Huameuang Neua Village, Kaysonephomvihane District, Savannakhet Province, Lao PDR	Tel: +856-41-252836 +856-41-252837 Fax: +856-41-252838 Email: info@jdbbank.com.la
37	JDB Phonsavan Service Unit	Saphan Neua Village, Kaysonephomvihane District, Savannakhet Province, Lao PDR	Tel: +856-41-252851 Fax: +856-41-252850 Email: info@jdbbank.com.la
38	JDB Champhone Service Unit	Kaengkok Neua Village, Champhone District, Savannakhet Province, Lao PDR	Tel: +856-41-311412 Fax: +856-41-311413 Email: info@jdbbank.com.la
39	JDB Seno Service Unit	Xayyamoungkhoun Village, Outhoumphone District, Savannakhet Province, Lao PDR	Tel: +856-30-5096043 +856-41-431445-6 Email: info@jdbbank.com.la
40	JDB Lao Bao Border Service Unit	Dansavan Village, Sepon District, Savannakhet Province, Lao PDR	Tel: +856-41-219035 Fax: +856-41-602023 Email: info@jdbbank.com.la
41	JDB Sepon Service Unit	Sonemixay Village, Sepon District, Savannakhet Province, Lao PDR	Tel: +856-41-602022 Fax: +856-41-219037 Email: info@jdbbank.com.la
42	JDB Pakse Service Unit	Phonkoun Village, Pakse District, Champasak Province, Lao PDR	Tel: +856-31-257888 +856-31-257777 Fax: +856-31-257999 Email: info@jdbbank.com.la
43	JDB Pakse OTOP booth Service Unit	Watluang Village, Pakse District, Champasak Province, Lao PDR	Tel: +856-31-215241 Fax: +856-31-215242 Email: info@jdbbank.com.la
44	JDB Km. 2 (Pakse) Service Unit	Keosamphan Village, Pakse District, Champasak Province, Lao PDR	Tel: +856-31-215148 Email: info@jdbbank.com.la
45	JDB PTT Paksong Service Unit	Vangluang Village, Paksong District, Champasak Province, Lao PDR	Tel: +856-31-211178 Fax: +856-31-211178 Email: info@jdbbank.com.la
46	JDB Salavan Service Unit	Nalek Village, Salavan District, Salavan Province, Lao PDR	Tel: +856-34-212191 +856-34-212193 Fax: +856-34-212192 Email: info@jdbbank.com.la



No.	Name	Location	Contact Info.
47	JDB Khongsedon Service Unit	Dongnakhone Village, Khongsedon District, Salavanh Province, Lao PDR	Tel: +856-34-411423 Fax: +856-34-411424 Email: info@jdbbank.com.la
48	JDB Sekong Service Unit	Watluang Village, Lamam District, Sekong Province, Lao PDR	Tel: +856-38-211807 +856-38-211809 Fax: +856-38-211808 Email: info@jdbbank.com.la
49	JDB Attapue Service Unit	Vernkhaem Village, Samakixay District, Attapue Province, Lao PDR	Tel: +856-36-210170 +856-36-210172 Fax: +856-36-210171 Email: info@jdbbank.com.la
50	JDB Tonpheung 2 Service Unit	Samliemthongkham Village, Tonpheung District, Bokeo Province, Lao PDR	Tel: +856-84-213099 +856-84-213100 Email: info@jdbbank.com.la
51	JDB Tonpheung Tang Hen Mall Service Unit	Hanfar Road, Golden Triangle Special Economic Zone, Tonpheung District, Borkeo Province, Lao PDR	Tel: +856-84-213118 +856-84-213119 Email: info@jdbbank.com.la
52	JDB Tonpheung Service Unit	Golden Triangle Special Economic Zone, Tonpheung District, Borkeo Province, Lao PDR	Tel: +856-84-219077 +856-84-219088 Fax: +856-84-219099 Email: info@jdbbank.com.la
53	JDB Houayxay Service Unit	Pa Aoy Village, Houayxay District, Borkeo Province, Lao PDR	Tel: +856-84-215112 +856-84-215111 Fax: +856-84-215113 Email: info@jdbbank.com.la
54	JDB Boten Service Unit	Boten Special Economic Zone, Luang Numtha District, Luang Namtha Province, Lao PDR	Tel: +856-86-218072 Fax: +856-86-218073 Email: info@jdbbank.com.la
55	JDB Luang Namtha Service Unit	Xaysomboun Village, Luang Namtha District, Luang Namtha Province, Lao PDR	Tel: +856-86-211999 +856-86-211555 Fax: +856-86-211777 Email: info@jdbbank.com.la
56	JDB Oudomxay Service Unit	Navannoi Village, Oudomxay District, Oudomxay Province, Lao PDR	Tel: +856-81-312889 / 311669 Fax: +856-81-312668 Email: info@jdbbank.com.la
57	JDB Meuang Houn Service Unit	Phonsavath Village, Houn District, Oudomxay province, Lao PDR	Tel: +856-81-213051 Fax: +856-81-213052 Email: info@jdbbank.com.la
58	JDB Xayabouly Service Unit	Simoungkhoun Village, Sayabouly District, Xayyabouly Province, Lao PDR	Tel: +856-74-212163 +856-74-212161 Fax: +856-74-212161 Email: info@jdbbank.com.la
59	JDB Paklay Service Unit	Xayyamoungkhoun Village, Paklay District, Xayyabouly Province, Lao PDR	Tel: +856-74-219060 Fax: +856-74-219059 Email: info@jdbbank.com.la



No.	Name	Location	Contact Info.
60	JDB Kenthao Service Unit	Chomphet Village, Kenthao District, Xayyabouly Province, Lao PDR	Tel: +856-74-216024 Fax: +856-74-216025 Email: info@jdbbank.com.la
61	JDB Luangprabang Service Unit	Pongkham Village, Luangprabang District, Luangprabang Province, Lao PDR	Tel: +856-71-260510 +856-71-260511 Fax: +856-71-260518 Email: info@jdbbank.com.la
62	JDB PTT Luangprabang Service Unit	Khokkua Village, Luangprabang District, Luangprabang Province, Lao PDR	Tel: +856-71-214018 Fax: +856-71-214017 Email: info@jdbbank.com.la
63	JDB Phosy Market Service Unit	Phosy Village, Luangprabang District, Luangprabang Province, Lao PDR	Tel: +856-71-214023 Fax: +856-71-214024 Email: info@jdbbank.com.la
64	JDB Xam Neua Service Unit	Phanxay Village, Xam Neua District, Hua Phan Province, Lao PDR	Tel: +856-64-312591 +856-64-312592 Fax: +856-64-312590 Email: info@jdbbank.com.la
65	JDB Xiangkhouang Service Unit	Phonesavanh Tai Village, Paek District, Xiangkhouang Province, Lao PDR	Tel: +856-61-213550 +856-61-213551 Fax: +856-61-213552 Email: info@jdbbank.com.la

However, the Underwriter may consider a change or increase in the number of selling agents according to the conditions and appropriateness.

#### 5.2.4 Terms of Underwriting

JDB has appointed an underwriter to handle the share subscription and payment for a total of 75,333,900 shares, with each share having a par value of LAK 1,000 per share, under a Best Effort Underwriting. The underwriting of the Bank's share issuance must comply with the terms and conditions specified in the underwriting agreement.

### 5.3 Estimated Expenses

The Bank will pay the underwriting fees directly to the underwriter, while the selling agent will receive partial commission from the underwriter. The total expenses, excluding the underwriting fees shall be paid mostly by the company, is estimated to be approximately LAK 5,895,847,478.

## 6. Procedures and Methods of Share Subscription

### 6.1 Procedures for Obtaining the Prospectus and Share Subscription Form

Investors can obtain the prospectus by downloading through the Bank's website of Joint Development Bank, Lao-China Securities Public Company, and the LSX. The subscription forms are available at the office of Lao-China Securities Public Company, and at headquarters and each service unit of the settlement bank and/or at office of selling agent between 8:30 a.m. and 3:00 p.m. from 15<sup>th</sup> September 2025 to 19<sup>th</sup> September 2025 (hereinafter referred to as the "Subscription Period").

## **6.2 Share Subscription Methods**

Investors can obtain subscription forms from the underwriter during the subscription period specified in this Prospectus. Investors must fully and clearly fill the subscription form, with authorized signatures and company seal (if applicable), and must make payment according to the specified procedures.

Share subscriptions must be for a minimum of 100 shares and in multiples of 100 shares thereafter, such as: 100 shares, 200 shares, 300 shares, etc.

Investors must fully and clearly fill all information on the subscription form and submit all documents required by the underwriter, along with full payment of the total value of subscribed shares within one transaction during the subscription period, via bank transfer to the account specified in the subscription form, and ensuring the underwriter can collect the funds within the last day of the subscription period.

A subscriber shall bring (1) Subscription form, (2) Identity verification documents, (3) Proof of fund transfer, to be submitted to Lao-China Securities Public Company or Selling Agent within the date and time specified in this Prospectus.

### **Required Identity Verification Documents:**

- Domestic investors: Copy of ID card or registration book
- Foreign investors: Copy of passport
- Letter of attorney from subscriber: in case there is a third person to be a subscriber's representative
- Entity or institutional investors: Copy of enterprise registration certificate and copy of ID card or passport of the authorized person.

The underwriter or selling agent receiving the share subscription shall issue a confirmation letter as evidence of the share subscription to subscribers and shall notify subscribers of share allocation results within 5 business days after the end of the subscription period.

## **6.3 Subscription Payment Methods**

Each investor must pay the full subscription amount to the underwriter or selling agent either through specific account designated in the share subscription form.

Investors shall be responsible for any bank fees or expenses related to foreign currency exchange rates, which must be paid separately from the share subscription payment, and submit the proof of such payments to the underwriter or selling agent on the day of share subscription confirmation. Once investors have paid for their share subscription, the subscription cannot be cancelled.

## **7. Share Allotment**

### **7.1 Share Allotment Principles**

After the underwriter or selling agent has already completed the share subscription process according to procedures and regulations, the allotment of shares to investors will be proceeded, which is expected to be completed within 10 business days after the end of the share issuance period. To ensure the rights and maximized benefits of both the Bank and investors, the underwriter has the right to consider allocating shares to any or all investors using either the "first-come, first-served" method or "pro-rata basis" (in case of oversubscription), the shares must be allocated in accordance with relevant regulations to meet the listing requirements of the LSX. However, the underwriter or selling agent reserves the right to reject share subscriptions and the allocation of issued shares according to the subscription form in cases where the underwriter determines that such share subscriptions have problems, obstacles, or limitations in execution, in order to ensure the successful of this share issuance. In the event

that all offered shares are fully subscribed before the specified deadline, the underwriter may close the subscription period earlier than scheduled.

## **7.2 Refund of Subscription Money Settle in Case of Non-Allotment of Shares**

According to the Decision on Share Issuance (Amended version) No. 13/LSC, dated 11<sup>th</sup> December 2024, article 22 regarding Refund of deposits, indicated that in cases where investors do not receive all or part of their share subscription allotment, the underwriter shall refund the entire money settlement or remaining portion to the investors who subscribed the shares within 5 business days from the end of the share issuance period.

In the event of an overdue refund period, the underwriter shall pay interest to the share subscribers at the savings deposit interest rate of the underwriter's correspondent bank during that period until the refund amount is fully paid to the share subscribers.

## **8. Share Delivery**

The share registrar shall deposit the newly issued shares into the securities accounts of subscribers at securities companies that are members of the LSX Securities Depository Center, as notified by subscribers in their subscription forms. The shares will be registered and deposited with the LSX Securities Depository Center.

## **9. Share Distribution Plan and Use of Proceeds from IPO**

The underwriter has entered into an underwriting agreement where the Bank has agreed to procure subscribers to register and purchase of 75,333,900 shares with a par value of LAK 1,000 per share. The underwriter shall underwrite the issuance of the offered shares according to the terms and conditions of the share underwriting agreement.

The underwriter will cooperate with selling agents to distribute newly issued shares amounting to 75,333,900 shares to both domestic and foreign general investors in accordance with their respective countries' laws, without requiring any additional document submissions.

The underwriter is responsible for distributing the newly shares that are issued and listed on the LSX, subject to legal conditions including share validation and other conditions specified in the share underwriting agreement, such as document verification by the underwriter's staff. The underwriter reserves the right to withdraw, cancel, or modify their share offering and reject all or part of share subscriptions within the scope permissible under the Law on Securities and other relevant laws of Lao PDR.

### PART 3


#### CERTIFICATION OF INFORMATION ACCURACY

##### 1. Certification of Information Accuracy by the Issuing Company


I have carefully reviewed the information in the Lao Prospectus in my capacity as Executive Board of Directors of JDB. I hereby certify that such the information is accurate and comprehensive.

In this regard, as evidence that all documents are identical to the set that I have certified, I have authorized Mr. Sakhone YORPHANXAY, as Managing Director, to sign every page of this Prospectus. If any document does not bear the signature of Mr. Sakhone YORPHANXAY, I shall consider that document as not having been certified by me for accuracy.


Signed by the Executive Board of Directors of Joint Development Bank Public

No.	Name and Surname	Designation	Signature
1	Mr. Vilay SIPHAPHONE	Executive Board of Directors	


Signed by the Internal Audit Department

No.	Name and Surname	Designation	Signature
1	Mrs. Southida THAMMAVONG	Head of Internal Audit Department	

Signed by Accounting and Finance Department

No.	Name and Surname	Designation	Signature
1	Mrs. Khonesavanh VIXATHEP	Head of Accounting and Finance Department	

Authorized person


No.	Name and Surname	Designation	Signature
1	Mr. Sakhone YORPHANXAY	Managing Director	

## 2. Certification of Information Accuracy by the Financial Advisor

This Prospectus is a part of IPO application documents of Joint Development Bank Public submitted to LSCO and LSX. This Prospectus has been jointly prepared by the Joint Development Bank Public and Lao-China Securities Public Company, under the financial advisory contract for the IPO and listing on the Lao Securities Exchange.

I hereby certify that the analysis, interpretation, and definition of words in this Prospectus are accurate and comprehensive based on the information provided by Joint Development Bank Public.

Signed by Lao-China Securities Public Company


No.	Name and Surname	Designation	Signature
1	Mr. Lin LI	General Director	

## 3. Certification of Information Accuracy by the Underwriter

This prospectus is a part of IPO application documents of Joint Development Bank Public submitted to LSCO and LSX. This Prospectus has been jointly prepared by the Joint Development Bank Public and Lao-China Securities Public Company, under the underwriting contract for the IPO and listing on the Lao Securities Exchange.

I hereby certify that the analysis, interpretation, and definition of words in this Prospectus are accurate and comprehensive based on the information provided by Joint Development Bank Public.

Signed by Lao-China Securities Public Company

No.	Name and Surname	Designation	Signature
1	Mr. Lin LI	General Director	



# JOINT DEVELOPMENT BANK LIMITED



## FINANCIAL STATEMENTS

(in accordance with the accounting policies of the Bank and the relevant accounting regulations and notifications of Bank of the Lao People's Democratic Republic)

31 DECEMBER 2024



# **JOINT DEVELOPMENT BANK LIMITED**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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# JOINT DEVELOPMENT BANK LIMITED

## GENERAL INFORMATION

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### THE BANK

Joint Development Bank Limited ("the Bank") is a limited liability bank incorporated and registered in Lao PDR.

The Bank was established under a joint venture agreement dated 2 February 1989 between Bank of the Lao PDR ("the BOL") and Phomsouvanh Silo & Drying Ltd, a Company incorporated in Thailand. Under the agreement, Phomsouvanh Silo & Drying Ltd and the BOL owned 70% and 30% of the Bank's capital respectively. In 2010, the BOL transferred all its contributed capital to Phomsouvanh Silo & Drying Ltd. In 2012, Phomsouvanh Silo & Drying Ltd sold 100% its contributed capital to three individual domestic investors.

The Bank operated under Decision No. 04/PMA of the President of Ministerial Assembly and Decision No. 04/BOL of the Bank of the Lao PDR dated 21 January 1989, which were amended by Investment License No. 133/10 dated 23 September 2010 issued by Ministry of Planning and Investment and Enterprise Registration Certificate No.0234/ERU dated 3 May 2013 issued by the Ministry of Industry and Commerce.

The principal activities of the Bank are to provide services on mobilizing and receiving short, medium and long term deposit funds from various organisations and individuals; lending on a short, medium and long term basis to various organisation and individuals up to the nature and ability of the Bank's capital resources; conducting foreign currency transactions; internal trade finance services, discounting of commercial notes, bonds and valued documents; providing transaction services between customers; and other banking services as approved by the BOL.

The initial paid-up capital of the Bank was LAK 33,882,440,000. The actual paid-up capital of the Bank as of 31 December 2024 is LAK 674,666,100,000 (31 December 2023: LAK 474,666,100,000).

### BOARD OF DIRECTORS (BoD)

Members of the Board of Directors for the year ended 31 December 2024 and at the date of this report are as follows:

Name	Title	Date of appointment
Mr. Vilay Siphaphone	Chairman	Appointed on 18 May 2023
Mrs. Phonesamay Soukhaphon	Vice Chairman	Appointed on 18 May 2023
Mr. Sakhone Yorphanxay	Member	Appointed on 18 May 2023
Mr. Khamsing Sonesinnavong	Member	Appointed on 18 May 2023
Mr. Vilarndeth Vayyasomsack	Member	Appointed on 18 May 2023
Mr. Chanthaphone Chanthavong	Member	Appointed on 18 May 2023
Mr. Bounsoum Sysavath	Member	Appointed on 18 May 2023



# JOINT DEVELOPMENT BANK LIMITED

## GENERAL INFORMATION

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### MANAGEMENT

Members of the Management during the year ended 31 December 2024 and at the date of this report are as follows:

<b>Name</b>	<b>Title</b>	<b>Date of appointment/resignation</b>
Mr. Sakhone Yorphanxay	General Director	Appointed on 18 May 2023
Mr. Khamsing Sonesinnavong	Deputy General Director	Appointed on 18 May 2023
Mr. Vilarndeth Vayyasomsack	Deputy General Director	Appointed on 18 May 2023
Mr. Chansana Singhavong	Deputy General Director	Appointed on 18 May 2023
Mr. Khamsu Yang	Deputy General Director	Appointed on 18 May 2023
Mr. Chanthaphone Chanthavong	Deputy General Director	Appointed on 18 May 2023

### LEGAL REPRESENTATIVE

The legal representative of the Bank from 1 January 2024 to 21 May 2025 is Mr. Sakhone Yorphanxay – General Director.

### AUDITORS

The auditors of the Bank are PricewaterhouseCoopers (Lao) Sole Company Limited.

## JOINT DEVELOPMENT BANK LIMITED

### REPORT OF MANAGEMENT

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The Management of Joint Development Bank Limited ("the Bank") is pleased to present its report and the Bank's financial statements as at and for the year ended 31 December 2024.

#### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Bank's Management is responsible for the financial statements of each interim financial period which give a true and fair view of the financial position of the Bank and of its operational results and its cash flows for the period. In preparing those financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgments and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Bank will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Bank and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying interim financial statements.

#### STATEMENT OF MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements as at 31 December 2024 are prepared, in all material respects, in accordance with the relevant regulations and notifications of the Bank of Lao People's Democratic Republic and the accounting policies described in Note 2 to the financial statements.

For and on behalf of Management:



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Mr. Sakhone Yorphanxay  
General Director

Vientiane Capital, Lao PDR  
Date: 21 May 2025





## INDEPENDENT AUDITOR'S REPORT

To: The shareholder of Joint Development Bank Limited

### Opinion

In our opinion, the financial statements of Joint Development Bank Limited ("the Bank") for the year ended 31 December 2024 are prepared, in all material respects, in accordance with the relevant regulations and notifications of the Bank of Lao People's Democratic Republic and the 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 then ended;
- the statement of financial position as at 31 December 2024;
- 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). 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 accounting. The financial statements are prepared in accordance with the Bank's accounting policies described in Note 2 to the financial statements. As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for the Bank and the Bank of Lao People's Democratic Republic and should not be distributed to or used by parties other than the Bank and the Bank of Lao People's Democratic Republic. Our opinion is not modified in respect to this matter.





### **Responsibilities of the directors of the Bank for the financial statements**

The directors are responsible for the preparation and presentation of the financial statements in accordance with the relevant accounting regulations and notifications of the Bank of Lao People's Democratic Republic and the 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.

### **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 skepticism throughout the audit. We are 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.

For PricewaterhouseCoopers (Lao) Sole Company Limited

By Apisit Thiengtrongsingha  
Partner

Vientiane Capital, Lao PDR  
Date: 21 May 2025



## JOINT DEVELOPMENT BANK LIMITED

STATEMENT OF INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 LAK	2023 LAK
<b>A. OPERATING INCOME AND EXPENSES</b>			
1 Interest and similar income	3	1,904,903,787,975	1,334,107,258,549
2 Interest and similar expenses	3	(1,436,263,848,970)	(1,024,785,846,376)
<b>I. NET INTEREST AND SIMILAR INCOME</b>		<b>468,639,939,005</b>	<b>309,321,412,173</b>
3 Fee and commission income	4	761,638,366,564	484,078,425,685
4 Fee and commission expenses	4	(126,085,555,181)	(67,755,220,241)
5 Net (loss)/gain from securities investment	5	41,005,419,630	17,231,179,060
6 Net gain from dealing in foreign currencies	6	279,351,819,752	200,856,857,250
<b>II. NET OPERATING INCOME</b>		<b>1,424,549,989,770</b>	<b>943,732,653,927</b>
<b>B. OTHER INCOME AND EXPENSES</b>			
7 Other operating income	7	63,420,650,500	11,524,419,393
8 Administration expenses		(368,280,971,906)	(252,738,119,161)
8.1 Payroll and other staff costs	8	(205,810,920,900)	(148,936,609,736)
8.2 Other administrative expenses	9	(162,470,051,006)	(103,801,509,425)
9 Depreciation and amortization charges	19, 20, 21	(51,213,897,832)	(38,974,810,764)
10 Other operating expenses	10	(148,654,689,705)	(59,240,256,133)
11 Net provision for non-performing loans charged to expense		1,301,356,224	(10,342,289,448)
<b>III. TOTAL PROFIT BEFORE TAX</b>		<b>921,122,437,051</b>	<b>593,961,597,814</b>
12 Current profit tax	28	(179,861,468,253)	(83,658,926,464)
<b>IV. PROFIT AFTER TAX</b>		<b>741,260,968,798</b>	<b>510,302,671,350</b>

Prepared by:


Ms. Khonesavanh Vixathap  
Head of Finance and Accounting departmentVientiane, Lao PDR  
Date: 21 May 2025

Approved by:

Mr. Sakhone Yorphanxay  
General Director

## JOINT DEVELOPMENT BANK LIMITED

STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2024

	Notes	2024 LAK	2023 LAK
<b>ASSETS</b>			
<b>I Cash and accounts with the BOL</b>		<b>7,216,139,178,457</b>	<b>5,148,769,142,980</b>
1. Cash on hand	11	2,476,960,951,761	1,707,663,966,883
2. Balance with BOL	12	4,557,379,428,169	3,441,105,176,097
3. Gold and other metal precious	13	181,798,798,527	-
<b>II Due from other banks</b>	<b>14</b>	<b>1,298,605,293,304</b>	<b>1,106,809,783,510</b>
1. Demand deposits		1,219,141,024,837	741,506,345,523
2. Term deposits		73,316,000,000	193,800,000,000
3. Saving deposits		6,148,268,467	171,503,437,987
<b>III Investment in securities</b>	<b>15</b>	<b>997,467,955,022</b>	<b>716,785,591,658</b>
1. Available-for-sale securities		2,350,000,000	2,350,000,000
2. Held-to-maturity securities		995,117,955,022	714,435,591,658
<b>IV Loans to customers, net of specific provision for credit activities</b>	<b>16</b>	<b>20,548,354,152,336</b>	<b>16,637,985,570,787</b>
<b>V Interest in joint ventures</b>	<b>17</b>	<b>2,697,780,000</b>	<b>1,697,780,000</b>
<b>VI Fixed assets</b>		<b>449,371,042,673</b>	<b>345,165,133,576</b>
1. Construction in progress and fixed assets in transit	18	7,816,418,649	7,886,831,879
2. Intangible fixed assets	19	234,890,697,441	185,781,600,728
3. Tangible fixed assets	20	186,095,149,968	135,422,184,878
4. Right of use asset	21	20,568,776,615	16,074,516,091
<b>VII Other assets</b>		<b>2,631,775,971,915</b>	<b>2,126,034,768,979</b>
1. Accrued interest receivable		222,897,296,211	219,603,991,355
2. Other assets	22	2,408,878,675,704	1,906,430,777,624
<b>TOTAL ASSETS</b>		<b>33,144,411,373,707</b>	<b>26,083,247,771,490</b>

Prepared by:


Ms. Khonesavanh Vixathap  
Head of Finance and Accounting departmentVientiane Capital, Lao PDR  
Date: 21 May 2025

Approved by:

Mr. Sakhone Yorphanxay  
General Director

The accompanying notes on pages 14 to 38 form an integral part of these financial statements.



## JOINT DEVELOPMENT BANK LIMITED

STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2024

	Notes	2024 LAK	2023 LAK
<b>LIABILITIES AND CAPITAL</b>			
<b>I Due to other banks and financial institutions</b>	<b>23</b>	<b>2,630,625,135,420</b>	<b>2,060,772,476,184</b>
1. Demand and saving deposits		214,659,044,373	168,694,398,572
2. Term deposits		1,360,133,700,000	543,718,700,000
3. Borrowings		1,055,809,420,000	1,348,310,000,000
4. Other payables		22,971,047	49,377,612
<b>II Due to customers</b>	<b>24</b>	<b>27,476,247,710,282</b>	<b>21,867,163,162,279</b>
1. Demand and saving deposits		7,062,532,146,326	5,094,290,620,618
2. Term deposits		20,413,715,563,956	16,772,872,541,661
<b>III Other liabilities</b>		<b>1,357,960,908,399</b>	<b>935,037,177,116</b>
1. Accrued interests payable		924,445,916,347	700,874,155,002
2. Other liabilities		433,514,992,052.00	234,163,022,114
<b>TOTAL LIABILITIES</b>		<b>31,464,833,754,101</b>	<b>24,862,972,815,579</b>
<b>IV Capital and reserves</b>			
1. Share capital	25	674,666,100,000	474,666,100,000
2. Regulatory reserve fund	26	73,940,550,897	47,225,488,634
3. General reserve fund	26	95,094,307,105	68,379,244,842
4. General provision for credit activities	16.4	91,562,389,701	81,649,291,641
5. Provision for unrecoverable assets		94,029,775,080	94,029,775,080
6. Unrealized gain/(loss) from gold revaluation	13	(10,994,711,473)	-
7. Retained earnings		661,279,208,296	454,325,055,714
<b>TOTAL CAPITAL</b>		<b>1,679,577,619,606</b>	<b>1,220,274,955,911</b>
<b>TOTAL LIABILITIES AND CAPITAL</b>		<b>33,144,411,373,707</b>	<b>26,083,247,771,490</b>

Prepared by:


Ms. Khonesavanh Vixathep  
Head of Finance and Accounting departmentVientiane, Lao PDR  
Date: 21 May 2025

Approved by:

Mr. Sakhone Yorphanxay  
General Director



## JOINT DEVELOPMENT BANK LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Share capital LAK	Provision for unrecoverable asset LAK	General provision for credit activities LAK	Regulatory reserve fund LAK	General reserve fund LAK	Retained earnings LAK	Total LAK
Opening balance at 1 January 2023		444,666,100,000	94,029,775,080	58,237,986,413	31,030,555,696	19,794,446,027	235,531,177,260	883,290,040,476
Paid up	25	30,000,000,000	-	-	-	-	-	30,000,000,000
Appropriated-legal reserve	26	-	-	-	16,194,932,938	-	(16,194,932,938)	-
General reserve fund	26	-	-	-	-	16,194,932,938	(16,194,932,938)	-
Dividend paid	27	-	-	-	-	-	(259,118,927,020)	(259,118,927,020)
Net general provision for credit activities during the year	16.3	-	-	23,411,305,228	-	-	-	23,411,305,228
Reverse reserve for tax penalty paid	26	-	-	-	-	32,389,865,877	-	32,389,865,877
Net profit for the year		-	-	-	-	-	510,302,671,350	510,302,671,350
Closing balance at 31 December 2023		<u>474,666,100,000</u>	<u>94,029,775,080</u>	<u>81,649,291,641</u>	<u>47,225,488,634</u>	<u>68,379,244,842</u>	<u>454,325,055,714</u>	<u>1,220,274,955,911</u>

Prepared by:


Ms. Khonesavanh Vixathep  
Head of Finance and Accounting departmentVientiane, Lao PDR  
Date: 21 May 2025Mr. Sakhone Yorphanxay  
General Director

## JOINT DEVELOPMENT BANK LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Share capital LAK	Provision for unrecoverable asset LAK	Unrealized gain/(loss) from gold revaluation LAK	General provision for credit activities LAK	Regulatory reserve fund LAK	General reserve fund LAK	Retained earnings LAK	Total LAK
Opening balance at 1 January 2024		474,666,100,000	94,029,775,080	-	81,649,291,641	47,225,488,634	68,379,244,842	454,325,055,714	1,220,274,955,911
Paid up	25	200,000,000,000	-	-	-	-	-	-	200,000,000,000
Appropriated-legal reserve	26	-	-	-	-	26,715,062,263	-	(26,715,062,263)	-
General reserve fund	26	-	-	-	-	-	26,715,062,263	(26,715,062,263)	-
Dividend paid	27	-	-	-	-	-	-	(480,876,691,690)	(480,876,691,690)
Unrealized loss on available for sale - Gold	14	-	-	(10,994,711,473)	-	-	-	-	(10,994,711,473)
Net general provision for credit activities during the year	16.3	-	-	-	9,913,098,060	-	-	-	9,913,098,060.00
Net profit for the year		-	-	-	-	-	-	741,260,968,798	741,260,968,798.00
Closing balance at 31 December 2024		674,666,100,000	94,029,775,080	(10,994,711,473)	91,562,389,701	73,940,550,897	95,094,307,105	661,279,208,296	1,679,577,619,606

Prepared by:


Ms. Khonesavanh Vixatthep  
Head of Finance and Accounting departmentVientiane, Lao PDR  
Date: 21 May 2025

Approved by:

Mr. Sakhone Yorphanxay  
General Director



## JOINT DEVELOPMENT BANK LIMITED

STATEMENT OF CASHFLOW  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 LAK	2023 LAK
<b>OPERATING ACTIVITIES</b>			
Net profit/(loss) before tax		921,122,437,051	593,961,597,814
Adjustments for:			
Depreciation and amortization expenses	19, 20, 21	51,213,897,832	45,772,010,832
Write-off and disposal	18, 19, 20	7,799,416,893	-
Net provision expense	16.3	63,681,997,656	9,845,178,429
Interest income	3	(1,904,903,787,975)	(1,334,107,258,549)
Interest expense	3	1,436,263,848,970	1,024,785,846,376
<b>Cash flows from operating profit before changes in operating assets and liabilities</b>		<b>575,177,810,427</b>	<b>340,257,374,902</b>
(Increase)/Decrease in operating assets			
Balances with other banks		(255,319,272,411)	(865,564,138,704)
Loans to customers		(3,964,137,481,145)	(4,670,022,839,754)
Other assets		(502,447,898,080)	(1,114,378,509,313)
Increase/(Decrease) in operating liabilities			
Amounts due to BOL and other banks		891,448,239,236	71,171,754,208
Due to customers		5,609,084,548,003	7,727,013,823,803
Other liabilities		56,407,638,579	159,094,841,488
<b>Cash generated from (used in) operations</b>		<b>2,410,213,584,609</b>	<b>1,647,572,306,630</b>
Profit tax paid during the year			
Interest Paid		(1,212,692,087,625)	(820,556,960,695)
Interest Received		1,901,610,483,118	1,332,210,517,150
Profit tax paid		(85,004,806,062)	(76,965,587,808)
<b>Net cash flows from/ (used in) operating activities</b>		<b>3,014,127,174,040</b>	<b>2,082,260,275,277</b>
<b>INVESTING ACTIVITIES</b>			
Payment for construction in progress and tangible assets	18	(27,224,778,252)	(7,790,239,379)
Payment for intangible assets	19	(58,227,505,005)	(21,771,898,456)
Payment for tangible assets	20	(69,092,418,665)	(44,923,676,690)
Proceed from disposals of assets		-	426,405,604
Payment for right of use assets	21	(8,674,521,900)	(10,146,016,686)
Payment from investment in financial investment - hold to maturity		(1,297,653,526,153)	(233,165,140,000)
Proceed from investment in financial investment - hold to maturity		1,016,971,162,789	34,459,605,000
Payment from investment in financial investment - Gold and other metal precious		(192,793,510,000)	-
Payment for associates and joint ventures investments		(1,000,000,000)	-
<b>Net cash flows (used in)/from investing activities</b>		<b>(637,695,097,186)</b>	<b>(282,910,960,607)</b>

Prepared by:

Ms. Khonesavanh Vixathap  
Head of Finance and Accounting departmentMr. Sakhone Yorphanxay  
General DirectorVientiane, Lao PDR  
Date: 21 May 2025

The accompanying notes on pages 14 to 38 form an integral part of these financial statements.

## JOINT DEVELOPMENT BANK LIMITED

STATEMENT OF CASHFLOW  
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 LAK	2023 LAK
<b>FINANCING ACTIVITIES</b>			
Payment of dividend	27	(232,789,022,521)	(203,207,034,318)
Payment for borrowing with BoL		(435,155,000,000)	-
Proceeds from borrowing with BoL		113,559,420,000	-
<b>Net cash flows used in financing activities</b>		<b>(554,384,602,521)</b>	<b>(245,122,034,318)</b>
<b>Net change in cash and cash equivalents</b>		<b>1,822,047,474,333</b>	<b>1,554,227,280,352</b>
Cash and cash equivalents at the beginning of the year		4,926,927,017,468	3,372,699,737,116
<b>Cash and cash equivalents at the end of the year</b>	29	<b>6,748,974,491,801</b>	<b>4,926,927,017,468</b>

**Non-cash investing activities**

Paid dividend by offsetting against receivable of shareholders for issuance of share capital and income tax for dividends

248,087,669,169.00

55,911,892,702

Prepared by:



Ms. Khonesavanh Vixathep  
Head of Finance and Accounting department

Vientiane, Lao PDR  
Date: 21 May 2025



Mr. Sakhone Yorphanxay  
General Director



## **JOINT DEVELOPMENT BANK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

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#### **1. GENERAL INFORMATION**

Joint Development Bank Limited ("the Bank") is a limited liability bank incorporated and registered in Lao PDR.

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 resources of capital, foreign exchange transactions; and providing other banking services allowed by Bank of Lao PDR (BoL).

The Bank has the Certificate of Membership of Deposit Protection Office (DPO), Bank of Lao PDR. Therefore, the deposit from customer is guaranteed by DPO.

The Head Office of the Bank is located at No. 82, Lane Xang Road, Vientiane, Lao PDR. As of 31 December 2024, the Bank has one Head Office, sixty-two service units.

The Bank plans to list itself at the Lao Securities Exchange. As at the date of this report, the process of changed its status from a limited company to a public company is completed (Note 31) and the listing are still in progress.

The financial information was authorised for issue by the Bank's management on 21 May 2025.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

##### **2.1 Basis of preparation**

The financial statements have been prepared in accordance with the Bank's accounting policies as described in the notes to the financial statements and the relevant BoL regulations and notifications. The accounting principles applied may differ from generally accepted accounting principles adopted in other countries and jurisdictions. The accompanying financial statements are not intended to present the financial position and financial performance in accordance with other jurisdictions.

Consequently, these financial statements are addressed only to those who are informed about the Bank's accounting policies and the relevant accounting regulations and notifications of BoL.

The preparation of financial statements requires management to make estimates and assumptions affecting the amounts reported as assets and liabilities, the disclosure of any contingent assets and liabilities at the date of the financial statements and the amounts of 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.2 Recognition of interest income and expenses**

**Interest income recognition**

Interest income is recognised on an accrual basis using the nominal interest rates stipulated in loan contracts with clients except for non-performing accounts and specific consideration.

Where an account becomes non-performing or when the management believes that the borrower has no ability to repay the principal and interest, the recording of interest is suspended, and interest income already recognised is reversed. Interest income will be recognised if accrued interest on non-performing loans will be subsequently collected or actually received. Customer accounts are deemed to be non-performing where repayments are in arrears for more than three months or 90 days. This is in line with the regulations of BoL.

**Interest expense recognition**

Interest expense on deposits from customers, other banks, finance institutions and borrowing are recognised on an accrual basis.

**2.3 Recognition of fee and commission income**

Fees and commissions consist of fees received for fund transfer (including cheque settlement), foreign currency exchange transactions, financial guarantees and other banking services.

Fee and commission income are recognized in the separate income statement on cash basis.

**2.4 Recognition of dividend income**

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

**2.5 Foreign currency transactions and translation**

The financial statements is presented in Lao Kip. Monetary assets and liabilities denominated in currencies other than LAK at year end are translated into LAK at the exchange rate ruling on the statement of the financial report date. Income and expenses arising in foreign currencies during the period are converted into LAK using the respective month's average exchange rate. Gains and losses resulting from the settlement of such transactions and from the translation of such monetary assets and liabilities are recognised in the statement of income when earned and incurred.



## JOINT DEVELOPMENT BANK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 2.6 Cash and cash equivalents

Cash and cash equivalents consist of cash, highly liquid short-term investments with an original maturity of less than 30 days that are readily convertible to known amount of cash, gold and accounts due from banks with original maturity of less than 30 days or less.

##### 2.6.1 Gold and other metal precious

Under the chart of account issued by the Accounting Department of BoL, Gold is reclassified as cash and cash equivalent.

Management intended to be held gold for an indefinite period of time, which may be sold in response to liquidity needs or changes in market rate are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

Gold are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost and subsequently measured at fair value.

The fair value of gold is based on price at the close of business on the statement of financial position date by reference to the London Bullion Market Association (LBMA) market. The unrealised gain/(loss) from gold revaluation is recognised in equity.

On disposal of gold, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income. The unrealised gain/(loss) from gold revaluation which previously recognised in equity is charged or credited to the statement of income

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Loans to customers

Loans to customers are recognized at cost and presented at outstanding balance less specific provision for credit activities.

2.8 Classification of and provision for credit activities

Provision for credit losses

Classification

In accordance with Regulation 512/BOL dated 29 June 2018, and Official Letter No.898/CBSD dated 14 November 2018, the Bank is required to classify loans and create a provision for impairment losses. Accordingly, loans are classified into performing or non-performing loans based on their payment arrears status and other qualitative factors.

Loans classified as normal/pass (Group A) and watch/special mention (Group B) are considered performing loans. Loans classified as substandard (Group C), doubtful (Group D) and loss (Group E) are considered non-performing loans.

Provision

Under Regulation 512/BOL dated 29 June 2018, to calculate provisions, banks can account for collateral value with the percentage prescribed in the Regulation to deduct it from the loan outstanding before applying the provision rates.

In accordance with Regulation 784/BOL dated 3 September 2019, commercial banks that grant loans to SMEs under this regulation are eligible to set up provision at 0.20% of outstanding the SME loan balances that are classified as normal.

Regarding the loans related to infrastructure development projects from the Government, which are overdue, but project repayments are within schedule by the Government, the Bank is allowed to classify there loans as Special Mention loans in accordance with Official Letter No. 172/BOL dated 15 May 2017 by the Bank of the Lao PDR.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**
**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**
**2.8 Classification of and provision for credit activities (continued)**

Provision (continued)

Provisions are categorised as general and specific based on the loan classification. Below is a summary of provision rates applicable for each loan classification as at the balance sheet date.

Group	Category	Accounting for provision balance	Provision rate	Days past due
<b>Performing (general)</b>				
A	Normal or pass	In capital and reserves	0.5%	Within 29 Days
B	Watch or special mention	Deducted to loan balance	3%-5%	30 to 89 days
<b>Non-Performing (Specific)</b>				
C	Substandard	Deducted to loan balance	20%	90 to 179 days
D	Doubtful	Deducted to loan balance	50%	180 to 359 days
E	Loss	Deducted to loan balance	100%	360 days or more

- (i) Provision amount is calculated by the following formulas:
  - a. General provision = Provision rate x Loan outstanding balance
  - b. Specific provision = Provision rate x Loan outstanding balance - undiscounted value of collateral.
- (ii) The performing-loan provision balance group A is recorded in the balance sheet in 'Provision for performing loans' under capital and reserve. The accumulated balance of the non-performing loan provision and the performing-loan provision balance group B are recorded to the balance sheet in 'Loans to customers, net of provision for NPLs'.
- (iii) Changes in the performing-loan provision is recorded in the income statement as 'Other operating expenses' for provision expenses, and 'Other operating income' for reversals of provision expenses. Changes in the non-performing loan provision are recorded in the income statement as 'Net provision for NPLs changed to/ (reversal out of) expenses'.

**2.9 Leases**

According to the BOL's Notification No. 1433/BOL dated 24 October 2019 that requesting commercial banks to apply lease account as mentioned in the guideline of the notification for preparation and presentation of financial statements.

The Bank recognised right-of-use assets and lease liabilities for those leases previously classified as finance lease or operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Leases (continued)

The lease contract for office lease before adopting the notification no.1433/BOL issued by BoL as mentioned on above, the Bank classified each of its leases -lessee at the inception date as an operating lease. The rental fee record as period expenses based on contract period.

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.

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.

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.

Payment for right of use assets are presented in the cash flow statement under investing activities.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.10 Investment securities**

**Available-for-sale investments**

Available-for-sale investments include equity instruments that the Bank has intention to hold for investment and that are ready for trading. These securities are not frequently traded but could be sold at any time the transaction yield benefit.

Investment is initially recognised at cost and subsequently measured at fair value.

The fair value is based on price at the close of business on the statement of financial position date by reference to the Lao Securities Exchange (LSX) market. The unrealised gains and losses are recognised in the statement of income.

On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income.

**Held-to-maturity securities**

Investment in government bond

Held-to-maturity investment in government bond, recognised at cost and subsequently reflected at cost in the statement of financial position, are debt securities with fixed or determinable payments and maturities, which the Bank has intention and ability to hold to maturity to earn interest. When they are sold before maturity date, these securities will be reclassified as trading securities or available-for-sale securities.

Debt settlement through government bond

Held-to-maturity securities, debt settlement through government bond, are initially recognized at face value and subsequently reflect at face value in the statement of financial position. The difference between the face value and the purchase price will be considered a discount. Discounts arising from securities purchases are amortized in the statement of income using the straight-line method over the year from the acquisition dates to the maturity dates.

**2.11 Interest in joint venture**

Interest in joint venture is investment in the other party that the Bank has Joint Venture Agreements and has representative as director in those company.

The Bank's interest in joint venture are recognized at cost and subsequently reflected at cost in the statement of financial position. Dividend and income transferred from joint ventures are recognized in the statement of income as "Net gain from equity investment".

**2.12 Foreclose assets**

Foreclosed assets refer to properties seized due to non-payment of loan agreements. The bank will auction these assets to recover the outstanding debt. Foreclosed assets are recorded when the bank has the right to the foreclosed asset.

Foreclosed assets are recorded using the outstanding balance according to the customer's contract and will be revalued upon sale. The difference between the sale price and the carrying amount will be recognized as a profit or loss from the sale of the asset in the statement of income.

## JOINT DEVELOPMENT BANK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 2.13 Fixed assets

###### 2.13.1 Intangible fixed assets

Intangible fixed assets consist of land use rights and software. Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives as follow:

Land use rights (*)	No amortisation
Computer software	20%

(\*): Land use rights refer to land that the Bank owns but is recorded in the term of accounts, issued by BOL, as land use rights. The cost of land use rights is not amortized because they have an indefinite life.

Cost associated with maintaining computer software are recognised as an expense as incurred.

###### 2.13.2 Tangible fixed assets

Tangible fixed assets consist of buildings and improvements, office equipment, furniture and fixtures, and motor vehicles.

Fixed assets are stated at cost less accumulated depreciation, if any.

The cost of an asset comprises its purchase price plus any costs directly attributable to the bringing of the asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are capitalized and expenditures for maintenance and repairs are charged to the statement of income, if any.

When assets are sold or disposed, their cost and accumulated depreciation or amortization are removed from the statement of financial position and any gains or losses resulting from their disposal are posted to the statement of income.

##### 2.14 Depreciation

Depreciation and amortization of fixed assets are provided on the straight-line basis at prescribed rates over their estimated useful life in accordance with the Tax Law revised No. 67 date 18 Jun 2019 effective for accounting periods starting on 1 January 2020. The following are the annual rates used:

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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.15 Regulatory reserve fund**

Under the Law on Commercial Banks date 7 December 2018 requires commercial banks to allocate net profit to a regulatory reserve fund, business expansion fund, and others.

In accordance with the Enterprise Law, 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 Annual General Meeting (AGM).

The Business expansion fund and other funds shall be created upon decision of the Board of Directors.

**2.16 Taxation**

The Bank is obliged to pay profit tax at rate of 20% of total taxable profit in accordance with the Tax Law.

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

**2.17 Employee benefits**

**Post-employment benefits**

Post-employment benefits are paid to retired employees of the Bank by the Social Security Fund Department which belongs to the Ministry of Labour and Social Welfare. The Bank is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 6.00% of the employee's basic salary on a monthly basis. The Bank has no further obligation concerning post-employment benefits for its employees other than this.

**Termination benefits**

In accordance with Article 82 of the Amended Labour Law No. 43/NA dated 24 December 2013 and the Decree of the President of the Lao People's Democratic Republic on the Promulgation of the Labour Law (Amended) No. 068/P dated 28 January 2014, the Bank has the obligation to pay allowance for employees who are terminated by dismissal in the following cases:

- ▶ The employee 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 multiplied by the total number of months worked.

As at 31 December 2024, there is no employees of the Bank who were dismissed under the above-mentioned grounds, therefore the Bank has not made a provision for termination allowance in the financial statements.



# JOINT DEVELOPMENT BANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 3. NET INTEREST AND SIMILAR INCOME

	2024 LAK	2023 LAK
<b>Interest and similar income from:</b>		
Interbank transactions	25,556,539,112	9,453,704,644
Loans to customers	1,826,137,158,866	1,294,568,303,184
Bonds issued by the MOF	53,210,089,997	30,085,250,721
	<b>1,904,903,787,975</b>	<b>1,334,107,258,549</b>
<b>Interest and similar expenses for:</b>		
Deposits from other banks	(143,122,767,591)	(98,233,057,501)
Customers' deposits	(1,293,141,081,379)	(926,552,788,875)
	<b>(1,436,263,848,970)</b>	<b>(1,024,785,846,376)</b>
<b>Net interest and similar income</b>	<b>468,639,939,005</b>	<b>309,321,412,173</b>

### 4. FEE AND COMMISSION INCOME

	2024 LAK	2023 LAK
<b>Fee and commission income from:</b>		
Interbank transactions	2,372,033,680	1,572,732,566
Trade finance, ATM and transmittance activities	753,873,100,379	478,276,030,005
Settlement services	5,393,232,505	4,229,663,114
	<b>761,638,366,564</b>	<b>484,078,425,685</b>
<b>Fees and commission expenses for:</b>		
Settlement services	(23,438,468,112)	(10,832,926,054)
Interbank transactions	(102,647,087,069)	(56,922,294,187)
	<b>(126,085,555,181)</b>	<b>(67,755,220,241)</b>
<b>Net fee and commission income</b>	<b>635,552,811,383</b>	<b>416,323,205,444</b>

### 5. NET (LOSS)/GAIN FROM SECURITIES INVESTMENT

The net (loss)/gain from securities investment is mainly from the profit from bond discount, debt settlement through government bond, amount of LAK 41,005,419,630 (2023: LAK 17,231,179,060)

### 6. NET GAIN FROM DEALING IN FOREIGN CURRENCIES

	2024 LAK	2023 LAK
Gain from dealing in foreign currencies	66,802,556,870,065	8,128,573,105,640
Loss from dealing in foreign currencies	(66,523,205,050,313)	(7,927,716,248,390)
	<b>279,351,819,752</b>	<b>200,856,857,250</b>

# JOINT DEVELOPMENT BANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 7. OTHER OPERATING INCOME

	2024 LAK	2023 LAK
Reversal of accrued interests and expenses	20,815,467,992	1,024,123,097
Recovery of bad debts written off	3,000,000	527,075
Income from disposing fixed assets	1,466,892,586	186,216,960
Others income from banking expenses	6,820,638,700	4,976,278,442
Income from non-banking operation	4,181,136,669	2,243,486,240
Extraordinary income (1)	30,133,514,553	3,093,787,579
	<b>63,420,650,500</b>	<b>11,524,419,393</b>

(1) Extraordinary income for the year ended 31 December 2024 is mainly from gain from sale foreclose assets amounting to LAK 26,194,682,487.

### 8. PAYROLL AND OTHER STAFF COSTS

	2024 LAK	2023 LAK
Wages and allowances	103,943,971,230	83,913,124,358
Insurance expense for employees	2,248,746,622	2,131,919,284
Bonus and welfare benefits	68,967,629,000	42,155,482,829
Training expenses	1,337,396,810	470,599,170
Other benefits welfare	29,313,177,238	20,265,484,095
	<b>205,810,920,900</b>	<b>148,936,609,736</b>

### 9. OTHER ADMINISTRATIVE EXPENSES

	2024 LAK	2023 LAK
Brokerage and professional fees (1)	21,582,484,375	14,411,855,803
Fuel and oils	1,864,658,679	1,883,305,817
Official business trips	4,832,699,040	3,007,278,589
Publication, marketing and promotion expenses	11,118,344,183	6,309,827,830
General and administration expenses	9,859,521,696	5,424,838,351
Insurance fees	1,247,180,912	932,997,391
Post and telecommunications	8,538,934,077	5,616,988,826
Maintenance and repair	27,973,982,039	20,950,337,383
Electricity and water supply	5,363,217,074	4,471,301,574
Office rental	11,780,576,315	9,670,350,851
Entertainments	13,259,073,919	7,708,761,146
Others (2)	45,049,378,697	23,413,665,864
	<b>162,470,051,006</b>	<b>103,801,509,425</b>

(1) This is included audit fee approximately LAK 708 million.

(2) Other expenses mainly consist of waiving various fees, such as card fees and late payment penalties.



# JOINT DEVELOPMENT BANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 10. OTHER OPERATING EXPENSES

	2024 LAK	2023 LAK
Depositor Protection Fund expense	25,243,829,096	18,096,537,612
Net provision for performing loans	64,983,353,880	31,358,194,457
Others (1)	58,427,506,729	9,785,524,064
	<u>148,654,689,705</u>	<u>59,240,256,133</u>

(1) This consists of various expenses such as donations, land appraiser fees, and event sponsorships

### 11. CASH ON HAND

	2024 LAK	2023 LAK
Cash on hand in LAK	215,969,157,500	234,753,334,500
Cash on hand in foreign currencies	2,260,991,794,261	1,472,910,632,383
	<u>2,476,960,951,761</u>	<u>1,707,663,966,883</u>

### 12. BALANCE WITH BOL

	2024 LAK	2023 LAK
Demand deposits - current	3,046,724,246,736	2,306,253,267,075
Compulsory reserves - current (i)	1,510,649,266,433	1,064,845,994,022
Registered capital deposits (ii)	5,915,000	70,005,915,000
	<u>4,557,379,428,169</u>	<u>3,441,105,176,097</u>

Accounts with the BOL include settlement and compulsory. These balances earn no interest.

- (i) Under regulations of the BOL, the Bank is required to maintain certain reserves with the BOL in the form of compulsory deposits, no interest, which are computed at 8% for LAK and 10.00% - 11.00% for foreign currencies (2023: 5% for LAK and 5% - 10%), on a bi-monthly basis, 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.
- (ii) Under regulation Degree No. 02/PR of BOL, commercial banks are required to maintain a minimum balance of a special deposit at BOL equivalent to 25% of their paid-up capital to ensure their operational continuance. During the year, the bank has received approval from the Bank of the Lao PDR to use this portion of the funds to pay dividends to shareholders.

### 13. Gold and other metals precious in the bank

	2024 LAK	2023 LAK
Gold and other Metals Precious In The Bank	192,793,510,000	-
<u>Less</u> Unrealized loss from gold revaluation	(10,994,711,473)	-
	<u>181,798,798,527</u>	-

# JOINT DEVELOPMENT BANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 14. DUE FROM OTHER BANKS

	2024 LAK	2023 LAK
<b>Demand deposits at other banks</b>	<b>1,219,141,024,837</b>	<b>741,506,345,523</b>
- Domestic banks	47,797,930,193	46,257,322,951
- Foreign banks	1,171,343,094,644	695,249,022,572
<b>Term deposits at other banks</b>	<b>73,316,000,000</b>	<b>193,800,000,000</b>
- Domestic banks (i)	73,316,000,000	193,800,000,000
<b>Saving deposits at other banks (ii)</b>	<b>6,148,268,467</b>	<b>171,503,437,987</b>
- Domestic banks	322,026,738	818,676,738
- Foreign banks	5,826,241,729	170,684,761,249
	<b>1,298,605,293,304</b>	<b>1,106,809,783,510</b>

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

- (i) The term deposit is denominated in USD, having term of 3 months, along with the interest at rate of 3% - 12% per annum (2023: 2.5% - 3.5% per annum).
- (ii) Saving deposits have no term and earn interest at rate ranging from 0% - 1% per annum (2023: 3.5% - 5.43% per annum)

### 15. INVESTMENT IN SECURITIES

	2024 LAK	2023 LAK
Available-for-sale securities (15.1)	2,350,000,000	2,350,000,000
Held-to-maturity securities (15.2)	995,117,955,022	714,435,591,658
	<b>997,467,955,022</b>	<b>716,785,591,658</b>

#### 15.1 Available-for-sale securities

The available-for-sale securities consist of 1,000,000 shares invested in EDL-Generation Public Company, a listed company in Laos.



# JOINT DEVELOPMENT BANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 15. INVESTMENT IN SECURITIES (CONTINUED)

#### 15.2 Held-to-maturity securities

Represent the bonds issue by Ministry of Finance and bond from debt settlement through government bond. Details of other bonds by contractual maturity date are as follows:

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

	2024 LAK	2023 LAK
Within 1 year	79,561,136,589	25,000,000,000
1 to 5 years	354,770,692,901	249,114,686,558
Over 5 years	560,786,125,532	440,320,905,100
	<b>995,117,955,022</b>	<b>714,435,591,658</b>

Details of other bonds by interest rate are as follows:

	2024 % per annum	2023 % per annum
Within 1 year	5.50%	5.50%
1 to 5 years	4.50% - 5.20%	4.50% - 5.20%
Over 5 years	5.30% - 6.00%	5.30% - 6.00%

### 16. LOANS TO CUSTOMERS, NET OF SPECIFIC PROVISION FOR CREDIT ACTIVITIES

	2024 LAK	2023 LAK
Loans to customers (Note 16.1; 16.2; 16.3; 16.4)	20,642,217,789,697	16,669,895,535,280
Less specific provision	(93,863,637,361)	(31,909,964,493)
In which:		
Specific provision for special mention loans	(63,773,684,961)	(4,310,980,277)
Specific provision for non-performing loans	(30,089,952,400)	(27,598,984,216)
	<b>20,548,354,152,336</b>	<b>16,637,985,570,787</b>

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

	2024 Interest rates % per annum	2023 Interest rates % per annum
Loans denominated in LAK	5.50% - 16.00%	5.50% - 16.00%
Loans denominated in USD	7.00% - 14.00%	7.00% - 18.00%
Loans denominated in THB	7.00% - 14.00%	7.00% - 13.00%
Loans denominated in CNY	10.00% - 11.00%	0.00%

JOINT DEVELOPMENT BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

16. LOANS TO CUSTOMERS, NET OF SPECIFIC PROVISION FOR CREDIT ACTIVITIES  
(CONTINUED)

16.1 Analysis of loan portfolio by currency

	2024 LAK	2023 LAK
Loans denominated in LAK	1,318,725,830,855	2,112,981,690,386
Loans denominated in USD	10,684,512,124,777	5,903,053,493,681
Loans denominated in THB	8,638,730,894,363	8,653,860,351,213
Loans denominated in CNY	248,939,702	-
	<u>20,642,217,789,697</u>	<u>16,669,895,535,280</u>

16.2 Analysis of loan portfolio by quality

	2024 LAK	2023 LAK
Performing loans:		
Normal or Pass	18,420,439,996,196	16,423,042,096,015
Watch or Special Mention	2,125,789,498,688	77,152,655,595
Non-performing loans:		
Substandard	-	191,379,566
Doubtful	-	21,061,367,000
Loss	95,988,294,813	148,448,037,104
	<u>20,642,217,789,697</u>	<u>16,669,895,535,280</u>



JOINT DEVELOPMENT BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

16. LOANS TO CUSTOMERS, NET OF SPECIFIC PROVISION FOR CREDIT ACTIVITIES (CONTINUED)

16.3 Changes in provision for credit losses

Changes in provision for credit losses during the year 2024 are as follows:

	Provision for NPL	Provision for PL		Total
	Specific provision for NPL LAK	Specific provision for special mention loans LAK	General provision for normal loans LAK	LAK
Balance as at 1 January 2024	27,598,984,216	4,310,980,276	81,649,291,641	113,559,256,133
Provision charged/(reversed) in the year	(1,301,356,224)	60,901,884,931	4,081,468,949	63,681,997,656
Foreign exchange differences	3,792,324,408	(1,439,180,246)	5,831,629,111	8,184,773,273
<b>Balance as at 31 December 2024</b>	<b>30,089,952,400</b>	<b>63,773,684,961</b>	<b>91,562,389,701</b>	<b>185,426,027,062</b>

Changes in provision for credit losses during the year 2023 are as follows:

	Provision for NPL	Provision for PL		Total
	Specific provision for NPL LAK	Specific provision for special mention loans LAK	General provision for normal loans LAK	LAK
Balance as at 1 January 2023	56,542,387,464	2,481,057,447	58,237,986,413	117,261,431,324
Provision charged/(reversed) in the year	(10,342,289,448)	8,621,419,874	22,736,774,583	21,015,905,009
Foreign exchange differences	(18,601,113,800)	(6,791,497,044)	674,530,646	(24,718,080,198)
<b>Balance as at 31 December 2023</b>	<b>27,598,984,216</b>	<b>4,310,980,276</b>	<b>81,649,291,641</b>	<b>113,559,256,133</b>

**JOINT DEVELOPMENT BANK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**16. LOANS TO CUSTOMERS, NET OF SPECIFIC PROVISION FOR CREDIT ACTIVITIES  
(CONTINUED)**

**16.4 Provision for credit losses of loans to customers**

The breakdown of loan classification and provision as required by the BoL as at 31 December 2024 is as follows:

<b>Classification</b>	<b>Loan balance LAK</b>	<b>Specific Provision LAK</b>	<b>General provision LAK</b>
Performing loans:			
- Normal or Pass	18,420,439,996,196	-	91,562,389,701
- Watch or Special Mention	2,125,789,498,688	(63,773,684,961)	-
Non-performing loans:			
- Substandard	-	-	-
- Doubtful	-	-	-
- Loss	95,988,294,813	(30,089,952,400)	-
<b>Total</b>	<b>20,642,217,789,697</b>	<b>(93,863,637,361)</b>	<b>91,562,389,701</b>

The breakdown of loan classification and provision as required by the BoL on 31 December 2023 is as follows:

<b>Classification</b>	<b>Loan balance LAK</b>	<b>Specific Provision LAK</b>	<b>General provision LAK</b>
Performing loans			
- Normal or Pass	16,423,042,096,015	-	81,649,291,641
- Watch or Special Mention	77,152,655,595	3,904,767,888	-
Non-performing loans			
- Substandard	191,379,566	444,487,730	-
- Doubtful	21,061,367,000	8,759,705,665	-
- Loss	148,448,037,104	18,801,003,210	-
	<b>16,669,895,535,280</b>	<b>31,909,964,493</b>	<b>81,649,291,641</b>



# JOINT DEVELOPMENT BANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 17. INTEREST IN JOINT VENTURE

	2024		2023	
	Book value LAK	Ownership %	Book value LAK	Ownership %
Lao National Payment Network Company Limited	1,697,780,000	5%	1,697,780,000	5%
Lao Foreign Exchange	1,000,000,000	5%	-	
	<b>2,697,780,000</b>		<b>1,697,780,000</b>	

- Lao National Payment Network Company Limited (LAPNet) in Lao PDR provides a sub-transaction payment system, acting as an intermediary between payment sectors and service providers in Laos.
- Lao Foreign Exchange (LFX), an online foreign exchange market system through the LFX mobile banking application.

### 18. CONSTRUCTION IN PROGRESS AND FIXED ASSETS IN TRANSIT

	2024 LAK	2023 LAK
<b>Balance as at 1 January</b>	<b>7,886,831,879</b>	<b>11,743,465,031</b>
- Additions during the year	27,224,778,252	7,790,239,379
- Transferred to tangible fixed assets (Note 20)	(27,138,381,082)	(11,646,872,531)
- Write-off	(156,810,400)	-
<b>Balance as at 31 December</b>	<b>7,816,418,649</b>	<b>7,886,831,879</b>



**JOINT DEVELOPMENT BANK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**19. INTANGIBLE FIXED ASSETS**

	<b>Land use rights LAK</b>	<b>Software LAK</b>	<b>Total LAK</b>
<b>At 1 January 2023</b>			
Cost	169,540,725,042	83,700,908,906	253,241,633,948
Accumulated amortisation	-	(67,460,033,220)	(67,460,033,220)
<b>Net book amount at 1 January 2023</b>	<b>169,540,725,042</b>	<b>16,240,875,686</b>	<b>185,781,600,728</b>
<b>Year ended 31 December 2024</b>			
Opening net book amount	169,540,725,042	16,240,875,686	185,781,600,728
Additions	49,178,700,000	9,048,805,005	58,227,505,005
Amortisation	-	(2,879,439,232)	(2,879,439,232)
Write-off and disposal - net	(4,744,866,600)	(1,494,102,460)	(6,238,969,060)
<b>Closing net book amount</b>	<b>213,974,558,442</b>	<b>20,916,138,999</b>	<b>234,890,697,441</b>
<b>At 31 December 2024</b>			
Cost	213,974,558,442	52,132,034,450	266,106,592,892
Accumulated amortisation	-	(31,215,895,451)	(31,215,895,451)
<b>Net book amount at 31 December 2024</b>	<b>213,974,558,442</b>	<b>20,916,138,999</b>	<b>234,890,697,441</b>

JOINT DEVELOPMENT BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

20. TANGIBLE FIXED ASSETS

Movement of tangible fixed assets for the year ended 31 December 2024 is as follows:

	Buildings & improvements LAK	Office equipment LAK	Furniture & fixtures LAK	Motor vehicles LAK	Total LAK
<b>At 1 January 2023</b>					
Cost	64,329,335,004	100,996,036,491	108,128,409,860	23,456,278,857	296,910,060,212
Accumulated amortisation	(30,108,645,362)	(50,629,360,989)	(67,322,523,303)	(13,427,345,680)	(161,487,875,334)
<b>Net book amount at 1 January 2023</b>	<b>34,220,689,642</b>	<b>50,366,675,502</b>	<b>40,805,886,557</b>	<b>10,028,933,177</b>	<b>135,422,184,878</b>
<b>Year ended 31 December 2024</b>					
Opening net book amount	34,220,689,642	50,366,675,502	40,805,886,557	10,028,933,177	135,422,184,878
Additions	1,869,400,000	57,044,898,997	4,266,218,659	5,911,901,009	69,092,418,665
Transfer in/(out) (Note 18)	-	1,839,033,958	25,299,347,124	-	27,138,381,082
Write-off, net	(676,544,458)	(71,763,340)	(655,329,634)	(1)	(1,403,637,433)
Amortisation	(3,281,303,719)	(23,054,647,751)	(14,559,580,670)	(3,258,665,084)	(44,154,197,224)
<b>Closing net book amount</b>	<b>32,132,241,465</b>	<b>86,124,197,366</b>	<b>55,156,542,036</b>	<b>12,682,169,101</b>	<b>186,095,149,968</b>
<b>At 31 December 2024</b>					
Cost	64,969,275,103	157,113,231,461	132,590,707,220	29,235,660,416	383,908,874,200
Less: Accumulated amortisation	(32,837,033,638)	(70,989,034,095)	(77,434,165,184)	(16,553,491,315)	(197,813,724,232)
<b>Net book value at 31 December 2024</b>	<b>32,132,241,465</b>	<b>86,124,197,366</b>	<b>55,156,542,036</b>	<b>12,682,169,101</b>	<b>186,095,149,968</b>

**JOINT DEVELOPMENT BANK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**21. RIGHT OF USE ASSETS**

	<b>LAK</b>
<b>At 1 January 2023</b>	
Cost	24,953,862,350
Accumulated amortisation	(8,879,346,259)
<b>Net book amount at 31 December 2023</b>	<b>16,074,516,091</b>
<b>Year ended 31 December 2024</b>	
Opening net book amount	16,074,516,091
Additions	8,674,521,900
Disposal – net	-
Amortisation	(4,180,261,376)
<b>Closing net book amount</b>	<b>20,568,776,615</b>
<b>At 31 December 2024</b>	
Cost	33,628,384,250
Less: Accumulated amortisation	(13,059,607,635)
<b>Net book value at 31 December 2024</b>	<b>20,568,776,615</b>

**22. OTHER ASSETS**

	<b>2024 LAK</b>	<b>2023 LAK</b>
Tax recoverable	3,031,632,420	3,031,632,420
Advance to foreign credit cards	47,980,860,965	21,455,783,577
Prepaid expense waiting to be allocated	40,809,181,722	24,621,505,562
Receivables from employee	12,616,863,125	12,818,586,781
Foreclosed assets	1,728,588,092,892	1,188,627,324,300
Collateral deposit	-	141,094,008,544
Others	575,852,044,580	514,781,936,440
	<b>2,408,878,675,704</b>	<b>1,906,430,777,624</b>



JOINT DEVELOPMENT BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

23. DUE TO OTHER BANKS AND FINANCIAL INSTITUTIONS

	2024 LAK	2023 LAK
<b>Demand deposits</b>	<b>214,626,549,182</b>	<b>168,681,974,087</b>
Domestic banks and financial institutions	203,052,603,345	39,750,127,835
National treasury	11,573,945,837	128,931,846,252
<b>Saving deposits</b>	<b>32,495,191</b>	<b>12,424,485</b>
Domestic banks and financial institutions	32,495,191	12,424,485
<b>Term deposits</b>	<b>1,360,133,700,000</b>	<b>543,718,700,000</b>
Domestic banks and financial institutions	1,360,133,700,000	543,718,700,000
Other institutions	-	-
<b>Borrowings</b>	<b>1,055,809,420,000</b>	<b>1,348,310,000,000</b>
Bank of Lao PDR*	1,055,809,420,000	1,348,310,000,000
<b>Other payables to other banks and financial institutions</b>	<b>22,971,047</b>	<b>49,377,612</b>
	<b>2,630,625,135,420</b>	<b>2,060,772,476,184</b>

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

	2024 % per annum	2023 % per annum
Demand deposits	0.00% - 0.60%	0.00% - 0.50%
Term deposits	3.20% - 13.00%	3.50% - 7.50%
Saving deposits	1.00%	1.00%

(\*) Details of BOL Borrowing as at 31 December 2024 are as follows:

Purpose	Currency	Term	Interest rate % per annum	2024 LAK
Covid 19 Program	LAK	6 years	3.00%	727,170,000,000
Covid 19 Program	USD	5 years	5.45% + 3months	216,580,000,000
For SMEs	LAK	5 years	CME Term SOFR 2.50%	112,059,420,000
				<b>1,055,809,420,000</b>

Details of BOL Borrowing as at 31 December 2023 are as follows:

Purpose	Currency	Term	Interest rate % per annum	2023 LAK
Covid 19 Program	LAK	6 years	3.00%	887,960,000,000
			5.45%+Libor 3 months Start 1 November 2023, The Bank used	
Covid 19 Program	USD	5 years	5.45%+SOFR 3 months	460,350,000,000
				<b>1,348,310,000,000</b>



# JOINT DEVELOPMENT BANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 24. DUE TO CUSTOMERS

	2024 LAK	2023 LAK
<b>Demand deposits</b>	<b>2,056,549,221,831</b>	<b>1,401,592,525,665</b>
Demand deposits in LAK	423,242,680,141	225,061,892,942
Demand deposits in foreign currency	1,633,306,541,690	1,176,530,632,723
<b>Saving deposits</b>	<b>5,005,982,924,489</b>	<b>3,692,698,094,953</b>
Saving deposits in LAK	972,578,538,165	829,362,425,494
Saving deposits in foreign currency	4,033,404,386,324	2,863,335,669,459
<b>Fixed term deposits</b>	<b>20,413,715,563,962</b>	<b>16,772,872,541,661</b>
Fixed term deposits in LAK	1,366,500,080,655	1,690,139,091,034
Fixed term deposits in foreign currency	19,047,215,483,307	15,082,733,450,627
	<b>27,476,247,710,282</b>	<b>21,867,163,162,279</b>

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

	2024 % per annum	2023 % per annum
Demand deposits	No interest	No interest
Saving deposits in LAK	0.85% - 1.89%	0.85% - 3.78%
Saving deposits in USD	0.50% - 3.00%	0.50% - 3.00%
Saving deposits in THB	0.50% - 3.00%	0.50% - 3.00%
Saving deposits in CNY	0.30% - 0.60%	0.30% - 0.60%
Term deposits in LAK*	1.50% - 12.50%	1.50% - 7.98%
Term deposits in foreign currencies	2.00% - 10.00%	1.20% - 7.50%

### 25. Share capital

	Share capital (shares)	Registered Share capital (LAK)	Paid-up share capital (LAK)
At 1 January 2023	44,466,610	444,666,100,000	444,666,100,000
Issue of shares	3,000,000	30,000,000,000	30,000,000,000
<b>At 31 December 2023</b>	<b>47,466,100</b>	<b>474,666,100,000</b>	<b>474,666,100,000</b>
At 1 January 2024	47,466,100	474,666,100,000	474,666,100,000
Issue of shares	20,000,000	200,000,000,000	200,000,000,000
<b>At 31 December 2024</b>	<b>67,466,610</b>	<b>674,666,100,000</b>	<b>674,666,100,000</b>

As at 31 December 2024, the registered share capital amounting to LAK 674,666 million (2023: LAK 474,666 million) with a LAK 10,000 per share (2023: LAK 47,466,100 share).

According to letter from BOL no. 437 /ກຕທ on 6 March 2023, the Bank increase share capital from LAK 444,666,100,000 to LAK 474,666,100,000.

As at the date of this report, the contributed capital is LAK 674,666 million which doesn't meet the required LAK 1,000,000 million stipulated by Decree No. 095/BOL dated 30 August 2023 that effect on 15 September 2023. The Decree requires all commercial banks in Lao PDR to increase their charter capital to LAK 1,000,000 million. Management is in process of discussing their plan with shareholders and the BOL and believe that the Bank can comply with this Decree with no significant effect on business.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

## Regulatory and general reserve fund

According to the general shareholders' meeting no.005/๒๐๒3 on 9 January 2024, there had been authorised to reserve the regulatory reserve fund and general reserve funds. The general annual reserve fund amounted of LAK 26,715,062,263.

	2024 LAK	2023 LAK
Dividend paid	480,876,691,690	259,118,927,020
<u>Less: Income tax for dividends (10%)</u>	(48,087,669,169)	(25,911,892,702)
<u>Less: Issue of shares</u>	(200,000,000,000)	(30,000,000,000)
<b>Net dividend paid</b>	<b>232,789,022,521</b>	<b>203,207,034,318</b>

On 9 January 2024, the Annual General Shareholder's Meeting approved to pay dividends from net profit for 2023 to shareholder's amount to LAK 480,876,691,690. These dividends were paid in February 2024.

On 20 January 2023, the Annual General Shareholder's Meeting approved to pay dividends from net profit for 2022 to shareholder's amount to LAK 259,118,927,020. These dividends were paid in February 2023.



# JOINT DEVELOPMENT BANK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 28. TAXATION

#### Profit tax expense

Current profit tax expense

Provision is made for profit tax on the current period's profits, based on the Tax Law. The Bank is obliged to pay tax at rate of 20% on total taxable profit before profit tax.

	2024 LAK	2023 LAK
<b>Profit/(Loss) before tax</b>	<b>921,122,437,051</b>	<b>593,961,597,815</b>
Less: Non-taxable income	(66,543,402,530,920)	(7,566,133,728,234)
Add: Non-deductible expenses	66,521,587,435,135	7,375,242,814,588
<b>Taxable profit</b>	<b>899,307,341,266</b>	<b>403,070,684,169</b>
<b>Current profit tax at 20%</b>	<b>179,861,468,253</b>	<b>80,614,136,834</b>
Tax adjustment for previous years based on result of tax authority's inspection	-	3,044,789,630
	<b>179,861,468,253</b>	<b>83,658,926,464</b>
Payable at the beginning of the year	15,491,724,526	8,798,385,870
Tax paid during the year	(85,004,806,062)	(76,965,587,808)
<b>Payable at the end of the year</b>	<b>110,348,386,717</b>	<b>15,491,724,526</b>

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 financial statements could be changed at a later date upon final determination by the tax authorities.

### 29. CASH AND CASH EQUIVALENTS

	2024 LAK	2023 LAK
Cash on hand	2,476,960,951,761	1,707,663,966,883
Demand deposits with the BoL	3,046,724,246,736	2,306,253,267,075
Current accounts with other banks	1,225,289,293,304	913,009,783,510
	<b>6,748,974,491,801</b>	<b>4,926,927,017,468</b>

### 30. COMMITMENT AND CONTINGENT

	2024 LAK	2023 LAK
Bank guarantee	426,764,482,141	119,023,125,925

### 31. EVENTS AFTER THE REPORTING DATE

On 13 May 2025, the Bank transitioned from a limited to a public company and was renamed "Joint Development Bank Public Company."

## Subscription Form for the Initial Public Offering (IPO) of Joint Development Bank Public

Initial Public Offering of 75,333,900 capital increase ordinary shares with a par value of LAK 1,000, offering 67,800,500 shares to the public investors in Lao PDR and foreign investors at the offering price of LAK 8,800 per share  
 (Each subscriber must subscribe in a minimum of 100 shares and in multiples of 100 shares)

Subscription Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Subscription No: \_\_\_\_\_

Subscriber please clearly fill in the spaces below

Full Name of Subscriber \_\_\_\_\_ Securities A/C No. \_\_\_\_\_

Document Required ( ) ID Card ( ) Alien Card ( ) Passport ( ) Company Registered No. \_\_\_\_\_

Nationality \_\_\_\_\_ Date of Birth \_\_\_\_\_ Occupation \_\_\_\_\_

address \_\_\_\_\_ Country \_\_\_\_\_

Telephone \_\_\_\_\_ Mobile Phone \_\_\_\_\_ Fax \_\_\_\_\_ Email \_\_\_\_\_

I/We hereby subscribe for and request allotment of new ordinary shares of Joint Development Bank Public as follows:

No. of share subscribed (share)	Offering Price (LAK/share)	Amount Due (LAK)	Amount in Words (LAK)
	8,800		

Money settlement to: Joint Development Bank Public as the following bank accounts:

Acc. Name: **LAO-CHINA SECURITIES PUBLIC COMPANY FOR JDB IPO** Acc. No: **00110020000002278** Currency: LAK Amount: \_\_\_\_\_ LAK

JDB Address: Hatsady Village, No. 82, Lane Xang Avenue, Chantabouly District, Vientiane Capital, Lao PDR SWIFT Code: **JDBKLALA**

If the shares are allotted to me/us, I/we hereby agree to the underwriter to issue a share certificate in the name of "Settlement and Depository Department" for the allotted shares and arrange further to \_\_\_\_\_ to deposit the said Shares with Securities Depository Center for my/our Securities

Securities A/C name: \_\_\_\_\_ (Name of the subscriber must be the same as the name of the Securities account), Securities A/C No.: \_\_\_\_\_

If I/we have not been allotted the Share or have been allotted lower than the subscribed amount, I/we agree to have the payment or excess payment returned to me/us by deposit into my/our account as the following information:

☐ Deposit to my/our account at Bank: \_\_\_\_\_, Branch: \_\_\_\_\_, A/C No.: \_\_\_\_\_.

(Note: Bank charges or any other expense will be deducted from the refund amount to the subscriber).

I/We hereby undertake to subscribe the above ordinary shares as allotted to me/us and shall not cancel this offering subscription including acceptance of fund return in the case that my/our subscription is to be refused because of incompleteness of documents as required by the Company or any other reasons.

Signature of Subscriber \_\_\_\_\_

Full Name: ( \_\_\_\_\_ )

\*\* Please be aware that there are risks involved in stock investment and make sure you have thoroughly studied all information before deciding on the share subscription

\*\*

>>> For staff use only >>>	Checker: _____ Date ____ / ____ / ____	Input: _____ Date ____ / ____ / ____
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### Subscription Receipt of the IPO of Joint Development Bank Public (Subscriber please also fill out this portion)

Subscription Date: \_\_\_\_ / \_\_\_\_ / 2025

Subscription No: \_\_\_\_\_

Evidence of subscription payment from (Full name of subscriber) \_\_\_\_\_ for the subscription of IPO of ordinary shares of \_\_\_\_\_

Amount \_\_\_\_\_ share, Offering Price: LAK 8,800 /share, Total value: \_\_\_\_\_ LAK,

Amount in words: \_\_\_\_\_, money settlement date \_\_\_\_ / \_\_\_\_ / 2025, has been submitted and duly received.

If the shares are allotted to me/us, I/we hereby agree to the underwriter to issue a shareholding certificate in the name of "Lao Securities Depository Center" for the allotted shares and arrange further to \_\_\_\_\_, my/our Securities account no.: \_\_\_\_\_

Authorized by: \_\_\_\_\_

Full Name: ( \_\_\_\_\_ )



## Subscription Form for the Initial Public Offering (IPO) of Joint Development Bank Public

Initial Public Offering of 75,333,900 capital increase ordinary shares with a par value of LAK 1,000, offering 7,533,400 shares to the JDB's employees at the offering price of LAK 7,900 per share

(Each subscriber must subscribe in a minimum of 100 shares and in multiples of 100 shares)

Subscription Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Subscription No: \_\_\_\_\_

Subscriber please clearly fill in the spaces below

Full Name of Subscriber \_\_\_\_\_ Securities A/C No. \_\_\_\_\_

Document Required ( ) ID Card ( ) Alien Card ( ) Passport ( ) Company Registered No. \_\_\_\_\_

Nationality \_\_\_\_\_ Date of Birth \_\_\_\_\_ Occupation \_\_\_\_\_

address \_\_\_\_\_ Country \_\_\_\_\_

Telephone \_\_\_\_\_ Mobile Phone \_\_\_\_\_ Fax \_\_\_\_\_ Email \_\_\_\_\_

I/We hereby subscribe for and request allotment of new ordinary shares of Joint Development Bank Public as follows:

No. of share subscribed (share)	Offering Price (LAK/share)	Amount Due (LAK)	Amount in Words (LAK)
	7,900		

Money settlement to: Joint Development Bank Public as the following bank accounts:

Acc. Name: **LAO-CHINA SECURITIES PUBLIC COMPANY FOR JDB IPO** Acc. No: **00110020000002278** Currency: LAK Amount: \_\_\_\_\_ LAK

JDB Address: Hatsady Village, No. 82, Lane Xang Avenue, Chantabouly District, Vientiane Capital, Lao PDR SWIFT Code: **JDBKLALA**

If the shares are allotted to me/us, I/we hereby agree to the underwriter to issue a share certificate in the name of "Settlement and Depository Department" for the allotted shares and arrange further to \_\_\_\_\_ to deposit the said Shares with Securities Depository Center for my/our Securities

Securities A/C name: \_\_\_\_\_ (Name of the subscriber must be the same as the name of the Securities account), Securities A/C No.: \_\_\_\_\_

If I/we have not been allotted the Share or have been allotted lower than the subscribed amount, I/we agree to have the payment or excess payment returned to me/us by deposit into my/our account as the following information:

☐ Deposit to my/our account at Bank: \_\_\_\_\_, Branch: \_\_\_\_\_, A/C No.: \_\_\_\_\_.

(Note: Bank charges or any other expense will be deducted from the refund amount to the subscriber).

I/We hereby undertake to subscribe the above ordinary shares as allotted to me/us and shall not cancel this offering subscription including acceptance of fund return in the case that my/our subscription is to be refused because of incompleteness of documents as required by the Company or any other reasons.

Signature of Subscriber \_\_\_\_\_

Full Name ( \_\_\_\_\_ )

\*\* Please be aware that there are risks involved in stock investment and make sure you have thoroughly studied all information before deciding on the share subscription

\*\*

>>> For staff use only >>>	Checker: _____ Date ____ / ____ / ____	Input: _____ Date ____ / ____ / ____
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### Subscription Receipt of the IPO of Joint Development Bank Public (Subscriber please also fill out this portion)

Subscription Date: \_\_\_\_ / \_\_\_\_ / 2025

Subscription No: \_\_\_\_\_

Evidence of subscription payment from (Full name of subscriber) \_\_\_\_\_ for the subscription of IPO of ordinary shares of \_\_\_\_\_

Amount \_\_\_\_\_ share, Offering Price: LAK 7,900 per share, total value: \_\_\_\_\_ LAK,

amount in words: \_\_\_\_\_, money settlement date \_\_\_\_ / \_\_\_\_ / 2025, has been submitted and duly received.

If the shares are allotted to me/us, I/we hereby agree to the underwriter to issue a shareholding certificate in the name of "Lao Securities Depository Center" for the allotted shares and arrange further to \_\_\_\_\_, my/our Securities account no.: \_\_\_\_\_

Authorized by: \_\_\_\_\_

Full Name: ( \_\_\_\_\_ )



# JDB

ທະນາຄານຮ່ວມພັດທະນາ ມະຫາຊຸມ  
Joint Development Bank Public