Banque pour le Commerce Exterieur Lao Public

A Summary of Business Performance of the first Quarter of year 2015

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1. Banque pour le Commerce Exterieur Lao Public

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

The Bank was established from the equitization of Banque Pour Le Commerce Exterieur Lao which had been established in accordance with the Banking Business License No. 129/BOL dated 01 November 1989, and its latest Amended Business License No. 4284/BOL dated 11 November 2010 issued by the Bank of Lao People's Democratic Republic. On 23 December 2010, the Bank successfully undertook its Initial Public Offering. On 10 January 2011, the Bank was equitized and renamed into Banque Pour Le Commerce Exterieur Lao Public under the Operating License No.0061/LRO dated 10 January 2011 issued by the Business License Registration Office of the Lao P.D.R. Ministry of Finance holds 70% of the shares which is representative of Government.

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

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

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

Charter Capital

The charter capital as at 31 December 2014 is LAKm 682,888.

Location and Network

The Bank's Head Office is located at No.01, Pangkham Street, Ban Xiengnheun, Chanthabouly District, Vientiane, Lao P.D.R. As at 31 December 2014, the Bank has one (01) Head Office, one (1) subsidiaries, four (4) joint ventures, nineteen (19) main branches, seventy (70) services units, and fifteen (15) exchange units all over Lao P.D.R.

2. Vision

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

3. Mission

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

4. Organisation Structure

4.1. The organisation of BCEL consist of the Board of Directors (7 Directors)[1], Executive Management (5 members), 10 Divisions, 3 Centers, 19 Branches, 70 Service Units and 15 Money Changers nationwide.

5. Performance in the first quarter of year 2015.

- Completed the meeting to review the business performance in 2014 and adopt the business plan of 2015 from all branches of BCEL's network, Extraordinary Meeting of BCEL's Board of Directors and Ordinary Meeting of BCEL's Board of Directors.
- Network expansion: Officially opened the Namthuam Service Unit; Layered the stone to mark the construction project of Salavan Banch Office; and Completed the religious ceremony before official launch of KM52 Service Unit.
- Completed the development of Cash Deposit Machine, be able to deposit in LAK currency at BCEL Head Office, and will be expanded to other branches in the future.
- Completed the payment system test of BCEL ONE version 2 for Unitel bills payment.
- Completed the development of Bank-Link for the payment system to connect with the system of Lao Securities Exchange in order to facilitate securities trading.
- Completed the official launch of the petro payment via card between BCEL and Petro-trading Lao Public Company. Moreover, BCEL made a Lucky draw Campaign for 3 times to promote the BCEL-UPI cards using and return the benefit to customers whose cards were used in Thailand and Vietnam.
- Completed the amendment of interest rates and other service fees.
- Completed the general preparation for the centralization of assets management and continue the centralization of assets management in quarter 2 of 2015.
- Continued to develop ATM Pool system between BCEL and STB.
- Continued the research to increase the capital of BCEL.

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

➢ Board of Directors

Completed the extraordinary meeting for 1 time and the ordinary meeting for 1 time to approve business performance of 2014, the dividend payment, business plan 2015 and consider other significant issues.

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

➢ Executive Management and Strategic Planning Committee

Completed 3 meetings of Executive Management and Strategic Planning Committee to review and discuss about the management and performance in order to make sure the business meets the established plan.

➢ Risk Management Committee

Completed 2 meetings of The Risk Management Committee to discuss about the efficient way to prevent risks, monitor internal audits of BCEL and follow up the eradication of the obstacles and other issues.

➢ Assets and Liabilities Management Committee

Completed 2 meetings the Assets and Liabilities Management Committee to discuss about capital Management and other issues:

- Centralization of treasury to maintain liquidity and bring out the greatest benefits to the Bank.
- Improvement of interest rates for deposits and loans and other service fees in accordance with market condition.
- Control of the exchange rate, and foreign exchange in accordance with the regulations issued by the Bank of the Lao P.D.R.

7. Business Performance of quarter 01/2015

For the first quarter of 2015, BCEL can implement the business plan as below:

- **Assets:** 22,903 billion kip, 93,9% of the plan.
- **Credits:** 9,894 billion kip, 78,3% of the plan
- **Deposit:** 21,392 billion kip, 94,7% of the plan
- **Pofit before tax:** 55,9 billion kip, 36% of the plan.

Managing Director

Banque pour le Commerce Exterieur Lao Public

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

Phoukhong CHANTHACHACK

Note: The figures are based on the consolidated financial report under the International Financial Reporting Standards for the first quarter of year 2015 (unaudited)