



Banque pour le Commerce Extérieur Lao Public

A Summary of Business Performance of the first 6 months of year 2015



1. Banque pour le Commerce Extérieur Lao Public

Banque Pour Le Commerce Extérieur 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 Extérieur 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 Extérieur Lao Public under the Operating License No.0061/LRO dated 10 January 2011 issued by the Business License Registration Office of the Lao P.D.R. Ministry of Finance holds 80% of the shares which is representative of Government.

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

The current structure of BCEL's shareholders includes: The Government's shares account for 70% of the Bank's chartered capital; local investors' shares (including employees of the Bank) account for 10% of the Bank's chartered capital; strategic partners' shares account for 10%; and 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 30 June 2015 is LAKm 682,888.

Location and Network

The Bank's Head Office is located at No.01, Pangkham Street, Ban Xiengnheun, Chanthabouly District, Vientiane, Lao P.D.R. As at 30 June 2015, the Bank has one (01) Head Office, one (1) subsidiaries, four (4) joint ventures, nineteen (19) main branches, seventy five (75) 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 consists of the Board of Directors (7 Directors)¹, Executive Management (6 members), 10 Divisions, 3 Centers, 19 Branches, 75 Service Units and 15 Money Changers nationwide.

5. Performance in the first 6 months of year 2015.

- Completed the meeting to review the performance of the year 2014 ; Completed the annual general meeting of the shareholders for the year 2014 and paid the dividends of the 2nd half the year 2014 to the shareholders ; Held one extra-ordinary meeting and one ordinary meeting of the Board of Directors.
- Launched 10 Service Units, including: Xaysomboun, Numtuam, Sabaidee Market, MeuangPhim, NaPhao, KM52, Keo-Oudom, NongMengda, ITECC and Thongpong.
- New management and service mechanism: Successfully made the management of Branch assets centralized at Head Office.
- Completed the official launch of the petro payment via card between BCEL and Petro-trading Lao Public Company.
- Completed the amendment of interest rates and other service fees.
- Completed development of ATM Pool system between BCEL and STB.
- Completed the official launches of the BCEL Community Money Express (BCOME) and BCEL-JCB Credit Card with cooperation of JCB International.
- 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.

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 6 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 3 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.

➤ **Audited Committee**

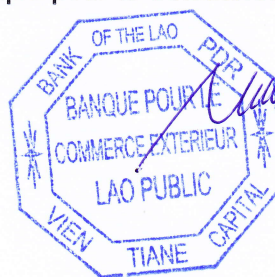
Completed 6 meetings the Audited Committee to discuss about Internal Audit of BCEL and the performance of external audit firm in the period, research and develop the new manual of Internal Audit (IA) and the implementation of IFRS from Ernst & Young Lao Limited.

7. Business Performance of the first 6 months of the year 2015

For the first 6 months of 2015, BCEL can implement the business plan as below:

- **Assets:** 23,730 billion kip, 97.3% of the annual plan.
- **Credits:** 9,604 billion kip, 76% of the annual plan
- **Deposit:** 22,394 billion kip, 99.2% of the annual plan
- **Pofit before tax:** 75.5 billion kip, 48.6% of the annual plan.

Acting General Managing Director
Banque pour le Commerce Extérieur Lao Public



Phoukhong CHANTHACHACK

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