Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Banque Pour Le Commerce Exterieur Lao Public Vientiane Capital, dated 30/04/2021

Minutes
The Annual General Shareholders' Meeting of BCEL for the year 2020
30/04/2021

Banque pour le Commerce Exterieur Lao Public (BCEL) held the Annual General Shareholders' Meeting for the Year 2020 (hereinafter called: "The Meeting") at 14:15 on the 30/04/2021 in the 3rd Floor Grand Ballroom of Meungthang Hotel, Vientiane Capital, presided over by Mr. Khamsouk SUNDARA, Vice Chairman of BCEL's Board of Directors, together with members of the Board of Directors. The Meeting was attended by 16 shareholders, 161 proxies and the number of shares attending the meeting was 166.877.493 shares, including 6.556.313 shares via proxies, which is equivalent to 80,336% of the total shares of BCEL and this made the quorum of the Meeting in accordance with the Articles of Association of BCEL and relevant laws. The number of shares not attending the Meeting was 40.845.807 shares, equivalent to 19,664% of the total shares of BCEL.

The Chairman of the Meeting informed the Meeting about the rules in the Meeting and the procedures of voting. After that the Meeting proceeded with each agenda by order.

The Meeting considered, commented and resolved on each agenda as follows:

AGENDA 1: Report on the implementation of the resolutions adopted by the shareholders' meeting for the year 2019.

Mr. Phoukhong Chanthachack reported the implementation of the resolutions of the Annual General Shareholders' Meeting of Banque pour le Commerce Exterieur Lao Public for the year 2019.

After that, the Chairman of the Meeting gave the opportunity for the shareholders to ask questions. There was no question in this agenda.

☞ There is no vote required for this agenda, the meeting acknowledged the report;

AGENDA 2: Consider and approve the minutes of the Annual General Shareholders' Meeting of BCEL for the year 2019.

Mr. Phoukhong Chanthachack presented the details of the minutes of the Annual General Shareholders' Meeting of BCEL for the year 2020 which was held on 29 May 2020. The minutes was disclosed in compliance with related regulation;

After that, the Chairman of the Meeting gave the opportunity for the shareholders to ask questions. There was no question in this agenda.

☞ The Meeting had a resolution to approve the minutes of the Annual General Shareholders' Meeting of BCEL for the year 2020 with the vote as follows:

- Approved: 166.877.493 votes, equivalent to 100% of the total votes attending the Meeting.
- Disapproved: 0 votes, equivalent to 0% of the total votes attending the Meeting.

Agenda 3: Consider and approve the Annual Report on the business performance of BCEL for the year 2020.

Mr. Phoukhong Chanthachack briefly reported the Meeting about some of the key details of the annual report on the business performance of BCEL for the year 2020:

- Held the 2019 AGM and paid dividends for the year 2019 to BCEL's shareholders at the rate of 813 LAK/shares.
- Held 4 ordinary Board meetings and 8 extraordinary Board meetings
- Completed 4 disclosures of BCEL's financial reports in accordance with IFRS.
- Introduced the credit policy to ease the loan customers affected by the outbreak of COVID-19.
- Paid attention on preventing the spread of COVID-19 by establishing an ad hoc committee.
- Cooperated with Department of Land, Ministry of Natural Resources and Environment in data connection and land database modernization;
- Upgraded the electronic services to serve the society such as some functions in BCEL One application including FastTrack, FastCash, OneCash, BCEL OneCare, QR Withdrawal and introduced BCEL i-Bank Version 4. Emphasized the upgrade of the new Core-Banking system which is to be launched in Quarter 02 of 2021;
- In 2020, BCEL was also awarded with Mobile Banking & Payment Initiative of the Year-Laos by the Asian Banking and Finance Magazine from the presentation of the Road Tax project;
- Upgraded the AML Section to become a division, separated from the Risk Management and AML Division, making a new division called AML Division and the former division was named Risk Management Division.
- In 2020 the recruitment was made in total of 106 employees including 67 females, equal to 63,85% of the plan.
- In 2020 the service unit expansion was initially planned for 12 service units. However, in practice only 6 new service units could be established, equal to 50% of the plan.

After that, the Chairman of the Meeting gave the opportunity for the shareholders to ask questions. There was no question in this agenda.

☞ **The Meeting had a resolution to approve the annual report on the business performance of BCEL for the year 2020 with the vote as follows:**

- Approved: 166.877.493 votes, equivalent to 100% of the total votes attending the Meeting.
- Disapproved: 0 votes, equivalent to 0% of the total votes attending the Meeting.

Agenda 4: Consider and approve the business results of the year 2020

Mr. Phoukhong Chanthachack reported the business performance results of BCEL for the year 2020 audited by PWC and approved by BCEL's Board of Directors, as follows:

- Assets/liabilities: 53.897.380 million LAK;
- Loans: 29.216.946 million LAK;
- Deposits: 47.974.516 million LAK;
- Profit before tax: 279.417 million LAK;
- Profit after tax: 223.036 million LAK;

After that, the Chairman of the Meeting gave the opportunity for the shareholders to ask questions.

❖**Question from the shareholder from Canadia Bank Lao LTD:** When comparing the loan of 2020 to the previous year, it has increase a lot. He wanted to know the NPL ratio and how BCEL seek the resolution of NPL?

☞ **Mr. Phoukhong Chanthachack:** responded that NPL in 2020 increased but was still lower than 3% of the total loan. BCEL has paid attention to the resolve the NPL according to the existing regulation. During the spreading of the COVID-19, BCEL has taken the regulation issued by the Bank of the Lao PDR to consider and adjust BCEL's regulation. The bank also monitored the customers and analyzed their actual impact then issue the supported policy to the customers such as the reschedule the repayment of the interest and principal, loan restructured, if necessary, the collaterals must be sold and repay the debt.

❖**Question from Mr. Phongsavath Leunam, Laos-China Securities Company:**

- The loan of BCEL has been given to Industrial Sector for 51%, he would like to know whether this ratio will change in 2021?

- Does BCEL have the loan policy for SME?

- During the spreading of the COVID-19, does BCEL think that the service network expansion plan and recruitment plan suit with the current situation, due to those plans will have high expense?

- Did BCEL calculate and estimated the expense on staff and income/per person in order to control the expense?

- Regarding the change of the new core-banking system of BCEL, how long often is this change implemented? Will the cost worth it?

☞ **Mr. Phoukhong Chanthachack:** The ratio of BCEL's loan to the Hydro-Power and Industrial Sector has been quite high. BCEL has previously tried to reduce the ratio by only lending to other sectors with more effective projects and better development;

- BCEL has the policy to support the SME customers; BCEL has adopted the regulation according to the regulation issued by the Government for our implementation. BCEL has lent to the customers quite high amount and has plan to support further in the future in

cooperation with the Lao National Chamber of Commerce and Industry to exchange the information and work together to support the targeted customers to access to finance.

- The recruitment of the staff of BCEL shall process according to the actual need of the work and the extension of BCEL's service in each period. In the past 2 years, the recruitment has not been made in full number as planned; BCEL has tried to control the expense related to such area appropriately and accordingly to the plan. The analysis on the cost per employee has been calculated and BCEL shall try our best to improve in the future;
- Regarding the change of the Core Banking System, the previous Core Banking System had been used for more than 10 years. The update of the system is necessary because the maintenance fee of the former system is high, the development of the product is costly and has limitation for upgrading; The migration to the new Core Banking System has been implemented last week and it was successful. The change of the new Core-Banking System is to increase the capacity and to extend the products to be better in the future. The new Core Banking is expected to be used for quite long time.

☞ The Meeting had a resolution to approve the business results of the year 2020 with the vote as follows:

- Approved: 166.877.493 votes, equivalent to 100% of the total votes attending the Meeting.
- Disapproved: 0 votes, equivalent to 0% of the total votes attending the Meeting.

Agenda 5: Consider and approve the dividend for the year 2020

Mr. Phoukhong Chanthachack proposed the Meeting to consider and approve the payment of the dividend according to the profit after tax for the year 2020 of BCEL after deducting tax and the reserves according to the regulation. The total dividend to the shareholders is proposed in the amount of 116.325,05 million LAK, or equivalent to 560 LAK/share; the payment date shall be on 18 May 2021.

After that, the Chairman of the Meeting gave the opportunity for the shareholders to ask questions. There was no question in this agenda.

☞ The Meeting had a resolution to approve the dividend for the year 2020 with the vote as follows:

- Approved: 166.877.493 votes, equivalent to 100% of the total votes attending the Meeting.
- Disapproved: 0 votes, equivalent to 0% of the total votes attending the Meeting.

Agenda 6: Consider and adopt the Plan for the year 2021

Mr. Phoukhong Chanthachack proposed the Meeting to consider and approve the Plan for the year 2021 as follows:

- Assets: 56.893.300 million LAK, compared with the figure in 2020 increased by 5,56%;
- Deposits: 50.300.000 million LAK, compared with the figure in 2020 increase by 4,85%;
- Loans: 29.743.000 million LAK, compared with the figure in 2020 increase by 1,80%;

- Profit before tax: 314.000 million LAK compared with the figure in 2020 increase by 12,38%.
- New employee recruitment for the entire network: 87 persons,
- Network expansion: 8 service units countrywide, and upgrade Xaysomboun service unit into a Branch in the end of the year 2021.
- Capital utilization for procurement, construction and maintenance: 335,73 billion LAK and to be booked as assets in total amount: 253,18 billion LAK.

For necessary changes in the future, the AGM is requested to authorize the Board of Directors to modify the Plan for the year 2021 as appropriate.

After that, the chairman of the meeting gave the opportunity for the shareholders to ask questions. There was no question in this agenda.

☞ The Meeting had a resolution to approve the Plan for the year 2021 with the vote as follows:

- Approved: 166.877.493 votes, equivalent to 100% of the total votes attending the Meeting.
- Disapproved: 0 votes, equivalent to 0% of the total votes attending the Meeting.

Agenda 7: Consider and approve the appointment of the independent auditor for the year 2021.

Mr. Phoukhong Chanthachack proposed the Meeting to consider and approve the appointment of PWC as the independent auditor of BCEL for the year 2021, the price for audits and loan portfolio review is in amount of 100.000 USD, a decrease from 123.750 USD in 2020. The service covers the audits in accordance with LAS and IFRS in Lao language and in English, audit review for semi-annual and annual financial statements.

After that, the Chairman of the Meeting gave the opportunity for the shareholders to ask questions. There was no question in this agenda.

☞ The Meeting had a resolution to approve the appointment of the independent auditor for the year 2021 with the vote as follows:

- Approved: 166.877.493 votes, equivalent to 100% of the total votes attending the Meeting.
- Disapproved: 0 votes, equivalent to 0% of the total votes attending the Meeting.

Agenda 8: Consider and approve the appointment of new Board of Directors

Mr. Phoukhong Chanthachack, General Managing Director of BCEL informed the Meeting: Due to the nomination of the new BOD members of BCEL is still under the approval process in accordance with the Law on Commercial Banks. Therefore, he proposed the Meeting to consider and approve the current BOD members to continue their duty until the new BOD is appointed in the next shareholders' meeting.

After that, the Chairman of the Meeting gave the opportunity for the shareholders to ask questions. There was no question in this agenda.

☞ The Meeting had a resolution to approve the current BOD members to continue their duty until the new BOD is appointed in the next shareholders' meeting with the vote as follows:

- Approved: 166.877.493 votes, equivalent to 100% of the total votes attending the Meeting.
- Disapproved: 0 votes, equivalent to 0% of the total votes attending the Meeting.

Agenda 9: Consider and approve the long-term strategic plan of BCEL for the year 2021-2025

Mr. Phoukhong Chanthachack presented the long-term strategic plan of BCEL for the year 2021-2025, which has set the direction, goals and detailed implementation plans under the vision of becoming "a strong and modern bank with international standards". There are 3 main strategies as follows:

• Strategy 1: Comprehensive organization strengthening (consist of 5 programs and 25 projects)

• Strategy 2: Modernization by applying technology and new innovations in the business and stepping up to digital economy era (consist of 3 programs and 12 projects)

• Strategy 3: Management and service development in accordance with international standards (consist of 3 programs and 5 projects)

After that, the Chairman of the Meeting gave the opportunity for the shareholders to ask questions.

❖ **Question from Mr. Phongsavath Leunam, Laos-China Securities Company:**

- Will the plan to implement the IFRS standard in 5 years be possible or not?
- What is the proportion of income of BCEL for interest and non-interest incomes ?

☞ **Mr. Phoukhong Chanthachack:** The Strategic Plan of BCEL for 2021-2025 has already set the development target to achieve the IFRS standard and the plan to improve in each period time until 2025 to achieve the international accounting standard;
-Currently, the main source of income of BCEL is from interest, but in the future, BCEL shall focus on generating more income from the service. BCEL has paid attention to develop the product to increase the convenience of the customers and to increase more fee income for BCEL in each year.

After that, the Chairman of the Meeting gave the opportunity for the shareholders to ask questions. There was no question in this agenda.

☞ The Meeting had a resolution to approve the long-term strategic plan of BCEL for the year 2021-2025 with the vote as follows:

- Approved: 166.877.493 votes, equivalent to 100% of the total votes attending the Meeting.
- Disapproved: 0 votes, equivalent to 0% of the total votes attending the Meeting.

Agenda 10: Consider and approve the amendment of BCEL's Articles of Association.

Mr. Phoukhong Chanthachack, General Managing Director of BCEL proposed the Meeting to consider and approve the amendment of BCEL's Articles of Association to maintain consistency with the updates of laws and regulations issued by the regulators including: law on commercial banks, law on securities, law on enterprises, decision on board of directors, Corporate Governance Guideline, Basel II principles and regulations applicable to listed companies.

After that, the Chairman of the Meeting gave the opportunity for the shareholders to ask questions. There was no question in this agenda.

☞ The Meeting had a resolution to approve the amendment of BCEL's Articles of Association with the vote as follows:

- Approved: 177 shareholders and proxies, equivalent to 100% of the total shareholders attending the Meeting, who have in total 166.877.493 shares, equivalent to 100% of the total votes attending the Meeting and 80,336% of the total BCEL's shares.
- Disapproved: 0 shareholders, equivalent to 0% of the total shareholders attending the Meeting.

The Chairman of the Meeting expressed his sincere thanks to all the shareholders and proxies for their kind attendance in the meeting and declared the Meeting close at 15:30 of the same day.

Chairman of the meeting	**Minutes Taker**
Khamsouk SUNDARA	Sonenalin SENGMANY