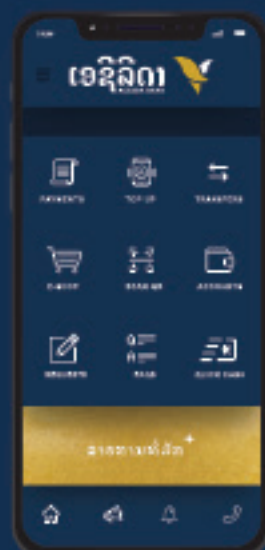
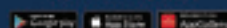


13th years Anniversary

08/07/2008 - 08/07/2021



ACLEDA mobile



ຕູ້ຖອນເງິນ
ATM



ຕູ້ຝາກ-ຖອນເງິນ
CRM



Annual Report
2021



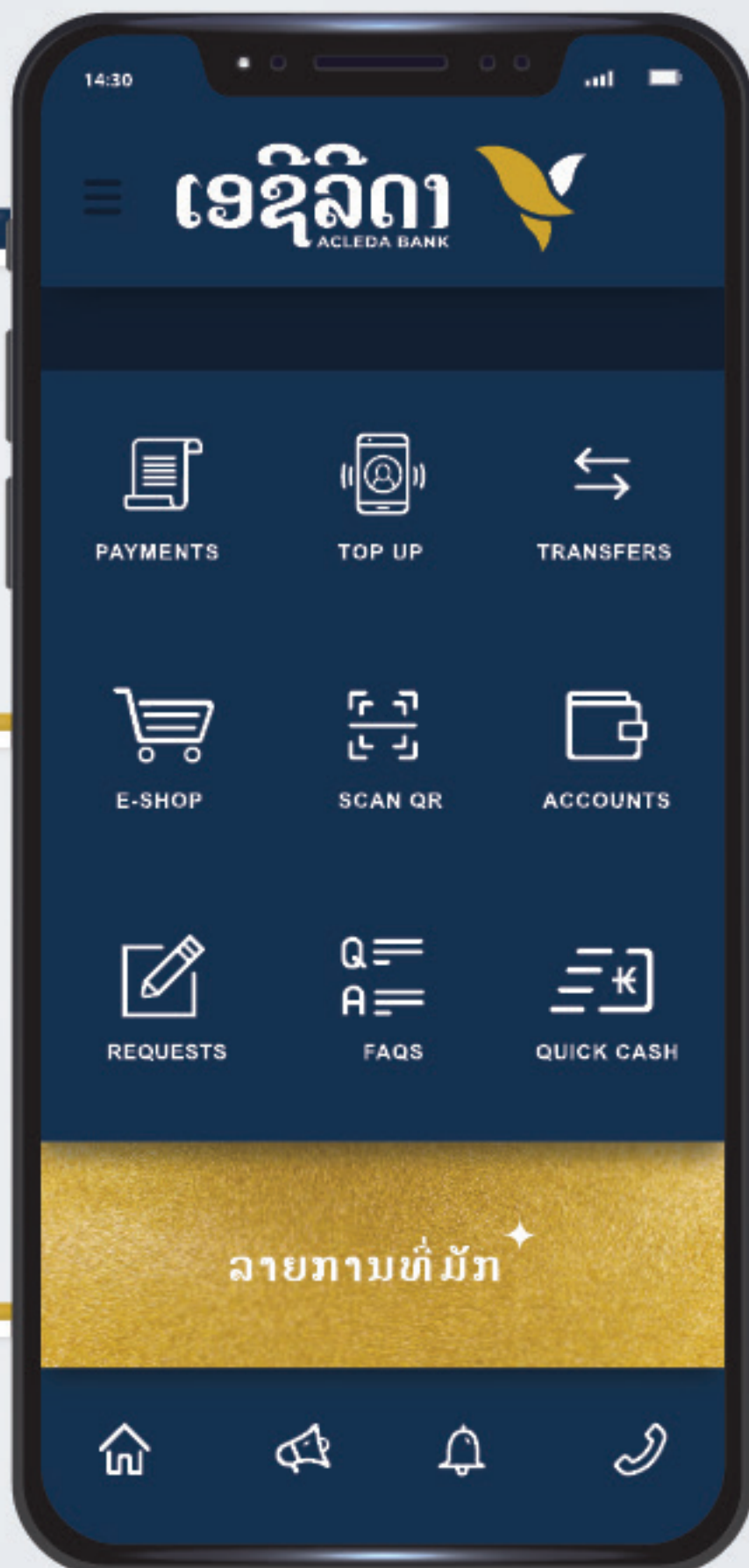
ACLEDA mobile

ທຸກວັນ ທຸກທີ ທຸກເວລາ
ANYDAY ANYWHERE ANYTIME

ACLEDA mobile is a Fintech Application
which runs on Smart Phones, enabling
customers to undertake banking transactions
from anyday, anywhere, anytime.



ACLEDA mobile



VISION AND MISSION

Vision

To be the leading SME bank in the Lao PDR.

Mission

Our mission is to provide small and medium entrepreneurs with the wherewithal to manage their financial resources efficiently and by doing so to improve the quality of their lives. By achieving these goals, we will ensure sustainable benefits to our shareholders, our staff and the community at large. We will at all times observe the highest principles of ethical behavior, respect for society, the law and the environment.

This report has been prepared and issued by the Marketing Department of ACLEDA Bank Lao Ltd., to whom any comments or requests for further information should be sent:

HEADQUARTERS:

#398, Corner of Dongpalane and Dongpaina Road, Unit 20,
Phonesavanh Neua Village,
Sisattanak District, Vientiane Capital,
Lao PDR, P.O. Box: 1555

Tel: +856 (0)21 264 994 / 416 999 / 1800;

Fax: +856 (0)21 264 995 / 219 228

E-mail: acledabank@acledabank.com.la

Website: www.acledabank.com.la



FINANCIAL RESULTS

Units in million LAK, US\$ '000	31/12/2021		31/12/2020		31/12/2019		31/12/2018		31/12/2017		Change 2020 %
	Audited		Audited		Audited		Audited		Audited		
	LAK	USD	LAK	USD	LAK	USD	LAK	USD	LAK	USD	
Assets	2.265.286	205.077	1.801.264	193.872	1.619.088	182.515	1.223.301	143.294	1.330.188	160.496	25,76%
Loans (Net of provision)	1.650.967	149.463	1.355.036	145.844	1.160.975	130.873	976.465	114.380	1.046.532	126.271	21,84%
Liabilities	1.746.205	158.085	1.361.496	146.539	1.229.776	138.629	868.337	101.715	994.765	120.025	28,26%
Deposits	1.509.170	136.626	1.181.692	127.187	995.316	112.199	710.196	83.190	755.389	91.143	27,71%
Issued and Paid up Capital	380.000	34.402	340.000	36.595	300.000	33.818	300.000	35.141	300.000	36.197	11,76%
Shareholders' Equity	519.081	46.993	439.768	47.333	389.312	43.886	354.964	41.580	335.423	40.471	18,04%
Total income (Gross)	338.708	30.663	289.938	31.206	242.186	27.301	210.740	24.685	221.862	26.769	16,82%
Profit before tax	102.228	9.255	65.919	7.095	48.128	5.425	35.240	4.128	42.452	5.122	55,08%
Net Profit after tax	81.864	7.411	53.611	5.770	33.422	3.768	25.114	2.942	29.456	3.554	52,70%

TAX PAID REPORT

Description	2017	2018	2019	2020	2021	Total
(Amount in LAK millions)						
Salary Tax	2.790,29	2.994,93	3.125,83	2.194.27	2.613,59	25.425
Minimum Tax ¹	-	-	-	-	-	1.601
Profit Tax ²	12.996,11	10.126,31	14.706,04	12.307,97	20.363,85	73.339
Board Meeting Fee Tax	66,97	241,66	274,34	114,60	84,69	1.023
Withholding Tax (Loans overseas) ³	831,45	346,50	443,13	711,50	390,51	7.390
Value Added Tax ⁴	453,08	1.119,18	1.261,71	623,70	1.620,98	6.402
Mandatory Profit Tax ⁵	106,86	269,62	274,53	152,38	431,77	1.235
Other Tax ⁷	-	-	-	4.000,00	4.002,45	8.002
License Fees ⁶	90,00	-	-	-	20,00	352
Installation Signboard Fee	13,89	14,61	27,89	29,95	12,78	243
Total Paid	17.349	15.113	20.113	20.134	29.541	125.012
Accumulated Amount	40.110	55.223	75.337	95.471	125.007	

1. According to tax regulations, if a commercial bank paid a profit tax, Minimum Tax does not need to paid.

2. 2015: According to tax regulations, if a commercial bank record a net loss, there is no obligation to pay any Minimum and profits Tax .

3. ACLEDA Bank Lao Ltd. Began borrowing fund from lenders oversea in 2012 and follow the Agreement bank have obligation to pay income tax representative

4. ACLEDA Bank Lao Ltd. complied with Value-Added Tax regulations in 2011

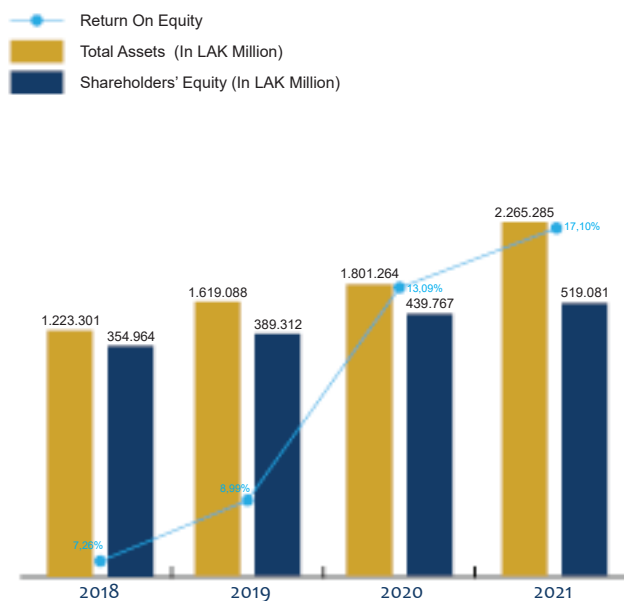
5. 2017: According to tax regulations, on The purchase goods/service from foreign company that don't base in Lao PDR must pay mandatory profit tax.

6. 2018-2020: ACLEDA Bank Lao Ltd. Not upgrade Service Unit to be Branch

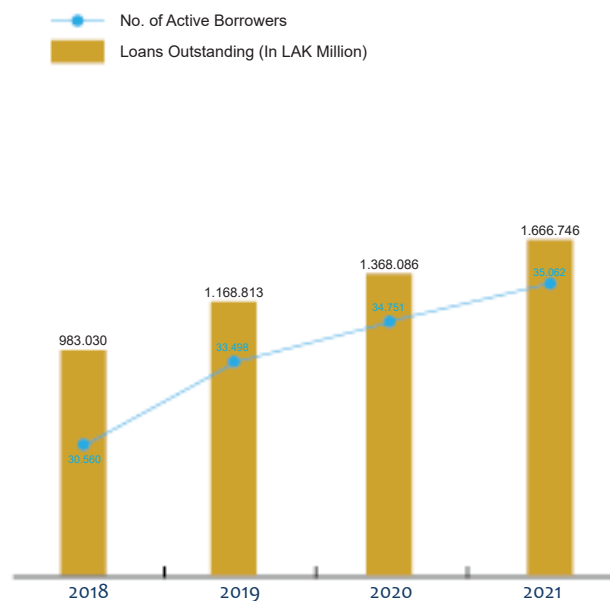
7. 2020-2021: ACLEDA Bank Lao Ltd. Have obligation to pay income tax from adding register capital and individual income tax.

PERFORMANCE

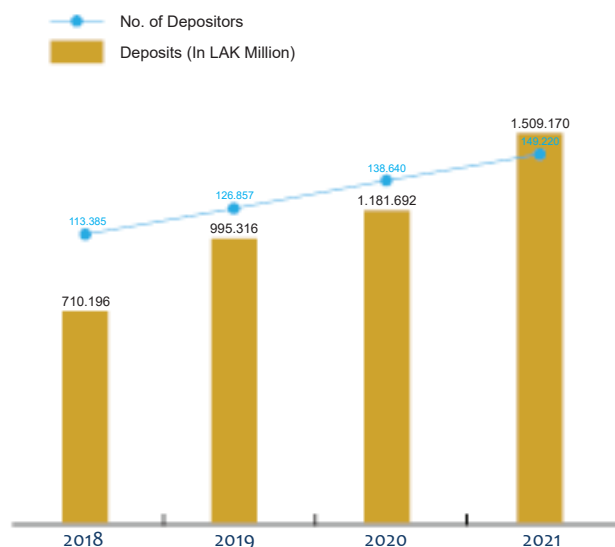
Total Assets VS Return on Equity



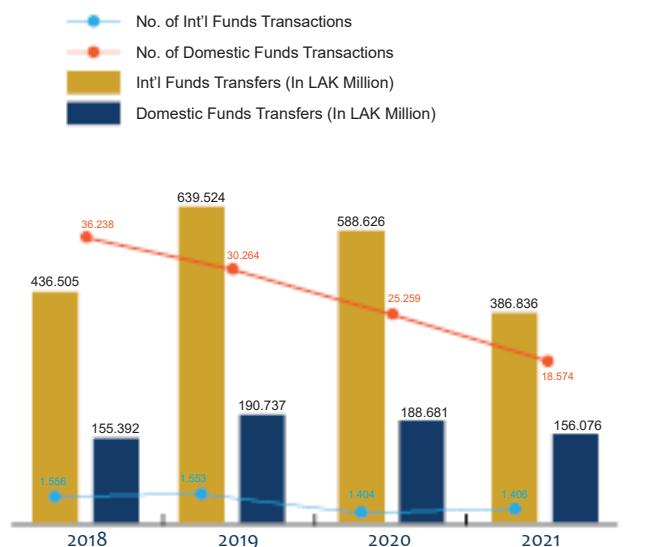
Loans Outstanding VS No. of Active Borrowers



Deposits VS No. of Depositors



Domestic and Int'l Funds Transfers VS No. of Transactions



These figures relate to the operations of ACLEDA Bank Lao Ltd. only.

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LAO PDR KEY ECONOMIC INDICATORS

	2017	2018	2019	2020	2021e	2022f
1. GDP						
GDP % change	7,4	6,5	6,4	3,3	3,5	-
Per Capita GDP (in US Dollars)	2.165	2.599	2.683	2.664	2.595	1.920
2. Inflation						
Inflation (end period)	0,15	1,48	6,28	3,19	5,27	-
Inflation (annual average)	0,83	2,04	3,32	5,07	3,75	3,60
3. Money and Credit (percentage change)						
Total Deposits in the Banking System	11,54	7,16	15,42	17,09	25,00	-
Total Credit in the Banking System	12,04	2,77	7,75	4,77	11,58	-
Credit as a Percentage of GDP	55,56	45,13	45,33	45,16	47,19	-
Deposits as a Percentage of GDP	56,47	47,83	51,80	59,21	69,28	-
4. Balance of Payments (in millions of U.S Dollars)						
Exports	-1.206,79	-1.168,88	4.268,15	6.143,14	5.814,91	-
Imports	-1.315,88	-1.254,06	4.416,89	5.373,87	4.803,34	-
Trade Balance	-1.175,87	-659,86	-148,74	769,27	1.011,57	-
Current Account Balance (Excluding Official Transfers)	4.110,46	3.856,59	652,09	372,06	209,94	-
Current Account	5.286,32	-4.516,45	507,54	-120,17	257,11	-
Exchange Rate (Kip per Dollar end period)	8.299,84	8.539,86	8.875,93	9.659,49	11.058,69	-

Note: e: estimate, f: forecast

Source: Bank of the Lao PDR, International Monetary Fund, World Bank, Asian Development Bank.

CHAIRMAN'S REPORT



Dr. IN Channy

Chairman of the Board of Directors of
ACLEDA Bank Lao Ltd.

Economic Environment

The Lao government moved quickly to avert the most pressing dangers of COVID-19 when it appeared, and has also adapted to the changing economic situation. In 2021, the new prime minister announced seven priorities, vowing to tackle public debt and revenue leakages, boost exports, counter corruption and create more job opportunities. The government has also pledged to foster quality growth and reduce reliance on the natural resource sector, to increase access to basic public services, especially health and education, and to place more emphasis on human resource development.

Economic growth declined to an estimated 0.4% in 2020, the lowest level in three decades, and a second wave of the pandemic in 2021 has dented hopes of a rebound, with a growth rate of just 2.2% forecast for 2021. The country faces macroeconomic instability, with growing debt service obligations, heightened financial risks, and insufficient foreign exchange earnings.

Presidential Decree No. 231/P, which was dated on December 21, 2021, and makes amendments to the country's VAT Law, has come into effect on January 1, 2022, reduces the standard VAT rate from 10 percent to 7 percent. Further, the amended law adds more activities that are exempted from VAT and there is a new VAT calculation for minerals and electricity-related activities.

The financial sector stability requires stemming the deterioration in banks' balance sheets and putting in place key legal and regulatory tools to manage fallout from the crisis. Measures include unwinding forbearance policies in a prudent manner, based on enhanced banking supervision and coordination between BOL, MOF, MPI and industry players. In

the medium term, adopting risk based supervision, establishing an early warning system for banking supervision, and developing a crisis management framework are crucial to ensure stability.

A survey of 421 firms in April-May 2021 indicates that the second wave of COVID-19 has had severe impacts on sales. Annual sales in 2020 fell by more than 40 percent on average relative to 2019. While agriculture, manufacturing, and wholesale/retail activities showed signs of recovery after the first lockdown, persistent negative impacts in hospitality and other service sectors slowed down overall recovery. With the second outbreak ongoing, businesses face major disruptions, deepening the shock on sales. Fewer than 40 percent of firms remained open in April/May 2021. The drop in monthly sales increased from 31 percent in March/April 2020, to 48 percent in March/April 2021. Overall, SMEs and firms in Vientiane Capital and Luang Prabang have suffered a disproportionately larger impact. The effect on jobs has been more muted, but average employment has also declined.

Banking Sector

The Ministry of Finance has offered 1,700 billion Kip and US\$50 million of domestic bonds in 2020-21. The interest rates offered on the US dollar denominated bonds are more attractive than commercial bank deposit rates, while the interest rates on Kip denominated bonds are on a par with equivalent term deposits at commercial banks. The Bank of the Lao PDR (BOL) has offered US\$500 million of bonds since 2019, but these have been undersubscribed. The slow subscription of domestic bonds could be attributed to a lack of confidence in government bonds, and/or the marginal difference between real returns from bonds and term deposits in the context of rising domestic

CHAIRMAN'S REPORT

inflation. The continued depreciation of the kip also makes local currency bonds less attractive.

Foreign Direct Investment

Foreign direct investment (FDI) inflows declined in the first quarter of 2021. FDI declined by 7.9 percent in Q1 2021 compared with the same period last year, partly due to the completion of the Vientiane Vang Vieng highway and the near-completion of the railway. Moreover, the overall trend has declined from 2019 due to the conclusion of various large hydropower projects, postponement of new projects, and the impacts from the COVID-19 pandemic. Improved connectivity after the railway and highway completion and progress on investment climate reforms are expected to help attract domestic and foreign investment in the future.

Export and Import

Lao PDR's trade with its major trading partners China, Thailand and Vietnam remained robust in January-May 2021. Overall, exports to these three countries increased by 39.5 percent in January-May 2021 (YoY), while imports rose by 31.4 percent (YoY) over the same period. The trade balance with major trading partners improved from a deficit of US\$104.4 million during the first five months of 2020 to a surplus of US\$25.1 million in January-May 2021. Export growth was supported by strong external demand and prices; higher gold output (offsetting lower copper output) and prices; power projects approaching their full generation capacity; recovery in electronic parts, wood pulp, wood and wood products, garments; and emergence of new export products, such as paperboard product. Imports were driven by higher purchases of machinery and equipment, vehicles, and fuel partly to support production activities that were delayed last year, as well as other products, such as intermediate and consumer goods.

Economic Outlook

The Lao economy is expected to gradually recover in the medium-term but will remain below pre-pandemic levels of growth at 4.5 percent in 2022. The recovery is likely to be supported by solid export growth as external demand rebounds, by gradual recovery in the services sector, by and private investment in infrastructure as the government promotes public-private partnership and build operate-transfer (BOT) projects for roads, power generation and mining. After the Lao-China railway begins operating at the end of this year, development of secondary infrastructure is expected to take place along the railway corridor. In addition, investment in highways between Vang Vieng and Boten, and in the south are also in the

pipeline. China's granting of trade preferences for 97 percent of Lao export products, and the signing of the Regional Comprehensive Economic Partnership, will benefit exports if supported by reforms. There is a need to create a momentum for doing business reforms and trade facilitation in order to boost private investment and exports, as well as to maximize the benefits of improved connectivity. In addition, when the COVID-19 vaccination rollout gathers pace in Lao PDR and abroad, international travel is expected to gradually resume, supporting the recovery of tourism and the services sector.

Significant Decision of the Board of Directors and Achievement of ACLEDA Bank Lao Ltd. in 2021

• Governance

The Board of Directors had met by conference call four times in March, June, September and December during the course of 2021 and in addition the Board of Directors passed resolutions by E-mail. Our main activities in 2021 as follows:

- Approved to provide incentive for the year 2021 of three (03) months base salary to Compliance Office of ACLEDA Bank Lao Ltd.;
- Approved and recommended the Shareholders to consent to the Financial Statement for the year ended December 31st, 2021 of ACLEDA Bank Lao Ltd., which have been audited and certified by an independent auditor, KPMG Lao Co., Ltd,
- Approved and endorsed the Shareholders to consent to registered capital injection for the year 2021 in an amount 40.000.000.000 Kip (Forty Billion Lao Kip Only) in form of using retained earnings of the Bank resulting in an increase in its current registered capital from 340.000.000.000 Kip (Three Hundred Forty Billion Lao Kip Only) to 380.000.000.000 Kip (Three Hundred Eighty Billion Lao Kip Only);
- Approved and recommended the Shareholders to consent to grant Dr. Svay Hay, the full and final discharge of all his duties and liabilities in respect of the position of the Board of Director of ACLEDA Bank Lao Ltd.; and recognizes Mr. Raksmei Nguon, as a new member of the Board of Directors of ACLEDA Bank Lao Ltd., for 03 (three) years term from April 2021 - March 2024;
- Approved and recommended the Shareholders to consent to the Financial Statements ("IFRS") for the year ended December 31st, 2020 of ACLEDA Bank Lao Ltd., which have been audited and certified by an independent external auditor, KPMG Lao Co., Ltd.;
- Approved and recommended the Shareholders to consent to the Annual Report 2020 of ACLEDA Bank Lao Ltd.;

CHAIRMAN'S REPORT

- Approves and recommends to the Shareholders for final approval on the Amendment to Article 7 and Article 8 of the Memorandum and Articles of Association (MAOA) of ACLEDA Bank Lao Ltd.;
- Approved and recommended the Shareholders to consent to grant Mr. Ian Samuel Lydall, the full and final discharge of all his duties and liabilities in respect of the position of the Board of Director of ACLEDA Bank Lao Ltd.;
- Approved to the Engagement Letter for the year 2021 of ACLEDA Bank Lao Ltd., with an independent auditor, KPMG Lao Co., Ltd.;
- Approved and recommended the Shareholders to consent on creating the Business Expansion Fund for upgrade Paksong Service Unit "A" to be Branch (Paksong Branch) in the year 2021 by using Retained Earning;
- Approved and recommended the Shareholders to consent to recognize Mrs. Kim Sotheavy, as a new member of the Board of Directors of ACLEDA Bank Lao Ltd., for 03 (three) years term from September 2021 - August 2024;
- Approved to grant Mrs. Somphathay THONGMANYLA, the full and final discharge of all his duties and liabilities in respect of the position of Head of Finance Department of ACLEDA Bank Lao Ltd., and recognizes Mr. Chaliya VILAISOUK, as a new Head of Finance Department of ACLEDA Bank Lao Ltd.;

mitigation and improve loan assets quality. The loan increase mainly stemmed from an increase in loan to small 3 and medium enterprises.

In closing, we would like to express our sincerest gratitude to the Government of Lao PDR, the Bank of Lao PDR, regulators, all relevant authorities and our customers for their supports and our gratitude to the managements and staffs for their efforts. Our Board of Directors and staffs remain committed to building ACLEDA Bank Lao Ltd. into the best bank in Lao PDR.



Dr. IN Channy
Chairman of the Board of Directors,
ACLEDA Bank Lao Ltd.

Source from: World Bank

Achievements of ACLEDA Bank Lao Ltd. in 2021

Since the opening of ACLEDA Bank Lao Ltd., our mission has been to build a commercial bank with an extensive branch network throughout Lao PDR, providing access to retail banking services with a special focus on the lower segments of the market. We will at all times observe the highest principles of ethical behavior, respect for society, the law and the environment.

At the end of December 31st, 2021, ACLEDA Bank Lao Ltd. had 986 staffs working in 38 offices nationwide. It had total assets of USD 205.077.462, gross loan outstanding USD 150.891.377 and balance of deposit USD 136.625.884.

From a performance perspective, we are pleased to report that ACLEDA Bank Lao Ltd. had its fourth consecutive year of increase in terms of income. Over the year, ACLEDA Bank Lao Ltd. focused on risk

MANAGING DIRECTOR & CEO'S REPORT



Mr. Raksmei NGUON
Managing Director & CEO

“ACLEDA Bank Lao Ltd. ‘ABL’ celebrates the 13 Years ‘2008-2021’ anniversary of progressive operation with the most secure financial services, effective offices networking, ATMs, Electronic Banking Services ‘EBS’ and sustainable growth together with our loyalty customers. To be the leading SME bank in the Lao PDR, ACLEDA Mobile (App.) becomes a popular and user friendly in a faster way, during the COVID19 pandemic, enable ABL to serve more customers in all segments of the community to undertake banking transactions anytime anywhere. Ranging No.1 commercial bank to contribute the Laotian employment in the industry and the 1st bank to ease the customer to register loan via ACLEDA Mobile, we have invested into the staff capacity building, e-facility, optimum infrastructure and modern banking technology, so the Bank is capable to respond to all stakeholder’s needs, our valued customers and SME sector in particular”.

Performance in 2021

Competitive environment

Simply beautiful and rich resources country, Laos experienced to be one of the fastest growing economies in East Asia and the Pacific. The plus during the hard time of COVID pandemic, challenge and opportunity give leverage to ACLEDA Bank Lao Ltd. serving customers through digital channel and ACLEDA Mobile, the real bank in your hand, increasingly.

The Lao PDR remains a market of significant interest for investors in banking and financial services under the current regulatory environment with relative high competition among 44 banks, 132 licensed microfinances and 59 financial institutions in the MSME sector. There was remaining competition in both price and service facility in the FinTech arena due to the innovation and marketing mix. The Bank of the Lao PDR ‘BOL’ updates more regulations and leverage the free market operation for the banking industry, notably the players can be flexible on interest rate up on the market demand and trend. The local currency (Lao Kip or LAK) is so depreciated and its less restriction on lending in foreign currencies. The challenge of the required collateral with hard land-title limits partial opportunity of customers to access finance at their preferred cost. However, ACLEDA Bank Lao Ltd., with an optimum infrastructure of physical offices in 15 provinces and cities amongst the 18 in Laos, our ATMs, EBS and the advanced App. “ACLEDA mobile”, remains in well position of transparency service provider and toward the market leader.

Operational Performance

- ACLEDA Bank Lao Ltd. posted the net profit after tax ‘NPAT’ US\$ 8,304,802 under the standard of IFRS 16 in 2021 under the challenge and opportunity of operational environment.

MANAGING DIRECTOR & CEO'S REPORT

- ABL continued its cost reduction and risk control efforts to maximize income properly.
- FinTech Products integrated ABL's electronic banking infrastructure, offering the Bank's customers a range of choices to manage their financial resources effectively to conduct business transactions, as needed, with a high level of security. ACLEDA mobile has been registered 93,542 users by December 2021 and upward trend after its public launch on June 25th, 2018.
- Total loans outstanding as at December 2021 was US\$ 150.89 million.
- Non-Performing Loan 'NPL' was well managed and far lower than the required limit.
- ABL maintained the adequate liquidity with noticeable top-record of loans portfolio in 13-Year of operation and optimal business model focusing on diversified SME credit, quick SME loan and larger business scale.
- Total deposit mobilization, consolidated in US Dollar, is at upward trend and increased to US\$ 136.62 million. The growth was mainly led by the proactive TEAM 'Together Everyone Achieve More', new strategy and optimal offices networking, 57 ATMs with 47,419 cards holders and advanced App. ACLEDA mobile with 93,542 registered users.
- ABL posted a record profit which resulted from the margin lending to the retail business and the bank's operating efficiency ratio was at 38.80%. The return on average asset 'ROAA' and return on average equity 'ROAE' were 4.03% and 17.02% respectively at the end of 2021.

Challenges

The COVID-19 pandemic has impacted all business sectors globally as well as the business in Lao. ACLEDA Bank Lao won't be isolate from this either, however our business model focus on SMEs. They are dealing with the daily household consumption, and we can manage the growth of our business in line with the environment.

Strategic Priorities

1. Sustainable source of fund with conducive deposit mobilization, proactive interbank market and facility, digital services and fee-based income oriented.
2. SMART goal and productivity to set a clear target of growth projection and maintain a strong capital base with Capital Adequacy Ratios comfortably exceeding regulatory requirements.
3. Human resource asset and capacity building to concentrate on gradual knowledge and morality 'ethic professional' and develop our 'transparency service culture' for customers from all segments and the 5 Good Wordings: speak truly, gently, usefully, right time, and positively.
4. To be the leading SME bank in the Lao PDR with focal point on the quick SME loan, medium and larger

- business scale with proper credit process.
5. Superior financial service to follow our customers' need providing a comprehensive range of financial innovation as they move up the wealth ladder.
6. Compliance facilities with transparency way, good attitude and impartiality and be tolerated No Corruption.
7. Build strategic partnerships with reputable counterparts, domestically and internationally, in areas where they are synergistic with ABL's core business to develop capabilities and financial service.
8. Develop and upgrade EBS with Financial Technology Solutions 'FinTech' and Digital Banking App. 'ACLEDA Mobile' allowing two ways global access, self-service, and cross-up selling opportunities conveniently.
9. Efficient workflow for customer satisfaction, keep enhancing the digital oriented approach and to be the leading SME bank in the Lao PDR.

Celebrating the noticeable year 2021 of sustainable growth, the plus during the challenge period, I would like to introduce our most advanced banking App, well known as 'ACLEDA Mobile'. The App. was developed with the purpose to conveniently serve you, your family, colleagues and friends — 24 hours a day, seven days a week. With ACLEDA Mobile, you can now manage your business efficiently and execute your banking transactions anytime anywhere with reliable built-in security. To be the leading SME bank in the Lao PDR, ACLEDA Bank Lao has chance to serve customers at all levels and uniquely the SME sector with various types of commercial bank products including the electronic banking services, individual and corporate deposit, lending to individual, quick SME loan and each large scale business up to billions Lao Kip or millions of US dollar, fund transfer, cash management, payroll, banc-assurance and so on.

To all our customers, my colleagues on the Board of Directors, Shareholders, management and staff, our professional consultants, and not least the Government and the Bank of the Lao People's Democratic Republic, I offer my sincerest thanks both for your support in 2021 and in anticipation of a happy and prosperous year 2022 steadily.



Mr. Raksmei NGUON

Managing Director & CEO
of ACLEDA Bank Lao Ltd. March 13, 2021

OFFICES NETWORK

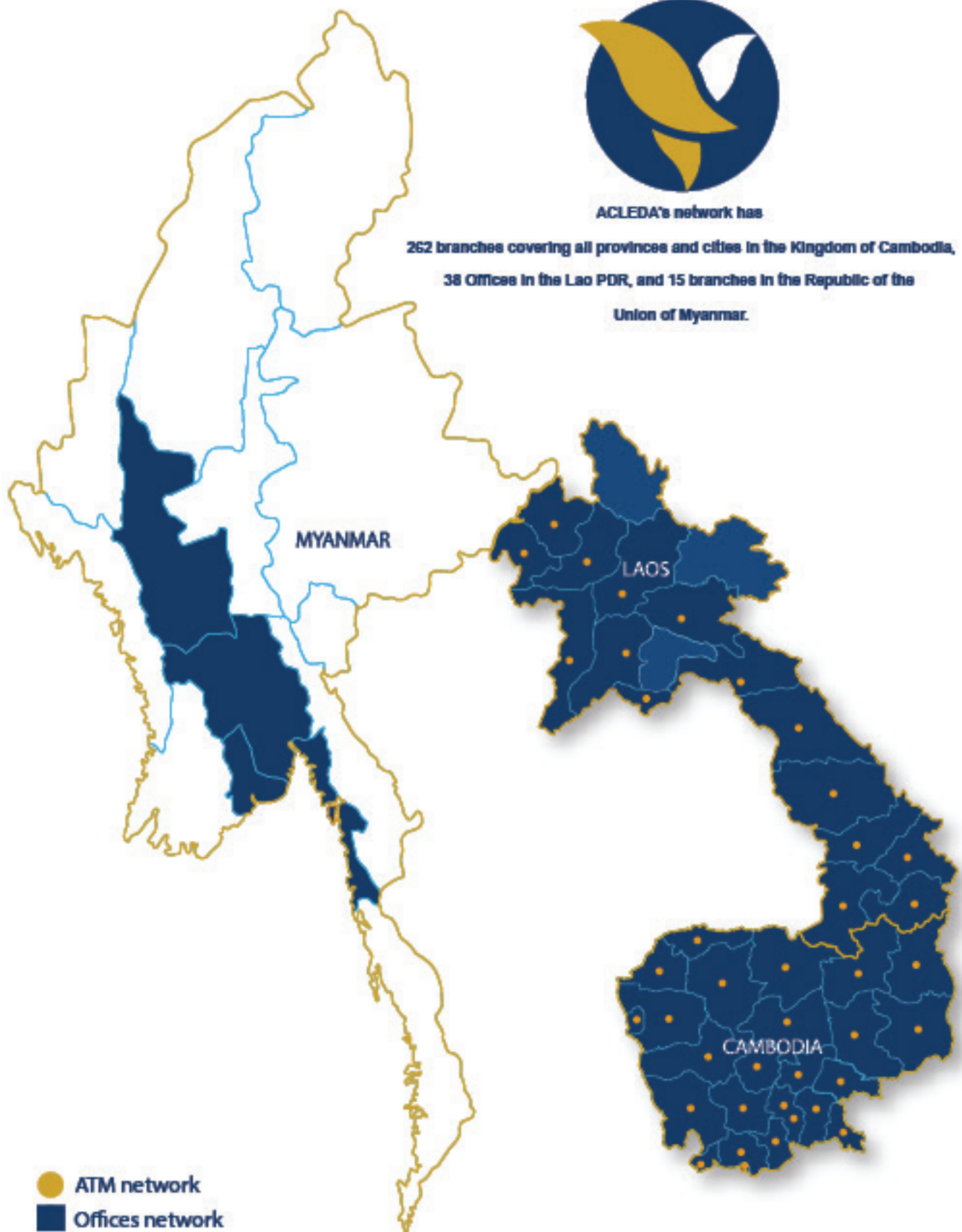


ACLEDA's network has

262 branches covering all provinces and cities in the Kingdom of Cambodia,

38 Offices in the Lao PDR, and 15 branches in the Republic of the

Union of Myanmar.



ATM NETWORK

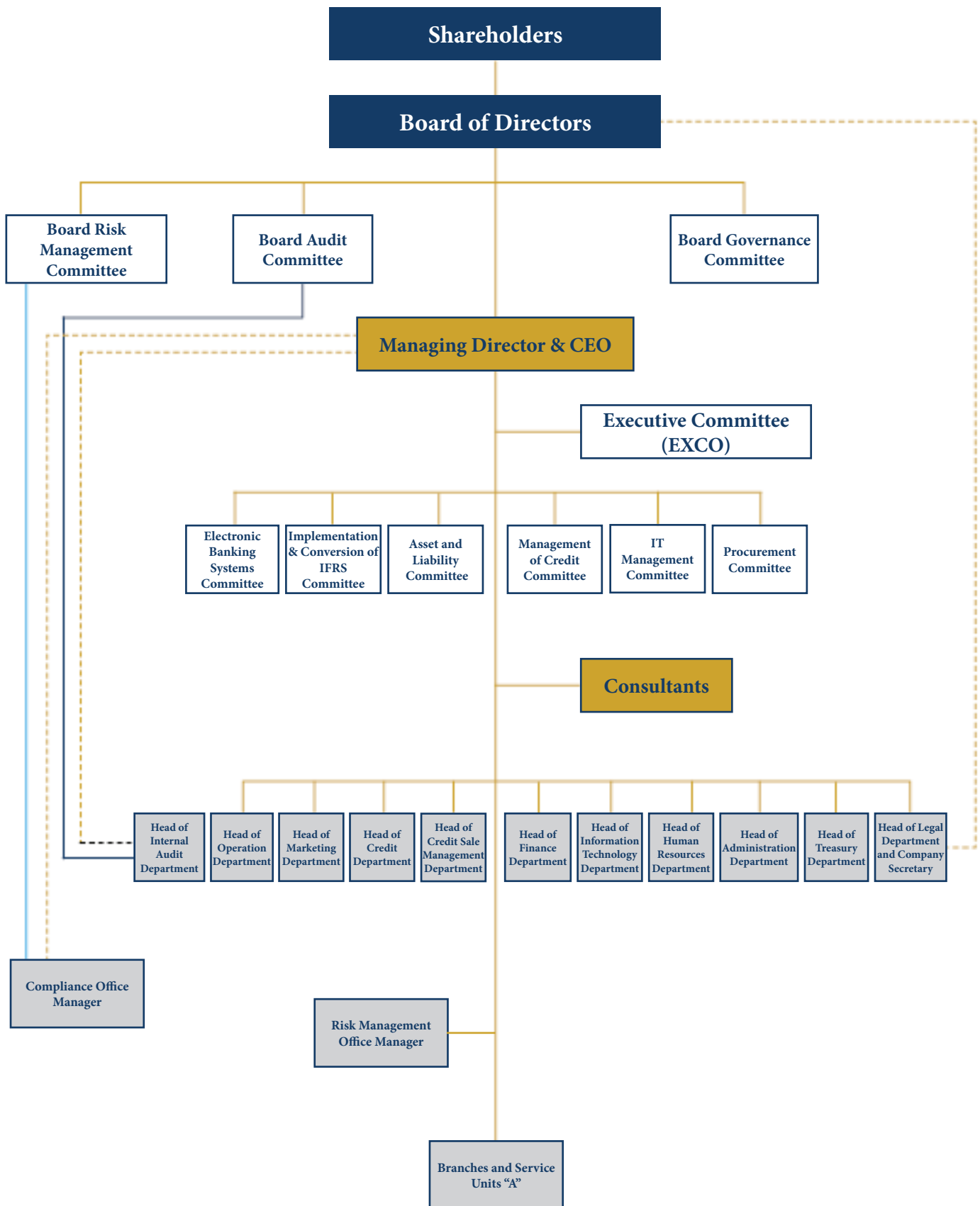


Offices Network



ATM Network

ORGANIZATIONAL CHART



The organizational chart as at 31 December, 2021

CORPORATE GOVERNANCE

ACLEDA Bank recognizes the critical importance of corporate governance in supporting the Bank's sustainable growth, enhancing the efficiency of the Bank, creating shareholders values, and securing trust for all stakeholders including shareholders, customers, staff and the general public. The Board of Directors supports and encourages the adoption and implementation of good corporate governance policy, together with the code of conduct and business ethics.

Shareholders' meeting

The Bank holds its Annual General Meeting of Shareholders in compliance with the law, the Article of Association and other relevant regulations. The Annual General Meeting of Shareholders was held on April 23rd, 2021 at the Bank's Headquarters and additional eight resolutions was passed by e-mail during the year. The Bank took the following actions:

Prior the Meeting

The Meeting Notice, containing detailed agendas, factual details, rationale and Board recommendations for each agenda item as well as accompanying documents and the Annual Report 2020 and the Report of Financial Statements produced by the external auditor. The Meeting Notice and accompanying documents were prepared in English and were delivered to all Shareholders in advance of the Annual General Meeting.

During the Meeting:

The Annual General Meeting of Shareholders was chaired by the Chairman of the Board of Directors. The Chairman allowed Shareholders full opportunity to ask questions and make recommendations and provided comprehension clarification when requested. The Management also clarified and answered related issues. The Minutes and votes for each agenda item were recorded by the Company Secretary.

The Key Matters approved in 2021 were:

- The election Chairman of Board of Directors as the Chairman of the AGM No.13;
- The minutes of the Twelfth Annual General Meeting of Shareholders dated April 22nd, 2020;
- The audited Financial Statements for the year 2020;
- The annual report for the year 2020 of ACLEDA Bank Lao Ltd;
- The approval of the 2021 Business Plan and CAPEX;
- The approval of granting Dr. Hay Svay, the full and final discharge of all his duties and liabilities in respect of the position of the Board of Directors of ACLEDA Bank Lao Ltd.; and recognizes Mr. Raksmei Nguon, as a new member of the Board of Directors of ACLEDA Bank Lao Ltd.;
- The approval of granting Mr. Ian Samuel Lydall, the full and final discharge of all his duties and liabilities in respect of the position of the member of the Board of Directors of ACLEDA Bank Lao Ltd.;
- The approval of recognizes Mrs. Kim Sotheavy, as a new member of the Board of Directors of ACLEDA Bank Lao Ltd.;
- The approval of the dividend of profit for year 2020;
- The approval of registered Capital Injection for 2021;
- The approval of amendment the MAOA and SSA;
- Schedule for the next AGM.

Following the Meeting:

The Minute of the Annual General Meeting of Shareholders was circulated to all Shareholders for their perusal prior confirmation at the next Annual General Meeting.

Shareholders

ACLEDA Bank Plc.

ACLEDA Bank Plc. is a public limited company, formed under the Banking and Financial Institutions Law of the Kingdom of Cambodia. Originally, it was founded in January 1993 as a national NGO for micro and small enterprises' development and credit. It went through two major successful transformations from Microfinance to Specialized Bank and then to a Commercial Bank in 2000 and 2003 respectively, in order to provide full banking services to meet customer demand. ACLEDA Bank Plc. is the first bank in Cambodia to have been assigned ratings by the top international credit rating agency - Standard & Poor. ACLEDA Bank Plc. is 51.4915% owned by Cambodian interests, while SMBC (SUMITOMO MITSUI BANKING CORPORATION) hold 18.0669%, COFIBRED (a subsidiary of Banque Populaire) and ORIX Corporation respectively hold 12.1271% each; 2.5252% by

Triodos Microfinance Fund, 2.1595% by Triodos Fair Share Fund; and 1.5026% by Stichting Triodos Sustainable Finance Foundation. At the end of December 31st, 2021, ACLEDA Bank Plc. had 12,081 employees working in 262 offices nationwide that total assets of USD 7,695 million, Loans and advances to customers USD 5,232 million, and balance of deposit USD 5,583 million. Today ACLEDA Bank Plc. is offering Electronic Banking Services, Deposits, Credits, Funds Transfers, Cash Management, Trade Finance, Money Exchange, Financial Lease, Referral Life and General Insurance (Partnership with Prudential (Cambodia) Life Assurance and Forte), Bank Consultancy, Financial Health Check and a comprehensive list of other retail banking services tailored to its customers' growing demands.

For more information, please visit the official website of ACLEDA Bank Plc.: www.acledabank.com.kh

ACLEDA Institute of Business Co., Ltd.

ACLEDA INSTITUTE OF BUSINESS Co., Ltd. (AIB) obtained license from the Royal Government of Cambodia by sub-decree no. 13 OrNkr.BK, dated January 25th, 2016. AIB is a Single Member Private Limited Company under the Cambodia law with 100% holding by ACLEDA Bank Plc. as the parent company. ACLEDA Bank Plc. established AIB as its subsidiary to provide learners with the superior quality of higher education services, professional training in business education to build their Knowledge, Professional Skills, Creative and Innovative Potential, Experience, Ethics, Network in order to enhance their professional future careers. AIB aims to be the leading business school with the highest quality standards for future generations to support the socio-economic development in Cambodia and the Region.

ACLEDA Institute of Business Co., Ltd. provides academic and training program as the following:

- Academic Programs:
 - Master's Degree of Business Administration in Finance and Banking, Finance, and Management;
 - Bachelor's Degree of Business Administration in Finance and Banking, Accounting, International Business, Risk Management and Insurance, and Supply Chain Management and Logistics;
 - Bachelor's Degree of Science in Fintech, Business IT, and Computer Science and Engineering;
 - Bachelor's Degree of Arts in English for Translation and Interpreting, English for Business Communication, and Teaching English as a Foreign Language (TEFL).
 - Associate's Degree in Finance and Banking, Accounting, Export-Import Management, Insurance, Logistics, and English.
- Training Programs for Local and International Participants from External Organizations and the Public: Yearly Training Calendar, Tailor-Made Training, Exposure Visit/Study Tour, Building Inclusive Financial Sector, Skill Development Training Courses, On-the-Job Training, General English Program (GEP), English for Specific Purposes (ESP), Special English Skills (SES), and General Chinese Program etc.;
- Training Programs for ACLEDA Staff: New Recruit Training, Skill Development Training, Introductory Training, and Training of Trainer etc.

From its inception up to December 31st, 2021, AIB employed 138 staff members and now has total assets of USD 34,93 million. AIB had provided Internal Training for ACLEDA Bank Plc's staff a total of 62,971 courses with 701,620 participants. AIB also organized External Training for other organizations and public, 546 courses for 14,046 Cambodian participants from 265 local organizations and 165 courses for 1,909 foreign participants from 142 international organizations.

AIB has got Bachelor degree 44 classes with 1086 students and Master degree 01 class with 14 students, totally 45 classes with 1,100 students.

ACLEDA Institute of Business Co., Ltd. is recognized as "The Institute for your successful professional career" through the provision of providing superior quality of educational and training service to all segments of the community. For more details information, please visit website: www.acleda-aib.edu.kh

BOARD OF DIRECTORS



The Board of Directors of ACLEDA Bank Lao Ltd.

Report of the Board of Directors

The Board met face-to-face 04 times in March, June, September and December during the course of 2021 and in addition the Board passed 32 resolutions by E-mail.

Principal Activities in 2021:

- Reviewed on the Bank's quarterly Financial Reports and received progress reports on all operational aspects of the bank's operations including services and products;
- Approved the Audited Financial Statements and Annual Report for the year 2020.
- Reviewed and approved the Business Plan, Budget and Capital Expenditure Plan, and Funding Strategy 2022;
- Reviewed and approved on the Amendment of TORs of Board Committees;
- Reviewed Reports of Board Committee Chairmen on their committee activities;
- Reviewed and approved on the Amendment of Policies and Operating Manuals of ACLEDA Bank Lao Ltd;
- Approved on set inflation rate for ACLEDA Bank Lao Ltd.'s employees for 2021.
- Approved on acknowledgement of the Regulation on Branch Supervision of ACLEDA Bank Lao Ltd;
- Approved on upgrading Paksong Service Unit "A" to be Branch, the Feasibility Study of Paksong Branch and nominate the Branch Manager of Paksong Branch of ACLEDA Bank Lao Ltd;

- Approved on nomination of Mr. Chaliya VILAI SOUK, as a new Head of Finance Department of ACLEDA Bank Lao Ltd;
- Approved on revising the composition of the Board Committees of ACLEDA Bank Lao Ltd.

Reports of the Board Committees:

- The Board Audit Committee (BACO),
- The Board Governance Committee (BGC),
- The Board Risk Management and IT Committee (BRIC),

BOARD OF DIRECTORS



Dr. IN Channy

Chairman

Born in June 1960. Dr. IN Channy joined the Board of ACLEDA Bank Lao Ltd., in December 2014. He is the Chairman of the Board of Directors and Board Governance Committee (BGC) and a Member of the Board Audit Committee (ACO). He is also the Shareholder Representative of ACLEDA Bank Lao Ltd. Outside ACLEDA Bank Lao Ltd., he was one of founders of the Association of Cambodian Local Economic Development Agencies (ACLEDA) in January 1993. He became a member of the Board of Directors of ACLEDA Bank Plc. in August 2014. He is the President & Group Managing Director of ACLEDA Bank Plc. As President of the Executive Committee he leads the Executive Management Team which is responsible for overall strategic planning and running the day-to-day business of the ACLEDA Bank Plc. and its group as well as implementation of its business plan. He is directly accountable to the Board of Directors of ACLEDA Bank Plc.

His other responsibilities within the group include Shareholder Representative for ACLEDA Securities Plc., ACLEDA Institute of Business Co., Ltd., ACLEDA MFI Myanmar Co., Ltd. and ACLEDA Properties Ltd., and Chairman of the Board of Directors and a member of all Board Committees of ACLEDA MFI Myanmar Co., Ltd. He is also the Chairman of ACLEDA Financial Trust.

He is one of the Board members of Entrepreneur Development Fund (EDF), the Royal Government of Cambodia established Trust. He is also represents ACLEDA Bank Plc. as one of the members of the World Economic Forum.

He completed Executive Course on Financial Institutions for Private Enterprise Development (FIPED) at Harvard University, USA in 1998. He holds a Doctorate of Business Administration and is also a Graduate of the Australian Institute of Company Directors (GAICD).

Drs. Pieter KOOL

Vice Chairman

Board Committees: Risk Management and IT (member), Governance (Member).

Born in 1958. Drs. Pieter Kooi joined the Board of ACLEDA Bank Lao Ltd., in July 2008. He obtained his Master's Degree with distinction in Corporate Finance and Sociology from Erasmus University in Rotterdam, the Netherlands. From 1993, he advised ACLEDA as a microfinance consultant over a period of seven years in its course from a development program into a commercial bank. From 1999, Drs. Kooi worked as a short-term microfinance consultant on projects in 15 countries located mainly in Africa and Asia. From September 2002 until December 2005, Drs. Kooi was Director of the Microfinance Unit of UNCDF in New York. From March 2006 till May 2011 Drs. Kooi supported ACLEDA Bank Plc. as a part-time consultant in the establishment of ACLEDA Bank Lao Ltd., ACLEDA Institute of Business Co., Ltd., and ACLEDA Securities. At present Drs. Kooi continues to serve on several Boards. He is a Graduate of the Australian Institute of Company Directors.



Mr. CHHAY Soeun

Member

Board Committees: Audit (Chair), Risk Management and IT (member),

Born April 10, 1954. Mr. Chhay Soeun joined ACLEDA Bank Plc. Board in September, 2014. He obtained his Executive Master's of Business Administration in Finance and Accounting from Preston University, California, USA. He is a graduate of the Australian Institute of Company Directors (GAICD). He joined ACLEDA in January, 1993 until his retirement on April 10, 2014. His last position in ACLEDA Bank Plc. was as Executive Vice President & Group Chief Financial Officer. From 1980 to 1992, he was an accountant and deputy chief accountant of the Kampot Provincial Department of Commerce. At present, he is Chairman of Board of Directors of ACLEDA Bank Plc., Cambodia, a Board member of ACLEDA Bank Lao Ltd., and a Board member of ACLEDA MFI Myanmar Co., Ltd.



BOARD OF DIRECTORS



Mr. SOENG Phorn

Member

Board Committees: Risk Management and IT (member), Audit (member).

Born February 3, 1977. Mr. Soeng Phorn joined Board of ACLEDA Bank Lao Ltd. in June, 2020. He obtained Master of Business Administration in Business Management and received Bachelor of Business Administration in Accounting. He is the Senior Vice President and Head of Credit Division as well as the Chairman of the Management Credit Committee of ACLEDA Bank Plc. In Credit Bureau Cambodia (or the "CBC"), he is a Member of Board Product Committee and Board Audit Committee.

Mr. Soeng Phorn has joined ACLEDA Bank Plc for more than 22 years since 1998, with the various roles in leadership, audit, credit, and trade finance such as, Assistant Vice President and Manager of Internal Auditor, Assistant Vice President and Manager of District Office, Credit Department Manager, Deputy Head of Credit and Trade Finance Services Division, Deputy Head of Credit Division and Credit Consultant in Cambodia, Myanmar and Lao PDR.

Mrs. Kim Sotheavy

Director

Board Committees: Audit (member).

Cambodian. Born October 1965. Mrs. Sotheavy joined ACLEDA in September 1994. As Senior Group Chief Internal Audit Officer, she is responsible for overall strategic planning and running the day-to-day internal audit activities of the Bank as well as implementation of the Group internal audit plan. To guarantee the independence of the internal audit function, she is required to report directly to the Board Audit Committee to provide information and explanation on various matters pertaining to the scope and purpose of the committee. She is responsible for leading the Internal Audit Loop, which consist of two divisions and four departments including:

- Internal Audit Development Division
- Information Security Audit Division
- Audit Reporting Department
- Credit Audit Department
- Financial Audit Department
- AML & CFT Audit Department

She holds a Master's degree in Finance and Banking and is also a Graduate of the Australian Institute of Company Directors (GAICD).



Mr. Raksmei NGUON

Director

Managing Director & CEO

Board Committees: Governance (Member).

Born December 18, 1982. Mr. NGUON Raksmei joined Board of ACLEDA Bank Lao Ltd. in April 2021. He obtained Master of Business Administration in National University of Management and received Bachelor of Hotel and Tourism in National Institute of Management. He is a Managing Director & CEO, the Chairman of Executive Committee and the member of Board Governance Committee of ACLEDA Bank Lao Ltd.

Mr. NGUON Raksmei has started with ACLEDA Bank Plc for 20 years since 2003, with the various position such as: Credit Officer, Customer Service officer, Marketing Officer, AVP & Manager of Marketing Officer, Vice President & Branch Manager in Mondulkiri and Pursenchey Branch (PPSEZ) in Phnom Penh, Cambodia.

From June 2015 to December 2020 he was a Branch Consultant in ACLEDA Bank Lao Ltd. He leads and oversees Human Resource Department, Administration Department, Marketing Department, Credit Department, Operate Department, Credit Sale Management Department, Branches and Service Units. He is an advisor of the Bank Executive Committee, which is responsible for the overall strategic planning and running the day-to-day business of the Bank as well as the implementation of the business plan in Lao PDR.

MANAGEMENT AT OUR HEADQUARTERS

The Managing Director & CEO is appointed by the Board of Directors with full responsibility and authority to manage the day-to-day affairs of the Bank within the framework of the policies and strategic guidelines approved by the Board. However, certain powers may be retained by the Board and shall be formally recorded in a 'Letter of Reserved Matters'.

The Managing Director & CEO appoints and chairs an Executive Committee. He reports directly to the Board subject to any changes being notified in a timely manner. The Terms of Reference and proceedings of the Executive Committee are determined by the Managing Director & CEO at his discretion under the general headings of:

- Strategic direction: develop policies, goals, strategies and targets for Board approval.
- Performance: assemble and mobilize resources to implement agreed strategies and performance targets.
- Risk: identify and evaluate risk in the Bank's strategies and manage exposures.
- Compliance: ensure that the Bank conforms to all corporate, legal and regulatory requirements.

1. Mr. Raksmei NGUON
Managing Director & Chief Executive Officer.
2. Mr. Rathmony LEAH
Finance Consultant & Chief Finance Officer.
3. Mr. Sen SIN
Credit Consultant.
4. Mr. Chanvathana LEE
Marketing Consultant.
5. Mr. Phonesavan RASABANDITH
Head of Information Technology Department.
6. Mrs. Kaysone LINTHONG
Head of Marketing Department.
7. Mr. Outo SAECHOW
Head of Treasury Department.
8. Mr. Chaliya VILASOUK
Head of Finance Department.
9. Mrs. Nittaya THIRASACK
Head of Operations Department.
10. Mr. Thanomchith WARINTHRASAK
Head of Credit Department.
11. Mr. Lamphan INSOULIVONG
Head of Administration Department.
12. Mr. Phonethavy KHOMMALY
Head of Internal Audit Department.
13. Mr. Salongxay PHONPASERTH
Head of Human Resources Department.
14. Mr. Dalamoungkhoun CHOMMANIVONGKHAO
Head of Legal Department and Company Secretary.
15. Mr. Soundala LATHIPANYA
Head of Credit Sales Management Department.
16. Mrs. Onta DOUANGCHALEUN
Compliance Office Manager.
17. Mrs. Niddavanh VATTHANATHAM
Risk Management Office Manager.



MANAGEMENT AT OUR HEADQUARTERS



Mr. Rathmony LEAH

Finance Consultant & Chief Finance Officer

Cambodian. Born February 1, 1982. Mr. Leah Rathmony joined ACLEDA Bank Plc. in July 2004. As Finance Consultant & Chief Financial Officer, he leads the Head of Finance Department, which oversees the Management Accounting Unit, Budgeting and Control Unit, Financial Accounting Unit, Taxation and Payment & Settlement Accounting Unit, Accounting System Unit, and Operation Support Financial Accounting Unit. He also shares responsibility for the overall strategic planning and running the day-to-day business of the Bank as well as the implementation of the business plan. He is a member of the Bank's Executive Committee. He also attends the Board Audit Committee (ACO), Board Risk Management and IT Committee (BRIC), Board Governance Committee (BGC) and Board of Directors meetings. He is Chairman of the IT Management Committee (ITMC), User Acceptance Test (UAT), Basel Committee and a member of the Bank's

Management of Credit Committee (MCC), and Assets and Liabilities Committee (ALCO). He is also responsible the works of Information Technology Department and Treasury Department. He is directly accountable to the Bank's Managing Director and CEO. He holds a Master's Degree in Finance and Banking from Build Bright University, Cambodia.



Mr. Sen SIN
Credit Consultant

Born January, 1975 in Cambodia. Mr. SIN Sen joined ACLEDA bank Plc. in March 05th, 2001. He has been as micro, small, personal and medium loan officer (2001-2008). He was as an assistant vice president and manager of branch credit officer from January 15th, 2009 till November 16th, 2017 at Krong Siem Reap branch, he had been responsible and lead branch's credit team works. He had been as a credit supporter of ACLEDA bank Lao Ltd. from July-October, 2015 direct support to the branch manager and manager of credit officer of BOLIKHAMXAY branch and

from July-October, 2016 direct support to the head of corporate office and manager of credit officer of corporate office Headquarter of ACLEDA bank Lao Ltd. Currently he is a Credit Consultant. He is responsible for direct support to the head of credit department, manages and head of Credit Sale Management Department manages and leading credit operations, credit sale of entire ACLEDA bank Lao Ltd. He obtained the master's degree in business administration, majoring in General Management from the Build Bright University, Cambodia in 2011.



Mr. Chanvathana LEE
Marketing Consultant

Born February 12, 1982. Mr. Chanvathana LEE joined ACLEDA Bank Plc. in October 2004. As Marketing Officer from 2004 to 2007. From April 2007 to March 2021, he was the Assistant Vice President & Manager of Branch Marketing Officer, overseeing the operation of the Marketing team. Currently he is a Marketing Consultant, responsible for consulting, direct support to the Head of the Marketing Department, strategic planning for the Bank, including development and research for new Bank products/services, and products/services sales growth planning and implementation. He also responsible

for supporting in monitoring, leading and controlling for ensuring that the operating manuals, procedures, and guidelines related to Marketing operation for ACLEDA Bank Lao Ltd. He is a member of the Bank's Executive Committee (EXCO). He also attends the Board Risk Management and IT Committee (BRIC), Bank's Management of Credit Committee (MCC), and Assets and Liabilities Committee (ALCO). He obtained the Master's Degree in Business Administration, from the Royal University of Law and Economics, Cambodia in 2010.

MANAGEMENT AT OUR HEADQUARTERS



Mr. Phonesavan RASABANDITH

Head of Information Technology Department

Laotian. Born September 7, 1986. Mr. Phonesavan Rasabandith joined ACLEDA Bank Lao Ltd. in October 2008. As Head of the Information Technology Department, he leads the Information Technologies team, which is responsible for direct control of the Core Banking Unit, the Software Development Unit, the Hardware Maintenance Unit, the Network Unit, the System and Database Administration Unit, the System Security Unit, the Electronic Banking System Unit, the Close of Business Operations Unit, and the Helpdesk Unit. He oversees the development and updating

of the operating manuals, procedures and guidelines related to Information Technologies and Information Security to ensure effective performance. He is co-chairman of the Digital Banking Committee, member of the Executive Committee (EXCO) and member of the Information Technology Management Committee (ITMC). He holds a Bachelor's Degree in Computer Engineering and a Master's Degree in Network Engineering from the Faculty of Engineering, National University of Laos.



Mrs. Kaysone LINTHONG

Head of Marketing Department

Laotian. Born November 5, 1984. Mrs. Kaysone LINTHONG joined ACLEDA Bank Lao Ltd. in May 2008. As Head of the Marketing Department, she leads the Marketing Team, which is responsible for the Marketing Unit, the EBS Management Unit, the Report and planning unit, the Call Center Unit and the Sales Unit. She oversees new product development and marketing strategy and is also a member of the Bank's Executive Committee. She is the Chairwoman of the Electronic Banking

System Committee (EBS), Co-chair of the Digital Banking Committee and a member of the Bank's Management Credit Committee, and the Assets and Liabilities Committee. She is directly accountable to the Bank's Managing Director and CEO. She holds a Master's Degree in Business Administration, majoring in Business Management from the Rattana Business Administration College (Laos).

MANAGEMENT AT OUR HEADQUARTERS



Mr. Chaliya VILAISOUK

Head of Finance Department

Born November 22, 1986, he holds a Bachelor of Education, Majority in English at the National University of Laos in 2009. He got High Diploma of Finance - Banking at Settha Business Administration College in 2008. He finished high school from Done Noun High School 2004.

Mr Chaliya VILAISOUK has worked for ACLEDA Bank Lao Ltd., since 2009 in various positions. He was promoted to Assistant of Finance Consultant in 2013, Assistant Head of Operation Department in 2014 and became

the Head of Finance Department of ACLEDA Bank Lao Ltd., since December 1st, 2021.



Mr. Outo SAECHOW

Head of Treasury Department

Born October 29, 1984. Mr. Outo SAECHOW joined ACLEDA Bank Lao Ltd. in May 2008. As Head of the Treasury Department, he leads the treasury team, which is responsible for the Physical Cash Management Unit, which ensures sufficient cash for operations. He also oversees the Control Assets & Liabilities Unit, the Financial Institution Unit, the Treasury Dealing and Foreign Exchange Control Unit, and the SWIFT Unit. He leads efforts to

develop and update procedures, operating manuals and guidelines related to Treasury work to ensure effective performance. He is a member of Bank's Executive Committee, Chairman of Assets and Liabilities Committee, and a member of the Bank's Management Credit Committee. He holds a Bachelor's Degree in Accounting from Vietnam.

MANAGEMENT AT OUR HEADQUARTERS



Mrs. Nittaya THIRASACK

Head of Operations Department

Laotian. Born September 27, 1986. Mrs. Nittaya THIRASACK has worked for ACLEDA Bank Lao Ltd. since 2009 in various positions. She was promoted to be Assistant Head of the Credit Department in 2012 and then to Deputy Head of the Credit Department in 2013. She became the Head of the Operations Department of ACLEDA Bank Lao Ltd., on February 1, 2014.

She holds a Master's Degree in Business Administration, specializing in Financial

Management from the Academic Service Cooperation Project between Rattana Business Administration College (Lao PDR) and Santapol Collage (Thailand) in 2012. She received a Bachelor's Degree in 2007, majoring in Mathematics and Computer Science from the University of Laos.



Mr. Salongxay PHONPASERTH

Head of Human Resources Department

Laotian. Born October 20, 1983. Mr. Salongxay PHONPASERTH joined ACLEDA Bank Lao Ltd. in December 2009 as a Credit Officer. He was promoted to be Manager of Branch Internal Auditors at the Vientiane Branch in 2011 and then he became Branch Manager at Vientiane Branch in 2012. He was named Assistant Head of Human Resources Department in 2014. In 2019 he became the Risk Management Office Manager where he led and managed the work in the Operational, Market & Treasury Risk Management Unit and was also the Secretary of the Board Risk Management Committee of

ACLEDA Bank Lao Ltd. Currently, he is the Head of Human Resources Department of ACLEDA Bank Lao Ltd. He graduated with a Bachelor's Degree in English and Business Administration from the Comcenter College.

MANAGEMENT AT OUR HEADQUARTERS



Mr. Thanomchith WARINTHRASAK

Head of Credit Department

Born April 21, 1987. He holds a Master's Degree in Business Administration (MBA), from the Laos-Japan Human Resource Development Institute, National University of Laos. He also holds a Bachelor's Degree in Law from the Faculty of Law and Political Science, National University of Laos.

Thanomchith WARINTHRASAK joined ACLEDA Bank Lao Ltd. in 2009 in various positions. He was promoted to the Assistant Head of Credit Department in 2014 and Deputy Head of Credit Department in 2015 and to Head of Human Resource Department

from June 2016 to 2019 and became to the Head of Credit Department since May 1st, 2019. Currently Head of Credit Department he is responsible for direct control of the Policy Development and Research Unit, the Credit Control Unit, the Loan Recovery Unit, the Credit Analysis Unit, the Credit Data Support Unit and Credit Model Impairment and Development unit. He is a member of the Bank's Executive Committee (EXCO), Asset and Liability Committee (ALCO). He is Chairman of the Management Credit Committee (MCC) of ACLEDA Bank Lao Ltd.



Mr. Lamphan INSOU LIVONG

Head of Administration Department

Born May 8, 1985. He finished high school in 2004, He graduated a Bachelor's Degree in General Management from Rattana Business Administration College and obtained a Higher Diploma in General English from Khamsavath Business Administration College in 2010, Vientiane Capital .

Mr. Lamphan INSOU LIVONG joined ACLEDA Bank Lao Ltd. in September, 2010. In previous positions, he was promoted as Chief of Branch Administrator in 2012 and changed to Head of Administration Unit in 2013 and promoted as Head of the Administration Department in 2014. He

leads and oversees the administrative team which is responsible for Assistant Heads of Administration Department, the Equipment Management Unit, the Office Administration Unit and the Affair Administration Unit. He is a number of Bank's Executive Committee, a member of the Information Technology Management Committee (ITMC), the Electronic Banking System Committee (EBS), the Implementation & Conversion of IFRS Committee and the Procurement Committee. He is directly accountable to the Bank's Managing Director and CEO.

MANAGEMENT AT OUR HEADQUARTERS



Mr. Phonethavy KHOMMALY

Head of Internal Audit Department

Laotian. Born June 10, 1986. Mr. Phonethavy KHOMMALY joined ACLEDA Bank in July 2013. He is currently Head of the Internal Audit Department and Secretary of the Audit Committee (ACO). He leads and manages all units in the Internal Audit Department including Internal Audit Development Unit, Audit Reporting Unit, Information System Audit Unit, Credit Audit Unit, Financial Audit Unit, and Deposit and Transfer Audit Unit. He leads efforts to develop the audit

operating manuals, audit guidelines and audit procedures. In the event that the internal audit detects any fraud, illegal activity or other serious incident, he is required to report the matter directly to the Chairman of ACO first with a copy to the Managing Director & CEO. He holds a Bachelor's Degree in English from Souksavath College.



Mr. Dalamoungkhoun CHOMMANIVONGKHAO

Head of Legal Department and Company Secretary

Laotian. Born September 26, 1988, Mr. Dalamoungkhoun Chommanivongkhao joined ACLEDA Bank Lao Ltd., in November 2011. As a Head of Legal Department and Company Secretary, he leads the Legal team, which is responsible for direct control of the Legal Unit, Litigation Unit, Secretary Unit, and Contract Unit. He is Member of the Bank's Executive Committee, which is responsible for the overall strategic planning and running the day-to-day business of the Bank as well as the implementation of the regulatory compliance plan and correspondence with Shareholders

and the Board of Directors. He is Chairman of the Bank's Management Procurement Committee and Management Information Technology Committee. He is directly accountable to the Bank's Managing Director & Chief Executive Officer. He holds a Bachelor's Degree of Law from the National University of Laos and Bachelor's Degree in English from Thipvaly College.

MANAGEMENT AT OUR HEADQUARTERS



Mr. Soundala LATHIPANYA

Head of Credit Sale Management Department

Laotian. Born in March 1985. Mr. Soundala LATHIPANYA joined ACLEDA Bank Lao Ltd. in October 2009. He started as a Credit Officer and was promoted to Manager of Credit and Policy Development Unit in the Credit Department. Subsequently, he became the Branch Manager of the Savannakhet Branch. In 2013 he became the Assistant Head of Marketing in the Marketing Department, after which he was appointed to be Corporate Office Manager. In 2020 he was promoted to be Head

of Credit Sale Management Department, which oversees the Credit Service Office and the Credit Management and Planning Unit. He holds a Bachelor's Degree in International Commerce from the University of Commerce in Vietnam.



Mrs. Onta DOUANGCHALEUN

Compliance Office Manager

Born October 05, 1984 Mrs. Onta DOUANGCHALEUN joined ACLEDA Bank Lao Ltd. in April 2009. As Compliance Office Manager, She directs the Compliance Specialist (include: Compliance task, Compliance report task, Transaction Analysis task and Legal Compliance task), she is a invitee of the Board Risk Management and IT Committee, Bank's Executive Committee, a member of committee Upgrade and Establish new Office and Creating and appointment Composition User Acceptance Test (UAT) of ACLEDA Bank Lao Ltd, And oversees the compliance officer of the Bank. Which is responsible for implementing the Bank's Anti-Money Laundering and Combating the

Financing of Terrorism Policies that comply with appropriate state and international regulations. She is also responsible for monitoring conflicts of interest, investigations of alleged corruption and fraudulent behavior, and the Whistleblower's Protection Policy. These efforts are all designed to ensure the Bank maintains the highest ethical standards, while adhering to transparency and accountability at all levels of operations, such that the Bank's Directors and employees are accountable to the interests of shareholders, customers, staff and the general public. She holds a Bachelor's Degree in Special English from the University of Laos.

MANAGEMENT AT OUR HEADQUARTERS



Mrs. Niddavanh VATTHANATHAM

Risk Management Office Manager

Laotian. Born December 29, 1984. Mrs. Niddavanh Vatthanatham joined ACLEDA Bank Lao Ltd. in May 2008. She was the Chief of Branch Administrator at Vientiane Branch in 2009, then moved to work at Headquarters as Head of the Personnel Management Unit in the Human Resources Department. Subsequently, she was promoted to Assistant Head of the Human Resources Department where she was responsible for the Payroll Unit, Compensation Unit, and Performance Appraisal Unit. Currently she is the Risk Management Office Manager where she oversees the work in the Operational, Market & Treasury Risk Management Unit. She is also Secretary of the Board Risk Management and IT Committee. She holds a

Bachelor's Degree in Business Administration from the Lao American College and a Master's Degree in Business Administration specializing in Finance under the Academic Service Cooperation Project between Rattana Business Administration College (Lao PDR) and Santapol College (Thailand).

REPORT OF THE BOARD OF DIRECTORS

The Board met face-to-face 04 times in March, June, September and December during the course of 2021 and in addition the Board passed 32 resolutions by E-mail.

Principal Activities in 2021:

- Reviewed on the Bank's quarterly Financial Reports and received progress reports on all operational aspects of the bank's operations including services and products;
- Approved the Audited Financial Statements and Annual Report for the year 2020.
- Reviewed and approved the Business Plan, Budget and Capital Expenditure Plan, and Funding Strategy 2022;
- Reviewed and approved on the Amendment of TORs of Board Committees;
- Reviewed Reports of Board Committee Chairmen on their committee activities;
- Reviewed and approved on the Amendment of Policies and Operating Manuals of ACLEDA Bank Lao Ltd;
- Approved on set inflation rate for ACLEDA Bank Lao Ltd.'s employees for 2021.
- Approved on acknowledgement of the Regulation on Branch Supervision of ACLEDA Bank Lao Ltd;
- Approved on upgrading Paksong Service Unit "A" to be Branch, the Feasibility Study of Paksong Branch and nominate the Branch Manager of Paksong Branch of ACLEDA Bank Lao Ltd;
- Approved on nomination of Mr. Chaliya VILASOUK, as a new Head of Finance Department of ACLEDA Bank Lao Ltd;
- Approved on revising the composition of the Board Committees of ACLEDA Bank Lao Ltd.

Report of the Board Committees:

- The Board Audit Committee (BACO),
- The Board Governance Committee (BGC),
- The Board Risk Management and IT Committee (BRIC),

Board Audit Committee (ACO)

Scope and purpose:

The Audit Committee ("ACO" or the "Committee") is established by the Board of Directors of ACLEDA Bank Lao Ltd. for the following purposes:

- To study creating and amendment policies relating financial report and audit internal control system, account booking, information system including audit of commercial bank in order for propose to board of directors for approval;
- To develop a plan and budget for the bank's internal auditing;
- To lead on creating and amendment operating manuals then propose to board of directors for approval including monitor, inspect and report to board of directors regarding implementation of these operating manuals;
- To monitor, inspect implementation of commercial bank including implement business operation plan, resolutions of board of directors' meeting for comply with operating manuals and internal regulations of commercial bank and laws;
- To set standard criteria of staffs who perform internal audit tasks;
- Agreement on engage or cancel contract with Audit Company including set scope of auditing according to approval of board of directors;
- To monitor, evaluate quality of Audit Company, independence and relationship of audit company by watch on overall relationships between audit company and the commercial bank;
- To call annual financial report and quarterly report which gain audited, report of internal and external audit with the relating managements, internal audit and audit company, check and discuss with these issues;
- To make recommend on legal field regarding audit task;
- Monitor, inspect progress of resolve pending issues as stipulated in audit report;
- To discuss with legal consultant, accounting consultant and other field as consent by board of directors;
- To make recommendation on issue raise by board of directors or managements;
- To summarize, evaluate implementation of its annual performance;
- To report implementation its duties to board of directors in periodically;
- To use rights and implement other duties according to related laws regulations.
- To make recommendations to the board in relation to the appointment and remuneration of the external auditor and to approve the term of engagement of the external auditor following appointment by the shareholder in general meeting;

REPORT OF THE BOARD OF DIRECTORS

- To develop and implement policy on the engagement of the external auditor to supply non-auditor service;
- To reviewing and endorsing the internal control policy to the board for approval.
- Set the annual incentive criteria of the Head of Internal Audit Department and recommend to BACO. Then BACO endorses to the Board for final approval.
- Propose the annual incentive of the Head of Internal Audit Department and recommend to Board for approval.

Members:

1. Mr. CHHAY Soeun
(Board Member) Chairman of ACO;
2. Mr. SOENG Phorn
(Board Chairman) Member;
3. Ms. KIM Sotheavy
(Board Member) Member.

Meetings in 2021:

The Committee met sixth times ordinary meeting during the fiscal year 2021, either physically or by conference call in February, April, June, August, October and December.

The external auditors, KPMG participated in the February ACO meeting to present the 2021 audit report as well as Progress IFRS9

Significant Issues and Activities in 2021:

During 2021 the Committee played an important role in structuring the Bank's accounting and control procedures as follows:

- The ACO reviewed and approved the Financial Report for endorsement to the Board of Director for final approval;
- The Committee reviewed the Management Letter and management's response to endorse to the Board of Director for final approval;
- The Committee reviewed and monitored work of the Internal Audit Department and appraised the Head of the Internal Audit Department, including its terms of reference to comply with the latest Central Bank rulings on membership composition and reporting standards;
- The Committee reviewed and discussed with management the Bank of Lao PDR's annual inspection report;
- The Committee reviewed the monthly reports of the Internal Audit Department and addressed both the frequency and severity of risk events with management;

- The Committee reviewed the monthly management accounts of the Bank to ensure that they are prepared properly, in accordance to Lao PDR and international standards.
- The Committee noted the operational and financial achievements of the Bank on a monthly, quarterly and yearly basis in comparison to the Business Plan;
- The Committee reviewed and approved the internal audit work plan for fiscal year 2021, and recommended the Internal Audit Department's 2021 budget plan to the Board of Directors for approval;

Report and Recommendations: :

- It is the opinion of the committee that the internal controls and audit procedures are adequate to safeguard the Bank and to provide sufficient reassurance as to the integrity of financial statements;
- The committee was satisfied that KPMG demonstrated independence and professional expertise in composing the audited financial statements of ACLEDA Bank Lao Ltd.

Board Governance Committee

Scope and purpose

The Governance Committee is established by the Board of Directors of ACLEDA Bank Lao Ltd., for the purpose to assist the board in governance related issues as specify in its rights and duties.

Members

1. Dr. In Channy
(Chairman of Board)-Chairman;
2. Drs. Pieter Kooi
(Vice-Chairman of Board)-Member;
3. Mr. Raksmei NGUON
(Board Member & Managing Director)-Member;

Meetings in 2021

The Governance Committee met six times during the 2021 fiscal year in February, April, June, August, October, and December.

Significant Activities in 2021

- Reviewed and evaluated the bank annual performance;
- Reviewed Bank conduct to ensure compliance with current laws and relevant regulations of the Bank of the Lao PDR and other authorities;

REPORT OF THE BOARD OF DIRECTORS

- Studied the annual action plan of the Board of Director;
- Reviewed, approved and recommended to the Board of Directors on approval of the Corporate Governance Policy, Terms of Reference (TOR) of Governance Committee and Operating Manual related to Human Resource Management;
- Recommended the management to compare the number of transactions at Counters Vs transactions via digital banking: mobile banking / ATMs...;
- Recommended the management to monitor the performance of mobile banking (loan registration via ACLEDA mobile);
- Approved and recommended to the Board on granting Mrs. Somphathay THONGMANYLA, the full and final discharge of all his duties and liabilities in respect of the position of Head of Finance Department of ACLEDA Bank Lao Ltd., and recognizes Mr. Chaliya VILASOUK, as a new Head of Finance Department of ACLEDA Bank Lao Ltd., of ACLEDA Bank Lao Ltd.

Board Risk Management and IT Committee (BRIC)

Scope and purpose

- To establish policies and operating manual for identifying, monitoring and managing credit, market, country, operational and other risks in accordance with the regulations issued by the Bank of the Lao PDR, to monitor their implementation, and to report to the board of directors thereon.
- To monitor and report on compliance with the laws and regulations applicable to credit and other risks, and to report to the board of directors thereon.
- To deliver opinions on any matters submitted to it by the board of directors or that it wishes to address.
- To meet at least once every two months, or extraordinarily when convened by the board of directors.
- To summarize and evaluate its annual performance.
- To exercise such other rights and perform such other duties as assigned by the board of directors and shareholders' meeting.

Members

The new members of the Board Risk Management and IT Committee (BRIC) during the year and at the date of this report are as follows:

1. Dr. Pieter KOOL,
(Board Vice Chairman) Chairman, January to December 2021.
2. Mr. Ian Samuel LYDALL,
(Board Member) Member, January to December 2021.
3. Mr. Chhay Soeun,
(Board Member) Member, November 2021 to December 2021.
4. Mr. SOENG Phorn,
(Board Member) Member, January to December 2021.

Significant Activities in 2021

In 2021 the Risk Management and IT Committee convened 6 times. At each meeting, the committee reviewed and discussed the compliance report and assessed all issues related to actual or potential non-compliance to laws, regulations, policies and procedures. The Risk Management and IT Committee assessed the scope and effectiveness of the risk management systems. At each meeting the committee reviewed and discussed the Bank's key risk indicators and reviewed internal and external developments and adopted a systemic and coordinated approach to reasonably predict and cover any risk which the Bank might encounter. The Committee monitored the effectiveness of the internal financial controls and adherence to position limits set by the Board. A comprehensive risk management framework was used to ensure adequate identification, measurement, control, monitoring and reporting of risk. Stress tests were developed to ensure that the balance sheet of the Bank remains strong in times of the outbreak of Coronavirus.

During the year, the committee provided support and guidance in the approval of the amendment on Risk Management Policy, Credit Risk Management Policy, Operational Risk Management Policy, Liquidity Risk Management Policy, Market Risk Management Policy, Compliance Policy, AML/CFT Policy, KYC/CDD Policy, Internal Control Policy and Whistle Blower's Protection Policy, Credit Policy, Credit Scoring Policy, IFRS9 Impairment Policy, and ESC Policy.

ENVIRONMENTAL AND SOCIAL SUSTAINABILITY REPORT

'PEOPLE, PLANET, PROFIT'

ACLEDA Bank is committed to achieving strong, sustainable financial returns while respecting the environment and community within which we live. We subscribe to the concept of triple bottom line ('people, planet, profit') reporting and are constantly developing indicators for measuring and reporting on our performance and impacts on the society and the environment and to implement a reporting structure based on the guidelines of the Global Reporting Initiative.

The key elements of ACLEDA Bank's ESS mission are:

- To provide a framework of guidelines within which ACLEDA Bank can operate in a sustainable manner so that our impact on the environment, society and the community in which we operate is managed in a responsible way.
- To continue to introduce energy efficient systems into our buildings and to manage sensibly our energy usage wherever we operate.
- To honor the society in which we live and actively work to promote an inclusive culture, embracing not just shareholders and staff, customers, and business partners but respect for the individual within our community.
- To recognize that supporting the community is not just morally sound but good business as well - our 'good health' and prosperity are naturally interdependent.

Environment

ACLEDA Bank fully subscribes to international conventions, which prohibit the provision of credit to, or otherwise support any activities which might harm the environment, be morally repugnant or jeopardize human rights. In particular the Bank has in place policies which forbid involvement with exploitative forms of forced or child labor, trade in weapons and munitions, gambling, casinos, brothels, regulated wildlife or wildlife products and production or trade in radioactive materials or significant volumes of hazardous chemicals.

Environmental Performance Indicators

In order to establish baselines for the measurement of our efforts to reduce our environmental impact, we have introduced a tracking system for resource usage. The results are given under their respective headings below and will be used to benchmark our future performance.

Paper usage

In 2021, paper usage decreased by 8,31% per co-worker compared to 2020 due to we encourage saving and reducing paper usage by printing with double-sided documents in order to increase forest cultivation. We also strengthened using of electronic data storage and sending report, proposal and information by E-mail and our internet especially automation system. Waste paper decreased by 20,29% because we rotated to conduct meeting and refresh training for all offices by electronic online mean instead of onsite and in order to prevent from the Covid-19 outbreak. Additionally, in order to keep valuable environment, we continually destroyed expired, old or no longer in use document and the unofficial information papers were shredded and recycled then sell out.

	2021	2020	2019	2018	2017
Materials					
Paper in kg/Full Time Equivalent (FTE)	6,76	7,37	10,30	10,62	12,25
Waste					
Waste paper kg/FTE	3,04	3,82	4,21	3,80	3,03

ENVIRONMENTAL AND SOCIAL SUSTAINABILITY REPORT

Energy consumption

Electricity consumption per co-worker increased by 2,58% in 2021 Because we have used air-conditioner and we opened door and window to get fresh air with turning on air conditioner at least 25°C as well to have revolving air-wind in-out work place for preventing COVID-19 outbreak. Gasoline consumption increased by 1,92% because we arranged and used bank's motorbikes to work, sell and do product promotion for existing and new customers in near and far distances a lot and in addition, fuel price also is not stable increase. Diesel decreased by 5,41% due to almost of employees used motorbikes instead of cars to support bank's work for faster and easier in around cities and no longer distances, we also turned off the air conditioner and engine of car immediately after the passengers left the car and lubricant consumption decreased 10,29% due to some offices did bidding out unused and old vehicles. Moreover, by rotated and re-arranged usable vehicles to support daily work therefore lubricant is burned normal and changing least.

	2021	2020	2019	2018	2017
Energy					
Electricity in kWh/FTE	1.751,60	1.707,59	1.890,19	1.777,16	1.603,90
Gasoline in l/FTE	53,82	52,80	52,20	60,45	64,91
Diesel in l/FTE	38,44	40,64	42,32	44,58	43,01
Lubricant in l/FTE	0,75	0,84	0,85	1,00	0,91

Water

Water consumption decreased, by 7,67% in 2021 compared to 2020 because the bank has introduced economic measures or methods for using tap water in the office by observing participation and checking the general plumbing and tap around the office building to make sure there is no the water supply pipe leaked, damaged and broke. In addition, promoted and noticed to save water by turning off the tap every time after using it.

	2021	2020	2019	2018	2017
Water					
Water in m ³ /FTE	15,96	17,29	18,47	19,97	17,55

Business travel

In 2021, the total distance traveled by car decreased 5,16 % because the cars were reduced to request using for support bank's work at districts and provinces while the Covid-19 outbreak and although planning and arranging to go in the same car in case the way to visit and support work of each one not so far differently which caused to a decrease travelling by car. The motorcycle travelling increased 0,65% compared to 2020 because of arranging to use motorbikes a lot and faster than car to visit, cross up selling and promoting for customers with following the snail theory and spider web strategy and support the business in closely to widely area customers.

	2021	2020	2019	2018	2017
Business travel					
By vehicle in km/FTE	498,74	525,88	546,77	561,96	471,43
By motorcycle in km/FTE	2.695,93	2.656,78	2.639,70	2.926,53	2.949,71

ENVIRONMENTAL AND SOCIAL SUSTAINABILITY REPORT

Staff

- ACLEDA is an 'equal opportunity' employer. Apart from those jobs which involve a higher physical risk (e.g. guards and messengers) appointment to all positions at every level is based entirely on merit regardless of gender or physical disability.
- ACLEDA Bank aims to be the most progressive employer in Laos providing medical, pension and other benefits. It provides comprehensive training both for new recruits as well as experienced staff.
- A high level Committee under the chairmanship of the Chairman of the Board has been specifically tasked with the responsibility of setting and monitoring the Bank's moral and ethical standards and respect for human rights.
- In consultation with its staff the Bank has drawn up social policies covering i) Code of Conduct, ii) Human Resources Management, iii) Health & Safety, iv) External Relations, v) Freedom of Association and the Right to Collective Bargaining. These are now published on Lotus Notes so that every member of the staff has free (and paperless) access to the most up-to-date versions.

	2021	2020	2019	2018	2017
Employment					
Number of staff	986	998	1.009	1.023	1.081
Male	655	666	673	677	726
Female	331	332	336	346	355
Number of staff (FTE)	988	1.005	1.011	1.052	1.109
Training and Education					
Training – career development and refresher programs	1.582	1.486	1.469	2.067	2.447
Training of new recruits- induction programs	5	7	7	7	7
Open internship opportunity for both local and international students to complete their research papers as well as theses	2	0	0	6	3

Note: FTE: Equivalent to annual usage

FINANCIAL STATEMENTS

(In accordance with the accounting policies of the Bank and accounting principles generally accepted in the Lao PDR (“Lao GAAP”) and relevant Bank of the Lao PDR (“BOL”) accounting regulations and notifications)

for the year ended 31 December 2021

and

Independent Auditors’ Report

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One of ACLEDA Bank Lao Ltd. 38 offices nationwide.

Corporate Information

Bank	ACLEDA Bank Lao Ltd.
Foreign Investment	No. 187-10/PT4 granted by the Foreign Investment Management Committee on 22 December 2010
License No.	No. 31/BOL granted by Bank of the Lao People's Democratic Republic (BOL) on 16 October 2014.

Board of Directors

Dr. In Channy	Chairman
Drs. Pieter Kooi	Vice Chairman
Mr. Chhay Soeun	Director
Mr. Soeng Phorn	Director
Mrs. Kim Sotheavy	Director
Mr. Raksmei NGUON	Director

Board of Management

Mr. Raksmei NGUON	Managing Director & Chief Executive Officer
Mr. Rathmony LEAH	Finance Consultant & Chief Finance Officer
Mr. Sen SIN	Credit Consultant
Mr. Chanvathana LEE	Marketing Consultant
Mr. Phonesavan RASABANDITH	Head of Information Technology Department
Mrs. Kaysone LINTHONG	Head of Marketing Department
Mr. Outo SAECHOW	Head of Treasury Department
Mr. Chaliya VILAISOUK	Head of Finance Department
Mrs. Nittaya THIRASACK	Head of Operations Department
Mr. Thanomchith WARINTHRASAK	Head of Credit Department
Mr. Lamphan INSOULIVONG	Head of Administration Department
Mr. Phonethavy KHOMMALY	Head of Internal Audit Department
Mr. Salongxay PHONPASERTH	Head of Human Resource Department.
Mr. Dalamoungkhoun CHOMMANIVONGKHAO	Head of Legal Department and Company Secretary
Mr. Soundala LATTHIPHANYA	Head of Credit Sale Management Department
Mrs. Onta DOUANGCHALEUN	Compliance Office Manager
Mrs. Niddavanh VATTHANATHAM	Risk Management Office Manager

Registered office	ACLEDA Bank Lao Ltd. 398, Corner of Dongpalane and Dongpaina Road, Unit 20, Phonesavanh Neua Village, Sisattanak District, Lao PDR, P.O. Box: 1555 Vientiane capital, Lao PDR	Auditors	KPMG Lao Co., Ltd 10th Floor, Royal Square Office Building, Samsenthai Road, Nongduong Nua Village, Sikhotabong District P.O. Box 6978 Vientiane Capital, Lao PDR
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Management's Responsibilities in Respect to the Financial Statements

The Management of ACLEDA Bank Lao Ltd. ("the Bank") is responsible for the preparation of the financial statements and for ensuring that the financial statements present fairly in all material respects, the financial position of the Bank as at 31 December 2021, and the statement of comprehensive income, statement of changes in capital and other reserves and statement of cash flows for the year then ended that are in accordance with the accounting regulations of the Bank of Lao P.D.R and accounting rules in the Lao PDR. In preparing the financial statements, Management is required to:

- i) Adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;
- ii) Comply with the accounting regulations of the Bank of Lao P.D.R and accounting rules in the Lao PDR, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- iii) Maintain adequate accounting records and an effective system of internal controls;
- iv) Take reasonable steps for safeguarding the assets of the Bank and for preventing and detecting fraud, error and other irregularities;
- v) Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Bank will continue operations in the foreseeable future; and
- vi) Effectively control and direct the Bank and be involved in all material decisions affecting the Bank's operations and performance and ascertain that such have been properly reflected in the financial statements.

Management confirms that they have complied with the above requirements in preparing the financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

I, Dr. In Channy, on behalf of the Board of Director, do hereby state that the financial statements set out on pages 6 to 35 are present fairly, in all material respects, the financial position of the Bank as at 31 December 2021, and its financial performance and cash flows for the year then ended and have been properly drawn up in accordance with the accounting regulations of the Bank of Lao P.D.R and accounting rules in the Lao P.D.R.

Signed on behalf of the Board of Director,



Dr. In Channy
Chairman, Board of Directors,
22 March 2022

Independent Auditors' Report

KPMG Lao Co.,Ltd.
10th Floor, Royal Square Office Building,
Samsenthai Road, Nongduong Nua Village,
Sikhotabong District, P.O.Box 6978,
Vientiane, Lao PDR
Tel +856 (21) 454240-7

ບໍລິສັດ ເຄຟີເອັມຈີລາວ ຈຳກັດ
ຊັ້ນ 10, ອາຄານ ໂຮໂປລສະແຄລ
ຖະໜົນ ສາມແສນໄທ, ບ້ານ ໜອງດ້ວງເໜືອ,
ເມືອງ ສີໂຄດຕະບອງ, ຕູ້ ປ.ນ. 6978,
ນະຄອນຫຼວງວຽງຈັນ, ສປປ ລາວ
ໂທ : +856 (21) 454240-7

INDEPENDENT AUDITORS' REPORT

**To: The Board of Directors
ACLEDA Bank Lao Ltd.**

Opinion

We have audited the financial statements of ACLEDA Bank Lao Ltd. (the “Bank”), which comprise the statement of financial position as at 31 December 2021, the statements of comprehensive income, changes in capital and other reserves and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the accounting regulations of the Bank of Lao PDR and accounting rules in the Lao PDR.

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 are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence standards) (“IESBA Code”) that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting regulations of the Bank of Lao PDR and accounting rules in the Lao PDR, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Report

In preparing the financial statements, management is 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 management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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 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 management.
- Conclude on the appropriateness of management's 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditors' Report

We communicate with management 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.



KPMG Lao Co., Ltd.

Vientiane Capital, Lao P.D.R

Date: 22 March 2022

Statement of Financial Position

		31 December	
	Note	2021	2020
		LAK	
Assets			
Cash and amounts due from other banks	4	503.407.120.174	335.609.721.310
Statutory deposits with Central Bank	5	24.577.866.534	31.366.739.806
Loan and advances to customers, net of specific provision	6	1.650.967.313.123	1.355.035.946.824
Intangible assets	7	9.305.821.523	7.263.592.179
Property and equipment	8	22.092.708.648	22.316.829.301
Right of use assets	9	26.477.526.515	27.925.682.261
Other assets	10	28.457.293.534	21.745.587.312
Total assets		2.265.285.650.051	1.801.264.098.993
Liabilities and equity			
Liabilities			
Amounts due to other banks	11	377.805.306.467	222.304.010.032
Deposits from customers	12	1.131.364.206.298	959.388.385.140
Borrowings from financial institutions	13	140.414.200.000	99.675.600.002
Other liabilities	14	96.620.840.743	80.128.410.129
Total liabilities		1.746.204.553.508	1.361.496.405.303
Equity			
Paid up share capital	21	380.000.000.000	340.000.000.000
Retained Earnings		108.784.981.865	79.464.726.016
Legal reserves		21.904.670.209	13.718.302.892
Business Expansion		357.050.000	-
General Provision for credit activities	6	8.034.394.469	6.584.664.782
Total equity		519.081.096.543	439.767.693.690
Total liabilities, Capital and other reserves		2.265.285.650.051	1.801.264.098.993

Statement of Income

		31 December	
	Note	2021	2020
		LAK	
Interest income		221.444.468.079	174.209.672.824
Interest expense		<u>(70.036.776.031)</u>	<u>(62.383.378.594)</u>
Net interest income	15	<u>151.407.692.048</u>	<u>111.826.294.230</u>
Fees and commission income		75.636.323.839	66.131.427.093
Fees and commission expenses		<u>(1.468.318.348)</u>	<u>(973.263.320)</u>
Net Fees and commission income	16	<u>74.168.005.491</u>	<u>65.158.163.773</u>
Net gain from foreign exchange transactions		1.518.554.617	1.711.987.298
Other income	17	14.866.903.240	15.364.541.607
Other operating income		<u>991.133.381</u>	<u>1.055.347.368</u>
Other income		<u>17.376.591.238</u>	<u>18.131.876.273</u>
Payroll and other staff costs	18	(71.247.534.363)	(65.633.533.758)
General and administrative expenses	19	(35.926.389.966)	(34.030.570.974)
Depreciation and amortisation charges	7.8	(12.885.964.885)	(12.244.000.436)
Other operating expense		<u>(2.440.566.212)</u>	<u>(1.880.548.314)</u>
Total expenses		<u>(122.500.455.426)</u>	<u>(113.788.653.482)</u>
Net operating profit		<u>120.451.833.351</u>	<u>81.327.680.794</u>
Provision for loan losses	6e(i)	(42.474.532.192)	(46.874.000.393)
Reversal of provision for loan losses	6e(i)	<u>24.250.225.734</u>	<u>31.465.319.884</u>
Net specific provision charges		<u>(18.224.306.458)</u>	<u>(15.408.680.509)</u>
Profit before income tax expense		102.227.526.893	65.919.000.285
Income tax expense	20	<u>(20.363.853.727)</u>	<u>(12.308.015.860)</u>
Profit for the year		<u>81.863.673.166</u>	<u>53.610.984.425</u>

Statement of Changes in Capital and Other Reserves

	Paid-up capital LAK	Retained Earnings LAK	General Provision for credit activities LAK	Legal Reserve LAK	Business Expansion LAK	Total LAK
As at 1 January 2020	300.000.000.000	75.214.840.034	5.740.096.350	8.357.204.449	-	389.312.140.833
Increase in paid up capital through retained earnings	40.000.000.000	(40.000.000.000)	-	-	-	-
Transfer to legal reserve	-	(5.361.098.443)	-	5.361.098.443	-	-
General Provision charge during the year	-	-	1.880.548.314	-	-	1.880.548.314
Reversal of General provision during the year	-	-	(1.055.347.368)	-	-	(1.055.347.368)
Foreign exchange differences	-	-	19.367.486	-	-	19.367.486
Tax on increase in paid up capital	-	(4.000.000.000)	-	-	-	(4.000.000.000)
Profit for the year	-	53.610.984.425	-	-	-	53.610.984.425
As at 31 December 2020	340.000.000.000	79.464.726.016	6.584.664.782	13.718.302.892	-	439.767.693.690
Increase in paid up capital through retained earnings	40.000.000.000	(40.000.000.000)	-	-	-	-
Transfer to statutory reserve	-	(8.186.367.317)	-	8.186.367.317	-	-
Transfer to business Expansion Fund	-	(357.050.000)	-	-	357.050.000	-
General Provision charge during the year	-	-	2.440.566.212	-	-	2.440.566.212
Reversal of General provision during the year	-	-	(991.133.381)	-	-	(991.133.381)
Foreign exchange differences	-	-	296.856	-	-	296.856
Tax on increase in paid up capital	-	(4.000.000.000)	-	-	-	(4.000.000.000)
Profit for the year	-	81.863.673.166	-	-	-	81.863.673.166
As at 31 December 2021	380.000.000.000	108.784.981.865	8.034.394.469	21.904.670.209	357.050.000	519.081.096.543

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

		Year end 31 December	
		2021	2020
	Notes	LAK	
Cash flow from operating activities			
Profit before income tax expense		102.227.526.893	65.919.000.285
Adjustments for			
Net provision for non -performing loan	6	19.673.739.289	16.233.881.455
Interest and similar income	15	(221.444.468.079)	(174.209.672.824)
Interest and similar expense	15	70.036.776.031	62.383.378.594
Depreciation and amortization charges	7.8	12.885.964.885	12.244.000.436
Loss on disposal		56.188.370	32.960.297
Depreciation Expense – Right of use assets	19	5.361.970.233	5.093.803.724
Net gain from dealing in foreign currencies		(1.518.554.617)	(1.711.987.298)
Interest received	10	218.136.660.581	172.257.093.867
Interest paid	14	(66.758.148.634)	(62.098.009.098)
Income tax paid	20	17.027.928.933	8.776.477.446
Profit from operations before change in operating assets and liabilities		155.685.583.885	104.920.926.884
Change in operating assets / liabilities			
Statutory deposits with BOL	5	6.788.873.272	3.185.442.049
Loans and advances to customers	6	(298.660.415.033)	(199.272.616.944)
Other assets	10	(3.403.898.724)	272.521.149
Amounts due to other banks	11	155.501.296.435	64.086.764.506
Amounts due to customers	12	171.975.821.158	122.289.697.072
Other liabilities	14	9.512.278.049	(1.237.359.315)
Net cash generated from operating activities		197.399.539.042	94.245.375.401
Cash flow from investing activities			
Acquisition of property and equipment	8	(9.061.815.467)	(3.118.241.622)
Acquisition of intangible assets	7	(6.645.793.042)	(587.066.449)
Proceeds from disposals of property and equipment	8	249.241.563	80.230.925
Acquisition of Right of use asset		(282.824.266)	(3.436.538.753)
Net cash used in investing activities		(15.741.191.212)	(7.061.615.899)
Cash flow from financing activities			
Proceeds from borrowings		97.949.000.000	-
Repayments against borrowings		(50.630.400.000)	(58.838.753.380)
Net cash Generated/(used) in financing activities		47.318.600.000	(58.838.753.380)
Net change in cash and cash equivalents		228.976.947.830	28.345.006.122
Cash and cash equivalents at 1 January		320.609.721.310	326.801.937.727
Effect of foreign exchange difference		(46.179.548.966)	(34.537.222.539)
Cash and cash equivalents at 31 December	4	503.407.120.174	320.609.721.310

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

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Notes to the Financial Statements

for the year ended 31 December 2021

1 Organization and principal activities

ACLEDA Bank Lao Ltd. is a commercial bank that operates in the Lao P.D.R. under the Investment License No.187-10/PT4 granted by the Foreign Investment Management Committee on 22 December 2010 and the Banking Business License No 31/BOL granted by Bank of the Lao People's Democratic Republic (BOL) on 16 October 2014.

The Bank's shareholders are ACLEDA Bank Plc. and ACLEDA Institute of Business Co. Ltd. Which owns 99.90% and 0.10%, respectively, as stated in the amended Memorandum and Articles of Association dated 1 July 2014.

The principal activities of the Bank are to provide comprehensive banking and related financial services in Lao P.D.R.

The Board of Directors

The members of the Board of Directors (the BoD) during the year and at the date of this report are as follows:

Name	Title	Date of Appointment
Dr. In Channy	Chairman	3 December 2014
Drs. Pieter Kooi	Vice Chairman	3 December 2014
Mr. Chhay Soeun	Member	3 December 2014
Mr. Nguon Raksmeay	Member	01 April 2021
Mr. Soeng Phorn	Member	01 June 2020
Mrs. Kim Sotheavy	Member	25 October 2021

Name	Title	Date of Resignation
Dr. Svay Hay	Member	01 April 2021
Mr. Ian Samuel Lydall	Member	17 June 2021

The Bank is located at No. 398, Dongpalane and Dongpaina Road, Unit 20, Phonesavanh Neua Village, Sisattanak District, Vientiane Capital, Lao P.D.R.

As at 31 December 2021, the Bank had 986 employees (2020: 998 employees).

Notes to the Financial Statements

for the year ended 31 December 2021

2 Basis of preparation of the financial statements

(a) General basis of accounting

(i) Basis of preparation

The accompanying financial statements are expressed in Lao Kip (“LAK”), in accordance with Decree No. 47/NA by the president of the national assembly of Lao P.D.R dated 26 December 2013, the law on Accounting of Lao P.D.R and accounting regulations of the Bank of Lao P.D.R and accounting rules in the Lao P.D.R. This is also the functional currency of the Bank.

The financial statements have been prepared in accordance with accounting regulations of the Bank of Lao P.D.R and accounting rules in the Lao P.D.R which may differ in some material respects from International Financial Reporting Standards and the generally accepted accounting principles and standards of other countries. Accordingly, the accompanying financial statements are not intended to present the financial position, results of operations, changes in equity, cash flows and notes thereto in accordance with generally accepted accounting principles and practices in countries or jurisdictions other than the Lao P.D.R. Furthermore, their utilization is not designed for those who are not informed about the Lao PDR’s accounting rules, procedures and practices.

The Bank maintains its records and prepares its financial statements in LAK.

The financial statements were authorized for issue on behalf of the Board of Directors on 28 February 2022.

(ii) Basis of measurement

The financial statements have been prepared on the historical cost basis except as stated in the accounting policies. The accounting policies have been consistently applied by the Bank and are consistent with those used in the previous year except otherwise stated.

(iii) Use of judgements and estimates

The preparation of the Bank’s financial statements requires management to make judgments, estimates and assumptions based on the management’s best knowledge of current events and actions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent liabilities at the reporting date.

Estimates and underlying assumptions are reviewed on an ongoing basis. Actual outcomes may differ from management’s assessment and such differences could require revisions that are recognized in the period in which the estimates are revised and in any future periods affected.

(b) Foreign currency transactions

(i) Presentation currency

The Bank maintains its accounting system and records all transactions in LAK. Items included in the financial statements are measured and presented using LAK.

Notes to the Financial Statements

for the year ended 31 December 2021

(ii) Transactions and balances

Transactions in currencies other than LAK are translated into LAK at the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates from monetary assets and liabilities denominated in currencies other than LAK, are recognised in the statement of comprehensive income.

The applicable exchange rates for the LAK against currencies were:

	31 December 2021	31 December 2020
United State Dollar (“USD”)	11.046	9.291
Thai Baht (“THB”)	346,51	336,92
Euro (“EUR”)	12.576	11.386

(c) Fiscal Year

The Bank’s reporting period starts on 1 January and ends on 31 December.

3 Significant accounting policies

The significant accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments

The Bank’s financial instruments include cash and cash equivalents, originated loans and receivables, deposits, inter-bank balances and other receivables and payables. The accounting policies for the recognition and measurement of these items are disclosed in the respective accounting policies.

(b) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise highly liquid short-term investments with maturity of 30 days or less from acquisition date that are readily convertible to a known amount of cash, non-restricted balances with the BOL, cash on hand and balances with other banks.

(c) Interbank and money market items

Interbank and money market items are carried at cost.

(d) Legal reserves

Under the requirement in Article 64 of the Law on commercial Banks No.56 dated 07 December 2018. Commercial Banks are required to appropriate net profit to following reserves:

- Regulatory reserve fund
- Business expansion fund and other funds

In accordance with the Law on Enterprise (Revision) No.46/NA dated 26 December 2013, the Bank is required to provide legal reserve at a rate of 10% on profit after deducting retained loss.

Notes to the Financial Statements

for the year ended 31 December 2021

The Bank can stop reserving when the statutory reserve has reached up to 50 percentage of Registered Capital.

(e) Loans and advances

Loans and advances are originated by the Bank providing money to a customer for purposes other than short-term profit taking. They are stated at the outstanding principal balances less an impairment allowance for bad debt and doubtful loans and advances, to reflect the estimated recoverable amount. Loans and advances, except bank overdrafts, are shown exclusive of accrued interest receivable.

(f) Provision for bad debts and doubtful loans and advances

Credit Policy during COVID-19 Outbreak No. 238/ BOL dated March 26, 2020 and No. 256/BOL date May 13, 2021.

During the year BOL issued a decision No 238/BOL dated 26 March 2020, the objective of which was to mitigate the adverse impact of COVID-19 on the financial situation of the borrowers. The BOL has issued additional decision No. 256/BOL date May 15, 2021.

This decision can be used for individual and legal entity who has obtained the loan from the Bank and whose business is impacted due to COVID-19.

1. Bank and financial institutions to provide the postponement on the loan repayment which includes both principal and interest payment, reduction of the interest rate, and fees for the client as reasonable.
2. Provide or disburse new Loan to clients who gets impact from the COVID-19 to improve their business.
3. For commercial bank and institution that follow this agreement will be exempted on applying the Decision on debt classification and reduction of classified debt of commercial bank no. 512/BOL, dated 29 June 2018, and Regulation on loan classification and provision for Micro Finance Institution no 02/BOL, dated 04 Feb 2015, and agreement on Credit Cooperatives and saving deposit no. 03/BOL, dated 20 June 2008 as follow:
 - 1) For non-performing loan customers impacted from the virus, the loan classification after the restructuring can be classified as same class before restructuring and the customer classified as non-performing loan as at 1 January 2020 can be classified as Watchlist or Special Mention.
 - 2) The loan restructuring can be made more than 2 times.
 - 3) The bank can provide or disburse new loans to clients who are impacted by the COVID-19 and classified as a bad loan from 1 Jan 2020 onward.

Notes to the Financial Statements

for the year ended 31 December 2021

Measure:

1. Restructure the loan to a customer who gets impacted from COVID-19 by renewing the contract period, principal and interest repayment, interest rate to be in line with the ability to repayment of the customer. Also provide grace period for both principal and interest for 1 year or based on the agreement between bank and the customer.
2. Provide a new loan to the customer who is impacted from COVID-19, if they apply.

Additional policy according to decision No. 256 / BOL Dated May 13, 2021

- Commercial banks, Microfinance Institutions that accept deposits and non-deposits should postpone the repayment of both costs and interest to loan customers (types of loans for consumption) for 3 months from May to July 2021 in accordance with the conditions stipulated below.

Criteria for Consideration:

- Clients who will receive a deferred payment policy must be those affected by the COVID-19 outbreak who have not received their salaries or wages or received any part of it, resulting in inability to repay the payment or installment with the confirmation from the employer.
- For clients whose source of income from doing business affected by COVID-19 is considered based on financial status and actual circumstances

Regulation 512/BOL

In accordance with Regulation 512/BOL ("BOL 512") dated 29 June 2018 and effective from 1 October 2018, the bank is required to classify loans and create provision for impairment losses. Accordingly, loans are classified into performing loans or Watch List or non-performing loans based on the payment arrears status and other qualitative factors. Loans classified as Normal or Pass (Group A) are considered as performing loans, loans classified as Watch or Special Mention (Group B) is considered as Watch List or Special Mention customers and loans classified as Substandard (Group C) or Doubtful (Group D) or Loss (Group E) are considered as non-performing loans.

According to BOL 512, general provision is created at the rate of 0.5% of the total balance of Normal or Pass loans as at the reporting date. Concurrently, specific provision for Watch or Special Mention, Substandard, Doubtful and Loss loans is established by multiplying the outstanding balance of each loan item less the value of collaterals (if any) in accordance with the regulation of BOL with the provision rates applicable to that loan classification as follows:

Classification	Number of days past due	Provision rate
Normal or Pass (A)	0-29 days	0.5%
Watch or Special mention (B)	30-89 days	3%
Substandard (C)	90-179 days	20%
Doubtful (D)	180-359 days	50%
Loss (E)	Over 360 days	100%

Maximum ratio of collateral benefits allowed under BOL 512 are as follows:

Notes to the Financial Statements

for the year ended 31 December 2021

Type of collaterals	Maximum allowed ratio
(a) Deposits at the Bank	
- in the same currency with loans	100%
- in different currencies with those of loans	95%
(b) Gold kept at the Bank	90%
(c) Government bonds and BOL bonds	
- in the same currency with loans	
▪ With a remaining term of below 1 year	100%
▪ With a remaining term of between 1 year to 5 years	90%
▪ With a remaining term of over 5 years	80%
- in different currencies with those of loans	
▪ With a remaining term of below 1 year	95%
▪ With a remaining term of between 1 year to 5 years	85%
▪ With a remaining term of over 5 years	75%
(d) Deposits at other banks or financial institutions	
▪ With a remaining term of below 1 year	80%
▪ With a remaining term of between 1 year to 5 years	75%
▪ With a remaining term of over 5 years	70%
(e) Letter of Credit or Standby Letter of Credit	95%
(f) Letter of Guarantee or Bank Guarantee	90%
(g) Real estates	40%

Changes in provision for non-performing loans is recorded to the statement of comprehensive income as “Net provision charges for non-performing loans”. Accumulated specific provision reserve for non-performing loans is recorded in the statement of financial position in “Loans and advances to customers, net of specific provision for non-performing loan”.

In accordance with the relevant accounting regulations as stipulated by the Bank of Lao P.D.R. any changes in general provision for credit activities are recorded to the statement of comprehensive income as “Other operating expenses” for general provision expense and “Other operating income” for reversal of general provision expense and the balance of general provision reserve is recorded in the statement of financial position in “General provision for credit activities” under capital and reserves of the Bank.

(g) Write-off

In accordance with BOL 512, loans are written off not later than 90 days after being classified to Loss group.

Loans written off are recorded as off-balance sheet items for following up and collection. The amounts collected from the loans previously written-off including the proceeds from sales of collaterals against those debts, are recognised in the income statement upon receipt.

(h) Provision for off-balance sheet commitments

In accordance with BOL 512, the Bank is not required to make provision for off-balance sheet commitments, except where the Bank has made payment under the guarantee contract on behalf of its customers. in which case the payment is classified and provision for credit losses is made in accordance with the accounting policy as described in Note 3(f).

Notes to the Financial Statements

for the year ended 31 December 2021

(i) Intangibles

Intangible assets consist of computer software. The cost of an asset comprises its purchase price plus any directly attributable costs of bringing the asset into working condition for its intended use. The software is amortised over 5 years using straight line method.

(j) Property and Equipment

Property and equipment are stated at cost less accumulated depreciation, if any.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of comprehensive income during the reporting period in which they are incurred.

Gains or losses arising from the disposal of property and equipment are recognised in the statement of comprehensive income.

Fully depreciated property and equipment is retained on the statement of financial position until disposed of or written off.

The carrying amounts of property and equipment are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. An impairment loss is charged to the income statement immediately.

Depreciation of property and equipment

Depreciation is provided on the straight-line basis using below depreciation rates:

Category	Depreciation Rate
Buildings	5%
Improvements	20%
Semi-permanent structures	10%
Office equipment	20%
Computer equipment	20%
Furniture and fixtures	20%
Motor vehicles	20%

(k) Deposits from customers and other banks

Deposits from customers and by other banks are stated at placement value

Notes to the Financial Statements

for the year ended 31 December 2021

(l) Income recognition

(i) Interest income

Interest income is recognized on a daily accrual basis using the straight-line method and the interest rates stipulated in the loan/deposit contracts with clients. Where an account becomes non-performing, the recording of interest as income is suspended until it is realized on a cash basis. Customers' accounts are deemed to be non-performing when management believes that the borrower has no ability to repay the interest and principal.

Fees and commissions consist of fees received from fund transfer transactions, trade settlement, foreign currency exchange transactions, ATM transactions and financial guarantees. Fee and commission income are recognized into the statement of comprehensive income on cash basis.

Income from the various activities of the Bank is accrued using the following bases:

1. Loan arrangement fees and commissions on services and facilities extended to customers are recognized on the occurrence of such transactions;
2. Commitment fees and guarantee fees on services and facilities extended to customers are recognized as income over the period in which the services and facilities are extended; and
3. Service charges and processing fees are recognized when the service is provided.

(ii) Interest expense

Interest expense on deposits and borrowings are recognised in the statement of comprehensive income on an accrual basis.

(m) Income tax

The taxation system in the Lao PDR is relatively new and is characterised by numerous taxes and frequently changing legislation and can be subject to interpretations. Taxes are subject to review and investigation by a number of authorities. These facts may create tax risks in Lao PDR substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects could be significant. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will have an impact on the income tax and deferred tax provisions in the period in which such determination is made.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions of amounts payable to the tax authorities.

Provision is made for taxation based on the current year's total revenue as per the laws governing taxation within the Lao P.D.R. For each profitable year, the Bank is subject to the current tax rate of 20% on total taxable income.

Notes to the Financial Statements

for the year ended 31 December 2021

(n) Provision

A provision is recognized if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(n) Related Parties

Enterprises or individuals that, directly or indirectly through one or more intermediaries control or are under controlled by or are under common control with, the Bank including holding companies, subsidiaries and fellow subsidiaries are related parties of the Bank. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Bank that gives them significant influence over the Bank, key management personnel, including directors and officers of the Bank and close members of the family of these individuals and companies associated with these individuals also considered related parties.

(o) Employee Benefits

Post-employment benefits

Post-employment benefits are paid to retired employees of the Bank by the National Social Security Fund (NSSF) which belongs to the Ministry of Labour and Social Welfare. The Bank is required to contribute to these post-employment benefits by paying to the Security Welfare at the rate of 6% of NSSF threshold on a monthly basis (maximum NSSF threshold is LAK 4.500.000. new max threshold effective from 1 Jan 2017). 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 Labor Law issued by the President of Lao People's Democratic Republic on 24 December 2013, the Bank has the obligation to pay compensation for employees who are terminated in the following cases:

- The worker lacks specialized skills or is not in good health and has a medical certificate, and after allowing the worker in question to undertake other more appropriate work according to their ability and health, yet the person in question is still unable to work;
- The employer considers it necessary to reduce the number of workers in order to improve the work within the labor unit after consulting the trade union or employee representative or the majority of employees and has reported to the Labor Administration Agency.

For the termination of an employment contract on any of the above-mentioned grounds, the employer must pay compensation allowance which is calculated on the basis of 10% of the last salary or wage multiplied by the total number of months worked. As at 31 December 2021, there were no employees of the Bank who were dismissed under the above-mentioned grounds, therefore, the Bank did not make any provision for termination allowance in the financial statements.

Notes to the Financial Statements

for the year ended 31 December 2021

Retirement benefits

In addition to the above social security benefits, the Bank provides a retirement benefit scheme in accordance with the Group's policy which became effective from 1 October 2010.

The accrual of retirement benefit entitlement shall be in line with the following:

- Employees who retire with the age of at least 60 years for male and 55 years for female except for the Managing Director are entitled to the retirement benefits which are equivalent to 12 months of final salary; or
- When employees have worked with the Bank for 15 years continuously, having a poor health certification from the qualified doctors, employees are entitled to the retirement benefits which are equivalent to 6 months of final salary.

There is no separate fund maintained for the retirement obligation. Any payment obligation required to be settled shall be paid out from the available cash on hand at the date of payment.

Liability is being recognised at the present value of the defined obligation at the end of reporting period using the projected unit credit method to estimate the cost to the Bank of the benefit that employees have earned in return for their service in the current and prior periods. The Bank attributes benefit to periods in which the obligation to provide retirement benefit arises. That obligation arises as employees render services in return for retirement benefits that the Bank expects to pay in future reporting periods.

The present value of the retirement benefit obligations is determined by discounting the estimated future payments by reference to the average interest rate of long-term fixed deposit of commercial bank in Lao PDR.

The present value of the retirement benefit obligation depends on a number of factors that are determined by management using a number of assumptions such as salary growth rates, turnover rates and mortality rates. The assumptions used in determining the net cost for retirement benefits include discount rate. The management has selected commercial banks in Lao PDR to obtain the average interest rates of long-term fixed deposits with average terms of 5 years as a discount rate to determine the present value of the estimated future cash outflows expected to be required to settle the retirement benefit obligation. Any changes in these assumptions will impact the value of retirement benefit obligation.

(p) Leases

The Bank assesses at the contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) *Right-of-use assets*

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 remeasurement of lease liabilities. The cost of right-of-use assets include the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Notes to the Financial Statements

for the year ended 31 December 2021

(ii) 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 the lease, if the lease term reflects the Bank exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Bank uses its weighted average deposit rate at the lease commencement date because 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 lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

4 Cash and amounts due from other banks

	2021 LAK	2020 LAK
Cash on hand	113.048.733.806	108.007.052.068
Amounts due from BOL	338.354.730.034	183.696.483.947
Amounts due from other banks	52.003.656.334	28.906.185.295
Included in cash and cash equivalents	503.407.120.174	320.609.721.310
Amounts due from other banks	-	15.000.000.000
	503.407.120.174	335.609.721.310

(a) Cash on hand

	2021 LAK	2020 LAK
LAK	76.037.347.500	69.157.623.500
USD	16.337.707.806	17.199.053.232
THB	20.617.150.954	21.555.137.578
EUR	29.993.760	22.259.630
Other currencies	26.533.786	72.978.128
	113.048.733.806	108.007.052.068

Notes to the Financial Statements

for the year ended 31 December 2021

(b) Amounts due from BOL

	2021 LAK	2020 LAK
Demand deposit	338.354.730.034	183.696.483.947
	338.354.730.034	183.696.483.947

These are deposits made with BOL to cover any settlement and compulsory deposits which bear no interest.

(c) Amounts due from other banks

Amounts due from other banks are analysed as follows:

	2021 LAK	2020 LAK
Demand deposits	52.003.656.334	28.906.185.295
Term deposits	-	15.000.000.000
	52.003.656.334	43.906.185.295

(i) By location and institution

	2021 LAK	2020 LAK
Balances with domestic banks		
Banque Pour le Commerce Extérieur Lao	15.259.108.482	3.872.948.336
Lao Development Bank	7.285.871.454	3.120.370.142
Agricultural Promotion Bank	1.870.026	2.049.069
Kasikorn Bank	5.551.827	1.841.506.826
Joint Development Bank	3.712.721	3.508.700
Vietin Bank	-	5.000.000.000
Lao China Bank	-	10.000.000.000
	22.556.114.510	23.840.383.073

Balances with overseas banks

ACLEDA Bank Plc	28.409.151.960	14.858.967.522
Thanachart Public Bank	-	5.206.834.700
Krung Thai Bank PCL	1.038.389.864	-
	29.447.541.824	20.065.802.222
	52.003.656.334	43.906.185.295

(ii) Classified by currencies

	2021 LAK	2020 LAK
LAK	20.249.046.566	19.203.883.321
USD	16.447.118.989	21.911.075.492
THB	15.307.490.779	2.791.226.482
	52.003.656.334	43.906.185.295

Notes to the Financial Statements
for the year ended 31 December 2021

5 Statutory deposits with Central Bank

	2021 LAK	2020 LAK
Statutory Deposits based on:		
Compulsory reserve	24.572.866.534	31.361.739.806
Registered Capital reserve	5.000.000	5.000.000
	24.577.866.534	31.366.739.806

Statutory deposits with Central Bank include compulsory reserve and registered capital reserve. These balances earn no interest. Under regulations of the BoL, the Bank is required to maintain certain cash reserves with the BoL in the form of compulsory deposits, which are computed at 3% for LAK and 5% (2020: 4% and 8%), 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.

The compulsory deposits percentages were revised by BOL through a letter 272/BOL dated 26 May 2021.

6 Loans and advances to customers, net of specific provision

	2021 LAK	2020 LAK
Loans and advances to customers	1.666.746.146.621	1.368.085.731.588
Less: Specific Provision loans	(15.778.833.498)	(13.049.784.764)
	1.650.967.313.123	1.355.035.946.824

(a) Classified by currencies

	2021 LAK	2020 LAK
LAK	1.666.412.466.071	1.367.638.158.939
USD	333.680.550	447.572.649
	1.666.746.146.621	1.368.085.731.588

(b) Classified by performance

	2021 LAK	2020 LAK
Pass loans	1.606.878.896.765	1.316.932.956.426
Watch list loans	25.641.474.791	22.446.372.857
Non-performing loans	34.225.775.065	28.706.402.305
	1.666.746.146.621	1.368.085.731.588

Notes to the Financial Statements

for the year ended 31 December 2021

(c) Classified by type of business

	2021 LAK	2020 LAK
Agriculture	271.894.352.955	220.102.932.030
Manufacturing	69.356.212.945	59.571.609.759
Trade	716.133.672.327	606.171.676.471
Others	609.361.908.394	482.239.513.328
	1.666.746.146.621	1.368.085.731.588

(d) Classified by residual maturity

	2021 LAK	2020 LAK
Not later than 1 year	493.361.142.662	448.918.045.121
1 to 3 years	681.982.919.398	579.146.539.022
3 to 5 years	354.287.186.864	298.024.447.821
More than 5 years	137.114.897.697	41.996.699.624
	1.666.746.146.621	1.368.085.731.588

(e) Provision for credit activities

Movement of provision in compliance with the BOL requirement during the year is as follows:

(i) Specific provision for credit activities

	2021 LAK	2020 LAK
Balance as at the beginning of the year	13.049.784.764	7.838.073.094
Provision made during the year	42.474.532.192	46.874.000.393
Reversal of provision during the year	(24.250.225.734)	(31.465.319.884)
Bad debt written off	(15.524.859.359)	(10.668.046.983)
Foreign exchange translation	29.601.635	471.078.144
Balance as at end of the year	15.778.833.498	13.049.784.764

(ii) General provision for credit activities

	2021 LAK	2020 LAK
Balance as at the beginning of the year	6.584.664.782	5.740.096.350
Provision made during the year	2.440.566.212	1.880.548.314
Reversal of provision during the year	(991.133.381)	(1.055.347.368)
Foreign exchange translation	296.856	19.367.486
Balance as at end of the year	8.034.394.469	6.584.664.782

Notes to the Financial Statements
for the year ended 31 December 2021

7 Intangible assets

	2021 LAK	2020 LAK
Cost		
As at 1 January	31.373.471.886	30.786.405.437
Additions made during the year	6.645.793.042	587.066.449
Disposal	(409.457.192)	-
As at 31 December	37.609.807.736	31.373.471.886
Amortization for the year		
As at 1 January	24.962.625.207	21.674.358.787
Amortization charged for the year	3.905.458.698	3.288.266.420
Disposal	(409.457.192)	-
As at 31 December	28.458.626.713	24.962.625.207
Work in progress		
As at 1 January	852.745.500	769.515.650
Additions made during the year	17.790.500	83.229.850
Transfers	(715.895.500)	-
As at 31 December	154.640.500	852.745.500
Net book value		
As at 1 January	7.263.592.179	9.881.562.300
As at 31 December	9.305.821.523	7.263.592.179

Notes to the Financial Statements

for the year ended 31 December 2021

8 Property and equipment

Cost	Building & improvements LAK	Office equipment LAK	Computer equipment LAK	Furniture & fixtures LAK	Motor vehicles LAK	Construction in progress LAK	Total LAK
Balance at 1 January 2020	6,300,283,537	7,382,049,095	63,758,195,472	7,801,798,772	10,852,489,011	75,985,800	96,170,801,687
Additions	115,939,000	304,688,800	2,276,356,222	421,257,600	-	-	3,118,241,622
Transfer	(6,850,931)	(66,132,087)	(68,172,312)	(62,491,311)	(32,186,089)	(75,985,800)	(311,818,530)
Disposals	(114,337,289)	(173,836,838)	(728,137,609)	(256,303,448)	(807,994,096)	-	(2,080,609,280)
Balance at 31 December 2020 and at 1 January 2021	6,295,034,317	7,446,768,970	65,238,241,773	7,904,261,613	10,012,308,826	-	96,896,615,499
Additions	248,735,900	101,795,200	5,939,305,077	246,217,400	78,900,000	2,446,861,890	9,061,815,467
Transfer	-	-	-	-	-	-	-
Disposals / write-offs	(180,210,178)	(671,161,072)	(322,838,371)	(351,838,598)	-	-	(1,526,048,219)
Balance at 31 December 2021	6,363,560,039	6,877,403,098	70,854,708,479	7,798,640,415	10,091,208,826	2,446,861,890	104,432,382,747
Accumulated depreciation							
Balance at 1 January 2020	4,376,469,015	6,626,475,873	40,093,214,523	6,299,154,488	10,497,860,506	-	67,893,174,405
Depreciation for the year	541,924,483	360,533,771	7,162,907,965	697,177,582	193,190,215	-	8,955,734,016
Transfer	(6,838,158)	(66,122,323)	(68,160,379)	(62,476,622)	(32,186,089)	-	(235,783,571)
Disposals / write-offs	(109,591,432)	(152,654,726)	(722,150,471)	(240,947,926)	(807,994,097)	-	(2,033,338,652)
Balance at 31 December 2020 and at 1 January 2021	4,801,963,908	6,768,232,595	46,465,811,638	6,692,907,522	9,850,870,535	-	74,579,786,198
Depreciation for the year	504,905,615	293,433,585	7,541,321,101	543,549,346	97,296,540	-	8,980,506,187
Transfer	-	-	-	-	-	-	-
Disposals / write-offs	(136,324,282)	(666,039,715)	(73,264,895)	(344,989,394)	-	-	(1,220,618,286)
Balance at 31 December 2021	5,170,545,241	6,395,626,465	53,933,867,844	6,891,467,474	9,948,167,075	-	82,339,674,099
Net book value							
At 31 December 2020 and 1 January 2021	1,493,070,409	678,536,375	18,772,430,135	1,211,354,091	161,438,291	-	22,316,829,301
At 31 December 2021	1,193,014,798	481,776,633	16,920,840,635	907,172,941	143,041,751	2,446,861,890	22,092,708,648

Notes to the Financial Statements
for the year ended 31 December 2021

9 Right of use Assets

	2021 LAK	2020 LAK
Right of use Assets		
At 1 January	36.639.377.880	33.014.199.449
Additions	282.824.266	3.436.538.753
Disposals / write-off	(323.110.851)	(1.242.681.013)
Foreign exchange translation	5.251.534.792	1.431.320.691
At 31 December	41.850.626.087	36.639.377.880
Accumulated Depreciation		
At 1 January	8.713.695.619	4.480.237.610
Depreciation charge for year	5.361.970.233	5.093.803.724
Disposals / write-off	(323.110.851)	(1.242.681.013)
Foreign exchange translation	1.620.544.571	382.335.298
At 31 December	15.373.099.572	8.713.695.619
Net book value	26.477.526.515	27.925.682.261

10 Other Assets

	2021 LAK	2020 LAK
Accrued interest receivable	14.777.332.139	11.469.524.641
Prepaid expenses	10.160.828.748	6.008.520.486
Office supplies	719.488.394	698.892.542
Others	2.799.644.253	3.568.649.643
	28.457.293.534	21.745.587.312

11 Amounts due to other banks

The amounts due to other banks are analysed as follows:

(a) Classified by types

	2021 LAK	2020 LAK
Current deposits	1.004.697.281	1.385.719.736
Savings deposits	12.592.553.658	7.322.210.844
Term deposits	364.155.200.000	213.545.500.000
Trust Saving Account	52.855.528	50.579.452
	377.805.306.467	222.304.010.032

Notes to the Financial Statements

for the year ended 31 December 2021

(b) Classified by currencies

	2021 LAK	2020 LAK
LAK	363.873.139.350	217.346.938.643
USD	13.744.801.578	4.815.277.974
THB	187.365.539	141.793.415
	377.805.306.467	222.304.010.032

(c) Classified by residual maturity

	2021 LAK	2020 LAK
1 to 3 months	52.196.106.467	32.904.010.032
4 to 6 months	109.209.200.000	95.500.000.000
7 to 12 months	165.400.000.000	93.900.000.000
Over 12 months	51.000.000.000	-
	377.805.306.467	222.304.010.032

(d) Classified by residence

	2021 LAK	2020 LAK
Domestic	366.759.306.467	222.304.010.032
Oversea	11.046.000.000	-
	377.805.306.467	222.304.010.032

12 Deposits from customers

The amounts due to customers are analysed as follows:

(a) Classified by types

	2021 LAK	2020 LAK
Current deposits	107.395.609.852	89.011.278.364
Savings deposits	270.912.236.915	252.490.430.986
Health Saving deposits	1.307.471.053	1.416.904.431
Education Saving deposits	3.362.683.725	2.516.224.171
Retirement deposits	9.741.655.650	8.949.509.418
Term deposits	703.152.054.194	558.046.032.720
Dormant accounts	35.492.494.909	46.958.005.050
	1.131.364.206.298	959.388.385.140

Notes to the Financial Statements
for the year ended 31 December 2021

(b) Classified by currencies

	2021	2020
	LAK	LAK
LAK	947.704.654.945	840.808.448.101
USD	66.797.046.116	56.667.967.206
THB	116.862.505.237	61.911.969.833
	1.131.364.206.298	959.388.385.140

(c) Classified by residual maturity

	2021	2020
	LAK	LAK
1 to 3 months	543.642.270.394	509.344.675.986
3 to 6 months	110.752.217.752	83.492.725.184
6 to 12 months	187.200.258.108	283.485.480.764
Over 12 months	289.769.460.044	83.065.503.206
	1.131.364.206.298	959.388.385.140

(d) Classified by types of customers

	2021	2020
	LAK	LAK
Corporate deposits	167.114.379.049	139.425.138.236
Individual deposits	964.249.827.249	819.963.246.904
	1.131.364.206.298	959.388.385.140

13 Borrowings from financial institutions

Borrowings are analyzed as follows:

(a) Classified by terms

	2021	2020
	LAK	LAK
Short term borrowing	50.000.000.000	-
Long term borrowing	90.414.200.000	99.675.600.002
	140.414.200.000	99.675.600.002

Notes to the Financial Statements

for the year ended 31 December 2021

(b) Classified by residual maturity

	2021 LAK	2020 LAK
Within 1 year	90.055.000.000	57.210.400.002
Over 1 year	50.359.200.000	42.465.200.000
	140.414.200.000	99.675.600.002

14 Other liabilities

	2021 LAK	2020 LAK
Accrued interest payable - borrowings	28.123.516.952	24.844.889.555
Deferred and unearned revenue	14.168.206.460	12.050.348.823
Income tax payable (note 20)	12.467.493.279	9.131.568.485
Lease Liabilities	25.382.021.251	25.016.420.876
Accruals	16.479.602.801	9.085.182.389
	96.620.840.743	80.128.410.128

15 Net interest income

	2021 LAK	2020 LAK
Interest income from:		
Loans and advances	221.000.091.749	173.444.452.214
Interbank and money market items	444.376.330	765.220.610
	221.444.468.079	174.209.672.824
Interest expense on:		
Deposits	(44.987.215.925)	(41.134.256.790)
Interbank and borrowings	(25.049.560.106)	(21.249.121.804)
	(70.036.776.031)	(62.383.378.594)
	151.407.692.048	111.826.294.230

Notes to the Financial Statements
for the year ended 31 December 2021

16 Net fee and commission income

	2021 LAK	2020 LAK
Fee and commission income:		
Loan processing and penalty fees	68.792.343.078	59.746.334.180
Fees from deposits and transfers	4.897.919.478	4.324.872.260
Other fees	1.946.061.283	2.060.220.653
	75.636.323.839	66.131.427.093
Fee and commission expense:		
Fee related to operating with customer	(1.468.318.348)	(973.263.320)
Net fee and commission income	74.168.005.491	65.158.163.773

17 Other income

	2021 LAK	2020 LAK
Recovery of bad debts written off	12.367.434.374	8.536.776.689
Reverse on expense	1.862.079.001	5.921.963.128
Other operating income	637.389.865	905.801.790
	14.866.903.240	15.364.541.607

18 Payroll and other staff costs

	2021 LAK	2020 LAK
Salaries and wages	47.795.157.457	46.270.168.895
Bonuses	17.701.407.618	14.179.414.050
Other benefits	5.750.969.288	5.183.950.813
	71.247.534.363	65.633.533.758

Notes to the Financial Statements

for the year ended 31 December 2021

19 General and administrative expenses

	2021	2020
	LAK	LAK
Interest expense on lease liability	1.695.984.934	1.838.739.155
Repairs and maintenance	5.142.581.004	4.554.135.866
Communications	9.428.613.657	8.245.526.555
Depreciation of Right to use asset	5.361.970.233	5.093.803.724
Others	14.297.240.138	14.298.365.674
	35.926.389.966	34.030.570.974

20 Income tax expense

In accordance with the amended Lao Tax Law No. 67 dated 16 June 2019 stipulated by the President of the National Assembly income tax that should be applied to both domestic and foreign enterprises that hold legal entities should be 20% (2020: 20%) of total taxable income

(a) Analysis of income tax expense

	2021	2020
	LAK	LAK
Profit before income tax	102.227.526.893	65.919.000.285
Non-deductible expenses	1.226.542.599	5.796.945.604
Non-taxable income	(1.634.800.859)	(10.175.866.590)
Taxable income	101.819.268.633	61.540.079.299
Income tax expense	20.363.853.727	12.308.015.860
Income tax expense	20.363.853.727	12.308.015.860

(b) Analysis of income tax payable

	2021	2020
	LAK	LAK
At 1 January	9.131.568.485	5.600.030.071
Income tax expense	20.363.853.727	12.308.015.860
Tax paid during the year	(17.027.928.933)	(8.776.477.446)
At 31 December	12.467.493.279	9.131.568.485

Notes to the Financial Statements
for the year ended 31 December 2021

21 Paid up share capital

The movement of paid up share capital during the year is presented below:

	2021 LAK	2020 LAK
At 1 January	340.000.000.000	300.000.000.000
Increase in paid up capital	40.000.000.000	40.000.000.000
At 31 December	380.000.000.000	340.000.000.000

	2021		2020	
Shareholder	Share (%)	LAK	Share (%)	LAK
ACLEDA Bank Plc	99.90%	379.620.000.000	99.90%	339.660.000.000
ACLEDA Institute of Business Co. Ltd.	0.10%	380.000.000	0.10%	340.000.000
	100%	380.000.000.000	100%	340.000.000.000

In accordance with the Bank's Memorandum and Articles of Association with their respective share certificate dated 3 July 2014 the amended shares and registered share capital amounting to LAK 380.000.000.000 (2020: LAK 340.000.000.000) is represented by 38.000.000 ordinary shares (2020: 34.000.000) with a LAK 10.000 issue price (2020: 10.000).

The Bank has increased its capital by 40 billion LAK by transferring the amount from retained earnings to paid up capital (*refer to decision on increasing the registered capital and minimum investment of commercial banks and foreign commercial bank branches No. 752/BOL, dated 27 Aug 2019*), resultantly Bank has paid 10% dividend tax as per income tax law article 39 income tax rate.

Notes to the Financial Statements

for the year ended 31 December 2021

22 Related party transactions

Balances with related parties

	2021 LAK	2020 LAK
Loans and advances		
Key management	7.392.927.285	6.723.803.298
Amounts due from related parties		
ACLEDA Bank Plc. (Holding bank)	28.409.151.960	14.858.967.522
Amounts due to related parties		
Key management	(6.741.394.673)	(6.438.009.929)
Interest income		
Key management	642.089.577	411.637.755
Interest expense		
ACLEDA Bank Plc. (Holding bank)	385.002.141	-
Key management	107.351.830	107.571.198
Salary and other benefits		
Key management	4.665.929.692	4.389.858.135
Fee and commission expense		
Bank service fee (maintenance account)	149.438	136.607
Board of director	866.075.438	1.045.237.500

Notes to the Financial Statements
for the year ended 31 December 2021

23 Commitments and Contingencies

(a) Loan commitments

	2021 LAK	2020 LAK
Bank guarantees	2.178.259.698	1.918.628.664
Unused portion of overdrafts	2.100.301.714	7.698.940.695
	<u>4.278.561.412</u>	<u>9.617.569.359</u>

(b) Capital expenditure

	2021 LAK	2020 LAK
Within 1 year	4.243.057.930	-
1 to 5 years	596.693.824	1.361.111.349
	<u>4.839.751.754</u>	<u>1.361.111.349</u>

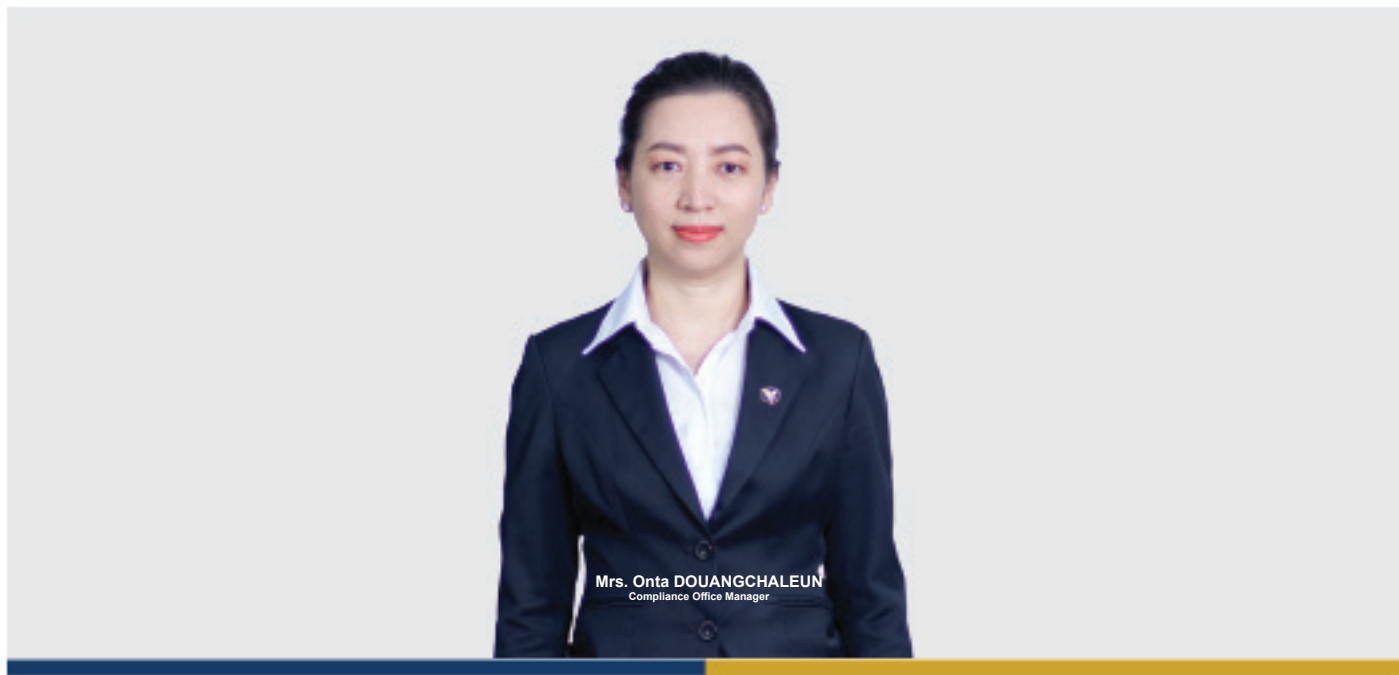














ACLEDA BANK LAO LTD'S OFFICE ADDRESSES



#398, Corner of Dongpalane and Dongpaina Road, Unit 20, Phonesavanh Neua Village,
Sisattanak District, Vientiane Capital, Lao PDR. P.O. Box: 1555

Tel: **+856 (0)21 416 999 / 264 994 / 1800**

Fax: **+856 (0)21 264 995**

E-mail: acledabank@acledabank.com.la

Website: www.acledabank.com.la



ACLEDA BANK LAO LTD'S OFFICE ADDRESSES

VIENTIANE SERVICE POST

#091, Nongborn Road, Unit 06, Nongchan Village,
Sisattanak District, Vientiane Capital.
Tel: **+856 (0)21 285 199**, Fax: **+856 (0)21 285 198**,
E-mail: cs.vte@acledabank.com.la

CHANTHABOULY BRANCH

#118, Thongkhankham Road, Unit 09, Thongtoun
Village, Chanthabouly District, Vientiane Capital.
Tel: **+856 (0)21 254 124**, Fax: **+856 (0)21 254 123**,
E-mail: cs.ctl@acledabank.com.la

SIKHOTTABONG BRANCH

#099, 13 North Road, Unit 08, Nongniew Village,
Sikhottabong District, Vientiane Capital.
Tel: **+856 (0)21 620 141**, Fax: **+856 (0)21 620 129**,
E-mail: cs.skb@acledabank.com.la

SUANMON BRANCH

Thadeua Road, Unit 11, Souanmone Village,
Sisattanak District, Vientiane Capital.
Tel: **+856 (0)21 818 989**, Fax: **+856 (0)21 818 989**,
E-mail: cs.sum@acledabank.com.la

ATTAPEU SERVICE UNIT "B"

Unit 16, Vernkhand Village, Samakxyay District,
Attapeu Province.
Tel: **+856 (0)36 210 234**, Fax: **+856 (0)36 210 234**,
E-mail: cs.atp@acledabank.com.la

BOLIKHAN SERVICE UNIT "B"

#4B Road, Unit 08, Sisavath Village, Bolikhan
District, Bolikhamxay Province.
Tel & Fax: **+856 (0)54 211 345 / 211 456**, E-mail:
cs.bkx@acledabank.com.la

NONGBOK SERVICE UNIT "B"

#19, 13B Road, Unit 02, Phon Village, Nongbok
District, Khammouane Province.
Tel: **+856 (0)51 270 335**, Fax: **+856 (0)51 270 335**,
E-mail: cs.kme@acledabank.com.la

XAYSETTHA BRANCH

#415, Khamphengmeuang Road, Unit 30, Thatluang
Tai Village, Xaysettha District, Vientiane Capital.
Tel: **+856 (0)21 265 847**, Fax: **+856 (0)21 265 848**,
E-mail: cs.xst@acledabank.com.la

DONGDOK SERVICE UNIT "B"

#Dongdok Road, Unit 10, Saphangmerk Village,
Xaythany District,
Vientiane Capital.
Tel: **+856 (0)21 720 520**, Fax: **+856 (0)21 720 521**,
E-mail: cs.ctl@acledabank.com.la

LAONGARM SERVICE UNIT "B"

#20 Road, Unit 07, Nonkham Village, Laongarm
District, Saravane Province.
Tel: **+856 (0)34 300 244**, Fax: **+856 (0)34 300 244**,
E-mail: cs.srv@acledabank.com.la

BOLIKHAMXAY BRANCH

#13 South Road, Unit 04, Myxay Village, Paksan
District, Bolikhamxay Province.
Tel: **+856 (0)54 790 980**
Fax: **+856 (0)54 790 981**
E-mail: cs.bkx@acledabank.com.la

VANGVIENG SERVICE UNIT "A"

#13 North Road, Unit 10, Vangvieng Village,
Vangvieng District, Vientiane Province.
Tel: **+856 (0)23 511 157**, Fax: **+856 (0)23 511 157**,
E-mail: cs.vvg@acledabank.com.la

KHAMMOUANE BRANCH

#045, South Road, Unit 19, Viengvilay Village,
Thakhek District, Khammouane Province.
Tel: **+856 (0)51 251 440**, Fax: **+856 (0)51 251 441**,
E-mail: cs.kme@acledabank.com.la

GNOMMALATH SERVICE UNIT "B"

#8B Road, Unit 04, Gnommalath Village,
Gnommalath District, Khammouane Province.
Tel: **+856 (0)51 214 629**, Fax: **+856 (0)51 214 639**,
E-mail: cs.kme@acledabank.com.la

ACLEDA BANK LAO LTD'S OFFICE ADDRESSES

HINBOON SERVICE UNIT "B"

#13 South Road, Unit 08, Khamkeo Village, Hinboon District, Khammouane Province.

Tel: **+856 (0)51 214 544**, Fax: **+856 (0)51 214 545**,

E-mail: cs.kme@acledabank.com.la

CHAMPASAK BRANCH

New building, No.13 South Road, Unit 12, Phonesavavh Village, Pakse City, Champasak Province.

Tel: **+856 (0)31 260 205**, Fax: **+856 (0)31 260 330**,

E-mail: cs.cps@acledabank.com.la

PAKSONG SERVICE UNIT "A"

16B Road, Unit 10, Paksong Village, Paksong District, Champasak Province.

Tel: **+856 (0)31 265 001**, Fax: **+856 (0)31 265 001**,

E-mail: cs.psg@acledabank.com.la

DONENOUN BRANCH

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E-mail: cs.don@acledabank.com.la

PHONEHONG SERVICE UNIT "A"

#13 North Road, Unit 03, Phonehong Village, Phonehong District, Vientiane Province.

Tel: **+856 (0)23 212 113**, Fax: **+856 (0)23 212 113**,

E-mail: cs.phg@acledabank.com.la

LUANGPRABANG BRANCH

Unit 07, Saylom Village, Luangprabang City, Luangprabang Province.

Tel: **+856 (0)71 260 747**, Fax: **+856 (0)71 260 748**,

E-mail: cs.lpb@acledabank.com.la

OUDOMXAI SERVICE UNIT "A"

#52, 13 North Road, Unit 02, Vanghai Village, Xay District, Oudomxai Province.

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E-mail: cs.odx@acledabank.com.la

SAVANNAKHET BRANCH

#101, Unit 01, Dongdamduan Village, Kaysonephomvihane City, Savannakhet Province.

Tel: **+856 (0)41 252 207**, Fax: **+856 (0)41 252 206**,

E-mail: cs.svk@acledabank.com.la

KONGSEDON SERVICE UNIT "A"

No.13 South Road, Unit 08, Khum 5, Khong Village, Kongsedone District, Saravane Province.

Tel: **+856 (0)34 411 400**, Fax: **+856 (0)34 411 400**,

E-mail: cs.ksd@acledabank.com.la

CHAMPASAK SERVICE UNIT "B"

#07, 14B Road, Unit 01, Donetalad Village, Champasak District, Champasak Province.

Tel: **+856 (0)31 216 032**, Fax: **+856 (0)31 216 032**,

E-mail: cs.cps@acledabank.com.la

THA NGONE SERVICE UNIT "B"

#10 Road, Unit 19, Thangon Village, Xaythany District, Vientiane Capital.

Tel: **+856 (0)21 752 244**, Fax: **+856 (0)21 752 244**,

E-mail: cs.tng@acledabank.com.la

LAK 52 SERVICE UNIT "B"

#13 North Road, Unit 04, Phonkham Tai Village, Phonhong District, Vientiane Province.

Tel: **+856 (0)23 331 800**, Fax: **+856 (0)23 331 800**,

E-mail: cs.phg@acledabank.com.la

XIENGKHOUANG SERVICE UNIT "A"

98, Unit 05, Phonesavanhsay Village, Paek District, Xiengkhuang Province.

Tel: **+856(0) 61 213 506**, Fax: **+856(0) 61 213 504**,

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E-mail: cs.bko@acledabank.com.la

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#079, 13 South Road, Unit 06, Lakmeuang Village, Songkhone District, Savannakhet Province.

Tel: **+856 (0)41 530 368**, Fax: **+856 (0)41 530 368**,

E-mail: cs.ske@acledabank.com.la

MEUANGPHINE SERVICE UNIT "B"

#123, 09 Road, Pasomxay Village, Meuangphine District, Savannakhet Province.

Tel: **+856 (0)41 660 464**, Fax: **+856 (0)41 660 464**,

E-mail: cs.mpn@acledabank.com.la

XAYBOULY SERVICE UNIT "B"

#15, 13 South Road, Unit 15, Nadeang Village, Xayboully District, Savannakhet Province.

Tel: **+856 (0)41 211044**, Fax: **+856 (0)41 211044**,

E-mail: cs.otp@acledabank.com.la

SARAVANE SERVICE UNIT "A"

#19, No. 15 Road, Unit 01, Phonekeo Village, Saravane District, Saravane Province.

Tel: **+856 (0)34 212 026**, Fax: **+856 (0)34 212 026**,

E-mail: cs.srv@acledabank.com.la

LOUANGNUMTHA SERVICE UNIT "A"

#56, Unit 10, Nongbouavieng Village, Louangnumtha District, Louangnumtha Province.

Tel: **+856 (0)86 312 308**, Fax: **+856 (0)86 312 308**,

E-mail: mkd.lnt@acledabank.com.la

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#11 Road, Unit 09, Kaengkok Neua Village, Champhone District, Savannakhet Province.

Tel: **+856 (0)41 311 388**, Fax: **+856 (0)41 311 388**,

E-mail: cs.ske@acledabank.com.la

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#302, No. 09 Road, Xayoudom Village, Outhoumpphone District, Savannakhet Province.

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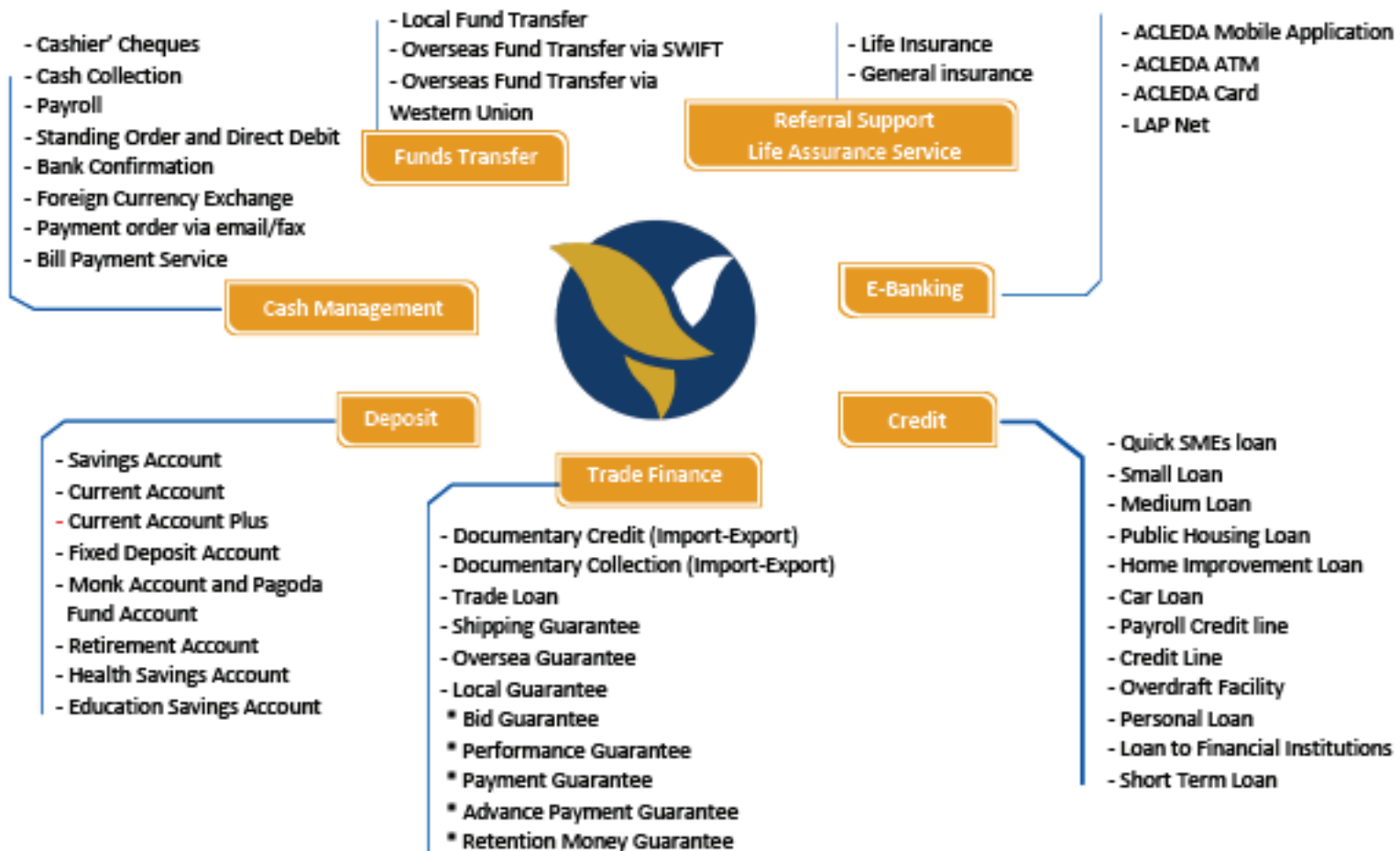
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