

ANNUAL

REPORT 2022

- Corporate Summary
- Organization Structure
- Financial Report
- Business Unit Network
- Events



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www.indochinabank.com



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PART 1

GENERAL OVERVIEW OF INDOCHINA BANK

1.1. Corporate Information

Bank Name	: Indochina Bank Co. Ltd.
Registration No.	: 53/BOL, 28 th November 2008
Chairman	: Mr. Oh Sei Young
Managing Director	: Ms. Chanpheng Vongsombath
Registered Office	: 1 st -3 rd Floor, KOLAO Tower I, 23 Singha Road, Vientiane Capital, Lao PDR
Contact Numbers	: Tel: +856 21 455 000, Fax: +856 21 455 111
Website	: www.indochinabank.com



1.2. Corporate Background

The Indochina Bank Ltd. (“IB”) is a locally incorporated commercial bank with foreign ownership. The Bank was incorporated in the Lao People’s Democratic Republic (“Lao PDR”) on May 26, 2008, in accordance with Foreign Investment License No. 070-08/PI issued by the Ministry of Planning and Investment and Banking Business License No. 53/BOL issued by the Bank of the Lao People’s Democratic Republic (“BOL”) on November 28, 2008.

Indochina Bank officially commenced its business on February 6, 2009, in Vientiane Capital. The Bank’s shareholders comprise of reputable individuals with a strong and stable financial background.

Indochina Bank was one of the very first banks in Laos to introduce automobile loans in the market and hence has enjoyed its first-mover advantage, which reflects on its success today. With the continuous growth in business and customer base, the bank has steadily transformed itself into a more digitalized bank, with more advanced products being rolled out. It has always striven for more innovative product propositions. IB Cool Banking Application was introduced to the market in November 2020. Over the last 14 years, in pursuit of sustainable success and highest customer satisfaction, Indochina Bank has already established an extensive service coverage network in key provinces from the north to the south of Laos, namely Vientiane Capital, Luangnamtha, Oudomxay, Xiengkhouang, Luangprabang, Khammouan, Bolikhamxay, Savannakhet, and Champasack.

The Bank’s strategy remains focused on organic growth, with emphasis on the right combination between retail and corporate banking. The bank is committed to sustaining its strong business performance and leading private banking market shares to maintain its premier status in the Laos banking industry.

As a responsible corporate citizen, Indochina Bank is committed to its corporate social responsibility initiatives which focus on building of prosperous nation, enhancing the marketplace, promoting the workplace, and conserving the environment. The bank supports the community by participating in programs involving education and health care, as well as supporting the underprivileged. The bank will continue to seek out ways to enrich the lives of those around it by doing its part for the community.

1.3. Vision of the Bank

Indochina Bank is moving forward to establish a strong foothold in the country by making the most of the steady economic growth of the Lao People's Democratic Republic. The vision of the bank is:

"To be the No.1 private bank in Laos, in terms of business growth, customer service, products, profit as well as branding, and continually enhancing its service to meet customer's highest level of satisfaction."

CHAIRMAN'S MESSAGE

It is my pleasure to present to you our Bank's Annual Report for the financial year ended in 2022. Despite facing a challenging business environment, this year has been one of significant achievement for our bank, and I am proud to say that we have continued to deliver strong results and create value for our stakeholders.

As we reflect on the past year, it is clear that the world has faced unprecedented challenges. The COVID-19 pandemic has created a difficult environment for individuals and businesses alike, disrupting markets and economies across the globe. Inflation and supply chain crises have been significant challenges that could impact the world's economic recovery.

Even though there were economic difficulties, including a rise in the inflation rate and extreme fluctuations in the exchange rate in 2022, the transition from pandemic to endemic and the introduction of services on the Laos-China railway could be advantageous to tourism and the service sector. As a result of the leadership of the party and the strength of the state, as well as the solidarity of the Lao people, the nation was able to successfully surmount the obstacles.

Businesses can flourish in the current environment by identifying new requirements, shifting business strategies, embracing digital transformation, concentrating on innovation, and collaborating with others. In 2022, we established a new strategy aimed at attaining continuous growth. We believe this growth rate is attainable by concentrating on customer-centric initiatives, expanding our digital offerings, growing our customer base, and strengthening our relationships with customers.

IB has remained focused on delivering the best possible service to our customers. We have continued to invest in our staff, our infrastructure and our technology, which has enabled us to offer an enhanced customer experience. Our commitment to innovation, coupled with our deep

understanding of our customers' needs, has helped us maintain our position as a leading player in the banking industry.

Our bank has remained committed to our social responsibility initiatives, providing support to the communities we serve through various programs and partnerships. Our employees have demonstrated their dedication and professionalism by adapting to the changes in the work environment and ensuring the continuity of our services to our customers. I'd like to thank our customers, IB family, shareholders, and other stakeholders for their ongoing support and dedication to our bank. We anticipate continuing to collaborate to accomplish our shared goals.

In closing, I would like to wish our customers, staff members, regulators, and the entire Lao people the best of health and pleasure in the years to come. The Indochina Bank will continue to be dedicated to our mission of providing higher service and value to our customers and generating long-term value for our shareholders.



Oh Sei Young
Chairman



MANAGING DIRECTOR'S MESSAGE

Dear beloved partners and esteemed customers,
It is my great honor to express my gratitude as the Managing Director of Indochina Bank, and to deliver significant messages in the annual report for the year 2022.

Throughout the entire 13 years of our voyage, we have always been proactive and align with customer-centric in our business operations. We carry out intensely to ensure that our products fulfil the demands of customers. We would not hesitate to step up the extra mile to provide both existing and prospective clients with customized banking solutions and financial advice. Likewise, we strongly believe in establishing long-term relationships with our customers.

In 2022, was also full of moments worth memorizing, where our persistence and hard work always prevailed over the many challenges we faced, despite profound changes and uncertainty in the domestic and international landscape, recurring waves of COVID-19, and prolonged volatility in the financial markets. Besides that, high inflation has been exacerbated in many parts of the world by several factors, making food, energy, and other necessities more expensive. So, IB has closely monitored and reacted decisively in response to these crises, through flexible strategies, effective campaigns, and promotions. Moreover, with the results of 2022, we have demonstrated that our bank is resilient by achieving a 61% increase in total deposits and 62% increase in loan portfolios over the previous year.

Looking forward into 2023, while we are facing a period of economic uncertainty at the moment, we are optimistic about the medium to long-term opportunities that lie ahead and as always remain committed to supporting our customers. Regarding the government's efforts and policies, we anticipate that the economy will get better and be a significant part of our support during this difficult time. Thus, we aim to continue to improve and are planning further steps to gain more market share, innovate new products, and activate marketing activities to drive sustainable growth and excellent outcomes.

At this moment, Indochina Bank always emphasizes the significance of technology in our customers' daily lives and invests extensively in this area. While convenience is one of the primary goals of technology, it must be accompanied by a high level of security. As a result, we place a strong emphasis on ensuring that our clients' exposure to risk is effectively mitigated when utilizing our services. In the new era of banking, disruption by technology is undeniable, literally. Additionally, we work tirelessly to ensure that your financial requirements are professionally and effectively taken care of.

Our specially trained personnel will make every effort to serve you with courtesy and professionalism.

On behalf of Indochina Bank and all of its IB family members, I would like to extend my sincere appreciation to our customers, regulators, and community at large for their massive trust and support. Likewise, in banking ethics, we will adhere to the utmost standards in our business operations. We strongly believe that when we continue to do the right thing for our customers, the sky is the limit for our success.



Chanpheng Vongsombath
Managing Director



1.4. Management Discussion and Analysis

General overview of the year 2022

Global economic overview

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than it has been in several decades. The cost-of-living crisis, tightening financial conditions in most regions, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001, except for the global financial crisis and the acute phase of the COVID-19 pandemic. Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but then decline to 6.5 percent in 2023 and 4.1 percent by 2024. Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy. Structural reforms can further support the fight against inflation by improving productivity and easing supply constraints, while multilateral cooperation is necessary for fast-tracking the green energy transition and preventing fragmentation.

Lao economic overview

The Lao economy faces increased challenges from a sharp currency depreciation and high inflation, amid a deteriorating global economic environment. Following signs of economic recovery in early 2022, the domestic and external environments deteriorated significantly. The kip lost 68% of its value against the US dollar over the year to December, undermining recovery and fuelling inflation, which in turn dampens private consumption and investment. The World Bank has lowered its economic growth forecast for 2022 to 2.5 percent, down from an earlier projection of 3.8 percent.

Fiscal options for supporting the economy and vulnerable people remain limited. Domestic revenue has gradually recovered but remains below pre-pandemic levels. High debt-service obligations constrain public spending on health, education, and social assistance. In the absence of debt payment deferral, total expenditure and the fiscal deficit would be about 1% of GDP higher.

Economic momentum was likely weak in 2022 as several factors exerted downward pressure on activity. Floods and significantly weaker annual export growth in Q1–Q3 were a drag on output. Moreover, surging commodity prices and a sharp FX depreciation led to a cost-of-living crisis—inflation ended last year at 39.3%. Additionally, the pressure on growth was likely intensified by the Central Bank's policy tightening in Q4. However, the economy will have been supported by the lifting of Covid-19 restrictions, increased electricity exports, reviving tourism and an increase in both freight and passenger transportation through the Laos-China railway.

Banking sector

The banking sector section provides an overview of the current state of the banking industry and our position within it. We discuss the challenges and opportunities that we have faced during the year, including regulatory changes, economic shifts, and technological advancements. We also highlight the actions we have taken to stay competitive in the marketplace, such as expanding our digital capabilities, improving customer service, and developing new products and services. By closely monitoring industry trends and adapting to changing market conditions, we remain committed to providing our customers with innovative and reliable banking solutions.

Throughout the year, we have implemented various marketing campaigns, including digital advertising, direct mail, and promotional events, to reach out to our target customer. We have also invested in customer relationship management tools to better understand and anticipate our customers' needs, allowing us to provide personalized and relevant banking solutions. Our marketing efforts have resulted in increased brand awareness, customer engagement, and ultimately, business growth.

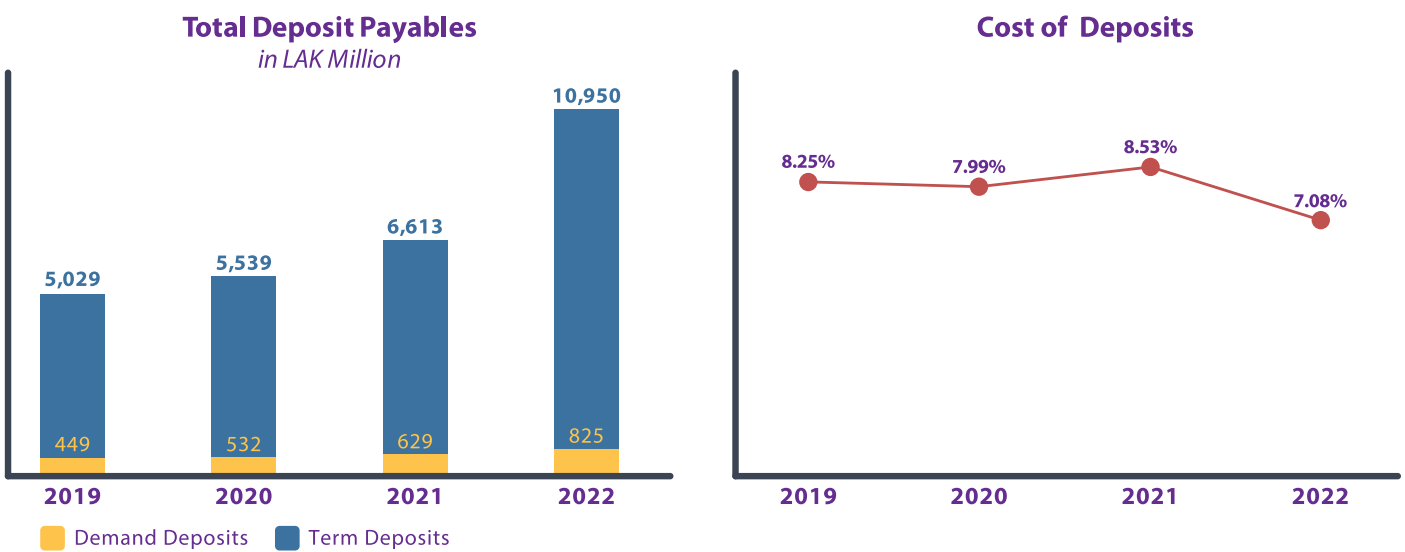
1.5. Highlights of the Business Performance of Indochina Bank 2022

Over the past year, IB has achieved strong financial results. We have increased our total assets and deposits, while also improving our profitability. Our loan portfolio has grown, and we have maintained a healthy level of reserves. We are proud to have delivered sustainable returns for our shareholders, while also providing exceptional service to our customers.

IB has continued to demonstrate its strength and resilience in a challenging economic environment, and our asset quality remains high. We have also continued to invest in our technology and digital capabilities, enabling us to provide innovative solutions and a seamless customer experience.

In the previous year, our bank focused on building long-term relationships with our customers. We have expanded our product offerings to meet their evolving needs and invested in our branch network and digital channels to provide a convenient and personalized banking experience. We are proud to have achieved record customer satisfaction scores and to have earned the trust and loyalty of our customers.

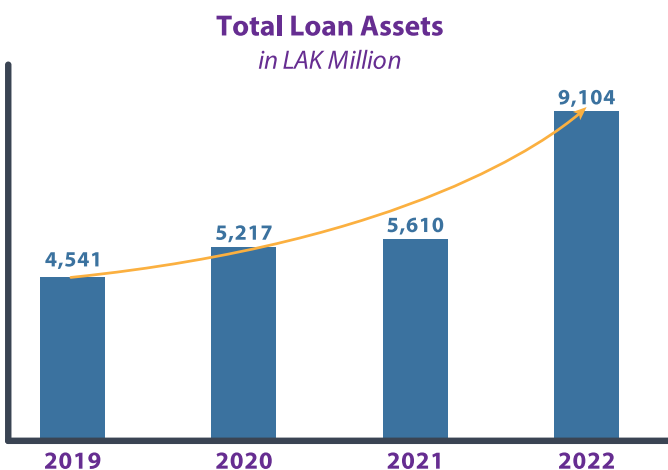
Deposit

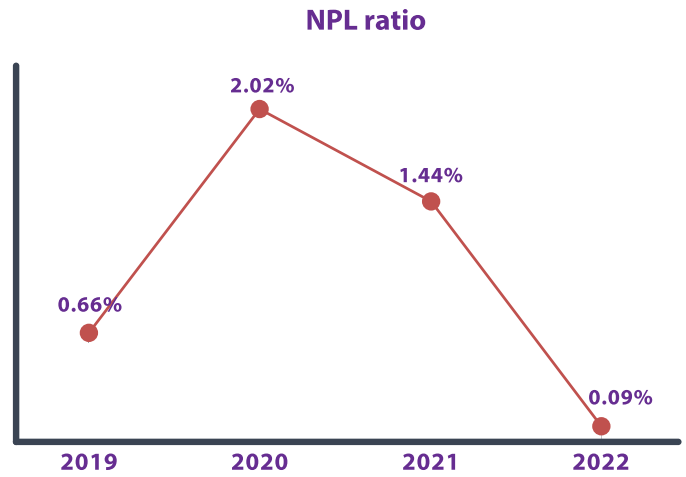
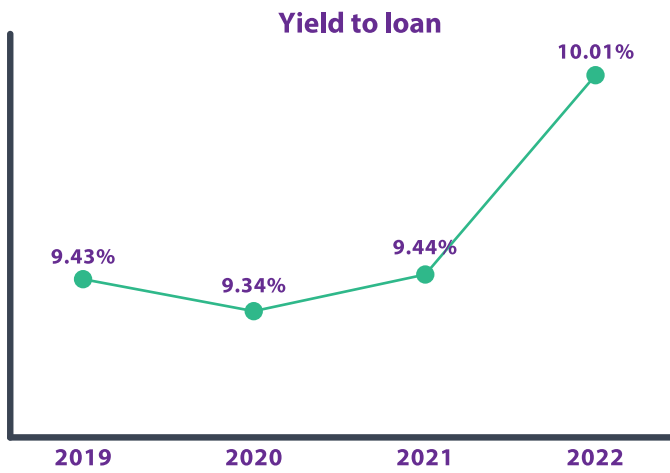


Last year, IB's deposits continued to perform exceptionally well, driven by a strong focus on customer needs and satisfaction. The total deposit base increased by 63%, reaching a total of LAK 11.775 billion by the end of the financial year, while the cost of deposits decreased by 1.50%. Our success in this area can be attributed to a number of factors, including a diverse range of products and services tailored to meet the different needs of our customers. Our deposit products include traditional savings accounts, time deposits, and money market accounts, all of which offer competitive interest rates and flexible terms.

In addition to our focus on customer service, we have also maintained a strong risk management framework to ensure the safety and soundness of our deposit activities. We remain committed to maintaining high levels of liquidity.

Loan



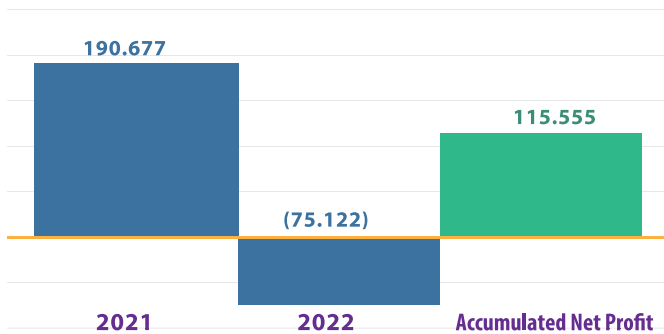


Despite the difficult economic environment, strong demand from both retail and corporate customers helped our bank's loan portfolio grow by 62% last year, the yield to loan grew by 0.6% while the NPL ratio decreased to less than 1%. We maintained our focus on prudent lending practices, with a disciplined approach to risk management and credit underwriting. We continued to leverage our deep expertise in various sectors to provide customized lending solutions to our customers.

2021 Financials Adjustment

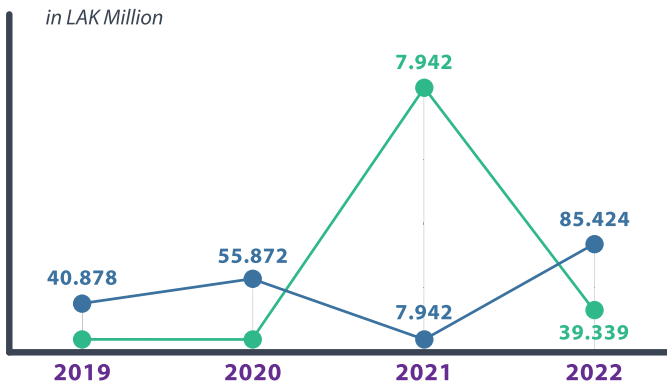
In 2021, the investment in bonds was converted into equity securities designated through profit and loss, affecting its accounting treatment. To reflect this change, we restated our 2021 financials which showed the said investment's initial accounting treatment. Impact to the initially reported profit in 2021 was an increase by LAK 178.347 Billion. This adjustment did not affect the clean audit opinions provided by our auditor.

Profit



With the deep drop in value of the LAK, IB's financials for 2022 was inevitably impacted by the revaluation of its assets and liabilities in foreign currency as reported to their local currency equivalent. Regardless, the accumulated profit and loss for the years 2021 as restated and 2022 is accumulated profit of LAK 115.5 Billion. The bank expects future recovery, with more stringent foreign currency risk management strategy to mitigate currency exchange volatility.

■ Net Operating Profit (excluding foreign currency revaluation)
■ Gain from investment in equity instruments thru FVTPL
 in LAK Million



On the other hand, Indochina Bank still delivers a net operating income (disregarding the impact from currency revaluation), driven by strong growth from interest income and fee-based services. Net interest margin is kept positive (1.35%) and has slightly improved compared to previous year (1.25%), indicating sustainability of interest profit. IB also continues to report gain from its investment in equity securities designated thru profit and loss despite the foreign currency revaluation. With the foreseen general improvement in economy, IB expects further increase in gain to be fully realized upon sale of the equity securities.

Plan and Business objective of Indochina Bank 2023

The bank's plan for next year focuses on improving the customer experience by investing in technology and digital channels, such as enhancing the mobile app. IB aims to grow its deposit portfolio and loan portfolio by targeting new sectors, particularly small and medium-sized enterprises (SMEs), and expanding its product offerings. IB will continue to strengthen its risk management framework by implementing best practices, improving monitoring capabilities, and ensuring compliance with regulatory requirements. Additionally, IB will expand its digital banking services, explore partnerships with other companies, and optimize its workforce and cost structure to improve efficiency. Finally, IB will prioritize employee engagement by fostering a culture of diversity, inclusion, and innovation, including training and development programs, performance-based incentives, and a focus on work-life balance.

In order to achieve our objectives, we will be implementing a number of strategic initiatives. Firstly, we will be strengthening our marketing campaigns to reach out to potential customers and increase brand awareness. We will also be evaluating our pricing strategies to ensure they remain competitive in the market. Furthermore, we will be reviewing our operational processes to identify areas for improvement and streamline our operations. Lastly, we will be strengthening our risk management framework to ensure we maintain a strong financial position and mitigate any potential risks. Overall, we are confident that these initiatives will enable us to achieve our goals and drive sustainable growth over the long term.

Our strategy

In the upcoming year, our bank's strategy is focused on achieving continuous growth. We believe that this growth rate is achievable by focusing on customer-centric initiatives, expanding our digital offerings, expanding our customer base, and improving our relationships with our existing customers.

PART 2 THE ORGANIZATIONAL STRUCTURE

2.1. List of shareholders

No	Name of shareholders	Percentage
1	Mr. Oh Sei Young (Korean)	78.57%
2	LVMC Investment Ltd.	11.43%
3	Ms. Thavone Vongsombath	10.00%
	Total:	100.00%

2.2. Board of Directors



Mr. Oh Sei Young
Chairman

Mr. Oh is a prominent and successful businessman in Lao PDR. He is the Founder and Chairman of Kolao Group, which was incorporated in Lao PDR in May 1997.



Mr. Tay Hong Heng
Vice Chairman

Mr. Tay started his banking career in 1976 with Public Bank Bhd, Malaysia. For 20 years he served domestic branches in various states in Malaysia in the capacity of Branch Manager. From 1996 to 2003 (7 years) he was the Country Head of Public Bank Vientiane Branch, Lao PDR. Thereafter up to 2008 (5 years) he was seconded as the General Director to VID Public Bank, Vietnam. Presently he is the Managing Director of Indochina Bank since its inception in 2008.



Mrs. Thavone Vongsombath
Member

Mrs. Thavone Vongsombath is considered one of the most outstanding businesswomen in the country. She started her career right after her university degree in 1999 when she joined Kolao Business as an executive assistant. She has been a major driving force behind the success of many businesses including Kolao Group. Thanks to her strong entrepreneurship and charisma as a leader, she is now holding a position of president at Kolao Group.



Mrs. Chanpheng Vongsombath
Member

Mrs. Chanpheng furthered her study at Levobskaya Engineering Economic Institute, Soviet in 1989. From 1995 to 2002 (7 years) she worked with Public Bank Bhd Vientiane Branch. Ms. Chanpheng joined Kolao as the Head of Finance Department before joining Indochina Bank in September 2008 and presently she is the Deputy Managing Director of the Indochina Bank.



Mr. Jang Woojin
Member

Mr. Jang Woo Jin graduated from Shandong University, China. Holding a Bachelor's Degree in Economics, he has been working in the financial industry since 2013. He was a Chief Financial Officer of a private company in Myanmar for 4 years before moving to Laos where he continued to manage the business of Auto World (Kolao Developing) Co.,Ltd with the position of CFO. He has joined Indochina Bank on 1st Oct 2020 and is now a Strategic Planning Officer of the Bank.



Mr. Bounheng SOUPHIDA
Member

Mr. Bounheng graduated from Flinders University, Australia with a Master's degree in Business Administration. He started off his banking career with Public Bank in 1998 before joining ANZ in 2007 and Indochina Bank in 2014 and presently he is the Deputy Managing Director of the Indochina Bank.



Mrs. Phouvanh Phudphong
Member

Mrs. Phouvanh obtained her diploma in Business Administration from Pakpasak Technical College in 1998. She also completed the CPA course in 2002. She is currently the Director of Vientiane International Co, Ltd.

2.3. Board of Management

Members of the Board of Management during the year and at the date of this report are as follows:

Name	Title	Date of appointment
Ms. Chanpheng Vongsombath	Managing Director	Appointed on 01 January 2022
Mr. Bounheng Souphida	Deputy Managing Director	Appointed on 01 January 2022
Mr. Voradeth Phanphengdy	Deputy Managing Director	Appointed on 01 January 2022
Mr. Jeong Gwang Seok	Deputy Managing Director	Appointed on 01 January 2022
Mr. Jang Woo Jin	Head of Credit Division	Appointed on 01 January 2022
Ms. Khonemala Sitthilath	Head of Risk Management Division	Appointed on 01 January 2022

2.4. Other Committees

1. Governance Committee

Name	Position	Date of Appointment
Ms. Thavone VONGSOMBATH	Chairperson	Appointed on 01 January 2022
Mr. Oh Sei Young	Member	Appointed on 01 January 2022
Ms. Chanpheng Vongsombath	Member	Appointed on 01 January 2022

2. Audit Committee

Name	Position	Date of Appointment
Ms. Phouvanh Phudphong	Chairperson	Appointed on 01 January 2022
Ms. Chanpheng Vongsombath	Member	Appointed on 01 January 2022
Mr. Bounheng Souphida	Member	Appointed on 01 January 2022
Mr. Voradeth Phanphengdy	Member	Appointed on 01 January 2022
Ms. Khonemala Sitthilath	Member	Appointed on 01 January 2022

3. Risk Management Committee

Name	Position	Date of Appointment
Mr. Bounheng Souphida	Chairperson	Appointed on 01 January 2022
Ms. Chanpheng Vongsombath	Member	Appointed on 01 January 2022
Mr. Voradeth Phanphengdy	Member	Appointed on 01 January 2022
Ms. Khonemala Sitthilath	Member	Appointed on 01 January 2022
Ms. Malayphone Saksathith	Member	Appointed on 01 January 2022
Mr. Inpone Bounkhamprasong	Member	Appointed on 01 January 2022
Ms. Phandany Phothisane	Member	Appointed on 01 January 2022

4. Loans Committee

Name	Position	Date of Appointment
Mr. Jang Woo Jin	Chairperson	Appointed on 01 January 2022
Ms. Chanpheng Vongsombath	Member	Appointed on 01 January 2022
Mr. Bounheng Souphida	Member	Appointed on 01 January 2022

5. HR Committee

Name	Position	Date of Appointment
Ms. Hong Phanith	Chairperson	Appointed on 01 January 2022
Ms. Chanpheng Vongsombath	Member	Appointed on 01 January 2022
Mr. Bounheng Souphida	Member	Appointed on 01 January 2022
Mr. Jang Woo Jin	Member	Appointed on 01 January 2022

PART 3 FINANCIAL REPORT

3.1. History of External Auditors

- 2009 and 2010 the Bank was audited by KPMG Lao Co., Ltd
- 2011 to 2017 the Bank was audited by Ernst & Young Lao Ltd
- 2018 to 2022 the Bank was audited by KPMG Lao Co., Ltd

3.2. Audited Financial Reports

INDEPENDENT AUDITORS' REPORT

To: The owners of Indochina Bank Ltd.

Opinion

We have audited the financial statements of Indochina Bank Ltd. (the "Bank"), which comprise the statement of financial position as at 31 December 2022, 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 2022 and its financial performance and cash flows for the year then ended in accordance with the accounting regulations of the Bank of Lao P.D.R and accounting rules in the Lao P.D.R.

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

Emphasis of Matter

We draw attention to Note 3 which describes the effect of prior year accounting adjustments related to the investment in equity instrument designated at FVTPL. The corresponding figures presented herein for comparative purposes are based on the

audited financial statements as at and for the year ended 31 December 2021 and after making the adjustments described in Note 3. Our opinion is not modified in respect of this matter.

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 P.D.R and accounting rules in the Lao P.D.R, 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.

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.

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.



Indochina Bank Ltd.
Statement of financial position
For the year ended 31 December 2022

(in million LAK)

	Note	31 December 2022	2021 (Restated)
Assets			
Cash and balances with the BOL		2.074.758	1.525.887
Cash on hand	11	205.154	98.110
Balances with the BOL	12	1.869.604	1.427.777
Due from other banks	13	268.641	290.206
Demand deposits		268.641	215.206
Term deposits		-	75.000
Investments		1.104.520	524.981
Investment in bonds	14(a)	515.400	-
Investment in associates	14(b)	50.516	25.717
Investment in equity instrument designated at FVTPL	14(c)	538.604	499.264
Loans and advances to customers, net of specific provision	15	9.100.736	5.580.181
Fixed and Intangibles assets		18.932	15.820
Intangible fixed assets	16.1	2.170	584
Construction in progress	16.2	845	3.491
Tangible fixed assets	16.3	15.917	11.745
Right of use assets	17	124.228	121.838
Other assets		763.058	543.431
Accrued interest receivables		167.070	114.185
Other assets	18	595.988	429.246
Total assets		13.454.873	8.602.344
Liabilities, capital and other reserves			
Due to banks and financial institutions	19	177.703	52.492
Demand deposits		10.326	25.842
Term deposits		167.377	26.650
Due to customers	20	12.065.599	7.422.177
Demand and saving deposits		814.460	603.187
Term deposits		10.782.220	6.586.457
Other payables to customers		468.919	232.533
Other liabilities		548.090	423.324
Lease liabilities		30.516	73.646
Accrued interest payable – due to customer		415.764	284.404
Taxes payable	21.1	25	1.254
Other payable	22	101.785	64.020
Total liabilities		12.791.392	7.897.993
Capital and other reserves			
Paid-up capital	23	477.000	453.000
Legal reserve		52.679	52.679
General provision for credit activities	15.2	45.060	26.758
Retained earnings		86.005	171.608
Reserve for expanding business		332	306
Other reserves	24	2.405	-
Total capital and other reserves		663.481	704.351
Total liabilities, capital and other reserves		13.454.873	8.602.344

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

Indochina Bank Ltd.
Statement of financial position
For the year ended 31 December 2022

(in million LAK)

	Note	31 December 2022	2021 (Restated)
Interest and similar income	5	776.331	638.304
Interest and similar expense	5	(672.848)	(567.911)
Net interest and similar income		103.483	70.393
Fees and commission income	6	85.895	45.553
Fees and commission expense	6	(1.208)	(796)
Net fees and commission income		84.687	44.757
NET OPERATING INCOME		188.170	115.150
Net loss on foreign exchange		(179.709)	(35.996)
Other operating income	7	135.901	130.339
Net other (expense)/ income		(43.808)	94.343
Payroll and other staff costs	8	(80.226)	(49.528)
Other administrative expenses	9	(42.672)	(35.921)
Administration expenses		(122.898)	(85.449)
Depreciation and amortization expenses		(9.512)	(11.068)
Other operating expenses	10	(106.237)	(141.030)
TOTAL OPERATING EXPENSES		(238.647)	(237.547)
NET OPERATING LOSS		(94.285)	(28.054)
Provision expense for non-performing loans	15.2	(103.915)	(148.736)
Reversal of provision for non-performing loans	15.2	78.311	148.028
Net provision for non-performing loans		(25.604)	(708)
Share of profit of associates	14(b)	5.428	1.815
Gain from conversion of convertible bonds into equity instrument designated at FVTPL	14(c)	-	187.526
Gain on subsequent measurement of equity instrument designated at FVTPL	14(c)	39.339	30.098
Total gain on investments in equity instrument designated at FVTPL		39.339	217.624
(Loss)/ Profit before tax	21.2	(75.122)	190.677
Income tax		-	-
(Loss)/ Profit after tax		(75.122)	190.677
Other comprehensive income		-	-
Total comprehensive (loss)/ income for the year		(75.122)	190.677

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

Indochina Bank Ltd.

 Statement of changes in capital and other reserve
 For the year ended 31 December 2022

(in million LAK)

	Note	Paid-up capital	Legal Reserve	General provision for credit activities	Retained earnings	Reserve for business expansion	Other reserves	Total
Balance as at 1 January 2021		381.251	33.612	24.009	45.217	-	-	484.089
Capital injection during the year transferred from retained earnings	23	44.035	-	-	(44.035)	-	-	-
Capital injection during the year from shareholders	23	27.714	-	-	-	-	-	27.714
Net profit for the year (restated)	3	-	-	-	190.676	-	-	190.676
Transfer to legal reserve (restated)	3	-	19.067	-	(19.067)	-	-	-
Transfer to business expansion fund		-	-	-	(306)	306	-	-
General provision charged for the year	15.2	-	-	114.140	-	-	-	114.140
General provision reversed for the year	15.2	-	-	(114.376)	-	-	-	(114.376)
Foreign exchange difference		-	-	2.985	-	-	-	2.985
Tax on increasing capital		-	-	-	(877)	-	-	(877)
Balance as at 31 December 2021								
1 January 2022 (restated)		453.000	52.679	26.758	171.608	306	-	704.351
Capital injection during the year from shareholders	23	24.000	-	-	-	-	-	24.000
Net loss for the year		-	-	-	(75.122)	-	-	(75.122)
Transfer to legal reserve		-	-	-	-	-	-	-
Transfer to business expansion fund		-	-	-	(26)	26	-	-
Transfer to other reserves	24	-	-	-	(2.405)	-	2.405	-
General provision charged for the year	15.2	-	-	78.823	-	-	-	78.823
General provision reversed for the year	15.2	-	-	(97.143)	-	-	-	(97.143)
Dividend distributable to shareholders	24	-	-	-	(8.050)	-	-	(8.050)
Foreign exchange difference		-	-	36.622	-	-	-	36.622
Balance as at 31 December 2022		477.000	52.679	45.060	86.005	332	2.405	663.481

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

Indochina Bank Ltd.
Statement of cash flows
For the year ended 31 December 2022

(in million LAK)

	Note	31 December 2022	2021 (Restated)
Cash flows from operating activities			
Net (loss)/profit before tax		(75.122)	190.677
Adjustments for non-cash items:			
Loan impairment charges		7.284	473
Interest and similar income	5	(776.331)	(638.304)
Interest and similar expense	5	672.848	567.911
Net losses from dealing in foreign currencies		179.709	35.996
Depreciation and amortization charges		9.512	11.068
Share of profit from associate	14(b)	(5.428)	(1.815)
Gain from conversion of convertible bonds into equity instrument designated at FVTPL	14(c)	-	(187.526)
Gain on subsequent measurement of equity instrument designation at FVTPL	14(c)	(39.339)	(30.098)
Interest received		723.445	592.881
Interest paid		(541.487)	(516.984)
Income tax paid		(3.000)	(3.762)
Cash flows from operations before changing in operating assets and liabilities		152.091	20.517
Statutory deposit with BOL		(42.334)	(31.672)
Due from other banks		75.000	24.500
Loans and advances to customers		(3.520.556)	(487.813)
Other assets		(156.787)	(128.641)
Change in due to other banks and financial institutions		(53.435)	(230.530)
Amounts due to customers		4.643.423	1.248.423
Other liabilities		(5.366)	64.827
Net cash generated from operating activities		939.945	459.094
Cash flows from investing activities			
Purchase of property, equipment and intangible assets		(5.919)	(7.162)
Acquisition of right of use assets	17	(340)	(19.592)
Proceeds from disposal of property and equipment		-	7
Investment made during the year		(519.400)	-
Net cash used in investing activities		(525.659)	(26.747)
Cash flows from financing activities			
Proceeds from capital injection	23	24.000	27.714
Net cash generated from financing activities		24.000	27.714
Net change in cash and cash equivalents		590.377	480.578
Cash and amount due from other banks, 1 January		1.495.251	1.065.742
Effect of foreign exchange difference		(30.405)	(51.069)
Cash and amount due from other banks, 31 December	25	2.055.223	1.495.251

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

Note	Contents	Note	Contents
1	Organisation and principal activities	15	Loans and advances to customers, net of specific provision
2	Basis of preparation of the financial statements	16	Fixed and intangible assets
3	Effect from accounting adjustments	17	Lease
4	Significant accounting policies	18	Other assets
5	Net interest and similar income	19	Due to banks and financial institutions
6	Net fees and commission income	20	Due to customers
7	Other operating income	21	Taxation
8	Payroll and other staff cost	22	Other payable
9	Other administrative expenses	23	Paid-up capital
10	Other operating expenses	24	Dividend distributable to shareholders
11	Cash on hand	25	Cash and cash equivalents
12	Balances with the Bank of Lao P.D.R (“BOL”)	26	Related party transactions
13	Due from other banks	27	Commitments
14	Investments	28	Events after the reporting date

1 Organization and principal activities

Indochina Bank Ltd. (“the Bank”) is a foreign owned, locally incorporated commercial bank. The Bank was incorporated in Lao People’s Democratic Republic (“Lao P.D.R”) on 26 May 2008 under a Foreign Investment License No.217-11/PI granted by the Ministry of Planning and Investment and under Banking Business License No.53/BOL granted by Bank of LAO P.D.R on 28 November 2008.

The Bank is 78,57% owned by Mr. Oh Sei Young (Korean), 10% owned by Ms. Thavone Vongsombath (Laotian) and the remaining 11,43% owned by LVMC Investment Ltd., a private limited company incorporated in Hong Kong.

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

As at 31 December 2022, the paid-up capital of the bank was LAKm 477.000 (2021: LAKm 453.000).

As at 31 December 2022, the Bank has 244 employees (2021: 217 employees).

2 Basis of preparation of the financial statements

(a) General basis of accounting

(i) Statement of compliance

Management of the Bank states that the accompanying financial statements have been prepared in compliance with the Accounting Law of Lao P.D.R and the regulations stipulated by Bank of the Lao P.D.R relevant to preparation and presentation of financial statements.

(ii) Basis of Preparation

The Bank maintains its accounting records in Lao Kip (“LAK”) and prepares its financial statements in millions of LAK (“LAKm”) in accordance Decree No. 02/PR by the Prime Minister of Lao P.D.R dated 22 March 2000 and the Accounting Law of Lao P.D.R and the regulations stipulated by Bank of Lao P.D.R relevant to preparation and presentation of financial statements.

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 P.D.R's accounting rules, procedures and practices.

(iii) 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.

(iv) 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) Fiscal Year

The fiscal year of the Bank starts on 1 January and end on 31 December.

(c) Foreign currency transactions

The Bank maintains its accounting system and records all transactions in original currencies. Monetary assets and liabilities denominated in foreign currencies at year end are translated into LAK at exchange rates ruling on the balance sheet date foreign exchange differences arising from the translation of monetary assets and liabilities on the balance sheet date are recognized in the statement of comprehensive income.

The applicable exchange rates for the LAK against foreign currencies were as follows:

		31 December 2022	31 December 2021
	United State Dollar ("USD")	17.180,00	10.800,00
	Thai baht ("THB")	498,00	326,20
	Euro ("EUR")	18.194,00	12.503,00

3 Effect from accounting adjustments

During 2022, the Bank discovered that the investment in equity instrument in LVMC Holdings was inappropriate classified and presented under "investment in bonds" as at 31 December 2021 as a result of Management's selection to exercise the convertible option in April 2021 and should be classified as investment in equity instrument designated at fair value to profit or loss ("FVTPL"). Therefore, for the year ended 31 December 2021, the gain from conversion of convertible bonds into equity instrument designated at FVTPL had been understated by LAK 187.526 million, the gain on subsequent measurement of equity instrument designated at FVTPL had been understated by LAK 30.098 million, net gain from foreign currency had been overstated by LAK 42.360 million, income tax expense had been overstated by LAK 3.082 million, retained earning had been understated by LAK160.512 million and legal reserves had been understated by LAK17.834 million. The Bank corrected the impacts by restating each affected line of the financial statements for the year ended 31 December 2021 which are being presented as corresponding figures in these financial statements for the year ended 31 December 2022.

The following table summarises impact of accounting adjustments:

(in million LAK)

	As previously reported	Impact of accounting adjustments	After restatement
Statement of financial position as at 31 December 2021			
Assets			
Investment in bonds	324.000	(324.000)	-
Investment in equity instrument designated at FVTPL	-	499.264	499.264
Other assets	428.246	1.000	429.246
Liabilities			
Taxes Payable	(3.336)	2.082	(1.254)
Capital and other reserves			
Retained earning	(11.096)	(160.512)	(171.608)
Legal reserve	(34.845)	(17.834)	(52.679)
Statement of comprehensive income for the year ended 31 December 2021			
Net(gain)/ loss from foreign currencies	(6.364)	42.360	35.996
Gain from conversion of convertible bonds into equity instrument designated at FVTPL	-	(187.526)	(187.526)
Gain on subsequent measurement of equity instrument designation at FVTPL	-	(30.098)	(30.098)
Income tax expense	(3.082)	3.082	-
Statement of cash flows			
Cash flows from operating activities			
Net profit before tax	(15.412)	(175.265)	(190.677)
Adjustments for non-cash items			
Net (gain)/ loss from dealing in foreign currencies	(6.364)	42.360	35.996
Gain from conversion of convertible bonds into equity instrument designated at FVTPL	-	(187.526)	(187.526)
Gain on subsequent measurement of equity instrument designation at FVTPL	-	(30.098)	(30.098)

4 Significant accounting policies

The significant accounting policies set out below have been applied consistently to all periods presented in these financial statements except as described in Note 3.

(a) Recognition of interest income and expense

Interest income and expense are recognized in the statement of comprehensive income on an accrual basis using the straight-line method and the interest rates stipulated in the lending/deposits contracts with customers.

The recognition of accrued interest income is suspended when the loans becoming non-performing or when management believes that the borrower has no ability to repay the interest and principal. Interest income on such loans is only recorded in the statement of comprehensive income when actually received.

(b) Recognition of fee and commission income

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 in to the statement of

comprehensive income on cash basis.

Fee and commissions are recognized in the statement of comprehensive income on a cash basis.

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

- (i) Loan arrangement fees and commissions on services and facilities extended to customers are recognized on the occurrence of such transactions;
- (ii) 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
- (iii) Service charges and processing fees are recognized when the service is provided.

(c) Cash and cash equivalents

Cash and cash equivalents consist of (i) cash; and (ii) due from banks and highly liquid short-term investments with an original maturity of less than or equivalent to 30 days that are readily convertible to known amount of cash.

(d) Loans to customers

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.

(e) Provision for non-performing loans ("NPL")

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

BOL issued decision No 238/BOL dated 26 March 2020 and additional decision No. 256/BOL date May 13, 2021, the objective of which was to mitigate the adverse impact of COVID-19 on the financial situation of the borrowers.

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.

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 applicable from 1 October 2018

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 Normal 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 Normal or Pass loans, loans classified as Watch List or Special Mention (Group B) are considered as Watch List or Special Mention loans 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 ratios of collateral benefits allowed under BOL 512 are as follows;

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 specific provision are recorded to the statement of comprehensive income as “Net specific provision charges”. Accumulated specific provision reserve is recorded in the statement of financial position in “Loans and advances to customers, net of specific provision”.

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 statement of changes in capital and other reserves.

(f) 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 statement of comprehensive income upon receipt.

(g) 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 4(e).

(h) Held-to-maturity securities

Held-to-maturity securities are debt securities with fixed or determinable payments and maturities, which the Bank has intention and ability to hold to maturity to earn interest. When they are sold before maturity date, these securities will be reclassified as trading securities or available-for-sale securities.

Held-to-maturity securities are initially recognized at cost and subsequently presented at cost. Premiums and discounts arising from securities purchases are amortized in the statement of comprehensive income using the straight-line method over the period from the acquisition dates to the maturity dates.

Convertible bonds are initially recognized at cost and subsequently presented at cost. The interest income on convertible bonds is recognized in the statement of comprehensive income on the accrual basis using straight-line method using the coupon rate stipulated in the bond purchase agreement. Gain (loss) from conversion to equity instruments is recognised in the statement of comprehensive income.

Periodically, the held-to-maturity securities are subject to review for impairment. Provision for impairment of these securities is made when there has been a significant or prolonged decline in the fair value below their cost. Provision for impairment, if any, is recognized as “Net gain/ (loss) from securities investment” in the statement of comprehensive income.

(i) Financial instruments: Equity investment

Investments in equity instruments are classified as measured at fair value through profit or loss.

(j) Investment in associates

An associate is an entity over which the investor has significant influence but does not have control over the financial and operating policies.

If an entity holds, directly or indirectly (for example through subsidiaries), 20 percent or more of the voting power of the investee, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case.

These financial statements include the bank's share of total recognized gains and losses of associates on equity accounting basis, from the date when significant influence commenced.

(k) Fixed and Intangible assets

Fixed assets include of tangible and intangible fixed assets. Tangible fixed assets consist of buildings and improvements, office equipment, furniture and fixtures, and motor vehicles. Intangible fixed assets consist of computer software

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

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

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

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

(l) Depreciation and amortization of fixed assets and intangible

Depreciation and amortization of fixed assets are provided on the straight-line basis at prescribed rates over their estimated useful life in accordance with the Income Tax Law No. 69/ NA dated 18 June 2019, which was effective on or after 1 January 2020, as stipulated by the President of the National Assembly.

The following are the annual depreciation and amortization rates used:

Category	Depreciation rates
Computer software	20%
Office equipment	20%
Furniture and fixtures	20%
Motor vehicles	20%

(m) Legal Reserves

Under the requirement of the Law on Commercial Bank No.56/ dated 7 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. The Bank can stop reserving when the legal reserve has reached up to 50 percentage of Registered Capital.

(m) Taxation

Provision is made for profit tax on the current year's profit, based on the Tax Law governing taxation within Lao P.D.R. The Bank is obliged to pay tax at rate of 20% of total profit before tax in accordance with the Tax Law No.67/NA dated 18 June 2019. The Bank's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations in many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

(n) Employee benefit

Staff provident fund

Benefits are paid to long-serving employees of the Bank by staff provident fund setup by the Bank. Each month, the Bank contributes 6% and each employee contributes 4% of the employee's monthly basic salary into the fund (maximum Bank's monthly contribution per employee is 500 USD). The benefit is available to each employee in full amount after surpassing a ten (10) year mandatory period or each employee's total contribution plus interest earned in his/ her account if the employee resigns before the mandatory period. The Bank has no further obligation concerning post-employment benefits for its employees other than this.

Termination benefits

In accordance with Article 82 of the Amended Labour Law No. 43/NA approved by the President of the Lao People's

Democratic Republic on 28 January 2014, the Bank has the obligation to pay allowance for employees who are terminated by dismissal in the following cases:

- The employee lacks specialised skills or is not in good health and thus cannot continue to work;
- The employer considers it necessary to reduce the number of workers in order to improve the work within the labour unit.

For the termination of an employment contract on any of the above-mentioned grounds, the employer must pay a termination allowance which is calculated on the basis of 10% of the basic monthly salary earned before the termination of work. As at 31 December 2022, no employees of the Bank were dismissed under the above-mentioned grounds; therefore, the Bank has not made a provision for termination allowance in the financial statements.

(o) 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.

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.

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 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 rate of term deposit to customer 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.

5 Net interest and similar income

(in million LAK)

	31 December 2022	2021
Interest and similar income from:		
Interbank transactions	14.050	117.899
Loans to customers	736.511	511.193
Investment in securities	25.770	9.212
	776.331	638.304
Interest and similar expense for:		
Interbank transactions	(3.629)	(113.048)
Customer deposits	(669.219)	(454.863)
	(672.848)	(567.911)
Net interest and similar income	103.483	70.393

6 Net fees and commission income

(in million LAK)

	31 December 2022	2021
Fees and commission income from		
Fees on loans	5.145	2.878
Late payment penalties charged to customers	13.134	24.197
Telecommunication (fax, telegram)	2.453	1.497
Financial services	61.559	14.941
Other activities	3.604	2.040
	85.895	45.553
Fees and commission expense for		
Settlement services via check, fax, TT, SWIFT	(593)	(359)
Other financial services	(615)	(437)
	(1.208)	(796)
Net fees and commission income	84.687	44.757

7 Other operating income

(in million LAK)

	31 December 2022	2021
Reversal of general provision for credit losses (Note 15.2)	97.143	114.376
Others	38.758	15.963
	135.901	130.339

8 Payroll and other staff costs

(in million LAK)

	31 December 2022	2021
Wages and salaries	42.294	30.081
Other staff cost	37.932	19.447
	80.226	49.528

9 Other administrative expenses

(in million LAK)

	31 December 2022	2021
Office rental	4.140	4.107
Fuel	1.425	923
Office stationery	2.108	893
Advertisement expense	1.384	537
Post and telecommunications	1.501	1.316
Maintenance and repair	6.531	4.581
Electricity and water supply	1.196	1.187
Professional services fee	3.930	1.973
Insurance fees	960	1.047
Subsidiaries' commissions	2.880	2.025
Interest expense for lease	1.858	4.723
Others	14.759	12.609
	42.672	35.921

10 Other operating expenses

(in million LAK)

	31 December 2022	2021
General provision expenses (Note 15.2)	78.823	114.140
Depositor protection fund	9.168	7.049
Others	18.246	19.841
	106.237	141.030

11 Cash on hand

(in million LAK)

	31 December 2022	2021
Cash on hand in LAK	42.906	29.011
Cash on hand in foreign currencies ("FC")	162.248	69.099
	205.154	98.110

12 Balances with the Bank of Lao P.D.R ("BOL")

(in million LAK)

	31 December 2022	2021
Demand deposits	1.581.428	1.181.935
Compulsory reserves (*)	288.134	173.800
Registered capital deposit	42	72.042
	1.869.604	1.427.777

Balances with the BOL include demand deposits, compulsory reserves and registered capital deposit. 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 5,00% for LAK and 5,00% for foreign currencies (2021: 3,00% and 5,00%), on a bi-monthly basis, of customer deposits having original maturities of less than 12 months. In the year, the Bank maintained its compulsory deposits in compliance with the requirements by the BOL. These percentages were revised by BOL through the letter 375/BOL dated 17 May 2022.

13 Due from other banks

(in million LAK)

	31 December 2022	2021
Demand deposits	268.641	215.206
With domestic banks	72.301	188.044
Banque pour le Commerce Extérieur Lao Public(BCEL)	71.445	187.432
Joint Development Bank (JDB)	856	612
With overseas banks	196.340	27.162
Standard Chartered Bank, New York	114.056	14.890
Standard Chartered Bank, Bangkok	4.009	1.083
Standard Chartered Bank, Frankfurt	311	34
KB Kookmin Bank, Korea	9.272	3.467
Kasikorn Bank Public Company Limited, Bangkok	68.692	7.688
Term deposits	-	75.000
Vietinbank Lao Limited	-	20.000
Maruhan Japan Bank Lao Co., Ltd.	-	35.000
Military Commercial Joint Stock Bank	-	20.000
	268.641	290.206

14 Investments**14(a) Investment in bonds**

(in million LAK)

	31 December 2022	2021(Restated)
Convertible bonds	515.400	-

In April 2022, the Bank entered into an agreement to purchase convertible bonds of USD 30 million from LVMC Holdings, a company incorporated under the jurisdictions of Cayman Islands and listed on the Korean Stock Exchange. These bonds have term of 5 years and pays coupon semiannually at a rate of 2,00% p.a. The Bank shall have the right to demand conversion for the full amount of face value of the bond certificate subject to the following conditions:

-	Type of shares :	Registered common ordinary shares of LVMC Holdings
-	Conversion ratio :	100%
-	Conversion price :	KRW 3.391 per share

14(b) Investment in associates

	Number of shares 31 December 2022 (share)	2021	Shareholding percentage 31 December 2022 (%)	2021	Investment cost 31 December 2022 (in million LAK)	2021	Carrying value 31 December 2022 (in million LAK)	2021
KB Daehan Specialized Bank (i)	1.875.000	1.875.000	4,30	4,30	32.213	20.250	46.872	25.717
KokKok M Co., Ltd. (ii)	80.000	-	20,00	-	4.000	-	3.644	-
					36.213	20.250	50.516	25.717

Movement of investment in associates

(in million LAK)

	31 December 2022	2021
Balance as at 1 January	25.717	20.519
Investment made during the year	4.000	-
Share of profit up to 31 December	5.428	1.815
	35.145	22.334
Foreign exchange translation	15.371	3.383
Closing balance as at 31 December	50.516	25.717

14 (c) Investment in equity instrument designated at FVTPL

	Number of shares 31 December 2022 (share)	2021	Shareholding percentage 31 December 2022 (%)	2021	Investment cost 31 December 2022 (in million LAK)	2021 (Restated)	Carrying value 31 December 2022 (in million LAK)	2021 (Restated)
LVMC Holdings	15.106.708	15.106.708	15,19	15,19	469.166	469.166	538.604	499.264

In 2018, the Bank entered into an agreement to purchase convertible bonds of USD 30.000.000 from LVMC Holdings, a company incorporated under the jurisdictions of Cayman Islands and listed on the Korean Stock Exchange. These convertible bonds matured in 2021 and were converted into LVMC's common shares. The Bank uses closing price of the stock as at the last business day of the year to determine fair value of the investments and recorded subsequent change in fair value in profit or loss.

Movement of investment in equity instrument designated at FVTPL

(in million LAK)

	31 December 2022	2021
Balance as at 1 January	499.264	-
Investment in equity instrument converted from convertible bonds	-	469.166
Subsequent change in fair value of investment	39.340	30.098
Carrying value of investment	538.604	499.264

Upon the conversion of convertible bond dated 13 April 2021, the Bank realised a gain of LAK 187.526 million from measuring the fair value of converted common shares. This amount of gain was recognised into the Bank's statement of profit or loss for the year ended 31 December 2021.

15 Loans and advances to customers, net of specific provision**15.1 Loans to customers**

(in million LAK)

	31 December 2022	2021
Loans to customers	9.104.228	5.610.261
Less provision for non-performing loans (Note 15.2)	(3.492)	(30.080)
	9.100.736	5.580.181

Lending interest rates per annum as at the year-end were as follows:

(in million LAK)

	31 December 2022	2021
LAK	5,00%-14,00%	4,68%-13,00%
USD	4,00%-24,00%	4,00%-24,12%
THB	6,00%-12,00%	6,00%-12,00%

Loan to customers classified by currency:

(in million LAK)

	31 December 2022	2021
LAK	1.441.990	1.294.592
USD	6.531.285	3.731.478
THB	1.130.953	584.191
	9.104.228	5.610.261

Loan to customers classified by performance:

(in million LAK)

	31 December 2022	2021
Performing	9.033.741	5.351.599
- Normal or Pass	62.383	178.019
- Watch or Special Mention		
Non- Performing	8.104	51.938
- Substandard	-	28.705
- Doubtful	9.104.228	5.610.261

15.2 Provision for credit activities**(i) Specific provision for credit activities**

(in million LAK)

	31 December 2022	2021
Balance as at the beginning of the year	30.080	34.771
Provision made in the year	103.915	148.736
Reversal of provision in the year	(78.311)	(148.028)
Bad debt written off	(7.089)	(2.310)
Foreign exchange translation	(45.103)	(3.089)
Balance as at the of the year	3.492	30.080

(ii) General provision for credit activities

(in million LAK)

	31 December 2022	2021
Balance as at the beginning of the year	26.758	24.009
Provision made in the year (Note 10)	78.823	114.140
Reversal of provision in the year (Note 7)	(97.143)	(114.376)
Foreign exchange translation	36.622	2.985
Balance as at the end of the year	45.060	26.758

16 Fixed and intangible assets

(in million LAK)

	31 December 2022	2021
Intangible fixed assets (Note 16.1)	2.170	584
Construction in progress (Note 16.2)	845	3.491
Tangible fixed assets (Note 16.3)	15.917	11.745
Total	18.932	15.820

16.1 Intangible fixed assets

(in million LAK)

	31 December 2022	2021
Cost		
As at 1 January	17.292	17.373
Additions made during the year	2.212	389
Write-off	-	(470)
As at 31 December	19.504	17.292
Amortization for the year		
As at 1 January	16.708	16.944
Amortization charged for the year	626	234
Write-off	-	(470)
As at 31 December	17.334	16.708
Net book value		
As at 1 January	584	429
As at December	2.170	584

16.2 Construction in progress

(in million LAK)

	31 December 2022	2021
Opening balance	3.491	41
Movement during the year, in which:		
- Increased during the year	2.926	5.641
- Transferred to fixed assets	(5.572)	(2.191)
Closing balance	845	3.491

16.3 Tangible fixed assets

Movements of tangible fixed assets for the year ended 31 December 2022 are as follows:

(in million LAK)

	Office equipment	Furniture & fixtures	Motor vehicles	Land	Total
Cost					
At 1 January 2022	30.679	31.396	1.048	2.536	65.659
Transfers	2.913	1.733	926	-	5.572
Additions	556	225	-	-	781
Write-off	(101)	-	-	-	(101)
At 31 December 2022	34.047	33.354	1.974	2.536	71.911
Accumulated depreciation					
At 1 January 2022	25.048	28.371	495	-	53.914
Charge for the year	1.535	360	286	-	2.181
Write-off	(101)	-	-	-	(101)
At 31 December 2022	26.482	28.731	781	-	55.994
Net book value					
At 1 January 2022	5.631	3.025	553	2.536	11.745
At 31 December 2022	7.565	4.623	1.193	2.536	15.917

16.3 Tangible fixed assets (continued)

Movements of tangible fixed assets for the year ended 31 December 2021 are as follows:

(in million LAK)

	Office equipment	Furniture & fixtures	Motor vehicles	Land	Total
Cost					
At 1 January 2021	30.204	31.265	1.055	-	62.524
Transfers	560	131	-	1.500	2.191
Additions	97	-	-	1.036	1.133
Write-off	(182)	-	-	-	(182)
Disposals	-	-	(7)	-	(7)
At 31 December 2021	30.679	31.396	1.048	2.536	65.659
Accumulated depreciation					
At 1 January 2021	22.350	27.238	313	-	49.901
Charge for the year	2.808	1.133	189	-	4.130
Write-off	(110)	-	-	-	(110)
Disposals	-	-	(7)	-	(7)
At 31 December 2021	25.048	28.371	495	-	53.914
Net book value					
At 1 January 2021	7.854	4.027	742	-	12.623
At 31 December 2021	5.631	3.025	553	2.536	11.745

17 Lease

(i) Right-of-Use Assets

(in million LAK)

	31 December 2022	2021
Cost	142.463	123.023
As at 1 January	340	19.592
Additions made during the year	-	(152)
Write-off	(181)	-
Other adjustments	142.622	142.463
As at 31 December		
Depreciation for the year		
As at 1 January	20.625	14.002
Charge for the year	6.705	6.704
Write-off	-	(81)
Other adjustments	(8.936)	-
As at 31 December	18.394	20.625
Net book value		
As at 1 January	121.838	109.021
As at 31 December	124.228	121.838

(ii) Amount recognized in profit or loss

(in million LAK)

	31 December 2022	2021
Interest on lease liability	1.858	4.723
Depreciation charge for the year	6.705	6.704
Total	8.563	11.427

18 Other assets

(in million LAK)

	31 December 2022	2021(Restated)
Rental deposits	55.360	32.650
Prepayments	54.846	87.788
Prepaid interests	83.943	41.034
Income tax receivable	10.955	1.000
Other receivables	390.884	266.774
	595.988	429.246

19 Due to banks and financial institutions

(in million LAK)

	31 December 2022	2021
Term and Demand deposits		
VietinBank Lao Limited	103.080	-
First Commercial Bank Limited, Vientiane Bank	17.180	-
Maruhan Japan Bank Lao Co., Ltd.	-	21.600
Allianz General Laos	-	1.624
Canadia Bank Lao	6	4
National Social Security Fund Office	6.449	3.000
Prudential Life Assurance (Lao) Co., Ltd.	11	9
Dhipaya Insurance	139	333
Lanexang insurance	16	324
Krungsi Leasing Laos	289	16.925
Kolao Developing Co., Ltd	525	546
Langxang Leasing Co., Ltd	3.643	748
KLD Computer Co. Ltd	-	260
Khamphat Money Exchange	-	26
KB Kolao Leasing Co., Ltd	112	29
Lao-Viet Insurance	23	110
Vanhphone Money Exchange	-	9
Thanasup Leasing Co.,Ltd	1	2
DGB Lao Leasing Co.,Ltd	3.884	6.225
Sengari Micro Leasing Co.,Ltd	-	3
Lao Mobile Money sole Company Limited	1.536	715
BCEL-KT Securities Co. LTD	20.725	-
Banque Pour le Commerce Extérieur Lao Public (BCEL)	20.000	-
KokKok Solutions Co.,Ltd	5	-
Sokxay Insurance Sole Company	79	-
	177.703	52.492

Term deposits from other banks have terms ranging from 3 months to 36 months (2021: 6 months to 48 months) and bear interest at rate of 4,50% to 7,25% per annum for LAK (2021: 6,80%) and 2,85% to 4,30% per annum for USD (2021: 3,35% to 5,50%).

20 Due to customers

(in million LAK)

	31 December 2022	2021
Demand deposits	118.609	66.626
Demand deposits in LAK	31.368	18.943
Demand deposits in FC	87.241	47.683
Saving deposits	695.851	536.561
Saving deposits in LAK	149.909	127.256
Saving deposits in FC	545.942	409.305
Fixed term deposits	10.782.220	6.586.457
Fixed term deposits in LAK	1.302.460	1.372.912
Fixed term deposits in FC	9.479.760	5.213.545
Other payables to customers	468.919	232.533
	12.065.599	7.422.177

Classified by interest rates (per annum)

(in million LAK)

	31 December 2022	2021
Demand deposits in LAK	No interest	No interest
Demand deposits in FC	No interest	No interest
Saving deposits in LAK	1,25%-5,00%	1,89%-4,00%
Saving deposits in USD	1,25%-4,00%	1,25%-4,25%
Saving deposits in THB	1,75%-4,00%	1,25%-2,00%
Fixed term deposits in LAK	3,50%-10,00%	3,45%-7,50%
Fixed term deposits in USD	2,00%-8,55%	2,95%-7,00%
Fixed term deposits in THB	2,00%-8,50%	2,35%-5,00%

21 Taxation**21.1 Taxes payable**

(in million LAK)

	31 December 2022	2021(Restated)
Personal income tax payable	25	1.254

21.2 Income tax

Details of income tax for the years 2022 and 2021 are as follows:

Income tax recognised in statement of comprehensive income

(in million LAK)

	31 December 2022	2021(Restated)
Current tax expense	-	-

Reconciliation of effective tax rate

LAKm

	2022 Rate (%)	2021 (Restated) Rate (%)
(Loss)/ Profit before tax		
Adjusted for significant non-taxable income:		
- Share of profit from associates		
- Gain from investment in equity instrument designated at FVTPL		
Taxable loss		
Income tax using the corporation tax rate	20	20

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

The Bank will calculate income tax relating to realised gain/ (loss) from investment in equity instrument in the period of actual disposal.

22 Other payable

(in million LAK)

	31 December 2022	2021
External accounts payable	21.524	13.558
Internal accounts payable	7.630	122
Conversion of foreign currencies	36.499	27.213
Doubtful interest payable	15.177	8.282
Payables to staffs	701	946
Other payables	20.254	13.899
	101.785	64.020

23 Paid-up capital

According to article 12 of amended Law on Commercial Bank No. 56/NA dated 07 December 2018, the commercial bank is required minimum capital amounting to LAK 500 billion, and the commercial bank must inject the additional capital not less than 20% each year completely within 5 years commencing from September 2019.

There was no increase in capital during the fiscal year 2019-2020, which was approved by the Bank of Lao PDR, the Bank has obtained extension from the Bank of Lao PDR for the implementation of requirement of Law on Commercial Bank via letter no 53/BSD dated 27 January 2020 and 17/BSD dated 7 January 2021 to extend the increasing of registered capital within 2021.

For the year 2021, the bank has been approved from the Bank of Lao PDR via letter no. 705/BSD dated 13 December 2021 to increase its capital amount LAK 71,748 million by transferring the amount LAK 44,034 million from retained earnings and additional injection LAK 27,714 million from shareholders.

For the year 2022, the Bank has been approved by the Bank of Lao PDR via letter no. 790/BSD dated 31 October 2022 to increase its capital by injecting additional capital of LAK 24.000 million from shareholders.

As at 31 December 2022, the paid-up capital of the bank was LAKm 477.000 (2021: LAKm 453.000). The Bank needs to inject LAK 23 billion in addition to its current amount of capital by September 2024 in order to meet the minimum required capital of LAK 500 billion.

24 Dividend distributable to shareholders

(in million LAK)

	31 December 2022
Net profit for the year ended 31 December 2021 before restatement	12.330
Less: Regulation reserved for the year ended 31 December 2021 before restatement	(1.233)
Less: Provision for tax finalization	(616)
Less: Reserve for business expansion in 2022	(26)
Amount available to shareholders	10.455
- In which:	
Dividend distributable to shareholders	8.050
Other reserves	2.405

25 Cash and cash equivalents

(in million LAK)

	31 December 2022	2021
Cash on hand	205.154	98.110
Current accounts with BOL	1.581.428	1.181.935
Current accounts with other banks	268.641	215.206
	2.055.223	1.495.251

26 Related party transactions

Transactions with key management personnel of the Bank:

Remuneration to members of the Board of Management and Board of Directors is as follows:

(in million LAK)

	31 December 2022	2021
Within 1 year	27.664	21.367
- In which: commitment to invest in a joint-venture (*)	1.472	1.727
From 1 to less than 5 years	29.136	23.094

27 Commitments

(in million LAK)

	31 December 2022	2021
Cash on hand	9.587	12.819
Current accounts with BOL	2.000	-
Current accounts with other banks	46.739	16.437
	56.326	29.256

(*) On 12 April 2022, the Bank signed a joint venture with Lanexang Holdings Sole., Ltd. to establish KokKok Solutions Co., Ltd., a company incorporated in the Lao PDR. By entering the joint venture contract, the Bank committed to contribute LAK 2 billion as paid-in capital to the joint-venture Company.

28 Events after the reporting date

As of 20 January 2023, the Bank invested LAK 2 billion in the form of a Joint Venture with Lanexang Holdings Sole., Ltd. to acquire 20% holding in KokKok Solutions Co., Ltd., a company incorporated in the Lao PDR. The Company's primary business is to provide various fintech services in the Lao PDR.

On 28 March 2023, KB Daehan Specialized Bank announced a dividend payout of USD 1,5 million to shareholders based on its performance in the fiscal year 2022. As at the auditors' report date, the dividend payout is in the process of obtaining approval from the National Bank of Cambodia. The Bank expects to receive a dividend amount of USD 64.350 (equivalent to LAK 1.145 million as at 31 December 2022) once the process is approved.

On 3 April 2023, LVMC Holdings increased its capital by USD 5.875.000 (from USD 24.863.824 to USD 30.738.824) by issuing 23.500.000 new common shares to existing shareholders. Since the Bank did not subscribe to the new share issuance, the Bank's shareholding percentage reduced from 15,19% to 12,33%. On 5 April 2023, LVMC Holdings increased its capital by USD 12.158.279 (from USD 30.738.824 to USD 42.897.103) by issuing 48.633.114 bonus shares and allocate those shares to existing shareholders. As a result, number of LVMC shares held by the Bank increased by 6.042.683 shares, from 15.106.708 shares to 21.149.391 shares, while shareholding percentage remained unchanged at 12,33% as of the same date.

Other than those disclosed elsewhere in these financial statements, at the date of this report, there were no events, which occurred subsequent to 31 December 2022 that significantly impacted the financial position as at 31 December 2022.

PART 4

BUSINESS UNIT NETWORK

4.1. Map of all Branches and Service Units within country



4.2. Location of the Branches and Service Units

1. Vientiane Capital



Main Branch

Address: Kolao Tower I,
23 Singha Road, P.O.Box 6029,
Phone: (+856-21) 455 000
Fax: (+856-21) 455 111



Auto City Service Unit

Address: Asean Road, Ban Nakham,
Sikhottabong District,
Phone: (+856 21) 455 000-209
Fax: (+856-21) 520 705



Xaymoungkhoun Service Unit

Address: Ban Xaymoungkhoun, Road
No. 13 North, Naxaithong District
Phone: (+856-21) 612471-2
Fax: (+856-21) 612 473



Taladlao Service Unit

450 Years Road, Saphangmuek Village,
Xaythany District,
Phone: (+856 21) 455 000-298-9

Location of the Branches and Service Units



Champasack Province Pakse Branch

Address: Ban Phonekhong, Pakse,
Phone: (+856-31) 260 300-4, Fax: (+856-31) 260 305



Savannakhet Province Savannakhet Branch

Address: Huameuangtai Village, Kaysone Phomvihane District,
Phone:(+856-41) 250 000-4 Fax: (+856 41) 250 005



Luang Namtha Province Luang Namtha Service Unit

Address: Phonxay Village, Luang Namtha District,
Phone: (+856-86) 212 256-7, Fax: (+856-86) 212 258



Xiengkhuang Province Xiengkhuang Service Unit

Address:Xaysana Road, Ban Theun, Paek District,
Phone: (+856-61) 313 000-1, Fax: (+856 61) 313 002



Khammouan Province Thakhek Service Unit

Address: Vientiane Rd, Ban Nabong, Thakhek District,
Phone: (+856-51) 215 030-1



Bolikhamxay Province Paksan Service Unit

Address: 13 South Road, Sivilay Village, Paksan District,
Phone: (+856-54) 212 401-2



Luangphabang Province Luangphabang Service Unit

Address: Phouvao Road, Ban Pongkham, Luangphabang District,
Phone: (+856-71) 215 000-1, Fax: (+856-71) 215 002



Oudomxay Province Oudomxay Service Unit

Northern Highway No. 13, Ban Navanny, Xay District,
Phone: (+856-81) 260 023-5, Fax: (+856-81) 260 026

PART 5 EVENTS

GRAND OPENING TALADLAO SERVICE UNIT



VIP APPRECIATION DINNER





THAT LUANG FESTIVAL



ANNUAL HEALTH CHECK



GIVE BLOOD, SAVE LIFE



RIDE TO WORK



THE 9TH FEB RECRUITMENT DAY



IB CUSTOMER LOYALTY PROGRAM



LAO NEW YEAR



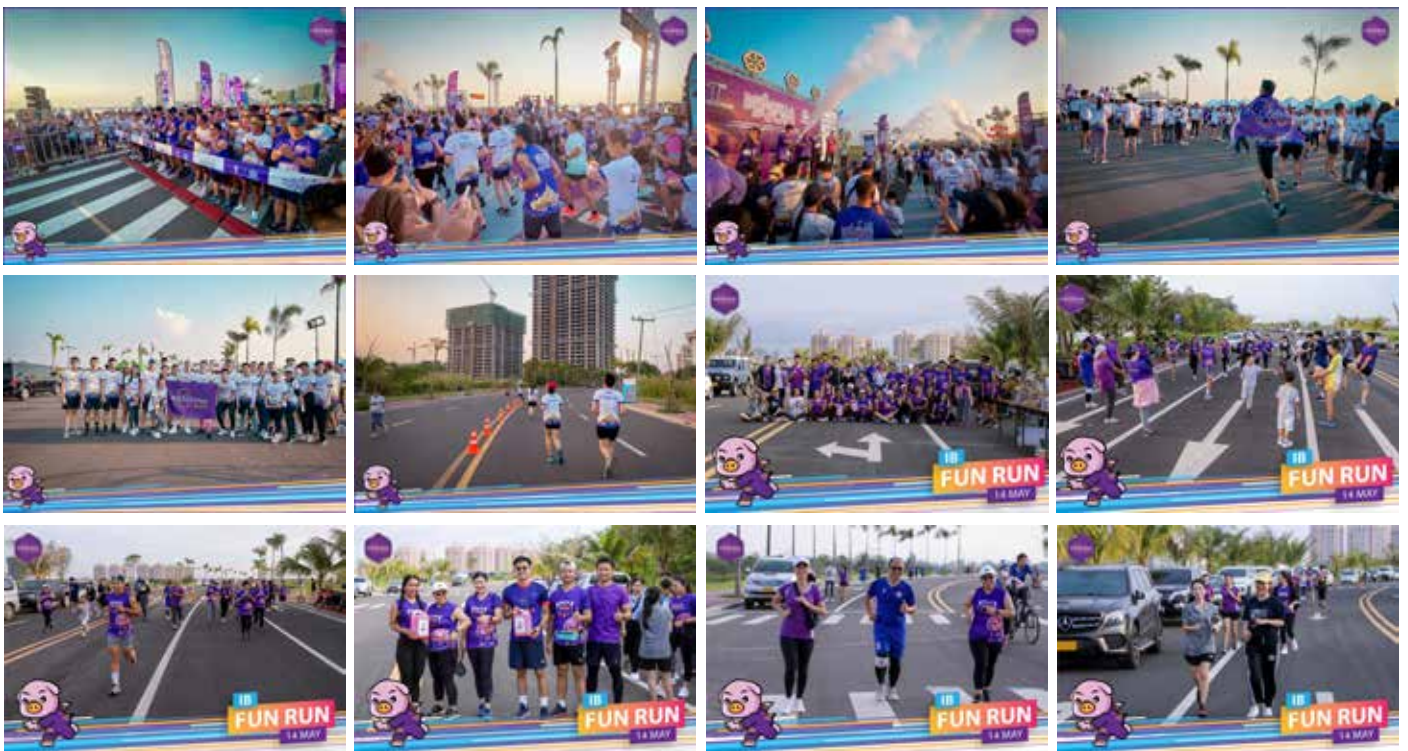
CHINESE NEW YEAR



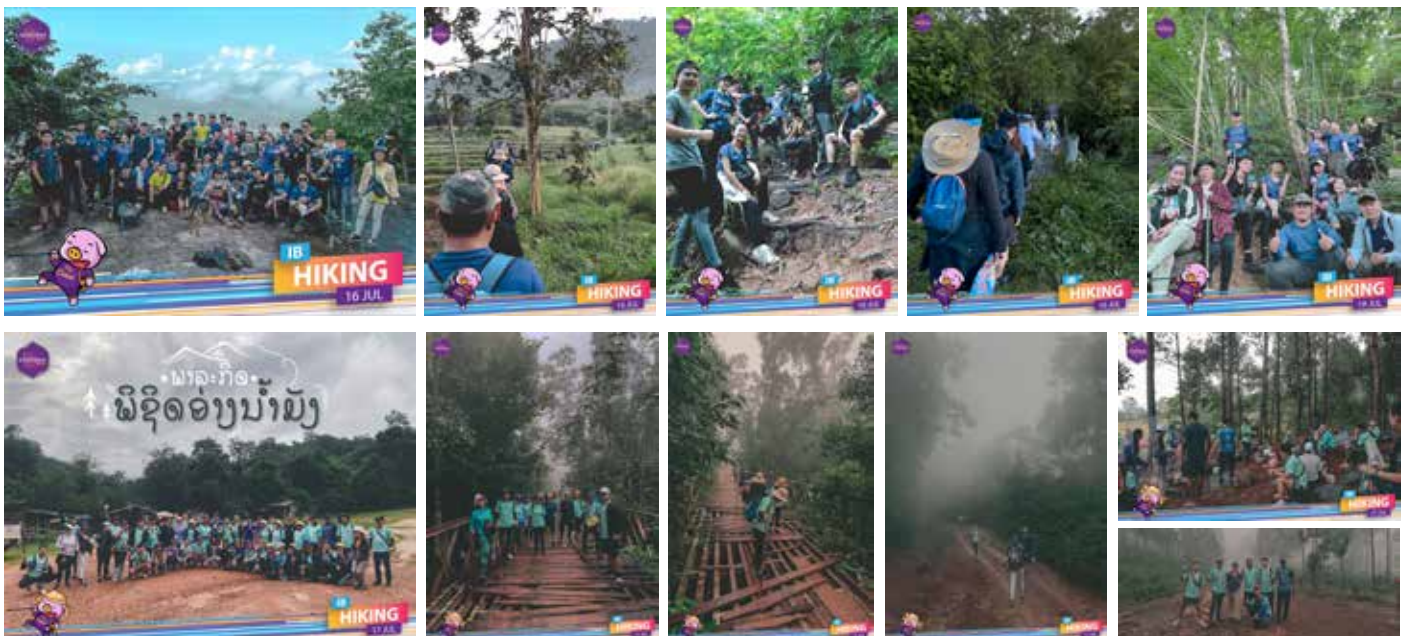
IB SPORTS ACTIVITY



IB SPORTS ACTIVITY - FUN RUN



IB SPORTS ACTIVITY - HIKING





ກວດ ໂອນ ຈ່າຍ

ຄົບຈົບໃນແອັບດຽວ

CHECK, PAY, TRANSFER, ALL IN IB COOL



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