

Canadia Bank Lao Limited

Financial Statements

For the year ended 31 December 2024

Canadia Bank Lao Limited

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Canadia Bank Lao Limited

GENERAL INFORMATION

THE BANK

Canadia Bank Lao Limited (the “Bank”), a subsidiary of Canadia Bank Plc, was established in Lao People’s Democratic Republic (“Lao PDR”). The Bank operates under Banking License No. 28/BOL granted by Bank of the Lao PDR (“the BOL”) on 14 August 2015. The bank also operates under the latest Business license No. 1970/ERO issued by Ministry of industry on 06 June 2024.

The initial registered capital of the Bank is LAK 300,000,000,000. The actual paid-up capital as at 31 December 2024 is LAK 680,810,000,000 (31 December 2023: LAK 472,710,000,000).

The principal activities of the Bank are to provide comprehensive banking and related financial services.

The Bank is located at Pangkham Road, Xiengyeun Village, Chanthabouly District, Vientiane Capital, Lao PDR.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

| <i>Name</i> | <i>Title</i> | <i>Date of appointment</i> |
|---------------------------|----------------------|-------------------------------|
| Dr. Pung Kheav Se | Chairman | Appointed on 21 March 2014 |
| Mr. Vann Charles Chuon | Vice chairman | Appointed on 21 March 2014 |
| Mr. Lee Hong | Independent Director | Appointed on 1 September 2015 |
| Mr. Xaythong Phomphithack | Independent Director | Resigned on 17 July 2024 |
| Mr. Ou Sophanarith | Member | Appointed on 21 March 2014 |
| Ms. Song Khenglay | Member | Appointed on 21 March 2014 |

MANAGEMENT

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

| <i>Name</i> | <i>Title</i> | <i>Date of appointment</i> |
|------------------|-------------------------|-----------------------------|
| Mr. Buth Ang | Chief Executive Officer | Appointed on 6 June 2015 |
| Mr. Im Sovanrith | Chief Financial Officer | Appointed on 1 January 2020 |

LEGAL REPRESENTATIVE

The legal representative of the Bank during the the year and at the date of this report is Mr. Buth Ang – Chief Executive Officer.

AUDITORS

The auditor of the Bank is Ernst & Young Lao Co., Ltd.

Canada Bank Lao Limited

REPORT OF MANAGEMENT

Management of Canada Bank Lao Ltd ("the Bank") is pleased to present its report and the Bank's financial statements as at and for the year ended 31 December 2024.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

Management is responsible for the financial statements of each financial year which are prepared in all material respects, in accordance with the Accounting Law of Lao PDR and with the regulations stipulated by Bank of the Lao PDR and relevant to preparation of financial statements. In preparing these financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Bank will continue its business.

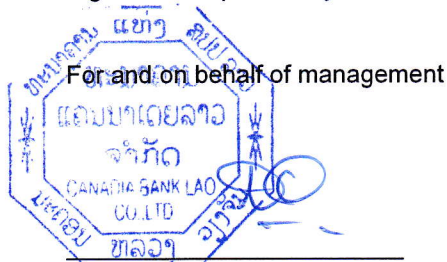
Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Bank and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the Accounting Law of the Lao PDR and the regulations stipulated by Bank of the Lao PDR relevant to preparation of financial statements.

For and on behalf of management



The stamp is a blue circular seal. The outer ring contains the text 'ທະນາຄານ ແຫ່ງ ສາທາລະນະລາວ' at the top and 'ທະນາຄານ ສາທາລະນະລາວ' at the bottom. The inner circle contains the text 'ແຄນນາເບຍລາວ' at the top, 'ຈຳກັດ' in the middle, and 'CANADIA BANK LAO CO., LTD.' at the bottom. A blue ink signature is written across the center of the stamp.

Mr. Buth Ang
Chief Executive Officer

Vientiane, Lao PDR

28 March 2025

Reference: 12833639/68742638-LAS

INDEPENDENT AUDITORS' REPORT

To: The Board of Directors of Canada Bank Lao Limited

Opinion

We have audited the financial statements of Canada Bank Lao Limited ("the Bank"), which comprise the statement of financial position as at 31 December 2024, the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Bank are prepared, in all material respects, in accordance with the Accounting Law of the Lao PDR and the regulations stipulated by Bank of the Lao PDR relevant to preparation of financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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) and the ethical requirements that are relevant to our audit of the financial statements in Lao PDR, and we have fulfilled our other ethical responsibilities in accordance 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 Matters

We draw attention to Note 2 to the financial statements, which describes the accounting policies adopted by the Bank. These accounting policies are not intended to present the financial position, the results of operations and cash flows of the Bank in accordance with international generally accepted accounting principles.

Our opinion is not modified in respect of this matter.

Responsibilities of the Bank's Management for the Financial Statements

The Bank's management is responsible for the preparation of the financial statements in accordance with the Accounting Law of Lao PDR and the regulations stipulated by Bank of the Lao PDR relevant to preparation and presentation of financial statements, and for such internal control as management determines is necessary to enable the preparation of the 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

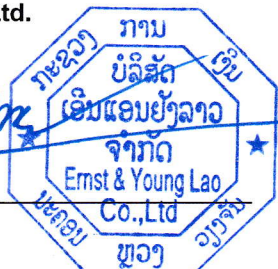

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA 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 ISA, 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.
- ▶ 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 appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with those charged with governance 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.

Ernst & Young Lao Co., Ltd.



Van Le
Partner
Audit Practising Registration
Certificate No. 018/LCPAA-APT-2019

Vientiane, Lao PDR

28 March 2025

Canada Bank Lao Limited

INCOME STATEMENT for the year ended 31 December 2024

| Code | ITEMS | Notes | 2024 LAKm | 2023 LAKm |
|-------------|--|-------------|-----------------|-----------------|
| A. | OPERATING INCOME AND EXPENSES | | | |
| 1. | Interest and similar income | 3 | 72,745 | 62,773 |
| 2. | Interest and similar expense | 3 | (1,203) | (986) |
| I. | NET INTEREST AND SIMILAR INCOME | | 71,542 | 61,787 |
| 3 | Fee and commission income | 4 | 1,914 | 1,847 |
| 4 | Fee and commission expense | 4 | (938) | (634) |
| 5 | Net gain from dealing in foreign currencies | 5 | 19,377 | 28,406 |
| II. | NET OPERATING INCOME | | 91,895 | 91,406 |
| B | OTHER INCOME AND EXPENSES | | | |
| 6 | Other operating income | 6 | 2,002 | 8,180 |
| 7 | Administration expenses | | (25,607) | (20,565) |
| 7.1 | Payroll and other staff costs | 7 | (20,179) | (16,593) |
| 7.2 | Other administration expenses | 8 | (5,428) | (3,972) |
| 8 | Depreciation and amortization charges | 15 | (2,111) | (2,078) |
| 9 | Other operating expenses | 9 | (308) | (110) |
| 10 | Provision reversed for non-performing loans | 14.2 | 73,217 | 12,202 |
| III. | TOTAL PROFIT BEFORE TAX | | 139,088 | 89,035 |
| 11 | Current profit tax | 22.2 | (18,074) | - |
| 12 | Deferred tax expense | 22.3 | (9,615) | (17,733) |
| IV. | NET PROFIT AFTER TAX | | 111,399 | 71,302 |

Prepared by:

Mr. Im Sovanrith
Chief Financial Officer

Reviewed by:

Mr. Buth Ang
Chief Executive Officer

Vientiane, Lao PDR

28 March 2025

Canadia Bank Lao Limited

STATEMENT OF FINANCIAL POSITION as at 31 December 2024

| <i>Code</i> | <i>ASSETS</i> | <i>Notes</i> | <i>31/12/2024 LAKm</i> | <i>31/12/2023 LAKm</i> |
|-------------|--|--------------|----------------------------|----------------------------|
| I | Cash and balances with the BOL | | 560,251 | 234,829 |
| 1 | Cash on hand | 10 | 8,824 | 11,714 |
| 2 | Balances with the BOL | 11 | 551,427 | 223,115 |
| II | Due from other banks | | 290,056 | 325,313 |
| 1 | Demand deposits | 12.1 | 162,321 | 188,381 |
| 2 | Term deposits | 12.2 | 127,735 | 136,932 |
| III | Investment securities | | 23,058 | 23,058 |
| 1 | Available-for-sale securities | 13 | 23,058 | 23,058 |
| IV | Loans to customers, net of specific provision | 14 | 261,124 | 194,643 |
| V | Property, equipment and right-of-use assets | | 97,352 | 37,649 |
| 1 | Construction in progress | 15.1 | 94,662 | 34,000 |
| 2 | Intangible asset | 15.2 | - | - |
| 3 | Tangible fixed assets | 15.3 | 1,793 | 1,589 |
| 4 | Right of used assets | 15.4 | 897 | 2,060 |
| VI | Other assets | | 4,908 | 34,715 |
| 1 | Accrued interest receivable | 16 | 2,005 | 2,341 |
| 2 | Tax recoverable | 22.1 | - | 8,123 |
| 3 | Deferred tax assets | 22.3 | - | 9,615 |
| 4 | Other assets | 17 | 2,903 | 14,636 |
| | TOTAL ASSETS | | 1,236,749 | 850,207 |

Canadia Bank Lao Limited

STATEMENT OF FINANCIAL POSITION (continued) as at 31 December 2024

| <i>Code</i> | <i>LIABILITIES AND CAPITAL</i> | <i>Notes</i> | <i>31/12/2024 LAKm</i> | <i>31/12/2023 LAKm</i> |
|-------------|-------------------------------------|--------------|----------------------------|----------------------------|
| I | Due to other banks | 18 | 177,271 | 316,377 |
| 1 | Demand deposits | | 177,271 | 316,377 |
| II | Due to the BOL | 19 | 275 | 950 |
| 2 | Borrowing from the BOL | | 275 | 950 |
| III | Due to customers | 20 | 261,279 | 62,505 |
| 1 | Demand deposits | | 145,687 | 18,527 |
| 2 | Saving deposits | | 101,301 | 30,058 |
| 3 | Fixed term deposits | | 14,291 | 13,920 |
| IV | Other liabilities | | 14,665 | 6,948 |
| 1 | Accrued interests payable | | 440 | 519 |
| 2 | Tax payable to the State | 22.1 | 8,066 | - |
| 3 | Lease Liabilities | 15.4 | 1,494 | 1,557 |
| 4 | Other payables | 21 | 4,665 | 4,872 |
| | TOTAL LIABILITIES | | 453,490 | 386,780 |
| V | Capital and reserves | | | |
| 1 | Paid-up capital | 23 | 680,810 | 472,710 |
| 2 | Regulatory reserve | | 13,440 | 3,695 |
| 3 | General provision | 14.2 | 1,306 | 973 |
| 4 | Retained earnings | | 87,703 | (13,951) |
| | TOTAL CAPITAL | | 783,259 | 463,427 |
| | TOTAL LIABILITES AND CAPITAL | | 1,236,749 | 850,207 |

Canada Bank Lao Limited

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2024

| Code | OFF BALANCE SHEET ITEMS | Note | 31/12/2024 LAKm | 31/12/2023 LAKm |
|----------|--|------|--------------------|--------------------|
| I | Collaterals and Mortgages | | | |
| A | Collaterals and Mortgages for loans | | | |
| 1 | Collaterals and Mortgages for loans to customers | | 1,339,925 | 1,259,481 |
| | TOTAL COLLATERALS AND MORTGAGES | | 1,339,925 | 1,259,481 |

Prepared by:

Mr. Im Sovanrith
Chief Financial Officer

Vientiane, Lao PDR

28 March 2025

Reviewed by:



Mr. Buth Ang
Chief Executive Officer

Canada Bank Lao Limited

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2024

| | Paid-up capital LAKm | Regulatory reserve LAKm | General provision LAKm | Retained earnings LAKm | Total LAKm |
|--|-------------------------|-------------------------------|---------------------------|------------------------------|----------------|
| Balance as at 01/01/2023 | 472,710 | 3,695 | 785 | (85,253) | 391,937 |
| Net profit for the year | - | - | - | 71,302 | 71,302 |
| Net provision for performing loans during the year | - | - | 114 | - | 114 |
| Foreign exchange difference | - | - | 74 | - | 74 |
| Balance as at 31/12/2023 | 472,710 | 3,695 | 973 | (13,951) | 463,427 |
| Net profit for the year | - | - | - | 111,399 | 111,399 |
| Appropriation to reserve for the year (*) | - | 9,745 | - | (9,745) | - |
| Capital injection (**) | 208,100 | - | - | - | 208,100 |
| Net provision for performing loans during the year | - | - | 308 | - | 308 |
| Foreign exchange difference | - | - | 25 | - | 25 |
| Balance as at 31/12/2024 | 680,810 | 13,440 | 1,306 | 87,703 | 783,259 |

(*) The Bank is required to appropriate 10% of profit after tax each year into regulatory reserve fund and the Business expansion fund and other funds shall be created upon decision of the Board of Directors.

(**) On 26 January 2024, the Bank increased its capital from 472,710,000,000 LAK to 680,810,000,000 LAK in accordance with the approval letter number 77/BOL dated 07 February 2024 issued by BOL.

Prepared by:



Mr. Im Sovanrith
Chief Financial Officer

Vientiane, Lao PDR

28 March 2025



Mr. Butth-ang
Chief Executive Officer

Canada Bank Lao Limited

STATEMENT OF CASH FLOWS for the year ended 31 December 2024

| ITEMS | Notes | 2024 LAKm | 2023 LAKm |
|--|-----------|-----------------|-----------------|
| OPERATING ACTIVITIES | | | |
| Net profit before tax | | 139,088 | 89,035 |
| <i>Adjustments for:</i> | | | |
| Depreciation and amortization charges | 15 | 2,111 | 2,078 |
| Provision reversed for credit losses | 14.2 | (72,909) | 12,091 |
| Bad debt written off | | - | 131 |
| Interest income | 3 | (72,745) | (62,773) |
| Interest expense | 3 | 1,203 | 986 |
| Operating (loss)/profit before changing in operating assets and liabilities | | (3,252) | 41,548 |
| (Increase)/decrease in operating assets | | | |
| Balances with other banks | | (204,182) | 51,894 |
| Loans and advances to customers | | 291 | (49,759) |
| Other assets | | 7,938 | (795) |
| Increase/(decrease) in operating liabilities | | | |
| Due to other banks | | (139,107) | 55,833 |
| Due to customers | | 198,774 | 23,242 |
| Other liabilities | | 9,702 | 902 |
| Profit tax paid during the year | 22.2 | (1,885) | - |
| Interest received | | 73,081 | 61,998 |
| Interest paid | | (1,281) | (644) |
| Net cash flows (used to)/from operating activities | | (59,921) | 184,219 |
| INVESTING ACTIVITIES | | | |
| Payment to Construction in progress | | (60,661) | (34,000) |
| Payments to acquire property and equipment | | (864) | (402) |
| Proceeds from disposals of fixed assets | | - | 294 |
| Net cash flows used in investing activities | | (61,525) | (34,108) |
| FINANCING ACTIVITIES | | | |
| Repayment of borrowing | | (675) | (400) |
| Capital contribution | | 208,100 | - |
| Net cash flows (used in)/from financing activities | | 207,425 | (400) |
| Net change in cash for the year | | 85,979 | 149,711 |
| Cash and cash equivalents at the beginning of year | | 327,848 | 178,137 |
| Cash and cash equivalents at the end of year | 24 | 413,827 | 327,848 |

Prepared by:

Mr. Im Sovanrith
Chief Financial Officer

Vientiane, Lao PDR

28 March 2024

Reviewed by:

Mr. Butth Ang
Chief Executive Officer