

First Commercial Bank Ltd, Vientiane Branch

Financial statements

For the year ended 31 December 2025



First Commercial Bank Ltd, Vientiane Branch

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First Commercial Bank Ltd, Vientiane Branch

GENERAL INFORMATION

THE BRANCH

First Commercial Bank Ltd, Vientiane Branch (the "Branch") is a branch established in Lao People's Democratic Republic ("Lao PDR") of First Commercial Bank Ltd, a bank incorporated and headquartered in Taiwan. The Branch operates under latest Banking License No. 16/BOL granted by Bank of the Lao PDR (the "BOL") on 30 August 2024. The Branch also operates under the latest Business License No. 012726/ERO issued by Ministry of Industry and Commerce on 29 April 2025.

The initial registered capital of the Branch is LAK 300,000,000,000. The actual paid-up capital of the Branch as at 31 December 2025 is LAK 300,000,000,000 (31 December 2024: LAK 300,000,000,000).

The principal activities of the Branch are to provide comprehensive banking and related financial services in Lao PDR.

The Branch is located at No. 61 Phonxay, 23 Singha Road, Saysettha District, Vientiane Capital, Lao PDR.

MANAGEMENT

Members of the Management during the year ended 31 December 2025 and as at the date of this report are as follows:

<u>Name</u>	<u>Title</u>	<u>Date of appointment/resignation</u>
Mr. Lee, Jhih Jie	General Manager	Appointed on 3 December 2025
Mr. Chen, Shih Chun	General Manager	Appointed on 31 January 2025 Resigned on 3 December 2025
Mr. WU, Wen Han	General Manager	Appointed on 04 October 2023 Resigned on 29 April 2025
Mr. Wang, Wei Cheng	Deputy Manager	Appointed on 12 January 2026
Mr. Wang, Tzer Yau	Deputy Manager	Appointed on 26 February 2020 Resigned on 12 February 2026
Mr. Fung, Yuan-Fu	Deputy Manager	Appointed on 8 October 2024

LEGAL REPRESENTATIVE

The legal representative of the Branch from 1st January 2025 to 29 April 2025 is Mr. WU, Wen Han - General Manager.

The legal representative of the branch from 21 April 2025 to 3 December 2025 is Mr. CHEN, SHIH CHUN - General Manager.

The legal representative of the branch from 3 December 2025 to the date of this report is Mr. LEE, JHIH JIE - General Manager.

AUDITOR

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

First Commercial Bank Ltd, Vientiane Branch

REPORT OF MANAGEMENT

Management of First Commercial Bank Ltd, Vientiane Branch (the "Branch") is pleased to present its report and the financial statements of the Branch as at and for the year ended 31 December 2025.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Branch's Management is responsible for the preparation of the financial statements of each financial year 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. In preparing those 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 Branch 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 Branch and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Branch 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:



Maclae Jih Jie
General Manager

Vientiane, Lao PDR

30 January 2026



Building a better
working world

Ernst & Young Lao Co., Ltd
6th floor, Kolao Tower I, 23 Singha Road
Nongbone Village, Saysettha District
Vientiane Capital, Lao P.D.R.

Tel: +856 21 455 077
Fax: +856 21 455 078
ey.com

Reference: 11774014/ 69360013- LAS

INDEPENDENT AUDITORS' REPORT

To: The Owner of First Commercial Bank Ltd, Vientiane Branch

Opinion

We have audited the financial statements of First Commercial Bank Ltd, Vientiane Branch ("the Branch"), which comprise the statement of financial position as at 31 December 2025, 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 Branch 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Branch in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) 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 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 – Basis of Accounting

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

Other Matter

The financial statements of the Branch for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 27 March 2025.

Responsibilities of the Branch's Management for the Financial Statements

The Branch's management is responsible for the preparation of the financial statements in accordance with the Accounting Law of the Lao PDR and with the regulations stipulated by Bank of the Lao PDR relevant to preparation 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 Branch'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 Branch 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 Branch'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 Branch'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 Branch 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 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.



Van Le
Partner

Vientiane, Lao PDR

30 January 2026

First Commercial Bank Ltd, Vientiane Branch

INCOME STATEMENT
For the year ended 31 December 2025

Currency: LAKm

Code	ITEMS	Notes	2025	2024
A.	OPERATING INCOME AND EXPENSES			
1.	Interest and similar income	3	100,307	88,454
2.	Interest and similar expense	3	(40,022)	(29,506)
I.	NET INTEREST AND SIMILAR INCOME	3	60,285	58,948
3.	Fee and commission income	4	5,175	4,365
4.	Fee and commission expense	4	(387)	(246)
5.	Net (loss)/gain from dealing in foreign currencies	5	(869)	4,848
II.	NET OPERATING INCOME		64,204	67,915
B.	OTHER INCOME AND EXPENSES			
6.	Other operating income	6	744	48
7.	Administration expenses		(17,801)	(16,393)
7.1	Payroll and other staff costs	7	(12,088)	(11,539)
7.2	Other administration expenses	8	(5,713)	(4,854)
8.	Depreciation and amortization charges	15	(3,378)	(2,107)
9.	Other operating expenses		(511)	(1,252)
9.1	Reversal of general provision for credit activities (Note 14)	9	-	(716)
9.2	Others	9	(511)	(536)
10.	Net provision charged for non-performing loans	14	(7,240)	-

First Commercial Bank Ltd, Vientiane Branch

INCOME STATEMENT (continued)
For the year ended 31 December 2025

Currency: LAKm

Code	ITEMS	Notes	2025	2024
III.	TOTAL PROFIT BEFORE TAX		36,018	48,211
11.	Current profit tax expense	19.2	(7,377)	(8,672)
IV.	PROFIT AFTER TAX		28,641	39,539

Prepared by:



Mr. Wang, Tzer Yau
Deputy Manager

Reviewed by:



Mr. Lee Jhieh Jie
General Manager

Vientiane, Lao PDR

30 January 2026

First Commercial Bank Ltd, Vientiane Branch

STATEMENT OF FINANCIAL POSITION
as at 31 December 2025

Currency: LAKm

Code	ASSETS	Notes	31/12/2025	31/12/2024
I.	Cash and balances with the BOL		749,174	325,236
	1. Cash on hand	10	6,147	6,274
	2. Balances with the BOL	11	743,027	318,962
II.	Due from other banks		216,832	234,758
	1. Demand deposits	12.1	28,252	16,103
	2. Term deposits	12.2	188,580	218,655
III.	Loans to customers, net of specific provision	13	784,857	887,938
IV.	Fixed assets		13,578	16,087
	1. Tangible fixed assets	15.1	2,963	3,141
	2. Intangible fixed assets	15.2	44	59
	3. Right-of-use assets	15.3	10,571	12,887
V.	Other assets	16	36,861	22,186
	1. Accrued interest receivable		34,350	20,482
	2. Others		2,511	1,704
	TOTAL ASSETS		1,801,302	1,486,205

Code	LIABILITIES AND CAPITAL	Notes	31/12/2025	31/12/2024
I.	Due to other banks	17	1,175,682	737,017
	1. Demand deposits		297,052	300,897
	2. Borrowings from Parent Bank		878,630	436,120
II.	Due to customers	18	167,437	321,680
	1. Demand and Saving deposits		25,527	22,924
	2. Term deposits		141,910	298,756
III.	Other liabilities		13,684	11,152
	1. Accrued interest payable		9,043	5,362
	2. Tax payables	19.1	3,285	4,352
	3. Lease liabilities	15.3	233	-
	4. Other payables		1,123	1,438
	TOTAL LIABILITIES		1,356,803	1,069,849
IV.	Capital and reserves			
	1. Paid-up capital	20	300,000	300,000
	2. Statutory reserve fund		23,062	20,198
	3. General provision for credit activities	14	3,915	4,413
	4. Retained earnings		117,522	91,745
	TOTAL CAPITAL		444,499	416,356
	TOTAL LIABILITIES AND CAPITAL		1,801,302	1,486,205

First Commercial Bank Ltd, Vientiane Branch

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2025

Currency: LAKm

Code	OFF BALANCE SHEET ITEMS	Notes	31/12/2025	31/12/2024
I.	Collaterals and Mortgages and commitments			
1.	Collaterals and Mortgages for loans to customers		506,916	805,512
2.	Commitment Loan		4,286	7,853
	TOTAL COLLATERALS AND MORTGAGES AND COMMITMENT LOAN		511,202	813,365

Prepared by:



Mr. Wang, Tzer Yau
Deputy Manager

Reviewed by:



Mr. Lee Jhih Jie
General Manager

Vientiane, Lao PDR

30 January 2026

First Commercial Bank Ltd, Vientiane Branch

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025

Currency: LAKm

ITEMS	Paid-up capital	Statutory reserve fund	General provision for credit activities	Retained earnings	Total
Balance as at 31 December 2023	300,000	16,246	3,711	56,158	376,115
Net profit for the year	-	-	-	39,539	39,539
Created regulatory reserve for the year	-	3,952	-	(3,952)	-
Net general provision for credit activities during the year	-	-	551	-	551
Foreign exchange difference	-	-	151	-	151
Balance as at 31 December 2024	300,000	20,198	4,413	91,745	416,356
Net profit for the year	-	-	-	28,641	28,641
Created regulatory reserve for the year	-	2,864	-	(2,864)	-
Net general provision for credit activities during the year	-	-	(452)	-	(452)
Foreign exchange difference	-	-	(46)	-	(46)
Balance as at 31 December 2025	300,000	23,062	3,915	117,522	444,499

Prepared by:

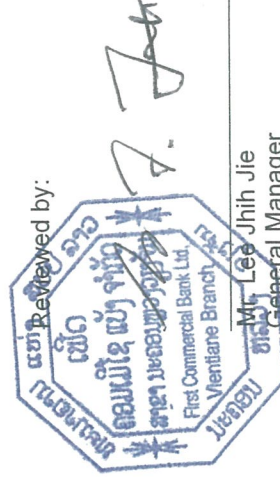


Mr. Wang, Tzer Yau
Deputy Manager

Vientiane, Lao PDR

30 January 2026

Reviewed by:



Mr. Lee Jhiah Jie
General Manager

First Commercial Bank Ltd, Vientiane Branch

STATEMENT OF CASH FLOWS
For the year ended 31 December 2025

Currency: LAKm

ITEMS	Notes	2025	2024
Net profit before tax		36,018	48,211
<i>Adjustments for:</i>			
Depreciation and amortization charges	15	3,378	2,107
Net reversal of provision for credit loss	14	6,623	165
Interest income	3	(100,307)	(88,454)
Interest expense	3	40,022	29,506
Cash flows before changing in operating assets and liabilities		(14,266)	(8,465)
(Increase)/decrease in operating assets			
Due from other banks		(376,998)	(127,787)
Loans to other banks		(150,540)	(16,727)
Loans and advances to customers		246,546	(129,182)
Other assets		(806)	(551)
Increase/(decrease) in operating liabilities			
Due to other banks		438,665	105,164
Customer deposits and other amounts due to Customers		(154,244)	140,242
Other liabilities		44	1,217
Interest received		86,438	90,317
Interest paid		(36,339)	(28,027)
Profit tax paid during the year	19.2	(8,444)	(8,118)
Net cash flows from operating activities		30,056	18,083
INVESTING ACTIVITIES			
Payments to acquire property and equipment	15.1	(1,043)	(14,061)
Net cash flows used in investing activity		(1,043)	(14,061)
FINANCING ACTIVITY			
Capital contribution		-	-
Net cash flows from financing activity		(1,043)	(14,061)
Net decrease in cash		29,013	4,022
Cash at the beginning of the year		86,910	82,888
Cash and at the end of the year	21	115,923	86,910

Prepared by:



Mr. Wang, Tzer Yau
Deputy Manager

Reviewed by:




Mr. Lee Jhih Jie
General Manager

Vientiane, Lao PDR

30 January 2026

First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS
as at and for the year ended 31 December 2025

1. THE BRANCH INFORMATION

Establishment and operations

First Commercial Bank Ltd, Vientiane Branch (the "Branch") is a branch established in Lao People's Democratic Republic ("Lao PDR") of First Commercial Bank Ltd, a bank incorporated and headquartered in Taiwan. The Branch operates under Banking License No. 16/BOL granted by Bank of the Lao PDR (the "BOL") on 30 August 2024. The Branch also operates under the latest Business License No. 012726/ERO issued by Ministry of Industry and Commerce on 29 April 2025.

The principal activities of the Branch are to provide comprehensive banking and related financial services in Lao PDR.

Paid-up capital

The initial registered capital of the Branch is LAK 300,000,000,000. The actual paid-up capital of the Branch as at 31 December 2025 is LAK 300,000,000,000 (31 December 2024: LAK 300,000,000,000).

Management

Members of the Management during the year ended 31 December 2025 and as at the date of this report are as follows:

<i>Name</i>	<i>Title</i>	<i>Date of appointment/resignation</i>
Mr. Lee, Jhih Jie	General Manager	Appointed on 3 December 2025
Mr. Chen, Shih Chun	General Manager	Appointed on 31 January 2025 Resigned on 3 December 2025
Mr. WU, Wen Han	General Manager	Appointed on 04 October 2023 Resigned on 29 April 2025
Mr. Wang, Wei Cheng	Deputy Manager	Appointed on 12 January 2026
Mr. Wang, Tzer Yau	Deputy Manager	Appointed on 26 February 2020 Resigned on 12 February 2026
Mr. Fung, Yuan-Fu	Deputy Manager	Appointed on 8 October 2024

Location

The Branch is located at No. 61 Phonxay, 23 Singha Road, Saysettha District, Vientiane Capital, Lao PDR.

Employees

Total employees of the Branch as at 31 December 2025 were 18 people (2024: 18 people).

First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. *Statement of compliance*

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

2.2. *Basis of preparation*

The Branch prepared its financial statements in millions of Lao Kips ("LAKm") in accordance with Decree No. 02/PR by the Prime Minister of Lao PDR dated 22 March 2000 and the Accounting Law of Lao PDR and the regulations stipulated by Bank of the Lao PDR ("LAS") relevant to preparation of financial statements.

The accompanying financial statements have been prepared using accounting principles, procedures and reporting practices generally accepted in Lao PDR. Accordingly, the income statement, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes thereto are not designed for those who are not informed about Lao PDR's accounting principles, procedures and practices and furthermore are not intended to present the financial position of the Branch and the results of its operations and its cash flows in accordance with accounting principles and practices generally accepted in countries other than Lao PDR.

Financial reporting in hyperinflationary economics

In 2024 the economy of Lao People's Democratic Republic (Laos) was recognised as hyperinflationary since meeting of criteria, stipulated in IAS 29 "Financial Reporting in Hyperinflationary Economies". However, the Branch did not implement any accounting policies to address the effects of hyperinflation while awaiting guidance from the Bank of Laos (BOL). From 1 January 2025 the economy of Laos has been no more considered as hyperinflationary. For the year ended 31 December 2025, the Branch has prepared its annual financial statements in accordance with the Accounting Law of the Lao PDR and the regulations stipulated by BOL ("LAS"), opting not to apply IAS 29.

Fiscal year

The Branch's fiscal years applicable for the preparation of its financial statements start on 1 January and end on 31 December.

2.3 *Changes in accounting policies*

The accounting policies adopted by the Bank in preparation of these financial statements are consistent with those used in preparation of the Bank's financial statements for the year ended 31 December 2024, except for the changes in the accounting policies and notes in relation to the following.

2.4. *Recognition of interest income and expense*

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

The recognition of accrued interest income is suspended when the loans becoming non-performing (See Note 2.8 for the definition of non-performing loans) 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 income statement when actually received.

First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5. *Recognition of fee and commission*

Fee and commission consist of fees received from fund transfer (including trade settlement) and fee arising from loan business.

Fee and commissions are recognized into income statement on cash basis.

Fee income from syndicated loans is recorded at cost when the loan agreement is successfully completed. These fees are then amortized on a straight-line basis over the life of the loan. The recognition of income begins when the agreement is signed and continues until the loan matures.

The portion of the fee income that has been amortized is recorded as part of fee and commission income in the income statement. The unamortized portion is recorded as deferred income on the statement of financial position.

2.6. *Cash and cash equivalents*

Cash and cash equivalents consist of cash and highly liquid short-term investments with an original maturity less than 30 days that are readily convertible to known amount of cash and accounts due from banks with original maturity less than 30 days.

2.7. *Loans to customers*

Loans to customers are recognized at cost and presented at outstanding balance less provision for non-performing loans.

2.8. *Classification of and provision for credit activities*

Loan classification

In accordance with Regulation 512/BOL ("BOL512") dated 29 June 2018 and Official Letter No. 898/CBSD ("OL898") dated 14 November 2018, the Branch has classified loans into 5 groups based on the payment arrears status and other qualitative factors. Loans classified as either Normal or Pass (Group A) or Watch or Special Mention (Group B) are considered as Performing loans. Loans classified as either Substandard (Group C) or Doubtful (Group D) or Loss (Group E) are considered as Non-performing loans ("NPL").

First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8. Classification of and provision for credit activities (continued)

Provision

In accordance with BOL512 and OL898, the Branch creates provision for loans based on their classification groups as follows:

Group	Provision rate	Provision type (i)	Accounting for provision balance (ii)	Accounting for changes in provision balance (iii)
<i>Performing loans</i>				
A	0.5%	General	In equity	Other expense/ income
B	3.0%	Specific	Deducted to loan balance	Other expense/ income
<i>NPLs</i>				
C	20.0%	Specific	Deducted to loan balance	Net provision for NPL
D	50.0%	Specific	Deducted to loan balance	Net provision for NPL
E	100.0%	Specific	Deducted to loan balance	Net provision for NPL

- (i) Provision amount is calculated by the following formulas:
- a. General provision = Provision rate x Loan outstanding balance
where the Branch has not opted to not include the discounted value of collateral in the provision calculation as allowed by BOL512 and OL898.
- (ii) The balance of provision for *performing loans classified in group A* is recorded in the statement of financial position in "General provision for credit activities" under capital and reserves of the Branch.
- Accumulated balance of provision for *NPLs and performing loans classified in group B* is recorded in the statement of financial position in "Loans to customers, net of specific provision".
- (iii) Changes in provision for *performing loans* are recorded to the income statement as "Other operating expenses" for provision expense and "Other operating income" for reversal of provision expense.
- Changes in provision for *NPLs* are recorded to the income statement as "Net provision for NPLs charged to/(reversed out of) expense".

First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9. Fixed assets

Fixed asset includes tangible fixed assets and intangible fixed assets. Tangible fixed assets consist of building improvements, furniture and fixtures, computer equipment and motor vehicles. Intangible fixed assets include 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 income statement.

When assets are sold or disposed, their cost and accumulated depreciation are removed from the balance sheet and any gains or losses resulting from their disposal amortization are posted to the income statement.

2.10. Depreciation and amortization

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 new Tax Law No.67/NA dated 18 June 2019 which is effective on or after 1 January 2020 stipulated by the President of the National Assembly. The following are the annual depreciation and amortization rates used:

Tangible fixed assets:

Building improvements	10%
Furniture and fixtures	20%
Computer equipment	20%
Motor vehicles / others	20%

Intangible fixed assets:

Computer software	20%
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First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 *Leasing*

2.11.1 *Right-of-use assets*

At inception of a contract, the Branch assesses whether a contract is, or contains, a lease arrangement based on whether the contract that conveys to the user (the lessee) the right to control the use of an identified asset for a period of time in exchange for consideration. If a contract contains more than one lease component, or a combination of leasing and services transactions, the consideration is allocated to each of these lease and non-lease components on conclusion and on each subsequent re-measurement of the contract on the basis of their relative stand-alone selling prices. The Branch combines lease and non-lease components, in cases where splitting the non-lease component is not possible.

The Branch 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 re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option. Unless the Branch is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment assessment.

2.11.2 *Lease liabilities*

At the commencement date of the lease, the Branch recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Branch and payments of penalties for terminating a lease, if the lease term reflects the Branch exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Branch uses the incremental borrowing rate at the lease commencement date if 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 in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11.3 Short-term leases and leases of low-value assets

The Branch applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.12. Statutory reserves

Under the requirement of the Law on commercial Bank dated 7 December 2018, commercial banks are required to appropriate net profit to following reserves:

- ▶ Statutory reserve fund
- ▶ Business expansion fund and other funds

In accordance with Article 154 (amended), Enterprise Law dated 29 December 2022, the Branch is required to appropriate 10% of profit after tax each year into regulatory reserve fund. When this reserve fund reaches 50% of the registered capital, the Branch may suspend such provision, unless otherwise provided by the laws.

The Business expansion fund and other funds shall be created upon decision of the Board of Management. Accordingly, the Branch has made the following reserves for the year ended 31 December 2025:

<i>Reserve</i>	<i>% of profit after tax (less accumulated losses, if any)</i>
Statutory reserve fund	10
Business expansion fund	-

2.13. Foreign currency transactions

The Branch 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 statement of financial position date (see the list of exchange rates of applicable foreign currencies against LAK on 31 December 2025 as presented below). Foreign exchange differences arising from the translation of monetary assets and liabilities are recognized in the statement of financial position date are recognized into "Net (loss)/gain from dealing in foreign currencies" in the income statement.

	<i>31 December 2025</i>	<i>31 December 2024</i>
	<i>LAK</i>	<i>LAK</i>
United State Dollar ("USD")	21,430.00	21,806.00
Thai baht ("THB")	664.40	614.10

First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14. Profit tax

Current tax

Provision is made for profit tax on the current year's profits, based on the Tax Law governing taxation within Lao PDR. The Branch is obliged to pay profit tax at rate of 20% of total profit before tax in accordance with the new Tax Law No.67/NA dated 18 June 2019 which is effective on or after 1 January 2020. Accordingly, the Branch is subject to the tax rate of 20%. The Branch'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.

Deferred tax

Deferred tax is provided on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognized as income tax benefits or expenses in the income statement.

The Branch only off-sets its deferred tax assets against liabilities when there is both a legal right to offset and it is the Branch's intention to settle on a net basis.

2.15. Employee benefit

Post-employment benefits

Post-employment benefits are paid to retired employees of the Branch by the Social Security Fund Department which belongs to the Ministry of Labor and Social Welfare. The Branch is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 6.00% of employee's basic salary on a monthly basis. The Branch has no further obligation concerning post-employment benefits for its employees other than this.

First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15. *Employee benefit* (continued)

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 Branch has the obligation to pay allowance for employees who are terminated by dismissal in the following cases:

- ▶ The employee lacks specialized 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 last salary or wage multiplied by the total number of months worked.

As at 31 December 2025, there are no employees of the Branch who were dismissed under the above-mentioned grounds; therefore, the Branch has not made a provision for termination allowance in the financial statements.

3. NET INTEREST AND SIMILAR INCOME

	2025 LAKm	2024 LAKm
Interest and similar income from:		
Interbank transactions	44,835	24,079
Loans to customers	55,472	64,375
	100,307	88,454
Interest and similar expense for:		
Interbank transactions	(32,716)	(22,322)
Customer deposits	(7,306)	(7,184)
	(40,022)	(29,506)
Net interest and similar income	60,285	58,948

4. NET FEE AND COMMISSION INCOME

	2025 LAKm	2024 LAKm
Fee and commission income from:		
Remittance and credit activities	5,175	4,365
Fee and commission expense		
Settlement activities	(387)	(246)
Net fee and commission income	4,788	4,119

First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2025

5. NET (LOSS)/GAIN FROM DEALING IN FOREIGN CURRENCIES

	2025 <i>LAKm</i>	2024 <i>LAKm</i>
Gain from dealing in foreign currency	268,811	282,474
Loss from transaction in foreign currency	(269,680)	(277,626)
	(869)	4,848

6. OTHER OPERATING INCOME

	2025 <i>LAKm</i>	2024 <i>LAKm</i>
Reversal of provision for performing loans	617	-
- for special mention loans (Note 14)	165	-
- for normal and pass loans (Note 14)	452	-
Others	127	48
	744	48

7. PAYROLL AND OTHER STAFF COSTS

	2025 <i>LAKm</i>	2024 <i>LAKm</i>
Wages and allowances	10,848	10,603
Other staff costs	1,240	936
	12,088	11,539

8. OTHER ADMINISTRATION EXPENSES

	2025 <i>LAKm</i>	2024 <i>LAKm</i>
Office rental	2,637	2,138
Fuel	85	88
Office stationeries	105	81
Telecommunication	120	102
Repair and maintenance	483	514
Electricity and water	166	153
Insurance fee	179	180
Official trips	534	326
Audit fee	609	508
Professional fee	100	104
Others	695	660
	5,713	4,854

First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2025

9. OTHER OPERATING EXPENSES

	31/12/2025 LAKm	31/12/2024 LAKm
Provision for performing loans charged to expense (Note 14)	-	716
Others	511	536
	<u>511</u>	<u>1,252</u>

10. CASH ON HAND

	31/12/2025 LAKm	31/12/2024 LAKm
Cash on hand in LAK	945	974
Cash on hand in foreign currencies	5,202	5,300
	<u>6,147</u>	<u>6,274</u>

11. BALANCES WITH THE BOL

	31/12/2025 LAKm	31/12/2024 LAKm
Demand deposit	81,524	64,533
Compulsory reserve (*)	18,598	36,364
Registered capital reserve (**)	5	5
Term deposit (***)	642,900	218,060
	<u>743,027</u>	<u>318,962</u>

Accounts with the BOL include settlement and compulsory. These balances earn no interest.

(*) Under regulations of the BOL, the Branch is required to maintain certain cash reserves with the BOL in the form of compulsory deposits, which are computed at 8.00% for LAK and 11.00% for other foreign currencies (2024: 8.00% for LAK and 11.00% for other foreign currencies), on a bi-monthly basis, of customer deposits having original maturities of less than 12 months. During the year, the Branch maintained its compulsory deposits in compliance with the requirements of the BOL.

(**) According to Decision No. 721/BOL dated 22 September 2022, which was effective from 22 September 2022, commercial banks are required to maintain a positive balance at the BOL in the term form of special deposit. The Branch was then approved by the BOL in official Letter No. 933/BSD dated 03 November 2023 to withdraw from this deposit account to supplement its working capital.

First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2025

11. BALANCES WITH THE BOL (continued)

(***) Details of deposits with Bank of the Lao PDR by original currency are as follows:

	31/12/2025 LAKm	31/12/2024 LAKm
Deposit denominated in USD	642,900	218,060
	642,900	218,060

Details of deposit interest rate with Bank of the Lao PDR by currency are as follows:

	2025 % per annum	2024 % per annum
Deposit denominated in USD	6.20 – 7.00	6.45

12. DUE FROM OTHER BANKS

12.1 Demand deposits

	31/12/2025 LAKm	31/12/2024 LAKm
Demand deposits at domestic banks		
Banque Pour Le Commerce Exterieur Lao Public (BCEL)	4,085	840
Bangkok Bank - Vientiane Branch	56	51
Maruhan Japan Bank Lao Co., Ltd	1,879	1,180
Demand deposits at overseas bank		
First Commercial Bank - Head Office (Note 22)	22,232	14,032
	28,252	16,103

12.2 Term deposits

	31/12/2025 LAKm	31/12/2024 LAKm
Term deposits at domestic banks	188,580	218,655
	188,580	218,655

Interest rates for amounts due from other banks during the year are as follows:

	2025 % per annum	2024 % per annum
Demand deposits	No interest	No interest
Term deposits	4.80 – 11.00	6.00 – 13.00

First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2025

13. LOANS TO CUSTOMERS, NET OF SPECIFIC PROVISION

	31/12/2025 LAKm	31/12/2022 LAKm
Loans to customers	792,097	888,103
<i>In which:</i>		
- Loans to government agencies	112,507	258,946
- Loans to other customers	250,990	336,097
- Loan to other banks	428,600	293,060
Less specific provision for credit activities (Note 14)	(7,240)	(165)
	784,857	887,938

	2025 Interest rate % per annum	2024 Interest rate % per annum
Loans denominated in LAK	6.00 - 10.00	6.00 - 9.00
Loans denominated in USD	5.68 - 8.83	3.25 - 9.84

Analysis of loans to customers by currency

	31/12/2025 LAKm	31/12/2024 LAKm
Loans denominated in LAK	221,874	240,187
Loans denominated in USD	570,223	647,916
	792,097	888,103

Analysis of loans to customers by status of loans

	31/12/2025 LAKm	31/12/2024 LAKm
Normal or Pass	783,063	882,605
Watch or Special Mention	-	5,498
Substandard	-	-
Doubtful	3,588	-
Loss	5,446	-
	792,097	888,103

First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2025

13. LOANS TO CUSTOMERS, NET OF SPECIFIC PROVISION (continued)

Analysis of loans to customers by original term

	31/12/2025 LAKm	31/12/2024 LAKm
Short-term loans	456,743	323,137
Medium-term loans	188,633	356,848
Long-term loans	146,721	208,118
	792,097	888,103

Analysis by industrial sectors

	31/12/2025 LAKm	31/12/2024 LAKm
Agricultural and forestry	7,500	7,500
Trading companies	7,200	12,600
Services companies	596,868	390,440
Industrial services companies	7,589	141,916
Construction companies	18,000	-
Other sectors	154,940	335,647
	792,097	888,103

14. PROVISION FOR CREDIT LOSSES

Movement of provision for credit losses of the Branch during the year 2025 is as follows:

	<i>Specific provision for NPLs</i> LAKm	<i>Specific provision for special mention loans</i> LAKm	<i>General provision</i> LAKm	<i>Total</i> LAKm
As at 1 January 2024	-	165	4,413	4,578
Provision charged/(reversed) during the year	7,240	(165)	(452)	6,623
Foreign exchange difference	-	-	(46)	(46)
As at 31 December 2025	7,240	-	3,915	11,155

First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2025

14. PROVISION FOR CREDIT LOSSES (continued)

The breakdown of loan classification and provision as required by the BOL as at 31 December 2025 are as follows:

<i>Classification</i>	<i>Loan balance LAKm</i>	<i>General Provision LAKm</i>	<i>Specific provision LAKm</i>	<i>Total provision LAKm</i>
Performing loan				
- Normal or Pass	783,063	3,915	-	3,915
- Watch or Special Mention	-	-	-	-
Non-performing loans				
- Sub-standard	-	-	-	-
- Doubtful	3,588	-	1,794	1,794
- Loss	5,446	-	5,446	5,446
Total	792,097	3,915	7,240	11,155

15. FIXED ASSETS

15.1 Tangible fixed assets

Movements of the balance of tangible fixed assets during the year 2025 are as follows:

	<i>Building improvements LAKm</i>	<i>Furniture & fixtures LAKm</i>	<i>Computer equipment LAKm</i>	<i>Motor vehicles/ Others LAKm</i>	<i>Total LAKm</i>
Cost:					
As at 1 January 2025	7,743	3,223	3,756	1,107	15,829
Additions	-	29	626	-	655
Disposals	-	(18)	(1,046)	-	(1,064)
As at 31 December 2025	7,743	3,234	3,336	1,107	15,420
Accumulated depreciation:					
As at 1 January 2025	(6,921)	(2,526)	(2,919)	(322)	(12,688)
Charge for the year	(117)	(78)	(243)	(221)	(659)
Disposals	-	15	875	-	890
As at 31 December 2025	(7,038)	(2,589)	(2,287)	(543)	(12,457)
Net book value:					
As at 1 January 2025	822	697	837	785	3,141
As at 31 December 2025	705	645	1,049	564	2,963

First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2025

15. FIXED ASSETS (continued)

15.2 Intangible fixed assets

Movements of the balance of intangible fixed assets during the 2025 are as follows:

	<i>Computer software LAKm</i>	<i>Total LAKm</i>
Cost:		
As at 1 January 2025	246	246
Additions	-	-
As at 31 December 2025	<u>246</u>	<u>246</u>
Accumulated amortization:		
As at 1 January 2025	(187)	(187)
Charge for the year	(15)	(15)
As at 31 December 2025	<u>(202)</u>	<u>(202)</u>
Net book value:		
As at 1 January 2025	<u>59</u>	<u>59</u>
As at 31 December 2025	<u>44</u>	<u>44</u>

15.3 Right-of-use assets and Lease liabilities

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the years

	<i>Building LAKm</i>	<i>Parking land LAKm</i>	<i>Total LAKm</i>
Cost or Valuation:			
As at 1 January 2025	13,105	-	13,105
Additions	-	388	388
As at 31 December 2025	<u>13,105</u>	<u>388</u>	<u>13,493</u>
Depreciation:			
As at 1 January 2025	(218)	-	(218)
Charge for the year	(2,621)	(83)	(2,704)
As at 31 December 2025	<u>(2,839)</u>	<u>(83)</u>	<u>(2,922)</u>
Net book value:			
As at 1 January 2025	<u>12,887</u>	<u>-</u>	<u>12,887</u>
As at 31 December 2025	<u>10,266</u>	<u>305</u>	<u>10,571</u>

First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2025

15. FIXED ASSETS (continued)

15.3 *Right-of-use assets and Lease liabilities*

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	<i>Parking land</i> LAKm	<i>Total</i> LAKm
As at 1 January 2025	-	-
Additions	363	363
Accretion of interest	33	33
Payments	(94)	(94)
Exchange difference	(69)	(69)
As at 31 December 2025	233	233

16. OTHER ASSETS

	<i>31/12/2025</i> LAKm	<i>31/12/2024</i> LAKm
Accrued interest receivable from:		
- <i>Term deposits</i>	28,977	14,511
- <i>Loans to government</i>	221	362
- <i>Loans to corporates and personal</i>	2,509	3,719
- <i>Loans to other banks</i>	2,643	1,890
Prepaid expenses	2,511	1,704
	36,861	22,186

First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2025

17. DUE TO OTHER BANKS

	31/12/2025 LAKm	31/12/2024 LAKm
Demand deposits		
<i>In which:</i>		
- First Commercial Bank, Head Office (Note 22)	295,164	300,343
- Taiwan Coopertive Bank Co., Ltd – Vientiane Branch	1,888	554
Borrowings from:		
- First Commercial Bank, Head Office (Note 22) (*)	878,630	436,120
Total	1,175,682	737,017

(*) Details of borrowings from First Commercial Bank, Head Office as at 31 December 2025 are as follows:

<i>Bank</i>	<i>Currency</i>	<i>Maturity date</i>	<i>Term (months)</i>	<i>Interest rate (% p.a.)</i>	<i>Balance at 31/12/2025 USD</i>	<i>Balance at 31/12/2025 mLAK</i>
First Commercial Bank Head Office	USD	14-01-2026	3	4.44	10,000,000	214,300
First Commercial Bank Head Office	USD	22-01-2026	3	4.37	5,000,000	107,150
First Commercial Bank Head Office	USD	26-02-2026	3	4.55	10,000,000	214,300
First Commercial Bank Head Office	USD	17-03-2026	3	4.35	5,000,000	107,150
First Commercial Bank Head Office	USD	24-03-2026	3	4.35	1,000,000	21,430
First Commercial Bank Head Office	USD	20-01-2026	3	4.43	10,000,000	214,300
					41,000,000	878,630

Interest rates for deposits from other banks and financial institutions during the year are as follows:

	2025 % per annum	2024 % per annum
Demand deposits	No interest	No interest

First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2025

18. DUE TO CUSTOMERS

Details of due to customers as at 31 December 2025 are as follows:

	31/12/2025 LAKm	31/12/2024 LAKm
Demand deposits		
- In LAK	4	3
- In foreign currency	868	3,238
Saving deposits		
- In LAK	1,304	1,349
- In foreign currency	23,346	18,326
Dormant Account		
- In LAK	-	-
- In foreign currency	5	8
Term deposits		
- In foreign currency	141,910	298,756
	167,437	321,680

The interest rates during the year for these deposits are as follows:

	2025 Interest rate % p.a.	2024 Interest rate % p.a.
Demand deposits in LAK	No interest	No interest
Demand deposits in foreign currencies	No interest	No interest
Saving deposits in LAK	1.50	1.50
Saving deposits in USD	0.50	0.50
Saving deposits in THB	0.50	0.50
Term deposits in LAK	-	-
Term deposits in USD	2.25 - 4.05	2.25 - 4.05
Term deposits in THB	-	-

19. TAXATION

19.1 Tax payables

	31/12/2025 LAKm	31/12/2024 LAKm
Profit Tax payable (Note 19.2)	3,285	4,352
	3,285	4,352

First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2025

19. TAXATION (continued)

19.2 Profit Tax ("PT")

The Branch is obliged to pay PT at rate of 20% on total profit before tax of the year in accordance with the new Tax Law No.67/NA dated 18 June 2019 which is effective on or after 1 January 2020.

The Branch's interest income from loans to certain Government Agencies are exempted from profit tax as specified in the loan contracts and confirmation letters from these agencies.

	2025 <i>LAKm</i>	2024 <i>LAKm</i>
Profit before tax	36,018	48,211
Non-taxable incomes	269,680	277,626
Non-deductible expenses	<u>(268,811)</u>	<u>(282,474)</u>
Taxable profit	<u>36,887</u>	<u>43,363</u>
Current PT expense, at the statutory rate of 20%	7,377	8,672
Additional tax for previous year		
PT payable at the beginning of the year	4,352	3,797
PT paid during the year	<u>(8,444)</u>	<u>(8,118)</u>
PT payable at the end of the year	<u>3,285</u>	<u>4,352</u>

The Branch'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.

20. PAID-UP CAPITAL

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

	2025 <i>LAKm</i>	2024 <i>LAKm</i>
Opening balance	300,000	300,000
Capital increase transfer from retained earnings	<u>-</u>	<u>-</u>
Closing balance	<u>300,000</u>	<u>300,000</u>

In accordance with Law on Commercial Banks No. 89/NA issued by the National Assembly on 17 July 2023 with the effective date on 15 September 2023, all foreign branches in Lao PDR are required to increase their charter capital to meet the minimum charter capital of LAKm 600,000. In accordance with Agreement Letter No. 518/BSD dated January 16, 2025, the Branch plans to contribute of LAK billion 90 in 2029, which represents 30% of the total additional contribution. Furthermore, from 2030 to 2034, the branch will contribute of LAK billion 42 annually.

First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2025

21. CASH AND CASH EQUIVALENTS

	31/12/2025 LAKm	31/12/2024 LAKm
Cash on hand	6,147	6,274
Current accounts with the BOL	81,524	64,533
Current accounts with other banks	28,252	16,103
	<u>115,923</u>	<u>86,910</u>

22. RELATED PARTY TRANSACTIONS

Related party transactions include all transactions undertaken with other parties to which the Branch is related. A party is related to the Branch if:

- (a) directly, or indirectly through one or more intermediaries, the party:
- ▶ controls, is controlled by, or is under common control with, the Branch (this includes parents, subsidiaries and fellow subsidiaries);
 - ▶ has an interest in the Branch that gives it significant influence over the Branch; or
 - ▶ has joint control over the Branch.
- (b) the party is a joint venture in which the Branch is a venture;
- (c) the party is a member of the key management personnel of the Branch or its parent;
- (d) the party is a close member of the family of any individual referred to in (a) or (c);
- (e) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (c) or (d); or
- (f) the party is a post-employment benefit plan for the benefit of employees of the Branch, or of any entity that is a related party of the Branch.

Significant balances with related parties as at 31 December 2025 are as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Receivable/(Payable)</i>	
			31/12/2025 LAKm	31/12/2024 LAKm
First Commercial Bank Head Office	Parent Bank	Demand Deposits	22,232	14,032
First Commercial Bank Head Office	Parent Bank	Demand Deposits	(295,164)	(300,343)
First Commercial Bank Head Office	Parent Bank	Borrowings	(878,630)	(436,120)

Transactions with key management personnel of the Branch

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

	2025 LAKm	2024 LAKm
Salaries and other benefits	6,102	5,789
Bonus	502	370
	<u>6,604</u>	<u>6,159</u>

First Commercial Bank Ltd, Vientiane Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2025

23. EVENTS AFTER THE REPORTING DATE

There is no matter or circumstance that has arisen since the reporting date that requires adjustment or disclosure in the financial statements of the Branch.

Prepared by:



Mr. Wang, Tzer Yau
Deputy Manager

Reviewed by:



Mr. Lee Jih Jie
General Manager

Vientiane, Lao PDR

30 January 2026