



Ernst & Young Lao Limited
6th Floor, Capital Tower
23 Singha Road, Nongbone Village
Saysettha District, Vientiane Capital, Lao PDR

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

Reference: 60956549/17292038

INDEPENDENT AUDITORS' REPORT

**To: The Owners of
Join Development Bank Limited**

We have audited the accompanying financial statements of Joint Development Bank Limited ("the Bank") as set out on pages 6 to 33, which comprise the balance sheet as at 31 December 2014, the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting Law of Lao P.D.R and with the regulations stipulated by the Bank of Lao P.D.R relevant to preparation and presentation of financial statements, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Building a better working world

Opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of Joint Development Bank Limited as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with the Accounting Law of Lao P.D.R and with the regulations stipulated by the Bank of Lao P.D.R relevant to preparation and presentation of financial statements.



Vientiane, Lao P.D.R.

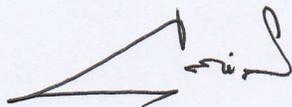
31 March 2015

Joint Development Bank Limited

INCOME STATEMENT
for the year ended at 31 December 2014

Code	ITEMS	Notes	2014 LAK	2013 LAK
A.	OPERATING INCOME AND EXPENSES			
1.	Interest and similar income	3	57,259,396,781	42,932,044,324
1.1	Interest and similar income from interbank transactions		3,188,749,791	862,476,571
1.2	Interest and similar income from loans to customers		54,070,646,990	42,014,379,809
1.3	Other interest and similar income		-	55,187,944
2.	Interest and similar expense	3	(26,959,056,026)	(16,836,591,277)
2.1	Interest and similar expense for interbank transactions		(6,661,670)	(1,226,597,496)
2.2	Interest and similar expense for customer deposits		(26,952,394,356)	(15,609,993,781)
	NET INTEREST AND SIMILAR INCOME	3	30,300,340,755	26,095,453,047
3	Fee and commission income	4	19,579,756,207	16,329,319,499
4	Fee and commission expense	4	(5,678,829,454)	(6,332,357,268)
5	Gain from equity investment		-	320,200,000
6	Gain from securities investment		475,000,000	434,000,000
7	Net gain from dealing in foreign currencies	5	2,479,785,437	3,283,843,167
II.	NET OPERATING INCOME		47,156,052,945	40,130,458,445
B.	OTHER INCOME AND EXPENSES			
8	Other operating income	6	19,462,759,782	11,146,887,860
9	General and administration expenses		(43,898,132,960)	(31,841,739,244)
9.1	Payroll and other staff costs	7	(27,924,997,711)	(18,823,469,963)
9.2	Other administration expenses	8	(15,973,135,249)	(13,018,269,281)
10	Depreciation and amortization charges		(10,857,033,459)	(7,284,085,170)
11	Other operating expenses	9	(3,785,080,671)	(4,366,116,875)
12	Net provision (charges)/reversal for non-performing loans		594,954,218	(6,074,620,885)
12.1	Provision for non-performing loans	14.2	(1,516,738,662)	(7,222,783,585)
12.2	Reversal of provision for non-performing loans	14.2	2,111,692,880	1,148,162,700
III.	TOTAL PROFIT BEFORE TAX		8,673,519,855	1,710,784,131
13	Current Enterprise Income Tax	20	(2,087,249,758)	(343,966,218)
IV.	PROFIT AFTER TAX		6,586,270,097	1,366,817,913

Prepared by:



Mr. Khamsing Sonesinnavong
Accounting and Finance Manager



Mr. Souphorn Chanthavong
General Director

Vientiane, Lao P.D.R

31 March 2015

Joint Development Bank Limited

BALANCE SHEET
as at 31 December 2014

Code	ASSETS	Notes	31 December 2014 LAK	31 December 2013 LAK
I	Cash on hand and balances with the Bank of Lao P.D.R ("BOL")		254,230,165,369	323,695,727,250
1	Cash on hand	10	111,442,319,228	51,514,281,579
2	Balances with the BOL	11	142,787,846,141	272,181,445,671
II	Amounts due from other banks	12	111,874,665,638	219,811,730,730
1	Demand deposits	12.1	44,734,167,498	167,232,505,935
2	Term deposits	12.2	30,000,000,000	8,000,000,000
3	Saving deposits	12.3	37,140,498,140	44,579,224,795
III	Investments in securities	13	4,300,000,000	4,300,000,000
1	Available-for-sale securities		4,300,000,000	4,300,000,000
IV	Loans to customers, net of provision for non-performing loans	14	513,024,445,911	349,082,542,401
V	Fixed assets	15	174,630,584,750	136,418,865,694
1	Constructions in progress	15.1	17,547,328,398	10,330,169,937
2	Intangible fixed assets	15.2	92,688,992,492	85,194,145,082
3	Tangible fixed assets	15.3	64,394,263,860	40,894,550,675
VI	Other assets		21,767,153,801	15,833,283,928
1	Accrued interest receivables		1,752,653,818	1,798,753,258
2	Other assets	16	20,014,499,983	14,034,530,670
	TOTAL ASSETS		1,079,827,015,469	1,049,142,150,003

Joint Development Bank Limited

BALANCE SHEET (continued)

as at 31 December 2014

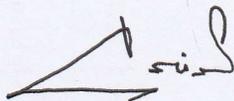
Code	LIABILITIES AND CAPITAL	Notes	31 December 2014 LAK	31 December 2013 LAK
I	Amounts due to other banks	17	1,025,841,437	708,092,538
1	Demand deposits		1,025,841,437	708,092,538
II	Amounts due to customers	18	690,942,497,513	677,996,779,526
1	Demand and saving deposits		427,191,719,298	450,012,906,387
2	Term deposits		263,750,578,215	227,982,673,139
3	Other payables to customers		200,000	1,200,000
III	Other liabilities		21,098,213,980	11,147,554,305
1	Accrued interest payables		7,299,270,546	5,342,624,230
2	Other payables	19	13,798,943,434	5,804,930,075
	TOTAL LIABILITIES		713,066,552,930	689,852,426,369
IV	Capital and reserves			
1	Paid-up capital	21	404,666,100,000	404,666,100,000
2	Regulatory reserve fund		391,685,038	391,685,038
3	Business expansion fund		550,517,242	550,517,242
4	Revaluation reserve		23,671,958,000	23,671,958,000
5	General provision for credit activities	14.3	2,602,913,538	1,718,444,730
6	Accumulated losses		(65,122,711,279)	(71,708,981,376)
	TOTAL CAPITAL		366,760,462,539	359,289,723,634
	TOTAL LIABILITES AND CAPITAL		1,079,827,015,469	1,049,142,150,003

Joint Development Bank Limited

BALANCE SHEET (continued)
as at 31 December 2014

Code	OFF BALANCE SHEET ITEMS	Notes	31 December 2014 LAK	31 December 2013 LAK
I	Commitments			
A	Commitments for financing		77,185,767,491	883,467,532,249
1	Commitments for financing given to customers		77,185,767,491	883,467,532,249
B	Commitment for guarantees		750,767,764	185,057,731,683
1	Commitments for guarantees given to customers		750,767,764	185,057,731,683
	TOTAL COMMITMENTS		77,936,535,255	1,068,525,263,932
II	Collaterals and Mortgages			
A	Collaterals and Mortgages for loans		1,158,470,182,921	671,142,037,851
1	Collaterals and Mortgages for loans to customers		1,158,470,182,921	671,142,037,851
	COLLATERALS AND MORTGAGES		1,158,470,182,921	671,142,037,851

Prepared by:



Mr. Khamsing Sonesinnavong
Accounting and Finance Manager



Mr. Sounthorn Chanthavong
General Director

Vientiane, Lao P.D.R

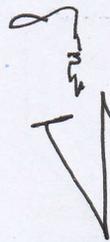
31 March 2015

Joint Development Bank Limited

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2014

	Paid-up capital LAK	Regulatory reserve fund LAK	Business expansion fund LAK	Revaluation reserve LAK	General provision for credit activities LAK	Accumulated losses LAK	Total LAK
Balances as at 31 December 2012	244,666,100,000	391,685,038	550,517,242	23,671,958,000	1,270,379,633	(73,075,799,289)	197,474,840,674
Additional paid-up capital (Note 21)	160,000,000,000	-	-	-	-	-	160,000,000,000
Net profit for the year	-	-	-	-	-	1,366,817,913	1,366,817,913
Net increase in general provision for credit activities (Note 14.3)	-	-	-	-	496,451,866 (48,386,819)	-	496,451,866 (48,386,819)
Foreign exchange difference	-	-	-	-	-	-	-
Balances as at 31 December 2013	404,666,100,000	391,685,038	550,517,242	23,671,958,000	1,718,444,730	(71,708,981,376)	359,289,723,634
Additional paid-up capital (Note 21)	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	6,586,270,097	6,586,270,097
Net increase in general provision for credit activities (Note 14.3)	-	-	-	-	874,370,581 10,098,227	-	874,370,581 10,098,227
Foreign exchange difference	-	-	-	-	-	-	-
Balances as at 31 December 2014	404,666,100,000	391,685,038	550,517,242	23,671,958,000	2,602,913,538	(65,122,711,279)	366,760,462,539

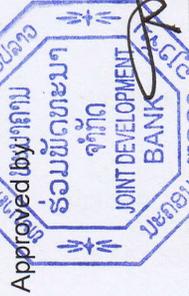
Prepared by:



Mr. Khamasing Sonesinnavong
Accounting and Finance Manager

Vientiane, Lao P.D.R

31 March 2015



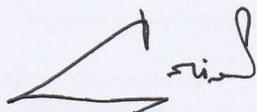
Mr. Sounthorn Chanthavong
General Director

Joint Development Bank Limited

CASH FLOW STATEMENT for the year ended 31 December 2014

	Notes	2014 LAK	2013 LAK
Net Profit after tax		6,586,270,097	1,366,817,913
<i>Adjustments for:</i>			
Enterprise Income Tax expense		2,087,249,758	343,966,218
Depreciation and amortization charges		10,857,033,459	7,284,085,170
Net provision expense of credit losses	14	279,416,363	6,571,072,751
Cash flows from operating profit before changing in operating assets and liabilities		19,809,969,677	15,565,942,052
(Increase)/Decrease in operating assets			
Balances with other banks		76,730,318,828	(63,348,859,283)
Loans to customers		(163,349,205,633)	(97,948,097,008)
Accrued interest income		46,099,440	1,075,131,770
Other assets		(6,567,668,745)	5,554,474,044
Increase/(Decrease) in operating liabilities			
Deposits from other banks		317,748,899	(1,676,820,460)
Customer deposits and other amounts due to customers		12,945,717,987	211,925,738,127
Enterprise Income Tax paid during the year	20	(769,012,387)	(1,135,726,459)
Other liabilities		8,632,422,304	198,676,455
Net cash flows (used in)/from operating activities		(52,203,609,630)	70,210,459,238
INVESTING ACTIVITIES			
Payments to acquire and construct new fixed assets		(55,659,346,402)	(26,977,484,267)
Proceeds from disposals of assets		6,715,647,887	147,952,733
Proceeds from matured bonds		-	2,000,000,000
Proceeds from sale of investment in other entities		-	1,921,200,000
Interest and dividends received		475,000,000	434,000,000
Net cash flows used in investing activities		(48,468,698,515)	(22,474,331,534)
FINANCING ACTIVITIES			
Drawdown of borrowings		-	160,050,000,000
Repayment of borrowings		-	(160,050,000,000)
Additional paid-up capital during the year		-	160,000,000,000
Net cash flows from financing activities		-	160,000,000,000
Net change in cash and cash equivalents		(100,672,308,145)	207,736,127,704
Cash and cash equivalents at the beginning of the year		383,571,375,001	175,859,161,709
Effect of foreign exchange difference		-	(23,914,412)
Cash and cash equivalents at the end of the year	22	282,899,066,856	383,571,375,001

Prepared by:



Mr. Khamsing Sonesinnavong
Accounting and Finance Manager



Mr. Southorn Chanthavong
General Director

Vientiane, Lao P.D.R

31 March 2015