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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"), which comprise the balance sheet as at 31 December 2015, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages on 6 to 31.

Management's Responsibility for the Financial Statements

The Bank's 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 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 these 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 consider 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with the Accounting Law of Lao P.D.R and the regulations stipulated by the Bank of Lao P.D.R relevant to preparation and presentation of financial statements.

Ernst & Young Lao Ltd



Vientiane, Lao P.D.R.
31 March 2016

Joint Development Bank Limited

INCOME STATEMENT

for the year ended at 31 December 2015

Code	ITEMS	Notes	2015 LAK	2014 LAK
A.	OPERATING INCOME AND EXPENSES			
1.	Interest and similar income	3	79,334,063,897	57,259,396,781
1.1	Interest and similar income from interbank transactions		3,840,945,952	3,188,749,791
1.2	Interest and similar income from loans to customers		75,493,117,945	54,070,646,990
2.	Interest and similar expense	3	(50,297,513,975)	(26,959,056,026)
2.1	Interest and similar expense for interbank transactions		(3,488,507,471)	(6,661,670)
2.2	Interest and similar expense for customer deposits		(46,809,006,504)	(26,952,394,356)
I.	NET INTEREST AND SIMILAR INCOME	3	29,036,549,922	30,300,340,755
3	Fee and commission income	4	34,743,941,736	19,579,756,207
4	Fee and commission expense	4	(6,982,656,399)	(5,678,829,454)
5	Gain from securities investment		378,000,000	475,000,000
6	Net gain from dealing in foreign currencies	5	2,191,371,980	2,479,785,437
II.	NET OPERATING INCOME		59,367,207,239	47,156,052,945
B.	OTHER INCOME AND EXPENSES			
7	Other operating income	6	12,881,519,673	19,462,759,782
8	General and administration expenses		(51,098,436,868)	(43,898,132,960)
8.1	Payroll and other staff costs	7	(31,351,490,950)	(27,924,997,711)
8.2	Other administration expenses	8	(19,746,945,918)	(15,973,135,249)
9	Depreciation and amortization charges		(14,162,470,630)	(10,857,033,459)
10	Other operating expenses	9	(3,090,680,589)	(3,785,080,671)
11	Net provision for non-performing loans		490,951,597	594,954,218
11.1	Provision for non-performing loans	14.2	(545,052,775)	(1,516,738,662)
11.2	Reversal of provision for non-performing loans	14.2	1,036,004,372	2,111,692,880
III.	TOTAL PROFIT BEFORE TAX		4,388,090,422	8,673,519,855
12	Current Profit Tax	20	(1,244,736,241)	(2,087,249,758)
IV.	PROFIT AFTER TAX		3,143,354,181	6,586,270,097

Prepared by:



Mr. Khamhou Thongthavy
Accounting and Finance Manager



Approved by:

Mr. Khamhou Thongthavy
Deputy General Director

Vientiane, Lao P.D.R

31 March 2016

Joint Development Bank Limited

BALANCE SHEET
as at 31 December 2015

Code	ASSETS	Notes	31 December 2015 LAK	31 December 2014 LAK
I	Cash on hand and balances with the Bank of Lao P.D.R ("BOL")		460,957,961,464	254,230,165,369
1	Cash on hand	10	173,247,883,371	111,442,319,228
2	Balances with the BOL	11	287,710,078,093	142,787,846,141
II	Amounts due from other banks and financial institute		123,803,288,475	111,874,665,638
1	Demand deposits	12.1	56,071,722,799	44,734,167,498
2	Term deposits	12.2	30,000,000,000	30,000,000,000
3	Saving deposits	12.3	37,731,565,676	37,140,498,140
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	782,067,018,701	513,024,445,911
V	Fixed assets		201,144,767,436	174,630,584,750
1	Constructions in progress	15.1	24,470,412,723	17,547,328,398
2	Intangible fixed assets	15.2	96,603,459,682	92,688,992,492
3	Tangible fixed assets	15.3	80,070,895,031	64,394,263,860
VI	Other assets		41,021,534,363	21,767,153,801
1	Accrued interest receivables		3,784,347,288	1,752,653,818
2	Other assets	16	37,237,187,075	20,014,499,983
	TOTAL ASSETS		1,613,294,570,439	1,079,827,015,469

Joint Development Bank Limited

BALANCE SHEET (continued)

as at 31 December 2015

Code	LIABILITIES AND CAPITAL	Notes	31 December 2015 LAK	31 December 2014 LAK
I	Amounts due to other banks and other financial institutions	17	85,546,646,204	1,025,841,437
1	Demand deposits		2,115,806,204	1,025,841,437
2	Term deposit		83,430,840,000	-
II	Amounts due to customers	18	1,125,292,574,969	690,942,497,513
1	Demand and saving deposits		574,576,889,329	427,191,719,298
2	Term deposits		550,713,142,654	263,750,578,215
3	Other payables to customers		2,542,986	200,000
III	Other liabilities		31,555,602,975	21,098,213,980
1	Accrued interest payables		20,903,456,468	7,299,270,546
2	Other payables	19	10,652,146,507	13,798,943,434
	TOTAL LIABILITIES		1,242,394,824,148	713,066,552,930
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	14.2	4,104,605,766	2,602,913,538
6	Accumulated losses		(62,485,119,755)	(65,122,711,279)
	TOTAL CAPITAL		370,899,746,291	366,760,462,539
	TOTAL LIABILITES AND CAPITAL		1,613,294,570,439	1,079,827,015,469

Joint Development Bank Limited

BALANCE SHEET (continued)
as at 31 December 2015

Code	OFF BALANCE SHEET ITEMS	Notes	31 December 2015 LAK	31 December 2014 LAK
I	Commitments			
A	Commitments for financing		199,518,070,857	77,185,767,491
1	Commitments for financing given to customers		199,518,070,857	77,185,767,491
B	Commitment for guarantees		36,066,918,795	750,767,764
1	Commitments for guarantees given to customers		36,066,918,795	750,767,764
	TOTAL COMMITMENTS		235,584,989,652	77,936,535,255
II	Collaterals and Mortgages			
A	Collaterals and Mortgages for loans		1,435,458,786,134	1,158,470,182,921
1	Collaterals and Mortgages for loans to customers		1,435,458,786,134	1,158,470,182,921
	COLLATERALS AND MORTGAGES		1,435,458,786,134	1,158,470,182,921

Prepared by:



Mr. Khamsing Sonesinnavong
Accounting and Finance Manager

Approved by:



Mr. Khamhou Thongthavy
Deputy General Director

Vientiane, Lao P.D.R

31 March 2016

Joint Development Bank Limited

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2015

	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 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	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	-	-
Net increase in general provision for credit activities	-	-	-	-	874,370,581	-	874,370,581
Foreign exchange difference	-	-	-	-	10,098,227	-	10,098,227
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
Additional tax for 2012, 2013 and 2014 in accordance with Tax Authorities conclusion	-	-	-	-	-	(235,018,973)	(235,018,973)
Other increase	-	-	-	-	-	(270,743,684)	(270,743,684)
Net profit for the year	-	-	-	-	-	3,143,354,181	3,143,354,181
Net increase in general provision for credit activities (Note 14.2)	-	-	-	-	1,546,877,836	-	1,546,877,836
Foreign exchange difference	-	-	-	-	(45,185,608)	-	(45,185,608)
Balances as at 31 December 2015	404,666,100,000	391,685,038	550,517,242	23,671,958,000	4,104,605,766	(62,485,119,755)	370,899,746,291

Prepared by:



Mr. Khamsing Sonesinnavong
Accounting and Finance Manager

Vientiane, Lao P.D.R

31 March 2016

Approved by:



Mr. Khannhou Thongthavy
Deputy General Director

Joint Development Bank Limited

CASH FLOW STATEMENT for the year ended 31 December 2015

	Notes	2015 LAK	2014 LAK
Net Profit before tax		4,388,090,422	8,673,519,855
<i>Adjustments for:</i>			
Depreciation and amortization charges		14,162,470,630	10,857,033,459
Net provision expense of credit losses	14	945,075,422	279,416,363
Cash flows from operating profit before changing in operating assets and liabilities		19,495,636,474	19,809,969,677
(Increase)/Decrease in operating assets			
Balances with other banks		(20,317,996,649)	76,730,318,828
Loans to customers		(268,446,550,898)	(163,349,205,633)
Accrued interest income		(2,031,693,470)	46,099,440
Other assets		(18,437,993,408)	(6,567,668,745)
Increase/(Decrease) in operating liabilities			
Deposits from other banks		84,520,804,767	317,748,899
Customer deposits and other amounts due to customers		434,350,077,456	12,945,717,987
Profit Tax paid during the year	20	(2,098,220,852)	(769,012,387)
Other liabilities		10,765,705,863	8,632,422,304
Net cash flows from/(used in) operating activities		237,799,769,283	(52,203,609,630)
INVESTING ACTIVITIES			
Payments to acquire and construct new fixed assets		(39,839,347,000)	(55,659,346,402)
Proceeds from disposals of assets		-	6,715,647,887
Dividends received		378,000,000	475,000,000
Net cash flows used in investing activities		(39,461,347,000)	(48,468,698,515)
FINANCING ACTIVITIES			
Net cash flows from financing activities		-	-
Net change in cash and cash equivalents		198,338,422,283	(100,672,308,145)
Cash and cash equivalents at the beginning of the year		282,899,066,856	383,571,375,001
Effect of foreign exchange difference		-	-
Cash and cash equivalents at the end of the year	22	481,237,489,139	282,899,066,856

Prepared by:



Mr. Khamsing Sonesinnavong
Accounting and Finance Manager

Approved by:



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Deputy General Director

Vientiane, Lao P.D.R

31 March 2016