



INDEPENDENT AUDITOR'S REPORT

To: The Owners of Joint Development Bank Limited

Opinion

In our opinion, the financial statements of Joint Development Bank Limited ("the Bank") for the year ended 31 December 2021 are prepared, in all material respects, in accordance with the relevant regulations and notifications of the Bank of Lao People's Democratic Republic and the accounting policies described in Note 2 to the financial statements.

What we have audited

The Bank's financial statements comprise:

- the statement of income for the year then ended;
- the statement of financial position as at 31 December 2021;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Emphasis of Matter - Basis of accounting and restriction on distribution and use

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the Bank's accounting policies described in Note 2 to the financial statements. As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for the Bank and the Bank of Lao People's Democratic Republic and should not be distributed to or used by parties other than the Bank and the Bank of Lao People's Democratic Republic. Our opinion is not modified in respect to this matter.



Responsibilities of the Board of Director of the Bank for the financial statements

The Board of Director of the Bank are responsible for the preparation and presentation of the financial statements in accordance with the relevant accounting regulations and notifications of the Bank of Lao People's Democratic Republic and the accounting policies described in Note 2 to the financial statements, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of directors are 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 the directors either intend to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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.



We communicate with the audit committee 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.

For PricewaterhouseCoopers (Lao) Sole Company Limited


By : Apisit Thiengtrongpinyo
Partner

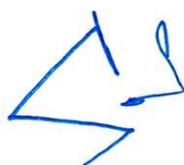
Vientiane, Lao PDR
Date 29 April 2022

JOINT DEVELOPMENT BANK LIMITED

STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Notes | 2021 LAK | 2020 LAK |
|---|---|-------------------------|------------------------|
| A. OPERATING INCOME AND EXPENSES | | | |
| 1. | Interest and similar income | 4 524,715,359,547 | 329,731,830,822 |
| 2. | Interest and similar expenses | 4 (385,379,538,559) | (259,603,257,712) |
| I. NET INTEREST AND SIMILAR INCOME | | 139,335,820,988 | 70,128,573,110 |
| 3. | Fee and commission income | 5 156,402,282,832 | 141,232,161,868 |
| 4. | Fee and commission expenses | 5 (15,388,848,120) | (9,434,253,380) |
| 5. | Net (loss)/gain from securities investment | 6 7,947,669,420 | (930,000,000) |
| 6. | Net gain from dealing in foreign currencies | 9 32,134,036,671 | 26,515,104,641 |
| II. NET OPERATING INCOME | | 320,430,961,791 | 227,511,586,239 |
| B. OTHER INCOME AND EXPENSES | | | |
| 7. | Other operating income | 7 5,106,808,165 | 8,487,552,820 |
| 8. | Administration expenses | (106,585,915,934) | (95,100,281,034) |
| 8.1. | Payroll and other staff costs | 8 (54,317,781,282) | (48,330,262,130) |
| 8.2. | Other administrative expenses | 10 (52,268,134,652) | (46,770,018,904) |
| 9. | Depreciation and amortization charges | 19, 20 (27,932,538,925) | (21,034,031,212) |
| 10. | Other operating expenses | 11 (21,942,013,015) | (12,768,250,609) |
| 11. | Net provision for non-performing loans charged to expense | 292,064,730 | 2,076,211,390 |
| III. TOTAL PROFIT BEFORE TAX | | 169,369,366,812 | 109,172,787,594 |
| 12. | Current profit tax | 27 (35,178,995,109) | (23,489,074,122) |
| IV. PROFIT AFTER TAX | | 134,190,371,703 | 85,683,713,472 |

Prepared by:



Mr. Khamsing Sonesinnavong
Deputy General Director – Chief Accountant

Approved by:



Mr. Vilay Siphaphone
General Director

Vientiane, Lao PDR
29 April 2022

The accompanying notes on pages 14 to 37 form an integral part of these financial statements.

JOINT DEVELOPMENT BANK LIMITED

STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Notes | 2021 LAK | 2020 LAK |
|---|-------|----------------------------------|---------------------------------|
| ASSETS | | | |
| I Cash and accounts with the BOL | | 1,912,677,709,346 | 2,186,223,607,571 |
| 1. Cash on hand | 12 | 759,710,458,567 | 720,715,407,800 |
| 2. Balance with BOL | 13 | 1,152,967,250,779 | 1,465,508,199,771 |
| II Due from other banks | 14 | 309,597,231,965 | 236,012,927,446 |
| 1. Demand deposits | | 160,550,196,180 | 173,200,203,737 |
| 2. Term deposits | | 80,000,000,000 | 18,502,000,000 |
| 3. Saving deposits | | 69,047,035,785 | 44,310,723,709 |
| III Investment in securities | 15 | 382,368,143,544 | 29,350,000,000 |
| 1. Available-for-sale securities | | 2,350,000,000 | 2,350,000,000 |
| 2. Held-to-maturity securities | | 380,018,143,544 | 27,000,000,000 |
| IV Loans to customers, net of specific provision for credit activities | 16 | 7,566,038,980,897 | 4,595,516,104,427 |
| V Investments in associates and joint ventures | 17 | 1,187,780,000 | 854,440,000 |
| VI Fixed assets | | 261,166,854,777 | 233,469,119,490 |
| 1. Construction in progress and fixed assets in transit | 18 | 8,094,624,961 | 2,751,157,513 |
| 2. Intangible fixed assets | 19 | 150,445,255,563 | 137,921,992,665 |
| 3. Tangible fixed assets | 20 | 102,626,974,253 | 92,795,969,312 |
| VII Other assets | | 537,214,153,695 | 397,622,772,236 |
| 1. Accrued interest receivable | | 107,858,827,015 | 33,723,803,830 |
| 2. Other assets | 21 | 429,355,326,680 | 363,898,968,406 |
| TOTAL ASSETS | | <u>10,970,250,854,224</u> | <u>7,679,048,971,170</u> |

The accompanying notes on pages 14 to 37 form an integral part of these financial statements.

JOINT DEVELOPMENT BANK LIMITED

STATEMENTS OF FINANCIAL POSITION (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Notes | 2021 LAK | 2020 LAK |
|--|-------|---------------------------|--------------------------|
| LIABILITIES AND CAPITAL | | | |
| I Due to other banks and financial institutions | 22 | 1,166,258,757,310 | 943,108,026,948 |
| 1. Demand and saving deposits | | 8,296,295,035 | 1,448,026,948 |
| 2. Term deposits | | 255,587,360,000 | 168,360,000,000 |
| 3. Borrowings | | 901,902,617,128 | 773,300,000,000 |
| 4. Other payables | | 472,485,147 | - |
| II Due to customers | 23 | 8,727,580,548,918 | 5,945,354,898,355 |
| 1. Demand, saving and margin deposits | | 2,022,939,282,416 | 1,552,200,736,325 |
| 2. Term deposits | | 6,704,639,766,502 | 4,393,152,311,830 |
| 3. Other payables | | 1,500,000 | 1,850,200 |
| III Other liabilities | | 402,539,492,652 | 223,783,535,954 |
| 1. Accrued interests payable | | 291,125,871,465 | 188,469,815,564 |
| 2. Other liabilities | | 111,413,621,187 | 35,313,720,390 |
| TOTAL LIABILITIES | | 10,296,378,798,880 | 7,112,246,461,257 |
| IV Capital and reserves | | | |
| 1. Charter capital | 24 | 424,666,100,000 | 404,666,100,000 |
| 2. Regulatory reserve fund | 25 | 17,351,998,475 | 8,960,056,385 |
| 3. Business expansion fund | 25 | 9,030,673,961 | 4,834,702,916 |
| 4. General provision for credit activities | 16.3 | 37,906,011,116 | 22,695,329,628 |
| 5. Provision for unrecoverable assets | | 94,029,775,080 | 94,029,775,080 |
| 6. Retained earnings | | 90,887,496,712 | 31,616,545,904 |
| TOTAL CAPITAL | | 673,872,055,344 | 566,802,509,913 |
| TOTAL LIABILITIES AND CAPITAL | | 10,970,250,854,224 | 7,679,048,971,170 |

Prepared by:



Mr. Khamsing Sonesinnavong
Deputy General Director – Chief Accountant



Approved by:

Mr. Vilay Siphaphone
General Director

Vientiane, Lao PDR
29 April 2022

The accompanying notes on pages 14 to 37 form an integral part of these financial statements.

JOINT DEVELOPMENT BANK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

| | Share capital LAK | Regulatory reserve fund LAK | Business expansion fund LAK | General provision for credit activities LAK | Surplus on revaluation of assets LAK | Retained earnings LAK | Total LAK |
|--|------------------------|--------------------------------------|--------------------------------------|--|---|-----------------------------|------------------------|
| Balance as at 31 December 2021 | 404,666,100,000 | 8,960,056,385 | 4,834,702,916 | 22,695,329,628 | 94,029,775,080 | 31,616,545,904 | 566,802,509,913 |
| Net profit for the year | - | - | - | - | - | 134,190,371,703 | 134,190,371,703 |
| Share paid-up (Note 24) | 20,000,000,000 | - | - | - | - | - | 20,000,000,000 |
| Appropriation to reserve for the year (Note 25) | - | - | 4,195,971,045 | - | - | (4,195,971,045) | - |
| Dividend paid (Note 26) | - | - | - | - | - | (62,331,507,760) | (62,331,507,760) |
| Changes of regulatory reserve fund General provision changed in the year (Note 25) | - | 8,391,942,090 | - | - | - | (8,391,942,090) | - |
| Balance as at 31 December 2021 | 424,666,100,000 | 17,351,998,476 | 9,030,673,961 | 37,906,011,116 | 94,029,775,080 | 90,887,496,712 | 673,872,055,344 |

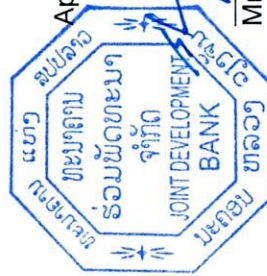
Prepared by:



Mr. Khamxing Sonesinnavong
Deputy General Director – Chief Accountant

Vientiane, Lao PDR
29 April 2022

Approved by:



Mr. Vilay Siphaphone
General Director

The accompanying notes on pages 14 to 37 form an integral part of these financial statements.

JOINT DEVELOPMENT BANK LIMITED

STATEMENT OF CHANGE IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

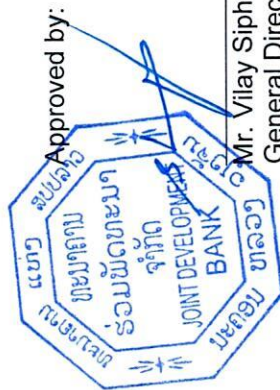
| | Share capital LAK | Regulatory reserve fund LAK | Business expansion fund LAK | General provision for credit activities LAK | Surplus on revaluation of assets LAK | Retained earnings LAK | Total LAK |
|--|------------------------|--------------------------------------|--------------------------------------|--|---|-----------------------------|------------------------|
| Balance as at 31 December 2020 | 404,666,100,000 | 391,685,038 | 550,517,242 | 16,488,032,405 | 94,029,775,080 | (10,642,712,546) | 505,483,397,219 |
| Net profit for the year | - | - | - | - | - | 85,683,713,472 | 85,683,713,472 |
| Appropriation to reserve for the year (Note 25) | - | - | 4,284,185,674 | - | - | (4,284,185,674) | - |
| Dividend paid | - | - | - | - | - | (30,571,898,001) | (30,571,898,001) |
| Changes of regulatory reserve fund (Note 25) | - | 8,568,371,347 | - | - | - | (8,568,371,347) | - |
| General provision changed in the year | - | - | - | 6,207,297,223 | - | - | 6,207,297,223 |
| Balance as at 31 December 2021 | 404,666,100,000 | 8,960,056,385 | 4,834,702,916 | 22,695,329,628 | 94,029,775,080 | 31,616,545,904 | 566,802,509,913 |

Prepared by:



Mr. Khamsing Sonesinnavong
Deputy General Director – Chief Accountant

Vientiane, Lao PDR
29 April 2022



Approved by:

Mr. Vilay Siphaphone
General Director

JOINT DEVELOPMENT BANK LIMITED

STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Notes | 2021 LAK | 2020 LAK |
|--|--------|--------------------------|--------------------------|
| OPERATING ACTIVITIES | | | |
| Net profit/(loss) before tax | | 134,190,371,703 | 109,172,787,594 |
| Adjustments for: | | | |
| Depreciation and amortization expenses | 19,20 | 28,035,385,843 | 21,034,031,212 |
| Net provision expense | 16.3 | 12,269,623,486 | 5,296,646,888 |
| Interest income | 4 | (524,715,359,547) | (329,731,830,822) |
| Interest expense | 4 | 385,379,538,559 | 259,603,257,712 |
| Cash flows from operating profit before changes in operating assets and liabilities | | 35,159,560,044 | 65,374,892,584 |
| (Increase)/Decrease in operating assets | | | |
| Balances with other banks | | (65,151,928,394) | (28,102,013,935) |
| Loans to customers | | (2,973,042,892,280) | (1,279,835,625,107) |
| Accrued interest income | | (74,135,023,185) | 22,870,000,000 |
| Other assets | | (454,864,322,332) | (96,161,669,596) |
| Increase/(Decrease) in operating liabilities | | | |
| Amounts due to BOL and other banks | | 222,678,245,215 | 828,050,490,722 |
| Due to customers | | 2,797,266,000,063 | 1,705,260,532,811 |
| Other liabilities | | 203,612,690,686 | 10,498,717,028 |
| Cash generated from (used in) operations | | (308,477,670,183) | 1,227,955,324,507 |
| Profit tax paid during the year | | | |
| Interest Paid | | (282,723,482,658) | (203,001,882,624) |
| Interest Received | | 450,580,336,362 | 313,947,329,508 |
| Profit tax paid | | (38,210,627,529) | (24,542,623,702) |
| Net cash flows from/ (used in) operating activities | | (178,831,444,008) | 1,314,358,147,689 |
| INVESTING ACTIVITIES | | | |
| Payment for construction in progress and tangible assets | 18, 20 | (34,768,801,195) | (27,388,303,140) |
| Payment for intangible assets | 19 | (21,022,442,948) | - |
| Proceed from disposals of assets | 20 | 58,123,013 | 119,333,456 |
| Dividend received from investment in securities | | - | 100,000,000 |
| Payment for associates and joint ventures investments | | (333,340,000) | (340,000,000) |
| Net cash flows (used in)/from investing activities | | (56,066,461,130) | (27,508,969,684) |

The accompanying notes on pages 14 to 37 form an integral part of these financial statements.

JOINT DEVELOPMENT BANK LIMITED

STATEMENT OF CASHFLOW (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Notes | 2021 LAK | 2020 LAK |
|---|-------|--------------------------|--------------------------|
| FINANCING ACTIVITIES | | | |
| Payment of dividend | 26 | (50,215,616,962) | (23,014,708,200) |
| Proceeds from issuance of share capital | 24 | 20,000,000,000 | - |
| Net cash flows used in financing activities | | (30,215,616,962) | (23,014,708,200) |
| Net change in cash and cash equivalents | | (265,113,522,100) | 1,263,834,469,805 |
| Cash and cash equivalents at the beginning of the year | | 2,188,015,165,087 | 924,180,695,282 |
| Cash and cash equivalents at the end of the year | 27 | 1,922,901,642,987 | 2,188,015,165,087 |
| Non-cash investing activities | | | |
| Paid dividend by offsetting against receivable of shareholders and income tax for dividends | 26 | 12,115,890,798 | 7,557,189,800 |

Prepared by:



Mr. Khamsing Sonesinnavong
Deputy General Director – Chief Accountant

Approved by:



Mr. Vilay Siphaphone
General Director

Vientiane, Lao PDR

29 April 2022

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