

Public Bank Lao Limited

Financial Statements

For the year ended 31 December 2025



Public Bank Lao Limited

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Public Bank Lao Limited

GENERAL INFORMATION

THE BANK

Public Bank Berhad ("PBB") was incorporated in Malaysia. Previously, PBB operated in Laos in the form of 4 branches: Vientiane Branch, Wattay Branch, Savannakhet Branch and Pakse Branch (collectively referred to as the "overseas branches"). On 27 December 2023, PBB obtained approval from Bank of the Lao People's Democratic Republic ("PDR") ("BOL") for closing these branches. On 1 January 2024, the overseas branches were closed and transferred all assets and liabilities, rights and obligations, to a new Commercial Bank established under the name Public Bank Lao Limited.

Public Bank Lao Limited ("the Bank") was established under the Lao Law on Enterprise and the supervision of the BOL, pursuant to the Lao Law on Commercial Banks and in accordance with Investment License No. 080-2023/MPI.14 dated on 28 July 2023, Banking License No. 33/BOL dated on 21 November 2023 and Business License No. 2833/BLO with total capital of LAK 500,000,000,000 which the Bank has fully injected on 20 October 2023 in accordance to the guidance from the BOL. The Bank obtained its latest Enterprise Registration Certificate No 008432/MIC on 17 March 2025 with total registration capital of LAK 1,000,000,000,000, and Investment License No. 020-2025/MPI on 29 April 2025.

The paid-up capital of the Bank as at 31 December 2025 is LAK 1,000,000,000,000 (31 December 2024: LAK 1,000,000,000,000)

The Bank is principally engaged in all aspects of banking business and the provision of related financial services in the Lao PDR, through the Bank's head office and branches in Vientiane Capital and provinces.

As at 31 December 2025, the Bank has one (1) Head office, which is located at No. 100/1-4, Khunbulom Road, Hatsady Village, Chanthabouly District, Vientiane Capital, Lao PDR, P.O. Box 6614 and four (4) branches composed of Vientiane Capital, Wattay, Savannakhet and Pakse.

Public Bank Lao Limited

GENERAL INFORMATION (continued)

THE BOARD OF DIRECTORS

The members of the Board of Directors for the year ended 31 December 2025 and as at the date of this report are as follows:

<u>Name</u>	<u>Position</u>	<u>Date of appointment/resignation</u>
Mr. Lee Chin Guan	Independent Non-Executive Chairman	Appointed on 13 December 2023
Mr. Quah Poh Keat	Independent Non-Executive Deputy Chairman	Appointed on 13 December 2023
Dato' Chang Kat Kiam	Non-Independent Non-Executive Director	Appointed on 13 December 2023 Repatriated on 31 December 2025
Dato' Mohammed Najeeb Bin Abdullah	Independent Non-Executive Director	Appointed on 13 December 2023
Mr. Ng Swee Keat	Non-Independent Non-Executive Director	Appointed on 13 December 2023

MANAGEMENT

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

<u>Name</u>	<u>Position</u>	<u>Date of appointment/resignation</u>
Mr. Tee Keng Swee	Chief Executive Officer	Appointed on 01 January 2026
Mr. Loh Lih Ken	Chief Executive Officer	Appointed on 01 July 2024 Repatriated on 31 December 2025
Mr. Suresh al G Mathavan	Head of Credit Operation	Appointed on 01 January 2024
Mr. Jayremy Goay Dik Xon	Head of Credit Control/Review and Recovery	Appointed on 01 January 2024
Mr. Viengvilay Douangphachan	Head of Information Technology	Appointed on 01 January 2024
Mr. Ooi Yee Zheng	Head of Internal Audit	Appointed on 01 January 2024

AUDITOR

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

Public Bank Lao Limited

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Public Bank Lao Limited (the "Bank") is pleased to present this report and the Bank's financial statements as at 31 December 2025 and for the year then ended.

DIRECTORS' INTERESTS

No members of the Board of Directors have an interest in the shares of the Bank.

DIRECTORS' BENEFITS

As at 31 December 2025, no arrangement existed, to which the Bank was a party, whose object was to enable the Directors of the Bank to acquire benefit by means of the acquisition of shares in or debentures of the Bank or any other corporate body.

No Director of the Bank has received or become entitled to receive any benefit by reason of a contract made by the Bank of with a firm of which the Director is a member, of with a company in which the Director has a material financial interest other than those disclosed in the financial statements.

STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Directors is responsible for the financial statements of each financial year in accordance with the Accounting Law of Lao PDR and the regulations stipulated by Bank of Lao PDR relevant to the preparation and presentation of financial statements. In preparing those financial statements, The Board of Directors is required to:

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

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

The Board of Directors confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

Public Bank Lao Limited

REPORT OF THE BOARD OF DIRECTORS (continued)

STATEMENT OF THE BOARD OF DIRECTORS

We hereby state that the accompanying financial statements of the Bank as at 31 December 2025 and for the year then ended are prepared, in all material respects, in accordance with the Accounting Law of Lao PDR and the regulations stipulated by BOL relevant to the preparation and presentation of financial statements.

For and on behalf of Board of Directors:



Mr. Lee Chin Guan
Independent Non-Executive
Chairman



Mr. Quah Poh Keat
Independent Non-Executive Deputy
Chairman

Vientiane Capital, Lao People's Democratic Republic

03 March 2026

Reference: 11710361/ 69232875-LAS

INDEPENDENT AUDITORS' REPORT

To: The Owner of Public Bank Lao Limited

Opinion

We have audited the financial statements of Public Bank Lao Limited (the "Bank"), 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 Bank are prepared, in all material respects, in accordance with the Accounting Law of Lao PDR and the regulations stipulated by Bank of the Lao PDR relevant to the preparation and presentation 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 Bank 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. 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 your attention to Note 2 to the accompanying financial statements, which describe the basis of accounting adopted by the Bank. These accounting policies are not intended to present the financial position, the result of operations and cash flows of the Bank in accordance with international generally accepted accounting principles. Our opinion is not modified in respect of this matter.

Responsibilities of the Bank's Management for the Financial Statements

The Banks' management is responsible for the preparation of financial statements in accordance with the Accounting Law of Lao PDR and with the regulations stipulated by Bank of Lao PDR relevant to the preparation and presentation of financial statements, and for such internal control as the management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

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

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

Vientiane Capital, Lao People's Democratic Republic

03 March 2026

Public Bank Lao Limited

INCOME STATEMENT
for the year ended 31 December 2025

Code	ITEMS	Notes	2025 LAKm	2024 LAKm
A.	OPERATING INCOME AND EXPENSES			
1.	Interest and similar income	3	238,845	206,518
2.	Interest and similar expense	3	(80,306)	(65,115)
I.	NET INTEREST AND SIMILAR INCOME	3	158,539	141,403
3	Fee and commission income	4	18,350	18,502
4	Fee and commission expense	4	(5,960)	(6,608)
5	Net gain from dealing in foreign currencies	5	13,247	8,434
II.	NET OPERATING INCOME		184,176	161,731
B	OTHER INCOME AND EXPENSES			
6	Other operating income	6	18,650	35,315
7	Administration expenses		(101,884)	(69,373)
7.1	Payroll and other staff costs	7	(58,859)	(49,509)
7.2	Other administrative expenses	8	(43,025)	(19,864)
8	Depreciation and amortization charges	15	(6,548)	(4,704)
9	Other operating expenses	9	(7,211)	(3,380)
10	Net provision for non-performing loans charged to expense	14.2	(13,218)	(17,089)
III.	TOTAL PROFIT BEFORE TAX		73,965	102,500
11	Current profit tax	21.2	(13,021)	(20,371)
IV.	PROFIT AFTER TAX		60,944	82,129



Ms. Viengkhone Sirivongsa
Assistant Manager of Finance Department

Vientiane Capital, Lao People's Democratic Republic

03 March 2026



Mr. Tee Keng Swee
Chief Executive Officer

Public Bank Lao Limited

STATEMENT OF FINANCIAL POSITION as at 31 December 2025

Code	ASSETS	Notes	31/12/2025 LAKm	31/12/2024 LAKm
I	Cash and accounts with the BOL		705,781	715,546
	1. Cash on hand	10	66,160	57,917
	2. Balances with the BOL	11	639,621	657,629
II	Due from other banks		577,292	377,709
	1. Demand deposits	12.1	577,292	377,709
III	Investment in securities	13	25,217	204,532
IV	Loans to customers, net off specific provision for credit activities	14	2,548,949	2,207,418
VI	Fixed assets and Right-of-use assets		89,107	20,064
	1. Construction in progress	15.2	8,493	25
	2. Intangible fixed assets	15.1	184	232
	3. Tangible fixed assets	15.2	22,878	12,386
	4. Right-of-use assets	15.3	57,552	7,421
VII	Other assets		237,139	201,347
	1. Accrued interest receivable	16	187,635	176,852
	2. Other assets	17	49,504	24,495
	TOTAL ASSETS		4,183,485	3,726,616

Code	LIABILITIES AND CAPITAL	Notes	31/12/2025 LAKm	31/12/2024 LAKm
I	Due to other banks		314,193	306,081
	1. Term deposits	18.1	314,188	306,079
	2. Other payables to other banks	18.2	5	2
II	Due to customers	19	2,340,769	1,990,576
	1. Demand deposits		437,894	295,475
	2. Saving deposits		412,601	425,102
	3. Term deposits		1,490,274	1,269,999
III	Other liabilities		107,036	70,541
	1. Accrued interest payables	20	38,013	25,890
	2. Tax payables	21.1	17,174	23,650
	3. Other payables	22	51,849	21,001
	TOTAL LIABILITIES		2,761,998	2,367,198
IV	Capital and reserves			
	1. Paid-up capital	23	1,000,000	1,000,000
	2. Share premium		267,372	267,372
	3. Regulatory reserve fund		14,307	8,213
	4. General provision for credit activities	14.2	11,042	9,917
	5. Retained earnings		128,766	73,916
	TOTAL CAPITAL		1,421,487	1,359,418
	TOTAL LIABILITES AND CAPITAL		4,183,485	3,726,616

Public Bank Lao Limited

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

Code	OFF BALANCE SHEET ITEMS	Notes	31/12/2025 LAKm	31/12/2024 LAKm
I	Commitments given			
A	Commitments for guarantees given	26	36,630	16,342
1	- Commitments for guarantees given to customers		36,630	16,342
	TOTAL COMMITMENTS GIVEN		36,630	16,342
II	Collaterals and Mortgages			
A	Collaterals and Mortgages for loans		9,332,832	8,366,652
1	- Collaterals and Mortgages for loans to customers		9,332,832	8,366,652
B	Collaterals and Mortgages for guarantees given		151,392	52,742
1	- Collaterals and Mortgages for guarantees given to customers		151,392	52,742
	TOTAL COLLATERALS AND MORTGAGES		9,484,224	8,419,394



Ms. Viengkhone Sirivongsa
Assistant Manager of Finance Department

Vientiane Capital, Lao People's Democratic Republic

03 March 2026



Mr. Tee Keng Swee
Chief Executive Officer

Public Bank Lao Limited

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

	<i>Paid-up capital LAKm</i>	<i>Share Premium LAKm</i>	<i>Regulatory reserve fund LAKm</i>	<i>General provision for credit activities LAKm</i>	<i>Retained earnings LAKm</i>	<i>Total LAKm</i>
Balance as at 1 January 2025	1,000,000	267,372	8,213	9,917	73,916	1,359,418
Net profit for the year	-	-	-	-	60,944	60,944
Appropriation of regulatory reserve fund for the year	-	-	6,094	-	(6,094)	-
Net general provision reversal during the year	-	-	-	1,121	-	1,121
Foreign exchange difference	-	-	-	4	-	4
Balance as at 31 December 2025	1,000,000	267,372	14,307	11,042	128,766	1,421,487



Ms. Viengkhone Sirivongsa
Assistant Manager of Finance Department

Vientiane Capital, Lao People's Democratic Republic

03 March 2026



Mr. Tee Keng Swee
Chief Executive Officer

Public Bank Lao Limited

STATEMENT OF CASH FLOWS for the year ended 31 December 2025

<i>ITEMS</i>	<i>Notes</i>	<i>2025 LAKm</i>	<i>2024 LAKm</i>
OPERATING ACTIVITIES			
Profit before tax		73,965	102,500
<i>Adjustments for:</i>			
Depreciation and amortization charges	15	6,548	4,704
Provision charged for credit losses	14.2	18,212	18,396
Interest income		(238,845)	(206,518)
Interest expense		78,724	64,636
Cash flows used in operating profit before changes in operating assets and liabilities		(61,396)	(16,282)
(Increase)/Decrease in operating assets			
Balances with other banks		(17,808)	(1,074,755)
Loans to customers		(369,664)	(2,223,539)
Interest received		228,061	29,666
Other financial assets		4,315	(29,532)
Other assets		(78,291)	(46,688)
Increase/(Decrease) in operating liabilities			
Amounts due to other banks		8,109	306,079
Due to customers		361,239	1,990,576
Profit tax paid during the year	21.2	19,820	(17,974)
Interest paid		(66,600)	(38,746)
Other liabilities		(8,466)	42,255
Capital transfer from overseas branches to the new Bank		-	775,015
Net cash flows from/(used in) operating activities		19,319	(303,925)

Public Bank Lao Limited

STATEMENT OF CASH FLOWS (continued)
for the year ended 31 December 2025

	Notes	2025 LAKm	2024 LAKm
INVESTING ACTIVITIES			
Payments to acquire property and equipment and CIP	15.2	(22,309)	(2,629)
Proceed of asset disposals		-	54
Net cash flows used in investing activities		(22,309)	(2,575)
FINANCING ACTIVITIES			
Capital contribution and issuance of shares		-	500,000
Net cash flows from financing activities		-	500,000
Net change in cash and cash equivalents		(2,990)	193,500
Cash and cash equivalents at the beginning of the year		1,114,062	-
Cash transfer from overseas branches to the new Bank		-	920,562
Cash and cash equivalents at the end of the year	24	1,111,072	1,114,062



Ms. Viengkhone Sirivongsa
Assistant Manager of Finance Department



Mr. Tee Keng Swee
Chief Executive Officer

Vientiane Capital, Lao People's Democratic Republic

03 March 2026

Public Bank Lao Limited

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

1. THE BANK INFORMATION

Establishment and operations

Public Bank Lao Limited ("the Bank") was established under the Lao Law on Enterprise and the supervision of the Bank of Lao People's Democratic Republic ("BOL"), pursuant to the Lao Law on Commercial Banks and in accordance with Investment License No. 080-2023/MPI.14 dated on 28 July 2023, Banking License No. 33/BOL dated on 21 November 2023 and Business License No. 2833/BOL with total capital of LAK 500,000,000,000 which the Bank has fully injected on 20 October 2023 in accordance to the guidance from the BOL. The Bank obtained its latest Enterprise Registration Certificate No 008432/MIC on 17 March 2025 with total registration capital of LAK 1,000,000,000,000, and Investment License No. 020-2025/MPI on 29 April 2025.

The paid-up capital as at 31 December 2025 is LAK 1,000,000,000,000 (31 December 2024: LAK 1,000,000,000,000).

The Bank is principally engaged in all aspects of banking business and the provision of related financial services in the Lao People's Democratic Republic, through the Bank's head office and branches in Vientiane Capital and provinces.

Location and network

As at 31 December 2025, The Bank has one (1) Head office, which is located at No. 100/1-4, Khunbulom Road, Hatsady Village, Chanthabouly District, Vientiane Capital, Lao People's Democratic Republic, P.O. Box 6614. and four (4) branches composed of Vientiane branch, Wattay branch, Savannakhet branch and Pakse branch.

Employees

Total employees of the Bank as at 31 December 2025 were 131 people (31 December 2024: 135 people).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Statement of compliance*

Management 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 the preparation and presentation of financial statements.

2.2 *Basis of preparation*

The Bank maintains its accounting records in Lao Kip ("LAK") and prepares 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 relevant to preparation and presentation of financial statements ("LAS").

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 flow 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 Bank and its results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Lao PDR.

Public Bank Lao Limited

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 *Basis of preparation* (continued)

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 Bank 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 Bank 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 Bank's fiscal years applicable for the preparation of its financial statements starts on 1 January and ends on 31 December.

2.3 *Significant accounting policies*

2.3.1 *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 2.3.4 for the definition of non-performing loans) or when the 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 upon actually received.

2.3.2 *Recognition of fee and commission*

Fee and commission consist of fees received for fund transfer (including trade settlement), fee arising for foreign currency exchange transactions, ATM transaction and fee arising from financial guarantees.

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

2.3.3 *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.

2.3.4 *Loans to customers*

Loans to customers are recognized at cost and presented at outstanding balance less specific provision.

Public Bank Lao Limited

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Significant accounting policies (continued)

2.3.4 Loans to customers (continued)

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 Bank has classified loans into 5 groups based on the payment in 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").

Provision

In accordance with BOL512 and OL898, the Bank 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 operating expense/income
B	3.0%	Specific	Deducted to loan balance	Other operating 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 and specific provision for special mention = Provision rate x Loan outstanding balance
- b. Specific provision = Provision rate x (Loan outstanding balance – discounted value of collateral)

where the Bank has opted to include the discounted value of collateral in the provision calculation as allowed by BOL512 and OL898.

(ii) The balance of provision for loans classified into Group A is recorded in the statement of financial position in "General provision for credit activities" under capital and reserves of the Bank.

Accumulated balance of provision for loans classified into Group B and NPL is recorded in the balance sheet in "Loans to customers, net of specific provision for credit activities".

Public Bank Lao Limited

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 *Significant accounting policies* (continued)

2.3.4 *Loans to customers* (continued)

- (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 non-performing loans reversed out of expense".

2.3.5 *Investment in securities*

Held-to-maturity securities

Held-to-maturity investment securities are debt securities with fixed or determinable payments and maturities, which the Bank has intention and ability to hold to maturity to earn interest. When they are sold before maturity date, these securities will be reclassified as trading securities or available-for-sale securities.

Held-to-maturity securities are initially recognized at cost and subsequently presented at cost. Premiums and discounts arising from securities purchases are amortized in the separate income statement using the straight-line method over the year from the acquisition dates to the maturity dates.

2.3.6 *Fixed assets*

Fixed asset includes tangible fixed assets and intangible fixed assets. Tangible fixed assets consist of building improvements, office equipment, furniture and fixtures, computer equipment and motor vehicles. Intangible fixed asset consists of 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 statement of financial position/amortization and any gains or losses resulting from their disposal are posted to the income statement.

2.3.7 *Leasing*

Right-of-use assets

At inception of a contract, the Bank 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 Bank combines lease and non-lease components, in cases where splitting the non-lease component is not possible.

Public Bank Lao Limited

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 *Significant accounting policies* (continued)

2.3.7 *Leasing* (continued)

The Bank 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 Bank 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.

Lease liabilities

At the commencement date of the lease, the Bank 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 Bank and payments of penalties for terminating a lease, if the lease term reflects the Bank 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 Bank 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.

Short-term leases and leases of low-value assets

The Bank 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.

Significant judgement in determining the lease term of contracts with renewal options

The Bank determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Public Bank Lao Limited

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Significant accounting policies (continued)

2.3.7 Leasing (continued)

The Bank applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Bank reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). The Bank included the renewal period as part of the lease term for leases of premises and IT equipment due to the significance of these assets to its operations.

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement convey a right to use the asset.

Other leases - the Bank as a lessee

For short term leases and leases of low value assets, operating lease payments are recognized as an expense in the profit or loss on a straight-line basis over the lease term. Contingent rental payable is recognized as an expense in the period in which they are incurred.

2.3.8 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 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 followings are the annual rates used.

Building improvements	5%
Office equipment	20%
Computer equipment	20%
Furniture and fixtures	20%
Motor vehicles	20%
Software	20%

2.3.9 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:

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

In accordance with Article 154 (amended), Enterprise Law dated 29 December 2022, the Bank 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 Bank may suspend such provision, unless otherwise provided by the laws.

Public Bank Lao Limited

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Significant accounting policies (continued)

2.3.9 Reserves (continued)

The Business expansion fund and other funds shall be created upon decision of the management. Accordingly, the Bank 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>
Regulatory reserve fund	10
Business expansion fund	-

2.3.10 Foreign currency transactions

Transactions in original currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction. 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). All foreign exchange differences are taken into "Net gain/(loss) from dealing in foreign currencies" in the income statement.

	<u>31/12/2025</u>	<u>31/12/2024</u>
	<u>LAK</u>	<u>LAK</u>
United State Dollar ("USD")	21,328	21,559
Thai Bath ("THB")	685	624
Euro ("EUR")	25,125	22,541
Malaysia Ringgit (MYR)	5,213	4,796
Great Britain Pound (GBP)	28,824	27,186

Public Bank Lao Limited

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 *Significant accounting policies* (continued)

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

Post-employment benefits

Post-employment benefits are paid to retired employees of the Bank by the Social Security Fund Department which belongs to the Ministry of Labor and Social Welfare. The Bank is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at an amount equivalent to 6% of employee's basic salary on a monthly basis. The Bank has no further obligation concerning post-employment benefits for its employees other than this.

Public Bank Lao Limited

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 *Significant accounting policies* (continued)

2.3.12 *Employee benefits*

Termination benefits

In accordance with Article 82 of the Amended Labor Law No. 43/NA approved by the President of the Lao People's Democratic Republic on 28 January 2014, the Bank has the obligation to pay allowance for employees who are terminated by dismissal in the following cases:

- (i) The employee lacks specialized skills or is not in good health and thus cannot continue to work;
- (ii) The employer considers it necessary to reduce the number of workers in order to improve the work within the labor 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 Bank who were dismissed under the above-mentioned grounds; therefore the Bank has not made a provision for termination allowance in the financial statement.

Public Bank Lao Limited

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

3. NET INTEREST AND SIMILAR INCOME

	2025 <i>LAKm</i>	2024 <i>LAKm</i>
Interest and similar income from		
Loans to customers	216,339	191,412
Interbank transactions	18,076	8,620
Investment securities	4,430	6,486
	<u>238,845</u>	<u>206,518</u>
Interest and similar expense for		
Customers' deposits	(68,390)	(54,792)
Interbank transactions	(10,055)	(8,717)
Interest expense on lease liabilities	(1,582)	(479)
Other interest and similar expenses	(279)	(1,127)
	<u>(80,306)</u>	<u>(64,511)</u>
Net interest and similar income	<u>158,539</u>	<u>141,403</u>

4. NET FEE AND COMMISSION INCOME

	2025 <i>LAKm</i>	2024 <i>LAKm</i>
Fee and commission income from		
Trade finance activities	13,312	12,144
Settlement services	5,038	6,358
	<u>18,350</u>	<u>18,502</u>
Fee and commission expense for		
Transactions with customer	(5,960)	(6,608)
	<u>(5,960)</u>	<u>(6,608)</u>
Net fee and commission income	<u>12,390</u>	<u>11,894</u>

5. NET GAIN FROM DEALING IN FOREIGN CURRENCIES

	2025 <i>LAKm</i>	2024 <i>LAKm</i>
Gain from dealing in foreign currencies	78,259	53,028
Loss from dealing in foreign currencies	(65,012)	(44,594)
	<u>13,247</u>	<u>8,434</u>

6. OTHER OPERATING INCOME

	2025 <i>LAKm</i>	2024 <i>LAKm</i>
Recovery from bad debts written-off	15,985	33,246
Others	2,665	2,069
	<u>18,650</u>	<u>35,315</u>

Public Bank Lao Limited

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

7. PAYROLL AND OTHER STAFF COSTS

	2025 <i>LAKm</i>	2024 <i>LAKm</i>
Wages and salaries	56,130	47,080
Other staff costs	2,729	2,429
	58,859	49,509

8. OTHER ADMINISTRATIVE EXPENSES

	2025 <i>LAKm</i>	2024 <i>LAKm</i>
Resource sharing expense	15,640	-
Repair and maintenance	14,813	7,544
Meeting and seminars	2,151	2,113
Rental	1,458	1,465
Telecommunication	1,819	1,752
Insurance fee	1,252	1,363
Publication, marketing and promotion	1,222	247
Audit fee	1,067	1,078
Lawyer fees	177	1,118
Office stationery	904	920
Electricity and water	989	830
Transport and traveling	253	607
Expenses on welcoming guests	904	470
Fuel	324	354
Others	52	3
	43,025	19,864

9. OTHER OPERATING EXPENSES

	2025 <i>LAKm</i>	2024 <i>LAKm</i>
Net provision charged for performing loans	4,994	1,307
Depositor Protection Fund expense	2,217	2,073
	7,211	3,380

10. CASH ON HAND

	31/12/2025 <i>LAKm</i>	31/12/2024 <i>LAKm</i>
Cash on hand in LAK	11,589	11,240
Cash on hand in foreign currencies	54,571	46,677
	66,160	57,917

Public Bank Lao Limited

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

11. BALANCES WITH THE BOL

	31/12/2025 LAKm	31/12/2024 LAKm
Demand deposit	467,620	503,436
Compulsory reserve (*)	161,358	143,550
Registered capital reserve (**)	10,643	10,643
	639,621	657,629

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

(**) According to Agreement No. 721/BOL dated 22 September 2022, which was effective from 22 September 2022, commercial banks are required to maintain a positive balance of registered capital reserve at the BOL in the form of special deposit.

12. DUE FROM OTHER BANKS

12.1 Demand deposits

	31/12/2025 LAKm	31/12/2024 LAKm
Balances with foreign banks		
Public Bank Berhad, Kuala Lumpur (Note 25)	501,413	302,937
JPMorgan Chase Bank, New York	36,942	30,750
Bank of America, New York	38,937	44,022
	577,292	377,709

13. INVESTMENT IN SECURITIES

	31/12/2025 LAKm	31/12/2024 LAKm
Held-to-maturity securities		
Bond issued by BOL	-	175,000
Bonds issued by the Ministry of Finance	25,217	29,532
	25,217	204,532

Government Bonds have terms ranging from 1 years to 10 years and interest rates ranging from 4.40% to 6.00% for the first year with incremental rate of 0.1% to 0.5% for subsequent years.

Public Bank Lao Limited

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

14. LOANS TO CUSTOMERS, NET OF SPECIFIC PROVISION FOR CREDIT ACTIVITIES

	31/12/2025 LAKm	31/12/2024 LAKm
Loans to customers (Note 14.1)	2,561,465	2,212,172
Less specific provision (Note 14.2)	(12,516)	(4,754)
<i>In which:</i>		
Specific provision for special mention loans	(8,351)	(4,443)
Specific provision for non-performing loans	(4,165)	(311)
	2,548,949	2,207,418

Interest rates for commercial loans during the year are as follows:

	2025 <i>Interest rates</i> % per annum	2024 <i>Interest rates</i> % per annum
Loans denominated in LAK	3% - 20%	3% - 20%
Loans denominated in USD	3% - 18%	9% - 12%
Loans denominated in THB	6% - 13%	9% - 14%

14.1 Analysis of loans to customers

Analysis by currency

	31/12/2025 LAKm	31/12/2024 LAKm
Loans denominated in LAK	1,766,945	1,352,766
Loans denominated in USD	684,870	748,976
Loans denominated in THB	109,650	110,430
	2,561,465	2,212,172

Analysis by quality

	31/12/2025 LAKm	31/12/2024 LAKm
Normal or Pass	2,208,434	1,983,685
Watch or Special Mention	278,266	148,090
Substandard	9,003	1,357
Doubtful	4,718	3,768
Loss	61,044	75,272
	2,561,465	2,212,172

Public Bank Lao Limited

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

14. LOANS TO CUSTOMERS, NET OF SPECIFIC PROVISION FOR CREDIT ACTIVITIES (continued)

14.1 Analysis of loans to customers (continued)

Analysis by original term

	31/12/2025 LAKm	31/12/2024 LAKm
Short-term loans	931,113	704,371
Medium-term loans	114,668	97,152
Long-term loans	1,515,684	1,410,649
	2,561,465	2,212,172

Analysis of loan portfolio by type of industrial sectors

	31/12/2025 LAKm	31/12/2024 LAKm
Trading companies	1,053,148	928,088
Services companies	893,458	691,318
Handicrafts	91,442	114,571
Construction companies	111,677	102,315
Industrial services companies	74,904	47,018
Technical instruments enterprises	9,339	9,889
Transportation companies	10,148	4,449
Agricultural and forestry	4,977	3,846
Others	312,372	310,678
	2,561,465	2,212,172

14.2 Provision for credit losses

Movements of provision for credit losses as at 31 December 2025 are as follows:

	<i>Provision for NPL</i>	<i>Provision for PL</i>		<i>Total LAKm</i>
	<i>Specific provision for NPL LAKm</i>	<i>Specific provision for special mention loans LAKm</i>	<i>General provision for normal loans LAKm</i>	
Balance as at 1 January 2025	311	4,443	9,917	14,671
Net charged during the year	13,218	3,873	1,121	18,212
Bad debts written-off	(9,428)	-	-	(9,428)
Foreign exchange differences	64	35	4	103
Balance as at 31 December 2025	4,165	8,351	11,042	23,558

Public Bank Lao Limited

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

14. LOANS TO CUSTOMERS, NET OF SPECIFIC PROVISION FOR CREDIT ACTIVITIES (continued)

14.2 Provision for credit losses (continued)

Movements of provision for credit losses as at 31 December 2024 are as follows:

	<i>Provision for NPL</i>	<i>Provision for PL</i>		<i>Total LAKm</i>
	<i>Specific provision for NPL LAKm</i>	<i>Specific provision for special mention loans LAKm</i>	<i>General provision for normal loans LAKm</i>	
Balance as at 1 January 2024	-	-	-	-
Transferred from domestic branches	4,781	4,914	7,643	17,338
Net charged/(reversal) during the year	17,089	(775)	2,082	18,396
Bad debts written-off	(21,872)	-	-	(21,872)
Foreign exchange differences	313	304	192	809
Balance as at 31 December 2024	311	4,443	9,917	14,671

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

<i>Classification</i>	<i>Loan balance LAKm</i>	<i>Specific Provision LAKm</i>	<i>General provision LAKm</i>
Performing loans			
- <i>Normal or Pass</i>	2,208,434	-	11,042
- <i>Watch or Special Mention</i>	278,266	8,351	-
Non-Performing loans (NPL)			
- <i>Sub-standard</i>	9,003	1806	-
- <i>Doubtful</i>	4,718	2,359	-
- <i>Loss</i>	61,044	-	-
Total	2,561,465	12,516	11,042

Public Bank Lao Limited

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

15. FIXED ASSETS AND RIGHT-OF-USE ASSETS

15.1 Intangible fixed assets

Movements of intangible fixed assets for the year ended 31 December 2025 are as follows:

	<i>Software</i> <i>LAKm</i>
Cost:	
As at 1 January 2025	5,176
As at 31 December 2025	5,176
Accumulated amortization:	
As at 1 January 2025	4,944
Charge for the year	48
As at 31 December 2025	4,992
Net book value:	
As at 1 January 2025	232
As at 31 December 2025	184

Movements of intangible fixed assets for the year ended 31 December 2024 are as follows:

	<i>Software</i> <i>LAKm</i>
Cost:	
As at 1 January 2024	-
Transferred from domestic branches	4,971
Additions	205
As at 31 December 2024	5,176
Accumulated amortization:	
As at 1 January 2024	-
Transferred from domestic branches	4,895
Charge for the year	49
As at 31 December 2024	4,944
Net book value:	
As at 1 January 2024	-
As at 31 December 2024	232

Public Bank Lao Limited

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

15. FIXED ASSETS AND RIGHT-OF-USE ASSETS (continued)

15.2 Tangible fixed assets

Movements of tangible fixed assets for the year ended 31 December 2025 are as follows:

	<i>Building improvement LAKm</i>	<i>Office equipment LAKm</i>	<i>Furniture & fixtures LAKm</i>	<i>Computer Equipment LAKm</i>	<i>Motor vehicles LAKm</i>	<i>Construction in progress LAKm</i>	<i>Total LAKm</i>
Cost:							
As at 1 January 2025	21,910	3,907	1,247	21,355	2,420	25	50,864
Additions	28	986	930	11,872	-	8,493	22,309
Transferred	-	-	-	-	-	(25)	(25)
As at 31 December 2025	21,938	4,893	2,177	33,227	2,420	8,493	73,148
Accumulated depreciation:							
As at 1 January 2025	13,540	3,694	979	18,374	1,866	-	38,453
Charge for the year	1,026	209	100	1,822	167	-	3,324
As at 31 December 2025	14,566	3,903	1,079	20,196	2,033	-	41,777
Net book value:							
As at 1 January 2025	8,370	213	268	2,981	554	25	12,411
As at 31 December 2025	7,372	990	1,098	13,031	387	8,493	31,371

Public Bank Lao Limited

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

15. FIXED ASSETS AND RIGHT-OF-USE ASSETS (continued)

15.2 Tangible fixed assets (continued)

Movements of tangible fixed assets for the year ended 31 December 2024 are as follows:

	<i>Building improvement LAKm</i>	<i>Office equipment LAKm</i>	<i>Furniture & fixtures LAKm</i>	<i>Computer Equipment LAKm</i>	<i>Motor vehicles LAKm</i>	<i>Construction in progress LAKm</i>	<i>Total LAKm</i>
Cost:							
As at 1 January 2024	-	-	-	-	-	-	-
Transferred from domestic branches	21,328	3,790	1,018	19,894	2,584	23	48,637
Additions	582	117	229	1,461	33	2	2,424
Disposals	-	-	-	-	(197)	-	(197)
As at 31 December 2024	21,910	3,907	1,247	21,355	2,420	25	50,864
Accumulated depreciation:							
As at 1 January 2024	-	-	-	-	-	-	-
Transferred from domestic branches	12,513	3,600	912	16,094	1,901	-	35,020
Charge for the year	1,027	94	67	2,280	162	-	3,630
Disposals	-	-	-	-	(197)	-	(197)
As at 31 December 2024	13,540	3,694	979	18,374	1,866	-	38,453
Net book value:							
As at 1 January 2024	-	-	-	-	-	-	-
As at 31 December 2024	8,370	213	268	2,981	554	25	12,411

Public Bank Lao Limited

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

15. FIXED ASSETS AND RIGHT-OF-USE ASSETS (continued)

15.3 Right-of-use assets

Movements of the balance of right-of-use assets for the year 2025 are as follows:

	<i>Building LAKm</i>
Cost:	
As at 1 January 2025	15,990
Addition	53,307
Disposal	-
ROU modification during the year	(1,588)
As at 31 December 2025	<u>67,709</u>
Accumulated amortization:	
As at 1 January 2025	8,569
Charged for the year	3,176
ROU modification during the year	(1,588)
As at 31 December 2025	<u>10,157</u>
Net book value:	
As at 1 January 2025	<u>7,421</u>
As at 31 December 2025	<u>57,552</u>

Movements of the balance of right-of-use assets for the year 2024 are as follows:

	<i>Building LAKm</i>
Cost:	
As at 1 January 2024	-
Transferred from domestic branches	15,990
As at 31 December 2024	<u>15,990</u>
Accumulated amortization:	
As at 1 January 2024	-
Transferred from overseas branches	7,544
Charged for the year	1,025
As at 31 December 2024	<u>8,569</u>
Net book value:	
As at 1 January 2024	-
As at 31 December 2024	<u>7,421</u>

Public Bank Lao Limited

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

15. FIXED ASSETS AND RIGHT-OF-USE ASSETS (continued)

15.3 *Right-of-use assets* (continued)

Set out below are the carrying amounts of lease liabilities (included under 'Other payables' in Note 22) and the movements during 2025:

	31/12/2025 LAKm
As at 1 January 2025	16,488
Additional	50,889
Lease modification	(5,027)
Accretion of interest	1,582
Repayments	(20,210)
Foreign currency difference	3,162
As at 31 December 2025	46,884

Set out below are the carrying amounts of lease liabilities (included under 'Other payables' in Note 22) and the movements during 2024:

	31/12/2024 LAKm
As at 1 January 2024	-
Transferred from domestic branches	14,980
Accretion of interest	479
Foreign currency difference	1,029
As at 31 December 2024	16,488

16. ACCRUED INTEREST RECEIVABLE

	31/12/2025 LAKm	31/12/2024 LAKm
Loans to customers	186,341	175,503
Security Investments	1,294	1,349
	187,635	176,852

Public Bank Lao Limited

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

17. OTHER ASSETS

	31/12/2025 LAKm	31/12/2024 LAKm
Prepaid expenses waiting to be allocated	17,215	10,475
Amount Due from Public Bank Berhad, Kuala Lumpur (*)	5,649	5,649
Insurance fee of Loan collateral	6,141	4,873
Advances to suppliers and contractors	17,799	1,957
Inventories	25	-
Other receivables	2,675	1,541
	49,504	24,495

(*) Includes: LAKm 4,105 profit tax (Note 21.2) paid on behalf of Public Bank Berhad, Kuala Lumpur and LAK 1,544 tax penalty payable on behalf of Public Bank Berhad, Kuala Lumpur (Note 21.1).

18. DUE TO OTHER BANKS

18.1 Term deposits

	31/12/2025 LAKm	31/12/2024 LAKm
Balances of overseas banks		
Public Bank Berhad, Kuala Lumpur (Note 25)	314,188	306,079
	314,188	306,079

18.2 Demand deposits

	31/12/2025 LAKm	31/12/2024 LAKm
Balances of overseas banks		
Public Bank Berhad, Kuala Lumpur (Note 25)	5	2
	5	2

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

19. DUE TO CUSTOMERS

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

	31/12/2025 <i>LAKm</i>	31/12/2024 <i>LAKm</i>
Demand deposits	437,894	295,475
Demand deposits in LAK	19,505	25,120
Demand deposits in foreign currency	418,389	270,355
Saving deposits	412,601	425,102
Saving deposits in LAK	23,570	43,374
Saving deposits in foreign currency	389,031	381,728
Term deposits	1,490,274	1,269,999
Term deposits in LAK	86,884	36,244
Term deposits in foreign currency	1,403,390	1,233,755
	2,340,769	1,990,576

The interest rates for these deposits are as follows:

	2025 <i>Interest rate per annum</i>	2024 <i>Interest rate per annum</i>
Demand deposits in LAK	0.00 - 1.00	0.00 - 1.00
Demand deposits in USD	0.00 - 1.00	0.00 - 1.00
Demand deposits in THB	0.00 - 1.00	0.00 - 1.00
Saving deposits in LAK	1.89	1.89
Saving deposits in USD	1.50	1.50
Saving deposits in THB	1.00	1.00
Term deposits in LAK	3.20 - 5.80	3.20 - 5.80
Term deposits in USD	2.00 - 4.50	2.00 - 4.50
Term deposits in THB	1.50 - 4.25	1.50 - 4.25

20. ACCRUED INTEREST PAYABLE

	31/12/2025 <i>LAKm</i>	31/12/2024 <i>LAKm</i>
Customer deposit	38,013	25,890
	38,013	25,890

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

21. TAXATION

21.1 Tax payables

	31/12/2025 LAKm	31/12/2024 LAKm
Profit tax payable	12,691	19,490
Tax penalty payable of Savannakhet branch	-	1,544
Personal income tax payable	1,941	1,631
Value added tax payable	2,542	985
	17,174	23,650

21.2 Profit Tax ("PT")

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

	2025 LAKm	2024 LAKm
Profit before tax	73,965	102,500
<i>Less:</i>		
<i>Non-taxable income</i>	(76,353)	(46,141)
<i>Add:</i>		
<i>Non-deductible expenses</i>	67,492	45,498
Taxable income	65,104	101,857
Current PT expense, at the statutory rate of 20%	13,021	20,371
PT payable at the beginning of the year	19,490	-
PT payable from domestic branches	-	17,093
PT paid during the year	(19,820)	(14,861)
Additional tax paid for Savannakhet branch (*)	-	(3,113)
EIT payable at the end of the year	12,691	19,490

The Bank'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.

(*) According to Tax inspection minutes issued on 30 July 2024 by Tax Authority of Savannakhet province, the Savannakhet branch needs to pay additional profit tax amounting to LAK 7,218,159,174. In which, the payment obligation belongs to Public Bank Kuala Lumpur and Public Bank Lao Limited amounts to LAK 4,105,231,287 and LAK 3,112,927,887 respectively.

22. OTHER PAYABLES

	31/12/2025 LAKm	31/12/2024 LAKm
Lease liabilities	46,884	16,488
Other liabilities	4,965	4,513
	51,849	21,001

Public Bank Lao Limited

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

23. PAID-UP CAPITAL

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

	2025 LAKm	2024 LAKm
Opening balance	1,000,000	-
Balances transferred from overseas branches	-	400,433
Capital contribution	-	500,000
Increased capital from retained earnings and regulatory reserve fund		366,939
Share premium	-	(267,372)
Closing balance	1,000,000	1,000,000

24. CASH AND CASH EQUIVALENTS

	2025 LAKm	2024 LAKm
Cash on hand	66,160	57,917
Demand deposits with the BOL	467,620	503,436
Current accounts with other banks	577,292	377,709
Government Bond due with 7 days	-	175,000
Closing balance	1,111,072	1,114,062

25. RELATED PARTY TRANSACTIONS

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

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

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

25. RELATED PARTY TRANSACTIONS (continued)

Balances with related parties as at 31 December 2025 are as follows:

	31/12/2025 <i>LAKm</i>	31/12/2024 <i>LAKm</i>
Public Bank Berhad, Kuala Lumpur		
Nostro account (<i>Note 12.1</i>)	499,930	302,937
Vostro account (<i>Note 18.2</i>)	5	2
Term deposit (<i>Note 18.1</i>)	314,188	306,079
Due from (<i>Note 17</i>)	5,649	5,649

Significant transactions with related parties during the year were as follows:

	2025 <i>LAKm</i>	2024 <i>LAKm</i>
Public Bank Berhad, Kuala Lumpur		
Net increase in Nostro account	196,993	302,937
Net increase in Vostro account	3	2
Net increase in Term deposit	8,109	306,079
Interest income	8,928	8,496
Interest expense	17,959	5,996

Balance of Deposit from Related Parties (key management personnel) as at 31 December 2025

Type of deposit	31/12/2025 <i>LAKm</i>	31/12/2024 <i>LAKm</i>
Saving deposits	215	172
Term deposits	965	2,017
	1,180	2,189

Transactions with key management personnel of the Bank

Remuneration to members of the key management personnel is as follows:

	2025 <i>LAKm</i>	2024 <i>LAKm</i>
Salaries	6,039	6,439
Bonus and other benefits	1,319	1,735
	7,358	8,174

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

26. COMMITMENTS AND CONTINGENT LIABILITIES

	31/12/2025 LAKm	31/12/2024 LAKm
Letter of guarantee outstanding	36,630	16,342
Total	36,630	16,342

27. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There's no matter or circumstance that has arisen since 31 December 2025 that required adjustments or disclosures in the financial statements of the Bank.



Ms. Viengkhone Sirivongsa
Assistant Manager of Finance Department



Mr. Tee Keng Swee
Chief Executive Officer

Vientiane Capital, Lao People's Democratic Republic

03 March 2026