

Maybank Lao Branch

Financial statements

For the year ended 31 December 2021



Maybank Lao Branch

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Maybank Lao Branch

GENERAL INFORMATION

THE BRANCH

Maybank Lao Branch ("the Branch") is a branch established in Lao People's Democratic Republic ("Lao PDR") of Malayan Banking Berhad, a bank incorporated in Malaysia. The Branch operates under Banking License No. 35/BOL granted by Bank of the Lao PDR ("the BOL") on 26 October 2012 and the second amended Banking License No. 18/BOL dated 19 November 2018.

The initial registered capital of the Branch is LAK 100,661,400,000. The actual paid-up capital as at 31 December 2021 is LAK 200,783,129,000 (31 December 2020: LAK 200,783,129,000).

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

The Branch is located at No. 43, 45, 47 Lane Xang Avenue, Hatsady Village, Chantabouly District, Vientiane Lao PDR.

MANAGEMENT

Members of the Management during the year and at the date of this report are as follows:

<i>Name</i>	<i>Position</i>	<i>Date of appointment</i>
Mr. Tan Tee Huat	General Manager	Appointed on 12 March 2019
Ms. Phengsomchith Phonphosy	Deputy General Manager	Appointed on 1 January 2020
Mrs. Amphaivanh Muonghane	Head of Operation Department	Appointed on 1 April 2018
Mr. Sithiphon Sisudajan	Head of Finance Department	Appointed on 28 May 2018
Mr. Phethanousone Xayarath	Head of Business Development Department	Appointed on 1 November 2018
Mr. Keochai Mayyavongsink	Head of Credit Administration Department	Appointed on 1 January 2017

LEGAL REPRESENTATIVE

The legal representative of the Branch during the year end 31 December 2021 and at the date of this is Mr. Tan Tee Huat – General Director.

AUDITOR

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

Maybank Lao Branch

REPORT OF BRANCH MANAGEMENT

Management of Maybank Lao Branch ("the Branch") is pleased to present this report and the Branch's financial statements for the year ended 31 December 2021.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Branch's management is responsible for the financial statements of each financial year which give a true and fair view of the financial position of the Branch and the results of its operations and its cash flows for the year. In preparing those financial statements, management 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 Branch will continue its business.

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

Management confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the Accounting Law of Lao PDR and the regulations stipulated by Bank of the Lao PDR relevant to preparation and presentation of financial statements.

For and on behalf of Management:



Mr. Tan Tee Huat
General Manager

Vientiane, Lao PDR

29 March 2022

Reference: 61042000/22193338-LAS

INDEPENDENT AUDITORS' REPORT

To: The Management of Maybank Lao Branch

Opinion

We have audited the financial statements of Maybank Lao Branch ("the Branch"), which comprise the statement of financial position as at 31 December 2021, the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Branch are prepared, in all material respects, in accordance with the Accounting Law of Lao PDR and with the regulations stipulated by Bank of the Lao PDR relevant to 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 Branch in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Lao PDR, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

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

Responsibilities of the Branch's Management for the Financial Statements

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

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

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

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

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

We communicate with the Branch's 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.

Ernst & Young Lao Co., Ltd.



Anh Hoang Trinh
Partner

Audit Practising Registration
Certificate No. 011/LCPAA-APT-2018

Vientiane, Lao PDR

29 March 2022

Maybank Lao Branch

INCOME STATEMENT for the year ended 31 December 2021

<i>Code</i>	<i>ITEMS</i>	<i>Notes</i>	<i>2021 LAK'000</i>	<i>2020 LAK'000</i>
A.	OPERATING INCOME AND EXPENSES			
1.	Interest and similar income	3	11,823,544	14,101,353
2.	Interest and similar expenses	3	(3,540,435)	(6,677,391)
I.	NET INTEREST AND SIMILAR INCOME		8,283,109	7,423,962
3	Fee and commission income	4	640,706	590,184
4	Fee and commission expenses	4	(188,368)	(135,893)
5	Net gain from dealing in foreign currencies		54,574	1,361,829
II.	NET OPERATING INCOME		8,790,021	9,240,082
B	OTHER INCOME AND EXPENSES			
6	Other operating income	5	212,357	1,157,910
7	Administration expenses		(10,248,941)	(8,322,107)
7.1	Payroll and other staff costs	6	(6,973,595)	(5,191,919)
7.2	Other administration expenses	7	(3,275,346)	(3,130,188)
8	Depreciation and amortization charges		(2,004,744)	(1,967,799)
9	Other operating expenses	8	(120,913)	(183,156)

Maybank Lao Branch

INCOME STATEMENT (continued)
for the year ended 31 December 2021

Code	ITEMS	Notes	2021 LAK'000	2020 LAK'000
10	Net provision charges for non-performing loans	12.2	(713,088)	(3,337,620)
III.	TOTAL LOSS BEFORE TAX		(4,085,308)	(3,412,690)
11	Current profit tax	17.3	-	-
IV.	LOSS AFTER TAX		(4,085,308)	(3,412,690)

Prepared by:


Sithipon SISUDAJAN
00097264

Mr. Sithipon Sisudajan
Head of Finance Department

Reviewed by:




Mr. Tan Tee Huat
General Manager

Vientiane, Lao PDR

29 March 2022

Maybank Lao Branch

STATEMENT OF FINANCIAL POSITION as at 31 December 2021

<i>Code</i>	<i>ASSETS</i>	<i>Notes</i>	<i>31/12/2021 LAK'000</i>	<i>31/12/2020 LAK'000</i>
I	Cash and balances with Bank of the Lao PDR ("BOL")		127,505,437	135,927,913
1	Cash on hand	9	6,192,980	5,428,646
2	Balances with the BOL	10	121,312,457	130,499,267
II	Due from banks		38,118,502	209,155,540
1	Demand deposits	11.1	21,408,502	138,688,340
2	Term deposits	11.2	16,710,000	70,467,200
III	Loans and advances to customers, net of specific provision for credit activities	12	141,817,159	156,027,760
IV	Fixed assets and Right-of-use asset		9,239,136	11,103,135
1	Tangible fixed assets	13.1	1,295,084	1,515,204
2	Intangible assets	13.2	101,437	129,413
3	Fixed assets in transit	13.3	225,124	755,288
4	Right of use assets	13.4	7,617,491	8,703,230
V	Other assets		8,227,846	6,684,807
1	Accrued interest receivables		3,780,783	2,255,023
2	Other assets	14	4,447,063	4,429,784
	TOTAL ASSETS		324,908,080	518,899,155

Maybank Lao Branch

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2021

Code	LIABILITIES AND CAPITAL	Notes	31/12/2021 LAK'000	31/12/2020 LAK'000
I	Due to banks		22,401,980	136,691,772
1	Demand deposits	15.1	22,401,980	135,704,472
2	Term deposits	15.2	-	987,300
II	Due to customers	16	125,804,617	198,920,952
1	Demand deposits		19,039,656	22,774,829
2	Saving deposits		25,525,535	27,303,180
3	Term deposits		36,934,949	148,710,671
4	Other payable to customers		44,304,477	132,272
III	Other liabilities		11,422,028	13,851,084
1	Accrued interest payables		955,766	5,604,880
2	Tax payable	17.1	-	44,914
3	Other payables	18	10,466,262	8,201,290
	TOTAL LIABILITIES		159,628,625	349,463,808
IV	Capital and reserves			
1	Paid-up capital	19	200,783,129	200,783,129
2	Regulatory reserve fund		5,633,965	5,633,965
3	General provision for credit activities	12.2	698,237	768,821
4	Accumulated losses		(41,835,876)	(37,750,568)
	TOTAL CAPITAL		165,279,455	169,435,347
	TOTAL LIABILITIES AND CAPITAL		324,908,080	518,899,155

Maybank Lao Branch

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2021

Code	OFF BALANCE SHEET ITEMS	31/12/2021 LAK'000	31/12/2020 LAK'000
I	Commitments given		
1	Commitments for financing given to customers	4,456,000	5,425,553
	TOTAL COMMITMENTS GIVEN	4,456,000	5,425,553
II	Collaterals and Mortgages		
A	Collaterals and Mortgages for loans	5,468,277,483	617,187,075
1	Collaterals and Mortgages for loans to customers	5,468,277,483	617,187,075
B	Collaterals and Mortgages for guarantees	4,456,000	5,425,553
1	Collaterals and Mortgages for guarantees given to customers	4,456,000	5,425,553
	COLLATERALS AND MORTGAGES	5,472,733,483	622,612,628

Prepared by:

Sithipon SISUDAJAN
00097264

Mr. Sithipon Sisudajan
Head of Finance Department

Reviewed by:



Mr. Tan Tee Huat
General Manager

Vientiane, Lao PDR

29 March 2022

Maybank Lao Branch

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2021

ITEMS	Paid-up capital LAK'000	Regulatory reserve fund LAK'000	General provision for credit activities LAK'000	Accumulated losses LAK'000	Total LAK'000
Balance as at 1 January 2021	200,783,129	5,633,965	768,821	(37,750,568)	169,435,347
Net loss for the year	-	-	-	(4,085,308)	(4,085,308)
Net general provision for normal or pass loans reversed during the year	-	-	(105,309)	-	(105,309)
Foreign exchange differences	-	-	34,725	-	34,725
Balance as at 31 December 2021	200,783,129	5,633,965	698,237	(41,835,876)	165,279,455

Prepared by:

Sithiphon SISUDAJAN
00097264

Mr. Sithiphon Sisudajan
Head of Finance Department

Vientiane, Lao PDR

29 March 2022



Mr. Tan Tee Huat
General Manager

Maybank Lao Branch

STATEMENT OF CASH FLOW
for the year ended 31 December 2021

ITEMS	Notes	2021 LAK'000	2020 LAK'000
Net loss before tax		(4,085,308)	(3,412,690)
<i>Adjustments for:</i>			
Depreciation and amortization charges		2,004,744	1,967,799
Provision for credit losses	12.2	635,138	3,243,700
Interest income		(11,823,544)	(14,101,353)
Interest expense		3,540,435	6,677,391
Foreign exchange gain arising from revaluation of monetary accounts denominated in foreign currency		(54,574)	(1,361,829)
Cash flows used in operations before changes in operating assets and liabilities		(9,783,109)	(6,986,982)
(Increase)/Decrease in operating assets			
Due from banks		70,332,060	21,939,235
Loans and advances to customers		13,470,115	15,404,408
Other assets		(17,242)	(2,851,251)
Increase/(Decrease) in operating liabilities			
Due to banks		(114,289,792)	2,782,472
Customer deposits and other amounts due to customers		(73,116,335)	(15,887,898)
Other liabilities		2,309,358	3,820,119
Interest received		10,297,784	12,307,081
Interest paid		(8,189,549)	(3,512,801)
Net cash flows (used in)/from operating activities		(108,986,710)	27,014,383
INVESTING ACTIVITIES			
Payments to acquire property and equipment		(140,744)	(683,114)
Net cash flows used in investing activities		(140,744)	(683,114)

Maybank Lao Branch

STATEMENT OF CASH FLOW (continued)
for the year ended 31 December 2021

ITEMS	Notes	2021 LAK'000	2020 LAK'000
FINANCING ACTIVITIES			
Net cash flows from financing activities		-	-
Net change in cash and cash equivalents		(109,127,454)	26,331,269
Cash and cash equivalents at the beginning of the year		229,420,993	203,089,724
Effect of foreign exchange differences		-	-
Cash and cash equivalents at the end of the year	20	120,293,539	229,420,993

Prepared by:


Sithipon SISUDAJAN
00097264
Mr. Sithipon Sisudajan
Head of Finance Department

Reviewed by:



Mr. Tan Tee Huat
General Manager

Vientiane, Lao PDR

29 March 2022

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

1. CORPORATE INFORMATION

Maybank Lao Branch (the "Branch") is a foreign bank branch which is incorporated and registered in Lao PDR.

Establishment and operations

The Branch is a branch of Malayan Banking Berhad, a bank incorporated in Malaysia. The Branch operates under Banking License No. 35/BOL granted by Bank of the Lao PDR ("the BOL") on 26 October 2012 and the second amended Banking License No. 18/BOL dated 19 November 2018.

The initial registered capital of the Branch is LAK 100,661,400,000. The actual paid-up capital as at 31 December 2021 is LAK 200,783,129,000 (31 December 2020: LAK 200,783,129,000).

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

Location

The Branch is located at No.43, 45, 47 Lane Xang Avenue, Hatsady Village, Chantabouly District, Vientiane, Lao PDR.

Employees

Total number of employees of the Branch as at 31 December 2021 is 28 people (2020: 21 people).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. *Statement of compliance*

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

2.2. *Basis of preparation*

The Branch maintains its accounting records in Lao Kip ("LAK") and prepare its financial statements in thousands of Lao Kip ("LAK'000") 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 the 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 Branch and its results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Lao PDR.

Fiscal year

The fiscal year of the Branch starts on 1 January and ends on 31 December.

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3. *Changes in accounting policies*

The accounting policies adopted by the Branch in preparation of these financial statements are consistent with those used in preparation of the Branch's financial statements for the year ended 31 December 2020, except for the changes in the accounting policies and notes in relation to the following.

2.3.1 *Profit tax*

In 2021, in accordance with the Notification No. 213/BOL dated 24 March 2021 about the guidance on IAS 12 – Income tax relevant to commercial banks' preparation and presentation of financial statements, the Branch applied the new accounting policy of deferred tax in preparation and presentation of financial statements. Refer to Note 2.14 for the accounting policy applicable from 1 January 2021.

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. As at 1 January 2021, there was no temporary difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes for recognition of neither deferred tax assets nor liabilities, hence no adjustment to corresponding figures was made.

2.4. *Recognition of interest income and expenses*

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

The recognition of accrued interest income is suspended when the loans becoming non-performing (See Note 2.8 for the definition of non-performing loans) or when management believes that the borrower has no ability to repay the interest and principal. Interest income on such loans is only recorded in the income statement when actually received.

2.5. *Recognition of fees and commission*

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

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

2.6. *Cash and cash equivalents*

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

2.7. *Loans to customers*

Loans to customers are recognized at cost and presented at outstanding balance less specific provision for credit activities as at the year end.

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8. Classification of and provision for credit activities

Loan classification

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

The Branch also applies the Regulation 238/BOL dated 26 March 2020 and Guidance 249/BOL dated 11 May 2020 by the BOL on loan restructuring, extension and retention of loan classification group to assist the borrowers affected by Covid-19 pandemic. Accordingly, the Bank has restructured the loans qualified and retained their classification groups as before 01 January 2020.

Provision

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

Group	Provision rate	Provision type (i)	Accounting for provision balance (ii)	Accounting for changes in provision balance (iii)
<i>Performing loans</i>				
A	0.5%	General	In equity	Other operating expenses
B	3.0%	Specific	Deducted to loan balance	Other operating expenses
<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. Provision for performing loans = Provision rate x Loan outstanding balance
- b. Provision for non performing loans = Provision rate x (Loan outstanding balance – discounted value of collateral)

where the Branch has opted to not include the discounted value of collateral in the provision calculation as allowed by BOL512 and BOL898.

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

- (ii) The balance of provision for *loans classified into Group A* is recorded in the balance sheet in "General provision for credit activities" under capital and reserves of the Branch.

Accumulated balance of provision for *NPLs and performing loans classified in group B* is recorded in the statement of Financial Position in "*Loans to customers, net of specific provision for credit activities*".

- (iii) Changes in provision for performing loans are recorded to the income statement as "*Other operating expenses*" for provision expense and "*Other operating income*" for reversal of provision expense.

Changes in provision for *NPLs* are recorded to the income statement as "*Net provision for NPLs charged to/(reversed out of) expense*".

2.9. Fixed assets

Fixed asset includes tangible fixed assets, intangible assets and fixed assets in transit. Tangible fixed assets consist of buildings and improvements, office equipment, furniture and fixtures, computer equipment and motor vehicles. Intangible assets include computer software.

Fixed assets are stated at cost less accumulated depreciation and amortization, if any.

The cost of an asset comprises its purchase price plus any directly attributable costs of bringing the asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are capitalized and expenditures for maintenance and repairs are charged to the income statement.

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

2.10. Depreciation and amortization of fixed assets

Depreciation of fixed assets are made 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 following are the annual rates used:

<i>Tangible fixed assets:</i>	
Buildings & improvements	10%
Office equipment	20%
Furniture and fixtures	20%
Computer equipment	20%
Motor vehicles	20%
<i>Intangible assets:</i>	
Computer software	20%

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11. Statutory reserves

Under the requirements 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 156, Enterprise Law dated 26 December 2013, the Branch is required to appropriate 10% of profit after tax each year into regulatory reserve fund. When this reserve fund reaches 50% of the registered capital, the Branch may suspend such provision, unless otherwise provided by the laws. The Branch expansion fund and other funds shall be upon decision of the Management. For the year ended 31 December 2021, the Branch operated at loss and did not appropriate to these funds.

2.12. Leases

2.12.1. Right-of-use assets

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

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

2.12.2. Lease liabilities

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

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Leases (continued)

2.12.2. Lease liabilities (continued)

In calculating the present value of lease payments, the Branch uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

2.12.3. Short-term leases and leases of low-value assets

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

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

The Branch 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.

The Branch 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 Branch 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 Branch 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.

2.13. 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 2021 as presented below). All foreign exchange differences are taken into "Net gain/(loss) from dealing in foreign currencies" in the income statement.

	31 December 2021	31 December 2020
	LAK	LAK
United State Dollar ("USD")	11,140	9,272
Thai Baht ("THB")	345.80	329.10

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14. Taxation

Current tax

Provision is made for profit tax on the current period's profits, based on the Tax Law governing taxation within Lao PDR. The Branch is obliged to pay profit tax at rate of 20% of total profit before tax in accordance with the new Tax Law No.67/NA dated 18 June 2019 which is effective on or after 1 January 2020. Accordingly, the Branch is subject to the tax rate of 20% for the year ended 31 December 2021 (2020: 20%). The Branch's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations in many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

Deferred tax

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

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

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

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

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

2.15. Employee benefits

Post employment benefits

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

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15. *Employee benefits* (continued)

Termination benefits

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

- ▶ The employee lacks of specialised skills or is not in good health and thus cannot continue to work;
- ▶ The employer considers it necessary to reduce the number of workers in order to improve the work within the labour unit.

For the termination of an employment contract on any of the above-mentioned grounds, the employer must pay a termination allowance which is calculated on the basis of 10% of the basic monthly salary earned before the termination of work for the worker who has worked for less than three years. As at 31 December 2021, there are no employees of the Branch who were dismissed under the above-mentioned grounds; therefore the Branch has not made a provision for termination allowance in the financial statements.

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

3. NET INTEREST AND SIMILAR INCOME

	2021 LAK'000	2020 LAK'000
Interest and similar income from:		
Interbank transactions	162,908	943,582
Loans to customers	11,660,636	13,157,771
	11,823,544	14,101,353
Interest and similar expenses for:		
Interbank transactions	(4,430)	(147,128)
Customer deposits	(3,536,005)	(6,530,263)
	(3,540,435)	(6,677,391)
Net interest and similar income	8,283,109	7,423,962

4. FEES AND COMMISSION INCOME

	2021 LAK'000	2020 LAK'000
Fees and commission income from:		
Trade finance activities	486,157	421,478
Settlement activities	154,549	168,706
	640,706	590,184
Fees and commission expense for:		
Transactions with customers	(188,368)	(135,893)
	(188,368)	(135,893)
Net fee and commission income	452,338	454,291

5. OTHER OPERATING INCOME

	2021 LAK'000	2020 LAK'000
Income from transactions with other banks	69,778	137,810
Reversal of provision for performing loans (Note 12.2)	77,950	93,920
Recovery of bad debts written off	57,000	917,603
Others	7,629	8,577
	212,357	1,157,910

6. PAYROLL AND OTHER STAFF COSTS

	2021 LAK'000	2020 LAK'000
Wages and allowances	6,851,247	5,029,192
Other staff costs	122,348	162,727
	6,973,595	5,191,919

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

7. OTHER ADMINISTRATION EXPENSES

	2021 <u>LAK'000</u>	2020 <u>LAK'000</u>
Office rental	263,466	209,915
Fuel	15,315	16,342
Office stationery	105,236	123,552
Publication, marketing and promotion	444	4,282
Telecommunication	146,627	153,970
Repair and maintenance	1,720,225	1,711,240
Electricity and water	166,253	157,714
Professional fees	450,081	326,868
Guest welcoming fee	-	489
Insurance fee	118,134	86,962
Office expenses	140,841	162,057
Consultant fees	55,320	168,581
Others	93,404	8,216
	<u>3,275,346</u>	<u>3,130,188</u>

8. OTHER OPERATING EXPENSES

	2021 <u>LAK'000</u>	2020 <u>LAK'000</u>
Deposit insurance paid to Depositor Protection Fund	120,913	183,156
	<u>120,913</u>	<u>183,156</u>

9. CASH ON HAND

	31/12/2021 <u>LAK'000</u>	31/12/2020 <u>LAK'000</u>
Cash on hand in LAK	1,862,987	1,564,121
Cash on hand in foreign currencies	4,329,993	3,864,525
	<u>6,192,980</u>	<u>5,428,646</u>

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

10. BALANCES WITH THE BOL

	31/12/2021 LAK'000	31/12/2020 LAK'000
Demand deposits	92,692,057	85,304,007
Compulsory reserve	3,588,671	8,741,031
Registered capital reserve	25,031,729	36,454,229
	121,312,457	130,499,267

Balances with the BOL include demand deposits, compulsory reserve and registered capital reserve. These balances earn no interest.

Under regulations of the BOL, the Branch is required to maintain certain reserves with the BOL in the form of compulsory deposits, which are computed at 3.00% for LAK and 5.00% for foreign currencies, on a bi-monthly basis, (2020: 4.00% and 8.00%) of customer deposits having original maturities of less than 12 months. During the year, the Branch maintained its compulsory deposits in compliance with the requirements by the BOL.

Under regulation of Decree No. 02/PR of the BOL, foreign bank branches are required to maintain a minimum balance of special deposit at the BOL which is equivalent to 25% of their paid-up capital to secure for their operational continuance. As at 31 December 2021, the balance of special deposit of the Branch is LAK'000 25,031,279, which is equivalent to USD 2,247,013.

11. DUE FROM BANKS

11.1 Demand deposits

	31/12/2021 LAK'000	31/12/2020 LAK'000
Balances with domestic banks	1,143,464	951,353
Banque Pour le Commerce Exterieur Lao Public	1,143,464	951,353
Balances with overseas banks	20,265,038	137,736,987
Bangkok Bank Public Company Limited	1,564,287	1,061,794
Maybank - New York Branch	18,700,751	136,675,193
	21,408,502	138,688,340

11.2 Term deposits

	31/12/2021 LAK'000	31/12/2020 LAK'000
Balances with overseas bank	16,710,000	70,467,200
Maybank – Head Office	16,710,000	70,467,200
	16,710,000	70,467,200

The term deposits at Maybank - Head Office has the term of 3 months and earn interest rates ranging from 0.11% to 0.18% per annum.

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

12. LOANS AND ADVANCES TO CUSTOMERS, NET OF SPECIFIC PROVISION FOR CREDIT ACTIVITIES

	31/12/2021 LAK'000	31/12/2020 LAK'000
Loans and advances to customers	141,905,895	156,908,807
<i>In which:</i>		
<i>Financial institutions</i>	20,562,374	32,686,470
<i>Others</i>	121,343,521	124,222,337
Less specific provision (Note 12.2)	(88,736)	(881,047)
<i>In which:</i>		
<i>Specific provision for special mention loans</i>	(64,056)	(36,657)
<i>Specific provision for non-performing loans</i>	(24,680)	(844,390)
	141,817,159	156,027,760
	2021 <i>Interest rates</i> <i>% per annum</i>	2020 <i>Interest rates</i> <i>% per annum</i>
Loans and advances in LAK	3.50 - 12.00	3.50 - 12.00
Loans and advances in USD	4.65 - 10.00	4.65 - 11.00
Loans and advances in THB	6.25 - 9.25	6.25 - 9.25

12.1 Analysis of loans to customers

Analysis by currency

	31/12/2021 LAK'000	31/12/2020 LAK'000
Loans and advances in LAK	86,745,585	94,576,917
Loans and advances in USD	33,120,404	39,510,540
Loans and advances in THB	22,039,906	22,821,350
	141,905,895	156,908,807

Analysis by status of loans

	31/12/2021 LAK'000	31/12/2020 LAK'000
Performing loans	141,782,497	154,986,055
Non-performing loans	123,398	1,922,752
	141,905,895	156,908,807

Analysis by original terms

	31/12/2021 LAK'000	31/12/2020 LAK'000
Short-term loans	82,687,712	93,962,491
Medium-term loans	5,027,471	6,518,642
Long-term loans	54,190,712	56,427,674
	141,905,895	156,908,807

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

12. LOANS AND ADVANCES TO CUSTOMERS, NET OF SPECIFIC PROVISION FOR CREDIT ACTIVITIES (continued)

12.1 Analysis of loans to customers (continued)

Analysis by industrial sector

	31/12/2021 LAK'000	31/12/2020 LAK'000
Construction companies	103,533	1,608,899
Trading companies	69,295,003	69,463,864
Service companies	45,427,103	58,045,213
Handicrafts	-	131,503
Other loans	27,080,256	27,659,328
	141,905,895	156,908,807

12.2 Changes in provision for credit losses

Movement of loan loss provision of the Branch during the year ended 31 December 2021 is as follows:

	Specific provision for non- performing loans ("NPL") LAK'000	Specific provision for special mention loans LAK'000	General provision for normal or pass loans LAK'000	Total LAK'000
Balance as at 31 December 2020	844,390	36,657	768,821	1,649,868
Provision charged to/(reversed from) expense	713,088	27,359	(105,309)	635,138
Bad debts written-off	(1,532,798)	-	-	(1,532,798)
Foreign exchange differences	-	40	34,725	34,765
Balance as at 31 December 2021	24,680	64,056	698,237	786,973

The breakdown of loan classification and provision as at 31 December 2021 are as follows:

Classification	Loan balance LAK'000	Sepcific provision LAK'000	General provision LAK'000	Total provision LAK'000
Normal or Pass	139,647,309	-	698,237	698,237
Watch or Special Mention	2,135,188	64,056	-	64,056
Sub-standard	123,398	24,680	-	24,680
Doubtful	-	-	-	-
Loss	-	-	-	-
Total	141,905,895	88,736	698,237	786,973

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

13. FIXED ASSETS AND RIGHT-OF-USE ASSETS

13.1 Tangible fixed assets

Movements of tangible fixed assets during the year ended 31 December 2021 are as follows:

	Building and improvement LAK'000	Office equipment LAK'000	Furniture and fixtures LAK'000	Computer equipment LAK'000	Motor vehicles LAK'000	Total LAK'000
Cost:						
As at 31 December 2020	11,572,564	824,548	849,940	2,815,957	855,971	16,918,980
Additions	-	4,708	-	653,344	-	658,052
Disposals	-	-	-	(174,668)	-	(174,668)
As at 31 December 2021	11,572,564	829,256	849,940	3,294,633	855,971	17,402,364
Accumulated depreciation:						
As at 31 December 2020	10,260,319	795,646	804,592	2,687,248	855,971	15,403,776
Charge for the year	692,839	19,130	14,662	151,541	-	878,172
Disposals	-	-	-	(174,668)	-	(174,668)
As at 31 December 2021	10,953,158	814,776	819,254	2,664,121	855,971	16,107,280
Net book value:						
As at 31 December 2020	1,312,245	28,902	45,348	128,709	-	1,515,204
As at 31 December 2021	619,406	14,480	30,686	630,512	-	1,295,084

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

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

13.2 Intangible assets

Movements of intangible assets during the year ended 31 December 2021 are as follows:

	<i>Computer software LAK'000</i>
Cost:	
As at 31 December 2020	1,794,190
Additions for the year	12,857
As at 31 December 2021	1,807,047
Accumulated depreciation:	
As at 31 December 2020	1,664,777
Charge for the year	40,833
As at 31 December 2021	1,705,610
Net book value:	
As at 31 December 2020	129,413
As at 31 December 2021	101,437

13.3 Fixed assets in transit

	<i>31/12/2021 LAK'000</i>	<i>31/12/2020 LAK'000</i>
Tangible assets	-	556,134
Intangible assets	225,124	199,154
	225,124	755,288

13.4 Right of use assets

	<i>Right-of-use assets LAK'000</i>
Cost:	
As at 1 January 2021	11,485,816
Addition	-
As at 31 December 2021	11,485,816
Accumulated depreciation:	
As at 1 January 2021	2,782,586
Charge during the year	1,085,739
As at 31 December 2021	3,868,325
Net book value:	
As at 1 January 2021	8,703,230
As at 31 December 2021	7,617,491

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

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

13.4 *Right of use assets* (continued)

Set out below are the carrying amounts of lease liabilities (included under 'Other payables' in Note 18) and the movements during the period:

	2021 LAK'000	2020 LAK'000
As at 1 January	6,943,325	4,053,827
Additions	-	3,058,129
Accretion of interest	263,466	209,915
Payment	-	(554,700)
Exchange differences	1,422,660	176,154
As at 31 December	8,629,451	6,943,325

14. OTHER ASSETS

	31/12/2021 LAK'000	31/12/2020 LAK'000
Prepaid expenses waiting allocation	134,214	110,743
Profit tax prepayment (Note 17.2)	4,065,324	4,065,324
Suspend asset items	-	629
Others	247,525	253,088
	4,447,063	4,429,784

15. DUE TO BANKS

15.1 *Demand deposits*

	31/12/2021 LAK'000	31/12/2020 LAK'000
Balances of foreign banks		
Malayan Banking Berhad, Head Office	22,401,980	135,704,472
	22,401,980	135,704,472

15.2 *Term deposits*

	31/12/2021 LAK'000	31/12/2020 LAK'000
Balances of domestic banks		
Kasikornthai Bank Limited	-	987,300
	-	987,300

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

16. DUE TO CUSTOMERS

Details of amounts due to customers as at 31 December 2021 are as follows:

	31/12/2021 LAK'000	31/12/2020 LAK'000
Demand deposits	19,039,656	22,774,829
- in LAK	3,563,978	6,331,721
- in foreign currencies	15,475,678	16,443,108
Saving deposits	25,525,535	27,303,180
- in LAK	1,835,262	27,303,180
- in foreign currencies	23,690,273	-
Term deposits	36,934,949	148,710,671
- in LAK	1,261,010	144,816,431
- in foreign currencies	35,673,939	3,894,240
Other payables	44,304,477	132,272
- in LAK	4,727	132,272
- in foreign currencies	44,299,750	-
	125,804,617	198,920,952

The interest rates for these deposits are as follows:

	2021 <i>Interest rate</i> % p.a.	2020 <i>Interest rate</i> % p.a.
Demand deposits in LAK	No interest	No interest
Demand deposits in foreign currencies	No interest	No interest
Saving deposits in LAK	1.89	1.89
Saving deposits in USD	1.75	1.75
Saving deposits in THB	1.75	1.75
Term deposits in LAK	3.16 - 6.77	3.16 - 6.77
Term deposits in foreign currencies	2.65 - 5.00	2.65 - 5.00

17. TAXATION

17.1 Taxes payable

	31/12/2021 LAK'000	31/12/2020 LAK'000
Withholding tax	-	44,914
	-	44,914

17.2 Taxes prepayment

	31/12/2021 LAK'000	31/12/2020 LAK'000
Profit tax prepayment	4,065,324	4,065,324
	4,065,324	4,065,324

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

17. TAXATION (continued)

17.3 Profit tax

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

Details of profit tax ("PT") provision for the years 2020 and 2021 are as follows:

	2021 LAK'000	2020 LAK'000
Loss before tax in accordance with Lao Accounting System	(4,085,308)	(3,412,690)
Less: Non-taxable income	(1,484,409)	(1,332,830)
Add: Non-deductible expense	40,476	77,651
Taxable loss	(5,529,241)	(4,667,869)
PT expenses at 20% of taxable profit	-	-
Current PT expense	-	-
PT recoverable at the beginning of the year	(4,065,324)	(4,065,324)
PT paid during the year	-	-
PT recoverable at the end of the year	(4,065,324)	(4,065,324)

The Branch's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations in many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

Tax losses carried forward

For tax loss incurred in 2020 and 2021, in accordance with the amended Tax Law No. 64/NA dated 18 June 2019, article 23, annual losses which are certified by the audit authority or an independent audit firm and acknowledged by the tax authorities, are eligible to be carried forward to offset with future taxable profits for a period of five years after the losses incurred.

Tax losses incurred in 2019 and before are eligible to be carried forward to offset with future taxable profits for a period of three years after the losses incurred, in accordance with the previous Tax Law.

At the balance sheet date, the Branch has aggregated accumulated tax losses of LAK'000 12,350,677 (31 December 2020: LAK'000 49,190,001) available for offset against future taxable profits. Details are as follows:

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

17. TAXATION (continued)

17.3 Profit tax (continued)

Year	Can be utilized up to	Additional losses incurred for the year LAK'000	Utilized in the year LAK'000	Amount unused but is not eligible for next year's use LAK'000	Eligible unused tax loss at the end of the year LAK'000
2018 (*)	2021	(42,368,565)	-	42,368,565	-
2019 (*)	2022	(2,153,567)	-	-	(2,153,567)
2020 (*)	2025	(4,667,869)	-	-	(4,667,869)
2021 (*)	2026	(5,529,241)	-	-	(5,529,241)
		(54,719,242)	-	42,368,565	(12,350,677)

(*) At the date of these financial statements, the tax assessment for the years ended 31 December 2018, 31 December 2019, 31 December 2020 and 31 December 2021 has not been finalised by the Tax Authority.

18. OTHER PAYABLES

	31/12/2021 LAK'000	31/12/2020 LAK'000
Payables to external parties	509,560	813,553
Payables to employees	1,275,091	414,206
Others	52,160	30,206
Lease liabilities	8,629,451	6,943,325
	10,466,262	8,201,290

19. PAID-UP CAPITAL

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

	2021 LAK'000	2020 LAK'000
Opening balance	200,783,129	100,661,400
Transferred from Nongduang Branch	-	100,121,729
Closing balance	200,783,129	200,783,129

20. CASH AND CASH EQUIVALENTS

	31/12/2021 LAK'000	31/12/2020 LAK'000
Cash on hand	6,192,980	5,428,646
Current accounts with the BOL	92,692,057	85,304,007
Current accounts with other banks	21,408,502	138,688,340
	120,293,539	229,420,993

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

21. RELATED PARTY TRANSACTIONS

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

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

Balances with related parties as at 31 December 2021 and 31 December 2020 are as follows:

	<i>31/12/2021</i>	<i>31/12/2020</i>
	<i>Receivables/ (payables)</i>	<i>Receivables/ (payables)</i>
	<i>LAK'000</i>	<i>LAK'000</i>
Interbank with Maybank - Head Office		
Vostro account	(22,401,980)	(135,704,472)
Term deposits	16,710,000	70,467,200
Interbank with Maybank - New York Branch		
Nostro account	18,700,751	136,675,194
Interbank with Maybank - Nongduang Branch		
Vostro account	-	-

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

	<i>2021</i>	<i>2020</i>
	<i>LAK'000</i>	<i>LAK'000</i>
Interest income for term deposit to Maybank HQ	(162,908)	(943,582)
	(162,908)	(943,582)

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2021 and for the year then ended

21. RELATED PARTY TRANSACTIONS (continued)

Transactions with key management personnel of the Branch

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

	31/12/2021 LAK'000	31/12/2020 LAK'000
Salaries	1,995,344	1,473,511
Bonus and other benefits	-	-
	1,995,344	1,473,511

22. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since 31 December 2021 that requires adjustment or disclosure to be made in the financial statements of the Branch.

Prepared by:


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Reviewed by:



Mr. Tan Tee Huat
General Manager

Vientiane, Lao PDR

29 March 2022