

Maybank Lao Branch

Financial statements

For the year ended 31 December 2022



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 2022 is LAK 200,783,129,000 (31 December 2021: 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 2022 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 2022.

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

27 March 2023

Reference: 11914068/66856020 - 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 2022, 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.

Ernst & Young Lao



Vientiane, Lao PDR

27 March 2023

Maybank Lao Branch

INCOME STATEMENT
for the year ended 31 December 2022

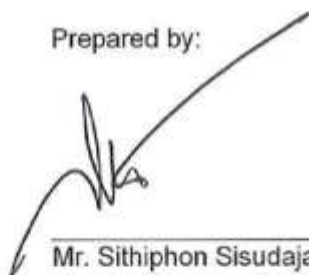
Code	ITEMS	Notes	2022 LAK'000	2021 LAK'000
A.	OPERATING INCOME AND EXPENSES			
1.	Interest and similar income	3	12,807,766	11,823,544
2.	Interest and similar expenses	3	(1,874,716)	(3,540,435)
I.	NET INTEREST AND SIMILAR INCOME		10,933,050	8,283,109
3	Fee and commission income	4	976,240	640,706
4	Fee and commission expenses	4	(331,867)	(188,368)
5	Net gain from dealing in foreign currencies		3,999,454	54,574
II.	NET OPERATING INCOME		15,576,877	8,790,021
B	OTHER INCOME AND EXPENSES			
6	Other operating income	5	514,598	212,357
7	Administration expenses		(14,515,962)	(10,248,941)
7.1	Payroll and other staff costs	6	(10,567,481)	(6,973,595)
7.2	Other administration expenses	7	(3,948,481)	(3,275,346)
8	Depreciation and amortization charges		(1,926,694)	(2,004,744)
9	Other operating expenses	8	(859,000)	(120,913)

Maybank Lao Branch

INCOME STATEMENT (continued)
for the year ended 31 December 2022

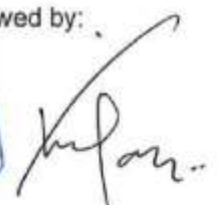
Code	ITEMS	Notes	2022 LAK'000	2021 LAK'000
10	Net provision reversal/(charges) for non-performing loans	13.2	24,680	(713,088)
III.	TOTAL LOSS BEFORE TAX		(1,185,501)	(4,085,308)
11	Current profit tax	18.3	-	-
IV.	LOSS AFTER TAX		(1,185,501)	(4,085,308)

Prepared by:



Mr. Sithiphon Sisudajan
Head of Finance Department

Reviewed by:



Mr. Tan Tee Huat
General Manager

Vientiane, Lao PDR

27 March 2023

Maybank Lao Branch

STATEMENT OF FINANCIAL POSITION as at 31 December 2022

<i>Code</i>	<i>ASSETS</i>	<i>Notes</i>	<i>31/12/2022 LAK'000</i>	<i>31/12/2021 LAK'000</i>
I	Cash and balances with Bank of the Lao PDR ("BOL")		141,611,695	127,505,437
1	Cash on hand	9	3,899,811	6,192,980
2	Balances with the BOL	10	137,711,884	121,312,457
II	Due from banks		35,139,004	38,118,502
1	Demand deposits	11.1	3,628,234	21,408,502
2	Term deposits	11.2	31,510,770	16,710,000
III	Investment in securities		11,400,000	-
1	Held to maturity securities	12	11,400,000	-
IV	Loans and advances to customers, net of specific provision for credit activities	13	138,854,127	141,817,159
V	Fixed assets and Right-of-use asset		7,798,101	9,239,136
1	Tangible fixed assets	14.1	726,072	1,295,084
2	Intangible assets	14.2	66,733	101,437
3	Fixed assets in transit	14.3	495,588	225,124
4	Right of use assets	14.4	6,509,708	7,617,491
VI	Other assets		9,761,518	8,227,846
1	Accrued interest receivables		5,028,436	3,780,783
2	Other assets	15	4,733,082	4,447,063
	TOTAL ASSETS		344,564,445	324,908,080

Maybank Lao Branch

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2022

<i>Code</i>	<i>LIABILITIES AND CAPITAL</i>	<i>Notes</i>	<i>31/12/2022 LAK'000</i>	<i>31/12/2021 LAK'000</i>
I	Due to banks		16,505,228	22,401,980
1	Demand deposits	16.1	16,505,228	22,401,980
2	Term deposits	16.2	-	-
II	Due to customers	17	150,155,836	125,804,617
1	Demand deposits		20,616,446	19,039,656
2	Saving deposits		30,746,487	25,525,535
3	Term deposits		25,576,268	36,934,949
4	Other payable to customers		73,216,635	44,304,477
III	Other liabilities		14,023,242	11,422,028
1	Accrued interest payables		466,913	955,766
2	Other payables	19	13,556,329	10,466,262
	TOTAL LIABILITIES		180,684,306	159,628,625
IV	Capital and reserves			
1	Paid-up capital	20	200,783,129	200,783,129
2	Regulatory reserve fund		5,633,965	5,633,965
3	General provision for credit activities	13.2	484,422	698,237
4	Accumulated losses		(43,555,277)	(41,835,876)
	TOTAL CAPITAL		163,346,139	165,279,455
	TOTAL LIABILITIES AND CAPITAL		344,564,445	324,908,080

Maybank Lao Branch

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2022

Code	OFF BALANCE SHEET ITEMS	31/12/2022 LAK'000	31/12/2021 LAK'000
I	Commitments given		
1	Commitments for financing given to customers	3,443,800	4,456,000
	TOTAL COMMITMENTS GIVEN	3,443,800	4,456,000
II	Collaterals and Mortgages		
A	Collaterals and Mortgages for loans	10,155,119,713	5,468,277,483
1	Collaterals and Mortgages for loans to customers	10,155,119,713	5,468,277,483
B	Collaterals and Mortgages for guarantees	3,443,800	4,456,000
1	Collaterals and Mortgages for guarantees given to customers	3,443,800	4,456,000
	COLLATERALS AND MORTGAGES	10,158,563,513	5,472,733,483

Prepared by:



Mr. Sithiphon Sisudajan
Head of Finance Department

Reviewed by:




Mr. Tan Tee Huat
General Manager

Vientiane, Lao PDR

27 March 2023

Maybank Lao Branch

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2022

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 2022	200,783,129	5,633,965	698,237	(41,835,876)	165,279,455
Net loss for the year	-	-	-	(1,185,501)	(1,185,501)
Net general provision for normal or pass loans reversed during the year	-	-	(312,055)	-	(312,055)
Foreign exchange differences	-	-	98,240	-	98,240
Balance as at 31 December 2022	200,783,129	5,633,965	484,422	(43,021,377)	163,880,139

Prepared by:



M. Sithiphon Sisudajan
Head of Finance Department

Reviewed by:



Mr. Tan Tee Huat
General Manager



Vientiane, Lao PDR

27 March 2023

Maybank Lao Branch

STATEMENT OF CASH FLOW for the year ended 31 December 2022

ITEMS	Notes	2022 LAK'000	2021 LAK'000
Net loss before tax		(1,185,501)	(4,085,308)
<i>Adjustments for:</i>			
Depreciation and amortization charges		1,926,694	2,004,744
Provision for credit losses	13.2	759,543	635,138
Interest income		(12,807,766)	(11,823,544)
Interest expense		1,874,716	3,540,435
Foreign exchange gain arising from revaluation of monetary accounts denominated in foreign currency		(3,999,454)	(54,574)
Cash flows used in operations before changes in operating assets and liabilities		(13,431,768)	(9,783,109)
(Decrease)/ Increase in operating assets			
Due from banks		(15,008,862)	70,332,060
Loans and advances to customers		1,753,732	13,470,115
Other assets		(148,318)	(17,242)
Increase/(Decrease) in operating liabilities			
Due to banks		(5,896,752)	(114,289,792)
Customer deposits and other amounts due to customers		24,351,219	(73,116,335)
Other liabilities		7,187,762	2,309,358
Interest received		11,560,113	10,297,784
Interest paid		(2,363,569)	(8,189,549)
Net cash flows from/(used in) operating activities		8,003,557	(108,986,710)
INVESTING ACTIVITIES			
Payments to acquire property and equipment		(485,659)	(140,744)
Investment in securities		(11,400,000)	-
Net cash flows used in investing activities		(11,885,659)	(140,744)

Maybank Lao Branch

STATEMENT OF CASH FLOW (continued)
for the year ended 31 December 2022

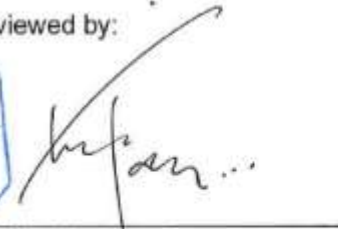
ITEMS	Notes	2022 LAK'000	2021 LAK'000
FINANCING ACTIVITIES			
Net cash flows from financing activities		-	-
Net change in cash and cash equivalents		(3,882,102)	(109,127,454)
Cash and cash equivalents at the beginning of the year		120,293,539	229,420,993
Cash and cash equivalents at the end of the year	21	116,411,437	120,293,539

Prepared by:



Mr. Sithipon Sisudajan
Head of Finance Department

Reviewed by:



Mr. Tan Tee Huat
General Manager

Vientiane, Lao PDR

27 March 2023

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2022 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 2022 is LAK 200,783,129,000 (31 December 2021: 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 2022 is 27 people (2021: 28 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 2022 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 2021.

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 2022 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 2022 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 2022 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 2022, 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 2022 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

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 2022 as presented below). All foreign exchange differences are taken into "Net gain/(loss) from dealing in foreign currencies" in the income statement.

	31 December 2022 LAK	31 December 2021 LAK
United State Dollar ("USD")	17,219	11,140
Thai Baht ("THB")	497.00	345.80

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 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%.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 2022 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 2022, 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 2022 and for the year then ended

3. NET INTEREST AND SIMILAR INCOME

	2022 LAK'000	2021 LAK'000
Interest and similar income from:		
Interbank transactions	383,760	162,908
Loans to customers	12,424,006	11,660,636
	12,807,766	11,823,544
Interest and similar expenses for:		
Interbank transactions	-	(4,430)
Customer deposits	(1,874,716)	(3,536,005)
	(1,874,716)	(3,540,435)
Net interest and similar income	10,933,050	8,283,109

4. FEES AND COMMISSION INCOME

	2022 LAK'000	2021 LAK'000
Fees and commission income from:		
Trade finance activities	766,893	486,157
Settlement activities	209,347	154,549
	976,240	640,706
Fees and commission expense for:		
Transactions with customers	(331,867)	(188,368)
	(331,867)	(188,368)
Net fee and commission income	644,373	452,338

5. OTHER OPERATING INCOME

	2022 LAK'000	2021 LAK'000
Income from transactions with other banks	371,766	69,778
Reversal of provision for performing loans (Note 13.2)	-	77,950
Recovery of bad debts written off	141,703	57,000
Others	1,129	7,629
	514,598	212,357

6. PAYROLL AND OTHER STAFF COSTS

	2022 LAK'000	2021 LAK'000
Wages and allowances	10,288,862	6,851,247
Other staff costs	278,619	122,348
	10,567,481	6,973,595

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

7. OTHER ADMINISTRATION EXPENSES

	2022 <i>LAK'000</i>	2021 <i>LAK'000</i>
Office rental	190,469	263,466
Fuel	42,365	15,315
Office stationery	112,813	105,236
Publication, marketing and promotion	3,532	444
Telecommunication	141,401	146,627
Repair and maintenance	2,117,675	1,720,225
Electricity and water	136,971	166,253
Professional fees	558,164	450,081
Insurance fee	177,195	118,134
Office expenses	133,200	140,841
Consultant fees	316,592	55,320
Others	18,104	93,404
	3,948,481	3,275,346

8. OTHER OPERATING EXPENSES

	2022 <i>LAK'000</i>	2021 <i>LAK'000</i>
Net provision expense of performing loans (Note 13.2)	784,223	-
Deposit insurance paid to Depositor Protection Fund	74,777	120,913
	859,000	120,913

9. CASH ON HAND

	31/12/2022 <i>LAK'000</i>	31/12/2021 <i>LAK'000</i>
Cash on hand in LAK	1,075,657	1,862,987
Cash on hand in foreign currencies	2,824,154	4,329,993
	3,899,811	6,192,980

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

10. BALANCES WITH THE BOL

	31/12/2022 LAK'000	31/12/2021 LAK'000
Demand deposits	108,883,392	92,692,057
Compulsory reserve	3,796,763	3,588,671
Registered capital reserve	25,031,729	25,031,729
	137,711,884	121,312,457

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 5.00% for LAK and other currencies (2021: 3.00% and 5.00%) on a bi-monthly basis, 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 2022, the balance of special deposit of the Branch is LAK'000 25,031,279, which is equivalent to USD 1,453,727.

11. DUE FROM BANKS

11.1 Demand deposits

	31/12/2022 LAK'000	31/12/2021 LAK'000
Balances with domestic banks	-	1,143,464
Banque Pour le Commerce Extérieur Lao Public	-	1,143,464
Balances with overseas banks	3,628,234	20,265,038
Bangkok Bank Public Company Limited	1,018,140	1,564,287
Maybank - New York Branch	2,610,094	18,700,751
	3,628,234	21,408,502

11.2 Term deposits

	31/12/2022 LAK'000	31/12/2021 LAK'000
Balances with overseas bank	31,510,770	16,710,000
Maybank – Head Office	31,510,770	16,710,000
	31,510,770	16,710,000

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 2022 and for the year then ended

12. HELD-TO-MATURITY SECURITIES

	31/12/2022 LAKm	31/12/2021 LAKm
Bonds issued by the MOF	11,400,000	-
	11,400,000	-

Details of bonds issued by the MOF as at 31 December 2022 are as follows:

<i>Term</i>	<i>Purchase date</i>	<i>Maturity date</i>	<i>Face value LAKm</i>	<i>Interest rate % per annum</i>
12 months	13-Jan-22	13-Jan-23	11,400,000	5,25%
			11,400,000	

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

	31/12/2022 LAK'000	31/12/2021 LAK'000
Loans and advances to customers	140,152,163	141,905,895
<i>In which:</i>		
<i>Financial institutions</i>	39,597,387	20,562,374
<i>Others</i>	100,554,776	121,343,521
Less specific provision (Note 13.2)	(1,298,036)	(88,736)
<i>In which:</i>		
<i>Specific provision for special mention loans</i>	-	(64,056)
<i>Specific provision for non-performing loans</i>	(1,298,036)	(24,680)
	138,854,127	141,817,159
	<i>2022</i>	<i>2021</i>
	<i>Interest rates</i>	<i>Interest rates</i>
	<i>% per annum</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	7.75 - 9.25	6.25 - 9.25

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

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

13.1 Analysis of loans to customers

Analysis by currency

	31/12/2022 LAK'000	31/12/2021 LAK'000
Loans and advances in LAK	79,901,638	86,745,585
Loans and advances in USD	46,494,952	33,120,404
Loans and advances in THB	13,755,573	22,039,906
	140,152,163	141,905,895

Analysis by status of loans

	31/12/2022 LAK'000	31/12/2021 LAK'000
Performing loans	140,152,163	141,782,497
Non-performing loans	-	123,398
	140,152,163	141,905,895

Analysis by original terms

	31/12/2022 LAK'000	31/12/2021 LAK'000
Short-term loans	85,291,752	82,687,712
Medium-term loans	3,726,347	5,027,471
Long-term loans	51,134,064	54,190,712
	140,152,163	141,905,895

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

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

13.1 Analysis of loans to customers (continued)

Analysis by industrial sector

	31/12/2022 LAK'000	31/12/2021 LAK'000
Construction companies	-	103,533
Trading companies	77,772,441	69,295,003
Service companies	39,597,387	45,427,103
Other loans	22,782,335	27,080,256
	140,152,163	141,905,895

13.2 Changes in provision for credit losses

Movement of loan loss provision of the Branch during the year ended 31 December 2022 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 2021	24,680	64,056	698,237	786,973
Provision charged to/(reversed from) expense	(24,680)	1,096,278	(312,055)	759,543
Foreign exchange differences	-	137,702	98,240	235,943
Balance as at 31 December 2022	-	1,298,036	484,422	1,782,458

The breakdown of loan classification and provision as at 31 December 2022 are as follows:

Classification	Loan balance LAK'000	Sepcific provision LAK'000	General provision LAK'000	Total provision LAK'000
Normal or Pass	96,884,303	-	484,422	484,422
Watch or Special Mention	43,267,860	1,298,036	-	1,298,036
Sub-standard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Total	140,152,163	1,298,036	484,422	1,782,458

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

14. FIXED ASSETS AND RIGHT-OF-USE ASSETS

14.1 Tangible fixed assets

Movements of tangible fixed assets during the year ended 31 December 2022 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 2021	11,572,564	829,256	849,940	3,294,633	855,971	17,402,364
Additions	-	-	-	215,195	-	215,195
As at 31 December 2022	11,572,564	829,256	849,940	3,509,828	855,971	17,617,559
Accumulated depreciation:						
As at 31 December 2021	10,953,158	814,776	819,254	2,664,121	855,971	16,107,280
Charge for the year	578,722	5,342	14,662	185,481	-	784,207
As at 31 December 2022	11,531,880	820,118	833,916	2,849,602	855,971	16,891,487
Net book value:						
As at 31 December 2021	619,406	14,480	30,686	630,512	-	1,295,084
As at 31 December 2022	40,684	9,138	16,024	660,226	-	726,072

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

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

14.2 Intangible assets

Movements of intangible assets during the year ended 31 December 2022 are as follows:

	<i>Computer software LAK'000</i>
Cost:	
As at 31 December 2021	1,807,047
Additions for the year	-
As at 31 December 2022	<u>1,807,047</u>
Accumulated depreciation:	
As at 31 December 2021	1,705,610
Charge for the year	34,704
As at 31 December 2022	<u>1,740,314</u>
Net book value:	
As at 31 December 2021	<u>101,437</u>
As at 31 December 2022	<u>66,733</u>

14.3 Fixed assets in transit

	<i>31/12/2022 LAK'000</i>	<i>31/12/2021 LAK'000</i>
Tangible assets	147,616	-
Intangible assets	347,972	225,124
	<u>495,588</u>	<u>225,124</u>

14.4 Right of use assets

	<i>Right-of-use assets LAK'000</i>
Cost:	
As at 1 January 2021	11,485,816
Addition	-
Reassessment	(1,652,760)
As at 31 December 2022	<u>9,833,056</u>
Accumulated depreciation:	
As at 1 January 2021	3,868,325
Charge during the year	1,107,783
Reassessment	(1,652,760)
As at 31 December 2022	<u>3,323,348</u>
Net book value:	
As at 1 January 2021	<u>7,617,491</u>
As at 31 December 2022	<u>6,509,708</u>

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

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

14.4 *Right of use assets* (continued)

Set out below are the carrying amounts of lease liabilities (included under 'Other payables' in Note 19) and the movements during the period:

	2022 LAK'000	2021 LAK'000
As at 1 January	8,629,451	6,943,325
Additions	-	-
Accretion of interest	190,469	263,466
Payment	(2,704,733)	-
Exchange differences	4,236,558	1,422,660
As at 31 December	10,351,745	8,629,451

15. OTHER ASSETS

	31/12/2022 LAK'000	31/12/2021 LAK'000
Prepaid expenses waiting allocation	327,090	134,214
Profit tax prepayment (Note 18.2)	4,065,324	4,065,324
Suspend asset items	-	-
Others	340,668	247,525
	4,733,082	4,447,063

16. DUE TO BANKS

16.1 *Demand deposits*

	31/12/2022 LAK'000	31/12/2021 LAK'000
Balances of foreign banks		
Malayan Banking Berhad, Head Office	16,505,228	22,401,980
	16,505,228	22,401,980

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

17. DUE TO CUSTOMERS

Details of amounts due to customers as at 31 December 2022 are as follows:

	31/12/2022 LAK'000	31/12/2021 LAK'000
Demand deposits	20,616,446	19,039,656
- in LAK	3,867,549	3,563,978
- in foreign currencies	16,748,897	15,475,678
Saving deposits	30,746,487	25,525,535
- in LAK	3,544,868	1,835,262
- in foreign currencies	27,201,619	23,690,273
Term deposits	25,576,268	36,934,949
- in LAK	399,607	1,261,010
- in foreign currencies	25,176,661	35,673,939
Other payables	73,216,635	44,304,477
- in LAK	4,728	4,727
- in foreign currencies	73,211,907	44,299,750
	150,155,836	125,804,617

The interest rates for these deposits are as follows:

	2022 Interest rate % p.a.	2021 Interest rate % 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

18. TAXATION

18.1 Taxes prepayment

	31/12/2022 LAK'000	31/12/2021 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 2022 and for the year then ended

18. TAXATION (continued)

18.2 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 2022 and 2021 are as follows:

	2022 LAK'000	2021 LAK'000
Loss before tax in accordance with Lao Accounting System	(1,185,506)	(4,085,308)
Less: Non-taxable income	-	(1,484,409)
Add: Non-deductible expense	637,792	40,476
Taxable loss	(1,823,298)	(5,529,241)
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, 2021 and 2022, in accordance with the amended Tax Law No. 67/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 12,020,408 (31 December 2021: LAK'000 12,350,677) available for offset against future taxable profits. Details are as follows:

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

18. TAXATION (continued)

18.3 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)
2022 (*)	2027	(1,823,298)	-	-	(1,823,298)
		(56,542,540)	-	44,522,132	(12,020,408)

(*) At the date of these financial statements, the tax assessment for the years ended 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022 has not been finalised by the Tax Authority.

19. OTHER PAYABLES

	31/12/2022 LAK'000	31/12/2021 LAK'000
Payables to external parties	1,294,977	509,560
Payables to employees	1,783,153	1,275,091
Others	126,454	52,160
Lease liabilities	10,351,745	8,629,451
	13,556,329	10,466,262

20. PAID-UP CAPITAL

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

	2022 LAK'000	2021 LAK'000
Opening balance	200,783,129	200,783,129
Closing balance	200,783,129	200,783,129

21. CASH AND CASH EQUIVALENTS

	31/12/2022 LAK'000	31/12/2021 LAK'000
Cash on hand	3,899,811	6,192,980
Current accounts with the BOL	108,883,392	92,692,057
Current accounts with other banks	3,628,234	21,408,502
	116,411,437	120,293,539

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

22. 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 2022 and 31 December 2021 are as follows:

	<i>31/12/2022</i> <i>Receivables/ (payables)</i> <i>LAK'000</i>	<i>31/12/2021</i> <i>Receivables/ (payables)</i> <i>LAK'000</i>
Interbank with Maybank - Head Office		
Vostro account	(16,505,228)	(22,401,980)
Term deposits	31,510,770	16,710,000
Interbank with Maybank - New York Branch		
Nostro account	2,610,094	18,700,751
Interbank with Maybank - Nongduang Branch		
Vostro account		-

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

	<i>2022</i> <i>LAK'000</i>	<i>2021</i> <i>LAK'000</i>
Interest expense for term deposit to Maybank HQ	(383,760)	(162,908)
	(383,760)	(162,908)

Maybank Lao Branch

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2022 and for the year then ended

22. RELATED PARTY TRANSACTIONS (continued)

Transactions with key management personnel of the Branch

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

	31/12/2022 LAK'000	31/12/2021 LAK'000
Salaries	2,572,094	1,995,344
Bonus and other benefits	701,929	-
	<u>3,274,023</u>	<u>1,995,344</u>

23. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since 31 December 2022 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

27 March 2023