



Independent Auditor's Report

To: The Board of Directors of Joint Development Bank Limited

Opinion

In our opinion, the special purpose financial statements ("the financial statements") of Joint Development Bank Limited (the Bank) for the year ended 31 December 2023 are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the financial statements.

What we have audited

The Bank's financial statements comprise:

- the statement of comprehensive income for the year then ended;
- the statement of financial position as at 31 December 2023;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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

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

Independence

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

Emphasis of matter – Basis of accounting and restriction on distribution and use

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

Our report is intended solely for the Bank and its regulators and should not be distributed to or used by parties other than the Bank and the aforementioned parties. Our opinion is not modified in respect of this matter.



Responsibilities of the directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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



We communicate with the 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.

For PricewaterhouseCoopers (Lao) Sole Company Limited


By: Apisit Thientrongpinyo
Partner

Vientiane Capital, Lao PDR
Date: 1 August 2024

JOINT DEVELOPMENT BANK LIMITED

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 LAK	2022 LAK
Interest income	4	1,502,891,737,472	1,009,376,724,289
Interest expenses	5	(1,024,785,846,376)	(656,205,141,486)
Net interest income		478,105,891,096	353,171,582,803
Fees and service income	6	343,154,705,946	312,218,442,725
Fees and service expenses	6	(67,755,220,241)	(36,695,384,932)
Net interest income		275,399,485,705	275,523,057,793
Net gain from dealing in foreign currencies	7	200,856,857,250	134,784,608,373
Share of profit (loss) of joint ventures accounted for using the equity method	14	459,912,559	273,026,587
Other operating income	8	28,726,598,453	26,655,887,728
Total operating income		983,548,745,063	790,408,163,284
Credit loss expense	15	(79,912,790,418)	(345,272,250,705)
Impairment losses on financial investment		-	-
Net operating income		903,635,954,645	445,135,912,579
Employee expenses	9	(148,936,609,736)	(81,313,820,393)
Depreciation and amortisation expenses		(38,974,810,764)	(25,591,222,028)
Other operating expenses	10	(144,323,704,477)	(105,672,124,193)
Total operating income		(332,235,124,977)	(212,577,166,614)
Profit before income tax		571,400,829,668	232,558,745,965
Income tax expense	22	(75,581,962,928)	180,353,655
Profit for the year		495,818,866,740	232,739,099,620
Other comprehensive income:			
Other comprehensive income (expense) for the year, net of tax		-	-
Total comprehensive income for the year		495,818,866,740	232,739,099,620

Prepared by:



Ms. Khonesavanh Vixathep
Head of Finance and Accounting department



Mr. Sakhone Yorphanxay
General Director

Vientiane Capital, Lao PDR
Date: 1 August 2024

The accompanying notes on pages 12 to 44 form an integral part of these financial statements.

JOINT DEVELOPMENT BANK LIMITED

STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 LAK	2022 LAK
ASSETS			
Cash on hand	11	1,707,663,966,883	1,106,076,479,743
Cash at bank and money market items	12	4,548,557,288,137	2,731,150,200,065
Investment, net	13	735,658,197,980	531,911,060,640
Investment in joint venture	14	2,426,087,609	1,966,175,050
Loans and accrued interest receivables, net	15	16,578,760,638,776	11,966,551,516,055
Property, plant and equipment	16	133,021,031,123	115,789,166,112
Right-of-use assets	16	16,074,516,091	10,273,945,306
Intangible assets	17	128,330,587,334	112,929,608,355
Deferred tax assets	22	73,686,061,690	65,609,098,154
Other assets	18	1,773,137,442,501	750,494,154,163
Total assets		<u>25,697,315,818,124</u>	<u>17,392,751,403,643</u>

The accompanying notes on pages 12 to 44 form an integral part of these financial statements.

JOINT DEVELOPMENT BANK LIMITED

STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 LAK	2022 LAK
Liabilities and equity			
Deposits	19	22,418,180,668,168	14,573,855,837,550
Interbank and money market items, net (L)	20	727,719,512,017	660,695,675,741
Borrowings	21	1,350,427,742,581	1,319,410,702,333
Other liabilities		234,163,022,115	171,054,120,373
Total liabilities		24,730,490,944,881	16,725,016,335,997
Equity			
Share capital	23	474,666,100,000	444,666,100,000
Retained earnings (deficits)			
Appropriated			
Regulatory reserve fund	24	47,225,488,635	31,030,555,697
General fund	24	68,379,244,842	19,794,446,027
Revaluation reserve		23,671,958,000	23,671,958,000
Unappropriated		352,882,081,766	148,572,007,922
Total equity		966,824,873,243	667,735,067,646
Total liabilities and equity		25,697,315,818,124	17,392,751,403,643

Prepared by:



Ms. Khonesavanh Vixathep
Head of Finance and Accounting department

Vientiane Capital, Lao PDR
Date: 1 August 2024

Approved by:



Mr. Sakhone Yorphanxay
General Director

The accompanying notes on pages 12 to 44 form an integral part of these financial statements.

JOINT DEVELOPMENT BANK LIMITED

SATEMETN OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

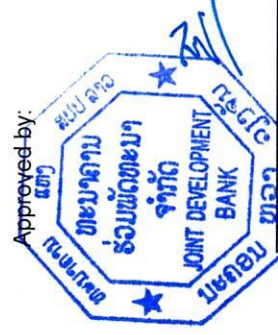
	Notes	Issued and paid-up share capital LAK	Revaluation surplus on assets LAK	Regulatory reserve fund LAK	General reserve fund LAK	Retained earnings LAK	Total LAK
Opening balance at 1 January 2022							
Paid up	23	424,666,100,000	23,671,958,000	17,351,998,476	9,030,673,961	49,703,695,353	524,424,425,790
Net profit for the year		20,000,000,000	-	-	-	-	20,000,000,000
Regulatory reserve fund	24	-	-	-	-	232,739,099,620	232,739,099,620
General reserve fund	24	-	-	13,678,557,221	-	(13,678,557,221)	-
Reserve for tax penalty paid	24	-	-	-	13,678,557,221	(13,678,557,221)	-
Dividends	25	-	-	-	(2,914,785,155)	2,914,785,155	-
Closing balance at 31 December 2022		444,666,100,000	23,671,958,000	31,030,555,697	19,794,446,027	148,572,007,922	(109,428,457,764)
							667,735,067,646
Opening balance at 1 January 2023							
Paid up	23	444,666,100,000	23,671,958,000	31,030,555,697	19,794,446,027	148,572,007,922	667,735,067,646
Net profit for the year		30,000,000,000	-	-	-	-	30,000,000,000
Regulatory reserve fund	24	-	-	-	-	495,818,866,740	495,818,866,740
General reserve fund	24	-	-	16,194,932,938	-	(16,194,932,938)	-
Reserve for tax penalty paid	24	-	-	-	16,194,932,938	(16,194,932,938)	-
Dividends	25	-	-	-	32,389,865,877	-	32,389,865,877
Closing balance at 31 December 2023		474,666,100,000	23,671,958,000	47,225,488,635	68,379,244,842	(259,118,927,020)	966,824,873,243

Prepared by:



Ms. Khonesavanh Vixathep
Head of Finance and Accounting department

Vientiane Capital, Lao PDR
Date: 1 August 2024



Mr. Sakthone Yorphanxay
General Director

JOINT DEVELOPMENT BANK LIMITED

STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 LAK	2022 LAK
Cash flows from operating activities			
Profit (loss) before income tax		495,818,866,740	232,558,745,965
Adjustments for:			
Depreciation and amortisation	16,17	45,772,010,832	25,591,222,028
Profit from joint venture	14	(459,912,559)	(273,026,587)
Gains (loss) on disposal of property and equipment		429,614,932	758,248,654
Credit loss expense	15	79,912,790,418	345,272,250,705
Interest income		(1,493,438,032,829)	(1,005,567,474,497)
Interest expense		1,106,995,555,414	656,205,141,486
Cash flows from operating profit before changes in operating assets and liabilities		235,030,892,948	254,545,107,754
(Increase)/Decrease in operating assets			
Interbank and money market items		(864,767,294,860)	(163,714,471,994)
Loans to customers		(4,892,210,969,643)	(4,595,848,578,857)
Other financial assets		(1,030,720,251,874)	(393,902,544,642)
Increase/(Decrease) in operating liabilities			
Deposits		7,237,122,789,174	5,487,630,273,563
Interbank and money market items		57,570,131,632	776,853,235,520
Other liabilities		146,122,847,794	59,640,499,189
Cash generated from (used in) operations		888,148,145,171	1,425,203,520,533
Profit tax paid during the year			
Interest Paid		(459,322,769,078)	(491,309,913,630)
Interest Received		1,663,441,838,611	832,904,541,910
Profit tax paid		(76,965,587,808)	(60,010,136,269)
Net cash flows from/ (used in) operating activities		2,015,301,626,896	1,706,788,012,544
INVESTING ACTIVITIES			
Payment for construction in progress and tangible assets	16	(55,555,650,295)	(52,114,050,357)
Payment for intangible assets	17	(28,649,775,312)	(20,074,572,942)
Payment from investment in matured securities		(173,661,886,619)	(105,805,683,128)
Payment for associates and joint ventures investments	14	-	(510,000,000)
Net cash flows (used in)/from investing activities		(257,867,312,226)	(178,504,306,427)

The accompanying notes on pages 12 to 44 form an integral part of these financial statements.

JOINT DEVELOPMENT BANK LIMITED

STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 LAK	2022 LAK
FINANCING ACTIVITIES			
Payment of dividend		(203,207,034,318)	(78,485,611,988)
Proceeds from issuance of share capital	24	-	-
Net cash flows used in financing activities		(203,207,034,318)	(78,485,611,988)
Net change in cash and cash equivalents		1,554,227,280,352	1,449,798,094,129
Cash and cash equivalents at the beginning of the year		3,372,699,737,116	1,922,901,642,987
Cash and cash equivalents at the end of the year		4,926,927,017,468	3,372,699,737,116
Non-cash investing activities			
Paid dividend by offsetting against receivable of shareholders		55,911,892,702	30,942,845,776

Prepared by:



Ms. Khonesavanh Vixatthep
Head of Finance and Accounting department

Vientiane Capital, Lao PDR
Date: 1 August 2024

Approved by:



Mr. Sakhone Yorphanxay
General Director