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Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

Report of the Board of Director and Audited Financial
Statements

for the year ended 31 December 2024

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

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Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

GENERAL INFORMATION

The board of directors of Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd (“EMI”) presents its financial statements for the year ended 31 December 2024.

THE MICROFINANCE

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd (“EMI”) operates under Business License No. 0974 issued by Enterprise Licensing and Supervision Department, Ministry of Industry and Commerce, dated 16 May 2022 with registration capital amounting to LAK 10,000,000,000 (Ten billion LAK).

Initially, EMI had registered capital amounting to LAK 1,080,000,000. In 2016, EMI has increased its registered capital from LAK 1,080,000,000 to LAK 3,000,000,000 on 11 November 2016. EMI operates under Operating License No. 081, dated 31 October 2017 issued by Financial Inspection Supervision, Bank of the Lao PDR (“BOL”) with registration capital amounting to LAK 3,000,000,000 (Three billion LAK).

On 9 May 2022, EMI has increased its registered capital from LAK 3,000,000,000 to LAK 10,000,000,000. Currently, EMI operates under Operational License No.81.1, issued by the Financial Inspection Supervision Department, Bank of the Lao PDR with registered capital of LAK 10,000,000,000 (Ten billion LAK)

EMI’s main activities are mobilizing and receiving short, medium and long-term deposit funds from individuals; lending on a short, medium and long-term basis to individuals as approved by Bank of the Lao PDR.

As at 31 December 2024, EMI has 13 service units, including Head Office, Chanthabouly, Sikhhot, Saysettha, Sisattanak, Saythany, Phonhong, Toulakhom, Paklay, Savannakhet, Luangprabang, Xayabouly and Vangvieng Branches. The Head Office of the EMI is located at House No. 093, Unit 05, Saphanthongneua Village, Dongpaina Road, Sisattanak District, Vientiane Capital, Lao PDR.

THE BOARD OF DIRECTORS

The members of the Board of Directors during the year and at the date of this report are:

<u>Name and surname</u>	<u>Position</u>
Mr. Viphet Sihachackr	Chairman
Mr. Somphone Sisenglath	Member
Mr. Sisombath Phommala	Member
Ms. Bounta Boulom	Member

AUDITORS

The auditors, ASBC Accounting and Business Consultancy Sole Co., Ltd., have expressed their willingness to accept the reappointment.

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

REPORT OF THE BOARD OF DIRECTORS

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

Board of directors is responsible for preparation of the financial statements of each financial year, which give a true and fair view of EMI and of its results and cash flows for the year then ended in accordance with Lao Accounting System for Deposit Taking Microfinance Institution. In preparing those financial statements, the board of directors of EMI is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 EMI will continue in business.

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

Board of directors confirms that EMI has complied with the above requirements in preparing the financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements which are prepared, in all material respects of the financial in accordance with the Lao Accounting System for a deposit taking microfinance institution and comply with other relevant financial and accounting regulations stipulated by Bank of the Lao PDR.

On behalf of the Board of Directors

Mr. Viphet Sihachackr
Chairman



Mr. Somphone Sisenglath
Director

Vientiane Capital, Lao PDR
28 February 2025



Accounting Service and Business Consultancy Sole Co.,Ltd

Address: House No. 895, Phonpapao Village, Sisattanak District, Vientiane Capital

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INDEPENDENT AUDITORS' REPORT

To: The Board of Directors of Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

Opinion

We have audited the accompanying financial statements of Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd ("EMI"), which comprise the statement of financial position as at 31 December 2024, the income statement, statement of cash flows and statement of changes in owner's equity, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements of EMI as at 31 December 2024 and cash flows are prepared, in all material respects, in accordance with the Lao Accounting System for Deposit Taking Microfinance Institution and with other relevant financial and accounting regulations stipulated by Bank of the Lao PDR.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in Lao PDR, and we have fulfilled our other ethical responsibilities in accordance 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 and Restriction on Use

We draw attention to Note 2 to the financial statements, which describes the accounting policies adopted by the EMI. These accounting policies are not intended to present the financial position, the results of operations and cash flows of the EMI in accordance with international generally accepted accounting principles.

EMI Board of Directors' Responsibility for the Financial Statements

EMI board of directors 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, board of directors is responsible for assessing the EMI'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 board of directors either intends to liquidate the EMI or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility

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

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

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

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Bounthan Inthavong

Director

Vientiane Capital, Lao PDR

28 February 2025

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

INCOME STATEMENT

for the year ended 31 December 2024

Code	Description	Notes	31 December 2024 LAK	31 December 2023 (Reclassified) LAK
A.	OPERATING INCOME AND EXPENSES			
1.	Interest and similar income	3	67,772,252,501	60,845,120,710
2.	Interest and similar expenses	3	(23,558,053,305)	(20,772,204,065)
I.	NET INTEREST AND SIMILAR INCOME		44,214,199,196	40,072,916,645
3.	Fee and commission income	4	2,551,387,886	2,466,577,303
4.	Fee and commission expenses	4	(475,052,817)	(289,877,833)
5.	Net (losses)/gain from dealing in foreign currencies	5	(50,441,764)	272,004,883
II.	NET OPERATING INCOME		46,240,092,501	42,521,620,998
B.	OTHER INCOME AND EXPENSES			
6.	Other operating income	6	18,485,321,307	13,778,901,060
7.	Administration expenses	7	(30,940,967,334)	(25,927,573,463)
8.	Depreciation and amortization charges	13	(1,189,549,430)	(861,969,586)
9.	Other operating expenses	8	(20,494,866,693)	(16,432,798,458)
10.	Net provision charges for non-performing loans	12	(705,722,868)	(926,160,763)
III.	TOTAL PROFIT BEFORE TAX		11,394,307,483	12,152,019,788
11.	Current profit tax	19	(2,278,861,497)	(2,430,403,958)
IV	PROFIT AFTER TAX		9,115,445,986	9,721,615,830

Mr. Viphet Sihachackr
Chairman
Vientiane Capital, Lao PDR
28 February 2025



Mr. Somphone Sisenglath
Director

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

STATEMENT OF FINANCIAL POSITION as at 31 December 2024

		31 December 2024	31 December 2023 (Reclassified)
	Notes	LAK	LAK
ASSETS			
Cash on hand	9	2,496,410,000	2,403,739,000
Balances with other financial institutions	10	44,688,914,024	50,505,928,219
Loans and advances to customers, net provision for credit activities	11	223,504,383,268	187,205,169,114
Construction in progress		49,791,461	-
Property, plant and equipment	13	17,256,199,528	4,797,018,032
Accrued interest receivables		2,606,683,677	1,463,735,120
Other assets	14	2,146,149,856	2,384,492,278
TOTAL ASSETS		292,748,531,814	248,760,081,763
LIABILITIES AND OWNER'S EQUITY			
LIABILITIES			
Due to customers	15	211,483,096,678	190,920,075,136
Due to banks and other financial institutions	16	35,000,000,000	20,000,000,000
Other liabilities	17	8,665,051,309	4,730,426,600
TOTAL LIABILITIES		255,148,147,987	215,650,501,736
OWNER'S EQUITY			
Registered capital	18	10,000,000,000	10,000,000,000
Regulatory reserve fund		2,383,206,182	1,471,661,583
Business expansion fund		600,000,000	600,000,000
General provision for credit activities	12	2,281,874,893	1,906,517,080
Retained earnings		22,335,302,752	19,131,401,364
TOTAL OWNER'S EQUITY		37,600,383,827	33,109,580,027
TOTAL LIABILITIES AND OWNER'S EQUITY		292,748,531,814	248,760,081,763

Mr. Viphet Sihachackr
Chairman
Vientiane Capital, Lao PDR
28 February 2025



Mr. Somphone Sisenglath
Director

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

STATEMENT OF CHANGES IN OWNER'S EQUITY for the year ended 31 December 2024

	<i>Registered capital LAK</i>	<i>Regulatory reserve fund LAK</i>	<i>Business expansion fund LAK</i>	<i>General provision for credit activities LAK</i>	<i>Retained earnings LAK</i>	<i>Total LAK</i>
Balance as at 1 January 2023	10,000,000,000	499,500,000	600,000,000	1,651,309,621	14,905,880,117	27,656,689,738
Net profit in the year	-	-	-	-	9,721,615,830	9,721,615,830
Appropriation to statutory reserve	-	972,161,583	-	-	(972,161,583)	-
General provision for credit activities	-	-	-	255,207,459	-	255,207,459
14 th bonus paid for 2022	-	-	-	-	(523,933,000)	(523,933,000)
Dividend declared	-	-	-	-	(4,000,000,000)	(4,000,000,000)
Balance as at 31 December 2023	<u>10,000,000,000</u>	<u>1,471,661,583</u>	<u>600,000,000</u>	<u>1,906,517,080</u>	<u>19,131,401,364</u>	<u>33,109,580,027</u>
Balance as at 1 January 2024	10,000,000,000	1,471,661,583	600,000,000	1,906,517,080	19,131,401,364	33,109,580,027
Net profit in the year	-	-	-	-	9,115,445,987	9,115,445,987
Appropriation to statutory reserve	-	911,544,599	-	-	(911,544,599)	-
General provision for credit activities	-	-	-	375,357,813	-	375,357,813
Dividend declared	-	-	-	-	(5,000,000,000)	(5,000,000,000)
Balance as at 31 December 2024	<u>10,000,000,000</u>	<u>2,383,206,182</u>	<u>600,000,000</u>	<u>2,281,874,893</u>	<u>22,335,302,752</u>	<u>37,600,383,827</u>



Mr. Viphet Sihachackr
Chairman
Vientiane Capital, Lao PDR
28 February 2025




Mr. Somphone Sisenglath
Director

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

STATEMENT OF CASH FLOWS for the year ended 31 December 2024

	Notes	31 December 2024 LAK	31 December 2023 LAK
OPERATING ACTIVITIES			
Net profit before tax		11,394,307,483	12,152,019,788
Adjustments for:			
Depreciation and amortization charges	13	1,189,549,430	861,969,586
Gain from fixed assets disposals		(161,595,947)	-
Net provision expenses of credit losses		513,128,973	338,550,985
Interest income	3	(67,772,252,501)	(60,845,120,710)
Interest expense	3	23,558,053,305	20,772,204,065
(Increase)/decrease in operating assets			
Loan to customers		(36,436,985,314)	(23,250,251,489)
Other assets		238,342,422	774,700,710
Increase/(Decrease) in operating liabilities			
Customer deposits and other amounts due to customers		20,563,021,542	20,869,652,275
Other liabilities		4,057,235,769	(1,955,152,880)
Profit tax paid		(2,430,403,958)	(2,667,867,848)
Interest received		66,511,600,493	60,570,398,430
Interest paid		(23,411,418,451)	(20,701,380,449)
Net cash flows (used in)/from operating activities		(2,187,416,754)	6,919,722,463
INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment		(13,732,540,329)	(2,831,930,399)
Proceed from selling of fixed assets		195,613,889	-
Net cash flows used in investing activities		(13,536,926,440)	(2,831,930,399)
FINANCING ACTIVITIES			
Proceed from other financial institution		15,000,000,000	10,000,000,000
Payment for term deposit		(4,000,000,000)	(4,000,000,000)
Dividend paid		(5,000,000,000)	(4,000,000,000)
Net cash flows from financing activities		6,000,000,000	2,000,000,000
Net change in cash and cash equivalents		(9,724,343,194)	6,087,792,064
Cash and cash equivalents at the beginning of the year	20	16,909,667,219	10,821,875,155
Cash and cash equivalents at the end of the year	20	7,185,324,025	16,909,667,219

Mr. Viphet Sihachackr
Chairman
Vientiane Capital, Lao PDR
28 February 2025



Mr. Somphone Sisenglath
Director

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

NOTES TO THE FINANCIAL STATEMENTS as at and for the year ended 31 December 2024

1. CORPORATE INFORMATION

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd (“EMI”) operates under Business License No. 0974 issued by Enterprise Licensing and Supervision Department, Ministry of Industry and Commerce, dated 16 May 2022 with registration capital amounting to LAK 10,000,000,000 (Ten billion LAK).

Initially, EMI had registered capital amounting to LAK 1,080,000,000. In 2016, EMI has increased its registered capital from LAK 1,080,000,000 to LAK 3,000,000,000 on 11 November 2016. EMI operates under Operating License No. 081, dated 31 October 2017 issued by Financial Inspection Supervision, Bank of the Lao PDR (“BOL”) with registration capital amounting to LAK 3,000,000,000 (Three billion LAK).

On 9 May 2022, EMI has increased its registered capital from LAK 3,000,000,000 to LAK 10,000,000,000. Currently, EMI operates under Operational License No.81.1, issued by the Financial Inspection Supervision Department, Bank of the Lao PDR with registered capital of LAK 10,000,000,000 (Ten billion LAK)

EMI’s main activities are mobilizing and receiving short, medium and long-term deposit funds from individuals; lending on a short, medium and long-term basis to individuals as approved by Bank of the Lao PDR.

As at 31 December 2024, EMI has 13 service units, including Head Office, Chanthabouly, Sikhote, Saysettha, Sisattanak, Saythany, Phonhong, Toulakhom, Paklay, Savannakhet, Luangprabang, Xayabouly and Vangvieng Branches. The Head Office of the EMI is located at House No. 093, Unit 05, Saphanthongneua Village, Dongpaina Road, Sisattanak District, Vientiane Capital, Lao PDR.

REGISTERED CAPITAL

The registered capital of EMI is LAK 10,000,000,000 (Ten billion LAK).

THE BOARD OF DIRECTORS

The members of the Board of Directors during the year and at the date of this report are:

<u>Name and surname</u>	<u>Position</u>
Mr. Vipheth Sihachackr	Chairman
Mr. Somphone Sisenglath	Member
Mr. Sisombath Phommala	Member
Ms. Bounta Boulom	Member

HEAD OFFICE

The Head Office of the EMI is located at House No. 093, Unit 05, Dongpaina Road, Sisattanak District, Vientiane Capital, Lao PDR.

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

2. PRINCIPLE ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

2.1. *Basis of preparation*

EMI maintains its records and prepares its financial statement in Lao Kip ("LAK") in accordance with Decree on Microfinance Institution No. 184/GoL, dated 20 June 2022 and Lao Accounting System ("LAS") for a Deposit Taking Microfinance Institution, issued by Bank of the Lao PDR.

The accompanying financial statements have been prepared using accounting principles, procedures and reporting practices generally accepted in Lao PDR. Accordingly, the accompanying statement of financial position 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 and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Lao PDR.

2.2. *Fiscal year*

EMI's fiscal year starts on 1 January to 31 December.

2.3. *Recognition of interest income and expense*

Interest income and expense are recognized in the income statement on an accrual basis using the interest rates stipulated in the lending/depositing contracts with clients.

The recognition of accrued interest income is suspended when the loans becoming non-performing (when the loan past due more than 60 days) 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.

2.4. *Recognition of fee and commission income*

Fees and commissions consist of settlement fee, fee arising from opening letters of credit and penalty charge from loan customer.

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

2.5. *Cash and cash equivalents*

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

2.6. *Loans and advances to customers*

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

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

CLASSIFICATION OF AND PROVISION FOR CREDIT ACTIVITIES

Loan classification

In accordance with Regulation 873/BOL ("BOL873"), dated 14 November 2022, the Microfinance 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").

Provision

In accordance with BOL873, the Microfinance creates provision for loans based on their classification groups as follows:

Group	Provision rate	Provision type	Accounting for provision balance	Accounting for changes in provision balance
<i>Performing loans</i>				
A	1.0%	General	In equity	Other expense/income
B	5.0%	Specific	In equity	Other expense/income
<i>NPLs</i>				
C	25.0%	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

2.7. Property, plant and equipment

Fixed assets include tangible and intangible fixed assets. Tangible fixed assets consist of building and improvements, furniture and fixtures, motor vehicles, and office equipment. Intangible fixed assets include land use rights and 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 and amortization are removed from the statement of financial position statement of financial position and any gain or losses resulting from their disposal are posted to the income statement.

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued) as at and for the year ended 31 December 2024

Depreciation and amortization

Depreciation and amortization of fixed assets are provided on the straight-line basis at prescribed rates over their estimated useful life in accordance with the Income Tax Law No.67/NA dated 18 June 2019 which is effective on or after 1 January 2020. The following are the annual rates used:

Land use right	0%
Computer software	20%
Buildings & improvements	5-10%
Motor vehicles	20%
Office equipment	20%
Furniture and fixtures	20%
Others	20%

2.8. *Reserves*

Under the requirement of the Enterprise Law No. 33/NA, dated 29 December 2022, the enterprises are required to appropriate net profit to following reserves:

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

In accordance with Article 154, Enterprise Law, the enterprise 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 enterprise may suspend such provision, unless otherwise provided by the laws.

The Business expansion fund and other funds shall be created upon decision of the Board of Directors.

Accordingly, the EMI has provided the following reserves for the year 2024:

<i>Reserve</i>	<i>% of profit after tax (less accumulated loss, if any)</i>
Regulatory reserve fund	10%
Business expansion fund and other funds	-

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

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

3. NET INTEREST AND SIMILAR INCOME

	31 December 2024	31 December 2023
	LAK	LAK
Interest and similar income from:		
Loans to customers	64,549,172,117	58,531,931,081
Balances with other banks	3,223,080,384	2,313,189,629
	67,772,252,501	60,845,120,710
Interest and similar expenses for:		
Customer deposits	(21,706,541,935)	(19,667,342,954)
Due to banks and other financial institutions	(1,851,511,370)	(1,104,861,111)
	(23,558,053,305)	(20,772,204,065)
Net interest and similar income	44,214,199,196	40,072,916,645

4. NET FEES AND COMMISSION INCOME

	31 December 2024	31 December 2023
	LAK	LAK
Fee and commission income from:		
Loan approval fee	1,163,027,838	1,005,726,432
Penalty charges	1,388,360,048	1,444,408,003
Settlement activities	-	16,442,868
	2,551,387,886	2,466,577,303
Fee and commission expenses for:		
Settlement activities	(475,052,817)	(289,877,833)
	(475,052,817)	(289,877,833)
Net fee and commission income	2,076,335,069	2,176,699,470

5. NET (LOSSES)/GAIN FROM DEALING IN FOREIGN CURRENCIES

	31 December 2024	31 December 2023
	LAK	LAK
Gain from dealing in foreign currencies	116,081,256	326,718,362
Losses from dealing in foreign currencies	(166,523,020)	(54,713,479)
Total	(50,441,764)	272,004,883

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

6. OTHER OPERATING INCOME

	31 December 2024 LAK	31 December 2023 LAK
Gain on fixed assets disposal	161,786,369	-
Use of donation fund	12,582,700	86,369,080
Recoveries of interest accrual bad debts written off	1,464,234,925	1,168,022,084
Reversal of provision for performing loans	16,846,717,313	12,524,509,896
Total	18,485,321,307	13,778,901,060

7. ADMINISTRATION EXPENSES

7.1 Payroll and other staff costs

	31 December 2024 LAK	31 December 2023 LAK
Salary and wage	12,580,550,937	9,418,677,889
Personnel benefits	3,451,002,147	1,501,382,014
Capacity building	381,242,157	376,115,506
Other staff costs	-	1,398,018,479
Total	16,412,795,241	12,694,193,888

7.2 Other administration expenses

	31 December 2024 LAK	31 December 2023 LAK
Rental expenses	3,617,013,891	2,215,235,345
Fee and commission	5,244,825,320	5,460,281,286
Travelling expenses	693,709,740	627,872,789
Publication, marketing and promotion	429,260,861	215,757,483
Office stationery	2,372,934,232	2,195,924,452
Insurance fee	629,575,307	373,584,511
Telecommunication	100,452,460	105,201,267
Repair and maintenance	412,247,609	246,333,111
Electricity and water	230,017,031	177,675,588
Meeting and seminar	439,423,182	1,091,382,493
Expenses on welcoming guests	280,633,500	229,754,500
Allowance	-	180,990,000
Accommodation expenses	20,100,459	103,486,750
Others	57,978,501	9,900,000
Total	14,528,172,093	13,233,379,575

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

8. OTHER OPERATING EXPENSES

	31 December 2024 LAK	31 December 2023 LAK
Provision for performing loans expenses	17,222,075,123	12,779,717,356
Interest accrual bad debts written off expenses	1,645,512,760	1,237,316,936
Provision for account receivables	210,230,933	1,179,903,709
Entertainment expense	-	181,345,507
Depositors' protection fund expenses	141,382,748	124,509,943
Annual supervision charge	100,167,205	87,510,078
Loss from fixed assets disposal	190,422	-
Other operating expenses	1,175,307,502	842,494,929
Total	20,494,866,693	16,432,798,458

9. CASH ON HAND

	31 December 2024 LAK	31 December 2023 LAK
Head Office	2,241,212,000	2,039,836,000
Sikhot service unit	30,000,000	30,000,000
Saysettha service unit	30,000,000	80,000,000
Sisattanak service unit	-	30,000,000
Xaythany service unit	35,198,000	30,000,000
Phonhong service unit	20,000,000	40,000,000
Toulakhom service unit	20,000,000	20,000,000
Naxaythong service unit	20,000,000	20,000,000
Savannakhet service unit	20,000,000	20,000,000
Luangprabang service unit	20,000,000	20,000,000
Xayyabouly service unit	40,000,000	53,803,000
Vangvieng service unit	20,000,000	20,100,000
Total	2,496,410,000	2,403,739,000

10. BALANCES WITH OTHER FINANCIAL INSTITUTIONS

	31 December 2024 LAK	31 December 2023 LAK
Demand deposit	3,475,841,534	6,417,607,536
Saving deposit	1,213,072,490	8,088,320,683
Fixed deposit	40,000,000,000	36,000,000,000
Total	44,688,914,024	50,505,928,219

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

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

	31 December 2024 LAK	31 December 2023 LAK
Loan to customers	224,229,917,867	187,792,932,552
Less specific provision for credit activities		
<i>In which:</i>	(725,534,599)	(587,763,438)
- <i>Specific provision for non-performing loans</i>	(725,534,599)	(587,763,438)
- <i>Specific provision for special mention loans</i>	-	-
Total	223,504,383,268	187,205,169,114

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

	Loan amount	Interest 2024	Interest 2023
<i>Loan types</i>	LAK	% per month	% per month
Group loan	500,000 - 20,000,000	3.15%	3.15%
Individual loan	500,000 - 50,000,000	3.15%	3.15%
Salary loan	1,000,000 - 100,000,000	2.79%	2.79%
SME loan	51,000,000 - 300,000,000	2.00%	2.00%
Fixed deposit loan	90% fixed deposit	1.67%	1.67%
Sansabaiy loan	500,000 - 10,000,000	3.15%	3.15%

11.1 Analysis of loan portfolio by quality

	31 December 2024		31 December 2023	
	<i>Portfolio at risk</i>	<i>Amount in LAK</i>	<i>Portfolio at risk</i>	<i>Amount in LAK</i>
Normal or pass	98.50%	220,870,910,825	98.63%	185,224,578,723
Watch or Special Mention	0.65%	1,463,315,675	0.58%	1,085,425,846
Substandard	0.40%	889,244,341	0.33%	614,802,217
Doubtful	0.45%	1,006,447,026	0.46%	868,125,767
Loss	0.00%	-	0.00%	-
Total	100%	224,229,917,867	100%	187,792,932,553

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

11.2 Loan classification by economic sector

	31 December 2024		31 December 2023	
	Number of account	Amount in LAK	Number of account	Amount in LAK
Industrial	76	1,914,963,749	97	1,986,974,055
Construction	691	19,236,876,244	886	23,045,561,425
Technical supplies	22	602,248,427	17	566,714,759
Agriculture	2,220	42,681,020,483	1,810	31,215,279,606
Commercial	6,349	116,682,637,453	5,672	79,821,148,997
Transportation	3	32,392,000	1	547,498
Services	381	8,140,522,868	469	8,866,129,444
Handicrafts	891	15,497,113,326	1,138	15,503,095,279
Others	781	19,442,143,317	1,212	26,787,481,490
Total	11,414	224,229,917,867	11,302	187,792,932,553

12. PROVISION FOR CREDIT LOSSES

Changes in provision for credit losses during the year ended 31 December 2024 were as follows:

	Specific provision for NPLs LAK	Specific provision for special mention loans LAK	General provision for credit activities LAK	Total LAK
Balances as at 1 January 2024	587,763,437	54,271,293	1,852,245,787	2,494,280,517
Net provision in the year	705,722,868	18,894,491	356,463,322	513,128,975
Utilization for bad debt written off	(567,951,707)	-	-	-
Balances as at 31 December 2024	725,534,598	73,165,784	2,208,709,109	3,007,409,492

The breakdown of loan classification and provision as required by the BOL as at 31 December 2024 were as follows:

Classification	Loan balance LAK	Specific provision for credit activities LAK	General provision for credit activities LAK
Performing loans			
- Normal or pass	220,870,910,825	-	2,208,709,109
- Watch or Special mention	1,463,315,675	73,165,784	-
Non-Performing loans (NPL)			
- Substandard	889,244,341	222,311,085	-
- Doubtful	1,006,447,026	503,223,513	-
- Loss	-	-	-
Total	224,229,917,867	798,700,382	2,208,709,109

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

13. PROPERTY, PLANT AND EQUIPMENT

	<i>Land use right</i> <i>LAK</i>	<i>Computer</i> <i>software</i> <i>LAK</i>	<i>Building &</i> <i>improvement</i> <i>LAK</i>	<i>Motor vehicles</i> <i>LAK</i>	<i>Office equipment</i> <i>LAK</i>	<i>Furniture</i> <i>and fixtures</i> <i>LAK</i>	<i>Others</i> <i>LAK</i>	<i>Total</i> <i>LAK</i>
Cost								
As at 1 January 2024	1,180,172,000	1,428,383,617	543,729,050	1,363,972,846	1,201,446,928	483,839,125	3,098,080	6,204,641,646
Additional	10,708,197,500	35,478,960	1,534,336,500	16,225,980	767,883,803	620,626,125	-	13,682,748,868
Disposal	-	(42,277,500)	(454,816,050)	(43,280,031)	(142,765,910)	(56,277,600)	(3,098,080)	(742,515,171)
As at 31 December 2024	11,888,369,500	1,421,585,077	1,623,249,500	1,336,918,795	1,826,564,821	1,048,187,650	-	19,144,875,343
Accumulated depreciation								
As at 1 January 2024	-	340,391,384	329,128,471	148,753,422	444,258,738	142,102,160	2,989,439	1,407,623,614
Charge for the year	-	283,178,299	202,451,613	267,302,540	324,871,765	111,636,572	108,641	1,189,549,430
Disposal	-	(42,277,500)	(454,816,050)	(9,262,089)	(142,765,910)	(56,277,600)	(3,098,080)	(708,497,229)
As at 31 December 2024	-	581,292,183	76,764,034	406,793,873	626,364,593	197,461,132	-	1,888,675,815
Net book value								
As at 1 January 2024	1,180,172,000	1,087,992,233	214,600,579	1,215,219,424	757,188,190	341,736,965	108,641	4,797,018,032
As at 31 December 2024	11,888,369,500	840,292,894	1,546,485,466	930,124,922	1,200,200,228	850,726,518	-	17,256,199,528

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

14. OTHER ASSETS

	31 December 2024 LAK	31 December 2023 LAK
Other advance payment	1,919,203,540	2,017,941,559
Other transactions waiting for settlement	226,946,316	366,550,719
Total	2,146,149,856	2,384,492,278

15. DUE TO CUSTOMERS

	31 December 2024		31 December 2023	
	Number of accounts	Amount in LAK	Number of accounts	Amount in LAK
Voluntary deposit	-	-	2,403	120,187,444
Saving deposit	137,780	39,545,691,678	129,986	35,695,085,692
Term deposit	1,925	171,937,405,000	1,780	155,104,802,000
Total	139,705	211,483,096,678	134,169	190,920,075,136

As at 31 December 2024, EMI offers two products, namely saving deposit and term deposit, the minimum balances are LAK 3,000 and LAK 500,000, respectively.

Fixed term deposits in LAK with terms 6, 12, 24 and 36 months and are subject to interest rates from 7.00% to 14.00% per annum.

16. DUE TO BANK AND OTHER FINANCIAL INSTITUTIONS

Balances due to bank and other financial institutions as at 31 December 2024 were as follows:

	Contract No.	Interest rate	Balance
Loan from BOL - LAFF	1561	6.50%	10,000,000,000
Loan from BOL - LAFF	1435	7.50%	10,000,000,000
Loan from BOL - LAFF	2972	7.50%	5,000,000,000
Loan form Lao-Viet Bank	307/LVB/2024	9.04%	10,000,000,000
Overdraft from Lao-Viet Bank	176/LVB/2023	9.75%	-
Total			35,000,000,000

Balances due to bank and other financial institutions as at 31 December 2023 were as follows:

	Contract No.	Interest rate	Balance
Loan from BOL - LAFF	1561	6.50%	10,000,000,000
Loan from BOL - LAFF	1435	7.50%	10,000,000,000
Overdraft from Lao-Viet Bank	176/LVB/2023	9.75%	-
Total			20,000,000,000

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

17. OTHER LIABILITIES

	31 December 2024 LAK	31 December 2023 LAK
Interest payable	1,008,197,914	861,563,059
Advance fixed deposit interest from other financial institutions	3,712,470,193	632,777,159
Other transactions waiting for settlement	520,263,084	119,854,803
Tax payables	2,091,250,972	2,219,444,158
Others	1,332,869,146	896,787,421
Total	8,665,051,309	4,730,426,600

18. REGISTERED CAPITAL

The details of paid-up capital are presented below:

	31 December 2024 LAK	%	31 December 2023 LAK	%
Mr. Viphet Sihachackr	2,050,000,000	20.50%	2,050,000,000	20.50%
Mr. Somphone Sisenglath	2,050,000,000	20.50%	2,050,000,000	20.50%
Ms. Manichanh Phommachack	1,750,000,000	17.50%	1,750,000,000	17.50%
Mr. Sisombath Phommalar	1,450,000,000	14.50%	1,450,000,000	14.50%
Ms. Latsamee Vongkhamsao	1,000,000,000	10%	1,000,000,000	10%
Mr. Saysana Phommany	1,000,000,000	10%	1,000,000,000	10%
Ms. Vilaykham Siphandone	700,000,000	7%	700,000,000	7%
	10,000,000,000	100%	10,000,000,000	100%

19. CURRENT PROFIT TAX

	31 December 2023 LAK	31 December 2022 LAK
Profit before tax	11,394,307,483	12,152,019,788
Current profit tax expense, at the statutory rate of 20% (2023: 20%)	2,278,861,497	2,430,403,958
Profit tax payable at the beginning of the year	2,130,403,958	2,367,867,848
Tax Pre-payment	(300,000,000)	-
Profit tax paid during the year	(2,130,403,958)	(2,667,867,848)
Profit tax payable at the end of the year	1,978,861,497	2,130,403,958

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

EMI's tax returns are subject to periodic examination by the tax authorities. As 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.

20. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
	LAK	LAK
Cash on hand	2,496,410,000	2,403,739,000
Demand deposit	3,475,841,534	6,417,607,536
Saving deposit	1,213,072,491	8,088,320,683
Total	7,185,324,025	16,909,667,219

21. RECLASSIFICATION OF CORRESPONDING FIGURES

	31 December 2023 (as previously stated)	Reclassification	31 December 2023 (reclassified)
	LAK	LAK	LAK
STATEMENT OF FINANCIAL POSITION			
Accrued interest receivables	1,346,031,667	117,703,453	1,463,735,120
Other liabilities	4,612,723,147	117,703,453	4,730,426,600
INCOME STATEMENT			
Other operating income	14,564,461,729	(785,560,669)	13,778,901,060
Net provision charges for non-performing loans	(1,711,721,432)	785,560,669	(926,160,763)

22. SUBSEQUENT EVENTS

There have been no material events occurred after the balance sheet date that would require adjustments or disclosure in the financial statements,



Mr. Viphet Sihachacker
Chairman
Vientiane Capital, Lao PDR
28 February 2025




Mr. Somphone Sisenglath
Director

Ekphatthana Deposit Taking Microfinance Institution Co.,Ltd

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at and for the year ended 31 December 2024

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Mr. Viphet Sihachackr
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28 February 2025



Mr. Somphone Sisenglath
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