Bank of the Lao PDR
Deposit Protection Office
Lao PDR Financial Sector Safety Net Strengthening Project (FSNP)

Financial Statements
and
Independent Auditors' Report
For the period from 1 January 2026 to 31 May 2026
(Included two-month grace period)

Bank of the Lao PDR
Deposit Protection Office
Lao PDR Financial Sector Safety Net Strengthening Project (FSNP)

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Project information

Project	Lao PDR Financial Sector Safety Net Strengthening Project ("FSNP"), IDA 65710
Funding agencies	International Development Association (IDA), the World Bank Group
Duration	27 October 2020 to 31 March 2026; and Four-month grace period until 31 July 2026
Implementing agency	Deposit Protection Office, Bank of the Lao PDR
Project management	Ms. Daomanivone VILAYVIENG — Deputy Director General of DPO, Project Director Mr. Bolisath SOUTHICHACK — Deputy Chief of Division of DPO, Project Manager
Registered office	Lao PDR Financial Sector Safety Net Strengthening Project/FSNP Deposit Protection Office, Bank of the Lao PDR #144, 4th floor, ICONIC Building Phonxay Avenue, Phonxay Village Xaysettha District Vientiane Capital, Lao PDR, Tel.: (856 21) 410 212; Fax: (856 21) 410 213
Auditors	KPMG Lao Co., Ltd. 10th Floor, Royal Square Office Building, Samsenthai Road, Nongduong Nua Village, Sikhotabong District, P.O.Box 6978, Vientiane, Lao PDR

Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Bank of the Lao PDR
Deposit Protection Office

Statement of management's responsibilities

It is the responsibility of management to prepare financial statements of Lao PDR Financial Sector Safety Net Strengthening Project ("FSNP or the Project") for the period from 1 January 2026 to 31 May 2026 (Included two-month grace period), which are prepared in all material respect in accordance with the accounting policies as described in Note 2 to the financial statements. In preparing these financial statements, management is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent; and
- Maintain financial records and prepare the financial statements based on the accounting policies as described in Note 2 to the financial statements.

Project Management of Lao PDR Financial Sector Safety Net Strengthening Project ("FSNP") is responsible for keeping proper accounting records, which disclose with reasonable accuracy, at any time, the balance sheet and performance of the Project. Members of project management have a general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Project and to prevent and detect fraud and other irregularities.

Project Management confirms that the Project has complied with the above requirements in preparing the financial statements.

On behalf of the management,

Ms. Daomanivone VILAYVIENG
Deputy Director General of DPO
Project Director
Deposit Protection Office
Bank of the Lao PDR
Date: 25 June 2026

KPMG Lao Co., Ltd.
10th Floor, Royal Square Office Building,
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Independent Auditors' Report

To the Project Management of the Lao PDR Financial Sector Safety Net Strengthening Project

Opinion

We have audited the financial statements of the Lao PDR Financial Sector Safety Net Strengthening Project ("FSNP" or "the Project"), which comprise balance sheet as at 31 May 2026, statements of receipts and payments by component, receipts and payments by category, and designated bank account for the period from 1 January 2026 to 31 May 2026 (Included two-month grace period), and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Project for the period from 1 January 2026 to 31 May 2026 (Included two-month grace period) are prepared, in all material respects in accordance with the accounting policies as described in Note 2.

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 Project in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standard) (IESBA Code) that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter- Basic of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 (a) to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Project management to report to donor. As a result, the financial statements may not be suitable for other purpose. Our report is intended solely for the Project management and donor, and should not be used by or distributed to other parties. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the basis of accounting and policies described in Note 2 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Project's internal control.

- 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.

For and on behalf of KPMG Lao Co., Ltd.

ບໍລິສັດ ເຄພີເອັມຈີລາວ ຈຳກັດ KPMG LAO CO., LTD

Yoottapong Soonatalinka
Statutory auditor
ID No.SA0053/2023
Vientiane Capital, Lao PDR
Date: 25 June 2026

Bank of the Lao PDR

Deposit Protection Office

Lao PDR Financial Sector Safety Net Strengthening Project (FSNP)

Balance sheet

In USD	*Note*	**31 May 2026**	**31 December 2025**
Opening of fund balance		820,895	43,080
(Deficit) excess of receipts over payments		(814,462)	777,815
Fund balance at the end of the period		**6,433**	**820,895**
Represent by:			
Cash and cash equivalents	*6*	**6,433**	**820,895**

The accompanying notes form an integral part of the financial statements.

Ms. Daomanivone VILAYVIENG
Deputy Director General of DPO
Project Director
Deposit Protection Office
Bank of the Lao PDR
Date: 25 June 2026

Bank of the Lao PDR
Deposit Protection Office
Lao PDR Financial Sector Safety Net Strengthening Project (FSNP)
Statement of receipts and payments by component

In USD	*Note*	For the period from 1 January 2026 to 31 May 2026	For the period from 1 January 2025 to 31 December 2025	Cumulative to date
Receipts	*3*	**7,100,544**	**4,065,038**	**34,023,794**
Payments				
Capitalisation of deposit protection office equity fund	*4*	7,858,336	3,142,940	33,062,336
Institutional capacity building for DPO and project management	*5*	56,269	144,054	959,435
		7,914,605	**3,286,994**	**34,021,772**
Unrealise foreign exchange loss (gain)		401	229	(4,410)
Total payments		**7,915,006**	**3,287,223**	**34,017,361**
(Deficit) excess of receipts over payments		**(814,462)**	**777,815**	**6,433**

The accompanying notes form an integral part of the financial statements.

Ms. Daomanivone VILAYVIENG
Deputy Director General of DPO
Project Director
Deposit Protection Office
Bank of the Lao PDR
Date: 25 June 2026

Bank of the Lao PDR
Deposit Protection Office
Lao PDR Financial Sector Safety Net Strengthening Project (FSNP)
Statement of receipts and payments by category

In USD	*Note*	For the period from 1 January 2026 to 31 May 2026	For the period from 1 January 2025 to 31 December 2025	Cumulative to date
Receipts	*3*	**7,100,544**	**4,065,038**	**34,023,794**
Payments				
Expenditure for PBCs	*4*	7,858,336	3,142,940	33,062,336
Consultant services	*5*	28,627	71,404	534,116
Incremental operating cost	*5*	20,151	38,244	218,045
Training	*5*	3,163	33,291	165,761
Non-consulting services	*5*	4,328	-	8,458
Goods	*5*	-	1,115	33,055
		7,914,605	**3,286,994**	**34,021,772**
Unrealise foreign exchange loss (gain)		401	229	(4,410)
Total payments		**7,915,006**	**3,287,223**	**34,017,361**
(Deficit) excess of receipts over payments		**(814,462)**	**777,815**	**6,433**

The accompanying notes form an integral part of the financial statements.

Ms. Daomanivone VILAYVIENG
Deputy Director General of DPO
Project Director
Deposit Protection Office
Bank of the Lao PDR
Date: 25 June 2026

Bank of the Lao PDR
Deposit Protection Office
Lao PDR Financial Sector Safety Net Strengthening Project (FSNP)
Statement of designated bank account

In USD	*Note*	For the period from 1 January 2026 to 31 May 2026	For the period from 1 January 2025 to 31 December 2025	Cumulative to date
Receipts	*3*	7,100,544	4,065,038	34,023,794
Payments				
Payments		7,915,006	3,287,223	30,730,138
(Decrease) increase of cash at project's operating account		(29,838)	13,641	(16,197)
(Decrease) increase of cash at project's holding account		(784,049)	783,969	(80)
Decrease in cash on hand		(206)	(167)	(373)
Total payments		**7,100,913**	**4,084,666**	**30,713,488**
Deficit of receipts over payments		(369)	(19,628)	
Fund balance at the beginning of the period		6,802	26,430	
Fund balance at the end of the period		**6,433**	**6,802**	
Represented by:				
Cash at designated bank account, Bank of the Lao PDR	*6*	**6,433**	**6,802**	

The accompanying notes form an integral part of the financial statements.

Ms. Daomanivone VILAYVIENG
Deputy Director General of DPO
Project Director
Deposit Protection Office
Bank of the Lao PDR
Date: 25 June 2026

1. Principal activities

The Government of Lao PDR has received funding from the World Bank Group for the Financial Sector Safety Net Strengthening Project (US$35 million). The objective of the Project is to strengthen the financial and institutional capacity of the Deposit Protection Office (DPO) to fulfil its deposit insurance mandate.

The Deposit Protection Office (DPO) is the Project Implementing Agency and will be responsible for the overall supervision, execution, and management of Financial Sector Safety Net Strengthening Project (FSNP). The project shall be governed by Bank of the Lao PDR and shall be implemented through the existing DPO and concerned departments. DPO shall be responsible for formulating policy and strategy, setting standards, allocating resources, monitoring, providing technical support including the training of officials concerned, playing a role in quality assurance systems and technical auditing, and carrying out impact evaluations, planning, budgeting, procurement, contract management, quality control, and reporting.

The project is part of a broader strategy to strengthen the overall financial safety net, through strengthening the supervision and resolution of deposit-taking financial institutions, as well as the mechanism to be compliant with the rules and regulations for timely payouts of depositors in the case of bank failures. In light of the existing vulnerabilities in the banking sector, it is imperative to bolster the DPO's financial and institutional capacity with World Bank (WB) support. As demonstrated by the lessons from the global financial crisis, the establishment of a credible deposit insurance system is critical for financial sector stability, including maintaining public confidence and protecting less sophisticated and small depositors.

The Project includes two components:

(i) Capitalisation of Deposit Protection Office Equity Fund using Performance-based Condition (PBCs), whereby the WB funds are disbursed in tranches based upon verification of achievement of the pre-agreed PBCs; and
(ii) Institutional capacity building for DPO and project management so DPO is empowered to perform its legally-mandated function (deposit payout), as evidenced by progress towards compliance with International Association of Deposit Insurers (IADI) Core Principles.

The Project is implemented by the DPO, Other agencies involved in project implementation include the Bank of the Lao PDR (BOL) and Ministry of Finance (MOF).

2. Material accounting policies

The following material accounting policies have been adopted by the Project in the preparation of these financial statements:

2. Material accounting policies (continued)

a) Basis of financial statements preparation

The financial statements are prepared in accordance with the accounting policies of the Project consist of the Balance sheet, statements of receipts and payments by component, receipts and payments by category, and statement of designated bank account, which is expressed in United States Dollars ("USD"). The financial statements have, therefore, not been designed for those who are not familiar with the accounting policies of the Project.

The financial statements have been prepared in accordance with modified cash basis of accounting standards. In which advances are recorded based on accrual basis. Advances are recognised as receivable when it was paid and are recorded as expense only after the liquidation and presentation of documents. Receipts are recognised when funds are received in cash rather than when earned and payments are recognised when made rather than when incurred. This is a comprehensive basis of accounting that is designed to meet the requirements of the Project and its donors; it is not designed to produce financial statements that are compatible with International Financial Reporting Standards or other prominent generally accepted accounting principles.

b) Fixed assets

All purchases of equipment are recorded as payments in the statement of receipts and payments upon acquisition as goods. The Project maintains a Fixed Assets Register for control purposes.

c) Cash

Cash comprises cash on hand and balances with banks.

d) Foreign exchange

The Project maintains its accounting records in USD in accordance with the financial agreement. Transactions in currencies other than USD during the period have been translated into USD at rates approximating those ruling at the transaction dates, and if the fund, which has been replenished to operating account and apply different exchange rate, will be used combine rate. All exchange rate differences are recorded in the statement receipts and payments.

e) Accounting reporting period

The general financial accounting Project starts on 1 January and ends on 31 December.

For the period from 1 January 2026 to 31 May 2026 (Included two-months grace period) represented 5 months final period as due to the project end.

2. Material accounting policies (continued)

f) Comparison of budget and actual payments

The approved budget is developed on the same accounting basis, same classification basis and for the same period as for the financial statements.

g) Receipt recognition

Fund receipt from IDA is recognised as receipt when cash is credited to the Project's Holding bank accounts for component 1 and Project's operation bank account for component 2.

h) Payment recognition

Payments are recognised when documents substantiating the Project's transactions are submitted and approved and the payment is made.

Categories of payments:

1. Expenditure for PBCs: Capitalisation of Deposit Protection Office Equity Fund. Performance-Based Condition (PBC) payments will only be made upon submission of supporting documentation satisfactory to the Bank confirming the achievement of respective PBC or PBCs. PBC payment is valued in SDR, disbursed in USD into a Holding Currency Account, and immediately transferred to the Capitalisation account in Lao Kip.

2. Direct Payment and Reimbursement will also be used. Reporting of expenditure paid from the Designated Account will be done quarterly based on the Statement of Expenditure.

i. Goods

Goods consists of office equipment, furniture, vehicles, computers and software. All purchases of goods are recorded as payments in the statement of cash receipt and payments upon acquisition as goods.

ii. Consultant service

Consultant services consist of national project coordinator, national procurement, national communication consultant, and national finance consultant at Lao PDR Financial Sector Safety Net Strengthening Project.

iii. Non-consultant service

Non-consultant services including media and outreach expenses such as brochure, poster, and video.

2. Material accounting policies (continued)

i. Training

Training consists of capacity development (training courses) for DPO staff/concerned parties, knowledge exchange including study tours, attend meeting, seminar and workshop (internal and oversea).

ii. Incremental operating cost

Incremental operating cost consist of leasing and/or routine repair and maintenance of facilities and office premises; fuel, office supplies, and consumables; communication expenses (including postage, telephone, and Internet costs); translation, printing, and photocopying expenses; bank charges, publications, and advertising expenses; travel insurance; project-related meeting expenses; project-related travel, subsistence, and lodging expense.

Bank of the Lao PDR
Deposit Protection Office
Lao PDR Financial Sector Safety Net Strengthening Project (FSNP)
Notes to the financial statements
For the period from 1 January 2026 to 31 May 2026
(Included two-month grace period)

3. Receipts

In USD	Date	For the period from 1 January 2026 to 31 May 2026	For the period from 1 January 2025 to 31 December 2025	Cumulative to date
Fund receipt for PBCs:				
- 07-PBC-FSNP-DPO	13-Apr-2026	3,555,513	-	3,555,513
- 06-PBC-FSNP-DPO	20-Mar-2026	3,518,774	-	3,518,774
- 05-PBC-FSNP-DPO	22-Dec-2025	-	783,969	783,969
- 04-PBC-FSNP-DPO	17-Jun-2025	-	3,142,940	3,142,940
- 03-PBC-FSNP-DPO	19-Aug-2024	-	-	1,936,779
- 02-PBC-FSNP-DPO	12-May-2023	-	-	13,961,341
- 01-PBC-FSNP-DPO	22-Sep-2021	-	-	6,163,019
Transfer to designated account				
- 01-WA-OC-S1 2026	14-Jan-2026	26,257	-	26,257
- 01-WA-OC-S1 2025	14-Feb-2025	-	138,129	138,129
- 02-WA-OC-S2 2024	19-Aug-2024	-	-	17,056
- 01-WA-OC S1 2024	11-Apr-2024	-	-	93,906
- 02-WA-OC-FSNPQ1,2 23	26-May-2023	-	-	367,185
- 01-FSN-DPO	25-Jan-2021	-	-	144,960
- 02.1-WA-OC-FSNP-DPO	8-Sep-2021	-	-	173,966
Total		**7,100,544**	**4,065,038**	**34,023,794**

4. Capitalisation of deposit protection office equity fund

In USD	For the period from 1 January 2026 to 31 May 2026	For the period from 1 January 2025 to 31 December 2025	Cumulative to date
PBC# A1, DPO's Board has approved a Target Fund Ratio methodology; PBC# F3, DPO has completed a self assessment on the extent of compliance with IADI Core Principles on Deposit Insurance and identified gaps and action for achieving full compliance	3,555,593	-	3,555,593
PBC# B2, PMO has approved a Decree on Prevention and Resolution of Financial System Crisis	3,518,774	-	3,518,774
PBC# E3, DPO Board has approved an updated public awareness strategy based on survey conducted to the public	783,969	-	783,969
PBC# C5, DPO has implemented an improved accounting and reporting system that includes IT system	-	784,710	784,710
PBC# D3, DPO has conducted a simulation exercise on deposit insurance claims processing and payment	-	2,358,230	2,358,230
PBC# C1, DPO Board has approved its Corporate Governance Charter	-	-	1,166,848
PBC# C4, DPO has implemented an improved accounting and reporting system that includes IT system	-	-	769,852
PBC# A3, DPO has entered into an agreement with MOF acceptable to the association for back up funding support	-	-	2,326,567
PBC# A4, DPO has withdrawn all investments and deposits in commercial banks and invested them in government securities and central bank bonds	-	-	2,326,567

4. Capitalisation of deposit protection office equity fund (continued)

In USD	For the period from 1 January 2026 to 31 May 2026	For the period from 1 January 2025 to 31 December 2025	Cumulative to date
PBC# C3, DPO has implemented an improved accounting and reporting system that includes chart of accounts	-	-	775,848
PBC# D1, DPO Board has approved and issued to its members regulations acceptable to the association on record keeping of deposits including requirement to prepare deposit data in Single Deposit View (SDV) format	-	-	2,326,567
PBC# D2, DPO board has approved regulations acceptable to the association on procedures for claiming deposit insurance claims processing and payment	-	-	2,326,567
PBC# E1, BOL and DPO have each issued regulations acceptable to the association requiring their respective member institutions to provide standard information on deposit insurance coverage to their clients	-	-	775,849
PBC# E2, DPO Board has approved a public awareness strategy on deposit insurance	-	-	775,849
PBC# F1, The governor of the BOL has approved regulations acceptable to the association governing: problem bank resolution process framework	-	-	1,163,773
PBC# F2, The governor of the BOL has approved regulations acceptable to the association governing: prompt corrective action and early intervention measures	-	-	1,163,773

4. Capitalisation of deposit protection office equity fund (continued)

In USD	For the period from 1 January 2026 to 31 May 2026	For the period from 1 January 2025 to 31 December 2025	Cumulative to date
PBC# A2, DPO Board and BOL Governor have each approved regulations on adjusted deposit premiums	-	-	2,462,355
PBC# B1, DPO and Bank of the Lao PDR have signed an updated memorandum of understanding acceptable to the Association regulating the flow of information between the two entities	-	-	2,462,354
PBC# C2, DPO Board has approved its Code of Ethics	-	-	1,238,291
Total	**7,858,336**	**3,142,940**	**33,062,336**

5. Institutional capacity building for DPO and project management

In USD	For the period from 1 January 2026 to 31 May 2026	For the period from 1 January 2025 to 31 December 2025	Cumulative to date
Consultant services			
Firm consultant	10,000	10,019	214,589
Communication Specialist consultant	7,441	29,765	99,478
Financial management consultant	5,954	23,798	116,191
Project evaluation	3,000	-	3,000
Admin assistant	2,232	7,822	17,776
International deposit insurance advisor	-	-	15,199
Procurement consultant	-	-	40,217
Project coordinator consultant	-	-	27,666
	28,627	**71,404**	**534,116**
Incremental operating cost			
Translation	15,692	16,457	65,743
Steering committee meeting	2,674	648	3,940
Photo copier rental	277	1,099	5,026
Office stationeries	198	459	3,450
Office rental	-	13,278	77,436
Exhibition	-	390	390
Advertisement	-	329	3,030
Printing	-	-	3,784
Car rental	-	-	26,921
IT system maintenance	-	-	136
Others	1,310	5,584	28,189
	20,151	**38,244**	**218,045**

5. **Institutional capacity building for DPO and project management (continued)**

In USD	For the period from 1 January 2026 to 31 May 2026	For the period from 1 January 2025 to 31 December 2025	Cumulative to date
Training			
Meeting	3,163	30,523	124,637
Training courses	-	2,768	8,641
Dissemination of decree on deposit protection	-	-	32,483
	3,163	**33,291**	**165,761**
Non-consulting services			
Producing video	4,328	-	8,458
	4,328	**-**	**8,458**
Goods			
IT equipment	-	1,115	21,433
Furniture equipment	-	-	10,817
Office equipment	-	-	805
	-	**1,115**	**33,055**
Total	**56,269**	**144,054**	**959,435**

6. Cash and cash equivalents

In USD	**31 May 2026**	**31 December 2025**
Designated bank account: Bank of the Lao PDR	6,433	6,802
Holding bank account: Bank of the Lao PDR	-	784,049
Operating bank account	-	29,838
Cash on hand	-	206
Total	**6,433**	**820,895**

7. Commitments

The Project has outstanding commitments as follows:

In USD	**31 May 2026**	**31 December 2025**
Firm consultant *	3,300	13,300
Communication Specialist consultant	-	7,500
Financial management consultant	-	6,000
Animation VDO Production	-	4,359
Project evaluation consultant	-	3,000
Admin assistant	-	2,250
Photocopy rental	-	278
	3,300	**36,687**

* The Outstanding commitment remaining only for external audit fee of USD 3,300, the audit fee will be paid after completion and delivery of the audit report.

Bank of the Lao PDR
Deposit Protection Office
Lao PDR Financial Sector Safety Net Strengthening Project (FSNP)
Comparison of budget and actual payments
For the period from 1 January 2026 to 31 May 2026
(Included two-month grace period)

(Appendix)

This table represented the used of funds by activities, as set out in the Project Appraisal Document ("PAD"), compared with current budget.

In USD	**Actual**		**Budget (Unaudited)**		**Variance (Unaudited)**					
	1 Jan to 31 May 2026	Cumulative to date	1 Jan to 31 May 2026	Cumulative to date	1 Jan to 31 May 2026	Cumulative to date	1 Jan to 31 May 2026 (%)	Cumulative to date (%)	Total budget (Project Document *)	Remaining budget as at 31 May 2026
Component 1: Capitalisation of deposit protection office equity fund	7,858,336	33,062,336	7,846,060	33,250,000	(12,276)	187,664	(0.16%)	0.57%	33,250,000	187,664
Component 2: Institutional capacity building for DPO and project management	56,269	959,435	63,100	961,460	6,831	2,025	12.14%	0.21%	1,750,000	790,565
Unrealise foreign exchange loss (gain)	401	(4,410)	-	-	(401)	4,410	(100.00%)	100.00%	-	4,410
Total:	**7,915,006**	**34,017,361**	**7,909,160**	**34,211,460**	**(5,846)**	**194,099**	**(0.07%)**	**0.57%**	**35,000,000**	**982,639**

* (Financing Agreement No.6571-LA; dated 28 April 2020).

Bank of the Lao PDR
Deposit Protection Office
Lao PDR Financial Sector Safety Net Strengthening Project (FSNP)
Comparison of budget and actual payments
For the period from 1 January 2026 to 31 May 2026
(Included two-month grace period)

(Appendix)

Analysis of variances between budget and actual payments

Component 1: Performance–Based Condition (PBCs)

During the final three-month implementation period of the Project, and two-month grace period, reimbursement claims for the remaining Performance-Based Conditions (PBCs) namely A1, B2, and F3 were successfully completed, totaling USD 7,074,287. However, the amount transferred to the Deposit Protection Office (DPO) Capitalization Account amounted to USD 7,858,336, which includes PBCs A1, B2, E3 and F3 as well as the remaining balance in the Project bank account of USD 79.78.

Component 2: Project management

The expenses under this component were including consulting services, training, operating costs and goods having total budget is USD 63,100 in 3-month final period. In actual payment during the period is amounting to USD 56,269 or 89% of the budget.

Consultant services

Expenditure under the Consultant Services category for 2026 totaled USD 28,627. Overall, consultant-related expenditures were consistent with the approved budget and work plan, covering payments for the Communications Specialist, Financial Management Consultant, Administrative Assistant, and the external audit firm. In addition, during the final implementation period, the Project incurred USD 3,000 for the completion of the Project Evaluation.

Non-consulting services

There is the payment for Video production on mandate of Deposit Protection Office in deposit protection amounting to USD 4,328.

Training

In 2026, expenditures under this category amounted to USD 3,163. The majority of these expenditures were incurred to support project-related meetings. Overall, spending remained within the planned budget and contributed to the effective implementation and completion of project activities during the final reporting period.

Incremental Operating Cost

Expenditure under the Incremental Operating Costs for the year amounted to USD 20,151. The majority of these expenditures were associated with routine project operating activities, including translation services, stationery, cleaning services, and other miscellaneous administrative and operational expenses.

Goods

During the reporting period, no expenditure was incurred for the procurement of goods or equipment.