

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

**Management Letter
For the year ended 31 December 2024**



KPMG Lao Co., Ltd.
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Ms. Daomanivone Vilayvieng
Deputy Director General of DPO
Project Director
Lao PDR Financial Sector Safety Net Strengthening Project
Deposit Protection Office
Bank of the Lao PDR

Date: 20 May 2025

Dear Sir,

**Lao PDR Financial Sector Safety Net Strengthening Project (FSNP)
Management Letter arising from the audit for the year ended 31 December 2024**

We have recently concluded our audit of the Lao PDR Financial Sector Safety Net Strengthening Project ("FSNP" or "Project") for the year ended 31 December 2024 and the purpose of this letter is to set out a matter which has arisen during our audit work. This matter is contained in the attached report.

In performing our audit of the financial statements of the Project, in accordance with International Standard on Auditing (ISAs), we considered the Project's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control. Accordingly, we do not express an opinion on the effectiveness of the Project's internal control.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not bring to light all weakness in policies and procedures that may exist.

It is the responsibility of Management to select and apply appropriate accounting policies and to maintain adequate internal controls. Each system of accounting and internal control should be adequate to ensure that all transactions are recorded and that the recorded transactions are valid, accurate, authorised, properly classified and promptly recorded, so as to facilitate the preparation of reliable financial information and to provide reasonable assurance against the possibility of misstatements that are material to the financial statements. It is not our intention to set out the strengths of the Project's system of accounting and internal control in this letter, which is therefore critical by nature, but we should be pleased to conduct a detailed review of that system for management purposes at your request.



It should be appreciated that because of the nature and inherent limitations of an audit, together with the limitations inherent in any system of internal control, there is an unavoidable risk that even some material misstatement may remain undiscovered. Accordingly, our audit should not be relied upon to disclose fraud, defalcations or other irregularities. However, if they exist, their disclosure may result from the audit tests that we undertake. We aim, however, to use our knowledge of the Project gained during our work to make comment and suggestion which we hope will be useful to you.

Based on our work described in this report, nothing has come to our attention on any significant deficiency on the internal control for the in-scope processes.

This communication is intended solely for the information and use of management of the Project and others within the Project and is not intended to be and should not be used by anyone other than these specified parties.

We take this opportunity of thanking you and your staff for the assistance provided to us during the course of the audit. In due course, we would appreciate your written comments on action taken by management on the recommendation contained in this letter.

Should you require any further information or explanation, please do not hesitate to contact me at email (yoottapong@kpmg.co.th) or Phouthasone Bouphala (pbouphala@kpmg.com).

Yours sincerely,

Yoottapong Soontalanka
Audit Partner
KPMG Lao Co., Ltd.
Vientiane, Lao PDR



**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 year ended 31 December 2024**

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

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

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	
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 year ended 31 December 2024, 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;
- Maintain financial records and prepare the financial statements based on the accounting policies as described in Note 2 to the financial statements; and
- Prepare the financial statement on going concern basis under it is inappropriate to assume that the Project will continue operations in the foreseeable future.

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: 20 May 2025



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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 the balance sheet as at 31 December 2024, statements of receipts and payments by component, receipts and payments by category, and designated bank account for the year than ended, and notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Project, the balance sheet as at 31 December 2024, and results of the Project for the year than ended 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 are 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.



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

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.
- 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 Project's ability to continue as a going concern. If we conclude that a material uncertainty exists,



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.



Yootapong Soonatavaka
Statutory auditor
ID No.SA0053/2023
Vientiane Capital, Lao PDR
Date: 20 May 2025

Bank of the Lao PDR


Deposit Protection Office

Lao PDR Financial Sector Safety Net Strengthening Project (FSNP)

Balance sheet

<i>In USD</i>	<i>Note</i>	31 December 2024	31 December 2023
Opening of fund balance		181,561	53,478
(Deficit) excess of receipts over payments		(138,481)	128,083
Fund balance at the end of the year		43,080	181,561
Represent by:			
Cash and cash equivalents	6	43,080	181,561

The accompanying notes are an integral part of these financial statements.



Ms. Daomanivone VILAYVIENG
Deputy Director General of DPO
Project Director
Deposit Protection Office
Bank of the Lao PDR
Date: 20 May 2025

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

<i>In USD</i>	<i>Note</i>	31 December 2024	31 December 2023	Cumulative to date
Receipts				
	3	2,047,741	14,328,526	22,858,212
Payments				
Capitalization of deposit protection office equity fund	4	1,936,700	13,961,360	22,061,060
Institutional capacity building for DPO and project management	5	251,001	247,837	759,112
		2,187,701	14,209,197	22,820,172
		(1,479)	(8,754)	(5,040)
Unrealise foreign exchange gian		2,186,222	14,200,443	22,815,132
Total payments		(138,481)	128,083	43,080
(Deficit) excess of receipts over payments				

The accompanying notes are an integral part of these financial statements.



Ms. Daomanivone VILAYVIENG
Deputy Director General of DPO
Project Director
Deposit Protection Office
Bank of the Lao PDR
Date: 20 May 2025

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

<i>In USD</i>	<i>Note</i>	31 December 2024	31 December 2023	Cumulative to date
Receipts	3	2,047,741	14,328,526	22,858,212
Payments				
Expenditure for PBCs	4	1,936,700	13,961,360	22,061,060
Consultant services	5	137,459	167,535	434,085
Incremental operating cost	5	57,042	36,692	159,650
Training	5	52,370	43,610	129,307
Non-consulting services	5	4,130	-	4,130
Goods	5	-	-	31,940
Unrealise foreign exchange gain		2,187,701	14,209,197	22,820,172
		(1,479)	(8,754)	(5,040)
Total payments		2,186,222	14,200,443	22,815,132
(Deficit) excess of receipts over payments		(138,481)	128,083	43,080

The accompanying notes are an integral part of these financial statements.



Ms. Daomanivone VILAYVIENG
Deputy Director General of DPO
Project Director
Deposit Protection Office
Bank of the Lao PDR
Date: 20 May 2025

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

<i>In USD</i>	<i>Note</i>	31 December 2024	31 December 2023	Cumulative to date
Receipts	3	2,047,741	14,328,526	22,858,212
Payments				
Payments		2,186,222	14,200,443	22,815,132
(Decrease) increase of cash at project's operating account		(78,662)	84,629	16,197
Increase (decrease) of cash at project's holding account		80	(19)	80
(Decrease) increase of cash on hand		(134)	186	373
Total payments		2,107,506	14,285,240	22,831,782
(Deficit) excess of receipts over payments		(59,765)	43,286	
Fund balance at the beginning of the year		86,194	42,908	
Fund balance at the end of the year		26,430	86,194	

Represented by:

Cash at designated bank account,

Bank of the Lao PDR

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The accompanying notes are an integral part of these financial statements.



Ms. Daomanivone VILAYVIENG
Deputy Director General of DPO
Project Director
Deposit Protection Office
Bank of the Lao PDR
Date: 20 May 2025

Bank of the Lao PDR
Deposit Protection Office
Lao PDR Financial Sector Safety Net Strengthening Project (FSNP)
Notes to the financial statements
For the year ended 31 December 2024

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) Capitalization 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:

Bank of the Lao PDR
Deposit Protection Office
Lao PDR Financial Sector Safety Net Strengthening Project (FSNP)
Notes to the financial statements
For the year ended 31 December 2024

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 recognized 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.

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.

Bank of the Lao PDR
Deposit Protection Office
Lao PDR Financial Sector Safety Net Strengthening Project (FSNP)
Notes to the financial statements
For the year ended 31 December 2024

2. Material accounting policies (continued)

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

Categories of payments:

1. Expenditure for PBCs: Capitalization 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 Capitalization 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.

iv. 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).

Bank of the Lao PDR
Deposit Protection Office
Lao PDR Financial Sector Safety Net Strengthening Project (FSNP)
Notes to the financial statements
For the year ended 31 December 2024

2. Material accounting policies (continued)

v. *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 year ended 31 December 2024

3. Receipts

<i>In USD</i>	Date	31 December 2024	31 December 2023	Cumulative to date
Fund receipt for PBCs:				
- 03-PBC-FSNP-DPO	19-Aug-2024	1,936,779	-	1,936,779
- 02-PBC-FSNP-DPO	12-May-2023	-	13,961,341	13,961,341
- 01-PBC-FSNP-DPO	22-Sep-2021	-	-	6,163,019
Transfer to designated account				
- 02-WA-OC-S2 2024	19-Aug-2024	17,056	-	17,056
- 01-WA-OC S1 2024	11-Apr-2024	93,906	-	93,906
- 02-WA-OC-FSNPQ1,2 23	26-May-2023	-	367,185	367,185
- 01-FSN-DPO	25-Jan-2021	-	-	144,960
- 02.1-WA-OC-FSNP-DPO	8-Sep-2021	-	-	173,966
Total		2,047,741	14,328,526	22,858,212

Bank of the Lao PDR
Deposit Protection Office
Lao PDR Financial Sector Safety Net Strengthening Project (FSNP)
Notes to the financial statements
For the year ended 31 December 2024

4. Capitalization of deposit protection office equity fund

<i>In USD</i>	31 December 2024	31 December 2023	Cumulative to date
PBC# C1, DPO Board has approved its Corporate Governance Charter	1,166,848	-	1,166,848
PBC# C4, DPO has implemented an improved accounting and reporting system that includes IT system	769,852	-	769,852
PBC# A3, DPO has entered into an agreement with MOF acceptable to the association for back up funding support	-	2,326,567	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	2,326,567
PBC# C3, DPO has implemented an improved accounting and reporting system that includes chart of accounts	-	775,848	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	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	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	775,849
PBC# E2, DPO Board has approved a public awareness strategy on deposit insurance	-	775,849	775,849

Bank of the Lao PDR
Deposit Protection Office
Lao PDR Financial Sector Safety Net Strengthening Project (FSNP)
Notes to the financial statements
For the year ended 31 December 2024

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

<i>In USD</i>	31 December 2024	31 December 2023	Cumulative to date
PBC# F1, The governor of the BOL has approved regulations acceptable to the association governing: problem bank resolution process framework	-	1,163,773	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	1,163,773
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	1,936,700	13,961,360	22,061,060

Bank of the Lao PDR
Deposit Protection Office
Lao PDR Financial Sector Safety Net Strengthening Project (FSNP)
Notes to the financial statements
For the year ended 31 December 2024

5. Institutional capacity building for DPO and project management

<i>In USD</i>	31 December 2024	31 December 2023	Cumulative to date
Consultant services			
Firm consultant	80,226	95,295	194,570
Communication Specialist consultant	27,791	29,376	62,272
Financial management consultant	23,458	23,561	86,439
Admin assistant	5,984	1,738	7,722
International deposit insurance advisor	-	15,199	15,199
Procurement consultant	-	2,366	40,217
Project coordinator consultant	-	-	27,666
	137,459	167,535	434,085
Incremental operating cost			
Office rental	25,732	17,895	64,158
Document translation	18,413	8,108	33,594
Printing	3,784	-	3,784
Photo copier rental	1,019	1,291	3,650
Office stationeries	650	246	2,793
Steering committee meeting	618	-	618
Car rental	-	3,880	26,921
Advertisement	-	764	2,701
IT system maintenance	-	-	136
Others	6,826	4,508	21,295
	57,042	36,692	159,650

Bank of the Lao PDR
Deposit Protection Office
Lao PDR Financial Sector Safety Net Strengthening Project (FSSNP)
Notes to the financial statements
For the year ended 31 December 2024

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

<i>In USD</i>	31 December 2024	31 December 2023	Cumulative to date
Training			
Meeting	51,454	24,624	91,009
Training courses	916	2,095	5,815
Dissemination of decree on deposit protection	-	16,891	32,483
	52,370	43,610	129,307
Non-consulting services			
Producing video	4,130	-	4,130
	4,130	-	4,130
Goods			
IT equipment	-	-	20,318
Furniture equipment	-	-	10,817
Office equipment	-	-	805
	-	-	31,940
Total	251,001	247,837	759,112

Bank of the Lao PDR
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Lao PDR Financial Sector Safety Net Strengthening Project (FSNP)
Notes to the financial statements
For the year ended 31 December 2024

6. Cash and cash equivalents

<i>In USD</i>	31 December 2024	31 December 2023
Designated bank account: Bank of the Lao PDR	26,430	86,194
Holding bank account: Bank of the Lao PDR	80	-
Operating bank account	16,197	94,860
Cash on hand	373	507
Total	43,080	181,561

7. Commitments

The Project has outstanding commitments as follows:

<i>In USD</i>	31 December 2024	31 December 2023
Communication Specialist consultant	37,543	19,064
Financial management consultant	30,034	4,529
Firm consultant	23,300	79,700
Office rental	13,074	11,370
International Deposit Insurance Advisor	-	210,661
Admin assistant	-	6,062
	103,951	331,386

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Comparison of budget and actual payments
For the year ended 31 December 2024

(Appendix)

This table represented the used of funds by activities, as set out in the Project Appraisal Document ("PAD"), compared with current budget. *(Financing Agreement No.6571-LA; dated 28 April 2020)									
In USD	Actual		Budget (Unaudited)		Variance (Unaudited)			Project Document *	
	31 December 2024	Cumulative to date	31 December 2024	Cumulative to date	31 December 2024	Cumulative to date	31 December 2024 (%)	Cumulative to date (%)	Remaining budget as at 31 December 2024
Component 1: Capitalization of deposit protection office equity fund	1,936,700	22,061,060	13,062,000	33,186,360	11,125,300	11,125,300	85%	34%	11,188,940
Component 2: Institutional capacity building for DPO and project management	251,001	759,112	414,350	922,461	163,349	163,349	39%	18%	990,888
Unrealise foreign exchange gain	(1,479)	(5,040)	-	-	1,479	5,245	100%	100%	5,040
Total:	2,186,222	22,815,132	13,476,350	34,108,821	11,290,128	11,293,689	84%	33%	12,184,868

Bank of the Lao PDR
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Comparison of budget and actual payments
For the year ended 31 December 2024

(Appendix)

Analysis of variances between budget and actual payments

Component 1:

During the year 2024, the Project plan to completed and claim for 9 PBCs. However, they are able to achieve for 2 PBCs and the disbursement has been completed and transferred to Deposit Protection Office's bank account in August 2024. The rest of PBCs are expected to be successfully claimed in March 2026.

Component 2:

The Project has not purchased any goods, The expenses under this component were including non-consulting services, consulting services, training and operating costs having total budget is USD 414,350 in 2024. In actual payment during the period is amounting to USD 251,001 or 61% of the budget.

Goods

During the year, the project had not purchased any goods.

Consultant services

The expenditure of consultant service category for the year 2024 is USD 137,459 which is cover 79% of the annual budget for 2024. The overall of expenditures for consultants was following the plan which its including payment for Communications Specialist, Financial Management Consultant, Firm Consultants for Survey and Audit of the financial statements.

Non-consulting services

There is the payment for produce short video of 25th year anniversary of Deposit Protection Office amounting to USD 4,130.

Training

For the year 2024, the payments of this category were USD 52,370, In which underspent or 76% of the annual budget. The major payments were for meeting oversea, organize the international seminar on deposit protection mandates, training skill on public speaking in different province, payout simulation exercise related to PBC, workshop on crisis management framework with the World bank. The rest of expenditures are the payment of training for DPO staffs.

Incremental Operating Cost

The expenditure of incremental operating for the year is USD 57,042 which is cover 34% of the annual budget for 2024. The expense incurred from this category, mostly are office rental, translation, and other administrative works, For the rest are some small expenses, such as: stationery, ink, bank fee, cleaning, stationery, monthly meeting, etc.