Banque Pour Le Commerce Exterieur Lao Public

A Summary of Business Performance for the six-month 2020

I. OVERVIEW OF BCEL

1. VISION

BCEL has adopted a vision and applied to its business development to achieve its goal and objective of "becoming a Strong, Modern and Internationally Recognized Bank".

2. MISSION

In order to make BCEL a strong and modern bank with international standards, the key missions of BCEL include development of strong corporate governance by focusing on: development of banking services which embraces changes in each period of time; creation of a strong culture of risk management and compliance with the BASEL II principles; increase in business operation capacity; creation and development of a capable, comprehensive, accurate and punctual management information system (MIS); utilization of modern technology; and upgrade of knowledge and expertise of the employees as of regional and international levels.

❖ PROGRAMS AND PROJECTS IN 2020

BCEL will continue to implement a long-term BCEL's vision on and developing Corporate Governance and improving its services in 2020, the target areas will focus on 6 programs; 29 projects; 229 work plans. **The list of programs is showed as follow:**

- Developing its Corporate Governance to meet international standards: 1 project and 1 work plan.
- Creating risk management and compliance with The BASEL II Principles: 4 projects and 35 work plans.
- Creating the Management of Information System (MIS): 5 projects and 43 work plans.
- Developing and Managing IT System: 5 projects and 17 work plans.
- Human resources development and management: 4 projects and 40 work plans.
- Developing financial management and modern services to enhance efficient business performance: 10 projects and 93 work plans.

II. FINANCIAL POSITION & PERFORMANCE

1. LAO MACRO-ECONOMY OUTLOOK FOR THE YEAR 2020.

For the year 2020, the expectation of growth for the Lao economy will be at the slow pace at around 3,3%[1] which decreases from the government's expectation at the beginning of the year of 6,5%. The spread of COVID-19 has affected significant incomes of various businesses as they are unable to operate as planned especially the businesses which are related to service, exportation, tourism, hotels and restaurants. However, the economy of Laos is

[1] The report by the National Economic Research Institute, number 005, dated on 19/04/2020.

estimated by IMF at 0,7% growth while the World Bank expected the growth of 1%. If the situation has not been improved, the Lao economy might be declined at -1,8%[2].

For the reducing of the impacts from COVID-19 to the economy and society in Lao PDR; the government has issued the economic policy and measures[3] such as the exemption of collecting salary tax from labors, who had income less than 5 million LAK for 3 months, the postponement for tax declaration and payment, the exemption of income tax to the micro-enterprises, the postponement of the road tax payment, the postponement of the payment for the large construction and infrastructure repair projects in the investment plan for the year 2020. Moreover, the government also issued the monetary policy such as 1) allowed the commercial banks and financial institutions grant postponement of the principal and interest payment, reduction of interest rates and fees for debtors, 2) the providing of the new loan for debtors and the affected people. The banks which implement the said measures shall receive the indulgent policy for the implementation of loan reclassification and the provision of loan impairment, 3) the policy for reducing the policy interest rate of 1% and reducing 1% of the compulsory reservation fund rate for LAK currency, 2% for the foreign currencies.

Besides the policies above, the government also issued the easing policy for each period of time to recover the economy status step by step as the COVID-19 pandemic in Lao PDR was expected to decline and was under control. However, the growth of economy in the whole year 2020 is vulnerable and has many risky factors[4] especially the slow growth of the global and regional economies, the trade deficit of Laos, the low reserves of foreign currencies, and the high unemployment rate, the volatile exchange rate against LAK currency and the increasing inflation rate.

2. OUTSTANDING PERFORMANCE IN BRIEF

The financial reports of BCEL for the year 2019 and for 1Q 2020 have been disclosed via Lao Securities Exchange's disclosure platform. BCEL has successfully held the 2019 Business Performance Review Meeting; 6 times of Board of Directors Meetings; 1 time of the 2019 Ordinary Shareholders' Meeting and successfully paid the dividends in amount 813 LAK/share to BCEL shareholders for the year 2019.

BCEL in cooperation with the Customs Department, Ministry of Finance, has launched VAT payment services of the inbound passengers, and the electronic fee collection platform for inbound-outbound passengers (Smart VAT 2). A service for making cross-bank money transfer via mobile banking application between BCEL and BIC bank was launched. Also, BCEL

[2] The Report of the World Bank https://www.worldbank.org/en/country/lao/publication/covid-19-to-impact-lao-pdr-growth-debt-in-2020-new-world-bank-report

[3] The decision on the policies and measures to reduce the impacts from COVID-19, No. 31/PM, dated 02/04/2020

[3] The Report of the World Bank https://www.worldbank.org/en/country/lao/publication/covid-19-to-impact-lao-pdr-growth-debt-in-2020-new-world-bank-report

[3] In accordance with the assessment of Lao macro-economic for the first six months of the year 2020, during the epidemic of COVID-19

[4] In accordance with the assessment of Lao macro-economic for the first six months of the year 2020, during the epidemic of COVID-19

has entered into a collaborative contract with Star FinTech Sole Co.,Ltd in providing an E-Commerce service.

BCEL has successfully developed 2 features in BCEL One application, namely "FastTrack" a feature enhancing cash withdrawal quicker in order to reduce processing time and queuing, and "OneCash" a feature allowing customers to send a money voucher to a recipient who is not necessary to be the customer of BCEL or having an account with BCEL. A press conference was organized to showcase the updated products and services such as OneCash, OneCare, QR Withdrawal, and I-Bank version 4. In the late 2Q2020, BCEL has opened "Huay Namyen Service Unit", a new service unit under the supervision of Dongdok Branch.

Moreover, BCEL has set up a committee to work on the fields that have been affected by the pandemic of the Novel Coronavirus or COVID-19 in order to respond against the virus and to also research on the impact of the virus on the business for reporting to the managements periodically.

3. KEY FINANCIAL INFORMATION

In 6 months of the year 2020, BCEL has performed the business according to the plan, which was approved from the Shareholders' Meeting. The performance figures are as follows:

- Total assets/liabilities: 49.668,15 billion LAK comparing with the annual plan of the year 2020 has achieved at 100% and when comparing with the same period of the last year increased by 16%;
- Total loans: 28.212,56 billion LAK comparing with the annual plan of the year 2020 has achieved 99% when comparing with the same period of the last year increased by 8% (NPL equaled to 827,54 billion LAK which covered at 2,93% of the total loans);
- Total deposits: 43.820,40 billion LAK comparing with the annual plan of the year has achieved at 102% when comparing with the same period of the last year increased by 21%;
- Total capital: 2.013,63 billion LAK comparing with the annual plan of the year 2020 has achieved at 78%; when comparing with the same period of the last year equaled to 100%;
- The profit before tax: 74,55 billion LAK comparing with the annual plan of the year 2020 has achieved by 21%.

III. GENERAL & IMPORTANT INFORMATION

- **LOCATION & NETWORKS**

The Bank's Head Office is located at No. 01, Pangkham Street, Ban XiengNheun, Chanthabouly District, Vientiane Capital, Lao PDR. As at 30 June 2020, the Bank has one (01) Head Office, one (1) subsidiary, five (5) joint ventures, twenty (20) branches, ninety-four (94) services units, and fifteen (15) exchange units all over Lao PDR.

- **CONTACTS**
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- Fax (+856-21) 213202

- Email: bcelhqv@bcel.com.la
- Website: www.bcel.com.la

- **BRIEF HISTORY**

Banque pour le Commerce Exterieur Lao Public operating business in the form of public company and listed in the Lao Securities Exchange.

BCEL was established in accordance with the Banking Business License No. 129/BOL dated 01 November 1989. On 23 December 2010, the Bank successfully undertook its Initial Public Offering. On 10 January 2011, the Bank was equitized and renamed into Banque Pour Le Commerce Exterieur Lao Public under the Operating License No. 0061/LRO dated 10 January 2011 issued by the Business License Registration Office of the Lao PDR. At that date, the Government, represented by the Ministry of Finance ("MOF"), was the largest shareholder with 80% shareholding.

On 15 July 2011, MOF sold 10% of the total ordinary shares to its strategic partner named COFIBRED in accordance with the common stock purchase agreement between MOF and COFIBRED.

On 17 August 2017, Lao Securities Commission Office approved the Bank to recapitalize by both Rights offering and Public offering in Lao Securities Exchange in order to increase its charter capital. The Bank received the new Banking Business License No. 21/BOL, dated 13 September 2017 issued by Bank of the Lao PDR. On 15 September 2017, Lao Securities Exchange certified that the Bank successfully increased its charter capital amount LAK 355.728.500.000 (equivalent to 71.145.700 shares) in accordance with Listing Certificate No. 01/LSX, dated 15 September 2017 and its latest amended Business License No. 0429/ERO dated 18 May 2018 issued by Ministry of Industry and Commerce.

On 11 October 2019, Lao Securities Commission Office approved the Bank to recapitalized by both Rights offering and Public offering. The purpose of the government share divestment is to support more diverse shareholders to develop the Bank on the business expansion and sustainability. On 29 November 2019, Lao Securities Commission Office certified the Bank successfully offered 10% of the Bank's shares.

In the present, the current structure of shareholders of the bank are: the government holds 60%, domestic investors (including BCEL employees) and foreign investors hold 30% and the strategic partner holds 10%.

The principal activities of the Bank are to provide banking services including mobilizing and receiving short-term, medium-term, and long-term deposits from organizations and individuals; making short-term, medium-term, and long-term loans to organizations and individuals based on the nature and capability of the Bank's sources of capital; foreign exchange transactions, international trade financial services, discounting of commercial papers, bonds and other valuable papers, and providing other banking services allowed by Bank of the Lao PDR, and including insurance service and stock brokerage service.

- **REGISTERED CAPITAL**

Registered capital as of 30 June 2020 is 1.038.617 million Kips (31 December 2019: 1.038.617 million Kips)

IV. ORGANIZATION OF BOD, MANAGEMENT & PERFORMANCE OF EACH COMMITTEE UNDER BOD

1. ORGANIZATION & BIOGRAPHY OF BOD

1.1. The BOD of BCEL consists of 7 persons:

- Dr. Bounleua Sinxayvoravong — Chairman
- Mr. Khamsouk Sundara — Vice Chairman
- Mr. Phoukhong Chanthachack — Member
- Mr. Stéphane Mangiavacca — Member
- Mr. Phoutthakhan Khanty — Member
- Assoc.Prof. Dr. Phouphet Kyophilavong — Member
- Mr. Viengsouk Chounthavong — Member

1.2. Biography of BOD:

➢ **Dr. Bounleua Sinxayvoravong: Chairman**



- Date of Birth: 24 November 1966
- Nationality: Lao
- Language(s): Lao, English
- Designation: Vice Minister of Finance
- Education: Doctorate's Degree in Economics from Australian National University, Canberra, ACT, Australia, Masters of Business Administration from Thammasat University Bangkok, Thailand, Bachelor and Masters of Science in Physics and Mathematics from Moscow, Pedagogical University, Moscow, Russia.

➢ **Mr. Khamsouk Sundara: Vice Chairman**



- Date of Birth: 03 June 1945
- Nationality: Lao

- Language(s): Lao, English, French
- Designation: Independent Director
- Education: George Town University (pew Fellowship Program) Washington D.C, USA. Indian Institute for Bank Management, Puna, India. A bachelor's degree from NSW University, Australia.

➢ **Assoc.Prof. Dr. Phouphet Kyophilavong: Member**



- Date of Birth: 05 February 1974
- Nationality: Lao
- Language(s): Lao, English, Japanese
- Designation: Vice-Dean of the Faculty of Economics and Business Administration
- Education: Doctoral Degree in Economics, Kobe University; Master Degree in Civil Engineering, Osaka University; Bachelor Degree in Civil Engineering, Osaka University, Japan.

➢ **Mr. Phoutthakhan Khanty: Member**



- Date of Birth: 02 May 1970
- Nationality: Lao
- Language(s): Lao, Vietnamese, Russian
- Designation: Deputy Director General of National Treasury, Ministry of Finance
- Education: Master Degree, Financial Institution, Hanoi, Vietnam. Bachelor's Degree at Dagestan State University, USSR

- **Mr. Phoukhong Chanthachack: Member**



- Date of Birth: 17 June 1964
- Nationality: Lao
- Language(s): Lao, English, Hungarian
- Designation: BCEL General Managing Director
- Education: Certificate of Political Theory from the national Academy of politics and Public Administration. Master's Degree in Economics from Karl Marx University of Economic and Sciences, Hungary.

- **Mr. Stéphane Mangiavacca: Member**



- Date of Birth: 11 July 1975
- Nationality: French
- Language(s): French, English, Spanish, Chinese, Japanese
- Designation: Head of International, Representative of COFIBRED in the Board of Directors of BCEL.
- Education: Ecole Nationale Superieure des Mines de Saint-Etienne, Engineering Diploma with honors. University of New Brunswick in Canada, 2 semester exchange programs in Environmental Engineering.

- **Mr. Viengsouk Chounthavong: Member**



- Date of Birth: 15 July 1964
- Nationality: Lao
- Language(s): Lao, English, Czech
- Designation: Deputy Director of BCEL.
- Education: 45 days Political Theory Course, Politics and Administration School. Master's Degree in Economics and Commerce, Czech Republic

2. MANAGEMENT OF BCEL

2.1. The Management of BCEL consists of 6 persons:

- Mr. Phoukhong Chanthachack	General Managing Director
- Mr. Lachay Khanpravong	Deputy Director
- Mr. Nanthalath Keopaseuth	Deputy Director
- Mr. Souphak Thinxayphone	Deputy Director
- Mr. Bouavanh Simalyvong	Deputy Director
- Mr. Viengsouk Chounthavong	Deputy Director

2.2. Photos of BCEL's Management



Mr. Phoukhong Chanthachack
General Managing Director



Mr. Lachay Khanpravong
Deputy Director



Mr. Nanthalath Keopaseuth
Deputy Director



Mr. Viengsouk Chounthavong
Deputy Director



Mr. Souphak Thinxayphone
Deputy Director



Mr. Bouavanh Simalyvong
Deputy Director

3. THE PERFORMANCE OF BOD & THE COMMITTEES UNDER THE BOD

3.1. BOD Meetings

The Board of Directors has held the BOD's meeting for 6 times in total (2 ordinary meetings and 4 extraordinary meetings). Some significant performance are as follows:

- Approved the financial report for the year 2019 in accordance with Lao Financial Reporting Standards and International Financial Reporting Standards, in consolidated version and disclosed on LSX's official website.
- Approved the allocation of profit after tax and dividend payment for the year 2019.
- Considered and researched on the recapitalization for BFL.
- Approved the adjustment of the Operation Plan and the Business Plan for the year 2020 to propose in the Shareholders' Meeting 2019 for the approval.
- Approved the agenda of the Shareholders' Meeting of the year 2019 and approved the dividends payment for 813 LAK/share for the year 2019.
- Approved the Regulation on Credit Policy in order to support the loan customers that have been affected by the COVID-19 pandemic and published the announcement, instruction or guidelines for the affected customers from time to time.
- Approved the results of the Gap Analysis and the plan for improvement of the risk management framework of BCEL.
- Approved for the establishment of the Anti-Money Laundering Division.
- Approved the designation of the management level of BCEL.
- Approved some credit applications of corporate customers and approved some of the social assistance programs.

3.2. Risk Management Committee

Risk Management Committee has focused on advising the research and setting of the regulations and policies on risk management. The committee also considered the policies and regulations related to the risk management work such as:

- Prioritizing the risks such as credit risk indicator and liquidity risk indicator.
- Monitoring main risk appetite of the bank in various fields which have 14 risk indicators.
- Researching on the improvement plan of the Risk Management framework of BCEL.
- Researching on establishment of AML Division of BCEL (to separate from the Risk Management and AML Division).
- Monitoring the progress of the sub-projects partly and under the BASEL 2 project (8 projects proceeded, 2 projects completed: develop an internal loss management tool and management information system, continue 6 projects: develop Risk weighted Asset system, internal transfer pricing, debt-liability management, develop credit scoring system, loan origination system and risk control indexing).
- Researching on the analysis of the Lao Macro Economy which may have risk effects to the business operation of the bank.

3.3. Remuneration Committee

The Committee has emphasized on considering policies and regulations for the benefits of BCEL and shareholders. The Committee has considered policies and regulations for proposing to the BOD such as considering on the adjustment of the allowance for those involved in document preparation and support for the BOD's meetings and the assigning of the related divisions to research on the appropriate allowance for BOD member related to health care and annual checkup.

3.4. Governance Committee

In the first half of 2020, Governance Committee has organized 3 meetings in order to consider and approve the business performance of BCEL and the issues to be proposed to the BOD, and the committee has approved the following important issues:

- The Committee had closely monitored and supported on advising the business operation of BCEL and approved BCEL Financial Report according to LAS for the year 2019.
- Proposed the BOD to approve the allocation of the profit to the reserves and the dividend for the year 2019.
- Approved the 2020 Annual Plan, other important issues to propose to the Board of Directors and the Annual General Shareholders' Meeting respectively.
- The Committee has monitored and supervised the work of treasury, liquidity management, the use of funds and foreign currency management periodically especially finding the impact of using bank cards and finding the timely solutions.
- Followed up on the business performance, Annual Strategy Plan, the Long-Term Strategy Plan for 2016-2020 and the implementation of work programs and other projects.
- The Committee has closely monitored the loan quality management, corporate customer management, NPL resolution and analyzed the potential of loans for increasing the income.
- The Committee has monitored Human-Resources work such as recruitment, human resources development and its associated budget, and considered developing a curriculum for in-house employee training in order to support the expanding operation. Moreover, the committee also considered the amendment of the policies on the allowance for the BOD of BCEL and other policies for the non-employee BOD members. For the 2020 new recruitment, it should be considered based on the commercial factors and the demand of work sectors.
- Approved on the separation of Risk Management and AML Division of BCEL and the procedure in the next step.
- Followed up on the divestment of 9% shares held by the government, New Core-Banking Project and Basel II project in each period of time.

3.5. Nomination Committee

- The committee has considered management level officers for new position appointment and reshuffled suitable officers for suitable position within BCEL from time to time. The committee has worked on the 2020-2022 BCEL's Board of Directors nomination and propose to the BOD meeting and Shareholders meeting. Moreover, the committee has approved the new designation and reshuffle of some senior officers.

3.6. Audit Committee

- Monitored staff in implementing the rules, rights, procedures and paid attention to the urgent auditing, audit findings and feedback from customer to ensure the problems must be resolved on time. Followed up the branches on the credit approval, and applied the appropriate measure to resolve the problems.
- Conducted the ordinary auditing, the special auditing, the specific auditing and the urgent auditing to all divisions, centers and branches of BCEL as well as followed up on resolving of the findings from the internal and external audit to all divisions, centers and branches of BCEL.
- Followed up on the findings resolving task from the internal and external auditors regularly.
- completed the coordination to providing the financial information of BCEL for the year 2019 to the audit company and the report issuance based on the Lao accounting standard, and IFRS in both separate and consolidated forms to propose to the BOD's approving.
- completed the coordination to issue Management Letter for the year 2019.
- conducted the coordination with PWC company to review the financial report document of BCEL for the first 6 months of the year 2020.
- prepared the process to select the external auditor to audit BCEL for the year 2021.
- Followed up the reports of the negative incidents, the prevention and anti-corruption to the management and BOL.

V. CORPORATE SOCIAL RESPONSIBILITY

➢ Contribution & Donation to the Community

Along with the business operation and other activities in the first 6 months of the year 2020, the management and all BCEL's staff paid attention to contribution and participation in the social responsibility projects (Corporate Social Responsibility or CSR) which has been one of the bank's core values as follows:

- The utilization of BCEL's potential and modern technology to develop the product for helping the community such as OneHeart which was a tool and the intermediate channel for collecting the donation from the society, providing convenience for both the receivers and the donors to make donation. During 6 months of the year 2020, BCEL launched the donation campaign to raise the fund from the society on combating

the pandemic of COVID-19, the fund for assistance to the operation to remove the tumor from the right leg of a patient and the fund raising campaign for fabric purchase to make the book bags for the disadvantaged children in community. These campaigns attracted 1.935 times of donation in total amount of more than 182,91 million LAK.

- BCEL also contributed and supported the society in various areas such as education and sports and also supported the victims of the natural disaster, supported the national events and other events both in cash and in equipment in total value of more than 432 million LAK.

General Managing Director

BANK OF THE LAO PDR
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC
VIEN TIANE CAPITAL

Phoukhong CHANTHACHACK

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC



INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

www.pwc.com/la

Banque Pour Le Commerce Exterieur Lao Public

Interim financial information (Unaudited)
For the six-month period ended 30 June 2020

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Report on review of interim financial information

To the Shareholders and Board of Directors of Banque Pour Commerce Exterieur Lao Public.

We have reviewed the interim financial information of Banque Pour Le Commerce Exterieur Lao Public (The Bank). These comprise statement of financial position as at 30 June 2020, the related statement of income, comprehensive income, changes in equity and cash flows for the six-month period then ended and notes to the condensed the interim financial information. The management is responsible for the preparation of these interim financial information in accordance with accounting policies as described in Note 3 and 4 to this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410. 'Review of interim financial information performed by the independent auditor of the entity'. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

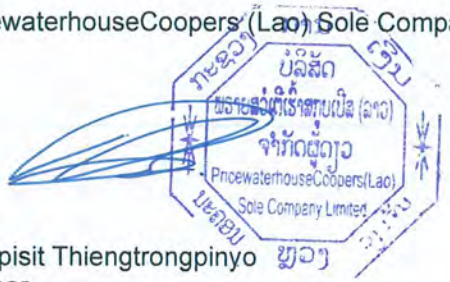
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information of the Bank for the six-month period ended 30 June 2020 is not prepared, in all material respects, in accordance with the significant accounting policies described in Note 3 and 4 to this interim financial information.

Emphasis of matter - basis of accounting

Without qualifying our conclusion, we draw attention to Note 3 and 4 to the interim financial information, which describe the basis of accounting. The accounting basis used in the preparation of these financial information may differ from International Financial Reporting Standards (IFRSs). The readers should therefore be aware that the accompanying financial information are not intended to present the financial position and its financial performance and cash flows in accordance with International Financial Reporting Standards (IFRSs).

PricewaterhouseCoopers (Lao) Sole Company Limited.



By Apisit Thiengtrongpinyo
Partner

Vientiane, Lao PDR
Date: 7 September 2020

Banque pour le commerce exterieur lao public

Statement of income
For the six-month period ended 30 June 2020

	Notes	30 June 2020 LAKm	30 June 2019 Restated LAKm
Interest income		1.202.862	1.075.642
Interest expense		(635.405)	(577.693)
Net interest and similar income	6	**567.457**	**497.949**
Fee and commission income		124.758	119.991
Fee and commission expense		(13.733)	(13.948)
Net fee and commission income	7	**111.025**	**106.043**
Net gain from dealing in foreign currencies		16.909	19.070
Net loss from dealing derivatives		-	(1.204)
Other operating income		10.481	71.592
Total operating income		**705.872**	**693.450**
Credit loss expense of loans to customers		(351.835)	(122.631)
Additional of impairment losses of financial asset		(36.049)	(1.861)
NET OPERATING INCOME		**317.988**	**568.958**
Personnel expenses		(138.939)	(152.676)
Depreciation and amortisation		(36.263)	(35.521)
Depreciation of right-of-use assets		(3.187)	(2.358)
Other operating expenses	8	(77.359)	(74.859)
Total operating expenses		**(255.748)**	**(265.414)**
Share of profit and loss of joint ventures		12.306	26.001
PROFIT BEFORE TAX		**74.546**	**329.545**
Income tax expense	20	(29.805)	(72.001)
NET PROFIT FOR THE PERIOD		**44.741**	**257.544**
Earnings per share			
Basic earnings per share (LAK)	9	215	1.240

Prepared by:

Approved by:

Approved by
BANK OF THE LAO PDR
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC
VIEN TIANE CAPITAL

Mrs. Phousengthong Anoulakkham Chief of Accounting Department	Mr. Kongsack Souphonesy Chief of Internal Audit Department	Mr. Phoukhong Chanthachack General Managing Director

Vientiane, Lao PDR
Date: 7 September 2020

The accompanying notes on pages 8 to 22 form an integral part of these interim financial information

Banque Pour Le Commerce Exterieur Lao Public

Statement of comprehensive income
For the six-month period ended 30 June 2020

	30 June 2020 LAKm	30 June 2019 Restated LAKm
NET PROFIT FOR THE PERIOD	**44.741**	**257.544**
OTHER COMPREHENSIVE INCOME		
Items that will be reclassified subsequently to profit or loss		
Remeasurements of post-employment benefit obligations	(1.464)	-
Profit tax related to components of other comprehensive income	-	-
Total items that will be reclassified subsequently to profit or loss	(1.464)	
OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD, NET OF TAX	**(1.464)**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**43.277**	**257.544**

Prepared by:

Mrs. Phousengthong Anoulakkham
Chief of Accounting Department

Approved by:

Mr. Kongsack Souphonesy
Chief of Internal Audit Department

Approved by:

BANK OF THE LAO PDR
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC
VIEN TIANE CAPITAL

Mr. Phoukhong Chanthachack
General Managing Director

Vientiane, Lao PDR
Date: 7 September 2020

The accompanying notes on pages 8 to 22 form an integral part of these interim financial information

Banque Pour Le Commerce Exterieur Lao Public

Statement of financial position
As at 30 June 2020

	Notes	30 June 2020 LAKm	31 December 2019 Restated LAKm
ASSETS			
Cash and balances with Bank of the Lao PDR		11.319.688	9.202.045
Due from banks	10	3.927.847	4.493.536
Loans to customers	11	29.079.992	27.490.492
Financial asset - Available-for-sale	12	93.574	129.623
Investment - Hold-to-maturity	13	3.363.383	3.453.937
Investment in joint ventures using the equity method, net	14	580.966	568.897
Property and equipment	15	440.038	455.721
Right-of-use assets		55.108	54.814
Intangible assets	16	244.529	245.042
Deferred tax assets		11.578	28.768
Other assets		551.450	471.430
TOTAL ASSETS		**49.668.153**	**46.594.305**
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and other financial institutions	17	4.004.350	4.063.635
Due to customers	18	39.989.216	36.419.928
Borrowings from other banks	19	3.029.485	3.705.378
Lease liabilities		14.232	14.249
Current tax liabilities	20	33.247	41.309
Other liabilities		583.996	210.577
TOTAL LIABILITIES		**47.654.526**	**44.455.076**
EQUITY			
Share capital	21	1.038.617	1.038.617
Statutory and other reserves	22	753.399	604.423
Remeasurement of post-employment benefit reserve		10.618	12.082
Retained earnings		210.993	484.107
TOTAL EQUITY		**2.013.627**	**2.139.229**
TOTAL LIABILITIES AND EQUITY		**49.668.153**	**46.594.305**

Prepared by:

Mrs. Phousengthong Anoulakkham
Chief of Accounting Department

Approved by:

Mr. Kongsack Souphonesy
Chief of Internal Audit Department

Approved by:

BANK OF PDR BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC VIEN TIANE CAPITAL

Mr. Phoukhong Chanthachack
General Managing Director

Vientiane, Lao PDR
Date: 7 September 2020

The accompanying notes on pages 8 to 22 form an integral part of these interim financial information

Banque Pour Le Commerce Exterieur Lao Public

Statement of changes in equity
For the six-month period ended 30 June 2020

	Share capital LAKm	Statutory and other reserves LAKm	Remeasurement of post-employment benefit reserve LAKm	Retained earnings LAKm	Total LAKm
Balances as at 31 December 2019 – restated	**1.038.617**	**604.423**	**12.082**	**484.107**	**2.139.229**
Dividend paid out to shareholders for the year 2019 (Note 23)	-	-	-	(168.879)	(168.879)
Net loss for the period	-	-	-	44.741	44.741
Appropriation to reserve for the year 2019	-	148.976	-	(148.976)	-
Remeasurement of post-employment benefit reserve	-	-	(1.464)	-	(1.464)
Balances as at 30 June 2020	**1.038.617**	**753.399**	**10.618**	**210.993**	**2.013.627**

Prepared by:

Mrs. Phousengthong Anoulakkham
Chief of Accounting Department

Approved by:

Mr. Kongsack Souphonesy
Chief of Internal Audit Department

Approved by:

BANK OF THE LAO PDR
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC
VIEN TIANE CAPITAL

Mr. Phoukhong Chanthachack
General Managing Director

Vientiane, Lao PDR
Date: 7 September 2020

The accompanying notes on pages 8 to 22 form an integral part of these interim financial information

Statement of cash flows
For the six-month period ended 30 June 2020

	30 June 2020 LAKm	30 June 2019 Restated LAKm
OPERATING ACTIVITIES		
Profit before tax	**74.546**	**329.545**
Adjustments for:		
Depreciation and amortization charges	36.263	35.521
Depreciation of right-of-use assets	3.187	2.358
Lease obligation	-	(3.923)
Expense for impairment losses	351.835	122.631
Changes in provision for impairment loss on financial asset	36.049	1.861
Share of associate's profit under equity method	(12.306)	(26.001)
Defined post-employment benefit expense	3.126	3.664
Interest income	(1.202.862)	(1.079.169)
Interest expense	635.405	577.693
Dividend income	(3.835)	(5.992)
Cash flows from operating profit before changing in operating assets and liabilities	**(78.592)**	**(41.812)**
Changes in operating assets		
Due from banks	(531.694)	464.100
Loans to customers	(1.265.012)	(1.732.243)
Investment - Held-to-maturity	74.172	51.446
Other assets	(33.483)	(23.000)
Changes in operating liabilities		
Due to other banks and the BOL	(54.159)	1.033.034
Due to customers	3.522.750	2.143.215
Borrowing from banks	(662.087)	756.417
Other liabilities	326.678	(67.955)
Interest received	543.951	959.168
Interest paid	(612.203)	(511.998)
Profit tax paid during the period	(20.676)	(59.994)
Net cash flows from operating activities	**1.209.645**	**2.970.378**
INVESTING ACTIVITIES		
Purchase and construction of fixed assets	(20.580)	(64.108)
Proceeds from disposals of fixed assets	514	22.085
Purchase of right-of-use assets	(3.481)	-
Dividends received	5.431	7.429
Payment for joint venture investment	(1.360)	(2.040)
Net cash flows used in investing activities	**(19.476)**	**(36.634)**
FINANCING ACTIVITIES		
Payment of dividend	(168.879)	(205.855)
Net cash flows used in financing activities	**(168.879)**	**(205.855)**

Banque Pour Le Commerce Exterieur Lao Public

Statement of cash flows
For the six-month period ended 30 June 2020

	Note	30 June 2020 LAKm	30 June 2019 Restated LAKm
Net increase in cash and cash equivalents		**1.021.290**	**2.727.889**
Cash and cash equivalents at the beginning of the period		**11.722.384**	**7.201.769**
Cash and cash equivalents at the end of the period	24	**12.742.674**	**9.929.658**

Prepared by:

Mrs. Phousengthong Anoulakkham
Chief of Accounting Department

Approved by:

Mr. Kongsack Souphonesy
Chief of Internal Audit Department

Approved by:

BANK OF THE LAO PDR
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC
VIEN TIANE CAPITAL

Mr. Phoukhong Chanthachack
General Managing Director

Vientiane, Lao PDR
Date: 7 September 2020

The accompanying notes on pages 8 to 22 form an integral part of these interim financial information

1. REPORTING ENTITY

Banque Pour Le Commerce Exterieur Lao Public (the Bank) is a public limited company which listed on the Securities Exchange of Lao PDR (LSX).

The Bank is incorporated and domiciled in Lao PDR, the address of the Bank's registered office is as follows:

The Bank's Head Office is located at No. 01, Pangkham Street, Ban Xiengnheun, Chanthabouly District, Vientiane Capital, Lao PDR, As at 30 June 2020. the Bank has one (01) Head Office, six (6) joint ventures, twenty (20) main branches, ninety-three (93) services units, and sixteen (16) exchange units all over Lao PDR.

The principal business operations of the Bank, its joint ventures are to provide banking services including:

- Mobilizing and receiving deposits from organizations and individuals
- Making loans to organizations and individual
- Foreign exchange transactions
- International trade financial services
- Discounting of commercial papers
- Bonds and other valuable papers
- Insurance
- Securities

The shareholding structure of the Bank as at 30 June 2020 is as follows:

Shareholders	Number of shares	%
The Government	124.634.021	60
Strategic partners	20.772.359	10
Local investors (including employees of the Bank) and other foreign investors	62.316.920	30
	207.723.300	**100**

The interim financial information is presented in Lao Kip and rounded to the nearest million, unless otherwise stated.

The Bank issued another set of interim separate financial information. The significant difference from this report is the measurement of investment is measured as cost method in the interim separate financial information.

The interim financial information was authorised for issue by Board of Director on 7 September 2020.

2. SIGNIFICANT EVENTS DURING THE CURRENT PERIOD

The Lao PDR Government ordered a temporary one-month halt to operations starting 1 April 2020 for most businesses, except some banks. Precautionary measures instituted with the government lockdown include restrictions and controls over travel and traffic.

The Government appears to have a good strategy for handling the COVID-19 pandemic. Currently, most businesses can run operations as normal except in some sectors such as hospitality and tourism. BCEL ('the Bank') isn't significantly affected by this.

Management considered COVID-19's impact on the Bank based on the situation in Lao PDR and believe there are no significant effects from it.

3. BASIS OF ACCOUNTING

The condensed interim financial information was prepared in accordance with the Bank's accounting policies as described in more detail in the annual financial statements for the year ended 31 December 2019. The primary financial statements (i.e. statements of financial position, income, comprehensive income, cash flows and changes in equity) are presented in a format consistent with the annual financial statements and comply with the reporting and disclosure regulations issued by the Lao Securities Commission Office (LSCO).

According to the laws and regulations on accounting and auditing for the securities sector, issued by the Ministry of Finance (MoF) and LSCO, all listed companies who identify as Public Interest Entities (PIE) are required to prepare their financial statements in accordance with International Financial Reporting Standards (IFRS).

Regarding Notification No. 1137/MoF dated 27 April 2020 issued by MoF, PIE should fully adopt IFRS by 1 January 2026, which was postponed from 31 December 2021.

Also, LSCO issued announcement No. 0009/LSC on 25 May 2020 which states the extended time for listed companies to prepare their action plan for IFRS, which is until 31 December 2025. Listed companies must fully adopt IFRS as of 1 January 2026 onwards.

During the transitional period, PIE must set up a development plan to adopt IFRS and share this with MoF and LSCO for monitoring purposes. The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019.

Statement of changes in equity for the 6-month period ended 30 June 2019 did not present for comparative figure in this interim financial information same as previous year.

The preparation of interim financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Contingent assets and liabilities are disclosed on the date the condensed interim financial information is prepared, with the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

4. ACCOUNTING POLICY

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2019, except for those discussed in this section.

With MoF and LSCO's announcement mentioned in note 3 above, the Bank is setting up a plan to fully adopt IFRS in the next few years for their accounting policies. Previously, the Bank adopted the International Financial Reporting Standard no. 13 "Fair value measurement" and the International Financial Reporting Standard no. 7 "Financial Instruments: Disclosures" and they change these accounting policies in 2020. This change has no effect on the interim financial information therefore, there is no retrospective adjustment for this matter.

5. PRIOR YEAR ADJUSTMENT

After revisiting previous year transactions, management found transactions that should've been adjusted in the previous year's financial statements. Those transaction are:

5.1 Deferred Income Tax. According to the new Tax Law approved by the National Assembly of Lao PDR on 18 June 2019, the profit tax rate from 2020 onwards has been changed from 24% to 20%. So, management adjusted the profit tax rate for deferred tax calculations in 2019 by using the new rate which will present deferred tax more appropriately.

5.2 Investment in BCEL-KT Securities Co., Ltd. After considering the definition in IFRS 11 – Joint Arrangements, it was found that investment in BCEL-KT should be recognised as a joint venture since all resolutions relating to operations and finances are anonymously voted on. So, management restated financial statements by deconsolidating and recognising shared profit from investing in BCEL-KT.

The following tables show the affected financial information line items for each individual line item.

	As at 30 June 2019		
	Originally stated LAKm	**Increase/ (decrease) LAKm**	**As restated LAKm**
Statement of income			
Interest income	1.079.169	(3.527)	1.075.642
Interest expense	(577.693)	-	(577.693)
Net interest and similar income	**501.476**	**(3.527)**	**497.949**
Fee and commission income	121.378	(1.387)	119.991
Fee and commission expense	(13.948)	-	(13.948)
Net fee and commission income	**107.430**	**(1.387)**	**106.043**
Net gain from dealing in foreign currencies	19.070	-	19.070
Net loss from dealing derivatives	(1.204)	-	(1.204)
Other operating income	71.803	(211)	71.592
Total operating income	**698.575**	**(5.125)**	**693.450**
Credit loss expense of loans to customers	(122.631)	-	(122.631)
Additional of impairment losses of financial asset	(1.938)	77	(1.861)
NET OPERATING INCOME	**574.006**	**(5.048)**	**568.958**
Personnel expenses	(153.970)	1.294	(152.676)
Depreciation and amortisation	(35.708)	187	(35.521)
Depreciation of right-of-use assets	(2.562)	204	(2.358)
Other operating expenses	(75.599)	740	(74.859)
Total operating expenses	**(267.839)**	**2.425**	**(265.414)**
Share of profit and loss of joint ventures	24.189	1.812	26.001
PROFIT BEFORE TAX	330.356	**(811)**	**329.545**
Income tax expense	(72.601)	600	(72.001)
NET PROFIT FOR THE PERIOD	**257.755**	**(211)**	**257.544**
Earnings per share	1.237		1.240

5. PRIOR YEAR ADJUSTMENT (CONTINUED)

The following tables show the affected financial statement line items for each individual line item.

	As at 31 December 2019		
	Originally stated LAKm	Increase/ (decrease) LAKm	As restated LAKm
Statement of financial position			
ASSETS			
Cash and balances with Bank of the Lao PDR	9.202.051	(6)	9.202.045
Due from banks	4.588.321	(94.785)	4.493.536
Loans to customers	27.490.492	-	27.490.492
Financial assets - Held-for-trading	19	(19)	
Financial asset - Available-for-sale	133.930	(4.307)	129.623
Investment - Hold-to-maturity	3.453.937	-	3.453.937
Investment in joint ventures using the equity method, net	494.666	74.231	568.897
Property and equipment	456.259	(538)	455.721
Right-of-use assets	245.069	(190.255)	54.814
Intangible assets	55.194	189.848	245.042
Deferred tax assets	34.644	(5.876)	28.768
Other assets	472.122	(692)	471.430
TOTAL ASSETS	**46.626.704**	**(32.399)**	**46.594.305**
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and other financial institutions	4.061.775	1.860	4.063.635
Due to customers	36.419.928	-	36.419.928
Borrowings from other banks	3.705.378	-	3.705.378
Lease liabilities	41.636	(27.387)	14.249
Current tax liabilities	-	41.309	41.309
Other liabilities	228.301	(17.724)	210.577
TOTAL LIABILITIES	**44.457.018**	**(1.942)**	**44.455.076**
EQUITY			
Share capital	1.038.617	-	1.038.617
Statutory and other reserves	605.993	(1.570)	604.423
Remeasurement of post-employment benefit reserve	15.897	(3.815)	12.082
Retained earnings	477.452	6.655	484.107
TOTAL EQUITY CONTRIBUTABLE TO THE PARENT	**2.137.959**	**1.270**	**2.139.229**
Total equity contributable to non-controlling interest	31.727	(31.727)	-
TOTAL EQUITY	**2.169.686**	**(31.727)**	-
TOTAL LIABILITIES AND EQUITY	**46.626.704**	**(32.399)**	**46.594.305**

	As at 30 June 2019		
	Originally stated LAKm	Increase/ (decrease) LAKm	As restated LAKm
Statement of income			
Net interest and similar income	501.476	(3.527)	497.949
Net fee and commission income	107.430	(1.387)	106.043
Total operating expenses	(267.839)	2.425	(265.414)
Profit tax expense	(54.326)	593	(53.733)
Others	(28.986)	1.685	(27.301)
Net profit for the period	257.755	(211)	257.544
Equity holders of the parent	256.993	(256.993)	-
Non-controlling interest	762	(762)	-

6. NET INTEREST AND SIMILAR INCOME

	Unaudited 30 June 2020 LAKm	Restated 30 June 2019 LAKm
Interest income:		
Lending to customers	1.094.132	960.957
Deposits at other banks	27.374	31.990
Investment - Hold-to-maturity	81.330	82.610
Other interest income and similar income	26	85
	1.202.862	**1.075.642**
Interest expense:		
Due to other banks	(106.584)	(145.752)
Customer deposits	(528.821)	(431.941)
	(635.405)	**(577.693)**
Net interest and similar income	**567.457**	**497.949**

7. NET FEES AND COMMISSION INCOME

	Unaudited 30 June 2020 LAKm	Restated 30 June 2019 LAKm
Fees and commission income from:		
Settlement services	96.414	86.922
Credit activities	13.904	23.244
Other activities	14.440	9.825
	124.758	**119.991**
Fees and commission expense for:		
Settlement services	(12.033)	(11.993)
Other activities	(1.700)	(1.955)
	(13.733)	**(13.948)**
Net fees and commission income	**111.025**	**106.043**

8. OTHER OPERATING EXPENSE

	Unaudited 30 June 2020 LAKm	Restated 30 June 2019 LAKm
Deposit Insurance paid to Depositor Protection Fund	22.897	14.642
Others	54.462	60.217
	77.359	**74.859**

9. EARNINGS PER SHARE

The calculations of basic earnings per share as at 30 June 2020 and 2019 were based on the profit for the period attributable to ordinary shareholders of the Bank and the weighted average number of ordinary shares outstanding during the period as follows:

	Unaudited 30 June 2020	Restated 30 June 2019
Profit attributable to ordinary shareholders of the Company (LAKm)	44.741	257.544
Weighted average number of ordinary shares for basic earnings per share (shares)	207.723.300	207.723.300
Earnings per share (LAK)	215	1.240

10. DUE FROM BANKS

	Unaudited 30 June 2020 LAKm	Restated Audited 31 December 2019 LAKm
Current and saving accounts	**3.111.056**	**3.919.881**
- In LAK	7.965	23
- In foreign currencies	3.103.091	3.919.858
Term deposits	**816.791**	**573.655**
- In LAK	193.778	219.775
- In foreign currencies	623.013	353.880
	3.927.847	**4.493.536**

Interest rates for amounts due from other banks during the period are as follows:

	30 June 2020 % per annum	31 December 2019 % per annum
Demand deposits	0,07 – 1,10	0,00 – 3,10
Saving deposits	0,07 – 2,16	0,00 – 0,80
Term deposits	0,15 – 6,36	0,50 – 4,95

11. LOANS TO CUSTOMERS

	Unaudited 30 June 2020 LAKm	Audited 31 December 2019 LAKm
Gross loans to customers	30.087.656	28.141.033
Loans funded by borrowings from BOL (see Note 19)	1.875.748	1.825.039
Less: Allowance for impairment losses	(1.007.664)	(650.541)
	29.079.992	**27.490.492**

11. LOANS TO CUSTOMERS (CONTINUED)

Changes in the allowance for impairment losses of loans to customers during the six-month ended 30 June 2020 as follows:

	LAKm
Balance as at 1 January 2020 - audited	**650.541**
Net change during the period	363.063
Non-performing loans written-off	(5.940)
Balance as at 30 June 2020 - unaudited	**1.007.664**

Break down of allowance for impairment losses of loans to customers as at 30 June 2020 are as follows:

	30 June 2020		31 December 2019	
	Outstanding balance LAKm	Impairment LAKm	Outstanding balance LAKm	Impairment LAKm
Individually impaired	5.533.603	792.211	4.008.282	401.513
Collectively impaired	22.678.958	215.453	22.979.708	249.028
	28.212.561	**1.007.664**	**26.987.990**	**650.541**

Interest rates for commercial loans during the period are as follows:

	30 June 2020 % per annum	31 December 2019 % per annum
Loans denominated in LAK	6,00 – 16,00	6,00 – 16,00
Loans denominated in USD	5,41 – 10,00	5,80 – 16,00
Loans denominated in THB	6,00 – 16,00	6,00 – 10,00

Analysis of loan portfolio by currency:

	Unaudited 30 June 2020 LAKm	Audited 31 December 2019 LAKm
Loans denominated in LAK	13.289.504	12.649.118
Loans denominated in USD	13.157.871	12.054.073
Loans denominated in THB	3.640.281	3.437.842
	30.087.656	**28.141.033**

Analysis of loan portfolio by original maturity:

	Unaudited 30 June 2020 LAKm	Audited 31 December 2019 LAKm
Short-term loans	2.086.354	1.581.901
Medium-term loans	17.147.602	16.311.131
Long-term loans	10.853.700	10.248.001
	30.087.656	**28.141.033**

12. FINANCIAL ASSET - AVAILABLE-FOR-SALE

The Bank has investment in share of EDL-Generation Public Company. EDL is a listed company on LSX and the fair value at 30 June 2020 is LAK 93.574 million.

13. INVESTMENT - HOLD-TO-MATURITY

Significant movement of financial investment – held to maturity is as below:

	LAKm
Balance as at 1 January 2020 - audited	**3.453.937**
Additions	910.327
Collection	(1.000.881)
Balance as at 30 June 2020 - unaudited	**3.363.383**

14. INVESTMENT IN JOINT VENTURES USING THE EQUITY METHOD, NET

	LAKm
Balance as at 1 January 2020 - restated	**568.897**
Share of profit of joint ventures	12.306
Invest in joint venture	1.360
Less: Dividends received during the period	(1.597)
Balance as at 30 June 2020 - unaudited	**580.966**

Investment in joint ventures as at 30 June 2020, and dividend income for the six-month periods ended 30 June 2020 were as follows:

	Ownership interest		Cost		Equity	
	30 June 2020	31 December 2019	Unaudited 30 June 2020	Restated Audited 31 December 2019	Unaudited 30 June 2020	Restated Audited 31 December 2019
	(%)		LAKm			
BCEL – KT	70	70	70.000	70.000	72.768	74.231
Lao Viet Joint Venture Bank	25	25	197.839	197.839	238.987	235.339
Banque Franco - Lao Limited	30	30	90.000	90.000	86.653	84.431
Lao China Bank Company Limited	49	49	147.000	147.000	168.043	162.464
Lao-Viet Insurance Joint Venture Company	35	35	9.168	9.168	11.505	10.837
Lao National Payment Network Company Limited	20	20	3.400	2.040	3.010	1.595
Total			**517.407**	**516.047**	**580.966**	**568.897**

15. PROPERTY AND EQUIPMENT

Movements of property and equipment for the period are as follows:

	LAKm
Balance as at 1 January 2020 - restated	**455.721**
Additions	20.607
Transfer in	2.812
Disposal	(4.289)
Depreciation charge	(34.813)
Balance as at 30 June 2020 - unaudited	**440.038**

16. INTANGIBLE ASSETS

Movements of intangible asset for the period are as follows:

	LAKm
Balance as at 1 January 2020 - restated	**245.042**
Additions	937
Depreciation charge	(1.450)
Balance as at 30 June 2020 - unaudited	**244.529**

17. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	Unaudited 30 June 2020 LAKm	Restated 31 December 2019 LAKm
Demand deposits	**3.021.707**	**3.522.988**
- In LAK	1.179.527	1.127.264
- In foreign currencies	1.842.180	2.395.724
Saving deposits	**330.568**	**302.654**
- In LAK	106.398	45.567
- In foreign currencies	224.170	257.087
Term deposits	**629.562**	**215.345**
- In LAK	324.673	137.359
- In foreign currencies	304.889	77.986
Others	**22.513**	**22.648**
- In LAK	22.197	15.166
- In foreign currencies	316	7.482
	4.004.350	**4.063.635**

17 DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS (CONTINUED)

Interest rates for deposits from other banks and financial institutions during the period are as follows:

	30 June 2020 % per annum	31 December 2019 % per annum
Demand deposits	No interest	0,00 – 0,30
Saving deposits	No interest	No interest
Term deposits	0,56 – 6,37	0,56 – 6,65

18. DUE TO CUSTOMERS

	Unaudited 30 June 2020 LAKm	Restated 31 December 2019 LAKm
Demand deposits	**5.487.705**	**5.851.192**
Demand deposits in LAK	2.657.909	2.828.297
Demand deposits in FC	2.829.796	3.022.895
Demand savings	**19.362.540**	**16.422.065**
Demand saving deposits in LAK	9.716.688	8.015.243
Demand saving deposits in FC	9.645.852	8.406.822
Term deposits	**14.942.507**	**13.900.002**
Term deposits in LAK	8.086.179	7.640.736
Term deposits in FC	6.856.328	6.259.266
Margin deposits	**55.042**	**104.854**
Margin deposits in LAK	32.434	33.832
Margin deposits in FC	22.608	71.022
Other payables to customers	**141.422**	**141.815**
	39.989.216	**36.419.928**

Saving deposits from customers denominated in LAK, USD and THB bear interest at rate ranging of 1,25% – 1,89%, 0,90% - 1,15% and 0,45% – 0,90% per annum respectively.

Fixed term deposits in LAK, USD, THB have terms of 3, 6, 12 months and more than 1 year and are subject to interest rates ranging of 3,16% – 13%, 1,65% - 7,75% and 1,40% – 7,75% per annum respectively.

19. BORROWINGS FROM OTHER BANKS

Movements in long term borrowings as at 30 June 2020 were as follow:

	LAKm
Balance as at 1 January 2020 - audited	**3.705.378**
Additions	85.217
Repayments	(823.778)
Loss on exchange rate	62.668
Balance as at 30 June 2020 - unaudited	**3.029.485**

	Unaudited 30 June 2020 LAKm	Audited 31 December 2019 LAKm
Borrowings from the BOL	1.875.748	1.825.039
Borrowings from others bank	1.153.737	1.880.339
	3.029.485	**3.705.378**

20. CURRENT TAX LIABILITIES

	Unaudited 30 June 2020 LAKm	Restated 31 December 2019 LAKm
Profit tax payable (1)	16.480	28.553
Value Added Tax payable	15.426	12.156
Other payable	1.341	600
	33.247	**41.309**

(1) Movements of profit tax payable for the period are as follows:

	LAKm
Balance as at 1 January 2020 - restated	28.553
Profit tax during the period (2) *	12.614
Payment during the period	(24.687)
Balance as at 30 June 2020 - unaudited	**16.480**

*According to revised Tax Law, dated 18 June 2019, approved by National Assembly. profit tax rate start from 1 January 2020 is 20% (2019: 24%).

(2) Income tax expense for six-month period ended 30 June 2020 and 30 June 2019 are as follows:

	Unaudited 30 June 2020 LAKm	Restated 30 June 2019 LAKm
Current income tax	12.614	53.733
Deferred income tax	17.191	18.268
	29.805	**72.001**

21. SHARE CAPITAL

There has been no change to charter capital during the period.

22. STATUTORY RESERVES AND OTHER RESERVES

	Regulatory reserve fund LAKm	Business expansion fund LAKm	Other Reserve LAKm	Total LAKm
Balance as at 1 January 2020 - restated	**170.892**	**433.531**	**-**	**604.423**
Appropriations to reserves from LAS profit of BCEL Bank	34.881	104.640	9.455	148.976
Balance as at 30 June 2020 - unaudited	**205.773**	**538.171**	**9.455**	**753.399**

23 DIVIDENDS

At the shareholder's meeting on 29 May 2020, the annual general shareholders' meeting had a resolution to approve for payment of the dividend for 2019 of LAK 169 billion (LAK 813 per share). It was paid to shareholders on 5 June 2020.

24. ADDITIONAL CASH FLOW INFORMATION

Cash and cash equivalents included in the interim statement of cash flows comprise the following interim statement of financial position amounts:

	Unaudited 30 June 2020 LAKm	Restated 30 June 2019 LAKm
Cash and cash equivalents on hand	2.260.843	2.001.960
Demand deposits with the BOL	7.178.268	4.200.054
Current accounts with other banks	3.111.056	2.877.943
Term deposit due within 90 days	193.507	849.701
	12.743.674	**9.929.658**

25. COMMITMENTS

	30 June 2020 LAKm	31 December 2019 LAKm
Financial letter of guarantees	447.902	400.347
At sight letters of credit	256.523	350.346
Credit limit given to customers	2.417.849	2.434.380
Credit limit given to other banks	548	548
	3.122.822	**3.185.621**

Financial letter of guarantees

Letters of credit (including standby letters of credit) and bank guarantees commit the Bank to make payments on behalf of customers contingent upon the failure of the customer to perform under the terms of the contract. Guarantees and standby letters of credit carry the same credit risks as loans. Credit guarantees can be in the form of bills of exchange or in the form of irrevocable letters of credit. advance payment guarantees. and endorsement liabilities from bills discounted.

Credit limit given to customers and other banks

Commitments to extend credit represent contractual commitments to make loans and revolving credits. Commitments generally have fixed expiry dates. or other termination clauses. Since commitments may expire without being drawn upon. the total contract amounts do not necessarily represent future cash requirements.

However. the potential credit loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

26. CAPITAL MANAGEMENT

The Bank maintains minimum regulatory capital in accordance with Regulation No. 536/BFSD/BOL dated 14 October 2009 by the Governor of Commercial Bank Supervision Department of BOL and other detailed guidance. The primary objective of the Bank's capital management is to ensure that the Bank complies with externally imposed capital requirements by the BOL. The Bank recognizes the need to maintain effectiveness of assets and liabilities management to balance its profit and capital adequacy.

In accordance with Regulation 536/BFSD/BOL. the Bank's regulatory capital includes 2 tiers:

- Tier 1 capital. which includes charter capital. regulatory reserve fund. business expansion fund and other funds. and retained earnings;
- Tier 2 capital. which is the lower of: 1.25% of total risk weighted balance sheet items; or outstanding balance of general provision and provision for risk and other expense during the six-month period.

Various limits are applied to elements of the capital base: qualifying tier 2 cannot exceed tier 1 capital. and qualifying subordinated liabilities may not exceed 50% of tier 1 capital.

An analysis of the Bank's capital based on financial information derived from the interim financial statements is as follows:

	30 June 2020 LAKm	31 December 2019 LAKm
Tier 1 capital	2.013.627	2.139.229
Tier 2 capital	-	-
Total capital	**2.013.627**	**2.139.229**
Less: Deductions from capital (Investments in other entities)	(580.966)	(568.897)
Capital for CAR calculation (A)	**1.432.661**	**1.570.332**
Risk weighted balance sheet items	14.969.685	13.421.211
Risk weighted off balance sheet items	1.539.150	1.595.547
Total risk weighted assets (B)	**16.508.835**	**15.016.758**
Capital Adequacy Ratio (A/B)	**8,68%**	**10,46%**

27. RELATED PARTY DISCLOSURES

a) The major shareholders of the Bank are the Government Lao., holding 60% of the Bank's shares. The Bank's remaining shares are widely held.

Information on the Bank's interests in joint ventures is provided in Note 14.

b) Significant transactions as at 30 June 2020 with related parties were as follows:

	30 June 2020 LAKm	30 June 2019 LAKm
Interest income and other		
Parent company	87.501	81.453
Interest expense and other		
Related party	48.753	61.710

Transactions with key management personnel of the Bank

c) Remuneration to members of the Board of Directors and the Board of Management of the parent Bank is as follows:

	30 June 2020 LAKm	30 June 2019 LAKm
Salaries	690	788
Bonus	523	518
Responsibility allowance	468	523
Other benefits	-	48
	1.681	**1.877**

d) Outstanding balances arising from interest income. interest expense and other.

The outstanding balances at the end of the reporting period in relation to transactions with related parties are as follows:

	30 June 2020 LAKm	31 December 2019 LAKm
Receivables		
Parent company	3.374.574	3.458.956
Joint venture	968.738	1.196.531
Related party	9.065.877	7.151.949
Payables		
Joint venture	1.006.560	1.104.779
Related party	1.880.020	1.831.849

BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC



INTERIM SEPARATE FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

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Banque Pour Le Commerce Exterieur Lao Public

Interim separate financial information (Unaudited)
For the six-month period ended 30 June 2020

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Report on review of interim separate financial information

To the Shareholders and Board of Directors of Banque Pour Commerce Exterieur Lao Public.

We have reviewed the interim separate financial information of Banque Pour Le Commerce Exterieur Lao Public Limited (the Bank). which comprises the separate statement of financial position as at 30 June 2020, the related statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended and notes to the condensed the interim financial information. The management is responsible for the preparation and presentation of this interim separate financial information in accordance with accounting policies as described in Note 3 and 4 to this interim financial information. Our responsibility is to express a conclusion on this interim separate financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410. 'Review of interim financial information performed by the independent auditor of the entity'. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters. and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

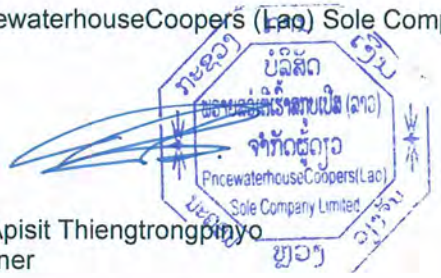
Conclusion

Based on our review, nothing has come to my attention that causes me to believe that the accompanying interim separate financial information of the Bank for the six-month period ended 30 June 2020 is not prepared, in all material respects, in accordance with the significant accounting policies described in Note 3 and 4 to this interim financial information.

Emphasis of matter - basis of accounting

Without qualifying our conclusion, we draw attention to Note 3 and 4 to the interim separate financial statements, which describe the basis of accounting. The accounting basis used in the preparation of these financial information may differ from International Financial Reporting Standards (IFRSs). The readers should therefore be aware that the accompanying interim separate financial information are not intended to present the financial position and its financial performance and cash flows in accordance with International Financial Reporting Standards (IFRSs).

PricewaterhouseCoopers (Lao) Sole Company Limited



By Apisit Thiengtrongpinyo
Partner

Vientiane, Lao PDR
Date: 7 September 2020

Banque Pour Le Commerce Exterieur Lao Public

Separate statement of income
For the six-month period ended 30 June 2020

	Notes	30 June 2020 LAKm	30 June 2019 LAKm
Interest income		1.202.862	1.075.642
Interest expense		(635.405)	(577.693)
Net interest and similar income	6	**567.457**	**497.949**
Fee and commission income		124.758	119.991
Fee and commission expense		(13.733)	(13.948)
Net fee and commission income	7	**111.025**	**106.043**
Net gain from dealing in foreign currencies		16.909	19.070
Net loss from dealing derivatives		-	(1.204)
Other operating income		12.078	73.029
Total operating income		**707.469**	**694.887**
Credit loss expense of loans to customers		(351.835)	(122.631)
Additional of impairment losses of financial asset		(36.049)	(1.861)
NET OPERATING INCOME		**319.585**	**570.395**
Personnel expenses		(138.939)	(152.676)
Depreciation and amortisation		(36.263)	(35.521)
Depreciation of right-of-use assets		(3.187)	(2.358)
Other operating expenses	8	(77.359)	(74.859)
Total operating expenses		**(255.748)**	**(265.414)**
PROFIT BEFORE TAX		**63.837**	**304.981**
Income tax expense	20	(29.805)	(72.001)
NET PROFIT FOR THE PERIOD		**34.032**	**232.980**
Earnings per share (LAK)	9	**164**	**1.122**

Prepared by:

Mrs. Phousengthong Anoulakkham
Chief of Accounting Department

Approved by:

Mr. Kongsack Souphonesy
Chief of Internal Audit Department

Approved by:

BANK OF THE LAO PDR
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC
VIEN TIANE CAPITAL

Mr. Phoukhong Chanthachack
General Managing Director

Vientiane, Lao PDR
Date: 7 September 2020

The accompanying notes on pages 8 to 20 form an integral part of these interim financial information

Banque Pour Le Commerce Exterieur Lao Public

Separate statement of comprehensive income
For the six-month period ended 30 June 2020

	30 June 2020 LAKm	30 June 2019 LAKm
NET PROFIT FOR THE PERIOD	**34.032**	**232.980**
OTHER COMPREHENSIVE INCOME		-
Items that will be reclassified subsequently to profit or loss		
Remeasurements of post-employment benefit obligations	(1.464)	-
Profit tax related to components of other comprehensive income	-	-
Total items that will be reclassified subsequently to profit or loss	(1.464)	-
OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD, NET OF TAX	**(1.464)**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**32.568**	**232.980**

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Chief of Internal Audit Department

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BANK OF THE LAO PDR
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC
VIEN TIANE CAPITAL

Mr. Phoukhong Chanthachack
General Managing Director

Vientiane, Lao PDR
Date: 7 September 2020

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Banque Pour Le Commerce Exterieur Lao Public

Separate statement of financial position
As at 30 June 2020

	Notes	30 June 2020 LAKm	31 December 2019 Restated LAKm
ASSETS			
Cash and balances with Bank of the Lao PDR		11.319.688	9.202.045
Due from banks	10	3.927.847	4.493.536
Loans to customers	11	29.079.992	27.490.492
Financial asset - Available-for-sale	12	93.574	129.623
Investment - Hold-to-maturity	13	3.363.383	3.453.937
Investment in joint ventures	14	517.407	516.047
Property and equipment	15	440.038	455.721
Right-of-use assets		55.108	54.814
Intangible assets	16	244.529	245.042
Deferred tax assets		11.578	28.768
Other assets		551.450	471.430
TOTAL ASSETS		**49.604.594**	**46.541.455**
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and other financial institutions	17	4.004.350	4.063.635
Due to customers	18	39.989.216	36.419.928
Borrowings from other banks	19	3.029.485	3.705.378
Lease liabilities		14.232	14.249
Current tax liabilities	20	33.247	41.309
Other liabilities		583.996	210.577
TOTAL LIABILITIES		**47.654.526**	**44.455.076**
EQUITY			
Share capital	21	1.038.617	1.038.617
Statutory and other reserves	22	753.399	604.423
Remeasurement of post-employment benefit reserve		10.618	12.082
Retained earnings		147.434	431.257
TOTAL EQUITY		**1.950.068**	**2.086.379**
TOTAL LIABILITIES AND EQUITY		**49.604.594**	**46.541.455**

Prepared by:

Mrs. Phousengthong Anoulakkham
Chief of Accounting Department

Approved by:

Mr. Kongsack Souphonesy
Chief of Internal Audit Department

Approved by:

BANK OF THE LAO PDR
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC
VIEN TIANE CAPITAL

Mr. Phoukhong Chanthachack
General Managing Director

Vientiane, Lao PDR
Date: 7 September 2020

The accompanying notes on pages 8 to 20 form an integral part of these interim financial information

Banque Pour Le Commerce Exterieur Lao Public

Separate statement of changes in equity
For the six-month period ended 30 June 2020

	Share capital LAKm	Statutory and other reserves LAKm	Remeasurement of post-employment benefit reserve LAKm	Retained earnings LAKm	Total LAKm
Balances as at 31 December 2019 - restated	**1.038.617**	**604.423**	**12.082**	**431.257**	**2.086.379**
Dividend paid out to shareholders for the year 2019 (Note 23)	-	-	-	(168.879)	(168.879)
Net loss for the period	-	-	-	34.032	34.032
Appropriation to reserve for the year 2019	-	148.976	-	(148.976)	-
Remeasurement of post-employment benefits	-	-	(1.464)	-	(1.464)
Balances as at 30 June 2020	**1.038.617**	**753.399**	**10.618**	**147.434**	**1.950.068**

Prepared by:

Mrs. Phousengthong Anoulakkham
Chief of Accounting Department

Approved by:

Mr. Kongsack Souphonesy
Chief of Internal Audit Department

Approved by:

BANK OF THE LAO PDR
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC
VIEN TIANE CAPITAL

Mr. Phoukhong Chanthachack
General Managing Director

Vientiane, Lao PDR
Date: 7 September 2020

The accompanying notes on pages 8 to 20 form an integral part of these interim financial information

Banque Pour Le Commerce Exterieur Lao Public

Separate statement of cash flows
For the six-month period ended 30 June 2020

	30 June 2020 LAKm	30 June 2019 LAKm
OPERATING ACTIVITIES		
Profit before tax	**63.837**	**304.981**
Adjustments for:		
Depreciation and amortization charges	36.263	35.521
Depreciation of right-of-use assets	3.187	2.358
Adjustments for OB under IFRS 16	-	(3.923)
Expense for impairment losses	351.835	122.631
Changes in provision for impairment loss on financial asset	36.049	1.861
Defined post-employment benefit expense	3.126	3.664
Interest income	(1.202.862)	(1.079.169)
Interest expense	635.405	577.693
Dividend income	(5.431)	(7.429)
Cash flows from operating profit before changing in operating assets and liabilities	**(78.591)**	**(41.812)**
Changes in operating assets		
Due from banks	(531.694)	464.100
Loans to customers	(1.265.012)	(1.732.243)
Investment - Held-to-maturity	74.172	51.446
Other assets	(33.484)	(23.000)
Changes in operating liabilities		
Due to other banks and the BOL	(54.159)	1.033.034
Due to customers	3.522.750	2.143.215
Borrowing from banks	(662.087)	756.417
Other liabilities	326.679	(67.955)
Interest received	543.951	959.168
Interest paid	(612.203)	(511.998)
Profit tax paid during the period	(20.676)	(59.994)
Net cash flows from operating activities	**1.209.646**	**2.970.378**
INVESTING ACTIVITIES		
Purchase and construction of fixed assets	(20.580)	(64.108)
Purchase intangible asset	513	-
Purchase of right-of-use assets	(3.481)	-
Proceeds from disposals of fixed assets	-	22.085
Dividends received	5.431	7.429
Payment for investment in joint venture	(1.360)	(2.040)
Net cash flows used in investing activities	**(19.477)**	**(36.634)**
FINANCING ACTIVITIES		
Payment of dividend	(168.879)	(205.855)
Net cash flows used in financing activities	**(168.879)**	**(205.855)**

The accompanying notes on pages 8 to 20 form an integral part of these interim financial information

Banque Pour Le Commerce Exterieur Lao Public

Separate statement of cash flows
For the six-month period ended 30 June 2020

	Notes	30 June 2020 LAKm	30 June 2019 LAKm
Net increase in cash and cash equivalents		**1.021.290**	**2.727.889**
Cash and cash equivalents at the beginning of the period		**11.722.384**	**7.201.769**
Cash and cash equivalents at the end of the period	24	**12.473.674**	**9.929.658**

Prepared by:

Mrs. Phousengthong Anoulakkham
Chief of Accounting Department

Approved by:

Mr. Kongsack Souphonesy
Chief of Internal Audit Department

Approved by:

BANK OF THE LAO PDR
BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC
VIEN TIANE CAPITAL

Mr. Phoukhong Chanthachack
General Managing Director

Vientiane, Lao PDR
Date: 7 September 2020

The accompanying notes on pages 8 to 20 form an integral part of these interim financial information

1. REPORTING ENTITY

Banque Pour Le Commerce Exterieur Lao Public (the Bank) is a public limited company which listed on the Securities Exchange of Lao PDR (LSX).

The Bank is incorporated and domiciled in Lao PDR, the address of the Bank's registered office is as follows:

The Bank's Head Office is located at No. 01. Pangkham Street, Ban Xiengnheun, Chanthabouly District, Vientiane Capital, Lao PDR. As at 30 June 2020, the Bank has one (01) Head Office, six (6) joint ventures, twenty (20) main branches, ninety-three (93) services units, and sixteen (16) exchange units all over Lao PDR.

The principal business operations of the Bank, its joint ventures (Note 14) are to provide banking services including:

- Mobilizing and receiving deposits from organizations and individuals
- Making loans to organizations and individuals
- Foreign exchange transactions
- International trade financial services
- Discounting of commercial papers
- Bonds and other valuable papers
- Insurance
- Securities

The shareholding structure of the Bank as at 30 June 2020 is as follows:

Shareholders	Number of shares	%
The Government	124.634.021	60
Strategic partners	20.772.359	10
Local investors (including employees of the Bank) and other foreign investors	62.316.920	30
	207.723.300	**100**

The interim financial information is presented in Lao Kip and rounded to the nearest million, unless otherwise stated.

The Bank issued another set of interim financial information. The significant difference from this report is the measurement of investment is measured as equity method in the interim financial information.

The interim financial information was authorised for issue by Board of director on 7 September 2020.

2. SIGNIFICANT EVENTS DURING THE CURRENT PERIOD

The Lao PDR Government ordered a temporary one-month halt to operations starting 1 April 2020 for most businesses, except some banks. Precautionary measures instituted with the government lockdown include restrictions and controls over travel and traffic.

The Government appears to have a good strategy for handling the COVID-19 pandemic. Currently, most businesses can run operations as normal except in some sectors such as hospitality and tourism. BCEL ('the Bank') isn't significantly affected by this.

Management considered COVID-19's impact on the Bank based on the situation in Lao PDR and believe there are no significant effects from it.

3. BASIS OF ACCOUNTING

The condensed interim financial information was prepared in accordance with the Bank's accounting policies as described in more detail in the annual financial statements for the year ended 31 December 2019. The primary financial statements (i.e. statements of financial position, income, comprehensive income, cash flows and changes in equity) are presented in a format consistent with the annual financial statements and comply with the reporting and disclosure regulations issued by the Lao Securities Commission Office (LSCO).

According to the laws and regulations on accounting and auditing for the securities sector, issued by the Ministry of Finance (MoF) and LSCO, all listed companies who identify as Public Interest Entities (PIE) are required to prepare their financial statements in accordance with International Financial Reporting Standards (IFRS).

Regarding Notification No. 1137/MoF dated 27 April 2020 issued by MoF, PIE should fully adopt IFRS by 1 January 2026, which was postponed from 31 December 2021.

Also, LSCO issued announcement No. 0009/LSC on 25 May 2020 which states the extended time for listed companies to prepare their action plan for IFRS, which is until 31 December 2025. Listed companies must fully adopt IFRS as of 1 January 2026 onwards.

During the transitional period, PIE must set up a development plan to adopt IFRS and share this with MoF and LSCO for monitoring purposes. The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019.

Statement of changes in equity for the 6-month period ended 30 June 2019 did not present for comparative figure in this interim financial information same as previous year.

The preparation of interim financial information requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Contingent assets and liabilities are disclosed on the date the condensed interim financial information is prepared, with the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

4. ACCOUNTING POLICY

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2019, except for those discussed in this section.

With MoF and LSCO's announcement mentioned in note 3 above, the Bank is setting up a plan to fully adopt IFRS in the next few years for their accounting policies. Previously, the Bank adopted the International Financial Reporting Standard no. 13 "Fair value measurement" and the International Financial Reporting Standard no. 7 "Financial Instruments: Disclosures" and they change these accounting policies in 2020. This change has no effect on the interim financial information therefore, there is no retrospective adjustment for this matter.

5. PRIOR YEAR ADJUSTMENT

After revisiting prior year transactions. management found transactions that should have been adjusted in the year's financial statements. This transaction is:

5.1 Deferred Income Tax. According to the new Tax Law approved by the National Assembly of Lao PDR on 18 June 2019, the profit tax rate from 2020 onwards has been changed from 24% to 20%. So, management adjusted the profit tax rate for deferred tax calculations in 2019 by using the new rate which will present deferred tax more appropriately.

The following tables show the affected financial information line items for each individual line item.

	As at 31 December 2019		
	Originally stated (LAKm)	Increase/ (decrease) (LAKm)	As restated (LAKm)
Statement of financial position			
ASSETS			
Deferred tax assets	34.521	(5.753)	28.768
TOTAL ASSETS	46.547.208	(5.753)	46.541.455
EQUITY			
Retained earnings	437.010	(5.753)	431.257
TOTAL EQUITY	2.092.132	(5.753)	2.086.379

6. NET INTEREST AND SIMILAR INCOME

	Unaudited 30 June 2020 LAKm	Unaudited 30 June 2019 LAKm
Interest income:		
Lending to customers	1.094.132	960.957
Deposits at other banks	27.374	31.990
Investment - Hold-to-maturity	81.330	82.610
Other interest income and similar income	26	85
	1.202.862	**1.075.642**
Interest expense:		
Due to other banks	(106.584)	(145.752)
Customer deposits	(528.821)	(431.941)
	(635.405)	**(577.693)**
Net interest and similar income	**567.457**	**497.949**

7. NET FEES AND COMMISSION INCOME

	Unaudited 30 June 2020 LAKm	Unaudited 30 June 2019 LAKm
Fees and commission income from:		
Settlement services	96.414	86.922
Credit activities	13.904	23.244
Other activities	14.440	9.825
	124.758	**119.991**
Fees and commission expense for:		
Settlement services	(12.033)	(11.993)
Other activities	(1.700)	(1.955)
	(13.733)	**(13.948)**
Net fees and commission income	**111.025**	**106.043**

8. OTHER OPERATING EXPENSE

	Unaudited 30 June 2020 LAKm	Unaudited 30 June 2019 LAKm
Deposit Insurance paid to Depositor Protection Fund	22.897	14.642
Others	54.462	60.217
	77.359	**74.859**

9. EARNINGS PER SHARE

The calculations of basic earnings per share as at 30 June 2020 and 2019 were based on the profit for the period attributable to ordinary shareholders of the bank and the weighted average number of ordinary shares outstanding during the period as follows:

	Unaudited 30 June 2020	Unaudited 30 June 2019
Profit attributable to ordinary shareholders of the Company (LAKm)	34.032	232.980
Weighted average number of ordinary shares for basic earnings per share (shares)	207.723.300	207.723.300
Earnings per share (LAK)	164	1.122

10. DUE FROM BANKS

	Unaudited 30 June 2020 LAKm	Audited 31 December 2019 LAKm
Current and saving accounts	**3.111.056**	**3.919.881**
- In LAK	7.965	23
- In foreign currencies	3.103.091	3.919.858
Term deposits	**816.791**	**573.655**
- In LAK	193.778	219.775
- In foreign currencies	623.013	353.880
	3.927.847	**4.493.536**

Interest rates for amounts due from other banks during the period are as follows:

	30 June 2020 % per annum	31 December 2019 % per annum
Demand deposits	0,07 – 1,10	0,00 – 3,10
Saving deposits	0,07 – 2,16	0,00 – 0,80
Term deposits	0,15 – 6,36	0,50 – 4,95

11. LOANS TO CUSTOMERS

	Unaudited 30 June 2020 LAKm	Audited 31 December 2019 LAKm
Gross loans to customers	30.087.656	28.141.033
Loans funded by borrowings from BOL (see Note 19)	1.875.748	1.825.039
Less: Allowance for impairment losses	(1.007.664)	(650.541)
	29.079.992	**27.490.492**

Changes in the allowance for impairment losses of loans to customers during the six-month ended 30 June 2020 as follows:

	LAKm
Balance as at 1 January 2020 - audited	**650.541**
Net change during the period	363.063
Non-performing loans written-off	(5.940)
Balance as at 30 June 2020 - unaudited	**1.007.664**

11. LOANS TO CUSTOMERS (CONTINUED)

Break down of allowance for impairment losses of loans to customers as at 30 June 2020 and 31 December 2019 are as follows:

	30 June 2020		31 December 2019	
	Outstanding balance LAKm	Impairment LAKm	Outstanding balance LAKm	Impairment LAKm
Individually impaired	5.533.603	792.211	4.008.282	401.513
Collectively impaired	22.678.958	215.453	22.979.708	249.028
	28.212.561	**1.007.664**	**26.987.990**	**650.541**

Interest rates for commercial loans during the period are as follows:

	30 June 2020 % per annum	31 December 2019 % per annum
Loans denominated in LAK	6,00 – 16,00	6,00 – 16,00
Loans denominated in USD	5,41 – 10,00	5,80 – 16,00
Loans denominated in THB	6,00 – 16,00	6,00 – 10,00

Analysis of loan portfolio by currency:

	Unaudited 30 June 2020 LAKm	Audited 31 December 2019 LAKm
Loans denominated in LAK	13.289.504	12.649.118
Loans denominated in USD	13.157.871	12.054.073
Loans denominated in THB	3.640.281	3.437.842
	30.087.656	**28.141.033**

Analysis of loan portfolio by original maturity:

	Unaudited 30 June 2020 LAKm	Audited 31 December 2019 LAKm
Short-term loans	2.086.354	1.581.901
Medium-term loans	17.147.602	16.311.131
Long-term loans	10.853.700	10.248.001
	30.087.656	**28.141.033**

12. FINANCIAL ASSET - AVAILABLE-FOR-SALE

The Bank has investment in share of EDL-Generation Public Company. EDL is a listed company on LSX and the fair value at 30 June 2020 is LAK 93.574 million.

13. INVESTMENT - HOLD-TO-MATURITY

Significant movement of financial investment – held to maturity is as below:

	LAKm
Balance as at 1 January 2020 - audited	**3.453.937**
Additions	910.327
Collection	(1.000.881)
Balance as at 30 June 2020 - unaudited	**3.363.383**

14. INVESTMENT IN JOINT VENTURES

Investment in joint ventures as at 30 June 2020 for the six-month periods ended 30 June 2020 were as follows:

	Ownership interest		Cost	
	30 June 2020	31 December 2019	Unaudited 30 June 2020	Audited 31 December 2019
	(%)		(LAKm)	
BCEL - KT	70	70	70.000	70.000
Lao Viet Joint Venture Bank	25	25	197.839	197.839
Banque Franco - Lao Limited	30	30	90.000	90.000
Lao China Bank Company Limited	49	49	147.000	147.000
Lao-Viet Insurance Joint Venture Company	35	35	9.168	9.168
Lao National Payment Network Company Limited	20	20	3.400	2.040
Total			**517.407**	**516.047**

15. PROPERTY AND EQUIPMENT

Movements of property and equipment for the period are as follows:

	LAKm
Balance as at 1 January 2020 - audited	**455.721**
Additions	20.607
Transfer in	2.812
Disposal	(4.289)
Depreciation charge	(34.813)
Balance as at 30 June 2020 - unaudited	**440.038**

16. INTANGIBLE ASSET

Movements of intangible asset for the period are as follows:

	LAKm
Balance as at 1 January 2020 - audited	**245.042**
Additions	937
Depreciation charge	(1.450)
Balance as at 30 June 2020 - unaudited	**244.529**

17. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	Unaudited 30 June 2020 LAKm	Audited 31 December 2019 LAKm
Demand deposits	**3.021.707**	**3.522.988**
- In LAK	1.179.527	1.127.264
- In foreign currencies	1.842.180	2.395.724
Saving deposits	**330.568**	**302.654**
- In LAK	106.398	45.567
- In foreign currencies	224.170	257.087
Term deposits	**629.562**	**215.345**
- In LAK	324.673	137.359
- In foreign currencies	304.889	77.986
Others	**22.513**	**22.648**
- In LAK	22.197	15.166
- In foreign currencies	316	7.482
	4.004.350	**4.063.635**

Interest rates for deposits from other banks and financial institutions during the period are as follows:

	30 June 2020 % per annum	31 December 2019 % per annum
Demand deposits	No interest	0,00 – 0,30
Saving deposits	No interest	No interest
Term deposits	0,56 – 6,37	0,56 – 6,65

18. DUE TO CUSTOMERS

	Unaudited 30 June 2020 LAKm	Audited 31 December 2019 LAKm
Demand deposits	**5.487.705**	**5.851.192**
Demand deposits in LAK	2.657.909	2.828.297
Demand deposits in FC	2.829.796	3.022.895
Demand savings	**19.362.540**	**16.422.065**
Demand saving deposits in LAK	9.716.688	8.015.243
Demand saving deposits in FC	9.645.852	8.406.822
Term deposits	**14.942.507**	**13.900.002**
Term deposits in LAK	8.086.179	7.640.736
Term deposits in FC	6.856.328	6.259.266
Margin deposits	**55.042**	**104.854**
Margin deposits in LAK	32.434	33.832
Margin deposits in FC	22.608	71.022
Other payables to customers	**141.422**	**141.815**
	39.989.216	**36.419.928**

Saving deposits from customers denominated in LAK, USD and THB bear interest at rate ranging of 1,25% – 1,89%, 0,90% - 1,15% and 0,45% – 0,90% per annum respectively.

Fixed term deposits in LAK, USD, THB have terms of 3, 6, 12 months and more than 1 year and are subject to interest rates ranging of 3,16% – 13%, 1,65% - 7,75% and 1,40% – 7,75% per annum respectively.

19. BORROWINGS FROM OTHER BANKS

Movements in long term borrowings as at 30 June 2020 were as follow:

	LAKm
Balance as at 1 January 2020 - audited	**3.705.378**
Additions	85.217
Repayments	(823.778)
Loss on exchange rate	62.668
Balance as at 30 June 2020 - unaudited	**3.029.485**

	Unaudited 30 June 2020 LAKm	Audited 31 December 2019 LAKm
Borrowings from the BOL	1.875.748	1.825.039
Borrowings from others bank	1.153.737	1.880.339
	3.029.485	**3.705.378**

20. CURRENT TAX LIABILITIES

	Unaudited 30 June 2020 LAKm	Audited 31 December 2019 LAKm
Profit tax payable (1)	16.480	28.553
Value Added Tax payable	15.426	12.156
Other payable	1.341	600
	33.247	**41.309**

(1) Movements of profit tax payable for the period are as follows:

	LAKm
Balance as at 1 January 2020 - audited	28.553
Profit tax during the period (2) *	12.614
Payment during the period	(24.687)
Balance as at 30 June 2020 - unaudited	**16.480**

*According to revised Tax Law. dated 18 June 2019. approved by National Assembly. profit tax rate start from 1 January 2020 is 20% (2019: 24%).

(2) Income tax expense for six-month period ended 30 June 2020 and 30 June 2019 are as follows:

	Unaudited 30 June 2020 LAKm	Unaudited 30 June 2019 LAKm
Current income tax	12.614	53.733
Deferred income tax	17.191	18.268
	29.805	**72.001**

21. SHARE CAPITAL

There has been no change to charter capital during the period.

22. STATUTORY RESERVES AND OTHER RESERVES

	Regulatory reserve fund LAKm	Business expansion fund LAKm	Other Reserve LAKm	Total LAKm
Balance as at 1 January 2020 - audited	**170.892**	**433.531**	**-**	**604.423**
Appropriations to reserves from LAS profit of BCEL Bank	34.881	104.640	9.455	148.976
Balance as at 30 June 2020 - unaudited	**205.773**	**538.171**	**9.455**	**753.399**

23 DIVIDENDS

At the shareholder's meeting on 29 May 2020, the annual general shareholders' meeting had a resolution to approve for payment of the dividend for 2019 of LAK 169 billion (LAK 813 per share). It was paid to shareholders on 5 June 2020.

24. ADDITIONAL CASH FLOW INFORMATION

Cash and cash equivalents included in the interim separate statement of cash flows comprise the following interim separate statement of financial position amounts:

	Unaudited 30 June 2020 LAKm	Unaudited 30 June 2019 LAKm
Cash and cash equivalents on hand	2.260.843	2.001.960
Demand deposits with the BOL	7.178.268	4.200.054
Current accounts with other banks	3.111.056	2.877.943
Term deposit due within 90 days	193.507	849.701
	12.743.674	**9.929.658**

25. COMMITMENTS

	30 June 2020 LAKm	31 December 2019 LAKm
Financial letter of guarantees	447.902	400.347
At sight letters of credit	256.523	350.346
Credit limit given to customer	2.417.849	2.434.380
Credit limit given to other banks	548	548
	3.122.822	**3.185.621**

Financial letter of guarantees

Letters of credit (including standby letters of credit) and bank guarantees commit the Bank to make payments on behalf of customers contingent upon the failure of the customer to perform under the terms of the contract. Guarantees and standby letters of credit carry the same credit risks as loans. Credit guarantees can be in the form of bills of exchange or in the form of irrevocable letters of credit. advance payment guarantees. and endorsement liabilities from bills discounted.

Credit limit given to customers and other banks

Commitments to extend credit represent contractual commitments to make loans and revolving credits. Commitments generally have fixed expiry dates. or other termination clauses. Since commitments may expire without being drawn upon. the total contract amounts do not necessarily represent future cash requirements.

However. the potential credit loss is less than the total unused commitments since most commitments to extend credit are contingent upon customers maintaining specific standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

26. CAPITAL MANAGEMENT

The Bank maintains minimum regulatory capital in accordance with Regulation No. 536/BFSD/BOL dated 14 October 2009 by the Governor of Commercial Bank Supervision Department of BOL and other detailed guidance. The primary objective of the Bank's capital management is to ensure that the Bank complies with externally imposed capital requirements by the BOL. The Bank recognizes the need to maintain effectiveness of assets and liabilities management to balance its profit and capital adequacy.

In accordance with Regulation 536/BFSD/BOL. the Bank's regulatory capital includes 2 tiers:

- Tier 1 capital. which includes charter capital. regulatory reserve fund. business expansion fund and other funds. and retained earnings;
- Tier 2 capital. which is the lower of: 1.25% of total risk weighted balance sheet items; or outstanding balance of general provision and provision for risk and other expense during the six-month period.

Various limits are applied to elements of the capital base: qualifying tier 2 cannot exceed tier 1 capital. and qualifying subordinated liabilities may not exceed 50% of tier 1 capital.

An analysis of the Bank's capital based on financial information derived from the interim separate financial statements is as follows:

	30 June 2020 LAKm	31 December 2019 LAKm
Tier 1 capital	1.950.068	2.086.379
Tier 2 capital	-	-
Total capital	**1.950.068**	**2.086.379**
Less: Deductions from capital (Investments in other entities)	(517.407)	(516.047)
Capital for CAR calculation (A)	**1.432.661**	**1.570.332**
Risk weighted balance sheet items	15.033.245	13.346.980
Risk weighted off balance sheet items	1.539.150	1.595.547
Total risk weighted assets (B)	**16.572.395**	**14.942.527**
Capital Adequacy Ratio (A/B)	**8,64%**	**10,51%**

27. RELATED PARTY DISCLOSURES

a) The major shareholders of the Bank are the Government Lao., holding 60% of the Bank's shares. The Bank's remaining shares are widely held.

Information on the Bank's interests in joint ventures is provided in Note 14.

b) Significant transactions as at 30 June 2020 with related parties were as follows:

	30 June 2020 LAKm	30 June 2019 LAKm
Interest income and other		
Parent company	87.501	81.453
Interest expense and other		
Parent company	48.753	61.710

Transactions with key management personnel of the Bank

c) Remuneration to members of the Board of Directors and the Board of Management of the parent Bank is as follows:

	30 June 2020 LAKm	30 June 2019 LAKm
Salaries	690	788
Bonus	523	518
Responsibility allowance	468	523
Other benefits	-	48
	1.681	**1.877**

d) Outstanding balances arising from interest income. interest expense and other.

The outstanding balances at the end of the reporting period in relation to transactions with related parties are as follows:

	30 June 2020 LAKm	31 December 2019 LAKm
Receivables		
Parent company	3.374.574	3.458.956
Joint venture	968.738	1.196.531
Related party	9.065.877	7.151.949
Payables		
Joint venture	1.006.560	1.104.779
Related party	1.880.020	1.831.849